



Security Trade Control of Canon

Foreign Trade Legal Division
Global Logistics Management Center
Canon Inc.

Today's Agenda

- Introduction to Canon
- Canon's STC Control
- Group Compliance

Introduction to Canon



Corporate Philosophy (Since 1988)

共生

Kyosei : Living and working together
for the common good

Canon Now

Canon Inc.

■ **Established: August 10, 1937**

■ **Capital: ¥174,762 million** (As of Dec. 31, 2010)

■ **Number of Employees** (As of Dec. 31, 2010)

Non-consolidated: 26,019

Consolidated: 197,386 (71,954 in Japan)

■ **Net Sales (FY2010)**

Non-consolidated: ¥2,317 billion

(U.S.\$28,605 million, €21,526 million)

Consolidated: ¥3,707 billion

(U.S.\$45,764 million, €34,324 million)



Exchange Rates

US\$1 = JPY81

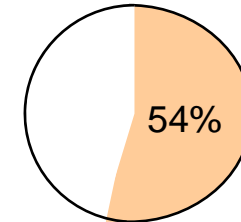
€1 = JPY109

Business Fields

Office



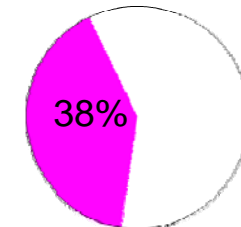
- Copying machines
- Laser printers
- Toner cartridges
- Digital presses
- Large-format inkjet printers etc.



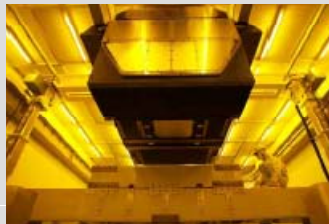
Consumer



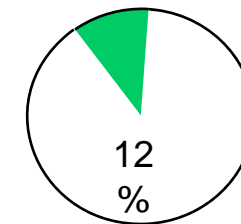
- Cameras
- Lenses
- Digital video camcorders
- Inkjet printers
- Broadcast equipment etc.



Industry and Others



- Semiconductor exposure systems
- LCD exposure systems
- Ophthalmic diagnostic equipment
- Document scanners
- Handy terminals etc.



•Note: Sales ratios do not total 100% due to sales between segments of 4%

Canon Products : Office

Office network MFPs

Digital color production systems

Laser printers

Large-format inkjet printers

Toner cartridges



Canon Products : Consumer

Digital & film cameras



Lenses

Digital video camcorders

Binoculars



Inkjet printers

Scanners



Compact photo printers

Multimedia projectors

Network cameras

Broadcast equipment



Canon Products : Industrial and others

Semiconductor exposure systems

LCD exposure systems

Ophthalmic equipments

Digital radiography systems

Document scanners

Handy terminals

Card/label printers

Calculators



Canon Group : Organization*

	Marketing Subsidiaries	Manufacturing Subsidiaries	R&D Subsidiaries	Others	Total
Japan	10	24	1	27	62
Americas	21	3	2	7	33
Europe	110	8	2	29	149
Asia/ Oceania	26	18	3	6	53
Total	167	53	8	69	297

* As of the end of June 2011
Consolidated Subsidiaries

Canon Global Network

Integrated operations for Europe, Africa and the Middle East:

Canon Europe

Marketing	110
Manufacturing	8
R&D	2
Others	29

Integrated operations for Japan and the Canon Group:

Canon Inc.

Marketing	10
Manufacturing	24
R&D	1
Others	27

Integrated operations for North and South America:

Canon U.S.A.

Marketing	21
Manufacturing	3
R&D	2
Others	7

Integrated operations for Asia:

Canon China

Integrated operations for Oceania:

Canon Australia

Marketing	26
Manufacturing	18
R&D	3
Others	6

297 Consolidated Subsidiaries

As of Dec. 2010

Canon Inc. : Organization

Board of Directors Board of Corporate Auditors

Chairman

President

Vice President

Exec. Committee

Mgmt. Strategy Committee
 New Bus. Development Committee
 Corp. Ethics and Compliance Committee
 Internal Control Committee
 Disclosure Committee

6 Operations, 15 Headquarters

Office Imaging Products Operations

Peripheral Products Operations

L Printer Products Operations

Image Communication Products Operations

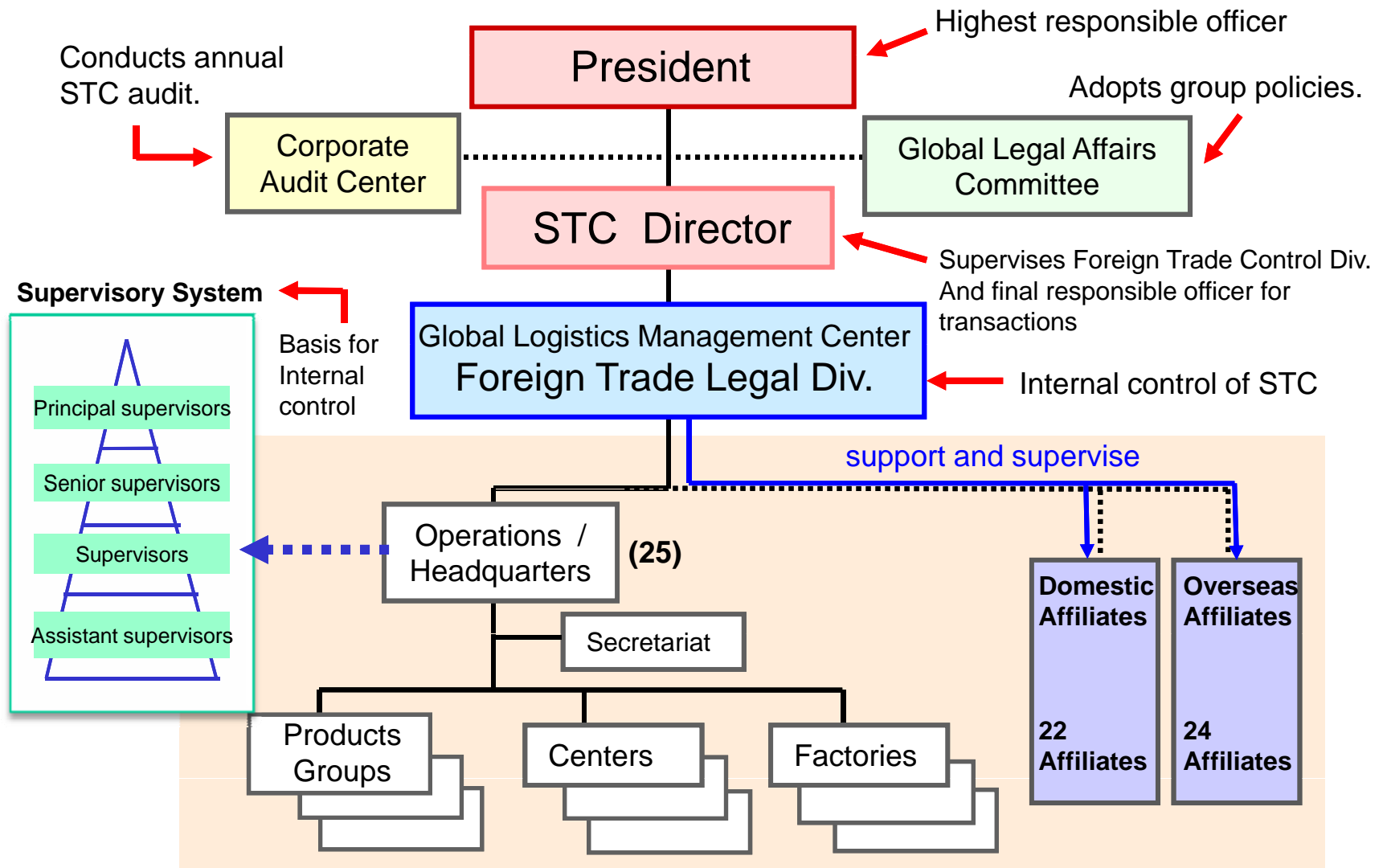
Inkjet Products Operations

Optical Products Operations

Medical Equipment Group

- ✓ Secretarial Office
- ✓ Corp. Ethics and Compliance Admin. Office
- ✓ Legal Affairs Coordination Div.
- External Relations Center
- Corporate Communications Center
- Corporate Audit Center
- Corporate Legal Center
- Design Center
- Global Logistics Management Center
- RDT Strategy Center
- Corporate Planning Development HQ
- General Affairs HQ
- Human Resources Mgmt. & Organization HQ
- Finance & Accounting HQ
- Information & Communication Systems HQ
- Environment HQ
- Global Procurement HQ
- Cost Engineering HQ
- Quality Management HQ
- Corporate Intellectual Property and Legal HQ
- Corporate R&D HQ
- Digital Platform Technology Development HQ
- Production Engineering HQ
- Global Manufacturing HQ
- Device Technology Development HQ
- Display Products Business Mgmt. Project

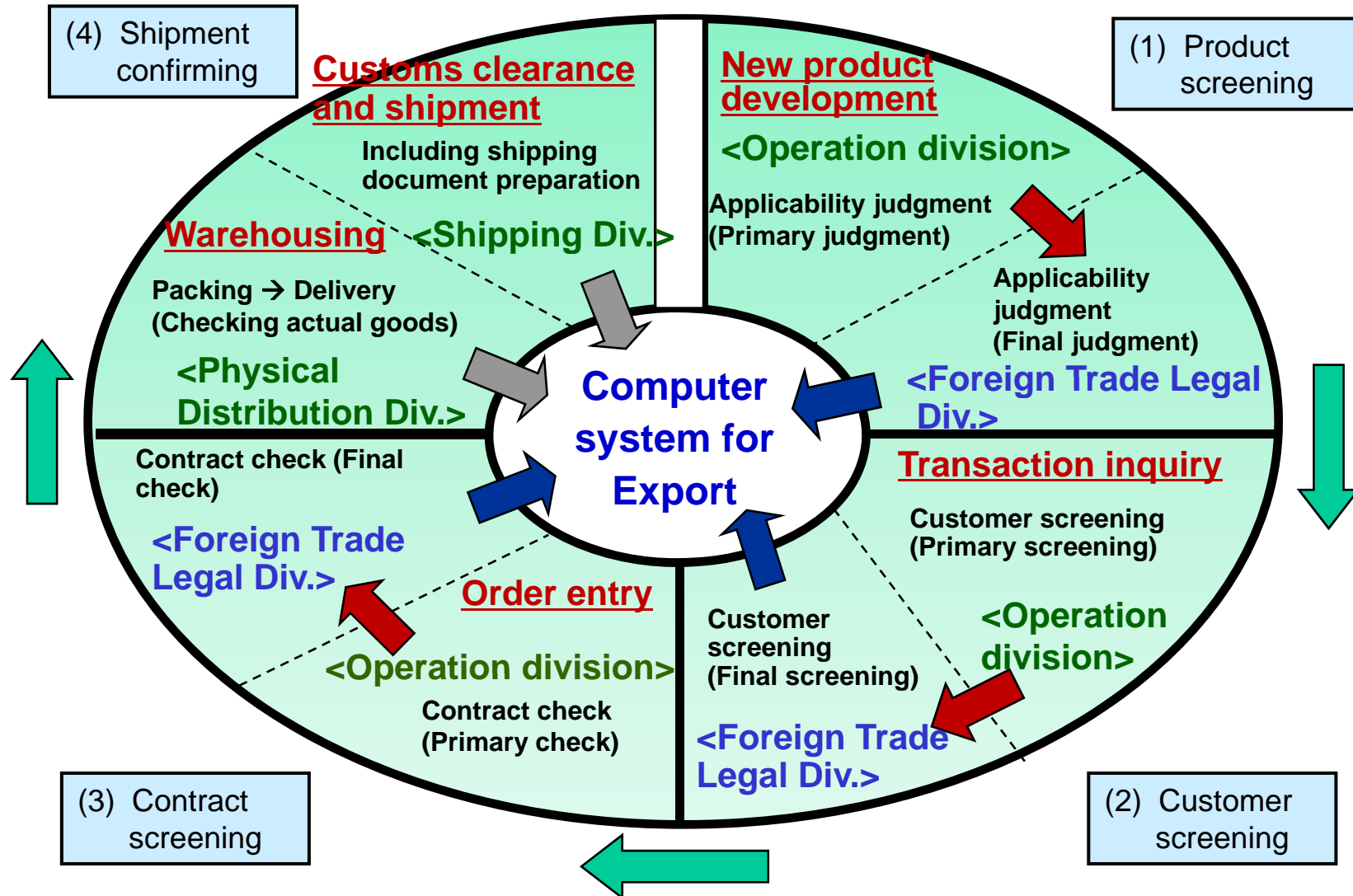
Canon's STC Compliance Organization



Roles of Foreign Trade Control Div.

1. Establish internal control organization
2. Set up control rules, procedures and their manuals
3. Screen products and technology (final responsibility)
4. Screen customer and transaction (final responsibility)
5. Judge and obtain necessary E/L
6. Educate employee
7. Support Corporate Audit Center
8. Support affiliates

Export control procedure in Canon



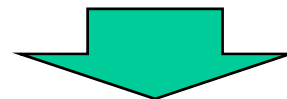
STC Compliance Program

Compliance Program (CP)

- CP on the Security Trade Control under Japanese Foreign Exchange & Foreign Trade Law

The CP consists of basic company policy, compliance organization, role & responsibility, control procedure, audit and penalty.

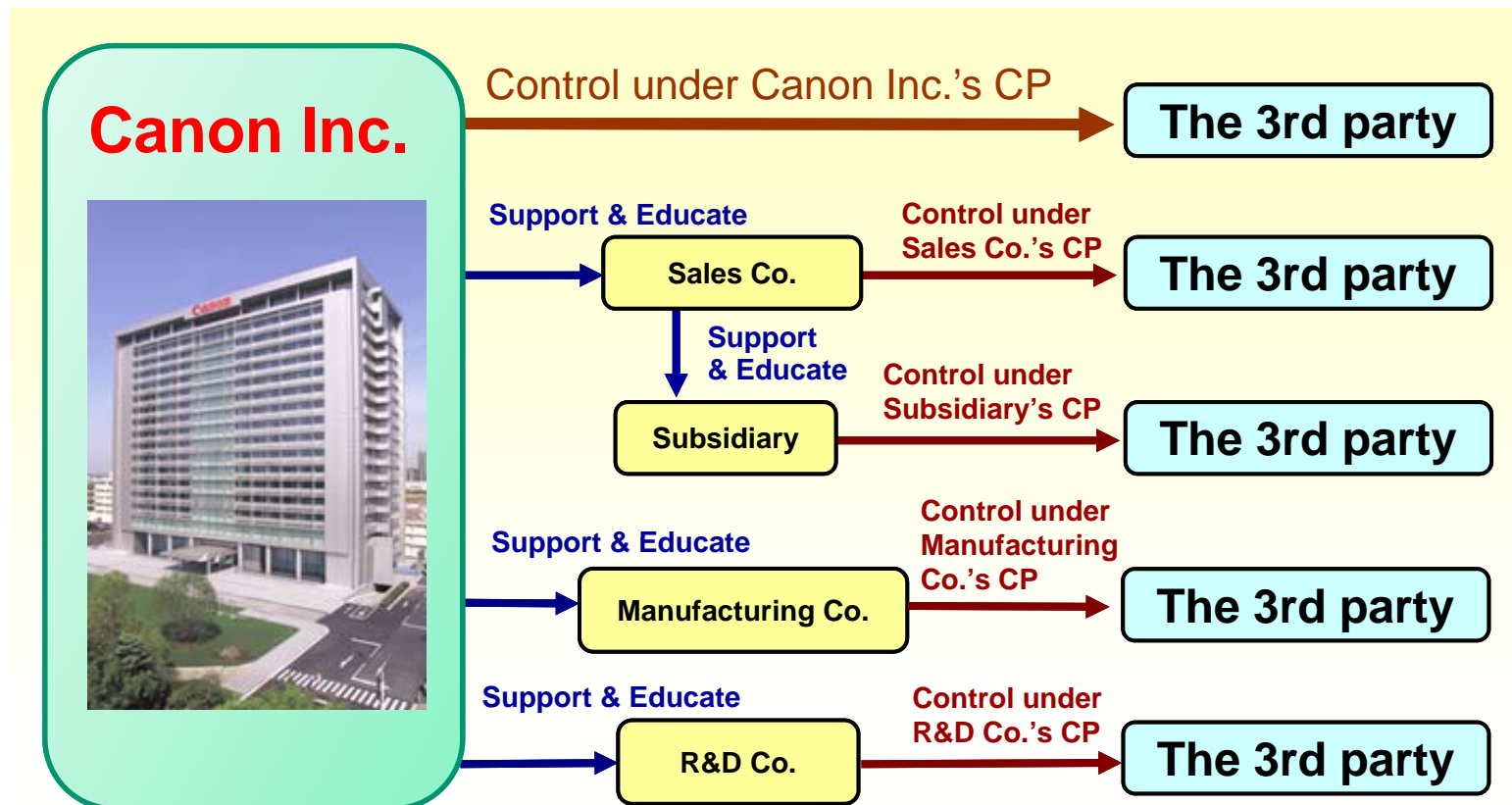
Submitted to METI and accepted



Comprehensive Export License

Responsibility on STC in Canon Group

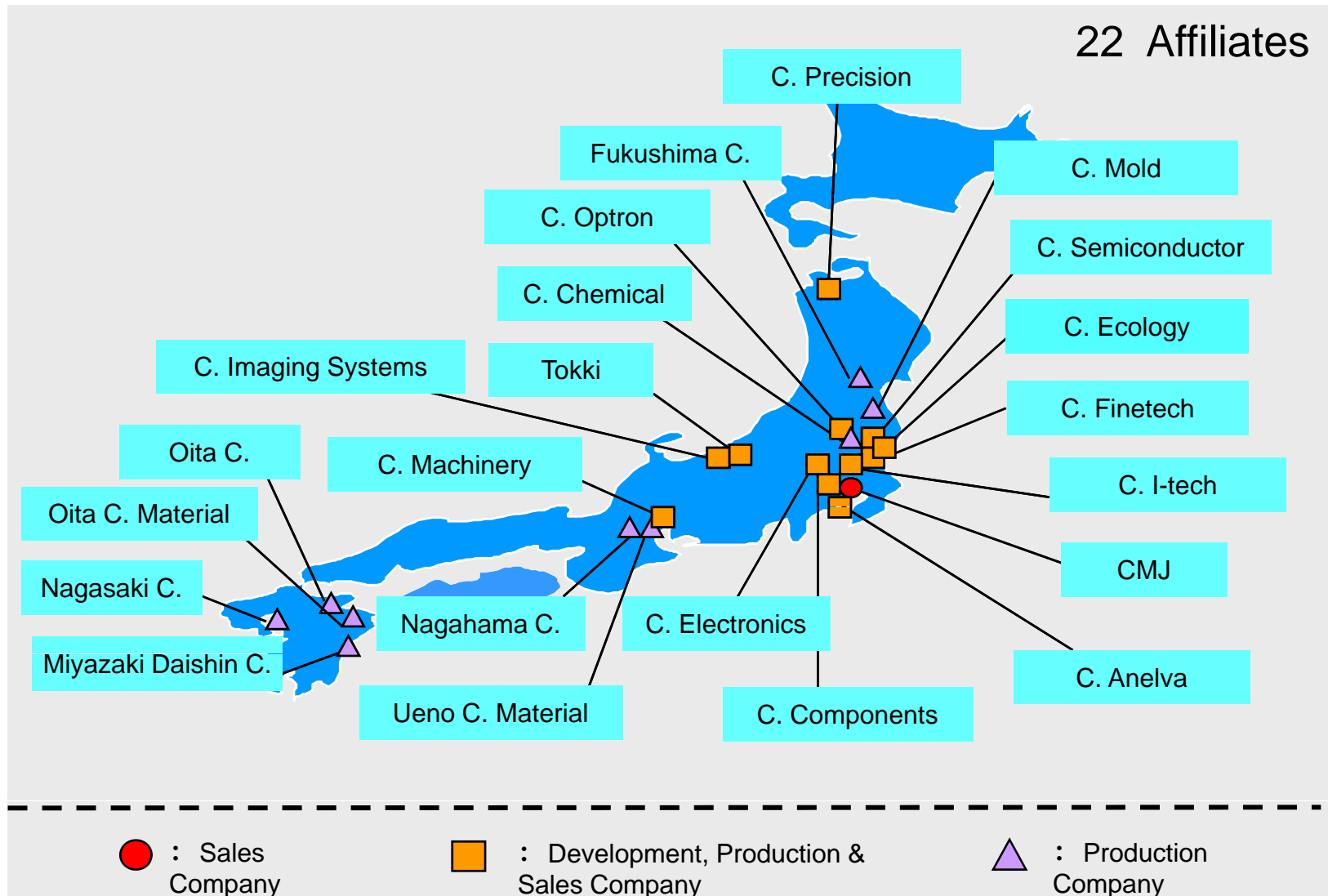
1. Parent companies have to support and supervise their subsidiaries.
2. Companies who deal with 3rd parties are responsible for STC compliance.
3. Canon has all responsibility of technical data for Canon's goods & technologies.



Domestic Affiliates that have STC organization

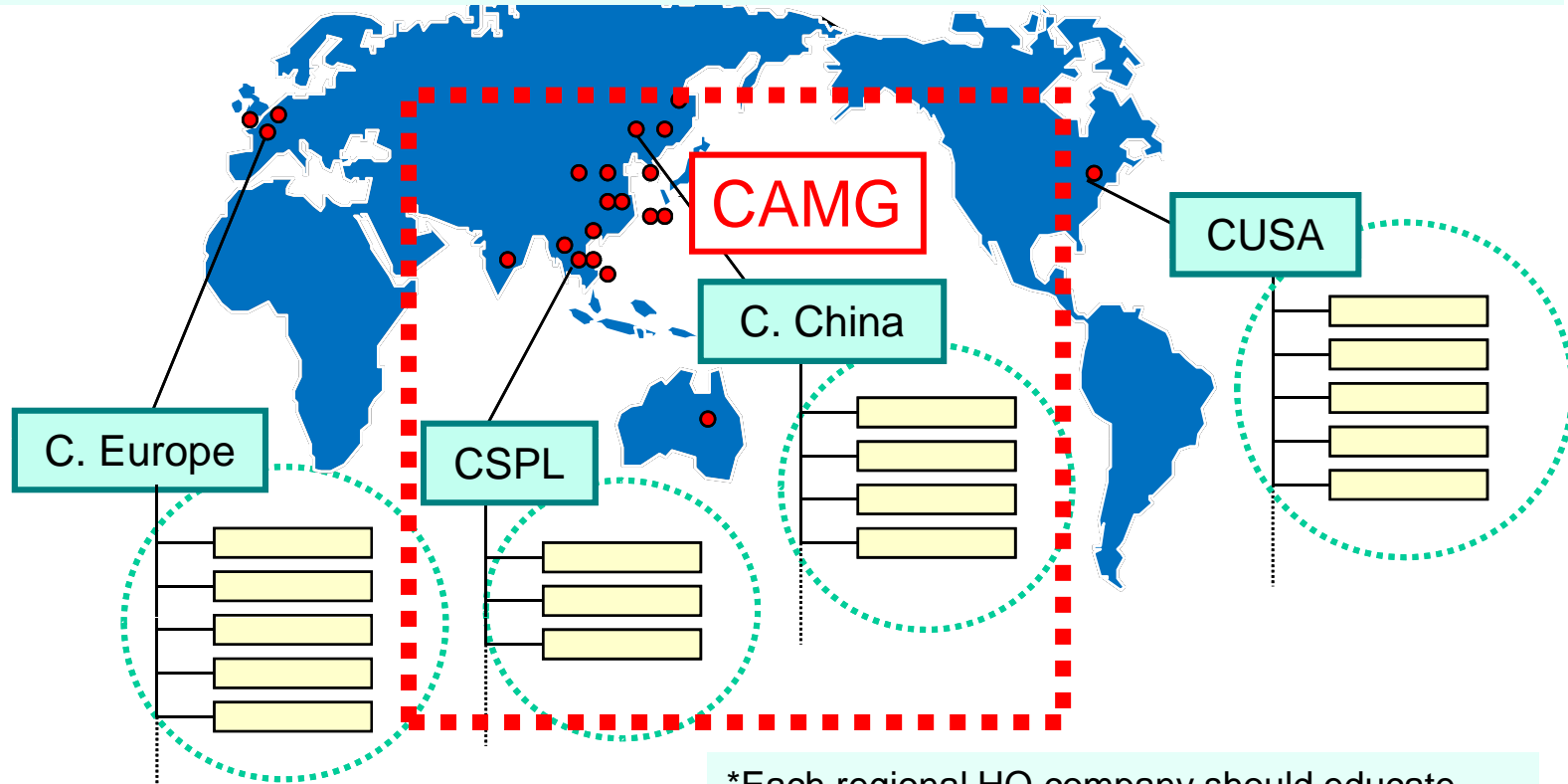


22 Affiliates



Roles of regional HQ companies

It will be more and more important that not only Canon's direct subsidiaries but also the whole group companies adhere to Security Trade Control related laws, regulations and Canon's policies.



*Each regional HQ company should educate and guide its subsidiaries. Then each HQ should establish the cycle of "CP ⇒ operation ⇒ audit" into its subsidiaries.

The meaning of compliance

“COMPLIANCE”

To comply with

LAWS & etc.

Covered by Policy

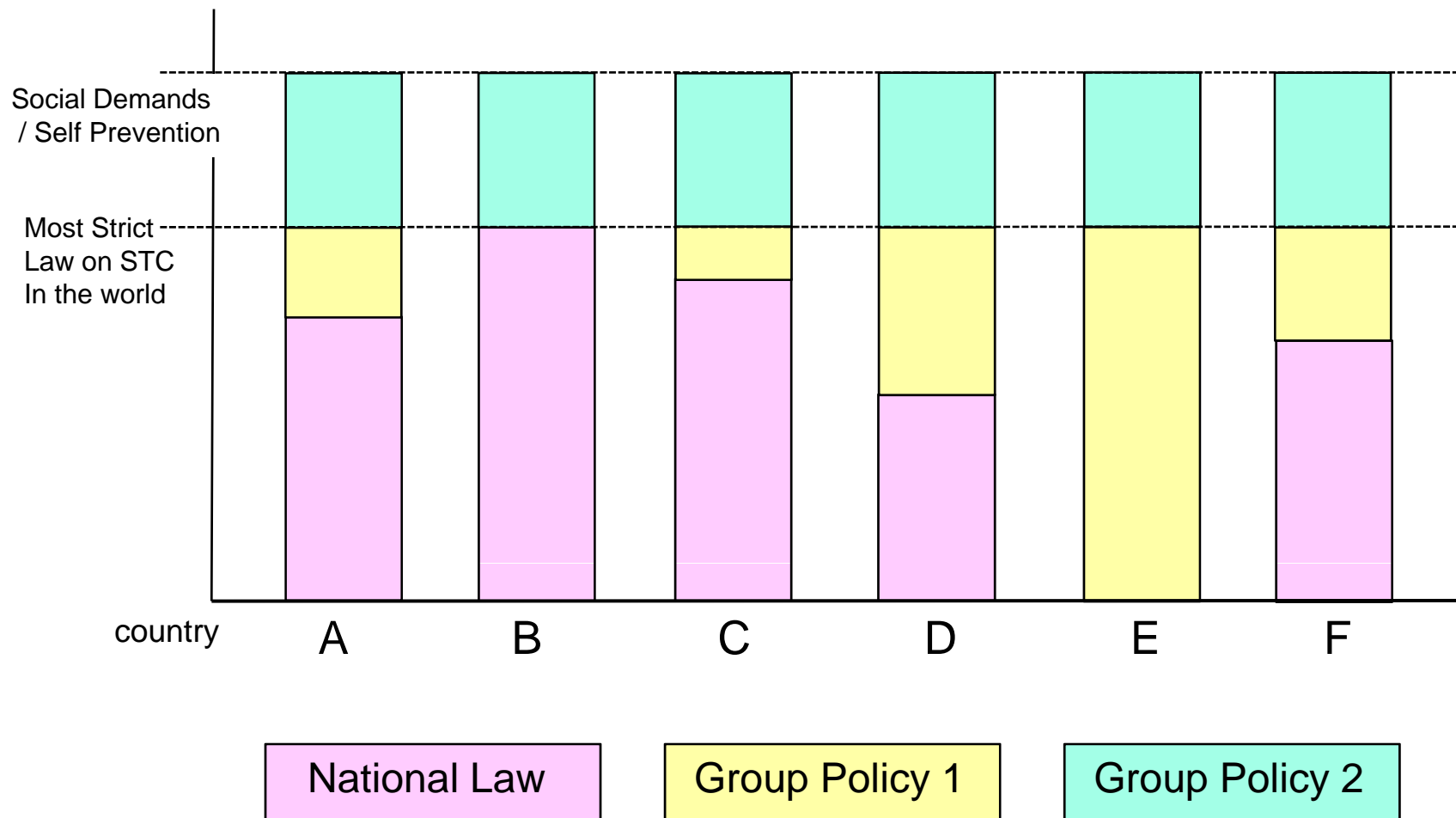
Demands by the society,
Getting bigger and bigger

Canon's technology range and marketing activities change.

How much “**etc.**” should we intervene?

National Laws & Group Policy

Comply with 1. National Laws & Regulations and 2. The Canon group policies



Principles of STC in Canon Group

Group Standard for STC compliance

- *The president takes a position as the highest responsible officer for Security Trade Control (STC).
- *A division which is independent of sales division, takes a position as the overall control division on STC.
- *Clarifying the necessary control process and procedures on STC.
- *Setting up the proper administrative structure on STC based on the type & scale of the business of the company.
- *Conducting internal audits on STC.
- *Setting up a **C**ompliance **P**rogram on STC and keeping it effective.

Corporate Social Responsibility

In order to contribute to peace and security in the world, companies must adhere to the related Security Trade Control laws, regulations and Group policy.

This is one of the most important issues for maintaining corporate activity.

Canon has declared that we never violate the Security Trade Control laws and regulations.

Thank you for your attention.

