

Canon Inc.

Corporate Strategy Conference 2021

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Agenda

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- Excellent Global Corporation Plan Phase VI
 - Key Strategy P 3-4
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(Printing, Optical Industry, Industrial Equipment, Medical)
 - Reinforcement of Global HQ Functions P 13

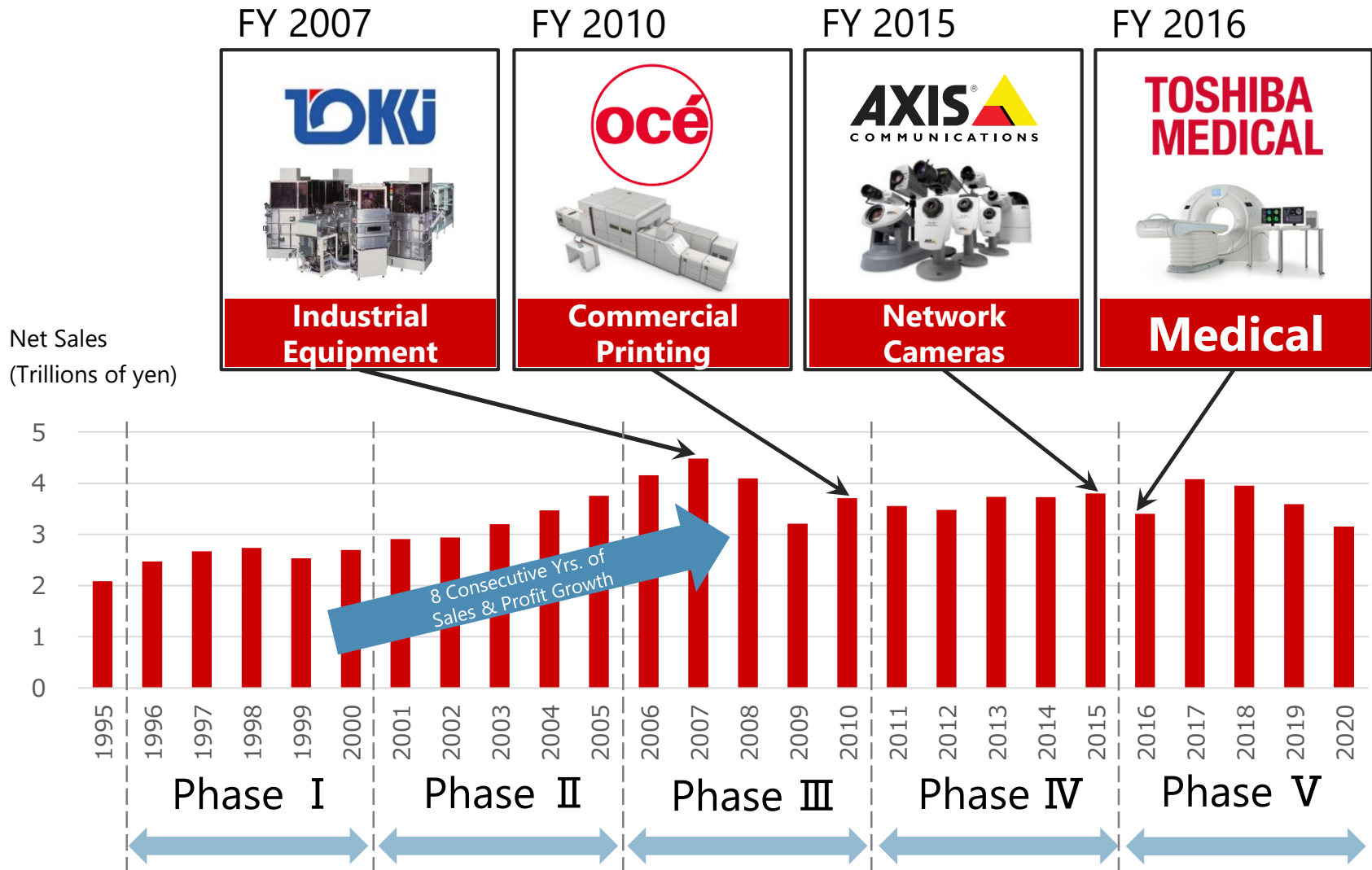
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Excellent Global Corporation Plan up to Phase V

4 New Businesses

- Set up 4 new businesses, acquiring leading companies in each field



Excellent Global Corporation Plan up to Phase V

Business environment

- Rise of smartphones
- Evolution of mobile devices
- Spread of Cloud



+ Spread of COVID-19

- Market contraction of cameras
- Market contraction of laser printers

Response

- Optimized production scale and sales structure through structural reform
- Continued M&A activity for new businesses
- Focused investment resources on new businesses
→ Built foundation for growth

1st stage in business portfolio transformation completed

Excellent Global Corporation Plan Phase VI

FY 2021-2025

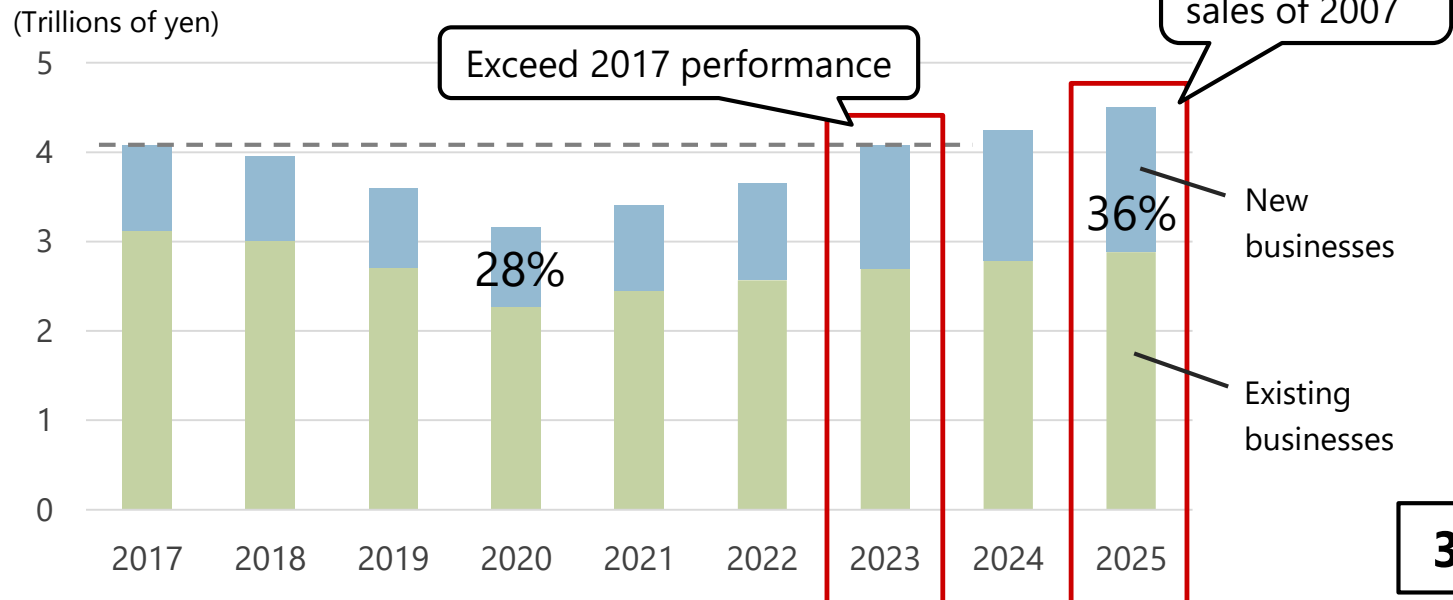
2nd stage in business portfolio transformation

- **Accelerate growth of 4 new businesses**
- **Cultivate new business areas** by integrating existing and new business technologies

Key strategy

Enhance business competitiveness by organizing into industry groups

Sales target



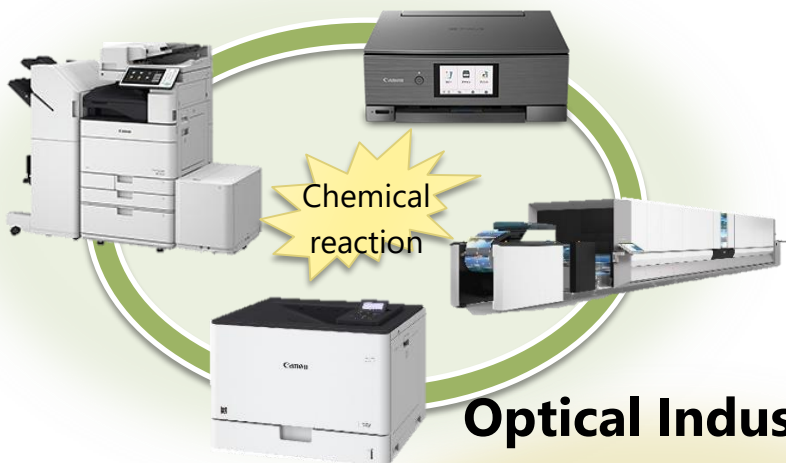
Excellent Global Corporation Plan Phase VI

Realign into 4 Industry Groups

■ Change from Product Group to Industry Group business structure

- Provide new products and solutions through technology based "Chemical Reaction"
- Prompt decision making through centralized responsibility

Printing



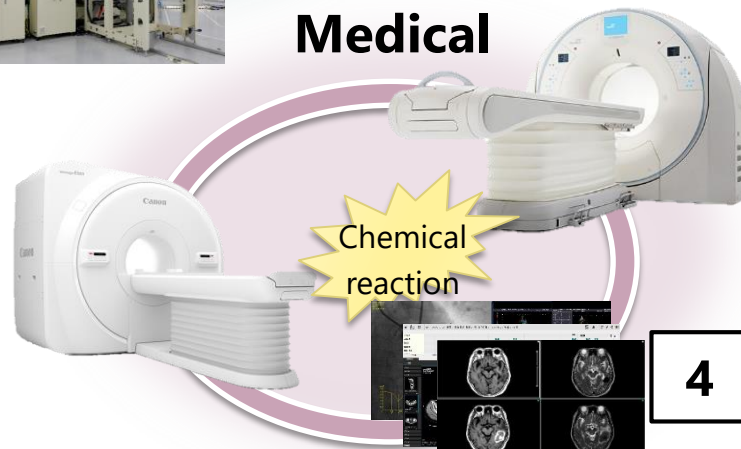
Industrial Equipment



Optical Industry











Medical



Printing

■ Canon's printing business field

	For home 	For office 	For commercial & industrial printing 
Electro-photography method	Laser printers 	MFDs 	Commercial printing 
Inkjet method	Inkjet printers 		Large-format printers  Industrial printing (Label/Package printing)

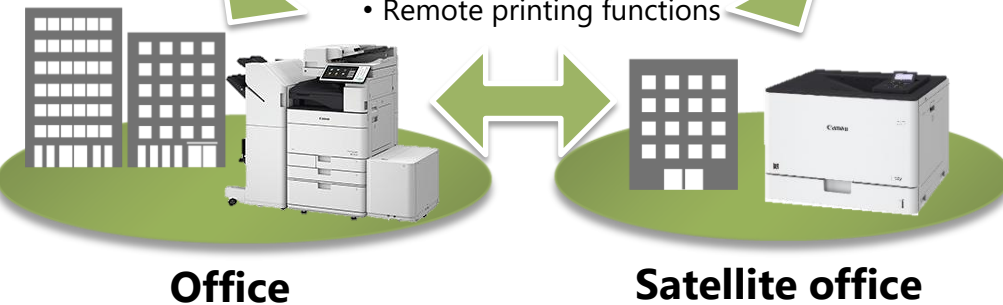
Printing

■ Home and office printing: Expand sales through share gain

➤ **Dispersing demand for print**



- Billing of printing cost
- Security measures
- Remote printing functions



➤ **Enhance product competitiveness**

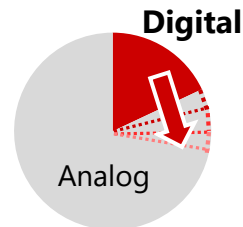
1. Enhance cost competitiveness

Development: Speed up, limit expenses
Production: Reduce costs

2. Enhance digital services



■ Commercial printing: Steady growth thanks to digital shift
Industrial printing: Full-scale entry into labels and packaging etc.



Achieve 5% or more annual growth across Printing Group

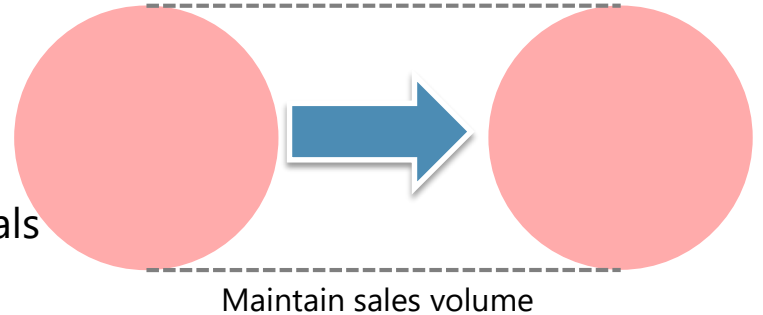
Optical Industry

- Expand business field from cameras to optical industry

1. Existing Camera business



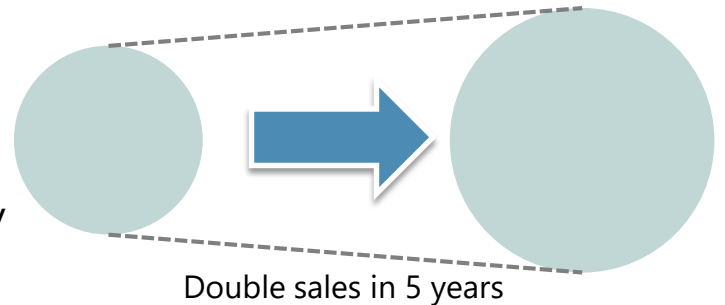
- Solidify top market share position
- Expand lineup for professionals and advanced amateurs



2. Network cameras



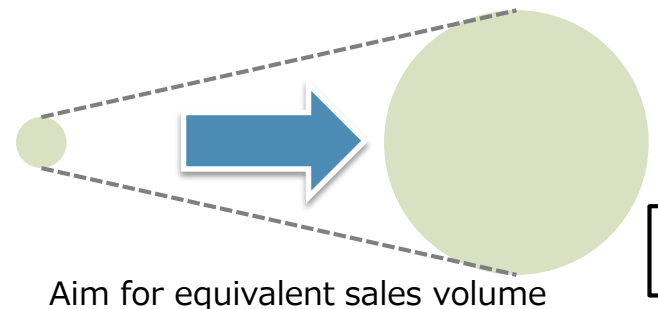
- Growing market
- Expand solutions that respond to needs for safety and security



3. New Optical business



- Create new businesses based on optical technology



Optical Industry

- Apply cameras across various fields as information input device

For example,

Business Intelligence

Inspections using AI analytics technology and solutions that work with robots etc.



AGV



Collaborative robots

Smart Mobility

3D-LiDAR Sensors



Video Business

Video production solutions



Free viewpoint video systems

Next-generation Consumer Video Systems



xR

New concept cameras

Defense and Advanced Monitoring

Enhance lineup of high-sensitivity cameras



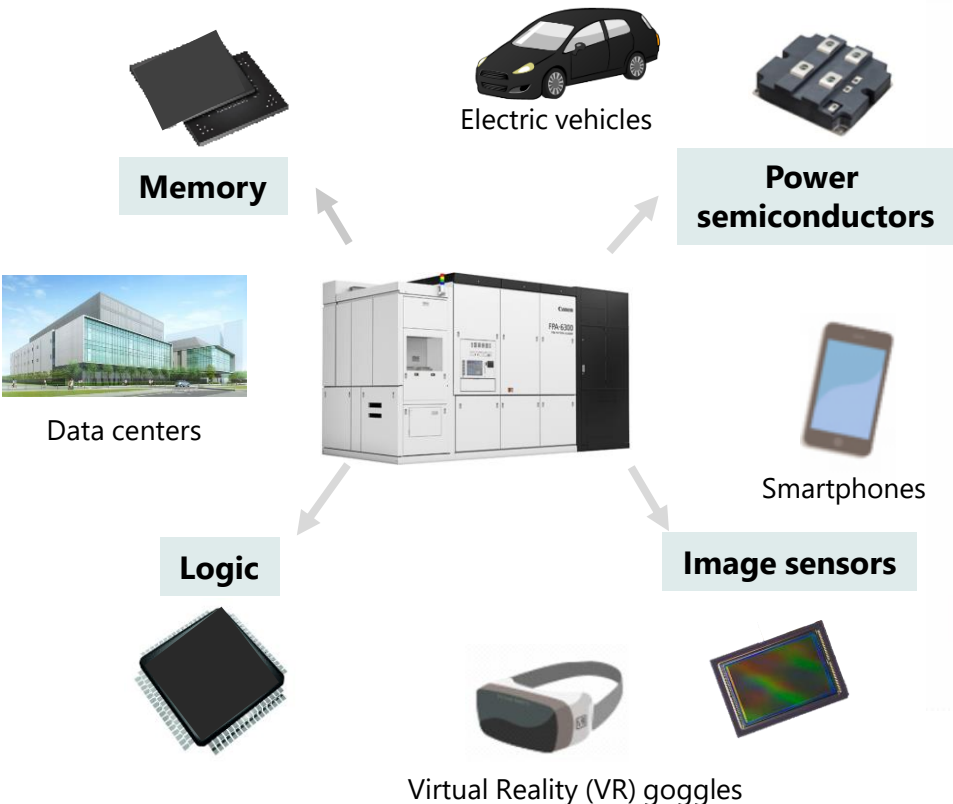
Aim for equivalent sales volume as Cameras and Network Cameras

Industrial Equipment

- Continued growth in demand for manufacturing equipment due to expanding application

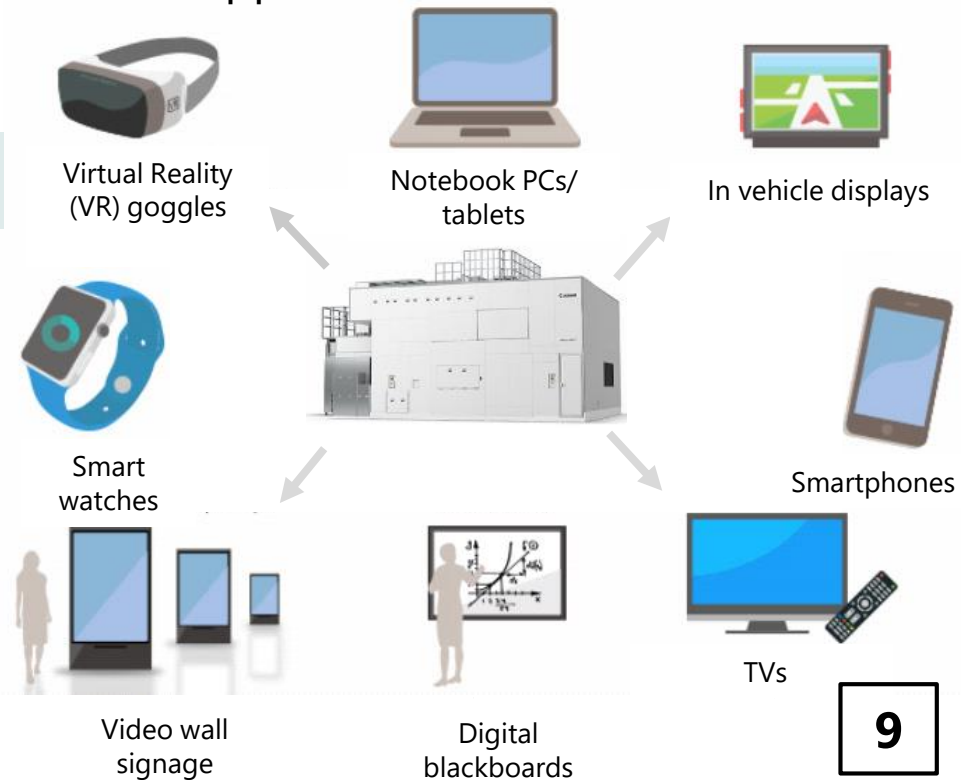
Semiconductors

- Increasing demand for semiconductor devices due to AI, IoT, and 5G



Displays

- Increasing demand for high-definition displays due to diversification of applications



Industrial Equipment

Lithography Equipment



- Maintain high market share, respond to customer needs

OLED Vacuum Deposition Equipment



- Expand into fields where growth is expected, such as TVs and smart glasses

Nanoimprint



- Accelerate verification process with semiconductor device manufacturer to start mass production and expand application

Achieve nearly double-digit growth for Industrial Equipment Group

Medical

- Expand business field, investing resources maximally

Collaboration with external medical institutions and companies

In vitro diagnostic field

Test reagents

Test equipment



Apply proprietary core technologies – Cameras, Printers, etc.

Cooperation that leverage CT and MRI strengths

Integrate

Analyze

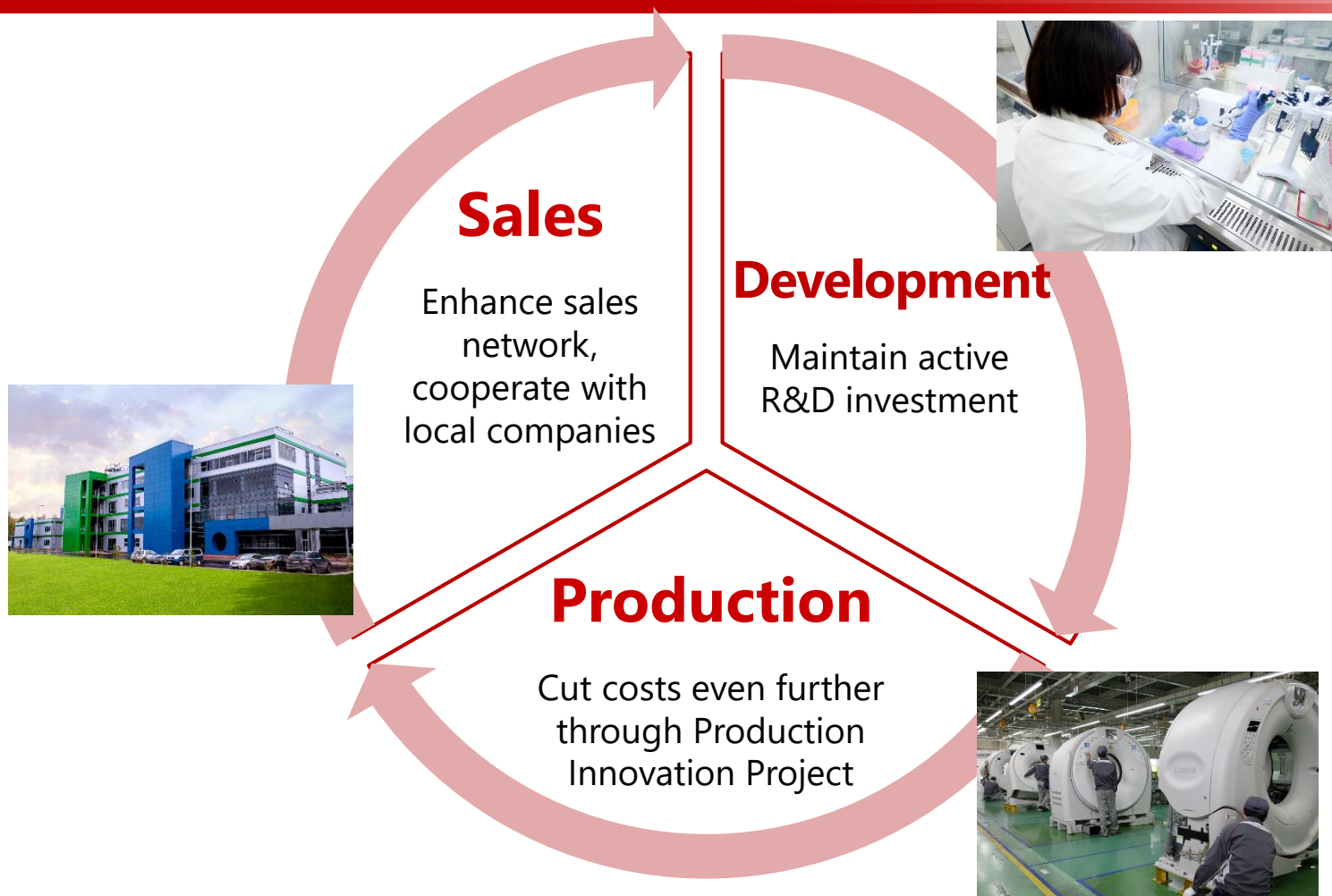
Process

Utilize image data



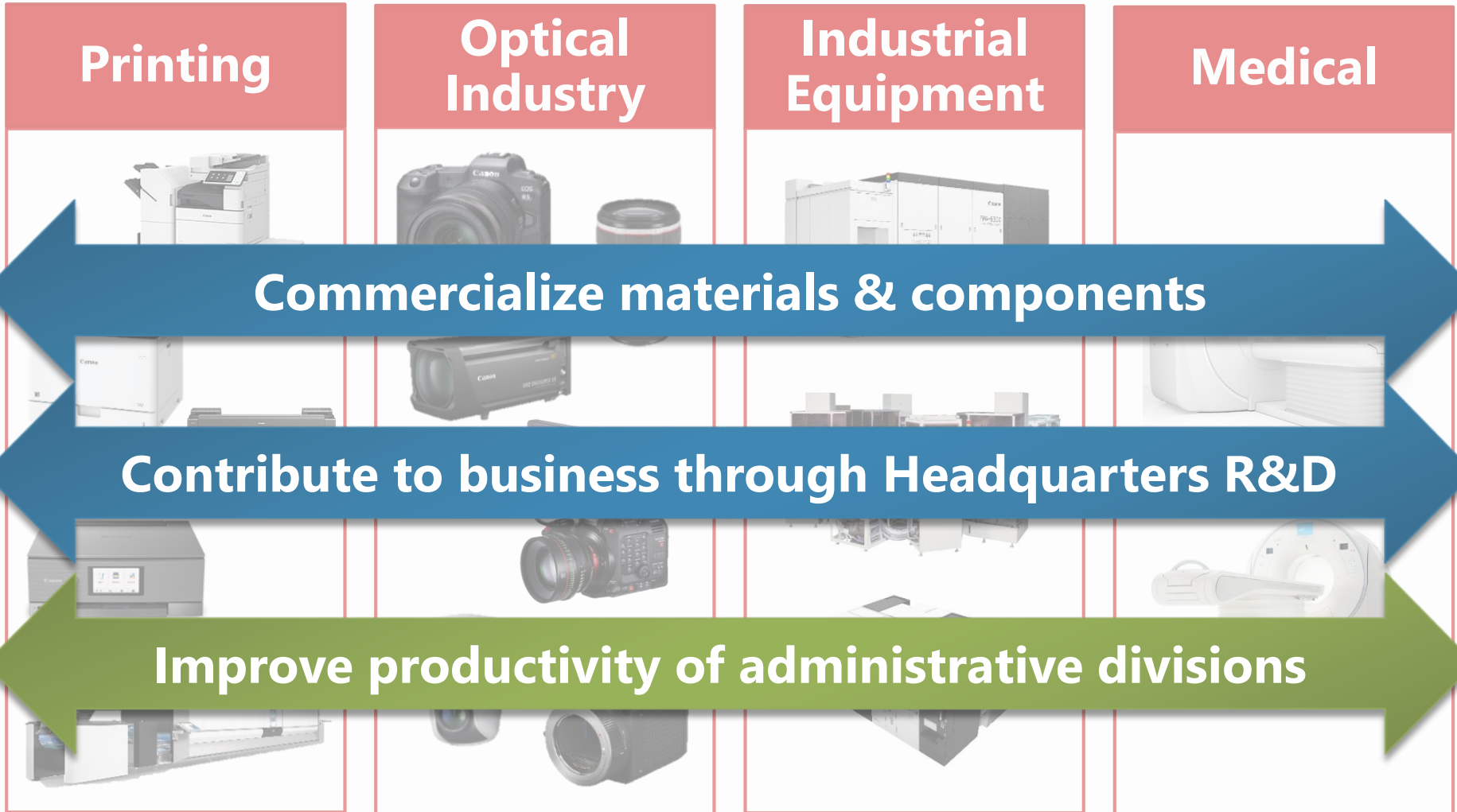
Healthcare IT field

Medical



Achieve 5% or more sales growth and double-digit operating profit ratio

Reinforcement of Global HQ Functions



Measures to Resolve Social Issues

- Philosophy of *Kyosei* established in 1988 = the idea of SDGs



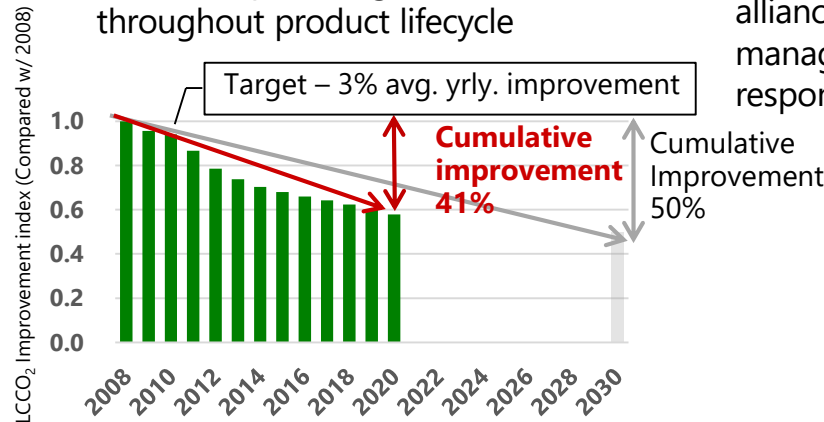
Create new value & solve social issues

- Contribute to solving issues through innovation




Protect & conserve environment

- Reduce impact on global environment throughout product lifecycle




Respond to people & society as a good corporate citizen

- Become member of corporate alliance to ensure ethical management to fulfill social responsibility



Contribute to realization of sustainable society, raising environmental and social values

Summary

■ 2025 Targets

Net sales	4.5 Trillion yen
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Op. profit ratio	12% or higher
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Net income ratio	8% or higher
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Stockholders' equity ratio	60% or higher
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FX 1USD=105 JPY, 1EUR=120 JPY

Aim to return to high profit earning company

Canon