

# **Security Trade Control by a Japanese company**

**20 July, 2017**

**Shozo HIRATA**

**NEC Corporation**



- **Introduction**
- **Export Control Practices in Japan**
- **Export Control Practices overseas**
- **Conclusion**

# History of Innovation

## Better Products, Better Services

Desktop Telephone  
(early 1900's)



Establishment  
**1899**

## Computers & Communications

Koji Kobayashi  
(INTELCOM 1977)



C&C Declaration  
**1977**

## \Orchestrating a brighter world



Ensuring broad range of safety for all from individual to country



Serving society and the Earth



Realizing sustainable growth



Closing the social divide and eliminate inequality

Focus on  
Social Value Creation  
**2013**

# Global 100

**The annual Global 100 rankings is announced at the World Economic Forum in Davos, Switzerland.**



One of Global 100  
Most Sustainable Corporations

**2011 2013 2017**

# Profile



Employees  
**98,726**



Net sales  
**US\$ 25 billion**



Affiliates (companies and branches)  
**226**



Countries  
**168**



Operating Segments  
**Public**  
**Enterprise**  
**Telecom Carriers**  
**System Platform**

# Sales by Operating Segment



**Others** ■  
 • Smart Energy

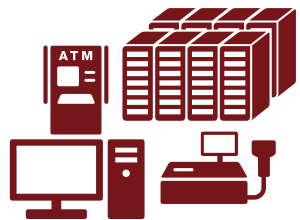
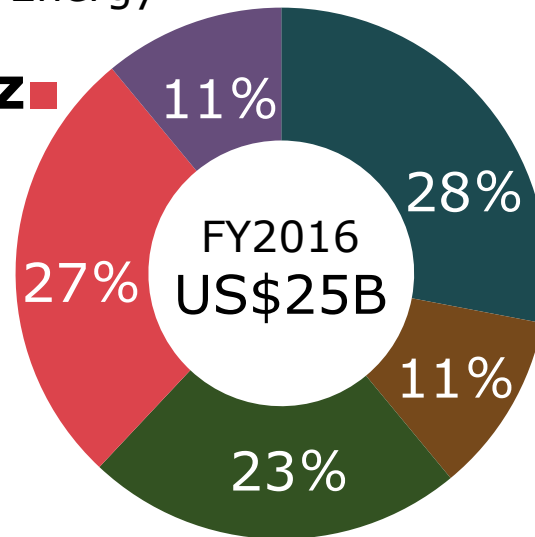


**Public Biz** ■

- Satellite Communications
- Face & Fingerprint Identification
- Urban surveillance

**System Platform Biz** ■

- Digital cinema solutions
- Super computers
- Large format displays
- Projectors



**Enterprise Biz** ■

- Global Supply Chain Management
- Production & plant management solutions
- Retail Systems for Stores



**Telecom Carrier Biz** ■

- Microwave communications
- Submarine Systems
- Telecom Operation & Management Solution
- Software Defined Networking, Network Functions Virtualization

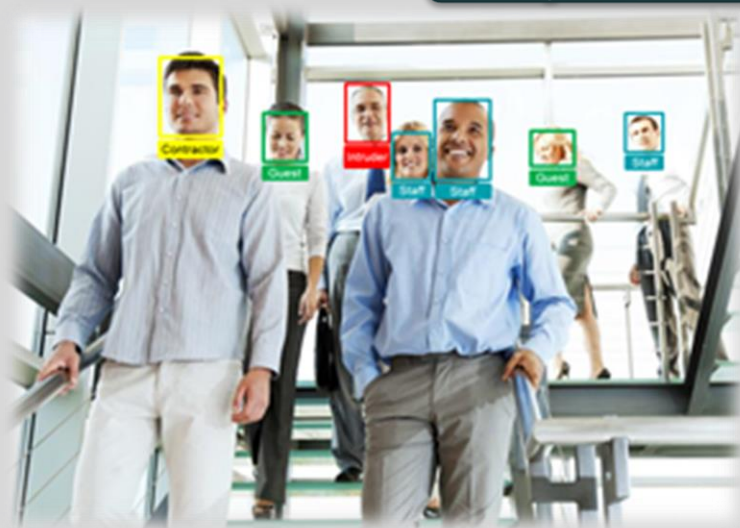


# <Solution> Face Recognition System

## NeoFace® Watch

Face  
Recognition

Real-time face recognition solution using video feeds from CCTV cameras. Applicable in a wide range of usage scenarios not only limited to security.



Watch List detection

Search suspicious person from live CCTV camera



Surveillance of critical facilities, areas  
(detection of unauthorized personnel)



Archived face search

Search person from unmatched face log



# <Solution> Behavior Detection System

## Scenario :

- **Intrusion Detection**
- **Loitering Detection**
- **Left Object Detection**

### Virtual line and area (orange)

To draw them on the image from surveillance camera directly to detect persons and objects that cross the line and intrude the area



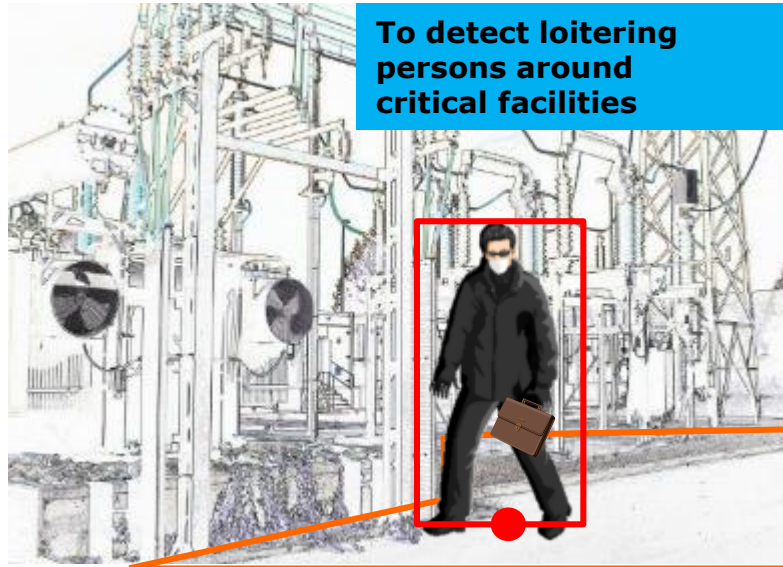
## Intrusion

To detect all of persons who enter high security area



## Loitering

To detect loitering persons around critical facilities



## Left object

To detect left object which is generally not located.



# <Solution> Crowd Detection System

■ **NEC's unique Image/Crowd Behavior Analysis Technology** allows you to grasp the **real-time** crowd density and abnormal crowding,

- ✓ in **super-highly dense** crowd,
- ✓ in **privacy preserving** manner,
- ✓ even in outside **with unstable light**, and with **various camera arrangements**, where no other solutions do.

■ **The Crowd Density Quantification System, the application,** provides **figures, numeric** data - crowd density percentage rate, people number, wait times - measured **by image analysis** to **add** clarity and accuracy on your crowd detection, estimation and analysis.



Real-time, accurate information rescues you from chaos.

Reallocation of security Personnel.



Information provided for customers/passengers.

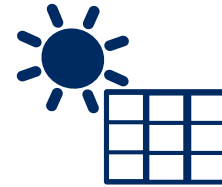


Statistics for Improving Security / Business Management and Marketing.

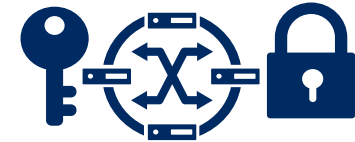
# NEC Products

## Categories of 'EU List' Dual Use Items

0	Nuclear Materials Facilities & Equip.
1	Special Materials & Related Equip.
2	Materials Processing
3	Electronics
4	Computers
5	Telecom. & Information Security
6	Sensors and Lasers
7	Navigation and Avionics
8	Marine
9	Aerospace and Propulsion



**3A001 Solar Cells**



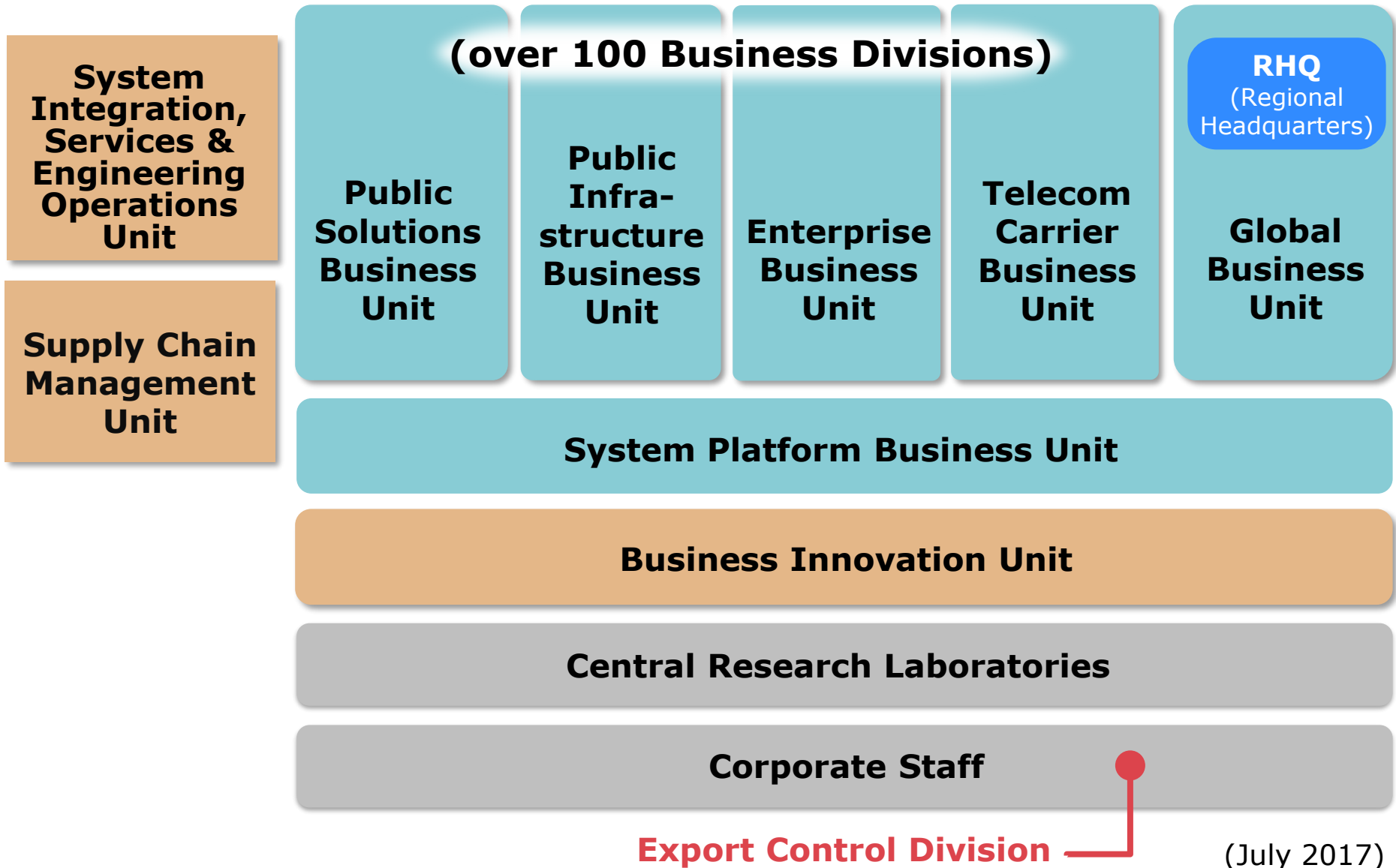
**5A002 Cryptographic Equip.**  
**5D002 Encryption Software**

**6A002 Optical Sensor**  
**6A003 Imaging Camera**  
**6A008 Radar System**

**9A004 Spacecraft**  
**9A004 Terrestrial Equip. Simulator**



# Organization



(July 2017)

# NEC Worldwide: "One NEC" formation

Business activities in over

**168** Countries and territories

226 Branches

NEC Overseas Offices

## Our affiliates, offices and laboratories

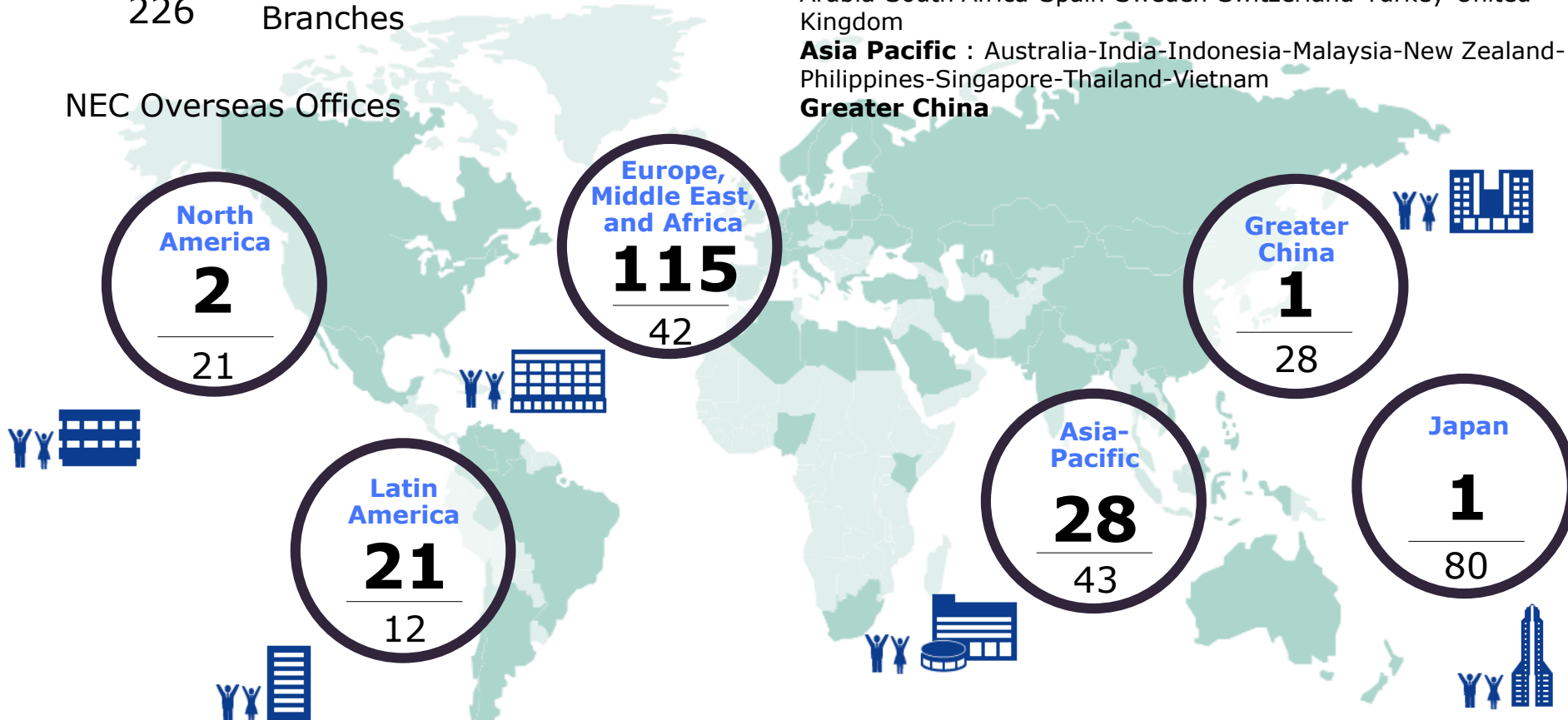
**North America** : Canada-USA

**Latin America** : Argentina-Brazil-Chile-Colombia-Mexico-Venezuela

**Europe / Middle East / Africa** : Finland-France-Germany-Greece-Hungary-Italy-Netherlands-Nigeria-Portugal-Saudi Arabia-South Africa-Spain-Sweden-Switzerland-Turkey-United Kingdom

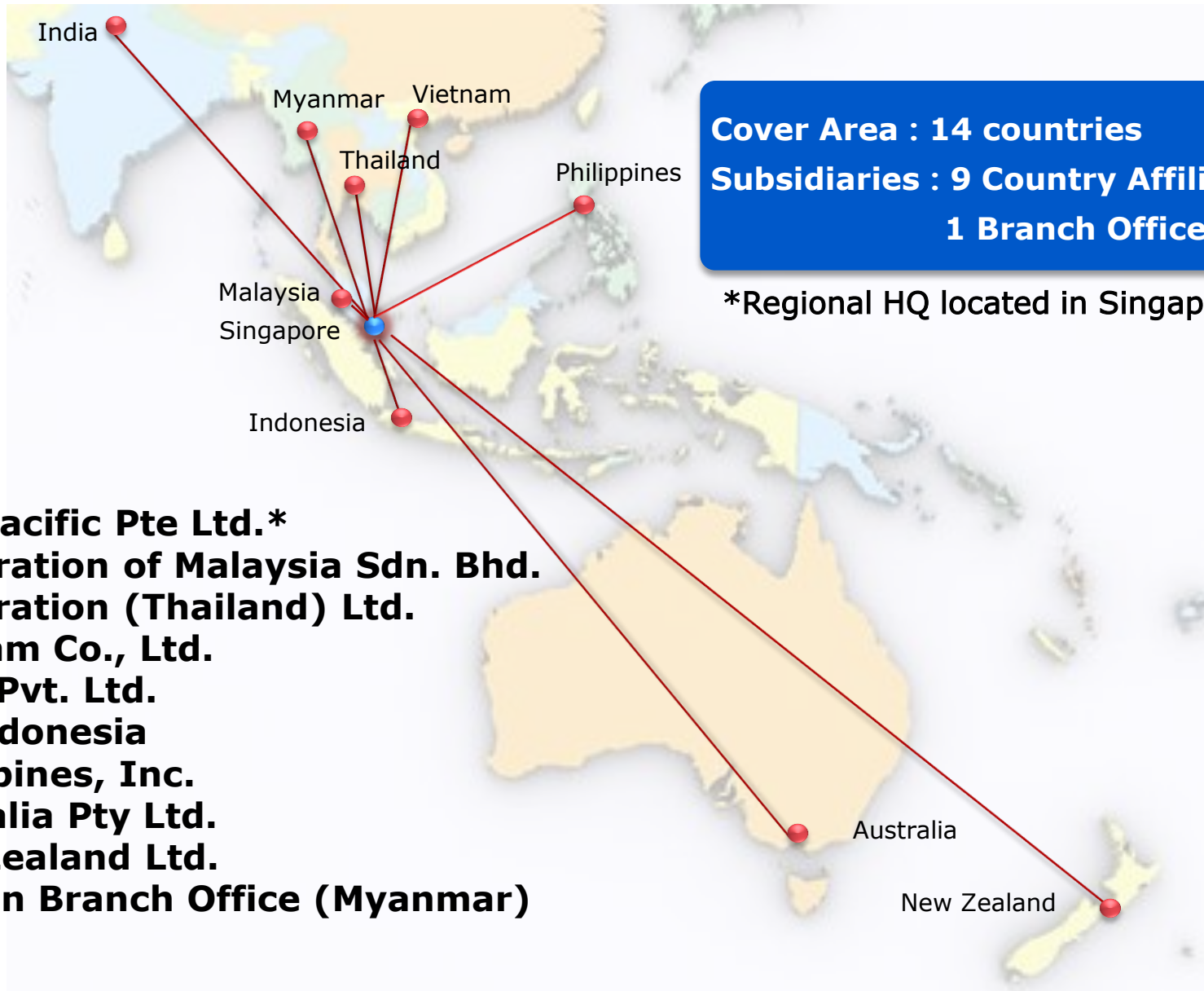
**Asia Pacific** : Australia-India-Indonesia-Malaysia-New Zealand-Philippines-Singapore-Thailand-Vietnam

**Greater China**



**US\$25 billion** in FY2016 sales

# NEC in Asia Pacific



- Introduction
- **Export Control Practices in Japan**
- Export Control Practices overseas
- Conclusion



# NEC Formula for Business Ethics

**Ethics is considered to be in the center of every economic activity**

**100 - 1 = 0**

**Biz activities**

**Incident**



**A single act of a single employee could lead to jeopardizing Company's entire business**



# Rules

**NEC Group  
Code of Conduct**

**NEC Group  
Management Policy**

## **Internal Control Program**



1. The Basic Policy
2. Control Organization
3. Procedures
4. Education
5. Audit
6. Guidance to subsidiaries
7. Reports
8. Penalty

## **Other Manuals/Guidances**

Customer Screening

Technical Classification Database

EAR: Export Administration Regulations

Control of Technology transfer

Control over Domestic Sales

etc.



# The Basic Policy

## Principles

- **Observe a relevant law\* and regulations in its export, domestic trade and brokering of goods, software and/or technology**

**\*Foreign Exchange and Foreign Trade Act**

- **Appoint responsible personnel and establish and manage export control system in order to fulfill responsibilities stated above**
- **Observe the applicable laws and regulations of foreign countries, especially in terms of re-export control**

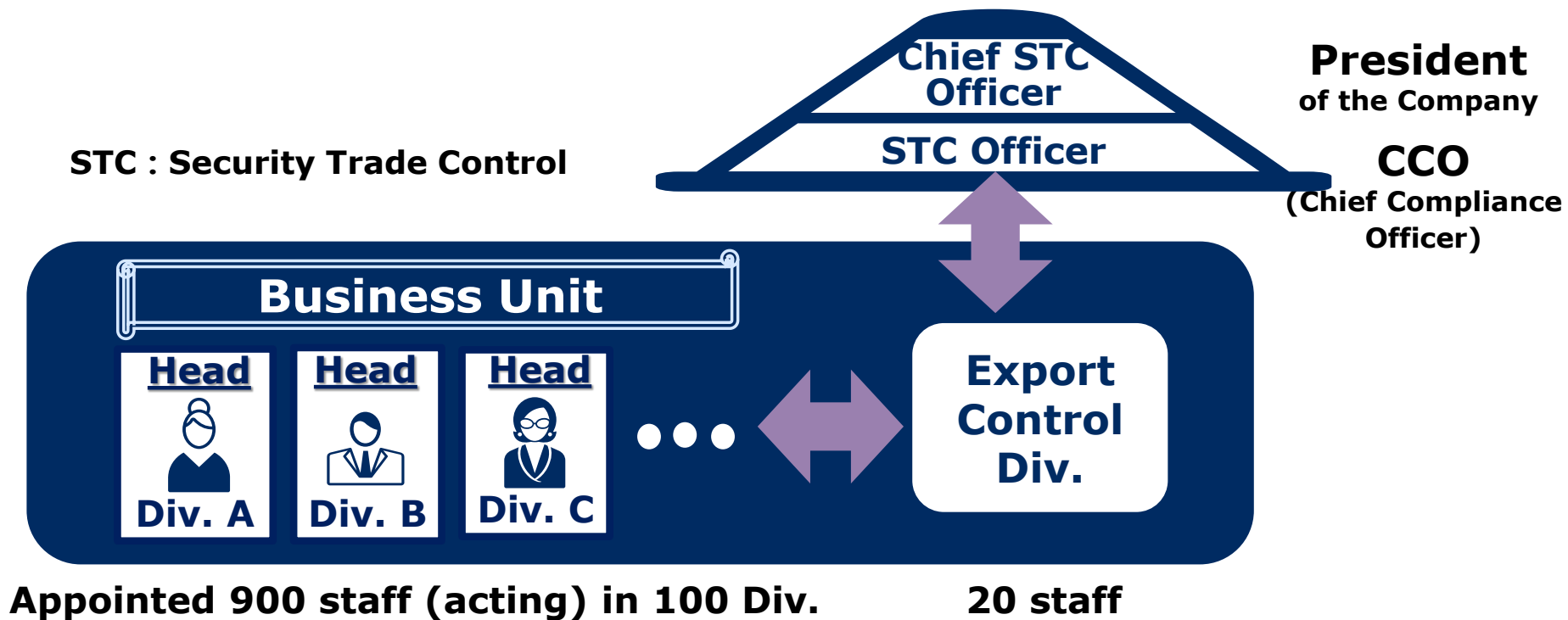
## Export Control Division

- **Provide support and guidance to the domestic and foreign NEC affiliates to ensure that export control is properly conducted**

# Control Organization

**Every Business Div. having any type of export transaction shall have its own Control Organization (appointed responsible personnel) and Procedures**

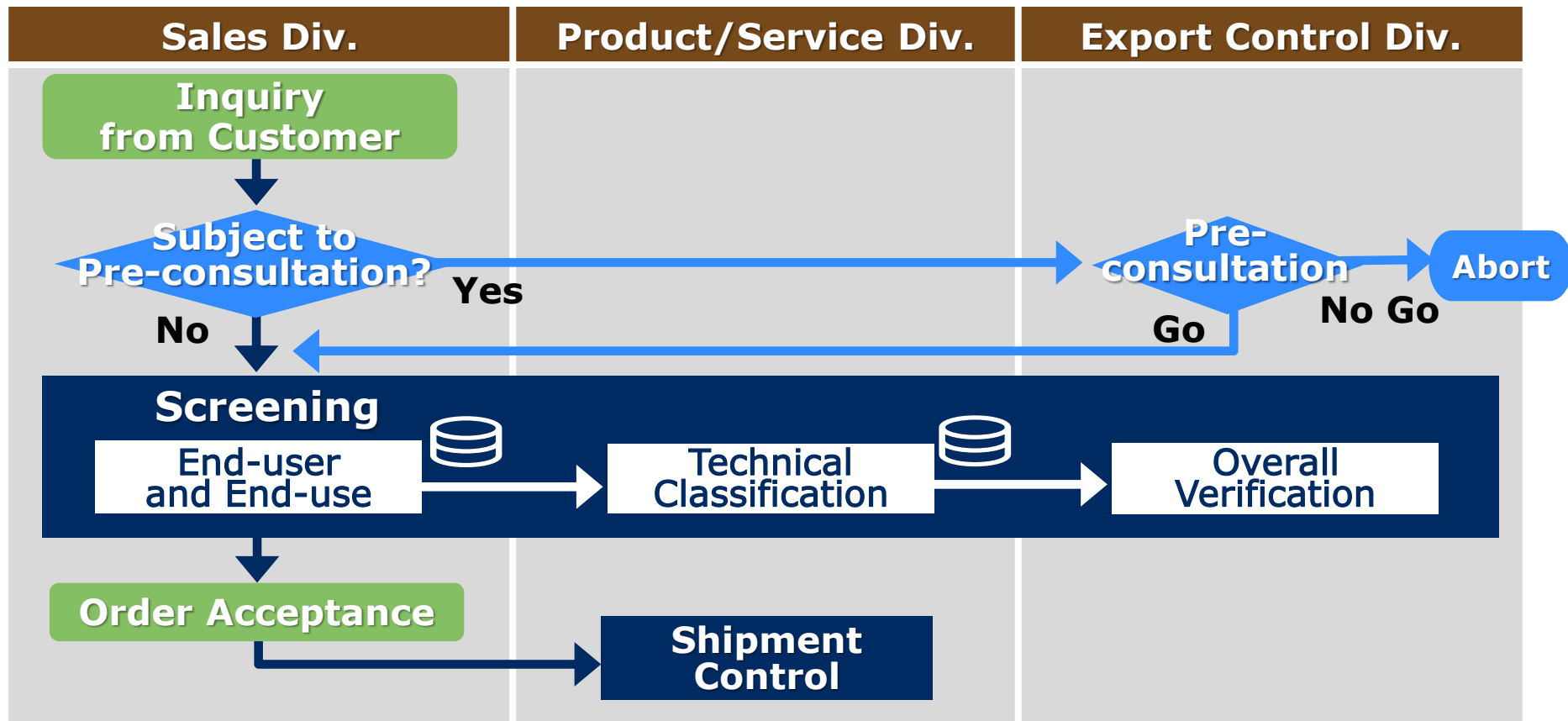
**Export Control Div. is a focal point**



# Procedures

## Every export transaction is subject to Control

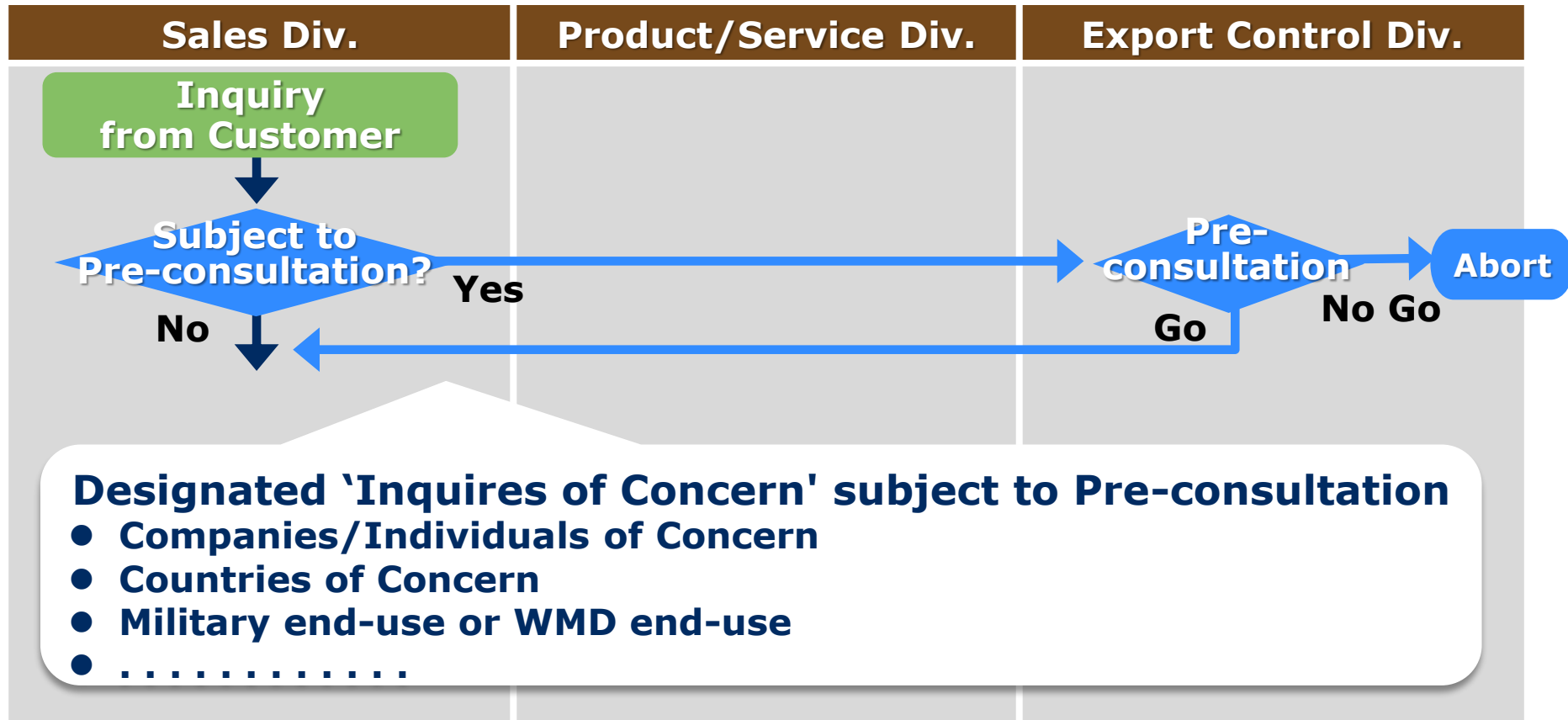
- Double-checked by Export Control Div.
- Cannot proceed with further steps without approval



# Pre-consultation Process

## 'Inquiry of Concern' subject to Pre-consultation

- For alert against concerned transactions in advance
- For judgment (Go/No Go for the project) at earlier stage



# Shipment Control

## Final check by Product/Service Div.

- Check if items to be shipped are identical to those that were already screened/approved and to the description in the shipping document
- Check if required Export License is properly obtained

**H/W and  
S/W attached thereby**



**Customs Clearance  
and shipping**



**Technology  
(intangible)**



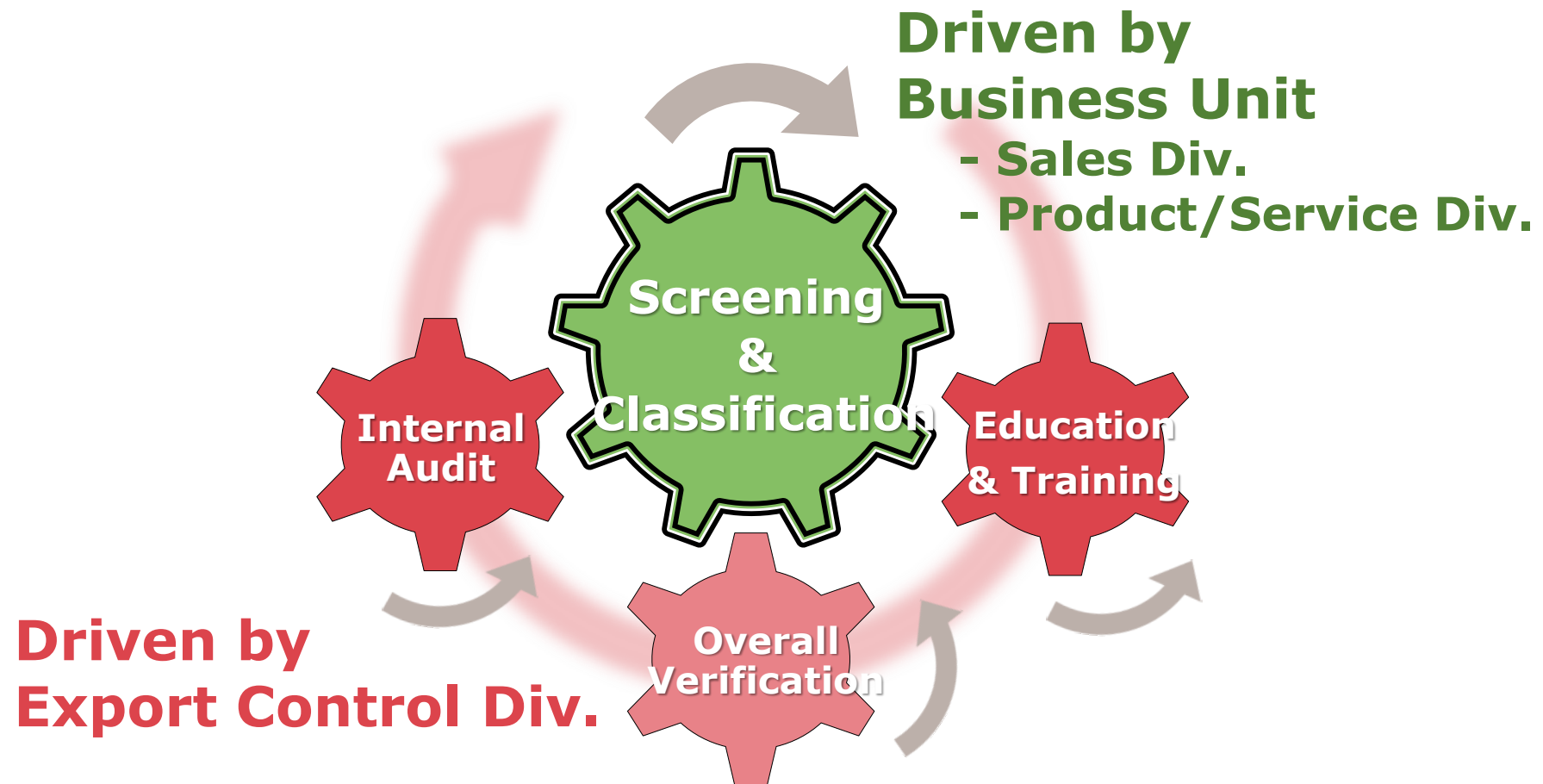
**Keeping Record  
(internal management)**



# Education/Training and Internal Audit

**Education/Training and Internal Audit are pre-/post gears for proper Control**

- **Constitute 'P' & 'C' for PDCA Cycle**



# Education/Training

Courses provided from Basics to Practical ones through **web-based** and **f2f classroom** sessions

Target



Responsible Personnel for Export Control

Sales Div.

Product/ Services Div.

Expat-to-be

All employees

Web-based Training

Orientation for beginners

Drill on Tech. Classification for beginners

Classroom Seminar

Web-based Training

Web-based Training

F2F guidance to Mgt.

Update of Control List

Drill on the US EAR

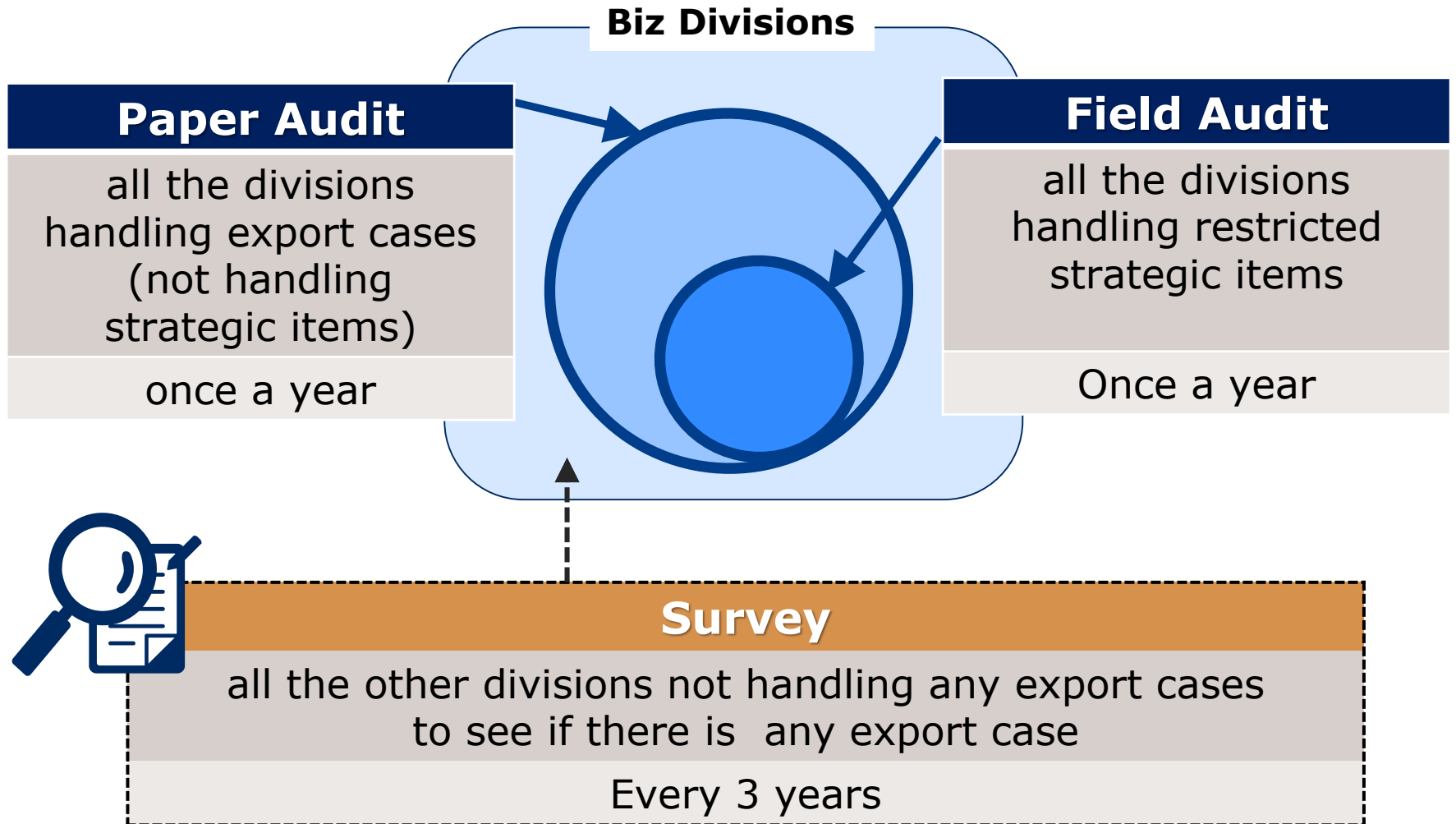
Drill on Tech. Class.



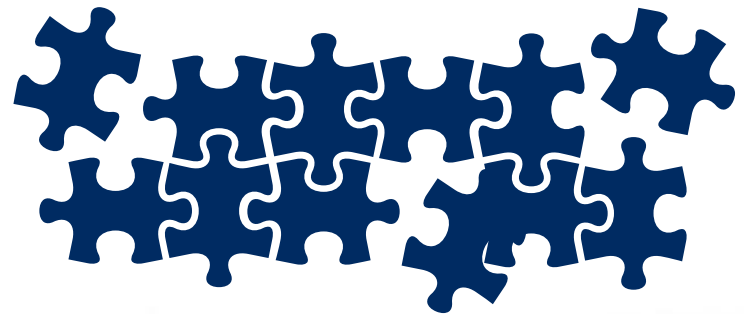


# Internal Audit

## 2 types of Audit depending on the sensitivity



- Introduction
- Export Control Practices in Japan
- **Export Control Practices overseas**
- Conclusion



# The basic Policy

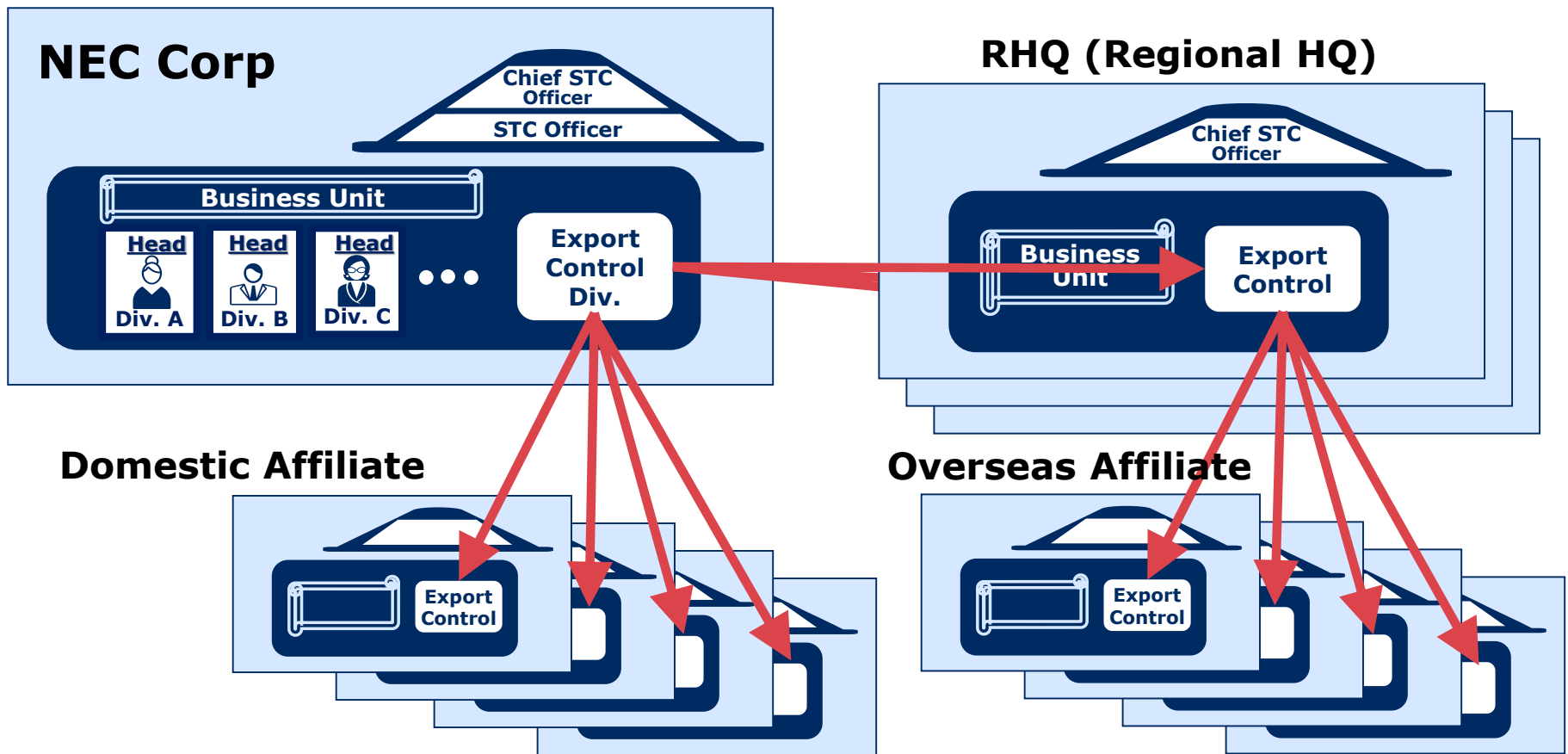
**Every NEC Affiliate shall take responsibility for establishing and maintaining internal control system in compliance with relevant laws and regulations**

- ✓ **Observe relevant laws and regulations of Country where Company is located**
- ✓ **Observe relevant laws and regulations of foreign governments (e.g. The US EAR)**
- ✓ **Establish internal control system to conduct proper export control**

# Control Organization

**Every NEC Affiliate has Control Organization (appointed responsible personnel) and Procedures**

**Export Control Div. is functionally connected**



# ICP across the World

**Every NEC Affiliate implements ICP (Internal Control Program) as NEC standard**

**Regional HQ provides support and guidance to its subsidiaries to ensure the implementation, in cooperation with Export Control Div.**

## Regional HQ provides:

## Internal Control Program



1. The Basic Policy
2. Control Organization
3. **Procedures**
4. **Education**
5. **Audit**
6. Guidance to subsidiaries
7. Reports
8. Penalty

● Pre-consultation Support

- F2F Seminars for Biz Div. Heads
- Web-based Training for all the employees
- Sharing Information
  - Laws and Regulations Update
  - Violation Cases

- Annual Self-assessment (as an annual Paper Audit)
- Site Visit @Business Div.

# 'OneNEC' Global Supply Chain



- Introduction
- Export Control Practices in Japan
- Export Control Practices overseas
- **Conclusion**

## **Export Control is 'Security Trade Control'**

- **anytime incorporated in the ordinary course of business**
- **anywhere (from-end-to-end) within NEC affiliates in Asia Pacific region and in the world**
- **anyone could be involved and therefore should be enlightened**

## **NEC Affiliates, even in the countries where there are no legislative obligations,**

- **conduct Customer Screening and follow Pre-consultation Process**
- **avoid being a loophole and prevent from being involved in the illegal diversion to Companies/Individuals of Concern**



A group of people, including men and women in business attire, are running on a grassy hill. The scene is bright and sunny, with a clear blue sky and a bright sun on the right side, creating a lens flare effect. The people are in motion, running towards the right side of the frame.

## **NEC's global "Security Trade Control" constituting an integral part for the security and the future prosperity of Singapore, Asia Pacific and the World**

NEC brings together and integrates technology and expertise to create the ICT-enabled society of tomorrow. We collaborate closely with partners and customers around the world, orchestrating each project to ensure all its parts are fine-tuned to local needs. Every day, our innovative solutions for society contribute to greater safety, security, efficiency and equality, and enable people to live brighter lives.

 **Orchestrating** a brighter world

**NEC**