



## TDK's cutting-edge technologies: Balancing corporate growth and social sustainability

### Toward a society with “no one left behind”

In 2017, major changes took place in the landscape of electronic components. The accelerated advance of electric vehicles in the world had a huge impact on the demand for components and devices. The governments of the United Kingdom and France, for example, announced plans to end the sale of gasoline- and diesel-powered cars by 2040. The inter-related trends toward EVs and autonomous driving have gained significant momentum.

I recently had my first experience of an autonomous driving car at a home appliance show, and I came away with the surety that these vehicles will soon be a common sight on the roads. With that being the case, I am confident that communication devices which rely on

artificial intelligence, such as smart speakers, are going to expand as well. Devices that can be operated by voice input and are designed to be accessible for non-technical users will also see rapid growth in the coming years. These trends illustrate a key aspect of our collective future: we have entered an age in which cutting-edge technologies can empower marginalized members of society, such as the elderly and disabled. This direction is consistent with the “no one left behind” pledge in the United Nations Sustainable Development Goals.

As a manufacturer, TDK aims to contribute directly to the realization of this vision for society. We supply values that satisfy the needs of customers and foster solutions to global social issues.

### Monozukuri (manufacturing excellence) and Kotozukuri (integrated solutions)

Our new Medium-Term Plan, which has kicked off in fiscal 2018, has the central theme of “Value Creation 2020.” It cites three pillars that we will strengthen over the medium to long term: “Commercial Value”, “Asset Value”, and “Social Value.” Our idea is to create more than simply financial value.

Social Value reflects our determination to further strengthen the link between our business and social sustainability. To this end, we will advance not only our tradition of *Monozukuri* but also *Kotozukuri*. *Kotozukuri* involves combining TDK's various technologies and products to supply solutions that meet the needs of customers and contribute to society. As a result, we will be able to connect an even wider customer base with quality TDK components.

Through the fusion of *Kotozukuri* and *Monozukuri*, we hope to create new values.

In order to realize this vision, we will actively engage in dialogue beyond the boundaries of our industry connections and employ a broad perspective to examine the landscape of possibility. Doing so will enable us to meet the needs of customers as they emerge, in real time. Throughout this work, we must constantly be thinking about how our technologies can provide practical value. Our starting place must first be to clearly identify the issues to be solved, the needs, and the goals of the customer, and from there to supply useful technologies accordingly.

### Aligning corporate growth and social contribution

The most important factor in the achievement of our new Medium-Term Plan is human resources. The development of human resources, we can say, is the greatest issue facing TDK. In particular, from now on we must put a lot of effort into the development of global human resources. We will achieve this goal by creating systems that identify the particular strengths and skills possessed by each individual, and matching those individuals with the appropriate career paths. To incorporate the dynamism of our acquired companies and utilize the strengths of their employees, we must redouble our efforts to expand diversity.

We will also continue to put efforts into material procurement that takes the environment and human rights into consideration. In particular, at a time when demand for batteries and motors is expected to grow as a result of the diffusion of electric vehicles and other factors, I think it is an important duty for

us to procure rare metals, which are essential for the manufacture of electronic components, with due consideration for the environment and human rights. At the same time, we will strive to reduce the environmental load throughout the entire life cycle of products, including the development of magnets that do not use rare metals and the reduced size and increased efficiency of products.

I believe that corporate growth and social sustainability are like two sides of the same coin. Business growth becomes truly sustainable when it contributes to society, and a healthy society in turn sustains consistent growth in the business sector. The pursuit of both of these factors together, I am sure, will raise our value as a company and generate increased Social Value.

**Shigenao Ishiguro**

President and CEO, TDK Corporation