



Export Control Practices in Panasonic Group

21 January, 2016

Panasonic Corporation

1. Company overview

2. Organization for export control

3. Basic stance for global export control

4. Basic 3 factors of export control

5. Rules on Transactions affecting Global Security

6. Final note

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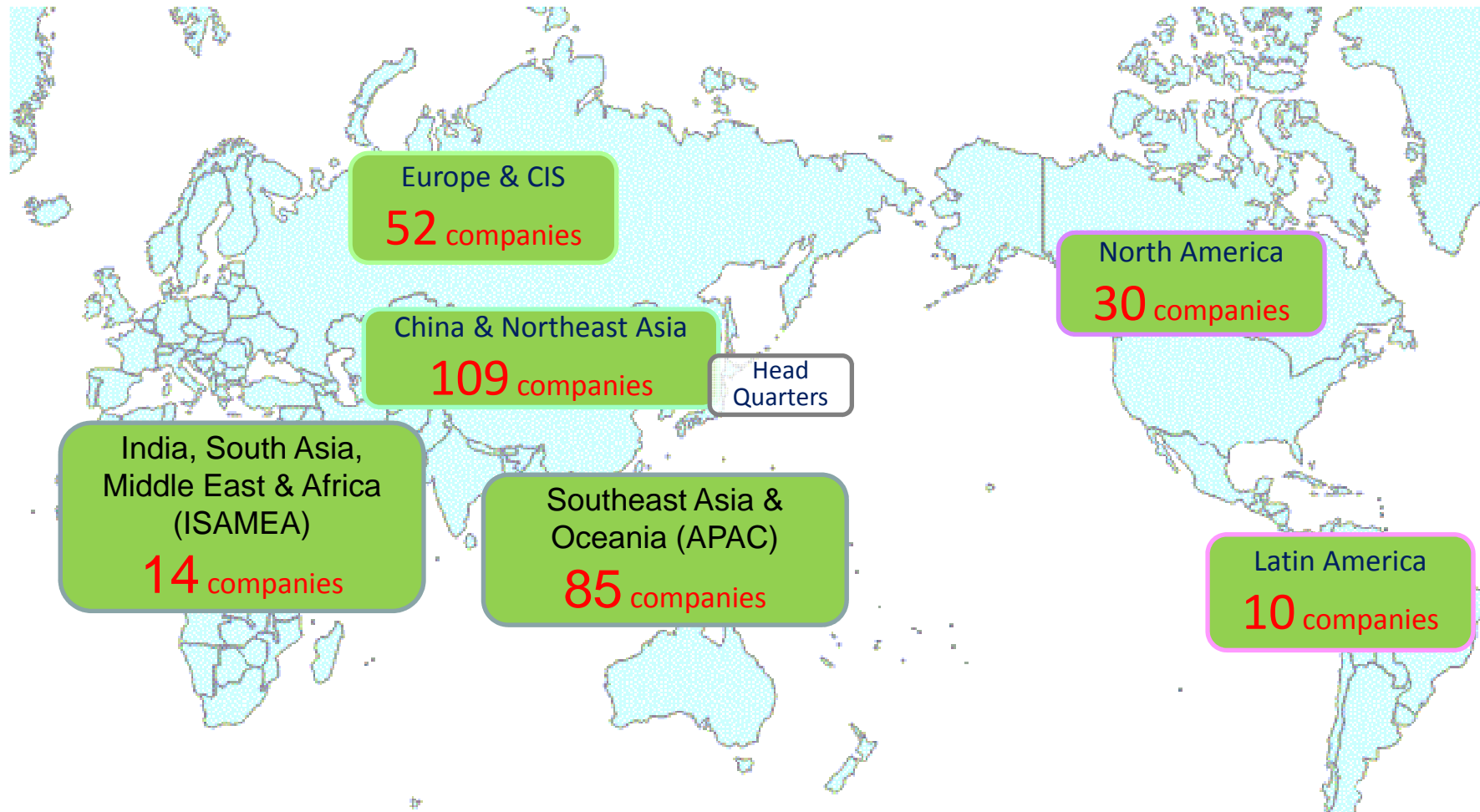
4. Basic 3 factors of export control

5. Rules on Transactions affecting Global Security

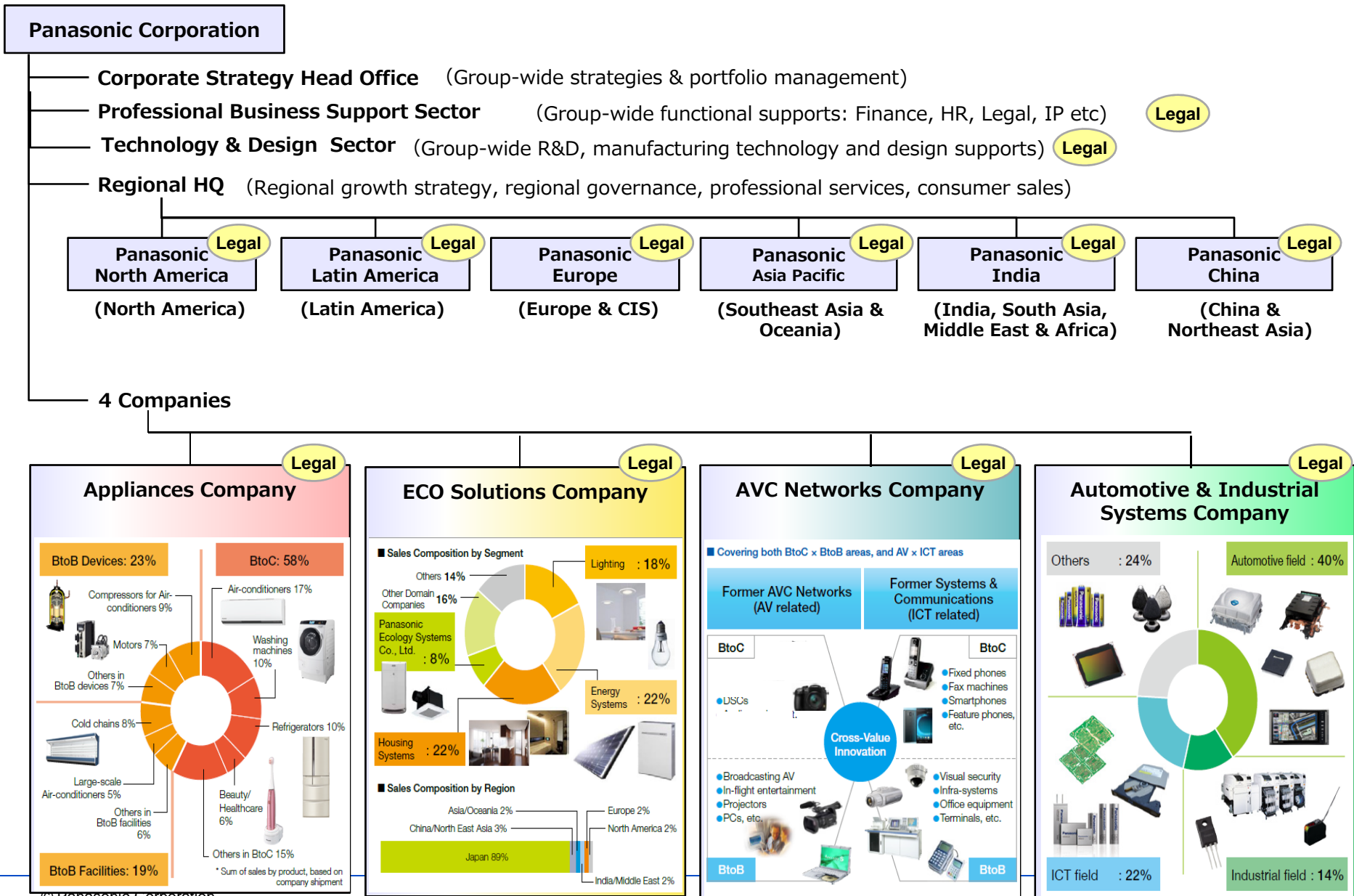
6. Final note

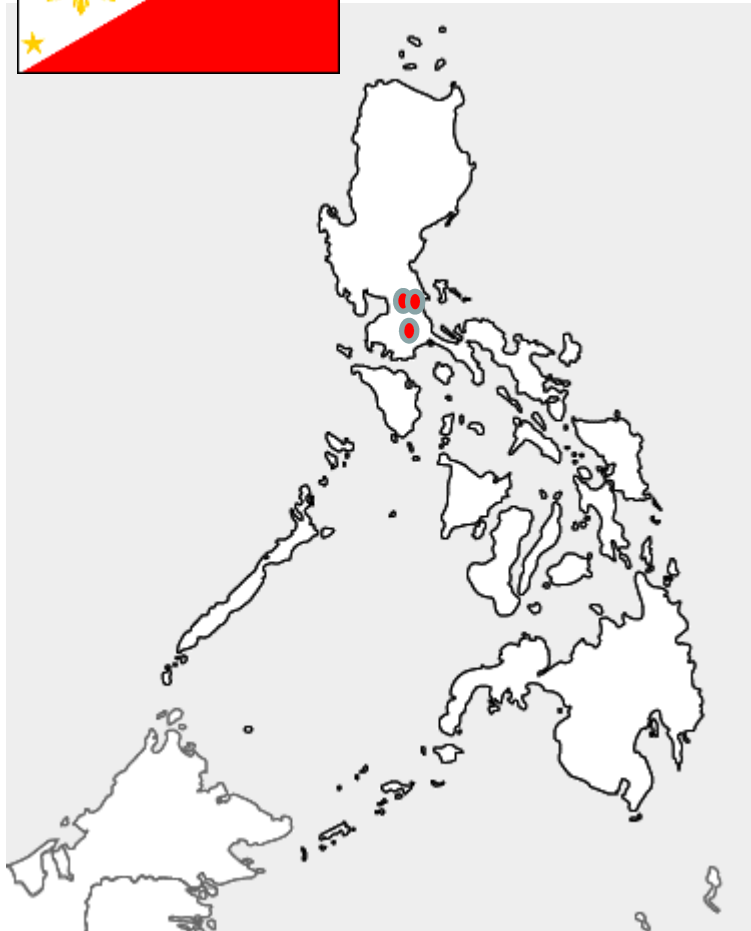
- Company name : Panasonic Corporation
- Head office : Kadoma City, Osaka, Japan
- Sales : JPY7.7 trillion (approx. USD67 billion)
- Headcount : 254,000 (consolidated)
- Group companies: 469 (worldwide consolidated)





Total number of overseas companies : 300
Number of countries/regions : 45
(as of April 2015)





Company name	Establish date	Business activities
Panasonic Manufacturing Philippines Corporation	1967/9/14	manufacturing and sales of air-conditioner, laundry machine, refrigerator, fan and AV equipments
Panasonic Philippines (Sales Division of PMPC)	1998/4/1	sales of AV, electric system products
Panasonic Precision Devices Philippines Corporation	2000/8/30	manufacturing and sales of optical disk drive, cooling fan, etc

(as of 1/Oct/2015)



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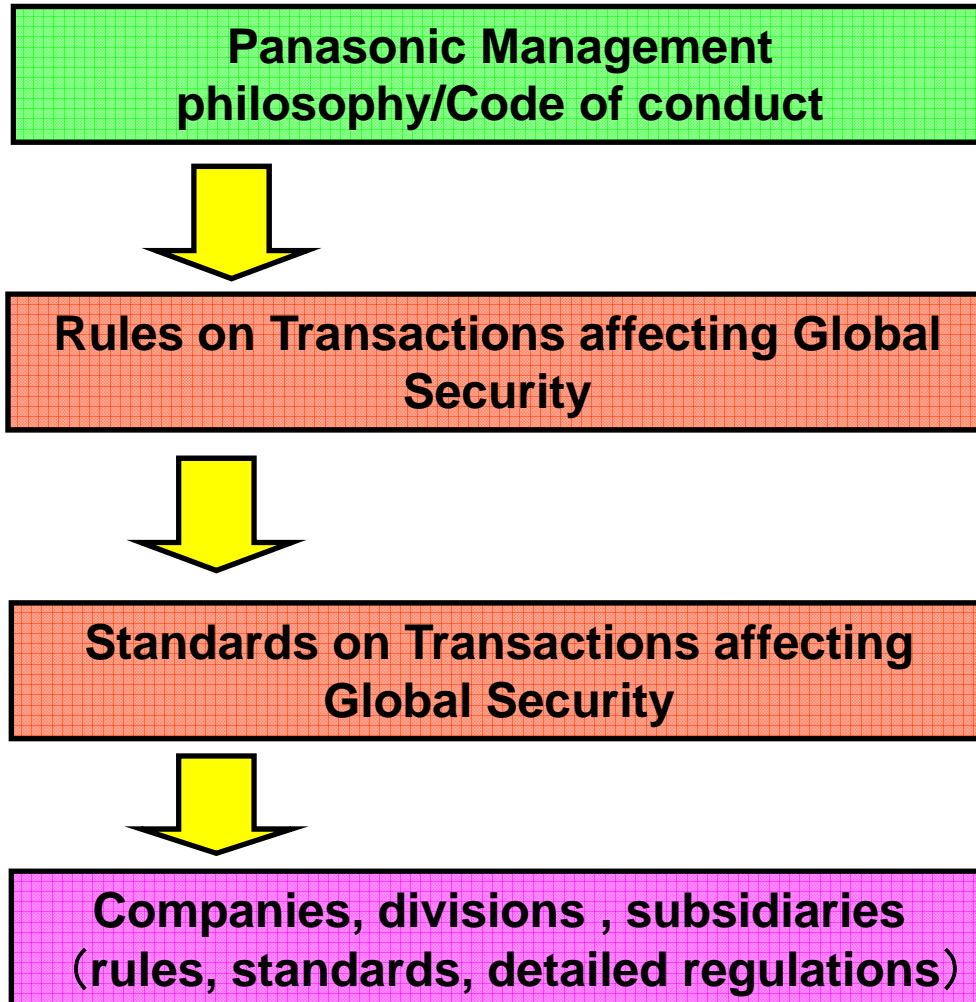
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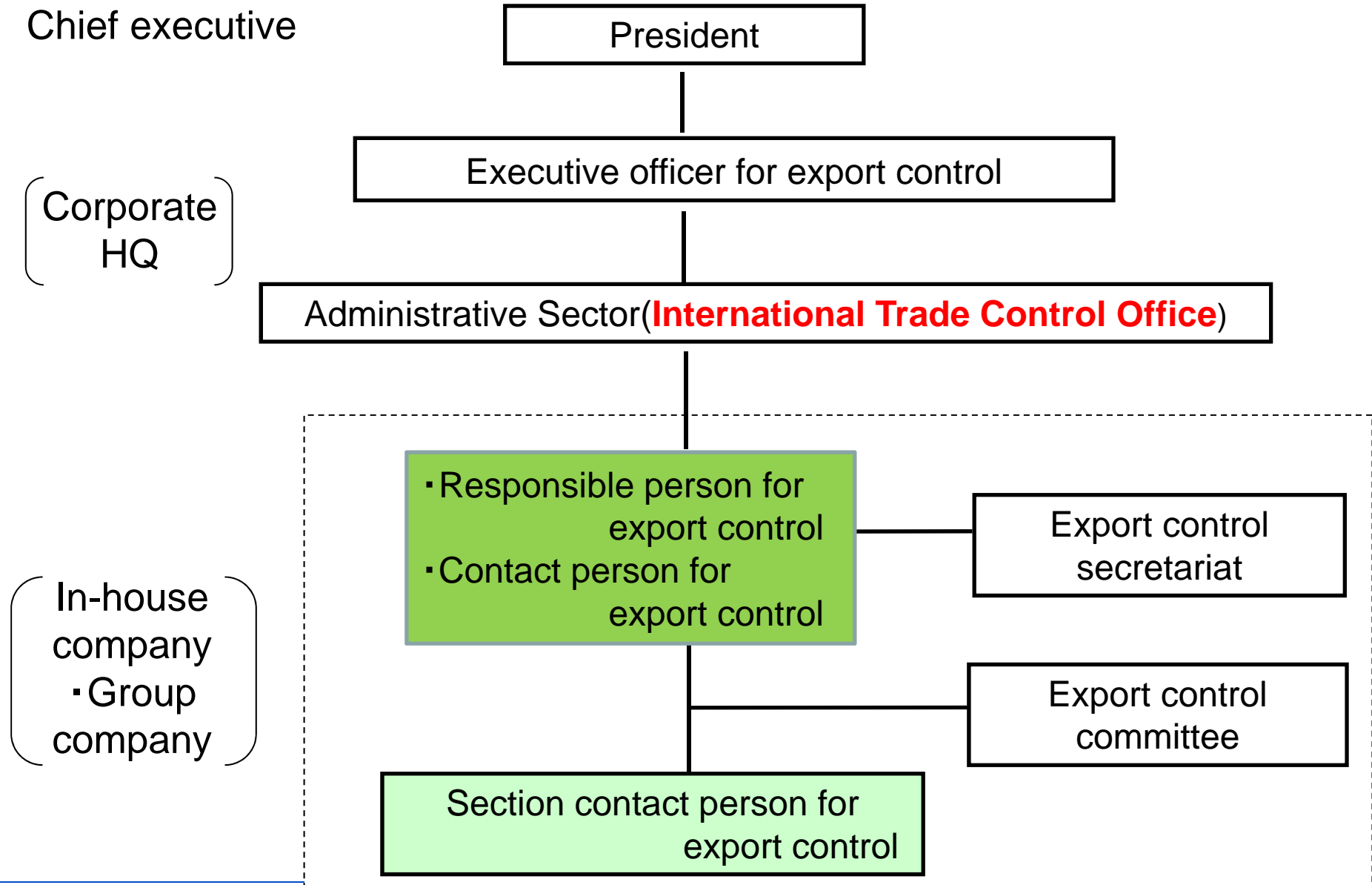
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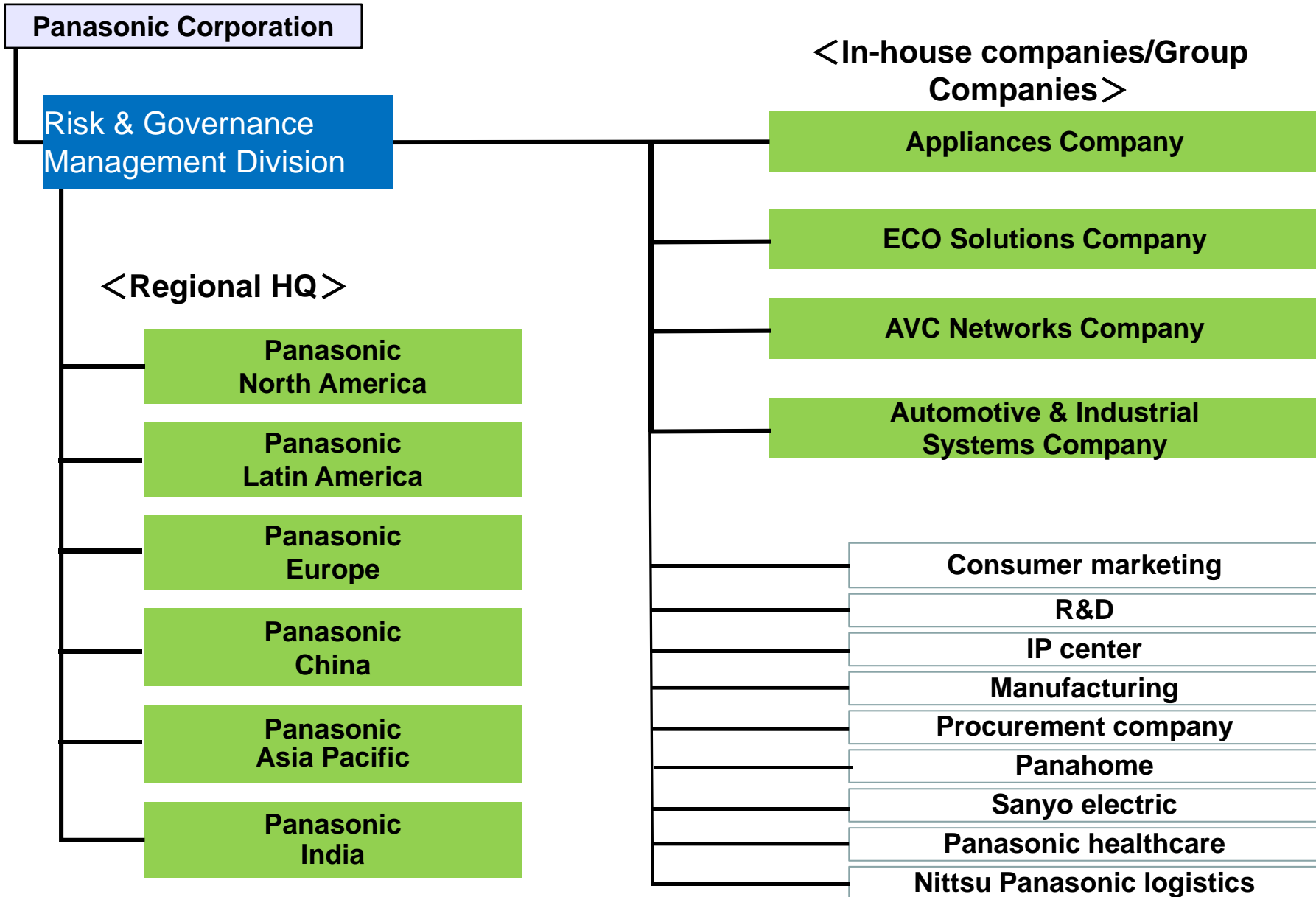
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< Code of conduct(2014) >
(extract)
Chapter 2 Implementing the code in business operations
I-4. Marketing & sales
(3) Marketing compliance
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We will take appropriate measures for export control to ensure that our products and technologies will not be misappropriated as tools that could threaten peace and security.





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Respect the spirit of 4 international regimes for security to aim the realization of international peace and security.

Abide by laws and regulations applicable in countries/regions where the business transactions are made.

Abide by US export control regulations which are applicable extraterritorially.

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1. Do not export “controlled items”
(convertible to weapons / military use)
without obtaining necessary license

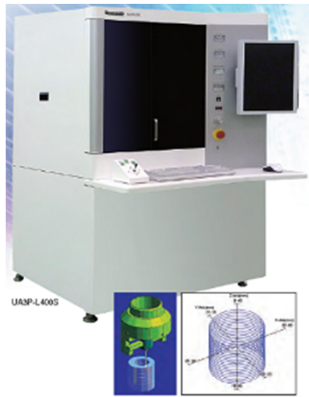
Product
Classification

2. Do not sell to
suspicious users / end-use

Transaction
Screening

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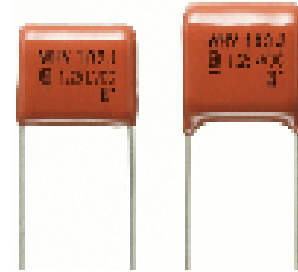
Shipment
Control



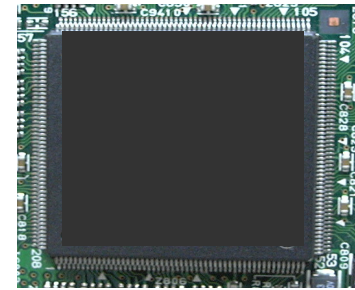
3D High-Precision Measuring Equipment



High-precision Laser Displacement Sensor



High Voltage Film Capacitor



Integrated Circuit (FPGA)

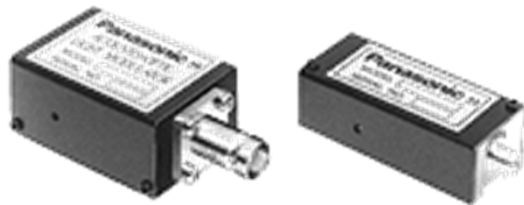
Product Classification



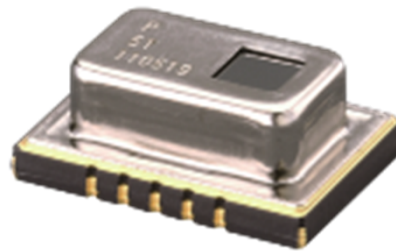
Lubricating materials, etc.



Products with Information Security Equipment using Encryption (Before Mass-Market Sales)



Connecting Components – Acousto-optic Devices



High Precision Infrared Array Sensor



Broadband Controller



Transaction Screening

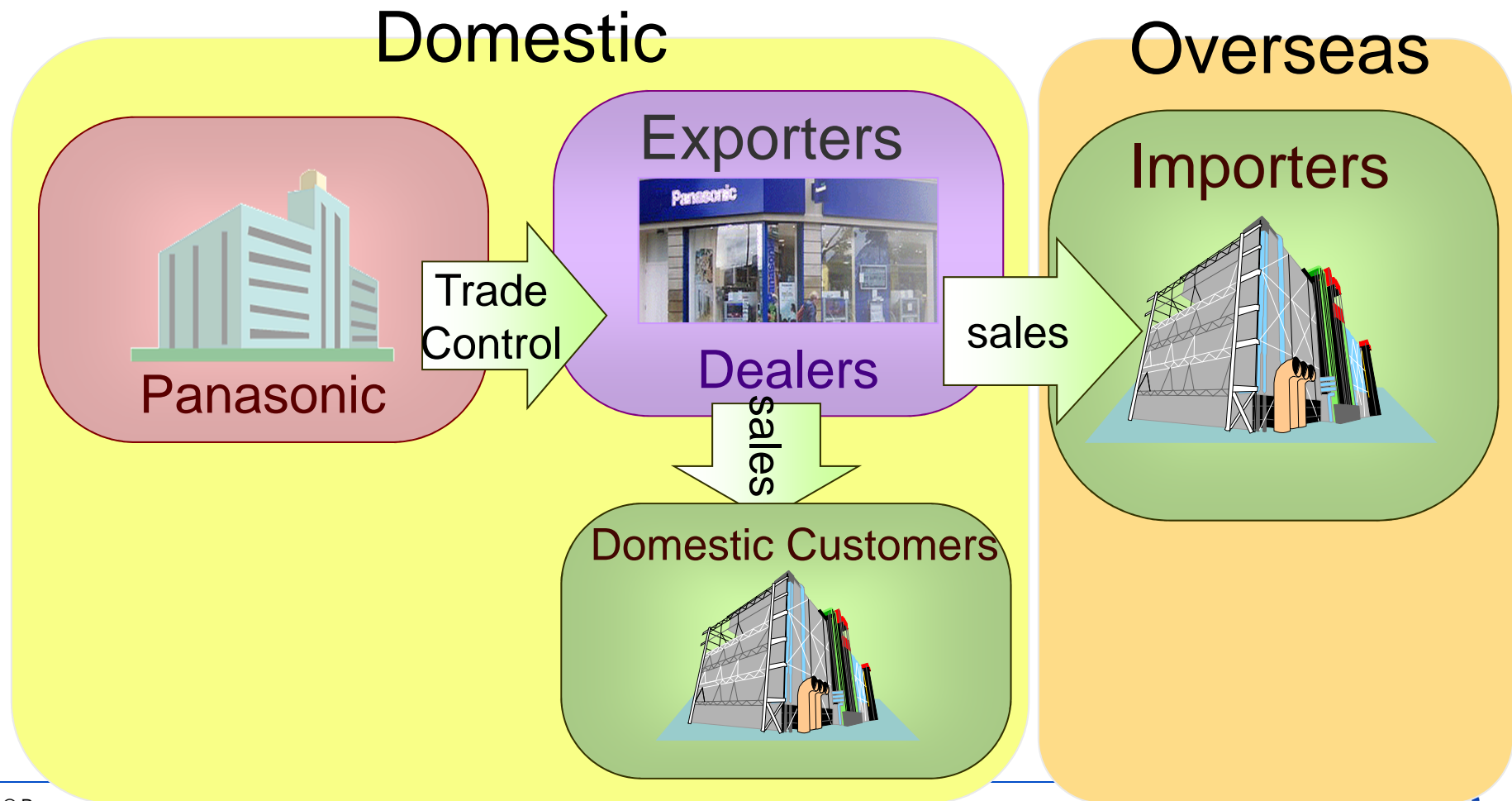
To execute customer screening and the usage confirmation before proceeding with the transaction (including domestic).

Regular review is also necessary for continuing transactions.



Even when we sell the products to domestic dealers,
“Are we involved with Export Control?”

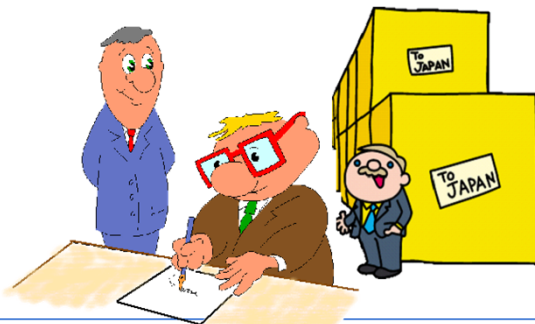
- **“Yes!”**



Shipment Control

To obtain export license and to ensure that the actual item is the same as described in the document

- To obtain necessary supporting documents from the relevant export department to apply export license for controlled items



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Speciality of this field

Business judgement for a transaction

- **Legality**
- **Economic Rationality**

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• **International relations**

Riskmanagement (§ 9)

Company’s Global unified standard

		Country group				
		Group I	Group II	Group III
Usage	Usage1	○	×	○	...	
	Usage2	○	×	×	...	
	Usage3	×	○	×	...	
	⋮	⋮	⋮	⋮		
	⋮	⋮	⋮	⋮		

Company’s free-hand judgement once complied with legal requirement



Compliance

All divisions must comply Company/RHQ Adm.

1. Any laws & regulations applicable (§ 7)

2. U.S. Security-related laws & regulations (§ 8)

Scope	All domestic and export transactions by all companies owned or controlled by Panasonic Corporation
Purpose	Eliminate business risks in the aspect of security by clarifying the rules and standards for global transaction
Stance	<ul style="list-style-type: none"> ① Respect the sprit of 4 international regimes for security to aim the realization of international peace and security ② Abide by laws and regulations applicable in countries/regions where the business transactions are made ③ Abide by US export control regulations which are applicable extraterritorially
Prior screening	<p>All transactions are screened by Risk & Governance Management Div. if they falls under △ in “standards on transactions affecting global security”</p> <ul style="list-style-type: none"> ① screening for compliance product classification, end-user, end-use, shipment control, license from authorities if necessary ② screening for company’s risk management end-user, country/region, end-use
Other General terms	Definition, audit, education, record keeping, reporting, disciplinary action

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We Panasonic group ;

- comply with all applicable laws and regulations of any relevant countries/regions including Philippines.
- in addition, as a global company, pay attention to international/ bilateral relations, from time to time, in order to fulfil our corporate social responsibility.

Firm export control in Philippines contribute to the global security and then to prosperity of Philippines industries.

Thank you very much for your attention

Panasonic