

## Top Commitment

**By conceiving ambitious goals for the medium and long term and building on our expertise in the materials sector, we will continue to create values that are meaningful to society.**



### **A Medium- to Long-Term Global Outlook Is Essential**

In December 2015, TDK will mark the 80th anniversary of the company's founding. Before embarking on this crucial year, we were able to change course towards a successful growth strategy, with the three key segments of passive components, magnetic application products, and film application products forming a well-balanced earnings structure. The structural reform that we have been implementing for the past few years is also beginning to show results, but in retrospect, I somewhat regret the fact that in the face of various adversities, a contraction has happened. An important duty of an enterprise is of course to expand its performance, but it is not sufficient to look only at short-term results. Rather, we aim to be a company that takes a medium- to long-term outlook in formulating its vision. We want to define a growth strategy inspired by the view of a bright future. To this end, we need to closely watch the changing trends in society, in order to give concrete shape to these developments through our business operations.

2015, in which we will celebrate the 80th anniversary of our company, is also a new starting point for 100th anniversary. In keeping with our corporate motto of "contributing to culture and industry through creativity," we have newly formulated the Corporate Vision and TDK Value, a set of action guidelines, that are destined to bring about a renewal and solidify further growth as we move towards the next major milestone in 2035. In order to continue to expand on a global basis while also keeping M&As in view, we must have strong DNA that enables us to grow into an even stronger enterprise. In that sense, we are confident that the newly defined Corporate Vision and TDK Value are well suited implementation on a worldwide scale. We shall closely watch where society is headed, and review our stance as necessary to always make an optimal contribution to the current times.

### **Promoting Solid Monozukuri from the Materials Level Up**

Fiscal 2015 will also mark the start of a new three-year medium-term management plan which encompasses the following aims: "Pursue 'zero-defect quality' based on superior technical capabilities," "Drive genuine globalization with speedy management," "Develop a new business with the revenue of over 100 billion yen following the 3 major business segments," and "Innovate the corporate culture and cultivate courageous spirits."

While continuing to strengthen our traditional focus areas including ICT, automotives, and industrial equipment & energy, we are also directing resources towards the medical and healthcare sector, aiming to contribute to a healthy and agreeable lifestyle against the background of an aging society. This sector is headed for significant growth in the future, and we are exploring ways of harnessing our unique technological expertise in a meaningful way.

This of course includes supplying the market with electronic components, but we also are going to support the

trend towards module integration. Each individual electronic component naturally has a bearing on the reliability of the end product, but thinking carefully about quality from the materials level upwards is at least as important. Furthermore, saving energy has become a crucial aspect of every kind of product. The energy saving advantages of a superior product will be lost if too much energy or too many resources are consumed in the process of making that product. After having successfully developed mass production technology for magnets requiring fewer rare earth materials, we are now promoting monozukuri techniques that focus on materials from the viewpoint of reducing environmental impact. We are also thoroughly reviewing the entire production process, aiming to configure optimized production lines. A pilot line for unified production from raw materials to finished products, along with efforts to identify issues are important aspects of our activities in this area.

### **Applying the Company's Founding Spirit towards Further Growth**

About 90% of TDK's entire output is being manufactured and marketed overseas, and about 90% of our staff are based overseas as well. The distinction between Japan and abroad has become all but meaningless. We must see ourselves as a truly global enterprise and boldly reform our corporate culture based on this premise. In terms of human resources, matters of nationality, race, or gender are immaterial, as we endeavor to attract capable people and support and reward those who show a strong motivation for growth.

Throughout its 80-year history, TDK has always placed the utmost importance on human resources. The technology that is our forte derives entirely from the efforts of our company members. Breakthroughs are only possible because of the people that make them happen. Having started out as a venture business, TDK is characterized by the bold spirit of individuals such as our founder Kenzo Saito, expressing originality and passion through a strong dedication to finding new ways of making things. This dedication to monozukuri should inform the actions of all our staff members now more than ever. Being interested in one's task and taking pride in determination is the keys to success.

Our aim is to be a company that is exciting to be a part of, a place where one's daily work engenders a positive outlook towards a bright future. This is the motivation that drives our efforts to help build a sustainable society.

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