



## **Pre-Announcement of the Public Tender Offer by**

### **TDK Corporation, Tokyo, Japan**

(or one of its direct or indirect subsidiaries, in which case TDK Corporation will guarantee such subsidiary's obligations to the extent required)

for all publicly held registered shares with a nominal value of CHF 0.05 each of

### **Micronas Semiconductor Holding AG, Zurich, Switzerland**

On the terms and subject to the conditions set forth below, TDK Corporation, a corporation organized under the laws of Japan, having its seat in Tokyo, Japan (**TDK**), intends to launch on or about December 22, 2015, a public tender offer (the **Offer**) pursuant to art. 22 *et seq.* of the Federal Act on Stock Exchanges and Securities Trading (*Bundesgesetz über die Börsen und den Effektenhandel*) for all publicly held registered shares (*Namenaktien*) of Micronas Semiconductor Holding AG, Zurich, Switzerland (the **Company** or **Micronas**), with a nominal value of CHF 0.05 each (each a **Micronas Share**), either directly or through its designated direct or indirect subsidiary (TDK or such subsidiary hereinafter the **Offeror**).

### **Background of the Offer**

TDK is, together with its subsidiaries, globally active in the electronic components industry. TDK intends to acquire and add the Company's complementary sensor-based system solutions business to its portfolio of products and services.

On December 17, 2015, TDK entered into a transaction agreement with the Company (the **Transaction Agreement**) pursuant to which the Company's board of directors agreed, among other things, to unconditionally recommend the Offer for acceptance by the Company's shareholders.

### **Terms of the Offer**

#### **Object of the Offer**

Except as set forth below and subject to the offer restrictions, the Offer will extend to all publicly held Micronas Shares, including all Micronas Shares that will be issued by the Company upon the exercise of outstanding options under the Company's stock option plan (the **Stock Option Plan**) before the expiration of the Additional Acceptance Period (as defined below).

The Offer will neither extend to Micronas Shares held by TDK or any of its direct or indirect subsidiaries (each subsidiary of TDK or of the Company, whether a direct or indirect

subsidiary, a **Subsidiary**), nor to Micronas Shares held by the Company or any of its Subsidiaries.

### **Offer Price**

The offer price for each Micronas Share is CHF 7.50 net in cash (the **Offer Price**).

The Offer Price will be reduced by the gross amount of any dilutive effects in respect of the Micronas Shares prior to the consummation of the Offer (the **Settlement**), including, but not limited to, dividend payments and other distributions of any kind, demergers and spin-offs, capital increases (except for the implementation of conditional capital increases by the board of directors of the Company based on the exercise of options that have been outstanding as of the date of the Transaction Agreement and that are, on the date of their exercise, exercisable under the Stock Option Plan and the relevant option agreement by board members, officers and employees of the Company, in accordance with the Stock Option Plan and the relevant option agreement) and the sale of treasury shares at an issuance or sales price per Micronas Share below the Offer Price, the purchase of Micronas Shares at a purchase price above the lower of the Offer Price and the prevailing share price, the issuance of options, warrants, convertible securities or other rights of any kind for the acquisition of Micronas Shares or other securities of the Company and repayments of capital in any form.

The Offer Price implies a premium of 69.7% to the volume-weighted average price of all on-exchange transactions in Micronas Shares executed on the SIX Swiss Exchange (**SIX**) during the sixty (60) SIX trading days (each a **Trading Day**) prior to the publication of this Pre-Announcement (which amounts to CHF 4.42) and a premium of 63.0% to the on-exchange closing price of the Micronas Share on the SIX on December 16, 2015, the Trading Day immediately prior to the publication of this Pre-Announcement, of CHF 4.60.

### **Offer Period and Additional Acceptance Period**

It is expected that the offer prospectus relating to the Offer (the **Offer Prospectus**) will be published on or about December 22, 2015. After the lapse of the cooling-off period of ten (10) Trading Days, it is intended that the Offer will remain open for acceptance during twenty-two (22) Trading Days, i.e., from about January 12, 2016 until about February 10, 2016, 4 p.m. CET (the **Offer Period**). The Offeror reserves the right to extend the Offer Period once or several times to a maximum of forty (40) Trading Days or, with the approval of the Swiss Takeover Board (the **TOB**), beyond forty (40) Trading Days. If the Offer is successful, after the expiration of the (possibly extended) Offer Period, there will be an additional acceptance period of ten (10) Trading Days for the subsequent acceptance of the Offer (the **Additional Acceptance Period**).

## Offer Conditions

The Offer is expected to be subject to the conditions set forth below. The period in respect of which each of the conditions will be in force and in effect is described under the heading "*Period for Which the Offer Conditions are in Force and in Effect.*"

- (a) By the end of the (possibly extended) Offer Period, the Offeror shall have received valid acceptances for such number of Micronas Shares representing, when combined with the Micronas Shares that TDK and its Subsidiaries will own at the end of the (possibly extended) Offer Period, at least 67% of all Micronas Shares issued at the end of the (possibly extended) Offer Period (excluding any Micronas Shares held by the Company or its Subsidiaries in treasury as of the date of the Transaction Agreement) or the issuance of which has been approved by a general meeting of shareholders or the board of directors of the Company between the date of this Pre-Announcement and the end of the (possibly extended) Offer Period or which may be issued out of the Company's conditional capital.
- (b) All waiting periods applicable to the acquisition of the Company by the Offeror shall have expired or been terminated and all competent merger control authorities and all other competent regulatory authorities shall have approved, and/or, as the case may be, not prohibited or objected to, the Offer, its Settlement and the acquisition of the Company by the Offeror without imposition of any condition, requirement or obligation on TDK and/or the Company and/or any of their respective Subsidiaries that has a Material Adverse Effect on TDK and/or the Company and/or any of their respective Subsidiaries. For purposes of the Offer, a **Material Adverse Effect** shall mean any matter or event that, in the opinion of a reputed, independent accounting firm or investment bank appointed by the Offeror, individually or together with any other matter or event, is suitable to cause a reduction of:
  - (i) the consolidated earnings before interest and taxes (**EBIT**) of CHF 3,000,000 (Swiss francs three million) – corresponding to 46.9% of the EBIT of the Micronas group in the financial year 2014 as per the Company's annual report 2014 – or more; or
  - (ii) the consolidated sales of CHF 10,000,000 (Swiss francs ten million) – corresponding to 6.3% of the consolidated sales of the Micronas group in the financial year 2014 as per the Company's annual report 2014 – or more; or
  - (iii) the consolidated shareholders' equity of CHF 12,000,000 (Swiss francs twelve million) – corresponding to 10.9% of the consolidated shareholders' equity of the Micronas group as at December 31, 2014, as per the Company's annual report 2014 – or more.

For purposes of determining whether a Material Adverse Effect has occurred, (1) changes resulting from general economic, financial or market conditions, (2) the

costs of the Company relating to the Offer, (3) the costs that the Company incurs upon the repurchase of any options outstanding under the Stock Option Plan as of the date of the Transaction Agreement made at the request of an option holder entitled thereto pursuant to the terms of Stock Option Plan and the relevant option agreement (excluding any options that, pursuant to the terms of the Stock Option Plan and the relevant option agreement, are forfeited as of the date of the relevant request), and (4) any effects resulting from a change in value of the pension liabilities of the Company in existence as of September 30, 2015 (such change to be determined on the basis of a consistent application of applicable accounting rules, principles and assumptions) shall not be taken into account.

- (c) No court or governmental authority shall have issued a decision or an order preventing, prohibiting or declaring illegal the consummation of the Offer or requiring TDK or the Company or any of their respective Subsidiaries to meet any condition or requirement that has a Material Adverse Effect.
- (d) By the end of the (possibly extended) Offer Period, no matters or events shall have occurred, and no matters or events shall have been disclosed by the Company or otherwise come to the Offeror's attention which have a Material Adverse Effect.
- (e) The board of directors of the Company shall have resolved to register the Offeror and/or any other company controlled and designated by TDK in the share register of the Company as shareholder(s) with voting rights with respect to all Micronas Shares TDK or any of its Subsidiaries has acquired or may acquire in its own name and for its own account (with respect to Micronas Shares to be acquired in the Offer subject to all other conditions of the Offer having been satisfied or waived), and the Offeror and/or any other company controlled and designated by TDK shall have been registered in the share register of the Company as shareholder(s) with voting rights with respect to all Micronas Shares acquired in its own name and for its own account.
- (f) (i) All members of the Company's board of directors shall have resigned from their functions on the board of directors of the Company and its Subsidiaries with effect as from the Settlement and a general meeting of shareholders of the Company shall have been held and shall have elected the persons nominated by the Offeror to the Company's board of directors with effect as from the Settlement, or (ii) all members of the Company's board of directors shall (x) have resigned from their functions on the board of directors of the Company and its Subsidiaries with effect as from the Settlement, with the exception of two members who shall not have resigned and who shall have entered into (and not subsequently terminated) a mandate agreement with the Offeror with effect as from the Settlement, or (y) have entered into (and not subsequently terminated) a mandate agreement with the Offeror with effect as from the Settlement.

- (g) The general meeting of shareholders of the Company shall not have (i) resolved or approved any dividend, other distribution or capital reduction or any acquisition, spin-off (*Abspaltung*), transfer of assets and liabilities (*Vermögensübertragung*) or other disposal of assets, (x) with an aggregate value or for an aggregate consideration of more than CHF 29,769,900 (corresponding to 10% of the consolidated total assets of the Micronas group as of December 31, 2014, as per the Company's annual report 2014), or (y) contributing in the aggregate more than CHF 639,200 to the EBIT (corresponding to 10% of the EBIT of the Micronas group in the financial year 2014, as per the Company's annual report 2014), (ii) resolved or approved any merger, demerger (*Aufspaltung*) or ordinary, authorized or conditional increase of the share capital of the Company, nor (iii) adopted an amendment of the articles of association of the Company to introduce any transfer restrictions (*Vinkulierung*) or voting limitations (*Stimmrechtsbeschränkungen*).
- (h) With the exception of the obligations that have been made public prior to the date of this Pre-Announcement or that are related to the Offer, between September 30, 2015, and the transfer of control to TDK or any of its Subsidiaries, the Company and its Subsidiaries shall not have undertaken to acquire or sell any assets or incur or repay any indebtedness in the aggregate amount or value of more than CHF 29,769,900 (corresponding to 10% of the consolidated total assets of the Micronas group as of December 31, 2014, as per the Company's annual report 2014).

The Offeror reserves the right to waive, in whole or in part, one or more of the offer conditions.

*Period for Which the Offer Conditions are in Force and in Effect*

Conditions (a) and (d) shall be in force and in effect with respect to the period until the expiration of the (possibly extended) Offer Period. Conditions (b), (c), (g) and (h) shall be in force and effect with respect to the period until the Settlement (condition (h), however, no longer than until the transfer of control to TDK or any of its Subsidiaries, if earlier). Conditions (e) and (f) shall be in force and effect with respect to the period until the Settlement or, with respect to the resolutions of corporate bodies mentioned therein, if earlier, until the date when the respective corporate body of the Company has taken the required resolution.

If any of the conditions (a) or (d) or, if the respective corporate body of the Company resolves on the matters specified in conditions (e) or (f) prior to the expiration of the (possibly extended) Offer Period, any of the conditions (e) or (f) (with respect to the resolutions of corporate bodies mentioned therein) have not been satisfied or waived by the end of the (possibly extended) Offer Period, the Offer will be declared unsuccessful.

If any of the conditions (b), (c), (g) or (h) or, if and to the extent still applicable (see preceding paragraphs), any of the conditions (e) or (f) have not been satisfied or waived by

the Settlement, the Offeror shall be entitled to declare the Offer unsuccessful or to postpone the Settlement for a period of up to four months after the expiration of the Additional Acceptance Period (the **Postponement**). During the Postponement, the Offer shall continue to be subject to the conditions (b), (c), (g) and (h) and, if and to the extent still applicable (see preceding paragraphs), the conditions (e) and (f), as long as, and to the extent, such conditions have not been satisfied or waived. Unless the Offeror applies for, and the TOB approves, an additional postponement of the Settlement, the Offeror will declare the Offer unsuccessful if such conditions have not been satisfied or waived during the Postponement.

## Offer Restrictions

### General

The Offer is not being and will not be made, directly or indirectly, in any country or jurisdiction in which it would be considered unlawful or otherwise violate any applicable laws or regulations, or which would require TDK or any of its Subsidiaries to change or amend the terms or conditions of the Offer in any way, to make an additional filing with any governmental, regulatory or other authority or take additional action in relation to the Offer. It is not intended to extend the Offer to any such country or jurisdiction. Any such documents document relating to the Offer must neither be distributed in any such country or jurisdiction nor be sent into such country or jurisdiction, and must not be used for the purpose of soliciting the purchase of securities of the Company by any person or entity resident or incorporated in any such country or jurisdiction.

### Notice to U.S. Holders

The Offer is being made for the registered shares of the Company, a Swiss company whose shares are listed on the SIX Swiss Exchange (**SIX**), and is subject to Swiss disclosure and procedural requirements, which are different from those of the United States (**U.S.**). The Offer is being made in the U.S. pursuant to Section 14(e) of, and Regulation 14E under, the U.S. Securities Exchange Act of 1934, as amended (the **U.S. Exchange Act**), subject to the exemptions provided by Rule 14d-1(d) under the U.S. Exchange Act, and otherwise in accordance with the requirements of Swiss law. Accordingly, 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. U.S. holders of Micronas Shares are encouraged to consult with their own Swiss advisors regarding the Offer.

This Pre-Announcement does not constitute the Offer. The Offeror will disseminate the Offer Prospectus (with full Offer terms and conditions) as required by applicable law, and the shareholders of the Company should review the Offer Prospectus and all other Offer documents carefully. The Offer may not be accepted before publication of the Offer Prospectus and expiration of a cooling-off period of ten (10) Trading Days (if not extended by

the TOB), which will run from the Trading Day immediately after the publication date of the Offer Prospectus.

According to the laws of Switzerland, Micronas Shares tendered into the Offer may generally not be withdrawn after they are tendered except under certain circumstances, in particular in case a competing offer for the Micronas Shares is launched.

In accordance with the laws of Switzerland and subject to applicable regulatory requirements, TDK and its Subsidiaries 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. Any such purchases will not be made at prices higher than the Offer Price or on terms more favorable than those offered pursuant to the Offer unless the Offer Price is increased accordingly. Any information about such purchases or arrangements to purchase will be publicly disclosed in the U.S. on [http://www.global.tdk.com/news\\_center/press/document.htm](http://www.global.tdk.com/news_center/press/document.htm) to the extent that such information is made public in accordance with the applicable laws and regulations of Switzerland. In addition, the financial advisors to TDK and the Company may also engage in ordinary course trading activities in securities of the Company, which may include purchases or arrangements to purchase such securities.

It may be difficult for U.S. holders to enforce their rights and any claim arising out of U.S. securities laws, since each of the Offeror and the Company is located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders may not be able to sue a non-U.S. company or its officers or directors in a U.S. or non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court's judgment.

The receipt of cash pursuant to the Offer by a U.S. holder of Micronas Shares may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local laws, as well as foreign and other tax laws. Each shareholder of the Company is urged to consult his or her independent professional advisor immediately regarding the tax consequences of an acceptance of the Offer. Neither the U.S. Securities and Exchange Commission nor any securities commission of any State of the U.S. has (a) approved or disapproved of the Offer; (b) passed upon the merits or fairness of the Offer; or (c) passed upon the adequacy or accuracy of the disclosure in this Pre-Announcement. Any representation to the contrary is a criminal offence in the U.S.

## **American Depositary Shares and American Depositary Receipts**

The Offeror is aware that there is an “unsponsored” American Depositary Receipt Program concerning Micronas Shares. The Offer is not being made for American Depositary Shares representing Micronas Shares (**ADSs**), nor for American Depositary Receipts evidencing such ADSs (**ADRs**). However, the Offer is being made for the Micronas Shares that are represented by the ADSs. Holders of ADSs and ADRs are encouraged to consult with the depositary regarding the tender of Micronas Shares that are represented by ADSs. The Offeror is unaware of whether the depositary will make arrangements to tender the underlying Micronas Shares into the Offer on behalf of holders of ADSs or ADRs.

Holders of ADSs may present their ADSs to the depositary for cancellation and (upon compliance with the terms of the deposit agreements relating to the “unsponsored” American Depositary Receipt Program concerning Micronas Shares, including payment of the depositary’s fees and any applicable transfer fees, taxes and governmental charges) delivery of Micronas Shares to them, in order to become shareholders of the Company. The Offer may then be accepted in accordance with its terms for the Micronas Shares delivered to holders of ADSs upon such cancellation. Holders of ADSs should be aware, however, that in order to tender in this manner, they may need to have an account in Switzerland into which the Micronas Shares can be delivered.

## **United Kingdom**

This communication is directed only at persons in the United Kingdom (**U.K.**) who (i) have professional experience in matters relating to investments, (ii) are persons falling within article 49(2)(a) to (d) («high net worth companies, unincorporated associations, etc.») of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as «relevant persons»). This communication must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this communication relates is available only to relevant persons and will be engaged in only with relevant persons.

## **Australia and Japan**

The Offer is not being addressed to shareholders of the Company whose place of residence, seat or habitual abode is in Australia or Japan, and such shareholders may not accept the Offer.

## **Additional Information**

Additional information on the Offer is expected to be published on or about December 22, 2015 electronically in the same media as well as in the *Neue Zürcher Zeitung* in German and in *Le Temps* in French.



**Identification**

	<b>Security number</b>	<b>ISIN</b>	<b>Tickersymbol</b>
Registered shares with a nominal value of CHF 0.05 each of Micronas Semiconductor Holding AG	1.233.742	CH0012337421	MASN

December 17, 2015

Financial Advisor and Offer Manager

