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How Up-and-Coming TDK Leaders from around the World See the Future of TDK

— Finding out what society expects from TDK

When thinking about how to maintain sustainable growth of the TDK Group, the social responsibility aspect is a high-priority consideration.

What does society at large expect from TDK, and how can TDK fulfill its obligations? Future leaders of TDK, coming together from various parts of the globe, engaged in passionate discussions about these topics.



IMD training participants

- TDK (Thailand) Co., Ltd.
Amnart BOOTLOR (Thailand)
- TDK Components U.S.A., Inc.
Belinda LEE (U.S.A.)
- Magnecomp Precision Technology Public Co., Ltd.
Chamni HAN CHIANG (Thailand)
- TDK-Lambda Malaysia Sdn. Bhd.
CK TOH (Malaysia)
- TDK-EPC AG & Co. KG
Dr. Bernhard OSTRICK (Germany)
- EPCOS (Zhuhai FTZ) Co., Ltd.
Dr. Herbert POELZL (China)
- EPCOS (Anhui)
Feida Electronics Co., Ltd.
Frederico KNORR (China)
- TDK Corporation of America
John GIBSON (U.S.A.)
- TDK Taiwan Corporation Joseph CHAO (Taiwan)
- TCN Shenzhen
Judy XU (China)
- TEE - Paris branch
Olivier MAGRO (France)
- TDK (Shanghai) International Trading Co., Ltd.
Shimmer SHAO (China)
- TDK (Malaysia) Sdn. Bhd.
Tuan ROHISHAM (Malaysia)
- TDK Singapore (Pte) Ltd.
Vanessa KNG (Singapore)
- TDK Hong Kong Co., Ltd.
Vina LAM (Kar Yee LAM) (Hong Kong)
- TDK (Suzhou) Co., Ltd.
Yu Hong LU (China)
- TDK Taiwan Corporation
Yung-Hsien YEH (Taiwan)

IMD seminars aim for true globalization

The IMD seminar program aims at fostering future leaders of the company. Each year, at TDK Group sites in Japan or at other associated locations, training programs lasting approximately one week are held, with all participants lodging together at the venue.

Nikaho City in Akita Prefecture, a place closely related to TDK's history from the very beginning, was one of the IMD locations this year. Under clear autumn skies, participants from a variety of countries - including China, the U.S., Malaysia, Germany, and France - assembled here. All 17 participants are candidates for executive positions at local subsidiaries.

Leaders from various countries think about CSR

The main topic on day three of the IMD seminar was "CSR." Social responsibility is of course an area of importance for the business of the future which cannot be overstated. The staff members who may be leading the TDK branches of the future must acquire a deep understanding of what a company's obligations towards society are. In their respective locales, they need to be able to grasp trends in social developments and identify the needs of the various stakeholders in order to promote meaningful CSR activities and conduct proper business management. This is the overriding aim of the program.

IMD (International Management Development Seminar)

So far, International Management Development Seminars have been held 16 times since 1997, with the aim of fostering true globalization of TDK's human resources and strengthening transnational ties. Both in terms of production and sales, more than 80% of the TDK Group's activities are located outside of Japan. Overseas markets are the mainstay of the group, and global

cooperation and coordination are essential to our competitiveness. This seminar program comprises lectures and workshops to foster a deeper understanding of corporate ethics, widen the horizons of participants, enhance their awareness of management viewpoints, and bolster mid to long term strategic thinking. The creation of a global human network is

another objective. So far, 247 people from 16 countries have taken part in the program, which has seen participants who have completed the IMD seminar go on to become presidents of overseas affiliates and take other leading posts. This demonstrates its importance for cultivating people who can lead TDK's growth on a global level.

The program started off with an explanation of TDK's philosophy with regard to CSR. Members of the CSR Promotion Office pointed out that putting the corporate motto of "contribute to culture and industry through creativity" into practice and strictly adhering to corporate ethics principles are key requirements. They then shared the information that key CSR action items had been grouped under four topics.

The next item on the agenda provided an opportunity to learn about the state of CSR around the world. The founder of First Penguin, Ms. Wong Lai Yong, a renowned speaker and consultant on social responsibility and human resources training, gave a lecture on this topic. Social issues differ considerably by country and region. Because CSR is born out of the attempt to deal with such issues, the focus of CSR differs significantly in Europe, Asia, and the Americas. The presentation, keenly followed by the participants, also touched on the current state of global environmental issues such as dwindling water and energy resources. Another observation that caught the listeners' interest is the fact that in recent years, as the earnings of businesses rise, their influence also increases, which in turn heightens their responsibility and expands the expectations placed by society on them.

Ms. Wong stressed that the objective of CSR is to ensure sustainable growth, and that engaging with CSR issues means to both avert risks and grasp opportunities. By responding to stakeholders' various

viewpoints and concerns, opportunities for growth will emerge. The attendees realized that CSR should not be thought of as something that is separate from day-to-day management, but rather it is vital to integrate CSR into the overall picture. It is highly important to maintain CSR awareness as each individual person performs their daily tasks.

What do stakeholders expect from TDK?

What then are the expectations that stakeholders from various sides have towards TDK? One of the aims of the seminar was to think anew about this issue and to try and view the company from different external standpoints.

The 17 participants from nine countries were divided into five groups, namely "customers," "suppliers," "shareholders and investors," "local communities," and "employees." By assuming these respective roles, the expectations and demands on TDK were worked out. Because issues differ by country and by region, the expectations towards TDK also tend to differ. During the discussion, the participants shared information about the respective situations in each of their countries.

After expectations and demands had emerged and been clarified, the discussion moved on to the question of how TDK should respond, and what the ideal relationship and stance towards the respective stakeholders should be.

Ideal Relationships with Stakeholders

After approximately one hour of group discussions, the final summary contained several unique key words and revealed some ambitious goals. The fact that potential future leaders of various TDK sites took the viewpoint of stakeholders and envisioned what an ideal relationship with TDK would look like doubtlessly has great significance for the further growth of TDK around the world. The content of the group discussions is summarized below.

Customers

Expectations of customers are wide and varied, ranging from labor and safety conditions, respect for human rights and other concerns related to company actions, to environmental issues. In order to respond to these, the company must create innovative products of high quality and supply them at low prices. Close observation of local laws and customs is required when constructing new plants. Creating employment opportunities is also a social responsibility.

By taking a leading role in innovation and in concern for the environment, a business should ideally be seen by customers and consumers to be an innovative company, a green company, and a high-quality company.



Suppliers

For a supplier, knowing TDK's set of values and requirements is crucial. TDK must have a clearly defined CSR policy, and provide training for suppliers to that effect. Regularly measuring and evaluating the supplier's actions and providing relevant feedback is also expected.

Suppliers can be assumed to expect a win-win relationship where the supplier and TDK are able to grow together with a long-term perspective. A collaborative stance in terms of technology and know-how between TDK and its suppliers in many different business sectors is expected to bring about various new possibilities. These in turn will make it possible to build better partnerships.



Shareholders / Investors

The foremost concern of shareholders and investors is likely to be the avoidance of problems potentially leading to large losses. Promoting CSR has the effect of reducing risk. By listening to the opinions of society and responding early, within a moral framework, the corporate image can be maintained.

Additionally, trying to tackle social issues can lead to opportunities for growth and future business evolution. TDK's vision is to provide solutions that fit the future needs of society in order to enable sustainable growth. Gaining the trust and support of shareholders and investors through this vision is considered to be ideal.



Local communities

Local communities will emphasize strict adherence to laws, and will also look for a stance that is beneficial to the region. Effective use of resources is important to prevent environmental pollution. Maintaining good relationships with local governing bodies and providing fulfilling job opportunities for local people are both important. Making intensive use of local suppliers contributes to the vitalization of the region. Social activities that promote the company as a member of local society are another important aspect.

The ideal scenario for relations with communities can be realized when the TDK brand has good local penetration and the company is providing quality employment opportunities to local citizens. Reducing the environmental impact through revolutionary green technologies also forms part of this scenario.



Employees

A company in effect must have a consistent CSR policy and must make it fully known to all members of staff. When transforming the policy into concrete action, responsibilities must be clearly defined, and priorities must be set.

Staff also need to feel that they are able to grow together with the company. If they sense that the company truly values them, their motivation will increase. There must also be opportunities for social exchange and interaction among staff, and the degree of work satisfaction must always be monitored and assessed.

Creating a fair and happy workplace through the promotion of CSR principles and mutual concern for each other is seen as defining the ideal relationship between a company and its staff.



Global Leaders Supporting TDK

Utilizing the Results of IMD Seminar to Bring Out Organizational Strength and Become a Global Leader

Shimmer Shao, IC Project Leader (Manager), Sales, TDK Shanghai Shimmer SHAO



As the head of sales in Shanghai, I am responsible for IC (integrated circuit) collaboration. I introduce TDK Group products to the main IC makers with operations in China. In order to expand sales, I also cooperate with members of IC divisions overseas and endeavor to improve design efficiency and to strengthen sales support activities.

I am now in my seventh year at the company. It was during my first five years, when I was working in planning and marketing, that I realized how much I had grown. With the support of my colleagues, I was able to achieve substantial results, such as the holding of product seminars for customers more than 90 times. It was also very encouraging for me when I received a special award from the general manager for sales at the HQ in Japan.

And then two years ago, I was put in charge of IC collaboration at TDK China. As well as fulfilling my own duties, in this role I have to instruct group members and guide them toward achieving their targets. So my work requires not simply management skills but wide-ranging considerations as well. At first I was a bit overawed, but with the help of my colleagues and seniors, I have been able to overcome the difficulties. Now I see how executing my work as a leader and sharing my know-how exerts a good impact on those around me. I get a lot of satisfaction out of that.

Furthermore, a major turning point came in 2012, when I got the opportunity to participate in IMD seminar. Participation in this training had been one of my goals ever since joining the company.

I really was able to learn a lot from the training workshops and discussions. It was a good chance for me to review my work so far, and I think I was able to make new discoveries regarding my own management skills as well. And the network that I have built with colleagues around the world who I got to know through the training is a big help.

From now on I want to further broaden this kind of exchange beyond national borders and strengthen ties with colleagues at worldwide sites. In order to further display a synergistic effect as "ONE TDK," I think it is necessary to build a setup to pursue compromises among people with differing cultures and ways of thinking.

Wages raises and promotion are important in increasing motivation, of course. But in order to gain a sense of fulfillment at work, it is also important to feel that you are trusted by your seniors and colleagues. For example, when I was assigned to my present department, the IC collaboration business had only just begun in China, so it was a big challenge for us to launch a new sales team and find customers. I think I was able to overcome this challenge and greatly expand the range of our work largely because my seniors trusted me and let me get on with it.

China is an extremely important market for TDK. I want to do my best so that we can expand sales in this market and achieve success here. There are not many examples of locally hired staff or women being appointed to senior managerial positions, but that's a challenge for me as well.

Creating an Environment Where People Can Develop Their Full Potential

"People" are what makes TDK. Each member highly receptive to information, and even the smallest indicators of social developments are not overlooked. Learning is an ongoing, life-long process. Kiyoshi Yazu from the Human Resources Group in the Administration HQ explains the aims towards which the company develops its human resources.

Fostering people who continue to learn and tackle problems

The way for a company to evolve is by helping its people to grow and develop. This is the fundamental idea behind TDK's human resources development. I believe that the mission of the Human Resources Department is to build an environment that is conducive to bringing out the full potential and worth of each individual, by identifying their capabilities and allowing them to shine.

To achieve this aim and to ensure that the work that people do is best matched to their talents and their situation, we are implementing a combination of programs including level-specific training, selective training, and support for self-improvement opportunities. However, the focal points and priorities of human resources development also are subject to change. We therefore review the programs each year from the ground up, and are updating and introducing new content as necessary.

Our foremost aim is to engender an attitude of never ceasing to attempt new things and to tackle challenges. New employees often express the wish to make use of their specialty according to the field that they studied at university, but TDK's business activities cover an extremely broad range, and just one single product reflects many diverse technologies and areas of know-how. Simply thinking "this is my specialty" may hinder one's ability to arrive at new ideas, and may block one's opportunities for growth.

Starting from the current term, we have therefore completely overhauled our training program for assistant managers with the aim of promoting a habit of learning, mainly among the younger generation of our staff. Regardless of job description, acquiring literacy in subjects that are the basics of any business, such as accounting, marketing, languages, and logical communication, has become a prerequisite for being recommended for promotion. From an early stage onwards, we want to inspire in our young staff an attitude of continuously absorbing new knowledge and technologies whatever the sector.

Another goal of the revision is related to the role of supervisors and superiors, those who are in charge of other employees. We want to create a corporate climate where superiors are always concerned about the training and growth of the people working under them, purposely providing opportunities for individuals to develop their personality and special skills. To this end, a staff member can, in consultation with superiors, set

down their own "key challenge goals" and work towards them while receiving on-the-job training from superiors. This framework is bound to foster growth in people working in junior positions.

A receptive mind is also vital if one wants to quickly grasp early signs of change in the modern business environment. Watching the world with interest, and in a spirit of positive learning that makes it possible to adapt to change, these are the qualities that we are after.

As the scope of business operations expands and work becomes more specialized, it is often difficult for an individual to grasp the real purpose of his or her role within the overall process. Here it is important that all members of the organization remain constantly aware of the ultimate goal, which is to provide customers with optimal value.

To ensure this, we also aim to improve the quality and volume of internal communications. In an open and refreshing atmosphere, where one can speak one's mind and talk freely and confidently without hesitation, a business can fulfill its mission. We are working towards creating such a workplace, which in turn will surely allow each individual to realize their full potential.



Kiyoshi Yazu
Senior Manager, Human Resources Group
Administration HQ, TDK Corporation

Innovative craftsmanship training

Since 2010, the TDK Monozukuri Tradition Seminars have been held with the aim of cultivating excellent manufacturing leaders. By rediscovering the origins of TDK's strong tradition of creative production, we can once again grasp the big picture and revamp manufacturing processes through diligent attention to the task at hand. Participants in the seminars are expected to guide and foster successors who will carry on the solid craftsmanship traditions of TDK. Many participants commented that their outlook had changed, or that they had become more keenly aware of the need for overall optimization, demonstrating that the intended transformations of consciousness had been achieved.

Cumulative total of participants in TDK
Monozukuri Tradition Seminars

81



Promote human rights and diversity

The TDK Code of Conduct comprises clauses that stipulate respect for human rights and prohibit discrimination.

We have undertaken a number of specific efforts to protect human rights and ensure equal opportunity, including efforts to educate and enlighten employees, the establishment of a special telephone "helpline" for consultations, and various systems relating to childcare and caregiver concerns (including childcare and other care leave systems, and a system permitting reduced working hours).

We introduced the Diversity Promotion Action Plan in October 2007 as an initiative to further advance these efforts and to recruit and utilize diversified human resources. Diversity promotion subcommittee have been established in each division, leading company-wide campaigns to provide more opportunities for female employees, retired workers and others.

Employees taking
child care leave

13

Ratio of employees
returning to former position
after taking child care leave

100%



Development of global human resources

TDK is conducting the following training programs aimed at the development of global human resources.

Cross-cultural communication training

As the scale of our business has become truly global, there is an increased need for all members of staff to improve their cross-cultural communication skills. With this in mind, TDK has strengthened the support for language training, mostly by e-learning, and we are conducting more cross-cultural communication training sessions at various locations. The goal is enhanced competence at functioning as a global business.

IMD Seminar (International Management Development)

We hold International Management Development Seminars with the aim of globalizing the TDK Group and forging transnational ties. The program is aimed at managers working for TDK Group corporations outside Japan as well as those working for TDK Japan.

Cumulative total of participants in
cross-cultural communication training

261

Cumulative total of
participants in IMD seminars

247

Cumulative total of participants in
trainee programs (from and to Japan)

11