Canon

Canon Marketing Japan Inc.

INTEGRATED REPORT 2026

History of the Canon MJ Group

Since its founding in 1968, the Canon MJ Group has expanded its business domains, staying a step ahead of customer and market changes.

1968

Establishing a Manufacturer Sales Company System

Separating manufacturing and sales to establish a manufacturer sales company system. Expanding our sales channels and reinforcing our customer base.

We split our sales divisions off from Canon, Inc., making them the independent company "Canon Sales (now Canon MJ)." Through our passion for supplying customers with innovative products and our bold efforts to create a new business model, we paved the way for the offices of the future. By expanding our sales channels, we established relationships of trust with our customers and reinforced our customer base.



1968
|
1980s

1980

1990s
|
2000s

1990

Developing System Integration Business

Reinforcing IT solutions and transforming into an information service company.

We launched our system integration business out of a desire to combine our exceptional hardware and software, both in Japan and overseas, and propose optimized systems for individual customers. This new business strengthened our IT solutions and helped us transform into an information service company that went beyond the confines of wholesaling.



2000

2010s
|
beginning of
2020s

2010

Launching IT Outsourcing and Cloud Services

Expanding into new business domains. A professional corporate group that solves social issues using ICT and the power of humans.

Imaging technologies, unique information technology, and our solid customer base — we used these strengths to expand our business into the professional domain. We also dedicated ourselves to unique businesses such as IT solutions and security, further deepening our co-creation and collaboration with stakeholders as we accelerated our efforts to solve social issues.



2020

2024
|

2024

Adopting the Phrase "MIRAI Marketing Company"

Using the strengths we have cultivated, evolving together with our customers, and creating a future beyond imagining.

We formulated our Purpose, "Bringing together hopes and ideas with technologies to create a future beyond imagining" and adopted the phrase "MIRAI Marketing Company" to continue to tackle an even broader range of future social issues by working with diverse stakeholders and leveraging our marketing strengths. We have also established a dedicated organization for "R&B (Research & Business Development)" to drive the creation of new businesses, and are expanding the scope of the social issues we help to solve.

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

Strengths We Have Cultivated

The sources of our competitive advantage, which drives the continued growth of the Canon MJ Group, are our extensive **"Customer Base,"** our superior **"Technical Capabilities,"** sustainability and profitability through **"Recurring Business,"** and solid **"Financial Structure."**



Customer Base

We have a wide-ranging customer base from major corporations to small and medium-sized enterprises, individual consumers, and even customers of specialist fields such as industrial equipment. We have also established solid relationships with business partners with various strengths.

Technical Capabilities

Our Group has a deep understanding of customers' operations and expertise in solving issues. These were developed through our business activities, and one of our Group's distinctive strengths. We also have a large number of engineers who enable a consistent process from system construction to maintenance and operation.





Recurring Business

We have enhanced our recurring business in both the IT solutions business and the Canon products business. We have the ability to continue establishing connections through our customers and our businesses, and possess a stable source of revenue.

Financial Structure

Our Group has a robust financial base and is steadily increasing its ability to generate cash. We actively use this cash in growth investment to accelerate growth with a focus on our IT solutions business.



Business Domains of the Canon MJ Group

By combining Canon products business with IT solutions business to deliver integrated businesses, while also working to create new value, we will continually expand the scope of our efforts to address social issues.

Canon Products Business × **IT Solutions Business**

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, individual customers, customers in specialist fields and alike.

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



Enterprise

Provides IT solutions and Canon products that contribute to solving business problems in each industry and business type

Small and medium-sized enterprises



Area

Provides IT solutions and Canon products that contribute to solving business problems of customers across Japan

Individual customers



Consumers

Provides Canon products such as digital cameras and inkjet printers, as well as non-Canon IT products

Customers in specialist fields



Professional

Provides products and solutions for customers in specialist fields of production printing, industrial equipment, and healthcare

The Canon MJ Group's Growth Scenarios

Formulating "Long-Term Management Objectives (2026-2030)"/"Medium-Term Management Plan (2026-2028)"

Climate change	Promote change in the workforce	Changes in the social environment	Business opportunities within the Group	Rising demand for BCP products/services	The need for added value and differentiation through the use of generative AI	Expanding digital value creation across all customer groups
The rapid advancement of generative AI	Expanding data volumes/ Diversification of cyberattacks			Rising demand for products/services that enhance productivity	Rising demand for semiconductor-related products	Rising demand for security products/services

2030 Vision

A corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies

Long-Term Management Objectives (2026-2030)

Five years of aiming for greater success as we work towards achieving our 2030 Vision

Medium-Term Management Plan (2026-2028)

2028 target values to achieve the management indicators outlined in 2030 Vision ahead of schedule

The social environment is changing at an accelerating pace and becoming even harder to predict. Our Group recognizes these changes as virtually unavoidable and inevitable.
All companies must deal with these changes, and we believe this presents us with business opportunities.
Against the backdrop of this environment, we have formulated the "Long-Term Management Objectives (2026-2030)" and the "Medium-Term Management Plan (2026-2028)" with the aim of achieving further growth.
Led by our vision of being "a corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies," each and every one of our employees have a powerful resolve to pave the way to the future alongside diverse business partners who share their same resolve. Through this, they will further increase the Group's corporate value.

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

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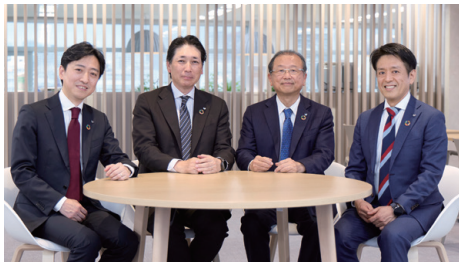
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Editorial Policy/Information Disclosure System

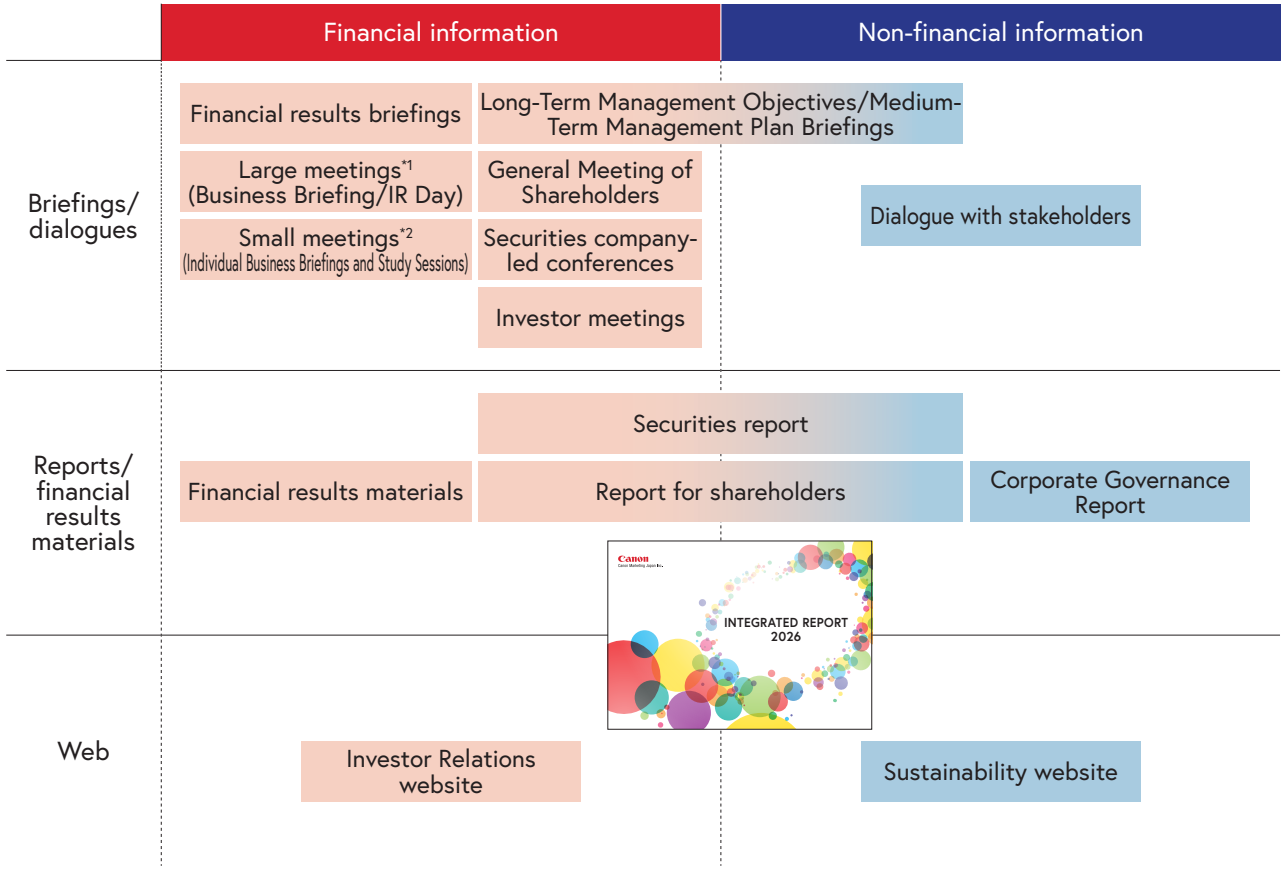
Editorial Policy

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 2026," with the theme of "Paving the way to the future and further success through co-creation - The road to 2030," we introduce the Canon MJ Group's value creation stories aimed at promoting medium- to long-term growth and achieving the Long-Term Management Objectives (2026-2030). 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.

Information Disclosure System



*1 Large meetings with various types of attendees, including analysts, institutional investors, and members of the media
*2 Small meetings with analysts and institutional investors

Reporting Period
This report covers fiscal 2025, the year ended December 31, 2025, 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
"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.



President & Representative Director
Masachika Adachi

Striving to Achieve Further Success Led by Our Long-Term Management Objectives (2026-2030)

TOP MESSAGE

Review of the Long-Term Management Objectives (2021-2025)

ROE of 10.4% and Five Consecutive Fiscal Years of Increases in Revenue and Profit

Over the past five years, our Group has been accelerating its profitable growth, and reached all of the management indicator targets for sales, operating income, ITS sales, and ROE set in our Long-Term Management Objectives (2021-2025) (the "21-25 Long-Term Objectives"). We have raised our ROE to 10.4%, increased both sales and income for five consecutive fiscal years, and set a new record high for profits.

I believe that we accomplished this by positioning the generation and allocation of cash at the center of our management and, over the course of five years, consistently and steadily implementing measures to grow our business and improve our capital efficiency.

Following my appointment as President in March 2021, we announced the 21-25 Long-Term Objectives in April of the same year. I adopted a basic policy of increasing our ability to steadily generate cash through our business activities and balancing the allocation of this cash between growth investment and shareholder returns.

Under this policy, we continuously invested in businesses, human resources, and systems, aiming for approximately ¥200.0 billion in growth investment over the course of five years. We designated our IT solutions business as a growth area and expanded our business foundations and the value we provide through M&As and funding while also polishing our technical capabilities. As a result of these efforts, we were able to grow our IT solutions business significantly, to over 50% of our total net sales. We reached our 21-25 Long-Term Objectives sales target of ¥300.0 billion a year ahead of schedule, and ultimately reached ¥343.4 billion in sales. Of these, we surpassed our goals for expanding the highly profitable maintenance and operations services/outsourcing business, one of our core businesses, and the quality of this business has also improved. For the Canon products business, while market growth is limited, we have worked to improve profitability by continuing to propose solutions which accurately address customer needs and offer high added value.

We have also steadily increased our shareholder returns. We acquired a total of ¥96.7 billion of treasury stock through four buybacks. We raised our dividend payout ratio from 30% or higher to 40% or higher, issuing a total of ¥71.8 billion in total dividends, a 2.8-fold increase on a per-share basis compared to 2020. Our shareholder return policy has been one of continuing to invest in growth while providing appropriate returns to shareholders. This has helped bring greater order to our capital allocation and further focus attention on management investment decisions and profitability. As a result, we were able to eliminate all short-term loans receivable to the parent company, which had amounted to ¥180.0 billion five years ago.

Due in part to our strong business results and our IR activities, which I was also actively involved in, we more than doubled the number of meetings with analysts and investors compared to five years ago. The contents of these dialogues were relayed to directors including outside directors and business officers and reflected in sales activities.

As a result, we reached all of the management indicator targets set in the 21-25 Long-Term Objectives, and the stock price has also hit a new record high, remaining at a high level.

Five Years of Polishing Our Strengths and Growing Along with Our Customers

Our Group's strengths lie in our people, our technologies, and our customer base, and we have further polished these strengths. We have gained a deeper understanding of our customers and continued to provide optimized solutions with even higher added value to address the challenges and needs of individual customers. We have also acquired new technologies and expanded our customer base through M&As and investments. In the development of skilled personnel, we have focused on specialized training that not only helps us meet increasingly diverse customer needs, but also speedily and flexibly adapt and respond to new technological advances to provide even greater added value. Improving the skills of each of our employees has steadily raised their productivity. I feel that this has also produced the virtuous "engagement improvement cycle" that our Group has focused on, in which our personnel development has increased the amount of value we provide to customers and generated greater customer satisfaction, which is then used to give back to employees.

As we have steadily done what needs to be done, it has become increasingly clear where we need to further accelerate and focus our efforts. First, we need to speed up our generative AI efforts to grow the IT solutions business. We are already using it to improve the efficiency of our internal operations and our development work, along with deploying it in our services. However, we must make full use of this technological innovation, which is being adopted throughout society at an accelerating pace, to further propel our business. Furthermore, it is becoming increasingly important that we collaborate with various stakeholders to make use of various new technologies not limited to generative AI, as well as other companies' know-how which we would not be able to acquire on our own.

Second, we need to accelerate the expansion of our service-type businesses. As I mentioned earlier, our IT solutions business has grown to be our Group's core business, but the highly profitable Canon products business has little prospect for large-scale market growth, so we need to speed up the growth of our service-type business and achieve profitable growth. For that purpose, as well, I consider the strengthening of our human capital to remain a top priority. I believe that to develop and hire highly skilled personnel, we must expand our systems that promote improvements to employee baseline skills and reskilling. We must also acquire professionals from outside the Group who can immediately contribute to our business.

Long-Term Management Objectives (2026-2030)

Further Success Aimed at Becoming a Corporate Group Dedicated to Creating New Businesses

This year is the first year of our "Long-Term Management Objectives (2026-2030)" (the "26-30 Long-Term Objectives"). From 2016 to 2020, we engaged in business selection and concentration, switching to an organization structure based on the market and customers. Through this, we transformed to a robust corporate structure. From 2021 to 2025, we shifted our focus to growth investments and improved our capital efficiency while accelerating our profitable growth. Now, over the five-year span from 2026 to 2030, we will work toward further leaps forward.

Our 2030 Vision is "to be a corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies." By "people," we are referring to all stakeholders, including Group employees, customers, and partners. By "technologies," we are envisioning technologies and the knowledge that pertains to them, not only ICT technical skills and our patented technologies, but also industry and operational knowledge, expertise, and insights.

The basic policies behind the 26-30 Long-Term Objectives are as follows:(1) Corporate value sustainably increased by solving social issues through business, (2) Become a highly profitable corporate group centered on the growth of service-type businesses, (3) Create a virtuous cycle through the strengthening of management capital.

Our 2030 Management Indicators are net sales of ¥850.0 billion, operating income of ¥75.0 billion, and an ROE of 12.0%. Furthermore, within those sales, we will raise our IT solutions business sales to ¥500.0 billion and, of those, we will raise our "service/outsourcing*1" sales to ¥200.0 billion. With regard to growth investments, we plan to invest ¥200.0 billion over the course of five years. We also plan to issue ¥100.0 billion in dividends to return profits to shareholders.

*1 We have changed what was previously "maintenance and operations services/outsourcing" into "service/outsourcing." In addition, we also incorporated the software and services that utilize our company's intellectual property into this category. These were previously divided into "SI solutions (formerly SI services)" and "IT products/system construction (formerly IT products and system sales)."



Our approach to our business portfolio as we work toward these goals will remain unchanged: we will further promote profitable growth in our IT solutions business, enhance the profitability of our Canon products business, and expand specialist fields and new businesses. With respect to the IT solutions business, we will balance growth and profitability improvements, while at the same time carrying out M&As, expanding this core business. There is only limited room for overall market growth for the Canon products business, but we will maintain our strong position, commanding the top market share for products such as cameras and laser printers. We will also expand sales in areas where there is still room for growth, such as in MFPs, where we have the third largest market share. Through this, we will pursue greater profit margins without reducing sales. In specialist fields, we will strive for steady upward growth, focusing on industrial equipment, especially the semiconductor-related business. The keys to these fields are technical capabilities and discernment for exceptional overseas technologies and products to be offered domestically. These tie directly into our competitive advantage. Our customers have evaluated us highly for our discernment, and we plan to continue to place great emphasis on passing on the know-how and skills that underpin that discernment through our training, including on-the-job training.

In new business creation, as I mentioned earlier, we will continue our initiatives in two primary directions. In 2024, we created a specialist organization for creating new businesses, so that we could advance into fields where our Group has little prior experience. At the same time, we established an approximately ¥10.0 billion corporate venture capital (CVC) fund. We have already invested in 14 companies through this CVC fund, starting PoCs*2 for multiple projects. We hope to quickly take them to the PoB*3 level and, by 2030, to grow them into businesses with a certain scale of sales.

Led by the expansion of our IT solutions business, we will engage in "business investment," such as investing in the creation of service-type businesses, conducting M&As, and providing financing. In addition, we will also invest in "human resources", such as by enriching our training system for the development of skilled personnel, and we will engage in "IT/equipment investment," such as building internal systems. Over the course of five years, we plan to invest a total of ¥200.0 billion. With respect to M&As, we are also considering allocating some of our roughly ¥160.0 billion of cash on hand to serve as contingency funds.

In business investment, we will also invest in intangible assets to grow our service-type business, and we plan to provide services such as applications while handling everything from system construction to data center operation. Some of these initiatives are already being carried out for financial institutions, but our efforts have not been sufficient for other markets, so we aim to expand our investment in these areas.

As for M&As, our policy is to consider the acquisition of companies whose technologies and resources can supplement those that we lack in each focus area so that we can expand our business areas and create new service-type businesses. Of course, reinforcing our service/outsourcing will continue to be a major priority, and, as always, we will carry out M&As when they are needed to enhance our functions. We also recognize the expansion of our security field business as being especially vital in the future. The combining of cyber security and physical security is one of our strengths, so we will continue to actively engage in co-creation with companies that have distinctive technologies. We can leverage the high level of compatibility between the imaging solutions field, a part of our physical security business, and the Canon brand as we further elevate our ability to solve the issues that society is confronting.

We are incorporating these initiatives in our Medium-Term Management Plan, which is focused on material issues based on our Purpose. We will make steady progress towards our new vision of being a corporate group dedicated to creating new businesses, while at the same time accelerating our development of solutions to social issues.

*2 Proof of Concept
*3 Proof of Business

Leveraging Generative AI to Reach ¥200.0 Billion in Service/Outsourcing Sales

The keys to achieving our IT solutions sales target of ¥500.0 billion, set in our 26-30 Long-Term Objectives, will be expanding our service-type business and growing our service/outsourcing business. For us to expand our profitable IT solutions business, I don't think it would be any exaggeration to say that it is vital that we reach ¥200.0 billion in net sales for service/outsourcing, which is our most profitable business.

We have defined four focus areas and set KPIs for each. For large corporations and quasi-major and upper medium-sized enterprises, we have set KPIs for "value creation integration" through imaging and AI solutions and the like, and for "business process services (BPS)" that use BPO and IT outsourcing. For small and

medium-sized enterprises, we have set KPIs for "full support for SMEs." For all customers, we have set KPIs for "total security", which includes cyber-physical and cloud security services. We will formulate and implement strategies based on the needs of each area and customer type. Our vision for 2030 is one in which 40% of IT solutions sales come from service/outsourcing.

Another essential part of growing our IT solutions business will be our initiatives in generative AI. We are already making progress with deploying generative AI in our services, but as I mentioned earlier, we will also use the strengths of our experience and know-how that have been built up in-house through our efforts to improve operation efficiency and reinforce the extension of these strengths to outside the Company.

We can build up our service-type business by supplying solutions that, of course, are based on a deep understanding of the challenges facing our industry and our customers, and which leverage our strengths, and by earning the trust of our customers. I don't see this as simply being a highly profitable business, but also as a business in which we stay by our customers' sides as their operations and challenges change, and we turn the relationship we build with those customers into value. I want us to pay close attention to and dedicate ourselves to this area, in part to ensure that our Group will grow sustainably over the next five, 10 years and beyond.

Strength and Strategy of Canon MJ Group

Deepening Our Business Strategy and Maximizing Synergy by Applying a Customer-Based Perspective

Our Group has a wide-ranging customer base, encompassing everything from large corporations to upper medium-sized enterprises and small and medium-sized enterprises and general consumers. Our business is also wide-ranging, covering both the sale of physical goods such as cameras, business machines, and semiconductor manufacturing-related equipment and the provision of IT services. Through our long history, we have built up extensive management resources, such as technologies and expertise within the Group. I am confident that a Group with such wide-ranging assets as our own is a rarity among our competitors, such as system integrators and office device manufacturers.

In the Enterprise Segment, which serves large corporations and quasi-major and upper medium-sized enterprises, we don't just focus on general issues, but also understand our customers' operations at a deep level, proposing solutions that address latent issues that our customers haven't even noticed yet. By doing so, we have built up knowledge and expertise about their business types and operations.

I once served as Director of Enterprise Business Unit and, at the same time, President of Canon IT Solutions Inc., so I understand, at a deep level, that the proposals our Group is able to provide because of its deep understanding of different business types and operations are beyond the abilities of our competitors. This is why we are regarded so highly by our customers' management teams. I believe this is one of our Group's unique strengths. And now we will maximize synergy with Primagest, which joined our Group in 2024. I believe that there is still great potential for business expansion, when in addition to leveraging both Primagest's technical capabilities and Canon MJ's customer base, we leverage each company's strengths to create new services. I think it is important that we continue to refine our strengths in this area, where we are poised to far surpass our competitors, in order to achieve our targets.

Canon System & Support Inc. part of the Area Segment that is responsible for small and medium-sized enterprises, provides various full-support services, such as "Makasete IT," for small and medium-sized enterprises. There are many companies that are implementing DX for small and medium-sized enterprises, but one of the things that make Canon S&S notable is that it doesn't just solve issues in the IT field, but also covers management issues such as strengthening environmental management and corporate governance, IT investment planning, and even human resources development. I think this gives us a great competitive advantage. The top management in Canon S&S have previous experience with direct sales marketing. Accordingly, they understand customers at a deep level, and I feel that they can truly leverage their knowledge and expertise in creating customer-based service-type business by looking at the true problems being faced by enterprise managers.

In the Consumer Segment, which is responsible for individual customers, we will reinforce our one-to-one marketing with "Canon IDs", accounts for individual consumers which are used by various services. We will communicate with individual customers using a personally tailored approach and promote the long-term use of Canon products. We will carry out fan base marketing for customers with a high level of interest in cameras, and also capture hybrid photo and video demand and create new Canon fans, firmly maintaining our top market share.

For inkjet printers, we will use a market approach that accurately aligns with user print demand to aim for the top market share. We will also create new print value such as the value offered by mini photos.

The industrial equipment, healthcare, and production printing businesses are part of the Professional Segment. In the industrial equipment business, semiconductor market demand is undergoing a massive global change, but corporate investment sentiment continues to rise. Along with our technical capabilities, our "discernment" also provides us with a competitive advantage. By matching our customers' increasingly diverse needs with state-of-the-art overseas technical innovations, we will further establish our position as a platform provider in specific areas. In the healthcare business, we are steadily generating synergy through the healthcare IT business integration of Canon Medical Systems Corporation and Canon ITS Medical Inc. in 2023, and the scale of our sales in this business is growing. Medical systems are transforming, and we will further promote IT solutions that are optimized for the medical field, primarily focusing on electronic medical records. In our production printing business, we will support the digital shift of the commercial printing market toward small lot and personalized printing, along with the transformation of workflows to become more efficient.

—Human Capital Enhancement

Evolving into a Professional Group that Creates the Future

One of the Group's human resources strategies is the "development of skilled personnel." During the 26-30 Long-Term Objectives period, we plan to further accelerate the virtuous loop of our engagement improvement cycle starting with the "development of skilled personnel."

As part of these measures, in April 2025 we initiated an advanced ITS talent certification program that utilizes Digital Skill Standards (DSS)*4 to certify the skill levels of employees in each business. Personnel are evaluated along the two axes of knowledge and track record to determine their level (between Level 1 and Level 5). Advanced ITS personnel at Level 4 or above are certified as DX experts. Development roadmaps are created for each level, and we are working to develop professionals by using those roadmaps to provide training and growth support. Our goal is to thoroughly conduct these initiatives, driven by a strong sense of motivation, and achieve a 100% position fulfillment rate for these professionals.

My vision for 2030 and beyond is to be a Group with technical and proposal capabilities that can address the problems faced not only by our customers but also the office equipment industry, IT service industry, and other industries of which we are a part, and even social issues that span multiple industries. To achieve this, we plan to implement measures to improve employee skills, not only for IT solutions but across all domains, dedicating ourselves to developing human resources that contribute to business creation.

*4 Digital Skill Standards (DSS): Standards that systematize the skills and expertise required in the digital age, announced by the Ministry of Economy, Trade and Industry (METI) and the Innovation Platform Agency (IPA) in 2022

—Organizational Culture

My Policy: "Entrust, but Don't Neglect"

In 2021, the five-year period of our previous Long-Term Management Objectives began during a very challenging time, in the midst of the COVID-19 pandemic, when the business environment was changing dramatically. The future outlook was one of even greater uncertainty, and it was my belief that if we were to raise the likelihood of our strategies succeeding, we needed to improve our field capabilities so that we could flexibly and rapidly respond to changes in the customer environment. It is precisely because we are in an age of uncertainty, where the future is unclear, that it is so important for everyone, from junior personnel to veterans, to take on challenges that cross existing lines, without fear of failure. We need to create an organization where that happens.

As a member of top management, I strive to explain the broad direction of our management in clear, easy-to-understand language, inspiring employees and giving them encouragement.

For example, during the 21-25 Long-Term Objectives period, in the activity policies for each fiscal year, I used simple key words and phrases like "accelerate," "take on challenges," "accomplish," and "attempt." I communicated whenever I had the opportunity, such as in various forms of meetings and monthly messages directed at all employees. The business unit directors and division managers that manage individual workplaces understand my vision and think, on their own, about what it is that they should be doing. They incorporate their conclusions in concrete activities, tenaciously leading their organizations with a strong sense of resolve and responsibility. Under their leadership, the employees out in the field draw on every last drop of their knowledge, trying new approaches. Needless to say, the results we have achieved are the product of their efforts and their ingenuity. I think one of the factors behind our achievement of our targets has been the strong sense of unity within our Group, with business managers and employees on the field connected through these messages from top management.

Ever since I was put in a leadership position in the organization, I have consistently practiced a policy of "entrust, but don't neglect." This way of thinking says that you should give only the instructions and advice that are essential, and then leave the rest up to the discretion of those on the field. I have communicated this policy to managers on the field through training and in other ways. When it comes to work that is challenging for the people you manage, even as you leave it up to them, you need to keep a close eye on them, speak up when the circumstances require it, provide advice, and promote their growth. I have also explained that to do that, you need to ensure "psychological safety."

Due in part to my consistently sharing this message, I have heard that people on the field are actively speaking up, saying that they want to try this or that, based on the policy of "entrust, but don't neglect." I feel that we have fostered a strong organizational culture of actively taking on challenges. I feel that the Canon MJ Group Purpose, formulated in 2024, also unites the spirits of our Group employees, creating this kind of positive change. I think it has given a significant boost to the Group's efforts. Our Group's greatest asset is our people, so to tap the full potential of each and every employee, I want to ensure that this is not a passing phase but becomes even more fully established as a part of the Group's overall culture.



The President speaks with employees

Governance

Continuously Reinforcing Governance

With respect to governance, during the 21-25 Long-Term Objectives period, we made steady progress in establishing a system for ensuring sound management, including increasing the number of outside directors, appointing female outside directors, changing the composition of the Nomination and Remuneration Committee, and establishing a Special Committee.

Of course, we see the enhancement of governance as an ongoing challenge, and we will continue to earnestly deliberate and discuss various issues, such as our organizational design and the composition of our Board of Directors, making changes as necessary. However, there is no point in simply having the right structure or format if they aren't matched by the underlying reality. What is essential is to have an effective governance system.

To make our governance system more effective, we conduct Executive Officer Meeting retreats twice a year with the aims of leveraging the diversity of executives to enrich dialogue between them and aligning their recognition of the issues faced by the Group. Executives, including outside directors, all come together and engage in unrushed discussions. They come to understand each other at a deeper level, and I feel it is clear that this improves the quality of the discussions by the Board of Directors, the Nomination and Remuneration Committee, and the Special Committee over the course of the year. Our outside directors provide accurate advice from the perspective of overseeing management. In that sense, we recognize our Group as making ongoing improvements to the quality of its effective governance.

Our Nomination and Remuneration Committee, over half of whose members are outside directors, is also discussing the selection of candidates for the next generation of management, including my own successor. With respect to personnel development, our Human Resources Strategy Committee is deliberating specific development measures, and is already implementing various personnel development measures. These include the enhancement of skills through "Quorum 12" and "Quorum 15"*5 training sessions in business school for select next-generation managerial personnel, and also "cross-boundary learning," in which participants learn about management through actual practice in other companies. As we head toward 2030, we hope, by further enriching measures such as these, to establish a system in which we are always developing multiple next-generation managerial personnel.

*5 Quorum 12 is a training session for select personnel in the general manager class, and Quorum 15 is a training session for select personnel in the manager class



In Closing

Boldly Taking on New Challenges to Realize Our Vision and Striving for Profitable Business Expansion

I have constantly encouraged our employees to make ourselves "A Company That is Highly Regarded, Appreciated, and Attractive." That could be rephrased as "heightening our corporate value." There is no potential for growth in a company that is not highly regarded or attractive.

To be a company that is highly regarded and attractive, we must issue proposals that go beyond anything our customers, partners, or other stakeholders have imagined, and turn those proposals into reality, so our stakeholders recognize the significance of our Group. If we become the kind of company that our stakeholders turn to first, saying "we should ask the Canon MJ Group to handle this" or "we can rely on the Canon MJ Group for this," then we will naturally achieve our targets.

The five-year period that began to 2016 was one of transforming to a robust corporate structure. The next five years was a period of working to accelerate profitable growth. I want our 26-30 Long-Term Objectives period to be one of taking on challenges to achieve further leaps forward.

Our Group has only just begun its efforts to realize its vision. We will keep on transforming, without ever slowing down, achieving profitable business growth and enhancing sustainable corporate value by solving the issues faced by our customers and society. We look forward to your ongoing support and guidance in this endeavor.

President & Representative Director

M. Adachi

Sustainable Corporate Value Enhancement Centered on Our Purpose

Building the Future through Our Conviction and Passion



Based on our people, our technologies, and our customer base, we will turn our diversity into competitiveness and advance our management focused on sustainable value creation.

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

Hatsumi Hirukawa

Our 50 Years of History

The Japanese economy has stagnated for many years, ever since the bursting of its economic bubble. During this period, corporate management has had to make structural changes, not simply pursuing short-term results but also building medium- to long-term value and achieving sustainable growth. In recent years, the government has set forth a strategy of national growth, and the conditions surrounding companies have undergone tremendous change due to factors such as the improvement of the investing environment and corporate governance frameworks. Japan's Corporate Governance Code formulated in 2015 is a representative example of these changes. It requires companies to focus more on accountability and capital efficiency, and to work to create value over the medium to long term.

As the business environment has changed, the Group has looked back on its history, from the days of its foundation, and outlined the direction it seeks to take in its management over the five decades to come. Ever since it was established as a sales company for Canon's business machines, the Canon MJ Group has diversified and strengthened its sales channels by expanding its regional sales locations and forming partnerships with retailers, with the mission of delivering Canon's sophisticated products to customers nationwide. Through these efforts, we were able to form a broad customer base, steadily nurture our marketing capabilities, and contribute to the establishment of the Canon brand throughout Japan. To go beyond just selling products and create even greater added value to customers, we entered the software business in the 1970s. Since then, we have expanded to handling products from other companies and entering the IT field. We have also expanded our business domains through M&As and capital and business alliances, evolving the structure of our business in line with the changing times. Through this process, people with varied backgrounds have joined the Group, and our workforce has become steadily more diverse.

We place great value on growing together with our customers, and we have nurtured our people, our technologies, and our customer base as strengths that support our value creation. The Group is rich in diversity in each of these areas. We offer various products, such as cameras, business devices, and semiconductor-related equipment, but we also

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 Canon ITS, TCS Division)

2024
- Acquires Primagest, Inc.

Sustainable Corporate Value Enhancement Centered on Our Purpose

provide wide-ranging value matched to our customers' needs through our SI services and our IT services, such as ITO and BPO. The Group's strengths include our collaboration with varied business partners and our broad customer base, which ranges from large corporations to quasi-major and upper medium-sized enterprises, small and medium-sized enterprises, and individual consumers.

Looking to the Next 50 Years and Turning Diversity into Greater Strength

The growth of diversity also has the potential to lead to a lack of cohesiveness in organizational and managerial direction. For us to continue our growth investments and turn our diverse personnel, technologies, and businesses into a competitive edge, I have come to see it as essential that the entire Group shares a common direction.

Since 1988, the Canon MJ Group has been implementing sustainability management under the Canon Group's corporate philosophy of Kyosei. The Group is committed to solving social issues through its business activities while maintaining harmony with people, society, and nature. In recent years, we have gone beyond just activities that focus primarily on responding to the requests of society to also more tightly link these activities with our business. We have taken them to a new level, in which they are even more effective in solving social issues through our business. As social issues grow more complex and severe, we will use the power of marketing to continue contributing to the solving of an even wider range of social issues. To do this, in January 2024, we declared ourselves a MIRAI Marketing Company and also announced our Purpose, "Bringing together hopes and ideas with technologies to create a future beyond imagining," which encapsulates the significance of the Group's presence in society.

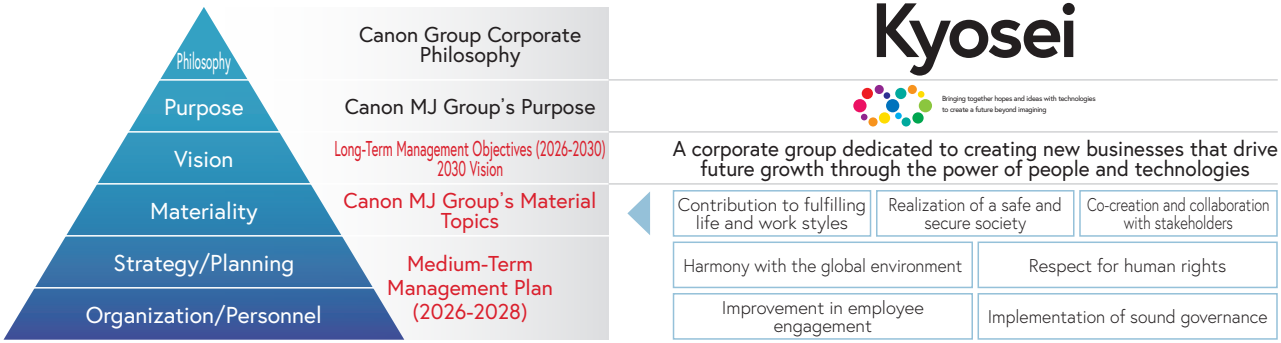
Resonating with Even More Stakeholders by Embodying Our Purpose

Ever since we announced our Purpose, our top management has worked to establish it both inside and outside the Group by creating opportunities for ongoing communication and dialogue. As a result of these efforts, a growing number of employees see the Purpose as relating to their own operations and try to embody it through behavior that contributes to the improvement of our business value. In tandem with this, we are starting to see the appearance of concrete initiatives that contribute to both the creation of social value and the expansion of revenue opportunities through our business activities. Initiatives that leverage the Group's strengths and knowledge are being implemented as business projects and helping produce new opportunities for creating value. This is happening in areas such as contribution to disaster prevention and mitigation in response to climate change, contribution to regional security and safety, identity verification and fraudulent transaction prevention in line with increasingly sophisticated financial transactions, and medical information coordination that supports comprehensive community care. As these initiatives become more widely implemented, there are also a growing number of opportunities to discuss questions, exchange ideas, and conduct workshops with those outside the company regarding the formulation of the Purpose and our approach to instilling it. Resonance with and trust in our Group are ultimately helping to strengthen our medium- to long-term business foundation.

Turning the Rise of Resonance and Trust into Sustained Improvement of Corporate Value

In promoting sustainability management at the Canon MJ Group, we define new material issues (material topics) as "themes of high importance to the Canon MJ Group and its stakeholders that should be addressed intensively." We are tackling these material topics as management issues, which meet the expectations and needs of our stakeholders, and reflect their relationships with our business and their impact on our medium- to long-term corporate value. To implement these initiatives as a united group, we established the Sustainability Promotion Committee in February 2021. The Committee is chaired by the president & representative director, who has a supervisory role for all sustainability-related matters. In deliberating and formulating our Purpose, during the latter half of the deliberation process, Sustainability Promotion Committee meetings were held jointly with the Brand Strategy Committee, and participants discussed how to share the Purpose in and outside the Group and what initiatives to carry out to instill it, in addition to the Purpose's content. Since 2023, the Sustainability Promotion Committee has been under the direct supervision of the Board of Directors, as the matters discussed and resolved by the Committee are important matters that relate to the core aspects of management.

Our Management Stance Backed by the Canon Group Corporate Philosophy of "Kyosei"



Sustainable Corporate Value Enhancement Centered on Our Purpose

As the Purpose has become more fully instilled and embodied in the Group, in 2025, we reviewed our material issues and newly formulated material topics applied from 2026. This review was rooted in our corporate philosophy and placed great emphasis on having a management system in which there is a consistent and continuous thread that links our Purpose, Long-Term Management Objectives, material topics, and Medium-Term Management Plan. Led by this management system, our Purpose is more than a philosophy. It is extended through our material issues into specific management issues and actions and tied to the duties and operation targets of each and every division and employee.

Building the Future with Conviction and Passion

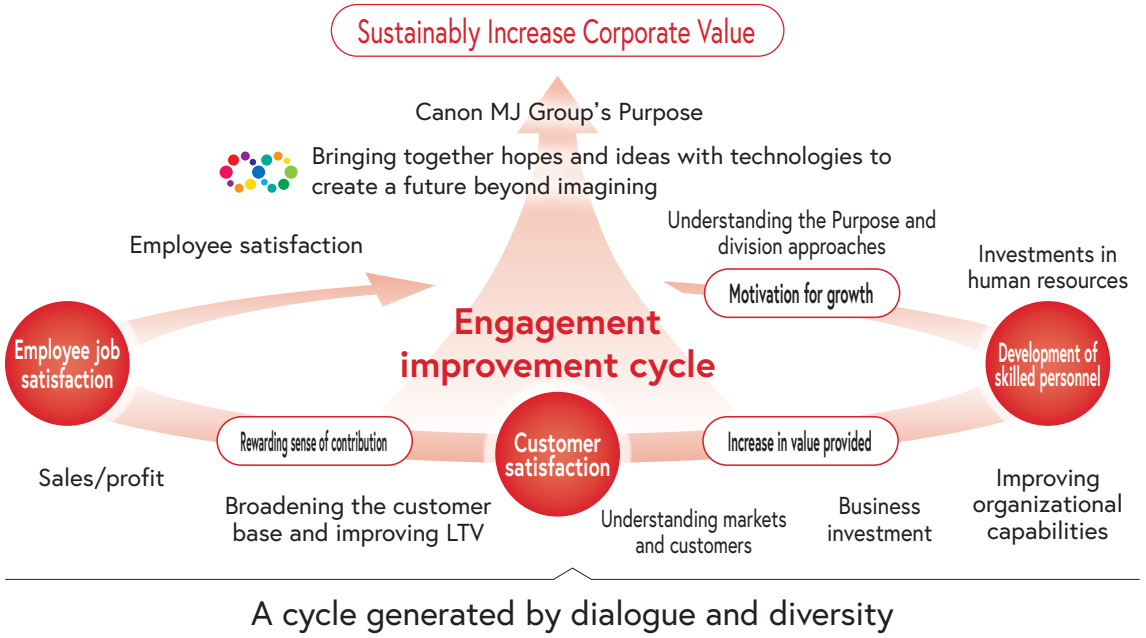
To achieve sustainable growth, the Canon MJ Group believes that it is important that we link our financial and non-financial elements and strengthen our ability to continuously generate revenue. Based on this view, we have created a management system, rooted in our corporate philosophy, with a consistent and continuous thread that links our Purpose, Long-Term Management Objectives, material topics, and Medium-Term Management Plan. We are now in the stage of improving the effectiveness of this management system. One distinctive initiative we are implementing to unify our financial and non-financial aspects in a concrete management structure is the "engagement improvement cycle." The engagement improvement cycle is composed of three elements as its core: "development of skilled personnel," "customer satisfaction," and "employee job satisfaction."

Furthermore, we adopted the service profit chain concept in 2024, and we are fleshing out and defining indicators for the items between these three elements with the aim of clarifying their relationships and significance. Through these initiatives, we are seeking to leverage the power of our human resources with diverse experience, expertise, and values, in our business activities, and link non-financial measures, such as employee growth and job satisfaction and increased value provided to customers, to financial results such as sales and profit growth. Those results can then be fed back into future investments and human resource development. By doing so, we aim to create a cycle of value generation.

I don't believe that the effectiveness of these efforts is affected by our systems and frameworks themselves, but that instead it is important that the ideas and objectives behind these efforts serve as the pillar of the decisions and actions of all of our employees. Our employees, with their diverse experience, expertise, and values, must listen to each other and share their frank opinions with each other as they envision the future. We must make this approach of engaging in extensive, passionate ongoing discussion a part of everyday work. We must nurture it as part of our Group's culture. This will create a sense of unity within the organization and give it drive. This ongoing process will, I believe, provide the motive force to take on new challenges, united by a common philosophy and resolution.

I don't think the future is something we can predict, but something we can create, driven by our conviction and passion. Based on this idea, we will continue to tirelessly polish our management approaches so that we can achieve sustainable value creation, while dealing with the changes in the environment around us.





Resonance Both Inside and Outside the Group and Creating Corporate Value by Embodying Our Purpose

It has been two years since the January 2024 announcement of the Canon MJ Group's Purpose, "Bringing together hopes and ideas with technologies to create a future beyond imagining," with the goal of unifying the aspirations of Group employees while further advancing co-creation and collaboration with stakeholders to accelerate the resolution of social issues in the midst of today's rapidly changing environment and growing structural uncertainty. Over these two years, our top management has striven to establish this Purpose, both inside and outside the Group, through a variety of means, such as discussing their own visions. Our Employee Engagement Survey found that "Resonance with the Purpose" has been maintained at a high level. Furthermore, as the number of employees that embody this Purpose grows, we have found ourselves with even more opportunities to speak with customers and various other stakeholders. Our Purpose is now resonating even more widely, and it is contributing to our creation of corporate value.

Behavioral Changes within the Group that Embody the Purpose

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, 21 sessions were held between 2023 and 2025, with approximately 2,800 employees participating. In 2025, we refined these talks, shifting from a morning meeting format to one in which the members of individual business divisions and President Adachi meet for small roundtable discussions. Based on the changing market environment, customer needs, and technological innovations, the participants engaged in lively discussions about "the ideals for their own organization five to 10 years down the road, and the measures to take to achieve those ideals." They shared diverse ideas for realizing the future, with a free, creative approach unhindered by existing frameworks. Through the meetings, participants had many insights about how they would like to change in order to help the Group realize its Purpose, and what they should do to make those changes.

The meetings also spurred more wide-ranging and self-directed communication within divisions, with some participants planning ongoing discussions with other meeting members even after the event had ended.



Miraibi Talks

Transforming Mentalities by Internalizing the Purpose



Purpose workshop

Individual employees are internalizing the Purpose even further by participating in study sessions and workshops where they learn about the background behind the formulation of the Purpose, why it is significant, and how it relates to their own roles and to society itself. These sessions and workshops are transforming employee mentalities about day-to-day operations. For example, one participant shared, "Through the Purpose, I have expanded my perspective to not only think about working quickly without making mistakes, but also to think about contributing to customers and various stakeholders."

Growing Our Case Studies of Solving Social Issues by Embodying the Purpose



The Canon Marketing Japan Group Excellent Award ceremony

To recognize employees and teams who have implemented superb initiatives, and to thereby contribute to the transformation of behavior throughout the Group, we implement the commendation system, "The Canon Marketing Japan Group Excellent Award." In 2024, we focused more on the creation of social value through business activities and reflected the approach employees and teams took to the Purpose in the award criteria. In 2025, we saw a greater number of projects which contributed to the solving of social issues, such as building a communications network that is resistant to the flooding risks caused by climate change and the creation of systems that help improve accessibility to regional medicine.

Resonance Both Inside and Outside the Group and Creating Corporate Value by Embodying Our Purpose

Branding Activities Centered on our Purpose

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.



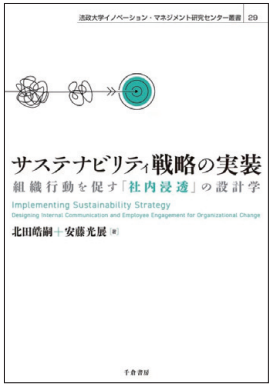
Expanding the Circle of Purpose Supporters

The Purpose is coming to resonate with a growing circle of stakeholders, spreading inside and outside the Group. As a result, more and more people are becoming interested in our Group's way of thinking and our initiatives, and we have heard from a growing number of stakeholders. In July 2025, President Adachi gave a speech at the Japan Quality Award Council titled "Formulating a Purpose as a MIRAI Marketing Company." Furthermore, in 2025, in response to requests from customers, we conducted numerous Purpose-themed workshops and provided many opportunities for information-sharing, promoting greater understanding and co-creation through dialogue, both inside and outside the Group.


The President speaks at a Japan Quality Award Council meeting


A workshop with customers

Furthermore, some of the Group's efforts to instill the Purpose and address material issues were presented in *Implementing Sustainability Strategy: Designing Internal Communication and Employee Engagement for Organizational Change*, a book by Hirotsugu Kitada and Mitsunobu Ando, published by Chikura Publishing Company. It discussed how the Purpose was instilled through "measures" such as issuing messages from top management and business managers, and publishing Purpose videos, and through "systematic approaches" such as the Group's Purpose promotion system, which centers around the Sustainability Promotion Committee, and the addition of elements of the Purpose in the values and action guidelines.



A Comment from One of the Authors

We presented the Canon MJ Group as a success case in our book because its efforts to instill the Purpose have been consistent, and everything from announcement within the Group to publicly announcing the Purpose has been carefully designed as a single, consistent process. The Group has promoted the Purpose through messages from top management, various contact points, dissemination on a per-division basis, and the Group's systems. This has steadily increased awareness and understanding with employees, resonating with them and guiding their actions, which has made a strong impression on us. What is more, in recent years, the Canon MJ Group has linked this Purpose to its 2030 Vision, material topics, Medium-Term Management Plan, business portfolio, and KPI. The Group hasn't simply announced a philosophy, but developed it as a means of driving action, which has impressed us. We will continue to keep a close eye on the Canon MJ Group to see what kinds of results to business creation are produced through these consistent initiatives.



Faculty of Business Administration, Hosei University
Associate Professor
Hirotsugu Kitada

Material Topics

Canon MJ Group defines material topics as "themes of high importance to the Canon MJ Group and its stakeholders that should be addressed intensively." We have established an end-to-end management framework that connects our corporate philosophy with our Purpose, Long-Term Management Objectives, material topics, and Medium-Term Management Plan. Through our initiatives to address the material topics, we are pursuing to achieve our corporate philosophy and Purpose.

In 2025, the Group conducted a review on material issues and formulated new material topics applied from 2026. By increasing consistency with the Long-Term Management Objectives (2026-2030) and the Medium-Term Management Plan (2026-2028), and linking our Purpose, long-term vision, material topics, and related indicators through this review, we further made clear the connection between the duties and performance targets of each division and employee.

New Material Topics Applied from 2026

Regarding the new material topics applied from 2026, we have divided the value we created into two categories—maximization of positive impacts and minimization of negative impacts on society. Furthermore, we have refined our "management foundation" as a base that supports these initiatives over the medium to long term, and determined seven material topics from three perspectives. To clearly present our views on aiming for the enhancement of corporate value through a value-creation process based on business activities, material topics that maximize positive impacts on society are presented first.

Material Topics	Value to create		Management foundation (Source of value creation)
	Maximization of positive impacts on society	Minimization of negative impacts on society	
Contribution to fulfilling life and work styles	●		
Realization of a safe and secure society	●		
Co-creation and collaboration with stakeholders	●		
Harmony with the global environment	●	●	
Respect for human rights		●	
Improvement in employee engagement			●
Implementation of sound governance			●

Process of Identifying and Approving Material Topics

The new material topics applied from 2026 were formulated by following steps 1 through 4 described below.

To appropriately respond to changes in the external environment and increase effectiveness, in addition to collecting and reviewing in detail the latest international and domestic trends, expectations, and needs under STEP 1, we have added the following two processes to the formulation process, which we applied to formulate material issues until 2025.

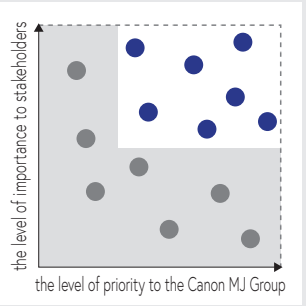
① Evaluation for appropriateness by various stakeholders, including directors (including outside directors), external experts, and employees
② Setting of indicators and targets for each material topics, and clarification of the personnel responsible for each

STEP 1 Selection of Expectations and Demands of Society

- Canon MJ Group identifies the expectations and demands of society through reference to international standards and ESG evaluation bodies.

STEP 2 Identification of Material Topics

- Societal expectations and needs items are plotted on a map with two axes—the level of importance to stakeholders and the level of priority to the Canon MJ Group.
- The level of priority to the Canon MJ Group is weighted according to financial impacts in consideration of its Long-Term Management Objectives and after identification of opportunities and risks.
- Material topics are identified after evaluation of appropriateness and discussions by outside directors, inside directors, outside experts and employees. Formulated material issues following the evaluation for appropriateness and discussions by directors (including outside directors), external experts, and employees.



STEP 3 Incorporation into Strategies and Plans

- For the material topics identified, main indicators and targets are determined. They are incorporated into medium-term management plans and others in separate business divisions.

STEP 4 Approval

- The material topics, main indicators and targets are subject to examination and approval by the Sustainability Promotion Committee, which is chaired by the president & representative director and comprises directors, directors of business units and heads of related divisions. They are then subject to resolution of the Board of Directors.
- The Sustainability Promotion Committee performs regular monitoring of the progress in initiatives related to the material topics.

Material Topics

Major Initiatives to Address Material Topics and Targets

The Group has formulated indicators for the new material topics applied from 2026 and set targets for 2030, the final fiscal year of the Long-Term Management Objectives (2026-2030).

	Material Topics	Major Initiatives	Main Indicators	2030 targets	Related Pages
Value to create	Contribution to fulfilling life and work styles Realization of a safe and secure society Co-creation and collaboration with stakeholders	Conduct initiatives to maximize positive impacts in the framework of the Medium-Term Management Plan. • IT Solutions Business Focus on the following areas to expand service-type businesses ① Integration for value creation ② Business process services (BPS) ③ Total security ④ Comprehensive support for small and medium-sized companies • Canon Product Business Promotion of integrated solutions with the IT Solutions business • Specialist Fields and New Businesses Creation of new businesses driven by social issues	Creation and distribution of examples (Since it is the same as an initiative in the Medium-Term Management Plan, we will check the progress for main indicators and targets in the review of the Medium-Term Management Plan.)		Examples of Solutions to Social Issues through Business Activities Page 21
		• Contributing to customers' CO_2 reduction through our business (2030 Medium-Term Environmental Targets)			
	Harmony with the global environment	• Realization of carbon neutrality (2030 Medium-Term Environmental Targets) • Contribution to the realization of a resource-recycling society (2030 Medium-Term Environmental Targets)	1. Rate of reduction in Scope 1 and 2 emissions 2. Rate of reduction in Scope 3 (categories 1 and 11) emissions 3. Achieve zero emissions from product waste (recycling rate of 99.9% or higher)	1. Reduce Scope 1 and Scope 2 emissions by 42% from 2022 levels by 2030 2. Reduce Scope 3 (Category 1, 11) emissions by 25% from 2022 levels by 2030 3. Recycling rate of 99.9% or higher	Sustainability Environment Pages 75-79
	Respect for human rights	• Implementation of action plans for priority human rights themes	Rate of implementation of annual action plans for priority human rights themes (for individual fiscal years)	100% implementation rate	Sustainability Society Human Rights Page 82
Management foundation (Source of value creation)	Improvement in employee engagement	• Acquisition and development of competent personnel suited to the business portfolio • Encouragement of active participation of diverse personnel • Improvement in engagement for mutual development of the company and employees	1. Ratio of personnel sufficiency at positions necessary to implementation of business strategies 2. Percentage of female managers 3. Engagement scores	1. 100% sufficiency 2. 12% 3. Target to be set within 2026	Sustainability Society Pages 80-81
	Implementation of sound governance	• Improvement in engagement with investors and analysis and incorporation of their opinions into management	1. Frequency of dialogues with shareholders and investors 2. Frequency of report meetings to directors and business heads, etc.	1. At least 200 times a year 2. At least 20 times a year	Sustainability Governance Pages 83-90
		• Strengthening of supervisory functions for realizing sustainable corporate value enhancement	1. Frequency of evaluation of effectiveness of the Board of Directors 2. Frequency of Nomination and Remuneration Committee meetings 3. Frequency of Special Committee meetings	1. At least once a year 2. At least four times a year 3. At least once a year	
		• Enhancement of effective risk management structure and compliance structure	1. Ratio of determination of priority risks and implementation of measures (for individual fiscal years) 2. Frequency of compliance meetings (for individual fiscal years)	1. 100% implementation rate 2. 100% implementation rate	

Examples of Solutions to Social Issues through Business Activities

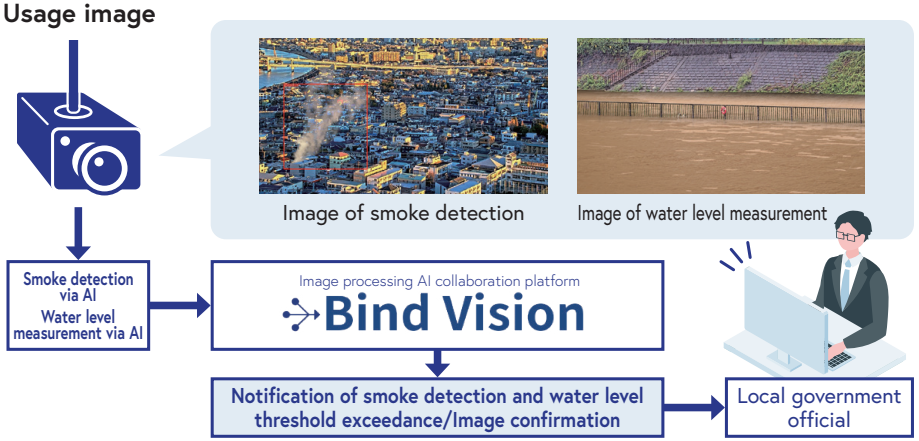
Material topics that maximize positive impacts on society are the very business activities of the Canon MJ Group. By working on them, we aim to accelerate the resolution of social issues through business activities (see page 20). Among the activities we conducted in 2025, this page introduces two representative examples.

Contribution to the Realization of a Safe and Secure Society with Imaging Solutions and AI

Canon ITS contributes to the realization of a safe and secure society by enabling rapid understanding of situations in the event of a disaster through the provision of disaster prevention solutions that combine imaging technology with AI.

To advance the development of disaster-resilient communities, national and local governments use disaster prevention information systems, high-altitude cameras, and various sensor devices to promote disaster prevention and mitigation. While high-altitude cameras are a useful way for a person in charge to assess the surrounding situation in the event of a disaster, in many cases, they are not fully utilized in other settings. Since the cameras are usually not turned on until after receiving notice of a disaster, a prompt understanding of the situation has been an issue. To solve this, Canon ITS offers a service that detects anomalies from images captured by network cameras with AI and notifies the people in charge.

Usage image



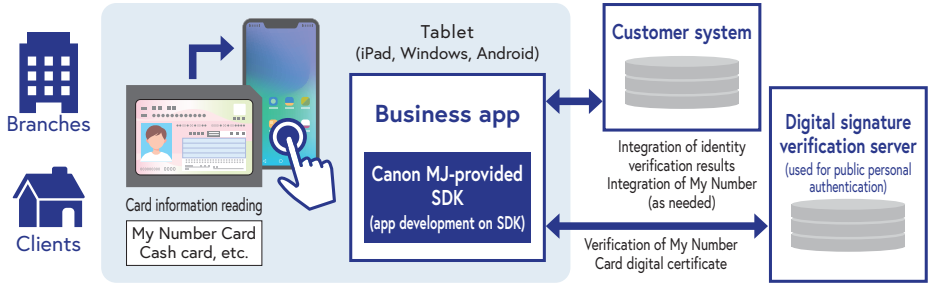
Canon ITS lowers the hurdles to introducing AI-based image analysis systems across various fields by providing "Bind Vision," a cloud-based platform for web system development, which has a large share in AI-based image analysis systems. With the platform, opportunities for using AI-based systems will expand, contributing to the growth of the AI market. Canon ITS will also advance its development with a view to adding AI-based disaster prevention tech services to contribute to the realization of a safe and secure society.

Contribution to the Coexistence of Deterrence of Financial Crimes and Improvement of Customer Experience through Optimized Counter Operation Procedures

Canon MJ ensures safe and secure financial transactions by digitalizing identity verification at branch service counters through the provision of "Identity verification support solutions" that support financial DX, thereby helping streamline counter operations and improve the customer experience (CX).

Recently, financial institutions have been aiming to create next-generation branches with the use of new channels and a shift to digitalization and self-service for counter operations, to address labor shortages and improve customer convenience. On the other hand, as financial crimes become increasingly sophisticated, the Financial Services Agency is requiring stricter identity verification when various transactions are executed online and at counters. Optimizing the identity verification process under the Act on Prevention of Transfer of Criminal Proceeds (APTCP) has become a challenge.

Canon MJ supports the optimization of the series of procedures at counters, from determining the authenticity of identity verification documents to conducting identity verification and integrating the confirmed results with business systems by providing "Identity verification support solutions." The solutions realize strict identity verification in accordance with the APTCP while streamlining counter operations, improving customer convenience.



Canon MJ will continue to support DX not only for financial institutions but also for various industries that require identity verification, leveraging the know-how gained from previously developed solutions regarding online eligibility confirmation using My Number Card as an individual's Health Insurance Certificate, and solutions for the financial industry.

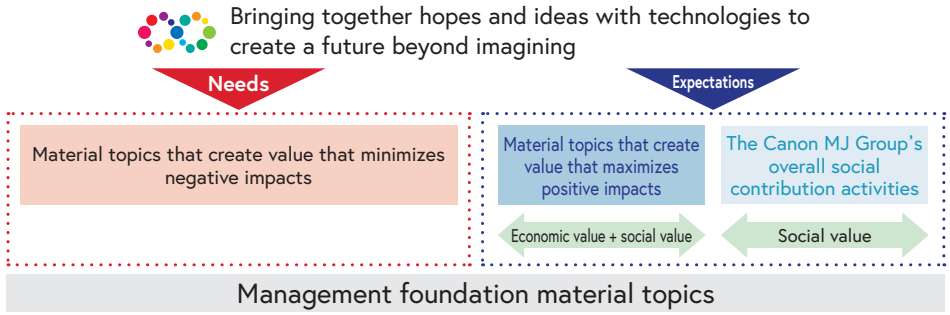
By providing optimal solutions that lead to innovation in business procedures that meet our customers' needs, we will contribute to fulfilling life and work styles.

Social Contribution Activities That Will Continue to Generate Value into the Future

The Group implements initiatives on material topics to meet the expectations and needs of society. By promoting "social contribution activities" that also resolve social issues in areas where it is difficult for our business to reach, we are working to put our Purpose into practice.

Designating five fields of focus, namely "environmental protection," "regional and cultural revitalization," "personnel development," "safe and secure society," and "health," we are implementing various initiatives that utilize Canon MJ Group's products, employees' capabilities, and partnerships.

These activities are regularly monitored by the Sustainability Promotion Committee and are reviewed as necessary. Among the activities we are presently conducting, this page introduces four representative examples.



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

As part of the social contribution activities, the Group is working to conserve biodiversity. 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 2025, more than 10,000 people had participated in the project.



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

Since 2014, the Group has been collaborating with Pentel Co., Ltd. (now ASTRUM CORPORATION) 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 mirrorless 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.



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

Since January 2012, the 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.



Supporting Social Participation of People with Disabilities by Serving as a ParaArt Official Supporter

Canon S&S supports "ParaArt," an art and cultural activity project by people with disabilities, promoted by Nippon Charity Kyokai, and is currently appointed as an Official Supporter. By introducing the international art exhibition "ParaArt Tokyo" and displaying artworks within the company, we promote the social participation of people with disabilities and deepen our understanding of disability culture, thereby contributing to the realization of a sustainable society where "no one will be left behind."



Value Creation Process

The Canon Marketing Japan Group/MIRAI Marketing Company

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

Customers | Business partners | Shareholders and investors | Educational and research institutions | Future generation | Public agencies and local governments | NGOs and NPOs | Local communities | Employees

Source of Value Creation

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

Social Capital
- Extensive customer base encompassing companies from large corporations to SMEs, and individuals
- Business partners with strong connections to specific regions and industries

Technological Capital
- Deep operational understanding and expertise in solving issues through connections with customers
- A large number of engineers capable of seamlessly carrying out processes, from system conceptualization and planning to system construction, maintenance, and operation
- Engineers who seamlessly support measures, from information security assessment to organizational and technical measures

Financial Capital
- Robust and sound financial structure
- Stable ability to generate cash

Business Activities

2030 Vision

A corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies

Material topics: Management foundation
- Improvement in employee engagement
- Implementation of sound governance

Material topics: Value to create
- Contribution to fulfilling life and work styles
- Realization of a safe and secure society
- Co-creation and collaboration with stakeholders
- Harmony with the global environment
- Respect for human rights

Customer- and market-based organizational structure

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

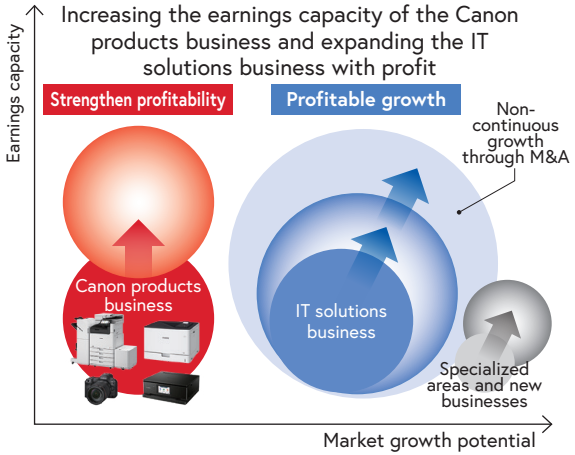
Enterprise	Area	Consumers	Professional
Large corporations and quasi-major and upper medium-sized enterprises	Small and medium-sized enterprises	Individual customers	Customers in specialist fields

Research & Business Development

Creation of new businesses based on social issues

Business portfolio

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



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

Value to create

Social Value

Material topics

- Maximize positive impacts
- Minimize negative impacts

Economic Value

2030 Management indicators

Net sales	¥850.0 billion
Operating income	¥75.0 billion
ROE	12.0 %
ITS sales	¥500.0 billion
Of which, Service/ Outsourcing sales	¥200.0 billion
Growth investment (cumulative over 5 years)	¥200.0 billion
Shareholder returns (dividend, cumulative over 5 years)	¥100.0 billion

External Environment

- Climate change
- Changes in the workforce
- The rapid advancement of generative AI
- Expanding data volumes/ Diversification of cyberattacks

Financial Strategy

We achieved record profits by expanding our IT solutions and advancing our financial strategy. In our Long-Term Management Objectives (2026-2030), we aim to establish a further growth cycle



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

Tsuyoshi Osato

Under our "Long-Term Management Objectives (2021-2025)," we achieved record profits by expanding our IT solutions business. Building on five years of progress in which we advanced growth investment and capital efficiency together, our next Long-Term Management Objectives will aim to further enhance corporate value.

Record Performance Driven by Business Transformation and Financial Strategy

The five years we spent executing the "Long-Term Management Objectives (2021-2025)" delivered results that gave us a strong sense of achievement on the performance front. We achieved increases in sales and profits for five consecutive fiscal periods, setting new record highs in everything from operating income to net income. We see this as the result of our business structure transformation working in concert with the financial strategy supporting it.

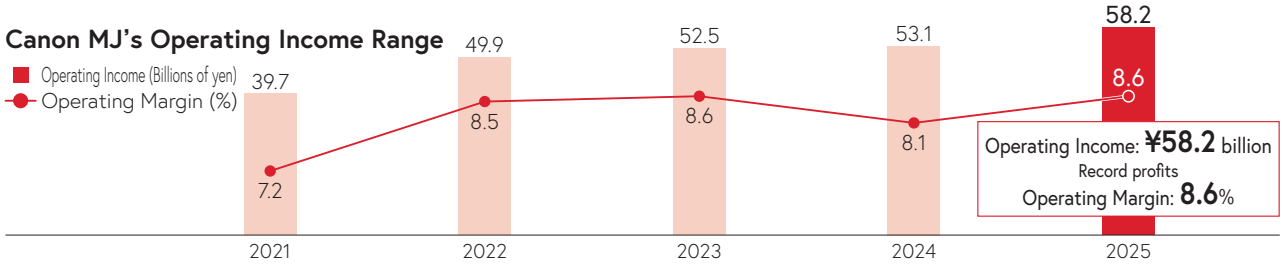
Our strong performance has been driven primarily by the IT solutions business. It accounted for 37% of total net sales in 2020, and this figure rose to over 50% in 2025. The business achieved the Long-Term Management Objectives sales target of ¥300.0 billion through organic growth alone and, through the implementation of financial strategies such as M&A and investments, grew to a scale of ¥343.4 billion. This reflects not merely sales growth, but a fundamental and large shift in the Group's revenue structure. Growth in recurring services — particularly maintenance and operation services, and outsourcing — contributed significantly to the improvement in profitability. The execution of the Group's M&A and investments also contributed to this outcome. At the same time, our Canon products business continues to generate stable revenue and remains a vital source of revenue for the Group. The emergence of a clear structural outline — with the Canon products business providing the revenue foundation and the high-margin recurring business within our IT solutions business growing on top of it — is one of the most significant achievements of the past five years.

Implementing Growth Investment with a Clear Focus on Time Horizons

On the financial strategy front, we have steadily executed a wide range of initiatives over the past five years. On growth investment, we publicly committed to deploying approximately ¥200 billion in growth investment over five years. Actual spending across business investment, investments in human resources, and system investments totaled ¥172.6 billion. Business investment breaks down as follows: three M&A transactions, 17 small-scale investments accompanied by capital and business alliances, and 14 startup investments through our corporate venture capital (CVC).

We believe it was important that we structured these investments with a clear awareness of time horizons. First, we position M&A as a means of expanding our top line over a relatively short time horizon. We expand our business scale through acquisitions, absorb the resulting amortization of goodwill and other related items, and grow revenue through the creation of synergies. Second, small-scale investments accompanied by capital and business alliances are similarly short-term in focus, aimed at strengthening our existing businesses through means such as expanding our product offerings and talent base. Third, our CVC investments are a long-term initiative aimed at sustainable growth over a 10- to 20-year horizon. By investing across three time horizons in a balanced manner, we believe we have been able to build a solid track record in our current business while simultaneously planting the seeds for future growth.

Canon MJ's Operating Income Range



Financial Strategy

A Highly Significant Tender Offer for Treasury Stock

Under our "Long-Term Management Objectives (2021-2025)," improving capital efficiency has been as important a theme as pursuing growth investment. An initiative symbolizing this was the acquisition of treasury stock held by the parent company in 2024. At the time, the parent company's voting rights ratio had risen to approximately 58%, while the ratio of outstanding shares had fallen to approximately 37%. We also recognized that the growing balance of short-term loans receivable to the parent company required greater transaction transparency, given the parent-subsidiary listing relationship. Beyond these issues, making better use of our ample cash and optimizing our equity base to improve ROE were also important priorities.

Against this backdrop, we proposed acquiring our shares held by the parent company. We executed a tender offer for approximately 20 million of treasury stock at a scale of around ¥81.9 billion*, then promptly cancelled the shares acquired. This series of transactions improved the ratio of outstanding shares from approximately 37% to 45%, and reduced the parent company's voting rights ratio to approximately 51%. Short-term loans receivable to our parent company, which had reached as much as ¥180.0 billion at their peak, were also fully eliminated through our acquisition of treasury stock and M&A activity. Furthermore, we raised our ROE from the 6% range before the start of our Long-Term Management Objectives to above 10% in 2025. This acquisition of treasury stock was an exceptionally important decision in that it resolved multiple capital policy challenges at once, and it stands as one of the initiatives I pursued most tenaciously over the past five years.

* Canceled 20,000,000 shares of the acquired treasury stock (¥78.4 billion)

Share Price Has Room for Further Upside

We also worked actively to reduce our cross-shareholdings. At the end of 2021, we held cross-shareholdings in 35 listed companies. By the end of 2025, we had reduced that number to nine.

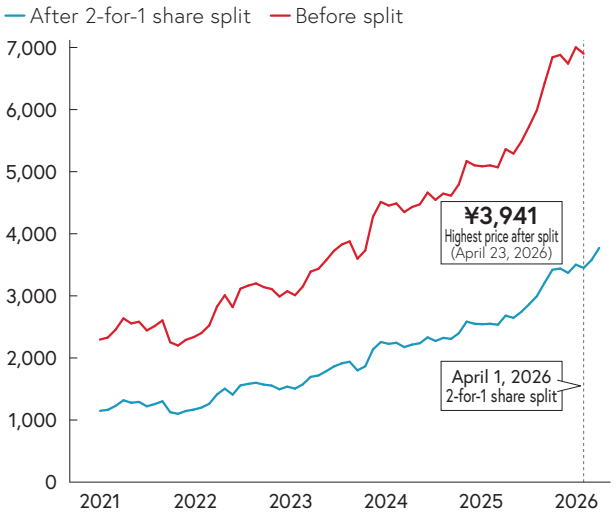
Throughout this process, we proposed, where appropriate, that counterparties sell their holdings of our shares back to us as treasury stock rather than disposing of them in the market. Acquisition of treasury stock arising from these efforts totaled approximately ¥5.0 billion over this period. We also carried out ¥10.0 billion in acquisition of treasury stock between October and December 2025, and announced a further ¥30.0 billion acquisition of treasury stock in January 2026. We view these measures not merely as shareholder returns, but as initiatives to improve capital efficiency and drive ROE higher.

Over the past five years, our share price has roughly tripled, reaching an all-time high since listing. We believe the market has recognized our progress to some degree, but personally, I see room for further upside. That is precisely why we are signaling to the market — through acquisition of treasury stock and similar measures — that our shares remain undervalued.

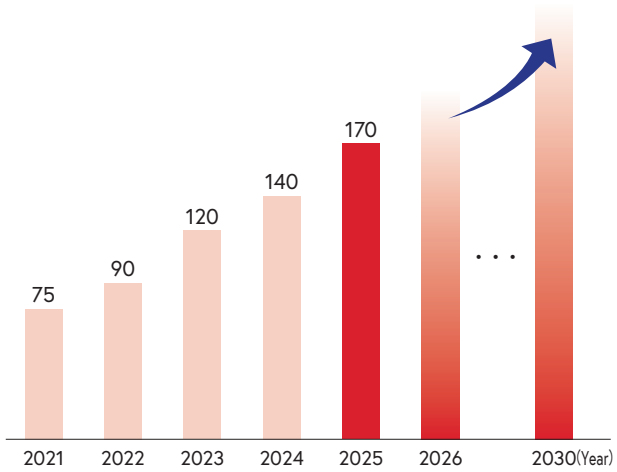
Our shares had been trading at an investment unit above ¥500,000, so in April 2026 we executed a 2-for-1 share split in order to lower the investment unit, make our shares more accessible to investors, and improve liquidity by increasing the number of shares outstanding.

We are often perceived as simply a trading company that handles Canon products, but our business is more than that. While Canon products remain our core, we combine them with IT solutions as added value, and our business domain has expanded significantly. On top of that, what sets our solutions apart from those of large system integrators is that we deliver them in close partnership with our customers. Communicating this reality more accurately is an important priority for our IR efforts going forward. A deeper understanding of the Group among investors could, we believe, lower our cost of capital, with room for our share price to be recognized further.

Canon MJ's Stock Price Range (Yen)



Canon MJ's Dividend Range (Yen)



Financial Strategy

Cash Allocation toward Achieving 12% ROE

Achieving the 12% ROE that we have set as our 2030 management indicator under our Long-Term Management Objectives (2026-2030) requires both maximizing net income through steady business expansion and growth investment, and controlling capital through an appropriate financial strategy. Improving capital efficiency and pursuing growth investment are the scenarios by which we aim to achieve sustainable growth.

The foundation for achieving that sustainable growth is the Group's core strength, which is our ability to generate stable cash flows. For the next five years, we have set a clear cash allocation policy of generating ¥300.0 billion in operating cash flow and directing it toward growth investment and shareholder returns. In our Long-Term Management Objectives, we have communicated more strongly than ever that we will not hoard the cash we earn.

We have made clear our intention to generate ¥300.0 billion in operating cash flow over five years, averaging roughly ¥60.0 billion per year, and to allocate ¥200.0 billion of that to growth investment and ¥100.0 billion to dividends.

Acquisition of treasury stock will be carried out flexibly and separately from the ¥100.0 billion allocated to dividends. Dividends remain the foundation of our shareholder returns policy. We regard acquisition of treasury stock as an investment in ourselves to improve capital efficiency.

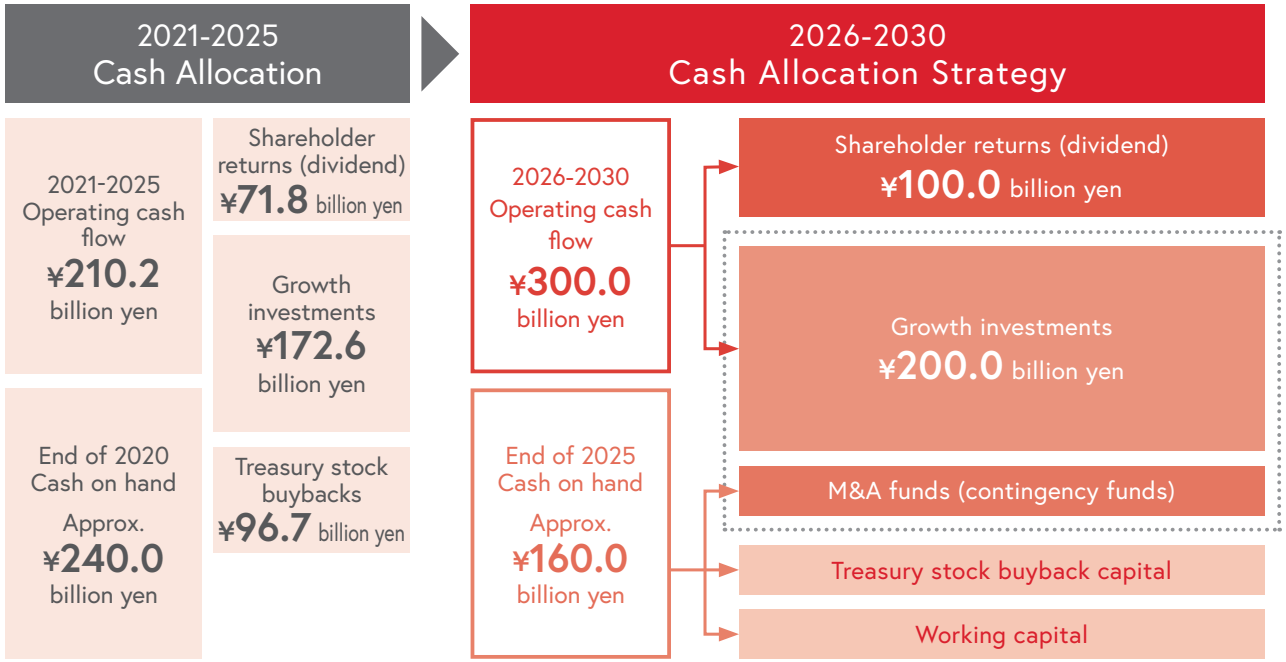
We still hold approximately ¥160.0 billion in cash on hand. We will deploy these funds flexibly across growth investment, acquisition of treasury stock, and other financial strategy initiatives to improve capital efficiency and enhance corporate value.

Our growth investment priority is further expanding the IT solutions business. We intend to actively pursue investment in developing service-type businesses as a separate track from M&A.

At the same time, we place great importance on investment discipline. For M&A, we carefully assess whether the acquisition price would place undue strain on our financial statements, and we apply rigorous judgment on whether a target can reliably generate synergies. In our investment decisions, we focus on cash flow rather than profit, and we assess whether the net present value (NPV) of that cash flow, discounted at our cost of capital, exceeds the investment amount. This way of thinking has become deeply embedded across the organization over the past five years.



Backed by our robust ability to generate cash, the cash earned from business operations will be allocated toward growth investments and shareholder returns



Financial Strategy

Also Focused on Developing Skilled Personnel Who Can Drive Our Investment Strategy

Investments in human resources are also important to support our growth strategy. To develop our skilled personnel, we are running a certification system for highly skilled IT personnel and a selective training program for candidates who are expected to take on future leadership roles, but my own focus is on developing "investment strategy personnel." We need skilled personnel who can envision the future of our businesses, identify the missing pieces needed to realize that vision, determine where to invest, and carry decisions through to execution. Deploying the ¥200.0 billion in growth investment is not in itself the goal. We want to place many such skilled personnel across each of our businesses — people who can link business strategy to investment decisions, thinking along the lines of "this is the business we want to build in the future, this is the domain we are missing, so this is where we should invest."

We believe that developing skilled personnel with that instinct and judgment — through hands-on M&A and post-merger integration (PMI) work, engagement with start-ups through CVC, and open innovation activities — is the foundation that will support the Group's sustainable growth.

Stable Ability to Generate Cash is the Strength of Our Financial Base

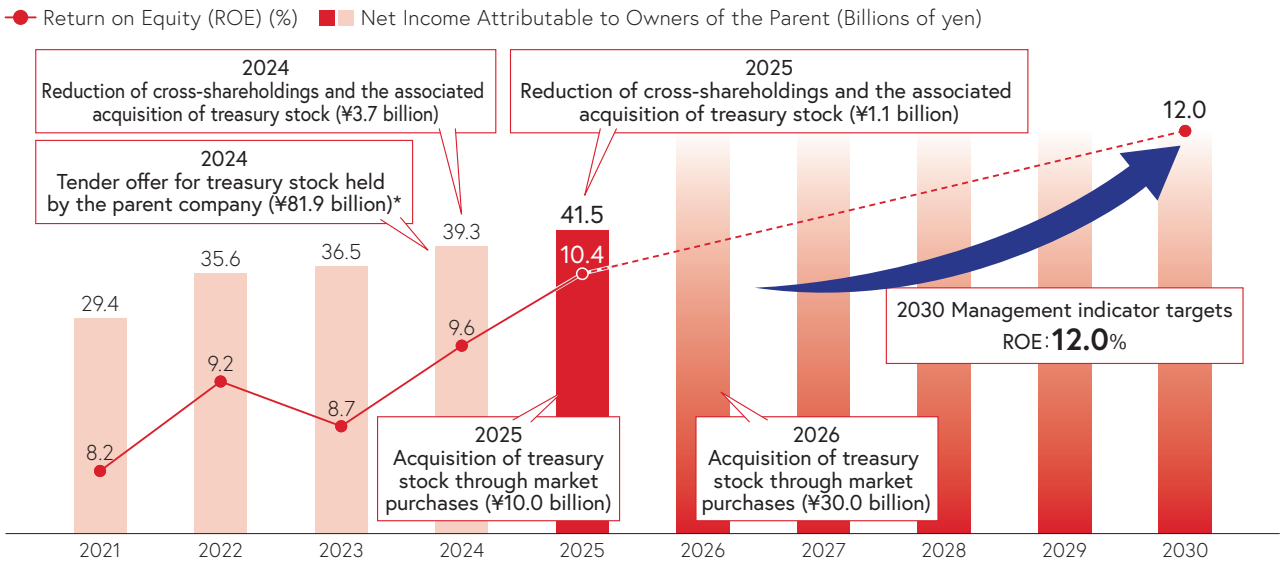
The greatest strength of the Group's financial base lies in stable cash generation. Our strong financial position gives us ample resources to support flexible acquisition of treasury stock and growth investment. At the same time, our challenges are clear. The Canon products business is not a business that grows steadily upward without interruption. We therefore believe we need to expand the recurring business in the IT solutions area, including maintenance, operations, and outsourcing, so that both our "Canon stock" and "IT stock" engines support the Company. In the Canon products business as well, rather than forcing top-line growth, it is important to improve profitability through productivity gains and cross-selling. This will also lead to higher ROE.

Our basic approach to the balance sheet is to convert cash we earn into revenue-generating business assets, rather than simply holding it. We want to build a balance sheet where the seeds of future revenue and profit accumulate steadily — not as cash in current assets, but as non-current assets, intangible assets, and where appropriate, goodwill. We currently operate debt-free, but we would not rule out using debt financing if a significant growth opportunity arose and our available cash alone could not fully fund it. We will not hesitate to act when doing so is necessary to avoid missing an opportunity.

Toward a Structure Where Growth Investment Continues to Circulate

What I prioritize above all else is building a framework for the Group's sustained growth. Over the past five years, we have made meaningful progress in strengthening our earnings power, executing our financial strategy, and enhancing corporate value. We see the next five years as a period of preparation for an even greater leap forward beyond that. We need to build a foundation that allows the Group to keep evolving 10 and 20 years from now. That means advancing growth investment to develop our businesses, and developing investment strategy personnel capable of thinking through and executing that work independently. We will direct the cash we have accumulated into growth investment, generate new cash from those investments, and sustain that cycle going forward. I see it as my responsibility to make this virtuous cycle a reality.

ROE Trends and the Relationship between Net Income and Financial Strategy



* Canceled 20,000,000 shares of the acquired treasury stock (¥78.4 billion)

Human Resources Strategy

When people change, the company changes. Building on five years of accelerating transformation, we are forging our next growth strategy



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

In our Long-Term Management Objectives (2021-2025), an accelerated human resources strategy created a virtuous cycle that drove us to record profits. Looking ahead, we urgently need structural transformation to speed up productivity improvement further as we anticipate a declining workforce. In our Long-Term Management Objectives (2026-2030), we aim to achieve sustainable growth by evolving into an organization where diverse human resources continuously create high-value outcomes — anchored in "SHIN Lifetime Employment " (SHIN means both "New" and "True" in Japanese), a new concept that synchronizes individual and organizational growth.

Our Human Resources Strategy Drove Record Profits

The greatest achievement of our human resources strategy under the Long-Term Management Objectives (2021-2025) was creating an "engagement improvement cycle" that aligned our business and human resources strategies at an unprecedented pace. This strong alignment drove five consecutive fiscal years of revenue and profit growth.

Looking back over these five years, the single factor that drove a virtuous cycle in our management was, in a word, speed. Our frontline employees had long understood the need for change, but the speed with which we translated that understanding into action had been a challenge. The dramatic increase in our execution speed over the past several years drove the major transformation and results we have achieved.

A prime example is how we responded during the COVID-19 pandemic. Resolved to "turn crisis into opportunity," we rapidly promoted remote work and workstyle reforms. Changes that would ordinarily have taken years to embed became standard practice in a short period. As a result, overtime hours fell sharply. To this day, our offices go dark at 8 p.m. What matters here is not simply cutting costs, but a shift in mindset toward asking how we can create added value within a limited timeframe. This dramatic shift in how we think about time laid the groundwork for the next step, transforming our business structure.

Building on that groundwork, we turned to transforming the people who drive our strategy. As we aim to shift toward the IT solutions business and to transform our business portfolio, we cannot succeed without change at the operational level. What mattered most over these five years was not so much acquiring external personnel, but as to how much our existing employees were able to change. M&A and specialist personnel are effective near-term measures, but they alone cannot address underlying challenges. The real significance lies in each employee independently changing how they work and how they create value.

Listening to employee presentations during last year's employee commendation system reviews convinced me that this transformation is real. The presentations have shifted markedly — from "how many devices did we sell" to "what value did we deliver to customers, with what story." The quality and perspective of the proposals had also improved. It was a moment that convinced me that the development of skilled personnel is genuinely driving business growth.

The Human Resources Strategy Committee has been the driving force behind this transformation. The president, directors, and business managers have met every two months without fail to discuss human resources issues directly as a top management priority. This forum has kept discussions from remaining abstract and enabled us to act swiftly on concrete measures such as reskilling of all employees. As a result, more than 1,400 professional personnel have been developed through programs such as the DX certification system, and we have built a solid foundation to support our next phase of growth.

A Sudden Workforce Shortage Arising from the Company-specific Age Composition

On the other hand, there are issues that have been left unresolved over the past five years. On top of the structural challenge of a declining working-age population across Japan, we face a company-specific issue of a skewed age distribution in our workforce. We have a large number of employees approaching retirement age, while the ranks of employees in their late thirties to early forties are thin — a result of hiring restraints during the global financial crisis and its aftermath. In short, we expect that by around 2030 a genuine management challenge will emerge. A large wave of experienced employees will leave the front line, with too few mid-career professionals to fill the core roles they leave behind.

Since a decline in headcount is unavoidable, we must change how we work, starting now. When speed becomes the key to raising productivity in that

Human Resources Strategy

environment, we recognize that we are not yet where we need to be. I have long urged our people to think as if we need to run the business with half the headcount. The goal is not to do the work of 10 people with nine or eight. We need to redesign our processes from the ground up so that we can handle them with half the headcount.

The key to achieving this is increasing the number of tasks we can avoid doing. We will delegate to IT what can be digitalized, entrust to outside parties what can be outsourced, and fundamentally overhaul our business processes themselves. Relying solely on the effort of workers on the front line has its limits. We believe that acting before those limits are reached is our greatest challenge for the next five years.

SHIN Lifetime Employment : A Cycle of Resonance and Growth beyond the One-size-fits-all Model

At the heart of our human capital enhancement for the Long-Term Management Objectives (2026-2030) lies an enduring belief that acquiring and retaining human resources is the lifeblood of our business. Our answer to this question is the concept of SHIN Lifetime Employment.

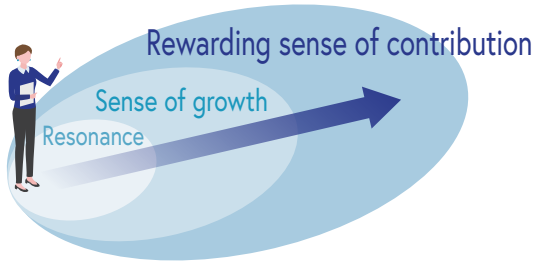
Every employee who joins the Company has chosen to do so because something here — our business, our people, or our culture resonates with them. We want each employee to build on that important sense of resonance as their starting point, accumulating a sense of growth and contribution through their day-to-day work. Rather than the old model of lifetime employment, in which the Company unilaterally guaranteed job security, we want employees to feel that working here is genuinely meaningful to their lives, and to stay with us as a result. I define this as "SHIN Lifetime Employment," meaning lifetime employment that emerges as a result. This applies not only to new graduates, but equally to professionals who join us through mid-career recruitment. We have a responsibility to provide the opportunities and structures that enable them to keep taking on new challenges.

As part of that effort, we are fundamentally strengthening our mechanisms for internal mobility. In addition to "JOBS (Job Opening Bulletin System)," our in-house recruiting program through which employees volunteer for roles, we operate an "FA (Free Agent) system" that 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 be transferred to a division when a suitable position is found for them. Last year, we also launched new initiatives to promote cross-divisional transfers. Keeping human resources fluid and placing people where they fit best does more than prevent organizational stagnation. It is essential to maximize each individual's drive to take on new challenges.

This alignment of individual ambition with opportunity applies not only to existing employees, but also to professional personnel joining from outside and to colleagues who have become part of our team through M&A. They join us because they share our vision for transformation and seek the best stage on which to apply their expertise. In launching new businesses, personnel with outstanding expertise from different fields apply their capabilities to the full, dramatically accelerating the pace of commercialization. Connecting this "professional passion" — from inside and outside the Company alike — swiftly to the right strategic opportunities is what will drive our next phase of growth.

シン・終身雇用

We want to be a company where our organization resonates with every employee, they experience personal growth and a sense of contribution, and want to continue building their career with the Canon MJ Group



Development of Engagement Improvement Cycle The "Power of People" Driving ITS toward ¥500.0 billion

Only when individual passion aligns with opportunities for challenge does our "engagement improvement cycle," which is the engine of our growth, begins turning at a higher level.

The key to accelerating this cycle is synchronizing the Company's growth with the growth of each individual. I have consistently communicated that the company will give its full support to any individual growth that contributes to the company's growth. We concentrate investments in human resources on areas where our strategic direction and individuals' growth and contribution align. This is our fundamental stance. At the same time, our organizational culture places strong emphasis on fostering psychological safety. We encourage open, flat dialogue between managers and their teams, welcoming diverse perspectives. Once a decision is made, everyone commits to it fully. Only with a culture that eliminates the kind of stagnation in which people quietly resist a decision once it has been made and that moves everyone forward together can individual growth translate into collective momentum.

In the years ahead, the source of value will shift entirely from products themselves to people. In the era when we sold devices, the products themselves held the value. Today, however, we provide solutions, and the knowledge provided by people, reasoning, and the trust our people earn from customers are the foundation of our business. That is precisely why we must in-

Human Resources Strategy

vest in our people as a company and raise each individual's market value.

Growing our IT solutions business to approximately ¥500.0 billion by 2030 will require more than superior technology alone. We need highly skilled personnel who can translate that technology into customer value, articulate it clearly, and guide clients through to implementation. In last year's employee recognition program, many of our people presented compelling stories about providing value to customers, rather than simply reporting sales results. Accelerating this skilled personnel development further, and connecting individual growth directly to business growth will be important. This is the heart of our human resources strategy and the most critical theme shaping our future.

Uniting Diverse Human Resources to Forge the Future through Collective Strength

Our greatest human capital strength is the ability to assess reality with clear eyes and adapt flexibly to environmental change. Underpinning that ability is a culture of genuine diligence. In fact, actual assessment results for our managers confirm this: scores for "drive toward accomplishing tasks" and "planning and management capability" stand out as markedly higher than at peer companies. This reflects an exceptionally strong collective strength in uniting behind defined targets and driving toward them. At the same time, this very diligence is the flip side of issues such as a psychological difficulty in eliminating existing work, and the fact that capabilities tied to innovation such as "problem identification" and "issue generation" are relatively low.

I think that human resources strategies are ongoing endeavors. Sustaining long-term growth requires a company to keep transforming itself in step with changing times and evolving business strategies. Developing the people who drive that transformation is a never-ending endeavor. The era of blind faith in a single business model is over. We now need to attract diverse human resources from inside and outside the company such as human resources suited to our IT solutions business, new ventures, and other emerging pillars, and bring them together.

The organization we aspire to build does not rely on exceptional individuals. Instead, it maximizes collective strength — a structure where each person brings distinct strengths and expertise, and managers effectively unite those contributions toward a shared direction. We will continue to embrace change and pursue challenges as we aim to build a company where externally recruited specialists and our core internal human resources exchange candid views across their differences and keep searching for better ways forward.

Continuously Developing the True Professionals Chosen by Our Customers

In the years ahead, it will be essential for each of our employees to keep sharpening their individual value through the power of people and technologies. Unlike the device-centric era of the past, today's environment demands IT solutions and the resolution of social issues. What matters now is not a person's title or position, but the value they can deliver to customers.

When delivering intangible solutions, the personnel who can earn customers' trust and confidence with the sense that "this person can solve our problem" are the Company's true source of value. Over the past five years, we have steadily developed personnel who can take on our customers' complex operations end-to-end and deliver high added value.

We will continue to invest in developing these personnel without any compromise. We aim to build a team of true professionals who can persuade customers through technical knowledge and logical reasoning, rather than relying on willpower or grit. We are confident that this will further elevate us on the path toward 2030.

The Relationship between the Company and its Employees under SHIN Lifetime Employment



Company and employees as equal partners
(Fair evaluation based on merit)

A sense of unity through mutual connection

The engagement we aim for is a
relationship of mutual trust
between the company and its employees.

Review of the Long-Term Management Objectives

Long-Term Management Objectives (2021-2025)

The Long-Term Management Objectives (2021-2025), which began in the drastically changing business environment of the COVID-19 pandemic, was built on our success in transforming our corporate structure into a robust one over the five-year period between 2016 and 2020. As a result, we achieved five consecutive fiscal years of revenue and profit growth.

2025 Vision/Basic Policies/Management Indicators (as of 2021)

2025 Vision	Professional corporate group that solves social and customer issues using ICT and the power of humans	Basic policies	1. Corporate value sustainably increased by solving social issues through business 2. Become a highly profitable corporate group ▶ Transform businesses that regard the IT solutions business as a core of growth ▶ Reinforce the operating structure to one tailored to different customer segments using the customer base ▶ Enhance the added value of the Canon products business and increased the profitability 3. Create a virtuous cycle through the strengthening of management capital ▶ Accelerate business growth through skilled personnel development and engagement improvement ▶ Accelerate business growth through strategic business investments
2025 Management indicators	Operating income ¥50.0 billion Net sales ¥650.0 billion of which, ITS sales ¥300.0 billion ROE 8.0%		

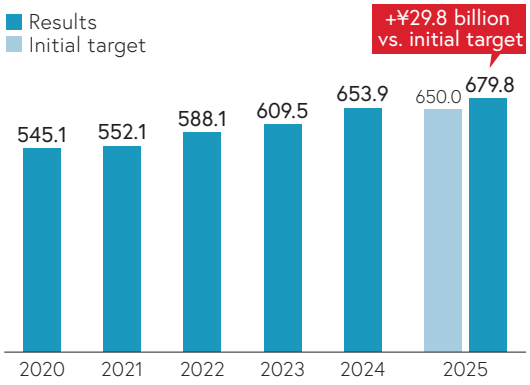
Despite a shortage in the supply of products caused by the semiconductor shortage, and the rising cost of procurement, we were able to further accelerate the improvements we had already been making to our IT solutions business. In the Canon products business, we also enhanced our business process transformation proposals, and we balanced customer satisfaction and productivity improvement in maintenance services, heightening our earnings power.

Furthermore, we strengthened our stable source of revenue by increasing recurring business in both the IT solutions business and the Canon products business. Even after the end of the COVID-19 pandemic, our IT solutions business has steadily grown, accounting for over 50% of our total net sales in 2025. Our maintenance and operation services/outsourcing has grown even more than we had planned, which is helping raise our profitability.

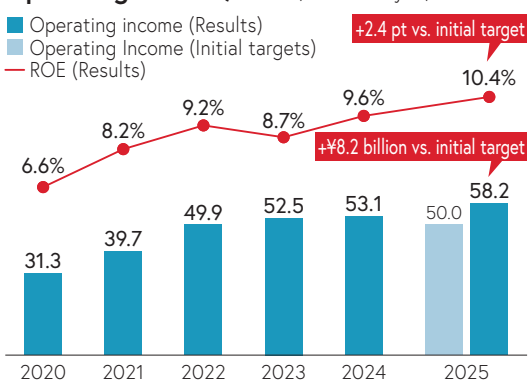
To accelerate this business growth, we have actively allocated funds to growth investment, carried out M&As, and provided financing. Furthermore, with respect to finances, we have acquired treasury stock several times since 2024 in order to improve our capital efficiency and have worked to eliminate short-term loans receivable to the parent company.

In this way, during the Long-Term Management Objectives (2021-2025) period, the preparatory steps taken under the Long-Term Management Objectives starting in 2016 began producing results, and we also responded to changes in the business environment while steadily and actively investing in growth. These efforts together led to profitable growth. As a result, we achieved our five consecutive fiscal year of revenue and profit growth, starting in fiscal 2020, with net sales of ¥679.8 billion and operating income of ¥58.2 billion in fiscal 2025. We also reached our ITS sales target of ¥300.0 billion one year ahead of schedule, and in fiscal 2025 we increased net sales to ¥343.4 billion. Our ROE greatly surpassed our target of 8.0%, reaching 10.4% in 2025.

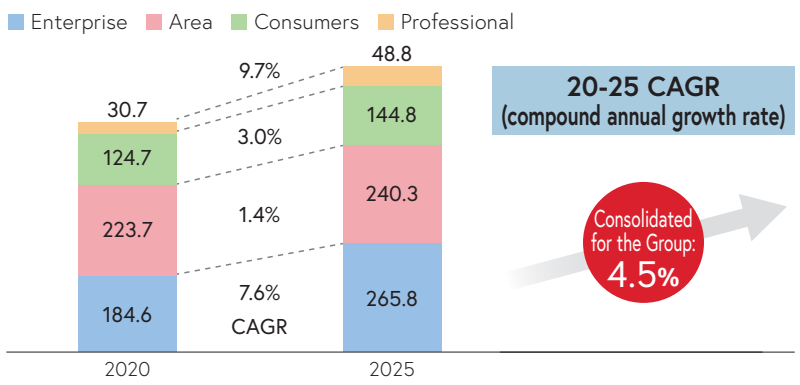
Net Sales (Billions of yen)



Operating Income/ROE (Billions of yen)



Net Sales by Customer Segment (Billions of yen)



Review of the Long-Term Management Objectives

IT Solutions Business

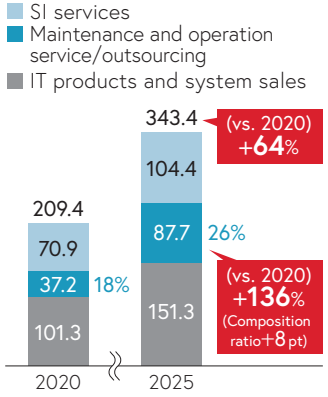
In the Long-Term Management Objectives (2021-2025), the Group formulated and implemented a strategy tailored to different customer segments to expand our service-type business. While there is some deviation depending on the KPI compared to 2020, we have made significant increases for all KPIs. Furthermore, in the highly profitable maintenance and operation services/outsourcing business, a segment in which we have been focusing our efforts, we have achieved major growth. Net sales increased 136% compared to 2020, and the composition ratio has also steadily risen by 8 points.

Due in part to these results, total net sales in the IT solutions business surpassed our target of ¥300.0 billion, reaching ¥343.4 billion in fiscal 2025, up 64% from 2020.

ITS business for different customer groups KPI performance

	2020	2025	Review
Edge solutions	¥18.0 billion	¥39.0 billion	• By steadily achieving growth—including the transformation into a service-type business—we have been able to lay the groundwork for the future.
Security	¥28.0 billion	¥46.5 billion	• As cyberattacks have become increasingly sophisticated and complex, security risks have grown accordingly. This has driven strong demand for services such as cloud security, resulting in robust performance and an expansion of our business scale.
ITO/BPO	¥13.5 billion	¥46.8 billion	• High value-added services centered on the 'SOLTAGE' brand continued to perform steadily. • BPO has evolved—through M&A—into a business capable of becoming a core of the IT solutions business.
HOME/IT maintenance and operation contracts	110,000 contracts	240,000 contracts	• Makasete IT DX series, etc. contributed to solving issues for SME customers • Steadily increased the number of contracts and achieved the KPIs.

Net Sales



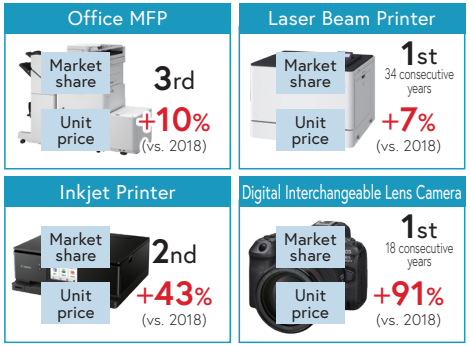
Canon Products Business

In the Canon products business, we have worked to further raise the amount of added value we offer and achieve a high level of profitability. Although procurement costs rose during the COVID-19 pandemic, we were able to increase the price per unit by reinforcing our proposals that combine IT solutions, tailored to the business types and operations of customers.

For maintenance services, as well, we have dedicated efforts to balance customer satisfaction and productivity improvement of our technical personnel. Through these efforts, we have minimized the decline in sales in the face of a contracting overall market, increased profitability, and expanded profits.

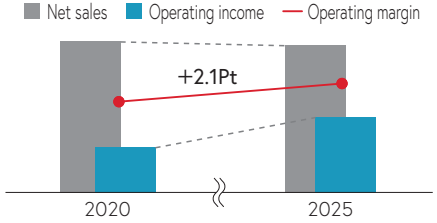
Market Share of Main Canon Products and Unit Price

*Source: Canon MJ market research



Measures to Improve Profitability

- Make combined suggestions together with the IT solutions business
- Strengthen proposal skills for core operations of each industry and operation
- Balance of customer satisfaction and productivity improvement in maintenance services
- Execute One-to-one marketing



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. 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. Furthermore, we established the Canon Marketing Japan MIRAI Fund, and are strengthening efforts to broadly explore future technologies and expand our pipeline from a medium- to long-term perspective.

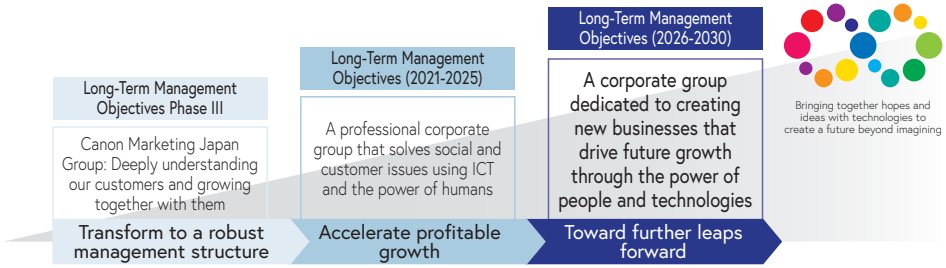
Canon Marketing Japan
MIRAI Fund

Name: Canon Marketing Japan MIRAI Fund L.P.
(Registered name: Canon Marketing Japan Future Investment Limited Liability Partnership)
Fund term: 10 years from January 29, 2024 (planned)
Investment targets: Domestic and overseas startups at all stages, with a focus on the early and middle
Fund size: ¥10.0 billion (planned)
Operator: Global Brain Corporation

Long-Term Management Objectives (2026-2030)

Positioning of the Long-Term Management Objectives (2026-2030)

During the Long-Term Management Objectives Phase III (2016-2020), we engaged in business selection and concentration and transformed our operating structure to one tailored to different customer segments. Through this, we created a robust corporate structure. Under the Long-Term Management Objectives (2021-2025), we engaged in strategic investment and consistently practiced management with a focus on capital efficiency, accelerating our profitable growth. Now, over the five years of the Long-Term Management Objectives (2026-2030) period, we will use the foundation established over the past decade to achieve even further success.



Business Portfolio Stance

With respect to IT solutions business, we will balance growth and profitability improvements, and expand this core business. We will also continue to produce non-linear growth through M&As.

In the Canon products business, we will strive to increase our profitability without lowering sales. In addition, we will promote cross-selling with our IT solutions business and thoroughly improve productivity.

In the specialist field, we will focus on expanding our industrial equipment business. We will also continue our exploration of new business creation.



*The size of the circle represents the scale of the business

2030 Vision

Guided by the positioning of these Long-Term Management Objectives, we have formulated the following 2030 Vision: to be "a corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies."

2030 Vision

A corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies

Basic policies

1 Corporate value sustainably increased by solving social issues through business

2 Become a highly profitable corporate group centered on the growth of service-type businesses

- Further develop and deepen our robust customer base
- Expand service-type businesses centered on ICT
- Deliver new value through the integration of IT solutions and the Canon products business
- Establish new pillar businesses and strengthen core businesses by enhancing investment capabilities

3 Create a virtuous cycle through the strengthening of management capital

- Acquire and retain highly skilled talent aligned with the business portfolio
- Enhance engagement for mutual growth between the Company and employees
- Improve productivity through business process transformation and IT infrastructure enhancement
- Promote growth strategies through strategic cash allocation

2030 Management Target

We are aiming for net sales of ¥850.0 billion, operating income of ¥75.0 billion, and an ROE of 12%. With regard to growth investment, we plan to invest ¥200.0 billion over the course of five years. We also plan to issue ¥100.0 billion in shareholder dividends.

We have set our 2028 target values to achieve the management indicators outlined in 2030 Vision ahead of schedule.

	2025 Results	2028 Forecast	2030 Management Indicators
Net sales	¥679.8 billion	¥750.0 billion	¥850.0 billion
Operating income	¥58.2 billion	¥66.0 billion	¥75.0 billion
ITS sales	¥343.4 billion	¥400.0 billion	¥500.0 billion
Of which, Service/Outsourcing sales	¥101.3 billion	¥140.0 billion	¥200.0 billion
Growth Investment (cumulative over 5 years)	¥172.6 billion	¥200.0 billion	
Shareholder returns (dividend/cumulative over 5 years)	¥71.8 billion	¥100.0 billion	

Medium-Term Management Plan (2026-2028)

IT solutions business

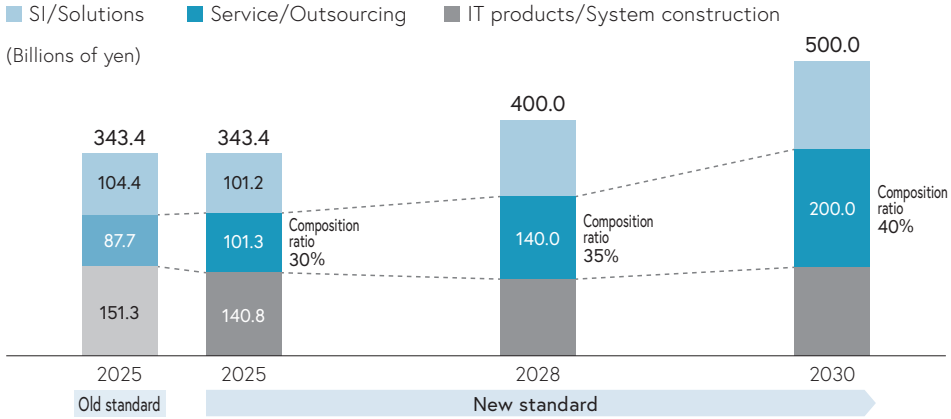
We aim for net sales of ¥400.0 billion in 2028 and of ¥500.0 billion in 2030 for IT solutions business. Within the IT solutions business, we are aiming for service/outsourcing sales of ¥200.0 billion in 2030, which will be equivalent to 40% of our total net sales. To reach that, we are aiming for a net sales composition of 35% and net sales of ¥140.0 billion in 2028. By expanding service-type businesses, we will grow the most profitable service/outsourcing business.

Furthermore, in expanding our service/outsourcing business, we have decided to focus on the fields of value creation integration, business process services, full support for SMEs, and total security.

We will actively execute growth investments, primarily in these focus fields, grow our IT solutions business as a whole, and improve profitability.

AI initiatives will be essential for growing our IT solutions business. We are already using it to improve the efficiency of our internal operations and our development work, along with deploying it in our services. Going forward, it will be vital to make even greater use of generative AI. We will create even more unique services by leveraging it not only within the Company but also in concert with the know-how that are built up and our Group's assets, and through co-creation with customers.

Target value (Net sales)



*Category definitions revised from the Long-Term Management Objectives (2026-2030)

Canon Products Business



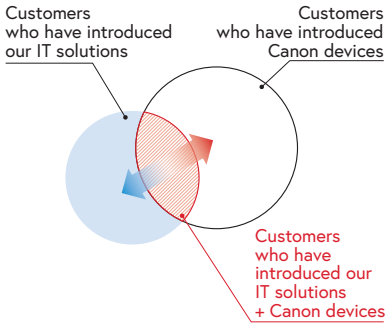
The Canon products business market is a mature one, but there will continue to be customers who need it. For these customers, we will issue accurate and appropriate proposals that reflect current trends and meet customer needs. By doing so, we will aim to increase the value we provide and our profitability while maintaining sales.

In our marketing, we will use data-driven, strategic decision-making and optimize our sales system to improve productivity.

B2B Business Initiatives

Through cross-selling with the IT solutions business and integrated solution proposals, we will increase added value and balance customer satisfaction and productivity improvement in maintenance services. In the printing business, the document printing volume of the market as a whole has been trending downward since the COVID-19 pandemic, but there are still business types and business operations that we anticipate will grow. By understanding our customers at a deep level, we will issue proposals that accurately meet their needs, maintaining sales and increasing the value we provide.

Cross-selling with IT solutions business



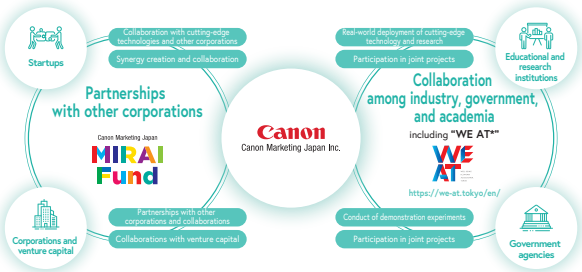
B2C Business Initiatives

The number of registered users of Canon ID, which was overhauled in 2024, is steadily rising. Based on registered Canon ID information that links accounts with information on owned products, we will strive to improve the customer experience and LTV through one-to-one marketing aligned with customer preferences and interests (see page 62).

In the camera business, we will focus on customers with a medium-to-strong interest in cameras, directing them to create Canon IDs and expanding our appealing services aligned with product lifecycles. In the inkjet printer business, we will use approaches such as the Print *Mairu* Service, a mileage program for members, to increase user premiums. In these ways, we will promote fan marketing so that users will maintain strong, long-term relationships with Canon products.

R&B Initiatives

The two broad visions of Research & Business Development (R&B) are (1) Well Being (from people's perspective) and (2) Business Transformation (from the industry's perspective). With these visions, R&B backcasts from its vision for the future to work on new businesses originating from social issues. In addition to coordination with startups and corporations, we are also collaborating among industry, government, and academia, such as administrative organizations, universities, and research institutions, to bring together diverse wisdom and technologies, and we are taking on challenges in new areas that are not bound by existing frameworks through worldwide open innovation. By the end of 2025, our CVC had invested in 14 startup companies, and we have started to see concrete examples of collaborations that on the path to commercialization.



* WE AT: A general incorporated association established in May 2024 by the University of Tokyo, Tokyo Medical and Dental University, Kyoto University, UTokyo Innovation Platform Co., Ltd., Hakuhodo Inc., Sumitomo Life Insurance Company, and Canon MJ. WE AT's goal is to build a global startup ecosystem that creates innovation aimed at solving social issues. The WE AT logo embodies WE AT's initiatives, and a trademark application has been submitted for it by the University of Tokyo (trademark application No. 2023-111782).



People's Perspective

Well Being

Life Purpose	Creation of services through which everyone can feel healthy and full of energy and motivation by enriching them spiritually
Human Potential Enlargement	Enlargement of the different skills people have to create a society in which everyone can pursue lifestyles that suit them
Work-in-Life	Elimination of spatial and temporal restrictions to create "work in life" that everyone can enjoy



Industry's Perspective

Business Transformation

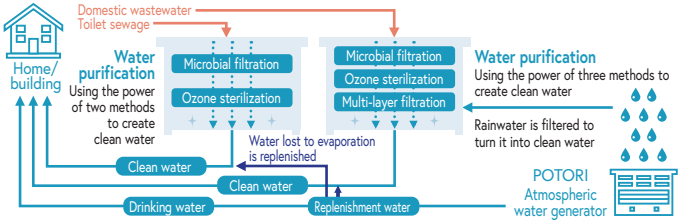
Emerging Industries	Use of revolutionary technologies to create new industries that solve social issues
Business Revitalization	Use of co-creation to disrupt existing industrial structures and creation of new competitive power
Regional Regeneration	Visualization and re-affirmation of regional values and creation of regional businesses

Specific areas we are active in include healthcare, resilience, and fairness (DE&I). They are primarily fields in which there are high expectations for solving social issues while achieving commercial viability. In each field, R&B initiatives are carried out in stages, from developing hypotheses to verifying value through PoCs and PoBs and making decisions on commercialization. We practice speedy business development predicated on creating a high number of projects with the understanding that most will not advance to commercialization.

Also, we actively bring in knowledge and techniques from inside and outside the Group through open innovation that includes CVC and other investment activities, and collaboration among industry, government, and academia. As we do this, we deepen our business frameworks and we dedicate ourselves to developing innovation-minded human resources and fostering an organizational culture that promotes taking on new challenges. By reinforcing our business portfolio from a medium- and long-term perspective, R&B will contribute to the sustainable improvement of our corporate value.

We have collaborated with FREE Co., Ltd. in conducting a proof of concept for a water circulation solution that centered on an atmospheric water generator which extracts moisture from the air to produce household water. The project was carried out in a house in Toki City, Gifu Prefecture, and verified the water generation performance, water quality, energy savings, and operational effectiveness of the system. It confirmed the practical utility of the system as part of a distributed water infrastructure that can be used in both emergency and non-emergency situations. The project gained social recognition and was presented with the Grand Prize at the Japan Resilience Award.

ジャパン レジリエンス アワード 2026



We are participating as a founder of WE AT, an ecosystem of collaboration among industry, government, and academia that aims to solve social issues in the field of Well Being. Led by a framework of coordination between startups, universities, governments, and corporations, we collaborate with promising startups through pitch contests and collaborative business co-creation, exploring new businesses in the Well Being field and accelerating their real-world implementation.





The R&B Promotion Headquarters has acquired the BSI KitemarkTM certification based on ISO56001, the global standard for innovation management systems. It has been recognized as engaging in innovation management that meets global standards based on its integrated promotion system, which encompasses everything from the conceptualization of projects based on social issues to their verification and commercialization, and for its mechanisms for systematically taking on new challenges and learning. By receiving this certification, we aim to accelerate reproducible new business creation and open innovation.



Comment from R&B Promotion Headquarters manager

Receiving the ISO56001 certification is the first step in our evolution into an organization that continually creates innovation. We see this certification as a framework for establishing the mentality and habits that are essential for ongoing change. Based on the findings we gather through these processes, we will continue tackling social issues and take on the challenges of creating new value.

Naoya Ishida, Group Executive of R&B Promotion Headquarters (left) and Zhenyu Mao, PC Commercial Director, Asia Pac Regulatory Services, BSI (right)

Special Feature 01 Dialogue with Investors

The Long-Term Management Objectives (2021-2025), which delivered strong results, have now concluded, and the new Long-Term Management Objectives (2026-2030) have begun. As the Group makes a significant shift in its strategy to focus on the IT solutions business, how do investors evaluate the Group? We invited Mr. Yuta Sakurai of Nomura Asset Management Co., Ltd., and Hatsumi Hirukawa, our director in charge of IR, asked him about the Group's performance from an investor's perspective and his expectations for future growth, particularly for the IT solutions business.



Director
Hatsumi Hirukawa

Nomura Asset Management Co., Ltd.
Yuta Sakurai

Senior Equity Analyst and Senior ESG Specialist, Global Research Dept. He also serves as Deputy Chair of the IT Service/ Software Sub-group of the Corporate Disclosure Study Group of the Securities Analysts Association of Japan.

Evaluation of the Long-Term Management Objectives (2021-2025) and the Group's Strengths

Hirukawa The Group has completed its Long-Term Management Objectives (2021-2025) (the "21-25 Long-Term Objectives"). In the 21-25 Long-Term Objectives, we presented growth strategies for both the Canon products business and the IT solutions business. Because the Canon products business operates in a mature market, we pursued a strategy to improve profitability. On the other hand, for the IT solutions business we recognized that IT investment aimed at improving productivity would expand amid Japan's declining birthrate and aging population, and accordingly positioned it as a growth area in which we would actively invest. However, rather than simply riding the wave of corporate IT investment, we moved away from our previous broad approach to business development and concentrated our resources on specific areas where we could provide deep value to our diverse customer base. Instead of competing head-on with large-scale mission-critical system construction projects for large corporations, we chose to leverage our strength in engaging closely with a wide range of customers, ranging from large corporations and quasi-major and upper-medium-sized enterprises to small and medium-sized enterprises. Clearly reflecting this approach in our business portfolio was a major achievement that contributed to our future. A sense of confidence is gradually being fostered in our organization as we build on each of these efforts. There is a significant difference in organizational drive and unity between a team that believes in the direction of its initiatives and focuses on steadily doing the right thing, and one that proceeds with doubt and uncertainty. We recognize that the past five years have been a period in which we were able to solidly build this organizational foundation.

Mr. Sakurai has followed the Group for many years and has maintained ongoing dialogue with us through individual meetings during the period of the21-25 Long-Term Objectives. What is your honest assessment from an investor's perspective?

Sakurai As Mr. Hirukawa just mentioned, the 21-25 Long-Term Objectives delivered strong results, including five consecutive years of revenue and profit growth, and I evaluate this very positively. Despite the extraordinary circumstances of the COVID-19 pandemic, the Group significantly improved its profit margins compared to industry peers.

I believe that management's decisive efforts in the selection and concentration of management resources led to the outperformance of the IT solutions business in terms of sales growth and a significant improvement in profitability. The experience of overcoming a difficult environment itself beyond simply achieving financial targets has become a major source of confidence for the organization. In addition to these quantitative results, I also feel that the Company has made steady progress over the past five years in strengthening its

Special Feature 01

Dialogue with Investors

management foundation, including governance. What do you see as the challenges ahead for sustainable growth?

Hirukawa Going forward, we must further improve the profitability of both business portfolios. Net sales in the IT solutions business exceeded ¥340.0 billion, accounting for 51% of total sales. Although profitability has improved, it has not yet reached the level of the Canon products business. We believe it is important to clearly define our unique strengths and deliver them quickly to the customers who can benefit most from them in order to enhance our earnings power. Generative AI is also an essential topic for our future business development. We believe that advancing the internal utilization of generative AI and, more importantly, linking it to the value creation for our external customers with a strong sense of urgency will be a key driver for our sustainable growth.

Sakurai Over the past five years, the IT services industry has seen a number of drivers that have boosted demand, such as mission-critical system renewals, standardization of local government systems, and the electrification of automobiles. I believe that Canon MJ has successfully captured these opportunities. On the other hand, to put it a little harshly, when asked what Canon MJ's strengths are as an information services company, I feel that the answer is not entirely clear in some respects. That said, there is no doubt that steadily strengthening what the Company can do and growing the areas which it has strengths in have led to strong performance, and I highly evaluate this.

Hirukawa To be honest, we recognize that there are still only a limited number of areas where we can say we are the overwhelming number one. One of the Company's characteristics is that we serve a broad customer base, ranging from large corporations and quasi-major and upper-medium-sized enterprises to small and medium-sized enterprises. While many companies focus on specific customer segments, we feel that this breadth is both a distinctive feature of the Company and one of the reasons why it can be difficult for external parties to clearly identify where our greatest strength lies. This diversified strategy, covering everything from large corporations to small and medium-sized enterprises, also serves as a risk hedge, allowing stronger areas to compensate when others are weaker. We do not intend to significantly change this strategy in the future.

Sakurai Certainly, the fact that the Company serves the full spectrum of customers is a major strength. Within that broad scope, however, the key lies in making the most of limited management resources and capabilities, identifying what the Company can do, and delivering maximum performance. In other words, the discipline of not doing what is not to be done and refraining from stepping into what should not be ventured into is what ultimately drives competitiveness. Another point I highly evaluate is the significant progress in governance. This includes resolving the issue of short-term loans to the parent company and reviewing the composition of the Board of Directors, and I believe these five years represented major progress in the direction that we investors consider desirable for management.

Hirukawa We are very pleased to receive such recognition, as strengthening governance has been a conscious effort of our management. Since 2015, the Group has been working to transform itself into a more robust management structure, and the results of these efforts have progressed faster than initially anticipated. Looking back, we recognize that we accumulated a considerable amount of funds and that internal reserves had become somewhat excessive. In light of this situation, the Board of Directors carefully considered whether to allocate these funds to shareholder returns or growth investments, and then executed accordingly. We are very grateful for the recognition we have received for the steady progress we have made while carefully coordinating with our parent company, including our approach to investments and the establishment of our corporate venture capital arm.

Highlights of the New Long-Term Management Objectives and the Current Status of Business Model Transformation

Sakurai You have now announced the new Long-Term Management Objectives (2026-2030) (the "26-30 Long-Term Objectives") and Medium-Term Management Plan. What has changed from before, and what remains the same?

Hirukawa In the 21-25 Long-Term Objectives, we positioned operating income as the top management indicator to clearly emphasize a profit-oriented approach.

In the 26-30 Long-Term Objectives, we have organized the management indicators in the following order: net sales, operating income, ROE, and IT solutions net sales. We must pursue a structure that grows revenue while also raising profitability, otherwise sound corporate growth cannot be expected. We believe that clearly highlighting this point is one of the major features of the 26-30 Long-Term Objectives. Although it may appear somewhat conservative, we have steadily built up, step by step, a discipline of doing what needs to be done and stopping what should be stopped. In addition to this, we must aggressively pursue M&A to further increase the Group's strengths going forward. We plan to generate approximately ¥300.0 billion in operating cash flow over the next five years, and we believe it is important to steadily direct these funds toward growth investments to acquire new strengths and unique capabilities.

Sakurai I see that the base of the 26-30 Long-Term Objectives is the growth of service-type businesses. Is it correct to understand that this is basically a further strengthening of existing initiatives? How do you distinguish between new initiatives and the reinforcement of existing measures?

Hirukawa We believe it is important to rapidly and significantly expand in the areas we confirmed as strengths in the latter half of the 21-25 Long-Term Objectives. For example, we expect continued growth in demand for the BPS (Business Process Services) area, the Group's focus area, and we intend to prioritize its growth. The other area is infrastructure, including IT platforms and cybersecurity, where Canon ITS has strong capabilities. Both areas are positioned to accelerate growth by reliably generating synergies with businesses we have already incorporated. Furthermore, we expect generative AI to become a major theme, particularly in the latter half of the 26-30 Long-Term Objectives.

Special Feature 01

Dialogue with Investors

Sakurai As with the 21-25 Long-Term Objectives, M&A continues to be an important keyword. I have been following Canon MJ for many years and feel that "M&A expert" is an apt description of it. You have selected companies that fit your scale, and while respecting their culture and strengths, created the appropriate chemistry. This seems to be one of Canon MJ's distinctive strengths. In fact, your past M&A activities have generally been successful, and I expect similar results going forward. I believe that the Company's positioning of M&A as part of its business-oriented growth strategy, rather than relying on hostile acquisitions, is appropriate.

Hirukawa The Group has operated its business in a wide range of industries based on the fundamental stance of understanding its customers' needs even more deeply than they do themselves. We believe the deep industry insights gained from this approach support our M&A activities. Each business manager has become increasingly capable of identifying which companies play important roles in their respective industries and which companies can best demonstrate their strengths as part of the Group. This accumulated experience forms the foundation of our current M&A strategy.

Sakurai I agree completely. In the case of Canon MJ, your consistent stance is to always consider opportunities from a business-oriented perspective, identify suitable partners, and avoid forcing relationships that do not fit. This approach makes it easier for the other party to feel a sense of alignment as well. My understanding is that you have not carried out any hostile takeovers to date.

Hirukawa That is correct. We generally ask the management teams of acquired companies to continue leading their businesses. We do not replace management teams after the acquisition or send large numbers of personnel en masse from the parent company. We respect the other party's culture and values, generate new chemistry, and work toward a better form. I believe that this approach is not something we created ourselves but rather a tradition built by our predecessors. Another important factor is our deep understanding of our customers. Lacking this, it becomes difficult to see where the Group should concentrate its strengths. While exploring technology itself is certainly important, it is equally important to strive to understand our customers' operations and management issues even better than they do. This is another strength the Group has developed over many years, and we intend to further refine it going forward.

Sakurai To slightly add to your point, rather than "cutting-edge technology," it may be more accurate to describe your strength as "technology that precisely addresses customers' management challenges."

Hirukawa I agree completely. We believe that being half a step ahead rather than one step ahead is the right positioning for the Group. Rather than envisioning a distant future, we aim to stay closely engaged with customers on the field and focus on management issues that are likely to emerge over the near term. I feel that this attitude is the right style for our Company. Rather than striving to be edgy in a smart way, we would rather be a grounded presence that stays close to our customers and continues to accompany them over the long term. I believe that always being by the customer's side and staying closely engaged are the essence of our Company. We believe that without this stance, it would be difficult to realize the four focus areas set in the 26-30 Long-Term Objectives.

Sakurai Many companies now are pursuing business model transformation and structural reform. They say they are shifting from contract development to service provision, from man-hour billing to value-based pricing, or from flow-type to stock-type models. However the shift is framed, these are all major trends and directionally correct. However, it is easier said than done, and ultimately, the key to successful transformation lies in how compelling a solution a company can provide. Without that, it is difficult to build the kind of relationship in which customers feel comfortable entrusting their entire operations to you. In that sense, I believe the entry point for Canon MJ is to further refine and steadily strengthen these four focus areas.

How We View the ¥200.0 Billion Growth Investments

Hirukawa The 26-30 Long-Term Objectives set out a plan for the Group to make ¥200.0 billion in growth investments over the next five years. How do you view this point?

Sakurai I view positively the fact that this amount exceeds that of the 21-25 Long-Term Objectives. Allocating ¥200.0 billion of the planned ¥300.0 billion in operating cash flow to growth investments and the remaining ¥100.0 billion to shareholder returns, particularly dividends, represents a well-balanced allocation of resources overall. Although investors naturally prefer higher dividends, neglecting growth investments would negatively impact medium- to long-term corporate value. In that sense, the balanced approach between growth investment and shareholder returns is appropriate. A dividend payout ratio of 40% or higher is by no means low and feels appropriate. In addition, the fact that the investment framework is not rigidly broken down in advance, leaving room for flexible decision making, also suits the current state of the Company. However, this also means that greater accountability regarding investment outcomes will be expected going forward.

Hirukawa Some may prefer flexibility like you, Mr. Sakurai, while others may want greater clarity. However, M&A in particular is influenced by timing and investment amounts, so it is not something that lends itself to overly detailed pre-allocation and looking back over the short term. I also feel that setting things too rigidly can slow down decision-making. Including the ¥160.0 billion in cash on hand, we believe it is important to make flexible decisions on M&A and acquisition of treasury stock, with the ultimate goal of driving the next stage of growth.

Sakurai Rather than presenting a highly detailed plan in advance, I think it would be easier to understand if you showed actual results such as the investments made, roughly once a year. To be somewhat frank, I believe an explanation that clearly conveys "no shots have been wasted" tends to resonate more with investors.

Special Feature 01

Dialogue with Investors

Responding to Industry Consolidation and Technological Innovation

Hirukawa In discussions of industry consolidation, there are different views on whether the emphasis should be on expanding scale or on creating chemistry, and the Group is clearly in the latter position. If pursuing only scale and holding on to excess assets is a risk, we believe it is more important to focus on initiatives that create new value through chemistry. Within the Group's business domains, we expect future M&A targets to include companies with technologies we do not yet possess or those with customer bases different from that of the Group.

Sakurai I believe that the current industry consolidation is basically centered on pursuing economies of scale. Recently, general trading companies and telecommunications firms have also joined the consolidation framework. I don't want to sound rude, but there will likely be situations where competing purely on financial strength proves difficult, so I agree that exploring different approaches is necessary.

Hirukawa In the B2B area, we do not expect in the foreseeable future a situation in which customers seek only a single service. In light of this, the key going forward will be how effectively we can increase the number of customers who become fans of the Group. To this end, it will be more important than ever to enhance our unique capabilities and steadily refine the value we provide. Responding to generative AI is also a topic we must address over the long term. While some tasks within SI and BPS carry a high risk of being replaced by generative AI, upstream processes in development such as system planning and conceptualization will continue to require human expertise. Currently, we believe that there is significant potential for generative AI to help control rising personnel costs.

The Group already has a low-code development tool called Web Performer that has helped improve productivity. Going forward, we will not only incorporate generative AI functions into Web Performer but also shift to a development process that assumes the use of generative AI. We believe this will lead to improved productivity and lower development costs as a result.

Sakurai I often ask the same question of other companies I work with, and in many cases the response is that there will be no negative impact on near-term performance. Against this backdrop, I found it highly commendable that Canon MJ recognizes the risk of substitution by generative AI and has the view that risks from AI are not zero. At the same time, I will continue to keep a close eye on whether there is any relative delay in implementation speed compared with major competitors.

Growing Expectations for Transformation into an IT Solutions Company

Hirukawa From an investor's perspective, how do you evaluate the Group's ongoing transformation into an IT solutions company? What kind of company do you expect the Group to evolve into going forward?

Sakurai I have the impression that Canon MJ is relatively conservative and steady. Because of this, customer relationships are strong, and I get the sense that unprofitable projects that could significantly impact performance rarely occur. Conversely, this also means that the cost of taking on challenges is relatively low, but that in itself feels like a sign of steadiness.

Hirukawa While we are a company that builds steadily step by step through close customer engagement, being steady should not mean being weak in the face of change or unwilling to take on challenges. However, if we continue to take on challenges with a low probability of success, the organization will eventually become exhausted. As management, we constantly think about how to accelerate the cycle of challenge and learning while ensuring that employees can see tangible results.

Sakurai What I expect from Canon MJ is to establish overwhelming differentiation and brand recognition in specific areas where it possesses technologies and solutions that clearly sets it apart from competitors and allows it to demonstrate competitive superiority. It needs a specific area for which people can say, "When it comes to XX, we go to Canon MJ." I believe the Company is still only halfway there, so I hope these areas that symbolize the Company are further refined and strengthened. I look forward to seeing Canon MJ maintain its solid management foundation, while further enhancing the agility to respond swiftly to changes in the market environment.



Special Feature 02 Further IT Solutions Growth

ITS Business Net Sales Doubled over the Past 10 Years Aiming to Increase a Further 1.5 times to ¥500.0 Billion by 2030

Drawing on the strength that stems from close engagement with our customers through our extensive nationwide network since our founding in 1968, the Group's ITS business has continued to transform itself over the past decade. During the five years from 2016, the Group advanced a shift toward a more profit-oriented business structure through selection and concentration, and in 2018, it transitioned from a product- and sales channel-based organization to one centered on markets and customers. Since 2019, the Group has strengthened its management structure, including the appointment of external experts with deep knowledge of the ITS business, and has driven the expansion of the ITS business.

Over the five years from 2021, we have clearly positioned the ITS business as the core of the Group's growth and steadily implemented growth strategies for each customer segment. To drive these efforts, the Group established the IT Solutions Promotion Committee, chaired by the President, and through tasks under the Committee, worked to ensure the reliable rollout of the ITS business that leverages the Group's strengths. By strengthening a distinctive portfolio of solutions centered on Canon's imaging technologies as well as and the Group's digital document technologies, mathematical technologies, security, and BPO services, the Group has established a competitive advantage, doubling net sales in this business area over the past five years. In imaging solutions, the Group secured large-scale projects utilizing AI video analysis, driven by growing demand for disaster prevention and security solutions from local governments and public institutions. In addition, in digital document solutions, starting from documents and data generated in corporate transactions and operations, the Group provides DigitalWork Accelerator, a DX platform that realizes the digitalization, integration, and utilization of business processes, and is expanding the number of companies adopting the service. Furthermore, in solutions utilizing mathematical technology, the Group is contributing to the advancement of planning operations in the manufacturing industry, with SCPlanet, a supply chain planning solution, at its core.

We have also expanded our capabilities through M&A to further enhance these areas. Through the addition of QB5, TCS, and Primagest to the Group, we have acquired and strengthened BPO expertise and know-how, as well as IT infrastructure construction capabilities.

As a result of these efforts, the ITS business has approximately doubled its net sales over the past 10 years, reaching ¥343.4 billion in 2025 and has grown into a core business that accounts for more than half of total net sales. This growth is the result of continuously delivering value in line with changes in the market and customer needs, and of the Group's ongoing transformation from a sales company for Canon products into a true professional corporate group that solves social and customer issues using ICT and the power of humans. The growth achieved over the past decade is merely a stepping stone for the next 10 years. Building on these achievements as a solid foundation for the next stage of growth, we aim to achieve ITS net sales of ¥500.0 billion by 2030, a 1.5 times increase.

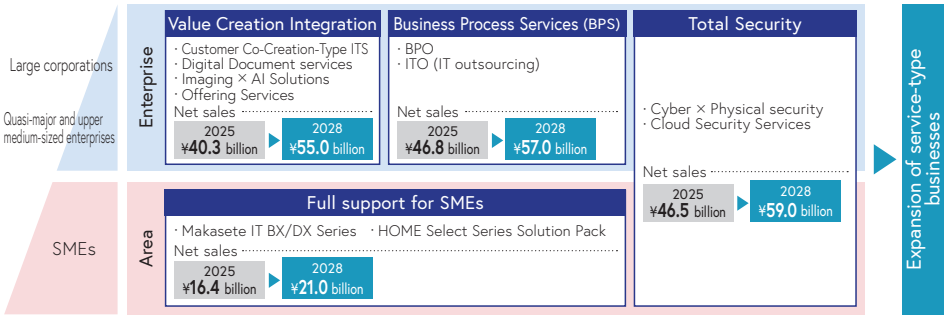
Evolution of ITS Strategy by Customer Segment and Growth Investments to Support It

In the new Long-Term Management Objectives, the Group has set a target of achieving ITS net sales of ¥500.0 billion by 2030. This represents approximately 46% growth from the 2025 results, or a compound annual growth rate (CAGR) of around 8%. This growth rate exceeds the domestic IT services market CAGR of 6.2% (according to IDC Japan), and we plan to expand our business at a speed that exceeds the market average.

The key to achieving this target lies in enhancing the certainty of growth through the evolution of our ITS strategies according to different customer groups. The mainstay of these efforts will be to expand the service-type business model by deepening cross-selling based on close partnerships with customers and raising unit prices by elevating the value we provide. In addition, we will build a stable revenue base and achieve sustainable growth with high repeatability by increasing the ratio of recurring revenue.

As the number of workers declines throughout society, the role of ICT is evolving from a mere efficiency tool to a foundation that supports business sustainability. In this environment, the ITS business is expected to actively incorporate advanced technologies such as generative AI and optimize the entire business processes of its customers. Furthermore, the business is expected to contribute to the generation of tangible outcomes, including through data utilization and operations. Based on this recognition, we have positioned the expansion of service-type businesses as the core driver for accelerating growth in the ITS business. To materialize this strategy, in the 2026-2028 Medium-Term Management Plan, the Group is seeking to evolve ITS strategies according to different customer groups it has pursued over the past decade and has defined four focus areas. Value creation integration, business process services, full support for SMEs, and total security are positioned as growth drivers that can simultaneously achieve recurring revenue and higher added value by fully leveraging the Group's strengths in people, technologies, and customer base. Furthermore, we will utilize a ¥200.0 billion growth investment framework over five years and steadily implement our strategies while capturing growth through diverse means, including M&A. Please refer to the following pages for details on each focus area.

KPI Settings in Focus Areas



Special Feature 02 Further IT Solutions Growth

Value Creation Integration
[Large Corporations and Quasi-Major and Upper Medium-Sized Enterprises]

Value creation integration is an evolved version of Edge solutions, which more than doubled in scale under the Long-Term Management Objectives (2021-2025). It is a business domain that combines the digital document technologies, imaging and AI technologies, and mathematical technologies that Canon has cultivated over many years with cutting-edge technologies, including generative AI, to solve sophisticated challenges faced by enterprises and, ultimately, deliver new value toward resolving social issues. We will co-create solutions with customers to address challenges faced by them and industries. We will evolve into a service-type business that delivers higher quality and shorter turnaround times, building on the solutions co-created with large corporate clients and accumulated assets developed over the years within the Group. Through offerings such as efficiency improvement and workflow automation through digital document services, utilization of business data for management decisions, crime prevention and disaster mitigation as well as on-site safety and security through imaging and AI solutions, and offering services that advance sophistication in the SCM domain, we will deliver industry- and function-specific service-type businesses broadly across society, creating and providing both customer value and social value.

DigitalWork Accelerator

VisualStage Network Camera Cloud Service Pro powered by arcules

AvantStage

Comments from an imaging solutions planner



Marketing Headquarters
Solutions Development Center
Solution Planning Div.
Imaging Solution Planning Dept.

Staff Manager
Masataka Toyota

We receive a wide variety of inquiries related to imaging every day. However, solving issues through imaging is not a one-size-fits-all approach. It varies greatly depending on the customer's industry, site, and business operations. Therefore, rather than simply applying cameras or AI, it is important to identify the optimal camera performance and analysis methods for each customer's specific challenges and combine them appropriately.
I personally view video as raw materials and I make proposals together with my team as if we were cooking them into the most suitable form according to the customer's needs. Going forward, we aim to provide practical solutions that can support on-site operations with fewer personnel by placing imaging at the core and integrating it with IoT and generative AI.

Business Process Services (BPS)
[Large Corporations and Quasi-Major and Upper Medium-Sized Enterprises]

Business process services is a field in which we support customers in improving the efficiency and sophistication of their overall business processes through BPO and ITO. Under the Long-Term Management Objectives (2021-2025), net sales in this area grew from ¥13.5 billion to ¥46.8 billion, including M&A. In the ITO field, we have advanced the shift toward high-value-added services centered on the SOLTAGE brand, and through TCS joining the Group and its integration into Canon ITS in 2023, we have consolidated IT infrastructure-related technologies and human resources to strengthen our IT platform business. Building on this foundation, we will accelerate further expansion of our IT platform business. In the BPO field, we will leverage the technical capabilities and customer base of Primagest, which joined the Group in 2024, to drive further expansion. Moreover, as labor shortages become more severe, demand for labor-saving and efficiency improvements is rising further, with a growing emphasis on end-to-end process optimization and automation rather than traditional task outsourcing. By gaining a deep understanding of our customers' operations and combining digital technologies, AI, and outsourcing, the Group will further strengthen its support for business innovation and workstyle reform.

primages+

SOLTAGE IT Infrastructure Service

Comments from a BPO planner



Primagest, Inc.
Financial business process X outsourcing Div.
Project Promotion Dept.

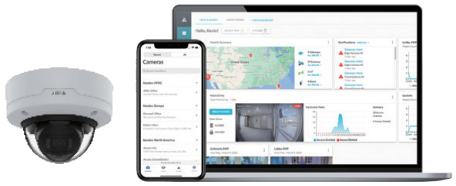
Section Manager
Kyoko Saiki

Primagest's BPO is characterized by its ability to achieve greater efficiency and sophistication by reviewing entire business flows, based on its proprietary systems and many years of accumulated business knowledge. By advancing the digitalization of paper-based operations and utilizing AI and RPA, we promote the sophistication and automation of operations while thoroughly visualizing, standardizing, and deskilling business content, thereby optimizing cost and stabilizing operational quality.
By leveraging these strengths, Primagest will go beyond operational improvements to support structural reform of customers' business operations through the visualization of work procedures and the use of data. This will allow us to contribute to the promotion of corporate DX and address social issues such as labor shortages.

Special Feature 02 Further IT Solutions Growth

Total Security [All Customers]

To protect our customers' critical assets—information, people, and physical property—the Group provides total security by integrating physical security, such as video surveillance, with cybersecurity measures including network intrusion detection and prevention, as well as cloud security, leveraging the Group's comprehensive capabilities. Under the Long-Term Management Objectives (2021-2025), net sales in the security business grew from ¥28.0 billion to ¥46.5 billion. This growth has been supported by our long-standing track record in IT infrastructure services and our unique comprehensive capabilities in consistently providing both cybersecurity and physical security solutions. Building on this strength, the Group will support the entire security lifecycle from planning and design to operation and maintenance. It will further advance measures against increasingly sophisticated cyber threats and ransomware by promoting threat detection and operational automation using generative AI, as well as systematizing countermeasures in line with international standards (NIST CSF). Moreover, the Group will roll out services that support customers' business continuity and safety, including support for compliance with the security measures evaluation system for supply chain reinforcement scheduled to be introduced by the Ministry of Economy, Trade and Industry.



eset Cybersecurity Progress. Protected.

Comments from a cloud security planner



Canon IT Solutions Inc.
IT Managed Services Headquarters
IT Service Business Planning Div.
CS Marketing Dept.

Manager
Ayumi Yamasaki

Canon IT Solutions operates a comprehensive cloud security business building on more than 20 years of experience in providing IT infrastructure services. In recent years, we have been addressing customers' diverse security challenges by providing practical services and products, leveraging our expertise as a dedicated security organization with advanced specialized knowledge. We also support the entire security lifecycle of our customers by utilizing operational know-how from our own data centers and providing end-to-end support from planning and design to operation and maintenance. Going forward, we will continue to provide highly reliable services that meet customers' increasingly diverse and sophisticated needs, enabling them to focus on their core businesses, and we will seek to become their partner of choice.

Full Support for SMEs [SMEs]

Full support for SMEs is a domain in which we provide comprehensive support for IT utilization tailored to the size and organizational structure of SME customers. Recently, the challenges faced by SME managers have grown increasingly sophisticated and complex, encompassing worsening labor shortages as well as the need to respond to supply chain security and geopolitical risks, strengthen environmental management and corporate governance, and contribute to local communities. Despite such challenges, many SMEs struggle to secure the specialized knowledge and resources required to address them. To address those challenges, the Makasete IT BX/DX Series and Home Select Series provide end-to-end support, from formulating IT investment plans for realizing BX/DX, to equipment selection and implementation, operation and maintenance, and human resource development, helping SMEs facing such management issues achieve sustainable growth. Taking into account the reality of SMEs operating with a small number of people performing diverse tasks, the Group emphasizes continuous use and generating outcomes. It will continue to provide value as a management partner that deeply understands SMEs.

まかせてIT HOME

Comments from a Makasete IT sales promoter



Canon System & Support Inc.
Marketing Headquarters
Business Applications Group

Senior General Manager
Yukiko Murata (left)

Business Applications Group
Business Applications Div. 1

General Manager
Hitomi Idei

Our mission is to create an environment in which SME customers can focus on their core business through Makasete IT. We do not stop at IT implementation, but engage directly with our customers' management challenges, accompanying them every step of the way. The greatest source of motivation for us is when customers say that working with us has prompted them to start thinking more seriously about improving operational efficiency and building a more sustainable business. Going forward, we will further expand services that support management, including support for use of generative AI. We will transform the knowledge we gain from our dialogue with managers into organizational strength and deliver it back to our customers. This cycle is both our strength and our pride as we deal with customers every day. Our aim is to always live up to the trust of our customers who say they're glad they left things in our hands. And for that, we will continue to evolve.

Special Feature 02 Further IT Solutions Growth

In the utilization of AI, we are advancing a wide range of initiatives for both external and internal use. This page introduces Canon ITS' and Canon S&S' initiatives to promote external AI use, as well as practical examples of AI use within the Group.

External Use (for Large Corporations and Quasi-Major and Upper Medium-Sized Enterprises)

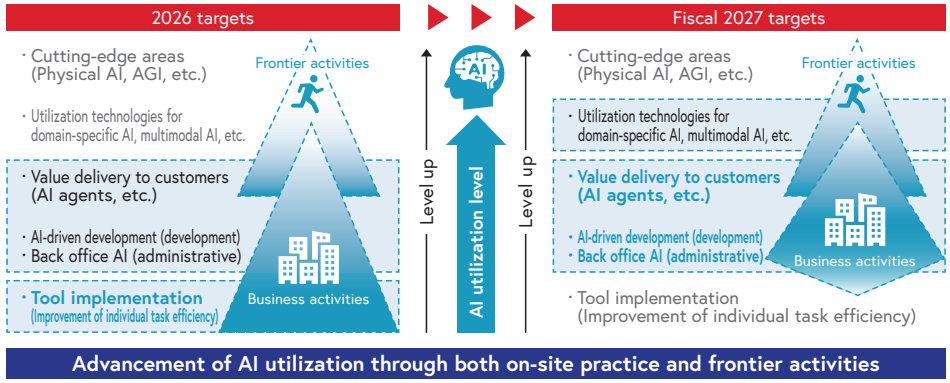
At Canon ITS, AI is positioned not merely as a tool for improving business efficiency, but as a core element that supports the sophistication of development and business processes and the strengthening of business competitiveness.

Currently, we are making full-scale efforts to introduce generative AI tools and improve efficiency in individual operations. In fiscal 2026, we will expand the use of AI in the field across both development and administrative divisions and accumulate practical knowledge in business and development processes across the entire organization. In fiscal 2027, we will standardize our field insights, roll out the transition to AI-driven development processes (AI-driven development) and business processes across the entire business, and aim for continuous delivery of customer value through AI.

In addition to implementing these technologies in our business activities, our R&D division is also conducting research and development on advanced technologies such as domain-specific AI and multimodal AI, advancing AI use through the dual approach of practical implementation and technological research.

Underpinning these efforts is an AI use platform. The platform structures internally accumulated intellectual assets such as documents, design documents, source code, and business know-how into formats easily usable by AI, while incorporating control functions such as authentication, authorization, and auditing to create an environment that enables safe use throughout the organization. Through this platform, we will establish AI use not as a one-off initiative, but as a mechanism for continuous value creation.

AI Utilization Roadmap



External Use (for SMEs)

Canon S&S provides practical support for generative AI adoption through the Makasete IT BX Series, designed to help SMEs address sustainable management challenges. "Human Resource Development Training in the Era of Generative AI" included in this series supports the development of self-reliant human resources who can understand the essence of challenges through practical content, such as how to solve business issues using generative AI and what its limitations and points of caution are, and create optimal solutions. Specifically, participants systematically learn about the characteristics of generative AI, create effective prompts, and strengthen their logical thinking and problem-solving skills. Amid worsening labor shortages and the increasing complexity of business operations, support for developing self-reliant talent capable of making their own decisions using generative AI contributes not only to business efficiency and productivity improvement, but also to enhancing the corporate value and competitiveness of SMEs.

Internal Utilization

The Group has been promoting internal utilization of generative AI, led by the Information & Communication Systems Headquarters, with the goals of improving business efficiency and adding value. The Group has established an environment for safe company-wide use of generative AI, and its use in daily business operations is expanding, including the creation of documents and summarizing the content of meetings.

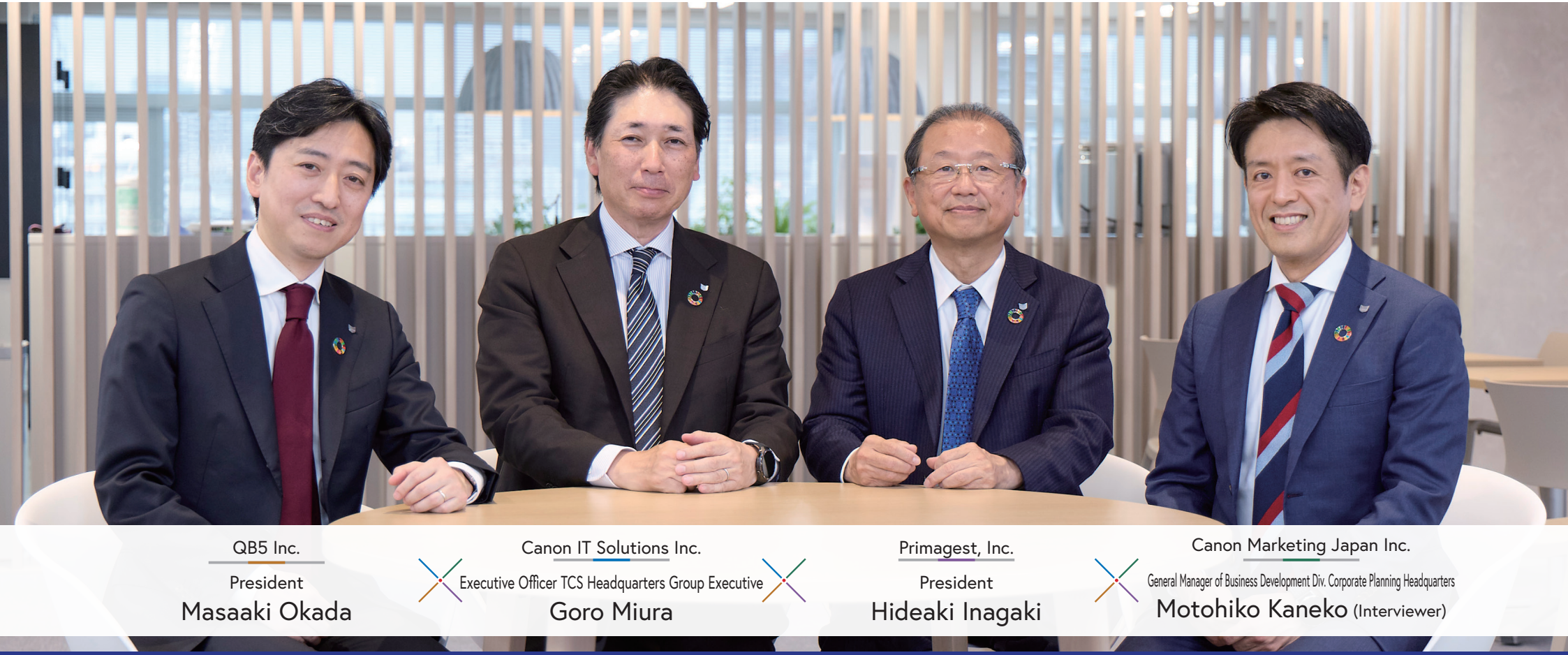
We held an internal contest to share cases using generative AI as an initiative to visualize these on-site practices and promote company-wide use. Each division has provided examples of how they have solved business problems and improved productivity, and specific ideas and results for incorporating generative AI into actual work are being shared.

In addition, implementation in our internal business processes is also underway, and in the Customer Services Center we have introduced a system that transcribes call content into text and generates AI-powered summaries, with full consideration given to protecting personal information. This automates operator recording tasks and improves business efficiency.

On the other hand, as the use of generative AI expands, the Group has established company-wide usage rules and guidelines, and has clarified its stance on both internal and external use. While balancing utilization and control, the Group will establish generative AI as a company-wide business foundation, promote continuous transformation of our business, and aim for significant improvements in productivity.

Special Feature 03

Our M&A Trajectory



QB5 Inc.
President
Masaaki Okada

Canon IT Solutions Inc.
Executive Officer TCS Headquarters Group Executive
Goro Miura

Primagest, Inc.
President
Hideaki Inagaki

Canon Marketing Japan Inc.
General Manager of Business Development Div. Corporate Planning Headquarters
Motohiko Kaneko (Interviewer)

The Canon MJ Group has set ITS sales of ¥500.0 billion as a key management indicator under its Long-Term Management Objectives (2026-2030). The driving force to accelerate this growth is the participation of like-minded partners and companies that aim to grow together with us, in other words, M&A.

In this roundtable discussion, the representatives from three companies that have recently joined the Group spoke about the friction and struggles experienced during the PMI (post-merger integration) process, the synergies that emerged from those efforts, and their strategies for the paradigm shift brought about by generative AI.

Special Feature 03

Our M&A Trajectory

Why Canon MJ Was the Choice

Kaneko First, could you share your honest impressions at the time you decided to join the Canon MJ Group or when you first learned about it?

Miura Our predecessor company was a systems company affiliated with a car dealership. When the parent company announced its plan to sell the IT business, Canon MJ appeared on the candidate list, and some initially expressed skepticism about whether the Group was truly seeking an infrastructure team like theirs. However, because the Canon MJ Group already conducted IT infrastructure business through Canon ITS and was and was actively strengthening not only its core SI capabilities but also the broader IT infrastructure domain, it had a strong understanding of the business, and since many team members had previously collaborated with them, there was a reassuring sense within the company that the decision would be workable given the number of familiar faces involved.

Okada In our case, we actively sought a partner ourselves. Although QB5 had grown as an owner-operated company, as our business scale expanded, we strongly felt that we needed a level of IT investment and governance structure that was beyond what we could handle on our own in order to fulfill our ongoing responsibilities to our customers.
Among the many candidates, the deciding factor was the people aspect. Through our previous business dealings with Canon MJ, we had formed the impression that it was a sincere company that treats clients with respect regardless of company size or position.
Because we would be entrusting our employees to them, whether they had a culture in which we could entrust our people's futures was our top priority. During the negotiation process, the Canon MJ representatives we met gave us the impression that they were advancing the deal with consideration for both sides, which gradually strengthened the desire of both our side and the previous owner to join the Canon MJ Group. We truly felt a sense of relief when the final decision was made.



Inagaki Since becoming independent from a foreign company in 2002, Primagest has experienced several changes in shareholders, including funds, financial institutions, and both listed and unlisted companies. As a result, some employees viewed it as just another event that comes along every few years. This time, however, it was not a fund but a company with which we could build a business together. This brought us an expectation of stability we had not experienced before.

Kaneko When I first met Mr. Inagaki, I heard him say, "A shareholder has arrived," which left a strong impression on me, so I immediately asked him to stop calling me a shareholder.

Inagaki In that sense, our previous shareholders were not in the same industry, so even if they had ideas about how they wanted to grow the company, they did not really understand our business. Because Canon MJ is in the same industry and shares a common language and strategic direction, we were able to engage with them as a genuine business partner rather than as an external party focused solely on financial oversight. This allowed us shift from having distance with a shareholder to building a stronger sense of unity as part of the Group.

Overcoming Hardships Together and Taking on Challenges as a Unified Group

Kaneko Please allow me to delve deeper into PMI as well. As the saying goes, "In trying to straighten the horns, you risk killing the cow." Rather than forcing every company to fully conform to Group standards, we are carrying out integration with the aim of maximizing the unique strengths of each company. However, in reality, I imagine there was a considerable burden when implementing the Group's standard governance and structure. What was it like?

Okada To be honest, I was surprised by the unexpected reaction at first. When we announced it to the employees, instead of the joy I had expected, many expressed concern about whether they would be able to keep up. But then, a few days later, we received numerous stories from employees who had visited their families, about how delighted their parents were to hear they were joining "that" Canon. It was an interesting discovery that the strength of our brand recognition actually became a source of motivation for the employees, almost as if it was being reimported from the outside. On the other hand, the difficulties involved in strengthening governance were considerable. Compliance, security, and audit requirements were areas that presented many challenges for us as a former SME. The moment we joined the Group, we suddenly needed to place much stronger emphasis on higher quality and greater trust from customers, and these issues jumped to the top of our priority list. Even though we understood that these are things QB5 must do in order to achieve its next stage of growth, we did not have the personnel or resources within the company to handle them. We wanted to do it, but we didn't have the people who could. This gap caused us real difficulty. However, your team, led by Mr. Kaneko, never pushed us away with remarks like "Please hurry up" or "We can't manage without this," but instead stayed close and worked alongside us with the attitude of "Then let's do it together." Without that support, we would never have been able to overcome the situation on our own. Working together to develop a roadmap that focused on resolving the highest-priority matters in Stage 1 first and then moving to Stage 2 helped our team members quickly understand why these new requirements were needed. Once people understand the reasoning behind something, they start taking initiative on their own. They began building their own structures, and improvements started happening proactively. I truly believe that it is because we went through that

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Our M&A Trajectory

process of overcoming something together that we now have such smooth organizational operations.

Miura In terms of employee reactions, Tokyo Nissan Computer System (now Canon ITS TCS Division, TCS) had a somewhat unique situation. At the time, the head office only had about 30 seats, and most employees were working from home or at one of around 20 shared offices, so it was difficult to gauge their immediate reactions right after the announcement. What we were most focused on was making sure that not a single person would feel compelled to leave. To avoid misunderstandings, we gathered key influential people individually in advance to explain the situation, and for older employees, we had a series of dialogues over dinner to address their concerns about the future. On the other hand, younger employees who had joined within the last three or four years viewed joining a major group very positively as a future opportunity, and because of this, we quickly began conducting joint new employee training with Canon ITS so they could build connections and relationships within the Group from an early stage. I feel that by having them integrate culturally while they were still relatively new, their ability to learn about our products and services also progressed more smoothly. On the practical side, we still face a number of challenges. It is true that we have received feedback from the field that our original strength of speed of execution has been affected, for example because internal approvals now sometimes take several days. Even now, we continue to have daily discussions on ways to simplify approval processes and improve how we manage product codes. What really helped, however, was that Mr. Kanazawa, who became a director of TCS after we joined the Canon MJ Group and was President of Canon ITS at the time, did not try to unilaterally change the way TCS operated but instead consistently told us that we should continue the current approach that our customers had come to value. Those words have become a major source of emotional support for people in the field as they navigate the difficulties of PMI.

Inagaki For Primagest, the biggest hurdle in PMI was accelerating the closing of accounts. Before, we only needed to consider non-consolidated financial results, but after joining the Group any delay in our numbers directly affects the consolidated closing for the entire Group. Last year, we found ourselves repeatedly reporting that we were one month behind, but we kept communicating internally that any delay in our numbers would cause trouble for the entire Group. As long as we are being treated as a valued member of the Group, we must also fulfill our responsibility as a member. The employees all understood that if the numbers for the Group do not add up correctly it becomes impossible to make sound management decisions, and they took action accordingly. As a result, although people in the field struggled, their efforts paid off and we were finally able to catch up to the speed of Canon MJ, and through this process we feel that a sense of organizational discipline and awareness of being a member of the Group that goes beyond mere number management has taken root.



Tangible Synergies Beginning to Emerge

Kaneko Despite the difficulties, we are now beginning to see tangible synergies.

Miura The changes in terms of sales have been dramatic. Previously our focus was on infrastructure construction and operation services, but now as Canon ITS, our proposal portfolio has expanded to encompass business systems development, including mission-critical systems and proprietary products. We are also proposing network cameras and video analytics solutions together with Canon MJ. We are increasingly finding that customers in manufacturing and other industries are pleasantly surprised by the breadth of challenges we are now able to address. Being praised by customers has clearly boosted the motivation of our sales team.

Inagaki Primagest also benefits from Canon MJ's strong market strategy. In specific domains such as banking, insurance, and public services, we are now able to work in close coordination with specialized teams within the Group as if they were extensions of ourselves. Furthermore, although we had never even considered it before, through collaboration with Canon ITS Medical (Canon IM), which handles medical IT within the Canon MJ Group, we have now begun to develop new services that combine their medical system expertise with our BPO know-how.

Okada QB5 has the operational capability to manage 600 people in a short-term intensive manner for year-end adjustments, and discussions are underway to horizontally deploy this ability to handle large-scale operations over limited periods as a Group-wide asset and roll it out across other BPO projects. The more we understand each other's comparative advantages, the more we can diversify our strategies.

Kaneko The account team structure that Mr. Miura's TCS Division has developed, along with the know-how for transforming one-time product and solution sales into service-type businesses based on continuous value provision rather than completing them as single transactions, has now been incorporated into the key performance indicators of the Medium-Term Management Plan for the entire Group including Canon ITS, and this is one example of newly created synergy within the Group.

Strategy to Turn Threats into "Godsend"

Kaneko Investors are also paying attention to generative AI. There is a view that BPO and system development jobs may be taken away by AI. What are your thoughts regarding this?

Inagaki At Primagest, we position generative AI as a weapon that we ourselves should be the first to utilize.

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If we do not use it ourselves, we will simply have work taken by other companies, but if we use it first, we can win against the competition. Our policy is to introduce AI into operations that currently require large amounts of labor, thereby lowering costs and securing profits while also returning that value to customers. We have set the two goals of full automation of operations and the creation of new value, and we believe generative AI is something that will accelerate their realization. Even if AI is a threat, we can turn risk into opportunity by becoming proficient users of it ourselves.

Okada The premise is that with the working-age population declining, we can no longer expand our business on the conventional assumption that we can simply hire more people and rely on manpower tactics. For this reason, replacement by generative AI is, if anything, an opportunity and a godsend for expanding our business. To make the most of AI, we must have a deep understanding of the business itself. We believe that existing vendors have the advantage of business know-how developed over many years, and by combining that with AI we can evolve into a strong company that can survive and thrive in the AI era.

Miura There are also great opportunities from the perspective of infrastructure. Customers who handle highly confidential information cannot use open AI. The need to build closed, in-house AI servers is extremely strong, and this represents a massive infrastructure opportunity for us. This is exactly the opportunity for the infrastructure construction business, and the desire to build closed, in-house AI servers rather than simply using external cloud services is becoming a major business for us, and we have in fact begun to win such projects.

Okada Right now, uncertainty is causing concern to come first, but the company that makes the most of its past expertise and uses it will win. I believe that steadily preparing for this is the condition for a strong organization in the future.

The New Pillar of the Group Created through Mutual Understanding and Collaboration toward the 2030 Vision

Kaneko The Long-Term Management Objectives announced by the Canon MJ Group are premised on further strengthening and focusing on the domains to which you belong. Based on this policy, how would you like to deepen collaboration within the Group going forward?

Okada Based on the Canon MJ Group's corporate philosophy of Kyosei, I believe it is important for the entire Group to grow together. There is no guarantee that our current areas of strength will still be relevant 10 years from now. To identify each other's comparative advantages and sharpen our distinctive strengths, we first need to get to know one another much better. I feel that actively promoting and showcasing our own company within the Group is precisely the challenge that will allow us to make full use of the Group's strength.

Inagaki I share the same sense of the challenge. By learning about each other's businesses within the Group, new possibilities emerge—opportunities like "You can do that? Then let's team up." As I mentioned earlier, Primagest is already collaborating with Canon IM and is taking on the challenge of co-creating new services that go beyond simple mutual sales.

Miura At TCS, we have emphasized proposals that stay close to customers and include not only the purchase of products but also the accompanying services. Now that we have grown from a company of around 150 people into a member of a large group, we want to spread our discerning and thoughtful proposals more widely. The Canon ITS Medium-Term Management Plan for this fiscal year includes as KPIs the shift from one-time sales to service-type business that we have been pursuing, as well as an account team strategy in which sales, SE, and operations professionals work as one. We are feeling a new sense of momentum from the fact that our sales approach is spreading throughout the Group and contributing to the business growth of other divisions as well.

Okada The BPO Management Center to which we belong is positioned to be developed as the next major pillar of the business after ITS. In addition to organic growth, we feel the excitement of building a large organization that is a strong BPO team by increasing our partners and combining each company's comparative advantages.

Inagaki Primagest will specialize in Canon MJ's market strategy in areas such as finance and public services, and will further enhance our unique expertise that other companies do not have. In particular, the Primagest Trust Services (personal authentication service) that we launched this year has the potential to grow to a scale that no single company could achieve on its own, if utilized across the entire Group. Our traditional strength has been in processing "analog" (paper-based) work, and now we are shifting toward "digital." Staying close to our customers, we want to expand a business capable of handling both aspects by leveraging the power of the Group.

Kaneko In M&A, there are many situations where a combination of circumstances and timing can determine whether or not a deal can be completed. Through dialogue with all of you, I once again feel grateful for our new relationship as a Group, and I strongly sense the importance of nurturing these encounters with care so that we can together envision a more positive future. In addition, in our new Long-Term Management Objectives, the Group has positioned ¥200.0 billion in growth investments centered on M&A and investments as an important theme. By making maximum use of the strengths of our Company that we have recognized through this dialogue with you this time, we want to raise the probability of success of future investments and actively promote business growth and enhancement of corporate value through those investments.

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Our M&A Trajectory

Tokyo Nissan Computer System Co., Ltd. (now Canon ITS TCS Division, TCS)

Creation of Synergy Projects through the Combination of TCS's Customer Base and IT Infrastructure Capabilities and Canon MJ Group's Imaging Solutions

Customers | Sumitomo Osaka Cement Co., Ltd. group companies

Value provided

Through centralized cloud management of video data, the Sumitomo Osaka Cement Group has established a system that allows stable and efficient monitoring of the status of its bases and sites nationwide.

As a result, we offer an environment that supports quick decision-making and efficient operations while ensuring safety for employees working in the field, thereby contributing to the creation of a workplace where people can work with peace of mind.

Customer Issues

The surveillance camera equipment installed at service stations nationwide (shipping bases where cement is stored and supplied to demand areas) and other locations raised concerns about declining reliability and safety due to the termination of maintenance contracts.

In addition, because recorded data was managed individually at each site, issues included increased operational and maintenance burdens, personalization of knowledge, difficulty in company-wide management, and limited utilization of the recorded data.

TCS's Customer Base and the Ability to Make Proposals through the Combined Efforts of Sales and Consultants

TCS's strength lies in its integrated organizational structure centered on ICT infrastructure and network construction, in which sales, consultants, and SEs work as a unified team to directly engage with customers and provide seamless support from issue identification and analysis through to the proposal of solutions. Through this team-based proposal approach, we have gained a deep understanding of customers' operations and realities in the field and have built long-term relationships of trust.

We have also accumulated proposals tailored to specific challenges through ongoing dialogue with the Sumitomo Osaka Cement Group. For the company-wide challenges that emerged in the process, we combined TCS's deep customer understanding with Canon MJ Group's imaging solutions, evolving the proposal into one that leverages group synergy and successfully resolved the issues.

Expansion of the Scope of Proposals through Collaboration with Canon MJ Group's Imaging Solutions

With Canon MJ Group's solutions at its disposal, TCS is now able to propose a wider range of solutions to customers, including not only its conventional ICT infrastructure and network construction areas but also video utilization areas.

This has broadened the range of proposal options and increased both the breadth and depth of approaches to challenges and has led to company-wide solutions for customers.

Future Outlook

This initiative demonstrates that combining TCS's customer base and proposal capabilities with Canon MJ Group's strengths in imaging solutions can expand the range of solutions and response capabilities for customer issues.

Going forward, starting from TCS's customer base, we will combine the strengths of Group companies including Canon IT Solutions to provide integrated services ranging from system development to infrastructure construction, operation, and maintenance, thereby enhancing the value we deliver and improving customer satisfaction. Through these initiatives we will continue to expand a highly replicable growth model that is not limited to a specific area.



The team responsible for this project (from left): Hiroka Sano and Hina Kawabe of Canon ITS, and Keitaro Seki of Canon MJ

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Our M&A Trajectory

Primagest, Inc.

Creation of Synergy Projects through the Combination of Primagest's BPO Know-How and ICT with Canon MJ's Customer Base and Problem-Solving Capabilities

Customer | A late-stage elderly medical care wide-area association

Value provided

Through the BPO of operations, this union has established a system that enables stable and efficient management of benefit operations.

As a result, it has become possible to provide elderly insured persons and their families with prompt, accurate, and easy-to-understand benefit procedures, thereby contributing to the creation of an environment in which they can use medical services with peace of mind.

Customer Issues

As the insurer of the late-stage elderly medical care system designed by the national government, the late-stage elderly medical care wide-area association works in coordination with municipalities to manage system operations including benefit services, serving as a joint operational foundation for providing elderly medical care in a stable and sustainable manner without regional disparities.

Within this framework, the goal was to establish a business structure capable of handling, more quickly than ever before, the large volume of medical and long-term care benefit operations that are concentrated at specific times of the year, and to do so in a stable and sustainable manner, year after year.

Identifying Issues through Dialogue with Customers and Creating Group Synergies

Canon MJ has leveraged its broad customer base developed in public-sector fields such as central government ministries and local governments to identify issues related to system operations and operational structures through ongoing communication not only with the late-stage elderly medical care wide-area association, but also with central government ministries and municipalities.

Through sales activities based on these customer contact points, we organized and clarified operational issues while designing a comprehensive BPO transformation from an overall operational perspective using our BPO planning capabilities. At the same time, by demonstrating our orchestration capabilities to appropriately coordinate Primagest and external service providers, we successfully established a stable and sustainable processing structure.

Achieving Accuracy and Efficiency in Operations through Primagest's Expertise

The greatest challenge in undertaking this operation was how to review the large volume of applications that arise in a short period as quickly and accurately as possible and connect them to the delivery of benefits without delay.

Primagest played the central role in solving this issue. The company's strength lies in its ability to design efficient workflows suitable for BPO by breaking down and restructuring operations, which it has cultivated through cultivated through review and assessment work in the financial industry and government agencies. It handles the entire process from digitizing application documents to accuracy checks and correction handling, while also appropriately managing the mobilization and supervision of the personnel who support these processes. Furthermore, the optimal use of IT systems has improved operational efficiency and reduced errors.

In this project, we have leveraged Primagest's expertise in BPO, ICT, and mobilization capabilities to achieve accurate, prompt, and efficient BPO operations.

Future Outlook

This project was realized by combining Canon MJ's broad customer base and problem-solving capabilities with Primagest's BPO know-how, including its strengths in operational redesign and mobilization capabilities, together with ICT. This enables us to offer BPO services that leverage the strengths of both companies to many customers facing challenges in operations that require large-volume processing, short turnaround times, and high accuracy, regardless of whether the work is paper or digital, including government agencies and financial institutions.

Going forward, we will continue to promote the creation of synergies as a highly replicable growth model, focusing on similar fields.



The team responsible for this project (from left): Junji Sato of Primagest, and Maki Naito and Toru Suefuji of Canon MJ

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Our M&A Trajectory

M&A and Investment Track Record

Under the Long-Term Management Objectives (2021-2025), we executed three M&A transactions, 17 investments, and one business transfer to achieve our growth strategy, thereby expanding the IT solutions business and strengthening our service-type business model. In addition to M&A and investments, we have also appropriately carried out five asset sales from a best-owner perspective.

Investment Track Record (2021-2025)

SI

M&A 1 company
- Tokyo Nissan Computer System Co., Ltd.

Investment 5 companies
- Keyware Solutions Inc.
- Needs Well Inc.
- Capital Asset Planning, Inc.
- THS, Inc.
- 1 additional company

Imaging solutions

Investment 5 companies
- Asilla, Inc.
- AWL, Inc.
- Timeleap Inc.
- MODE, Inc.
- CIA Co., Ltd.

BPO

M&A 2 companies
- QB5 Inc.
- Primagest, Inc.

Investment 1 company
- ITSUMO SMILE DIGITAL SOLUTIONS Co., Ltd.

Healthcare

Business transfer 1 company
- Canon Medical Systems Corporation (Hospital information system integration business)

Investment 1 company
- 1 additional company

Nursing care solutions

Investment 2 companies
- CARE CONNECT JAPAN, Inc.
- GCOMM Corporation

Digital document

Investment 1 company
- openpage Co., Ltd.

Education

Investment 1 company
- CHIeru Co., Ltd.

Smart devices

Investment 1 company
- S-Mat. Inc.

M&A Deliberation Process and Key Discussion Points

Decisions regarding M&A are deliberated from the perspectives of strategic significance and risk at the M&A Review Committee*, a committee organization under the Board of Directors, and are implemented after obtaining approval by the Board of Directors at each important milestone.

In addition, based on the issues and items for consideration organized according to each milestone, we conduct multifaceted evaluations from the perspectives of strategic alignment, investment rationality, synergy realization potential, and the PMI execution plan. During the evaluation process, the officers and business leaders attending the M&A Review Committee thoroughly discuss matters until they are fully satisfied, and in some cases review of a proposal may be suspended depending on the judgment reached. Through this kind of process, we carefully select and execute only those deals that contribute to medium- to long-term enhancement of corporate value, without making M&A an end in itself.

At the same time, we are continuously revising our guidelines based on past examples of successful and unsuccessful investments, while also working to raise the level of investment judgment and improve success rates through internal study sessions.

Investment Evaluation Process

Board of Directors

Key decisions
- Submission of final letter of intent
- Execution of share transfer agreement

M&A Deliberation Council

Consideration and decision-making at each milestone
- Commencement of acquisition considerations
- Submission of primary letter of intent
- Report on due diligence progress and key issues
- Status of contract negotiations
- Commencement and completion of PMI projects

Key Discussion Points in the Investment Decisions

(Each point is evaluated from both qualitative and quantitative perspectives, with elements of high uncertainty carefully considered before being reflected in the final judgment. Each issue is also repeatedly verified at every stage of the deal.)

Strategic alignment	· Rigorous verification of whether the investment is directly related to the growth strategy · Comparative examination of whether the investment is the optimal means for complementing insufficient areas · Evaluation of structural changes in the market and medium- to long-term growth potential
Investment rationality	· Detailed review of the sustainable competitiveness of the customer base and technology · Value calculation using multiple scenarios that incorporate synergies and risks based on conservative assumptions · Verification of capital efficiency after investment execution
Synergy feasibility	· Verification of specific measures for synergy creation and the timing of synergy manifestation · Clarification of the executing entity and KPIs together with evaluation of realizability · Non-inclusion of effects with high uncertainty in the evaluation
PMI execution plan	· Advance design of the management structure and personnel responsible for PMI · Formulation of Day 1 and Day 100 execution plans and priority measures · Advance organization of integration risks and response measures

* The Committee is chaired by the President, with deliberation by directors in charge of headquarters (planning, human resources, accounting, and legal) as well as each senior general manager, and with Standing Audit & Supervisory Board Members and the General Manager of the Finance Division attending as observers.

Special Feature 04

Outside Director Roundtable Discussion

From a Company that Sells Products to a Company that Creates Value. Moving into a New Phase of Growth, Built on the Trust We Have Accumulated.

We asked four outside directors to share their views on everything from their evaluation of the "Long-Term Management Objectives (2021-2025)" to new challenges in the AI era, the appropriate approach to protecting minority shareholders under the parent-subsidiary listing structure, and expectations toward the Long-Term Management Objectives (2026-2030).



Outside Director
Toshiharu Hasebe

Outside Director
Satsuki Miyahara

Outside Director
Hiroko Kawamoto

Outside Director
Yoshio Osawa

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Outside Director Roundtable Discussion

The Long-Term Management Objectives (2021-2025) that Overcame the COVID-19 Pandemic and Achieved Outstanding Results

Osawa For the Long-Term Management Objectives (2021-2025), I highly evaluate the accomplishment of having overcome the severe economic conditions during the COVID-19 pandemic and achieving five consecutive years of increased revenues, profits, and dividends. There are three major factors behind this achievement in the sales strategy. In addition, various financial measures such as the improvement of capital efficiency, the strengthening of corporate governance, and the clarification of management philosophy and logic can also be mentioned as factors.
First, one result of the sales strategy is that the transformation to a service-type business has advanced. The business model was expanded from conventional hardware-centered sales to providing customers with total solutions that incorporate IT software, and the further transformation of this into a service-type business became a major factor in significantly improving performance. Second, close customer engagement was strengthened by carefully tailoring these total solutions to different customer segments and improving customer satisfaction. Third, to transform into a service-type business, aggressive investments exceeding ¥170.0 billion were executed, centered on M&A. This also led to a significant increase in revenue from the BPO and ITO domains.
In addition to these three points, we worked to improve capital efficiency in terms of ROE, actively conducted the acquisition of treasury stock, and eliminated short-term loans receivable to the parent company. I also appreciate the fact that the dividend level rose to 2.8 times between 2020 and 2025, reflecting the Group's proactive approach to shareholder returns.
Over these five years, we also strengthened corporate governance, an area where overseas institutional investors had particularly called for improvement. The ratio of outside directors was set at 50%, and the ratio of female directors was increased to 25%. I also acknowledge the fact that the Purpose was thoroughly instilled internally before being announced externally. The Company's management stance places the corporate philosophy at the top, with the Purpose, vision, materiality, strategy and planning, and organization and personnel forming a pyramid structure beneath it. These elements have finally been organized, making the logic and philosophy of management clearer.

Business Transformation Leveraging Customer Contact Points as a Strength has Led to a Major Leap in IT Solutions

Hasebe The relationships of trust with customers we have cultivated through many years of Canon product sales have led to the leap in the IT solutions business. From my own observations from the outside, I have felt that the Company's designated staff are deeply involved in the customer's office and engaged in activities closely tied to the site. A major strength is the ability to provide optimal IT solutions after thoroughly understanding the challenges faced by customers. Over the past five years, I have felt that the Company has become able to offer a wide range of solutions, including security and cloud services.
Although it takes courage to venture into new fields when you have past successes, the management team has relearned about DX and other new fields, and revised evaluation criteria in line with the times, making it easier for the on-site staff to take action. I am impressed that this point has been handled very effectively.
On the other hand, AI remains a challenge. The transformation of business models due to AI is extremely rapid, and responding to this field will be a challenge for the next five years. This is a challenge faced not only by the Company but by the entire market and all companies. Against this backdrop, I believe that companies that respond appropriately will grow going forward.
Osawa I believe that the further development of highly skilled personnel will be an important issue for the future.



Although the size of the workforce has expanded through means such as M&A, "AI talent" viewed from the perspective of how to introduce AI to reduce costs, increase sales, and improve production efficiency may not yet be sufficient. Because the speed of technological evolution in the field of AI is extremely fast, a dramatic strengthening to respond to this is necessary.

Issues in the Development of Skilled Personnel and Promoting Diversity

Kawamoto I feel that steady progress has been made on developing skilled personnel and promoting diversity. In line with changes in the business model, the Company has been seriously promoting personnel development so that employees can proactively engage in reskilling such as obtaining digital-related qualifications.
However, beyond such skill aspects, "improvement in employee engagement", which is also listed as a material topics, is becoming increasingly important. It is important to clearly understand what one can contribute within the company and for what purpose, how that brings joy to customers, and ultimately how it connects to one's job satisfaction. I believe it is important to keep this cycle of engagement going and improve its quality. The next step is the phase of putting this into action.

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Outside Director Roundtable Discussion

Another issue is gender diversity. Even though the ratio of female directors reached 25%, this consists of outside human resources and without progress in appointing from within the Company, it cannot be called real reform. Institutional investors are also watching this point. Rather than addressing it because of external demands, it is necessary to accelerate gender diversity after firmly sharing a sense of purpose. I have strongly advocated for this point on every occasion.
For the Company whose business model itself is changing, promoting diversity and inclusion is an important element. Moreover, it is necessary to promote the mobility of human resources by utilizing systems such as the in-house recruiting program and to visualize mechanisms that allow women in particular to take on a wide range of roles.



Miyahara Looking back on my own year in office, I have the impression that gender diversity has been addressed properly. However, further acceleration will be needed going forward to turn this into concrete results. Just as in the IT industry, women remain a minority in the accounting profession, yet in some overseas countries the percentage of women is high, so it is not at all a field that is unsuitable for women. It is important for the Company to create an environment in which female employees can fully demonstrate their abilities and to encourage them to do so. If more role models emerge from within the Company, the awareness that it is possible for oneself as well will spread and more people will follow. I have high expectations for the future regarding this point.

Toward Reforming the Revenue Structure and Improving Capital Efficiency

Miyahara In terms of finances as well, there were major developments over the past five years, including the elimination of short-term loans receivable and M&A. The timing of assuming my position coincided exactly with the elimination of short-term loans receivable to the parent company. I had heard that cash allocation had been strongly emphasized for some time, and I remember feeling that the Company was working on it very diligently and steadily. Looking at the current financial strategy, I am impressed that the amounts allocated to growth investments are clearly stated and a track record is being steadily built.
The Company's revenue structure has shifted to a form that secures revenue from the stable Canon products business while expanding the IT solutions business. Although the market for MFPs and printers in Japan is mature and is not expected to grow significantly in the future, targeted proposals to customers who require printing can lead to maintaining sales and improving profitability. Furthermore, within the IT solutions business, the trend of allocating resources toward higher-margin service-type businesses appears to be functioning well.
Regarding the stock price, while I recognize that market evaluation has improved to a certain degree, I also feel there may still be room for greater expectations and a higher evaluation. While management is also emphasizing perspectives such as capital efficiency, if this thinking can be instilled at an on-site level and connected to concrete actions, further progress can be made. This can be achieved by understanding how much capital is used to generate certain sales and profit, and to improve that capital efficiency by determining which indicators to focus on, from what perspective.
Osawa Although the stock price has risen significantly compared with five years ago, the Board of Directors recognizes that further upside is still possible. A stock split was implemented to increase the number of individual investors, and the Board of Directors continues to discuss ways to further enhance corporate value.

AI Readiness Challenged by the Long-Term Management Objectives (2026-2030)

Osawa What I am paying particular attention to in the "Long-Term Management Objectives (2026-2030)" is the Medium-Term Management Plan covering the first three years. Although the numbers may seem like a rather challenging goal, I do not view them that way. I have deep trust in the decisiveness and direction of the current management team, which achieved five consecutive years of increased revenues, profits, and dividends, based on extensive discussions at meetings of the Board of Directors and elsewhere, and I believe there is still significant room for growth. Another important point is the response to AI. For example, if AI can be effectively utilized in software development, productivity and earnings power should increase dramatically. I believe that the next two to three years will be critical for the Company to change its structure to respond to business models in the AI era. To achieve this, we will need to invest more than ever before in AI-related areas. Furthermore, regarding the establishment of a third major revenue pillar following Canon products and IT solutions, I hope the various current measures will bear fruit and that a concrete path forward will be realized over the next three to five years. I have high hopes for the current management team.
Hasebe The targets in the Medium-Term Management Plan of ¥400.0 billion for the IT solutions business and ¥140.0 billion for services and outsourcing are viewed as very aggressive targets. However, I believe that achievement is possible by focusing on fields such as security, BPO, and ITO. In order to achieve this, accurately responding to the turning points where technology and business models change significantly and determining how to advance initiatives such

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Outside Director Roundtable Discussion

investments, personnel development, and M&A toward them will be future challenges.
Regarding outsourcing as well, simply introducing AI does not mean it will work well when replacing tasks previously performed by people. If we can make AI properly learn the knowledge, experience, know-how, and business processes that the Company has cultivated over the years, it will be a great advantage. Combinations with technologies such as image analysis and image diagnostics owned by the parent company Canon also hold tremendous potential.

Utilization of M&A Human Resources and Integration of Organizational Culture

Kawamoto From the perspective of human capital, I view M&A and investments as a form of diversity in a sense, and see the challenge as how to utilize newly added human resources from outside the company. It is important that in addition to our existing resources, the inclusion of human resources obtained from outside leads to synergies. The same applies to culture, where it will be necessary to skillfully incorporate different corporate cultures while rethinking our conventional ways of doing things as needed.
Miyahara Recently, information disclosure on how investments in human capital lead to financial indicators such as ROE has been attracting attention. However, such initiatives do not produce results visible in numbers in a short period of time. I feel it is necessary to advance disclosure even further and more actively to help investors understand this point. Showing a story of what we are working on and where we are aiming for would be a first step.
Osawa Through M&A over the past few years, we have been able to bring on board more than 2,000 employees, especially many talented IT personnel. These human resources are expected to become one of the important engines for our next growth drive. On the other hand, it is not easy to understand each other and integrate different cultures, ways of thinking, and working styles. However, if this works well, these employees should become an even greater force over the next five years.
Kawamoto The important thing is the ability to engage in dialogue. Rather than hierarchical relationships, it is important to ensure psychological safety, share opinions, and foster an atmosphere of building things together. I hope that improvements in engagement and governance stated as material topics will be advanced with determination as important management issues.

Effective Governance Challenged Under the Parent-Subsidiary Listing Structure

Osawa The parent-subsidiary listing structure is a very significant governance theme for the Company. Investors have repeatedly asked whether it is truly acceptable to remain under a parent-subsidiary listing structure and what significance or benefits exist in being listed as a subsidiary. That is precisely why we have emphasized ensuring transparency in situations where conflicts of interest could arise. A symbol of this is the Special Committee. The Special Committee was originally established to heighten transparency in decision-making so that situations that could be viewed as conflicts of interest between minority shareholders and the controlling shareholder would not arise. The Committee was convened multiple times last year, and even deeper discussions were held during the previous acquisition of treasury stock. We operate in a manner that prevents conflicts of interest even while under a parent-subsidiary listing structure, and we have put in place a system to explain this to investors.
Of particular importance in discussions was our business structure. While the Company holds exclusive sales rights for Canon products, the appropriateness of purchase prices from the parent company and sales prices in the market must always be monitored from the perspective of protecting minority shareholders. If purchase prices were unilaterally raised, profits could shift toward the parent company and potentially cause disadvantages to the subsidiary's shareholders. Given these points, continuously monitoring purchase prices and confirming their appropriateness has also been an essential initiative. The same applies to acquisition of treasury stock, where maintaining an attitude of treating all shareholders fairly is important. Ultimately, the question that must be answered is what meaning exists in being under a parent-subsidiary listing structure itself. We have faced this question head-on while thoroughly ensuring transparency and fairness, and believe it has built a governance structure that is trusted by investors.



Hasebe The Company handles SI/solutions, Services/outsourcing, and IT products/system construction domains that differ from the parent company, and the ability to make decisions independently from the parent company is a major strength.
In terms of recruiting human resources, being an independent listed company should also be an advantage. On the other hand, we are also fully leveraging the Group's strengths such as IT solutions combined with Canon products. I view the balance between these two businesses as working well at this point.
Kawamoto The Nomination and Remuneration Committee is one governance area that investors pay particular attention to. Especially, we recognize that the officer nomination policy and approach to remuneration are important themes that demonstrate the Company's governance stance. In this context, our role as outside directors participating in the Committee is very significant. First, in terms of operation, the frequency and manner of holding Committee meetings should be more

Special Feature 04

Outside Director Roundtable Discussion

systematic. Rather than simply holding a series of meetings, it is important to set certain milestones within the fiscal year and establish a cycle of continuously deepening discussions. Rather than holding meetings on an ad hoc basis, we believe that the effectiveness of the Committee will be enhanced by organizing issues throughout the year. Additionally, although there is a tendency to emphasize a structure centered on outside directors for committee composition, it is important first to make it function as a forum for substantive exchange of opinions rather than a formality. On that basis, it is necessary to have ongoing discussions regarding topics such as succession plans, remuneration levels and composition, methods of reflecting performance evaluations, and how to incorporate non-financial indicators.
There is also the issue of whether it is acceptable to evaluate officer remuneration based solely on single fiscal year performance. While single fiscal year performance is linked to the targets of the Medium-Term Management Plan, if the emphasis is on long-term corporate value enhancement, the remuneration system should incorporate medium- to long-term perspectives. I appreciate the fact that a process for continuously discussing these important issues has been set in motion. Going forward, making it more systematic and substantive will be the challenge.

Miyahara The policy of targeting a payout ratio of 40% or above must be considered not only in terms of how much is to be distributed as dividends, but also how the portion not distributed as dividends is to be utilized. In the Long-Term Management Objectives through 2030, targets of ¥100.0 billion in total dividends and ¥200.0 billion growth investments are set, and the policy of allocating created cash to shareholder returns while also firmly directing it toward growth investments to enhance future corporate value is very clearly indicated. I expect the Company to continue meeting market expectations from the perspective of total shareholder returns, which includes not only the payout ratio but also stock price appreciation. If it becomes a stock that individual investors feel greater affinity toward, it should also help build a stable shareholder base.

The growth investments announced in January 2026 have also been carefully discussed on multiple occasions. Not only large-scale investment projects but also relatively small-scale investment projects that plant seeds for the future are appropriately reported to the Board of Directors and a system for monitoring is in place. Although not everything will necessarily lead to results as planned, I hope that new seeds of growth will emerge and grow out of them, and believe the Board of Directors must continue to monitor this as well.

Fulfilling the Responsibilities of Outside Directors

Osawa What I value most as an outside director is carefully monitoring whether the standing management team is conducting management without governance issues. In addition to this, offering advice for the future and expressing opinions on the strategic nature of management and medium- to long-term direction of the company are also important roles. Detailed discussions are held with the management team, particularly with those in the executive officer-class, through Executive Officer Meetings held twice a year and other channels. As outside directors, we try to talk directly to the people who plan and implement growth strategies to try to understand as much as possible about how they feel and what they are focusing on.

Hasebe Given the relationship under the parent-subsidiary listing structure, paying attention to conflicts of interest and protecting the interests of minority shareholders is of utmost importance, and we are consciously working on this issue on a daily basis. In addition to meetings of the Board of Directors, we also participate in the Management Committee, Executive Meetings, and even Executive Officer Meetings held at off-site locations and more to obtain information on management issues and important matters that are routinely discussed in executive divisions. As we are steering our business model away from one centered on the sale of Canon products and toward IT solutions, risks of different kinds from before are emerging one after another. I have been providing advice on such points on many occasions based on my own experience in the IT solutions industry.

Kawamoto I am eager to learn the history of Canon and Canon Marketing Japan thoroughly in order to fulfill my role as an outside director. We must learn the ideas that have been cultivated from the past in order to understand the present. Against this backdrop, there are things that must be carefully protected without change and things that must be changed according to the times, but I believe that these are not necessarily contradictory and that it is possible to make the most of them in a compatible manner. With this awareness, I try to participate as much as possible in meetings, site visits, exhibitions, and other opportunities that the Company provides. Furthermore, even if you are an outside director, you do not understand everything. Although each of us has different backgrounds and experiences, we consciously try to express our opinions from our own perspectives, while also valuing dialogue among outside directors.



Miyahara Because we are in an external position by definition as outside directors, we believe it is important to view things from an objective perspective and firmly communicate what needs to be conveyed. Of course, supporting the Company's growth is also important, but given the situation as a listed subsidiary, we will always keep in mind the awareness of not harming the interests of minority shareholders while performing our duties.

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 Enterprise, Area, Consumers, and Professional segments, and helps many customers create value.

Enterprise

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

We provide Canon products, IT solutions and BPO services that contribute to solving business problems in each industry and business type for our vast range of customers, from large corporations to quasi-major and upper medium-sized enterprises, public agencies, and educational institutions.

Fiscal 2025 net sales

¥265.8 billion

AvantStage

SOLTAGE IT Infrastructure Service



Consumers

Customer segment ▶ Individuals

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 2025 net sales

¥144.8 billion



Area

Customer segment ▶ Small and medium-sized enterprises

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

Fiscal 2025 net sales

¥240.3 billion

Makasete IT

eset PROTECT MDR



Professional

Customer segment ▶ Specialist fields

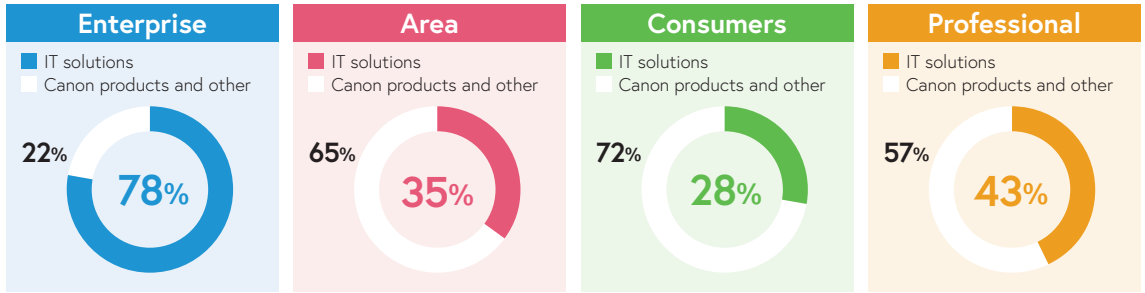
We provide products and solutions for customers in specialist fields, such as production printing, industrial equipment, and healthcare.

Fiscal 2025 net sales

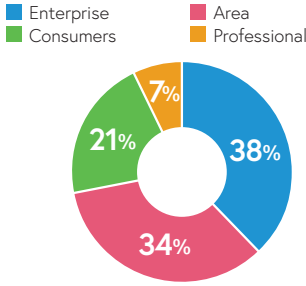
¥48.8 billion



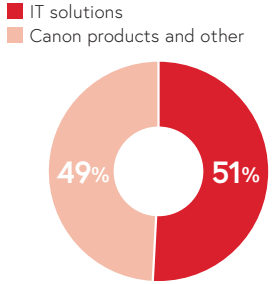
Breakdown of Net Sales by Business Segment (fiscal 2025)



Breakdown of Net Sales by Customer Segment (fiscal 2025)



Breakdown of Net Sales by Business Segment (fiscal 2025)



Enterprise Segment

The challenge of reaching net sales of ¥300.0 billion in fiscal 2028. We will create value together with our customers and become true partners, transforming our service-type business into a new pillar of revenue



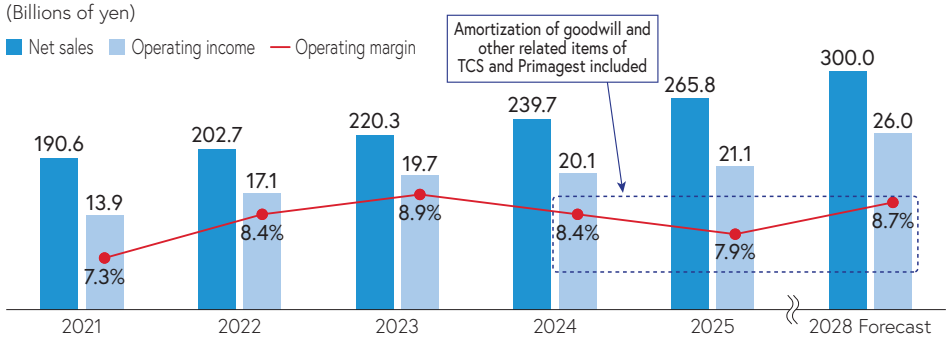
Senior Vice President, Director of Enterprise Business Unit
Hiroyuki Matsumoto

We provide Canon products, IT solutions and BPO services that contribute to solving business problems in each industry and business type for our vast range of customers, from large corporations to quasi-major and upper medium-sized enterprises, public agencies, and educational institutions.

Performance Trends

Long-Term Management Objectives (2021-2025) Performance Highlights

- Net Sales + 39%
  Operating income + 52%
  Operating margin + 0.7pt
- Net sales composition ratio of IT solutions
  67% (2021) → 78% (2025)
- IT solutions net sales + 61%
  Organic IT solutions business grew, with the addition of TCS and Primagest to the Group



Awareness of the Market Environment

Opportunities

- 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 crime prevention/disaster response solutions that realize safe and secure lives
- Growing demand for security measures in response to rising cyberattacks and information leaks
- Growing demand for the use of advanced technologies such as AI

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
- Mounting costs due to rising prices and personnel expenses, and soaring energy prices
- Changes in the demand structure for IT services due to the evolution of AI

Our Strengths

- Deep and extensive customer base developed through long-standing solid relationships with our customers
- System construction and development capabilities of approximately 3,800 system engineers mainly from Canon IT Solutions
- Highly sophisticated technological capabilities such as proprietary software technology, mathematical science technology, language processing technology, and image analysis technology
- Problem-solving capabilities through BPO and SI, leveraging the proprietary knowhow of Primagest
- Ability to provide highly reliable, high quality IT infrastructure services based in our own data centers
- Capability of Canon MJ, Canon IT Solutions, and Primagest working together to propose comprehensive solutions to a wide range of management issues faced by customers

Toward Achieving the Goals of Our Medium-Term Management Plan (2026-2028)

We are implementing our three core strategies of "expanding our customer base and reinforcing our IT solutions business," "accelerating individual company business through synergy," and "creating new service businesses."

The MA Headquarters is expanding 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 is growing its customer base with a focus on acquiring Canon product market share. 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. With Primagest now part of the segment, each organization will work together to accelerate generation of synergies, and create and expand a new service-type business model through co-creation with customers and turn it into a pillar of revenue, with the use of advanced technologies such as AI.

Enterprise Segment



Canon IT Solutions Inc.

We will polish our unique technologies and take on the challenges of change with an eye toward the future of our society and our customers. Aiming to be the key player for IT solutions business to reach ¥500.0 billion in net sales

Canon IT Solutions Inc.
President Hiroshi Suyama

Canon IT Solutions is an IT solutions company 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 science technologies that have been cultivated over many years.

Business Strategy

The key message of our vision for 2030 is "Co-creating company 2030. Look to the future. Take on change. Create value, and supply that value to society." That message represents our dedication, responsibility, and mission to put ourselves in our customers' shoes to create forward-looking concepts, continuously change ourselves with the assumption that society and the environment surrounding our customers will also change, implement the concepts we develop as specific values, and take the lead in providing that value to society and the market.

To achieve this, we will polish our three main pillars of value provided. The first is "innovation that co-creates the future." We will work with our customers to create customer reforms, using our future-focused conceptualization abilities. The second is "value creation system integration." We handle everything from conceptualization to deployment and operation ourselves to speedily create real value. The third is "provision of market-oriented services." We will identify shared market needs and create optimally combined services that continually create greater value. These three will form a cycle that drives our evolution as a company that keeps generating new value. Above all, we will support the ambition and growth of each and every one of our employees, continuing to protect and polish our corporate culture, in which everyone works towards realizing their dreams. The value we create will be supplied to our customers, earning their trust and leading them to keep choosing Canon. That trust will be a point of pride for our employees and foster even greater ambition, which will lead to the creation of new value. We will enhance this cycle as we strive to continuously increase our corporate value, surprising society and delivering new experiential value.

As the core company driving the Canon MJ Group's IT solutions business growth, we will work alongside our customers to solve social issues by leveraging the Group's customer base and supplying our highly unique technologies.



Primagest, Inc.

We will aim for further business expansion by leveraging our know-how accumulated over the years in solving issues in the ITS and BPO fields and by maximizing group synergies.

Primagest, Inc.
President 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 have automated and streamlined operations and provided 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 technologies to help enhance customer revenue.

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



Fully leveraging our diverse channels to enhance our full support for SMEs.
We will create digital futures for communities while maximizing our earnings power and aim for an operating income margin of 10% or more

Vice President, Director of Area Business Unit

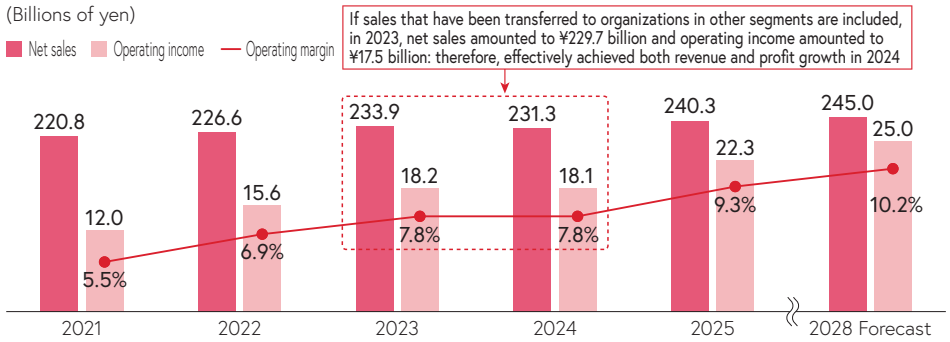
Masao Yamaguchi

We provide Canon products and IT solutions to SMEs in Japan and contribute to solving management issues by fully leveraging our channels for indirect sales through diverse business partners and direct sales through Canon System & Support Inc.

Performance Trends

Long-Term Management Objectives (2021-2025) Performance Highlights

- Net Sales + 9%
  Operating income + 85%
  Operating margin + 3.8pt
- Net sales composition ratio of IT solutions
  28%(2021) → 35%(2025)
- IT solutions net sales + 34%
  Increases in sales of PCs, the "Makasete IT Series", and security products



*Business results have not been readjusted in conjunction with the business transfers, etc.

Awareness of the Market Environment

Opportunities

- Rising demand for IT investments as SMEs look to digitalize their business
- Rising demand for security risks
- Legal and regulatory compliance such as Cybersecurity Measures Evaluation System
- Overhauling of operation processes in SMEs due to labor shortages
- Growing demand for the use of advanced technologies such as AI

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 successions due to aging and declining labor population
- Changes in the demand structure for IT services due to the evolution of AI

Our Strengths

- Diverse sales channels that span across the country, such as our business partners that serve prominent local firms, and the power to develop businesses that are rooted in local characteristics
- Interconnectedness, as Canon S&S (that is responsible for direct sales) explores customer issues at a deep level and shares the know-how it accrues with partner channels
- Ability to propose optimal solutions by combining Canon products, security products, solutions tailored to business types and operations, maintenance and operations services, and a variety of other products and services
- A sales and support structure that provides integrated support for everything from service selection to operation and maintenance

Toward Achieving the Goals of Our Medium-Term Management Plan (2026-2028)

In recent years, the business environment is changing, as the shrinking working population accelerates labor shortages and personnel expenses and the prices of goods soar. Our SME customers face a wide range of management issues, and there is growing appetite for investment in operation efficiency improvements, security enhancements, and the like.

We provide solutions to these management issues. Specifically, we offer document solutions that capture digitalization and AI trends as well as integrated IT solutions that cover the selection, introduction, maintenance, and operation of IT equipment, drawing on the know-how of Canon System & Support. Furthermore, we are reinforcing and expanding our channels to deliver these solutions to prominent local SME customers. These efforts include expanding our sales partners for security and imaging solutions and accelerating the incorporation of Canon products and IT solutions into our partners' sales strategies.

We supply our customers across Japan with various products and services through diverse channels, providing them with total support for solving their management issues. Through this, we are contributing to the creation of the digital futures of local communities.

Area Segment

Canon System & Support Inc.

Building on our strong relationships of trust with our customers, we will achieve greater added value through our service-type business that addresses the roots of customer management issues and sustainable growth.

Canon System & Support Inc.
President **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 supported the stable operation of IT infrastructure through corrective maintenance and security solutions for PCs and networks. In recent years, the environments surrounding our SME customers have undergone dramatic change as a result of advances in generative AI, increasingly sophisticated cyber risks, and chronic labor shortages. Our customers are being called on to deal with issues that are directly tied to management, including not only improving operational efficiency and productivity with limited human resources, but also strengthening information security, creating frameworks to ensure business continuity, and engaging in environmental management.

We respond to such issues by providing comprehensive support, from IT planning to introduction, operation, maintenance, and education, to create systems that customers can feel safe relying on for their IT operations. Furthermore, we support operation and workplace reforms, and future-looking business continuity, leveraging the knowledge developed by the Canon MJ Group to help solve our customers' management issues. We will continue to make efforts to develop skilled personnel, evolving ourselves so we can support our customers' own evolution.

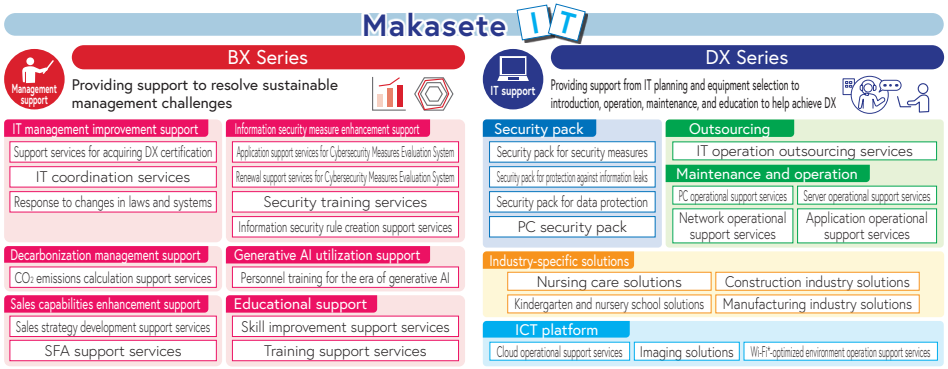
Enhancing Our Full Support for SMEs and Expanding it to Business Partners

Makasete IT DX Series/BX Series

Canon System & Support, in collaboration with local business partners, has long supported for creation of environments 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 and provided maintenance services that assist in the creation and stable operation of IT infrastructure. Furthermore, noting that customers' IT issues stem from day-to-day operations, we have strengthened our operational support services, evolving them into the "Makasete IT DX Series" and enhancing the value we provide.

Today, the "Makasete IT DX Series" has developed into a comprehensive service supporting DX for SMEs, from IT investment planning and introduction to operations, maintenance, and employee education. Furthermore, to address our customers' diverse issues, we have developed industry-specific solutions and imaging solutions, and expanded our business field to supporting the resolution of both management and social issues, such as improving operational efficiency, addressing labor shortages, and strengthening information security.

In recent years, management issues have become more challenging and complex due to advances in generative AI, the need to secure workforce, and enhancement of environmental management and governance. We will release the new "Makasete IT BX Series" to meet these needs, expanding our support to cover environmental management, human resources development, IT investment strategy, business continuity, and other management areas.



*Wi-Fi is a trademark or registered trademark of the Wi-Fi Alliance

Expanding to Business Partners

Until now, the "Makasete IT DX Series/BX Series" have been offered exclusively by Canon S&S. Going forward, we will also be offering these solutions, which leverage the advanced service abilities developed by Canon S&S, through the Canon MJ's business partner channels, part of its extensive sales network.

By continuing to support the IT-driven evolution of our customers, Canon MJ and Canon S&S aim to contribute to their sustainable growth and the realization of a richer community beyond it.

Consumers Segment

We are growing our product portfolio and developing and optimizing our channels to maximize our sales and the value we provide.
Our goals are to maintain net sales while increasing our earnings power

Senior Vice President, Director of Consumers Business Unit
Koichi Mikami

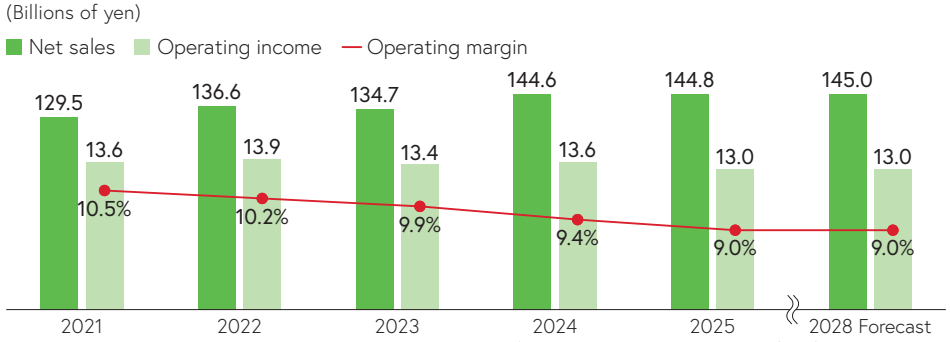


We sell Canon products such as cameras, which have been manufactured since the time of our founding; imaging products; and inkjet printers, as well as non-Canon consumer products, to individual and corporate customers through retailers, online stores, and other business formats.

Performance Trends

Long-Term Management Objectives (2021-2025) Performance Highlights

- Net Sales + 12%
  Operating income – 4%
  Operating margin – 1.5pt
- Unit price per Canon product
  Interchangeable lens cameras + 20%
  Inkjet printers + 3%
- Net sales composition ratio of IT solutions (IT products)
  Increased from 22% (2021) to 28% (2025)



*Business results have not been reclassified in conjunction with the transfer of businesses, etc.

Awareness of the Market Environment

Opportunities

- Rising demand for high-definition, high-quality video for vlogs, live streaming, etc.
- Re-expanding of the compact camera market, especially among young people and women
- Growing demand for diverse types of printing related to fan activities, events, etc.
- Growing demand for broadcast camera systems to communicate natural disasters in real time

Risks

- Temporary declines in camera demand due to changes in the surrounding environment
- Reductions in print volume due to declines in New Year's card demand

Our Strengths

- Sales channels, logistics network, and sales system developed through our long history of selling Canon products
- Wide range of products, including not only Canon products like cameras and printers but also IT products
- One-to-one marketing system matched to the needs of individual customers
- Connections with a broad range of camera users (leading share of the digital interchangeable lens camera market for 18 consecutive years)
- Ability to use diverse printing methods to provide optimized print environments tailored to individual applications

Toward Achieving the Goals of Our Medium-Term Management Plan (2026-2028)

In the consumer market, where technological innovation and customer trends change rapidly, we strive to deliver value that exceeds customer expectations.

We will expand sales of full-frame models and promote one-to-one marketing using our membership base. Furthermore, we will share the appeal of Canon products to meet imaging demand among young consumers.

Regarding printing, we will expand sales channels for business applications, such as SOHO, and reinforce our new value propositions while capturing diverse printing demand.

We will leverage our sales channels and logistics network to expand our offerings of non-Canon products and cultivate new sales channels.

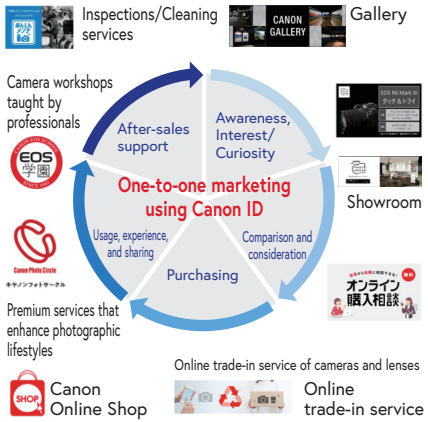
These initiatives will be carried out through highly efficient business operations by a small, elite team, and we will work to maintain our net sales while increasing our earnings power.

Case Study

What We Provide Is Customer Experiential Value through Canon Products

Our customers own a diverse range of devices and equipment, and they are interested in wide-range of photographic subjects.

We use "Canon ID", user accounts shared by multiple services, to support the comfortable photographic lifestyles of individual customers. We provide our services as a unified customer experience, covering everything from awareness, interest and curiosity, product comparison and consideration, purchasing, usage, experience and sharing, and after-sales support. This helps ensure that customers will love and patronize Canon for years to come.

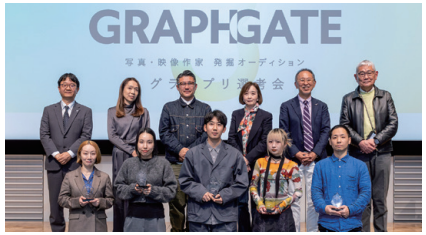


For the Future Development of Photographic and Imaging Culture

We have been a special sponsor of the "Photo Koshien (National High School Photography Championships)" since its first event in 1994. The "Photo Koshien" provides high school students across Japan, who forge the future, with new opportunities for activities, goals, and new encounters and connections. Since 2023, we have hosted "GRAPHGATE", an audition-style program to discover new talent in photography and video. We offer winners ongoing support and development assistance to contribute to their futures as creators. These initiatives are socially significant, supporting the future of photographic and imaging culture. At the same time, they also create connections between Canon and the people who will be responsible for photographic and imaging culture in the future, which contributes to creating a foundation that will support the development of our camera business over the long term.



Photo Koshien



Third GRAPHGATE Award Ceremony

Incorporating Canon's Imaging Technology into Our Broadcasting Activities

The CINEMA EOS SYSTEM was used in the creation of the TBS Sunday Night TV drama series "The Royal Family."

In addition to its past track record of usage, this Canon imaging product was selected in recognition of its advanced expressive capabilities.

The imaging technologies and support capabilities that back up video production are being put to use in the production field to create iconic Japanese television shows.



TBS Sunday Night TV drama series "The Royal Family"
Image courtesy of: TBS ACT, INC.
TBS SPARKLE, INC.

A Diverse Lineup of Products That Goes Beyond Canon Products

Backed by our long track record of selling Canon products in the Japanese market, and the trust we have earned through the years, we now carry a diverse range of products, primarily IT products from Japanese and overseas manufacturers, which we sell through our diverse sales channels.

In addition to gaming PCs and PC peripherals, we sell products that enrich customers' everyday lives, such as myofascial release guns.

Through our in-store, EC, and promotional activities, we are helping increase brand awareness for these manufacturers and showcasing their value.



From PCs and PC peripherals to products that enrich customers' everyday lives



Fitness care brand uFit has concluded a host area partnership agreement with the Yokohama Canon Eagles
*Yokohama Canon Eagles player Koki Arai (left) holds a uFit myofascial release gun

Professional Segment

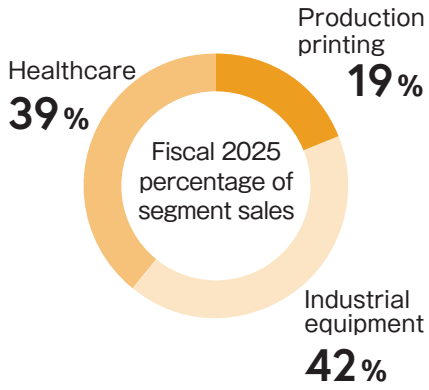
We provide products and solutions for customers in specialist fields, such as production printing, industrial equipment, and healthcare.

Performance Trends

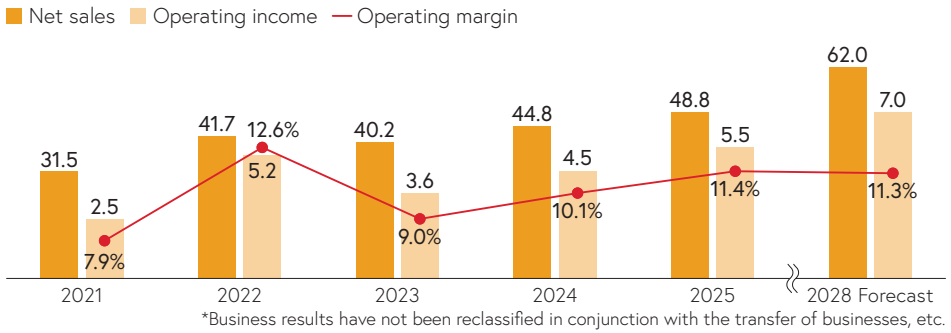
Long-Term Management Objectives (2021-2025) Performance Highlights

- Net Sales + 55%
  Operating income + 123%
  Operating margin + 3.5pt
- Net sales composition ratio of IT solutions (healthcare)
  28% (2021) → 43% (2025)

Composition ratio



(Billions of yen)



*Business results have not been reclassified in conjunction with the transfer of businesses, etc.



Production Printing

Complete the initial fiscal year of the Medium-Term Management Plan and continue aiming for record profits toward 2028 targets
Each of our employees will strengthen on-site execution capabilities, become a trusted partner to customers, and work together with them to shape the future of printing

Canon Production Printing Systems Inc.
President 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.

Our Strengths

- Rapid response and proposal capabilities for solving customer issues through our integrated system, which covers everything from planning to development, sales, and services
- High level of technical capabilities that support the stable operation of products and software, combined with a powerful support system that is closely aligned with the actual printing field
- Software development capabilities that innovate entire workflows, including pre- and post-printing processes

Toward Achieving the Goals of Our Medium-Term Management Plan (2026-2028)

In the printing market, which is transitioning from analog to digital, we resolve diverse and complex customer issues through total solution proposals combining our wide-ranging hardware lineup, which includes high-speed continuous feed and sheet-fed printers from Canon Production Printing Holdings (Holland) and Canon, and software, including pre- and post-printing processes, such as Connect Works Manager. From that foundation, we will accelerate the transformation of our business structure, achieve our Long-Term Management Objectives and Medium-term Management Plan, and contribute to the sustainable improvement of the profitability of the Canon MJ Group.



Highly Productive Inkjet Sheetfed Press for commercial printing
"varioPRINT iX3200"

Professional Segment

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



Vice President, 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.

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 (2026-2028)

In the semiconductor market, AI-related investment remains strong, and government subsidy policies will continue, thereby expecting to continue to see strong investments. In the semiconductor business, we aim to strengthen our revenue base to one that is resilient to market changes and to further enhance profitability and stability by expanding sales of several high-value products. 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.



Plasma ashing equipment
"Suprema cXP" manufactured by
Mattson Technology, Inc.

Healthcare

Aiming for Seven Consecutive Fiscal Years of Increases in Revenue and Profit Toward 2028
We will contribute to the solving of social issues and the ongoing transformation of medical institutions through medical DX that assists with medical examinations rooted in the actual needs of the field and offers business support



Canon ITS Medical Inc.
President 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.

Our Strengths

- Capabilities to provide one-stop services that cover everything from optimized proposals to development, installation, and maintenance through our vendor-neutral product and service structure
- Broad customer base that includes hospitals, clinics, dispensing pharmacies, medical centers, and diagnostic imaging providers, and the relationships of trust we have established with them
- Roughly 300 sales personnel and SEs with extensive knowledge regarding the medical industry

Toward Achieving the Goals of Our Medium-Term Management Plan (2026-2028)

Accelerating the real-world deployment of medical DX is critical to efficiently providing high-quality medical services in a society with a declining birthrate and aging population. We propose optimized combinations of our diverse digital products and services offered by Group companies to improve the level of service offered by medical facilities and strengthen their management. Furthermore, through integration of our hospital system integration business, conducted with Canon Medical Systems, we will continue to generate new synergy as we aim to achieve ¥21.0 billion in net sales by 2028.

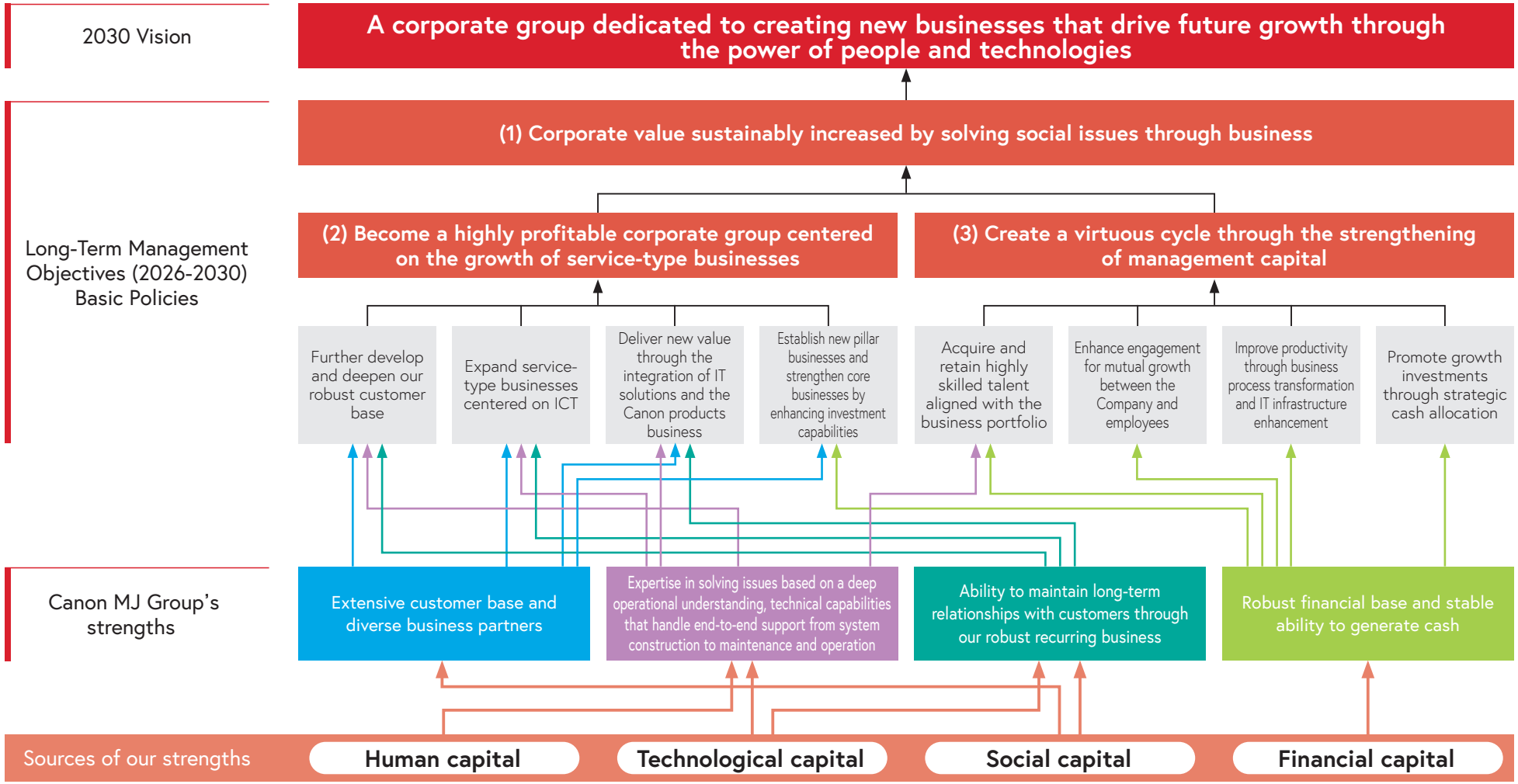


A doctor checks medical examination images using the cloud-based "Medical Image Place Community Coordination Service."

Relationship Between Our Long-Term Management Objectives and Management Capital

Led by the Long-Term Management Objectives (2026-2030), the Canon MJ Group strategically utilizes its management capital, such as its human capital, technological capital, social capital, and financial capital, with the aim of sustainably increasing its corporate value by solving social issues through its business. In this section, we explain what kinds of management capital the Group has, along with some quantitative data about that capital.

How we are using our management capital to achieve our 2030 Vision



Human Capital

The Canon MJ Group is strengthening its human capital in order to realize its 2030 Vision. We carry out measures to enhance both development of skilled personnel and employee job satisfaction, led by the engagement improvement cycle. In the area of developing skilled personnel, we have a clear vision for expert personnel aligned with our business portfolio and we hire and train these expert personnel using a unified approach. We are also systematically strengthening the business and digital skills of all of our employees. Together with this, we work to improve job satisfaction among employees by creating environments that draw out their autonomy and their desire to grow. We link the power of our people to the growth of our organization as we work to improve our sustainable corporate value.

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.*

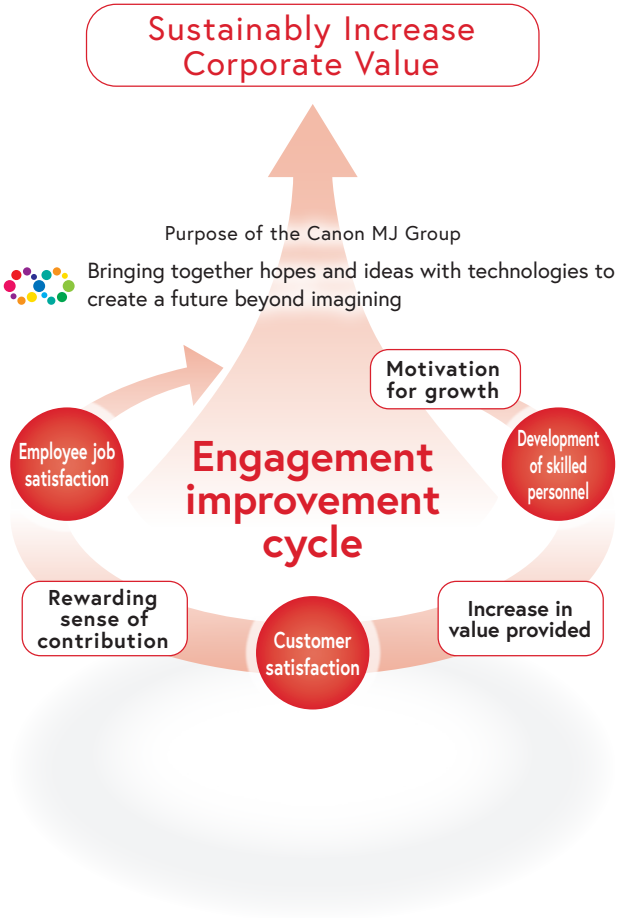
Code of Conduct

The San-ji (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

*The diversification of human resources leads to personnel development.

Human Capital

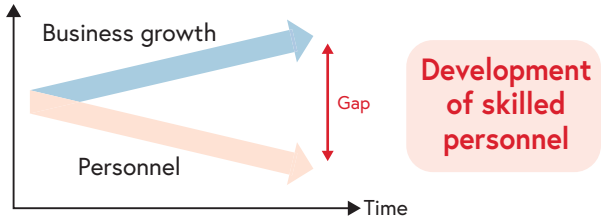
The engagement improvement cycle refers to the concept whereby the development of skilled personnel, customer satisfaction, and employee job satisfaction interact with one another, linking financial and non-financial factors in an integrated manner to drive sustainable enhancement of corporate value.



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 Specialist Personnel Deemed Significant in Achieving Our Business Strategy

In order to achieve the "Medium-Term Management Plan (2026-2028)", we have defined our vision for the specialist personnel deemed significant in achieving our business strategy, and have created plans for acquiring and developing them.

As part of our human resources development, we systematically improve the business skills and digital skills needed throughout the Company. Individual business divisions also plan and implement highly specialized training in line with actual business activities operations. Through fast and flexible operations led by those in the field, we are developing human resources suited to our business needs.

Medium-Term Management Plan → Defining the specialist personnel deemed significant in achieving our business strategy → Identifying the gap and formulating measures to bridge it → Implementing Group-wide measures and divisional measures → Confirming progress with KPIs and updating targets

Human Capital

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

Development of Specialist Personnel

Although the number of personnel we need may fall in the future, we will acquire and develop personnel with the advanced expertise needed to realize our business strategy so that the Group can continue to grow in the future.

In 2025, we established a specialist level certification system for highly skilled IT personnel, and we are certifying personnel based on 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 Innovation Platform Agency, Japan (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.

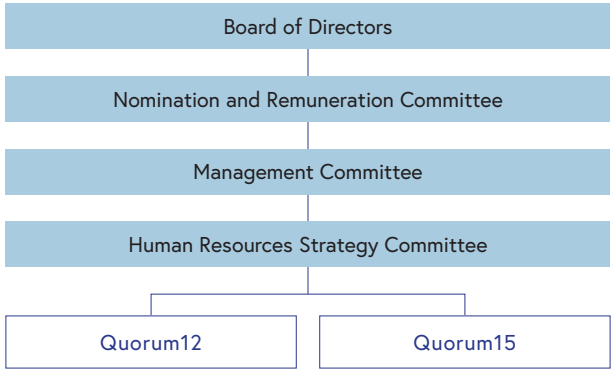
The R&B specialized organization, which was newly established in January 2024, gathers innovative personnel discovered and cultivated within the Company, and also welcomes experienced personnel from outside the company as leaders.

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 directors including 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

We launched DX certification and DX business certification exams in 2023, and in 2025, we also administered Group-wide exams to encourage personnel to stay up-to-date with the latest information. 6,180 employees received certification in 2025, of which 1,406 received professional level certification (a score of 800 points or higher). In recognition of this, we received the award for companies in the DX certification and DX business certification from the Innovation Fusion Society of Japan. We also introduced a design thinking test to aid in our innovation-minded personnel development in 2023. This test has already been taken by 10,912 employees. Of these, 2,539 employees have acquired high-ranking personnel (innovative personnel) certification, an internal certification issued to those who meet certain defined standards.

To improve the digital literacy of all employees, we introduced e-learning in 2022. A total of 22,049 employees have since taken our e-learning courses and 260 employees have taken part in workshops such as data science or digital marketing workshops for acquiring even more advanced technical skills. We are also dedicating ourselves to improving our programs for developing personnel with a high level of specialization. For example, in 2025, we added a training program for generative AI, which is seeing explosive growth. We also promote the use of Aidemy Business, an e-learning platform specialized in AI. A total of 5,862 employees have taken Aidemy Business courses, gaining basic knowledge and undergoing Python training.

Human Capital

Engagement Improvement Cycle "Employee Job Satisfaction"

Maintaining a High Level of Engagement Scores

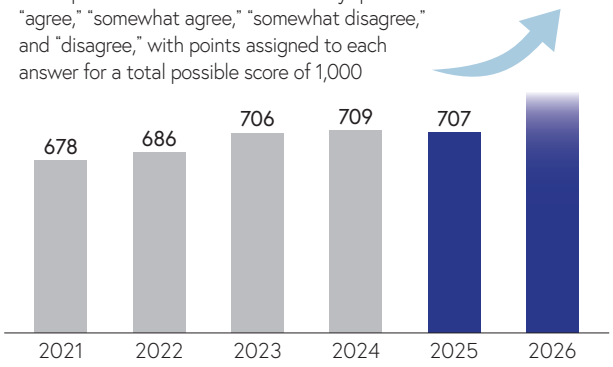
Since 2021, we have been carrying out an annual engagement survey of Group employees to visualize their level of engagement. The survey is conducted in a four-choice format, with points assigned to each answer for a total possible score of 1,000. Our goal is to have all 20 key questions answered with affirmative responses (667 points or more).

In fiscal 2025, 14 of the 20 questions answered with affirmative responses (compared to 14 in fiscal 2024). The average total score for the 20 questions was 707, staying above our target.

From 2026, we will switch to having the survey conducted by an external research organization. This will make it possible for us to compare our results against those of competitors. We will analyze objective data, identify issues, and carry out improvement activities 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



An Environment Where Everyone Can Live Up to Their Potential

Through the three task forces of Workplace, Work Processes, and Workstyle, we are creating workplace environments that increase our employee job satisfaction.

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.

Work place

Transform the awareness, knowledge, and actions of each and every person
- Link new work practices and business site strategies
- Create a mechanism for bringing about a transformation in the internal culture
- Build a diverse workplace

Work processes

Realize new work practices that generate added value
- Visualize productivity and implement measures
- Transform shared services
- Reassess work processes

Work style

Shift to flexible work practices that are not limited by time or location
- Pursue the organizational community that we wish to build
- Make communication more active in all directions
- Build systems for supporting telework

Shift to highly productive workstyles in which each employee can perform to their full potential and play an active role

Health and Productivity Management that Supports Healthy, Energetic Employees and Workplaces

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.

Led by that belief, we formulate and continuously implement medium-term plans related to health support. We currently recognize mental health, metabolic syndrome, and cancer as our primary health issues, and the Group works as one to engage in health and productivity management and improve the performance of employees.

We have also established seven health support offices in Japan, staffed by health nurses, occupational health physicians, and psychiatrists, who provide specialized support to employees.

As a result of these efforts, nine Canon MJ Group companies, including Canon MJ, were selected under the "2026 Certified KENKO Investment for Health Outstanding Organizations Recognition Program."

Through our health and productivity management, we will continue to foster workplace culture that provides employees job satisfaction and a sense of security, and we will create workplace environments where employees work energetically, healthy in both body and mind.

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門

Technological Capital/DX Strategy

Using data and digital technology to form a sturdy management foundation that withstands changes in the business environment and further increase our corporate value.

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



As professionals who are well-versed in data and digital technologies and who understand the business of the Canon MJ Group at a deep level, we have positioned DX as one of our strategic pillars, and we are driving reforms throughout the Group. We have also positioned our Company as "customer zero,"*1 taking on the challenges faced by society. We take the lead and put our ideas into practice ourselves, and then offer the knowledge we gain through this process as services, linking it to providing greater value to customers and creating new business opportunities.

Increasing the Sophistication of Our Management Foundation Using Data and Digital Technology

To improve the profitability of the Canon products business while at the same time achieving profitable growth for the IT solutions business, we are applying a DX strategy that transforms our business foundation. It goes beyond mere digitalization to also include reviewing and revising our business structure and business processes and creating sustainable value.

Based on the roadmap we formulated in 2021, we have overhauled our finance/accounting and human resources domains and developed a platform that we can use to visualize management information for the entire Group. We have built an environment that supports speedy and accurate management decision-making.

We have now expanded the scope of our DX efforts to all of our business processes. We aim to perform overall optimization for marketing and customer management in 2026; ordering, sales, and logistics by 2027; and services and maintenance by 2029. Along with this, we are also working on a data platform that can be used across the Group, transitioning to a data-driven management approach.

To accomplish these reforms, we have brought together the system development and operation divisions that were previously scattered across Canon ITS, and combined them in the Canon MJ's information systems division. By enhancing our development capabilities by using an internal manufacturing approach and coordinating with business divisions, we have built a DX promotion system that can immediately respond to change.

To support our business transformation, we are also working to create an AI environment which can safely be used by employees. In 2025, we held a "generative AI usage case contest" and shared the creative ideas developed by personnel out in the field throughout the Company. As these initiatives have grown, we established a generative AI CoE*2, which we will use to accelerate the use of AI company-wide while making sure it is safe and effective.

*1 Usage and verification activities in which we are our own first customer
*2 Center of Excellence, an organization that brings together expertise and promotes company-wide initiatives

Supporting Business Continuity and Growth by Increasing Resilience

From a business continuity perspective, in addition to responding to natural disasters and system outages, cybersecurity is also becoming increasingly important, given the increasing sophistication of cyberattacks. As part of our management foundation which supports sustainable increases in corporate value, we are constantly enhancing our resilient IT and security platforms.

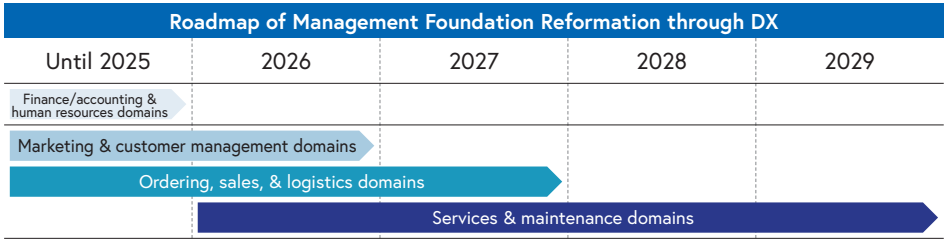
Specifically, we are loosely coupling our systems and promoting use of the cloud to better localize the impacts of outages. Through this, we are creating a system environment capable of rapid recovery. We are also strengthening our control and management of devices and the cloud, along with our authentication and access management, and raising the level of security throughout our company.

Going forward, we will establish a system that holistically handles incident detection, response, and recovery, reducing the risk of operation downtime and shortening recovery times.

The security field is an important business domain for our Group. We will leverage the knowledge we have accrued through our own internal deployment and operation experience to provide greater added value through our security solutions and create new business opportunities.

Developing an Organization and Human Resources That Sustainably Carry Out Reforms

To sustainably implement reforms, in 2025, we established "an advanced ITS talent certification program" in cooperation with the Human Resources Department. This program certifies employees with advanced digital skills. Along with this, we have expanded our digital literacy training (e-learning) for all Group employees, as well as our training programs for data analysis, user experience (UX), citizen development, and generative AI. Since 2022, a total of 22,049 people have studied using our e-learning, and 260 people have taken part in workshops. In the future, we plan to further expand and enrich our training programs, making them permanent fixtures. This will accelerate our development and production of personnel with advanced skills and strengthen our organizational capabilities, which are the foundation of our reforms.



Technological Capital/Intellectual Property Strategy

Intellectual property strategies that contribute to business growth and the solving of social issues



Senior General Manager of Legal and Intellectual Property Headquarters
Hiroshi Kawaguchi

We are building and leveraging a high value-added patent portfolio that supports our business growth. At the same time, we are promoting intellectual property activities that make our growth investment even more effective and we are dedicating ourselves to developing highly skilled personnel that maximize the added value of our products and services. Through these initiatives, we will support business growth and help solve social issues.

Building a High Value-Added Patent Portfolio That Supports Business Growth

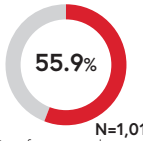
The Canon MJ Group is focused on developing and supplying solutions that leverage its distinctive strengths, such as its unique technologies and AI, to solve the issues faced by the industry and its customers. We acquire patents that provide our customers with value, primarily in focus areas such as imaging and AI solutions, matched to the pace of business. Through this, we are striving to create a patent portfolio with high added value that supports business growth.

As a result of our efforts, in fiscal 2025, over 50% of our patents were related to focus areas, and almost 60% of our new patent applications were for AI-related technologies, including generative AI. We are actively using the patents we have acquired in marketing activities, customer proposals, and the like.

Through these initiatives, we will use intellectual property to provide powerful support for our efforts to achieve ITS sales target of ¥500.0 billion and to expand our service-type business in our Long-Term Management Objectives (2026-2030).

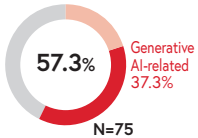
Concentration in Focus Areas and AI-related Technologies

Patents in focus areas



N=1,016
No. of registered patents as of December 31, 2025

AI-related patent applications



N=75
No. of patent applications in 2025

Example of the Patent for Solutions That Leverage Our Strengths (Demand Forecasting & AI Technologies)

Ensemble forecasting using multiple prediction models

For our "FOREMAST" demand forecasting and demand planning solution, we have acquired a patent for ensemble forecasting technology in which AI learns the relationships between actual shipping data characteristics and optimized demand forecasting models, and perform forecasting using multiple demand forecasting models. We are striving to further improve the accuracy of our forecasts.

Intellectual Property Activities That Support Growth Strategies Through Investments

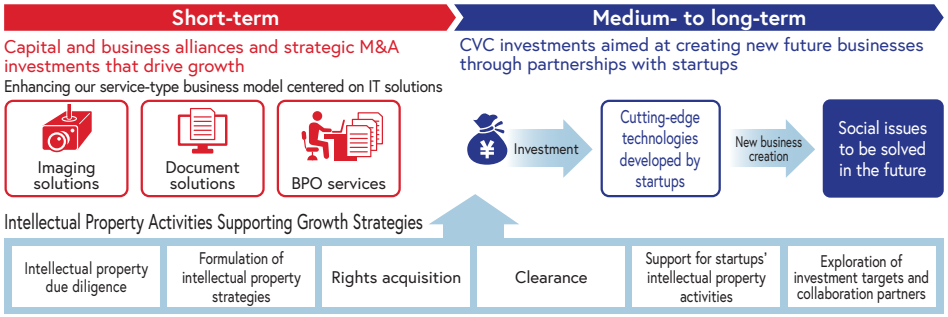
The Canon MJ Group actively invests in growth areas and engages in capital and business alliances from short-, medium-, and long-term perspectives. We carry out various intellectual property activities to support these growth strategies.

For example, in our short-term growth strategies, we identify both the technological advantages of our investment and alliance partners, and business risks in terms of intellectual property, through intellectual property due diligence.

In our medium- to long-term growth strategies, to help ensure that the new businesses we create in the future, through our partnerships with startups, will be successes, we leverage Canon's intellectual property expertise and support startups for their intellectual property activities such as formulating intellectual property strategies and applying for patents.

Through these activities, we make our growth investments more effective and achieve sustainable growth while solving social issues.

Growth Strategies through Investments



Intellectual Property Personnel Development for Maximizing the Added Value of Products and Services

To develop highly skilled talent aligned with the business portfolio, as set forth in our Long-Term Management Objectives (2026-2030), we are developing intellectual property personnel that can actively utilize our intellectual property in business and maximize the added value of our products and services. Specifically, we are conducting company-wide training on patents, trademarks, copyright, open-source software, and the like, and developing human resources who are knowledgeable about a mix of intellectual property* that utilizes multiple intellectual properties.

In the Canon MJ Group, development divisions do not work alone. Instead, the Group has a corporate culture in which they coordinate with sales and planning divisions, leveraging their knowledge about a mix of intellectual property to keep creating diverse ideas. In our dramatically changing business environment, we believe that it is important to pass on this corporate culture into the future. Through these activities, we will work even harder to develop intellectual property personnel who can maximize the added value of our products and services.

*A strategy of using multiple intellectual properties to provide multi-faceted protection for products and services

Technological Capital/Societal Capital (Customer Base)

Technical Capabilities

The Group's technical capabilities 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 Group but also of its diverse business partners. Our strengths don't just lie in the technologies behind our services, but also the technical capabilities of our people.

Number of SEs

Approx. **4,800**

Number of engineers

Approx. **1,800**

Number of registered patents

1,016

Research and utilization of mathematical science technologies

Over **60** years

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

Over **40** years

Results of migration services

Over **120**

*Results for 30 years

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 areas 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.

Consultation willingness among existing customers

86%

*Based on Canon MJ Corporate Brand Survey

Antivirus and anti-malware software solutions for corporate customers

No. **2** in domestic market share (ESET)

*Deloitte Tohmatsu MIC Research Institute Co., Ltd., "Current State and Future Outlook of the External Threat Countermeasure Solutions Market, Fiscal Year 2025"

Security Customer Satisfaction Survey

No. **1**

*In the security and threat countermeasure products and services category of the Nikkei Computer Partner Satisfaction Survey 2026 (March 5, 2026) conducted by Nikkei Business Publications, Inc.

Canon Photo Clubs

Approx. **90** clubs nationwide

*Community-based photography clubs

Color MFP Customer Satisfaction Study

Ranked No. **1** for **3** consecutive years

*J.D. Power Japan 2025 Color MFP Customer Satisfaction Study

EOS Academy (photography school) operation

Over **30** years

(As of the end of 2025)

Share of Canon Products

*Domestic volume share Source: Canon MJ market research

[Camera Business]

Digital interchangeable lens camera

1st 18 consecutive years



[Printing Business]

Office MFP

3rd



Laser beam printer

1st 34 consecutive years



Inkjet printer

2nd

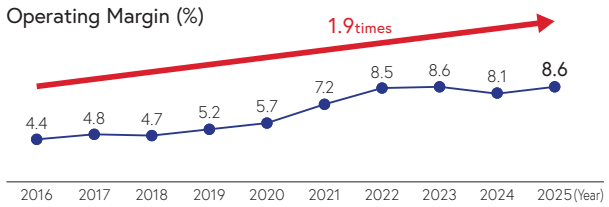


Financial Capital

Operating Margin

Change over past 10 years

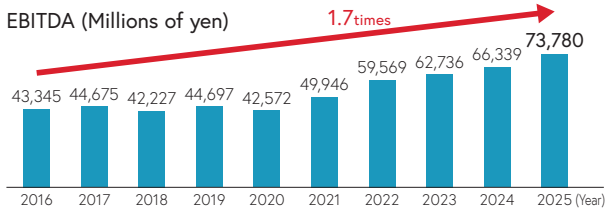
1.9 times



EBITDA

Change over past 10 years

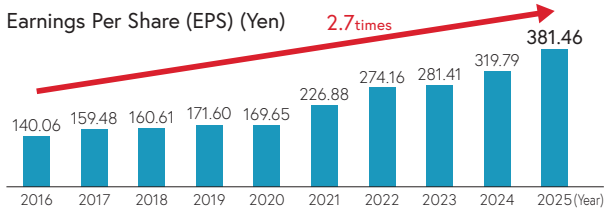
1.7 times



Earnings Per Share (EPS)

Change over past 10 years

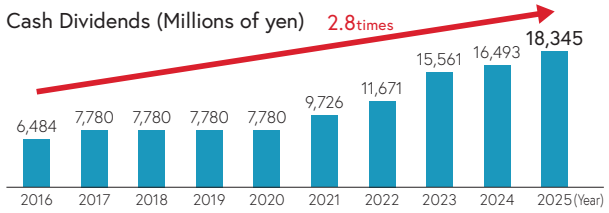
2.7 times



Cash Dividends

Change over past 10 years

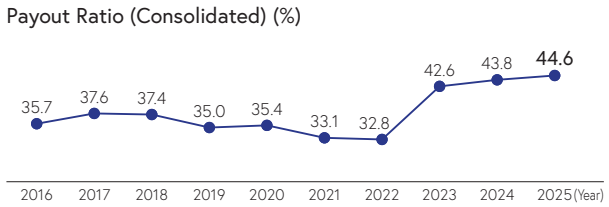
2.8 times



Payout Ratio

Since 2023 Maintain over

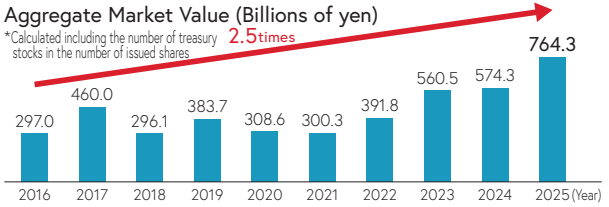
40%



Aggregate Market Value

Change over past 10 years

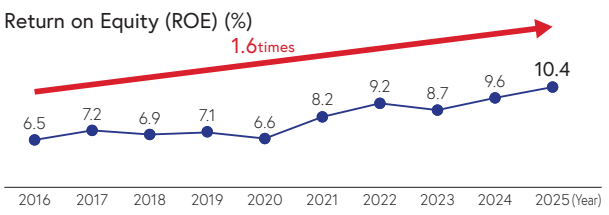
2.5 times



Return on Equity (ROE)

Change over past 10 years

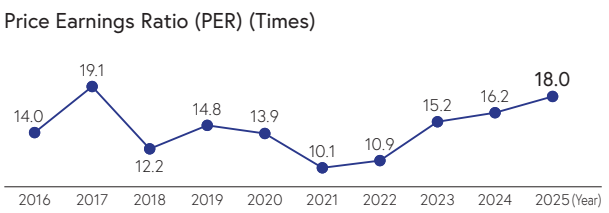
1.6 times



Price Earnings Ratio (PER)

Change over past 10 years

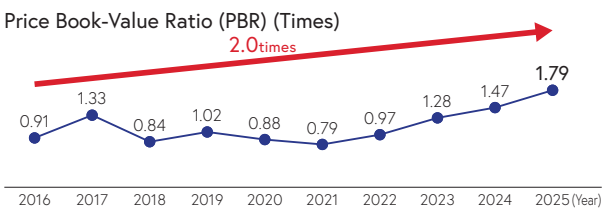
+4 pt



Price Book-Value Ratio (PBR)

Change over past 10 years

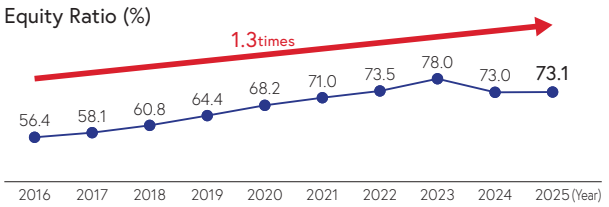
2.0 times



Equity Ratio

Change over past 10 years

1.3 times



Promotion System and Initiatives for Enhancing Sustainability Management

Enhancing sustainability management

The Canon MJ Group has evolved its sustainability activities from a primary focus on responding to societal needs to a stage where they are more closely aligned with its business operations, thereby enhancing the effectiveness of addressing social issues through its business activities. Furthermore, we aim to enhance our sustainable earning power through value creation that links financial and non-financial factors.

Based on this approach, in 2025, we reviewed our material issues and formulated the new material issues (material topics) to be applied from 2026. At the same time, we further enhanced our sustainability management by integrating the material topics into our management framework and placing particular emphasis on refining and developing indicators for the engagement improvement cycle.

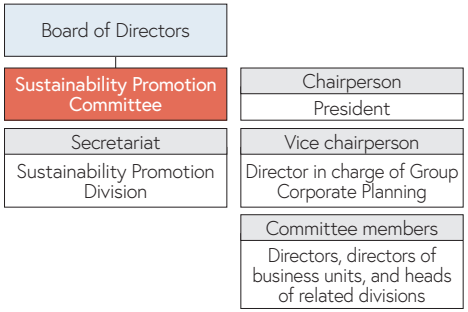
Structure for enhancing sustainability management

The Canon MJ Group established the "Sustainability Promotion Committee" in 2021 to discuss and make decisions on important sustainability-related matters on a company-wide basis. Chaired by the President, the committee oversees and addresses all matters related to sustainability. Because the themes addressed by the committee are important matters closely linked to management strategy and business activities, the structure was changed in 2023 from being under the Management Committee to being under the Board of Directors. The Committee now operates under the direct oversight of the Board of Directors. In addition, as a certain period had elapsed since the committee's establishment and the scope and content of its activities had become more specific, in 2025, we reviewed the reporting and approval matters to be submitted to the Sustainability Promotion Committee and the Board of Directors. By aligning reporting and approval matters with the status of our latest initiatives and actual operating conditions, we seek to achieve both effective governance and agile management. In 2025, three reports were submitted to the Board of Directors.

Material Issues Until 2025 (Former Material Issues)

Material Issues	KPI	2025 Results
Provide solutions that advance people's daily lives, work, and society	· KPIs consistent with our business strategy (ITS business for different customer groups)	· 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	· 22.6% 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 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	· 3.0% 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, 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

Structure of the Sustainability Promotion Committee





At a meeting of the Sustainability Promotion Committee

Past Major Initiatives

2021
- Established the Sustainability Promotion Committee under the Management 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

2025
- Considered measures to instill sustainability management
- Explored and formulated the next material issues
- Managed the progress of 2030 Medium-Term Environmental Targets
- Improved the environmental management system
- Participated in the TNFD forum
- Continued engagement with suppliers
- Implemented human rights due diligence measures
- Enhanced communication of social contribution activities and strengthened employee participation

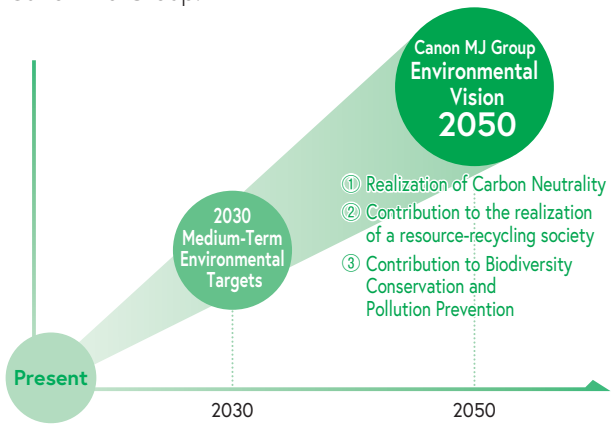
Environment

Coexist in Harmony with the Global Environment

Environmental Vision and Targets

In 2025, the Canon MJ Group reviewed and reformulated its material issues to be applied from 2026 (material topics), further shifting its focus from initiatives aimed primarily at meeting the "needs" of stakeholders to those designed to meet the "expectations" of stakeholders (see page 19). In the area of environmental activities as well, we are strengthening the linkage between environmental initiatives, including climate change measures, and our business activities in order to shift to meeting the expectations of stakeholders.

Since formulating the "Environmental Vision 2050" and the "2030 Medium-Term Environmental Targets" in 2022, various initiatives undertaken to achieve these targets have generally progressed as planned. "Coexist in harmony with the global environment," one of the new material issues introduced from 2026, is defined as a material topic that not only minimizes negative impacts on society but also maximizes positive impacts on society. By contributing to the reduction of our customers' environmental impact through our business activities, we strive to achieve the sustainable development of both society and the Canon MJ Group.



Canon MJ Group 2030 Medium-Term Environmental Targets	Achievements in 2025
1. Realization of carbon neutrality • Reduce Scope 1*1 and Scope 2*1 emissions by 42% from 2022 levels by 2030 • Reduce Scope 3 (Category 1, 11)*1 emissions by 25% from 2022 levels by 2030 • Contributing to customers' CO_2 reduction through our business	• Scope 1, Scope 2: 22.6% reduction (compared to 2022) • Scope 3 (Category 1, 11): 3.0% reduction (compared to 2022) • ① Launched "CO_2 Emissions Calculation Support Service" to support decarbonization management ② Implemented a service that provides carbon-neutral electricity
2. Contribution to the realization of a resource-recycling society • Achieve zero emissions from product waste (recycling rate*2 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 • In addition to ongoing efforts to improve water-use efficiency and reduce water consumption, reassessed water risks at Canon MJ Group's business sites in Japan
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	• Participated in the TNFD Forum; continued support for an increasing number of organizations seeking certification as Nationally Certified Sustainably Managed Natural Sites through the "Furusato (Hometown) Project" • Continued to promote the elimination of hazardous substances through green procurement

*1 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
*2 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

Realization of Carbon Neutrality

Contributing to customers' CO_2 reduction through our business

■ **Launched "CO_2 Emissions Calculation Support Service" to support decarbonization management**

In June 2025, Canon System & Support launched the "CO_2 Emissions Calculation Support Service" to support the calculation and visualization of CO_2 emissions, which serve as the foundation for decarbonization management initiatives by small and medium-sized enterprises.

https://canon.jp/biz/solution/smb/makasete-it/bx-support/datsutanso/co2 (in Japanese)

■ **Implemented a service that provides carbon-neutral electricity**

The "Nishi-Tokyo Data Center", owned and operated by Canon ITS, offers services 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.



Nishi-Tokyo Data Center

Environment

Initiatives to reduce Scope 1 and Scope 2 emissions

■ Energy-saving initiatives at data centers and offices

Buildings No. 1 and No. 2 of the "Nishi-Tokyo Data Center", owned and operated by Canon ITS, are operated under rigorous safety management while maintaining high efficiency and low energy consumption. 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 2021, followed by the No. 2 building in 2023 as facilities with exceptionally strong frameworks for promoting climate change measures. Furthermore, in 2025, both the No. 1 and No. 2 buildings were recognized as "Outstanding Specified Anti-Global Warming Facilities" (top-level business facilities), a higher-level certification. We contribute to our customers' energy-saving efforts by enabling them to migrate their on-premises servers to cloud services and data centers provided by us.

In addition, at Canon MJ Group sites across Japan, we continuously promote energy-saving initiatives through improvements to offices and working styles, including energy conservation measures for lighting and air-conditioning systems, the installation of energy-efficient equipment such as LED lighting, the introduction of car-sharing programs for company vehicles, and the observance of no overtime days.

Accreditation logo
Certification number:
[2024-T2048]

■ Reducing environmental impact through expanded use of renewable energy

We achieved 100% use of renewable energy at Canon MJ's Headquarters, four business sites including company-owned office buildings (CANON S TOWER, Canon Konan Building, Makuhari office, and Kumamoto Building), and the "Nago Data Center" operated by Qualysite Technologies through utilization of the FIT Non-Fossil Certificate with tracking corresponding to electricity consumption, on-site PPA, and other measures. (Achieved in April 2022 at Canon MJ's Headquarters and four business sites, including company-owned office buildings, and in June 2023 at the "Nago Data Center"). Furthermore, in October 2025, we installed a solar power generation system at Building No. 2 of the "Nishi-Tokyo Data Center" and began verifying the amount of electricity generated. We aim to further reduce our environmental impact through the use of renewable energy.



Solar power generation system installed on the rooftop of Building No. 2 of the Nishi-Tokyo Data Center

Initiatives to reduce Scope 3 emissions

■ Supporting the reduction of suppliers' CO_2 emissions

At the Canon MJ Group, we address the impact of climate change across the entire lifecycle — not only within our own operations, but also in the manufacturing of raw materials and components, transportation to retailers and other partners, customer use, and disposal and recycling — and work to reduce CO_2 emissions throughout the supply chain. As one of our Scope 3 emissions reduction initiatives, we have conducted ongoing questionnaires of major suppliers since 2024 regarding their efforts to reduce CO_2 emissions. Furthermore, beginning in 2026, we started providing CO_2 emissions calculation support to suppliers based on the status of their emissions calculation initiatives identified through these questionnaires. We will continue to engage with suppliers with the aim of reducing CO_2 emissions throughout the supply chain.

■ Reducing CO_2 emissions by improving logistics

Canon MJ used the "2024 problem" in logistics as an opportunity to promote the improvement in the logistics of consumer products such as cameras, lenses, and printers. 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. In 2024, we reduced the number of vehicles used for transportation and deliveries between our warehouses and business partner warehouses by approximately 400, and further 45 vehicles in 2025. As a result, we reduced CO_2 emissions related to logistics. Going forward, we will continue to make further improvements to our logistics operations by rolling out these improvements into Group companies.

Contribution to the Realization of a Resource-Recycling Society

Contributing to the realization of a circular economy through demand forecasting and supply-demand planning solutions

"FOREMAST", the demand forecasting and supply-demand planning solution offered by Canon ITS is widely used by companies as a tool for reducing excesses and shortages in inventory while enabling efficient and stable supply-demand planning operations. In addition to highly accurate demand forecasting based on past performance data, the solution combines AI and external data such as weather information to accurately identify factors affecting demand fluctuations and help prevent overproduction and inventory shortages. By reducing the disposal of products and raw materials through this tool, the solution promotes the effective use of resources and supports the realization of a circular economy.

One example is a company operating a food service business. The company faced challenges because supply-demand planning and procurement operations of raw materials and supplies for its franchise stores relied on the knowledge and experience of individual employees. By introducing "FOREMAST", the company achieved greater operational efficiency through the automation of supply-demand planning, while reducing the risk of raw material shortages and food loss.

需要予測・需給計画ソリューション FOREMAST

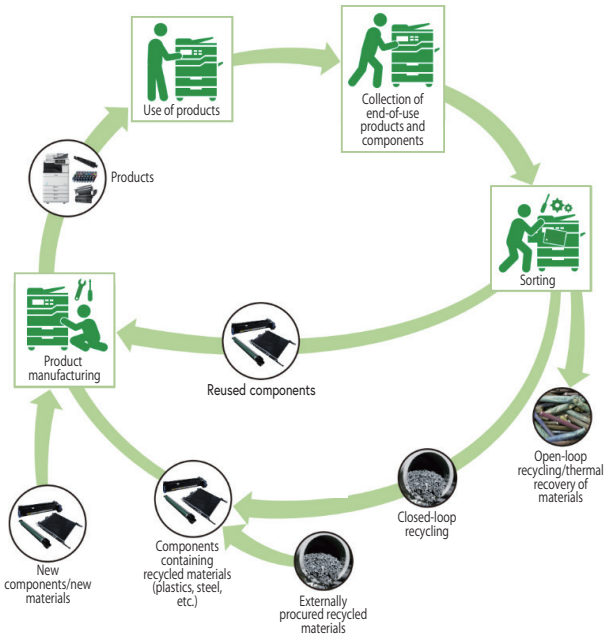
Environment

Initiatives to promote end-of-use product recycling

The Canon MJ Group collects Multifunction Peripherals (MFPs), printers, and other end-of-use products that have been used at offices and other locations from customers. In collaboration with Canon Ecology Industry Inc. (the Canon Group's recycling center) and other companies, we work to recycle these products. We aim to maintain a recycling rate* of 99.9% or higher for end-of-use products.

The recycling rate has been kept at 99.9% or higher since 2017. To continue maintaining this level, we identify risks, address them and evaluate our progress on an ongoing basis.

* 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 expanded polystyrene as packaging materials, and these materials end up as waste. 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.

As a new initiative, from April 2025, we began utilizing ink cartridges for inkjet printers that had been returned due to damaged packaging or other issues, in test operations at the repair center of Canon Ecology Industry Inc. In 2025, a total of 1,148 ink cartridges were effectively put to use.

Initiatives to reduce water consumption

Based on the "Canon Group Water Resources Policy", we work to reduce our water resource usage and environmental impact. As one example, Canon MJ's headquarters building uses the recycled water supplied by the Tokyo Metropolitan Government's Bureau of Sewerage in toilets and other facilities to reduce water resource usage. In addition, since 2022, we have implemented water-saving measures through equipment upgrades, including the replacement of toilet faucets at the headquarters building with water-saving faucets.

In another effort to monitor the Canon MJ Group's water risk, following the 2022 assessment, the water risk assessment was carried out again in 2025, 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

Initiatives toward TNFD disclosure

The Canon MJ Group participated in the TNFD Forum in August 2025 to enhance the sophistication of its disclosure on natural capital and biodiversity. We will steadily advance our response to TNFD disclosures, taking into account international discussions and leading practices of other companies.

Initiatives to promote social contribution activities to protect biodiversity

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. We implement an initiative titled, "Furusato (Hometown) Project" with the aim of passing on a beautiful, verdant hometown for the future of our children.
(see page 22)

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.

Environment

Initiatives for TCFD Recommendations

Governance

Climate Change Response Promotion Structure



Organizations/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 chairperson • 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	• Promotes and oversees overall environmental initiatives • 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 • Provides various disclosures, including TCFD disclosures
Business divisions and Group companies	• Considers and implements the climate change initiatives	• Implements initiatives to create opportunities related to climate change • Implements initiatives to reduce climate change-related risks

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.

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 2025, the report regarding TCFD was submitted to the Board of Directors.

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. 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* standards.

The CO_2 emission results for 2025 are shown on the right. Data for Scope 1, 2, and 3 emissions received third-party assurance.

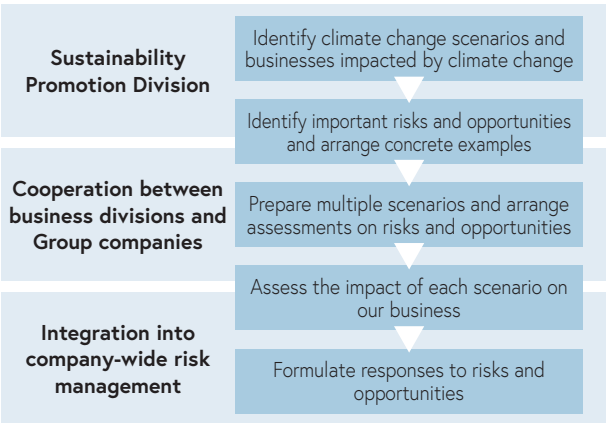
*SBTi (Science Based Targets initiative): An international initiative that recommends the setting of GHG emission reduction targets based on scientific evidence

Risk Management

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 company-wide risk management.

Risk Management Process



Metrics	Fiscal 2030 Target	Fiscal 2025 Results	Fiscal 2025 Emissions Results
GHG emissions reduction rate (base year 2022)	Scope 1, Scope 2: 42% reduction	22.6% reduction	23,620 t-CO_2
	Scope 3 (Category 1, 11): 25% reduction	3.0% reduction	626,405 t-CO_2

Environment

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℃ (RCP 1.9) and 4℃ (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: Risks	Impact on Business: 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℃	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	Short to medium 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
			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	
	Technology		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	
	Market		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
	Reputation		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℃	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 as necessary · Promote all-hazards BCP initiatives, including disaster response planning and ongoing training
			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
	Chronic		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
			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	Impact on Business: Details/Specific Examples	Business Sites	Data Centers	Systems Integration Services	Printers and MFPs	Financial Impact	Time of Occurrence	Measures
Opportunities	Energy	1.5℃	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	Short to medium term	Collect information on and consider the adoption of renewable energy
	Resilience		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)
	Products and services		Increased opportunities for systems integration service businesses	· Increasing demand for demand forecasting supply chain planning solutions that help reduce CO_2 emissions by streamlining production and logistics operations · Increased demand for solutions that contribute to reducing environmental impact by streamlining the engineering chain, including product planning, design, prototyping, development, and mass production			✓		High	Short to long term	· Strengthen demand forecasting and planning solutions leveraging mathematical science technologies · Strengthen engineering solutions that support process efficiency, including design
			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
		1.5℃ / 4℃	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: 0-3 years Medium term: 3-10 years Long term: over 10 years

Society

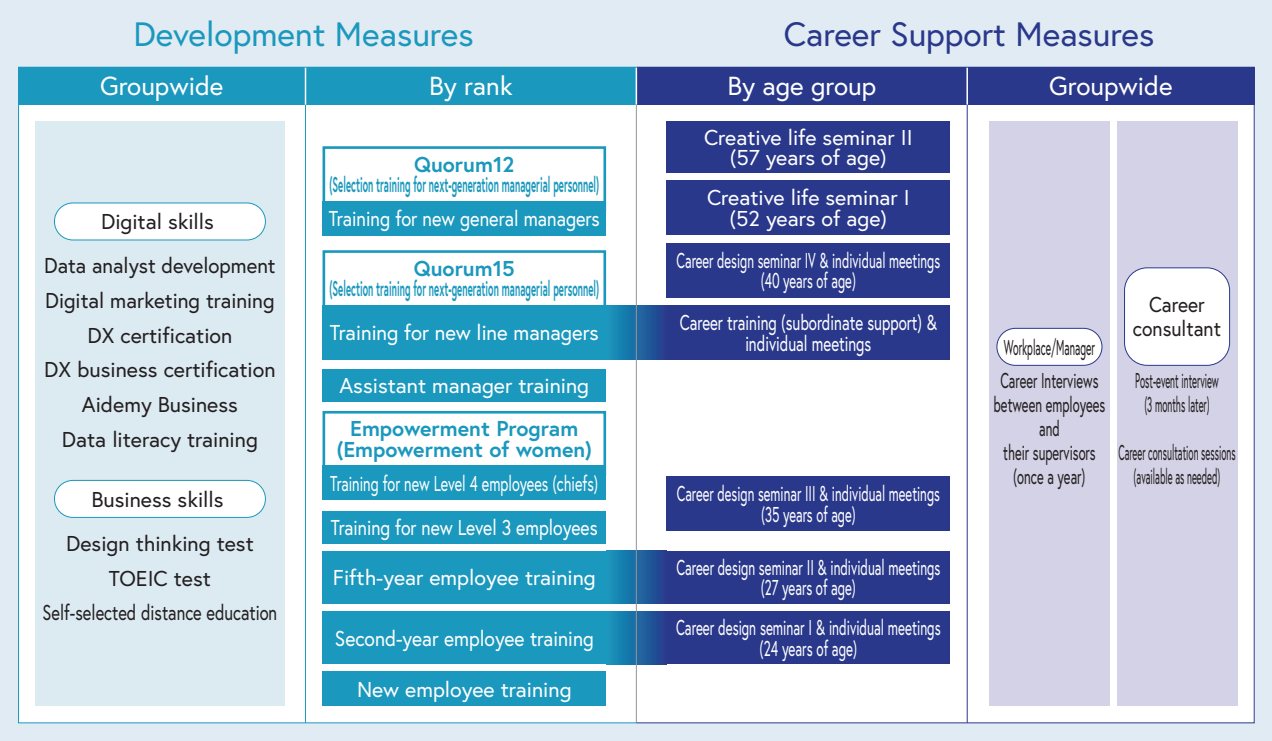
Human Resource Development and Career Support

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

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

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

With regard to career support measures, in addition to career seminars specific to employee 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

At Canon MJ, we are working to support our employees' careers 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.

In addition to career seminars specific to employee 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 career consultants (national certification holders), as well as establishment of the 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.

Society

Received a "Good Career Company Award 2024"

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

Diversity, Equity & Inclusion (DEI)

Empowerment of Women

The Canon MJ Group works to address issues such as the appointment of women to management positions and support for women to independently realize their ideal careers by fostering a workplace environment in which all employees, regardless of gender, can work comfortably and thrive.

Canon MJ 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 10.0% of management positions and at least 25.0% of chiefs and assistant managers, who are candidates for management positions, by the end of 2030.



Empowerment Program

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

Wage difference between male and female employees	
All employees	84.0%
Of which, permanent employees	78.8%
Of which, part time and contract employees	86.8%

Period covered: January 1, 2025 to December 31, 2025, Canon MJ non-consolidated

Balancing Work with Childcare and Nursing Care

At Canon MJ, we are working to develop a corporate climate which permits diverse human resources with various characteristics and values to actively participate and achieve personal growth in a mutually supportive environment. Thus, we endeavor to "become a corporate group where employees work more energetically."

The three companies, Canon MJ, Canon IT Solutions and Canon System & Support have acquired "Platinum Kurumin certification" for their excellence in providing childcare support.

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	2024	2025
Canon MJ Group (Consolidated) employment rate (%)	2.46	2.43
Canon MJ (Non-consolidated) employment rate (%)	2.65	2.80

Promoting Understanding of LGBTQ+

To create a workplace environment where employees with diverse gender identities and sexual orientations can be themselves at work, we undertake various initiatives to promote understanding, including unconscious bias seminars, in-house lectures by LGBTQ+ individuals, and training for managers on SOGI (sexual orientation and gender identity) harassment.

Society

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

The Canon MJ Group promotes initiatives to respect human rights in accordance with the United Nations "Guiding Principles on Business and Human Rights" and various guidelines issued by the Japanese government. In 2023, we identified any adverse impacts on human rights arising from our business activities. The Sustainability Promotion Committee then held discussions to pinpoint human rights issues to be addressed as a priority. Based on this, in 2024 and 2025, we examined and implemented measures for different rights holders and promoted initiatives aimed at reducing human rights risks.

In 2026, taking into account the progress of these initiatives and changes in the social environment, we reassessed and reviewed our high-priority human rights issues under our new material issues (material topics). As part of this reassessment, we investigated and considered not only the risks surrounding the Canon MJ Group and the characteristics of its businesses, but also newly emerging issues, including the impact of the expanding use of AI on human rights. As human rights violations associated with AI may arise across multiple themes, we have included such risks within the theme of "discrimination based on race, nationality, gender, religion and creed, etc." and will implement measures to address them. In addition, "responsible mineral procurement" was added as a priority human rights theme from 2026.

We will continue to steadily implement initiatives based on the priority themes identified in light of social trends and their impact on the Group, and pursue the continuous reduction and improvement of human rights risks.

Human Rights
https://corporate.jp.canon/en/sustainability/social/human

Responsible Procurement

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.

Responsible Procurement
https://corporate.jp.canon/en/sustainability/social/fairtrade

Engagement with suppliers

In order to expand our business, we have been conducting engagement with a focus on dialogue with our suppliers. In addition to the confirmations previously conducted with suppliers regarding matters such as product safety, we conduct a questionnaire-based survey from environmental and human rights perspectives covering suppliers that account for the top 85% of our transaction value. The survey is conducted 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.

In 2026, based on the results of the survey, we began providing calculation support tailored to each supplier's progress in calculating CO_2 emissions.

Governance

Corporate Governance

Basic Stance on Corporate Governance

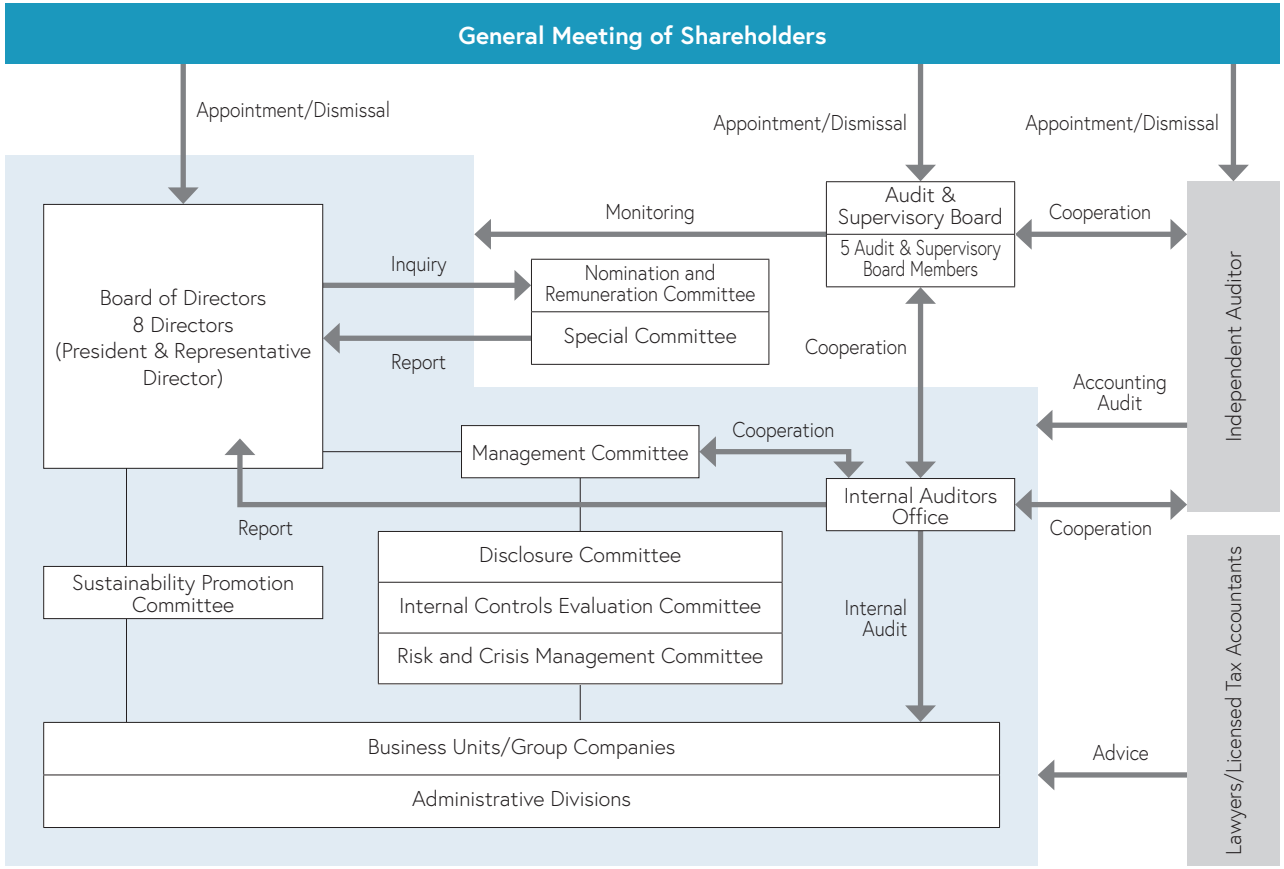
We recognize that sustainable growth in corporate value requires ongoing improvement in such areas as management transparency and the monitoring of progress toward management targets. This is reflected in our wide-ranging initiatives to strengthen corporate governance.

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

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

Corporate Governance Structure (As of March 31, 2026)



Governance

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 2025
13 times

The Company maintains a structure in which the representative director oversees Companywide business strategies and execution while supervision of business domains and headquarters functions is primarily carried out by executive directors. There are 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 2025, 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 cross-shareholdings, and the acquisition 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 2025
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 2025, the Nomination and Remuneration Committee deliberated on the appropriateness of the partial revision to the stock compensation system and the fairness of the nomination of new candidates for Audit & Supervisory Board members 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 2025, the Special Committee confirmed on financial strategies and transactions involving 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 2025, the meetings resulted in active discussions on the Long-Term Management Objectives (2026-2030) and the Medium-Term Management Plan (2026-2028).

Status of Outside Directors' Activities in 2025

<Meeting bodies>
Board of Directors (13 times a year), Management Committee (10 times a year), Executive Officer Meeting (twice a year), Executives Meeting (4 times a year)

<Other events> general meeting of shareholders, induction ceremony, Photo Koshien, CP+, etc.

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

Governance

Status and Skills Matrix of Directors

			Time in Office	Attendance at Board of Directors' Meetings in 2025	Corporate Management	Sales & Marketing	Finance & Accounting	Human Resources	Legal Affairs & Risk Management	IT Solutions & DX
Masachika Adachi		President & Representative Director	11 years	92% (12/13) ★	●	●			●	●
Minoru Mizoguchi		Director & Senior Vice President	5 years	100% (13/13)	●			●	●	
Hatsumi Hirukawa		Director & Senior Vice President	6 years	100% (13/13)	●	●			●	
Tsuyoshi Osato		Director & Senior Vice President	4 years	100% (13/13)	●		●		●	
Yoshio Osawa	Outside Independent	Director	8 years	100% (13/13)	●	●				●
Toshiharu Hasebe	Outside Independent	Director	4 years	100% (13/13)	●	●				●
Hiroko Kawamoto	Outside Independent	Director	3 years	100% (13/13)	●	●		●		
Satsuki Miyahara	Outside Independent	Director	1 year	100% (10/10)			●	●		

★ Chairperson * Satsuki Miyahara's attendance at Board of Directors' meetings covers only those meetings held after she was elected as Director at the 57th Annual General Meeting of Shareholders held on March 27, 2025.

Reasons for Selecting the Items of the Skills Matrix

Item	Reasons for Selecting the Items
Corporate Management	Improving corporate value through continued growth and contributing to building a sustainable society requires members of the Board of Directors who have skills and expertise for promoting sustainability and experience and expertise concerning corporate management and the formulation and implementation of Long-Term Management Objectives and Medium-Term Management Plan.
Sales & Marketing	In a rapidly changing society, quickly responding to the needs of customers and providing high value-added products and solutions will lead to solutions to issues faced by society and customers, and the creation of value. Achieving this requires members of the Board of Directors who have experience and expertise concerning the formulation of sales strategies and the understanding of market trends.
Finance & Accounting	Achieving the improvement of corporate value through efficient use of funds requires members of the Board of Directors who have the experience and expertise needed to ensure accurate financial reporting, build a strong financial foundation, and strike a balance between investment for further growth and return to shareholders.
Human Resources	Achieving the improvement of corporate value, it is important to maximize human capital by boosting the skills and engagement of employees. This requires members of the Board of Directors who have experience and expertise concerning human resources development and skills for managing diverse human resources.
Legal Affairs & Risk Management	Achieving the improvement of corporate value through stable business operations requires members of the Board of Directors who have profound knowledge of related laws and regulations, the experience and expertise needed to build a proper governance system, and skills for risk management.
IT Solutions & DX	Realizing the vision of "A corporate group dedicated to creating new businesses that drive future growth through the power of people and technologies" requires members of the Board of Directors who have experience and expertise in the fields of IT solutions and digital technology.

Governance

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.

Procedures for the Appointment of Management Team Executives and Nomination of Directors and Audit & Supervisory Board Members

To nominate director or Audit & Supervisory Board member candidates and appoint vice presidents (including successors and candidates for president & representative director), the president & representative director first nominates candidates from among those who fulfill the prescribed requirements. Nominations are submitted at a meeting of the Board of Directors after the "Nomination and Remuneration Committee" confirms that they are fair and appropriate.

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

Dismissal Procedures for Management Team Executives

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

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

Remuneration for Management Team 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 for Directors, 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 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)	278 (four directors)
Audit & Supervisory Board members (excluding outside members)	49 (two members)
Outside directors and outside Audit & Supervisory Board members	95 (seven directors and members)

Governance

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 2025, 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 incorporating the opinions of directors and Audit & Supervisory Board members obtained through the questionnaire into the operation of the Board of Directors. We will also consider the composition of the Board of Directors in light of the changes in the business environment, optimize matters to be deliberated by the Board of Directors, enhance deliberations and progress management for important projects, and further deepen discussions on management training and selection, thereby increasing corporate value over the medium to long term and achieving sustainable growth.

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.

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)
Toshiharu Hasebe (Outside Director) Hiroko Kawamoto (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 subsidiary, 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 VII (2026- 2030)", through comprehensive optimization. The policy of Canon Inc. states that the Company, its listed subsidiary, 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 subsidiary. This policy involves allowing the listed subsidiary 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

Governance

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,and is endeavoring 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 strategic-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 whether the value of transactions with investment targets is 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, 2025, the Company held 34 listed stocks, a decline from the 59 listed stocks held as strategic shareholdings as of December 31, 2021.

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

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.

Internal Audit

The Internal Auditors Office (IAO) has been established as an independent organization dedicated to implementing audits of the Company and it operates under the direct supervision of the president & representative director. The IAO comprises a number of staff members with expertise and qualifications in internal auditing and IT. They conduct internal audits focused on key areas, taking into account the business environment and the significance of risks, and they continuously monitor the progress of improvements. Working collaboratively with the people responsible for the Company's management oversight functions, the IAO regularly reports its audit plans and the results of audits to the president & representative director, other directors and Audit & Supervisory Board members. The office conducts internal audits in accordance with international standards, and these audits are verified by expert external organizations. The IAO is dedicated to maintaining and improving the quality of audits. The IAO collaborates with the internal audit divisions of the main Group companies, which adhere to the same policies. The 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.

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

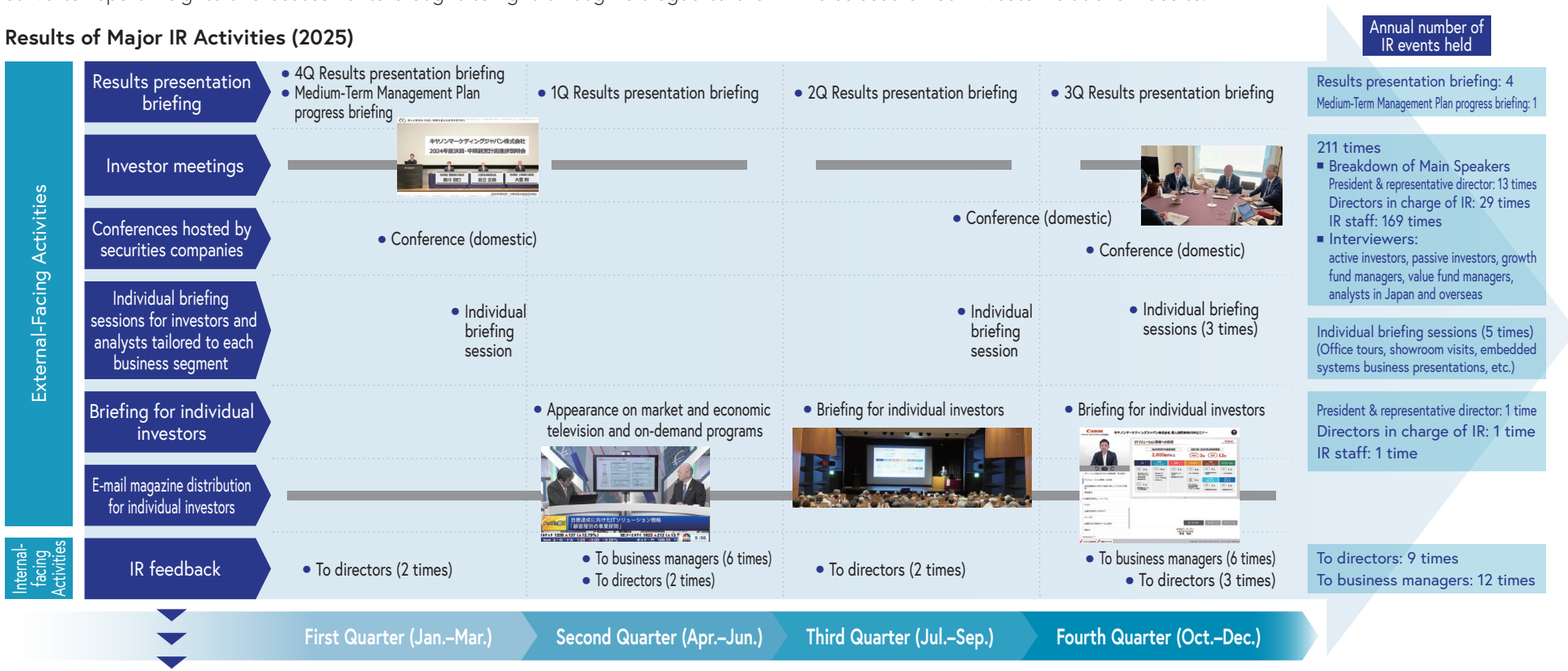
- In addition to setting out action guidelines to eliminate relationships with antisocial forces, the workplace regulations of the Company contain provisions to the same effect, and we work to ensure that employees fully comply with these guidelines and provisions.
- The general affairs division of the 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.

Governance

IR Communication

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 Major IR Activities (2025)



The Company regularly conducts "IR feedback" sessions for management and business managers to share IR-related information, including market evaluations of the Company, details of dialogues with investors, and recent trends in ESG and finance. Emphasizing two-way communication, these sessions are held individually with each business manager. Through these activities, directors and business managers deepen their understanding of the Canon MJ Group from an external perspective and apply those insights to management, business operations, IR activities, and others.

■ Presented as a reference company for disclosure examples

Featured in "Compilation of Case Studies on Such Matters as Parent-Subsidiary Listings" (December 26, 2025) by the Tokyo Stock Exchange
[Reference] https://www.jpx.co.jp/news/1020/20251226-03.html (in Japanese)

Governance

Risk and Crisis Management

Basic Stance and Structure

Basic Stance

Within the Canon MJ Group, crisis management in corporate activities is organized into "risk management as preventive measures" and "crisis management as responses in the event of an incident."

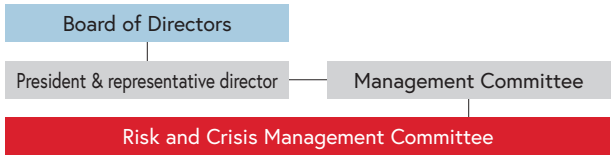
Although both are part of crisis management, they differ in terms of objectives and response phases. Accordingly, we have established measures under frameworks tailored to each category and promote initiatives aimed at ensuring the stability and continuity of corporate activities.

Promotion Structure

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



Members: Vice Presidents and above, Director in charge of Group Communication, Group Executive of Corporate Planning Headquarters, Group Executive of Brand Communication Headquarters, Group Executive of General Administration & Human Resources Management Headquarters, and Group Executive of Legal and Intellectual Property Headquarters

Initiatives

Risk Management and Compliance Initiatives

With respect to risk management, we identify priority risks for each fiscal year, such as compliance risks and information security risks, based on changes in the business environment at the time, and formulate and implement measures to prevent the occurrence of such risks.

In terms of compliance, we conduct annual compliance meetings in every department to discuss themes that contribute to energizing communication within the organization and improving organizational culture. Through these meetings, we reaffirm the "San-ji (Three Selfs) Spirit" and "integrity" (being sincere, honest, and earnest) as important principles for decision-making regardless of changes in the times, and promote the penetration and establishment of ways of thinking and acting based on these principles.

In addition to these company-wide initiatives, we also strive to build a substantive risk management and compliance framework through day-to-day contract reviews, legal consultations, and other activities by identifying risks and working to prevent their occurrence.

Crisis Management and Business Continuity Planning (BCP) Initiatives

As part of our crisis management initiatives, we establish a business continuity plan (BCP) and, in cooperation with relevant departments, formulate and review countermeasures annually based on the PDCA cycle. These BCP-related activities operate under a company-wide governance framework with the involvement of management.

In addition, to strengthen our organizational ability to respond to large-scale disasters, we conduct regular drills and provide educational content specialized for various types of disasters, as well as disaster response pocket manuals, thereby maintaining systems that support employees' awareness and actions.

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.

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.

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





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 (present)

2 Director Minoru Mizoguchi

Apr. 1984 Joined the Company
Apr. 2015 Group Executive of General Administration & Human Resources Management Headquarters
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 Corporate Planning and Group Communication
Jan. 2022 Director of Marketing Headquarters (present)
Mar. 2024 Senior Vice President
Mar. 2026 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
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
Mar. 2026 Senior Vice President (present)

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

5 Director
Yoshio Osawa

Outside Independent

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

6 Director
Toshiharu Hasebe

Outside Independent

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
Hiroko Kawamoto

Outside Independent

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
Satsuki Miyahara

Outside Independent

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
Aug. 2019 Board Member of the Confederation of Asian and Pacific Accountants
Aug. 2024 Director of Satsuki Miyahara Certified Public Accounting Office (present)
Nov. 2024 Outside Director (Audit & Supervisory Committee Member) of BOOK OFF GROUP HOLDINGS LIMITED (present)
Mar. 2025 Outside Director of the Company (present)

9 Standing Audit & Supervisory Board Member
Yoshihiro Hashimoto

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

10 Standing Audit & Supervisory Board Member
Masahiko Banno

Apr. 1993 Joined the Company
Jan. 2016 General Manager of Finance & Accounting Department of Finance & Accounting Headquarters
Jan. 2023 Group Executive of Administrative Headquarters of Canon System & Support Inc.
Jan. 2024 Group Executive in charge of Planning Headquarters of Canon System & Support Inc.
Jan. 2026 Principal Staff Manager of Finance & Accounting Headquarters of the Company
Mar. 2026 Standing Audit & Supervisory Board Member of the Company (present)

11 Standing Audit & Supervisory Board Member
Seijun Suzuki

Outside

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)

12 Standing Audit & Supervisory Board Member
Eiichi Arai

Outside Independent

Apr. 1989 Joined The Yasuda Fire & Marine Insurance Co., Ltd.
Apr. 2013 Managing Executive Officer and General Manager of Kanto Headquarters, Shinetsu Headquarters, and Hokuriku Headquarters of Japan Insurance Service Inc. (Presently Sompo Japan Partners Inc.)
Apr. 2014 Director, Managing Executive Officer and General Manager of UD Promotion Headquarters of Japan Insurance Service Inc.
Apr. 2016 General Manager of Osaka-Kita Branch of Sompo Japan Nipponkoa Insurance Inc. (presently Sompo Japan Insurance Inc.)
Apr. 2018 Executive Officer and General Manager of Tohoku Headquarters of Sompo Japan Nipponkoa Insurance Inc.
Apr. 2020 Managing Executive Officer and General Manager of Kanto Headquarters, Koshinetsu Headquarters, and Hokuriku Headquarters of Sompo Japan Insurance Inc.
Apr. 2025 Senior Managing Executive Officer (General Manager of Kansai and Hokuriku Area Headquarters) of Sompo Japan Insurance Inc.
Mar. 2026 Standing Audit & Supervisory Board Member of the Company (present)

13 Audit & Supervisory Board Member
Sayaka Shimura

Outside Independent

Oct. 1985 Joined Ota Showa & Co. (presently Ernst & Young ShinNihon LLC)
Apr. 1989 Registered as a Certified Public Accountant (present)
May 2000 Partner of Ernst & Young ShinNihon LLC
May 2006 Senior Partner of Ernst & Young ShinNihon LLC
Aug. 2011 Board Member of Ernst & Young ShinNihon LLC
Jul. 2016 Executive Board Member of The Japanese Institute of Certified Public Accountants
Jul. 2024 Director of Shimura Certified Public Accountant Office (present)
Mar. 2026 Audit & Supervisory Board Member of the Company (present)

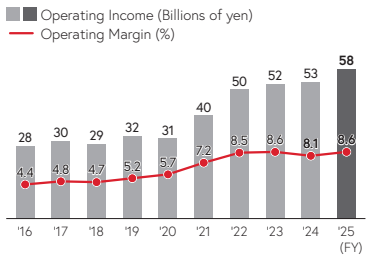
10-Year Consolidated Financial Summary

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

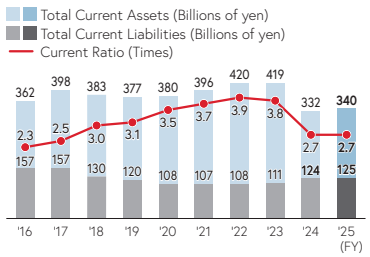
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
For the year:											
Net sales	¥ 629,314	¥ 632,190	¥ 621,591	¥ 621,134	¥ 545,060	¥ 552,086	¥ 588,132	¥ 609,473	¥ 653,920	**¥ 679,800**	**$4,329,936**
Operating income	27,676	30,407	28,941	32,440	31,318	39,699	49,947	52,495	53,123	**58,188**	**370,624**
Net income before income taxes	28,903	30,919	30,708	33,303	33,463	43,095	51,523	53,057	57,148	**60,630**	**386,178**
Net income attributable to owners of the parent	18,162	20,680	20,827	22,250	21,997	29,420	35,552	36,493	39,315	**41,458**	**264,064**
At year-end:											
Equity	¥ 280,919	¥ 297,522	¥ 303,570	¥ 325,092	¥ 346,115	¥ 374,677	¥ 400,372	¥ 435,509	¥ 383,702	**¥ 413,815**	**$2,635,764**
Total assets	497,728	510,833	498,791	503,699	506,605	526,418	543,740	557,366	524,592	**564,427**	**3,595,076**
Cash flows:											
Cash flows from operating activities	¥ 33,306	¥ 28,885	¥ 16,990	¥ 22,053	¥ 38,490	¥ 32,757	¥ 37,725	¥ 28,183	¥ 47,667	**¥ 45,912**	**$ 292,433**
Cash flows from investing activities	(19,461)	7,964	(10,526)	(94,585)	(26,175)	(15,894)	(10,107)	(10,012)	75,735	**31,056**	**197,809**
Cash flows from financing activities	(6,086)	(7,145)	(7,839)	(8,557)	(6,587)	(9,160)	(11,260)	(13,261)	(102,675)	**(27,658)**	**(176,166)**
Cash and cash equivalents at end of year	107,286	136,980	135,572	54,494	60,131	68,029	84,632	89,691	110,726	**160,074**	**1,019,580**
Per share of common stock:										(Yen)	(U.S. dollars*3)
Equity	¥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	**¥3,850.13**	**$ 24.52**
Net income*1	140.06	159.48	160.61	171.60	169.65	226.88	274.16	281.41	319.79	**381.46**	**2.43**
Cash dividends*2	50.00	60.00	60.00	60.00	60.00	75.00	90.00	120.00	140.00	**170.00**	**1.08**

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 ¥157 to US$1, the prevailing exchange rate as of December 31, 2025.

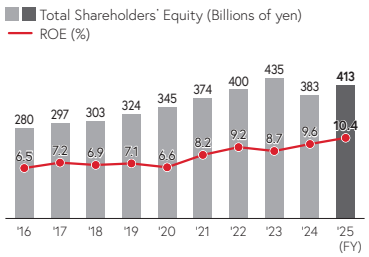
Operating Income and Operating Margin



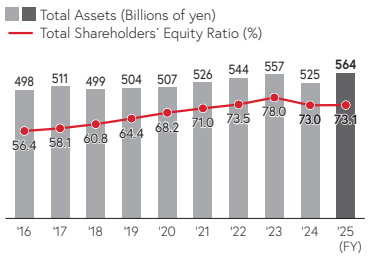
Working Capital



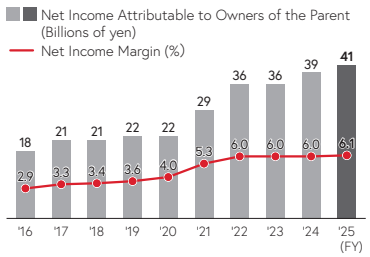
Total Shareholders' Equity and ROE



Total Assets and Total Shareholders' Equity Ratio



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



ESG Data (As of December 31, 2025)

ENVIRONMENT*1 (Consolidated)		2021	2022	2023	2024	2025
GHG emissions (Scope 1 and 2) (t-CO_2)						
Scope 1*2		5,800	6,017	5,665	5,451	**4,842**
Scope 2*3 (market-based)		51,952	24,502	11,915	20,588	**18,779**
Scope 2*3 (location-based)		—	—	32,847	33,909	**32,600**
GHG emissions (Scope 3) (t-CO_2)*4						
Category 1. Purchased goods and services*5		632,093	539,325	501,574	508,715	**564,697**
Category 2. Capital goods*6		38,966	27,314	17,799	15,833	**18,975**
Category 3. Fuel- and energy-related activities not included in Scope 1 or 2*7		11,349	7,110	7,509	7,551	**7,487**
Category 4. Upstream transportation and distribution*8		4,944	6,095	7,685	6,053	**5,532**
Category 5. Waste generated in operations*9		975	1,613	1,631	2,603	**1,401**
Category 6. Business travel*10		2,476	7,513	9,075	11,544	**12,823**
Category 7. Employee commuting*11		8,712	7,132	6,284	7,178	**7,521**
Category 8. Upstream leased assets*12		0	0	0	0	**0**
Category 9. Downstream transportation and distribution*13		1,450	3,338	2,814	2,300	**2,512**
Category 10. Processing of sold products		0	0	0	0	**0**
Category 11. Use of sold products*14		87,844	106,210	95,443	102,515	**61,708**
Category 12. End-of-life treatment of sold products*15		21,059	22,605	22,424	26,136	**27,124**
Category 13. Downstream leased assets*16		366	26,838	37,270	41,665	**41,916**
Category 14. Franchises		0	0	0	0	**0**
Category 15. Investments		0	0	0	0	**0**
Total		810,234	755,093	709,509	732,093	**751,698**
Water intake and wastewater discharge of applicable buildings (m^3)*17						
Water intake (water supply)	Public water	124,891	125,183	118,247	117,917	**116,295**
	Recycled water	9,596	10,543	11,704	13,281	**14,953**
	Groundwater	19,750	18,486	18,652	18,894	**18,657**
	Total	154,237	154,212	148,603	150,092	**149,905**
Wastewater discharge	Sewerage system	75,480	77,364	79,015	80,524	**84,971**
	Total	75,480	77,364	79,015	80,524	**84,971**
Waste emissions (t)						
Total emissions		14,075	14,879	16,375	15,849	**15,226**

ESG Data Notes

*1 The data covers 17 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., 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) The data includes the performance of TCS Inc. through the end of June, 2025.

*2 Scope 1: Direct emissions (town gas, LPG, diesel, kerosene, gasoline, non-energy greenhouse gas, etc.).

*3 Intermediate emissions (electricity, steam, etc.).

*4 Scope 3: Emissions from the supply chain. Values are rounded off to the nearest decimal place and therefore the "total" values may differ from the simple sums.

*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. For products without CFP data, calculations are based on GHG data from major suppliers.

*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).

*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 production and 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 energy intensity.

*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 the annual power consumption of leased products and tenant operators in data center housing services, and multiplying it by energy intensity.

*17 Scope of data for water intake and wastewater discharge of applicable buildings covers Canon Marketing Japan (Headquarters, Konan office, Makuhari office, Aomori office (until the end of July 2025), and Kumamoto office), Canon IT Solutions (Nishi-Tokyo office), and Canon Customer Support (Akita office).

ESG Data (As of December 31, 2025)

SOCIETY (Consolidated)	2021	2022	2023	2024	2025
Employees					
Number of men	13,007	12,682	12,666	13,015	**12,831**
Number of women	3,213	3,291	3,423	5,380	**5,594**
Total	16,220	15,973	16,089	18,395	**18,425**
Percentage of female employees (%)	19.8	20.6	21.3	29.2	**30.4**
Management					
Number of men	2,785	2,683	2,668	2,866	**2,817**
Number of women	108	117	156	199	**219**
Total	2,893	2,800	2,824	3,065	**3,036**
Percentage of female managers (%)	3.7	4.2	5.5	6.5	**7.2**
Percentage of employees taking paid leave (%)	63.6	73.5	66.9	68.7	**77.4**
Number of employees taking childcare and family care leave*18					
Total of childcare leave	136 (43)	145 (62)	175 (89)	185 (98)	**227 (122)**
Total of family care leave	3 (3)	5 (3)	1 (0)	6 (4)	**11 (4)**
Percentage of employees taking childcare leave (%)*19	—	49.5 (28.7)	66.3 (46.4)	68.0 (52.4)	**79.9 (67.0)**
Percentage of employees returning to work after taking childcare and family care leave (%)*20					
Childcare leave	95.8 (100)	96.1 (100)	93.3 (97.4)	95.0 (100)	**97.9 (100)**
Family care leave	100 (100)	100 (100)	100 (—)	100 (100)	**88.9 (66.7)**
Number of retirees and reemployed workers					
Number of retirees	469	478	475	517	**594**
Number of reemployed workers	239	286	283	299	**308**
Average age of employees	45.5	45.7	45.8	45.8	**45.6**
Average number of years of service of employees	19.5	20.0	19.6	19.0	**18.7**
Percentage of employees with disabilities (%)*21	2.35	2.39	2.35	2.46	**2.43**

GOVERNANCE (non-consolidated)	2021	2022	2023	2024	2025
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	3	2	2	**2**
Outside (women)	0	0	1	1	**2**
Outside total	2	3	3	3	**4**
Total	6	7	7	7	**8**
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 *22	62.6	63.3	63.7	64.3	**64.8**
Number of Board of Directors' and Audit & Supervisory Board meetings					
Number of Board of Directors' meetings	16	13	13	14	**13**
Number of Audit & Supervisory Board meetings	17	17	16	16	**16**
Number of executive officers	23	23	20	21	**20**

ESG Data Notes

*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 2021 to 2022, Group basis for 2023 to 2025, as of December 1 for each year. These figures are calculated for the purpose of understanding the Group's overall situation and do not indicate compliance with the statutory employment rate. In addition, some Group companies are not subject to the statutory employment rate requirements

*22 Average of Directors and Audit & Supervisory Board members. As of December 31 of each year.

Corporate Data

The Canon MJ Group (as of March 31, 2026)

Position within the Canon Group

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



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., Primagest, Inc., dcWORKS, Inc., and Leap, Inc.
Area	Canon System & Support Inc.

*The Group comprises 16 consolidated subsidiaries

Segment		Company Name
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

Corporate Information (as of December 31, 2025)

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: 18,425 Non-consolidated: 4,563
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

Stock Information/External Evaluations

Major Shareholders (As of December 31, 2025)

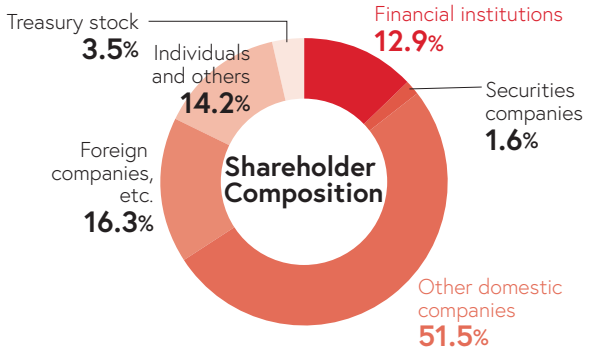
Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Ownership (%)
Canon Inc.	55,708	52.0
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,243	6.8
Canon Marketing Japan Group Employee Stock Ownership Association	4,915	4.6
Custody Bank of Japan, Ltd. (Trust Account)	3,708	3.5
STATE STREET BANK AND TRUST COMPANY505001	1,807	1.7
Canon Marketing Japan Group Business Partner Stock Ownership Association	1,236	1.2
CEPLUX-THE INDEPENDENT UCITS PLATFORM 2	1,036	1.0
Mizuho Bank, Ltd.	1,001	0.9
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	866	0.8
JP MORGAN CHASE BANK 385781	673	0.6

* The Company holds 3,866,617 shares of treasury stock (representing 3.5% of the total number of issued shares).
* The shareholding ratio is calculated by deducting the number of treasury stock from the total number of issued shares.

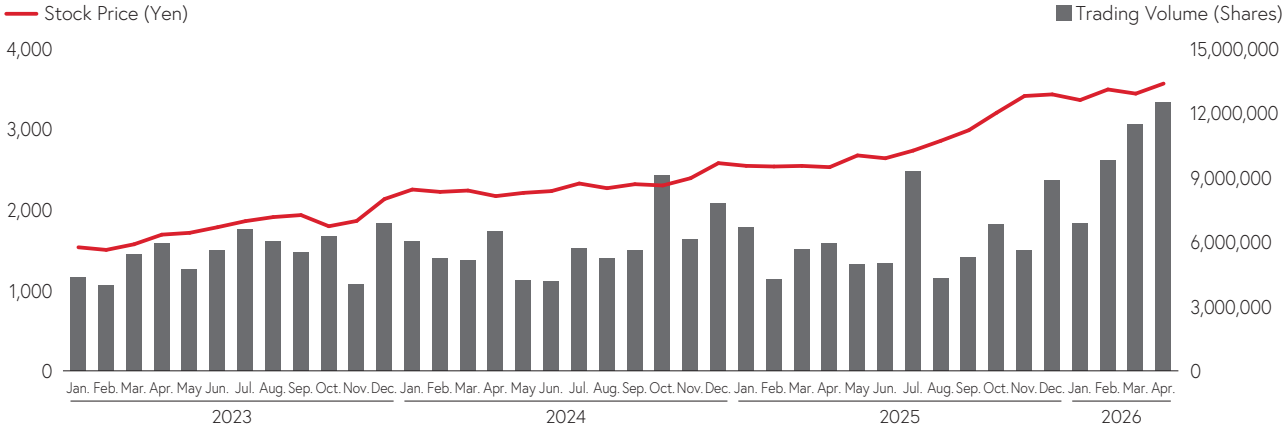
Status of Shares (as of December 31, 2025)

Total number of shares authorized	299,500,000 shares
Number of shares issued*	111,079,972 shares
Number of shareholders	11,831

* The Company conducted a share split with an effective date of April 1, 2026, and the total number of shares issued is now 222,159,944 shares.



Stock Price/Trading Volume*



* Effective April 1, 2026, we conducted a 2-for-1 share split of common stock. The figures above have been retrospectively adjusted to reflect the impact of the share split.

Third-Party Assessments/Awards Received/ Selection for Indexes

FTSE4Good

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Sector Relative Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

2025 Sompo Sustainability Index

JPX-NIKKEI 400

2026 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

GOOD CAREER COMPANY AWARD 2024 大賞

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

SPORTS YELL COMPANY 2026

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 topics

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

I am truly honored to have been given the opportunity to handle the photography again this year, following last year. I myself use Canon cameras and printers in both my professional and personal life, and I hope that Canon will remain close at hand for the many camera users engaged with photography in different ways, helping them capture the important moments in their lives.

[Equipment Used for Photography]

· EOS R5 Mark II · RF50mm F1.4 L VCM · RF85mm F1.4 L VCM

Mayuko Ukawa



After leaving Shoto Studio corp., Ms. Ukawa set 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.
HP : https://www.m-ukawa.com/?lang=en

Integrated Report 2026: Editor's Postscript

Thank you for taking the time to read Integrated Report 2026. In preparing this Integrated Report, we engaged in dialogues 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.

In this report, under the theme of "Paving the way to the future and further success through co-creation - The road to 2030," we sought to provide readers with an understanding of how the Canon MJ Group aims to enhance corporate value over the medium to long term by explaining, from a variety of perspectives, the execution strategies for achieving the vision set forth in the Long-Term Management Objectives (2026-2030).

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 to incorporate the opinions we receive into our future management initiatives and enhanced disclosure activities. Therefore, we hope that you continue to share your honest opinions and feedback.

Group Executive of Corporate Planning Headquarters Katsuhiro Kimachi



Members of the Integrated Report 2026 editorial team

Canon Marketing Japan Inc.

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

Canon Marketing Japan Group Website

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