

Compliance

Basic Policy

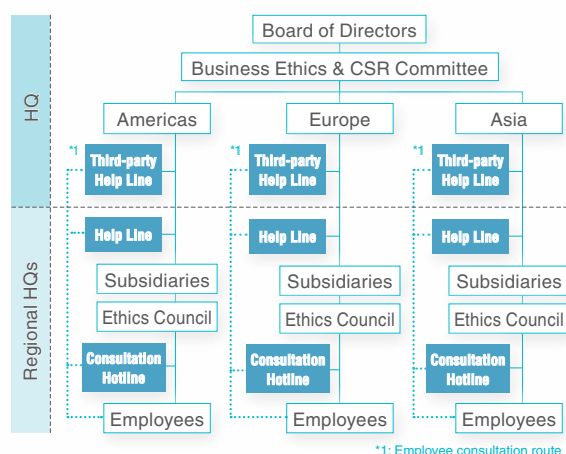
The TDK Group endeavors to gain the satisfaction, trust, and support of all stakeholders, including customers, suppliers, employees, shareholders, and local communities; to continue as an entity that solves social issues and is useful to society; and to contribute to the development of a sustainable society. To this end, we have stated clearly in the TDK Charter of Corporate Behavior that both in Japan and in other countries we shall respect human rights, obey related laws, international rules, and their spirit, and fulfill our social responsibility with a high ethical sense. All members of the TDK Group shall act in strict accordance with the standards of behavior stipulated in the TDK Code of Conduct.

Furthermore, in order for employees to abide by the TDK Group's management philosophy, including the corporate motto and corporate principles, and social norms, including related laws, international rules, and their spirit, the Business Ethics & CSR Committee thoroughly publicizes the TDK Code of Conduct, which stipulates specific behavior guidelines, and endeavors to imbue practice of the corporate motto, thorough implementation of corporate ethics, and understanding of the significance of social responsibility.

Help Lines

In order to prevent violations of compliance in advance and also to detect violations as quickly as possible and deal with them, the TDK Group enables all TDK Group members to report compliance violations. As a system contributing to the thorough permeation of compliance, TDK has established consultation hotlines in Ethics Councils and an internal help line in each region. Furthermore, in order to facilitate the speedy resolution of serious compliance problems, third-party help line have been set up in the Americas, Europe, and Asia to enable employees to directly inform the Business Ethics & CSR Committee through a third party, such as a law office. The TDK Code of Conduct Program stipulates the protection of informants so that they do not suffer any unfair treatment or disadvantages.

TDK's Worldwide Internal Reporting System



Spreading Compliance Awareness

TDK provides every TDK Group employee with a copy of the *TDK Code of Conduct Handbook*, which they can use as a guide for their individual business activities, and also endeavors to spread awareness by, for example, displaying posters. Also, in order to deepen employees' understanding of compliance, TDK implements training for specific ranks and e-learning for all employees, as well as lectures for management by responsible directors and outside speakers.



Lecture by an outside speaker

Implementation of Cartel Education

In recent years there has been a strengthening of controls over violations of competition laws in countries around the world. As a result, companies engaging in cartel behavior have been exposed by antimonopoly law authorities. Not only have the companies themselves been ordered to pay huge penalties, but also their directors have been subject to criminal punishment. Moreover, such cases frequently escalate, with business partners and consumers seeking compensation and shareholders filing lawsuits. The TDK Group stipulates in TDK Charter of Corporate Behavior that it abides by national laws, ordinances, and rules and fulfills its social responsibility with a strong sense of ethics. Against this background, TDK implements education for the prevention of cartel behavior worldwide. E-learning was implemented in fiscal 2015.