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Mandatory publication pursuant to sections 27 para 3 sentence 1, 14 para 3 sentence 1
of the Securities Acquisition and Takeover Act



**Joint Statement of the Management Board
and Supervisory Board**
(pursuant to section 27 of the Securities Acquisition and Takeover Act)

of

EPCOS AG

regarding the

Voluntary Public Takeover Offer
(cash offer pursuant to section 29 of the Securities Acquisition and Takeover Act)

from

TDK Germany GmbH
Wanheimer Straße 57
40472 Düsseldorf
Germany

to the Shareholders of

EPCOS AG
St.-Martin-Straße 53
81669 München
Germany

EPCOS AG Shares ISIN: DE0005128003
EPCOS AG Tendered Shares ISIN: DE000A0WMK00
EPCOS AG Subsequently Tendered Shares ISIN: DE000A0WMK18

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TDK Germany GmbH ("**Bidder**") issued a voluntary public takeover offer ("**Offer**") on August 25, 2008 to the shareholders ("**EPCOS Shareholders**") of EPCOS AG ("**EPCOS AG**" or the "**Company**") pursuant to sections 29, 14 para 2 and 3 of the German Securities Acquisition and Takeover Act ("**WpÜG**") by publishing the offer document as specified in section 11 WpÜG ("**Offer Document**"). The subject of the Offer is the acquisition of all non-par value registered shares in EPCOS AG, with each share representing EUR 1.00 of the capital stock ("**EPCOS Shares**") in exchange for a cash consideration in the amount of EUR 17.85 per EPCOS Share.

The Offer Document was sent to the management board of EPCOS AG ("**Management Board**") on August 25, 2008 and was immediately forwarded to the supervisory board of EPCOS AG ("**Supervisory Board**") and to the employee representatives of EPCOS AG. The Management Board and the Supervisory Board of EPCOS AG hereby submit the following joint statement with respect to the Offer pursuant to section 27 WpÜG ("**Statement**"):

1. SUMMARY OF THE STATEMENT

This section summarizes certain parts of the Statement and is meant only to provide an initial overview of this document. Therefore the summary should be read in conjunction with the further comments made in the Statement. Reading this summary alone is no substitute for reading the full Statement.

The Management Board and the Supervisory Board hold the view that the Offer meets the interests of the Company, the EPCOS Shareholders and the Company's employees. The Management Board and the Supervisory Board therefore support the Offer and recommend that the EPCOS Shareholders accept the Offer. The Management Board and Supervisory Board have based their decision to support the Offer and to recommend that the EPCOS Shareholders accept the Offer among other reasons on the following considerations:

- The Management Board and the Supervisory Board consider the offered cash consideration of EUR 17.85 per EPCOS Share to be adequate pursuant to section 31 para 1 WpÜG. The value of the consideration includes an attractive premium in comparison to the share price of the EPCOS Share immediately before the publication of the Bidder's intention to make a takeover offer as well as in comparison to the historic share prices of the EPCOS AG. Furthermore the financial adequateness of the offered consideration has been confirmed in the Fairness Opinion of UBS Deutschland AG, Frankfurt am Main (see section 5.2.2 of this Statement).
- EPCOS AG, the Bidder and TDK Corporation have agreed on a Business Combination Agreement before the offer was made, in which TDK Corporation has also stated its intentions for the future business operations of EPCOS AG. According to this, EPCOS AG shall maintain its current company name and seat and continue to exist as a listed German corporation. No business locations, major assets or subsidiaries shall be sold without the prior consent of EPCOS AG. The Bidder does not intend to execute any actions, which would essentially affect the employees and subsidiaries of EPCOS AG. TDK Corporation intends to provide initially only two, and later three members of the Supervisory Board of EPCOS AG (see section 6.2 to 6.7 of this Statement).
- The Management Board and the Supervisory Board hold the view that TDK as a globally successful technology company is an excellent business partner for EPCOS AG. The partnership with TDK gives EPCOS AG the opportunity to further develop its position as one of the leading manufacturers of electronic components. Moreover a successful offer provides EPCOS AG with a new strategically oriented and financially strong majority shareholder and therewith stability for its future company development (see section 6.8 of this Statement).

2. GENERAL INFORMATION ABOUT THE STATEMENT

2.1 Legal Basis

The Management Board and the Supervisory Board of a target company must issue a reasoned statement on a takeover offer and any changes to that offer under section 27 para 1 sentence 1 WpÜG. The Management Board and the Supervisory Board of EPCOS AG have agreed to issue this Statement jointly.

2.2 Factual Basis

All information, forecasts, assumptions, estimates, value judgments and forward looking statements and declarations of intent contained in the Statement are based on the information available to the Management Board and the Supervisory Board on the date the Statement was published and reflect their assessments and intentions at that point in time. These may have changed since the date this Statement was published. Neither the Management Board nor the Supervisory Board nor the Company itself assume any obligation to update the Statement except if required under German law.

The information about the Bidder, TDK Corporation, and the companies affiliated with TDK Corporation are based primarily on the Offer Document and information available to the general public, unless otherwise noted. Statements with respect to the views or intentions of the Bidder are furthermore based on the Business Combination Agreement concluded by EPCOS AG, the Bidder and TDK Corporation on July 31, 2008 ("**Business Combination Agreement**"). The Management Board and the Supervisory Board point out that they are not in a position to verify these views and intentions of the Bidder or to guarantee their implementation.

2.3 Publication of the Statement and of any Other Statements on Changes to the Offer

This Statement and all future statements regarding possible changes to the Offer will be published on the Internet at <http://www.epcos.com/ir> and can be obtained free of charge at EPCOS AG (Investor Relations, Peter Müller, St.-Martin-Strasse 53, 81669 Munich, Germany, investor.relations@epcos.com). Reference to this publication will be made in an announcement in the electronic Federal Gazette (*elektronischer Bundesanzeiger*). In addition to the Statement in German, an English convenience translation will be published. However, the German version alone is authoritative.

The Statement will not be published in the United States of America. There will only be a notice of the availability of the Statement and its English convenience translation, free of charge, through a press service and/or newswire in the United States of America.

2.4 Independent Responsibility of the EPCOS Shareholders

The Management Board and the Supervisory Board point out that the presentation of the Offer in the Statement does not purport to be complete and that the statements in the Bidder's Offer Document are alone authoritative for the content and execution of the Offer. Each EPCOS Shareholder is responsible for studying and reviewing the Offer Document on his or her own. The evaluations made by the Management Board and the Supervisory Board in the Statement are not binding for the EPCOS Shareholders. Rather, it is the obligation of the EPCOS Shareholders to decide about the acceptance or non-acceptance of the Offer using all sources of information at their disposal and with due regard for their individual interests, particularly their personal tax situations and the laws applicable to them personally and, if necessary, to obtain tax and other legal advice.

3. INFORMATION ABOUT THE BIDDER, TDK CORPORATION AND EPCOS

3.1 TDK Germany GmbH

The Bidder, TDK Germany GmbH, is a limited liability company with its registered seat in Düsseldorf and registered with the commercial register of the local court of Düsseldorf under HRB 59099. The Bidder's share capital (*Stammkapital*) amounts to EUR 25.000. All shares are held by TDK Corporation. The business year runs from April 1 to March 31 of the following year. Apart from its future shareholding in EPCOS AG, the Bidder does not own any other assets. The Bidder does not have any employees. Managing directors are Shiro Nomi and Toshihide Asanuma, both of whom are entitled to represent the company alone. For further information please refer to section 5.2 of the Offer Document.

3.2 TDK Corporation

TDK Corporation ("**TDK**") is a joint stock corporation formed under the Company Law (formerly the Commercial Code) of Japan with principal executive offices at 13-1, Nihonbashi 1-chome, Chuo-ku, Tokyo 103-8272, Japan. The company is registered in the commercial register maintained by the Tokyo Legal Affairs Bureau under registration number 0199-01-034849.

TDK and its worldwide 92 subsidiaries ("**TDK-Group**") are a globally leading electronics group with its major focus on electronic materials and components as well as recording media. In the business year ending March 31, 2008, according to the information contained in the Offer Document, TDK Group generated a turnover of approximately JPY 866,285 million (equalling approximately EUR 5,360 million), an operating income of approximately JPY 87,175 million (equalling approximately EUR 539 million) as well as a net income of approximately JPY 71,461 million (equalling approximately EUR 442 million). As per March 31, 2008, according to the information contained in the Offer Document, TDK Group employed 60,212 employees worldwide and the equity capital of TDK amounted to approximately JPY 716,577 million (equalling approximately EUR 4,570 million). For further information please refer to section 5.3 of the Offer Document.

3.3 EPCOS

3.3.1 General

Subject of the Offer are the non-par value registered shares in EPCOS AG, a stock corporation with its registered seat in Munich and registered with the commercial register of the local court of Munich under HRB 127250. The address of EPCOS AG is St.-Martin-Strasse 53, 81669 Munich, Germany, and its website is <http://www.epcos.com/ir>. The Company is subject to the employee co-determination according to the Codetermination Act (*Gesetz über die Mitbestimmung der Arbeitnehmer*).

The object of the business of the Company (*Unternehmensgegenstand*) is the direct or indirect activity in the area of research, development, manufacture and marketing of electronic components, electronic systems and software, as well as the performance of services related thereto.

3.3.2 Capital Structure

The registered share capital (*Grundkapital*) of the Company as stated in the commercial register (as of August 20, 2008) amounted to EUR 65,317,000 and was divided into 65,317,000 non-par-value registered shares (*Namens-Stammaktien*) with a calculated value in the share capital (*rechnerischer Anteil am Grundkapital*) of EUR 1.00 per share. In addition there is a further EUR 1,080,036 (as of August 29, 2008) due to stock options which have been exercised in the past. Accordingly, on August 29, 2008 the share capital amounts to EUR 66,397,036 and is divided into 66,397,036 non-par-value registered shares with a calculated value in the share capital (*rechnerischer Anteil am Grundkapital*) of EUR 1.00 per share. Furthermore the Company has issued various stock options and convertible bonds and has an authorised capital as well as several conditional capitals. For further

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information please refer to section 5.1 of the Offer Document as well as to the company's articles of association available at <http://www.epcos.com/ir>.

3.3.3 Shareholder Structure

EPCOS Shares are traded on the regulated market (*Regulierter Markt*) in the sub-sector Prime Standard at the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) under securities identification code ISIN DE0005128003 and over-the-counter (*Freiverkehr*) at the stock exchanges in Munich, Berlin, Düsseldorf, Hamburg, Hannover and Stuttgart. According to the information contained in the Offer Document, TDK holds, partly through its subsidiary TDK Hong Kong Co. Ltd., Kowloon, Hong Kong, a total of 19,192,000 shares and voting rights in EPCOS AG corresponding to 29.06% of the shares with voting rights of EPCOS AG. The remaining shares are predominantly in free float.

3.3.4 Composition of the Supervisory Board and the Management Board of EPCOS AG

Pursuant to the articles of association of EPCOS AG, the Supervisory Board of EPCOS AG consists of twelve members. The following persons are currently members of the Supervisory Board: Klaus Ziegler (President), Peter Hoffmann (Vice-President), Dr. Wolf-Dieter Bopst, Peter Geschka, Prof. Dr. Anton Kathrein Dr. Bodo Lüttge, Michael Leppek, Joachim Reinhart, Claus Ryschawy, Andreas Strobel, Prof. Dr. Claus Weyrich and Winfried Wolff.

Pursuant to the articles of association of EPCOS AG, the Management Board of EPCOS AG consists of at least two people. Currently the following persons are members of the Management Board: Gerhard Pegam (President), Dr. Werner Faber and Helmut König.

3.3.5 Operations of the EPCOS Group

EPCOS AG and the companies being part of the EPCOS Group ("**EPCOS Group**", "**EPCOS Consolidated Group**" or "**EPCOS**") are engaged in the development, manufacture and marketing of electronic components, modules and systems. The business of the EPCOS Group is divided into the three segments surface acoustic wave components (which are key components of modern information and communications technology), ceramic components (used particularly in automotive and industrial electronics as well as in household appliances and telecommunications) as well as capacitors and inductors (which are used in all industries served by EPCOS). These segments are divided into five business divisions (Surface Acoustic Wave Components (SAW), Ceramic Components (KB), Capacitors (KO), Film-Capacitors (FK) and Inductors (IN)).

The fiscal year of EPCOS AG starts on October 1 and ends on September 30. With the beginning of the fiscal year 2008 (October 1, 2007 to September 30, 2008), EPCOS Group has converted its financial reporting to comply with International Financial Reporting Standards (IFRS). IFRS accounting has thus replaced US-GAAP accounting at the EPCOS Group. This affects both, reported earnings and balance sheet figures. EPCOS AG published detailed information about this topic in a press release dated January 23, 2008. Further information about the conversion to IFRS is also available at <http://www.epcos.com/ir>. In fiscal year 2007, the EPCOS Group generated a consolidated turnover of approximately EUR 1,439 million. In the first nine months of the business year 2008, EPCOS Group achieved as of June 30, 2008 a consolidated turnover of approximately EUR 1,096 million with a consolidated balance sheet total of approximately EUR 1,376 million.

The EPCOS Group furthermore generated earnings before interest and taxes (EBIT) of approximately EUR 82 million in the 9-months-period starting on October 1, 2007 and ending on June 30, 2008. During the aforementioned period, the earnings per share amounted to EUR 0.85. The 9 months report was prepared in accordance with the provisions of the IFRS.

On June 30, 2008, the EPCOS Group employed approximately 20,700 employees.

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3.3.6 Summary of Financial and Other Corporate Data

The tables below provide selected consolidated financial data for EPCOS Consolidated Group, compiled in accordance with US-GAAP and IFRS, for the fiscal years 2006 and 2007 as well as for the 9-month periods ending on June 30 of the fiscal years 2007 and 2008. Unless otherwise specified, the figures presented in the tables below refer to the continuing operations of EPCOS Consolidated Group excluding tantalum capacitors. The sale of the tantalum capacitor activities was completed in the business year 2006.

To ensure comparable data, the figures for the business year 2007 in the tables below are also presented in accordance with IFRS.

Key data EPCOS Group		US - GAAP		IFRS		
		(audited)		(unaudited)		
Fiscal year from October 1 until September 30		2006	2007	2007	2007	2008
		FY	FY	FY	9 Month*	9 Month*
Net sales	EUR million	1.309	1.439	1.439	1.063	1.096
	% change year on year	14	10	10	11	3
EBIT	EUR million	47	83	86	75	82
Earnings before interest and tax	as % of sales	4	6	6	7	8
Net income (loss)	EUR million	21	64	51	45	55
	as % of sales	2	4	4	4	5
from continuing operations	EUR million	35	64	51	45	55
from discontinued operations	EUR million	-14	0	0	0	0
Net cash flow	EUR million	98	31	31	29	19
including: Net cash provided by operating activities	EUR million	145	138	137	82	112
including: Net cash used in investing activities	EUR million	-47	-107	-106	-53	-93
Shareholders' equity at September 30 / June 30	EUR million	576	622	604	583	644
Shares outstanding at September 30 / June 30	million	65,3	65,3	65,3	65,3	65,3
Earnings per share	EUR	0,32	0,98	0,78	0,68	0,85
from continuing operations	EUR	0,54	0,98	0,78	0,68	0,85
from discontinued operations	EUR	-0,21	0,00	0,00	0,00	0,00
Employees at September 30 / June 30		17.948	18.320	18.320	17.967	20.668
Balance sheet (at September 30 / June 30 in EUR)						
Current assets		767	757	750	719	725
of which Cash and cash equivalents		269	235	235	225	181
of which Accounts receivable		217	232	232	221	222
of which Inventories		214	218	218	232	268
of which Assets held for sale		16	0	0	0	0
Fixed and long-term assets		648	627	634	645	651
of which Property, plants and equipment		494	502	506	481	516
Total assets		1.415	1.384	1.384	1.364	1.376
Liabilities		839	762	780	781	732
of which Accounts payable		154	138	138	123	136
of which Financial debt		309	261	260	246	235
of which Pension liabilities (short- and long-term)		177	189	189	198	182
of which Liabilities held for sale		14	0	0	0	0
Shareholders' equity		576	622	604	583	644
Total liabilities and shareholders' equity		1.415	1.384	1.384	1.364	1.376

More comprehensive financial information can be derived from the annual and interim reports of the EPCOS Consolidated Group.

4. INFORMATION ABOUT THE OFFER

4.1 Essential Content and Execution of the Offer

The Offer has been made by the Bidder in the form of a voluntary public takeover offer to purchase all EPCOS Shares in accordance with German law, particularly the provisions of the Securities Acquisition and Takeover Act (*WpÜG*) as well as certain applicable provisions of the US American takeover law. The Bidder offers to purchase all EPCOS Shares in return for a cash consideration in the amount of EUR 17.85 per share.

4.1.1 Acceptance Period and Additional Acceptance Period

EPCOS shareholders may submit their EPCOS Shares for sale already since August 25, 2008 until October 7, 2008, 12 midnight local time in Frankfurt am Main, Federal Republic of Germany ("**Acceptance Period**").

The additional acceptance period pursuant to section 16 para 2 *WpÜG* for EPCOS Shareholders who do not accept the Offer during the Acceptance Period ("**Additional Acceptance Period**") ends two weeks after publication of the result of the Offer pursuant to section 23 para 1 sentence 1 no 2 *WpÜG*. The Additional Acceptance Period is contingent upon the occurrence or the possibility of occurrence of the conditions precedent of the Offer prior to the end of the Acceptance Period, unless those conditions precedent were waived. As indicated in the Offer Document, the Additional Acceptance Period is expected to begin on October 14, 2008 and to end on October 27, 2008, 12 midnight local time in Frankfurt am Main, Federal Republic of Germany.

Once the Additional Acceptance Period expires, the Offer can no longer be accepted. Only under certain circumstances EPCOS Shareholders may have a right to tender in accordance with section 39c *WpÜG* thereafter, which would be the case if the Bidder is entitled to file an application to perform a squeeze-out of minority shareholders pursuant to section 39a *WpÜG*. A precondition is that following the execution of the Offer the Bidder holds at least 95% of the shares with voting rights of EPCOS AG.

4.1.2 Conditions of the Offer

The Offer and the agreements that come into existence as a result of accepting the Offer are subject to the following conditions precedent described in shortened form:

- at the time of the expiration of the Acceptance Period, the aggregate number of EPCOS Shares for which the Offer has been validly accepted and not validly withdrawn equals at least 37,205,448 (equalling approximately 56% of all EPCOS Shares issued at the time of the publication of the Offer Document). This includes any EPCOS Shares held by or attributed to the Bidder, persons acting in concert with it or subsidiaries, and any EPCOS Shares the transfer of which the Bidder or persons acting in concert with it may request as a result of agreements which had been entered into before the Acceptance Period expired;
- merger clearance of the European Commission as well as the anti-trust authorities in the United States of America, Taiwan and Turkey as described in section 4.1.2 of the Offer Document until April 30, 2009; and
- during the period from the publication of the Offer Document until noon local time in Frankfurt am Main, Federal Republic of Germany, on the second working day prior to the end of

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the Acceptance Period no material adverse changes as described in section 4.1.3 of the Offer Document occurred, material adverse changes in this context being the following events:

- occurrence of new circumstances resulting in a material decrease (as specified in section 4.1.3(i) of the Offer Document) of the net equity shown in the consolidated balance sheet or the annual operating profits (*Betriebsergebnis*) of EPCOS, which – upon a respective request of the Bidder – have been examined by an independent expert (see section 4.1.3(i) of the Offer Document) and deemed to be met and the existence of which the independent expert has published on the Internet at <http://www.tdk-germany-gmbh.com> as well as in the Electronic Federal Gazette (*elektronischer Bundesanzeiger*) (see section 4.1.3(i) of the Offer Document);
- undertaking of certain insolvency measures with respect to the assets of EPCOS AG (see section 4.1.3(ii) of the Offer Document);
- resolution of the Management Board providing for one or several capital increases of EPCOS AG based on the existing authorised capital (*genehmigtes Kapital*) or for the issuance of subscription rights (*Bezugsrechte*) or conversion rights (*Umtauschrechte*) for new EPCOS Shares unless such new EPCOS Shares are exclusively issued to and subscribed for by TDK and/or the Bidder, are issued to executives and other employees under any existing share ownership program or are issued to holders of convertible bonds (*Wandelschuldverschreibungen*) (see section 4.1.3(iii) of the Offer Document);
- resolution of the general meeting for a measures affecting the Company's capital (sections 182 to 240 Stock Corporation Law (*Aktiengesetz*) (see section 4.1.3(iv) of the Offer Document); or
- distribution of a dividend (other than a dividend already approved by the general meeting of EPCOS AG at the time of the publication of the Offer Document) (see section 4.1.3(v) of the Offer Document).

If the conditions precedent are neither met on the due date nor waived until one day prior to the expiry of the Acceptance Period, the Offer and agreements concluded as a result of accepting the Offer will not take effect and will not be implemented. For further details reference is made to section 4 of the Offer Document.

4.1.3 Foreign Shareholders

The Offer is directed to all shareholders of EPCOS AG but not to holders of American Depositary Receipts (ADR) of EPCOS and not to holders of convertible bonds (*Wandelanleihe*) issued by EPCOS Finance B.V. As indicated in the Offer Document, the Offer has been issued in compliance with certain applicable provisions of the U.S. Securities Exchange Act 1934. The Management Board and the Supervisory Board have not conducted an independent review of the Offer to ensure compliance with all foreign capital market laws.

4.1.4 Further Information

The information stated above is merely a summary of the information contained in the Offer Document and does not repeat it in full. For further information and details, refer to the statements in the Offer Document and its non-binding English translation. These are available on the Internet at <http://www.tdk-germany-gmbh.com>. Copies of the German version may be obtained free of charge at Commerzbank Aktiengesellschaft, ZCM-CMAD, Mainzer Landstrasse 153, 60327 Frankfurt am Main, Germany, fax +49 69 1364 4598. EPCOS Shareholders resident in the United States of America may order the non-binding English convenience translation of the Offer Document free of charge within the United States of America by phone under +1 877-800-5185.

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The Management Board and the Supervisory Board point out that the provisions in the Offer Document are solely authoritative for the content and execution of the Offer. Each EPCOS Shareholder is responsible for reading the Offer Document and taking the necessary actions on his or her own.

4.2 Background of the Offer

4.2.1 Chronology of the Discussions with TDK

First discussions concerning the possibility of a cooperation between EPCOS and TDK took place at the end of the calendar year 2006. They were followed by a series of meetings where EPCOS and TDK assessed the possibilities for the cooperation against the background of their respective corporate cultures. From fall 2007 on, representatives of EPCOS AG and TDK eventually negotiated the terms of a possible cooperation. In connection therewith, different transaction structures were discussed. After the discussion had reached a more concrete level, TDK conducted a due diligence of EPCOS Group that was limited in terms of time and content.

4.2.2 Business Combination Agreement

On July 31, 2008 EPCOS AG, the Bidder and TDK signed a Business Combination Agreement ("**Business Combination Agreement**") in which they agreed to enter into a comprehensive partnership between the two enterprises. The Business Combination Agreement contains basic agreements and mutual obligations concerning the content and the implementation of the envisaged business combination.

A first step towards the implementation of the business combination is the acquisition of the majority of the shares in EPCOS AG by TDK as described in more detail in the terms of the Offer by means of a voluntary takeover offer. In the event that the completion of the Offer is successful and all necessary corporate approvals of TDK are granted, TDK undertakes to separate the substantial part of its activities in the field of electronic components by way of a carve out to a new company with a management involving representatives of EPCOS AG. Furthermore, to the extent legally permissible, EPCOS AG has undertaken to support the Offer.

For further details, refer to section 6.2 to 6.7 of this Statement.

5. **TYPE AND AMOUNT OF THE CONSIDERATION OFFERED**

The Bidder is offering a consideration in the amount of EUR 17.85 per EPCOS Share.

The Management Board and Supervisory Board deem the consideration offered, in the amount of EUR 17.85 per EPCOS share, to be adequate.

5.1 Statutory Requirements for the Consideration Amount

The statutory minimum consideration is to be assessed in view of the statutory requirements for the valuation of the EPCOS Shares. In takeover offers for shares which are admitted for trading at a German stock exchange, the consideration may be no lower than the domestic weighted average price of these shares in the three months prior to publication of the decision to submit the offer pursuant to section 5 of the Offer Regulation to the WpÜG (*WpÜG-Angebotsverordnung*). According to the calculation of the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*), the weighted average price of the EPCOS Shares in the three months prior to publication of the Bidder's decision to submit the Offer on July 31, 2008 amounted to EUR 11.94 (record date: July 30, 2008).

Under section 4 of the Offer Regulation to the WpÜG, the consideration for the EPCOS Shares must not be lower than the highest consideration paid or stipulated by the Bidder, a person acting in concert with it or a subsidiary for an acquisition of target company's shares in the six months prior to

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publication of the Offer Document. According to the Offer Document several acquisitions have been made during the six-month period at purchase prices each below the offer price or at the offer price of EUR 17.85. For further details reference is made to section 5.7 of the Offer Document.

The amount of the consideration is EUR 17.85 for each EPCOS Share, which is about 49% higher than the minimum consideration of EUR 11.94 under section 5 of the Offer Regulation to the WpÜG. Furthermore, the offer price equals the highest consideration paid or stipulated by the Bidder, any person acting in concert with it or a subsidiary for target company's shares in the six-month period prior to the publication of the Offer Document. To the extent that the Management Board and the Supervisory Board can assess this based on the information available to them, the statutory requirements for the amount of the consideration are met.

5.2 Own Assessment of the Fairness of the Consideration

In addition to the minimum statutory requirements, the following aspects were relevant for the assessment of the consideration as an adequate consideration by the Management Board and the Supervisory Board:

5.2.1 Premium over Historical Stock Prices

The consideration offered includes a substantial premium over the historical share price of EPCOS AG prior to the publication of the decision to submit the Offer.

The consideration offered by the Bidder in the amount of EUR 17.85 includes a premium of approximately 29% over the last XETRA closing price of the EPCOS Share prior to the publication of the decision to submit the Offer, i.e. on July 30, 2008, in the amount of EUR 13.88.¹

Comparing the consideration offered to various historical stock exchange prices within the following periods prior to the publication of the decision to submit the Offer, the following premiums are achieved:²

Period	Stock exchange price (rounded to two decimal places)	Premium (rounded to one decimal place)
Volume-weighted average XETRA price		
4 weeks (July 1 to July 30, 2008)	EUR 11.78	51.5 %
3 months (May 1 to July 30, 2008)	EUR 11.71	52.4 %
6 months (February 1 to July 30, 2008)	EUR 10.60	68.4 %
Common average of the XETRA closing prices		
4 weeks (July 1 to July 30, 2008)	EUR 11.85	50.6 %
3 months (May 1 to July 30, 2008)	EUR 11.76	51.8 %
6 months (February 1 to July 30, 2008)	EUR 10.62	68.1 %

5.2.2 Fairness Opinion by UBS Deutschland AG

¹ Source: calculation by UBS Deutschland AG based on the stock-market quotation by Bloomberg.

² Source: calculation by UBS Deutschland AG based on the stock-market quotation by Bloomberg.

Convenience Translation

EPCOS AG instructed UBS Deutschland AG, 60313 Frankfurt am Main ("**UBS**") to prepare an opinion assessing the fairness of the consideration offered from a financial point of view ("**Fairness Opinion**"), in order to provide the Management Board and the Supervisory Board with an instrument for their decision on the adequateness of the consideration.

In its Fairness Opinion, UBS concludes that, on the basis of the investigations and analyses mentioned in its Fairness Opinion and subject to the assumptions and reservations contained therein, as of the date the Fairness Opinion was issued on August 26, 2008, the consideration offered is from a financial point of view fair to the EPCOS Shareholders.

The Management Board and the Supervisory Board point out that the Fairness Opinion of UBS is subject to certain notes and reservations and that it is necessary to read the Fairness Opinion in its entirety to fully understand its conclusion. The full text of the Fairness Opinion is attached to this Statement as Annex.

Before issuing the Fairness Opinion, UBS conducted a number of financial analyses as UBS deemed appropriate and as they are made in comparable capital market transactions. In order to prepare its Fairness Opinion, UBS evaluated among other things the Business Combination Agreement, the Offer Document, certain publicly available operational and financial information about the EPCOS Group and the market in which the company operates as well as certain other documents and information, including documents relating to the financial forecasts of the Company (for which UBS does not take any responsibility) provided by the Company or discussed with it. UBS also had discussions with the management of EPCOS AG regarding the business and the prospects of the Company. Simultaneously, UBS compared the offer price with the development of the stock market price of EPCOS AG as well as the development of the stock market price of EPCOS AG with the development of the stock market prices of companies and indices generally regarded as relevant; UBS reviewed and analysed the recommendations and targeted share prices of stock analysts made before the publication of the Bidder's intention to submit the Offer, compared the evaluation multiples resulting from the consideration offered in the context of the Offer with the multiples of selected listed companies in the field of electronic components and other comparable industries as well as with selected transactions in the field of electronic components and other comparable industries, made a discounted cash flow analysis as well as other studies and analyses which UBS deemed appropriate in this context. In doing so, UBS applied a number of factors, assumptions, procedures, restrictions and valuations.

The Fairness Opinion of UBS is not a valuation as auditors would typically prepare it in accordance with the requirements of German corporate law (*Standard IDW S1 des Instituts der Wirtschaftsprüfer e.V.*). The Management Board and the Supervisory Board point out that they have also not requested any (other) valuation of EPCOS AG based on the IDW S1.

It is pointed out that UBS prepared the Fairness Opinion solely for the benefit of the Management Board and the Supervisory Board of EPCOS AG and in connection with the Offer. Although the Fairness Opinion is enclosed to this Statement as an annex, it is not addressed to third parties (including the shareholders of EPCOS AG). It is not a recommendation to the shareholders of EPCOS AG to accept or not accept the Offer. The Fairness Opinion does not confer any rights upon third parties, which must, therefore, not refer to or rely on the Fairness Opinion. UBS does not take any responsibility for updating the Fairness Opinion because of future events.

UBS has acted as the financial advisor of EPCOS AG in the context of the transaction and receives a fee which depends to a substantial part on the success of the Offer. UBS and other members of the UBS Group (i.e. UBS AG and its subsidiaries, branches or affiliated enterprises) are active worldwide for their own accounts or for the accounts of their customers in various activities in the field of commercial and investment banking, including investment consulting, asset and fund management, corporate finance activities as well as the issue of and the trading with securities (customers' and own trade) and securities research. In the past, members of the UBS Group Investment Banking have provided services to the Bidder and EPCOS AG, and are currently providing such services and receive compensation for that.

5.2.3 Overall Assessment

Against the background of the above explanations and taking into consideration all overall circumstances, including the Fairness Opinion of UBS, the Management Board and the Supervisory Board, each for itself, take the view that the consideration offered is adequate in the terms of section 31 para 1 sentence 1 WpÜG.

6. OBJECTIVES OF THE BIDDER AND IMPACT ON EPCOS

According to its description in the Offer Document, the Bidder intends to establish a strong partnership with EPCOS and to conduct the joint activities in the field of electronic components in a close and faithful cooperation between EPCOS and TDK. For this purpose, during the months following the completion of the Offer, the Bidder intends to analyse the potential business opportunities and synergies of the combined business in detail and to develop a specific plan for the cooperation between EPCOS and TDK, both together with the Management Board of EPCOS AG. Several elements of the future procedure to implement these objectives are stipulated in the Business Combination Agreement.

6.1 Strategy of the Future Group

A combination of EPCOS Group with the business activities of TDK in the field of electronic components will presumably create a leading and successful global manufacturer and provider of electronic components. The business combination will allow both companies to strengthen their competitive position and to enhance their business activities.

The prospects of the combined business are very promising: The business activities of EPCOS and TDK in the field of electronic components complement very well with each other, as well in terms of technological aspects as with respect to their positions on the local markets. While TDK has a strong market position in particular in multilayer inductors, ferrites and multilayer ceramic capacitors, EPCOS is especially well positioned with respect to surface acoustic wave filters, piezo actuators and protection devices. As a result of these focuses on different product groups, TDK's main customers are active in the information and communication technology and consumer electronics, whereas EPCOS' main customers are active in the automotive, industrial and communication electronics. From a geographical point of view, TDK is particularly well established in Asia, the biggest growth market, whereas EPCOS has a very strong customer base in particular in Europe, South America and India. From the business combination EPCOS and TDK primarily expect a variety of opportunities to exploit additional potentials for growth as well as synergy effects, among others in research and development as well as in procurement.

6.2 Structure of the Future Group

6.2.1 Carve Out of the Electronic Component Business of TDK to TDK EPC (Carve Out)

In the Business Combination Agreement, TDK has committed itself to separate the substantial part of its activities in the electronic components business into a new company under the provisional name of TDK EP Components KK ("**TDK EPC**") by way of a carve out under Japanese law (*shinsetu bunkatsu*) ("**Carve Out**"). This obligation is conditional upon the successful completion of the Offer and the granting of all necessary corporate approvals of TDK, which TDK as well as the Management Board and the Supervisory Board expect approximately at the end of the first half of the calendar year 2009.

The Carve Out aims to combine the substantial part of TDK's activities in the electronic components business with the Group under one legal entity. Therefore, following the completion of the Offer, TDK EPC will, directly or indirectly by way of participation, hold the EPCOS Shares. TDK EPC with its corporate seat in Tokyo will be one of the headquarters of the future group. EPCOS AG with its

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corporate seat in Munich will function as the second headquarters of the future group.

The Bidder has committed itself under the Business Combination Agreement not to change the legal form of EPCOS AG and not to effect a de-listing of the EPCOS Shares in any event as long as the TDK Group has not obtained a shareholding in EPCOS AG of at least 95%. Once such shareholding is obtained, the TDK Group might consider terminating the stock exchange listing of EPCOS Shares, e.g. by a formal de-listing or as a result of a squeeze-out pursuant to section 327a German Stock Corporations Act (*Aktiengesetz*).

If TDK Group obtains the necessary majority following the completion of the Offer or at a later point in time, it may consider to conclude a domination agreement (*Beherrschungsvertrag*) with EPCOS AG as the dominated company. Such domination agreement would entitle TDK Group to issue instructions to the Management Board of EPCOS AG.

6.2.2 Corporate Governance of TDK EPC

According to the Business Combination Agreement, the Board of Directors of TDK EPC will consist of five members. TDK will nominate three members; the remaining two members will be nominated by EPCOS AG. The members nominated by EPCOS AG will be the chairman of the Supervisory Board and the chairman of the Management Board of EPCOS AG.

6.3 Disposal of Business Divisions

In the Business Combination Agreement, TDK commits itself not to, and stipulates that TDK EP Components KK and the Bidder likewise not, cause the sale, transfer or other disposal of any business divisions, substantial assets or subsidiaries of EPCOS AG without the explicit consent of EPCOS AG. According to the Offer Document, the Bidder also has no plans to create any future obligations for EPCOS AG outside the ordinary course of business. The brand names and the company name of EPCOS AG will be continued.

6.4 Termination of the Business Combination Agreement

The Business Combination Agreement and most of the obligations agreed therein will automatically terminate upon (i) the registration of a domination agreement with EPCOS AG as the dominated company in the commercial register of the local court of Munich (*Amtsgericht München*), (ii) the expiry of a two year-period following the successful completion of the Carve Out or (iii) the expiry of a period of five years following the successful completion of the Offer, whichever of the events (i) to (iii) occurs first.

6.5 Allocation of Board Seats

TDK intends to be represented at first with two out of twelve members in the Supervisory Board of EPCOS AG after the completion of the Offer. According to the Business Combination Agreement, after the completion of the Carve Out an additional third member nominated by TDK shall join the shareholders representatives of the Supervisory Board of the Company. In order to achieve the representation of TDK in the Supervisory Board, the Company will use its reasonable best efforts that firstly two of the current members and the current replacement member (*Ersatzmitglied*), and if applicable later on a third member of the shareholders representatives of the Supervisory Board resign from their office and that the resigned members are replaced with candidates proposed by TDK as members of the Supervisory Board upon appointment by the court.

6.6 Impact on the Employees

6.6.1 Terms of Employment

The execution of the Offer neither affects the contracts of employment nor the terms of employment

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of the employees of EPCOS AG and its subsidiaries. The execution of the Offer will have no impact on the validity of collective bargaining agreements (*Tarifverträge*) and works agreements (*Betriebsvereinbarungen*).

According to the statements in the Offer Document, the Bidder does not intend to implement any measures that will affect the employees of EPCOS AG or those of its subsidiaries, their employee representations or working conditions. In the Business Combination Agreement, TDK and EPCOS AG have agreed to examine the possibilities to optimise the structure of the combined group by combining central corporate functions in the future.

6.6.2 Employee Representation

The Supervisory Board of the Company is subject to the co-determination according to the Co-determination Act (*Gesetz über die Mitbestimmung der Arbeitnehmer*). Furthermore several works councils and a central works council exist. These relations remain unaffected by the execution of the Offer.

6.7 Business Locations

According to the Business Combination Agreement and the statements in the Offer Document, during the term of the Business Combination Agreement the Company shall continue its business operations essentially as before and shall keep its corporate seat and major business locations. Therefore, the Management Board and the Supervisory Board do not expect any major changes for the existing locations as a result of or in connection with the Offer.

6.8 Statement

The Management Board and the Supervisory Board take the view that TDK as a globally successful technology company is an excellent partner for EPCOS. The partnership with TDK enables EPCOS to expand its position as one of the leading manufacturers of electronic components. The combination of the business activities of EPCOS and TDK in this field should create one of the global leading manufacturers of electronic components.

The business combination will presumably allow the two companies to strengthen their competitive positions and to enhance their business activities. From a geographical and technological point of view as well as from the customers' perspective, the partnership between TDK and EPCOS offers many strategic opportunities. Regarding its product portfolio and its operational focus, TDK is particularly well represented in Asia, the biggest growth market, and especially in the consumer electronics and the information technology, whereas EPCOS has a strong position in the growth markets of the automotive and industrial electronics particularly in Europe and has global importance in the mobile communication segment.

A successful Offer will provide further stability to EPCOS AG, first because of a new strategically orientated and financially strong majority shareholder, and second by opening up additional international potential for growth. It offers the Company the possibility to secure its medium-term to long-term strategy. At the same time the identity of the EPCOS AG will be preserved.

The Management Board and the Supervisory Board appreciate that the Bidder does not intend to take any measures which have an impact on the employees of the Company or those of its subsidiaries, their employee representation or their working conditions and that TDK has undertaken in the Business Combination Agreement not to sell, transfer or otherwise dispose of business locations or the substantial assets or subsidiaries of the Company. The Management Board and the Supervisory Board assume that a successful Offer may offer new opportunities for the employees and may contribute to a further internationalisation of the EPCOS Group.

7. IMPACT ON THE EPCOS SHAREHOLDERS

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The following information serves to help the EPCOS Shareholders to assess how the acceptance or non-acceptance of the Offer will affect them. The following aspects do in no way claim to be exhaustive. Each EPCOS Shareholder is responsible for assessing the impact of the acceptance or non-acceptance of the Offer on his or her own. The Management Board advises shareholders to seek expert advice, if necessary.

7.1 Possible Disadvantages of Accepting the Offer

EPCOS Shareholders who accept the Offer will lose their membership rights to and financial interest in EPCOS AG once the Offer is completed and their EPCOS Shares are transferred to the Bidder, in return they will receive a cash consideration in the amount of EUR 17.85 per EPCOS Share. They should therefore consider the following in particular:

- Dividend rights for the current business year, beginning on October 1, 2007, pertaining to EPCOS Shares for which the Offer is accepted belong to the Bidder. The EPCOS Shareholders will not participate in any retained earnings for the business year 2008 with those shares. The nine months report for EPCOS Group published on July 31, 2008 indicates an EBIT of EUR 82 million for the first nine months of the business year 2008.
- The EPCOS Shareholders who accept the Offer will no longer benefit from any positive performance of the EPCOS Shares or any positive development of EPCOS Group.
- The Offer will only be executed once all conditions precedent are met or, to the extent possible, waived by the Bidder. Thus, if the condition of the merger clearance described in section 4.1.2 of the Offer Document is met on the last possible day, payment by the Bidder will be made not later than May 13, 2009.
- Acceptance of the Offer may only be rescinded under the narrow conditions described in the Offer Document, and only as long as the Acceptance Period has not expired. Otherwise, shareholders have limited power of disposal over EPCOS Shares for which they have accepted the Offer. According to the Offer Document, EPCOS Shares which are submitted for sale during the Acceptance Period are to be traded in the regulated *market (Regulierter Markt)* of the Frankfurt Stock Exchange under ISIN DE000A0WMK00 beginning on the second banking day after the commencement of the Acceptance Period at least until the end of the Acceptance Period or, if the condition of the merger clearance is not met by that time, until the third banking day prior to the execution of the Offer. Trading of EPCOS Shares, which are subsequently submitted for sale during the Additional Acceptance Period, is not provided for. The Management Board and the Supervisory Board point out the possibility that the trading volume of EPCOS Shares submitted for sale may be very low from time to time. This may lead to an inability to execute purchase and sale orders in a timely manner and to an increase of volatility or pressure of the share price. Moreover, those buying EPCOS Shares, which are submitted for sale, acquire all rights and duties arising from acceptance of the Offer. This may have a detrimental impact on the demand for and the price of those shares, particularly if the share price of an EPCOS Share not submitted for sale exceeds the offer price of EUR 17.85.
- If the Bidder, persons acting in concert with the Bidder or subsidiaries of both of the aforementioned acquire EPCOS Shares outside of a regulated stock exchange within one year of publication of the number of shares to which they are entitled and which result for the Bidder by the acceptance of the Offer after expiry of the Acceptance Period (section 23 para 1 no 2 WpÜG), and if the value of the consideration paid or negotiated for those shares is higher than the consideration mentioned in the Offer, the Bidder is required to pay a consideration in the amount of the difference to the EPCOS Shareholders who have accepted the Offer ("**Subsequent Improvement**"). However, shareholders have no such claim to a Subsequent Improvement in case acquisitions for a higher consideration are made after this one-year period.

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- EPCOS Shareholders who accept the Offer have no claim to any settlements that may be paid after execution of the Offer in the event of certain structural measures (particularly in the event of a de-listing or the conclusion of a domination or profit transfer agreement). Such settlement payments are to be measured based on the full value of EPCOS AG and are subject to judicial review in the form of arbitration procedures. Such settlement payments may be higher or lower than the consideration currently offered by the Bidder. Even if such payments are higher than the consideration, EPCOS Shareholders who accept the Offer have no claim to such settlement payments or any additional payments.
- The Management Board and the Supervisory Board point out that the personal tax situation of each shareholder may lead to assessments, which, in any individual case, may differ, from those of the Management Board and the Supervisory Board. The Management Board and the Supervisory Board therefore advise the EPCOS Shareholders to obtain tax advice, if necessary, with respect to the tax consequences of submitting their EPCOS Shares. The Management Board and the Supervisory Board further point out that they are unable to verify whether or not EPCOS Shareholders accepting the Offer will be acting in compliance with all legal obligations applying to them personally. In particular, the Management Board advises all persons who come into possession of the Offer Document outside of the Federal Republic of Germany or who wish to accept the Offer and fall within the scope of capital market laws other than those of the Federal Republic of Germany, to inform themselves about those capital market statutes with the aid of expert advisors and to comply with them

7.2 Possible Disadvantages of Not Accepting the Offer

EPCOS Shareholders who do not accept the Offer will remain shareholders of EPCOS AG. However, they should keep the following in mind:

- EPCOS Shares for which the Offer is not accepted may – apart from the exceptions mentioned below – continue to be traded on the stock market. However, it is not out of the question that the demand for EPCOS Shares after execution of the Offer will be lower than it is today, thus reducing the liquidity of EPCOS Shares. As a result, sale orders may not be executed in a timely manner or not at all. In addition, the possible limited liquidity of the EPCOS Shares may lead to sharp price fluctuations. If proper trading can no longer be assured due to the reduced liquidity of EPCOS Shares, the shares may be de-listed, even without any effort to that effect on the part of the Bidder. In the event of such de-listing, there would no longer be an organised public market for the trading of EPCOS Shares. Should EPCOS Shares be de-listed, it may be considerably more difficult to sell EPCOS Shares.
- After the Offer is executed, it is possible that EPCOS Shares will be removed from the TecDAX-Index on one of the next adjustment dates, if the acceptance rate is sufficiently high. The removal of EPCOS AG from the TecDAX-Index may induce investment funds and other institutional investors whose investments reflect indices like the TecDAX-Index to sell their EPCOS Shares. This may result in an oversupply of EPCOS Shares in a relatively illiquid market, which may cause the share price to drop.
- After executing the Offer, the Bidder could have the necessary qualified majority of votes to push through the general meeting of EPCOS AG structural measures such as changes to the articles of association, company agreements (e.g. domination agreements), share capital increases, transformations (particularly mergers and changes of form), liquidation (including liquidation by transfer) and the disposal of major business units. If the shareholding of the Bidder, TDK or TDK EPC in the capital stock of EPCOS AG reaches at least 95% in the course of this Offer or at a later date, the general assembly of EPCOS AG may be requested, in accordance with sections 327a et seqq. of the Stock Corporations Act, to resolve to transfer the shares of the minority shareholders to the Bidder (as the principal shareholder) in return for a reasonable cash settlement (squeeze-out) or the shares of the minority

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shareholders may be transferred to the Bidder by court order pursuant to section 39a WpÜG in return for a reasonable cash settlement. Insofar as a settlement and/or exchange offer based on a valuation of EPCOS AG, possibly with due regard for the share price, has to be made to EPCOS Shareholders in the course of structural measures under corporate law, a squeeze-out or based on a de-listing, as the case may be, such valuation will depend on the earnings and liquidity position of EPCOS AG at the time of such future structural measure, further stipulated by law depending on the kind of the structural measure, or on the share price at the time of the relevant resolution and its announcement. The value of this settlement and/or exchange offer may be consistent with the consideration offered by the Bidder in the Offer Document but may also be higher or lower than that consideration. It is subject to judicial review in the form of arbitration procedures. The same applies for annual compensation due under a domination or profit and loss transfer agreement. Such payment would depend on the current earnings position of EPCOS AG and its future earnings prospects at the time of the general assembly's resolution approving such agreement.

- In case of a series of measures which the Bidder can execute based on a majority of votes in the general meeting of EPCOS AG or which it can push through based on its dominant position as majority shareholder, the EPCOS Shareholders will not necessarily be offered compensation of any kind. Nevertheless, it cannot be ruled out that such measures could have a detrimental impact on the share price or reduce the value of EPCOS Shares as derived mathematically from the Company's value.
- In general, the future performance of EPCOS Shares cannot be predicted in advance. It is affected by all external factors associated with the general economic situation and is dependent on the future development of the EPCOS Group's business and the supply and demand for EPCOS Shares. It cannot be ruled out that the current price of EPCOS Shares has been influenced by the announcement of the Bidder to submit the Offer and the publication of the Offer and cannot be sustained at its current level.
- If the Bidder obtains the necessary majority of EPCOS Shares, it may acquire the power to decide on its own within the general meeting about the distribution of profits. As a result, no statements can be made at the present time as to the future dividend policy of EPCOS AG. However, TDK has committed itself in the Business Combination Agreement not to work towards a distribution of dividends, which would significantly exceed previous payouts.

8. INTERESTS OF SUPERVISORY AND MANAGEMENT BOARD MEMBERS

8.1 Supervisory Board

The members of the Supervisory Board Klaus Ziegler (President), Peter Hoffmann (Vice-President), Prof. Dr. Anton Kathrein, Dr. Bodo Lüttge, Joachim Reinhart and Winfried Wolff hold as of the date of this Statement EPCOS Shares which in total do not exceed 1% of the stock capital of EPCOS AG. The other members of the Supervisory Board do not hold any EPCOS Shares.

According to the Business Combination Agreement, the chairman of the Supervisory Board, Mr. Klaus Ziegler, will become one of the members of the Board of Directors of TDK EPC nominated by EPCOS AG (see section 6.2.2 of this Statement).

The members of the EPCOS AG Supervisory Board have not received or been promised monetary payments or benefits by the Bidder, persons acting in concert with the Bidder or their subsidiaries in connection with the Offer.

8.2 Management Board

The members of the Management Board do not hold any EPCOS Shares as of the date of this Statement.

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According to the Business Combination Agreement, the chairman of the Management Board, Mr. Gerhard Pegam, will become one of the members of the Board of Directors of TDK EPC nominated by EPCOS AG (see section 6.2.2 of this Statement).

The members of the EPCOS AG Management Board have not received or been promised monetary payments or non-cash benefits by the Bidder, persons acting in concert with the Bidder or their subsidiaries in connection with the Offer.

9. INTENTION OF THE SUPERVISORY BOARD MEMBERS TO ACCEPT THE OFFER

The Supervisory Board members Klaus Ziegler (President), Peter Hoffmann (Vice-President), Prof. Dr. Anton Kathrein, Dr. Bodo Lüttge, Joachim Reinhart and Winfried Wolff intend to accept the Offer for all of the respective EPCOS shares they hold.

10. RECOMMENDATION

In view of the explanations in this Statement and taking into consideration the overall circumstances of the Offer, the Management Board and the Supervisory Board hold the view that the consideration offered by the Bidder is adequate in terms of section 31 para 1 WpÜG. The Management Board and the Supervisory Board take the view that the Offer is in the interests of the Company, the EPCOS Shareholders and the Company's employees. The Management Board and the Supervisory Board therefore support the Offer and recommend that the EPCOS Shareholders accept the Offer and tender their EPCOS Shares in the course of the Offer.

However, each EPCOS Shareholder must reach his or her own decision based on all circumstances, his or her individual means and his or her own assessment as to the potential future performance of EPCOS Shares. Subject to applicable law, the Management Board and the Supervisory Board are not responsible if the acceptance or non-acceptance of the Offer has an adverse economic effect for any EPCOS Shareholder at a later date

Munich, August 29, 2008

EPCOS AG

The Supervisory Board

The Management Board

STRICTLY PRIVATE & CONFIDENTIAL

The Management Board and the
Supervisory Board
EPCOS AG
St.-Martin-Strasse 53
81669 Munich

26 August 2008

Dear Sirs,

On 31 July 2008 EPCOS AG (the "**Company**") and TDK Corporation ("**TDK**") have signed a Business Combination Agreement and TDK has announced its intention to launch a voluntary public takeover offer for all outstanding ordinary bearer shares of the Company (the "**Offer**"). The Offer Document was published on 25 August 2008. Pursuant to the Offer, the shareholders of the Company will be offered a consideration amounting to €17.85 in cash per share (the "**Consideration**"), (the "**Transaction**").

In connection with the Transaction, you have requested UBS Deutschland AG ("**UBS**") to provide you with an opinion (the "**Opinion**") as to the fairness, from a financial point of view, of the Consideration.

UBS acted as financial adviser to the Company in connection with the Transaction and will receive a fee for its services, a substantial part of which is contingent upon completion of the Offer.

From time to time, UBS, other members of the UBS Group (which for the purpose of this letter means UBS AG and any subsidiary, branch or affiliate of UBS AG) and any of their predecessors may have provided investment banking services to the Company and TDK or any of their affiliates and received customary compensation for the rendering of such services. In the ordinary course of business, UBS, any members of the UBS Group or their successors may trade securities of the Company and TDK for their own accounts or for the accounts of their customers and, accordingly, may at any time hold long or short positions in such securities. An affiliate of UBS may be acting as financier to TDK in connection with the Transaction.

In determining our Opinion we have used such customary valuation methodologies as we have deemed necessary or appropriate for the purposes of this Opinion, including:

- multiples of public comparable companies,
- multiples of comparable transactions, and
- discounted cash flow analysis,
- review of broker analyses.

Our Opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company or the underlying business decision of the Company to effect the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms of the Transaction (other than as to the fairness, from a financial point of view, of the Consideration) or the form of the Transaction. Our Opinion does not constitute an offer by us, or represent a price at which we would be willing to purchase, sell, enter into, assign, terminate or settle any transaction. The valuation herein is not an indicative price quotation, in particular, it does not necessarily reflect such factors as hedging and transaction costs, credit considerations, market liquidity and bid-ask spreads, all of which could be relevant in establishing an indicative price. In rendering this Opinion, we have assumed, with your consent, that the Transaction as consummated will not differ in any material respect from that described in the materials that we have examined, and that the Company and TDK will comply with all material terms of the Transaction documents.

In determining our Opinion, we have, among other things:

- (i) reviewed certain publicly available business and historical financial information relating to the Company;
- (ii) reviewed the consolidated annual report, audited financial statements of the Company for 2007;
- (iii) reviewed the unaudited Q1 2008 results; Q2 2008 and Q3 2008 results of the Company;
- (iv) reviewed certain internal financial information and other data relating to the business and financial prospects of the Company, including estimates and financial forecasts until 2011 prepared by the Management Board of the Company, that were provided to us on 28 April 2008 by the Company and not publicly available; including
 - a) Business plan (mainly P&L information) per September 2007 for the period from 2008 to 2011;
 - b) Update of business plan (mainly P&L information) per April 2008 for the period from 2008 to 2011;
 - c) More high level projections have been prepared for the period from 2012 to 2017 and reviewed and approved by the management;
- (v) conducted discussions with, and relied on statements made by, members of the senior management of the Company concerning the business and financial prospects of the Company;
- (vi) reviewed the Offer document published on 25 August 2008;
- (vii) reviewed current and historical reported share prices and trading activity for the Company's ordinary shares;
- (viii) reviewed certain equity research reports prepared by a number of investment banks (incl. UBS) relating to the Company that included a view on share price targets;
- (ix) reviewed publicly available financial and stock market information with respect to certain other companies in lines of business we believe to be generally comparable to those of the Company;

- (x) compared the financial terms of the Transaction with the publicly available financial terms of certain other transactions which we believe to be generally relevant;
- (xi) reconfirmed verbally the most recent outlook with members of the finance department;
- (xii) reviewed the Business Combination Agreement signed on 31 July 2008 (the "BCA"); and
- (xiii) conducted such other financial studies, analyses, and investigations, and considered such other information as we deemed necessary or appropriate.

In connection with our review, at your direction, we have assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or was furnished to us by or on behalf of the Company, or otherwise reviewed by us for the purposes of this Opinion, and we have not assumed and we do not assume any responsibility or liability therefore. In addition, at your direction, we have not made any independent valuation or appraisal of the physical assets of the Company, nor have we been furnished with any such evaluation or appraisal.

With respect to the financial forecasts and estimates prepared by the Company as referred to above, we have assumed, at your direction, that they have been reasonably prepared on a basis reflecting the best currently available estimates and judgments of the Management Board of the Company as to the future performance of the Company. In addition, we have assumed with your approval that the future financial results referred to above will be realised in the amounts and time periods contemplated thereby.

To the extent we have relied on publicly available financial forecasts from various equity research analysts, we have assumed that they have been reasonably prepared based on assumptions reflecting the best currently available estimates and judgments by the analysts as to the expected future results of operations and financial condition of the Company.

We have also assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transaction will be obtained without any material adverse effect on the Company or the Transaction. Our Opinion is necessarily based on the economic, regulatory, market and other conditions as in effect on, and the information made available to us as of, the date hereof. It should be understood that subsequent developments may affect this Opinion, which we are under no obligation to update, revise or reaffirm.

We accept no responsibility for the accounting or other data and commercial assumptions on which this Opinion is based. Furthermore, our Opinion does not address any legal, regulatory, taxation or accounting matters, as to which we understand that the Company has obtained such advice as it deemed necessary from qualified professionals.

Based on and subject to the foregoing, it is our opinion, as of the date hereof, that, from a financial point of view, the Consideration is fair.

This letter and the Opinion is provided solely for the benefit of the Management Board of the Company, in their capacity as Directors (*Vorstände*) of the Company, and the Supervisory Board of the Company, in their capacity as Members of the Supervisory Board (*Mitglieder des Aufsichtsrat*) of the Company, in connection with and for the purposes of their consideration of the Transaction. This


letter is not on behalf of, and shall not confer rights or remedies upon, may not be relied upon, and does not constitute a recommendation by UBS to, any holder of securities of the Company or any other person other than the Management Board and the Supervisory Board of the Company.


This letter may not be used for any other purpose, or reproduced (other than for the Management Board and the Supervisory Board, acting in such capacity, and its advisers), disseminated or quoted at any time and in any manner without our prior written consent. However, the Company may refer to the Opinion in the formal opinion of the Management Board and the Supervisory Board in the reasoned response statement (*begründete Stellungnahme*) under Sec. 27 German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz, WpÜG*) in a form agreed between the Management Board and the Supervisory Board and UBS. In addition, the Company may, subject to UBS' consent on each occasion refer to the existence of the Opinion in any press release issued by the Company in connection with the Offer and a subsequent Offer Document.

This letter and the Opinion is made without legal liability or responsibility on our part. We accept no responsibility to any person other than the Management Board and the Supervisory Board of the Company in relation to the contents of this letter, even if it has been disclosed with our consent.

This Opinion has been drafted in the English language. Should a version become available in a different language, the English text shall prevail in the event of inconsistency between the two versions.

Yours faithfully
UBS Deutschland AG



Dr. Martin Reitz
Managing Director

Carsten Ridder
Executive Director