



December 24, 2025

Canon Inc.  
Chairman & CEO: Fujio Mitarai  
Securities code: 7751  
Tokyo (Prime Market) and other Stock  
Exchanges

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Notice of Execution of Absorption-type Company Split Agreement Regarding Succession of  
Certain Businesses of Canon Medical Systems Corporation by Company Split (Simplified  
Absorption-type Company Split)

Canon Inc. (the “Company”) at a Board of Directors meeting held on December 24, 2025, has resolved to conduct an absorption-type company split (the “Absorption-type Company Split”) where all businesses currently operated by Canon Medical Systems Corporation (“CMSC”), the splitting company, except for sale, technical service and maintenance in Japan, will be succeeded to the Company, the succeeding company. Today, an absorption-type company split agreement between the Company and CMSC was executed as follows.

With an effective date of April 1, 2026, the Company plans to conduct the Absorption-type Company Split without the approval of a shareholders meeting, in accordance with the procedure for a simplified absorption-type company split pursuant to the provisions of Article 796, paragraph 2 of the Corporation Law of Japan.

As the Absorption-type Company Split is an absorption-type company split that succeeds the business operations of a wholly-owned subsidiary of the Company, certain disclosure items and details are omitted from this notice.

1. Purpose of the Absorption-type Company Split

The purpose of the Absorption-type Company Split is to make the medical business one of Canon's pillars by reforming our business structure and strengthening our organization, thereby achieving high profitability and strong growth. By integrating the previously separate operations of the Company and CMSC into a unified structure, we will establish a system that can make maximum use of the Company's technology and expertise in quality control and cost reduction. And by reviewing all operations, including development, manufacturing, and management, we will accelerate our efforts to improve profitability and expand our business in the medical-related market, where stable growth is expected. Furthermore, with regard to CMSC, we will continue to operate it as a sales and service company in Japan in order to strengthen and further development the relationships CMSC has built

with customers.

## 2. Overview of the Absorption-type Company Split

### 1) Schedule of the Absorption-type Company Split

Date of the Resolution of the Board of Directors meeting	December 24, 2025
Date of the execution of Absorption-type Company Split Agreement	December 24, 2025
Scheduled implementation date of the Absorption-type Company Split (the “Effective Date”)	April 1, 2026 (scheduled)

Note 1: Both the Company and CMSC plan to conduct the Absorption-type Company Split without the approval of a shareholders meeting, as the Absorption-type Company Split is conducted in accordance with the procedure for a simplified absorption-type company split pursuant to the provisions of Article 796, paragraph 2 of the Corporation Law of Japan for the Company, and the procedure for a short-form absorption-type company split pursuant to the provisions of Article 784, paragraph 1 of the Corporation Law of Japan for CMSC.

Note 2: The scheduled implementation date of the Absorption-type Company Split (the “Effective Date”) is subject to change upon the mutual consent of both companies.

### 2) Method for the Absorption-type Company Split

This is an absorption-type company split in which the Company will be the succeeding company and CMSC will be the splitting company.

### 3) Details of Allocation Pertaining to the Absorption-type Company Split

As the Company holds all the shares of CMSC, no shares or monetary consideration will be allocated in connection with the Absorption-type Company Split.

### 4) Handling of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Absorption-type Company Split

CMSC has not issued any stock acquisition rights, nor has it issued any bonds with stock acquisition rights.

### 5) Capital Stock to be Increased or Decreased as a Result of the Absorption-type Company Split

There will be no increase or decrease in the Company’s capital stock as a result of the Absorption-type Company Split.

### 6) Rights and Obligations to be Succeeded by the Succeeding Company

On the Effective Date, the Company will succeed the assets, liabilities, contractual status, employment relationship, license and permits and other rights and obligations associated therewith held by CMSC (except for those rights and obligations related to sale, technical service and maintenance in Japan), as stipulated in the Absorption-Type Company Split Agreement.

The liabilities that the Company succeeds will be settled through the method of cumulative assumption of liabilities.

## 7) Outlook for the Performance of Obligations

The Company has determined that there will be no issues in performing its obligations on or after the Effective Date.

### 3. Overview of the Parties to the Absorption-type Company Split (as of June 30, 2025)

	Succeeding Company	Splitting Company
1) Trade name	Canon Inc.	Canon Medical Systems Corporation
2) Location	30-2, Shimomaruko 3-chome Ota-ku, Tokyo	1385, Shimoishigami, Otawara-shi, Tochigi
3) Name and title of representative	Fujio Mitarai Chairman & CEO	Toshio Takiguchi President & CEO
4) Nature of Business	Development, manufacture, sale, and service in the field of printing, medical, imaging, industrial and other areas	Design, development, manufacture, sale, technical service, maintenance, and import and export of medical equipment, pharmaceutical products, medical information systems and image information systems, as well as peripheral devices thereof and services incidental or related thereto
5) Capital	174,762 million yen	20,700 million yen
6) Incorporation date	August 10, 1937	October 19, 1948
7) No. of issued shares	1,333,763,464 shares	134,980,000 shares
8) Fiscal year end	December 31	December 31

	Succeeding Company	Splitting Company
9) Major shareholders and shareholding ratio  *Shareholding ratio is calculated by deducting the number of treasury shares from total shares issued.	The Master Trust Bank of Japan, Ltd. (Trust Account) 18.59%  Custody Bank of Japan, Ltd. (Trust Account) 6.85%  Mizuho Bank, Ltd. 2.50%  State Street Bank West Client - Treaty 505234 2.37%  SMBC Nikko Securities Inc. 2.00%	Canon Inc. 100.00%
10) Financial conditions and operating results for the most recent fiscal year		
Fiscal year	Canon Inc. (Consolidated)	CMSC (Non-consolidated)
	December 31, 2024	December 31, 2024
Net assets	3,380,273	173,050
Total assets	5,766,246	337,801
Net assets per share (yen)	3,581.36	1,282.04
Net sales	4,509,821	339,811
Operating profit	279,754	17,352
Recurring profit	-	24,541
Net income attributable to the company	160,025	21,502
Net income per share (yen)	165.53	159.30

(Millions of yen, except where otherwise noted)

Note: The consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles, and its net assets and net assets per share represents its shareholders' equity and shareholders' equity per share, respectively.

#### 4. Overview of Businesses to be Succeeded

##### 1) Details of Businesses to be Succeeded

All businesses currently operated by CMSC (design, development, manufacture, sale, technical service, maintenance, and import and export of medical equipment, pharmaceutical products, medical information systems and image information systems, as well as peripheral devices thereof and services incidental or related thereto), except for sale, technical service and maintenance in Japan.

## 2) The Operating Results of the Businesses to be Succeeded (Fiscal year ended December 31, 2024)

CMSC's non-consolidated net sales 339,811 million yen

Note: The Company plans to succeed all businesses currently operated by CMSC except for sale, technical service and maintenance in Japan. However, as it is difficult to calculate the operating results solely for the business to be succeeded, the Company has disclosed CMSC's non-consolidated net sales.

## 3) Assets and Liabilities to be Succeeded, and Their Respective Amounts

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	148,199	Current liabilities	93,407
Non-current assets	114,999	Non-current liabilities	11,912
Total	263,198	Total	105,319

(Millions of yen)

Note: The above amounts are estimated based on the balance sheet as of December 31, 2024. The actual amounts of assets and liabilities to be succeeded will be determined based on the balance sheet as of March 31, 2026 and other calculations as of that date.

## 5. Status after the Absorption-type Company Split

	Succeeding Company
1) Trade name	Canon Inc.
2) Location	30-2, Shimomaruko 3-chome Ota-ku, Tokyo
3) Name and title of representative	Fujio Mitarai, Chairman & CEO
4) Nature of Business	Development, manufacture, sale, and service in the field of printing, medical, imaging, industrial and other areas
5) Capital	174,762 million yen
6) Fiscal year end	December 31

## 6. Outlook

As the parties to the Absorption-type Company Split are the Company and the Company's wholly-owned subsidiary, the impact of the Absorption-type Company Split on the Company's consolidated performance is expected to be slight.