

CANON'S TRANSFORMATION FUELS GROWTH ACROSS MULTIPLE INDUSTRIES

The company's portfolio renewal is reshaping the technology landscape of imaging, printing, industrial and medical fields.

"Anytime there is a new technology that is conducive and beneficial to our company's management, I will incorporate that to create a growth engine," says Fujio Mitarai, Chairman & CEO of Canon Inc. Thus explains the company's performance in 2023, with net sales of approximately 4.18 trillion yen (US\$29.44 billion) and net income of approximately 264 billion yen (US\$1.86 billion), which chronicled the third consecutive year of an upturn in sales and profits.

Mitarai pronounced 2023 as a "year of transformation," marked by an ongoing portfolio renewal and a strong push for strategic diversification. "My aim is a company that will continue to grow and is in a virtuous cycle of growth," Mitarai says.

Bolstered by a company culture of adaptability and commitment to innovation and sustainability, Mitarai's sentiment that "Change is progress, transformation is advancement" is behind a drive to remain at the forefront of technological advancements. "It is impossible to overstate the importance of decisive action, courage and adaptability in navigating the ever-evolving business environment," he says.

Once a brand name synonymous with top-tier cameras and mainstay office equipment, modern Canon is much more—a growing force across imaging, printing, industrial and medical sectors. The common denominator between them all is state-of-the-art imaging technology being applied to industrial and societal solutions, as well as technologies and practices for environmental benefits and sustainable business operations.

Canon's Four Engines of Growth

"When growth in cameras and office equipment was starting to decelerate, I thought it was a great opportunity to regain our power for growth by changing our portfolio," Mitarai says. The company had existing technological and philosophical strengths in-house to build on, and a series of proactive business acquisitions added expertise to complement those and create new synergies in sectors positioned for growth. "Our acquisition in 2016 of a company



"Anytime there is a new technology that is conducive and beneficial to our company's management, I will incorporate that to create a growth engine."

Fujio Mitarai
Chairman & CEO
Canon Inc.



Canon's semiconductor manufacturing equipment using nanoimprint lithography technology revolutionizes the circuit pattern transfer process.

now known as Canon Medical Systems Corporation was a major milestone, after which we needed to realign all of our technologies across four disciplines for efficient technological exchange and development."

Today, that realignment is best described as four growth engines: imaging, representing camera and network camera products; printing, covering a wide range of products from office multifunction devices to personal, industrial and commercial printers; industrial, which handles industry oriented equipment for semiconductor manufacturing and flat panel display exposure; and medical, which pursues the improvement of care for patients together with healthcare professionals through solutions as well as medical imaging devices. Within these, nanoimprint lithography technology for the semiconductor manufacturing industry and the Single Photon Avalanche Diode (SPAD) sensor, which has surveillance applications, are making headlines and underscoring Canon's continuing commitment to technological innovation.

Revolutionary nanoimprint lithography paves the way for miniaturization by completely changing the circuit pattern transfer process compared to photolithography, the conventional optical method. It also consumes less power than photolithography to bring environmental benefits. Canon's Utsunomiya office is being given a much more important role in the company's semiconductor manufacturing business. A new plant there—slated to begin operations in the first half of next year—will increase the production capacity of semiconductor manufacturing equipment.

Canon's SPAD sensor, developed in-house, utilizes photon counting technology, or the capturing of individual photons, and is expected to reshape applications in advanced

surveillance. This makes it possible to obtain a clear image in dark places when there is little light. "This is a strong technology for us," Mitarai says. "Using Canon's MS-500 camera, which features a built-in SPAD sensor, we can capture high-quality moving images in color, even at night."

Medical Imaging and Enhanced Diagnostics

Canon has been strengthening its efforts in the medical field in the U.S. market by building up its sales force and sales bases. Additionally, the company's medical business has steadily grown through commitments that center upon the 2023 establishment of Canon Healthcare USA, Inc. in the medical industry hub of Greater Cleveland, Ohio. The company aims to establish strategic partnerships with leading healthcare institutions, which will lead to product development and solution proposals that capture trends and clinical needs in the medical market. The organization strategically serves as both U.S. and global marketing headquarters in the field and has lofty ambitions.

"We have been placing emphasis on the diagnostics part of the medical field because without proper diagnostics, you can't treat any disease," Mitarai says. Canon aims to achieve the world's number one share in CT systems in the domain of imaging diagnostics, where photon counting CT, which detects and counts each individual photon for more precise and detailed imaging with much lower radiation exposure, will play a key role.

A strategic partnership with the pioneering Cleveland Clinic Foundation will lead to the development of breakthrough medical imaging solutions and healthcare IT technologies, while the acquisition of Minaris Medical Co., Ltd.



Canon is advancing R&D to enhance the functionality of image diagnostic devices such as CT and MRI by utilizing AI and other techniques.

in Japan and Minaris Medical America, Inc. will give Canon a leading edge in in-vitro diagnostics reagents and their analyzers.

Moving Toward a Sustainable Future

In the context of environmental responsibility, Canon has been weaving recycling and other sustainable practices into its operations for decades, reaching into every link of the value chain, including product design, manufacturing and post-use recycling. "Sustainability is nothing new for us," Mitarai says. "Environmental contributions are integral to Canon's corporate values."



Canon's proprietary simulation technology makes it possible to verify the movement of heat, air, paper and other factors in a virtual environment to enable more efficient product design and development.

The company has designed before-the-fact simulation technology, which is expected to play a significant role in helping reduce environmental impact in the production of devices like laser printers. For example, it analyzes in detail aspects in the device such as heat, airflow, and paper flow during the design stage and systematically optimizes its internal structure to result in resource-efficient products.

"I think we are now positioned in a way that all four groups can experience steady growth," Mitarai says. "Last year, we started to see the normalization of the market, and therefore could see the effects of the strategies that we implemented. Last year alone our yen-based sales were the second highest in our history, so I can say the market has stabilized for us."

The fruits of Canon's multifaceted approach to addressing societal needs, technological advancements and environmental concerns reflect the company's adaptability and commitment to staying at the forefront of the evolving global business landscape.