

Canon Inc.
2023 Corporate Strategy Conference

Medical Group

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Senior Managing Executive Officer

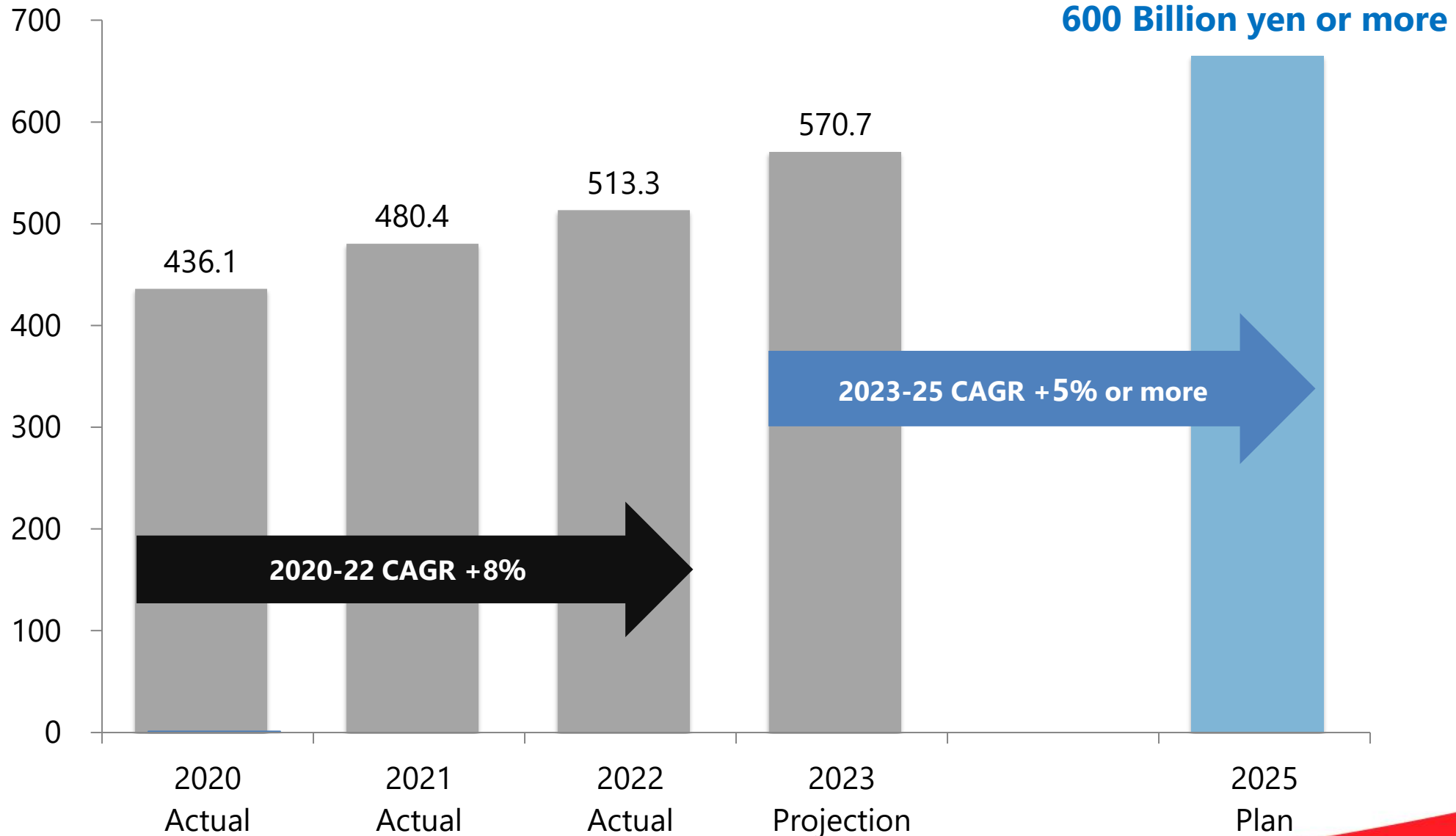
Head of Medical Group

Canon

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5-year Plan Group Net Sales

(Billions of yen)



Growth Strategy

Basic Policy
2020 to 2022 – Focus on strengthening internal structure to raise organizational strength and grow top line from 2023

2020

Stage 1

2022

2023

Stage 2

2025

Prepare growth engines

Strengthen product competitiveness

- Offer new value through development of next-generation technologies with diagnostic imaging at its core
- Strengthen and expand in-vitro diagnostics and healthcare IT business portfolio

Strengthen sales capability

- Strengthen sales structure in U.S. and raise presence
- CRM-based sales productivity enhancement

Strengthen business constitution and structure

- Promote efficiency incorporating DX
- Change manufacturing structure

Realize growth through strengthened structure and prepared growth engines

Aim for annual sales growth of 5% or more

- Global No. 1 share of CT market
- Achieve 10% or more mkt. shr. in U.S.
- Deploy U.S. presence globally
- Achieve overwhelming No. 1 position in Japan



- Maximize profit through increased sales

Achieve op. profit ratio of 10% or more



Major Activities – 2022 (Prepare growth engines)

Strengthen product competitiveness

Business contribution

- Realized MRI system manufactured solely by Canon

Function/
performance

Cost

- Early commercialization of X-ray CT System with Photon-counting Detector

- Acquired Redlen Technologies
- Started joint research with Japan National Cancer Research Center



New value

- Improved workflow through Canon camera technology and AI

New value

Function/
performance



- Strengthened X-ray product lineup through acquisition of NRT



Function/
performance

Cost

Strengthen sales capability

Strengthen sales capability in U.S.

- Strategy to strengthen U.S. territories
- Change U.S. sales commission system
- Acquired/integrate NXG



CMCU/CMCE establish

- Commercially integrate Canon Inc. & CETD products
- Capture global account bus., eliminating territory resale

Restructure health care IT business

- Strengthen structure as a Canon Group

Step1

Name change
Vital to CMI

Step2

Strengthen
RSS* through
cooperation
with PSP

Step3

TOS* Transfer
bus. to M3
Group

Step4

Integrate SI
business of
HIS with
Canon ITS
Medical

*CMI: Canon Medical Informatics, Inc.
*RSS: Reading Support Solution

*TOS: Electronic medical records and medical accounting systems for clinics

*SI of HIS: System integration of hospital information systems

Strengthen business constitution and structure

- Return to production system centered in Japan

- Closed Canon Medical Malaysia plant



- Constructed new electron tube factory building

- Strengthen cost competitiveness through automation
- Setup labor saving production line



- Newly established testing center

- Anechoic chamber and large/medium thermostatic chamber enabling public testing



Major Achievements in 2022

■ Record-high sales and profit for the Medical Group

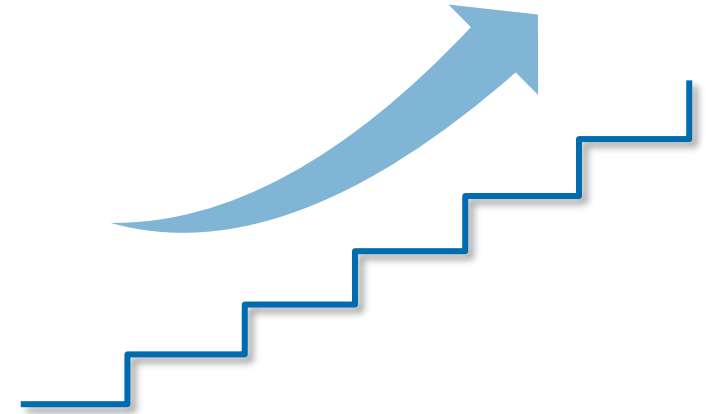
- Net sales: 513.3 billion yen
Operating profit: 31.0 billion yen

■ 8 consecutive periods of Y/Y sales growth in U.S. market

- Recorded 8 consecutive quarters of sales growth up to and including 2Q 2022

■ Captured No. 1 share of MRI market in Japan

- Realized improved workflow through adoption of Canon camera technology
- Acquired 30% or more share of 1.5 T market in Japan



Major Measures of 2023

Phase VI
Basic Policy

2020 to 2022 – Focus on strengthening internal structure to raise organizational strength and grow top line from 2023
→ Realize growth through strengthened structure and prepared growth engines

Strengthen product competitiveness

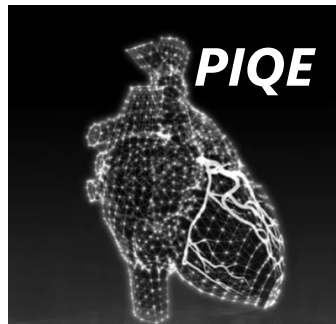
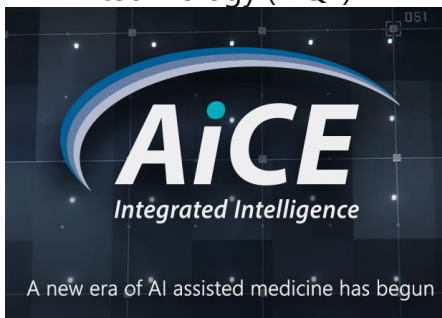
Early commercialization of PCCT

- Propose new clinical value
- Capture No. 1 share of global CT market



Offer clinical value through AI technology

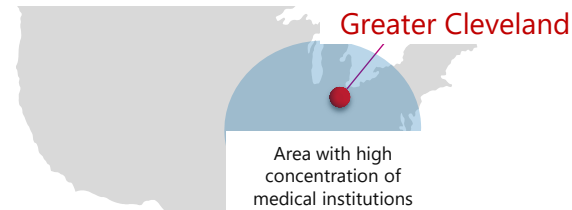
- Low-dose radiation high-resolution technology (AiCE)
- Super-resolution deep-learning reconstruction technology (PIQE)



Strengthen sales capability

Strengthen sales capability in U.S.

- Canon Healthcare USA, INC. est.
- Raise presence in U.S.
- Strengthen competitiveness globally



Strengthen sales structure in India and Middle East

- New company established in India as of January 2023
- Also have plans to expand business sites in Saudi Arabia and UAE



Strengthen business constitution and structure

Raise gross profit

Lower costs

- Transform manufacturing structure
- Establish the Product Value Engineering Promotion Division



Improve productivity

- Standardized Sales operation based on CRM
- Increase in sales per person



Early Realization of Signature Canon PCCT

- Acquired Canada-based Redlen Technologies in 2021, developing and manufacturing semiconductor-based detector modules
- Utilizing Redlen's technology, developed Japan's first X-ray CT equipped with photon counting detector
- Japan's National Cancer Center completed installation at Advanced Medical Development Center and began Clinical evaluation



Future moves to commercialize

Start joint research with medical institutions in the U.S.

Combine KOL strategy with measures aimed at raising PCCT clinical value

Early realization of PCCT that has new clinical value

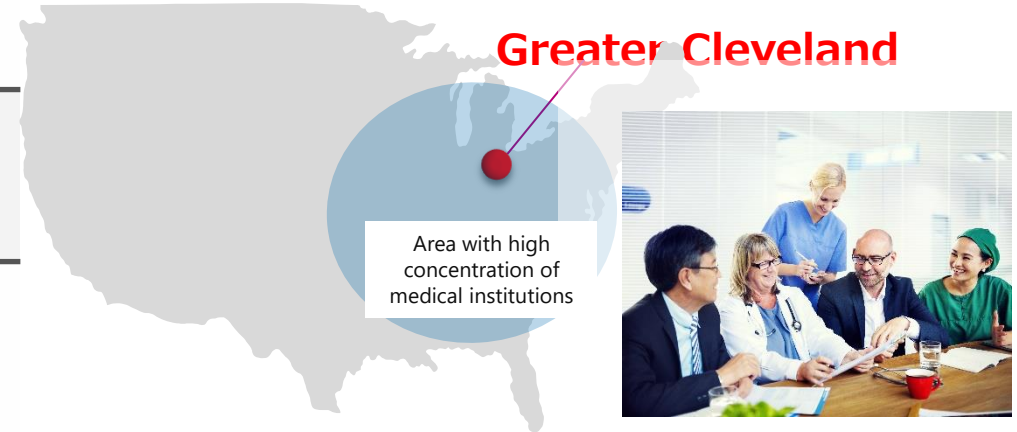


Capture No. 1 Share of Global CT market



Establishment of New Company in U.S.

1. Co. Name	Canon Healthcare USA, INC.
2. Location	Ohio, USA
3. Directors	Chairman: Hiroyuki Fujita President: Hisashi Tachizaki
4. Business profile	Marketing activities through cooperation with medical institutions
5. Foundation	February 1 2023
6. Investment ratio	Canon Inc. (100%)
7. No. of employees	20 (Plan)



Strengthen global competitiveness by raising presence in U.S.

Activities to Accelerate Cost Reduction

With the aim of transforming manufacturing structure, establish Product Value Engineering and Planning Group. Promote concurrent engineering and control of internal and external production of units.

Reduce all costs: Further raise production efficiency in manufacturing process, improve yield rates, eliminate need for rework

Create unified development design and manufacturing site
Realize manufacturing through best production processes from a quality perspective



Accelerate cost reduction of key components used in Canon's medical equipment



Laterally deploy successes of Canon Toride Plant



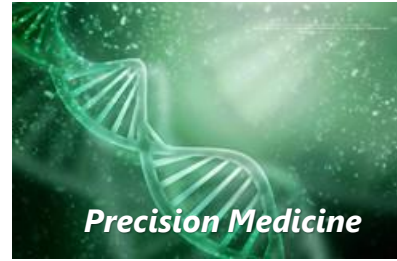
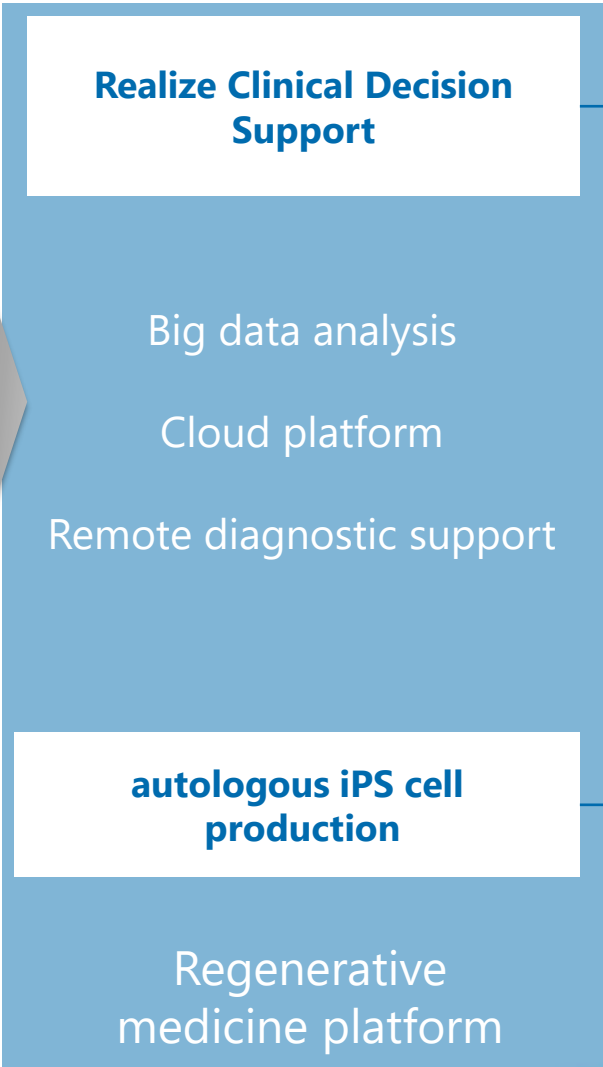
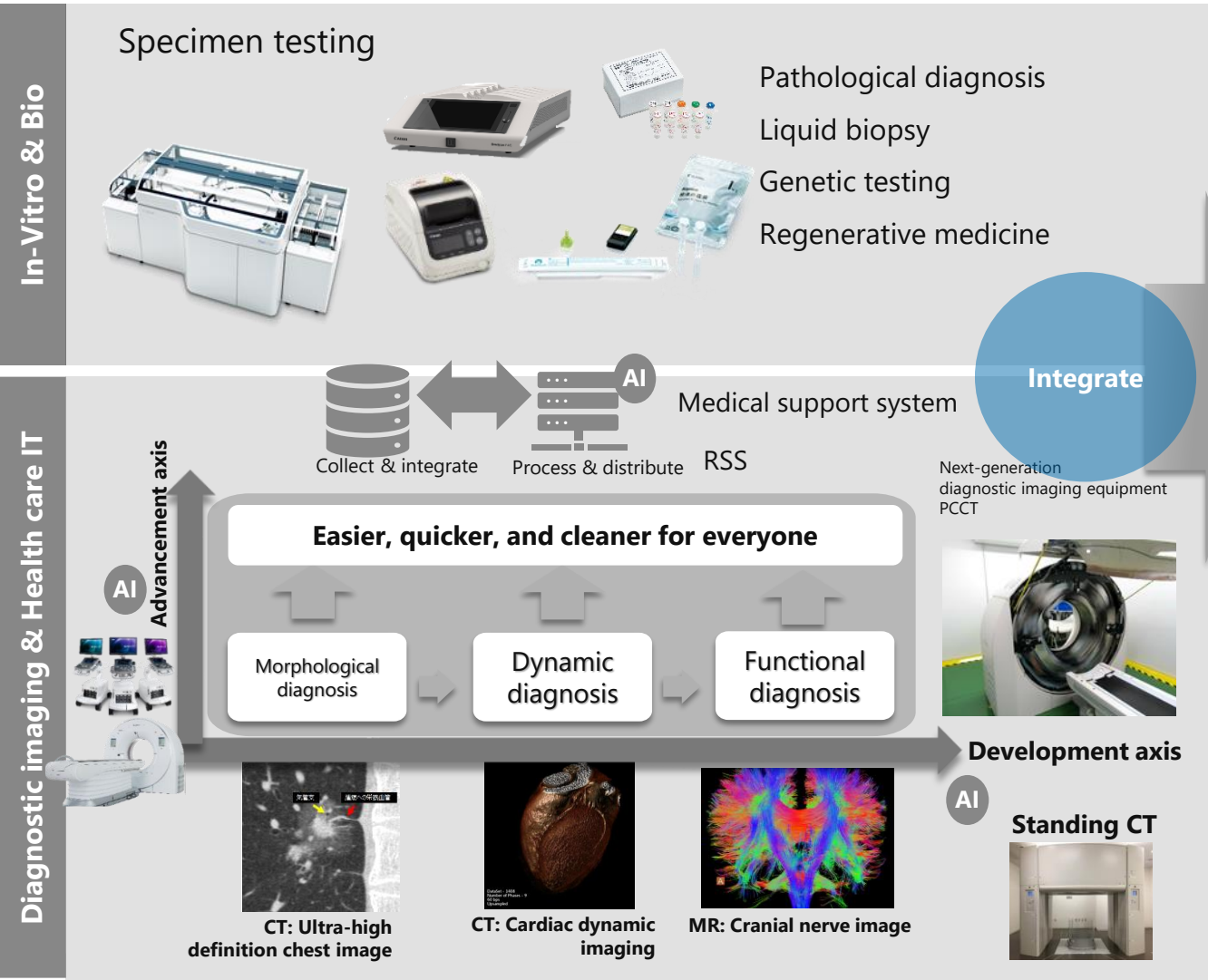
Expand Business Area by Contribution to Precision Medicine

Current business areas

Test & Diagnosis

Business area expansion

Solutions that support personalized therapy



Individualized treatment

- Medical treatment
- Surgical treatment
- Cell therapy
- Regenerative medicine