

## | Cover Explanation

The cover expresses how each individual TDK Group member's attitude of addressing social issues by implementing the corporate philosophy, the spirit of which is incorporated in the Corporate Vision and TDK Value precepts, will lead to greater involvement with and contributions to society and the creation of new values.

## | TDK Code of Conduct Handbook

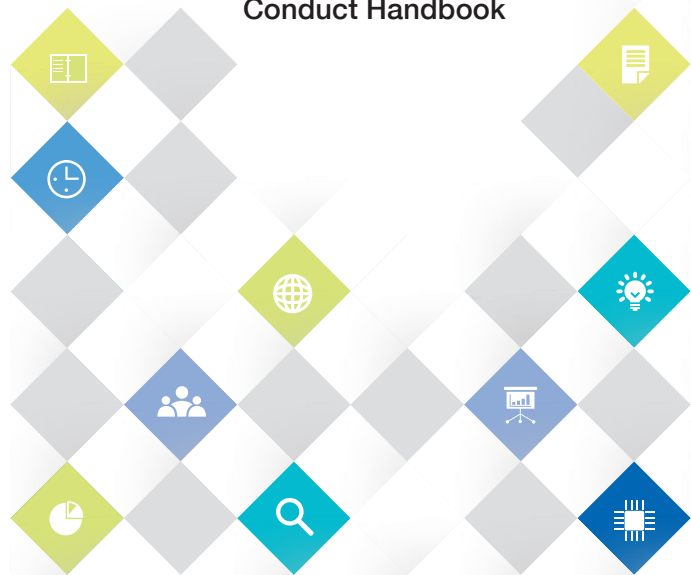
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## TDK Code of Conduct Handbook



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## The Aims of This Handbook

This handbook summarizes the rules to be complied with by the TDK Group (i.e., TDK Corporation and its consolidated subsidiaries) and by directors, officers, employees and company auditors, as members of the TDK Group. In the conduct of corporate activities, each member of the TDK Group is required to be aware that he/she is a member of the TDK Group and to understand more deeply and implement autonomously its principles and ideas as described in this handbook.

All of the matters referred to in this handbook may, at a glance, seem simple are very important. It explains how all members of the TDK Group should have clear goals and should adopt a stance toward the realization of those goals so that, amid today's global competition, TDK can contribute to the solution of various social issues. Thus, you are encouraged to read it from time to time, and use it as a guideline for your corporate activities. If you encounter any matters not provided for herein, please refer to the Corporate Philosophy and act in accordance with its essence.

Name



**Shigenao Ishiguro**  
President and CEO  
TDK Corporation



## Chapter 1 Corporate Philosophy

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### Corporate Motto

Contribute to culture  
and industry  
through creativity

### Corporate Principles

Vision  
Courage  
Trust

#### Vision

Always take a new step forward with a vision in mind. Creation and construction are not born without vision.

#### Courage

Always perform with courage. Performing power is born by confronting contradiction and overcoming it.

#### Trust

Always try to build trust. Trust is born from a spirit of honesty and service.

### Corporate Motto

Kenzo Saito founded TDK (then called Tokyo Denki Kagaku Kogyo) in 1935 to commercialize ferrite, an original material of Japan, after being deeply impressed by the words of Dr. Yogoro Kato, the inventor of ferrite, who said, “Genuine industries are original industries created by Japanese.” Saito’s founding spirit of creativity—as he said, “creating values that do not yet exist in the world from the material level”—was turned into TDK’s Corporate Motto in 1967.

### Corporate Principles

The Corporate Principles indicate the ideal mindset that employees should have for TDK to continue to grow as a good company that can contribute to society. Together with the Corporate Motto, they serve as a moral support for employees working for TDK.

### Implementation of the Corporate Philosophy: Toward TDK's 100th Anniversary in 2035

The Corporate Motto of TDK is "Contribute to culture and industry through creativity." This motto is a reflection of the company's founding spirit of commercializing ferrite. Our Corporate Principles, meanwhile, are "vision, courage, and trust."

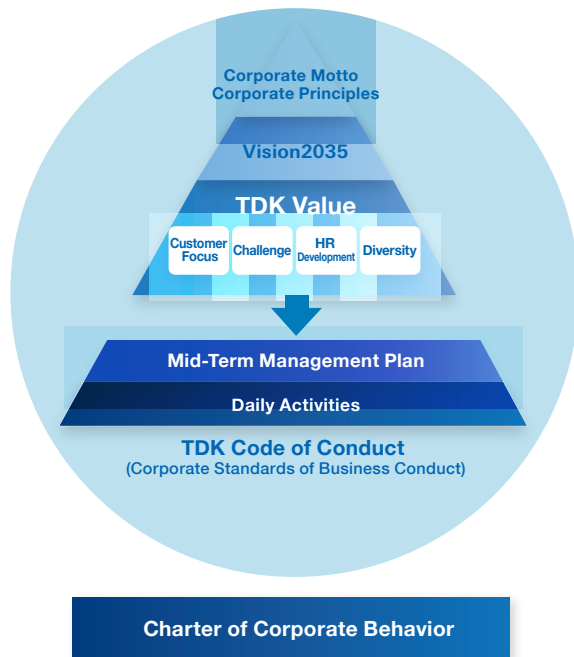
TDK's corporate philosophy explains the purpose and objectives of our business in condensed form. In order for a company to grow, however, while sticking to its essence, it needs to adapt its interpretations and thinking to the times.

The new "Corporate Vision, Vision2035" and "TDK Value" precepts stipulate the direction in which the company should advance toward our 100th anniversary in 2035 and guidelines that we should follow for the implementation of our corporate philosophy.

The Corporate Vision, Vision2035, expresses the company's founding mission and spirit from past, present, and future perspectives and indicates the direction in which the company should advance toward our 100th anniversary in 2035.

The "TDK Value" precepts consist of four categories and specifically describe the potential and development of the positive corporate culture that TDK has built up as a foundation over the years. All members of the TDK Group should share and practice them.

The "TDK Value" precepts consist of four categories. They specifically describe the potential and development of these four categories based on the positive corporate culture that TDK has built up over the years and the TDK Code of Conduct, which stipulates the standards of conduct of the TDK Group. All members of the TDK Group should share and practice these precepts.



### Corporate Vision (Vision2035)

The Corporate Vision, called Vision2035, explains TDK's founding objectives and spirit, its past four major innovations, contributions utilizing its global resources, and efforts to implement the Corporate Motto. It indicates TDK's vision—what TDK's goals are and what it is aiming for—from past, present, and future perspectives and the direction in which the company should advance toward its 100th anniversary in 2035.



In recognition of ferrite's enormous contribution to social development, the Institute of Electrical and Electronics Engineers (IEEE) in 2009 presented the IEEE Milestone award to TDK, which goes to products considered to be technological heritage of the world, for the “Development of Ferrite Materials and Their Applications.”

TDK was founded in 1935 from the vision and belief of the founder, who wanted to “commercialize ferrite, a made-in-Japan magnetic material, and contribute to the development of society.”

TDK has made four major innovations of which it can be justly proud (ferrite material, magnetic tape, multilayer components, and magnetic heads) and has continued to create products that support social development.

In the future also, as a company challenging further innovation, TDK intends to continue contributing to the creation of customer value through the supply of high-quality products and services and by utilizing its diverse global management resources.

TDK will continue to steadily “Contribute to culture and industry through creativity” by earnestly addressing the theme of “rejuvenating and protecting our precious global environment and realizing an affluent and safe lifestyle.”

## TDK Value

Consisting of four categories, the “TDK Value” precepts rigorously select the positive corporate culture that TDK has built up over the years and specifically describe its potential and development. All members of the TDK Group should share and practice them.

### Customer Focus

#### We have:

- Strong determination to contribute to our customers' success
- Passion to be a trusted partner for our customers

#### Therefore we can:

- Deliver inspirational value by standing in the customer's shoes
- Offer outstanding quality products, services and technology to satisfy our customers

### Challenge

#### We have:

- Culture to turn adverse challenges into chances to develop ourselves
- Strong determination to accomplish our business goals by overcoming adversity

#### Therefore we can:

- Accept challenges to make innovative breakthroughs and continue to create new value
- Lead our colleagues and collaborate as a team by sharing the same value

### HR Development

#### We have:

- Aspiration to continuously improve ourselves
- Motivation to contribute to the advancement of society and growth of businesses

#### Therefore we can:

- Define clear vision/ goals and drive ourselves to achieve them
- Support the development of our colleagues and build enthusiastic teams

### Diversity

#### We have:

- Global network with diverse culture
- Teams which respect each other and teamwork which encourages development

#### Therefore we can:

- Embrace different ideas and opinions
- Clearly express our opinions with sincerity through open discussions

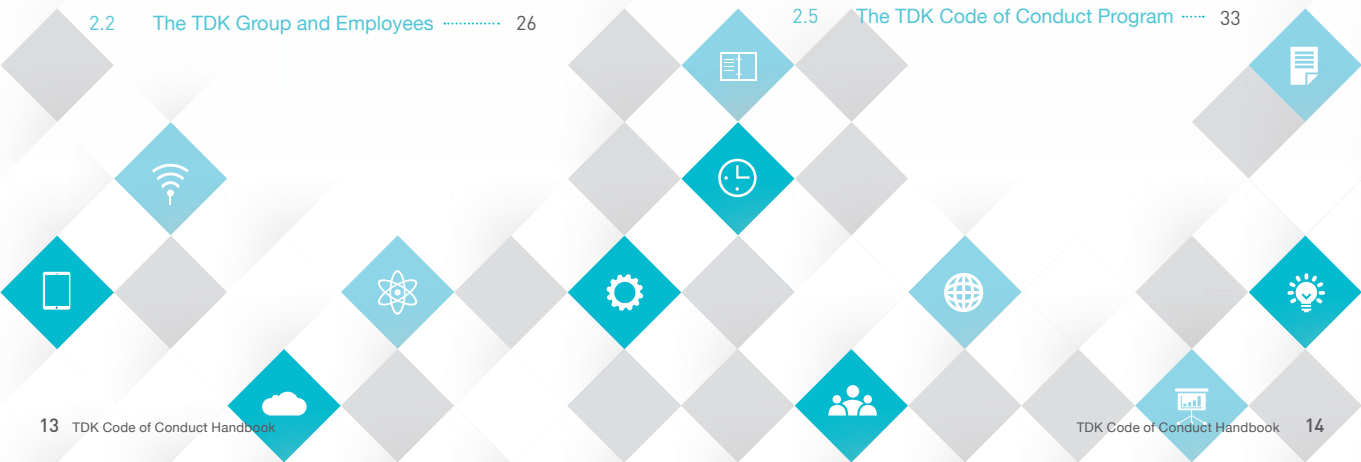




# Chapter 2 TDK Code of Conduct

(Corporate Standards of Business Conduct)

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### Foreword

The TDK Code of Conduct specifically provides the standards and guidelines for compliance with all laws, regulations and social norms, to be followed by TDK Corporation (TDK) and its consolidated subsidiaries (collectively “the TDK Group”), as well as all directors, officers, employees and company auditors who are the members of the TDK Group.

The TDK Code of Conduct consists of the following two elements:

#### 1. TDK Code of Conduct

Guidelines for implementing the corporate philosophy and management policies in the corporate activities of the TDK Group

#### 2. TDK Code of Conduct Program

Stipulates procedures for implementing the TDK Code of Conduct

In addition, the TDK Charter of Corporate Behavior stipulates the universal matters that should be commonly practiced by members of the TDK Group.

Creation, revocation and/or amendment of the TDK Code of Conduct shall be subject to the approval of the Board of Directors of TDK. Violations of the TDK Code of Conduct may result in disciplinary action in accordance with applicable laws and regulations, the work rules and/or other applicable company rules.

For the purpose of implementing the TDK Code of Conduct, each member organization of the TDK Group will:

1. Distribute copies of the TDK Code of Conduct Handbook to TDK Members, and also internally post a link to the TDK Code of Conduct on the website of the TDK Business Ethics Committee (TDK Business Ethics Committee Website);
2. Periodically hold internal seminars/training regarding observance of the TDK Code of Conduct; and
3. Establish Help Lines or Consultations for its employees, to which the employees of the TDK Group may directly ask their questions and concerns regarding the TDK Code of Conduct and seek advice.

### [Basic Rationale]

This chapter outlines TDK's basic rationale concerning how the TDK Group and its members should conduct themselves. We suggest that each one of us take this opportunity to reflect on their conduct and do some soul-searching in light of this basic rationale. If there is some kind of problem in yourself or in your vicinity, finding the courage and taking steps to eliminate it will lead to the creation of a better corporate culture. We will emphasize "Customer Focus," "Challenge," "HR Development," and "Diversity," which are stipulated in the "TDK Value" precepts, and endeavor to improve problems rather than neglect them.

## 2.1 Business Activities

### 2.1.1 Supply of socially beneficial and safe products and services and the earning and maintaining of trust from consumers/customers

The products and services the TDK Group provides are the foundation of the TDK Group. In order to assure this foundation, the TDK Group shall make every effort to reinforce and improve its manufacturing technology and product development, and create new value. It should be noted that excellent products and services require that they are of high quality, and not harmful in any way to human life, health or property. The TDK Group has used its best efforts to achieve this goal.

#### (i) Resolution of social issues through creation of new value

For the purpose of contributing to the resolution of social issues, TDK Members shall strive to apply the Corporate Motto "Contribute to culture and industry through creativity" by producing, and providing to society, creative products/services.

#### (ii) Establishment/maintenance of medium- and long-term relationships of trust with consumers/business partners

TDK Members must always pay close attention to market evolution and be sensitive to the diverse/complicated/sophisticated needs of consumers/customers. In addition, for the purpose of the sustainable development of society, etc., respective TDK Members must assess the needs of society from medium- and long-term perspectives. Since the products of the TDK Group (TDK Products) are used for a wide range of purposes, it is necessary for all TDK Members to establish medium- and long-term relationships of trust with consumers, customers and other business partners. This is essential for the existence of the TDK Group and is achieved by properly and accurately responding to the customers' needs. In particular, in light of growing interest in the limited nature of resources/energy and issues on climate change, the TDK Group shall strive to develop and provide environmentally-friendly products/services which may promote energy saving, conservation of natural resources, and biological diversity. In addition, in preparation for natural disasters and other unforeseeable situations, the TDK Group compiles business continuity plans. If such a situation occurs, the TDK Group shall make speedy efforts to obtain information about conditions and adopt countermeasures.

#### (iii) Securing the quality and safety of products/services

It is imperative that the safety of all TDK Products be constantly checked at each and every stage of manufacture and sale (i.e., research and development, design, manufacture and sale) in order to avoid accidents and injuries arising from defective products (e.g., damage to life, person or property of users). TDK Members shall, in a thorough manner, comply with relevant laws and regulations concerning the safety of products, and official guidelines, if any, and shall emphasize product quality and safety.

### (iv) Damage control

When an accident occurs due to a defective TDK Product, steps for damage control must be immediately taken. If the circumstances warrant, the TDK Product that caused the accident should be recalled and related information should be promptly disseminated to the users and the consumers of the TDK Product. It is the TDK Group's belief that a duty to prevent further accidents from the same defective product is owed by a supplier of such product, and the supplier must commit itself to fully performing that duty.

### (v) Prevention of the recurrence of any product quality or safety related problems

When a TDK Product is found to be defective, unless the cause of such defect is investigated and the problem is completely eliminated, the same and similar accidents are likely to recur. Therefore, for the purpose of preventing the same or similar accidents from happening, the TDK Group should establish an internal system, by which information and records regarding any and all defective products are properly maintained and exchanged within relevant departments or organizations of the TDK Group.

### 2.1.2 Maintenance of sound and good relationships with customers, suppliers and other business partners

The TDK Group shall prohibit the giving and acceptance of entertainment/gifts/money that are aimed at obtaining/maintaining improper benefits and preferential treatment in domestic and foreign business transactions. The TDK Group shall take the initiative to reform attitudes that rationalize the acceptance of entertainment and gifts based on meaningless business formalities. The TDK Group shall not tolerate acts that violate laws, regulations, and social norms, such as blackmail, bribery, corruption, and embezzlement, or the acceptance of money or articles through such acts. TDK Members are required to exercise good judgment and take sensible action to avoid any misinterpretations and negative effects on the reputation of the TDK Group or other TDK Members. Furthermore, TDK Members shall also maintain sound and normal relationships with political bodies and governmental agencies.

### (i) Customer Relations

TDK Members shall comply with applicable laws and regulations/socially acceptable norms when providing any entertainment and gifts, and shall not give any benefits in contravention of such laws and norms. TDK Members are strictly prohibited from giving customers private/arbitrary rebates, commissions and other forms of unjust benefits.

### (ii) Supplier Relations

At the time of selecting suppliers, TDK Members shall make a policy regarding the conduct of transactions available both internally and externally and shall base such selection on rational criteria, so that fairness and transparency are secured. In conducting transactions (including contracting and outsourcing), TDK Members shall take an interest in suppliers' compliance with laws and regulations, product quality/safety, environmental preservation, information security, fair trade/ethics, health and safety, human rights/labor conditions, as well as economic rationality, and shall thereby strive to discharge their own social responsibilities. Furthermore, TDK Members shall not abuse their positions in transactional relationships with suppliers. TDK Members shall comply with applicable laws and regulations/socially acceptable norms when accepting any entertainment and gifts, and shall not receive any benefits in contravention of such laws and norms. When a TDK Member receives any offer for such benefits, he or she must reject it or, if he or she has accepted, return the benefits in a timely manner.

### (iii) Relations with Public Employees, Etc.

TDK Members shall build highly transparent relations with public employees in Japan and other countries and shall not engage in acts that invite misunderstanding or suspicion of collusion. Similarly, TDK Members shall not provide entertainment, gifts, money, etc. to government personnel who are not public employees (individuals working for government-run organizations, etc.) with the purpose, or seemingly with the purpose, of obtaining preferential treatment.

### 2.1.3 Maintenance and promotion of fair, transparent and free competition

It is the TDK Group's basic policy to participate in fair, transparent, and free competition and to carry out appropriate corporate activities in compliance with the competition laws in each country. These laws are intended to preserve fair and vigorous competition and to prohibit business practices that interfere with that competition. For example, the TDK Group shall not engage in cartel acts such as agreeing with competitors on prices, production volumes (production plans), sales areas, and the like, which are illegal acts and behavior that damages the reputation of the company. The TDK Group and TDK members shall at all times comply with the letter and spirit of these laws. In addition, in pursuing profits in the course of carrying out corporate activities, TDK members shall always seek to conduct themselves with integrity and corporate ethics in mind.

### 2.1.4 Protection of intellectual property rights

Intellectual property rights are the rights given to creations and inventions made from intellectual activities. Examples of intellectual property rights include patent rights, utility model rights, design rights, trademark rights, industrial property rights, copyrights, as well as any confidential information including know-how, and technology/business secrets that are kept by each company as confidential information. For industrial companies, intellectual property rights are the source of income and profits, and, thus, intellectual property rights deserve vigorous protection on a worldwide level. TDK Members must facilitate the creativity and the protection of intellectual property rights of the TDK Group, and must also be careful not to infringe upon the intellectual property rights of others.

#### (i) Intellectual property rights of the TDK Group

The TDK Group shall actively develop and provide new products/services and contribute to the development of society, by establishing, accumulating and utilizing intellectual property rights. In addition, in light of the fact that protection of intellectual property rights is the source of corporate competitiveness, the TDK Group shall take measures to ensure sufficient legal protection of any intellectual property.

#### (ii) Confidential information of the TDK Group

If confidential information belonging to the TDK Group is leaked to outsiders, the interests and reputation of the TDK Group may be damaged. Confidential information may be transmitted and communicated by means of electronic medium, product medium, oral communication or written form. In order to achieve proper management and maintenance of the confidential information of the TDK Group, it is important to clearly identify information that is to be treated as confidential information. TDK Members shall handle confidential information of the TDK Group in accordance with internal company rules concerning trade secrets established and adopted by each member organization.

#### (iii) Intellectual property rights of third parties

The TDK Group respects the intellectual property rights of third parties. TDK Members are prohibited from using any confidential information that is unlawfully obtained.

### 2.1.5 Conflicts of interest

TDK Members should avoid any situations that may involve or even appear to involve conflicts between their personal interests and the interests of the TDK Group. In addition, in dealing with current or potential customers, suppliers, contractors or competitors, TDK Members should exclude any personal advantage. Each TDK Member must make prompt and full disclosure in writing to his or her supervisor or manager of any situation that may involve or even appear to involve a potential conflict with the interests of the TDK Group.

### 2.1.6 Business opportunities of the TDK Group

TDK Members shall not use confidential information about the TDK Group or its business, TDK Members, customers or suppliers for any personal purpose and shall manage such information in compliance with applicable laws and regulations. In addition, TDK Members are prohibited from disclosing such information to others outside their normal duties.

TDK Members are prohibited from:

- (i) Personally benefiting from opportunities that are discovered through the use of the TDK Group's property, or through their contacts, information or position within the TDK Group;
- (ii) Accepting employment or engaging in business (including investment, consulting or similar arrangements) that may conflict with the performance of their duties for the TDK Group or the business interests of the TDK Group;
- (iii) Soliciting, demanding, accepting, or agreeing to accept something of value not belonging to the TDK Group from someone in conjunction with the execution of their employment or duties for the TDK Group; and
- (iv) Acting on behalf of the TDK Group in any transaction in which they, or any member of their family, has a significant direct or indirect financial interest.

### 2.1.7 Fair dealing

TDK Members shall undertake to deal fairly with the TDK Group's customers, suppliers, competitors and employees. Additionally, no TDK Member should take advantage of another through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair business practices.

Prospective TDK Members must disclose the existence of, and submit copies of, any agreements imposing restrictions upon them before they join TDK (including employment agreements, non-compete or non-solicitation agreements, confidentiality agreements or similar agreements with former employers). In no event shall any of TDK Members unjustly use any confidential information or property of any third party (including a former employer), in the performance of their duties for or on behalf of the TDK Group.

### 2.1.8 Protection and proper use of TDK Group assets

All TDK Members must properly manage, protect, and use the tangible and intangible assets and information of the TDK Group, as well as any tangible and intangible assets and information entrusted to them by business partners, such as customers and suppliers, or their employees. The theft, damage due to carelessness, and waste of such assets and information can directly impact the TDK Group's profitability, reputation, and success. The damage, loss, or use in an unauthorized manner of such assets and information is strictly prohibited. In particular, TDK Members who, in the performance of their duties, acquire important information from insiders in the TDK Group, business partners, such as customers and suppliers, or any other listed company must not engage in the trading of shares of the company concerned prior to the information being made public.

### 2.1.9 Respect for the TDK brand

Since the TDK brand is one of the most important management resources of the TDK Group, TDK Members shall endeavor to maintain and improve the value of such brand.

In addition, TDK Members must (i) recognize the meaning of the TDK Corporate Mark, described by the TDK Group in the following way: "the geometrical design of the TDK Corporate Mark expresses the framework in which the magnetic materials TDK started out with and other materials as well as electronic components created from them are used in a variety of applications, and also expresses TDK's determination to contribute to society by playing a key role in linking points in the electronics industry"; and (ii) shall endeavor to perform corporate activities in line with such meaning of the TDK Corporate Mark.



### 2.1.10 Conveyance of information

TDK Members shall, in the course of conducting their business, promptly report not only good information but also any bad information to senior executives and other top management.

## 2.2 The TDK Group and Employees

### 2.2.1 Respect for development of workforce

Considering human development is an important factor in the prosperity of its business, the TDK Group will develop a workforce with the following characteristics, for the purpose of implementing/realizing the corporate motto in the course of its corporate activities:

- a workforce that demonstrates great creativity and constructiveness with a vision in mind;
- a workforce that demonstrates a strong ability to move into action to resolve issues courageously; and
- a workforce that thoroughly maintains a spirit of honesty and service in order to win trust.

The TDK Group, which regards innovation as the key foundation for the sustained growth and competitiveness of its business, will develop and employ a workforce that thinks and acts independently for the purpose of continuously promoting such innovation.

### 2.2.2 Respect for diversity/personality/individuality of employees

The TDK Group shall respect each employee's diversity, personality and individuality, and shall establish reasonable and fair systems for human affairs/treatment of employees and also provide reasonable and fair working conditions.

### 2.2.3 Respect for privacy

The TDK Group respects each of its employees' privacy and shall properly manage the personal information of its employees with the utmost care and prudence.

### 2.2.4 Respect for human rights and the prohibition against of discrimination

The TDK Group shall respect the fundamental human rights of employees and shall not engage in human trafficking or other such acts. Also, the TDK Group shall endeavor to ensure equal opportunities for employees by not engaging, either directly or indirectly, in any discrimination in employment and treatment (pay, training, promotion, etc.) due to race, belief, gender, religion, nationality, ethnicity, age, marital status, disability, sexual preference, gender identity, military status, genetic information, social status, etc. Furthermore, the TDK Group shall strive to create fair and cheerful workplaces by not tolerating any offensive or degrading conduct, such as corporal punishment, mental or physical violence, abusive language, sexual harassment, power harassment, or moral harassment. The TDK Group shall also take measures to prevent unjust treatment and discrimination in the workplace.

### 2.2.5 Working conditions

The TDK Group shall comply with national and regional legislation relating to minimum wages, limitations on working hours, and other working conditions and respects international norms relating to human rights. In addition, the TDK Group shall not engage in any form of employment that violates fundamental human rights, such as child labor or compulsory labor against the will of workers, bondage labor, involuntary convict labor, indentured labor, slave labor, etc., and shall require its suppliers to prohibit such activities as well. Furthermore, regarding working conditions, the TDK Group recognizes that open communication between management and employees is an effective means of resolving workplace and wage problems. Therefore, in accordance with national legislation, the TDK Group shall respect the right of workers to freely associate, join trade unions, and participate in demonstrations, labor councils, etc. The TDK Group will create an environment in which employees can openly engage in communication with management regarding working conditions without fear of retaliation, intimidation, or harassment.

### 2.2.6 Maintenance of a safe, healthy and comfortable working environment

The TDK Group considers ensuring a safe, healthy and comfortable work environment as its first priority in the process of any of its business activities.

#### (i) Eradication of labor accidents

Maintaining the safety and health of employees is one of the essential parts of business operation. In order to prevent any labor-related accidents, the TDK Group strictly complies with all applicable and relevant laws and regulations, and also with internal company rules and regulations concerning safety of the workplace established and adopted by each member organization of the TDK Group. It is also important to regularly hold safety training sessions by which employees are systematically trained to detect potential problems and eliminate them prior to the occurrence of accidents.

#### (ii) Environmental protection

Compliance with applicable environmental laws is a social duty of any corporation. The TDK Group shall make use of internal company policies concerning environmental protection, established and adopted by each member organization of the TDK Group, in order to assure that the environment of the community in which each member organization of the TDK Group operates is properly protected. Each TDK Member is expected to fully understand and use internal company manuals or guidebooks for crisis management, established and adopted by each member organization of the TDK Group: (i) to prevent disastrous events or accidents that may be fatal to the continuous existence or development of the TDK Group; and (ii) once such a serious event occurs, to minimize and control the damage.



### 2.3 The TDK Group and Society

#### 2.3.1 Compliance

The TDK Group conducts corporate activities based on legislation, social norms, and social common sense. TDK Members shall engage in corporate activities that respond to globalization, comply with national and regional laws and regulations, respect international norms, including those on human rights, and give consideration to culture, customs, and the interests of stakeholders. Furthermore, TDK Members shall endeavor to firmly reflect the TDK Group's corporate philosophy and conduct standards in their global operations. The TDK Group will regularly check that management strategy and daily business are in compliance with these conduct standards and international norms. If it is recognized that acts violate or may violate these standards and norms, appropriate steps will be taken to address the situation.

#### 2.3.2 Communication with society and disclosure of information

The TDK Group shall maintain the fairness and transparency of management by means of timely and appropriate disclosure of information to shareholders, investors, and other stakeholders. In addition, the TDK Group shall actively communicate not only with stakeholders, such as customers, suppliers, employees, shareholders and investors, and local communities, but also with society at large. We shall pay heed to their expectations and needs, and to values and opinions that differ from those of the TDK Group, and, if appropriate, reflect them in our corporate activities.

#### 2.3.3 Protection of the global environment

Based on the recognition that it is the TDK Group's responsibility to maintain global environmental conditions in a good state through its corporate activities, the TDK Group believes that the realization of a sustainable society is one of its important tasks to fulfill. The TDK Group shall, therefore, abide by all applicable environmental laws and regulations, and shall use its best efforts to assure that its

corporate activities, products and services do not adversely affect the global environment in any way. The TDK Group shall strive to develop environmentally-friendly technologies and products, and shall also actively contribute to the creation of a low-carbon society on a global scale, implementation of a recycling-oriented society, protection of biological diversity, and the resolution of any other social issues.

#### 2.3.4 Contributions to society

The TDK Group shall maintain harmonious relationships with local communities, governmental agencies, industries, international organizations, any other stakeholders and also potential business partners. The TDK Group shall, based on its management principles, identify important social issues that should be addressed and always seek to be "a good corporate citizen" by contributing to society, including activities in sport, culture and art, and volunteer activities.

#### 2.3.5 Money laundering

The TDK Group does not tolerate money laundering, that is, rewards gained by such means as fraud, tax evasion, window-dressed accounts, or bribes, or income from dubious sources. Furthermore, the TDK Group does not use false bank accounts to repeatedly transfer money, or purchase questionable receivables and stock, make dubious large-lot contributions and donations.

#### 2.3.6 Export and import business

TDK Members involved in export and import business must thoroughly understand the TDK Group's internal regulations concerning trade management, act accordingly, and conduct business so that they do not violate applicable laws and regulations.

### 2.4 Supplemental Provisions

In light of the importance of the responsibilities vested in directors, corporate officers, senior financial and accounting officers and financial and accounting managers of the TDK Group (each of them, a "Management Member"), each Management Member is required to observe and comply with the following special duties, in addition to the duties enumerated in the TDK Code of Conduct applicable to TDK Members.

1. Each Management Member shall act with honesty and integrity in carrying out his/her respective responsibilities and endeavor to avoid any conduct that causes or threatens to cause a conflict of interest, whether such conduct is within the course of the performance of his/her duties for the TDK Group or otherwise.
2. Each Management Member shall always report relevant information accurately, completely and objectively, and in an easily understandable form and on a timely basis, to other relevant persons.
3. Each Management Member shall comply with all applicable laws, regulations, and rules issued by private or public authorities.
4. No Management Member shall distort any material facts or information or compromise his/her own independent judgment in the conduct of his/her duties for the TDK Group. He/she shall carry out his/her duties with the due care and diligence required of a reasonable manager in the same position and situation, while at all times being conscious of his/her own ability and responsibility.
5. Each Management Member shall strictly observe the confidentiality of information acquired in the course of his/her performance of duties except when disclosure is authorized or legally required. Confidential information acquired in the course of the performance of his/her duties shall in no instance be used for personal advantage or gain.
6. Each Management Member shall at all times endeavor to improve the abilities and skills required for the performance of his/her duties. Each Management Member shall share with other relevant persons any important and necessary information that comes into his/her possession.
7. Each Management Member shall take the initiative in stressing to his/her colleagues and subordinates the importance of the corporate ethical principles of the TDK Group, and conduct his/her business duties in full awareness of the importance of such principles.
8. Each Management Member shall administer all corporate assets and other management resources under his/her scope of authority and fully and responsibly utilize and maintain these assets and resources pursuant to his/her authority granted by and for the benefit of the TDK Group.
9. Each Management Member shall promptly report any actual or suspected violations of the TDK Code of Conduct to the TDK Business Ethics Committee, the Ethics Councils, or the Help Lines.
10. Each Management Member will be held accountable for his or her adherence to the TDK Code of Conduct. The failure of any Management Member to comply with the TDK Code of Conduct may result in disciplinary action. Violations of the TDK Code of Conduct may also constitute violations of law and may result in civil, administrative or criminal responsibility of the Management Members and/or the TDK Group.

### 2.5 The TDK Code of Conduct Program

#### 2.5.1 Purpose

This Program has been established for the purpose of maintaining the validity and effectiveness of the TDK Code of Conduct. This Program shall provide procedural rules for the observance of the Charter, the Philosophy and the Standards.

#### 2.5.2 Functions

For the purpose of executing the TDK Code of Conduct, two bodies, the "TDK Business Ethics Committee" and the "Help Lines," have been established in the TDK Group. Each of these bodies shall act independently of the other to maintain its objectivity, neutrality and impartiality. Each body shall cooperate and promptly exchange information with the other to quickly resolve problems relating to the TDK Code of Conduct.

#### 2.5.3 TDK Business Ethics Committee

##### 2.5.3.1 Organization

###### (i) Nomination of Chairperson

The TDK Business Ethics Committee shall fall within the direct control of the board of directors of TDK, and the board of directors shall nominate a Chairperson of the committee.

###### (ii) Committee members

The Chairperson shall appoint committee members as the general managers of a department separately designated.

###### (iii) Establishment of branches and nomination of branch managers

The Chairperson shall, if necessary, establish branches of the TDK Business Ethics Committee, and nominate managers for each branch.

###### (iv) Ethics Councils of branches

Each branch manager shall establish an Ethics Council (collectively, "Ethics Councils") and consultation service which shall deal with the corporate ethical issues within each branch.

###### (v) Administration office

An administration office shall be established to ensure smooth communication between the TDK Business Ethics Committee and its branches and their Ethics Councils.

#### 2.5.3.2 Duties and Responsibilities

##### (i) Education and awareness

The TDK Business Ethics Committee and the Ethics Councils shall devote themselves to educating on and increasing awareness of TDK Members of the TDK Code of Conduct.

##### (ii) Problem resolutions

One of the duties of the TDK Business Ethics Committee and the Ethics Councils is to resolve problems and issues related to the TDK Code of Conduct. Depending on the nature of problem, either the TDK Business Ethics Committee or the relevant Ethics Council, or both, shall act in a cooperative manner to resolve such problems or issues.

##### (iii) Investigations

In order to resolve a problem relating to the TDK Code of Conduct, the TDK Business Ethics Committee and the Ethics Councils may conduct an investigation if they determine it to be necessary, or may request a relevant organization to conduct such investigation.

##### (iv) Duty of confidentiality and protection of an Informants

The TDK Business Ethics Committee and the Ethics Councils shall have a duty of confidentiality concerning the information that has been revealed to them through the operation of the TDK Code of Conduct Program including, to the greatest extent practicable under the circumstances, the identity of the person who requests a consultation, raises a grievance/seeks an explanation, replies to questions or provides any information in relation to the TDK Code of Conduct (the "Informant"). The TDK Business Ethics Committee and the Ethics Council must protect the Informant in such a manner that he/she will not receive any unjust treatment or disadvantage due to his/her act of raising a grievance.

### (v) Proposal of corrective measures

In the event that a material violation by a TDK Member of any law or regulation, or any provision of the TDK Code of Conduct, or other internal company rule becomes apparent, the TDK Business Ethics Committee and the relevant Ethics Council must discuss corrective measures and propose the corrective measures to the relevant member organization of the TDK Group.

### (vi) Report on the corrective measures

The Chairperson or the branch manager shall have the right to give general managers of the relevant member organization of the TDK Group instructions that the proposed corrective measures should be taken immediately, pursuant to the decision of the TDK Business Ethics Committee. The Chairperson or the branch manager shall report to the board of directors of the relevant member organization of the TDK Group regarding the matters or issues that he or she reasonably believes are especially important. The Chairperson or the branch manager shall also instruct the general managers of the relevant member organization of TDK to submit reports on the results of the corrective measures.

### (vii) Evaluation and reporting

The TDK Business Ethics Committee shall evaluate and review from time to time the content and operation of the TDK Code of Conduct. The TDK Business Ethics Committee shall promptly inform branch managers of any decisions that the TDK Business Ethics & CSR Committee makes.

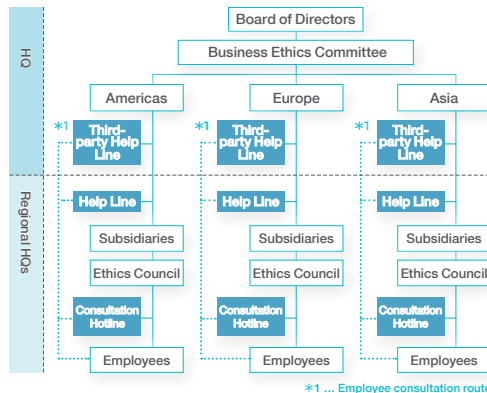
### (viii) Meeting

Each of the TDK Business Ethics Committee and the Ethics Councils shall hold a meeting once per quarter or more if necessary.

## 2.5.4 Help Lines

### Organization and Operation

TDK's Worldwide Internal Reporting System



Each Ethics Council provides a contact point for consultation and each region has a Help Line to enable TDK Group employees to talk about matters relating to business ethics, whether to share ideas or ask for advice. Furthermore, in order to facilitate the speedy resolution of serious compliance problems, such as cartels, corruption, and dishonest practices by management, the TDK Group has established a Help Line system administered by independent third parties such as law offices that allow employees to inform the Business Ethics Committee. Help Lines have been set up in Asia, the Americas, and Europe to cover each region, respectively. Employees thus have a choice to either consult directly with the Ethics Council at their company, call a regional Help Line, or call a third-party Help Line. If you notice any issue relating to the TDK Code of Conduct, please do not hesitate to talk it over using one of these three methods mentioned above.

### (i) Duty of confidentiality and protection of informants

Personnel in charge of consultation services and Help Lines have an obligation to informants to maintain confidentiality to the greatest extent practicable under the circumstances. In addition, personnel of the Business Ethics Committee and Ethics Councils must act in respect of the informant's will. They must ensure that the informant does not suffer any disadvantages by not acting contrary to the will of the informant.

### (ii) Measures to address violations

If an act occurs that violates the TDK Code of Conduct, the perpetrator will be subject to punishment in accordance with the employment regulations and other internal rules. If you reflect on your own conduct and think you might have violated the code, please take the initiative yourself and utilize the consultation services. If a person has taken the initiative and made contact personally, extenuating circumstances will be taken into consideration in determining the punishment. The implementation of sound corporate activities depends on each and every one of us. If you realize that there is a problem in your vicinity, it is important to have an attitude of not turning a blind eye. Let's fully understand the purpose of the TDK Code of Conduct and take positive and courageous action toward improvements.

## 2.5.4.1 Duties and Responsibilities

### (i) Receipt of consultations

The Help Lines shall receive from TDK Members complaints, internal reports, information, problems, questions, requests, etc. (collectively, "Consultations") concerning the TDK Code of Conduct. The Help Lines shall allow anonymous submission of such Consultations and shall not make any distinction in the treatment of those anonymously-submitted Consultations and those not submitted anonymously.

### (ii) Investigation

The Help Lines shall examine the Consultations that it receives from TDK Members, regardless of whether they were submitted anonymously or not. The Help Lines shall have the right to conduct any necessary investigation, or to request the TDK Business Ethics Committee or the relevant Ethics Councils to conduct such investigation, to identify proper and suitable methods for resolving the problems or dealing with the complaints, depending upon the particular circumstances involved. When a Help Line conducts an investigation, it shall promptly inform the TDK Business Ethics Committee or the relevant Ethics Councils of the investigation's result.

### (iii) Duty of confidentiality and priority of protection of the informant

The Help Lines shall have a duty of confidentiality concerning the information that has been revealed to them through the operation of the TDK Code of Conduct Program. Priority shall be given by the Help Lines to the protection of the interests of the informant. When the Help Lines deem it necessary, for the purpose of resolving the informant's problem, to disclose certain information that has been revealed to it by the Informant, the Help Lines shall endeavor to consider and respect the will of the Informant.

### (iv) Replies from the Help Lines

Where appropriate, the Help Lines may inform the informant of the results of investigations conducted by, and countermeasures taken by the TDK Business Ethics Committee, the Ethics Councils and/or other relevant member organization of TDK.

### (v) Retention of records

The Help Lines shall retain records of all Consultations directed to them from TDK Members, regardless of whether they were submitted anonymously or not, for a period of not less than three years.

### 2.5.5 Education about the TDK Code of Conduct

For the purpose of familiarizing TDK Members with the TDK Code of Conduct, the Human Resources Group of TDK and the relevant department of each member organization of the TDK Group shall establish training programs about the TDK Code of Conduct, and give regular training to TDK Members.

### 2.5.6 Placement on the intranet

The TDK Code of Conduct shall be placed on the intranet of the TDK Business Ethics Committee, so that TDK Members may refer to it at any time.

### 2.5.7 Duty to report to the Board of Directors

The TDK Business Ethics Committee shall have the duty to report on the execution and operation of the TDK Code of Conduct to the board of directors of TDK at the beginning of every quarter term.

### 2.5.8 Corrections and preventive actions

When any actual or suspected violation of laws or regulations or deviation from the TDK Code of Conduct, internal company rules, guidelines or manuals within the TDK Group is reported, managing personnel responsible for the relevant department of the member organization of TDK, or the member organization itself, must investigate the causes of such violation or deviation and take preventive actions, including improvement of the management system within the relevant member organization of the TDK Group.

### 2.5.9 Reporting of illegal or unethical behavior

The TDK Group requires TDK Members to talk to supervisors, managers or the Help Lines (or use other consultation services) to report and deal with any known or suspected criminal activity involving the TDK Group or TDK Members. If, during the course of his/her employment, a TDK Member becomes aware of any suspicious activity or behavior, including concerns regarding questionable accounting or auditing matters, he/she must report such suspicious activity or behavior to his/her supervisor, manager or the Help Line (or other consultation services). Reporting the suspicious or known criminal activity will not subject the reporting TDK Member to discipline unless he/she knowingly made a false report. Any TDK Member who, in good faith, reports a violation or possible violation of the Code of Conduct is protected against retaliatory behavior. No TDK Member shall be fired, demoted, suspended, harassed or discriminated against based on the fact that the TDK Member lawfully provided information to, or otherwise assisted or participated in, any investigation or proceeding by a governmental, regulatory or law enforcement agency, any member of a governmental legislative body, or the TDK Member's manager, relating to what the TDK Member reasonably believes is a violation of the TDK Code of Conduct.

### 2.5.10 Violations of the TDK Code of Conduct

#### 2.5.10.1 Violations of the TDK Code of Conduct

Violation of the TDK Code of Conduct may result in disciplinary action in accordance with the work rules of the relevant member organization of the TDK Group (or, collective agreement or other employment contract).

### MEMO

#### 2.5.10.2 Voluntary notification of violations

Voluntary notification by a violator of the TDK Code of Conduct may be considered as a mitigating factor when it comes to disciplinary action.

#### 2.5.11 Revocation and amendment of provisions of the TDK Code of Conduct

##### 2.5.11.1 Procedures for revocation and amendment

The TDK Business Ethics Committee may discuss revoking or amending certain provisions of the TDK Code of Conduct and propose such revocation or amendment to the board of directors of TDK. The board of directors shall have the final decision regarding such proposed revocation or amendment of the TDK Code of Conduct.

##### 2.5.11.2 Record of amendments

Adopted : April 23, 2002

Amended : September 26, 2002 Program added

Amended : July 1, 2003 Code of Conduct applicable to all senior financial officers, members of the board and executive officers of TDK added

Amended : June 29, 2004 New provisions added

Amended : May 25, 2005

Working conditions, Name change etc.

Amended : October 1, 2011 Entirely amended

Amended : April 1, 2015 Help Line information added

Amended : August 1, 2016 Help Line information amended

Amended : November 28, 2018, Organization name changed

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## Founding of TDK

In 1930, at Tokyo Institute of Technology, Drs. Yōgorō Kato and Takeshi Takei invented “Ferrite,” a magnetic ceramic compound containing oxides of iron and other materials. Dr Kato’s statement that “innovative work is the source of true industry,” inspired Kenzo Saito to found TDK Corporation (originally known as Tokyo Denki Kagaku Kogyo K.K.) on December 7, 1935, with the purpose of marketing this original material invented in Japan.

At the time, as it was yet unclear whether “ferrite” would have a future or not, this act demanded “courage” and the will to pursue a “vision.” As a result of joint research by the Tokyo Institute of Technology and TDK, a product called “ferrite core” was produced and applied for the first time worldwide in 1937 in a number of Japanese wireless communication units and radios. By the end of the World War II, as many as 5 million units had been shipped by TDK, thereby creating a foundation of trust in the company. The spirit of creating entirely new products of value from the fundamental level of a material has defined TDK from the beginning and is still a trait that sets the company apart. It is also reflected in the Corporate Motto formulated in June 1967: “Contribute to culture and industry through creativity.



TDK's first president,  
Kenzo Saito



Father of ferrite: Dr. Yōgorō Kato (left)  
and Dr. Takeshi Takei (right)

## ONE TDK

The TDK Group promotes globalization for the purpose of strengthening its ability to deal with its customers and to develop technologies/products. In addition, the TDK Group, which respects the individuality of each employee, strives to secure and educate people from various backgrounds regardless of their nationality, gender, creed, and social status.

It is also essential to share the same organizational culture, such as ideas, behavior, and a sense of value of other members within the same organization in order to work at an organization. An organization's culture can function as the pivot that links the organization and individuals together, and also as a source of corporate competitiveness.

The TDK Group consists of TDK and a number of consolidated subsidiaries. Among the various organizations and their cultures within the TDK Group, TDK's Corporate Motto and Corporate Principles are the most important things.

Thus, whenever TDK Members engage in their work, they are required to keep in mind TDK's Corporate Motto and TDK value, as the common corporate culture of the TDK Group, and to strive to implement the same. Specifically, TDK Members must embody the spirit of “**ONE TDK**”; they are required to: (i) always think and act as a member of the TDK Group; (ii) unite, as necessary, by breaking barriers between organizations or divisions; and (iii) continue to attempt to create new value for the benefit of customers and, further, for the purpose of making a better society.

## TDK: Born from Angora Rabbits

Prior to founding TDK, TDK's first president Kenzo Saito tried various businesses; failing many times in his effort to realize his dream to improve things in the impoverished farming town where he was born in Akita, Japan. Winter is especially harsh in Akita, and because there was no industry besides agriculture, the local people were forced to live a hard subsistence existence. It always seemed like being on the verge of life and death. His desire to help change this sad reality was the real momentum that drove him to try and succeed at any cost.

An Angora fur business was one of Saito's many early endeavors. However, this business did not go smoothly and he was unable to find any customers. Determined to find a way, Saito grabbed a few Angora fur samples and jumped on the night train to Tokyo. He wanted to meet directly with the President of Kanegafuchi Spinning Company, which was a leading business in the textile industry. Despite having no prior appointment, he was granted three minutes with company President Shingo Tsuda. And so impressed was he with Saito's fervent explanation regarding the merits of Angora fur that an hour passed before Tsuda noticed the time. Then, he accepted Saito's business proposal, pledging additional funds for the business.

In the end, the Angora fur business failed. However, Tsuda was greatly impressed by Saito's passion and commitment to his ideals. Later, Tsuda would provide a large amount of money to help Saito start TDK in what was a difficult time because he believed in Saito's possibility as entrepreneur.

If not for the meeting between Tsuda and Saito through Saito's Angora fur business, today's TDK would not exist. Saito later recalled, "A person can make their business into a success by working with a strong sense of social values and with the dedication to never give up no matter what obstacles they may face."

### [Angora rabbit]

Indigenous to the region of Angora in Turkey (from which the capital of the country Ankara derives its name) the fur has been improved through breeding in England and France. The rabbits have a long, soft coat, from which about 500g of fur can be gathered by sheering 3 to 5 times a year. Since the fur is both light weight and highly heat retaining, it is used for high-quality fabrics and knitting wool.





## TDK Charter of Corporate Behavior



# TDK Charter of Corporate Behavior

The TDK Group recognizes its role in resolving social issues through creativity and contributing to society. The TDK Group will continue to respect human rights, comply with relevant laws and regulations and international rules, and will discharge its social responsibility with a strong sense of ethical values for the purpose of creating a sustainable society, in accordance with the following ten principles:

1

The TDK Group shall earn the satisfaction, trust and support of customers and other stakeholders, by consistently pursuing creativity, and producing and providing socially beneficial and safe products/services.

2

The TDK Group shall take part in fair, transparent and free competition and appropriate corporate activities. The TDK Group shall maintain a sound relationship with political bodies and governmental agencies.

3

The TDK Group shall actively and widely communicate with society, in addition to stakeholders, and shall actively and fairly disclose its corporate information. In addition, the TDK Group shall, in a thorough manner, ensure the security of confidential information held by the TDK Group, and shall appropriately protect any information received by its customers and suppliers, as well as any other individual information.

4

The TDK Group shall respect the diversity, personality, and individuality of its employees and shall ensure a safe and comfortable working environment, thereby achieving a sense of comfort and fulfillment.

5

The TDK Group shall always appreciate the earth, and shall proactively engage in activities to address environmental issues. We recognize that such activities are common challenges for humankind and important to the continued existence of the activities of the TDK Group.

6

The TDK Group, as “a good corporate citizen,” shall always seek to harmoniously coexist with society, through active contributions to society, including activities in sport, culture and art and volunteer activities.

7

The TDK Group shall take a firm stance against, and shall sever any relationships with, antisocial forces and organizations that pose a threat to the order and security of citizens in society.

8

The TDK Group shall adapt to the trend of globalization of corporate activities, and shall perform its corporate activities while respecting local culture and customs and the interests of stakeholders, complying with the laws and regulations of each country/jurisdiction and respecting all relevant international rules including human rights.

9

The TDK Group's top management shall, in recognition of its role to achieve the spirit of this Charter, take responsibility for ensuring that the TDK Group itself and its group companies commit to it and encourage its business partners to do the same. In addition, the TDK Group's top management shall always heed any internal and external opinions and establish effective internal systems to achieve the spirit of this Charter.

10

In the event that this Charter is violated, the TDK Group's top management shall be in charge of resolving the issue, strive to determine its cause, and prevent similar violations in the future. At the same time, the TDK Group's top management shall disclose necessary information promptly and accurately, be accountable, clarify who holds authority and who is responsible, and impose appropriate punishment upon relevant persons, including itself.

