



Canon Marketing Japan Inc.

## Long-Term Management Objectives (2021-2025)

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"Contributing to global prosperity and the well-being of mankind."

*Kyosei* :

**Living and working together for the common good**

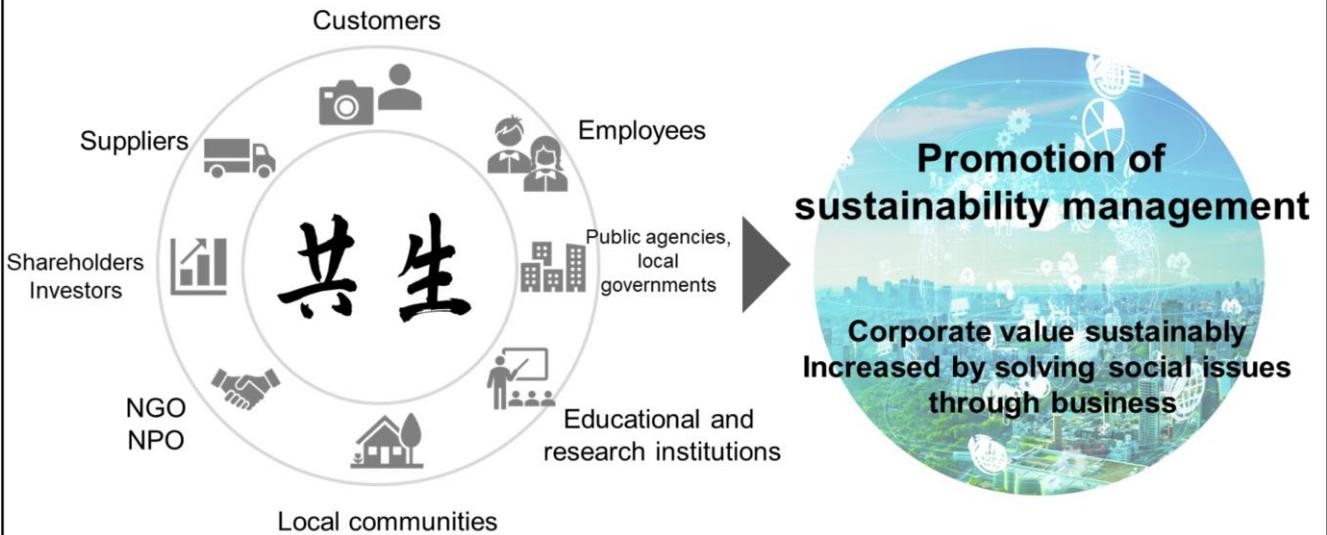
**The Corporate DNA of the Canon Group**  
**"Enterprising nature"**

"Continue to pursue new values without being limited by past examples."

- First, we asked ourselves about business rationale before discussing long-term management objectives. In doing so, we came to the conclusion to re-establish *kyosei*, the concept that we set forth for the Canon group in 1988, as the core policy for corporate activities.
- Moreover, from the perspective of corporate DNA, based on which we seek to accomplish the *kyosei* concept, I would like us to recognize again and strengthen our enterprising nature. With that in mind, we will continue to proactively pursue new value in anticipation of changes in markets and customer needs.

## Sustainability Management

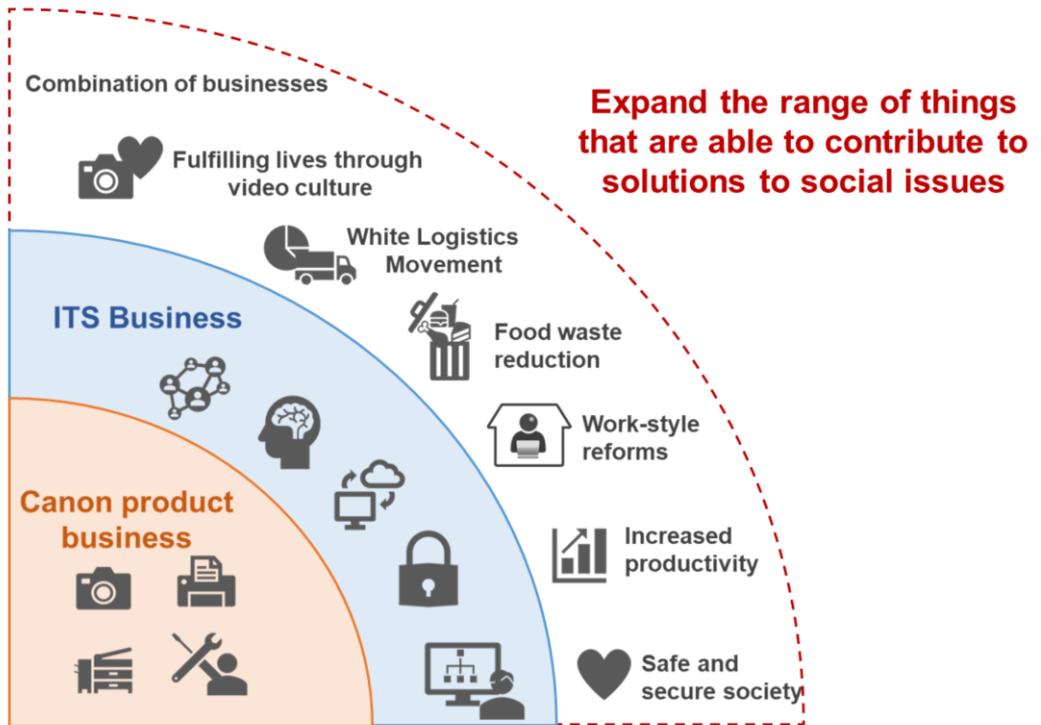
Canon MJ Group also pursues, with all of its stakeholders, the realization of a society in which all people live long lives, work together, and continue to live happily, based on the principle of coexistence.



- In today's management terminology, I think that the realization of *kyosei* simply means the implementation of sustainable management.
- Like other Canon Group companies, we at the Canon Marketing Japan Group wish to create a society in which all people enjoy healthy lives, work comfortably, and live happily together, in cooperation with our stakeholders, based on the principle of *kyosei*.

## Canon Marketing Japan Group's Solving of Social Issues through Business

To promote sustainability management, expand the range of things it is possible to solve by combining the Canon product business and IT solution business and work on the solution of social issues through business.



- To implement sustainable management, we will take our thinking beyond the traditional concept of compliance with laws and regulations and CSR and pay more attention to the idea that business activities by themselves should contribute to the provision of solutions to social issues.
- We have already been working to provide environmentally friendly products and promote the recycling of products and cartridges, mainly in the Canon product business.
- Still, society has many issues that we should be addressing. To tackle these issues, we will seek to be able to provide solutions from broader perspectives by combining the Canon product business and IT solution business. With this initiative, we will contribute to solving social challenges such as the realization of a safe and secure society and the vitalization of regional areas by increasing the productivity of small and medium enterprises.

**2025 vision** | Professional corporate group that solves social and customer issues using ICT and the power of humans

**Basic strategies**

1. **Sustainably increasing corporate value by solving social issues through business**
2. **Becoming a high-profit corporate group**
  - ▶ Business reform placing IT solution business at the center of growth
  - ▶ Improving the sales system for each customer segment using the customer base
  - ▶ Increasing the added value and enhancing profitability with respect to the Canon product business
3. **Creating a virtuous circle by improving management capital**
  - ▶ Accelerating business growth by developing skilled human resources and increasing engagement
  - ▶ Accelerating business growth through strategic investment

**2025 management indicators**

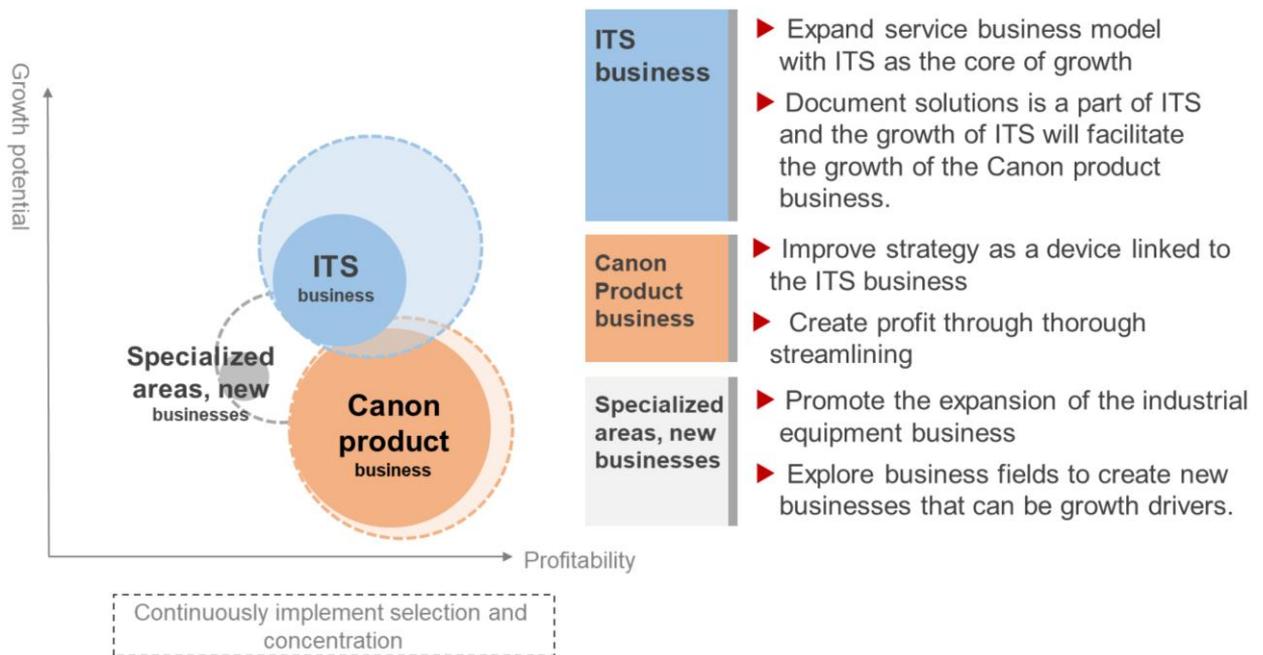
Operating income	<b>¥50.0 billion</b>	( Upward revision to ¥58.0 billion ※)
Sales	<b>¥650.0 billion</b>	
of which, ITS sales	<b>¥300.0 billion</b>	
ROE	<b>8.0 %</b>	( Upward revision to 9.0% ※)

※ We have made an upward revision of Operating Profit and ROE respectively in Medium-Term Management Plan (2022-2025) Progress Report, announced on January 27, 2023.

- This page shows a summary of the initiatives we will take towards 2025.
- Our vision for 2025 is to create a professional corporate group that solves social and customer issues using ICT and the power of people.
- We have instituted three basic management policies to realize this vision.
- The first policy is to increase corporate value sustainably by solving social issues through our business operations. I have already explained this in earlier pages.
- Our second policy is to become a highly profitable corporate group. We will take steps to ensure that growth is driven primarily by the IT solution business while at the same time strengthening the sales system by leveraging our diverse customer base. With respect to the Canon product business, we will increase added value and further enhance profitability.
- Our third policy is to create a virtuous circle by improving management capital. We will use the profits we generate by strengthening profitability to invest in new growth, and by doing so, maintain a virtuous circle. Specifically, we will invest strategically in businesses and human resources.
- With respect to management indicators for 2025, we will aim to achieve operating income of 50 billion yen, net sales of 650 billion yen including ITS sales of 300 billion yen, and ROE of 8.0%.
  - ※ We have made an upward revision of Operating Profit and ROE respectively in Medium-Term Management Plan (2022-2025) Progress Report, announced on January 27, 2023.

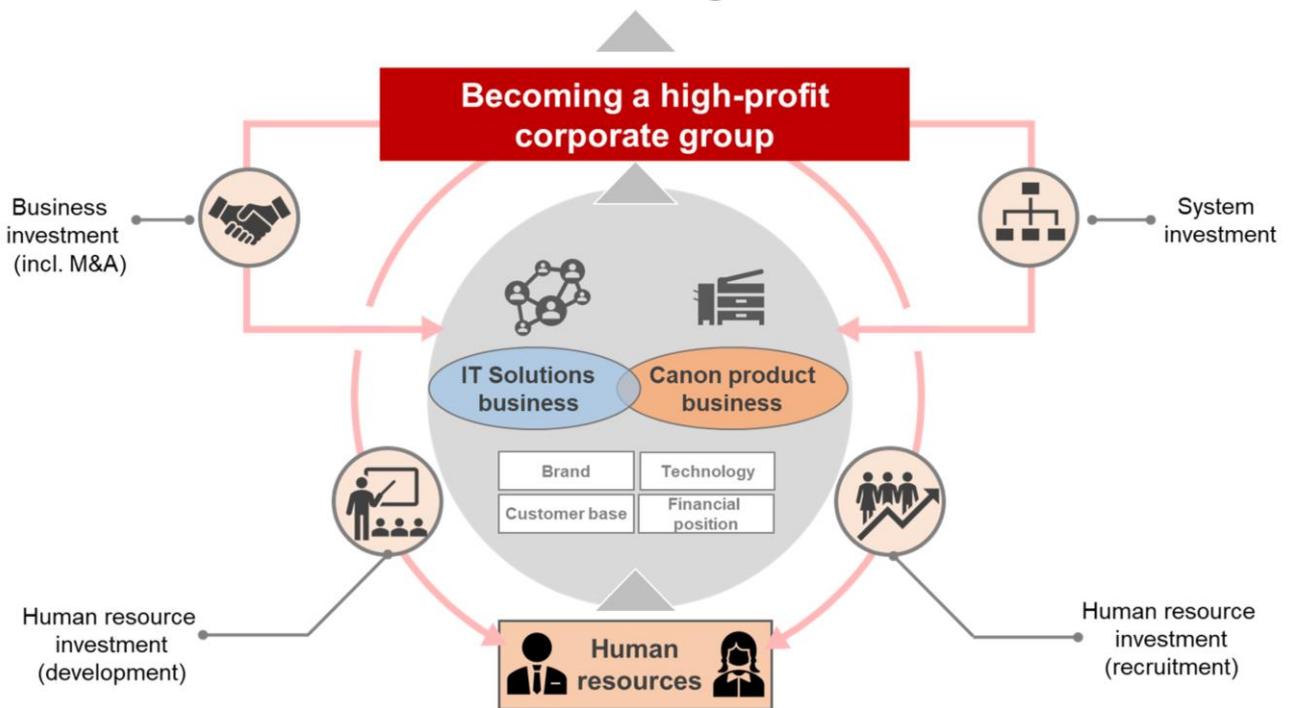
## Business Portfolio Concept

Canon MJ Group operates its IT solution business as its core and reforms its business portfolio. It continuously improves and optimizes its business portfolio with the goal of achieving sustainable growth.



- Next, I will explain our business portfolio concept with an eye to achieving our vision and management indicators.
- First, we will change our business portfolio by establishing the IT solution business as a core business.
- In the Canon product business, we will work to improve profitability while also strengthening the strategy of operating in sync with the IT solution business. We will use the customer base, brand value and profits that we have built, enhanced and accumulated through the Canon product business for our IT solution business. Then, by leveraging the deeper relationships we have built through the IT solution business, we will expand the Canon product business and develop it into a high value-added business.
- With respect to specialized areas and new businesses, we aim to continue expanding the industrial equipment business in specialized areas. In new businesses, we will explore areas where we can create new businesses, building on the ITS business and Canon product business.
- Keeping in mind the need to review and optimize the business portfolio, we will pursue a continuous policy of selection and concentration.

## Sustainably increasing corporate value by solving social issues through business



- Now, I will move on to our investment concept for growth.
- We will accelerate growth investments to achieve a sustainable increase in corporate value.
- Leveraging the profits generated through the Canon product business and IT solution business, we will invest in initiatives to strengthen our business, such as M&A and the development of human resources, the source of our value.
- Through these efforts, we will create a virtuous circle, in which as businesses become stronger, greater profits are generated and re-invested for further growth, achieving sustainable increases in corporate value.



## Canon Marketing Japan Inc.

The performance and future projections made in this document are based on information available at the present time, and include potential risks and inaccuracies. Owing to various factors, actual results may differ substantially from these projections.