

## Guidelines on Ownership of TDK's Shares of Stock by Directors and Corporate Officers

### **I. Purposes:**

The purpose of this Guidelines on Ownership of TDK's Shares of Stock by Directors and Corporate Officers of TDK Corporation (the "Guideline") is designed to have the Directors and Corporate Officers (the "Executives") of TDK Corporation (the "Company") share the interest and value of the Company with other general shareholders of the Company by encouraging them to own and hold the shares of stock of the Company as much as possible, and at the same time to direct the Executives to improve the Company's performance, thereby enhancing the Company's overall corporate value.

### **II. Applicability:**

This Guideline applies to all Executives who are eligible to receive stock compensation.

### **III. Stock Ownership Guidelines:**

1. All Executives are at all times expected to own and hold a number of shares of Stocks (the "Target number of shares") that is equivalent of the amount of his/her annual base salary during a period of four years immediately following the date of their first appointment as Executive after the promulgation of this Guideline.
2. Only when the number of shares, etc. (as defined in Section IV) held exceeds the Target number of shares, the excess number of shares can be sold. The excess number of shares means the number of shares equivalent to the amount of (2) minus (1) below.
  - (1) The amount of his/her annual base salary at the time of the application for sale.
  - (2) The amount calculated by dividing A) and B) below.

- A) The closing price of the Company's common stock on the Tokyo Stock Exchange on the last day (or the closing price on the nearest preceding day if there is no closing price on that date) of the month immediately preceding the date of sale.
- B) Shares, etc. held at the time of the application for sale.

#### **IV. Shares, etc.:**

- 1.TDK's Shares of Stock his/her already own.
- 2.Unexercised stock compensation. (Includes Stock-Linked Stock Options prior to the exercisable date.)