



# **Micronas**

## **Public Tender Offer by TDK**

**Presentation for Investors, Financial Analysts and Press**  
**December 17, 2015**

# Offer Restrictions

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- ◆ This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, shares of Micronas Semiconductor Holding AG (**Micronas** and its shares the **Micronas Shares**) or any other securities.
- ◆ For information regarding the public tender offer by TDK Corporation or its subsidiaries (the **Offeror**) for all publicly held registered shares of Micronas (the **Offer**), you are urged to read the offer documents, which are available at [http://www.global.tdk.com/news\\_center/press/document.htm](http://www.global.tdk.com/news_center/press/document.htm)
- ◆ The Offer will be made for the registered shares of the Micronas, a Swiss company whose shares are listed on the SIX Swiss Exchange, and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States. The Offer is subject to disclosure and other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer procedures and laws.
- ◆ In accordance with the laws of Switzerland and subject to applicable regulatory requirements, the Offeror or their nominees or brokers (acting as agents for the Offeror) may from time to time after the date of the Offer Prospectus, and other than pursuant to the Offer, directly or indirectly purchase, or arrange to purchase, Micronas Shares or any securities that are convertible into, exchangeable for or exercisable for Micronas Shares. These purchases, or arrangements to purchase, may occur either in the open market at prevailing prices or in private transactions at negotiated prices and shall comply with applicable laws and regulations in Switzerland and applicable U.S. securities laws.

# Strategic Rationale of the Transaction

- 1 Creation of a **leading company in the magnetic sensor market** capturing substantial market growth
- 2 Leverage of expertise in the automotive magnetic sensing market based on **complementary technologies (Hall/MR sensors)** and geographic footprint
- 3 Increase degree of **vertical integration** across the value chain
- 4 Significant **operational benefits** between the combined entities (e.g. manufacturing, logistics/procurement, customer care, quality, IT, etc.)
- 5 **Strong synergy potential** in sensor development for automotive and industrial as well as ICT applications
- 6 Substantial **economies of scale** due to increased production capabilities

We believe **the tie-up between Micronas and TDK** will enable us to capture potential growth in sensor market, whereby we have the vision to **achieve a leading market position in the magnetic sensor market** in the future

# Public Tender Offer – Key Parameters

Offer	<ul style="list-style-type: none"> <li>◆ Price of CHF 7.50 per Micronas share, net in cash</li> <li>◆ Corresponds to a purchase price of CHF 214m and an enterprise value of CHF 241m<sup>1</sup></li> </ul>
Premium	<ul style="list-style-type: none"> <li>◆ 69.7% premium on 60-day volume-weighted average price of CHF 4.42</li> <li>◆ 63.0% premium on closing price as of 16-Dec-15 of CHF 4.60</li> <li>◆ 87.5% premium on median consensus analyst target price of CHF 4.00</li> </ul>
Offer Conditions	<ul style="list-style-type: none"> <li>◆ At least 67% ownership achieved by the end of offer period</li> <li>◆ No material adverse effect of Micronas' business during the offer period</li> <li>◆ Approval by relevant merger control authorities</li> <li>◆ Other customary conditions</li> </ul>
Other Agreements	<ul style="list-style-type: none"> <li>◆ Transaction Agreement between TDK and Micronas relating to offer</li> <li>◆ Micronas Board of Directors recommends to their shareholders to accept the offer</li> </ul>
Offer Period	<ul style="list-style-type: none"> <li>◆ Planned publication of offer document on 22-Dec-15</li> <li>◆ Planned offer period from 12-Jan-16 to 10-Feb-16</li> </ul>

<sup>1</sup> Calculated based on cash and cash equivalents of CHF 114m, share buyback expenses of 2m and total debt of CHF 141m

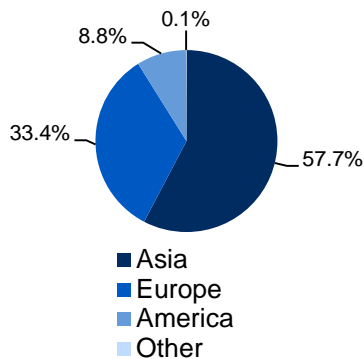
# Businesses at a Glance



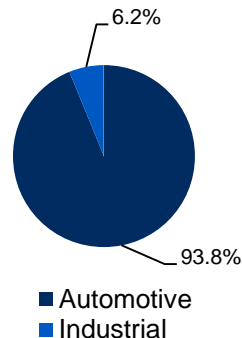
- ◆ Headquarters: Zurich, Switzerland
- ◆ Market cap: CHF 169m<sup>1</sup>
- ◆ FY2014 revenue: CHF 158m
- ◆ Employees: 920
- ◆ Most preferred partner for sensing and control

## HY'15 Revenue Split

### Geographical



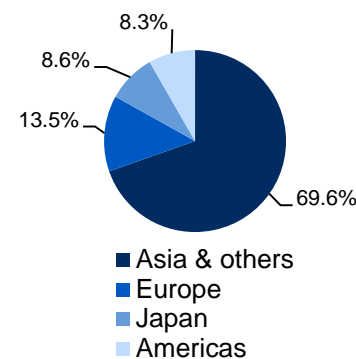
### Segment



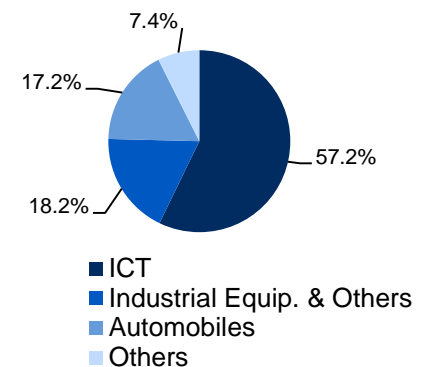
- ◆ Headquarters: Tokyo, Japan
- ◆ Market cap: CHF 8,714m (JPY 1,076bn)<sup>2</sup>
- ◆ FY2015 revenue: CHF 8,768m (JPY 1,083bn)<sup>2</sup>
- ◆ Employees: 88,000
- ◆ Leading global provider of electronic components and elements

## FY'15 Revenue Split<sup>3</sup>

### Geographical



### Segment



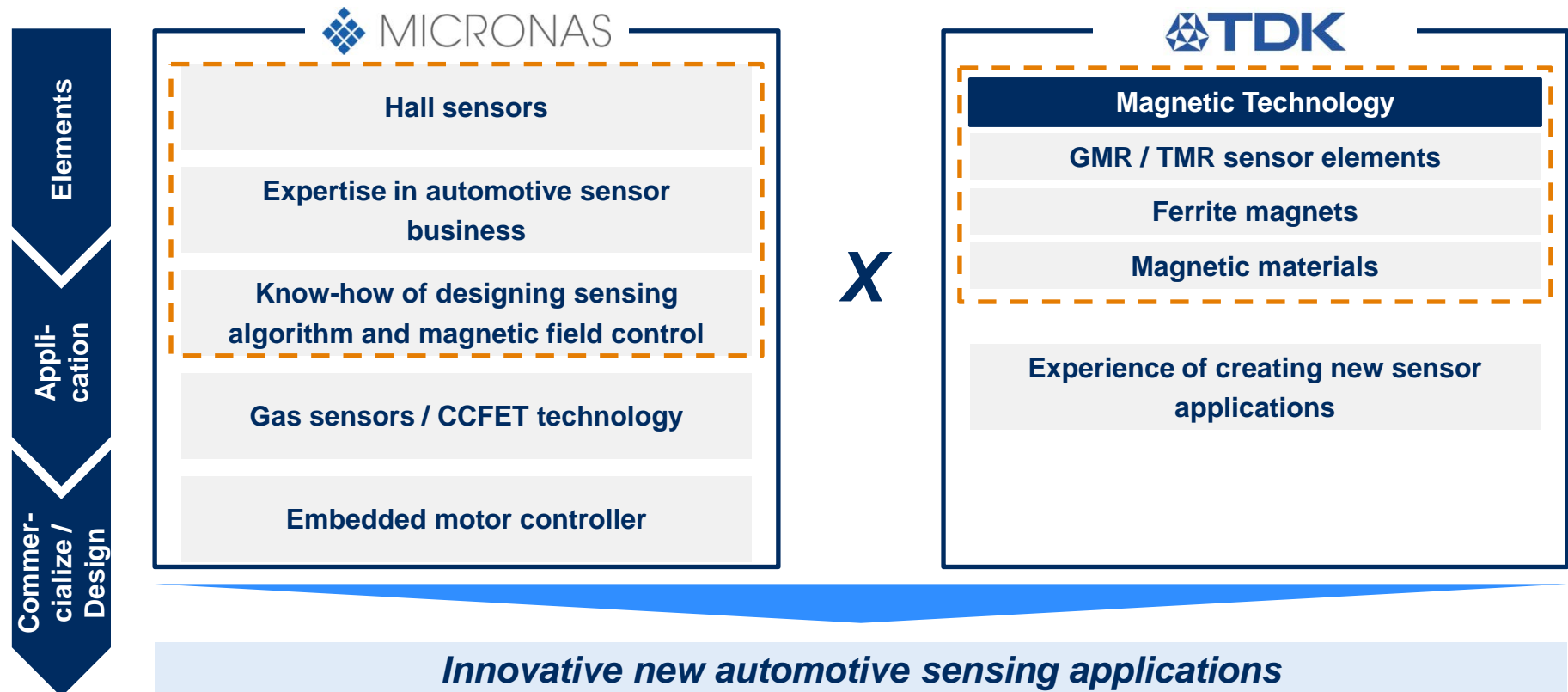
<sup>1</sup> Year end 31-Dec-14

<sup>2</sup> JPY/CHF of 0.008 as of 31-Mar-15 (Source: FactSet)

<sup>3</sup> Year end 31-Mar-15

# Provider of Innovative New Automotive Sensing and Control Applications

- ◆ Combining Micronas' hall sensor and CMOS mixed signal design expertise with TDK's various sensor elements will create innovative new sensing applications



# Integration Plan of Sensor Business

- ◆ Micronas drives the global magnetic sensor strategy of the integrated entities with broader product offering of chip to unit, being a reliable partner for its customers

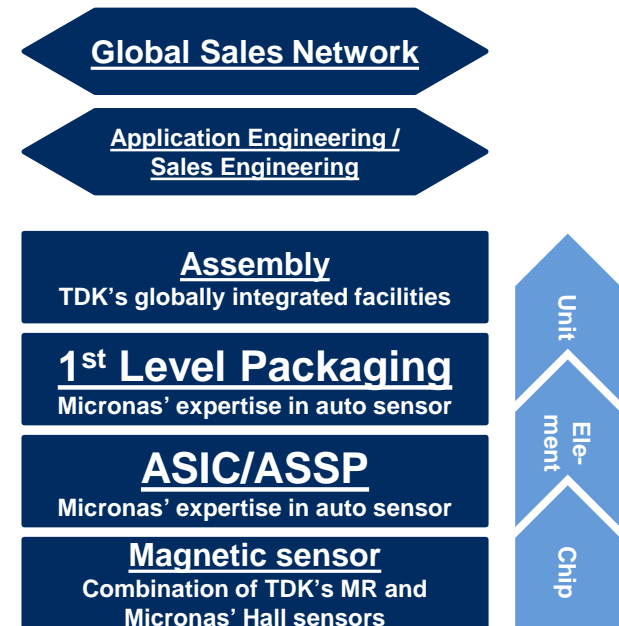
## Stand-alone Basis



Strong

## Integration Plan of Sensor Business Group

Micronas to lead the magnetic sensor business



# Opportunities in Magnetic Sensor Markets

- ◆ TDK aims at leading company in the magnetic sensor market through the combination

## Automotive

- ◆ Micronas further capturing Tier 1 customers globally by taking advantage of TDK's MR and magnetics technologies



## Industrial

- ◆ Micronas has know-how for industrial applications and relationships with global players. TDK and Micronas together provide innovative new products



## IT and Consumer Electronics

- ◆ Marketing Micronas' products through TDK's collaboration with global top players in the area, by co-developing versatile sensors





# Key Combination Benefits

- ◆ Collaboration of Micronas and TDK reinforces the further success in automotive magnetic sensor and in other applications



## Benefits for Micronas

**TDK's GMR/TMR Sensor Elements**

**Wider Range of Products and Global Customer Portfolio**

**Cost Reduction by Joint Procurement**

**Financial Capacity for Larger Scale R&D and Capex**

## Benefits for TDK

**Micronas' Expertise in Magnetic Solutions**

**Implementation of Automotive Sensor Applications**

**Growth of Sensor Business**

**Micronas' Management Experience in Automotive Sensor Business**

# Summary

- 1 Leverage of **expertise/know-how of TDK and Micronas' employees** to create a leading company in the magnetic sensor market
- 2 Substantial **operational benefits from TDK and Micronas' site** allowing to increase vertical integration across value chain
- 3 Being a reliable partner for Micronas' customers due to **continuing relationships among TDK, Micronas and existing clients**
- 4 TDK / Micronas being responsible for **sensor competence center for magnetic sensors** within the combined entities



**Being in the lead to drive global strategy for sensors in combined entity provides strategic, operational and financial benefits for TDK / Micronas**

# Contact

## IR contact

Susy Krucker

Investor Relations

Phone: +41 44 445 39 60

E-mail: [investor@micronas.com](mailto:investor@micronas.com)

for further information, please check:

**[www.micronas.com / Investor](http://www.micronas.com/Investor)**

## IR contact

Sumio Marukawa

Corporate Communication Group

Phone: +81 3 6852 7102

E-mail: [pr@jp.tdk.com](mailto:pr@jp.tdk.com)

for further information, please check:

**[http://www.global.tdk.com/news\\_center/press/document.htm](http://www.global.tdk.com/news_center/press/document.htm)**

The above documentation contains forward-looking statements that are subject to certain risks and uncertainties. Actual results may differ materially from those anticipated in this presentation.