Canon Inc.

2025 Corporate Strategy Conference

Imaging Group

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Canon

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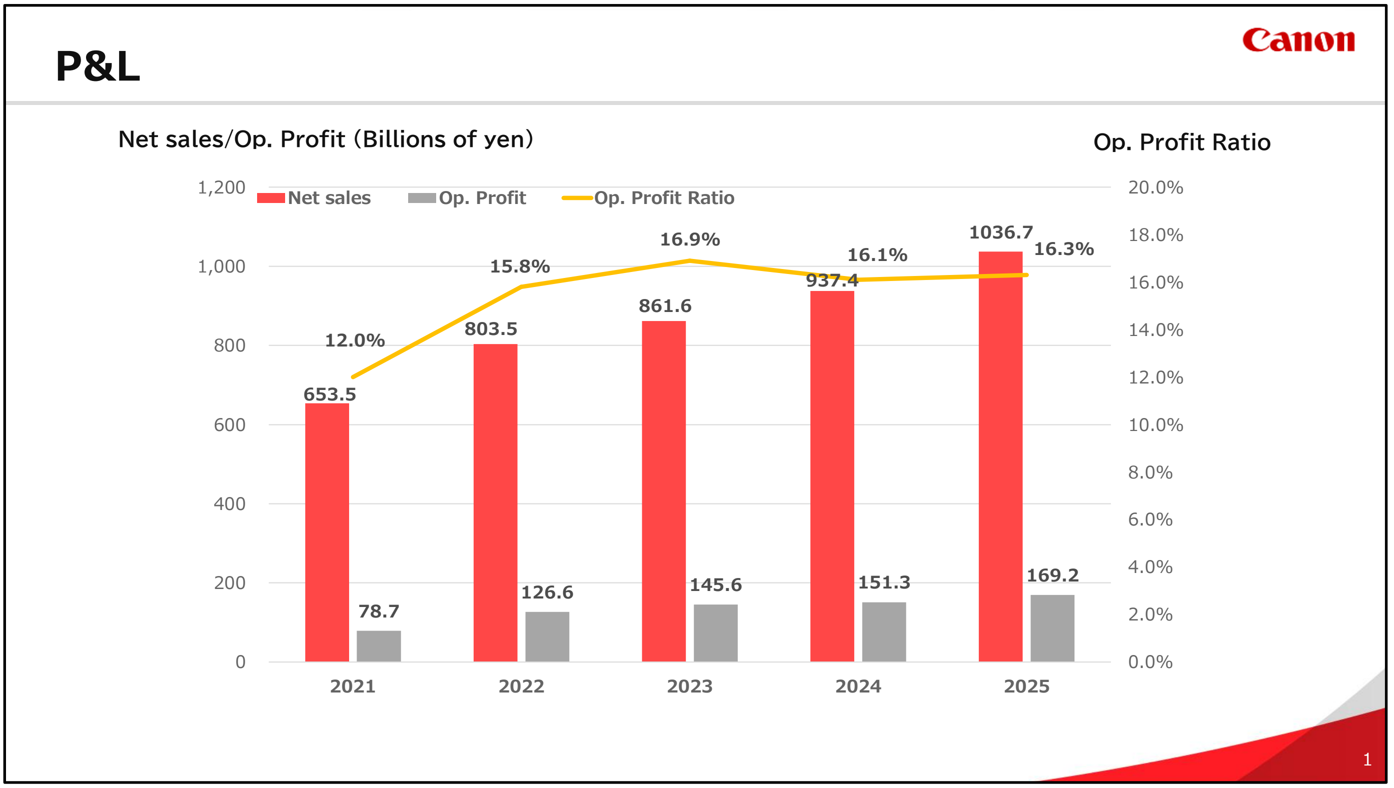

This is the Profit & Loss plan for the Imaging Group up to 2025.
The bar graph shows net sales and operating profit, and the line graph shows profitability.

Last year, we achieved significant sales and profit growth.

Sales was 937.4 billion yen, and operating profit was 151.3 billion yen, an increase of 43.4% and 92.2% respectively, compared to 2021, which was the first year of Phase VI.
And in 2025, the Imaging Group aims for sales of 1 trillion yen or more and profitability of 16.3%.

Results up to 2024 & Challenges and Strategies & Measures

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Results up to 2024 & Challenges

■ **Results**

Cameras	: Maintained No. 1 share of interchangeable-lens camera market for 22 consecutive years
	: Expanded lineup by launching new mirrorless cameras like the flagship EOS R1, and reaching a cumulative total of 56* RF mount lenses
	: Released new CINEMA EOS SYSTEM to meet the wide range of video content production needs
Network Cameras	: Four consecutive years of double-digit revenue growth. Milestone integrated BriefCam and Arcules to strengthen solutions business
Other New Bus.	: Enhanced measures in 3D imaging area

■ **Challenges**

1． Maintain growth and high profitability amid global inflation and unstable global conditions

2． Respond to diversified values and market needs

*The number of models includes cinema lenses

Strategies & Measures for future growth

1. Establish a dominant position in the camera market
2. Grow network camera business through group collaboration
3. Strengthen profit structure by improving productivity
4. Expand into new business areas

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Next, I would like to explain our 2024 results and challenges.
Thanks to high customer ratings, we have maintained the No.1 market share position of interchangeable-lens cameras for 22 consecutive years.

For mirrorless cameras, we further expanded our lineup by launching new models like the flagship EOS R1 and reaching a cumulative total of 56 RF mount lenses. We also released new products for the Cinema EOS system. By offering a compact and lightweight camera body that ensures high mobility and supports a variety of shooting styles, we have further catered to the diverse needs of video content production.

AXIS continued to increase sales of network cameras. Additionally, we worked to strengthen our solutions business by integrating Briefcam and Arcules into Milestone.

In terms of new businesses, we have advanced efforts in 3D imaging, including the EOS VR SYSTEM and MREAL.

To achieve our 2025 targets, the first challenge is how to maintain "continued growth" and "high profitability" in the current unstable global situation, including inflation and conflicts.
The second challenge is how to respond to changes in the environment, including diversifying values and needs.
In response to these challenges, the Imaging Group will move forward with four strategies and measures.
I will explain each of them in the following slides.

1. Establish a Dominant Position in the Camera Market

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Provide products and services, leveraging advanced optical and camera technologies to meet diverse needs

- **Achieve an overwhelming No.1 share in mirrorless camera market by continuously introducing attractive products that can be realized only by the EOS R system**
- **Expand lineup of hybrid cameras and lenses to meet the needs of both still photography and video shooting**
- **Provide young people with a different value experience from smartphones**
- **Improve functions and performance of cameras and lenses using technologies including AI**
- **Provide top quality service and support with the aim of zero downtime, ensuring professionals work without any stoppages**

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First, we aim to establish a dominant position in the camera market.

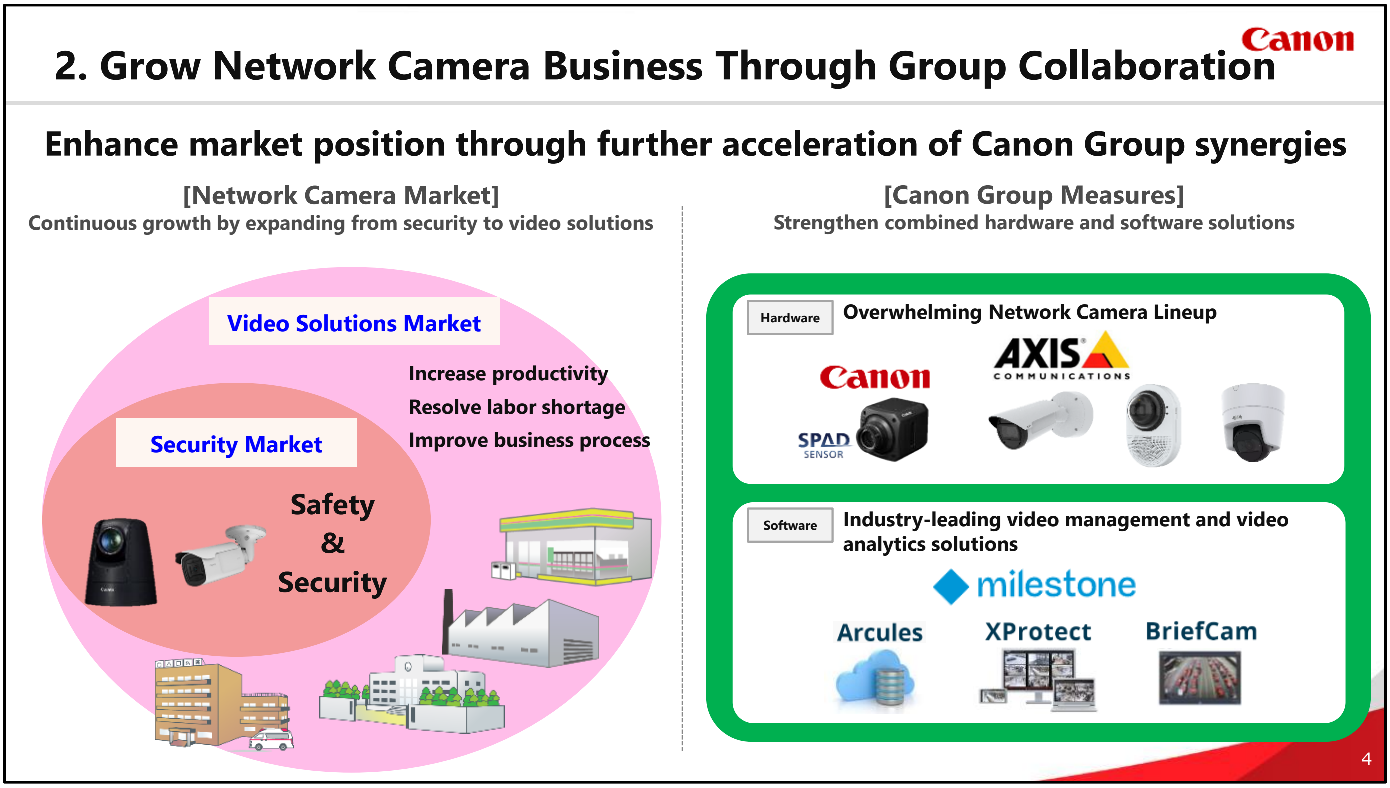
In recent years, the trend toward labor-saving and downsizing has accelerated in professional fields such as video production and broadcasting. The amateur market is also seeing an increase in demand for easy-to-use equipment that produces high-quality videos and still images, for sharing on social media.
Additionally, the increase in demand for cameras among young people is becoming apparent.

In order to respond to these market changes, we will focus on attracting video-oriented customers ranging from professionals to the general public, gaining support from younger generations, and earning the absolute trust of professionals.

First of all, we will achieve an overwhelming No.1 share of the mirrorless camera market by continuously introducing attractive products that are unique to the EOS R system.
We will expand our lineup of hybrid cameras and lenses to meet the needs of video shooting. And to further stimulate demand for cameras from young people, we will introduce products that allow users to easily shoot and share photos, videos, and live streams, enhancing their overall experience.

In addition, in current models, deep learning is being used to improve the performance, such as noise reduction, object detection, and tracking. We will also use AI technology to improve the various functions and performance of cameras and lenses.

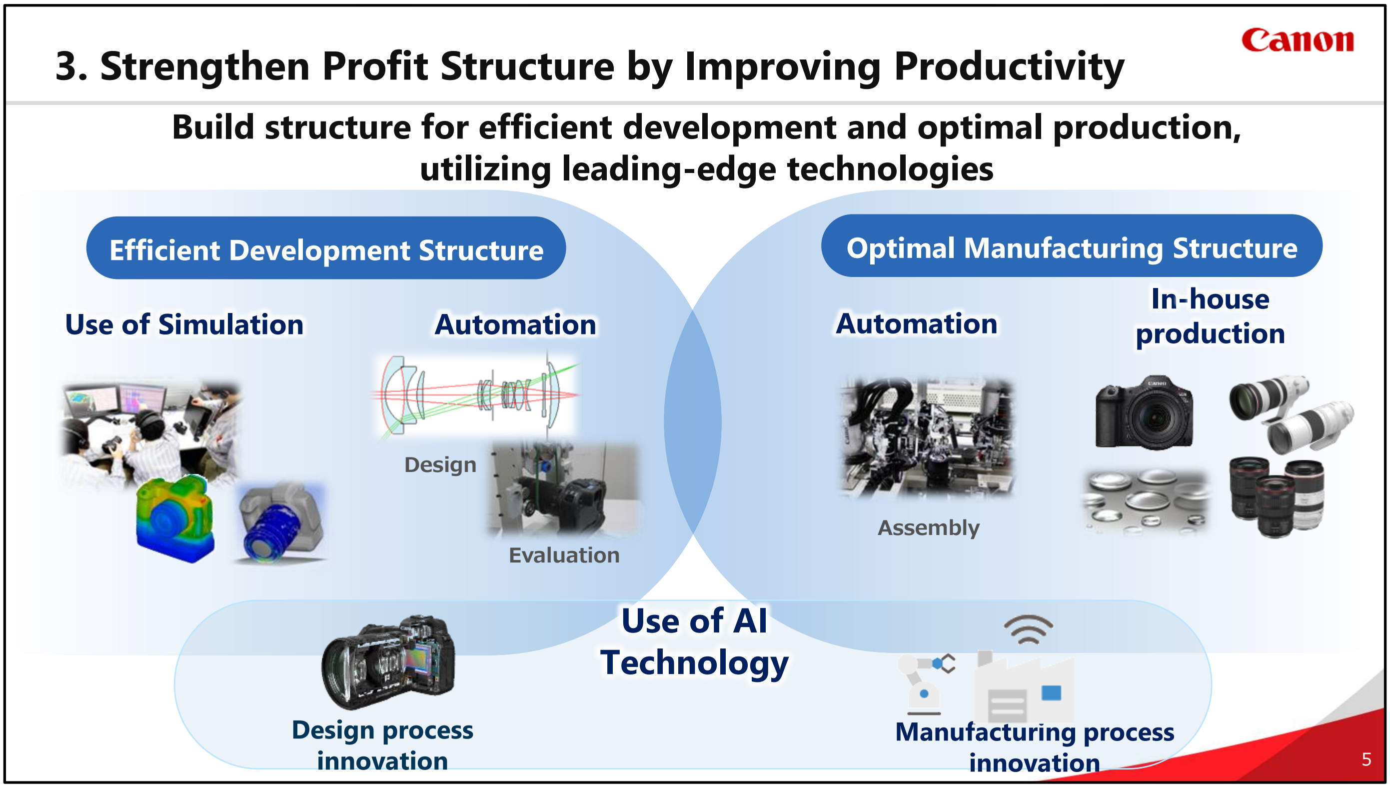
We will also continue our efforts to gain the absolute trust of professionals. Not only in terms of product performance, but also in various professional sports events, we will provide top quality service and support with the aim of realizing zero downtime without stopping professional work. We will also put significant effort into the Asian Games in Nagoya next year.



Next, I will explain the network camera business.
Demand for network cameras is expected to continue growing for surveillance and security applications.

In addition, the use of network cameras is also expanding in video solutions for digital transformation applications to improve productivity and solve labor shortages in retail, manufacturing, education, medical, and other fields. Infrastructure inspection will also be an important target.
To respond to the growing market, for hardware, along with Axis's overwhelming product lineup, we will combine Canon's advanced optical imaging technology with SPAD sensors to enhance synergies and expand into new markets.

As for software, by utilizing the video management and analysis technologies of the Milestone Group, which integrated Briefcam and Arcules, we will strengthen analysis capabilities using cloud and AI, and accelerate IoT collaboration.
With the aforesaid, we aim to expand our business by combining hardware and software to provide customers with optimal solutions to their issues.



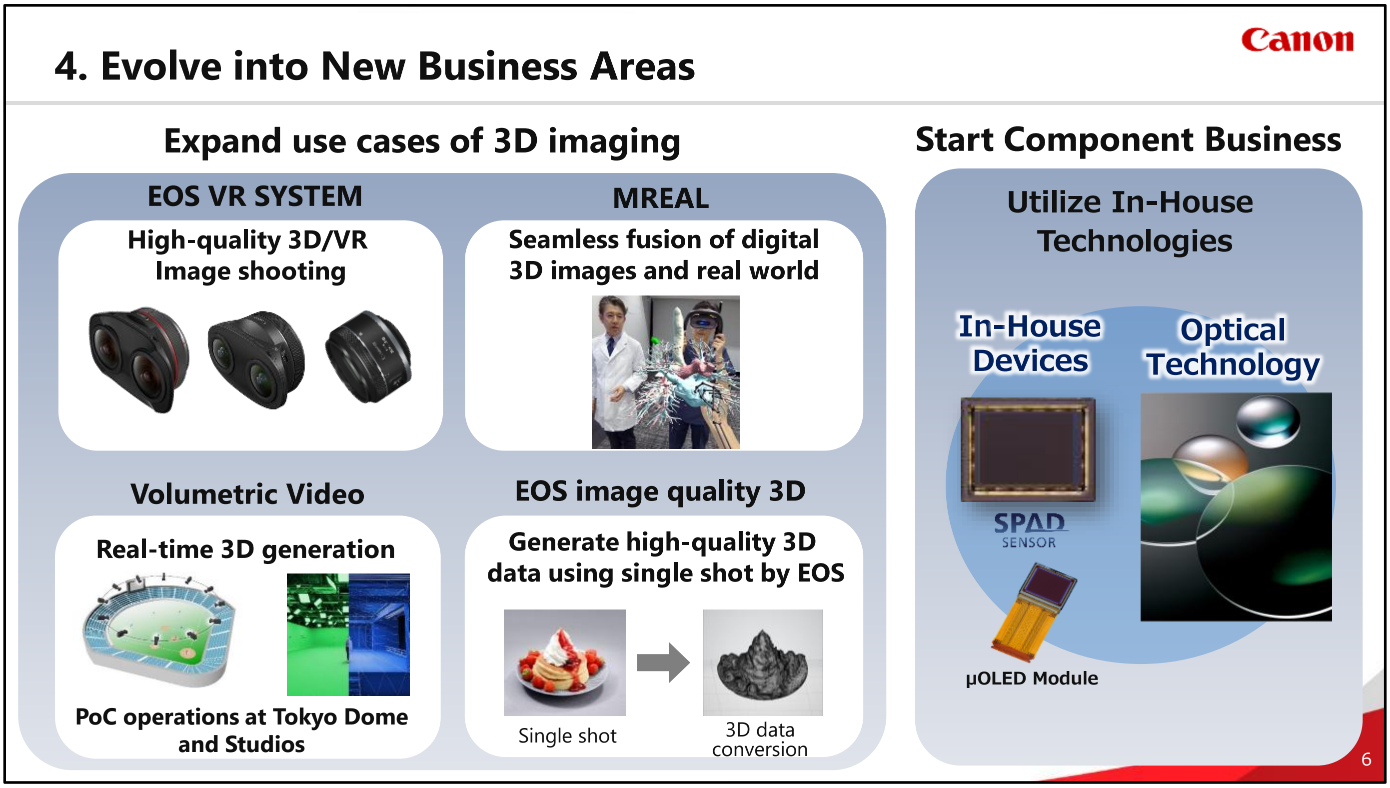
Thirdly, we will further strengthen our profit structure by implementing various productivity improvement measures across all areas of the group.

As for development, by using simulations, we will improve the completeness of designs in a short period of time, further accelerating efficient development.
We have already developed and utilized proprietary simulations in the fields of mechanics, electricity, mounting, and optics, and we intend to expand the scope of use even further.

We will also promote automation in product development.
In particular, in optical design, which has its own development rules, the automation of basic design has advanced considerably, but we will promote this even further. We will also pursue automation in product evaluation, which requires increasing man-hours as cameras and lenses become more multifunctional and sophisticated.

In the production division, we will continue to strengthen our automation efforts to realize high-quality products while raising productivity, especially in Japan.
We will also focus on in-house production.
By promoting in-house production not only for assembly but also in parts processing, we will refine *monozukuri* to achieve high-quality and high-precision finishes.

We will also utilize AI technology as a common approach to innovate development and production processes.
By utilizing rapidly evolving AI technology, we will promote process innovation, such as reducing manual labor, advancing automation, and digitizing craftsmanship.



The fourth is the expansion into new business areas.
In the field of 3D imaging, we are developing a variety of solutions that utilize our proprietary technology and are continuing efforts to expand the market while establishing a technological foundation for the future.
The EOS VR SYSTEM has been chosen as a spatial video recording device for Apple Vision Pro, and we will further collaborate with partners in viewing equipment and content production.
MR will expand opportunities for virtual prototype verification and virtual training at development and manufacturing sites. As for Volumetric video, we will continue to conduct PoC operations in facilities where our product has been installed.
Since EOS image quality 3D can easily generate 3D images using an ordinary EOS camera, we will examine its application development.
We are also preparing to commercialize components that utilize the optical technologies and in-house devices that we cultivated through camera development.

We will provide these as individually optimized solutions, whether it will be a single device or a module combining optical components, in accordance with customer requirements.

This concludes the presentation for the Imaging Group.