

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.

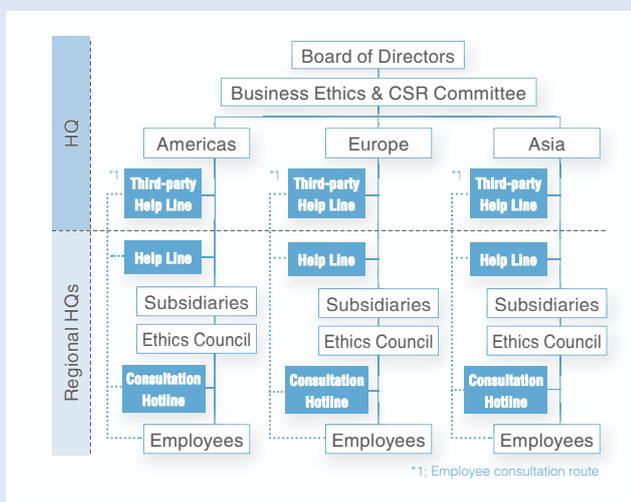
Furthermore, in order for employees to abide by the TDK Group's management philosophy, including the corporate motto and corporate principles, and social norms, including related laws, international rules, and their spirit, the Business Ethics & CSR Committee thoroughly publicizes the TDK Code of Conduct, 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 lines 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. During fiscal 2016, e-learning programs were arranged for 98% of all TDK Group employees.



Lecture by an outside speaker

Compliance Strengthening Efforts

Recent years have seen increased prosecutions of competition law in nations around the world. This is prompting numerous cases of companies being taken to court by the antitrust (competition law) authorities for suspected cartel activities, with many ordered to pay massive fines for their alleged actions. There has also been a steady stream of criminal charges filed against individual officers and employees, damage claims from suppliers and consumers, shareholder lawsuits, and other harsh developments.

The TDK Charter of Corporate Behavior stipulates that TDK will comply with the laws and regulations in each and every nation where it does business, while living up to its social responsibilities from a powerful ethical perspective. Against this backdrop, education aimed at preventing cartel activities is provided in the form of workshops taught by outside experts, e-learning and other programs advanced worldwide.

Despite this stance, however, the Japan Fair Trade Commission launched an on-site investigation at TDK related to the HDD suspension business, with the Company fully cooperating with the investigating authorities.

In October 2016, Compliance HQ was newly established, with regional compliance officers assigned to each region, a system deployed to promote related global activities and employee compliance programs implemented in increasingly thorough fashion.