OFFICE BUSINESS UNIT

Composition of Sales (%)

45.7%

Main Products
- Office multifunction devices (MFDs)
- Laser multifunction printers (MFPs)
- Laser printers
- Digital continuous feed presses
- Digital sheet-fed presses
- Wide-format printers
- Document solutions

IMAGING SYSTEM BUSINESS UNIT

Composition of Sales (%)

25.5%

Main Products
- Interchangeable-lens digital cameras
- Digital compact cameras
- Digital camcorders
- Digital cinema cameras
- Interchangeable lenses
- Compact photo printers
- Inkjet printers
- Large format inkjet printers
- Commercial photo printers
- Image scanners
- Multimedia projectors
- Broadcast equipment
- Calculators
MEDICAL SYSTEM BUSINESS UNIT

Composition of Sales (%)

11.1%

Main Products
- Diagnostic X-ray systems
-Computed tomography (CT) systems
-Magnetic resonance imaging (MRI) systems
-Diagnostic ultrasound systems
-Clinical chemistry analyzers
-Digital radiography systems
-Ophthalmic equipment

INDUSTRY AND OTHERS BUSINESS UNIT

Composition of Sales (%)

20.4%

Main Products
- Semiconductor lithography equipment
-FPD (Flat panel display) lithography equipment
-Vacuum thin-film deposition equipment
-Organic LED (OLED) panel manufacturing equipment
-Die bonders
-Micromotors
-Network cameras
-Handy terminals
-Document scanners

Note: The percentage figures for the four business units presented in the pie charts above do not add up to 100% because “Eliminations,” recorded in consolidation accounting, were not included in calculation considerations.
A. An international rugby union match was projected live in 8K resolution at Canon’s headquarters. The impressive vision made it feel like one was watching the game in the stadium.  B. Our newly developed ceramic material for 3D printers has the potential for application in a broad range of fields, including industrial equipment and healthcare.

### 2018 Top Ten U.S. Patent Holders by Company

<table>
<thead>
<tr>
<th>Company</th>
<th>Patents</th>
</tr>
</thead>
<tbody>
<tr>
<td>IBM*</td>
<td>9,100</td>
</tr>
<tr>
<td>Samsung Electronics</td>
<td>5,850</td>
</tr>
<tr>
<td><strong>CANON</strong></td>
<td>3,056</td>
</tr>
<tr>
<td>Intel</td>
<td>2,735</td>
</tr>
<tr>
<td>LG Electronics</td>
<td>2,474</td>
</tr>
<tr>
<td>Taiwan Semiconductor Manufacturing</td>
<td>2,465</td>
</tr>
<tr>
<td>Microsoft</td>
<td>2,353</td>
</tr>
<tr>
<td>Qualcomm</td>
<td>2,300</td>
</tr>
<tr>
<td>Apple</td>
<td>2,160</td>
</tr>
<tr>
<td>Ford</td>
<td>2,123</td>
</tr>
</tbody>
</table>

*IBM is an abbreviation for International Business Machines Corporation.

Source:
Preliminary data released by IFI CLAIMS Patent Services, a U.S. research company specialized in patent information.
Canon is engaged in efforts to discover new technologies that will help create future businesses

R&D Expenses and Patents
Canon is bolstering R&D activities to enable the ongoing development of innovative products and services. In 2018, R&D expenses amounted to ¥315.8 billion, and the ratio of R&D expenses to net sales was 8.0%. This focus on R&D activities has cemented Canon’s high status in the field of intellectual property. In 2018, Canon was granted 3,056 patents in the United States, ranking it third in the world and the top ranked Japanese company for a fourteenth consecutive year.

Initiatives to Establish New Businesses
Canon has a long-term perspective as it concentrates its efforts on discovering new technologies for the future.

Diagnostic imaging support
Canon is utilizing image processing and AI in its efforts to develop technologies that will help doctors make a diagnosis. Currently, we are working on joint R&D with Kyoto University Hospital to support the diagnosis of lung nodules in CT images. By using a large database of cases and machine learning, the software we developed are able to infer a specific disease type and present the supporting evidence for the suspected nodules that appear in lung CT images. We aim to improve the quality of healthcare through our support for medical diagnosis.

Visual inspection technologies
In the past, Canon has successfully worked to develop a technology that utilizes AI to learn the normal appearance of parts and detect abnormalities automatically. Now, we are using this technology further, to develop a technology that automatically detects cracks in infrastructure. By using AI to detect cracks, etc. in high-resolution images of infrastructure taken by cameras equipped with Canon’s CMOS sensors, this technology increases the accuracy and efficiency of inspections, and is expected to contribute to the safety and security of people’s lives.

New imaging solutions
We are working on the development of a Free Viewpoint Video System, as an imaging solution that utilizes the imaging technology Canon has cultivated over many years. Images taken by multiple high-resolution cameras placed around a stadium are processed in real time by an image processing computer system that renders them into high-resolution 3D spatial data. This not only allows viewers to view images from various angles and viewpoints, but also produces a realistic, immersive viewing experience, giving viewers a sense that they are really there. Canon is also working to provide high-resolution, immersive images using 8K cameras, with the aim of creating new ways to enjoy sports and entertainment.

In addition, we are developing a wide-area security system using software that makes it possible to detect and track a specific person from multiple camera images using Canon’s network cameras, and that utilizes AI to count people with high accuracy, even in situations where many people are together in a crowded space.

Materials research
To improve the competitiveness of Canon products, we undertake research into the materials used in such areas as ink colorant and coloring powders. With our inkjet printer ink, we have additionally succeeded in commercializing a magenta dye that enhances image quality. We have also developed a technology for the highly accurate 3D printing of parts with complex geometries, using Canon’s proprietary ceramic material. Canon continues to research and develop high value-added materials in order to generate various differentiated products of its own.
A. Production of components for inkjet printers. We seek to raise the bar in the manufacturing of high-quality products while striving to improve production efficiency. (Canon Hi-Tech (Thailand), Thailand)

B. Master craftsmen, who hand down skills that are indispensable to Canon’s manufacturing ethos.

C. At Japan’s National Skills Competition in 2018, our technicians submitted an entry in the precision instrument assembling category. Canon has collected prizes at this competition for fourteen successive years since 2005.
Canon aims to establish a new production system that achieves a cost-of-sales ratio of 45% through the evolution of our manufacturing capabilities

Globally Optimized Production
Canon employs a globally optimized production system in which we determine ideal production locations based on such factors as costs, taxes, logistics, ease of parts procurement, and labor. Our aim is to leverage the strengths of each region. In Japan, we are expanding production through automation, while in the United States and Europe, we are promoting the localized production of consumables and other products. In emerging countries, we are boosting productivity by honing our employees’ skills. This production method of Canon has been expanded to include companies such as Océ and Canon Medical, that joined the Group in recent years.

Automation and In-house Production
Seeking to create innovative and original products, Canon is actively pursuing in-house production of key devices and components such as CMOS sensors, manufacturing equipment such as automated assembly machines and high-precision processing machines, as well as molding dies. To produce high-quality products at efficient costs, we strive to maintain highly reliable automated production lines. We have been introducing fully automated production lines for toner cartridges, and are currently pursuing full automation for the manufacturing of cameras. At Oita Canon, our primary camera plant, we are working to fully automate digital camera production through the establishment of the Techno Wing R&D facility that combines Canon’s manufacturing and product technologies.

At Miyazaki Canon, the construction of a new digital camera plant is progressing, with operations due to commence in August 2019. By utilizing the automation technology cultivated at Oita Canon, Miyazaki Canon will pursue even greater efficiency as an “ideal factory.”

Human Resources for Manufacturing
Canon conducts human resource training to nurture the skills of employees at our production sites worldwide. Our programs teach manufacturing techniques and craftsmanship and train employees with leadership potential in Canon management methods. Young technicians test their abilities by competing in Japan’s National Skills Competition, where they cultivate a spirit of challenge that is reflected in our manufacturing.

To encourage advancement in manufacturing engineering, Canon honors our most skilled technicians by awarding them the title of Master Craftsman, while those who contribute to Canon production through their skills and knowledge of assembly and component processing earn the title of Meister. These technicians are the vanguard of Canon’s production improvement and play the important role of passing on their expertise to the next generation.

Initiatives for Environmentally Friendly Manufacturing and Enhanced Product Quality
From product design and development to production, logistics, product use, and recycling, throughout the product’s lifecycle in all areas of our business, Canon is engaged in manufacturing initiatives that are friendly to the global environment and minimize environmental impact.

In addition, in order to ensure that our products are safe, can be enjoyed with peace of mind, and provide satisfaction to our customers, we at Canon have established a quality management system that incorporates mechanisms unique to Canon on top of ISO9001 requirements. We have realized an adequate quality assurance system which sufficiently responds to laws and regulations of countries and regions around the world, and thoroughly implement operations. We drive quality improvement on an ongoing basis, while constantly carrying out strict evaluations using cutting-edge testing facilities that are at the forefront of the industry.
A. Canon’s display at PhotoPlus 2018, the largest photography and imaging exhibition in North America that showcases all of the latest products and services in the industry.

B. The first Canon Business Imaging Solutions Lounge in India. Visitors can try out various B2B products such as MFDs, scanners, and projectors.

C. Canon opened a Customer Experience Centre in Switzerland, showing our entire business portfolio, in particular, our commercial printing products and services.
Accelerating growth in commercial printing, network cameras, medical and industrial equipment as key drivers of Canon’s next-generation business

Japan
Sales in Japan amounted to ¥869.6 billion, or 22.0% of consolidated net sales. Sales in the IT solutions business increased due to strong IT investment by domestic companies, in response to workstyle reforms and labor shortages. Meanwhile, investment in business equipment was weak, and MFPs and other hardware declined. In the security business, sales of network cameras and software, etc. continued to grow. In addition, regarding products for consumers, although sales of mirrorless cameras increased significantly, sales of digital single lens reflex ("DSLR") cameras and inkjet printers decreased due to market shrinkage.

The Americas
Sales in the Americas amounted to ¥1,076.4 billion, or 27.2% of consolidated net sales. In recent years, Canon has promoted a shift to digital marketing, including improving the convenience of e-commerce based on customer-oriented marketing activities, and enhancing after-marketing efficiency. In office equipment, we are continuing to implement the regional management system that was introduced last year, which organizes activities in the U.S. into four regions. We held a nationwide summit for U.S. dealers, and forged even stronger relationships with our top dealers. In addition, in order to accelerate new, original businesses by sales companies, we have established an organizational structure to promote innovation and are strengthening R&D. Canon is moving ahead with the cultivation of new businesses.

Europe (Europe, Middle East, Africa)
Sales in Europe amounted to ¥1,015.4 billion, or 25.7% of consolidated net sales. In line with its strategy to drive an ever-deeper customer-centric approach, Canon Europe opened two Customer Experience Centres in 2018—in Switzerland and France—giving customers new opportunities to interact with Canon people, products and solutions. Highlighting Canon’s commitment to the Middle East, Canon Saudi Arabia was launched to support growing demand in the region for business solutions. In September, Canon Europe used Photokina 2018 as an important platform to engage with consumer and professional audiences and enable them to get hands on with the EOS R system.

Asia and Oceania
Sales in the Asia and Oceania region amounted to ¥990.5 billion, or 25.1% of consolidated net sales. In the B2C field, we bolstered marketing by strengthening e-commerce, and expanded our market share. Meanwhile, in the B2B field, we strengthened sales and branding for MFDs and commercial printers, and promoted the expansion of B2B business within the region. In particular, we introduced strategic products exclusively for Asia, in order to enhance sales capabilities and branding for MFDs in the area. We are forcefully promoting business expansion in Asia as a whole, led by India, which is experiencing remarkable growth. Furthermore, we participated in the China International Import Expo, which was held for the first time in 2018, where we presented a wide range of products and solutions in areas such as business and healthcare. We are currently expanding our market share in the B2B field in China. In Oceania, Canon has strengthened its B2B business through M&A.

Composition of Sales by Region

<table>
<thead>
<tr>
<th>Region</th>
<th>% of Sales</th>
<th>Net Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia and Oceania</td>
<td>25.1%</td>
<td>¥990.5 billion</td>
</tr>
<tr>
<td>The Americas</td>
<td>27.2%</td>
<td>¥1,076.4 billion</td>
</tr>
<tr>
<td>Japan</td>
<td>22.0%</td>
<td>¥869.6 billion</td>
</tr>
<tr>
<td>Europe</td>
<td>25.7%</td>
<td>¥1,015.4 billion</td>
</tr>
</tbody>
</table>
In recent years, the ethical role of corporations has increased in importance amid wide-ranging societal expectations and responsibilities. Canon adopted *kyosei* as its corporate philosophy in 1988, and since then we have worked to fulfill our responsibilities to society and build solid relationships not only with our customers and business partners, but also with countries, communities, nature, and the global environment. The approach we take with our corporate philosophy harmonizes with the ideals laid out in the Sustainable Development Goals (“SDGs”) adopted by the United Nations in 2015. As members of society, high expectations are being placed on corporations. Accordingly, we will contribute to society by leveraging our technological capabilities to create new value, resolve social issues, and engage in activities to preserve and protect the global environment, while continuing to be a company that always gives due consideration to people and society.

Environment

Canon has been working for the improvement activities with the goal of “achieving an average improvement of 3% per year in the lifecycle CO₂ emissions improvement index per product,” and, over the period from 2008 to 2018, achieved an average annual improvement of 5%. As of 2018, the overall improvement was 37.7%, compared to 2008.

Contributing to a Low-Carbon Society
Canon tracks CO₂ emissions throughout the product lifecycle (materials and parts manufactured by supplier, activities at operational sites, distribution, and customer use) and works to reduce emissions at each stage.

Contributing to a Circular Economy
To ensure more efficient use of limited resources and reduce waste, Canon is making products smaller and lighter, and reusing and recycling materials as much as possible. In particular, we are pursuing product-to-product recycling—in other words, recycling used products into new ones. Canon has established five reuse and recycling centers in four regions around the world. With the aim of achieving more advanced and efficient recycling, we opened the Canon Eco Technology Park, a reuse and recycling plant equipped with a state-of-the-art automated recycling line.

Eliminating Hazardous Substances and Preventing Pollution
Canon thoroughly manages chemical substances in products and those used in manufacturing processes to prevent environmental pollution and adverse effects on people’s health. With regard to chemical substances in products, in particular, we have built a Group-wide environmental assurance system and established in-house standards that are in line with the most stringent regulations in the world.

Contributing to a Society in Harmony with Nature
Canon engages in various activities worldwide based on our Biodiversity Policy, and promotes the Canon Bird Branch Project as a symbol of these activities. This project comprises activities at our sites that focus on birds. We promote this project across the entire Canon Group in an effort to conserve and protect biodiversity.

The Canon Eco Technology Park (Ibaraki Prefecture, Japan) was opened in 2018 as a hub for the Canon Group’s environmental activities.
Diversity Promotion
Under our corporate philosophy of kyosei, Canon respects diversity globally and actively encourages the fair hiring and promotion of employees, regardless of gender, age, or disability. In 2012, Canon established Vital workforce and Value Innovation through Diversity (“VIVID”), a company-wide horizontally integrated organization to promote diversity, and in 2018, the President’s Meeting on Diversity Promotion was held for 24 Group companies in Japan. In addition to promoting the active participation of female employees, which has been our focus thus far, we have expanded the target to include utilization of more diverse human resources, including sexual minorities such as the lesbian, gay, bisexual, and transgender (“LGBT”) community, veteran employees, and persons with disabilities.

Socially Responsible Procurement and Conflict Minerals
Against the backdrop of increasingly global supply chains, a number of social issues relating to human rights and environmental protection have been identified. In response, Canon formulated the Canon Supplier CSR Guidelines to promote socially responsible procurement in partnership with suppliers. To address the issues of conflict minerals in Africa, Canon conducts a Reasonable Country of Origin Inquiry every year, receives an independent assurance report from a third-party auditor, and discloses its findings to the U.S. Securities and Exchange Commission.

Art and Culture
As a company that contributes to the development of visual culture, Canon engages in activities to foster the richness of human feelings and emotions. In 2007, Canon and the Kyoto Culture Association (“NPO”) launched the Tsuzuri Project, which is officially named the Cultural Heritage Inheritance Project, with the aim of preserving original cultural assets and utilizing high-resolution facsimiles. By combining Canon’s advanced digital technologies, ranging from input to image processing and output, with skills from Kyoto’s traditional craft techniques, we have produced and presented high-resolution facsimiles of important Japanese cultural assets passed down from ancient times, including folding screens, fusuma (Japanese sliding doors), and handscrolls. As of March 2019, Canon has presented 38 facsimiles of artworks.

In 2018, Canon and the National Center for the Promotion of Cultural Properties (“NCPCP”), part of the National Institutes for Cultural Heritage, launched a joint project on the creation of high-resolution facsimiles of important Japanese works of art using the technologies employed by the Tsuzuri Project as well as research and testing to develop new applications for such technology.

Canon is working to support Para-sports through photography as a Tokyo 2020 Gold Partner (Still Camera & Desktop Printer), by providing various supports such as sponsoring a graphic magazine that introduces Para-sports to the public and taking photos of Para-sports athletes for a school educational material.
Governance

Fundamental Policy
In order to establish a sound corporate governance structure and continuously raise corporate value, the Company believes that it is essential to improve management transparency and strengthen management supervising functions. At the same time, a sense of ethics and mission held by each executive and employee of a company is very important in order to achieve continuous corporate growth and development. Details of Canon Inc.’s corporate governance structure are available on the Company’s website under “an overview of Corporate Governance at Canon Inc.” (https://global.canon/en/ir/strategies/governance.html).

Governance Structure

Fundamental Policy
The Company is globally expanding its businesses in various business fields, including office equipment, consumer products, medical equipment, and industrial equipment, and aims to aggressively expand into new business fields in the future. In order to make prompt decisions in each business field, and make important decisions for the entire Canon Group or matters that straddle several business fields from a company-wide perspective and at the same time secure appropriate decision making and execution of operation, the Company judges the corporate governance structure below to be effective.

Board of Directors
While the focus of the organizational structure of the Board of Directors is on Representative Directors that oversee company-wide business strategies or execution such as the CEO, COO, CFO, CTO, and Representative Directors or Executive Directors that oversee multiple business fields or headquarters functions, in order to secure sound management, an adequate number of at least two or more Independent Outside Directors are appointed. The Board of Directors, in accordance with laws and regulations, makes important decisions and supervises the execution of duties by officers.

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

The Board of Directors consists of six members, four Representative Directors from inside the Company and two Outside Directors that qualify as Independent Directors. Additionally, at a meeting of the Board of Directors held on January 30, 2019, 40 individuals, including two females and one non-Japanese, were elected as Executive Officers that assumed this position from April 1, 2019.

*Independent directors: Stock exchanges in Japan require listed companies to appoint outside directors and/or outside Audit & Supervisory Board members and to report their name. Outside directors and Audit & Supervisory Board members should have no possible conflict of interests with regular shareholders. People related to the parent company or major business partners, consultants who receive large remunerations from the company, and their close relatives cannot be selected as independent directors.
Audit & Supervisory Board
As a body which is in charge of the audit of operations, under the principles of autonomy, which is independent from the Board of Directors, the Company has full-time Audit & Supervisory Board Members that are familiar with the Company’s businesses or its management structure, and Independent Outside Audit & Supervisory Board Members that have extensive knowledge in specialized areas such as law, finance and accounting, and internal control. The Audit & Supervisory Board, which is composed of these individuals, cooperates with the Company’s accounting auditors and internal audit division, oversees the status of duty execution of operations and corporate assets to secure the soundness of management.

The Audit & Supervisory Board consists of five individuals, three of which are Independent Outside Audit & Supervisory Board Members. In accordance with auditing policies and plans decided at Audit & Supervisory Board meetings, the Audit & Supervisory Board Members attend Board of Directors’ meetings, and other important gatherings such as Corporate Strategy Committee meetings. They are also able to listen to reports from directors and employees, review documents related to important decisions, and conduct audits by investigating etc. the situation of businesses and property of the Company and its subsidiaries. In this way, the Audit & Supervisory Board conducts strict audits of directors’ execution of duty, including the status of development of the internal control system.

Procedures in the Nomination of Directors etc.
The Company established the “Nomination and Remuneration Advisory Committee,” a non-statutory committee, which consists of the CEO, two Independent Outside Directors, and one Independent Outside Audit & Supervisory Board Member. At the time, Director and Audit & Supervisory Board Member candidates are nominated and Executive Officers are appointed (includes the selection of a successor for the chief executive officer position), the CEO recommends candidates thereof from among individuals that have been recognized as having met the prescribed requirements, and the Committee checks the fairness and validity of such recommendation prior to submission to and deliberation by the Board of Directors.

Additionally, as for Audit & Supervisory Board Member candidates, prior to deliberation of the Board of Directors, consent of the Audit & Supervisory Board shall be acquired.

Corporate Strategy Committee, Risk Management Committee, and Disclosure Committee
The Company established the Corporate Strategy Committee,

Directors and Audit & Supervisory Board Members  (as of April 1, 2019)

<table>
<thead>
<tr>
<th>Representative Director</th>
<th>Representative Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fujio Mitarai</td>
<td>Executive Vice President &amp; CTO &amp;</td>
</tr>
<tr>
<td></td>
<td>In charge of Office Business</td>
</tr>
<tr>
<td>Masaya Maeda</td>
<td>Toshio Homma</td>
</tr>
<tr>
<td></td>
<td>Chief Executive of Office Imaging Products Operations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kunitaro Saida (Outside)</td>
</tr>
<tr>
<td>Attorney</td>
</tr>
<tr>
<td>Haruhiko Kato (Outside)</td>
</tr>
<tr>
<td>President &amp; CEO</td>
</tr>
<tr>
<td>of Japan Securities Depository Center, Incorporated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Audit &amp; Supervisory Board Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masaaki Nakamura</td>
</tr>
<tr>
<td>Hiroaki Sato</td>
</tr>
<tr>
<td>Yutaka Tanaka (Outside)</td>
</tr>
<tr>
<td>Hiroshi Yoshida (Outside)</td>
</tr>
<tr>
<td>Koichi Kashimoto (Outside)</td>
</tr>
</tbody>
</table>

Note: Although this annual report is for FY2018, the above list of Directors and Audit & Supervisory Board members is as of April 1, 2019.
consisting of Representative Directors and some Executive Officers. Among items to be decided by the CEO, the Committee undertakes prior deliberations on important matters pertaining to Canon Group strategies. Outside Directors and Audit & Supervisory Board members attend Corporate Strategy Committee meetings and are able to express their own opinions.

Based on a resolution passed by the Board of Directors, Canon set up the Risk Management Committee, which formulates policy and action proposals regarding improvement of the Canon Group risk management system. The Risk Management Committee consists of three entities: the Financial Risk Management Subcommittee, which is tasked with improving systems to ensure reliability of financial reporting; the Compliance Subcommittee, which is tasked with promoting corporate ethics and improving legal compliance systems; and the Business Risk Management Subcommittee, which is charged with improving systems to manage overall business risks, including risks related to product quality and information leak. The Risk Management Committee verifies the risk management system’s improvement and implementation and reports the status to the CEO and the Board of Directors.

In addition, the Disclosure Committee was established to undertake deliberations pertaining to information disclosure, including content and timing, to ensure important corporate information will be disclosed in a timely and accurate manner.
Governance

Internal Audit Division
The Corporate Audit Center, the Company’s internal auditing arm, as an independent and specialized organization and in accordance with internal audit rules, conducts audits and evaluations and provides guidance on such matters as compliance with laws and the internal control system. Furthermore, audits of particular themes such as quality, the environment, and information security are conducted mainly by the Corporate Audit Center in cooperation with each division in charge. Additionally, based on top management policy, for all work processes, audits must be conducted from a specialized viewpoint and there are plans to increase the number of its members from the current 80 to strengthen auditing functions by enabling audits from a specialized viewpoint in each theme.

Constructive Dialogue with Shareholders
Policy
For sustainable growth and to help improve corporate value over a mid- to long-term perspective, the Company has constructive dialogue with shareholders through an ordinary general meeting of shareholders, corporate strategy conferences, financial results conferences, and interviews with major institutional investors.

The Structure to Promote Dialogue
Finance & accounting (Investor Relations (“IR”)), legal affairs, corporate communications are responsible for working together and promoting dialogue. The Executive Vice President & CFO oversees the entire structure to promote dialogue.

For analysts and institutional investors, the CEO hosts a corporate strategy conference at the beginning of the year. Other than this, the CFO hosts quarterly financial results conferences. For individual investors, conferences are held when appropriate and on the Company’s official website, specific pages containing information about corporate strategy, financial results, and financial data etc. have been set up using descriptions that are easy to understand. Additionally, the Company works for dialog with domestic and overseas analysts and institutional investors, arranging interview opportunities appropriately. For detail, please refer to “an Overview of Corporate Governance at Canon Inc.”

As for the opinions or demands that are obtained through dialogue with shareholders, accordingly, the department in charge reports to the CFO and the CFO will report important ones to the CEO or the Board of Directors.

Controlling Insider Information
The Company has set the “Rules on Prevention of Insider Trading,” which makes thorough control of undisclosed material information and provides the procedure of information disclosure.