

# Corporate Management

## Corporate Governance

### Adoption of Company Auditor System and Strengthening the Supervisory Function

TDK has adopted the Company Auditor System pursuant to the Companies Act of Japan and has appointed three independent outside Company Auditors who have no conflicts of interest in order to enhance the supervision of management.

### Strengthening the Function of the Board of Directors and Holding Directors More Accountable

TDK has a small number of Directors (seven) to expedite management decision-making. At the same time, TDK has appointed three independent outside Directors who have no conflict of interest in order to enhance the supervision of management. In addition, the Directors' term of office is set at one year to give shareholders an opportunity to cast votes of confidence regarding Directors' performance every business year.

### Adoption of Corporate Officer System for Expedient Business Execution

TDK has adopted a Corporate Officer system that separates the management decision-making and Director supervisory functions of the Board of Directors from the execution of business. Corporate Officers are in charge of business execution and carrying out decisions by the Board of Directors, thereby expediting business execution in line with management decisions.

### Establishment of Advisory Bodies to the Board of Directors (Business Ethics & CSR Committee, Disclosure Advisory Committee, Compensation Advisory Committee, and Nomination Advisory Committee)

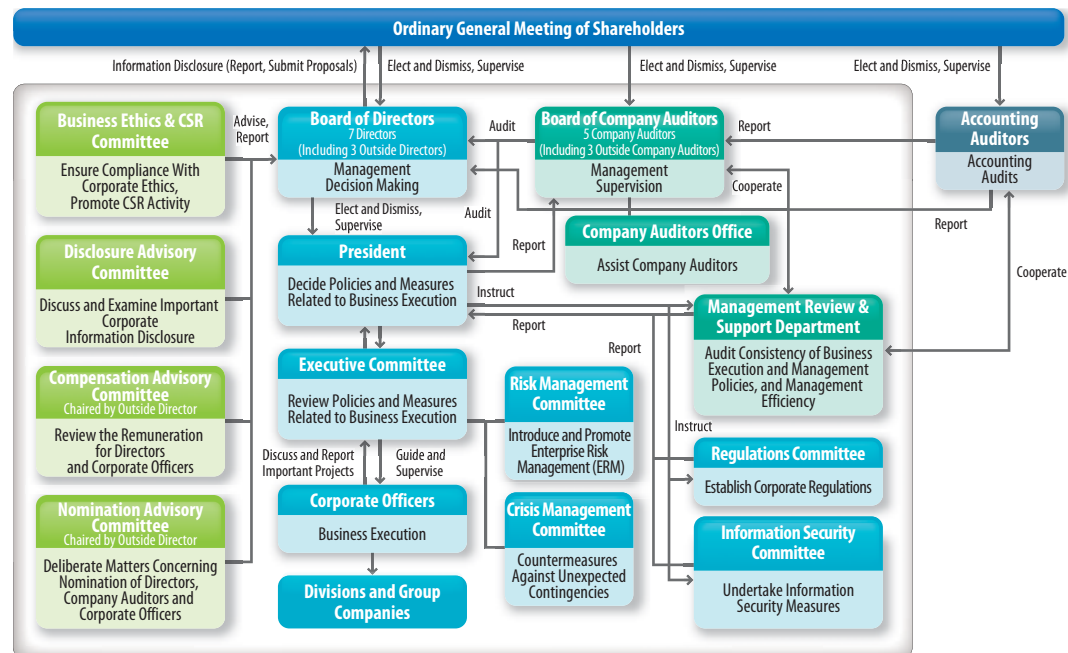
The aim of the Business Ethics & CSR Committee is to ensure implementation of the TDK Corporate Motto and improve awareness of corporate social responsibility (CSR). To achieve this aim, the Directors, Company Auditors, Corporate Officers and all other members of the TDK Group are made fully conversant with the TDK Corporate Motto and Corporate Principle ("Vision" "Courage" "Trust") as TDK's management philosophy, and the TDK Code of Ethics, which stipulates concrete standards and guidelines for compliance with all laws, regulations and social norms.

The Disclosure Advisory Committee reviews and examines important corporate

information and disclosure materials required for investment decisions by shareholders and investors, to ensure that TDK conducts comprehensive, appropriate, timely and impartial disclosure in accordance with various laws and regulations regarding securities transactions and the rules and regulations of the stock exchanges where TDK's shares are listed.

The Compensation Advisory Committee, which is made up of the outside Directors (1 of whom chairs the committee) and outside specialists, examines the composition of remuneration and the remuneration system pertaining to Directors and Corporate Officers, as well as presidents and qualifying executive officers of principal TDK subsidiaries. It also verifies the transparency of the remuneration decision-making process, as well as the reasonableness of individual remuneration levels in light of corporate business results, individual performance, and the general standards of other companies.

The Nomination Advisory Committee, which is chaired by an outside Director of TDK, discusses the conditions expected with regard to nominations for the post of Director, Company Auditor or Corporate Officer and makes nominations. In this way it helps ensure the appropriateness of the selection of Directors, Company Auditors and Corporate Officers, and the transparency of the decision-making process.



## Corporate Management

### Compliance

#### Comprehensive Distribution of Information on the TDK Code of Ethics Raises Awareness Concerning Compliance

Businesses must act as good corporate citizens in compliance with laws, regulations, and other social norms and maintain impartiality and fairness in their dealings with society. This must all be based on an awareness of their social existence supported by customers, shareholders, suppliers, local communities, employees, and other stakeholders.

TDK has organized concepts in the TDK Code of Ethics and calls on all Group personnel to act in strict compliance with the standards in the Code. The Business Ethics & CSR Committee works to make all personnel thoroughly cognizant of the TDK Corporate Motto, Corporate Principles, and Code of Ethics, representing TDK's management philosophy, as well as to put the motto "Contribute to culture and industry through creativity" into full practice.

The Committee also undertakes activities to raise awareness of corporate social responsibility. As part of this program, during the fiscal year ending March 2011, TDK

implemented compliance-related e-learning for all Group employees in Japan. In the fiscal year ending March 2012, it plans to implement awareness education for employees not only in Japan but overseas as well.

### Risk Management

#### Companywide Risk Management System Introduced to Reduce Risks and Improve Operations

At TDK, the Risk Management Committee works directly under the Executive Committee to promote companywide enterprise risk management (ERM). It specifies 49 risk items involved in the Group's corporate activities, including risks relating to natural disasters, such as earthquakes and flooding; risks relating to contagious diseases, such as new strains of influenza; risks relating to product quality; and risks relating to the procurement of raw materials, etc.

The Risk Management Committee conducts activities to ensure a proper response to these items. In particular, it promotes cross-sectional and companywide activities aimed at reducing risks that hinder the achievement of business objectives. If a crisis does unexpectedly occur, TDK will adopt countermeasures centered on the

Risk Management Committee.

In addition, regarding individual risks that should be dealt with by the function or Business Group concerned (legal, financial, information technology, environmental risks, etc.), TDK stipulates operational rules in companywide standards, detailed rules, and procedures and Business Group procedures. The Corporate Officers in charge of business execution take responsibility for handling risks relating to daily business under their jurisdiction.

Furthermore, Company Auditors and the Management Review & Support

Department, which is TDK's internal auditing body, monitor the implementation of countermeasures in each Business Group and offer advice and assistance for the reduction of risks. Advice about risks that may affect the Group is also received constantly from TDK's advisory lawyers.

In the fiscal year ended March 2011, TDK promoted the compilation of draft guidelines concerning the sale of products to customers in fields such as medicine and aviation, where risks relating to human life are especially high.

#### Strengthening Responsiveness to Risks

The Great East Japan Earthquake struck on March 11, 2011, causing immense damage throughout the region. While production has now resumed at all TDK Group facilities, we are proceeding with a review of our Business Continuity Plan (BCP). This will include the rebuilding of TDK's supply chain on a global level, to strengthen responsiveness to various risks that might occur in the future.

##### Main Efforts to Review the BCP

- Rebuilding of the global supply chain
- Revision of the crisis management setup and recovery manual
- Reconsideration of facility deployment plans
- Further maintenance of data centers
- Promotion of electricity saving

## Corporate Management

### Directors (As of June 29, 2011)

\*Outside Director



**Hajime Sawabe**  
*Director and Chairman of the Board*



**Takehiro Kamigama**  
*Representative Director*



**Kenichi Mori\***  
*Director*



**Shinichi Araya**  
*Director*



**Yukio Yanase\***  
*Director*



**Junji Yoneyama**  
*Director*



**Ryoichi Ohno\***  
*Director*

### Company Auditors (As of June 29, 2011)

\*\*Outside Company Auditor



**Noboru Hara**  
*Full-time Company Auditor*



**Osamu Yotsui**  
*Full-time Company Auditor*



**Osamu Nakamoto\*\***  
*Outside Company Auditor*



**Koichi Masuda\*\***  
*Outside Company Auditor*



**Makoto Sumita\*\***  
*Outside Company Auditor*

## Corporate Management

### Corporate Officers (As of June 29, 2011)



**Takehiro Kamigama**  
*President and CEO*



**Raymond Leung**  
*Executive Vice President*  
General Manager of China Operation Group



**Shinichi Araya**  
*Senior Vice President*  
General Manager of TDK-EPC  
Ceramic Capacitors Business  
Group



**Kenichiro Fujihara**  
*Senior Vice President*  
General Manager of TDK-EPC  
Electronic Components Sales  
& Marketing Group



**Atsuo Kobayashi**  
*Senior Vice President*  
General Manager of  
Data Storage & Thin Film  
Technology Components  
Business Group



**Hiroyuki Uemura**  
*Senior Vice President*  
General Manager of  
Magnetics Business Group



**Takeshi Nomura**  
*Corporate Officer*  
In charge of Intellectual  
Properties, Environment



**Takaya Ishigaki**  
*Corporate Officer*  
In charge of Materials &  
Process Development, and  
General Manager of Material  
& Process Development  
Center of Technology Group



**Shinya Yoshihara**  
*Corporate Officer*  
General Manager of  
Production Engineering  
Center



**Junji Yoneyama**  
*Corporate Officer*  
General Manager of  
Administration Group, and  
General Manager of Human  
Resources Department of  
Administration Group



**Robin Zeng**  
*Corporate Officer*  
General Manager of Energy  
Devices Business Group



**Seiji Osaka**  
*Corporate Officer*  
General Manager of  
Corporate Planning Group,  
and General Manager  
of Corporate Planning  
Department of Corporate  
Planning Group



**Masataka Kajiya**  
*Corporate Officer*  
Deputy General Manager  
of TDK-EPC Electronic  
Components Sales &  
Marketing Group



**Kaoru Matsuoka**  
*Corporate Officer*  
General Manager of Technology  
Group, General Manager of  
Corporate Technology Planning  
Department of Technology  
Group, and General Manager of  
Devices Development Center of  
Technology Group



**Yoshiaki Hirota**  
*Corporate Officer*  
General Manager of Power  
Systems Business Group



**Noboru Saito**  
*Corporate Officer*  
Deputy General Manager  
of TDK-EPC Electronic  
Components Sales &  
Marketing Group



**Gerhard Pegam**  
*Corporate Officer*  
TDK-EPC Senior Executive  
Vice President



**Takakazu Momozuka**  
*Corporate Officer*  
General Manager of Finance  
& Accounting Department