

TRANSLATION

Securities Code: 7739

NOTICE OF CONVOCATION OF
THE ORDINARY GENERAL MEETING OF
SHAREHOLDERS FOR
THE 84TH BUSINESS TERM

Canon Electronics Inc.

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Notice of Convocation of the Ordinary General Meeting of Shareholders for the 84th Business Term

March 6, 2023

To our shareholders:

Takeshi Hashimoto
President & COO
CANON ELECTRONICS INC.
1248 Shimokagemori, Chichibu-shi, Saitama

Notice is hereby given that the Ordinary General Meeting of Shareholders for the 84th Business Term of CANON ELECTRONICS INC. (the “Company”) will be held as described below and that you are invited to attend the Meeting.

With respect to our shareholders, in a further effort to prevent the spread of COVID-19, to the extent possible, we respectfully request that you exercise your voting rights in writing in advance and refrain from attending the meeting in person.

In order to exercise your voting rights by postal mail, after reviewing the following Reference Documents for General Meeting of Shareholders, please indicate your for/against for each of the propositions on the enclosed Voting Form, and return it to us so that it reaches us by **no later than 5:00 p.m. on March 28, 2023 (Tuesday), (Japan time)**.

1 Date and Time 9:00 a.m. on March 29, 2023 (Wednesday)
(Japan time)

2 Venue Meeting Room at Misato Plant of the Company
1611 Oaza-Amagasu, Misato-machi, Kodama-gun,
Saitama

3 Purpose of the Meeting

Matters to be reported:

1. Reports on the contents of the Business Report and the Consolidated Financial Statements for the 84th Business Term (from January 1, 2022 to December 31, 2022), and reports on the Auditing Results of Accounting Auditor & Audit & Supervisory Board regarding the Consolidated Financial Statements.
2. Reports on the content of the Financial Statements for the 84th Business Term (from January 1, 2022 to December 31, 2022)

4 Matters to be resolved upon:

Propositions:

- Item No.1 - Dividend from Surplus
- Item No.2 - Election of Twelve Directors
- Item No.3 - Election of Two Auditors
- Item No.4 - Grant of Bonus to Directors

5 Guidance Notes on the Electronic Provision Measures

Please refer to the “Guidance Notes on the Electronic Provision Measures” on the following page.

6 Guidance Notes on the Exercise of Voting Rights

Please refer to the “Guidance Notes on the Exercise of Voting Rights” on page 5.

Notes:

1. Any revisions to the Reference Documents for the General Meeting of Shareholders, will be posted on our company website (<https://www.canon-elec.co.jp/>).
2. In order to prevent the spread of the novel coronavirus, we will refrain from eating and drinking in the venue. Thank you for your understanding in advance.

Guidance Notes on the Electronic Provision Measures

When convening the General Meeting of Shareholders, we take electronic information measures for information that will be the reference documents for the General Meeting of Shareholders, and post them on our website on the Internet. Please access the following website and check.

Our website

<https://www.canon-elec.co.jp/> (written in Japanese only)

Please access the above website and select the following tabs of the website in order to check.

- "株主・投資家情報(Japanese characters)"
- "IR 情報(Japanese characters)"
- "招集ご通知・事業報告書(Japanese characters)"
- "NOTICE OF CONVOCATION OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS FOR THE 84TH BUSINESS TERM"

Disclosure on the Internet

The following information is not described in this Convocation Notice for the 84th Business Term, since the information is posted on our website (written in Japanese only), based on the provisions of the relevant laws and the Article 14 of the Company Articles of Incorporation.

1. Business Report
2. Consolidated Financial Statements
3. Financial Statements
4. Notes to Consolidated Financial Statements
5. Notes to Financial Statements
6. Statement of changes in Net Asset to Consolidated Financial Statements
7. Statement of changes in Net Asset to Financial Statements
8. Audit Reports

Please note that the Consolidated Financial Statements and the Financial Statements audited by the Accounting Auditor and Audit & Supervisory Board shall include the information listed above 1 to 7 posted on the internet.

Guidance Notes on the Exercise of Voting Rights

Voting rights at general meetings of shareholders are an important right of shareholders. Please review the Reference Documents for the General Meeting of Shareholders (pages 6 to 19) and exercise your voting rights. There are two ways to exercise your voting rights:

Voting in writing (by mail)

After reviewing the Reference Documents for the General Meeting of Shareholders, please indicate your approval or disapproval on the enclosed Voting Rights Exercise Form and post it without a stamp.

- **Deadline:** Reach us by no later than 5:00 p.m. on March 28, 2023 (Tuesday)
(Japan time)

Voting by Attendance at General Meeting of Shareholders

Please submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting.

Please bring this Notice of Convocation of the 84th Annual General Meeting of Shareholders with you.

- **Date and time of the Meeting:** 9:00 a.m. on March 29, 2023 (Wednesday)
- **Place of the Meeting:** Meeting Room at Misato Plant of the Company

Reference Documents for the General Meeting of Shareholders

Item No. 1 Dividend from Surplus

The basic policy of the Company is, for the purpose of expanding a shareholders value to the future, to enhance an internal reserve and to maintain a stable return to shareholders, mainly in the form of a dividend, by actively developing business and strengthening corporate constitution.

After comprehensively considering the above policy, and also in order to express gratitude to our shareholders for their continuous support, we propose a term-end dividend of 30 yen per share, as follows.

As we have already paid an interim dividend of 30 yen per share, the full-year dividend will be 60 yen per share, which is the increase of 10 yen compared to the previous term.

- i) **Kind of dividend property:** **Cash**
- ii) **Matters regarding allocation of the dividend property and its total amount:**
30 yen per one common share of the Company
Total amount of dividend 1,226,156,580 yen

(Reference) The full-year dividend of 84th Business Term:60 yen per share / Dividend Payout Ratio 35.4 %

- iii) **Effective date of the distribution of the dividend from surplus:**

March 30, 2023

(Reference)


	84th Business Term (From January 1, 2022 to December 31, 2022)		
	the interim	the term-end	the full-year
Dividends Per Share	30 yen	30 yen	60 yen
Dividend Payout Ratio	48.0 %	30.2 %	35.4 %
Total amount of dividend [millions of yen]	1,226	1,226	2,452

Item No.2 Election of Twelve Directors

The terms of office of all of the eleven Directors will expire at the end of this Meeting. Therefore, we propose the election of twelve Directors.

The candidates for the Directors are as follows:

Candidate No.	Name	Positions and business in charge in the Company	Attendance Status at Board of Directors Meetings
1	Hisashi Sakamaki	Chairman & CEO	100% 17 held, 17 attended
2	Takeshi Hashimoto	President & COO, Group Executive of LBP Group, Business Machine Components Group, Chichibu Plant, Misato Plant and Akagi Plant	100% 17 held, 17 attended
3	Yaomin Zhou	Senior Managing Director, Deputy Group Executive of Comprehensive Functional Materials Development Group, and Director of Materials Research Center	100% 17 held, 17 attended
4	Takeshi Uchiyama	Managing Director, President & CEO of Canon Electronics Technology Inc.	100% 17 held, 17 attended
5	Hiroyuki Okita	Director, General Manager of Finance & Accounting Div.	100% 13 held, 13 attended
6	Akira Katsuyama	Senior Managing Officer, Group Executive of Image Management Systems Group	—
7	Taku Kamura	Senior Managing Officer, Group Executive of Production Engineering Center	—
8	Nobutada Sako	Senior Managing Officer, Group Executive of Satellite Systems Laboratory	—
9	Toshikazu Togari	Director	100% 17 held, 17 attended
10	Atsushi Maekawa	Director	100% 17 held, 17 attended
11	Kazuyuki Sugimoto	Director	100% 13 held, 13 attended
12	Tomohiro Kondo	Director	100% 13 held, 13 attended

<p>Candidate No.1</p> <p style="text-align: center;">Hisashi Sakamaki</p> <div style="text-align: center;">  <p>Re-nominated</p> </div> <p>Date of Birth: Mar. 6, 1940 Number of the Company's shares held: 49,617 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Jan. 1967 Entered Canon Inc.</p> <p>Mar. 1989 Director</p> <p>Feb. 1991 In charge of Global Corporate Planning</p> <p>May 1992 Group Executive of Production Headquarters and in charge of Environmental Assurance</p> <p>Mar. 1996 Managing Director Audit & Supervisory Board Member of the Company</p> <p>Mar. 1999 President & CEO of the Company</p> <p>Mar. 2021 Chairman & CEO (present)</p> <hr/> <p>Important concurrent posts</p> <p>Outside Director of Fujitsu General Limited</p>
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【Reasons for being selected as a candidate】

Mr. Hisashi Sakamaki had been leading the development, design, production and environmental conservation divisions of Canon Inc for many years. After he joined, he has been managing the Company as President, Chairman & CEO with methods of environmental management, and made the Company a highly profitable company with a net profit of over 10%. The Company has selected him as a candidate for director upon determining that his wealth of expertise, ability and insight as a management are vital to the Company's important decision making and supervision of managerial executions.

<p>Candidate No.2</p> <p style="text-align: center;">Takeshi Hashimoto</p> <div style="text-align: center;">  <p>Re-nominated</p> </div> <p>Date of Birth: Sep. 12, 1962 Number of the Company's shares held: 21,149 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Apr. 1985 Entered Canon Inc.</p> <p>May 2002 General Manager of LBP Administration Div., LBP Group of the Company</p> <p>Apr. 2004 Deputy Group Executive of LBP Group and General Manager of LBP Administration Div.</p> <p>Mar. 2007 Director Group Executive of LBP Group (present)</p> <p>Mar. 2009 Managing Director</p> <p>Jan. 2012 Group Executive of Business Machine Components Group (present)</p> <p>Mar. 2012 Senior Managing Director Executive Vice President & Director</p> <p>Mar. 2013 Executive Vice President & Director</p> <p>Nov. 2013 Senior General Manager of Functional Components Business Promotion Center</p> <p>Dec. 2013 Senior General Manager of Production Engineering Center</p> <p>Jul. 2018 General Manager of Precision Equipment and Tools Group</p> <p>Jul. 2019 Executive Vice President & COO</p> <p>Jun. 2020 Group Executive of Chichibu Plant, Misato Plant and Akagi Plant (present)</p> <p>Mar. 2021 President & COO (present)</p>
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【Reasons for being selected as a candidate】

Mr. Takeshi Hashimoto has led the laser printer division, the laser scanner unit division for laser printers and multifunction printers for many years, and production site, and has achieved great results. In addition, he has served as President & COO, and the Company has determined that he will be able to continue to play a full role in deciding important matters and supervising the execution of duties at the Board of Directors of the Company, Utilizing his extensive experience and insight as a manager. The Company has nominated him as a candidate for Director.

<p>Candidate No.3</p> <p style="text-align: center;">Yaomin Zhou</p>  <p style="text-align: center; color: red; border: 1px solid red; padding: 2px;">Re-nominated</p> <p>Date of Birth: Nov. 11, 1962 Number of the Company's shares held: 9,498 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Apr. 2000 Entered the Company</p> <p>Feb. 2008 General Manager of Materials Research Div., Materials Research Center, Central Research Laboratory</p> <p>Mar. 2008 Group Executive of Materials Research Center, Central Research Laboratory and General Manager of Materials Research Div.</p> <p>Mar. 2009 Group Executive of Materials Research Center and General Manager of Materials Research Div.</p> <p>Mar. 2012 Director</p> <p>Mar. 2016 Managing Director</p> <p>Oct. 2018 Group Executive of Materials Research Center</p> <p>Mar. 2022 Senior Managing Director (present)</p> <p>May 2022 Deputy Group Executive of Comprehensive Functional Materials Development Group, and Director of Materials Research Center (present)</p>
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【Reasons for being selected as a candidate】

Mr. Zhou Yaomin has been leading the materials research division over the years and contributed greatly to the Company. He serves a position as a Senior Managing Director. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

<p>Candidate No.4</p> <p style="text-align: center;">Takeshi Uchiyama</p>  <p style="text-align: center; color: red; border: 1px solid red; padding: 2px;">Re-nominated</p> <p>Date of Birth: Dec. 22, 1964 Number of the Company's shares held: 14,910 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Apr. 1987 Entered Asia Computer Inc. (present Canon Electronics Technology Inc.)</p> <p>Apr. 1998 General Manager of Sales Promotion Div.</p> <p>Jun. 1998 Director, Group Executive of Sales Group</p> <p>Apr. 2006 Managing Director, Executive Officer, Group Executive of SI Group and Deputy Group Executive of Sales Group</p> <p>Dec. 2007 Senior Managing Officer, Group Executive of System Integration Group</p> <p>Mar. 2008 President and Representative Director (present)</p> <p>Mar. 2010 Director of the Company</p> <p>Mar. 2017 Managing Director of the Company (present)</p>
	<p>Important concurrent posts</p> <p>President & Representative Director of Canon Electronics Technology Inc.</p>

【Reasons for being selected as a candidate】

Mr. Takeshi Uchiyama has been leading the IT related business over the years and contributed greatly to the Company. He serves a position as a Managing Director of the Company and the president of the subsidiary. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

Candidate No.5**Hiroyuki Okita****Re-nominated**

Date of Birth: Dec. 17, 1963
Number of the Company's shares held:
774 shares

Brief personal record, position, business in charge and important concurrent posts

As of
Apr. 1986: Entered the Company
Aug. 2017: General Manager of Finance & Accounting Div. (present)
Apr. 2019: Managing Officer
Mar. 2022: Director (present)

【Reasons for being selected as a candidate】

Mr. Hiroyuki Okita has been leading the Finance and Accounting Division over the years and contributed greatly to the Company. He serves a position as a Director of the Company. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

Candidate No.6**Akira Katsuyama****Newly Nominated**

Date of Birth: Apr. 25, 1973
Number of the Company's shares held:
500 shares

Brief personal record, position, business in charge and important concurrent posts

As of
Apr. 1997 Entered Canon Inc.
Feb. 2017 General Manager of IMS Marketing & Planning Div.,
Image Management Systems Group of the Company
Jan. 2018 Group Executive of Image Management Systems Group (Present)
Feb. 2019 Managing Officer
Apr. 2020 Senior Managing Officer (present)

【Reasons for being selected as a candidate】

Mr. Akira Katsuyama has been leading the Image Management Systems Division over the years and contributed greatly to the Company. He serves a position as a Senior Managing Officer of the Company. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

Candidate No.7**Taku Kamura****Newly Nominated**

Date of Birth: Oct. 11, 1975
Number of the Company's shares held:
0 shares

Brief personal record, position, business in charge and important concurrent posts

As of
Apr. 2001 Entered the Company
Mar. 2015 General Manager of Production Engineering Div.1,
Production Engineering Center
Aug. 2017 General Manager of Production Engineering Div.,
Production Engineering Center
Jul. 2018 Deputy Group Executive of Production Engineering Center
Dec. 2020 Managing Officer
Group Executive of Production Engineering Center
(present)
Mar. 2022 Senior Managing Officer (present)

【Reasons for being selected as a candidate】

Mr. Taku Kamura has been leading the Production Engineering Division over the years and contributed greatly to the Company. He serves a position as a Senior Managing Officer of the Company. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

Candidate No.8**Nobutada Sako****Newly Nominated**

Date of Birth: Jul. 29, 1975
Number of the Company's shares held:
0 shares

Brief personal record, position, business in charge and important concurrent posts

As of
Apr. 2007 Assistant Professor of Graduate School of Engineering, the
University of Tokyo
Apr. 2010 Associate Professor of Graduate School of Engineering,
Shinshu University
Sep. 2012 Visiting Associate Professor of Japan Aerospace
Exploration Agency (JAXA)
Nov. 2012 Entered the Company
Deputy Group Executive of Space Technology Laboratory
Jun. 2015 Group Executive of Satellite Systems Laboratory (present)
Jun. 2021 Managing Officer
Mar. 2022 Senior Managing Officer (present)

【Reasons for being selected as a candidate】

Mr. Nobutada Sako has been leading the Space and Satellite Strategy Division over the years and contributed greatly to the Company. He serves a position as a Senior Managing Officer of the Company. The Company has selected him as a candidate for director upon determining that his extensive expertise, wide range of experience in his duty and his good personality and deep insight are vital to further increase the corporate value of the Canon Electronics Group.

Candidate No.9

Toshikazu Togari



Re-nominated

Candidate for Outside Director

Independent Director

Date of Birth: Nov. 28, 1947

Number of the Company's shares held:
0 shares

Brief personal record, position, business in charge and important concurrent posts

As of

Jul. 1971	Entered Ministry of Labour (present Ministry of Health, Labour and Welfare)
Jul. 1999	Deputy Vice-Minister of Minister's Secretariat, Ministry of Labour
Jan. 2001	Deputy Vice-Minister of Minister's Secretariat, Ministry of Health, Labour and Welfare
Aug. 2002	Director-General of Employment Security Bureau
Aug. 2003	Vice-Minister for policy coordination
Jul. 2004	Vice-Minister
Oct. 2007	President of Japan Organization for Employment of the Elderly and Persons with Disabilities
Apr. 2008	Visiting Professor of Hosei University Graduate School of Regional Policy Design
Jun. 2011	Chairman and Representative Director of Zaikei Jutaku kinyu Co., Ltd.
May 2014	Chairman of Nihon-Kango-Kasei-Shokai-Jigyo Association (present)
Mar. 2018	Outside Director of the Company (present)
May 2020	Chairman, President and Representative Director of Zaikei Jutaku kinyu Co., Ltd.
Jun. 2021	Chairman and Representative Director of Zaikei Jutaku kinyu Co., Ltd. (present)
Sep. 2021	Outside Director of Startline Co.,Ltd.

Important concurrent posts

Chairman and Representative Director of Zaikei Jutaku kinyu Co., Ltd
Chairman of Nihon-Kango-Kasei-Shokai-Jigyo Association

【Reasons for being selected as a candidate】

Mr. Toshikazu Togari has been served, over the years, a key position such as Vice-Minister of Ministry of Health, Labor and Welfare and has a wealth of experience and a sophisticated and wide-range of expertise in the field of employment and labor. He also engages in the management of the company and the university professor etc. The Company has selected him as a candidate for outside director upon determining that the Company's management may utilize his high-level expertise and wealth of experience gained from his career in the company management.

Candidate No.10

Atsushi Maekawa



Re-nominated

Candidate for Outside Director

Independent Director

Date of Birth: Jan. 14, 1951

Number of the Company's shares held:
3,600 shares

Brief personal record, position, business in charge and important concurrent posts

As of

Apr. 1976	Entered Mitsubishi Heavy Industries, Ltd.
Apr. 2007	Corporate Officer and Group Executive of Takasago Machinery Works
Jun. 2011	Representative Director and Managing Executive Officer Group Executive of General Machinery & Special Vehicle Business Headquarters and Group Executive of Sagamihara Machinery Works
Apr. 2013	Representative Director and Vice President, Corporate Officer Group Executive of General Machinery & Special Vehicle Business Headquarters
Apr. 2014	Representative Director and Vice President, Corporate Officer, CEO of Energy and Environment Domain, Chairman of Technology Research Association for Future Additive Manufacturing
Jun. 2016	President & CEO of Mitsubishi Heavy Industries Forklift, Engine&Turbocharger Holdings, Ltd.
Apr. 2020	Guest Professor of Osaka University(present)
May 2020	President of MAEK Lab Limited Liability Company(present)
Mar. 2021	Outside Director of the Company (present)
Apr. 2021	Specially Appointed Professor of Kyoto University (present)

Important concurrent posts

President of MAEK Lab Limited Liability Company
Guest Professor of Osaka University
Specially Appointed Professor of Kyoto University

【Reasons for being selected as a candidate】

Mr. Atsushi Maekawa has a wealth of experience in company management over many years and a wide range of advanced expertise as a university professor. We have nominated him as an Outside Director candidate in the expectation that he will provide us with valuable opinions and guidance.

<p>Candidate No.11</p> <p style="text-align: center;">Kazuyuki Sugimoto</p>  <p style="text-align: center;">Re-nominated</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Independent Director</p> <p>Date of Birth: Sep. 13, 1950 Number of the Company's shares held: 200 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Apr. 1974 Entered Ministry of Finance of Japan Apr. 2000 Secretary to the Prime Minister Jul. 2006 Deputy Vice-Minister of Ministry of Finance Jul. 2007 Chief of Accountant bureau of Ministry of Finance Jul. 2008 Administrative Vice-Minister of Ministry of Finance Apr. 2011 Chairman of Mizuho Research Institute Jun. 2011 Outside Director of ITOCHU Corporation Mar. 2013 Chairman of Fair-Trade Commission Sep. 2020 Adviser of Rating and Investment Information Inc.(present) Oct. 2020 Advisers (Attorneys) of TMI Associates Nov. 2020 Adviser of Mitsui Sumitomo Insurance Company, Limited (present) Mar. 2022 Adviser of Outside Director of the Company (present) Jun. 2022 Director of Kinzai Institute for Financial Affairs,Inc.</p> <p>Important concurrent posts</p> <p>Adviser (Attorney) of TMI Associates Adviser of Rating and Investment Information Inc. Adviser of Mitsui Sumitomo Insurance Company, Limited Director of Kinzai Institute for Financial Affairs,Inc.</p>
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【Reasons for being selected as a candidate】

Mr. Kazuyuki Sugimoto has held important posts such as Director-General of the Budget Bureau and Administrative Vice-Minister of the Ministry of Finance, and has a wealth of experience and a wide range of advanced expertise in the field of finance. And he has previously served as chairman of the Japan Fair Trade Commission and as an outside director of other companies, and is well versed in the realities of corporate management. In addition, he is currently a lawyer. We have nominated him as an outside director candidate because we would like him to make use of his extremely high level of expertise and experience in the management of our company.

<p>Candidate No.12</p> <p style="text-align: center;">Tomohiro Kondo</p>  <p style="text-align: center;">Re-nominated</p> <p style="text-align: center;">Candidate for Outside Director</p> <p style="text-align: center;">Independent Director</p> <p>Date of Birth: Jul. 9, 1964 Number of the Company's shares held: 0 shares</p>	<p>Brief personal record, position, business in charge and important concurrent posts</p> <p>As of</p> <p>Apr. 1987 Entered Ministry of International Trade and Industry Oct. 2007 Director of Global Environmental Affairs Office, Technology and Environment Policy Bureau, METI Japan Jul. 2010 Director of Aerospace and Defense Industry Division, Manufacturing Industries Bureau, METI Japan Jul. 2012 Director of Europe Division, Trade Policy Bureau, METI Japan Jul. 2013 Director of Environmental Strategy Division, Environmental Policy Bureau, MOE Japan Jan. 2015 Director of Policy Planning Division, Environmental Management Bureau, MOE Japan Aug. 2015 Director of Policy and Coordination Division, Minister's Secretariat, MOE Japan Jul. 2017 Councillor of Minister's Secretariat, MOE Japan Jul. 2019 Director-Genera of Global Environment Bureau, MOE Japan Jul. 2020 Vice-Minister for Global Environmental Affairs, MOE Japan Jul. 2021 Adviser to MOE Japan Nov. 2021 Adviser of the Dai-ichi Life Research Institute (present) Mar. 2022 Outside Director of the Company (present)</p> <p>Important concurrent posts</p> <p>Adviser of the Dai-ichi Life Research Institute</p>
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【Reasons for being selected as a candidate】

Mr. Tomohiro Kondo has held important positions at the Ministry of the Environment, including Vice-Minister for Global Environmental Affairs. In addition, at the Ministry of Economy, Trade and Industry, he has extensive experience and advanced and wide-ranging expertise in the fields of the environment, economics, and international trade, responding to the fields of aerospace and global environment. He is currently serving as an advisor to another company, and the company has made him a candidate for outside director in the hope that he will utilize his high level of expertise and experience in the management of the Company.

Special matters concerning candidates for the Directors

1. None of the candidates for the Directors has any special interest in the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as specified in the provision of Paragraph 1, Article 430-3 of the Corporation Law of Japan, whereby the Company's Directors serve as the insured parties. The insurance covers damages that could arise under situations where an insured party bears liability in regard to performance of his duties or where the insured party becomes subject to a claim seeking to hold him and her liable in that regard. Every Director candidate is to be insured under the directors' and officers' liability insurance contract should they be elected. The contract is to be renewed in September 2023.
3. Mr. Toshikazu Togari, Mr. Atsushi Maekawa, Mr. Kazuyuki Sugimoto and Mr. Tomohiro Kondo are candidates for Outside Directors defined by item 7 Paragraph 3, Article 2 of the Enforcement Regulations of the Corporation Law of Japan.
4. Although Mr. Kazuyuki Sugimoto and Mr. Tomohiro Kondo have no experience of being involved in the management of a company other than by serving as outside directors, etc., Mr. Kazuyuki Sugimoto has extensive experience in the field of finance and public administration, and Mr. Tomohiro Kondo has extensive expertise in the fields of global environment, economics and international trade, and we believe that they will be able to perform their duties as outside directors appropriately.
5. Mr. Toshikazu Togari's tenure as Outside Director will be five years at the conclusion of this General Meeting of Shareholders. Mr. Atsushi Maekawa's tenure as an Outside Director will be two years at the conclusion of this General Meeting of Shareholders. Mr. Kazuyuki Sugimoto and Mr. Tomohiro Kondo's tenure as Outside Director will be one year at the conclusion of this General Meeting of Shareholders.
6. The Company has entered into contracts with Mr. Toshikazu Togari, Mr. Atsushi Maekawa, Mr. Kazuyuki Sugimoto and Mr. Tomohiro Kondo limiting the amount of their damage compensation liabilities defined in Paragraph 1, Article 423 of the Corporation Law of Japan to the limit prescribed by laws and regulations. Should they be elected to the position of Director, the Company will continue the aforementioned contract with them.
7. The Company has notified Mr. Toshikazu Togari, Mr. Atsushi Maekawa, Mr. Kazuyuki Sugimoto and Mr. Tomohiro Kondo as independent directors to the Tokyo Stock Exchange in Japan on which the Company is listed as provided under the regulations of the stock Exchange.
Should they be elected to the position of Directors, the Company will continue to make them independent directors. The "Independence Criteria for Independent Outside Officers" stipulated by the Company are as follows.

【Reference】

Enactment of “Independence Standards for Independent Outside Directors/Audit and Supervisory Board Members” of Canon Electronics Inc.”

Canon Electronics Inc. hereby establishes the “Independence Standards for Independent Outside Directors/Audit and Supervisory Board Members” in order to clarify the standards for ensuring independence of Independent Outside Directors/Audit and Supervisory Board Members of Canon Electronics Inc.

Independence Standards for Independent Outside Directors/Audit and Supervisory Board Members

Canon Electronics Inc. deems that a person who satisfies the requirements for Outside Directors/Audit and Supervisory Board Members prescribed by the Companies Act of Japan, and meets the independence criteria set by Securities Exchanges in Japan, and does not fall into any of the items below, is an “Independent Outside Director/Audit and Supervisory Board Member” (a person who is independent from the management of Canon Electronics Inc. and unlikely to have conflicts of interest with general shareholders).

1. A person/organization for which Canon Electronics Group (Canon Electronics Inc. and its subsidiaries; hereinafter the same) is a major client, or a major client of Canon Electronics Group, or an executing person of such organization or client
2. A major lender to Canon Electronics Group, or an executing person of such lender
3. A large shareholder of Canon Electronics Inc., or an executing person of such shareholder
4. A person/organization receiving large amounts of contributions from Canon Electronics Group, or an executing person of such organization
5. A consultant, accounting professional or legal professional who has received a large amount of money or other properties from Canon Electronics Group, other than as compensation for being a director/Audit and Supervisory Board Member (if the recipient is a corporation, partnership or any other organization, this item applies to any person belonging to said organization.)
6. A certified public accountant belonging to the audit firm engaged to conduct the statutory audit of Canon Electronics Group (including any such accountant to whom this item has applied in the last 3 business years)
7. An executing person of another company in cases where an executing person of Canon Electronics Group is an outside director/audit and supervisory board member of such other company
8. An immediate family member (spouse and a relative within the second degree of kinship) of any of the persons listed in each of items 1 to 7; provided, however that the persons to whom this is applicable shall be limited to key executing persons such as directors, executive officers of companies and partners of advisory firms


Notes:

- * In item 1, “major” means in cases where the total amount (for any business year during the last 3 business years) of transactions between Canon Electronics Group and such client exceeds 1% of the consolidated sales of Canon Electronics Group or such client.
- * In item 2, “major” means in cases where the debt outstanding exceeds 1% of the consolidated total assets of Canon Electronics Inc. for any business year during the last 3 business years.
- * In item 3, “a large shareholder” means a shareholder who directly or indirectly holds 5% or more of the total voting rights of Canon Electronics Inc.
- * In item 4, “a large amount” means in cases where the total amount of contributions exceeds JPY 12 million (in cases where the recipient is an individual) or 1% of the annual gross income of such recipient (in cases where the recipient is an organization), for any business year during the last 3 business years of Canon Electronics Inc.
- * In items 1 to 4 and 7, an “executing person” means an executive director, advisory director, executive officer and employee including manager (in items 1 to 4, including a person to whom this item has applied in any business year during the last 3 business years).
- * In item 5, “a large amount” means in cases where the total amount of money or other properties received by said consultant, etc., exceeds JPY 12 million (in cases where the recipient is a person) or 1% of the annual gross sales of such consultant, etc. (in cases where the recipient is an organization).

Item No.3 Election of Two Auditors

The terms of office of Auditors, Mr. Shuji Iwamura and Mr. Seiho Nakata will expire at the end of this Meeting. Therefore, we propose the election of two auditors. The candidates for auditor are as follows.


Prior to our proposal of this item, we have already obtained the consent of the Audit & Supervisory Board.

Candidate No.1	Brief personal record, position and important concurrent posts
<p style="text-align: center;">Shuji Iwamura</p>  <p style="text-align: center; color: red; border: 1px solid red; display: inline-block; padding: 2px;">Re-nominated</p> <p style="text-align: center; color: green; border: 1px solid green; display: inline-block; padding: 2px;">Candidate for Outside Corporate Auditors</p> <p style="text-align: center; color: blue; border: 1px solid blue; display: inline-block; padding: 2px;">Independent Corporate Auditor</p> <p>Date of Birth: Sep. 16, 1949</p> <p>Number of the Company's shares held: 3,400 shares</p>	<p>As of</p> <p>Apr. 1976 Appointed as Public Prosecutor</p> <p>Oct. 2002 Head of special investigation task force of Tokyo District Public Prosecutors Office</p> <p>Jun. 2010 Superintending Prosecutor of Sendai High Public Prosecutors Office</p> <p>Aug. 2011 Superintending Prosecutor of Nagoya High Public Prosecutors Office</p> <p>Oct. 2012 Registered as an attorney (present) Special Adviser at Nagashima Ohno & Tsunematsu</p> <p>May 2013 Outside Auditor of FamilyMart Co., Ltd.</p> <p>Jun. 2013 Outside Corporate Auditor of Riken Corporation</p> <p>Mar. 2015 Outside Auditor of the Company (present)</p> <p>Jun. 2015 Outside Auditor of The Hokkaido Bank, Ltd. (present)</p> <p>Oct. 2017 Governor and Auditor of Government Pension Investment Fund</p> <p>Jun. 2018 Outside Director of Hayashikane Sangyo Co., Ltd. (present)</p> <p>Jun. 2019 Outside Director, Audit and Supervisory Committee Member of Riken Corporation (present)</p> <p>Jan. 2020 Attorney at Tokyo Flex Law Office</p> <p>Apr. 2021 Attorney at T&K Partners (present)</p> <hr/> <p>Important concurrent posts</p> <p>Attorney at T&K Partners</p> <p>Outside Corporate Auditor of Riken Corporation (Audit and Supervisory Committee Member)</p> <p>Outside Auditor of The Hokkaido Bank, Ltd.</p> <p>Outside Director of Hayashikane Sangyo Co., Ltd.</p>

【Reasons for being selected as a candidate】

The company has select Mr. Shuji Iwamura as a candidate for Outside Auditor so that the Company's management may utilize his high-level expertise and experience gained from his distinguished career as Superintending Prosecutor of High Public Prosecutors Offices (in Sendai and Nagoya) and later as an attorney in corporate legal affairs, as well as serving as an Outside Director and an Outside Auditor for other companies.

Although Mr. Shuji Iwamura do not have the experience of being involved in the management of a company other than in a position of an outside director or outside auditor, the Company judges that he will appropriately perform his duties as Outside Auditor as outlined above.

<p>Candidate No.2</p> <p style="text-align: center;">Seiho Nakata</p>  <p style="text-align: center; color: red; font-weight: bold;">Re-nominated</p> <p style="text-align: center; color: green; font-weight: bold;">Candidate for Outside Corporate Auditors</p> <p style="text-align: center; color: blue; font-weight: bold;">Independent Corporate Auditors</p> <p>Date of Birth: Feb. 4, 1962</p> <p>Number of the Company's shares held: 1,200 shares</p>	<p>Brief personal record, position and important concurrent posts</p> <p>As of</p> <p>Oct. 1985 Entered Aoyama audit corporation</p> <p>May 1990 Registered as Certified Public Accountant (present)</p> <p>May 1997 Vice President and Director of Diva Corporation</p> <p>Jul. 2005 President and Representative Director of Knowledge Network. Ltd (present)</p> <p>Mar. 2015 Outside Auditor of the Company (present)</p> <p>Jan. 2017 Part-time Auditor of Chuo Senden Kikaku Co., Ltd.</p> <p>Jun. 2017 Outside Auditor of Advanex Inc.</p> <hr/> <p>Important concurrent posts</p> <p>President and Representative Director of Knowledge Network. Ltd</p>
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【Reasons for being selected as a candidate】

In addition to his experience in corporate management, Mr. Seiho Nakata has been involved in the practice of corporate accounting for many years as a certified public accountant, and has a wealth of experience and a wide range of advanced expertise in corporate accounting. We have nominated him as a candidate for Outside Audit & Supervisory Board Member with the expectation that he will utilize his high level of expertise and experience in the Company's management.

Special matters concerning candidates for the Audit & Supervisory Board Member

1. None of the candidates have any special interest in the Company.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as specified in the provision of Paragraph 1, Article 430-3 of the Corporation Law of Japan, whereby the Company's Audit & Supervisory Board Members and Auditors serve as the insured parties. The insurance covers damages that could arise under situations where an insured party bears liability in regard to performance of his or her duties or where the insured party becomes subject to a claim seeking to hold him or her liable in that regard. Should each candidate be elected to the position of Auditors, each person is to be insured under the directors and officers liability insurance contract. The contract is to be renewed in September 2023.
3. Mr. Shuji Iwamura and Mr. Seiho Nakata are candidates for Outside Auditor defined by Item 8, Paragraph 3, Article 2 of the Enforcement Regulations of the Corporation Law of Japan.
4. Mr. Shuji Iwamura and Mr. Seiho Nakata will have served as Outside Auditor of the Company for eight years as of the end of this Meeting.
5. The Company has entered into a contract with Mr. Shuji Iwamura and Mr. Seiho Nakata limiting the amount of their damage compensation liabilities defined in Paragraph 1, Article 423 of the Corporation Law of Japan to the limit prescribed by laws and regulations. Should they be elected to the position of Auditor, the Company will continue the aforementioned contract with them.
6. The Company has notified Mr. Shuji Iwamura and Mr. Seiho Nakata as independent auditors to the Tokyo Stock Exchange in Japan on which the Company is listed as provided under the regulations of the stock Exchange. Should they be elected to the position of Auditors, the Company will continue to make them independent auditors. The "Independence Criteria for Independent Outside Officers" stipulated by the Company are as page 16.

【Reference】

Major expertise and experience of Directors and Corporate Auditors (expected) following the Convocation of the Ordinary General Meeting of Shareholders

Name	attribute	corporate management	Manufacturing, technology, research and development	Marketing Sales	Finance	IT Digital	Human Resources Labor Human Resource Development	Legal, Risk Management	ESG Sustainability	Global management
Directors										
Mr.Hisashi Sakamaki		●	●			●	●		●	●
Mr.Takeshi Hashimoto		●	●	●	●	●	●	●	●	●
Mr.Zhou Yaomin		●	●						●	●
Mr.Takeshi Uchiyama		●		●		●	●			
Mr.Hiroyuki Okita					●			●	●	
Mr.Akira Katsuyama				●		●				●
Mr.Taku Kamura			●			●			●	
Mr.Nobutaka Sako			●			●				●
Mr.Toshikazu Togari	Outside Independent	●			●		●		●	
Mr.Atsushi Maekawa	Outside Independent	●	●	●			●		●	●
Mr.Kazuyuki Sugimoto	Outside Independent	●			●		●	●	●	
Mr.Tomohiro Kondo	Outside Independent				●		●	●	●	●
Corporate Auditors										
Mr.Junichiro Hayashi			●					●	●	
Mr.Junichi Takaashi			●					●	●	
Mr.Shuji Iwamura	Outside Independent						●	●	●	
Mr.Seiho Nakata	Outside Independent	●		●	●	●		●	●	

* The above list does not represent all knowledge and experience of each person.

* The above list also includes incumbent auditors who are not candidates for auditors.

Item No.4 Grant of Bonus to Directors

It is proposed that bonus be granted to the seven Directors excluding Outside Directors as of the end of this term, in appreciation of their services during this business term, which totals 84,700,000 yen considering the business results for this business term and the members to be granted, etc.. The amount to be paid to each director shall be entrusted to the Board of Directors. This proposal was decided by the Board of Directors after deliberation by the Nomination and Compensation Committee, while comprehensively taking into consideration the company's business performance and the business performance of each director's department.