

Canon Inc.

Corporate Strategy Conference 2022

March 7, 2022

Fujio Mitarai, Chairman & CEO

This presentation contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this presentation. A detailed description of these and other risk factors is included in Canon's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

Agenda

- | | |
|--|---------|
| ■ Excellent Global Corporation Plan Phase VI
Review of 2021 | P 1 |
| ■ 2021 Results and Future Growth Strategy
by Industry Group | |
| • Printing | P 2-4 |
| • Imaging | P 5-7 |
| • Medical | P 8-9 |
| • Industrial | P 10-12 |
| ■ Financial Strategy | P 13 |
| ■ Actions to Solve Social Issues | P 14 |
| ■ Summary | P 15 |

Excellent Global Corporation Plan Phase VI

Review of 2021

Second Stage of Business Portfolio Transformation

Re-spread of
COVID-19



Shutdown of
production
sites



Logistical
constraints



Parts
shortages



Perform- ance Targets

2025: Surpass Record Sales of 2007

- Net sales : 4.5 trillion yen or more
- Operating profit ratio : 12% or more
- Net income ratio : 8% or more
- Shareholder's equity ratio : 60% or more

Key Strategies

Strengthened Business Competitiveness Through Reorganization into Industry Groups

- Accelerate growth of 4 new businesses
- Effective use of resources, rationalize Production and R&D
- Cultivate new business areas by integrating technology

Significantly Exceeded Profit of 2019 in 2021

Numerous Reforms

Strategic Business Portfolio
Transformation

Sales Organization and
Production Site Structural
Reforms

Reorganization into Industry
Groups

2021 Results and Future Growth Strategy (Printing)

Results

Realization of Integrated Business Operations under Printing Group

- Respond to decentralized printing locations with rich electrophotography and inkjet technology based product Lineup
- Control costs by sharing personnel, facilities and other resources

Growth Strategy

•Global No. 1 in Office & Home Printing

- Strengthen price competitiveness by consolidating product platforms
- Providing printing solutions that align with DX era

•Accelerate Growth of Commercial & Industrial Printing

- Secure orders from major printing companies and enhance dealer network by improving image quality and productivity of existing product lineups
- Introduce commercial printing equipment in new fields and full-scale entry into industrial printing equipment



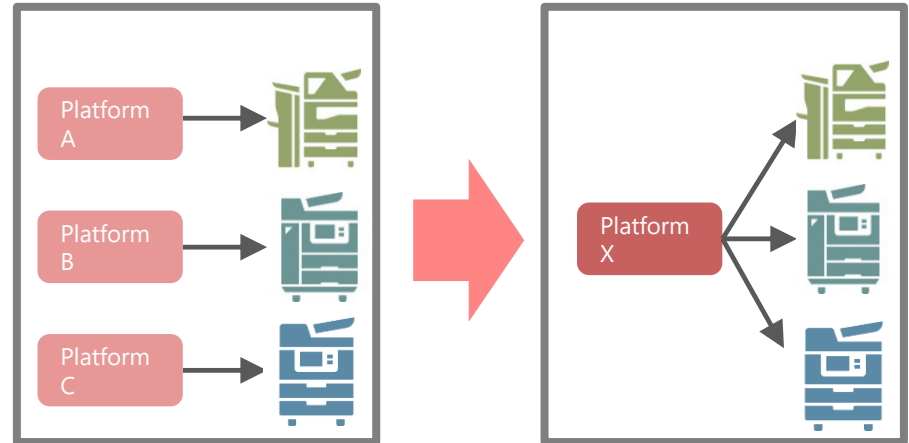
**Aiming for Stable Sales Growth of
Around 4 to 5% per Year**

Growth Strategy (Office & Home Printing)

Global No. 1 in Office & Home Printing

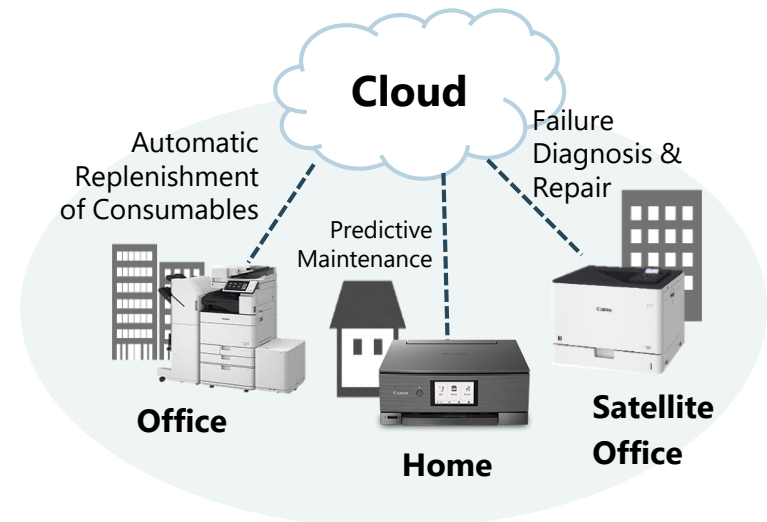
① Strengthen Price Competitiveness

- Consolidation of product platforms
 - Production automation & In-house production
- Further cost reduction



② Providing Printing Solutions that Correspond to Digital Transformation

- Centralized management of MIF using Cloud
- Enhance smart services



Growth Strategy (Commercial & Industrial Printing)

Accelerate Growth of Commercial & Industrial Printing

① Enhance Commercial Printing Product Lineup

- Acquire customers through products that offer enhanced image quality and productivity
- Increase market coverage by enhancing product lineup



ProStream



varioPRINT iX



imagePRESS



Colorado

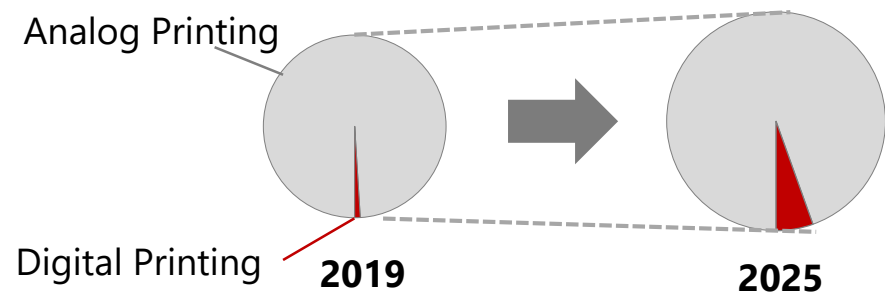


imagePROGRAF

② Expand into Industrial Printing Area

- Full-scale entry into digital industrial printing market
- Developing new products that gather collective efforts of Printing Group

Industrial Printing Print Volume



Increase in Digital Printing Ratio

2021 Results and Future Growth Strategy (Imaging)

Results

Built Structure that Generates High Profits through Structural Reform and Improvement in Product Mix Via Increase in Mirrorless Camera Market Share

Growth Strategy

(Cameras)

Establish Global No.1 Share even in Mirrorless Cameras

- Further enhance lineup of both cameras and lenses

(Network Cameras)

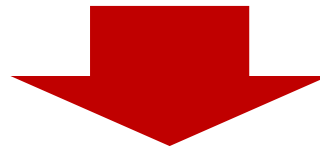
Strengthen Total Solutions of Hardware and Software

- Respond to application beyond the security field

(New)

Develop Imaging Business Centered on Optical Technology

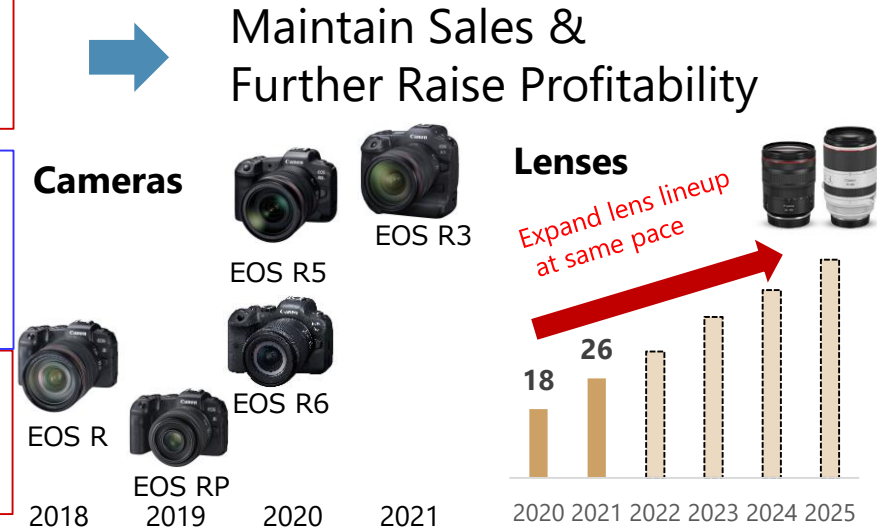
- Expand scale - Cultivate new users, develop new products



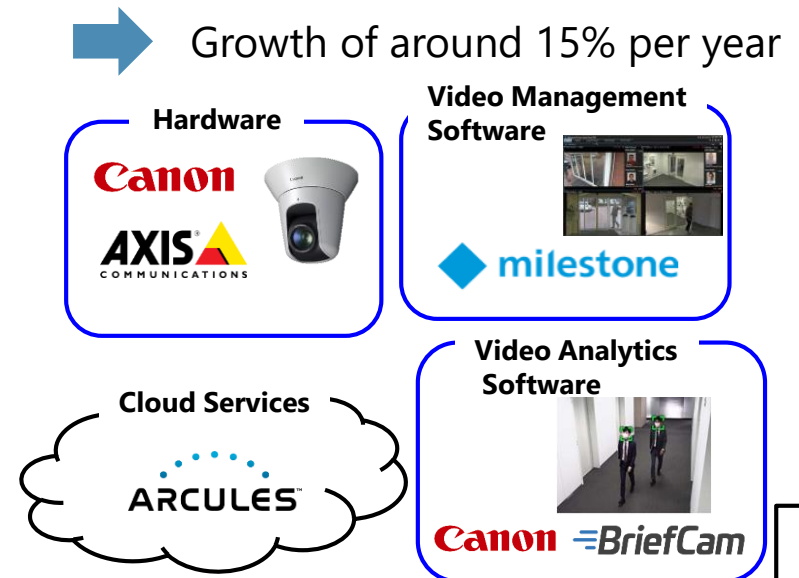
Targeting 1 Trillion Yen in Imaging Group Sales

Growth Strategy (Cameras & Network Cameras)

Cameras	Establish Global No.1 Share even in Mirrorless Cameras
External Environment	<ul style="list-style-type: none"> • Firm demand among professionals and advanced amateurs • Market as a whole seems to be bottoming out
Measures	<ul style="list-style-type: none"> • Further enhance lineup of EOS R system cameras and lenses



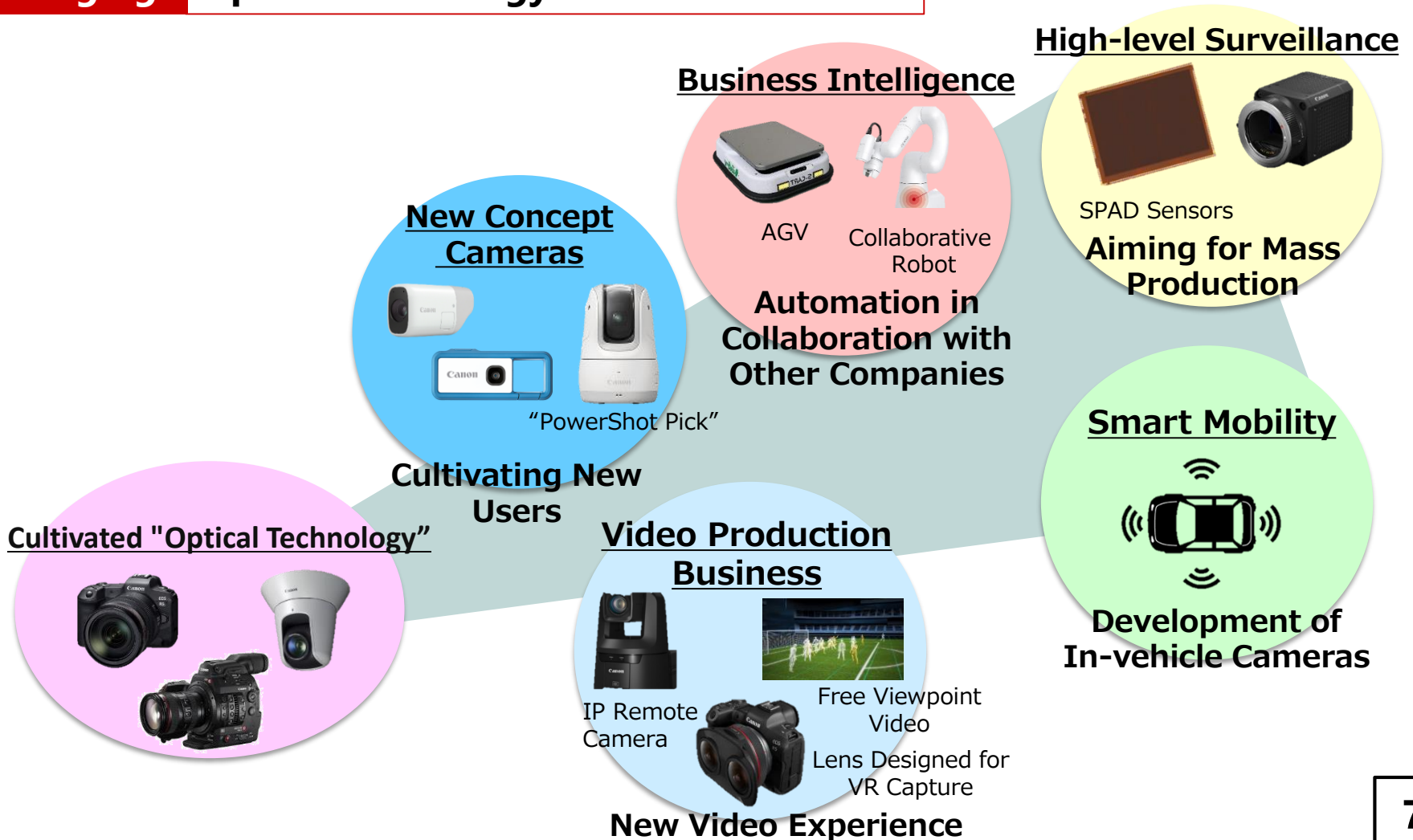
Network Cameras	Strengthen Total Solutions of Hardware and Software
External Environment	<ul style="list-style-type: none"> • Expanding usage in areas, including stores, factories, and medical facilities
Measures	<ul style="list-style-type: none"> • Develop and offer total solutions that combine network cameras with video management and video analytics Software



Growth Strategy (New Imaging)

**New
Imaging**

**Develop New Businesses Centered on
Optical Technology**



2021 Results and Future Growth Strategy (Medical)

Results

- Increased Number of CT Systems in Operation at Medical Institutions by Expanding Sales mainly in Japan
- Enhanced Clinical Value, Launching New AI Brand ("Altiivity")
- Acquired Redlen to Develop PCCT* - Next Generation CT

* PCCT: Photon-counting CT

Growth Strategy

- Aim for Global No.1 CT Market Share
- Market Share in the U.S. : 10% or more
- In-vitro Diagnostics, Healthcare IT, and Components - Sales Composition 10% Each
- Operating profit ratio : 10% or more

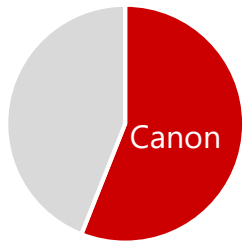


Aiming for Sales Growth of 5% or more per Year

Growth Strategy (Medical)

CT

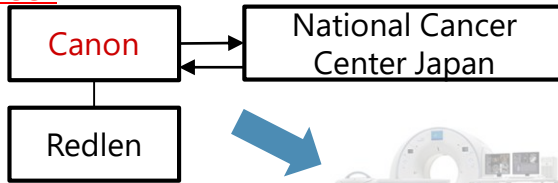
Global No. 1 Share



No.1 Share in Japan

Development of
PCCT

Collaborative
Clinical Research



New AI brand
"Activity"

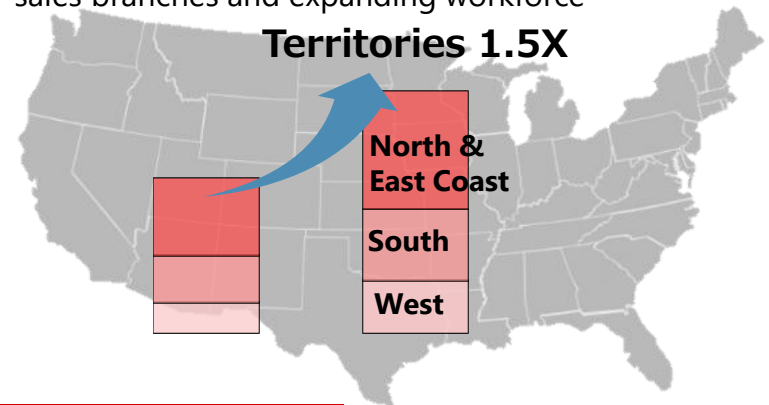


Working to provide
equipment with
increased clinical
value

U.S.A.

Market Share 10% or more

Territory segmentation by increasing number of sales branches and expanding workforce



Territories 1.5X

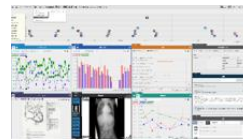
Growth Areas

Expand In-vitro Diagnostics, Healthcare IT, and Components to Each Make Up 10% of Sales

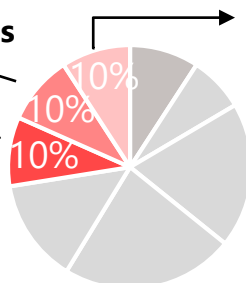


In-vitro
Diagnostics

Healthcare IT



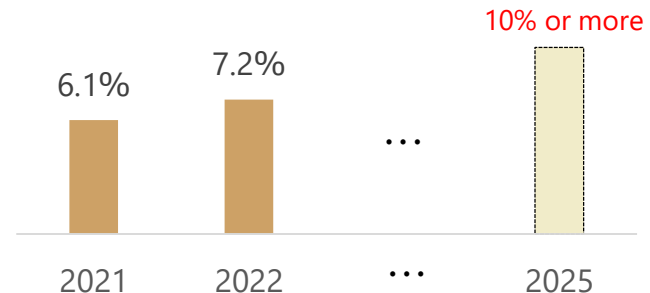
Components



Profitability

Operating profit ratio
10% or more

Expand Sales + Reduce Costs



2021 Results and Future Growth Strategy (Industrial)

Results

Strengthen Production and Installation Systems to Firmly Capture Demand

- Raise manufacturing capacity to capture expanding demand for semiconductor lithography equipment
- Improve FPD lithography equipment installation capability by training necessary local personnel

Growth Strategy

• Expand Sales of Existing Products

- Further raise production capacity of semiconductor lithography equipment
- Panel manufacturing equipment - Broadly respond to expanding usage of OLED panels

• Expand Business Sphere

- Development towards leading-edge semiconductor areas, using Nanoimprint mass production
- Development of new equipment that integrate Canon's core technologies



Aiming for Sales Growth of Around 10% per Year

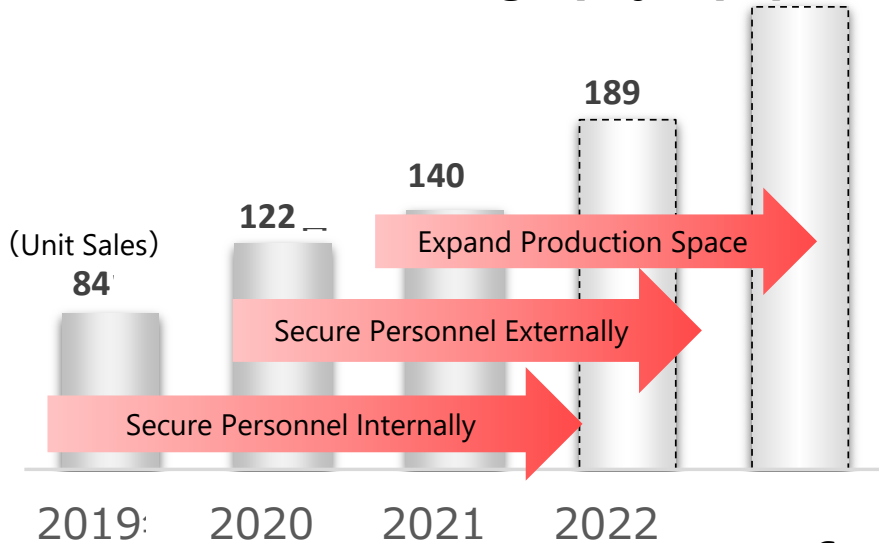
Growth Strategy (Industrial)

Growth Strategy

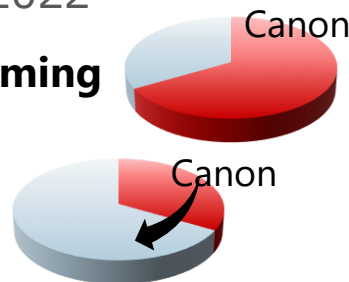
Expand Sales of Existing Products

Semiconductors

Further Raise Production Capacity of Semiconductor Lithography Equipment

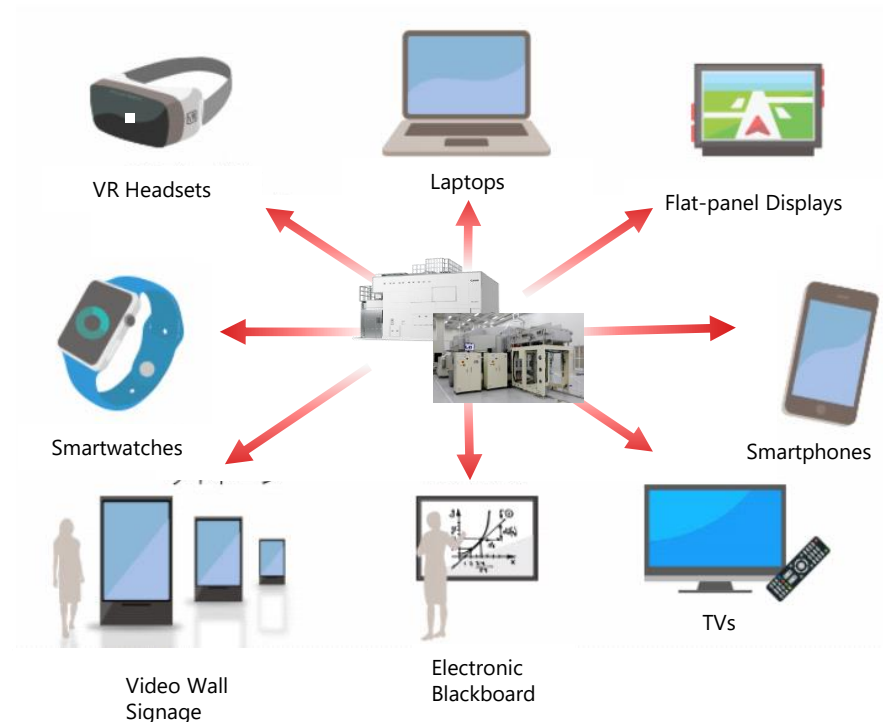


- **i-line - Maintain Overwhelming No.1 Share**
- **KrF - Targeting Share Expansion**



Flat Panel Displays

Respond to the Growing Use of OLED



Growth Strategy (Industrial)

Growth Strategy

Development of New Equipment

- Expand Business Sphere to Increase Sales Further

Nanoimprint



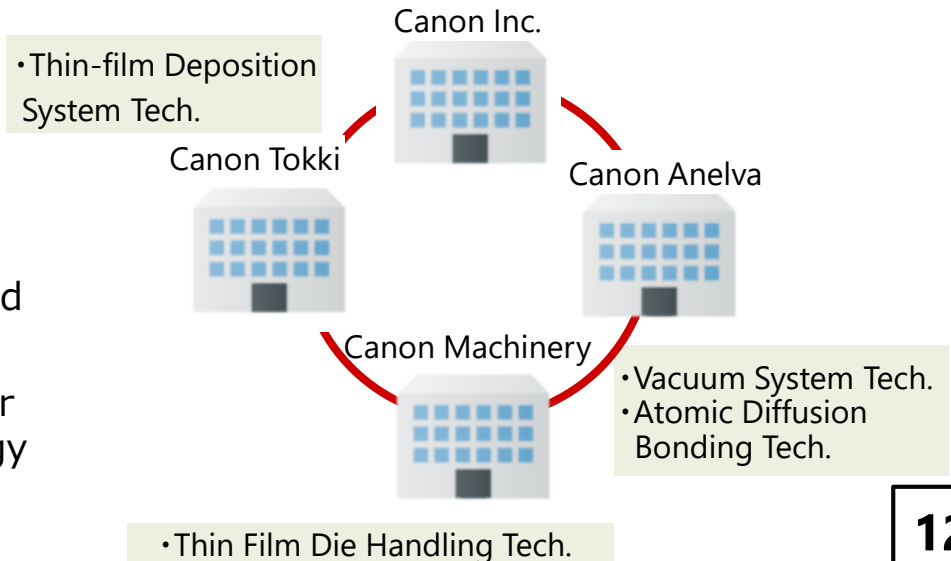
- **Final Stage of Adjustment for Nanoimprint use in mass production**
- **Establishment of Leading-edge Semiconductor Production Technology**
 - Participation in NEDO, a national research and development agency, Consortium
 - Development of Leading-edge Semiconductor Production Equipment and Process Technology



Expand Domain

Development of New Equipment that Integrate Canon Group Technologies

- High-precision Alignment Tech.
- Ultra-precision Stage Tech.
- Ultra-high Precision Processing Tech.
- Nanoimprint Tech.



Financial Strategy

<Basic Policy>

Maintain Sound Financial Position through Comprehensive Cash Flow Management

Usage of Cash:

- ① Investments for future growth
- ② Stable and proactive return to shareholders

2021

- Cash flow increased in line with recovery in performance, also carried out M&A
- Steady progress in debt repayment, improvement in financial position as shareholders' equity ratio exceeds 60%
- 20 yen increase in dividend per share to 100 yen

Future

- Growth investment - 200 billion yen or more in yearly capital spending, M&A activity when appropriate
- Generate stable free cash flow of 250 billion yen or more per year
- After repayment of debt - Achieve dividend payout ratio of 50% and early realization of 160 yen per share

Actions to Solve Social Issues

**2021
Results**

Make Clear Canon's Intentions and Strengthen System for Solving Social Issues

2021

May – Environment Division ⇒ Sustainability Headquarters

2022

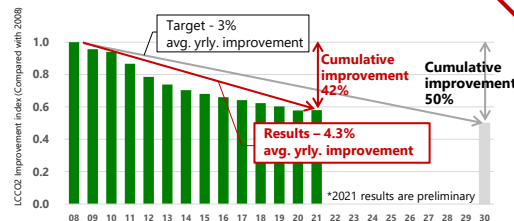
January - Integration of CSR Division

June - Endorsement of TCFD

August - Target Net Zero CO2 Emissions in 2050 through Business Activities

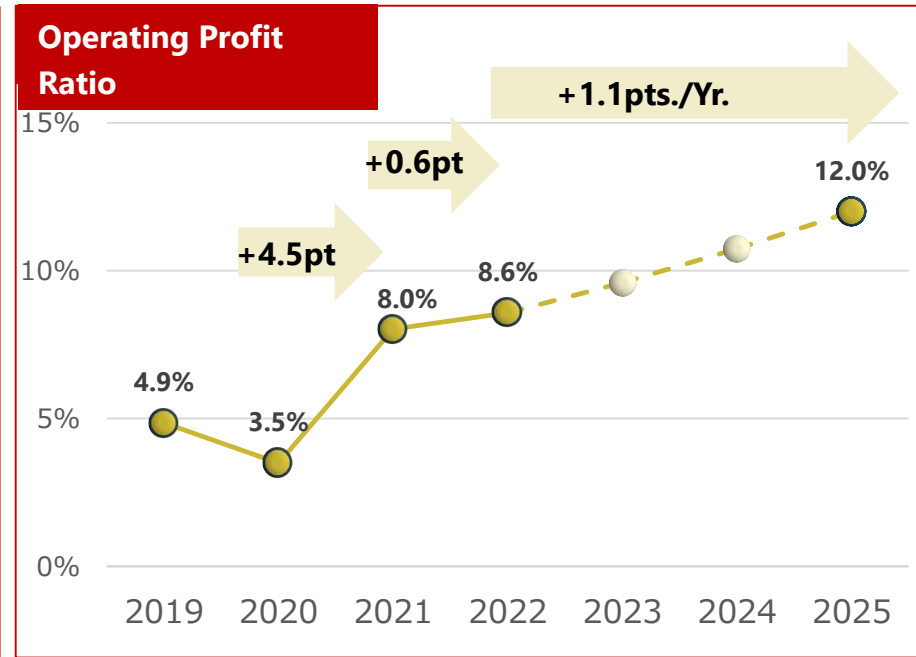
October - Formulation of Canon Group Human Rights Policy

Lifecycle CO2 Emissions per Product
- Average Yearly Improvement of 3% Compared to 2008



1988 Corporate Philosophy - *Kyosei*

Summary



- **Good Start Towards Achieving 2025 Targets**
- **Return to Highly Profitable Company by Steadily Implementing Growth Strategy**

Canon