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July 23, 2025

Summary Report of Consolidated Financial Results for the second (interim) quarter ended June 30, 2025

Registered company name: **Canon Marketing Japan Inc.**
Stock listing: Tokyo Stock Exchange, Prime Market
Securities code: 8060
URL: <https://corporate.jp.canon/en/ir>
Representative director: Masachika Adachi, President
Inquiries: Akihiro Shirone, General Manager, Accounting Div.
Dividend payable date (as planned): August 25, 2025
U.S. Accounting Standards Applied: No

1.Consolidated financial results for the six months ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

(1) Consolidated Results of Operations (Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the same period last year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	333,849	4.7	27,325	5.0	28,047	3.9	18,864	(6.4)
June 30, 2024	318,903	5.3	26,033	(3.9)	26,990	(3.1)	20,147	8.0

[Note] Comprehensive Income: For the six months ended June, 30 2025 : 18,966 million yen [(7.4%)]

For the six months ended June, 30 2024 : 20,483 million yen [1.6%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2025	173.21	173.15
June 30, 2024	155.36	155.32

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

	Total assets	Equity	Equity-to-asset ratio	Shareholders' equity per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2025	530,151	393,949	74.1	3,608.56
December 31, 2024	524,591	383,701	73.0	3,514.60

[Reference] Shareholders' equity: As of June 30, 2025 : 393,006 million yen

As of December 31, 2024 : 382,766 million yen

2.Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
For the year ended December 31, 2024	-	60.00	-	80.00	140.00
For the year ending December 31, 2025	-	70.00			
For the year ending December 31, 2025 (forecast)			-	80.00	150.00

[Note] Revision of cash dividends forecast for this period : Yes

3.Consolidated financial forecast for the fiscal year ending December 31, 2025

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	680,000	4.0	57,000	7.3	58,000	6.6	39,500	0.5	362.69

[Note] Revision of forecast for this period : Yes

*Others

(1) Significant changes in the scope of consolidation during the period	None
(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements :	Yes
(3) Changes in accounting policies, changes in accounting estimates, and restatement	
(i) Changes in accounting policies due to revisions to accounting standards and other regulations	Yes
(ii) Changes in accounting policies due to other reasons	None
(iii) Changes in accounting estimates	None
(iv) Restatement	None
(4) Number of issued and outstanding shares (common stock)	
(i) Number of issued and outstanding shares as of end of period (including treasury stock)	
As of June 30, 2025 :	111,079,972
As of December 31, 2024 :	111,079,972
(ii) Number of treasury stock as of end of period	
As of June 30, 2025 :	2,170,223
As of December 31, 2024 :	2,172,516
(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)	
Six months ended June 30, 2025 :	108,908,601
Six months ended June 30, 2024 :	129,679,413

*Semi-annual financial results reports are exempt from review conducted by certified public accountants or an independent auditor .

Disclaimer :

Earnings forecasts are based on information available at the time of announcement of these materials, and the Company cannot guarantee that they will be realized. Also, actual results may differ from the estimated figures given due to various factors.

Consolidated Semi-annual Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	109,226	174,673
Notes, accounts receivable-trade and contract assets	119,016	104,904
Certificates of deposit due within three months	1,500	500
Merchandise and service parts	41,423	39,828
Work in process	444	829
Supplies	459	485
Short-term loans receivable	50,010	-
Other current assets	10,132	13,883
Allowance for doubtful receivables	(28)	(25)
Total current assets	332,185	335,080
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,801	44,335
Machinery and vehicles, net	58	54
Furniture and fixtures, net	4,411	4,448
Rental assets, net	6,980	6,630
Land	28,359	28,166
Lease assets, net	1	1
Construction in progress	2,488	2,500
Total property, plant and equipment	88,101	86,138
Intangible assets		
Software	7,709	10,066
Goodwill	22,637	21,705
Customer-related intangible assets	18,384	17,591
Facility utilization rights	300	300
Other intangible assets	1	1
Total intangible assets	49,033	49,665
Investments and other assets		
Investments in securities	17,771	20,596
Prepaid pension and severance costs	29,842	31,198
Deferred tax assets	478	474
Lease deposits	3,003	2,726
Other investments and other assets	4,374	4,469
Allowance for doubtful receivables	(199)	(197)
Total investments and other assets	55,271	59,267
Total non-current assets	192,406	195,071
Total assets	524,591	530,151

Consolidated Semi-annual Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	50,124	47,553
Short-term bank loans	1,100	1,100
Current portion of long-term loans	209	209
Current portion of long-term lease obligations	160	93
Accrued expenses	17,029	14,986
Accrued income taxes	12,126	10,653
Consumption taxes payable	6,914	4,623
Accrued bonuses	3,816	4,506
Accrued directors' bonuses	128	46
Accrued product warranties	224	221
Accrued loss on contracts	64	65
Other current liabilities	31,640	34,568
Total current liabilities	123,539	118,628
Long-term liabilities		
Long-term loans	1,699	1,590
Long-term lease obligations	335	332
Allowance for long-term continuous service rewards	796	831
Accrued pension and severance costs	7,409	7,410
Deferred tax liabilities	4,699	4,984
Other long-term liabilities	2,410	2,423
Total long-term liabilities	17,350	17,574
Total liabilities	140,889	136,202
Equity		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,710	82,710
Retained earnings	200,928	211,077
Treasury stock	(9,303)	(9,294)
Total shareholders' equity	347,637	357,796
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	6,954	8,767
Deferred gain (loss) on derivatives under hedge accounting	86	(49)
Foreign currency translation adjustments	508	361
Defined retirement benefit plans	27,578	26,131
Total accumulated other comprehensive income (loss)	35,128	35,210
Stock acquisition rights	86	95
Non-controlling interests	849	846
Total equity	383,701	393,949
Total liabilities and equity	524,591	530,151

Consolidated Semi-annual Statements of Income

(Amounts less than one million yen are truncated)

	Six months of FY2024 (from January 1, 2024 to June 30, 2024)	Six months of FY2025 (from January 1, 2025 to June 30, 2025)
Net sales	318,903	333,849
Cost of sales	215,476	227,906
Gross profit	103,426	105,942
Selling, general and administrative expenses	77,392	78,616
Operating income	26,033	27,325
Non-operating income		
Interest income	203	212
Dividend income	165	190
Insurance income	449	463
Foreign exchange gains	152	-
Gain on investments in partnership	37	-
Other, net	148	211
Total non-operating income	1,157	1,077
Non-operating expenses		
Interest expense	10	32
Investment partnership management expenses	86	101
Foreign exchange losses	-	70
Loss on investments in partnership	-	16
Other, net	104	134
Total non-operating expenses	200	355
Ordinary income	26,990	28,047
Extraordinary income		
Gain on sales of long-lived assets	1	0
Gain on sales of investments in securities	-	442
Gain on sales of shares of subsidiaries and associates	2,902	-
Other, net	9	-
Total extraordinary income	2,912	442
Extraordinary losses		
Loss on sales and disposal of long-lived assets	96	46
Impairment loss	-	494
Loss on sales of investments in securities	-	2
Other, net	0	4
Total extraordinary losses	96	548
Net income before income taxes	29,806	27,941
Income taxes	9,609	9,036
Net income	20,196	18,905
Net income attributable to non-controlling interests	49	41
Net income attributable to owners of the parent	20,147	18,864

Consolidated Semi-annual Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Six months of FY2024 (from January 1, 2024 to June 30, 2024)	Six months of FY2025 (from January 1, 2025 to June 30, 2025)
Net income	20,196	18,905
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(215)	1,814
Deferred gain (loss) on derivatives under hedge accounting	19	(135)
Foreign currency translation adjustments	244	(170)
Defined retirement benefit plans	238	(1,447)
Total other comprehensive income	286	60
Comprehensive income	20,483	18,966
Comprehensive income attributable to		
Owners of the parent	20,401	18,946
Non-controlling interests	82	19

Consolidated Semi-annual Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Six months of FY2024 (from January 1, 2024 to June 30, 2024)	Six months of FY2025 (from January 1, 2025 to June 30, 2025)
Cash flows from operating activities		
Net income before income taxes	29,806	27,941
Depreciation and amortization	5,002	5,771
Impairment loss	-	494
Amortization of goodwill	610	931
Amortization of customer-related intangibles assets	476	792
Increase (decrease) in allowance for doubtful receivables	(19)	(4)
Increase (decrease) in accrued pension and severance costs	(2,467)	51
Decrease (increase) in prepaid pension and severance costs	803	(3,044)
Increase (decrease) in accrued bonuses	1,042	690
Interest and dividend income	(369)	(402)
Interest expense	10	32
Loss (gain) on sales and disposal of property, plant and equipment, net	82	39
Loss (gain) on sales of investments in securities	-	(439)
Loss (gain) on sales of shares of subsidiaries and associates	(2,902)	-
Loss (gain) on investments in partnership	48	16
Investment partnership management expenses	-	101
Decrease (increase) in notes and accounts receivable	7,788	13,925
Decrease (increase) in inventories	3,969	1,185
Increase (decrease) in notes and accounts payable-trade	(1,219)	(2,547)
Other, net	(4,267)	(3,498)
Subtotal	38,395	42,035
Interest and dividends received	372	395
Interest paid	(9)	(30)
Income taxes paid	(6,999)	(10,931)
Net cash provided by operating activities	31,759	31,469
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(4,202)	(4,642)
Proceeds from sales of property, plant and equipment	3	0
Payments for purchases of intangible assets	(1,430)	(3,307)
Payments for purchases of investments in securities	(420)	(835)
Proceeds from sales of investments in securities	-	1,020
Payments for purchases of shares of subsidiaries	(32,667)	-
Proceeds from sales of shares of a subsidiary	3,257	-
Decrease in short-term loans receivable, net	40,000	50,010
Other, net	(366)	(214)
Net cash provided by investing activities	4,173	42,029
Cash flows from financing activities		
Repayments of finance lease obligations	(1)	(0)
Repayments of long-term loans	(36)	(108)
Payments for purchases of treasury stock	(4)	(2)
Dividends paid	(9,075)	(8,709)
Dividends paid to non-controlling interests	(25)	(26)
Proceeds from share issuance to non-controlling interests	5	5
Other, net	0	(0)
Net cash used in financing activities	(9,137)	(8,843)
Effect of exchange rate changes on cash and cash equivalents	331	(207)
Net increase (decrease) in cash and cash equivalents	27,126	64,447
Cash and cash equivalents as of beginning of period	89,690	110,726
Cash and cash equivalents as of end of period	116,817	175,173

Consolidated Semi-annual Segment Information

I. For the six months of FY2024 (from January 1, 2024 to June 30, 2024)

Information on net sales and income (loss) by reportable segment (Amounts less than one million yen are truncated)

	Reportable segment				Other	Total	Adjustments	Consolidated
	Consumers	Enterprise	Area	Professional				
Net sales								
External customers	64,095	117,252	111,249	24,249	2,055	318,903	-	318,903
Intersegment	10	4,552	5,640	632	3,972	14,807	(14,807)	-
Total	64,105	121,805	116,889	24,882	6,027	333,710	(14,807)	318,903
Segment income (loss)	5,261	9,338	9,743	3,185	(1,547)	25,980	53	26,033

[Note]

1. “Other” is a business segment that is not included in the reportable segments of the Company and includes the shared service business.
2. Adjustments of segment income (loss) eliminates intersegment transactions.
3. Total segment income (loss) after adjustments for reportable and other business segments equals operating income in the consolidated semi-annual statements of income.

II. For the six months of FY2025 (from January 1, 2025 to June 30, 2025)

Information on net sales and income (loss) by reportable segment (Amounts less than one million yen are truncated)

	Reportable segment				Other	Total	Adjustments	Consolidated
	Consumers	Enterprise	Area	Professional				
Net sales								
External customers	65,719	126,601	113,971	25,394	2,163	333,849	-	333,849
Intersegment	7	6,926	5,475	659	3,927	16,996	(16,996)	-
Total	65,727	133,527	119,446	26,054	6,090	350,846	(16,996)	333,849
Segment income (loss)	4,993	9,715	11,343	2,873	(1,697)	27,228	97	27,325

[Note]

1. “Other” is a business segment that is not included in the reportable segments of the Company and includes the shared service business.
2. Adjustments of segment income (loss) eliminates intersegment transactions.
3. Total segment income (loss) after adjustments for reportable and other business segments equals operating income in the consolidated semi-annual statements of income.

(Changes in Reporting Segments)

Starting from the second (interim) quarter of the consolidated year, some of the system development and operation organizations in the Enterprise segment have been transferred to Other.

In addition, Primagest, Inc. and its three subsidiaries, which were previously included in Other, have been transferred to the Enterprise segment. The segment information for the second (interim) quarter of the previous year has been recalculated accordingly.