

Canon Marketing Japan Group

Long-Term Management Objectives Phase II 2011–2015

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Canon

Look back at Long-Term Management Objectives

Phase I (2006-2010)

1-1. Road to 2005



— 1968 to 1980s

Created and enhanced system to sell Canon products ourselves



— 1990s

Grew through sales of non-Canon products, with focus on foreign manufacturers' PCs, etc.



— 2000 to 2005

Laid foundation of creative solution company focused on solving customer issues: To form a group through M&A of IT service companies

Look back at Long-Term Management Objectives

Phase I (2006-2010)

1-2. Long-Term Management Objectives Phase I

Became overwhelming No.1 in Japan in Canon product segment

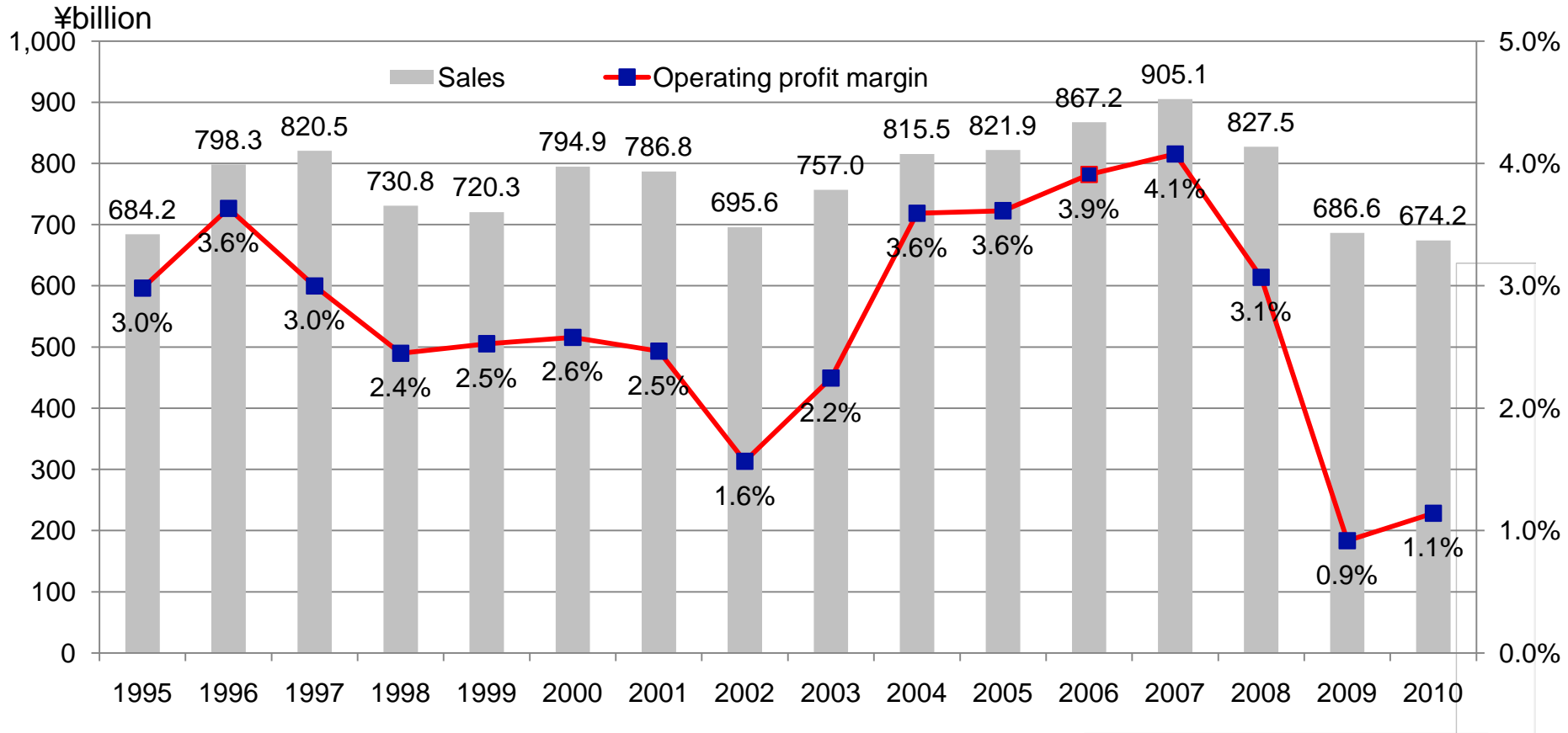
- Maintained high market share amid severe climate for consumer products
- Centralized service functions & introduced system. Improved productivity.
→Bolster the foundation to achieve number-one in customer satisfaction

Established next-generation segment

- Structured organization and sped up decision making by incorporating Canon MJ IT Group Holdings Inc.
- Prepared to pursue new cloud-based segment with datacenters as foundation

Look back at Long-Term Management Objectives Phase I (2006-2010)

1-3. Performance trends



Management reform measures

Long-Term Management Objectives ~Phase I~

Left unprofitable segments, reorganized group, M&A
Introduced consolidated group IT system at Shinagawa headquarters

Change company name
Transfer semiconductor segment
Reorganize ITS group

Canon Group's Excellent Corporation Plan Phase IV

Excellent Global Corporation Plan

Continue to contribute through technology based on its philosophy of *kyosei* (coexistence), and be liked and respected around the world

Phase IV (2011-2015)

**2015 management objective:
Be in world's top 100 in all
major management indices**

Net sales: ¥5 trillion or more
Operating ratio: 20% or more
Profit margin: 10% or more
Equity ratio: 75% or more
(Assumes: USD = ¥85, EUR = ¥110)

Slogan

“Aiming for the Summit”

~ Speed & Sound Growth ~

Long-Term Management Objectives Phase II 2011–2015

Forward

~charting a new course for growth through business creation~

Canon

1. Mission & Vision

Mission

To provide optimal value through marketing innovation that enhances security and comfortable and supports creativity in all areas of life, work and society

Vision

To be a group of service creation companies that practices the principle of customer focus with a global perspective

2. Priority Strategies

1. **Strengthen market shares of Canon products**
2. **Diversify business**
3. **Evolve into a service company**
4. **Further group management innovation**

- Beyond CANON, Beyond JAPAN -

2. Priority Strategies

2-1. Strengthen market shares of Canon products

Marketing & service capabilities
leveraging IT

Customer satisfaction
in all segments

Development capabilities
& cost competitiveness
throughout group

Service & support capabilities

Strengthen share



**Help make Global Canon No.1
in world**

2. Priority Strategies

2-2. Diversify business

Expand business domain in step with changes to market environment

Establish new businesses in fields of focus by Global Canon Group

Commercial
Printing

Retail Photo

MR

Medical
equipment

Actively market world's top products

Industrial
equipment

Target: Increase sales by ¥100b through diversification (2015)

2. Priority Strategies

2-3. Evolve into a service company

As extension of ITS3000:

Evolve group as a whole into a service company

Expand service businesses

Maintenance services for document solutions

Outsourcing of document & IT solutions

Cloud-based ITS segment

Canon Inc. creative solutions

Consumer services

Global growth with focus on IT businesses

Offer IT solutions to global Canon Group

Offer IT solutions to companies expanding in Asia

Target: At least 45% of sales from service segments (2015)

2. Priority Strategies

2-4. Further group management innovation

Maintain and strengthen a solid management foundation in order to implement priority strategies

Strengthen links between management & IT strategies

Develop workforce suited to a global service company

Reform group personnel structure

Pursue CSR activities

2015 Performance Objectives

Net sales : **¥850b or more**

Operating profit (margin) : **¥42.5b (5%)**

Profit per share : **¥185 or more**

Reference indices

**Beyond CANON
ratio**

30%

**Ratio of sales from externally procured
products and independent services**

**Beyond JAPAN
ratio**

10%

**Proportion of sales from international
sales and sales of imported products**



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Performance and future projections made in this document are based on information available at present time, and include potential risks and inaccuracies. Owing to various factors, actual results may differ substantially from these projections. All estimated/actual performance figures are for consolidated performance.