

Canon Inc.

Corporate Strategy Conference 2014

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Carry out further reforms in order
to return to the growth track



Key Challenges for 2014

1. Bolster Strengths of Existing Core Businesses by Creating Outstanding Hit Products
2. Securely Launch and Steadily Expand New Businesses
3. Explore a New Dimension of Cost Reductions
4. Optimize the Global Production System
5. Holistically Develop Global Sales Forces
6. Select and Concentrate on Technological Themes that will Lead the Way to the Future
7. Thoroughly Strengthen Information Security Measures

Key Challenges for 2014

1. Bolster Strengths of Existing Core Businesses

Interchangeable-lens Cameras

Develop game-changing products & expand mkt. shr.

- Improve basic performance
- Utilize network and IT technology

Office

Strengthen mkt. comp.

- Strengthen color MFPs
- Enhance lineup
- Improve ability to propose solutions
- Reduce size and weight

Compact Cameras

Capture needs of people that desire to take even better pictures

- Incorporate features that smartphones cannot match
- Come up with applications that create new ways of enjoyment

Key Challenges for 2014

1. Bolster Strengths of Existing Core Businesses

IC Lithography Equip.

Transform the semiconductor industry and strive to open up new possibilities in manufacturing (Monozukuri)

- Acquire Molecular Imprints, Inc.
- Accelerate development of leading-edge lithography equip.

FPD Lithography Equip.

Expand market share and aim for No. 1

- 2013 – Commercialized high resolution (2.0 μm) tool for large-size panel mkt.
- 2014 – Introduce tool for medium- to small-size panel mkt. w/ industry's highest level of performance

Key Challenges for 2014

1. Bolster Strengths of Existing Core Businesses

Camera



CINEMA EOS SYSTEM

Aiming to become a top player in the motion picture industry

- Actively launching new products
- Added professional use 4K display

Horizontal expansion

Inkjet



DreamLabo

Aiming to quickly establish a business base

- Sales Promotion
- Enhancement of photo book and other applications

3. Cost Reductions

3. Explore a New Dimension of Cost Reductions

- Fundamentally review procurement functions
- Accelerate the expansion of in-house production
- Step up automation
- Eliminate the need for prototypes in the product development stage

4. Optimize the Global Production System

- Promote automation and maintain/expand domestic production
- Localized production
- Risk diversification

5. Holistically Develop Global Sales Forces

Emerging markets

➤ **Develop sales network**

- Expand branches and offices
- Distributor strategy

Developed countries

➤ **Expand mkt. shr.**

- Penetrate global accounts

6. Future Technology

6. Select and Concentrate on Technological Themes that will Lead the Way to the Future

Canon EXPO 2015

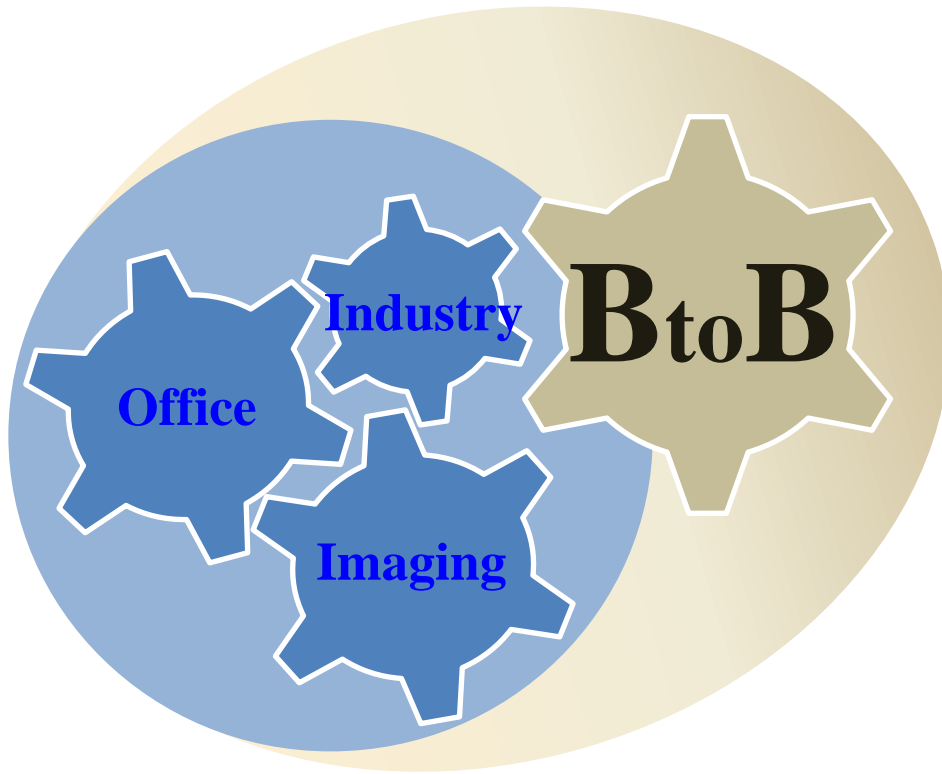
- Accelerate the development of new groundbreaking products & technologies
- Move closer to the Three Regional Headquarters management system

7. Information Security

7. Thoroughly Strengthen Information Security Measures

- Measures to address all possible risk

Growth Strategy



Focus on BtoB

A new growth engine

- Facilities
- Medical
- Safety related areas



Aim for
sustainable growth

2. New Businesses

Network Cameras

- Merge technologies
- Enhance hardware lineup
- Strengthen software
- Established dedicated org. (Jan. 2013)



MR System

- Already delivered to 25 cos., including automobile manufacturers
- Receiving inquiries from universities and research inst.
- Established dedicated org. (Jan. 2014)



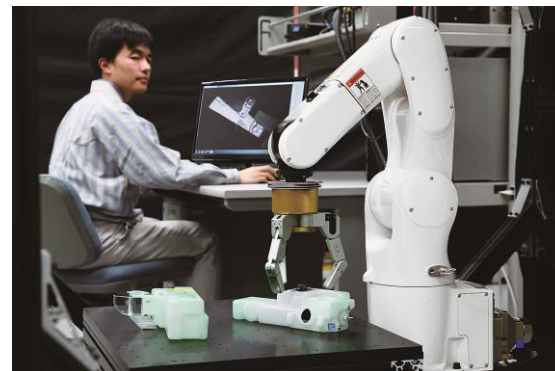
2. New Businesses

Super Machine Vision

- Develop next-generation vision system
- Utilize 3D image-recognition & data-processing technologies
- Secure overwhelming advantage



“Eyes for Robots”



2. New Businesses

Photoacoustic Mammography

Clinical Trial Stage



Commercialization



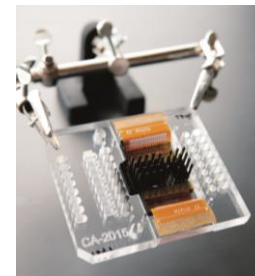
DNA Diagnostic System

Start production in the U.S. from next year

Current diagnostic techniques require several hours / several days before results become available



Shortened to around 1-hour



2. New Businesses – Industrial Equip.

Deposition Equip.

Canon Anelva
Leading-edge MRAM
production technology



Evaporation Equip.

Canon Tokki
OLED vacuum
evaporation technology




2. New Businesses

3D Printers

- Product under development
- Currently building a prototype
- Employs a process & has specifications reflective of Canon



Expected to become a core business pillar in the future



By means of our strong financial base,
technologic and manufacturing
(Monozukuri) strengths, and M&A, we
will develop existing and new businesses



Realize Sustainable Growth

Canon