

**Thailand-Japan Joint Export Control Seminar  
March 8, 2011**

**Export Control Practices  
in the Toshiba Business Group**

**Export Control Division  
Toshiba Corporation (Japan)**

**Presentation by :  
Thai Toshiba Electric Industries Co., Ltd**

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**Presentation Overview**

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## 1. Corporate Overview (1/3)

### Toshiba Corporation (Japan)

**[Founded]** July 1875

[as of March 31, 2007]

**[Paid-in capital]** 274.9 billion yen

**[Consolidated net sales]** 7,116.4 billion yen

**[Number of employees (consolidated)]** 190,708

**[Number of consolidated subsidiaries]** 519

(257 in Japan, 262 overseas)

#### [Products]

##### 1. Digital Products :

Notebook PCs, Mobile Phones, TV sets, DVDs

##### 2. Electronic Components :

Semiconductors, Flash Memories, LCDs

##### 3. Social Infrastructure Systems :

Nuclear/Thermal/Hydroelectric Power Plants, Railroad/Highway  
Traffic Control Systems, Broadcasting Systems, Medical Devices

##### 4. Consumer Products :

Refrigerators, Washing Machines, Air-Conditioners, ect



## 1. Corporate Overview (2/3)

### < Product Examples >

#### 1. Digital Products



Notebook PC



Mobile Phone

#### 2. Electronic Components



SD Cards

#### 3. Social Infrastructure Systems



Turbine



Medical Devices

#### 4. Consumer Products



Refrigerator etc.

## 1. Corporate Overview (3/3)

**Company Name :** Thai Toshiba Electric Industries Co.,Ltd.  
**Line of Business :** Manufacturing and Sales of Household Appliances, Parts and Industrial Motors  
**Founded :** September 29, 1969  
**Capital :** THB 198.2 Million  
**Manpower :** Total 2,547 (As of Dec .2010)  
**Factory Location :** 129/1-5, Tivanon Road, Thasai, Muang, Nonthaburi, 11000, Thailand



**TOSHIBA : Electric Household Appliances**

Refrigerator

Electric Fan

Rice Cooker

Microwave Oven

Wine Cellar

Air Purifier

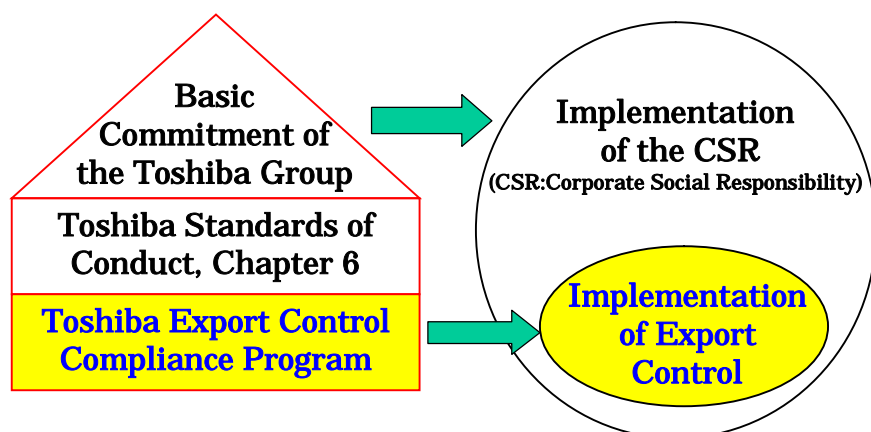
Electric Pot

Dish Washer

Dehumidifier

Induction Heating Cooker

## 2. Corporate Basic Policy (1/3)



**Basic Commitment: "Commitment to People"**  
**"Commitment to the Future"**

## 2. Corporate Basic Policy (2/3)

### [ Toshiba Business Group Policy on Export Control ]

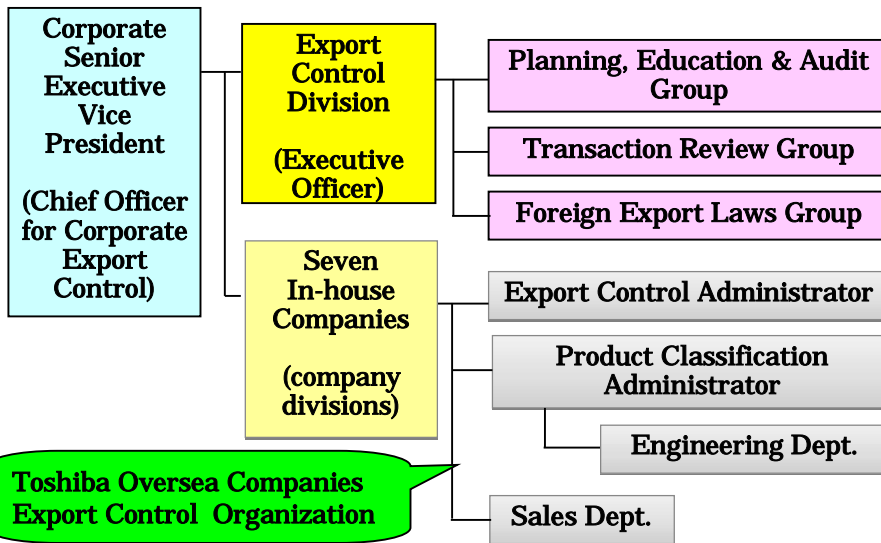
1. Toshiba business group will not engage in any transaction that could undermine international peace and security. <> Compliance with Multilateral Export Control Regimes (NSG, AG, MTCR, WA)
2. Member companies of the Toshiba business group must develop and implement their compliance programs pursuant to the export control laws and regulations of the countries/regions in which they operate.
3. Those transacting U.S.-origin products (commodities, technology / software) shall also incorporate into their export compliance programs, control rules and procedures pursuant to the U.S. export control law.

## 2. Corporate Basic Policy (3/3)

### [ Toshiba Export Control Compliance Program ]

- Chapter 1: Statement of Corporate Policy
- Chapter 2: Definition of Terms
- Chapter 3: Export Control Organization
- Chapter 4: Control Procedure
- Chapter 5: Education
- Chapter 6: Compliance Reviews
- Chapter 7: Notification of Violation and Corporate Sanctions
- Chapter 8: Group Companies

### 3. Export Control Organizations (1/1)



### 4. Export Control Procedures

#### 4.1 Product Classification (1/4)

**Product (commodity, technology / software) classification**

**To determine if a license is required for the product to be exported or released to a foreign national / non-resident.**

**All export products must be classified.**

**All classification results must be checked and approved by the Product Classification Administrator.**

**In addition, they must be verified by the export control organization in charge.**

**All classification results are listed in the export control database. -Approximately 1.5 million entries-**

## 4.1 Product Classification (2/4)

### [Controlled Products]

Control	Category (Japanese Law)	Products	Basis
Listed Items	Category 1	Arms and Munitions	Japanese Law
	Category 2	Nuclear weapons related dual-use	NSG
	Category 3	Biological and chemical weapons related dual-use	AG
	Category 4	Missile related dual-use	MTCR
	Categories 5-15	Conventional weapons related dual-use	WA
"Catch-all" Items	Category 16	Other items not listed elsewhere	Japanese Law

## 4.1 Product Classification (3/4)

### [Listed Products in Toshiba]



BWR Nuclear Reactor  
Pressure Vessel and  
Internal Structure

Equipments for Nuclear Power Plant  
 · Light Water Reactor, Fast Breeder Reactor, Advanced Thermal Reactor  
 · Enrichment of Uranium, Processing Plant, Nuclear Fusion etc.

**Integrated Circuits**

**Digital Computers**

**Electronic Vacuum Tubes**

**Equipments and Components using Cryptographic Techniques  
 (Personal Computer, Microprocessor, Electric Household Appliances, etc.)**

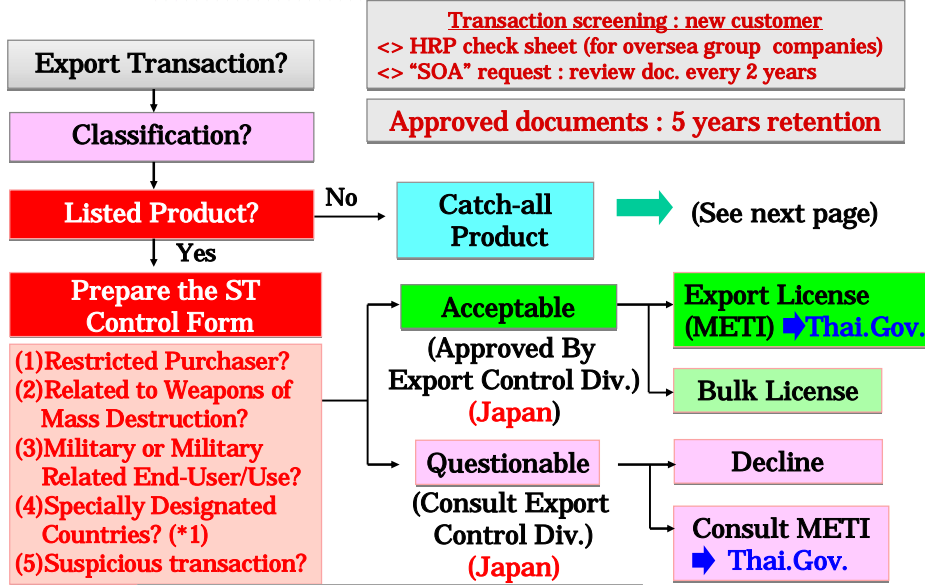
## 4.1 Product Classification (4/4)

### [Product Classification Form]

The form includes sections for 'Export Management Responsibility' and 'Technology'. Below these are columns for 'Product Classification' and 'Technology Classification'. A large callout box on the right states: "Control Number for U.S. origin products. Permissive export destination code."

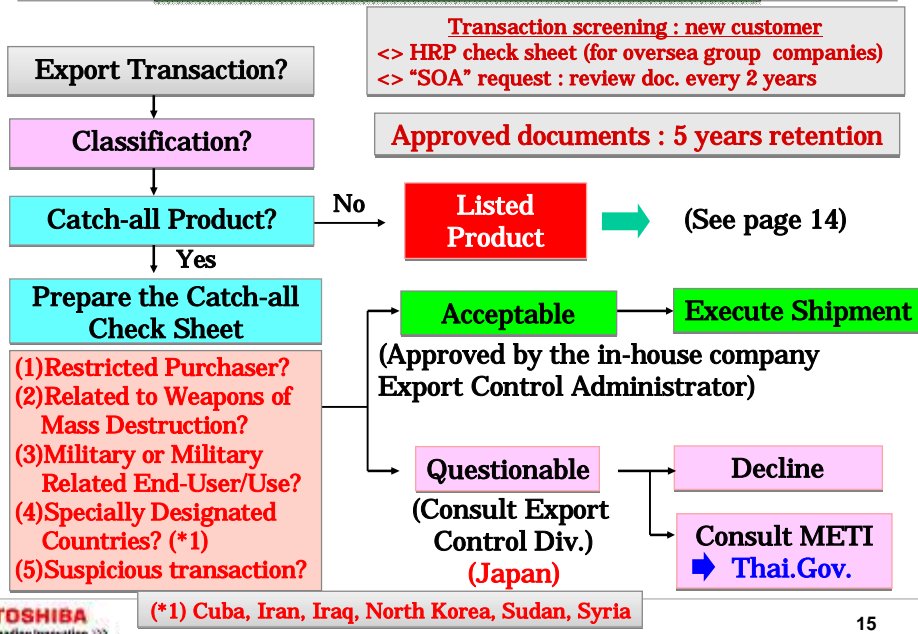
Approved documents : 5 years retention

## 4.2 Transaction Screening (1/5)

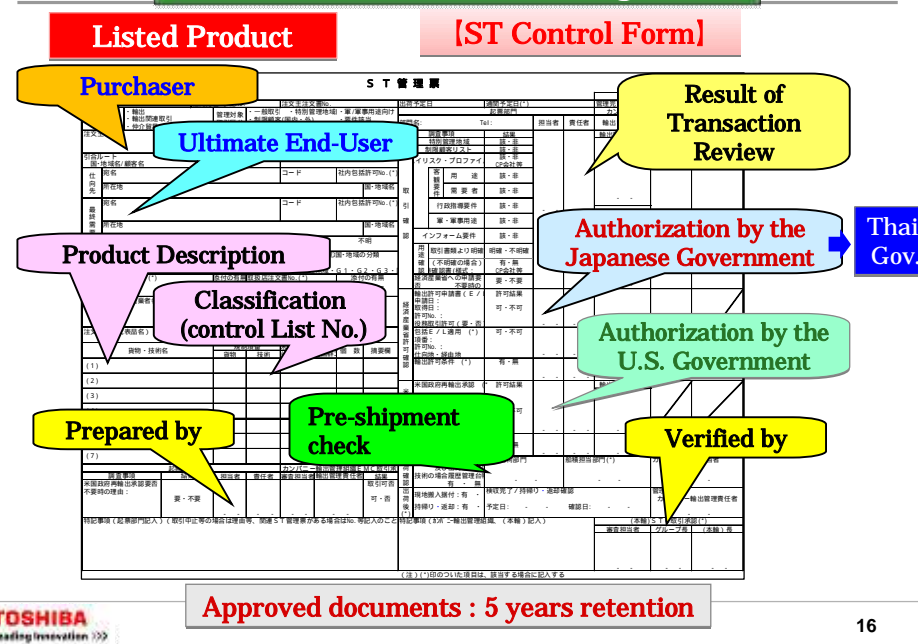


(\*1) Cuba, Iran, Iraq, North Korea, Sudan, Syria

## 4.2 Transaction Screening (2/5)



## 4.2 Transaction Screening (3/5)





## 4.2 Transaction Screening (4/5)

### Catch-all Product

### [Catch-all Check Form]

Purchaser

Ultimate End-user

Any Listed Products?

Restricted Purchaser?

For Weapons of Mass Destruction or conventional weapons?

Destined for a "Specially Designated Country" ?

Prepared By

Authorized By

Catch-all Screening is required for all transactions.

It is to check if there is any sign that the products are destined for a Weapons of Mass Destruction or conventional weapons related end-use/end-user.

Also to identify the end-use and who is the end-user.

ST Control Form must be issued for any transaction destined for a country included in the list of "Specially Designated Countries".

(\*1)

## 4.2 Transaction Screening (5/5)

### [Restricted Purchasers]

Type	Contents
DPL (Denied Persons List)	Lists individuals and entities that willfully violated the U.S. export control laws and regulations (published by the U.S. Government).
Entity List	Lists persons and entities involved in activities related to WMD (published by the U.S. Government).
List of Designated Terrorist	Lists terrorists, terrorism organizations and related entities identified by the United Nations, U.S., etc..

[More than 7,600 entities and persons are listed in the database.]

### 4.3 Pre-shipment Review (1/1)

#### [ Packing and Shipping (Logistics) Section ]

The Packing and Shipping Section is required to conduct pre-shipment review to ensure that the shipment is consistent with the information on the approved ST Control Form and other relevant documents. It is also required to check if the transaction approval has been completed.



#### [ Forwarding and Loading (Export) Section ]

The Forwarding and Loading Section shall ensure that there is no discrepancy between information on the approved ST Control Form, export license, invoice and documents issued for the preparation of export declaration.



Shipping documents :  
5 years maintenance & retention

### 4.4 Education (1/1)

In order to implement export controls consistently with the applicable laws and regulations, education courses are provided to directors and employees to ensure awareness of the purpose, objectives, procedures and the importance of the export controls.

Export Control Division prepares educational materials.

#### [ General Course ]

Mandatory education for the directors and all employees.  
Attendance:  
2000 persons / year.

#### [ Operational Course ]

Specialized education for those engaged in export sales / export related operations.  
Attendance:  
600 persons/ year.



## 4.5 Compliance Review (1/2)

**Export Control audits are performed periodically to ensure that the controls are effectively and appropriately implemented consistently with Toshiba's basic policy on export control.**

**Export Control Division conducts in-house company audits (once every year).**

**Export Control Administrators of the in-house companies are responsible for conducting audits of their subsidiaries (once every 2 or 3 years).**



### [ Processes ]

1. Issuance of audit notice

2. On-site audit

3. Issuance of audit report, corrective action request etc.

4. Review the corrective action plan.

5. Evaluate the effectiveness of Correctional measures.

## 4.5 Compliance Review (2/2)

### [Pre-Audit Questionnaire (excerpt)]

輸出管理監査事前質問書		Pre-audit questionnaire	Answer	Requirement for improvement
注1) 質問事項				
注2) 質問事項				
取引審査・スクリーニング	審査手続き及びスクリーニングに関する実施細則は明確に定められていますか、最新の実施細則・マニュアルを提出下さい。	Do you prepare the manual for screening?		
	審査責任者、審査担当者は適正に選任されていますか、最新の取引審査体制表(図)を提出して下さい。	Did you assign the group leader for screening?		
	輸出等取引と国内取引の区別は、どのような方法で行っていますか、(販売処理システムによるチェック、マニュアル・チェックなど)	How do you check the restricted purchasers?		
	制限顧客のチェック方法を説明して下さい。(販売処理システムによるチェックなど)	How do you classify the products?		
	顧客マスタへの制限顧客情報の登録について、実施細則はありますか、あれば提出下さい。		有り	
	個別の取引における貨物・技術の該非判定方法を説明して下さい。(販売処理システムによるチェック、マニュアル・チェックなど)		有り	
	該非判定の方法が変更となる場合及び審査対象であっても取引のつとめは変更があり得る場合について、該非判定の見直しに関する実施細則はありますか、あれば提出下さい。		有り 無し	

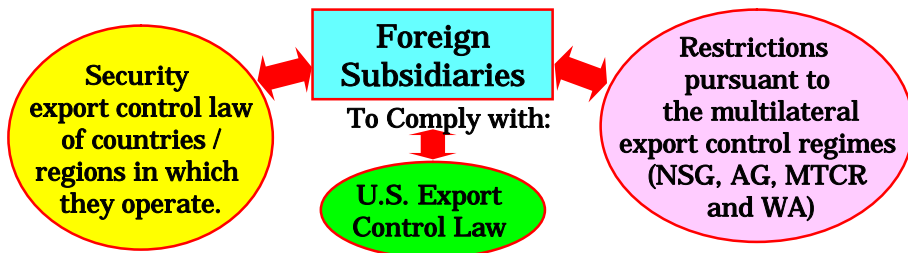
Each audit is performed to verify the performance of export controls by evaluating against a checklist with about 80 check items.

## 5. Export Controls in Foreign Subsidiaries (1/2)

Foreign subsidiaries are generally required to implement export controls pursuant to the multilateral export control regimes, in addition to the applicable national or regional export control laws / regulations.

**Those transacting items subject to U.S. jurisdiction must also implement export controls pursuant to the U.S. law.**

Foreign subsidiaries are generally advised to develop export compliance programs modeled on the Toshiba Export Control Compliance Program.



## 5. Export Controls in Foreign Subsidiaries (2/2)

Export Control Division and the relevant export control administrators provide necessary support by sending experts for assistance. Our experts also provide education on specific control procedures.

Once every year, Toshiba Corporation conducts export control workshops aimed at enhancing control skills of export control personnel in foreign subsidiaries.

Members of Export Control Division provide lectures on control procedures and international situations affecting export control.



Singapore, 2006



Dalian, China, 2007



Shanghai, China, 2007

## 6. Information Sharing (1/2)

Export Control Division maintains an intranet website accessible to most members of Toshiba group companies in Japan.

By checking this website, members of Toshiba group companies / related companies may obtain updated export control related information. The website contains information on export control laws, control procedures, guidance, current international situations etc.

[Export Control Intranet Website]



Average 500 accesses / day

## 6. Information Sharing (2/2)

Export Control Division also maintains an English language website accessible to members of our subsidiaries in Southeast Asia and India.

By checking this website, members of our subsidiaries in Southeast Asia and India may obtain updated export control related information such as recent actions by relevant authorities, export violation / sanction cases, current international situations and other useful information for the regions.

[English Version Website]



## 7. Advices to Companies

**Develop a compliance program**

**In implementing the export control,**

**Take an utmost great care in**

**Product Classification**

**End Use and End User Check**

**(A violation could result in serious  
consequences.)**

**Keep records as evidence**

**Consult with the relevant Government  
authority if you have any doubt**



**Thank you very much for your attention**