

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

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## Notice Regarding Remediation of Material Weaknesses in Internal Control over Financial Reporting

Canon Inc. (the “Company”) confirms the effectiveness of internal control over financial reporting as of the end of the fiscal year ended December 2021.

As described in Canon’s previous Annual Report on Form 20-F, Canon’s management concluded that Canon’s internal control over financial reporting was not effective as of December 31, 2020 due to identified deficiencies in the risk assessment and control activities principles associated with the COSO framework, which, either individually or in the aggregate, constituted material weaknesses relating to (i) identifying and analyzing significant changes that could impact the system of internal control and control activities, and (ii) integrating control activities to ensure that responses to risks are performed in a timely manner. Factors contributing to the material weaknesses described above included the failure to generate or maintain sufficient evidence supporting Canon’s consideration of the significant changes and the impact on its internal controls over financial reporting.

During the year ended December 31, 2021, management implemented measures to remediate the identified deficiencies, including generation and maintenance of sufficient evidence to support Canon’s consideration of significant changes and the impact of such changes on its system of internal control and control activities. The following remediation steps were completed:

- Improved open and timely communications within the organization with established policies and procedures, in writing, to facilitate and maintain the identification of significant changes that could impact Canon’s system of internal control and control activities
- Strengthened controls and documentation around management’s review of accounting positions and treatment
- Implemented controls and documentation around management’s review of the basis applied for transactions to be considered material to the financial statements in a timely manner.

As a result of these efforts, Canon’s management concluded that the material weaknesses had been remediated as of December 31, 2021.