



Top Commitment

By redoubling progress on the power of “creativity” unique to TDK, we will continue to furnish society with outstanding new value.

Shigenao Ishiguro

President and CEO TDK Corporation

Launching a New Start with the Company’s Centennial Anniversary in Our Viewfinder

In fiscal 2015 TDK marked the milestone 80th anniversary of the company’s founding, while engineering a new start toward even bigger and better growth. Following in the footsteps of fiscal 2014, when our sales surpassed 1 trillion yen for the very first time, fiscal 2015 witnessed yet another new all-time record. These past two years have seen TDK travel a strong and steady course down the road to sustained and stable growth.

Having been named TDK President and CEO this June, my initial goal is to lay out the course of our new growth strategy, and then generate meaningful results. I certainly shoulder heavy responsibilities as the new corporate leader here in outlining the direction to be adopted, the optimum allocation of business resources and other key matters. Progress in those areas alone, however, will not be adequate. To put our strategies into full action, it will be necessary to break down the specific measures until each and every TDK employee is fully convinced of their viability. This will involve the sound promotion of dialogue and the incorporation of the plan right down to the frontline level, as we marshal that vision as the core energy for our reforms.

TDK is a company that has perennially devoted the full extent of its fertile imagination to considering “what society will demand next.” In doing so, we have constantly anticipated the needs of the era in which we live. There is no doubt that the velocity of environmental changes around us is steadily picking up, making it no easy task to accurately address the ever shifting needs of the marketplace. We must also realize, however, that there are always new opportunities in the midst of change. Keeping this in mind, my goal does not lie in the securing of short-term profits, but rather in rising to the challenge of enhancing TDK corporate value over the medium to long term.

To take the first strong steps down the path toward our next major landmark, the 100th anniversary of the company’s inception, in 2015 we newly formulated our Corporate Vision and TDK Value—a set of action guidelines designed to clarify the direction to be taken over the coming decades. We will continue to firmly encourage all employees throughout our Group companies to accurately grasp and share these tenets, as we continue to implement our corporate motto of “Contribute to culture and industry through creativity.”

Corporate Vision (Vision 2035)

TDK was founded in 1935, based on the founder’s vision and belief - “contribute to the advancement of the society through the commercial production of ferrite, a magnetic material which originates from Japan”.

TDK achieved four world-class innovations including “ferrite, magnetic tape, multilayer materials, magnetic heads”, and has been offering products to support the advancement of the society.

TDK will continue to strive to achieve further innovation and create value for customers through the delivery of outstanding quality products and services, by utilizing the diverse global resources.

Based on TDK’s corporate motto, TDK will continue to “contribute to culture and industry through creativity”, by revitalizing and protecting the global environment and creating a pleasant and safe society.

TDK Value

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| Customer Focus | We have: <ul style="list-style-type: none"> • Strong determination to contribute to our customers’ success • Passion to be a trusted partner for our customers Therefore we can: <ul style="list-style-type: none"> • Deliver inspirational value by standing in the customer’s shoes • Offer outstanding quality products, services and technology to satisfy our customers | HR Development | We have: <ul style="list-style-type: none"> • Aspiration to continuously improve ourselves • Motivation to contribute to the advancement of society and growth of businesses Therefore we can: <ul style="list-style-type: none"> • Define clear vision/goals and drive ourselves to achieve them • Support the development of our colleagues and build enthusiastic teams |
| Challenge | We have: <ul style="list-style-type: none"> • Culture to turn adverse challenges into chances to develop ourselves • Strong determination to accomplish our business goals by overcoming adversity Therefore we can: <ul style="list-style-type: none"> • Accept challenges to make innovative breakthroughs and continue to create new value • Lead our colleagues and collaborate as a team by sharing the same value | Diversity | We have: <ul style="list-style-type: none"> • Global network with diverse culture • Teams which respect each other and teamwork which encourages development Therefore we can: <ul style="list-style-type: none"> • Embrace different ideas and opinions • Clearly express our opinions with sincerity through open discussions |

Monozukuri Drawn from Our Strengths in the Pursuit of Consummate Quality

In today’s fast-paced world, the stage for contributing to society with electronic components continues to expand. Examples include the electrification of automobiles, breakthroughs in smartphones and Internet of Things (IoT) devices embedded with a rich range of functions in support of our daily lives, the emergence of a robot-oriented society steeped in an ever-growing sense of reality and other dramatic developments. In our current medium-term plan set to run through fiscal 2017 (see p. 3), while we will continue to address our three core markets of “automotive,” “ICT” and “industrial equipment and energy,” one conspicuous adjustment is the goal to raise the sales share of automotive to 30% of our total. Automobile components comprise a sector that effectively mobilizes magnetic sensors and energy units that pool the technology from HDD heads and other traditional TDK segments. By seizing today’s needs with original products, we will be moving to further improve automobile fuel economy, support comfortable driving performance and contribute to other fruitful progress.

Meanwhile, as noted in our determination to pursue “zero-defect quality” as a critical theme of corporate social responsibility, quality can be defined as the true lifeline of any manufacturer. With the use of electronic components also increasing in domains characterized by direct ties to human life, we have no choice but to consistently respond to the growing demands for greater safety and peace of mind. From fiscal 2015, we have embarked

on monozukuri reforms on the strength of “TDK Industry 4.5”—a brainchild in which we have added the perspective of quality to the traditional “Industry 4.0”^{*} push for greater production efficiency. We are pleased to report our impression that this thinking has become considerably entrenched at the various TDK manufacturing sites.

This approach will be applied in even more thorough fashion within our medium-term management policy. As one example, a model plant in Akita Prefecture will be used to establish the procedures, processes and core technologies needed to achieve the true cutting edge of monozukuri, and steadily introduce and develop those advances at all other TDK plants. Our goal is to work through this approach to realize the “location-free” status of ensuring identical levels of fine quality at all TDK production sites worldwide.

^{*} A project being promoted by the German government with the objective of evolving monozukuri through digitalization, automation and virtualization of the production process.

Takehiro Kamigama

Representative Director
Chairman



Medium-Term Plan

Basic Policy

Advance autonomous collaboration of the group and realize further growth

Key Concepts

- 1 Pursue “zero - defect quality” based on superior technical capabilities
- 2 Drive genuine globalization with speedy management
- 3 Develop a new business with the revenue of over ¥100 billion following the three major business segments
- 4 Innovate the corporate culture and cultivate courageous spirits

The Power to Link Diversity to Product and Service Innovation

Throughout its 80-year history, TDK has combined five core technologies, with the focus on magnetic technology, in an ongoing push to apply and develop those advances. The past eight decades have very much been comprised of the saga of steadily turning out products and services demanded in the current day and age. Going forward, TDK can assure you that there will be no change in this basic mindset.

In our perspective, it is truly important for TDK to achieve business development rooted in the essence of our corporate DNA. Based on this understanding, we will be moving with great strength and purpose to maximize the assets of our technology, know-how and customer bonds cultivated over the years to date. In the same way, it will be crucial to draw from the synergy existing between our core technologies, to effectively grow the expertise present at pivotal intersecting points between different fields.

In the same right, we must also clarify the traits that the TDK Group brings to the marketplace, as opposed to those it lacks, in promoting enlightened reform that clearly distinguishes between strengths and weaknesses. During 2015, we took an energetic approach to advancing M&A, the launching of joint ventures and other strategies. That work is certainly not finished, and we plan to continue this course of action in order to accurately gauge our progress by the benchmark of market needs.

As noted in respect for “Diversity,” one of the TDK Value, it will be essential to promote a program of redoubled diversity, in which truly widespread values are brought onboard and embraced, by the time we celebrate our next great milestone in 2035—the centennial anniversary of the founding of TDK. Allow us to further clarify, meanwhile, that this “diversity” is by no means limited to the definition in any narrow sense of the word—namely, the building of a workplace where talented personnel can excel across traditional lines such as nationality, race and gender. Our diversity will also encompass traditional partner companies, enterprises newly added to the Group through M&A and other members of the extended TDK family.

TDK has achieved robust growth on the cornerstone of active incorporation of outside cultures into its corporate ranks. We have encouraged companies joining the Group through acquisition to exercise independence in continuing to lead and champion their own businesses—a commitment that has proved highly effective in pioneering new potential. This corporate culture, characterized by acceptance of di-

versity with open arms and strong efforts to link that multiplicity to product and service innovation, continues to shine as one of our crucial fortes today.

Treating Individual TDK Employees as the Main Players

The enduring mission of the TDK Group, which subscribes to the corporate motto of “Contribute to culture and industry through creativity,” lies in the timely supply of products and services that support society. The driving force behind this quest can be found in our individual employees, who constantly envision bright dreams for the future and rise to a wide range of related challenges without fear of failure. In no uncertain terms, it is the employees who are the main players at TDK.

Because we regard our employees as one of our most precious assets, we place such keen stress on the importance of formulating systems that encourage those employees to excel in their work. Besides clearly conveying the expectations we hold for each of these personnel, it also remains imperative to advance multifaceted investment in “human development” to support sustained growth. TDK will be doing everything in our capacity to live up to the responsibility of inspiring our employees to assume a sense of personal participation and ownership, encouraging them to tackle their daily work duties with the utmost energy and drive.

Moreover, as a global company with business bases around the world and over 90% of its sales generated overseas, it is critical for TDK to contribute to local communities through its business activities. Against the dynamic backdrop of the ever-changing times in which we live, we will be closely monitoring the progress made in the local communities where we are active. Proceeding from the perspective of what types of requests and demands are currently being directed our way, we will work tirelessly to review and fine-tune the work approaches and styles adopted at each of our bases, as well as our bonds with the regional communities.

Within the relationships with the diversified range of stakeholders, we pledge to carry on the endeavor to closely reflect the ideas of each and every company in the TDK Group, as we continue to manifest the qualities that only TDK can deliver and supply greater cutting edge value to society. In that spirit, and toward that end, we look forward to a steady stream of candid comments and opinions directed our way from all of you, without a trace of anxiety or hesitation.