

Establishment of “Independence Standards for Independent Directors/Audit and Supervisory Board Members” of Canon Marketing Japan Inc.

Canon Marketing Japan Inc. hereby establishes the “Independence Standards for Independent Directors/Audit and Supervisory Board Members” resolved by the board of directors with the consent of all Audit and Supervisory Board Members, in order to clarify the standards for ensuring independence of Independent Directors/Audit and Supervisory Board Members of Canon Marketing Japan Inc., taking into consideration Japan’s Corporate Governance Code (Principle 4.9) and the independence criteria set by securities exchanges in Japan.

Independence Standards for
Independent Directors/Audit and Supervisory Board Members

Canon Marketing Japan Inc. deems that a person who satisfies the requirements for Outside Directors/Audit and Supervisory Board Members prescribed by the Corporation Law 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 Director/Audit and Supervisory Board Member” (a person who is independent from the management of Canon Marketing Japan Inc. and unlikely to have conflicts of interest with general shareholders).

1. A person/organization for which Canon Marketing Japan Group (Canon Marketing Japan Inc. and its subsidiaries; hereinafter the same) is a major client, or a major client of Canon Marketing Japan Group, or an executing person of such organization or client
2. A large shareholder of Canon Marketing Japan Inc., or an executing person of such shareholder
3. A person/organization receiving large amounts of contributions from Canon Marketing Japan Group, or an executing person of such organization
4. A consultant, accounting professional or legal professional who has received a large amount of money or other properties from Canon Marketing Japan 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.)
5. A certified public accountant belonging to the audit firm engaged to conduct the statutory audit of Canon Marketing Japan Group (including any such accountant to whom this item has applied in the last 3 business years)
6. An executing person of another company in cases where an executing person of Canon Marketing Japan Inc. is an outside director/Audit and Supervisory Board Member of such other company
7. 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 6; 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 Marketing Japan Group and such client exceeds 1% of the consolidated sales of Canon Marketing Japan Group or such client.
- In item 2, “a large shareholder” means a shareholder who directly or indirectly holds 5% or more of the total voting rights of Canon Marketing Japan Inc.
- In item 3, “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 Marketing Japan Inc.
- In items 1 to 3 and 6, an “executing person” means an executive director, executive officer and employee including manager (in items 1 to 3, including a person to whom this item has applied in any business year during the last 3 business years).
- In item 4, “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).