1Q 2024 Results

April 23, 2024
Hatsumi Hirukawa
Director, Senior Vice President

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* The figures are rounded off to the nearest 100 million yen in this material.
* Forward-looking statements and results forecasts presented in this material are based on the management's assumptions using currently available information and therefore contain inherent risks and uncertainties.
As a consequence, due to a range of possible factors, actual results may materially differ from the forecasts.

Agenda

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Key Points

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Summary of 1Q of FY2024 Financial Results

- Net sales rose and income declined year on year.
- IT Solutions business continued to grow at a high rate. Sales rose 9% year on year.
- Both sales and profits grew exceeded the plan.

2024 Financial Projections

- The net sales forecast was revised upward by ¥15 billion, reflecting the incorporation of Primagest, Inc. into the Group.
- Operating income remained unchanged from the plan. The negative impact of the amortization of goodwill related to the acquisition of Primagest, Inc. was offset by a performance that exceeded expectations.

Topics

- Primagest, Inc., a company excelling in industry-specific BPO service, has joined the Group.

Summary of Results

1Q 2024 Actual
(from January 1 to March 31)

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(Billions of yen)

	1Q 2023	1Q 2024	Changes	
			Amount	%
Net sales	154.8	157.2	+2.4	+2%
Gross profit	(33.7%) 52.2	(32.6%) 51.3	(-1.1%) -0.9	-2%
Operating income	(9.9%) 15.3	(8.8%) 13.8	(-1.1%) -1.5	-10%
Ordinary income	(10.0%) 15.4	(8.9%) 14.0	(-1.1%) -1.5	-9%
Net income attributable to owners of the parent	(6.7%) 10.5	(6.1%) 9.5	(-0.7%) -0.9	-9%

Op. Income Variance Analysis

1Q 2024 Actual
(from January 1 to March 31)

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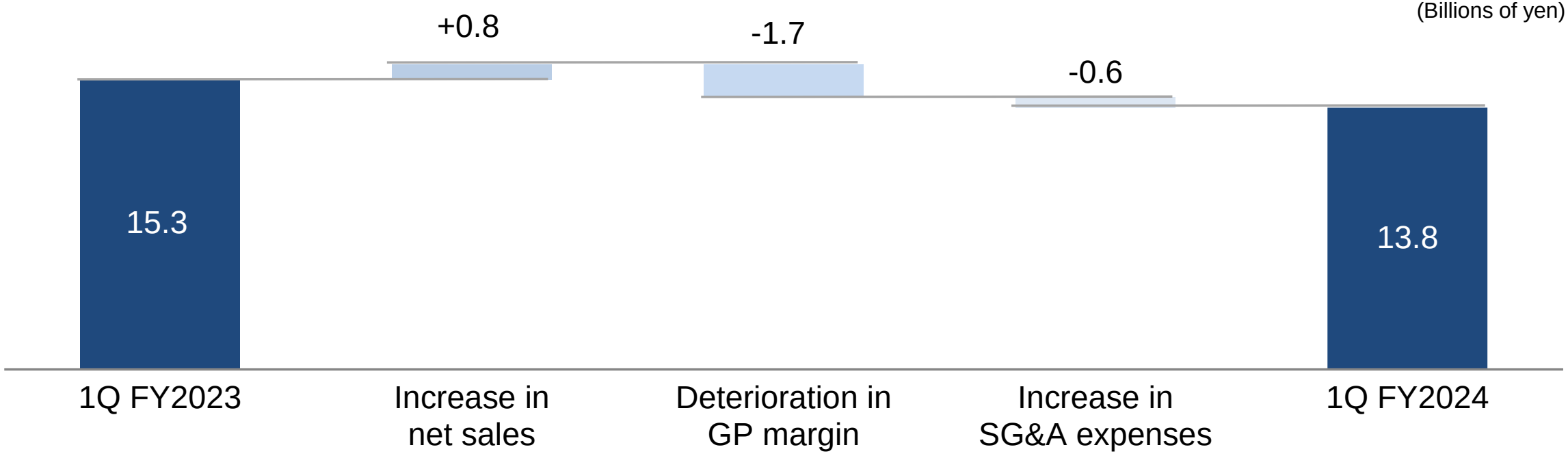
(Billions of yen)



Deterioration in GP margin

- Gross profit margin declined mainly in the Consumers, Enterprise and Area segments

Increase in SG&A expenses

- IT expenses +0.5B
- Other selling expenses +0.6B

Segment Outline

1Q 2024 Actual
(from January 1 to March 31)

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(Billions of yen)

	1Q FY2023		1Q FY2024		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	32.6	3.1	30.1	2.1	-2.5	-1.0
Enterprise	54.7	5.9	59.0	5.5	+4.4	-0.4
Area	59.8	4.7	59.8	5.2	-0.1	+0.5
Professional	11.7	1.9	14.0	1.7	+2.2	-0.2
Other	-4.0	-0.4	-5.7	-0.8	-1.7	-0.4
Total	154.8	15.3	157.2	13.8	+2.4	-1.5

* "Other" includes elimination of intersegment transactions, shared service businesses and corporate expenses that are not allocated to each segment.

Segment Information　　Consumers Segment

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- ✓ Net sales decreased mainly reflecting a decrease in sales of digital interchangeable lens cameras and inkjet printers.
- ✓ Operating income declined due to a decrease in gross profit caused by lower sales.

(Billions of yen)

	1Q		
	FY2023	FY2024	Changes
Net sales	32.6	30.1	-8%
Op. income	3.1	2.1	-33%
margin	9.6%	7.0%	-2.6%

Consumer Products, Y/Y
Non-consolidated

		1Q	2Q	3Q	4Q	Full Year
Digital Interchangeable Lens Camera	Unit	-31%	-	-	-	-
Inkjet Printer (IJP)	Unit	-8%	-	-	-	-
IJP Cartridge	Amount	-9%	-	-	-	-

Segment Information　　Enterprise Segment

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- ✓ Net sales increased, thanks to the solid sales of Canon products, other in addition to steady sales of IT Solutions.
- ✓ Despite an increase in profit margin due to a rise in sales, operating income declined, reflecting the negative impact of the absence of large BPO projects to gross profit margin and an increase in SG&A expenses due to the amortization of goodwill related to the incorporation of TCS into the Group.

(Billions of yen)

	1Q		
	FY2023	FY2024	Changes
Canon Products, Other	14.7	15.1	+2%
IT Solutions	39.9	43.9	+10%
Net sales	54.7	59.0	+8%
Op. income	5.9	5.5	-6%
margin	10.8%	9.4%	-1.4%

[Reference] Results of main consolidated companies

Canon IT Solutions Inc.

	1Q		Changes	
	2023	2024	Amount	%
Net sales	31.5	33.2	+1.7	+5%
Op. income	3.9	4.1	+0.1	+3%

Orders received and outstanding orders, Y/Y

Canon IT Solutions, Non-consolidated

		1Q
Orders received	Amount	+1%
Outstanding orders	Amount	-7%

1Q orders received excluding the Data Center business surpassed previous record highs.

1Q outstanding orders excluding the Data Center business achieved more than 10% growth.

Segment Information　　Area Segment

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- ✓ Net sales remained flat from a year earlier due to a decrease in sales of Canon products, other, albeit robust sales of IT Solutions.
- ✓ Operating income increased, mainly reflecting a rise in gross profit due to a higher percentage of sales of high value-added IT Solutions in total sales.

(Billions of yen)

	1Q		
	FY2023	FY2024	Changes
Canon Products, Other	40.9	39.9	-2%
IT Solutions	19.0	19.9	+5%
Net sales	59.8	59.8	-0%
Op. income	4.7	5.2	+10%
margin	7.9%	8.7%	+0.8%

[Reference] Results of main consolidated companies

Canon System & Support Inc.

	1Q		Changes	
	2023	2024	Amount	%
Net sales	26.8	28.3	+1.5	+6%
Op. income	1.8	2.2	+0.5	+26%

Segment Information　　Professional Segment

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- ✓ Net sales increased, attributable to rising sales in the Production Printing and Healthcare business.
- ✓ Operating income declined due to a decrease in gross profit caused by lower sales in Industrial equipment.

(Billions of yen)

	1Q		
	FY2023	FY2024	Changes
Production Printing	2.1	2.3	+8%
Industrial Equipment	5.8	5.5	-6%
Healthcare Business	3.8	6.2	+64%
Net sales	11.7	14.0	+19%
Op. income	1.9	1.7	-9%
margin	16.4%	12.5%	-3.9%

[Reference] Results of main consolidated companies

Canon Production Printing Systems Inc.

	1Q		Changes	
	2023	2024	Amount	%
Net sales	2.0	2.1	+0.2	+8%
Op. income	0.1	0.1	-0.0	-35%

Sales of Products and Services by Segment

1Q 2024 Actual
(from January 1 to March 31)

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(Billions of yen)

		Consumers		Enterprise		Area		Professional		Other		Total		Composition Ratio
		1Q 2023	1Q 2024	1Q 2023	1Q 2024	1Q 2023	1Q 2024	1Q 2023	1Q 2024	1Q 2023	1Q 2024	1Q 2023	1Q 2024	1Q 2024
	SI services	-	-	**17.4**	**18.8**	**3.2**	**3.6**	**3.8**	**6.2**	**-0.6**	**-0.8**	**23.7**	**27.9**	**37%**
	Changes		-		+8%		+14%		+66%		-		+18%	
	Maintenance and operation service / outsourcing	-	-	**11.7**	**14.5**	**2.6**	**2.8**	**0.3**	**0.3**	**-0.6**	**-0.6**	**14.0**	**17.1**	**22%**
	Changes		-		+24%		+9%		-1%		-		+22%	
	IT products and system sales	**7.4**	**8.3**	**10.8**	**10.6**	**13.2**	**13.5**	-	-	**0.3**	**-1.3**	**31.7**	**31.0**	**41%**
	Changes		+11%		-2%		+2%		-		-		-2%	
IT Solutions Total		**7.4**	**8.3**	**39.9**	**43.9**	**19.0**	**19.9**	**4.1**	**6.6**	**-1.0**	**-2.7**	**69.5**	**76.0**	**100%**
	Changes		+11%		+10%		+5%		+60%		-		+9%	
Canon products,Other		**25.2**	**21.9**	**14.7**	**15.1**	**40.9**	**39.9**	**7.6**	**7.4**	**-3.0**	**-3.0**	**85.4**	**81.2**	
	Changes		-13%		+2%		-2%		-3%		-		-5%	
Total		**32.6**	**30.1**	**54.7**	**59.0**	**59.8**	**59.8**	**11.7**	**14.0**	**-4.0**	**-5.7**	**154.8**	**157.2**	
	Changes		-8%		+8%		-0%		+19%		-		+2%	

* “Other” is a business segment that is excluded from the reportable segments and includes shared service business and the elimination of intersegment transactions.

Summary of Projections

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(Billions of yen)

	FY2024 Previous Projection	FY2024 Current Projection	Changes Amount	Changes %	FY2023 Actual	Changes Amount	Changes %
Net Sales	630.0	645.0	+15.0	+2%	609.5	+35.5	+6%
Operating Income	(8.6%) 54.0	(8.4%) 54.0	(-0.2%) -	-	(8.6%) 52.5	(-0.2%) +1.5	+3%
Ordinary Income	(8.7%) 55.0	(8.5%) 55.0	(-0.2%) -	-	(8.8%) 53.6	(-0.3%) +1.4	+3%
Net income attributable to owners of the parent	(6.0%) 37.5	(5.8%) 37.5	(-0.1%) -	-	(6.0%) 36.5	(-0.2%) +1.0	+3%

Summary of Projections by Segment

Previous Projection vs Current Projection

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(Billions of yen)

	FY2024 Previous Projection		FY2024 Current Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	Net Sales %	Op. Income
Consumers	139.3	13.7	139.3	13.7	-	-	-
Enterprise	231.2	20.5	231.2	20.5	-	-	-
Area	235.0	18.3	235.0	18.3	-	-	-
Professional	44.0	4.1	44.0	4.1	-	-	-
Other	-19.5	-2.6	-4.5	-2.6	+15.0	-	-
Total	630.0	54.0	645.0	54.0	+15.0	+2%	-

Summary of Projections by Segment

FY2023 Actual vs
FY2024 Projection

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(Billions of yen)

	FY2023 Actual		FY2024 Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	Net Sales %	Op. Income
Consumers	138.9	14.1	139.3	13.7	+0.4	+0%	-0.4
Enterprise	220.3	19.7	231.2	20.5	+10.9	+5%	+0.8
Area	229.7	17.5	235.0	18.3	+5.3	+2%	+0.8
Professional	40.2	3.6	44.0	4.1	+3.8	+9%	+0.5
Other	-19.7	-2.4	-4.5	-2.6	+15.2	-	-0.2
Total	609.5	52.5	645.0	54.0	+35.5	+6%	+1.5

Summary of Projections by Segment

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(Billions of yen)

	Actual 1Q 2023		Actual 2Q-4Q 2023		Actual 1Q 2024		Projection 2Q-4Q 2024		Changes 1Q		Changes 2Q-4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	32.6	3.1	106.3	11.0	30.1	2.1	109.2	11.6	-2.5	-1.0	+2.8	+0.6
Enterprise	54.7	5.9	165.7	13.7	59.0	5.5	172.2	15.0	+4.4	-0.4	+6.5	+1.2
Area	59.8	4.7	169.9	12.8	59.8	5.2	175.2	13.1	-0.1	+0.5	+5.3	+0.3
Professional	11.7	1.9	28.5	1.7	14.0	1.7	30.0	2.4	+2.2	-0.2	+1.6	+0.7
Other	-4.0	-0.4	-15.7	-2.0	-5.7	-0.8	1.2	-1.8	-1.7	-0.4	+16.8	+0.1
Total	154.8	15.3	454.6	37.2	157.2	13.8	487.8	40.2	+2.4	-1.5	+33.1	+3.0

* "Other" includes elimination of intersegment transactions, shared service businesses and corporate expenses that are not allocated to each segment.

Projections by Segment

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Consumers Segment

- ✓ Net sales are forecast to increase due to steady sales of digital interchangeable lens cameras and IT products.
- ✓ Operating income is expected to increase, reflecting a rise in gross profit due to higher sales.

(Billions of yen)

	Actual 1Q 2023		Actual 2Q-4Q 2023		Actual 1Q 2024		Projection 2Q-4Q 2024		Changes 1Q		Changes 2Q-4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	32.6	3.1	106.3	11.0	30.1	2.1	109.2	11.6	-2.5	-1.0	+2.8	+0.6

Enterprise Segment

- ✓ Net sales are forecast to rise, reflecting strong sales of IT Solutions, although sales of Canon products, other are likely to decline.
- ✓ Operating income is expected to increase, reflecting a rise in gross profit due to higher sales.

(Billions of yen)

	Actual 1Q 2023		Actual 2Q-4Q 2023		Actual 1Q 2024		Projection 2Q-4Q 2024		Changes 1Q		Changes 2Q-4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Enterprise	54.7	5.9	165.7	13.7	59.0	5.5	172.2	15.0	+4.4	-0.4	+6.5	+1.2

Projections by Segment

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Area Segment

- ✓ Net sales are forecast to rise, reflecting strong sales of IT Solutions.
- ✓ Operating income is expected to increase, reflecting a rise in gross profit due to higher sales.

(Billions of yen)

	Actual 1Q 2023		Actual 2Q-4Q 2023		Actual 1Q 2024		Projection 2Q-4Q 2024		Changes 1Q		Changes 2Q-4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Area	59.8	4.7	169.9	12.8	59.8	5.2	175.2	13.1	-0.1	+0.5	+5.3	+0.3

Professional Segment

- ✓ Net sales are expected to rise mainly in Industrial Equipment, and net sales in the segment are forecast to increase.
- ✓ Operating income is expected to increase, reflecting a rise in gross profit associated with higher sales mainly in Industrial Equipment.

(Billions of yen)

	Actual 1Q 2023		Actual 2Q-4Q 2023		Actual 1Q 2024		Projection 2Q-4Q 2024		Changes 1Q		Changes 2Q-4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Professional	11.7	1.9	28.5	1.7	14.0	1.7	30.0	2.4	+2.2	-0.2	+1.6	+0.7

Outline of Main Products Sales

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Supplementary Material for 2024 1Q **Canon Marketing Japan Inc.**

Canon Products, Other
Non-consolidated
Y/Y

		FY2023 vs FY2022					FY2024 vs FY2023		Previous Projections
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Projections	Full Year Projections
DILC*	Unit	+29%	+29%	-15%	-2%	+8%	-31%	+1%	+1%
Inkjet Printer (IJP)	Unit	-35%	-12%	-13%	-13%	-19%	-8%	-5%	-1%
IJP Cartridge	Amount	-6%	-3%	-2%	-7%	-5%	-9%	-7%	-4%

* Digital Interchangeable Lens Camera

		FY2023 vs FY2022					FY2024 vs FY2023		Previous Projections
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Projections	Full Year Projections
MFP including Rental Machine	Unit	+31%	+6%	-12%	-12%	+2%	-3%	+8%	+8%
Service & Support	Amount	+1%	-1%	-2%	-1%	-1%	-2%	-1%	-1%
Laser Beam Printer (LBP)	Unit	+2%	-16%	-8%	-2%	-6%	-2%	+2%	+2%
LBP Cartridge	Amount	+1%	-1%	+9%	+6%	+4%	-3%	-2%	-2%

Consolidated

Commercial Printing**	Amount	-5%	+12%	-1%	+5%	+2%	+8%	+6%	+6%

** formerly "Production Printing" which includes MFPs for production printing of Canon, Continuous Feed Printer of Canon, and SX series, etc.

IT Solutions
Consolidated
[Amount] Y/Y

		FY2023 vs FY2022					FY2024 vs FY2023		Previous Projections
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Projections	Full Year Projections
SI Services	Amount	+12%	+21%	+29%	+20%	+20%	+18%	+10%	+10%
Maintenance and operation service/outsourcing	Amount	+12%	+4%	+4%	+15%	+9%	+22%	+44%	+16%
IT products and system sales	Amount	+9%	+10%	+5%	-0%	+6%	-2%	+2%	+2%
Network Camera	Amount	+11%	+11%	+23%	+3%	+11%	+6%	+34%	+34%

*Starting 2023 business categories for certain products are reclassified, and comparisons between 2023 projections and 2022 results have been made based on reclassified segments.

Professional Segment
Consolidated
[Amount] Y/Y

		FY2023 vs FY2022					FY2024 vs FY2023		Previous Projections
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Projections	Full Year Projections
Production Printing	Amount	-13%	+10%	-13%	+8%	-2%	+8%	+7%	+7%
Industrial Equipment	Amount	-16%	-49%	-45%	+5%	-30%	-6%	+10%	+10%
Healthcare	Amount	+11%	+139%	+101%	+34%	+57%	+64%	+10%	+10%

Forward-looking statements and results forecasts presented in this material are based on the management's assumptions using currently available information and therefore contain inherent risks and uncertainties.
As a consequence, due to a range of possible factors, actual results may materially differ from the forecasts.

Please see the **Supplementary Material for 2024 1Q** on our website.

・URL
https://cweb.canon.jp/eng/ir/library/presentation.html

The Incorporation of Primagest, Inc.

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- ✓ Primagest, Inc. joined Canon MJ Group on March 29.
- ✓ We will merge Primagest's deep knowledge and customer base in the financial sector with Canon MJ Group's customer base and technology across a range of industries to offer business process reform solutions tailored to our customers' thoughts and further expand our BPO business.

Company name	Primagest, Inc.
Representative	Hideaki Inagaki, President
Established	July 1968
Net sales（Non-consolidated）	¥17.6 billion （Year ended December 31,2023）
Number of employees（Non-consolidated）	2,428 （including 572 permanent employees） （Year ended December 31,2023）
Description of business	Utilizing faster document scanners, advanced IT technologies, and BPO services to achieve full automation, process optimization, and digital transformation for customers
Major Subsidiaries	dcWORKS, Inc.　Leap, Inc.

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Supplementary Information

Capital Relationship Diagram

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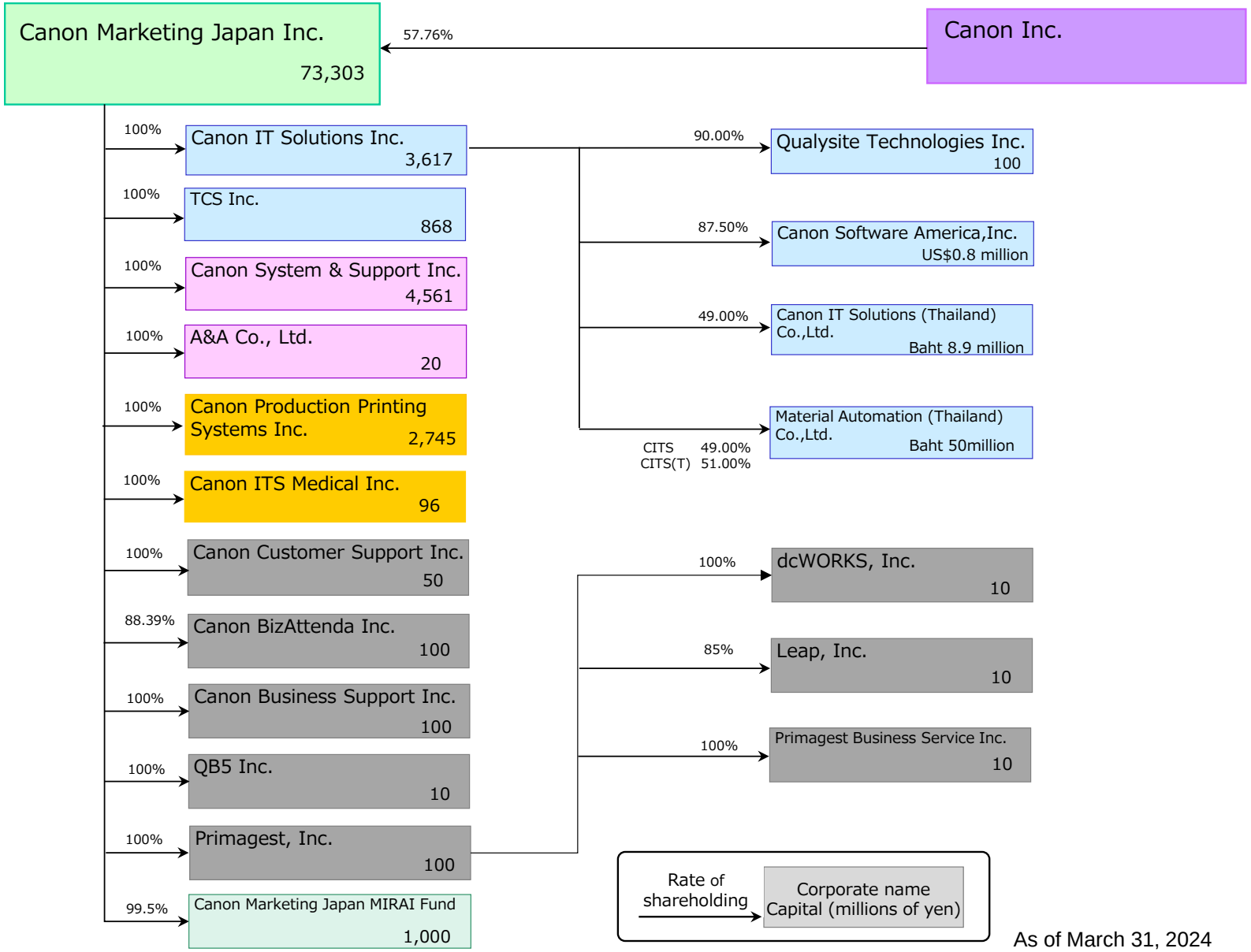

As of March 31, 2024

SG&A expenses

1Q 2024 Actual
(from January 1 to March 31)

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(Billions of yen)

	1Q FY2023	1Q FY2024	Changes
Advertising expenses	1.0	1.0	-0.0
Promotion expenses	0.8	0.6	-0.2
Warranty expenses	0.7	0.7	-0.0
Other direct selling expenses	4.4	4.3	-0.0
Personnel expenses	22.7	22.4	-0.4
Office expenses	2.0	1.9	-0.1
IT expenses	2.2	2.7	+0.5
Amortization of goodwill, etc.	0.0	0.2	+0.1
Other selling expenses	3.1	3.7	+0.6
Total	36.9	37.5	+0.6

Non-operating income and expenses

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(Billions of yen)

	FY2023	FY2024	Changes
	1Q	1Q	1Q
Interest income	0.1	0.1	+0.0
Dividend income	0.0	0.0	+0.0
Foreign exchange gains	0.0	0.0	+0.0
Other, net	0.1	0.1	+0.0
Total non-operating income	0.2	0.3	+0.0
Interest expense	0.0	0.0	-0.0
Loss on investments in partnership	0.0	0.0	-0.0
Other, net	0.0	0.1	+0.0
Total non-operating expenses	0.1	0.1	+0.0

Extraordinary income and losses

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(Billions of yen)

	FY2023	FY2024	Changes
	1Q	1Q	1Q
Gain on sales of long-lived assets	0.0	0.0	+0.0
Total extraordinary income	0.0	0.0	+0.0
Loss on sales and disposal of long-lived assets	0.0	0.0	+0.0
Loss on sales of shares of subsidiaries and associates	0.2	-	-0.2
Other, net	-	0.0	+0.0
Total extraordinary losses	0.2	0.0	-0.2

Balance Sheets

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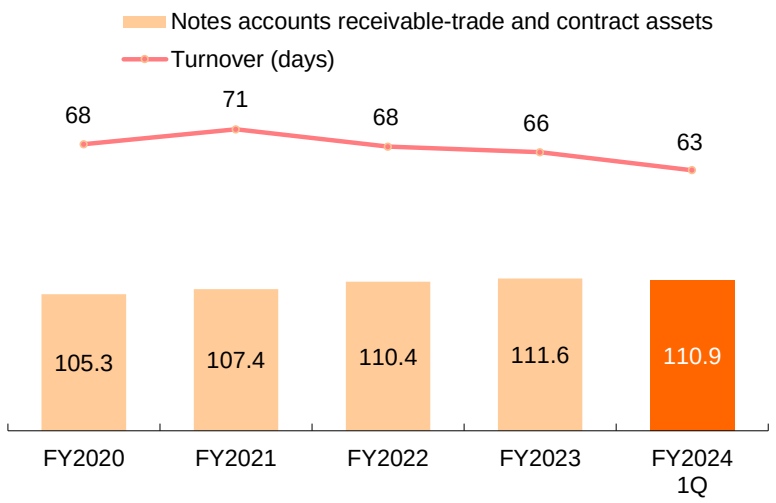
(Billions of yen)

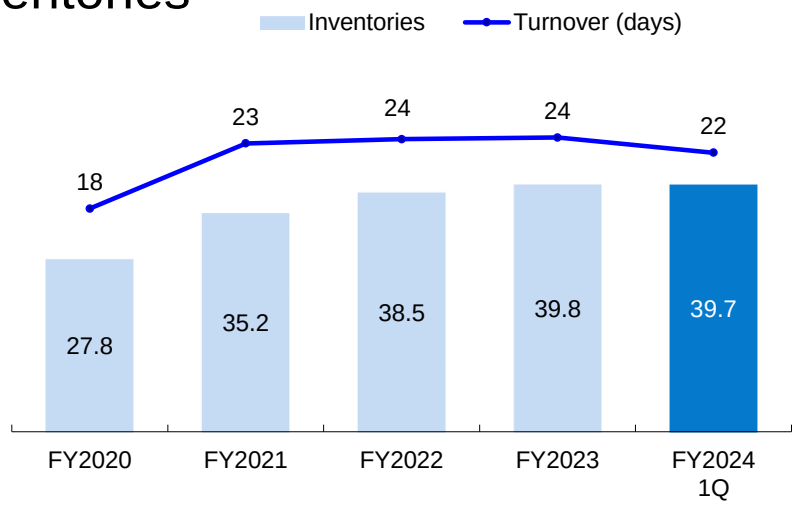
	Dec. 31 2023	Mar. 31 2024	Changes
Assets	557.4	563.9	+6.6
Current assets	418.6	388.4	-30.2
Cash and deposits	89.7	99.4	+9.7
Notes accounts receivable-trade and contract assets	111.6	110.9	-0.8
Inventories	39.8	39.7	-0.2
Other current assets	177.4	138.5	-38.9
Non-current assets	138.8	175.5	+36.7
Property, plant and equipment	85.0	88.0	+3.0
Intangible assets	14.2	45.9	+31.7
Investments and other assets	39.5	41.6	+2.0
Liabilities	121.9	127.6	+5.8
Current liabilities	110.6	114.8	+4.2
Notes and accounts payable-trade	45.6	47.7	+2.1
Other current liabilities	65.0	67.1	+2.1
Long-term liabilities	11.3	12.9	+1.6
Equity	435.5	436.3	+0.8
Shareholders' equity	410.8	411.3	+0.4
(Treasury stock)	-2.1	-2.1	-0.0
Total accumulated other comprehensive income (loss)	23.9	24.2	+0.3
Stock acquisition rights	0.1	0.1	+0.0
Non-controlling interests	0.7	0.8	+0.0
Equity ratio	78%	77%	-1%

■ Notes accounts receivable-trade and contract assets

(Billions of yen)



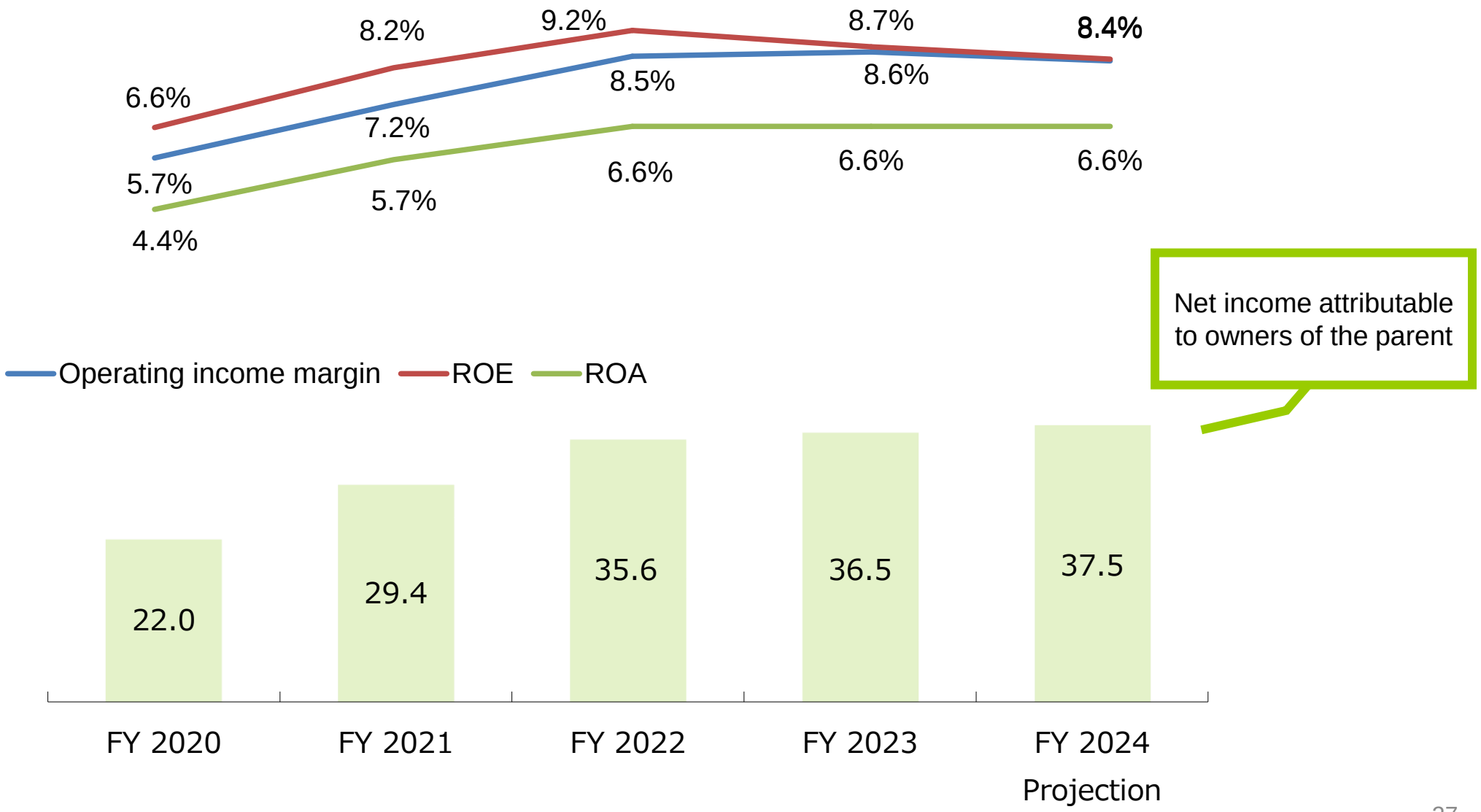
■ Inventories



Financial Indicator

Canon
Canon Marketing Japan Group

(Billions of yen)

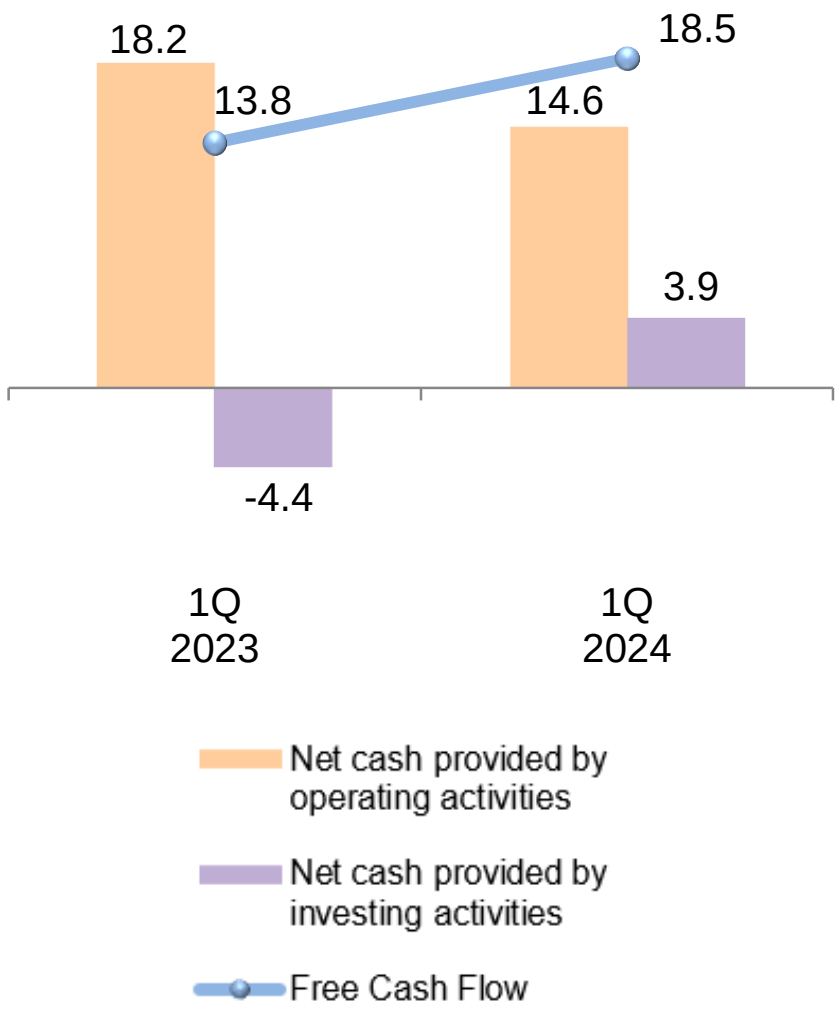


Financial Indicator

Canon
Canon Marketing Japan Group

(Billions of yen)

■ Cash Flow



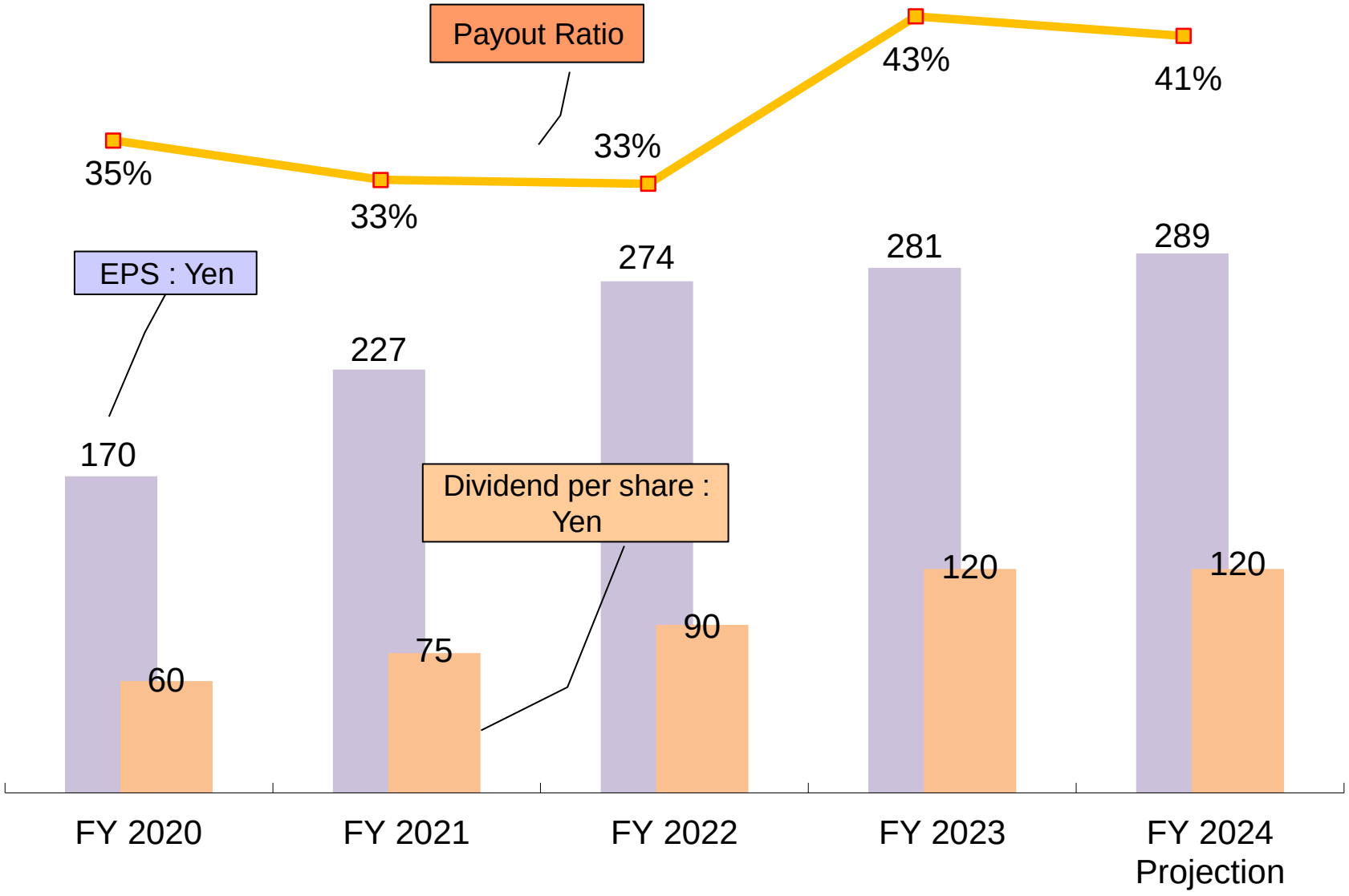
■ Capital Investment

	1Q Actual	2Q-4Q Projection	FY
FY 2023 Actual	2.4	7.0	9.4
FY 2024 Projection	3.6	12.2	15.8

■ Depreciation and amortization

	1Q Actual	2Q-4Q Projection	FY
FY 2023 Actual	2.4	7.4	9.7
FY 2024 Projection	2.5	7.8	10.3

Financial Indicator



Sales Breakdown by Segment (FY2023)

(Billions of yen)

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4 Professional

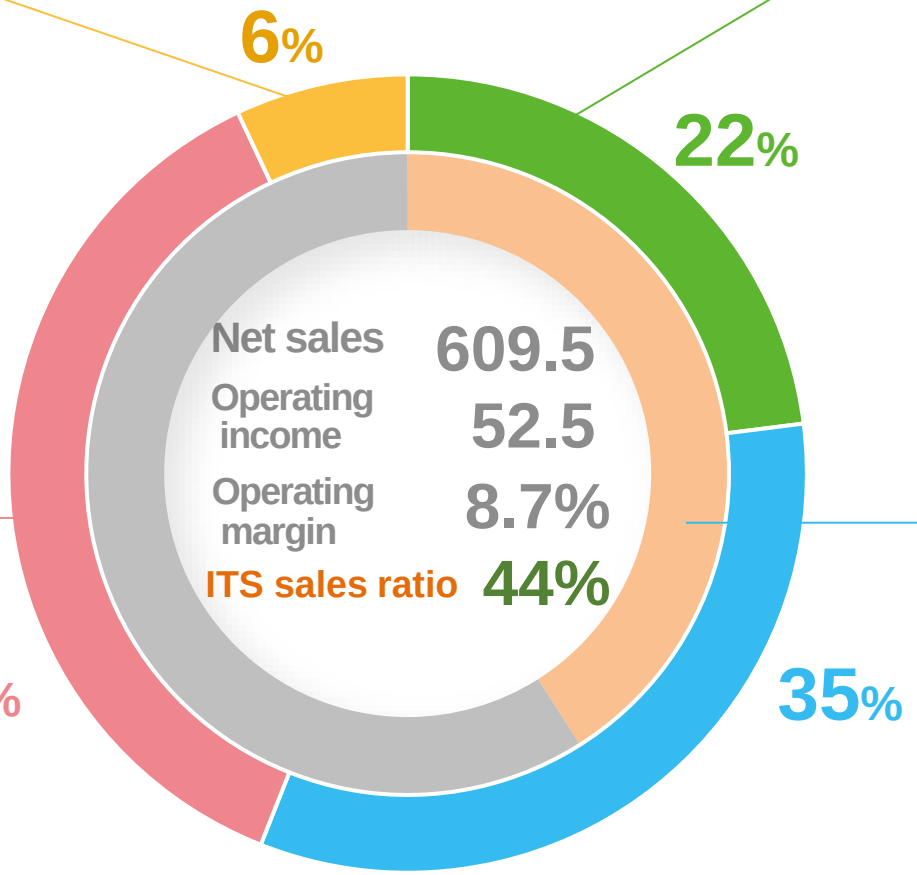
Net sales	Operating income
40.2	3.6 (9.0%)

Customers in specialized areas
- -Production printing
- -Industrial equipment
- -Healthcare

1 Consumers

Net sales	Operating income
138.9	14.1 (10.1%)

Individual customers



3 Area

Net sales	Operating income
229.7	17.5 (7.6%)

SMEs nationwide

SME: Small and Medium Enterprise

2 Enterprise

Net sales	Operating income
220.3	19.7 (8.9%)

Large, quasi-major and upper medium-sized enterprises

* Starting from FY2024, the Company transferred a part of the sales channel organization in the "Area" segment, to the “Consumer” segments. As a result, the FY2023 financial results have been reclassified between the two segments.
* The sales shares of individual segments are calculated on their respective simple total sales.
* In addition to what is mentioned above, net sales of -19.7 billion yen and operating income of -2.4 billion yen are posted for the other segment, which are elimination of inter-segment transactions, shared service business and corporate expenses that do not belong to any segment.

Business Summary by Segment

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1 Consumers

This segment sells imaging products, including cameras which are the business Canon has been operating since its foundation, inkjet printers and other Canon products as well as non-Canon-branded products **to corporate and individual customers through retail stores and online shops, etc.**

Camera business

Inkjet printer business

Hobbies, photos and Working from home

IT products business

High-performance PCs
(used for e-sports, etc.)

2 Enterprise

For large, quasi-large and medium companies, this segment **directly provides** Canon products and IT Solutions to resolve management issues that vary depending on the industry and business type. MA HQs is in charge of large companies and GB Solutions HQs is in charge of quasi-large and medium companies. Canon IT Solutions Inc. is in charge of both.

Large corporations	**MA HQs (Canon Marketing Japan Inc.)**
Quasi-major and upper-medium-sized enterprises	**GB Solutions HQs (Canon Marketing Japan Inc.)**
	Canon IT Solutions Inc.

2003	Sumitomo Metal System Solutions Co., Ltd. is reorganized into a subsidiary.
2007	ARGO 21 Corp. is reorganized into a subsidiary.
2008	Both Integrated into Canon IT Solutions Inc.

Strong in financial and manufacturing sectors

Data Center Business

Business Summary by Segment

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3 Area

Harnessing diverse channels consisting of **indirect sales** by business partners and system partners, and **direct sales** by Canon System and Support Inc , this segment offers Canon products and IT solutions to **SMEs** all over Japan.

SMEs

- **Business partners**
- **System partners**

→ **Business Partners HQs**
(Canon Marketing Japan Inc.)

→ **Canon System and Support Inc.**

1980	Copier Sales Co., Inc. is established.
2000	The company name is changed to Canon System and Support Inc.
2002	The company becomes a wholly owned subsidiary of Canon Marketing Japan Inc., former name of which was Canon Sales Co., Inc.

Build relationships with customers through the direct sales channels

Concentrate mainly on the introduction, operations and maintenance of IT infrastructure

4 Professional

This segment offers solutions to **customers in the specialized areas** like Production printing, Industrial equipment and Healthcare.

Industrial equipment

Related to semiconductor manufacturing

Plasma ashing equipment

Cluster sputter deposition equipment

Not related to semiconductors

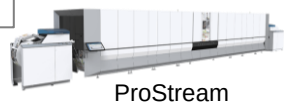
X-ray analyzer

Industrial 3D printer

* We import industrial equipment from abroad and sell localized equipment in the Japanese market. We are also in charge of installation and maintenance support.

Production printing

Production printer



ProStream

Color IJ Printer

MJP20JXR

Monochrome IJ Printer

Software services

- Workflow solutions
- Connect Works Manager
- POP system
- Drawings management system

Healthcare

Medical imaging service

Electronic health records

Enterprise and Area Segments

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Both Enterprise and Area segments are providing Canon products and IT Solutions, but their customers are different.

Large corporations

Quasi-major and upper-medium-sized enterprises

SMEs

Enterprise

Area

Canon products business

Stable profit from consumables and maintenance services

IT Solutions business

1. Promote DX business through co-creation with customers

2.Edge solutions

Provision of sector/business-specific services

- **Imaging solutions**
- **Digital document services**
- **Mathematical / Demand Forecasting**
- **Low-code development**

DigitalWork Accelerator

ARCULES

3.HOME / IT maintenance and operation services

Full support IT service for business innovation

まかせてIT

HOME

4.Security

5.ITO・BPO

Contribution of the service business model to value creation

[for Quasi-major and upper medium-sized enterprises]

Edge Solutions (Mission-critical Total Solution System for Manufacturing Industry)

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Issue **Optimize and strengthen SCM in VUCA era** → **Provide SCM/ERP total solution utilizing mathematical technologies**

AvantStage
Total solution for mission-critical system

- ASPROVA (Think Ahead, Act on Time) — Production Scheduler
- FOREMAST — Demand forecasts / supply and demand planning
- SCPlanet — Supply Chain Planning
- mcframe — Management of production, sales and cost
- WMS THOMAS Pro — Warehouse management
- SuperStream-NX — Accounting / fixed assets / HR & Payroll / Group business management

Customers

- Ajinomoto Co., Inc.
- ALBION Co., Ltd
- ELECOM CO.,LTD.
- Sapporo Holdings Limited
- Maruha Nichiro Corporation
- Mitsubishi Chemical Corporation

※ We propose the most suitable solution for individual customer from the total solutions.

For details ▶ https://www.canon-its.co.jp/solution/erp/
https://www.canon-its.co.jp/solution/scm/

[for SMEs]

HOME & IT Maintenance and Operation Services (Full Support for Business Innovation)

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Issue

Decrease in workforce
Protection of information assets

→

Total support for selection, introduction and operation and maintenance of IT solutions

NEW

■ Management support services

- IT coordination services
- Response to changes in laws and systems

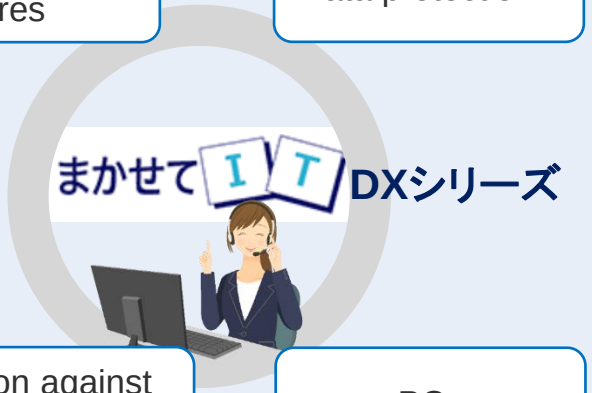
NEW

■ Educational support services

- Sales strategy development support services / SFA support services
- Skill improvement support services / Training support services

■ Security pack

- Security measures
- Data protection



- Protection against information leaks
- PCs

■ Maintenance and operation

PC	operational support service
Network	operational support service
Server	operational support service
Application	operational support service

■ Services by industry

NEW

- Nursing care solution
- Industry A
- Industry B
- ・・・

concluded a capital and business alliance agreement with CARE CONNECT JAPAN, Inc. in 2023

Canon

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