

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.

April 28, 2025

Company name: Canon Marketing Japan Inc.
Name of representative: Masachika Adachi, President
(Securities code: 8060; Prime Market)
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General Manager, Accounting Div.
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**Summary Report of Consolidated Financial Results
for the first quarter ended March 31, 2025
(Reviewed by independent auditor)**

Canon Marketing Japan Inc. released its “Summary Report of Consolidated Financial Results for the first quarter ended March 31, 2025” on April 23, 2025. This serves as notice that the quarterly consolidated financial statements were reviewed by independent auditor. No changes have been made to the quarterly consolidated financial statements announced on April 23, 2025.

In addition, the independent auditors’ review report attached to the Japanese original, which is the subject of this translation, is not included in the scope of this translation.

Summary Report of Consolidated Financial Results for the first quarter ended March 31, 2025

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

1.Consolidated financial results for the three months ended March 31, 2025 (From January 1, 2025 to March 31, 2025)

(1) Consolidated Results of Operations (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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	167,316	6.4	13,169	(4.6)	13,203	(5.5)	8,809	(7.5)
March 31, 2024	157,226	1.6	13,808	(9.7)	13,968	(9.4)	9,523	(8.9)

[Note] Comprehensive Income: For the three months ended March, 31 2025 : 7,439 million yen [(24.7%)]

For the three months ended March, 31 2024 : 9,879 million yen [(7.9%)]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2025	80.89	80.86
March 31, 2024	73.44	73.42

(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
March 31, 2025	520,763	382,409	73.3	3,502.82
December 31, 2024	524,591	383,701	73.0	3,514.60

[Reference] Shareholders' equity: As of March 31, 2025 : 381,483 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	-				
For the year ending December 31, 2025 (forecast)		-	-	-	150.00

[Note] Revision of cash dividends forecast for this period : None

[Note] The interim dividend for the fiscal year ending December 31, 2025, remains undecided because financial results forecasts have yet to be made for the first six months of the fiscal year ending December 31, 2025. The year-end dividend for the fiscal year ending December 31, 2025, will be an amount calculated by subtracting the interim dividend from the full-year dividend.

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	56,000	5.4	57,000	4.8	39,500	0.5	362.69

[Note] Revision of forecast for this period : None

*Others

(1) Significant changes in the scope of consolidation during the period	None
(2) Adoption of accounting treatment specific to the preparation of quarterly 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 March 31, 2025 :	111,079,972
As of December 31, 2024 :	111,079,972
(ii) Number of treasury stock as of end of period	
As of March 31, 2025 :	2,172,671
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)	
Three months ended March 31, 2025 :	108,907,353
Three months ended March 31, 2024 :	129,677,969

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an independent auditor : Yes (voluntary)

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 Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	109,226	163,433
Notes, accounts receivable-trade and contract assets	119,016	109,735
Certificates of deposit due within three months	1,500	1,500
Merchandise and service parts	41,423	42,251
Work in process	444	764
Supplies	459	460
Short-term loans receivable	50,010	10
Other current assets	10,132	10,863
Allowance for doubtful receivables	(28)	(26)
Total current assets	332,185	328,992
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,801	45,088
Machinery and vehicles, net	58	56
Furniture and fixtures, net	4,411	4,676
Rental assets, net	6,980	6,550
Land	28,359	28,166
Lease assets, net	1	1
Construction in progress	2,488	2,389
Total property, plant and equipment	88,101	86,930
Intangible assets		
Software	7,709	8,673
Goodwill	22,637	22,171
Customer-related intangible assets	18,384	17,988
Facility utilization rights	300	300
Other intangible assets	1	1
Total intangible assets	49,033	49,134
Investments and other assets		
Investments in securities	17,771	17,434
Prepaid pension and severance costs	29,842	30,680
Deferred tax assets	478	566
Lease deposits	3,003	2,827
Other investments and other assets	4,374	4,394
Allowance for doubtful receivables	(199)	(198)
Total investments and other assets	55,271	55,706
Total non-current assets	192,406	191,771
Total assets	524,591	520,763

Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable-trade	50,124	55,461
Short-term bank loans	1,100	1,100
Current portion of long-term loans	209	209
Current portion of long-term lease obligations	160	154
Accrued expenses	17,029	12,816
Accrued income taxes	12,126	4,994
Consumption taxes payable	6,914	4,979
Accrued bonuses	3,816	12,856
Accrued directors' bonuses	128	23
Accrued product warranties	224	222
Accrued loss on contracts	64	65
Other current liabilities	31,640	28,410
Total current liabilities	123,539	121,295
Long-term liabilities		
Long-term loans	1,699	1,662
Long-term lease obligations	335	299
Allowance for long-term continuous service rewards	796	868
Accrued pension and severance costs	7,409	7,368
Deferred tax liabilities	4,699	4,457
Other long-term liabilities	2,410	2,403
Total long-term liabilities	17,350	17,059
Total liabilities	140,889	138,354
Equity		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,710	82,710
Retained earnings	200,928	201,024
Treasury stock	(9,303)	(9,304)
Total shareholders' equity	347,637	347,733
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	6,954	6,602
Deferred gain (loss) on derivatives under hedge accounting	86	(16)
Foreign currency translation adjustments	508	417
Defined retirement benefit plans	27,578	26,745
Total accumulated other comprehensive income (loss)	35,128	33,749
Stock acquisition rights	86	94
Non-controlling interests	849	831
Total equity	383,701	382,409
Total liabilities and equity	524,591	520,763

Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Three months of FY2024 (from January 1, 2024 to March 31, 2024)	Three months of FY2025 (from January 1, 2025 to March 31, 2025)
Net sales	157,226	167,316
Cost of sales	105,950	115,685
Gross profit	51,275	51,631
Selling, general and administrative expenses	37,467	38,461
Operating income	13,808	13,169
Non-operating income		
Interest income	107	82
Dividend income	29	36
Foreign exchange gains	40	-
Other, net	73	126
Total non-operating income	251	246
Non-operating expenses		
Interest expense	2	13
Investment partnership management expenses	-	56
Foreign exchange losses	-	51
Loss on investments in partnership	21	16
Other, net	66	74
Total non-operating expenses	91	212
Ordinary income	13,968	13,203
Extraordinary income		
Gain on sales of long-lived assets	0	-
Gain on sales of investments in securities	-	54
Total extraordinary income	0	54
Extraordinary losses		
Loss on sales and disposal of long-lived assets	36	9
Impairment loss	-	275
Loss on sales of investments in securities	-	2
Other, net	0	4
Total extraordinary losses	36	291
Net income before income taxes	13,932	12,966
Income taxes	4,379	4,133
Net income	9,553	8,832
Net income attributable to non-controlling interests	30	23
Net income attributable to owners of the parent	9,523	8,809

Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Three months of FY2024 (from January 1, 2024 to March 31, 2024)	Three months of FY2025 (from January 1, 2025 to March 31, 2025)
Net income	9,553	8,832
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(167)	(352)
Deferred gain (loss) on derivatives under hedge accounting	(11)	(102)
Foreign currency translation adjustments	125	(105)
Defined retirement benefit plans	378	(833)
Total other comprehensive income	325	(1,393)
Comprehensive income	9,879	7,439
Comprehensive income attributable to		
Owners of the parent	9,832	7,430
Non-controlling interests	46	8

Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Three months of FY2024 (from January 1, 2024 to March 31, 2024)	Three months of FY2025 (from January 1, 2025 to March 31, 2025)
Cash flows from operating activities		
Net income before income taxes	13,932	12,966
Depreciation and amortization	2,489	2,769
Impairment loss	-	275
Amortization of goodwill	121	465
Amortization of customer-related intangibles assets	54	396
Increase (decrease) in allowance for doubtful receivables	11	(3)
Increase (decrease) in accrued pension and severance costs	(2,521)	(12)
Decrease (increase) in prepaid pension and severance costs	1,636	(1,613)
Increase (decrease) in accrued bonuses	9,115	9,041
Interest and dividend income	(136)	(119)
Interest expense	2	13
Loss (gain) on sales and disposal of property, plant and equipment, net	35	9
Loss (gain) on sales of investments in securities	-	(51)
Loss (gain) on investments in partnership	21	16
Investment partnership management expenses	-	56
Decrease (increase) in notes and accounts receivable	3,441	9,078
Decrease (increase) in inventories	812	(1,148)
Increase (decrease) in notes and accounts payable-trade	1,421	5,359
Other, net	(9,172)	(10,917)
Subtotal	21,266	26,579
Interest and dividends received	136	116
Interest paid	(2)	(12)
Income taxes paid	(6,761)	(10,865)
Net cash provided by operating activities	14,638	15,816
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(2,351)	(1,309)
Proceeds from sales of property, plant and equipment	2	0
Payments for purchases of intangible assets	(529)	(1,397)
Payments for purchases of investments in securities	(3)	(320)
Proceeds from sales of investments in securities	-	103
Payments for purchases of shares of subsidiaries	(32,671)	-
Decrease in short-term loans receivable, net	40,000	50,000
Other, net	(549)	141
Net cash provided by investing activities	3,895	47,217
Cash flows from financing activities		
Repayments of finance lease obligations	(0)	(0)
Repayments of long-term loans	-	(36)
Payments for purchases of treasury stock	(2)	(0)
Dividends paid	(8,981)	(8,612)
Dividends paid to non-controlling interests	(25)	(26)
Proceeds from share issuance to non-controlling interests	5	-
Other, net	0	-
Net cash used in financing activities	(9,004)	(8,676)
Effect of exchange rate changes on cash and cash equivalents	147	(150)
Net increase (decrease) in cash and cash equivalents	9,676	54,207
Cash and cash equivalents as of beginning of period	89,690	110,726
Cash and cash equivalents as of end of period	99,366	164,933

Consolidated Quarterly Segment Information

I. For the three months of FY2024 (from January 1, 2024 to March 31, 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	30,139	55,413	57,045	13,619	1,008	157,226	-	157,226
Intersegment	4	2,532	2,738	334	2,076	7,687	(7,687)	-
Total	30,144	57,946	59,784	13,954	3,085	164,914	(7,687)	157,226
Segment income (loss)	2,127	5,340	5,243	1,753	(733)	13,731	76	13,808

[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 quarterly statements of income.

II. For the three months of FY2025 (from January 1, 2025 to March 31, 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	31,865	63,356	57,961	13,060	1,072	167,316	-	167,316
Intersegment	4	4,656	2,632	344	2,012	9,650	(9,650)	-
Total	31,870	68,013	60,593	13,405	3,084	176,967	(9,650)	167,316
Segment income (loss)	2,083	5,089	5,487	1,219	(739)	13,140	29	13,169

[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 quarterly statements of income.

(Changes in Reporting Segments)

Starting from the first 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 first quarter of the previous year has been recalculated accordingly. But, as the deemed acquisition date for Primagest, Inc. and its three subsidiaries is March 31, 2024, there is no impact on segment information for the first quarter of the previous year.