# Employee Relations (Employment and Human Resources)

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### **Basic Personnel Policies**

We regard our employees as one of our most important assets for achieving the corporate motto. Our basic principle concerning personnel holds that the development of human resources is the source of true prosperity for the company. We are therefore promoting a variety of measures aimed at creating an environment and mechanism wherein we respect each employee's individuality, and each employee can spontaneously expand his or her abilities and potential to the greatest possible extent.

#### What we aim for

- People who have vision and demonstrate creative and constructive powers
- People who have courage and take the initiative when confronting problems
- People who are trustworthy and possess a spirit of honesty and service

# Employee Data

Non-consolidated and consolidated employees as of March 31, 2010

Non-consolidated employees: 3,572 (3,158 men, 414 women) Consolidated employees: 80,590

#### Employees by region as of March 31, 2010

Region	Employees	Region	Employees
Japan	10,295	Europe	6,933
United States	2,864	Asia (excluding Japan)	60,498
		Total	80,590

## Overview of TDK's Personnel System

The evaluation and compensation system that forms the foundation of our personnel system is based on a selfmanagement system, which focuses on discovering talent and achieving results. Our selfmanagement system is not merely an evaluation system, but a system whose main purpose is to increase each individual employee's abilities, selfdetermination and sense of participation. The system also aims to improve communication between employees and their superiors.

- Foster and improve the potential of each and every employee
   Foster independent thinking and a sense of involvement
- Strengthen the channels of communication between superiors and subordinates

**Employees**Set own potential development targe
Define own professional goals

Superiors
• Provide backup for reaching goals

# Developing Self-Sustained Human Resources (Programs to Develop and Cultivate Abilities)

To put into practice the corporate motto "contribute to culture and industry through creativity" an organizational framework that encourages every employee to be a motivated self-starter is ideal. TDK human resource training focuses on nurturing motivated self-starters. A self-starting employee is defined as someone who is always aware of problems, uses all of his or her expertise, energetically takes on difficult problems, copes well with change, works to find the best solution, and can bring a vision to a successful conclusion. The TDK skill development and education program is divided into four broad areas. Training programs on different levels and training for prospective leaders instill the qualities of the motivated self-starter in a phased process starting with young employees, while specialized education programs and the skill development support system provide professionals with needed specialization.

In addition to TDK's company-wide training system, each division has a human resources training committee, which works on improving training aligned with the needs of the division and systematic training from a long-term perspective. These activities heighten human resource awareness in the workplace and foster a human resource training culture that is an integral part of the division.

#### TDK Talent Development and Training Programs

(As of April 1, 2010)

		(As of April 1, 2010)
Training programs on different levels	Leadership development training follow-up training for new project leaders Project leader candidates assessment training New administrator training Mid-level employee career planning program Third-year training Practical sales training	Designated support leader training New employee training Pre-hire employee training Training for newly hired employee with prior experience Training programs on different levels for employees of affiliated companies
Training for prospective leaders	"Shin (New) Zohakujuku"     Innovative leader development forum	• "Soshunjuku" •IMD training
Specialized education programs	Cross-cultural communication training     Overseas management training     Department specific training     Development/Intellectual Property/     Quality/Sales/Materials/ Accounting)	Overseas posting preparatory training To K Monozukuri tradition seminars Language training Overseas study program
The skill development support system	System of incentives for obtaining professional certification	•System of incentives for taking correspondence courses

#### FY2011 New Education and Training Programs

#### Leader development training

TDK reorganized its manager candidates assessment training to better train leaders who can succeed in today's business environment of rapid innovation and increasing competition among corporations. Specifically, the program administers multi-faceted attribute assessments and examinations that measure performance to develop leaders endowed with the deep self-understanding needed to independently maximize personal strengths and overcome personal weaknesses. This program of seminar and workplace training and serious individual study aims to develop professional human resources that can make effective use of specialized knowledge, meet organizational and customer needs, and achieve great success in the workplace.

#### Global business skills training

In today's world of global business, not only do employees posted overseas need cross-cultural communication skills but every employee in the company. At TDK, besides strengthening support for e-learning oriented language education, we have improved the content and frequency of cross-cultural seminars in an effort to improve the global business skills of TDK employees. Among other positive comments, cross-cultural seminar participants have said that they give them a rational understanding for why they feel uncomfortable in cross-cultural settings, ease anxiety about living overseas, and are a worthwhile experience full of fascinating information.



Global business skills training

# Training for Prospective Leaders

#### International Management Development (IMD) Seminars

TDK holds International Management Development Seminars aimed at making TDK Group human resources truly global and to strengthen ties across national borders. Participants are management level employees both at TDK Group overseas affiliates and in Japan. Since 1997, TDK has held 13 IMD seminars with 188 participants from 16 countries. IMD participants include those who went on to become president of their overseas affiliate.

# Organizational Structure for Maximizing the Potential of Each Employee (Human Resources Institutions)

TDK has a number of systems in place which are geared to helping each and every employee discover and develop their true potential.

- Active In-house Recruiting System
- Career Option System
- Growth Target Plan

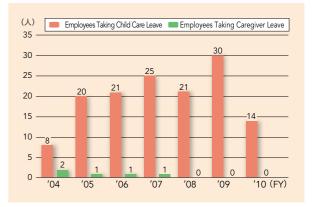
Note: As for further information of each system, please refer the web site. http://www.tdk.co.jp/csr/csr e/02300.htm

# Respecting the Individual and Providing a Worry-Free Work Environment

Efforts to Respect Human Rights and Equal Opportunity –Diversity Action Promotion Plan–

In 2002, we established the TDK Code of Ethics\* to serve as an important acting principle for both employees and members of management to follow. Respect for human rights is an important element of this code. We have undertaken a number of specific efforts to respect human rights and ensure equal opportunity, including efforts to educate and enlighten employees, the establishment of a special telephone "help line" for consultations, and various systems related to child care and caregiver concerns (including child care, the care leave system, and a system permitting reduced working hours). We introduced the Diversity Action Promotion Plan in October, in 2007 as a new initiative to further promote these efforts and to recruit and utilize diversified human resources. Diversity Promotion committees have been established in each division, leading company-wide campaigns to provide more opportunities for female employees and retired workers.

# Numbers of Employees Taking Child Care Leave and Caregiver Leave (TDK)



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#### Comment from an employee about the childbirth/child care support system

There was a time when I thought I would quit working once I had a child so that I could be near him as he grew up. But after giving birth to my long awaited first child I realized that I wanted to continue working for his sake. Using childcare leave makes it possible for me to both work and spend precious time with my child.

I work hard to balance housework and work, and I am always keenly aware of my work priorities and working efficiently so that I can complete my tasks in a limited amount of time. I am using the first childcare flextime work system in the Narita



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region, and currently leave work one hour early so that I have more time to spend with my child and prepare him a home cooked meal.

Sometimes I need to change my schedule because my child isn' t feeling well, but I always manage thanks to the understanding and help of my coworkers as well as the support of my family.

#### Tomoko Uchida

## | Hiring People with Disabilities

In FY2010, 1.69% of TDK employees had a disability. Regrettably, this percentage was slightly below the legal requirement of 1.8%, but an active hiring effort during the fiscal year brought the percentage up to 2.14% as of June, 2010. Hiring people with disabilities is a TDK priority, and the Company has therefore formulated and conscientiously put into effect a concrete action plan that includes creating a disability friendly workplace and hiring targets.

#### Percentage of Employees with Disabilities



## The TDK rehiring system

TDK has reorganized its post-retirement hiring system. In April 2006, the Company introduced the Second-Life Option System (the TDK rehiring system), a series of courses for retirees who meet labor and management criteria. The system aims to more effectively make use of the knowledge and experience of people past retirement age and fulfill TDK's corporate responsibility in regard to the Law Concerning Stabilization of Employment of Older Persons. Subsidiaries in Japan and overseas are also rehiring retired persons to assist in technology development and to streamline their business operations.

In addition, in 2008, as part of the Diversity Action Promotion Plan, TDK set up a "career bank' where retired persons and employees who have left work to raise children can register upon leaving the Company, enabling TDK to get the most out of their abilities, skills, experience, and social connections even after they have left the company.

#### Employee relations efforts at overseas bases

#### **Magnecomp Precision Technology** acquires TLS8001 certification

On August 10, 2009 the Wangnoi Plant and Rojana Plant of Magnecomp Precision Technology Public Co., Ltd. acquired TLS8001 national labor standard certification from the Thai government.

The Thai Labor Ministry established the Thai Labor Standard TLS8001 in June 2003 and began issuing certifications in 2004. Established in response to rising CSR awareness in the markets of industrialized nations and the need for suppliers in Thailand to address labor-related CSR issues, Thailand's independent labor standard not only bolsters the competitiveness of Thai enterprises, it is intended to stimulate Thai enterprises to maintain fair labor criteria and higher living standards for their employees.

At Magnecomp Precision Technology, a TLS committee appointed by the president will focus on labor standard compliance for the company.



TLS committee