

# Corporate Security Export Control of Mitsubishi Electric Corporation

**March 4th, 2015**

MITSUBISHI ELECTRIC CORPORATION

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## Contents

- Introduction
  - Corporate Data/Organization/Products & Services
- MELCO's Corporate Security Export Control

# Corporate Data

## Mitsubishi Electric Corporation

Head Office: Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo 100-8310, Japan

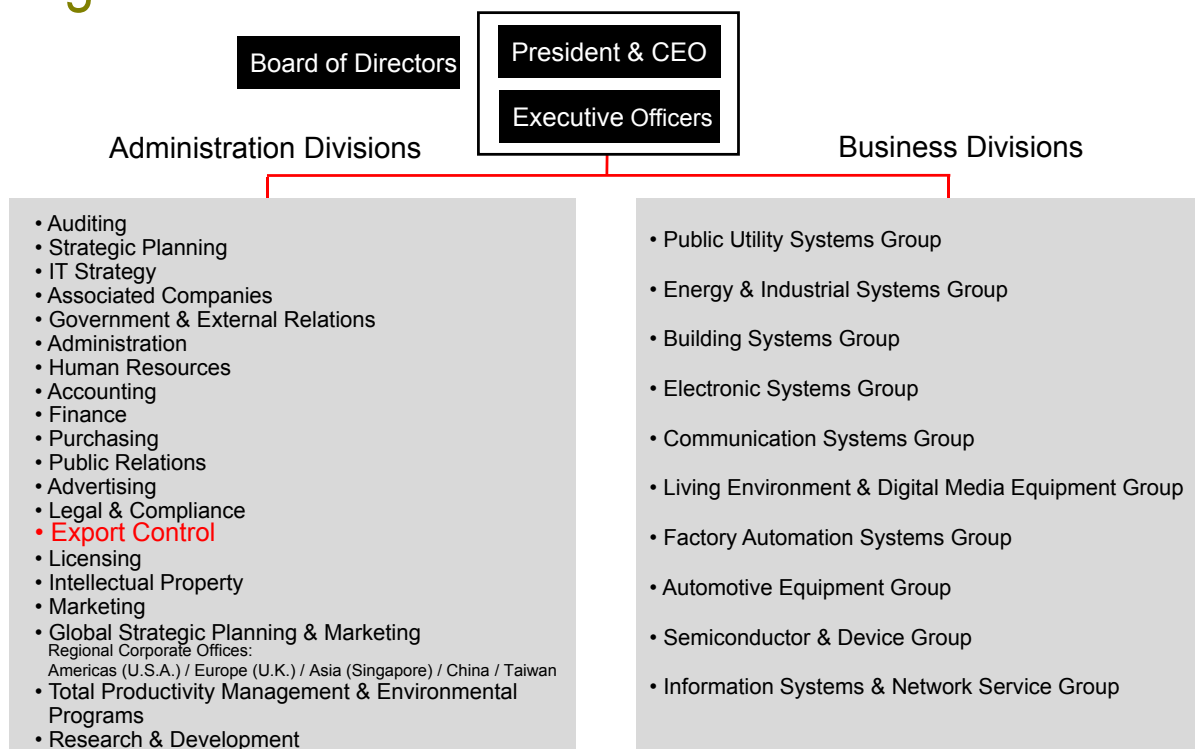
President & CEO: Masaki Sakuyama  
Established: January 15, 1921

Consolidated Net Sales: ¥4,054,359 million  
Paid-in Capital: ¥175,820 million  
Shares Issued: 2,147,201,551 shares  
Consolidated Total Assets: ¥3,612,966 million  
Employees: 124,305

(as of Mar. 2014)



# Organization



# Global Network

Growing international network of R&D, production, sales, associated companies, and other operations throughout the world



(as of Oct., 2013)

# Affiliates in Malaysia



Mitsubishi Electric Sales Malaysia Sdn. Bhd.(MESM)  
Mitsubishi Elevator Malaysia Sdn. Bhd.(MELM)

Mitsubishi Electric (Malaysia) Sdn. Bhd.(MEM)

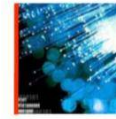
# Products & Services



Building Systems



Factory Automation Systems



Information/  
Communication Systems



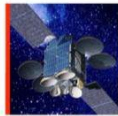
Air Conditioning Systems



Semiconductors/Devices



Visual Information Systems



Space Systems



Transportation Systems



Public Systems



Energy Systems



Automotive Equipment



Home Products

# Building Systems

Providing comfortable, safe, efficient, and ecological means of transporting people

## Elevators



Our elevators are continually evolving through constant improvement.

They have achieved major breakthroughs in the industry and are known for being:

- Fast
- Comfortable
- Reliable & safe
- Efficient
- Ecological

## Escalators



Mitsubishi Electric is the world's only manufacturer of spiral escalators.

Spiral design provides new opportunities for more creative interior design and use of large-scale public space.

# Air Conditioning Systems

World leader in air conditioning systems for residential, commercial, and industrial use

## Room Air Conditioners



Chinese model



European design model

- Applying cutting-edge Japanese technology for energy efficiency, throughout the global market
- Design and function are enriched to suit a variety of lifestyles around the world
- Precision temperature controls, including sensors

## Package Air Conditioners "Mr. SLIM"

- Suitable for restaurants, bars, shops, and small offices
- A variety of indoor unit types can be selected for various applications



- ZUBADAN series features powerful heating for cold-climate areas

# Space Systems

Our satellites and ground systems work behind the scenes to improve the quality and convenience of people's lives

## Commercial Satellite Platform "DS2000"



Turksat 4A, Turksat 4B



Quasi-Zenith Satellite System (2010, 2017~)



ST-2 (2011)

- A standard satellite platform with versatility designed to meet growing communications needs
- Six flight records, with nine more satellites in production, having won bids



Himawari-8,-9 (2014, 2016)

( ) : year to be launched

# Energy Systems

Systems that create and deliver energy efficiently, and have less negative impact on the Earth

## Power Generation Systems



Designed to create optimal power using hydroelectric, thermal, and nuclear technologies

## Transmission & Distribution Systems



Mitsubishi Electric is one of the leading developers and manufacturers of power transmission and distribution systems on a global scale.

# Factory Automation Systems

Helping companies make higher-quality products more efficiently, while reducing costs

## Automation Equipment



A comprehensive range of high-performance products offers the best solution in industrial automation

- Programmable logic controllers (PLC)
- Graphic operation terminals (GOT)
- AC servo systems & motion controllers
- Variable frequency drives (VFD)

## Power Distribution & Control Equipment



Ensuring high performance and high reliability

- Low-voltage circuit breakers
- Magnetic contactors



Visualizing energy consumption

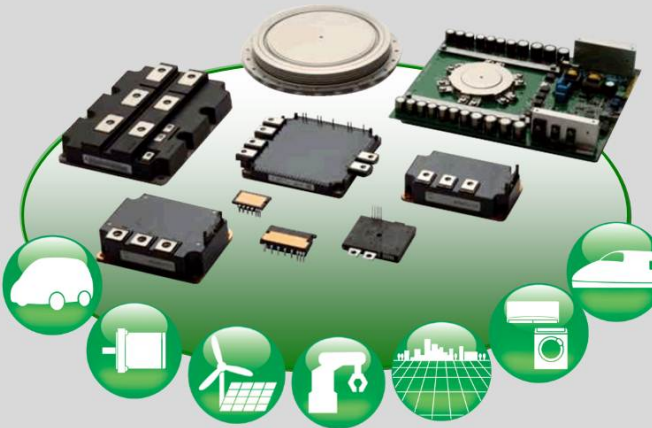
- Energy measuring units

# Semiconductors and Devices

Enhancing equipment reliability, from in the home to outer space

**Power Devices**

Innovative Power Devices for a Sustainable Future



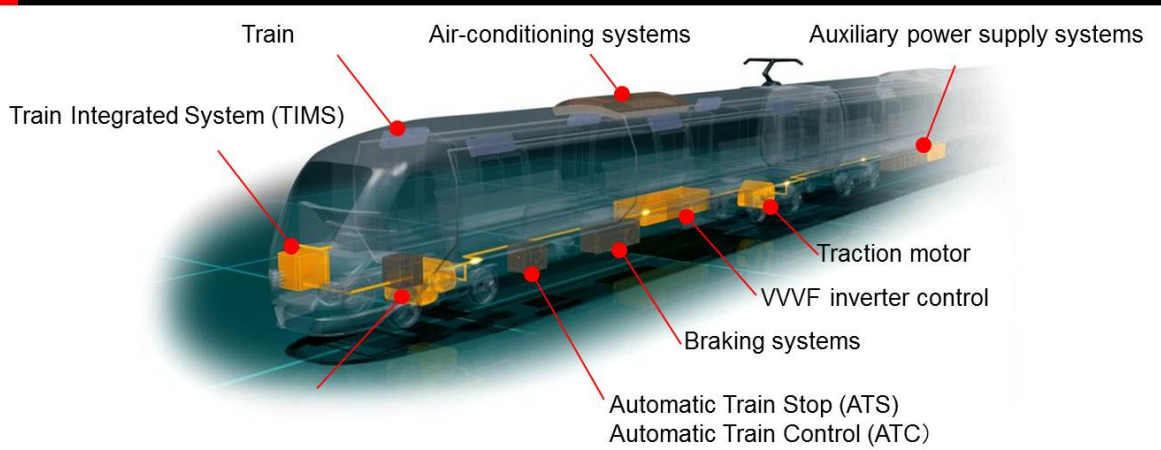
Power devices contribute to creating a low-carbon society by supporting Smart Grid implementation in a variety of fields, from the electric power infrastructure—such as power generators and transformers—to consumer electronics.

- SiC Power Modules
- DIPIPMs
- IPMs
- IGBT Modules
- HVIGBT Modules
- Rectifier Diodes
- Thyristors
- Stacks
- Transistor Arrays
- HVICs
- Sensors, etc.

# Transportation Systems

Helping to reduce environmental load from railways, as a provider of total systems for operating, stopping, and controlling trains

**Railway Systems**



Playing a key role in ensuring safety, stability, and efficiency in every aspect of railway transportation

# Automotive Equipment

Advanced automotive equipment and systems that set high standards

## Automotive Equipment



- Engine/Powertrain Control System
- Body Chassis Control System
- Vehicle Information System

High-quality automobile components ensure a safe and comfortable drive. Leading-edge technologies provide improved fuel efficiency.

# Information & Communication Systems

Providing more detailed information through advanced, reliable technologies

## Digital CCTV Systems



- Excellent video quality  
High resolution (SXVGA) image – 1280 x 960
- Easy to use  
Operation supported by rich GUI menu
- Simple to install  
Automatic camera-detect function without a manual IP address setting
- High energy efficiency  
Low power consumption with simple system configurations

# Visual Information Systems

Extensive line of imaging equipment

- **Diamond Vision Displays**
- Display Wall Systems
- LCD Display Wall
- Imaging Printers

## Diamond Vision



**The new Cowboys Stadium** (Texas, USA)

- Total viewing area of 11,393 square-feet
- Holds Guinness World Record™ as the largest high-definition video display



**Meydan Racecourse** (Dubai, UAE)

- 107.52-meter-wide screen
- Some 12 million super-luminosity LEDs are used to realize high-definition images

# Visual Information Systems

Extensive line of imaging equipment

- Diamond Vision Displays
- Display Wall Systems
- LCD Display Wall
- **Imaging Printers**

## Photo Printers & Industrial Printers

Printers & photo printing systems for professional use



- Produces high-quality pictures, with easier operation and maintenance.
- Can be used to make IDs, or print pictures at photo shops, amusement parks, supermarkets, or drugstores



# Public Systems

Using technology to improve the quality of people's lives and contribute to society

## Water Treatment Systems



### Ozone Generators

- Powerful oxidizing gas is used to effectively sterilize, deodorize, and decolorize water
- The ozone gas returns to oxygen after decomposition without leaving any residue, to ensure safety and security

## Particle Beam Treatment Systems



By concentrating radiation on a tumor and minimizing damage to the surrounding tissue, particle beam irradiation technology brings new possibilities to advanced medical treatment

# Home Products

SMART QUALITY products enrich people's daily lives while conserving resources

Based on the principles of SMART QUALITY,\* which include energy saving, comfort, and cleanliness, Mitsubishi Electric strives to develop products that provide both advanced functionality and usability.

## Home Appliance Lineup

- Refrigerators
- Dehumidifiers
- Vacuum cleaners
- Rice cookers

## Refrigerators



- Slim design yet large capacity
- Supercool freezing
- Energy-saving function (inverter control)
- Icemaker with max. 10-year replacement-free filter

## Vacuum cleaners

- Cyclone technology
- Simple and clean trash disposal
- Hair detangling function
- Floor-wiping function
- Power-saving mode (power control using vibration sensor)



\* SMART QUALITY is a trademark of Mitsubishi Electric in Japan.

# Corporate Social Responsibility

Corporate Social Responsibility (CSR) is an integral part of all business activities; corporate ethics and thoroughgoing compliance are central to our actions

## Corporate Ethics and Compliance

Six basic policies:

- Compliance with the law
- Respect for human rights
- Contribution to society
- Collaboration and harmonization with the community
- Consideration of environmental issues
- Awareness of personal integrity



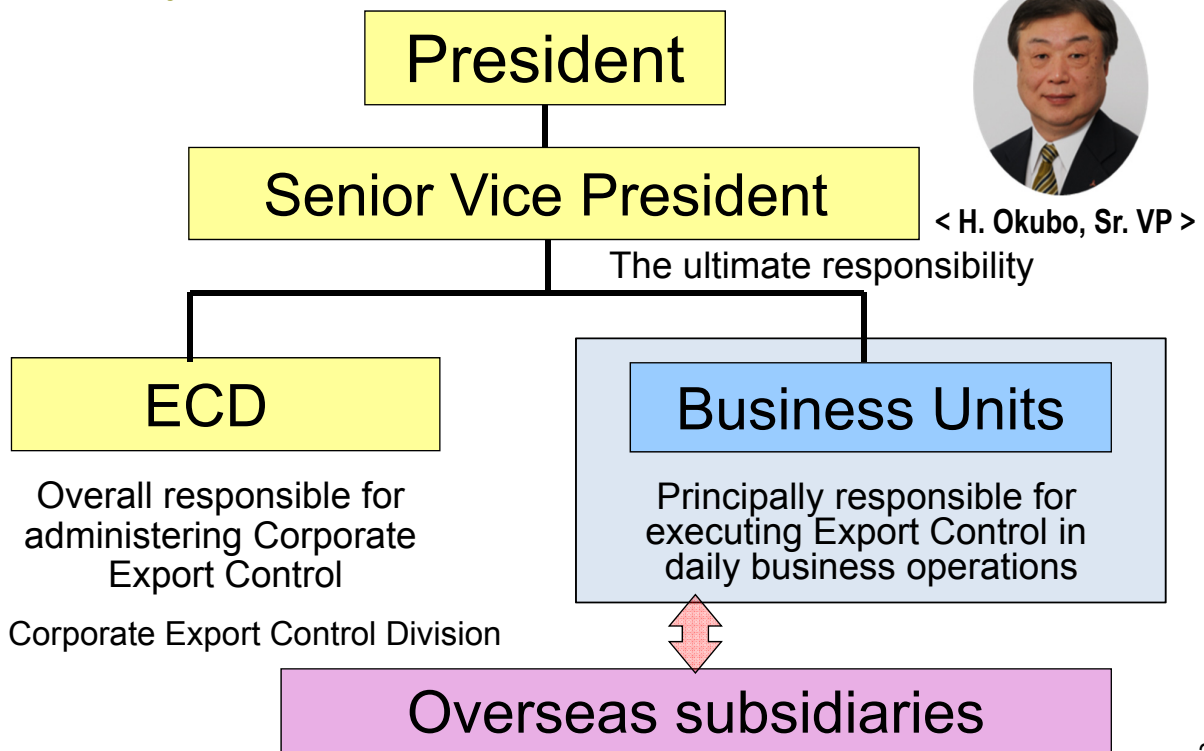
Symbol mark of Ethical Behavior and Compliance Guidelines

# MELCO's Corporate Security Export Control

“MELCO” is abbreviation of “Mitsubishi Electric Corporation”

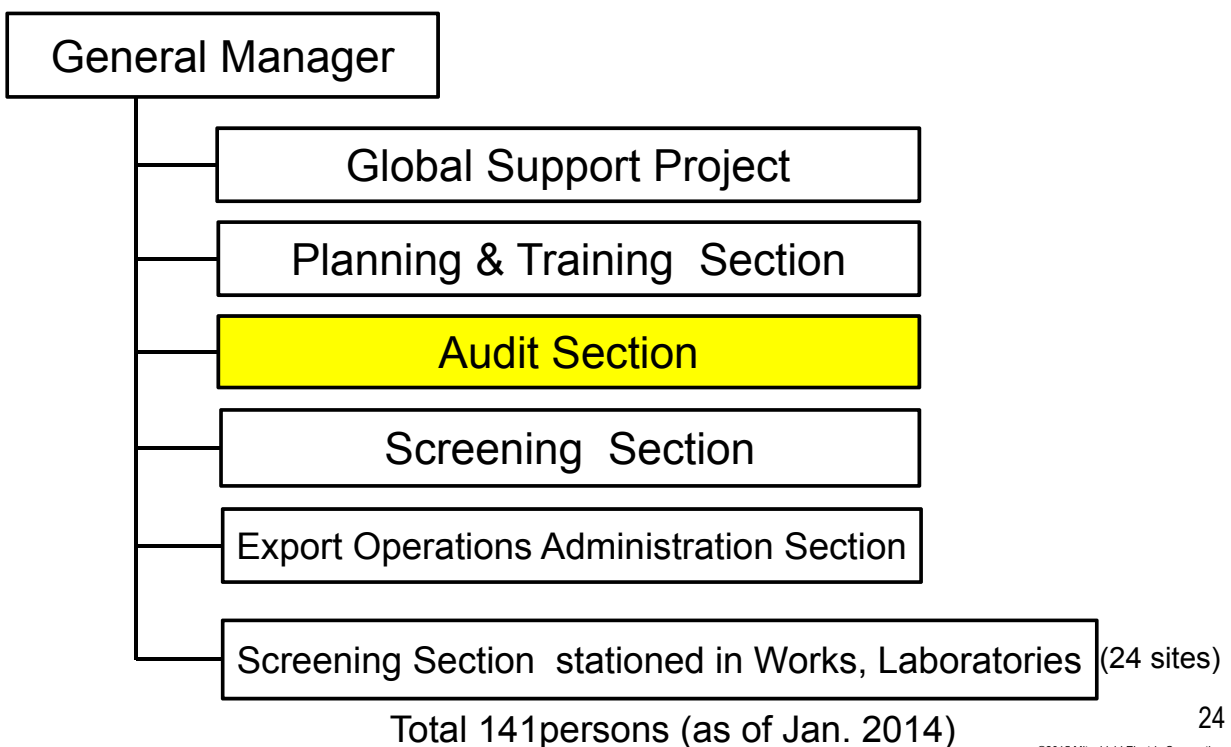
- Security Export Control Structure
- Security Export Control Policy
- Administration Contents under CP
- Audit works an essential position among PDCA cycle
  - Purpose of Audit/Implementation/Annual Schedule/Point of view
  - Audit Items/Timetable/FINDINGS/Notes
- Collaboration between Affiliates and MELCO

# Security Export Control Structure



< H. Okubo, Sr. VP >

# Corporate Export Control Division(ECD)



Total 141 persons (as of Jan. 2014)

## Security Export Control Policy

### ■ Legal control

- Comply with the applicable Laws and Regulations

### ■ Risk control

- Respect the principles of the law of Japan
  - International Export Control Regimes
- Corporate risk management
  - Avoid involvement in third party's illegal transactions



- Common basic policy of all group companies described in “Compliance Program(CP)”

## Administration Contents under CP

### ■ Internal Structure

- System, Job scope

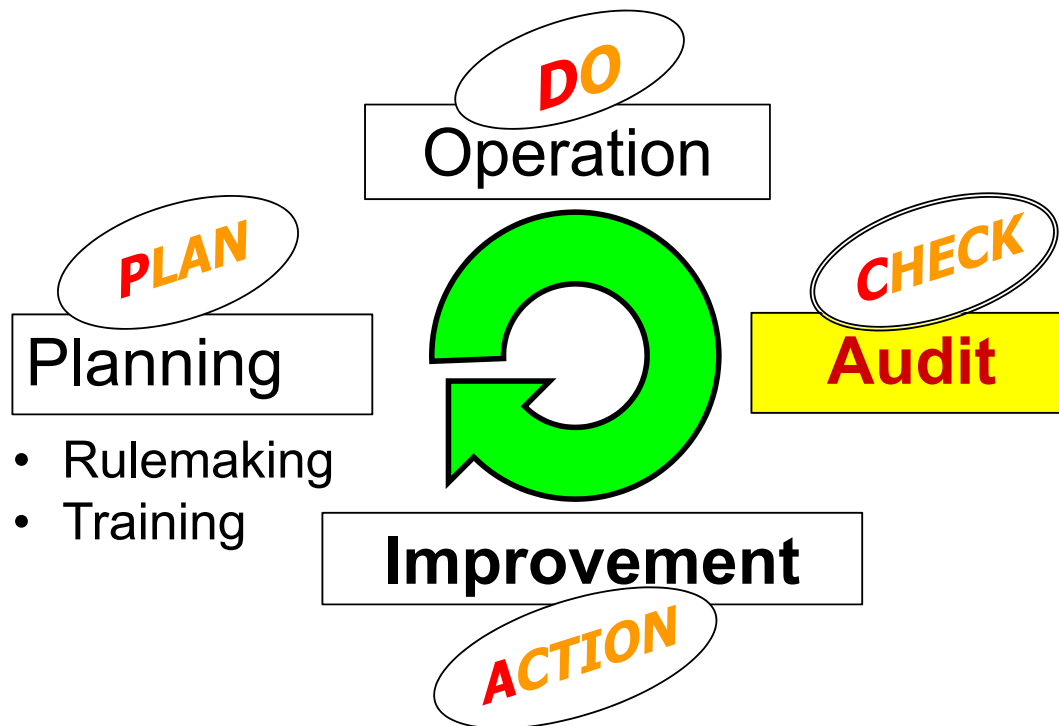
### ■ Operating procedure

- Classification, Transaction Screening, Shipping Management

### ■ Maintenance

- **Audit**, Training, Record Keeping, Guidance to Subsidiaries, Prevention of Recurrence

## Audit works as essential position among PDCA cycle



27

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## Purpose of Audit

- Confirm business operations comply with CP.
- Establish export control procedures for each business unit to address export compliance proactively (before problems arise)
- As a result of the audit activity - Identify any areas of weakness and recommend corrections and improvements to business units and offer support and guidance.

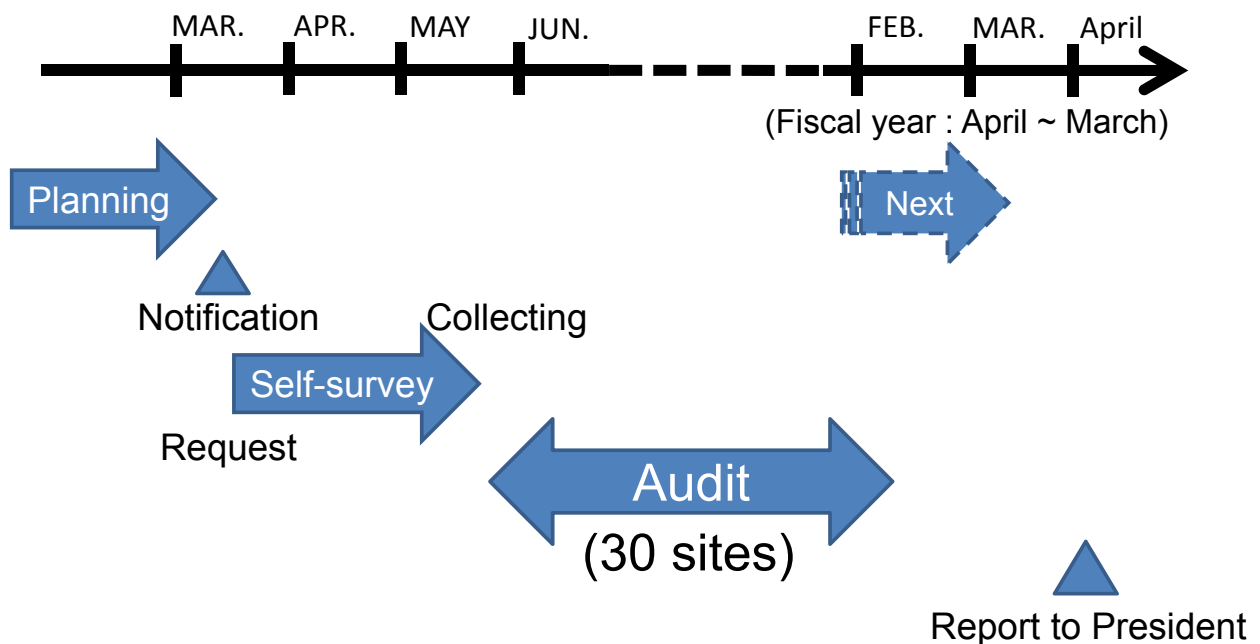
28

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## Implementation

- ECD implements the audit regarding security export control because high expertise needed.
  - Corporate Auditing Division audits for overall management.
  
- All business unit involved in export activities shall be audited periodically
  - Sales, manufacturing, R&D, distribution ...
  - Frequency depends on the business
    - Export, Volume, Controlled Item etc.

## Annual Schedule



## Benefits of Audit

- Training
  - Communicate essential requirements of export control and explain company procedures
- Accountability
  - Review responsibilities, rules, operation and recordkeeping to ensure accountability.
- Enhanced Cooperation
  - Create relationship of trust and respect among key functions: manufacturing, sales, agents, distributors, ECD.

## Audit Items

- To confirm implementation of corrections and improvements and follow-up action items identified in previous audit.
- To check compliance activities by review of random samples
- To confirm compliance with export regulations and CP through self-survey

## Timetable

- Lecture from General Manager of ECD (50minutes)
- Review action items from previous audit (30minutes)
- Check of examples of classification (80minutes)
- Check of examples of transaction (120minutes)
- Check of the self-survey (60minutes)
- Check of the records (20minutes)
- Review (20minutes)

## FINDINGS

- 3 stages of findings
  - ✓ Immediate correction required
  - ✓ Improvement required
  - ✓ Enhancement recommended
- Not only for correction but for improvement
- Something good
  
- Based on the findings, promote the improvement activities

## Notes

- Verify the example of transaction
  - check the actual evidence
- Hearing from the person in charge and administrator
  - the understanding and recognition of the contents
  - the decision basis, relying information

## Notes

- Review the transaction from inquiry through export compliance and shipment to confirm:
  - Compliance with the ICP
  - No-deviation or inconsistency among relative documents
  - Documents reflect compliance with proper procedures in the required order

# Notes

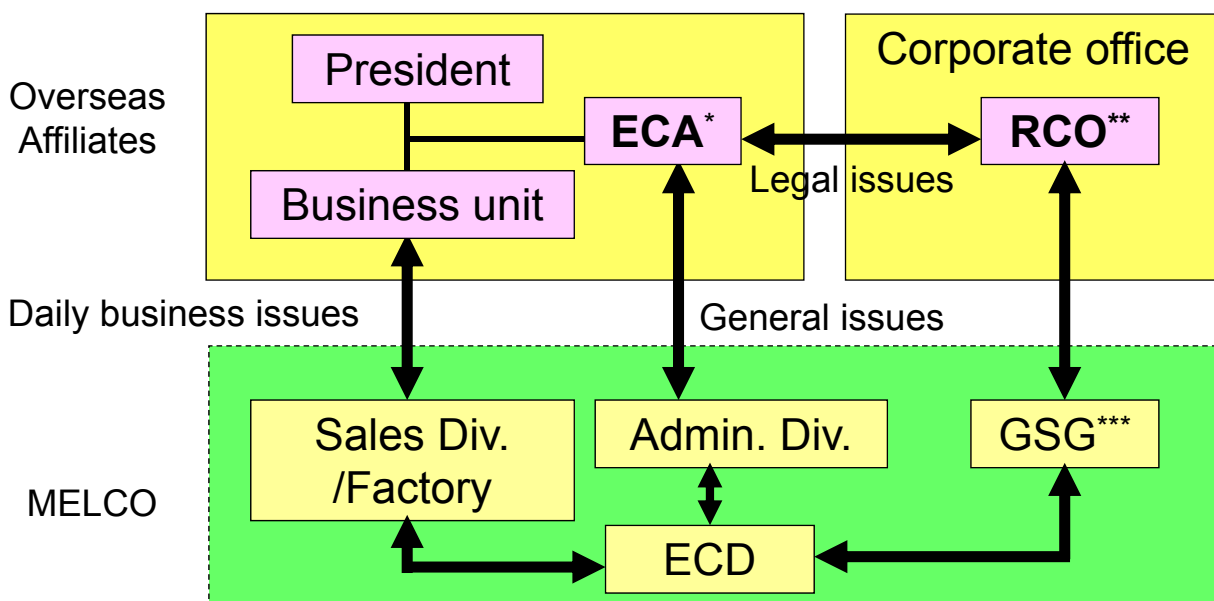
## ■ Follow-up to be effective audit

In addition to sending the audit report,

- Explain the findings until fully understood
- Require the problem analysis and corrective plan for the findings to confirm the understanding

Audit report and corrective plan must be sent through the Group president

# Collaboration between Affiliates and MELCO



\*Export Control Administrator  
 \*\*Regional Chief Compliance Officer  
 \*\*\*Global Strategic Planning & Marketing Group

# Thank you very much!

## Any Questions?

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