Business Strategy —— Business Overview

We will review our technological capabilities and business areas from the perspective of our four industry-oriented business groups, actively pursue M&A, strengthen our development and production systems, and create new businesses.

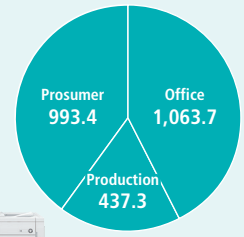
Others & Corporate

Net Sales ¥237.1 billion / 5% Share of Net Sales
Number of Employees 12,138

PRINTING

Net Sales ¥2,494.4 billion / 54% Share of Net Sales
From Home Printing to Commercial and Industrial Printing
Number of Employees 105,938


Inkjet printers




Office multifunction devices (MFDs)

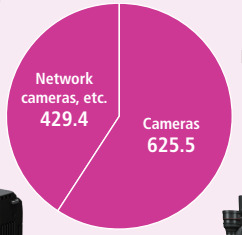

Digital sheetfed presses

IMAGING

Net Sales ¥1,054.9 billion / 23% Share of Net Sales
From People's Daily Lives to Professional Settings
Number of Employees 26,367



Network cameras




Mirrorless cameras


Digital cinema cameras


Digital compact cameras


RF lenses

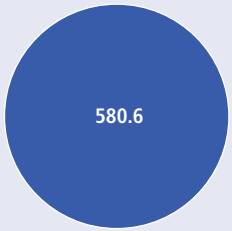
Business Segments

Total Net Sales for 2025
¥4,624.7 billion
Total Number of Employees
165,547

MEDICAL

Net Sales ¥580.6 billion / 13% Share of Net Sales
Co-creation with Healthcare Professionals
Number of Employees 13,347


Magnetic resonance imaging (MRI) systems



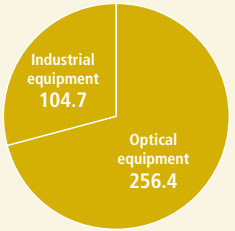

Computed tomography (CT) systems


Diagnostic X-ray systems

INDUSTRIAL

Net Sales ¥361.1 billion / 8% Share of Net Sales
Contributing to Leading-edge Electronics Industry
Number of Employees 7,757


Sputtering equipment




Semiconductor lithography equipment


FPD (Flat Panel Display) lithography equipment

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

Business Strategy — Printing

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. In some situations, paper printing surpasses digital data and displays in terms of speed and convenience.

To continue meeting these needs, Canon will provide products and related services for a wide range of applications, from home and office use to commercial and industrial printing.

Going forward, we will provide a wide range of solutions that enable printing to be done securely, safely, easily, and comfortably, thereby building cyber-physical systems in which high-performance hardware and advanced software, including the effective use of AI, work together through the cloud.

Related SDGs

Business Environment

★ Competitive Advantages	• Ownership of both electrophotography and inkjet technologies for digital printing and a broad range of products including those for consumer, office, and commercial printing, all of which are organically integrated. • Globally distributed sales, service, and support network, ability to mass-produce high-performance printers for large-scale systems, and advanced technical capabilities to even make production equipment in-house
Business Opportunities	• Demand for new printing and document solutions driven by advancements in IT • Demand for new print services as work styles diversify and work locations become more decentralized • Expansion of print demand driven by the shift to digital in commercial and industrial printing sectors
⚠ Risks	• Accelerated decline in print volumes linked to widespread adoption of paperless processes • Delay in roll out of digital services suited to the new era • Impact on production due to supply chain disruptions

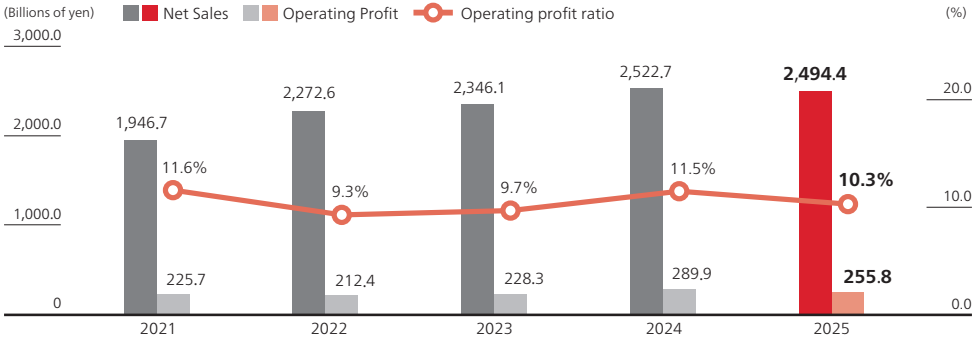
Performance in 2025

Promoting sales expansion measures for future growth

For the business unit overall, sales declined by 1.1% due to the impact of U.S. tariffs as well as delays in the purchasing of printing equipment in Europe and Asia driven by economic uncertainty. Even in this challenging business environment, we steadily advanced sales expansion measures in each business.

In the commercial and industrial printing businesses, we began supplying digital printing equipment to Heidelberger Druckmaschinen AG, a leading provider of offset printing equipment; this broadened our sales channels to accelerate sales of cut-sheet machines. As for office MFDs (office multifunction devices), we rolled out core models of the new imageFORCE series, our first in 15 years, which incorporate new technologies that significantly enhance product functions. As for inkjet printers, unit sales increased, primarily driven by our full lineup of refillable ink tank models.

Results of Excellent Global Corporation Plan Phase VI



Business Strategy —— Printing

Excellent Global Corporation Plan Phase VII

The market of our printing business is maturing, and overall it is expected to continue on a path of gradual decline. However, we aim to achieve an annual growth rate of 2% across the entire business by expanding market share, primarily in areas where growth or continued high print volume is expected, such as digital commercial and industrial printing and markets for specific industries.

Specifically, in inkjet printers, we will continue expanding sales of refillable ink tank models to capture demand associated with remote work and small office/home office (SOHO) use, while also expanding our B2B lineup. Our new imageFORCE series of office MFDs features new technologies that improve basic performance such as image quality and productivity and deliver streamlining of maintenance tasks through cloud-integrated smart services. By combining solution products that meet customer needs, we aim to increase the value provided to users and dealers and further expand market share. As for commercial and industrial printing, in the expanding digital printing equipment market, we will accelerate sales growth by expanding our business scope, introducing new products into areas that we have not been able to cover before.

In addition to sales growth, we will pursue structural reforms in both sales and production to improve profitability. On the sales front, following the optimization of our organizational structure in the U.S. and Asia, we are currently reviewing our structure in Europe, and we aim to complete global optimization by 2028 to improve profitability. In terms of production, we will reduce asset holdings and boost utilization rates by consolidating our overseas production sites, thereby improving our cost structure. At the same time, as part of our reform of the production system, we will streamline in-house production by utilizing external outsourcing while promoting the construction of man-machine systems where humans and machines work together, the standardization of parts, and the automation of in-factory logistics. In this way, we will make our production more competitive.

2030 Target

Net Sales

2,800

billion yen

New Technology **New Product**

Accelerating growth in commercial and industrial printing

In the commercial and industrial printing markets, demand for short-run production for a broad range of applications is expanding and the shift from analog to digital printing continues. Amid this, Canon's digital printing equipment business continues to grow. In particular, the industrial printing market for product packaging and packing materials is rapidly shifting toward digitalization, creating expectation for high growth.

Canon has earned high praise from the industry by continually working to improve image quality and productivity while incorporating customer feedback. In particular, Canon's varioPRINT iX3200 has secured a high market share in the field of high-speed sheetfed inkjet presses. In the future, our lineup will expand to include the varioPRINT iX1700, which balances price and productivity, and the varioPRESS iV7, which supports B2-sized paper, with the aim of further business expansion.

We will also further expand our future business by making a full-scale entry into the high-growth industrial printing sector. To accelerate the expansion of our business areas, we will enhance our industrial printing product lineup, including the LabelStream LS2000, an inkjet label press for labels for food and other daily necessities and the corrPRESS iB17, an inkjet press for industrial-scale corrugated packaging printing.

LabelStream LS2000 inkjet press for industrial-scale label printing

corrPRESS iB17 inkjet press for industrial-scale corrugated packaging printing

Business Strategy — Medical

Related SDGs

Against a backdrop of rapidly aging populations worldwide and rising healthcare costs, measures to promote better health and prevent disease are now common challenges in countries around the world. Canon believes that being sensitive and empathetic to the concerns of patients and healthcare professionals while providing advanced technologies that meet the needs of the medical community in an easy-to-use and economical manner is key to sustainable value creation.

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 capture higher-resolution images that contribute to early detection of diseases and reduce the burden on patients through lower exposure doses and shorter examination times. In the healthcare IT field, we support decision-making in the medical field by utilizing AI and IoT to integrate, analyze, and process a wide range of medical data including diagnostic images and patient information. In the in-vitro diagnostics field, we are working on the development of reagents as well as clinical chemistry analyzers to support the early detection and diagnosis of diseases.

Business Environment

★ Competitive Advantages	• Over a century of knowledge gained in the medical field as well as partnerships with healthcare professionals • Superior imaging and manufacturing technologies developed through cameras and printing • Sales and service network covering more than 190 countries and regions
Business Opportunities	• Improving the added value of diagnostic imaging systems and solutions through the use of AI • Advancing biotechnology, including genetics, and regenerative medical technologies • Adoption of remote medical support and training driven by advancements in DX tools
⚠ Risks	• Stricter medical laws and regulations and changes in healthcare policies in each country and region • Greater adoption of policies that give preferential treatment to local production of medical devices

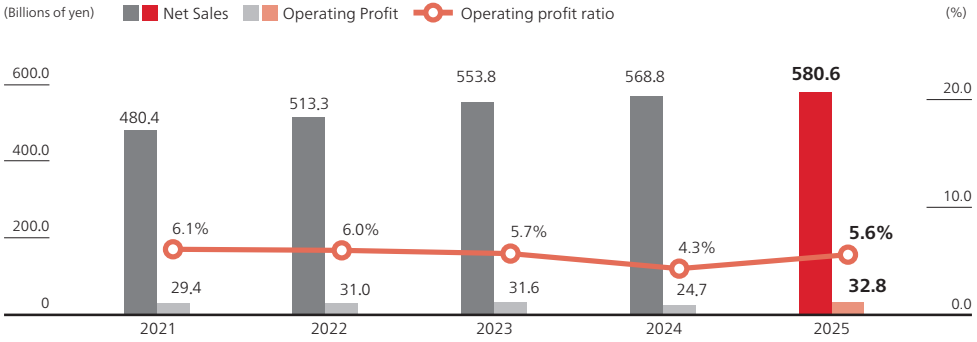
Performance in 2025

Sales growth primarily in the U.S. and emerging markets where we are strengthening our sales structures

In the U.S., which is positioned as a key region for sales growth, we have made progress in building relationships with some of the world's leading medical institutions, including the Cleveland Clinic, which has led to orders for large-scale diagnostic imaging equipment. Sales also increased due to higher sales of diagnostic ultrasound systems through newly contracted dealers. In emerging markets, we expanded our sales channels by establishing local subsidiaries and signing new agency agreements, resulting in steady sales growth throughout the year, particularly in Latin America and Asia.

In April, Canon launched the Aquilion Rise multi-position CT scanner, which can scan patients standing, sitting, or in the traditional lying-down position, depending on the area and symptoms being diagnosed, thereby providing new clinical value by enabling the detection of diseases and dysfunctions that were previously difficult or impossible to detect.

Results of Excellent Global Corporation Plan Phase VI



Business Strategy — Medical

Excellent Global Corporation Plan Phase VII

We will further strengthen our sales structure and expand sales in the U.S., the world's largest and most advanced market for medical equipment. Increasing market share in the U.S. will boost Canon's presence in the medical industry, have a positive effect in emerging countries where continued market expansion is expected, and accelerate sales growth across the entire medical business.

In terms of products, we aim to expand our market share overseas by leveraging the strengths of our CT products, which have a high market share in Japan. Following the world's first whole-body multi-position CT scanner released last year, this year Canon has launched its own photon-counting CT, a next-generation CT scanner that is expected to improve diagnostic capabilities through its dramatically higher resolution. By enhancing our reputation among key opinion leaders through the launch of these groundbreaking products, we aim to increase sales of our existing product line of diagnostic imaging equipment and achieve an overall annual sales growth rate of 5%.

Efforts by the Medical Business Innovation Committee, launched in 2024, to improve earnings are progressing steadily. In April 2026, Canon Medical Systems Corporation will be split and absorbed by Canon Inc. We will accelerate reforms while making full use of Canon's resources and know-how, aiming to achieve a profit ratio of 10% as soon as possible.

2030 Target

Net Sales

750

billion yen

New Technology **New Product**

Launch of first domestically produced* PCCT system Ultimion

While conventional CT scanners offer shorter examination times and clearer images compared to MRI, they have the drawback of requiring a small amount of X-ray exposure. PCCT is attracting considerable attention from the medical industry and is being called the next-generation CT technology because it can obtain higher-definition images with less X-ray exposure thanks to a completely different detection method.

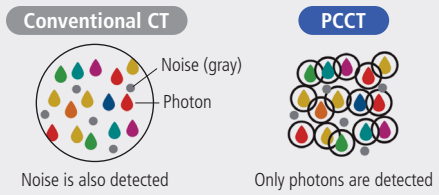
Canon's PCCT not only produces high-resolution images and achieves low radiation exposure, but can also identify specific substances within the body with high precision, which is expected to enable early detection of very small lesions and detailed assessment of subtle pathological changes.

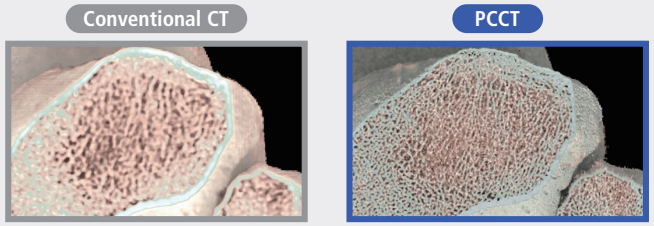
Canon has been participating in clinical research using PCCT at major medical institutions in Japan and abroad since 2023. As a result of developing new diagnostic methods and verifying their clinical usefulness, we obtained approval for PCCT under pharmaceutical and medical device laws in Japan in 2025 and will be launching the product in 2026.

* As of April 8,2026, based on Canon research

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.





Comparison of cross-sectional images of a knee joint

Business Strategy — Imaging

In every aspect of society, visual information is utilized. In addition to products and services that provide the enjoyment of capturing images and the joy and emotional impact of viewing them, Canon provides solutions that transform image data into value that meets customer needs.

As for cameras, which account for approximately 60% of the Imaging Group's sales, through high-quality camera bodies that deliver excellent image performance and a wide variety of lenses that meet diverse shooting needs, we enable photographers and videographers to realize their ideal expression and deliver visual experiences that make people "feel happy." As for network cameras, for which demand 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 as the use of network cameras as video solutions expands in sales and production environments.

In this way, the Imaging Group will contribute to enriching lives, culture, and education by providing visual experiences that bring happiness to people and video solutions that help solve social issues.

Related SDGs

Business Environment

★ Competitive Advantages	• Trust in, and recognition of, a history-making brand that has been used by professionals in the camera industry over many years • Ability to deliver value as a leading company in the field of imaging, established through advanced optical, camera, and image processing technologies • Product portfolio that includes network cameras, video management software, and video analytics applications, as well as ability to supply products and services on a global scale
Business Opportunities	• Growing need 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 for dramatic improvements in camera and lens functionality and performance driven by advances in AI technology
⚠ Risks	• Changes in market environments due to global inflation and instability in world affairs ✓Delayed response to rapidly evolving and diversifying customer needs ✓Growing concerns about authenticity of images due to misuse of AI technology

Performance in 2025

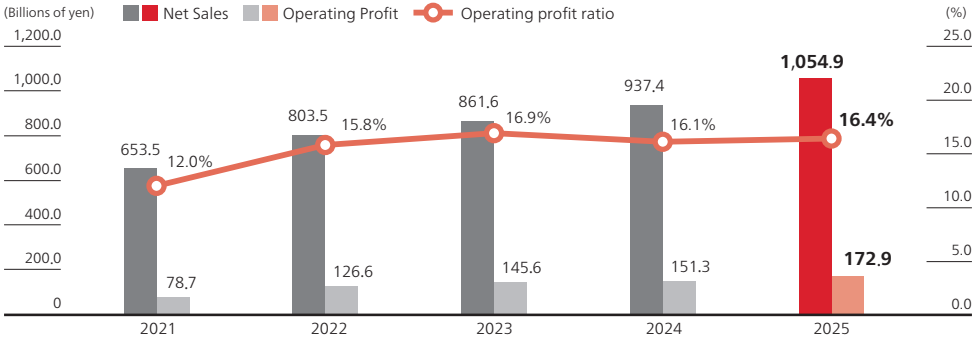
Both cameras and network cameras performed well; sales exceeded 1.0 trillion yen

In interchangeable-lens cameras, we expanded sales, particularly of entry-level models, amid an increase in camera users, especially young people. We boosted sales through the launch of new mirrorless cameras, namely the EOS R50 V in April and the EOS R6 Mark III in November. As a result, we have held the top market share in interchangeable-lens cameras for 23 consecutive years. We also boosted sales through an increase in production of compact digital cameras, for which demand is growing particularly among young people.

As for network cameras, the market continues to grow, driven mainly by the security sector. Leveraging our strong global sales channels, we captured expanding demand. Through this, we significantly increased sales of both network camera hardware and software to achieve double-digit full-year sales growth.

As a result, on a consolidated basis, sales for the Imaging Group increased by 12.5% to 1,054.9 billion yen in comparison to the previous fiscal year, exceeding the one-trillion-yen range.

Results of Excellent Global Corporation Plan Phase VI



Business Strategy —— Imaging

Excellent Global Corporation Plan Phase VII

The camera market continues to grow at a gradual pace due to expanding demand for video and an increase in new users, mainly young people. To cater to such a diverse range of customers and shooting styles, Canon offers a wide range of products, from cinematography equipment to mirrorless cameras and compact digital cameras, and will continue to strengthen its lineup in the future. Along with our cameras, by continuing to expand our RF lens lineup, which reached 63 models in 2025, we aim to maintain our top market share and further increase sales.

The network camera-related market is growing rapidly, driven by continued demand for safety and security, as well as the expansion to AI-powered video analytics applications for purposes such as marketing and improving work efficiency. Sales of our AXIS network cameras in particular are growing thanks to their advanced product capabilities and strong brand. Going forward, we aim to achieve above-market sales growth by not only enhancing the network camera product itself but also expanding the solutions business, for example through integration with peripherals and systems and support for the cloud.

The Imaging Group as a whole aims to increase sales by an average of 5% annually, targeting 1.34 trillion yen in 2030.

2030 Target

Net Sales

1,340

billion yen

New Technology **New Product**

Focus on compact digital cameras, which are back in the spotlight

Now that everyone owns a smartphone, there is growing need among social media users, especially young people, for photo and video capture capabilities that go beyond smartphones. Furthermore, because owning a compact digital camera is seen as a fashion statement by the younger generation, compact digital cameras are once again attracting attention, and as a result, the market is expanding.

In 2025, to meet robust market demand, we expanded production to increase sales volume, and in addition to our conventional models that focus on still images, we released the PowerShot V1, a model primarily designed for shooting video.

Going forward, we will continue to expand our lineup of compact digital cameras to meet the diverse needs of the market, providing new value in the form of exciting ways to experience both still images and video.

PowerShot V1

PowerShot G7 X Mark III

PowerShot SX740 HS

IXY 650 m

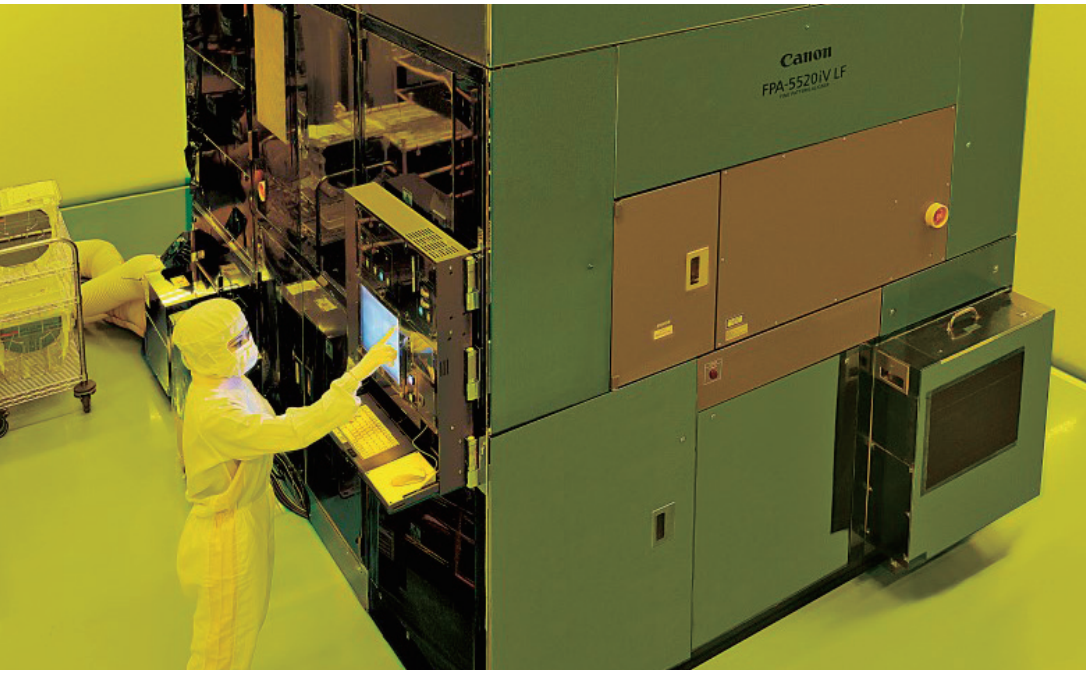
Business Strategy — Industrial

Digital technology innovations such as AI, IoT, and 5G are the driving force behind the creation of social infrastructure and the realization of industrial innovation around the world. Canon will contribute to the development of society by supplying manufacturing solutions that incorporate its proprietary optical and precision control technologies and software technologies such as AI for the advanced electronics industry.

Canon's Industrial Group provides industrial equipment such as lithography equipment, which plays an important role in the production of semiconductor devices, flat panel display (FPD) lithography equipment, which is indispensable to the production of smartphones and TVs, and manufacturing equipment, which has become the industry standard for producing high-definition OLED displays. Because semiconductor and display manufacturing processes consume large amounts of electricity, the Industrial Group has set its own goals for reducing CO_2 emissions*1 and improving resource efficiency*2, with the aim of providing innovative and environmentally responsible products.

*1 For the i-line (mercury lamp) lithography equipment FPA-5550iZ series and the KrF (krypton fluoride) lithography equipment FPA-6000ES6a series, we aim to reduce CO_2 emissions associated with raw materials and operation by 50% on a per-wafer basis by 2030 (i-line: compared to 2008, KrF: compared to 2009)

*2 Promoting the extension of equipment service life, we aim to achieve an operational availability of 95% or higher in 2030 for i-line and KrF lithography equipment shipped from 2001 onward



Related SDGs

Business Environment

★ Competitive Advantages	• Broad product lineup that contributes to improving customer productivity and reducing cost of ownership and workforce with high levels of technical expertise and experience • Nanoimprint lithography technology that achieves miniaturization with low power consumption and low cost
Business Opportunities	• Global expansion of semiconductor market due to rising demand for AI, IoT, and EV-related products • New capital investment to strengthen semiconductor manufacturing sites in countries and regions around the world
⚠ Risks	• Volatility due to business cycles of semiconductor and FPD industries • Laws and regulations influenced by international politics and other factors

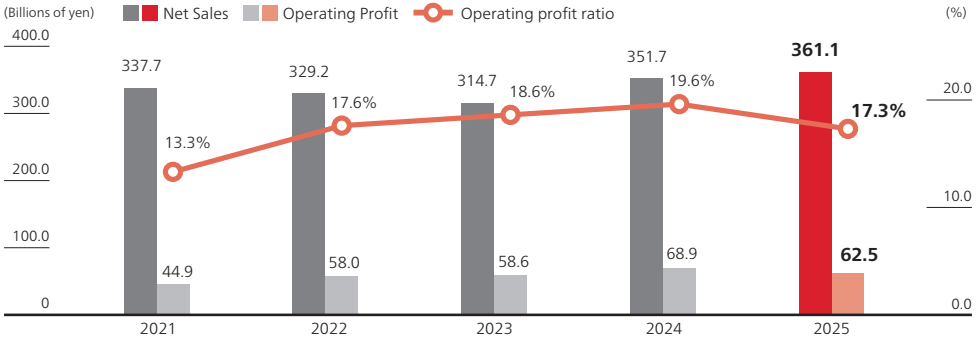
Performance in 2025

Sales increased, supported by strong AI-related demand

In semiconductor lithography equipment, supported by strong AI-related demand, we posted a large increase in the sales of our equipment used in back-end processing, which has become industry standard for advanced packaging. We also increased sales of sputtering and other equipment for use in the production of advanced semiconductor devices for applications like generative AI. At the new plant in Utsunomiya, which was completed in July, we are proceeding with the installation of equipment in preparation for full-scale operation with the aim of increasing production capacity in response to growing demand.

For FPD lithography equipment, as the earnings of panel manufacturers improved, there was an increase in new investment for IT panels installed in notebook PCs and tablets, as well as additional investment for smartphones with increasingly high functional capabilities. This led to an increase in unit sales. As a result, on a consolidated basis, sales for this business unit increased by 2.7% to 361.1 billion yen in comparison to the previous term.

Results of Excellent Global Corporation Plan Phase VI



Business Strategy — Industrial

Excellent Global Corporation Plan Phase VII

To capture demand for semiconductors, which is expected to grow over the medium- to long-term, we will strengthen the competitiveness of products in our existing businesses while simultaneously commercializing new business domains. Through these efforts, we aim to grow sales of the entire Industrial Group at an annual rate of at least 10% and further improve our operating profit ratio.

In our existing businesses, we aim to expand our market share by responding to customer needs through the introduction of new products, such as KrF lithography equipment offering significant improvement in productivity and i-line lithography equipment for advanced back-end processes compatible with large panel substrates.

With regard to new domains, we will work to expand our business areas by promoting sales of nanoimprint and ArF (argon fluoride) dry lithography equipment. We will also leverage our industry-leading core technologies and strengthen collaboration among Group companies in order to continue to pioneer new domains. In response to growing demand, Canon ANELVA will continue to expand the product line of its new Adastra platform for semiconductor and electrical component manufacturing equipment, while Canon Machinery plans to introduce new products for circuit board manufacturing, including hot press machines.

2030 Target

Net Sales

600

billion yen or more

New Technology **New Product**

World's first practical application of wafer planarization technology using nanoimprint lithography

In 2023, Canon launched the FPA-1200NZ2C, a nanoimprint semiconductor manufacturing 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 semiconductor manufacturers because, among other benefits, 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.

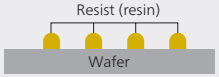
In January 2026, Canon announced a technique that expands the application of nanoimprint lithography beyond circuit pattern formation to include high-precision planarization—the process of smoothing out surface irregularities on wafers. Canon aims to promptly commercialize the technology and expand its application in the manufacturing of advanced semiconductors, including logic and memory devices.

* 1nm = one billionth of a meter

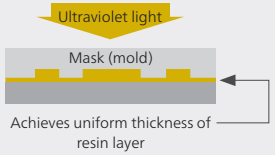
Nanoimprint lithography equipment being used for mass production verification at KIOXIA Corporation

Mechanism of Nanoimprint Lithography

1 Inkjet technology is used to dispense droplets of liquid resin to the wafer surface in accordance with the circuit pattern



2 A mold, called a mask, has the circuit patterns. It is pressed like a stamp onto the resin that has been applied to the wafer surface



3 Ultraviolet light is used to solidify the resin and form the circuit patterns, after which the mask is removed from the resin