

**Canon Inc.**

**2023 Corporate Strategy Conference**

# **Medical Group**

**March 6, 2023**

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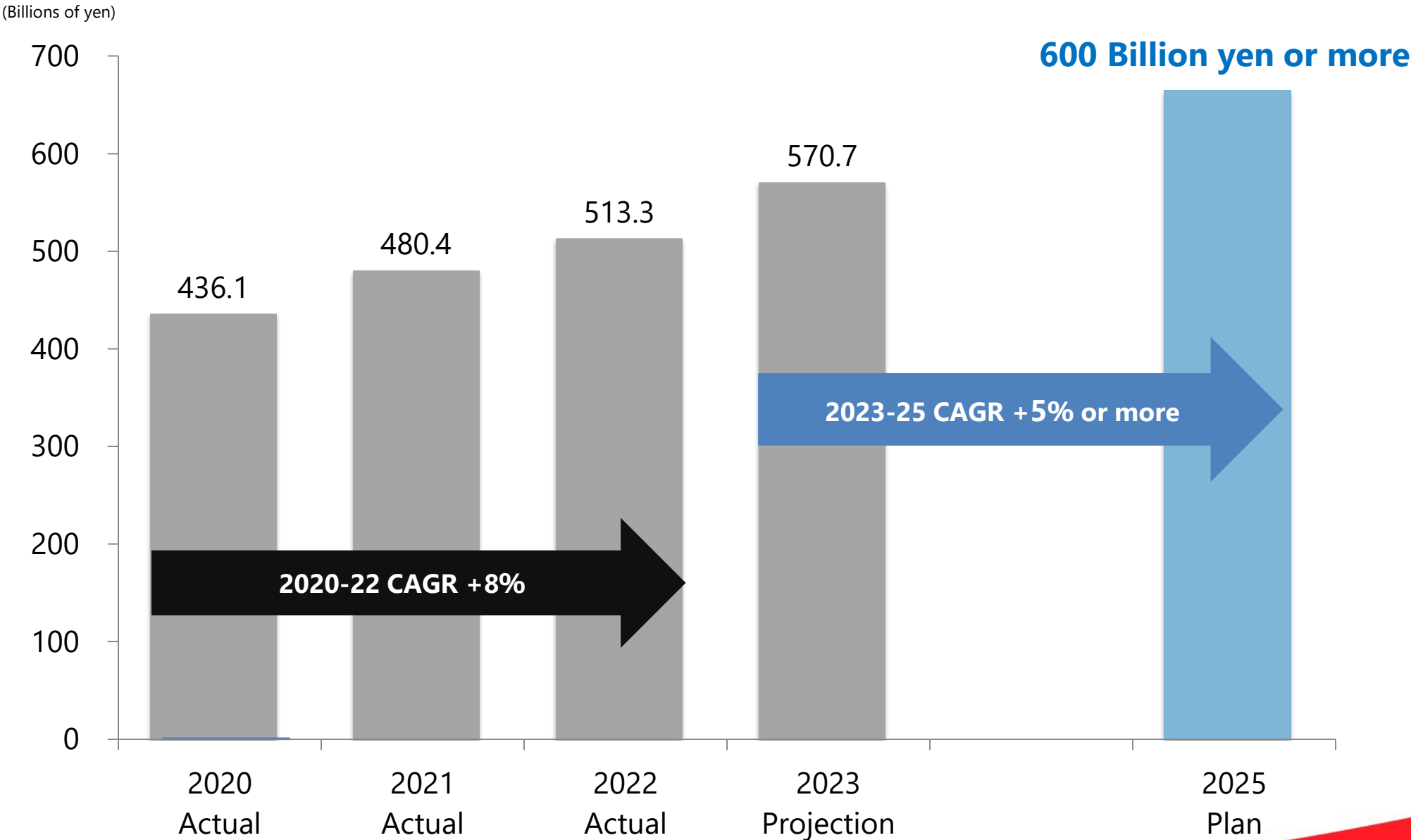
**Senior Managing Executive Officer**

**Head of Medical Group**

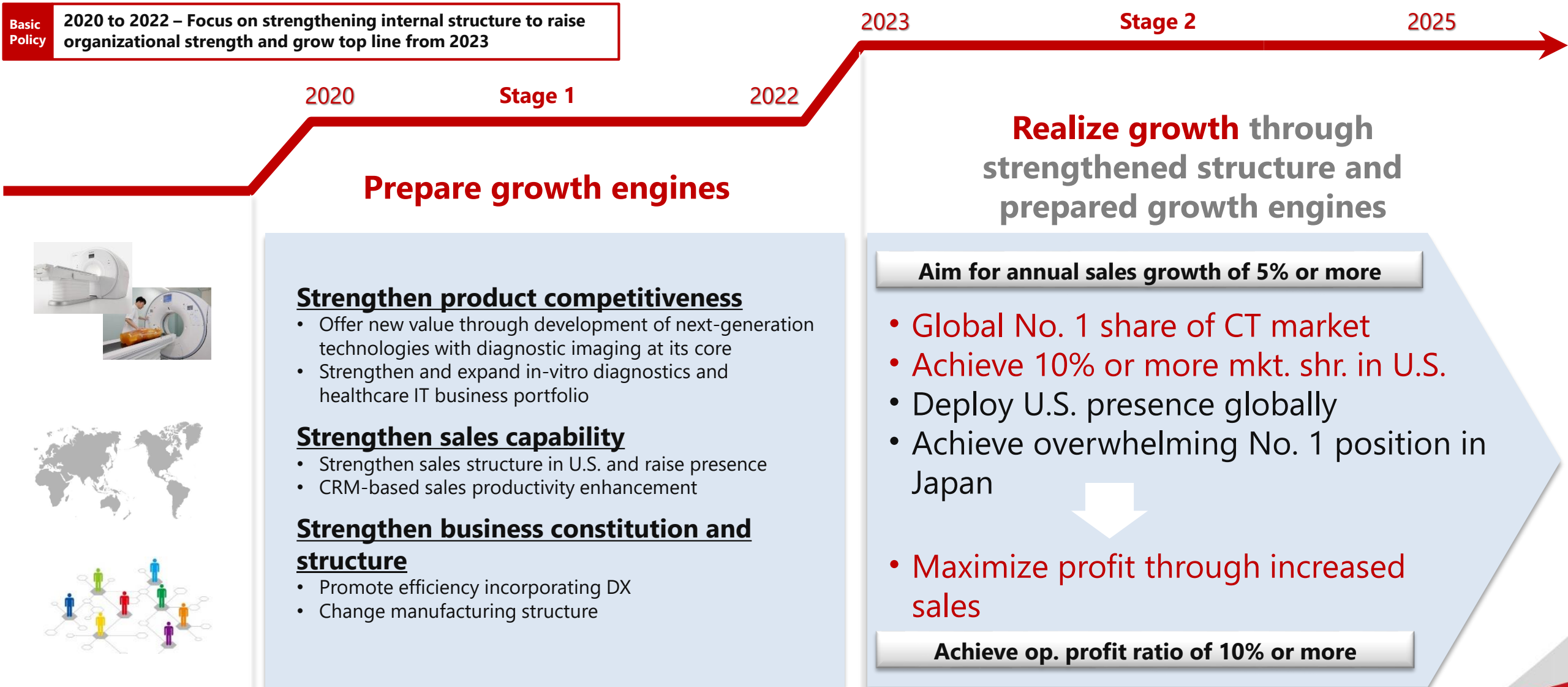


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# 5-year Plan Group Net Sales



# Growth Strategy



# Major Activities – 2022 (Prepare growth engines)

## Strengthen product competitiveness

Business contribution

- Realized MRI system manufactured solely by Canon

Canon

Olea medical

skope

QED

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 NXC



### 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

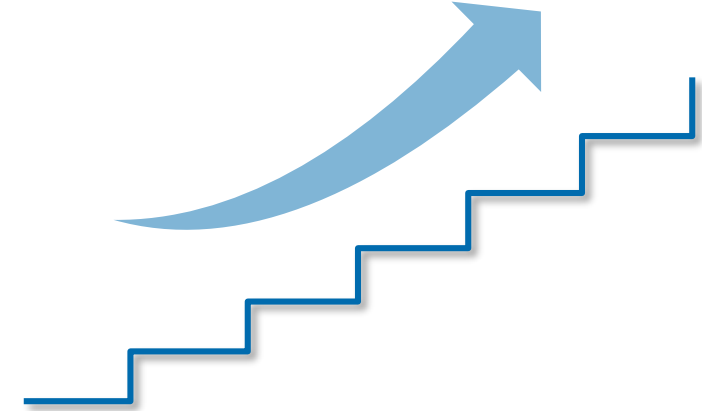
- Net sales: 513.3 billion yen  
Operating profit: 31.0 billion yen

## ■ 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

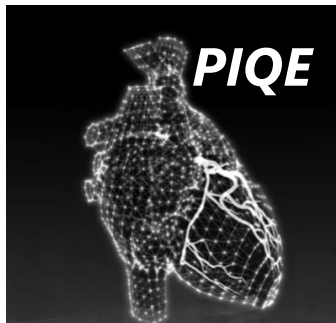
#### Early commercialization of PCCT

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



#### Offer clinical value through AI technology

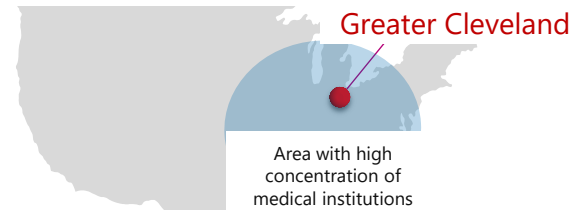
- Low-dose radiation high-resolution technology (AiCE)
- Super-resolution deep-learning reconstruction technology (PIQE)



### ■ 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**



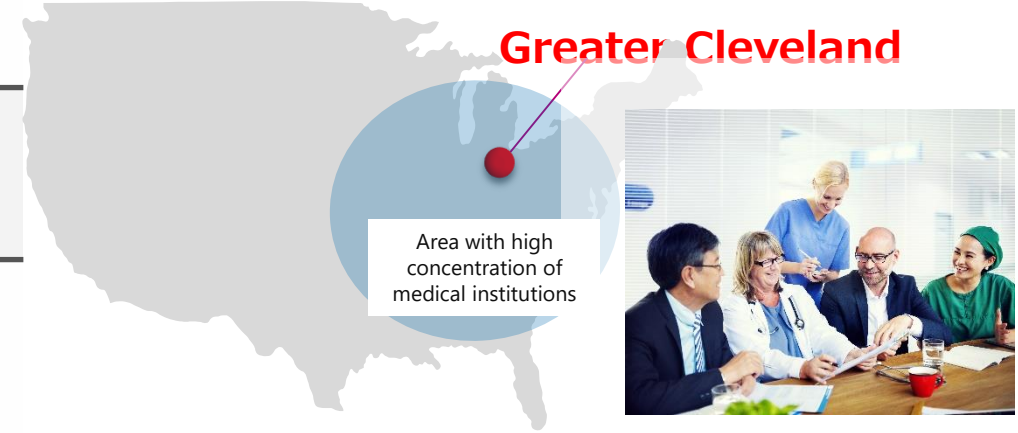
**Capture No. 1 Share of Global CT market**





# 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  
marketing  
activities**

×

**Strengthen  
customer  
alignment**

×

**Strengthen  
business  
structure**



**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

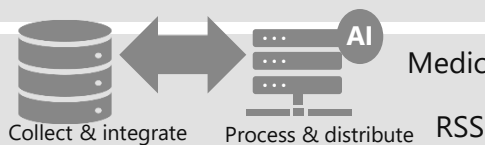
In-Vitro & Bio

Specimen testing



Pathological diagnosis  
Liquid biopsy  
Genetic testing  
Regenerative medicine

Diagnostic imaging & Health care IT



Easier, quicker, and cleaner for everyone

Morphological diagnosis

Dynamic diagnosis

Functional diagnosis

Integrate

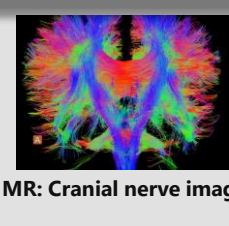
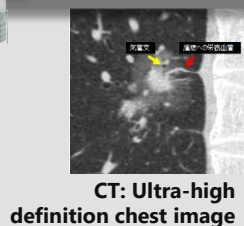
Next-generation diagnostic imaging equipment PCCT



Development axis

AI

Standing CT



Realize Clinical Decision Support

Big data analysis

Cloud platform

Remote diagnostic support

my iPS cell production

Regenerative medicine platform



Individualized treatment

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