



Sustainability Report 2026

TDK Transformation

Accelerating transformation
for a sustainable future

CONTENTS

Message from the President and CEO.....	4	Activity Themes	76
Sustainability Transformation (SX) - Sustainability Management -	9	Climate Change Initiatives.....	77
Corporate Philosophy and Long-Term Vision.....	10	Water Resources Conservation.....	89
Key Issues (Materiality) of TDK.....	17	Initiatives to Prevent Air, Water, and Soil Pollution	92
Basic Approach to Materiality	18	Initiatives for the Circular Economy	93
Materiality Identification Process.....	20	Responsible Management of Chemical Substances	103
Expert Dialogues	21	Addressing Biodiversity	106
Materiality Progress Report	23	Third-Party Review of Environmental Performance Data	114
Sustainability Promotion Structure	27	A History of TDK's Environmental Activities.....	115
Efforts to Achieve the SDGs	29	Social	117
TDK Group's Approach to the SDGs.....	30	Respect for Human Rights.....	118
Business Creation Starting from Social Issues.....	35	TDK Group Policy on Human Rights.....	127
Contribution to the SDGs through Products.....	41	Customer Satisfaction	128
TDK's Digital Transformation Initiatives.....	44	Human Resources.....	129
Stakeholder Engagement	49	Human Resources Development.....	131
Fund Procurement through ESG Finance	52	Diversity, Equity & Inclusion.....	139
Sustainability-Linked Finance.....	53	TDK – Diversity, Equity, & Inclusion Policy.....	143
Green Bonds.....	55	Talent Attraction & Retention.....	144
Environment.....	56	Health and Productivity Management.....	150
Environmental Policy and Environmental Vision	57	Health and Safety.....	156
The TDK Group Occupational Health/Safety and Environmental Charter.....	59	Facilities with ISO45001 Certification.....	160
Environmental Management System.....	60	Social Contribution Activities.....	161
Facilities with ISO14001 and ISO50001 Certification	62	Governance.....	163
Goals and Achievements	64	Corporate Governance.....	164
TCFD/TNFD.....	66	Risk Management.....	165
		Corporate Ethics and Compliance	169
		Supply Chain Management	172
		Sustainable Procurement	173

Policy on Relations with Business Partners	183
Responsible Sourcing of Minerals	184
TDK Group Policy on Responsible Sourcing Minerals.....	188
Social and Environmental Consideration at Manufacturing Sites	189
TDK Manufacturing Sites Have Been Awarded Platinum Status, the Highest Tier of Recognition Granted by the RBA Through Its VAP	193
Tax Strategy	196
TDK – Global Tax Policy	198
Information Security	200
TISAX Certification Sites	204
Basic Policy on Information Security.....	205
Quality Assurance	206
Digital Transformation (DX)	212
TDK Group AI Ethics Policy	218
ESG Library	220
ESG Data	221
Environmental Data.....	222
Social Data	223
Governance Data	225
Recognition from Society.....	226
Third-Party Assurance	229
Participation in Initiatives	231
About the “Sustainability” Website	232
Search / Index.....	234
ESG Research.....	235
GRI Standards Table	238
SASB Table	242
Search by SDGs	243
Search by Stakeholder	245

ESG Related Data	246
ESG Related Policies	247

Sustainability

▶ Message from the President and CEO



Embracing the motto of “In Everything, Better,” we will continue to enhance our own capabilities

Since I took over as CEO, I have continuously stated that a company's value is the sum of the value created by each employee. This reflects my belief that people are everything and the idea that the sum of the value created by 100,000 team members (employees) will lead to tremendous corporate value. Over the past four years, I have constantly encouraged an approach of taking ownership and thinking about what actions are needed now. My hope is that this way of thinking will promote an awareness that the collective our own capabilities of all of TDK's members is linked to TDK's corporate value.

Geopolitical risks and other uncertainties in our external environment only continue to increase. Even in such an environment, there are endless opportunities to enhance our own capabilities. In FY March 2026, we recorded new highs for net sales and all profit items. We also achieved our plan targets outlined at the beginning of the fiscal year for all financial KPI.

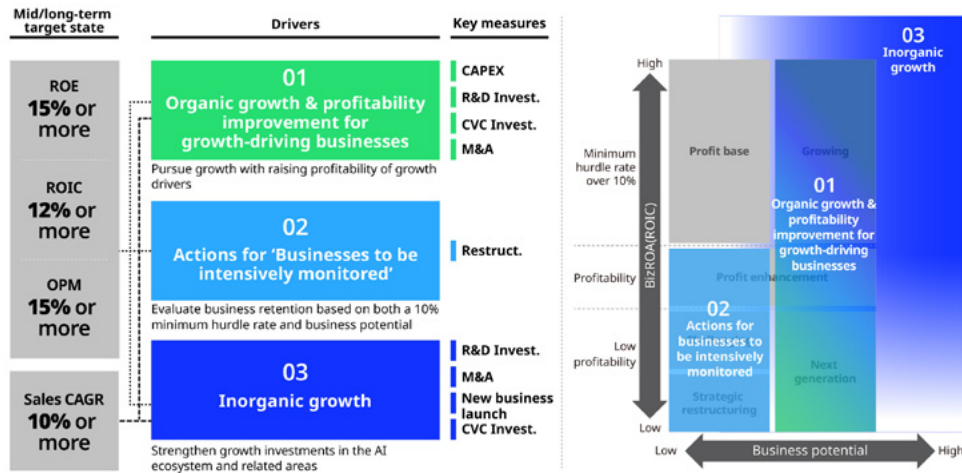
I view these successes as a result of our global team members comprising TDK United working towards the enhancement of their own capabilities in their respective roles.

I feel like we have made progress on the three points raised in the Medium-term Plan. Looking at the first point, strengthening management focusing on cash flows, we had forecast cumulative operating cash flow of ¥1 trillion for the three-year period of the Medium-term Plan. However, thanks to an upward increase in profit before tax, we are forecasting the three-year total to outperform initial plans by roughly ¥300.0 billion.

Looking at the second point, enhancing business portfolio management (emphasizing ROIC), we promoted proactive initiatives primarily focused on advancing growth strategy with the medium- to long-term goal of achieving an ROE of 15% or higher and an ROIC of 12% or higher. These initiatives are linked to our desire to move TDK towards a new growth stage. We are promoting business portfolio management from three perspectives: organic growth & profitability improvement for growth-driving businesses, actions for businesses to be intensively monitored, and inorganic growth. An example of a growth-driving business would be contributions to the AI ecosystem market, which I will touch on later. This year marks the third year of taking actions for businesses to be intensively monitored. Our policy for businesses with both low BizROA (ROIC) and low business potential will be to clarify direction by the end of the current Medium-term Plan and take decisive action. As for inorganic growth, we will enhance investments in the AI ecosystem and other related areas.

With the third point, strengthen pre-financial capital, as well, we are steadily coming closer to achieving the target values for communication score and other indicators set as important KPI. Pre-financial capital, however, involves numerous elements, such as technological capability, human capital, and organizational capability, that are difficult to quantify or represent numerically. In this sense, there is still a gap between our ideal situation and actual results.

I view the gap between our ideal situation and actual results as something that can never be completely filled. However, this is not a negative. In fact, it is the opposite. This is also why I avoid using the word “best.” Once you believe something is the best, then progress stops. This is why I will always pursue “better.” The TDK Transformation we outline in our Long-term Vision is, to put it another way, indeed the endless pursuit of “better.” This belief is also linked to our adopting “In Everything, Better” in 2025 as the tagline associated with our brand identity.



Toward realizing our mid- to long-term target state

Strengthening human capital to drive My Transformation

When it comes to strengthening pre-financial capital, the most important capital is human capital. To ensure that the company proactively addresses this issue, we publish our communication score, the most important aspect of the engagement score, both internally and externally as a KPI.

This is something I have made a point to continuously convey to all our worksites since formulating TDK Transformation as our Long-term Vision, but one team member asked me, “Mr. Saito, what is your Transformation theme?” “My Transformation” theme is communication. I replied that I want to lead the continuous effort of transforming our internal and external communication.

As part of that desire, I began holding global townhall meetings targeting members from all around the world. Through these meetings, I convey information regarding TDK’s financial position and topics we are tackling on a companywide level. Rather than one-way information dissemination, we also leave time for a Q&A session to promote more communication. My hope is that these meetings will encourage each member to take actions that lead to enhancing corporate value.



Transitioning TDK United from Fusion to “RENDO (連動)”

I have proactively disseminated TDK United both internally and externally as the phrase that represents the corporate culture of TDK. This does not refer to some uniform integration but, rather, reflects our desire as an organization to achieve the gentle fusion of various members from diverse backgrounds using teamwork to create value. This desire remains unchanged. However, moving forward, I want to further deepen this fusion while also transforming into “RENDO (連動)”. This means maintaining this gentle fusion while exploring which parts should be linked together and then more tightly linking the functions that should be combined together.

Enhance and align (RENDO) human resources strategy as a core component of corporate strategy

For human resources, which serves as the most important capital within the framework of strengthening pre-financial capital, I think it is critical that we align corporate strategy and human resources strategy. This will require that we strengthen human resources strategy as a core component of our overall Group strategy.

Truthfully speaking, I do not think the past approach of matching the human resource development plans of each department with company policy was sufficient. Looking at the company overall, there were aspects of both sides lacking a sense of alignment. Learning from the past, in April 2025 we re-positioned the Human Resources HQ as a core function in the promotion of corporate strategy and appointed Andreas Keller, who was serving as General Manager of the Human Resources HQ, as the Chief Human Resources Officer (CHRO). This move was made to clearly align human resources strategy as a core component of corporate strategy. This fiscal year, I think it will be necessary to further advance detailed policies. One of those policies is strengthening human resources in the software domain.

To convey to our stakeholders how investments in human resources are aligned with financial results, TDK issued its first ever Human Capital Report. We also indicate trends in our human resources ROI (p. 41). While the issues affecting each global region differ, efficiently promoting initiatives such as education and AI utilization to enhance our competitiveness and increasing returns on our investments in people will serve as a driving force for corporate value. As someone who believes that people are everything, I believe it is important that we provide a visual representation of the RENDO between pre-financial and financial capital.

The AI ecosystem market as a growth strategy driver

We have positioned the AI ecosystem market (p. 28), which includes various applications related to AI, as a growth-driving business related to enhancing business portfolio management, and are making investments targeting this market.

Social issues in the AI ecosystem market include the massive electricity consumption associated with the dissemination of AI. Current TDK businesses such as passive components, sensors, products for the HDD market, and batteries can all make significant contributions to reducing power consumption.

In addition to these existing domains, we will also contribute to business performance in new business domains. In particular, in businesses related to semiconductor manufacturing equipment, in addition to sales of load ports and flip-chip bonders, we also plan to mass produce semiconductor bonding materials. We will expand this business by combining highly reliable, high thermal dissipation materials that contribute to reduced power consumption.

In the medium to long term, we forecast a compound annual growth rate (CAGR) of 25 to 30% for net sales of products for the AI ecosystem market. At present, progress for these initiatives is largely on par with plans. With sales of these products comprising over 10% of total company net sales in FY March 2026, we are forecasting this to increase to roughly 15% in FY March 2027.

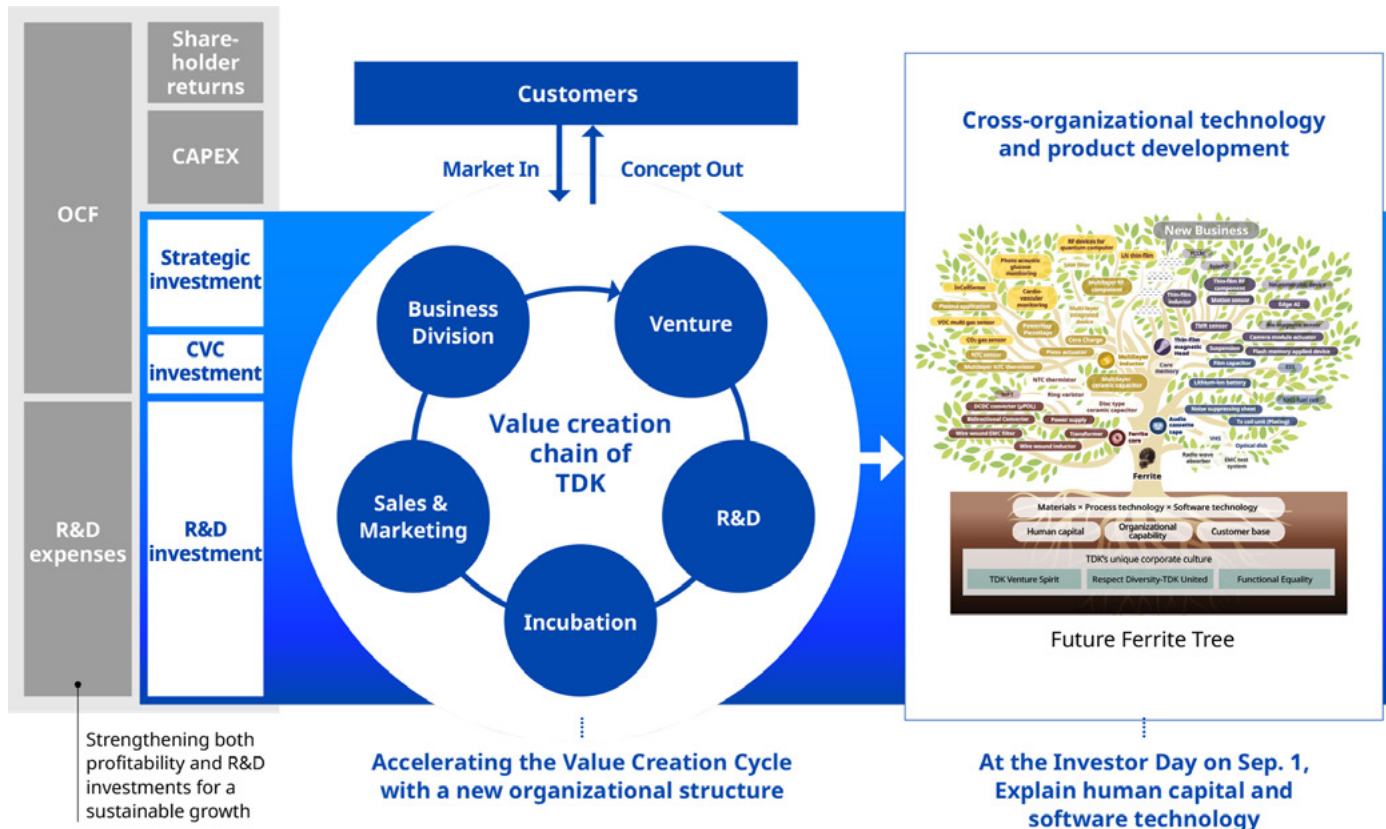
Evolving RENDO of Interorganizational Organization to accelerate Ferrite Tree growth

Our Long-term Vision outlines the initiative of strengthening our capability to envision the future. Even in just the past two years, I feel that we are transforming in that sense. We were already creating a value creation chain aimed at enhancing dynamic Groupwide initiatives. This framework involves TDK Ventures serving as a corporate venture capital (CVC) function and acting as an antenna for the early identification of new business seeds and the Corporate R&D and Corporate Marketing & Incubation (CM&I) evaluating how such seeds would lead to value for TDK. Our success in developing a solutions business like TDK SensEI, which combines hardware with software, is due to this value creation chain functioning so well.

At the same time, rather than view this as the best, we implemented an organizational restructuring in April 2026 with a long-term perspective through which we are aiming for Episode 2 or the next “better” in our evolution. Specifically, we proactively dissolved the CM&I HQ and established a new Sales & Marketing HQ (p. 42) by integrating the marketing functions previously handled by CM&I HQ with the sales functions for the passive components and sensor businesses. The objective was to combine the frontline insights gained through direct customer interaction with a medium- to long-term marketing perspective.

Additionally, we transferred the incubation function previously handled by that HQ to the Incubation Center within the Technology & Intellectual Property HQ. The aim here is to leverage a perspective that encompasses both R&D and business operations, enabling a seamless, end-to-end process that spans everything from technology development to the launch of new businesses.

At TDK, we depict the links and growth trajectory of our technology and business as a tree we call the Ferrite Tree (p. 6). Elements playing an extremely important role in the growth of the Ferrite Tree are the roots, which are comprised of pre-financial capital such as human capital, our customer base, organizational capabilities and technological capabilities. By extending its roots widely and deeply into the earth, a tree gains the vitality to sprout new branches and leaves. Recognizing that technological capability is a crucial form of pre-financial capital, comparable in importance to human capital, we have consistently allocated 10% or more of annual net sales to R&D investments. In addition to this robust foundation of internal technological capability, TDK Ventures, our CVC (p. 43), plays a pivotal role in strengthening our incubation capabilities. Established to generate synergy with promising startups that are tackling social challenges and possess cutting-edge technologies with the potential to become core businesses for the company, TDK Ventures has reached a total investment scale of ¥50.0 billion, with a portfolio exceeding 50 companies. By evolving our RENDO of Interorganizational Organization and transforming our value creation chain in this manner, we will drive the sustainable growth of the Ferrite Tree.



Long-term technology strategy: Accelerate and strengthen investment in growth areas

Unique corporate and organizational culture creating a competitive advantage

I believe that our greatest competitive advantage at TDK lies in our unique corporate culture, as it serves as the fertile ground for cultivating the human resources who drive that competitive advantage.

On this subject, the first strength I want to highlight is our respect for diversity. Among our 100,000 team members, nearly 90% are non-Japanese and approximately 75% joined the company through M&A. This diversity fosters the ability to adapt to changing environments. However, diversity alone does not automatically equate to strength. What is important is that the entire group shares the understanding that we grow by respecting and acknowledging our respective differences and learning from each other. Our governance policy of Empowerment & Transparency reflects our commitment to empowering to a diverse range of team members while ensuring full transparency. Another key strength is our culture of functional equality, the principle that while job titles may imply a hierarchy, the roles (functions) themselves do not. This approach fosters connections and active communication among diverse team members, which ultimately promotes new value creation.

There is another aspect that I consider a strength of TDK. Perhaps an odd way to put this, but I believe we have a certain healthy looseness or flexibility about us. Much like the play in a car's steering wheel, TDK fosters a culture that allows for a degree of freedom rather than rigidly controlling every single detail. I view TDK as a great venture enterprise, and think that this quality of having a balanced flexibility may be what fuels our venture spirit.

Shareholders and investors might argue that we don't need such flexibility and that, instead, we should focus on maximizing earnings and investment efficiency. However, what cannot be denied is that our organizational culture has enabled us to take on challenges freely and generate diverse forms of value. One example is the TMR sensor, which is now the driving force behind our sensor business. This sensor actually began as research pursued by an engineer out of personal interest, rather than as an official work assignment. Pursuing an endeavor that others approach with a mixture of annoyance and skepticism led to a product that has become the cornerstone of our sensor business.

I believe that TDK is able to extract the true value in respect for diversity and functional equality because of our group's culture that embraces free experimentation and accepts failure. This is the result of a long line of management teams recognizing this value and passing it down to the present day. I also believe that my goal, to be United rather than aim for uniform integration, is driven by a desire to pass this unique strength on to the next generation.

Conveying TDK's limitless potential



I strongly believe that TDK possesses limitless potential. To bridge the gap and convey that potential, we must pursue core theme of strengthening communication with all stakeholders, including our customers, shareholders, investors, and our own employees.

We are striving to foster a deeper understanding of our pre-financial capital, an area of potential that previously we have not sufficiently communicated to external audiences. To address this, in September 2025, we held our first-ever briefing session titled "To Enhancement of Corporate Value through Pre-Financial Capital," where we explained our initiatives regarding human capital and technological capabilities. We plan to hold a similar briefing this coming September as well.

As outlined in our Long-term Vision, we will accelerate the TDK Transformation and increase our corporate value by contributing to the social transformation. We embrace the corporate motto of "Contribute to culture and industry through creativity" and the corporate principles of "Vision, Courage, Trust." I strongly believe that enhancing corporate value requires pursuing pre-financial value, something that cannot be attained through numbers alone, and linking it to financial value. Conveying this perspective calls for a further transformation in our communication, and I look forward to further enhancing dialogue with everyone.

Sustainability

► Sustainability Transformation (SX) - Sustainability Management -

► [Corporate Philosophy and Long-Term Vision](#)

► [Key Issues \(Materiality\) of TDK](#)

[Basic Approach to Materiality](#)

[Materiality Identification Process](#)

[Materiality Progress Report](#)

► [Sustainability Promotion Structure](#)

► [Efforts to Achieve the SDGs](#)

[TDK Group's Approach to the SDGs](#)

[Business Creation Starting from Social Issues](#)

[Contribution to the SDGs through Products](#)

► [TDK's Digital Transformation Initiatives](#)

► [Stakeholder Engagement](#)

► [Fund Procurement through ESG Finance](#)

■ [Sustainability Videos](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Corporate Philosophy and Long-Term Vision

[A Sustainable Society Created through Business Activities](#)

[Corporate Philosophy](#)

[Our Long-term Vision, "TDK Transformation"](#)

[Social Transformation](#)

[TDK Transformation](#)

[Value Creation Process to Realize the Long-term Vision](#)

[Medium-Term Plan](#)

[Group Governance](#)

A Sustainable Society Created through Business Activities

Our society is facing various issues. The TDK Group seeks to solve these issues through our business and to achieve both a sustainable society and corporate growth. As our corporate philosophy, employees of the TDK Group abide by our corporate motto and corporate principles as the value standards for their daily conduct.

Based on our corporate philosophy, our corporate vision, Vision 2035, states clearly the ideal image that TDK should aim for as we head toward the centennial of our founding. TDK Value outlines the stance that all employees should adopt, regardless of their position, toward realization of the corporate philosophy and corporate vision.

At the same time, we aim to achieve the targets set out in our three-year medium-term management plans. In addition, we believe that the display in major markets of the five core technologies representing TDK's strength will lead to the solution of social issues and corporate growth. Through these business activities, we will realize the society depicted in the TDK Group's Sustainability Vision.

Contribute to culture and industry through creativity

"Vision" "Courage" "Trust"

TDK Transformation
~ Accelerating transformation for a sustainable future ~

Key Issues (Materiality) which should be addressed toward the realization of Long-term Vision

Action plan for the next 3 years to realize the Long-term Vision

Values/codes/rules that serve as the base of TDK Group's Value Creation



Corporate Philosophy

In 1930 Dr. Yogoro Kato and Dr. Takeshi Takei at the Tokyo Institute of Technology invented ferrite, a magnetic ceramic compound derived from iron and other oxides. Kenzo Saito, TDK's first president, was deeply impressed by Dr. Kato's remark that "A real industry is a creative industry," and on December 7, 1935, he founded Tokyo Denki Kagaku Kogyo K.K. (present-day TDK) to industrialize ferrite. At that time the potential use of ferrite was unknown, so the establishment of the company was a courageous venture in pursuit of a vision. As a result of joint research and development by the Tokyo Institute of Technology and TDK, a component called a ferrite core was realized, and in 1937, ahead of the rest of the world, it was put to use in Japanese wireless communication equipment, radios, and so on. By the end of World War II, a total of five million units had been shipped, and the company had acquired trust. This founding spirit of creativity, of "creating values that do not yet exist in the world from the level of materials," has been inherited as TDK's DNA. Our corporate motto, established in June 1967, reflects this founding spirit.

社是
創造に
よつて
文化産業に
貢献する

Corporate Motto

Contribute to culture and industry through creativity

社訓
夢
勇氣
信賴

Corporate Principles

Vision : Always take a new step forward with a vision in mind. Creation and construction are not born without vision.

Courage : Always perform with courage. Performing power is born by confronting contradiction and overcoming it.

Trust : Always try to build trust. Trust is born from a spirit of honesty and service.

Our Long-term Vision, "TDK Transformation"

TDK formulated the "TDK Transformation" Long-term Vision, based on the Corporate Motto "Contribute to culture and industry through creativity" and Corporate Principles "Vision, Courage, Trust", as an expression of our aspirations for the next 10 years. This long-term vision incorporates transformation in the sense of contributing to the transformation of society as well as the sense of internal transformation, that is, the continuous transformation of TDK itself. TDK Transformation incorporates our desire to accelerate these two cycles and contribute to the realization of a sustainable future. Until now, TDK has contributed to social transformation by providing products that are essential to the applications that drive industry in each era including audio and video devices, PCs, and smartphones.

The transformation of society, including green transformation (GX) and digital transformation (DX), is expected to accelerate even more in the future. In conjunction with this, TDK will continue to expand the areas in which it is able to make contributions.

In accordance with this long-term vision, we will accelerate the transformation of society and advancements in technology enabled by electronic devices developed through leveraging cutting-edge innovation in materials, processes, and software technology, contributing to the transition toward a sustainable future. We will also continue our own transformation to become the No. 1 partner growing alongside our worldwide customers.



Social Transformation

Heretofore TDK has been exploring applications that exert an impact on social transformation as the Seven Seas*

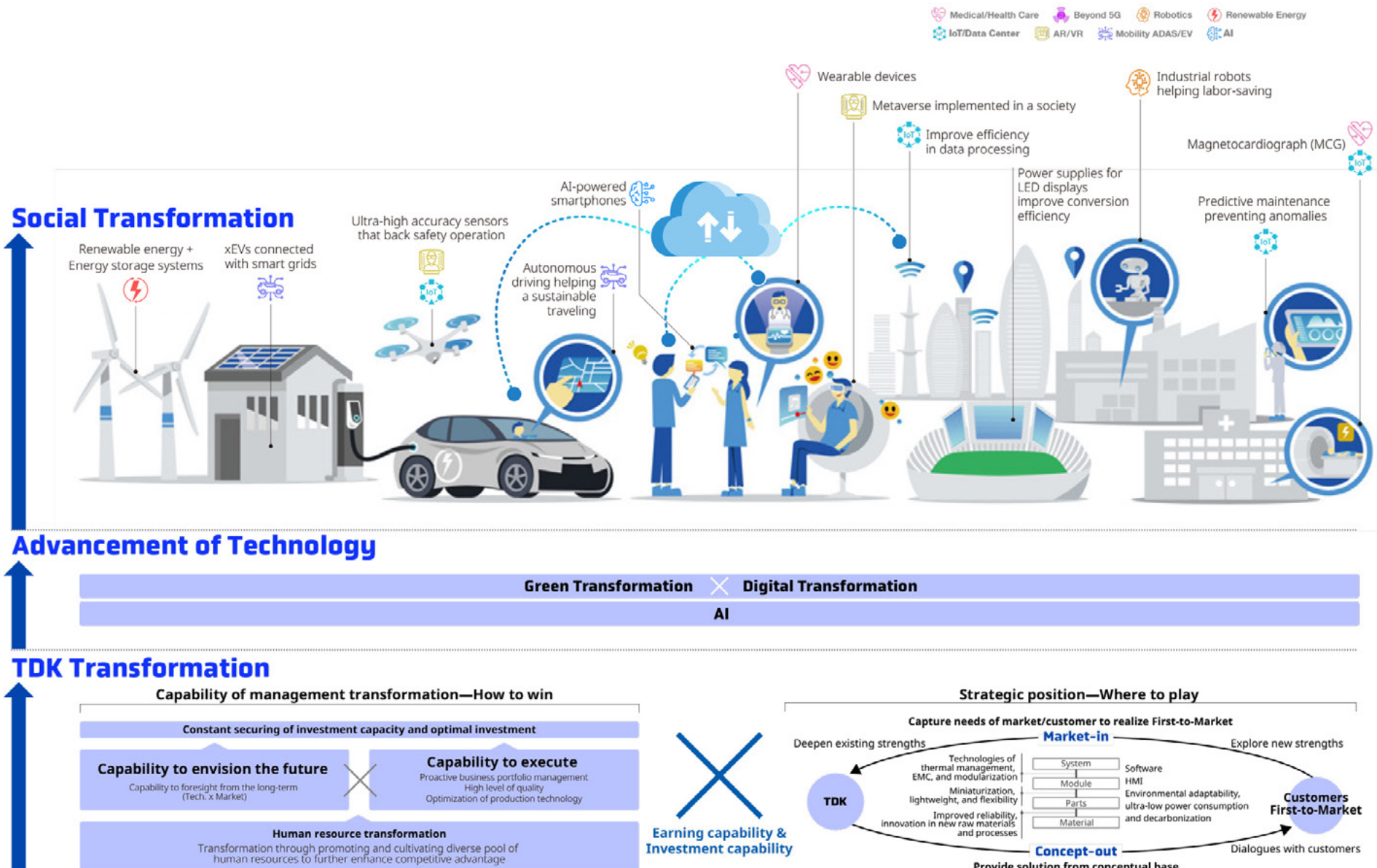
In a society equipped with a 6G network, various devices are going to become terminals connected to the network. As a result, the volume of data exchanged will expand monumentally. In such a society, since it is forecast that the amount of electricity supplied worldwide will not be able to keep up with the amount of electricity consumed by data centers, improving the energy efficiency of various electronic equipment is going to be required. We believe that areas in which materials and electronic components that have low energy consumption, are compact and lightweight, and emit little CO₂ can contribute are going to continue to expand.

*Seven Seas The focal areas where TDK's applications are dominantly present. Please see the website for more information.

Going forward, social transformations such as green transformation (GX) and digital transformation (DX) are expected to accelerate and evolve even further. Consequently, we believe that the areas in which we can contribute will continue to expand. To continue contributing to social transformation, we believe it is important to accelerate our own transformation, and we have established the necessary business model to achieve this.

[Seven Seas](#)

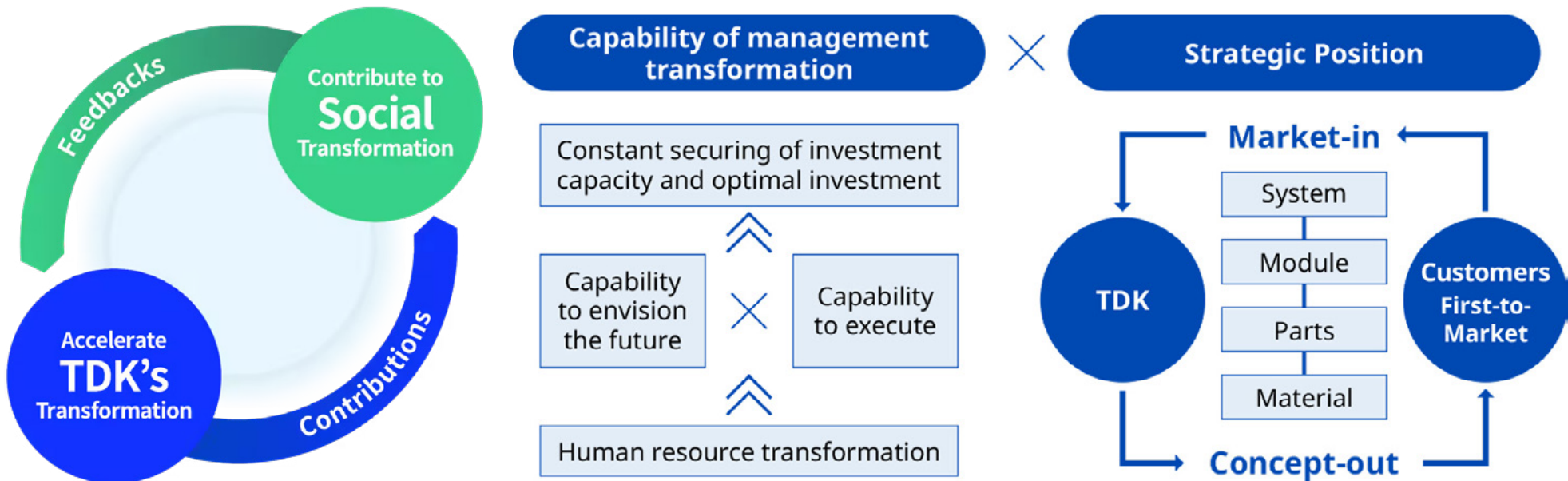
Image of social transformation TDK projects



TDK Transformation

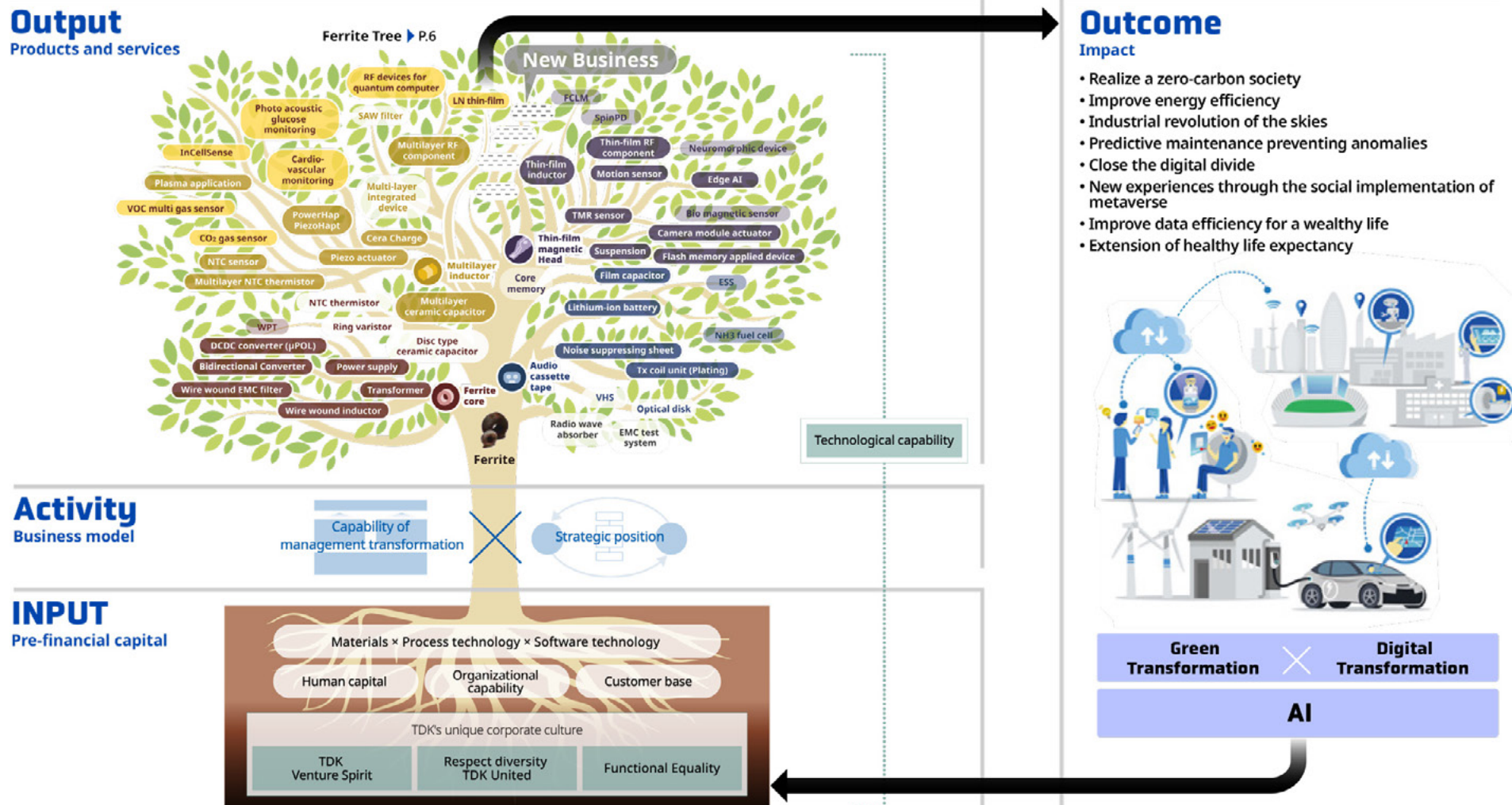
We believe that it is important to accelerate transformation for TDK as a whole for continuous contributing to social transformation. Over the years, we have used both organic growth and M&A to refresh our business portfolio and achieve business growth. We will contribute to the transition towards a sustainable society as the No.1 partner based on establishing leading position by electronic devices developed through leveraging cutting-edge innovation in transforming human capability by diversity, we will constantly secure investment capacity and implement optimal investment, which enable us to enhance capability of management transformation. We will contribute to the realization of a sustainable society to elevate our positioning. We will accomplish this by evolving and accelerating the cycle of rapidly identifying customer needs and providing broad-based solutions, from unique materials to systems. We believe that TDK's unique values and corporate culture, which we have developed for a long time, will support the growth of "capability of management transformation" and "strategic position".

Business model for realizing our Long-term Vision



Value Creation Process to Realize the Long-term Vision

In order to realize our Long-term Vision “TDK Transformation,” our value creation process begins with our pre-financial capital, which corresponds to the root of the Ferrite Tree (the Tree), then makes full use of our business model as the trunk, and finally grows our products and services as the branches and leaves of the Tree. Through this growth and transformation, we will contribute to the transformation of society, including the AI ecosystem. The feedback from the transformation of society will further grow the roots of the tree and accelerate TDK’s own transformation.



Medium-Term Plan

Please see the link below.

Related link

[Medium-Term Plan](#)

Key Issues (Materiality) of TDK

Please see the link below.

Related link

[Key Issues \(Materiality\) of TDK](#)

Group Governance

Please see the link below.

Related link

[Corporate Governance](#)

Related link

[TDK Code of Conduct](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Key Issues (Materiality) of TDK

[Basic Approach to Materiality](#)

[Materiality Identification Process](#)

[Materiality Progress Report](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

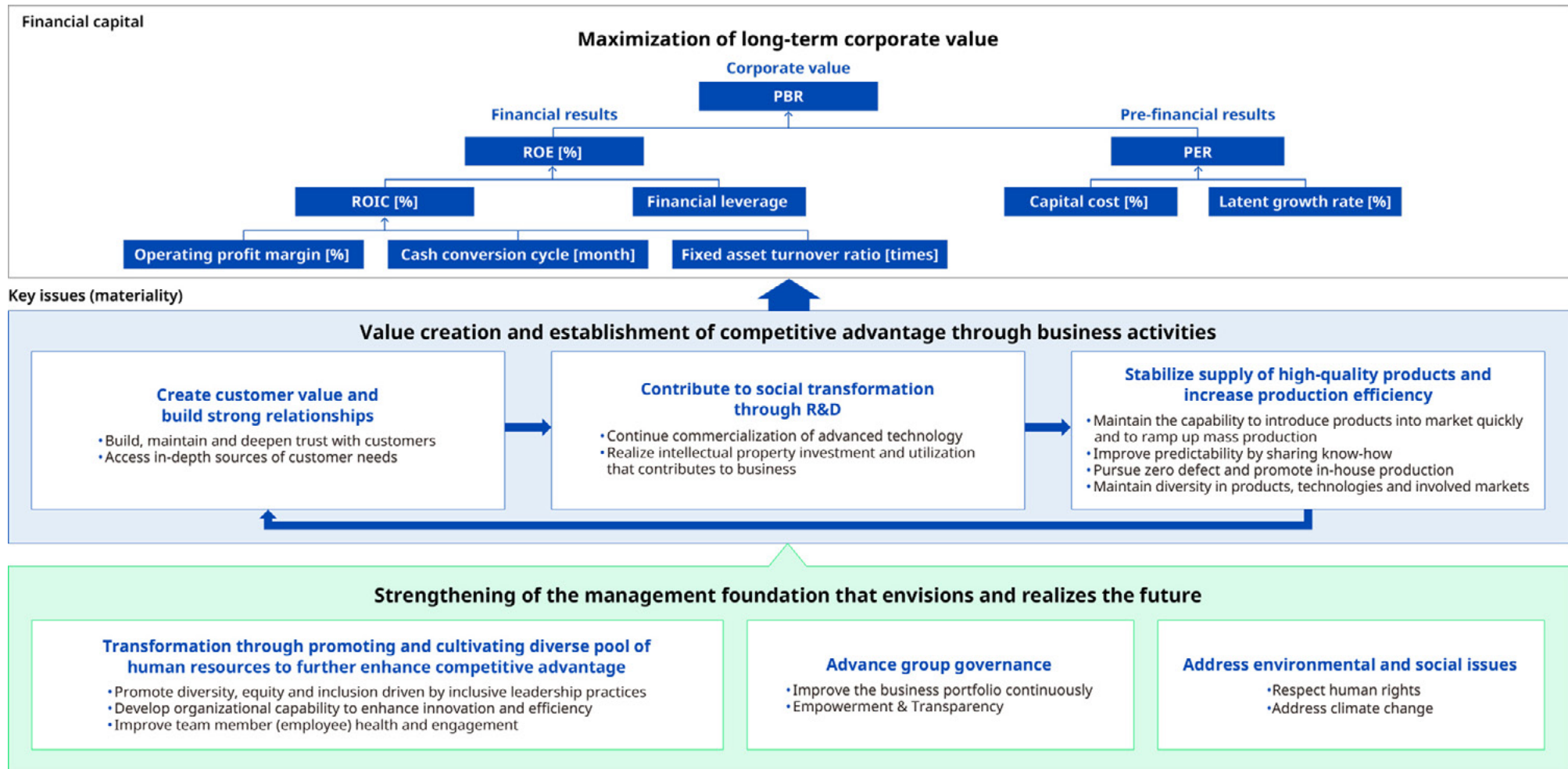
ESG Library

Basic Approach to Materiality

Key Issues (Materiality) of TDK

From the perspective of achieving our Long-term Vision based on our Corporate Motto and Corporate Principles, we took into consideration our long-term strategies as well as risks and opportunities and identified the key issues (materiality) that have a real impact on the value creation capability of the TDK Group. This materiality was extracted from our long-term strategy for enhancing corporate value, and the action strategy is reflected in our Medium-term Plan, which started in FY March 2025. The materiality of the TDK Group is premised on the long-term creation of value for not only investors, but all stakeholders including customers, suppliers, and team members (employees) and focuses on issues that help maximize TDK's corporate value.

TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality. We monitor the degree of achievement of KPIs set for each materiality theme by contrasting planned figures and achieved figures. We place an emphasis on PBR as an indicator of corporate value, and believe that our efforts to address materiality will ultimately lead to an improvement in PBR.



List of KPIs

The following have been set as KPIs for materiality.

[Materiality Progress Report](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Key Issues (Materiality) of TDK

Materiality Identification Process

Materiality Identification Process

TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality. The materiality was discussed by the Executive Committee and, once finalized, it was submitted to the Board of Directors. To achieve the goals of our Long-term Vision, we are committed to addressing the key issues that constitute our materiality by prioritizing them when allocating the organization's management resources.

Process of identifying financial materiality

Financial materiality was derived using a backcasting perspective based on our Long-term Vision by taking into consideration the sources of long-term competitiveness that were discussed and identified by top management, corporate officers, and next-generation candidates for director positions as well as the items derived from indicators that were recognized as being significant with PBR through model analysis of the quantitative relationship between general ESG indicators and PBR, and management risks that should be emphasized in enterprise risk management (ERM).

Process of identifying impact materiality

Impact materiality was derived by creating a long list based on the European Sustainability Reporting Standard (ESRS) and narrowing down the items.

TDK's materiality has been formulated in line with our Long-term Vision. Going forward, when drawing up our Medium-term Business Plan or annual business plan, we will adjust our materiality as necessary based on changes in the external or internal environment.

Comments of the Experts

To confirm the appropriateness of and shortages in the new materiality from the perspective of stakeholders, we conducted dialogues with three experts in February and March 2024 to obtain their wide-ranging opinions of the materiality draft under consideration by TDK.



[Expert Dialogues](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Key Issues (Materiality) of TDK | Materiality Identification Process

Expert Dialogues



TDK's key issues (materiality), which plot the enhancement of corporate value and adopt the concept of synchronizing the sustainability of both society and company, comprise financial materiality (important items for TDK) and impact materiality (important items for stakeholders). After deriving financial materiality and impact materiality, we closely examined the two and selected our materiality. In this process, to check appropriateness and shortcomings from the viewpoint of stakeholders and to reflect the findings in our materiality, we held dialogues with three experts in February and March 2024 to hear their wide-ranging views based on the materiality draft under consideration at TDK. (Titles and affiliations of the experts are as of March 2024.)

Main Comments and Suggestions of the Experts

Excellent framework takes shape but also important to review flexibly in the light of practice



Koji Nitto

Nitto Koji Office (Former Director, Senior Managing Executive Officer, CFO, and Senior General Manager of Global Strategy HQ of OMRON Corporation)

Previously TDK's materiality was set from a perspective emphasizing CSR. Through the latest revision, aimed at enhancing corporate value in the medium to long term, TDK has made its materiality easier to understand for stakeholders by positioning materiality as an important domain toward the realization of its Long-term Vision embodying its Corporate Motto and Corporate Principles. In the process of compilation, TDK has narrowed down its salient points to reflect the views of stakeholders both inside and outside the company. Going forward, it may perhaps be necessary to add materiality if there are shortages, prioritize issues, and change and respond. In practice on the ground, it is the job of management to clarify what "to do" and what "not to do" in efforts to address materiality and sort out what is feasible. In the sense that TDK has begun its evolution toward corporate value management, the latest systemic uplift deserves positive evaluation. I hope that it yields results and rises to the level of being a model for other companies.

Hoping for the capability to link KPIs and sustained earning power and to realize long-term strategy



Minoru Matsubara

Executive Officer in charge of the Responsible Investment Division, Resona Asset Management Co., Ltd.

Regarding the composition of TDK's newly set materiality, it is well arranged and easy to understand. At the top they place "Establishment of value creation and competitive advantage through business activities," and at the bottom they have "Strengthening of the management base to envision and realize the future." Investors no doubt will be watching TDK closely from now on from the perspective of how future cash flow will be created through materiality. While incorporating the TDK style, it will be important to clarify the relationship between overall strategy and KPIs. In addition, if the KPIs do not function as expected, TDK will be required to verify what has caused the bottleneck and utilize the results in the next plan. Furthermore, to bridge the gap between corporate executives and the capital markets, it will be necessary to engage in appropriate communication while cleverly explaining impact materiality in an integrated manner.

Looking forward to steady efforts based on strong commitment and specific indicators and management techniques



Takeshi Mizuguchi

President, Takasaki City University of Economics

TDK's newly set materiality point to key themes integrating financial and impact factors. I feel that it has been arranged through meticulous analysis, and I have no objection to the setting of materiality focusing on the long-term maintenance of competitiveness. However, the viewpoint that creating a positive impact on the environment and society, which is the foundation of economic activity, is important too. It would be even better if TDK showed its commitment to the issues of climate change and human rights as well. To incorporate DE&I into materiality, it is important to consider what indicators should be set and by what methods they should be managed. On the business side, the supply of products capable of contributing to the reduction of CO₂ is considered to be the source of TDK's competitiveness, and there is a possibility of entry into such fields as green transformation (GX). I look forward to seeing TDK make appeals socially by putting forth qualitative stories and also take active steps to tackle such challenges as human rights issues in the supply chain.

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Key Issues (Materiality) of TDK

Materiality Progress Report

The TDK Group has set key performance indicators (KPIs) for its materiality (key issues), and is proceeding with activities directed toward achieving these KPIs. Our performance in FY March 2026 in terms of attaining the medium-term KPI goals was as follows.

Human Resources

Transformation through promoting and cultivating diverse pool of human resources to further enhance competitive advantage

Theme:

Promote diversity, equity and inclusion driven by inclusive leadership practices

Background of materiality setting and vision:

Ensure the diversity of the TDK Group's human resources and promote leadership practices that enable each individual to fully develop their abilities and strengths.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Improve diversity in management team [M] Ratio of female participants in Global Management Development Programs	30%	26%

Theme:

Develop organizational capability to enhance innovation and efficiency

Background of materiality setting and vision:

Develop business entrepreneurs who can identify market needs and propose value to our customers to maximize the use of the TDK Group's assets and enhance the organization's ability to create new businesses.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] No. of business entrepreneurs developed** [M] Number of overall participants in Global Management Development Programs	500 participants or more/3 years	367 participants/2 year

Theme:

Improve team member (employee) health and engagement

Background of materiality setting and vision:

Promote an environment in which team members (employees) can work enthusiastically to ensure the diversity of the TDK Group's human resources by enhancing team members' engagement and health so that each individual can fully demonstrate their abilities.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Improve Engagement survey score [M] 1) Engagement survey measurement (communication) 2) Participant rate of engagement survey	1) 75pts. or more 2) 80% or more	1) 71pts. 2) 92% or more

Governance

Advance group governance

Theme:

Improve the business portfolio continuously

Background of materiality setting and vision:

Optimize the corporate-wide business portfolio by identifying areas that need to be put in place.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Weighted average score of business portfolio [M] Amount of loss reduction in businesses to be intensively monitored	Target achieved: 100%	Target achieved: 71%

Theme:

Empowerment & Transparency

Background of materiality setting and vision:

Implement TDK's governance based on a policy of Empowerment & Transparency, with the strengthening of risk management by enhancing group governance and introducing a new ERM system.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] No. of significant Global Common Rule (GCR) violations [M] No. of follow-ups for significant GCR violation	100%	100%

Environmental and Social Issues

Address environmental and social issues

Theme:

Respect human rights

Background of materiality setting and vision:

Respect the human rights of our stakeholders based on the values of the Code of Conduct, recognize the potential impact of all corporate activities on human rights, and promote activities to mitigate such impact.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Mitigated/corrected significant risks from supplier audits [M] Ratio of progress in planning annual onsite audits	100%	100%

Theme:

Address climate change

Background of materiality setting and vision:

Strengthen our activities to reduce greenhouse gas emissions and promote measures to address climate change in order to realize a net-zero CO₂ emissions society by 2050.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Net-zero CO ₂ emissions [M] 1) Scope 1+2 emissions reduction 2) Reduction in energy use on an emissions intensity basis	1) 42% (Target for FY March 2031, compared to FY March 2022) 2) 15.7% (Target for FY March 2027, compared to FY March 2021)	1) 45.9% (Target for FY March 2031, compared to FY March 2022) 2) 31.9% (Target for FY March 2027, compared to FY March 2021)

Customer

Create customer value and build strong relationships

Theme:

Build, maintain and deepen trust with customers

Background of materiality setting and vision:

Aim to increase customer satisfaction and expand our market share by building, maintaining, and deepening relationships of trust with our customers, taking advantage of our extensive track record of business with industry-leading customers.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Customer satisfaction survey score** [M] Resolved and feedbacked rate for issues identified from the survey**	100%	100%

Theme:

Access in-depth sources of customer needs

Background of materiality setting and vision:

Through strengthening our ability to envision the future, enhance our ability to create businesses from both technology and market perspectives, and expand sales in new applications.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] No. of future pillar businesses to be created through collaboration with related divisions [M] Launch of new business divisions	Target achieved: 100%	Target achieved: 100%

R&D

Contribute to social Transformation through R&D

Theme:

Continue commercialization of advanced technology

Background of materiality setting and vision:

Create future core businesses through collaboration with related divisions to search for technological seeds that will create new markets and cultivate new customers for the realization of social transformation.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] No. of themes transferred for the creation of future pillar businesses by promoting collaboration with related divisions [M] No. of theme selected and started	4 themes/3 years	3 themes/2 years

Theme:

Realize intellectual property investment and utilization that contributes to business

Background of materiality setting and vision:

Create value by linking our intellectual property investment strategy to the goals of our business and R&D strategies: business success and R&D strategy success.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Percentage of intellectual assets (patents) tied to IP strategy for business and R&D themes [M] Elaborating IP strategy	Target achieved: 100%	Target achieved: 100%

Design and Production

Stabilize supply of high-quality products and increase production efficiency

Theme:

Maintain the capability to introduce products into market quickly and to ramp up mass production

Background of materiality setting and vision:

Maintain and improve the ability to bring products to market quickly and increase our competitive advantage by creating innovative ideas and ramping up mass production system based on an aggressive culture.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Success rate for new product introduction** [M] Completion rate of quality improvement activities of new product samples**	100%	100%

Theme:

Improve predictability by sharing know-how

Background of materiality setting and vision:

Continuously improve predictability up to mass production to enhance manufacturing capabilities for launching new products and improve the new product launch rate.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] New product launch achievement rate** [M] Rate of progress with new product development plan**	Plan progress rate: 100%	Plan progress rate: 88%

Theme:

Pursue zero defect and promote in-house production

Background of materiality setting and vision:

Improve our competitive advantage by making it difficult for other companies to enter the market and imitate us, through improvement activities aimed at achieving a zero defect rate and thorough in-house production of production tools and jigs, as well as in-house production of product components.

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Overall failure cost ratio [M] No. of instances of implementation of quality compliance training (of various types)	3 per fiscal year	10 per fiscal year

Theme:

Maintain diversity in products, technologies and involved markets

Background of materiality setting and vision:

Aim to expand the range of our proposals by maintaining a wide variety of markets and product lineups, as well as the diversity of process technologies. Further promotes collaboration strategically and proactively

Main long-term and medium-term KPIs*	Medium-term KPI* target	Performance in FY March 2026
[L] Market share of specific business** [M] Score of customer satisfaction survey**	Target achieved: 100%	Target achieved: 101%

* Except where otherwise specified, [L] (long-term) refers to a period of 10 years, and [M] (medium-term) refers to a period of three years.

** Some businesses are excluded.

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Sustainability Promotion Structure

[Governance](#)

[Risk management](#)

[In-house Awareness Raising](#)

[Participation in Initiatives and Associations](#)

Governance

The TDK Group has established the “Sustainability Committee,” chaired by Corporate Officer General Manager, Corporate Strategy HQ, with the aim of synchronizing TDK’s own sustainability (improvement of long-term corporate value) with social sustainability through the TDK Group’s business activities. In principle, the Sustainability Committee meets four times a year to deliberate on (i) corporate-wide material issues (materiality) and related risks and opportunities, (ii) responses to sustainability-related regulations, and (iii) other significant ESG-related themes, while also providing necessary support for the promotion of initiatives. The activities and issues discussed by the Sustainability Committee are reported to the Management Committee and the Board of Directors. The Management Committee manages the status of business execution by deliberating on these reports. Furthermore, the Board of Directors supervises the execution of duties by management through the reports and deliberations of the Sustainability Committee.

(Key Agenda Items of the Sustainability Committee for Fiscal 2026)

Number of Meetings	Agenda Items
4 times a year	• Climate change initiatives • Human rights initiatives • Compliance with sustainability disclosure regulations • External ESG assessments • Activity plans for promoting internal awareness of sustainability

(Disclosure of Remuneration)

For Directors concurrently serving as Executive Officers and other Executive Officers, the Company has established Performance Share Units (PSU) as a type of performance-linked, post-delivery share-based remuneration. Under this plan, shares of the Company’s common stock and cash are delivered after the end of the evaluation period, with the amount calculated based on the degree of achievement of performance targets set in the Medium-Term Management Plan. Indicators related to climate change and human capital are included as non-financial metrics within the evaluation indicators.

Risk Management

In aiming for sustainable growth, the TDK Group promotes company-wide measures against factors (risks) that hinder the achievement of organizational goals and implements company-wide risk management (ERM) activities to appropriately manage them and ERM Committee is established in which the chair person is appointed by President and CEO from directors. In ERM Committee, we promote company-wide risk in a way we analyze and evaluate company-wide risk, identify risks which require countermeasures and decide a responsible function to be in charge of risks. As for each risk, the responsible function takes the lead in countermeasures and the progress is monitored in ERM Committee. We discuss the risk analysis evaluations and countermeasure situations at the Executive Committee and report them to the Board of Directors. Risks concerning sustainability, such as risks concerning the environment including climate change, securing personnel and training personnel and human rights are also allocated to risk owner departments and director is assigned for it. Sustainability-related risks and opportunities are deliberated by the Sustainability Committee and reported to the Management Committee and the Board of Directors as necessary.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

In-house Awareness Raising

To realize effective promotion of sustainability, the TDK Group believes that it is important for every team member to possess basic knowledge regarding sustainability, for them to understand the background to the need for corporate sustainability initiatives and understand TDK's approach to sustainability activities, and for them to incorporate this awareness into their own work. Accordingly, we provide lecture-style training programs tailored to meet the needs of each job grade, including initial training for new hires, as well as lectures by external experts, and dissemination of relevant information using the company intranet.

In addition, management and head office divisions engage in timely dialogue with asset managers, and the Sustainability Promotion Group* engages in dialogue with each business group to promote business development that takes the SDGs as the starting point.

In 2025, we held a panel discussion focused on achieving sustainability transformation.

*The Sustainability Promotion Group was renamed the Sustainability Management Group in April 2026. However, this website (updated on July 31, 2026) uses the former name to reflect the reporting period covered.

Related link

[TDK Group's Approach to the SDGs](#)

[Stakeholder Engagement](#)

SUSTAINABILITY AWARD

Each year, TDK's Sustainability Award recognizes exceptional projects and initiatives that advance the company's sustainability transformation and create value for both business and society.

Introduced in 2021, it has raised awareness and inspired action by highlighting sustainability as a key driver of TDK's long-term transformation. The award honors initiatives that address sustainability challenges from diverse perspectives, balancing environmental and social considerations with resilient business development. This includes projects related to climate action, innovative materials & technology, amongst others. These projects are shared across the entire TDK Group to promote best practices and cross-organizational learning.

Participation in Initiatives and Associations

The TDK Group respects international norms and standards, such as the Universal Declaration of Human Rights, ISO 26000, the OECD Guidelines for Multinational Enterprises, the international labor standards of the International Labor Organization (ILO), and the United Nations Guiding Principles on Business and Human Rights (the "Ruggie Framework"), and promotes business with the aim of realizing the common global objectives cited in the SDGs.

Furthermore, in editing and issuing our sustainability website, we refer to the GRI Standards of the Global Reporting Initiative, the international standard.

Related link

[Participation in Initiatives](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Efforts to Achieve the SDGs

[TDK Group's Approach to the SDGs](#)

[Business Creation Starting from Social Issues](#)

[Contribution to the SDGs through Products](#)

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Efforts to Achieve the SDGs

TDK Group's Approach to the SDGs

[The TDK Group's Approach to the SDGs](#)

[Building a Setup to Address the SDGs through Business](#)

[Enhancing the Objectivity and Accuracy of Disclosed Information](#)

TDK Group's Approach to the SDGs

To make the global environment and people's lives sustainable, the United Nations General Assembly approved the 2030 Agenda for Sustainable Development in September 2015. This agenda advocates Sustainable Development Goals (SDGs), consisting of 17 goals and 169 targets, to be achieved by all countries by 2030.

SUSTAINABLE DEVELOPMENT GOALS



Related link

[United Nations Information Centres
\(link to external site\)](#)

Under our long-term vision, “TDK Transformation—Accelerating transformation for a sustainable future,” TDK aims to accelerate the evolution of technology and the transformation of society through electronic devices by combining its unique materials, processes, and software, thereby contributing to the realization of a sustainable future. Further, by continuing to transform itself, TDK aims to grow alongside its global customers as their No. 1 partner.

For TDK, the SDGs are the starting point of value creation. We believe that the measurement of how much value we have supplied to society and how much we have contributed to the solution of social issues is a barometer of our business achievements.

Building a Setup to Address the SDGs through Business

The TDK Group is continuing efforts, as explained below, to identify and implement available countermeasures and how TDK's products and technological strengths can be exploited to tackle the global issues specified in the SDGs.

In the term when measures are started, in addition to general in-house education, in accordance with company policy, we conducted an in-house dialogue with business groups in Japan and overseas regarding the approach to sustainability that the TDK Group should be aiming for and the SDGs. After that, of the issues cited in the SDGs, we summarized the discussions that took place in each business group about what issues and targets could be addressed by their own technologies and solutions in the medium and long term and whether there were any technologies and solutions that could be newly created stemming from social issues. The results are organized and the business groups and the Sustainability Promotion HQ conducted discussions on priority areas and medium- to long-term strategies.

Subsequently, we have been working to continuously improve measures as the creation of mechanisms. In the investigation results of each business group that can be achieved in the short term have been incorporated into business plans since FY March 2021. After organizing the results, we report a summary and review of the results for all business groups to the Board of Directors and also engage in dialogue with each business group for the purpose of reviewing the implementation status in the previous fiscal year and improving activities for the following fiscal year.

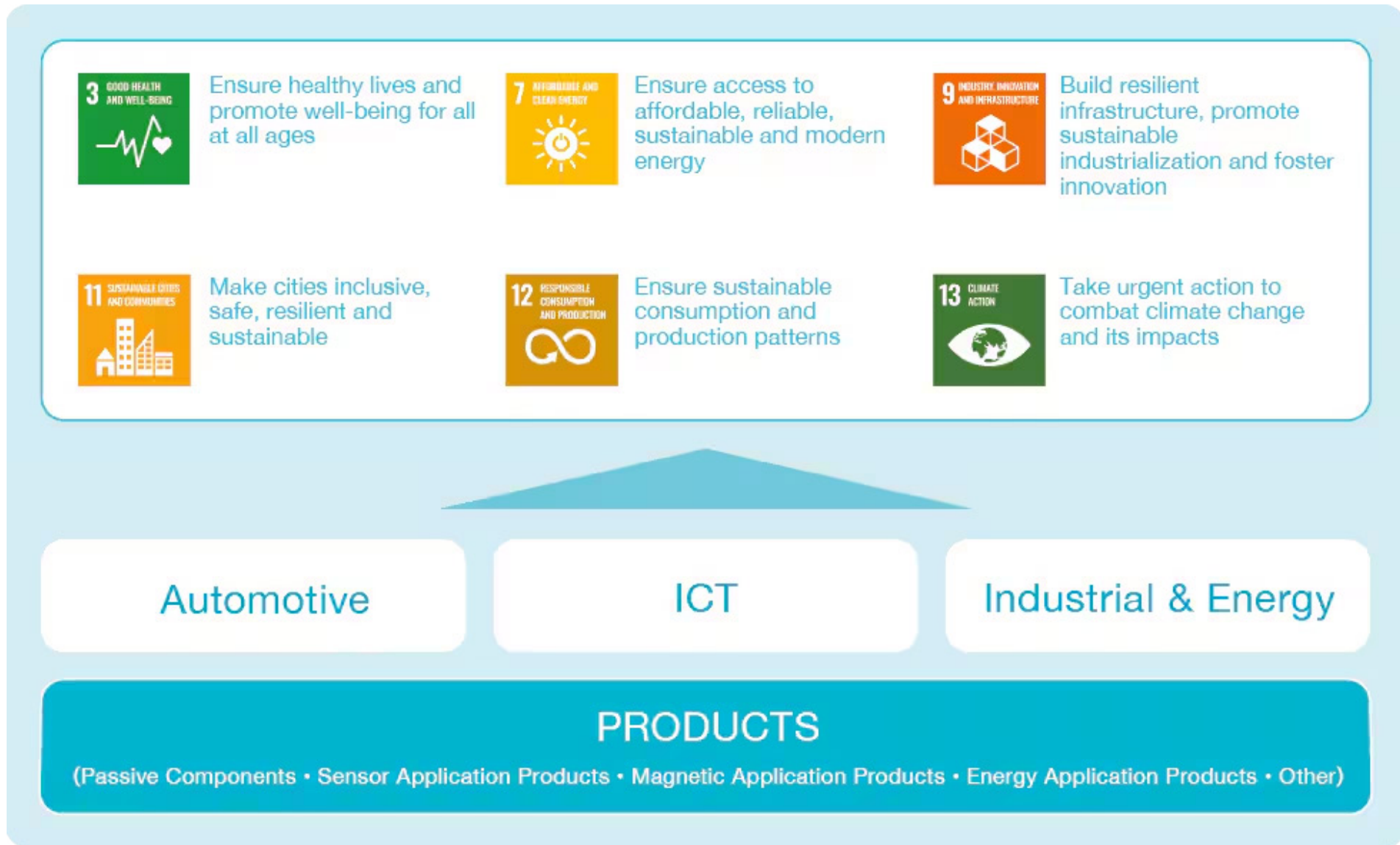
Going forward, we will communicate inside and outside the company to share the results of the above activities and promote activities.

Process:

1. Implementation of employee educational dialogue to deepen understanding of the SDGs (since June 2018)
2. Discussion by questionnaire or interview of what products or technologies possessed by each business group could contribute to the achievement of goals 3, 7, 9, 11, 12, and 13 of the SDGs (May–November 2019)
3. Inclusion of discussed ideas into the FY March 2021 business plans of each business group (October 2019 – March 2020)
4. Promotion of dialogue with business groups and other related parties and consideration of TDK's priority areas and strategy based on social issues (since April 2020)
5. Implementation of integrated progress management combining the EX and DX specified in the TDK Group's materiality with the business areas that TDK focuses on for social value creation and corporate growth (since April 2021–March 2024)
6. Incorporated the concept of Sustainability Transformation* to formulate TDK's long-term vision, "TDK Transformation." Based on this long-term vision, we revised the content of the interview sheets with the aim of visualizing the social impact of TDK's business activities that contribute to solving social issues. We continue to monitor progress (since April 2024).
7. Regarding social impact assessment, we collaborated with Waseda University's Institute for Governance and Sustainability (through regular meetings, steering committee sessions, etc.) to formulate visualization criteria, develop methodologies and models, and enhance reliability through third-party reviews. Furthermore, we filed two domestic patent applications for related visualization methods (Patent Application 2025-188243, Patent Application 2025-188244).

*Sustainability Transformation (SX): Management and business transformation aimed at simultaneously addressing social issues and enhancing corporate value

Contribution to achieving the SDGs



[TDK Group's Approach to the SDGs > Building a Setup to Address the SDGs through Business](#)

Related link

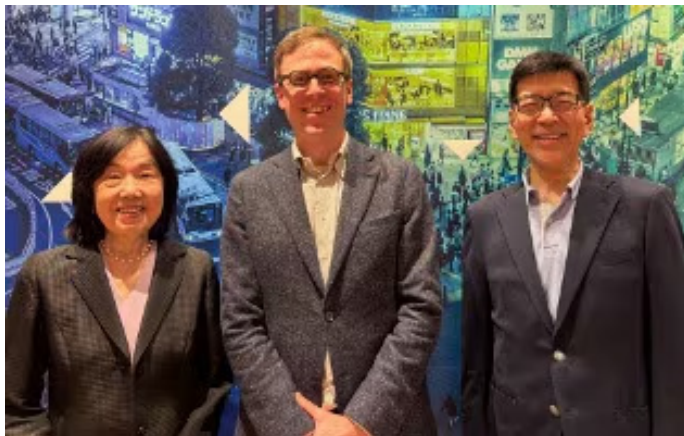
[Business Creation Starting from Social Issues](#)

[Seven Seas](#)

Enhancing the Objectivity and Accurateness of Disclosed Information

Expert Comment

TDK is advancing its Social Impact Assessment (SIA)* framework to better articulate—credibly and transparently—the societal change enabled through the real-world use of our products and technologies. In FY March 2026, TDK launched an initiative to obtain independent expert perspectives, with support from the Governance & Sustainability Research Institute at Waseda University, in order to further refine our methodology and strengthen accountability. The comments shared on this page do not evaluate individual products. Instead, they focus on methodological considerations, structuring and explaining causal pathways from products and technologies to outcomes and impacts, and improving how we communicate these topics to stakeholders. TDK will leverage these insights to enhance our SIA approach and foster ongoing engagement.



From the left: Professor Nemoto, Associate Professor Malen, Professor Ikegami

Jusuke Ikegami, Ph.D.	Dean, Graduate School of Business Administration, Waseda University Research Fellow, Governance & Sustainability Research Institute Field (as shown in internal materials): Corporate Strategy etc.
Naoko Nemoto, Ph.D.	Graduate School of Business Administration, Waseda University Research Fellow, Governance & Sustainability Research Institute Field (as shown in internal materials): Finance
Joel Malen, Ph.D.	Ph.D., Associate Professor, School of Commerce, Waseda University Director, Governance & Sustainability Research Institute Field (as shown in internal materials): Sustainability (Environment)

External Expert Comment



Joel Malen

Director, Governance & Sustainability Research Institute
Associate Professor, Waseda University

Profile

Professor Malen studies the dynamics and macro-level implications of business strategies for reducing impact on the natural environment. His research has addressed how companies modify business strategy to promote decarbonization as well as the development of environmental technologies. At Waseda University he teaches courses at the undergraduate, MBA and PhD levels on strategic management as well as the relationships between business strategy and the natural environment. He received his PhD from the University of Minnesota (USA).

Since its kickoff in FY March 2026, this initiative has addressed a core challenge faced by diversified B2B companies: how to articulate social impact* across a broad portfolio of businesses and products in a way that is both credible and comprehensible. Initial efforts adopted a technology-focused lens to produce a coarse-grained indicator of overall company direction. However, subsequent discussions identified the need to distinguish between the effects of business scale and technology-society relations in assessing overall social impact.

To address this challenge, the project worked to first articulate clear links between products and technologies on the one hand and social applications and outcomes on the other. With these links established, the project was then able to incorporate the effects of business scale on these relationships, thereby providing a solid indicator of social impact created through business activities. The approach used to develop this measure provides a practical method for identifying social impact in B2B companies while remaining aligned with current global discourse around impact investing.

A key strength of the framework lies in the clear demarcation of its boundaries. By clearly acknowledging where supported insights end and assumptions begin, the approach provides transparency and facilitates trust-based dialogue with investors. Further, being up front about the limits allows for complementary integration with selected representative cases to provide more granular detail where desired.

In the bigger picture, the conceptual model resulting from this initiative represents an important advance, even among leading Japanese companies. The shift from ESG as a defensive tool toward impact as a driver of social change represents a proactive attempt to rethink the corporate value-creation model itself. Today, B2B enterprises are increasingly interested in providing meaningful insights into their broader social impacts. But the challenge of doing so in a manner that remains comparable, consistent and comprehensible across business sectors and products has been and remains formidable. Nonetheless, the framework developed here provides a potentially promising solution for addressing these challenges.

*Social Impact Assessment (SIA) refers to a framework for organizing and explaining social change (outcomes and impacts) generated through the final use and applications of a company's products, technologies and business activities. At TDK, an original SIA model has been developed that takes into account its own technological and business characteristics. The model incorporates not only business scale, but also the causal pathways through which products and technologies lead to social change. In so doing, the model provides a transparent account of social impact that remains comprehensible to stakeholders.

Third-Party Verification and Third-Party Reviews

Third-party verification and third-party review of environmental performance data were conducted by SOCOTEC Certification Japan Co., Ltd.

Third-party verification of social and safety performance data was conducted by SOCOTEC Certification Japan Co., Ltd.

[Third-Party Assurance](#)
[Third-Party Review of Environmental Performance Data](#)

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Efforts to Achieve the SDGs

Business Creation Starting from Social Issues

As 2030, the target year for achieving the Sustainable Development Goals (SDGs), approaches, here we introduce what TDK is aiming for and how it is contributing toward each goal, together with our image of a society in which TDK products play an active role.



TDK's aims

1 To reduce the number of deaths and injuries due to traffic accidents and protect the lives of drivers, passengers, and pedestrians

TDK's products and technologies with the potential to contribute

SDG target

3.6

- Highly safe passive components offering both low electricity consumption and strong power
- Highly reliable sensors with appropriate functionality, strong performance, and durability to gauge the situation and control action

2 To enable monitoring of the daily health of all people, including the socially vulnerable, so that they can receive services relating to the promotion of health, prevention, medical treatment, and functional recovery at appropriate cost

TDK's products and technologies with the potential to contribute

SDG target

3.3

3.4

3.8

3.9

- Components promoting the diffusion of supportive devices with safe or protective functions
- An extensive range of components and modules to realize reasonably priced monitoring systems

Examples of Related Products

Sensors and sensor-applied products/piezoelectric, material, and circuit protection components/inductive devices/RF components/ceramic capacitors

If you want to know more about these products, click here.

(Link to Application Guide)



V2X



Safety



Medical &
Healthcare



Smart Watch/
Activity Tracker

7 AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable,
reliable, sustainable and
modern energy for all



TDK's aims

1 To constantly supply safe and secure energy to culture and industry

TDK's products and technologies with the potential to contribute

- Products responsive to large electric currents and large voltage

SDG target

7.1

2 To increase the share of renewable energy in the world's energy mix

TDK's products and technologies with the potential to contribute

- Reasonably priced energy storage systems enabling the safe storage of energy

SDG target

7.2

3 To promote distributed energy systems (systems supplying electricity produced by relatively small generating equipment just to meet the demand for electricity from people in the vicinity)

TDK's products and technologies with the potential to contribute

- Power transmission technology capable of realizing a safe and highly efficient energy cycle
- Energy storage systems

SDG target

7.2

7.3

4 To dramatically increase the rate of improvement in the efficiency of energy use worldwide

TDK's products and technologies with the potential to contribute

- Cutting-edge technology that can reduce the consumption of electric power

SDG target

7.3

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / sensors / magnets / power supplies / rechargeable batteries

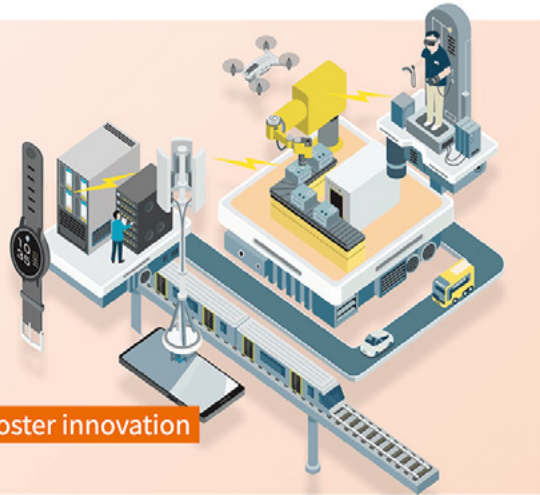
If you want to know more about these products, click here.

(Link to Application Guide)





Build resilient infrastructure,
promote inclusive and
sustainable industrialization and foster innovation



TDK's aims

1 To vastly improve the convenience, suitability, and accessibility of information and strengthen communications

TDK's products and technologies with the potential to contribute

- Highly functional, high-performance, and compact electronic components for smart devices

SDG target

9.1

2 To reduce the environmental load in transportation

TDK's products and technologies with the potential to contribute

- Reasonably priced energy storage systems enabling the safe storage of energy

SDG target

9.1

3 To realize sustainable and resilient infrastructure

TDK's products and technologies with the potential to contribute

- Automation technology and robotics contributing to Smart X

SDG target

9.1

4 To build resilient social infrastructure that is both convenient and rational

TDK's products and technologies with the potential to contribute

SDG target

9.4

- Large-capacity and highly reliable HDD components for data centers
- An AI ecosystem to bolster the foundations of the AI-driven society

Examples of Related Products

Piezoelectric, material, and circuit protection components / inductive devices / ceramic capacitors / RF components / sensors and sensor-applied products in general / rechargeable batteries / HDD heads and HDD suspension

If you want to know more about these products, click here.

(Link to Application Guide and related articles)



Power for Infrastructure



Smartphones/Tablets/
Mobile Routers



Smart Watches/
Activity Trackers



xEV



AR/VR



Industrial Robots



How Electronic Components
Underpin the Growth of the
AI-Driven Society
—TDK's AI Ecosystem Strat-
egy



Make cities and human settlements inclusive, safe, resilient and sustainable



TDK's aims

1 To guarantee access to safe, resilient, and reasonably priced housing and basic services for all

TDK's products and technologies with the potential to contribute

- Components for sensor network systems with highly reliable security properties
- Highly functional, high-performance, and compact electronic components for smart devices

SDG target

11.1 11.3

2 To provide sustainable, safe, and reasonably priced transportation systems and means of public transport for all

TDK's products and technologies with the potential to contribute

- Zero-defect components for e-mobility and automatic driving systems

SDG target

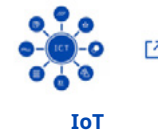
11.2

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / RF components / sensors and sensor-applied products in general / magnets / power supplies / rechargeable batteries

If you want to know more about these products, click here.

(Link to Application Guide)





Ensure sustainable consumption
and production patterns



TDK's aims

1

To reduce the consumed amount of plastic and metal resources used in products and applications

TDK's products and technologies with the potential to contribute

- Components and modules for wireless data communication systems
- Increasingly compact and lighter products
- Radio wave absorbers using biomass material

SDG target

12.2

12.5

Examples of Related Products

Capacitors / piezoelectric, material, and circuit protection components / inductive devices /
RF components / sensors and sensor-applied products in general

If you want to know more about these products, click here.

(Link to Application Guide)

[Pattern Coil for Wireless Charging: Development of the World's First Ultra-thin Wire-
less Power Transfer Coil, Designed for use with Qi-enabled Smartphones](#)

[Discover the New Environmentally Friendly Radio Wave Absorber Made from Sugar-
cane-Derived Biomass Polyethylene](#)



Take urgent action to
combat climate change
and its impacts



TDK's aims

1

To reduce CO₂ emissions and prevent global warming

TDK's products and technologies with the potential to contribute

- Products meeting needs for large electric currents and high voltage to promote the utilization of renewable energy
- Lightweight products with high levels of power conversion efficiency and fuel efficiency to boost the diffusion of e-mobility
- Low-power-consumption products for consumer electric appliances and industrial products
- An AI ecosystem to contribute to the reduction of the environmental load of AI

SDG target

13.1

Examples of Related Products

Aluminum electrolytic capacitors / film capacitors / ceramic capacitors / piezoelectric, material, and circuit protection components / inductive devices / sensors / magnets / power supplies / rechargeable batteries

If you want to know more about these products, click here.

(Link to Application Guide)



Smart Energy



Photovoltaic/Energy
Storage Systems



Wind Power
Generation



xEV



E-bikes & Pedelecs



EV Fast Chargers



Smart Meters



How Electronic Components
Underpin the Growth of the
AI-Driven Society
—TDK's AI Ecosystem Strat-
egy

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Efforts to Achieve the SDGs

Contribution to the SDGs through Products

Contribution to the SDGs through Products

Introducing TDK Group's products that contribute to the SDGs.

TDK Corporation

AR Glasses



Advances in technology are significantly reshaping the ways in which we interact with digital information in our everyday lives. Among these advances, augmented reality (AR) technology is garnering attention due to its ability to enhance everyday experiences by overlaying information and graphics onto the real world. It is anticipated that AR glasses could in the future replace smartphones due to their capacity to configure phone communications, messages, navigation, and other functionalities onto the natural field of vision.

High-resolution displays, lightweight designs, and low power consumption are integral to achieving practical applications of AR glasses. TDK is currently developing the key technologies which will underpin device performance in this field.



Related Information

[Envisioning the Future of AR Glasses Through TDK's Augmented Reality Solutions](#)

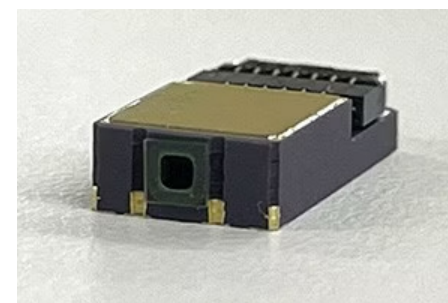
TDK Corporation

Ultra-compact Full-color Laser Module



The Ultra-compact Full-color Laser Module (FCLM) developed by TDK is a light source module that uses proprietary Planar Waveguide Technology to merge laser light without the need to use a lens or mirror and allows images to be projected directly onto the human retina. Doing so enables the display of natural, distortion-free images and contributes to the achievement of higher image quality and unprecedented levels of immersion in AR glasses.

The extremely compact and energy-efficient nature of FCLM also facilitates reductions in the weight of AR glasses themselves while alleviating battery loads. FCLM additionally contributes to reduced environmental load through reductions in the overall material and energy consumption of the product as well as efficiency improvements during transportation.



The Ultra-compact Full-color Laser Module (FCLM)

Related Information

[TDK's Remarkably Small Laser Module: A Game-Changer for AR](#)

TDK Corporation

The Load Port and Flip Chip Bonding System for semiconductor manufacturing equipment integrating FA technologies



The growth of the AI-driven society is rapidly increasing the demand for semiconductor devices. Consequently, it is essential to improve the efficiency, precision, and contamination control of semiconductor manufacturing equipment. TDK is furthering the development of equipment for the semiconductor manufacturing sector by combining factory automation (FA) technologies, that it has cultivated through its manufacturing of electronic components, with advanced contamination control technologies, refined in the process of manufacturing magnetic heads for HDDs.

Key products in this domain include our Load Port, which automatically transfers wafer storage pods into and out of equipment, and the Flip Chip Bonding System, which attaches IC chips onto substrates with a high degree of precision, helping to achieve stabilization, automation, and labor savings in the process of manufacturing, and thereby facilitate improved efficiency in semiconductor production.

These products furthermore contribute to reductions in environmental load by optimizing the overall manufacturing process, including the achievement of energy savings and reductions in material loss. TDK combines its proprietary material technologies to deliver unique solutions not available from other companies and support the growth of the entire AI ecosystem market.



Related Information

[How Electronic Components Underpin the Growth of the AI-Driven Society—TDK's AI Ecosystem Strategy](#)

TDK SenseI

Realizing predictive maintenance for industrial machinery by integrating edge AI with sensor technology



Factories and other production sites, plants that require a full set of large-sized manufacturing and processing equipment, and smart buildings that use the IoT for facility monitoring, all need to minimize downtime by preventing machinery and equipment from malfunctioning. Rather than waiting for something to go wrong with equipment before dealing with it, Predictive Maintenance (PdM), which monitors early warning signs of abnormalities and deterioration to enable timely maintenance, optimizes maintenance costs and improves equipment availability, thereby enhancing productivity.

TDK SenseI's edgeRX is a platform that uses AI-enabled edge sensor devices to monitor the status of industrial machinery. By integrating AI algorithms, edge computing and high-performance sensor devices, edgeRX enables monitoring of industrial machinery in real time, while also generating insights that can help to reduce downtime and improve productivity, and providing an alert function that notifies users when it is time to perform maintenance.



Related Information

[TDK introduces edgeRX: The future of industrial machine health monitoring](#)

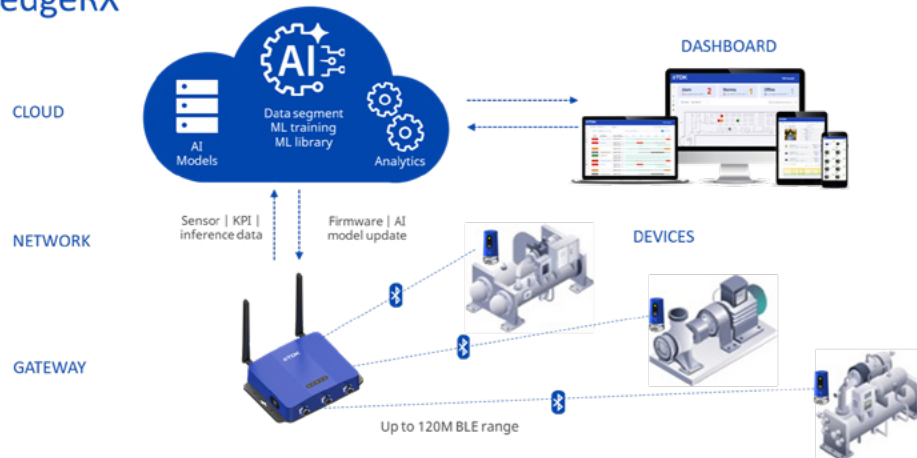
[edgeRX—TDK's SensEI](#)

Related Information

In addition, TDK's Featured Stories showcase a variety of examples that contribute to the SDGs. Please read the Featured Stories as well.

[Featured Stories](#)

edgeRX



TDK's Digital Transformation Initiatives

Message from the CDXO Cultivating the Intelligence Within

Roshan Thapliya PhD.

Chief Digital Transformation Officer
General Manager, Digital Solutions HQ
General Manager, AI Group, Digital Solutions HQ



▼ [Journey to Digital Solutions HQ and dedicated AI Group](#)

▼ [TDK's Digital Transformation Initiatives](#)

Cultivating the Intelligence Within: Journey to Digital Solutions HQ and dedicated AI Group

For decades, TDK has been defined by its mastery of the physical—the materials and magnetic properties that power the global electronics industry. But as we transition into our new organizational structure from April 1, 2026, we are formalizing a shift years in the making: the evolution of TDK into a data-driven, AI-augmented enterprise. The creation of the Digital Solutions HQ and a dedicated AI Group is not merely an administrative change. It is the culmination of internal evolution that began with a series of high-stakes Digital Transformation (DX) projects and the deployment of our most powerful internal tool to date: TDK GenAI. So, why change now? Because the “experiment” phase is over.

The Digital Solutions HQ centralizes our Corporate IT, Digital, and AI Groups into a single powerhouse. Its mission is to move TDK from “doing digital” to “being digital.”

- **The IT Group** provides the robust, Zero-Trust foundation.
- **The Digital Group** drives the workflow transformations across our global sites.
- **The AI Group**—my newest charge—will focus on scaling our internal GenAI capabilities and developing specialized “Domain AIs” that encapsulate TDK’s unique expertise in material science and tacit knowledge.



Looking Back at The Blueprint: Learnings from Our DX Projects

Our path to this moment was paved by agile outcome-specific “Task Force” DX tasks and larger companywide DX initiatives bridging traditionally siloed operations together to create new value. We didn’t want DX to be a top-down mandate; we wanted it to be a collaborative reality. By bringing together experts from our Business Companies (BCs) and Corporate HQs, we broke down the traditional silos of a global giant.

Key lessons from these projects:

- **Data Virtualization is Non-Negotiable:**

We learned that to move fast, we couldn't wait for every operation to have identical database structures. Embracing the fact that our system is diverse, allowed us to seeing this not as weakness but propelled us to create new ways through adopting Infrastructure-looking AI-Agents to virtualize data from segregated data sources to AI-ready virtualized datasets.

- **The “Human” in the Loop:**

DX is half technology and half people. Our transformation succeeded by shifting from “managing systems” to “empowering people” with IT, Digital and AI technologies. This led us to move away from the “Management System HQ” name toward “Digital Solutions HQ”, reflecting our focus on solving human and operational problems. One key addition in the Digital Group is adding a dedicated team for Human-Centric Design which includes UX & Communications, not for mere convenience, but as a strategic layer to cue people to engage with AI seamlessly.

TDK GenAI: The Engine of Internal Efficiency

The true catalyst for our new AI Group was the success of TDK GenAI. Developed in-house to ensure absolute security and privacy, this platform has become the “digital nervous system” of TDK’s Enterprise AI comprising of advanced Cybersecurity measures combined with Agentic AI flexibility.

Unlike off-the-shelf solutions, TDK GenAI is built on a multi-layered architecture designed for a complex manufacturing environment:

1. The Reasoning Layer: Powered by multiple Large Language Models (LLMs) that understand the context through proprietary data-sets.
2. The Orchestration Layer: Managing complex tasks to optimize workflows.
3. The Retrieval Layer: Connecting directly to our internal SQL servers and “Domain AI” datasets—proprietary knowledge that gives us a competitive edge.

By integrating this into our daily workflows, we have begun to gradually transition to Agentic AI applications. The new AI Group with dedicated teams power these transitions through Enterprise AI development, Operational QoS maintenance, Domain-AI development and Responsible AI, pushing TDK into the new field of AI Transformation (AIX).

Our Vision for 2026 and Beyond

We are building a TDK where “Intelligence” is as much a core material as ferrite or lithium. By focusing on our internal transformation first, we ensure that when we deliver a product to a customer, it is backed by the most efficient, data-rich, and AI-optimized organization in the industry- which is also our recipe to cushion volatility in the market for sustainable growth. We are not just transforming TDK; we are creating the “TDK United” of the future—a company where every employee is augmented by AI, every process is optimized by data, and every solution is “In Everything, Better.”

April, 2026

Driving Sustainable Innovation in Electronics: TDK's Digital Transformation Initiatives

Driving Companywide DX with Our Proprietary Framework and TDK GenAI Platform

Our DX framework is companywide, encompassing sales and marketing, manufacturing, and sustainability. In sales and marketing, Agentic AI transforms CRM systems into intelligent growth engines, continuously monitoring opportunities, detecting risks, and guiding teams for optimal results. In manufacturing, for example, DX is used to augment frontline expertise with digital tools, achieving industry-leading operational efficiency. Smart Manufacturing*/Industry 4.0 initiatives include quality assurance, predictive and prescriptive maintenance, energy efficiency, and supply chain optimization—all powered by AI and data integration. In Sustainability Transformation (SX), embedding advanced digital technologies into every facet of the company's sustainability journey, our DX efforts are making a difference. By integrating AI, automation, and data-driven decision-making, we assist in minimizing our carbon footprint across all operations and supply chains, while enhancing energy productivity and decarbonization efforts. Through this synergy of DX and SX, TDK is not only transforming itself but also setting a new standard for sustainable growth in the technology industry.

* An initiative leveraging digital technologies to optimize the entire manufacturing process



Notably, one of our backbones to drive these transformations is the introduction of our secure TDK GenAI platform, which features a multi-layered architecture: a tool/retrieval layer for accessing data and APIs, an orchestration layer for task management, a reasoning layer powered by large language models (LLMs) and domain-specific AI, a feedback/learning layer for continuous improvement, and a security/compliance layer for robust governance. TDK's internal generative AI services powered by the TDK GenAI platform and API gateway further enable scalable, secure deployment of Agentic AI solutions across the organization, thereby turbo-charging workflow optimization and productivity outcomes. We are proud to say that we are one of the first adopters of GenAI technologies integrated as a production-level system built in-house and deployed globally within TDK Group, symbolizing TDK Venture Spirit DNA to tackle and adopt promising technologies boldly in the context of predictable market dynamics.

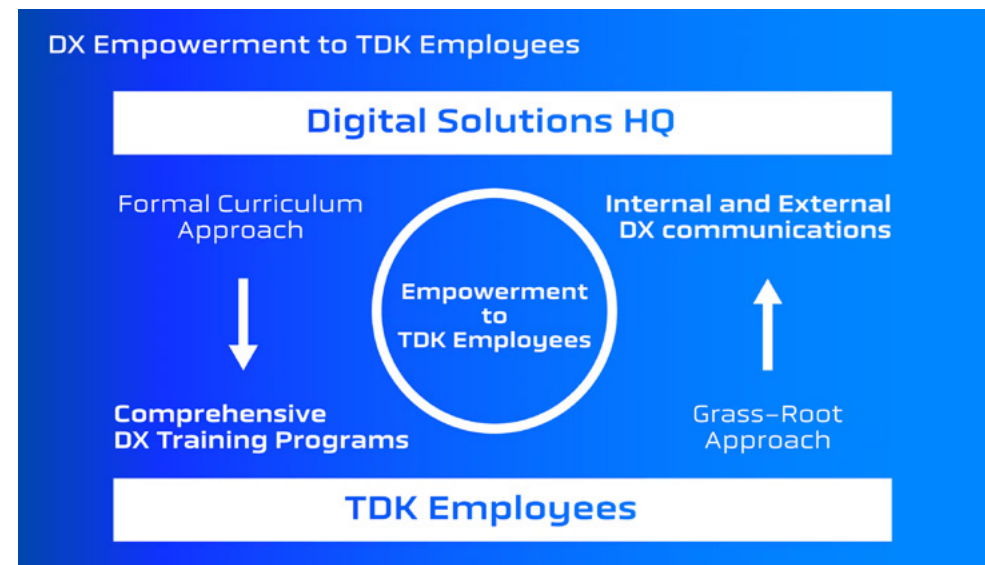
Our commitment to internal workflow transformation is powerfully realized through our strategic focus on IT, Digital, AI and a new task force-style DX initiative. This recently introduced initiative deploys dedicated task forces into operational environments for short, intensive periods (typically less than one month, up to two months) to identify and implement high-impact, AI-driven solutions. The primary objective is to achieve significant cost savings and workflow efficiency improvements using Agentic AI combined with our Domain AIs that have been developed using our domain-specific data accumulated through years of experience and R&D. The new task force-style DX process implementation symbolizes collaboration and the integration of diverse technological and workflow components, ensuring rapid, measurable transformation. We have seen rapid adoption and impact on our workflows ranging from back-end administrative work to factory floors, reducing operational cost by automating “indirect” work.



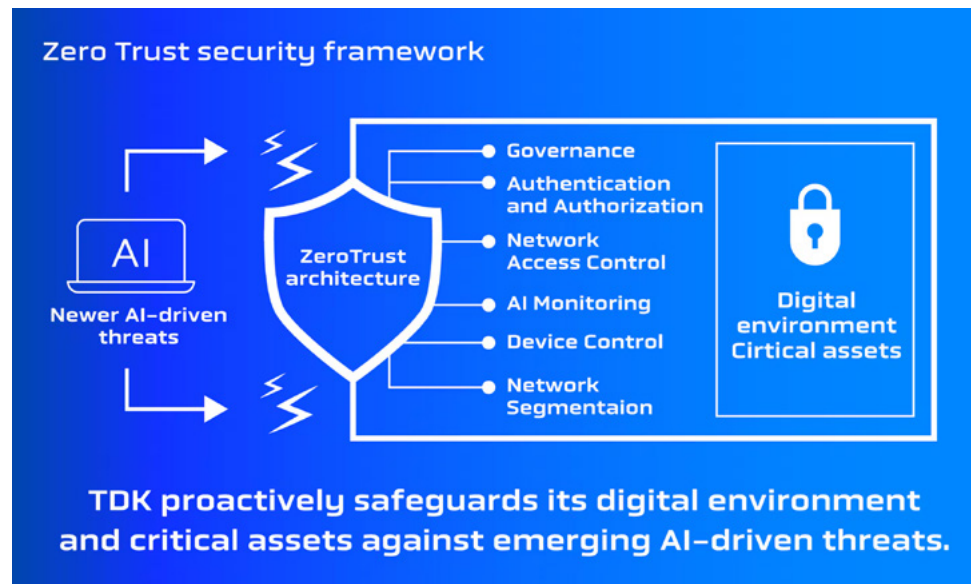
Comprehensive Training Programs and Zero Trust Security Powering Business-Process DX

Our commitment to DX is celebrated globally through the DX Awards, which recognize outstanding achievements in business impact, outcomes, and effort, fostering a culture of innovation and excellence. Employee engagement is at the heart of TDK’s DX journey, with IT, Digital and AI Groups in Digital Solutions HQ driving governance, responsible AI policies, and robust information sharing across the organization.

Upskilling and reskilling are prioritized through comprehensive DX training programs, including basic and expert IT courses, practical field deployments, and specialized modules on cybersecurity, privacy, and responsible AI. Networking and connectivity are enhanced through global collaboration, with internal and external DX communications facilitated by events, digital communiques, and interaction platforms. TDK also promotes external engagement via [the Digital Transformation \(DX\) Certification it received from the Japanese Ministry of Economy, Trade and Industry](#), as well as through social media and participation in international conferences, strengthening its presence in the wider digital community. These initiatives collectively create a vibrant network where people, technology, and knowledge intersect. Through these efforts, TDK not only empowers its workforce but also sets new standards for digital leadership and connectivity in the industry.



Cybersecurity and Privacy are core to TDK's DX. One of our major initiatives is the implementation of a robust Zero Trust security framework to protect our infrastructure and information assets both in the cloud and internally. This approach is structured around five key technical areas—Authentication and Authorization, Network Access Control, Device Control, Network Segmentation, and AI Monitoring—along with comprehensive Governance. For each area, TDK defines four progressive security levels: Level 1 (Security Baseline), Level 2 (Enhanced Protection), Level 3 (Semi-automatic Detection and Response), and Level 4 (Automatic Detection and Response). This layered and adaptive strategy ensures that security measures are continuously strengthened, with increasing automation to detect and respond to threats. By adopting the Zero Trust architecture globally, TDK demonstrates a proactive and dynamic approach to safeguarding its digital environment and critical assets even as newer AI-driven threats become commonplace.



In summary, TDK is driving transformation with a sophisticated blend of DX and AI, embodied in agile methodologies, robust AI platforms, and a culture of continuous learning and ethical innovation. We believe that these efforts collectively position TDK at the forefront of operational excellence and digital leadership, surpassing our customers' and society's expectations as an electronics manufacturer.

January, 2026

► Related — TDK Information Security

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Stakeholder Engagement

[Purpose of Stakeholder Engagement](#)
[Our Approach, Ideal Relationships, and Engagement Methods by Stakeholders](#)
[Stakeholder Dialogue](#)
[Past Stakeholder Dialogue](#)

Purpose of Stakeholder Engagement

The TDK Group strives to earn the trust of society by correctly recognizing social issues as a company that deploys business activities globally, respecting the International Code of Conduct and guidelines on sustainability, and responding to stakeholders' interests through business activities. In order to gain the trust, we actively create opportunities for dialogue with our stakeholders on a daily basis.

The TDK Group believes that the purpose of stakeholder engagement is as follows.

- To apply stakeholders' opinions in TDK Group's business activities and translate them into the improvement of corporate value and social value to be created.
- To share the same values with our stakeholders and develop our business activities into essential non-complacent activities by gaining their understanding on the TDK Group's ideas and activities. Also, to continue collaborating to achieve a sustainable society.

Our Approach, Ideal Relationships, and Engagement Methods by Stakeholders

Shareholders and Investors

Our approach	The TDK Group will maintain management in a fair and transparent manner by disclosing information in a timely and appropriate manner to stakeholders, such as shareholders and investors.
Ideal relationship	The TDK Group will maintain management in a fair and transparent manner by disclosing information in a timely and appropriate manner to stakeholders, such as shareholders and investors.
Engagement methods	• Performance briefing • Investors meetings • General meeting of shareholders

Customers

Our approach	The TDK Group responds to changes in the business environment and social needs and provides high-value-added products to customers by realizing QDC and First-to-Market at a high level.
Ideal relationship	We are always recognized as a partner company that exceeds customers' expectations by leading innovations and environmental consideration.
Engagement methods	• Daily sales activities • Customer Satisfaction (CS) survey • Audit from customers

Suppliers

Our approach	The TDK Group addresses social and environmental issues throughout the supply chain and will realize a sustainable society with our suppliers based on the RBA Code of Conduct.
Ideal relationship	We build win-win situations that will develop both our suppliers and TDK in the long term, and collaborate in various business fields in relation to TDK and our suppliers' technologies and know-how.
Engagement methods	• Daily communication with suppliers • Supplier briefings • Implementation of audits of suppliers • Supplier summit

Employees

Our approach	The TDK Group believes that the sustainable prosperity of the company comes from its human resources and will continue to build relationships as described in the TDK Group Code of Conduct. > Please click here for the TDK Group Code of Conduct
Ideal relationship	We build equal and happy workplaces, and employees and the company share mutual respect.
Engagement methods	• Labor-management dialogue • Feedback to in-house newsletters • Workplace communication • Various award programs • Engagement surveys

Communities

Our approach	The TDK Group works and collaborates with stakeholders and potential partners, such as communities, administrations, industries, international organizations, NPOs, and NGOs, to maintain good relationships. Also, based on our management philosophy, we will identify areas of social issues to be prioritized and aim to be a good corporate citizen through social services such as sports, culture, artistic activities, and volunteer activities.
Ideal relationship	The TDK brand penetrates into local communities and provides quality employment to local communities. We also contribute to the reduction of environmental impact with innovative technology.
Engagement methods	• Social gatherings in local communities • Social contribution activities

Administration

Our approach	The TDK Group works and collaborates with stakeholders and potential partners, such as communities, administrations, industries, and international organizations, to maintain good relationships.
Ideal relationship	We fulfill our obligations, such as legal compliance and tax payments, and play the role of a corporation as a public institution of society through cooperation with policies to solve social problems.
Engagement methods	• Exchange of opinions through economic and industrial organizations • Response to surveys and questionnaires • Consultations with competent authorities • Public comments

Consumers

Our approach	We contribute to improving the QOL of all people through TDK Group products and final products in which our products are installed.
Ideal relationship	We are recognized by many consumers as a company that contributes to society with creative and innovative technologies.
Engagement methods	• Acquisition of information through sales • Feedback to development

[Multi-Stakeholder Policy](#)

Stakeholder Dialogue

Panel discussion on realizing sustainability transformation

Our long-term vision, “TDK Transformation,” incorporates the approach of sustainability transformation (SX), which strives to synchronize and align the sustainability of corporations with that of society. In April 2025, we integrated the Sustainability Promotion Group under our Corporate Strategy HQ and are currently furthering the consolidation of our corporate strategy with sustainability.

In September 2025, we held a panel discussion themed on corporate strategy and sustainability, with approximately 60 team members (employees), primarily from TDK business units in Japan and overseas (16 business groups), taking part.

We invited external panelists Hajime Aota, Executive Officer and Chief General Manager of the Corporate Strategy Center and CSO at Yamaha Motor Co., Ltd., and Yu Shimizu, Representative Director and Chief Investment Officer at Cadira Capital Management Co., Ltd. to take part in the panel discussion. From TDK Corporation, Taro Ikushima, Corporate Officer and General Manager of Corporate Strategy HQ, participated as a panelist, with Noriko Nakano, Deputy General Manager of the Sustainability Promotion Group at Corporate Strategy HQ, acting as moderator. Mr. Aota gave an account of activities aimed at contributing to societal sustainability through business operations, while Mr. Shimizu spoke about how investment management firms rate companies focusing efforts on sustainability management. Feedback from attendees at the event included: “This was a valuable opportunity to hear directly from external experts,” and “The panel discussion gave me an insight into the links between sustainability and management challenges and a real sense of how these can boost both motivation and inspiration.”

*Titles listed are those as of September 2025



Past Stakeholder Dialogue

TDK actively creates opportunities for dialogue with our stakeholders. In particular, we hold stakeholder dialogues for topics that have a large impact on business activities. We also hold direct dialogues with outside experts and utilize the results in business activities enabling us to contribute to the sustainability of both society and the company.

Clicking on each theme will open related dialogue articles.

Date of implementation	Theme
Jan. 14, 2025	Reflecting on the Importance of Transparency
Feb. 6 – Mar. 14, 2024	New Long-term Vision and Identifying Materiality
Aug. 25, 2020	Crafting Materiality with Social Value at the Core
Jul. 8, 2020	Balancing a Response to Climate Change with Corporate Growth
Mar. 6, 2018	Develop Global Human Resources
Apr. 14, 2017	Targeting Human Rights Responses at the Supply Chain
Mar. 21, 2017	Develop Global Human Resources
Oct. 9, 2015	Toward the Finalization of Materiality to Enhance TDK's Value
May 11, 2015	CSR Promotion in the Supply Chain
May 8, 2015	Toward Compilation of the Next Environmental Vision
Apr. 17, 2015	Thinking about Diversity as a Growth Strategy
Mar. 31, 2015	Study Meeting Convened to Enhance the Grasp of Nonfinancial Information Disclosure
Mar. 4, 2014	Identification of Human Rights Issues through Dialogue with Stakeholders
Apr. 18, 2013	The Social Problems behind Conflict Minerals: The Human Rights Situation in the Democratic Republic of the Congo
Apr. 12, 2012	What should today's technological innovations look like if they are to solve social problems and bring an ideal future into reality?
May 27, 2011	What We Need to Do for the Environment Now
Apr. 8, 2010	Continued Expectations to TDK as a Trustworthy Company
May 18, 2009	A Company That Earns Your Trust

Sustainability | Sustainability Transformation (SX) - Sustainability Management -

Fund Procurement through ESG Finance

[Explanation of Fund Procurement through ESG Finance](#)

[TDK Sustainable Finance Framework](#)

[Implementation Guidelines for Fund Procurement through ESG Finance](#)

Explanation of Fund Procurement through ESG Finance

One of the key issues (materiality) that TDK will focus on to achieve its TDK Transformation long-term vision is the need to address climate change. To achieve a society with net zero CO₂ emissions by 2050, TDK will bolster its greenhouse gas reduction measures and implement countermeasures against climate change. To this end, we defined the ideal state of TDK in 2035 as “the operation under the environmental load within natural circulation,” and formulated the “TDK Environmental Vision 2035,” which aims to “halve the CO₂ emissions intensity from a life-cycle perspective by 2035.”

The Group formulated the TDK Sustainable Finance Framework, and by using sustainability-linked finance, which sets Sustainability Performance Targets (SPTs) that reflect efforts to achieving the TDK Environmental Vision 2035, as well as green finance, which specifies the use of proceeds for achieving reductions in the CO₂ emissions from products, we will establish a foundation for raising funds for achieving the TDK Environmental Vision 2035 and work continuously to improve corporate value while creating value for achieving a sustainable future.

TDK Sustainable Finance Framework

In July 2023, we formulated the TDK Sustainable Finance Framework (the “Framework”) in accordance with the Green Bond Principles 2021 and Sustainability-Linked Bond Principles 2023 of the International Capital Market Association (ICMA), the Green Loan Principles 2023 and Sustainability-Link Loan Principles 2023 of the Loan Market Association (LMA), and the Green Bond and Sustainability Linked Bond Guidelines 2022 edition and Green Loan and Sustainability Linked Loan Guidelines 2022 edition of the Ministry of the Environment.

The Framework received a second-party opinion from Rating & Investment Information, Inc., (R&I), a third-party evaluation organization, to the effect that it complies with various standards relating to the issuance and procurement of green finance (bonds, loans, etc.) with a specified use of proceeds as well as sustainability-linked finance (bonds, loans, etc.) without a specified use of proceeds.

[TDK Sustainable Finance Framework](#)

[Second-party opinion from Rating & Investment Information, Inc.](#)

Implementation Guidelines for Fund Procurement through ESG Finance

[Sustainability-Linked Finance](#)

[Green Bonds](#)

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Fund Procurement through ESG Finance

Sustainability-Linked Finance

Fund Procurement through Sustainability-Linked Finance

TDK procured funds through the ninth series of unsecured straight TDK Sustainability-Linked Bonds in December 2021 and the TDK Sustainability-Linked Loan in August 2023.

Overview of TDK Corporation the ninth series of unsecured straight bonds (with special inter-bond pari passu clause) (TDK Sustainability-Linked Bonds)

- [October 20, 2021: TDK Issues Its First Sustainability-Linked Bonds](#)
- [November 26, 2021: TDK Announces Issuance of Unsecured Straight Bonds](#)

Total amount of bond issuance	40 billion yen
Payment date/maturity	December 2, 2021 Payment date/Seven years
Rating	Rating & Investment Information, Inc., (R&I): A+
SPTs	1. Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in FY March 2026 compared to FY March 2015. 2. Maintain "A" or "A-" for the CDP Climate Change score in the calendar year 2025. 3. Achieve to raise the ratio of renewal energy sources to 50% of electricity consumption in FY March 2026.
Attributes of bonds	The achievement status of SPTs (1) and (3) will be assessed based on performance in FY March 2026, and the achievement status of SPT (2) will be assessed based on performance in calendar year 2025. If we fail to achieve two or more of the above three SPTs, we will make donations to public interest incorporated associations, public interest incorporated foundations, international organizations, NPO certified by local governments, local governments, and other similar organizations that engage in environmental conservation activities, in the total cumulative amount equivalent to 0.3% of the bond issue amount before the redemption of the bonds. In addition to TDK's own ESG initiatives, we will generate additional positive impact by supporting activities through donations.
Structuring agent of sustainable finance	SMBC Nikko Securities Inc.
Third-party evaluation	R&I second opinion (Japanese)

TDK Corporation: Overview of the TDK Sustainability-Linked Loans

- [July 31, 2023: TDK Issues Its First Green Bonds and Raises Funds through Sustainability-Linked Loans](#)

Loan amount	80 billion yen by Syndicated Loan
Loan term	Six years
Loan agreement date	August 7, 2023
Loan arranger	Resona Bank, Limited., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mizuho Bank, Ltd.
SPTs*	1. Maintain "A" or "A-" for the CDP Climate Change score in the calendar year 2025. 2. Achieve to raise the ratio of renewal energy sources to 50% of electricity consumption in FY March 2026.
Structuring agent of sustainable finance	Mizuho Securities Co., Ltd.
Framework	Sustainable Finance Framework (Japanese)
Third-party evaluation	R&I second opinion (Japanese)

*With respect to "Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in FY March 2026 compared to FY March 2015," we achieved a 32% improvement in FY March 2022, achieving the target ahead of schedule.

Status of Progress of SPTs and KPIs for TDK Sustainability-Linked Finance

TDK reports on the Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) that it set and the status of progress toward achieving them.

In the TDK Environmental Vision 2035, TDK made the reduction of environmental load from a life-cycle perspective a key topic and set a target of halving CO₂ emissions intensity by FY March 2036 with FY March 2015 as the base year. TDK set multiple SPTs that reflect the actions taken to achieve this target. By incorporating multiple inter-related measures, TDK believes that it is possible to gauge the Group's actions from a more multi-faceted perspective.

SPT-1: Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in FY March 2026* compared to FY March 2015

SPT-2: Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025.

SPT-3: Achieve to raise the ratio of renewable energy sources to 50% of electricity consumption in FY March 2026*

*Targets until FY March 2026 (ending March 31, 2026)

SPT-1: Reduce CO₂ emissions intensity per sales (t-CO₂ per 100 million yen sales) by 30% in FY March 2026 compared to FY March 2015.

CO₂ emissions intensity per sales is calculated by dividing the sum of Scope 1 emissions (directly produced emissions) and Scope 2 emissions (indirect emissions from purchased energy) by net sales stated on the consolidated statements of income.

KPI-1	FY March 2015	FY March 2020*	FY March 2021*	FY March 2022*	FY March 2023*	FY March 2024*	FY March 2025*	FY March 2026*	SPT-1 FY March 2026
CO ₂ emissions intensity indexed to FY March 2015 as 100	100	86.9	90.9	68.0	48.2	29.9	30.7	31.0	70.0

*The figures for FY March 2020 onward are verified by a third party.

SPT-2: Maintain “A” or “A-” for the CDP Climate Change score in the calendar year 2025.

CDP Climate Change scores evaluate climate change initiatives of corporations and cities. CDP evaluates the participants’ response to its questionnaire and gives a score from the nine levels (A/A-/B/B-/C/C-/D/D-/F) based on quantitative and qualitative assessment criteria.

KPI-2	2019	2020	2021	2022	2023	2024	2025	SPT-2 2025
CDP Climate Change score	A-	A-	A-	A-	A-	A	A-	AorA-

SPT-3: Achieve to raise the ratio of renewable energy sources to 50% of electricity consumption in FY March 2026.

The ratio is calculated by dividing the total of electricity purchased from renewable sources with an Energy Attribute Certificate and electricity generated in-house by total electricity consumption.

KPI-3	FY March 2020	FY March 2021	FY March 2022	FY March 2023	FY March 2024	FY March 2025	FY March 2026	SPT-3 FY March 2026
Ratio of electricity from renewable energy sources (%)	18.2	23.9	30.0	39.9	55.2	61.2	63.7	50.0

*The figures for FY March 2020 onward are verified by a third party.

Sustainability | Sustainability Transformation (SX) - Sustainability Management - |
Fund Procurement through ESG Finance

Green Bonds

Fund Procurement through Green Bonds

TDK procured funds through the 11th series of unsecured straight bonds (Green Bonds) in September 2023.

Overview of TDK Corporation the 11th series of unsecured straight bonds (with special inter-bond pari passu clause) (Green Bonds)

- [July 31, 2023: TDK Issues Its First Green Bonds and Raises Funds through Sustainability-Linked Loans](#)
- [September 1, 2023: Issuance of Unsecured Straight Bonds \(Green Bonds\)](#)

Total amount of bond issuance	20 billion yen
Payment date/maturity	September 7, 2023 / 5 years
Use of proceeds	To be used to finance production facilities (including the new facility at Kitakami Factory) for multilayer ceramic capacitors (MLCC), which are mainly used for electric vehicles (EVs*) and photovoltaic power generation.
Rating	Rating & Investment Information, Inc., (R&I): A+
Structuring agent of sustainable finance	Mizuho Securities Co., Ltd.
Framework	Sustainable Finance Framework (Japanese)
Third-party evaluation	R&I second opinion (Japanese)

*xEVs include BEVs (Battery Electric Vehicles), FCEVs / FCVs (Fuel Cell Electric Vehicles / Fuel Cell Vehicles), PHEVs/PHVs (Plug-in Hybrid Electric Vehicles / Plug-in Hybrid Vehicles), and HEVs (Hybrid Electric Vehicles).

List of TDK Green Bond Investors

These are the investors who have committed to investing in TDK Green Bonds (as of September 1, 2023, in alphabetical order).

[List of TDK Green Bond Investors](#)

Status of Use of Proceeds

As of March 31, 2025, the funds procured from the bond issuance were all allocated to capital investment in production facilities and plant construction for multilayer ceramic chip capacitors (MLCCs) (the new facility at Kitakami Factory).

Item	Amount (million yen)
Amount procured (amount after deducting issuance expenses from the bond issue amount)	19,908
Amount applied	19,908
Amount unapplied	0

Environmental Improvement Effects

The amount of CO₂ emissions reduction (theoretical value) from the qualified business to which the funds procured from the bond are calculated according to the formula set forth below using the expected shipment volume of MLCCs for EVs and photovoltaic power generation after the production facilities start commercial operation. The following environmental improvement effects are expected to be demonstrated.

MLCCs for EVs

CO₂ emissions reduction volume = EV production quantity* × CO₂ reduction effects per electric vehicle

*Estimated from the shipment volume of MLCCs for EVs

MLCCs for photovoltaic power generation

CO₂ emissions reduction volume = Power generating capacity* × CO₂ reduction effects per 1 kw of power generated

*Estimated from the shipment volume of MLCCs for photovoltaic power generation

CO ₂ Emissions reduction volume (theoretical value)	Approx. 2.3 million t- CO ₂ /year
--	--

Sustainability

Environment

- ▶ [Environmental Policy and Environmental Vision](#)
- ▶ [Environmental Management System](#)
- ▶ [Goals and Achievements](#)
- ▶ [TCFD/TNFD](#)
- ▶ [Activity themes](#)
 - [Climate Change Initiatives](#)
 - [Environment-Conscious Products](#)
 - [Water Resources Conservation](#)
 - [Initiatives to Prevent Air, Water, and Soil Pollution](#)
 - [Initiatives for the Circular Economy](#)
 - [Responsible Management of Chemical Substances](#)
 - [Addressing Biodiversity](#)
- ▶ [Third-Party Review of Environmental Performance Data](#)
- ▶ [A History of TDK's Environmental Activities](#)
- ▶ [Environmental Data \(ESG Data\)](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Environmental Policy and Environmental Vision

[Our Approach](#)

[TDK Environmental Vision 2035](#)

[Looking Ahead to 2050](#)

[Basic Environmental Action Plan “TDK Environment, Health and Safety Action 2025”](#)

Our Approach

The TDK Group Occupational Health/Safety and Environmental Charter

To unify policies relating to health/safety and the environment throughout the entire TDK Group, TDK formulated the TDK Group Occupational Health/Safety and Environmental Charter consisting of two aspects—basic principles and basic policies on health/safety and the environment.

The TDK Group
Occupational Health/Safety
and Environmental Charter



[Click Here >](#)

Related link

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

[Environmental Management System](#)

[Environmental Education](#)

Looking Ahead to 2050

One key issue (materiality) that TDK will be addressing to achieve its TDK Transformation long-term vision is “implementing solutions to social and environmental issues.” TDK is promoting net-zero CO₂ emissions from the perspective of the entire supply chain. Specifically, we are strengthening our activities for the reduction of greenhouse gas emissions, including further expansion of the scope of coverage to include emissions in other Scope 3 categories as well as Scope 1, Scope 2, and Scope 3 Category 11 and the setting of key performance indicators and monitoring indicators, toward the realization of a society with net-zero CO₂ emissions by 2050. In addition, in 2025 we achieved a renewable energy adoption rate of 58.6% at our manufacturing sites, meeting the target of 50% set in our medium-term action policy, “TDK Environmental Action 2025.”

As proclaimed in the TDK Environmental Charter, TDK recognizes the importance of adopting measures to counter climate change and respecting biodiversity and the limited resources of the Earth. Under the slogan of “Eco TDK,” TDK will further promote related activities, including the realization of a circular economy.

Related link

[Materiality Identification Process](#)

TDK Environmental Vision

TDK Environmental Vision

Three ZERO for the planet

Striving to achieve:

- Zero GHG emission
- Zero resource loss
- Zero damage to the ecosystem throughout the product lifecycle.



Pursue the three zeros throughout the entire life cycle from the perspective of entire supply chain.

In FY March 2015, the TDK Group achieved, ahead of the schedule, the target of realizing carbon neutrality that had been set in TDK Environmental Action 2020, the group's third environmental master plan. Having achieved this goal, TDK went on to formulate a new environmental vision—Vision 2035—which was announced in 2015, and which looked ahead to the year that would mark the 100th anniversary of TDK's founding. In 2024, a new long-term vision—TDK Transformation: Accelerating Transformation for a Sustainable Future—was formulated to replace Vision 2035. As part of TDK Transformation, we announced the TDK Environmental Vision 2035 (defined as “The operation under the environmental load within natural circulation,” and setting a target of “Halve the CO₂ emissions intensity from a life-cycle perspective by 2035”), which would enable us to work together effectively as a group to address the issue of climate change. As of April 2026, we had already achieved this CO₂ emissions intensity reduction target (in terms of Scope 1 and 2 emissions). To help realize the transformation to a sustainable society, taking into account the shift toward seeking a reduction in CO₂ emissions in absolute terms, we have now formulated a new environmental vision: Three ZERO for the planet. Under this new vision, besides reducing the negative impact that our business activities have on the global environment to zero, we will also be striving to reduce the burden on the environment on a perpetual basis (Zero Carbon*). We are also expanding the scope of application, aiming to achieve “Three ZERO for the planet” throughout the product lifecycle and the whole supply chain: zero emissions, zero resource loss, and zero damage to the ecosystem. To realize the sustainable future envisioned by our corporate philosophy, we will be sharing TDK's approach to environmental activities with all TDK Group employees, and proceeding with related initiatives.

*TDK supports the Paris Agreement adopted at the UN Climate Change Conference (COP21) in 2015, and also supports the G7 2030 Nature Compact, and will continue working to help achieve these goals.

Basic Environmental Action Plan “TDK Environment, Health and Safety Action”

Related link

[Action Plan in TDK Environment, Health and Safety Action 2025* and FY March 2025 Achievements](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Environment | Environmental Policy and Environmental Vision

The TDK Group Occupational Health/Safety and Environmental Charter

The TDK Group Occupational Health/Safety and Environmental Charter

Basic Principle

The TDK Group recognizes that creating a safe, healthy workplace and co-existing with the global environment is an important management issue. The TDK Group is committed to realizing sustainable growth of our society through the combined efforts of all members in all business operations.

Policy



Take good care of people and the earth

Protect the safety and health of
workers and keep environment healthy

- Try to create a mentally and physically stress-free workplace.
- Raise the awareness of workers and strive for safe and secure operations by educating and training.
- Work on the conservation of the global environment, including biodiversity.



Monozukuri considering safety and environment

Reduce EHS risks from procurement
stage to disposal stage

- Take elimination or reduction measures against dangerous and harmful factors.
- Design and develop products that are safe for consumers and low environmental impact.
- Carry out safety and environmental activities within the supply chain.



Moving toward a sustainable society

Act to achieve a decarbonized
society and circular economy

- Use resources and energy efficiently and effectively in production activities.
- Promote the use of renewable energy.
- Recycle effectively and produce no waste.



Responsible behavior

Respond to various needs through
communication with society

- Comply with laws and regulations and respond to social needs.
- Contribute to the local community by communicating with local people.
- Communicate with workers and improve workplaces and welfare programs.



Value your efforts

Enhance corporate value by setting
strategic goals and actions.

- Set long-term goals and improve performance continuously to achieve them.
- Take actions to achieve goals by providing information and educational material.
- Improve the transparency and soundness of our business activities by disclosing appropriate information.

The TDK Group Occupational Health/Safety and Environmental Charter
Established on October 1, 2022

Noboru Saito
President & CEO, TDK Corporation

The TDK Group Occupational Health/Safety and Environmental Charter applies not only to all members of the TDK Group (directors, officers, employees, temporary and part-time workers), but also to business partners (individuals employed by contractors and subcontractors working at our sites) and visitors to our sites.

In terms of the environment, based on the charter, the TDK Group is committed to reducing CO₂ emissions, energy, resources, and water usage across the product life-cycle, including Procurement, Development/Production, Logistics, Use, and Disposal, to lower the environmental load. To promote this commitment, we establish a system led by the responsible officer and clarify roles and responsibilities for environmental activities. These activities have a ripple effect throughout the value chain, such as suppliers, sub-contractors, other business partners as well as our customers. "All business operations" stated in the Basic Principle on the Environment includes due diligence on investment in new businesses and mergers and acquisitions. In addition, the term "resources" in the Policy includes raw materials.

In terms of the health and safety, we aim to form safe and healthy workplace environments. On the basis of the charter, we prioritize our activities and set action plans. As a basic plan for specific activities, TDK has formulated the Health and Safety Basic Plan, which it strives to implement with the aim of reducing the number of significant labor accidents to zero. We also encourage activities based on consultation with and active participation of our employees, in recognition of the fact that ensuring health and safety is achieved through good communication.

Health and safety and environmental activities are promoting within the framework of the Management System, which integrates corporate management and environmental management. Since the active participation of our employees is essential to these activities, we conduct awareness-raising activities and training necessary to deepen employees' understanding. In addition, we strive to disclose information appropriately and proactively communicate to increase external stakeholders' understanding of the TDK Group's management policies, initiatives, and environmental and social impacts.

Sustainability | Environment

Environmental Management System

[Environmental Management System](#)

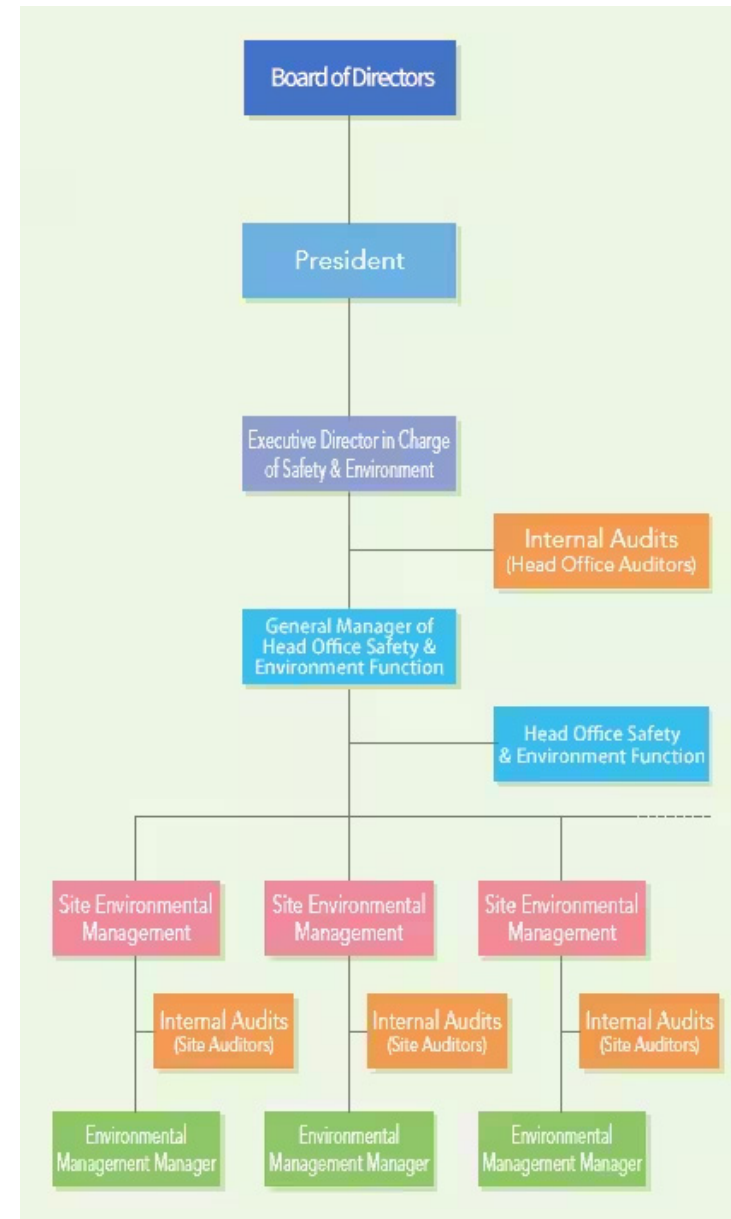
[Operation of the TDK Environmental Management System](#)

[Environmental Education](#)

[EMS Assessment System and Award Program](#)

Environmental Management System

TDK has established an Environmental Management System (EMS) with the President and CEO having the highest level of responsibility, and is promoting activities under the framework that integrates corporate management and environmental management. This structure enables us to respond quickly and effectively to increasingly diverse, complex, and global environmental issues, in addition to our on-site environmental conservation activities. Environmental activities including plans, progress, and risks are also reported to the Board of Directors on a quarterly basis, and are deliberated when necessary.



The sites in the chart above refer to ISO-certified manufacturing sites.

Operation of the TDK Environmental Management System

TDK is proactively engaged in environmental activities, and we have acquired ISO 14001 certification (the international standard for environmental management systems) at 95% of our manufacturing sites.

Furthermore, by implementing internal audits under the leadership of the regional headquarters, each site undertakes a response in accordance with the regional situation. In addition, we are promoting activities toward achievement of the TDK Environment, Health and Safety Action initiative, which is the common goal of the TDK Group. For example, we endeavor to enhance the performance of each site by holding EHS regional conferences for Japan, China, ASEAN, Europe, and the Americas to share issues and best practices at sites.

Related links

[Facilities with ISO14001 and ISO50001 Certification](#)

[Goals and Achievements](#)

[Social and Environmental Consideration at Manufacturing Sites](#)

Environmental Education

TDK posts activity information, including TDK's approach to environmental initiatives and targets to be achieved, on the in-house intranet, which employees can access and check at any time. In addition, TDK endeavors to publicize and raise awareness of the TDK Group Occupational Health/Safety and Environmental Charter by means of handy cards, posters for display, the digital signage bulletin board, and other activities. Furthermore, each site promotes self-awareness and competence education relating to the environment among new recruits and transferred employees by utilizing e-learning and so on.

EMS Assessment System and Award Program

With the aim of boosting the Environmental Management System and the performance of safety and environment related activities, TDK has introduced a program for assessing the degree by which both safety and environment management related goals have been attained on a global basis.

The program covers initiatives to address social issues, such as energy, water, waste, health/safety, and the SDGs. Business sites with a high overall score, and sites, departments or individuals that have conducted special activities in a specific area are recognized with an award. Gold, Silver, Bronze, and Fighting Spirit awards are given based on performance, and awards and monetary rewards are presented to the president, factory manager, business unit manager or to the individual employees of each qualifying site. Award recipients in FY March 2025 were as follows:

■Excellent overall score

TDK Taiwan Corporation

Magnecomp Precision Technology Public Co., Ltd.

TDK Corporation Mikumagawa Plant

TDK-Micronas GmbH

■Outstanding activities in a specific field

【Energy】

TDK Korea Co., Ltd.

TDK Hungary Components Kft.

【Health/safety】

TTDK Xiamen Co., Ltd.

Related links

[Initiatives for the Circular Economy](#)

[Health and Safety](#)

Sustainability | Environment | Environmental Management System

Facilities with ISO14001 and ISO50001 Certification

(As of June 1st 2026)

ISO14001:2015

Facility	Country	Certificate Number	Certification Body
TDK Corporation Safety and Environment Group, Quality Assurance HQ Mikumagawa Factory Asama Techno Factory Kofu Factory Narita Factory Shizuoka Factory Inakura Factory (East site) Inakura Factory (West site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Ouchi Factory Tsuruokanishi Factory Sakata Factory Tsuruokahigashi Factory TDK Electronics Factories Corporation Kofu Factory Inakura Factory (East site) Inakura Factory (West site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Kitakami Factory Ouchi Factory Iwaki Factory Tsuruokanishi Factory Sakata Factory Iida Factory Tsuruokahigashi Factory TDK-Lambda Corporation Nagaoka Technical Center	Japan	JP21/071691	SGS
TDK Precision Tool Corporation	Japan	05672	Intertek
TDK USA Corporation TDK Components USA., Inc. Headway Technologies, Inc. TDK-Lambda Americas Inc.	U.S.A.	10018048 UM15	IQNET

TDK China Co., Ltd. TDK (Suzhou) Co., Ltd TDK Dalian Corporation Qingdao TDK Electronics Co., Ltd. TDK Xiamen Co., Ltd. Guangdong TDK Rising Rare Earth High Technology Material Co., Ltd. TDK Dongguan Technology Co., Ltd.	P.R. China	CN047116	BV
TDK Ganzhou Rare Earth New Materials Co., Ltd.	P.R. China	01 104 085364	TUV
Guangdong Real Faith Pingzhou Electronics Co., Ltd. Guangxi Real Faith Pingzhou Electronics Co., Ltd. Jiangmen Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00224E34326R4L-1 00224E34326R4L-2 00224E34326R4L-3	IQNET
SAE Magnetics (Dongguan) Limited	P.R. China	02123E11411R8L	CCCI
AFI Technologies (Chang An) Ltd.	P.R. China	02125E10003R7L	CCCI
SAE Components (ChangAn) Limited	P.R. China	02125E10003R7L-1	CCCI
SAE Technologies Development (Dongguan) Co., Ltd.	P.R. China	02123E11411R8L-1	CCCI
Ningde Ampere Technology Limited	P.R. China	CN09/31828.01	SGS
Acrathon Precision Technologies (Dongguan) Co., Ltd.	P.R. China	02124E10605R5M	CCCI
TDK-Lambda (China) Electronics Co., Ltd.	P.R. China	02125E10818R6M	CCCI
TDK Taiwan Corp.	Taiwan	20003153 UM15	IQNET
InvenSense Taiwan Ltd.	Taiwan	TW17/00861	SGS
TDK Korea Co., Ltd.	Korea	KR003796	BV
TDK Philippines Corporation	Philippines	50500402 UM15	IQNET
TDK(Thailand) Co., LTD.	Thailand	488005 UM15	IQNET
Magnecomp Precision Technology PCL. Magnecomp Precision Technology PCL (KCMA Plant)	Thailand	25884/G/0001/UK/En 25884/A/0003/UK/En	URS
TDK (Malaysia) Sdn. Bhd.	Malaysia	01 104 117285	TUV
TDK-Lambda Malaysia Sdn. Bhd	Kuantan Factory Malaysia	01 104 1735507	TUV

TDK-Lambda UK Ltd.	U.K.	EMS 518156	BSI
TDK-Micronas GmbH	Germany	UG0268-2023	INTECHNICA
TDK-Lambda Ltd.	Israel	IL-87520	IQNET
TDK Electronics AG	Germany	10000407310-MSC-RvA-DEU	DNV

ISO50001

Facility	Country	Certificate Number	Certification Body
TDK Electronics AG	Germany	10000407433-MSC-RvA-DEU	DNV
Ningde Ampere Technology Limited.	P.R. China	CN17/30924	SGS
TDK Philippines Corporation	Philippines	50500402 EMS:21	IQNET

Sustainability | Environment | Goals and Achievements

TDK Environment, Health and Safety Activities: FY March 2026 Achievements and FY March 2027 Action Plan

[1] TDK Environment Activity: improve CO₂ emissions intensity in a lifecycle perspective 50% by FY March 2036, compared with FY March 2015
Assess our entire value chain emissions impact including environmental contribution and improve the sales based intensity.



Established: April 1, 2016
Revised: April 1, 2026

Tasks	FY March 2026				FY March 2027		Scope No.*1	FY March 2031 (135th Term)	FY March 2036 (100th anniversary)
	Objectives	Practical Activities	Achievements	Status	Objectives	Practical Activities			
(1)Reduce CO ₂ emissions at manufacturing sites	Improve CO ₂ emission intensity from energy use by 1.8% compared with the previous fiscal year	- Reduce CO₂ emissions by equivalent to 2.0% of the previous fiscal year - Set voluntary CO₂ emissions reduction targets based on the SBTi standards	Improved by 9.0% compared with the previous fiscal year	Achieved	Reduce total CO ₂ emissions from energy use by 4.2% compared with the previous fiscal year	- Reduce CO₂ emissions by equivalent to 2.0% of the previous fiscal year - Set voluntary CO₂ emissions reduction targets based on the SBTi standards	1, 2	Improve energy intensity by 28% compared with FY March 2021	—
(1)-a Efficient use of energy	Improve energy productivity by 2.8% compared with the previous fiscal year	- Reduce energy consumption by equivalent to 2.0% of the previous fiscal year by energy-saving activities - Calculate intensity target based on energy consumption, and formulate and implement energy reduction plans - Visualize detailed energy consumption in production - Develop production processes with higher energy productivity	Improved by 2.8% compared with the previous fiscal year	Achieved	Improve energy intensity by 2.8% compared with the previous fiscal year	- Reduce energy consumption by equivalent to 2.8% of the previous fiscal year by energy-saving activities - Calculate emission intensity target values based on energy consumption, and formulate and implement emissions reduction plans - Visualize detailed energy consumption in production - Develop production processes with higher energy productivity		Achieve a renewable energy adoption rate of 75%	- Improve CO₂ emissions intensity from energy use by 40% compared with FY March 2015 - Reduce total CO₂ emissions from energy use by 42% compared with FY March 2022
(1)-b Expand renewable energy usage	Achieve a renewable energy adoption rate of 50%	- Explore potential sources for purchasing renewable energy - Promote measures to achieve area targets (Scope 2)	Achieved an adoption rate of 63.7%	Achieved	Achieve a renewable energy adoption rate of 55%	- Explore potential sources for purchasing renewable energy - Promote measures to achieve area targets		Achieve a renewable energy adoption rate of 50% (Scope 2)	Achieve a renewable energy adoption rate of 80%
(2)Reduce water withdrawal	Improve water withdrawal intensity by 1.5% of the previous fiscal year	- Improve water usage (which equal to water withdrawal) intensity by 1.5% of the previous fiscal year at each manufacturing site - Improve the recycling ratio of water	Improved by 2.1% compared with the previous fiscal year	Achieved	Improve water withdrawal intensity by 1.5% of the previous fiscal year	- Improve water withdrawal intensity by 1.5% of the previous fiscal year at each manufacturing site - Improve the recycling ratio of water	3	- Create reduction activities equivalent to 40% improvement of CO₂ emissions - Reduce Scope 3 emissions by 25% in absolute terms compared with the base year (FY March 2022)	Improve CO ₂ emissions intensity from a lifecycle perspective by 50%
(3)Efficient use of resources	Improve waste intensity by 1.5% of the previous fiscal year	- Improve waste intensity by 1.5% of the previous fiscal year at each manufacturing site - Improve material yield - Promote recycling and reuse - Reduce materials procurement costs - Advance to Zero Defects	Improved by 7.8% compared with the previous fiscal year	Not achieved	Improve waste intensity by 3.6% by FY March 2029 (compared with FY March 2026)	- Promote initiatives to achieve a waste-to-resource conversion rate of 85% or higher and a thermal recovery rate of 13% or lower - Reduce materials procurement costs - Advance to Zero Defects			
(4)Reduce CO ₂ emissions from a life cycle perspective	Promote reduction of environmental load through activity of Scope 3	- Promote the use of low environmental load materials (Category 1) - Promote to reduce CO₂ emissions in logistics globally (Category 4) - Promote circular economy throughout the whole organization - Promote measures to expand sales in the renewable energy market (Category 11)	Reduction of 13 CO ₂ -tons in logistics Promotion of material recycling of waste	Achieved	Promote reduction of environmental load through activity of Scope 3	- Promote the use of low environmental load materials (Category 1) - Improve CO₂ emissions intensity in logistics by 30% compared with FY March 2022 (Category 4) - Promote the circular economy throughout the whole organization - Promote measures to expand sales in the renewable energy market(Category 11)			
(5)Expand contributions to reduction of CO ₂ emissions by products	Improve the intensity of contribution to CO ₂ reduction by products by 2.7% compared with the previous fiscal year	- Increase in the number of products for which avoid emission is calculated - Review calculation guidelines for avoid emission - Set absolute targets for CO₂ emissions reduction	Deteriorated by 3.0% compared with the previous fiscal year	Not achieved	Improve the intensity of contribution to CO ₂ reduction by products by 2.7% compared with the previous fiscal year	- Achieve an avoid emission of 8.2 million t-CO₂ or more through products - Increase in the number of products for which avoid emission is calculated	3	- Create reduction activities equivalent to 40% improvement of CO₂ emissions - Reduce Scope 3 emissions by 25% in absolute terms compared with the base year (FY March 2022)	Improve CO ₂ emissions intensity from a lifecycle perspective by 50%
(6)Development and Expansion of Products and Solutions to Achieve a Net-Zero Society by 2050	- Develop and expand sales of products and solutions that realize a net-zero society - Providing products and solutions that enable an efficient energy society through energy storage, conversion, and control	- Visualize the social impact of TDK products that contribute toward achievements of SDG Goals 7 and 13 - Conducting SSRS¹² dialogues with all BC/BG¹³ to understand and promote product and solution provision activities (100% implementation rate)	- Organized criteria for evaluating products in the context of SDG Goals 7 and 13, and filed a patent application for the evaluation methodology - Conducted SSRS dialogues with all BC/BG (100% implementation rate)	Achieved	- Develop and expand sales of products and solutions that realize a net-zero society - Providing products and solutions that enable an efficient energy society through energy storage, conversion, and control	- Visualize products that contribute toward achievements of SDG Goals 7 and 13, using the criteria formulated in the previous year - Conducting SSRS dialogues with all BC/BG to understand and promote product and solution provision activities (100% implementation rate)			
(7)Reduce risks of chemicals use	Reduce the impact of chemicals on the environment	Promote the substitution and reduce usage of hazardous chemicals	Reduced the use of hazardous substances through voluntary substitution, responding to customers' requests, and enhancing the efficiency of resource utilization	Achieved	Reduce the impact of chemicals on the environment	Promote the substitution and reduce usage of hazardous chemicals			
(8)Contribute to environmental society	Preserve the environment and biodiversity	- Evaluate nature-related risks, impacts and dependencies, based on the Taskforce on Nature-related Financial Disclosures (TNFD) guidelines - Promote nature conservation activities - Promote environmental education and awareness	- Increased the number of trees planted outside the company - Contributing to the local community by improving the school environment and supporting education at local elementary schools	Achieved	Preserve the environment and biodiversity	- Evaluate nature-related risks, impacts and dependencies, based on the Taskforce on Nature-related Financial Disclosures (TNFD) guidelines - Promote nature conservation activities - Promote environmental education and awareness			

[2] TDK Health and Safety Activity

Strive to reduce health and safety risks across the entire supply chain



Tasks	FY March 2026			
	Objectives	Practical Activities	Achievements	Status
Activity for health and safety	Achieve zero significant labor accidents*4	Implement comprehensive patrols by site top managers and take action to mitigate identified major risks	Zero significant labor accidents	Achieved

Tasks	FY March 2027	
	Objectives	Practical Activities
Working environment improvement	(10)-a • Achieve zero significant labor accidents*4 at manufacturing and R&D facilities • Achieve zero accidents involving fires at manufacturing and R&D facilities	• Implement measures to eliminate or reduce potential sources of danger or harm in the workplace
	(10)-b • Conduct RBA*5-based self-assessments at manufacturing sites • - Conduct CSR self-assessments for suppliers	• Promote continuous improvement in line with the RBA Code of Conduct across the entire supply chain

*1 Scope No.: based on GHG Protocol

*2 SSRS: Sustainable Strategy Review Sheet

*3 BC/BG: Business Companies / Business Groups

*4 Significant labor accident: an accident with remaining disability, required long-term nursing, or fatality

*5 RBA: Responsible Business Alliance

TCFD/TNFD

[Introduction](#)

[2. Strategy](#)

[4. Metrics and Targets](#)

[1. Governance](#)

[3. Risk and Impact Management](#)

Introduction

In May 2019, TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), which recommends the analysis and disclosure of the financial impact of climate change on companies. TDK has formulated its environmental vision, “Three ZERO for the planet,” setting the goals of reducing to zero the negative impacts of its business activities on the global environment and continually pursuing the reduction of society’s environmental burden for generations to come. TDK has also evaluated and disclosed the risks and opportunities that climate change poses to its business.

Furthermore, following the final recommendations of the Task Force on Nature-Related Financial Disclosures (TNFD) published in September 2023, we have begun conducting an analysis and assessment of our dependencies, impacts, risks, and opportunities related to natural capital, including biodiversity, in accordance with the guidance, and have begun to implement related disclosure, starting from FY March 2025.

TDK believes that evaluating and appropriately disclosing the risks and opportunities for our business relating to climate change and natural capital is essential for both TDK’s growth and the realization of a sustainable society, and we are steadily advancing our initiatives in this regard. In addition, by proactively working to ensure that the measures we take to address environmental issues also generate new business opportunities, we are aiming to lead a society-wide transformation and realize a further evolution in value creation.

1. Governance

1.1 Governance structures

Board of Directors’ Supervisory Responsibility

TDK’s Board of Directors receives quarterly reports on the execution of environment-related activities through the monitoring of non-financial goals’ progress. They deliberate and make decisions on basic policies, medium- to long-term strategies, annual plans, and key indicators and targets.

Management’s Executive Responsibility

At meetings of the Executive Committee, reports are received from the executive departments on the status of goal achievement and risks. TDK’s global environment activities, including those relating to climate change, are overseen by the Chief Officer of Quality, Safety & Environment (COQ*), with the Safety & Environment Group of the Quality Assurance HQ playing a central role in promoting and supporting environmental activities within the TDK Group. Aspects of the TDK Group’s environmental activities that are deemed to have a significant impact on management are discussed by the Sustainability Committee prior to deliberation and decision-making by the Executive Committee and, when necessary, the Board of Directors.

At TDK, importance is placed on linking remuneration with both short-term and medium- to long-term performance while continuously pursuing a competitive compensation system to attract and retain diverse and talented personnel. This approach encourages Directors to act toward improving corporate performance and stock price, thereby contributing to the sustainable enhancement of corporate value across the Group. For Corporate Officers and Directors who also serve as Corporate Officers, Performance Share Units (PSUs) are adopted as a form of performance-linked stock compensation granted after the performance period. The number of TDK shares and cash delivered is determined based on the achievement of performance targets set in the medium-term management plan. Among the PSU evaluation indicators, the CO₂ emissions reduction target from the medium-term management plan is included as a non-financial goal. The degree of achievement of performance targets shall vary from 0% to 100% depending on the degree of achievement of consolidated performance targets outlined in the medium-term management plan. The CO₂ target was selected to help address climate change and connect environmental value to business growth.

* Chief Officer of Quality, Safety & Environment

Related link

[Remuneration for Directors and Audit & Supervisory Board Members](#)

1.2 Stakeholder engagement

TDK has global business locations and utilizes various raw materials, energy, water, and other resources in the manufacturing processes of its core electronic devices. At every stage of our analysis and evaluation of nature-related issues, we conduct meaningful engagement with a diverse range of stakeholders. We consider all customers, suppliers, local communities, government agencies and team members (employees) who are directly or indirectly affected through our business activities and value chain as constituting important stakeholders.

Through an ongoing process of dialogue with stakeholders, we share insights regarding natural-capital-related dependencies and impacts, and enhance the quality of measures relating to the identification, assessment and management of risks and opportunities. Furthermore, we respect stakeholders' knowledge, particularly that of local communities; by adopting a collaborative approach, we are able to ensure that their insights are reflected in the formulation of more effective nature-related measures.

(Our policies for respecting human rights)

The TDK Group Code of Conduct states that "The TDK Group shall respect and uphold international norms regarding human rights. In addition, based on the recognition that it is important to understand the potential impact of all corporate activities on human rights and to conduct activities to prevent and mitigate adverse impacts, the TDK Group shall continuously administer human rights due diligence within the value chain to fulfill its responsibilities." To that end, TDK Group Code of Conduct provides that "The TDK Group shall not tolerate any form of inhumane labor including child labor and all types of forced labor or human trafficking," and that "The TDK Group shall comply with applicable laws and regulations regarding minimum wages, working hours, and other protections for workers." TDK respects such internationally recognized human rights, as respect for freedom of association and right to collective bargaining. The TDK Group Code of Conduct also states that "The TDK Group shall take measures to remedy, correct, improve, and prevent recurrence if the TDK Group recognizes that its corporate activities have caused or contributed to adverse human rights impacts. In addition, the TDK Group shall enhance effective mechanisms to enable quick actions concerning any comments related to human rights, and to remediate the issue if any."

The TDK Group Policy on Human Rights was formulated in 2016. TDK respects and supports international norms on human rights including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Children's Rights and Business Principles. Based on the framework of the UN Guiding Principles on Business and Human Rights (UNGPR), TDK promotes the correct understanding of potential human rights issues and takes steps to address them, not only within the business operations of TDK itself but also throughout the value chain.

The "TDK Group Human Rights Policy" is published on our website and communicated to internal and external stakeholders. We expect all stakeholders, including our business partners and suppliers, to understand and support this policy, and we request that their responses be in compliance with the TDK Group Business Partner Code of Conduct, including the prohibition of unreasonable restrictions on movement leading to child labor, forced labor, or compulsory labor, and the respect for freedom of association and the right of collective bargaining.

(Identification and evaluation of human rights risks)

Through dialogue with experts, reporting from international human rights organizations, labor and corporate ethics risk assessments, and CSR self-checks, we regularly scrutinize potential human rights risks and identify affected stakeholders.

(Human rights due diligence)

At TDK, we determine and promote human rights due diligence processes in accordance with the procedures outlined in the "UN Guiding Principles on Business and Human Rights." Additionally, we enhance the effectiveness of our activities through dialogue with external experts and both internal and external stakeholders.

Related links

[Stakeholder Engagement](#)

[Respect for Human Rights](#)

[Sustainable Procurement](#)

2. Strategy

In FY March 2025, TDK formulated its new long-term vision, “TDK Transformation,” which outlines where TDK aspires to be over the next 10 years, setting the following goals: “Contribute to the transition towards a sustainable future by accelerating the transformation of society and advancements in technology enabled by electronic devices developed through leveraging cutting-edge innovation in materials, processes and software technology” and “Become the No. 1 partner growing alongside our worldwide customers by pursuing continuous ‘transformation.’” This long-term vision embodies two meanings: contributing to the transformation of society, and TDK’s own continuous internal transformation. It reflects TDK’s aspiration to accelerate these two cycles and thereby contribute to the realization of a sustainable future. To achieve this, TDK has redefined its key issues (materiality) and, as part of its efforts to address climate change, is strengthening its greenhouse gas reduction activities and promoting climate change measures toward achieving a net-zero CO₂ society by 2050.

2.1 Climate change scenario analysis (TCFD)

To analyze the business risks and opportunities related to climate change issues and incorporate them into our strategy, we conducted scenario analysis based on the assumptions outlined below, following the “TCFD Scenario Analysis Practical Guide” published by the Ministry of the Environment.

- Preconditions

Assumed period: FY March 2031

Applicable scope: Entire TDK Group, upstream and downstream value chain

Adopted scenarios: 1.5°C scenario (IEA-NZE), 4°C scenario (the IEA’s Current Policies Scenario [CPS], Stated Policies Scenario [STEPS], and Representative Concentration Pathway [RCP] 6.0 scenario)

Types of risks covered: Current and emerging regulatory, technology, legal, market, reputational, acute and chronic physical risks.

2.2 Evaluation of dependencies and impacts on natural capital

To understand the relationship between TDK’s business activities and natural capital across its direct operations as well as its upstream and downstream value chains, we evaluated dependencies and impacts for each business sector. Heat maps of dependencies and impacts are shown in Figures 1 and 2, respectively.

As a manufacturer in the electronic components sector, TDK shows a moderate dependency on water supply and regulation services in its direct operations while having a high impact in areas such as climate change, water use, and pollution. Infrastructure, such as factories, is associated with a high impact from land-use changes, which may negatively affect ecosystems depending on the location.

In the upstream value chain, especially in raw material procurement, there is a tendency toward very high impacts on land use, climate change, water use, soil contamination, and water pollution. As the value chain moves further upstream, the interface with nature increases, resulting in greater dependencies and impacts. Some raw materials handled by TDK fall under the High Impact Commodity List (HICL) identified by the Science Based Targets for Nature (SBTs for Nature) framework, which designates commodities with significant environmental impact. These include copper, nickel, lithium, gold, silver, and platinum. Raw materials containing these minerals are considered to have particularly high impacts on natural capital.

Value chain	Business activity processes	Dependence on nature															
		Provisioning services				Regulating services											
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention	Soil quality regulation	Pollination	Maintenance of population and habitat	Biological pest control
Development and design	Product design and development	VL	-	-	VL	VL	L	VL	L	VL	VL	L	VL	-	-	-	-
Raw material procurement	Natural resource extraction	H	-	-	-	-	-	-	-	H	H	-	M	-	-	-	-
	Raw material production (metals)	H	-	-	-	-	-	-	-	M	M	-	L	-	-	-	-
	Raw material production (paper, wood, plastics, rubber)	H	VH	-	-	-	-	-	-	M	VL	M	L	-	-	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	-	-	-	-	-	M	-	-	-	-	-	-	-
	Electricity (non-renewable energy)	H	-	-	-	VL	-	L	-	M	VL	M	L	H	-	-	-
	Electricity (renewable energy)	H	H	-	-	VL	-	L	-	VH	VH	H	H	H	H	-	-
	Natural gas	L	-	-	-	VL	-	L	-	-	M	M	H	-	-	-	-
	Domestic and industrial water	VH	-	-	-	-	-	H	L	VH	M	M	M	M	-	-	-
Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L	L	-	L	-
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL	VL	-	-	-
Sales	Transport and sales	-	-	-	-	VL	-	-	-	-	M	-	L	-	-	-	-
Use	Product use	H	-	-	-	-	-	L	-	-	M	-	-	-	-	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	-	VL	-	-	-	-	-	-	-	-	-	-	-

Figure 1: Heat map (dependence)

Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	L	-	-	L	L	L	L	L	L	L	L	-
Raw material procurement	Natural resource extraction	VH	H	-	VH	VH	VH	H	H	H	H	H	M
	Raw material production (metals)	M	-	-	VH	VH	H	VH	-	VH	VH	H	-
	Raw material production (paper, wood, plastics, rubber)	H	-	-	VH	VH	H	-	M	H	H	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	VH	VH	H	L	H	-	H	-	-
	Electricity (non-renewable energy)	M	H	-	VH	VH	-	VH	H	H	VH	H	-
	Electricity (renewable energy)	VH	VH	-	M	VH	-	-	-	H	H	-	-
	Natural gas	H	H	H	VH	VH	-	L	H	H	H	-	L
	Domestic and industrial water	H	H	-	-	H	L	L	-	L	L	-	-
	Product manufacturing (TDK direct operations)	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-
Production of electronic devices, components, and hardware		-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	L	L	-	L	L	L	L	-	-
Use	Product use	-	-	-	H	M	-	H	-	-	M	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	H	M	-	H	L	H	L	-	-

Figure 2: Heat map (impact)

Related links

[Resources – Science Based Targets Network \(Link to external site\)](#)

2.3 Risk Assessments at TDK Business Locations

For 79 of TDK's business sites, we assessed spatial risk information for nature-related items using the WWF Risk Filter Tools (Biodiversity Risk Filter/Water Risk Filter). Based on the previously presented heat maps of dependence and impact, we evaluated 34 items—including water, ecosystems, pollution, and land use change—by compiling risk scores for each site and conducting site-level reassessments. Of the 34 items, 13 were deemed irrelevant, 11 had risk assessment scores ranging from Low to Middle, and 10 had risk assessment scores ranging from High to Very High. The proportion of sites evaluated as high risk is shown in Figure 3.

As for physical risks, items such as water (water scarcity, water quality) and climate change (landslides, extreme heat, tropical cyclones) were identified at multiple sites. Several sites were found to be affected by risks related to biodiversity, such as protected areas, conservation areas, and key biodiversity areas. Based on these analyses, we identified key nature-related issues and evaluated TDK's risks and opportunities.

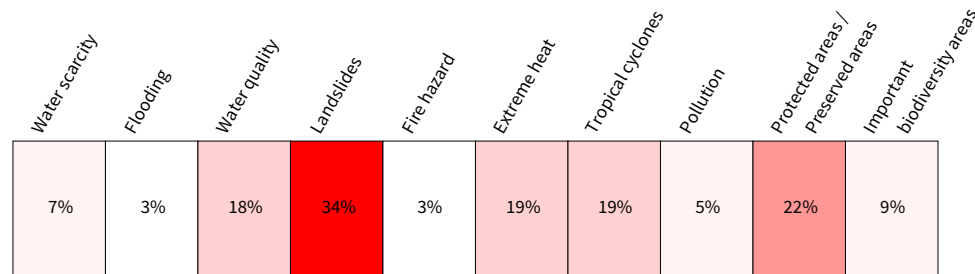


Figure 3: Proportion of TDK Business Locations with Potentially High Nature-Related Risks

2.4 Risks and opportunities (TCFD/TNFD)

The results of the scenario analysis related to climate change, and the risks and opportunities identified from key nature-related issues are shown in Table 1.

(Physical risks)

Regarding climate change, we have identified increased business risks due to the intensification of wind and water-related disasters, as well as a rise in landslides and flooding. The financial impact is estimated to be 4.9 billion yen.

As a risk related to both climate change and natural capital, the decline in water resource availability has been identified. TDK conducted scenario-based analysis for all production sites using water risk analysis tools to identify regions with high water risk. Based on the findings, each site implements countermeasures tailored to its physical risks, promotes BCP (Business Continuity Planning) measures, and strengthens its BCM (Business Continuity Management) systems. For soil and water pollution risks, TDK is taking measures such as reduction, reuse and recycling, and advanced wastewater treatment. TDK has obtained ISO 14001 certification (an international standard for Environmental Management Systems) and complies with legal regulations. Moreover, for some items, we have established even stricter voluntary standards than the legal limits to reduce environmental impact and prevent issues before they occur.

(Transition risks)

Regarding climate change, under the 1.5°C scenario where decarbonization policies result in stricter regulations across various countries, we recognize transition risks such as the introduction of carbon pricing and a potential increase in the cost of renewable energy. The financial impact by 2030 is estimated to be 11.4 billion yen for carbon pricing and 15.5 billion yen for renewable energy.

As for natural capital, transition risks include the strengthening of regulations on emissions and recycling obligations, conservation of water sources, tightening of laws and ordinances related to protected areas and land use change, rising raw material procurement costs, and a potential decline in ESG external evaluations. We will continue to manage these risks appropriately through our environmental management system while closely monitoring external developments.

(Opportunities)

TDK recognizes the expansion of products for the renewable energy market and environmentally conscious products as business opportunities. In particular, the accelerating adoption of electric vehicles and other low-carbon automobiles is expected to drive growth in sales of sensor application products for the automotive market. The financial impact of this opportunity is estimated at 224.6–231.3 billion yen, with an anticipated investment of 20 billion yen to realize its potential.

Table 1: Risks and opportunities

Risks

Risks	Physical	Acute	Increased business risk due to more frequent flooding Intensification of wind and water-related disasters Increased landslide and flooding risks Impact of abnormal weather conditions on the logistics network	Climate change Nature capital	Short / Long Term	- Implementing flood countermeasures at each site according to flood risk - Promoting BCP measures and establishing a BCM framework
		Chronic	Decline in water resource availability	Climate change Nature capital	Short / Long Term	Reduction in water dependency and consumption through water conservation and recycling
			Risk of depletion of important raw materials	Nature capital	Short / Medium Term	Use of sustainable raw materials, including recycled metal, biomass, etc. Recycling of important raw materials contained in waste
			Water pollution caused by waste water that contained harmful chemical substances	Nature capital	Short / Long Term	Strengthening waste water management
			Soil pollution caused by harmful waste	Nature capital	Medium / Long Term	Reducing waste, and promoting reuse and recycling
	Transition	Policy	Strengthening of climate change measures (carbon pricing, national carbon emission targets, etc.)	Climate change	Short / Medium Term	Reducing fuel and electricity consumption through improved energy efficiency, including production-site initiatives to promote energy efficiency and expand renewable energy use toward net-zero CO ₂ emissions by 2050
			Strengthening of regulations and ordinances on water source conservation and pollution	Nature capital	Short / Medium Term	Reducing the burden on the water environment by improving waste water treatment processes
			Strengthening of regulations on emissions and mandatory recycling	Nature capital	Medium / Long Term	Strengthening of emissions management
			Adoption of environmentally friendly raw materials, including next-generation battery materials, and stricter regulations relating to ease of recycling	Nature capital	Medium / Long Term	Product eco-design, including the acceleration of all-solid-state battery development
			Strengthening of regulations and ordinances on protected areas and land use change	Nature capital	Medium / Long Term	Promoting biodiversity conservation activities
		Market	Rise in energy costs due to the increased share of renewable energy	Climate change	Medium / Long Term	Promoting the effective use of energy at production sites toward net-zero CO ₂ emissions by 2050, and accelerating the development of products for renewable energy applications
			Increased raw material procurement costs	Nature capital	Medium / Long Term	Monitoring trends in raw material prices, implementing risk hedging for procurement, and signing long-term supply agreements
			Increasing customer demands regarding RE100 Growing customer demand for environmentally conscious products	Climate change Nature capital	Medium / Long Term	- Formulating renewable energy adoption plans and analyzing customers' climate change initiatives - Environmental impact assessment and reduction for our products
		Reputation	Erosion of stakeholder trust due to inadequate disclosure of ESG data	Climate change Nature capital	Medium / Long Term	ESG data collection and third-party verification Implementing data disclosure through appropriate disclosure media
			Reputational risk associated with environmental pollution and disturbance	Nature capital	Short / Medium Term	Strengthening the environmental safety management system
			Deteriorating relationship with local communities	Nature capital	Medium / Long Term	Communication with local communities

*Time axes: Short term refers to less than one year, medium term refers to one year to less than three years, and long term refers to 3 to 20 years.

Opportunities

Opportunities	Business performance	Resource efficiency	Expansion of the renewable energy market	Climate change	Short / Long Term	Expanding the energy storage device and systems business
			Growing demand for products that have low CO ₂ emissions	Climate change	Medium / Long Term	Strengthening our portfolio of products that reduce GHG emissions Promoting supplier engagement
		Products and services	Reducing environmental impact by extending product lifespan and through collection and reuse	Nature capital	Medium / Long Term	Reducing customers' CO ₂ emissions
			Expansion of new business opportunities driven by the growth of the EV market	Climate change	Medium / Long Term	Promotion of product development in anticipation of the expanding EV market
		Market	Customer preference for products aligned with decarbonization and nature-positive goals	Climate change Nature capital	Medium / Long Term	Enhancing market competitiveness through environmental value (introduction of renewable energy, all-solid-state batteries, water-related business, etc.)
			Investing in advanced sustainable technologies including low-carbon and resource-circulating technology	Climate change Nature capital	Short / Long Term	Developing markets with high growth potential in the sustainability sector
		Reputation	Enhancing our reputation regarding climate change response	Climate change	Short / Long Term	ESG data disclosure, including through the CDP SBT certification
			Enhancing our reputation regarding nature positive	Nature capital	Short / Long Term	Goal setting and information disclosure that reflect sustainability trends
	Sustainability performance	Sustainable use of natural resources	Mitigating environmental impacts relating to raw materials procurement and upstream production processes	Nature capital	Medium / Long Term	Conservation of natural resources through the use of sustainable raw materials Waste recycling and resource recycling of useful materials
		Protection, restoration, and regeneration of ecosystems	Biodiversity conservation, restoration, and creation initiatives in regions surrounding business sites	Nature capital	Medium / Long Term	Ecosystem restoration through reforestation and related activities

*Time axes: Short term refers to less than one year, medium term refers to one year to less than three years, and long term refers to 3 to 20 years.

Related links

[Environmental Management System](#)
[Addressing Biodiversity](#)
[Water Resources Conservation](#)
[Initiatives for the Circular Economy](#)

3. Risk and Impact Management

3.1 Identification of nature-related dependence, impacts, risks, and opportunities and assessment process (TNFD)

The identification and evaluation of dependencies, impacts, risks, and opportunities related to nature were conducted based on the TNFD's LEAP approach. For nature-related analysis and evaluation, we used the web tools recommended by the TNFD for each natural item (Table 2).

Table 2: Tools used for nature-related surveys

Survey Items	Tools	Contents
Contact with Nature	IBAT (Integrated Biodiversity Assessment Tool)	IUCN Red List, number of protected areas, number of KBAs, STAR, etc.
	Global Forest Watch	Land cover, land use, biodiversity integrity, etc.
	WWF Biodiversity Filter	Biodiversity, Supply and regulating services, Pollution, etc.
	WWF Water Risk Filter, Aqueduct	Water scarcity, flood, water quality, etc.
Dependency, impact assessment	ENCORE	Nature dependence and impact assessment by industry sector
	WWF Risk Filter Suite (Biodiversity Risk, Water Risk)	Comprehensive assessment of nature-related risks at your site

Related links

[The TNFD LEAP approach \(Link to external site\)](#)

[IBAT \(Link to external site\)](#)

[Global Forest Watch \(Link to external site\)](#)

[ENCORE \(Link to external site\)](#)

[WWF Risk Filter Suite \(Link to external site\)](#)

[Aqueduct \(Link to external site\)](#)

3.2 Climate change and nature-related risk management processes

At TDK, we have established the Enterprise Risk Management (ERM) Committee, chaired by an executive officer appointed by the President and CEO, to carry out company-wide risk management activities. The ERM Committee identifies company-wide risks in accordance with the "Risk Management Regulations." The long list of risks managed by the committee includes environment-related risks, and if these are assessed as significant through business risk analysis and evaluation, they are treated as management targets.

The Safety & Environment Group of the Quality Assurance HQ, which leads the TDK Group's environmental activities, identifies environmental risks and opportunities, implements measures, and conducts monitoring.

3.3 Group-wide risk management process

Risk Management System

TDK, aiming for sustainable growth, implements company-wide Enterprise Risk Management (ERM) activities to promote and appropriately manage measures against factors (risks) that hinder the achievement of organizational goals. To consider and implement measures related to ERM activities and strengthen risk management, we have established an ERM Committee chaired by an executive officer appointed by the President and CEO.

The ERM Committee analyzes and evaluates company-wide risks, identifies risks requiring countermeasures, and assigns risk owners, executing departments, and relevant departments for each risk to ensure proper management. The risk owner departments establish the minimum required standards and rules for building the risk management system for their respective risks, consolidate and report the results of risk assessments. The executing departments build the necessary systems to manage their respective risks, plan and implement specific countermeasures, and monitor progress.

The ERM Committee's risk analysis, evaluation, and the status of countermeasures for significant risks are deliberated at management meetings and reported to the Board of Directors.

Implementation of Countermeasures

The ERM Committee communicates the countermeasures for each risk to the risk owner departments, executing departments, and relevant departments. The executing departments work closely with the relevant departments to implement or direct the countermeasures for the risks they are responsible for within the TDK Group companies. Based on the instructions from the executing departments, each TDK Group company implements the countermeasures for each risk.

Monitoring and Improvement

The executing departments regularly monitor the implementation status of countermeasures for their respective risks and verify whether these risks are adequately controlled. The risk owner departments verify that the executing departments are appropriately monitoring the implementation status of the countermeasures.

The ERM Committee, based on the monitoring results compiled by the executing departments, may recommend improvements to the risk owner departments or executing departments if deemed necessary.

The Safety & Environment Group of the Quality Assurance HQ sets environmental targets, including those relating to climate change, for the entire TDK Group, and identifies environment-related risks across the Group. The ERM Committee identifies company-wide risks in accordance with TDK's Enterprise Risk Management Regulation and addresses climate-change-related risks as part of these company-wide risks.

Related link

[Risk Management](#)

4. Metrics and Targets

TCFD

In the "TDK Group's Materiality," TDK states its goal of achieving net-zero CO₂ emissions by 2050. TDK has also established its environmental vision, "Three ZERO for the planet," under which it aims to reduce to zero the negative impacts of its business activities on the global environment and to continually pursue the reduction of society's environmental burden for generations to come. TDK obtained SBT certification for its Near Term target in June 2024 and for its Net Zero target in February 2025.

Medium- to Long-Term Targets

[Climate Change Initiatives \(Metrics and Targets\)](#)

TNFD

Among the core disclosure indicators guided by the TNFD, TDK discloses global environmental data on GHG emissions, waste emissions, and water withdrawal. For core disclosure indicators that are not yet disclosed, we are preparing for disclosure by collecting data and conducting more detailed analyses.

For detailed data and the status of our initiatives, please refer to the linked information. Note that GHG emissions are verified by a third party.

Related links

[Goals and Achievements](#)
[Climate Change Initiatives](#)
[Environmental Data](#)
[Third-Party Assurance](#)

At TDK, aiming for the realization of a sustainable future, we have set goals not only to reduce environmental impact during the manufacturing stages at our business sites and the usage stages of our products but also to regenerate and protect the global environment from a lifecycle perspective. For undisclosed targets, we will proceed with consideration based on the goal-setting guidance of TNFD v1.0 and SBTs for Nature.

Sustainability | Environment

Activity Themes

[Climate Change Initiatives](#)

[Environment-Conscious Products](#)

[Water Resources Conservation](#)

[Initiatives for the Circular Economy](#)

[Initiatives to Prevent Air, Water, and
Soil Pollution](#)

[Responsible Management of
Chemical Substances](#)

[Addressing Biodiversity](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Environment

Climate Change Initiatives

[Our Approach](#)

[Response to TCFD](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

[Participation in Initiatives and Associations](#)

Our Approach

Anthropogenic greenhouse gas emissions, which contribute to global warming, are on the rise, and the sense of crisis about climate change is increasing, as represented by the Paris Agreement adopted at the COP21 in December 2015. Above all, carbon dioxide (CO₂) is a major emission source that makes up 76% (from the IPCC 5th Assessment Report) of greenhouse gases, so it is necessary to implement reliable CO₂ reduction measures in business activities.

TDK committed to promoting reductions in greenhouse gas emissions across all our business activities to help achieve the goals of the Paris Agreement, aiming to limit global temperature rise to within 1.5°C. We will contribute to the transition to a low-carbon economy and the realization of a sustainable society.

In the TDK Group, the environmental officer serves as the manager of the Group's environmental activities, including climate change issues, and the Head Office Safety & Environment Function leads the promotion of and support for the Group's environmental activities. We make decisions on important matters for management of the Group's environmental activities based on deliberation by the Executive Committee and, if necessary, the Board of Directors. The TDK Environmental Vision was established as the goals of specific activities, and we strive to reduce the environmental load from a life-cycle perspective, from the use of raw materials to the use and disposal of products.



Initiatives to Reduce Environmental Load by Life Cycle

- Supplier Engagement Initiatives <procurement>



At TDK, we are promoting initiatives to reduce CO₂ emissions across the entire supply chain. To realize a sustainable society, it is important for TDK and our suppliers to work together on environmental activities, considering the entire lifecycle of our products. To this end, we have set a Science Based Targets (SBT) certified goal to reduce Scope 3 GHG emissions associated with purchased products and services, as well as the use of sold products, by 25% by FY March 2031 compared to FY March 2022 (the base year). In FY March 2026, we implemented emission reduction measures with two key suppliers, achieving an annual reduction of approximately 3.1 tons of CO₂. We will continue to deepen and expand our reduction activities with suppliers, striving to further reduce CO₂ emissions.



Energy-saving exchange meeting among suppliers

• Supplier Environmental Award <procurement>



As part of our supplier engagement, TDK has been conducting the “Supplier Environmental Award” since FY March 2022. This award was established to raise awareness of environmental activities among all suppliers by recognizing exemplary suppliers who actively disclose information about their environmental activities and promote reduction efforts.

Starting in FY March 2026, this award program has been renamed the “Sustainability Engagement Award” In FY March 2026, we will recognize multiple suppliers. Furthermore, for the third consecutive year, we held webinars for production material suppliers in Japan and overseas to strengthen supplier engagement.



Sustainability Engagement Award Trophy for FY March 2026

• Reduction of CO₂ emissions at manufacturing sites <production>



From the standpoints of the effective use of energy and the expanded use of renewable energy, TDK is tackling the reduction of energy-related CO₂ emissions at manufacturing sites.

• Reduction of CO₂ emissions at manufacturing sites (utilization of steam and compressed air heat) <production>



We have begun operating a steam-driven air compressor utilizing recovered compression heat at our Honjo Factory East Site. This system allows for the generation of compressed air without electricity by using the pressure reduction energy from steam, which had previously not been utilized.

In addition, the heat generated during air compression—previously discarded—is recovered and used to preheat boiler feedwater, thereby enabling maximum utilization of unused energy within the system.

The CO₂ reduction effect compared to a conventional air compressor system is estimated at 11%.

Going forward, we will also be considering the introduction of this system at other TDK factories in Japan, thereby actively contributing to the realization of a sustainable society by expediting the pace of our energy-saving initiatives.



Steam-driven air compressor



Used to preheat steam boiler feedwater

- Expansion of product contributions to reducing CO₂ emissions (product contributions) <development>



Expanding the reduction of CO₂ emissions through products (product contributions) is one of the core initiatives within the TDK Environmental Vision 2035 and TDK Environment, Health and Safety Action 2025. To mount potent appeals for the social contributions by TDK products as the fruits of technical initiatives, these product contributions have been calculated and disclosed since the TDK Environmental Action 2020 (the company's previous medium- to long term plan).

Public awareness activities are also being advanced to gain understanding of the contributions of electronic components as intermediary parts, along with moves to formulate coherent industry standards for calculation methods positioned to serve as the basis for earning appropriate evaluations of product contributions performance, and the results were released in the form of guidance by industry groups.

Based on these results, TDK established the Guideline for Calculation of Product Contributions and is promoting the diffusion of global calculation work throughout the entire TDK Group by adding the calculation of product contributions to assessment requirements at the product development stage. Going forward, TDK will continue to establish calculation rules and endeavor to disseminate them throughout the Group. In FY March 2026, the contribution to CO₂ reduction through our products increased by 10.2% compared with the previous fiscal year, reaching 7.758 million tons. On an intensity basis, it deteriorated by 3.0% compared with the previous fiscal year, and we were not able to achieve our target. In addition, products that contribute to CO₂ reduction accounted for 77.2% of total sales in FY March 2026.

- Reduction of CO₂ emissions intensity in logistics <logistics>



Regarding the reduction of CO₂ emission intensity in logistics, we are advancing the following initiatives:

- Optimization of lead time
- Optimization of packaging specifications
- Consolidated packaging and optimization of MOQ (Minimum Order Quantity)
- Optimization of stock points and promotion of direct shipping
- Enhanced loading efficiency to reduce the need for truck rental



As part of TDK's CO₂ reduction measures in relation to logistics, we are promoting activities to reduce the use of rented trucks for transportation between our business locations and for transportation to airports, etc. (for export). Through close collaboration between our various divisions and our logistics departments, we are making operations more efficient to reduce the number of trucks needed. Eliminating unnecessary truck movements also reduces CO₂ emissions in logistics. Through this initiative, we have realized a reduction in CO₂ emissions equivalent to approximately 13.0 tons of CO₂ per month.

- Excellent environment-conscious products accreditation system <use>



We have introduced product assessments since 1997 to evaluate the environmental impact of products throughout their entire lifecycle. In the mechanism we adopt, only products approved by this product assessment are commercialized and distributed into the market.

The excellent environment-conscious products (ECO LOVE products) accreditation system was introduced in 2008 as a measure to continuously create products with high environment-conscious effects based on the assessment results of the product assessment. We disclose information about the products certified as excellent environment-conscious products on our website and promote the creation and dissemination of products that contribute to reducing the environmental load.

- Circular economy activities (reuse of PC) <disposal>



As part of our circular economy activities, TDK Technical Center (Ichikawa City, Chiba Prefecture) began reusing previously discarded PCs in FY March 2025. A PC reuse scheme has been established-covering the processes of receiving, unpacking and inspection, data erasure, sorting, and refurbishment-thereby promoting the reduction of environmental loads. The CO₂ reduction achieved in FY March 2025 was approximately 4.6 kg.

Response to TCFD

Please refer to [TCFD/TNFD](#).

Governance

Please refer to [TCFD/TNFD](#).

Strategy

Please refer to [TCFD/TNFD](#).

Risk Management

Please refer to [TCFD/TNFD](#).

Main Risks and Opportunities

Classification		Risks and opportunities	Occurrence*	Main countermeasures
Transition risks	Carbon pricing / carbon-emission targets of each country	Risk	Medium/Long Term	• Promotion of the effective use of energy, expanded use of renewable energy, etc. at manufacturing sites toward the realization of net-zero CO ₂ emissions in 2050
	Increase of energy costs due to rise in renewable energy ratio	Risk and opportunity	Medium/Long Term	• Promotion of the effective use of energy at manufacturing sites toward the realization of net-zero CO ₂ emissions in 2050 • Promotion of the development of products for renewable energy, etc.
	Increase in price of cobalt and lithium	Risk	Short/Long Term	• Monitoring of raw material price trends and implementation of risk hedging at time of procurement • Implementation of long-term supply contracts • Reduction of amount of cobalt and lithium used in products, etc.
	Increase of new business chances due to expansion of EV market	Opportunity	Medium/Long Term	• Promotion of product development with an eye on EV market expansion
	Development of next-generation battery materials	Risk and opportunity	Long Term	• Promotion of the development of all-solid-state batteries
	Increase of customer demands regarding RE100	Risk and opportunity	Short/Long Term	• Analysis of customer initiatives to respond to climate change • Compilation of plan to introduce renewable energy, etc.
Physical risks	Increase of business risks due to rise in flooding	Risk	Medium/Long Term	• Implementation at sites of measures to counter flooding risks • Promotion of BCP response, building of BCM framework, etc.

*Time horizon: "Short-term" is expected to be less than 1 year, "Medium-term" between 1 and 3 years, and "Long-term" between 3 and 20 years.

Metrics and Targets

Medium to long-term goals

TDK has set a goal to ensure that 100% of the electricity used at all of its business facilities worldwide comes from renewable energy and to achieve CO₂ net zero by 2050. Specifically, the aim is to improve CO₂ emissions intensity by 30% by 2025 and 50% by 2035 compared to FY March 2015, and to achieve net zero by 2050. One of the key measures to achieve this goal is the transition to electricity derived from renewable energy. Regarding the share of renewable energy in the Group's total electricity consumption, we achieved our 2025 target of 50% ahead of schedule and aim to reach 100% by 2050.

TDK also endorses the Paris Agreement and has set science-based, absolute targets (hereinafter "SBT") to achieve it.

TDK Group's materiality	Execution of Social and Environmental Problem Solving
TDK Environmental Vision 2035	Halving the CO ₂ emissions intensity from a life-cycle perspective by 2035, compared with FY March 2015 (Scope 1, 2, 3)
Action Plan in TDK Environment, Health and Safety Action 2025	• Improve CO₂ emissions intensity by 30% by 2025, compared with FY March 2015 (Scope 1, 2, 3) • Achieve renewable energy target of 50% by 2025 (Scope 2)
SBT	• Reduce CO₂ emissions by 42% by 2030, compared with FY March 2022 (Scope 1,2) • Reduce CO₂ emissions by 25% by 2030, compared with FY March 2022 (Scope 3) • Reduce CO₂ emissions by 90% by 2050, compared with FY March 2022 (Scope1,2,3)

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievements
Reduction of CO ₂ emissions at manufacturing sites	
Improve energy-related CO ₂ emission intensity by 1.8%	9.0% improvement compared with the previous year
Improve energy intensity by 1.0% compared with the previous year	2.7% improvement compared with the previous year
Installation rate of renewable energy electricity in FY March 2026: 50% (Scope 2)	In FY March 2026, 63.7% was implemented against the target of 50%
Reduction of CO ₂ emissions through Scope 3 category-specific initiatives	Reduction of Logistics CO ₂ Emissions Logistics CO ₂ emissions intensity deteriorated by 1.0% compared with the previous year

Evaluations and Future Activities

Reduction of CO₂ emissions at manufacturing sites

In FY March 2026, although we proceeded with the adoption of renewable energy, manufacturing sites' CO₂ emissions rose by 3.5% from the previous year to 921,000 tons due to increased energy use. Going forward, we will promote reduction efforts rooted in manufacturing activities across the entire Group based on a policy, as advocated in TDK's key issues (materiality), of achieving the effective use of energy and the expanded use of renewable energy toward the realization of net-zero CO₂ emissions by 2050.

Reduction of CO₂ emissions through initiatives by Scope 3 category

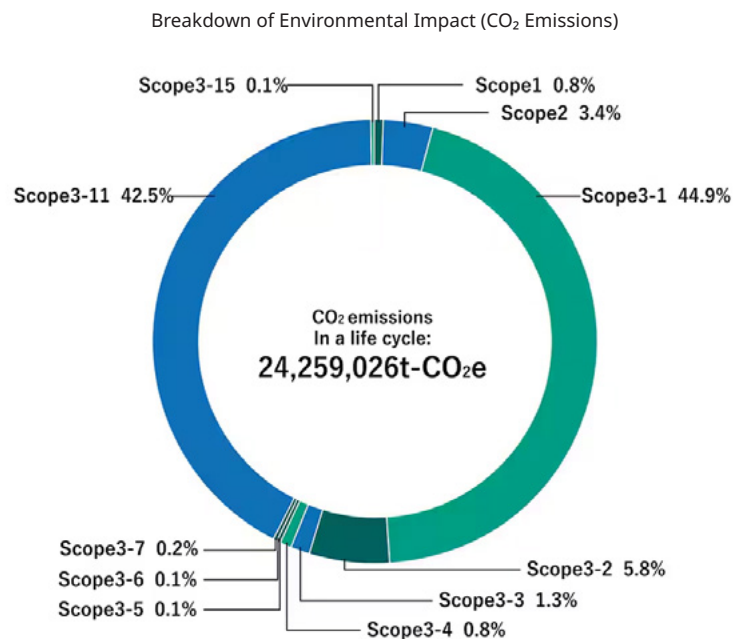
In FY March 2025, TDK continued logistics CO₂ reduction activities at overseas sites and has been advancing the development of systems to accurately reflect emission reductions. We will continue to promote reduction activities across the entire TDK Group.

The contribution to CO₂ reduction by products in FY March 2025 amounted to 7.038 million tons, up 35.2% over the previous fiscal year. The intensity improved by 29.0% compared with the previous fiscal year, so we were able to substantially achieve our target. Going forward, we will strive to develop eco-friendly products that contribute toward reducing the environmental load of customers and society and to popularize such products by publicizing their value.

FY March 2027 Goals
Reduction of CO ₂ emissions at manufacturing sites
Reduce total energy-related CO ₂ emissions by 4.2% compared with the previous year
Improve energy intensity by 2.8% compared with the previous year
Installation rate of renewable energy electricity in FY March 2027: 55%
Reduce CO ₂ emissions from a life cycle perspective
Promote reduction of environmental load through activity of Scope 3

Related link

[Goals and Achievements](#)



GHG emissions (kt-CO ₂)	FY March 2026
Total emissions	24,259
Scope 1	200
Scope 2	822
Scope 3	23,238

CO₂ Emissions by Category and Scope

Scope		Outline	CO ₂ emission
	(Category)		(t-CO ₂ e)
Scope 1		Production (CO ₂)	131,937
		Production (other GHGs)	67,695
Scope 2		Production	788,986
		Non-production (sales offices and others facilities)	32,553
Scope 3		Total	23,237,855
	1	Purchased goods & services	10,897,790
	2	Capital goods	1,409,025
	3	Fuel- and energy-related activities	308,360
	4	Upstream transportation & distribution	204,097
	5	Waste generated in operations	17,135
	6	Business travel	14,118
	7	Employee commuting	45,835
	8	Upstream leased assets	Not applicable
	9	Downstream transportation & distribution	Not applicable
	10	Processing of sold products	Not applicable
	11	Use of sold products	10,317,688
	12	End-of-life treatment of sold products	Not applicable
	13	Downstream leased assets	Not applicable
	14	Franchises	Not applicable
	15	Investment	23,807
Scope1+2+3			24,259,026

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

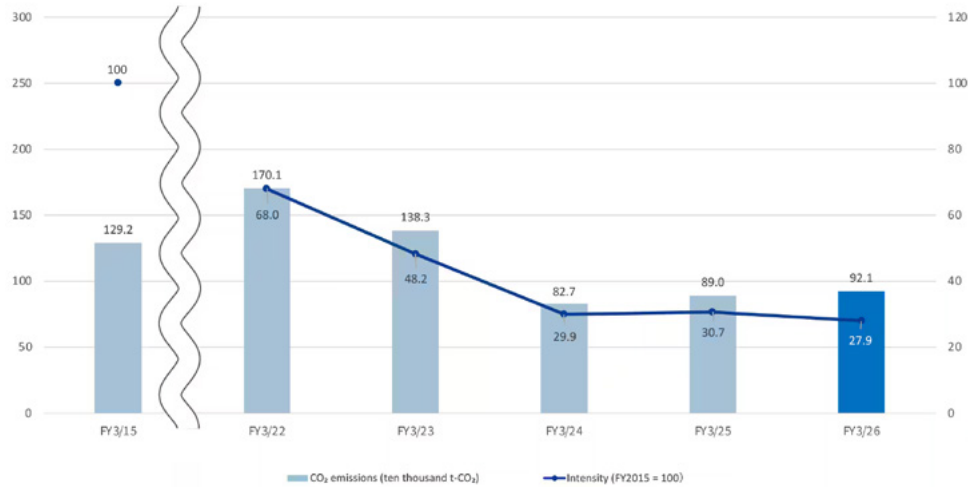
CO₂ Emission Calculation Methods by Scope and Category

Classification		Summary	Scope of coverage	Calculation Method
Scope 1		Own direct emissions	TDK Corporation and 152 consolidated subsidiaries (10 sites in domestic, and remain is overseas)	Direct energy-derived CO ₂ emissions from corporate activities, such as fuel combustion in factories. Emission factors based on the Law Concerning the Promotion of the Measures to Cope with Global Warming are used.
Scope 2		Own indirect emissions	TDK Corporation and 152 consolidated subsidiaries (10 sites in domestic, and remain is overseas)	Indirect CO ₂ emissions associated with energy use in corporate activities, such as electric energy use, using the GHG Protocol's market-based approach. For Japan, adjusted emission factors by electric utility are used, based on the Law Concerning the Promotion of the Measures to Cope with Global Warming. For other than Japan, emissions intensity by electric utility or the latest emissions intensity in each region, or emissions intensity from IEA Emissions Factors if these are not available.
Scope 3	Category 1	Goods and services purchased	TDK consolidated targets	Based on the GHG Protocol, emission intensity is calculated by multiplying the purchase amount of each item purchased in the relevant fiscal year by its emission intensity. For materials, emissions intensity is calculated by multiplying the purchase amount of the main constituent materials of each product by the emissions intensity. Primary data from some suppliers are also used in the calculation. For emissions intensity, we refer to the 3EID Global Expansion Data Book on Environmental Impact Intensity Based on the Input-Output Table.
	Category 2	Capital goods	TDK consolidated targets	Based on the GHG Protocol, emission intensity per unit of value is calculated by multiplying capital goods such as equipment acquired in the relevant year by emission intensity per unit of value. For emissions intensity, we refer to the Data Book on Environmental Impact Intensity Based on the Input-Output Table (3EID Global Extension).
	Category 3	Fuel and energy-related activities	Manufacturing sites and main offices (26 sites in Japan + 53 sites overseas, including 5 offices)	Based on the GHG Protocol, emissions intensity is calculated by multiplying purchased fuel and electricity by emissions intensity. For emissions intensity, we refer to the emissions intensity database for calculating GHG emissions of organizations through their supply chain by IDEA and the Ministry of the Environment of Japan. For years prior to FY March 2024, the amount of activity is calculated by multiplying the purchase value by the emissions intensity.
	Category 4	Transportation and distribution (upstream)	TDK consolidated targets	Based on the GHG Protocol, emissions from the procurement of purchased products and services and emissions from the transportation of manufactured products are calculated. Emissions from purchased products and services are calculated by multiplying the purchase price by the emissions intensity of procurement. Emissions from manufactured products are calculated by multiplying the amount transported, or in some cases the transportation cost, by the emissions intensity. For emissions intensity of purchased products and services, we refer to the Data Book on Environmental Impact Intensity Based on the Input-Output Table (3EID Global Extension), and for emissions intensity of transportation of manufactured products, we refer to the GLEC Framework, the Joint Guidelines, or to the transportation cost intensity derived from suppliers' primary data.

Scope 3	Category 5	Waste generated from operations	Manufacturing sites and main offices (26 sites in Japan + 53 sites overseas, including 5 offices)	Based on the GHG Protocol, emission intensity is calculated by multiplying the amount of waste from manufacturing sites by the emission intensity. For emission intensity, we refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains, which is provided by IDEA and the Ministry of the Environment of Japan. Waste transport is accounted for in Category 1. For data prior to FY March 2024, the amount of activity is based on the cost of waste disposal.
	Category 6	Business trip	TDK consolidated targets	Based on the GHG Protocol, figures are calculated by multiplying the number of employees by the emissions intensity per employee. For emissions intensity, we refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains. For years prior to FY March 2025, the amount of activity is calculated by multiplying business trip costs by the emissions intensity.
	Category 7	Employee commuting	TDK consolidated targets	Based on the GHG Protocol, figures are calculated by multiplying the number of employees by the emissions intensity per employee. For emissions intensity, we refer to the emission intensity database for calculating GHG emissions of organizations through their supply chains. For years prior to FY March 2025, the amount of activity is calculated by multiplying commuting costs by the emissions intensity according to the means of transportation.
	Category 8	Leased assets (Upstream)		Use of leased equipment is reported as Scope 1 and 2 emissions.
	Category 9	Transportation and distribution (Downstream)		Not applicable as the Company is an electronic component manufacturer.
	Category 10	Processing of sold products		Not applicable because the emissions associated with the processing of our products by our customers are small and diverse, making the estimate unreasonable.
	Category 11	Use of products sold	TDK major product lines	Based on the GHG Protocol, the power consumption loss generated during the use of TDK products is calculated by multiplying the field of installed set products, lifetime operating hours of installed set products, and emissions intensity by the sales volume. For lifetime operating hours, we refer to JEITA's guidance on the calculation of GHG emission reduction contribution of electronic components, and for emissions intensity, to IEA Emissions Factors.
	Category 12	Disposal of sold products		Not applicable as the Company is an electronic component manufacturer.
	Category 13	Leased assets (downstream)		Not applicable because there is no applicable business activity.
	Category 14	Franchise		Not applicable because there are no franchise stores.
	Category 15	Investment	TDK consolidated equity-method affiliates (Excluding companies that do not disclose emissions)	Calculated based on the GHG Protocol by multiplying the emissions of companies in which the company has acquired shares by the shareholding ratio.

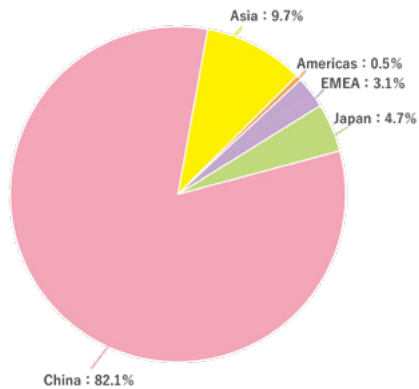
Reduction of CO₂ Emissions at Production Sites

Trends in CO₂ emissions at manufacturing sites*

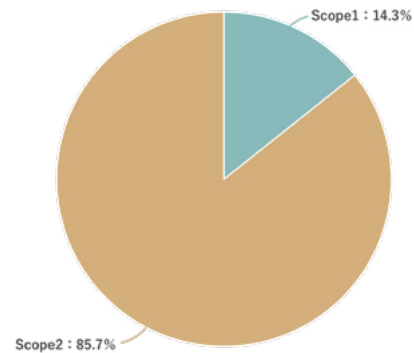


*The measurement and calculation methods, as well as the numerical results for FY March 2020 and beyond, have been verified by a third-party.

FY March 2026 emissions by region
(TDK Group total emissions)



FY March 2026 emissions by scope
(TDK Group total emissions)

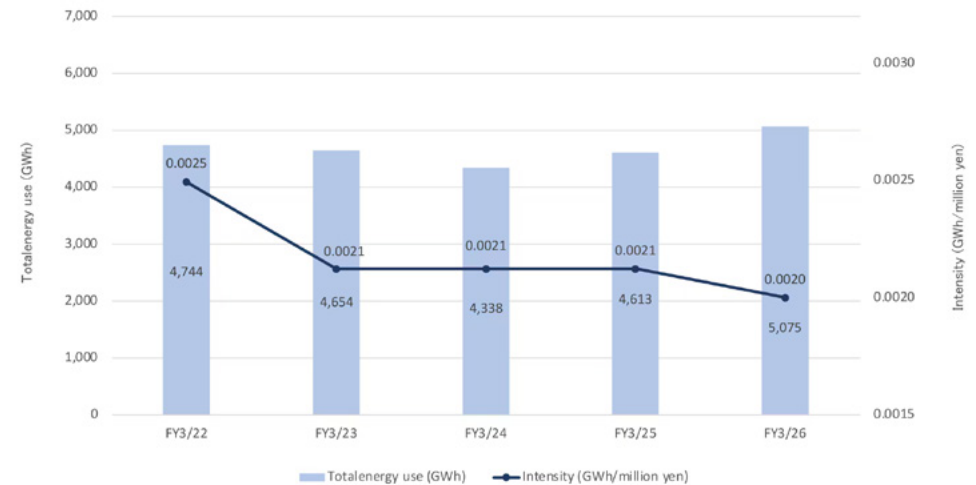


* Scope 1: Direct emissions of CO₂ deriving from energy use in corporate activities, such as the burning of fuel in factories, etc. The emissions coefficient used is based on Japan's Act on Promotion of Global Warming Countermeasures; the calculation method was determined with reference to the Act.

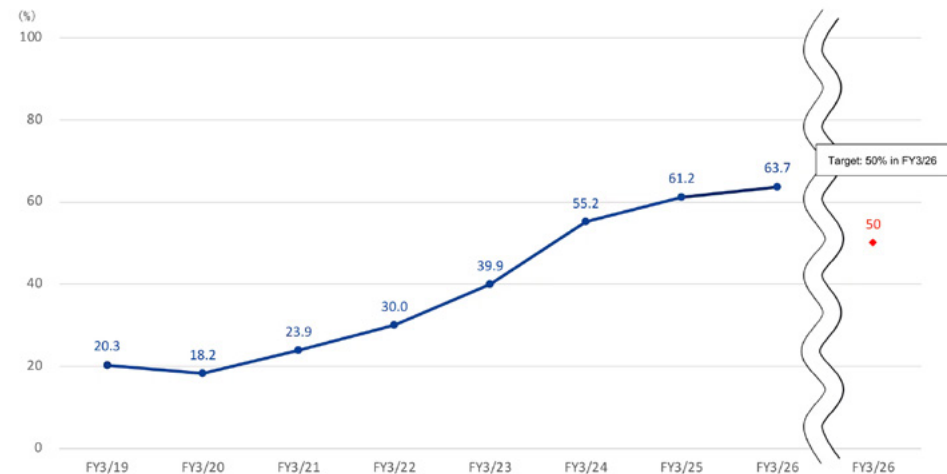
* Scope 2: Indirect emissions of CO₂ associated with energy use in corporate activities, such as the use of electric power. The market-based method outlined by the GHG Protocol was used to calculate emissions. For Japan, the adjusted emissions coefficients of the individual electric power companies were used, based on Japan's Act on Promotion of Global Warming Countermeasures. For countries and regions other than Japan, the emissions intensity of the individual power companies, or the latest available emissions intensity for each region, was used; in cases where this information was difficult to obtain, the emissions intensity noted in the IEA Emissions Factors was used.

The disclosed figures are certified through third-party verification.

Trends in total energy use and intensity



Renewable energy electricity installation ratio



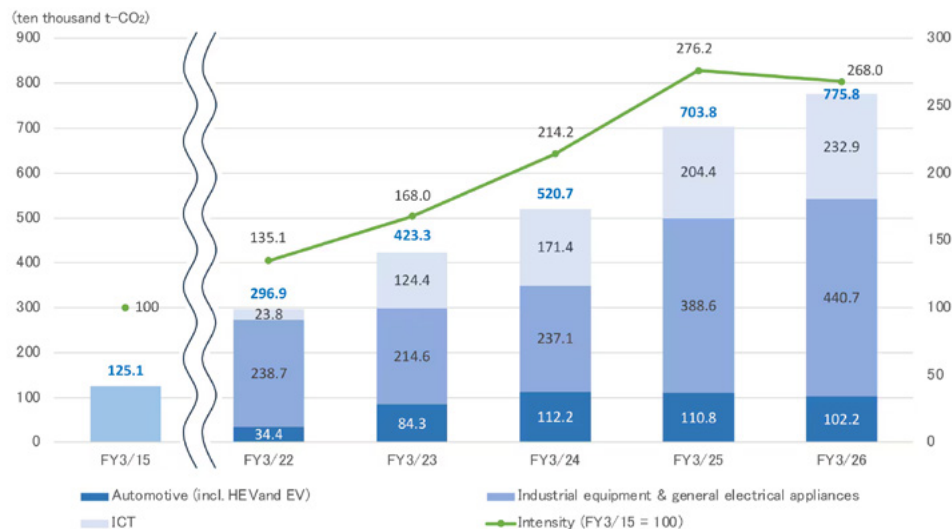
Reduction of CO₂ emissions through initiatives by Scope 3 category

Trends in CO₂ emissions from logistics activities (Japan)*



*Calculated based on Japan's Energy Conservation Act.

Trends in CO₂ emission reductions by product*



* The calculation method was reviewed by a third party.

* The product contributions have been calculated based on internal guidelines compliant with "TR62716 Guidance on Quantifying Greenhouse Gas Emission Reductions from the Baseline for Electrical and Electronic Products and Systems" formulated by the International Electrotechnical Commission (IEC); and the "Guidance on Calculating GHG Emission Reductions Contribution of Electronic Components" (Version 2) formulated by the Japan Electronics and Information Technology Industries Association (JEITA)

Related links

[Third-Party Assurance](#)

[Third-party review of environmental performance data](#)

Initiatives

Reduction of CO₂ emissions at manufacturing sites

Expanded use of renewable energy

In November 2022 TDK joined the RE100 (Renewable Energy 100%).* Our aim is to increase the use of electricity derived from renewable energy at all our sites in Japan and overseas to 50% by 2025 and 100% by 2050.

Starting from FY March 2025, TDK Thailand has been using renewable energy generated by solar panels installed on its factory roofs, under a long-term power purchase agreement (PPA). In this way, TDK Thailand has been able to generate 19% of all electric power used in the factory from within its own site.

[TDK now using 100% renewable energy electricity in all Japan manufacturing sites, expanding efforts globally](#)



*The RE100 is a global initiative operated by a partnership between the Climate Group and CDP international environmental non-government organizations. It comprises companies committed to using 100% renewable electricity in their business.

Promotion of Renewable Energy Installation (As of July 1, 2026)

The following sites procure 100% of their power consumption from renewable energy:

Japan 26

- TDK Head Office (Tokyo)
- TDK Museum (Akita)
- TDK Technical Center (Chiba)
- TDK Narita Factory (Chiba)
- TDK Asama Techno Factory (Nagano)
- TDK Chikumagawa Techno Factory (Nagano)
- TDK Shizuoka Factory (Shizuoka)
- TDK Mikumagawa Factory (Oita)
- TDK/TDK Electronics Factories Inakura Factory, East Site (Akita)
- TDK/TDK Electronics Factories Inakura Factory, West Site (Akita, Japan)
- TDK/TDK Electronics Factories Honjo Factory, East Site (Akita)
- TDK/TDK Electronics Factories Honjo Factory, West Site (Akita)
- TDK/TDK Electronics Factories Kitakami Factory (Iwate)
- TDK/TDK Electronics Factories Nikaho Factory, North Site (Akita)
- TDK/TDK Electronics Factories Nikaho Factory, South Site (Akita)
- TDK/TDK Electronics Factories Chokai Factory (Akita)
- TDK/TDK Electronics Factories Ouchi Factory (Akita)
- TDK/TDK Electronics Factories Iwaki Factory (Akita)
- TDK/TDK Electronics Factories Sakata Factory (Yamagata)
- TDK/TDK Electronics Factories Tsuruokanishi Factory (Yamagata)
- TDK/TDK Electronics Factories Tsuruokahigashi Factory (Yamagata)
- TDK/TDK Electronics Factories Kofu Factory (Yamanashi)
- TDK Electronics Factories Iida Factory (Nagano)
- TDK-Lambda Nagaoka Technical Center (Niigata)
- TDK Precision Tool Corporation (Kanagawa)
- TDK Service Corporation Akita Sales Office (Akita, Japan)

China 8

- SAE Components (ChangAn) Ltd.(Dongguan, China)
- TDK-Lambda (China) Electronics Co., Ltd. (Wuxi, China)
- TDK (Zhuhai FTZ) Co., Ltd. (Zhuhai)
- TDK (Zhuhai) Co., Ltd. (Hongqi)
- TDK (Xiamen) Electronics Co., Ltd. (Xiamen, China)
- TDK (Xiaogan) Co., Ltd. (Xiaogan, China)
- TDK Dalian Corporation (Dalian, China)
- TDK (Suzhou) Co., Ltd.

Asia 10

- TDK (Malaysia) Sdn. Bhd Malaysia Factory (Nilai, Malaysia)
- TDK-Lambda Malaysia Sdn. Bhd. Senai Factory (Senai, Malaysia)
- TDK-Lambda Malaysia Sdn. Bhd. Kuantan Factory (Kuantan, Malaysia)
- TDK (Thailand) Co., Ltd. (Rojana, Thailand)
- Magnecomp Precision Technology Public Co., Ltd. KCMA plant (Wangnoi, Thailand)
- TDK Electronics (Malaysia) SDN. BHD. (Johore, Malaysia)
- TDK Philippines Corporation (Laguna, Philippines)
- PT TDK ELECTRONICS INDONESIA (Batam, Indonesia)
- TDK India Private Limited Kalyani Factory (from October 2025)
- TDK India Private Limited Nashik Factory (from August 2025)

Americas 4

- TDK-Lambda Americas Inc. Neptune Office (NJ, USA)
- Headway Technologies, Inc. (CA, USA)
- TDK Electronics do Brasil Ltda. (Gravataí, Brazil)
- TDK Components U.S.A., Inc. (from August 2025)

Europe, Middle East, Africa 13

- TDK Electronics AG - HQ (Munich, Germany)
- TDK Electronics AG (Heidenheim, Germany)
- TDK Sensors AG & Co. KG (Berlin, Germany)
- TDK Electronics GmbH & Co OG (Deutschlandsberg, Austria)
- TDK Hungary Components Kft. (Szombathely, Hungary)
- TDK Electronic Components, S.A.U. (Malaga, Spain)
- TDK CROATIA d.o.o. (Kutina, Croatia)
- TDK Foil Iceland ehf. (Akureyri, Iceland)
- Tronics Microsystem SA (Crolles, France)
- TDK-Lambda UK Ltd. (Devon, United Kingdom)
- TDK-Lambda Ltd. (Karmiel, Israel)
- TDK Electronics s.r.o. (Sumperk, Czech Rep.)
- TDK-Micronas GmbH (Freiburg, Germany)

TDK's ratio for the use of renewable energy (electricity only) worldwide is 63.7%. (As of March 31st 2026)

Energy Conservation Activities

As part of its efforts to improve productivity, TDK is endeavoring in various ways to reduce the amount of input resources, including cost reduction and yield improvement. In particular, regarding energy, TDK is implementing energy productivity (EP) activities aimed at improving the efficiency of energy resources from the standpoint of production technology, thereby reducing energy consumption.

Each manufacturing site conducts an energy assessment in accordance with its environmental management system and identifies opportunities to reduce energy use. Depending on the opportunities identified, appropriate actions are taken at each site to reduce the amount of energy use, for example, by reviewing and improving manufacturing processes.

Furthermore, in the promotion of such initiatives, we also seek to foster an awareness of energy consumption reduction among team members (employees) through awareness-raising and environmental education programs.

Energy Productivity (EP) Activities

TDK has long promoted energy-saving initiatives, but given the Company's current stage of growth, there are limits to how much total energy consumption can be reduced. In response, we are shifting from a primary focus on energy saving to a broader approach that emphasizes the effective use of energy—namely, improving energy productivity. Energy productivity, defined as revenue divided by energy consumption, is a new guiding principle that TDK is adopting with the goal of doubling energy productivity over 25 years from 2020 to 2045. Through EP activities—our central approach—we aim to address climate change risks. EP activities represent an ongoing initiative that incorporates an energy perspective into the quality improvement and productivity enhancement efforts that have always been fundamental to TDK's manufacturing. Through EP activities, we will both strengthen our manufacturing capabilities and accelerate CO₂ reduction. TDK is committed to achieving both further corporate growth and meaningful contributions to a sustainable society through the promotion of EP activities.

Holding the Supplier Sustainability Summit

Related link

[Sustainable Procurement](#)

Participation in Initiatives and Associations

At the TDK Group, in addition to international frameworks such as the Paris Agreement, we support laws and regulations at each site related to climate change measures and the reduction of energy use (in Japan, these include the “Act on Promotion of Global Warming Countermeasures” and the “Act on Rationalization of Energy Use and Shift to Non-fossil Energy”) and are committed to addressing climate change issues. In promoting these efforts, we participate in initiatives and associations that are consistent with our position and direction, and engage in public policy engagement through these organizations. The details of our policy engagement are regularly reported to the officer in charge of Safety & Environment, and we review and monitor their alignment with our own strategy. In addition, as necessary, we also report to the Executive Committee and the Board of Directors. If these processes reveal that the organization's position or public policy engagement is not in line with international frameworks or our own strategy, we will work with the organization to ensure consistency and seek their understanding of our intentions. If there is a significant discrepancy and it becomes difficult to maintain consistency between the organization's and our own views on climate change, we will consider taking action, including issuing a public statement to distance ourselves or withdrawing from the organization.

TCFD

In May 2019 TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD*), which makes recommendations for analyzing and disclosing information on the impact of climate change on corporate finance.

*The Task Force on Climate-related Financial Disclosures (TCFD) was founded in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

[TCFD \(Link to external site\)](#)

CDP

TDK has received the highest rating of “A” in the “Supplier Engagement Rating” from the international non-governmental organization CDP, which addresses environmental issues such as climate change, and has been selected as a “Supplier Engagement Leader.”

SBTi

TDK has obtained Science Based Targets (SBT) certification from the Science Based Targets initiative (SBTi), an organization that certifies total greenhouse gas emission reduction targets scientifically aligned with the goals set by the Paris Agreement.

Related link

[TDK achieves verification of net-zero targets by the Science Based Targets initiative \(SBTi\)](#)



RE100

In November 2022, TDK has joined the RE100* international initiative as the company works toward ensuring that 100% of the electricity used in its business activities comes from renewable energy. TDK plans to contribute to the implementation of a sustainable society, aiming to convert electricity use at all of its business facilities around the world to 100% renewable energy by 2050. We are striving to increase the ratio of renewable energy in the total electricity consumption of the entire group, aiming to source 50% of the electricity used at all of its business facilities from renewable energy by 2025 and 100% by 2050. To achieve this goal, we are actively promoting initiatives such as the installation of solar power generation systems at some factories and the transition of electricity consumption to renewable energy sources.

*International initiative operated by Climate Group, an international environmental NGO, in partnership with CDP. It consists of companies committed to converting electricity use in business activities to 100% renewable energy.

Japan Electronics and Information Technology Industries Association (JEITA)

JEITA is one of the four major electrical and electronics industry organizations in Japan. Its mission is to connect all industries to solve social issues and to realize a platform that connects stakeholders with the IT/electronics industry at its core. It is engaged in four business areas: “policy advocacy,” “research and statistics,” “problem solving,” and “market creation”. In the environmental dimension, it aims to contribute to the realization of a low-carbon society on a global scale by promoting the creation of energy-saving products, devices, and IT solutions through the development of innovative technologies to address the fundamental issues of energy and global warming. In addition, to reduce the risk of environmental impact, it strengthens the management of chemical substances, promotes waste reduction and recycling, and supports initiatives that lead to the development of global business through international standardization activities.

TDK supports the activities defined by JEITA, and as the secretariat of the JEITA Environment Subcommittee and the Electronic Components Subcommittee, and as a member of the Global Warming Prevention Liaison Committee Steering Committee, has contributed to the creation of a long-term vision on climate change for the entire industry. We have also proposed that as an industry group, it is important to take action throughout the supply chain, and we have taken the initiative to establish guidelines for calculating the product contribution (reduction contribution) and started efforts to clarify the GHG reduction effects of improving the functionality and efficiency of electronic components. In addition, as the representative of electronic component companies in this steering committee, we mainly discuss the direction of activities and provide information for materials to be submitted to government ministries and agencies.

JEITA Green x Digital Consortium

JEITA has established the Green x Digital Consortium as a space for pursuing activities that promote corporate carbon neutrality and create and deploy new digital solutions leading to industrial and social transformation. We have participated in this consortium since its foundation.

Sustainability | Environment

Water Resources Conservation

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

As a result of such factors as economic development and population increases in developing countries, the use of water, which is a limited resource, is undergoing change, and water crises can be seen as one of the risks exerting an impact on a global scale. At TDK, water is an essential resource in manufacturing activities. Since we are impacted by such events as the exhaustion of water resources and flooding, the proper understanding and management of water risks are important issues for us.

TDK stipulates the TDK Group Business Partner Code of Conduct and requests suppliers to address the management of wastewater and efficient use of water.

In cooperation with local communities and stakeholders, TDK will continue to promote sustainable water use.

From the procurement of raw materials to the disposal of products, TDK strives for operations with little environmental load throughout the entire supply chain. Similarly, we promote the conservation of forestry resources and water resources. In line with The TDK Group Occupational Health/Safety and Environmental Charter, we aim to “Develop and Prosper in Harmony with the Global Environment.” Every single employee will act positively by thinking about the impact of production activities on the environment and the relationship between corporate activities and the environment, endeavoring to conserve an affluent global environment, and constantly paying heed to contributions to preserve the ecosystem.

Furthermore, in consideration of business characteristics, TDK has specified the key SDGs that we will focus on and clarified our policy of solving issues, including water-related problems, through technological development in our main businesses. As a water-related example, we are promoting the development of various sensors in accordance with Goal 12 of the SDGs, which is titled “Responsible consumption and production.” In addition, we are reducing water withdrawal in manufacturing processes.

Related links

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

[Climate Change Initiatives](#)

[Efforts to Achieve the SDGs](#)

Governance

We promote water-resource initiatives through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO as the highest level of responsibility. Regarding plans for water-resource initiatives and other environmental activities, the state of progress, risks, and so on, reports are delivered to the Board of Directors every half term and deliberated if necessary.

[Environmental Management System](#)

Strategy

In accordance with the TDK Group Occupational Health/Safety and Environmental Charter, we endeavor to understand the essence and values of international rules, national and regional laws and regulations, voluntary standards of industrial organizations, and so on relating to water-resource initiatives, to engage in the following three activities voluntarily and strategically, and thereby to enhance our corporate value:

- (1) Development of products and processes that reduce environmental loads
- (2) Optimization of risk assessment methods and reinforcement of risk assessment and management
- (3) Information disclosure and continuous dialogue

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Risks and opportunities

The Head Office Safety & Environment Function performs periodic risk assessments and identifies risks for the TDK Group as a whole. If water-resource initiatives are not properly managed, problems will be caused to the earth and society, and it may become difficult to continue business.

By promoting water-resource initiatives, we are also contributing to the creation of a sustainable society including measures to address climate change and biodiversity loss. Through these initiatives, we expect to gain the trust of society and achieve business growth.

Risk Management

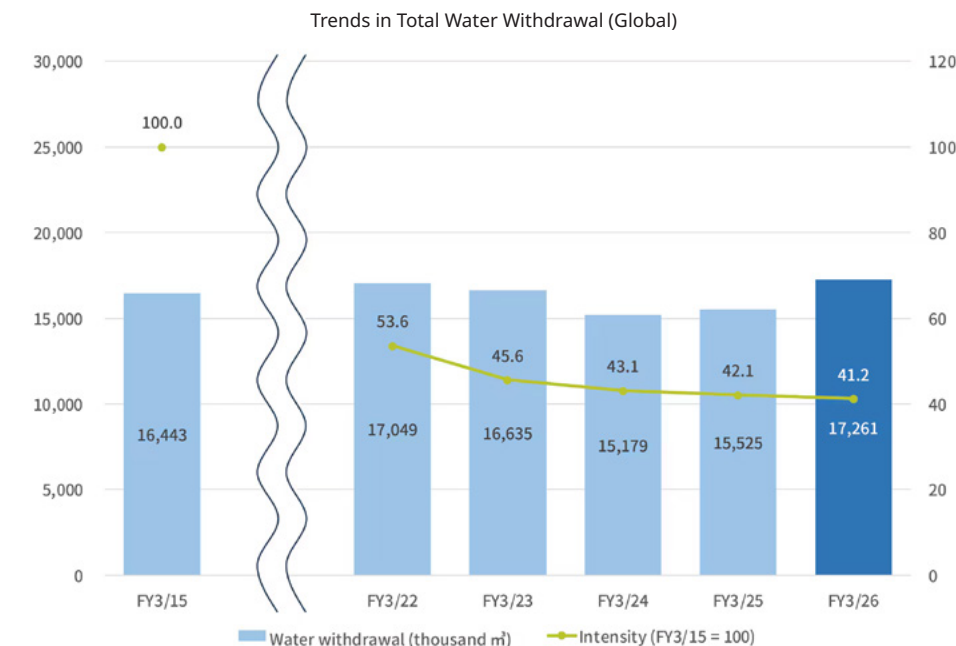
After grasping issues regarding water-resource initiatives in the scientific, regulatory, and social fields that are occurring or may occur around the world and, centering on the Head Office Safety & Environment Function, sorting out the risks and opportunities, we aim to make improvements by addressing important matters in a prioritized manner and continuously rotating the PDCA cycle.

These activities are reported to the Executive Committee and Board of Directors regularly. Water-resource initiatives are administered within Group-wide risk management.

Metrics and Targets

Goals and Achievements in FY March 2025

FY March 2025 Goal	Achievements
Improve water withdrawal intensity by 1.5% compared with the previous fiscal year	Improved by 2.1% compared with the previous fiscal year



Evaluations and Future Activities

TDK sets numerical targets for water withdrawal. In FY March 2026, TDK's total water withdrawal amounted to 17,261,000m³, which was up 11.2% from the previous fiscal year. In addition, intensity improved by 2.1% compared with the previous fiscal year, so our target was achieved. Since water is not mixed inside TDK products, consumption in manufacturing processes is extremely small and includes evaporation at the time of cleaning.

Regarding water risks at all manufacturing sites of the TDK Group, we conduct investigations in accordance with the TCFD using two global evaluation tools-the WWF Water Risk Filter¹ and Aqueduct², announced by the World Resources Institute (WRI). This enables us to identify highly water-stressed regions and adopt countermeasures. Of the sites that the survey identified as having high water risk, one site in India had a water withdrawal of 40,000m³ in FY March 2026 (corresponding to less than 0.5% of the TDK Group's total water withdrawal). We are committed to monitoring, managing, and improving water use throughout the TDK Group to identify opportunities for water efficiency improvements and water risks. We will continue our efforts on local water risks and water usage at our manufacturing sites to ensure efficient water use.

1. The WWF Water Risk Filter was developed by the World Wide Fund for Nature (WWF) and DEG, a German finance institution. The tool investigates, evaluates, and enables response to risks involving the water environment. The first version was released in 2012, since when it has been widely used by companies and investors around the world. It has become a leading and highly trusted tool. 2. Since its launch in 2011, the Aqueduct evaluation tool, which has become a global standard relating to water risks, has been providing information on water-related risks, such as flooding, drought, and stress, to companies, governments, and nongovernmental organizations (NGOs).

FY March 2027 Goal

Improve water withdrawal intensity by 1.5% compared with the previous fiscal year

Initiatives

Initiatives to reduce water use

As one activity toward realization of the TDK Environmental Vision 2035, which is the goal of the entire TDK Group's environmental activities, we have set targets for the reduction of water withdrawal, and efforts are being made at each site to reduce water withdrawal, improve the efficiency of water use, and recycle water.

For example, at the Kitakami Factory of TDK Electronics Factories Corporation in Iwate Prefecture, Japan, groundwater is being used to produce purified water for production processes. Through ongoing efforts to limit the amount of equipment and adjust the amount of water used without compromising manufacturing quality, the factory strives to reduce water withdrawal.

Furthermore, in the promotion of such initiatives, we also seek to foster an awareness of water conservation among team members (employees) through awareness-raising and environmental education programs.

Water-recycling initiatives

The TDK Group's sites are making efforts to reduce total water withdrawal and improve water withdrawal intensity by adopting aggressive measures, such as the use of recycled and reused water, toward the achievement of our targets for the reduction of water use.

Water-recycling methods differ from factory to factory. As one example, though, the factory sets a target for water reuse, promotes such measures as circulating water in processes, and evaluates the results of estimated in-process water use as water reuse.

Wastewater management

Since the wastewater discharged at sites of the TDK Group contains chemical substances and so on used in processes, they conduct an analysis of the quality of wastewater discharged in processes whenever processes are newly installed, modified, or changed. Based on the results of these analyses, they decide wastewater processing methods depending on the substances contained, establish wastewater processing facilities capable of conducting processing with water quality standards that satisfy central and local government regulations, and thereby release wastewater meeting the required standards.

Initiatives to Prevent Air, Water, and Soil Pollution

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Governance

We promote initiatives to prevent air, water, and soil pollution through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO at the highest level of responsibility.

Regarding plans for initiatives to prevent air, water, and soil pollution and other environmental activities, their state of progress, risks, and so on, reports are delivered to the Board of Directors every quarter and deliberated if necessary.

[Environmental Management System](#)

Strategy

In accordance with the TDK Group Occupational Health/Safety and Environmental Charter, we endeavor to understand the essence and values of international rules, national and regional laws and regulations, voluntary standards of industrial organizations, and so on relating to efforts to prevent air, water, and soil pollution, to engage in such initiatives voluntarily and strategically, and thereby to enhance our corporate value.

Risk Management

After grasping issues regarding initiatives to prevent air, water, and soil pollution in the scientific, regulatory, and social fields that are occurring or may occur around the world and, centering on the Head Office Safety & Environment Function, sorting out the risks and opportunities, we aim to make improvements by addressing important matters in a prioritized manner and continuously rotating the PDCA cycle.

Metrics and Targets

TDK established “TDK Transformation” as its new long-term vision for the entire Group. One key issue (materiality) that TDK will address to achieve this long-term vision is “implementing solutions to social and environmental issues.” Going forward, the Head Office Safety & Environment Function will set medium- to long-term indicators and targets for the prevention of air, water, and soil pollution by means of backcasting from the long-term vision.

Initiatives

Management of soil pollution and VOC risks

TDK has established environmental risk assessment standards and management methods for soil pollution and VOCs,* and each site regularly conducts risk assessment. For high-risk areas, we clarify the order of priority and implement preventive maintenance, restoration, and other measures to effectively manage environmental risks.

* VOC: Volatile Organic Compounds

Compliance with laws and regulations for pollution prevention and accidents

To prevent air, water, and soil pollution, TDK strictly complies with all relevant laws and regulations. For certain items, we have even set voluntary standards that are more stringent than the legal requirements, and we take preventive actions whenever necessary to reduce the environmental load.

Sustainability | Environment

Initiatives for the Circular Economy

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

In response to the need for a transition to a circular society, TDK is advancing activities from the perspective of effectively utilizing limited resources. In FY March 2007, we achieved 100%* recycling of waste generated from our business sites without resorting to landfill or simple incineration. Since then, we have maintained this level while promoting initiatives to suppress the generation of waste itself.

We also promote a circular economy by enhancing resource efficiency throughout product life cycles, advancing the reduction of resource use and the conversion of waste into resources. In this way, we contribute to building a circular society by minimizing dependencies and impacts on natural capital.

*Excluding items that cannot be recycled independently due to legal regulations.



Governance

Monitoring by the Board of Directors

TDK's Board of Directors receives quarterly reports on the execution of environmental activities through the monitoring of non-financial goals' progress. They deliberate and make decisions on basic policies, medium- to long-term strategies, annual plans, and key indicators and targets.

Management's Role

At the management meetings, reports are received from the executive departments on the status of goal achievement and risks.

Environmental activities are overseen by the officer in charge of Safety & Environment. The Safety & Environment Group holds the executive responsibility for implementing measures to address environmental risks and conducting regular monitoring. They push forward activities in cooperation with relevant departments, including reporting on key KPIs, formulating medium- to long-term goals, and planning investments for environmental initiatives. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors' meetings.

Strategy

TDK utilizes various resources to manufacture its products, with the result that waste is generated during our business activities. The use and application of these resources involves dependencies or impacts on, for example, natural capital (freshwater, seawater, soil, and air) and ecosystem services. We will evaluate our points of contact with nature capital, including our dependencies and impacts, risks, and opportunities, and then consider strategies for the effective use of resources, in line with the LEAP approach of the TNFD.

In addition, for waste, we will ensure proper disposal in compliance with relevant laws and regulations, thus endeavoring to preserve our living environments.

Dependence and Impact

In order to understand the relationship between business activities and natural capital through direct operations and upstream and downstream value chains, TDK evaluated the dependence and impact of each business sector. Figures 1 and 2 show the dependence on and impact of natural capital in heat maps. (This is not an analysis of TDK's specific dependence and impact.)

Value chain	Business activity processes	Dependence on nature															
		Provisioning services				Regulating services											
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention	Soil quality regulation	Pollination	Maintenance of population and habitat	Biological pest control
Development and design	Product design and development	VL	-	-	VL	VL	L	VL	L	VL	VL	L	VL	-	-	-	-
Raw material procurement	Natural resource extraction	H	-	-	-	-	-	-	-	H	H	-	M	-	-	-	-
	Raw material production (metals)	H	-	-	-	-	-	-	-	M	M	-	L	-	-	-	-
	Raw material production (paper, wood, plastics, rubber)	H	VH	-	-	-	-	-	-	M	VL	M	L	-	-	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	-	-	-	-	-	M	-	-	-	-	-	-	-
	Electricity (non-renewable energy)	H	-	-	-	VL	-	L	-	M	VL	M	L	H	-	-	-
	Electricity (renewable energy)	H	H	-	-	VL	-	L	-	VH	VH	H	H	H	H	-	-
	Natural gas	L	-	-	-	VL	-	L	-	-	M	M	H	-	-	-	-
	Domestic and industrial water	VH	-	-	-	-	-	H	L	VH	M	M	M	M	-	-	-
Product manufacturing	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L	L	-	L	-
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL	VL	-	-	-
Sales	Transport and sales	-	-	-	-	VL	-	-	-	-	M	-	L	-	-	-	-
Use	Product use	H	-	-	-	-	-	L	-	-	M	-	-	-	-	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	-	VL	-	-	-	-	-	-	-	-	-	-	-

Figure 1: Heat map (dependence)

Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	L	-	-	L	L	L	L	L	L	L	L	-
Raw material procurement	Natural resource extraction	VH	H	-	VH	VH	VH	H	H	H	H	H	M
	Raw material production (metals)	M	-	-	VH	VH	H	VH	-	VH	VH	H	-
	Raw material production (paper, wood, plastics, rubber)	H	-	-	VH	VH	H	-	M	H	H	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	VH	VH	H	L	H	-	H	-	-
	Electricity (non-renewable energy)	M	H	-	VH	VH	-	VH	H	H	VH	H	-
	Electricity (renewable energy)	VH	VH	-	M	VH	-	-	-	H	H	-	-
	Natural gas	H	H	H	VH	VH	-	L	H	H	H	-	L
	Domestic and industrial water	H	H	-	-	H	L	L	-	L	L	-	-
	Product manufacturing	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-
Production of electronic devices, components, and hardware		-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	L	L	-	L	L	L	L	-	-
Use	Product use	-	-	-	H	M	-	H	-	-	M	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	H	M	-	H	L	H	L	-	-

Figure 2: Heat map (impact)

As an electronic components manufacturer, TDK's direct operations are suggested to have a high impact in areas such as solid waste and soil contamination, etc. Further upstream in the value chain, there tends to be a high impact on land use, waste, soil contamination, and water pollution in processes such as resource extraction, raw material production, and electricity procurement. The further upstream in the value chain, the more direct the interaction with nature becomes, and accordingly, the greater the impact.

Risks and Opportunities

Risks and opportunities related to resources are shown in Table 1.

Physical risks include potential soil and water pollution caused by emissions from factory operations. Transition risks include tighter regulations on emissions, rising waste management costs, and the potential decline in external ESG evaluations. Countermeasures include reducing emissions, promoting reuse and recycling, and disclosing environmental data appropriately. In response to regulations on critical raw materials and risks associated with customer demands or obligations to adopt low-impact materials, opportunities include the use of sustainable raw materials such as recycled metals and biomass.

Opportunities also include the use of raw materials that do not rely on natural resources, product miniaturization, and sustainable product design.

Risks	Physical	Chronic	Risk of depletion of important raw materials	Raw materials	Short / Medium Term	Use of sustainable raw materials, including recycled metal, biomass, etc.
			Soil pollution caused by harmful waste	Emissions	Medium / Long Term	Reducing waste, and promoting reuse and recycling
	Transition	Policy	Strengthening of regulations on emissions and mandatory recycling	Emissions	Medium / Long Term	Strengthening of emissions management
			Adoption of environmentally friendly raw materials, and tightening up of regulations relating to ease of recycling	Raw materials	Medium / Long Term	Product eco-design
			Strengthening of regulations and ordinances on protected areas and land use change	Raw materials	Medium / Long Term	Promoting biodiversity conservation activities
		Market	Growing customer demand for environmentally conscious products	Raw materials	Medium / Long Term	Environmental impact assessment and reduction for our products
		Reputation	Erosion of stakeholder trust due to inadequate disclosure of ESG data	Raw materials Emissions	Medium / Long Term	ESG data collection and third-party verification Implementing data disclosure through appropriate disclosure media
			Reputational risk associated with environmental pollution and disturbance	Emissions	Short / Medium Term	Strengthening the environmental safety management system

Opportunities	Business performance	Resource efficiency	Use of sustainable raw materials, including recycled metal, biomass, etc.	Raw materials	Short / Medium Term	Reducing the environmental burden in the upstream segment of the value chain
		Products and services	Reducing environmental impact by extending product lifespan and through collection and reuse	Raw materials	Medium / Long Term	Reducing customers' CO ₂ emissions
		Market	Customer preference for products aligned with decarbonization and nature-positive goals	Raw materials	Medium / Long Term	Enhancing market competitiveness through environmental value (solid-state batteries, water-related business, etc.)
			Investing in advanced sustainable technologies including resource-circulating technology	Raw materials	Short / Long Term	Developing markets with high growth potential in the sustainability sector
	Sustainability performance	Reputation	Enhancing our reputation regarding nature positive	Raw materials Emissions	Short / Long Term	Goal setting and information disclosure that reflect sustainability trends
		Sustainable use of natural resources	Reduction in the use of virgin raw materials with high environmental impact	Raw materials	Medium / Long Term	Conservation of natural resources through the use of sustainable raw materials

Table 1: Risks and opportunities related to resources

*Time axes: Short term refers to less than one year, medium term refers to one year to less than three years, and long term refers to 3 to 20 years.

Risk Management

Process for Identifying and Evaluating Environmental Dependencies, Impacts, Risks, and Opportunities

The identification and evaluation of environmental dependencies, impacts, risks, and opportunities were conducted using the Relationship Map between the Electrical and Electronics Industry and Biodiversity, ver. 3.0. This tool is aligned with the LEAP approach recommended by the TNFD and is designed to extract material items related to “dependence and impact,” “risks and opportunities,” and “business actions” across the product lifecycle. In addition, ENCORE was used to support the evaluation of dependencies and impacts by industry sector.

Related Information

[Relationship Map between the Electrical and Electronics Industry and Biodiversity, Ver. 3.0 \(Link to external site, in Japanese\)](#)

[ENCORE \(Link to external site\)](#)

Environmental Risk Management Process

At TDK, the Enterprise Risk Management (ERM) Committee, chaired by a corporate officer appointed by the President and CEO, carries out company-wide risk management activities. The ERM Committee identifies company-wide risks in accordance with the Risk Management Regulations. The long list of risks managed by the committee includes environment-related risks, which are treated as management targets if deemed significant through business risk analysis and evaluation.

The Safety & Environment Group, which leads the promotion of environmental activities across the TDK Group, is responsible for identifying environmental risks and opportunities, implementing countermeasures, and conducting monitoring.

Company-Wide Risk Management Process

Risk management framework

TDK implements Enterprise Risk Management (ERM) activities across the organization to appropriately manage and proactively address factors (risks) that may hinder the achievement of organizational goals—as part of its pursuit of sustainable growth. To formulate and implement ERM-related measures and strengthen risk management activities, TDK has established the ERM Committee, chaired by a corporate officer appointed by the President and CEO.

The ERM Committee conducts analysis and evaluation of company-wide risks, identifies those requiring countermeasures, and assigns a risk owner department, implementing department, and relevant departments for each risk to ensure appropriate management. The risk owner department is responsible for establishing minimum requirements and rules for the risk management framework, compiling risk assessment results and reporting. The implementing department is responsible for building the necessary systems for managing the assigned risks, planning and executing specific countermeasures, and monitoring progress.

The results of risk analysis and evaluation by the ERM Committee, along with the status of countermeasures for significant risks, are deliberated by the Executive Committee and reported to the Board of Directors.

Implementation of countermeasures

The ERM Committee communicates the countermeasures for each risk to the respective risk owner departments, implementing departments, and related departments. The implementing departments work closely with related departments to implement or instruct the necessary measures for the risks assigned to each TDK Group company. Based on instructions from the implementing departments, each TDK Group company carries out countermeasures for each risk accordingly.

Monitoring and improvement

The implementing departments regularly monitor the status of countermeasure implementation for the risks under their responsibility and verify whether those risks are being adequately controlled. The risk owner departments, in turn, verify whether the implementing departments are appropriately monitoring the implementation status.

Based on the monitoring results compiled by the implementing departments, the ERM Committee may issue recommendations for improvement to the risk owner departments or implementing departments if deemed necessary.

Related Information

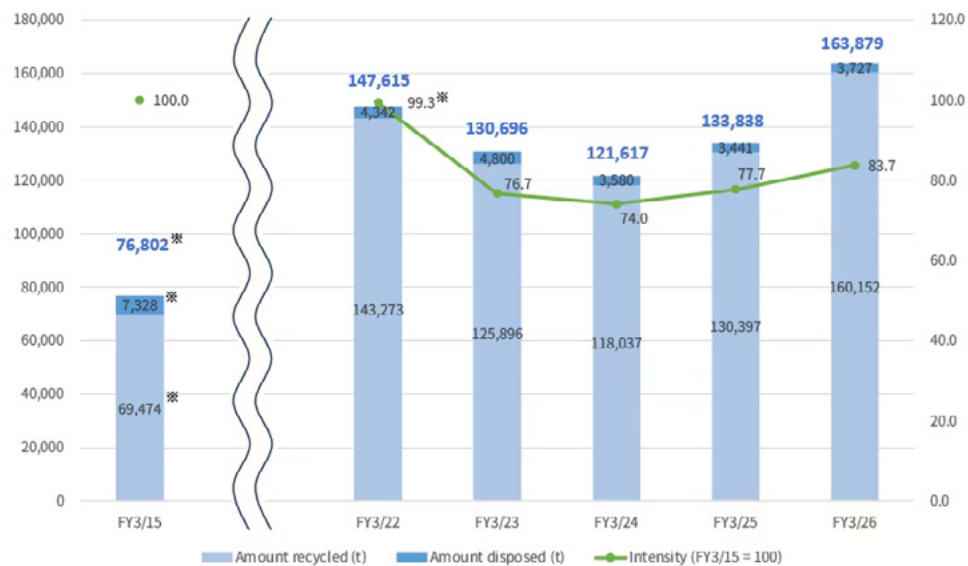
[Risk Management](#)

Metrics and Targets

Medium- to Long-Term Targets

FY March 2026 Goal	Achievements
Improve waste intensity by 1.5% compared with the previous fiscal year	Deteriorated by 7.8% compared with the previous fiscal year

Trends in Amount of Waste (Global)



*Recalculated due to errors in the data; the figures given here are the revised figures.

Evaluations and Future Activities

In FY March 2026, despite efforts to optimize the amount of resources inputted to match the production items and despite promoting waste reduction activities, the total amount of waste generated increased by 22.4% year-on-year to 163,879 tons. Waste generation intensity deteriorated by 7.8% compared to the previous fiscal year, so we did not meet our target in this respect.

Going forward, we will be proceeding with thorough-going efforts to improve production processes, and we will be striving to bring waste generation under control by both making resource inputs more efficient and improving yield rates.

FY March 2027 Goal
Improve waste intensity by 3.6% by FY March 2029 (compared with FY March 2026)

Initiatives

Under the TDK Environmental Vision 2035, we have formulated the TDK Environment, Health and Safety Action 2025 as the environmental basic plan extending through year 2025. This plan includes targets and activity measures related to waste, and the entire group promotes initiatives based on the plan.

Furthermore, in the promotion of such initiatives, we also seek to foster awareness among team members (employees) regarding the effective use of resources and waste reduction through awareness-raising and environmental education programs.

Waste Reduction Activities

Each manufacturing site conducts a waste assessment in accordance with its environmental management system and identifies opportunities to reduce waste generation. Depending on the opportunities identified, appropriate actions are taken at each site to reduce waste generation, for example, by reviewing and improving manufacturing processes.

Introduction of workwear made from recycled in-house waste film in Japan starting June 2025

At TDK, efforts are underway to reuse waste film generated during the manufacturing process of multilayer ceramic capacitors. As part of a broader circular initiative, starting in April 2023, TDK began reusing this waste film in newly redesigned workwear in Japan—specifically in the production of summer jackets. This initiative was made possible through a collaboration between TDK, Toray Industries, Inc., and Onward Corporate Design Co., Ltd.

To support this effort, TDK developed and installed its own slitter machine to remove ceramic residue from the surface of the waste film, establishing a recycling system capable of collecting films suitable for reuse. Toray contributed with mechanical recycling technology that removes surface impurities from the film and oversees an integrated supply chain from recycling to spinning and textile production (fabric), achieving consistent quality control and high traceability. Onward Corporate Design then used the recycled yarn and fabric produced by Toray to manufacture the workwear, drawing on its extensive experience supplying uniforms to approximately 2,000 companies. By focusing on the everyday uniforms worn by team members, this initiative not only supports the realization of a sustainable society but also further enhances environmental awareness among team members.



Related Information

[In June 2025, TDK introduced new workwear made from recycled film used in its own production processes in Japan \(in Japanese\)](#)

■Efforts to Halve Hazardous Waste

The Malaga Factory in Spain, which belongs to TDK Electronics Components, promoted a project to reduce the hazardous waste occurring in the manufacture of film capacitors, such as metallic film, capacitor scrap, and curing resin.

By the continued implementation of such measures as improved yield through optimization of the heat-treatment process and enhancement of resin use efficiency, the factory succeeded in reducing waste, including hazardous waste, by 64%.

At the same time, the Malaga Factory is also striving to reduce the load on the global environment through such activities as revision of the operation of air-conditioning equipment and the installation of solar panels.

■Recycling of Waste from Manufacturing Process

In addition to efforts to reduce waste generation itself, the TDK Group actively promotes the recycling of waste generated in the manufacturing process of its products. Waste recycling is the process of recovering waste as a reusable resource. By sorting waste and selecting appropriate disposal methods, we sort out recyclable waste and send as much of it as possible to the recycling process for reuse.

For example, in addition to internal recycling efforts, such as collecting and reusing liquid chemicals used in the process, we have established partnerships with highly reliable external processors to collaborate on waste recycling, such as selecting processors capable of recycling scrap metal.

■Acquisition of Zero Waste to Landfill Certification

The TDK Group is committed to reducing waste and promoting resource circulation. As part of these efforts, Navitasys India Pvt. Ltd. has obtained the “Platinum Level” of the “Zero Waste to Landfill” claim through an independent verification and certification conducted by SGS, a third-party certification body.

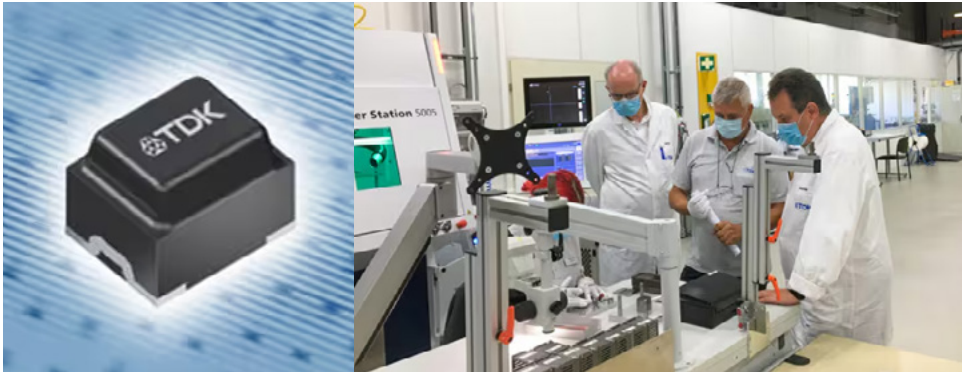
This certification evaluates the waste diversion rate, and the site achieved a diversion rate of 99.38%. Waste generated from operations and maintenance activities is being effectively utilized through reuse, recycling, and other diversion measures.

Product Focused Initiatives

■Initiative from Product Design (Power Inductors Using Recycled Materials)

In the CLT32 series of power inductors, TDK is increasing the ratios of recycled iron and recycled copper used; in total, the product contains more than 50% recycled metals. In addition, silver and nickel used to be essential in this series to realize the traditional level of performance. But efforts at the time of development and design have borne fruit, and now the inductors can be manufactured with no silver and just a little nickel. This initiative has led to the curbing of procurement and manufacturing costs. The features of the CLT32 series of power inductors are their high output, compactness, low energy consumption, and long life. They have been certified as Super Eco Love products.*

*Among environment-conscious products, TDK certifies products that have a substantial effect in reducing the environmental load and lead others in the industry as Eco Love products. And among these Eco Love products, we certify products that have an especially substantial effect and are positioned at the top level in the industry as Super Eco Love products.



Super Eco Love Products



■Wireless Charging Coil Featuring a Low-Waste Manufacturing Process

TDK has developed an ultra-thin pattern coil compatible with both MPP and EPP wireless charging standards. The copper plating used in the pattern coil is applied only to the necessary areas to form the pattern, eliminating the need to remove excess copper as required in other processing methods. As a result, this coil adopts a low-waste manufacturing process that reduces material loss.

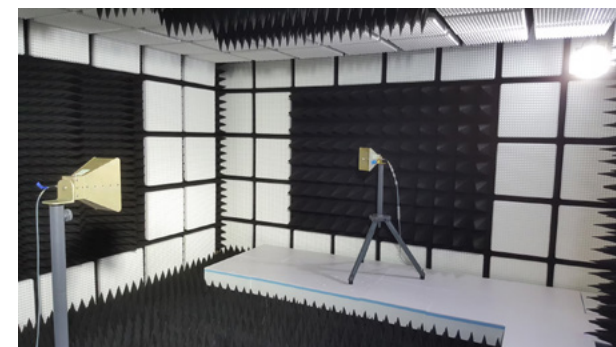
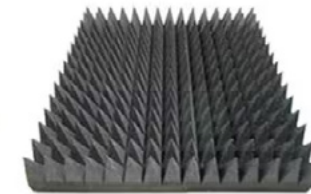
Related Information

[Pattern coil for wireless charging: TDK has developed the world's first ultra-thin pattern coil for wireless charging that is suitable for use in all Qi-compliant smartphone models \(in Japanese\)](#)

■Industry's First Biomass Plastic Electromagnetic Wave Absorber

The IS-BP series is an electromagnetic wave absorber that uses foamed polyethylene as a base material and utilizes the ohmic loss of carbon. It is installed on the walls of anechoic chambers used for evaluating antennas and wireless communication devices. Containing more than 25wt% biomass plastic, it is an environmentally friendly product that reduces CO₂ emissions by 13% compared to the conventional product (IS-012A). It is certified by the Japan BioPlastics Association (JBPA).

BP
(登録番号) No.1191,1192



Related Information

[\[Sustainability and TDK\] Discover the New Environmentally Friendly Radio Wave Absorber Made from Sugarcane-Derived Biomass Polyethylene](#)

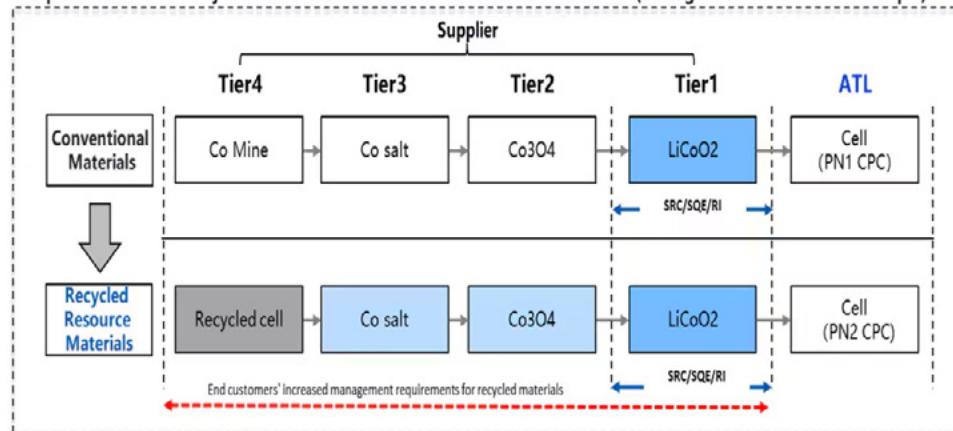
[Radio wave absorbers: TDK launches environmentally sustainable radio wave absorbers using biomass material](#)

■ Recycling and Reuse of Lithium-Ion Batteries (Amperex Technology Ltd.)

Lithium-ion batteries use rare metals such as cobalt and lithium. Due to the limited availability of these resources, recycling used batteries is crucial. Amperex Technology Ltd., a battery manufacturer, has started a project in 2023 to use recycled cobalt and lithium as battery raw materials in cooperation with recyclers, refiners, and cathode material manufacturers.

The company also actively incorporates recycled lithium and other raw materials. Moving forward, we will continue to build a circular economy for battery resources and contribute to the development of a sustainable battery industry.

Comparison Between Recycled Resource Materials and Conventional Materials (Taking Co Resources as an Example)



■ Initiatives Aimed at Increasing Product Lifespan (TDK-Lambda Corporation)

TDK-Lambda Corporation, which is responsible for the TDK Group's power supply business, provides a range of maintenance, repair and overhaul services to promote the effective use of resources by making it possible for products to be used for a longer period of time. TDK believes that enabling products to be utilized reliably over an extended period will contribute toward controlling resource consumption and reducing waste.

Product overhaul (preventive maintenance) involves replacing components such as electrolytic capacitors and fan motors that tend to degrade over time before the product breaks down, and readjusting performance so that product lifespan is extended, thereby contributing toward the efficient use of resources. In FY March 2026, there were 339 instances of overhaul.

Through these measures, we are aiming to extend product lifespan, promote the circular use of resources and contribute toward reducing the burden on the environment.

E-Waste and Textile Waste Collection Project

TDK Thailand (TTL) partnered with two local companies to promote renewable energy and drive sustainable environmental improvement. In collaboration with AIS, a leading telecommunications service provider, TTL carried out the Toward Zero E-Waste Campaign, collecting and processing 92 electronic waste items totaling 11 kg, resulting in a CO₂e reduction of 0.000575 tons. TTL also launched the "Bring Waste Back Home" project in partnership with Better World Green PCL. From June to September 2024, 250 kg of textile waste collected from team members was converted into energy, achieving a CO₂e reduction of 0.0062 tons. Through these initiatives, TTL continues to advance sustainable environmental conservation.

Responsible Management of Chemical Substances

[Our Approach](#)
[Governance](#)
[Strategy](#)
[Risk Management](#)
[Metrics and Targets](#)
[Initiatives](#)

Our Approach

Management of Chemical Substances in Products

In 2004, TDK introduced the “Environmental Product Quality Management System” (EPQMS) as a system to prevent and control exposure to hazardous substances in products that threaten human health and the environment, and we operate it within our Quality Management System (QMS).

Management of Chemical Substances in Manufacturing Processes

We are promoting management of chemical substances globally by means of common guidelines with the goals of understanding the hazardousness and danger of chemical substances, and improving safety in their handling in compliance with each nation’s laws and the like.

In addition, we are moving forward on reducing the use and emissions of hazardous or dangerous chemical substances in order to reduce their impact on the environment as well as to mitigate the health risks to team members (employees) and risks of fires or explosions.

Governance

Responsible Departments

Management of Chemical Substances in Products Quality Assurance Group
Chemical Substance Management in Manufacturing Processes: Safety & Environment Group

Management of Chemical Substances in Products

The Quality Assurance Group of the Quality Assurance HQ manages risks and opportunities relating to the management of chemical substances in products under the supervision of the Board of Directors. The management of chemical substances in products is conducted in accordance with policies formulated by the Quality Assurance Group of the Quality Assurance HQ. The Quality Assurance HQ undertakes activities in cooperation with related divisions, and proposed measures are reflected in the day-to-day operations of each division. Resolution matters are reported to and deliberated by the Executive Committee, maintaining a reliable decision-making process.

Management of Chemical Substances in Manufacturing Processes

The Safety & Environment Group of the Sustainability Promotion HQ performs management of risks and opportunities relating to chemical substance management in manufacturing processes under the supervision of the Board of Directors. We promote those initiatives through a framework that integrates corporate management and environmental management under an Environmental Management System (EMS) with the President and CEO at the highest level of responsibility. Environmental activities including plans, progress, and risks are also reported to the Board of Directors on a quarterly basis, and are deliberated when necessary.

[Environmental Management System](#)

Education and Awareness Raising

To raise awareness of responsible chemical substance management and deepen the correct understanding, we continuously provide team members with education on the “Environmental Product Quality Management System” (EPQMS) and e-learning training, etc., on chemical substance management in manufacturing processes.

Strategy

Management of Chemical Substances in Products

The TDK Group aims to provide products with a low environmental impact. In doing so, we comply with international rules, national and regional laws and regulations, and industry association standards related to the management of chemical substances in products. Furthermore, we seek to understand the underlying principles and values of these regulations and may consider proactively restricting the use of certain substances in TDK products ahead of regulatory enforcement.

Management of Chemical Substances in Manufacturing Processes

By understanding the essence and values of international rules, national and regional laws and regulations, and industry association standards, we proactively and strategically engage in initiatives to enhance corporate value.

Risks and Opportunities

Regular risk assessments are conducted by the responsible departments, identifying risks within the TDK Group. If not properly managed, these risks can cause problems for the planet and society, making it difficult to continue business operations. By promoting “responsible chemical substance management,” we contribute to the realization of a sustainable society, including measures against climate change and biodiversity loss. This not only gains social trust but also promotes business growth.

Business Impacts

Continuing to introduce products with minimized environmental impact from raw material procurement to disposal and recycling leads to sustainable business growth. By disclosing information about “responsible chemical substance management” to a wide range of stakeholders, including consumers, customers, team members, distributors, industry associations, and governments, and enhancing communication using this information, the understanding of products and the dissemination of proper handling methods improve. As a result, this ensures social safety and trust, leading to business growth.

Social Impacts

The responsible management of chemical substances is deeply related to a variety of social and environmental issues including resource depletion, climate change, biodiversity loss, water shortages, air and water pollution, plastic-related problems, waste-related problems, and the dissemination of misinformation and disinformation. In accordance with our policies and strategies, we are deepening collaboration among industry, government, and academia and sharing information and collaborating with society concerning responsible chemical substance management initiatives including risk assessment, thereby ensuring the safety and security of people and contributing to solutions to various social issues including environmental issues.

Risk Management

Management of Chemical Substances in Products

TDK operates the “Environmental Product Quality Management System” (EPQMS), introduced in 2004, as part of its overall Quality Management System (QMS). Through this system, we ensure thorough prevention and control at each stage of the product lifecycle—“purchasing,” “creating and manufacturing,” and “selling.”

Related link

[Prevention and Control of Exposure to Hazardous Substances in Products](#)

Management of Chemical Substances in Manufacturing Processes

We manage operations by confirming handling precautions and applicable regulations through the use of GHS-compliant labels and Safety Data Sheets (SDS).

Metrics and Targets

Management of Chemical Substances in Manufacturing Processes

Goals and Achievements in FY March 2026

FY March 2026 Goal	Achievements
Mitigation of impacts on people and the environment from chemical substances	Reduced the use of hazardous substances through voluntary substitution, responding to customers' requests, and enhancing the efficiency of resource utilization

Evaluations and Future Activities

FY March 2027 Goal
Mitigation of impacts on people and the environment from chemical substances

Initiatives

Management of Chemical Substances in Products

In the context of the increased stringency of laws, regulations, and international conventions relating to the management of chemical substances in products-including the EU RoHS Directive, EU REACH Regulation, EU ELV Directive, China's RoHS management regulations, the United States' TSCA regulations, and the UN's POPs Convention-the TDK Group complies with domestic and international laws and regulations as well as customer requirements, implementing initiatives aimed at "delivering products with low environmental load." Introduced in 2004, the Environmental Product Quality Management System (EPQMS) is operated within our broader Quality Management System (QMS) and ensures thorough prevention and control across each stage of the product lifecycle-"purchasing," "creating and manufacturing," and "selling."

Measures Aimed at Reducing Chemical Substances in Products (TDK-Lambda Corporation)

TDK-Lambda Corporation is responsible for the TDK Group's power supply business. As a key policy, TDK-Lambda is promoting the elimination, in stages, of harmful substances contained in its products. Through this initiative, TDK-Lambda is aiming to reduce business continuity risk by preparing for the future tightening up of regulations, while also maintaining and enhancing its competitiveness by meeting environmental requirements in the global supply chain.

One concrete objective is to completely eliminate lead from all steel, aluminum and copper alloy used in the company's products by 2028. Although the inclusion of lead in these materials is currently classed as an exempted use for technical reasons under regulations such as the EU's RoHS, given that the regulations are likely to be tightened up in the future, TDK-Lambda is adopting a forward-looking approach by finding alternative materials and working toward the elimination, in stages, of the use of lead.

These types of measures enable TDK-Lambda to comply with the environmental requirements of customers and other business partners, while also contributing toward the maintenance of business relationships over the long term and toward the building of a sustainable supply chain.

Related links

[Prevention and Control of Exposure to Hazardous Substances in Products](#)

[Responses to Environmental Standards and Environment-Conscious Products ECO LOV](#)

Sustainability | Environment

Addressing Biodiversity

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

We at TDK see the role we play through our business activities as being to achieve a sustainable future through, for example, working to restore and protect the global environment. Loss of Biodiversity is a long-term global risk second in importance only to climate change. Throughout the entire product lifecycle—from raw material procurement to disposal—there is a growing demand for activities that avoid, mitigate, and restore adverse impacts on biodiversity, and that contribute to Nature Positive.

The TDK Environmental Charter clearly states that we are to consider contributions to ecosystems and take proactive action at all times. We promote initiatives for the conservation and restoration of biodiversity in collaboration with external partners such as local communities. In addition, we seek to avoid business activities in regions or surrounding areas that are deemed important for biodiversity at the value chain level.

Related links

[World Economic Forum \(WEF\) “The Global Risks Report 2026” \(Link to external site\)](#)

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

[Environmental Conservation Activities \(Social Contribution Activities\)](#)

Addressing the Taskforce on Nature-related Financial Disclosures (TNFD)

On September 18, 2023, the Taskforce on Nature-related Financial Disclosures (TNFD) issued its final Recommendations. Using the LEAP approach developed by TNFD, TDK has begun analyzing the connections between its businesses and nature, and identifying and assessing its dependence on natural capital including biodiversity, as well as the impacts, risks, and opportunities. Since 2024, TDK has been disclosing integrated reporting aligned with both the TCFD and TNFD frameworks.

Governance

Monitoring by the Board of Directors

TDK’s Board of Directors receives quarterly reports on the execution of environmental activities through the monitoring of non-financial goals’ progress. They deliberate and make decisions on basic policies, medium- to long-term strategies, annual plans, and key indicators and targets.

Management’s role

At the management meetings, reports are received from the executive departments on the status of goal achievement and risks. Environmental activities are overseen by the officer in charge of Safety & Environment. The Safety & Environment Group holds the executive responsibility for implementing measures to address environmental risks and conducting regular monitoring. They push forward activities in cooperation with relevant departments, including reporting on key KPIs, formulating medium- to long-term goals, and planning investments for environmental initiatives. Matters deemed to have a significant impact on management are deliberated at management meetings, and when necessary, at the Board of Directors’ meetings.

Strategy

TDK utilizes various resources to manufacture its products, with the result that waste is generated during our business activities. The use and application of these resources involve dependencies or impacts on, for example, natural capital (freshwater, seawater, soil, and air) and ecosystem services. We will evaluate our points of contact with nature, including biodiversity, as well as our dependencies and impacts, risks, and opportunities, and then consider strategies that can contribute to the safeguarding and restoration of biodiversity, in line with the LEAP approach of the TNFD.

Dependence on and impact on natural capital

In order to understand the relationship between business activities and natural capital through direct operations and upstream and downstream value chains, TDK evaluated the dependence and impact of each business sector. Figures 1 and 2 show the dependence on and impact on natural capital in a heat map. (This is not an analysis of TDK's specific dependence and impact.)

Value chain	Business activity processes	Dependence on nature															
		Provisioning services				Regulating services											
		Freshwater	Biomass	Genetic resources	Other resources	Pollutant purification	Air purification	Water purification	Noise attenuation	Flow regulation	Climate regulation	Flood and storm protection	Soil and sediment retention	Soil quality regulation	Pollination	Maintenance of population and habitat	Biological pest control
Development and design	Product design and development	VL	-	-	VL	VL	L	VL	L	VL	VL	L	VL	-	-	-	-
Raw material procurement	Natural resource extraction	H	-	-	-	-	-	-	-	H	H	-	M	-	-	-	-
	Raw material production (metals)	H	-	-	-	-	-	-	-	M	M	-	L	-	-	-	-
	Raw material production (paper, wood, plastics, rubber)	H	VH	-	-	-	-	-	-	M	VL	M	L	-	-	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	-	-	-	-	-	M	-	-	-	-	-	-	-
	Electricity (non-renewable energy)	H	-	-	-	VL	-	L	-	M	VL	M	L	H	-	-	-
	Electricity (renewable energy)	H	H	-	-	VL	-	L	-	VH	VH	H	H	H	H	-	-
	Natural gas	L	-	-	-	VL	-	L	-	-	M	M	H	-	-	-	-
	Domestic and industrial water	VH	-	-	-	-	-	H	L	VH	M	M	M	M	-	-	-
Product manufacturing	Ownership of infrastructure (e.g., factories)	L	-	-	-	-	L	-	L	-	-	-	L	L	-	L	-
	Production of electronic devices, components, and hardware	M	-	-	-	L	-	L	M	M	-	M	VL	VL	-	-	-
Sales	Transport and sales	-	-	-	-	VL	-	-	-	-	M	-	L	-	-	-	-
Use	Product use	H	-	-	-	-	-	L	-	-	M	-	-	-	-	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	-	VL	-	-	-	-	-	-	-	-	-	-	-

Figure 1: Heat map (dependence)

Value chain	Business activity processes	Impacts on nature											
		Land, freshwater, and marine use change			Climate change	Resource use/restoration		Pollution/remediation					Invasive alien species
		Use of terrestrial ecosystems	Use of freshwater ecosystems	Use of marine ecosystems	GHG emissions	Water use	Use of other resources	Solid waste	Non-GHG air pollution	Soil contamination	Water pollution	Disturbance	Introduction of invasive species
Development and design	Product design and development	L	-	-	L	L	L	L	L	L	L	L	-
Raw material procurement	Natural resource extraction	VH	H	-	VH	VH	VH	H	H	H	H	H	M
	Raw material production (metals)	M	-	-	VH	VH	H	VH	-	VH	VH	H	-
	Raw material production (paper, wood, plastics, rubber)	H	-	-	VH	VH	H	-	M	H	H	-	-
	Raw material production (ceramics, inorganic materials)	M	-	-	VH	VH	H	L	H	-	H	-	-
	Electricity (non-renewable energy)	M	H	-	VH	VH	-	VH	H	H	VH	H	-
	Electricity (renewable energy)	VH	VH	-	M	VH	-	-	-	H	H	-	-
	Natural gas	H	H	H	VH	VH	-	L	H	H	H	-	L
	Domestic and industrial water	H	H	-	-	H	L	L	-	L	L	-	-
	Product manufacturing	Ownership of infrastructure (e.g., factories)	VH	-	-	-	L	-	-	-	M	M	-
Production of electronic devices, components, and hardware		-	-	-	H	H	-	H	M	H	H	M	-
Sales	Transport and sales	-	-	-	L	L	-	L	L	L	L	-	-
Use	Product use	-	-	-	H	M	-	H	-	-	M	-	-
Collection, recycling, and disposal	Product disposal and recycling	M	-	-	H	M	-	H	L	H	L	-	-

Figure 2: Heat map (impact)

As a manufacturer in the electronic components sector, TDK shows a moderate dependency on water supply and regulation services in its direct operations. At the same time, there is a relatively high impact associated with water use and water pollution. Additionally, infrastructure such as factories is found to have a high impact due to land-use changes, which may adversely affect ecosystems depending on the location.

In the upstream value chain—particularly in resource extraction, raw material production, and electricity procurement—there is a tendency toward very high impacts related to water use and water pollution. The further upstream in the value chain, the more direct the interactions with nature, leading to greater impacts.

Risks and Opportunities

Risks and opportunities related to biodiversity are shown in Table 1.

For physical risks, there are potential risks related to the reduction of water resources and water pollution. Transition risks include the tightening of environmental regulations and the potential decline in external ESG evaluations. Countermeasures for these risks include strengthening water risk management and ensuring appropriate disclosure of water-related environmental data.

Opportunities include enhancing competitiveness through more advanced water use, expanding water-related business, and implementing activities such as afforestation to support the conservation, restoration, and creation of biodiversity in regions surrounding business sites.

Risks	Physical	Chronic	Decline in water resource availability	Water resources	Short / Long Term	Reduction in water dependency through water conservation and recycling
			Risk of depletion of important raw materials	Ecosystem	Short / Medium Term	Use of sustainable raw materials, including recycled metal, biomass, etc.
			Water pollution caused by waste water that contained harmful chemical substances	Water resources	Short / Long Term	Strengthening waste water management
			Soil pollution caused by harmful waste	Ecosystem	Medium / Long Term	Reducing waste, and promoting reuse and recycling
	Transition	Policy	Strengthening of regulations and ordinances on water source conservation and pollution	Water resources	Short / Medium Term	Reducing the burden on the water environment by improving waste water treatment processes
			Strengthening of regulations on emissions and mandatory recycling	Ecosystem	Medium / Long Term	Strengthening of emissions management
			Adoption of environmentally friendly raw materials, and tightening up of regulations relating to ease of recycling	Ecosystem	Medium / Long Term	Product eco-design
			Strengthening of regulations and ordinances on protected areas and land use change	Ecosystem	Medium / Long Term	Promoting biodiversity conservation activities
		Market	Increased raw material procurement costs	Ecosystem	Medium / Long Term	Monitoring trends in raw material prices, implementing risk hedging for procurement, and signing long-term supply agreements
		Reputation	Erosion of stakeholder trust due to inadequate disclosure of ESG data	Water resources Ecosystem	Medium / Long Term	ESG data collection and third-party verification Implementing data disclosure through appropriate disclosure media
			Reputational risk associated with environmental pollution and disturbance	Water resources Ecosystem	Short / Medium Term	Strengthening the environmental safety management system

Opportunities	Business performance	Products and services	Reducing environmental impact by extending product lifespan and through collection and reuse	Ecosystem	Medium / Long Term	Reducing customers' CO ₂ emissions
		Market	Customer preference for products aligned with decarbonization and nature-positive goals	Water resources Ecosystem	Medium / Long Term	Enhancing market competitiveness through environmental value (solid-state batteries, water-related business, etc.)
			Investing in advanced sustainable technologies including resource-circulating technology	Ecosystem	Short / Long Term	Developing markets with high growth potential in the sustainability sector
	Sustainability performance	Reputation	Enhancing our reputation regarding nature positive	Water resources Ecosystem	Short / Long Term	Goal setting and information disclosure that reflect sustainability trends
		Sustainable use of natural resources	Mitigating environmental impacts relating to raw materials procurement and upstream production processes	Ecosystem	Medium / Long Term	Conservation of natural resources through the use of sustainable raw materials Waste recycling and resource recycling of useful materials
		Protection, restoration, and regeneration of ecosystems	Biodiversity conservation, restoration, and creation initiatives in regions surrounding business sites	Ecosystem	Medium / Long Term	Ecosystem restoration through reforestation and related activities

Table 1: Risks and opportunities related to biodiversity

*Time axes: Short term refers to less than one year, medium term refers to one year to less than three years, and long term refers to 3 to 20 years.

Risk Management

Process for identifying and evaluating environmental dependencies, impacts, risks, and opportunities

The identification and evaluation of environmental dependencies, impacts, risks, and opportunities were conducted using the Relationship Map between the Electrical and Electronics Industry and Biodiversity, ver. 3.0. This tool is aligned with the LEAP approach recommended by the TNFD and is designed to extract material items related to “dependence and impact,” “risks and opportunities,” and “business actions” across the product lifecycle. In addition, ENCORE was used to support the evaluation of dependencies and impacts by industry sector.

[Relationship Map between the Electrical and Electronics Industry and Biodiversity, Ver. 3.0 \(Link to external site, in Japanese\)](#)

Environmental Risk Management Process

At TDK, the Enterprise Risk Management (ERM) Committee, chaired by a corporate officer appointed by the President and CEO, carries out company-wide risk management activities. The ERM Committee identifies company-wide risks in accordance with the Risk Management Regulations. The long list of risks managed by the committee includes environment-related risks, which are treated as management targets if deemed significant through business risk analysis and evaluation.

The Safety & Environment Group, which leads the promotion of environmental activities across the TDK Group, is responsible for identifying environmental risks and opportunities, implementing countermeasures, and conducting monitoring.

Company-Wide Risk Management Process

Risk management framework

TDK implements Enterprise Risk Management (ERM) activities across the organization to appropriately manage and proactively address factors (risks) that may hinder the achievement of organizational goals-as part of its pursuit of sustainable growth. To formulate and implement ERM-related measures and strengthen risk management activities, TDK has established the ERM Committee, chaired by a corporate officer appointed by the President and CEO.

The ERM Committee conducts analysis and evaluation of company-wide risks, identifies those requiring countermeasures, and assigns a risk owner department, implementing department, and relevant departments for each risk to ensure appropriate management. The risk owner department is responsible for establishing minimum requirements and rules for the risk management framework, compiling risk assessment results and reporting. The implementing department is responsible for building the necessary systems for managing the assigned risks, planning and executing specific countermeasures, and monitoring progress.

The results of risk analysis and evaluation by the ERM Committee, along with the status of countermeasures for significant risks, are deliberated by the Executive Committee and reported to the Board of Directors.

Implementation of countermeasures

The ERM Committee communicates the countermeasures for each risk to the respective risk owner departments, implementing departments, and related departments. The implementing departments work closely with related departments to implement or instruct the necessary measures for the risks assigned to each TDK Group company. Based on instructions from the implementing departments, each TDK Group company carries out countermeasures for each risk accordingly.

Monitoring and improvement

The implementing departments regularly monitor the status of countermeasure implementation for the risks under their responsibility and verify whether those risks are being adequately controlled. The risk owner departments, in turn, verify whether the implementing departments are appropriately monitoring the implementation status.

Based on the monitoring results compiled by the implementing departments, the ERM Committee may issue recommendations for improvement to the risk owner departments or implementing departments if deemed necessary.

Metrics and Targets

Please refer to the TCFD/TNFD

[TCFD/TNFD](#)

Initiatives

Consideration of water resources (Global)

At TDK, water is an essential resource in manufacturing activities. Since we are impacted by such events as the exhaustion of water resources and flooding, the proper understanding and management of water risks are important issues for us. We monitor and manage regional water risks and the state of water use in production factories and endeavor to reduce water withdrawals in manufacturing processes.

The reduction of water withdrawal is one of the activities in the “TDK Environment, Health and Safety Action 2025,” and we have set an annual reduction target of 1.5% improvement in the intensity of water withdrawal compared to the previous fiscal year. In FY March 2026, TDK’s total water withdrawal amounted to 17,261,000 m³, an increase of 11.2% from the previous fiscal year. The water withdrawal intensity improved by 2.1% compared with the previous fiscal year, and the target was achieved.

For more information on our approach to water resources, please see the link below.

[Water Resources Conservation](#)

Biodiversity Conservation & Restoration Programs (TDK Philippines Corporation)

Since 2017, TDK Philippines Corporation (TPC) has spearheaded a forest adoption initiative at Tayak Hill in Laguna to promote biodiversity and long-term environmental stewardship. This program focuses on the planting of native species and a rigorous maintenance schedule, including four clean-up visits and two planting sessions annually to ensure high seedling survival rates. To support both the environment and the local community, TPC has invested in site infrastructure at Tayak Hill, including the construction of shelter huts, the restoration of facilities, and the installation of steel benches and repurposed waste-segregation bins. These activities are carried out in close coordination with the Local Government Unit (LGU) and involve participation from contractors and neighboring companies, fostering a culture of collective stewardship and environmental awareness.

Since July 2025, TPC has further extended its environmental commitment by participating in a wetland rehabilitation project on Boracay Island, in collaboration with the Laguna Technopark Environmental Group (LTEG) and local government offices. This initiative focused on protecting critical wetland habitats that serve as natural water filters, carbon sinks, and flood regulators. By planting trees in these specialized areas, TPC helps preserve unique flora and fauna while balancing environmental sustainability with local development. These combined efforts across both forest and wetland landscapes reflect TPC’s dedicated approach to preserving the natural heritage and ecological balance of the Philippines.



Environmental Awareness and Biodiversity Conservation (TDK Thailand)

As part of the T130 Social Contribution Activities, TDK Thailand implemented an environmental initiative at Ban Lam Daeng School in Ayutthaya Province. The project focused on raising environmental awareness among the younger generation through practical conservation and waste management education. To support local biodiversity, TDK Thailand conducted the planting of the *Magnolia sirindhorniae*, a rare and endemic Thai tree species currently classified as endangered. By cultivating these trees in the school's vegetable area and yard, the project aims to help protect a species that is endangered in the wild, increasing its population outside its natural habitat. Additionally, *Cordia dichotoma*—the auspicious tree of Ayutthaya Province—and mahogany trees were added to the school grounds to increase species diversity and improve the local landscape.

Complementing these conservation efforts, TDK Thailand organized a “Waste-separation campaign” for 150 students and teachers. This program provided hands-on training for correct waste segregation at the source to improve recycling rates and reduce landfill waste. To ensure the sustainability of these habits, TDK Thailand donated and installed a complete set of waste-segregation stations across the campus. These combined efforts reflect TDK Thailand's commitment to preserving Thailand's unique natural heritage and fostering environmental responsibility within the community.



Sustainability | Environment | External Assurance

Third-Party Review of Environmental Performance Data

To enhance the objectivity of its environmental performance data, TDK had the following items reviewed by third parties.

- Calculation method for CO₂ emissions from production activities: SOCOTEC Certification Japan Co., Ltd.
- Calculation method for reduction of CO₂ emissions through products: SGS Japan Inc.



Review Confirmation Report (Summarized Version)

Purpose of the Review

SGS Japan Inc. was commissioned by TDK Corporation (hereinafter referred to as "the Organization") to review the validity of "The Guideline for Assessing Product Contribution on Avoided Greenhouse Gas Emissions" issued on Mar. 23, 2016 (hereinafter referred to as "the Guideline") and the Greenhouse Gas (GHG) Emissions Calculation Method 2015. The objective of this work is to check the validity of the Guideline and the Calculation Method, and the verification of the accuracy of the data was not included.

Procedures Implemented during the Review

The following processes were implemented in this activity:

- Preliminary review of the report: We implemented a preliminary review to verify that the calculation method stated in the Guideline did not contain any issues with lack of validity, and extracted some issues needed to be confirmed.
- Interviews and review of materials: We had interviews on the business outline and calculation details at TDK Corporation Technical Center, as well as reviews of a part of the source materials.

Reference standard: ISO14064-1 : 2006, ISO14064-2 : 2006, ISO14064-3 : 2006, IEC TR 62726:2014, Guidance on Calculating GHG Emission Reduction Contributions of Electronic Components (published by JEITA on Jan. 2016)

Overall Consideration

Within the scope of the procedures implemented, nothing has come to our attention that caused us to judge that the Guideline and the Greenhouse Gas (GHG) Emissions Calculation Method 2015 contain any significant issues with lack of validity.

May.16, 2016
SGS Japan Inc.

[Third-Party Assurance](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Environment

A History of TDK's Environmental Activities

2026	Mar. Selected as Leader in the CDP Supplier Engagement Rating 2025 (highest rating) for six consecutive years
	Feb. Named on CDP's "A" list for the category of water-security (highest rating) for six consecutive years
2025	Feb. TDK named climate leader on CDP's annual 'A-List' for climate change and water security
	Feb. TDK achieves verification of net-zero targets by the Science Based Targets initiative (SBTi)
2024	Jun. TDK receives SBT certification of its greenhouse gas reduction targets
	Mar. Selected as Leader in the CDP Supplier Engagement Rating 2023 (highest rating) for four consecutive years
	Feb. Named on CDP's "A" list for the category of water-security (highest rating) for four consecutive years
	Jan. TDK-Lambda started using 100% electricity derived from renewable energy for operations at all manufacturing sites worldwide
2023	Jul. Issuance of TDK's First Green Bond and Fundraising through Sustainability-Linked Loans
	Jul. All Japan manufacturing sites started using 100% electricity derived from renewable energy for operations
	Mar. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating for three consecutive years
2022	Dec. Named on CDP's "A" list for the category of water-security (highest rating) for three consecutive years
	Nov. Joined the RE100 global initiative with a commitment toward use of 100% renewable energy for energy consumed in business activities
	Oct. The TDK Group Occupational Health / Safety and Environmental Charter established
	Sept. Submitted a letter of commitment to the Science Based Targets Initiative (SBTi), an organization that certifies Science Based Targets—greenhouse gas emission reduction targets that are scientifically consistent with the targets set by the Paris Agreement
	Mar. Selected as an "Environmentally Sustainable Company" in the ESG Finance Awards Japan
	Feb. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating for two consecutive years

2021	Dec. Named on CDP's "A" list for the category of water-security (highest rating) for two consecutive years
	Oct. Issued TDK's first Sustainability-Linked Bonds
	Jun. Supplier Environmental Award begins
	Feb. Selected as the Leaderboard (highest rating) of the CDP Supplier Engagement Rating
2020	Dec. Named on CDP's "A" list for the category of water-security (highest rating)
	Dec. Received rating of 'A- (A minus)' from CDP for climate change
	Aug. Achieved local production for local consumption of renewable energy at the TDK Museum
	Feb. Commendation from the U.S. Environmental Protection Agency for Reduction Efforts of Metal Waste (Lead and Copper)
	Jan. TDK Asama Techno Factory received The Energy Conservation Center, Japan Chairman's Award in the Energy Conservation Best Practice Category of the FY March 2019
2019	May. Expressed support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)*1
2018	Clean energy purchasing promoted primarily at European sites of TDK Electronics AG
	Revision of the TDK Environmental Charter (fifth edition)
2017	Received a special award in the DBJ Environmental Rating for the third consecutive year
	Total abolition of high-concentration PCB equipment in Japan
2016	"Guidelines for Calculation of Product Contributions" published with the aim of enhancing the reliability of product contribution calculations
	TDK Environment, Safety and Health Action 2025 formulated as fundamental environmental plan in accordance with the TDK Environmental Vision 2035 (started from April 2016)
2015	Achieved the fundamental environmental plan "TDK Environmental Action 2020" goal of a one million-t-CO ₂ environmental contributions
2012	Received a special award in the DBJ Environmental Rating for second time in a row
2011	Fundamental environmental plan, TDK Environment Action 2020, drafted (started from April 2011)
2010	Became the first electronic components manufacturer to receive a special award in the Environmental Rating from Development Bank of Japan (DBJ)

2009	TDK Biodiversity Action Agenda established
2007	Chinese headquarters obtained ISO14001 certification (first step toward integration of EMS in China into company-wide system)
	Zero emissions achieved*2 for manufacturing facilities of all overseas subsidiaries
2006	EMS integration for all manufacturing facilities in Japan completed
2005	Fundamental environmental plan, TDK Environmental Action 2015, drafted (started from April 2006)
2003	Zero emissions achieved*2 at all TDK sites in Japan
2002	Fundamental environmental plan, TDK Environmental Activities 2010, drafted (starged from April 2003)
2000	ISO 14001 certification of all manufacturing and R&D facilities of TDK Group in Japan completed
1999	Regular release of Environmental Report begins
1993	TDK Environmental Voluntary Plan formulated

*1 The Task Force on Climate-Related Financial Disclosures (TCFD) was created in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

*2 Zero emissions is defined at TDK as 100% final resource recovery without any disposal by landfilling or simple incineration of waste produced at business sites (excluding resources which cannot be recovered separately under the legal framework)

Sustainability



Social

▶ [Respect for Human Rights](#)

▶ [Customer Satisfaction](#)

▶ [Human Resources](#)

[Human Resources Development](#)

[Diversity, Equity & Inclusion](#)

[Talent Attraction & Retention](#)

[Health and Productivity Management](#)

▶ [Health and Safety](#)

▶ [Social Contribution Activities](#)

▶ [Social Data \(ESG Data\)](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Social

Respect for Human Rights

[Our Approach](#)

[Risk Management](#)

[Metrics and Goals](#)

[Communication with external parties](#)

[Grievance Mechanism](#)

[Governance](#)

[Identification and Evaluation of Human Rights Risks](#)

[Initiatives](#)

[Collaborative Initiatives](#)

Our Approach

Understanding of Global Trends on Human Rights Issues

Since the UN Human Rights Council adopted the “protect, respect, and remedy” framework, known as the Ruggie Framework, with regard to business and human rights in 2008, a series of international Corporate Social Responsibility (“CSR”) guidelines and UN and EU policies have been introduced in accordance with the framework, and countries throughout the world have enacted laws addressing human rights in the context of international business. These laws require companies to specifically identify human rights issues in their business activities and take appropriate action.

Our Policies for Respecting Human Rights

The TDK Group Code of Conduct states that “The TDK Group shall respect and uphold international norms regarding human rights. In addition, based on the recognition that it is important to understand the potential impact of all corporate activities on human rights and to conduct activities to prevent and mitigate adverse impacts, the TDK Group shall continuously administer human rights due diligence within the value chain to fulfill its responsibilities.” To that end, TDK Group Code of Conduct provides that “The TDK Group shall not tolerate any form of inhumane labor including child labor and all types of forced labor or human trafficking,” and that “The TDK Group shall comply with applicable laws and regulations regarding minimum wages, working hours, and other protections for workers.” TDK respects such internationally recognized human rights, as respect for freedom of association and right to collective bargaining. The TDK Group Code of Conduct also states that “The TDK Group shall take measures to remedy, correct, improve, and prevent recurrence if the TDK Group recognizes that its corporate activities have caused or contributed to adverse human rights impacts. In addition, the TDK Group shall enhance effective mechanisms to enable quick actions concerning any comments related to human rights, and to remediate the issue if any.”

The TDK Group Policy on Human Rights was formulated in 2016. TDK respects and supports international norms on human rights including the International Bill of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Children’s Rights and Business Principles. Based on the framework of the UN Guiding Principles on Business and Human Rights (UNGP), TDK promotes the correct understanding of potential human rights issues and takes steps to address them, not only within the business operations of TDK itself but also throughout the value chain.

The “TDK Group Human Rights Policy” is published on our website and communicated to internal and external stakeholders. We expect all stakeholders, including our business partners and suppliers, to understand and support this policy, and we request that their responses be in compliance with the TDK Group Business Partner Code of Conduct, including the prohibition of unreasonable restrictions on movement leading to child labor, forced labor, or compulsory labor, and the respect for freedom of association and the right of collective bargaining.

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Related links

[TDK Group Code of Conduct](#)

[TDK Group Policy on Human Rights](#)

[TDK Group - Human Rights Statement](#)

[TDK Group Business Partner Code of Conduct](#)

Governance

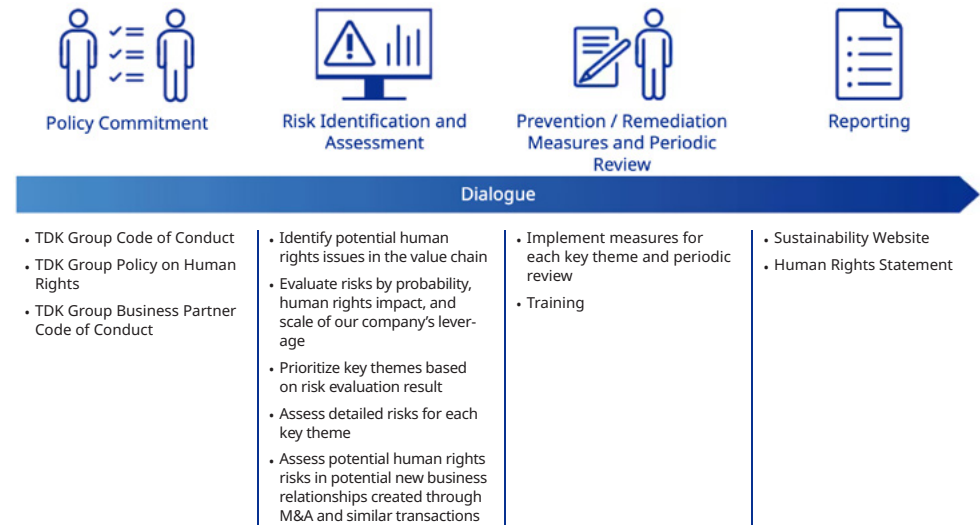
TDK promotes human rights initiatives under the responsibility of the Sustainability Committee Chair (Corporate Officer). The Sustainability Management Group within the Corporate Strategy Headquarters works in close collaboration with relevant functions to advance these ongoing initiatives and day-to-day operations. Group-wide sustainability policies, including human rights initiatives, are discussed and deliberated by the Sustainability Committee under the direct control of the Executive Committee, and are subsequently submitted to both the Executive Management Meeting and the Board of Directors Meeting. The Board of Directors reviews these submissions and, when necessary, undertakes further deliberations and makes resolutions. In FY March 2026, two topics relating to human rights were deliberated on and examined by the Sustainability Committee.

Risk Management

Due Diligence Process

TDK undertakes human rights due diligence processes and promotes its due diligence activities in line with the procedures set out in the UNGP and the OECD Due Diligence Guidance for Responsible Business Conduct. We also continue to dialogue with internal/external parties including human rights specialists and stakeholders to make our activities more effective.

Human Rights Due Diligence Process of the TDK Group



Identification and Evaluation of Human Rights Risks

Human Rights Key Themes of the TDK Group

TDK periodically reviews the issues which could present potential human rights risks and the groups of people who might be vulnerable to such risks through dialogues with external parties, reports from international human rights organizations and conducting risk assessments and CSR self-checks.

Additionally, when new business relationships arise, we conduct human rights risk assessments. For example, during due diligence in mergers and acquisitions, we investigate the status of human rights initiatives, working conditions, occupational health and safety, and compliance with relevant laws to ensure that there are no significant human rights risks in companies joining the group.

In FY March 2024, as we reviewed key issues (materiality) in the formulation of a new Medium-Term Plan to begin from FY March 2025, we conducted reassessments of "Potential human rights risks that may be addressed by the TDK Group" and "human rights key themes."

We identified stakeholders and human rights risks potentially impacted by the TDK Group's activities in the upstream, internal, and downstream value chains and confirmed consistency with "Potential human rights risks that may be addressed by the TDK Group."

Potential human rights risks that may be addressed by the TDK Group

Value chain	Procurement		Development and Manufacturing		Sales
Potentially affected stakeholders	Employees of sub-contractors, suppliers and labor agencies	Communities/ Indigenous peoples	Group employees	Communities/ Indigenous peoples	Customers/ End users
Potential human rights risks					
Product safety	-	-	-	-	○
Human rights infringement by unintended use of products and technologies	-	-	-	-	○
Protection of personal information and privacy	○	-	○	-	○
Child labor, forced labor and human trafficking	○	-	○	-	-
Working hours and fair wage management	○	-	○	-	-
Occupational safety and health	○	-	○	-	-
Unfair treatment of foreign workers	○	-	○	-	-
Discrimination (treatment of employment, pay, training, promotion, etc.)	○	-	○	-	-
Freedom of association and the right to collective bargaining and concerted action	○	-	○	-	-
Harassment	○	-	○	-	-
Responsible sourcing of minerals	○	○	-	-	-
Impact on employment by establishment, closing and consolidation of facilities	○	○	○	○	-
Infringement of local residents' rights by inappropriate environmental management in a factory (health hazard, degradation of daily life environment and decrease in assets, etc.)	-	○	-	○	-

Next, we did scoring and assigned prioritizations from the perspectives of severity of impact and probability of occurrence, and confirmed that they matched with “human rights key themes.” Furthermore, based on the results of reports from international human rights groups; the risk assessments for labor and business ethics, CSR self-checks, and audits at manufacturing sites; and reviews by external experts, we conducted an analysis of vulnerable stakeholders and redefined our “priority issues on which to focus.” As a result, we recognized three priority issues: “responsible sourcing of minerals,” “respecting human rights of employees at our manufacturing sites,” and “respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies).” We identified specific human rights key elements to address within these three priority issues and are working on preventive and mitigation measures and monitoring progress. We will continue to conduct regular reevaluations.

Human rights key themes

Human rights key themes	Specific human rights key elements	Measures taken by TDK
Responsible sourcing of minerals	• Child labor, forced labor, human trafficking	Responsible Sourcing of Minerals
Respecting human rights of employees at our manufacturing sites	• Working hours • Occupational safety and health • Discrimination (treatment of employment, pay, training, promotion, etc.) • Harassment	Social and Environmental Consideration at Manufacturing Sites
Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)	• Working hours • Occupational safety and health • Discrimination (treatment of employment, pay, training, promotion, etc.) • Harassment • Unfair treatment of foreign workers • Child labor, forced labor, human trafficking	Sustainable Procurement

Approach to Specific Human Rights Key Elements

Prohibition of Child Labor and Forced Labor

The TDK Group Code of Conduct clearly prohibits any form of inhumane labor, including child labor and all types of forced labor*, as well as human trafficking, and TDK takes various measures to prevent their occurrence. For example, to address and prevent the risk of child labor, we conduct regular verification of official documents and employee interviews at all manufacturing sites to prevent impersonation before and during employment. Furthermore, if employees below the working age are found, procedures are in place to provide educational training instead of employment and to cover the related costs to resolve the issue.

Thanks to such measures, no child labor was found during FY March 2026 at TDK. We also perform checks to reduce the risk of actions that may be related to forced labor, such as requiring employees to hand over the original of their government-issued ID document (except where required by law) or requiring the payment of recruitment fees, and we are making a serious effort to prevent forced labor.

In addition, the TDK Group Business Partner Code of Conduct also requires our business partners to comply with these principles.

*Forced Labor refers to any labor that is coerced, such as by threat or intimidation of punishment, and is not voluntarily offered. (Example: As a measure of compelling involuntary labor, to collect recruitment fees from workers, to restrict workers' freedom of movement unreasonably, and to hold/destroy/conceal/confiscate workers' government-issued identification cards, etc.)

Working Hours and Fair Wage Management

At each site, the principle of equal pay for equal work is respected, based on the relevant labor laws and regulations in that country, and appropriate wages, allowances, bonuses, other temporary payments, and retirement benefits are defined in work rules and labor agreements (such as collective labor agreements). We comply with all wage-related laws concerning minimum wages, statutory benefits, overtime, etc., in each country and have internal regulations or procedures to ensure compliance with these laws. Employees are notified of their wages through pay slips or electronic data and are paid directly within the prescribed pay period and time. In addition, we protect employees' rights in relation to the granting of paid annual leave and payment for overtime work. Measures are also taken to prevent excessive labor hours beyond legal limits, with risk-specific countermeasures at each manufacturing site. For example, if there is a 60-hour or lower work hour limit as stipulated by the Responsible Business Alliance (RBA) Code of Conduct, we notify relevant employees to prevent exceeding these limits. Additionally, in countries with a high risk of excessive labor, the headquarters' human resources function (global HR) continues monitoring.

For suppliers, the TDK Group Business Partner Code of Conduct outlines our stance on long working hours, overtime, compensation, and minimum wages.

Occupational Safety and Health

Recognizing that a safe and healthy working environment is critical for protecting our employees and therefore is of the utmost importance to TDK, TDK promotes safe and healthy working conditions in line with the TDK Group Occupational Health/Safety and Environmental Charter, which was updated in 2022. We also established a 'Health and Safety' agenda in the TDK Group Business Partner Code of Conduct and indicate our approach for identification and reduction of potential safety risks in the working environment, response to emergencies, occupational accidents and diseases, internal communication for safety and health, etc.

Related link

[Health and Safety](#)

Protection of foreign workers

Regarding foreign workers from third countries, especially unskilled workers who are socially and economically disadvantaged and thus more vulnerable to forced labor and human trafficking, we take necessary measures in relation to the risk of human rights infringements affecting foreign workers so as to prevent abuse, ensure respect for human rights, and correct abuses in the supply chain. These measures include signing employment contracts in a language that the employees can understand.

Prohibition against discrimination

The TDK Group Code of Conduct stipulates that "The TDK Group shall not engage, directly or indirectly, in any discrimination based on race, color, age, gender, sexual orientation, gender identity, gender expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information, or marital status, and ensure equal opportunities in hiring and employment practices such as wages, promotions, rewards, education, and training." We also require the same protections in the TDK Group Business Partner Code of Conduct. In its business activities (including contracting and subcontracting relationships), TDK focuses not only on profitability, but also on compliance with laws and regulations and respect for human rights and labor rights on the part of our procurement partners, and so we expect our business partners to abide by the Code of Conduct.

Freedom of association and the right to collective bargaining and concerted action

At TDK Corporation and some subsidiaries, there are employees who are members of labor unions.

TDK Corporation holds regular labor-management council meetings, at which management issues are shared and discussions are held regarding working conditions, etc. We strive to build and maintain a relationship of trust between labor and management through communication via various consultative bodies of this type.

The TDK Group Code of Conduct stipulates that harmonious labor-management relations be maintained through open communication between employees or their representatives and management regarding working conditions and business practices, without fear of discrimination, reprisal, intimidation, or harassment. This applies even at subsidiaries in countries or regions where the formation of labor unions is not permitted by law or labor practices, and to employees who are not members of a labor union.

Environmental risks that may lead to human rights violations

With regard to environmental risks that may lead to human rights violations, TDK identifies such risks at each manufacturing site in accordance with ISO 14001 and implements necessary risk mitigation measures. In addition, the TDK Group Business Partner Code of Conduct contains an 'environment' component that reflects our approach requiring the proper management of chemical substances and other potentially harmful substances that may pose a risk to the human body and the environment.

Related links

[TDK Group Code of Conduct](#)
[Health and Safety](#)
[TDK Group Business Partner Code of Conduct](#)
[Responsible Sourcing of Minerals](#)
[Sustainable Procurement](#)
[Social and Environmental Consideration at Manufacturing Sites](#)

Metrics and Goals

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievement
Responsible sourcing of minerals	Responsible sourcing of minerals
Respecting human rights of employees at our manufacturing sites	Respecting human rights of employees at our manufacturing sites
Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)	Respecting human rights of employees at suppliers (including manufacturing sub-contractors and labor agencies)

Initiatives

Initiatives for Prevention and Reduction of Human Rights Risks

With regard to issues that need to be prioritized as being of key importance, TDK undertakes activities aimed at preventing and mitigating risk, referencing the UNGP and the RBA Code of Conduct, assessment items and audit framework. In 2020, TDK joined the RBA, an organization which is dedicated to improving social, environmental and ethical conditions in the global supply chains. TDK utilizes the RBA Code of Conduct as the standard to promote our CSR activities at manufacturing sites. The details are as follows.

Related link

[RBA Code of Conduct \(Link to external site\)](#)

Responsible Sourcing of Minerals

TDK started its response to the problem of conflict minerals following the enactment of the US Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. In April 2013, we formulated the TDK Group Policy on Conflict Minerals, established a survey and response system at each Group company, and have carried out initiatives in line with the Due Diligence Guidance of the Organisation for Economic Co-operation and Development (OECD).

Considering that the scope of discussions on responsible sourcing of minerals has recently expanded to conflict-affected and high-risk areas for serious human rights violations or environmental pollution, to avoid being complicit in these problematic activities we revised our policy, which is now entitled the “TDK Group Policy on Responsible Sourcing Minerals” in January 2019. Under this revised policy, TDK continues to promote responsible sourcing of minerals throughout the supply chain, including minerals such as tantalum, tin, tungsten, gold, cobalt, mica, copper, graphite, lithium and nickel which pose an increased risk of being sourced from conflict areas and regions with high risks of misconduct, including human rights abuses and environmental destruction.

For more details, please see the following:

[Responsible Sourcing of Minerals](#)

Respecting Human Rights of Employees at Our Manufacturing Sites

TDK recognizes that, in our role as a supplier, striving to give due consideration to social and environmental concerns at TDK Group manufacturing sites, and fulfilling our responsibilities to society, is very important for the long-term continuation of our business. Using a three-stage framework that covers self-assessment, auditing, training and dialogue, we strive to identify problems and realize continuing improvement. Every year, we implement CSR self-checks and labor/corporate ethics risk assessment at all our manufacturing locations, based on the RBA framework. These activities are overseen by the Safety & Environment Group at the head office. In addition, we aim to ensure that every manufacturing site undergoes of the following at least once every three years: an RBA certification audit, a CSR audit conducted by a customer, or a simplified CSR assessment based on the RBA auditing criteria. If problems are discovered at a manufacturing site while implementing these activities, we will consider appropriate response measures and implement corrective action.

For more details, please see the following:

[Social and Environmental Consideration at Manufacturing Sites](#)

Respecting Human Rights of Employees at Business Partners (Including Manufacturing Sub-contractors and Labor Agencies)

The TDK Group will be working together with its business partners to not only comply with legal requirements and social norms, but also to live up to social responsibilities to respect human rights and help safeguard the global environment.

As an enterprise that has production sites all over the world, the TDK Group has drawn up the TDK Purchasing Policies in line with the Group's Global Partnership Purchasing (Purchasing Principles), and conducts purchasing activities in accordance with these Policies.

In addition, the TDK Group is working to realize continuing improvement through the implementation of a two-stage process of self-assessment followed by auditing, referencing the RBA criteria and taking into account the current state of transactions with (and business content of) materials suppliers, manufacturing sub-contractors, and labor agencies.

For more details, please see the following:

[Sustainable Procurement](#)

[Global Partnership Purchasing \(Purchasing Principles\)](#)

See also information on human rights considerations throughout the supply chain.

Related link

[ESG Data](#)

Training

TDK raises awareness of human rights issues through e-learning or in person training that is given to all of our employees in key roles, including those in the UK. In addition, we have also been able to identify issues through training of internal CSR auditors based on RBA requirements and by CSR training that takes regional characteristics into consideration. In the supply chain, TDK provides educational tools as necessary to promote awareness at the time of implementing CSR self-checks.

In FY March 2026, TDK implemented the following activities:

- We conducted CSR internal auditor training on a global scale, with a total of 185 employees taking part
- We implemented a business ethics e-learning program for all TDK Group employees
- Members of the Sustainability Management Group took part in training provided by the UNDP's B+HR Academy
- A member of the Sustainability Management Group attended the 14th United Nations Forum on Business and Human Rights, which was held in Geneva in November 2025

Communication with External Parties

Dialogue

TDK engages in regular dialogue with external experts regarding the promotion of human rights.

Through this dialogue, TDK receives assessments and recommendations on its existing initiatives, deepens its understanding of human rights issues, and leverages these insights to further enhance its future initiatives.

In FY March 2026, TDK held the following dialogue:

- Mr. Yusuke Yukawa, an attorney-at-law at Nishimura & Asahi (Gaikokuho Kyodo Jigyo), took part in a dialogue with the Corporate Officer who chairs TDK's Sustainability Committee, on the topic of "The human rights promotion measures that global enterprises need to take, and the role of senior management"



Left: Taro Ikushima
(Corporate Officer, General Manager, Corporate Strategy HQ, and Sustainability Committee Chair)
Right: Mr. Yusuke Yukawa
(Attorney-at-law, Partner and Yangon Office Representative, Nishimura & Asahi (Gaikokuho Kyodo Jigyo))



For more details, see the PDF noted below.

[Dialogue on the topic of “The human rights promotion measures that global enterprises need to take, and the role of senior management” \(PDF\)](#)

Dialogue Held in the Past

2024

Responding to recent trends relating to business and human rights, a dialogue was held between TDK senior managers and external experts on human rights regarding the strategy that TDK should adopt. Through this dialogue, besides confirming the appropriateness of TDK's initiatives in light of international expectations and trends, we also obtained insights regarding the company's future strategic direction.

2023

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. Worked to grasp human rights risks through exchanges of views with NGOs and experts (10 organizations), and to identify human rights issues in the manufacturing industry and in the chemicals and construction materials industries through discussions with participating companies (31 companies).

Related links

[Human Rights Due Diligence Workshop \(Link to external site\)](#)

[Final Report of the 2023 Human Rights Due Diligence Workshop \(Stakeholder Engagement Program\) \(Link to external site\)](#)

2021

Study session on human rights issues in the supply chain

Invited an outside expert on human rights issues in the supply chain and held a study session attended by senior managers of the global procurement function.

2017

Targeting Human Rights Responses at the Supply Chain

Invited two outside experts on human rights to attend a study session on the role required of TDK in response to human rights in the supply chain.

Related link

[Targeting Human Rights Responses at the Supply Chain \(in Japanese\)](#)

2015

CSR Promotion in the Supply Chain

Invited an outside expert on human rights for an exchange of opinions concerning what is expected of TDK to promote CSR in the supply chain.

Related link

[CSR Promotion in the Supply Chain \(in Japanese\)](#)

2014

Identification of Human Rights Issues through Dialogue with Stakeholders

Engaged in a dialogue with experts on human rights to identify human rights issues relevant to TDK.

Related link

[Identification of Human Rights Issues through Dialogue with Stakeholders](#)

2013

Human Rights Due Diligence Workshop (Caux Round Table Japan)

Participated in the Human Rights Due Diligence Workshop, organized by the Caux Round Table Japan. We worked to grasp human rights risks through an exchange of opinions with NGOs and experts (10 associations), while identifying human rights issues in manufacturing through discussions with members from nine participating companies.

Related link

[Human Rights Due Diligence Workshop \(Link to external site\)](#)

Collaborative Initiatives

In February 2020, TDK joined the RBA and committed to work continuously to improve our activities throughout our supply chains, including those involving human rights issues, in line with the RBA Code of Conduct.

For responsible sourcing of minerals throughout the whole supply chain, TDK has been participating in the Responsible Minerals Initiative and the Responsible Minerals Sourcing Trade Working Group of JEITA (Japan Electronics and Information Technology Industries Association) since 2011.

Related link

[Participation in Initiatives and Association](#)

Grievance Mechanism

TDK has put in place a framework for responding to complaints and concerns raised regarding human rights by all internal and external stakeholders.

When a complaint or concern is received, we ensure the anonymity of the reporting party and the confidentiality of the information received, while also prohibiting the taking of any adverse action against the reporting party. An investigation is conducted in response to the complaint or concern, and appropriate action is taken. If it becomes apparent that TDK's business activities have had a negative impact on human rights, or that TDK has been involved in a negative impact on human rights, then we take corrective or remedial action.

In FY March 2026, we continued to respond as outlined above to all inquiries regarding human rights received from internal and external stakeholders.

Reporting Channels

For all stakeholders

* TDK team members (employees) are requested to submit reports using the TDK helplines given below.

[Japan Center for Engagement and Remedy on Business and Human Rights \(JaCER\) "Engagement and Remedy Platform"](#)

[Report a Grievance | Japan Center for Engagement and Remedy on Business and Human Rights \(JaCER\)](#)

The Japan Center for Engagement and Remedy on Business and Human Rights (JaCER) is an organization that aims to provide a non-judicial "Engagement and Remedy Platform" for redress of grievances and to act in a professional capacity to support and promote redress of grievances by member companies based on the United Nations Guiding Principles on Business and Human Rights. By using a third-party contact window to receive complaints and concerns regarding human rights, TDK aims to ensure fairness and transparency, and to respond to human rights related requests in an appropriate manner.

JaCER's system and process for responding to complaints is outlined in the PDF referred to below.

[Grievance Handling System \(PDF\)](#)

Sustainability Contact Form

[Sustainability Contact Form | TDK](#)

Inquiries can be handled in three languages: Japanese, English and Chinese. Starting from FY March 2026, the functionality of the system has been expanded to support anonymous reporting.

For officers and team members working within the TDK Group, and for contract workers and employees of contractors

TDK helplines

Information about helplines is provided using posters, on the TDK intranet, and on distributed helpline cards.

Sustainability | Social | Respect for Human Rights

TDK Group Policy on Human Rights

The TDK Group aims to “Contribute to culture and industry through creativity” by directly engaging in revitalizing and protecting the global environment and creating a pleasant and safe society. Based on the values represented in the TDK Group Code of Conduct, we respect the human rights of our stakeholders and recognize the importance of understanding the potential impact of all corporate activities on human rights and conducting activities to prevent and mitigate adverse impacts. Based on this understanding we fulfill our responsibilities through the following efforts.

1. We respect international standards of human rights including the International Covenants on Human Rights and the International Labor Standards and strive to uphold them.
2. If domestic laws in the applicable region are incompatible with the International Covenants on Human Rights, we will do our best to resolve issues so that international principles of human rights are respected.
3. We take measures to raise awareness of human rights, provide education and develop competency among all of our directors and employees.
4. We carry out due diligence to address actual or potential impact on human rights due to our corporate activities.
5. If our corporate activities have caused a negative impact on human rights, either directly or indirectly, we will redress the situation or do our best to cooperate in redressing the situation so that it does not occur again.
6. We ask our business partners and other stakeholders involved in the value chain to fulfill their responsibility to respect human rights and ask them through dialogue and discussion to take appropriate measures if those efforts are insufficient.

This policy was approved by the Board of Directors on July 29, 2016.

Established on August 2, 2016
Revised on April 1, 2026

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Social

Customer Satisfaction

[Our Approach](#)
[Initiatives](#)

Our Approach

TDK supplies electronic components not only to electronic device manufacturers directly linked to end consumers, but also to electronic assembly manufacturers and component manufacturers. For these diverse customers, TDK uses the following methods to measure customer satisfaction, and aims to be a company that is trusted by customers for its overall satisfaction in terms of quality, cost, delivery, technology, and service.

Related link

[Supply Chain > % of customers covered by the satisfaction evaluation](#)

- Questionnaire: an assessment created by TDK to be completed by customers.
- Supplier evaluation information: information on the evaluation of TDK products that is regularly conducted by customers using their own evaluation methods, which is received from customers.
- Product complaints: information on complaints received from customers.
- Customer Satisfaction (CS) evaluation: an evaluation conducted by sales representatives on TDK and its products from a customer's point of view.

Questionnaire

Questionnaire is an assessment created by TDK to be completed by customers. TDK has implemented a framework to ask customers to complete questionnaires, collect their requests and opinions, and provide feedback to the relevant internal divisions.

Supplier evaluation information

TDK obtains supplier evaluation information. Information on the evaluation of TDK products that is regularly conducted by customers using their own evaluation methods, which is received from customers.

Product complaints

Product complaints received from customers, both in Japan and abroad, are managed in a complaint information database. The database is used to share information online with relevant divisions to take quick action to improve customer satisfaction. If a significant complaint arises, the system is designed to automatically report it to top management.

Customer Satisfaction (CS) evaluation

In order to become the supplier of choice for our customers, our sales representatives strive to understand our customers' needs from a customer's perspective. Quickly capturing details of customer dissatisfaction and providing feedback to relevant divisions helps us improve customer satisfaction.

Initiatives

Products and Solutions

We live in a time when new conveniences and comforts emerge one after another through technological advances.

Please click on the link below to read stories about TDK's products and solutions that contribute to solving a variety of issues found in cutting-edge fields.

Related link

[Featured Stories](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Human Resources

[Our Approach](#)

[Strategy](#)

[Metrics and Targets](#)

[Governance](#)

[Risk Management](#)

[Initiatives](#)

Our Approach

A sustainable future holds infinite possibilities for the continued prosperity of both humanity and the Earth itself. TDK is constantly striving for self-transformation to contribute to this goal.

Transformation is no longer an option: it is a strategic imperative to thrive in a changing world. Now, global consumers and corporate purchasers consider carbon footprints when making decisions, improvements in energy productivity and digitization drive bottom line results, and company practices must create a positive impact on society and environment.

To capture these opportunities, TDK is advancing its People Strategy, centered on three key material topics: promoting diversity, equity and inclusion driven by inclusive leadership practices; developing organizational capability to enhance innovation and efficiency; and improving team member health and engagement. Together, our team leaders and members create a positive impact through the innovative technologies, products, processes, and solutions we deliver, as well as to the global, regional, and local communities we serve. Through shared responsibility across TDK United, we strive for sustainable transformation through our people and culture.

Governance

To drive our human capital strategy integrally with our corporate strategy, we have established a globally integrated HR governance structure. Our global HR function is an organization directly overseen by the CHRO, who reports directly to the President and CEO, and is responsible to the Board of Directors for formulating and executing the “Human Capital Strategy.” As a member of the management team, the CHRO ensures the alignment of corporate strategy and human capital strategy, and provides recommendations from a human capital perspective for management decisions. From a corporate governance perspective, the Board of Directors oversees critical talent-related matters, including succession plans for the next CEO and the management team, and monitors the appropriate utilization of human capital and the status of risk management toward corporate value enhancement.

Furthermore, in collaboration with executive officers and the heads of each business company and headquarters, the CHRO regularly reports and discusses the progress of the human capital strategy and key initiatives at the Executive Committee. In addition, we have deployed HR functions at the global, regional, and local site levels, establishing a cross-functional collaboration system across the entire group. This enables us to deploy human capital strategies and HR measures promptly and consistently in line with business needs.

Strategy

Through global expansion and M&A, our company has broadened its business domains and evolved into a corporate group where diverse talent thrives. While we have steadily expanded our human capital foundation in both quantity and quality, we recognize that we are at a stage requiring further advancement in anticipation of future growth and transformation.

First, the business environment surrounding our company is marked by accelerating technological innovation and the increasing globalization and complexity of business, leading to a heightened speed of change and uncertainty. In such an environment, the importance of human capital capable of autonomously conceptualizing and executing transformation is growing further. Additionally, to ensure a stronger alignment between corporate strategy and human capital strategy and to drive business transformation swiftly and steadily, there is a need to advance the mechanisms that enable individual capabilities to be demonstrated organizationally.

Second, through business growth and global expansion, we have accumulated talent and capabilities with diverse backgrounds and expertise. Furthermore, by integrating external talent through M&A and other means, we have further broadened the diversity of our human capital. While this diversity is a key strength of ours, we recognize there is room to more systematically link individual experiences and knowledge to organizational learning and future talent development. Going forward, it is vital not only to leverage individual strengths as separate points but to elevate them into value creation on a broader scale by organically connecting them.

Third, how we utilize and develop such human capital is closely related to the evolution of our business portfolio and the creation of new growth opportunities. By functioning in unity with strategy, human capital is expected to lead not only to the strengthening of competitiveness in existing businesses but also to the creation of new value.

We view these points not merely as constraints or challenges, but as a critical theme for further enhancing corporate value through the strategic evolution of human capital management. Based on this recognition, we are working on the formulation and execution of a human capital strategy aligned with our corporate strategy.

Risk Management

We recognize risks related to human capital as one of our critical management risks and implement continuous monitoring and improvement. As part of this, human capital-related metrics are reported to the Executive Committee and the Board of Directors, and discussions on improvement measures are held at the Executive Committee. For example, based on the results of our regular engagement surveys, we assess employee awareness and organizational conditions, and the Executive Committee considers and executes necessary improvement measures. Furthermore, by incorporating the results of these surveys into the evaluation metrics for executive compensation, we are increasing management's level of commitment and improving the effectiveness of our improvement measures. We also comprehensively capture human capital risks within the framework of our group-wide sustainability and management risks.

Moreover, priority initiatives of our human capital strategy are regularly evaluated and reviewed in relation to material issues (materiality) and shared across the group to ensure early identification and appropriate responses to risks. Through these efforts, we aim to mitigate risks related to talent retention, development, and securing diversity, thereby achieving sustainable enhancement of corporate value.

Metrics and Targets

Measurements are used at different levels of the company to provide strategic and operational focus:

- Measures for key issues (materiality) are focused on transformation through promoting and cultivating diverse pool of human resources to further enhance competitiveness, including: promoting inclusive leadership practices, organizational capability and efficiency, and improving team member health and engagement.
- Global HR Program measures to drive quality delivery of programs, services, and operations in alignment with business needs.
- Corporate Officer pre-financial measures that focus on improving employee engagement and communication.

Initiatives

Please see the different breakout areas for the following: DE&I, HR Development and Talent Attraction and Retention.

[Diversity, Equity & Inclusion](#)
[Human Resources Development](#)
[Talent Attraction & Retention](#)

Sustainability | Social

Human Resources Development

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

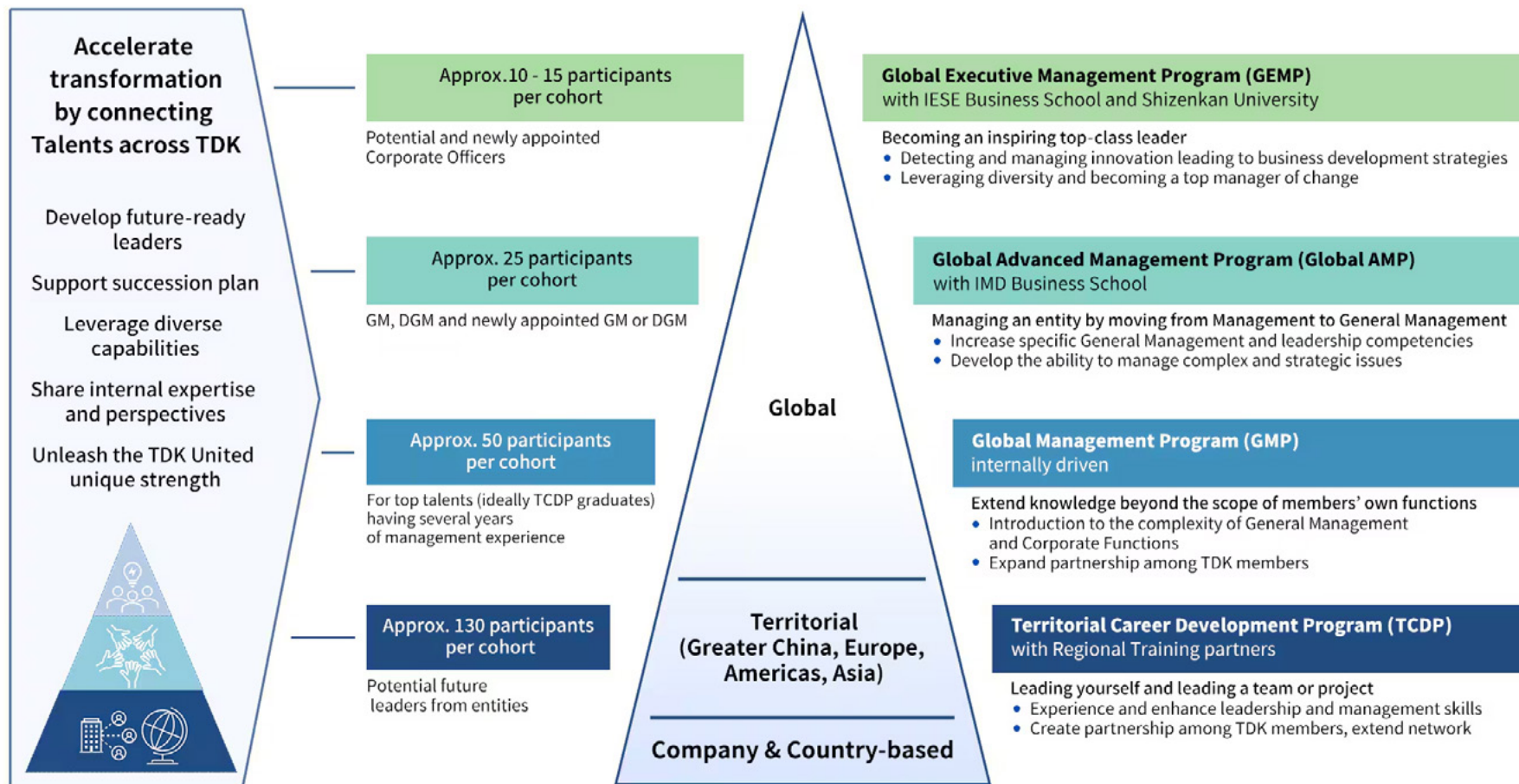
Governance

ESG Library

Our Approach

To achieve TDK Transformation, our long-term vision, TDK continuously implements and enhances its Global Management Development Programs. The program is designed to develop next-generation leaders, promote diversity in leadership positions, and advance succession planning to meet evolving business needs and requirements. Looking ahead, we will continue to refine our learning and development initiatives through diverse approaches, with the aim of unlocking the full potential of our talented team members. By integrating both people and business perspectives, we strive to cultivate leaders equipped with the capabilities required to address the changing demands of the future. Through these efforts, we strengthen our ability to realize the TDK Group's long-term vision and enhance sustainable corporate value over the long term.

Global Management Development Programs Overview



Governance

Global Executive Management Program (GEMP):

This program is designed for newly appointed Corporate Officers and corporate officer candidates, who are selected by the President & CEO and the CHRO. Its objective is to strengthen the management foundation that supports sustainable corporate value creation by developing the next generation of executive leadership.

In the final stage of the program, participants present their self-developed vision and strategic proposals to members of the Board of Directors. Directors provide constructive feedback, taking into account alignment with TDK's corporate strategy and long-term direction.

Through this initiative, TDK not only develops future executive leaders but also creates structured opportunities for Directors to advise and mentor newly appointed Corporate Officers and candidates. This interaction enhances the effectiveness of the Board's oversight function and strengthens governance across the TDK Group.

Global Advanced Management Program (Global AMP):

This program aims to develop core talent who will assume key management roles in the future, thereby reinforcing TDK's leadership pipeline. Participants are nominated by the heads of Business Companies and HQ functions.

The President & CEO, the CHRO, and the head of Corporate Strategy HQ share insights on TDK's key management challenges and strategic priorities. Based on these discussions, participants formulate proposals that contribute to addressing corporate challenges and supporting mid- to long-term growth.

In the final stage, participants present their proposals to Corporate Officers and receive constructive feedback from the perspectives of strategic alignment and execution feasibility. This process enhances the quality and practical application of their proposals, strengthens dialogue with senior management, and contributes to improving the effectiveness of governance.

Global Management Program (GMP):

This program is designed to develop future management talent. It is led by executives and business leaders from Business Companies and HQ functions.

Drawing on insights gained from actual business operations; program leaders continuously review and refine the curriculum. Through coaching, mentoring, and the sharing of real-world experiences, participants are provided with practical learning opportunities.

By strengthening participants' ability to address complex management challenges and fostering close interaction with senior leadership, the program contributes to enhanced governance across the TDK Group.

Territorial Career Development Program (TCDP):

This program is conducted at the regional level to develop future leadership talent. It is led by regional business leaders and executives.

Program leaders are responsible for participant selection and program oversight. They also attend final sessions to share leadership insights and provide mentoring. Through this approach, the program enhances participants' leadership capabilities and deepens their understanding of regional decision-making and business execution. Structured dialogue with senior management further contributes to strengthening governance throughout the TDK Group.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

Strategy

Enabling continuous growth of TDK's team members:

The Human Growth department assists TDK's team members to recognize, develop and realize their full potential so that TDK can meet existing & future business demands in a sustainable manner.

Human Growth provides integrated and inclusive learning opportunities to increase the value of human capability:

- TDK's valued Team Members experience personal fulfillment as they are well prepared, empowered, and engaged to achieve their goals.
- TDK management can rely on highly competent Team Members to support and continuously develop our business.
- Our HR Community benefits from being part of the TDK Group and succeeds in their mission to attract, develop, and retain human talent.
- The TDK Group of companies can continue to perform successfully with a high-level of adaptability and sustainability in the future.

Risk Management

Ensure quality of program content:

Feedback given by team members, managers, and executives is evaluated to ensure an impactful learning experience for TDK's future leaders. Evaluation results are reported on an annual basis to the respective stakeholders and are integrated into a continuous improvement process.

Ensure quality of diversity:

TDK believes that enhancing its organizational value creation capability requires bringing together diverse talent, who share the common goal of striving for TDK Transformation, whilst contributing their unique perspectives. Diversity of thought and experience is essential to driving innovation and sustainable growth.

Accordingly, when selecting participants for its leadership development programs, the Human Growth team identifies high-potential talent from a wide range of backgrounds, including different regions, genders, functions, and cultural contexts.

As part of its commitment to embedding diverse perspectives into organizational decision-making, TDK aims to increase the representation of women in leadership positions. In line with this objective, particular attention is given to ensuring meaningful female participation in the Global Management Development Programs.

Ensure the quality of candidate profiles:

The corresponding committee and board members identify and select the high potentials to be included in the programs. The Succession Planning process combined with the Executive Development activities also contributes to building a sustainable global leadership pool.

Metrics and Targets

Medium- to Long-Term Targets

The Human Growth department provides integrated and inclusive learning opportunities to increase the value of human capability and accelerate transformation by connecting Talent across TDK.

Execute Global Management Development:

Develop future-ready leaders, manage succession plan for TDK key positions, and enable talent mobility.

Our leaders lead by example. They actively demonstrate inclusive practices, are capable of driving transformation whilst performing, experience and leverage the unique strength of diversity at TDK. They promote clear goals, open feedback, broad & collective value creation.

Targets and Achievements in FY March 2026

FY March 2026 Targets	Achievements
TCDP: Continue the program and evolve the design through tailored learning content that reflects TDK's strategy and changing business environment. Due to the high demand, the program is expanded in some regions from 100 to ~130 participants in total worldwide.	Successful continuity of the TCDP in all territories by combining on-site and online facilitation. With 131 participants worldwide joining the program. Quantitative benefit of TCDP Every year, the participants of the TCDP deliver on average five entrepreneurial project ideas. These TCDP projects are an essential component of the program's curricula, aiming to discover and provide creative solutions for specific business cases embedded into TDK's strategic focus areas (e.g. sustainability or digital transformation). Throughout the project mode, the participants utilize available resources, identify challenges, apply knowledge, and set clear standards of quality and delivery. The project groups present to the TCDP Committee – several members of the regional management - near the end of the training program, with the ambition of impacting the organization on a regional scale. Recent TCDP project examples: TDKfit This TCDP project is an initiative to promote health & wellbeing within TDK. While various health promotion activities had already been implemented at group companies and countries, TDKfit was developed by leveraging these best practices and scaling them across regions. In 2024, a new program designed to promote regular exercise habits was launched for all TDK Group companies in Europe. In 2025, the initiative was expanded globally across the TDK Group, featuring the “Global TDKfit Challenge” held in conjunction with the World Athletics Championships. According to a post-program survey, 95% of participants reported overall satisfaction, 82% stated that they felt a stronger sense of “TDK United,” and 79% indicated that the program helped them establish healthier lifestyle habits.
GMP: Successful run of the cohort by creating effective synergies and conveying a deep understanding of TDK's structure (50 participants per year).	In the context of increasing leadership complexity, live the strengths of TDK United and develop essential inclusive leadership practices and management skills. The GMP welcomed 54 participants in the FY March 2025 cohort.
Continue developing executive talent, transformative leadership competencies and future-readiness capabilities through Global Advanced Management Program (Global AMP). Accelerating connections across TDK to enable transformation.	The participants experience the TDK United spirit and build a strong bonding and networking throughout their journey. With the objective of maximizing the impact of learning, program design evolves with the changing business circumstances and strategy of TDK. Every year, Global AMP the participants deliver on average four Impact Projects. The impact projects are a critical component of the Global AMP journey. The projects are aimed at solving strategic issues at the TDK Corporate level or tackle opportunities/challenges shared by clusters of companies. The participants are invited to collectively identify what value-creation activities will maximize the enterprise value for TDK, support the new mid-term plan and the long-term vision. They are asked to integrate financial and pre-financial value in their project which they present to the ECM near the end of the training program, with the ambition of impacting the organization on a global scale. Recent examples: TDK Failure & Cost Reduction Journey using AI: This impact project team worked on a major problem; Operating Profit swallowed by Quality Issues. The team presented a solution to reduce failure costs by over 30% with AI Process Mining. They estimated 1.4BJPY saving in 2 FYs by running 3 pilots in different factories, from very different technologies and Business Companies proving the solution is scalable. “GAMPBot: Connecting Innovators, Accelerating Transformation”: This Impact project team worked on a solution to resolve a pain point which has been expressed in our team member engagement surveys: remove barriers to execution and increase productivity. The team developed a scalable generative AI solution (in experimentation phase) that can conduct human-like conversations to connect innovators. The positive outcome is to connect the experts, increase the speed of sharing, production and material know-how and by this accelerate product innovation as TDK United. Other Initiatives: In addition to the projects described above, participants have also worked on strategic themes such as advancing digital transformation, enhancing product creation and sales capabilities through the use of Context-Aware AI, and strengthening portfolio management. Through these initiatives, TDK aims to reinforce a sustainable management foundation that integrates talent development with long-term corporate value enhancement.

Prepare for the third cohort (FY March 2027) of the Global Executive Management Program (GEMP)	The design of the GEMP journey is adapted to the changing business circumstances and addresses the future challenges of TDK. The aim is to create a long-lasting and valuable experience for the participants, who will build their vision and strategy for TDK and materialize innovation and entrepreneurship within TDK. Example from last GEMP: Creation of a new Company (TDK SensEI), expanding the Business Portfolio and enabling TDK to ride on both AI and Sustainability mega trends to contribute to energy efficiency, decarbonization through smart manufacturing.
--	---

Evaluations and Future Activities

FY March 2027 Goals
TCDP: Successful run the cohort while continuously evolving the training design on TDK's business & strategy to maximize the impact of the program. Focus on developing diversified team members, increasing female representation, and expanding network and connections to enhance innovation, competitiveness and promote culture. Due to the high demand, the program has been expanded in some regions (100 - 130 participants annually worldwide).
GMP: Successful run the cohort by creating effectful synergies and conveying a deep understanding of TDK's structure (50 members per year). Actively integrating inclusive leadership practices, sharing expertise and perspectives, increasing gender diversity to create leadership impact.
Global AMP: Successful run the FY March 2025 cohort (~25 participants per year and passing the number of 130 alumni). Focus on enhancing business entrepreneurship and innovative capabilities to meet the changing needs of the future, driving transformation whilst performing in today's business, accelerating connections across TDK to enhance agility, experiment the unique strength of diversity at TDK and lead-by-example to inspire.
GEMP: Further development and integration of the GEMP initiatives into the long-term strategy of TDK. The program creates a process – beyond training – that materializes innovation and entrepreneurship within TDK. The next GEMP cohort will be in 2026 (10-15 participants in FY March 2027).

Initiatives

TCDP (Territorial Career Development Program)

TCDP is a 10-month journey encompassing in person and virtual modules in four territories: Greater China, Other Asia & Japan, Americas, and Europe.

Training is focused on leadership essentials, managing self, managing a team through empowerment and inclusive leadership practices, mobilizing and communicating to drive change, communicating and presenting to inspire, and materializing value through a business project providing the opportunity to apply what the participants are learning, and accelerating connections and networking across functions, companies and countries.

The goal of TCDP is to strengthen the performance, engagement and professional maturity of talented team members (employees), to develop leadership and management competencies as to ensure the continuity of talented management within the TDK Group.

Business benefits:

- Develop talent: TCDP develops the next generation leaders.
- Transform human capability: TCDP supports global succession planning for key positions and the development of globally capable leaders who can contribute to diverse fields and cultures.
- Integrate inclusive leadership: TCDP enables deep understanding of management methods and principles, develops leadership skills, increases team member engagement and self-awareness.
- Drive TDK United: TCDP participants build stronger bonding and partnership among TDK members. Global succession planning for key positions and the development of globally capable leaders who can contribute to diverse fields and cultures.

GMP (Global Management Program)

GMP is a 2-year journey, with 6 in person modules taking place in different TDK locations worldwide. It is a program for engaged managers with several years of experience and high potential for higher positions within the TDK Group.

The program widens perspectives beyond own business and functions, increases leadership skills, creates awareness about the challenges of General Management. It creates strong bonding and partnership among the participants from different TDK entities, functions, business environment & culture.

The modules are very diverse: participants learn, among others, about leadership in a global and intercultural context, business strategy, speaking and presenting with impact and TDK's diverse technologies and business by visiting different sites and interacting with the local management.

A dedicated online GMP curriculum is available in the TDK Digital Learning platform 'Weconnect' which enriches the learning experience.

Business benefits:

- Drive diversity & global collaboration: GMP enhances participants' network, knowledge, inclusive leadership practices and understanding of TDK organizational structure & challenges.
- Develop talent: GMP supports global succession planning by empowering participants in their career development towards upper management positions.
- Create value: GMP widens the perspectives of the participants beyond their business scope and to learn about the complexity of General Management.
- Foster TDK United: GMP expands partnership among TDK network members towards TDK United.

Global AMP (Global Advanced Management Program)

Global AMP is an 8-month journey encompassing 3-in-person modules, 1 online module and several virtual sessions. Participants are General Managers and Deputy General Managers (or candidates who are newly promoted to such positions).

The goal of the program is to support & empower participants to be future-ready leaders, to learn and practice the tenets of transformational and inspirational leadership while creating stronger bonding and partnership among TDK Group companies. An integral part of the Global AMP journey is the projects-based learning approach which is linked to TDK strategic issues and enables collaboration and knowledge sharing in the TDK context and value creation for the organization. At the end of the Global AMP journey, the participants present their project and strategy to execution to the TDK Top Management.

Business benefits:

- Transform business: Global AMP is built upon and serves the TDK Corporate values, cultures, and mid-term plan.
- Culture of diversity: Global AMP supports global succession planning by empowering participants in their transition to executive level roles.

- Drive innovation & complexity: Global AMP develops the ability for strategic vision and thinking, innovation and strategy execution.
- Live TDK United: Global AMP participants create stronger bonding and partnership among TDK Group companies towards TDK United.

GEMP (Global Executive Management Program)

GEMP accelerates bonding and collaboration at the highest levels of the company, bridging Eastern and Western leadership philosophies. It is an 8-month program, with 3 in-person modules of a week each. Participants are potential or newly appointed Corporate Officers. The program is triggered by the revision of the mid-term plan. Long term vision and strategy are brought into projects with the objectives of exploring the future with an entrepreneurial mindset and of getting TDK's Top Management approval for strategy execution.

GEMP's dynamic design supports TDK in its mission of creating a stronger resilience through the deployment of inspiring and transformative top class leadership crossing borders and cultures.

Business benefits:

- Lead by example: The GEMP program reinforces TDK's United spirit, transformation and value creation mindset among the participants, related group companies, and corporate functions.
- Drive transformation: GEMP brings the participants to a higher level of awareness regarding the mega trends and major transformations; as well as creating synergies to increase business / cost efficiency / overall resilience of TDK.
- Create a sustainable future: GEMP puts the participants in the position of envisioning TDK's sustainable growth and contribution to the world, while preparing the foundation for the next mid-term plan (and potentially long-term strategy). The program provides a space to materialize innovation and entrepreneurship within TDK.

World-wide Communication & English Training

The Global Communication & English (GCE) program is dedicated to fostering seamless communication among TDK team members. We have implemented an annual enrollment system that incorporates a Blended Learning approach, designed to maximize outcomes. Each year, English training commences in April, following a comprehensive assessment of training needs conducted through an oral English proficiency evaluation.

Beyond the standard training offerings, the GCE project is committed to supporting targeted team member profiles who necessitate enhanced English proficiency to fulfill their specific roles. These individuals may be engaged in international assignments, participating in management development programs, or emerging as global leaders.

The GCE team is now advancing to the third stage by introducing informal learning through the TDK English Club. This initiative provides a safe space for team members to practice English within the organization.

TDK MAKER DOJO (Japan)

As part of our efforts to promote experiential learning and encourage autonomous challenges, TDK operates the "TDK MAKER DOJO." TDK MAKER DOJO is an internal platform built on the concept of "Make & Share," where team members learn from one another across departments and roles. When an idea emerges, participants first create a prototype ("Make") and then share the results with colleagues ("Share"). Dialogue centered around tangible prototypes generates new insights and creates a cycle that leads to further challenges and innovation. Utilizing facilities such as 3D printers and other fabrication equipment, members from diverse functions—including engineering, sales, and corporate departments—engage beyond hierarchical and organizational boundaries, from new hires to experienced professionals. Through mutual learning and collaboration, the DOJO fosters an environment where team members elevate one another's capabilities. As a platform for practicing internal open innovation, TDK MAKER DOJO unlocks team members' creativity and spirit of challenge, contributing to the enhancement of organizational value creation across the TDK Group.

Related Information

[TDK MAKER DOJO](#)

Sustainability | Social

Diversity, Equity & Inclusion

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

The TDK Group comprises numerous Group companies operating globally. TDK's long-term vision can only be achieved if we create an environment where team members with diverse personalities can fully exercise their abilities to create value for TDK. Establishing such an environment is indispensable for the future growth of the TDK Group. The TDK Group promotes organizational Diversity, Equity & Inclusion (DE&I), continually driving innovation and enhancing our competitiveness.

In the TDK United Report 2025, Andreas Keller, Executive Vice President, CHRO and General Manager, Human Resources HQ, describes the Group's DE&I approach as follows: "We do not see ourselves as an orchestra, but as musicians in a big jazz band with unique talents, skills, and personalities. The diversity of the big 'TDK United' jazz band embodies a crucial part of our Human Resources strategy—DE&I. By nurturing an organizational culture which respects the existing culture of acquired companies, values innovation born from the coming together of different perspectives, and encourages both self-initiative and co-creation which is the best expression of our team members' creativity, passion, and drive, we can say that diversity has become the source of TDK's competitive advantage."

In addition, a key component of TDK's mid- to long-term human resources strategy is inclusive leadership practices. Inclusive leadership requires creating an environment where all team members feel accepted, supported and experience a sense of Belonging, and we believe this can have a positive impact on our business and the world. All team members actively practice inclusive leadership to drive transformation while promoting engagement through clear goals and open feedback.

Our approach to DE&I is based on increasing:

- Awareness, understanding, and appreciation of:
 - The importance and meaning of DE&I at TDK
 - Team Members' roles in DE&I
- Action that leads to:
 - Inclusive leadership
 - Integration of DE&I into everything we do
 - Increased engagement and belonging
- Accountability for:
 - Creating an inclusive culture
 - DEI Metrics, including Team Member Engagement participation

Related link

[TDK Basic Policy on Diversity, Equity & Inclusion](#)

Governance

To promote DE&I, the TDK Group, under a global DE&I team composed of HR leaders from Asia, Europe and North America, is conducting initiatives to encourage inclusive behaviors across the organization worldwide. The plans and progress of activities are regularly reported to the Board of Directors.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

Strategy

Global DE&I will support TDK's overall People Strategy through the following strategic actions:

- Embedding DEI strategic focus in Global / Local HR activities.
- Increasing the sense of Belonging to the TDK Group among all team members.
- Identifying and making targeted development investments to create a strong, diverse talent pipeline.

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Risk Management

TDK will monitor progress towards DE&I goals and make necessary adjustments to address shortfalls. Key metrics to be monitored include:

- % of females in Top, Middle, and Junior management
- % of females in STEM positions
- % of females in revenue generating positions
- % of female external and internal hires
- % of females participating in TDK's Global Management Development programs
- % of females participating in expat assignments
- Team Member sense of Belonging as measured by TDK's Team Member Engagement survey

Metrics and Targets

The TDK Group continues to promote the career advancement and skill development of female team members. By focusing on the active participation and advancement of women as an essential dimension of diversity, the Group aims to further unleash the capabilities, value, and potential of women and leverage them to drive the TDK Group's sustainable growth.

Achievements and Goals of ratio of women in managerial positions (%)

	Achievements			Goal	
	2024	2025	2026	2030	2035
TDK Group	22	23	22.9	25	-
TDK Corporation	4.8	5.3	5.7	-	15

Related link

[Social Data](#)

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievements
Female Participation Rate in GMDP : 30%	26%

Evaluations and Future Activities

FY March 2027 Goals
Female Participation Rate in GMDP : 30%

The goals above are designed to ensure fair and equal representation of all team members in TDK's Global Management Development Programs. Additionally, as part of our efforts to develop women's careers, we are promoting international assignments for female employees across our global sites, monitoring both the total number of female expatriates across the TDK Group and the share of women among expatriate assignees, and are mobilizing the entire Group to intensify efforts to further develop female talent.

Initiatives

International Women's Day Week

Since being officially recognized by the UN in 1975, International Women's Day, which is celebrated on 8th March, has become a day to recognize the achievements of women in the social, economic, cultural and political spheres, and various events are held around the world to mark the occasion.

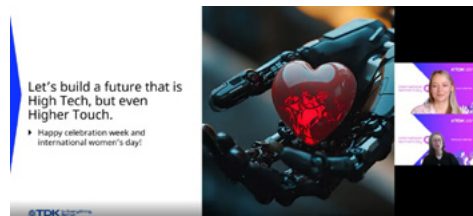
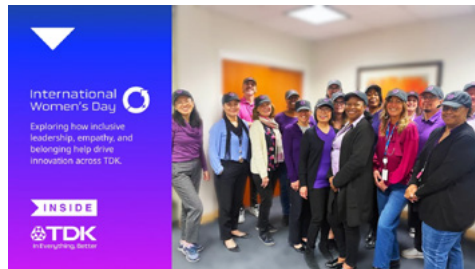
The TDK Group marks International Women's Day within the company, across the industry and beyond, celebrating women's achievements and contributions while working to translate that recognition into further progress.

In 2026, we designated the five-day period from March 2 to 6 as "TDK International Women's Day Week 2026." Kicking off with a message from TDK President & CEO Noboru Saito, the Group held a variety of events worldwide, with team members participating across our global sites. Mr. Saito also posted a message about the importance of International Women's Day to TDK on the International Women's Day official website of the United Nations. For a detailed report on the events, please see the link below.

Related Information

[2026 International Women's Day Activity Report: Engineering a Culture of Belonging at TDK](#)

[IWD: Towards International Women's Day: Accelerating Transformation through Inclusive Leadership](#)



Initiatives supporting LGBTQ+

Under its DE&I policy, TDK Group promotes workplaces where everyone can be themselves regardless of sex, gender identity or sexual orientation.

At TDK Corporation, beginning in 2025 we introduced new training regarding LGBTQ+ for managers and launched film screening events to enhance awareness. We also distribute an "Ally Handbook" and stickers to raise awareness of support and encourage everyone to act as an ally. In addition, TDK Corporation is improving the environment by introducing a same-sex partnership and establishing consultation services. These efforts were recognized, and in 2025 TDK Corporation again received the highest Gold Award in the 'PRIDE Index' by the general incorporated association "work with Pride".



Continued participation in Dow Jones Sustainability Index

TDK Group continues to hold itself accountable for DE&I outcomes through participation in the Dow Jones Sustainability Index, a family of benchmarks that identify and track the stock performance of the world's leading companies based on their sustainability performance, encompassing economic, environmental, and social criteria.

Team Members with Disabilities at Work

TDK Corporation employs more than 140 team members with disabilities, over 80% of whom are engaged as regular employees. The company actively implements flexible working arrangements tailored to individual disabilities, such as enabling team members to handle duties for remote locations while working from home. In addition, We promotes mutual understanding through e-learning programs on the prohibition of discrimination and providing reasonable accommodation, as well as by featuring team members on the intranet. The company has also begun offering tailored support initiatives, such as sign language workshops for host departments at certain sites. As of June 2025, the employment rate of persons with disabilities at TDK Corporation reached 2.56%, demonstrating steady improvement.



Sign language workshop

Sustainability | Social | Diversity, Equity, & Inclusion

TDK – Diversity, Equity, & Inclusion Policy

TDK is a global company with Japanese roots. We unite people from all over the world with a common purpose of achieving our Long-Term vision – Accelerating transformation for a sustainable future. TDK understands that Diversity, Equity, and Inclusion is a key ingredient for highly engaged team members making a positive impact, achieving their full potential, and ultimately leading TDK to contribute to creating a sustainable future for the world. We are proud of the diversity of our team members, including diversity of culture, nationality, age, race, ability, gender, gender identity, gender expression, sexual orientation, cognition, and religion.

Through our approach of increasing Awareness, Action, and Accountability for Diversity, Equity, and Inclusion, we foster a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued and included. Through the TDK Group Code of Conduct we strive to eliminate discrimination and harassment so that all team members feel safe speaking their minds and being their true selves.

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Talent Attraction & Retention

Our Approach	Governance
Strategy	Risk Management
Metrics and Targets	Initiatives
Diverse Work Styles and Work-Life Balance	Personnel Evaluation System
Frameworks and Human Resource Systems to Maximize the Potential of Each Team Member (TDK Corporation)	TDK LaunchEngine
Long-term Incentives (LTI)	

Our Approach

To achieve TDK's long-term vision, it is essential to attract individuals who are in tune with TDK's values and management objectives and who are passionate about contributing to their realization. Equally important is ensuring that these talented individuals remain highly engaged throughout their careers with the company.

TDK is committed to investing in the development and growth of those who join us. Based on the results of our global engagement surveys and feedback processes, we continuously implement initiatives to enhance engagement and improve the workplace environment. In parallel, we strengthen TDK's appeal as an employer through strategic employer branding activities, including the effective use of social media.

By maintaining a high level of engagement across the organization, we aim to attract and retain top talent. We believe that highly motivated and loyal team members enhance TDK's value-creation capabilities and serve as a driving force for the sustainable growth of the TDK Group.

Governance

The Global HR Headquarters is responsible for setting direction and promoting Talent and Retention within the organization. They take a proactive approach to understand the evolving needs of the business and align talent strategies accordingly. This includes understanding key talent trends, competitive landscapes, and emerging skills requirements. The resulting strategy encompasses various aspects including employer branding, recruitment channels, candidate experience, onboarding programs, career development initiatives, and team member engagement. By setting a clear direction and strategy, TDK Global HR enables the organization to attract top talent, nurture their growth, and create a supportive environment that fosters long-term engagement and retention.

TDK Global HR also establishes metrics and performance indicators to measure the effectiveness of talent attraction and retention efforts, ensuring continuous improvement and alignment with organizational goals.

TDK Global HR collaborates with subsidiary company HR and Business Leaders to educate and promote the awareness of Talent Attraction & Retention and its importance to our business. This is achieved through attending strategy sessions, functional meetings, and publishing success stories via internal communication channels.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

Strategy

Our Long-Term People Strategy focuses on fostering a corporate culture that values diversity, promotes inclusive leadership practices, and creates an environment where all team members feel valued and included and create impact. Without providing an engaging work experience, our risk is that we may not be able to recruit and retain talented team members, hindering the execution of our plans.

Our opportunity is to ensure positive work environment through our Team Member Engagement System and Employer Branding initiatives to secure a highly motivated and productive workforce.

Risk Management

Through our annual global engagement surveys, we gain statistical insights into our team members' perceptions, concerns, and engagement levels within regions, subsidiary companies, job functions, and demographics. The data helps us uncover patterns, trends, and correlations related to engagement. These insights help us make informed decisions about our talent strategies, including communication practices, recognition, performance management, DE&I, and training and development.

Metrics and Targets

Within our Medium- and Long-Term plan, we have established a key issues (materiality) strategy that addresses improving team member health and engagement. In addition, we have set specific goals for survey participation and making continuous improvements to address areas of opportunity.

Rooted in the essence of TDK United, we focus on attracting and developing a diverse and highly skilled workforce. We actively seek out talented individuals globally, empowering them to make meaningful contributions and create impact.

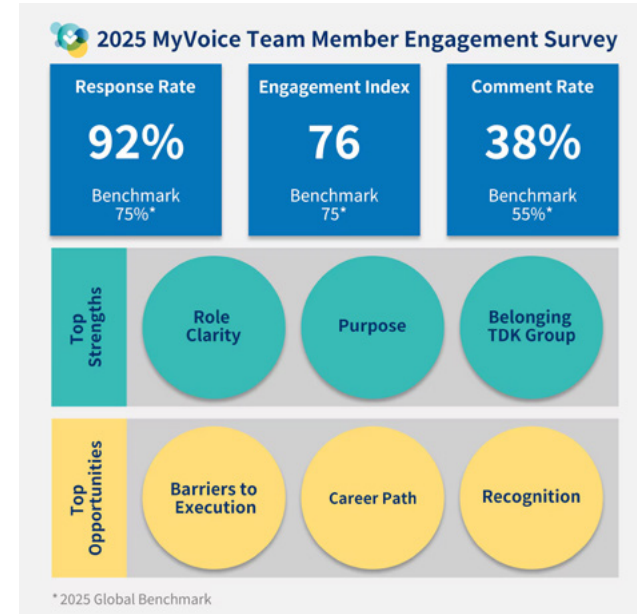
Initiatives

Team Member Engagement

We measure and improve engagement through our annual My Voice Team Member Engagement Survey. By conducting a yearly survey, we can assess current sentiments, measure progress, and continuously improve our workplace.

To reinforce accountability for the survey and ensure actions are taken on the results, the following KPIs are embedded in TDK's Medium-Term and linked to remuneration of Corporate Officers:

- Achieve a Survey Response Rate of 80% or more
- Achieve a Communication Score of 75 or more



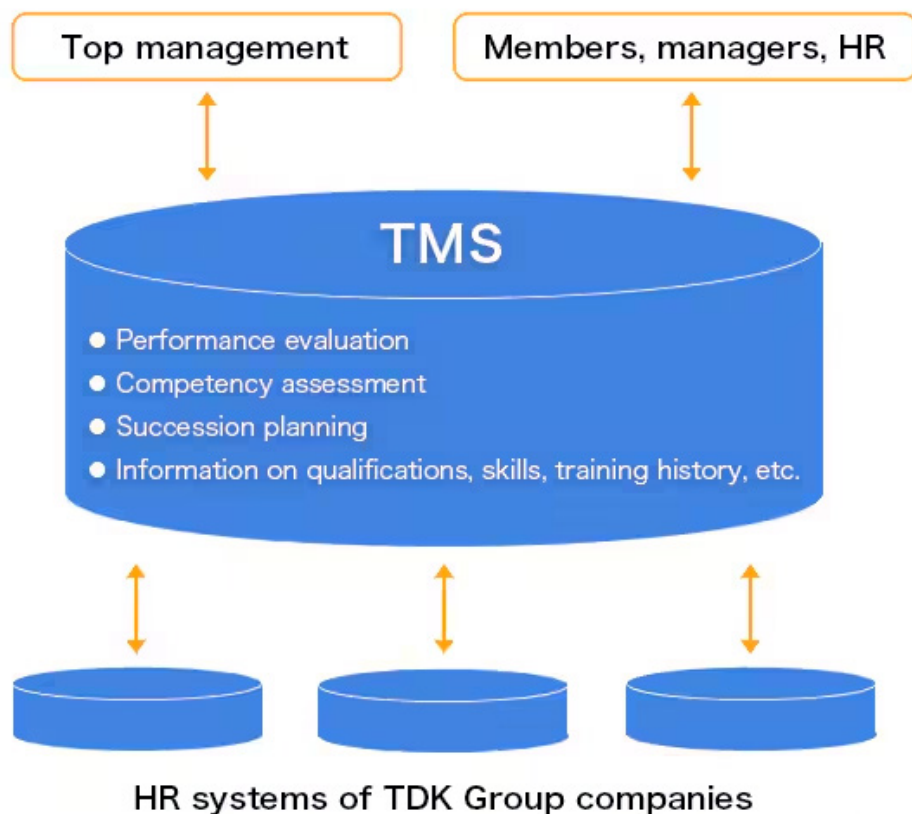
Elevating our Global Employer Brand

At TDK, we are committed to cultivating a compelling employer brand that resonates with individuals worldwide, establishing TDK as a premier choice for top talent across the globe. Through our TDK United Approach, we collaborate across the organization to drive global Employer Branding initiatives. Our goal is to establish a partnership model aimed at revitalizing and implementing our global Employer Brand strategy.

Visualization of the HR skills of Group team members

We are continuing with the introduction of a global HR system to unify and visualize TDK's talent across the Group, with a focus on talent management and development. In this system, called the TDK Talent Management System (TMS), we are digitalizing various HR processes such as performance evaluation, skills and competency management, career & succession planning and development planning. This system is an important initiative of our Long Term People Strategy as it enables us to better understand the individual capabilities of our diverse talent in Group Companies across the globe and support development. Going forward, our aim is to introduce it to all TDK team members.

Conceptual chart of TMS



Diverse Work Styles and Work-Life Balance

We believe that establishing an environment in which team members with diverse backgrounds can display their skills is crucial to continue generating innovative creativity and realizing corporate growth. One such effort is to support team members' work-life balance by creating an environment and systems that enable them to choose diverse and flexible work styles.

At present major changes are taking place in workstyles at TDK sites, including the introduction of telecommuting and super-flextime systems. TDK is promoting these activities further and has introduced the TDK Smart Work system, which will enable autonomous workstyles unbound by working hours and workplace, at some locations such as the headquarters and Technical Center. In addition, as part of our efforts to support team members at life stages, lactation rooms have been established at selected sites in Asia and Europe. Our aim through these initiatives is to enhance team member engagement and maximize both individual and company performance.

Examples in Japan (TDK Corporation)

Tele-work and super-flex time system

Systems that enable team members to have flexibility in where and when they work and to achieve diverse and flexible work styles. Super-flex is a system that allows team members to freely decide their working hours according to their individual needs without core hours.

Maternity and childcare support programs

We have systems to support balancing work with housework and childcare, such as "Maternity Leave," "Childcare Leave," and "Part-time Working Options." In principle, "Childcare Leave" is available until the day before the child's first birthday, but if both parents take childcare leave, the leave may be taken until the child reaches the age of one year and two months. (The maximum period of leave for each parent is one year.) "Part-time Working Options" are available in principle until the child reaches the end of the third grade of elementary school, and multiple working hour options are available. In addition, financial support for childcare and nursing care related services are available.

Nursing care leave

Team members who have been with the company for at least one year and intend to continue working are eligible, under this system, to take up to three leave periods (totaling up to one year) per family member requiring constant nursing care—such as a spouse, child, parent, grandparent, sibling, grandchild, or spouse's parent.

Rehiring system

The existing TDK Rehiring System, which rehires retirees, was revised and began operating as a new second career system in April 2017. The purpose of this system is to make more effective use of the knowledge and experience possessed by retirees and to fulfill our social responsibility as a company to comply with the revision of the Law Concerning Stabilization of Employment of Older Persons. Similar systems have also been introduced at subsidiaries in Japan. Furthermore, in October 2017, we introduced the “Welcome Back System” to rehire team members who left the company due to unavoidable circumstances such as childbirth, childcare, or nursing care.

Workstyle Options to Accommodate Spousal Relocation

In October 2017, we introduced two new systems: a relocation system for team members whose spouses/partner have been relocated in Japan and a leave system for team members whose spouses/partner have been relocated overseas. With these systems in place, even if it becomes difficult to continue working in one's current workplace due to the relocation of one's spouse, team members can now choose to relocate or take a leave to be with their spouse/partner. The workstyle options provided by TDK are designed to allow team members to balance work with various events in their lives, a policy that aims to make TDK a company where people feel safe working at for a long time.

Promotion of Paid Leave Utilization

From the second year of employment onward, employees with an attendance rate of 80% or higher in the previous fiscal year are granted up to 24 days of annual paid leave, depending on their years of service. To encourage the use of paid leave, we have introduced a planned leave system in which each employee sets their preferred dates for taking paid leave at the beginning of each fiscal year, allowing for systematic utilization. In addition to taking paid leave in full-day units, employees can also take leave in half-day increments. We also recommend setting consecutive days off or combining paid leave with holidays to enable longer vacations.

Examples in Other Regions (Indonesia: PT TDK ELECTRONICS INDONESIA)

PT TDK ELECTRONICS INDONESIA promotes initiatives to support team members in balancing work and childcare while fostering a comfortable and inclusive working environment. A nursing room is available within the in-house clinic, equipped with a water station and bottle sterilization facilities. The facility is accessible not only to team members but also to visitors.

In addition, the company holds an annual internal event in conjunction with World Breastfeeding Week, demonstrating its ongoing commitment to supporting team members in their parenting responsibilities.

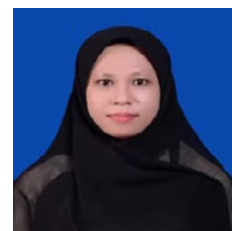
Furthermore, to support the health and well-being of female team members, PT TDK ELECTRONICS INDONESIA provides access to health checkups including cervical cancer screening, distributes iron supplements, offers additional nutritional support for pregnant team members, and organizes health seminars.

Through these initiatives, the company strives to create an environment in which women can build long-term careers with confidence and peace of mind.

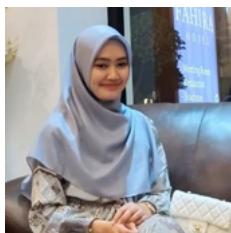
Team members' comments



I feel that a nursing room is key to comfort for mothers returning to work. This facility allows us to focus and be efficient at work because we don't have to worry about the needs of our babies at home. I personally feel fully supported by the company through this facility. The room is private, regularly cleaned, there is a sink and hand soap, and most importantly, a refrigerator is provided specifically for storing breast milk. I hope this facility will continue to be maintained and become more complete in the future. Thank you very much for your support.



So thankful for the nursing room at work. Having a comfy, private space to pump helps me stay calm and focused. Grateful for a workplace that truly supports working moms.



I'm very grateful that this company provides breastfeeding facilities for female employees after their maternity leave. The facilities are very complete, helping us to breastfeed comfortably. There are even many seminars and events that support us female employees in gaining knowledge that is in line with our role as mothers. Hopefully, this will continue to be maintained. Thank you for supporting us.

Personnel Evaluation System

Further initiatives for talent retention are linked to performance appraisal. Specifically, within TDK our subsidiaries have implemented numerous performance appraisal systems such as objective based as well as multidimensional or team-based. One example of multidimensional performance appraisal is conducted at one of our largest subsidiaries, which offers an assessment of how the employee meets the values and objectives of the department or company, based on feedback from internal and external customers where a broader view of the employee's performance result - what and how - is provided. Currently, it is applied in positions which require intensive cross-functional collaboration.

Another of our large subsidiaries offers a team-based performance appraisal system. Teams in the Production area are built by production line and evaluated according to values such as efficiency, and scrap. According to the team-performance, a monthly bonus is granted to team members. Teams in indirect areas are built by department. The performance assessment is done quarterly or in some cases yearly based on values such as e.g., operating profit, customer claims or other department-specific KPIs. After evaluating performance, a quarterly or yearly bonus is granted to the team members.

At TDK Corporation, personnel evaluations were conducted from two perspectives until March 2026. The first is a "performance evaluation," based on the degree of achievement against objectives set at the beginning of the fiscal year. The second is a "behavioral evaluation," which assesses actions demonstrated during the evaluation period in accordance with role-specific criteria. Through this dual approach, TDK fostered motivation to achieve business targets while reinforcing behaviors aligned with TDK's principles and strengthening risk management awareness.

From April 2026, TDK Corporation has introduced a simplified and more integrated performance evaluation framework. At the same time, a structured mechanism to enhance career communication between managers and team members has been introduced. This initiative creates dedicated opportunities for open dialogue, enabling both parties to share development challenges, career aspirations, and growth expectations. Through these enhancements, TDK aims to ensure that each team member can more clearly recognize and experience their growth, while simultaneously driving overall organizational performance and strengthening sustainable corporate value creation.

Frameworks and Human Resource Systems to Maximize the Potential of Each Team Member (TDK Corporation)

TDK has a number of systems in place which are geared to helping each and every team member discover and develop their true potential.

In-house Recruiting System

In 2000, we introduced an active in-house hiring system under which team members can apply for new positions posted on the internal recruitment board directly with the Human Resources Department, without going through their superiors. This system aims at promoting the principle of "the right person for the right job" throughout the TDK Group, to respond in a timely manner to changes in the organizational makeup and staffing requirements of the organization. The system provides opportunities for career development to team members who have the desire and ability to try and shape their careers on their own initiative. As of March 2025, 350 applicants had fulfilled the relevant requirements and taken on new positions.

Career Option System

In addition to the in-house hiring system, TDK introduced the career option system in January 2006, giving team members the opportunity to apply for transfer to a desired department or position. This system is designed to provide incentives for further self-growth and for making a positive contribution to the development of TDK. It also aims at stimulating team members to reassess their career plans from various perspectives.

Self-Determined Reporting System

A self-determined reporting system has been introduced for the purpose of supporting efforts by individual team members to develop their own careers and abilities, as well as to help ensure the best possible match between each job and the person performing it. Once a year, team members can report directly to the Human Resources Department, indicating which positions they want and which business sites they would like to work at, as well as the extent to which they are satisfied with their current positions. Team members desiring an interview have the opportunity to directly explain their choices during a session at the Human Resources Department.

The opportunity to have a dialog with the Human Resources Department on a regular basis encourages team members to think seriously about their own careers, and also supports efforts such as transfer and participation in education and training for new positions. In this way, it helps team members shape their own career.

TDK LaunchEngine

The TDK LaunchEngine* is the TDK internal start-up incubator, which has been created as an engine for future growth by offering an environment to identify, create, and scale new business creations that leverage our know-how. TDK LaunchEngine is passionate about nurturing TDK team members and helping them develop new business ideas in a fast, efficient manner.

These are the key activities:

- Offers all TDK team members the chance to submit their business ideas and actively participate in a program, which fosters the creation of new ventures.
- Expert Guidance: TDK LaunchEngine offers expert knowledge and guides the assembled teams through the startup formation process.
- Facilitation workshops, mentorship sessions, and hands-on projects.
- Encourages employees to think creatively and challenge the status quo.
- Creates a culture of intrapreneurship within the organization.
- Promotes diversity and inclusivity to nurture innovation.
- Embraces change, diversity, creativity, and forward-thinking as core principles.
- Consistently challenges limits, driving industry innovation, and shaping the future landscape.

* "TDK Kindergarten" was renamed to "TDK LaunchEngine" in July 2026.

Long-Term Incentives (LTI)

The Long-Term Incentive (LTI) program is designed to foster a TDK United spirit, as well as increase motivation and morale for improving consolidated business performance as TDK Group. This stock compensation scheme is aimed at team leaders in key positions at various group companies. The program started in 2021 and has been steadily expanded in the last 5 years with feedback from our stakeholders.

Sustainability | Social

Health and Productivity Management

[Our Approach](#)

[Governance \(TDK Corporation\)](#)

[Strategy \(TDK Corporation\)](#)

[Risk Management](#)

[Metrics and Targets \(TDK Corporation\)](#)

[Initiatives \(TDK Corporation\)](#)

Our Approach

We realize that the health of TDK team members (employees) is an important issue directly linked to all kinds of quality in business activities, and we have formulated the TDK Health Declaration to actively support team members' health management and improvement.

We are conducting health promotion activities to enable team members to continue working in good health both physically and mentally.

TDK Health Declaration

TDK enables the transition towards a sustainable future through our transformational technology, products, solutions, and processes. Our Team Members (employees) support this mission by delivering quality each step of the way. While our quality focus has been critical to our success for generations, global societies have grown complex and evolved at such a rapid pace that humanity and health is suffering. It is clear that "quality of health" is imperative for TDK to live our motto: contribute to culture and industry through creativity.

TDK United is committing to a "Health First" approach with the intention to improve our Team Members quality of health. We will support the culture of health by providing foundational health programs and activities at local, regional and global levels across all businesses and functions. We wish to achieve this sustainable, healthy society by ensuring that our diverse team members from TDK United participate with open hearts and minds.

Health Declaration

TDK United improves quality through a "Health First" approach

Noboru Saito
President and CEO

Governance (TDK Corporation)

TDK United regards the maintenance and promotion of team members' health as an important management issue and has established a new Health Promotion Section within the Human Resources HQ, with the director in charge of human resources as the person responsible for health promotion.

Please see the link for the governance system of human resources as a whole.

Related Information

[Human Resources](#)

Education and Awareness Raising

Ongoing health literacy education, including lectures by external experts, is provided to ensure that each team member can take care of his or her own health.

- External expert lectures
- E-learning

Officer responsible for health promotion: Executive Vice Presidents Andreas Keller

Human Resource HQ — Japan Department — Labor Relation Group — Health Promotion Section

Health Promotion Organization

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

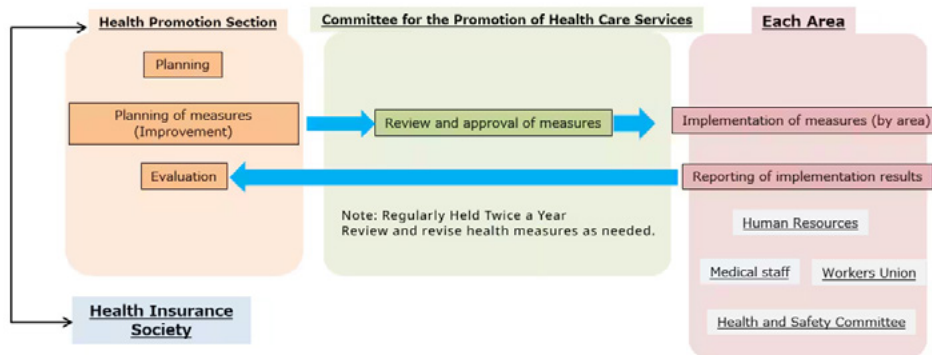
Governance

ESG Library

To manage and promote the health of team members, TDK not only conducts regular health check-ups, but also has industrial physicians, public health nurses, nurses, and dentists (at some sites) at workplaces to provide an environment where health consultations and dental care are routinely available. In addition, consultations are available from team members via an external telephone health consultation service (available 24 hours a day) set up by Health Insurance Society.

In 2018, a Health Management Project Promotion Committee was established by persons concerned from the company, health insurance union, industrial physicians, public health nurses, nurses and workers unions, and various health promotion activities are discussed and put into action by the committee to develop health promotion activities.

Health Promotion System Flow



Strategy (TDK Corporation)

We believe the improvement of health quality through efforts to maintain and improve the health of team members is indispensable to maintaining high engagement among team members, and that this contributes to maintaining and enhancing TDK's value creation.

TDK positions the improvement of health quality as an important management issue and approaches it as a long-term human resource strategy.

Additionally, they promote health & productivity management by steadily implementing the PDCA cycle based on a strategy map.

The members of the Health Promotion Section play a central role in formulating specific measures, the measures are examined and approved by the Health Management Business Promotion Committee, the measures are implemented at each site, evaluated by the members of the Health Promotion Section, and linked to the formulation of the next year's plan.

Risk

Recognizing health issues as below, we would like to support our team members in their health promotion activities to keep them in the best condition and contribute to the realization of a sustainable and healthy society by improving the quality of their health, both physically and mentally, and enhancing the quality of their work as well as their lives.

1. Increase in the number of patients with lifestyle-related diseases and pre-morbidities
2. High proportion of people at risk of mental illness
3. High proportion of people indifferent to health

Opportunity

Health measures to promote awareness and behavior change are implemented to address these issues.

- Improvement of lifestyle
- Reduction in the number of people with mental health problems
- Improvement of health literacy

Risk Management

Within ERM, risks related to talent acquisition and development are managed and health indicators that could lead to them are closely monitored.

Metrics and Targets (TDK Corporation)

Medium- to Long-Term Targets

Health Index : TDK Group Companies in Japan

No	Index Item	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26	FY3/29 Target*3
1	Percentage of regular health check-ups*1	98.5	99.9	99.9	99.9	99.8	-
2	Rate of detailed follow-up examinations*1	-	22.5	26.5	32.9	29.2	-
3	Participation rate of stress check*1	89.2	84.6	82.1	92.5	94.2	-
4	High-stress employee rate *1	18.8	19.4	19.3	18.8	18.2	-
5	Implementation rate of specific health guidance	42.1	59.2	60.4	59.0	62.7 (in progress)	-
6	Smoking rates	26.5	26.0	26.0	25.8	25.6	-
7	Percentage of persons with an exercise habit	22.2	22.9	23.6	24.7	24.7	-
8	Percentage of persons of adequate weight	63.7	63.6	63.8	63.4	63.1	-
9	Number of participants of walking campaign	592	885	1,248	1,780	2,194	-
10	Satisfaction with walking campaign (positive response rate)	-	-	-	-	99.6	-
11	Participation rate of measures on women's health issues	-	-	72.0	87.1	80.0	-
12	Health literacy (points)*2	-	-	-	3.39	3.42	-
13	Self-rated health (positive response rate)	-	-	-	71.2	71.2	74.7

*1 Results for TDK Corporation

*2 Measured through the health-literacy items of the health questionnaire; an average score (out of 5) is provided

*3 Applicable only to the KGI of health-promotion activities

Performance Index : TDK Group Companies in Japan

No	Index Item	FY3/22	FY3/23	FY3/24	FY3/25	FY3/26	FY3/29 Target*5
1	Absenteeism (hours)*1,2	-	-	-	7.99	8.95	-
2	Presenteeism (%)*1,3	-	-	-	82.9	82.0	>82.5
3	Work Engagement (points)*1,4	-	-	-	2.63	2.59	-

*1 Results for TDK Corporation

*2 Measured by employee survey as the number of hours absent, late, or left early due to health problems in the past three months

*3 Measured using SPQ (Single-Item Presenteeism Question). Indicates subjective performance level (%) in the past month

*4 Measured via employee survey, assessing the state of Vigor, Dedication, and Absorption

*5 Applicable only to the KGI of health-promotion activities

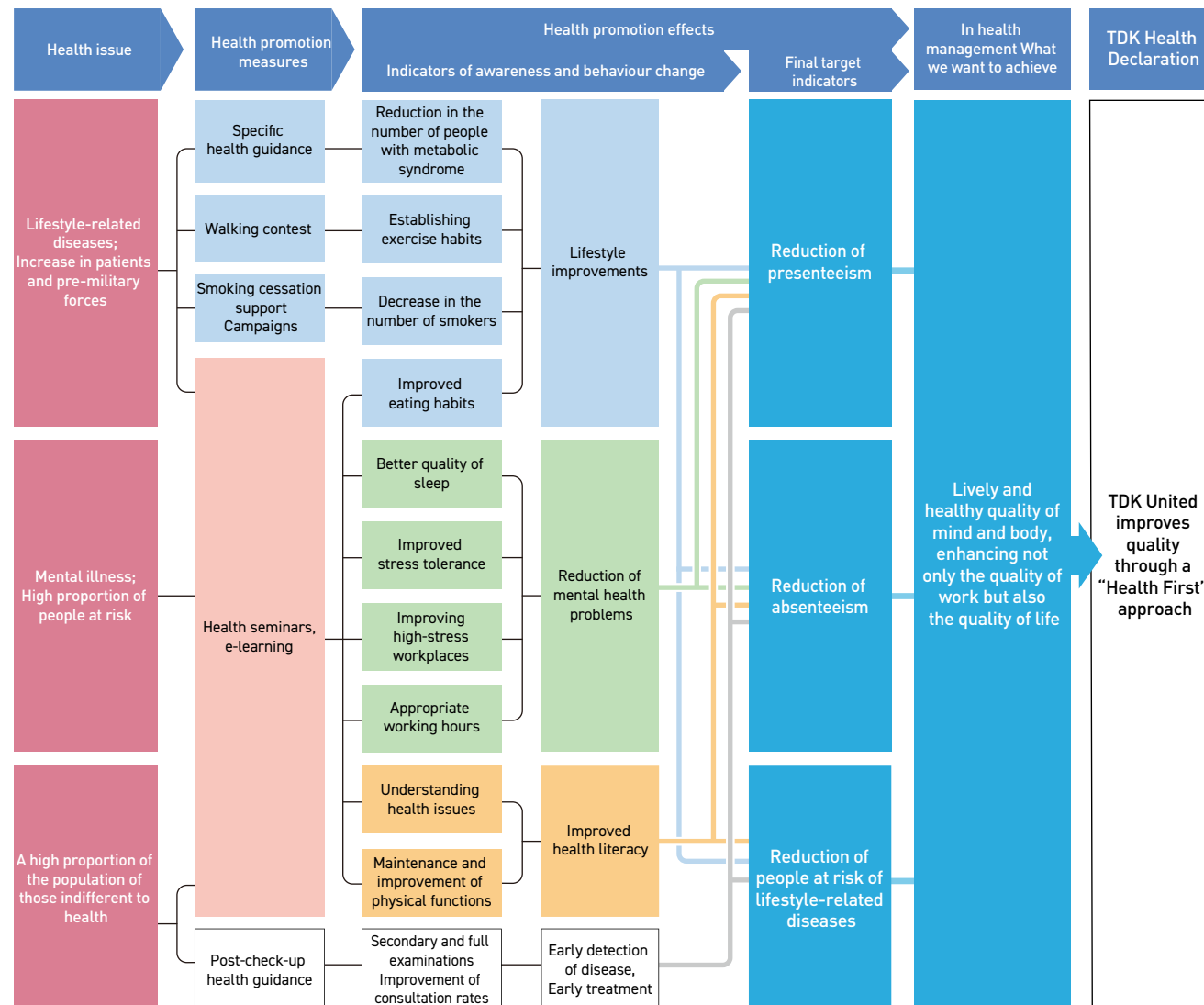
Evaluations and Future Activities

As a result of our health promotion activities, we have been awarded the “Excellent Health and Productivity Management Recognized Corporations” for four consecutive years. We will further strengthen our health promotion framework and continue our health promotion efforts to become a leading company in health and productivity management. Also, we will strive to realize a sustainable and healthy society by further developing our health promotion activities, so that our team members can be physically and mentally active and improve their quality of health, not only at work but also in their lives.

Initiatives (TDK Corporation)

Strategy Map

Lifestyle-related diseases: Increase in the number of employees with lifestyle-related diseases or at risk of developing them



Main Health Promotion Activities

Mental Health Measures

We have set up mental health consultation counselling services with specialist specialized doctors at certain sites, and have established a system where team members can easily receive counselling, while offering e-learning seminars on an ongoing basis. Furthermore, we provide training for newly appointed managers to strengthen our mental health support system. We have also introduced a program to support returning to work, which includes a rehabilitation work system, to provide maximum support for team members returning to work.

Since 2016, stress checks have been conducted with the aim of enabling team members themselves to ascertain the extent of their stress and prevent mental health problems before they occur. The findings from the result are also analyzed on an aggregate level to drive workplace improvement initiatives.

e-learning

Based on the strategy map, we continuously conduct health literacy education to enable team members to manage their own health. Last year's specific program content included "Health Literacy for New Managers and Supervisors", "Understanding Women's Health Issues: Foundation Course Vol. 1", "Understanding Women's Health Issues: Foundation Course Vol. 2"

Health Survey

To understand the health issues within TDK group companies in Japan and utilize this information for future health promotion measures, a health survey provided by The Health & Productivity Management Alliance has been implemented since FY2025. This survey focused on the correlation between health issues and performance levels or performance decline, conducting an analysis of relevant factors.

Health Promotion General Meeting

Held annually, the Health Promotion General Meeting aims to strengthen collaboration among medical staff, HR managers, and the Health Promotion section to advance health promotion activities. The meeting includes a speech by the director in charge of health promotion, a report on the status of health & productivity management measures, a lecture on the practical application of behavioral science by external experts and held group discussions.



TDKFit Challenge (Global Health Program)

The TDKFit Challenge is a TDK Group-wide initiative to improve team members' health and well-being. This program was developed as an outcome of the Territorial Career Development Program (TCDP) under the Global Management Development Programs. It allows team members worldwide to participate in walking and running activities while sharing information via a common platform.

Following various regional exercise promotions, the "EMEA TDKFit Challenge" was introduced in 2024 for Group companies in the EMEA region to encourage sustained exercise habits. In 2025, the program was scaled up to the "Global TDKFit Challenge," covering the entire TDK Group and coinciding with the World Athletics Championships.

The post-program survey showed positive results, with a 95% satisfaction rate. Furthermore, 82% of participants "felt TDK United" and 79% stated it "led to the formation of healthy habits." TDK remains committed to fostering a global culture of health promotion through the regular implementation of global-scale wellness programs.

TDK will continue to prioritize improving presenteeism and absenteeism among team members and reducing the risk of lifestyle-related diseases. Through these health promotion activities, we aim to decrease the number of individuals experiencing mental health issues and enhance health literacy, thereby improving the overall performance and health quality of the organization.

Acquired certification as an excellent health management company

TDK was recognized for the fourth consecutive year by the Ministry of Economy, Trade, and Industry (METI) and NIPPON KENKO KAIGI (Japan health council) in the “Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category)”



Sustainability | Social

Health and Safety

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

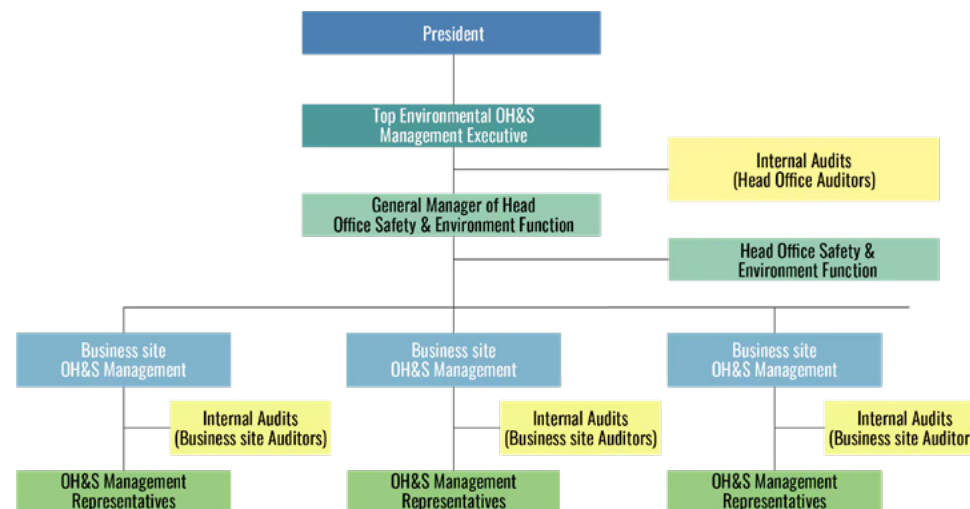
The TDK Group Occupational Health / Safety and Environmental Charter

To unify policies relating to health / safety and the environment throughout the entire TDK Group, TDK formulated the TDK Group Occupational Health / Safety and Environmental Charter consisting of two aspects—basic principles and basic policies on health/safety and the environment.



Governance

TDK has set up a promotional structure based on the Occupational Health and Safety Management System headed by the President and CEO. In addition, important matters related to health and safety are reported to the Board of Directors, and are deliberated when necessary.



Strategy

The TDK Group has established and implemented the TDK Occupational Health and Safety Management System (TDK OHSMS) in accordance with the requirements of the international standard ISO 45001:2018 for occupational health and safety management. Within the operation of the TDK OHSMS, we conduct risk assessments and carry out risk elimination and reduction activities such as “exposure to chemical, biological, and physical agents,” “tasks that place physical strain on workers,” and “safety confirmation and evaluation of production machinery.” Additionally, we strive to manage public health by providing clean water and sanitation facilities, ensuring a safe, healthy, and fair working environment for all team members (employees).

Risk Management

Promotion of Occupational Health and Safety Management System

The activities of the TDK OHSMS are carried out in accordance with national and regional standards and regulations. As of the end of March 2025, 80% of all our factories within the group have obtained ISO 45001:2018 certification. Additionally, in the Americas, we have obtained OSHA* certification and are advancing certification activities appropriate for each country and region.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Furthermore, we have established EHS coordinators (Environmental, Health, and Safety coordinators) in Japan, China, ASEAN, Europe, and the Americas to promote safety, health, and environmental activities by conducting factory safety audits and sharing best practices in safety and environmental meetings to improve the level of safety and health activities.

*OSHA: Occupational Safety and Health Administration

Related Link

[Facilities with ISO45001 Certification](#)

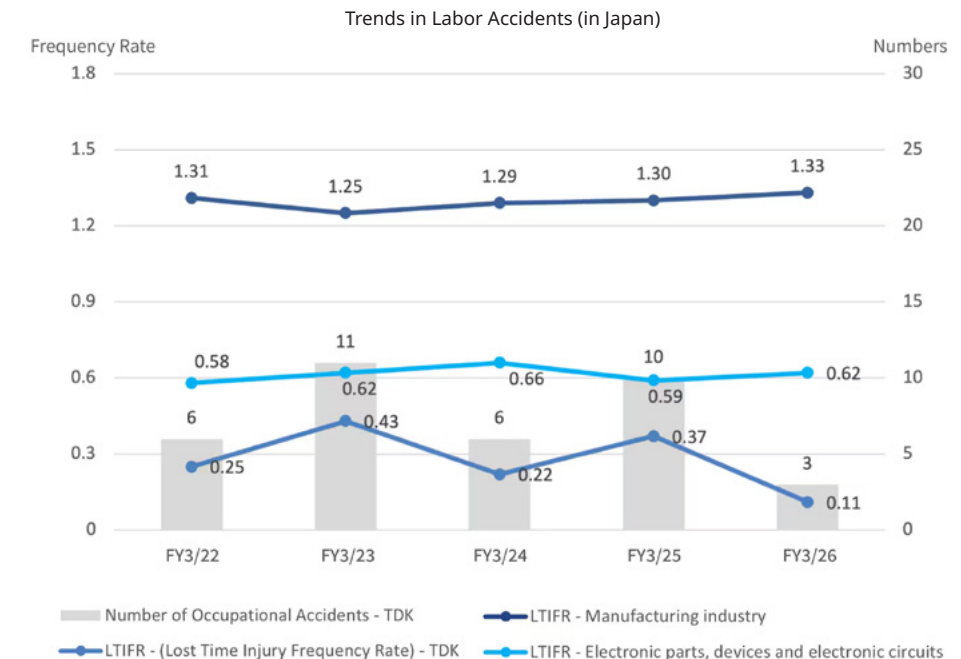
Conducting Risk Assessments

When constructing new manufacturing sites or introducing new equipment, we also conduct risk assessments to ensure comprehensive safety. In addition, to address risks identified at individual sites, we put risks in priority order, formulate action plans and targets, and take action to realize improvement.

Metrics and Targets

Goals and Achievements in FY March 2026

FY March 2026 Goal	Achievement
Achieve zero significant labor accidents	Zero significant labor accidents



Related Link

[Social Data](#)

Evaluations and Future Activities

In FY March 2026, there were no fatal or significant labor accidents* within the TDK Group. Going forward, we will continue our efforts to prevent labor accidents through activities aimed at eliminating and reducing risks, as promoted under the TDK OHSMS. In the event that a labor accident occurs, we carry out investigations into the root causes and implement fundamental countermeasures, review procedures, and ensure proper communication to maintain safety and prevent recurrence.

*Significant labor accident: an accident with remaining disability, required long-term nursing, or fatality.

FY March 2027 Goal
Achieve zero significant labor accidents

Initiatives

Conducting Audits

Sites that have obtained an ISO 45001 certification are audited regularly by outside auditors from a certification authority, while an internal audit in principle is conducted once a year for those sites that yet to obtain such a certification.

Responses to Emergency Situations

In preparation for any emergency situation that may arise, we have established response procedures and a communication and reporting system for when an emergency situation occurs. We also conduct regular evacuation drills and so forth on the supposition that an emergency situation has arisen, and work thoroughly on the response procedures for such an event.

Responses to Labor Accidents

The TDK Group works to prevent labor accidents from occurring. We have in place a framework wherein, should a labor accident occur, the health and safety manager at the site where it occurred will promptly inform either the safety and environment function at the head office or the regional headquarters.

At those sites where a labor accident has occurred, we carry out investigations into the accident's root causes and implement fundamental countermeasures. At the same time, we also share information regarding these matters and work to prevent recurrence.

Education and Awareness Raising about Occupational Safety

We provide education and work to raise awareness about workplace safety such as through experience-type safety education with the goal of fostering safety awareness among our team members. Additionally, at all TDK Group manufacturing sites, we post health and safety information in our facilities in either the mother tongues of our team members or in languages they can understand, and we promote self-awareness and regularly provide competence education regarding health and safety.

Global Deployment of Experience-Type Safety Education

TDK has begun the global deployment of the experience-type safety education based on the concept of “look, listen, and feel” implemented by the TDK Safety Training Center set up at the Nikaho Factory South Site in the Akita region of Japan in 2017. We have been undertaking initiatives to raise the safety awareness of our team members. These include having established in 2020 an EHS Training Center at TDK (Zhuhai FTZ) Co., Ltd., one of our manufacturing sites in China, and having established in April 2022 the Safety Training Center at our Mikumagawa Factory.

In addition, in response to cases of factory fires recently both in Japan and overseas, the TDK Group carries out fire-prevention inspections globally and is taking steps to reduce the risk of fire.

The total number of team members in Japan who have trained at the Safety Training Center now stands at 19,363 (2,624 in FY March 2026)



Technical Training Center Established to Improve Skills in Entire Factory (Nashik Factory, TDK India Private Limited)

The Nashik Factory in India has established the Technical Training Center to provide all team members with opportunities to improve their knowledge and skills. At this center, efforts are made to deepen new team members' understanding of emergency health/safety response, such as fire prevention and use of automated external defibrillators (AEDs), as well as their knowledge of actual products.

The center is also used for skill improvement by all team members. For example, it is used in multifunctional training for established team members, providing displays of actual manufacturing equipment and maintenance tools that can be touched.

Furthermore, the center is resourceful in its educational programs, adopting recreational elements so that trainees do not become bored.



Health and Safety Initiatives in Our Supply Chain

The TDK Group has established a TDK Group Business Partner Code of Conduct grounded in the Group's TDK Purchasing Policies. The Code of Conduct specifies the Group's expectations for compliance in how suppliers conduct their operations, under several categories: labor, health and safety, environment, ethics, management systems, and information security. Furthermore, we expect our suppliers to recognize the risks associated with CSR and to take human rights and safety into consideration in their activities in the supply chain, as well as to reduce the environmental load of their operations.

Related Link

[Sustainable Procurement](#)

Sustainability | Social | Safety and Health

Facilities with ISO45001 Certification (As of June 1st 2026)

ISO45001:2018

Facility	Country	Certificate Number	Certification Body
TDK Corporation The Safety & Environment Group of the Sustainability Promotion HQ Mikumagawa Factory Kofu Factory Narita Factory Shizuoka Factory Inakura Factory (East site) Inakura Factory (West site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Ouchi Factory TDK Electronics Factories Corporation Kofu Factory Inakura Factory (East site) Inakura Factory (West site) Nikaho Factory (North site) Nikaho Factory (South site) Honjo Factory (West site) Honjo Factory (East site) Kitakami Factory Ouchi Factory Iwaki Factory Tsuruokanishi Factory Sakata Factory Iida Factory Tsuruokahigashi Factory	Japan	JP21/071692	SGS
TDK China Co., Ltd. TDK (Suzhou) Co., Ltd. TDK Dalian Corporation Qingdao TDK Electronics Co., Ltd. TDK Xiamen Co., Ltd. Guangdong TDK Rising Rare Earth High Technology Material Co., Ltd. TDK Dongguan Technology Co., Ltd.	P.R. China	CN047115	BV
SAE Magnetics (Dongguan) Limited	P.R. China	02123S11389R5L	CCCI
SAE Components (Chang An) Limited	P.R. China	02125S10004R1L	CCCI
AFI Technologies (Chang An) Ltd.	P.R. China	02125S10003R6L	CCCI

Ningde Ampere Technology Limited	P.R. China	CN19/31372.01	SGS
TDK Ganzhou Rare Earth New Materials Co., Ltd.	P.R. China	01 213 085364	TUV
Guangdong Real Faith Pingzhou Electronic Co., Ltd. Guangxi Real Faith Pingzhou Electronics Co., Ltd. Jiangmen Real Faith Pingzhou Electronics Co., Ltd.	P.R. China	00224E34326R4L-1 00224E34326R4L-2 00224E34326R4L-3	IQNET
TDK Taiwan Corp.	Taiwan	20003153 OHS18	IQNET
InvenSense Taiwan Ltd.	Taiwan	TW17/00862	SGS
TDK Korea Co., Ltd.	Korea	KR003797	BV
TDK Philippines Corporation	Philippines	50500402 OHS18	IQNet
TDK (Thailand) Co., LTD.	Thailand	488005 OHS18	IQNET
Magnecomp Precision Technology PLC.	Thailand	25884/K/0001/UK/En	URS
TDK (Malaysia) Sdn. Bhd.	Malaysia	01 213 117285	TUV
TDK-Lambda EMEA	UK	OHS 609627	BSI
TDK-Lambda Ltd.	Israel	106055	IQNET
TDK Electronics AG	Germany	10000458801-MSC-RvA-DEU	DNV

Social Contribution Activities

[Our Approach](#)

[Initiatives](#)

Our Approach

As a corporate citizen, TDK recognizes the importance of coexisting with the community and, thinking about what we can do for society as a company, promotes various original social contribution activities.

Principle

Based on TDK's corporate motto of "Contribute to culture and industry through creativity," the TDK Group aspires to foster the development of a healthy and prosperous society by implementing various activities in which all TDK employees can feel committed and connected to the community.

Policy

The TDK Group will utilize its various resources (employees, products, capital, information, etc.) to globally implement proactive community activities - both alone and working alongside NPOs and NGOs - that contribute to the betterment of society in the areas of (1) academic, research, and education, (2) sports, art, and culture, (3) environmental conservation, and (4) social welfare and local community service activities.

Initiatives

Academic, Research and Education Activities

TDK is willing to return the profits of its activities to local communities by utilizing our accumulated product technologies and human resources. Specifically, TDK wishes to offer opportunities for young people who will lead the next generation to acquire a wide range of knowledge, experiences, and skills.

One specific example is the TDK Museum, which was renovated in April 2026. The museum introduces the history of TDK's products utilizing magnetic technology and its technologies and also, as a new aspect, its efforts toward the future, the aim being to support the science and technology studies of the young people who will be the leaders of society in the next generation. The museum also continuously conducts electronics workshops and science on-site lessons in junior high schools and conducts programs that support joint education on- and off-site.

TDK Museum's Community Activities

[TDK Museum's Community Activities](#)

Sports, Art and Culture Activities

Strategic Technology Partnerships with Porsche Motorsport

Starting in 2024, TDK has entered into a strategic technical partnership with Porsche Motorsport for the ABB FIA Formula E World Championship. TDK is working together with the Porsche Formula E team and the Porsche Coanda Esports Racing Team to make a technological contribution in the field of e-Mobility (xEV), which is helping to build a sustainable society in the future, and in the area of eSports, which brings people emotion and excitement.

TDK provides cutting-edge technology, including MLCCs and inertial sensors that are able to function in a challenging environment, for the new Porsche 99X Electric racing car to support the enhancement of machine performance. The insights obtained through this collaboration can be used to drive electrification throughout society as a whole, leading the way toward a sustainable future.

In the e-sports field, we are working together with the Porsche Coanda Esports Racing Team, using TDK's technology to contribute toward the evolution of gaming.

Providing Sponsorship for the World Athletics Championships

Aiming to be a company that continues to bring stakeholders inspiration and excitement, TDK provides support for sporting and cultural activities. We have been a sponsor of the World Athletics Championships ever since they were first held in 1983. In our Rising Stars program, which we launched in 2017, schoolchildren who are interested in athletics have the opportunity to meet top athletes, and to experience the venues where high-level international competitions take place.

For the World Athletics Championships in Tokyo in 2025, we launched a new technology collaboration project relating to javelin throwing, which has contributed toward helping the sport evolve by enriching the viewing experience through the utilization of cutting-edge technology to visualize throwing data. In addition, we held an experience event at Japan's National Stadium for individuals who had received provisional job offers to join in TDK in 2026. Through these activities, we share the global enthusiasm of support and work together with the next generation to build a sustainable future.

Environmental Conservation Activities

TDK is engaged in R&D activities to provide products that make people's lives more convenient. But we also work earnestly on various environmental conservation activities to contribute to a symbiosis with the global environment.

One example is the TDK Beech Forest tree-planting event, as well as fertilization activities, that have been held every year since 2004 at factories in Akita Prefecture. To date, we have planted approximately 10,500 trees.

In June 2025, a total of 50 employees and family members took part in an activity to spread fertilizer to help the growth of beech tree saplings that had been planted the previous year. In October 2025, 74 employees and family members took part in a beech tree planting activity; we will continue to implement environmental conservation activities in the coming fiscal year.

Social Welfare and Local Community Service Activities

TDK conducts its business activities on a global basis. We endeavor to apply TDK's resources in beneficial ways and provide help to local communities to solve issues and bring about a better society.

Going forward, we will conduct activities according to the needs of people in individual locales.

Disaster Area Assistance

In 2025, following on from a similar activity held in the previous year, a group of 81 volunteers from TDK (of which 76 were new employees) took part in an activity to provide support for post-disaster recovery in the city of Kamaishi in Iwate Prefecture (which was severely affected by the Great East Japan Earthquake of 2011).

After learning about environmental activities at a local lecture hall, the volunteers helped with weeding in rapeseed fields, fence painting, etc. The volunteers also viewed vehicles powered by biodiesel made from rapeseed oil, and took part in an educational tour of eco-houses that make effective use of solar power. Participating in this activity helped to strengthen the volunteers' interest in environmental activities. We intend to continue taking part in volunteer activities and to further deepen our interest in environmental issues.

Sustainability

Governance

- ▶ [Corporate Governance](#)
- ▶ [Risk Management](#)
- ▶ [Corporate Ethics and Compliance](#)
- ▶ [Supply Chain Management](#)
 - [Sustainable Procurement](#)
 - [Responsible Sourcing of Minerals](#)
 - [Social and Environmental Consideration at Manufacturing Sites](#)
- ▶ [Tax Strategy](#)
- ▶ [Information Security](#)
- ▶ [Quality Assurance](#)
- ▶ [Digital Transformation \(DX\)](#)
- ▶ [Governance Data \(ESG Data\)](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Governance

Corporate Governance

[TDK Basic Policy on Corporate Governance](#)

[Management and Execution Structure and Audit System](#)

[Share ownership](#)

[Remuneration for Directors and Audit & Supervisory Board Members](#)

[Leadership](#)

[Basic Policy for Internal Control](#)

[Corporate Governance Report](#)

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

sustainability | Governance

Risk Management

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Initiatives](#)

Governance

Risk Management Structure

TDK has instituted systems to precisely identify significant risks in the Group's business activities and to implement appropriate responses to reduce impacts on the Group's business in the unlikely event that a risk materializes. We have also established an ERM Committee, chaired by a corporate officer appointed by the President and CEO, to allow us to promote company-wide measures against factors (risks) which stand in the way of the achievement of organizational goals, and to implement company-wide Enterprise Risk Management (ERM) to appropriately manage these risks, in aiming for sustainable growth. Similarly, we have established the Sustainability Committee (in April 2025), the Compliance Committee, the Information Security Committee, and the Disclosure Committee as committees under the direct management of the Executive Committee, and are thereby undertaking measures and responses to various issues. A corporate officer serves as chair at each of these committees. (Refer to "Risk Management" section for details of the organizational structure for risk management involving individual risks).

The ERM Committee reports to the Board of Directors on the significant risks assessed and identified through ERM activities, including business and other risks disclosed in the annual Securities Report (19 risks in FY March 2026). Activities of the ERM Committee and the Compliance Committee are overseen by the Board of Directors, by means of biannual reporting to the Board of Directors by both committees. In addition, members of the Management Review & Support Group, an internal auditing unit, attend meetings of the ERM Committee as observers, and monitor the Committee's activities. The Full-time Audit & Supervisory Board Member also performs monitoring of the ERM Committee, for example by meeting with the Committee's chair.

[Business Risks](#)

Sustainability Committee

The Sustainability Committee identifies sustainability-related risks and opportunities, defines the TDK Group's key issues (materiality), implements progress management, makes adjustments in response to changes in the internal and external environment, and responds to the introduction of new sustainability-related regulations, with the aim of furthering both the sustainability of the TDK Group (i.e. the ability to grow corporate value over the long term) and the sustainability of society as a whole.

Enterprise Risk Management (ERM) Committee

In ERM Committee, we promote company-wide risk management in a way we analyze and evaluate company-wide risk, identify risks which require countermeasures and decide a responsible function to be in charge of risks. As for each risk, the responsible function takes the lead in countermeasures and the progress is monitored in ERM Committee. We discuss the risk analysis evaluations and countermeasure situations at the Executive Committee and report them to the Board of Directors. Risks concerning sustainability, such as risks concerning corporate social responsibility, climate change, securing personnel and training personnel are also allocated to risk owner departments and Corporate Officers are assigned for them.

For more information on our risk management activities and major risks, please see the link below.

[Business Risks](#)

We have recognized as a recent emerging risk the fact that the U.S. is considering raising tariffs on products from other countries besides China. (As it not possible to accurately predict which countries and which products will be affected, we cannot assess the likely impact on the TDK Group. If the U.S. does raise import duty on TDK's products, we will aim to reduce the impact by adjusting our logistics system, and by passing on the price increase to customers if necessary.)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Compliance Committee

Through the Compliance Committee, which aims to supervise compliance-related risk management and advance initiatives, TDK promotes prevention of violating laws and regulations, etc. and strengthens prevention of recurrence. The Compliance Committee approves company-wide compliance activity policies and plans, selects risks that we will focus on with respect to compliance, assigns individual risks to risk owner divisions, and provides instructions to and monitors risk owner divisions.

Related link

[Corporate Ethics and Compliance](#)

Information Security Committee

The Information Security Committee properly manages important information such as information provided by customers and personal information in compliance with laws and regulations, implements measures against cyber-attacks and internal information leakage, and monitors the security status of TDK to prevent cyber-attacks. In addition, in the event of an attack, the said Committee will promptly assess the situation, recover, and take measures.

Related link

[Information Security](#)

Disclosure Committee

The Disclosure Committee deliberates on and examines important corporate information and disclosure materials of TDK that are required for investment decisions by shareholders and investors, to ensure that it discloses appropriate information in a comprehensive, accurate, timely and impartial manner, in accordance with various laws and regulations regarding securities transactions and the rules and regulations of the stock exchange on which its shares are listed.

Related link

[Information Disclosure \(Japanese only\)](#)

Strategy

One of the key issues (materiality) to be addressed toward the realization of the TDK Group's long-term vision is the "enhancement of Group governance," with "Empowerment & Transparency" set as one of the themes of this issue.

In risk management, based on the concept of "Empowerment & Transparency," we encourage appropriate risk-taking (Value Creation) and prevent the impairment of corporate value (Value Protection).

Risk Management

The ERM Committee, under the direct management of the Executive Committee, clarifies the role (refer to below table) of each organization in risk management activities and promotes the PDCA cycle of a series of risk management activities, from identification of risks to evaluation, consideration of countermeasures, implementation, monitoring, and improvement.

As a risk assessment, each term the residual risk (i.e., after control by the measures taken so far) is examined from the perspective of the three elements of management resources (people, goods, and money), relationships with internal and external stakeholders, reputation, and BCP. We calculate the magnitude of the impact on the TDK Group from the above and combine it with the possibility of the risk materializing to create a residual risk heat map to visualize and evaluate the priority of risk countermeasures. Among these, the results of the assessment of critical risks and the status of countermeasures are deliberated on by the Executive Committee and reported to the Board of Directors.

*For more details about risk management activities and major risks, please visit the following page.

[Business Risks \(Investor Relations\)](#)

Roles of each organization in risk management activities

Divisions with jurisdiction over business execution (e.g. business groups and subsidiaries)	Identify risks in day-to-day business operations and implement the necessary risk controls, as the first line of risk management
Divisions responsible for the Group's headquarters function	Implement Group-wide risk management activities relating to risks for which they are responsible, as the division with ownership over risks, and monitor whether first line risks are being appropriately managed while also providing any necessary support, guidance, or cooperation, as the second line of risk management
Management audit group responsible for internal audits	Internally audits risk management activities by the divisions with jurisdiction over business execution (first line), headquarter function (second line), and the ERM Committee

Initiatives

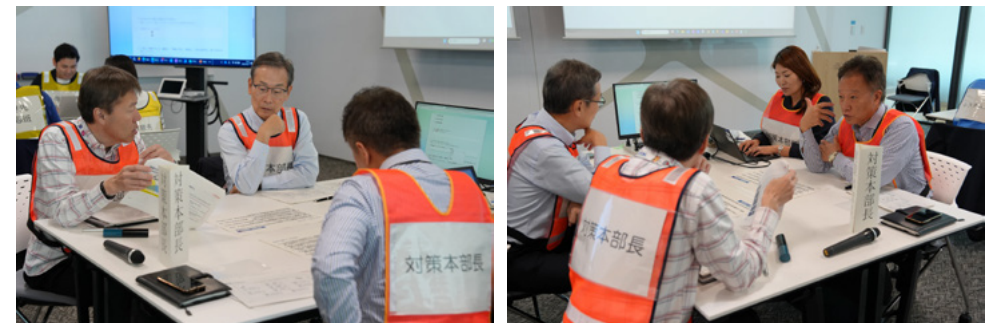
The secretariat of the ERM Committee drafts a list of risks and the associated risk scenarios that the TDK Group could potentially face in each term, and evaluates any residual risks that the Group could still face following the measures that have been implemented already, to facilitate implementation of the activities described in the "Risk Management" section above. For any residual risks that are felt to be relatively high, the headquarters function (or business group for certain risks specific to respective businesses), as the division with ownership over the risk at the Group level, first performs self-assessment of the likelihood of the risk becoming actualized, and of any vulnerabilities in the system for mitigating the potential impact if the risk does become actualized. After discussing the results of this assessment with the secretariat of the ERM Committee, measures are formulated and implemented to eliminate any vulnerabilities. With regard to other risks, the risk owner assesses the likelihood of the risk becoming actualized, and formulates and implements measures to mitigate the potential impact if the risk does become actualized.

Business Continuity

TDK has established a crisis management system to prevent secondary disasters and to ensure the safety of team members in the event of an emergency, as well as to ensure business continuity in order to fulfill its responsibility to continue supplying products to customers. We have established a Business Continuity Plan (BCP) that is applicable to all emergencies globally, regardless of the type of disaster or the cause event, and we are focusing on Business Continuity Management (BCM) activities to increase effectiveness in case of emergencies, thus ensuring to the extent possible that prioritized works are not interrupted at such times, or if they are, that they can be restarted as quickly as possible.

Specifically, in addition to holding regular BCM meetings at which we share business continuity issues and manage their progress for each business division, we also conduct regular practice sessions and drills premised on a variety of scenarios at respective business and factory units at least 30 times per year. In addition, we continuously conduct practice sessions for the launch, establishment, and operation of the Corporate Crisis Management Headquarters, which would be led by the President and CEO in the event of a major emergency. TDK positions practice sessions and drills of this kind as a central measure of our BCM activities, and we will continue to strive for day-to-day improvements in the effectiveness of our BCP for emergency situations.

Example of implementation: Corporate Crisis Management Headquarters simulation drill held in October 2025



The head of the Crisis Management Headquarters (President and CEO) and his deputies (Senior Executive Vice President CFO and Corporate Officer COQ*) discussing the simulation scenario

* Chief Officer of Quality, Safety & Environment



Crisis Management Headquarters teams sharing their scenario analyses and discussing the issues identified

Education and Awareness Raising

TDK provides ongoing training and education for directors, management, and team members (employees) including lectures led by external experts, toward raising awareness and facilitating the achievement of a more accurate understanding of risk management.

- Lectures by external experts on geopolitical risks (for All Directors and Audit & Supervisory Board Members)
- e-learning

Corporate Ethics and Compliance

[Our Approach](#)

[Governance](#)

[Risk Management](#)

[Initiatives](#)

Our Approach

The TDK Group's top management takes the lead to ensure that all TDK Group directors, officers and team members (employees) are familiar with the Group's Corporate Philosophy and the TDK Group Code of Conduct and that they are thoroughly aware of and committed to corporate ethics and compliance.

In addition, the TDK Group regularly monitors compliance with the TDK Group Code of Conduct and provides annual training on corporate ethics, prohibition of bribery and corruption, competition laws, and other topics to team members not only in Japan but also at overseas business locations, including both classroom-style instruction and e-learning.

Furthermore, the TDK Group has built a global corporate ethics management structure centering on the Business Ethics Supervisory Committee, which regularly receives reports on TDK Group team members' compliance with corporate ethics. In addition, the Business Ethics Supervisory Committee regularly reports on TDK Group compliance to the Board of Directors.

TDK Group Code of Conduct

The TDK Group Code of Conduct stipulates specific behavior guidelines for the TDK Group, and constituent officers and team members, to observe laws, regulations, and social norms.

Related link

[TDK Group Code of Conduct](#)

Governance

Compliance Structure

Pursuant to a resolution of the Board of Directors, TDK appoints the Global Chief Compliance Officer (GCCO) from among the corporate officers and the GCCO heads the TDK Group Compliance Committee. Furthermore, the GCCO serves as chair of the Compliance Committee and appoints Regional Chief Compliance Officers for four regions around the world in addition to Japan.

Through these efforts, the TDK Group will further strengthen the company's compliance structure to ensure that all team members act in accordance with compliance based on global common standards, and foster a corporate culture of integrity, fairness, and transparency in order to meet the trust and expectations of customers and society.

In addition, the Compliance Committee approves company-wide compliance activity policies and plans, selects priority risks to be addressed by the Group, assigns and evaluates individual risks to risk owner divisions, provides instructions to risk owner divisions, and monitors the status of their activities. Risk owner divisions take action to resolve compliance issues that arise and take measures that are necessary from the perspective of preventing recurrence. The GCCO reports the details of these activities to the president and periodically reports to the Board of Directors.

Risk Management

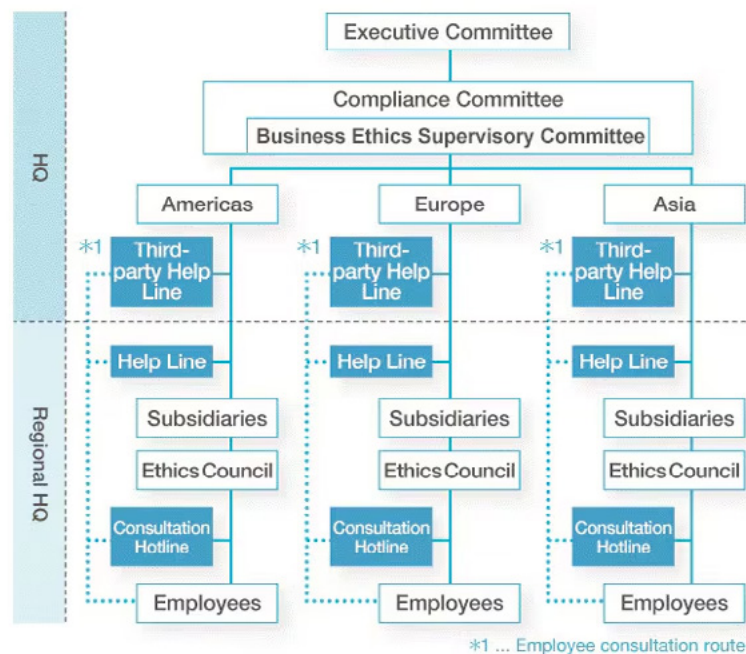
The TDK Group has established structures to enable team members to anonymously make internal reports and consult regarding issues of corporate ethics through channels other than their regular work chain of command. Each Ethics Council has a consultation hotline, and internal helplines have been established on a regional basis for the direct collection of information and opinions relating to corporate ethics and other issues within the Group. In addition to the regular reporting routes within the Group, alternate reporting routes that provide access to outside law firms and other third parties have also been established in the Americas, Europe, and Asia. As a result, team members and others making reports can select the reporting route that they believe to be the most appropriate.

Reports received via the helplines are investigated. In the event of a violation of the Group Code of Conduct being confirmed, the parties concerned may be subject to penalties in accordance with the work rules and other internal regulations.

The Group Code of Conduct stipulates the protection of informants so that they do not suffer any unfair treatment or disadvantages.

Internal Reporting Structure

Internal Reporting Structure



As of April 1, 2026

Number of Consultations and Reports to Helplines (Global)

FY March 2022	79
FY March 2023	141
FY March 2024	151
FY March 2025	178
FY March 2026	203

The scope of figures includes the Ethics Councils and affiliates.

Initiatives

Spreading Awareness of Corporate Ethics

TDK provides every TDK Group team member with a copy of the TDK Group Code of Conduct Handbook and recommends that they carry it around with them. Employees can use the handbook as a guide in their individual activities. We also endeavor to spread awareness of the Code of Conduct's content through, for example, the display of posters.

In addition, we conduct regular training on the Group Code of Conduct and internal rules through e-learning, training, lectures by outside experts, and other means to ensure that the officers and team members who make up the TDK Group act in compliance with laws and regulations.

Furthermore, in Japan, we have created items relating to compliance and the Code of Conduct in personnel evaluations and reflect them in team members compensation. Through these efforts, we provide team members with regular opportunities to reflect on their own conduct and motivates them to act in accordance with compliance requirements.

Preventing Discrimination & Harassment

TDK Corporation has established "Detailed Regulations on the Prevention of Harassment," which define harassment and prohibited acts, and has set up helplines to which people can submit complaints and a harassment consultation desk in each region to provide an environment that enables team members to easily consult on harassment. When a report has been received, if the results of an investigation conducted by the Business Ethics Supervisory Committee, the Ethics Council or a related division confirm that harassment has occurred, disciplinary action (which may include dismissal, demotion, suspension, reduction of salary, or the issuing of a formal warning) will be taken against the infringing party, while safeguarding the person who submitted the report to ensure that they do not suffer adverse treatment or harm. TDK will also strive to ensure that no similar incident occurs again in the future. Even if the case is not serious enough to warrant formal disciplinary action, guidance may be provided on how to improve one's behavior. Where necessary, counseling is provided to the individual whose conduct was the subject of the complaint, in order to improve the way in which they interact with team members, and to bring about a change in their behavior so that their future words and actions will not constitute harassment.

As part of its initiatives to prevent harassment, TDK provides harassment prevention education for all team members that makes extensive use of e-learning. Besides introducing case studies of incidents that have actually occurred at TDK, this e-learning also includes learning content that should be of widespread use in preventing harassment from occurring.

TDK also provides training for these team members with human resources functions (including managers), covering harassment case studies, how to handle requests for consultation regarding harassment, and how to deal with cases of harassment when they occur.

Initiatives to prevent harassment are being implemented globally, and in the ASEAN region in particular, efforts are being made to prevent harassment by conducting training based on specific case studies.

Related links

[TDK Group Code of Conduct](#)

[Respect for Human Rights](#)

Educating Employees on How to Use Helplines

Information on how to use consultation helplines is disseminated through education and training (including e-learning), posters, intranet postings, and distribution of cards with helpline contact information.

Sustainability | Governance

Supply Chain Management

[Sustainable Procurement](#)

[Responsible Sourcing of Minerals](#)

[Social and Environmental Consideration at Manufacturing Sites](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Governance | Supply Chain Management

Sustainable Procurement

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

TDK Group not only complies with laws and respects social norms but also fulfills social responsibilities such as respecting human rights and preserving the global environment, together with our business partners.

As an enterprise with a global range of manufacturing sites, the TDK Group stipulates the TDK Purchasing Policies to realize its Purchasing Principles and conducts purchasing activities in accordance with these principles.

“Global Partnership Purchasing” --- Purchasing Principles

TDK engages in global production with manufacturing sites in Japan, Asia, Europe and the Americas. Within the procurement activities that support production, the development of global procurement structures is crucial, and we strive to use those systems to develop products rapidly to remain competitive in the race to be first to market in the electronics industry.

Manufacturing sites engage in local procurement, but in today's society with ubiquitous IT networks, procurement activities require close collaboration with suppliers in ways that overcome time and distance. In addition, measures to fulfill corporate social responsibilities such as compliance with applicable laws and regulations, observance of social norms, and preservation of the global environment are promoted actively through partnerships between TDK and its suppliers.

Purchasing Policies

Compliance

All applicable laws and regulations are followed in purchasing activities. Moreover, TDK strives not only to follow the letter of the law, but its spirit as well.

Respect for Human Dignity

TDK respects the human dignity of workers who are active in all stages of the supply chain.

CSR

The procurement divisions of the TDK Group implement CSR activities on a continuous basis, while performing evaluations of suppliers at regular intervals using the CSR Check Sheet, to promote understanding of our CSR concept and raise recognition of our initiatives. In addition, as part of the common understanding of social issues, we have established the TDK Group Business Partner Code of Conduct.

Green Procurement

As one aspect of its companywide environmental protection activities and in the pursuit of harmony with the global environment, TDK engages in green procurement, i.e., the purchase of environment-conscious products.

Fair and Open Business

TDK conducts fair business regardless of company size or nationality. TDK bases its purchasing decisions on comprehensive evaluations of quality, price, delivery time, ability to provide a stable supply, and other factors. TDK does not accept gifts of any kind from business partners. As a general rule, TDK does not accept dining or other forms of entertainment from business partners.

Partnership

TDK seeks to build mutually beneficial relationships with suppliers based on shared goals.

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

VA*Activities

TDK values suppliers that can lower costs and provide new materials and technologies through VA activities.

IT Utilization

Information exchanges with suppliers using IT and networks are essential for accelerating the pace of business and reinforcing ties.

Quality, Delivery Time and Stable Supply

TDK always considers quality, delivery time and stable supply by establishing solid partnerships with its suppliers.

* VA (Value Analysis) is a concept developed by the GE Company in 1947. VA provides a method to increase the value of a product or service, specifically by analyzing various factors associated with the value relative to the minimum resources necessary to produce said product or service (its cost). TDK uses the terms VE (Value Engineering) and VA synonymously.

The TDK Group has established a TDK Group Business Partner Code of Conduct grounded in the Group's TDK Purchasing Policies. The Code of Conduct asks suppliers to comply with the Responsible Business Alliance (RBA) Code of Conduct, and also specifies the TDK's expectations for compliance in how suppliers conduct their operations, under several categories: labor, health and safety, environment, ethics, information security, trade control, management systems, and supply chain measures. Furthermore, we expect our suppliers to recognize the risks associated with CSR and to take human rights and safety into consideration in their activities in the supply chain, as well as to reduce the environmental load of their operations. When selecting suppliers, we proactively choose companies that have expressed their agreement with the TDK Group Business Partner Code of Conduct.

Related links

[Procurement \(Purchasing Principles, Purchasing Policies, TDK Group Business Partner Code of Conduct, Green Procurement Activities\)](#)

[Policy on Relations with Business Partners](#)

Governance

The nature of the various sustainability-related areas that TDK needs to address both internally and externally (including human capital, climate change, human rights) means that they cannot be addressed individually by specified units; rather, they need to be tackled using an integrated, company-wide framework. With this in mind, in April 2025 we established a Sustainability Committee, comprising cross-functional members from multiple units across TDK, under the Executive Committee Meeting (ECM), which is composed of executive officers. The Sustainability Committee identifies sustainability-related risks and opportunities, defines the TDK Group's key issues, monitors progress, makes adjustments in response to changes in the internal and external environment, and responds to the introduction of new sustainability-related regulations, with the aim of aligning the sustainability of the TDK Group (i.e., the ability to grow corporate value over the long term) with the sustainability of society as a whole.

Framework for Sustainable Supply Chain Management

Within the TDK Group, to fulfill TDK's social responsibility across the entire supply chain, the Procurement headquarter function, Business Groups, the HR education headquarter function, and the Sustainability headquarter function work collaboratively to promote related activities. With the Corporate Planning Group playing a leading role, key issues (materiality) have been set for each function, and the progress made on key themes is discussed and reported by each function at monthly review meetings. Additionally, quarterly reports are made to the Corporate Planning Group, which then provides an annual report to the Board of Directors.

Membership of the RBA

In February 2020, the TDK Group joined the Responsible Business Alliance (RBA), * the world's largest industrial coalition dedicated to CSR in the global supply chain. Accordingly, the TDK Group made a commitment to society that it fully supports the RBA's vision and mission and, in accordance with the RBA's code of conduct (labor, health and safety, environment, ethics, management systems), will continuously improve the human rights of workers, health and safety, and the environment in the TDK Group and primary suppliers.

In accordance with the RBA standards, the TDK Group will endeavor to make continuous improvements in two stages, self-assessment and audit, depending on the transaction status with suppliers (production materials), sub-contractors, and worker dispatch and labor agencies and the nature of their business.

* RBA : The Responsible Business Alliance (RBA) is a global industrial coalition embracing over 200 companies dealing in electronics, retail, automobiles, and toys. It stipulates standards of conduct related to the improvement of industrial health and safety, the protection of human rights, consideration of the environment, and fulfillment of ethical responsibilities in the supply chain and calls on affiliated companies and their suppliers to practice these standards.

- Vision: A coalition of companies driving sustainable value for workers, the environment and business throughout the global supply chain.
- Mission: Members, suppliers and stakeholders collaborate to improve working and environmental conditions and business performance through leading standards and practices.

Related link

[RBA \(Link to external site\)](#)

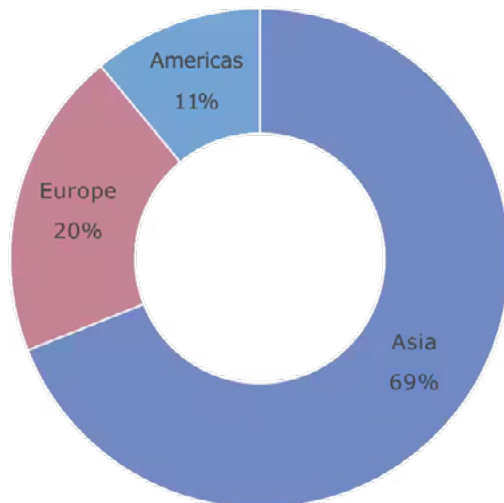
Strategy

In response to the increasing expectations from stakeholders regarding accountability in supply chain management and changes in the external environment, such as the development of new standards and frameworks by public institutions and private organizations, the TDK Group had initiated new supply chain management initiatives based on a new framework for material suppliers starting from FY March 2025. By using due diligence in the supply chain, we are aiming to realize the respect for human rights which forms part of TDK's materiality. Through these initiatives, we will share information on environmental and human rights issues with our suppliers and promote awareness-raising activities together. To ensure that our purchasing practices do not impede suppliers' environmental and human rights initiatives, we prohibit placing orders with unreasonably short lead times or asking for unfair benefits, and we periodically discuss rising labor, raw material and energy costs.

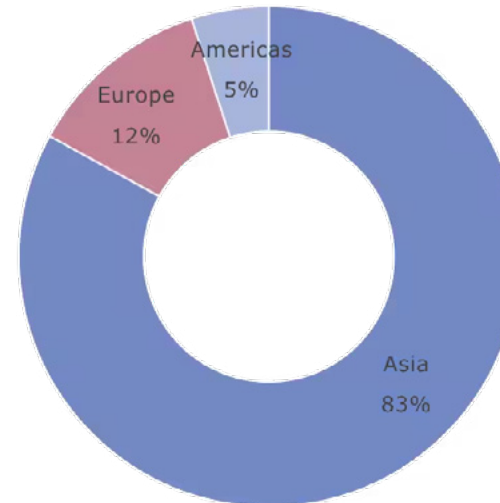
TDK Group Supply Chain

As of March 2026, TDK Group conducts business with approximately 4,200 material suppliers worldwide (excluding businesses from which we procure non-production materials such as office supplies and equipment), with an annual procurement amount of approximately 8,000 billion yen.

Number of suppliers by region



Purchase amount by region



[Sustainable Procurement > Strategy](#)

Risk Management

TDK's Sustainable Supply Chain Management



[Sustainable Procurement > Risk Management](#)

Sustainable Supply Chain Management Initiatives

(1) Sustainability Requirements

The TDK Group communicates its sustainability requirements—which all suppliers are required to comply with in their business dealings—by including CSR-related provisions in its Supplier Purchase Agreement, covering areas such as legal compliance, environmental conservation, the prohibition of forced labor, respect for human rights, and product safety. In addition, we formulated the TDK Group Business Partner Code of Conduct in October 2024, establishing common requirements that all suppliers are expected to comply with.

We also give priority to suppliers that are evaluated as demonstrating superior ESG performance when choosing suppliers.

(2) Supplier Screening

TDK Group identifies key suppliers for each business, taking into account the following requirements:

- Suppliers with large purchase amounts
- Suppliers providing materials or components that are difficult to substitute
- Suppliers providing materials or components critical to the business
- Suppliers selected from an ESG perspective, etc.
- Country-specific risk etc. relating to national economic security

As of March 2026, we have identified approximately 600 companies as key suppliers, accounting for 78% of the total annual purchase amount across the group. Additionally, we have identified 40 secondary and subsequent suppliers as key suppliers. The review of key suppliers is conducted annually.

(3) Assessment

TDK Group conducts CSR self-checks for all suppliers at the start of business relationships to confirm their CSR initiatives, and only begins business with companies that pass the evaluation. From 2024, we have been conducting evaluations of critical suppliers in principle once every two years to determine whether to continue business relationships.

Regarding implementation methods, each company adopts appropriate techniques. The CSR self-check sheet created by the headquarters' procurement function consists of 63 items based on RBA standards, focusing on areas that TDK considers particularly important: "Human Rights and Labor," "Environment," "Safety and Health," "Fair Trade and Ethics," "Information Security," and "Management Systems." We request reports on management systems and implementation status for each item.

In FY March 2026, we conducted CSR self-checks on 1,300 companies (including 341 key suppliers) and confirmed that approximately 4,200 material suppliers (excluding non-production material suppliers such as office supplies) are CSR-compliant suppliers.

In addition, starting from 2026 (on a trial basis), we have started asking around 40 of our key suppliers in Japan to undergo EcoVadis rating assessment, so as to enhance the transparency of assessment and expand assessment scope.

(4) Audit (5) Corrective Actions and Improvement Plans (6) Capacity Building

TDK conducts the CSR-specific on-site auditing of key suppliers based on RBA auditing standards.

When violations of laws and regulations are discovered, we require suppliers to take "corrective actions" and monitor them from the development of corrective action plans to their completion. If necessary, we also provide support on implementation of corrective actions. If there are opportunities for improvement that do not result in legal violations, we make a "request for improvement".

In 2025, we implemented audits at approximately 50 companies in and outside Japan, and discovered two instances of non-conformity. Having identified failings in the management of younger workers, we provided guidance to the suppliers in question, and got them to make changes to the relevant internal rules. We subsequently confirmed the status of implementation of corrective measures, verifying that the problems had been remedied.

For some audits, suppliers undergo RBA VAP audits conducted by third-party organizations and share the reports through RBA-Online, which helps improve efficiency.

Re-evaluation

As part of our series of initiatives, we terminate contracts with suppliers who are unable to meet minimum requirements within a specified period.

Metrics and Targets

Medium- and Long-term Goals

Realizing a 100% implementation rate for mitigation and corrective measures in relation to major human rights issues that are identified in supplier audits

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievements
Percentage of key suppliers implementing self-checks (FY March 2025-2026)	100%
Achieve 100% implementation of CSR self-checks at sub-contractors (FY March 2025-2026)	100%
Achieve 100% implementation of CSR self-checks at labor agencies used by manufacturing sites in the high-risk countries in Asia	100%

Evaluations and Future Activities

We have maintained a supplier CSR conformity rate of 100%. In addition, from FY March 2025 to FY March 2026, we have completed the implementation of self-assessment by all key suppliers using a new checklist.

In FY March 2026, we achieved our goal of implementing on-site CSR surveys at 50 suppliers. In 2026, we planned to implement on-site CSR surveys at 42 suppliers.

FY March 2027 Goals
Achieve 100% implementation of CSR self-checks at key suppliers (FY March 2027-2028)
Achieve 100% implementation of CSR self-checks at sub-contractors (FY March 2026-2027)
Achieve 100% implementation of CSR self-checks at labor agencies used by manufacturing sites in the high-risk countries in Asia

Initiatives

Supplier Evaluations

In addition to CSR self-checks focused on CSR, the TDK Group conducts management system assessments of material suppliers at the time of new registration and periodically to ensure healthy transactions. These assessments determine whether to initiate or continue transactions. Each company adopts appropriate methods, and transactions are conducted only with companies that have no issues based on the assessment results.

The main categories covered by the evaluation are quality management, chemical substances*management, environmental management, and corporate social responsibility (CSR) including strict observation of human rights and other legal obligations as well as compliance with social norms. Any issues that come to light through the evaluation are disclosed to the supplier with a request for corrections or improvements.

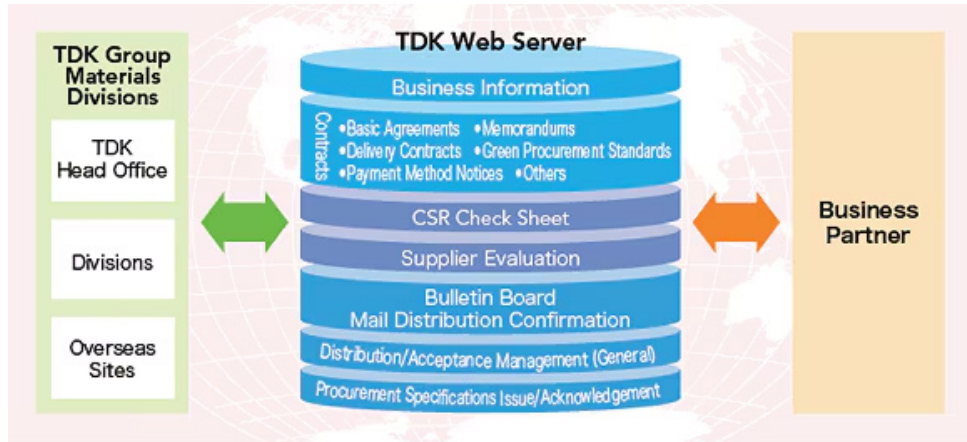
* The chemical substances in the evaluation are based on the "TDK Green Procurement Standards."

Related link

[TDK Green Procurement Standards](#)

Supplier Partnership System

TDK requires its suppliers to reply to a CSR check sheet through the Supplier Partnership System. This Supplier Partnership System is a system by which the management of company information, distribution of purchase specification forms, sharing of agreement documents, and so on, which previously was conducted by paper or magnetic recording media, are managed uniformly online. It benefits both sides by speeding up and boosting the efficiency of work. To raise both supplier awareness and motivation to make improvements, the check sheet is designed to immediately display the results on-screen when answering questions. If problems occur with responses, individual requests are issued for improvements.



Green Procurement

We promote green procurement aimed at prioritizing purchase of products that contribute to reducing the burden on the environment and that fulfill social responsibility. TDK's Green Procurement Standards are revised as necessary to take account of laws and regulations in Japan and other countries, changes in social requirements, and other factors. They can be viewed on the TDK website. In January 2026, we revised the annexes to the Standards, updating the statutorily required information regarding chemical substances contained in purchased materials.

TDK's purchased materials master database is linked to TDK's Green Procurement Standards, ensuring reliable management of prohibited substances and chemicals that require content reporting, and enabling the disclosure and provision of information as needed.

Responsible Raw Materials Procurement

In line with the TDK Group Occupational Health/Safety and Environmental Charter, we strive to reduce the burden on the environment, by reducing CO₂ emissions, energy use, resource consumption and water use throughout the product lifecycle, from procurement through development, manufacturing, delivery, and use to disposal. To promote these efforts, we have put in place a framework, under the supervision of the responsible director, to clarify roles and responsibilities in regard to environmental activities. By means of awareness-raising activities and environmental education activities for our team members (employees), we are working to cultivate awareness of the need for efficient resource usage and the need to reduce waste.

These activities have positive spillover effects on suppliers throughout the value chain, on external contractors and other business partners, and on our customers. "Resources," as defined in our basic policy for this area, includes raw materials. By enhancing the efficiency of resource utilization throughout the product lifecycle, we are making progress in reducing the amount of resources consumed and in turning waste into new resources. In this way, we are reducing our dependence on natural capital, minimizing the negative impact that we have on natural capital, and contributing toward the building of a resource-circulating society.

For example, our procurement function has been collaborating with suppliers and other external stakeholders, and has succeeded in building the electronics industry's first recycling system for reusing the PET film used in the production of multilayer ceramic chip capacitors (MLCCs).

Related link

[Multilayer Ceramic Capacitors: TDK demonstrates industry-first recycling of PET films for MLCCs](#)

In 2023, TDK Group company Amperex Technology Ltd., which manufactures batteries, launched a new business in which it has been collaborating with recycling firms, refining companies, and cathode materials makers to realize the use of recycled cobalt and lithium as raw materials for new batteries.

In addition, we perform risk assessment in relation to raw materials suppliers using CSR assessment, to verify that suppliers' production processes do not have negative impacts on the environment or on society. If serious negative impacts on the environment or on society are identified, we arrange for corrective measures to be taken promptly and strive to address the problem and mitigate its impact, thereby contributing toward the realization of a sustainable society.

Strengthening of BCP/BCM in the Supply Chain

In unforeseen circumstances, such as the outbreak of a large-scale natural disaster, TDK, as a member of the supply chain, has a duty to share social responsibility with suppliers and meet demands so as to ensure the stable supply of products required by customers.

Recognizing that the securing of stable supplies is an important responsibility, TDK addresses this issue in three main ways:

1. BCP/BCM surveys of suppliers
2. Advance collection and arrangement of information to use in an emergency
3. Prompt initial responses using a BCP Confirmation System

In particular, regarding BCP/BCM surveys of suppliers, a joint industrial initiative has begun, and TDK implements the supplier BCP/BCM surveys utilizing the Supply-Chain Business Continuity Questionnaire of the Japan Electronics and Information Technology Industries Association (JEITA). Furthermore, TDK endeavors to strengthen supply chain BCP/BCM by, among other activities, holding BCP/BCM seminars for business partners. Additionally, we send individual feedback sheets to each company to encourage improvement.

Sustainable-Procurement Education

The procurement department has created an e-learning course titled “Sustainability and CSR” that is available to all team members. This course aims to promote understanding of the importance of sustainable procurement among procurement stakeholders.

In addition, in 2024, we invited instructors from third-party organizations to give lectures to help cultivate personnel able to perform on-site CSR audits on suppliers’ premises.

For those personnel working in procurement-related units, both in Japan and overseas, we have provided a webinar on data management for promoting the reduction of Scope 3 CO₂ emissions. Those personnel who successfully completed this training are deemed to possess the skills required for their respective roles.

Strengthening of Compliance (TDK Corporation)

TDK has clarified a company-wide policy regarding offers of gifts and entertainment from suppliers, publicized that policy throughout the Group, and requested the understanding and cooperation of suppliers.

Furthermore, regarding the exclusion of antisocial forces, TDK conducts preliminary surveys of suppliers when starting or restarting business with them.

Supplier Education and Capacity Building

TDK organizes seminars and offers individual support on several CSR-related topics with the aim of strengthening the initiatives of our suppliers.

- Individual support to strengthen information security at suppliers and contract manufacturers has been provided to approximately 15 companies, with support continuing for several months for each company. In this way, we have been able to use third-party assessment to ensure that these companies have the technology in place to make them more resilient to cyber-attacks. This activity has been implemented for four consecutive years since 2022.
- TDK also conducts surveys of suppliers’ environmental initiatives to reduce CO₂ emissions, etc. Based on the results obtained in these surveys, we have for six years now been holding supplier award activities and providing feedback on the survey results. This feedback includes not only the assessment results, but also information on where each company’s performance stands within its peer group. We have also been arranging for lecturers from CDP to provide webinars for a total of approximately 150 companies to explain the CDP Supply Chain Program. By striving to realize two-way communication, in which suppliers share their CO₂ emissions reduction plans with us and we provide them with case studies of measures adopted at TDK, we are able to effectively monitor the progress being made. These activities have been recognized, with TDK receiving an A rating in the CDP Supplier Engagement Assessment for six consecutive years.

Declaration of Partnership Building

In May 2021 TDK issued its “Declaration of Partnership Building” as a means of building relationships of coexistence and co-prosperity with its suppliers. “Declaration of Partnership Building,” used as a general term, is an initiative launched by the Council on Promoting Partnership Building for Cultivating the Future, whose membership consists of the chairman of the Japan Business Federation (Keidanren); the chairman of the Japan Chamber of Commerce and Industry; the president of the Japanese Trade Union Confederation; the Minister of State for Economic and Fiscal Policy ; the Minister of Economy, Trade and Industry; the Minister of Health, Labour and Welfare; the Minister of Agriculture, Forestry and Fisheries; and the Minister of Land, Infrastructure, Transport and Tourism. Each participating company issues its own declaration under the name of a corporate representative, the aim of each declaration being to build new partnerships by promoting cooperation, co-existence, and co-prosperity between the issuing company and its suppliers and other business partners seeking to create added value. A company issuing a declaration states that it will seek coexistence and co-prosperity across its supply chain, promote new forms of cooperation irrespective of such factors as size or relationship to the supply chain, and observe appropriate transaction practices between contracting entities and small and medium-sized contractors, all in an effort to boost the added value of the entire supply chain.



Concern for Human Rights in Relation to Employees of Suppliers (Including Contract Manufacturers and Staffing Agencies)

Initiatives Targeting Materials Suppliers

As part of our promotion of CSR-aware procurement, we implement CSR self-checking (based on the items required by the RBA) within the supplier approval process. In principle, self-checking is performed by all suppliers when TDK first starts doing business with them, and starting from FY March 2025, in the case of key suppliers, it continues to be implemented once every two years after that. The self-check items include items relating to human rights aspects of labor affairs, health & safety, and other human rights related matters. We also implement on-site CSR audits, selecting audit recipients in light of the importance of the products that they supply, TDK's degree of dependence on them, etc.

Regarding the CSR self-check results for materials suppliers to TDK Group companies in FY March 2026, the CSR-compliant supplier rate (based on verification since beginning to do business with that supplier) was 100%, meeting our target.

Initiatives for Suppliers Other Than Material Suppliers

CSR Self-Check and Audits for Contract Manufacturers

For contract manufacturing companies, we conduct CSR self-checks based on RBA Standard, similar to our material suppliers. We set ourselves the target of assessing all of our contract manufacturers over the two-year period from FY March 2025 to 2026; in FY 2025, assessment was performed for 100% of contract manufacturers. In the case of contract manufacturers that are highly dependent on TDK, we also implement CSR audits, based on the RBA standards. In FY March 2026, we implemented CSR audits for two companies in Japan and two companies overseas.

CSR Self-Check for Staffing and Employment Agencies

Regarding recruitment agent and labor agency companies, it was recognized that inappropriate responses in such agencies were an issue in certain countries in Asia where risks relating to human rights and recruitment are thought to be high. For this reason, the CSR self-check is implemented every year for labor agencies used by manufacturing sites in high-risk countries in Asia, excluding Japan. With the aim of confirming management control relating to human rights and ethics, the self-check list consists of assessment items related to the prohibition of forced labor, prevention of child labor, humane treatment and elimination of discrimination, fair wages and working hours; prevention of corruption and ethical violations; prevention of information leakage and risk avoidance; etc. In FY March 2026, self-checks were conducted at all 55 targeted labor agencies. Regarding agencies that failed to achieve a certain level of results in the survey, the manufacturing sites using those agencies carry out improvements.

2026 Supplier Sustainability Summit: Building Stronger Partnerships

TDK held the 2026 Supplier Sustainability Summit (SSS). This summit is held annually to share TDK's long-term vision and ESG policy with our business partners around the world and to build a shared understanding.

At the outset, TDK's management delivered a message on the vital role of the supply chain in TDK's long-term growth. In the sessions that followed, we shared our expectations primarily regarding the following three areas:

Standards and Ethics: We explored compliance with the Responsible Business Alliance (RBA) and respect for human rights, reaffirming our commitment to ethical labor practices.

Environmental Initiatives: We presented our roadmap for reducing greenhouse gas (GHG) emissions and called for concerted efforts across the entire supply chain toward achieving net zero.

Resilience: We shared our strategy for building a robust and flexible supply chain that can adapt to global challenges.

The summit concluded with a Q&A session, fostering a highly transparent dialogue between TDK's management and our partners.

Guided by the spirit of "In Everything, Better," TDK will continue to contribute to the realization of a sustainable society throughout its entire value chain.



[Supplier Sustainability Summit \(SSS\) Record](#)

Sustainability | Governance | Sustainable Procurement

Policy on Relations with Business Partners

In building sound and favorable relations with customers, suppliers, and other business partners, the TDK Group promotes the revision (simplification, rationalization) of traditional etiquette and customs between companies and acts accordingly.

- Refrainment from participation in and attendance at individual celebratory and funeral events, such as celebratory parties, wedding receptions, and wakes
- Refrainment from giving and receiving money, etc. at times of promotion and preferment
- Refrainment from giving and receiving summer gifts, year-end gifts, etc.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Responsible Sourcing of Minerals

[Our Approach](#)

[Strategy](#)

[Metrics and Goals](#)

[Governance](#)

[Risk Management](#)

[Initiatives](#)

Our Approach

Based on concerns that minerals mined in the Democratic Republic of the Congo (DRC) and adjoining countries serve as a source of funding for armed groups provisions on conflict minerals were incorporated in the US Dodd-Frank Wall Street Reform and Consumer Protection Act, which was enacted in July 2010, and its final rule was adopted in August 2012. The TDK Group Policy on Conflict Minerals was formulated in April 2013, to promote initiatives in full compliance with the Due Diligence Guidance of the Organization for Economic Cooperation and Development (OECD). In recent years, the scope covered by the issue of responsible sourcing of minerals, etc. originating in conflict zones and high-risk areas has expanded, with the aim of controlling not only possible exacerbation of conflicts but also serious human rights abuses and pollution.

Due to the special characteristics of TDK's products (i.e., electronics components, etc.), the manufacturing of these products inevitably involves the use of various minerals, including tantalum, tin, tungsten, and gold.

With this in mind, in January 2019 we revised the "TDK Group Policy on Responsible Sourcing of Minerals." The revised policy stipulates that TDK will work to promote responsible sourcing of minerals throughout the supply chain, in relation not only to conflict but also to risks and injustices relating to infringement of human rights, environmental destruction, etc. (including OECD Annex II risks)

Related link

[TDK Group Policy on Responsible Sourcing of Minerals](#)

Governance

The nature of the various sustainability-related areas that TDK needs to address both internally and externally (including human capital, climate change, human rights) means that they cannot be addressed individually by specified units; rather, they need to be tackled using an integrated, company-wide framework. With this in mind, in April 2025 we established a Sustainability Committee, comprising cross-functional members from multiple units across TDK, under the Executive Committee Meeting (ECM), which is composed of executive officers. The Sustainability Committee identifies sustainability-related risks and opportunities, defines the TDK Group's key issues, monitors progress, makes adjustments in response to changes in the internal and external environment, and responds to the introduction of new sustainability-related regulations, with the aim of aligning the sustainability of the TDK Group (i.e., the ability to grow corporate value over the long term) with the sustainability of society as a whole.

Framework for Implementation of Human Rights Measures

One of the Key Issues(Materiality) items that underpins the creation of value by TDK is implementing solutions to social and environmental issues. A key topic identified in this area is to respect human rights, and this includes activities relating to the responsible sourcing of minerals. We hold review meetings on a monthly basis to discuss and report on the progress made with these activities; this in turn is reported to the corporate planning function, which reports to the Board of Directors on an annual basis.

In terms of practical implementation, in order to manage risks and opportunities relating to minerals procurement, our headquarters procurement function is responsible for conducting an annual survey of suppliers, while our headquarters quality assurance function liaises with customers, and our sustainability promotion function monitors industry trends. Investigation and response systems have been established at each Group company.

Strategy

To give TDK's products (such as electronic components) the properties they need, it is essential to use various minerals, including tantalum, tin, tungsten, and gold. However, these resources are largely concentrated in conflict-affected and high-risk areas, giving rise to risks such as funding armed groups, human rights violations, and environmental destruction.

Recognizing the need to exclude minerals associated with risks such as human rights violations from our supply chain, in January 2019 we formulated the "TDK Group Policy on Responsible Sourcing of Minerals," and since then we have been working to implement this Policy. Including our earlier efforts, we have been undertaking activities in this area for over 10 years, working to promote responsible sourcing of minerals throughout the supply chain—encompassing both upstream and downstream companies—addressing not only conflict-related issues but also issues related to minerals associated with human rights violations, environmental destruction, and other misconduct, including OECD Annex II risks. In addition, as our supply chain is multi-layered and extends throughout the world, given that it would be difficult for TDK to implement related initiatives effectively on its own, we participate in numerous industry organizations, and through these we continue to engage in activities that leverage the collective influence of the industry as a whole.

Risk Management

TDK implements risk management based on the five-step framework for achieving risk management goals that is specified in the OECD Due Diligence Guidance^{*1}

(1) Establishment of a robust corporate management system

- Formulate a policy on responsible sourcing of minerals
- Formulate common global rules
- Establish clear, documented management procedures
- Put in place the necessary organizational structures
- Retain CMRT^{*2} for a five-year period

(2) Identification and investigation of risks in the supply chain

- Survey suppliers using CMRT/EMRT^{*3}

- Declare TDK's expectations (use of RMAP^{*4}-compliant smelters) to coincide with survey requests
- Implement template collection and risk assessment

(3) Establishment and implementation of strategies to address the identified risks

- If non-compliant smelters are included in lists, request that certified smelters be used instead

(4) Implementation of independent third-party audits of smelters'/refiners' due diligence practices

- Encourage smelters to participate in RMAP through industry approaches (affiliated with RMI^{*5}/JEITA)

(5) Issuance of an annual report on supply chain due diligence

- Include annual report on activities on the company website and in the company's Sustainability Report

^{*1} OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas

^{*2} Conflict Minerals Reporting Template

^{*3} Extended Minerals Reporting Template

^{*4} Responsible Minerals Assurance Process; A program that verifies compliance with responsible sourcing of minerals, using an independent third-party organization to evaluate smelters' and refiners' management systems and procurement practices.

^{*5} Responsible Minerals Initiative; An organization with a membership of over 400 companies and organizations worldwide, and which spearheads efforts relating to responsible mineral procurement

■ Risk Identification Process

Implementation of surveys in Group companies and promotion of conflict-free sourcing

TDK has been conducting initiatives for risk identification measures in accordance with the OECD's Due Diligence Guidance. To guarantee the rationality of replies, surveys use the CMRT issued by the RMI to check whether products contain the so-called 3TG conflict minerals (tin, tantalum, tungsten, and gold) and identify smelters. After the retrieval of CMRT surveys, TDK compares them with the RMI's Smelters List and evaluates the risk of conflict minerals included in production materials being used as funding for armed groups and the risk of human rights violations, including child labor.

In FY March 2026, surveys were implemented at Group companies, and the ratio of suppliers confirmed to be conflict-free was 91.1%, achieving our target.

Related link

[Facilities Lists \(Link to external site\)](#)

[Governance Data](#)

Cobalt / Mica Survey

We have been proceeding with the identification of cobalt smelters and mica processors using the Extended Minerals Reporting Template (EMRT) issued by RMI since December 2021. In addition with regard to cobalt smelters, we request that cobalt be sourced from RMAP-compliant smelters.

Starting from 2025, we have been expanding the scope of the minerals covered by our surveys.

■Correction Process

Response to identified risks

When we request a survey of suppliers, we clarify to them our policy that they use RMI-conformant smelters, that appear on RMI's Conformant Facilities Lists. In the survey process, if a risk is discovered, TDK requests the supplier to remove the smelter concerned from the supply chain. The status of this response is confirmed in the following year's survey, in an ongoing process.

Metrics and Goals

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievements
A ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG: tantalum, tin, tungsten, and gold) is confirmed as being from RMAP-compliant smelters	91.1%

Evaluations and Future Activities

In FY March 2026 as in past years, we requested that suppliers continue to make procurements from RMAP-compliant smelters. We requested maximum efforts from suppliers whose compliance we could not confirm. For 3TG, the share of suppliers confirmed as procuring from RMAP-compliant smelters was 91.1%.

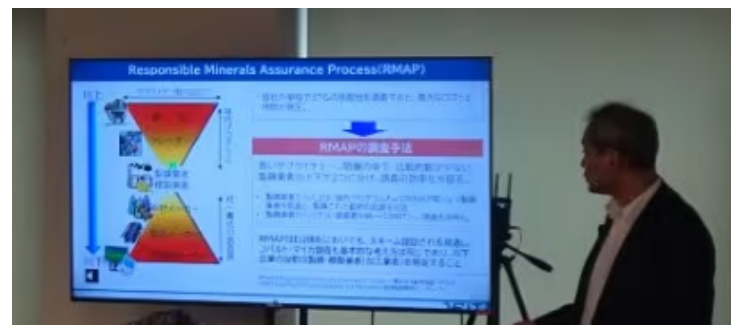
For FY March 2027, we have set “a ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG) is confirmed as being from RMAP-compliant smelters” as a common KPI for the TDK Group and will become more proactive in promoting Group-wide efforts, specifically those to make continued requests to suppliers while responding to inquiries from customers in a precise and timely manner. Furthermore, since collaboration with industrial organizations is essential to solve the expanding problem of responsible sourcing of minerals, we will continue to participate in such industrial discussions.

FY March 2027 Goals
A ratio of at least 90% of suppliers whose procurement of conflict minerals (3TG) is confirmed as being from RMAP-compliant smelters

Initiatives

In order to solve problems relating to responsible mineral procurement, efforts are necessary in the entire supply chain. TDK has participated in the RMI since February 2020 and in the JEITA's Responsible Minerals Trade Working Group ever since its founding. TDK took part in the following activities in FY March 2026:

- Participated in the activities of the Responsible Minerals Trade Working Group's Education and PR Team. A responsible minerals sourcing survey presentation was held, both in person and online, with the aim of helping representatives of secondary suppliers (and below) to develop awareness of responsible minerals sourcing issues and understand the survey methods used. TDK staff gave talks to explain the background to the event, and also took part as panelists. In addition, TDK personnel provided advice in the individual consultation sessions that followed the presentation, and collaborated on the organizing of the event.



- TDK has participated in the Conflict-free Sourcing Working Group together with automotive manufacturers, providing feedback on the survey manual and related tools.
- TDK has participated in the Smelter Support Team, and has contacted smelter that are not yet participating in RMAP to encourage them to undergo RMAP assessment.
- As a leader of the Responsible Minerals Trade Working Group's Communication Team, TDK has offered its views regarding the format for the reporting template, has undertaken follow-up on developments regarding the revision of the IPC-1755 Responsible Sourcing of Minerals Data Exchange Standard, and has undertaken collation of views within JEITA. In addition, in line with the above developments, TDK has organized study sessions aimed at strengthening member companies' response measures.
- TDK has held meetings to exchange views with upstream suppliers.
- TDK has held numerous meetings to exchange views with representatives of the RBA (and of the RMI) and with other stakeholders involved with responsible sourcing of minerals.

Related link

[JEITA Responsible Minerals Trade \(Link to external site\)](#)

[Membership of the RBA and RMI](#)

[RBA \(Link to external site\)](#)

[RMI \(Link to external site\)](#)

Education and Awareness Raising

We provide training for team members (employees) newly assigned to the departments responsible for procurement to raise their awareness and help them to develop a more accurate understanding on the responsible sourcing of minerals. Training is also provided to relevant departments, such as the business divisions, as appropriate, and as needs dictate. TDK additionally participates as an organizing member in the Responsible Minerals Trade Working Group, which is convened annually by the Japan Electronics and Information Technology Industries Association (JEITA).

Sustainability | Governance | Responsible Sourcing of Minerals

TDK Group Policy on Responsible Sourcing Minerals

This policy shall apply to the worldwide organization of the TDK Group and implements the TDK Group's goal of establishing responsible supply chains for sourcing minerals.

Reflecting the values embodied in the TDK Group Code of Conduct, the TDK Group shall engage in sustainable and responsible procurement of minerals that originate in conflict-affected and high-risk areas, which is to prevent contributions to conflicts, human rights violations, or environmental impact.

The TDK Group hereby adopts this policy for responsible supply chain operation.

- The TDK Group recognizes that due diligence for responsible supply chains of minerals from conflict-affected and high risk areas is an ongoing process. Accordingly, the TDK Group will use its commercially reasonable best efforts to ensure only sustainable and responsible minerals are used in its supply chain.
- To achieve this end, the TDK Group shall institute a due diligence sourcing mineral program. The TDK Group expects that its suppliers source all inputs, including minerals, responsibly.
- The TDK group will communicate to its suppliers TDK Group's requirements to conduct reasonable due diligence of their own supply chains of minerals from conflict-affected and high-risk areas. The TDK Group will incorporate its supply chain policy and due diligence processes into commercial contracts, written agreements and supplier evaluations with its suppliers which can be applied and monitored, including, if deemed necessary, the right to conduct unannounced spot-checks on suppliers and have access to their documentation.
- The TDK Group will work in tandem with its suppliers to implement reasonable controls within the supply chain to trace the origin of minerals from conflict-affected and high risk areas in order that contribution of conflict, serious human rights abuses or environmental threats minerals are not included within the products or materials they sell to the TDK Group. Furthermore, in the event that TDK Group discovers suppliers are not in compliance with its supply chain policy and due diligence processes, its first step is to work with them to bring them into compliance through corrective action plans. The TDK Group will not work with those who do not work to meet its standards.

- Reaching full traceability of minerals requires time and effort across industries and collaboration from all sectors in the supply chain. This is due, in a large part, to the complexity in the way that metals are produced and sold and the fact that ores from many different sources can be combined, thus multiplying the diligence necessary to trace the products. All of this is complicated by the geopolitical forces at work in the region. These factors make industry-wide cooperation of the utmost importance in achieving socially responsible sourcing. The TDK Group strongly encourages its suppliers to comply with available international frameworks governing responsible sourcing minerals matters.
- The TDK Group is committed to the objectives of implementing responsible supply chains for minerals from conflict-affected and high-risk areas. As such, the TDK Group is working diligently to put the systems and processes into place that will enable us to ensure that the TDK Group is supporting responsible suppliers.

Established on April 1, 2013
Revised on January 18, 2019 (2nd edition)
Revised on April 1, 2026 (3rd edition)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Governance | Supply Chain Management

Social and Environmental Consideration at Manufacturing Sites

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

As a supplier, TDK recognizes the importance of fulfilling our social responsibilities by striving for social and environmental considerations at the Group's manufacturing sites in order to continue our business. We strive to understand issues and make continuous improvements in a three-stage framework comprising self-assessments, audits, and training and dialogue.



CSR management framework at our manufacturing sites

Governance

The Safety and Environment Group oversees the management of risks and opportunities relating to social and environmental considerations at our manufacturing sites, and this is promoted via the appointment of a person in charge at each regional headquarters. We also report to the Board of Directors twice a year.

Strategy

As a member of the Responsible Business Alliance (RBA), we are rolling out assessments which use the RBA's global standards to all our manufacturing sites, in our initiatives to address societal challenges.

We carry out activities to enhance CSR management not only across the TDK Group but also in the supply chain, under a PDCA cycle using the following framework.

(1) Self-assessments and risk assessments

For risk assessments, we conduct annual assessments based on RBA standards for "labor" and "ethics," with remedial action then instituted for all identified risks. We also promote risk mitigation in human rights and ethics.

We carry out separate risk assessments for health and safety / environment.



(2) Audits

For audits, we implement third-party audits, including RBA-authorized audits, at all manufacturing sites over a medium-term three-year period to maintain a predetermined level of CSR management, and are continuously working towards addressing societal challenges.

(3) Education

We implement regular sustainability and CSR internal auditor education, with the number of personnel possessing CSR internal auditor skills increasing each year.

Risk Management

The Safety and Environment Group conducts self-checks and risk assessments at all manufacturing sites for “labor,” “ethics,” “health and safety,” and “environment,” as well as conducting risk assessments of suppliers based on RBA standards in cooperation with the responsible department to promote identifications of, and improvements with regards to, challenges. We implement the PDCA cycle with continuous improvements and mitigate identified risks to the minimum to enhance our CSR management in the supply chain.

Metrics and Targets

Goals and Achievements in FY March 2026

FY March 2026 Goal	FY March 2026 Achievements
Achieve 100% implementation of CSR self-checks at manufacturing sites (TDK Group manufacturing sites)	Achieved 100% implementation
Achieve 100% implementation of labor, and corporate ethics risk assessments at manufacturing sites (TDK Group manufacturing sites)	Achieved 100% implementation
Achieve 100% implementation of either RBA-authorized audit (VAP, AMA, or CMA) or CSR assessment based on the RBA's VAP standards at least once during the three-year period from 2024 to 2026	Achieved implementation at 62% of sites in FY March 2025-2026
Conduct training for personnel involved with CSR in Japan and overseas	Conducted CSR internal auditor training in Japan and overseas.
Achieve 100% implementation of labor, and corporate ethics internal audits at targeted manufacturing sites	Achieved 100% implementation at targeted sites

Evaluations and Future Activities

We have begun implementing a program to have either RBA-authorized audit or CSR assessment based on the RBA's VAP standards performed at least once during the three-year period from FY March 2025 to 2027 at all manufacturing sites. By the end of FY March 2025-2026, audits were performed at 62% of manufacturing sites, achieving our goal for the first year of the Medium-term Plan.

FY March 2027 Goal
Achieve 100% implementation of CSR self-checks at manufacturing sites (TDK Group manufacturing sites)
Achieve 100% implementation of labor, and corporate ethics risk assessments at manufacturing sites (TDK Group manufacturing sites)
Achieve 100% implementation of either of RBA-authorized audit, customer CSR audit, or CSR assessment based on the RBA standards at all our manufacturing sites at least once every three years
Conduct training for personnel involved with CSR in Japan and overseas
Achieve 100% implementation of labor, and corporate ethics internal audits at targeted manufacturing sites

Initiatives

Self-assessments

	Frequency	Target site	Content
CSR self-checks	Every year	All TDK Group manufacturing sites	Personnel at each site respond to a questionnaire on RBA check items (human rights, health and safety, environment, and ethics). Feedback is provided on the results.
Labor, and corporate ethics risk assessments	Every year	All TDK Group manufacturing sites	The check items are updated every year based on social trends. Personnel at each site respond to a questionnaire. Improvement plans are developed and implemented to address any remaining risks.

CSR Self-Checks

At TDK, we use the Self-Assessment Questionnaire (SAQ) provided by the RBA to conduct annual self-checks regarding labor (human rights), health and safety, the environment, ethics, and management systems at all of our manufacturing sites. The purpose is to get a sense of the current status of CSR activities at manufacturing sites, to identify and address potential issues, and to promptly respond to requests from customers for CSR surveys.

After the staff in charge at each site have completed the questionnaire, the Safety and Environment Group analyzes the responses and provides feedback where necessary.

Labor and Corporate Ethics Risk Assessments

Every year, risks relating to labor and corporate ethics are evaluated and analyzed at all manufacturing sites, and risk mitigation is performed (environmental and health and safety evaluations are performed separately).

The items to be checked are updated each year based on social trends, etc. After the responsible personnel at each site have completed the questionnaire, the Safety and Environment Group assesses risks and provides the sites with feedback on the results of their assessment. If residual risks are discovered, plans for improvement are formulated and the issues are corrected at each affected site, so as to minimize risk. By performing the PDCA cycle at each site, we aim to achieve ongoing improvement. In FY March 2026, we conducted labor and corporate ethics risk assessment based on Version 8.0.1 of the RBA VAP standards. Based on the assessment results, latent risks were identified at two sites; the implementation of remedial measures had been completed at all these sites by the end of the fiscal year.

Audits

The main types of CSR audit promoted by TDK are RBA-authorized audits and CSR assessments based on the RBA's auditing standards. By conducting audits based on the RBA standards, we have constructed a mechanism to ensure that the levels of labor affairs, health and safety, environment, ethics, and management systems are maintained at a global standard.

In addition, we have set ourselves the goal of having either RBA-authorized audit or CSR assessment based on the RBA's auditing standards performed at least once during the three-year period from FY March 2025 to 2027 at all manufacturing sites. In FY March 2026, audits were performed at 62% of manufacturing sites, achieving our goal for that year.

TDK Manufacturing Facilities Have Been Awarded Platinum Status, the Highest Tier of Recognition Granted by the RBA Through Its VAP

	Frequency	Target site	Content
RBA-authorized audit	Starting FY March 2025, launched initiative to conduct either an RBA-authorized audit or a CSR assessment based on the RBA audit standards at all manufacturing sites at least once every three years	Priority target sites based on Medium-Term Plan	RBA-authorized audit (VAP, AMA, or CMA)
CSR assessment based on the RBA audit standards		Site where no RBA-based audit has gone in	• CSR assessment based on the RBA audit standards • Carried out by the headquarters or each regional CSR group
Customer CSR audit	As necessary	Sites requested by customers	Performed based on customer's audit standards
Internal audit	Every year	Site where high-level management is requested	• Management status confirmation through regular internal audit and horizontal roll out of remediation measures based on results of the aforementioned 3 audits • Performed by CSR staff from either the CSR group in each region or from another site who have completed CSR internal auditor training

Trainings and Dialogues

With a systematic understanding of RBA and customer requirements related to CSR, we provide timely training for quick responses.

In FY March 2026, we increased the number of CSR internal auditors by 185 through training provided by RBA or an RBA-authorized auditing firm on a global basis and through participation in RBA VAP training.

On-site Auditing of Contract Worker Agencies

We have been implementing on-site CSR auditing at our manufacturing sites, targeting suppliers (including staffing services firms and other service providers). If issues are discovered, we implement monitoring of every stage from the formulation of improvement plans through to the completion of corrective action.

Consideration for Human Rights in Relation to Employees at TDK Manufacturing Sites

We conduct CSR self-checking based on RBA standards, and labor and corporate ethics risk assessment, for all manufacturing sites in the TDK Group on an annual basis. This is overseen by the Management Department of the Safety and Environment Group. In addition, we have set ourselves the goal of having either RBA-authorized audit or CSR assessment based on the RBA's auditing standards performed at least once every three years at all manufacturing sites. When issues are discovered during the implementation of these measures, we require the affected site to draw up a plan for improvement and implement corrective action.

In FY March 2026, CSR self-checking using the RBA system, and labor and corporate ethics risk assessment, were performed at all 74 of our manufacturing sites. Risk assessment in relation to human rights covered forced labor, child labor, and management of contract worker agencies and service providers. The labor and corporate ethics risk assessment identified latent risks at two sites; the implementation of remedial measures had been completed at all these sites by the end of the fiscal year.

Education and Awareness Raising

We implement CSR internal auditor training for personnel in charge of manufacturing sites in Japan, China, the United States, and Europe, and have stationed personnel capable of conducting CSR internal audits in each region.

Sustainability | Governance | Supply Chain Management |
Social and Environmental Consideration at Manufacturing Sites

TDK Manufacturing Sites Have Been Awarded Platinum Status, the Highest Tier of Recognition Granted by the RBA Through Its VAP

[What is the RBA?](#)

[What is a VAP assessment?](#)

What is the RBA?

In the field of global CSR, the Responsible Business Alliance (RBA) is the world's largest corporate alliance dedicated to promoting labor safety, the safeguarding of human rights, concern for the environment and ethical business practices throughout the supply chain. As of 2026, the RBA had over 250 member companies, mainly electronics firms but also including companies in other sectors such as automotive manufacturing, retailing and toy manufacturing. The TDK Group joined the RBA in March 2020, and has been working to build a sound, healthy supply chain in accordance with the RBA Code of Conduct.

The RBA has formulated a Code of Conduct that applies globally, and uses Validated Assessment Program (VAP) assessments to verify compliance status for both member companies and their suppliers, so as to promote improvements.

Related link

[RBA Code of Conduct \(external link\)](#)

What is a VAP assessment?

The Validated Assessment Program (VAP) is the RBA's core verification program. To confirm whether member companies are conducting their business activities in accordance with the RBA Code of Conduct, the RBA arranges for RBA-approved third parties to carry out assessments. The assessment criteria cover five main areas: Labor, Health & Safety, Environment, Ethics, and Management Systems; member companies are assigned a specific VAP recognition level status (Silver for a score of 160–179 points; Gold for a score of 180–199 points; Platinum for a perfect score of 200).

Related link

[RBA VAP \(external link\)](#)

The manufacturing facilities listed below have been awarded the highest possible score of 200 points, giving them Platinum status, in recognition of their being assessed, through VAP, as having achieved proper management and operation in the areas of Labor, Health & Safety, Environment, Ethics, and Management Systems.

Magnecomp Precision Technology Public Co., Ltd. (Wangnoi Plant)

[Magnecomp Precision Technology Public Co., Ltd. \(Wangnoi Plant\) PDF](#)



Certificate issue date: September 5, 2024

TDK Electronics Factories Corp. Honjo Factory (East Site)

[TDK Electronics Factories Corp. Honjo Factory \(East Site\) PDF](#)



Certificate issue date: November 23, 2024

TDK (Thailand) Co., Ltd. (Rojana Plant)

[TDK \(Thailand\) Co., Ltd. \(Rojana Plant\) PDF](#)



Sep 26, 2025, 5:59 AM

Certificate issue date: September 26, 2025

[TDK \(Thailand\) Co., Ltd. \(Rojana Plant\) PDF](#)



This facility has been awarded Platinum status in two consecutive VAP assessments, in 2023 and 2025.

*This facility was awarded RBA VAP Platinum status in 2023 and continues to maintain it.

TDK (Malaysia) Sdn. Bhd

[TDK \(Malaysia\) Sdn. Bhd PDF](#)



Dec 7, 2025, 9:07 PM

Certificate issue date: December 7, 2025

Navitasys India Private Limited

[Navitasys India Private Limited PDF](#)



Feb 5, 2026, 2:58 AM

Certificate issue date: February 5, 2026

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Governance

Tax Strategy

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Initiatives](#)

Our Approach

[TDK - Global Tax Policy](#)

Governance

Corporate governance relevant to taxes of the TDK Group is embedded within its overall governance system. This system provides a framework for compliance with applicable tax laws and regulations, minimization of tax risks, maximization of corporate value, and realization of growth for the TDK Group. The corporate governance of taxes is executed under the responsibility of the CFO (Chief Financial Officer), and is delegated in part to persons in charge of taxation at each Group company. Refer here for more details on risk management activities and major risks.

[Business Risks](#)

Strategy

The TDK Group seeks to maximize corporate value while maintaining full compliance with all applicable tax laws and regulations. We continuously monitor changes in the tax environment as well as evolving business models, to identify both tax risks and benefits.

For important transactions such as those with significant tax impacts or those with a high degree of tax uncertainty, the Group managerial decision-making bodies finalize responses based on advice from external experts.

Risk Management

The tax function minimizes tax risks through close cooperation and information sharing with other departments. In cases in which tax uncertainties are identified, these are reported in an appropriate manner, with the responses to be undertaken then finalized in accordance with normal procedures. In addition, to minimize the tax risks involved with regards to significant transactions where applicable tax-related laws and regulations have a broad range of potential interpretations, or where no clear regulations exist, advice from external experts is sought, or pricing arrangements or rulings obtained from tax authorities.

When undertaking risk management in relation to tax, we follow our company-wide risk management process, implementing a PDCA cycle that includes a series of tax-related risk management activities—identification of tax-related risk, assessment, deliberating on and implementing countermeasures, and monitoring—until improvement has been made.

Initiatives

Implementation of Fiscal Year-end e-Learning in Japan

Within Japan, we implemented fiscal year-end tax matters e-learning for all team members from Directors on down. Through this e-learning, we strengthened team members' awareness of the basic approach to tax compliance, which is to not implement tax treatment in a way that diverges from the facts, whether intentionally or through negligence, and to not engage in any concealing or falsification of the facts. This e-learning was combined with explanations, using case studies, of tax issues where it is easy to make mistakes in actual operations, and a test was administered to confirm team members' understanding of the material.

By continuing to implement related education and training on a company-wide basis, we can prevent tax risks from becoming actualized and can maintain and strengthen sound tax governance.

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Implementation of Tax Training and Case Study Sessions for Business Division Accounting Managers.

With the tax affairs function of TDK's global headquarters playing a central role, we have been implementing occasional accounting training in relation to tax for the accounting managers of individual business divisions and overseas subsidiaries in our electronic components segment.

The training was held in a hybrid format combining in-person and online participation, with the aim of enhancing the ability to handle tax-related cases. In the first half of the training, lectures by external experts were used to provide a summary of the latest tax trends and approaches, while in the second half group discussions were held using case studies compiled by the tax function at TDK's global headquarters. Taking the tax issues relating to value chain restructuring and changes to operational flow as the subject matter, by collating the functions, risks and assets of each business location and engaging in discussion regarding the best processes for examining possible issues, the aim of the training was to strengthen the ability to make judgements in line with the needs of actual practice and to take taxation risk management to a higher level.

Implementation of Education for Personnel Responsible for Tax Matters in the U.S.

Study sessions have been held for personnel responsible for tax matters in the U.S., with the company responsible for overseeing operations in the U.S. playing a central role; the topics included changes to the tax system in the U.S., trends in tax enforcement, etc. During the study sessions, the latest legal and regulatory trends were shared, along with key points to note regarding tax matters. The aim was to enhance participants' ability to make appropriate judgements when handling day-to-day operations.

Through this ongoing education, besides strengthening the ability to address tax-related risks specific to this particular region, we are also promoting consistent tax operations that conform to TDK's global tax policy.

Holding of the Global Tax Meeting

Every year, TDK holds a Global Tax Meeting which brings together the managers responsible for tax matters from each region. The aim is to use face-to-face discussion to not only share information about current trends in tax system reform and tax enforcement in each country or region, and about the latest tax-related issues (including the global minimum tax), but also to build consensus regarding tax risk management and develop more in-depth insights.

This year, team members from the corporate planning function and the technology and IP function also attended the Meeting, making it possible to have discussions regarding approaches to tax risk management that took business strategy and value creation into account.

In this way, the holding of the Global Tax Meeting contributes toward strengthening horizontal collaboration across units, and toward enhancing global tax governance as a whole.

Holding of a Study Meeting for TPOs in Europe

A transfer pricing study session was held, with the company responsible for overseeing operations in Europe playing a central role, that brought together transfer pricing officers (TPOs) in the Europe region. During this meeting, besides sharing information about trends in transfer pricing systems in each country and about tax investigation case studies, there was discussion regarding the common transfer pricing policy for the TDK Group as a whole, and practical issues being faced in the implementation of tax matters.

By sharing insights and strengthening horizontal collaboration within the region, the aim was to reduce transfer pricing risk and harmonize the quality of the handling of transfer pricing issues, which in turn will contribute toward strengthening tax governance at the global level.

TDK – Global Tax Policy

TDK – Global Tax Policy

The TDK Group herein sets forth the Global Tax Policy in accordance with the TDK Group Code of Conduct, established to put into practice the TDK Group's corporate philosophy. The Global Tax Policy is applicable to TDK Group consisting of TDK Corporation (TDK) and its consolidated subsidiaries (collectively "TDK Group" or "the Group").

Compliance

- TDK Group as a good corporate citizen complies fully with all applicable tax laws and regulations established in all countries and regions where it operates in light of the purpose of its legislation. Furthermore, the Group respects and complies with international guidelines, and international efforts represented by BEPS (Base Erosion and Profit Shifting) Project proposals provided by public interest organizations such as the OECD. The Group believes compliance is always an essential prerequisite for any corporate business activities.
- The Group strives to fulfill its commitments by establishing strong compliance procedures to ensure accuracy and completeness.

Corporate Activities and Taxes

- TDK Group, in the conduct of its corporate activities based on the corporate philosophy and the management policies of the Group, is particularly engaged in the following activities with regard to tax practices:
 - The Group computes taxes, files all necessary tax returns and tax declarations, and makes tax payments in all relevant jurisdictions in a proper and timely manner in accordance with applicable tax laws and regulations.
 - The Group improves tax efficiency and maximizes corporate value by proactively utilizing tax incentives established by countries and regions to the extent that the incentive utilization follows the legislative intent behind the rules and regulations.
 - The Group analyses tax events, tax attributes, and tax expense and provides appropriate and concise information to stakeholders, in accordance with applicable tax laws and regulations.

Organization, Roles, and Responsibilities

- Corporate governance of TDK Group relevant to taxes is embedded within its overall governance system. The system provides a framework for compliance of applicable tax laws and regulations, minimization of tax risks, maximization of corporate value, and growth of the Group.
- The corporate governance of the Group relevant to taxes is executed under the responsibility of the CFO of the Group who delegates certain portion to subgroup tax departments and persons in charge of taxes at each group entity.

Tax Risk Management

- The tax function minimizes tax risk by working closely with business and other departments and sharing information of transactions. It strives to prevent unnecessary disputes by building strong technical positions through planning, implementation, and documentation.
- TDK Group makes all decisions through the analysis of other factors including financial return, financial risk, and potential reputational risk as well as taxes.
- In cases where the Group identifies tax uncertainties, the cases shall be appropriately reported to the managerial decision-making bodies and the CFO of the Group. Decisions to be taken follow usual Group procedures.
- In cases of significant transactions where applicable tax laws and regulations could be interpreted in a broad range of meanings or there are no clear regulations, the Group seeks to minimize tax risks through actions such as seeking advice from external advisors, obtaining advance pricing arrangements/agreements or rulings from tax authorities where necessary.
- The Group regularly monitors compliance in accordance with laws and regulations relevant to tax risk management.

Tax Strategy and Tax Planning

- As mentioned above, TDK Group seeks to maximize corporate value while maintaining full compliance with all applicable tax laws and regulations. The Group continuously monitors the changing tax environment as well as its evolving business models, identifies both tax risks and benefits under the changes of tax environment and business models, and adapts to changes as necessary to achieve its business objectives.
- With regard to transactions where a significant level of tax impact is expected and/or which show a high degree of tax uncertainty, the Group managerial decision-making bodies and procedures generally seek external tax advice to decide how the Group responds.

- As a matter of principle, the Group does not intentionally implement artificial tax avoidance structures.
In addition, the Group will never make tax avoidance by using subsidiaries in which countries or regions are no tax or low tax rates and are secrecy jurisdictions (so-called “tax havens”).

Transfer pricing

- TDK Group calculates the pricing for the intercompany transaction in accordance with the OECD Transfer Pricing Guidelines and the laws and regulations of each country or region and also in accordance with the “arm’s length principles”. In addition, the TDK Group makes the appropriate amount of tax payments in appropriate tax jurisdictions based on the value created through its business activities.

Relationship with Tax Authorities

- TDK Group seeks to build a good, faithful, and professional relationship with tax authorities of countries and regions.
- The Group responds to tax audit inquiries and requests from the tax authorities in accordance with applicable tax laws and regulations and in a faithful, courteous, professional, and timely manner.
- In cases where conflicts with the tax authorities occur, the Group defends its position professionally and in good faith, and seeks to achieve a rational and transparent audit resolution in accordance with applicable tax laws and regulations.

Sustainability | Governance

Information Security

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

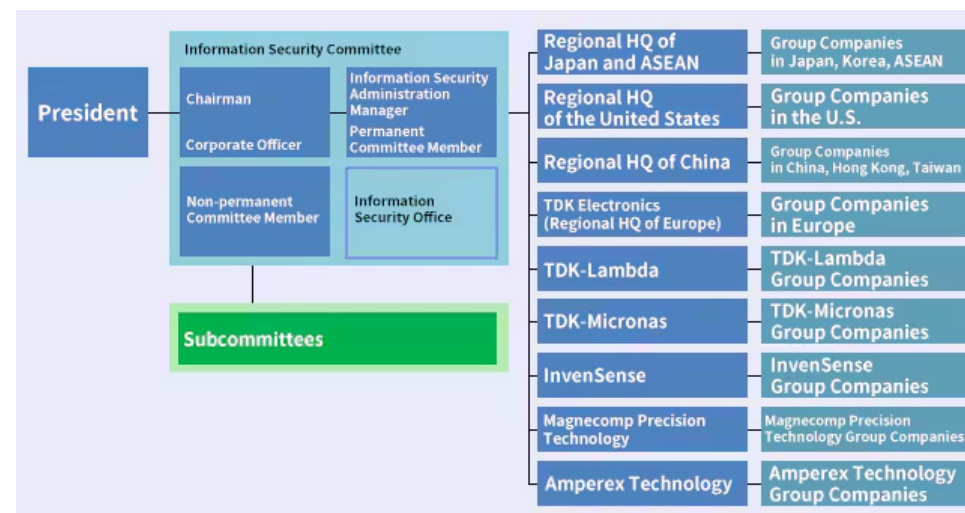
Our Approach

[Basic Policy on Information Security](#)

Governance

TDK has established the Information Security Committee under the Executive Committee to oversee measures addressing information security risks across the TDK Group. The Information Security Committee is chaired by a corporate officer and reports to the President and CEO once every quarter and to the Audit & Supervisory Board members twice a year.

In addition, to strengthen its information security governance, TDK has put in place a system whereby representatives of both head office functions and regional headquarters can be asked to serve as non-permanent members of the Information Security Committee, thereby enabling it to respond flexibly depending on the issue being addressed.



Information security management organization (As of June 2026)

TDK requires each company to appoint an Information Security Administration Manager and operates a system under which incidents are reported to the Information Security Committee whenever, for example, an information security incident occurs or a team member (employee) notices suspicious activity. In addition, based on the governance framework described above, we have established reporting and escalation procedures according to the criticality and urgency of an incident. In the event of a critical information security incident, or upon detection of such an incident, the Information Security Committee responds promptly in coordination with the ERM Committee.

Strategy

TDK recognizes information security as a critical management issue, as cyberattacks can disrupt production, sales, marketing, R&D, and other business activities, while information leakage can result in a loss of trust and credibility.

To prevent information security incidents and mitigate their impact, TDK is strengthening its information security measures in alignment with the Cybersecurity Framework of the U.S. National Institute of Standards and Technology (NIST), which consists of six core functions: (1) Govern, (2) Identify, (3) Protect, (4) Detect, (5) Respond, (6) Recover.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

[Principal Measures]

- **TDK Zero Trust Implementation** ((2) Identify, (3) Protect, (4) Detect)
To prevent information security incidents and mitigate their impact, TDK is advancing the implementation of its Zero Trust architecture. Zero Trust means constantly restricting and monitoring access to all users, devices, and networks, thus preventing attacks from outside and controlling internal proliferation. We will build TDK Zero Trust in a manner appropriate to TDK's business environment.
- **Supply Chain Security** ((1) Govern)
To reduce the risk of business disruption, TDK continuously assesses and enhances information security practices across the TDK Group.
- **Internal Security Risk Management** ((3) Protect, (4) Detect, (5) Respond)
To prevent information leakage and maintain trust and credibility, AI-based monitoring tools and other measures are used to detect and prevent unauthorized or inappropriate internal activities.
- **Incident Response** ((5) Respond, (6) Recover)
TDK has established a Computer Security Incident Response Team (CSIRT) to respond rapidly to information security incidents, minimize their impact, and support prompt recovery. Response procedures and escalation protocols are defined in the Computer Security Incident Response Plan (CSIRP).

Risk Management

The Information Security Committee monitors emerging cybersecurity trends and reports its findings to senior management. For risks identified as significant, the Committee reviews the status of risk mitigation measures across the TDK Group. Where additional measures are required, appropriate actions are developed and implemented throughout the TDK Group.

The Committee also works closely with the Enterprise Risk Management (ERM) Committee to address enterprise-level risks.

With respect to external threats, TDK continuously evaluates security risks from the perspective of potential cyberattackers and through monitoring of its internet-facing environment. When high-risk vulnerabilities are identified, prompt remediation measures are taken.

In addition, website protection services are employed to defend against external attacks.

With respect to internal risks, TDK implements measures to prevent team members from disclosing information without authorization.

Metrics and Targets

Medium- to Long-Term Targets

- **TDK Zero Trust**
To prevent information security incidents and mitigate their impact, TDK will continue to advance the implementation of its Zero Trust architecture. Zero Trust is a security model that continuously verifies and monitors access by users, devices, and networks to prevent unauthorized access and limit the impact and spread of security threats. TDK will implement its Zero Trust architecture in a manner suited to its business.
- **Vulnerability Assessment of Internet-Facing Environment**
800 points or higher (Grade A) out of a maximum of 950 points across all assessed systems.

FY March 2026: Select security solutions for implementation of TDK Zero Trust

FY March 2027: Deploy selected security solutions across the TDK Group

Goals and Achievements in FY March 2026

FY March 2026 Goals	Achievements
Select security solutions for implementation of TDK Zero Trust	Selected security solutions in the TDK Zero Trust global project
Vulnerability assessment of internet-facing environment 800 points or higher (Grade A) out of a maximum of 950 points across all assessed systems.	Continued to achieve 800 or more points (Grade A) Continued global monitoring for all assessed systems, and responded to identified risks as necessary

[Main Achievements]

TDK strengthened information security measures in accordance with the NIST Cybersecurity Framework.

- **TDK Zero Trust** ((2) Identify, (3) Protect, (4) Detect)
Defined the target security level for implementation of the TDK Zero Trust architecture and selected security solutions.
- **Supply Chain Security** ((1) Govern)
Assessed the state of information security and supported improvement initiatives focusing on key suppliers. Expanded related activities across the TDK Group.
- **Internal Security Risk Management** ((3) Protect, (4) Detect, (5) Respond)
Continued deployment of AI-based monitoring tools across the TDK Group and strengthened measures to mitigate internal security risks.

- Incident Response ((5) Respond, (6) Recover)
Continued information security incident response training (for management, overseas sites, etc.)

Evaluations and Future Activities

In FY March 2026, the second year of implementation of TDK Zero Trust, TDK defined the target security level to be achieved across the TDK Group, selected security solutions, and further refined its implementation plans.

In FY March 2027, TDK will begin deploying the solutions selected in FY March 2026 across the TDK Group, with the aim of further enhancing its overall security posture.

Initiatives

Initiatives to Strengthen Information Security

- **TDK Zero Trust**
In FY March 2026, TDK defined the target security levels to be achieved across five key areas(i.e., authentication and authorization, network access, AI monitoring, device, and network segmentation and micro-segmentation), and selected security solutions to be implemented across the TDK Group.
- **Supply Chain Security**
To reduce the risk of disruption to TDK's business activities, TDK continues to implement the following measures across the Group to assess and strengthen information security practices both within TDK and among key suppliers.
In response to changes in the cybersecurity landscape, the scope of these activities has been expanded.
 - Questionnaire-based assessments to evaluate information security management systems and related governance processes
 - Vulnerability assessments of internet-facing environments
 - Site-specific assessments to verify actual operational practices
- **Internal Security Risk Management**
To prevent information leakage and maintain trust and confidence, TDK continued the deployment of AI-based monitoring tools across the TDK Group and strengthened measures to address internal security risks.
- **Incident Response**
Incident response training was conducted for senior management to clarify roles and responsibilities and strengthen decision-making capabilities.
Training was also conducted at TDK Group sites for first responders to clarify the procedures to be followed in the event of an incident.

TDK's Initiatives Featured in the Declaration of Partnership Building

TDK's initiatives relating to supply-chain security were introduced in the case list of Declaration of Partnership Building efforts compiled by Japan's Small and Medium Enterprise Agency:

[Declaration of Partnership Building \(PDF/External site, in Japanese\)](#)

Information Security Training

To maintain and enhance information security across the TDK Group, information security education and targeted e-mail attack training are provided to all team members at least once per year.

Information security education is conducted for computer users at each Group site. The content and frequency of the training are tailored to the environment and current circumstances of each site.

As part of the targeted e-mail training, simulated phishing e-mails based on real-world attack methods are sent to team members to assess their responses and identify how many open attachments or click on links.

TDK will continue to strengthen information security education and training by incorporating the latest security trends and other relevant updates, to address risks that cannot be fully mitigated through technical controls alone.

Vulnerability Identification and Remediation

TDK continuously monitors its internet-facing systems from an external attacker's perspective and takes prompt action when vulnerabilities requiring countermeasures are identified. In addition, third-party vulnerability assessments are conducted across the TDK Group at least once per year to identify and remediate information security vulnerabilities.

Strengthening Response to Security Incidents

A Computer Security Incident Response Team (CSIRT) has been established to respond to information security incidents, and response procedures and escalation protocols are defined in the Computer Security Incident Response Plan (CSIRP). TDK Group has formulated a Business Continuity Plan (BCP). In addition, IT-BCP training based on information security incident scenarios is conducted at least once per year, and the BCP is regularly reviewed and updated.

Information Security Certifications

A number of TDK Group sites have obtained TISAX certification under the Trusted Information Security Assessment Exchange (TISAX), an information security assessment and exchange mechanism established by the German Association of the Automotive Industry (VDA).

Related Information

[Certification according to TISAX](#)

[TISAX Certification Sites](#)

Protection of Personal Data

Based on the TDK Privacy Policy, TDK endeavors to protect personal data and privacy. In addition, TDK has established the TDK Personal Data Protection Basic Policy as part of the TDK Privacy Policy, which applies to all personal data handled by TDK.

Related link

[TDK Personal Data Protection Basic Policy](#)

TDK Group considers personal data to be an aspect of information security, and TDK endeavors to properly manage personal data through its information security framework. The state of personal data management is reviewed annually and amendments are made as needed.

Any violations related to personal information are dealt with strictly.

With regard to the organizational framework for safeguarding personal information, we have established the Personal Information Subcommittee under the Information Security Committee, and put in place relevant systems. This subcommittee serves as the contact point for inquiries related to the handling of personal data.

Filing of Complaints Regarding Privacy Violations

There were no reports or complaints received within Group companies concerning the infringement of customer privacy or the loss of customer data in FY March 2026. There were also no instances of customer data being used for secondary purposes.

Sustainability | Governance | Information Security

TISAX Certification Sites (as of August 1, 2026)

[1] TDK Corporation (ENX Participant ID : PNPC9)

Location ID	Company	Address	Site	Scope ID	Valid until
LWKTH9	TDK Corporation	2-15-7, Higashi-Ohwada, Ichikawa-shi, Chiba 272-8558, Japan	Technical Center	SWPWKC	2028/6/18
LMK633	TDK Corporation	543, Otai, Saku-shi, Nagano 385-8555, Japan	Asama Techno Factory	SWPWKC	2028/6/18
LF0K79	TDK (Thailand) Co., Ltd.	1/62 Moo 5 Rojana Industrial Park, Rojana Road, Tambol Kanham, Amphur Uthai, Ayutthaya 13210, Thailand	Rojana Factory	SWPWKC	2028/6/18

TDK (Shanghai) International Trading Co., Ltd. (ENX Participant ID : PWX692)

Location ID	Company	Address	Site	Scope ID	Valid until
LMF6N5	TDK (Shanghai) International Trading Co., Ltd.	Shanghai International Trade Centre 2201, Yan An Rd(W), Changning District, Shanghai 200336, China, 200336, Shanghai, China	Shanghai Sales Office	SN3356	2029/7/3
LCWW92	TDK (Shanghai) International Trading Co., Ltd.	Taikang Financial Tower, No.38 East 3rd Ring Road, Chaoyang District, Beijing 100026, China, 100026, Beijing, China	Beijing Sales Office	SN3356	2029/7/3

[2] TDK Electronics Group (ENX Participant ID : PV2YMP)

<https://www.tdk-electronics.tdk.com/en/517730/company/tdk-electronics/quality/iso-iatf-iso-ts-and-csr-certificates>

Basic Policy on Information Security

Basic Policy on Information Security

General Direction

This Policy shall apply to the TDK Group.

The TDK Group shall maintain and enhance information security, recognizing that the continuity of business operations, the accuracy and fairness of financial information, and the proper management of personal information and trade secrets (including information provided by customers) are essential in striving to become a highly reliable company that further enhances stakeholder satisfaction.

We shall implement the following seven actions as concrete guidelines.

Action Guidelines

1. Observance of Laws and Regulations

In the handling of information, we shall comply with the laws and regulations of each country and region concerning the prevention of alteration, leakage, unauthorized access, and improper use of information; requirements for ensuring the reliability of information and the accuracy of disclosure; the protection of personal information; and business requirements, including contractual obligations with customers.

2. Information Security Management System

We shall establish a system to manage and operate information security in an organized and systematic manner, and clearly define roles and responsibilities.

3. Implementation of Measures for Risk Management

We shall identify threats and vulnerabilities to information assets from the perspectives of confidentiality, integrity, and availability, and implement appropriate measures in accordance with the associated risks. In addition, we shall develop internal regulations based on this Policy and ensure that information security measures are properly implemented.

4. Provision of Resources

Management shall provide the necessary resources required to implement this Policy.

5. Continuous Improvement of Information Security

We shall endeavor to continuously improve information security by responding to changes in risks arising from internal and external environmental changes.

6. Strict Actions

In the event of any violation of this Policy or related internal regulations, management shall take strict and appropriate action in accordance with the TDK Group Code of Conduct and the Work Rules, reflecting a zero-tolerance stance toward violations.

7. Incident Response and Accident Handling

In the event of an information security incident or accident, we shall take appropriate action and work to prevent a recurrence.

Established July 1, 2005

Revised on April 1, 2026

Noboru Saito

President & CEO

TDK Corporation

Sustainability | Governance

Quality Assurance

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Metrics and Targets](#)

[Initiatives](#)

Our Approach

TDK pursues the corporate mission of contributing to society through the manufacture and supply of outstanding electronic components.

“Quality” is the key management axis in this quest, positioned as the top priority in activities aimed at realizing top-caliber products built to consistently live up to customers’ expectations.

Positioning “Quality” as a crucial management cornerstone, we prioritize quality in our activities to deliver high-quality products and continuously meet customer expectations. Specifically, our quality assurance activities focus on the three themes of “People,” “Technology,” and “Systems,” aiming to achieve “zero defects” throughout the product lifecycle—from shipping, distribution, assembly by set manufacturers, usage by end-users, to disposal.

We adhere to the philosophy that “Quality cannot be assured by final inspection!” Instead of relying on the final inspection to eliminate defective products, we strive to ensure product quality by building quality into each process and producing 100% defect-free products.

We aim to instill this quality mindset, emphasizing quality improvement from the upstream stages of product design, process design, and equipment development. By eradicating defects, we achieve high-quality products that satisfy and earn the trust of our customers.

Governance

General manager of headquarters quality assurance function, which role is to be filled by a corporate officer, supervises QA activities in the Group as a whole, endeavors to share and develop principles and policies, and promotes activities by the entire Group toward their realization. In addition, each business division has a QA function, the head of which supervises and executes QA activities in the division.

TDK is a company with operational sites globally. The company deploys its quality assurance activities while maintaining close communications with all its sites, and fully leverages DX to conduct quality-related education, as well as in compliance and international standard responses, and in improving its reliability technology.

In the event of a situation involving a serious quality issue with the potential to exert significant societal impacts, the general manager of headquarters quality assurance function promptly escalates the matter to the TDK Group Representative Director, President and CEO and the corporate officers in the relevant function or business.

Initiatives for quality assurance activities are reported to the Board of Directors and audited by the Audit & Supervisory Board members. Additionally, quality meetings are held involving management and regular reports are made.

Awards are presented annually to quality assurance activities recognized as having achieved outstanding outcomes at the TDK Group, and these outcomes are then disseminated and deployed throughout the company as best practices, with the aim of promoting quality improvements and increasing the motivation of TDK Group team members (employees).

Strategy

As a company which is responsible for the design, manufacture, and supply of products, quality assurance is one of our most urgent priorities. Additionally, by strengthening quality assurance from the upstream management, we enhance the motivation of our team members through recognition and awards for departments that achieve excellent results.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Risk Management

The TDK Group implements Enterprise Risk Management (ERM) activities. In these activities, as quality risks, which represent situations with the potential to exert significant societal impacts, the company manages compliance with performance and safety with the potential to endanger or impact the lives of consumers; as well as those pertaining to compliance with international standards; the Restriction of Hazardous Substances (RoHS) Directive; and the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) Regulation, through appropriately identifying and responding to opportunities and risks.

Metrics and Targets

Medium- to Long-Term Initiatives

Our Medium- to long-term initiative for quality assurance is “Transformation to upstream management.” Under the three quality themes of “People,” “Technology,” and “Mechanisms,” TDK promotes a wide range of initiatives. These include quality improvements instigated by our team members; the development of small-group activities to enhance our Monozukuri power; promoting quality education utilizing DX; design reviews utilizing AI to enhance upstream management; and the improvement of product reliability technology to cater to future client requirements and applications.

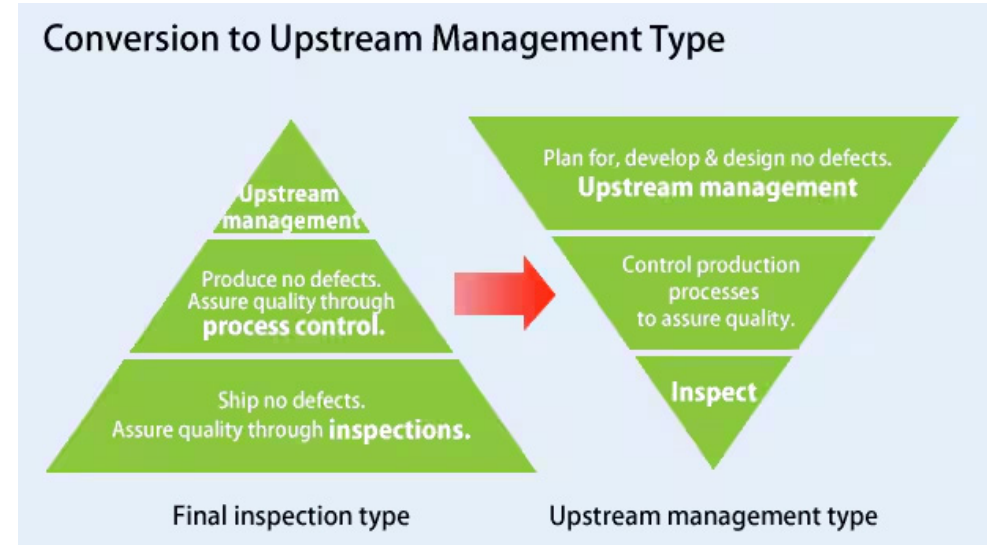
Initiatives

Top Priority Measures in the “Advance to Zero Defects”

The following activities are being forwarded toward achieving “Advance to Zero Defects,” a constituent of TDK’s basic approach to quality assurance.

(1) Strengthened design development processes

In its quest for zero defects, TDK thinks it is necessary to build product development systems capable of turning out 100% good products in design activities. More specifically, steps are taken to define risks prone to occur in each product development process at an early stage, thereby creating and applying an upstream management type quality assurance system to eliminate such problems at the design phase.



(2) Strengthened product manufacturing processes

To achieve “Zero Defect Quality,” product design must be accompanied by worksite competence to establish reproducible manufacturing processes that eliminate variations. The main factors that result in quality variations are equipment and operations. Variations caused by equipment have been reduced by clearly defining requirements when designing equipment and by clarifying maintenance procedures; variations caused by operations have mainly been addressed using small group activities. Besides these measures, we are also working steadily to raise quality awareness through ongoing quality education using small group activities, thereby building a “Quality First” corporate culture.

TDK will continue striving to enhance its Monozukuri through further strengthening of its product manufacturing processes, to provide customers with high quality products in a timely manner.

(3) Quality assurance compliance

We strive to fulfill our social responsibilities with high ethical standards in conducting corporate activities in compliance with laws and social norms. Toward this end, we continue working to improve product quality through the pursuit of zero defects, try to foster an awareness of what it means to place top priority on quality, and perform checks through compliance audits for quality.

(4) Responses to product security

In regard to product security, we have been implementing secure development and have taken measures to address vulnerabilities. In response to the introduction of the Cyber Resilience Act by the European Union, we are making preparations for the operation of our Product Security Incident Response Team (PSIRT).

With regard to vulnerabilities, rather than utilizing a “human wave” approach to data collection, we have adopted software that can be used for system checks, thereby enabling rapid transmission of security-related information and facilitating effective status monitoring.

In addition, we have compiled a software bill of materials (SBOM), and adopted a framework for effective management. This has made it easier to determine whether existing vulnerability data is accurate.

We are also working to satisfy stakeholders’ needs by providing product security rules and tools not only for IoT-enabled equipment, but also for other industrial machinery and for products that incorporate digital elements.

(5) TDK’s continuous implementation of quality education for team members

Having learned the lesson from the incidents involving our humidifier products, TDK implements regular employee education to strengthen awareness of the need to prioritize product safety and quality.

This education is implemented globally for all TDK Group team members. The content is updated regularly in light of any incidents that have occurred in the market and in response to changing requirements, and we are also expanding the range of languages in which the training is provided, and the methods through which it is delivered.

Related link

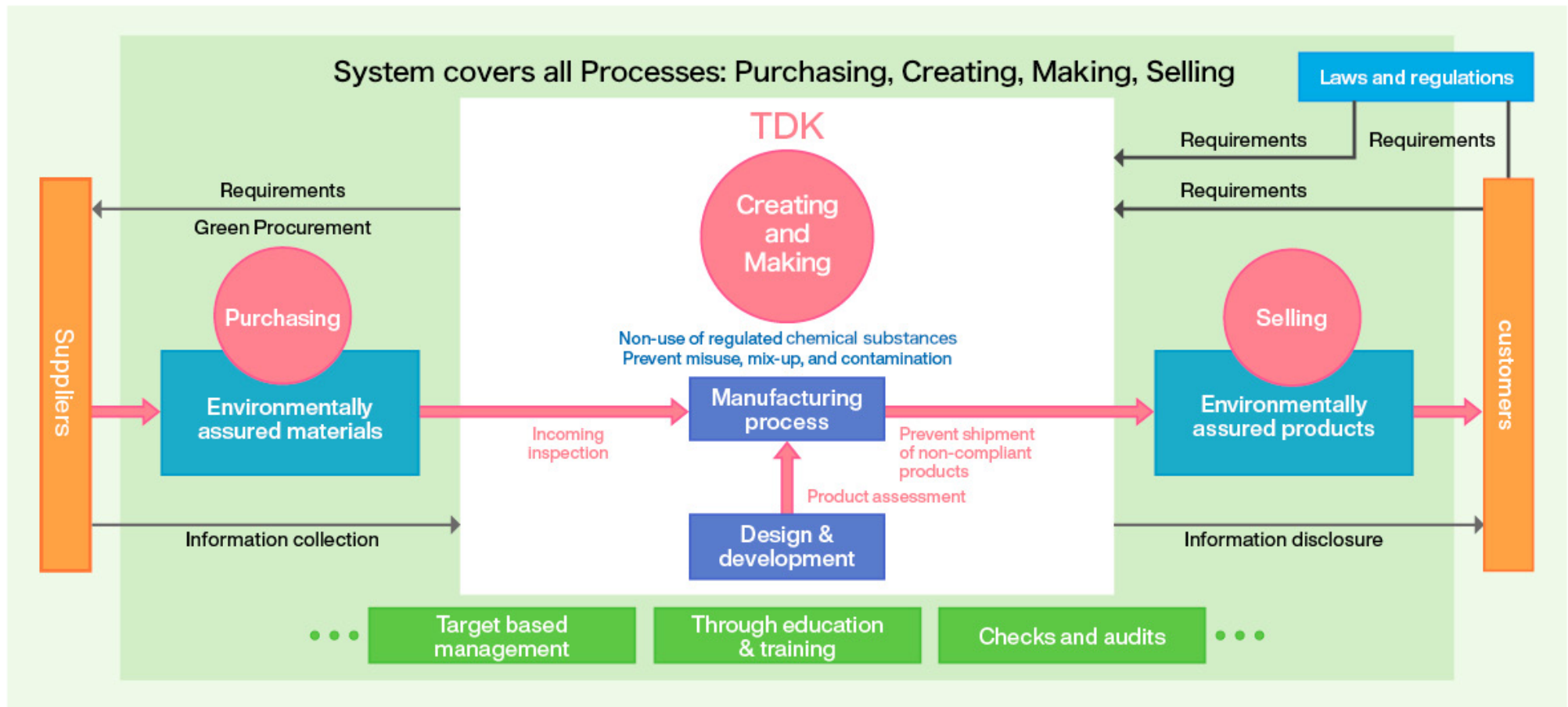
[Message from General Manager of Quality Assurance HQ \(Pursue “Zero-Defect Product Quality”\)](#)

Prevention and Control of Exposure to Hazardous Substances in Products

To prevent and control the presence of hazardous substances in our products that could adversely affect human health or the environment, TDK introduced an Environmental Product Quality Management System in 2004, which is operated under our Quality Management System (QMS).

To clearly identify chemical substances that are prohibited or subject to control in our products, TDK has established internal standards based on industry-recognized requirements, including IEC 62474 (Material Declaration for Products of and for the Electrotechnical Industry) issued by the International Electrotechnical Commission (IEC) and the Global Automotive Declarable Substance List (GADSL) developed by the Global Automotive Stakeholder Group.

As a component manufacturer operating in the midstream of the supply chain, TDK implements this system throughout all stages of its business activities to ensure effective prevention and control, including “purchasing”, “creating and manufacturing”, and “selling”.



Environmental Product Quality Management overview

[Quality Assurance > Initiatives](#)

Purchasing (1) - Green procurement

To ensure that no regulated chemical substances are contained in our products, TDK has established the “TDK Standard of Substances in Products”.

We also require our suppliers to ensure that the products and materials they supply comply with the “TDK Green Procurement Standard”.

In addition, we request suppliers to disclose information on chemical substances contained in their products that are subject to reporting or monitoring requirements, including information on Substances of Very High Concern (SVHCs) in accordance with the communication requirements of the REACH Regulation.

Related link

[The TDK Green Procurement Standards](#)

Purchasing (2) - Incoming inspection

TDK reviews and verifies the chemical substance information received from suppliers and business partners for purchased products to ensure compliance with the requirements of the “TDK Green Procurement Standard”.

Furthermore, to prevent the unintended inclusion of regulated substances resulting from human error, control failures, or other factors, TDK performs analytical testing on incoming materials according to their risk level. These tests are used to verify the content of specific chemical substances and to prevent the introduction of regulated substances into purchased products.

The criteria used to determine risk levels, as well as testing frequencies and other management requirements, are continuously reviewed and improved based on accumulated experience and operational results.

Creating - Environment-Conscious Design (Eco-design) and Product Assessment

We believe that environmental initiatives in a manufacturing company begin at the product design and development stage through eco-design and product assessment. It is at this stage that a product’s contribution to sustainable development goals and a circular economy, as well as its potential for reducing environmental impacts, are largely determined.

We also regard environmental consideration as one of the key elements of quality improvement. Eco-design and product assessment serve as important mechanisms for reducing environmental impacts and ensuring compliance with environmental laws and regulations.

Throughout the entire product life cycle—including material procurement, manufacturing, distribution, use, and end-of-life treatment—we identify the aspects that have the greatest environmental impact and promote continuous improvements through the development and application of innovative technologies.

Manufacturing - Prevention of Misuse, Mix-Ups and Contamination

At TDK, we rigorously prevent the use of prohibited substances and the occurrence of misuse, unintended inclusion, and contamination (including migration through contact) of TDK-prohibited chemical substances in mass-production environments such as manufacturing processes, storage areas, and warehouses.

To achieve this, we implement a variety of control measures, including material identification and traceability, segregation management, the establishment of procedures and standards, first-in-first-out (FIFO) inventory control, and warehouse receipt and issuance management.

In addition, for manufacturing processes where contamination may occur, such as solder baths, TDK has jointly developed practical simplified testing methods with solder manufacturers and uses these methods to monitor and control lead concentrations, thereby preventing contamination by regulated substances.

Selling (1) - Prevention of Non-Compliant Product Shipment

TDK’s electronic components are supplied not only to industries covered by the RoHS Directive for electrical and electronic equipment, but also to a wide range of sectors, including the automotive and medical device industries. Therefore, our products must comply with the applicable legal requirements and customer-specific requirements for each market.

To prevent the accidental shipment of non-compliant products due to human error, TDK registers the RoHS compliance status of all products in its sales management computer system. This system verifies compliance before shipment. In cases where shipment of a product that is not RoHS-compliant is exceptionally approved, shipment cannot proceed unless the responsible personnel enter confirmation that customer approval has been obtained and complete the required authorization process through an electronic application workflow.

This mechanism helps ensure that non-compliant products are not shipped without appropriate review and approval.

Sell (2) - Disclosure of Information

TDK has established a system for disclosing information on chemical substances contained in its products.

For inquiries from regarding chemical substances contained in products, TDK uses a groupware-based management system that centrally manages the entire process—from receipt of inquiries by sales departments to responses provided by technical departments—enabling prompt and accurate responses to customers.

Sustainability | Governance

Digital Transformation (DX)

[Our Approach](#)

[Governance](#)

[Strategy](#)

[Risk Management](#)

[Initiatives](#)

Our Approach

Under its Long-term Vision “TDK Transformation,” TDK aims to accelerate two cycles — contributing to social transformation (including Green Transformation (GX) and Digital Transformation (DX)) and continuously transforming TDK itself — to help realize a sustainable future. By leveraging IT (networks, cybersecurity, etc.), digitalization of workflows (digital), and AI (generative AI, data ethics, etc.), TDK promotes DX activities to improve operational efficiency, ensure information security and privacy, and enrich value creation through data-driven insights.

Looking at the macro trend of AI permeating and expanding across society, TDK defines the broad market related to AI as the “AI ecosystem market.” Expansion of the AI ecosystem market is expected to generate wide-ranging demand such as energy-efficient, high-density data centers; HDD heads/suspensions; edge-AI devices; AI-equipped vehicles and infrastructure; semiconductor manufacturing equipment; and AR glasses. By leveraging TDK’s strengths in low-power, high-reliability, high-density technologies and sensor-software integration, TDK will contribute to societal transformation and drive sustainable growth not only by developing new products in existing businesses but also by creating new products, services, and solutions.

Message from the CDXO

▶ TDK’s Digital Transformation Initiatives

▶ TDK Group AI Ethics Policy

Governance

DX Promotion Structure

TDK has placed a Chief Digital Transformation Officer (CDXO) directly under the Representative Director, President and CEO. The CDXO’s mission is to ensure consistent governance for IT, digital, and AI and to oversee concrete support across the TDK Group. The President and CEO and the CDXO promote company-wide DX through close collaboration between top management and the execution side. As the company-wide DX head, the CDXO shares DX policies and implementation plans to ensure enterprise-wide operations. Specifically, reports and discussions cover Digital Solutions HQ’s medium-term plans for IT/digital/AI, progress of cross-company projects, organizational design/roadmaps/literacy improvement measures for AI usage, cybersecurity, and DX talent development.

The TDK Group is accelerating its DX using IT, digital, and AI technologies. It also facilitates regular dialogue and community operations that connect strategy, field, and execution, enabling policy dissemination, case sharing, and monitoring/cooperation on implementation progress to drive internal DX.

TDK has established Global Common Regulations regarding AI use and defines compliance requirements within the Group so that AI can be used appropriately company-wide. An AI policy specifies organizational measures and concrete actions to comply with the global rules, and the Group enforces their operation.

Cybersecurity Structure

▶ Information Security Committee

Strategy

TDK continues to strengthen DX by executing its proprietary three-layer approach, the “TDK DX Framework.” Digital Solutions HQ executes the first, second, and third layers in a planned manner and implements strategic budget allocations to strongly promote DX realization.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Layer 1: DX Enablers

TDK builds IT systems through selection and concentration of infrastructure and data utilization technologies. For infrastructure construction, four priority areas are defined:

(1) Integration of internal data and AI

TDK's broad business portfolio has produced business-specific datasets from accumulated experience and knowledge. To use these diverse datasets for AI, TDK is building a data environment using "data virtualization." For example, manufacturing data from sites worldwide are aggregated and analyzed by AI to identify root causes of defects, accelerate resolution of factory issues, and reduce scrap costs.

(2) Building an in-house generative AI usage platform

TDK has built a generative AI service platform, TDK Generative AI (TDK GenAI), and provides this service across the Group. The platform has been developed in-house not only to enable agile improvements but also to strengthen our DX talent. Security and privacy are ensured through authentication and internal SQL servers, making it a safe platform for generative AI. It can be combined with internal TDK data, enabling the construction of domain-specialized AI based on in-house domain data.

(3) Robust cybersecurity and personal data protection

Based on the Information Security Basic Policy, TDK implements measures such as building TDK Zero Trust, strengthening supply-chain security, and evaluating externally exposed environments to enhance security.

Link to

▶ [Information Security](#)

▶ [Basic Policy on Information Security](#)

(4) Strengthening IT infrastructure and compliance

Digital Solutions HQ ensures consistent governance for IT, digital, and AI and provides company-wide IT/digital/AI foundational technologies, thereby enhancing IT infrastructure and compliance. Policy development for AI and awareness activities about those policies are carried out in cooperation with the compliance lead department.

Global deployment and rapid, reliable response are essential for building IT infrastructure that supports DX; TDK has established structures to meet these needs. The regularly held Global IT Leader Meeting (once or twice a year) brings together IT leaders from major global sites to intensively discuss prioritized IT/digital/AI strategies and plans, enabling effective communication and global rollout. The Global IT Infrastructure meeting also convenes personnel responsible for building IT infrastructure to share implementation measures and check progress across the TDK Group, ensuring rapid and reliable responses.

Company-wide IT/digital/AI foundational technologies are provided to business companies as internal services. This standardizes platforms for data sharing (making them AI-ready) and aims to minimize IT infrastructure introduction costs.

Layer 2: DX Agentic AI

By using agentic AI and digitizing manual workflow processes, TDK examines reducing operational costs in factories and back-end management processes. As a focused strategic initiative to fully utilize agentic AI, TDK runs taskforce-style DX initiatives. Dedicated taskforces are rapidly deployed to operational sites for short periods (typically under one month, up to about two months) to identify and implement high-impact AI-driven solutions. Introducing agentic AI from back-office tasks to factory floors aims for substantial cost reductions and workflow efficiency improvements. Emphasis is also placed on upskilling/reskilling for agentic AI use and standardization of responsible AI and digital ethics.

Layer 3: DX Project

To strengthen DX promotion, the CDXO and Digital Solutions HQ lead three company-wide DX project initiatives:

■ DX Initiative 1: Reinforcing sales & marketing capabilities

Strengthen market analysis to enhance sales and marketing capabilities. Use AI to analyze CRM data based on sales knowledge to improve sales approach precision. Combine new business creation activities with the generative AI platform to rapidly generate concrete business ideas.

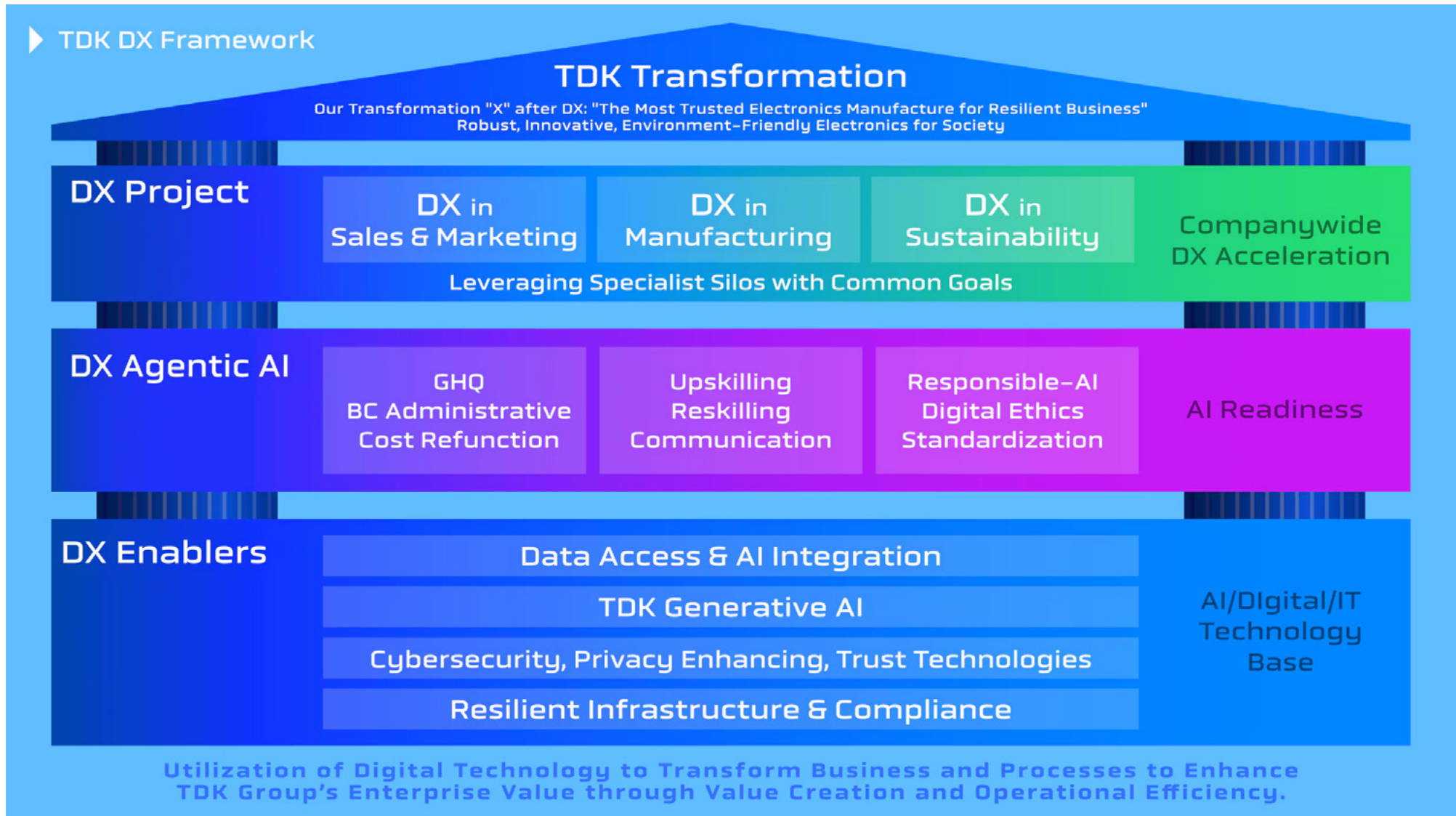
■ DX Initiative 2: Enhancing manufacturing processes

Promote operational efficiency and process rationalization in electronic device manufacturing. Dedicated AI collects manufacturing measurement data automatically and centrally manages/analyzes key operational metrics such as equipment downtime and quality data to drive efficiency.

■ DX Initiative 3: Strengthening Sustainability Efforts

Drive decarbonization across the value chain through digitalization. Contribute to achieving decarbonization goals by automating CO₂ emissions traceability and improving data accuracy.

These company-wide DX project initiatives contribute not only to operational efficiency but also to new value creation when integrated with business strategy. For example, TDK SensEI Pte. Ltd., which operates an Edge AI business, benefits from insights gained through TDK's entire activities, creating synergies for new businesses. TDK positions the AI ecosystem market as a key growth driver and accelerates delivery of new solutions combining sensors, software, power supplies and rechargeable batteries.



Link to

► [TDK's Digital Transformation Initiatives](#)

► [TDK announces AI venture TDK SenseI Pte. Ltd](#)

Risk Management

TDK recognizes DX-related risks such as cybersecurity/data privacy, supply-chain risks, geopolitical risks, changes in laws/regulations, and AI fairness/explainability. In response, TDK has established the Information Security Committee reporting directly to top management, implemented phased Zero Trust adoption, and strengthened monitoring via external disclosure environment evaluation systems*1. For AI use, TDK emphasizes human-in-the-loop*2, and has established Global Common Regulation.

*1 External disclosure environment evaluation system: An initiative to continuously assess vulnerabilities in the company's IT assets that are accessible from external networks such as the Internet.

*2 Human-in-the-loop: Incorporating human feedback into AI learning, decision-making processes, development, and operation cycles.

Link to

[Information Security](#)

Measures for AI-related Risks

TDK has formulated a global common AI policy, which establishes guidelines for TDK team members (employees) when using AI systems. The policy also requires compliance with country- and region-specific laws/regulations and with rules for the use of individual AI systems, and prohibits the use of AI systems for purposes other than executing TDK Group business.

TDK defines five AI-related risks and stipulates the appropriate management and operation of AI system use to prevent these risks from materializing:

1. Risk that AI outputs lack accuracy/fairness
2. Risk that AI outputs infringe intellectual property rights
3. Risk of information leakage due to AI use
4. Risk of privacy invasion due to AI use
5. Risk of impeding fair competition due to AI use

When introducing new AI systems other than global common AI systems such as the TDK GenAI platform, a governance structure is in place to prevent the adoption of inappropriate or unnecessary AI systems. Reviews are conducted by IT Responsible persons at regional headquarters and core subsidiaries, as well as Digital Solutions HQ. If an event occurs where an AI-related risk materializes (an AI system incident), it must be reported in accordance with the designated process and flow.

The AI policy is reviewed and revised once a year. In addition, regular training is conducted in cooperation with HR to ensure awareness among team members. This deepens the company-wide understanding of AI and aims to mitigate risks.

Initiatives

Empowering DX Talent

Training and Recruitment

Based on the digital skills standards formulated by Japan's Ministry of Economy, Trade and Industry, TDK has developed and operates an internal skill evaluation framework. This company-wide digital evaluation index visualizes TDK's digital skills and links to training and development activities.

TDK provides company-wide tiered training: mindset transformation for leaders, foundational DX knowledge for DX promoters, and IT skill enhancement for those aiming for DX roles or reskilling. Hands-on and accompaniment-style training for generative AI, no-code/low-code tools, and BI tools are provided regularly to support acquisition of essential DX skills. To raise digital literacy across all team members, digital courses ranging from IT skills to management are offered via an e-learning platform.

TDK has also encouraged the promotion of process transformation using digital technologies. Attempts have been made to solve process issues using IT/digital/AI tools, and activities and case studies are widely shared through a DX community to encourage interdepartmental knowledge exchange and accumulation.

TDK is strengthening its recruitment of DX talent. For new graduates, Digital Solutions HQ offers internships. Through these internships, TDK is enhancing its efforts to boost the motivation of students interested in the activities and work styles of the IT, digital, and AI departments. Furthermore, through role-specific recruitment, TDK continuously hires high-potential personnel who are steadily developing into members capable of driving DX.

For mid-career recruitment, TDK actively hires DX talent who can contribute immediately. As a result, Digital Solutions HQ has improved in both the quality and quantity of its personnel, establishing a structure to broadly contribute to the promotion of DX across TDK.

Communication & Encouragement

TDK accelerates DX by fostering deep, sophisticated communication—both strategic and operational—between operational sites, business units, and DX teams. Such high-touch, multi-channel engagement takes place in person, online, and in hybrid formats. An internal awards program encourages DX initiatives and facilitates the horizontal dissemination of outstanding DX practices across the organization.

External Communication

TDK considers fulfilling accountability to stakeholders, including investors and analysts, and building trust and credibility through two-way communication important. In addition to regular financial results announcements, TDK holds new IR events to increase annual dialogue opportunities. In addition to regular earnings announcements and investor briefings focused on financial information, TDK holds new investor relations events, such as [pre-financial briefings](#). These events increase the number of annual interactions with investors. The President and CEO emphasizes active investment in the AI ecosystem market.

Link to

▶ [IR Activities](#)

▶ [TDK United Report 2025 “Dialogue with Investors”](#)

▶ [Message from the President and CEO](#)

TDK is also strengthening hands on communication; for example, TDK Ventures — which serves as TDK’s venture capital arm — hosts an in-person event called “DX Week.” Since 2022, TDK Ventures has organized DX Week to actively invest in new fields that contribute to the AI ecosystem and to promote collaboration and innovation with startups and global leaders from industry, academia, and government at the forefront of DX.

The CDXO also shares information on TDK’s DX at various international conferences and lectures, including [a keynote at IEEE in the United States in October 2024. \(External link\)](#) These activities promote collaboration with other companies and universities and interaction with business leaders and startups.

Link to

▶ [TDK Ventures: 100X](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | Governance | Digital Transformation (DX)

TDK Group AI Ethics Policy

The TDK Group leverages Artificial Intelligence (AI) and digital assets as catalysts for societal transformation and the realization of its Long-Term Vision. The TDK Group is committed to the ethical development and utilization of AI through the pillars of accountability and transparency and to ensuring that its digital evolution strengthens trust in its products and fosters the continued empowerment of its global workforce. To this end, when utilizing AI, TDK Members ensure compliance with applicable laws and regulations in each country and region as well as with the TDK Group's internal policies and rules to conduct business operations in alignment with those principles serving as the standards for decision-making.

Principle 1. Human Centricity and Commitment to Human Rights

The TDK Group and TDK Members advocate for the ethical application of AI and commit to upholding human dignity and fundamental human rights. In the development, provision, and use of products and services that utilize AI, the TDK Group upholds the principles expressed in the TDK Group Policy on Human Rights to ensure that human rights are protected. Furthermore, the TDK Group views AI as a tool to enhance human capabilities and ensures that the scope and conditions of the use of AI are subject to final decisions by humans.

Principle 2. Stakeholder Engagement

The TDK Group endeavors to maintain an open and proactive dialogue with all internal and external stakeholders in a legitimate, positive, and constructive manner. By fostering open engagement, the TDK Group strives to ensure that its digital strategies remain aligned with global expectations, social norms, and the evolving needs of its communities.

Principle 3. Safety

The TDK Group prioritizes safety with regard to products and services derived from and/or associated with the utilization of AI ("AI-enabled products and services"). The TDK Group shall strive to ensure that development, provision, and use of AI in its business practices do not harm life, body, personality rights (such as the right of portrait, reputation, and honor), physical or mental well-being, or property (including intellectual property and trade secrets) of its users.

Principle 4. Fairness and Equity

In line with the principles expressed in the TDK Group Policy on Human Rights, the TDK Group is committed to developing, providing, and utilizing AI-enabled products and services without creating or promoting unjust biases or discrimination based on race, gender, nationality, region, age, political beliefs, religion, occupation, health, or other factors among diverse stakeholders. To this end, the TDK Group is dedicated to preventing algorithmic bias and discrimination, ensuring that its utilization of AI consistently respects human rights and promotes fairness across all demographics.

Principle 5. Protection of Privacy

The TDK Group upholds the highest standards of data privacy. The TDK Group operates in strict adherence to international legal and regulatory frameworks, applicable laws and regulations, as well as its internal policies and rules, to ensure that the personal and proprietary data entrusted to the TDK Group are protected with the utmost rigor and ethical consideration.

Principle 6. Trust Through Cybersecurity Excellence

Trust is the cornerstone of the TDK Group's value proposition. The TDK Group safeguards its products, services, and systems through robust cybersecurity provisions. To this end, the TDK Group commits to compliance with applicable laws, regulations and internal policies, and endeavors to ensure security in the development, provision, and utilization of AI in order to safeguard against the risks of cyber-attacks, unauthorized access and improper use, as well as unintended malfunctions in AI behavior. By implementing industry-leading practices in AI technologies, the TDK Group ensures the integrity, availability, and resilience of its digital ecosystem.

Principle 7. Transparency and Algorithmic Accountability

The TDK Group believes that AI must be transparent to be trusted. The TDK Group pursues a policy of Explainable AI, ensuring that its digital systems and automated decision-making processes are understandable, traceable, and subject to human oversight.

To that end, when providing AI, the TDK Group shall, to the extent necessary and technically feasible, supply users with information relevant to appropriate use, including the AI's limitations and prohibited actions, the content origin, the established AI processes as well as the responsibilities for AI outcomes.

Principle 8. Workforce Empowerment and AI Literacy

Recognizing rapid changes surrounding AI, the TDK Group provides support to TDK Members in order to maintain an appropriate level of AI literacy to ensure responsible use of AI.

As AI embeds into all areas of business, so must TDK Members be aware of unique risks associated with the utilization of AI. The TDK Group invests in the continuous education of our diverse global workforce to understand AI-related risks correctly and safely implement AI in the TDK Group. Through comprehensive upskilling and reskilling programs, the TDK Group empowers TDK Members to navigate technological shifts while maintaining a deep awareness of digital ethics and responsibility.

Principle 9. Innovation, Societal Transformation and Environmental Stewardship

The TDK Group is committed to leveraging AI as a force for good. The TDK Group utilizes technology to drive societal transformation, prioritizing the betterment of humanity and the preservation of the environment in alignment with our Long-Term Vision. To that end, the TDK Group will promote innovation across society by contributing to open innovation, fostering multidisciplinary collaboration, supporting interoperability and interconnectivity, ensuring compliance with applicable standards, and providing information to the extent feasible from technical and fairness standpoints.

Established on June 12, 2026 (Ver1)

Noboru Saito
President & CEO
TDK Corporation

Sustainability
▶ **ESG Library**

- ▶ [ESG Data](#)
- ▶ [Sustainability Report](#)
- ▶ [Recognition from Society](#)
- ▶ [Third-Party Assurance](#)
- ▶ [Participation in Initiatives](#)
- ▶ [About the “Sustainability” Website](#)
- ▶ [Search / Index](#)
 - [ESG Research](#)
 - [GRI Standards Table](#)
 - [SASB Table](#)
 - [Search by SDGs](#)
 - [Search by Stakeholder](#)
 - [ESG related Data](#)
 - [ESG related Policies](#)
- ▶ [Investor Relations](#)
- ▶ [Integrated Reports / Human Capital Reports](#)

Sustainability | ESG Library

ESG Data

[Governance Data](#)

[Environmental Data](#)

[Social Data](#)

We have collated environmental, social, and governance data for past years, and make these data available in Microsoft Excel format.

[ESG Data \(96KB\)](#)

Please see the following link for the third-party assurance report.
For data guaranteed by a third party, see the ★ symbols in the ESG Data above.

[Third-Party Assurance](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | ESG Library | ESG data

Environmental Data

<GHG emissions>

- Scope 1, Scope 2, Scope 3
- Scope 3 (by category)

<Energy>

- Total energy consumption
- Total renewable energy use
- Percentage of total renewable energy used
- Percentage of total renewable energy-derived electricity used
- Fuel
- Purchased electricity
- Self-generated electricity

<Water>

- Incoming water
- Water discharging
- Water consumption

<Waste>

- Total non-hazardous waste
- Total hazardous waste
- Total waste

<Compliance with laws and regulations and accidents>

- Regulatory exceedances and accidents
- Fines of US\$10,000 or more
- Amount of fine (US\$10,000 or more)

<Atmosphere>

- PRTR substance emissions (Japan)
- SOx emissions (Japan)
- NOx emissions (Japan)
- Soot and dust emissions (Japan)
- Volatile organic compounds (VOC) emissions

<Data by site>

- Electricity (purchased) usage
- Fuel consumption
- Water resources (water withdrawal)
- Discharge (total emissions)
- Discharge (amount recycled outside the company)

[ESG Data \(96KB\)](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | ESG Library | ESG data

Social Data

Global

<Employment>

- Consolidated number of employees
- Ratio of Employees by Nationality
- Total employee turnover rate
- Voluntary employee turnover rate

<Diversity>

- Ratio of female in all managerial position
- Ratio of female in junior managerial position
- Ratio of female in middle managerial position
- Ratio of female in top managerial position
- Target for female in managerial positions by 2030
- Ratio of female in managerial positions in revenue-generating functions
- Ratio of female in STEM-related positions
- Ratio of employees with disabilities

<Staff training>

- Annual training hours per employee
- Average amount spent per employee on training and development
- Number of Territorial Career Development Program (TCDP) graduates
- Number of Global Management Program (GMP) graduates
- Number of Global Advanced Management Program (GAMP) graduates
- Number of Global Executive Management Program (GEMP) graduates
- Number of participants in the global English training program

<Freedom of association>

- Ratio of employees represented by a union or covered by collective bargaining agreements

<Hiring>

- Total number of new employees hired
- Percentage of open positions filled by internal candidates

<Team member engagement>

- Response rate
- Engagement index
- Ratio of employees with top level of engagement
- Communication Score
- Comment rate

<Gender pay gap (non-adjusted)>

- Salary
- Bonus
- Coverage (% of employees covered)

<Health and safety>

- Number of accidents resulting in lost work time
- Number of significant labor accidents
- Number of deaths due to workplace accidents
- Lost time injury frequency rate

TDK Corporation

<Employment>

- Number of employees
- Average age
- Continuous service
- Recruitment of new graduates
- Mid-career recruitment
- Ratio of mid-career recruitment in newly hired employees
- Total employee turnover rate
- Voluntary employee turnover rate

<Work-life balance>

- Employees taking child care leave
- Ratio of employees returning to work
- Male childcare leave acquisition rate
- Paid leave acquisition rate
- Number of employees taking nursing care leave

<Diversity>

- Ratio of female in all managerial position
- Ratio of female senior managers
- Ratio of female managers
- Ratio of female assistant managers
- Ratio of female in managerial positions in revenue-generating functions
- Ratio of female in STEM-related positions
- Gender pay gap rate
- Ratio of employees with disabilities

<Staff training>

- Education and training expenses
- Cumulative total of participants in overseas trainee program
- Cumulative total of engineers sent to overseas universities

<Percentage of employees who participate in the employee stock ownership plan>

[ESG Data \(96KB\)](#)

Sustainability | ESG Library | ESG data

Governance Data

Corporate Governance

<Officers>

- Number of directors
- Number of Audit & Supervisory Board members
- Number of corporate officers

<Board of Directors>

- Number of meetings
- Attendance ratio of outside directors
- Attendance ratio of outside Audit & Supervisory Board members

<Audit & Supervisory Board>

- Number of meetings
- Attendance ratio of outside Audit & Supervisory Board members

<Remuneration>

- Directors (excluding outside directors)
- Outside directors
- Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)
- Outside Audit & Supervisory Board members
- CEO-to-Employee Pay Ratio

Business Ethics and Compliance

<System>

- Number of consultations and reports to help lines

<Business ethics>

- Number of instances of material non-compliance with the TDK Group Code of Conduct

<Political contribution>

- Total amount of political contribution (Japan)

Supply Chain

<Initiatives as a supplier>

- Number and implementation ratio of manufacturing sites covered by CSR self-checks
- Number of manufacturing sites covered by labor, human rights, and business ethics risk assessment
- Number of manufacturing sites performed CSR voluntary audits by third-party organizations
- Number of employees participated in CSR internal auditor training (accumulated)
- Percentage of customers covered by the satisfaction evaluation
- Customer satisfaction index

<Initiatives as a buyer>

- Number of dispatch companies covered by CSR self-check (dispatch companies used by manufacturing sites in high-risk countries of Asia)
- CSR-compliant supplier ratio

<Responsible sourcing of minerals>

- Ratio of suppliers confirmed conflict-free
- Number of conflict minerals survey

[ESG Data \(96KB\)](#)

Recognition from Society

State of Inclusion in ESG Evaluation / Indexes, Etc. (As of July 31st, 2026)

SRI Indexes

- **FTSE4 Good Index Series**
This index, provided by FTSE Russell (based in the UK), is designed to measure the performance of companies implementing strong ESG measures.
FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that TDK Corporation has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.



[FTSE4 Good Index Series \(Link to external site\)](#)

- **FTSE JPX Blossom Japan Index**
This index, provided by FTSE Russell (based in the UK), is designed to measure the performance of Japanese companies with outstanding ESG responses.
FTSE Russell confirms that TDK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index is designed to measure the performance of companies demonstrating specific Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



[FTSE Blossom Index Series \(Link to external site\)](#)

- **FTSE JPX Blossom Japan Sector Relative Index**
This index, provided by FTSE Russell (UK), is designed to be sector neutral and to reflect the performance of Japanese companies with outstanding ESG responses.
FTSE Russell confirms that TDK Corporation has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Sector Relative Index. The FTSE JPX Blossom Japan Sector Relative Index is used by a wide variety of market participants to create and assess responsible investment funds and other products.



[FTSE Blossom Index Series \(Link to external site\)](#)

- **MSCI Selection Indexes**
This index, provided by MSCI (based in the USA), selects companies with outstanding ESG evaluation.



[MSCI \(Link to external site\)](#)

- **MSCI Nihonkabu ESG Select Leaders Index**
An index provided by MSCI (USA) that selects Japanese companies with excellent ESG initiatives from the constituents of the MSCI Japan IMI Index by industry.

2026 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

[MSCI Nihonkabu ESG Select Leaders Index \(Link to external site\)](#)

THE INCLUSION OF TDK CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF TDK CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

- Dow Jones Best-in-Class Asia Pacific Index

This index, provided by S&P Dow Jones Indices (USA), evaluates corporate sustainability across three key dimensions—Economic & Governance, Environmental, and Social—based on S&P Global's Corporate Sustainability Assessment (CSA) to select leading companies in the Asia-Pacific region. TDK was selected as a constituent for the first time in 2026.

- Morningstar Japan ex-REIT Gender Diversity Tilt Index

This index, provided by Morningstar (USA), uses the gender equality scoring methodology of Equileap and is designed to facilitate investment placing the emphasis on companies that have strong gender diversity policies embedded in their corporate culture and that ensure equal opportunities to employees irrespective of their gender.

- SX Brand 2026

The SX Brand is a group of progressive companies that enhance their ability to generate growth capital in a sustainable manner through SX (Sustainability Transformation) to with the aim of improving corporate value.

[SX Brands 2026](#)

- DX Stocks 2026

DX Stocks 2026 is a recognition program jointly organized by METI and the Tokyo Stock Exchange to select leading companies that achieve corporate value enhancement through business transformation and the creation of new value utilizing digital technologies. TDK was selected for the program for the first time.

[DX Stocks 2026](#)

- S&P/JPX Carbon Efficient Index

This index, jointly developed by S&P Dow Jones Indices and the Tokyo Stock Exchange, is designed to measure the performance of companies in the Tokyo Stock Price Index (TOPIX) while overweighting or underweighting those companies that have lower or higher levels of carbon emissions per unit of revenue.



- Sompo Sustainability Index

This index is compiled based on the results of the Buna-no-Mori Environmental Questionnaire and ESG Management Survey conducted by SOMPO Risk Management Inc.



Evaluation

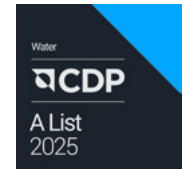
- S&P Global Sustainability Yearbook Member

In sustainability assessment by S&P Global (USA), companies achieving a score within the top 15% of their industry are selected as Sustainability Yearbook Members. TDK was chosen as a Sustainability Yearbook Member 2026.



- CDP Water Security: A (six consecutive years)

TDK received the above rating out of eight levels (A, A-, B, B-, C, C-, D, and D-) from CDP, an international nonprofit organization that addresses environmental issues, such as climate change.



- CDP Supplier Engagement Rating: Supplier Engagement Leader (six consecutive years)

In the Supplier Engagement Rating, answers provided to the CDP Climate Change Program are used to evaluate companies by items relating to governance, targets, Scope 3 emissions, and value chain engagement. TDK was highly praised because, among other things, it promotes environmental activities working with suppliers and discloses Scope 3 emissions.



- EcoVadis

EcoVadis assesses companies' sustainability performance across more than 230 industries in over 180 countries. TDK has been awarded a Silver Medal in the EcoVadis Sustainability Assessment. The Silver Medal is awarded to companies ranked among the top 15% of all companies assessed by EcoVadis.



[EcoVadis \(Link to external site\)](#)

- Health & Productivity Management Organization Recognition Program
The Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi jointly implement the health and productivity management organization program. TDK has been recognized as one of the Health & Productivity Management Outstanding Organizations for four consecutive years.



- Kurumin Mark
The Platinum Kurumin is a recognition under the Act on Advancement of Measures to Support Raising Next-Generation Children for childcare-supporting companies that meet especially high standards.



- PRIDE Index
TDK received the highest rating of GOLD in the PRIDE Index, for its efforts related to sexual and gender minorities.



Recognition as a Clarivate Top 100 Global Innovator™



TDK has been recognized as a Clarivate Top 100 Global Innovator™ 2026. (Clarivate has its headquarters in London.) It is the 12th time for TDK to receive this accolade. Since 2012 the Top 100 Global Innovators has identified companies at the pinnacle of the global innovation landscape by measuring the ideation culture that produces patents and puts them at the forefront.

Based on rigorous research that utilizes original analysis of the Derwent World Patents Index (DWPI) and other global patent data, Clarivate evaluates patents in terms of influence, success, rarity, and international reach. TDK was rated particularly highly on influence and rarity.

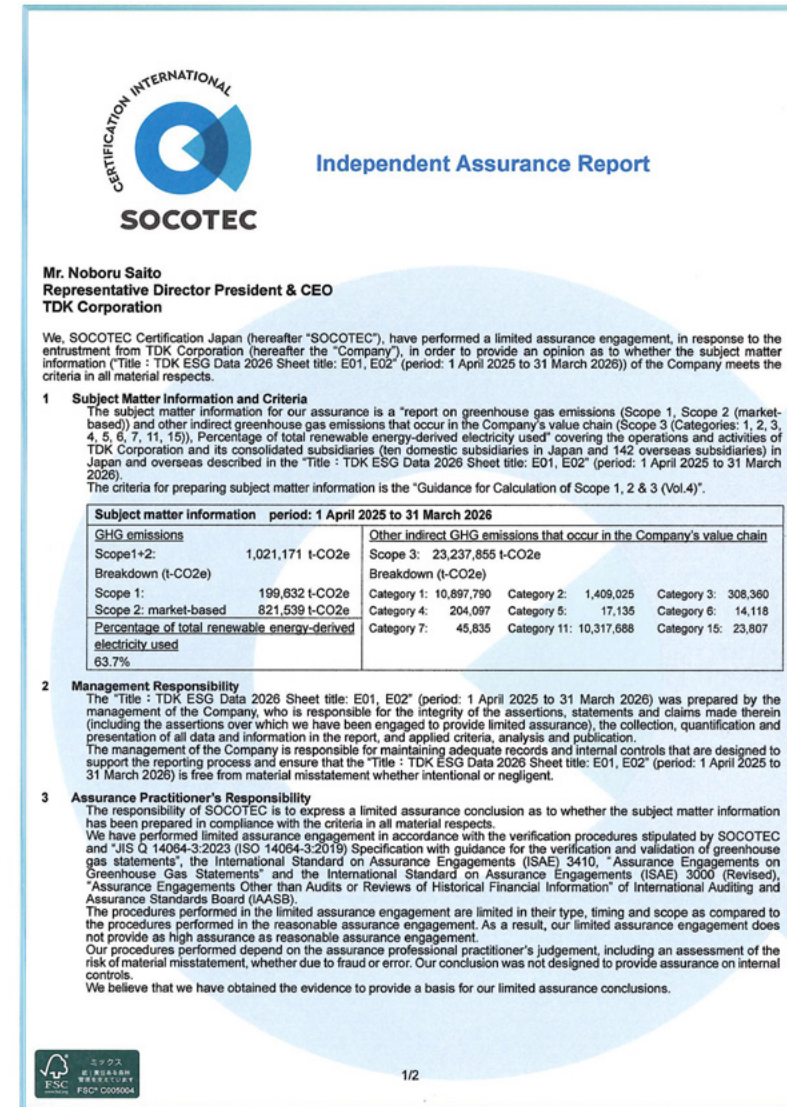
Sustainability | ESG Library

Third-Party Assurance

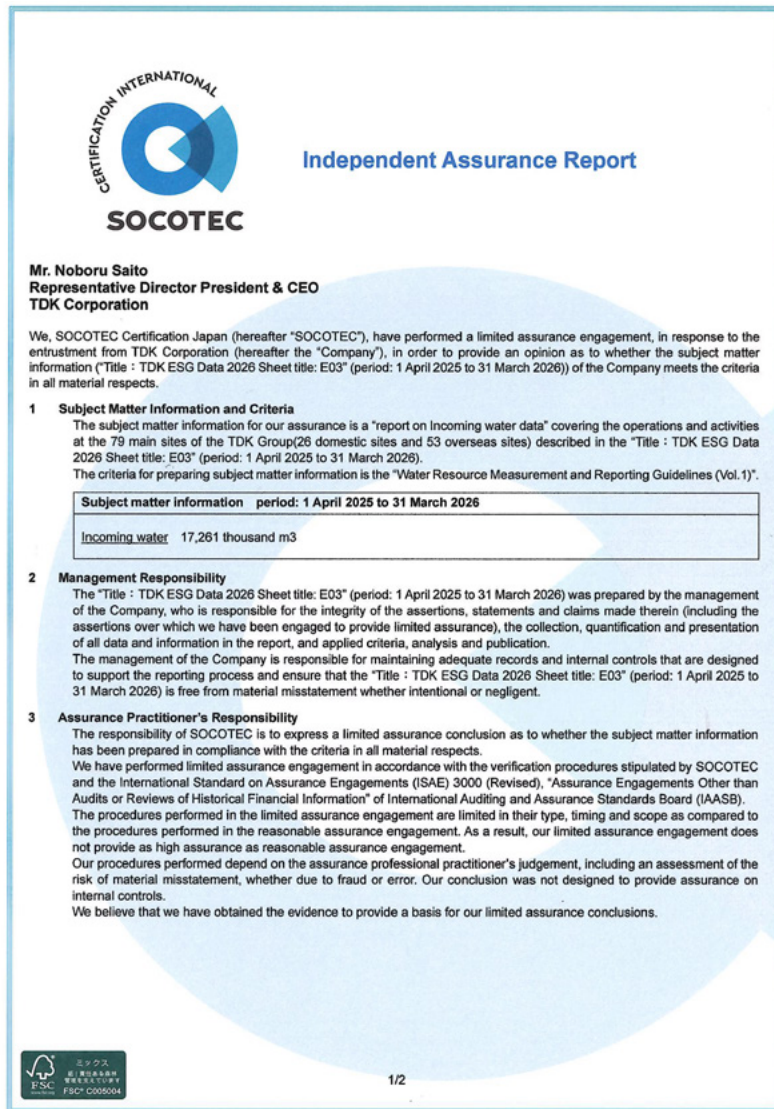
TDK calculates direct GHG emissions (Scope 1), indirect GHG emissions from energy sources (Scope 2), and other indirect GHG emissions (Scope 3), and undergoes a third-Party Assurance by SOCOTEC Certification Japan.

*ISAE3000 compliant

1. Independent Assurance Report GHG PDF (1.23MB)

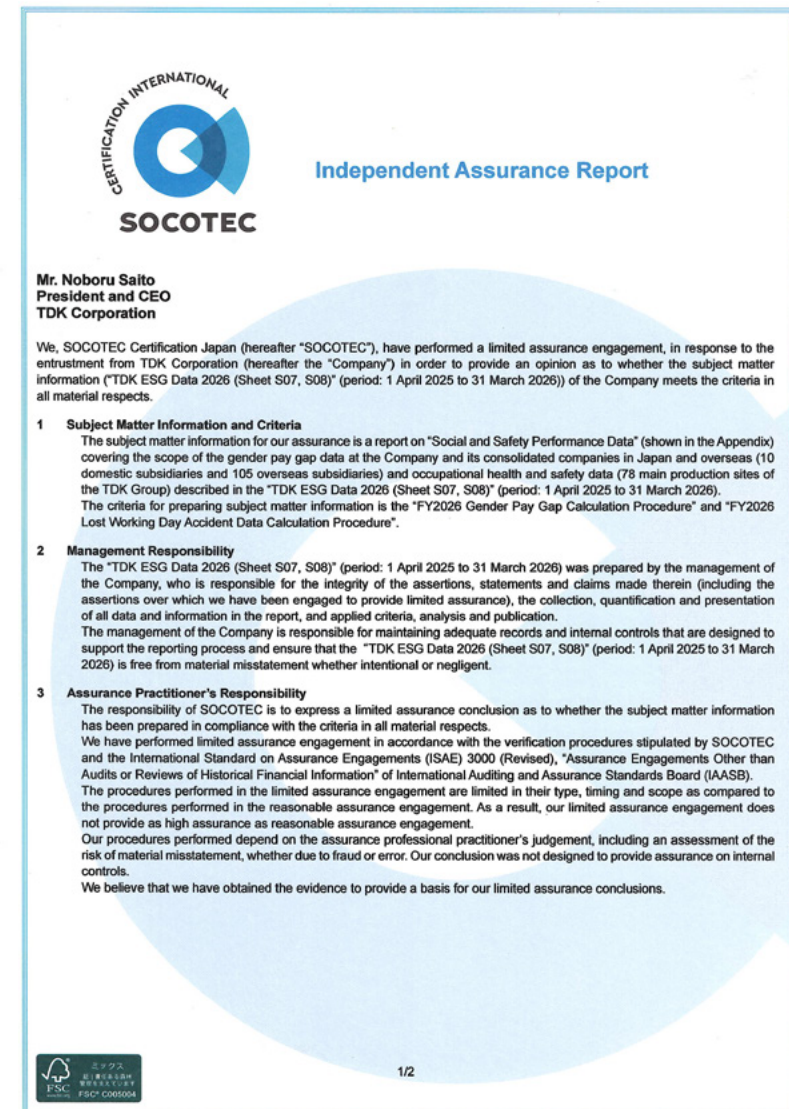


[2. Independent Assurance Report Incoming water PDF \(1,131KB\)](#)



TDK's Gender pay gap and Health and safety data undergo third-party assurance by SOCOTEC Certification Japan.

[A Third-Party Assurance by SOCOTEC Certification Japan PDF \(2.85MB\)](#)



For data guaranteed by a third party, see the ★ symbols in the ESG Data.

[ESG Data](#)

Participation in Initiatives

The TDK Group respects international norms and standards, such as the Universal Declaration of Human Rights, ISO 26000, the OECD Guidelines for Multinational Enterprises, the international labor standards of the International Labor Organization (ILO), and the United Nations Guiding Principles on Business and Human Rights (the “Ruggie Framework”), and promotes business with the aim of realizing the common global objectives cited in the SDGs.

Furthermore, in editing and issuing our sustainability website, we refer to the GRI Standards of the Global Reporting Initiative, the international standard.

Endorsement of the TCFD*

In May 2019, TDK expressed its support for the Task Force on Climate-related Financial Disclosures (TCFD), which makes recommendations for analyzing and disclosing information on the impact of climate change on corporate finance.

*The Task Force on Climate-related Financial Disclosures (TCFD) was founded in 2015 by the Financial Stability Board (FSB), an international body seeking to achieve the stabilization of the financial system.

Related links

[TCFD \(Link to external site\)](#)

[TCFD/TNFD](#)

[Climate Change Initiatives](#)

Membership of the RBA and RMI

In February 2020 the TDK Group joined the Responsible Business Alliance (RBA), the world's largest industrial coalition dedicated to promoting responsible corporate conduct in the global supply chain.

The TDK Group fully supports the RBA's vision and mission and, in accordance with the RBA's code of conduct, makes continuous efforts to improve the human rights of workers, health and safety, and the environment in the TDK Group and primary suppliers. TDK also participates in the Responsible Minerals Initiative (RMI) and strives for responsible mineral procurement.

Related links

[RBA \(Link to external site\)](#)

[RMI \(Link to external site\)](#)

[Respect for Human Rights](#)

[Sustainable Procurement](#)

[Responsible Sourcing of Minerals](#)

[Social and Environmental Considerations at Manufacturing Sites](#)

Membership of Other Associations

TDK belongs to the following associations and promotes efforts to solve social issues that are difficult for a single company to tackle.

Click on the name of the organization to go to their website.

[Japan Business Federation \(Link to external site\)](#)

[Japan Electronics and Information Technology Industries Association \(JEITA\) \(Link to external site\)](#)

[CMP Consortium \(Chemical and circular Management Platform Consortium\) \(Link to external site\)](#)

[Japan Business Council in Europe \(JBCE\) \(Link to external site\)](#)

Sustainability | ESG Library

About the “Sustainability” Website

Our Approach

Two aspirations are contained in our Long-term Vision, “TDK Transformation—Accelerating transformation for a sustainable future.” Firstly, TDK aims to accelerate the evolution of technology and the transformation of society through electronic devices combining its unique materials, processes, and software, thereby contributing to the realization of a sustainable future. Further, by continuing to transform itself, TDK aims to grow alongside its global customers as their No. 1 partner.

This sustainability website (Sustainability Report) presents the progress made on the key issues (materiality) that the TDK Group must address, based on our Long-term Vision, TDK Transformation. It also organizes and presents TDK’s various initiatives aimed at realizing a sustainable society within an ESG (Environmental, Social, and Governance) framework.

This report was prepared with reference to the GRI (Global Reporting Initiative) Standards, the SASB Standards and other frameworks and guidance.

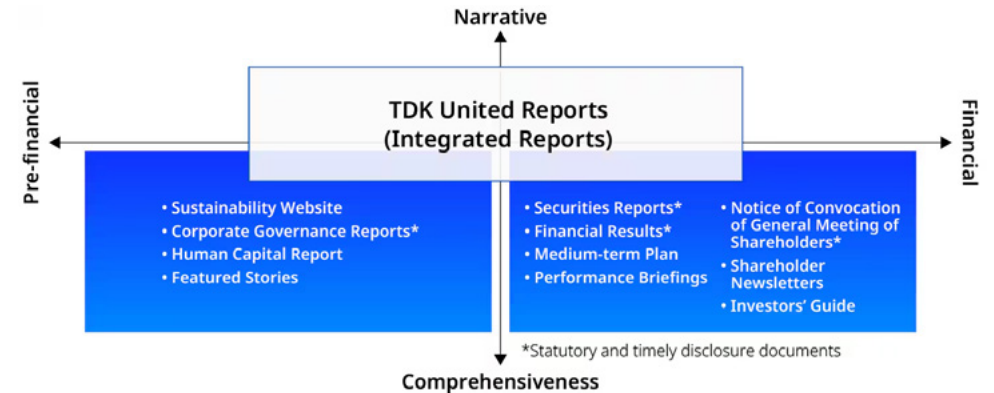
We also report, in a way that makes clear how much progress is being made, information relating to our materiality, focusing on the efforts made by the diverse team members of TDK United to accelerate the transformation of TDK itself, and to enhance corporate value, so that TDK can continue contributing toward the transformation of society through its businesses.

As part of the shareholder and investor information on the TDK website, our integrated report includes accounts which illustrate how the TDK Group contributes to the transformation of society and, as a result, grows its business, while also creating values. We also communicate our policies and strategies relating to the enhancement of corporate value through IR news, the IR calendar, and other up-to-the-minute materials.

We hope that you will find this content useful.

[Investor Relations](#)

[Integrated Reports](#)



*As of April 2026

Period Covered

FY March 2026 (April 1, 2025 to March 31, 2026 / the fiscal period ended March 31, 2026)

- Some information covers activities outside this period.
- In order to report progress in an easy-to-understand manner, data for several consecutive years is presented (excluding some parts).

Organizations Covered

TDK Group (TDK Corporation and 152 consolidated subsidiaries in Japan and overseas as of March 31, 2026)

- When information refers to a specific reporting range, explanations are given accordingly.

Major Organizational Changes During the Period Covered

The Sustainability Committee was established in April 2025 as part of the reorganization of the sustainability promotion framework.

U.S.-based SoftEye, Inc., a developer of AI and smart glasses technologies, was acquired and became a wholly owned subsidiary.

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

[TDK acquires SoftEye to enable artificial intelligence within smart glasses and grow its AI ecosystem business](#)

Enhancing the Objectivity and Accurateness of Disclosed Information

Third-party verification and third-party review of environmental performance data were conducted by SOCOTEC Certification Japan Co., Ltd.

Third-party verification of social and safety performance data was conducted by SOCOTEC Certification Japan Co., Ltd.

[Third-Party Assurance](#)

[Third-Party Review of Environmental Performance Data](#)

Update Period

July 2026 (previous update: July 2025; next update scheduled for July 2027)

Reference Guidelines

Global Reporting Initiative (GRI) Sustainability Reporting Standards

Sustainability Accounting Standards Board (SASB) Standards

Contact

[CSR Contact](#)

Disclaimers

Disclaimer regarding forward-looking statements

Certain information on the Sustainability Website contains forward-looking statements such as plans, policies, management strategies, targets, schedules, understandings, and evaluations with respect to the TDK Group. These forward-looking statements are based on the current forecasts, estimates, assumptions, plans, understandings, and evaluations of the TDK Group in light of information currently available to it, and contain known and unknown risks, uncertainties, and other factors. The TDK Group therefore wishes to caution readers that, being subject to risks, uncertainties, and other factors, the TDK Group's actual results, performance, achievements, or financial positions could be materially different from any future results, performance, achievements, or financial positions expressed or implied by these forward-looking statements.

Disclaimer regarding the ESG Data

TDK's ESG data is distributed in the form of Microsoft Excel files. TDK Corporation shall bear no liability in relation to the downloading, viewing or other use of these data, or for any damage, etc. suffered by a data user or third party as a result of such use.

Sustainability | ESG Library

Search / Index

[ESG Research](#)

[GRI Standards Table](#)

[SASB Table](#)

[Search by SDGs](#)

[Search by Stakeholder](#)

[ESG related Data](#)

[ESG related Policies](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

Sustainability | ESG Library | Search / Index

ESG Research

Common
Message from the President and CEO
Corporate Philosophy and Long-Term Vision
Key Issues (Materiality) of TDK
Sustainability Promotion Structure
Efforts to Achieve the SDGs
Stakeholder Engagement
Fund Procurement through ESG Finance
TDK's Digital Transformation Initiatives

Environment	State of Initiatives	Location on "Sustainability" Website
Environmental Management	TDK has established the TDK Group Occupational Health/Safety and Environmental Charter as the environmental policy of the entire TDK Group with the aim of contributing to the sustainable development of society. As basic plans for specific activities based on this charter, we have formulated the TDK Environmental Vision 2035 and are making efforts to put them into practice.	Environmental Policy and Environmental Vision
		Environmental Management System
		Goals and Achievements
		Facilities with ISO14001 and ISO50001 Certification
		Social and Environmental Consideration at Manufacturing Sites
		Environmental Data

Climate Change	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will strive to transition to a decarbonized society and promote the use of renewable energy. And in the TDK Environmental Vision 2035, which was compiled based on this charter, we stipulate goals relating to climate change, such as the target of improving CO ₂ emission intensity. TDK is promoting initiatives toward the achievement of these goals.	Environmental Policy and Environmental Vision
		Goals and Achievements
		TCFD/TNFD
		Climate Change Initiatives
		Third-Party Assurance
		Third-Party Review of Environmental Performance Data
Pollution & Resources	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will strive to use resources and energy efficiently and effectively in production activities, and that we will recycle effectively and produce no waste. And in the TDK Environmental Vision 2035, which was compiled based on this charter, we stipulate goals relating to the effective use of resources, such as the target of improving waste intensity. TDK is promoting initiatives toward the achievement of these goals. Indeed, from the perspective of the effective use of resources, TDK is promoting efforts to curb the discharge of waste itself too.	Environmental Policy and Environmental Vision
		Goals and Achievements
		Environmental Management System
		Initiatives for the Circular Economy
		Responsible Management of Chemical Substances
		Environmental Data
Water Security	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will strive to use resources efficiently and effectively in production activities. And in the TDK Environmental Vision 2035, which was compiled based on this charter, we stipulate goals relating to water resources, such as the target of improving water withdrawal intensity. TDK is promoting initiatives toward the achievement of these goals. Moreover, we conduct surveys relating to water risks in each country and region and endeavor to understand and manage water risks at manufacturing sites.	Environmental Policy and Environmental Vision
		Goals and Achievements
		Water Resources Conservation
		Addressing Biodiversity
		Environmental Data

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Product Stewardship / Environment-Conscious Products	For some time now TDK has been promoting such activities as the introduction of product assessment to evaluate the impact of products on the environment throughout their entire life cycle and the certification of excellent environment-conscious products. In addition to these activities, we are also promoting activities to reduce CO ₂ emissions by products and have compiled guidelines on the calculation of product contributions as criteria to quantify the reduction of CO ₂ emissions by products and know-how as environmental contributions.	Environment-Conscious Products
		Lifecycles and Product Assessment
		Climate Change Initiatives
		Third-Party Review of Environmental Performance Data
Green Procurement	In our Purchasing Policies, we clearly specify the need for green procurement. TDK is promoting green procurement with the aims of contributing to a lightening of the environmental load and giving priority to the procurement of purchased products that enable us to fulfill our social responsibility.	Sustainable Procurement
		Procurement (Purchasing Principles, Purchasing Policies, TDK Group Business Partner Code of Conduct)
Biodiversity	In the TDK Group Occupational Health/ Safety and Environmental Charter, we clearly state that we will work on the conservation of the global environment, including biodiversity. Additionally, we disclose TDK's biodiversity initiatives in accordance with the TNFD framework.	Environmental Policy and Environmental Vision
		TCFD/TNFD
		Addressing Biodiversity

Social	State of Initiatives	Location on "Sustainability" Website
Labor Practices	Based on the TDK Group Code of Conduct, we are endeavoring to build an environment in which team members (employees) with diverse personalities can display their abilities. Among other things, TDK respects diversity in the employment and utilization of human resources, promotes a work-life-balance, and organizes human-resource development programs.	TDK Group Code of Conduct
		Respect for Human Rights
		Social Data
		Human Resources
		Diversity, Equity & Inclusion
		Talent Attraction & Retention
		Human Resources Development
		Social and Environmental Consideration at Manufacturing Sites

Human Resources Development	TDK implements various measures, such as human-resource development systems, globally with the aim of building an environment in which diverse Group companies and outstanding human resources can display their abilities as members of the TDK Group.	Human Resources Development
		Social Data
Diversity, Equity & Inclusion	The TDK Group comprises numerous Group companies operating globally. To continuously generate innovative creations and achieve corporate growth, it is important to create an environment where team members with diverse personalities can demonstrate their abilities. TDK is promoting activities tailored to the specific circumstances of each region.	Diversity, Equity & Inclusion
		Social Data
Talent Attraction & Retention	Recognizing the importance of retaining highly motivated team members in order to become a more innovative and resilient company, TDK promotes the development of various measures and the improvement of its workplace and systems.	Talent Attraction & Retention
		Health and Productivity Management
		Social Data
Respect for Human Rights	TDK has formulated the TDK Group Policy on Human Rights and, based on the framework of the UN Guiding Principles on Business and Human Rights, is promoting initiatives for the correct understanding, recognition, and improvement of human rights issues not only in business activities within the TDK Group itself but throughout the entire value chain.	Respect for Human Rights
		TDK Group Code of Conduct
		TDK Group Policy on Human Rights
		TDK Group Business Partner Code of Conduct
Occupational Health and Safety	TDK has formulated the TDK Group Occupational Health/Safety and Environmental Charter and engages in various efforts to form safe and healthy workplace environments, including organizational improvements and operations to make the health and safety management system function effectively and risk reduction activities, such as risk assessment and education and training.	Health and Safety
		Social Data
		Social and Environmental Consideration at Manufacturing Sites
		Health and Productivity Management
		Facilities with ISO45001 Certification
Customer Relationship Management	TDK is promoting activities with the aim of becoming a company that is trusted by customers.	Customer Satisfaction
		Quality Assurance
Corporate Citizenship and Philanthropy	Based on TDK's Basic Concept of Contributing to Society, we are promoting our own original social contribution activities.	Social Contribution Activities

Governance	State of Initiatives	Location on "Sustainability" Website
Corporate Governance	Based on the TDK Basic Policy on Corporate Governance, we are continuously trying to enhance our corporate governance by building structures and mechanisms.	Corporate Governance
		Governance Data
Compliance / Anti-Corruption	We are endeavoring to foster a sincere, fair, and transparent corporate culture and to build a global compliance management set-up with the aim of responding to the trust and expectations of customers and society.	TDK Group Code of Conduct
		Corporate Ethics and Compliance
		Policy on Relations with Business Partners
		Governance Data
Business Ethics	Based on the TDK Group Code of Conduct, we have built a global corporate ethics management system and conduct efforts to disseminate awareness among directors and team members and to encourage apt behavior, including the establishment of a mechanism by which team members can report internally or consult on problems relating to corporate ethics anonymously.	TDK Group Code of Conduct
		Corporate Ethics and Compliance
Risk Management	To respond to risks occurring in our business activities, TDK has established various committees under the Executive Committee and is compiling countermeasures and responses to issues.	Risk Management
Supply Chain Management	TDK is promoting initiatives that take account of society and the environment not only at TDK's manufacturing sites but throughout the entire supply chain, including suppliers. TDK is a member of the Responsible Business Alliance (RBA). By implementing self-assessments, audits, and so on in accordance with the RBA's standards, we evaluate the state of implementation of CSR activities at our manufacturing sites and try to make continuous improvements. In addition, regarding suppliers, we promote not only sustainable procurement activities but also responsible mineral procurement.	Social and Environmental Consideration at Manufacturing Sites
		Sustainable Procurement
		Procurement (Purchasing Principles, Purchasing Policies, TDK Group Business Partner Code of Conduct)
		Respect for Human Rights
		Responsible Sourcing of Minerals
		Governance Data
Tax Transparency	TDK has established and is promoting our Global Tax Policy.	Tax Strategy

Information Security / Privacy Protection	Based on the Basic Policy on Information Security, TDK has built a global information security management setup and is promoting activities with the aim of maintaining and improving information security.	Information Security
Quality Assurance	TDK is promoting Group-wide activities toward advancing to zero-defect.	Quality Assurance

Sustainability | ESG Library | Search / Index

GRI Standards Table

Statement of use	TDK Corporation has reported the information cited in this GRI content index for the period [April 1, 2025 to March 31, 2026] with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

General Disclosures

GRI Items	Disclosure	Location
GRI 2: General Disclosures 2021	The organization and its reporting practices	
	2-1	Organizational details About TDK – TDK at a Glance
	2-2	Entities included in the organization's sustainability reporting About TDK – TDK at a Glance
	2-3	Reporting period, frequency and contact point About the "Sustainability" Website
	2-4	Restatements of information Mentioned in the notes on the relevant pages.
	2-5	About the "Sustainability" Website
		Third-Party Review of Environmental Performance Data
		Third-Party Assurance
	Activities and workers	
	2-6	About TDK – TDK at a Glance
		TDK Worldwide
		Investor Relations – Financial Highlights
		Sustainable Procurement
	2-7	Employees About TDK – TDK at a Glance Social Data
	2-8	Workers who are not employees
	Governance	
	2-9	Corporate Governance Governance Data
	2-10	Nomination and selection of the highest governance body Corporate Governance
	2-11	Chair of the highest governance body Corporate Governance

	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Sustainability Promotion Structure
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Sustainability Promotion Structure
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Promotion Structure
	2-15	Conflicts of interest	Corporate Governance
			TDK Group Code of Conduct
	2-16	Communication of critical concerns	Corporate Governance
			Sustainability Promotion Structure
			Corporate Ethics and Compliance
			Risk Management
	2-17	Collective knowledge of the highest governance body	Sustainability Promotion Structure
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance
	2-19	Remuneration policies	Corporate Governance
	2-20	Process to determine remuneration	Corporate Governance
	2-21	Annual total compensation ratio	
	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	Message from the President and CEO
	2-23	Policy commitments	The TDK Group Occupational Health/Safety and Environmental Charter
			TDK Group Policy on Human Rights
			Sustainable Procurement TDK Group Policy on Responsible Sourcing Minerals
	2-24	Embedding policy commitments	Environment
			Health and Safety
			Respect for Human Rights
			Sustainable Procurement Responsible Sourcing of Minerals
	2-25	Processes to remediate negative impacts	Risk Management
			Respect for Human Rights
			Corporate Ethics and Compliance
	2-26	Mechanisms for seeking advice and raising concerns	Corporate Ethics and Compliance
	2-27	Compliance with laws and regulations	Corporate Ethics and Compliance
	2-28	Membership associations	Sustainability Promotion Structure

	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	Stakeholder Engagement
	2-30	Collective bargaining agreements	Social Data

Material Topics

GRI Items	Disclosure	Location
GRI 3: Material Topics 2021	3-1	Process to determine material topics Materiality Identification Process
	3-2	List of material topics Materiality Progress Report
	3-3	Management of material topics Sustainability Promotion Structure

Topic Standard

GRI Items	Disclosure	Location
GRI 101: Biodiversity 2024	101-1	Policies to halt and reverse biodiversity loss TCFD/TNFD Addressing Biodiversity
	101-2	Management of biodiversity impacts Addressing Biodiversity
	101-3	Access and benefit-sharing
	101-4	Identification of biodiversity impacts Addressing Biodiversity
	101-5	Locations with biodiversity impacts Addressing Biodiversity
	101-6	Direct drivers of biodiversity loss
	101-7	Changes to the state of biodiversity
	101-8	Ecosystem services Addressing Biodiversity

GRI Items	Disclosure	Location
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed Investor Relations – Financial Highlights
	201-2	Financial implications and other risks and opportunities due to climate change TCFD/TNFD Investor Relations – Financial Highlights
	201-3	Defined benefit plan obligations and other retirement plans Investor Relations – Financial Highlights
	201-4	Financial assistance received from government
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage
	202-2	Proportion of senior management hired from the local community
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported Social Contribution Activities
	203-2	Significant indirect economic impacts

GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Corporate Ethics and Compliance
	205-2	Communication and training about anti-corruption policies and procedures	Corporate Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken	(N/A)
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	(N/A)
GRI 207: Tax 2019	207-1	Approach to tax	Tax Strategy
	207-2	Tax governance, control, and risk management	Tax Strategy
	207-3	Stakeholder engagement and management of concerns related to tax	Tax Strategy
	207-4	Country-by-country reporting	

GRI Items	Disclosure	Location
GRI 301: Materials 2016	301-1	Materials used by weight or volume
	301-2	Recycled input materials used
	301-3	Reclaimed products and their packaging materials
GRI 302: Energy 2016	302-1	Energy consumption within the organization Environmental Data
	302-2	Energy consumption outside of the organization Climate Change Initiatives Environmental Data
	302-3	Energy intensity Climate Change Initiatives
	302-4	Reduction of energy consumption Climate Change Initiatives Environmental Data
	302-5	Reductions in energy requirements of products and services Climate Change Initiatives
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource Water Resources Conservation Addressing Biodiversity
	303-2	Management of water discharge-related impacts Water Resources Conservation Addressing Biodiversity
	303-3	Water withdrawal Water Resources Conservation Environmental Data
	303-4	Water discharge Environmental Data
	303-5	Water consumption Water Resources Conservation

GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Change Initiatives Environmental Data
	305-2	Energy indirect (Scope 2) GHG emissions	Climate Change Initiatives Environmental Data
	305-3	Other indirect (Scope 3) GHG emissions	Climate Change Initiatives Environmental Data
	305-4	GHG emissions intensity	Climate Change Initiatives
	305-5	Reduction of GHG emissions	Climate Change Initiatives Environmental Data
	305-6	Emissions of ozone-depleting substances (ODS)	
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Environmental Data
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Initiatives for the Circular Economy
	306-2	Management of significant waste-related impacts	Initiatives for the Circular Economy
	306-3	Waste generated	Environmental Data
	306-4	Waste diverted from disposal	Environmental Data
	306-5	Waste directed to disposal	Environmental Data
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Sustainable Procurement
	308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Procurement

GRI Items	Disclosure	Location
GRI 401: Employment 2016	401-1	New employee hires and employee turnover Social Data
	401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees
	401-3	Parental leave Social Data
GRI 402: Labor / Management Relations 2016	402-1	Minimum notice periods regarding operational changes
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation Health and Safety
	403-3	Occupational health services Health and Safety
	403-4	Worker participation, consultation, and communication on occupational health and safety
	403-5	Worker training on occupational health and safety Health and Safety

	403-6	Promotion of worker health	Health and Productivity Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Health and Safety
	403-9	Work-related injuries	Social Data
	403-10	Work-related ill health	Social Data
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social Data
	404-2	Programs for upgrading employee skills and transition assistance programs	Human Resources Development Diversity, Equity & Inclusion Digital Transformation (DX)
	404-3	Percentage of employees receiving regular performance and career development reviews	Human Resources Development
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Governance Data Social Data
	405-2	Ratio of basic salary and remuneration of women to men	Investor Relations – Securities Reports
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Respect for Human Rights
			Respect for Human Rights Social and Environmental Consideration at Manufacturing Sites Sustainable Procurement Responsible Sourcing of Minerals TDK Group Code of Conduct
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for Human Rights Social and Environmental Consideration at Manufacturing Sites Sustainable Procurement Responsible Sourcing of Minerals TDK Group Code of Conduct
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Respect for Human Rights Social and Environmental Consideration at Manufacturing Sites Sustainable Procurement TDK Group Code of Conduct
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	

GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Sustainable Procurement
	414-2	Negative social impacts in the supply chain and actions taken	Respect for Human Rights
			Sustainable Procurement
			Responsible Sourcing of Minerals
GRI 415: Public Policy 2016	415-1	Political contributions	Governance Data
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Quality Assurance Customer Satisfaction
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	(N/A)
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	Environment-Conscious Products Quality Assurance
	417-2	Incidents of non-compliance concerning product and service information and labeling	
	417-3	Incidents of non-compliance concerning marketing communications	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	(N/A)

Sustainability | ESG Library | Search / Index

SASB Table

Electrical & Electronic Equipment

Sustainability Disclosure Topics & Metrics

Topic	Metric	Code	Response/Location
Energy Management	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	RT-EE-130a.1	Climate Change Initiative Environmental Data
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	RT-EE-150a.1	Initiatives for the Circular Economy Environmental Data
	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	RT-EE-150a.2	Environmental Data
Product Safety	(1) Number of recalls issued, (2) total units recalled	RT-EE-250a.1	-
	Total amount of monetary losses as a result of legal proceedings associated with product safety	RT-EE-250a.2	-
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances	RT-EE-410a.1	TDK does not disclose ratios by earnings, but we clarify chemical substances that are prohibited from being contained in products or should be declared. Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)
	Percentage of eligible products, by revenue, certified to an energy efficiency certification	RT-EE-410a.2	TDK does not have any products that are eligible for EPEAT registration, but we do compile environmental labels and conduct inspections and certification according to our own standards. Furthermore, in addition to management in each process of procurement, design, manufacturing, and sale, we also endeavor to ensure proper information disclosure regarding the complete abolition of chemical substances that TDK prohibits from being contained in products. Environment-Conscious Products Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)

	Revenue from renewable energy-related and energy efficiency-related products	RT-EE-410a.3	TDK does not have any products that are eligible for ENERGYSTAR registration, but we do compile environmental labels and conduct inspections and certification according to our own standards. Furthermore, in addition to management in each process of procurement, design, manufacturing, and sale, we also endeavor to ensure proper information disclosure regarding the complete abolition of chemical substances that TDK prohibits from being contained in products. Environment-Conscious Products Quality Assurance (Prevention and Control of Exposure to Hazardous Substances in Products)
Materials Sourcing	Description of the management of risks associated with the use of critical materials	RT-EE-440a.1	TDK has formulated a policy relating to responsible sourcing of minerals and, with regard to mineral problems relating not only to conflicts but also to risks and wrongdoings involving human rights violations, environmental destruction, etc., is promoting responsible sourcing of minerals throughout the entire supply chain. Responsible Sourcing of Minerals
Business Ethics	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	RT-EE-510a.1	Corporate Ethics and Compliance
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	RT-EE-510a.2	-
	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	RT-EE-510a.3	-

Activity Metrics

Activity Metric	Code	Response/Location
Number of units produced by product category	RT-EE-000.A	TDK does not disclose the number of units produced, but we do disclose sales by product. FY March 2026 Financial Results (Sales by Product) page 8/36
Number of employees	RT-EE-000.B	Social Data

CONTENTS

Message from the President and CEO

Sustainability Management

Environment

Social

Governance

ESG Library

Sustainability | ESG Library | Search / Index

Search by SDGs

Target	Location
1. End poverty in all its forms everywhere	
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	
3. Ensure healthy lives and promote well-being for all at all ages	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Social Contribution Activities
5. Achieve gender equality and empower all women and girls	Human Resources Development
	Diversity, Equity & Inclusion
	Social Data
	Governance Data
6. Ensure availability and sustainable management of water and sanitation for all	Environmental Policy and Environmental Vision
	Environmental Management System
	Water Resources Conservation
	Addressing Biodiversity
7. Ensure access to affordable, reliable, sustainable and modern energy for all	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
	Climate Change Initiatives

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Respect for Human Rights
	Social and Environmental Consideration at Manufacturing Sites
	Sustainable Procurement
	Responsible Sourcing of Minerals
	Human Resources Development
	Diversity, Equity & Inclusion
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Health and Safety
	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
10. Reduce inequality within and among countries	Addressing Biodiversity
11. Make cities and human settlements inclusive, safe, resilient and sustainable	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
12. Ensure sustainable consumption and production patterns	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Climate Change Initiatives
	Water Resources Conservation
	Initiatives for the Circular Economy
	Addressing Biodiversity
	Responsible Management of Chemical Substances

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

13. Take urgent action to combat climate change and its impacts	Contribution to the SDGs through Products
	Business Creation Starting from Social Issues
	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Climate Change Initiatives
	Environmental Data
14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development	
15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Environmental Policy and Environmental Vision
	TCFD/TNFD
	Addressing Biodiversity
16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Corporate Governance
	Corporate Ethics and Compliance
	Respect for Human Rights
	Responsible Sourcing of Minerals
	Social and Environmental Consideration at Manufacturing Sites
	Sustainable Procurement
17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	Stakeholder Engagement
	Social Contribution Activities

Sustainability | ESG Library | Search / Index

Search by Stakeholder

Shareholders / Investors
Stakeholder Engagement
Corporate Philosophy and Long-Term Vision
Corporate Governance

Customer
Stakeholder Engagement
Contribution to the SDGs through Products
Quality Assurance
Customer Satisfaction
Governance Data

Suppliers
Stakeholder Engagement
Sustainable Procurement
Responsible Sourcing of Minerals
Respect for Human Rights
Governance Data

Employee
Stakeholder Engagement
Human Resources
Human Resources Development
Diversity, Equity & Inclusion
Talent Attraction & Retention
Health and Safety
Health and Productivity Management
Respect for Human Rights
Corporate Ethics and Compliance
Social Data

Community
Stakeholder Engagement
Social Contribution Activities

Government
Stakeholder Engagement
Tax Strategy
Governance Data

Consumers
Stakeholder Engagement
Efforts to Achieve the SDGs

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

[Sustainability](#) | [ESG Library](#) | [Search / Index](#)

ESG Related Data

Environment

[Facilities with ISO14001 and ISO50001 Certification](#)

[Environmental Data](#)

[A History of TDK's Environmental Activities](#)

[Third-Party Assurance](#)

[Third-Party Review of Environmental Performance Data](#)

Society

[Social Data](#)

[Facilities with ISO45001 Certification](#)

Governance

[Governance Data](#)

CONTENTS

Message from the
President and CEO

Sustainability
Management

Environment

Social

Governance

ESG Library

[Sustainability](#) | [ESG Library](#) | [Search / Index](#)

ESG Related Policies

Environment

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

Social

[TDK Group Policy on Human Rights](#)

[TDK – Diversity, Equity, & Inclusion Policy](#)

[The TDK Group Occupational Health/Safety and Environmental Charter](#)

[Basic Concept of Contributing to Society](#)

Governance

[Management Policy](#)

[Basic Policy for Internal Control](#)

[Intellectual Property Policy](#)

[TDK Group Code of Conduct](#)

[TDK Basic Policy on Corporate Governance](#)

[TDK's Purchasing Policies](#)

[TDK Group Business Partner Code of Conduct](#)

[TDK Group Policy on Responsible Sourcing Minerals](#)

[Multi-Stakeholder Policy](#)

[Policy on Relations with Business Partners](#)

[Global Tax Policy](#)

[Basic Policy on Information Security](#)

[TDK Privacy Policy](#)



TDK Corporation

Nihonbashi Takashimaya Mitsui Building,
2-5-1, Nihonbashi, Chuo-ku, Tokyo 103-6128
<https://www.tdk.com/en/index.html>