

## 2 Important CSR Issues

### Develop Human Resources

#### The importance to our company

At TDK, we consider our employees to be one of our most important assets in carrying out our corporate motto of "Contribute to culture and industry through creativity," as well as in achieving ongoing growth over the medium to long term. We therefore respect each of them as individuals, working to maximize their unique abilities and potential and at the same time encouraging a high level of independence.

#### Expectations by stakeholders

In tandem with implementing systems and a corporate culture that respect the differences and values of each of our employees, we also provide specific opportunities and the optimal environment designed to maximize the individual abilities and potential of our employees and to impart them with a significant degree of independence.

#### Basic policy

Our aim at TDK is growth by way of becoming a genuine global company. In this connection, human resources development is considered a cornerstone concept. Along with identifying highly capable human resources and fostering an environment that draws out their individual abilities and potential, we also work to forge a corporate culture that respects the diversity of our human resources and also encourages mutual respect and recognition of efforts between our employees. Shaping a global business environment that attracts truly global personnel to the TDK Group, we at TDK are committed to generating innovative products and services on an ongoing basis and thereby doing our part for society in general.

### | Main Achievements in Fiscal 2015 |

#### Cross-cultural communication training participants (Total to date)

As the scale of our business has grown truly global, there is an increased need for all of our employees, not to mention those assigned overseas, to improve their cross-cultural communication skills. With this in mind, TDK has strengthened its support for language learning, primarily through e-learning. TDK also conducts cross-cultural communication training sessions at various regional locations ultimately to enhance our ability to function as a global business.

23

#### Overseas Trainee Program participants (Total to date)

As our global business is expected to expand further in the future, the Overseas Trainee Program was established in 2010. Aimed at younger employees, this program involves year-long placements at overseas subsidiaries. Participants gain a better understanding of different cultures and how to make use of this knowledge. They acquire the ability to engage in global business and establish a personal international network. Besides sending trainees overseas from Japan, TDK also sends people from other countries to Japan

#### Percentage of foreign national company presidents at Group subsidiaries

Approximately 90% of TDK Group employees are now nationals of countries other than Japan. We work to boost corporate value by placing the optimal human resources in the most appropriate position and location, regardless of factors such as nationality, race, and gender—in contrast making these differences our strength.

72%

## Forging a global human resources development environment conducive to innovative personnel

With a view to realizing our goal of becoming a genuine global company, the Global HR Department is now our primary center for developing and promoting ideal utilization of our human resources. General Manager Andreas Keller tells us about current issues as well as the progress of fiscal 2015 initiatives.



**Andreas Keller**

General Manager,  
Global HR Department,  
Human Resources Group,  
TDK Corporation

to maximize the effectiveness of our human resources is the key. Drawing out the potential of each of our individual employees and allowing them to manifest fully, we also optimize our overall capacity as an organization. We treat this as yet another role of the Global HR Department.

#### Making the utmost of our diverse pool of talent and human resources the world over

##### —Progress on major fiscal 2015 initiatives

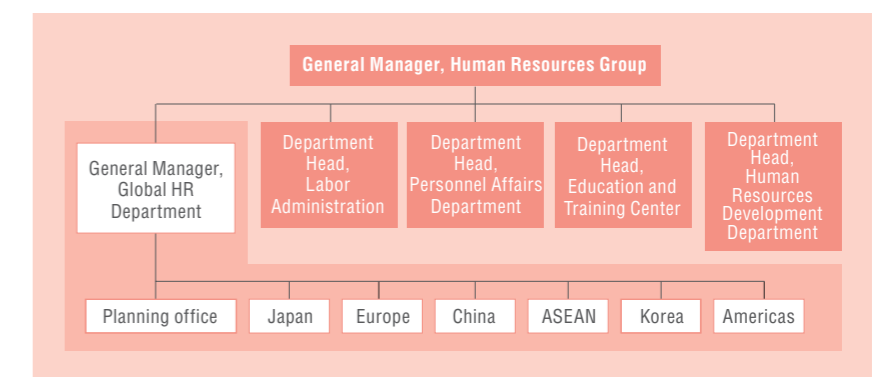
The Global HR Department launched a new approach as of 2015 in light of the need to resolve a new set of issues. Firstly, in an initiative new to Japan, I joined the freshmen training program, delivering a presentation as General Manager of the Global HR Department. Though I intentionally gave all presentations in English without Japanese interpretation, I believe that the majority of freshmen present were able to grasp my

meaning for the most part. Judging from their capability and incredible eagerness, my sense was that these new employees hold excellent potential as global leadership candidates. The second initiative I'd like to mention here is the expansion of the Overseas Trainee Program, which gives our young employees the opportunity to gain various experiences abroad. Though until now the number of employees sent overseas was small, we are creating new opportunities for more trainees to be dispatched. Specifically, the Global HR Department acts as a coordinator, seeking out new overseas training posts and conducting interviews with candidates. Third is the implementation of our Global Talent Management System. Visualization of HR information is an essential issue to enhance HR mobility. The system has currently been taken up by the sales function and implemented at U.S.-based Group companies. We will be expanding the system to other functions and Group companies as we ascertain and analyze results and any issues that may arise.

#### Taking up the challenges posed by a new set of issues

Since the launch of the Global HR Department in 2013, the TDK Group has devised a full range of policies designed to facilitate sustainable growth for the company with a view to achieving our goal of "One TDK." While these initiatives have in fact resulted in growth and progress, they have also yielded a new set of issues. The TDK Group is comprised of a number of Group companies around the globe. In order to facilitate mutual understanding of our diverse cultural backgrounds and business cultures, cross-cultural communication and energetic interaction between fellow employees are now considered key initiatives to overcoming any barriers. Additionally, in order to serve our customers around the world and carry out our business beyond limitations such as time, geographic location, and organization, the ability

#### Organization of the Global HR Department



As of April 1, 2016

# IMD Training Aimed at Fostering Leaders from Around the World

The TDK Group's sustained growth and the development of society in the future will be supported by the Group's employees around the world. The International Management Development (IMD) training course is held every year to nurture a spirit of "One TDK" and to foster leaders capable of being active on the global stage.

## What Is IMD Training?

TDK conducts international management development (IMD) training to help our internal leaders acquire truly global skills and develop stronger borderless solidarity within the Group. This training is for candidates for managerial positions at the TDK Group's overseas affiliates. The training seminars have been held since 1997. They take the form of a week-long residential training course with lectures and workshops. The participants gain a deeper understanding of TDK's corporate philosophy, acquire a broader, more managerial perspective, and establish bonds that help build personal international networks. Some participants who have completed the IMD training have gone on to become presidents of overseas affiliates, playing a vital role in human resources development within the TDK Group.



IMD training

## “ VOICE IMD training (Fiscal 2015)

### Aiming to Understand TDK and Realize Vision 2035



**Nikias Meyer**  
Director  
Distribution, Regional  
Sales Germany,  
Netherlands, Switzerland  
TDK Europe GmbH

As an employee of EPCOS, a relatively new member of the TDK Group, I participated in the IMD training course in order to deepen my understanding of TDK's heritage and philosophy and of Vision 2035, as well as to find my own personal targets for 2035. The discussions leading to the common target of making TDK "the most admired electronic company by 2035" were a good opportunity to come into contact with TDK's policy of inventing outstanding solutions to advance society and the power of the other participants and to once again keenly sense the strength of "One TDK." From now on, as a member of TDK, I want to spread the TDK corporate motto and heritage within our organization and grow myself as well.

### Understanding and Overcoming Differences to Achieve a Common Goal



**Arlene LAY**  
Sales & Marketing Office -  
Marketing & Planning Div.  
TDK Hong Kong Co., Ltd.

I was selected as a project manager to support SAP implementation and development in Hong Kong. I participated in the IMD training with the hope of finding more effective ways to manage and coordinate the project. In the training, by deepening my understanding of TDK's corporate motto and corporate principles, I realized how important it is to move in one direction. Although the participants all had different ideas, professions, strengths, and weaknesses, I could feel a harmony within those differences based on trust and respect. I learned a lot, and I will keep on passionately practicing the skills in my daily work.

## COMMENT

### Taking Advantage of the Chance for New Ideas and Inspiration

An organization requires good managers and good leaders to achieve its goals. I participated in the IMD training in 2003, and leadership has always been a major topic of the course. One of my biggest challenges is to practice what I learned in the training so as to lead my team to a higher level and transform it. The IMD training is an important opportunity to meet other members of the worldwide TDK Group and to be inspired. I hope every participant can realize something new that will help them to review and reform their mindsets and strategies toward the achievement of their personal and corporate goals.



**Jiun Shen Chong**  
Managing Director  
TDK (Malaysia) Sdn. Bhd.

# "Diversity" in the Eyes of TDK Group Around the World Human Resource Managers

For the TDK Group, we operate our business globally, the question of how to most effectively transform diversity as a global company into one of its core strengths ranks as an urgent issue. In this report, we examine the views of the managers of human resource related units engaged in the quest for diversification within the major regions in which TDK does business.



*Japan*



**Takashi Otake**  
Department Head of the Human  
Resources Development  
Human Resources Group  
Corporate Strategy HQ  
TDK Corporation

### Workplace Improvements in Support of Women

Actively incorporating the perspective of diversity into business operations is indispensable for raising the competitive edge of any company. Within this truth, however, a theme of particular importance is the "advancement of women." Under the current conditions, the share of women managers at Japanese companies remains low, with this particularly true to the manufacturing industry. The TDK Group, in consideration of the Act of Promotion of Women's Participation and Advancement in the Workplace, which came into effect this April, maintains a set numerical target in the hiring of female employees, while channeling renewed energy into improving workplace environments to empower greater progress and success by women.



*China*



**Lemon Li**  
HR Department  
TDK (Shanghai) International  
Trading Co., Ltd.

### Sharing Values and Building Diversified Systems

TDK China is made up of employees with extremely diversified backgrounds in terms of age, nationality, gender, religion, culture and other categories. To harvest the maximum capacity of this resource, the company has constantly strived to achieve solid acceptance and sharing of TDK action guidelines rooted in the uncompromising principle of "Respect for Diversity," while likewise advancing the formation of flexible welfare systems and diversified career cultivation schemes. Working from that stance, we are determined to transform diversity into a core TDK strength.



*Thailand*



**Watcharin Permgusol**  
Personnel Department Manager  
TDK (Thailand) Co., Ltd.

### Considerations for Other Religions

At present, the majority of our company's employees were born and raised in Thailand, and over 90% are Buddhists. Needless to say, however, we also view keen considerations for the needs of employees hailing from different cultural and religious backgrounds as an extremely important posture. Based on this commitment, we have established a simplified mosque for the use of our Muslim employees, while providing a menu of halal foods in our company cafeteria and advance other strategic steps designed to accommodate the needs of those subscribing to that faith.



*India*



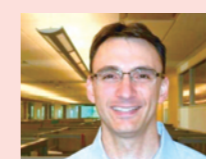
**Uttam Rathod**  
Vice President  
Human Resources  
EPCOS India Private Ltd.

### Targeting "Unity in Diversity"

India harbors one of the world's most ethnically diverse populations, with people representing numerous different cultures and languages living together in harmony. This social fabric, a characteristic that may also be referred to as "Unity in Diversity," corresponds to the "Oneness" on which TDK sets its sights as a corporate entity. At TDK, a company that develops its business across the entire nation of India, we maintain steadfast compliance with the different legal systems and controls existing in each separate state. Along with this, information is supplied in various different languages, with other meticulous measures taken to realize a more work-friendly environment for a rich array of employees.



*United States*



**Jon (Jay) Sebastian**  
Director & CCO  
Human Resources and General  
Affairs  
TDK Corporation of America

### Accepting Differences Invisible to the Eye

In the United States TDK makes every effort to remain in compliance with a complex range of federal, state and local laws structured to "ban discrimination" based upon such factors as age, gender, and race. Diversity, however, is much more than not discriminating. Diversity is also more than understanding and tolerating people's differences, seen or unseen (thinking style, sexual orientation, special skills, religion, national origin, etc.). Diversity is about creating a culture that values people's differences and enables EVERYBODY to fully contribute to the best of their ability.



*France*



**Aline Cariou**  
Human Resources Manager  
TDK Electronics France SAS

### Diversity as the Driver of Development

The employees of TDK France and TDK Spain are a group of truly diversified human resources representing over 12 different world nations. Recruitment and promotions are determined solely on the benchmarks of the skills, competencies and potential for development of each individual involve. No consideration whatsoever is extended to gender, personal situation, age, religious conviction or other nonessential factors. We fully believe that energetic promotion of diversity is the source of richness and growth as a contributing company, functioning as one of the pivotal drivers of development in this region.