

July 24, 2024

To whom it may concern:

Company Name: Canon Marketing Japan Inc.  
Representative: Masachika Adachi, President & Representative Director  
TSE Code: 8060  
Tokyo Stock Exchange (Prime Market)  
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## Notice Regarding Acquisition of and Tender Offer for Own Shares

Canon Marketing Japan Inc. (the “Company”) hereby announces that it resolved at a meeting of the Board of Directors held on July 24, 2024, to acquire its own shares pursuant to the provisions of its Articles of Incorporation in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act (Act No. 86 of 2005; as amended, the “Companies Act”), and to conduct a tender offer to acquire its own shares (the “Tender Offer”) as the specific method of such acquisition.

### 1. Purpose of the Purchase, etc.

With respect to the distribution of profits, the Company’s basic policy is to distribute dividends, aiming for a consolidated dividend payout ratio of 40% or more and taking into consideration the medium-term profit forecast and investment plans, as well as cash flows to be generated therefrom and other factors.

In addition, with respect to the frequency of dividends, the Company plans, as a basic policy, to pay dividends twice a year; once as an interim dividend and once as a year-end dividend. With respect to such dividends of surplus, the Company’s Articles of Incorporation stipulates that the Company may pay dividends from surplus or make other distributions by a resolution of the Board of Directors pursuant to the provisions of Article 459, Paragraph 1 of the Companies Act, and that the Company may pay interim dividends pursuant to the provision of Article 454, Paragraph 5 of the Companies Act. Based on the above policy, the Company declared a dividend of 120 yen per share (interim dividend: 50 yen, year-end dividend: 70 yen) for the fiscal year ended December, 2023, resulting in a consolidated payout ratio of 42.6%.

Further, with respect to the acquisition of its own shares, the Company’s Articles of Incorporation stipulates that the Company may acquire its own shares by a resolution of the Board of Directors, rather than by a resolution of a General Meeting of Shareholders, pursuant to Article 459, Paragraph 1 of the Companies Act. The purpose of this is to carry out flexible capital and dividend policies, and the Company has acquired shares of its common stock as follows. As it is difficult to obtain a comprehensive overview of all the date, details and background of the Company’s acquisition of its own shares in the past, please note that the following information is presented to the extent that it is possible to obtain such information.

- (i) Acquisition through a tender offer to acquire its own shares pursuant to the provisions of Article 210, Paragraph 1 of the Commercial Code (Act No. 48 of 1899) prior to amendment by Article 1 of the Act Partially Amending the Commercial Code (Act No. 79 of 2001)

Date of Board Resolution	Acquisition Date	Number of Shares Acquired	Aggregate Acquisition Price
June 14, 2002	July 17, 2002	3,800,000 shares (shareholding ratio at the time of acquisition (Note 1): 2.52%)	3,860,800,000 yen

(Note 1) Refers to the ratio of the number of relevant shares to 151,012,896 shares, which is calculated by deducting the 11,000 shares of treasury stock held by the Company as of December 31, 2001, from 151,023,896 shares, which is the total number of issued shares as of December 31, 2001 (the ratio is rounded to the second decimal place; the same applies hereinafter in the calculation of shareholding ratios at the time of acquisition).

(ii) Acquisition from Sanin Canon Jimuki Inc. (currently Canon System & Support Inc.), which is a subsidiary of the Company, through off-market trading pursuant to the provision of Article 163 of the Companies Act

Date of Board Resolution	Acquisition Date	Number of Shares Acquired	Aggregate Acquisition Price
June 14, 2007	June 15, 2007	4,300 shares (shareholding ratio at the time of acquisition (Note 2): 0.00%)	10,535,000 yen

(Note 2) Refers to the ratio of the number of relevant shares to 148,828,764 shares, which is calculated by deducting the 847,566 shares of treasury stock held by the Company as of May 31, 2007, from 149,676,330 shares, which is the total number of issued shares as of May 31, 2007.

(iii) Acquisition from Argo 21 Corporation (currently Canon IT Solutions Inc.), which is a subsidiary of the Company, through off-market trading pursuant to the provision of Article 163 of the Companies Act

Date of Board Resolution	Acquisition Date	Number of Shares Acquired	Aggregate Acquisition Price
December 13, 2007	December 27, 2007	4,000 shares (shareholding ratio at the time of acquisition (Note 3): 0.00%)	8,460,000 yen

(Note 3) Refers to the ratio of the number of relevant shares to 141,721,584 shares, which is calculated by deducting the 4,679,194 shares of treasury stock held by the Company as of November 30, 2007, from 146,400,778, which is the total number of issued shares as of November 30, 2007.

(iv) Acquisition through market purchases on Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange")

Date of Board Resolution	Period for Acquisition	Number of Shares Acquired	Aggregate Acquisition Price
August 9, 2007	August 10, 2007 - September 5, 2007	2,368,300 shares (shareholding ratio at the time of acquisition (Note 4): 1.59%)	4,999,843,800 yen
October 22, 2007	October 23, 2007 - November 27, 2007	2,257,200 shares (shareholding ratio at the time of acquisition (Note 5): 1.57%)	4,999,873,000 yen
February 13, 2008	February 14, 2008 - March 11, 2008	2,764,700 shares (shareholding ratio at the time of acquisition (Note 6): 1.95%)	4,999,986,000 yen

August 8, 2008	August 11, 2008 - September 11, 2008	2,861,300 shares (shareholding ratio at the time of acquisition (Note 7): 2.10%)	4,999,986,000 yen
October 23, 2008	October 24, 2008 - November 12, 2008	3,406,100 shares (shareholding ratio at the time of acquisition (Note 8): 2.61%)	4,999,932,400 yen
November 5, 2010	November 8, 2010 - December 3, 2010	4,348,500 shares (shareholding ratio at the time of acquisition (Note 9): 3.29%)	4,999,952,200 yen
October 23, 2012	October 24, 2012 - December 3, 2012	4,248,200 shares (shareholding ratio at the time of acquisition (Note 10): 3.44%)	4,999,973,500 yen
November 1, 2013	November 5, 2013 - December 12, 2013	3,402,900 shares (shareholding ratio at the time of acquisition (Note 11): 2.96%)	4,999,939,300 yen

- (Note 4) Refers to the ratio of the number of relevant shares to 148,818,452 shares, which is calculated by deducting the 852,722 shares of treasury stock held by the Company as of July 31, 2007, from 149,671,174 shares, which is the total number of issued shares as of July 31, 2007.
- (Note 5) Refers to the ratio of the number of relevant shares to 144,082,378 shares, which is calculated by deducting the 3,220,759 shares of treasury stock held by the Company as of September 30, 2007, from 147,303,137 shares, which is the total number of issued shares as of September 30, 2007.
- (Note 6) Refers to the ratio of the number of relevant shares to 141,707,916 shares, which is calculated by deducting the 4,686,028 shares of treasury stock held by the Company as of January 31, 2008, from 146,393,944 shares, which is the total number of issued shares as of January 31, 2008.
- (Note 7) Refers to the ratio of the number of relevant shares to 136,176,450 shares, which is calculated by deducting the 7,451,761 shares of treasury stock held by the Company as of July 31, 2008, from 143,628,211 shares, which is the total number of issued shares as of July 31, 2008.
- (Note 8) Refers to the ratio of the number of relevant shares to 130,452,260 shares, which is calculated by deducting the 10,313,856 shares of treasury stock held by the Company as of September 30, 2008, from 140,766,116 shares, which is the total number of issued shares as of September 30, 2008.
- (Note 9) Refers to the ratio of the number of relevant shares to 131,986,650 shares, which is calculated by deducting the 9,546,661 shares of treasury stock held by the Company as of October 31, 2010, from 141,533,311 shares, which is the total number of issued shares as of October 31, 2010.
- (Note 10) Refers to the ratio of the number of relevant shares to 123,591,282 shares, which is calculated by deducting the 13,744,345 shares of treasury stock held by the Company as of September 30, 2012, from 137,335,627 shares, which is the total number of issued shares as of September 30, 2012.
- (Note 11) Refers to the ratio of the number of relevant shares to 115,087,732 shares, which is calculated by deducting the 17,996,120 shares of treasury stock held by the Company as of October 31, 2013, from 133,083,852 shares, which is the total number of issued shares as of October 31, 2013.

In order to improve capital efficiency and put in place a flexible capital strategy, the Company has acquired its own shares, mainly by means of market purchases. In late September 2023, from the perspective that if the shares in the Company that are held by major shareholders were to be acquired, the Company would be able to acquire a

considerable number of its own shares in a relatively short period of time without impairing liquidity, and could expect to continue to improve capital efficiency, the Company, on the assumption that the Company would acquire a portion of the shares of the Company's common stock held by Canon Inc. (hereinafter referred to as "Canon"; number of shares held: 75,708,684 shares; shareholding ratio (Note 12): 58.38%), which is the largest shareholder and the parent company of the Company, began initial discussions with Canon regarding the possibility of acquiring its own shares. Subsequently, in early April 2024, the Company began a full-scale examination of the acquisition of its own shares, and in the middle of April 2024, on the assumption that funds totaling approximately 80,000 million yen were expected to be required for the settlement of the Tender Offer, based on the estimation that multiplying approximately 4,000 yen, which is the estimated purchase price calculated by applying a provisional discount rate of 10% to the Company's common stock market price in the middle of April 2024 of approximately 4,500 yen, by the above-mentioned 20,000,000 shares to be acquired is equal to 80,000 million, the Company proposed to Canon that the Company acquire, as treasury shares, 20,000,000 shares, which is a portion of the Company's common stock held by Canon, and received the response from Canon that it was willing to sell a portion of its shares of the Company's common stock. If all of the funds required for the settlement of the Tender Offer are allocated from such cash and deposits, it would affect the Company's future business operations; therefore, the Company proposed to Canon that the Company allocate the repayment of 80,000 million yen for the settlement of the Tender Offer, which is a portion of the existing short-term loans of 130,000 million yen (outstanding as of March 31, 2024) to Canon, expected to be allocated for the funds required for the settlement of the Tender Offer at that time.

(Note 12) The term "shareholding ratio" refers to the ratio of the number of relevant shares to 129,680,740 shares, which is calculated by deducting the 1,399,232 shares of treasury stock held by the Company as of June 30, 2024 from 131,079,972 shares, which is the total number of issued shares as of June 30, 2024, as described in the "Summary Report of Consolidated Financial Results for the second (interim) quarter ended June 30, 2024" (the "Company's Second Quarterly (Interim) Financial Results") disclosed by the Company on July 24, 2024 (the ratio is rounded to the second decimal place; the same applies hereinafter in the calculation of shareholding ratios).

Thereafter, in early May 2024, the Company determined that, with respect to the specific method for acquiring its own shares, an acquisition through a tender offer would be most appropriate from the perspective of ensuring fairness among shareholders and transactional transparency. In addition, in determining the price of the purchase, etc. for the Tender Offer (the "Tender Offer Price"), the Company believed that emphasis must be placed on the clarity and objectivity of criteria, and the market price should be used as the basis for appropriate pricing of the Company's common stock, considering that, among others, the Company's common stock is listed on a financial instruments exchange and listed companies often acquire their own shares through market purchases on financial instruments exchanges. Therefore, from the perspective of respecting the interests of those shareholders who do not tender their shares in the Tender Offer and will continue to retain ownership of the shares of the Company's common stock, the Company determined that purchasing the shares at a price that is discounted to a certain degree from the market price would be desirable in order to minimize the outflow of capital from the Company as much as possible. Under the assumption that Canon will continue to be the parent company of the Company, since the ratio of voting rights of Canon (Note 13) would be 50.79% even if the Company acquires 20,000,000 shares of its own common stock held by Canon (shareholding ratio: 15.42%) through the Tender Offer, funds totaling approximately 80,000 million yen are expected to be required for the settlement of the Tender Offer, based on the estimation that multiplying approximately 4,000 yen, which is the estimated purchase price calculated by applying a provisional discount rate of 10% to the Company's common stock market price in early May 2024 of approximately 4,400 yen, by the above-mentioned 20,000,000 shares to be acquired is equal to 80,000 million, while the Company's consolidated cash and deposits totaled 97,866 million yen as of March 31, 2024. If all of the funds required for the settlement of the Tender Offer are allocated from such cash and deposits, it would affect the Company's future business operations; therefore, the Company determined that it is desirable to pay the entire amount of cash required for the settlement of the Tender Offer with cash on hand after securing the funds by receiving repayment of 80,000 million yen, which is a portion of the existing short-term loans of 130,000 million yen (outstanding as of March 31, 2024) to Canon, expected to be allocated to the funds required for the settlement of the Tender Offer.

(Note 13) The “ratio of voting rights” means the ratio of the number of voting rights (557,086 units) represented by the number of shares of the Company’s common stock (55,708,684 shares) to be held by Canon after the Tender Offer to the number of voting rights (1,096,807 units) represented by the number of shares (109,680,740 shares) calculated by deducting, from the number of issued shares (131,079,972 shares) as of June 30, 2024 stated in the Company’s Second Quarterly (Interim) Financial Results, the number of treasury shares (1,399,232 shares) held by the Company and the number of the Tendering Shares (20,000,000 shares) existing as of the same date. The figures are rounded to the second decimal place; hereinafter the same applies to calculations of the ratio of voting rights.

Considering the acquisition of such a considerable amount of its own shares at one time and the amount of the Company’s consolidated cash and deposits (97,866 million yen) as of March 31, 2024, in the middle of May, 2024, the Company (i) informed Canon that approximately 80,000 million yen would be required to acquire 20,000,000 shares, a portion of the Company’s common stock held by Canon, at a certain discount on the market price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange through tender offer, and (ii) proposed to Canon that with respect to the funds required for the settlement of the tender offer, the Company request and subsequently receive the repayment of 80,000 million yen, which is a portion of the short-term loans to Canon, and allocate such repayment in addition to the cash on hand for the settlement of the Tender Offer. As for the discount rate of the Tender Offer Price to the market price and the price of the Company’s common stock as the basis of the discount, the Company determined to refer to 48 cases of tender offers of its own shares that were resolved on or after May 10, 2021, and ended its tender offer period by April 9, 2024 (the “Cases”). Of the 48 Cases, there were five cases with a discount rate of 9% or less (rounded to the nearest whole number in regard to the calculation of the discount rate of the Cases) and 35 cases with a discount rate of 10%, which was the most common discount rate, and eight cases with a discount rate of 11% or more. Taking into consideration the fact that the most common discount rate was 10%, which was used in 35 cases, the Company determined that it is appropriate to adopt a discount rate of approximately 10% of the simple average of the closing prices of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange over a certain period, and made a proposal to Canon to that effect.

After the above proposal, in late May 2024, the Company received a response from Canon that it would positively consider applying for the Tender Offer based on the Tender Offer Price calculated by the method the Company had proposed and that it would accept the partial repayment of 80,000 million yen of the Company’s short-term loans to Canon.

Under the Securities Listing Regulations of the Tokyo Stock Exchange, in the event where a listed company makes a decision on significant transactions, etc. with controlling shareholders, the listed company is required to obtain an “opinion that the decision will not undermine interests of minority shareholders” from an entity who has no interest in such controlling shareholder. Therefore, on January 29, 2024, considering that Canon is the parent company of the Company, holding 75,708,684 shares of the Company’s common stock (shareholding ratio: 58.38%), the Company established a special committee (the “Special Committee”), consisting of three Independent Outside Directors of the Company (Mr. Yoshio Osawa, Mr. Toshiharu Hasebe and Ms. Hiroko Kawamoto), who have no interest in Canon, as a standing organization to deliberate transactions that the Company deems necessary to deliberate and consider the risk of conflicts of interest between the controlling shareholders and the minority shareholders from the perspective of protecting the interests of minority shareholders and to report to the Board of Directors. At the time of the establishment of the Special Committee, the Company, on the assumption that the Company would acquire a portion of the shares of the Company’s common stock held by Canon, had begun initial discussions with Canon regarding the possibility of acquiring its own shares; however, had not specifically contemplated the implementation of the Tender Offer. Upon the implementation of the Tender Offer by the Company, and since the acquisition of its own shares from Canon through the Tender Offer falls under the category of a significant transaction, etc. with controlling shareholders as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange, on June 11, 2024, Mr. Masachika Adachi, the Chairperson of the Board of Directors of the Company, inquired with the Special Committee whether the Tender Offer, which the Company is considering to conduct, would not undermine the interests of the minority shareholders of the Company. Subsequently, Mr. Masachika Adachi requested the Special Committee to make a report on this matter, and concluded to make a decision whether to implement the Tender Offer based on the report made by

the Special Committee.

Thereafter, on July 11, 2024, after reconsidering the method of securing the funds required for the settlement of the Tender Offer, it became possible for the Company to borrow funds from Mizuho Bank, Ltd. (“Mizuho Bank”) at a favorable interest rate; therefore, the Company determined to adopt a policy of allocating such borrowings for the funds required for the settlement of the Tender Offer, based on the judgment that the Company, as the entity executing the Tender Offer, would benefit financially from raising funds through such borrowings. Under such policy, the Company considered that it would be appropriate to receive 80,000 million yen as the partial repayment of the short-term loans to Canon, for which Canon had previously expressed its intention to accept the repayment, after the completion of the Tender Offer, and upon consultation with Canon, it has been agreed with Canon that the short-term loans will be repaid in exchange for the commencement of settlement of the Tender Offer (September, 13, 2024).

In light of the above response from Canon in late May 2024, on July 23, 2024, the Company presented to Canon a Tender Offer Price of 4,091 yen (rounded to the nearest yen; hereinafter the same applies to calculations of the Tender Offer Price), which is the price calculated by applying a 10% discount to 4,546 yen (rounded to the nearest yen; hereinafter the same applies to calculations of the simple average of the closing prices), which is the simple average of the closing price of the Company’s common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until July 23, 2024, the business day immediately preceding July 24, 2024, the date of the Board of Directors meeting that resolved to conduct the Tender Offer, as such simple average closing price is not subject to short-term price fluctuations and is considered to fully factor in recent business performance. Thereafter, Canon explained to the Company that it intends to tender 20,000,000 shares (shareholding ratio: 15.42%; hereinafter referred to as the “Tendering Shares”), which is a portion of the shares of common stock of the Company held by Canon, in the Tender Offer if the Company carries out the Tender Offer under the above terms. Further, Canon explained to the Company that it currently intends to continue to hold the shares of the Company’s common stock to be held by Canon after the Tender Offer (55,708,684 shares (shareholding ratio: 42.96 %) if all the Tendering Shares are purchased). On the other hand, if the total number of share certificates tendered in the Tender Offer (the “Tendered Share Certificates”) exceeds the number of share certificates planned for purchase, all or part of the excess portion will not be purchased, and instead the shares will be purchased based on the pro rata allocation method provided for in the provisions of Article 27-13, Paragraph 5 of the Financial Instruments and Exchange Act (Act No. 25 of 1948; as amended; the “Act”), as applied mutatis mutandis pursuant to the provisions of Article 27-22-(2), Paragraph 2 of the Act, and the provisions of Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates, etc. by Issuer (Ordinance of the Ministry of Finance No. 95 of 1994, as amended; the “Cabinet Office Ordinance”). In such case, the Company will acquire a portion of the Tendering Shares (20,000,000 shares). However, Canon explained to the Company that it intends to continue to hold the shares of the Company’s common stock that it has tendered in the Tender Offer but that cannot be acquired by the Company.

Even if all of the Tendering Shares are purchased in the Tender Offer, Canon’s ratio of voting rights will be 50.79% and it will continue to be the parent company of the Company.

In addition, regarding the number of share certificates planned for purchase in the Tender Offer, as a result of deliberations on providing an opportunity for shareholders other than Canon to tender their shares, the Company believed that the number of shares calculated by adding 10% to the number of tendering shares is appropriate since given that among the 48 Cases, in 26 cases, which is the largest number, the number of share certificates planned for purchase was set by adding 10% to the number of tendering shares; therefore, 22,000,000 shares (shareholding ratio: 16.96%), as calculated by adding 10% to the number of Tendering shares (20,000,000 shares, shareholding ratio: 15.42%), was set.

The Special Committee was held on July 11, 2024, July 16, 2024, and July 24, 2024, to discuss whether conducting the Tender Offer would not undermine the interests of the minority shareholders of the Company. As a result, the Company received a report (the “Report”) dated July 24, 2024, from the Special Committee to the effect that the Special Committee judges that conducting the Tender Offer will not undermine the interests of the minority shareholders of the Company. For a summary of the Report, please refer to “(ii) Process of calculation” of “(3) Basis for the calculation of the price of the purchase, etc.” of “3. Outline of the Purchase, etc.” below. In determining the

Tender Offer Price, the Company has not obtained a computation document from a third-party valuation institution because the Company believes that it is objective to use such market price as a reference when calculating and determining the Tender Offer Price since the common stock of the Company is listed on the Prime Market of the Tokyo Stock Exchange and has a market price, and also because it will not undermine the interests of the minority shareholders of the Company to acquire the shares of the Company's common stock from Canon, the parent company of the Company, at a discount from the market price.

Based on the above, the Company resolved, at a meeting of the Board of Directors held on July 24, 2024, by unanimous consent of all seven (7) Directors of the Company who participated in the deliberation and resolution, that the Company will acquire its own shares pursuant to the provisions of its Articles of Incorporation in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, and that the Company will conduct the Tender Offer as the specific method of such acquisition, as well as that the Tender Offer Price will be set at 4,091 yen, which is a 10% discount of 4,546 yen, the simple average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until the business day immediately preceding July 24, 2024, the date of the meeting of the Board of Directors at which the Tender Offer was resolved to be conducted (July 23, 2024), and furthermore, from the perspective of providing an opportunity for shareholders other than Canon to tender their shares, that the maximum number of shares to be purchased in the Tender Offer shall be 22,000,000 shares (shareholding ratio: 16.96%), which is 10% more than the 20,000,000 shares of the Tendering Shares. Out of the five (5) Audit & Supervisory Board Members, four (4) Audit & Supervisory Board Members (Mr. Shiro Hamada, Mr. Yoshihiro Hashimoto, Mr. Iwao Hashimoto, and Mr. Shigeo Hasegawa) who participated in the deliberation expressed no objection to the Board of Directors' decision on the said resolution. In view of the fact that Mr. Seijun Suzuki, a full-time Audit & Supervisory Board Member of the Company, is from Canon and Canon (China) Co., Ltd., a subsidiary of Canon, he did not participate in any deliberation on the proposal for the Tender Offer at the meeting of the Board of Directors of the Company and refrained from expressing his opinion on such proposal from the perspective of avoiding any suspicion of conflict of interest and ensuring the fairness of the Tender Offer.

The Company entered into a tender offer agreement with Canon (the "Tender Offer Agreement") on July 24, 2024, in which Canon agreed to tender in the Tender Offer 20,000,000 shares (shareholding ratio: 15.42%), which is a portion of 75,708,684 shares (shareholding ratio: 58.38%) of the Company's common stock held by Canon. The Tender Offer Agreement contains no conditions precedent to Canon's tendering of shares in the Tender Offer.

With respect to the funds required for the settlement of the Tender Offer, the Company borrowed 80,000 million yen from Mizuho Bank on July 23, 2024, the day immediately preceding the announcement date of the Tender Offer, and the entire funds required for the settlement of the Tender Offer will be allocated by cash on hand, including such borrowed funds. The Company received a loan of 80,000 million yen from Mizuho Bank on July 23, 2024, and as a result of the addition of such loan amounts, the amount of the deposit that can be allocated to the funds required for the purchase, etc., is 92,767 million yen. In addition, the Company's liquidity on hand on a consolidated basis as of June 30, 2024 (cash and deposits) as described in the Company's Second Quarterly (Interim) Financial Results is 115,317 million yen (the liquidity on hand ratio is 2.2 months (Note 14)), and cash flows generated by the business are expected to continue to accumulate. The Company received a loan of 80,000 million yen from Mizuho Bank and the funds required for the settlement of the Tender Offer will be temporarily covered by cash on hand, including such borrowed funds; however, the Company has agreed with Canon on repayment from Canon, in exchange for the commencement of settlement of the Tender Offer on September 13, 2024, of the 80,000 million yen which is a portion of the existing short-term loans of 130,000 million yen provided by the Company to Canon, and the Company plans to allocate such repayment for its repayment of the entire amount borrowed from Mizuho Bank on September 13, 2024, after receiving repayment of the short-term loans. Therefore, the Company believes that it will be able to maintain the soundness and stability of its future business operations and finance.

(Note 14) It is the number (rounded to the first decimal place) calculated by dividing the Company's liquidity on hand as of June 30, 2024, as described in the Company's Second Quarterly (Interim) Financial Results by the Company's monthly sales (the number obtained by dividing the Company's consolidated net sales for the six months ended June 30, 2024, by 6).

In addition, after the settlement of the Tender Offer, the Company plans to cancel, by the end of September 2024, the Tendering Shares (200,000,000 shares) out of its own shares acquired through the Tender Offer.

## 2. Resolution of the Board of Directors meeting on the Acquisition of Own Shares

### (1) Details of the resolution

Class of share certificates, etc.	Total number of shares	Total acquisition price
Common stock	22,000,100 shares (maximum)	90,002,409,100 yen (maximum)

(Note 1) Total number of issued shares: 131,079,972 shares (as of July 24, 2024)

(Note 2) Ratio of the total number of issued shares: 16.78% (rounded to the second decimal place)

(Note 3) Period of acquisition: From Thursday, July 25, 2024, to Monday, September 30, 2024

(Note 4) The total number of shares to be purchased pursuant to the resolution of the Board of Directors meeting is calculated by adding the number of shares corresponding to one minimum trading unit (100 shares) to the number of shares to be purchased, because the number of tendered shares may exceed the number of shares to be purchased and the actual number of shares purchased may exceed the number of shares to be purchased as a result of unit adjustment on a pro rata basis.

### (2) Listed share certificates, etc. relating to the treasury stock already acquired based on the aforementioned resolution

Not applicable.

## 3. Outline of the Purchase, etc.

### (1) Schedule

(i) Resolution of Board of Directors meeting	Wednesday, July 24, 2024
(ii) Date of public notice of commencement of tender offer	Thursday, July 25, 2024 Public notice will be made electronically via the Internet, and a notice to that effect will be published in The Nikkei. (URL of the electronic notice: <a href="https://disclosure2.edinet-fsa.go.jp/">https://disclosure2.edinet-fsa.go.jp/</a> )
(iii) Filing date of tender offer registration statement	Thursday, July 25, 2024
(iv) Period of Tender Offer	From Thursday, July 25, 2024, to Thursday, August 22, 2024 (20 business days)

### (2) Price of the purchase, etc.

4,091 yen per share of common stock

### (3) Basis for the calculation of the price of the purchase, etc.

#### (i) Basis of calculation

In determining the Tender Offer Price, the Company believed that emphasis must be placed on the clarity and objectivity of criteria, and the market price should be used as the basis for appropriate pricing of the Company's common stock, considering that, among others, the Company's common stock is listed on a financial instruments exchange and listed companies often acquire their own shares through market purchases

on financial instruments exchanges. Therefore, from the perspective of respecting the interests of those shareholders who do not tender their shares in the Tender Offer and will continue to retain ownership of the shares of the Company's common stock, the Company determined that purchasing the shares at a price that is discounted to a certain degree from the market price would be desirable in order to minimize the outflow of capital from the Company as much as possible.

In the middle of May 2024, as for the discount rate of the Tender Offer Price to the market price and the price of the Company's common stock as the basis of the discount, the Company determined to refer to the 48 Cases. Of the 48 Cases, there were five cases with a discount rate of 9% or less and 35 cases with a discount rate of 10%, which was the most common discount rate, and eight cases with a discount rate of 11% or more. Taking into consideration the fact that the most common discount rate was 10%, which was used in 35 cases, the Company determined that it is appropriate to adopt a discount rate of approximately 10% of the simple average of the closing prices of the Company's common stock on the Prime Market of the Tokyo Stock Exchange over a certain period, and made a proposal to Canon to that effect.

After the above proposal, in late May 2024, the Company received a response from Canon that it would positively consider applying for the Tender Offer based on the Tender Offer Price calculated by the method the Company had proposed.

In light of the above response from Canon in late May 2024, on July 23, 2024, the Company presented to Canon a Tender Offer Price of 4,091 yen, which is the price calculated by applying a 10% discount to 4,546 yen, which is the simple average of the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until July 23, 2024, the business day immediately preceding July 24, 2024, the date of the Board of Directors meeting that resolved to conduct the Tender Offer, as such simple average closing price is not subject to short-term price fluctuations and is considered to fully factor in recent business performance. Thereafter, Canon explained to the Company that it intends to tender the Tendering Shares (20,000,000 shares, shareholding ratio: 15.42%), which is held by Canon, in the Tender Offer if the Company carries out the Tender Offer under the above terms.

Based on the above, the Company resolved, at a meeting of the Board of Directors held on July 24, 2024, that the Tender Offer Price will be set at 4,091 yen.

The Tender Offer Price of 4,091 yen is equivalent to the price representing a 9.99% discount (rounded to the second decimal place; hereinafter the same applies to calculations of discount rate in this item) from 4,545 yen, which is the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange on July 23, 2024, the business day immediately preceding July 24, 2024, the date of the Board of Directors meeting that resolved to conduct the Tender Offer; equivalent to the price representing a 10.01% discount from 4,546 yen, which is the simple average of the closing prices of the Company's common stock for the past one (1) month period until the same day; and equivalent to the price representing a 8.05% discount from 4,449 yen, which is the simple average of the closing prices of the Company's common stock for the past three (3) month period until the same day.

(ii) Process of calculation

(Process leading to the determination of the Tender Offer Price)

In determining the Tender Offer Price, the Company believed that emphasis must be placed on the clarity and objectivity of criteria, and the market price should be used as the basis for appropriate pricing of the Company's common stock, considering that, among others, the Company's common stock is listed on a financial instruments exchange and listed companies often acquire their own shares through market purchases on financial instruments exchanges. Therefore, from the perspective of respecting the interests of those shareholders who do not tender their shares in the Tender Offer and will continue to retain ownership of the shares of the Company's common stock, the Company determined that purchasing the shares at a price that is discounted to a certain degree from the market price would be desirable in order to minimize the outflow of capital from the Company as much as possible.

In the middle of May, 2024, the Company proposed to Canon that the Company acquire 20,000,000 shares, a portion of the Company's common stock held by Canon, at a certain discount on the market price of the

Company's common stock on the Prime Market of the Tokyo Stock Exchange through tender offer. As for the discount rate of the Tender Offer Price to the market price and the price of the Company's common stock as the basis of the discount, the Company determined to refer to the 48 Cases. Of the 48 Cases, there were five cases with a discount rate of 9% or less and 35 cases with a discount rate of 10%, which was the most common discount rate, and eight cases with a discount rate of 11% or more. Taking into consideration the fact that the most common discount rate was 10%, which was used in 35 cases, the Company determined that it is appropriate to adopt a discount rate of approximately 10% of the simple average of the closing prices of the Company's common stock on the Prime Market of the Tokyo Stock Exchange over a certain period, and made a proposal to Canon to that effect.

After the above proposal, in late May 2024, the Company received a response from Canon that it would positively consider applying for the Tender Offer based on the Tender Offer Price calculated by the method the Company had proposed.

In light of the above response from Canon in late May 2024, on July 23, 2024, the Company presented to Canon a Tender Offer Price of 4,091 yen, which is the price calculated by applying a 10% discount to 4,546 yen, which is the simple average of the closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until July 23, 2024, the business day immediately preceding July 24, 2024, the date of the Board of Directors meeting that resolved to conduct the Tender Offer, as such simple average closing price is not subject to short-term price fluctuations and is considered to fully factor in recent business performance. Thereafter, Canon explained to the Company that it intends to tender the Tendering Shares (20,000,000 shares, shareholding ratio: 15.42%), which is held by Canon, in the Tender Offer if the Company carries out the Tender Offer under the above terms.

Based on the above, the Company resolved, at a meeting of the Board of Directors held on July 24, 2024, by unanimous consent of all seven (7) Directors of the Company who participated in the deliberation and resolution, that the Company will acquire its own shares pursuant to the provisions of its Articles of Incorporation in accordance with the provisions of Article 459, Paragraph 1 of the Companies Act, and that the Company will conduct the Tender Offer as the specific method of such acquisition, as well as that the Tender Offer Price will be set at 4,091 yen, which is a 10% discount of 4,546 yen, the simple average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until the business day immediately preceding July 24, 2024, the date of the meeting of the Board of Directors at which the Tender Offer was resolved to be conducted (July 23, 2024), and furthermore, from the perspective of providing an opportunity for shareholders other than Canon to tender their shares, that the maximum number of shares to be purchased in the Tender Offer shall be 22,000,000 shares (shareholding ratio: 16.96%), which is 10% more than the 20,000,000 shares of the Tendering Shares.

(Matters concerning measures to ensure fairness and measures to avoid conflict of interests, and summary of opinions obtained from entities, who have no interest in the controlling shareholders, regarding the fact that the transaction, etc. will not undermine interests of minority shareholders)

(A) Matters concerning measures to ensure fairness and measures to avoid conflict of interests

With respect to the specific method for acquiring its own shares, the Company intends to acquire such shares through a tender offer that provides shareholders an opportunity to determine whether or not to tender their shares based on market share price trends after a certain amount of time for consideration, from the perspective of ensuring fairness among shareholders and transactional transparency.

In view of the fact that Mr. Seijun Suzuki, a full-time Audit & Supervisory Board Member of the Company, is from Canon and Canon (China) Co., Ltd., a subsidiary of Canon, he did not participate in any deliberation on the proposal for the Tender Offer at the meeting of the Board of Directors of the Company and refrained from expressing his opinion on such proposal from the perspective of avoiding any suspicion of conflict of interest and ensuring the fairness of the Tender Offer.

Under the Securities Listing Regulations of the Tokyo Stock Exchange, in the event where a listed company makes a decision on significant transactions, etc. with controlling shareholders, the

listed company is required to obtain an “opinion that the decision will not undermine interests of minority shareholders” from an entity who has no interest in such controlling shareholder. Therefore, on January 29, 2024, considering that Canon is the parent company of the Company, holding 75,708,684 shares of the Company’s common stock (shareholding ratio: 58.38%), the Company established the Special Committee, consisting of three Independent Outside Directors of the Company (Mr. Yoshio Osawa, Mr. Toshiharu Hasebe and Ms. Hiroko Kawamoto), who have no interest in Canon, as a standing organization to deliberate transactions that the Company deems necessary to deliberate and consider the risk of conflicts of interest between the controlling shareholders and the minority shareholders from the perspective of protecting the interests of minority shareholders and to report to the Board of Directors. At the time of the establishment of the Special Committee, the Company, on the assumption that the Company would acquire a portion of the shares of the Company’s common stock held by Canon, had begun initial discussions with Canon regarding the possibility of acquiring its own shares; however, had not specifically contemplated the implementation of the Tender Offer. Upon the implementation of the Tender Offer by the Company, and since the acquisition of its own shares from Canon through the Tender Offer falls under the category of a significant transaction, etc. with controlling shareholders as set forth in the Securities Listing Regulations of the Tokyo Stock Exchange, on June 11, 2024, Mr. Masachika Adachi, the Chairperson of the Board of Directors of the Company, inquired with the Special Committee whether the Tender Offer, which the Company is considering to conduct, would not undermine the interests of the minority shareholders of the Company. Subsequently, Mr. Masachika Adachi requested the Special Committee to make a report on this matter, and concluded to make a decision whether to implement the Tender Offer based on the report made by the Special Committee.

The Special Committee was held on July 11, 2024, July 16, 2024, and July 24, 2024, to discuss whether conducting the Tender Offer would not undermine the interests of the minority shareholders of the Company. As a result, the Company received the Report dated July 24, 2024, from the Special Committee to the effect that the Special Committee judges that conducting the Tender Offer will not undermine the interests of the minority shareholders of the Company. For a summary of the Report, please refer to “(B) Summary of opinions obtained from entities, who have no interest in the controlling shareholders, regarding the fact that the transaction, etc. will not undermine interests of minority shareholders” below.

(B) Summary of opinions obtained from entities, who have no interest in the controlling shareholders, regarding the fact that the transaction, etc. will not undermine interests of minority shareholders

The Company received the Report dated July 24, 2024, from the Special Committee to the effect that, considering the matters described in (a) to (d) below, the Special Committee judges that conducting the Tender Offer will not undermine interests of the minority shareholders of the Company.

(a) Reasonableness of the purpose of the Tender Offer

The acquisition of own shares through the Tender Offer will have the effect of contributing to the improvement of the Company’s return on equity (ROE), price book-value ratio (PBR), and other capital efficiencies, as well as the improvement of earnings per share (EPS) and other profitability, and since this is in line with the Company’s policy of returning profits to shareholders, it is believed that there is a reasonable purpose for the Company to conduct the Tender Offer.

The use of the tender offer method for the acquisition of its own shares from Canon also has merit for the Company and is not considered unreasonable because (i) it is possible to ensure that shareholders other than Canon will have an opportunity to determine whether or not to tender their shares based on market share price trends after a certain amount of time for consideration, from the perspective of ensuring fairness among shareholders and

transactional transparency and (ii) in the case of acquisition of own shares through off-auction own share repurchase transaction on the Tokyo Stock Exchange (ToSTNeT-3), the acquisition price is determined based on the market price, whereas the tender offer method makes it possible to purchase at a certain discount from the market price.

(b) Impact of the Tender Offer on the Company's corporate value and common interests of shareholders

With respect to the funds required for the settlement of the Tender Offer, the Company borrowed 80,000 million yen from Mizuho Bank on July 23, 2024, the day immediately preceding the announcement date of the Tender Offer, and the entire funds required for the settlement of the Tender Offer will be allocated by cash on hand, including such borrowed funds. The Company received a loan of 80,000 million yen from Mizuho Bank on July 23, 2024, and as a result of the addition of such loan amounts, the amount of the deposit that can be allocated to the funds required for the purchase, etc., is 92,767 million yen. In addition, the Company's liquidity on hand on a consolidated basis as of June 30, 2024 (cash and deposits) is 115,317 million yen, and cash flows generated by the business are expected to continue to accumulate. As stated above, the Company received a loan of 80,000 million yen from Mizuho Bank and the funds required for the settlement of the Tender Offer will be temporarily covered by cash on hand, including such borrowed funds; however, the Company has agreed with Canon on repayment from Canon, in exchange for the commencement of settlement of the Tender Offer, of the 80,000 million yen which is a portion of the existing short-term loans of 130,000 million yen provided by the Company to Canon, and the Company will use such repayment funds to repay the entire amount borrowed from Mizuho Bank promptly, after receiving repayment of the short-term loans. Therefore, it is believed that the Company will be able to maintain the soundness and stability of its finance in the future.

In addition, such loan from Mizuho Bank was executed at a lower interest rate than the interest rate for the loan to Canon, and is considered to be financially beneficial and economically rational for the Company and not detrimental to the common interests of its shareholders.

Even if all of Canon's Tendering Shares (20,000,000 shares) are purchased by Canon through the Tender Offer, Canon's ratio of voting rights will be approximately 50.79% and it will continue to be the parent company of the Company. Therefore, no significant change in the relationship between the Company and Canon is expected.

Based on the above, the Company's conducting the Tender Offer is not considered to have any adverse effect on the Company's corporate value.

On the other hand, as stated in (a) above, the Tender Offer will have the effect of contributing to the improvement of the Company's return on equity (ROE), price book-value ratio (PBR), and other capital efficiencies, as well as earnings per share (EPS) and other profitability, and therefore, the Tender Offer is considered to be beneficial to the common interests of the Company's shareholders.

(c) Appropriateness of the terms and conditions of the Tender Offer

The Tender Offer Price is set at the price calculated by applying a 10% discount to the simple average of the closing price of the Company's common stock for the past one (1) month period until the business day immediately preceding the date of the Board of Directors meeting that resolved to conduct the Tender Offer.

First, given that the Company's common stock is listed on a financial instruments exchange, from the perspective of ensuring the objectivity of the purchase price, it is reasonable to determine the Tender Offer Price based on the market price of the Company's common stock. In addition, from the perspective of protecting the interests of the minority shareholders who do not tender their shares in the Tender Offer and will

continue to retain ownership of the shares of the Company's common stock, it is also reasonable to set the Tender Offer Price at a price that is discounted to a certain degree from the market price of the Company's common stock in order to minimize the outflow of capital from the Company as much as possible.

Furthermore, with regard to the discount rate, the discount rate in this case is considered to be reasonable, given the fact that the largest number of cases in the Cases involved a discount rate of 10%.

In addition, for the price of the Company's common stock as the basis of the discount, rather than using a specific point in time as the basis, it is better to use a leveled average stock price over a certain period of time as the basis to eliminate irregular factors such as the effects of temporary stock price fluctuations and to ensure objectivity and reasonableness as the basis for the calculation. On the other hand, since it is considered that the Company's recent performance is better reflected in the stock prices if more recent stock prices are adopted, it is reasonable to use as the basis the simple average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past one (1) month period until the business day immediately preceding the date of Board resolution, which is shorter than the simple average closing price of the Company's common stock on the Prime Market of the Tokyo Stock Exchange for the past three (3) month period or the past six (6) month period until the business day immediately preceding the date of Board resolution.

As stated above, it is believed that the terms and conditions of the Tender Offer are appropriate.

(d) Fairness of the decision-making procedures and other procedures regarding the Tender Offer

Based on the circumstances set forth in (x) to (z) below, it is considered that the decision-making procedures and other procedures regarding the Tender Offer are fair.

(x) Deliberations by the Special Committee, in relation to the protection of minority shareholders

The Special Committee consists of three Independent Outside Directors of the Company, who have no interest in Canon.

The Special Committee, having received explanations and relevant materials from the Company regarding, among others, the purpose and impact of the Tender Offer, the reasonableness of the terms and conditions of the Tender Offer, including the Tender Offer Price, and the fairness of the Company's decision-making procedures regarding the Tender Offer, deliberated and considered the matters which were to be deliberated from the perspective of protecting the interests of minority shareholders.

(y) Non-participation of officers who may have an interest in deliberations and resolutions regarding the Tender Offer

Since Mr. Seijun Suzuki, a full-time Audit & Supervisory Board Member, is from Canon and Canon (China) Co., Ltd., a subsidiary of Canon, he will not participate in any deliberation on the proposal for the Tender Offer at the meeting of the Board of Directors of the Company and will refrain from expressing his opinion on such proposal from the perspective of avoiding any suspicion of conflict of interest and ensuring the fairness of the Tender Offer.

(z) Appropriate information disclosure

With respect to the Tender Offer, it is deemed that sufficient information will be disclosed in the Tender Offer Registration Statement and the Press Release regarding the Tender Offer to contribute to judgment by the minority shareholders of the Company as to the appropriateness of the terms and conditions of the transaction.

(4) Number of shares to be purchased

Class of share certificates, etc.	Number of shares to be purchased	Expected number of excess shares	Total
Common stock	22,000,000 (shares)	- (shares)	22,000,000 (shares)

(Note 1) If the total number of the Tendered Share Certificates does not exceed the number of shares to be purchased (22,000,000 shares), the Company will purchase all of the Tendered Share Certificates. However, if the total number of the Tendered Share Certificates exceeds the number of shares to be purchased (22,000,000 shares), the Company will not purchase all or part of such excess, and will implement the transfer of shares and other settlement with regard to the purchase, etc. of share certificates and the like by the pro rata allocation method provided in the provisions of Article 27-13, Paragraph 5 of the Act as applied mutatis mutandis pursuant to the provisions of Article 27-22-(2), Paragraph 2 of the Act, and the provisions of Article 21 of the Cabinet Office Ordinance. (If the number, in respect of each of the Tendered Share Certificates, includes a portion of shares less than one trading unit (100 shares), the maximum number of shares to be purchased, calculated on a pro rata basis, will be the said number.)

(Note 2) Shares less than one unit are also covered by the Tender Offer. If a shareholder exercises its right to request purchase of shares less than one unit pursuant to the Companies Act, the Company may repurchase its shares during the period of the purchase, etc. of the Tender Offer (the “Tender Offer Period”) pursuant to the procedures prescribed under the relevant laws and regulations.

(Note 3) The Company issued stock acquisition rights and such stock acquisition rights may be exercised during the Tender Offer Period. Shares of the Company’s common stock to be issued or transferred upon the exercise of such stock acquisition rights will also be subject to the Tender Offer.

(5) Funds necessary for the purchase, etc.

90,046,300,000 yen

(Note) The above-mentioned figure represents the amount of payment for purchasing all the shares to be purchased (22,000,000 shares) (90,002,000,000 yen), plus the estimated purchase commissions, expenses for the public notice of the Tender Offer and miscellaneous expenses including the printing costs for required documents such as the Tender Offer explanation statement.

(6) Method of settlement

(i) Name and location of head office of financial instruments business operator/bank etc. in charge of settlement of purchase, etc.

Mizuho Securities Co., Ltd. 5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo

(ii) Commencement date of settlement

Friday, September 13, 2024

(iii) Method of settlement

A notice regarding the purchase, etc. of the Tender Offer will be mailed to the address of those shareholders who have tendered their shares in the Tender Offer (the “Tendering Shareholders”) or to the standing proxy in the case of foreign resident shareholders (including corporate shareholders) (the “Foreign Shareholders”) without delay after the expiration of the Tender Offer Period. The purchase will be settled in cash. The purchase price less withholding tax on deemed dividend (Note) is to be remitted from the tender offer agent to the location specified by the Tendering Shareholders (or to the standing proxy in the case of the Foreign Shareholders), or to be paid to the accounts of the Tendering Shareholders at the tender offer agent which received the application, in accordance with the instructions of the Tendering Shareholders (or the standing proxy in the case of the Foreign Shareholders) without delay after the commencement date of the settlement.

(Note) The tax treatment in the event of a tender under the Tender Offer is as follows. (\*)

(A) Individual shareholders

If the amount of money to be delivered in return for tendering and delivering shares through the Tender Offer exceeds the portion of the amounts of the share capital, etc. of the corporation issuing shares that is the tender offeror (in the case of a consolidated entity, the amount of consolidated individual share capital, etc.) corresponding to the shares that gave rise to such delivery of money, the amount of such excess (the “Amount of Deemed Dividend”) will be the amount of income relating to dividend income. The amount of money to be delivered, less the Amount of Deemed Dividend, will be deemed to be the amount of income from the transfer of shares.

If no Amount of Deemed Dividend arises, the entire amount of money to be delivered will be the amount of income from the transfer of shares.

The Amount of Deemed Dividend will be subject to 20.315% withholding tax in principle (income tax and special income tax for reconstruction under the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake (Act No. 117 of 2011, as amended) (the “Special Income Tax for Reconstruction”) at 15.315% plus inhabitant tax at 5%) (in the case of non-residents, no inhabitant tax will be withheld); provided, however, that with respect to individual shareholders who fall under the category of large shareholders, etc. as provided for in the provisions of Article 4-6-2, Paragraph 38 of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43, 1957, as amended), such Amount of Deemed Dividend will be subject to 20.42% withholding tax (income tax and Special Income Tax for Reconstruction only). The amount of income from the transfer of shares less acquisition costs, etc. relating to such shares will, in principle, be subject to separate self-assessment taxation (Non-residents with permanent establishments in Japan are, in principle, not subject to taxation.). In the case where a shareholder tenders the shares in a tax-exempt account as provided for in the provisions of Article 37-14 (Tax exemption for capital gains, etc. from small amounts of listed shares in a tax-exempt account) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended) pursuant to the Tender Offer, if the financial institution business operator at which such Tax-exempt Account is held is Mizuho Securities Co., Ltd., income from the transfer of shares pursuant to the Tender Offer will, in principle, be tax-exempt; provided, however, that if such Tax-exempt Account is held at a financial institution other than Mizuho Securities Co., Ltd., the aforementioned treatment may not apply.

(B) Corporate Shareholders

The Amount of Deemed Dividend will be the amount of dividend, etc., and, will be, in principle, subject to 15.315% withholding tax (income tax and Special Income Tax for Reconstruction) (Corporate shareholders (limited to corporations with their head office or principal office in Japan (domestic corporations)) who directly hold more than one-third of the total number of issued shares (excluding treasury stock) of the tender offeror as of the record date for the payment of the Amount of Deemed Dividend are not subject to withholding tax.). The amount of money to be delivered, other than the Amount of Deemed Dividend, will be the amount of consideration for the transfer of securities.

(C) The Foreign Shareholders who, pursuant to an applicable tax treaty, are able to, and wish to, enjoy the benefit of reduction of or exemption from income tax and Special Income Tax for Reconstruction on such Amount of Deemed Dividend will be required to submit a written notification concerning such tax treaty to the tender offer agent by the end of the Tender Offer Period.

(\*) For specific questions concerning taxation, each shareholder is kindly advised to confirm with

professionals such as tax accountants and to make decisions at its own discretion.

(7) Other matters

(i) The Tender Offer is not and will not be made, directly or indirectly, in or toward the U.S., or by using the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, facsimile, e-mail, internet communication, telex, and telephone), or through any facilities of a securities exchange in the U.S. No one can tender shares in the Tender Offer by any means or instruments above, or through any facility above, or from the U.S.

In addition, the tender offer registration statement for the Tender Offer and other related documents are not and may not be sent or delivered by the postal service or any other means in, to, or from the U.S. Any tender of shares in the Tender Offer that directly or indirectly breaches any of the restrictions above cannot be accepted. When tendering their shares in the Tender Offer, the Tendering Shareholders (or the standing proxy in the case of Foreign Shareholders) may be required to represent and warrant the following to the tender offer agent:

(a) The Tendering Shareholder is not located in the U.S. neither at the time of tendering shares nor at the time of sending the tender offer acceptance form; (b) the Tendering Shareholder did not receive or send any information regarding the Tender Offer (including copies thereof), directly or indirectly, in, to or from the U.S.; (c) the Tendering Shareholder did not use, directly or indirectly, the U.S. postal service or any other means or instruments of interstate or foreign commerce (including, but not limited to, facsimile, e-mail, internet communication, telex, and telephone) or any facilities of a securities exchange in the U.S. with respect to the purchase, etc. or for signing or delivering the tender offer acceptance form; and (d) the Tendering Shareholder is not acting as an agent, a trustee or a mandatary without discretion for any other person (except for the case where such other person provides all instructions for the purchase, etc. from outside the U.S.).

(ii) On July 24, 2024, the Company entered into the Tender Offer Agreement with Canon, the parent company of the Company, pursuant to which Canon agreed to tender in the Tender Offer 20,000,000 shares (shareholding ratio: 15.42%), which is a portion of the 75,708,684 shares (shareholding ratio: 58.38%) of the Company's common stock held by Canon, if the Company adopts a resolution to conduct the Tender Offer. The Tender Offer Agreement contains no conditions precedent to Canon's tendering of shares in the Tender Offer.

Canon explained to the Company that it currently intends to continue to hold the shares of the Company's common stock to be held by Canon after the Tender Offer (55,708,684 shares (shareholding ratio: 42.96%) if all the Tendering Shares are purchased). On the other hand, if the total number of shares tendered exceeds the number of shares planned for purchase, all or part of the excess portion will not be purchased in the Tender Offer, and instead the share will be purchased based on a pro rata allocation method provided for the provisions of Article 27-13, Paragraph 5 of the Act and Article 21 of the Cabinet Office Ordinance as applied mutatis mutandis pursuant to Article 27-22-2, Paragraph 2 of the Act. In such case, the Company will acquire a portion of the Tendering Shares (20,000,000 shares). However, Canon explained to the Company that it intends to continue to hold the shares of the Company's common stock that it has tendered in the Tender Offer but that cannot be acquired by the Company.

(iii) Transactions, etc. with controlling shareholders

(A) Applicability of transactions, etc. with controlling shareholders and compliance with guidelines for measures to protect minority shareholders

Under the Securities Listing Regulations of the Tokyo Stock Exchange, in the event where a listed company makes a decision on significant transactions, etc. with controlling shareholders, the listed company is required to obtain an "opinion that the decision will not undermine interests of minority shareholders" from an entity who has no interest in such controlling shareholder. Therefore, on January 29, 2024, considering that Canon is the parent company of the Company, holding 75,708,684 shares of the Company's common stock (shareholding ratio: 58.38%), the Company established the Special Committee, consisting of three Independent Outside Directors of the

Company (Mr. Yoshio Osawa, Mr. Toshiharu Hasebe and Ms. Hiroko Kawamoto), who have no interest in Canon, as a standing organization to deliberate transactions that the Company deems necessary to deliberate and consider the risk of conflicts of interest between the controlling shareholders and the minority shareholders from the perspective of protecting the interests of minority shareholders and to report to the Board of Directors. At the time of the establishment of the Special Committee, the Company, on the assumption that the Company would acquire a portion of the shares of the Company's common stock held by Canon, had begun initial discussions with Canon regarding the possibility of acquiring its own shares; however, had not specifically contemplated the implementation of the Tender Offer.

In addition, in the “Guidelines for measures to protect minority shareholders when conducting transactions, etc. with controlling shareholders” of the Corporate Governance Report published on May 13, 2024, it was stated that “important master agreements for transactions with the controlling shareholder are concluded following a resolution by the Board of Directors. In addition, as to the risk of conflicts of interests occurring between the controlling shareholder and minority shareholders regarding which deliberations and considerations are deemed necessary for the purpose of protecting the interests of minority shareholders, the ‘Special Committee’ consisting of the Independent Outside Directors makes discussions and delivers a report to the Board of Directors. No arbitrary decisions are made on the terms, etc. of transactions with the controlling shareholder. In addition, the Company protects the interests of all its shareholders by conducting all transactions appropriately and fairly, including transactions with the controlling shareholder, to ensure there is no damage to the Company's independence and interests.”

In order to ensure that the acquisition of its own shares from Canon through the Tender Offer will not be a transaction that would undermine interests of minority shareholders, the Company has taken measures as stated in “(ii) Process of calculation” of “(3) Basis for the calculation of the price of the purchase, etc.” of “3. Outline of the Purchase, etc.” above, and therefore, with respect to the terms of transaction and method of making decisions on the transaction, the Company has made its determination in the same manner as that in general transactions and believes that it is in compliance with the said guidelines.

- (B) Matters concerning measures to ensure fairness and measures to avoid conflict of interests, and summary of opinions obtained from entities, who have no interest in the controlling shareholders, regarding the fact that the transaction, etc. will not undermine interests of minority shareholders

Please refer to “(ii) Process of calculation” of “(3) Basis for the calculation of the price of the purchase, etc.” of “3. Outline of the Purchase, etc.” above.

- (iv) The Company disclosed the Company's Second Quarterly (Interim) Financial Results on July 24, 2024. The outline of the quarterly financial results is provided below based on such disclosure. The content of such disclosure has not undergone a mid-term review by an auditing firm pursuant to the provisions of Article 193-2, Paragraph 1 of the Act. For details, please refer to the disclosure.

Outline of the Summary Report of Consolidated Financial Results for the second (interim) quarter ended June 30, 2024

(From January 1, 2024, to June 30, 2024)

(A) Profits and losses (consolidated)

Accounting period	Fiscal year ending December 31, 2024 (Interim Consolidated Accounting Period)
Net sales	318,903 million yen
Cost of sales	215,476 million yen

Selling, general and administrative expenses	77,392 million yen
Non-operating income	1,157 million yen
Non-operating expenses	200 million yen
Interim net income attributable to owners of the parent	20,147 million yen

(B) Per share information (consolidated)

Accounting period	Fiscal year ending December 31, 2024 (Interim Consolidated Accounting Period)
Interim net income per share	155.36 yen
Dividend per share	60.00 yen
Net assets per share	3,439.62 yen

- (v) Disclosure of the “Notice regarding dividends from retained earnings (interim dividends) and revisions to dividend forecasts”

The Company disclosed the “Notice regarding dividends from retained earnings (interim dividends) and revisions to dividend forecasts” on July 24, 2024. For details, please refer to the content of the disclosure.

Reference: Status of treasury stock as of June 30, 2024

Total number of issued shares (excluding treasury stock): 131,079,972 shares  
Number of treasury stock: 1,399,232 shares

End of Document