

TDK Group's CSR

Through practice of the corporate motto of “Contribute to culture and industry through creativity,” the TDK Group aims to realize a sustainable society and company. Furthermore, in consideration of the degree of impact on and importance to society and TDK, we have selected four material activity areas from the perspective of CSR in which we are implementing the plan-do-check-act (PDCA) cycle. The following is a report of fiscal 2014 achievements and fiscal 2015 plans in these four areas.

TDK Group's CSR

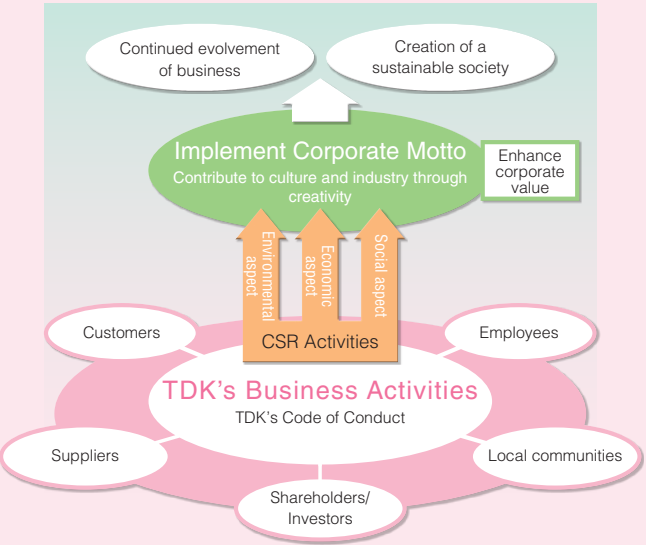
The TDK Group's approach to CSR is based on the practice of the TDK corporate motto and the thorough implementation of corporate ethics. Recognizing that TDK is a social entity supported by stakeholders, such as customers, suppliers, employees, shareholders, investors, and local communities, while maintaining communication with these stakeholders, we are promoting CSR activities through our business activities on the basis of the TDK Code of Conduct*.

In response to the revision and issue of version 4 of the Global Reporting Initiative's Sustainability Reporting Guidelines, we made the following responses in fiscal 2014:

- Analysis of the present level of information disclosure
- Participation in the GRI G4 Certified Training Course
- Arrangement of information sources by stakeholder toward identification of material aspects

From now on also, TDK will pursue the forms of CSR and information disclosure demanded by society

* For the complete text of the TDK Code of Conduct, please refer to the following URL:
http://www.global.tdk.com/about_tdk/code_of_conduct/



CSR Promotion Structure

Based on the activities of the Business Ethics & CSR Committee, which reports directly to the Board of Directors, the entire TDK Group engages in unison in a wide range of CSR themes through coordination among the CSR Promotion Office and other departments in the headquarters, business groups, and TDK sites around the world.

Business Ethics & CSR Committee

The Business Ethics & CSR Committee reports directly to the Board of Directors and comprises the general manager of the Administration HQ, function managers from the Corporate Planning Group, Corporate Communications Group, Human Resources Group, General Affairs Group, Legal Group, CSR Promotion Office, Finance and Accounting Department, and Management Review and Support Department, and the chief compliance officer (CCO) of TDK-EPC. The mission of the committee is to identify and solve any

issues related to the TDK Code of Conduct involving employees of TDK Group companies around the world.

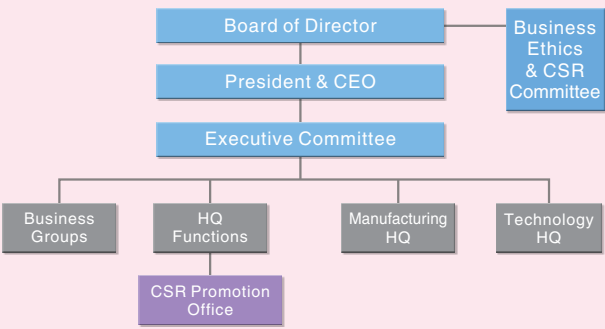
CSR Promotion Office

The CSR Promotion Office has in-depth knowledge of social issues and requirements and promotes CSR activities in a professional manner. The office strategically examines the various demands received from customers and society from such perspectives as their urgency and importance, their impact on TDK, the capabilities of TDK, and degree of contribution to society. Working closely with other departments in the company, it formulates policies and implements responsive actions. The CSR Promotion Office also promotes the spread of CSR awareness in TDK and organizes training programs.

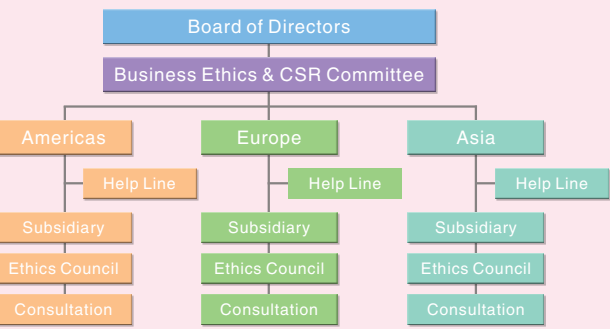
State of Progress in Important Activity Areas from a CSR Perspective

Item		FY 2014 Action Plan	FY 2014 Results	FY 2015 Action Plan
1	Contribution to the world by technology	Contribute to resolving social problems through business activities	<ul style="list-style-type: none">• Continue to promote the development of products which contribute toward solving problems in the Mid Term Plan, with special-emphasis on "Next-generation Information and Communications" and "Energy-related"	<ul style="list-style-type: none">• Continued development of rare-earth-free magnets; developed lead-free piezoelectric material; continued development of wireless power transfer, etc.
2	Development of human resources	<ul style="list-style-type: none">Innovative craftsmanship trainingDevelopment of global human resourcesCSR awareness within the company	<ul style="list-style-type: none">• Continue the TDK Monozukuri Tradition Seminars• Conduct the seminars at overseas sites according to team composition• Continue cross-cultural communication training and IMD seminars• Continue to bolster the overseas trainee program• Continue to implement e-learning (Japan, China), and expand the overseas implementation areas (increased the number of sites in China, and extended to Europe and the Americas.)• Continue to broaden coverage of the stratified group training• Promote CSR awareness during IMD training	<ul style="list-style-type: none">• Implemented TDK Monozukuri Tradition Seminar (9 participants)• Launched the Global HR Department in September 2013• Continued to implement cross-cultural communication training (59 participants) and IMD seminars (19 participants)• Bolstered overseas trainee program (4 participants)• Continued to implement e-learning and expanded overseas implementation areas (increased number of sites in China and newly extended to ASEAN region, Europe, and the Americas)• Implemented corporate ethics and CSR education in new graduates and assistant manager's training• Implemented CSR awareness raising in IMD seminars
3	Society and environmental considerations in the supply chain	<ul style="list-style-type: none">Promote CSR procurementHandle conflict minerals regulations	<ul style="list-style-type: none">• Periodically revise CSR check sheets for suppliers and continue to provide guidance• Expand supplier CSR audits• Implement CSR training at employment agencies focusing on labor and human rights• Continue gathering information and assessing trends regarding interpretation of SEC's final conflict mineral rules• Continue to provide a proper response for customers and suppliers• Continue to improve the internal company framework	<ul style="list-style-type: none">• Continue to strengthen items in CSR check sheets for suppliers and guidance (93% retrieval rate)• Implemented supplier CSR audits (27 suppliers)• Implemented CSR surveys at employment agencies focusing on labor and human rights• Gathered information and assessed trends through participation in Responsible Minerals Trade Working Group• In anticipation of an increase in survey requests from customers, began operation in July 2013 of a new organization (2,158 replies)• Implemented explanations of conflict mineral survey to suppliers (implemented in May 2013 and June – July 2013 through sponsorship of JEITA/JAPIA (Japan Auto Parts Industries Association))• Began implementation from June 2013 of surveys using the EICC/GeSI (Global e-Sustainability Initiative) conflict minerals reporting template (100% retrieval rate)• In April 2013 held a briefing session internally
	CSR based customer relations	<ul style="list-style-type: none">• Implement regular TDK CSR "Self Checks" at manufacturing sites and promote management level improvement• Implement self-imposed audits by third party organizations (8 sites in China and other Asian locations)• Respond to CSR survey and auditing requests from customers in a timely manner	<ul style="list-style-type: none">• Implemented regular TDK CSR self-checks at manufacturing sites and promoted management-level improvements centering on labor and human rights• Implemented audits by third-party organizations (of the eight sites, five sites underwent customer audits and the other three sites conducted voluntarily)• Responded to CSR survey and auditing requests from customers in a timely manner	<ul style="list-style-type: none">• Implement regular TDK CSR self-checks at manufacturing sites and promote risk-management-level improvements relating to labor and corporate ethics• Continue to implement third-party audits once every two years (including requests from customers)• Respond to CSR survey and auditing requests from customers in a timely manner
4	Symbiosis with the global environment	Promote environmental activities	<ul style="list-style-type: none">• Promote environment-oriented activities based on the TDK Environmental Action 2020• Continue to work towards achieving carbon neutrality:• Reduce CO₂ emissions (environmental load) from manufacturing operations to no more than 1,090,000 t-CO₂• Increase the reduction of CO₂ emissions through products (environmental contributions): implement TDK calculation standards for environmental contributions, and obtain contribution allocation	<ul style="list-style-type: none">• Promoted environment-oriented activities based on the TDK Environmental Action 2020• Toward achievement of carbon neutrality:• CO₂ emissions in manufacturing operations (environmental load): 1.063 million tons• Offset CO₂ reductions in products (environmental contribution): 886,000 tons; expanded range of products for which environmental contributions can be determined

Organization



CSR Promotion Structure



Contribution to the World by Technology

In what ways and means can TDK create value for society? We feel that the answer to this question lies most precisely in the motto of "Contribution to the world by technology" In this feature, we introduce the zeal of the top manager of our Technology HQ, along with the determination of engineers working on the frontlines of that division, as they mobilize the spirit of craftsmanship and the unique technological prowess of TDK since the company's inception in the quest to emerge as the "World's Most Powerful Technology Development Group."

Striving to Become a Company that Works through "Challenge" and "Revolution" in Technological Development, Constantly Supporting the Social Infrastructure

Kaoru Matsuoka

Senior Vice President,
General Manager, Technology HQ
General Manager,
Advanced Technology Development Center

Kaoru Matsuoka, head of the TDK Technology HQ, reflects back on fiscal 2014 with regard to "Contributing to the World through Technology" — a theme that can be said to be tantamount to the core business of TDK as a corporate entity — while also sharing his passionate view of what lies ahead.

Contributing to Society with Materials Technology — Looking Back on FY 2014

TDK is a company that has achieved steady growth over the years on the strength of ferrite, the material that provided the impetus for the company's foundation, and other materials technology. This was motivated by the desire to contribute to society through the development of materials that had yet to exist in the world. There has been no change in that passion over the years since, right up to the present day. In that sense, 2013 was a year of major progress for the TDK family.

First, in magnetic materials, we are mobilizing the development of new materials and process technologies to carry on the development of magnets that do not use rare earth metals, and remain determined to realize the stable supply and low pricing of such products.

In the piezoelectric field as well, we succeeded in the development of piezoelectric materials that do not contain lead — a metal exerting adverse impact on the human body and the environment. Looking ahead, we are determined to excel as the leader in the move to expand this lead-free movement throughout the industry as a whole.

In "wireless power transfer," an area currently in the spotlight as a new technology, we are pushing on with R&D aimed at making key contributions through the development and manufacture of ferrite, coils and other products. We fully recognize such

wireless power transfer, which also inspires high expectations for application in electric vehicles, power supplies to railways and other areas, as an important technology for supporting the ever-evolving social infrastructure.

In this way, it is our mission to create from scratch breakthroughs that are viewed as necessary by the world in which we live. To put that conviction into action, we will continue to rise to each "challenge" and bring about "revolution" in the arena of technological development from here on as well.

Applying the Corporate Motto to All Benchmarks

Human resource development is the core of the company. In our view, however, it is not just high technological skills that are vital, with the goal being to cultivate personnel capable of profoundly grasping and implementing the TDK mindset.

It is difficult to specifically train employees to be contributing human resources, with capable personnel prone to naturally mature and blossom on the job. For companies, it is critical to "create environments in which people can develop." During fiscal 2014, we prepared a human resource database that renders it possible to grasp our technical employees' careers at a glance, while we also bolstered our job rotation scheme to empower employees to vigorously experience other fields from early on in their

careers. It is our firm conviction that rotating our personnel around and adopting a thorough approach to putting the right people in the right posts will support the realization of diversity in the true sense of the word.

Last year, we announced the goal of making TDK the "World's Most Powerful Technology Development Group." To realize that aim, we believe that the most important requirements are for each and every employee to clearly envision the presence of our customers as the "end recipients" of their own work; together with progress in further expanding the ranks of so-called "self-directed personnel" capable of uncovering themes on their own and taking action with full independence. Regarding engineers, for whom the greatest joy lies in creating breakthroughs that have not existed in the world before, I am confident that this is truly the right and proper stance.

I want our employees to muster the courage never to give up, even if they encounter failures along the way, and rise to the challenges of reaching their own special aspirations. At such times, the benchmarks for all of our judgments should be the TDK corporate motto of "Contribute to Culture and Industry through Creativity," in tandem with our corporate principles of "Vision, Courage and Trust." As a member of the TDK management team, I am determined to do everything in my power to achieve wider and deeper acceptance of and compliance with this stance.



The Desire to Contribute in Numerous Fields, while Remaining Closely Grounded in the Essentials of Technology

I am engaged in both coordinating and promoting the development themes for next-generation battery materials being advanced at TDK business bases in Japan and overseas. The main thrust of this work consists of confirming the state of progress being made on each separate theme, moving to engineer collaboration between different themes, getting new themes off the ground, setting goals compatible with business needs and taking other steps. What I strive to achieve as a leader is to convey clear indications of each project's aims and the individual targets along the way. My efforts are channeled into advancing close communications and raising the motivation of each and every member of the team.

Among the materials that we work with, there are various different structural components. When we realized the high goals set for each of those components, with products completed by pooling those components together to reach the final target values, all members of the project team shared in a tremendous sense of accomplishment.

At TDK, we have built up the technology, which could be very well be equated to our own "corporate DNA," of handling ferrite and other types of fine powders. Batteries, which harness the properties of such powders, comprise a field that takes maximum advantage of the in-house technology at TDK.

Going forward, my goal is to remain firmly grounded in the essentials of the technologies developed to date, while devising means of utilizing such know-how in other fields. More specifically, in energy, health care and other sectors, for example. Batteries are also an indispensable element in the technology for smart grids and other domains, and I will be moving to make extensive contributions to the world through the development of highly efficient, low-cost battery materials.



Atsushi Sano

Leader,
Battery Materials Development Team,
Advanced Technology Development Center,
Technology HQ

Steadily Rising to Meet the Challenges of Highly Specialized Themes

I am assigned to development of "angle sensors" — devices used to detect the current position of rotating motors. In automobiles, for example, they are applied in controlling everything from wheels to windshield wipers, to improve driving performance, prevent malfunctions and for other purposes. To cope with the growing enhancement of safety in recent years, meanwhile, there is soaring demand for products built with unprecedented high precision and robustness (the capacity to prevent changes in certain characteristics due to the impact of shifts in the environment or other external factors).

My team is in charge of IC development aimed at heightening sensor precision and enriching function. One area that proves challenging in this development work relates to the demands for robustness capable of ensuring accuracy on various different fronts, even under fierce environments of temperature and electromagnetic waves, all the way through to breakdowns. With TDK able to address these areas on a fully integrated basis, from the sensor design through the IC design, we have high hopes that early problem-solving abilities will provide a key edge.

I was previously stationed in Germany for two years through a technology exchange program. The high level of specialization among the young technicians I met during that time was quite inspiring, while at the same time making me keenly aware of my own weaknesses. While still far short on the experience needed to contribute to the TDK goal of becoming the "World's Most Powerful Technology Development Group," I am determined to rise to the challenge of addressing more highly specialized themes. My aim is to reach beyond myself and bring those around me onboard this push, working together to further hone our skill levels as a tightly knit team.



Keita Miyachi

Engineer,
Mechanism Development Team,
Advanced Technology Development Center,
Technology HQ

The Challenge of Developing Materials that the World has Never Seen Before

I am involved in the work of developing materials for magnets that reduce the amounts of rare earth metals — a resource for which supplying nations are limited and fluctuations in price are fierce. I feel a great sense of challenge and reward in this work, because succeeding will make it possible to supply magnets at stable prices, helping to win trust in the eyes of our customers and realizing combinations of materials that no one has ever undertaken before. If we can also define applications on other fronts for the compositional development that we are currently advancing, I believe it will also be possible to contribute to raising the efficiency of overall TDK materials development.

Nearly six years have passed since I joined TDK. It is my sense that all of my experiences to date, including both the successes and the failures, have combined to help create who I am today. It is my conviction that remaining diligent in everything you do will provide benefits in the end, encouraging me never to cut corners in any work and do every task to the very best of my ability.

Working for a manufacturer also generates the motivation of contributing to the release on the marketplace of products that I have personally helped to develop. With the job rotation system, there are also opportunities to experience working not only in the development field but manufacturing as well, which is certainly a welcome touch. In addition to that, in order to manifest our strengths as the "World's Most Powerful Technology Development Group," it would also be wonderful to have training opportunities to cultivate "human ties" through interaction with other employees that I do not normally come into contact with.



Tomoko Kitamura

Researcher,
Magnetic Materials Development Team,
Advanced Technology Development Center,
Technology HQ

2

Development of Human Resources

In order to realize TDK's corporate motto of "Contribute to culture and industry through creativity," ideally every individual member of the organization should engage in work autonomously. The following is an introduction to the human resource development conducted by the TDK Group as a whole.

Summary of Efforts in FY 2014

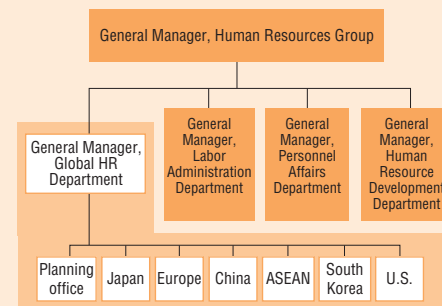
In fiscal 2014, TDK promoted human resource development, which is an important activity from the CSR perspective, in accordance with the priority themes of "Develop human resources to promote manufacturing reform," "Develop global human resources," and "Promote in-house awareness of CSR." Regarding "promotion of diversity," which has been advocated as a theme so far, TDK first of all has been giving priority to the urgent issue

of "cultivating global human resources." TDK has been promoting the three above-mentioned themes with the aim of cultivating autonomous employees who are capable of thinking things out for themselves, courageously facing challenges, tenaciously responding to changes in an optimum manner, and seeing things through to the finish.

Topic

1

Organization of the Global HR Department



Voice Role of the Global HR Department

Over the years our customers have expanded across the globe, requiring us to serve them better from a global point of view. The Global HR Department will be active in promoting personnel exchange across national borders as we aim to establish a unified global human resource development and training policy. We plan to provide training that comprises not only language skills and functional knowledge but also managerial skills for laying the foundation for strong future leaders.

Our primary goal is to create an environment that brings out the strengths of every employee and provides training to take their skills to a higher level. Recognizing that human resources are a company's most valuable asset, I believe that making outstanding products and technologies will depend heavily on this environment building. Our department can further magnetize the "One TDK" spirit and help to make TDK a truly attractive global enterprise that will allow us to cultivate and draw upon a wealth of talent.

Andreas Keller

General Manager,
Global HR Department,
Human Resources Group,
TDK Corporation



Topic

2

TDK Monozukuri Tradition Seminars

TDK has been holding TDK Monozukuri Tradition Seminars, a training program for next-generation management personnel and plant managers, since 2010. This training cultivates manufacturing leaders capable of seeing the whole monozukuri (manufacturing craftsmanship) process and thinking in terms of total optimization. The aim of the program is to pass TDK's spirit of monozukuri on to the next generation, and the basic principle is the spirit of "self-training and self-development," which encourages participants to think, practice, and study by themselves.

The centerpiece of the seminars consists of monozukuri lectures by veteran employees, who convey the spirit and origins of monozukuri through their own abundant experiences. In addition, participants visit plants for training, take part in small group discussions, engage in Zen meditation to deepen their thinking, and also have opportunities for direct talks with top management.

Another characteristic of the seminars is that leaders in various fields broadly related to monozukuri, such as development, design, sales, quality assurance, and production technology, participate as team units. The aim here is that after the training has finished, all sectors will cooperate to improve the monozukuri process as a whole.

So far an aggregate total of 90 employees have participated in the seminars, including a lot of employees from overseas sites in China and the ASEAN region. Amid the expansion of business globally, TDK will inherit and evolve the spirit of monozukuri, which is our starting point. TDK Monozukuri Tradition Seminars are a manifestation of this profound wish.



Shop-floor practice



The final seminar class, attended by the president, features reports.

Voice Participation in TDK Monozukuri Tradition Seminar

I think the foundation of the spirit of monozukuri, which is what the TDK corporate motto is all about, is to foresee market needs based on material technology and develop and supply the best products for customers. Moreover, TDK's starting point is the "shop-floor approach," which means that not only manufacturing but also not directly involved divisions, engineering, development, and sales, are always cooperating with one another.

In the TDK Monozukuri Tradition Seminar program, I visited four domestic sites and one overseas site together with the other trainees to inspect the production process and plant management there. I had visited some of the sites before, but still, through the discussions among trainees and other activities, things that I had not noticed before now became apparent. If we can share know-how in common areas, such as production

methods and element technology, we can expect great improvements in the TDK Group as a whole. I realized how important it is to enforce thorough manualization and build a system so that workers can explain goals, procedures, and workmanship.

Making use of my experience in the seminar, at TDK Xiamen, where I am now working, I am planning to launch a kind of Xiamen version of the TDK Monozukuri Tradition Seminar, in which selected persons from seven manufacturing sections and indirect sections in four business groups will gather, go round all the processes together, and formulate reform proposals. Amid the current globalization of business, I think it is extremely important to convey TDK's spirit of monozukuri to local managerial-level staff through such efforts. I believe that this will lead to the solution of customers' problems and in turn society's problems as well.

Tamotsu Aiba

Chairman,
TDK Xiamen Co., Ltd.



IMD Seminars Aimed at Fostering Leaders from Around the World

The series of IMD Seminars was inaugurated in 1997. It is aimed at managerial candidates at overseas affiliates of the TDK Group, with the intention of putting human resources on a truly global footing and strengthening solidarity in the Group across national borders. Each seminar lasts for about a week, with all participants lodging together at the venue. The seminar program comprises lectures and workshops to foster a deeper understanding of corporate ethics, widen the horizons of participants, and enhance their awareness of management viewpoints. The creation of a global human network is another objective. Former participants of the program have gone on to become presidents of overseas affiliates, demonstrating its importance for human resources development in the TDK Group.

IMD Seminar: International Management Development Seminar

Topic

3

Somruedee Promtep

Department Manager,
Quality Assurance Dept.,
TDK (Thailand) Co., Ltd.



Voice From an IMD Seminar Participant

I am in my 17th year with the company, and am working as the manager of the quality assurance team in the manufacturing division.

Hearing the background story related to the founding of TDK is one of the things that impressed me most at the IMD Seminar. The realization that contributing to society through one's work has been the defining philosophy of the company since its very beginning made me feel inspired and motivated. After my return, I immediately told my team members about it, wishing to convey

the same DNA also to our group.

The fact that I was able to meet TDK members from various countries around the world and exchange opinions with them also was a great benefit, as was the opportunity to learn in depth about topics such as how to become a good leader and how to effectively communicate with the people around you. I realized that I still have a long way to go, but I want to apply what I learned to my future work as well as my daily life.

Face-to-Face Talks between the President and Young Employees

From June to July 2013 face-to-face talks between President Takehiro Kamigama and young employees took place at six sites in Japan. The discussions were planned with the aim of actively incorporating the frank opinions and suggestions of young employees in management. First of all group discussions were held at sites in Japan, and on the basis of the contents of these discussions, six sites were chosen as venues for face-to-face talks. President Kamigama visited these sites and engaged in talks for more than two hours each with both group and individual participants. The discussions covered a range of topics, including the present state of TDK, the problems it faces, and its future image.

Voice Participation in Face-to-Face Talks

Through the discussions with President Kamigama, I realized that my own work horizons are very narrow. Rather than just adhering to a certain theme, I strongly felt the need to look at products as a whole and the market as a whole in development.

Another thing I learned was that the president has the same feelings as us concerning various issues and future goals. When an organization gets bigger, it tends to become more difficult for the opinions of ordinary

employees to reach the top, so such opportunities are very valuable. I think that deepening communication like this in the division and between divisions will lead to the creation of greater value.

Personally, I was very impressed by the president's encouragement for us to make mistakes while we are still young. As an engineer, I want to challenge many things and learn from mistakes rather than being afraid of making them.

Yuya Ishima

Assistant Manager,
Multilayer Components
Business Unit,
Magnetics Business
Group,
TDK-EPC
Corporation



CASE

3

Society and Environmental Considerations in the Supply Chain

As a midstream company, TDK promotes social and environmental considerations in both the upstream and downstream supply chain. Activities were steadily developed in fiscal 2014 as well.

Summary of Efforts in FY 2014

Regarding CSR response to customers, TDK has been implementing CSR self-checks at the main production sites of the TDK Group every year since 2009. In addition, TDK responds to CSR audit requests from customers, which have been increasing in recent years, and conducts voluntary internal CSR audits. In response to any issues detected, TDK develops risk assessment tools and takes other measures as necessary.

In the promotion of CSR procurement, TDK uses the existing Supplier Partnership System and requests business partners to answer CSR check sheets in order to understand the situation. To

further improve activities, TDK has revised the CSR check sheets and conducted CSR audits at main suppliers.

Regarding its response to conflict minerals, TDK has formulated a conflict mineral policy, publicized it both inside and outside the company, and reviewed its survey and reply setup. Recognizing that the cooperation of industrial circles is essential to solve this problem, TDK also participates in Responsible Minerals Trade Working Group as a managing company.

Topic

1

Implementation of Supplier CSR Audits

At TDK Xiamen we implement CSR audits at supplier companies in response to requests from customers. First of all, we select the suppliers to be audited in consideration of such factors as their importance and our degree of dependence on them in product delivery to customers. After receiving guidance from the TDK head office on such things as audit procedures, we started audits in July 2013. By March 2014, we had conducted audits at 16 companies.

As a result of the audits, I feel that awareness of the meaning and necessity of CSR has deepened at suppliers. At the same time, though, regarding several of the problems pointed out in the audits, it is difficult for suppliers themselves to make improvements. For example, they have commented that, "If we improve the working environment for employees, it will be difficult for us to meet delivery dates," and, "If costs increased, we would have to reflect them in prices." The clarification of TDK's response to these conditions will be an issue from now on.

Making use of this experience and the knowledge I have gained in the CSR internal auditor training, I want to improve the quality of auditing in the future and contribute toward raising the CSR level in suppliers, including entrenchment of the PDCA cycle.

Meijuan Li

Section Manager,
Procurement Department,
Corporate Planning HQ,
TDK Xiamen Co., Ltd.



Topic

2

Implementation of Conflict Minerals Supplier Surveys

In order to conduct procurement in line with TDK's policy on conflict minerals, we select the purchased products to be surveyed, request suppliers to cooperate in the implementation of surveys and replies so as to identify refineries handling the minerals concerned, and register the results in TDK's own database. Since many suppliers have almost no understanding of the problem of conflict minerals, the first challenge is to make them aware of the issue and understand the importance of the survey. Sometimes we make specific suggestions regarding survey methods and the like, thereby endeavoring to enhance the survey recovery ratio.

The reality, however, is that even if a purchased product contains materials that might be a source of funding for armed forces, we have not reached the stage of being able to give clear instructions regarding specific action. Eventually, I think a clause stipulating that "No materials funding armed forces are used" should be included as a condition for selection when concluding a new purchase agreement.

My involvement in these surveys has been a good opportunity for me to think deeply about what kind of people my work impacts and in what ways. In the future, I want not only to aim to achieve goals but also to be constantly aware of the people who exist beyond them.

Chikako Abe

Environment & Quality Section,
Procurement Management
Department,
Procurement & Logistics Group,
Manufacturing HQ,
TDK Corporation



4

Symbiosis with the Global Environment

In order to promote environmental activities, TDK has formulated the TDK Environmental Charter as the environmental policy of the TDK Group as a whole and aims to contribute to sustainable development.

In accordance with the TDK Environmental Action 2020 initiative, announced in fiscal 2012, TDK is conducting activities toward the goal of becoming the first company in the electronic components industry to achieve carbon neutrality.

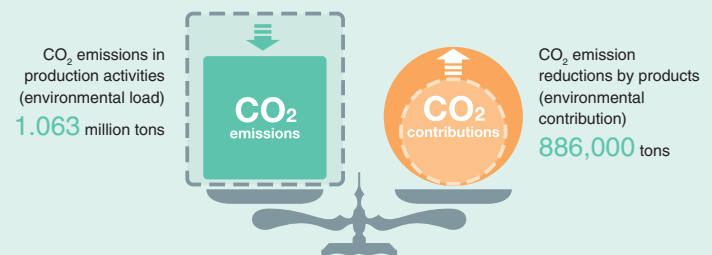
Summary of Efforts in FY 2014

Regarding the reduction of CO₂ emissions in production activities (environmental load), TDK placed priority on strengthening energy-saving measures in China, which accounts for about 50% of TDK's CO₂ emissions, as well as establishing a setup to promote independent activities and coordinating energy-saving activities with the cost-reduction efforts of business sites in China. As a result, the TDK Group's emissions in fiscal 2014 amounted to 1.063 million tons, which was greater than the target of 1.09 million tons.

Regarding the expansion of CO₂ emission reductions by products (environmental contribution), as a result of expanding the calculable scope of offset environmental contributions by product group and field, emissions in fiscal 2014 amounted to 886,000 tons.

TDK's Goal of Achieving Carbon Neutrality

CO₂ emissions in production activities (environmental load)
- CO₂ emission reductions by products (environmental contribution) ≤ zero



Topic

1

Energy-Saving Activities Achieve Substantial Reduction of CO₂ Emissions at TDK Xiamen

In China the 12th Five-Year Plan, which started in 2011, sets specific energy-saving goals for local governments and companies. TDK Xiamen has been conducting various energy-saving activities in response to its assigned target of reducing energy consumption by 1,750 tons a year (standard coal equivalent).

Specifically, TDK Xiamen has taken such measures as the replacement of superannuated incidental equipment, the installation of motor inverters, and the use of residual heat retrieved from compressors. As a result, we realized a reduction in energy consumption of 2,000 tons a year (standard coal equivalent) in 2013, which was far higher than both the target set by the Chinese government and the goal for CO₂ reductions requested of manufacturing sites by the TDK Group. We have also received subsidies from the Chinese government for the replacement of fuel boilers and a project to improve turbo refrigerators.

We aim to achieve even more results from now on by sharing and utilizing best practices at other sites and make efforts to publicize them so as to further raise the motivation of employees.

Linhai Shen (left)

Assistant Manager,
Engineering Department

Yingzhong Zhao (right)

Senior Engineer,
Engineering Department,
TDK Xiamen Co., Ltd.



Topic

2

Visualization of Environmental Contributions Boosts Competitiveness

We have calculated the offset environmental contribution of transformers, which are one of the products handled by our company. In the past also, we received high marks from customers from the perspective of consideration for the environment by utilizing TDK's strength in the development of magnetic materials to supply unique products not available from other companies. But now, thanks to the visualization of offset environmental contributions, we believe it will be possible for us to propose even more competitive products.

Transformers are used in a variety of ways and are essential for daily living. As well as large household appliances like air conditioners, refrigerators, and washing machines, they can be found in audiovisual equipment like televisions and recorders. Precisely for this reason, although the contribution of individual products might be tiny, together they have an enormous impact on the environment. It is extremely important, therefore, to be aware of their contribution to the environment at the design stage.

As well as the innate characteristics of TDK's transformers in terms of materials, manufacturing, and design, from now on, in addition to waste-free design and easy-to-make design, we will seek to realize environment-considerate design.

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