

Roundtable Discussion between Outside Directors



Outside Director
Toshiharu Hasebe

Outside Director
Yoshio Osawa

Outside Director
Hiroko Kawamoto

Toward the Realization of More Sophisticated Management

Outside Directors Yoshio Osawa, Toshiharu Hasebe, and Hiroko Kawamoto sat down to discuss the current state of the Canon MJ Group's management, governance, and the significance of the newly established Purpose.

Taking Swift Steps toward the Next Stage of Growth

Osawa: Canon MJ's current business performance is extremely favorable, and the Medium-Term Management Plan (2022-2025) is also progressing smoothly. Although there are issues such as cash allocation that need to be addressed, we have mostly been able to implement the measures we have set forth to achieve our targets, which are beginning to pay off. The quality of management is steadily improving. The fact that we were able to increase our consolidated payout ratio target from 30% to 40% or more is the evidence of this. However, it is during a time of strong performance like now that we should be making efforts to improve the quality of management even further. Canon MJ's ROE currently stands at around 9%, but if we aim even higher to become an excellent company, anything below the 10% mark is not enough. In addition to improving labor productivity, we also need to further enhance the skills, awareness, and job satisfaction of our employees. Improvement in ROE should follow as a result.

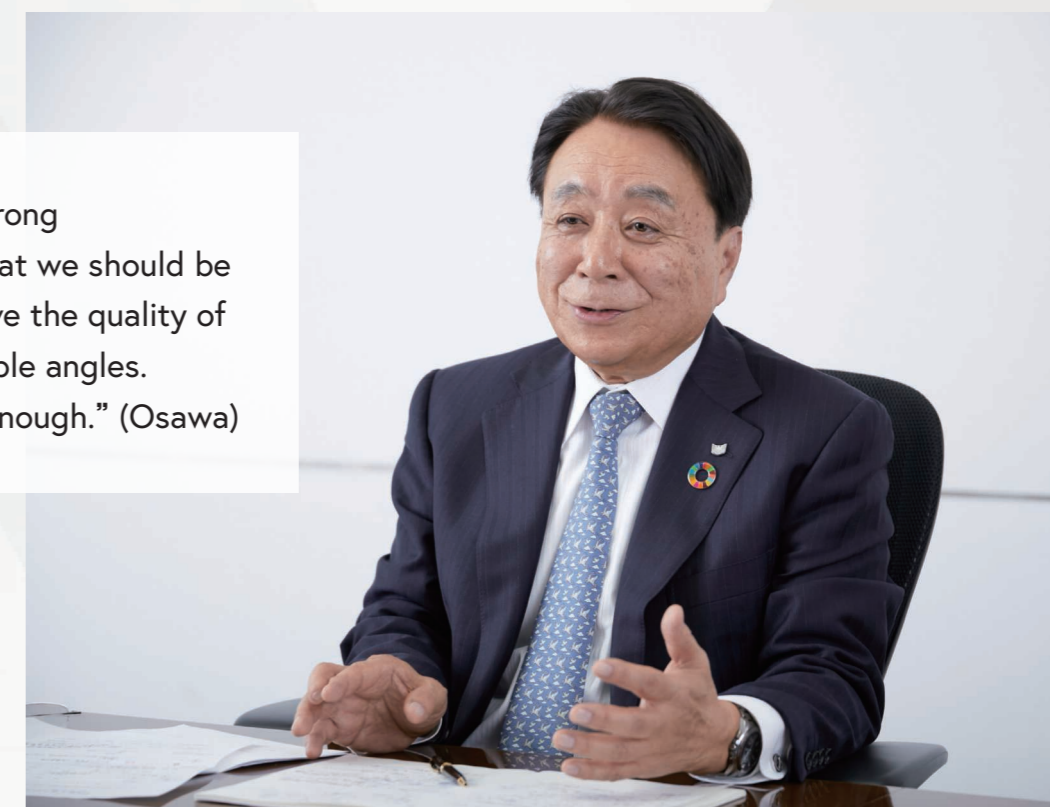
Hasebe: "Expand the stock business by establishing a service-type business model" is one of the targets set out in the Medium-Term Management Plan (2022-2025), and is an extremely important task for the Company's future. I place particular importance on speediness in achieving this target. While this has improved considerably since I was appointed as a director three years ago, in today's turbulent society, there are times when I feel that we are still not fast enough. We have to constantly question ourselves whether our current pace is really fast enough. Also, it is because we are performing well right now that we should step away from our current success model and take on new challenges geared toward medium- to long-term growth. We should not be content with success alone. The management team together with the employees and partner companies need to move on to the next step with an eye to the next five and ten years. In this sense, I believe

that the formulation of the Purpose that clearly points us to the direction we should aim for is very meaningful.

Kawamoto: With regard to the key topic of M&As, we made major moves to acquire Tokyo Nissan Computer Systems (currently TCS) last year and Primagest this year. While timing and speediness are especially important when it comes to M&As, the Board of Directors also checks other factors such as appropriateness of M&A deals. I must add that M&As are more about the post-acquisition process than the acquisition itself. It is important to examine whether it is really going well, and if it is not, why not. I think this is a major responsibility for us.

Osawa: We are a cash-rich company, and have received requests for more dividends from our shareholders. However, we have kept our dividend payout policy as it is based on a payout ratio of 30%, because cash is necessary for capital expenditure for facilities such as data centers, and carrying out M&As. Since I became a director six years ago, however, unfortunately Canon MJ had not been able to seize opportunities for growth investment through M&As. We stood by our stance and kept insisting, and finally a series of growth investment projects are coming to fruition through M&As. I think this is a result of tireless efforts on the management team's part thus far, as well as the shift toward thinking more seriously about cash allocation.

"It is during a time of strong performance like now that we should be making efforts to improve the quality of management from multiple angles. ROE of 9% or so is not enough." (Osawa)



Governance is Functioning Properly, Including Our Relationship with Parent Company Canon

Osawa: The Board of Directors engages in quite lively discussions, and the Nomination and Remuneration Committee and Audit & Supervisory Board also ensure fairly rigorous management. I believe that our governance is functioning properly. That being said, we recently established an additional committee, the Special Committee. As an advisory body to the Board of Directors, the committee is composed of independent outside directors, and deliberates over matters such as the risk of conflicts of interest occurring with Canon, the controlling shareholder, and ensuring transparency when conducting transactions, and delivers reports to the Board of Directors. Protecting the interests of minority shareholders is an important issue in corporate governance for a listed

subsidiary of Canon, and we have been paying close attention to this. With the establishment of this new committee, we have reemphasized this importance.

Hasebe: Rather than having a parent-subsidiary relationship, I feel that Canon MJ and Canon are on equal footing, akin to the relationship between manufacturing and sales divisions. Considering current technology represented by AI, business opportunities are expanding in various fields such as video imaging, healthcare, and office. Canon brand and its technologies are invaluable in these areas, and leveraging them should enable us to create even more value and contribute to society.

Roundtable Discussion between Outside Directors

However, given the fact that we are a parent-subsidary listing, we must give full consideration to the interests of minority shareholders. I believe that maintaining an appropriate distance from Canon is an important role as an outside director, through daily exchanges of opinions and discussions with senior management as well as within the Special Committee. At the same time, I feel that we need to spread more detailed information on the specific initiatives we are implementing to address conflicts of interest. There is still room for improvement in this area.

Kawamoto: I think there is still room for improvement in communication with investors. Rather than reacting after receiving an inquiry, I want Canon MJ to be more proactive and take the initiative in providing information. It is not a good look if we appear to be doing something because we have been told to. I am concerned that it may be perceived as a weakness in our ability to communicate.

Last fall, I participated for the first time in the Canon EXPO, held for the first time in eight years. The experience reaffirmed to me that Canon is a truly global company. As a member of a group that provides incredible value on a global scale, I would like Canon MJ to make an even bigger impact on Japanese society by creating value using these technologies.

Osawa: While the IT solutions business accounts for nearly half of the Group's total net sales, the greatest advantage it provides is the ability to deliver total solutions while leveraging the strengths of Canon products. Canon MJ has also benefited greatly from the Canon brand and its trustworthiness, which I am sure has also provided a considerable advantage in recruiting activities. Turning to the existence of conflicts of interest and the enhancement of transparency, I believe that we have no choice but to send out as much information as possible to the outside world.



“A welcoming, family-like corporate culture could become a weakness. I intend to keep asking ‘high-quality questions’ to check whether our logic is inward-looking.” (Kawamoto)

Formulation of the Purpose is of Great Significance for Medium- to Long-term Growth

Kawamoto: The Canon MJ Group recently established its Purpose of “Bringing together hopes and ideas with technologies to create a future beyond imagining.” When taking on the challenge of a new business, having a purpose serves as the basis as to why we are working with this company or group and the axis on which to go back to basics. If a sense of unity is fostered based on the view that we are working in accordance with this Purpose, this should generate synergies and have great significance over the medium to long term.

Osawa: As Canon MJ is a company with a long history, it has an excellent management philosophy and Code of Conduct. The Purpose, however, was established from the realization that it was necessary to explicitly state the significance of the company's unique presence in society. We spent about two years discussing in-house, raising awareness throughout the Group and carefully crafting it. It is more than just a slogan. It directly affects the motivation of employees in their daily lives and work, so it is directly linked to our management philosophy.

Hasebe: In order to transform our business model, we need to consider how to coordinate advanced, cutting-edge businesses with existing businesses. If we rush forward with nothing but unconventional ideas, it tends to create dissonance and tension with those involved in existing businesses that actually generate sizable earnings. If this happens, we will not be able to leverage our brand, customer base, or

The Role of Outside Directors

Osawa: I think it is wonderful that on top of our long history, we have a large, family-like corporate culture that warmly welcomes new businesses and personnel into our Group. The IT solutions business, which currently accounts for 40% of total net sales, is also the result of past large-scale M&A. In addition to my primary role as an independent outside director, I believe it is also important to provide advice on matters that warrant consideration and preparation with an eye to five or ten years down the line, while fully understanding and giving consideration to this corporate culture. Also, amid the steady decrease in Japan's labor force, I think that, in addition to improving productivity, we also need to tackle the issue of promoting the active participation of women and exploring the employment of non-Japanese people.

Hasebe: As I touched upon earlier, we need to carefully monitor whether we are carrying out reforms at a sufficient pace. Also, with Canon MJ coming under the constant scrutiny of

marketing power in our existing business fields in the development of new businesses. However, I believe that presenting and having our Purpose resonate with people will help clarify the direction the entire Group is aiming for, create a sense of unity, and ultimately enable us to utilize our competitive edge in existing business fields to develop new businesses. In this sense, our Purpose plays an important role.

shareholders and the outside world as a parent-subsidary listing, I think ensuring that Canon and Canon MJ engage in business with each other in a fair and transparent manner, and that information is disclosed to show that governance is functioning properly, is also our responsibility as outside directors. We need to make sure we fulfill this role.

Kawamoto: I also think that the Canon MJ Group is a family-like and welcoming company. This is both our strength and our appeal, but it could also become our weakness. As such, I try to objectively express my opinion from an independent standpoint, while also taking care that discussions do not become inward-facing or centered on our own internal logic. I intend to ask critical, high-quality questions, such as confirming the basis for decision-making and the processes behind discussions on business execution. I believe that continuing such dialogue will enhance the transparency and soundness of the entire organization, thereby leading to sustainable growth.

“In order to transform our business model, fostering a sense of unity throughout the company is a major task. Defining our Purpose that points us to the direction we are aiming for holds great significance.” (Hasebe)



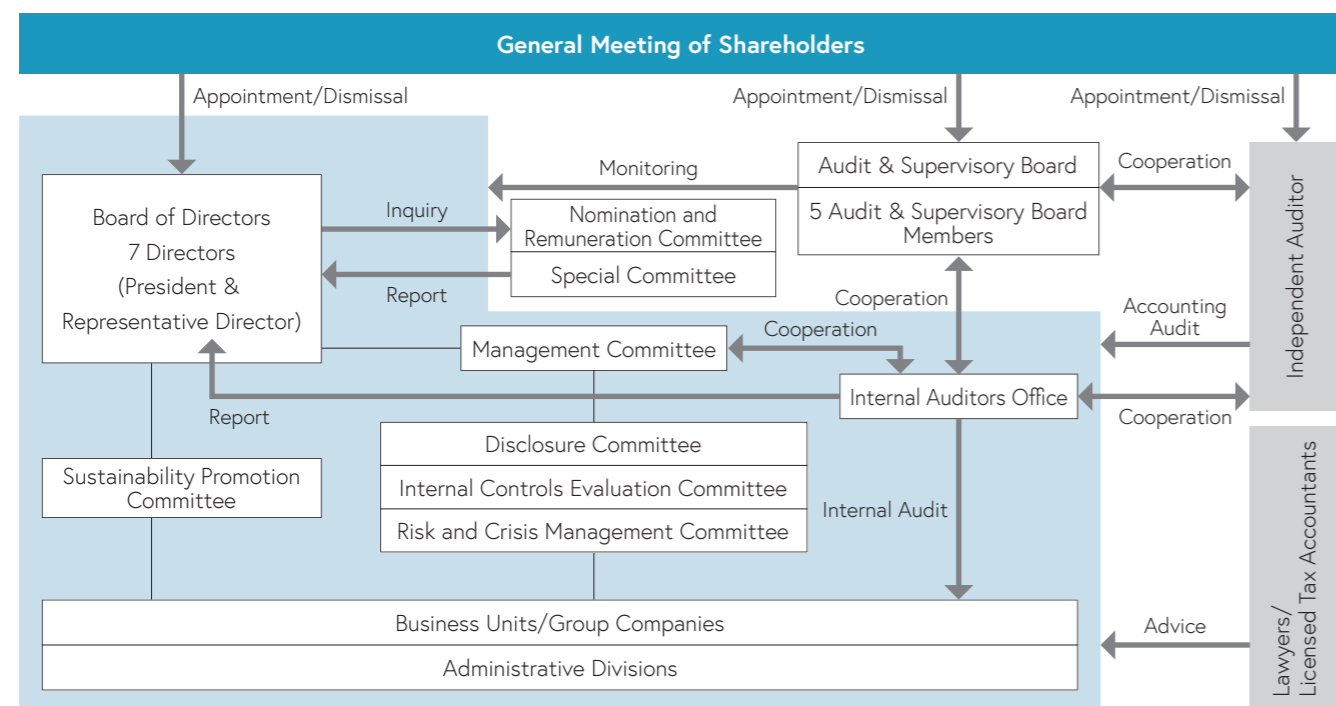
Corporate Governance

Basic Stance on Corporate Governance

We recognize that sustainable growth in corporate value requires ongoing improvement in such areas as management transparency and the monitoring of progress toward management targets. This is reflected in our wide-ranging initiatives to strengthen corporate governance.

Organizational Format	Company with Audit & Supervisory Board
Use of Executive Officer System	Yes

Corporate Governance Structure (As of March 29, 2024)



Status and Skills Matrix of Directors

Name	Position	Time in Office	Attendance at Board of Directors' Meetings in Fiscal 2023	Skills Matrix					
				Corporate Management	Sales & Marketing	Finance & Accounting	Human Resources	Legal Affairs & Risk Management	IT Solutions & DX
Masachika Adachi	President & Representative Director	9 years	100% (13/13) ★	●	●			●	●
Minoru Mizoguchi	Director & Senior Vice President	3 years	100% (13/13)	●			●	●	
Hatsumi Hirukawa	Director & Senior Vice President	4 years	100% (13/13)	●	●			●	
Tsuyoshi Osato	Director & Vice President	2 years	100% (13/13)	●		●		●	
Yoshio Osawa	Director	6 years	100% (13/13)	●	●				●
Toshiharu Hasebe	Director	2 years	100% (13/13)	●	●				●
Hiroko Kawamoto	Director	1 year	100% (10/10)	●	●		●		

★ Chairperson
 Note: Attendance at the Board of Directors' meetings for Hiroko Kawamoto is for meetings held after they were elected as directors at the 55th Ordinary General Meeting of Shareholders convened on March 29, 2023.

Principal Meeting Bodies

Board of Directors

Members: 7 in total
 Term of office: 1 year

Ratio of Outside Directors: 43%

Meetings held in fiscal 2023: 13 times

The Company maintains a structure in which the representative director oversees Companywide business strategies and execution while supervision of business domains and headquarters functions is primarily carried out by executive directors. There are three or more independent outside directors to ensure sound business management. In accordance with laws and ordinances, the Board of Directors monitors the making and implementation of important decisions. Other decisions are handled by the representative director or under their direction and supervision by executive officers whom the Board of Directors appoints through its resolutions to assume responsibility for making and implementing decisions for business domains and headquarters functions.

In fiscal 2023, the Board of Directors deliberated on investments for the Group's sustainable growth (M&A, the establishment of a corporate venture capital fund, etc.), sustainability management, rationale for strategic shareholdings, and the establishment of the Group Purpose.

Audit & Supervisory Board

Members: 5 in total
 Term of office: 4 years

Ratio of Outside Audit & Supervisory Board Members: 60%

Meetings held in fiscal 2023: 16 times

The Audit & Supervisory Board functions independently of the Board of Directors and comprises individuals who are familiar with the Company's business or corporate management and who have accounting or other expertise. At least two outside Audit & Supervisory Board members are persons who satisfy the independence standards and qualifications separately prescribed by the Board of Directors. The Audit & Supervisory Board cooperates 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 sound business management.

Nomination and Remuneration Committee

Members: 5 in total

Ratio of Outside Directors: 60%

The Company maintains a voluntary five-person Nomination and Remuneration Committee comprising the president & representative director, one director, and three independent outside directors. This Committee deliberates on the nomination of candidates for director, Audit & Supervisory Board member, and vice president positions, as well as considering the appropriateness of the remuneration system for directors and executive officers who are vice presidents or above, and reports to the Board of Directors.

In fiscal 2023, the Nomination and Remuneration Committee deliberated on the fairness of the nomination of new candidates for the Audit & Supervisory Board and vice presidents.

● Inside ● Outside

Holding of the Executive Officer Meeting attended by all directors, Audit & Supervisory Board members, and executive officers

The Executive Officer Meeting is held twice a year as a venue for intensive discussions on issues related to the transformation over the medium to long term or on urgent management topics and is attended by all directors, Audit & Supervisory Board members, and executive officers. The meetings are held at an off-site location over one and a half days to provide an opportunity to foster communication between officers. Sometimes study meetings are held in which lecturers, with expertise matching the meeting theme, are invited from outside the Company. In 2023, the meetings resulted in lively discussions on the growth of the IT solutions business, our human resources and investment strategies, and other areas of operations.

Corporate Governance

Internal Audit

The Internal Auditors Office is established as an independent organization dedicated to performing audits of the Company and operating under the direct supervision of the President of the Company. The Internal Auditors Office produces internal audit policies for Canon MJ and its subsidiaries, conducts audits and assessments and advises on all business activities from the perspectives of the credibility of financial reports, the validity and efficiency

of operations, legal compliance, and the conservation of assets.

The results of audits are reported regularly to the President, other directors, and the Audit & Supervisory Board. The auditors of Canon IT Solutions Inc. and Canon System & Support Inc. conduct assessments based on the same policies. The Canon MJ Group has 60 audit staff members.

Outside Directors and Outside Audit & Supervisory Board Members

Canon MJ has three outside directors and three outside Audit & Supervisory Board members. Pursuant to the consent of all Audit & Supervisory Board members and the approval of the Board of Directors, we implemented our Independence Standards for Independent Directors/Audit and Supervisory Board Members in order to clarify the standards for ensuring the independence of outside directors and outside Audit & Supervisory Board members in keeping with Japan's Corporate Governance Code and the independence criteria set by securities exchanges in Japan.

Our outside directors and outside Audit & Supervisory Board members satisfy the independence criteria and help maintain and improve the transparency and accountability of the Board of Directors.

The Company does not have dedicated organizations or employees to assist outside directors or outside Audit & Supervisory Board members in their duties. Executive directors and other officials provide outside directors with prior explanations of Board of Directors' meeting agendas as needed. Internal auditors, executive directors in charge of operations, and other officials provide outside Audit & Supervisory Board members with prior explanations of Board of Directors' meeting agendas as needed. Outside Audit & Supervisory Board members attend Audit & Supervisory Board meetings, as well as liaison meetings conducted as needed, to exchange information on important matters and audit details among Audit & Supervisory Board members.

Analysis and Evaluation of Effectiveness of the Board of Directors

We conducted a questionnaire for directors and Audit & Supervisory Board members and analyzed and evaluated the effectiveness of the Board of Directors.

The assessment criteria in fiscal 2023 were (1) deliberations of the Board of Directors, (2) the composition of the Board of Directors, (3) succession planning, and (4) the sufficiency or process of discussions.

The results of the questionnaire confirmed the overall effectiveness of the Board of Directors.

Going forward, we will strive to ensure and improve the effectiveness of the Board of Directors even further by

continuing to enhance discussions on matters to be considered by the Board of Directors as well as its composition, management training, and other matters. In this way, we will improve the decision-making function of the Board of Directors by incorporating the opinions of directors and Audit & Supervisory Board members obtained through the questionnaire into the operation of the Board of Directors, thereby achieving sustainable growth and increasing corporate value over the medium to long term.

Training Policy for Directors and Audit & Supervisory Board Members

The Company conducts training for directors and Audit & 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 fulfill 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, we provide outside directors and outside members of the Audit & Supervisory Board with opportunities to attend business report meetings and other meetings to help them attain a deeper understanding of our business.

Initiatives to Enhance Corporate Governance

2011	Adopts executive officer system
2014	Appoints one outside director
2016	Increases number of outside directors to two Establishes standards for independent outside directors Complies with the principles of Japan's Corporate Governance Code
2018	Establishes Nomination and Remuneration Committee

2021	Complies with the revisions to Japan's Corporate Governance Code
2022	Increases number of outside directors to three
2023	Appoints one female outside director
2024	Establishes Special Committee Appoints the Nomination and Remuneration Committee members whose majority are outside directors

Appointment and Nomination Procedures

To nominate director or Audit & Supervisory Board member candidates and appoint vice presidents (including successors and candidates for president & representative director), the president & representative director first nominates candidates from among those who fulfill the prescribed

requirements. Nominations are submitted at a meeting of the Board of Directors after the Nomination and Remuneration Committee confirms that they are fair and appropriate.

The Audit & Supervisory Board discusses and consents to nominees before deliberations by the Board of Directors.

Dismissal Procedures for Management Team Executives

Directors and Audit & Supervisory Board members can ask the Nomination and Remuneration Committee to deliberate on whether the dismissal of a representative director, executive director, or executive officer who is a vice president or above (collectively, "management team executives") is necessary if they have committed illegal, unfair, or treasonous acts; if they have failed to fulfill their roles; or if they have

otherwise proven themselves unfit as management team executives.

All results of Nomination and Remuneration Committee deliberations shall be submitted to the Board of Directors, regardless of the outcome of Board of Directors' deliberations on the necessity of dismissal. The management team executives subject to deliberations cannot join in discussions.

Remuneration for Senior Executives and Directors

Policies and Procedures for Determining Remuneration

The Nomination and Remuneration Committee verifies the appropriateness of the remuneration system for directors and executive officers who are vice presidents or above, including the standards for calculating basic remuneration and bonuses and the criteria for granting stock compensation-type stock options. The amount of individual remuneration is determined in line with the remuneration structure, of which basic calculation approaches were resolved at meetings of the Board of Directors and have been verified by the Nomination and Remuneration Committee. The total of basic remuneration and stock compensation-type stock options for directors must be less than the maximum total remuneration approved at general meetings of shareholders. Bonuses, however, are determined when proposals for them are approved at ordinary general meetings of shareholders.

Composition of Remuneration

Remuneration for the representative director and directors consists of basic remuneration, which is a fixed basic monthly fee for executing their roles and duties; a bonus linked to performance in the fiscal year; and stock compensation-type stock options as incentives to promote improvements in medium- to long-term business performance and corporate value. The same applies to remuneration for executive officers who are vice presidents or above.

Outside directors only receive basic remuneration.

With regard to the proportion of basic remuneration, bonuses, and stock compensation-type stock options, because we believe that it is important to engage with management from a medium- to long-term perspective, our basic approach is to emphasize the level and stability of basic remuneration. At the same time, with the aim of enhancing performance over the course of a single fiscal year, bonuses and stock compensation-type stock options for directors can account for up to approximately 30% and approximately 20% of basic remuneration, respectively.

Total remuneration, etc. for directors (millions of yen)

Directors (excluding outside directors)	221 (four directors)
Audit & Supervisory Board members (excluding outside members)	49 (two members)
Outside directors and outside Audit & Supervisory Board members	86 (seven directors and members)

Members of Nomination and Remuneration Committee

Masachika Adachi (Chairperson, President & Representative Director)
Minoru Mizoguchi (Director & Senior Vice President)
Yoshio Osawa (Outside Director)
Toshiharu Hasebe (Outside Director)
Hiroko Kawamoto (Outside Director)

Internal Controls

Based on the Companies Act, the Board of Directors has determined the basic policy for its internal control system to ensure appropriate business practices and the Company is deploying that system in line with the policy.

The Internal Controls Evaluation Committee has been established for the purpose of developing an internal control system for the entire Canon MJ Group, consisting of officials representing corporate departments and subsidiaries.

In accordance with the internal control reporting system under 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.

Corporate Governance

Protection of Minority Shareholders in Transactions with the Controlling Shareholder

The Company's controlling shareholder is Canon Inc. Important master agreements for transactions with the controlling shareholder are concluded following a resolution by the Board of Directors. In addition, for a risk of conflicts of interests occurring between controlling shareholder and minority shareholders 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 and delivers a report to the Board of Directors.

No arbitrary decisions are made on terms, etc. of transactions with the controlling shareholder. The Company acts appropriately and fairly in all transactions, not only those with its controlling shareholder, to avoid compromising its independence and interests and to safeguard the interests of all shareholders.

Members of Special Committee

Yoshio Osawa (Chairman, Outside Director)
Toshiharu Hasebe (Outside Director)
Hiroko Kawamoto (Outside Director)

Relationship with the Parent Company

(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 risk management related to compliance, internal control, and economic security, as well as measures for decarbonization and 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

Canon MJ sells and services Canon products. It also sells and services the products of other entities and provides IT solutions in response to customer needs. As a listed company that is independent of the parent company, we have a process that enables us to make decisions promptly and flexible financing methods. This allows us to broaden our non-Canon businesses. In addition, we can leverage our creditworthiness as a listed company to increase the number of customers and business partners, hire excellent human resources and keep our 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 currently serve as officers of the 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.

Basic Approach to and Preparations for the Exclusion of Antisocial Forces

1. Basic Policy

The Company and Group companies maintain a resolute approach to antisocial forces that threaten the order and

safety of civic society, and the basic policy is to eliminate all relationships with antisocial forces.

2. Status of Preparations

- In addition to setting out action guidelines to eliminate relationships with antisocial forces, the workplace regulations of the Company contain provisions to the same effect, and we work to ensure that employees fully comply with these guidelines and provisions.
- The general affairs division of the head office of the Company has been designated as the Group's control division in charge of responding to antisocial forces. It shares information on antisocial forces with the general adminis-

tration departments of the respective branches and works to prevent transactions, etc., with antisocial forces before they occur.

- A collaborative structure has been built with the police, attorneys-at-law, and other external organizations.
- Payments of contributions, etc., are examined in advance in order to confirm that there are no problems of legality or corporate ethics.

Strategic Shareholdings

The Canon MJ Group only holds shares of other listed companies when these shareholdings help to improve the corporate value and the medium- to long-term development of the Group, taking into consideration factors 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.

The Company reviews the reasonableness of individual reciprocal cross-shareholdings at meetings of the 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 value of transactions with investment targets and dividends and whether unrealized gains are commensurate with capital costs, on a regular basis each year.

As a result of the assessments, when it is judged that holding certain shares is no longer reasonable, the holding will be reduced through the sale of said shares.

As of December 31, 2022, the Company held 49 listed stocks, and as of December 31, 2023, the Company held 45 listed stocks, a decline from the 59 listed stocks held as strategic shareholdings as of December 31, 2021.

Policy for Constructive Dialogue with Shareholders

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,

briefings on long-term and medium-term management plans, financial results briefings, and interviews with major institutional investors.

Status of IR Activities

The Company aims to build long-term relationships of trust with everyone participating in capital markets and acquire suitable appraisals by making timely, appropriate, and fair disclosure of not only financial information but also non-financial information and by enhancing opportunities for dialogue.

In addition, we strive to report insights and assessments brought to light through dialogue to the Board of Directors,

the Management Committee, and other decision-making entities and reflect them in the Company's management in order to achieve improvements in corporate value over the medium to long term. We have established the Canon MJ IR Policy to clarify our stance on investor relations (IR) disclosure, which is disclosed on our investor relations website.

Results of Activities in Fiscal 2023

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 (9 interviews/year), officers in charge of IR (16 interviews/year), IR staff (102 interviews/year)
- Held small meetings about business fields (five meetings)
- Feedback of the evaluations of investors given to business managers

For individual investors

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



At Nomura IR Asset Management Fair 2024 in December 2023

*Interviewers: active investors, passive investors, growth fund managers, value fund managers, analysts in Japan and overseas

Directors and Audit & Supervisory Board Members (as of April 1, 2024)



1 President & Representative Director Masachika Adachi

Apr. 1982 Joined the Company
 Mar. 2013 Vice President
 Mar. 2015 Director & Senior Vice President
 Apr. 2015 Company President of Business Solutions Company
 Jan. 2018 Director of Enterprise Business Unit
 Apr. 2019 Director & Senior Vice President
 Mar. 2021 President & Representative Director and Executive President (present)

2 Director Minoru Mizoguchi

Apr. 1984 Joined the Company
 Apr. 2015 Group Executive of General Administration & Human Resources Management Headquarters (present)
 Apr. 2016 Executive Officer
 Mar. 2018 Vice President
 Apr. 2019 Director in charge of Group General Administration & Human Resources Management (present)
 Jan. 2020 Director in charge of Group Procurement, Director in charge of Group Logistics (present)
 Mar. 2021 Director (present)
 Mar. 2022 Senior Vice President, Director in charge of Group Legal & Intellectual Property (present)
 Jan. 2024 Director in charge of Secretarial Office (present)
 Mar. 2024 Senior Vice President (present)

3 Director Hatsumi Hirukawa

Apr. 1987 Joined the Company
 Jan. 2015 Senior General Manager of Business Solution Company Area Sales Headquarters Area Business Promotion Group
 Jul. 2016 Group Executive of Planning Headquarters
 Apr. 2017 Executive Officer
 Apr. 2019 Vice President
 Jan. 2020 Director in charge of Group Planning (present), Director in charge of Group Service & Support (present), Director of Service & Support Headquarters
 Mar. 2020 Director (present), Director in charge of Group Communication (present)
 Mar. 2021 Director of Marketing Headquarters Business Products Marketing Section
 Jan. 2022 Director of Marketing Headquarters (present)
 Mar. 2024 Senior Vice President (present)

4 Director Tsuyoshi Osato

Apr. 1988 Joined the Company
 Apr. 2014 Chief Executive of Administrative Headquarters of Canon IT Solutions Inc.
 Jul. 2018 Group Executive of Procurement Headquarters of the Company
 Mar. 2021 Vice President (present), Group Executive of Finance & Accounting Headquarters (present), Director in charge of Group Finance & Accounting (present), Director in charge of Group Auditing (present)
 Mar. 2022 Director (present), Director in charge of Group Procurement (present)

5 Director Outside Independent Yoshio Osawa

Apr. 1975 Joined Sumitomo Corporation
 Jun. 2003 Concurrent post as director of Sumitomo Computer Service Corporation (presently SCSK Corporation)
 Apr. 2005 Executive Officer of Sumitomo Corporation
 Apr. 2008 Managing Executive Officer of Sumitomo Corporation
 Jun. 2008 Representative Director and Managing Executive Officer of Sumitomo Corporation
 Apr. 2011 Representative Director and Senior Managing Executive Officer of Sumitomo Corporation
 Apr. 2013 Representative Director, Assistant to President and CEO of Sumitomo Corporation Adviser of SCSK Corporation
 Jun. 2013 Representative Director, President & COO of SCSK Corporation
 Apr. 2016 Chairman of the Board of the Directors, SCSK Corporation
 Mar. 2018 Outside Director of the Company (present)
 Jun. 2019 Outside Director of Citizen Watch Co., Ltd. (present)

6 Director Outside Independent Toshiharu Hasebe

Apr. 1979 Joined Nippon Telegraph and Telephone Public Corporation
 Apr. 2009 Member of the Board of NTT Communications Corporation
 Jun. 2012 Executive Vice President of NTT Communications Corporation
 Jun. 2014 President and Chief Executive Officer and Member of the Board of NTT Advertising, Inc., President and Chief Executive Officer and Member of the Board of NTT Publishing Co., Ltd.
 Jun. 2015 President and Chief Executive Officer and Member of the Board of Nippon Computer Arts, Inc.
 Apr. 2020 President and Chief Executive Officer and Member of the Board of DX Catalyst Inc.
 Mar. 2022 Outside Director of the Company (present)

7 Director Outside Independent Hiroko Kawamoto

Jul. 1979 Joined All Nippon Airways Co., Ltd.
 Apr. 2013 Director and Executive Officer, Deputy General Manager of Operation Division, Chief of Inflight Service Center of All Nippon Airways Co., Ltd.
 Apr. 2014 Managing Director and Executive Officer, Director for Promotion of Diversity, Deputy General Manager of Operation Division, and Chief of Inflight Services Center of All Nippon Airways Co., Ltd.
 Apr. 2016 Director and Senior Managing Executive Officer Director for Group Promotion of Diversity, Promotion Officer for the Tokyo Olympic and Paralympic Games of All Nippon Airways Co., Ltd.
 Jun. 2016 Outside Director of Sumitomo Mitsui Trust Bank, Limited
 Apr. 2017 Executive Vice President and COO of ANA Strategic Research Institute Co., Ltd.
 Jun. 2017 Outside Director of Renaissance Incorporated (present)
 Jun. 2017 Outside Director of Sumitomo Mitsui Trust Holdings, Inc. (present)
 Apr. 2020 Chairperson of the Board of ANA Strategic Research Institute Co., Ltd.
 Jun. 2020 Outside Director of East Japan Railway Company (present)
 Apr. 2021 Adviser of ANA Strategic Research Institute Co., Ltd.
 Mar. 2023 Outside Director of the Company (present)

8 Standing Audit & Supervisory Board Member Shiro Hamada

Apr. 1984 Joined the Company
 Apr. 2011 Deputy Chief Executive of Administrative Headquarters of Canon IT Solutions Inc.
 Jul. 2013 Senior General Manager of Finance & Accounting Headquarters
 Mar. 2016 Director
 Mar. 2016 Vice President
 Jan. 2018 Director in charge of Group Finance & Accounting and Group Auditing
 Mar. 2021 Executive Vice President & Director of Canon System & Support Inc.
 Apr. 2021 Director in charge of Audit Office, Planning Headquarters and Administrative Headquarters of Canon System & Support Inc.
 Mar. 2022 Standing Audit & Supervisory Board Member (present)

9 Standing Audit & Supervisory Board Member Yoshihiro Hashimoto

Apr. 1987 Joined the Company
 Jul. 2013 Senior General Manager of Imaging Product Support Group of Imaging System Business Headquarters of Imaging System Company
 Jul. 2020 Senior General Manager of Camera Headquarters of Consumers Business Unit
 Apr. 2021 Executive Officer
 Mar. 2023 Executive Officer in charge of Group Contact Center
 General Manager of Contact Center Headquarters
 President & Representative Director of Canon Customer Support Inc. (present)
 Mar. 2024 Standing Audit & Supervisory Board Member (present)

10 Standing Audit & Supervisory Board Member Outside Independent Iwao Hashimoto

Apr. 1984 Joined The Yasuda Fire & Marine Insurance Co., Ltd.
 Apr. 2010 General Manager of Eastern Hokkaido Branch of Sampo Japan Insurance Inc.
 Jun. 2012 General Manager of Osaka Corporate Sales Department No. 2 and General Manager in charge of Sales Promotion Office
 Apr. 2014 General Manager of Osaka Corporate Sales Department No. 1
 Sep. 2014 General Manager of Osaka Corporate Sales Department No. 1 of Sampo Japan Nipponkoa Insurance Inc. (presently Sampo Japan Insurance Inc.)
 Apr. 2016 Executive Officer and General Manager of Hokkaido Headquarters
 Apr. 2018 Executive Officer and General Manager of Kanto Headquarters
 Apr. 2019 Managing Executive Officer and General Manager of Kanto Headquarters
 Mar. 2020 Standing Audit & Supervisory Board Member of the Company (present)

11 Standing Audit & Supervisory Board Member Outside Seijun Suzuki

Apr. 1988 Joined Canon Inc.
 Jul. 2014 General Manager of Internal Control Management of Global Legal Administration Center
 Apr. 2017 Internal Auditor Senior Manager of Canon (China) Co., Ltd.
 Jan. 2020 Vice President in charge of internal audit and legal affairs
 Mar. 2024 Standing Audit & Supervisory Board Member of the Company (present)

12 Audit & Supervisory Board Member Outside Independent Shigeo Hasegawa

Jul. 1980 Registered as a Certified Public Accountant
 Jan. 2006 Head of Global Services Group of Tohmatsu & Co. (presently Deloitte Touche Tohmatsu LLC)
 Jun. 2010 Leader of IFRS Center of Excellence
 Apr. 2012 Specially-appointed Professor of Chuo Graduate School of Accounting, Professional Graduate School, Chuo University
 Mar. 2014 Standing Audit & Supervisory Board Member of the Company
 Mar. 2018 Audit & Supervisory Board Member (present)