



ENTER THE WORLD OF NANO AND MICROSYSTEMS

HALF YEAR REVENUE AS OF SEPTEMBER 30, 2019 AND OUTLOOK ON THE RESULT OF THE FIRST HALF OF THE FISCAL YEAR

Grenoble, France and Dallas, TX, USA – October 30, 2019 - Tronics, a TDK Group Company that manufactures custom MEMS products and standard inertial sensors, has announced its revenue for first half of fiscal year 2020 (from April 1 to September 30, 2019). Consolidated revenue was nearly stable compared to the same period of last year.

CONSOLIDATED REVENUE FOR THE FIRST HALF OF FISCAL YEAR 2020

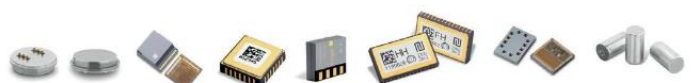
in €k (IFRS) - unaudited	First half of fiscal year 2020 From April 1 to September 30, 2019	First half of fiscal year 2019 From April 1 to September 30, 2018	Half year variation
Revenue	3,043	3,064	-1%
Manufacturing	2,071	1,606	+29%
Engineering	972	1,458	-33%

Revenue for the first half of fiscal year 2020 totalled more than €3.0M, nearly stable compared to the same period of last fiscal year (from April 1 to September 30, 2018). The entry into production of new products explains both the growth of +29% for the manufacturing activities, and the decrease of -33% for the engineering activities.

The Group's manufacturing activities generated revenue of €2.1M, an increase of +29% compared to the same period of last year. The growth has been strongly sustained by production activities in Crolles, France, which increased by +27% over the same period. This momentum has been sustained by a growing demand for Tronics' high performance MEMS inertial sensors, and the activities related to custom MEMS products for industrial applications. Manufacturing activities now represent 68% of Tronics' revenue, in line with the Company's strategy, which made this activity its top growth priority.

Engineering activities, dedicated to the development and the industrialization of future custom MEMS products at Group level, accounted for less than €1.0M in the first half of fiscal year 2020 (versus €1.5M in the first half of fiscal year 2019).

Moreover, over the last six months of fiscal year 2020, revenue of the American subsidiary was up, reaching USD 525k versus USD 431k over the same period of previous fiscal year, thus confirming the gradual recovery of the new production unit in Dallas. The American subsidiary now accounts for more than 15% of total Group's revenue.





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OUTLOOK

Despite nearly stable revenue over the first half of fiscal year 2020, Tronics expects over the fiscal year a clear improvement of its recurring operating income (which was -€4.8M in the first half of the previous fiscal year 2019). This loss reduction will mainly come from the adjustments performed on the structure of the American subsidiary since the end of the previous fiscal year, as well as a strengthened cost management at Crolles. Nevertheless, the net income is expected to deteriorate because of the negative foreign currency exchange impact on the loans granted by Tronics' mother company, which are recognized as a financial result.

About Tronics Microsystems

Tronics Microsystems is a division of TDK's Temperature & Pressure Sensors Business Group that manufactures custom MEMS products and standard inertial sensors. Addressing high-growth markets relying on increasing miniaturization of electronic devices, the company provides custom and standard products especially to the industrial, aeronautics, security, and medical markets. Founded in 1997, Tronics is located in Crolles, near Grenoble (France) and in Dallas, Texas (United States), and has around 100 employees, most of them engineers and scientists. Following a tender offer ending January 2017, TDK Electronics AG (formerly EPCOS AG) now holds 74 percent of Tronics' shares.

* ISIN code: FR0004175099 ALTRO

About TDK Corporation

TDK Corporation is a leading electronics company based in Tokyo, Japan. It was established in 1935 to commercialize ferrite, a key material in electronic and magnetic products. TDK's comprehensive portfolio features passive components such as ceramic, aluminum electrolytic and film capacitors, as well as magnetics, high-frequency, and piezo and protection devices. The product spectrum also includes sensors and sensor systems such as temperature and pressure, magnetic, and MEMS sensors. In addition, TDK provides power supplies and energy devices, magnetic heads and more. These products are marketed under the product brands TDK, EPCOS, InvenSense, Micronas, Tronics and TDK-Lambda. TDK focuses on demanding markets in the areas of information and communication technology and automotive, industrial and consumer electronics. The company has a network of design and manufacturing locations and sales offices in Asia, Europe, and in North and South America. In fiscal 2019, TDK posted total sales of USD 12.5 billion and employed about 105,000 people worldwide.



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