



CONSOLIDATED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2025

April 24, 2025

Canon's consolidated financial results for the first quarter of fiscal year ending December, 2025 (from January 1, 2025 to March 31, 2025), has been approved today at the board of directors meeting, thus Canon hereby reports the results.

CONSOLIDATED RESULTS

(Millions of yen, thousands of U.S. dollars, except per share amounts)

	Actual			Projection		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change(%)	Three months ended March 31, 2025	Year ending December 31, 2025	Change(%)
Net sales	¥ 1,058,396	¥ 988,519	+ 7.1	\$ 7,055,973	¥ 4,650,000	+ 3.1
Operating profit	96,517	80,083	+ 20.5	643,447	466,000	+ 66.6
Income before income taxes	98,845	89,222	+ 10.8	658,967	481,000	+ 59.7
Net income attributable to Canon Inc.	¥ 72,231	¥ 59,949	+ 20.5	\$ 481,540	¥ 333,000	+ 108.1

Net income attributable to Canon Inc. shareholders per share:

- Basic	¥ 77.27	¥ 60.70	+ 27.3	\$ 0.52	¥ 364.18	+ 120.0
- Diluted	77.22	60.67	+ 27.3	0.51	363.95	+ 120.0

	Actual		
	As of March 31, 2025	As of December 31, 2024	Change(%)
Total assets	¥ 5,874,162	¥ 5,766,246	+ 1.9
Canon Inc. shareholders' equity	¥ 3,216,064	¥ 3,380,273	- 4.9

Notes: 1. Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.
2. U.S. dollar amounts are translated from yen at the rate of JPY 150=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of March 31, 2025, solely for the convenience of the reader.

Note: This document has been translated from 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 24, 2025

Consolidated Financial Results for the Three Months Ended March 31, 2025 (Under U.S. GAAP)

Company name: Canon Inc.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Sapporo Securities Exchange / Fukuoka Stock Exchange
 Securities code: 7751
 URL: <https://global.canon/en/ir/>
 Representative: Fujio Mitarai, Chairman & CEO
 Inquiries: Sachiho Tanino, General Manager, Consolidated Accounting Div.
 Telephone: +81-3-3758-2111
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded to millions, unless otherwise noted.)

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

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	1,058,396	7.1	96,517	20.5	98,845	10.8	72,231	20.5
March 31, 2024	988,519	1.8	80,083	-5.2	89,222	1.9	59,949	6.3

Note: Comprehensive income For the three months ended March 31, 2025: ¥15,940 million -89.2%
 For the three months ended March 31, 2024: ¥ 147,305 million 53.7%

	Net income attributable to Canon Inc. shareholders per share -Basic	Net income attributable to Canon Inc. shareholders per share -Diluted
Three months ended	Yen	Yen
March 31, 2025	77.27	77.22
March 31, 2024	60.70	60.67

(2) Consolidated financial position

	Total assets	Total equity (Net assets)	Canon Inc. shareholders' equity	Canon Inc. shareholders' equity ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
March 31, 2025	5,874,162	3,480,059	3,216,064	54.7
December 31, 2024	5,766,246	3,645,051	3,380,273	58.6

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	—	75.00	—	80.00	155.00
Year ending December 31, 2025	—				
Year ending December 31, 2025 (Forecast)		80.00	—	80.00	160.00

Note: Revisions to the forecast of cash dividends most recently announced: None

As for the dividend per share for the year ending December 2025, Canon aims for a payout ratio of 50%, and under the policy of stable and proactive profit distribution, dividend will be reviewed as necessary taking into account future business performance and financial conditions.

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.		Net income attributable to Canon Inc. shareholders per share -Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2025	4,650,000	3.1	466,000	66.6	481,000	59.7	333,000	108.1	364.18

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of simplified method of accounting or specific accounting treatments: None
- (3) Changes in accounting policies
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None

(4) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including shares of treasury stock)

As of March 31, 2025	1,333,763,464 shares
As of December 31, 2024	1,333,763,464 shares

(ii) Number of shares of treasury stock at the end of the period

As of March 31, 2025	409,458,015 shares
As of December 31, 2024	389,771,598 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2025	934,838,474 shares
Three months ended March 31, 2024	987,656,893 shares

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

* Appropriate use of financial forecasts, and other special notes

- (1) Financial forecast and forward looking statements in this document are based on the available information at present and contain potential risks and uncertainties. Please be aware that the actual result may differ significantly from the forecast due to changes caused by various factors. Please refer to “I. Operating Results and Financial Conditions, 4. Outlook” on page 4 for assumptions and other matters related to the forecast of financial results.
- (2) After the completion of the review by the audit firm, Canon plans to disclose the first quarter earnings report with the interim review report attached, on Wednesday, April 30, 2025.

CONTENTS

I. Operating Results and Financial Conditions	2
1. 2025 First Quarter in Review	2
2. Results by Segment	3
3. Financial Conditions in Review	4
4. Outlook	4
II. Consolidated Financial Statements	6
1. Consolidated Balance Sheet	6
2. Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
3. Consolidated Statement of Cash Flows	8
4. Note for Going Concern Assumption	9
5. Segment Information	9
6. Details of Sales	11
7. Note on Significant Changes in Shareholders' Equity	12
8. Basis of Presentation and Significant Accounting Policies	12
9. Notes to Consolidated Financial Statements	12
Subsequent event	12

I. Operating Results and Financial Conditions

1. 2025 First Quarter in Review

Looking back at the first quarter of 2025, the global economy continued to show steady growth. By region, in the U.S., although there were signs of restraints in personal consumption, favorable income environment persisted, leading to steady growth. In Europe, personal consumption supported the economy as inflationary pressures eased, though recovery was modest. In China, although the economy recovered as a result of policies to stimulate private consumption, the real estate market and exports remained sluggish. In other emerging countries, exports expanded, and domestic demand recovered due to policy supports in various countries, resulting in steady growth. In Japan, the economy recovered moderately as personal consumption and corporate capital investments picked up.

In the markets in which Canon operates, demand generally remained firm as a whole. By product, although the market for office multifunction devices (MFDs) remained sluggish in Europe and China, the overall market, including commercial printing, remained strong. While the demand for inkjet printers is on a declining trend, the demand for refillable ink tank models has increased. Although the market for laser printers continued to shrink mainly in China, Canon's sales increased compared with the same period of the previous year when its OEM partner had made inventory adjustments. For medical equipment, despite the continued sluggish market conditions in China and Europe, the market in the U.S. and other emerging countries showed growth. For cameras, demand remained steady particularly for mirrorless cameras. As for semiconductor lithography equipment, while there was weakness in demand for memory devices for smartphones and PCs, strong demand for generative artificial intelligence (AI) continued. For FPD (Flat Panel Display) lithography equipment, the market showed gradual recovery as the profitability of panel manufacturers increased thanks to improvements in supply-demand balance for panels.

The average value of the yen in the first quarter was ¥152.41 against the U.S. dollar, a year-on-year depreciation of approximately ¥4, and ¥160.51 against the euro, a year-on-year appreciation of approximately ¥1.

As for the first quarter, mirrorless cameras, laser printers, and network cameras showed high growth, and other businesses also recorded growth in revenue. As a result, net sales increased by 7.1% year-on-year to ¥1,058.4 billion, resulting in the highest recorded sales for the first quarter in Canon's history. Although gross profit as a percentage of net sales decreased by 1.1 points year-on-year to 47.3%, gross profit for the first quarter increased by 4.7% year-on-year to ¥500.9 billion thanks to an increase in revenue. Operating expenses increased by 1.5% year-on-year to ¥404.4 billion due to higher sales-related expenses, though the operating expense to sales ratio improved by 2.1 points to 38.2% thanks to the previous year's structural reform effects overseas in addition to thorough expense management. As a result, operating profit increased by 20.5% to ¥96.5 billion. Other income (deductions) decreased by ¥6.8 billion from the previous fiscal year to ¥2.3 billion due to a currency exchange loss from receivables in foreign currencies. As a result, income before income taxes increased by 10.8% to ¥98.8 billion, and net income attributable to Canon Inc. increased by 20.5% to ¥72.2 billion.

Basic net income attributable to Canon Inc. shareholders per share was ¥77.27 for the first quarter, a year-on-year increase of ¥16.57.

2. Results by Segment

Looking at Canon's first quarter performance by business unit, in the Printing Business Unit, sales of equipment for the production printing market increased compared with the previous year thanks to strong sales mainly in the U.S. Although unit sales of office MFDs decreased mainly in Europe and China where market conditions continue to deteriorate, Canon steadily carried out the installation of orders received during business deals. While sales of inkjet printers were solid, sales of laser printers increased substantially from the previous year, when OEM partners went through a phase of inventory adjustment. As a result, sales for the first quarter of the Printing Business Unit increased by 5.3% compared with the same period of the previous year to ¥611.0 billion, while income before income taxes for the first quarter increased by 12.3% compared with the same period of the previous year to ¥78.1 billion.

In the Medical Business Unit, sales grew in emerging markets, and service revenue also expanded due to the global service business reform and an increase in the number of operating installed medical equipment in the market. As a result, sales for the first quarter of the Medical Business Unit increased by 2.3% compared with the same period of the previous year to ¥137.3 billion, while income before income taxes for the first quarter increased by 19.6% compared with the same period of the previous year to ¥6.8 billion partly thanks to the ongoing efforts of the Medical Business Innovation Committee.

In the Imaging Business Unit, sales of interchangeable-lens digital cameras increased substantially thanks to the healthy inventory levels and continued to experience strong sales of the EOS R5 Mark II, which was launched in the second half of the previous year. Sales of network cameras also increased as the market grew steadily. As a result, sales for the first quarter of the Imaging Business Unit increased by 20.8% compared with the same period of the previous year to ¥212.1 billion, while income before income taxes for the first quarter increased by 116.8% compared with the same period of the previous year to ¥32.3 billion.

In the Industrial Business Unit, demand for semiconductor lithography equipment for use in generative AI remained strong, and the unit sales for the first quarter exceeded those of the previous year, mainly for back-end process which was accepted as the industry standard in advanced semiconductor packaging. Unit sales of FPD lithography exceeded the same period of the previous year, as equipment installation progressed amid a gradual recovery in the panel market. As a result, sales for the first quarter of the Industrial Business Unit increased by 0.1% compared with the same period of the previous year to ¥67.5 billion, while income before income taxes for the first quarter decreased by 27.9% compared with the same period of the previous year to ¥9.0 billion partly due to a negative impact from the product mix.

3. Financial Conditions in Review

Financial Conditions

As of March 31, 2025, total assets increased by ¥107.9 billion to ¥5,874.2 billion compared to the end of the previous year, mainly due to the increase of cash and cash equivalents and an accumulation of inventories, despite a decrease in assets in foreign currencies due to the appreciation of the yen. Total liabilities increased by ¥272.9 billion to ¥2,394.1 billion due to the issuance of short-term loans in response to the increase in necessary working capital. The balance of total equity decreased by ¥165.0 billion to ¥3,480.1 billion mainly due to dividends to Canon Inc. shareholders, repurchases of treasury stock, and decrease in foreign currency translation adjustments caused by the appreciation of the yen, despite an increase in net income attributable to Canon Inc. shareholders.

As a result, Canon Inc. shareholders' equity as a percentage of total assets declined by 3.9 points to 54.7% compared to the end of the previous year.

Cash Flow

In the first quarter, cash flow from operating activities decreased by ¥5.3 billion year-on-year to ¥71.9 billion due to an increase in working capital, despite an increase in net income. While investment in production facilities remained at the same level as the same period of the previous year, cash flow from investing activities decreased by ¥35.7 billion year-on-year to ¥51.8 billion mainly due to the acquisition of Primagest, Inc. carried out in the same period of the previous year. As a result, free cash flow increased by ¥30.4 billion compared with the previous year to ¥20.1 billion.

Cash flow from financing activities increased by ¥81.6 billion year-on-year as a result of the issuance of short-term loans in response to an increase in necessary working capital, despite active returns to shareholders, including increased dividends and repurchases of treasury stock, resulting in a cash inflow of ¥187.6 billion.

Owing to these factors, as well as the impact from foreign currency exchange adjustments, cash and cash equivalents increased by ¥195.6 billion to ¥697.2 billion from the end of the previous year.

4. Outlook

As for the outlook for the second quarter onward, the global economy is expected to continue its moderate growth supported by a recovery in the income environment. However, the outlook is becoming increasingly uncertain due to political instability in Europe, issues surrounding the real estate market in China, and the introduction of new tariff policies in the U.S.

Regarding U.S. tariffs, sales prices have been reviewed based on the assumption that the additional 10% tariff will continue throughout the year. Further expense reductions have been incorporated to accommodate changes in sales volume, which have been reflected in the full-year business performance forecast.

In the markets in which Canon operates, although it is expected that it will take time for market conditions for office MFDs to recover in some regions, overall demand is expected to remain solid as the need for highly productive printing devices remains high. For inkjet and laser printers, although the market is expected to continue to shrink, Canon expects an expansion of sales for refillable ink tank models through an enhanced lineup. For medical equipment, the U.S. market is expected to remain steady, while emerging markets such as Middle East and Southeast Asia are expected to grow. For interchangeable-lens digital cameras, the market is expected to remain strong as the need for video shooting and demand from younger generations increase. For network cameras, the market is also expected to continue to grow steadily. For semiconductor lithography equipment, although there is a delay in the recovery of demand for memory, demand for semiconductors used in generative AI is expected to remain at a high level, and overall demand is expected to continue at the same level as the previous year. For FPD lithography equipment, the market is expected to recover as investment by panel manufacturers continues to gradually increase.

With regard to the currency exchange rates on which Canon bases its performance outlook for the second quarter onward, Canon anticipates exchange rates of ¥142 to the U.S. dollar and ¥160 to the euro, representing appreciation of approximately ¥7 against the U.S. dollar and appreciation of approximately ¥4 against the euro

for the full fiscal year from the previous year. For the U.S. dollar and the euro, Canon expects the yen to appreciate by ¥6 and the same level against the euro compared with its previous forecast.

The forecast of consolidated financial results for the full-year has taken into account currency exchange rates and the impact of the tariff policy imposed by the U.S. Having taken the prospects for sales of competitive new products into consideration, Canon projects full-year consolidated net sales of ¥4,650.0 billion, a year-on-year increase of 3.1%; operating profit of ¥466.0 billion, a year-on-year increase of 4.8%*; income before income taxes of ¥481.0 billion, a year-on-year increase of 3.2%*; and net income attributable to Canon Inc. of ¥333.0 billion, a year-on-year increase of 2.4%*. The global economic uncertainty may continue to increase in the future, however, Canon will strive to achieve record high sales and improve profitability in 2025, the final year of Phase VI of Excellent Global Corporation Plan.

*Compared to adjusted profits excluding impairment loss on goodwill

Consolidated Outlook

Fiscal year

	Millions of yen					
	Year ending December 31, 2025		Change		Year ended December 31, 2024	Year ended December 31, 2024 *
	Previous Outlook (A)	Revised Outlook (B)	(B - A)	(B - A) / A	Results	Results (adjusted)
Net sales	4,736,000	4,650,000	(86,000)	-1.8%	4,509,821	4,509,821
Operating profit	519,000	466,000	(53,000)	-10.2%	279,754	444,854
Income before income taxes	536,000	481,000	(55,000)	-10.3%	301,161	466,261
Net income attributable to						
Canon Inc.	364,000	333,000	(31,000)	-8.5%	160,025	325,125

*Year ended December 31, 2024 Results (adjusted) exclude the impact of impairment loss on goodwill of ¥165,100 million

This document contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this document. Please refer to Canon's most recent disclosure documents such as the Annual Securities Report, which are available on its website, for more information on the risks and uncertainties that may affect Canon's business, financial condition and results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

II. Consolidated Financial Statements

1. Consolidated Balance Sheet

	Millions of yen		
	As of March 31, 2025	As of December 31, 2024	Change
Assets			
Current assets	2,591,098	2,450,083	141,015
Cash and cash equivalents	697,150	501,565	195,585
Short-term investments	4,766	4,775	(9)
Trade receivables	631,024	705,591	(74,567)
Inventories	872,825	841,836	30,989
Current lease receivables	158,304	167,612	(9,308)
Prepaid expenses and other current assets	243,573	245,665	(2,092)
Allowance for credit losses	(16,544)	(16,961)	417
Non-current assets	3,283,064	3,316,163	(33,099)
Noncurrent receivables	28,362	29,614	(1,252)
Investments	113,141	113,241	(100)
Property, plant and equipment, net	1,141,462	1,147,380	(5,918)
Operating lease right-of-use assets	128,869	136,717	(7,848)
Intangible assets, net	265,603	275,391	(9,788)
Goodwill	919,191	915,258	3,933
Noncurrent lease receivables	340,024	363,749	(23,725)
Other assets	350,673	339,569	11,104
Allowance for credit losses	(4,261)	(4,756)	495
Total assets	5,874,162	5,766,246	107,916
Liabilities and Equity			
Current liabilities	1,933,710	1,546,306	387,404
Short-term loans and current portion of long-term debt	787,461	318,330	469,131
Short-term loans related to financial services	39,600	40,400	(800)
Other short-term loans and current portion of long-term debt	747,861	277,930	469,931
Trade payables	357,351	350,128	7,223
Accrued income taxes	43,869	78,438	(34,569)
Accrued expenses	401,020	433,329	(32,309)
Current operating lease liabilities	40,204	41,876	(1,672)
Other current liabilities	303,805	324,205	(20,400)
Non-Current liabilities	460,393	574,889	(114,496)
Long-term debt, excluding current portion of long-term debt	104,876	205,075	(100,199)
Accrued pension and severance cost	163,128	166,153	(3,025)
Noncurrent operating lease liabilities	91,768	98,219	(6,451)
Other noncurrent liabilities	100,621	105,442	(4,821)
Total liabilities	2,394,103	2,121,195	272,908
Canon Inc. shareholders' equity	3,216,064	3,380,273	(164,209)
Common stock	174,762	174,762	-
Additional paid-in capital	412,370	412,287	83
Retained earnings	3,877,273	3,880,561	(3,288)
Legal reserve	62,058	61,893	165
Other retained earnings	3,815,215	3,818,668	(3,453)
Accumulated other comprehensive income (loss)	409,900	470,897	(60,997)
Treasury stock, at cost	(1,658,241)	(1,558,234)	(100,007)
Noncontrolling interests	263,995	264,778	(783)
Total equity	3,480,059	3,645,051	(164,992)
Total liabilities and equity	5,874,162	5,766,246	107,916

Notes:

	Millions of yen	
	As of March 31, 2025	As of December 31, 2024
1. Accumulated depreciation	3,177,927	3,203,327
2. Accumulated other comprehensive income (loss):		
Foreign currency translation adjustments	454,824	519,361
Net unrealized gains and losses on securities	6	31
Net gains and losses on derivative instruments	601	(1,519)
Pension liability adjustments	(45,531)	(46,976)

2. Consolidated Statement of Income and
Consolidated Statement of Comprehensive Income

Consolidated statement of income

	Millions of yen		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change
Net sales	1,058,396	988,519	69,877
Cost of sales	557,480	510,077	47,403
Gross profit	500,916	478,442	22,474
Operating expenses:			
Selling, general and administrative expenses	323,610	318,909	4,701
Research and development expenses	80,789	79,450	1,339
	404,399	398,359	6,040
Operating profit	96,517	80,083	16,434
Other income (deductions):			
Interest and dividend income	3,646	3,935	(289)
Interest expense	(1,359)	(629)	(730)
Other, net	41	5,833	(5,792)
	2,328	9,139	(6,811)
Income before income taxes	98,845	89,222	9,623
Income taxes	21,192	25,017	(3,825)
Consolidated net income	77,653	64,205	13,448
Less: Net income attributable to noncontrolling interests	5,422	4,256	1,166
Net income attributable to Canon Inc.	72,231	59,949	12,282

Consolidated statement of comprehensive income

	Millions of yen		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change
Consolidated net income	77,653	64,205	13,448
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(65,133)	82,399	(147,532)
Net unrealized gains and losses on securities	(25)	22	(47)
Net gains and losses on derivative instruments	2,070	(1,628)	3,698
Pension liability adjustments	1,375	2,307	(932)
	(61,713)	83,100	(144,813)
Comprehensive income (loss)	15,940	147,305	(131,365)
Less: Comprehensive income (loss) attributable to noncontrolling interests	4,706	5,156	(450)
Comprehensive income (loss) attributable to Canon Inc.	11,234	142,149	(130,915)

3. Consolidated Statement of Cash Flows

	Millions of yen	
	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash flows from operating activities:		
Consolidated net income	77,653	64,205
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	52,903	54,451
(Gain) loss on disposal of fixed assets	(242)	87
Deferred income taxes	(13,570)	(2,331)
Decrease in trade receivables	54,798	39,097
Increase in inventories	(49,376)	(74,284)
Decrease (increase) in lease receivables	9,830	(13,454)
Increase in trade payables	13,632	48,241
Decrease in accrued income taxes	(34,034)	(14,487)
Decrease in accrued expenses	(23,423)	(10,789)
Decrease in accrued pension and severance cost	(5,347)	(9,973)
Other, net	(10,882)	(3,544)
Net cash provided by operating activities	71,942	77,219
Cash flows from investing activities:		
Purchases of fixed assets	(51,372)	(52,668)
Proceeds from sale of fixed assets	1,478	137
Purchases of securities	(3,845)	(1,548)
Proceeds from sale and maturity of securities	2,487	1,665
Acquisitions of businesses, net of cash acquired	-	(32,672)
Other, net	(540)	(2,383)
Net cash used in investing activities	(51,792)	(87,469)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	-	100,000
Repayments of long-term debt	(564)	(557)
(Decrease) increase in short-term loans related to financial services, net	(800)	100
Increase in other short-term loans, net	370,000	80,000
Dividends paid	(75,520)	(69,146)
Repurchases and reissuance of treasury stock, net	(100,007)	(9)
Other, net	(5,491)	(4,406)
Net cash provided by financing activities	187,618	105,982
Effect of exchange rate changes on cash and cash equivalents	(12,183)	12,456
Net change in cash and cash equivalents	195,585	108,188
Cash and cash equivalents at beginning of period	501,565	401,323
Cash and cash equivalents at end of period	697,150	509,511

4. Note for Going Concern Assumption

Not applicable.

5. Segment Information

Segment information by business unit

(1) Consolidated statement of income, depreciation and amortization, and capital expenditures by business unit

	Millions of yen				
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change(%)	
Printing					
Net sales:					
External customers	609,559	578,093	31,466	+	5.4
Intersegment	1,406	2,171	(765)	-	35.2
Total	610,965	580,264	30,701	+	5.3
Cost of sales	330,365	306,860	23,505	+	7.7
Gross profit	280,600	273,404	7,196	+	2.6
Research and development expenses	23,365	23,761	(396)	-	1.7
Selling, general and administrative expenses	184,176	184,149	27	+	0.0
Operating profit	73,059	65,494	7,565	+	11.6
Other income (deductions)	5,058	4,080	978	+	24.0
Income before income taxes	78,117	69,574	8,543	+	12.3
Depreciation and amortization	14,409	14,234	175	+	1.2
Capital expenditures	16,134	18,809	(2,675)	-	14.2
Medical					
Net sales:					
External customers	137,188	134,175	3,013	+	2.2
Intersegment	145	37	108	+	291.9
Total	137,333	134,212	3,121	+	2.3
Cost of sales	74,665	74,093	572	+	0.8
Gross profit	62,668	60,119	2,549	+	4.2
Research and development expenses	11,852	11,395	457	+	4.0
Selling, general and administrative expenses	44,111	43,145	966	+	2.2
Operating profit	6,705	5,579	1,126	+	20.2
Other income (deductions)	115	122	(7)	-	5.7
Income before income taxes	6,820	5,701	1,119	+	19.6
Depreciation and amortization	3,209	3,271	(62)	-	1.9
Capital expenditures	4,713	3,856	857	+	22.2
Imaging					
Net sales:					
External customers	211,989	175,446	36,543	+	20.8
Intersegment	107	95	12	+	12.6
Total	212,096	175,541	36,555	+	20.8
Cost of sales	94,413	78,846	15,567	+	19.7
Gross profit	117,683	96,695	20,988	+	21.7
Research and development expenses	24,746	23,445	1,301	+	5.5
Selling, general and administrative expenses	61,709	58,984	2,725	+	4.6
Operating profit	31,228	14,266	16,962	+	118.9
Other income (deductions)	1,029	610	419	+	68.7
Income before income taxes	32,257	14,876	17,381	+	116.8
Depreciation and amortization	4,904	4,312	592	+	13.7
Capital expenditures	9,140	7,697	1,443	+	18.7
Industrial					
Net sales:					
External customers	66,420	66,109	311	+	0.5
Intersegment	1,048	1,288	(240)	-	18.6
Total	67,468	67,397	71	+	0.1
Cost of sales	37,678	36,798	880	+	2.4
Gross profit	29,790	30,599	(809)	-	2.6
Research and development expenses	8,551	6,410	2,141	+	33.4
Selling, general and administrative expenses	12,863	12,137	726	+	6.0
Operating profit	8,376	12,052	(3,676)	-	30.5
Other income (deductions)	581	378	203	+	53.7
Income before income taxes	8,957	12,430	(3,473)	-	27.9
Depreciation and amortization	2,620	2,367	253	+	10.7
Capital expenditures	1,938	116	1,822	-	-

Millions of yen

	Three months ended March 31, 2025	Three months ended March 31, 2024	Change	Change(%)
Others and Corporate				
Net sales:				
External customers	33,240	34,696	(1,456)	-
Intersegment	22,765	20,442	2,323	+
Total	56,005	55,138	867	+
Cost of sales	46,801	39,624	7,177	+
Gross profit	9,204	15,514	(6,310)	-
Research and development expenses	12,275	14,439	(2,164)	-
Selling, general and administrative expenses	20,403	19,928	475	+
Operating profit	(23,474)	(18,853)	(4,621)	-
Other income (deductions)	(4,456)	3,949	(8,405)	-
Income before income taxes	(27,930)	(14,904)	(13,026)	-
Depreciation and amortization	27,761	30,267	(2,506)	-
Capital expenditures	20,982	31,282	(10,300)	-
Eliminations				
Net sales:				
External customers	-	-	-	-
Intersegment	(25,471)	(24,033)	(1,438)	-
Total	(25,471)	(24,033)	(1,438)	-
Cost of sales	(26,442)	(26,144)	(298)	-
Gross profit	971	2,111	(1,140)	-
Research and development expenses	-	-	-	-
Selling, general and administrative expenses	348	566	(218)	-
Operating profit	623	1,545	(922)	-
Other income (deductions)	1	0	1	-
Income before income taxes	624	1,545	(921)	-
Depreciation and amortization	-	-	-	-
Capital expenditures	-	-	-	-
Consolidated				
Net sales:				
External customers	1,058,396	988,519	69,877	+
Intersegment	-	-	-	-
Total	1,058,396	988,519	69,877	+
Cost of sales	557,480	510,077	47,403	+
Gross profit	500,916	478,442	22,474	+
Research and development expenses	80,789	79,450	1,339	+
Selling, general and administrative expenses	323,610	318,909	4,701	+
Operating profit	96,517	80,083	16,434	+
Other income (deductions)	2,328	9,139	(6,811)	-
Income before income taxes	98,845	89,222	9,623	+
Depreciation and amortization	52,903	54,451	(1,548)	-
Capital expenditures	52,907	61,760	(8,853)	-

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three months ended March 31, 2024 have also been reclassified.

* Canon has modified the presentation of segment information in accordance with the requirements set forth in ASU 2023-07, Segment Reporting – Improvements to Reportable Segment Disclosures, from the fourth quarter of 2024. Operating results for the three months ended March 31, 2024 have also been reclassified.

*Corporate expenses include certain corporate research and development expenses. Amortization costs of identified intangible assets resulting from the purchase price allocation of Toshiba Medical Systems Corporation (Canon Medical Systems Corporation) are also included in corporate expenses.

(2) Total assets by business unit

Millions of yen

	As of March 31, 2025	As of December 31, 2024	Change
Printing	1,264,947	1,354,948	(90,001)
Medical	417,658	421,453	(3,795)
Imaging	427,265	425,515	1,750
Industrial	240,518	238,625	1,893
Others and Corporate	3,526,752	3,329,047	197,705
Eliminations	(2,978)	(3,342)	364
Consolidated	5,874,162	5,766,246	107,916

6. Details of Sales

Sales by business unit	Millions of yen		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change(%)
Printing	610,965	580,264	+ 5.3
Medical	137,333	134,212	+ 2.3
Imaging	212,096	175,541	+ 20.8
Industrial	67,468	67,397	+ 0.1
Others and Corporate	56,005	55,138	+ 1.6
Eliminations	(25,471)	(24,033)	-
Total	1,058,396	988,519	+ 7.1

Sales by region	Millions of yen		
	Three months ended March 31, 2025	Three months ended March 31, 2024	Change(%)
Japan	239,354	240,062	- 0.3
Overseas:			
Americas	337,010	304,078	+ 10.8
Europe	272,908	250,988	+ 8.7
Asia and Oceania	209,124	193,391	+ 8.1
	819,042	748,457	+ 9.4
Total	1,058,396	988,519	+ 7.1

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three months ended March 31, 2024 have also been reclassified.

Notes 1. The primary products included in each of the segments are as follows:

Printing Business Unit :

Digital continuous feed presses / Digital sheet-fed presses / Large format printers /
Office multifunction devices (MFDs) / Document solutions / Laser multifunction printers (MFPs) /
Laser printers / Inkjet printers / Image scanners / Calculators

Medical Business Unit :

Computed tomography (CT) systems / Diagnostic ultrasound systems / Diagnostic X-ray systems /
Magnetic resonance imaging (MRI) systems / Digital radiography systems / Ophthalmic equipment /
In vitro diagnostic systems and reagents / Healthcare IT solutions

Imaging Business Unit :

Interchangeable-lens digital cameras / Interchangeable lenses / Digital compact cameras / Compact photo printers /
MR systems / Network cameras / Video management software / Video content analytics software /
Digital camcorders / Digital cinema cameras / Broadcast equipment

Industrial Business Unit :

Semiconductor lithography equipment / FPD (Flat Panel Display) lithography equipment /
OLED display manufacturing equipment / Vacuum thin-film deposition equipment / Die bonders

Others :

Handy terminals / Document scanners

2. The principal countries and regions included in each regional category are as follows:

Americas: United States of America, Canada, Latin America

Europe: United Kingdom, Germany, France, Netherlands, European countries, Middle East and Africa

Asia and Oceania: China, Asian countries, Australia

7. Note on Significant Changes in Shareholders' Equity

Not applicable.

8. Basis of Presentation and Significant Accounting Policies

Canon's quarterly consolidated financial statements are prepared in accordance with Article 5, Paragraph 4 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, the Nagoya Stock Exchange, the Sapporo Securities Exchange, and the Fukuoka Stock Exchange, and in accordance with U.S. generally accepted accounting principles.

However, the omission of details, as stipulated in Article 5, Paragraph 5 of the Standards for Preparation of Quarterly Financial Statements, has been applied. Canon also applies mutatis mutandis to Paragraph 3 of the Supplementary Provisions of the Cabinet Office Ordinance for Partial Amendment of the Regulations on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (the Cabinet Office Ordinance No.11 of 2002) in compiling its quarterly consolidated financial statements.

9. Notes to Consolidated Financial Statements

Subsequent event

Borrowing funds

Canon borrowed funds as follows under its existing overdraft facilities with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation.

- | | |
|-------------------------------|---|
| 1. Use of funds: | Operating funds |
| 2. Borrowing date and amount: | April 9, 2025 ¥50,000 million |
| | April 16, 2025 ¥25,000 million |
| 3. Lender: | Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation |
| 4. Interest rate: | Base rate plus a spread |