

FY2024 3Q Consolidated Results

October 23, 2024
Hatsumi Hirukawa
Director, Senior Vice President

Canon
Canon Marketing Japan Group

-
- * 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

- Key Points P.3
- Summary of Results P.4, 7
- Operating Income Variance Analysis P.5, 8
- Results by Segment P.6, 9
- Segment Results P.10-13
- Sales of Products and Services by Segment P.14-15
- Summary of Forecasts P.16
- Forecasts by Segment P.17-19
- Segment Forecasts P.20-21
- 【Supplementary Material】 Outline of Main Products Sales P.22
- Goodwill, etc. Associated with Acquisition of TCS and Primagest as Subsidiaries P.23
- Financial Indicator P.24
- Supplementary Information P.26-41

Key Points

Summary of 3Q of FY2024 Financial Results

- Net sales rose and income declined year on year.
- The IT solutions business continued to grow at a high rate. Sales rose 18% year on year.
- Progress was made as projected in the achievement of net sales and operating income.

2024 Financial Forecasts

- The forecast of net income attributable to owners of the parent was revised up, primarily reflecting the posting of extraordinary income associated with the transfer of shares in A&A Co., Ltd.
- The Group expects that net sales of 650.0 billion yen (revised up in July) and operating income of 54.0 billion yen will be achieved.

Topics

- Annual dividend forecast was increased to 130 yen (payout ratio of 41%)
- Goodwill and customer-related intangible assets of Primagest, Inc. were fixed.

Summary of Results

3Q 2024 Actual
(from July 1 to September 30)

Canon
Canon Marketing Japan Group

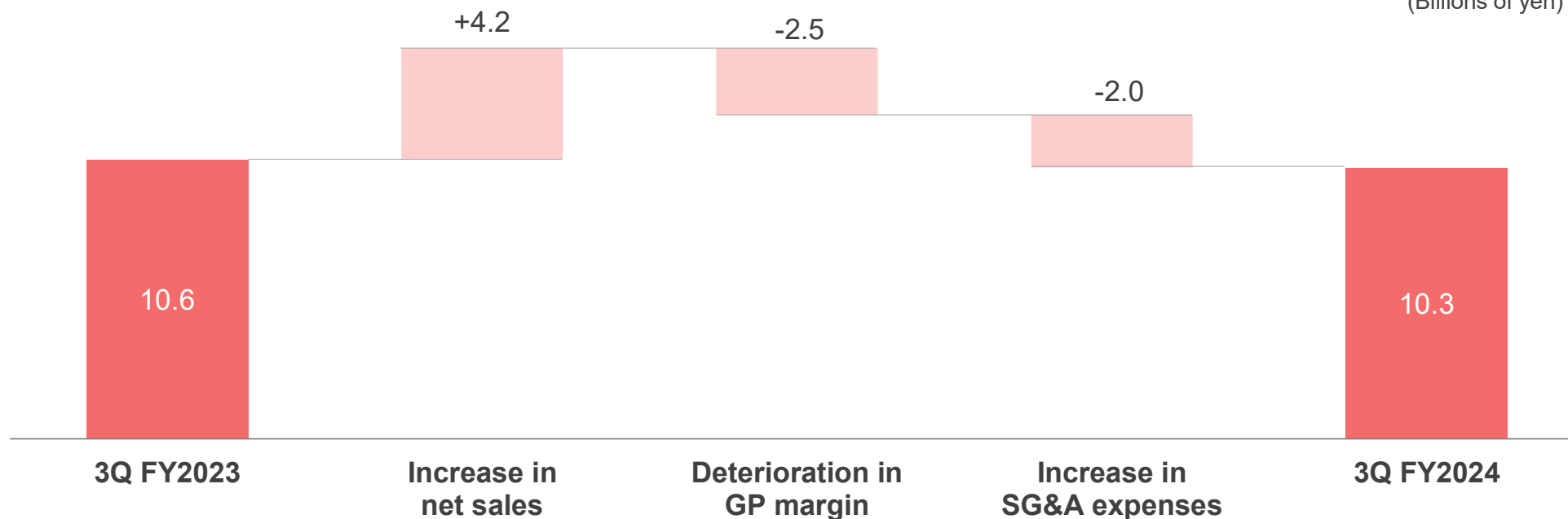
(Billions of yen)	3Q FY2023	3Q FY2024	Changes	
			Amount	%
Net Sales	141.8	154.3	+12.5	+9%
Gross Profit	(33.8%) 48.0	(32.2%) 49.7	(-1.6%) +1.7	+4%
Operating income	(7.5%) 10.6	(6.6%) 10.3	(-0.8%) -0.3	-3%
Ordinary income	(7.5%) 10.7	(6.7%) 10.3	(-0.9%) -0.4	-4%
Net income attributable to owners of the parent	(5.1%) 7.2	(4.4%) 6.8	(-0.6%) -0.4	-5%

Operating Income Variance Analysis

3Q 2024 Actual
(from July 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)



Deterioration in GP margin

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

Increase in SG&A expenses

- Other direct selling expenses +0.3B
- Personnel expenses +0.3B
- IT expenses +0.3B
- Amortization of goodwill, etc. +0.8B

Results by Segment

3Q 2024 Actual
(from July 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)	3Q FY2023		3Q FY2024		Changes	
	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income
Consumers	30.7	2.3	34.2	2.9	+3.5	+0.5
Enterprise	52.7	4.5	57.1	4.2	+4.4	-0.3
Area	55.3	4.0	55.5	3.5	+0.2	-0.5
Professional	8.5	0.5	8.9	0.8	+0.4	+0.2
Other	-5.5	-0.8	-1.5	-1.0	+4.0	-0.3
Total	141.8	10.6	154.3	10.3	+12.5	-0.3

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

* Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other".

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment in FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments

Summary of Results

1Q-3Q 2024 Actual
(from January 1 to September 30)

Canon
Canon Marketing Japan Group

✓ Net income attributable to owners of the parent surpassed previous 1Q-3Q record highs.

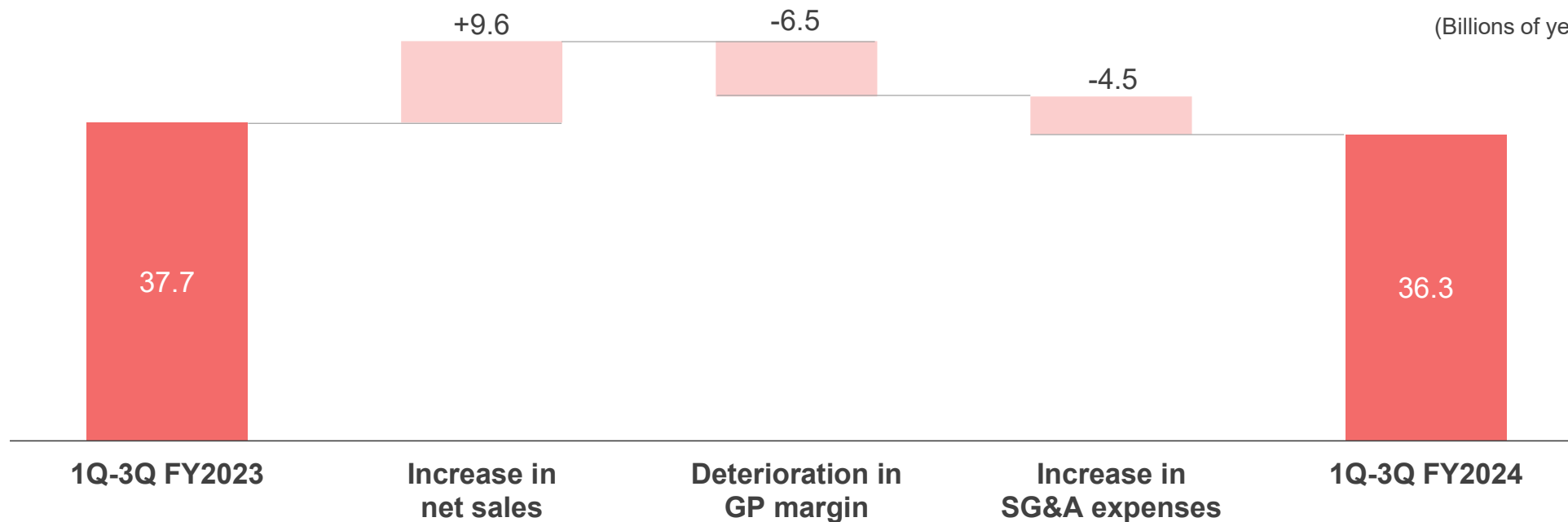
(Billions of yen)	1Q-3Q FY2023	1Q-3Q FY2024	Changes	
			Amount	%
Net Sales	444.6	473.2	+28.6	+6%
Gross Profit	(33.7%) 150.0	(32.4%) 153.1	(-1.4%) +3.1	+2%
Operating income	(8.5%) 37.7	(7.7%) 36.3	(-0.8%) -1.4	-4%
Ordinary income	(8.7%) 38.5	(7.9%) 37.3	(-0.8%) -1.3	-3%
Net income attributable to owners of the parent	(5.8%) 25.9	(5.7%) 27.0	(-0.1%) +1.1	+4%

Operating Income Variance Analysis

1Q-3Q 2024 Actual
(from January 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)



Deterioration in GP margin

- Gross profit margin declined in all segments.

Increase in SG&A expenses

- IT expenses +1.3B
- Amortization of goodwill, etc. +1.8B
- Other selling expenses +1.2B

Results by Segment

1Q-3Q 2024 Actual
(from January 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)	1Q-3Q FY2023		1Q-3Q FY2024		Changes	
	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income
Consumers	97.0	8.9	98.3	8.0	+1.3	-0.8
Enterprise	160.2	14.4	176.7	14.2	+16.4	-0.2
Area	171.8	12.9	172.4	13.1	+0.6	+0.2
Professional	30.5	3.4	33.8	4.0	+3.3	+0.6
Other	-14.9	-1.9	-8.0	-3.0	+6.9	-1.1
Total	444.6	37.7	473.2	36.3	+28.6	-1.4

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

* Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other".

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment in FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments

Segment Results Consumers Segment

- ✓ Net sales grew after a rise in sales of digital interchangeable lens cameras, IT products and other factors.
- ✓ Operating income increased, reflecting a rise in gross profit due to higher sales.

(Billions of yen)

	3Q			1Q-3Q		
	FY2023	FY2024	Changes	FY2023	FY2024	Changes
Net Sales	30.7	34.2	+11%	97.0	98.3	+1%
Op. income	2.3	2.9	+23%	8.9	8.0	-10%
margin	7.6%	8.4%	+0.8%	9.2%	8.2%	-1.0%

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

■ Consumer Products, Y/Y Non-consolidated

		1Q	2Q	3Q
Digital Interchangeable Lens Camera	Unit	-31%	-14%	+4%
Inkjet Printer (IJP)	Unit	-8%	-4%	+2%
IJP Cartridge	Amount	-9%	-6%	-7%

Segment Results

Enterprise Segment

- ✓ Net sales were up, reflecting the brisk performance of IT solutions despite a decrease in sales of Canon products, other.
- ✓ Operating income dropped due to an increase in SG&A expenses, more than offsetting an increase in gross profit reflecting an increase in sales.

(Billions of yen)	3Q			1Q-3Q		
	FY2023	FY2024	Changes	FY2023	FY2024	Changes
Canon products, other	14.5	14.0	-3%	43.7	43.6	-0%
IT solutions	38.2	43.1	+13%	116.5	133.1	+14%
Net sales	52.7	57.1	+8%	160.2	176.7	+10%
OP. income	4.5	4.2	-8%	14.4	14.2	-1%
margin	8.5%	7.3%	-1.2%	9.0%	8.0%	-0.9%

[Reference] Results of main consolidated company

Canon IT Solutions Inc.

	3Q		Changes	1Q-3Q		Changes
	FY2023	FY2024	%	FY2023	FY2024	%
Net sales	31.8	33.2	+4%	94.6	104.0	+10%
Op.income	3.6	3.3	-7%	10.4	11.0	+5%

Canon IT Solutions Inc.

Orders received and outstanding orders, Y/Y Non-consolidated

	1Q	2Q	3Q
Orders received	+1%	+13%	+2%
Outstanding orders	-7%	-10%	-12%

3Q outstanding orders excluding the Data Center business surpassed previous quarterly record highs.

* SuperStream Inc. was merged into Canon IT Solutions Inc. in October 2023. Accordingly, the FY2023 financial results of Canon IT Solutions Inc was revised.

Segment Results Area Segment

- ✓ Net sales hiked. While sales of Canon products, other dropped, those of IT solutions were buoyant.
- ✓ Operating income fell, mainly due to the deterioration in GP margin in addition to a decline in gross profit reflecting the transfer of shares in A&A Co., Ltd.

(Billions of yen)

	3Q			1Q-3Q		
	FY2023	FY2024	Changes	FY2023	FY2024	Changes
Canon products, other	38.3	37.5	-2%	118.8	116.8	-2%
IT solutions	17.0	18.0	+6%	53.0	55.6	+5%
Net sales	55.3	55.5	+0%	171.8	172.4	+0%
Op. income	4.0	3.5	-13%	12.9	13.1	+1%
margin	7.2%	6.2%	-1.0%	7.5%	7.6%	+0.1%

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

[Reference] Results of main consolidated company Canon System & Support Inc.

	3Q		Changes	1Q-3Q		Changes
	FY2023	FY2024	%	FY2023	FY2024	%
Net sales	25.9	26.6	+3%	78.3	81.1	+4%
Op.income	1.7	1.6	-5%	4.7	5.1	+9%

Segment Results Professional Segment

- ✓ Net sales increased after a sales rise of Industrial equipment.
- ✓ Operating income increased, reflecting a rise in gross profit associated with higher sales in Industrial equipment.

(Billions of yen)	3Q			1Q-3Q		
	FY2023	FY2024	Changes	FY2023	FY2024	Changes
Production printing	2.3	2.1	-6%	6.8	6.7	-2%
Industrial equipment	2.7	3.4	+22%	12.3	14.4	+17%
Healthcare business	3.5	3.4	-3%	11.4	12.7	+12%
Net sales	8.5	8.9	+5%	30.5	33.8	+11%
Op. income	0.5	0.8	+45%	3.4	4.0	+16%
margin	6.4%	8.9%	+2.5%	11.2%	11.7%	+0.5%

[Reference] Results of main consolidated company Canon Production Printing Systems Inc.

	3Q		Changes	1Q-3Q		Changes
	FY2023	FY2024	%	FY2023	FY2024	%
Net sales	2.1	2.0	-6%	6.4	6.3	-3%
Op. income	0.1	0.1	-8%	0.4	0.3	-21%

Sales of Products and Services by Segment

3Q 2024 Actual
(from July 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)	Consumers		Enterprise		Area		Professional		Other		Total		Composition Ratio
	3Q FY2023	3Q FY2024	3Q FY2023	3Q FY2024	3Q FY2023	3Q FY2024	3Q FY2023	3Q FY2024	3Q FY2023	3Q FY2024	3Q FY2023	3Q FY2024	3Q FY2024
SI services	—	—	18.9	18.5	3.0	2.1	3.5	3.5	-0.6	-0.5	24.8	23.6	32%
Changes		-		-2%		-29%		-1%		-		-5%	
Maintenance and operation service/outsourcing	—	—	10.2	13.5	2.7	2.9	0.3	0.3	-0.6	3.3	12.7	20.0	27%
Changes		-		+32%		+7%		-6%		-		+57%	
IT products and system sales	6.3	8.1	9.1	11.1	11.3	13.0	—	—	-1.2	-1.2	25.5	31.0	41%
Changes		+29%		+22%		+15%		-		-		+22%	
IT solutions	6.3	8.1	38.2	43.1	17.0	18.0	3.9	3.8	-2.4	1.6	63.0	74.6	100%
Changes		+29%		+13%		+6%		-2%		-		+18%	
Canon products, other	24.4	26.1	14.5	14.0	38.3	37.5	4.7	5.1	-3.1	-3.0	78.8	79.7	
Changes		+7%		-3%		-2%		+10%		-		+1%	
Total	30.7	34.2	52.7	57.1	55.3	55.5	8.5	8.9	-5.5	-1.5	141.8	154.3	
Changes		+11%		+8%		+0%		+5%		-		+9%	

* "Other" is a business segment that is not included in the reportable segments and includes the shared service business and elimination of intersegment transactions. Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other". One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

Sales of Products and Services by Segment

1Q-3Q 2024 Actual
(from January 1 to September 30)



Canon Marketing Japan Group

(Billions of yen)	Consumers		Enterprise		Area		Professional		Other		Total		Composition Ratio
	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2023	1Q-3Q FY2024	1Q-3Q FY2024
SI services	—	—	54.1	56.7	9.0	8.1	11.4	12.8	-1.8	-1.7	72.6	75.9	33%
Changes		-		+5%		-9%		+13%		-		+5%	
Maintenance and operation service/outsourcing	—	—	31.9	40.4	8.0	8.6	1.0	1.0	-1.9	6.6	39.1	56.6	25%
Changes		-		+27%		+8%		-5%		-		+45%	
IT products and system sales	21.4	25.6	30.5	36.0	36.0	38.9	—	—	-2.0	-3.7	85.9	96.8	42%
Changes		+20%		+18%		+8%		-		-		+13%	
IT solutions	21.4	25.6	116.5	133.1	53.0	55.6	12.4	13.8	-5.7	1.2	197.6	229.3	100%
Changes		+20%		+14%		+5%		+11%		-		+16%	
Canon products, other	75.6	72.7	43.7	43.6	118.8	116.8	18.1	20.0	-9.2	-9.2	247.0	243.9	
Changes		-4%		-0%		-2%		+11%		-		-1%	
Total	97.0	98.3	160.2	176.7	171.8	172.4	30.5	33.8	-14.9	-8.0	444.6	473.2	
Changes		+1%		+10%		+0%		+11%		-		+6%	

* "Other" is a business segment that is not included in the reportable segments and includes the shared service business and elimination of intersegment transactions. Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other". One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

Summary of Forecasts

Previous Forecast vs
Current Forecast

Canon
Canon Marketing Japan Group

(Billions of yen)

	FY2024 Previous forecast	FY2024 Current forecast	Changes		FY2023 Actual	Changes	
			Amount	%		Amount	%
Net sales	650.0	650.0	—	—	609.5	+40.5	+7%
Operating income	(8.3%) 54.0	(8.3%) 54.0	—	—	(8.6%) 52.5	(-0.3%) +1.5	+3%
Ordinary income	(8.5%) 55.0	(8.5%) 55.0	—	—	(8.8%) 53.6	(-0.3%) +1.4	+3%
Net income attributable to owners of the parent	(5.8%) 37.5	(6.0%) 39.0	(+0.2%) +1.5	+4%	(6.0%) 36.5	(+0.0%) +2.5	+7%

Forecasts by Segment

Previous Forecast vs
Current Forecast

Canon
Canon Marketing Japan Group

(Billions of yen)

	FY2024 Previous forecast		FY2024 Current forecast		Changes		
	Net sales	Op. income	Net sales	Op. income	Net sales		Op. income
					Amount	%	
Consumers	139.3	13.7	139.3	13.7	—	—	—
Enterprise	236.2	20.5	237.2	20.5	+1.0	+0%	—
Area	235.0	18.3	234.0	18.3	-1.0	-0%	—
Professional	44.0	4.1	44.0	4.1	—	—	—
Other	-4.5	-2.6	-4.5	-2.6	—	—	—
Total	650.0	54.0	650.0	54.0	—	—	—

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

Forecasts by Segment

Previous Forecast vs
Current Forecast

Canon
Canon Marketing Japan Group

(Billions of yen)	FY2023 Actual		FY2024 Current forecast		Changes		
	Net sales	Op. income	Net sales	Op. income	Net sales		Op. income
					Amount	%	
Consumers	138.9	14.1	139.3	13.7	+0.4	+0%	-0.4
Enterprise	220.3	19.7	237.2	20.5	+16.9	+8%	+0.8
Area	229.7	17.5	234.0	18.3	+4.3	+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	650.0	54.0	+40.5	+7%	+1.5

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

* Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other".

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment in FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

Forecasts by Segment

Previous Forecast vs
Current Forecast

Canon
Canon Marketing Japan Group

(Billions of yen)	FY2023 Actual		FY2024 Current forecast		Changes		
	Net sales	Op. income	Net sales	Op. income	Net sales		Op. income
					Amount	%	
Consumers	138.9	14.1	139.3	13.7	+0.4	+0%	-0.4
Enterprise	220.3	19.7	237.2	20.5	+16.9	+8%	+0.8
Area	229.7	17.5	234.0	18.3	+4.3	+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	650.0	54.0	+40.5	+7%	+1.5

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

* Primagest Inc. and its three subsidiaries, the Company's consolidated subsidiaries, are included in "Other".

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment in FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

Segment Forecasts

■ Consumers

(Billions of yen)

- ✓ Net sales are forecast to decrease due to a decline in sales of Inkjet printers.
- ✓ Operating income is expected to increase, reflecting a rise in gross profit resulting from higher sales of digital interchangeable lens cameras.

FY2023				FY2024				Changes			
1Q-3Q Actual		4Q Actual		1Q-3Q Actual		4Q Forecast		1Q-3Q		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
97.0	8.9	41.9	5.2	98.3	8.0	41.0	5.7	+1.3	-0.8	-0.9	+0.4

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

■ Enterprise

- ✓ Net sales are forecast to grow, reflecting a 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 and improvement of gross profit ratio due to higher sales.

FY2023				FY2024				Changes			
1Q-3Q Actual		4Q Actual		1Q-3Q Actual		4Q Forecast		1Q-3Q		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
160.2	14.4	60.1	5.3	176.7	14.2	60.5	6.3	+16.4	-0.2	+0.5	+1.0

Segment Forecasts

Area

(Billions of yen)

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

FY2023				FY2024				Changes			
1Q-3Q Actual		4Q Actual		1Q-3Q Actual		4Q Forecast		1Q-3Q		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
171.8	12.9	57.9	4.6	172.4	13.1	61.6	5.2	+0.6	+0.2	+3.7	+0.6

* One of the organizations of sales channels in the Area segment was transferred to the Consumers segment from FY2024. As a result, the FY 2023 financial results have been reclassified between the two segments.

Professional

- ✓ Net sales are forecast to increase, reflecting a rise in sales of production printing and healthcare.
- ✓ Operating income is forecast to decrease, reflecting a decline in gross profit associated with lower sales of Industrial equipment.

FY2023				FY2024				Changes			
1Q-3Q Actual		4Q Actual		1Q-3Q Actual		4Q Forecast		1Q-3Q		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
30.5	3.4	9.7	0.2	33.8	4.0	10.2	0.1	+3.3	+0.6	+0.5	-0.1

[Supplementary Material] Outline of Main Products Sales

Supplementary Material for 2024 3Q Canon Marketing Japan Inc.

Canon Products, Other
Non-consolidated
¥/Y

	Unit	FY2023 vs FY2022					FY2024 vs FY2023					Revenue Forecasts Full Year
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	2Q Results	3Q Results	4Q Forecasts	Full Year Forecasts	
DIGITAL*	Unit	+20%	+20%	-15%	-2%	+8%	+11%	+14%	+4%	+34%	+2%	+1%
Inkjet Printer (IJP)	Unit	-35%	-12%	-13%	-13%	-19%	-8%	-4%	+2%	-8%	-5%	-5%
IJP Cartridge	Amount	-6%	-3%	-2%	-7%	-5%	-6%	-6%	-7%	-7%	-7%	-7%

* Digital Interchangeable Lens Camera

	Unit	FY2023 vs FY2022					FY2024 vs FY2023					Revenue Forecasts Full Year
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	2Q Results	3Q Results	4Q Forecasts	Full Year Forecasts	
MFP (including Rental Machines)	Unit	+31%	+6%	+12%	+12%	+2%	-3%	-1%	+5%	+17%	+5%	+8%
Service & Support	Amount	+1%	-1%	-2%	-1%	-1%	-2%	-1%	-2%	-1%	-1%	-1%
Laser Beam Printer (LBP)	Unit	+2%	+16%	-8%	-2%	-6%	-2%	-2%	+9%	+6%	+2%	+2%
LBP Cartridge	Amount	+1%	-1%	+9%	+6%	+4%	-3%	+6%	-1%	+0%	+1%	-2%

Consolidated

Commercial Printing**	Amount	-5%	+12%	-1%	+5%	+2%	+8%	-2%	-3%	+20%	+6%	+6%
-----------------------	--------	-----	------	-----	-----	-----	-----	-----	-----	------	-----	-----

** Includes MFPs for production printing of Canon, Customer Field Printer of Canon, and EX series, etc.

IT Solutions

Consolidated
[Amount] ¥/Y

	Unit	FY2023 vs FY2022					FY2024 vs FY2023					Revenue Forecasts Full Year
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	2Q Results	3Q Results	4Q Forecasts	Full Year Forecasts	
IT Services	Amount	+12%	+21%	+29%	+20%	+20%	+18%	+1%	-3%	+16%	+8%	+10%
Maintenance and operation services/outsourcing	Amount	+12%	+4%	+4%	+13%	+9%	+22%	+18%	+7%	+40%	+44%	+44%
IT products and system sales	Amount	+9%	+10%	+5%	-0%	+6%	-2%	+21%	+22%	+4%	+11%	+7%

* 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

	Unit	FY2023 vs FY2022					FY2024 vs FY2023					Revenue Forecasts Full Year
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	2Q Results	3Q Results	4Q Forecasts	Full Year Forecasts	
Production Printing	Amount	-13%	+10%	-13%	+8%	-2%	+8%	-7%	-6%	+30%	+7%	+7%
Industrial Equipment	Amount	-16%	-69%	-45%	+5%	-30%	-6%	+11%	+22%	-18%	+10%	+10%
Healthcare Business	Amount	+11%	+199%	+101%	+34%	+57%	+64%	-25%	-3%	+6%	+10%	+10%

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

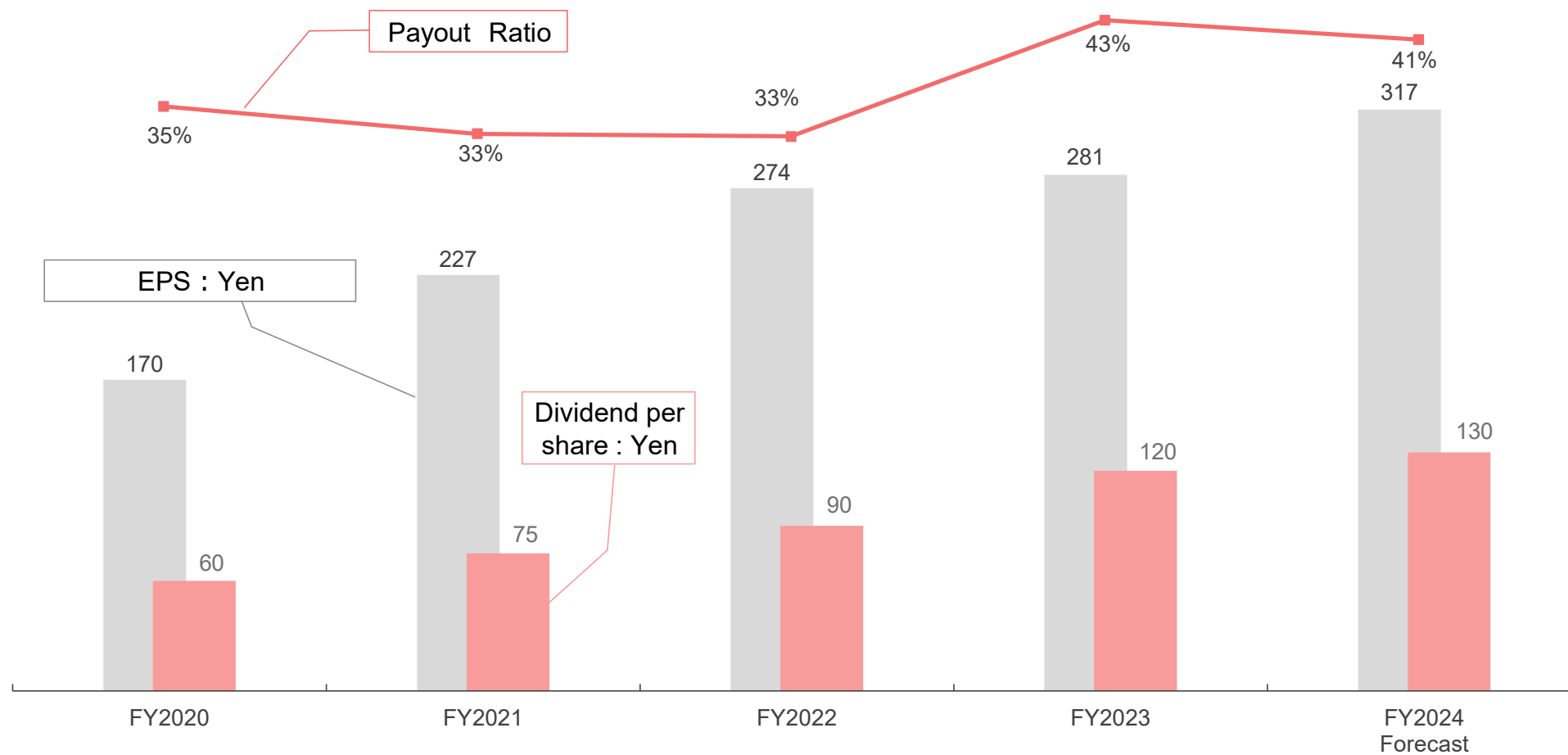
Please see the **Supplementary Material for FY2024 3Q** on our website.

- URL
<https://cweb.canon.jp/eng/ir/library/presentation.html>

Goodwill, etc. Associated with Acquisition of TCS and Primagest as Subsidiaries

	TCS Inc.	Primagest, Inc.
Date of business combination	October 2, 2023	March 29, 2024
Amount of goodwill	4.6 billion yen	19.3 billion yen
Amount of customer-related intangible assets	3.7 billion yen	16.2 billion yen
Period of the operating results of the acquired company included in the consolidated statement of income	From October 2023	From April 2024
Method and period of amortization of goodwill	12-year straight-line amortization	14-year straight-line amortization
Weighted average amortization period for customer-related intangible assets	14.9 years	18.6 years

Financial Indicator

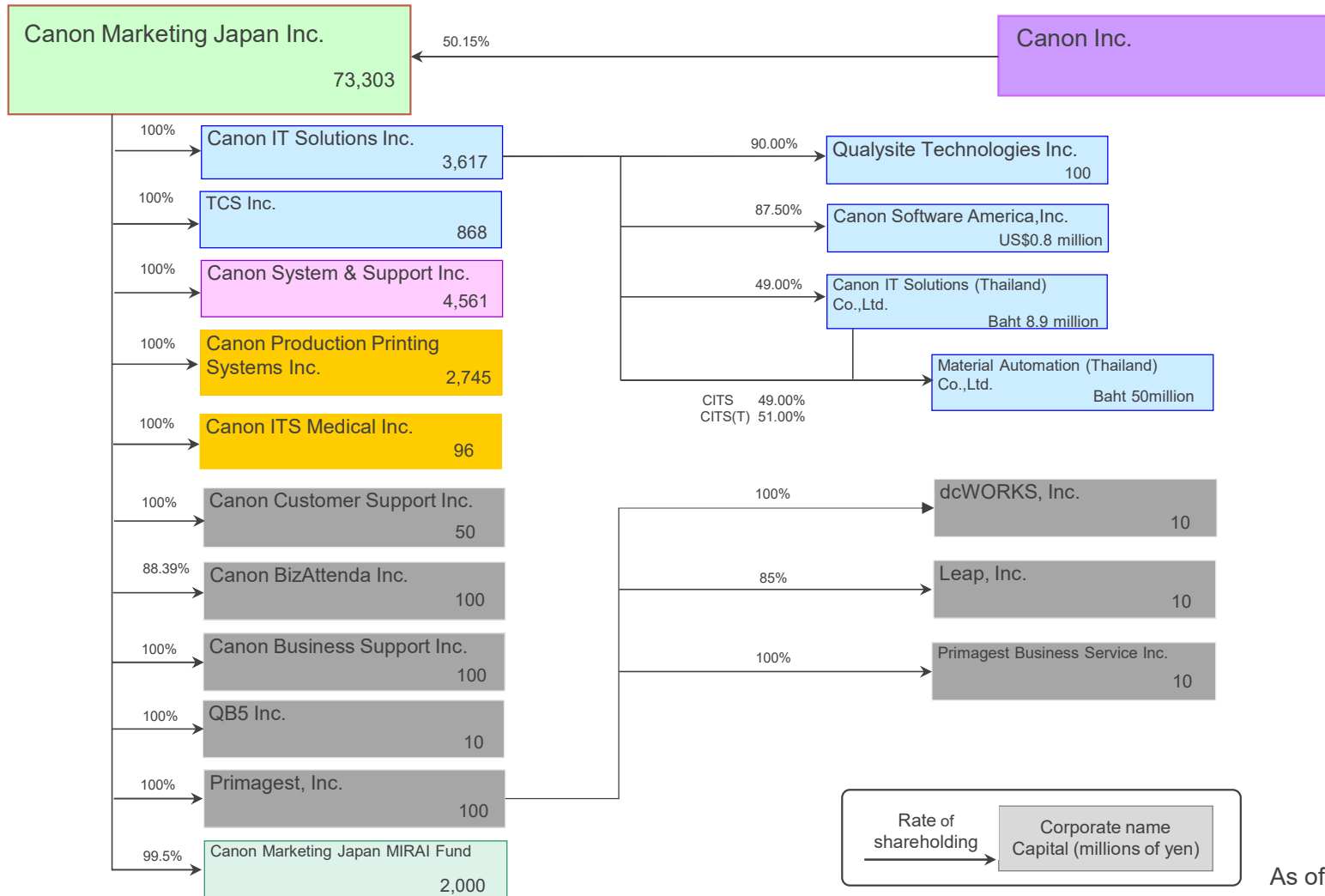


Canon

Canon Marketing Japan Group

Supplementary Information

Capital Relationship Diagram



As of September 30, 2024

SG&A Expenses

3Q 2024 Actual
(from July 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)

	3Q FY2023	3Q FY2024	Changes
Advertising expenses	1.2	1.4	+0.1
Promotion expenses	0.7	0.9	+0.2
Warranty expenses	0.7	0.7	-0.0
Other direct selling expenses	4.2	4.4	+0.3
Personnel expenses	22.4	22.6	+0.3
Office expenses	2.1	2.2	+0.1
IT expenses	2.5	2.8	+0.3
Amortization of goodwill, etc.	0.0	0.8	+0.8
Other selling expenses	3.6	3.6	+0.0
Total	37.4	39.4	+2.0

SG&A Expenses

1Q-3Q 2024 Actual
(from January 1 to September 30)

Canon
Canon Marketing Japan Group

(Billions of yen)

	1Q-3Q FY2023	1Q-3Q FY2024	Changes
Advertising expenses	3.4	3.3	-0.1
Promotion expenses	2.1	2.3	+0.1
Warranty expenses	2.2	2.0	-0.2
Other direct selling expenses	12.9	13.4	+0.6
Personnel expenses	68.4	68.2	-0.2
Office expenses	6.2	6.1	-0.1
IT expenses	7.0	8.3	+1.3
Amortization of goodwill, etc.	0.1	1.9	+1.8
Other selling expenses	10.0	11.2	+1.2
Total	112.3	116.8	+4.5

Non-operating Income and Expenses

Canon

Canon Marketing Japan Group

(Billions of yen)

	3Q FY2023	3Q FY2024	Changes	1Q-3Q FY2023	1Q-3Q FY2024	Changes
Interest income	0.1	0.1	+0.0	0.3	0.3	+0.0
Dividend income	0.0	0.1	+0.1	0.2	0.3	+0.2
Insurance income	0.0	0.0	+0.0	0.5	0.5	+0.0
Foreign exchange gains	-	-0.1	-0.1	-	0.0	+0.0
Gain on investments in partnership	-	0.0	+0.0	-	0.1	+0.1
Other, net	0.0	0.0	-0.0	0.2	0.2	+0.0
Total non-operating income	0.1	0.2	+0.1	1.0	1.4	+0.3
Interest expense	0.0	0.1	+0.1	0.0	0.1	+0.1
Investment partnership management expenses	-	0.1	+0.1	-	0.1	+0.1
Foreign exchange losses	0.0	-	-0.0	0.0	-	-0.0
Loss on investments in partnership	-0.0	-	+0.0	0.0	-	-0.0
Other, net	0.0	0.1	+0.1	0.1	0.2	+0.1
Total non-operating expenses	0.0	0.2	+0.2	0.2	0.4	+0.2

Extraordinary Income and Losses

(Billions of yen)

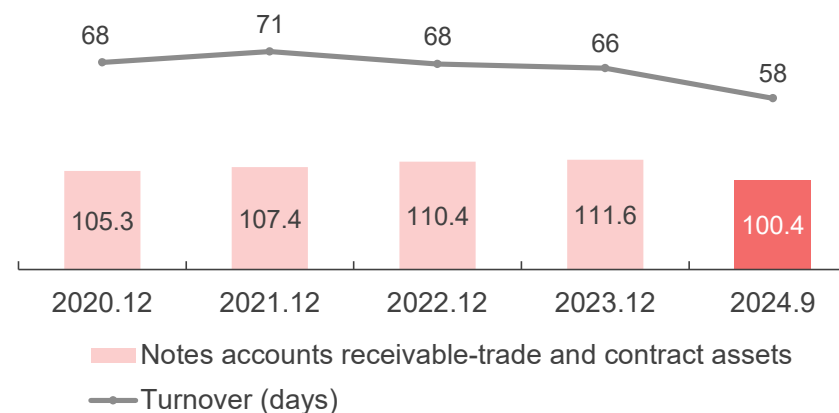
	3Q FY2023	3Q FY2024	Changes	1Q-3Q FY2023	1Q-3Q FY2024	Changes
Gain on sales of long-lived assets	0.0	0.0	+0.0	0.0	0.0	+0.0
Gain on sales of shares of subsidiaries and associates	-	-0.0	-0.0	-	2.9	+2.9
Gain on sales of investments in securities	0.1	-	-0.1	0.1	-	-0.1
Other, net	-	-	-	-	0.0	+0.0
Total extraordinary income	0.1	-0.0	-0.1	0.1	2.9	+2.8
Loss on sales and disposal of long-lived assets	0.1	0.0	-0.1	0.5	0.1	-0.3
Loss on sales of shares of subsidiaries and associates	-	-	-	0.2	-	-0.2
Other, net	-	-	-	0.0	0.0	-0.0
Total extraordinary losses	0.1	0.0	-0.1	0.6	0.1	-0.5

Quarterly Balance Sheets

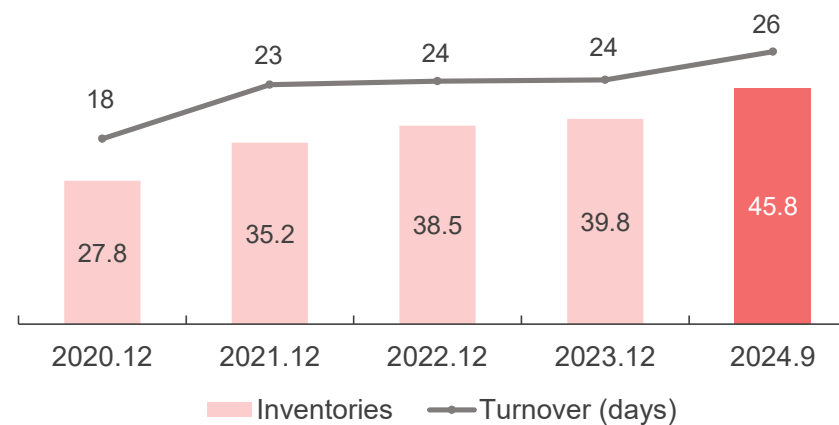
(Billions of yen)

	Dec. 31 2023	Sep. 30 2024	Changes
Assets	557.4	494.5	-62.8
Current assets	418.6	317.7	-100.9
Cash and deposits	89.7	111.7	+22.0
Notes accounts receivable-trade and contract assets	111.6	100.4	-11.2
Inventories	39.8	45.8	+5.9
Other current assets	177.4	59.8	-117.6
Non-current assets	138.8	176.8	+38.0
Property, plant and equipment	85.0	87.1	+2.1
Intangible assets	14.2	49.5	+35.3
Investment and other assets	39.5	40.2	+0.7
Liabilities	121.9	130.4	+8.5
Current liabilities	110.6	116.7	+6.2
Notes and accounts payable-trade	45.6	50.4	+4.9
Other current liabilities	65.0	66.3	+1.3
Long-term liabilities	11.3	13.6	+2.4
Equity	435.5	364.1	-71.4
Shareholders' equity	410.8	339.0	-71.8
(Treasury stock)	-2.1	-5.6	-3.5
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	+0.1
Equity ratio	78%	73%	-5%

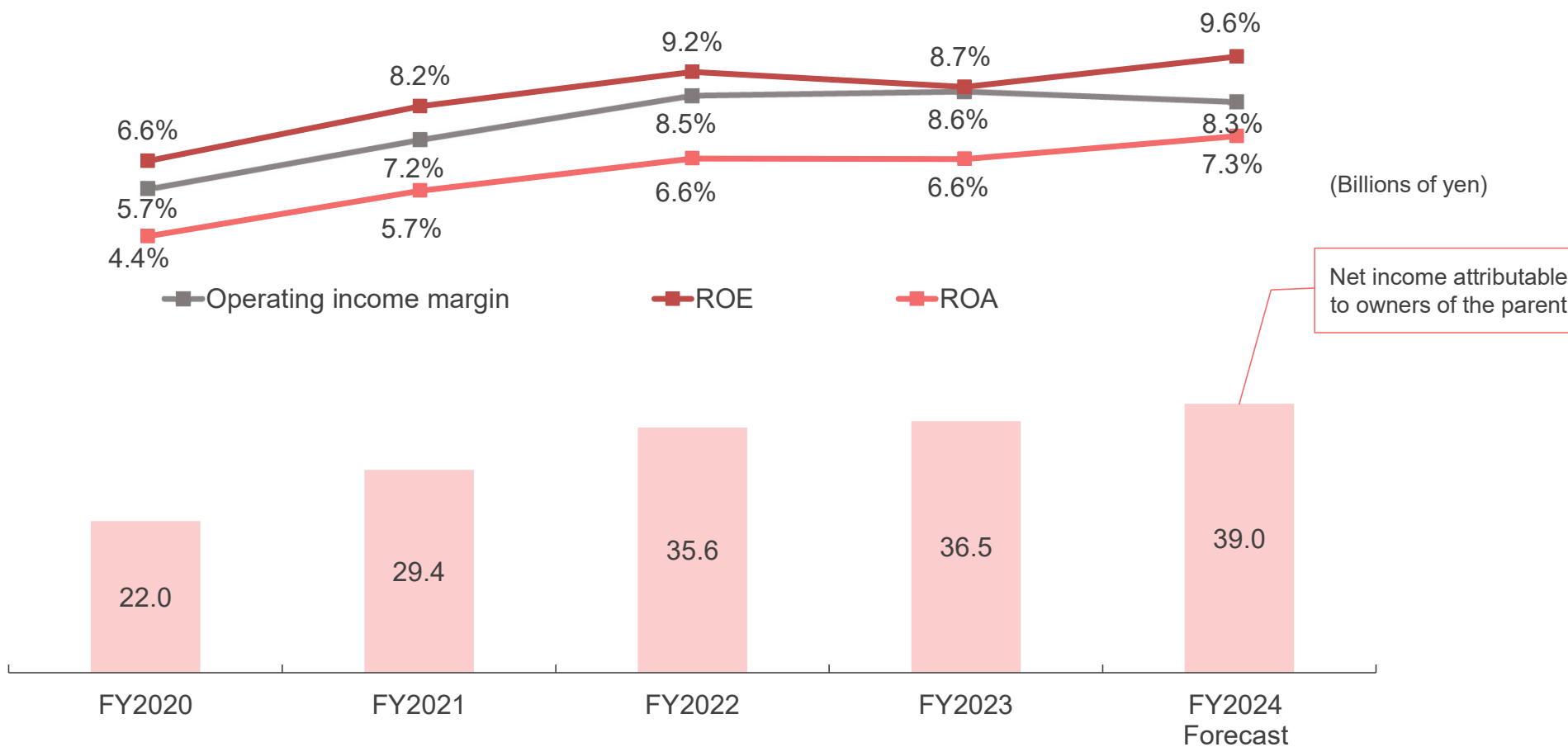
Notes accounts receivable-trade and contract assets



Inventories

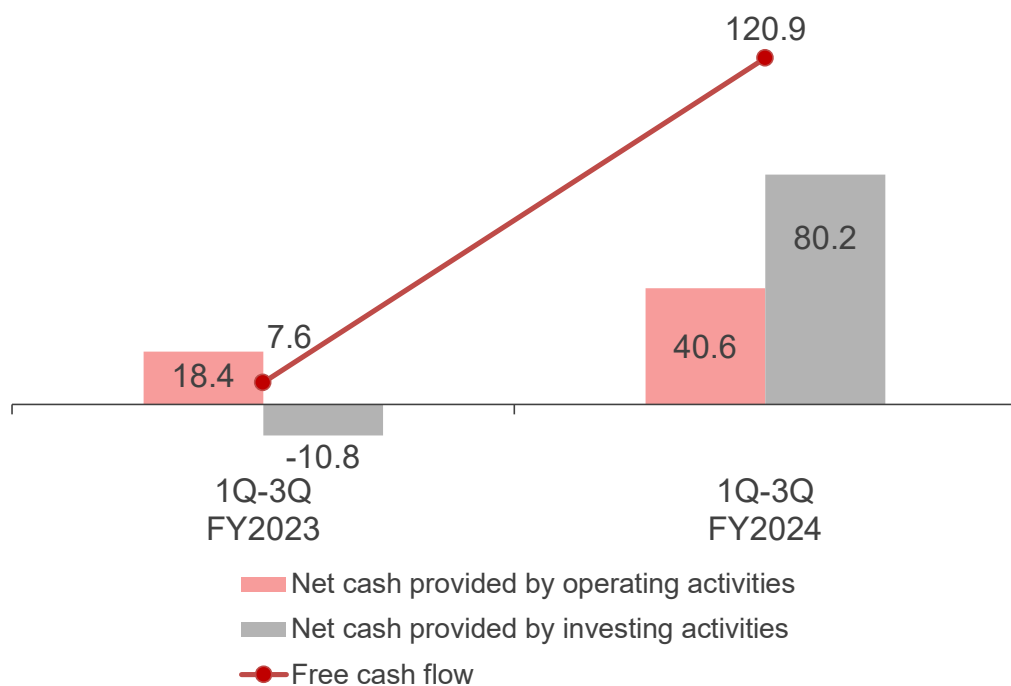


Financial Indicator



Financial Indicator

■ Cash Flow



■ Capital Investment

	1Q-3Q Actual	4Q Forecast	Full year
FY2023 Actual	6.8	2.6	9.4
FY2024 Forecast	8.5	4.6	13.1

■ Depreciation and amortization

	1Q-3Q Actual	4Q Forecast	Full year
FY2023 Actual	7.2	2.5	9.7
FY2024 Forecast	7.6	2.8	10.4

Sales Breakdown by Segment (FY2023)

4 Professional

Net sales	Operating income
40.2	3.6 (9.0%)

Customers in specialized areas

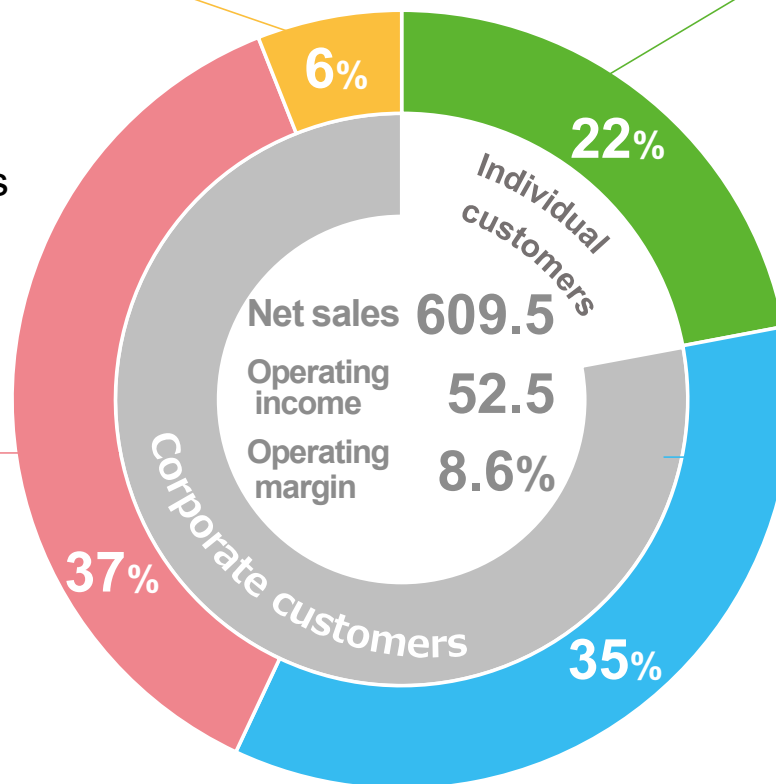
- Production printing
- Industrial equipment
- Healthcare

3 Area

Net sales	Operating income
229.7	17.5 (7.6%)

SMEs nationwide

SME: Small and Medium Enterprise



1 Consumers

Net sales	Operating income
138.9	14.1 (10.2%)

Individual customers

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

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

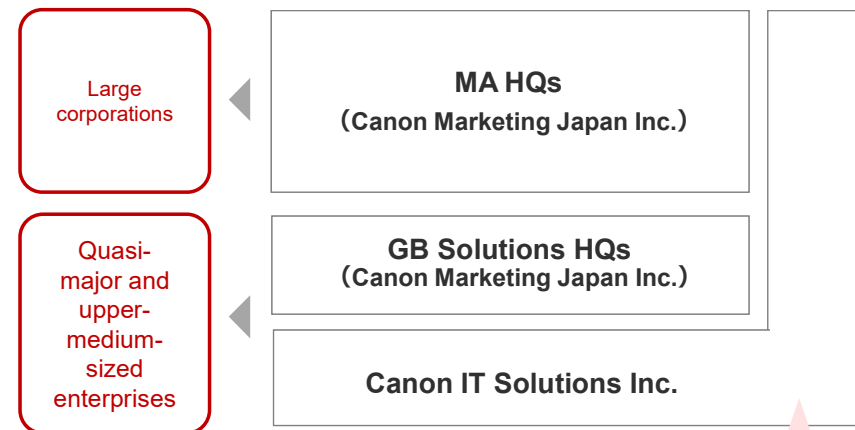
IT products business



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.



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.



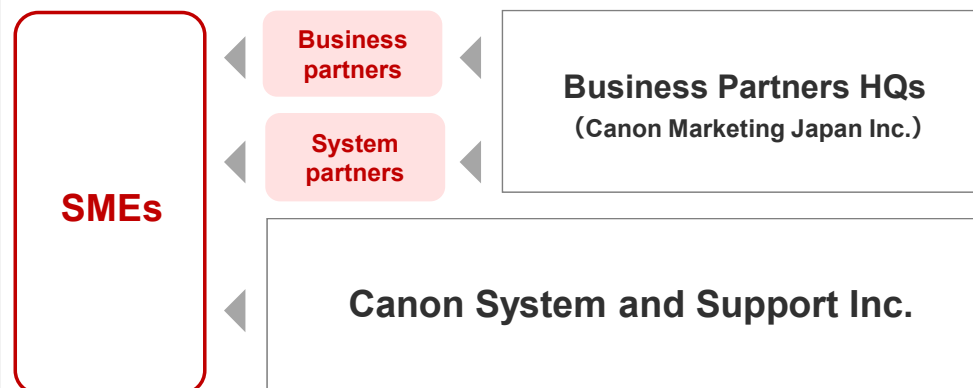
Strong in financial and
manufacturing sectors

Data Center Business

Business Summary by Segment

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.



- 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.

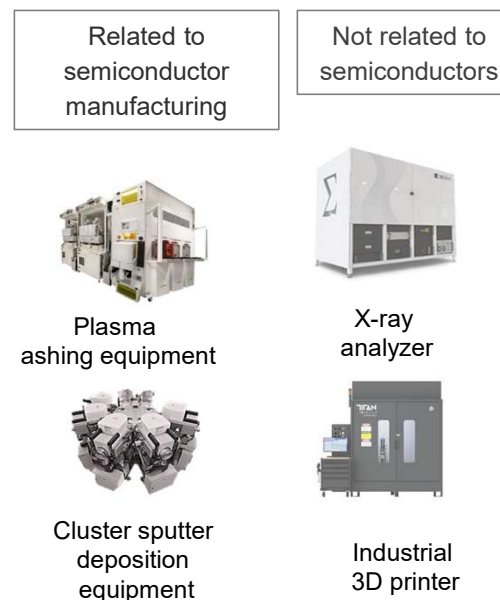
Build relationships with customers through the direct sales channels

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

4 Professional

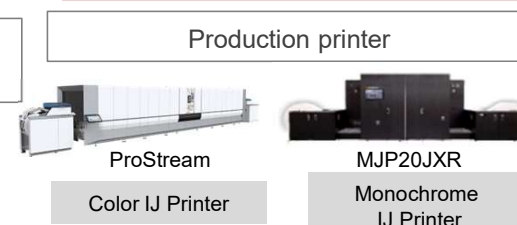
This segment offers solutions to **customers in the specialized areas** like Production printing, Industrial equipment and Healthcare.

Industrial equipment

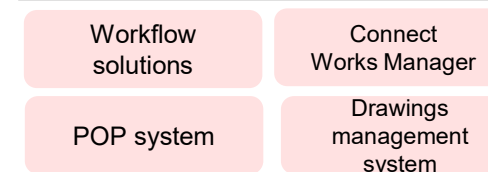


* We import industrial equipment from abroad and sell localized equipment in the Japanese market. We are also in charge of installation and maintenance support.

Production printing



Software services



Healthcare



ITS Business by Customer Segment

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



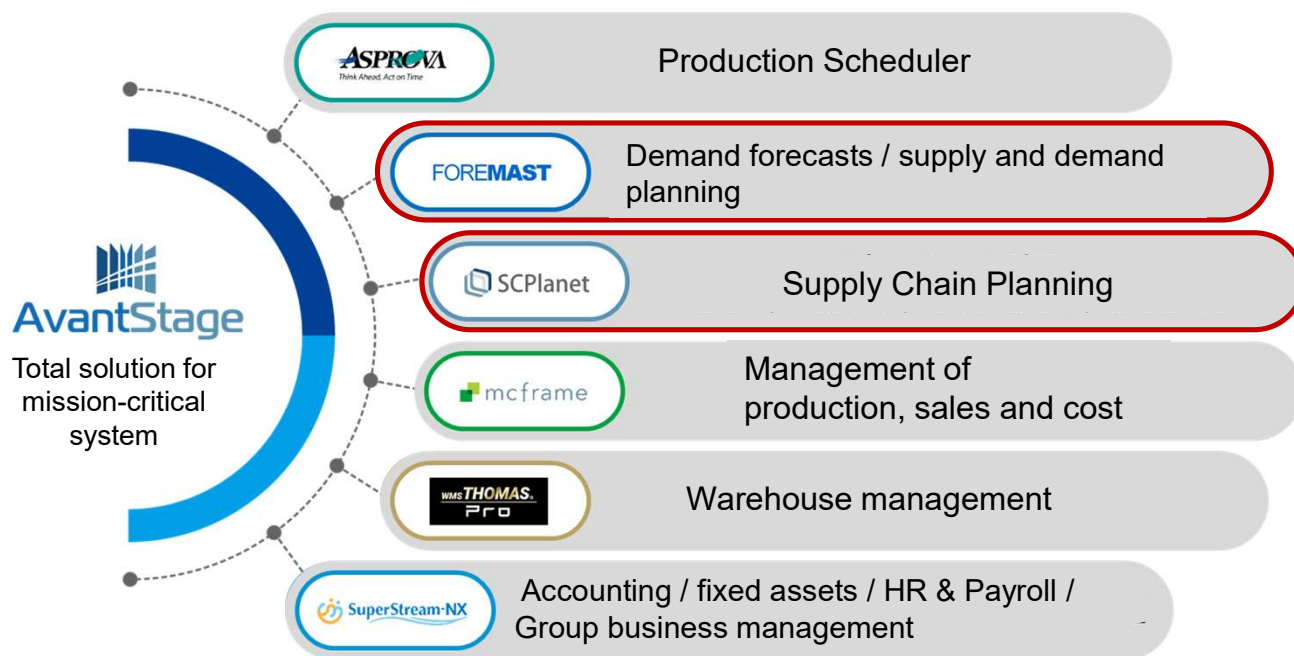
Mission-critical Total Solution System for Manufacturing Industry

Issue

Logistic issues in 2024
Reduction of food waste



Provide SCM/ERP total solution
utilizing mathematical technologies



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/>

Full Support for Business Innovation

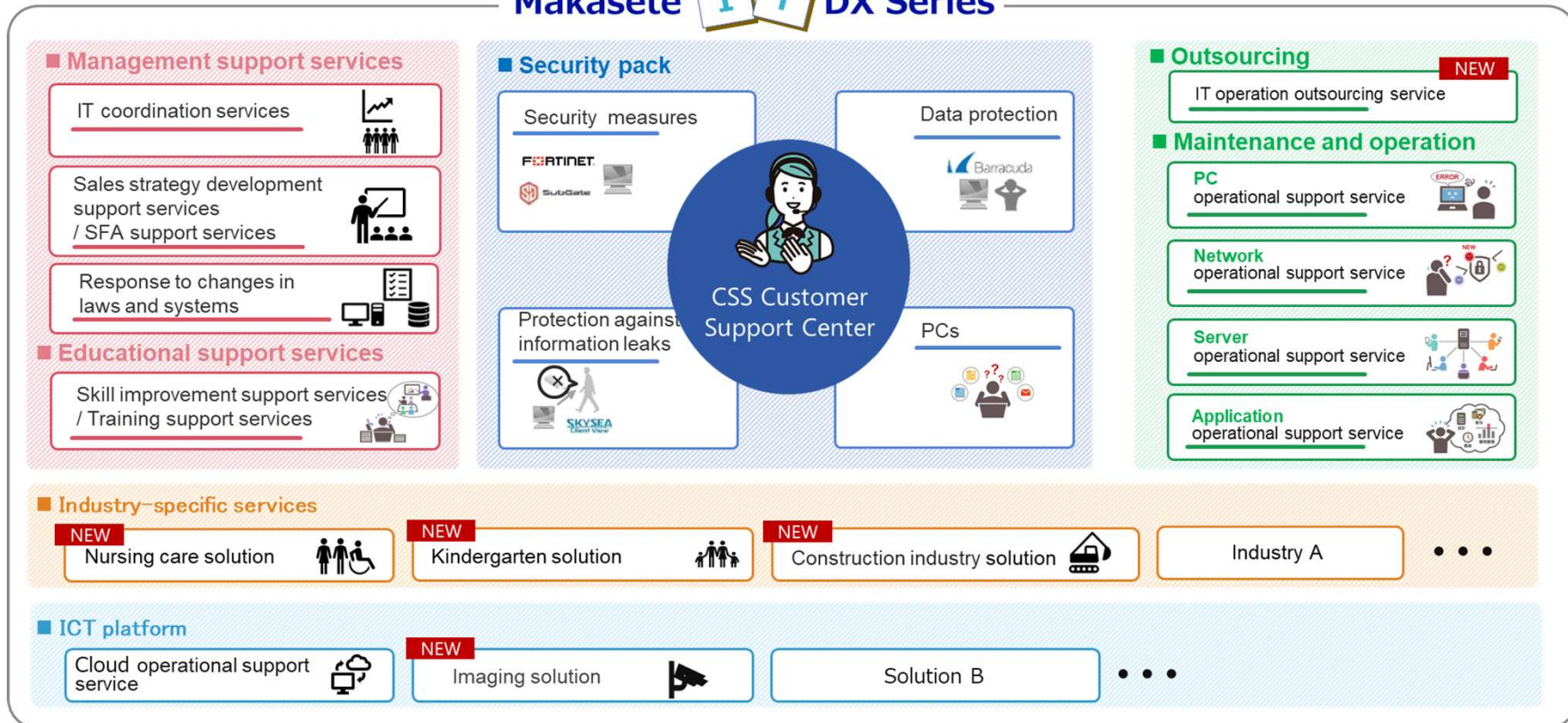
Issue

Shortage of IT professionals



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

Makasete **IT** DX Series



Outsiders' Assessments and Inclusion in Indices

ESG Indexes

Selected as a constituent of the FTSE4Good Index



FTSE4Good

Selected as a constituent of the FTSE Blossom Japan Index



FTSE Blossom Japan

Selected as a constituent of the FTSE Blossom Japan Sector Relative Index



FTSE Blossom Japan Sector Relative Index

Selected as a constituent of the MSCI Japan ESG Select Leaders Index

2024 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Selected as a constituent of the MSCI Japan Empowering Women Index

2024 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected as a constituent of the S&P/JPX Carbon Efficient Index



Selected as a constituent of the Morningstar Japan Equity Gender Diversity Tilt Index(GE Group 2)

Selected as a constituent of the Sampo Sustainability Index 2024



Sampo Sustainability Index

Selected as an excellent company in the Gomez ESG Site Ranking



Human Capital

Eruboshi certification (two stars)



Ministry of Health, Labour and Welfare

KENKO Investment for Health Stock Selection



Ministry of Economy, Trade and Industry and Tokyo Stock Exchange

Platinum Kurumin certification



Ministry of Health, Labour and Welfare

Earning 4.5-star rating in the 7th Nikkei Smart Work Management Survey



Selected as a constituent of JPX Nikkei Index 400



Awarded an excellent company prize and a prize of excellent in the IFSJ Innovation Award with the DX Test™ series



(*) THE INCLUSION OF Canon Marketing Japan Inc. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Canon Marketing Japan Inc. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

Canon

Canon Marketing Japan Group