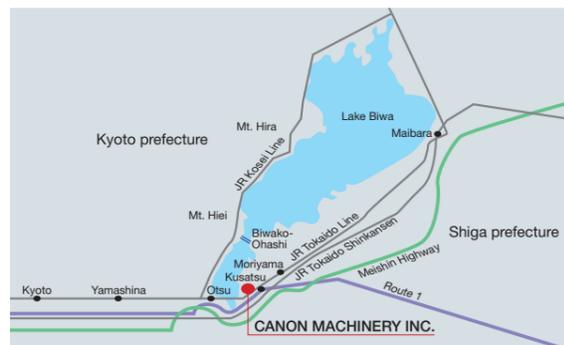


Still Your Partner in the Electronics Industry

CANON MACHINERY INC.

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URL <http://machinery.canon>



Taking into consideration concerns for the environment, this brochure uses plant-based ink.

Corporate Profile

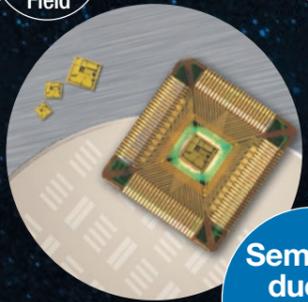


Our Mission – Support High-Tech Fields

Since its foundation, Canon Machinery Inc. has maintained an unwavering stance that emphasizes technological development. Based on this stance, we offer a variety of solutions through advanced manufacturing systems that expand the possibilities of high-tech fields.

Die bonders, die sorters, finishing process multifunction machines, inline curing machines, laser markers, mounters

Semiconductor Field



Semiconductor System Business

Capacitors, crystal devices, ceramic devices, thermistors, display/LCD equipment, fabrication equipment and manufacturing lines for IC card and IC tag equipment, printed circuit board cutting machines, hot press machines

Electronic Components Field



Factory Automation System Business

Automobile Electric Components Field

Automobile motor assembly machines, spark plug assembly machines

Batteries and Energy Field

Automobile rechargeable battery manufacturing equipment, small rechargeable battery manufacturing equipment, IR image furnace, desktop single crystal growing IR furnace

Office Equipment Field

Toner cartridge manufacturing equipment, inkjet head manufacturing equipment

Fundamental Technologies

Advanced machine design
Highly accurate machining
Precision assembly and adjustment
Metal molding, tooling
Image processing
Ultra-high vacuum

Core Technologies

High-speed, highly accurate handling
Die bonding
Semiconductor assembly process
System integration

Elemental Technologies

Laser processing
Control software
Simulation and analysis

Productivity improvement

Quality improvement

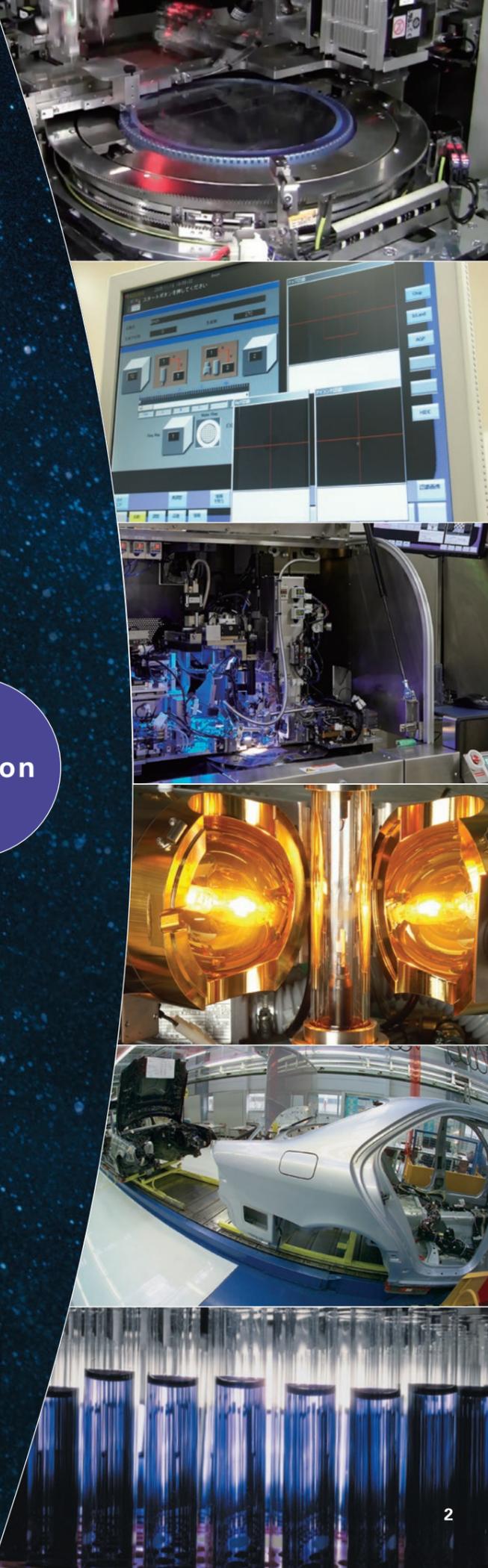
Reduction in cost

Solution

Space-saving

Energy-saving

Work environment improvement



Still Striving to Be the Best Company in the 21st Century

Since its foundation in 1972, Canon Machinery Inc. has put its heart into manufacturing with the customer in mind under its management philosophy of “Originality, Sincerity, and Challenge.” With a policy to take on all challenges without fear of failure, we have put our collective knowledge together to develop technology with the goal of creating advanced manufacturing systems. As a result, we have grown into a reliable company possessing advanced mechatronics technology, and in the process have contributed to advancement in industry. Today, under our motto of “Still Striving to Be the Best Company in the 21st Century,” every one of our employees will continue to take on the challenge of contributing society by providing solutions through even more intelligent manufacturing lines that contribute to our customers’ development.

Company History

- 1972 Spun off from NEC.
Nichiden Machinery, Limited established
- 1982 No. 2 plant completed
- 1986 No. 3 plant completed
- 1996 Operations at NEC Machinery (Malaysia) Sdn. Bhd. commenced
- 1998 ISO 9001 acquired
- 1999 Taiwan Representative Office opens. ISO 14001 acquired
- 2000 Name changed to NEC Machinery Corporation
Stocks listed on the second section of the Osaka Securities Exchange
- 2001 No. 5 plant completed
- 2002 Operations at Machinery Business Support Corporation commenced
Shanghai Representative Office opened
- 2003 Malaysia Representative Office opened
- 2004 Operations at NEC Machinery (Dalian) Co., Ltd. commenced
- 2005 Included in the Canon Group through a tender offer bid (TOB) by Canon Inc.
Name changed to Canon Machinery Inc.
- 2008 Moriyama Plant opened
- 2010 Machinery Business Support Corporation absorbed
Company converted into a wholly owned subsidiary through an exchange of shares with Canon Inc. (shares delisted)
- 2011 Shanghai Representative Office closed following the transfer of business to Canon (China) Co., Ltd.
- 2017 Hiratsuka Plant opened

Originality	創意
Sincerity	誠実
Challenge	挑戦

Originality, Sincerity, Challenge
— Three Ethos for Achieving Innovation —

In 1972, our company was founded on the management philosophy of Originality, Sincerity, and Challenge. To this philosophy we added Canon’s guiding principle, the San-ji (Three Selves) Spirit—self-motivation, self-management, and self-awareness—to complete the Canon Machinery spirit. Through this spirit, we have striven to meet the needs of our many customers by creating advanced manufacturing systems that incorporate innovative technologies.

Our company uses a system of business groups to expand in various market sectors. Our factory automation system business, through which we respond to the unique needs of each of our customers, is divided into two business groups.

One is the CA system business, in which we respond to the needs from within the Canon Group for automated machinery such as automated assembly lines for making office equipment, a flagship product category of the Canon Group. We do this by working with the Canon production technology team, all the way from the development stage to the manufacturing stage.

Another group is the mechatronics system business, which Canon Machinery conducts on its own. We are expanding this business by meeting needs in fast growing automated assembly fields such as electronic components, batteries and energy, and automobile electric components.

In the semiconductor system business, which makes mass-production facilities, our lineup includes our flagship die bonders, which boast the No.1 share of the Japanese market and play a vital role in the assembly process for semiconductor device packages. We also develop and manufacture other high-value-added devices for other stages of the production process.

Under our corporate vision—“become the best company in the 21st century by meeting customer needs with intelligent and advanced production systems for the good of society”—we are dedicated to using our spirit of innovation to manufacture in our home of Shiga Prefecture, Japan.

By providing high-quality, highly productive automation equipment backed up by advanced technologies and techniques, we aim to earn the trust of customers, meet the expectations of business partners and other stakeholders, and become a company known as a good corporate citizen in the community. Although today’s business environment is tough for manufacturers, we will continue to improve our technologies as we strive to secure stable profits and healthy business growth.

We ask for your continued support.



Takashi Kanzaki
President

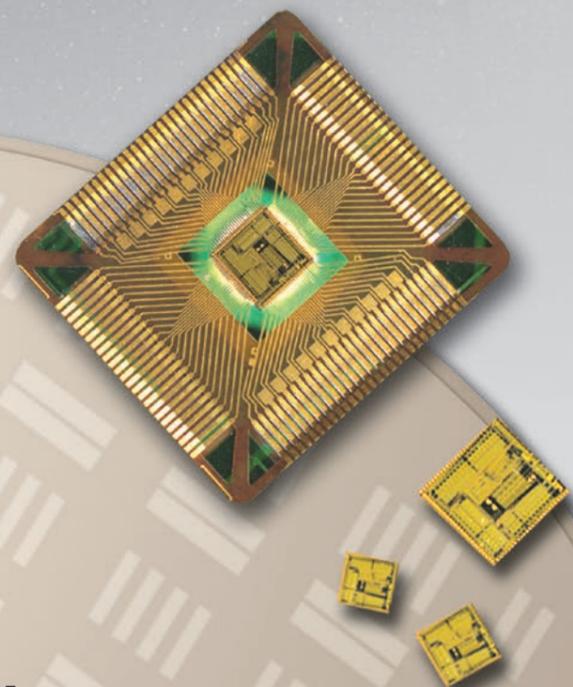


Semiconductor System Business

Supporting Leading-Edge Industries with Leading-Edge Technology

Along with advances in digital information equipment, technological innovations in semiconductors are bringing chips that are denser, faster, and thinner. These advances require leading-edge manufacturing systems capable of extremely minute fabrication.

Harnessing the technological skills that the Company has built up in support of semiconductor fabrication, Canon Machinery will give shape and form to customers' concepts of ideal semiconductors.



Leading Share of the Japanese Market for Die Bonders Now Aiming for the Top Share of the World Market

Part of the fabrication equipment for semiconductors, our die bonders were originally manufactured based on NEC blueprints. In 1986, we introduced an original product with the development of the CPS-100, our own proprietary epoxy die bonder offering superb versatility. Since then, our die bonders have garnered an excellent reputation and become our flagship products, and Canon Machinery Inc. now enjoys the top share of the Japanese market.

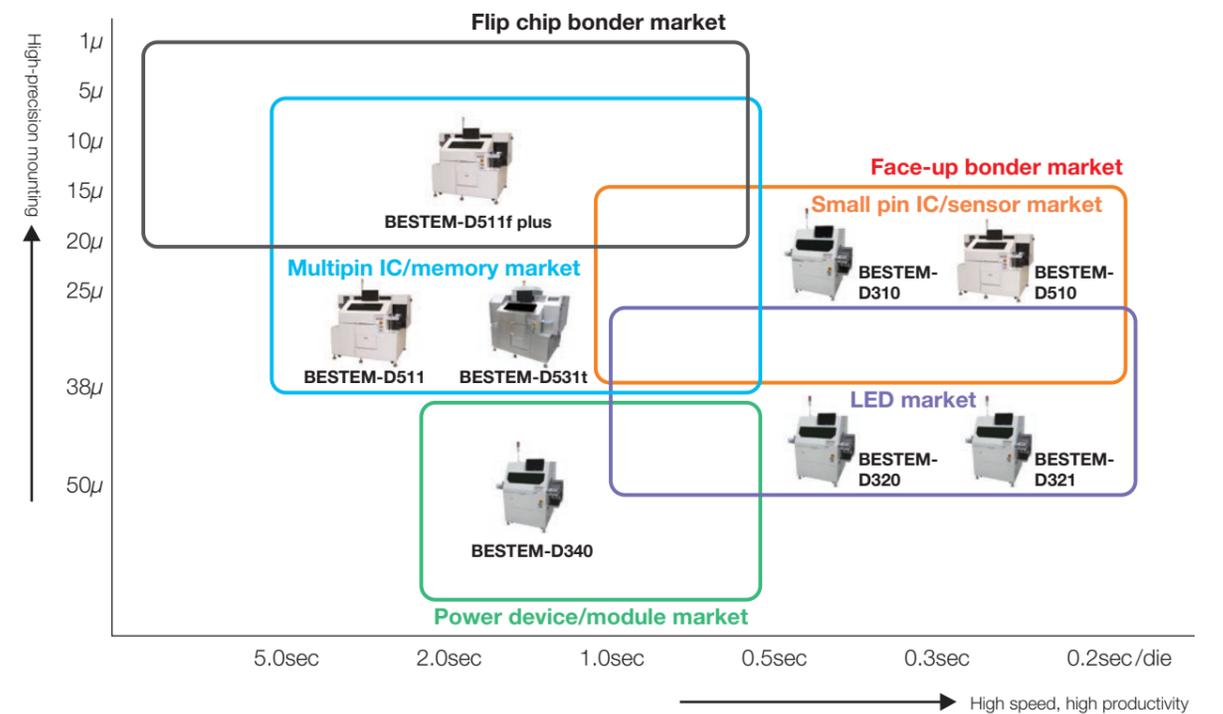
In 2003, we developed the BESTEM-D01, a BESTEM-series die bonder that makes use of our wealth of technology and that is ideal for the fabrication of small pins for LEDs and ICs. In 2016, we systematized this series through platform conversion and modularization, rolling out the BESTEM300 series (compatible with 8 inch wafers) and the BESTEM500 series (compatible with 12 inch wafers).

Looking ahead, we will introduce new models and bolster product competitiveness with the aim of securing a top global market share.



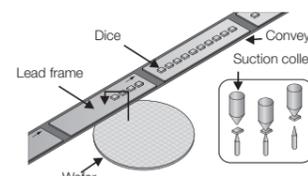
BESTEM-D320

A die bonder for LED packaging that realizes both high performance and reduced total cost of ownership. This product is applicable to multiple bonding and recognition patterns corresponding to large lighting substrates and modularization.



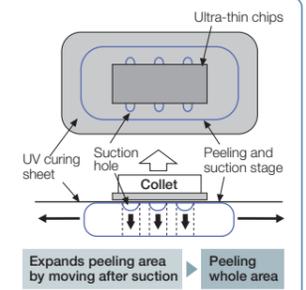
What's a Die Bonder?

A die bonder is a machine that picks up individual chips, called dice, from the silicon wafer, which is the raw material for semiconductors, and bonds them to the lead frame.



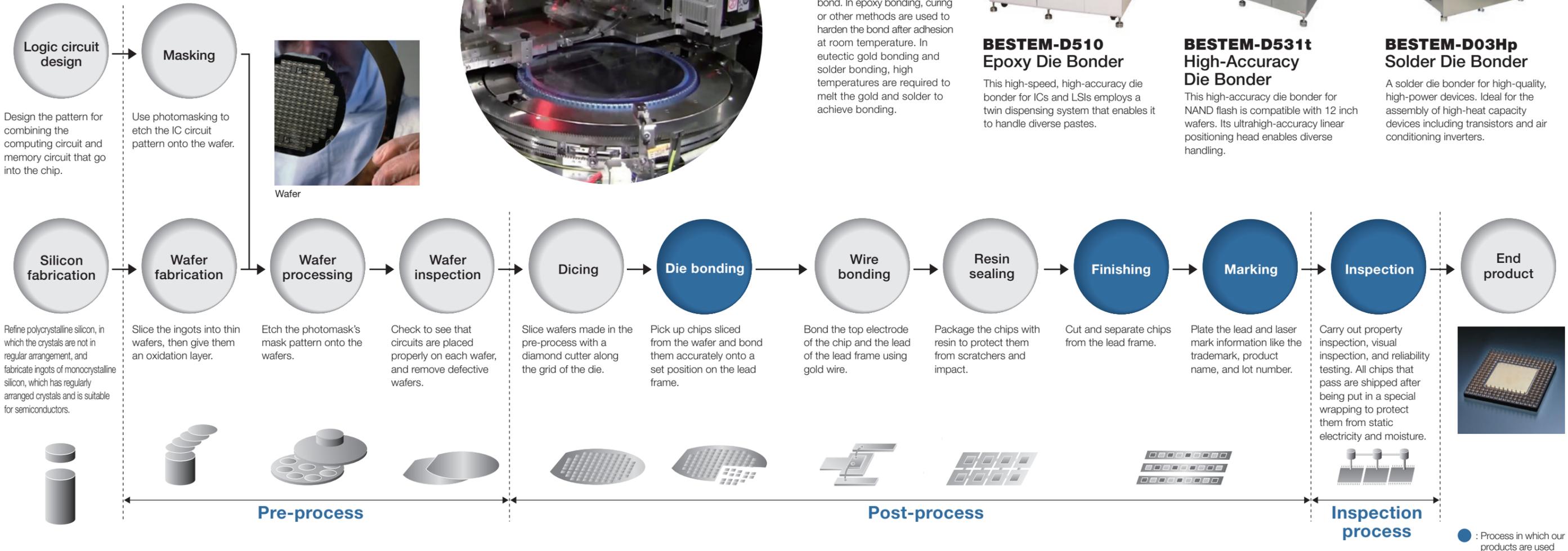
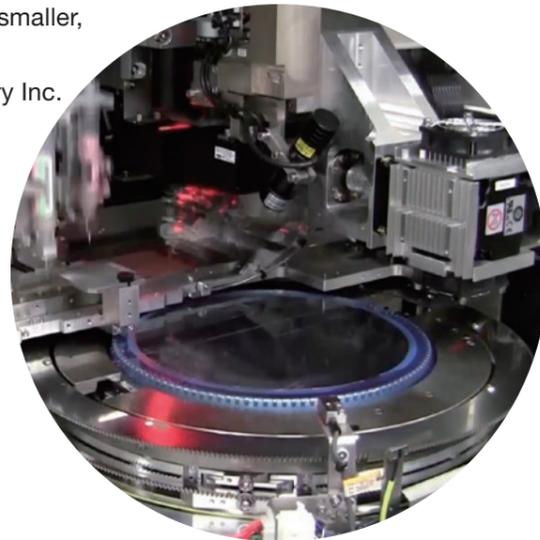
Needle-less Pick-up Method

Semiconductors are getting gradually thinner with the need for smaller and more functional chips. Subsequently, there is a danger of chips cracking under conventional methods in which chips are punched with a needle then picked up. Canon Machinery Inc. developed the world's first needle-less pick-up method, a revolutionary method in which chips are attached to a seal. Ultra-thin chips of 25 microns or less can be picked up without being damaged.



Focusing on the Semiconductor Fabrication Assembly Process

The needs of semiconductor fabrication facilities are moving to the next level: manufacturers need to make chips that are faster, more reliable, and smaller, and that can be mounted economically. Focusing on the semiconductor fabrication process, Canon Machinery Inc. provides ideal solutions.



Main die bonding methods

The main bonding methods are epoxy bonding, which uses a resin paste for the adhesive; eutectic gold bonding, in which gold is deposited on the back of chip; and solder bonding, which uses solder to create a bond. In epoxy bonding, curing or other methods are used to harden the bond after adhesion at room temperature. In eutectic gold bonding and solder bonding, high temperatures are required to melt the gold and solder to achieve bonding.



BESTEM-D510 Epoxy Die Bonder

This high-speed, high-accuracy die bonder for ICs and LSI's employs a twin dispensing system that enables it to handle diverse pastes.



BESTEM-D531t High-Accuracy Die Bonder

This high-accuracy die bonder for NAND flash is compatible with 12 inch wafers. Its ultrahigh-accuracy linear positioning head enables diverse handling.



BESTEM-D03Hp Solder Die Bonder

A solder die bonder for high-quality, high-power devices. Ideal for the assembly of high-heat capacity devices including transistors and air conditioning inverters.

History of Technological and Product Development: Continuing to Support Progress in the Semiconductor Industry

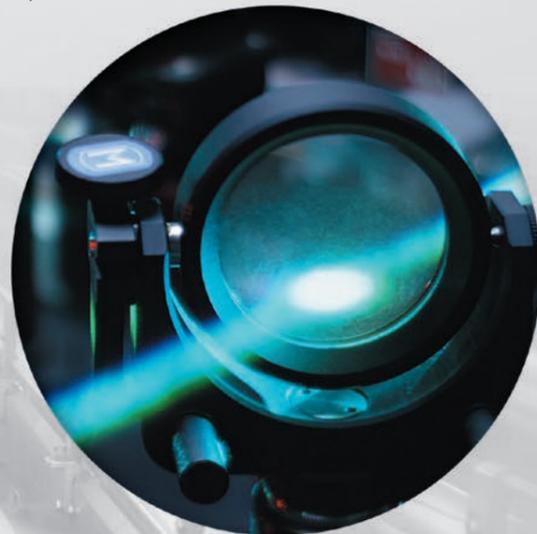
<p>1972~ From Semi-Automated to Fully-Automated</p> <p>The first die bonders were semi-automated machines that had operators controlling some of the work. Later, to raise efficiency of semiconductor fabrication, we teamed up with NEC to develop and mass-produce a fully automated die bonder in 1978.</p> <ul style="list-style-type: none"> •Development of semi-automated die bonder •Development of fully automated die bonder (factory automation) 	<p>1980~ Higher Speeds and Digital Bonding</p> <p>To keep up with the need for high-speed chips, we developed in-house and began selling the world's fastest die bonder using a digital bonding head.</p> <ul style="list-style-type: none"> •Development and sale of the CPS-100 high-speed epoxy die bonder •Development and sale of the CPS-500 high-speed eutectic die bonder •No.1 share (42%) of the Japanese die bonder market in 1989 	<p>1990~ High Accuracy, Efficient Processes</p> <p>We developed and brought to market a series of highly accurate die bonders and double head die bonders that met the needs for shorter changeover times between different types of production lots and greater accuracy of bonding position.</p> <ul style="list-style-type: none"> •Development and sale of die bonder for DRAM •Development and sale of CPW-45 multifunction machine 	<p>1995~ Ultra-High-Speed, Stable Operation</p> <p>We began development of the CPS-550VX to meet needs for greater speed and smaller chips, with the goal of achieving 12000 UPH (units of wafers per hour). We also developed a model using the first-ever PC-controlled method.</p> <ul style="list-style-type: none"> •Development and sale of the CPS-550 VX stand-alone machine •Development and sale of the high-speed CPS-100 VX epoxy die bonder 	<p>2000~ Development of Advanced Models and Fabrication of Thinner Chips</p> <p>We developed the BESTEM series to succeed the CPS series and take die bonding to a new level. And to make chips thinner, we developed a new method that doesn't depend on needles for pick-up like conventional systems.</p> <ul style="list-style-type: none"> •Development and sale of BESTEM-D01 die bonder for LEDs and small pin ICs •Development and sale of the BESTEM-D02 die bonder for 300-mm wafers •Development and start of optional installation of the needle-less pick-up 	<p>2005~ Covering All Markets with Advanced Models</p> <p>In 2005, we developed the BESTEM-D03, which makes it easy to change the bonding method. The release of the BESTEM-D04 gave us a lineup covering the needs of all customers from the discreet semiconductor devices to the VLSI package market.</p> <ul style="list-style-type: none"> •Development and sale of the BESTEM-D03, a die bonder for the versatile small package market 	<p>2010~ High productivity and ultra high precision</p> <p>We developed and commercialized the BESTEM-D10Sp which realizes UPH18000 high productivity for use in LED (light emitting diode) packaging. Complementing this endeavor, we will establish ultra high precision bonding technologies for next-generation semiconductor packaging.</p> <ul style="list-style-type: none"> •Development and sale of the BESTEM-D10Sp, a die bonder for LED packaging
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Factory Automation System Business

Supporting Manufacturing with Leading-Edge Technology

Using our wide range of applied technology built up over the years, we provide Canon Inc. with manufacturing equipment for office equipment and thus contribute to manufacturing automation for the Canon Group. We are also expanding business in the fields of electronic components, batteries and energy, and automobile electric components. We are meeting the various specific needs of our customers by developing custom-made manufacturing equipment with each machine unlike any other in the world.



Applying Elemental and Core Technologies to Provide Customer Value and Solutions

Besides manufacturing semiconductor fabrication equipment, Canon Machinery Inc. also make factory-automation equipment. We have built up a wealth of technology by developing numerous manufacturing systems at the leading-edge of the times, starting from equipment for manufacturing TV CRTs, and on to systems for capacitors and optical fiber. Currently, we develop and provide products that help manufacturers improve productivity, cost-efficiency, and competitiveness; these include revolutionary small rechargeable battery manufacturing lines, semiconductor printed circuit board processing equipment, and automobile electric component manufacturing lines.

Because we listen to exactly what customers want right from the concept design stage in developing specifications for their manufacturing lines, each factory automation product we make is like no other. We take on any challenge necessary in satisfying customer needs.

We are now embarking on an aggressive foray into leading-edge fields like IC cards and assembly equipment for HEV and EV batteries as well as industries such as environmental conservation and security as we strive to contribute to progress in industry and future society.



SDM-300T A Singulation Machine

This proprietary machine cuts printed sheets into chips. Because it's fast, accurate, and inexpensive thanks to a simple design, this product is used on the manufacturing lines of many customers.

Factory Automation System Business Applications



Toner cartridge manufacturing equipment, inkjet head manufacturing equipment

Capacitors, crystal devices, ceramic devices, thermistors, display/LCD equipment, fabrication equipment and manufacturing lines for IC card and IC tag equipment, printed circuit board cutting machines, hot press machines



Office Equipment Field

Electronic Components Field

Automobile Electric Components Field

Batteries and Energy Field



Automobile motor assembly machines, spark plug assembly machines

Automobile rechargeable battery manufacturing equipment, small rechargeable battery manufacturing equipment IR image furnace, desktop single crystal growing IR furnace

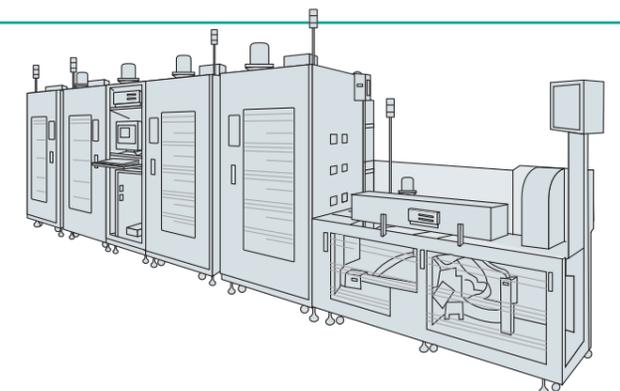


Factory Automation System Business

What's Factory Automation?

Factory automation refers to systems that automate manufacturing processes in a factory, as well as to the use of industrial robots that do the work once done by humans.

At Canon Machinery Inc. not only do we automate processes; we make it our mission to ensure that customer manufacturing lines operate with stability and cost-performance by using our proprietary elemental technologies to provide automated systems that can turn out finished products accurately.



From Electronics to Office Equipment Field

Because manufacturing lines are for different products, each line uses different technology depending on customer needs. Using our wealth of experience, we offer solutions that contribute to raising customers' productivity.



Office Equipment Field

Toner cartridge manufacturing equipment, Inkjet head manufacturing equipment

Electronic Components Field

Capacitors, crystal devices, ceramic devices, thermistors, display/LCD equipment, fabrication equipment and manufacturing lines for IC card and IC tag equipment, printed circuit board cutting machines, hot press machines

Providing Canon Inc. with High-Performance Equipment

We provide the various companies of the Canon Group with equipment for the manufacture of toner cartridges and inkjet heads for products like copiers and printers. By building highly reliable manufacturing systems, we contribute to improved manufacturing efficiency and reduced costs.

We are working to contribute further to progress in the Canon Group by developing systems with even higher performance.

Helping Electronic Component Manufacturers Develop More Competitively and Manufacture with Greater Innovation

The key to the survival of an electronics component company, which supports electronics product manufacturers, is how fast it can develop and mass-produce new products. Canon Machinery Inc. enjoys a superb reputation among all kinds of electronic component manufacturers as a manufacturing system development partner.

In the field of electronic components, we sell a range of original, highly accurate products: substrate cutting machines, which cut the printed circuit board used for semiconductors into chips; and hot presses machines. Such products enjoy a superb reputation on the market.



Hot press machine



Batteries and Energy Field

Automobile rechargeable battery manufacturing equipment, small rechargeable battery manufacturing equipment, IR image furnace, desktop single crystal growing IR furnace

Contributing to the Manufacture of Small Rechargeable, HEV and EV Batteries

Small rechargeable batteries, which can be repeatedly charged and used, are used in a wide range of products—PCs, mobile phones, digital cameras, and electric tools. And their increasingly widespread use means that they must become even smaller and more high-capacity than they are now. At Canon Machinery Inc., we are advancing typical battery elemental technologies like molding and immersion cell technology. Such efforts contribute to improved productivity and higher quality finished products. And with environmental problems become an ever-pressing concern, we continue to carry out research and development on equipment that will contribute to the mass-production of automobile lithium-ion batteries.

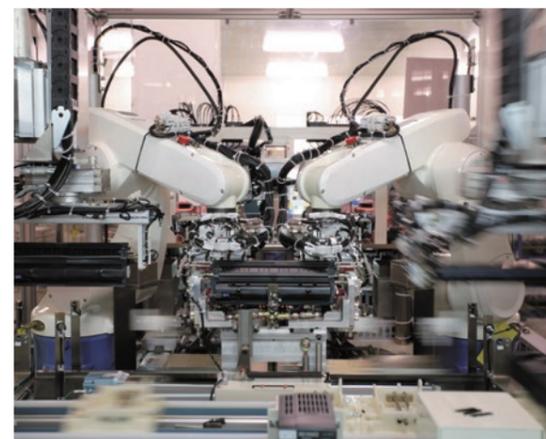
Automobile Electric Components Field

Automobile motor assembly machines, Spark plug assembly machines

Developing Products for Safety and the Environment

The average automobile has about 60—and a maximum of 100—motors that do things like open and close windows and operate wipers. Canon Machinery Inc. contributes to progress in the automobile industry by providing assembly and manufacturing line equipment that uses automated assembly for reduced cost and high quality in making the motors that are so crucial to automobiles. We also provide automated assembly lines for spark plugs and other electrical parts for automobiles.

We are also poised for an aggressive entry into environmentally related automotive fields worldwide.



History of Product Development: Continuing to Support Progress in the Manufacturing Industry

<p>1972~</p> <ul style="list-style-type: none"> •CRT equipment •Capacitor equipment •Lighting equipment 	<ul style="list-style-type: none"> •IR image furnace •Bus fare calculating devices 	<p>1985~</p> <ul style="list-style-type: none"> •Medical devices equipment
<p>1976~</p> <ul style="list-style-type: none"> •Heat fuses, airtight terminal equipment •Crystal equipment •Tuner equipment •Connector assembly equipment 	<ul style="list-style-type: none"> •Automobile electric component system lines •Battery assembly system lines 	<p>1991~</p> <ul style="list-style-type: none"> •Color LCD manufacturing equipment •Printed circuit board equipment •Thermo module assembly devices
<p>1979~</p> <ul style="list-style-type: none"> •In-vehicle motor assembly system lines 	<ul style="list-style-type: none"> •Electrode coil winding machine 	<p>2000~</p> <ul style="list-style-type: none"> •Solar cell equipment •IC card and IC tag equipment •Toner cartridge and inkjet head manufacturing equipment
		<p>2009~</p> <ul style="list-style-type: none"> •Assembly equipment for HEV and EV batteries

Selection and Focus Lead to New Dimensions of Products

In 2001, Canon Machinery Inc. established a research and development center with the aim of streamlining our R&D division. This center is constantly conducting joint industry-academia R&D.

We are currently concentrating on regularly scheduled R&D in two fields: femtosecond laser modification technology and ultra-low oxygen partial pressure control technology.

We are striving to develop technological innovation so that we can bring the market the next generation of products.

Friction Reduction Revolution Achieving 1/1,000,000,000,000 Second Femtosecond* Laser Surface Machining Device

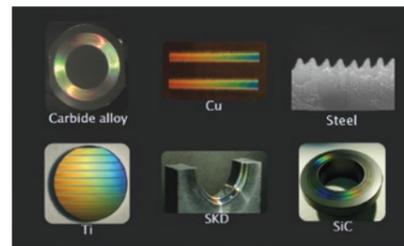
The Surfbeat R is a device that constructs a high-performance surface. It does this by using an ultrashort pulse laser (pulse width of 100 femtoseconds), which emits pulses of light in an extremely short time to provide a nanometer-level (one millionth of a millimeter) periodic surface structure. Pulse width is the time interval between laser light emissions. Because the strong, concentrated-energy laser is only exposed for a single instant, there are no adverse effects from heat to the surrounding areas, and this ensures minutely detailed processing.

Using a femtosecond laser to carry out nanometer-level forming of microstructures achieves a number of functions, including friction reduction, improved adhesion for thin films, and biocompatibility. Under testing, it has been shown that the use of femtosecond lasers contributes to reduced burden on the environment; in addition to drastically reducing the amount of coolant (machining oil) needed when processing machine parts, automobile engine friction is also reduced.

At the research and development center, we are stepping up research into femtosecond laser surface modification technology, which is expected to be applied in fields like nanotechnology, IT, and life science. We hope to make this business a core of our company's future.



● The Surfbeat R that has been super-finely machined using a femtosecond laser

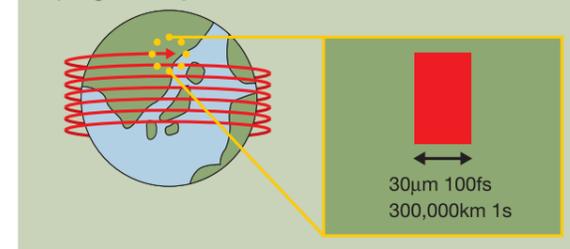


* How long is a femtosecond?

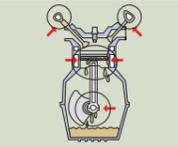
A femtosecond is one thousandth of one trillionth of second. Light travels at 300,000 kilometers (seven times around the Earth) a second, so in 100 femtoseconds, it can progress a distance of just 30 micrometers, or the distance equivalent to one-third the thickness of a hair.

Even Light, Within 100 Femtoseconds...

In 100 femtoseconds, it progresses just 30 micrometers.



What Can be Done with a Femtosecond Laser

- 
•Development of High-Function Implant
 Using a femtosecond laser to form microstructures on artificial tooth roots and artificial human joints can improve the bonding strength of the tooth roots, bones, and gum and shorten operation time.
- 
•Development of Fuel-Efficient Automobile Engines
 Forming microstructures on things like the pistons and cams of automobile engines reduces friction inside the engine, improves fuel efficiency, and helps eliminate emissions of environmentally harmful substances.
- 
•Improved Performance for Spindle Motors
 Forming microstructures on spindle motors, which are used as the motor for hard discs, reduces friction and improves the rigidity of the spindle support hole, thus improving performance of the motor.



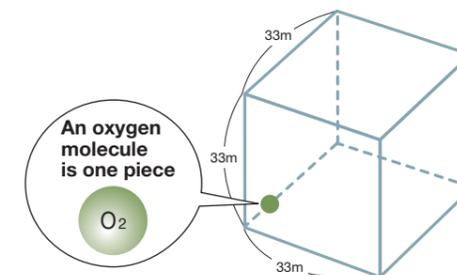
New Functional Materials are Just Around the Corner Ultra-Low Oxygen Partial Pressure Control Device

Canon Machinery Inc. has provided the market with IR image furnace, which aids in the development of new functional materials like oxide superconductive materials. Using this know-how, our ultra-low oxygen partial pressure control technology, developed jointly with universities, can create environments with extremely low levels of oxygen. For example, in environments for cultivating crystals, it's possible to control the partial pressure of the oxygen remaining in the argon gas to as low as 10-30 atm*.

A vacuum has only a minute amount of gas, but ultra-low oxygen partial pressure eliminates only the oxygen in the gas. With this ultra-low oxygen partial pressure, metals show a reduction effect differing from hydrogen, making this an effective method for the development of new functional materials. It could also possibly be applied to metallic coating processes, materials improvement, and the manufacture of ultra-purified gas. Our company is using this technology to develop ultra-low oxygen partial pressure control devices as a new business for the future.



* What's ultra-low oxygen partial pressure?



10⁻³⁰ atm oxygen partial pressure is the state in which only one oxygen molecule exists in a gas of 10³⁰ molecules. This is like one oxygen molecule inside a cube with each side measuring 33 meters long, or inside the equivalent of fifteen 50-meter pools filled with water.

Fast Delivery and Thorough Support

Canon Machinery Inc. does as much in-house processing of equipment components as possible to ensure fast delivery, low cost, and high quality.

And to give customers long years of trouble-free use, we have a thorough after-sales service system.

Making Parts In-house Ensures Speedy Delivery

As part of production innovation activities begun in 2003, Canon Machinery Inc. has been making more parts in-house. In facilities including a 24-hour-a-day fully automated high-productivity machining center, we rapidly manufacture high-performance components, then send them to our in-house assembly division. This makes for speedy manufacture and delivery of equipment to customers.

To carry out even more in-house manufacture, we are improving our technical expertise levels by having employees acquire certified technical skill licenses.



High-productivity machining center



Controls in the high-productivity machining center



Making parts in-house



Parts made in-house

Satisfying Customers with Stable Equipment Operation

To continue meeting customer needs after product delivery, not only do we promptly respond to equipment problems, we also visit customers to inspect facilities so that problems can be prevented before they occur. During visits, we also talk about customer needs face-to-face and incorporate these ideas for the sake of future product development and service.

We also have service experts at overseas bases in Malaysia, Taiwan, and other countries for carrying out regular maintenance. In addition, technicians from the head office in Japan visit overseas bases to carry out inspections.



Maintenance work

Meeting Manufacturing and Supply Needs Worldwide

Canon Machinery Inc. has for years had bases and carried out business in the now burgeoning markets of China and Southeast Asia.

We have manufacturing bases in Malaysia and China (Dalian), from where we can meet local customer needs for fast delivery and low cost. Besides procuring parts locally, we're hiring and training local workers as part of efforts to become a trusted corporate citizen of each country.

Canon Machinery Hiratsuka Plant

This plant performs manufacturing under contract of fabrication equipment for OLED displays, which are used in smartphones and televisions.



Canon Machinery (Dalian) Co., Ltd. (Consolidated Subsidiary)

Mainly engaged in component processing, materials procurement and FA systems design activities.



CANON MACHINERY INC.



Canon Machinery Inc. Morioka Plant

Manufacturing base for the production of toner cartridge manufacturing equipment and inkjet head manufacturing equipment for copy machines and printers.



Canon Machinery (Malaysia) Sdn. Bhd. (Consolidated Subsidiary) Canon Machinery Inc. Malaysia Representative Office

Manufacturing and sales base for semiconductor fabrication equipment for Malaysia, Thailand, and ASEAN countries.



Member of Society, Corporate Citizen

Based on the Canon Group's "San-ji (Three 'selves') Spirit" (self-motivation, self-management, and self-awareness), Canon Machinery Inc. aims to be a company trusted by society. We aim to build better relationships with all of our company's stakeholders in fulfilling our social responsibilities.

Environmental Effort

Canon Machinery Inc. is located in Shiga Prefecture, the site of Lake Biwa. Besides abiding by all laws and regulations, we have for many years carried out environmental protection activities. Since acquiring ISO 14001 certification in 1999, we have worked to reduce environmental burden by carrying out the 3Rs—reduce, reuse, and recycle—based on our environmental policy of "Be kind to the Earth, earn the trust of the community by protecting the environment, and raise environmental awareness."

As a member of the environmentally advanced the Canon Group, we are working in all stages of the product life cycle—including raw materials procurement, recycling, and final disposal.



Lake Biwa is near the our company head office



Quality inspection of parts

Product Responsibility

Based on the belief that product quality is the root of customer satisfaction, Canon Machinery Inc. achieve high quality by aggressively incorporating "quality production" in all manufacturing processes.

We acquired ISO 9001 certification in 1999. In addition to raising quality management through the PDCA cycle, we also send internal auditors from Japan to overseas bases to ensure thorough quality control. We also regularly visit customers in Japan to conduct after-sales service that raises customer satisfaction.



Meeting with suppliers

Customer Relationship

For hundreds of years, merchants in the region where Canon Machinery Inc. is located have had an expression: "Happy seller, happy buyer, happy community." Based on this philosophy, our company builds a partnership with suppliers and partner companies; a partnership on which we base our Code of Conduct for maintaining fair relations among all parties.

Three times a year we hold meetings at which we explain company policy, budget, and corporate conduct. These events help maintain communication channels among all parties.

Workplace Satisfaction

Canon Machinery Inc. have eliminated the seniority system and are creating a performance-based wage system based on equality, fairness, and mutual consent. For example, we've introduced a "2-way management system" in which managers and their staff discuss how well they've achieved their goals and then make a final assessment. We're striving to build a rewarding workplace by presenting employees who have contributed to more business for the company with President's Awards or other awards of merit. To ensure safety in the workplace, we've established Non-Routine Work Standards under which employees check a list of safety items every morning.

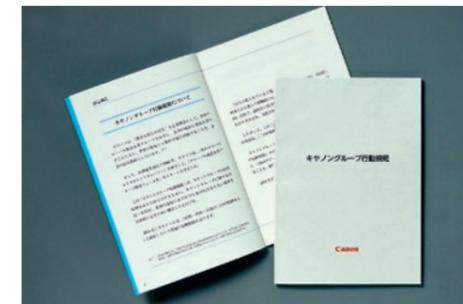
In training and education, as part of efforts to run our company with a global, strategic focus, we foster management-minded employees by offering training that can lead to MBA acquisition.



Our employees at work



In-house training



Code of Conduct



Our employees clean-up a local neighborhood

Social Commitment

Canon Machinery Inc. engages in sound, fair, and open corporate management. Positioning efforts to become a company that contributes to society as a key component of its management policy, the Company has adopted the Canon Group's Code of Conduct, which is based on the that Group's universal "San-ji (Three 'selves') Spirit" (self-motivation, self-management, and self-awareness). At the same time, Canon Machinery Inc. abides by all laws and regulations as a member of society, remains fully aware of its social responsibilities, and undertakes actions that conform to social ethics. All employees of group companies have a booklet containing the code, and regular code of conduct meetings are held to ensure that everyone is complying.

In addition, and as a part of the Company's contributions to society, Canon Machinery Inc. carries out clean-ups in the areas surrounding bases, undertakes donation activities for UNICEF, engages in the collection of PET



Donation activities for UNICEF



Collection of PET bottle caps

bottle caps, which are converted into cash and used to address the health, nourishment, sanitation, education and related needs of children in developing countries, and offers scholarships for foreign students.