



Canon Inc.

2025 Corporate Strategy Conference

Q&A Session Summary

Q1. When do you think you can achieve an operating profit ratio of 12%, which was your management target for 2025? Additionally, how do you see 2030?

A1. We would like to achieve an operating profit ratio of 12% in 2026. We will also aim to achieve an ROE of 15% by 2030, further in the future we will challenge ourselves to achieve 10 trillion yen in both market capitalization and sales.

Q2. How are your thoughts about cash allocation from 2026?

A2. To continue further growth, in addition to investing to strengthen our four business groups, we will work to expand our business through M&A in areas where we see growth potential. Times are changing and so is technology. Therefore, regarding M&A, we will carefully assess the area and make our decisions. As for dividends, we will maintain our 50% payout ratio target and will maintain a balance between repaying debt and share buybacks.

Q3. What are your thoughts regarding your future production structure? Additionally, how will you respond to changes in the macroenvironment, including exchange rates and U.S. tariffs?

A3. We are reviewing our production structure while taking geopolitical risks into consideration, consolidating our production functions in countries with lower risks and transferring high added value products that can be produced with a high level of automation to Japan. At the same time, we are also considering outsourcing the production of lower-end products.

As for exchange rates and tariffs, since it will impact all companies equally, we will compete fairly under the same conditions.



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Q4. What is the status of inventory and what is your outlook going forward?

A4. Although various measures have been taken, the inventory that increased in response to the shortage of parts due to the COVID-19 pandemic has not decreased as expected. Currently, a system is being built that can centrally manage the process from parts procurement to factory manufacturing. Being able to grasp the inventory status of the factories more efficiently, procurement will be streamlined, and we believe that we will be in an ideal state sometime next year.

Q5. As for your printing business, what are your thoughts about future print volume?

A5. Print volume will gradually decrease for inkjet printers used at home and office multifunction devices, while it will slightly increase for commercial digital printing. Even as the overall market declines, we will aim for growth by increasing our market share in areas where we can expect high print volumes.

Q6. In the printing industry, there are movements to collaborate with other companies. What is Canon's stance on this?

A6. In addition to having an extensive product lineup that includes office MFDs, laser printers, inkjet printers, and commercial printing equipment, we also have development, production, and sales capabilities internally. At this point in time, we do not foresee any new developments arising from partnerships with other companies. Therefore, we will first focus on maximizing efficiency within the Canon Group.



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Q7. You are extending platform innovation to inkjet printers. Can you expect cost reduction effects even in inkjet printers which have a less complicated structure than office MFDs?

A7. The benefits of the platform innovation are not limited to standardizing hardware for production. Being able to utilize the vast amount of technology, including the simulation environment and digital design assets that have been created, will lead to a reduction in the time required for design and development. As such, we expect the sufficient benefits for inkjet as well.

Q8. As for your medical business, there is some uncertainty about the future of the U.S. market, where you would like to increase sales. If sales do not increase, will you be able to increase profits?

A8. We want to increase sales in the U.S. not just because the market is growing, but also because increasing our presence in the U.S. market will be a major support for our global business expansion, and we are determined to do so.

As for profit, we will put our best efforts to raise this, including strengthening management, improving manufacturing and quality, and increasing efficiency, regardless of the status of our activities in the U.S.

Q9. Regarding the integration of Canon Medical Systems Corporation with Canon Inc., does this mean that they will become one legal entity?

A9. Integration into a legal entity is being considered. However, we are considering making sales and services in Japan a separate legal entity to maintain flexible relationships with customers. This will be decided in the future.



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Q10. I would like to know why network cameras are performing so well and how you plan to increase profits going forward?

A10. By increasing sales volume in line with market growth, Axis's sales and profits in 2025 are expected to increase by approximately 1.5 times compared to 2022. Software sales are also increasing by more than 1.5 times, and profits are also steadily increasing, achieving increased sales and profits for four consecutive years. Going forward, we will further improve profitability by increasing the proportion of software.

Q11. I would like to know how nanoimprint will be used for different applications.

A11. We believe that there is an overall cost advantage in forming patterns on multiple layers at once using nanoimprint rather than light exposure. We would like to see it used in layers such as complex patterning and hole processes in DRAM, and Dual Damascene wiring in memory systems. The technology has also been adopted by NEDO (New Energy and Industrial Technology Development Organization) and we are accelerating technological development to adopt it in cutting-edge logic. We believe that these efforts will enable us to achieve a reasonable scale.

Q12. Please talk about your succession plans.

A12. There are many candidates for a successor within the company. I cannot reveal any details here, but once a successor has been decided, we will hold a press conference and make an announcement to the world.

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