

## Top Commitment

TDK's new medium-term plan, which started in 2012, states that our basic policy is to "sharpen TDK's core technologies and contribute to the evolution of new social infrastructures." In this plan, we identify the next-generation information and communications market and the energy related market as our top-priority markets. As an electronic components manufacturer, we believe that TDK can display its strengths in a wide range of fields that can be expected to grow in the future, such as cloud computing, smart grids, and environmentally friendly vehicles. In the field of magnetics, which is one of our strengths, we have identified 2012 as "year one of the magnet renaissance" and will put even greater effort into this sector with the aim of developing a magnet that does not use rare earth elements. We will also continue to constantly challenge new business fields and, through the solution of social issues, contribute to the realization of a sustainable society.

Creating entirely new things of value by starting at the fundamental level of the materials—While inheriting this creative spirit as our DNA, unchanged since our founding, TDK has constantly pursued the creation of products that meet the needs of society, in other words, exceptional craftsmanship from the standpoint of the customer. As one attempt to show our respect for and inherit TDK's spirit of exceptional craftsmanship, since 2010, we have been holding

the TDK Monozukuri Tradition Seminars. The aims of these seminars are to provide an understanding of the role and mission of "mother factories" in ensuring survival in this age of global competition and training next-generation leaders who are capable of building a consistent backbone of exceptional craftsmanship. Participants learn about such themes as consistent processes of manufacturing from materials to products and the incorporation of quality assurance in the manufacturing process itself, rather than relying on quality inspections, and they, themselves, give guidance to front-line workers. From the point of view of strengthening our competitiveness, we believe that it is essential to share this spirit of craftsmanship throughout the Group so as to efficiently create products that satisfy the customer and to differentiate ourselves.

Under the environmental vision, the "TDK Environmental Action 2020", announced in 2011, TDK is making a progress steadily toward the achievement of carbon neutrality, which is the first attempt in the electronic components industry. The goal for this initiative is that the emissions of CO<sub>2</sub> in the production activities of the TDK Group will be cancelled out by contributions made to the decrease of CO<sub>2</sub> emissions by using TDK products by FY2021. In addition, through an industrial organization, we are promoting the realization of the environmental contributions of electronic components. Our

desire is to clarify the environmental contributions of electronic components by standardizing the criteria.

Furthermore, in order to respond to changes in the demands and expectations of society, in the fall of 2011, we revised the TDK Code of Conduct, which is a guideline for TDK's behavior as a company. The revised guideline proclaims, "TDK will fulfill its responsibility to society based on a strong sense of ethics in order to promote sustainability, and will conscientiously promote corporate ethics and CSR throughout its supply chain, which includes suppliers and clients." It also states, "Through the practice of our corporate motto, which holds values that should be shared by every individual employee in the TDK Group, the Company emphasizes solidifying the unity of the group as a whole and endeavoring to further enhance our values." From now on, we intend to disseminate this new Code of Conduct even more deeply among our employees.

One of the characteristics of TDK is its respect for the individuality of employees. I want our employees, who will take the lead in the future, to have vision and to continue courageously making advances without fear of failure and never giving up hope. It is the accumulation of such efforts that will gain the trust of stakeholders and in turn cultivate trust in TDK as a whole.

This report introduces some of the advancements we have been making. Please read it and send us your comments.



**Inheriting the spirit of creativity continued since our founding, TDK will contribute to the solution of social problems through exceptional craftsmanship. We will continue making advances toward our goal.**

Takehiro Kamigama, President and CEO, TDK Corporation

A handwritten signature in black ink, appearing to be 'T. Kamigama'.