

# Canon Inc. Backgrounder

## Corporate Profile

Canon Inc., headquartered in Tokyo, Japan, is a world-leading innovator and provider of imaging solutions for businesses and consumers. In 1933, Canon's first trading company, Kwanon was established and a few years later in 1937, Precision Optical Industry Co. Ltd, the predecessor of Canon Inc. was founded. The company now develops, manufactures and sells a wide range of copying machines, printers, cameras, optical products and other products to meet a diverse variety of customer needs. The Canon brand is well recognised and trusted worldwide by individuals, families and in businesses and industrial sectors.

## Corporate Philosophy: Kyosei

Canon's corporate philosophy is encapsulated in the word Kyosei, meaning living and working together for the common good. This philosophy underpins everything that Canon does, from developing sustainable production methods to offering consumers more choice.

## Financials

Canon's consolidated net sales for Canon Inc. for the fourth quarter of fiscal 2009 were ¥954 billion (US \$10,370 million) (October 1, 2009 - December 31, 2009). Canon's consolidated net sales for Canon Inc. for the year 2009 (ended December 31, 2009) totalled ¥3,209 billion (US \$34,883 million or 24.3 billion euro). Euro and Dollar amounts are translated solely for the convenience of the reader from yen at the rate of JPY 132 = 1 euro and JPY 92 = US \$1 respectively, the approximate exchange rate on the Tokyo Foreign Exchange market as of December 30, 2009.

## Company Structure

Canon believes that key to its continued success is the establishment of distinct development, manufacturing and sales operations in each global region.

With more than 160,000 employees worldwide, Canon has manufacturing and marketing subsidiaries in Japan, the Americas, Europe, Asia and Oceania; and a global R&D network with companies based in the United States, Europe, Asia and Australia.

### Main Activities of the Canon Group

<b>Business Machines</b>	<b>Office Imaging Products</b>	Network Multifunction Devices, Laser Multifunction Printers, Copying Machines
	<b>Computer Peripherals</b>	Laser Beam Printers, Inkjet Printers, Inkjet Multifunction Printers, Image Scanners
	<b>Business Information Products</b>	Computers, Document Scanners, Handy Terminals, Calculators, Electronic Dictionaries
<b>Cameras</b>		Digital Cameras, Digital Video Cameras, Interchangeable Lenses, LCD Projectors
<b>Optical and Other Products</b>		Semiconductor Production Equipment, Mirror Projection Mask Aligners for LCDs, Broadcast-use Television Lenses, Medical Image Recording Equipment, Large-Format Inkjet Printers, Vacuum Equipment for Electronic Components

### Manufacturing & Production

Canon's production processes are constantly evolving as part of its quest to deliver higher quality products to the customer in a timely manner. Through such reforms as cell production and automated production, Canon aims for production system innovation at every stage in the process—procurement, production, and distribution. Canon also works to make a positive impact on the environment by purchasing environmentally responsible parts and materials and through efficient distribution.

The Toride Plant, established in 1961, is responsible for the manufacture of office imaging products for Canon, using the company's unique cell production system, introduced approximately 10 years ago.

The cell production system, which eliminates conveyor belt processes, sees small teams of workers, or cells, assemble products from start to finish. The number of operations each worker performs is based on individual skill levels. This production method has

helped to substantially increase production efficiency and also allows flexibility in production volumes.

## **R&D and Technology**

Canon is committed to the pursuit of cutting-edge R&D as a vital means to deliver unique, proprietary products. In fiscal 2009, the Company invested ¥304.6 billion in R&D, accounting for 9.5% of sales. From this total, ¥78.9 billion, or 26%, was allocated to the Office segment, ¥74.1 billion, or 24% went to the Consumer segment, ¥151.6 billion, or 50% went to the Industry and Others segment. In 2009, the Company was granted 2,204 patents\* in the United States, placing it fourth among all corporations. This marked the 18th consecutive year Canon has ranked among the top five U.S. patent recipients.

Canon's five unique imaging engines drive the technology behind all of Canon's current products and were created by integrating a series of technologies developed throughout Canon's history:

- Image Capture Engine – High resolution and high image quality for lens, sensor and image processing technologies
- Electrophotography Engine – Electrophotography technology is at the heart of laser beam printers and copying machines that have been rated as the best in the world
- Inkjet Engine – Capable of delivering microscopic ink droplets as small as one picolitre (one-trillionth of a litre), even making DNA chip fabrication possible
- Photolithography Engine – Canon's semiconductor exposure technology integrates the ultimate in optical and ultraprecision positioning technologies
- Display Engine – Next generation flat screen display technology delivers large screen, high quality images with low power consumption

For further information on Canon Group global operations please see [www.canon.com](http://www.canon.com).

\*Source: U.S. Patent and Trademark Office; Calculated based upon announcements of weekly totals.