

Response to the GRI-G4 Guidelines

GRI, an international non-governmental organization that formulates and issues international guidelines on sustainability reporting, issued the GRI-G4 Guidelines in May 2013 with revised content that shifts the requirements from comprehensive information disclosures to material issues. The objective is to allow management to participate more deeply in CSR and for companies to determine reporting content with certain intentions. The GRI will require reporting in accordance with the GRI-G4 Guidelines starting in 2016, and

consequently, TDK is implementing the following processes to identify material issues.

Identifying social issues and prioritizing material issues from TDK's own perspective (steps 1 and 2) was completed in fiscal 2014. Going forward, we will examine priorities from the perspectives of stakeholders with the aim of reporting the results in 2016 and disclosing information in compliance with the GRI-G4 Guidelines.

Prior Stages (Implemented in FY 2013)

1. Analysis of current circumstances

We analyzed current disclosure levels with regard to compliant items, noncompliant items, and the degree of noncompliance in light of the GRI-G4 Guidelines.

2. Increasing understanding

Relevant personnel took a GRI G4 certified training course to gain an accurate understanding of the intent of the GRI-G4 Guidelines.

3. Organization of information sources

In order to identify material issues and broadly identify social issues, we confirmed how we collect opinions from each stakeholder group and how we engage in dialogue with them.



Steps 1 and 2 (Implemented in FY 2014)

1 Identifying social issues

We confirmed the content of day-to-day communications from information sources by stakeholder group and conducted simulations of various social issues in light of ISO 26000 and other international standards relating to CSR.

2 Prioritizing material issues from TDK's own perspective

We organized priorities from TDK's own perspective into issues to be addressed with precedence (high priority), issues that should be addressed with an understanding of social demands and requirements (medium priority), and issues which we should be aware of as future topics (low priority) based on management strategies, the degree of impact that the TDK Group's business has on society, level of interest of stakeholders, and current responses with regard to the social issues identified above.

To the right are issues to be addressed with precedence based on the results of prioritization from TDK's own perspective. As a result of simulations, we reconfirmed our awareness of the importance of key activity items undertaken in the past from four CSR perspectives.

1. Contribution to the world by technology

- Develop and expand sales of new products in three priority markets
- Pursue zero-defect quality based on advanced technological capabilities
- Expand sales of products that contribute to the environment

2. Development of human resources

- Develop global human resources
- Promote a corporate culture that respects diversity

3. Society and environmental considerations in the supply chain

- Work Environment considerations at manufacturing sites
- Work Environment considerations in supply chains
- Respond to conflict minerals
- Provide a stable supply of products

4. Symbiosis with the global environment

- Respond to energy issues
- Reduce CO₂ emissions
- Effectively use resources



Steps 3 and 4 (Scheduled for Implementation in FY 2015)

3 Prioritization from the stakeholders' perspectives

Prioritization from the stakeholders' perspectives based on the opinions of experts and other factors.

4 Finalization of material issues

Finalization of material issues for the TDK Group with the approval of management.