

Corporate Governance

Basic Views and Structure

In order to establish a sound corporate governance structure and continuously raise corporate value, Canon Inc. (the "Company") believes that it is essential to improve management transparency and strengthen management supervising functions. At the same time, a sense of ethics and mission held by each executive and employee of a company is very important in order to achieve continuous corporate growth and development.

An Overview of Corporate Governance

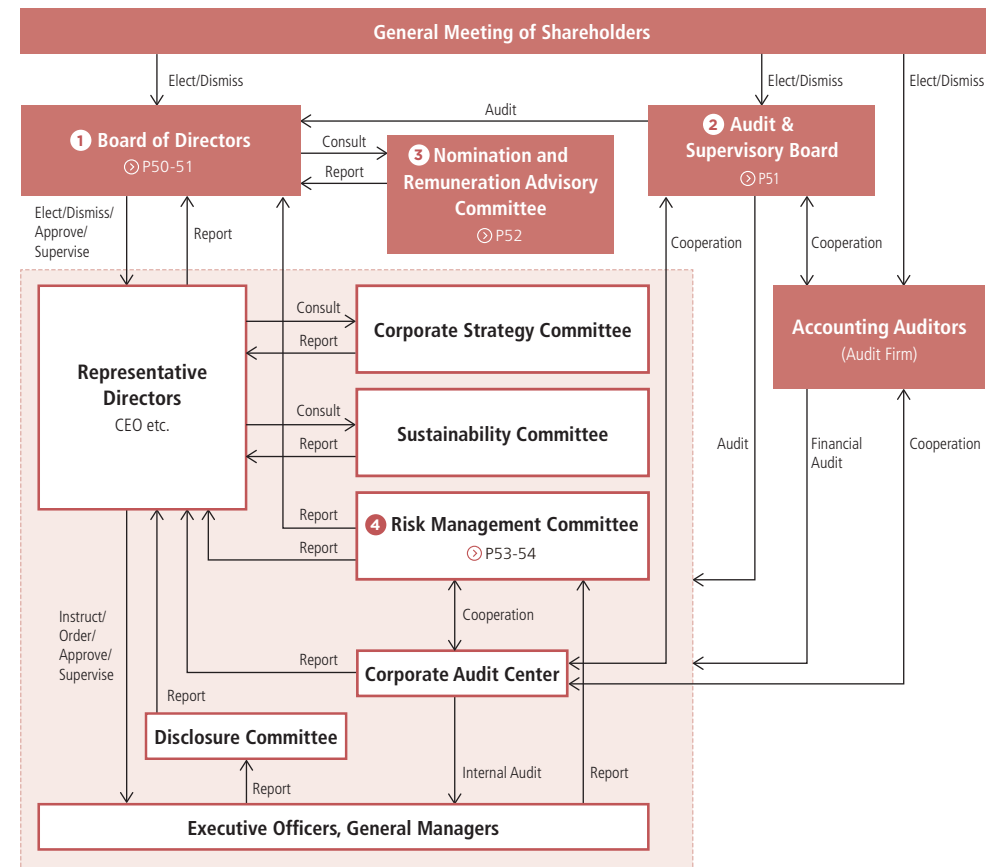
➤ <https://global.canon/en/ir/strategies/governance.html>

Governance Structure

Timeline

2010	Reduction in the number of Directors (from 25 to 17)
2014	Appointment of Outside Directors (two)
2015	- Appointment of female Executive Officer - Start of evaluation of Board of Directors' effectiveness
2016	- Reduction in the number of Directors (from 17 to 6) - Establishment of Nomination and Remuneration Advisory Committee - Establishment of the Independence Standards for Independent Directors/Audit and Supervisory Board Members
2024	Appointment of female Director Appointment of Ms. Akiko Ito as Outside Director Increase in the number of Directors (from 5 to 10) Increase in the number of Directors to enhance the functionality of the Board of Directors and to develop the next generation of management Establishment of the Sustainability Committee Established to share information and conduct preliminary deliberations with the aim of ensuring appropriate and effective judgement by the CEO and Board of Directors regarding sustainability-related matters that the Canon Group should respond to or address
2025	Appointment of female Audit & Supervisory Board Member Appointment of Ms. Yuka Shigetomi as Outside Audit & Supervisory Board Member
2026	Appointment of Mr. Kazuto Ogawa as President & COO Increase in the number of Outside Directors (from 4 to 5), increase in the number of female Directors (from 1 to 2) Appointment of Ms. Atsumi Arima as Outside Director

Corporate governance structure



* The light pink boxes represent the organizations executing operations.

➤ For details on each organization, please refer to the corporate governance section of Canon's website.
<https://global.canon/en/sustainability/governance/corporate-governance/management/>

Corporate Governance

(1) Board of Directors



Inside (6 persons)



Outside (5 persons)

While the focus of the organizational structure of the Board of Directors is on Representative Directors and Executive Directors, at least two Independent Outside Directors are appointed while also assuring that they account for one-third or more of the total number of Directors, in order to secure sound management. The Board of Directors, in accordance with laws and regulations, makes important decisions and supervises the execution of duties.

Except for the above, the CEO and other Representative Directors are active in decision making and execution, and under the direction and supervision of the Representative Directors, Executive Officers that are elected through resolution of the Board of Directors make decisions and execute operations of each business field or function.

Board Policies in the Appointment of Senior Management and the Nomination of Director Candidates

Director candidates are people that have the ability to fairly and effectively execute duties and, in principle, are selected from people that have met the following requirements, regardless of personal attributes such as gender, nationality, age, etc.

Requirements of Director candidates

Representative Directors and Executive Directors	Have a true understanding of the corporate philosophy and code of conduct of the Canon Group. At the same time, have broad familiarity with the Company's businesses and operations, gained through, for example, Executive Officer experience. Have the ability to make effective decisions that overlook multiple businesses and functions. In addition to this, the CEO shall be a person with the ability to lead the Canon Group, having, in particular, a wealth of knowledge and skill related to management and a clear vision and a strong sense of responsibility.
Independent Outside Directors	In addition to meeting the independence standard that is separately determined by the Board of Directors, have an abundance of experience and superior insight in areas that cannot be adequately covered by internally appointed directors in fields such as risk management, law, and economics.

Independence Standards for Independent Directors/Audit and Supervisory Board Members

The Company, taking into consideration Japan's Corporate Governance Code (Principle 4.9) and the independence criteria set by securities exchanges in Japan, established the Independence Standards for Independent Directors/Audit and Supervisory Board Members, in order to clarify the standards for ensuring independence of Outside Directors and Outside Audit & Supervisory Board Members of the Company. The Independence Standards for Independent Directors/Audit and Supervisory Board Members were resolved by the Board of Directors with the consent of all Audit & Supervisory Board Members.

Independence Standards for Independent Directors/Audit and Supervisory Board Members

► <https://global.canon/en/ir/strategies/governance.html>

Reasons for Appointment of Outside Directors

The Company appoints Outside Directors based on its Independence Standards for Independent Directors/Audit and Supervisory Board Members.

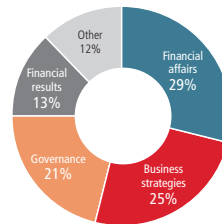
Classification	Name	Reasons for Appointment
Outside Directors	Yusuke Kawamura	Mr. Yusuke Kawamura has a wealth of experience as an Outside Director along with capacity as an expert with respect to financial and securities systems as well as strategy for managing financial institutions, given that he worked at a securities company and subsequently served in various positions, including as a university professor, a commissioner of councils of Japan's Ministry of Finance and Financial Services Agency, and an Executive Counselor of the Japan Securities Dealers Association. The Company has elected him as an Outside Director in hopes that he will furnish particularly useful advice, drawing on his wealth of experience and high level of expertise regarding finance and securities, especially when taking part in discussions on M&A and ESG-related topics from a shareholder and investor perspective.
	Masayuki Ikegami	Mr. Masayuki Ikegami has been involved in various matters, including corporate cases, in legal professions over many years, having served in important roles at the High Public Prosecutors Office in both Nagoya and Osaka and as a Justice of the Supreme Court for seven years. The Company has elected him as an Outside Director in hopes that he can provide insightful opinions and supervision, particularly regarding internal control systems and corporate governance, including from the perspective of ensuring corporate compliance, based on his abundant experience and advanced knowledge.
	Masaki Suzuki	Mr. Masaki Suzuki worked for many years at the Ministry of Finance, before transferring to the Ministry of the Environment, where he held important positions such as Vice-Minister. After retiring from the ministry, he also served as the representative director of a private financial institution. The Company has elected him as an Outside Director in hopes that he can provide insightful opinions particularly concerning the areas of corporate finance and environment, in addition to opinions and supervision based on his managerial experience at financial institutions which require a high degree of appropriateness and compliance.
	Akiko Ito	Ms. Akiko Ito joined the Ministry of Construction (currently the Ministry of Land, Infrastructure, Transport and Tourism) as a technical official, served as Director of Housing Bureau, and was subsequently responsible for policies for regional revitalization, including human resource development and job and town development, before becoming Commissioner of the Consumer Affairs Agency. Since retiring from the Consumer Affairs Agency, she has continued to engage in related fields, while serving as an outside director of corporations. The Company has elected her as an Outside Director in hopes that she can provide insightful advice and supervision, particularly from the perspective of clients, consumers, and organizational management.
	Atsumi Arima	Ms. Atsumi Arima has abundant practical experience and specialized knowledge from her time spent working at a major financial institution, where she served critical roles in its corporate advisory and international business departments. She also has plentiful experience as an outside director. The Company has elected her as an Outside Director in hopes that she can leverage this experience and her advanced knowledge of risk management in the field of finance to provide appropriate advice on the Company's management and supervision of business execution.

Corporate Governance

Board of Directors Meeting Status in 2025

Number of times held	10 times
Main agenda items	Status of execution of duties; performance reports and sales profit plans; direction of business strategy; risk management; evaluation of the effectiveness of the Board of Directors; Directors, Audit & Supervisory Board Members, Executive Officers, and other important personnel matters; significant organizational changes; convocation of the Ordinary General Meeting of Shareholders; review of strategic shareholdings; share buybacks; Canon Electronics TOB; integration of the medical business

Breakdown of agendas
at the Board of Directors



Analyzing and Evaluating the Effectiveness of the Board of Directors

Once a year, a questionnaire survey of Directors and Audit & Supervisory Board Members on the items below is conducted. Based on the result of the questionnaire survey, analysis and evaluations regarding the effectiveness of the entire Board of Directors are carried out at the Board of Directors' meeting.

- As for the operation of the Board of Directors (including the appropriateness of when documents are distributed, how often meetings are held, and the time spent deliberating)
- As for the roles (the decision making and supervisory function) of the Board of Directors (including the appropriateness of agenda items and agenda criteria of the Board of Directors as well as appropriateness etc. of content that is reported)
- As for the roles of Outside Directors and Audit & Supervisory Board Members (including the necessity of training, etc., regarding the understanding of company affairs and corporate structure)

In fiscal 2025, the Board of Directors made continuous efforts to vitalize deliberations at the Board of Directors, such as providing advance explanations on proposals to Outside Directors and the Audit & Supervisory Board, sharing information on management through the attendance of Outside Directors at Corporate Strategy Meetings, etc., regular exchanges of opinions between Outside Directors and the Audit & Supervisory Board. As not only directors in charge of business execution but also Outside Directors and Audit & Supervisory Board Members made positive and useful comments, it was evaluated that there were no problems with the effectiveness of the Board of Directors.

In the future as well, yearly analysis and evaluations will be continued and an overview of the results will be disclosed. At the same time, when necessary, efforts will be made to improve the running etc. of the Board of Directors meetings.

(2) Audit & Supervisory Board



As a body which is in charge of the audit of operations, under the principles of autonomy, which is independent from the Board of Directors, the Company has full-time Audit & Supervisory Board Members that are familiar with the Company's businesses or its management structure, and Independent Outside Audit & Supervisory Board Members that have extensive knowledge in specialized areas such as law, finance and accounting, and internal control. The Audit & Supervisory Board, which is composed of these individuals, cooperates with the Company's Accounting Auditors and internal audit division, oversees the status of duty execution of operations and corporate assets to secure the soundness of management.

In accordance with auditing policies and plans decided at Audit & Supervisory Board meetings, the Audit & Supervisory Board Members attend Board of Directors' meetings and other internal important gatherings such as Corporate Strategy Committee meetings. They are also able to listen to reports from Directors and employees, review documents related to important decisions, and conduct audits by investigating, etc., the situation of businesses and property of Canon Inc. and its subsidiaries. Additionally, the Office of Audit & Supervisory Board Members is independent from the control of the Directors, etc., and it has a dedicated staff. The Audit & Supervisory Board Members can order headquarters management and other operations to conduct investigations in cases of necessity. In this way, the Audit & Supervisory Board plays a role in monitoring management, conducting strict audits of directors' execution of duty, including the status of development of the internal control system. Furthermore, the Audit & Supervisory Board Members cooperate closely with the Accounting Auditors and the Company's internal auditing arm, and such cooperation services to improve each monitoring function.

Reasons for Appointment of Outside Audit & Supervisory Board Members

Canon appoints Outside Audit & Supervisory Board Members based on its Independence Standards for Independent Directors/Audit and Supervisory Board Members.

Classification	Name	Reasons for Appointment
Outside Audit and Supervisory Board Members	Yutaka Tanaka	Mr. Yutaka Tanaka had for many years served as a judge in charge of civil cases, and subsequently has been engaging in corporate legal affairs as an attorney and as a law school professor. The Company has elected him as an Outside Audit & Supervisory Board Member as it desires to leverage his considerable experience and high level of expert knowledge about legal affairs to further enhance the Company's auditing system.
	Yuka Shigetomi	Ms. Yuka Shigetomi has obtained practical experience in corporate accounting over many years as a certified public accountant in Japan, the U.S., and Hong Kong, as well as an abundance of international experience through her service at the overseas office of one of the world's largest audit firms. The Company has elected her as an Outside Audit & Supervisory Board Member because it expects that, in addition to her qualifications as an expert in corporate accounting, her wealth of knowledge on topics such as risk management and ESG from a global perspective will help the Company to conduct appropriate audits more effectively.
	Kaori Asakura	Ms. Kaori Asakura has been engaged for many years in securities analysis and other roles at a major life insurance company, and possesses highly specialized knowledge relating to economics and finance. She also manages overall business administration, including human resources, at the corporate group's think tank. The Company has elected her as an Outside Audit & Supervisory Board Member to leverage her abundant knowledge and experience to further enhance appropriate auditing of the Company.

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(3) Nomination and Remuneration Advisory Committee



With regard to the nomination of candidates for Directors and Audit & Supervisory Board Members and the election of Executive Officers (including the selection of a successor to the Chief Executive Officer position), the CEO recommends candidates from among those who are recognized to meet predetermined requirements, and after confirming the fairness and appropriateness of the recommendation by the Nomination and Remuneration Advisory Committee, the proposal of candidates is submitted to the Board of Directors for deliberation.

With the aim of ensuring the transparency and objectivity of the remuneration decision-making process as well as the validity of the remuneration system, the Committee, after examining the rationale of the remuneration system, including calculation standards of the basic remuneration, bonus, and the granting standards of stock-type compensation stock option plan, reports to the Board of Directors to the effect that the system is reasonable.

Succession Plan for the CEO

The succession plan for the CEO is one of the key themes that contributes to sustainable growth and medium- to long-term enhancement of corporate value. Through mechanisms such as senior management training programs, training programs for selected executive officers, and the accumulation of management experience gained through subsequent personnel transfers and involvement in Company-wide projects, the CEO, under their own responsibility, assigns tasks, checks and evaluates progress, and selects and develops candidates. This whole process is reviewed by the Nomination and Remuneration Advisory Committee. Executive Vice President & Director Kazuto Ogawa was selected through this same process before his appointment as President & COO in March 2026.

Executive Compensation

The remuneration of Representative Directors and Executive Directors consists of a basic remuneration, a bonus, and stock-type compensation stock options. As for the breakdown of remuneration, in view of the importance of addressing management from a medium- to long-term perspective, the Company's basic stand is to emphasize the level and stability of basic remuneration. In addition to this, consideration is also given to improved performance in a single year and the pursuit of shareholder interest.

Basic Remuneration	Approx. 50%	As remuneration for the performance of Directors' duties a fixed amount of remuneration is paid monthly. The amount is prescribed according to each Director's position and the degree to which the Director contributes in this role and the total remuneration amount is within the limit approved at the General Meeting of Shareholders.
Bonus	Approx. 30%	As a reward for Director service over a one-year term, Directors receive a bonus once a year for which consolidated income before income taxes is used as a financial indicator to measure the results of annual group-wide corporate activities. The total amount of the Director's bonus is determined by multiplying such consolidated income with a given predetermined coefficient that corresponds with the Director's position. It is also determined through individual assessment based on the degree to which the Director has contributed in this role. Matters including whether a payment is allowed or the total amount of bonus as calculated above, are deliberated during the General Meeting of Shareholders every year.
Stock-type Compensation Stock Options	Approx. 20%	Once a year, stock acquisition rights on the Company's shares are granted with the intent of providing additional incentive for Directors to further contribute to the improvement of medium- and long-term performance and raise corporate value through sharing the benefits and risks of share price fluctuations with the Company's shareholders. The total amount of the stock acquisition rights is within the amount approved at the General Meeting of Shareholders and the number of stock acquisition rights granted is calculated based on the amount determined by the Director's position, the consolidated income before income taxes in the previous year as well as the degree to which the Director has contributed in this role, and the stock price level at the time of grant. As remuneration is linked to the achievements throughout one's term in office, the Company has a system in place that allows the exercising of acquisition rights at the time of retirement.

Corporate Governance

(4) Risk Management Committee

At Canon, we recognize that to ensure proper operations and to continually improve corporate value, implementing and maintaining a management system to deal with significant risks that may arise in the course of business operations is vital.

Risk Management System

Based on a resolution of the Board of Directors, the Company set up the Risk Management Committee. Chaired by the CFO, the committee consists of three entities: the Financial Risk Management Subcommittee, the Compliance Subcommittee, and the Business Risk Management Subcommittee.

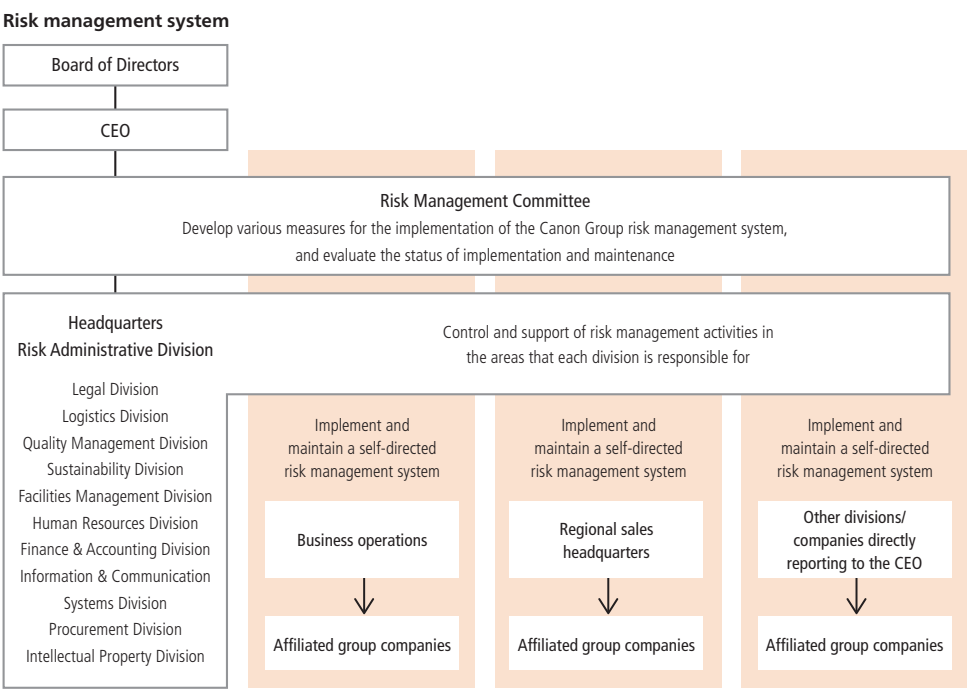
The Risk Management Committee develops various measures to implement Canon’s risk management system, including identifying any significant risks that the Group may face in the course of business, including violations of laws and regulations or corporate ethics, inappropriate financial reporting, environmental issues, quality issues or information leaks.

The Company’s administrative divisions responsible for various risks associated with business activities, including the Legal Division, Logistics Division, Quality Management Division, Human Resources Division, Finance & Accounting Division, belong to the relevant subcommittee and according to their areas of responsibility, control and support the risk management activities of Company divisions as well as companies of the Canon Group.

Under this system, Company divisions and companies of the Canon Group implement and maintain self-directed risk management systems and make yearly reports to the Risk Management Committee on the results of activities. Having received the report of each subcommittee, division, and group company, the Risk Management Committee evaluates the status of implementation and maintenance of the risk management system and reports its findings to the CEO and Board of Directors. The evaluation conducted in 2025 found no material flaws in the system.

Processes for implementation and maintenance of risk management system

P	D	C	A
Risk Management Committee and Board of Directors - Develop various measures including the identification of significant risks Divisions and Group companies - Formulate annual risk management policies and plans	Divisions and Group companies - Establish appropriate rules and workflows - Carry out employee education - Conduct audits and checks	Divisions and Group companies - Evaluate the status of implementation and maintenance Risk Management Committee, CEO and Board of Directors - Confirm results of evaluation	Risk Management Committee and Board of Directors Discuss various measures of the risk management activity in the next fiscal year



Group-wide Risk Management Communication

At the Company, during training programs for newly appointed executives of Canon Group companies, participants are educated on the importance of autonomously implementing and maintaining a risk management system at each company, and the role and responsibilities of executives in implementing and maintaining such systems. Furthermore, at the Company and Canon Group companies in Japan, we distribute the Canon Group Risk Management Handbook to directors and executives. In the training program for newly appointed general managers and managers, the handbook is used to educate them on the importance of risk management and the role of management in constructing the risk management system. In addition, an intranet site provides all Canon Group employees with timely information, including our approach to risk management and updates on activities.

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Financial Risk Management

The Company's internal control over financial reporting is maintained and performed in accordance with the basic framework of internal control established in the revision of the "Standards and Practice Standards for Management Assessment and Audit concerning Internal Control over Financial Reporting (Opinion)" issued by the Business Accounting Council. The Financial Risk Management Subcommittee carries out activities to strengthen internal controls pertaining to financial risks for the entire Canon Group, including compliance with Japan's Companies Act and Financial Instruments and Exchange Act. Specifically, the Subcommittee works to achieve qualitative improvements in ensuring the reliability of financial reporting across the entire Group by supporting autonomous activities and voluntary education at each Group company and ensuring that each company takes the initiative in implementing a PDCA cycle for business procedures regarding financial risks.

Promoting Compliance

The Compliance Subcommittee works to promote corporate ethics across the Group in accordance with the Canon Group Code of Conduct, developing and regularly reviewing the Group's compliance system. As a result of these initiatives, Canon had another year free from material fines or other sanctions in 2025.

Promoting Business Risk Management

The Business Risk Management Subcommittee is responsible for identifying significant operational risks in terms of their potential impact and managing them. Action policies and plans for each identified significant risk are decided in cooperation with the responsible divisions across the Group, and system implementation and risk mitigation activities are promoted through each business division and the responsible division at each Group company.

Addressing Cybersecurity Risks

As for information security risks that are an increasing global threat, while working on countermeasures against information leakage from within the Group and cyberattacks from outside, we are also taking other steps such as raising the awareness of employees at a Group-wide level. In the unlikely event that an information security incident occurs, we have established a dedicated team, CSIRT*, to deal with it promptly.

Furthermore, since we are working to boost the convenience of our products and services by connecting them to the cloud and smartphones via networks, as a key initiative, we are working on countermeasures against cybersecurity risks, such as leakage of personal and confidential information, from the development stage.

* Computer Security Incident Response Team: (a general term that refers to an organization that deals with incidents and accidents related to computer security)

Listed Subsidiaries

Views and Policies on Group Management

The Company, from a Group management perspective, has conducted reviews of listed subsidiaries. The Company made Canon Electronics into a wholly owned subsidiary this year, so there is now only one listed subsidiary, Canon Marketing Japan Inc. ("Canon MJ"). The Company believes that if each company in the Canon Group, including Canon MJ, fulfills its social responsibility through corporate activities rooted in Canon's corporate philosophy of *kyosei*, and continues to strive to realize *kyosei*, this will lead to sustainable growth and medium- to long-term improvement in corporate value.

From the perspective of risk management, the Company is further promoting the sharing of policies and information and the development of systems throughout the Group, including Canon MJ, in order to control risks related to compliance, internal control, and economic security, and to carry out activities related to sustainability, such as measures to address decarbonization and global warming, and efforts to respect human rights. On the other hand, from the viewpoint of respecting the interests of minority shareholders of the Company and Canon MJ, the Company considers it an important management policy of the Canon Group to continue a system that enables Canon MJ to conduct flexible management while maintaining a high degree of independence from the Company. Therefore, the Company does not intervene in the decisions of Canon MJ on specific matters. We will also review the effectiveness of subsidiary listings as necessary to ensure that business activities are carried out under an optimal structure at all times in this ever-changing business environment.

Corporate Governance

Significance of Holding Listed Subsidiaries

Canon MJ not only sells Canon products but also operates its own IT solutions and other businesses. While leveraging the strengths of being a part of the Canon Group, the company maintains its listing to ensure managerial independence, enabling faster decision-making, and more agile business development. Being listed also helps attract top talent in software development, expand business relationships through the credibility of being a listed company, and keep employees motivated. Overall, the Company decided that remaining listed maximizes the value of the entire Canon Group.

Measures to Ensure the Effectiveness of the Governance System of Listed Subsidiaries

Canon MJ operates independently of the Company. In addition, none of the Company's officers hold officer positions within Canon MJ. To improve governance, Canon MJ established a Nomination and Remuneration Advisory Committee, the majority of whose members are Independent Outside Directors. The Company fully respects the decisions of the committee in the election and dismissal of Directors and the remuneration determination process.

In addition, in transactions between the Company and Canon MJ, the Company endeavors not to unduly harm the interests of minority shareholders by, for example, applying arms-length rules from the viewpoint of ensuring appropriateness of transactions. Canon MJ has a special committee that deliberates and reviews the risks of conflicts of interest between controlling shareholders and minority shareholders and strives to mitigate such risks.

Making Canon Electronics a Wholly Owned Subsidiary

In April 2026, Canon Electronics was made a wholly owned subsidiary. The purpose of this was to improve profitability and raise capital efficiency in Canon Electronics Inc.'s existing businesses and to expand its space-related business, where strong growth is expected. As the parent company, the Company will make effective use of resources across the Canon Group and swiftly realize synergies.

Constructive Dialogue with Shareholders

For sustainable growth and to help improve corporate value over a medium- to long-term perspective, the Company engages in constructive dialogue with shareholders through ordinary general meetings of shareholders, corporate strategy conferences, financial results conferences, and interviews with major institutional investors.

Structure to Promote Dialogue

Investor Relations (IR) and Shareholders Relations (SR) departments are responsible for working with related departments and promoting dialogue, and the entire structure is overseen by the Vice Chairman & CFO. For analysts and institutional investors, the CEO hosts an annual corporate strategy conference, and the CFO hosts quarterly financial results conferences. In addition, we continue to provide prompt and accurate disclosure of business conditions by posting materials on the Company's website. Furthermore, we established an English IR website for overseas investors, to disclose the same information at the same time as in Japan.

Additionally, the Company provides opportunities to meet with Executive Officers, Outside Directors, Audit & Supervisory Board Members, etc. as necessary, to engage in dialogue with analysts and institutional investors in Japan and overseas. As for the opinions or requests that are obtained through dialogue with shareholders, accordingly, the department in charge reports to the CFO and the CFO reports important ones to the CEO or the Board of Directors.

Status of Dialogue with Shareholders

The Company actively provides opportunities for dialogue and information provision throughout the year. IR, SR, the Director that heads both divisions, the sustainability division, the human resource management division etc. engage in dialogue according to the subject. In addition, individual meetings with management and Outside Directors are conducted in response to investor requests when appropriate.

The dialogue covers a wide range of topics, including business performance, business policies, governance, and sustainability matters. As for the Company's position on governance and other SR-related matters, Canon listens attentively to investors' expectations, opinions, and guidelines for exercising voting rights and we make efforts to explain our position through open and honest dialogue.

The opinions received through dialogue are shared with Directors and used as reference for management. Through this, we strive to enhance corporate value.

Outside Director Interview

Steady progress on governance reforms



Outside Director
Yusuke Kawamura

Worked at Daiwa Securities and served as a professor in the Faculty of Economics at Nagasaki University, Deputy Chairman of Daiwa Institute of Research, and Executive Counselor of the Japan Securities Dealers Association. Appointed as an outside director of Canon Inc. in March 2021.

Appropriate and timely deliberation of tender offer and business integration

— What do you consider important when carrying out your duties as an outside director?

The fundamental mission of an outside director is to implement rigorous oversight as to whether management is being conducted in a manner that contributes to the creation of shareholder value, and whether decision-making processes are appropriate. I draw on my experience in observing corporate management from an investor's perspective, and participate in discussions at Board meetings and with the CEO in light of the expectations the capital markets have for the Company. In addition, by hearing the details of initiatives and challenges from the officers in charge of each business, and personally visiting development and production sites, I strive to enhance the accuracy of my judgments during Board meetings and in other situations.

— How did you address key agenda items of Board meetings in fiscal 2025?

In fiscal 2025, the integration of the medical business and the tender offer for Canon Electronics were particularly important agenda items. On both matters, we engaged in discussions exhaustively yet expeditiously over an extended period, and I determined that the decision-making process was appropriate. The decision to integrate the medical business was approved unanimously as an effective measure to achieve strong profitability and high growth. All outside directors also approved the tender offer for Canon Electronics from the perspectives of enhancing corporate value and

avoiding potential conflicts of interest. Each outside director, drawing on their expertise, discussed matters such as incorporating the space business—for which the market has high expectations—into the next five-year management plan (Phase VII) and realizing synergies through full ownership and effective use of management resources.

Sustainable management structure is driving transformation

— What is your assessment of Canon's corporate governance?

Canon's corporate governance has evolved significantly in recent years. The number of outside directors has increased from two men to five members in total (three men and two women), further strengthening the independence and supervisory functions of the Board. Also, with an eye toward developing the next generation of management personnel, the Company is steadily formulating and implementing a succession plan. For example, it increased the number of internal directors by three in 2024, and this year, one of those directors, Kazuto Ogawa, was appointed as President & COO. In addition, with the establishment of the Corporate Governance Center, not only IR activities but also SR activities have been energized, dialogue with investors has deepened, disclosure has expanded, and a mechanism has been developed to ensure that the information gained through these activities is reliably communicated to the management team, including outside directors.

Canon's internal directors possess significant expertise and extensive experience, while the outside directors contribute to the Board by leveraging their broad-ranging perspectives on economic trends both in Japan and overseas; as well as their ample knowledge of law, governance, financial and securities markets, and ESG; and substantial administrative experience. I myself leverage my experience as an outside director at multiple companies and strive to ensure that Canon's governance bears fruit. However, I do feel that some aspects of this robust framework are not being sufficiently communicated to external stakeholders.

— What are the key focus areas of Phase VII of the Excellent Global Corporation Plan?

In the midst of this highly uncertain business environment, I am confident that the new management structure led by Chairman & CEO Fujio Mitarai and President & COO Kazuto Ogawa will vigorously drive further transformation that leads to growth. Under the corporate philosophy of *kyosei* and by demonstrating the so-called San-ji (Three Selfs) Spirit, I expect the Company to further evolve into a more resilient corporation, achieving higher profitability and operating at a new level of excellence by refining its existing businesses and expanding into new areas such as medical and space, while also broadening its business domains through M&As and the like. I believe that by effectively utilizing indicators like ROE and ROIC in each business and balancing growth with efficient financial strategies, Canon can further strengthen its ability to uphold the mandate of its stakeholders. As an outside director, I will continue to work toward achieving these goals.

Directors, Audit & Supervisory Board Members, and Executive Officers (as of April 1, 2026)

Directors

										
Fujio Mitarai	Toshizo Tanaka	Toshio Homma	Kazuto Ogawa	Hiroaki Takeishi	Minoru Asada	Yusuke Kawamura	Masayuki Ikegami	Masaki Suzuki	Akiko Ito	Atsumi Arima
Chairman & CEO	Vice Chairman & CFO	Vice Chairman & CTO	President & COO	Senior Managing Director	Senior Managing Director	Outside Independent	Outside Independent	Outside Independent	Outside Independent	New Outside Independent
	Senior General Manager, Corporate Governance Center	Head of Printing Group	Group Executive, Global Marketing Strategy Headquarters	Head of Industrial Group Chairman & CEO, Canon Tokki Corporation	Group Executive, Finance & Accounting Headquarters Chief, PSI Optimization Project	Mar. 2021 - Director	Mar. 2024 - Director	Mar. 2024 - Director	Mar. 2024 - Director	Mar. 2026 - Director

Director Skills Matrix

Canon Inc. operates businesses globally with very different market environments. As a whole, the Board of Directors, which oversees important decision-making and execution, needs to possess skills in the following seven areas.

Corporate Management	●		●	●	●	●				
Global Understanding	●	●	●	●	●	●				
Business Experience			●	●	●					
Technology and Development			●		●					
Finance and Accounting	●	●				●	●		●	
Risk Management	●	●		●		●	●	●	●	●
ESG	●	●				●	●	●	●	●

* The table above indicates up to five areas in which we expect each person to particularly demonstrate their skills. It does not represent the entirety of each person's experience, knowledge, or skills.

Explanation

Corporate Management	Skills as a senior level executive of a listed company that does business globally, and the like	Finance and Accounting	Skills as a financial accounting expert, derived from being a financial accounting officer of a listed company, a certified public accountant, etc.
Global Understanding	Global awareness/ experience obtained through working overseas, global marketing, etc.	Risk Management	Skills as an expert in risk management, including compliance, and internal control systems
Business Experience	Business management skills in the Company's business domain	ESG	Knowledge and experience in ESG
Technology and Development	Knowledge and R&D experience in the Company's core competence technologies		

The career summaries, concurrent positions, and reasons for appointment of each director are disclosed in the Notice of Convocation of the Ordinary General Meeting of Shareholders

▶ <https://global.canon/en/ir/share/meeting/e125conv.pdf>

Directors, Audit & Supervisory Board Members, and Executive Officers (as of April 1, 2026)

Audit & Supervisory Board Members

Full-time Audit & Supervisory Board Members



Ikuko Naruse

New

Mar. 2026 -
Full-time Audit &
Supervisory Board
Member



Takeshi Morikawa

Mar. 2025 -
Full-time Audit &
Supervisory Board
Member

Audit & Supervisory Board Members



Yutaka Tanaka

Outside

Mar. 2019 -
Audit & Supervisory
Board Member



Yuka Shigetomi

Outside

Mar. 2025 -
Audit & Supervisory
Board Member



Kaori Asakura

New Outside

Mar. 2026 -
Audit & Supervisory
Board Member

Executive Officers

Executive Vice President

Hideki Ozawa

Chairman & CEO, Canon (China)
Co., Ltd.

Toshio Takiguchi

Head of Medical Group
Chairman, Canon Medical Systems
Corporation

Go Tokura

Head of Imaging Group
Chief, Space Business Planning Project

Senior Managing Executive Officers

Seymour Liebman

Executive Vice President,
Canon U.S.A., Inc.

Takayuki Miyamoto

Deputy Chief Executive,
Medical Systems and Components
Operations

Katsumi Iijima

Group Executive,
Digital Business Platform Development
Headquarters
Chief, AX Strategy Project

Takashi Takeya

Group Executive,
Procurement Headquarters

Hisahiro Minokawa

Group Executive,
Human Resources Management &
Organization Headquarters

Ritsuo Mashiko

President, Oita Canon Inc.

Managing Executive Officers

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Deputy Chief Executive,
Medical Systems and Components
Operations

Yoichi Iwabuchi

Group Executive,
Information & Communication Systems
Headquarters

Tamaki Hashimoto

Unit Executive,
Solution & Recurring Product Business
Unit

Katsuhiko Shinjo

Group Executive,
Core Technology Development
Headquarters

Masaki Omori

Group Executive,
Production Headquarters

Takeshi Ichikawa

Group Executive,
Device Technology Development
Headquarters

Hideki Sanatake

Group Executive,
Corporate Intellectual Property and
Legal Headquarters

Saijiro Endo

Senior General Manager,
Digital Printing Development
Technology Planning &
Management Center

Isao Kobayashi

President & CEO, Canon U.S.A., Inc.

Yoshiyuki Koshimizu

Senior General Manager,
Digital Printing Business Planning &
Management Center

Toshiyuki Ishii

President & CEO,
Canon Singapore Pte. Ltd.

Masahide Kinoshita

Chief Executive,
Peripheral Products Operations

Hidetoshi Kotani

Unit Executive,
IMG Business Unit 3
Deputy Chief,
Space Business Planning Project

Shunji Sawa

Plant Manager, Toride Plant

Makoto Kambe

Group Executive,
General Affairs Headquarters
Group Executive,
Sustainability Headquarters
Director, Eagles Athlete Club
Promotion Center

Hiroto Fujimori

Group Executive, Corporate
Communications Headquarters

Executive Officers

Toshiyuki Matsuda

Deputy Chief Executive,
Peripheral Products Operations

Hiroto Okawara

Executive Manager,
Medical Systems and Components
Operations

Katsuhito Sakurai

Unit Executive,
Device Development Unit

Takahito Miura

Senior General Manager,
Global Legal Administration Center

Seiya Miura

Unit Executive,
Semiconductor Production Equipment
Unit

Shinichi Yoshida

President & CEO, Canon Europa N.V.
President & CEO, Canon Europe Ltd.

Hisashi Tachizaki

Deputy Chief Executive, Medical
Systems and Components Operations
President, Canon Healthcare USA, Inc.

Kohei Iida

Senior Principal Analyst,
Global Marketing Strategy
Headquarters

Yasufumi Inoue

Senior General Manager,
Global Logistics Management Center

Manabu Kato

Unit Executive, IMG Business Unit 1

Yuki Sudo

Senior General Manager,
Human Resources Management &
Organization Center

Akira Yoshida

President,
Canon Production Printing Holding B.V.

Kazumasa Yoshikawa

Unit Executive, IMG Development Unit

Eisuke Katsuyama

Group Executive,
Public Affairs Headquarters

Kazuhiro Tomoi

Deputy Group Executive,
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