



With Our Customers



PIXMA MG6100-series multifunction inkjet printer incorporating universal design

Canon's Online Photo Services—A Rich Resource for Our Customers

CANON IMAGE GATEWAY is an exclusive online photography resource and service that we offer in 19 countries, including Japan, the United States, the United Kingdom and Germany, so our customers can get the most out of their photography experiences. It provides access to a variety of services, such as Online Photo Albums, which allow users to share photos with their friends on the Web, and the Print Project for creating greeting cards and calendars that include user photos.

We also started the PHOTOPRESSO online photo service in Japan. This service offers users the “publishing experience,” from creation through release, printing and distribution of photo books. We plan to offer this service outside Japan as well.



CANON IMAGE GATEWAY site screen (the United Kingdom)

Companywide Universal Design Project

Universal design is the attempt to create designs that can be used by all, irrespective of age, gender, nationality, or physical ability. Canon is adopting the concept of universal design, which is consistent with our policy of “making user-friendly products.”

We launched our Companywide Universal Design Project in 2009 with the goal of further encouraging such efforts and presenting Canon’s universal design approach to customers. We drew up a universal design policy, and proposed ideas for its incorporation in our product designs to each of our product development divisions.

We continued our efforts in 2010 by distributing a pamphlet outlining a variety of users’ physical characteristics and usage issues to our development divisions, so as to increase universal design awareness. We also distributed pamphlets describing Canon’s universal design efforts to customers at product exhibitions.

We will continue to work to develop products that all of our customers can use with ease, as well as to generate new product value with the aim of increasing the satisfaction of a broader range of users.

imageRUNNER ADVANCE series office network MFDs



Large, bright LCD touch panel allows users to customize the display menu and can be adjusted to the desired angle



Voice-recognition control supports basic operations

PIXMA series inkjet printers



Operational panel GUI (Graphical User Interface) with improved visibility



LED blinks when ink is running out



With Our Shareholders and Investors



Management policy briefing for institutional investors

Dividend Raised to Reflect Improved Financial Condition

Canon Inc.'s basic policy is to provide stable returns and actively return profits to shareholders, mainly in the form of a dividend.

In fiscal 2010, against a backdrop of economic recovery, we achieved our target of significant profit expansion. We also succeeded in expanding cash on hand through thorough cash flow management. Taking the above into account, we raised our dividend by ¥10 to ¥120 per share for the full year.

Renewed Investor Relations Website, Enhancing Content for Individual Investors

In addition to holding IR events and responding to investor inquiries, we recognize the need to provide appropriate information disclosure through active use of our website to enable shareholders and investors to better understand such issues as our management policy and strategy.

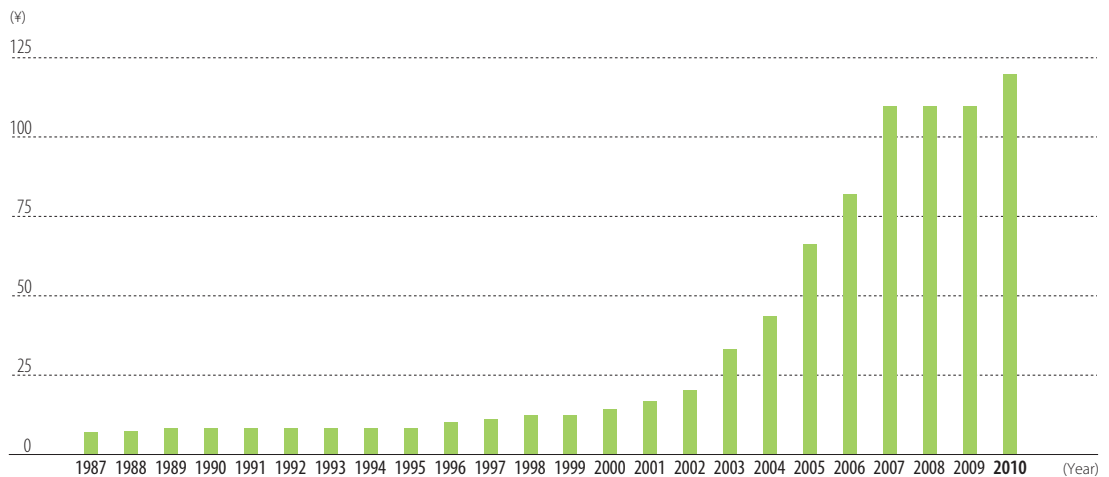
We conducted a comprehensive renewal of our investor relations website in 2010, taking the perspective of our shareholders and investors in seeking to make the information on the site more reliable and easier to understand.

The renewal concentrated on organizing information and improving navigation to make it easier for investors to access the information they care about, such as management policy and investor briefings. We also enhanced the content for a better understanding of our company and also to respond to the questions of individual investors.



Investor relations website

Annual Per-Share Dividend Trend



For shareholders of record at the close of business on June 30, 2006, Canon made a 3-for-2 stock split of common shares. Annual per-share dividend amounts are calculated and presented on a post stock split basis.



With Our Suppliers



We create strong cooperative relationships with suppliers through meaningful dialogue

Asking Suppliers to Fulfill Their Social Responsibilities

Canon strives to ensure that suppliers understand our procurement standards to be certain that social responsibilities are not only being fulfilled by Canon itself, but also throughout the supply chain. As part of this effort, we posted Requests for Suppliers on our website in November 2009. This is a list of items concerning our suppliers' responsibilities in regard to the environment, human rights, labor, compliance, and other matters.

We also held briefings for suppliers around the world in 2010 to explain what these requests entail.

Request for Suppliers

1. Comply with all applicable laws and regulations. (human rights, labor, safety and health, and so on)
2. Contribute to the growth of society as a "good corporate citizen".
3. Promote fair, honest and highly transparent business, along with the implementation of corporate ethics by prohibiting the activity against corporate social responsibility such as abuse of dominant position and eliminating antisocial forces.
4. Construct the production system considering environmental conservation by observing Canon Green Procurement Standards and promoting the activity to reduce CO₂ emissions, and so on.
5. Secure the personal and customer information, and strictly manage the information obtained through business.
6. Promote persistent improvement in order to maintain strong financial standing for continuous business and high level in quality, cost, delivery and technical aspects.

We will continue to strengthen our relationships with suppliers to conduct business across the entire supply chain in a way that meets the expectations and gains the trust of society.

Disclosure Regarding Conflict Minerals

The term conflict minerals refers to minerals such as tantalum, tin, gold and tungsten originating in the Democratic Republic of the Congo and adjoining countries in Africa that are alleged to be closely linked to conflict involving human rights violations in the eastern Democratic Republic of the Congo.

In the United States, on July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act, a statute targeting financial reform, was enacted, and a provision relating to the disclosure of conflict minerals was included

in the Act, requiring publicly listed companies in the United States to report and make public in the near future the use of so-called "conflict minerals" in their products.

Canon has begun investigations into whether or not the raw materials the company purchases for use in its products include conflict minerals. Additionally, the company will strive to act in accordance with the Dodd-Frank Act and related disclosure rules to be established by the U.S. Securities and Exchange Commission.



With Our Employees



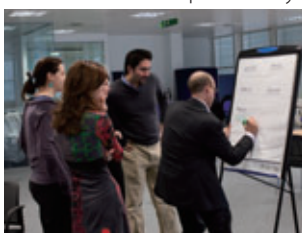
Intercultural training seminar underway at Canon Europe

Intercultural Training Seminars at Operational Sites in Europe

Canon maintains manufacturing sites and business offices throughout the world, and we therefore work hard to create workplace environments and a corporate culture in which diversity is respected, so that our employees, who are of a variety of nationalities as well as ethnic, linguistic and cultural backgrounds, can respect the individuality of their colleagues.

Canon Europe, which manages sites in a number of countries and regions, has been holding Cross Cultural Awareness Workshops to provide opportunities for learning to work effectively in a multicultural setting. The participants use tools of analysis to examine and discuss cultural issues, and try to find ways to solve the issues that arise in a multicultural environment.

These workshops were held 14 times in 2010 at four sites in the United Kingdom, the Netherlands, Germany, and Austria, with a total of around 280 participants. This represents a broad increase over the previous year in regard to the



Participants learning about the cultures of other regions

number of sites and participants, and awareness about cultural exchanges has improved. We plan to continue holding these workshops.

Seminars for Managers in China and Vietnam

Since 1980, Canon has invited management-level employees from Group companies around the world to the Tokyo Seminar. In addition to deepening their understanding of Canon, the seminar aims to enhance participants' awareness of their roles as Canon Group members and raise their level of management from a Group perspective.

Against a backdrop of rapid expansion of business in China, we launched a China version of the Canon Tokyo Seminar in 2009, bringing to Japan assistant directors and senior managers from Group companies in China. Although regular Tokyo Seminars are held in English, this event was conducted in Chinese. We held these seminars again in 2010, this time hosting 20 participants. The topics of study included Canon's corporate ethics and business strategy, as well as intercultural relations.

We also held a Vietnam version of the Tokyo Seminar in 2010 to train managers from Canon Vietnam Co., Ltd., one of our main production sites. Twelve employees participated in the event.

We plan to continue conducting such seminars in future.



Tokyo Seminar: China Version



With Other Stakeholders



Three high-definition facsimiles from the Tsuzuri Project on display at the Shanghai Expo

Contributing to Local Communities

We Partner with the Red Cross to Support and Assist Their Programs for Young People

Canon Europe has provided support to the Red Cross in Europe for many years through such activities as charity event sponsorship. Since confirming a partnership contract with the Red Cross in 2006, Canon Europe has broadened its support by actively cooperating with their support and education projects for young people.

In 2010, Canon supported programs such as the HIV/AIDS Campaign (Spanish Red Cross) and the Positive Images education program for young people victimized by poverty or immigrant prejudice (British Red Cross).



Spanish Red Cross HIV/AIDS Campaign

Cooperative Efforts with NGOs and NPOs

Continuing the Tsuzuri Project for Passing Down Japan's Cultural Artifacts

Canon has since 2007 partnered with the Kyoto Culture Association (NPO) on the "Tsuzuri Project" as a social contribution activity, seeking to preserve original cultural heritage while making use of high-resolution facsimiles of cultural artifacts. This project fuses Canon's latest digital technologies with traditional craftsmanship from Kyoto by creating high-resolution facsimiles

nearly identical in appearance to the original artifacts. Canon displayed three high-resolution facsimiles at the Japan Pavilion Expo 2010 Shanghai China, including *The Wind and Thunder Gods* (National Treasure) folding screen.

Cooperative Efforts with Universities and Research Institutes

Working with Universities and Research Institutes: DNA Diagnostic System Development

Canon has been developing a DNA diagnostic system in the United States that can contribute to the diagnosis of inherited diseases, as well as the analysis of drug side effects and efficacy.

Feasibility and usability study is performed with academia from 2010, and a prototype was installed at the University of Utah in the United States in November. Increasing the locations in 2012 for performance evaluation and expanding joint development of applications, we aim for commercialization in 2013.

Cooperative Efforts with National and Local Governments

Offering Postcard and Stamp Sheet Printing Services at the Shanghai Expo in Cooperation with China Post

Canon provided support for the customized postcard and stamp sheet printing services for Expo visitors offered by China Post at Expo 2010 Shanghai China. Visitors were able to create original postcards or stamp sheets displaying a photograph they had taken by themselves. The souvenir cards were printed out using Canon digital production printers.



Canon digital production printer in use at China Post Shanghai