

Examples of Initiatives to Realize the *Kyosei* Philosophy

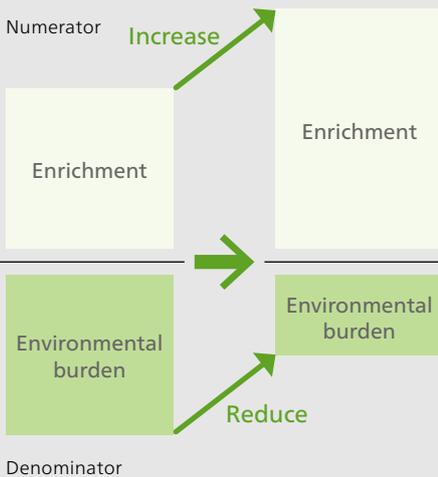
CASE

1 Creating Environmental Value through Product Life Cycle

Canon's Vision of Environmental Value

Guided by its Environmental Vision "Action for Green," Canon is working to reduce environmental impact through its business activity. Within this vision, we define the environmental value we seek to achieve as the striking of a beneficial balance between "enriching lifestyles"—improving the amenity of human life with superior products—and "reducing environmental burden"—minimizing the environmental impacts associated with creating and delivering products. This approach can be illustrated in a diagram where "enriching lifestyles" represents the top number in a fraction (the numerator) and "environmental burden" the bottom number (the denominator). Our initiatives aim to make the numerator bigger and the denominator smaller.

Canon's vision of environmental value



Generally, there is a trade-off relationship between enriching lifestyles and reducing environmental burden, whereby prioritizing one makes it difficult to achieve improvements in the other. At Canon, however, at the same time as creating better products, we are moving ahead with a range of adaptations and initiatives to reduce environmental burden at each stage of the product lifecycle, allowing us to combine the pursuit of enriched lifestyles with environmental burden reduction.

Initiatives to Enrich Lifestyles

Enriching lifestyles is achieved by developing more advanced product functionality. At Canon, we are achieving higher functionality in a wide range of products, while at the same time minimizing their environmental impact.

One example is the latest model of one of our key business products, the imageRUNNER ADVANCE series of office multifunction devices. Among other improvements, it now boasts enhanced Cloud connectivity to support more efficient operation, alongside reinforcement of the robust security functions that contribute to enhanced user confidence.

"uniFLOW Online"*¹ is a feature that widens the scope of Cloud service connectivity by sending scanned documents directly to any among a range of Cloud services,*² promoting seamless data sharing and improved operational efficiency. As for security functions, the series features a "tamper detector" based on system verification on startup, which ensures advance prevention of any damage from unauthorized program operation. In such ways, we contribute to enriching customer lifestyles with functions that improve user-friendliness in the office environment.



uniFLOW Online—a feature that widens the scope of Cloud service connectivity for office multifunction devices

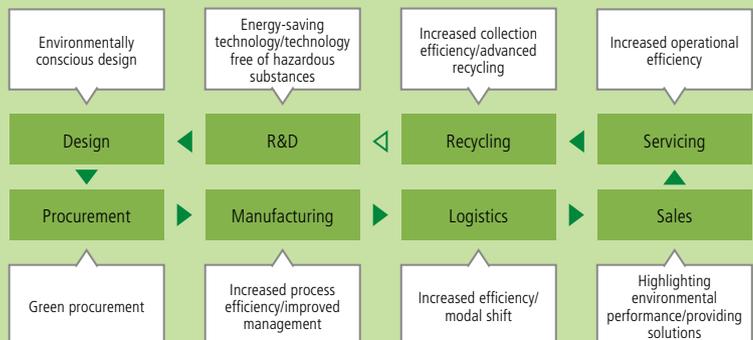
*¹ uniFLOW Online is a paid service. Scan and upload to Google Drive is available with the free-of-charge service uniFLOW Online Express, but a fee is charged for interface with other Cloud services and for mobile printing functions.

*² For details about compatible Cloud services, please inquire at your nearest dealership.

Initiatives for Environmental Burden Reduction

Environmental burden reduction is relevant at all stages of business activity, from research & development, to design, procurement, production logistics, sales, servicing and recycling. That is why, at Canon, the departments involved work together to implement a range of environmental activities throughout the product lifecycle.

Environmental Activity Throughout the Product Lifecycle



At Canon, in order to monitor the results of all environmental activities in an integrated way and ensure a beneficial balance with business activities, we measure the efficiency of environmental initiatives through the index of "lifecycle CO₂." This is the sum total of CO₂ emissions at each stage in the product lifecycle, for which we set an "overall target" of a 3% average yearly reduction per product unit.

Measuring this figure per product unit makes it a benchmark that is easily grasped at the manufacturing frontline. Unlike measurement per unit of net sales, it also allows the exclusion of factors beyond the enterprise's control,

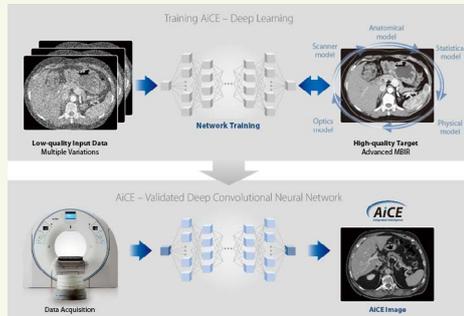
Likewise, when it comes to environmental burden, the imageRUNNER ADVANCE C3530FIII released for sale in 2019 achieves a reduction of as much as 25% in lifecycle CO₂ emissions compared to the imageRUNNER ADVANCE C2230F, thus realizing both enriched lifestyles in the office environment and environmental burden reduction.

Aquilion Prime SP, an X-ray CT system manufactured by our subsidiary Canon Medical, is newly fitted with the deep-learning technology “AiCE-i” for CT image reconstruction. This makes possible high-quality imaging investigation with low radiation exposure and reduced use of contrast agents. The system’s state-of-the-art clinical functions realize increased throughput to ensure that it meets the diverse needs of both patients and health care professionals, contributing as a result to enriched lifestyles.

In terms of environmental burden, the new system achieves a reduction of 31 tons in lifecycle CO₂ compared to the previous model. This and other enhancements enable it to achieve the combined goals of enriching lifestyles and reducing environmental burden.



X-ray CT system
Aquilion Prime SP



AiCE-i realizes low noise, high spatial resolution, and high-speed image reconstruction

Toward further increase in environmental value

Going forward, Canon will continue to understand environmental value as meaning the creation of “a society that achieves a beneficial balance between enriched lifestyles and the environment.” By continuing to deliver products and services that enrich people’s lives, and at the same time steadily promoting the protection and conservation of the environment, we will work to further increase environmental value and to realize our corporate philosophy of *kyosei*—harmonious coexistence.

such as foreign exchange. The result is that efforts toward environmental burden reduction are accurately reflected in the index figure, which in turn helps to maintain and improve employee motivation. Currently, a total of some 400 employees are active as environmental officers within each Canon department (business divisions, sales companies, production companies, etc.), where they advance environmental activities towards realization of the above-mentioned goal. These activities are likewise supported by individual employees across the manufacturing frontline, from planning and development to design and production.

Group-wide Environmental Activities



As a result of these concerted Group-wide initiatives, lifecycle CO₂ per product unit has been reduced by a yearly average of 4.7%, exceeding the target figure of 3%.

Lifecycle CO₂ per Product Unit

