Canon Marketing Japan Inc.

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Canon Marketing Japan Group Website

- Corporate Information
  corporate.jp.canon/en
- Investor Relations
  canon.jp/8060e-ir
- Sustainability
  canon.jp/corporate/en/sustainability

Canon
Canon Marketing Japan Inc.

Resolving

Social Problems with IT Solutions

Integrated Report 2024

For the year ended December 31, 2024

We are a MIRAI Marketing Company

We seek to deeply understand our customers, and work with a wide range of partners to bring together hopes and ideas with various technologies, and create a future beyond imagining. The Canon Marketing Japan Group is a MIRAI Marketing Company.

What kind of future will the Canon MJ Group create?

What is a MIRAI Marketing Company?

To The FUTURE

Wouldn't it be great if a future came where we could work with extraordinary efficiency or live with complete peace of mind?

The Canon Marketing Japan Group, aims to leverage its people, technology, and customer base to the maximum extent to tackle all kinds of social issues.

We connect your aspirations with technologies and continuously make possible those surprising "Really? Even this?!" moments.



Toward an Ultra-Exciting Future

The Canon MJ Group provides solutions that address increasingly complex customer needs and social issues.

Why not take a closer look at how we're working to create an ultra-exciting future?

Go Next



President & Representative Director

Masachika Adachi

Leveraging Our Strengths to Broaden Solutions to Social Issues and Achieve Steady Growth

Aiming for Five Consecutive Fiscal Years of Increases in Revenue and Profit

It has now been four years since I assumed the role of President. In 2024, my fourth year in the role, we achieved our fourth consecutive fiscal year of revenue and profit growth, setting new record highs in operating income, ordinary income, and net income attributable to owners of the parent. As a result, we achieved all of the initial targets set in our Long-Term Management Objectives (2021-2025), established in 2021, ahead of schedule. Furthermore, we focused on capital efficiency while expanding operating revenue, which led to an ROE of 9.6% in 2024, bringing us closer to the 10% range. One example of our initiatives was a tender offer of approximately 20 million shares of treasury stock.

The year 2025 marks the final year of both our Long-Term Management Objectives (2021-2025) and our Medium-Term Management Plan (2022-2025), and we are planning for a fifth consecutive fiscal year of revenue and profit growth. We have revised our IT solutions business net sales target upward by ¥40.0 billion, aiming for ¥340.0 billion. As a result, the business is expected to account for 50% of total net sales. In the Canon products business, we will continue to improve profitability by offering high-value-added proposals to our customers. Looking back over the past four years, I feel confident that we have steadily advanced the two key pillars: Expansion of the ITS Business with Profit and Increase in Earnings Capacity of Existing Businesses.

Refining the Sources of Our Growth

The sources of our competitive advantage, which drives the continued growth of our Group, are our extensive customer base, our superior technologies that underpin our solutions, and the people that make all this possible.

Our customer base spans a wide range, from large corporations to quasi-major and upper medium-sized enterprises, small and medium-sized enterprises, as well as individual customers. In Japan, I expect there are no companies that can match us in both the breadth and depth of this base. This breadth and depth were not built in a matter of years. Since our founding in 1968, we have passed down, cultivated, and refined our unique expertise and methods over decades, from one generation to the next. It is precisely because we understand our customers' business better than they do themselves, and perceive even the issues faced by their own customers, that we are able to identify latent challenges they have yet to recognize and offer effective solutions. These long-standing efforts have formed the foundation of the strong trust we enjoy with our customers today. Another hallmark of our strength lies in the close relationships we maintain with top management at customer companies, which speaks to the strength of our customer base. Having spent around 40 years in sales, I personally conducted over 100 business meetings annually with customers, including with executives, during my time as a business manager. Presenting to executives is one of many important traditions passed down from my predecessors and I have passed them down to my successors in turn.

In terms of our solutions that leverage our superior technologies, while there are some other companies also offering IT solutions alongside their proprietary document equipment, what sets our Group apart is our focus not only on document solutions, but also on core systems. As a systems integrator, we handle large-scale development projects comparable in size to those undertaken by major integrators. What gives us a distinct edge is the synergy between Canon's input/output devices and our systems. One example is our image processing AI collaboration platform, Bind Vision. This proprietary solution uses our own image analysis technology and images photographed by Canon cameras to detect smoke and measure water levels via AI, enabling rapid identification of anomalies. It is a prime example of how our Group's technologies can be combined with Canon products. Through solutions such as these, we are supporting regional disaster prevention and mitigation efforts, thereby contributing to the realization of a safer and more secure society.

To continue creating solutions that harness our customer base and technologies, and to nurture the people who refine them, we deliver specialized training programs that are continuously adapted to meet our customers' diversifying needs. Since the 1980s, when we began increasing our use of other companies' IT devices and software in line with the changes and expansion of our business domains, we have been continuously engaged in employee reskilling. Our Group has been involved in IT products and IT solutions for over 40 years, during which time the pace of technological advancement has only accelerated. In order to acquire cutting-edge technologies ahead of societal trends and deliver high-quality proposals that help resolve customer and social issues, we are actively investing not only in internal personnel development, but also in recruiting external personnel through means such as M&A and equity investment. What truly matters, however, is having a culture that genuinely embraces people from diverse backgrounds who join our Group. We take pride in this as one of our greatest strengths.

Toward Sustainable Growth

Building on the strengths of our Group, and with a strong sense of responsibility toward future generations, the planet, and the world ahead, we unveiled our Group Purpose in January 2024 under Canon's corporate philosophy of Kyosei: "Bringing together hopes and ideas with technologies to create a future beyond imagining." This Purpose was the product of nearly two years of frank and repeated discussions among our officers. Out of more than a hundred candidates, we crafted the final statement with careful attention to each word. Since 2023, even prior to the official announcement, I have been traveling to Group companies across Japan to speak directly with employees in a dialogue series called "Miraibi ('Future Light') Talks," where I share the intent behind the Purpose in my own words. After the COVID-19 pandemic, which made face-to-face communication difficult, it has been deeply meaningful to finally reconnect with employees in person across the country. These exchanges have reinforced my belief in the importance of uniting the aspirations of approximately 18,000 diverse Group employees while further advancing co-creation and collaboration with stakeholders to accelerate the resolution of social issues. Gradually, initiatives embodying our Purpose are emerging and spreading throughout the entire Group.

Expanding into Domains with a Ten-Year Outlook

With the announcement of our Purpose, we established a dedicated organization for R&B (Research & Business Development) to drive the creation of new businesses. Today's social issues are becoming increasingly complex and severe, marked by significant uncertainty. To create new value, we are promoting open innovation in collaboration with like-minded startups, academic institutions, and government organizations in Japan and overseas, regardless of language or nationality. In 2024, through our corporate venture capital arm, the Canon Marketing Japan MIRAI Fund, we made nine investments. Some of these investments may appear unrelated to our current business domains, but we look forward to unveiling them as new businesses in the near future.

In our IT Solutions business, we have defined four priority domains* and are accelerating our shift to a service-based business model with the aim of achieving profitable business growth. In particular, we are welcoming into our Group companies operating in the domains that we aim to grow and distinctive companies that offer capabilities we wish to acquire, with a focus on Edge solutions, maintenance and operations services, and outsourcing. In 2023, Tokyo Nissan Computer System Co., Ltd. (now TCS, Inc.), a company with strengths in IT infrastructure design and construction, system maintenance and operations, and data centers, joined our Group through M&A. In 2024, we added Primagest, Inc., known for its strength in BPO services utilizing DX.

By leveraging our Group's strong customer base to deliver solutions from TCS and Primagest, and offering our Group's own solutions to their customers in turn, we are steadily expanding our business scale by creating synergies that draw on the strengths of both sides. In M&A, not only is it crucial to conduct careful due diligence beforehand, but also to ensure smooth and swift post-merger integration. Since conducting our first M&A in 1978, we have continued to pursue M&As and have honed our capabilities in this area. One of the reasons we defined our Purpose lies here. Our Group has grown through the addition of many companies over the years and is characterized by its rich diversity. Moving forward, we will actively pursue M&As and investments to acquire technologies and functions that we wish to further strengthen. Our Purpose reflects our commitment to respecting diversity and turning it into corporate value. We have pledged to execute at least ¥200 billion in growth investments by 2025, and as of 2024, we have already executed approximately 70% of this amount. Looking ahead, we will continue to carefully assess the situation and focus on M&A and investments that can generate synergy with our Group.

*Edge solutions/HOME and IT maintenance and operations/Security/ITO and BPO

Reinforcing Governance to Support Business Expansion

We believe that our consistent performance growth attests to the effectiveness of our governance framework. Nevertheless, as a listed subsidiary under a listed parent company, we recognize the general risks associated with such structures, particularly the potential for conflicts of interest between parent and subsidiary companies. With this in mind, we are committed to demonstrating our sincere approach to governance and fulfilling our accountability, especially with respect to protecting the interests of minority shareholders. As part of these efforts, in January 2024 we established a Special Committee composed of three independent outside directors. The Special Committee met five times in 2024 to deliberate matters including confirmation of procurement from the parent company and the repurchase of treasury stock via a tender offer. In March 2025, we appointed an additional female outside director with expertise in finance and accounting, increasing the number of independent outside directors to comprise half of our Board of Directors. So far we have taken steps to strengthen governance, for instance, by appointing a female outside director in 2023 and increasing the proportion of independent outside directors on the Nomination and Remuneration Committee to a majority. We will continue enhancing and reinforcing our governance to drive further business growth.

To Our Stakeholders

We have continued to deliver profitable growth, and in 2024 we increased dividends for the fourth consecutive fiscal year. The dividend per share has risen to 2.3 times the amount in 2020, the year before I became President. In line with our policy of maintaining a consolidated dividend payout ratio of around 40% or above, we are planning another dividend increase in 2025. Our share price reached all-time highs in both 2023 and 2024, which we take as both a sign of strong market recognition and a source of motivation. At the same time, we are more determined than ever to build a corporate group that consistently delivers results worthy of continued support from our stakeholders, including shareholders.

Together with our customers, we envision a better future. To make that vision a reality, we strive to uncover latent issues and needs that even our customers may not yet recognize, and address them through creative proposals. As a declaration of this commitment, we have adopted the phrase MIRAI Marketing Company to represent what the Canon MJ Group aspires to be. Starting in September 2024, we began airing a corporate commercial embodying the MIRAI Marketing Company vision, with the tagline: "A Company that Brings an Ultra-Exciting Future Beyond Imagination." We aim to resolve the social issues of the future by further advancing the technical capabilities developed through our Canon products business, such as cameras and printers, and our IT solutions business, and combining these with the power of marketing. We will continue to boldly take on new challenges more than ever before, engaging in corporate activities that inspire excitement among our stakeholders and help create a hopeful and joyful future. We look forward to your high expectations for the Canon MJ Group.

President & Representative Director

M. Adachi



Sustainable Corporate Value Enhancement Centered on Purpose

Reviewing Our Past 50 Years and Embodying Our Purpose for the Next 50 Years to Achieve Sustainable Growth



Director & Senior Vice President
In charge of Group Corporate Planning and Group Communication
Director of Marketing Headquarters
Vice-Chair of Sustainability Promotion Committee
Chair of Brand Strategy Committee

Hatsumi Hirukawa

Since its founding in 1968, the Canon MJ Group has anticipated societal changes and proactively developed management strategies ahead of changes in customer needs and market conditions, expanding its business domains through three major phases. Under the Purpose announced in January 2024, we will continue to evolve by deepening co-creation and collaboration with our stakeholders, thereby broadening the scope of social issues we can help resolve.

From Three Key Phases to the Present

The Canon MJ Group was established as a sales company for Canon's business machines. During its founding phase, the Group diversified and strengthened its sales channels by expanding its regional sales locations and forming partnerships with retailers, aiming to deliver Canon's sophisticated products to customers nationwide. Through these efforts, we were able to expand our customer base, nurture our marketing capabilities, and increase the power of the Canon brand throughout Japan. To provide even greater added value to customers, we led the way in the digitalization of various products. In 1978, we made Fuji System Development Inc. a subsidiary and launched our software business, marking the start of expanding our own business beyond Canon products.

In the 1980s, our second key phase, in order to meet diversifying customer needs, we expanded our business to include selling workstations, servers and the like from Apple Computer Inc. and other companies, reinforcing our trading company function. In the 1990s, with the popularization of the internet, we expanded our workforce of personnel who were versed in computers, servers and networks. We adopted technologies that would enable us to provide unique added value in line with the changing times, and we reinforced personnel and organizations involved in these technologies. As a result, in 1990, we were certified by the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry) as a systems integrator.

In the 2000s, our third key phase, we expanded into the customer mission-critical operations field with the intent of shifting the focus of our business from hardware to software in order to forge closer bonds with customers. In 2003, we made Sumitomo Metal System Solutions Co., Ltd., which boasted strengths in systems integration for the manufacturing and distribution industries as well as security, a subsidiary; in 2007, we acquired Argo 21 Corporation, a company that was highly competitive in the financial and public sectors; and in 2008, we established Canon IT Solutions Inc. through the integration of these subsidiaries. As a result, we expanded our business domains to encompass mission-critical system development and the infrastructure business, and we established a structure that provided support for entire IT life cycles for customer IT systems, from planning and design to development, assembly, maintenance, and operation.

Notable examples of this include the opening of Nishi-Tokyo Data Center and the launch of service in Building No. 1 from 2012 and in Building No. 2 from 2020. In addition to advanced security and seismic performance, our owned data center boasted high levels of operational quality to expand our IT outsourcing and cloud service businesses.

As a result of these years of steady efforts, by 2024, the IT solutions business accounted for approximately half of our total sales.

History of Our IT Solutions Business Growth

[Social trends]

Widespread use of hardware → Digitalization and office automation → Networking → Cloud computing Cybersecurity → Evolution of IoT and AI

Predict social trends and promote well-tailored management strategies

[Transformation of management strategies]

Expands sales channels through sale of cameras and business machines → Strengthens sale of PCs and servers, etc., of other companies → **Begins IT infrastructure business** → Strengthens mission-critical systems integration Enters medical IT market → Launches IT outsourcing and cloud services → Strengthens maintenance and operations services

1960s to 1970s

1968
- Canon Business Machines Sales, Inc. established
- Canon Business Machine Services Inc. established

1969
- Canon Camera Sales Co., Ltd. established

1971
- Canon Sales Co., Inc. established

1978
- Acquires Fuji System Development Inc. (Canon Software)

1980s

1981
- The Company lists on the Second Section of the Tokyo Stock Exchange

1983
- The Company lists on the First Section of the Tokyo Stock Exchange
- Forms sales alliance with Apple Computer Inc.

1985
- Forms sales alliance with IBM Japan, Ltd. for workstations and PCs

1990s

1990
- Becomes Ministry of International Trade and Industry-certified systems integrator
- Forms sales alliance with Sun Microsystems Japan K.K.
- Forms sales alliance with Floating Point Systems, Inc.
- Forms sales alliance with Digital Equipment Corporation Japan

1991
- Forms sales alliance with Cray Research, Inc.

1992
- Forms sales alliance with Silicon Graphics, Inc.

2000s

2003
- Acquires Sumitomo Metal System Solutions Co., Ltd.
- Begins selling ESET

2006
- Acquires FMS Inc. (now Canon ITS Medical Inc.)

2007
- Acquires Argo 21 Corporation

2008
- Canon IT Solutions Inc. established
- Acquires BicNIWS Inc. (now Qualysite Technologies Inc.)

2010s

2012
- Nishi-Tokyo Data Center Building No.1 begins services
- Canon ITS establishes Canon IT Solutions (Thailand) Co., Ltd.

2013
- Canon ITS acquires Material Automation (Thailand) Co., Ltd.

2018
- Establishes joint venture ESET Japan Inc. together with ESET, spol. s r.o.

2020s

2020
- Nishi-Tokyo Data Center Building No. 2 completed

2022
- Acquires QB5 Inc.

2023
- Acquires Tokyo Nissan Computer System Co., Ltd. (now TCS Inc.)

2024
- Acquires Primagest, Inc.

Founding period → 2nd phase → 3rd phase → Present

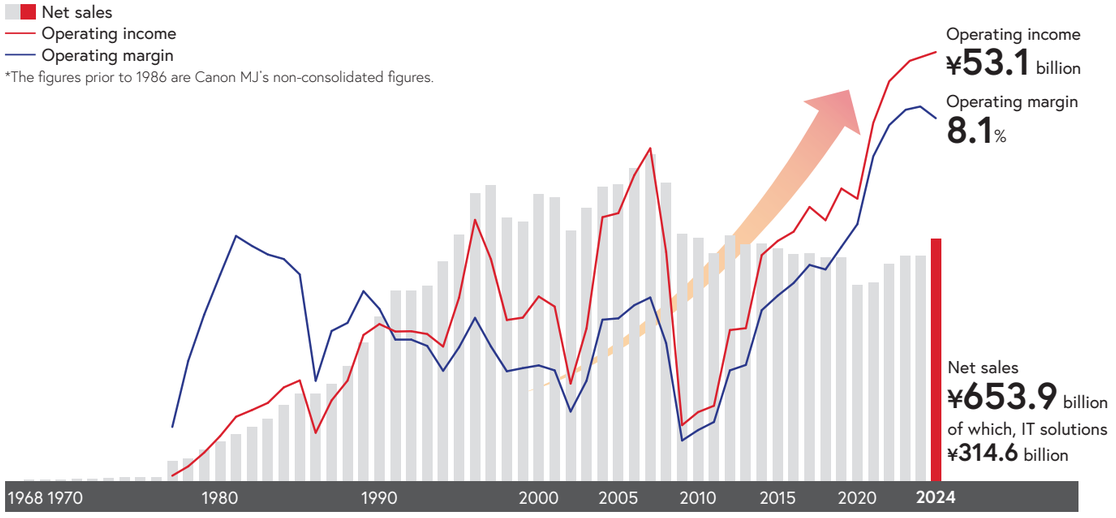
Transforming into a Customer-Based Organization Structure and Strengthening Our Financial Structure and Management Foundation

Based on our customer-centric approach, we set out to strengthen our corporate structure to be able to efficiently provide the most optimal solutions with greater added value by fully understanding and identifying the specific issues and needs of each customer. Accordingly, in 2018 we reorganized our corporate structure from one based on product and sales channels to one based on markets and customers. Meanwhile, we endeavored to enhance profitability by withdrawing from businesses in certain fields where it was difficult for the Group to add value, focusing on areas and industries where we can demonstrate our strengths, and shifting to a strategy based on customer segments.

Ever since the Group was founded, we have demonstrated an enterprising nature, which is part of Canon's corporate DNA, constantly responding to changes in our customers and markets, taking on new challenges, and expanding our business domains. Through this process, we have welcomed numerous companies into the Group that possess highly specialized personnel and expertise in their respective domains.

We will continue to make ongoing growth investments, welcoming an even more diverse range of partners to further expand our business operations. In January 2024, we announced our Purpose—the significance of our presence in society—as we stride toward the future along with our customers, all of the employees of the Group working together as one, bringing together their different backgrounds and workstyles.

Performance Trends



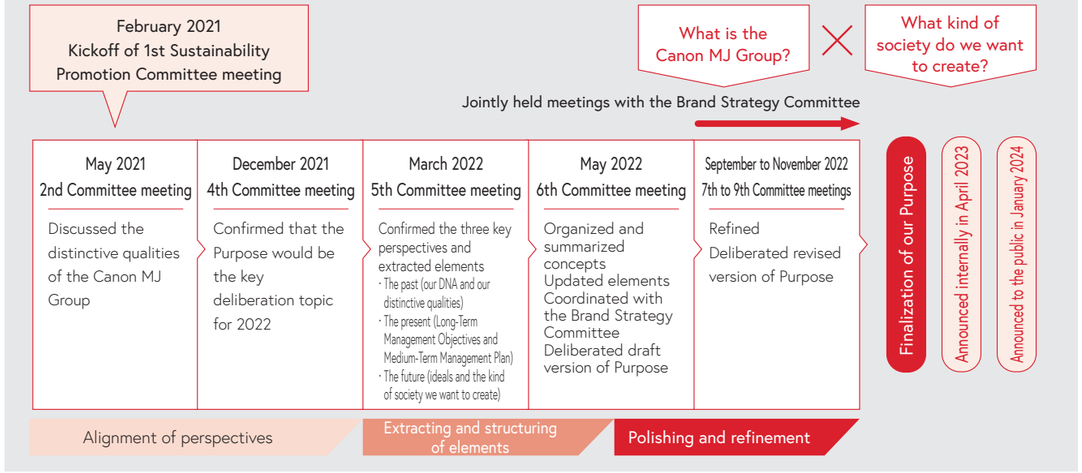
Sustainable Corporate Value Enhancement Centered on Purpose

Formulating Our Purpose By Combining "What We Are" with "What Kind of Society We Want to Create"

In formulating our Purpose, our Sustainability Promotion Committee, chaired by the president & representative director and composed of business heads such as Directors of Business Units, while exploring the history of the Canon MJ Group, discussed the role we had played in society, our strengths, and our unique qualities—in other words, "what the Canon MJ Group is." Taking into account changes in the external environment and future forecast data, the Committee also repeatedly discussed the vision of what we aspire to be and "what kind of society we want to create."

We carefully refined each word and the meaning behind them to ensure that all employees across the Group—including those from diverse backgrounds and those newly joining us—can unite as one and continue to take on new challenges with a forward-looking mindset. In creating this Purpose, during the latter half of the deliberations, Sustainability Promotion Committee meetings were held jointly with Brand Strategy Committee meetings, and participants discussed how to share this Purpose in and outside the Group and what initiatives to carry out to instill the Purpose.

Process Leading Up to the Purpose Announcement



Aspiration Incorporated in Each and Every Word of Our Purpose

Bringing together hopes and ideas with technologies to create a future beyond imagining

"Hopes and ideas" of our Purpose include hopes and ideas of our stakeholders in the midst of the growing complexity of social issues, along with the Canon MJ Group's cherished self-motivated drive.

"Technologies" not only refer to the technologies we have developed through our imaging and IT efforts, but also include skills, such as creativity, proposal skills, listening skills, and communication skills, and knowledge and expertise, including experience, personal connections, and industry knowledge. These technologies are those not only of the Canon MJ Group but also of its diverse business partners.

"Create" was chosen to clearly express our desire to apply our pioneering spirit, through which we have continually opened up new markets.

The Purpose's symbol mark uses individual circles that differ in size and color, to represent diverse hopes, ideas and technologies. The infinite ring of these circles evokes the image of the endless circulation of the new future.

Sharing and Passing on These Hopes and Ideas

When we light a fire within the people who will shape the future, we light a fire in the future of our company. Led by this concept, we launched "Miraibi ('Future Light') Talks"—direct dialogues between the President and employees. In total, 15 sessions were held in 2023 and 2024, with approximately 2,400 employees participating. In the Miraibi Talks, the President conveyed the aspirations incorporated in the Purpose to attendees. The message resonated with employees—for example, one participant shared, "I had already understood the Purpose through the introduction video beforehand, but hearing the President speak directly made me feel a much stronger personal connection."



"Miraibi ('Future Light') Talks" held at Canon S&S Tokyo Branch Office and structuring of elements

Toward Increasing the Number of Individuals Who Embody the Purpose

According to the 2024 Group Employee Engagement Survey, "Resonance with the Purpose" rose by approximately 20 points compared to the previous year, while the "Rewarding sense of social contribution through work" increased by around 10 points. However, relatively lower levels were observed in some areas—such as newly joined Group companies and departments with limited direct interaction with customers. Going forward, we will shift from the stage of merely instilling the Purpose to that of deepening the understanding of our overall sustainability initiatives including the Purpose, and the connection between the Purpose and each employee's work in such context. Through these efforts, we aim to eliminate disparities and further increase the number of employees who embody the Purpose.

Resonance with the Purpose	Rewarding sense of contribution through work
Up approx. 20 points	Up approx. 10 points

Refreshing Branding Activities in Internal and External Communications Centered on Our Purpose

Coinciding with the announcement of our Purpose, we revamped the concept of internal communications to spread a ripple of empathy and motivation by conveying the passion of employees who embody our Purpose. As a result of renewals including new content, changes to communication channels, and the introduction of effectiveness measurement, a 2024 internal survey showed that half of our employees reported increased communication both inside and outside the company, and approximately 70% of employees felt a sense of "challenging the future."

Moreover, since 2023, we have featured employees who embody our Purpose on our Group's website under the titles "MIRAI Angle" and "Connecting Hopes and Ideas to the Future." "MIRAI Angle" introduces employees who continue to take on challenges, empathetic to the hopes and ideas of valued customers and colleagues, working together to create a better future. "Connecting Hopes and Ideas to the Future" showcases initiatives that combine the hopes of stakeholders with Canon MJ Group's business to pioneer new paths to the future.

While brand awareness of the Canon Group as a whole is high, awareness of the Canon MJ Group specifically remains relatively low. However, surveys indicate that the percentage of customers who have dealings with us and intend to continue consulting with us is high, at approximately 80%. Given the high likelihood of ongoing business once a relationship is established, we worked on corporate advertising campaigns in 2024 aimed at raising brand awareness.

The catch phrase "A Company that Brings an Ultra-Exciting Future Beyond Imagination" reflects our commitment as a MIRAI Marketing Company to resolve social issues with a future-oriented mindset and to create a society filled with hope and joy. Everything begins with hopes and ideas, and we cherish the desire to solve problems.

Going forward, the entire Group will work unitedly to continue earning and exceeding the expectations of our stakeholders, creating "futures beyond imagining."



Owned media that conveys the Canon MJ Group's "present" and "future" along with hopes and ideas



Video content introducing initiatives by the Canon MJ Group that enrich everyday life, culture, and society



Corporate advertisement campaign: "A Company that Brings an Ultra-Exciting Future Beyond Imagination"

Further Ensuring Our Sustainable Growth

The Canon MJ Group has expanded its business domains through M&As and other means, while looking ahead to ensure we provide what our customers truly need. In today's era of increasing societal uncertainty, where customer needs, market changes, and technological advancements accelerate, the Canon MJ Group will continue to evolve by embodying our Purpose and deepening co-creation and collaboration with all stakeholders, thereby broadening the range and scope of social issues we can help resolve.

There have been an increasing number of contacts to our executives and employees from stakeholders who have seen our communications including the "MIRAI Angle" series, triggering more frequent dialogues. We hope that all of our stakeholders will look forward to the future of the Canon MJ Group as we continue to boldly take on the challenges of creating new value, free of the restrictions of convention.

Financial Strategy



Increasing corporate value through continued growth investments
Building on the culmination over five years in the final year of our Long-Term Management Objectives toward the next leap forward

Director Vice President
In charge of Group Auditing, Group Finance & Accounting, and Group Procurement
Chief Executive of Finance & Accounting Headquarters

Tsuyoshi Osato

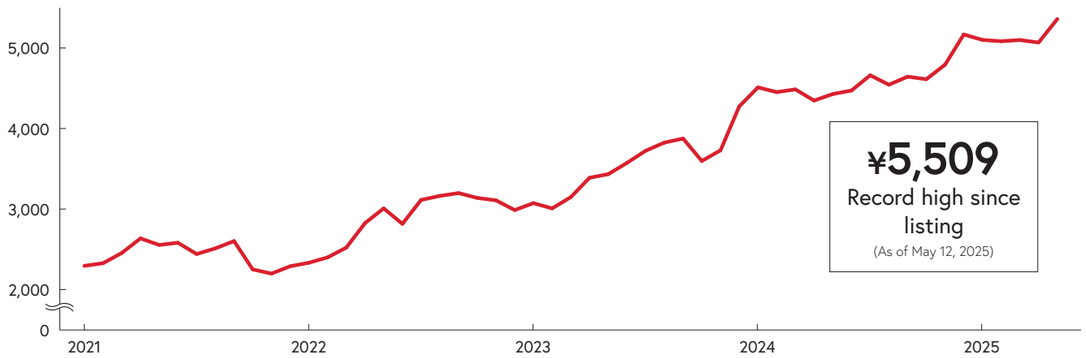
Achieved Long-Term Management Objectives (2021–2025) Ahead of Schedule and Posted Record-High Profit for the Fourth Consecutive Year

Overview of Business

For the year ended December 31, 2024, we achieved record high profits for the fourth year in a row, with net sales of ¥653.9 billion (up 7% year on year), operating income of ¥53.1 billion (up 1% year on year), and net income of ¥39.3 billion (up 8% year on year). As a result, we achieved the initial targets of our Long-Term Management Objectives (2021-2025) one year ahead of schedule. Following our financial results announcement in January, our stock price reached a record high since listing, which we believe reflects strong stakeholder support for the direction of our Group's transformation.

Our strong performance has been driven primarily by the IT solutions business. By delivering optimized solutions tailored to the diverse needs of different customer segments, we have steadily expanded this growth area. As a result, net sales in the segment reached ¥314.6 billion (up 17% year on year) and its share of total Group sales increased from 44% to 48%. Meanwhile, our Canon products business, which includes a high proportion of recurring business revenue, continues to serve as a stable source of revenue for the Group. In addition, by expanding the share of maintenance, operations, and outsourcing services within the IT solutions business, we are enhancing our recurring revenue business and strengthening a structure capable of generating sustainable profits.

Canon MJ's Stock Price Range (Yen)



Progress of the Investment Strategy

We have committed to executing growth investments exceeding ¥200.0 billion by 2025 to drive business growth. As of 2024, we have achieved approximately 70% of this target. Within the three investment areas of business investments, investments in human resources, and system investments, the business investments during the four years from 2021 to 2024 include three M&A deals, investments in 13 companies, and one business acquisition. All these investments have been made in the IT solutions business domain, targeting companies in SI-related fields, video solutions, BPO, and other areas where our Group's assets can be effectively leveraged. We will continue to actively invest in these areas critical for our growth going forward.

An example of advance investment bearing fruit is the establishment of our data center, which began in 2010. Over more than a decade, the data centers have been nurtured as core hubs supporting customer DX support services and cloud services. Another long-term investment area is our CVC fund. Investments in startups with cutting-edge technologies and business ideas are approached from a backcasting perspective based on future social issues to create new business domains, while also supporting the expansion of existing businesses from a forecasting viewpoint.

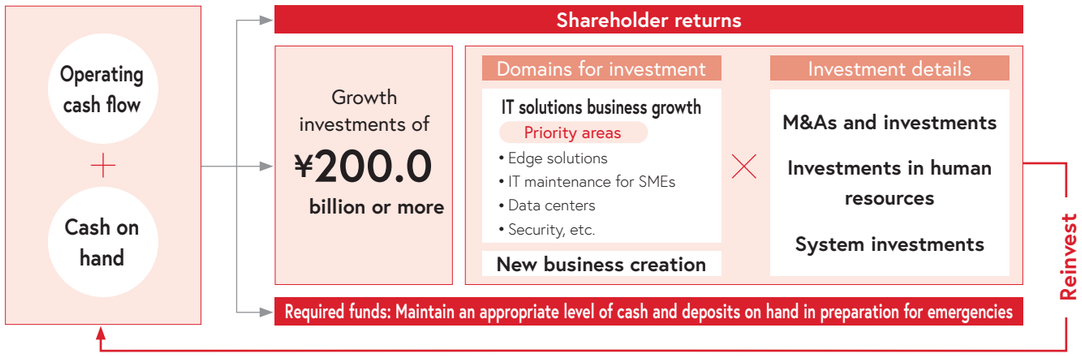
Meanwhile, in strengthening and expanding the Group's business portfolio, we reviewed whether we are the best owners of certain subsidiaries. In 2024, we sold one consolidated subsidiary to an external company based on this assessment.

Regarding investments in human resources, we are advancing both developing our internal workforce and recruiting professional personnel externally. Investments in learning and skills enhancement for existing employees will continue.

We also conduct training programs for selected managers who are expected to take on future leadership roles (see P27). This year-long program, targeted at around a dozen managers and general managers, thoroughly covers corporate management principles and focuses on developing people skills.

Regarding system investments, we are implementing a Business Process Innovation Project. This project aims to build business processes and renew mission-critical systems that can adapt to environmental changes and business transformation, thereby achieving higher productivity.

Approach to Cash Allocation



M&As, Investments, and Business Acquisition Track Record for 2021-2024

	2021	2022	2023	2024
M&As		August 2022 ·QB5 Inc.	October 2023 ·Tokyo Nissan Computer System Co., Ltd. (now TCS Inc.)	March 2024 ·Primagest, Inc.
Equity investments	May 2021 ·Keyware Solutions Inc. July 2021 ·Needs Well Inc.	January 2022 ·Capital Asset Planning, Inc. April 2022 ·Kantsu Co., Ltd. April 2022 ·THS, Inc. September 2022 ·Asilla, Inc. December 2022 ·CHIeru Co., Ltd.	June 2023 ·CARE CONNECT JAPAN, Inc. August 2023 ·AWL, Inc. August 2023 ·Doctors Inc.	August 2024 ·openpage Co., Ltd. October 2024 ·S-Mat. Inc. December 2024 ·Timeleap Inc.
Business acquisition			January 2023 ·Acquires the systems integration division of Canon Medical Systems Corporation's hospital information system	

CVC Investments in 2024

valpas　TURING　Sagri　Poetics
LacuS　A/ MODEL　AERONEXT　RABO　Smart Education

Financial Strategy

Maintaining Growth Investment and Shareholder Returns While Securing Cash on Hand

Cash Allocation

While steadily executing growth investments of approximately ¥200.0 billion by 2025, we continue to provide ongoing and stable shareholder returns and maintain sufficient cash on hand. During the five years from 2021 through 2025, we expect to generate approximately ¥200.0 billion in operating cash flow and distribute a cumulative total of approximately ¥70.0 billion in dividends. Beginning with fiscal 2023, we raised our target consolidated dividend payout ratio to around 40% or above and have continued dividend payments in line with this target.

In addition, we repurchased approximately ¥85.0 billion in treasury stock through two buybacks last year. This share buyback initiative is a category of cash allocation separate from growth investment and shareholder returns, and is aimed at enhancing corporate value by improving capital efficiency. As a result, all key financial indicators improved, with EPS reaching ¥320, ROE at 9.6%, and PBR of 1.5 times. Additionally, we promptly cancelled all repurchased treasury stocks, which reduced the total number of outstanding shares and raised the ratio of outstanding shares, a long-standing capital policy issue, from approximately 38% to around 45%.

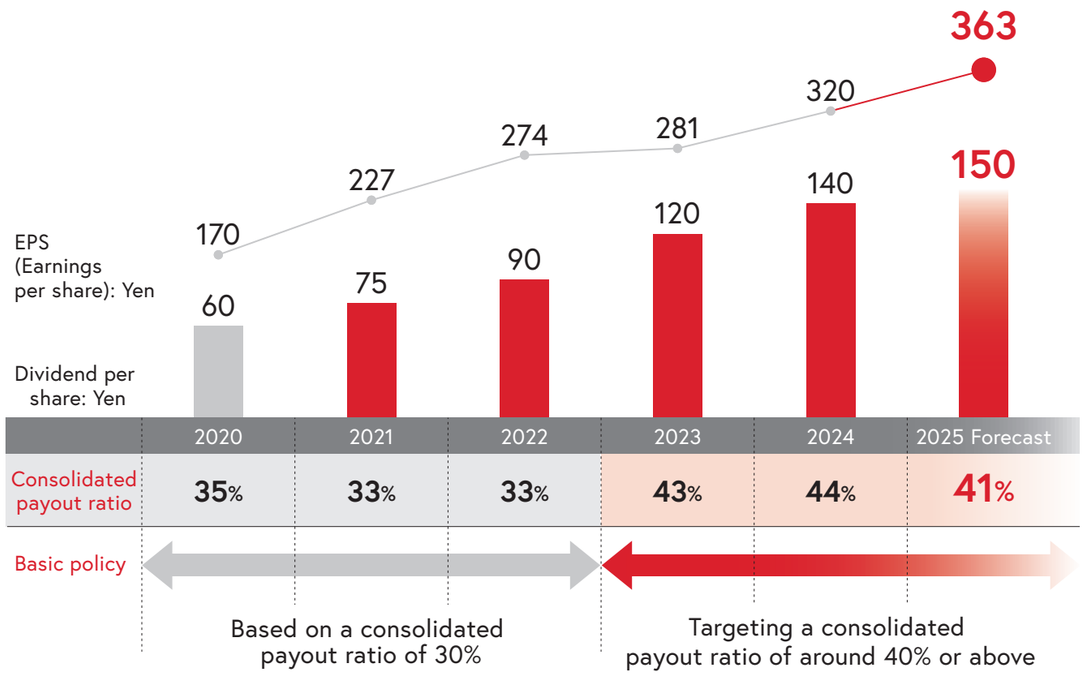
Management with an Awareness of Cost of Capital

Our estimated capital cost is approximately 5-6%, as calculated using the Capital Asset Pricing Model (CAPM). However, based on our dialogue with shareholders and investors, we recognize that market expectations exceed this level. We have set an ROE target of 10.0% to be achieved by 2025. We are committed to raising ROE by growing operating revenue and advancing management with an awareness of capital efficiency at the same time, thereby widening the equity spread.

Achieving this will require not only improvements in ROE, but also reductions in our cost of capital. To this end, we recognize the importance of enhanced disclosure. We will provide more transparent explanations: on the business front, regarding the initiatives that have enabled us to achieve increases in both revenue and profit for four consecutive fiscal years; and, on the governance front, regarding how we maintain independence from our parent company despite being part of a parent-subsidiary listing structure. As of March 31, 2025, we had fully collected the ¥50.0 billion loan receivable from our parent company that remained on our books at the end of the previous year. These funds will be redirected to support growth investments by our Group.

With regard to cross-shareholdings, we will accelerate our efforts to reduce such holdings. Meanwhile, when a company holding our shares as part of a cross-shareholding arrangement expresses intent to divest, we will support such action. Funds generated from the reduction of cross-shareholdings will be redirected to growth investments. At the same time, we will strive to reduce capital costs and enhance disclosures, ultimately contributing to stock price appreciation.

Consolidated Payout Ratio (Dividend per share / EPS)



Shifting to Non-current Assets That Generate Strong Cash Flows

The ideal business model for the Canon MJ Group is one that pursues growth by developing and expanding a service-type business model within its IT solutions business. Combined with our existing Canon products business, we aim to build a stable recurring revenue base, thereby enhancing overall profitability. As a result, our earning power will improve and fresh cash will be generated, which we can redirect to even more growth investments and non-current assets that generate cash efficiently, creating a virtuous cycle. Key investments include the renewal of our mission-critical systems and investments in software that supports the transformation to a service-type business model. By horizontally expanding industry-specific solution services across similar industries, and vertically tailoring them for companies of different sizes, we are building a strong foundation for the recurring revenue business through an efficient development framework.

As we continue to actively pursue M&A, M&As with companies with strong excess earning power may lead to the recognition of substantial goodwill and customer-related assets, along with an increase in associated amortization expenses. Rather than taking a short-term view, we will base our investment decisions on a forward-looking assessment of medium- to long-term synergies. Moreover, our focus with M&As is on post-merger integration (PMI). To enhance the corporate value and drive further growth of both the acquired companies and the Group as a whole, we believe it is essential to go beyond merely integrating management foundations and to continue actively generating synergies. We are placing particular emphasis on PMI activities for TCS and Primagest, which have recently joined the Group.

To Our Stakeholders

As of the end of 2024, the Canon MJ Group maintains a robust balance sheet, with an equity ratio of 73% and a current ratio of approximately 270%, indicating a very low level of debt. We will continue to allocate the cash we generate to growth investments and shareholder returns, but we are not aiming to eliminate borrowings entirely.

While we have announced growth investments totaling approximately ¥200.0 billion, if an M&A opportunity arises that cannot be fully funded with cash on hand, we are prepared to make use of borrowing. Even if this leads to a temporary increase in liabilities, we believe it is essential to use leverage for these opportunities without hesitation.

Although we currently maintain an extremely sound and stable balance sheet, we do not intend to preserve it at the expense of future opportunities. We will execute investments decisively when favorable opportunities arise, which will ultimately lead to expanding our equity spread.

With strong performance in our IT solutions business, the Canon MJ Group has achieved revenue and profit growth for four consecutive years. In order to further deepen the market's understanding of the key drivers behind this growth, we recognize the need for clearer and more proactive information disclosure. By expanding our business segment-based disclosure, including highlighting the unique strengths of our IT solutions business, we believe we can further enhance our corporate value. In addition, we will continue working to increase ROE through improved return on capital and profit growth.

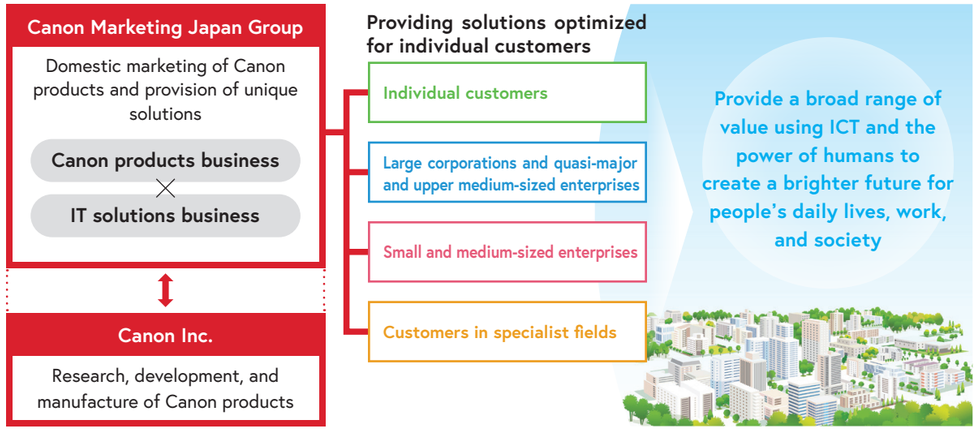
The year 2025 will mark the culmination of our efforts over the past four years and represent the final year of our current Long-Term Management Objectives. At the beginning of 2026, we will announce our new approaches and initiatives in our next Long-Term Management Objectives and Medium-Term Management Plan, and we look forward to sharing with you the next stage of our journey.



What is the Canon MJ Group?

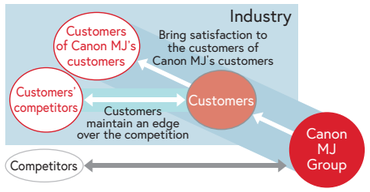
Creating New Value as a MIRAI Marketing Company to Realize a Future Filled with Hope and Joy

Canon Marketing Japan Group plays a central role in marketing activities and solution proposals within Japan as part of the global Canon Group. Drawing on the strengths we have cultivated over the years, we deliver optimal solutions tailored to the unique needs of large corporations, small and medium-sized enterprises, customers in specialist fields, and individual customers alike. By combining Canon products with IT solutions to deliver integrated businesses, while also working to create new value, we will continually expand the scope of our efforts to address social issues.



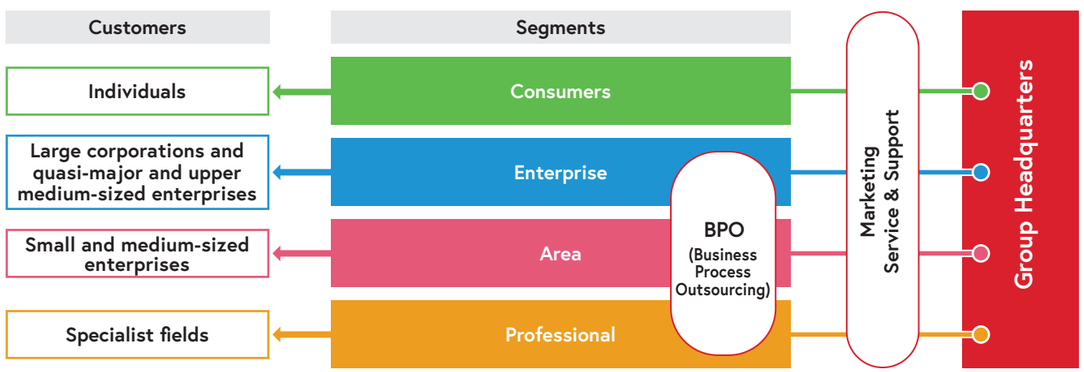
We Always Base Our Thinking on the Customer and Act from the Customer's Standpoint

We take a scrupulously customer-centric approach in order to resolve the issues faced by our customers and to provide maximum value. As a practical way of always ensuring we stay customer centric, we follow the rule of placing the customer as the subject of our sentences. For example, rather than making us the subject by stating "Canon MJ will...," we begin with "The customer's issues are..." By using the customer's viewpoint based on the external environment they face, we will provide solutions that can truly meet their needs in order to bring satisfaction to their customers and put them in a superior competitive position.



Customer-Based Organization Structure

In order to propose the best possible solutions to the increasingly diverse and sophisticated needs of our customers, we have established a market- and customer-based sales structure that is divided into four segments. The marketing and service and support functions, which are not included in the four segments, provide support to each segment while strengthening our products and services and enhancing productivity along the value chain.



Source of Value Creation (Fiscal 2024)

Numerical data demonstrating our people

Specialist personnel for achieving our business strategy and a corporate culture that welcomes diversity

DX certification / DX business certification
Number of employees certified at the professional level **925**

Total annual training hours
660,000 hours

Turnover rate
2.6%

Three-year retention rate of new graduates
95.3% (Non-consolidated)

Special Feature 01 People ▶Page 29

Numerical data demonstrating our customer base

Extensive customer base encompassing individual customers, corporate customers from large corporations to small and medium-sized enterprises, customers in specialist fields, and more

Consultation willingness among existing customers
83%
*Based on Canon MJ Corporate Brand Survey

Number of HOME and IT maintenance/ operations contracts
215,000

Canon Photo Clubs*
Approx. **90** clubs nationwide
*Community-based photography clubs

Color MFP Customer Satisfaction Study*
Ranked **No. 1** for two consecutive years
*J.D. Power Japan 2024 Color MFP Customer Satisfaction Study

Special Feature 03 Customer Base ▶Page 37

Numerical data demonstrating our technical capabilities

A large team of skilled systems engineers and service engineers, and unique technologies cultivated through our IT solutions business

Systems engineers
Approx. **4,700**

Service engineers
Approx. **1,800**

Research and utilization of mathematical technologies
Over **60** years

Research and utilization of automated program creation technologies that contribute to low-code development platforms
Over **40** years

Number of registered patents
1,147

Special Feature 02 Technical Capabilities ▶Page 33

Numerical data demonstrating our financial structure

Robust financial base and ability to generate ample cash flow

Accumulated total growth investments through 2025
¥**200.0** billion or more

Equity ratio
73%

Operating Cash flow
¥**47.7** billion

EBITDA
¥**66.3** billion

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Editorial Policy
Since fiscal 2019, the Canon MJ Group has published a comprehensive integrated report annually that links financial information, such as results and business strategies, to non-financial information previously published in CSR reports.
In Integrated Report 2024, we introduce the Canon MJ Group's ability to create value over the medium to long term as it pursues the realization of its Purpose and 2025 Vision. We consider this document an important communication tool for deepening understanding of the Group among our various stakeholders.
Detailed financial information is available on the Company's website and in its securities report. The website also details sustainability activities.

Reporting Period
This report covers fiscal 2024, the year ended December 31, 2024, and also includes details of activities and information for years prior to and after this period.

Scope of Coverage
Canon Marketing Japan Inc. and domestic and overseas Group companies (some information includes that of parent Canon Inc.)

Notation in This Report
This integrated report includes the following abbreviations.
Canon Marketing Japan Group → Canon MJ Group
Canon Marketing Japan Inc. → Canon MJ
Canon IT Solutions Inc. → Canon ITS
Canon System & Support Inc. → Canon S&S
IT Solutions → ITS
Multifunction Peripheral → MFP
Systems Engineer → SE

Reference Guidelines for Integrated Reports (as of December 31, 2024)
The Integrated Reporting Framework of the International Financial Reporting Standards (IFRS) Foundation
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation of the Ministry of Economy, Trade and Industry (METI)

Disclaimer regarding Forward-Looking Statements
This integrated report contains forward-looking statements about the performance and management plans of the Canon MJ Group. All forward-looking statements are based on management's assumptions in light of information available to the Company at the time of publication.
Accordingly, actual results may be affected by factors such as consumer trends in Japan and other major overseas markets; private-sector capital expenditures; currency fluctuations, notably against the U.S. dollar; raw material prices; and political turmoil in certain countries and regions.

OUR PURPOSE

Bringing together hopes and ideas with technologies to create a future beyond imagining

Each person imagines a different future. It is here that their hopes and ideas lie.

We are committed to making these hopes and ideas reality.
That is why we seek to deeply understand our customers. It is why we work with a wide range of partners to bring together these hopes and ideas with various technologies.
And why we create a constant stream of value that satisfies customers' expectations.

Imagining the future beyond where customers are headed, we continue to hone our skills. And, harnessing our technologies, skills, knowledge, and the power of our people, we challenge ourselves to do the impossible.
We are creating a future full of hope and joy by providing value that satisfies what customers truly desire.

And it is all for one purpose: to witness the spectacle of a future beyond imagining with our customers.

MIRAI Marketing Company

Canon Marketing Japan Group

Value Creation Process

Purpose of the Canon MJ Group

Bringing together hopes and ideas with technologies to create a future beyond imagining

Customers / Business partners / Shareholders and investors / Educational and research institutions / Students / Public agencies and local governments / NGOs and NPOs / Local communities / Employees

Societal changes being focused on by the Canon MJ Group

- Conserve and protect the global environment
- Popularize and accelerate digitalization
- Accelerate workstyle reforms
- Promote change in the workforce

Material issues that meet the expectations and needs of stakeholders

Coexist in harmony with the global environment	Improve organizational capabilities to enable diverse human resources to thrive	Promote responsible supply chains	Promote risk and crisis management	Implement sound governance	Provide solutions that advance people's daily lives, work, and society
▶Page 57	▶Page 61	▶Page 64	▶Page 64	▶Page 47	

Source of Value Creation

People

- Specialist personnel for achieving our business strategy
- A corporate culture that welcomes diversity
- Enterprising nature passed down since our founding

Technologies

- Proprietary technologies centered on in-house development
- Issue resolution capabilities combining high-quality Canon products and IT solutions
- Comprehensive capabilities to provide end-to-end support, from system planning, design, development, and construction to maintenance and operation

Customer Base

- A broad customer base built through years of business experience
- Strong relationships grounded in a deep understanding of customers' operations
- Business partners with strong connections to customers across regions and industries

Finance

- Robust and sound financial structure
- Ability to generate ample cash

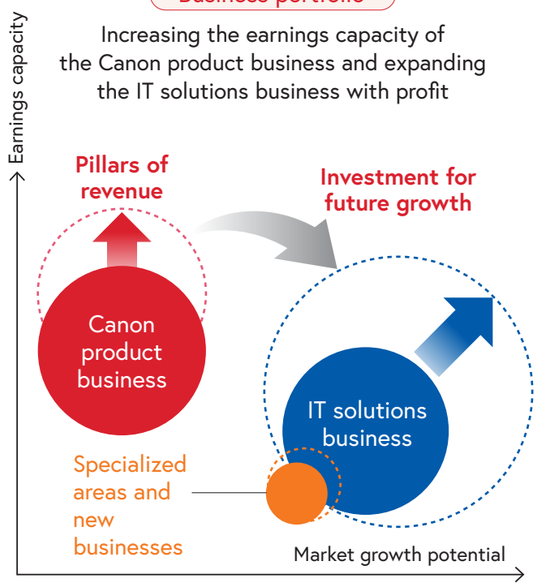
Business activities

Long-Term Management Objectives (2021-2025) / Medium-Term Management Plan (2022-2025) ▶Page 67

2025 Vision | Professional corporate group that solves social and customer issues using ICT and the power of humans

Business portfolio

Increasing the earnings capacity of the Canon product business and expanding the IT solutions business with profit



Customer- and market-based organizational structure

Deep understanding of customers through customer-centric approach ▶ Developing together with customers

Consumers	Enterprise	Area	Professional
Individual customers	Large corporations and quasi-major and upper medium-sized enterprises	Small and medium-sized enterprises	Customers in specialist fields

Research & Business Development ▶Page 36

Creation of new businesses based on social issues

Trading company function / Systems integrator function / IT solutions provider function

Creation of solutions that anticipate changes in the times and diverse needs

The "Three Selfs" spirit: self-motivation, self-management, and self-awareness

Value We Create

Social value ▶Page 65

Enrich lives

Achieve **diverse working styles** (work) through increased productivity

Realize a **safe and secure** society

Economic value

ROE	9.6%
Net sales	¥653.9 billion
Of which, ITS sales	¥314.6 billion
Operating income	¥53.1 billion
Operating cash flow	¥47.7 billion
Consolidated payout ratio	44%

(Fiscal 2024)

Human Resources Strategy

Refining the Engagement Improvement Cycle to Link Business Strategies and Human Resources Strategies and Create Greater Corporate Value

Director & Senior Vice President
In charge of Group General Administration & Human Resources Management, Group Legal and Intellectual Property, Group Logistics and Secretarial Office
Group Executive of General Administration & Human Resources Management Headquarters

Minoru Mizoguchi



Linking the Three Key Concepts of Development of Skilled Personnel, Customer Satisfaction, and Employee Job Satisfaction

In order to more tightly link our business strategies and our human resources strategies, the Canon MJ Group added the establishment of an engagement improvement cycle to the basic policies in the Medium-Term Management Plan (2022-2025). The engagement improvement cycle is composed of three elements: development of skilled personnel, customer satisfaction, and employee job satisfaction. Employees who empathize with our Purpose and who seek to embody it will actively work to improve their skills, and this will lead to the development of skilled personnel. As a result, the value that we provide to customers will increase, leading to greater customer satisfaction. Increased customer satisfaction will give employees a greater rewarding sense of contribution, producing employee job satisfaction. This improved job satisfaction will motivate employees to grow, which will link back to further development of skilled personnel. We are seeking to refine this virtuous cycle. We are now in the process of identifying the items between these three elements of the engagement improvement cycle, together with the connections between them, and formulating corresponding indicators.

In formulating indicators, we believe that it is important not to simply focus on financial-related indicators, but also to have non-financial-related indicators through which employees can get a rewarding sense of contribution to society. These two types of indicators are closely intertwined in the engagement improvement cycle. We will link these financial-related indicators and non-financial-related indicators, visualize and refine our initiatives, and strive for sustainable growth throughout the Group, in individual companies, and in individual departments.

The Group has achieved record high profits for four consecutive fiscal years by solving customer issues with our products and solutions, providing customer satisfaction that is reflected in our business results. I feel that this strong business performance is increasing employee job satisfaction and creating a virtuous engagement improvement cycle.

The Three Elements of Our Corporate Culture that Form the Foundation of the Engagement Improvement Cycle

The foundation of the engagement improvement cycle is made up of meritocracy, position-based pay system, and values and action guidelines.

The Group has adopted meritocracy as a guiding principle in the Canon Code of Conduct. Our employees are evaluated fairly, not equally, and treated in a fair and just manner. This motivates employees to improve themselves.

This meritocratic approach has been a consistent part of the Group since its foundation in 1968, but in 2001, we introduced a position-based pay system in which remuneration is determined by work positions and results, not age or years of service. Thereby we are striving to make the Group even more meritocratic. This system does not look at results alone, but also evaluates work processes, producing a structure in which employees can demonstrate their full potential.

Another part of Canon's Code of Conduct is the "Three Selfs" spirit of self-motivation, self-management, and self-awareness. Values and action guidelines centered on the "Three Selfs" have been defined for the work employees perform. Our goal is not individualism, but the vitalization of individuals and the organization by having the efforts and results of highly self-driven individuals create a powerful organization and generate maximal results. Workstyles based on these values and action guidelines are deeply rooted in the Group's corporate culture, and these concepts are always cherished.

Our meritocracy, position-based pay system, and values and action guidelines are carried on ceaselessly, contributing to greater employee job satisfaction and the improvement of our corporate value.

This corporate culture is the foundation of the engagement improvement cycle and one of the Group's strengths.

Two Fronts on Developing Skilled Personnel

In the development of skilled personnel, we are implementing initiatives on two fronts: acquisition and development of specialist personnel to achieve our business strategy, and further improvement in productivity, thereby growing the Group's business.

In developing specialist personnel, we are continually implementing skill improvement initiatives. Ever since the Group was founded, we have constantly responded to changes in our customers and markets, taken on new challenges, and expanded our business domains. The skills we need are constantly changing as our business domains expand. Since the 1980s, when our dealings in other companies' IT devices and software started to increase, we have been continuously engaged in employee reskilling. The Group's business operations are wide-ranging, so we need exceptional human resources in each business domain. Currently, each department is defining the skills needed for its business strategies in order to reliably achieve the goals set in the Medium-Term Management Plan (2022-2025). Departments categorize them into levels 1 to 5, identify the gap between the number of employees they need and the current numbers of employees at each skill level, and formulate and implement training plans to address any gaps. Through this, we are carrying out the development of specialist personnel. Furthermore, to accelerate the growth of the IT solutions business, we have established a new specialist level certification system for highly skilled IT personnel. The certification is based on employees' possession of high level specialist qualifications and their track record of work that leverages these qualifications.

To recruit human resources from outside the Group, we actively conduct mid-career recruitment of professional personnel whose skills can be put to immediate use in each business domain. Particularly, Canon IT Solutions is primarily responsible for recruiting IT personnel such as systems engineers. Although the overall hiring environment for IT personnel is said to be challenging, the Group was able to secure more IT personnel in 2024 than the previous year, including both mid-career hires and new graduate hires. This is due to the high expectations for the growth potential of the Group, which is primarily focused on the IT solutions business, as well as the educational systems we have developed and our pioneering introduction of a position-based pay system.

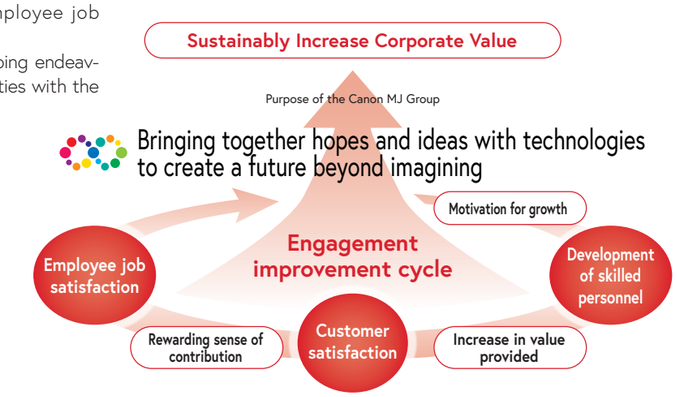
We are also working for further improvement in productivity by raising basic skill levels. Regarding basic skill levels related to IT, it is vital to fully leverage digital skills to improve productivity for employees in all Group departments, not just those involved in the IT solutions business. To raise the basic skill levels of each employee, since 2023, we have had approximately 14,000 employees take DX certification and DX business certification exams. Our goal is to have 1,000 employees with professional-level certifications, and as of the end of 2024, we already had 925 certified employees. We will continue to have all Group employees deepen their DX expertise to improve their ability to supply proposals that support customer DX implementation and to strengthen their ability to conceptualize new business models.

Leveraging Diversity to Create Future Growth

In the midst of the growing complexity and severity of social issues, we believe that diversity is an extremely important element of achieving sustainable growth. Instead of letting ourselves become trapped by preconceptions, we must generate more creative and innovative ideas by having people with diverse viewpoints and experience share their opinions. The conceptualization abilities—the unique ideas—that would generate new businesses are the product of unfettered discussions by people with diverse backgrounds. Our Group Employee Engagement Survey found that scores for both "mutual respect for each other's opinions" and "cooperative relationships" were nearly 800, out of a maximum score of 1,000. We believe that when employees with varied backgrounds and experiences freely share their opinions, this contributes to the creation of new ideas and employee job satisfaction.

I think that human resources strategies are ongoing endeavors. Synchronizing the skills needed to carry out duties with the abilities and intentions of individual employees is a perennial challenge. Striving to maximize the potential of each and every employee and to enable the company and our personnel to continue growing together. This is what I see as my own role.

In the Group's annual employee evaluations, we evaluate employees based on their performance as well as their actions in comparison with the values and action guidelines. Last year, we reflected elements of the Purpose in these values and action guidelines, linking evaluations to words and actions that embody the Purpose. We will steadily refine our engagement improvement cycle as we make improvements on our past human capital initiatives, based on our cherished Code of Conduct and our corporate culture, which includes the values and action guidelines.



Human Resources Strategy

Vision for Our Human Resources

Professional Human Resources who Demonstrate an Enterprising Nature and Continue to be Selected for Creating New Value

The Group's history began with the domestic sales of Canon products, but we have expanded our business domains, staying a step ahead of customer and market changes. We aim to develop human resources that have capabilities to understand the issues faced by our customers, develop solutions to address them, and issue the forward-looking proposals that our customers seek.

One important element we identify in maximizing the value of our human capital is establishing an engagement improvement cycle within the Group. The engagement improvement cycle is made up of three elements: development of skilled personnel, customer satisfaction, and employee job satisfaction. In this concept, the elements affect each other, contributing to the improvement of the Group's sustainable corporate value.

We are implementing a wide range of initiatives from a medium- to long-term perspective, linking our management strategies and human resources strategies to maximize the value of our human capital.

Human Resources Development Policy

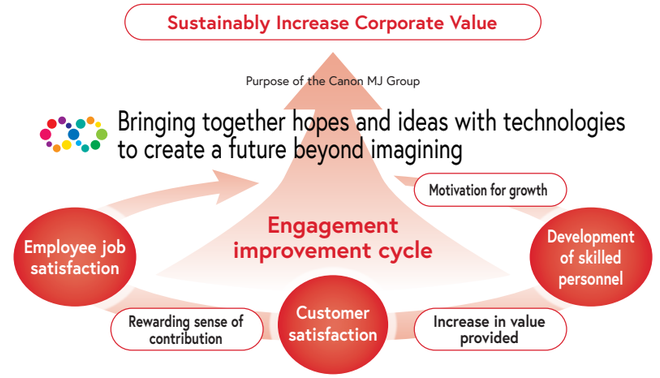
1. Based on the spirit of the San-ji (Three Selfs) Spirit that constitutes the Canon Code of Conduct, we create learning environments in which participants can study with a sense of ownership.
2. We clarify the gap between aspiration and reality, and design steps to close that distance.
3. As the foundation 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 personnel development.

Code of Conduct

The "Three Selfs" Spirit	Adhere to the principles of self-motivation, self-management, and self-awareness in day-to-day activities
Meritocracy	Make vitality (V), specialty (S), originality (O), and personality (P) daily pursuits
Internationalism	Strive to become a culturally sensitive, internationally minded, sincere, and active person
Familism	Strengthen the trust and understanding of others and work together in a spirit of harmony
Health First	Live by the motto "healthy and happy" and work to cultivate character

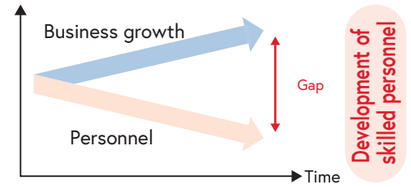




Engagement Improvement Cycle "Development of Skilled Personnel"

Two-pronged Approach to Developing Skilled Personnel

As a result of the decline in Japan's labor force, we expect the number of Group employees to decrease due to natural attrition. In order to increase the value we provide with a smaller workforce than we currently have, thereby bridging the gap between business growth and workforce decline, we are working to develop skilled personnel on two fronts. The first initiative involves acquiring and developing specialist personnel to achieve our business strategy, while the second consists of improving the skills of employees across the entire Group in order to achieve even higher productivity.



Medium-Term Management Plan → Development of skilled personnel

1 Acquisition and Development of Specialist Personnel to Achieve Our Business Strategy

- Development of specialist personnel
- Acquisition of external personnel
- Development of managerial personnel

2 Further Improvement in Productivity

- Acquisition of rank-specific business skills
- Enhancement of digital skills

Defining the Positions and Skill Requirements Deemed Significant in Achieving Our Business Strategy

In order to achieve the Medium-Term Management Plan (2022-2025), we defined the positions and skill requirements deemed significant in achieving our business strategy, and categorized them into levels 1 to 5. We identified the gap between the number of employees required for each skill level in 2025, the final year of the Medium-Term Management Plan (2022-2025), and the current number of employees. Based on this, we have been formulating and executing measures aimed at closing this gap, dividing them into measures to be carried out across the entire Group and those to be implemented by each division.

Medium-Term Management Plan → Defining the positions and skill requirements deemed significant in achieving our business strategy → Identifying the gap and formulating measures to bridge it → Implementing Groupwide measures and divisional measures → Confirming progress with KPIs and updating targets

Human Resources Strategy

1 Acquisition and Development of Specialist Personnel to Achieve Our Business Strategy

Development of Specialist Personnel

In developing specialists for each position, we divided skills into specialized skills for specific business and transferrable skills that work across multiple businesses. As skills related to the IT solutions business fall under both categories, going forward we will link them with the Group's positions, visualize the number of personnel we aim to cultivate for these positions, and provide training to improve their skills in accordance with the Digital Skill Standards*.

* Definition of the skills required in the digital age, announced by the Ministry of Economy, Trade and Industry (METI) and the Information-technology Promotion Agency (IPA) in 2022

Acquisition of External Personnel

In our recruiting activities, we are actively conducting mid-career recruitment in addition to the regular hiring of new college graduates. Our particular focus has been on human resources that will drive the IT solutions business and as a result, personnel with diverse backgrounds are playing an active role by breathing new life into our operations.

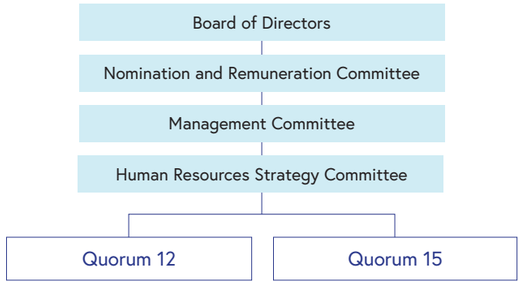
The R&B specialized organization, which was newly established in January 2024, gathers innovative personnel discovered and cultivated within the Company, and also welcomes experienced personnel from outside the company as leaders.

Development of Managerial Personnel

The next generation of managerial personnel is determined by the Nomination and Remuneration Committee, which is chaired by the president and comprises both inside and outside directors. The development of the potential candidates is deliberated by the Human Resources Strategy Committee. These processes are followed by examining the specifics such as the appointment of candidates for important positions and participation in selection training, forming the long-term framework for developing managerial personnel.

We have held Quorum 12 since 2014, a training session for select personnel in the general manager class. Since 2019, we have also held Quorum 15 for select personnel in the manager class. In addition to enhancing skills in business school, since 2024, we have begun using cross-boundary learning, in which participants learn about management through actual practice in other companies. We are developing the next generation of managerial personnel through hands-on learning and a liberal arts curriculum that enhances participants' human skills.

System for Developing Next-Generation Managerial Personnel



2 Further Improvement in Productivity

Acquisition of Rank-Specific Business Skills

Employees are able to gain the business skills required by their years of service, level, and position through systematic rank-specific training and consolidate these skills through on-the-job training. Based on the Katz model*, we aim to have employees hone conceptual, technical, and human skills. In addition to rank-specific training, we also provide opportunities for voluntary learning to support the improvement of business skills used day-to-day through a variety of programs, such as self-selected distance education and external seminars.

* A theory proposed by management scholar Robert L. Katz that categorizes and articulates the skills required for management by hierarchy and skill level

Enhancement of Digital Skills

To deal with changes in our business models, each and every employee must transform their own mentality and improve their skills. Through the DX certification and DX business certification exams that we launched in 2023, 6,611 employees received certification, of which 925 received professional level certification (a score of 800 points or higher). We also introduced a design thinking test in 2023. This test has already been taken by over 10,000 employees (10,896 employees). Of these, 2,308 employees have acquired a high-ranking personnel (innovative personnel) certification, an internal certification issued to those who meet certain defined standards.

In addition, each year over 1,000 employees work hard to improve their skills through Aidemy Business, an e-learning platform specialized in AI, to learn basic knowledge and carry out Python training. In particular, hands-on lectures by in-house data scientists and on-the-job support are available to employees who work with large amounts of data as part of their job, and they are putting in the effort to apply and enhance their skills in practice. We aim to improve operational efficiency by utilizing various data accumulated in-house.

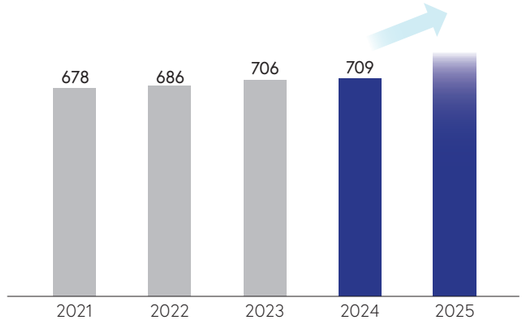
Engagement Improvement Cycle "Employee Job Satisfaction"

Engagement Scores Improved Three Years in a Row

Since 2021, we have been carrying out an annual engagement survey of Group employees to visualize their level of engagement. The survey is conducted in a four-choice format, with points assigned to each answer for a total possible score of 1,000. Our goal is to have all 20 key questions answered with affirmative responses (667 points or more). In fiscal 2024, 14 of the 20 questions answered with affirmative responses (compared to 15 in fiscal 2023). Although the number of questions with affirmative responses decreased, the average total score for the 20 questions was 709, rising for the third consecutive year. We will continue to carry out the engagement survey, analyze employee responses, identify issues and implement countermeasures, and aim to further improve engagement.

Engagement Survey Total Score Trend

- Implemented engagement survey targeting Canon MJ Group employees
- Four options available to answer survey questions: "agree," "somewhat agree," "somewhat disagree," and "disagree," with points assigned to each answer for a total possible score of 1,000

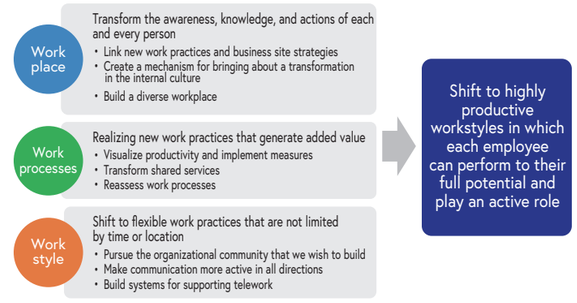


Workstyle Reform Promotion

We are promoting workstyle reform through three task forces: Workplace, Work Processes, and Workstyle.

Our diverse range of workplaces and workstyles in which employees can independently choose when and where they work, such as telework and staggered working hours, contribute to the achievement of job satisfaction and productivity improvement.

We also aim to increase the added value of employees' day-to-day work through the visualization of work process productivity.



Health and Productivity Management

At the Canon MJ Group, we believe that efforts to maintain and improve employees' health based on the principle of "Health First" set forth in the Canon Code of Conduct lead to the happiness of employees and their families, and also to the sustainable improvement of corporate value, so we actively promote health and productivity management. Based on our Three-Year Health Management Plan, a medium-term plan first rolled out in 2010, and Health and Productivity Management Strategy Map, formulated in 2022, we engage in health management with a focus on mental health, lifestyle disease, and cancer. Since 2018, we unified the Group's health support measures and operations, so that health management of the Canon MJ Group would be standardized at a high level. We have placed health support offices in eight locations in Japan and assigned one health nurse per 750 employees. As a result of these efforts, nine Canon MJ Group companies, including Canon MJ, were selected under the 2025 Certified KENKO Investment for Health Outstanding Organizations Recognition Program, jointly sponsored by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Special Feature 01 Special Feature

Employee Roundtable Discussion

“Solving Customer Issues Through Our Skills and IT Solutions”

One of the Canon MJ Group’s strengths and a driving force behind our future growth is the “power of our people.” Three mid-career employees working on the front lines, each with diverse career paths and skill sets, came together to discuss their involvement in customer segment-tailored IT solutions that leverage their skills and experience. They also shared their perspectives on how their divisions foster systems and a culture for skill development.



Yutaka Saito
Canon Marketing Japan Inc.
Enterprise Business Unit
GB Solution Headquarters
GB Solution Sales Group 1
Distribution Industry Sales Div., Sales Dept. 4 – Manager

Yuka Okura
Canon System & Support Inc.
Engineering Headquarters
Customer Support Center
Customer Support Div.2
Business Application Operations Support Dept.

Masato Ikegami
Canon IT Solutions Inc.
IT Platform Business Section
IT Infrastructure Technology Headquarters
Cyber Security Technology System Development Group
Cyber Security Laboratory

Wakana Saiki (Interviewer)
Canon Marketing Japan Inc.
General Administration & Human Resources Management Headquarters
General Manager of Group Human Resources Development Center

The IT Solutions We Provide

Saiki The IT solutions business is a pillar of growth for our Group. Could you tell us about the work you are involved in and the strengths of our Group in those areas?

Ikegami I work in a cybersecurity related department, specializing in malware as a certified specialist. I believe there are two major strengths in our Group’s cybersecurity business. The first is our ability to provide end-to-end support, from system design and construction to operations, thanks to our proprietary cloud service platform, SOLTAGE. The second is the presence of our Cybersecurity Lab, to which I belong. The lab brings together members with a wide range of technical expertise, and we support the launch of new security services. We also focus on researching cyberattacks and disseminating information. Last year, we presented our research at an international conference. We have received high praise both in Japan and overseas, and I feel that recognition of Canon MJ Group’s cybersecurity capabilities is steadily growing.

Okura I work at our Customer Support Center, handling inquiries related to IT maintenance and operation services, primarily centered around the *Makasete IT DX Series* designed for small and medium-sized enterprises. I handle phone inquiries related to mission-critical operations, such as accounting and payroll software. While other companies divide support by function—one window for accounting, another for attendance management—our strength lies in being able to respond to all inquiries through a single point of contact. Quite a few of our customers are not confident with computers, so in those cases, we provide remote assistance while explaining the process on-screen. We receive a wide range of inquiries, from accounting and sales management to human resource and labor management, so we must study not only IT, but also cover areas like accounting and HR/labor. While this can be demanding, this breadth of knowledge is also one of our strengths and an essential skill to hone.

Saito I am in charge of sales to quasi-major and upper medium-sized enterprises. In this market, there is still room for growth in Canon product adoption, and in 2024, we saw a year-on-year increase in MFP sales in the GB Solution Headquarters where I belong. Installing MFPs often leads to a deeper understanding of our customers’ operations and stronger relationships. Through subsequent sales activities, we are able to further deepen our understanding of their network and security environments. This continuous engagement with the customer is invaluable when proposing IT solutions. For example, one customer that had installed MFPs across hundreds of locations expressed interest in strengthening security by installing network cameras at those sites. Because we had already worked with them on MFP installation and understood their infrastructure environment, we were able to quickly provide a concrete proposal tailored to their situation, which led to a successful deal. While relationships that begin with IT solutions are increasing, there are also many cases like this where our existing familiarity with a customer’s operations, gained through their use of Canon products, enables us to deliver even greater value. In the sales divisions, we aim to first build trust with customers through Canon products so that when our customers face challenges, we’re the first ones they turn to. One of our major strengths is the well-established system we have for systematically collecting customer information. I believe this embodies the message that our President Adachi often emphasizes: “Understand our customers’ business even better than they do themselves.”



Yutaka Saito

Joined the Company in 2002. He began his career as a customer engineer, handling maintenance services for MFPs and printers. In 2007, he transferred to the sales division through the in-house recruiting program. He is currently in charge of sales to quasi-major and upper medium-sized enterprises in the Enterprise Business Unit’s GB Solution Headquarters. As a manager, he is also involved in human resource development within the division.

The Power of People that Drives Our Group. How Have Their Skills Been Cultivated?

Saiki In order to provide high value to our customers, advanced skills are required in each division. How did you all acquire the skills you have today?

Okura I transitioned from a secretarial role because I wanted to be more directly involved in supporting customers on the front lines. When I transferred, I didn’t have the skills required for the new role, but I developed them through internal training. In my division, we have training programs not only for IT skills, but also for accounting, payroll, and sales management—essential skills for handling inquiries. We can also learn the practical skills necessary for actual support operations. I also took advantage of the qualification support program, which covers course and exam fees for qualifications like bookkeeping and payroll administration exams.

Ikegami Studying abroad in Slovakia and learning about various technologies at ESET, a globally renowned digital security company, helped me greatly in developing my skills. Canon MJ is the exclusive distributor of ESET security software in Japan, and the Canon MJ Group handles its sales and support, so we have a strong connection with ESET in Slovakia. To not only sell the product, but also respond quickly to customer inquiries, we needed human resources with advanced technical capabilities, and I personally requested to study abroad. I trained alongside ESET employees and gained more than just malware analysis knowledge and skills—I also learned new approaches to work, cultural differences, and a different sense of speed. It was an extremely valuable experience.

Saiki Mr. Saito, you started as a customer engineer, then moved into sales, and now also propose IT solutions. That’s quite a diverse career path—did each shift require significant new knowledge acquirement and reskilling?

Saito Transitioning from customer engineer to sales was honestly quite difficult at first. Nowadays, we have structured training systems, but back then I learned by asking senior colleagues and absorbing things on my own. Later, as I settled into sales, the Company entered a phase where we began shifting from focusing solely on proposing Canon products to proposing IT solutions. From that point on, and even now, I think employees have shown strong motivation to learn about IT solutions, inspired by the direction set by top management. At that time, many of us only handled MFPs, but we began study groups to learn about networking and more. There was a real culture of learning new things together, and I believe that culture helped us transition successfully from Canon products to IT solutions.

Raising Baseline Skills Across the Group and Division-Specific Initiatives

Saiki As part of our Group-wide effort to raise baseline skills, we’ve implemented mandatory DX certification and DX business certification exams. In addition to this, each division also conducts specialized training tailored to its respective operations. Could you tell us more about these initiatives?

Saito Through the DX business certification exam, I feel that a culture of learning is gradually taking root in the sales field. In the Enterprise Segment, we’re working to co-create new solutions tailored to the specific challenges of each industry together with our customers. The DX business certification exam has given us exposure to new and successful business models, which in turn, I believe, serves as inspiration for developing the ability to create new solutions.

Okura In my division, in addition to the training and qualification support programs I mentioned earlier, we have a skill level certification program designed to help employees grow

Special Feature 01 Special Feature

Employee Roundtable Discussion

and improve service quality. Knowledge and skills required for each role are evaluated through written tests and interviews, and employees are certified at one of five levels. I've steadily progressed by taking advantage of this program myself.

Ikegami In my division, we actively promote the acquisition of globally recognized advanced security certifications (CISSP, SANS GIAC, etc.) and have created a supportive environment for employees pursuing these qualifications. We've also developed our own malware analyst certification program to train specialists in-house. Canon IT Solutions has a system called the Certified Specialist Program, which officially certifies and honors top-tier talent with advanced, externally competitive skills. Currently, 14 individuals have been certified, and I'm one of them. In addition to contributing to in-house human resource development, I also teach malware analysis in a hacking course at a vocational school, helping foster the next generation of cybersecurity professionals outside the company as well.

Saito In our division, we have a unique initiative called the ITS Assessment within the Enterprise Segment. It evaluates employees on their business model knowledge, IT knowledge, and competencies as sales staff, and provides tailored education based on their assessment level. Participation is voluntary, but engagement is high, especially among younger employees, who have nearly a 100% participation rate. Those who rank high in the assessment are offered opportunities to attend advanced external training, in addition to programs such as presentation workshops for officers and business process visualization training. This structure allows employees to systematically build the knowledge necessary to deliver IT solutions to our customers.

Saiki By visualizing the skills you need through assessments and then building them through training, each individual can pursue development in a way that fits them. I believe these learning structures, tailored to the specific nature of each organization's work, are a vital part of the Group's continued growth.



Yuka Okura

Joined the Company in 2011. After working as an application engineer supporting business negotiations and implementation of MFP applications, she transitioned to a secretarial role. Following her experience supporting business negotiations and implementation of core software—and two maternity and childcare leaves—she is now responsible for handling phone inquiries from contract customers for the "*Makasete IT DX Series*" at the Customer Support Center.

The Strength of "People" working at the Group and Fostering a Culture Where Diverse Talent Can Thrive

Saiki I imagine it varies depending on the role, but what kind of culture and characteristics do you see in the people of your respective divisions?

Saito Since our days as a Canon Sales Co., Inc., we have been recognized for our strong sales capabilities, and I believe the key to that strength lies in our ability to understand our customers through communication. In every process of the sales activities, the most important thing is whether customers feel, "I want to consult this person again." We aim to train salespeople who can earn customers' trust by building rapport through communication and understanding their needs, and then meet those expectations with sales capabilities and a wide range of solutions. I believe our organizational ability to nurture such talent is one of our strengths. In my division, we also encourage young employees to take ownership early on and give them many opportunities to experience what I'd call "good failures" through customer interactions. Creating an environment where younger team members feel safe to take on challenges and learn from mistakes is one of our defining traits.

Ikegami My division has a unique spirit, or rather a sense of wanting to make work more interesting and fun. For example, we sometimes add playful elements to our presentation materials, and we enjoy seeing how audiences react to them during seminars. There's definitely a shared mindset that work should be enjoyable.

Okura In my department, I'd say many people consistently follow through on organizational goals and are serious about their work. That said, there's also flexibility—we value each person's input and are willing to try new things. I think one of our strengths is the openness to give something a go, to approach things with a positive attitude. We also have a culture where the more autonomously you participate in training or other learning opportunities, the more your skills grow and the more chances you have to take on what you really want to do.

Saiki We've got employees across a wide age range, and we're hiring more mid-career employees, too. It seems like the diversity of our human resources is steadily increasing across the Group.

Saito That's right. In my division, about half of the sales team is in their twenties. But that doesn't mean our veteran employees aren't active—far from it. We've built a culture where both veterans and younger staff work well together, each contributing in their own way. As a manager, I try to focus on how to best leverage each person's strengths. While



Masato Ikegami

Joined the Company in 2014. He began his career working on testing and localization of antivirus and encryption products. In 2016, he studied abroad at ESET in Slovakia. After returning to Japan, he joined the Cybersecurity Lab, where he worked as a malware analyst, researching and investigating cyberattacks. Currently, he is involved in public outreach through international conferences and media appearances. and also plays a role in launching new security services.

we aim to raise everyone's baseline IT solutions knowledge, I don't force those who aren't confident to make proposals in areas they're uncomfortable with. Instead, I assign them to areas where they can excel, so the team can succeed collectively. In the past, individual performance was emphasized, but now we're working to build a "winning scenario" to boost repeatability across the organization. We're defining areas where individuals can stay highly motivated and succeed, and for those areas, we're standardizing processes to ensure repeatable success—so we can continue delivering value to our customers sustainably.

Okura I'm currently raising children, and while it can be challenging, being able to handle call center work from home has allowed me to carve out more time for learning. Compared to before, the environment for skill-building is much better. There are younger employees and many others like me who have returned from maternity or childcare leave in my division. Still, because of the nature of our work, we're expected to deliver consistent value to customers no matter who handles a case. Individual knowledge is important, of course, but unless we raise the knowledge level of the whole organization, we can't ensure uniform service quality. So, in addition to using the company's training programs, we're building systems to share case studies from daily work and regularly hold study sessions to bring in new knowledge.

Saiki I've taken maternity leave and childcare leave twice myself, and I think it's one of the distinctive features and real strengths of our company that people can come back after leave and still feel like they want to continue working here.

Saito We're also seeing more people join us mid-career. What's great in our culture is that we actively try to incorporate the knowledge and know-how those new hires bring with them. There's no rigid insistence to the way we've always done things—if there's a better way, we're open to trying it. For mid-career employees, it's rewarding to feel that their past experience is making a difference, and for existing members, it provides a good stimulus. We're building a relationship where we complement and enhance each other.

Our Purpose and Ourselves: Vision for Future Growth and the Value We Aim to Deliver

Saiki Our Group's Purpose is "Bringing together hopes and ideas with technologies to create a future beyond imagining." Toward realizing this Purpose, how do you envision our growth, and how do you want to provide value to customers and society going forward?

Ikegami The world of cybersecurity evolves at a tremendous pace, and I believe my strong curiosity is well suited to this kind of work. There's great satisfaction in constantly staying alert to emerging cyberattacks and figuring out how to respond to them. Going forward, I want to continue expanding my expertise in the areas I'm passionate about and use that knowledge and skill to deliver solutions tailored to customer needs. I also want to keep leveraging the business mindset, sense of urgency, and networks I developed overseas—by not only developing our own solutions, but also adapting outstanding overseas security products to the Japanese market with added value.

Okura In my role as well, we constantly need to adapt to changes, such as legal revisions. The feedback we receive from customers every day is incredibly valuable, and I want to stay closely attuned to those voices while also staying alert to new developments and changes. I hope to deliver better value not only to our customers, but also to myself, my colleagues, and all other stakeholders.

Saito Of course, technical capabilities and the ability to conceive new solutions are essential, but I believe it's equally important to hold on to the human aspect—our "hopes and ideas." In the end, it's each of us who delivers solutions to customers. And as society becomes increasingly digital, our "hopes and ideas" become a key differentiator from the competition. I want to help build an organizational culture where every employee loves the solutions of Canon MJ Group and truly wants to deliver something great to our customers. To make that happen, I also need to keep growing myself.

Saiki Through this discussion, I've really felt that our Group offers a solid environment for developing technical skills while also fostering personal hopes and ideas. By developing the skills of each and every employee, we can enhance the overall power of our people at Canon MJ Group, enabling us to deliver even more value to our customers and solve the increasingly diverse issues facing society.

Special Feature 02 Special Feature Technical Capabilities

One of the Canon MJ Group's key strengths is its technical capabilities. We leverage proprietary technologies developed over many years to deliver a wide range of solutions. This page introduces examples of solutions that resolve social issues and customer case studies showcasing their implementation.

Imaging Solutions

Leveraging Canon's technologies and AI to tackle next-generation social issues.

As Japan faces a shrinking labor force, a "80% society" is becoming a reality—one in which fewer people must support a wide range of social functions. In response to this structural challenge, labor-saving measures are accelerating across industries, with many frontline operations expected to be replaced by digital technologies, especially those centered on imaging and AI.



One of the Group's strengths is its ability to provide end-to-end services in the four technological areas of IP cameras (hardware), video management software for on-premise use, cloud-based video surveillance services, and video analysis.

Furthermore, we are actively collaborating with startups and other business partners with advanced technologies, and significantly boosting the speed and scalability of our solution development. Specifically, by integrating generative AI and IoT platforms with our existing technologies, we are further enhancing the speed of video verification and automating on-site operations, thereby expanding our areas of problem-solving. Going forward, as a DX partner that addresses social issues, we will continue to strongly drive business process transformation in partnership with our customers.

Award-Winning Projects from the 2024 In-House Recognition Program

[For a Life Insurance Company Customer] Previously, office staff needed to be on-site to handle the receipt and delivery of documents when logistics providers arrived at sales offices nationwide. However, by utilizing the cloud-based video recording service *VisualStage Type-S*, administrative staff working remotely from home were able to monitor the situation in real time. This new approach improved operational efficiency at the offices.

Total Solutions for Mission-Critical Operations

We offer SCM/ERP systems essential for business transformation and DX advancement.

Canon ITS offers *AvantStage*, a best-of-breed total solution for mission-critical operations that integrates multiple systems for customers in the manufacturing and distribution industries who urgently need to address labor shortages and environmental issues. By combining *FOREMAST*, the demand forecasting and supply-demand planning solution which uses mathematical techniques and AI to support inventory reduction; *SCPlanet*, the supply chain planning solution for production and logistics; and *mcframe*, the production management, cost control, and sales logistics solution, we provide optimal solutions tailored to each customer's operations to promote the standardization and digitalization of on-site tasks, visualize worksite conditions, and enable data-driven business operations.



Each of these products and solutions is backed by Canon ITS's long-standing track record, structure, and know-how, and is highly regarded by many companies in Japan. We provide comprehensive solutions to the respective issues of factories, business units, and management in the manufacturing industry, and contribute to supply chain optimization, reduction of environmental impact, and reduction of food loss.

Award-Winning Projects from the 2024 In-House Recognition Program

[For a Food Company Customer]In the past, different host systems were used at each of the 11 domestic factories. However, by introducing the *mcframe* production, sales, and cost management solution as a standard system, and creating a common foundation for production and cost management at factories nationwide, we have contributed to the departure from existing host systems and the streamlining and standardization of production and cost management operations.

In-Vehicle Solutions

We support various customer issues in in-vehicle development through our extensive track record and software capabilities.

We are working toward a future where people can enjoy comfortable travel with safe and secure mobility through the development of in-vehicle solutions. Canon ITS has supported the development of a wide range of products—not only Canon devices such as MFPs and digital cameras, but also industrial and medical equipment. Through these efforts, the company has accumulated technologies, experience, and know-how that extend beyond any single industry. We apply these assets to the development of various in-vehicle software in the form of in-vehicle development support. In addition to basic automobile functions such as driving, turning, and stopping, we support the development of advanced technologies such as automated driving and communication functions inside and outside the vehicle for comfortable travel. With the addition of initiatives related to AUTOSAR*1, we are now able to support an even broader range of development projects. Through software provided by Canon ITS, we aim to make cars more exciting by going beyond conventional mobility, by enabling autonomous driving and reducing environmental impact.



Award-Winning Projects from the 2024 In-House Recognition Program

[For an Automotive Parts Manufacturer Customer] Faced with the challenge that the client lacked engineers with experience in AUTOSAR development, our Group's technical capabilities in in-vehicle platform development centered on AUTOSAR was highly valued. As a result, we were selected to participate in multiple CASE*2 development projects in the next-generation domain, contributing to the realization of future vehicles, including autonomous driving.

*1 An abbreviation for AUTomotive Open System Architecture. A platform launched in 2003 to achieve the standardization of in-vehicle software.
*2 A coined term formed by combining the initials of four transformative domains in mobility: "Connected," "Automated/Autonomous," "Shared & Service," and "Electrification"

Digital Document Services

We are expanding the field of digital document services to accelerate the promotion of DX and business process transformation through the utilization of information.

While companies urgently need to work to reform business processes and rebuild business models to achieve DX, they are also faced with challenges in establishing systems to efficiently store, share, and utilize data, as there are vast amounts of paper documents and digital data mixed together.

As an example of our digital document services, the Canon MJ Group provides *DigitalWork Accelerator* to promote business process innovation by customers and the effective use of business data as a management resource.

DigitalWork Accelerator is a cloud service that digitally consolidates and manages various documents exchanged between companies, and enables smooth information coordination and advanced information utilization. In addition to ensuring compliance with the Electronic Books Maintenance Act, it also achieves safe and secure inter-company data sync and information asset preservation.

Moreover, by integrating with office MFPs and scanners, the service reduces the burden of digitization and leverages accumulated information assets to promote business process transformation and accelerate DX.



Award-Winning Projects from the 2024 In-House Recognition Program

[For a Financial Institution Customer] For the customer's contract review and payment assessment operations, we helped replace their traditional paper-based processes conducted across multiple locations nationwide with a paperless operations platform. As a result, tasks that were previously carried out at 20 locations were consolidated into just three, significantly reducing the workload at each site.

COLUMN

Source of Technical Capabilities

Sumitomo Metal System Solutions*, the predecessor of Canon ITS, focused on mathematical technologies starting in the 1960s and has been conducting basic research and applying it to steel production sites. Mathematical technologies are linked to one of our strengths, the optimization of production and logistics. In the 1980s, we began researching software technology, and since 1990, we have been actively engaged in applied research, such as document retrieval and analysis using advanced language processing technology and its application in the security field. Since the 2010s, we have focused on video analysis technologies, promoted the creation of solutions that utilize large volumes of images, videos, and device data, and worked on the development of AI for image and video processing using deep learning. Based on the research results, knowledge, and experience of these technologies accumulated over the years, we will continue our R&D efforts and create solutions and services that address social and customer challenges and deliver new value.

*Sumitomo Metal System Solutions Co., Ltd. was established in 2000 as a spin-off of the R&D division of the former Sumitomo Metal Industries, Ltd.

Special Feature 02 Special Feature

Technical Capabilities

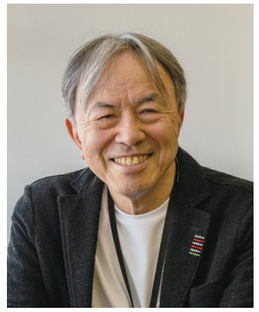
Comments from Capital and Business Alliance Partners

We are strengthening our Group's technological capabilities by entering into capital and business alliances with companies that hold competitive advantages in growth areas. On this page, we speak with Mr. Saito of CARE CONNECT JAPAN, Inc., a company engaged in the development of nursing care systems, and Mr. Ueda of MODE, Inc., which specializes in services that integrate IoT platforms with generative AI, about the impact and expectations of their collaboration with our Group.

CARE CONNECT JAPAN, Inc.

Our capital and business alliance with Canon MJ Group's Canon System & Support Inc. has greatly advanced the introduction of ICT into nursing care facilities. Through collaboration with their nationwide sales and service network and the holding of joint seminars, we have been able to approach corporate clients we previously had no contact with, which has been a great help in popularizing our system. We have established a nationwide support system, and are now able to offer one-stop services from assistance in obtaining subsidies to equipment selection and post-installation support, which is a major accomplishment. Going forward, we hope to leverage the strengths of both parties to further improve the productivity of the industry as a whole, reduce the workload of nursing care staff, and further improve their satisfaction.

We expect Canon System & Support to further strengthen its flexible proposal capabilities that values the on-site viewpoint and support system rooted in the local community. We hope to continue to make a significant change in the nursing care industry and contribute to society through both companies.



CARE CONNECT JAPAN, Inc.
President & Representative Director
Yoshihisa Saito

CARE CONNECT JAPAN

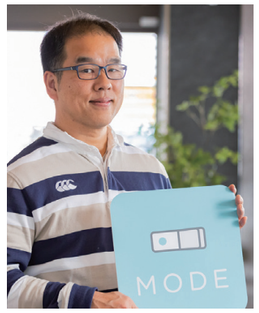
Name: CARE CONNECT JAPAN, Inc.
Date of Establishment: February 2003
Description of business: Development and sales of software for nursing care facilities and facilities for people with disabilities
URL: https://www.carekarte.jp/

MODE, Inc.

MODE was founded in 2014 in Silicon Valley, U.S., with the desire to "eliminate the unknown from the world." We developed a system that visualizes real-time information from worksites around the world and, following the emergence of ChatGPT, quickly commercialized *BizStack Assistant* in 2023, an AI assistant that enables users to interact with these data through conversational dialogue.

Currently, we are supporting the delegation of tasks to AI agents, primarily at sites facing severe labor shortages such as those in construction, logistics, and social infrastructure. By delegating time-consuming tasks to AI, we aim to realize the next-generation work environment where humans and AI collaborate, and we continually refine our technology to achieve this.

By the end of 2024, with investment from Canon Marketing Japan Inc., our AI has further evolved. By combining high-quality imaging technology with the power of AI, we deepen our understanding of the "now" at worksites and enable swift, accurate actions to solve the challenges faced by sites struggling with labor shortages.



MODE, Inc.
CEO/Co-Founder
Gaku Ueda

MODE

Name: MODE, Inc.
Date of Establishment: July 2014
Description of business: Provision of sensor platforms and related software services
URL: https://www.tinkermode.jp/

R&B Initiatives

In January 2024, as a concrete measure to realize our Purpose, we established a specialized organization for R&B (Research & Business Development), which will continuously create new businesses that will drive the Canon MJ Group's sustainable growth by solving social issues with an eye to the future. This page introduces the initiatives of R&B.

About R&B

R&B is an initiative within the Canon MJ Group that, under the group's Purpose of "Bringing together hopes and ideas with technologies to create a future beyond imagining," continuously links two functions: Research, which explores cutting-edge technologies and promising business seeds, and Business Development, which drives their commercialization, thereby creating new future-oriented businesses on an ongoing basis.

With well-being and business transformation as its two broad vision, R&B envisions new businesses originating from social issues and takes on challenges in new areas that are not bound by existing frameworks through worldwide open innovation to achieve its future vision.

Furthermore, through the Canon Marketing Japan MIRAI Fund, a CVC fund established in 2024, and collaboration among industry, government and academia, we are also strengthening efforts to broadly explore future technologies and expand our pipeline from a medium- to long-term perspective.

Canon Marketing Japan MIRAI Fund
(Registered name: Canon Marketing Japan Future Investment Limited Liability Partnership)

Activities in 2024

In 2024, the CVC fund made investments in domestic and international startups, conducting business support and demonstration experiments utilizing the Group's resources, while looking ahead to medium- to long-term business collaboration and partnerships. In addition to participating as a founder of WE AT, a general incorporated association which aims to build a global innovation ecosystem through collaboration among industry, government and academia for the realization of Well Being, we are also accelerating open innovation by operating an Acceleration Program.

spark.me Acceleration Program

Specific Initiatives

In October 2024, we launched the spark.me Acceleration Program, aiming to create new value together with startups and internal entrepreneurs. The program received a large number of applications from both domestic and international participants. We will continue to co-create with the four companies selected at the results presentation meeting in March 2025.



In February 2025, we launched a beta version of *headtête*, a self-care support app for headaches developed through Canon MJ Group's internal entrepreneurship program.



In November 2024, we held the pitch contest WE AT CHALLENGE 2024, aiming to become Asia's largest Well-Being event, and finalists delivered their pitches.



In December 2024, we entered a basic agreement for business development in Japan with Lightergy (headquartered in the U.S.), a global leader in battery technology, and its manufacturing subsidiary, Lightening Grid Quebec (headquartered in Canada). We aim to realize a carbon-neutral and resilient society in Japan through the stable supply of electricity from storage batteries.

In February 2025, we participated in a joint delivery demonstration experiment using drones in Higashi-Kagawa City with Aeronext and others to improve logistics efficiency and solve the problem of people with shopping difficulties.



In February 2025, we exhibited Valpas' (headquartered in Finland) bed bug prevention solution for the first time in Japan at an exhibition, and accelerated efforts to rollout the solution in Japan.



Special Feature 03 Special Feature Customer Base

The Canon MJ Group has a strong customer base nationwide that has expanded through the sale of Canon products.

This customer base has **both the breadth of customers ranging from large corporations to quasi-major and upper medium-sized enterprises, small and medium-sized enterprises, individuals, and clients in specialized segment such as printing companies, semiconductor manufacturers, hospitals, clinics, and dispensing pharmacies, as well as depth, in the form of a deep understanding of customer industries and operations and strong relationships from the front-line departments to the management level.**

This page features comments from large corporations, small and medium-sized enterprises, and individual customers regarding their relationship with the Group, our strengths as seen from their perspective, and their expectations going forward.

A Large Corporation Customer The Dai-ichi Life Insurance Company, Limited.

Our business relationship with Canon MJ began in the late 1990s with the introduction of monochrome printers at sales offices nationwide. For almost a quarter of a century since then, the relationship between the two companies has steadily and consistently evolved, and Canon MJ is now an indispensable partner in our business transformation.

At that time, paper documents were the lifeline of insurance sales. This was due to the fact that documents such as insurance design documents had to be printed in large quantities on a daily basis and brought by the lifetime planning designers (sales staff). Each morning, lifetime planning designers simultaneously printed proposals at approximately 2,000 sales offices nationwide. Canon MJ provided printers printing several hundred thousand pages annually per one unit with minimal paper jams and breakdowns. Printing stability has served as the foundation for conducting business in an environment where printing errors were unacceptable. The declining printer failure rate over the years also lead to our trust in the company.



The Dai-ichi Life Insurance Company, Limited
Managing Executive Officer
(responsible for IT Planning Dept. and Digital Transformation Dept.)
Jun Kuroda

As the wave of digital transformation swept through the industry, we accepted a proposal from Canon MJ and implemented a project to unify proposal documents for both tablet display and paper from a single source. This system displays proposal documents identically on paper and the screen and managed the stored data in a unified manner. This has posed minimal adoption barriers among approximately 37,000 lifetime planning designers nationwide and has taken root on the front-line level. As we are presenting the same documents in both paper and digital form, there must not be any discrepancies between the two, and stable operation is essential. We requested Canon MJ to meet very strict requirements, and they followed through with full responsibility until the end.

This was possible because Canon MJ staff built relationships with multiple departments across our company and developed a deep understanding of the front lines. I believe that Canon MJ's greatest strength lies in its ability to make proposals rooted in understanding and its ability to accompany customers through to the end.

Canon MJ is currently responsible for a project to simultaneously pursue employee engagement and business efficiency at our sales offices. Canon MJ has made major contributions by developing a system that makes it possible for employees to easily send documents in just two touches using a scanner with an integrated display so that procedures can be completed without making the customer wait. They also established a system in which employees working remotely or at other offices can support lifetime planning designers and handle logistics using cameras and microphones.

Canon MJ is great not only because it is an IT vendor, but also because it can freely combine hardware and software to realize proposals rooted in the field. In the insurance industry, where trust is of the utmost importance, their stance of listening to voices in the field and tackling problems head-on will ensure they remain indispensable to us. We look forward to receiving further proposals from Canon MJ that will enable us to move forward together and open up the future.

一生涯のパートナー 第一生命 Dai-ichi Life Group

Name: The Dai-ichi Life Insurance Company, Limited
Date of Establishment: September 1902
Description of business: Life insurance business
URL: https://www.dai-ichi-life.co.jp/english/

A Small and Medium-Sized Enterprise Customer Sougou Shouken CO., Ltd.

Our business relationship with Canon S&S began with the introduction of printers.

Our initial impression was that the response to our inquiry and the subsequent proposal process were exceptionally fast. The decisive factor in our decision to start doing business with them was their ability to accurately understand our needs and consistently offer proposals aligned with these needs. This reflects the high level of expertise among Canon S&S employees, which we view as one of their greatest strengths.

Recently, they were deeply involved in our business automation project and made a significant contribution to the improvement of our main production line. We have confidence in Canon S&S because they are always willing to find areas for improvement and propose solutions.

The employees of Canon S&S are considered dependable by our staff as well, and we feel great reassurance knowing that they are stationed permanently on-site to handle printer maintenance. The relationship with our employees is also excellent, and I frequently communicate with them myself as well.

We have long been interested in the services that Canon Marketing Japan Group provides to local governments, and this year they spoke at a seminar hosted by our company. We hope to further deepen our collaboration and build a new cooperative framework going forward.

We hope that Canon Marketing Japan Group's services will connect positively with our new business initiatives as well.



Sougou Shouken CO., Ltd.
President & Representative Director
Naohiro Kobayashi

企業価値を高めるセールスプロモーション 総合商研株式会社

Name: Sougou Shouken CO., Ltd.
Date of Establishment: December 1972
Description of business: Provision of various marketing analysis and sales promotion tools mainly for the distribution industry
URL: https://www.shouken.co.jp/

Individual Customer EOS Academy student

I started attending Canon's photography school, the EOS Academy, around 2018, after receiving a flyer delivered with the EOS 80D which I purchased at that time. I was able to attend the classes with confidence thanks to the staff's attentive guidance and instructor Jun Imura's kind teaching style. What left the biggest impression on me was how the class brought out the best in my photography. Being able to try a wide variety of lenses during practice sessions was also a very valuable experience.

The EOS Academy is a valuable place where you can experience different perspectives and unknown worlds, and where you can continue to grow with the friends you make through photography.

The experience I gained through the academy has greatly influenced my creation of new art works. In 2021, I held a solo exhibition at Tobu Zoo, and in 2023, I won the annual grand prize in the photo contest section of the photography magazine CAPA. The scope of my photographic activities and skills have improved through these experiences.

Canon MJ has been an integral part of my activities in photography. I sincerely hope they will continue providing advanced cameras and lenses, as well as high-quality services, including EOS Academy.



EOS Academy student Yumi Sakurada

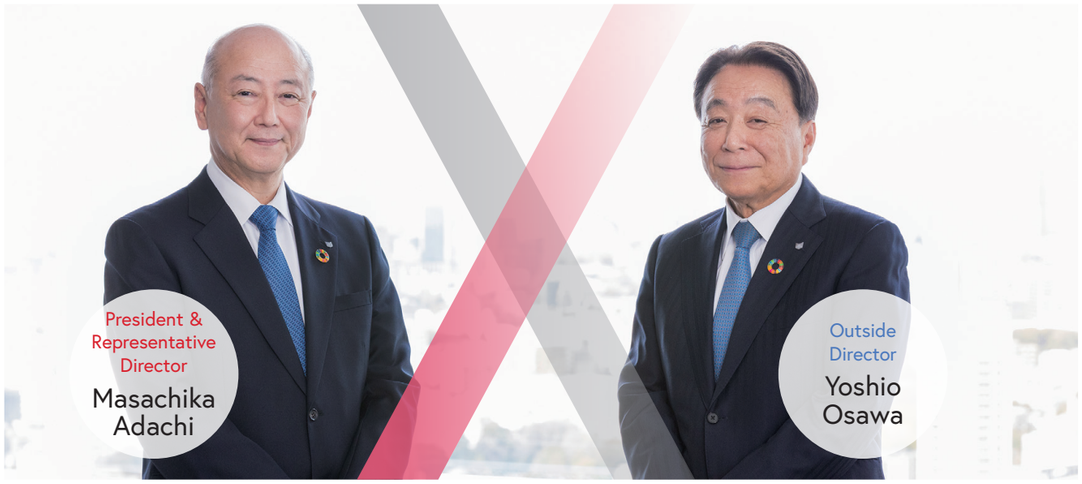


Work featured in CAPA April 2024 issue: *Inochiotsumugu* (Weaving Life)

Profile Participating in Jun Imura's class at the EOS Academy since 2019, and continuing to this day. Primarily engaged in animal photography courses, and held a solo exhibition at Tobu Zoo in 2021. Has won numerous awards in CAPA and Canon photo contests, and featured on CAPA's individual introduction page in 2024 as a photo contest winner.

Special Feature 04 Special Feature

Dialogue between Inside and Outside Directors



Aiming to Become an Excellent Company: Driving Management with a 5- and 10-Year Outlook

President & Representative Director Adachi and Outside Director Osawa held a dialogue on governance initiatives, embodying the purpose, business development, and talent acquisition and development.

Further Strengthening Governance for Greater Management Transparency

Osawa In 2024, we saw concrete results from what we have been discussing for the enhancement of governance. Our governance structure has become even more robust. While independent outside directors previously made up 40% of directors, in March 2025, we welcomed Ms. Satsuki Miyahara, who brings deep expertise in corporate accounting, as an independent outside director to further strengthen discussions on capital policy. As a result, the proportion of outside directors has risen to 50%, and the number of female outside directors increased to two.
Additionally, in January 2024, we established a Special Committee as an advisory body to the Board of Directors. As a listed subsidiary, it is crucial that we demonstrate management transparency from the standpoint of protecting minority shareholders to ensure there is no concern over conflict of interest between the controlling shareholder and minority shareholders.
Adachi Since I assumed the position of President in 2021, we have held in-depth discussions at Board of Directors meetings and executive retreats, guided by valuable input and advice from our outside directors. I believe those discussions have led to tangible outcomes. The newly established Special Committee reviewed topics including the tender offer for our own stock and assessed the fairness of pricing of products we purchase from Canon, our parent company, and the process of transactions with it.
We will continue to enhance our discussions on strengthening governance by incorporating diverse perspectives, including those of minority shareholders, outside directors, and Audit & Supervisory Board Members. Our Group is pursuing growth in the IT solutions business alongside the Canon product business, and we are committed to maintaining a healthy relationship with our parent company while also preserving our unique identity.
Osawa As a listed subsidiary, we benefit not only from exclusive access to Canon's globally trusted brand and high-quality products supported by advanced technologies, but also from the ability to offer services that combine Canon products with our own IT solutions. At the same time, Canon MJ has cultivated its distinctiveness by proactively pursuing M&A in the IT solutions field since the 1970s, free from constraints imposed by the parent company. That's what has brought us to where we are today. It remains important that we continue to manage our business with distinctiveness.
Looking ahead, one area for further consideration is our organizational design in light of future growth. Currently, we operate as a company with an Audit & Supervisory Board, and our five-member Audit & Supervisory Board is functioning effectively. However, we believe it is time to begin discussions on whether this is the best structure for us, or if we should consider transitioning to a company with an Audit & Supervisory Committee, a model increasingly adopted in recent years.

All Group Employees Moving Toward Purpose Realization is Key

Adachi We began discussions on formulating our Purpose in 2021, announced it internally within the Group in April 2023, and then disclosed it externally in January 2024. When disclosing it externally, we wanted our employees to be able to clearly explain what the Purpose means. That's why we ensured there was a period for awareness-building and internalization, allowing employees to truly make it their own.
Now, one year after the external announcement, it is critical that we continue progressing toward embodying our Purpose. As a MIRAI Marketing Company, we would like to explore how to contribute to an exciting, joy-filled society that inspires our stakeholders, and how to create profitable businesses to consistently solve social issues toward a sustainable growth.
Osawa The carefully thought-out approach of first embedding the Purpose internally and ensuring employees truly understood it before announcing it externally is a strategy I highly commend. Under this Purpose, the entire Group can operate as one team with aligned direction, together with all our stakeholders. As we further embody the Purpose, and all Group employees recognize and understand the role they play in contributing to society and people's lives, I hope they will have a greater sense of fulfillment in their work.

Expectations for Further Strengthening of the Customer Base and Expansion into New Business Domains

Osawa The Group has been actively pursuing M&A to transform its IT solutions business toward a service-oriented model, and I have high expectations for further progress in this area. Looking at our customer base, we have particular strength among large corporations, but there remains significant potential to cultivate business with quasi-major and upper medium-sized enterprises.
Adachi In our B2B operations, we classify customers into three segments based on size: large corporations, quasi-major and upper medium-sized enterprises, and small and medium-sized enterprises. As you pointed out, while we have strong relationships with both large corporations and small and medium-sized enterprises, we currently have relatively few quasi-major and upper medium-sized enterprise customers in the 300–1,000 employee range with whom we maintain deep connections. To address this, we launched the GB Solutions Division in 2021 to strengthen our approach. However, I believe we still need to further shift toward a more service-oriented solution business model.
Osawa Looking toward expansion into new business domains, I'm also paying close attention to the Canon Marketing Japan MIRAI Fund, which aims to accelerate open innovation through partnerships with startups possessing cutting-edge technologies and innovative business ideas. Additionally, I am particularly looking forward to the development of our storage battery system business in collaboration with Lightergy of the U.S., as part of efforts to promote distributed power systems that enhance resilience during power outages caused by natural disasters.



Aiming to Become an Excellent Company

Osawa For a company like ours that owns neither factories nor equipment, people are the greatest asset. In light of Japan's declining population, acquiring and developing talent will become increasingly critical. Investments in recruitment and employee reskilling will only yield results five or ten years down the line. Therefore, we must take a long-term view and strengthen our education systems and the overall environment that fosters talent development, starting now.
Adachi To advance the sophistication of our workforce, each business unit is clarifying where it wants to be in five or ten years, and how many people with which skill levels will be needed to achieve that vision. Based on this, we are formulating appropriate education plans. While reskilling helps enhance current capabilities, it alone is not enough to pioneer new frontiers. We must apply a backcasting approach based on our future goals and take proactive steps to recruit and train the human resources necessary for those aspirations to come to fruition. To promote our shift toward a service-oriented business model, we began hiring for the role of IT Business Planner in 2022.
Osawa Going forward, I hope to continue providing oversight and advice so the Company can grow sustainably and profitably, and become a place where employees can take pride in their work. We've undertaken M&A initiatives, invested in data centers, and acquired our own shares to support business expansion. However, to truly become an excellent company, we must improve capital efficiency and achieve a double-digit ROE. Although the Company has recorded revenue and profit growth for four consecutive fiscal years, our current ROE stands at 9.6%, which still falls short of the benchmark of double digits.
In pursuing new initiatives, risk management will also be critical. I myself have had bitter experiences in the past where, despite implementing various responses, failure to properly control risks led to losses. Canon MJ has a robust governance structure and exercises strong oversight, but as the pace of change in society accelerates, I hope the company will continue to respond swiftly to risks in order to maximize results and sustain its growth.
Adachi I often encourage our employees to make ourselves a "a Company that is highly regarded, appreciated, and attractive" and to strive to be "individuals that are highly regarded, appreciated, and attractive" in various contexts. With accurate oversight and guidance from our four outside directors with diverse areas of expertise, we will continue working together with our stakeholders toward our goal of becoming an excellent company.

Special Feature 04 Special Feature **Dialogue between Inside and Outside Directors**



Expectations for Group-Wide Business Transformation, Profit Growth in IT Solutions Business, and the Development of Integrated Solutions with Canon Products

Director Hirukawa and Outside Director Hasebe held a discussion on the Canon MJ Group's business transformation, key strengths, and initiatives to achieve sustainable growth.

Group-Wide Initiatives are Key to Accelerating Business Transformation

Hirukawa 2024 was a year of significant change; and that is also true for our Group. Since Mr. Hasebe joined us as an outside director in 2022, he has offered valuable insights from a broad, high-level perspective on group-wide growth strategies, investment in human resources, and the importance of execution speed. His advice has always been timely and spot-on.

Hasebe In the fiscal year 2024, what stood out most to me was the increased speed of our execution in both management initiatives and business development, especially in the face of a rapidly changing business environment. For example, in January 2024, the Group launched a dedicated R&B (Research & Business Development) organization to drive new business creation. Since then, we've seen a pace of initiatives and M&A activities unlike anything we've experienced before. The articulation of our Purpose and the clear vision it presents for the Group's medium- to long-term future also carry great significance. It allows us to move forward with a sense of unity alongside employees of newly joined Group companies and our partner companies.

I also highly commend the Group for steadily advancing its business transformation initiatives while progressing toward the targets in its Medium-Term Management Plan. From my own experience, I know that in transformation efforts, the front-runners often charge ahead enthusiastically. However, there are always some who hesitate, bound by existing structures, and this can prevent momentum from spreading company-wide. That is why it is essential to ensure that employees who have played central roles in existing businesses, as well as partner companies, fully understand and align with the Group's policies. I will continue to closely monitor progress in this area.

Hirukawa To realize transformation, it is vital to set a clear direction and strategy and enhance execution capabilities of members at the front lines. At the same time, those leading the way must stay attuned to others and help every employee move toward a shared vision. Under our Purpose, I recognize that one of our key challenges is to unite with new members and generate synergies as one team. We will continue to move forward at speed until the seeds we've sown for growth can blossom and bear fruit—and we will keep planting new seeds for the future.

Strengthening Canon MJ Group's Core Strengths and Embracing New Challenges

Hasebe Even before I assumed the role of outside director at Canon MJ, I held in high regard the Group's strong sales capabilities and the technical capabilities of its systems engineers, particularly in serving a wide range of clients, from large corporations to quasi-major and upper medium-sized enterprises, as well as small and medium-sized enterprises. Leveraging these strengths as a foundation for business operations while combining them with efforts in new business development and M&A is essential to securing sustainable medium- to long-term growth.

Hirukawa Our robust sales capabilities and unique technological expertise—these two strengths have been refined since the Group's founding. Building on them, we have established a broad customer base, which I would consider our third major strength. Looking ahead, we aim to further deepen our capabilities in both "people" and "technology," including through the active recruitment of external talent. Taking on new business development requires a willingness to challenge the unknown, which naturally involves the possibility of unexpected outcomes due to lack of prior experience. Rather than avoiding risks for fear of failure, it is vital to treat failure as a learning opportunity and move forward. President Adachi often conveys to employees that "there is value in the process of learning from failure and taking the next step."

Hasebe I am also paying close attention to the Group's initiatives for mindset reform to strengthen its human resources and organization, particularly its training programs in the IT solutions business. In particular, measures to enhance service quality and the implementation of "failure learning" workshops are commendable. These efforts are vital for reinforcing the responses to emerging risks and the management of operational processes as the Group expands into new business domains.

Enhancing Profitability in the Canon Product Business and IT Solutions Business

Hasebe The environment surrounding our Canon products business remains challenging. However, through the dedicated efforts of our sales divisions and partners, we have been able to improve profitability by increasing the profit margin on Canon products. While our IT solutions business continues to grow, there is still room for improvement on the profitability front. Enhancing operational processes is a key factor in driving profit gains.

Hirukawa In Japan, with some exceptions, Canon products operate in a mature market. That is why we place the highest priority on value-added proposals that emphasize profitability. That said, even in a mature market, there are still areas with growth potential when segmented in finer detail. We intend to focus on expanding in those areas.

As for the IT solutions business, we will continue to focus on segments for which we can leverage the Group's unique strengths, categorizing them by customer segments to guide our expansion strategy. To improve profit margins, we are working to enhance productivity not only among our systems engineers, but also across staff supporting the operations of operations divisions and maintenance support divisions. Our goal is to raise the profit margin of the IT solutions business to a level comparable to that of the Canon products business in the near future.

Hasebe By improving operational processes and enhancing service quality in the Canon products business, we can reduce maintenance costs. Furthermore, by leveraging AI to boost efficiency, we can expect sustained improvements in profit margins and profit growth. I look forward to the initiatives and outcomes of the next Medium-Term Management Plan.

Additionally, the growth of the IT solutions business is a major advantage, not only in its own right, but also because it enables us to provide comprehensive solutions in combination with the Canon products business. This contributes significantly to our competitiveness. For example, promotion of DX is enhanced in document solutions by integrating office equipment with IT solutions business, and similarly, by combining Canon's optical device with IT solutions business in image solutions. I believe they will lead to increases in market appeal. I have high hopes for this kind of market-driven new business development.

Hirukawa Given the growing complexity and sophistication of our customers' and society's challenges, those in only limited areas can be resolved through functions of standalone devices alone. As you noted, combining Canon technologies with our Group's proprietary technologies greatly expands what we can offer. There are few competitors capable of delivering integrated proposals across domains such as imaging solutions, digital document services, and cybersecurity—and that is one of our Group's core strengths. By integrating high-performance devices—such as input/output equipment for documents and network cameras, with the system integration capabilities we specialize in, we are able to differentiate ourselves from competitors. This is an area we plan to strengthen further going forward.

Toward the Sustainable Growth of the Group



Hasebe As a listed subsidiary with Canon as our parent company, we are focused on initiatives to prevent conflicts of interests between the parent company and general shareholders. In the fiscal year ended December 31, 2024, all outside directors verified the transparency and fairness of Canon products transactions.

As an independent outside director, I will fulfill my supervisory responsibility and, based on my own experience and insights, provide advice on Canon MJ Group's business transformation and IT solutions business development to contribute to its medium- to long-term growth.

Hirukawa When resolutions are made by the Board of Directors, the outside directors carefully assess whether the interests of minority shareholders are not compromised. Over the past few years, the number of meetings with investors has also steadily increased. We have received valuable proposals, both regarding expectations for our sustainable growth and toward the enhancement of our governance. These proposals are reported back to the Board of Directors and serve as the basis for ongoing discussions. Going forward, we will continue to invest in growth with an eye on the future while taking into account recommendations and suggestions to achieve sustainable growth for the Canon MJ Group.

Special Feature 04 Special Feature **Dialogue between Inside and Outside Directors**



Unifying the Group's Aspirations and Accelerating Human Capital Enhancement

Director Mizoguchi and Outside Director Kawamoto held a discussion on how the Canon MJ Group is putting its Purpose into practice, advancing the sophistication of its human capital, promoting women's empowerment, and strengthening governance.

Driving Transformation Under a Clearly Articulated Purpose

Kawamoto Looking back on the history of the Canon MJ Group, it's clear that our business has expanded through the integration of various companies via M&A. In this context, the Purpose we announced internally in April 2023 and externally in January 2024 holds great significance in connecting and uniting the hearts and minds of our Group employees. That said, the results of our Group Employee Engagement Survey suggest there is still room for improvement in terms of deeper understanding and embodiment of the Purpose. I hope that top management will continue to promote it passionately and persistently until it is fully embedded throughout the organization.

Mizoguchi While the Group Employee Engagement Survey shows a general increase in employees who empathize with the Purpose and feel a rewarding sense of contribution through their work, the number remains relatively low among some newly joined Group companies and divisions with limited direct contact with customers.

In order to increase the number of people who embody the Purpose, it is important that each employee recognizes and fully understands the significance of their own role within the Company and broader society. Moreover, they should take ownership of not only their own tasks, but also the processes that come before and after their work. From this perspective of optimizing the whole, I encourage employees to exchange diverse ideas, viewpoints and opinions with others, to respect one another, and to work together to create something new.

Kawamoto As we strive for growth, it is essential that the entire Group comes together to explore what is truly best by sharing a variety of perspectives. The Canon MJ Group's warm, family-like corporate culture is certainly one of its strengths. However, excessive camaraderie can sometimes lead to inward thinking or a sense of complacency that the status quo is sufficient. By revisiting our roots and aligning around the clearly articulated Purpose, I hope the Group will continue moving forward together with a shared aspiration toward transforming its business model.

Leveraging Objective Evaluation by Further Advancing Human Capital

Mizoguchi Since the 1970s, the Canon MJ Group has been engaged in the IT solutions business and has focused on hiring human resources, including sales personnel, who are capable of making objective judgments and conducting analysis based on data and numerical evidence. In recent years, as our business has expanded not only in IT solutions, but also in industrial equipment, I recognize the need to enhance upskilling programs that develop human resources capable of understanding technologies.

Kawamoto While we are placing emphasis on improving IT skills through internal training, it is important to foster human resources that are recognized both inside and outside the organization. We aim to enhance talent mobility and encourage employees to take advantage of our In-House Recruiting Program, internal FA System, and external business schools and seminars to increase the number of employees who can produce results across a wide range of operations. I hope management will actively assess the utilization and effectiveness of these initiatives, including from the standpoint of external evaluations.

Mizoguchi As Ms. Kawamoto pointed out, incorporating external perspectives allows for fair and objective personnel evaluations, which in turn can boost employee motivation. Before promotion to the general manager level, we conduct external assessments to objectively evaluate each candidate's capabilities and suitability for managerial roles and use it as reference. Additionally, we have revised our selection training programs for managerial candidates (see page 27) to include more external input. For example, in 2024, we conducted a training program for general managers where participants engaged in dialogue with management executives of startups and were asked to develop solutions based on assigned themes. The external review of this training revealed several discrepancies from internal assessments from the field. In particular, we focus attention on areas where external evaluations were high despite lower internal ratings, which provided fresh insights and led to new actions.

Kawamoto That's an excellent initiative. Beyond self-assessment, I believe it is important to incorporate third-party evaluations and identify gaps from multiple perspectives, and then continue the dialogue derived from these analyses.



Anticipating the Emergence of Female Executive Officers

Kawamoto At my previous company, many female employees were appointed to leadership positions and were actively engaged across various workplaces. In today's society faced with increasingly complex and multifaceted issues, achieving sustainable growth requires diverse perspectives in discussions and decision-making. Diverse perspectives are necessary at all levels, from directors and executive officers to general staff. That's why I have consistently emphasized the need to further strengthen our initiatives to promote women's empowerment. While the ratio of female managers has been improving, I still feel it remains too low. I also hope to see further efforts to create a more supportive work environment for women.

Mizoguchi Ms. Kawamoto has consistently pointed this out, and I completely agree that we must move beyond traditional thinking and encourage input from individuals with diverse viewpoints and experiences to foster more creative and innovative ideas. Promoting women's empowerment is a key part of this. In particular, I believe it is vital to increase the percentage of female managers in leadership positions responsible for driving our business. Based on Canon's core value of meritocracy, we must provide equal opportunities for everyone to thrive, regardless of gender, and recognize our responsibility to eliminate any barriers that may hinder women's advancement. To facilitate this, changes in mindset and behavior among those who appoint and promote them are necessary, but so too is awareness among women themselves. To that end, we've implemented the Empowerment Program, which offers structured seminars and training aimed at supporting women and cultivating a more proactive mindset (see page 62). Although the percentage of female managers in our Group by age has gradually increased, rising from 4.7% among those in their 50s to 9.3% among those in their 40s, it still remains below 10% at present. We intend to implement various measures to increase the number of female managers as quickly as possible.

Kawamoto I also believe there is room to further increase the percentage of women in our new graduate hiring. From the standpoint of promoting women's empowerment, I hope to see the appointment of female executive officers who can contribute directly to management decision-making.

Enhancing the Nomination and Remuneration Process

Kawamoto In terms of governance and disclosure, we must proactively take the lead with a strong sense of purpose to enhance transparency and objectivity, in line with the expectations of the stock markets. Regarding the discussions on the nomination process for officers at the Nomination and Remuneration Committee, for which outside directors including myself are included as members, outside directors must become more deeply involved. As for the officer remuneration system, there remains room for further consideration, such as the appropriate ratio of stock compensation as a medium- to long-term incentive and the incorporation of non-financial indicators into performance evaluations. It is also important to recognize that the purpose of disclosing non-financial indicators is not to present favorable numbers, but rather to provide a realistic assessment of the current situation. Where gaps exist, the goal should be to demonstrate a clear will to overcome them. It has now been two years since I assumed the role of outside director. I will continue to engage actively, seeking explanations whenever there are uncertainties or doubts, while always keeping the stakeholders' perspective in mind, so that I can contribute to enhancing the Company's corporate value.

Mizoguchi In 2025, we have increased the number of female directors to two and ensured that independent outside directors account for a half of the Board of Directors. I believe it is essential that the Board itself serve as a model of diversity. We will continue to welcome diverse perspectives from our outside directors. We remain committed to driving forward our various initiatives to strengthen human capital with a sense of urgency.

Special Feature 04 Special Feature **Dialogue between Inside and Outside Directors**



Expectations for Further Improvement in Capital Efficiency Aiming for Corporate Value Enhancement and Steady Execution of Growth Investments with a Long-Term Perspective

Director Osato and Outside Director Miyahara held a discussion on their views on the Group's financial strategy, growth investments, governance, and organizational culture, all aimed at enhancing corporate value.

Striving to Expand the Equity Spread

Miyahara I was appointed as an outside director of the Company in March 2025. Drawing on the experience and insights I gained as a certified public accountant at an auditing firm, I am committed to contributing to the enhancement of our Group's corporate value with passion.
When analyzing potential investments, I believe investors place great importance on whether a company is actively working to improve capital efficiency as a means of enhancing corporate value. Our Group has been proactive in improving capital efficiency. For the fiscal year 2024, our ROE improved by 0.9 points year on year to 9.6%. While our ROE target for the fiscal year 2025, is 10% and is nearly within reach, we view this as a milestone rather than a final goal, as this level is not particularly high in the IT solutions industry.
Osato In the fiscal year 2024, we achieved the fourth consecutive year of revenue and profit growth with record-high profit, and we reached the initial targets of our Long-Term Management Objectives (2021–2025) one year ahead of schedule. In terms of the balance sheet, we worked to improve capital efficiency by repurchasing approximately 20 million shares of our stock from our parent company and others in July 2024 and subsequently cancelling them. In December, we also acquired approximately 750,000 shares from a company that held them as cross-shareholdings and converted them into treasury stock. These efforts led to improvements in both EPS and ROE, enhancing our return on capital. We will continue working to improve capital efficiency and raise our ROE while reducing our cost of capital, thereby striving to further expand our equity spread. Our Group has set net sales, operating income, and ROE as key financial targets. However, through dialogue with investors, we have received suggestions to consider adopting EBITDA as a metric that more accurately reflects our underlying performance, especially in light of increasing amortization costs stemming from goodwill and intangible assets acquired through M&A. As we refine our financial strategy, I look forward to receiving advice from Ms. Miyahara on how we are perceived from the outside and what kinds of disclosed management indicators would help reduce our cost of capital.
Miyahara The cancellation of treasury stock has also contributed to improving the ratio of outstanding shares. While closely monitoring capital market conditions, I will continue to impartially and objectively assess the direction of our Group's financial strategy and financial results, and provide recommendations accordingly.

Steadily Executing Growth Investments from Both Short- and Long-Term Perspectives

Miyahara The Group is working to create new value by leveraging our unique strengths, namely, the powerful Canon brand and exclusive access to high-quality products backed by advanced technological capabilities. Looking at each business, while it may be difficult to achieve major growth in the Canon products business amid the trend toward paperless offices, we expect steady demand to continue, positioning it as a stable source of revenues. In contrast, in the IT solutions business, as companies across industries accelerate their DX efforts to solve various issues, we see growing opportunities for our Group. By providing services that enhance customer satisfaction, we aim to expand sales while also improving profit margins.



Osato The Canon products business, with its high ratio of recurring business revenue, is built on a business model that delivers consistent profits and forms a solid foundation for our Group. As Ms. Miyahara noted, document volumes are declining due to the paperless shift in offices, but our maintenance and consumables businesses remain strong and maintain high profitability. We see this as the right time to strategically reinvest the profits earned from the Canon products business into the IT solutions business to drive further expansion. Currently, the IT solutions business has lower profit margins than the Canon products business. However, we aim to improve profitability by steadily executing individual system development projects, advancing our transition toward service-based models, strengthening the maintenance, operations, and outsourcing services, and growing recurring revenue business.
Miyahara We have announced a plan to invest at least ¥200.0 billion in growth by 2025, and by the end of 2024, approximately 70% of that has already been executed. With regard to business investments, we expect to generate synergies through M&A and capital participation. I'm particularly interested in the Canon Marketing Japan MIRAI Fund, a ¥10.0 billion-scale corporate venture capital fund launched in 2024, and hope it will lead to future business breakthroughs with significant long-term impact.
Osato Investments through the CVC fund are designed to bear fruit over the next five to ten years. For example, investments in our data centers—core infrastructure supporting customer DX and cloud services—started in 2010, and it took a long time before they began delivering meaningful returns. We believe it is essential to balance investments between business with rapid launches aiming for near-term revenue and medium- to long-term businesses that require time to mature. Through such a balanced approach to growth investment, and by strengthening our service-based business model, we aim to establish a solid foundation for sustainable revenue growth.
Miyahara Our Group generates approximately ¥40.0 billion in operating cash flow each year, providing us with ample financial resources. Rather than simply accumulating these funds, it is vital that we steadily carry out growth investments aimed at the future. I intend to continue monitoring our progress closely and offering advice from financial perspective.

Offering Independent, Appropriate Advice to Deepen Discussions

Miyahara As the Company is a listed subsidiary, I believe my first and foremost responsibility is to represent the interests of minority shareholders. With that in mind, I closely monitor the Group's initiatives and regularly express my views on management matters. I also actively engage in discussions within the Special Committee to help deepen its deliberations.
Osato Canon and our company maintain a clear separation of roles between manufacturing and sales. Without restrictions from Canon, we've been able to independently grow our business, improve our performance, and increase our dividend 2.3 times compared to 2020, before the launch of our current Long-Term Management Objectives. At last year's Special Committee meeting, the primary topic was the acquisition and cancellation of treasury stock. We held discussions on the rationale for acquiring shares held by the parent company, as well as the fairness of the transaction terms. We ask our outside directors to continue monitoring the company to ensure transparency in management.
Miyahara I also hope to see the development of a healthier, more open corporate culture that supports sustainable growth. Messages from top management have a significant impact on employee motivation and productivity. I encourage management to continue fostering an environment where employees feel empowered to take on challenges and find meaning in their work.
Osato President Adachi leads by example, telling employees, "Let's create an exciting future together—don't be afraid of failure and take on bold challenges." In reality, all our employees are given fair opportunities to take on challenges at all stages, and many are actively and independently engaged in their work. As for me, I've been encouraging each employee to recognize their own responsibilities and to aim for goals that are one level above their current targets—so they can experience a real sense of achievement.
Miyahara When it comes to promoting DE&I, I'd like to contribute to accelerating the empowerment of women by leveraging my experience. While the percentage of female managers is on the rise, it was still just 6.5% across the Group as of the end of 2024, indicating there's room for further improvement. To support the Group's sustainable growth, I intend to provide appropriate advice from an independent standpoint, free from internal standard or constraints, by accurately assessing the evolving business environment through proper information gathering and guiding management in their risk-taking efforts.

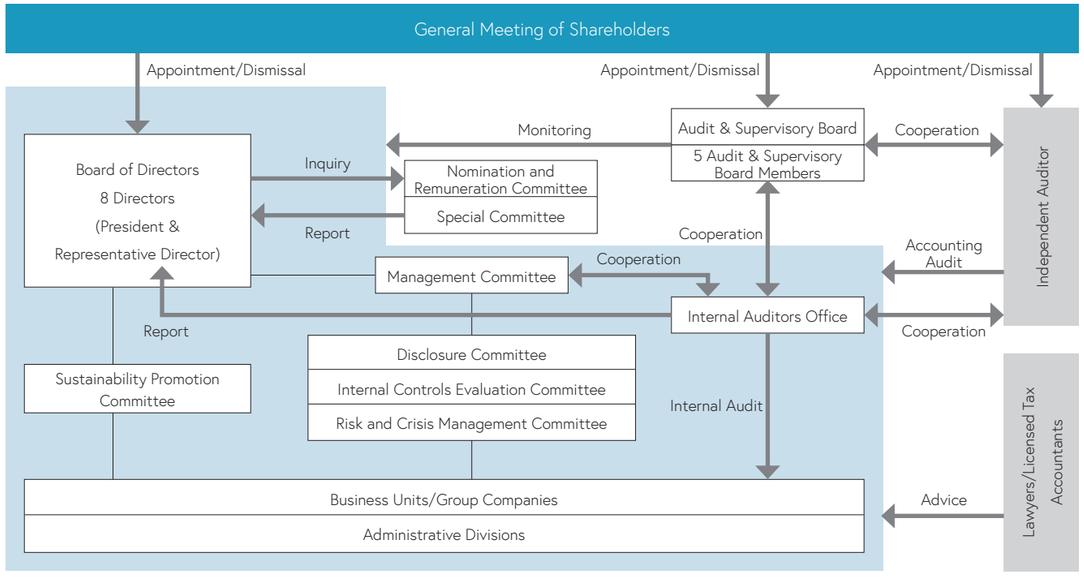
Corporate Governance

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 31, 2025)



Principal Meeting Bodies

Inside Outside

Board of Directors
Members: 8 in total
Term of office: 1 year

Ratio of Outside Directors **50%**
Meetings held in fiscal 2024 **14** 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 multiple 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 2024, the Board of Directors deliberated on investments for the Group's sustainable growth (M&A, the renovation of core systems, etc.), sustainability management, rationale for strategic shareholdings, and the acquisition and cancellation of treasury stock.

Audit & Supervisory Board
Members: 5 in total
Term of office: 4 years

Ratio of Outside Audit & Supervisory Board Members **60%**
Meetings held in fiscal 2024 **16** times

The Audit & Supervisory Board functions independently of the Board of Directors and is comprised of 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 2024, the Nomination and Remuneration Committee deliberated on the fairness of the nomination of new candidates for directors and vice presidents.

Special Committee
Members: 4 in total

Ratio of Outside Directors **100%**

The Company maintains the voluntary Special Committee comprising four independent outside directors. This Committee deliberates on important transactions with controlling shareholders deemed to require deliberation and consideration with a view to protecting the interests of minority shareholders based on inquiries from the Board of Directors or the chairperson of the Board of Directors, and reports to the Board of Directors.

In fiscal 2024, the Special Committee deliberated on the topics to be deliberated by the Special Committee, the acquisition of treasury stock through a tender offer, and confirmed purchases from the parent company.

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 2024, the meetings resulted in active discussions on the progress with the Medium-Term Management Plan (2022-2025), the next Long-Term Management Objectives and Medium-Term Management Plan.

Status of Outside Directors' Activities in 2024

<Meeting bodies> Board of Directors (14 times a year), Management Committee (12 times a year), Executive Officer Meeting (twice a year), Business Report Meeting (5 times a year)

<Other events> general meeting of shareholders, induction ceremony, Nishi-Tokyo Data Center tours, Photo Koshien tours, etc.

* In addition to the above, insights and evaluations gained through dialogues with investors are regularly fed back to outside directors.

Status and Skills Matrix of Directors

		Time in Office	Attendance at Board of Directors' Meetings in Fiscal 2024	Corporate Management	Sales & Marketing	Finance & Accounting	Human Resources	Legal Affairs & Risk Management	IT Solutions & DX
Masachika Adachi	President & Representative Director	10 years	100% (14/14) ★	●	●			●	●
Minoru Mizoguchi	Director & Senior Vice President	4 years	100% (14/14)	●			●	●	
Hatsumi Hirukawa	Director & Senior Vice President	5 years	100% (14/14)	●	●			●	
Tsuyoshi Osato	Director & Vice President	3 years	100% (14/14)	●		●		●	
Yoshio Osawa Outside Independent	Director	7 years	100% (14/14)	●	●				●
Toshiharu Hasebe Outside Independent	Director	3 years	100% (14/14)	●	●				●
Hiroko Kawamoto Outside Independent	Director	2 years	100% (14/14)	●	●		●		
Satsuki Miyahara Outside Independent	Director	-	-			●	●		

★ Chairperson *Satsuki Miyahara was elected as Director at the 57th Annual General Meeting of Shareholders held on March 27, 2025, and therefore did not attend any Board of Directors meetings held in fiscal 2024.

*The reasons for selecting the items of the skills matrix are available on our website. https://corporate.jp.canon/en/sustainability/governance/corporate-governance

Corporate Governance

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
2025	Increases number of outside directors to four Increases number of female outside directors to two

Outside Directors and Outside Audit & Supervisory Board Members

Canon MJ has four 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.

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.

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, and reports to the Board of Directors that the remuneration system is appropriate. The amount of individual remuneration for directors 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 the Annual General Meeting of Shareholders.

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)

Composition of Remuneration

Remuneration for the representative director and executive 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 officers (millions of yen)

Directors (excluding outside directors)	261 (four directors)
Audit & Supervisory Board members (excluding outside members)	49 (three members)
Outside directors and outside Audit & Supervisory Board members	86 (seven directors and members)

Analysis and Evaluation of Effectiveness of the Board of Directors

The Company evaluates the effectiveness of the Board of Directors every year, confirming that decision-making and monitoring by the Board of Directors are functioning properly.

In fiscal 2024, 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 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 enhancing progress management for important projects and information sharing prior to deliberations, and by further deepening discussions on management training and candidate selection. In this way, we will incorporate 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.

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.

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 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 approximately 60 audit staff members.

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. 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. 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.

Members of Special Committee

Yoshio Osawa (Chairman, Outside Director)
Hiroko Kawamoto (Outside Director)
Toshiharu Hasebe (Outside Director)
Satsuki Miyahara (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 concurrently serve as officers of the Company, and no Directors of the Company are 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.

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, 2024, the Company held 48 listed stocks, a decline from the 59 listed stocks held as strategic shareholdings as of December 31, 2021.

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 administration 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.

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 2024

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 in Japan and overseas

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).
- Updated the web page for individual investors.
- IR staff distributed e-mail magazines.



At company information session for individual investors held by Daiwa Investor Relations Co. Ltd.

Directors and Audit & Supervisory Board Members (as of April 1, 2025)



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)
Mar. 2018	Vice President
Apr. 2019	Director in charge of Group General Administration & Human Resources Management (present)
Jan. 2020	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)
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. 2019	Vice President
Jan. 2020	Director in charge of Group Planning (present), Director in charge of Group Service & Support
Mar. 2020	Director (present), Director in charge of Group Communication (present)
Jan. 2022	Director of Marketing Headquarters (present)
Mar. 2024	Senior Vice President (present)

4 Director
Tsuyoshi Osato

Apr. 1988	Joined the Company
Apr. 2014	Group 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 of SCSK Corporation
Mar. 2018	Outside Director of the Company (present)
Jun. 2019	Outside Director of Citizen Watch Co., Ltd. (present)
Jun. 2024	Outside Director of Fujitsu General Limited (present)

6 Director Outside Independent
Toshiharu Hasebe

Apr. 1979	Joined Nippon Telegraph and Telephone Public Corporation
Jun. 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, and 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
Jun. 2017	Outside Director of Sumitomo Mitsui Trust Holdings, Inc. (presently Sumitomo Mitsui Trust Group, 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 Director Outside Independent
Satsuki Miyahara

Oct. 1990	Joined Asahi Shinwa & Co. (presently KPMG AZSA LLC)
Mar. 1994	Registered as a Certified Public Accountant
May 2006	Partner of KPMG AZSA & Co. (currently KPMG AZSA LLC)
Mar. 2016	Diversity Promotion Leader of KPMG Japan
Jul. 2019	Executive Board Member of The Japanese Institute of Certified Public Accountants (present)
Aug. 2019	Board Member of the Confederation of Asian and Pacific Accountants (present)
Aug. 2024	Director of Satsuki Miyahara Certified Public Accounting Office (present)
Nov. 2024	Outside Director of BOOK OFF GROUP HOLDINGS LIMITED (present)
Mar. 2025	Outside Director of the Company (present)

9 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	Group Executive 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)

10 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.
Mar. 2024	Standing Audit & Supervisory Board Member (present)

11 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 Sompo 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 Sompo Japan Nipponkoa Insurance Inc. (presently Sompo 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)

12 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 Audit 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)

13 Audit & Supervisory Board Member Outside Independent
Shigeo Hasegawa

Apr. 1974	Joined Deloitte, Haskins & Sells-Japan (presently Deloitte Touche Tohmatsu LLC)
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)

Sustainability Management

Enhancing sustainability management and creating the future together with our stakeholders

Vice-Chair of Sustainability Promotion Committee, Chair of Brand Strategy Committee Hatsumi Hirukawa



Overview of Sustainability Activities and Structure

In promoting sustainability management at the Canon MJ Group, we define material issues as key issues that need to be addressed immediately in order to maintain sustainable growth, and are implementing initiatives to meet the expectations and needs of our stakeholders. We are also conducting social contribution activities aimed at solving social issues in areas where it is difficult for our businesses to reach. By taking measures to address material issues and carrying out social contribution activities, we are working to put our corporate philosophy and Purpose into practice.

To implement these initiatives as a group, the Canon MJ Group holds discussions and makes resolutions primarily through the Sustainability Promotion Committee, which was established in February 2021. In addition to reviewing and formulating the Group's sustainability policy, the committee also has the functions of monitoring the instillment of the Purpose, progress with addressing material issues and social contribution activities, as well as deliberation of the content to be communicated to stakeholders.

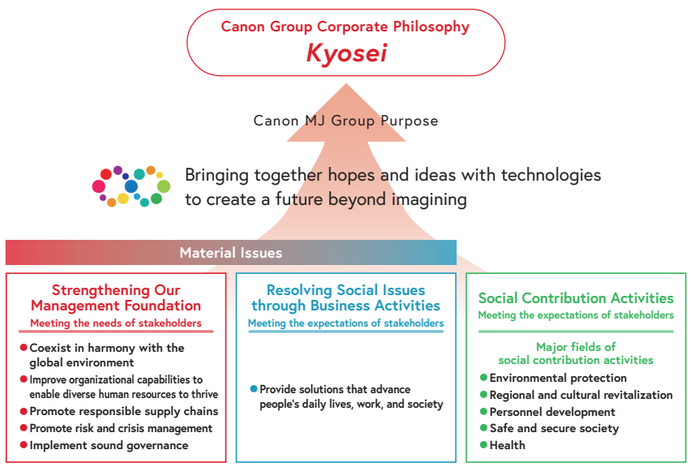
The committee also operates under the supervision of the Board of Directors. The president & representative director serves as the chairperson of the committee, and assumes overall responsibility for all sustainability-related matters.

In 2024, the committee convened four times to discuss a wide range of topics, leading to a variety of activities. For example, we redesigned our in-house recognition program with the intention of increasing the number of employees who embody our Purpose. We updated the system from honoring teams and employees that have achieved outstanding performance to honoring teams and employees that excel not only in their results, but also in embodying our Purpose. The Canon MJ Group has also established values and action guidelines for employees to follow in their work. Employees are evaluated in their annual evaluations in accordance with the values and action guidelines as well as their performance. At the core of these values and action guidelines is the "Three Selfs" Spirit (self-motivation, self-management, and self-awareness), which has been passed down by the Canon Group since its founding. We reflected elements of the Purpose in these values and action guidelines, linking evaluations to words and actions that embody the Purpose.

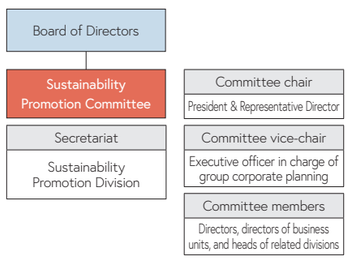
We have also expanded our initiatives for promoting responsible supply chains, one of our material issues. Instead of being limited to activities within the Group, they now include conducting engagement with major suppliers on environmental and human rights issues.

Furthermore, we redesigned our social contribution activities to focus on supporting organizations aiming to obtain certification as Nationally Certified Sustainably Managed Natural Sites by the Ministry of the Environment. We also implemented measures to raise awareness both inside and outside the Company, enhanced dialogue with NGOs and NPOs, and strengthened and expanded employee participation-oriented activities.

Overview of Canon MJ Group Sustainability Activities



Structure of the Sustainability Promotion Committee





At a meeting of the Sustainability Promotion Committee

Past Major Initiatives

2021
- Established the Sustainability Promotion Committee
- Determined the sustainability management framework
- Formulated the "Environmental Vision 2050," "2030 Medium-Term Environmental Targets, and Environmental Policy"
- TCFD endorsement

2022
- Full-scale discussions on our Purpose
- Finalized our material issues
- Explored, determined, and confirmed progress with KPIs for materiality issues
  - Conducted e-learning program to instill knowledge on our human rights policy
  - Established system aimed at realizing carbon neutrality
- Considered and made decisions to join various ESG initiatives
- Initial disclosure based on TCFD
- Began joint meetings with the Brand Strategy Committee

2023
- Moved under direct supervision of the Board of Directors
- Established our Purpose
- Explored, determined, and confirmed progress with KPIs for materiality issues
- Determined high-priority issues for human rights
- Explored updates to our environmental targets
- Considered and implemented more advanced initiatives based on the TCFD recommendations
- Considered redesigning our social contribution activities

2024
- **Published our Purpose**
- **Explored and implemented measures to increase the number of employees who embody our Purpose, such as reflecting the elements of the Purpose in the Group's values and action guidelines**
- **Explored, promoted implementation of, and confirmed progress with KPIs for materiality issues**
- **Updated our environmental targets**
- **Began conducting engagement with suppliers**
- **Implemented human rights due diligence measures**
- **Redesigned our social contribution activities**

Set KPIs for All Material Issues and Accelerated Initiatives

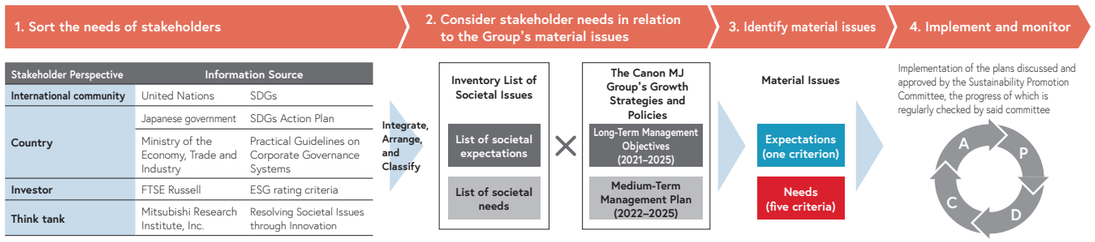
The Canon MJ Group's Material Issues



We analyzed the risks and opportunities related to the Group's business and identified six material issues through discussions by the Sustainability Promotion Committee, and now we are managing the progress of them.

The six material issues are broadly categorized into one "expectation" for and five "needs" of the Group. We have set KPIs for all material issues to ensure that initiatives are implemented.

Material Issue Identification Process



KPIs for Each Material Issue

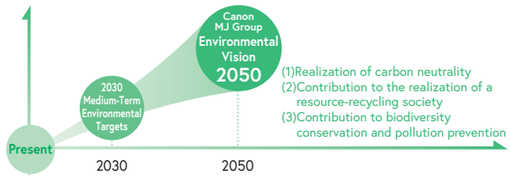
Material Issues	KPI	2024 Results
Provide solutions that advance people's daily lives, work, and society	· KPIs consistent with our business strategy (ITS business by customer segment for different customer groups) *Page 68	· Despite differences in progress, the overall KPIs made steady progress
Coexist in harmony with the global environment	· Reduce Scope 1 and Scope 2 emissions by 42% from 2022 levels by 2030 · Maintain recycling rate of 99.9% or higher	· 14.7% reduction compared to 2022 · Maintain 99.9% or higher
Improve organizational capabilities to enable diverse human resources to thrive	· 100% implementation rate of annual action plans for priority human rights themes high-priority issues for human rights · 100% achievement rate of the target number of people for the acquisition and development of specialist personnel to achieve our business strategy	· Implemented as planned · Despite differences in progress, the overall KPIs made steady progress
Promote responsible supply chains	· Reduce Scope 3 (Category 1, 11) emissions by 25% from 2022 levels by 2030	· 5.3% reduction compared to 2022
Promote risk and crisis management	· Hold "Risk and Crisis Management Committee meetings" at least four times a year, in principle · Provide training on compliance, the BCP, information security, and quality to all employees at least once a year · Conduct cybersecurity training at least once a year	· Implemented as planned · Implemented as planned · Implemented as planned
Implement sound governance	· Evaluate the effectiveness of the Board of Directors once a year	· Implemented as planned

Sustainability Management

Coexist in harmony with the global environment

Conserve the Global Environment

The Canon MJ Group is carrying out activities in line with the Canon MJ Group Environmental Vision 2050 and the Canon MJ Group 2030 Medium-Term Environmental Targets, with the aim of coexisting in harmony with the global environment.



Canon MJ Group 2030 Medium-Term Environmental Targets	Achievements in 2024
1. Realization of carbon neutrality • Reduce Scope 1* and Scope 2* emissions by 42% from 2022 levels by 2030 • Reduce Scope 3 (Category 1, 11)* emissions by 25% from 2022 levels by 2030 • Contributing to customers' CO_2 reduction through Our Business	• Scope 1, Scope 2: 14.7% reduction (compared to 2022) • Scope 3 (Category 1, 11): 5.3% reduction (compared to 2022) • (1) Launched a service that provides carbon-neutral electricity (2) Visualized the effects of reducing CO_2 emissions through the introduction of in-house-developed cloud services
2. Contribution to the realization of a resource-recycling society • Achieve zero emissions from product waste (recycling rate of 99.9% or higher) • Promote plastic waste reduction and recycling • Reduce the Group's water consumption through the efficient use of water	• Recycling rate of 99.9% or higher • Continued to promote plastic waste reduction and recycling • Continued to promote initiatives to reduce water consumption
3. Contribution to biodiversity conservation and pollution prevention • Promote social contribution activities to protect biodiversity • Eliminate hazardous substances in the supply chain through green procurement	• Revamps of the Furusato (Hometown) Project in the form of stepping up initiatives to protect biodiversity • Continued to promote the elimination of hazardous substances through green procurement

* Scope 1: Direct emissions (town gas, LPG, diesel, kerosene, gasoline, non-energy greenhouse gases, etc.); Scope 2: Intermediate emissions (electricity, steam, etc.);
Scope 3: Emissions from the supply chain. Category 1: Purchased goods and services; Category 11: Use of sold products

Realization of Carbon Neutrality

In January 2024, we updated our metrics for the realization of carbon neutrality to "Reduce Scope 1 and 2 emissions by 42% by 2030 (from 2022 levels)," and added "Reduce Scope 3 (Category 1, 11) emissions by 25% by 2030 (from 2022 levels)."

Initiatives to Reduce Scope 1 and Scope 2 Emissions

We achieved 100% use of renewable energy at five of Canon MJ's business sites including Headquarters and company-owned office buildings (CANON S TOWER, Canon Konan Building, Makuhari office, Aomori Building, and Kumamoto Building), and the Nago Data Center operated by Qualysite Technologies through utilization of the FIT Non-Fossil Certificate with tracking, on-site PPA, and other measures. (Achieved in April 2022 at Canon MJ's five business sites, including Headquarters and company-owned office buildings, and in June 2023 at the Nago Data Center)

On the strength of high-performance facilities and excellent operational quality, the No. 1 and No. 2 buildings of the Nishi-Tokyo Data Center, owned and operated by Canon ITS, are contributing to reductions in both the Company's and our customers' CO_2 emissions. As a result, the No. 1 building was recognized by the Tokyo Metropolitan Government's Bureau of Environment as an Outstanding Specified Anti-Global Warming Facility (near-top-level business facility) in 2020, followed by the No. 2 building in 2023. Furthermore, in 2024, both the No. 1 and No. 2 buildings were recognized as Outstanding Specified Anti-Global Warming Facilities (top-level business facilities).





Accreditation logo certification number: [2024-T2048]

Initiatives to Reduce Scope 3 Emissions

Conducting engagement with suppliers

Canon MJ is working to reduce CO_2 emissions not only internally, but also throughout the entire value chain. In 2024, we started conducting engagement with major suppliers with the aim of calculating and reducing their CO_2 emissions.

We collected information on our suppliers' environmental response infrastructure and information necessary for our own Scope 3 reduction, and based on such information, we revised our own calculation logic for Scope 3 emissions. We will continue to engage with suppliers with the aim of reducing CO_2 emissions throughout the value chain.

Reducing CO_2 emissions by improving sales logistics (consumer products)

Canon MJ used the "2024 problem" in logistics as an opportunity to improve the logistics of consumer products such as cameras, lenses, and printers. We reduced the number of vehicles used for transportation and deliveries between our warehouses and business partner warehouses by approximately 400, and as a result, reduced CO_2 emissions by 266 tons compared to the previous year. Through repeated discussions with stakeholders, we reviewed transportation loading efficiency, delivery methods, and product return operations, which contributed to the improvement of the working environment not only for our own company, but also for logistics companies. Going forward, we will continue to make further improvements to our logistics operations with the aim of rolling out these improvements across the entire Canon MJ Group.

Reducing CO_2 emissions through joint delivery (office equipment products)

As a member of the Japan Business Machine and Information System Industries Association (JBMIA), Canon MJ is participating in a joint delivery project, aiming for a higher loading efficiency and the use of fewer delivery vehicles, which are difficult to achieve when cargo is delivered only by one company. In 2024, this project received the Logistics Digital Transformation and Standardization Award (Ministry of Economy, Trade and Industry) at the Excellent Logistics Partnership Commendation Program 2024 organized by the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism.

Contributing to Customers' CO_2 Reduction through Our Business

Launched a service that provides carbon-neutral electricity

In 2024, we began offering services at the Nishi-Tokyo Data Center, owned and operated by Canon ITS, that provide environmental value, such as reducing CO_2 emissions by utilizing renewable energy. This service enables customers to substantially reduce the CO_2 emissions from their electricity usage by purchasing Non-Fossil Certificates from Canon ITS.

Visualized the effects of reducing CO_2 emissions through the introduction of in-house developed cloud services

DigitalWork Accelerator (DWA), developed by the Canon MJ Group and provided to customers, is a cloud service that digitally consolidates and manages various documents exchanged between companies, enabling smooth information coordination and advanced information utilization. In addition to complying with the Act on Preservation for Documents by Means of Computers, the service also realizes safe and secure data sharing between companies and the preservation of information assets. Digitizing operations that were previously performed on paper helps to reduce energy related to printing on paper. In 2024, we visualized the effects of reducing CO_2 emissions through the introduction of DWA at the Canon MJ Financing & Accounting Headquarters. By introducing DWA to our customers, we aim to contribute to energy conservation across society as a whole.

Contribution to the Realization of a Resource-Recycling Society

Zero Emissions from Product Waste

At the Canon MJ Group, we aim to maintain a recycling rate* of 99.9% or higher for end-of-use products such as printers and MFPs that are collected from customers and turned into new resources. To date, we have maintained our recycling rate at over 99.9% for eight consecutive years. We will continue to do so by identifying the potential risks, taking measures in response, and monitoring progress.

* Recycling rate (rate at which end-of-use products are converted into new resources): Amount of products disposed of through methods other than landfill disposal ÷ Total amount of products disposed of

Initiatives to Promote Plastic Waste Reduction and Recycling

Canon MJ's logistics centers across Japan use stretch film to prevent loads from collapsing during transit and use styrofoam as packaging materials. Instead of throwing these materials away as plastic waste, for over 20 years, we have been working to make effective use of them, selling them as plastic resources. In 2024, we expanded the number of business sites taking part in this initiative, and as a result, reduced waste plastics by 63 tons, which represents a 26% reduction compared to the previous year.



Compressed stretch films

Initiatives to Reduce Water Consumption

Based on the Canon Group Water Resources Policy, we work to reduce our water resource usage and environmental impact. To reduce water resource consumption, Canon MJ's head office building, in cooperation with the Shinagawa Grand Commons Community Development Council, participates in the Reclaimed Water Utilization Project promoted by the Tokyo Metropolitan Government's Bureau of Sewerage and uses the recycled water supplied by the bureau in toilets and other facilities. In 2022, we also reduced water consumption by installing toilet faucets that make minimal use of water at our head office building. In another effort to monitor the Canon MJ Group's water risk, a water risk assessment was carried out in 2022 at its business sites in Japan using the Aqueduct* Water Risk Atlas, which confirmed that its overall water risk falls under the "low" or "low–medium" levels.

* Aqueduct: A global water risk assessment tool developed by the World Resources Institute (WRI)

Contribution to Biodiversity Conservation and Pollution Prevention

Promote Social Contribution Activities to Protect Biodiversity

Guided by its "Canon Group Biodiversity Policy," the Canon MJ Group is carrying out its Furusato (Hometown) Project with the aim of preserving beautiful and verdant local communities for future generations. We are implementing biodiversity conservation programs in various regions of Japan together with partner organizations that are seeking to register their sites as Nationally Certified Sustainably Managed Natural Sites, certified by the Ministry of the Environment. We are also participating in the 30by30 Alliance for Biodiversity* promoted by the Ministry of the Environment.

* An alliance aiming to conserve or protect at least 30% of land and sea areas as healthy ecosystems by 2030

Initiatives to Prevent Pollution and Manage Chemical Substances

For the Canon MJ Group's products manufactured under contract, we are promoting procurement activities based on the Canon Green Procurement Standards. We also appropriately manage chemical substances mainly used in the after-sales support of Canon products.

Sustainability Management

Coexist in harmony with the global environment

Initiatives for TCFD Recommendations

Governance

Climate Change Response Promotion Structure



Committee	Climate Change-Related Functions	Details
Board of Directors	・Oversees sustainability management initiatives (including climate change)	・Approves important sustainability management-related matters (including climate change) ・Confirms the progress of measures related to risks and opportunities of climate change
Sustainability Promotion Committee	・Promotes environmental measures, including climate change response	・Convenes at least four times a year with the president & representative director as the committee's chair ・Confirms the progress of climate change initiatives ・Reports important climate change-related matters to the Board of Directors
Sustainability Promotion Division	・Holds jurisdiction over climate change-related matters ・Serves as the secretariat of the Sustainability Promotion Committee	・Identifies and assesses climate change impacts ・Monitors climate change impacts, confirms the progress of measures, and reports to the Sustainability Promotion Committee ・Reports and makes recommendations on the identified climate change impacts to risk management divisions throughout the Company

Supervisory system of the Board of Directors

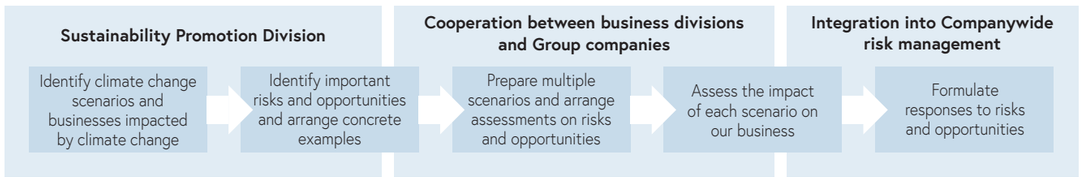
The Canon MJ Group has a system in place under which the Board of Directors supervises matters to be discussed and resolved by the Sustainability Promotion Committee, as they are important matters that relate to the core aspects of management and pertain to the entire organization. The Board of Directors receives reports on the risks and opportunities associated with climate change from the Sustainability Promotion Committee at least once a year and monitors and supervises the progress of measures related to such risks and opportunities. In 2024, one report was submitted to the Board of Directors.

Sustainability Promotion Committee

Matters concerning climate change are discussed by the Sustainability Promotion Committee. The president & representative director, who is the chairperson of the committee, assumes overall responsibility for all sustainability-related matters, including climate change. The committee assesses the impact of climate change on our business at least once a year and holds discussions concerning our approach to minimizing the identified risks and seizing opportunities.

Risk Management

Risk Management Process



The Sustainability Promotion Division, which oversees matters related to climate change, takes the lead in identifying the risks and opportunities of climate change and assesses the situation in cooperation with the relevant internal divisions of Group companies. The Sustainability Promotion Division also examines responses and countermeasures for each risk and opportunity, which are reported and proposed for deliberation to the Sustainability Promotion Committee. The division also reports and makes recommendations on certain climate change-related impacts and matters to risk management divisions throughout the Company, thereby assuming the role of integrating the impacts of climate change into our Companywide risk management.

Strategy

At the Canon MJ Group, we conduct scenario analyses to identify the various risks and opportunities posed by climate change to our business. We use the Intergovernmental Panel on Climate Change's Representative Concentration Pathway (RCP) scenarios of 1.5°C (RCP 1.9) and 4°C (RCP 8.5) as well as the International Energy Agency's Sustainable Development Scenario (IEA-SDS) for our scenario analyses. We analyze risks and opportunities that are shared throughout the Group, as well as those related to the Group's key businesses that have a significant impact on climate change, and identify when these risks and opportunities are likely to occur over the short, medium, and long term. The content of this analysis is reviewed annually and updated as necessary.

Classification	Scenario	Impact on Business: Risk	Details/Specific Examples	Business Sites	Data Centers	Systems Integration Services	Printers and MFPs	Financial Impact	Time of Occurrence	Countermeasures
Transition risks: Government policies/legal frameworks	1.5°C	Impact of carbon tax implementation on the Company and suppliers	Carbon pricing (carbon tax) and new regulations would raise the cost of generating electricity for power companies and their electricity prices, leading to higher business costs	✓				Moderate	Medium to long term	・Collect information on and analyze and address recent trends in environmental regulations such as carbon pricing ・Promote measures to achieve the 2030 Medium-Term Environmental Targets (including the introduction of energy-saving facilities such as switching to LEDs in company buildings, and initiatives to reduce CO_2 emissions by reducing the number of company vehicles owned and their usage) ・Collect information on and consider the adoption of renewable energy based on the global situation
Transition risks: Technology	1.5°C	Cost of energy-saving equipment	CO_2 emissions reduction would require the installation of energy-saving equipment, leading to higher equipment costs.	✓				Low	Short to long term	
Transition risks: Technology	1.5°C	Cost of renewable energy facilities	CO_2 emissions reduction and the introduction of new technologies to accommodate the shift to clean energy would entail the establishment and redevelopment of renewable energy facilities, leading to higher facility costs.	✓				Low	Short to long term	
Transition risks: Market	1.5°C	Changes in printing environment	Changes in the printing environment, such as the increased cost of procuring paper due to forest conservation efforts, reductions in paper use stemming from an increase in customers' environmental awareness, and advances in digitalization, are reducing the printing needs of customers in certain business fields.				✓	High	Short to long term	・Provide solutions that are tailored to the needs of customers' changing printing environments (provide digital solutions in increasingly digitalized fields and more-efficient printing solutions in areas with high printing demand) ・Expand and promote the use of ethical paper
Transition risks: Reputation	1.5°C	Reputational damage	The Company's inability to facilitate the shift to a low-carbon society may deteriorate its reputation among customers, investors, and society as a whole.	✓				Low	Short to long term	Disclose our approach and the status of our measures to address climate change
Physical risks: Acute	4°C	Damage to product storage facilities	Damage to product storage facilities as a result of flooding and other water-related disasters caused by the increasing intensity and frequency of heavy rainfall may impede the Company's business activities.	✓				Low	Short to long term	Propose measures to be implemented at warehousing companies and carry out some of the measures
Physical risks: Acute	4°C	Inability to commute to work	Employees' inability to commute to work due to transportation or other issues caused by the increasing intensity and frequency of weather-related disasters may impede the Company's business activities.	✓				Low	Medium to long term	Maintain and promote a system and framework that allow businesses to continue to operate as usual even when employees do not come to the office due to telework or other reasons
Physical risks: Chronic	4°C	Increase in average temperatures	The rise in average temperatures may lead to higher air conditioning costs for data center server rooms and business sites.		✓			Low	Short to long term	Consider the establishment of energy-saving facilities Improve efficiency of heat-source equipment
Physical risks: Chronic	4°C	Rise in sea levels	The number of areas susceptible to changing sea levels may increase and certain facilities located in low-altitude coastal areas may incur damage or even become submerged.	✓				Low	Medium to long term	Collect information on and analyze and address the risk of damages

Classification	Scenario	Impact on Business: Opportunities	Details/Specific Examples	Business Sites	Data Centers	Systems Integration Services	Printers and MFPs	Financial Impact	Time of Occurrence	Measures
Opportunities: Energy	1.5°C	Reduction of energy costs	Lower energy costs resulting from the increasing adoption of renewable energy will lead to a more stable supply of energy.	✓				Low	Medium term	Collect information on and consider the adoption of renewable energy
Opportunities: Resilience	1.5°C	Increases in organizational value through improved ability to address climate change	A systematic approach to climate change that includes climate risk assessment and risk diversification measures will help stabilize business operations and facilitate the development of solid management and business foundations, spurring improvements in external assessments and stock prices.	✓				Low	Short to long term	・In 2030 Medium-Term Environmental Targets, set CO_2 reduction targets in line with SBTi standards and disclose progress (continuing to achieve targets) ・Responses and disclosure based on the TCFD recommendations (integrate initiatives to address risks and opportunities associated with climate change into Group-wide risk management processes)
Opportunities: Products and services	1.5°C	Increased opportunities for systems integration service businesses	・Increasing need for demand forecasting and supply-demand planning solutions that help reduce CO_2 emissions by optimizing and streamlining logistics operations ・Declining use of paper in manufacturing processes and growing need for DX that contributes to greater productivity along the engineering chain ・Rising demand for digitalization and document management services due to greater emphasis on energy and forest conservation			✓		High	Short to long term	Strengthen solutions businesses that help customers reduce CO_2 emissions and make effective use of paper resources
Opportunities: Products and services	1.5°C	Increased opportunities for printer and MFP businesses	Increased demand for environment-friendly products certified with environmental labels, such as printers and MFPs				✓	Moderate	Short to long term	・Strengthen sales of energy-efficient, user-friendly products ・Promote the replacement of VOC-emitting offset printing presses with on-demand printers
Opportunities: Products and services	4°C	Increased opportunities for data center businesses	・Growing demand for zero-carbon data centers that contribute to reductions in customers' CO_2 emissions ・Greater demand for robust data centers that can withstand natural disasters for the purpose of establishing a business continuity plan (BCP) as a result of the increasing frequency of weather-related disasters		✓			High	Short to long term	Strengthen data center businesses that help customers reduce CO_2 emissions and ensure business continuity

Short term: to 2025 Medium term: 2026 to 2030 Long term: 2031 to 2050

Metrics and Targets

In 2022, the Canon MJ Group set the Canon MJ Group Environmental Vision 2050 and the Canon MJ Group 2030 Medium-Term Environmental Targets, the interim targets of this vision*1. We are aiming to achieve the metric of "Realization of carbon neutrality" under the Canon MJ 2030 Medium-Term Environmental Targets, in line with the SBTi*2 standards. In January 2024, we updated this metric to "Reduce Scope 1 and 2 emissions by 42% by 2030 (from 2022 levels)" and added "Reduce Scope 3 (Category 1, 11) emissions by 25% by 2030 (from 2022 levels)".

The CO_2 emission results for 2024 are shown in the table on the right. Data for Scope 1, 2, and 3 emissions received third-party assurance.

*1 Please refer to page 57 for our measures aimed at the realization of carbon neutrality.
*2 An abbreviation for Science Based Targets initiative. An international initiative that recommends the setting of GHG emission reduction targets based on scientific evidence

Metrics	Fiscal 2030 Target	Fiscal 2024 Results	Fiscal 2024 Emissions Results
GHG emissions reduction rate (base year 2022)	Scope 1, Scope 2: 42% reduction	14.7% reduction	26,040 t-CO_2
	Scope 3 (Category 1, 11): 25% reduction	5.3% reduction	611,230 t-CO_2

Sustainability Management

Improve organizational capabilities to enable diverse human resources to thrive

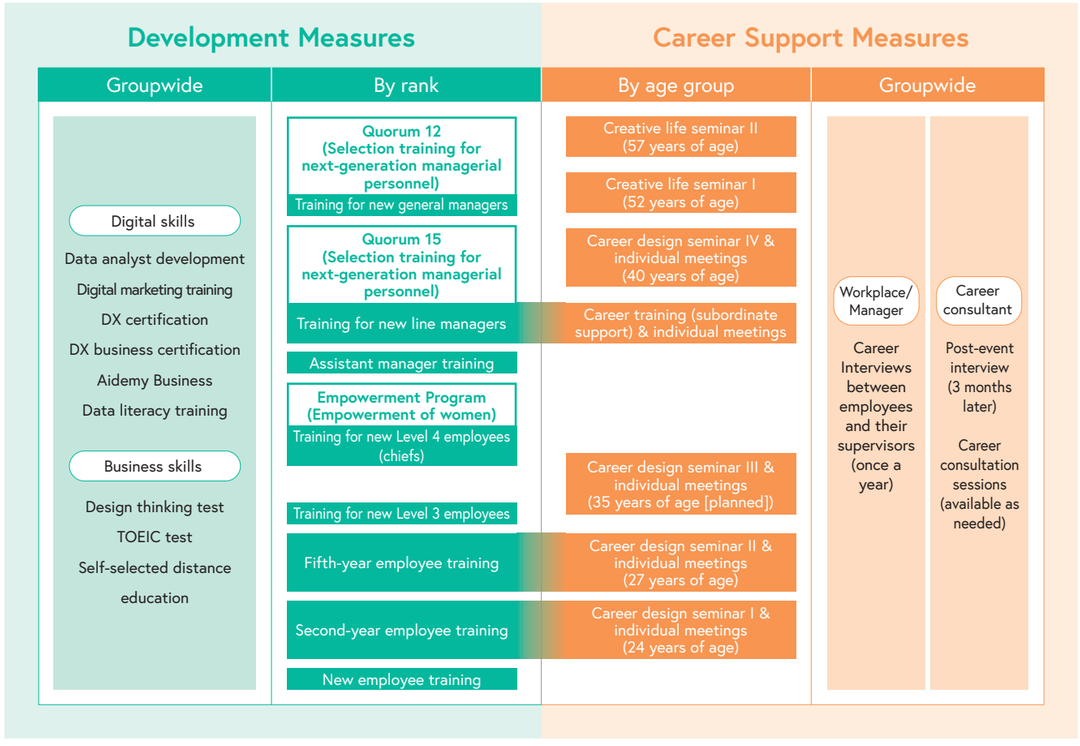
Helping Employees to Think Independently About Their Careers

An Overall Picture of Our Employee Development and Career Support Measures Backing the Development of Skilled Personnel

The Canon MJ Group coordinates its human resources development efforts with career support measures in order to effectively develop specialist personnel and further improve productivity.

In terms of human resources development, we provide rank-specific training to support transitions to second-year employees, fifth-year employees, and managerial positions, as well as training for all employees to acquire digital and business skills.

With regard to career support measures, in addition to career seminars specific to employee rank and age group, as groupwide measures, we help employees independently realize their ideal careers through regular career interviews between employees and their supervisors and career consultation sessions with full-time national certification career consultants (qualified consultants).



Measures and Programs that Support Growth and Taking on Challenges

Career support measures

The Canon MJ Group conducts career support measures coordinated with human resources development measures in order to effectively develop specialist personnel and further improve productivity.

In addition to career seminars specific to employee rank and age group, as groupwide measures, we help employees independently realize their ideal careers through regular career interviews between employees and their supervisors, career consultation sessions with full-time national certification career consultants (qualified consultants), as well as in-house recruiting program.

In-house recruiting program and FA system

At Canon MJ, we support career development through an in-house recruiting program, JOBS (Job Opening Bulletin System). The aim of this program is to encourage employees to proactively consider their career path and take on new positions, and to invigorate our organization. JOBS is a program that allows employees to put themselves up for internal job openings and transfer across departments.

We also began operating the company FA (Free Agent) system in 2023, which provides employees with the opportunity to take on challenges of their own will. This system allows employees with FA rights to indicate their intentions with respect to their career and the type of job they wish to take on, and transfer to the department where a suitable position was found for them.

Received a Good Career Company Award

Canon MJ received the Grand Prize at the Good Career Company Awards 2024 conducted by the Ministry of Health, Labour and Welfare.

The Good Career Company Awards recognize companies that are taking exemplary steps to support their employees' independent career development, and aims to spread and establish the importance of career development support by widely spreading their philosophy and the details of such efforts.

At Canon MJ, we are working to support the career development of our employees with the goal of improving job satisfaction by having employees think independently about their own careers and proactively engage in duties aimed at achieving their career goals, thereby fostering an invigorated organizational culture made up of independent employees.

Going forward, we will not only refine these measures, but will also support employees in taking control of their careers by providing opportunities for introspection and taking on challenges in new environments.

GOOD CAREER COMPANY AWARD 2024 大賞

Improve organizational capabilities to enable diverse human resources to thrive

To Foster an Environment Where Diverse Talent Can Thrive and Grow by Inspiring Each Other

Empowerment of Women

Eight Canon MJ Group companies have established an action plan based on their respective issues, which include the appointment and hiring of female managers.

Canon MJ has acquired two-star Eruboshi (L Star) certification in February 2022. In 2023, we launched the Empowerment Program, a training program for female chiefs (assistant managers), offering various career development programs to applicants to support the development of their future careers. Our action plan sets out our aim to have women account for at least 6.0% of management positions and at least 20.0% of chiefs and assistant managers, who are candidates for management positions, by the end of 2025.

The chart below shows the wage difference between Canon MJ's male and female employees.

女性が活躍しています！



Wage difference between male and female employees	
All employees	82.7%
Permanent employees	78.0%
Part time and contract employees	105.7%

Period covered: January 1, 2024 to December 31, 2024

Balancing Work with Childcare and Nursing Care

Aiming to create an environment where employees can work vibrantly while balancing work with childcare and nursing care responsibilities, we have a variety of systems in place that facilitate their career development and allow them to continue to work while focusing on their personal lives. Both Canon MJ and Canon IT Solutions have acquired Platinum Kurumin certification for their excellence in providing childcare support.

プラチナくるみん 子育てサポートしています

Employing People with Disabilities

Canon MJ strives to create a comfortable workplace environment where all employees, regardless of disability, can make the most of their abilities and experience and to provide more employment opportunities for people with disabilities.

Status of employees with disabilities (consolidated)	2023	2024
Number of employees (Number of people)	380.0	431.5
Percentage of employees (%)	2.35	2.46

Sustainability Management

Improve organizational capabilities to enable diverse human resources to thrive

Respect for Human Rights

Basic Stance

Based on the United Nations Guiding Principles on Business and Human Rights, the Canon MJ Group is developing initiatives to promote respect for the human rights of its customers, employees, business partners, and all other stakeholders involved in the Group's business activities. We promote respect for human rights by taking measures in accordance with the Canon Group Human Rights Policy, which was formulated in 2021. We are carrying out activities based on this policy, which clearly states that we conduct human rights due diligence, operate a grievance mechanism, conduct awareness training, and engage in dialogue with stakeholders in order to ensure respect for internationally recognized human rights, including the prohibition of child and forced labor, the prevention of unreasonable restrictions on movement and excessive overtime work, and respect for freedom of association and the right to collective bargaining.

Promotion Structure

The Canon MJ Group established the Sustainability Promotion Committee, chaired by the president & representative director, which discusses, makes decisions regarding, and reviews respect for human rights, one of the material issues we identified. The committee deliberates and reports on important matters to the Board of Directors. In addition, the Sustainability Promotion Division, as the supervising division, coordinates with relevant departments such as the Human Resources Department and the Procurement Department to gain insight into the current situation, and considers and executes initiatives to address any issues.

Human Rights Due Diligence

In 2023, the Canon MJ Group identified any adverse impacts on human rights arising from its business activities in accordance with the United Nations Guiding Principles on Business and Human Rights, guidelines issued by the Japanese Government, and other guidance. The Canon MJ Group's Sustainability Promotion Committee then held discussions to pinpoint issues to tackle as a priority. Based on this, the Sustainability Promotion Committee examined and decided on countermeasures to be implemented in 2024 for different rights holders. To reduce human rights risks even further, we will continue to carry out initiatives based on our plan and conduct activities that lead to improvements.

High-priority issues	Rights Holder				Countermeasures in 2024	Status of countermeasures on the left
	Suppliers	Contractors	Employees	Customers/ Consumers		
Discrimination based on race, gender, religion, and other factors				●	Create rules and guidelines on the communication of information such as advertising, PR, websites, and social media, and ensure compliance	○
			●		Ensure all officers and employees are familiar with the Canon Group Code of Conduct	○
Harassment		●	●		Raise awareness through training and meetings to prevent harassment	○
Child labor	●				Increase engagement through supplier questionnaire	○
Forced labor	●					
Excessive overtime work	●					
			●		Have no overtime days (two days a week)/Provide management training to raise awareness about thoroughly managing working hours in their departments/Alert employees who might exceed the limit on overtime	○
Occupational health and safety/ Health hazards and accidents		●			Manage and raise awareness of logistics quality continuously, increase efficiency through improvement in business operations, and mitigate work risks	○
		●				
	●				Increase engagement through supplier questionnaire	○
			●		Formulate Health and Productivity Management Strategy Map and seek to further promote health and productivity management and to prevent occupational accidents	○
				●	Confirm equipment inventory and compliance with environmental laws, regulations and conventions and check for any upgrades of inventory equipment	○
		●			Review content of Guidelines for Appropriate Contracting and Induction Training for Staffing Agency Engineers, raise awareness and hold study sessions about them	○
		●			Implement training and awareness-raising activities to prevent the recurrence or occurrence of occupational accidents at construction subcontractors	○
				●	Manage and identify quality problems and their levels in the market, and implement activities to prevent recurrence or occurrence	○
Invasion of privacy			●	●	Confirm worldwide tendency towards tightening personal information protection rules and comply with rules on the handling of cookie data	○
				●	Create rules and guidelines on the communication of information such as advertising, PR, websites, and social media, and ensure compliance	○

Promote responsible supply chains

Procurement Activities

Engagement with Suppliers

In order to expand our business, we have been conducting engagement with a focus on dialogue with our suppliers.

In 2024, we also began engaging with suppliers in the form of questionnaires with a view to addressing environmental and human rights issues. The survey was conducted for 50 major suppliers with large transaction amounts, with the aim of collecting information that will lead to reductions in the Canon MJ Group's Scope 3 emissions as well as preventing and mitigating human rights violations at suppliers.

Based on the results of the 2024 survey, we will further consider and enhance the way we engage with suppliers.

Responsible Mineral Procurement

In accordance with the Canon Group Basic Policy on Responsible Minerals Sourcing, we ensure peace of mind for Canon product customers by working with suppliers to confirm the origins of minerals in their products and eliminate the use of conflict minerals.

Promote risk and crisis management

Risk and Crisis Management

In 2021, we established the Risk and Crisis Management Committee to promote various activities related to risk prevention and crisis response for incidents faced by companies, such as natural disasters, violations of corporate ethics and compliance, and information security incidents. We have consolidated and established the risk management activities that were previously carried out under separate management systems as activities to be handled by the committee, while also promoting integrated risk management. In doing so, we aim to enhance the corporate value of the Group and minimize losses for stakeholders.

Areas of activity of the Risk and Crisis Management Committee

1. Preparation and set up of risk management systems
2. Preparation and set up of crisis management systems (including BCP)
3. Raising and Promoting Awareness of Corporate Ethics and Compliance
4. Information Security
5. Internal reporting response



Train Employees on Risk and Crisis Management

As part of risk and crisis management training, we provide e-learning programs based on practical content for all Group employees to enable them to make appropriate decisions and take appropriate action with regard to risk and crisis management in general, compliance, BCP, information security, and quality.

Cybersecurity Measures

We established the Canon Marketing Japan Group CSIRT (Canon MJ-CSIRT), which has been promoting activities with the aim of minimizing cybersecurity risks and damage to the Group's internal infrastructure and to products and services supplied to customers. Canon MJ-CSIRT is an organization made up of members from three divisions within Canon MJ: the IT division, the information security division, and the product and service quality division. Canon MJ-CSIRT operates at the center of the Group, preventing and monitoring for cyberattacks, and mounting a response when attacks occur. It also regularly conducts cyberattack drills.

Representative Examples of the Social Value Created

Resolving Social Issues through Business Activities

Enrich lives

Contributing to the Well-being of People Suffering from Headaches through a Headache Self-Care App



There are said to be 40 million people in Japan that suffer from chronic headaches, but the reality is that because it is a common symptom of daily life, many people believe that there is nothing to be done but live with it. Headaches not only have a negative impact on communication with those around you, but also cause presenteeism (loss of performance due to health problems). In particular, the reduced ability to work due to migraines is said to result in economic losses of at least ¥2 trillion across Japan.

At our Company, a member who has personally suffered from chronic headaches took the initiative to launch a project addressing these social issues. Employees with a diverse range of expertise, including public health nurses, headache specialists, and designers, are collaboratively working to develop the service. *Headtête* is a headache self-care support app that helps users deepen their understanding of headaches and practice appropriate lifestyle improvements, rather than just recording and managing symptoms. It is based on the concept of "changing the days free of headaches." By offering a new perspective on headaches, which were previously a common occurrence, we aim to provide a service that enables people who suffer from headaches to live richer, more enjoyable lives. We will contribute to solving social issues such as enhancing well-being and labor productivity by changing the way people deal with headaches and improving the quality of life of individuals through self-care habits.

Achieve diverse working styles (work) through increased productivity

Helping to Ease Labor Shortages through Outsourcing of Year-End Tax Adjustment



Year-end tax adjustment procedures are a major burden faced by many companies at the end of the year. They require a high level of expertise, since they also require responding to legal changes. They are important procedures that involve determining employees' tax payments, and also require the ability to accurately respond to various inquiries. However, as it is only carried out once a year, it is also difficult to accumulate operational expertise.

Outsourcing of Year-end Tax Adjustment is a service that handles year-end adjustment procedures on a one-off basis. In addition to checking tax returns, it also plans and manages year-end adjustment procedures, such as creating and distributing tax returns and sample forms, digitizing tax return content, and arranging for work staff, office supplies, and work spaces. This service contributes to resolving labor shortages by freeing companies from these busy annual tasks, allowing their employees to focus on their core duties.

Realize a safe and secure society

Contributing to Food Waste Reduction through Demand Forecasting and Supply-Demand Planning Solutions



The massive amount of food waste, which occurs when still-edible food such as unsold, leftover, and expired food is discarded, is a major social issue that leads to the incurrence of costs, as well as carbon dioxide emissions due to the incineration of such food. In combatting food waste, the use of IT makes it possible to develop efficient production plans by analyzing sales trends and comparing data on raw material supply and product demand, and to streamline distribution.

FOREMAST is a solution that uses advanced mathematical technology, one of the strengths of the Canon MJ Group, to automatically forecast demand based on shipping history. It can also incorporate external information such as weather data. These functions promote the optimization and efficiency of supply chain management, contributing to food waste reduction through optimal inventory management.

Social Contribution Activities

Environmental protection

Passing on a Verdant Hometown for the Future of Our Children through the Furusato (Hometown) Project



As part of our social contribution activities, we are working to protect biodiversity, one of the social issues that is difficult to address within the Canon MJ Group's business domains. The Canon MJ Group donates an amount corresponding to the number of used cartridges collected from customers to selected environmental organizations to fund these activities.

The Furusato (Hometown) Project was launched in 2010 in collaboration with environmental conservation organizations across Japan with the aim of passing on a beautiful, verdant hometown for the future of our children. By the end of 2024, more than 10,000 people had participated in the project.

In 2024, we revamped the project to support organizations that are seeking to register their sites as Nationally Certified Sustainably Managed Natural Sites, certified by the Ministry of the Environment. Some organizations have already successfully received certification.

Regional and cultural revitalization

Smile for the Future Project for Regional Revitalization in Disaster-stricken Areas and Nurturing Children's Hearts



Since January 2012, the Canon MJ Group has been implementing the Smile for the Future project, based on the concept of enjoying photography, as part of efforts to promote reconstruction and revitalization in the three prefectures affected by the Great East Japan Earthquake. This program utilizes Canon's photography expertise and provides opportunities for a wide range of people, from children to adults, to take photos and have a fun photo printing experience. Through this project, we help foster communication between people and nurture the hearts of children.

Personnel development

School Building Memorials Project for Cultivating the Creativity and Self-Expression of Children



Since 2014, the Canon MJ Group has been collaborating with Pentel Co., Ltd. to carry out the School Building Memorials project to help students create final memories of elementary school buildings that are to be demolished and replaced or merged with other schools. Children draw pictures using the school building as a canvas, and document this process using a digital camera. These photos are then turned into large posters and donated. By leveraging the strengths of both companies, we are helping children create memories while also contributing to fostering awareness of the arts field and to regional revitalization.

Safe and secure society

Providing AEDs to Local Residents Free of Charge



In 2009, the Canon MJ Group began activities to promote proper AED placement and to promote awareness and training. In 2019, Canon System & Support introduced AEDs at its business sites throughout Japan. At some locations, AEDs have been made accessible to local communities, such as being installed outdoors and in company-owned vehicles. In addition, the AEDs donated to the Yokohama Canon Eagles are being used by RED SEATERs* during games, ensuring the safety and security of spectators.

* Volunteer staff stationed in the stands who, in the unlikely event that a spectator collapses, will rush to their aid with an AED and administer CPR.

Progress of Medium-Term Management Plan

Long-Term Management Objectives and Medium-Term Management Plan

Long-Term Management Objectives (2021-2025)

Vision

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

Financial targets

	Initial target (announced Apr.2021)	Achievements in 2024	Fiscal 2025 Target
Operating income	¥50.0 billion	¥53.1 billion	¥56.0 billion
Net Sales	¥650.0 billion	¥653.9 billion	¥680.0 billion
of which, ITS sales	¥300.0 billion	¥314.6 billion	¥340.0 billion
ROE	8.0%	9.6%	10.0%

Medium-Term Management Plan (2022-2025) Basic Policies

Expansion of ITS Business with Profit
- Carry out and accelerate ITS strategies for different customer groups
- Implement the service-type business model to expand the recurring revenue business

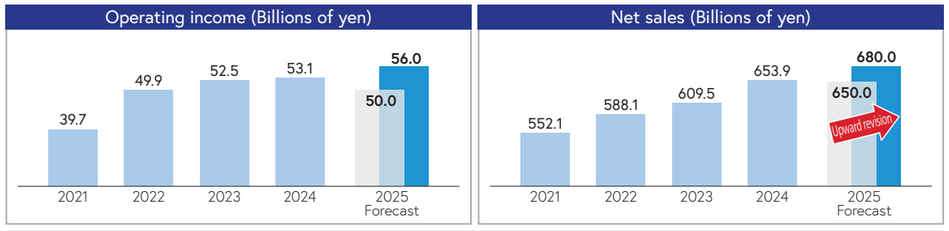
Increase the Earnings Capacity of Existing BusinessesExisting Businesses
- Develop strategies tailored to each customer segment
- Further enhance the profitability of main product businesses

Strengthen Specialized Areas and Create New Businesses
- Ensure continuous growth of the industrial equipment business
- Create new businesses

Group Management Aimed at Continuous Growth

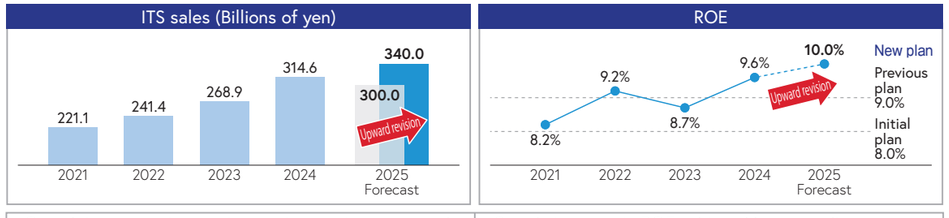
- Maximize the value of human capital
- Establish an engagement improvement cycle
- Accelerate business investments toward growth

● Progress of Management Indicators Operating income and net sales



Achievements to 2024	Increase in income from ITS business and establishment of a robust corporate structure **Initial consolidated financial plan figure of ¥50.0 billion achieved in 2023**	Contribution of growth of ITS business and M&A **The consolidated financial plan figure of ¥650.0 billion achieved ahead of schedule**
Key points in 2025	・Further improvements in profitability and productivity ・Achieving ¥56.0 billion and aiming for further growth	・Continuing to invest in ITS business as the growth driver ・Achieving ¥680.0 billion, the consolidated financial plan figure revised upward

● Progress of Management Indicators Net sales of ITS and ROE

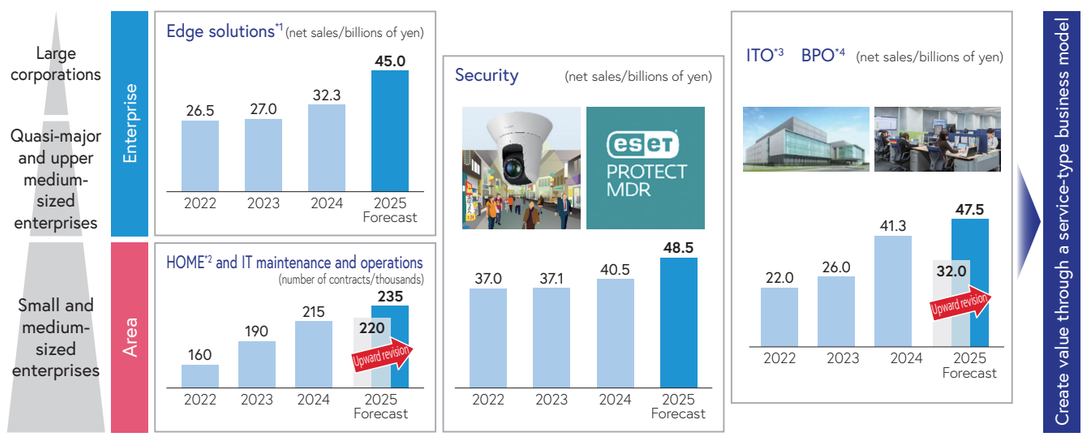


Achievements to 2024	Growth in systems integration services, maintenance and operation services/outsourcing, and IT products and system sales, respectively **Consolidated financial plan figure of ¥300.0 billion achieved ahead of schedule**	Steady increase in ROE achieved by expanding operating revenue Tender offer of treasury stock executed **Consolidated financial plan figure of 9.0% achieved ahead of schedule**
Key points in 2025	・Intensively carrying out ITS strategies for different customer groups ・Demonstrating synergy of the Canon MJ Group ・Achieving ¥340.0 billion, the consolidated financial plan figure revised upward	・Practicing management with an awareness of capital efficiency ・Achieving 10.0%, the consolidated financial plan figure revised upward

Progress of IT Solutions Business

● Carrying out and Accelerating ITS Strategies for Different Customer Groups Progress of KPIs (Net sales, number of contracts)

Despite differences in progress, the overall KPIs made steady progress, contributing to expanding the IT solutions business.
We focused our efforts on further expansion of value we provide, by upgrading IT solutions business capitalizing on our strength in original technologies.



*1 Edge solutions: Imaging solutions, digital document services, mathematical and demand forecast, low-code development, etc.
*2 HOME: IT support service for SMEs. *3 ITO: IT outsourcing *4 BPO: Business process outsourcing

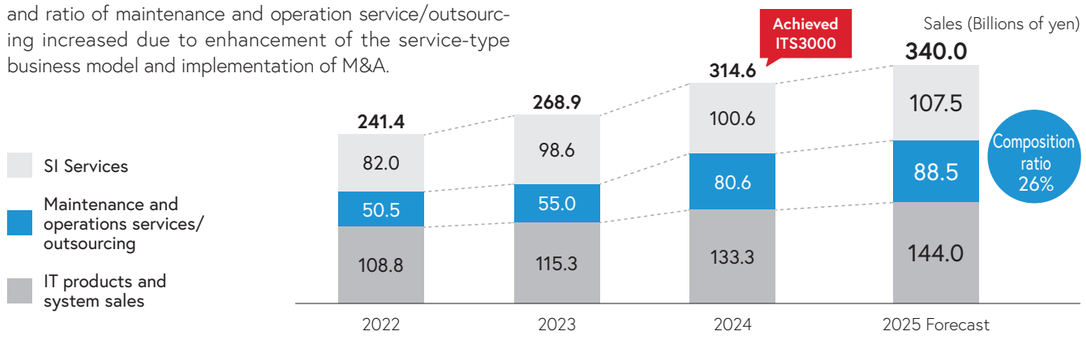
Although there are delays with progress for Edge solutions, we have received orders for multiple large-scale projects such as imaging solutions and supply chain planning solutions, and thus expect progress to be accelerated in 2025.

Although there are delays with progress for security, the cloud security business is performing well on the back of changes in the environment surrounding customers and increasing security risks, and we are also strengthening our sales structure.

● IT Solutions Business Financial Results and the Latest Consolidated Financial Plan Figures

We achieved our 2025 goal of ITS3000 (ITS sales of ¥300.0 billion) one year ahead of schedule. Sales amount and ratio of maintenance and operation service/outsourcing increased due to enhancement of the service-type business model and implementation of M&A.

The consolidated financial plan figure for 2025 at ¥75.0 billion (ratio: 25%) was achieved ahead of schedule.



Progress in Cameras/Printers/Industrial Equipment Businesses

● Cameras/Printers

In addition to implementing strategies with clearly defined targets for each business, we managed to maintain high market share while also improving unit prices. We also improved our operating margin by continuing our strategy of emphasizing profitability, minimizing the decline in sales amid the market contraction.

● Industrial Equipment

As a platform holder with multi-vendor maintenance capabilities, we provide purchase, sales, installation, and maintenance support services for semiconductor manufacturing-related equipment among others, leveraging our exceptional discernment and advanced expertise. We focus on establishing a solid revenue base that is resilient to changes in market conditions, by expanding sales of the semiconductor service business, which is likely to secure both profitability and stability.

Overview of Businesses by Segment

Our business mainly consists of the Canon products business and the IT solutions business. As for customer segments, the Canon MJ Group operates in the four specific categories, the Consumers, Enterprise, Area, and Professional segments, and helps many customers create value.

Consumers

Customer segment Individuals

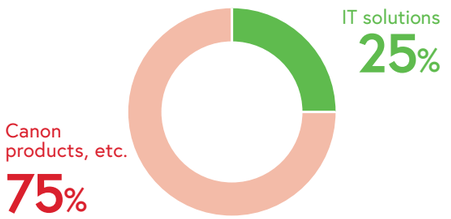
Fiscal 2024 net sales

¥144.6 billion

We sell Canon products such as cameras, which have been manufactured since the time of our founding; imaging products; and inkjet printers, as well as non-Canon consumer products, to individual and corporate customers through retailers, online stores, and other business formats.



Fiscal 2024 Breakdown of Net Sales by Business Segment



Enterprise

Customer segment Large corporations and quasi-major and upper medium-sized enterprises

Fiscal 2024 net sales

¥239.7 billion

We provide Canon products, IT solutions and BPO services that help resolve various industry- and business-specific management issues of our vast range of customers, from large corporations to quasi-major and upper medium-sized enterprises, public agencies, and educational institutions.



DigitalWork Accelerator

SOLTAGE IT Infrastructure Service



Fiscal 2024 Breakdown of Net Sales by Business Segment



Area

Customer segment Small and medium-sized enterprises

Fiscal 2024 net sales

¥231.3 billion

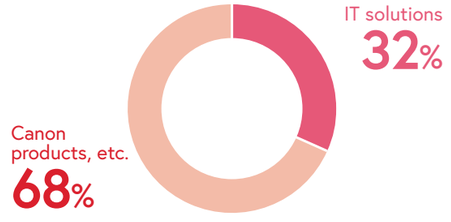
We provide Canon products and IT solutions to small and medium-sized enterprises in Japan by fully leveraging our diverse channels for indirect sales through business partners and system partners and direct sales through Canon System & Support Inc.



ESET PROTECT MDR

Makasete IT DX Series

Fiscal 2024 Breakdown of Net Sales by Business Segment



Professional

Customer segment Specialist fields

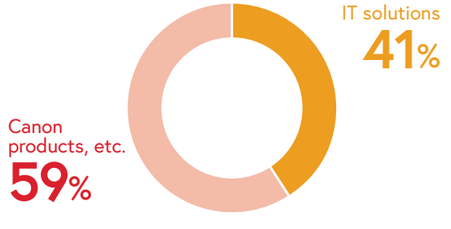
Fiscal 2024 net sales

¥44.8 billion

We provide products and solutions for customers in specialist fields, such as production printing, industrial equipment, and healthcare.

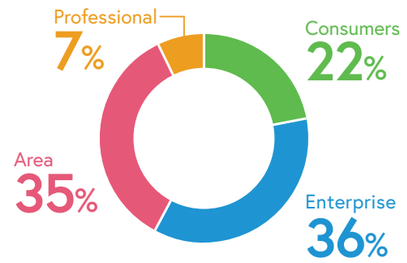


Fiscal 2024 Breakdown of Net Sales by Business Segment

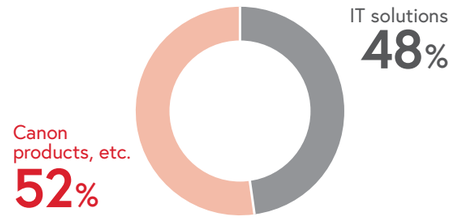


* Although business transfers between segments were implemented in fiscal 2025, the results for 2024 are presented based on the figures before the segment reclassification

Fiscal 2024 Breakdown of Net Sales by Customer Segment



Fiscal 2024 Breakdown of Net Sales by Business Segment



Share of Canon products

Camera Business

Interchangeable lens cameras	17 consecutive years	1st

Printing Business

Inkjet printers		2nd
Office MFPs		3rd
Laser printers	33 consecutive years	1st

* Domestic volume share Source: Canon MJ market research

Consumers Segment

As we value our connection with customers, we will promote one-to-one marketing and create customer value that exceeds expectations to further strengthen profitability

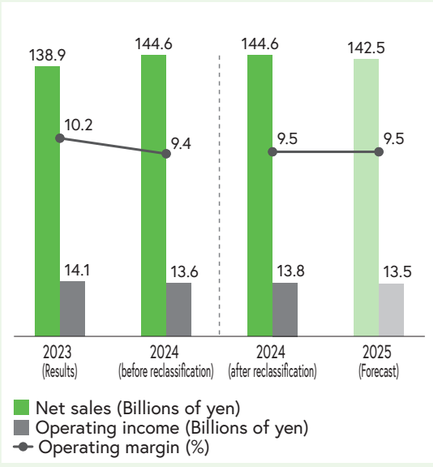


Senior Vice President, Director of Consumers Business Unit **Koichi Mikami**

We sell Canon products such as cameras, which have been manufactured since the time of our founding; imaging products; and inkjet printers, as well as non-Canon consumer products, to individual and corporate customers through retailers, online stores, and other business formats.

Segment Targets/Our Strengths

Net Sales, Operating Income, and Operating Margin



2024 Performance Highlights

- Sales of digital interchangeable lens cameras increased thanks to the strong start of the EOS R5 Mark II launched in August 2024 and the EOS R1 launched in November 2024.
- Sales of inkjet printers decreased due to a shrinking market.
- Sales of IT products saw a significant increase because sales of high-performance PCs and PC peripherals remained robust.

Our Strengths

- Leading share of the digital interchangeable lens camera market for 17 consecutive years
- A membership organization and a diverse menu of services for customers with a strong interest in photography
- Detailed services and support systems for photographers
- Marketing capabilities from the customer's perspective, including product exploration and channel development

Awareness of the Market Environment

Opportunities

- Growing needs for video creation centered around social media
- Expanding camera user base, especially among young people and women
- Growing needs for broadcast camera systems to communicate natural disasters in real time

Risks

- Shrinking digital interchangeable lens camera market due to further functional improvements in digital devices
- Reductions in print volume due to changes in printing environment

Toward Achieving the Goals of Our Medium-Term Management Plan

In the consumer market, where trends and technological innovation are rapidly changing and emerging, we strive to deliver value that exceeds customer expectations. In the camera business, we will promote one-to-one marketing to strengthen our connection with the intermediate customer group by focusing on expanding sales of full-frame models, and enhancing service menus. In the printing business, we will expand sales channels in the SOHO market and e-commerce market, focusing on the sales of high-unit-price products. Furthermore, we will accelerate the creation of new businesses that will become pillars of earnings, and aim to maintain sales and improve earnings capacity.

Case Study

Initiatives for the Development of Photographic and Imaging Culture

The Canon Photo Contest, which was established in 1953 and has a history spanning over half a century as the largest photo contest in Japan. It has received numerous entries, serving as a gateway for amateur photographers.

Furthermore, we have been a special sponsor of the Photo Koshien (National High School Photography Championships) (604 schools participated in the 31st event in 2024), since its first event in 1994. Photo Koshien provides high school photography clubs across Japan with new opportunities for activities, goal-setting, and exchange, and aims to foster the creativity and sensitivity unique to high school students.

Since 2023, we have hosted GRAPHGATE, an audition-style program to discover new talent in photography and video. We support and nurture the next generation of leaders in photographic and imaging culture across a wide range of genres.



Canon Gallery Ginza

Also, with a history of over 50 years, the Canon Gallery hosts exhibitions at three locations (Shinagawa, Ginza, and Osaka) featuring works ranging from photo exhibitions by renowned Japanese artists to publicly submitted pieces. A special commemorative exhibition was held from 2023 to 2024 to mark the gallery's 50th anniversary.

We will continue contributing to the development of photographic and imaging culture by providing platforms for creative expression across wide-ranging generations.

Initiatives to Support Comfortable Photographic Lifestyles

In 2024, we consolidated user accounts (IDs) into Canon ID to support the comfortable photographic lifestyles of individual customers. With a Canon ID, customers can now access a range of services conveniently, including Canon Photo Circle, EOS Academy, the Canon Online Shop, Print *Mairu* Service*, as well as maintenance and repairs, through a single, convenient account. By registering information of their cameras, printers, and other products, customers can receive optimal content and equipment information tailored to their individual needs.

*Service that awards points when printing with a PIXUS printer

Incorporating Canon's Imaging Technology into Our Broadcasting Activities



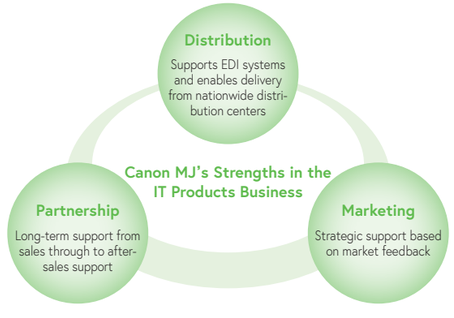
CR-X500 outdoor remote camera installed outside a building

Broadcast lenses handled by our broadcasting and imaging business enable high-definition video production at broadcasting stations and in the video production industry. In addition, broadcasting camera systems, known as weather-cams, which are installed at broadcasting stations and key points such as airports and coastal areas, contribute to society by conveying real-time images of heavy rain, storms, earthquakes, and other natural disasters.

IT Products Business Initiatives

The IT products business supports manufacturers that handle consumer-orientated products. The main contents of the business include sales, logistics support, and after-sales support for a broad range of non-Canon-branded products, including PCs, PC peripherals, and mobile batteries.

In particular, we have built a strong partnership with MSI Computer Japan Co., Ltd., a manufacturer of high-performance PCs, through initiatives such as channel development and operation of a directly managed e-commerce store, contributing to business expansion in the Japanese market.



Enterprise Segment

Aiming to increase sales and profits for five consecutive fiscal years
Through in-depth analysis of customers and industries and the use of proprietary technologies, we will enhance the quality of our proposals and deepen co-creation with our customers, thereby transforming our service-type business into a new pillar of earnings

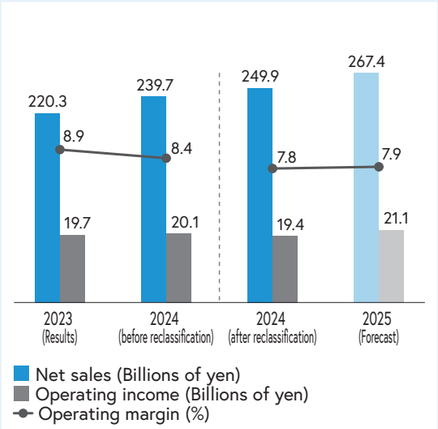
Senior Vice President, Director of Enterprise Business Unit Hiroyuki Matsumoto



We provide Canon products, IT solutions and BPO services that help resolve the various industry- and business-specific issues of our vast range of customers, from large corporations to quasi-major and upper medium-sized enterprises, public agencies, and educational institutions.

Segment Targets/Our Strengths

Net Sales, Operating Income, and Operating Margin



2024 Performance Highlights

- Sales of IT solutions increased significantly due to an increase in the number of SI projects for the financial and manufacturing sectors, a large-scale PC deal for the education sector, and the consolidation of TCS as a subsidiary.
- The number of units sold of office MFPs increased significantly thanks to multiple large deals. The number of units sold of laser printers fell due to the absence of multiple large deals in the previous fiscal year.

Our Strengths

- Deep and extensive customer base developed through long-standing solid relationships with our customers
- System construction and development capabilities by approximately 3,800 system engineers mainly from Canon IT Solutions
- Highly sophisticated technological capabilities such as proprietary software technology, mathematical technology, language processing technology, and image analysis technology
- Problem-solving capabilities through BPO and SI, leveraging the proprietary know-how of Primagest, which newly joined the Group
- Canon MJ, Canon IT Solutions, and Primagest working together to propose comprehensive solutions to a wide range of management issues faced by customers

Awareness of the Market Environment

Opportunities

- Rising demand for video-based solutions to address many issues such as labor shortages and skill succession
- Growing demand for document digitalization, data management, digital workflows, and BPO services, driven by the digital transformation of business operations in response to evolving workstyles
- Growing demand for security measures in response to rising cyberattacks and information leaks

Risks

- Lack of talent and intensifying competition for securing highly skilled professionals due to declining labor population
- Decline in the number of output devices and MFPs in the market due to the accelerating shift to paperless operations

Toward Achieving the Goals of Our Medium-Term Management Plan

The MA Headquarters will expand customer co-creation-based IT solutions that help to solve social issues while maintaining the customer base built through Canon products. Meanwhile, the GB Solution Headquarters will focus on acquiring Canon product market share to further grow its customer base. Canon IT Solutions will also utilize the customer bases of both the MA and GB Solution Headquarters to expand systems integration services, while enhancing solutions that leverage technologies and expertise in mathematical and demand forecasting and low-code development. Moreover, with Primagest now part of the segment, each organization will work together to accelerate synergies and create and expand a new service-type business model through co-creation with customers and turn it into a pillar of earnings.

Canon IT Solutions Inc.

We are co-creating the future with our customers by leveraging our unique technologies and developing highly skilled professionals, contributing to the resolution of social issues together with our customers through IT solutions.

President, Canon IT Solutions Inc. Akira Kanazawa



Canon IT Solutions is a systems integrator that engages in the development, operation, and maintenance of systems for a wide range of sectors, primarily manufacturing and finance, and provides services to businesses centered on data centers. On the strength of our high levels of quality control, we offer a vast array of solutions that make use of our very own software and mathematical technologies that have been cultivated over many years.

Business Strategy

Aiming to realize VISION 2025, our vision for fiscal 2025, we will continue our efforts to strengthen management based on our medium-term management plan, which places emphasizes on processes and key performance indicators. As part of being a co-creating company stated in VISION 2025, we will develop three business models, the service-type business model, the systems integration model, and the business co-creation model, built on engagement management that emphasizes strong connections between customers and employees.

With the service-type business model, we will address the issues shared by many of our customers by drawing on our technology and knowledge of various industries and businesses accumulated to date. The systems integration model will facilitate our development of systems that capture the essence of our customers' issues and underpin their businesses at every stage of the IT life cycle, including maintenance and operations. With the business co-creation model, we will look into business-related issues that our customers are unaware of and co-create solutions from a DX point of view. We also remain committed to developing highly skilled professionals so that we can provide even greater value to customers through these three business models. As the core company driving the Canon MJ Group's IT solutions business, we will work alongside our customers to solve social issues through IT solutions.

Primagest, Inc.

We aim for further growth by leveraging our know-how accumulated over the years in solving customer issues in the ITS and BPO fields, and quickly generating group synergies.

President, Primagest, Inc. Hideaki Inagaki



Primagest supports business reforms centered on digitalizing analog information, including data processing, utilization, and the development of systems for secondary data use. Focusing on large corporations in the financial industry in particular, we provide automation and streamlining of operations, and BPO services by combining our know-how in centralized office processing with knowledge in hardware, software, and SI development. In recent years, we have also put into practice our own concept of DX (Delightful Transformation), which uses AI and other various IT to help enhance customer profitability.

Business Strategy

Since our founding, we have expanded our business over the past 50 years to include system development and outsourced operations, centered on digitalization using the fastest scanners on the market. Developing our skills through customers' business processing primarily at large corporations, we possess a high level of business knowledge to be used at business sites and DX know-how, including AI technologies. Going forward, we will continue to focus on solving business issues at operational sites by utilizing our customer base centered on large corporations, while contributing to our customers' businesses by advocating for the full automation of operations and the creation of new value through early adoption of technological trends relating to generative AI and DX. We will also deepen our solutions built on our accumulated knowledge and know-how in our existing business fields, while also expanding them into new business fields. In addition, we are advancing with building new business models, including the conversion of solutions into services.

To proceed with these activities, we will pursue rapid business expansion using synergies that leverage the Canon MJ Group's management foundation. Together with our customers, we will create new value by enabling optimal business processes for them (improving operational efficiency, saving labor, and delivering new user experiences).

Area Segment

A new structure, up and running. Together with our diverse partners across Japan, we will expand the scope of DX support from IT investment planning to education to provide total support for business innovation for SMEs with room for development

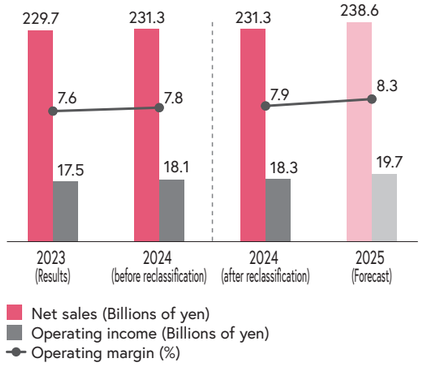


Vice President, Director of Area Business Unit **Masao Yamaguchi**

We provide Canon products and IT solutions to small and medium-sized enterprises in Japan by fully leveraging our diverse channels for indirect sales through business partners and system partners and direct sales through Canon System & Support Inc.

Segment Targets/Our Strengths

Net Sales, Operating Income, and Operating Margin



2024 Performance Highlights

- Sales of IT solutions increased thanks to the replacement of business PCs prompted by the end of extended support for Windows 10 and the steady performance of the *Makasete IT DX Series*.
- The number of units sold of office MFPs remained at the same level as the previous year thanks to replacement of equipment for customers with extended usage durations and proactive efforts to propose solutions to improve operational efficiency, despite effects of a shift to paperless operations. The number of units sold of laser printers decreased due to a reactionary decline following a significant increase in the number of units sold in the previous year, driven by the recovery of supply.

Our Strengths

- Diverse sales channels that span across the country, such as our business partners that serve prominent local firms, system partners that are mainly involved in the systems integration business, and Canon S&S, which engages in direct sales
- Ability to propose optimal solutions by combining Canon products, ERP packages, security products, maintenance and operations services, and a variety of other products and services

Awareness of the Market Environment

Opportunities

- Rising demand for IT investments as SMEs look to digitalize their business
- Rising demand for security risk measures
- Responding to amendments to laws pertaining to SMEs
- Growing demand for business PCs and related products following the end of Windows 10 support
- Expanding AI and cloud services markets

Risks

- Lack of talent and intensifying competition for securing highly skilled professionals due to declining labor population
- Reductions in print volume at offices due to changes in working styles
- Business succession risks due to aging and declining labor population

Toward Achieving the Goals of Our Medium-Term Management Plan

IT investment is drawing greater interest among customers of SMEs as a solution to issues such as the need to streamline operations due to labor shortages and strengthen security.

Under the new structure, together with our diverse sales channels throughout the country, we will work to (1) expand sales of document solutions that capture digitalization trends, (2) expand security solutions sales partners, (3) accelerate the incorporation of Canon products and solutions into partners' sales strategies, and (4) expand integrated IT solutions services that cover the selection, introduction, maintenance, and operation of IT equipment. In this way, we will accelerate supporting SME customers in solving their issues and in their business innovation.

Canon System & Support Inc.

Building on our strong relationships of trust with our customers, we aim to expand our profitable service-type business by continuing to help solve their management issues.



President, Canon System & Support Inc. **Takeshi Hiraga**

Canon System & Support offer Canon products and IT solutions to SMEs in Japan. Leveraging our nationwide business network and group synergies, we provide support services on a one-stop basis for planning IT investments, selecting and introducing the most optimal solutions to customers' issues, day-to-day operations after introduction, maintenance when problems arise, and education.

Business Strategy

We have addressed the changing needs associated with the proliferation of PCs and the internet, supporting the stable operation of infrastructure through corrective maintenance and security solutions for PCs and networks from early on. In recent years, IT has played a central role in supporting sustainable corporate growth by compensating for labor shortages and significantly improving productivity and operational efficiency. Under these circumstances, SME customers are increasingly eager to invest in IT, but they are faced with issues such as uncertainty with regard to the introduction of DX and a lack of personnel with IT knowledge. We respond to such needs by providing comprehensive support, from IT planning, selection, introduction, operation, maintenance, and education, to help our customers resolve their management issues. We will continue to accelerate our efforts to develop skilled personnel, constantly evolving ourselves so we can support our customers' own evolution.

Enhancing and Expanding the Value Provided By the *Makasete IT DX Series* to Support Customer Evolution

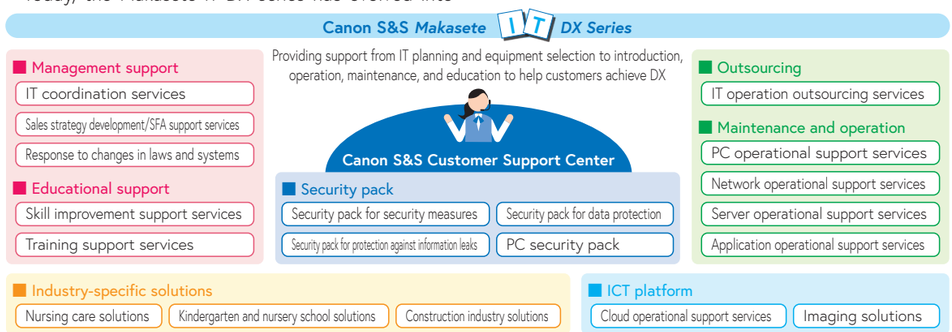
Canon System & Support, in collaboration with local business partners, has long supported the development and stable operation of IT infrastructure so that SME customers can conduct their business with a peace of mind. We have addressed the changing needs associated with the proliferation of PCs and the internet in a timely manner, and established a support structure and provided IT maintenance services by training engineers to assist the stable operation of PCs and networks.

While pursuing such initiatives, we focused on the fact that customers' IT infrastructure issues stem from day-to-day operations, reviewed our IT maintenance system, and added maintenance and operation services to the *Makasete IT DX Series* to strengthen operational support services, thereby expanding support and enhancing the value we provide.

Today, the *Makasete IT DX Series* has evolved into a comprehensive service supporting DX for SMEs, from IT investment planning and introduction to day-to-day operations, maintenance, and even employee education.

Furthermore, to address our customers' diverse issues, we have launched industry-specific solutions and imaging solutions. These solutions help meet industry-specific needs such as improving efficiency, enhancing safety management, enabling remote work, addressing labor shortages, and strengthening information security, thus expanding our business field to supporting the resolution of both management and social issues.

Going forward, by continuing to support the IT-driven evolution of our customers, we aim to contribute to their sustainable development and the realization of a richer community beyond it.



*As of 2024

Professional Segment

We provide products and solutions for customers in specialist fields, such as production printing, industrial equipment, and healthcare.

Production Printing

Achieve record profits as we neared completion of the Medium-Term Management Plan (2022-2025)
Each of our employees strengthens on-site execution capabilities, becoming a trusted partner to customers, and working together with them to shape the future of printing



President, Canon Production Printing Systems Inc. **Katsumi Ueda**

We provide high-speed continuous feed printers and high-speed cut sheet printers mainly for the printing industry. We also provide solutions related to POP production for the distribution and retail industries.

2024 Performance Highlights

- Although sales of consumables and maintenance services for data printing services declined, sales increased overall thanks to an increase in projects for high-speed continuous feed printers aimed at developing the publishing and commercial printing markets.

Our Strengths

- Strong organizational capabilities with integrated planning, development, sales, and services
- High level of technical capabilities that have supported the stable operation of products and software
- Long-cultivated software development capabilities for workflow innovation
- High value-added solution proposal capabilities for solving potential customer issues
- Information sharing mechanisms and rapid decision-making processes

Toward Achieving the Goals of Our Medium-Term Management Plan

In the printing market, which is transitioning from analog to digital, we aim to transform our business portfolio so that we become a solutions company that can resolve diverse and complex customer issues through total solution proposals combining hardware, such as high-speed continuous feed printers, and software, including pre- and post-printing processes, and contribute to the expansion of the Canon MJ Group's profits.

Industrial Equipment

Aiming for dramatic growth to realize net sales of ¥50.0 billion
As a robust and resilient platform holder that is indispensable to our customers, we address domestic needs with superior overseas technologies



Executive Officer, Group Executive of Industrial Equipment **Shunichi Minezaki**

We procure, semiconductor manufacturing-related equipment testing and measuring equipment, and optical measuring equipment from Japanese and overseas manufacturers and sell them primarily to semiconductor manufacturers, and also provide installation and maintenance support.

2024 Performance Highlights

- Sales increased significantly due to an increase in sales of semiconductor manufacturing-related equipment, such as sputter deposition equipment and X-ray analyzers, along with strong performance in maintenance services

Our Strengths

- Ability to research and discover outstanding products from overseas based on the latest technological trends
- Highly specialized personnel who import a variety of unique products and provide sales, installation, and maintenance support for these products

Toward Achieving the Goals of Our Medium-Term Management Plan

In the semiconductor market, although investment plans for the in-vehicle market is being postponed, photomask-related investment remains strong, and government subsidy policies are expected to continue, thereby expecting to continue to see strong investments. In the semiconductor business, we have begun handling several new high-value products, which are expected to further enhance profitability and stability, strengthening our revenue base to one that is resilient to market changes. We will also pursue partnerships with overseas business partners and steadily launch new businesses, and expand the scale of our non-semiconductor businesses to achieve the enhancement of the scale of our businesses with the aim of improving profits.

Healthcare

Achieve record performance, marking the culmination of our Medium-Term Management Plan with increased sales and profits for four consecutive fiscal years
We drive business transformation through new digital technologies and support workstyle reforms of medical professionals by providing value tailored to on-site needs



President, Canon ITS Medical Inc. **Yoshinobu Kuroi**

As a systems integrator that offers a wide range of IT solutions and services to the medical and healthcare sectors, centered on electronic medical records, we provide a one-stop service that covers everything from system proposals and development to installation, operations, and maintenance.

2024 Performance Highlights

- Sales increased significantly owing to winning large-scale projects for hospitals, despite the absence of projects to introduce online insurance eligibility verification systems for clinics and electronic prescriptions for dispensing pharmacies in the previous year.

Our Strengths

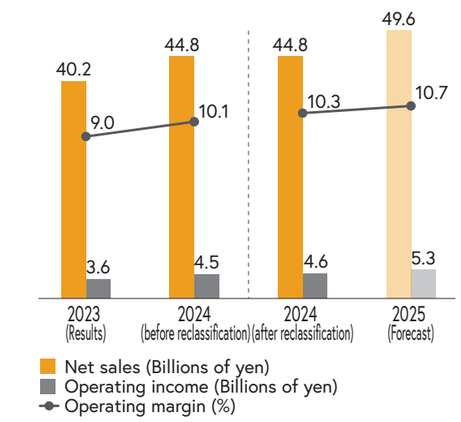
- Relationships of trust with a broad range of customers, including hospitals, clinics, dispensing pharmacies, medical centers, and diagnostic imaging providers
- Highly specialized expertise specific to medical information systems and an advanced structure in proposal development, technology, introduction, and maintenance services
- Proposals and technical capabilities that comply with safety management guidelines, along with the provision of proprietary medical cloud services

Toward Achieving the Goals of Our Medium-Term Management Plan

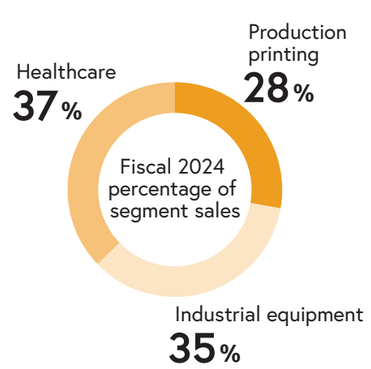
To help curb rising social security costs, a result of Japan's declining birthrate and aging population, we are aligning with the government-led medical DX measures. By combining hardware and software from our extensive product lineup, we promote on-site-oriented DX that supports the provision of high-quality medical services tailored to the issues facing each of our customers. In addition, by demonstrating the effects of the business integration with Canon Medical Systems, we will solidify our customer base, expand our stock business, and aim to achieve ¥20.0 billion in net sales and improve earnings capacity.

Segment Targets

Net Sales, Operating Income, and Operating Margin



Percentage of segment sales



BPO Management Center

In the expanding BPO market, we aim for dramatic business growth by leveraging Group synergies to provide BPO services that meet unique needs



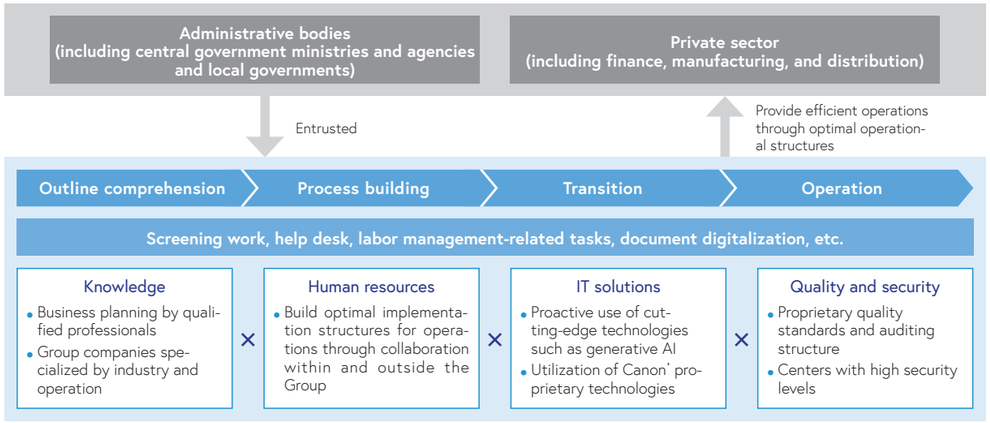
Senior General Manager, BPO Management Center Junji Asano

Canon MJ Group's BPO provides business process outsourcing services to a broad range of customers, including large corporations, quasi-major and upper medium-sized enterprises, as well as administrative bodies such as central government ministries and agencies and local governments, based on the trust that we have cultivated through our printing and IT solutions businesses. We aim to execute high-quality operations on behalf of our customers by introducing the latest technology and improving operations.

Structure/Services Provided

Our BPO business comprises around 4,000 members from Canon MJ and its Group companies, providing highly specialized services tailored to each industry and business. We expanded the breadth and depth of the areas in which we provide our services by welcoming to the Group QB5 Inc., specialized in services for human resources and labor operations, in August 2022, and Primagest, whose strength lies in BPO for financial industry, in March 2024.

We provide services that address both industry-specific and departmental needs, from screening work agency services for administrative bodies and finance-related clerical work for financial institutions, to year-end tax adjustments and labor management-related work in HR departments, as well as in-house helpdesk work for IT departments. We also deliver high value-added services in the field of document and imaging-related solutions, ranging from digitalization of paper documents and postal or electronic delivery of invoices and other notifications, to the creation of promotional pamphlets and video content, leveraging Canon's proprietary technologies and know-how. With each Group company working together, we provide total support, from business planning and operations to continuous improvement, to help our customers drive operational transformation and enhance productivity.



Toward Achieving the Goals of Our Medium-Term Management Plan

The demand for BPO services is expected to increase amid a shrinking labor force caused by Japan's declining birthrate and aging population, coupled with growing needs for flexible workstyles. Canon MJ helps customers overcome such social hurdles as the labor shortage and workstyle reform through the BPO services it provides.

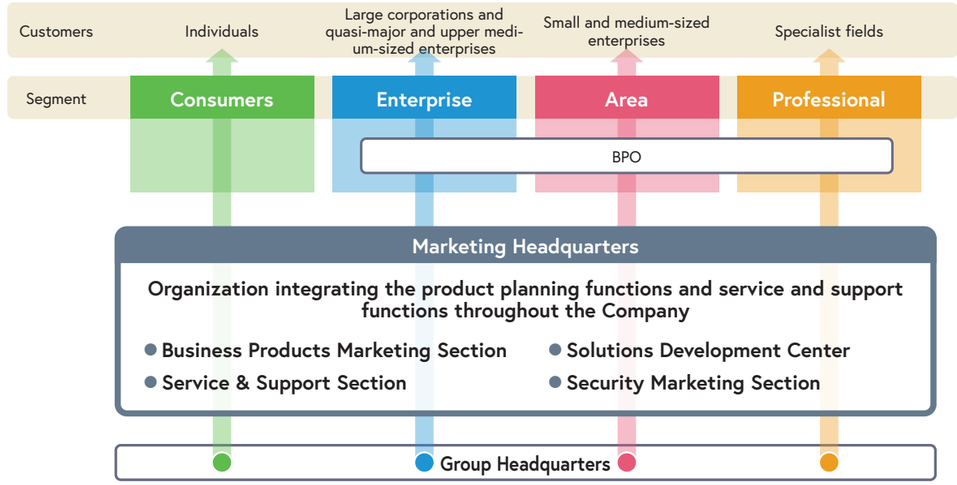
Drawing on our extensive experience and knowledge gained from large-scale projects involving screening work for financial institutions and administrative agencies, we are actively integrating cutting-edge technologies, including generative AI, and Canon's proprietary technologies, into the launch and improvement of our services, in order to meet customer expectations. Moreover, we are strengthening our robust management structure through security measures and regular audits, so that customers can use our services with peace of mind.

Through these initiatives, we aim to provide services that satisfy our customers, thereby contributing to sustainable revenue and profit growth of the company, aiming to further enhance our corporate value.

Marketing Headquarters

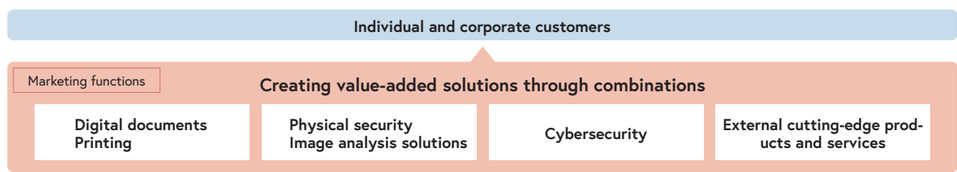
We will continue to provide the highest quality at the lowest cost to continue to be chosen by customers

In 2018, the Company reorganized its business units from a structure based on product and sales channels to one based on markets and customers. At the same time, in order to support our business units more efficiently, we established an organization that integrated the product planning functions and service and support functions throughout the Company. We have since reshaped the organization, and our business units are now underpinned primarily by four sections: the Solutions Development Center, the Business Products Marketing Section, the Security Marketing Section, and the Service & Support Section.



Our customers' business environment has undergone drastic changes in recent years, including the increasing speed of technological developments, and they are striving to enhance their competitiveness in accordance with these changes. Our role is to accurately grasp such changes in our customers, calmly analyze markets that change in a rapid and complex manner, and continuously provide value that exceeds their expectations.

To achieve this, we believe it is essential to embrace new technologies and to create a highly competitive product lineup and a diverse range of services. We achieve high productivity by operating these processes efficiently based on overall optimization.



Marketing Headquarters

Business Products Marketing Section

Continuing to achieve top market share through the provision of advanced Canon products, software, and maintenance and operations services

The role of the Business Products Marketing Section is to resolve the document-related issues of our customers and help them focus on their core operations by providing Canon products and software that are easy to use as well as maintenance and operations services that ensure pleasant user experience of these products and software.

To achieve this, we share the feedback we receive from customers, including their expectations and requests, and other matters with Canon Inc., using it in the development of valuable products and the provision of maintenance and operations services. In order to contribute to a sustainable resource circulation society in response to environmental demands of society, we continue to improve resource circulation flows, such as collecting, reusing, and recycling of used products, consumables, and parts, and also work on donation activities of returned products to NPOs. We continue to work on improving quality and minimizing costs throughout the entire value chain process, from product manufacturing to product delivery and maintenance and operations services, in order to be the company of choice for many customers.



Group Executive of Business Products Marketing Section
Marketing Headquarters
Yasukazu Sawada



The imagePROGRAF PRO-6600/4600/2600 wide format inkjet printers received the 2024 Nikkei Excellent Products and Services Award

Service & Support Section

Pursuing safe, secure, and comfortable maintenance and operations services to continue to be chosen by customers

We strive to ensure safe, secure, and comfortable use of the products and services offered by the Canon MJ Group.

Maintenance and operations services for Canon products realize stable operation by monitoring equipment operating status in real time over the network, providing remote support, and conducting scheduled inspections by our engineers.

In the IT solutions field, due to diverse customer needs, a quality assurance structure to ensure the safety of the products and services we provide is essential.

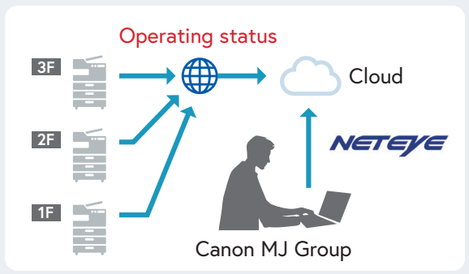
We have therefore established our own quality management system, defining rules and quality standards for both products developed in-house and products sourced externally. We evaluate products in terms of legal compliance and safety based on these quality standards, and only provide those products that meet these standards.

By listening to customer feedback and continuously fine-tuning the process of providing maintenance and operations services, we aim to deliver value that exceeds expectations and continue to be chosen by our customers.



Vice President Group Executive of Service & Support Section
Marketing Headquarters
Hiroshi Kashihara

Online Support Service



Achievements in office MFPs
1.47 times the number of units handled per person (vs. fiscal 2019)

Solutions Development Center

We continue to take on the challenge of solving social issues with innovative solutions by combining our strengths with those of our business partners

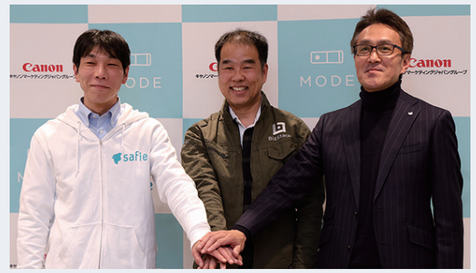
The role of the Solutions Development Center is to create new value provided by leveraging our assets, including hardware and software, in the fields of imaging, digital documents, and security, our core strengths, and by expanding the scope of problem-solving in our existing businesses.

To achieve this, we are promoting not only in-house development, but also collaboration with startups that possess cutting-edge technologies. In particular, we consider it our responsibility to our alliance partners to work to build mutual understanding regarding policies under the business strategy and commitment levels, and to produce results faster than expected through our strengths, namely our broad customer base and diverse sales channels.

In the imaging field, we partnered with Safie Inc. in 2017 and 2019. We then went on to engage in collaborations with various other partners and in 2024, we concluded a capital and business alliance with MODE, Inc. Through these initiatives, we provide innovative solutions that support our customers' entire workflows, in addressing issues such as labor shortages, symbolized by the concept of an "80% workforce society," and the optimization of on-site operations.



Manager of Solutions Development Center, Marketing Headquarters
Tomoaki Terakubo



February 2025 Press conference on collaboration with MODE and Safie

Security Marketing Section

From cybersecurity to physical security, we continue to support the safety and security of our customers under the slogan: Security Starts with the Canon MJ Group

In a society where risks that threaten safety and security continue to grow, the role of the Security Marketing Section is to continuously provide support to ensure a safe and secure business environment for our customers by providing total security solutions that span both cyber to physical domains. We do this by combining the optical and imaging technologies we have cultivated since our founding with the latest in cyber technologies.

In the case of cybersecurity, we offer a wide range of services, including the ESET*1 series, which has been ranked atop for 12 consecutive years*2 in the security products category of the Nikkei Computer Customer Satisfaction Survey, as well as MDR solutions that include operations and monitoring services.

In the case of physical security, we provide solutions that meet a wide range of "view and record" needs such as surveillance, crime prevention, and disaster response, through the Canon Group's lineup of network cameras for diverse applications and its high-quality on-premise and cloud-based recording platforms.

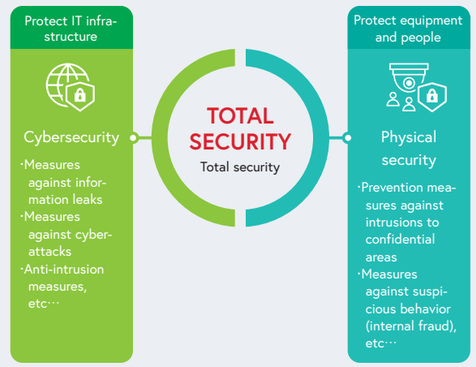
We are also developing and providing innovative image analysis solutions by strengthening alliances with startups in Japan and overseas that possess proprietary technologies.

We are committed to supporting a sustainable business environment for our customers through total security solutions that combine innovativeness and safety.

*1 ESET is a registered trademark of ESET, spol. s r.o.
*2 In January 2019, the planning and development functions for IT security-related products and services were transferred from Canon ITS to Canon MJ. The award history includes achievements under the Canon ITS name.



Group Executive of Security Marketing Section
Marketing Headquarters
Ryuji Nakata



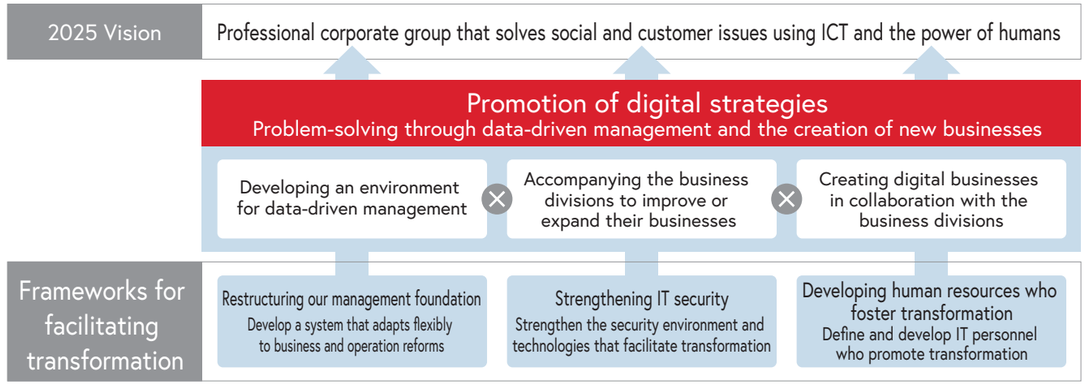
Information & Communication Systems Headquarters (DX Strategy)

Accelerating transformation and value creation within our business divisions and headquarters to contribute to our customers' digital transformation by applying the knowledge gained



Senior Vice President, in charge of Group Information & Communication Systems, Business Process Innovation Project, Senior General Manager of Information & Communication Systems Headquarters **Yukihiro Sasabe**

To achieve our 2025 vision of becoming a "professional corporate group that solves social and customer issues using ICT and the power of humans," we are driving our own digital transformation. By leveraging the technologies and know-how gained through this process, we are accelerating the creation of new businesses and services to contribute to our customers' digital transformation.



Promotion of Digital Strategies

In the face of rapid advances in digital technology and a fast-changing business environment, we believe our own transformation is essential to continue providing high value to our customers. To this end, we are driving business transformation leveraging digital technologies across customer touchpoints and business models. In particular, we are using data to accelerate decision-making and to provide services tailored to the needs of each customer.

In 2024, we launched new portal sites for both individual and corporate customers, enhancing the value of customer experience by providing optimal information based on customers' attributes and interests. We also applied generative AI into our call center operations, reducing inquiry processing time by approximately 600 hours per month and improving both operational efficiency and service quality.

In 2025, we will introduce new CRM*1 and SFA*2 systems to support the transformation of our internal sales and marketing processes, aiming to maximize customer lifetime value and raise the baseline of our sales capabilities. By leveraging the vast data generated from various business activities, including these processes, we will be able to visualize both current and future business conditions and further accelerate data-driven management.

The data utilization and digital marketing know-how we have gained through these initiatives will be applied to provide new services to our customers.

*1 An abbreviation for Customer Relationship Management: A system for managing customer relationships
*2 An abbreviation for Sales Force Automation: A system that supports sales activities

Frameworks for Facilitating Transformation

To expand our IT service businesses and improve productivity in existing businesses, we have begun standardizing and simplifying work processes, as well as reforming our mission-critical systems to restructure our management foundations. In 2024, we started building an environment for data utilization and analysis, and began reforming our sales and distribution domains in preparation for completing the reform of our mission-critical systems by 2029.

In terms of personnel development, we promoted company-wide activities in 2024 to further raise the baseline of digital literacy and designed an advanced ITS talent certification program in cooperation with the Human Resources Department. Starting in 2025, we will use this program to strengthen our employees' professional skills.

Legal and Intellectual Property Headquarters (Intellectual Property Strategy)

Supporting the sustainable growth of the Canon MJ Group by acquiring and leveraging our unique technological strengths through intellectual property activities that anticipate the changing times



Senior General Manager of Legal and Intellectual Property Headquarters **Hirokazu Uchio**

To drive the growth in our IT solutions business, we protect the Canon MJ Group's technologies that have competitive advantage with patents, from the planning, design, and development stages. We also conduct third-party rights searches (clearance) to provide added value and peace of mind to our customers. We will also work to contribute to the expansion of our business domains, looking 10 years ahead, through activities that support new business creation, M&As, and equity investment.

Intellectual Property Strategy to Support the Growth of the IT Solutions Business

Patent portfolio to refine our IT solutions business by leveraging our unique technological capabilities

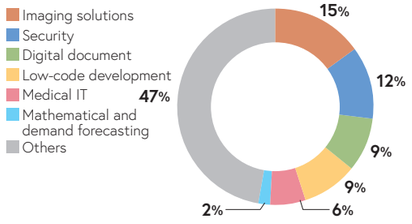
In order to realize "expansion of ITS business with profit," the basic policy of the Medium-Term Management Plan (2022-2025), we are refining our IT solutions business by actively applying for patents for product implementation technologies, as well as for many future technologies that will support sustainable growth. Particularly, for newly released products and services, we apply for patents not only for implementation features proposed by development divisions, but also for mechanisms, devised in cooperation with product planning divisions, that address customers' real-world issues. This leads to enhancing value provided by our products and services and ensuring their competitive advantage. We are also increasing our patent applications for AI-related technologies and transforming our patent portfolio in response to the changing business environment. As of the end of 2024, we held over 1,000 patents, which is high among IT services companies of a similar scale in IT solution sales. This achievement reflects our success in developing many personnel with intellectual property literacy and our commitment to research and development over the years.

Differentiation strategy based on a mix of intellectual property

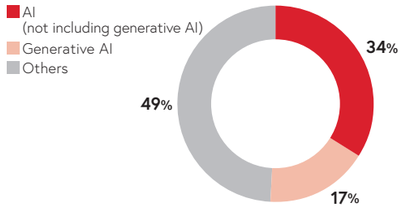
We enhance the value of our products and services by multi-faceted protection with multiple intellectual property rights, not just patents. We recognize that names, designs, and brands are also important intellectual properties. Our business, intellectual property, and brand divisions work together to come up with the most appropriate names that are the face of our products, and acquire trademark rights. We also apply to register designs that enhance the user experience (UX), enabling us to protect our intellectual property from the perspectives of patents, designs, and trademarks, and to implement a differentiation strategy.

These activities support the growth of our IT solutions business from the standpoint of intellectual property.

Patent Portfolio (as of December 31, 2024)



Percentage of AI-related New Applications in 2024



Intellectual Property Strategies that Contribute to New Business Creation, M&As, and Equity Investment

To contribute to new business creation, M&As, and equity investment, we engage in activities that support the sustainable growth of the Canon MJ Group, including mapping advanced technology fields, identifying high-growth potential fields, and identifying potential investment or collaboration partners based on intellectual property perspectives. To support the equity investments in startups and new business creation initiatives by the dedicated R&B organization, we prepare reports that assess the technical capabilities and competitiveness of target startups from an intellectual property perspective. We have also established a structure to provide intellectual property support to the startups with whom we collaborate.

10-Year Consolidated Financial Summary

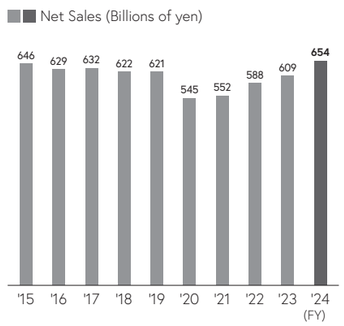
(Millions of yen) (Thousands of U.S. dollars*3)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2024
For the year:											
Net sales	¥ 646,003	¥ 629,314	¥ 632,190	¥ 621,591	¥ 621,134	¥ 545,060	¥ 552,086	¥ 588,132	¥ 609,473	**¥ 653,920**	**$ 4,138,734**
Operating income	26,647	27,676	30,407	28,941	32,440	31,318	39,699	49,947	52,495	**53,123**	**336,222**
Net income before income taxes	27,498	28,903	30,919	30,708	33,303	33,463	43,095	51,523	53,057	**57,148**	**361,696**
Net income attributable to owners of the parent	15,670	18,162	20,680	20,827	22,250	21,997	29,420	35,552	36,493	**39,315**	**248,829**
At year-end:											
Equity	277,438	280,919	297,522	303,570	325,092	346,115	374,677	400,372	435,509	**383,702**	**2,428,494**
Total assets	486,502	497,728	510,833	498,791	503,699	506,605	526,418	543,740	557,366	**524,592**	**3,320,203**
Cash flows:											
Cash flows from operating activities	29,730	33,306	28,885	16,990	22,053	38,490	32,757	37,725	28,183	**47,667**	**301,690**
Cash flows from investing activities	(44,536)	(19,461)	7,964	(10,526)	(94,585)	(26,175)	(15,894)	(10,107)	(10,012)	**75,735**	**479,335**
Cash flows from financing activities	(6,225)	(6,086)	(7,145)	(7,839)	(8,557)	(6,587)	(9,160)	(11,260)	(13,261)	**(102,675)**	**(649,842)**
Cash and cash equivalents at end of year	99,574	107,286	136,980	135,572	54,494	60,131	68,029	84,632	89,691	**110,726**	**700,797**

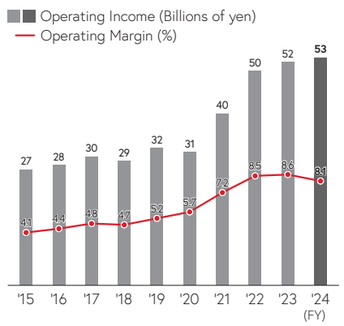
Per share of common stock:										(Yen)	(U.S. dollars*3)
Equity	¥ 2,136.22	¥ 2,162.96	¥ 2,290.70	¥ 2,336.97	¥ 2,502.39	¥ 2,664.20	¥ 2,883.74	¥ 3,081.07	¥ 3,352.30	**¥ 3,514.60**	**$ 22.24**
Net income*1	120.84	140.06	159.48	160.61	171.60	169.65	226.88	274.16	281.41	**319.79**	**2.02**
Cash dividends*2	45.00	50.00	60.00	60.00	60.00	60.00	75.00	90.00	120.00	**140.00**	**0.89**

Notes: *1 Net income per share is based on the weighted-average number of shares of common stock outstanding during the respective fiscal years.
*2 Cash dividends per share are the amounts applicable to the respective fiscal years, including dividends to be paid after the end of the respective fiscal years.
*3 The figures have been presented in U.S. dollars by translating all Japanese yen amounts at ¥158 to US$1, the prevailing exchange rate as of December 31, 2024.

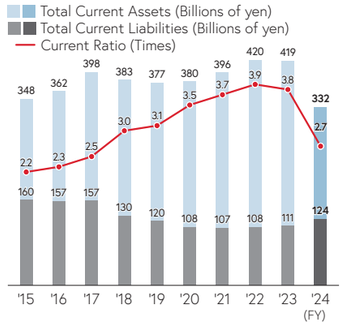
Net Sales



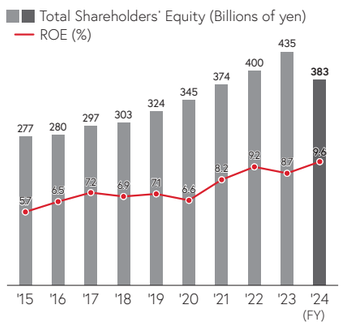
Operating Income and Operating Margin



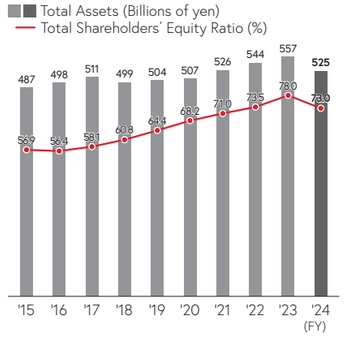
Working Capital



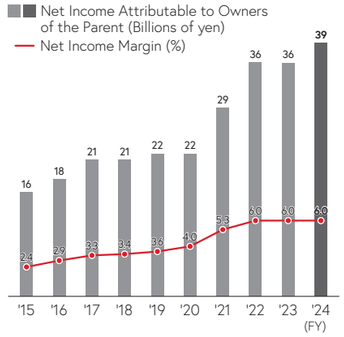
Total Shareholders' Equity and ROE



Total Assets and Total Shareholders' Equity Ratio



Net Income Attributable to Owners of the Parent and Net Income Margin



Consolidated Balance Sheet

Canon Marketing Japan Inc. and Consolidated Subsidiaries
December 31, 2024

(Millions of yen)

	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	**¥ 110,726**	¥ 89,691
Notes, accounts receivable-trade and contract assets	**119,017**	111,650
Inventories	**42,328**	39,826
Short-term loans receivable	**50,010**	170,005
Other current assets	**10,132**	7,482
Allowance for doubtful receivables	**(28)**	(43)
Total current assets	**332,185**	418,611
PROPERTY, PLANT AND EQUIPMENT:		
Land	**28,360**	28,360
Buildings and structures	**83,426**	82,307
Machinery and vehicles	**172**	167
Furniture and fixtures	**17,579**	15,703
Rental assets	**34,858**	34,463
Lease assets	**18**	24
Construction in progress	**2,488**	271
Total	**166,901**	161,295
Accumulated depreciation	**(78,799)**	(76,270)
Net property, plant and equipment	**88,102**	85,025
INTANGIBLE ASSETS:		
Software	**7,710**	5,601
Goodwill	**22,637**	4,868
Customer-related intangible assets	**18,385**	3,409
Facility utilization rights	**300**	302
Other intangible assets	**1**	2
Total intangible assets	**49,033**	14,182
INVESTMENTS AND OTHER ASSETS:		
Investments in securities	**17,772**	16,315
Long-term loans receivable	**—**	10
Prepaid pension and severance costs	**29,843**	10,987
Lease deposits	**3,003**	2,559
Deferred tax assets	**479**	5,917
Other investments and other assets	**4,374**	3,962
Allowance for doubtful receivables	**(199)**	(202)
Total investments and other assets	**55,272**	39,548
Total assets	**¥ 524,592**	¥ 557,366

(Millions of yen)

	2024	2023
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	**¥ 50,124**	¥ 45,552
Short-term bank loans	**1,100**	—
Current portion of long-term loans	**210**	—
Current portion of long-term lease obligations	**160**	100
Accrued income taxes	**12,127**	8,233
Consumption taxes payable	**6,915**	6,713
Accrued expenses	**17,029**	16,586
Accrued bonuses	**3,816**	3,223
Accrued directors' bonuses	**129**	107
Accrued product warranties	**224**	269
Accrued loss on contracts	**65**	52
Other current liabilities	**31,641**	29,756
Total current liabilities	**123,540**	110,591
LONG-TERM LIABILITIES:		
Long-term loans	**1,699**	—
Long-term lease obligations	**336**	207
Deferred tax liabilities	**4,699**	178
Allowance for long-term continuous service rewards	**797**	723
Accrued pension and severance cost	**7,409**	7,760
Other long-term liabilities	**2,410**	2,398
Total long-term liabilities	**17,350**	11,266
EQUITY:		
SHAREHOLDERS' EQUITY:		
Common stock:		
Authorized, 299,500,000 shares; issued, 111,079,972 shares as of December 31, 2024 and 131,079,972 shares as of December 31, 2023.	**73,303**	73,303
Capital surplus	**82,710**	82,727
Stock acquisition rights	**86**	59
Retained earnings	**200,928**	256,880
Treasury stock, at cost; 2,172,516 shares in 2024 and 1,401,615 shares in 2023	**(9,304)**	(2,093)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)		
Unrealized gain (loss) on available-for-sale securities	**6,955**	6,861
Deferred gain (loss) on derivatives under hedge accounting	**86**	87
Foreign currency translation adjustments	**509**	344
Defined retirement benefit plans	**27,579**	16,611
Total	**382,852**	434,779
NON-CONTROLLING INTERESTS	**850**	730
Total equity	**383,702**	435,509
Total liabilities and equity	**¥ 524,592**	¥ 557,366

Consolidated Statement of Income

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2024

(Millions of yen)

	2024	2023
NET SALES	**¥ 653,920**	¥ 609,473
COST OF SALES:	**443,073**	404,980
Gross profit	**210,847**	204,493
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:	**157,724**	151,998
Operating income	**53,123**	52,495
OTHER INCOME (EXPENSES):		
Interest income	**374**	383
Dividend income	**403**	238
Interest expense	**(76)**	(11)
Insurance income	**455**	457
Foreign exchange gains	**201**	—
Foreign exchange losses	**—**	(6)
Gain on investments in partnership	**106**	—
Loss on investments in partnership	**—**	(31)
Investment partnership management expenses	**(189)**	—
Commission for purchase of treasury stock	**(54)**	—
Gain on sales of long-lived assets	**3**	3
Gain on sales of investments in securities	**22**	114
Loss on sales of investments in securities	**—**	(3)
Gain on sales of shares of subsidiaries and associates	**2,876**	—
Loss on sales of shares of subsidiaries and associates	**—**	(159)
Loss on sales and disposal of long-lived assets	**(156)**	(480)
Other, net	**60**	57
Total other income (expenses)	**4,025**	562
Net income before income taxes	**57,148**	53,057
INCOME TAXES:		
Current	**17,452**	15,493
Deferred	**292**	980
Total income taxes	**17,744**	16,473
Net income	**¥ 39,404**	¥ 36,584
NET INCOME ATTRIBUTABLE TO:		
Non-controlling interests	**89**	91
Owners of the parent	**39,315**	36,493
Net income	**¥ 39,404**	¥ 36,584

(Yen)

PER SHARE DATA:		
Net income attributable to owners of the parent		
-Basic	**¥ 319.79**	¥ 281.41
-Diluted	**319.69**	281.34
Cash dividends applicable to the year	**140.00**	120.00

Consolidated Statement of Comprehensive Income

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2024

(Millions of yen)

	2024	2023
NET INCOME	**¥ 39,404**	¥ 36,584
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized gain (loss) on available-for-sale securities	**95**	1,659
Deferred gain (loss) on derivatives under hedge accounting	**(1)**	102
Foreign currency translation adjustments	**191**	65
Defined retirement benefit plans	**10,968**	9,943
Total other comprehensive income	**11,253**	11,769
COMPREHENSIVE INCOME	**¥ 50,657**	¥ 48,353
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	**¥ 50,540**	¥ 48,247
Non-controlling interests	**117**	106

Consolidated Statement of Cash Flows

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2024

(Millions of yen)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income before income taxes	**¥ 57,148**	¥ 53,057
Depreciation and amortization	**10,454**	9,739
Amortization of goodwill	**1,518**	199
Amortization of customer-related intangible assets	**1,243**	303
Increase (decrease) in allowance for doubtful receivables	**(16)**	(7)
Increase (decrease) in accrued pension and severance costs	**(2,353)**	(13,348)
Decrease (increase) in prepaid pension and severance costs	**(1,030)**	10,387
Contribution of cash to retirement benefit trust	**—**	(18,000)
Increase (decrease) in accrued bonuses	**627**	(299)
Loss (gain) on sales and disposal of property, plant and equipment, net	**140**	152
Loss (gain) on sales of investments in securities	**(22)**	(111)
Loss (gain) on sales of shares of subsidiaries and associates	**(2,876)**	159
Loss (gain) on investments in partnership	**(106)**	31
Investment partnership management expenses	**189**	—
Decrease (increase) in notes and accounts receivable	**(5,696)**	(61)
Decrease (increase) in inventories	**(1,736)**	(691)
Increase (decrease) in notes and accounts payable-trade	**4,076**	(2,503)
Income taxes paid	**(13,665)**	(14,810)
Other, net	**(228)**	3,986
Net cash provided by operating activities	**47,667**	28,183
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property, plant and equipment	**(9,404)**	(8,343)
Proceeds from sales of property, plant and equipment	**11**	20
Payments for purchases of intangible assets	**(2,845)**	(1,961)
Payments for purchases of investments in securities	**(1,414)**	(744)
Proceeds from sales of investments in securities	**89**	244
Payments for purchases of shares of subsidiaries	**(32,668)**	(7,619)
Proceeds from sales of shares of a subsidiary	**3,232**	—
Decrease in short-term loans receivable, net	**120,005**	10,013
Payments for acquisition of businesses	**—**	(750)
Other, net	**(1,271)**	(872)
Net cash provided by (used in) investing activities	**¥ 75,735**	¥ (10,012)

(Millions of yen)

	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of finance lease obligations	**(2)**	(13)
Repayments of long-term loans	**(157)**	—
Payments for purchases of additional shares of a subsidiary	**—**	(260)
Payments for purchases of treasury stock	**(85,649)**	(5)
Dividends paid	**(16,852)**	(12,961)
Dividends paid to non-controlling interests	**(25)**	(22)
Proceeds from share issuance to non-controlling interests	**10**	—
Other, net	**0**	—
Net cash used in financing activities	**(102,675)**	(13,261)
Effect of exchange rate changes on cash and cash equivalents	**308**	149
Net increase (decrease) in cash and cash equivalents	**21,035**	5,059
Cash and cash equivalents as of beginning of year	**89,691**	84,632
Cash and cash equivalents as of end of year	**¥ 110,726**	¥ 89,691

ESG Data (As of December 31, 2024)

ENVIRONMENT*1 (Consolidated)		2020	2021	2022	2023	2024
GHG emissions (Scope 1 and 2) (t-CO_2)						
Scope 1*2		5,765	5,800	6,017	5,665	**5,451**
Scope 2*3 (market-based)		45,733	51,952	24,502	11,915	**20,588**
Scope 2*3 (location-based)		—	—	—	32,847	**33,909**
GHG emissions (Scope 3) (t-CO_2)*4						
Category 1. Purchased goods and services*5		284,892	632,093	539,325	501,574	**508,715**
Category 2. Capital goods*6		41,807	38,966	27,314	17,799	**15,833**
Category 3. Fuel- and energy-related activities not included in Scope 1 or 2*7		9,061	11,349	7,110	7,509	**7,551**
Category 4. Upstream transportation and distribution*8		3,785	4,944	6,095	7,685	**6,053**
Category 5. Waste generated in operations*9		93	975	1,613	1,631	**2,603**
Category 6. Business travel*10		6,119	2,476	7,513	9,075	**11,544**
Category 7. Employee commuting*11		7,445	8,712	7,132	6,284	**7,178**
Category 8. Upstream leased assets*12		0	0	0	0	**0**
Category 9. Downstream transportation and distribution*13		967	1,450	3,338	2,814	**2,300**
Category 10. Processing of sold products		0	0	0	0	**0**
Category 11. Use of sold products*14		83,331	87,844	106,210	95,443	**102,515**
Category 12. End-of-life treatment of sold products*15		16,269	21,059	22,605	22,424	**26,136**
Category 13. Downstream leased assets*16		518	366	26,838	37,270	**41,665**
Category 14. Franchises		0	0	0	0	**0**
Category 15. Investments		0	0	0	0	**0**
Total		454,287	810,234	755,093	709,509	**732,093**
Water intake and wastewater discharge of applicable buildings (m^3)*17						
Water intake (water supply)	Public water	115,863	124,891	125,183	118,247	**117,917**
Recycled water		13,999	9,596	10,543	11,704	**13,281**
Groundwater		22,001	19,750	18,486	18,652	**18,894**
Total		151,863	154,237	154,212	148,603	**150,092**
Wastewater discharge	Sewerage system	82,508	75,480	77,364	79,015	**80,524**
Total		82,508	75,480	77,364	79,015	**80,524**
Waste emissions (t)						
Total emissions		15,670	14,075	14,879	16,375	**15,849**

ESG Data Notes

*1 The data covers 18 companies including consolidated subsidiaries in Japan and overseas. (Canon Marketing Japan Inc., Canon IT Solutions Inc., Qualysite Technologies Inc., Canon Software America, Inc., Canon IT Solutions (Thailand) Co., Ltd., Material Automation (Thailand) Co., Ltd., TCS Inc., Canon System & Support Inc., Canon Production Printing Systems Inc., Canon ITS Medical Inc., Canon BizAttenda Inc., Canon Business Support Inc., QB5 Inc., Primagest, Inc., dcWORKS, Inc., Leap, Inc., Canon Customer Support Inc. and Canon Marketing Japan Future Investment Limited Liability Partnership)

*2 Scope 1: Direct emissions (town gas, liquefied petroleum gas, diesel, kerosene, gasoline, non-energy greenhouse gas, etc.). From 2022 results, Scope 1 emissions from domestic consolidated subsidiaries (TCS, QB5, Primagest, dcWORKS, Leap) and overseas consolidated subsidiaries have been added.

*3 Scope 2: Intermediate emissions (electricity, steam, etc.). Began location-based calculation since 2023. In 2024, the calculation method was revised based on the reporting requirements and coverage of data center energy use set forth in Act on Rationalizing of Energy Use and Shift to Non-fossil Energy and the Act on Promotion of Global Warming Countermeasures. Electricity consumption excluding that of tenant operators (excluding rack rentals) in housing services is now recorded under Scope 2, while electricity consumption of tenant operators in housing services is recorded under Scope 3, Category 13. The results for 2022 onward are those after the revision. Results using the previous calculation method can be accessed on our corporate website. https://corporate.jp.canon/en/sustainability/esgdata

*4 Values are rounded off to the nearest decimal place and therefore the "total" values may differ from the simple sums. The calculation methods for Category 1, Category 2, Category 3, and Category 13 have been revised. The results for 2022 onward are those after the revision. Results using the previous calculation method can be accessed on our corporate website. https://corporate.jp.canon/en/sustainability/esgdata

*5 Calculated by multiplying purchases by per-unit emissions of individual purchases based on the number obtained by multiplying the carbon footprint of products (CFP) data of core products by the number of products. From 2024, for products without CFP data, calculations are based on GHG data from major suppliers.

*5, *6 From 2024, the treatment of non-current assets reclassified from purchased goods has been revised. The calculation method has been revised so that items previously excluded from Category 1 are now excluded from Category 2. The results for 2022 onward are those after the revision.

*6 Calculated by multiplying the amount of capital goods purchased by the Group by the intensity indicated on the Input-Output Tables of the Ministry of Economy, Trade and Industry.

*7 Calculated by multiplying the amount of fuel and energy consumed by the Group by the intensity at the time of fuel procurement (resource extraction, production, and delivery). As noted in *3, following the revision to the calculation method of Scope 2, the results for 2022 onward are those after the revision.

*8 Deliveries to customers are calculated using the fuel consumption method. Deliveries between warehouses are calculated using the ton-kilometer method.

*9 Calculated by multiplying the Group's total volume of waste, excluding the volume of used Canon products previously recorded under Category 12 "End-of-life treatment of sold products," by the emissions intensity by type of waste and treatment method.

*10 Calculated by multiplying the amount paid for each mode of transportation during the business trip by per-unit emissions of each mode.

*11 Calculated by multiplying the amount paid for each mode of transportation during the commute by the emissions intensity of each mode. In the case of private car commuting, calculated by converting the total mileage to fuel usage and multiplying it by the intensity for fuel combustion.

*12 Encompasses leased buildings and vehicles and included in Scope 1 and Scope 2.

*13 Calculated by determining average transportation distances and weights of distributed products for each region and multiplying it by the intensity of transportation. Storage is calculated by multiplying the average annual inventory volume by energy intensity.

*14 Calculated by determining the lifetime power consumption for main products and multiplying it by the CO_2 emission factor published by The Electric Power Council for a Low Carbon Society.。

*15 Calculated by multiplying the CFP data of main products by the number of these products. In the case of products for which CFP data is not available, calculated by multiplying the sales ratio.

*16 Calculated by determining annual power consumption of leased products and multiplying it by the CO_2 emission factor published by The Electric Power Council for a Low Carbon Society. From 2022, electricity consumption by tenant operators in data center housing services has been recorded. As noted in *3, the results for 2022 onward are those after the revision.

*17 Scope of data for water intake and wastewater discharge of applicable buildings covers Canon Marketing Japan (Headquarters, Konan office, Makuhari office, Aomori office, and Kumamoto office), Canon IT Solutions (Nishi-Tokyo office), and Canon Customer Support (Akita office).

*18 The figure in parentheses indicates the number of men who has taken leave. Excluding overseas subsidiaries.

*19 The figure in parentheses indicates the percentage of leave taken by men. Excluding overseas subsidiaries.。

*20 The figure in parentheses indicates the percentage of Group employees returning to work that were men.

*21 Non-consolidated basis for 2020 to 2022, Group basis for 2023 to 2024, as of December 1 for each year.

*22 In accordance with the employment percentage system for people with disabilities, short-time workers are counted as 0.5 persons in principle.

*23 Average of Directors and Audit & Supervisory Board Members. As of December 31 of each year.

SOCIETY (Consolidated)	2020	2021	2022	2023	2024
Employees					
Number of men	13,385	13,007	12,682	12,666	**13,015**
Number of women	3,159	3,213	3,291	3,423	**5,380**
Total	16,544	16,220	15,973	16,089	**18,395**
Percentage of female employees (%)	19.1	19.8	20.6	21.3	**29.2**
Management					
Number of men	2,898	2,785	2,683	2,668	**2,866**
Number of women	106	108	117	156	**199**
Total	3,004	2,893	2,800	2,824	**3,065**
Percentage of female managers (%)	3.5	3.7	4.2	5.5	**6.5**
Percentage of employees taking paid leave (%)	64.5	63.6	73.5	66.9	**68.7**
Number of employees taking childcare and family care leave*18					
Total of childcare leave	143 (26)	136 (43)	145 (62)	175 (89)	**185 (98)**
Total of family care leave	9 (5)	3 (3)	5 (3)	1 (0)	**6 (4)**
Percentage of employees taking childcare leave (%)*19	—	—	49.5 (28.7)	66.3 (46.4)	**68.0 (52.4)**
Percentage of employees returning to work after taking childcare and family care leave*20					
Childcare leave	95.6 (100)	95.8 (100)	96.1 (100)	93.3 (97.4)	**95.0 (100)**
Family care leave	100 (100)	100 (100)	100 (100)	100 (-)	**100 (100)**
Number of retirees and reemployed workers					
Number of retirees	304	469	478	475	**517**
Number of reemployed workers	192	239	286	283	**299**
Average age of employees	44.8	45.5	45.7	45.8	**45.8**
Average number of years of service of employees	19.6	19.5	20.0	19.6	**19.0**
Number of employees with disabilities*21					
Number of employees*22	142.0	145.5	141.5	380.0	**431.5**
Percentage of employees (%)	2.20	2.35	2.39	2.35	**2.46**

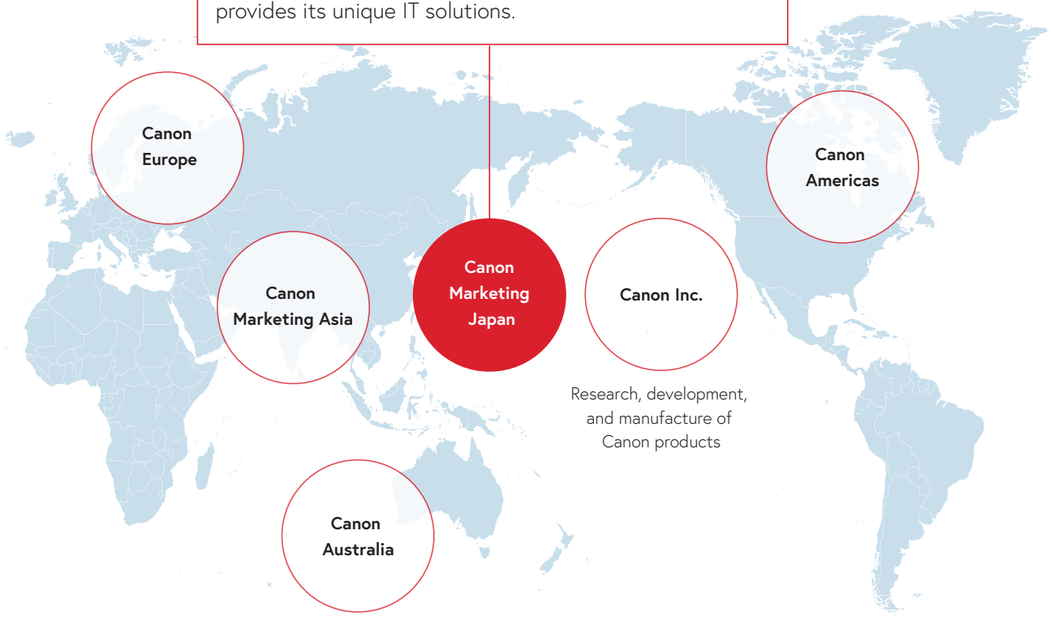
GOVERNANCE (non-consolidated)	2020	2021	2022	2023	2024
Number of Directors					
In-house (men)	4	4	4	4	**4**
In-house (women)	0	0	0	0	**0**
In-house total	4	4	4	4	**4**
Outside (men)	2	2	3	2	**2**
Outside (women)	0	0	0	1	**1**
Outside total	2	2	3	3	**3**
Total	6	6	7	7	**7**
Number of Audit & Supervisory Board members					
In-house (men)	2	2	2	2	**2**
In-house (women)	0	0	0	0	**0**
In-house total	2	2	2	2	**2**
Outside (men)	3	3	3	3	**3**
Outside (women)	0	0	0	0	**0**
Outside total	3	3	3	3	**3**
Total	5	5	5	5	**5**
Average age of corporate officers*23	62.3	62.6	63.3	63.7	**64.3**
Number of Board of Directors' and Audit & Supervisory Board meetings					
Number of Board of Directors' meetings	18	16	13	13	**14**
Number of Audit & Supervisory Board meetings	17	17	17	16	**16**
Number of executive officers	23	23	23	20	**21**

Corporate Data/Investor Information

The Canon MJ Group (as of March 31, 2025)

Position within the Canon Group

Canon Marketing Japan Inc.
Markets Canon products and services in Japan and provides its unique IT solutions.



Research, development, and manufacture of Canon products

Segment		Company Name
Enterprise		Canon IT Solutions Inc., Qualysite Technologies Inc., Canon Software America, Inc., Canon IT Solutions (Thailand) Co., Ltd., Material Automation (Thailand) Co., Ltd., TCS Inc., Primagest, Inc., dcWORKS, Inc., and Leap, Inc.
Area		Canon System & Support Inc.
Professional	Production Printing	Canon Production Printing Systems Inc.
	Healthcare	Canon ITS Medical Inc.
BPO		Canon BizAttenda Inc., Canon Business Support Inc., and QB5 Inc.
Service & Support		Canon Customer Support Inc.
Group Headquarters		Canon Marketing Japan Future Investment Limited Liability Partnership

*The Group comprises 17 consolidated subsidiaries.
*Canon IT Solutions Inc. is scheduled to absorb TCS Inc. on July 1, 2025 through an absorption type merger.

Third-Party Assessments/Awards Received/Selection for Indexes

Canon MJ has been selected for the FTSE4Good Index Series for 21 consecutive years since fiscal 2004 and for the FTSE Blossom Japan Index for eight consecutive years since fiscal 2017. In addition, we have been included in numerous indexes, including the SOMPO Sustainability Index for 13 consecutive years since 2012 and the MSCI Japan ESG Select Leaders Index, a general ESG index developed by MSCI Inc., for seven consecutive years since 2018.

FTSE4Good

FTSE Blossom Japan

FTSE Blossom Japan Sector Relative Index

女性が活躍しています！

プラチナくるみん 子育てサポートしています

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

2024 Sompo Sustainability Index

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

S&P/JPX Carbon Efficient Index

Canon MJ Included in the JPX-Nikkei Index 400

Canon MJ was selected to be listed in the JPX-Nikkei Index 400. This is the second consecutive year that we were selected, since 2023.

The JPX-Nikkei Index 400, which is jointly calculated by the Japan Exchange Group and Nikkei Inc., is composed of companies with high appeal for investors, which meet the requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The index was developed to promote the attractiveness of Japanese companies both in Japan and overseas, to encourage sustained improvements in corporate value and to revitalize the stock market.

JPX-NIKKEI 400

Canon MJ Ranked atop Nikkei Computer Customer Satisfaction Survey for 12th Consecutive Year

Canon MJ was ranked No. 1 in the Nikkei Computer Customer Satisfaction Survey 2024-2025 in the security products category. We have been ranked atop for 12 consecutive years since the category was created in 2013.

The Nikkei Computer Customer Satisfaction Survey, planned and conducted by Nikkei BP, is a survey in which personnel responsible for implementing products and services evaluate the level of satisfaction with IT vendors in all 20 categories of IT-related products and services for businesses.

顧客満足度調査 2024-2025 日経コンピュータ セキュリティー対策製品部門
日経コンピュータ 2024年9月5日号 顧客満足度調査 2024-2025 セキュリティー対策製品部門1位

Canon MJ Receives Two-Star Rating in the Information Technology Federation of Japan's Cyber Index Corporate Survey 2024

Canon MJ was one of 13 companies to receive two stars, the highest honor, for three consecutive years since 2022 as a company that continues to demonstrate outstanding commitment to and information disclosure of cybersecurity measures.

The Cyber Index Corporate Survey 2024 is a survey conducted by the Information Technology Federation of Japan on the cybersecurity initiatives of companies comprising the Nikkei 500 index, aimed at encouraging private companies to disclose the details of their cybersecurity measures.

2024 IT連認定 CYBER INDEX ★★

Corporate Data/Investor Information

Corporate Information (as of December 31, 2024)

Trade Name Canon Marketing Japan Inc.

Date of Establishment February 1, 1968

Common Stock ¥73,303 million

Headquarters CANON S TOWER
16-6, Konan 2-chome, Minato-ku,
Tokyo 108-8011, Japan

Description of Business Domestic marketing of Canon products and related solutions

Number of Employees Consolidated: 18,395
Non-consolidated: 4,510

Main Locations of Operations Headquarters, Konan office, Makuhari office, and branches (Sapporo, Sendai, Nagoya, Osaka, Hiroshima, and Fukuoka)

Stock Listing The Tokyo Stock Exchange, the Prime Market
Securities code: 8060

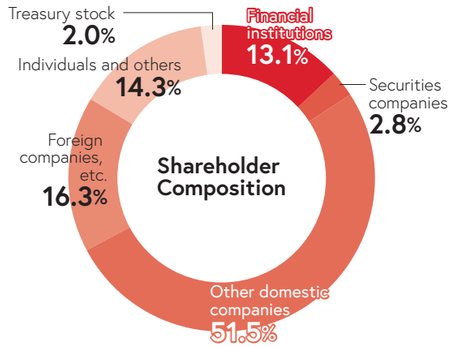
Major Shareholders (As of December 31, 2024)

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Ownership (%)
Canon Inc.	55,708	51.2
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,313	6.7
Canon Marketing Japan Group Employee Stock Ownership Association	5,176	4.8
Custody Bank of Japan, Ltd. (Trust Account)	3,636	3.3
STATE STREET BANK AND TRUST COMPANY 505001	1,680	1.5
SMBC Nikko Securities Inc.	1,307	1.2
Canon Marketing Japan Group Business Partner Stock Ownership Association	1,269	1.2
Mizuho Bank, Ltd.	1,001	0.9
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	940	0.9
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	800	0.7

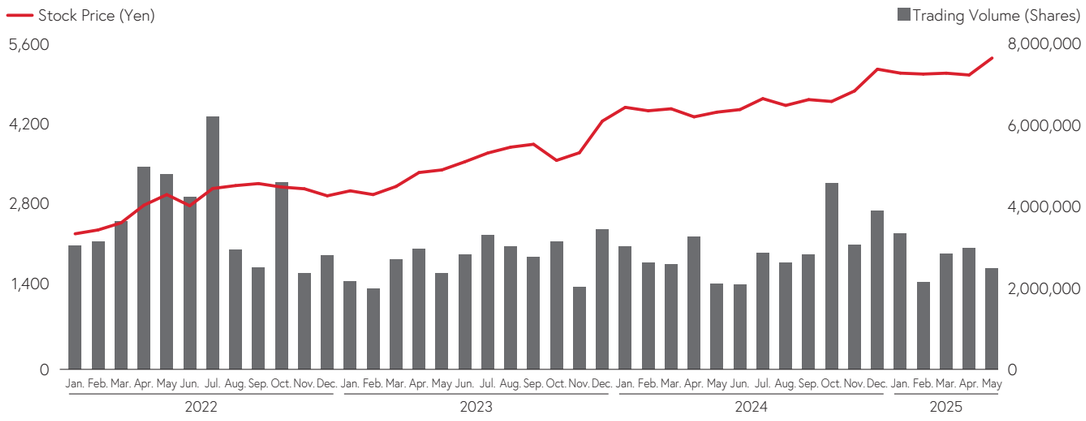
Note: The shareholding ratio is calculated by deducting the number of treasury shares (2,172,516 shares) from the total number of issued shares.

Status of Shares (as of December 31, 2024)

Total number of shares authorized	299,500,000 shares
Number of shares issued	111,079,972 shares
Number of shareholders	11,002



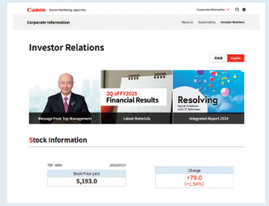
Stock Price/Trading Volume



Canon Marketing Japan Website

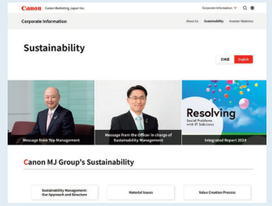
Canon MJ maintains a website that includes information on its financial results, management plan, and sustainability to further facilitate communication with shareholders. The website contains the following:

Investor relations website
https://corporate.jp.canon/en/ir



- Management policy
- Financial information
- IR library
- Stock information
- For individual investors

Sustainability website
https://corporate.jp.canon/en/sustainability



- Environmental, social, and governance (ESG) initiatives
- Sustainability management policy and structure
- Value creation process
- The Canon MJ Group's material issues

Comment from Mayuko Ukawa, the photographer responsible for the photography in this report

Canon cameras have long been my trusted companions across every aspect of my work, private time, and personal creative projects. Since setting out as an independent photographer, they've been an essential part of my journey. It's a true honor to have been entrusted with capturing the portraits of people playing central roles at Canon MJ, which I hold in such high regard.



Mayuko Ukawa

After leaving Shoto Studio corp., she sets up her own business after working as an assistant. While mainly working on portrait photography for advertisements and magazines, she continues to pursue creative projects. She expresses her creativity through photography in various ways, including planning of collaborative exhibitions with apparel brands.
Website: https://www.m-ukawa.com/

Integrated Report 2024: Editor's Postscript

Thank you for taking the time to read Integrated Report 2024. In preparing this Integrated Report, we engaged in dialogue with various stakeholders including shareholders and investors, and based on the opinions and feedback we received, we have enhanced the content of the report to provide a better understanding of our business and growth story. The theme of this sixth integrated report issued by the Canon MJ Group 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.

It is our hope that this report helps provide our stakeholders with a better understanding of the Canon MJ Group. We will continue to value opportunities to engage with our stakeholders, and therefore, we hope that you continue to share your honest opinions and feedback.

Deputy Group Executive of Corporate Planning Headquarters
Katsuhiro Kimachi



Member of the Integrated Report 2024 editorial team