

# Human Resources Strategy

Establish a more dynamic and merit-based HR management system

## Excellent Global Corporation Plan Phase VI: HR Strategy

Under the principle of Respect for Humanity that has formed part of Canon's corporate DNA since our establishment, we have cultivated a corporate culture to support the motivation, pride and happiness of individual employees. We strive to ensure working conditions are appropriate, fair and based on meritocratic principles, and that they afford peace of mind to workers. In this way, Canon aims to generate new value continuously based on a diverse workforce infused with an Enterprising Spirit.

One of the main strategies of Phase VI of the Excellent Global Corporation Plan is to build a more dynamic and merit-based HR management system. Under this strategy, we are seeking to enhance employee engagement and promote work style reforms while also boosting productivity by developing new HR systems and reforming organizational culture.

Canon actively promotes HR development because we view personal growth as the driving force behind building a more robust business. To support the reorganization of our business portfolio and strengthen related business operations, we are focusing particularly on strategic recruitment and development of people with the skills to drive innovation, and pursuing HR training to support such activities.

In 2018, we established the Canon Institute of Software Technology (CIST) to help improve digital technology training across the Group and support redirection of human resources to business areas with high growth potential. As part of these efforts, CIST uses a trainee-style career matching system that combines training with internal recruitment to enable the re-skilling of a wide range of people and facilitate internal reallocation of human resources. The system aims to make the most effective use of human resources by helping individual employees to build careers and by creating chances for employees.

Moreover, based on our corporate philosophy of

*kyosei*, Canon fully respects diversity in terms of such attributes as culture, customs, language and ethnicity. With the promotion of diversity and inclusion established as an important management issue, we are working to ensure HR systems and workplace conditions enable individuals with diverse personalities and perspectives to play an active role and feel empowered to fulfill their potential.

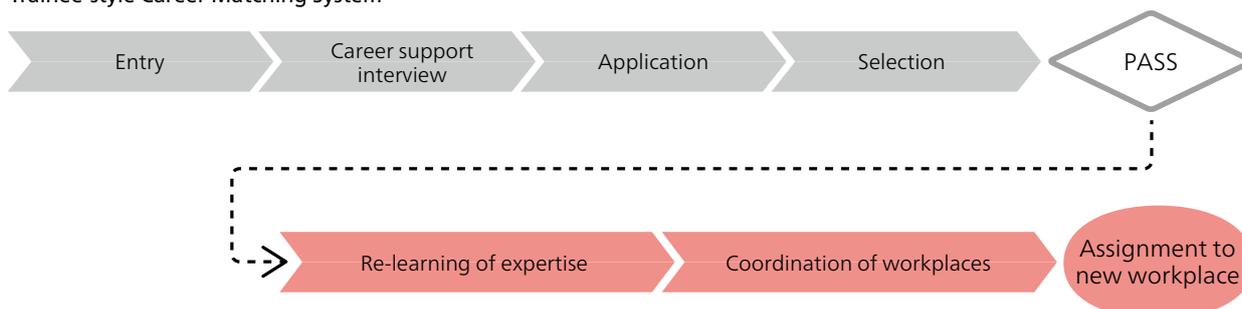
## Putting the Right People in the Right Jobs

By strategically deploying personnel and actively supporting individual career development, Canon aims to place the right people in the right jobs and create an organizational framework in which each employee can play an active role.

In recruitment, we are broadening our use of job-matching to determine, before hiring, more precisely where a person will work best, based on specialist knowledge and personal preference. This helps to optimize HR deployment based on the needs of each business. Discussions are organized by the Human Resources Division for all employees after working at Canon for three years to review the suitability of their job and working environment and provide peace of mind and help them fulfill their potential. We are also promoting personnel transfers from existing businesses to new businesses within the Group, in line with the repositioning of the business portfolio.

The trainee-style career matching system is designed to help employees develop skills to match evolving business requirements. Under the system, employees move internally to a new area after acquiring essential knowledge for their new role under a 3–6-month training program. This provides employees with the opportunity to gain the specialist knowledge needed to take on the challenge of working in an area where they have no prior experience, better equipping them to develop their career in an age where life expectancy is advancing towards 100 years.

### Trainee-style Career Matching System



## HR Development for New Business Portfolio: Software Training

Our aim for Phase VI of the Excellent Global Corporation Plan is to reposition Canon's business portfolio and strengthen the Canon Group. To provide HR development support for this transition, we are focusing on DX-related education in areas such as AI and IoT. Through the establishment of the CIST, we have developed educational systems to enable trainees of all levels, from novice to master, to acquire knowledge in the digital fields needed to underpin Canon's future business strategy.

Alongside internal training programs, we are also sending software engineers on specialist training courses provided by top institutions. This includes

6 people sent to the "Top SE (system engineer) course" and "Advanced SE course" programs hosted by the National Institute of Informatics; and 3 people sent to the "Smart SE course" business school program organized by Japan's Waseda University, which focuses on AI, IoT and Big Data technologies.

Our internal and external education/training initiatives focused on the latest technology and knowledge will enable us to develop the expertise required to reposition the business.

### Software Training at CIST

About **4,200** people in 2021

### DX Trainee Comments

I currently work on network camera development as part of Image Solutions Business Operations. With deep learning technology becoming an essential part of model development, I wanted to attend this course to learn from in-house instructors with knowledge and experience in this area. The basic training showed me how to create programs and helped me grasp the internal workings of the deep learning model. In the applied training, the instructor used actual case studies to guide me through model construction and related methodology so that I could get a practical feel for using models. The training was designed for deep learning novices and intermediates. It would have been hard to understand without some basic programming knowledge, but there is also an option to bridge any such gaps by taking a preparatory e-learning course. My aim is to be an engineer with more advanced model development skills by using the knowledge I have gained in this training.

## Work Style Reforms

Reflecting a respect for work-life balance, Canon is making efforts to reduce work hours. We introduced a new teleworking system in 2020 to enable flexible work styles not restricted by time or location. In 2021, total annual work hours per employee averaged 1,745, well below the prescribed 1,800 regular working hours.

With the aim of supporting positive cycles that boost productivity while supporting good work-life balance, we also provide employees with opportunities to upskill in their own time through initiatives such as self-development programs for study at home and after-work seminars.