

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.

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Important CSR Issues

Develop Human Resources

Important Themes

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

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.

Summary of Fiscal 2016 and Outlook Going Forward

The TDK Group positions diversity as one key TDK Value, promoting activities toward that end around the world. In Japan, we have compiled three action plans in response to the Act on Promotion of Women's Participation and Advancement in the Workplace, legislation enacted in April 2016. As one such plan, our goal is to raise the percentage new women employees entering TDK to 30% or more in 2018. To keep pace with the rapid changes in our markets, meanwhile, the Human Resources & Administration HQ was launched in April 2017. This new unit is being utilized to further strengthen our development of human resources plans in promoting the quest for genuine globalization. We are also taking steps to build the caliber of information infrastructure needed to advance such initiatives throughout the TDK Group.

Pedersen X Keller

Stakeholder Dialogue on Global — Human Resource Development

In the run-up to the launch of the human resources master plan that takes effect on April 1, 2017, General Manager of Human Resources & Administration HQ Andreas Keller sat down with sustainability expert Peter David Pedersen. In the dialogue, the two men identified and discussed specific human resource challenges, upcoming initiatives, and action areas for the future in the context of TDK positioning the development of global human resources as one of its CSR materiality issues.



Peter David Pedersen

Co-founder, E-Square Inc.
(sustainability consultancy),
Executive Director, TACL
— The Academy for Corporate Leadership



Andreas Keller

General Manager,
Human Resources &
Administration HQ
TDK Corporation



Date of implementation: March 21, 2017

Background: State of Human Resources

Mergers, acquisitions, and partnerships have forged a TDK that is more vibrant and diverse than ever. At the same time, this process has been accompanied by welcoming different cultures and values that make management and communication more complex. TDK now boasts close to 100,000 employees with less than one-third from the original TDK operations.

In the belief that people make the difference, Keller explained how TDK is working to create a global pool of TDK Group talents that enables individual employees to realize their potential while maximizing organizational performance.

In Pursuit of Resilience

Peter David Pedersen facilitated the dialogue, laying out a conceptual framework for building a resilient organization. Pedersen praised TDK for an approach that frames the development of human resources as a component of CSR policy. “More important than ever is a management mindset allowing the company to be anchored, adaptive, and

aligned” he said. Dubbing these terms the three As, Pedersen stressed the importance of being anchored in purpose with a foundation of trust, being highly adaptive, and being aligned with society and stakeholder expectations.

Leveraging Diversity as a Strength: Challenges and Opportunities

The dialogue touched on several issues integral to addressing the complexity of TDK’s Group growth and fully parlaying diversity into a differentiating factor. One topic identified as being of paramount importance was cross-cultural communication.

“In my 17 years at TDK, I’ve seen that we have many creative individuals, but we’re not always able to transmit our ideas in the most constructive way due to diverse management styles or cultures. That is why communication is a key requirement to connect across the Group,” Keller said.

Trust Through Transparency

Improved communication is intricately related to two additional recurrent dialogue themes: transparency and trust,

both of which are seen as key to taking full advantage of TDK’s diversity. TDK’s Global Human Resources Department (GHRD) is promoting transparency and trust in a number of direct and indirect ways. It is in the midst of establishing a common talent management platform, succession planning for key positions, global grading, evaluation and incentive schemes, and global English communication and training. Through heightened transparency and better communication, TDK seeks to implement more global management to develop global talent and, through better visualization of HR information, bring immense value to the Group by better harnessing its many talented human assets around the world. In addition, it also aims to better share best practices to maximize synergy to create advantages of scale with enhanced competitiveness. At the same time, the overseas trainee program is also a powerful tool for HR development.

As such, TDK plans to leverage it more efficiently to develop young employees by time spent at Group companies abroad. “I see trust as an issue that also relates to anchoring. If employees feel that they are part of a company and can trust each other, then it is possible for people from diverse

backgrounds to come together around an issue and provide their own ideas and create something together,” said Pedersen, stressing that it is equally important to ask if people feel they have a “license to create” (relating to adaptiveness) as this enables the unleashing of innovation across an organization.

He also stressed the need to remember that there is not only alignment internally but also with society, which is where CSR can enter into the equation. He added that sustainability goals and tackling big challenges such as solving societal issues can be both exciting and deeply motivating for staff.

Conclusion: Moving Forward

Through the dialogue Keller and GHRD were able to gain new insights and reaffirmed the validity of current initiatives. At the same time, the discussion also served to reinforce an understanding of the importance of moving forward together to foster global human resources in a corporate environment that values diversity.

Report on major initiatives targeting regional diversity

In addressing the critical theme to “Cultivate a corporate culture that respects diversity,” programs are advanced with keen consideration for the respective patterns of diversity in each region. Here, we present the progress made in such efforts during fiscal 2016, examining the comments of managers in their local human resource divisions.



Japan

Major expansion of female employment

To address efforts to promote the advancement of women, one of the crucial issues faced by Japan today, TDK has channeled energies into environmental improvements geared to enable women to remain in the workforce, while likewise strengthening our hiring activities in that regard. In fiscal 2016, we set our percentage for regular hiring of women at 25%. While the final performance fell short of that target at 19%, that represents a considerable gain over the average 13% for the most recent five year period. For fiscal 2017, we have further raised this goal to an aggressive 30%.



Takashi Otake
Senior Manager,
Labor Relations Department
Japan HRD Division
Human Resources &
Administration HQ
TDK Corporation



China

Value the workplace with diversity

In China, workplace environments with diversity are so important that we foster an environment which enhances diversity in our multi-cultural environment. We believe that a diverse workforce encourages and enforces a respectful dialogue between different groups, it strengthens the generation and implementation of new ideas and creates an environment where employees feel safe to learn with and from each other. Each Sales team is made up of diverse members with individual backgrounds, we provide equal opportunities to all employees independent of their age, gender, etc.



Yvonne Ha
Senior Director
Human Resources
EPCOS Greater China Sales



Thailand

Deepening understanding for other religions

In TDK Thailand, the majority of its employees are Buddhists, so we plan candle casting on Important Buddhist day. In other hands, not only for Buddhists, we also have engaged into considerations for other religions such as preparing the praying room for Muslim employees. Moreover, we hold the workshops which enhances employees' understanding of different religions.



Watcharin Permgusol
Human Resources & General Affairs
Department Manager
TDK (Thailand) Co., Ltd.



Israel

Aiming “Equal”, contributing handicapped employment

In order to achieve “Full Equality”, we have progressed improving workplace environment that any employees with any background can feel themselves as “company nation”. In recent years, we have made a strong effort to hire disable people, and set a goal of employing those people at least 5% in total employees. We have contributed to make adjustments in the company to create work-friendly environment for disability employees while communicating with external associations that promoting the disabled to work.



Ariel Yerushalmi
Director
TDK-Lambda Ltd.



America

Broadening qualified candidates, hiring diversified employees

At TCA we are working to develop effective sources of qualified diverse candidates. In February we attended a career fair held by the Society of Women Engineers. We also utilize their resume database. Through efforts like these we are striving to increase the number of qualified diverse candidates for open positions. Ultimately, it is the hiring manager's responsibility to hire the most qualified candidate regardless of gender, age, race, etc. HR works to ensure that the hiring manager has a diverse group of qualified candidates from which to choose.



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



Germany

Bringing out diversified employees' potential

TDK Europe Germany is made up of employees with diversified backgrounds in terms of age, gender, nationality, religion, existence of disabilities, etc. We believe that it is our important role to create a working environment without prejudice and exclusion. Our recruitment and promotions are determined solely on the benchmarks of the skills and potential, not biased by individual backgrounds. Diversity means giving room for different cultures, individual perspectives, experiences and ways of thinking and acting, so we can meet challenges in a creative and fast way.



Stephanie Deml
HR Manager
TDK Europe GmbH