

TO OUR SHAREHOLDERS

**MATTERS OMITTED  
FROM THE NOTICE OF CONVOCATION OF  
THE ORDINARY GENERAL MEETING OF SHAREHOLDERS  
FOR THE 124TH BUSINESS TERM**

BUSINESS REPORT

Canon Group Global Network

Stock Acquisition Rights, etc. of the Company

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Equity

Notes to Consolidated Financial Statements

NON-CONSOLIDATED FINANCIAL STATEMENTS

Non-Consolidated Statement of Changes in Net Assets

Notes to Non-Consolidated Financial Statements

**CANON INC.**

# BUSINESS REPORT

## Canon Group Global Network

### Major Domestic Bases

---

#### Canon Inc.

Headquarters [Tokyo]  
Yako Office [Kanagawa Pref.]  
Kawasaki Office [Kanagawa Pref.]  
Tamagawa Office [Kanagawa Pref.]  
Kosugi Office [Kanagawa Pref.]  
Hiratsuka Plant [Kanagawa Pref.]  
Ayase Plant [Kanagawa Pref.]  
Fuji-Susono Research Park [Shizuoka Pref.]  
Utsunomiya Office [Tochigi Pref.]  
Toride Plant [Ibaraki Pref.]  
Ami Plant [Ibaraki Pref.]  
Oita Plant [Oita Pref.]

#### R&D, Manufacturing and Marketing

Canon Electronics Inc. [Saitama Pref.]  
Canon Finetech Nisca Inc. [Saitama Pref.]  
Canon Precision Inc. [Aomori Pref.]  
Canon Components, Inc. [Saitama Pref.]  
Canon ANELVA Corporation [Kanagawa Pref.]  
Canon Machinery Inc. [Shiga Pref.]  
Canon Tokki Corporation [Niigata Pref.]  
Canon Medical Systems Corporation [Tochigi Pref.]  
Canon Semiconductor Equipment Inc. [Ibaraki Pref.]

#### Manufacturing

Oita Canon Inc. [Oita Pref.]  
Nagasaki Canon Inc. [Nagasaki Pref.]  
Canon Chemicals Inc. [Ibaraki Pref.]  
Oita Canon Materials Inc. [Oita Pref.]  
Fukushima Canon Inc. [Fukushima Pref.]  
Nagahama Canon Inc. [Shiga Pref.]  
Miyazaki Canon Inc. [Miyazaki Pref.]

#### Marketing

Canon Marketing Japan Inc. [Tokyo]  
Canon System & Support Inc. [Tokyo]

#### R&D

Canon IT Solutions Inc. [Tokyo]

### Major Overseas Bases

---

#### Americas

---

##### Marketing

Canon U.S.A., Inc. [U.S.A.]  
Canon Canada Inc. [Canada]  
Canon Mexicana, S.de R.L. de C.V. [Mexico]  
Canon do Brasil Indústria e Comércio Ltda. [Brazil]  
Canon Medical Systems USA, Inc. [U.S.A.]

##### Manufacturing

Canon Virginia, Inc. [U.S.A.]

##### R&D

Canon Nanotechnologies, Inc. [U.S.A.]

#### Europe, Middle East, Africa

---

##### Marketing

Canon Europa N.V. [Netherlands]  
Canon Europe Ltd. [U.K.]  
Canon (UK) Ltd. [U.K.]  
Canon France S.A.S. [France]  
Canon Deutschland GmbH [Germany]  
Canon Middle East FZ-LLC [U.A.E.]  
Canon South Africa (Pty) Ltd. [South Africa]  
Milestone Systems A/S [Denmark]

##### Manufacturing

Canon Bretagne S.A.S. [France]  
Canon Production Printing Netherlands B.V. [Netherlands]

##### R&D

Canon Research Centre France S.A.S. [France]

##### R&D, Manufacturing and Marketing

Axis Communications AB [Sweden]

#### Asia, Oceania

---

##### Marketing

Canon (China) Co., Ltd. [China]  
Canon Hongkong Co., Ltd. [Hong Kong]  
Canon Singapore Pte. Ltd. [Singapore]  
Canon India Pvt. Ltd. [India]  
Canon Australia Pty. Ltd. [Australia]

##### Manufacturing

Canon Dalian Business Machines, Inc. [China]  
Canon Zhongshan Business Machines Co., Ltd. [China]  
Canon (Suzhou) Inc. [China]  
Canon Inc., Taiwan [Taiwan]  
Canon Hi-Tech (Thailand) Ltd. [Thailand]  
Canon Prachinburi (Thailand) Ltd. [Thailand]  
Canon Vietnam Co., Ltd. [Vietnam]  
Canon Opto (Malaysia) Sdn.Bhd. [Malaysia]  
Canon Business Machines (Philippines), Inc. [Philippines]

## Stock Acquisition Rights, etc. of the Company

### (1) Stock Acquisition Rights, etc. Delivered as Compensation for Execution of Duties That Are Held by the Directors of the Company as of the End of This Term

---

1. Name  
Stock Acquisition Rights issued in May of 2018
  2. Price to Be Paid In (per Stock Acquisition Right)  
294,800 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
May 2, 2018 to May 1, 2048
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 5 persons 235 Common stock 23,500 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in April of 2019
  2. Price to Be Paid In (per Stock Acquisition Right)  
228,100 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
April 27, 2019 to April 26, 2049
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 4 persons 468 Common stock 46,800 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
-

- 
1. Name  
Stock Acquisition Rights issued in May of 2020
  2. Price to Be Paid In (per Stock Acquisition Right)  
145,900 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
May 2, 2020 to May 1, 2050
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 4 persons 380 Common stock 38,000 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in April of 2021
  2. Price to Be Paid In (per Stock Acquisition Right)  
222,700 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
April 29, 2021 to April 28, 2051
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 4 persons 174 Common stock 17,400 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in April of 2022
  2. Price to Be Paid In (per Stock Acquisition Right)  
254,100 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
April 29, 2022 to April 28, 2052
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 4 persons 259 Common stock 25,900 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
-

- 
1. Name  
Stock Acquisition Rights issued in April of 2023
  2. Price to Be Paid In (per Stock Acquisition Right)  
279,900 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
April 29, 2023 to April 28, 2053
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 5 persons 369 Common stock 36,900 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in March of 2024
  2. Price to Be Paid In (per Stock Acquisition Right)  
394,500 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
March 26, 2024 to March 25, 2054
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 1 person 128 Common stock 12,800 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in April of 2024
  2. Price to Be Paid In (per Stock Acquisition Right)  
376,200 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
May 1, 2024 to April 30, 2054
  5. Holder, Number of Holders, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Director 6 persons 269 Common stock 26,900 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

Notes: 1. Each of the above Stock Acquisition Rights is not allotted to Outside Directors and Audit & Supervisory Board Members.  
2. The presented figures include Stock Acquisition Rights delivered to some Holders before their assumption as Director.

## **(2) Stock Acquisition Rights, etc. Delivered During This Term to the Executive Officers of the Company as Compensation for Execution of Duties**

---

1. Name  
Stock Acquisition Rights issued in March of 2024
  2. Price to Be Paid In (per Stock Acquisition Right)  
394,500 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
March 26, 2024 to March 25, 2054
  5. Grantee, Number of Grantees, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Executive Officer      2 persons      204      Common stock      20,400 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
- 

1. Name  
Stock Acquisition Rights issued in April of 2024
  2. Price to Be Paid In (per Stock Acquisition Right)  
376,200 yen
  3. Exercise Price (per Share)  
1 yen
  4. Exercise Period  
May 1, 2024 to April 30, 2054
  5. Grantee, Number of Grantees, Number of Stock Acquisition Rights, and Class and Number of Shares to Be Acquired  
Executive Officer      31 persons      390      Common stock      39,000 shares
  6. Main Conditions for the Exercise of Stock Acquisition Rights  
In principle,
    - (i) those to whom stock acquisition rights are allotted (the "Holder(s)") shall be entitled to exercise all the stock acquisition rights together within 10 days (in case the last day is not a business day, the following business day) from the day immediately following the day when they cease to hold any position as a Director or an Executive Officer of the Company, and
    - (ii) in the event that the Company recognizes any violation of laws and regulations, misconduct of the duties, act conflicting with the duty of due care or duty of loyalty, or any other act equivalent thereto of the Holder, the Company may limit, subject to a resolution by the Board of Directors of the Company, the number of offered stock acquisition rights that may be exercised by such Holder.
-

# CONSOLIDATED FINANCIAL STATEMENTS

## Consolidated Statement of Equity

(Millions of yen)  
(For the year ended December 31, 2024)

	Common stock	Additional paid-in capital	Retained earnings			Accumulated other comprehensive income (loss)	Treasury stock	Total Canon Inc. shareholders' equity	Noncontrolling interests	Total equity
			Legal reserve	Other retained earnings	Total retained earnings					
Balance at December 31, 2023	174,762	404,935	61,634	3,801,212	3,862,846	268,758	(1,358,279)	3,353,022	252,685	3,605,707
Equity transactions with noncontrolling interests and other		7,410		(762)	(762)			6,648	(10,839)	(4,191)
Dividends to Canon Inc. shareholders				(141,530)	(141,530)			(141,530)		(141,530)
Dividends to noncontrolling interests									(8,854)	(8,854)
Acquisition of subsidiaries									790	790
Transfers to legal reserve			259	(259)	-			-		-
Comprehensive income (loss):										
Net income				160,025	160,025			160,025	22,849	182,874
Other comprehensive income (loss), net of tax:										
Foreign currency translation adjustments						144,424		144,424	1,300	145,724
Net unrealized gains and losses on securities						5		5		5
Net gains and losses on derivative instruments						(2,443)		(2,443)	10	(2,433)
Pension liability adjustments						60,153		60,153	6,837	66,990
Total comprehensive income (loss)								362,164	30,996	393,160
Repurchases and reissuance of treasury stock		(58)		(18)	(18)		(199,955)	(200,031)		(200,031)
Balance at December 31, 2024	174,762	412,287	61,893	3,818,668	3,880,561	470,897	(1,558,234)	3,380,273	264,778	3,645,051

### <Notes to Consolidated Statement of Equity>

1. Number of issued shares as of December 31, 2024 1,333,763,464 shares

2. Payment for dividends

(1) Amount of dividends paid

Decision	Classes of stock	Cash dividend (Millions of yen)	Dividend per share (yen)	Record date	Effective date
March 28, 2024 Ordinary general meeting of shareholders	Common stock	69,146	70.00	December 31, 2023	March 29, 2024
July 25, 2024 Board of directors' meeting	Common stock	72,384	75.00	June 30, 2024	August 26, 2024

(2) Dividends whose record date is included in the current fiscal year and effective date is after the current fiscal year-end.

Scheduled	Classes of stock	Cash dividend (Millions of yen)	A source of dividend	Dividend per share (yen)	Record date	Effective date
March 28, 2025 Ordinary general meeting of shareholders	Common stock	75,519	Retained earnings	80.00	December 31, 2024	March 31, 2025

3. Number of treasury shares for exercisable stock options as of December 31, 2024

Common stock 485,100 shares

## Notes to Consolidated Financial Statements

### <Notes to Basic Significant Matters Regarding Preparation of Consolidated Financial Statements>

#### Significant Accounting Policies

##### 1. Principles of Consolidation and Investments Accounted for by the Equity Method

The number of consolidated subsidiaries was 334, and the number of affiliated companies accounted for by the equity method was 10 as of December 31, 2024.

##### 2. Basis of Presenting Consolidated Financial Statements

The consolidated financial statements of Canon Inc. (“Canon”) are prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”) pursuant to the provision of paragraph 1, Article 120-3 of the Ordinance on Company Accounting. However, certain disclosures required under US GAAP are omitted pursuant to the provision of the latter part of paragraph 1, Article 120, as applied mutatis mutandis pursuant to paragraph 3, Article 120-3.

##### 3. Cash Equivalents

All highly liquid investments acquired with original maturities of three months or less from the date of purchase are considered to be cash equivalents.

##### 4. Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the balance sheet date. Exchange differences are charged or credited to income. Assets and liabilities of subsidiaries located outside Japan are translated into Japanese yen at the rates of exchange in effect at the balance sheet date and income and expense items are translated at the average exchange rates prevailing during the year. The resulting translation adjustments are reported in other comprehensive income (loss).

##### 5. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the average method for domestic inventories and principally the first-in, first-out method for overseas inventories.

##### 6. Investments

In accordance with the Financial Accounting Standards Board Accounting Standards Codification (“ASC”) 320 “Investments-Debt Securities” and 321 “Investments-Equity Securities”, equity securities that are not consolidated or accounted for under the equity method and available-for-sale debt securities are measured at fair value. Changes in fair value are recognized in net income for equity securities, and recognized in other comprehensive income for available-for-sale debt securities. Realized gains and losses are determined based on the average cost method.

##### 7. Depreciation Methods of Property, Plant and Equipment

Property, plant and equipment are depreciated principally by the declining-balance method.

##### 8. Goodwill and Other Intangible Assets

In accordance with ASC 350 “Intangibles – Goodwill and Other”, goodwill and other intangible assets with indefinite useful lives are not amortized, but are instead tested for impairment annually in the fourth quarter of each year, or more frequently if indicators of potential impairment exist. Intangible assets with finite useful lives are amortized over the respective estimated useful lives. Software, patents and developed technology, and customer relationships are amortized using the straight-line method over the estimated useful lives, which range primarily from 3 years to 9 years for software, 5 years to 21 years for patents and developed technology and 11 years to 19 years for customer relationships.

##### 9. Impairment of Long-Lived Assets

In accordance with ASC 360 “Property, Plant, and Equipment”, long-lived assets, such as property, plant and equipment, and acquired intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of the asset exceeds its estimated sum of undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset.

##### 10. Basis of Recording Allowances

(Allowance for credit losses)

In accordance with ASC 326 “Financial Instruments – Credit Losses”, an allowance for credit losses for trade and lease receivables is maintained for all customers based on a current expected credit loss model.

(Accrued pension and severance cost)

In accordance with ASC 715 “Compensation – Retirement Benefits”, pension and severance cost are accrued based on the projected benefit obligations and the fair value of plan assets at the balance sheet date. Unrecognized actuarial gain or loss is recognized by amortizing a portion in excess of a corridor (i.e., 10% of the greater of the projected benefit obligations or the fair value of plan assets) using the straight-line method over the average remaining service period of employees. Unrecognized prior service cost or credit is amortized using the straight-line method over the average remaining service period of employees.

##### 11. Accounting of Taxes Collected from Customers

Taxes collected from customers and remitted to governmental authorities are excluded from revenues, cost and expenses in the consolidated statements of income.

##### 12. Stock-Based Compensation

Canon measures stock-based compensation cost at the grant date, based on the fair value of the award, and recognizes the cost on a straight-line basis over the requisite service period.



### 13. Net Income Attributable to Canon Inc. Shareholders Per Share

Basic net income attributable to Canon Inc. shareholders per share is computed by dividing net income attributable to Canon Inc. shareholders by the weighted average common shares outstanding during each year. Diluted net income attributable to Canon Inc. shareholders per share includes the effect from potential issuance of common stock based on the assumptions that all stock options were exercised.

### 14. Standards of Accounting for Revenues and Expenses

Canon generates revenue mainly through the sale of products of the Printing Business Unit, the Medical Business Unit, the Imaging Business Unit and the Industrial Business Unit, supplies and related services under separate contractual arrangements. Revenue is recognized when, or as, control of promised goods or services transfers to customers in an amount that reflects the consideration to which Canon expects to be entitled in exchange for transferring these goods or services. For further information, please refer to <Notes to Revenue Recognition>.

#### <Notes to Accounting Estimates>

The following item is recorded based on the amount using accounting estimates, which may have significant impacts on the consolidated financial statements for the following fiscal year.

##### Impairment of Goodwill

1. Amounts included in the current year consolidated balance sheet  
Goodwill in the current year Consolidated Financial Statements was ¥915,258 million.

2. Other information that contributes to the Consolidated Financial Statements users' understanding

Goodwill is not amortized, but is instead tested for impairment annually in the fourth quarter of each year, or more frequently if indicators of potential impairment exist. All goodwill is allocated to the reporting units. If the carrying amount allocated to the reporting unit exceeds the fair value of the reporting unit, Canon recognizes an impairment charge in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

Fair value of a reporting unit is determined primarily based on the discounted cash flow analysis which involves estimates of projected future cash flows and discount rates. Estimates of projected future cash flows are primarily based on Canon's forecast of future growth rates. Estimates of discount rates are determined based on the weighted average cost of capital, which considers primarily market and industry data as well as specific risk factors. As a result, a future reduction in cash flows of the related business, could trigger an impairment and may have a significant impact on the Consolidated Financial Statements for the following fiscal year.

A significant amount of goodwill was allocated to the Medical Reporting Unit, which was ¥403,131 million in the consolidated balance sheet for the current fiscal year. Future cash flows for the Medical Reporting Unit were based on a mid-term management plan that took into account the future market growth of medical equipment and economic growth in areas where Canon operates its medical business.

#### <Notes to Financial Instruments>

##### 1. Status of Financial Instruments

Canon invests in low risk and short-term financial instruments. Canon has certain financial instruments such as trade receivables and securities. Canon reduces the customer credit risk related to trade receivables in accordance with its credit management policy. No single customer accounted for more than 10 percent of consolidated trade receivables as of December 31, 2024. Securities consist primarily of equity securities of the companies with which Canon has a business relationship. Derivative financial instruments are comprised principally of foreign exchange contracts to reduce the variable risk of foreign exchange rate. Canon does not hold or issue derivative financial instruments for speculative purposes.

##### 2. Fair Value of Financial Instruments

The estimated fair values of Canon's financial instruments as of December 31, 2024 are set forth below. The following summary excludes cash and cash equivalents except for certain highly liquid investments acquired with original maturities of three months or less, time deposits, trade receivables, noncurrent receivables, short-term loans, trade payables and accrued expenses. The fair values of these instruments approximate their carrying amounts. The following summary excludes non-marketable equity securities without readily determinable fair value at cost (balance sheet amount ¥11,067 million).

	Carrying amount	Estimated fair value	(Millions of yen) Difference
Cash and cash equivalents:	1,500	1,500	-
Investments:			
Available-for-sale:			
Corporate bonds	16,679	16,679	-
Fund trusts and others	4,394	4,394	-
Equity securities	25,455	25,455	-
Long-term debt, including current portion	(202,031)	(201,944)	87
Prepaid expenses and other current assets:			
Derivatives	226	226	-
Other current liabilities:			
Derivatives	(3,380)	(3,380)	-

#### Long-term debt

Canon's long-term debt instruments are classified as Level 2 instruments and valued based on the present value of future cash flows associated with each instrument discounted using current market borrowing rates for similar debt instruments of comparable maturity. The levels are more fully described in 3. Breakdown of Fair Value of Financial Instruments by Levels.

#### 3. Breakdown of Fair Value of Financial Instruments by Levels

Fair value is the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. A three-level fair value hierarchy that prioritizes the inputs used to measure fair value is as follows:

- Level 1 – Inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs are quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable, and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs are derived from valuation techniques in which one or more significant inputs or value drivers are unobservable, which reflect the reporting entity's own assumptions about the assumptions that market participants would use in establishing a price.

#### Assets and liabilities measured at fair value on a recurring basis

The following tables present Canon's assets and liabilities that are measured at fair value on a recurring basis consistent with the fair value hierarchy as of December 31, 2024

	(Millions of yen)			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	-	1,500	-	1,500
Investments:				
Available-for-sale:				
Corporate bonds	-	16,679	-	16,679
Fund trusts and others	3,944	450	-	4,394
Equity securities	25,455	-	-	25,455
Prepaid expenses and other current assets:				
Derivatives	-	226	-	226
Total assets	29,399	18,855	-	48,254
Liabilities:				
Other current liabilities:				
Derivatives	-	(3,380)	-	(3,380)
Total liabilities	-	(3,380)	-	(3,380)

Level 1 investments are comprised principally of Japanese equity securities, which are valued using an unadjusted quoted market price in active markets with sufficient volume and frequency of transactions. Level 2 assets and liabilities are comprised principally of corporate bonds included in cash and cash equivalents, investments and derivatives. Corporate bonds included in cash and cash equivalents, and investments are valued using quoted prices for identical assets in markets that are not active or quotes obtained from counterparties or third parties.

Derivative financial instruments are comprised of foreign exchange contracts. Level 2 derivatives are valued using quotes obtained from counterparties or third parties, which are periodically validated by pricing models using observable market inputs, such as foreign currency exchange rates and interest rates, based on market approach.

#### Assets and liabilities measured at fair value on a nonrecurring basis

There were no significant assets or liabilities to be measured at fair value on a nonrecurring basis during the year ended December 31, 2024.

#### <Note to Real Estate for Rent and Others>

There were no significant items.

## <Notes to Revenue Recognition>

### 1. Disaggregated revenue

Disaggregated revenue by timing for each segment for the years ended December 31, 2024 is as follows:

	(Millions of yen)						
	Printing	Medical	Imaging	Industrial	Others and Corporate	Eliminations	Consolidated
Revenue recognized at a point in time	1,845,411	380,598	928,462	283,101	222,415	(109,311)	3,550,676
Revenue recognized over time	677,314	188,210	8,929	73,361	11,331	-	959,145
Total	2,522,725	568,808	937,391	356,462	233,746	(109,311)	4,509,821

Revenue recognized over time includes primarily revenue from maintenance service in the products of the Printing Business Unit and the Medical Business Unit and sales of certain equipment of the Industrial Business Unit which do not have alternative use and for which Canon has enforceable right to payment to the customers for the performance completed to date.

### 2. Fundamental information for understanding revenue

Revenue from sales of products of the Printing Business Unit, such as office MFDs, laser printers and inkjet printers, and the Imaging Business Unit, such as digital cameras, is primarily recognized at a point in time upon shipment or delivery, depending upon when the customer obtains controls of these products.

Revenue from sales of equipment of the Medical Business Unit and the Industrial Business Unit that are sold with customer acceptance provisions related to their functionality, including certain medical equipment such as CT systems and MRI systems, and lithography equipment such as semiconductor and FPD lithography equipment, is recognized at a point in time when the equipment is installed at the customer site and the agreed-upon specifications are objectively satisfied and confirmed.

Most of Canon's service revenue is generated from maintenance service in the products of the Printing Business Unit and the Medical Business Unit which is recognized over time. For the service contracts of the Printing Business Unit, the customer typically pays a variable amount based on usage, a stated fixed fee or a stated base fee plus a variable amount which frequently include the provision of consumables as well as break fix activities. The majority portion of service revenue from the products of the Printing Business Unit is recognized as billed since the invoiced amount directly correlates with the value to the customer of the underlying performance obligation to date. For the service contracts of the Medical Business Unit, the customer typically pays a stated fixed fee for the stand ready maintenance service and revenue is recognized ratably over the contract period.

The majority of service arrangements for the products are executed in combination with related products. Transaction prices for products and services need to be allocated to each performance obligation on a relative standalone selling price basis where judgements are required. Canon estimates the standalone selling price using a range of prices that would meet the allocation objective based on all the information that is reasonably

available including market conditions and other observable inputs. If transaction prices of the product or service contracts are not within the acceptable range then the revenue is subject to allocation based on the estimated standalone selling prices. Canon recognizes the incremental costs of obtaining a contract as an expense when related products of the Printing Business Unit are sold.

Revenue from sales of certain industrial equipment which do not have alternative use and for which Canon has enforceable right to payment to the customers for the performance completed to date is recognized over time with progress towards completion measured using the cost based input method as the basis to recognize revenue and an estimated margin. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses become evident. Changes in job performance, job conditions, estimated margin and final contract settlements may result in revisions to projected costs and revenue and are recognized in the period in which the revisions to estimates are identified and the amounts can be reasonably estimated. Factors that may affect future project costs and margins include, production efficiencies, availability and costs of labor and materials. These factors can impact the accuracy of Canon's estimates and materially impact future reported revenue and cost of sales.

The transaction prices that Canon is entitled to receive in exchange for transferring goods or services to the customer include certain forms of variable consideration, including product discounts, customer promotions and volume-based rebates mainly for the products of the Imaging Business Unit, which are sold predominantly through distributors and retailers. Canon includes estimated amounts in the transaction price only to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Variable considerations are estimated based upon historical trends and other known factors at the time of sale, and are subsequently adjusted in each period based on current information. In addition, Canon may provide a right of return on its products for a short time period after a sale. These rights are accounted for as variable consideration when determining the transaction price, and accordingly Canon recognizes revenue based on the estimated amount to which Canon expects to be entitled after considering expected returns.

Taxes collected from customers and remitted to governmental authorities are excluded from revenues in the consolidated statements of income.

### 3. Information to understand the amount of revenue in 2024 and 2025 and onward

Canon recognizes contract assets primarily for unbilled receivables mainly arising from services contracts for the products of the Printing Business Unit. Contract assets are reclassified to trade receivables when they are billed under the terms of the contract. The difference between the opening and closing balances of contract assets primarily results from the timing difference of Canon's performance and billing to customers. Contract assets at December 31, 2024 were ¥46,046 million, and are included in prepaid expenses and other current assets in the consolidated balance sheets.

Canon typically bills to the customer when the performance obligation is satisfied and collects the payment in relatively short term except for certain maintenance service of the products of the Printing Business Unit and the Medical Business Unit and certain industrial equipment for which Canon occasionally receives the payment in advance from customers. The amount received in excess of revenue recognized is recorded as deferred revenue until the performance obligation for distinct goods or services are satisfied.

Deferred revenue at December 31, 2024 was ¥178,436 million, ¥159,326 million of which is included in other current liabilities, and ¥19,110 million in other non-current liabilities in the accompanying consolidated balance sheets. Revenue recognized for the year ended December 31, 2024, which had been included in the deferred revenue balance at December 31, 2023, was ¥113,978 million.

Remaining performance obligations for products and equipment at December 31, 2024 primarily arise from the sales of certain industrial equipment, amounting to ¥136,373 million, 83% of which is expected to be recognized as revenue within one year and the remaining 17% within two years. Remaining performance obligations from the fixed maintenance service contracts with original expected duration of more than one year at December 31, 2024 amounting to ¥235,210 million, 36% of which is expected to be recognized as revenue within one year and the average remaining period for these fixed contracts is about 3 years. Disclosure of remaining performance obligations is not required for the majority of services since the related revenue is recognized on an as billed basis applying the right to invoice practical expedient or is generated from the contracts with original expected duration of less than one year.

#### <Notes to Subsequent Event>

On January 6, 2025, Canon borrowed ¥200,000 million under its existing overdraft facilities with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation for required operating funds. The overdraft facilities bear interest at a rate equal to a base rate plus a spread.

On January 30, 2025, the Board of Directors of Canon approved a plan to repurchase its own shares under the Article 156, as applied pursuant to Paragraph 3, Article 165, of the Companies Act of Japan, as follows.

##### 1. Reason for repurchase:

Canon decided to acquire its own shares with the aim of further improving its corporate value through active growth investment and enhancing shareholder returns by improving capital efficiency. As a part of this approach for shareholder returns, Canon passed a resolution to acquire its own shares.

2. Total number of shares to be repurchased:  
Up to 26 million shares

3. Total cost of repurchase:  
Up to ¥100,000 million

4. Period of repurchase:  
From February 3, 2025 to January 30, 2026

#### <Notes to Others>

Canon's medical reporting unit has significant goodwill allocated, primarily recognized during the acquisition of the former Toshiba Medical Systems Corporation (now Canon Medical Systems Corporation, "CMSC") in 2016. Canon considers the medical related market to be stable and growing in the long term. However, it is difficult to achieve the plan set at the time of acquisition in the short term due to business limitations led by rising geopolitical risks, prolonged economic downturn in China, and deterioration of the financial situation of medical institutions in Japan. Additionally, in February 2024, Canon established the Medical Business Advancement Committee, initiating fundamental structural reforms aimed at improving profitability, based on the synergy between CMSC and Canon.

Taking these changes in the business environment into account, Canon revised its sales projections, focusing on the growth rates of major markets, and reflected them in its future plans. The fair value of the medical reporting unit calculated based on these assumptions and a discounted cash flow analysis, resulted in a value below the book value. Consequently, a goodwill impairment loss of ¥165,100 million was recognized.

On March 29, 2024, Canon Marketing Japan Inc., a subsidiary of Canon, acquired 100% of the issued shares of Primagest, Inc. for cash consideration of ¥37,000 million so that Primagest, Inc. and its three subsidiaries (hereinafter referred to collectively as "Primagest") became its owned subsidiaries. The acquisition will enable Canon to further expand BPO business by enhancing operational efficiency and service quality through the use of Primagest's knowledge and know-how, and to create new services by combining its technology and system development capabilities cultivated through video solutions and digital document services. The acquisition was accounted for using the acquisition method of accounting. Acquisition-related costs were expensed as incurred and were not material. The estimated fair values of the purchase price of the assets acquired and liabilities assumed at the acquisition date were ¥16,219 million for intangible assets, ¥13,391 million for current assets and noncurrent assets (excluding the intangible assets) and ¥12,307 million for liabilities. The residual amount of ¥19,715 million was recorded as goodwill.

# NON-CONSOLIDATED FINANCIAL STATEMENTS

## Non-Consolidated Statement of Changes in Net Assets

(Millions of yen)  
(For the year ended December 31, 2024)

	Shareholders' equity							Valuation and translation adjustments		Subscription rights to shares	Total net assets	
	Common stock	Capital surplus	Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity	Net unrealized gains (losses) on securities			Net deferred gains (losses) on hedges
		Additional paid-in capital		Reserve for deferral of capital gain on property	Special reserves	Retained earnings brought forward						
Balance at the beginning of current period	174,762	306,288	22,114	3,203	1,249,928	1,183,808	(1,358,264)	1,581,839	7,557	1,495	985	1,591,876
Changes of items during the period												
Transfer to reserve for deferral of capital gain on property								-				-
Reversal of reserve for deferral of capital gain on property				(134)		134		-				-
Dividends paid						(141,530)		(141,530)				(141,530)
Net income						469,083		469,083				469,083
Purchase of treasury stock							(200,032)	(200,032)				(200,032)
Disposal of treasury stock						(17)	77	60				60
Net changes of items other than shareholders' equity								-	(1,557)	(1,780)	269	(3,068)
Total changes of items during the period	-	-	-	(134)	-	327,670	(199,955)	127,581	(1,557)	(1,780)	269	124,513
Balance at the end of current period	174,762	306,288	22,114	3,069	1,249,928	1,511,478	(1,558,219)	1,709,420	6,000	(285)	1,254	1,716,389

### <Notes to Non-Consolidated Statement of Changes in Net Assets>

1.Number of issued shares as of December 31, 2024 1,333,763,464 shares

2.Classes and shares of treasury stock

Classes of stock	Balance at the beginning of current period	Increase	Decrease	(Shares)
				Balance at the end of current period
Common stock	345,964,752	43,826,372	19,526	389,771,598

(Reason for change)

The increase of shares reflects the acquisition of 43,819,200 shares as approved by the resolution of the board of director's meeting, and 7,172 shares of the purchase of shares less-than-one-unit, requested by shareholders.

The decrease of shares reflects the transfer of exercise of 19,400 shares of stock options, and 126 shares of the sale of shares less-than-one-unit, requested by shareholders.

3.Payment for dividends

(1)Amount of dividends paid

Decision	Classes of stock	Cash dividend (Millions of yen)	Dividend per share (yen)	Record date	Effective date
March 28, 2024 Ordinary general meeting of shareholders	Common stock	69,146	70.00	December 31, 2023	March 29, 2024
July 25, 2024 Board of directors' meeting	Common stock	72,384	75.00	June 30, 2024	August 26, 2024

(2)Dividends whose record date is included in the current fiscal year and effective date is after the current fiscal year-end.

Scheduled	Classes of stock	Cash dividend (Millions of yen)	A source of dividend	Dividend per share (yen)	Record date	Effective date
March 28, 2025 Ordinary general meeting of shareholders	Common stock	75,519	Retained earnings	80.00	December 31, 2024	March 31, 2025

4.Number of treasury shares for exercisable stock options as of December 31, 2024

Common stock 485,100 shares

## Notes to Non-Consolidated Financial Statements

### <Notes to Significant Accounting Policies>

#### 1. Valuation of Securities

- (1) Shares in subsidiaries and affiliates----stated at cost based on the moving average method.
- (2) Other securities:  
Other than non-marketable equity securities----stated at fair value (unrealized gains and losses are reported in valuation and translation adjustments, realized gains and losses are measured based on the moving average cost method).  
Non-marketable equity securities----stated at cost using the moving average method.

#### 2. Valuation of Inventories

Inventories valued at cost using the periodic average method (amount shown in the balance sheet is reported at lower of cost or market).

#### 3. Depreciation Method of Fixed Assets

- (1) Property, plant and equipment (excluding lease assets)----calculated by the declining-balance method. For buildings (excluding fixtures) acquired on or after April 1, 1998, depreciation is calculated by the straight-line method.
- (2) Intangible fixed assets----calculated by the straight-line method. With regard to software for sale, calculated based on the estimated marketable period in consideration of projected future revenue of the relevant products of the relevant products (3 years), and with regard to internal-use software, calculated based on the estimated useful period in Canon Inc. ("Canon") (5 years). Goodwill is amortized using the straight-line method over 20 years based on the estimated period for each acquired business during which the excess earning power is maintained.
- (3) Lease assets----calculated by the straight-line method. The contractual lease period is determined as the useful life of each lease asset.

#### 4. Basis of Recording Allowances

- (1) Allowances for bad debts----provided as provision for estimated uncollectible receivables.  
----General accounts  
Allowances are provided using a rate determined by credit loss history.  
----Allowance for accounts considered to be uncollectible and accounts in bankruptcy filing are provided for the individual estimated uncollectible amounts, primarily determined based on the respective customer's financial conditions.
- (2) Accrued warranty expenses----provided as general provision for after-sales services and free-of-charge repair service costs on an estimated amount based on the historical costs.
- (3) Accrued bonuses for employees----provided as general provision for bonuses to employees based on an amount expected to be paid.
- (4) Accrued directors' bonuses----provided as general provision for bonuses to directors based on an amount expected to be paid.
- (5) Accrued pension and severance cost----provided as general provision for employee retirement and severance benefits based on projected benefit obligation and plan assets as of December 31, 2024. In calculating retirement benefit obligations, the method of attributing estimated retirement benefits to the period up to the current fiscal

year is based on the benefit formula basis. Prior service cost is expensed using the straight-line method over the average remaining service period of employees at the time the cost is incurred. Actuarial gains and losses are expensed using the straight-line method over the average remaining service periods of employees from the following year when costs are incurred.

- (6) Reserve for environmental provision----provided as general provision for the future environmental-related cost, such as construction costs to prevent the proliferation of soil pollution, and also clean-up costs of hazardous substances based on the related regulations.
- (7) Accrued long-service rewards for employees----provided as general provision for rewards to long-service employees in accordance with management policy based on an amount expected to be paid.

#### 5. Standards of Accounting for Revenues and Expenses

Canon provides products, consumables and product-related services primarily in each segment: Printing Business Unit, Medical Business Unit, Imaging Business Unit and Industrial Business Unit.

For sales of products and consumables and rendering of services, the performance obligations are identified based on contracts with customers.

Revenue is recognized primarily at a point in time upon shipment or delivery for products that do not require installation at the time of delivery to customers, and at a point in time upon installation that require installation, as Canon determines that the customer has gained control over the products and that the performance obligations have been satisfied.

For the services, if the performance obligation is satisfied at a point in time upon, revenue is recognized at the point when the services are completed. If the performance obligation is satisfied over time, revenue is recognized over the period during which services are rendered.

The transaction price of products and services is allocated to each performance obligation based on a ratio of the reasonably calculated independent selling price. If independent selling prices are not directly observable, we estimate them. The variable consideration included in the transaction price is included in the transaction price when the uncertainty is resolved and is periodically reviewed.

#### 6. Hedge Accounting

- (1) Hedge accounting----Deferral hedge accounting has been applied.
- (2) Hedging instruments and hedged items  
Hedging instruments----derivative transactions (foreign exchange contract)  
Hedged items---- forecasted intercompany sales and intercompany trade receivables
- (3) Hedge policy----Derivative financial instruments are comprised principally of foreign exchange contracts to hedge the currency risk in accordance with the Canon's policy. Canon does not hold derivative financial instruments for trading purposes.
- (4) Assessment of hedge effectiveness----As the substantial terms of hedging instruments and of hedged items are the same, the fluctuations of foreign currency exchange rates are offset by each other at the hedge's inception and on an ongoing basis. Hedge effectiveness is assessed by verifying those relationships.

## 7. Notes to Others

- (1) Consumption Taxes---excluded from the statements of income and are accumulated in other receivables or other payables.
- (2) Group tax sharing system---applied

### <Notes to Changes in Method of Presentation>

Changes in presentation of guarantee deposits

Canon has changed the presentation of guarantee deposits (with a balance at the end of the current period 328 million yen) which was presented in aggregate in prior year, and has included them in “other noncurrent assets” in the current year non-consolidated balance sheet due to decreased significances.

### <Notes to Accounting Estimates>

The following item is recorded based on the amount using accounting estimates which may have material impacts on the financial statements for the future periods.

Valuation of investments in subsidiaries for which fair value is not readily determinable.

1. Amount recorded on the balance sheet as of December 31, 2024.

Investments in affiliated companies 1,562,850 million yen  
(Of the reported amount, 1,494,257 million yen pertains to investments in subsidiaries for which fair value is not readily determinable.)

2. Other information that contributes to the understanding of the users of the Financial Statements with regard to the estimate.

The net asset value of subsidiaries for which it is difficult to determine its fair values is calculated by taking into account excess earning power, which is based on the financial statements and business plans of the subsidiaries. Excess earning power is measured mainly based on estimated future cash flows of the subsidiaries and estimated discount rates. Estimates of future cash flows are based primarily on projections of future growth rates. Discount rate estimates are primarily based on relevant market and industry data and the weighted average cost of capital, taking into account specific risk factors.

The net asset value of the subsidiary's shares is not significantly lower than the acquisition cost, and the Company has determined that an impairment loss on the subsidiary's shares is not necessary.

However, if future cash flows of the subsidiary decrease more than expected due to changes in the uncertain economic environment in the future, an impairment loss may be recognized, which may have a material impact on the financial statements for the following fiscal year.

Investment in a subsidiary, Canon Medical Systems Corporation (“CMSC”), represents a significant investment of the Company, and is recorded at 658,304 million yen in the current fiscal year financial statements. We estimated the future cash flows for CMSC based on a mid-term management plan developed by considering the expected market growth of medical equipment products and growth of relevant regions. The actual value of the subsidiary, including excess earning capacity, calculated during the fiscal year under review did not significantly decrease compared

with the acquisition cost of the shares, and Canon has determined that impairment loss is unnecessary.

### <Notes to Deferred Income Tax>

#### Major Items of Deferred Tax Assets and Liabilities

(Deferred tax assets)	(Millions of yen)
Accrued pension and severance cost	15,457
Shares in subsidiaries	7,336
Loss on valuation of inventories	2,247
Accrued business tax	2,447
Depreciation of fixed assets in excess of limit	16,148
Excess in amortization of software	4,869
Amortization of deferred charges in excess of limit	21,657
Other	12,929
Subtotal deferred tax assets	83,090
Valuation reserve	(10,183)
Total deferred tax assets	72,907
(Deferred tax liabilities)	
Reserve for deferral of capital gain on property	(1,347)
Prepaid pension expense	(2,446)
Other	(4,076)
Total deferred tax liabilities	(7,869)
Net deferred tax assets	65,038

## <Notes to Transaction with Related Parties>

Nature	Company name	Ratio of voting rights held by the Company	Relationship with the Company	Transaction details	Transaction amount	Item	Balance as of December 31, 2024
Subsidiary	Canon Marketing Japan Inc.	(Possession) Direct:51.2% Indirect: 0.0%	Borrowings of funds	Repayment of funds	120,000	Short-term loans payable	50,000
				Sales of shares	81,820	-	-
Subsidiary	Oita Canon Inc.	(Possession) Direct:100%	Production of the Company's products Interlocking directorate	Gains on sales of shares	60,149	-	-
				Purchase of products, components and others	197,849	Accounts payable	53,682
Subsidiary	Canon Medical Systems Corporation	(Possession) Direct:100%	Lendings of funds Interlocking directorate	Recovery of funds	7,000	Short-term loans receivable	45,500
Subsidiary	Canon Tokki Corporation	(Possession) Direct:100%	Borrowings of funds Interlocking directorate	Borrowings of funds	6,437	Short-term loans payable	34,976
Subsidiary	Canon U.S.A., Inc.	(Possession) Direct:100%	Sales of the Company's products Interlocking directorate	Sales of the Company's products	551,922	Accounts receivable	110,238
Subsidiary	Canon Europa N.V.	(Possession) Indirect:100%	Sales of the Company's products Borrowings of funds Interlocking directorate	Sales of the Company's products	464,388	Accounts receivable	77,130
				Borrowings of funds	3,257	Short-term loans payable	31,512
Subsidiary	Canon Singapore Pte. Ltd.	(Possession) Direct:100%	Sales of the Company's products Interlocking directorate	Sales of the Company's products	235,718	Accounts receivable	15,596
Subsidiary	Canon (China) Co., Ltd.	(Possession) Direct:100%	Borrowings of funds Interlocking directorate	Repayment of funds	26,694	Short-term loans payable	45,271
Subsidiary	Canon Vietnam Co., Ltd.	(Possession) Direct:100%	Production of the Company's products Interlocking directorate	Purchase of products, components and others	271,226	Accounts payable	73,423
Subsidiary	Milestone Systems A/S	(Possession) Direct:100%	Interlocking directorate	Share exchange Capital increase	41,043	-	-

Conditions of transactions and policy regarding determination of conditions of transactions

(Note 1) The transactions above are determined on arm's length transaction price basis.

(Note 2) Consumption taxes are excluded from the transaction amount; however, they are included in the balance at December 31, 2024.

(Note 3) The loans payable from Canon Marketing Japan Inc., Canon Tokki Corporation, Canon Europa N.V. and Canon (China) Co., Ltd. are intended to make best use of the funding in the Canon Group.

Transaction amount shows net borrowings and repayment. The interest payments are determined considering market interest rates.

(Note 4) The loans receivable to Canon Medical Systems Corporation are also intended to make best use of the funding in the Canon Group.

Transaction amount shows net lending and collection. The interest payments are determined considering market interest rates.

(Note 5) Ratio of voting rights held by Canon for "Indirect" of Canon Marketing Japan Inc. shows as 0.0% as the ratio is less than ten basis points.

(Note 6) The sales of shares refers to the sale of a portion of the shares held by participating in the self-tender offer conducted by Canon Marketing Japan Inc..

(Note 7) The share exchange and capital increase are for the purpose of reorganization of the Group. The share exchange is an exchange of shares of BriefCam Ltd. and Arcus Holding A/S held by Canon and shares of Milestone Systems A/S.

### <Note to Revenue Recognition>

Please refer to "Notes to Revenue Recognition, 2. Fundamental information for understanding revenue" in Notes to Consolidated Financial Statements.

### <Note to Subsequent Event>

On January 6, 2025, Canon borrowed 200,000 million yen under its existing overdraft facilities with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation for required operating funds. The overdraft facilities bear interest at a rate equal to a base rate plus a spread.

On January 30, 2025, the Board of Directors of Canon approved a plan to repurchase its own shares under the Article 156, as applied pursuant to Paragraph 3, Article 165, of the Companies Act of Japan, as follows.

#### 1. Reason for repurchase:

Canon decided to acquire its own shares with the aim of further improving its corporate value through active growth investment and enhancing shareholder returns by improving capital efficiency. As a part of this approach for shareholder returns, Canon passed a resolution to acquire its own shares.

#### 2. Total number of shares to be repurchased:

Up to 26 million shares

#### 3. Total cost of repurchase:

Up to ¥100,000 million

#### 4. Period of repurchase:

From February 3, 2025 to January 30, 2026