

TOSHIBA

Leading Innovation >>>

The 20th Asian Export Control Seminar

Export Control Practices in the Toshiba Group

February 26th, 2013

**Export Control Division
Toshiba Corporation**

Presentation Overview

1. Corporate Overview
2. Corporate Basic Policy
3. Export Control Organization
4. Export Control in Foreign Group Companies
5. Education and Compliance Reviews
6. Closing Remark

1. Corporate Overview (1/2)

【Founded】 July 1875 (as of March 31, 2012)

【Paid-in capital】
439.9 billion yen

【Consolidated net sales】
6,100.3 billion yen (45% in Japan, 55% overseas)

【Number of employees (consolidated)】
210,000

【Number of group Companies】
750 (260 in Japan, 490 overseas)

- 【Products】**
1. Digital Products
 2. Electronic Components
 3. Social Infrastructure Systems
 4. Consumer Products



1. Corporate Overview (2/2)

< Product Examples >

1. Digital Products



Notebook PC



LCD TV

2. Electronic Components

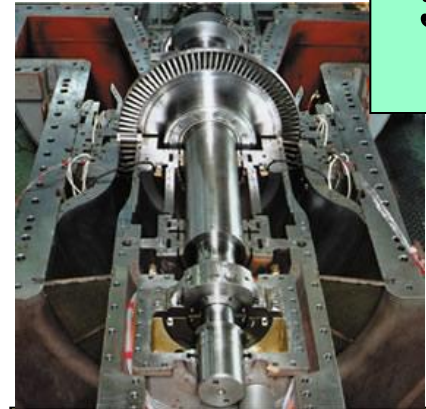
NAND Flash Memory



SSD



3. Social Infrastructure Systems



Power Generation Plant



Multi-slice CT

4. Consumer Products



Home Appliances

2. Corporate Basic Policy (1/5)

Basic Commitment of the Toshiba group

“Committed to People.
Committed to the Future. Toshiba”



Toshiba Standards of Conduct (SOC)



Toshiba Export Control Compliance Program
(ECCP)

2. Corporate Basic Policy (2/5)

Toshiba Standards of Conduct (SOC)

Chapter 6 “Export control”

Toshiba Group Companies shall:

1. refrain from any transactions that may undermine the maintenance of global peace and security;
2. comply with all applicable export laws and regulations in each country and region of operation, and with those of the United States if we are engaged in transactions involving U.S. products and technology; and
3. prepare and implement export control compliance programs (hereinafter called the “Export Control Programs”) that stipulate corporate policies and procedures for assuring compliance with the foregoing laws and regulations.

2. Corporate Basic Policy (3/5)

Toshiba Export Control Compliance Program (ECCP)

Chapter 1 Statement of Corporate Policy

Chapter 2 Definition of Terms

Chapter 3 Export Control Organization

Functions & responsibility , etc.

Chapter 4 Control Procedures

Product classification, Transaction Review, Pre-shipment review, Retention of Documents, etc.

Chapter 5 Education

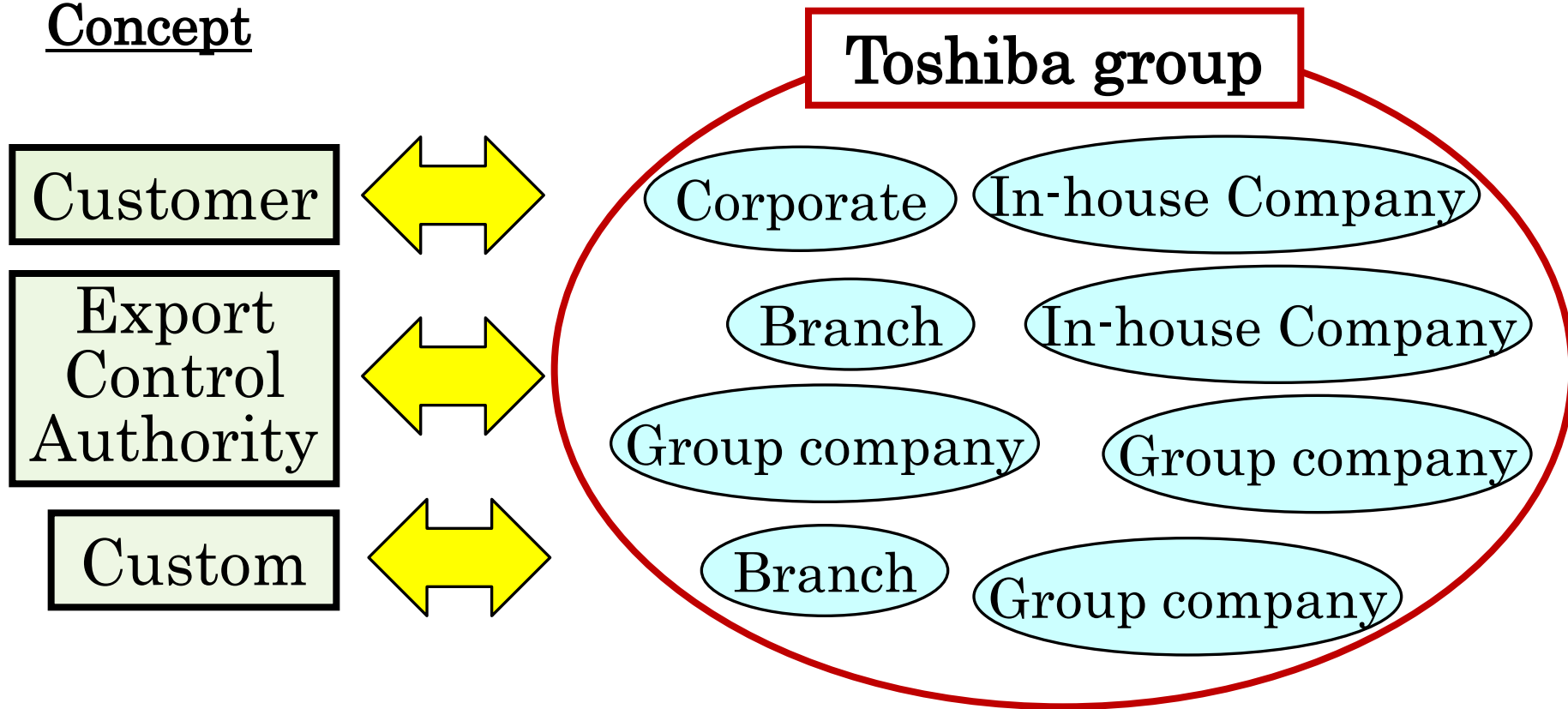
Chapter 6 Compliance Reviews

Chapter 7 Notification of Violation & Sanctions

Chapter 8 Group Companies

2. Corporate Basic Policy (4/5)

Concept



A single violation by a single unit could be viewed as a violation committed by the Entire Toshiba Group".

2. Corporate Basic Policy (5/5)

Concept

Contribution to global peace & security

The multilateral
export control
Regimes
(WA, NSG, AG,
and MTCR)

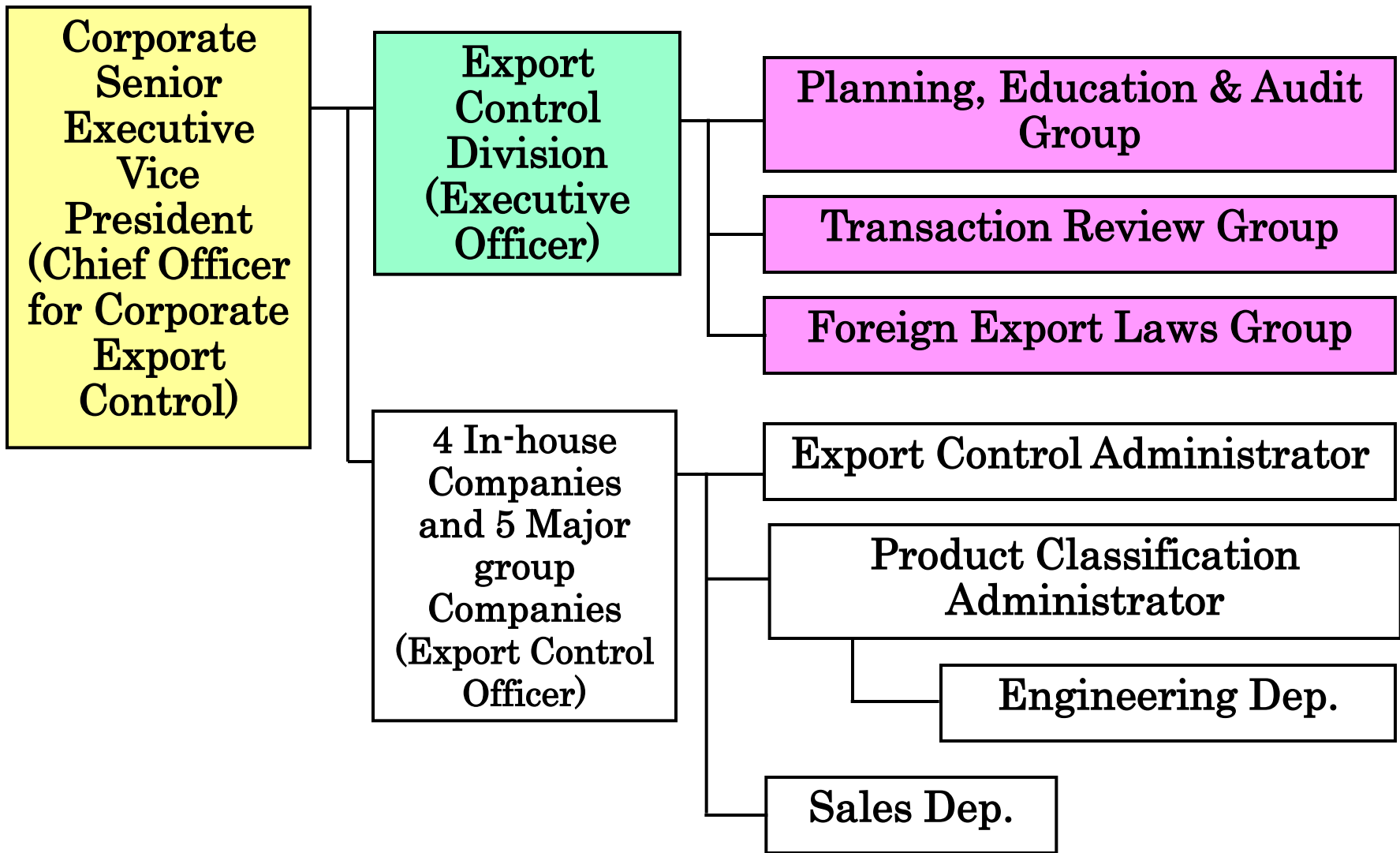
All applicable
export control
laws and
regulations in
each of the
Countries

US
export
control
Law*

Toshiba Group's Export Control

Toshiba Export Compliance Program
Common in Toshiba Group

3. Export Control Organization (1/2)



3. Export Control Organization (2/2)

- Development and maintenance of Compliance Program
- Procedural rulemaking
- Administration of compliance education
- Audits for in-house companies /group companies

- Review and approval of controlled transactions
- Instructions / assistance to in-house companies and their subsidiaries

- Collection, distribution and notification of updated information relevant to the U.S. export control laws and regulations
- Instructions / assistance to in-house companies and foreign group companies transacting U.S.-origin products.

Planning, Education & Audit Group

Transaction Review Group

Foreign Export Laws Group

Export Control Administrator

Export Classification Administrator

Dep.

4. Export Control in Foreign Group Companies(1/4)

Correspondences to the basic policy
(three pillars) of export control

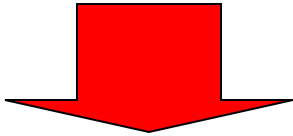
Toshiba group shall comply with

1. all applicable export laws and regulations in each country/region of operation.
2. the multilateral export control regimes.
3. comply with US export control laws and regulations. (for US origin products)

4. Export Control in Foreign Group Companies(2/4)

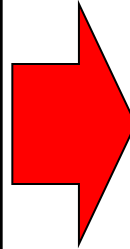
Product classification

- Listed controlled products
or catch-all controlled products
- US origin products



Confirmation of transaction type

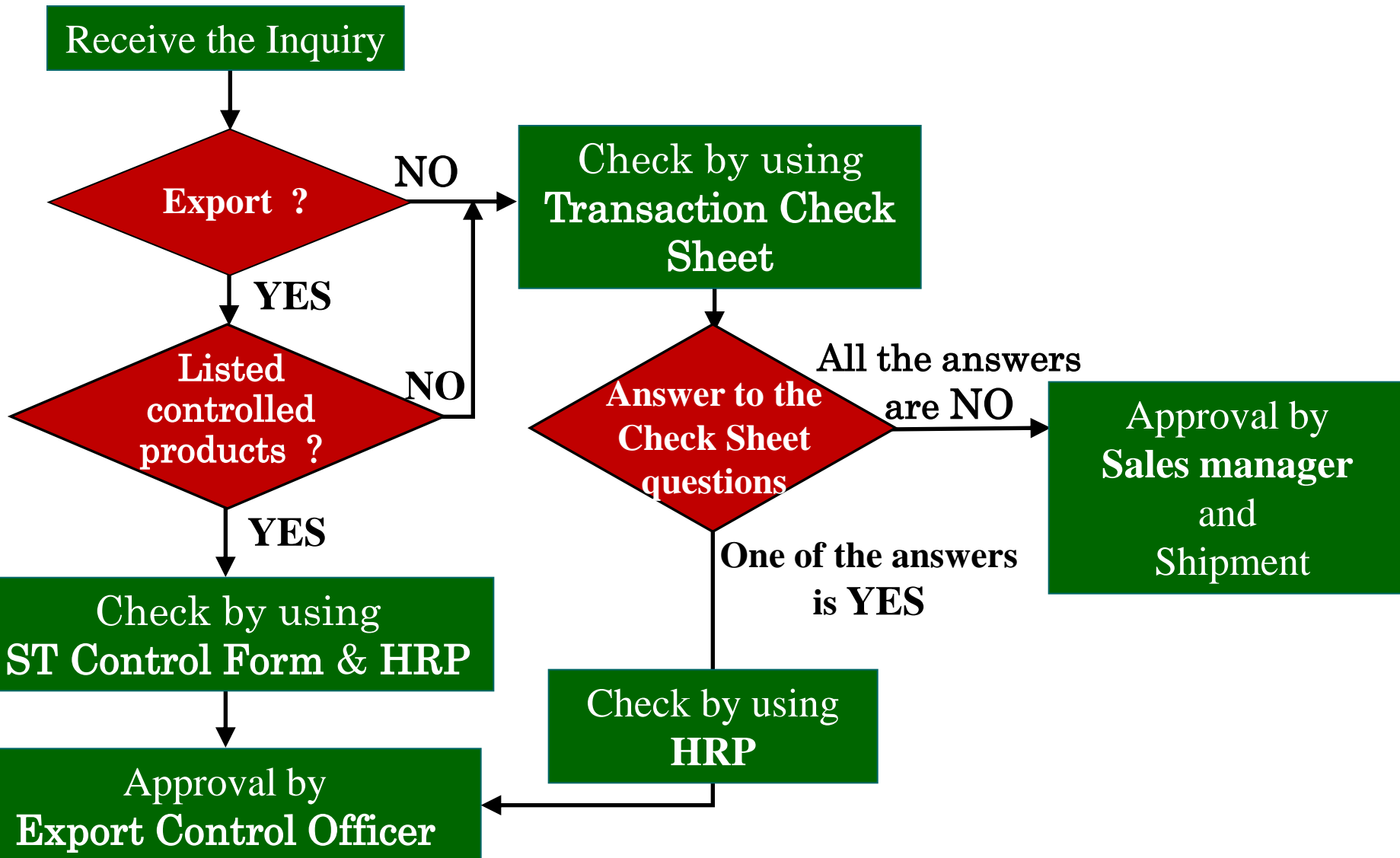
- Domestic transaction
- Export of listed controlled products
- Export of catch-all controlled products



Transaction review

- End-use verification
- Customer screening
 - Restricted purchaser
 - HRP*
- Destination screening
- Terrorist supporting countries
(for US origin products)

4. Export Control in Foreign Group Companies(3/4)



4. Export Control in Foreign Group Companies(4/4)

ST-Control-Form

ST CONTROL FORM NO.	P/O NO.			
TITLE OF CONTRACT				
TYPE OF TRANSACTION <input type="checkbox"/> Export / <input type="checkbox"/> Export related				
PURCHASER Name Country/Region				
DESTINATION				
PARTIES INVOLVED ----- IN TRANSACTION Name (Country/Region)				
ULTIMATE END-USER Name Address End-User				
DESCRIPTION OF PRODUCTS (Product Name and Model No.)	Q'TY	CLASSIFICATION (Control List No.)		
		National Control (HC: Base Country/Region)	ST Control (Japan)	EMC Control (U.S.)
TRANSACTION REVIEW		<input type="checkbox"/> Restricted Purchaser <input type="checkbox"/> Yes / <input type="checkbox"/> No <input type="checkbox"/> HRP Check Result <input type="checkbox"/> Indicated a sign of suspicion / <input type="checkbox"/> Indicated no sign of suspicion <input type="checkbox"/> Destined for a "Specially Controlled Destination" <input type="checkbox"/> Yes / <input type="checkbox"/> No <input type="checkbox"/> Military end-use end-user? <input type="checkbox"/> Yes / <input type="checkbox"/> No <input type="checkbox"/> Subject to EMC Control? <input type="checkbox"/> Yes / <input type="checkbox"/> No		
AUTHORIZATION BY THE NATIONAL GOVERNMENT		<input type="checkbox"/> Required / <input type="checkbox"/> Not required	LICENSE NO.	
AUTHORIZATION BY THE U.S. GOVERNMENT		<input type="checkbox"/> Required / <input type="checkbox"/> Not required	LICENSE NO.	
SALES SECTION		COMMENTS		
SALES SECTION	SALES MANAGER	PREPARED BY		
Authorization for Individual Transaction: <u>No</u> Authorization for Continuing Transactions: <u>No</u>				
This transaction is <input type="checkbox"/> Rejected / <input type="checkbox"/> Authorized		Date of Authorization	Authorized by	
Comment by Export Control Administrator				

ST Control Form

Transaction-Check-Sheet

Description of Products	Parties involved in the Transaction	
(Mark a circle where appropriate) This transaction includes: - Listed Controlled Product Yes/No - EMC Controlled Product Yes/No	Purchaser (Country/Region)	
	Intermediate Comigee (Country/Region)	
	Ultimate Comigee (Country/Region)	
Ultimate End-user	Quotation No.	P/O No.
Title of the Contract		

Complete the questions (1 through 6) below. A written approval by the Export Control Administrator would be required if you answer, "yes" to any one of these questions.

1. A party involved in the transaction (purchaser, intermediary, end-user etc.) is listed in the Table of Restricted Purchasers (TRP).	Yes/No
2. The transaction is destined for any one of the Specially Controlled Destinations (Iran, Iraq, North Korea, Cuba, Sudan, Syria)?	Yes/No
3. It is unclear whether the proposed transaction is destined for civil end-use end-user, from the RFQ or other documents received from the customer.	Yes/No
4. A document (RFQ, contract, purchase order etc.) received from a party involved in the proposed transaction contains information indicating that the product is destined for the end-use or end-user described in sub-paragraphs (1) or (2) below, or received information by other means of communication that the transaction is destined for such end-use or end-user.	
5. (1) The product will be used in production, processing, re-processing, operation, research development, stockpiling or use of conventional weapons or weapons of mass destruction (nuclear, chemical & biological weapons or missiles).	Yes/No
(2) The product is destined for a military organization, national defense agency or terrorist organization or will be used for a military end-use.	Yes/No
6. It is known that a party involved in the transaction is engaged in the business or service related to the activities described in paragraphs 4 (1) above.	Yes/No
7. There are suspicious circumstances indicating a "red flag" (payment terms are too favorable, request for extraordinary confidentiality, inappropriate delivery location or installation site etc.) as described in the Red Flag Check Sheet overleaf.	Yes/No

Did you answer, "yes" to any one of the above questions? → → → → Yes/No

Sales Section			Comments
Sales Section	Sales Manager	Prepared by	

Authorization for Individual Transaction: No

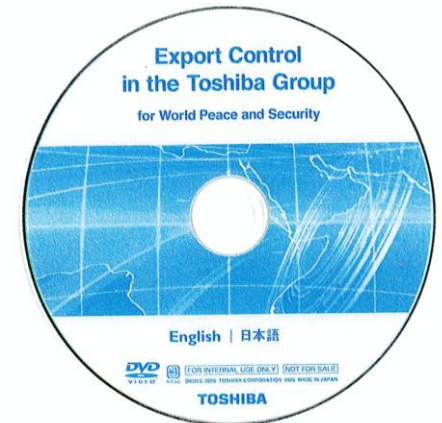
Authorization for Continuing Transactions: No

Transaction Check Sheet

5. Education and Compliance Reviews (1/2)

Education

- Awareness of export control
basic policy, objectives, & procedures
- For all directors & employees



DVD as education material

Compliance Reviews

- Organization and procedure of export control
- Evaluation of the performance & effectiveness
of the export control
- Recommendation and improvement

5. Education and Compliance Reviews (2/2)

Workshops for export control personnel in foreign group companies

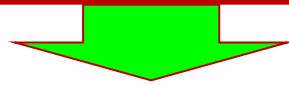
- Oct. 2012 at Singapore
- Oct. 2010 at Hangzhou, China
- Nov. 2009 at Singapore
- Oct. 2008 at Dusseldorf, Germany
- June 2007 at Shanghai and Dalian, China
- Dec. 2006 at Hong Kong
- June 2006 at Singapore

Participants in Singapore
Workshop, 2012



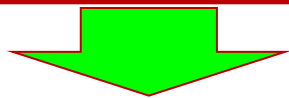
6. Closing Remark

As a global high-tech company, we seek good locations for manufacturing operation.



“Export control level” is one of factors to assess the location.

- To implement Toshiba Export Control Compliance Program
- To ensure our products and technology not to be diverted for WMD or terrorism purposes



Establishment of multinational regime level export control makes your country more attractive and will contribute to foster the advanced industries.



Thank you very much for your attention