

## Summary Report of Consolidated Financial Results

for the third quarter ended September 30, 2024

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

1.Consolidated business results for the nine months ended September 30, 2024 (From January 1, 2024 to September 30, 2024)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
September 30, 2024	473,181	6.4	36,290	(3.7)	37,260	(3.3)	26,980	4.4
September 30, 2023	444,550	3.8	37,682	(0.5)	38,539	(0.2)	25,854	(3.1)

[Note] Comprehensive Income: Nine months ended September 30, 2024 : 27,386 million yen [0.4%]  
 Nine months ended September 30, 2023 : 27,285 million yen [18.2%]

	Basic earnings per share	Diluted net income per share
Nine months ended	Yen	Yen
September 30, 2024	211.68	211.63
September 30, 2023	199.38	199.33

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

	Total assets	Equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
Third quarter ended September 30, 2024	494,529	364,140	73.5	3,312.77
Year ended December 31, 2023	557,366	435,509	78.0	3,352.30

[Reference] Shareholders' equity: Third quarter ended September 30, 2024 : 363,262 million yen  
 Year ended December 31, 2023 : 434,721 million yen

2.Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	-	50.00	-	70.00	120.00
Year ending December 31, 2024	-	60.00	-		
Year ending December 31, 2024 (forecast)				70.00	130.00

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

3.Consolidated financial forecast for the fiscal year ending December 31, 2024

(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	650,000	6.6	54,000	2.9	55,000	2.6	39,000	6.9	317.06

[Note] Revision of forecast for this period : Yes

\*Others

(1) Material changes in subsidiaries during this period

Newly consolidated: 2 companies (Canon Marketing Japan MIRAI Fund L.P., Primagest, Inc.) Yes

(2) Application of a specified accounting procedure : Yes

(3) Changes in accounting policies and accounting estimates, retrospective restatement

( i ) Changes in accounting policies based on revisions of accounting standard : None

( ii ) Changes in accounting policies other than ( i ) : None

( iii ) Changes in accounting estimates : None

( iv ) Retrospective 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 September 30, 2024 : 111,079,972

As of December 31, 2023 : 131,079,972

( ii ) Number of treasury stock as of end of period

As of September 30, 2024 : 1,424,913

As of December 31, 2023 : 1,401,615

( iii ) Average number of shares

As of September 30, 2024 : 127,454,745

As of September 30, 2023 : 129,678,097

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Upon the completion of the review of the Japanese-language originals of the quarterly consolidated financial results by the audit firm, the Company will disclose the Japanese-language originals of the quarterly consolidated financial results with the review report.

Scheduled date of disclosure: October 30, 2024

Disclaimer :

Earnings forecasts are based on information available at the time these materials were announced, 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, 2023	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	88,190	110,239
Notes, accounts receivable-trade and contract assets	111,649	100,436
Certificates of deposit due within three months	1,500	1,500
Merchandise and service parts	39,149	44,239
Work in process	196	1,070
Supplies	479	443
Short-term loans receivable	170,005	50,005
Other current assets	7,482	9,828
Allowance for doubtful receivables	(42)	(24)
Total current assets	418,611	317,737
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,714	46,272
Machinery and vehicles, net	60	60
Furniture and fixtures, net	3,029	4,580
Rental assets, net	5,585	6,267
Land	28,359	28,359
Lease assets, net	3	1
Construction in progress	271	1,533
Total property, plant and equipment	85,024	87,075
Intangible assets		
Software	5,600	7,319
Goodwill	4,868	23,102
Customer-related intangible assets	3,408	18,781
Facility utilization rights	302	300
Other intangible assets	1	1
Total intangible assets	14,181	49,505
Investments and other assets		
Investments in securities	16,314	17,673
Long-term loans receivable	10	10
Prepaid pension and severance costs	10,987	13,058
Deferred tax assets	5,916	2,290
Lease deposits	2,559	2,962
Other investments and other assets	3,962	4,414
Allowance for doubtful receivables	(201)	(197)
Total investments and other assets	39,548	40,212
Total non-current assets	138,755	176,792
Total assets	557,366	494,529

## Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2023	As of September 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	45,552	50,423
Short-term bank loans	-	1,100
Current portion of long-term loans	-	219
Current portion of long-term lease obligations	99	158
Accrued expenses	16,585	11,983
Accrued income taxes	8,233	7,771
Consumption taxes payable	6,712	4,316
Accrued bonuses	3,222	13,165
Accrued directors' bonuses	107	58
Accrued product warranties	269	261
Accrued loss on contracts	51	19
Other current liabilities	29,755	27,268
Total current liabilities	<u>110,590</u>	<u>116,746</u>
Long-term liabilities		
Long-term loans	-	1,767
Long-term lease obligations	206	349
Allowance for long-term continuous service rewards	723	726
Accrued pension and severance costs	7,760	7,358
Deferred tax liabilities	178	1,027
Other long-term liabilities	2,397	2,412
Total long-term liabilities	<u>11,266</u>	<u>13,642</u>
Total liabilities	<u>121,856</u>	<u>130,389</u>
<b>Equity</b>		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,727	82,710
Retained earnings	256,880	188,593
Treasury stock	(2,092)	(5,584)
Total shareholders' equity	<u>410,817</u>	<u>339,021</u>
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	6,860	7,255
Deferred gain (loss) on derivatives under hedge accounting	87	(46)
Foreign currency-translation adjustments	345	337
Defined retirement benefit plans	16,610	16,693
Total accumulated other comprehensive income (loss)	<u>23,903</u>	<u>24,240</u>
Stock acquisition rights	58	76
Non-controlling interests	729	801
Total equity	<u>435,509</u>	<u>364,140</u>
Total liabilities and equity	<u>557,366</u>	<u>494,529</u>

## Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Nine months of FY2023 (from January 1, 2023 to September 30, 2023)	Nine months of FY2024 (from January 1, 2024 to September 30, 2024)
Net sales	444,550	473,181
Cost of sales	294,593	320,086
Gross profit	149,957	153,094
Selling, general and administrative expenses	112,275	116,804
Operating income	37,682	36,290
Non-operating income		
Interest income	278	306
Dividend income	151	315
Insurance income	451	453
Foreign exchange gains	-	49
Gain on investments in partnerships	-	74
Other, net	165	173
Total non-operating income	1,046	1,372
Non-operating expenses		
Interest expense	8	63
Investment partnership management expenses	-	137
Foreign exchange losses	46	-
Loss on investments in partnership	31	-
Other, net	102	201
Total non-operating expenses	189	402
Ordinary income	38,539	37,260
Extraordinary income		
Gain on sales of long-lived assets	1	2
Gain on sales of shares of subsidiaries and associates	-	2,876
Gain on sales of investments in securities	113	-
Other, net	-	9
Total extraordinary income	115	2,887
Extraordinary losses		
Loss on sales and disposal of long-lived assets	458	109
Loss on sales of shares of subsidiaries and associates	159	-
Other, net	3	0
Total extraordinary losses	620	109
Net income before income taxes	38,034	40,039
Income taxes	12,107	12,992
Net income	25,926	27,046
Net income attributable to non-controlling interests	71	66
Net income attributable to owners of the parent	25,854	26,980

## Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Nine months of FY2023 (from January 1, 2023 to September 30, 2023)	Nine months of FY2024 (from January 1, 2024 to September 30, 2024)
Net income	25,926	27,046
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	1,559	396
Deferred gain (loss) on derivatives under hedge accounting	149	(133)
Foreign currency-translation adjustments	170	(5)
Defined retirement benefit plans	(519)	82
Total other comprehensive income	1,359	339
Comprehensive income	27,285	27,386
Comprehensive income attributable to		
Owners of the parent	27,186	27,316
Non-controlling interests	99	69

## Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Nine months of FY2023 (from January 1, 2023 to September 30, 2023)	Nine months of FY2024 (from January 1, 2024 to September 30, 2024)
<b>Cash flows from operating activities</b>		
Net income before income taxes	38,034	40,039
Depreciation and amortization	7,223	7,628
Amortization of goodwill	77	1,052
Amortization of customer-related intangible assets	-	846
Increase (decrease) in allowance for doubtful receivables	(2)	(22)
Increase (decrease) in accrued pension and severance costs	(2,126)	(2,389)
Decrease (increase) in prepaid pension and severance costs	(20)	(29)
Contribution of cash to retirement benefit trust	(18,000)	-
Increase (decrease) in accrued bonuses	9,029	9,977
Interest and dividend income	(429)	(621)
Interest expense	8	63
Loss (gain) on sales and disposal of property, plant and equipment, net	131	94
Loss (gain) on sales of investments in securities	(113)	-
Loss (gain) on sales of shares of subsidiaries and associates	159	(2,876)
Loss (gain) on investments in partnership	31	(74)
Investment partnership management expenses	-	137
Decrease (increase) in notes and accounts receivable	13,452	12,795
Decrease (increase) in inventories	(5,821)	(5,162)
Increase (decrease) in notes and accounts payable-trade	(3,725)	4,400
Other, net	(5,315)	(12,537)
Subtotal	<u>32,591</u>	<u>53,322</u>
Interest and dividends received	425	630
Interest paid	(8)	(62)
Income taxes paid	(14,568)	(13,264)
Net cash provided by operating activities	<u>18,439</u>	<u>40,625</u>
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment	(6,771)	(7,004)
Proceeds from sales of property, plant and equipment	12	5
Payments for purchases of intangible assets	(1,335)	(1,956)
Payments for purchases of investments in securities	(718)	(802)
Proceeds from sales of investments in securities	232	-
Payments for purchases of shares of subsidiaries	(10,349)	(32,667)
Proceeds from sales of shares of a subsidiary	-	3,231
Decrease (increase) in short-term loans receivable, net	10,002	120,000
Payments for acquisition of businesses	(750)	-
Other, net	(1,129)	(559)
Net cash provided by (used in) investing activities	<u>(10,806)</u>	<u>80,246</u>
<b>Cash flows from financing activities</b>		
Repayments of finance lease obligations	(11)	(1)
Repayments of long-term loans	-	(79)
Payments for purchases of additional shares of a subsidiary	(260)	-
Payments for purchases of treasury stock	(3)	(81,929)
Dividends paid	(12,956)	(16,844)
Dividends paid to non-controlling interests	(22)	(25)
Proceeds from share issuance to non-controlling shareholders	-	10
Other, net	-	0
Net cash used in financing activities	<u>(13,254)</u>	<u>(98,869)</u>
Effect of exchange rate changes on cash and cash equivalents	262	47
Net increase (decrease) in cash and cash equivalents	<u>(5,359)</u>	<u>22,049</u>
Cash and cash equivalents as of beginning of period	<u>84,632</u>	<u>89,690</u>
Cash and cash equivalents as of end of period	<u>79,273</u>	<u>111,739</u>

## Consolidated Quarterly Segment Information

### I. Nine months of FY2023 (from January 1, 2023 to September 30, 2023)

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								
Sales - external customers	96,961	150,857	163,335	29,602	3,792	444,550	-	444,550
Sales - intersegment	14	9,387	8,459	871	5,742	24,475	(24,475)	-
Total	96,976	160,245	171,794	30,474	9,535	469,026	(24,475)	444,550
Segment income (loss)	8,896	14,372	12,892	3,405	(1,739)	37,826	(143)	37,682

[Note]

1. "Other" is a business segment that is not included in the reportable segments of the Company. The Other segment includes the shared service business.
2. Adjustment 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. Nine months of FY2024 (from January 1, 2024 to September 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								
Sales - external customers	98,269	166,844	163,981	32,881	11,205	473,181	-	473,181
Sales - intersegment	12	9,821	8,448	923	5,873	25,079	(25,079)	-
Total	98,281	176,665	172,429	33,805	17,079	498,261	(25,079)	473,181
Segment income (loss)	8,049	14,177	13,076	3,959	(2,838)	36,423	(133)	36,290

[Note]

1. "Other" is a business segment that is not included in the reportable segments of the Company. The Other segment includes the shared service business.
2. Primagest Inc. and its three subsidiaries are included in "Other". The Company acquired all the shares of Primagest Inc. as of March 29, 2024.
3. Adjustment of segment income (loss) eliminates intersegment transactions.
4. 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 fiscal year, the Company transferred a part of the sales channel organization in the "Area" segment, to the "Consumers" segment. Prior-year quarterly segment information has been restated accordingly to reflect these changes.