

Business Strategy

Guided by a core policy of accelerating our corporate portfolio transformation by improving productivity and creating new business, Canon reorganized its business divisions into four industry-oriented business groups to make the best possible use of Canon's broad range of businesses and technologies.

We will revisit all of our technological capabilities and business areas from the perspective of each group to build a more robust organization while actively pursuing M&A and other avenues to bolster Canon's development and production and create new businesses.

Printing

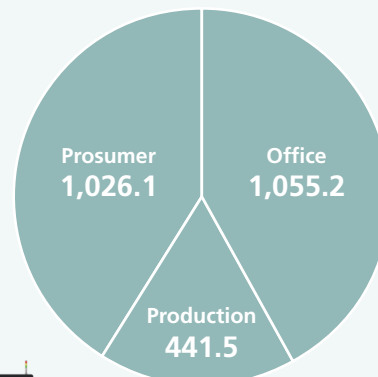
From home printing to commercial and industrial printing

Net sales **2,522.7** billion yen / **56%** Share of net sales

Number of employees **111,733**



Laser printers



Office multifunction devices (MFDs)



Digital sheet-fed presses

Others & Corporate

Net sales **233.7** billion yen / **5%** Share of net sales

Number of employees **11,966**

Imaging

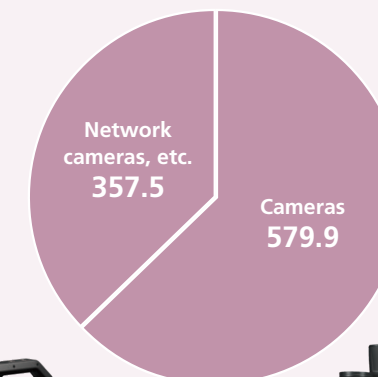
From people's daily lives to professional settings

Net sales **937.4** billion yen / **21%** Share of net sales

Number of employees **25,612**



Network cameras



Mirrorless cameras



Digital cinema cameras



RF lenses

Business Segments

Total Net Sales for 2024

4,509.8 billion yen

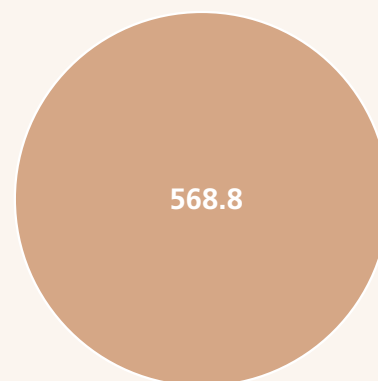
Consolidated number of employees: 170,340



Magnetic resonance imaging (MRI) systems



Computed tomography (CT) systems



X-ray angiography

Medical

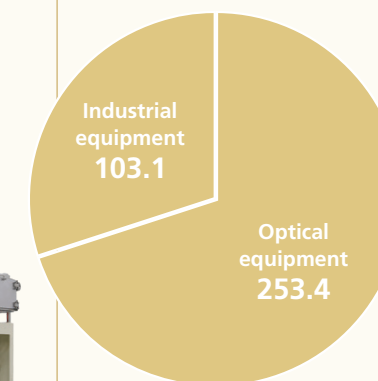
Co-creation with healthcare professionals

Net sales **568.8** billion yen / **13%** Share of net sales

Number of employees **13,289**



OLED display manufacturing equipment



Semiconductor lithography equipment



FPD (flat panel display) lithography equipment

Industrial

Contributing to a leading-edge electronics industry

Net sales **356.5** billion yen / **8%** Share of net sales

Number of employees **7,740**

* The totals do not amount to 100% because the sales of each business unit include the sales relating to intersegment transactions.



One cannot talk about economic development, cultural succession, and scientific progress without printed paper. Through print, Canon supports human activities such as thinking, collaborating, and enjoying life, thereby contributing to the creation of new value for humanity and the storage and transmission of value. Even in an increasingly paperless world, there are times when printing surpasses the capabilities of digital data and displays in terms of speed and convenience. Canon will continue to provide the printing products and services that meet these needs.

The Printing Business offers printers for a wide range of applications, from home and office to commercial and industrial printing. Furthermore, in the future cloud-based society, we will provide cyber-physical systems that integrate high-performance hardware and advanced software to bring about a world in which printing can be done securely, safely, easily, and comfortably anytime, anywhere, the way you want.

Related SDGs

9 **Industry, Innovation and Infrastructure**
9.1 By providing digital printing services based on cyber-physical systems and contributing to DX in office environments, Canon is helping customers achieve more efficient, advanced operations while saving labor

12 **Responsible Consumption and Production**
12.5 Canon has been undertaking the remanufacturing of used multifunction devices since 1992. The current range includes a special eco-conscious model, the imageRUNNER ADVANCE C3530FIII-RG, where an exceptionally high reused parts ratio of over 90% has been achieved

13 **Climate Action**
13.2 The office multifunction device "imageRUNNER ADVANCE DX C3900F" series reduces power consumption by up to 15% compared to conventional models by using low-temperature fixing toner that significantly lowers the fixing temperature and achieves an industry-leading Typical Electricity Consumption (TEC) rating as well as reduces CO₂ emissions

Performance in 2024

Sales increased due to growth in commercial printing and recovery in laser printers

In printers for commercial and industrial printing, Canon has continued to improve its products based on customer feedback as wide-variety short-run printing becomes more prevalent and the shift from analog to digital progresses. At drupa, the printing industry's largest exhibition held in Germany in May 2024, our broad product lineup, including new products, was well received, leading to an expansion of orders.

Office multifunction devices ("MFDs") remain in steady demand as highly productive core printing equipment. Customers appreciate their energy-saving performance and ease of maintenance, leading to an increase in the number of color models in operation, which in turn is contributing to stable service revenue.

Although sales of inkjet printers were affected by weak market conditions in Europe and China, our lineup of refillable ink tank models, supplemented with new products, saw an increase in sales, mainly in emerging countries. Sales of laser printers also increased from the second quarter onwards due to a steady recovery following the completion of shipment adjustments.



Business Environment

Competitive Advantages	Business Opportunities	Risks
<ul style="list-style-type: none">Ownership of both electrophotography and inkjet technologies for digital printingBroad product range spanning consumer products, office equipment and commercial printing and globally distributed sales, service, and support networkCapacity to mass produce high-performance printers that contain many parts, and potential to organically collaborate on the in-house production of manufacturing equipment, etc.	<ul style="list-style-type: none">Demand for new printing and document solutions brought about by advancements in ITDemand for new printing services due to diversifying work styles and decentralization of work locationsGrowth of digital printing markets in commercial and industrial printing sectors	<ul style="list-style-type: none">Increasingly lower print volumes due to the paperless trendDelay in development of digital services that meet the new eraImpact on production due to supply-chain disruptions

Strategies for the Future

The Printing Group has a broad lineup of printing equipment for home, office and commercial use. By leveraging this advantage and addressing diversifying printing needs, we plan to expand our market share, thereby increasing sales even as the paperless trend progress.

In the ever-expanding digital commercial and industrial printing market, our strategy is to grow by introducing new products into areas not previously covered. Examples include the varioPRESS iv7, Canon's first model that supports B2 size paper, and the varioPRINT iX1700, a compact printer designed to meet the needs of small- and medium-sized printing companies.

In addition to expanding our product lineup, we have begun a business alliance with Heidelberger Druckmaschinen AG, a leading provider of offset printing equipment, to broaden our sales channels and accelerate sales growth.

As for office MFDs, we aim to expand our market share by further enhancing the appeal of our products, which has been highly regarded by customers, through our new brand, "imageFORCE." For laser printers and inkjet printers, we will ensure profitability by focusing on selling competitive products to regions and customer segments where high print volumes can be expected.

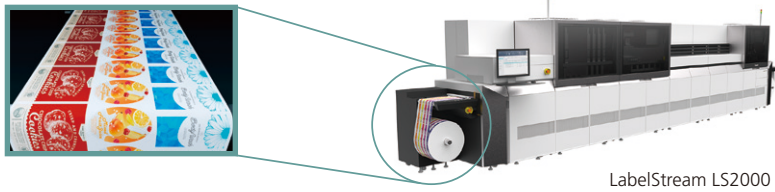
To improve profitability, in addition to various ongoing cost reduction activities, we are promoting reforms in R&D, production, and sales to realize a business structure that can generate higher profits.

PICK UP

Expanding our product lineup for the production printing market

In the growth area of digital commercial printing, our sales are increasing, reflecting the enhanced imaging quality and productivity that have spread throughout the industry as we incorporate the opinions of our customers. To achieve further growth, we plan to expand our business domain by making a full-scale entry into the industrial printing field, including labels and packaging, where demand is expected to increase in the future. We will expand sales with the LabelStream LS2000, Canon's first water-based inkjet label printer for industrial printing, which is designed to print labels for food and other daily necessities.

Commercial printing (product lineup)				Industrial printing (applications)		
A3+ printers	B3 printers	B2 printers	Continuous-feed printers	Labels	Folding cartons	Corrugated
imagePRESS	varioPRINT iX3200/1700	varioPRESS iv7	ProStream ColorStream			





Against a backdrop of rapidly aging populations worldwide, rising healthcare costs, and the threat posed by the COVID-19 pandemic, demand for healthcare remains strong, and measures to promote better health and prevent disease are now common challenges in countries around the world. Canon believes that the key to value creation is to respect a shared set of values with patients and healthcare professionals while providing technology that meets the needs of the medical community in an easy-to-use and economical manner.

The Medical Business offers a variety of products and services in the three fields of diagnostic imaging, healthcare IT and in-vitro diagnostics. In the diagnostic imaging field, our CT, MRI, and angiography systems employ image noise reduction technology that contributes to early detection of diseases and reduces the burden on patients through lower exposure doses and shorter examination times. In the healthcare IT field, we offer IT solutions that can generate a time-series integrated display of diagnostic images and patient information, and in the in-vitro diagnostics field, we offer clinical testing systems as well as reagents.

Related SDGs



3.d By incorporating image reconstruction technology developed using AI, we have brought to market diagnostic imaging equipment that achieves high image quality while reducing radiation dose compared to conventional CT scanners



9.5 Canon's efforts to promote innovation include clinical research projects with the National Cancer Center Japan in the field of photon-counting CT systems, and with the CiRA Foundation to realize high-quality iPS cells for autologous purposes



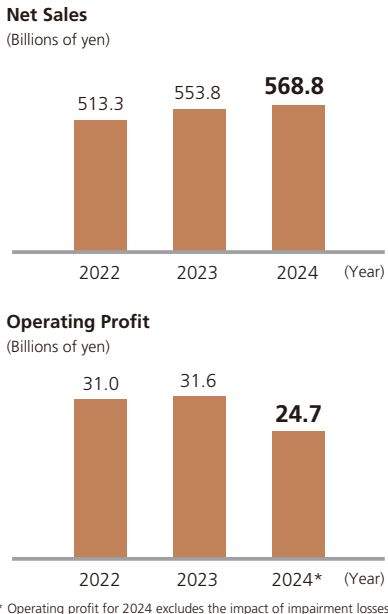
17.6 Through partnerships with universities and medical institutions in Japan and overseas, we are carrying out leading-edge research on AI-based precision care approaches, including the latest clinical research on CT, MRI, and diagnostic ultrasound systems

Performance in 2024

Sales increased mainly in the United States, achieving revenue growth for the fourth consecutive year

In diagnostic imaging equipment, the market contracted due to the prolonged anti-corruption campaign in China, the economic downturn in Europe, and the impact of workstyle reforms at medical institutions in Japan. However, some products achieved sales growth, particularly in the United States, including our new flagship CT system "Aquilion ONE / INSIGHT Edition," the "Vantage Galan 3T / Supreme Edition," an MRI system in which key parts have been replaced with Canon-made components, and the "Alphenix," an angiography system.

In the United States, a key market, we have achieved steady sales growth by strengthening our sales structure and increasing our market presence through better relationships with medical institutions and key opinion leaders, including collaboration with the Cleveland Clinic, a leading-edge medical institution. Furthermore, in emerging countries in Asia and the Middle East, we established local subsidiaries that drove growth. As a result, sales in the Medical Business increased for the fourth consecutive year.



Business Environment

Competitive Advantages	Business Opportunities	Risks
<ul style="list-style-type: none">Over a century of knowledge in the medical field and partnerships with healthcare professionalsCanon's diverse range of imaging and manufacturing technologiesSales and service outlets in over 190 countries and regions around the world	<ul style="list-style-type: none">Improving the added value of diagnostics utilizing new materials, etc.Advancement in genetic and other biotech fields and regenerative medicineAdoption of promotions and demonstrations conducted remotely owing to the advancement of DX toolsMore diagnostic opportunities and a shortage of medical professionals brought about by aging societyGrowing demand in emerging markets	<ul style="list-style-type: none">Responding to stricter legislation and market needsSpread of policies that give preferential benefit to local production of medical devicesChanges in the business environment in the United States, the market with the greatest global influenceSuspension or stagnation of trade due to expansion of conflict zones

Strategies for the Future

Canon aims to establish a solid presence in the field of diagnostic imaging systems, which are the core of its business. To date, we have grown sales through our product lineup that is comparable to that of competitors around the world, but to achieve further growth, strengthening our sales capability and presence internationally is an urgent task. Focusing on the United States, which is a medically advanced country that has a great influence in the global market, we have already been strengthening our sales structure by increasing sales resources and through other measures, conducting joint research with cutting-edge medical institutions, and promoting stronger relationships with physicians who are key opinion leaders. In addition, photon-counting CT (PCCT), a next generation CT technology, is receiving increasing attention as many papers based on Canon's equipment have been published. With such increasing attention, we will work to improve Canon's presence by realizing the early launch of PCCT.

In the longer term, we intend to expand our business into regenerative medicine and other biomedical fields, and to contribute to the development of precision medicine, which provides optimal medical solutions for individual patients by integrating a variety of therapeutic and diagnostic information.

PICK UP

Early practical use of photon-counting CT (PCCT)

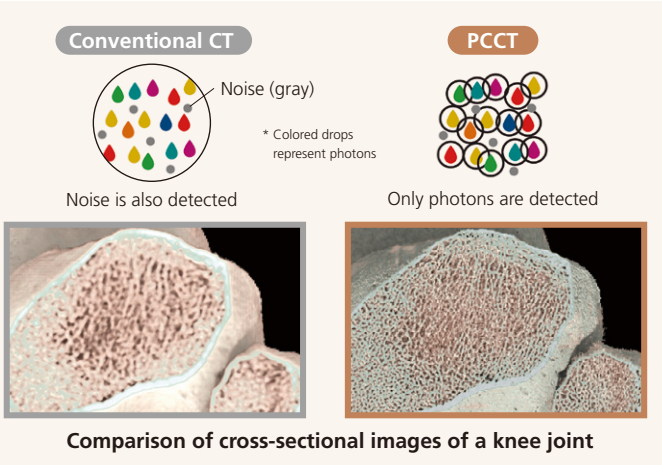
Compared to MRI systems, CT systems have the advantages of shorter examination times and clearer images, but they also carry a higher risk of exposure to X-rays. Therefore, the rapid development of PCCT, which can provide higher-resolution images while reducing exposure dose, is eagerly anticipated. Canon's PCCT not only produces high-definition images, but also aims to identify substances inside the body with a high degree of accuracy, which can lead to quicker decision-making and more effective treatment planning.

Canon has initiated joint clinical research with multiple institutions, including with the National Cancer Center Japan in April 2023 and with the University of Pennsylvania in November 2024 to assess the effectiveness and safeness of PCCT. By conducting advanced clinical research, developing new diagnostic methods, and verifying their clinical usefulness, we are working to promote the early practical use of PCCT.

Advantages of PCCT

Conventional CT systems generate diagnostic images by accumulating a certain number of X-ray photons (the smallest quanta of light) and then measuring the quantity of photons. With this method, photons are first accumulated and then measured all at once, which means that any noise present is also measured.

PCCT, on the other hand, counts photons one at a time at high speed and accurately, making it possible to distinguish noise, resulting in high-resolution images with noise removed.





Visual information is utilized in every aspect of our daily life. Canon will continue to provide not only products and services that make photography fun and bring the joy and excitement of viewing images, but also provide solutions that convert the information captured as data into the value that customers need.

In the Imaging Business, we provide high-quality cameras that deliver excellent image quality and a wide variety of lenses to enable photographers to realize their ideal expression and deliver visual experiences that make people “feel happy.”

In the network camera market, which is expanding due to growing security awareness worldwide, we are contributing to the realization of a safe and secure society by providing video solutions that integrate cameras with video management software and video analytic applications.

We are also helping customers improve the efficiency of their operations by providing various video solutions using remote cameras, for monitoring of sports and other events, production sites, as well as for remote video creations.

Related SDGs

4 QUALITY EDUCATION

4.7 Support smooth communication through high-quality remote video distribution systems and contribute to the expansion of effective educational opportunities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

12.3, 13.2 Understanding our responsibilities as a corporate citizen, we are steadily implementing energy and resource conservation through R&D and coming up with ingenious designs. We are also providing solutions that contribute to productivity improvement

11 SUSTAINABLE CITIES AND COMMUNITIES

11.2 Supply various video solutions that contribute to the development of a smart society

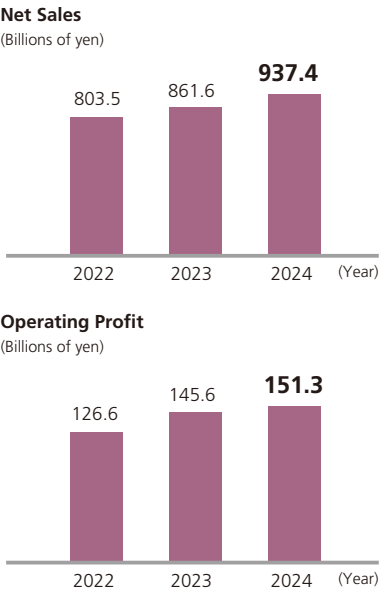
13 CLIMATE ACTION

Performance in 2024

New mirrorless products drove sales, network cameras also performed well

As for interchangeable-lens cameras, in August and November of last year, we launched new mirrorless cameras, namely the “EOS R5 Mark II,” a mainstream model for professionals and enthusiasts, and the “EOS R1,” our flagship model, respectively. As a result of increased unit sales of high value-added models and interchangeable lenses, overall camera sales increased.

The network camera market keeps on growing with a continued focus on the security field. By leveraging our powerful sales channels in Europe and the United States, and by firmly capturing growing demand, we posted growth in both network camera hardware and software sales, which led to double-digit net sales growth.



Business Environment

Competitive Advantages	Business Opportunities	Risks
<ul style="list-style-type: none">• Unique brand power inherited as a longstanding industry pioneer and supplier of cameras used by professionals• Ability to deliver value as a leading company in the field of imaging, based on advanced optical, camera, and image-processing technologies• Posses network cameras, video management software, and video analytics applications, and ability to supply products and services on a global scale	<ul style="list-style-type: none">• Growing needs for video shooting and rising demand for cameras among young people• Expanding demand for video solutions driven by DX• Growing demand for new forms of visual expression, such as the fusion of the real and virtual worlds and 3D• Possibility of dramatic improvements in camera and lens functions and performance due to advances in AI technology	<ul style="list-style-type: none">• Changes in market environments due to global inflation and instability in world affairs• Delayed response to rapidly evolving and diversifying customer needs• Growing doubts about authenticity of images due to misuse of AI technology

Strategies for the Future

In the area of digital cameras, it is important for Canon to continue to provide attractive products to users, including younger generations, and to continue to reinvigorate the market going forward as a leading camera company. In recent years, besides the need for still image photography from professional photographers and camera enthusiasts, there is a growing need for video shooting from vloggers and individual video creators, driven by the spread of social media and the expansion of the video streaming service market. We will maintain stable sales in the future by continuing to provide value to a wide range of users through the advanced optical, camera, and image processing technologies we have cultivated over the years.

Demand for network cameras continues to grow for surveillance purposes to ensure safety and security against disasters and crimes. Utilizing our strong sales network, primarily in Europe and the United States, we aim to achieve sales growth that exceeds market growth.

Furthermore, there is growing demand for the automation of in-store marketing and inspection and testing in manufacturing and distribution, and we will accelerate our growth by promoting total solutions with an extensive product lineup that meets diversifying needs.

PICK UP

Contributing to the creation and energization of new 3D imaging markets

The 3D imaging-related market is expected to grow significantly in the future, partly due to the aggressive entry of Big Tech. Canon sells mixed reality (MR) systems that integrate CG and the real world and virtual reality (VR) lenses to be attached to cameras for 3D shooting, and is currently demonstrating and deploying volumetric video technology that converts time and space into 3D data.

Our MR systems provide solutions for a wide range of scenarios, including preliminary verification with 3D data for the purpose of eliminating prototypes in the manufacturing industry, training in medical and educational settings, and presentations in the retail industry, among other applications.

Our revolutionary VR lenses incorporate two optical systems, one for the left eye and one for the right, in a single lens. Previously, shooting 3D images required extensive equipment and preparation, but now it can be accomplished by simply attaching a dedicated lens to the camera, which will contribute to the spread of 3D VR imaging experiences.

Volumetric video can generate and reconstruct in real-time, 3D models of wide areas and around a dozen people. We aim for further growth by utilizing existing stadiums and studios as proof-of-concept test sites.

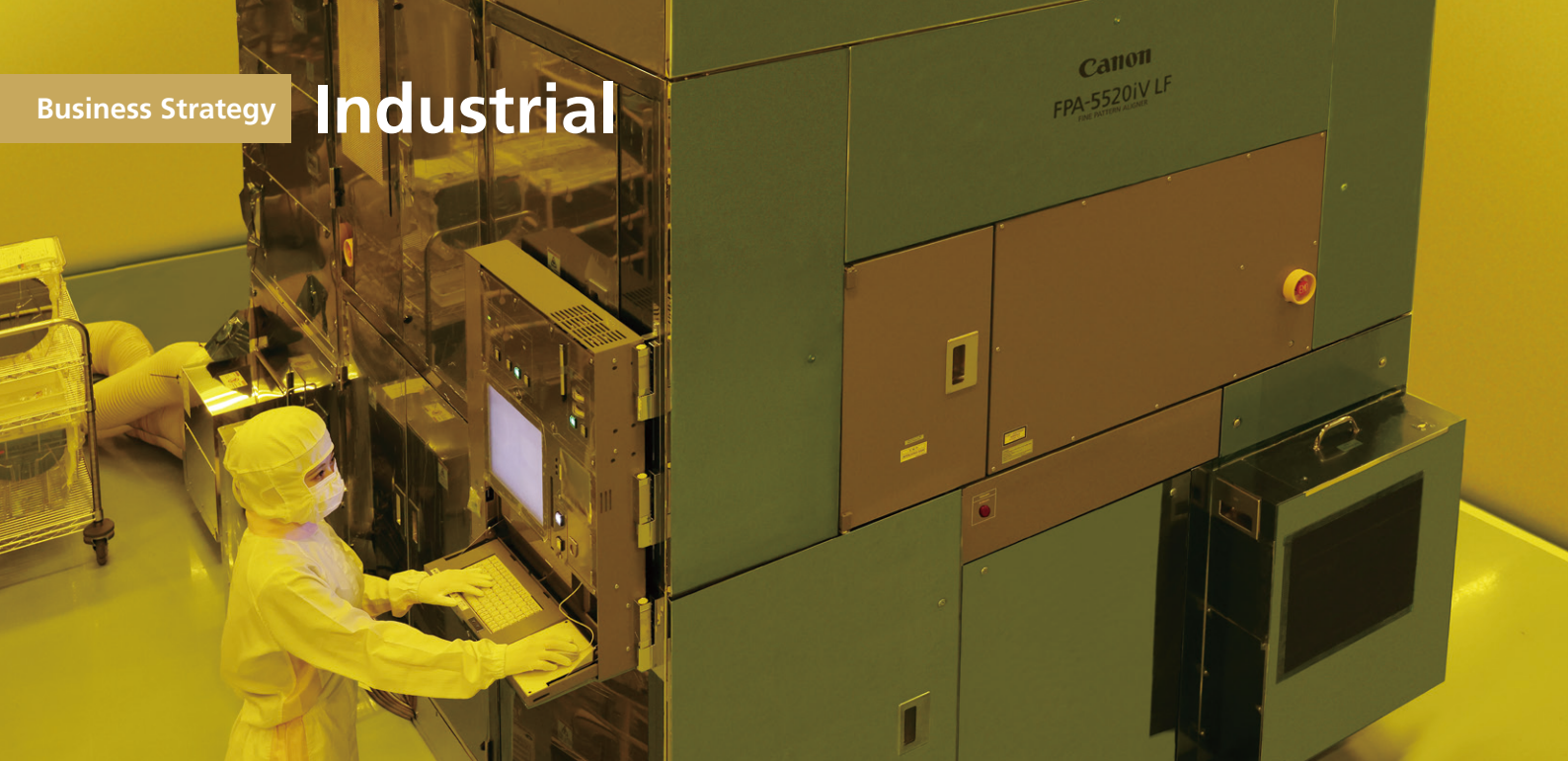
Canon's MR system "MREAL"

EOS VR system

Dedicated lens for shooting 3D VR images

Playback on head-mounted display

Volumetric video



To attain a prosperous and sustainable society, the electronics industry must innovate further. Digital technology innovations such as AI, IoT, and 5G are the driving force behind the creation of social infrastructure and industrial innovation around the world. Canon will contribute to the development of society by supplying the cutting-edge electronics industry with manufacturing solutions incorporating its proprietary optical and precision control technologies and software technologies such as AI.

Canon's Industrial Business provides industrial equipment such as semiconductor lithography equipment, which play an important role in the production of semiconductor devices, as well as flat panel display (FPD) lithography equipment, which is indispensable to the production of smartphones and TVs, and OLED display manufacturing equipment, which has become the industry standard for producing high-definition displays. Because the semiconductor and display manufacturing processes consume large amounts of electricity the Industrial Group has set its own goals for CO₂ emissions reductions and resources efficiency (extending the lifespan of equipment), aiming to provide innovative products that are environmentally friendly.

Related SDGs



9.4 Nanoimprint lithography technology simplifies the semiconductor production process and enables reduced power consumption in the production of semiconductors, leading to higher productivity and lower environmental impact



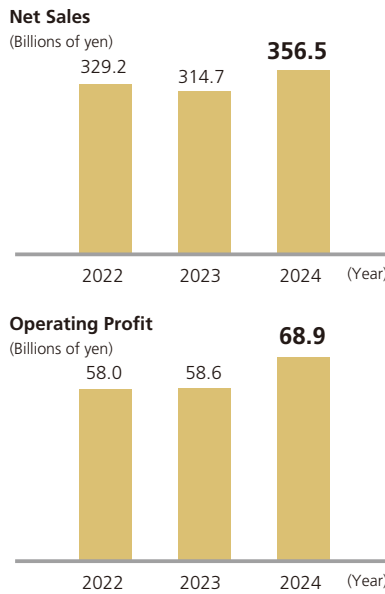
11.6 Working to lower environmental impact, reducing the volume of packaging material used

Performance in 2024

Significant increase in revenue due to increased unit sales of semiconductor lithography equipment

In semiconductors, demand for semiconductor lithography equipment continues to be strong due to significant growth in demand for logic and DRAM chips for generative AI as well as the movement to promote domestic production from the perspective of economic security. Unit sales have increased significantly for equipment for power semiconductors used in electric vehicles (EVs) and other applications as well as back-end processing equipment for advanced packaging used for generative AI, which has become the industry standard.

For FPD lithography equipment new investments in IT panels installed in notebook PCs and tablets as well as additional investments for smartphones due to advanced functionality gradually recovered as earnings of panel manufacturers improved. This led to a slight increase in unit sales compared with the previous year. As a result, the Industrial Business saw a significant increase in sales.



Business Environment

Competitive Advantages	Business Opportunities	Risks
<ul style="list-style-type: none">Products that contribute to improving customer productivity and reducing cost of ownership and professional workforce with high levels of technical expertise and experienceNanoimprint lithography technology which enables both low cost and miniaturization while also significantly reducing power consumption during production	<ul style="list-style-type: none">Global expansion of semiconductor market due to rising demand for AI, IoT, and EV-related productsNew capital investment to strengthen semiconductor manufacturing sites in countries and regions around the world	<ul style="list-style-type: none">Business cycle of semiconductor and FPD industriesExport controls and other regulations, due to the influence of international politics

Strategies for the Future

We anticipate continuing market growth for semiconductors that are essential devices used in AI, IoT, EVs, and other technological innovations. Accordingly, demand for semiconductor manufacturing equipment is also anticipated to increase. Recognizing the need to significantly bolster production capacity to respond to this strong demand, we are constructing a new plant in Utsunomiya, with the aim of starting operations in 2025.

In addition to our existing i-line (mercury lamp) and KrF (krypton fluoride) lithography equipment, Canon is aiming to expand sales of nanoimprint lithography equipment in order to increase its revenue growth potential. We are also developing ArF (argon fluoride) lithography equipment with the aim of launching it on the market in the second half of 2025. By expanding our lineup, we will meet the diverse needs of a wide range of semiconductor manufacturing processes.

We are also consolidating core technologies of Canon and its Group companies Canon ANELVA, Canon Machinery, and Canon Tokki to open up new business domains.

PICK UP

Nanoimprint lithography produces 1Xnm circuit patterns at low cost and low power consumption

In 2023, Canon launched the “FPA-1200NZ2C,” a nanoimprint lithography equipment that forms circuit patterns using a different method from conventional projection lithography equipment. Specifically, it creates a circuit pattern using the simple principle of pressing a finely patterned mold onto resin applied on the wafer. The equipment has attracted inquiries from many manufacturers because it enables production of fine circuit patterns of 15 nm* or smaller at low cost and can reduce power consumption to about one-tenth that of existing lithography technologies for advanced logic chips.

We are working with several semiconductor manufacturers on evaluation and verification for practical use in various applications, including not only memory and logic chips but also non-semiconductor devices such as optical elements.

In 2024, the “FPA-1200NZ2C” was awarded the gold prize at the GOOD DESIGN AWARD, one of Japan's leading design awards, for its outstanding design, in recognition of its combination of economic efficiency and sustainability.

* 1 nm = one billionth of a meter



Nanoimprint lithography equipment being used for mass production verification at KIOXIA Corporation

