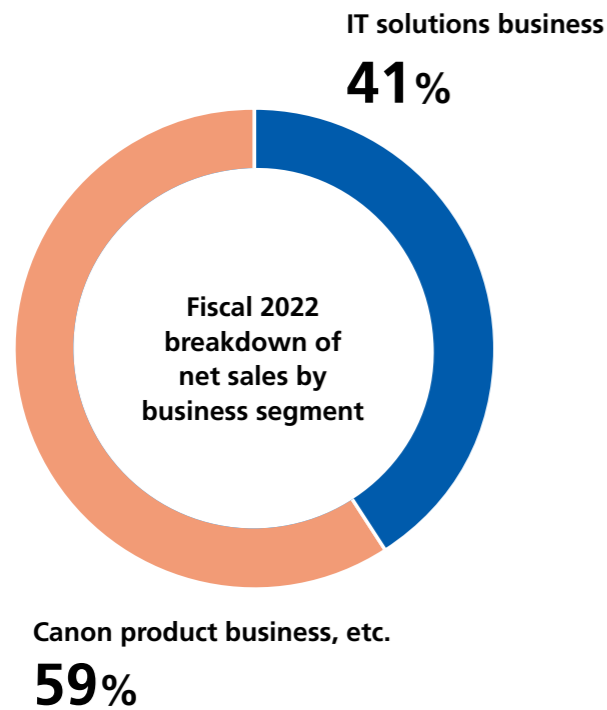
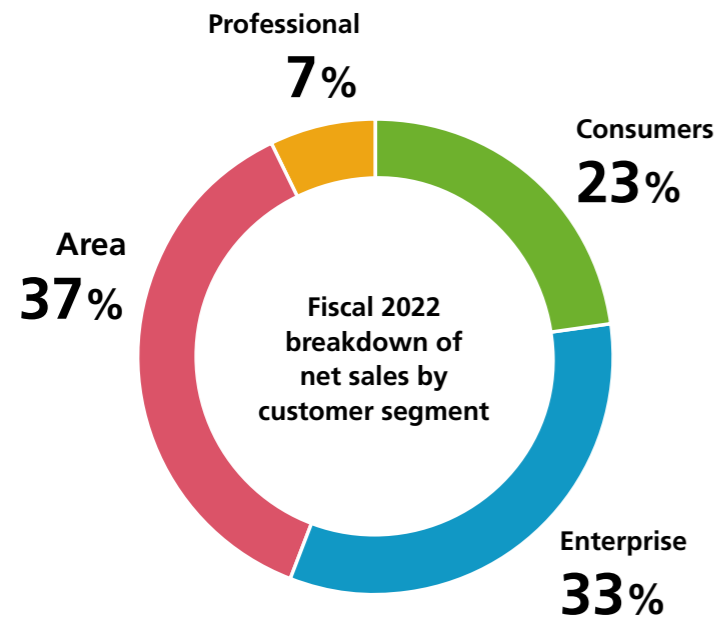


# Overview of Businesses by Segment

Our business mainly consists of the Canon product business and the IT solutions business. As for customer segments, Canon MJ operates in the four specific categories, the Consumers, Enterprise, Area, and Professional segments, and helps many customers create value.

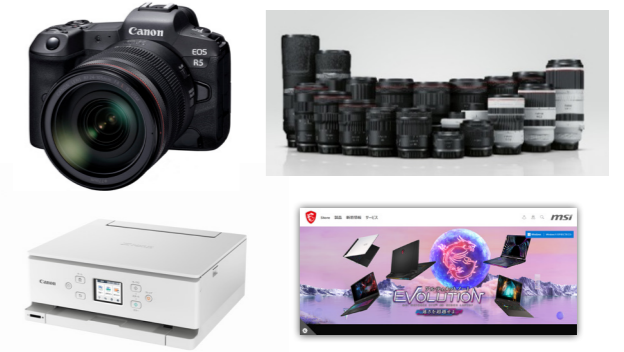
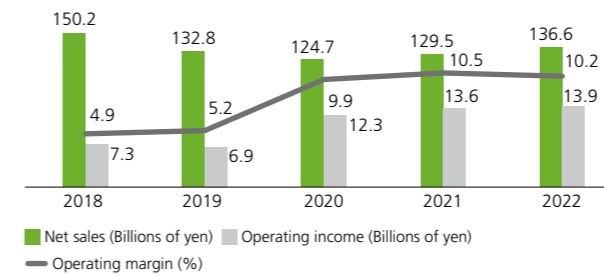


### Consumers

**Customer segment**  
Individuals

We sell Canon products such as cameras, which have been manufactured since the time of our founding; imaging products; and inkjet printers, as well as non-Canon consumer products, to individual customers through retailers, online stores, and other business formats.

Net Sales, Operating Income, and Operating Margin

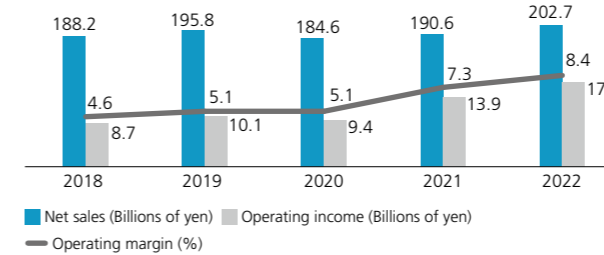


### Enterprise

**Customer segment**  
Large corporations and quasi-major and upper medium-sized enterprises

We sell Canon products and IT solutions directly to large corporations and quasi-major and upper medium-sized enterprises to resolve management issues that vary by industry and business category. Our Major Account Headquarters is in charge of large corporations while our General Business Solution Headquarters is in charge of quasi-major and upper medium-sized enterprises. Meanwhile, Canon IT Solutions Inc. is in charge of both customer groups.

Net Sales, Operating Income, and Operating Margin

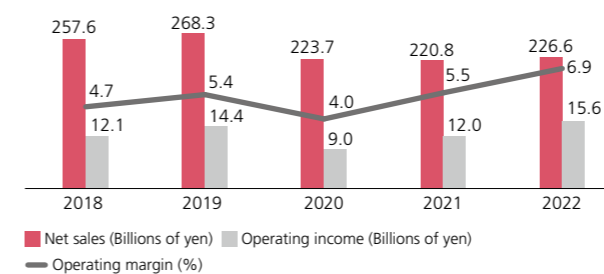


### Area

**Customer segment**  
Small and medium-sized enterprises

We provide Canon products and IT solutions to small and medium-sized enterprises in Japan by fully leveraging our diverse channels for indirect sales through business partners and system partners and direct sales through Canon System & Support Inc.

Net Sales, Operating Income, and Operating Margin

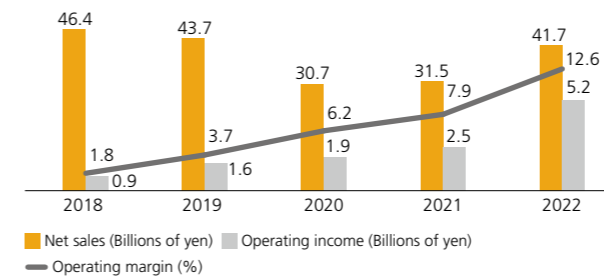


### Professional

**Customer segment**  
Specialist fields

We provide products and solutions for customers in specialist fields, such as production printing, industrial equipment, and healthcare.

Net Sales, Operating Income, and Operating Margin



# Consumers Segment

**We will strengthen ties with customers in our existing businesses while continuing to increase profits by exploring and creating new products and services that exceed expectations.**

On the strength of an organizational structure that was built through the marketing of Canon products and is flexible and resilient in the face of change, we will help bring more fulfillment and convenience to customers' lives through the products and services we provide.

By strengthening ties with customers through both physical and digital means, we will continue developing our camera and other existing businesses and identify new needs while exploring and creating high-value-added products and services that exceed market expectations. In so doing, we will ensure high levels of customer satisfaction and increase profitability by enhancing productivity through the development of a highly efficient sales and service structure.



**Koichi Mikami**  
Senior Vice President  
Director of Consumers Business Unit

## Business Activities

In the rapidly emerging consumer market, where trends and technological innovation are rapidly changing, we strive to deliver value that exceeds customer expectations. Although the camera market has matured, we expect demand to pick up going forward as photo opportunities increase as a result of people spending more time outside their homes. In fiscal 2022, the EOS brand, which celebrated its 35th anniversary, maintained its leading share\*1 of the market for the 15th consecutive year, as it continues to be loved by many customers. The EOS R series of mirrorless cameras has been performing particularly well, and we plan on expanding our lineup of RF interchangeable lenses, which may be necessary in a variety of shooting scenes. In the printing business, we offer a lineup of inkjet and laser printers that address the needs stemming from more people working from home and of individual business owners, providing high added value through products that contribute to greater convenience and productivity for our customers. We are also promoting the sale of consumer-oriented products that are in line with the changing markets and latest trends and creating products and services that offer new value.

\*1 Based on research by Canon MJ on the market share of digital interchangeable lens cameras

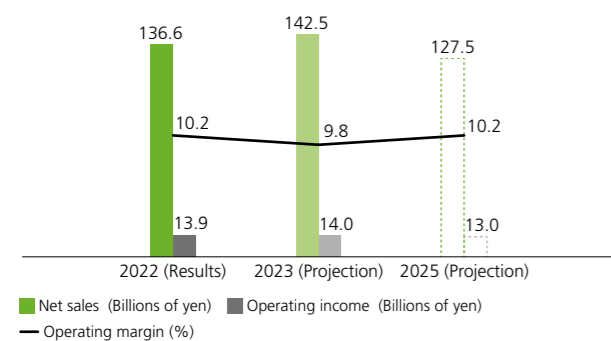
## Our Strengths

As demonstrated by its leading share\*2 of the digital interchangeable lens camera and inkjet printer markets in fiscal 2021, the trust that Canon has earned from customers over the years for its long-beloved brand is a significant advantage to Canon MJ. We have developed a range of physical and digital points of contact with customers, including mass retailers, our very own showrooms and service centers, and the e-commerce sites of Canon MJ and our business partners. Particularly for customers with a strong interest in photography, including professionals and avid photography enthusiasts, we offer products that cater to a range of expressions specific to each subject and continue to introduce new activities, including the Canon Photo Circle, to bring even greater satisfaction to customers and develop a stronger connection with them. In addition, we are committed to fostering a photographic and imaging culture that is unique to Canon, a company that has supported the activities of photographers and filmmakers for many years. Furthermore, our distribution and sales channels and our marketing capabilities that enable us to explore and roll out products and services other than those of the Canon brand are essential to our business foundation.

\*2 Based on research by Canon MJ

## Segment Targets

### Net Sales, Operating Income, and Operating Margin



## Strategy for Achieving the Goals of Our Medium-Term Management Plan

As the leading camera manufacturer in Japan, we will play a leading role in developing photographic and imaging cultures. By forming even stronger relationships with our customers, we will continue to expand our camera, inkjet printer, and other existing businesses while improving profitability. We will also strive to achieve the goals of the Medium-Term Management Plan (2022–2025) by providing imaging solutions that make full use of Canon's imaging technologies and create new products and services that look ahead to the future.

## Examples of Our Initiatives

### Fostering of Photographic Culture

We have been promoting a variety of activities over the years for customers with a strong interest in photography, including professionals and avid photography enthusiasts. One of them is the Canon Photo Circle, which has been enriching the photographic lifestyles of its many members since 1954 by providing an abundance of information, such as introductions to the works of professional photographers, details on new products, and shooting and printing techniques, through member magazines and web content. As COVID-19 restrictions were gradually eased, in fiscal 2022 we began holding activities in person once again. This club activity has been held at eight locations throughout Japan to allow users of Canon cameras to enjoy taking

photos with those who share their interests, such as landscapes, railways, and aircraft. Meanwhile, the Canon Photo Contest, which was established in 1953, was held for the 56th time in fiscal 2022. The contest, said to be the largest of its kind in Japan, has received numerous entries from professionals and amateurs alike. In these ways, we will proceed with a variety of approaches to bring more enjoyment to the lifestyles of customers who have a strong interest in photography.



### Incorporating Canon's Imaging Technology into Our Broadcasting Activities

In the video production market, we have seen a growing demand in recent years for IP remote production\* due to increased production of video content. Against this backdrop, in fiscal 2021 Canon Inc. brought together its long-cultivated imaging and network technologies to develop a remote camera system for video production that offers high image quality and streamlines photographic workflow. In fiscal 2022, Canon expanded its lineup with the introduction of the CR-X300 outdoor remote camera and the top-of-the-line CR-N700 4K/60P remote camera. Used in a range of outdoor settings, in April 2022 the CR-X300 was adopted as a system to provide on-site images for the television broadcast of the Masters Tournament, one of the four major championships in men's professional golf held in Augusta, Georgia, in the United States. The cameras installed around the golf course swung from side to side and zoomed in and out through the operation of a remote camera controller set up at a TV station in Tokyo. We will continue to deliver such products and solutions that

address the growing needs of customers for remote methods of video production that offer greater efficiency and labor-saving merits.

\* A new IP-based method of broadcasting programs in which the broadcasting station and the broadcasting site are connected through an IP network and the programs are produced by a remotely located broadcasting station

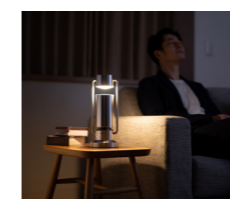
Right: Live streaming using the CR-X300. Canon's camera lineup caters to the video streaming needs of various indoor and outdoor sporting events.



### Creating New Products and Services

Based on the concept of "creating comfortable spaces that bring happiness to people," we formed our new brand *albos* (abbreviated from "always by our side") through co-creation with Canon Electronics Inc., a Canon Group company.

The brand's first product *albos Light & Speaker* is a wireless speaker with a built-in lamp that takes users away from their everyday life into a world of their own through its pleasant sound and lighting. Inspired by the desire of developers to help customers enrich time spent with loved ones and become immersed in their hobbies through the use of lighting suited to each situation, this product was sophisticatedly designed through the carving of aluminum and the use of exceptional precision processing technology.



In terms of the Makuake\*1 project, support purchases have topped the ¥25 million mark and 666 supporters have

contributed to its renewal as the No. 1-selling\*2 portable Bluetooth speaker of all time.

Owing to the success of this project and the feedback from supporters, *albos Light & Speaker* was released to the general public in December 2022.

We are proceeding with a variety of measures to spread awareness of the new *albos* brand, such as enabling people to try out the *albos Light & Speaker* inside a dedicated private room called the *albosROOM*, as well as promoting other marketing activities that integrate physical and digital elements. Going forward, we will expand our business not only from a consumer point of view but also from the perspective of developing business applications.

We will look to invent and create more products and services like the *albos Light & Speaker* that bring satisfaction to customers.

\*1 A crowdfunding site that provides a mechanism for supporters to discover projects that strive to create meaningful products and support them by purchasing these products.

\*2 As of May 2023

# Enterprise Segment

We will position our unrivaled service-based business as a pillar of earnings and achieve exponential growth through in-depth analysis of customers and industries, the use of proprietary technologies, and co-creation with customers.

We aim to realize a sustainable society by co-creating solutions with customers and resolving their issues. Accordingly, we will unite all of the resources of our business unit, including our customer base and our sales, technological, and development capabilities, to further strengthen collaboration and create new service-based businesses that leverage our strengths to accelerate the growth of the IT solutions business, which is the driving force of our business.



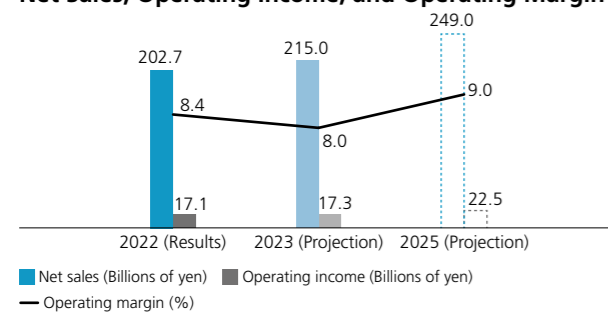
**Hiroyuki Matsumoto**  
Vice President  
Director of Enterprise Business Unit

## Business Activities

The Major Account (MA) Headquarters, the General Business (GB) Solution Headquarters, and Canon IT Solutions Inc. work together to provide Canon products and IT solutions that help resolve the various industry- and business-specific issues of our vast range of customers, from large corporations to quasi-major and upper medium-sized enterprises, public agencies, and educational institutions. As digitalization continues to advance, we must take the correct approach to digital transformation (DX) by considering not only partial improvements to efficiency through individual products and information and communication technology (ICT) but also how all of the data used in our customers' business operations can be utilized to transform their businesses. Along with hardware and software solutions, we provide integrated services that cover everything from systems development to maintenance and operations, and combine them with our various IT solutions, including outsourcing. Through these and other efforts, we help resolve the issues of our customers and promote their DX strategies through co-creation.

## Segment Targets

### Net Sales, Operating Income, and Operating Margin



## Our Strengths

At Canon MJ, we boast an extensive customer base that has been developed over the years through the introduction of Canon products and related solutions for offices. Our strengths lies in our sales capabilities to propose the best possible solutions to our customers by developing solid relationships with them at every level, from the front lines to management, and resolving their issues by ensuring a sound understanding of their business lines, industry, and business activities. Moreover, Canon IT Solutions, a systems integrator with around 3,500 system engineers within our business unit, has proprietary software technology, mathematical technology, language processing technology, image analysis technology, and other highly sophisticated technological and development capabilities at its disposal. Through the combination of these technologies with Canon's imaging and AI technologies, we are able to create solutions that cannot be equaled by our competitors. Our collective strength that allows us to provide a range of IT solutions in the form of proposals, development, maintenance, and operations in our areas of expertise—backed by Canon products and our technological capabilities—is also a strength of the Company.

## Awareness of the Market Environment

### Opportunities

- Increasing demand for IT investments due to strengthening of DX measures
- Higher demand as a result of advancements in network infrastructure
- Continuously expanding systems integration services market
- Greater demand for document solutions consultations due to implementation of workstyle reform
- Increasing need for imaging-based solutions
- Rising demand for security risk measures
- Greater demand for BPO due to the need to improve operational efficiency, enable employees to concentrate on core duties, and offset the declining workforce

### Risks

- Lack of talent and intensifying competition for securing highly skilled professionals in the IT market
- Rapidly increasing number of paperless offices due to widening adoption of telework and digital workflow
- Higher purchase prices due to increases in crude oil prices and energy costs

## Strategy for Achieving the Goals of Our Medium-Term Management Plan

The MA Headquarters and GB Solution Headquarters will steadily expand existing businesses, such as Canon products, document solutions, and imaging solutions, while Canon IT Solutions will expand systems integration services as well as solutions such as mathematical and demand forecasting and low-code development. Moreover, each organization within the business unit will work together to expand our new service-based business model through co-creation with customers and turn it into a pillar of earnings.

To these ends, we will enhance the IT skills of the entire business unit by strengthening our human resources development and reinforce our ability to create solutions through design thinking. At the same time, we will enhance our development of highly skilled IT personnel through measures that include acquiring human resources from outside the Company.

## Canon IT Solutions Inc.

We are co-creating the future with our customers by leveraging our unique technologies and developing highly skilled professionals, thereby achieving ITS3000 ahead of schedule.

Aiming to realize VISION 2025, Canon IT Solutions Inc.'s vision for fiscal 2025, we will strengthen management through business activities that are based on our medium-term management plan, which places emphasis on processes and key performance indicators, and forge even further ahead with the development of our three VISION 2025 business models: the service-based business model, the systems integration model, and the business co-creation model.

With the service-based business model, we will address the issues shared by many of our customers by drawing on our technology and knowledge of various industries and businesses accumulated to date. The systems integration model will facilitate our development of systems that capture the essence of our customers' issues and underpin their businesses at every stage of the IT life cycle, including maintenance and operations. With the business co-creation model, we will look into business-related issues that our customers are unaware of and co-create solutions from a DX point of view. We will also remain committed to developing highly skilled professionals so that we can provide even greater value to customers through these three business models. Further, we will strengthen engagement through measures aimed at strengthening ties with customers and ensuring employee satisfaction and growth. As the centerpiece of the Canon MJ Group's ITS3000 strategy, Canon IT Solutions will orchestrate the achievement of this strategy while relying on the cooperation of Group companies, including the utilization of Canon MJ's customer base.

## Business Overview

Canon IT Solutions is a systems integrator that engages in the development, operation, and maintenance of systems for a wide range of sectors, primarily manufacturing and finance, and provides services to businesses centered on data centers. On the strength of our high levels of quality control, we offer a vast array of solutions that make use of our very own software and mathematical technologies that have been cultivated over many years.



**Akira Kanazawa**  
President  
Canon IT Solutions Inc.

## Joint Proposal by Canon MJ and Canon IT Solutions (Edge Solutions)

### Asset Management Navigation System for *Shinkin* Banks: Cloud-Based Sales Support Service for Investment Products

The government's request to the residents of Japan to shift their focus from savings to investments and the prolonged period of low interest rates have led to more people building assets through investment trusts and other financial products. Financial institutions are expanding their line of financial products to meet this demand, but they are also being called on to provide sufficient information to investors on risks and investment policies to ensure that investments are made in the safest and most appropriate manner.

We offer a variety of cloud-based solutions to support financial institutions. For *shinkin* banks, which offer financial services by working closely with local communities, we have developed the *Shinkin Deposited Asset Navi*, a cloud-based sales support service for assets in custody. This service facilitates *shinkin* bank employees in helping customers realize stable asset formation in the sale of investment trusts, insurance, public bonds, foreign currency deposits, and other financial products by adhering to the Financial Instruments and Exchange Act and other relevant laws.

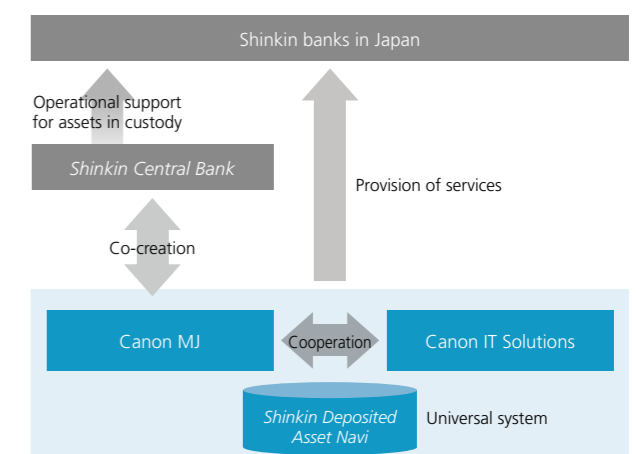
Through co-creation with *Shinkin Central Bank*, the central financial institution for the nationwide network of *shinkin* banks, *Shinkin Deposited Asset Navi* was developed to meet the operational specifications of *shinkin* banks and is a universal system for the industry that can be utilized by all such banks in Japan. In *Shinkin Deposited Asset Navi*, we have realized a highly secure and scalable cloud service that reduces operational overhead through the development of a cloud-based platform at the Canon MJ Group's data center, which complies with international standards such as FISC\*1 guidelines and the M&O Stamp of Approval certification\*2. In addition, we plan to offer new services to *shinkin* banks and expand our services

to financial institutions outside of *shinkin* banks.

We will bring together Canon's strengths in cutting-edge imaging technology and Canon IT Solutions' technological and development capabilities and capitalize on our know-how and wealth of business knowledge accumulated to date on various industries to develop various service-based solutions going forward.

\*1 FISC: The Center for Financial Industry Information Systems. Canon IT Solutions' Nishi-Tokyo Data Center and Okinawa Data Center comply with the FISC Security Guidelines on Computer Systems for Banking and Related Financial Institutions.

\*2 Please refer to our corporate website for details on the Management & Operations Stamp of Approval and other certifications. (in Japanese only)  
<https://www.canon-its.co.jp/solution/idc/>



## Area Segment

**As the largest segment in sales, we will strive to achieve further growth and profitability by orchestrating the digitalization of small and medium-sized enterprises (SMEs) with untapped potential.**

As a business segment that has continued to engage directly with customers and has been creating customer value with business partners, the Area segment boasts diverse sales channels that span across all of Japan. To help resolve the various issues of SMEs, we will strengthen our understanding of their customers and competitors as well in order to position ourselves to propose better solutions. To that end, we will strive to develop highly skilled professionals and ensure that our sales channels are perfectly suited to maximizing earnings. By addressing our customers' ever changing management issues in the most flexible and timely manner, we will also help revitalize local communities.



**Yasuyuki Uotani**  
Vice President  
Director of Area Business Unit

### Business Activities

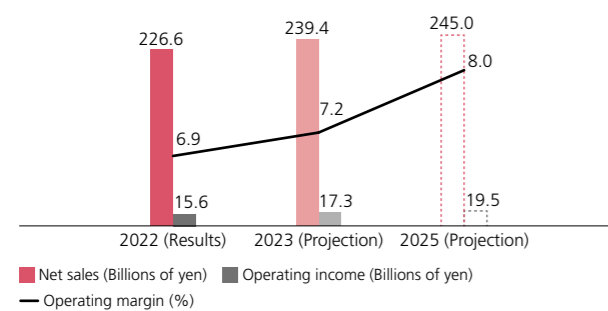
IT investment is drawing greater interest among customers of SMEs as a solution to issues such as the need to streamline operations due to labor shortages and strengthen security. For customers of SMEs lacking in-house IT personnel, we propose the most optimal solutions by combining Canon products and our IT solutions, such as the HOME IT support cloud service and our Makasete IT DX Series of comprehensive IT support services that cover everything from the operations and maintenance of IT equipment to security. In this way, we have been supporting the customers of SMEs in resolving their management issues and advancing their businesses. Moreover, by taking advantage of our indirect sales channels, made possible by our nationwide network of business partners as well as our direct sales channels courtesy of Canon System & Support Inc., we have developed and maintained solid relationships with a wide range of customers.

### Our Strengths

Our strengths lie in our diverse sales channels that span across the country, such as our business partners that serve prominent local firms, system partners that are mainly involved in the systems integration business, and Canon System & Support, which engages in direct sales. We support the DX activities of our SME customers to help overcome their management issues through our ability to propose optimal solutions by combining Canon products, mission-critical system packages, security products, maintenance and operations services, and a variety of other products and services. Also, in a bid to expand the IT solutions business, we will join forces with business partners that previously handled primarily Canon products to enhance our sales capabilities for IT solutions.

### Segment Targets

#### Net Sales, Operating Income, and Operating Margin



### Awareness of the Market Environment

#### Opportunities

- Increases in IT investments as SMEs look to digitalize their business
- Increasing demand for security risk measures
- Amendments to laws pertaining to SMEs, such as the Law on Book and Record Keeping through Electronic Methods and the invoice system in Japan

#### Risks

- Lack of talent and intensifying competition for securing highly skilled professionals in the IT market
- Reductions in print volume at offices due to the increased adoption of telework and digital workflow
- Higher purchase prices due to increases in crude oil prices and energy costs

### Strategy for Achieving the Goals of Our Medium-Term Management Plan

In order to increase productivity and maximize the profitability of office multifunction printers and other Canon products, we promote area marketing to identify the specific characteristics of each area and develop the most optimal sales channels. Moreover, by sharing the know-how and skills we have accumulated to date in Canon System & Support's direct sales business with our business partners and continuing to expand our IT solutions business, we will help SMEs ensure compliance with relevant laws and regulations and enhance productivity by digitalizing operations.

### Canon System & Support Inc.

**At Canon System & Support, we strive to continue expanding our profitable service-based business by addressing the concerns of SME customers across Japan through our comprehensive line of support services.**

Over the years, we have been providing customers with the tools and infrastructure for communicating information to as many people as possible and to people as far away as possible, which are essential to the continuity of our customers' businesses, and helping ensure stable operations in the process.

Since the 1990s, we have been addressing the changing needs associated with the proliferation of PCs and the internet by providing a range of solutions, including corrective maintenance for PCs and security devices, in a timely manner. Nowadays, SME customers are faced with issues such as uncertainty with regard to the implementation of DX and a lack of personnel with IT knowledge. In response to these needs, we support our customers' businesses by helping them plan IT investments and select and implement appropriate IT systems, as well as by ensuring stable operations through support for day-to-day maintenance and operations when problems occur. We will continue to help customers evolve their business through the use of IT by acquiring and developing highly knowledgeable and skilled personnel.

### Business Overview

Canon System & Support is in charge of the direct sales of Canon products and IT solutions and consulting services for SMEs in Japan.

Leveraging our nationwide business network and group synergies, we provide support services on a one-stop basis for planning IT investments, selecting and implementing the most optimal solutions to customers' issues, day-to-day operations after implementation, and maintenance when problems arise.



**Takeshi Hiraga**  
President  
Canon System & Support Inc.

### Joint Proposal by Canon MJ, Canon System & Support, and Business Partners (HOME and IT Maintenance and Operations)

#### Triune Approach to Providing Customer Value

The Business Partner Headquarters of Canon MJ has teamed up with Canon System & Support and local business partners to address the shortage of talent who can implement DX and security measures, a management issue facing many SMEs. In this joint proposal, we presented IT solutions to a software development company in a bid to resolve their security issues.

This customer faced the following issues as it set out to create a network environment and establish security measures to prepare for cyberattacks in light of the yearly growth of its business.

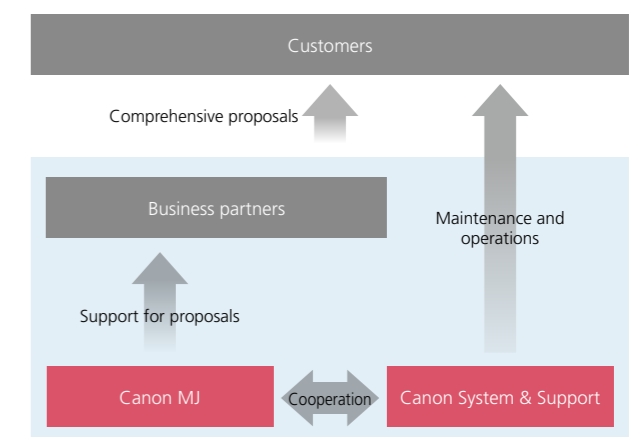
- (1) Lack of information system administrators
- (2) Increase in administrative tasks associated with enhanced security measures
- (3) Need to eliminate regional differences in security levels

The Company and its business partners considered comprehensive security measures and proposed

- (1) a high-availability system that can be operated even by newly appointed personnel,
- (2) a highly maintainable system that reduces the workload of administrators, and
- (3) the unification and enhancement of security levels at business sites.

As a result, these proposals were adopted upon receiving high marks for their ability to reduce the workload of administrators and provide customers with peace of mind through Canon System & Support's total support service.

In this scenario, we provided value to customers through a triune approach that involved the total coordination of business meetings by Canon MJ; the selection, proposal, and provision of services by our business partners that catered to customer needs; and the provision of maintenance and operations services by Canon System & Support. By providing value in such manner throughout the country, sales of the Area segment's security business soared 118% from the previous year. Together with our partners, we will continue to provide value by making full use of our strengths.



# Professional Segment

## Production Printing

We aim to enhance profitability by helping overcome the digitalization issues of the printing industry with our total solutions that combine our abundance of products and services.

As digitalization continues to move forward in the printing market, we will make proposals that anticipate customer needs by enhancing our knowledge of trends and expertise in the printing industry and ascertaining changes in printing needs. By expanding our scope of proposals to cover total solutions, including pre- and post-printing processes, in addition to the sale of stand-alone hardware, we will further enhance profitability and resolve our customers' printing issues.

### Business Activities

In the data printing services, publication and commercial printing, industrial printing, point-of-purchase systems, large format printing, document services, and other business fields, we propose a range of solutions that combine hardware and software by means of which we, as a true partner that can always be counted on, ensure our customers receive high added value for their businesses.

### Our Strengths

We harness our long-cultivated software development capabilities and combine them with our hardware capabilities, including printing systems for the form printing industry, point-of-purchase systems for the retail industry, and drawing management systems for the manufacturing industry, to address our customers' professional needs in a wide range of business domains.



**Katsumi Ueda**  
President  
Canon Production Printing Systems Inc.

### Example Initiative

In fiscal 2022, we were able to facilitate our customers' entry into the business of color inkjet cutsheet printers and continuous feed printers. We were also able to tap into the publication and commercial printing markets and thereby lay the groundwork to expand sales of inkjet printers upon acceptance of our proposal to enter the data printing services business in relation to notifications from local governments. Going forward, we will aggressively expand our sales activities to increase sales of inkjet printers and enhance our line of proposals to resolve our customers' issues, such as enhancing the production efficiency of printing operations.

## Industrial Equipment

We aim to build a robust platform that is resilient to market volatility by addressing domestic needs with superior overseas technologies.

Aiming to realize our goal of ¥50.0 billion in net sales, we will form a business structure that is resilient to changes in market conditions by building a robust platform that covers after-sales services. We will strengthen our ability to propose IT solutions to customers, ensure the commercialization of new product lines, strengthen and expand the scale of the non-semiconductor business, and maximize and stabilize our services business, all in an effort to enhance the scale of our businesses with the aim of improving profits and achieve sustainable growth in the process.

### Business Activities

We import semiconductor-related equipment, testing and measuring equipment and components, and optical measuring equipment for semiconductor manufacturers, mainly from overseas, which are localized and customized as necessary before being sold in Japan. By providing support from a sales, installation, and maintenance perspective for the industrial equipment that helps resolve issues and meets the needs of our customers, we have been contributing to improvements in Japan's manufacturing productivity.

### Our Strengths

Our strengths lie in our ability to research and discover outstanding products from overseas based on the latest technological trends worldwide and our highly specialized personnel who import a variety of unique products and provide sales, installation, and maintenance support for these products.



**Yasuhisa Oba**  
Vice President  
Group Executive of Industrial Equipment  
Canon Marketing Japan Inc.

### Example Initiative

In anticipation of the revitalized power devices market, we have been strengthening our product lineup by renewing our product models and concluding agency agreements with new overseas manufacturers while helping customers overcome their various management issues. Moreover, we have been creating data on the operational status of industrial equipment through the installation of a variety of sensors and cameras to accelerate the digital transformation of our customer services, shorten the time required for maintenance and troubleshooting, and improve customer satisfaction.

## Healthcare

As one of Japan's leading independent systems integration vendors in healthcare, we aim to achieve further growth and profitability by providing comprehensive support for our customers' digitalization needs.

Based on our know-how in the healthcare industry and the implementation of medical ICT cultivated over the last five decades, our expert staff, who are in charge of selecting products and services, propose solutions that live up to customer expectations by accurately identifying the rapidly emerging trend of DX in the medical industry. In addition, we will improve profitability by stepping up business growth through the integration of the electronic medical records and other businesses of Canon Medical Systems Corporation other businesses and drawing on the Canon MJ Group's business knowledge and ICT know-how to provide comprehensive support for the digitalization and operations of the medical and healthcare fields as a whole.



**Yoshinobu Kuroi**  
President  
Canon ITS Medical Inc.

### Business Activities

Canon ITS Medical Inc. provides IT solutions to the medical and healthcare sectors, centered on electronic medical records. We boast an extensive lineup of IT solutions and services that provide value to customers in the medical field and offer a one-stop service that covers everything from system proposals and development to installation, operations, and maintenance.

### Our Strengths

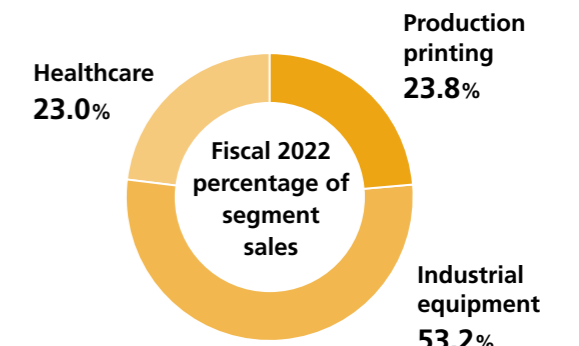
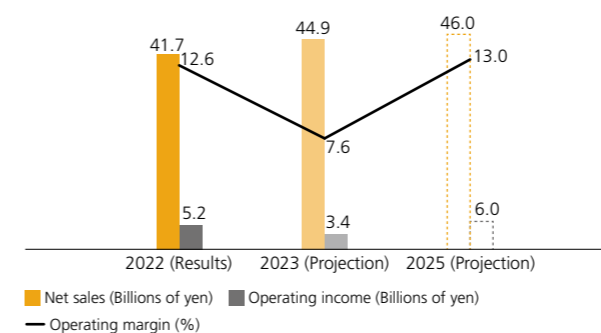
Our strengths lie in our extensive network of contact points with medical institutions, from large hospitals to clinics. We provide one-stop services, from system proposals to installation, operations, and maintenance, through our many highly specialized personnel who are familiar with various medical policies and systems and our over 120 system engineers who develop, assemble, and install medical information systems. Another strength of ours is our multiple support centers we operate as a part of our disaster prevention measures and the services we develop and provide based on a cloud platform that complies with medical guidelines.

### Example Initiative

Canon ITS Medical's system engineering resources and customer base, which are essential to system implementation, were expanded by two-fold as a result of a business integration with Canon Medical Systems' hospital information systems integration function. To ensure access to quality medical services, even in the face of serious social issues resulting from drastic demographic and environmental changes, more and more medical facilities are quickly adopting the use of digital devices and electronic medical records. We will shift our efforts into high gear with the development of DX strategies that support these facilities.

### Segment Targets

#### Net Sales, Operating Income, and Operating Margin



# Business Process Outsourcing

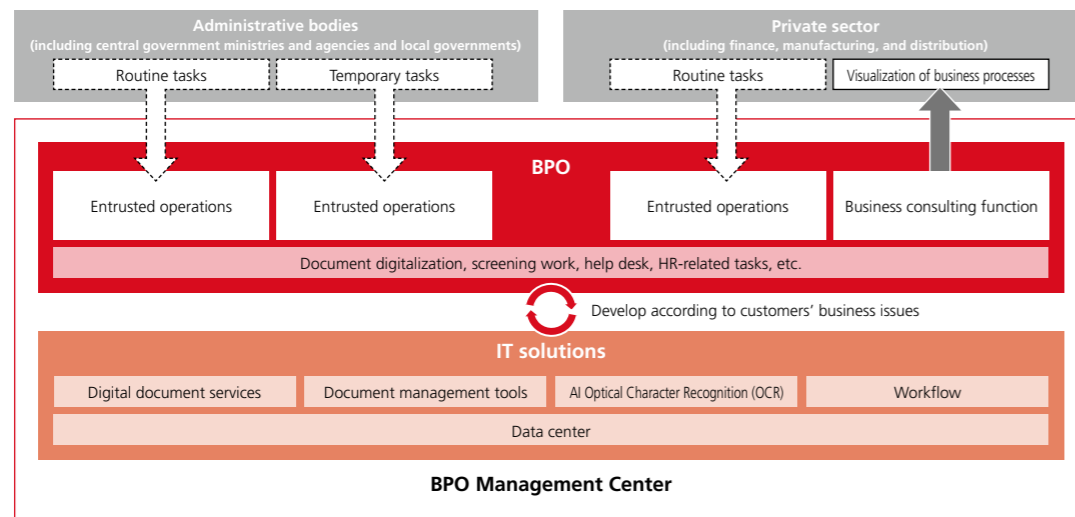
At the Canon MJ Group, our business process outsourcing (BPO) is about more than just providing BPO services. We offer solutions that help customers visualize, enhance, and manage their business processes, such as document-related services, and improve the operational processes that are insourced or assigned in-house.

## Achieving Drastic Business Growth through Our Unrivaled Business-Specific BPO Services

Canon MJ helps customers overcome such hurdles as the labor shortage and workstyle reform through the BPO services it provides. In recent years, the Company has engaged in large-scale projects, such as screening work for financial institutions and government agencies. The know-how accumulated through this experience serves as a platform for establishing our business-specific BPO services, which will be deployed to a vast range of customers. Going forward, we will strengthen and expand the scale of our BPO service business, which harnesses the strengths of Canon's unique technologies for document digitalization, imaging solutions, and other areas.



**Junji Asano**  
Senior General Manager  
BPO Management Center



### Structure

The BPO Management Center consists of more than 1,400 members from Canon MJ and three BPO-related Group companies: Canon BizAttenda Inc., Canon Business Support Inc., and QB5 Inc. At Canon MJ, we are developing a business platform that enables us to provide even better services, such as service planning, operational infrastructure development, and audits. Meanwhile, Canon BizAttenda is in charge of performing the business planning process of each project, managing their operations, and making improvements while Canon Business Support works to streamline internal business processes and enhance

operational quality. In August 2022, we also welcomed QB5 into the Group to strengthen our line of BPO services by leveraging its BPO capabilities in human resources and labor operations.

We have also teamed up with Canon Production Printing Systems Inc., a provider of on-demand color printing and data printing services, as well as highly specialized external partners to develop a structure that is even more conducive to addressing the increasingly sophisticated needs of our customers.

### Aim

In recent years, a number of social changes, such as the acceleration of DX in businesses and the shrinking workforce, have spurred the trend toward simplifying and using less labor in administrative duties. With the aim of creating value through our efforts to reduce all types of administrative duties, we will work with customers to establish an environment that allows them to focus on their core businesses and operations through the IT solutions and BPO services we provide.

In light of advances in electronic transactions, including amendments to the Law on Book and Record Keeping through Electronic Methods, the key to leveraging digital documents as a corporate asset lies in the planning of the digitalization process and its subsequent implementation in a timely manner. Through our *DigitalWork Accelerator Series*, released in 2022, and our BPO services, we offer comprehensive

support for our customers' digital document management activities, from the planning of operations to digitalization work.

Moreover, in 2022 we were entrusted with several government policy-related projects, such as screening work on social security benefits and the passing down of traditional events. We were able to launch these projects in short order, further strengthening our outsourcing system. With the expectation that an increasing number of economic stimulus measures will be implemented going forward, we will look to expand the scope of our BPO services for government policy-related projects and thereby contribute to the betterment of society.

Going forward, we will strive to develop a system that meets the expectations of our customers and expand our services even further.

### Case Studies

#### ► BPO Project for a Financial Institution

Canon MJ's administrative outsourcing services for financial institutions are designed to handle the complex screening paperwork of banks and other financial institutions. We implement and utilize systems that are tailored to the specific needs of each business, ensuring that administrative duties are performed in the most accurate and efficient manner. We also utilize online applications, OCR\*, and other digital tools to digitalize and reduce the use of labor in business operations while implementing a continuous quality improvement cycle.

We will use The Norinchukin Bank as an example of our administrative outsourcing services for financial institutions.

JA Bank receives approximately three million inquiries related to matters such as savings and deposits each year from administrative agencies, which were previously handled by individual JA Bank branches in Japan. Because the request forms sent by postal mail differed in format from one government agency to another, they had to be confirmed, traced, and responded to one by one, leading to a significant amount of time and money being spent on these inquiries, which were a part of our noncore operations. The Norinchukin Bank, the national-level institution of JA Bank, developed a system for digitalizing the process for handling deposit, savings, and other inquiries, reviewed the workflow, and organized inquiries in digital data format,

establishing an operational system that consolidates the process for handling written inquiries at the centralized processing center.

This *Government Inquiry BPO/OCR Service* is an all-in-one BPO service that uses an OCR system to create data for written inquiries from local governments and other administrative agencies at the centralized processing center, which are then looked up in the database that is linked to JA Bank's core system and a response is prepared and sent via postal mail. As a result of this service, JA Bank is now able to promptly revise and systematize its workflow, significantly reducing the time and cost that was previously required to trace and respond to deposit, savings, and other inquiries. The OCR system is expected to be used on approximately 80% of all inquiries, as its high-precision and unique ad hoc OCR technology enables the handling of request forms sent from administrative agencies in different formats. Accordingly, the time needed to create inquiry data has been reduced from that of the conventional method of inputting data manually.

\* Optical character recognition: Software that reads text images with a scanner or other device and converts them into character codes that can be read by a computer. It enables the automation of the process of manually inputting text from paper.

#### ► The Maturito Project: Japan's Festival Exploration Project

The BPO Management Center has also been focusing on administrative affairs. In 2022, we were involved in a number of projects ranging from administrative procedures to project proposals and management, such as administrative duties related to COVID-19 and the healthcare system, which has further solidified the foundation of our administrative outsourcing services.

Among these projects is the Agency for Cultural Affairs' *Maturito* project, which was carried out by incorporating Canon's unique solutions.

Festivals and traditional events in every region of Japan have been canceled, downscaled, or faced other challenges due to the effects of COVID-19. Even when these events were resumed, a number of issues emerged, such as a decline in willingness of local communities to hold these events, a lack of training for event organizers, and the increased costs associated with infection prevention measures. In response to this situation, the Agency for Cultural Affairs developed a project to help pass down the traditions of local communities. The *Maturito* project was developed based on the concept of exploring Japanese festivals with the aim of raising awareness and passing down traditional events and folk performing arts through the use of digital technology.

In this project, we provided not only administrative support but also a variety of other services by leveraging Canon's unique technology and know-how in photography and imaging, as well as its network of creators active in a variety of fields.

Specifically, we developed a plan to address the specific issues of each traditional event, produced a video to convey the appeal of these events to people of all ages through broadcasters and production companies that have excelled in creating programs on traditional events, created an introduction page for the dedicated website *Maturito*, and

shared information on social media during the period leading up to the day of the event. Moreover, we drew on our years of experience and selected photographers according to the specific content and aims of photo shoots in order to take photos that showcase the appeal of traditional events to a wider audience.

Through this project, we contributed to around 150 traditional events held in all 47 prefectures of Japan. In addition, as of March 2023, a total of 146 YouTube videos have been released and viewed over 3.3 million times.

The festival preservation society and festival executive committee members commented that many people were able to watch the events because they can be viewed anytime on YouTube and that they hope it will encourage the younger generation of local communities to participate in these events. Going forward, we will continue to play a prominent role in resolving social issues through our BPO business.

