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Corporate Governance Report

Last update: September 30, 2025
Canon Marketing Japan Inc.
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Securities Code: 8060
<https://canon.jp/en>

The corporate governance of Canon Marketing Japan Inc. (the “Company”) is described below.

I Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

We recognize that the ongoing improvement of management transparency and enhancement of management supervisory functions, with an eye on monitoring progress toward achieving management targets, are crucial for sustainable growth in corporate value. This recognition is reflected in our wide-ranging initiatives to strengthen corporate governance.

Our corporate governance structure is as described in (ii) basic views and guidelines on corporate governance, Principle 3.1: Full disclosure, Disclosure Based on each Principle of the Corporate Governance Code below.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

We implement all the principles of the Corporate Governance Code.

[Disclosure Based on each Principle of the Corporate Governance Code]

Updated

[Principle 1.4: Strategic Shareholdings]

1. Policy for Strategic Shareholdings

The Canon Marketing Japan Group (“the Group”) only holds shares of other listed companies when these shareholdings help to improve the corporate value and the mid- and long-term development of the Group, taking into consideration things such as management strategies, business alliances, the maintenance and strengthening of transactions, the development of collaborative businesses, and the creation of new forms of synergy.

2. Review of the reasonableness of Strategic Shareholdings

The Company reviews the reasonableness of individual reciprocal cross-shareholdings at meetings of its Board of Directors in a comprehensive assessment that considers the significance of shareholdings and other results of a qualitative evaluation as well as a quantitative evaluation of the transaction value with investment targets are commensurate with capital costs, on a regular basis each year. As a result of the review, when it is judged that holding certain shares is no longer reasonable, the holding will be reduced through the sale of said shares.

3. Policy for exercising the voting rights of Strategic Shareholdings

While respecting the management philosophy, business strategies, etc. of each investment target, the Company establishes specific standards based on judgment criterion of whether they contribute to the interests of shareholders in general, and according to that standard, the Company exercises its voting rights of cross-held shares.

If a shareholder of the Company is holding shares of the Company in a cross shareholding and offers to sell its shares of the Company, the Company shall take no action seeking to interfere with the intended sale of the shares, such as indicating the possibility of reducing transactions with the shareholder.

[Principle 1.7: Related party transactions]

In regard to a transaction between the Company and a Director and a conflicting interest transaction by a Director, the Company discloses important information related to the transaction to the Board of Directors, obtains its approval in accordance with the corresponding laws and regulations, and reports to the Board of Directors after the transaction is complete.

In addition, the aforementioned principle regarding Directors also applies to Vice Presidents and those holding higher positions of Executive Officers who are appointed by a resolution of the Board of Directors.

Important master agreements for transactions with Canon Inc., major shareholder, are concluded following a resolution

by the Board of Directors. In addition, for any transaction with it regarding which deliberations and considerations are deemed necessary for the purpose of protecting the interests of minority shareholders, the Special Committee consisting of Independent Outside Directors makes discussions, delivers a report to the Board of Directors and take other actions in a bid to ensure that the transaction is implemented in a fair and appropriate manner that does not impair the Company's interests.

[Supplementary Principle 2.3.1: Sustainability issues, primarily social and environmental issues]

The Company established the Sustainability Promotion Committee in February 2021 as a place for the consideration of measures to enhance corporate value by placing sustainability management at the core of management plans. The Sustainability Promotion Committee deliberates important matters related to sustainability. The committee reports the results to the Board of Directors and requests opinions and advice from them. The deliberation, opinions and advice will be reflected in future activities. The Group analyzes business risks and opportunities. Through the discussions of the Sustainability Promotion Committee, the Group has defined the six material issues listed below. The Sustainability Promotion Committee monitors progress related to the materials issues.

- 1) Provide solutions that advance people's daily lives, work, and society
- 2) Coexist in harmony with the global environment
- 3) Improve organizational capabilities to enable diverse human resources to thrive
- 4) Promote responsible supply chains
- 5) Promote risk and crisis management
- 6) Implement sound governance

■ Material issues

<https://corporate.jp.canon/en/sustainability/management/material-issues>

Four meetings of the Sustainability Promotion Committee were held in 2024.

In 2024, the Committee discussed a wide range of topics, mainly the following, leading to the implementation of various activities.

- Consideration and promotion of measures to instill the Purpose, such as reflecting elements of the Purpose in the values and action guidelines / code of conduct of the Canon MJ Group
- Consideration of KPIs, implementation, and progress checks for initiatives on material issues
- Consideration of measures and progress checks in relation to the Canon MJ Group 2030 Medium-Term Environmental Targets
- Consideration for heightening the level of initiatives based on the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)
- Implementation and promotion of human rights due diligence measures
- Innovate social contribution activities

[Supplementary Principle 2.4.1: Ensuring diversity at the Company, including the empowerment of women]

Under the corporate philosophy of *Kyosei*, we strive for a society in which all people, regardless of culture, customs, language or race, harmoniously live and work together in happiness into the future. We aim at creating a company that can achieve growth, driven by diverse personnel with various characteristics and values who improve each other through corporate activities rooted in *Kyosei*, and will further disseminate the concept of "diversity & inclusion."

<Promotion of the active participation of women in the workforce>

As part of its initiatives for promoting "Diversity," the Company positions the participation of a greater number of women in the workforce to be one of its top priorities.

(Ratios of female workers who hold the position of chief or higher managerial positions compared to the number of personnel as of end December 2024)

- Ratio of female managers: 5.9%
- Ratio of female chiefs: 18.3%

In 2023, the Company launched the Empowerment Program, a training program for female chiefs (assistant managers). Various career development programs are offered to applicants.

For other details, please check the following URL which is the website of the Ministry of Health, Labour and Welfare of Japan showing the "Database of Companies Promoting Women's Participation and Advancement in the Workplace." (only in Japanese)

(Results of the childcare and family care systems in 2024)

- Ratio of employees returning to work after having taken childcare leave: 98%
- Ratio of the establishment of childcare leave: 95.7%
- Ratio of employees returning to work after having taken family care leave: -% (Not applicable)

We have established the following systems to create an environment to support active participation of women in the workforce.

(Childcare and family care systems)

- Prenatal and postnatal leave
- Maternity leave system and shortened work hour system
- Childcare leave system
- Shortened work hour system for childcare
- Family care leave system
- Re-Entry Program

<Current status and policy on appointment of mid-career employees and non-Japanese to management positions>

To achieve sustainable corporate growth, the Company is training and effectively deploying internal human resources and actively recruiting and promoting diverse human resources with experience outside the Company.

Although the Company has not set specific numerical targets or timings for recruitment and promotion to managerial positions, it will continue to develop and deploy human resources based on fair and impartial judgments, in light of the experience and aptitude of each individual, regardless of whether they are new graduates, mid-career employees, or foreign nationals.

<Policy on human resource development and internal environment development>

1) Policy for human resource development

The goal of the Canon Marketing Japan Group is “Professional human resources who demonstrate an enterprising nature and continue to be selected for creating new value.” The Group is committed acting to advance the capabilities of its human resources.

<Canon Marketing Japan Group's human resources development policy>

1. Based on the spirit of the San-ji (Three Selves) Spirit that constitutes the Canon Code of Conduct, we create learning environments in which participants can study with a sense of ownership.
2. We clarify the gap between aspiration and reality, and design steps to close that distance.
3. As foundation of learning, we require our people to think issues through to the end, and to think their way to solutions.
4. Taking the basic approach that people are trained through experience, we create not only spaces for training but opportunities to take on real-world challenges.
5. By respecting and sometimes questioning the opinions of others, we create an environment in which we teach and are taught, educate and are educated.*

*The diversification of human resources leads to the development of human resources.

<Formulation of a human resources portfolio>

The Company is developing a new human resources portfolio to support its transition to a service-type business model.

The development of a human resources portfolio involves the identification of the human resources that are needed to support the business strategy and establishing consistent IT skill standards.

To identify the human resources necessary for supporting the business strategy, we classified the skills required for each business into levels 1 to 5 and specified the requirements for each level in the Medium-Term Management Plan 2022-2025. We have determined the number of employees needed at each level and set targets for 2025. Currently, we are educating employees to achieve the targets.

To establish consistent standards for IT skills, we are evaluating the Company's human resources, in December 2022, using the Digital Skill Standards (DSS) announced by Japan's Information-technology Promotion Agency (IPA) and the Ministry of Economy, Technology and Industry.

Each employee needs to change their mindset and learn new skills as we change our business model. So far, we conducted group-wide design thinking, DX certification and DX business certification exams to increase employees' skills and change their mindsets.

We are actively recruiting highly skilled workers from outside the Group who can drive the development of new services and help launch them quickly. In addition to this, we are focusing on developing our own employees with advanced skills,

particularly in the areas of digital marketing and data science.

(2) Policy for internal environment development

<Developing learning environments>

We are developing environments to enable employees to engage in self-directed learning based on the spirit of "the Three Selves," self-motivation, self-management and self-awareness. We have a human resources development system, which includes rank-specific training, a distance learning support system, and a qualification assistance system, to support motivated employees. As we adapt to changing work styles, we are providing a variety of learning methods. An e-learning tool is now available group-wide, and we have created an environment in which all divisions can share their skills. We offer managers a program that helps them leverage diverse characteristics of individuals to utilize human resources more effectively.

<Career Support>

The Canon MJ Group is engaged in career support measures linked to training measures aimed at effectively achieving the development of specialized human resources and further improvements in productivity.

In addition to offering career seminars by age group, we provide support for employees to achieve career autonomy through group-wide measures such as regular career interviews between superiors and subordinates, career consultations with dedicated career consultants (who hold national qualifications), and the establishment of an internal recruitment system.

In 2024, we were awarded a grand prize at the Good Career Company Awards 2024, hosted by Japan's Ministry of Health, Labor and Welfare (MHLW), in recognition of our unique career support measures.

<Implementing health and productivity management practices>

The Canon Marketing Japan Group adheres to the five guiding principles in the Canon Code of Conduct (the San-ji (Three Selves) spirit, meritocracy, internationalism, familism, and health first) in day-to-day operations to ensure that each employee has job satisfaction and healthy, fulfilling lives. We believe that working to maintain and improve employees' health under the Health First principle, one of the guiding principles set in the Canon Code of Conduct, leads to the happiness of employees and their families and eventually to the sustainable improvement of corporate value. Based on this belief, we work proactively to implement health and productivity management practices.

[Principle 2.6: Roles of Corporate Pension Funds as Asset Owners]

The Company jointly with Canon Inc. established the Canon Pension Fund, appointing finance and accounting experts to the roles of Chief Director, Executive Director, and Investment Managing Director. Grounded in the Basic Policy that was based on guidelines enacted by the Japanese Ministry of Health, Labor and Welfare—the pension fund employs asset allocation plans considered optimal from a medium- to long-term investment perspective, and selects investment products and institutions that align with the asset allocation plans. In asset allocation and the selection of investment institutions, careful deliberation is carried out by the asset investment committee, which consists of the Chief Director, Executive Director, Investment Managing Director and experienced investment and pension plan experts.

Additionally, scheduled monitoring of investment status, including the stewardship activities of each institution, is carried out through quarterly reporting sessions. Through this, the Canon Group has established a structure that realizes steady asset formation for employees and secures the future investment and management of a healthy pension fund that gives due consideration to avoiding conflicts of interest between pension beneficiaries and the Company.

We are also taking such steps as participating in seminars hosted by the Pension Fund Association of Japan to elevate the competencies of our investment personnel.

[Principle 3.1: Full disclosure]

(i) Company objectives, business strategies, and business plans

1. Corporate philosophy

Since 1988, the Canon Marketing Japan Group has been implementing sustainability management under the Canon Group's corporate philosophy, Kyosei. The Group is committed to solving social issues through its business activities while maintaining harmony with people, society and nature.

As social issues became more complex and serious, the Group declared itself to be a MIRAI Marketing Company in January 2024 with a view toward continuing to solve an extensive range of future social issues and contribute to creating a sustainable society with the power of marketing together with various stakeholders. This expression was adopted as a symbol of the Group. In addition, it has also established the Canon Marketing Japan (hereafter "Canon MJ") Group's Purpose, Bringing together hopes and ideas with technologies to create a future beyond imagining, in January 2024. In an era marked by accelerating change and growing uncertainty, the Group will thus look to the future constantly as a MIRAI Marketing Company and clarify its significance in society to unite the aspirations of Group employees and speed up solutions to social issues by increasing collaborative creation and cooperation with stakeholders. To accomplish the Purpose that has been established, the Group will boldly take on challenges to create unconventional new value keeping

future issues in mind. The Group will implement sustainability management practices from a long-term perspective.

■ Corporate philosophy

<https://corporate.jp.canon/en/profile/groupvision>

■ Purpose

<https://corporate.jp.canon/en/profile/purpose>

2. Business strategies and business plans

The Canon MJ Group has formulated the Long-Term Management Objectives 2021-2025 for the purpose of sustaining growth and enhancing corporate value on a medium- to long-term basis. Based on this basic strategy, the Group has formulated the Medium-Term Management Plan 2022-2025 as an action plan to fulfill its vision for 2025 and achieve its management indicator targets and it is implementing this plan. The Group considers that the sustained development of both society and the Canon MJ Group, which is what its sustainability-oriented management seeks to achieve, is facilitated by solving social issues through business activities. With this in mind, it has formulated the Long-Term Management Objectives 2021-2025.

Vision of Long-Term Management Objectives 2021-2025

Professional corporate group that solves social and customer issues using ICT and the power of humans

Basic policies of Medium-Term Management Plan 2022-2025

- Expand ITS business with profit
 - Carry out and accelerate strategies for different customer groups
 - Implement the service-type business model to expand the stock business
- Increase earnings capacity of existing businesses
 - Conduct strategies tailored to customer groups
 - Increase the profitability of the business of main products
- Strengthen specialized areas and create new businesses
 - Continue growth of the industrial equipment business
 - Create new businesses
- Group management aimed at continuous growth
 - Maximizing human capital value*
 - Establish an engagement improvement cycle
 - Speed up business investments towards growth

* "Maximizing human capital value" has been added to the basic policies in the "Canon Marketing Japan Group Medium-Term Management Plan 2022-2025 Progress Report" disclosed in January 2023.

2025 Management Indicators

Net income: 680 billion yen (including 340 billion yen from sales of IT Solutions)
Operating income: 56 billion yen
ROE: 10.0%

* The Company has revised up each management indicator in the "Canon Marketing Japan Group Medium-Term Management Plan 2022-2025 Progress Report" disclosed in January 2025.

(ii) Basic views and guidelines on corporate governance

The Company conducts business activities in multiple business domains—Business Solutions, IT Solutions, Imaging Systems, and Industrial/Medical—and hopes to expand into new business domains in the future. We believe that the following corporate governance structure is effective for making timely decisions related to each of these business domains. We also believe that it is effective for making important decisions from a company-wide perspective on matters involving the Group as a whole or matters in which several business domains intersect on the one hand, and ensuring the appropriateness of decision-making and execution on the other.

<The Board of Directors>

We have established a structure that mainly consists of Representative Directors who oversee company-wide business strategies and their execution, and Executive Directors who oversee each business domain or each

headquarters function. In addition, several Independent Outside Directors are included as members of the Board of Directors to ensure the soundness of management. The Board of Directors handles important decision-making and oversees the performance status of business operations in accordance with laws and regulations.

Other decision-making is conducted by the Representative Directors, while Executive Officers appointed by a resolution of the Board of Directors handle decision-making and execution as the persons responsible for the respective business domains or headquarters functions under the direction and supervision of Representative Directors.

<Audit and Supervisory Board>

As an auditing organization independent from the Board of Directors, the Audit and Supervisory Board consists of persons who have considerable knowledge of the Company's business and corporate management, and persons who are well-versed in accounting and other professional fields. At least two of the Outside Audit and Supervisory Board Members are persons who satisfy the independence standards and qualifications separately prescribed by the Board of Directors. The Audit and Supervisory Board made up of these members works together with the accounting auditors and the internal audit division of the Company to audit the execution of duties by Directors and the status of assets of the Company to ensure the soundness of management.

(iii) Policies and procedures in determining the remuneration of the senior management and Directors

1. Policies

The remuneration of Representative Directors and Directors consists of base compensation of a fixed amount paid on a monthly basis, a bonus linked to the business results for the business year, and Compensation-type Stock options, performance-based stock remuneration as incentives for enhancing medium- to long-term business performance and corporate value. The remuneration for Executive Officers in the positions of Vice Presidents or higher is paid in an equivalent manner.

Outside Directors are only paid basic compensation of a fixed monthly amount.

2. Procedures

The Company established the voluntary "Nomination and Remuneration Committee" consisting of five members, the President & Representative Director, one Director and three Independent Outside Directors.

The said committee reviews the appropriateness of the compensation system including the standards for calculation of the basic compensation/bonus and the standards for granting Stock Compensation-type Stock Options for Directors and Executive Officers in the positions of Vice Presidents or higher.

An amount of individual compensations is determined under the compensation system which the "Nomination and Remuneration Committee" review based on the fundamental concept for calculation which is decided by a resolution of the Board of Directors.

In addition, the total sum of "basic compensation" for Directors and "Stock Compensation-type Stock Options" is within the limit of total compensation (maximum amount) approved by the General Meeting of Shareholders.

With respect to the "bonus" for Directors, payment thereof is determined upon approval of the proposal for payment of bonus at the Ordinary General Meeting of Shareholders.

For more information, please see Director Remuneration and Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods, II 1. Organizational Composition and Operation.

(iv) Policies and procedures in the appointment and the dismissal of the senior management and the nomination of candidates for Directors and Audit and Supervisory Board Members

1. Policies

In principle, we select candidates for Directors and Audit and Supervisory Board Members and Vice President and Executive Officers appointed as higher positions from among the persons who are recognized as being able to perform the corresponding duties fairly and accurately, who have deep insight, and who satisfy the following requirements, regardless of their gender, nationality, age, or other personal attributes.

<Representative Directors and Directors>

The candidates must have a true understanding of the Company's corporate philosophy and Code of Conduct, a broad and deep understanding of the Company's business and operations through experience gained as Executive Officers, etc., and must be able to make effective judgment from a comprehensive perspective of multiple businesses and headquarters functions.

<Independent Outside Directors>

The candidates must satisfy the independence standards and qualifications separately prescribed by the Board of Directors and must have a high degree of professionalism and abundant experience in corporate management, risk management, law, economics, and other fields.

<Audit and Supervisory Board Members>

The candidates must have a high degree of professionalism and a wealth of experience in corporate management, financial and accounting matters, internal controls, and other fields. Two or more candidates for Outside Audit and Supervisory Board Members of the Audit and Supervisory Board must satisfy the independence standards and qualifications separately prescribed by the Board of Directors.

<Vice President and Executive Officers appointed as higher positions>

The candidates must be highly evaluated in terms of performance, abilities and personality upon assessment of managerial positions and have adequate knowledge/experience to assume responsibility for execution in a specific area and true understanding of the Company's management philosophy and Code of Conduct.

2. Procedures for appointment/nomination

The Company established the voluntary "Nomination and Remuneration Committee" consisting of five members, the President & Representative Director, one Director and three Independent Outside Directors.

In nomination of candidates for Directors/Audit and Supervisory Board Members and appointment of Vice President (including successor to President and candidates therefor), President recommends candidates from among persons who are recognized to satisfy the prescribed requirements and the fairness/appropriateness of recommendation is checked by the nomination committee. Then the proposal therefor is submitted to and deliberated by the Board of Directors.

In addition, in regards to candidates for Audit and Supervisory Board Members, deliberation at the Audit and Supervisory Board meeting is conducted and the consent of the board is obtained prior to deliberation at the Board of Directors meeting.

3. Procedures for removal of members of the senior management

If it is judged that illegality, unlawfulness or betrayal is found with Representative Directors, Executive Directors and Vice President and Executive Officers appointed as higher positions (the "senior management"), that they do not fulfill their roles, and that otherwise they are not suitable to the duties of senior management, Directors/Audit and Supervisory Board Members may demand discussion of the necessity of removal of the senior management from the "Nomination and Remuneration Committee" at any time.

The results of discussion by the "Nomination and Remuneration Advisory Committee" are reported to the Board of Directors, irrespective of the results, and the necessity of removal is deliberated by the Board of Directors. The senior management subject to deliberation may not participate in the deliberation.

(v) Explanations for the appointment of each member of the senior management and the nomination of each candidate for Directors and Audit and Supervisory Board Members

The Company discloses the reasons for electing each candidate for Directors and Audit and Supervisory Board Members (if it is especially necessary, including reasons for removal or non-appointment) by stating these reasons in the convocation notices of the general meetings of shareholders, etc.

[Supplementary Principle 3.1.3: Disclosure of sustainability efforts]

The Company's sustainability efforts are disclosed in the Integrated Report. The theme of the Integrated Report 2024, published in June 2025, is "The Source of Problem-Solving Capabilities and the Groundwork for the Next Stage of Growth." We have endeavored to provide readers with insight into how we are expanding our efforts to address social issues and achieve further growth by leveraging the power of people and technology, and a solid customer base, which are the strengths of the Canon MJ Group.

■The Integrated Report is posted on the Company's website below.

<https://corporate.jp.canon/en/ir/library/integrated-report>

[Supplementary Principle 4.1.1: Determination and disclosure of the scope of delegation to the senior management]

The aforementioned is described in Principle 3.1 (ii) Basic views and guidelines on corporate governance and Principle 3.1 (iv) Policies and procedures in the appointment of the senior management and the nomination of candidates for Directors and Audit and Supervisory Board Members. The details of matters to be discussed by the Board of Directors are set forth in the Regulations of the Board of Directors.

Decision-making and the execution of other matters are conducted by the Representative Directors in accordance with the regulations concerning the division of roles and job authorities determined by the Board of Directors. Executive Officers appointed by a resolution of the Board of Directors are in charge of decision-making and execution as the persons responsible for each business domain or each headquarters function. They work under the direction and supervision of Representative Directors.

[Supplementary Principle 4.2.2: Formulation of a basic policy on sustainability efforts, allocation of management

resources and supervision of the implementation of portfolio strategies]

As stated in Principle 3.1 (i), 2. Business strategies and business plans, the Company's Long-Term Management Objectives 2021-2025 say that the sustained development of both society and the Canon MJ Group, which is what sustainability-oriented management seeks to achieve, is facilitated by addressing social issues through business activities.

The Human Resources Strategy Committee and investment committees deliberate on, and monitor progress in, investments in human capital and intellectual capital. The Board of Directors receives reports on companywide matters. In this way, the Company strives to achieve effective oversight. Strategies on the allocation of management resources and the business portfolio are specified in the basic policy of the Three-Year Management Plan and progress in the execution of the strategies is effectively supervised through regular reports to the Board of Directors.

[Principle 4.9: Independence standards and qualification for Independent Directors]

The Company establishes the “Independence Standards for Independent Directors/Audit and Supervisory Board Members” resolved by the board of directors with the resolution of all Audit and Supervisory Board Members, in order to clarify the standards for ensuring independence of Independent Directors/Audit and Supervisory Board Members of the Company, taking into consideration Japan’s Corporate Governance Code (Principle 4.9) and the independence criteria set by securities exchanges in Japan.

“Independence Standards for Independent Directors/Audit and Supervisory Board Members” are disclosed on the Company’s website below.

<https://corporate.jp.canon/en/ir/management/governance>

[Supplementary Principle 4.10.1: Ensuring majority of Independent Directors in the Nomination and Remuneration Committee, disclosure of viewpoints on independence in committee composition, mandates, and roles]

The Company has established a voluntary Nomination and Remuneration Committee, consisting of a total of five members, namely the President & Representative Director, one Director and three Independent Outside Directors, for the purposes of ensuring fair and appropriate election of candidates for Directors, Audit and Supervisory Board Members and Vice Presidents, deliberations on whether or not dismiss any Representative Director, Executive Director, Vice President or higher-level Executive Officer, and an appropriate remuneration scheme for Directors, Vice Presidents and higher-level Executive Officers.

The Company’s Independent Outside Directors fulfill the Company’s Independence Standards. They have roles of helping to maintain and improve the independence, transparency, and accountability of the Board of Directors in terms of nomination and remuneration. At Nomination and Remuneration Committee meetings, they give proper remarks from objective perspectives based on their extensive experience and insights into corporate management and other areas.

The Nomination and Remuneration Committee thus maintains a sufficient level of independence and carries out appropriate deliberations and considerations on matters relating to nomination, remuneration and other areas. The names of its members, its activities and others are as stated in Supplementary explanation in Directors in II-1. Organizational Composition and Operation.

[Supplementary Principle 4.11.1: Balance between diversity, knowledge, experience and other matters of the Board of Directors as a whole]

The aforementioned subject is as described in Principle 3.1 (ii) Basic views and guidelines on corporate governance and Principle 3.1 (iv) Policies and procedures in the appointment and the dismissal of the senior management and the nomination of candidates for Directors and Audit and Supervisory Board Members. The Company takes into account the balance between diversity, knowledge, experience, and other matters of not only the Board of Directors, but of the entire organization consisting of the Board of Directors and the Audit and Supervisory Board which possesses auditing functions.

The skill matrix for the Directors appears on the final page.

[Supplementary Principle 4.11.2: Status of concurrent holding of positions by Directors and Audit and Supervisory Board Members]

The Company discloses reasons for electing each candidate for Directors or Audit and Supervisory Board Members and the status of candidates who concurrently hold positions as officers of other listed companies in the convocation notices of general meetings of shareholders in cases where proposals for the election of Directors or Audit and Supervisory Board Members are to be submitted for approval by shareholders.

In addition, once every year the Company confirms the status of all Directors and Audit and Supervisory Board members who concurrently hold positions, and discloses the status in convocation notices of the general meeting of shareholders in the previously described manner.

The convocation notices are disclosed on the Company’s website below.

<https://corporate.jp.canon/en/ir/stock/generalmeeting>

[Supplementary Principle 4.11.3: Analysis and assessment of effectiveness of the Board of Directors]

The Company carries out an assessment of the effectiveness of the Board of Directors each year to ensure that decision-making and monitoring by the Board are functioning properly.

<Summary of fiscal 2024 evaluation results>

In the fiscal year under review, the Company conducted a questionnaire survey of Directors and Audit and Supervisory Board Members, and carried out an analysis and assessment of the effectiveness of the Board of Directors.

Assessment criteria in the fiscal year under review were (i) deliberations of the Board of Directors, (ii) composition of the Board of Directors, (iii) succession planning, and (iv) the sufficiency or process of discussion. The questionnaire survey results confirmed that the effectiveness of the Board of Directors is mostly ensured.

To enhance corporate value in the medium and long term and achieve sustainable growth going forward, the Company will strive to ensure and improve the effectiveness of the Board of Directors by reflecting the opinions of Directors and Audit and Supervisory Board Members obtained in the questionnaire in the operation of the Board of Directors, enhancing progress management and information sharing before deliberations on important matters, and further deepening the level of discussions on the training /development of management personnel and the selection of candidates.

[Supplementary Principle 4.14.2: Training policy for Directors and Audit and Supervisory Board Members]

The Company conducts training for Directors and Audit and Supervisory Board Members on appointment for the purpose of ensuring that they understand their roles and job responsibilities and that they have the knowledge necessary or useful to appropriately fulfil their duties. In addition, the Company has established a system in which they can attend internal and external training sessions at the Company's expense after taking office.

Furthermore, the Company provides Outside Directors and Outside Audit and Supervisory Board Members of the Audit and Supervisory Board with opportunities to attend business report meetings and other meetings to help them attain a deeper understanding of the Company's business.

[Principle 5.1: Policy for constructive dialogue with shareholders]

1. Policies

To contribute to the sustainable growth and medium- to long-term enhancement of corporate value, the Company holds constructive dialogue with shareholders through various means, such as general meetings of shareholders, meetings to explain medium- and long- term business plans, business results briefings, and interviews with major institutional investors.

2. System to promote dialogue

- a) The accounting, IR, public relations, and legal divisions collaboratively take charge of promoting dialogue with shareholders. Their activities are controlled by the officer in charge of the IR division.
- b) At the beginning of each year, the Representative Directors host a meeting to explain the medium- and long- term business plans to analysts and institutional investors. In addition, the officer in charge of the IR division holds business results briefings on a quarterly basis. Furthermore, the Company provides opportunities for interviews as needed. For individual investors, the Company holds guidance seminars as needed. It also has a dedicated page* on the website where management policy, financial results, financial data and other information are explained clearly. The details are as described in the III. 2. Status of IR-related activities in this report.

* The Investor Relations Information is posted on the Company's website below.

<https://corporate.jp.canon/en/ir>

- c) In response to requests from shareholders and investors, management, including the President & Representative Director, are interviewed or take other actions as needed, following the judgment of the officer in charge of the IR division.
- d) Opinions or requests received through dialogue with shareholders are reported to management meeting by the department in charge on a regular basis, and important points and suggestions are reported to Representative Directors or the Board of Directors by the officer in charge of the IR division.

3. Management of insider information

The Company ensures that it does not carelessly provide important undisclosed information during dialogue with shareholders by maintaining strict control of important undisclosed information in accordance with the Regulations Concerning the Prevention of Insider Trading, which also set out the procedure for disclosing information.

■ Status of Dialogue with Shareholders

Activities in 2024 are as follows.

<For individual investors>

- Held (online) guidance seminars, where the Representative Director, officers in charge of IR and other IR staff members provided explanations (three seminars were held).
- Updated the website for individual investors. IR staff distributed e-mail magazines.

<For analysts and institutional investors (in Japan and overseas)>

- The Representative Director held a meeting to present the Medium-Term Management Plan (online)
- An officer in charge of IR held results briefings (online)
- Held IR interviews individually

The Representative Director (13 interviews/year), officers in charge of IR (24 interviews/year), IR staff (118 interviews/year)

- Held large meeting about business fields (one meeting)
- Held small meetings about business fields (three meetings)
- Feedback of the evaluations of investors given to business managers

* Interviewers: active investors, passive investors, growth fund managers, value fund managers, analysts

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure	Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure	Updated	Available
Date of Disclosure Update	Updated	9/30/2025
Explanation of Actions	Updated	

The Company recognizes the cost of shareholders' equity as cost of capital and executes corporate management that considers cost of capital and return on capital employed. Currently, the Company estimates its cost of capital at around 5–6% when calculated using standard methods. Through dialogue with shareholders and investors, however, we recognize that market expectations are higher than this level. To meet these market expectations, we are engaged in management aimed at sustainable improvement of corporate value.

In FY2024, we achieved sales of ¥653.9 billion, operating income of ¥53.1 billion, and ROE of 9.6%, reaching the final-year targets of the Long-Term Management Objectives 2021-2025 announced in April 2021 one year ahead of schedule (sales of ¥650 billion, operating income of ¥50 billion, and ROE of 8.0%). In the ITS business, a growth field, we also achieved our target of ¥300 billion in sales in FY2024, with sales of ¥314.6 billion, also ahead of schedule. In 2024, the Company also acquired around 20 million shares of treasury stock, with the aim of improving capital efficiency. As a result, PBR and PER had risen to 1.47 and 16.2 respectively.

In terms of our 2025 management targets, we aim to achieve five consecutive years of sales and profit growth, while setting a new record high for profits. The plan we announced in January 2025 sets targets of 680 billion yen in net sales and 56 billion yen in operating profit. We have also revised the net sales target for our ITS business upward to 340 billion yen, and set a target ROE of 10.0%, which would be another record high. We also anticipate further expansion in the high added-value ITS business in July 2025, and have revised our operating profit forecast upward to 57 billion yen. Our stock price reached 6,168 yen on September 19, 2025, marking a new all-time high since listing.

We are also planning to invest over ¥200 billion in growth by 2025. As of the end of December 2024, approximately 70% of this has already been implemented. Going forward, we will continue to make strategic investments aimed at expanding the ITS business, new business creation, and strengthening the Company's management base in order to achieve sustainable growth.

Going forward, we will continue aiming to maximize TSR (total shareholder return) by increasing dividends in line with sustainable improvements in ROE and profit growth, as well as further improving our market valuation. We will continue working to further improve our corporate value by implementing the basic policies of the Three-Year Management Plan: “expand ITS business with profit,” “increase earnings capacity of existing businesses,” and “strengthen specialized areas and create new businesses,” and by efficiently using the cashflows generated for investment in growth.

2. Capital Structure

Foreign Shareholding Ratio	More than 10% but less than 20%
	Updated

Status of Major Shareholders

Name	Number of Shares Owned	Percentage (%)
Canon Inc.	55,708,684	51.15
The Master Trust Bank of Japan, Ltd. (Trust account)	6,993,700	6.42
Canon Marketing Japan Group Employee Stock Ownership Association	5,069,050	4.65
Custody Bank of Japan, Ltd. (Trust account)	3,472,700	3.19
State Street Bank and Trust Company 505001	1,672,425	1.54
Canon Marketing Japan Group Business Partner Stock Ownership Association	1,219,046	1.12
JPMorgan Securities Japan Co., Ltd.	1,102,306	1.01
Mizuho Bank, Ltd.	1,001,083	0.92
The Bank of New York Treaty JASDEC Account	906,000	0.83
Ceplux- the Independent Ucits Platform 2	900,000	0.83

Name of Controlling Shareholder, if applicable (excluding Parent Companies)

—

Name of Parent Company, if applicable

Canon Inc. (Listing: Tokyo, Nagoya, Sapporo, Fukuoka) (Securities code) 7751

Supplementary Explanation Updated

The above descriptions are as of June 30, 2025. As of the said date, the Company holds 2,170,223 shares (shareholding ratio: 1.95%) as treasury stock in addition to the shares shown above in Status of Major Shareholders, 2. Capital Structure.

3. Corporate Attributes

Listed Stock Exchange and Market Segment	Prime Market, Tokyo
Fiscal Year-End	December
Business Sector	Wholesale business
Number of Employees (Consolidated) as of the End of the Previous Fiscal Year	1,000 or more
Net Sales (Consolidated) for the Previous Fiscal Year	¥100 billion or more but less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	10 or more but fewer than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder Updated

The controlling shareholder of the Company is the parent company, Canon Inc. As described in [Principle 1.7 Related party transactions, Disclosure based on each Principle of the Corporate Governance Code, I1. Basic Views], important master agreements with the controlling shareholder are concluded following a resolution by the Board of Directors. We protect the interests of all shareholders by ensuring that all transactions, not just those with the controlling shareholder, are conducted in a fair and appropriate manner that does not compromise the interests of the Company. In addition, for a risk of conflicts of interests occurring between controlling shareholder and minority shareholders regarding which deliberations and considerations are deemed necessary from the perspective of protecting the interests of minority shareholders, the Special Committee consisting of Independent Outside Directors deliberates on the matter and delivers a report to the Board of Directors. No arbitrary decisions are made on terms, etc., of transactions with the controlling shareholder.

The composition of Special Committee (as of September 30, 2025) is as follows.

[Special Committee comprising four members]

Chairperson: Yoshio Osawa (Independent Outside Director)

Members:

Toshiharu Hasebe (Independent Outside Director)

Hiroko Kawamoto (Independent Outside Director)

Satsuki Miyahara (Independent Outside Director)

The status of recent activities of the Special Committee is as described below.

May 22, 2024	Deliberation regarding subject of consideration by the Special Committee
July 11, 2024	Deliberation regarding tender offer for acquisition of own stock
July 16, 2024	Deliberation regarding tender offer for acquisition of own stock
July 24, 2024	Deliberation regarding tender offer for acquisition of own stock
August 8, 2024	Confirmation of purchase from parent company

5. Other Special Circumstances which May have a Material Impact on Corporate Governance

Updated

(1) The parent company's policy on Group management

Canon Inc., the parent company of the Company, believes that the Canon Group can achieve sustainable growth and increase its corporate value in the medium to long term if the Canon Group's companies, including the Company, fulfill their social responsibilities through their corporate activities based on Canon's corporate philosophy, Kyosei, and continue to strive to realize Kyosei.

Canon Inc. shares its management strategies with its listed subsidiaries, including the Company, to ensure that the Canon Group will efficiently achieve the targets of its medium- to long-term management plan, Excellent Global Corporation Plan Phase VI (2021-2025), through comprehensive optimization. The policy of Canon Inc. states that its listed subsidiaries, including the Company, will seek to post consistent earnings and maximize consolidated earnings to increase the corporate value of the entire Canon Group.

On the risk management front, all of the Canon Group companies, including the Company, are working to share policies and information and develop systems to work as one team on sustainability matters, such as compliance, internal control, risk management, economic security, decarbonization, global warming mitigation and respect for human rights.

One of the Canon Group's important management policies is to protect the interests of the minority shareholders of Canon Inc. and its listed subsidiaries. This policy involves allowing the listed subsidiaries to maintain a high degree of independence and flexible management systems. Due to this policy, Canon Inc. does not participate in the Company's decision-making process regarding individual issues.

(2) Reasons why it is significant for the parent company to have a listed subsidiary

In addition to the sale of Canon's products and services, the Company sells other companies' products and provides services and IT solutions in response to the needs of customers and its own businesses. As described above, the Company operates independently. As a listed company that is independent of the parent company, the Company has a process that enables it to make decisions promptly and flexible financing methods. This allows the Company to broaden its non-Canon businesses. In addition, the Company can leverage its creditworthiness as a listed company to increase the number of customers and business partners, hire excellent human resources and keep its employees highly motivated. For these reasons, Canon Inc. has decided that the Company as a listed company will contribute to maximizing the value of the Canon Group.

(3) The parent company's involvement in the Company's management

The management of the Company is independent of the parent company. No officers of the parent company concurrently serve as officers of the Company, nor are any of our directors from the parent company. To enhance its governance, the Company has established a Nomination and Remuneration Committee, and a majority of the committee's members are Independent Outside Directors. The committee's decisions are duly considered in the Company's appointment and dismissal of Directors, etc. and in determining their remuneration.

The Company applies the arm's length rule to the transactions between the Company and the parent company to ensure that the transactions are proper. We are committed to avoiding unduly harming the interests of the minority shareholders of both the Company and the parent company.

The Company has established a Special Committee which deliberates and considers the risk of a conflict of interest occurring between the controlling shareholder and minority shareholders to mitigate these risks. The Special Committee is explained in 4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

Corporate Governance System

Company with Audit and Supervisory Board

Directors

Number of Directors Stipulated in Articles of Incorporation	21
Directors' Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors Updated	8
Election of Outside Directors	Elected
Number of Outside Directors Updated	4
Number of Independent Directors Updated	4

Outside Directors' Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)										
		a	b	c	d	e	f	g	h	i	j	k
Yoshio Osawa	From another company								△			
Toshiharu Hasebe	From another company								△			
Hiroko Kawamoto	From another company								△			
Satsuki Miyahara	Certified Public Accountant								△			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- Person who executes business for or a non-executive director of the Company's parent company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to director him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to director him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to director him/herself only)
- Other

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reason for Appointment
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Yoshio Osawa	○	Mr. Yoshio Osawa previously worked at Sumitomo Corporation and SCSK Corporation, which are both clients of the Company. Although the Company has business transactions with Sumitomo, the annual transaction amount is less than 1% of the consolidated net sales of both Sumitomo and the Company. Moreover, while the Company has business transactions with SCSK, the annual transaction amount is less than 1% of the consolidated net sales of both SCSK and the Company.	Mr. Yoshio Osawa has a track record of actively performing as a top executive at a general trading company and IT services company for many years. The Company elected him as an Outside Director because it expects him to leverage his considerable experience and excellent expertise in company management to provide supervision and recommendations to the Company, and it assessed that he could accomplish the duties as an Outside Director appropriately. In addition, he is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.
Toshiharu Hasebe	○	Mr. Toshiharu Hasebe previously worked at NTT Communications Corporation and NTT Publishing Co., Ltd., which are both clients of the Company. Although the Company has business transactions with NTT Communications, the annual transaction amount is less than 1% of the consolidated net sales of both NTT Communications and the Company. Moreover, while the Company has business transactions with NTT Publishing, the annual transaction amount is less than 1% of the consolidated net sales of both NTT Publishing and the Company.	Mr. Toshiharu Hasebe has a track record of actively performing as a top executive at a telecommunications company and advertisement company for many years. The Company elected him as an Outside Director because it expects him to leverage his considerable experience and excellent expertise in company management to provide supervision and recommendations to the Company, and it assessed that he could accomplish the duties as an Outside Director appropriately. In addition, he is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.
Hiroko Kawamoto	○	Ms. Hiroko Kawamoto previously worked at All Nippon Airways Co., Ltd. and ANA Strategic Research Institute Co., Ltd. Although the Company has business transactions with All Nippon Airways, the annual amount of the business is less than 1% of the consolidated net sales of both All Nippon Airways and the Company. Although the Company has business transactions with ANA Strategic Research Institute, the annual amount of the business is less than 1% of the consolidated net sales of both ANA Strategic Research Institute and the Company.	Ms. Hiroko Kawamoto has had held key positions in airline companies over many years in charge of improving service quality and facilitating the activities of women. The Company elected her as an Outside Director because it expects her to leverage her considerable experience and excellent expertise in corporate management and the service industry to provide supervision and recommendations to the Company from the perspective of diversity. Moreover, it assessed that she could accomplish the duties as an Outside Director appropriately. In addition, Ms. Hiroko Kawamoto is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general

			shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.
Satsuki Miyahara	○	Ms. Satsuki Miyahara was a former partner employee of KPMG AZSA LLC, which is a business partner of the Company. Moreover, while the Company has business transactions with KPMG AZSA LLC, the annual transaction amount is less than 1% of the consolidated net sales of both KPMG AZSA LLC and the Company.	Ms. Satsuki Miyahara has had held important positions as a certified public accountant at an audit corporation for many years, and has had also worked to promote DEI (Diversity, Equity & Inclusion) at a major international accounting firm. The Company elected her as an Outside Director because it expects her to leverage her extensive global experience and excellent expertise in corporate accounting, women's empowerment, and diversity to provide supervision and recommendations to the Company. Moreover, it assessed that she could accomplish the duties as an Outside Director appropriately. In addition, Ms. Satsuki Miyahara is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.

Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee

Established

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

	Committee's Name	All Members	Full-time Members	Inside Directors	Outside Directors	Outside Experts	Other	Chairperson
Voluntarily Established Committee Equivalent to Nomination Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Inside Directors
Voluntarily Established Committee Equivalent to Remuneration Committee	Nomination and Remuneration Committee	5	0	2	3	0	0	Inside Directors

Supplementary Explanation

The Company has established the voluntary "Nomination and Remuneration Committee" consisting of a total of five

members, namely the President & Representative Director, one Director and three Independent Outside Directors, for the purpose of ensuring the fairness and validity of selection of candidates for Directors, Audit and Supervisory Board Members and Vice Presidents respectively, deliberating dismissal of the Representative Directors, Executive Directors and Executive Officers in the positions of Vice Presidents or higher as well as ensuring the validity of the compensation systems for Directors and Executive Officers in the positions of Vice Presidents or higher. Three members of the Committee among the five are Independent Outside Directors who fulfill the requirements for Independent Directors/Auditors formulated by the Tokyo Stock Exchange. This maintains the independence of the Committee as an advisory body to the Board of Directors. The status of the most recent activities of the Committee are as shown below. For details, please refer to (iii) Policies and procedures in determining the remuneration of the senior management and Directors and (iv) Policies and procedures in the appointment and dismissal of the senior management and the nomination of candidates for Directors and Audit and Supervisory Board Members, Principle 3.1: Full disclosure, Disclosure Based on each Principle of the Corporate Governance Code, I1. Basic Views.

January 11, 2019 Deliberation of fairness of selection of new candidates for Vice President/Deliberation of validity of directors' compensation system

January 23, 2019 Deliberation of validity of introduction of performance-based stock compensation system

January 21, 2020 Deliberation of fairness of selection of new candidates for Director and Audit and Supervisory Board Members

January 20, 2021 Deliberation on the fairness of the selection of new Representative Director, Director and Vice President candidates

December 10, 2021 Deliberation on the fairness of the selection of new Director candidates/Deliberation of validity of revisions to stock compensation system

January 20, 2022 Deliberation on the fairness of the selection of new Director and Audit and Supervisory Board Member candidates/Deliberation of validity of revisions to stock compensation system

December 12, 2022 Deliberation on the fairness of the selection of new Director candidates

December 12, 2023 Deliberation on the fairness of the selection of new Audit and Supervisory Board Member and Vice President candidates

December 11, 2024 Deliberation on the fairness of the selection of new Director and Vice President candidates

The five members are Masachika Adachi, President & Representative Director (chairperson), Minoru Mizoguchi, Director, Yoshio Osawa, Independent Outside Director, Toshiharu Hasebe, Independent Outside Director and Hiroko Kawamoto, Independent Outside Director.

All of the Independent Outside Directors attended all committee meetings.

Members of the personnel affairs and legal affairs departments make up a secretariat to conduct operations relating to the preparation of deliberation materials, the preparation of minutes, and the provision of support for operations of the committee.

Audit and Supervisory Board Member

Establishment of Audit and Supervisory Board	Established
Number of Audit and Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit and Supervisory Board Members	5

Cooperation among Audit and Supervisory Board Members, Accounting Auditors and Internal Audit Departments

[Status of Cooperation between Audit and Supervisory Board Members and Accounting Auditor]

Audit and Supervisory Board Members constantly work to improve audits when they formulate audit plans through discussions with the accounting auditor at the beginning of each fiscal year. They exchange information and opinions with the accounting auditor through reports of the results of regular audits and meetings held as needed, and are present during the on-site audits conducted by the accounting auditor and during the time when the accounting auditor explains the results of the on-site audits.

[Status of Cooperation between Audit and Supervisory Board Members and Internal Audit Department]

Audit and Supervisory Board Members receive explanations about the annual plans and policies for internal audits from the internal audit department. They are also informed of the status of conducting internal audits on a quarterly basis. In addition, both organizations exchange information whenever necessary. The internal audit department provides assistance to Audit and Supervisory Board Members, and provides assistance with the Board's secretarial affairs when asked by Audit and Supervisory Board Members for assistance following discussions.

Appointment of Outside Audit and Supervisory Board Members	Appointed
Number of Outside Audit and Supervisory Board Members	3
Number of Independent Audit and Supervisory Board Members	2

Outside Audit and Supervisory Board Members' Relationship with the Company (1)

Name	Attributes	Relationship with the Company (*)												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Iwao Hashimoto	From another company										△			
Seijun Suzuki	From another company													
Shigeo Hasegawa	Certified public accountant										△			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business for the Company or its subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business for or a non-executive director of the Company's parent company
- An Audit and Supervisory Board Member of a parent company of the Company
- Person who executes business for a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for said person/entity
- Major client of the Company or a person who executes business for said client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets from the Company in addition to remuneration as a director/ Audit and Supervisory Board Member
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business for the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to the auditor him/herself only)
- Person who executes business for another company that holds cross-directorships/cross-auditorships with the Company (applies to the auditor him/herself only)
- Person who executes business for an entity receiving donations from the Company (applies to the auditor him/herself only)
- Other

Outside Audit and Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit and Supervisory	Supplementary Explanation of the Relationship	Reasons for Appointment
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	Board Member		
Iwao Hashimoto	○	Mr. Iwao Hashimoto previously worked at Sampo Japan Insurance Inc., a client of the Company. Although the Company has business transactions with Sampo Japan Insurance, the annual transaction amount is less than 1% of the consolidated net sales of both Sampo Japan Insurance and the Company.	Because Mr. Iwao Hashimoto has extensive experience and broad insight as a result of his involvement in the management of an insurance company for many years, he is appointed as an Outside Member of the Audit and Supervisory Board. In addition, he is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.
Seijun Suzuki		———	Because Mr. Seijun Suzuki has been in charge of legal and internal audit operations that includes organizing legal compliance system and risk management system at Canon Group for many years. He has extensive experience and outstanding expertise in these fields, and on this basis, the Company assessed that he could accomplish the duties as an Outside Audit and Supervisory Board Member appropriately.
Shigeo Hasegawa	○	Mr. Shigeo Hasegawa previously worked at Deloitte Touche Tohmatsu LLC, the accounting auditor of the Company. However, he left the accounting firm before becoming an Audit and Supervisory Board Member of the Company and is not in the position to be influenced by the audit corporation's intention and no special interests that need to be mentioned exist between the Company and the accounting firm.	Because Mr. Shigeo Hasegawa has many years of experience and extensive knowledge of accounting as a certified public accountant, he is appointed as an Outside Member of the Audit and Supervisory Board. In addition, he is appointed as an independent officer because it was judged that there is no fear of any conflict of interest with general shareholders in light of the criteria for independence of the Tokyo Stock Exchange and the Company.

Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

Number of Independent Directors and Independent Audit and Supervisory Board Members

6

Other Matters Concerning Independent Directors and Independent Audit and Supervisory Board Members

The Company appoints all outside officers eligible for appointment as independent officers.

Incentives

Implementation Status of Measures related to Incentives Granted to Directors

Introduction of Performance-linked Remuneration Scheme,
Introduction of Stock Options Scheme

Supplementary Explanation for Applicable Items

Please refer to 【Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods】.

Persons Eligible for Stock Options

Inside Directors and Others

Supplementary Explanation for Applicable Items

The term "and Others" means Executive Officers who are Vice Presidents or higher. The Company decided to make Executive Officers of the Company who are Vice Presidents or higher (including persons serving concurrently as Directors; excluding Outside Directors) eligible for the granting of stock acquisition rights based on the view that they are in a position to play a central role in improving business performance and enhancing corporate value.

Director Remuneration

Status of Disclosure of Individual Director's Remuneration

Disclosure for Selected Directors

Supplementary Explanation for Applicable Items

Individual disclosure information for those whose total remuneration, for example, compensation on a consolidated basis, is 100 million yen or above is contained in the Company's annual securities report (Yuukashouken houkokusho).

Policy on Determining Remuneration Amounts and Calculation Methods

Updated

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Basic policy on compensation

The Company endeavors to design executive compensation systems that will function as a framework for effectively encouraging officers to fully demonstrate their abilities and fulfil their roles and responsibilities for the Canon MJ Group's sound and sustainable growth. The Company's basic policy is that the proprietary value of executive compensation should be set at an appropriate level taking into consideration the attraction and retention of talented human resources who can fully meet the Company's expectations.

2. Details of each compensation system

a) Representative Directors and Executive Directors

The remuneration of the Representative Directors and Executive Directors is made up of the following "basic remuneration," "bonus" and "performance-based stock compensation."

<Basic remuneration>

This is a fixed amount, paid to Representative Directors and Executive Directors each month, as compensation for execution of their duties. It is a prescribed amount set in accordance with the position, role and degree of contribution of Representative Directors and Executive Directors. The total amount must not be more than 800 million yen per year as approved in the 39th Ordinary General Meeting of Shareholders held on March 28, 2007.

<Bonus>

This is cash remuneration paid to Representative Directors and Executive Directors to reward their achievements over the course of one year in office and it uses consolidated profit before income taxes, which is the result of the Group's operating activities over the course of a year, as an indicator. A standard bonus amount set in accordance with the position of Representative Directors and Executive Directors is adjusted according to the degree of achievement of the indicator. Since the Company's view is that bonuses are like dividends and retained earnings and that they are essentially a distribution of company profits, the Company consults the annual general meeting of shareholders for approval of the payment of bonuses and the total amount to be paid calculated in accordance with the foregoing.

The Company's consolidated profit before income taxes was forecast at 55.0 billion yen at the beginning of the year (announced in January 2024) but the actual result was 57.148 billion yen.

<Stock Compensation-type Stock Options>

The purpose of the Stock Compensation-type Stock Options is to further motivate Directors to improve business performance and enhance corporate value in the medium to long term by sharing both the benefits and risks of fluctuating

stock prices with the shareholders, and stock acquisition rights with respect to the Company's shares will be granted once a year. The number of stock acquisition rights to be granted will be calculated based on the Officer's position and stock price levels at the time of the grant. Under the Plan, the exercise price per share that can be received upon exercise of a stock acquisition right shall be one yen. Eligible officers may exercise their stock acquisition rights within the range of 0% to 100% according to the degree of achievement of Management indicators set by the Company including consolidated profit before income taxes which are the results of the Group's operating activities for the year. When allotting stock acquisition rights as stock options, Directors shall be paid the same amount of monetary compensation as the payment amount determined based on fair value, and the payment shall be carried out by offsetting the payment amount against said compensation receivables in lieu of delivery of monetary payment. The total amount of compensation must not be more than 800 million yen per year as approved in the 39th ordinary General Meeting of Shareholders held on March 28, 2007, but this Plan shall be within said limit in accordance with the resolution of the 54th Ordinary General Meeting of Shareholders of the Company held on March 29, 2022.

Eligible officers shall be allowed to exercise the stock acquisition rights when they cease to be eligible officers on the basis that this plan is compensation for results throughout their term of office. In the event that the Company recognizes any acts by the eligible officers that are in violation of laws and regulations or misconduct in the course of their duties, acts conflicting with the duty of due diligence or duty of loyalty, or any other act equivalent thereto, the Company may limit the exercise of all or some of the stock acquisition rights.

Regarding the ratio between basic remuneration, bonuses and stock compensation-type stock options, the basic policy is to emphasize the level and stability of basic remuneration based on the thinking that it is important to undertake business management from a medium- to long-term perspective. As a general rule, Directors bonuses and stock compensation-type stock options are set as 30% and 20% of their base remuneration, at maximum, respectively, for the purpose of improving the business performance of a single fiscal year.

b) Outside Directors and Audit and Supervisory Board Members

The remuneration of Outside Directors and Audit and Supervisory Board Members, who perform duties from a position of independence from business execution, is limited to the basic remuneration, which is a fixed amount, paid each month as compensation for the execution of duties. The remuneration of Outside Directors is determined within the limit of the annual amount determined by resolution of the general meeting of shareholders stated in a) Basic remuneration above and within the limit of an amount determined in advance by the Company, taking general levels of remuneration into consideration. The upper limit of remuneration for Audit and Supervisory Board Members of 120 million yen per year set at the 30th Ordinary General Meeting of Shareholders held on March 26, 1998 was determined through consultation among Audit and Supervisory Board Members.

3. Compensation determination process

The Company established the voluntary "Nomination and Remuneration Committee" consisting of the President & Representative Director, one Director and three Independent Outside Directors, making five members in total, for the purpose of ensuring the transparency and objectivity of the compensation determination process and the validity of the compensation systems. The committee reviewed the validity of the compensation systems for Directors and Executive Officers in the positions of Vice Presidents or higher including the standards for calculation of basic remuneration and bonuses and the standards for granting stock compensation-type stock options and reported to the Board of the Directors to the effect that the systems are valid.

The individual compensation amounts of Directors are determined based on the compensation systems after the basic approach to calculation determined by resolution of the Board of Directors has been reviewed by the Nomination and Remuneration Committee. The Ordinary General Meeting of Shareholders is asked to approve the payment of bonuses and the total amount of bonuses to be paid on each occasion as stated in 2. a) above.

The process for determination of compensation of Audit and Supervisory Board Members is as stated in 2. b) above.

Support System for Outside Directors (and/or Outside Audit and Supervisory Board Members)

The Company does not have an organization or employees dedicated to assisting the Outside Directors and Outside Members of the Audit and Supervisory Board with their duties. Outside Directors receive explanations from Executive Directors when necessary about the agendas and other matters related to meetings of the Board of Directors prior to the meetings. Outside Members of the Audit and Supervisory Board also receive explanations from internal members of the Audit and Supervisory Board or Executive Directors when necessary about the agendas and other matters related to meetings of the Board of Directors prior to the meetings. In addition, Outside Members of the Audit and Supervisory Board attend meetings of the Audit and Supervisory Board, liaison meetings of the Audit and Supervisory Board held from time to time, and other meetings. They share information about important matters and information concerning the details of each audit among the members.

Status of Persons who have Retired as Representative Director and President, etc.

Information on Persons Holding Advisory Positions (Sodanyaku, Komon, etc.) after Retiring as Representative Director and President, etc.
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Name	Job title/ position	Responsibilities	Terms and Conditions of Employment (Full/part time, with/without remuneration, etc.)	Date when former role as president/ CEO ended	Term
_____	_____	_____	_____	_____	_____

Number of Persons Holding Advisory Positions (Sodanyaku, Komon, etc.) After Retiring as Representative Director and President, etc.	0
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2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System) Updated

The Company's corporate governance structure includes an internal auditing system in addition to the Audit and Supervisory Board.

<Board of Directors, Directors, and Executive Officers>

The outline of the structure for the Board of Directors is as described in (ii) Basic Views and guidelines on corporate governance, Principle 3.1: Full disclosure, Disclosure based on each principle of the Corporate Governance Code, I1. Basic Views. The Board of Directors has 7 members, consisting of 4 Directors from within the Company and 3 Outside Directors who are Independent Directors. The Board aims to conduct management decision-making rationally and efficiently. The term of office for Directors is one year, and we have created a management structure capable of adapting quickly to changes in the business environment. Under the current structure, routine matters such as financial results and executive changes as well as important decisions specified by laws, regulations and the Board of Directors' Regulations are made after active discussions by the Board of Directors which normally meets once a month, temporary meetings of the Board of Directors that are held when needed, and at management meetings attended by the officers of the Company and the presidents of major subsidiaries of the Group. In addition, on March 29, 2011, the Company introduced an executive officer system. The purpose of this system is to speed up management decision-making within the Group by separating management decision-making from business execution functions and reducing the number of Directors. It also clarifies the responsibilities for the performance of business operations and strengthens the executive systems. There will be 20 Executive Officers as of April 1, 2025.

<Audit and Supervisory Board and Audit and Supervisory Board Members>

The outline of the structure for the Audit and Supervisory Board is as described in (ii) Basic views and guidelines on corporate governance, Principle 3.1: Full disclosure, Disclosure based on each Principle of the Corporate Governance Code, I1. Basic Views. There are five Audit and Supervisory Board Members, of whom three are appointed from outside of the Company. The Audit and Supervisory Board conducts strict audits by attending meetings of the Board of Directors, interviewing Directors and other persons, inspecting documents involving important decisions, investigating business operations and the status of financial assets, etc. in accordance with the audit policies and division of duties, etc. that it determines. While the Company does not have dedicated organizations or employees to assist the Audit and Supervisory Board Members in their duties, when consulted by Audit and Supervisory Board Members about their requirements, the internal audit division, the legal division and other divisions have employees who will assist Audit and Supervisory Board Members and the Audit and Supervisory Board in their work (the "Assisting Employee"). When ordered to undertake duties by Audit and Supervisory Board Members, such employees assisting Audit and Supervisory Board Members will prioritize the execution of such duties.

<Concept for the functions and roles and the status of the appointment of independent Outside Directors and independent Outside Members of the Audit and Supervisory Board>

The aforementioned subject is as described in Principle 4.9: Independence standards and qualification for Independent Directors, Disclosure Based on each Principle of the Corporate Governance Code, I1. Basic Views. The independent Outside Directors and independent Outside Members of the Audit and Supervisory Board of the Company satisfy the

independence standards and qualification, and their role is to contribute to the maintenance and improvement of transparency and accountability of the Board of Directors.

<Internal audits>

The Internal Auditors Office (IAO) was established as an independent organization dedicated to performing audits of the Company and operating under the direct supervision of the President of the Company. IAO prepares the policies of the internal audit divisions of the Company and the entire Group and conducts audits of all management activities to examine the reliability of financial reports, the effectiveness and efficiency of business operations, compliance with laws and regulations, and the protection of corporate assets, and assesses the results of audits and provides advice to the audit targets. The results of audits are reported regularly to the President & Representative Director, other Directors and the Audit and Supervisory Board. In addition, the internal audit divisions of Canon IT Solutions Inc., Canon System & Support Inc. and Primagest, Inc. conduct audits under the same policies. The Group has about 60 audit staff members.

<Independent auditor>

The Company entered into an audit contract with Deloitte Touche Tohmatsu LLC in fiscal year 2020 and since then has undergone audits from this accounting firm. The names of the certified public accountants who carried out the audits in fiscal year 2024 and the accounting firm they belong to are as follows.

Masahiro Ide:	Designated and Engagement Partner (Deloitte Touche Tohmatsu LLC)
Shinji Hatano:	Designated and Engagement Partner (Deloitte Touche Tohmatsu LLC)
Kumiko Shimizu:	Designated and Engagement Partner (Deloitte Touche Tohmatsu LLC)

In addition, the composition of assistants, who are to be engaged in the accountancy service, is decided based on the accounting plan of the accounting firm. Concretely, the main members are certified public accountants and other assistants are also added.

<Policies and procedures for nomination of candidates for Director and Audit and Supervisory Board Member and determination of compensation for senior management and Director>

As stated in (iii) Policies and procedures in determining the remuneration of the senior management and Directors and (iv) Policies and procedures in the appointment and dismissal of the senior management and the nomination of candidates for Directors and Audit and Supervisory Board Members, Principle 3.1: Full disclosure, Disclosure Based on each Principle of the Corporate Governance Code, II. Basic Views as well as Directors and Incentives in II 1. Organizational Composition and Operation.

<Liability limitation agreement>

The Company has entered into contracts, in accordance with the Articles of Incorporation, with the Outside Directors and each of the Audit and Supervisory Board Members to limit their liabilities to compensate for damage under Paragraph 1, Article 423 of the Companies Act, to the limit of amount set forth in the Paragraph 1, Article 425 of the Companies Act.

<Sustainability>

(Promotion of sustainability)

As stated in Principle 2.3.1: Sustainability issues, primarily social and environmental issues, Disclosure Based on each Principle of the Corporate Governance Code, II. Basic Views, the Company established the Sustainability Promotion Committee in February 2021. The committee is chaired by the President & Representative Director who is ultimately responsible for sustainability issues.

The Sustainability Promotion Committee was held 5 times in 2022 and 4 times in 2023. It reports on the progress in initiatives to achieve the Canon MJ Group's 2030 Medium-Term Environmental Targets and discusses initiatives, the upgrading of initiatives based on the recommendations of Task Force on Climate-related Financial Disclosure (hereafter "TCFD"), updates to information to be disclosed, participation in initiatives, and a wide range of other subjects, including human rights. Many different initiatives are implemented following these discussions.

The matters discussed and decisions made by the committee are important matters related to the foundation of the Company's management. They are company-wide matters that involve multiple committees and divisions. Thus, the Company has decided that the committee should be directly overseen by the Board of Directors. Since April 1, 2023, the committee, which had been placed under the Management Committee, has been placed under the Board of Directors. The matters approved by the committee are documented and the committee define the matters to be reported to and approved by the Board of Directors. The committee made four submissions to the Board of Directors in 2024.

(Environment)

The Canon MJ Group Environmental Vision 2050 and its interim target, 2030 Medium-Term Environmental Targets

were set up and the Group is proceeding with environment-responsive efforts, including addressing climate changes.

The Company is implementing initiatives towards the realization of carbon neutrality in 2050, including the introduction of renewable energy in its own buildings, energy savings, etc. in office facilities such as lighting and air conditioning equipment, and improvement of work process and ways of working. In addition, in 2024, we launched supplier engagement initiatives aimed at reducing CO2 emissions throughout our supply chain. In April 2024, Canon IT Solutions Inc. launched a service at its Nishi-Tokyo data center that provides environmental value such as reducing CO2 emissions through the use of renewable energy. Going forward, the Canon MJ Group aims to continue reducing CO2 emissions not only internally but also from its entire value chain, and will work to contribute to CO2 emissions through the provision of products and services. The Canon MJ Group is continuously focused on heightening the level of environmental conservation initiatives, including measures to address climate change. Details of these initiatives are disclosed through our integrated reports and websites.

■ Environmental Vision 2050, 2030 Medium-Term Environmental Targets and Environmental Policy

<https://corporate.jp.canon/en/sustainability/environment/vision>

The Company declared its support for the recommendations of TCFD and is continuously concentrating on the upgrading of the initiatives. It discloses the contents in the Integrated Report and on their website.

■ Disclosure on information regarding TCFD

<https://corporate.jp.canon/en/sustainability/environment/tcfd>

(Certification)

The certification obtained for environmental management is as follows (as of September 30, 2025):

ISO14001: 2015 certification

[Canon Group integrated EMS] Canon Marketing Japan Inc., Canon IT Solutions Inc., Qualysite Technologies Inc., Canon System & Support Inc., Canon Production Printing Systems Inc., Canon ITS Medical Inc., Canon Biz Attenda Inc. Canon Business Support Inc., Canon Customer Support Inc.

(Risk and Crisis Management)

In order to advance the sustainable management, the Group analyzes business risks and opportunities and has defined the six material issues. The Sustainability Promotion Committee monitors progress related to the initiatives for materials issues.

Regarding risk management of the Canon MJ Group, the Director in charge of controlling and promoting risk management and members of the Risk and Crisis Management Committee discuss the issues depending on the details of the risk. Many different initiatives are implemented following these discussions.

1. Disasters

For initiatives related to disasters (various natural disasters, infectious diseases, etc.), the Company has established the “Disaster Countermeasure Basic Regulations” and Basic Policy on Initial Response Planning and Business Continuity Planning (BCP) and formulated and maintained disaster prevention management, disaster response systems, and business continuity plans (BCP), and engages in continuous review and improvement activities. In addition, the Company is promoting the strengthening of disaster response capabilities in the event of a disaster for Group employees by conducting drills (disaster drills, safety confirmation drills and BCP drills), distributing a “disaster response pocket manual” that can be carried at all times, and conducting periodic web-based learning programs.

2. Business ethics and compliance

The initiatives of the Group for observing business ethics and full compliance with laws and regulations include the distribution of handbooks on the Canon Group Code of Conduct, Practical Business Ethics Reader, etc. and the Compliance Card for employees to carry at all times. Furthermore, to promote understanding and apply laws relevant to business operations and various rules, the Group distributes compliance-related mail magazine. In addition, compliance meetings are held to confirm job-related compliance risks and countermeasures for each workplace, important compliance matters, etc. In 2005, the Group started operating an internal whistle-blowing system (name: Speak-up System).

3. Information security

Initiatives to strengthen information security governance include the formulation of the Basic Policy for Information Security, the introduction of the ISMS (Information Security Management System) and PMS (Personal Information Management System) within the Group with the aim of promoting the homogenization and efficiency of the management systems, the optimization of various information security measures, the development of human resources for information security, the ISMS Conformity Assessment Scheme and objective assessment, and continuous improvement through the obtainment and maintenance of the Privacy Mark certification. In addition, as a measure to strengthen cybersecurity, we

have established and run the Canon MJ CSIRT.

4. Certification

The certification obtained for information security and personal information protection is as follows (as of September 30, 2025).

ISMS Conformity Assessment Scheme

• ISO/IEC 27001 ((Information security management system)

[Canon MJ Group Integrated Authentication]

Canon Marketing Japan Inc., Canon IT Solutions Inc., Qualysite Technologies Inc., , Canon System & Support Inc., Canon Production Printing Systems Inc., Canon ITS Medical Inc., Canon Biz Attenda Inc., Canon Business Support Inc., Canon Customer Support Inc., a part of the organizations of Primagest, Inc., TCS Inc. and QB5 Inc.

* In addition to the Canon MJ Group Integrated Authentication, dcWORKS, Inc. and certain sections of Primagest, Inc. have obtained the authentication.

• ISO/IEC 27017 (Cloud services security)

The certification was obtained for part of the services of Canon Marketing Japan Inc. and Canon IT Solutions Inc.

Privacy Mark

Canon Marketing Japan Inc., Canon IT Solutions Inc., Canon System & Support Inc., Canon Production Printing Systems Inc., Canon ITS Medical Inc., Canon Biz Attenda Inc., Canon Customer Support Inc. QB5 Inc., Primagest, Inc.

<Information disclosure>

The Company has established the Disclosure Committee in order to strengthen the system for disclosing important corporate information in a fair, timely, and appropriate manner. The role of the Committee is to make prompt decisions on the need for timely disclosure, the information to be disclosed, the timing of disclosure, and other matters that are necessary for the timely disclosure of important corporate information. In addition, we have established a system in which important corporate information is comprehensively and rapidly collected when it emerges. In this system, individuals in each division of the Company and each affiliated company are appointed to handle information that needs to be disclosed in a timely fashion.

<Internal controls>

The Company established the Internal Controls Evaluation Committee on January 1, 2005 and works to continuously improve its internal control systems on a company-wide scale in accordance with the applicable laws in Japan.

- Response to the Financial Instruments and Exchange Act in Japan

In accordance with the Financial Instruments and Exchange Act, listed companies must now submit reports on internal controls. The Company started to submit internal control reports on the evaluation of the effectiveness of internal controls on financial reporting in the fiscal year ended December 31, 2009.

3. Reasons for Adoption of Current Corporate Governance System

The aforementioned subject is as described in Disclosure Based on each Principle of the Corporate Governance Code, I 1. Basic Views, and II 2. Matters Concerning Functions of Business Execution, Auditing and Supervision, Nomination, and Remuneration Decisions (Overview of Current Corporate Governance System).

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercise of Voting Rights

Updated

	Supplementary Explanation
Early Posting of Notice of the General Meeting of Shareholders	For the most recent 57th Annual General Meeting of Shareholders (March 27, 2025), we sent out the notice 23 days before (March 4, 2025) the date of the meeting.
Electronic Exercise of Voting Rights	We have made it possible for shareholders to vote over the Internet and by other electromagnetic means.

Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights	We use the Electronic Voting Platform for Foreign and Institutional Investors run by ICJ (Investor Communications Japan).
Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English	We prepare English versions of the convocation notices and submit them to Tokyo Stock Exchange and post them on the Company's website.
Other	For the most recent Annual General Meeting of Shareholders, we posted the Notice of Convocation on the Company's website and to the Tokyo Stock Exchange's website, 6 days before (February 26, 2025) the date of dispatch of the notice.

2. Status of IR-related activities Updated

	Supplementary Explanation	Explanation by a representative director or a representative executive officer
Formulation and Publication of Disclosure Policies	In 2008, the Company formulated the IR Policy that describes its concept for information disclosure for IR purposes. It is published on the Company's website. The Company published its revised IR policy in January 2020.	
Regular Investor Briefings held for Individual Investors	The Company holds guidance seminars for individual investors, the speaker of which is either the President of the Company or the officer in charge of IR or other IR staff. Briefing sessions for individual investors were held in April, May, September and December 2023 and in June, September and December 2024	Held
Regular Investor Briefings held for Analysts and Institutional Investors	The subject on the left is as described in 2.b) System to promote dialogue, Principle 5.1: Policy for constructive dialogue with shareholders, Disclosure Based on each Principle of the Corporate Governance Code, I1. Basic Views.	Held
Regular Investor Briefings held for Overseas Investors	We hold individual interviews with foreign institutional investors and participate in conferences for overseas institutional investors organized by securities companies.	Held
Online Disclosure of IR Information	The Company has prepared an Investor Relations website exclusively for investor information on its corporate website. In addition to documents that have to be disclosed, including summaries of financial results and securities reports, presentation materials, integrated reports and other materials are posted. Regarding presentations, including results presentations and long-term/medium-term management plan presentations, we post speech summaries, Q&A session summaries, and videos in addition to presentation materials to ensure information is disclosed fairly for investors who cannot attend presentation meetings.	

	We actively provide information about business strategies and sustainability initiatives. We prepare materials for individual investors and distribute IR News by e-mail to those who wish to read it. In addition to providing the information above, we have established a point of contact that fields questions and requests from investors to promote interactive communication. Japanese site: canon.jp/8060-ir English site: canon.jp/8060e-ir	
Establishment of Department and/or Placement of a Manager in Charge of IR	The IR Promotion Center has been established within the Corporate Planning Headquarters as the organization dedicated to IR.	

3. Status of Measures to Ensure Due Respect for Stakeholders Updated

	Supplementary Explanation
Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders	In addition to the Canon Group Code of Conduct, the Company has established the policies and regulations for protecting the personal information of customers and employees, regulations concerning the workplace safety and health of employees, and the Regulations Concerning the Prevention of Insider Trading, which provide for matters concerning shareholders and investors. The Company endeavors to fully adhere to these regulations in order to respect the views of the stakeholders of the Canon MJ Group.
Implementation of Environmental Preservation Activities and CSR Activities, etc.	As stated in Supplementary Principle 3.1.3: Disclosure of sustainability efforts, Disclosure Based on each Principle of the Corporate Governance Code, I 1. Basic Views, details of the Canon MJ Group's sustainability activities, including its activities to protect the environment have been disclosed in the Integrated Report. The latest information is posted on the website. ■ Integrated Report https://corporate.jp.canon/en/ir/library/integrated-report ■ Website on sustainability activities https://corporate.jp.canon/en/sustainability
Formulation of Policies, etc. on Provision of Information to Stakeholders	In April 2005, the Company established the Disclosure Committee as a subsidiary organization under the management meeting for the purpose of guaranteeing that the disclosed information is an accurate, fair, and transparent. The President of the Company or his/her delegate chairs the Committee, and the members consist of the people responsible for accounting, general and personnel affairs, legal affairs and intellectual property, public relations, sustainability and corporate planning. A structure in which organizational approval is given prior to the external disclosure of important corporate information is in place. In November 2008, the Company formulated its IR Policy with the aim of delivering the necessary IR information to shareholders and investors at the appropriate time.

IV Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

In accordance with the Companies Act, the Company has defined the basic policy for Systems for Ensuring Propriety of Operations (internal control systems). This policy was resolved at a meeting of the Board of Directors. Under the policy, the Company promotes efforts to improve the internal control systems.

The basic policy is as described below.

[Basic Policy for Systems for Ensuring Propriety of Operations (Internal Control Systems)]

To ensure the properness of operations and to work for continuous improvement in corporate value, the Company and the enterprises consisting of the Company and its subsidiaries, the Group, shall foster a sound corporate culture based on the Spirit of “Three Selves” (Self-motivation, Self-management, and Self-awareness) – guiding principles of the Canon Group. The Group shall also work to foster a law-abiding awareness through the “Canon Group Code of Conduct.” Furthermore, the Group shall firmly strive to ensure management transparency through clearly defined approval processes of important matters of the Group.

1. System for Compliance (Item 6, Paragraph 4, Article 362 of the Companies Act, and Item 4, Paragraph 1, Article 100 of the Enforcement Regulations of the Companies Act)
 - (1) The Board of Directors, in accordance with regulations prescribed by the Board of Directors (the “Regulations of the Board of Directors”), shall make decisions on the Group’s important managerial matters after careful deliberation. Additionally, the Board of Directors shall have representative directors, executive directors and executive officers (collectively the “Officers”) give reports regarding their execution of duties.
 - (2) The Company shall thoroughly instill compliance awareness through training and other programs geared towards new employees, managers, and newly-appointed board members and executive officers, utilizing the “Canon Group Code of Conduct,” as a standard to be adhered to in the execution of duties.
 - (3) As a part of the Company’s risk management system, the Company shall put in place business procedures/checking systems that prevent violation of laws and regulations and the Company’s articles of incorporation in the course of daily business. It shall also maintain a compliance education system.
 - (4) The internal audit division of the Company, which has the authority to audit all executions of duties, shall also conduct audits regarding the status of compliance with laws and regulations and the Company’s articles of incorporation.
 - (5) If an act that violates laws and regulations, or the Company’s articles of incorporation is discovered in the Group, employees have the ability to report such fact by means of a whistleblowing system. Additionally, the Company shall prohibit any disadvantageous treatment of any whistleblower.
2. System for Risk Management (Item 2, Paragraph 1, Article 100 of the Enforcement Regulations of the Companies Act)
 - (1) The Company shall conduct various measures with regard to improving the risk management system in accordance with the regulations regarding risk management. These measures include the system for grasping any significant risks (violation of laws and regulations, inappropriate financial reporting, quality issues, work-related injuries, disasters, etc.) that the Group may face in the course of business. Additionally, the Company shall evaluate the status of improvement and implementation of the risk management system and report its findings to the Board of Directors.
 - (2) The Company established the Management Committee, and even if certain item is not submitted to the Board of the Directors, the Committee shall carefully deliberate those items in case it is considered important.
3. System for Efficient Execution of Duties (Item 3, Paragraph 1, Article 100 of the Enforcement Regulations of the Companies Act)
 - (1) Based on regulations regarding approval processes of important matters and the division of duties adopted by the Board of Directors, the Directors and other officers shall execute shared duties under the supervision and direction of the President.
 - (2) The Company shall at its Management Committee formulate Long-Term Management Objectives as 5-year management goals and 3-year priority measures, defined in Medium-Term Management Plan. Based upon these plans, the Company shall manage operations from a unified group approach.
4. System for Group Management (Item 5, Paragraph 1, Article 100 of the Enforcement Regulations of the Companies Act)

The Company strengthens the internal control system by requiring Group Companies to follow the respective items:

 - a) to obtain prior approval from the Company or report to the Company important decisions in accordance with the “Regulations of Important Matters Approval of the Group Companies,” prescribed by the Board of Directors,
 - b) to grasp significant risks that the Group Companies may face in the course of business and to verify and evaluate the status of improvement and implementation of the risk management system and report their findings to the Company in accordance with the regulations regarding risk management,
 - c) to design an appropriate organization under the governing law of incorporation and to clearly define approval processes and authorities of executive officers,
 - d) in addition to thoroughly instilling compliance awareness through the “Canon Group Code of Conduct,” to put in

place business procedures/checking systems that prevent violation of laws and regulations and Group Company's articles of incorporation in the course of daily business and prepare a compliance education system as a part of the Group Company's risk management system, and

e) to establish a whistleblowing system and prohibit any disadvantageous treatment of any whistleblower.

5. System for Storing and Managing Information (Item 1, Paragraph 1, Article 100 of the Enforcement Regulations of the Companies Act)

Information related to the execution of duties of Officers, including meeting minutes of the Board of Directors and settlement documents, shall be maintained and managed by respective divisions in charge of such management in accordance with laws and regulations, the "Regulations of the Board of Directors," and other related rules. Directors and Audit and Supervisory Board Members have the ability to inspect this information at anytime.

6. System for Auditing by Audit and Supervisory Board Members (Paragraph 3, Article 100 of the Enforcement Regulations of the Companies Act)

(1) Although the Company does not assign a dedicated full-time employee or set an organization to assist the duties of Audit and Supervisory Board Members, the internal audit division, the legal division and other divisions will consult and assign an employee to assist the works of Audit and Supervisory Board Members (the "Assisting Employee"), on matters requested by Audit and Supervisory Board Members. The Assisting Employee shall give priority to execute the duties requested by Audit and Supervisory Board Members. Any change in the Assisting Employee shall require the prior consultation of the Audit and Supervisory Board.

(2) Audit and Supervisory Board Members shall grasp the execution of duties by Director and other officers, by attending not only meetings of the Board of Directors, but also other important meetings such as meetings of the Management Committee.

(3) The administrative divisions of the headquarters, such as human resources, finance & accounting, and legal affairs, shall hold meetings with Audit and Supervisory Board Members and report on the execution of duties in a timely manner. Additionally, if any material breach of laws and regulations occurs, the relevant division shall immediately report this to Audit and Supervisory Board Members.

(4) Audit and Supervisory Board Members shall be reported from accounting auditors periodically and upon necessity.

(5) Audit and Supervisory Board Members shall hold periodic meetings with counterparts of domestic Group Companies and work to improve the auditing system from a unified group perspective by sharing information. Additionally, Audit and Supervisory Board Members shall grasp the execution of duties by Directors and other officers of Group Companies, by auditing major Group Companies in and outside Japan as necessary.

(6) The Company prohibits any disadvantageous treatment of any person that reports to Audit and Supervisory Board Members. The Company also seeks its Group Companies to prohibit any disadvantageous treatment.

(7) For expenses that are required in the execution of the Audit and Supervisory Board Members duties, they shall be borne by the Company as requested by the Audit and Supervisory Board Members.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development¹. Basic policy

The basic policy of the Company on this subject is that the Company and the Group Companies resolutely oppose and sever any relations with antisocial forces that threaten the order and safety of society.

2. Status of development of measures

(1) The Company has established a code of conduct for severing any relations with antisocial forces. It has also set forth provisions to the same effect in the Employment Regulations to ensure that the employees are aware of the code of conduct.

(2) The general affairs division of the head office of the Company is in charge of controls regarding response to antisocial forces of the entire Group. It also shares information with general affairs division of the entities of the Group, and works together with them to deal with antisocial forces and prevent transactions with them.

(3) The Company has established systems for cooperating with the police, attorneys-at-law, and other external organs.

(4) Before paying contributions to supporting members, etc. the Company conducts a prior examination of these payments to ensure that they are not problematic from a legal and corporate ethics sense.

V Other

1. Adoption of Takeover Response Policies (or Anti- Takeover Measures)

**Adoption of Takeover Response Policies
(or Anti- Takeover Measures)**

Not Adopted

2. Other Matters Concerning the Corporate Governance System Updated

<Outline of systems for the timely disclosure of information>

The important corporate information of the Company is collected by the Disclosure Committee under a system that ensures the fair, timely, and appropriate disclosure of information in accordance with the Timely Disclosure Rules and Other Regulations for Issuers of Listed Negotiable Securities or Valuable Instruments.

At each division of the Company and each affiliated company, there is a system in which information is comprehensively collected. Under this system, persons responsible for handling information subject to timely disclosure are appointed, and they report important corporate information that is resolved or arises in each division of the Company and each affiliated company to the Disclosure Committee.

The President of the Company or his/her delegate chairs the Committee, and the members consist of the people in charge of the accounting, general and personnel affairs, legal affairs and intellectual property, public relations and sustainability departments. The role of the Committee is to make prompt decisions on the necessity of timely disclosure, the content to be disclosed, the timing of disclosure, and other matters that are necessary for the timely disclosure of important corporate information.

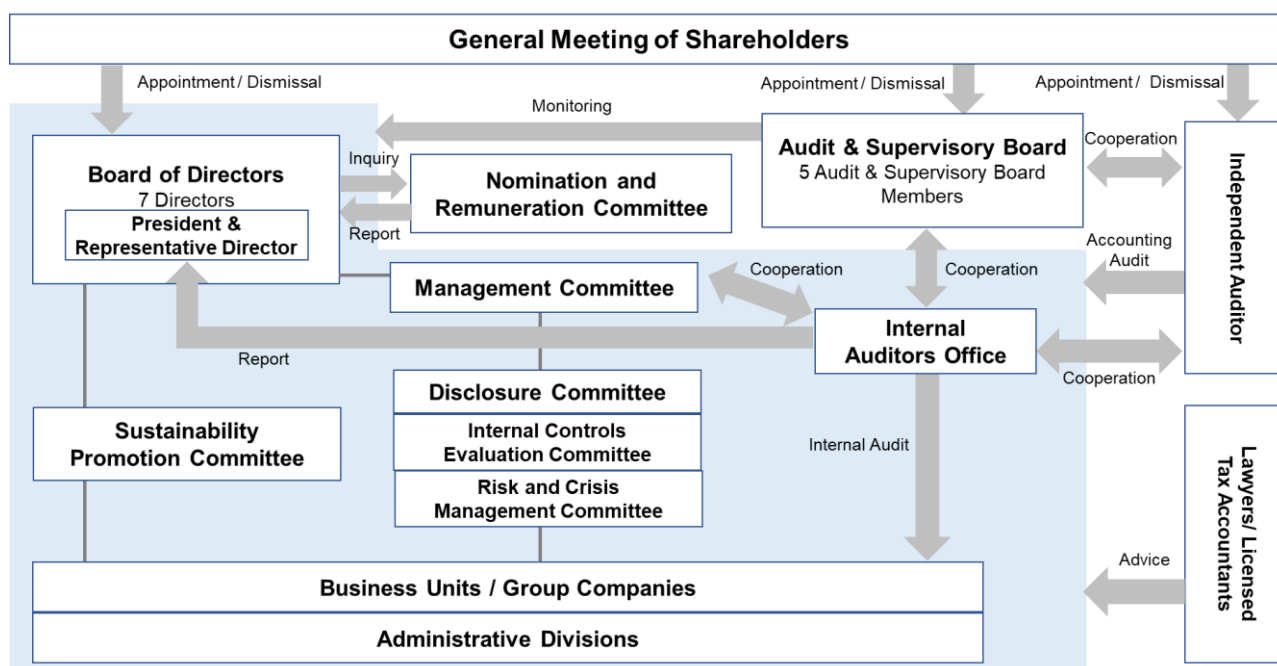
Information about management resolutions, business results, and the occurrences of facts that are determined to be subject to timely disclosure by the Disclosure Committee is reported to the President by the persons responsible for handling information subject to timely disclosure after the Committee determines the content to be disclosed, the timing of disclosure, and other matters. All this information is disclosed upon being approved by the Board of Directors. The board normally meets once a month, and temporary meetings of the Board of Directors are held when needed. The Board carries out decision-making in a speedy fashion. However, in regards to matters of absolute urgency among occurrences of facts, the relevant information is disclosed based on a decision made by the Disclosure Committee and is reported to the Board of Directors on a later date.

Regarding methods of disclosure, the Company conducts information disclosure via registration with the TDnet, and by posting information on the Company's website.

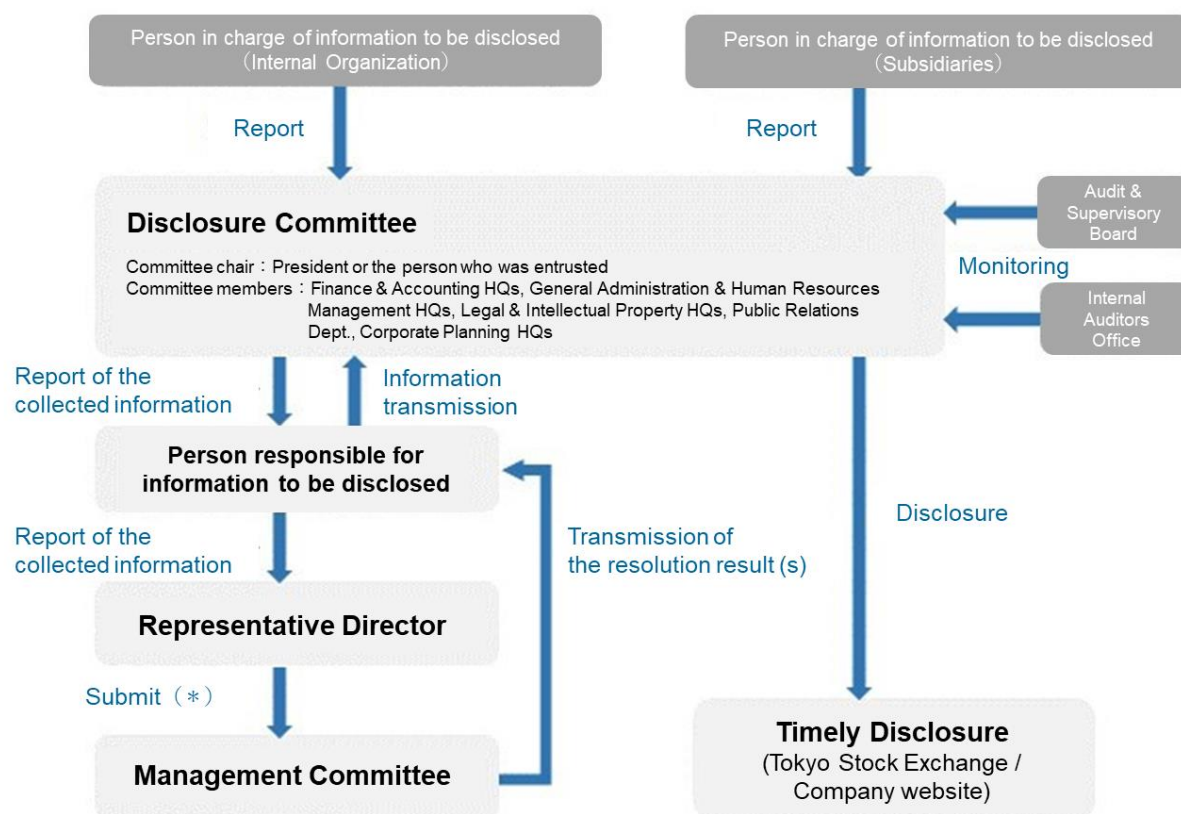
Furthermore, the Audit and Supervisory Board and the Internal Auditors Office confirm the sustainability and operating effectiveness of the systems for the timely disclosure of information by performing periodic audits to confirm that the Disclosure Committee functions properly.

The formats of the corporate governance structure, the outline of timely disclosure system and the skill matrix for the Directors are shown as below.

Corporate Governance Structure



The Outline of Timely Disclosure System



(*) In case of emergency, the Disclosure Committee reports to the Management Committee at a later date.

Skill Matrix for Directors

Name								
Title	Masachika Adachi	Minoru Mizoguchi	Hatsumi Hirukawa	Tsuyoshi Osato	Yoshio Osawa	Toshiharu Hasebe	Hiroko Kawamoto	Satsuki Miyahara
	President & Representative Director	Director, Senior Vice President	Director, Senior Vice President	Director, Vice President	Director Outside Independent	Director Outside Independent	Director Outside Independent	Director Outside Independent
Corporate Management	●	●	●	●	●	●	●	
Sales & Marketing	●		●		●	●	●	
Finance & Accounting				●				●
Human Resources		●					●	●
Legal Affairs & Risk Management	●	●	●	●				
IT Solutions & DX	●				●	●		

Outside Outside Director
 Independent Independent Director