

Canon Inc.
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 Securities code: 7751
 Tokyo (Prime Market) and other Stock Exchanges

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Notice Regarding Discrepancy Between Projection and Actual Consolidated Results for Fiscal Year 2024 and Recording of Impairment Loss as well as Determination of Matters Pertaining to Dividend for Fiscal Year 2024 and 2025 and Acquisition of Own Shares

Canon Inc. (the “Company”) recorded an impairment loss for the fiscal year 2024 (January 1, 2024 - December 31, 2024). This resulted in a discrepancy between its projection that was announced on October 24, 2024, and the actual consolidated results for the fiscal year 2024, which were made public today. The details of this are provided below. Furthermore, at a meeting of the Board of Directors held on January 30, 2025, the Company passed a resolution regarding matters pertaining to the dividend per share for fiscal year 2024 and 2025 as well as the acquisition of own shares, as follows.

1. Discrepancy between projection and actual consolidated results

1) Consolidated results for fiscal year 2024 (January 1, 2024 - December 31, 2024)

	Net sales	Operating profit	Income before income taxes	Net income attributable to Canon Inc.	Net income attributable to Canon Inc. per share
Previous projection (A)	Millions of yen 4,540,000	Millions of yen 455,500	Millions of yen 475,500	Millions of yen 325,000	Yen 336.17
Actual (B)	4,509,821	279,754	301,161	160,025	165.53
Amount change (B-A)	-30,179	-175,746	-174,739	-164,975	-170.64
Percent change (%)	-0.7%	-38.6%	-36.7%	-50.8%	-50.8%
(For reference) Previous year actual (Fiscal year 2023)	4,180,972	375,366	390,767	264,513	264.20

2) Reasons for discrepancy

The Company's consolidated results were below its previous projection due to the recording of impairment loss mainly tied to its medical business. Regarding the medical business, since acquiring the current company, Canon Medical Systems Inc. in 2016, a certain level of sales growth has been achieved through active investment. However, considering changes in the business environment, including the downsizing of business due to geopolitical risks, the economic downturn in China, and the deteriorating business conditions of medical institutions in Japan, the Company revised its plans based on more conservative sales projections. As the value of the business fell below its book value, the difference of 165.1 billion yen was recognized as an impairment loss.

As the medical business is one that is expected to continue to grow steadily over the long term, we will continue to actively invest in growth and promote initiatives to improve profitability under the Medical Business Innovation Committee established in February last year.

2. Regarding the dividend

As the recorded impairment loss does not impact cash flow, and since we generated more than 300 billion yen in free cash flow, the Company raised its year-end dividend projection by 5 yen and will pay a year-end dividend of 80 yen per share. As a result, the full-year dividend for fiscal year 2024 will be 155 yen per share which is an increase of 15 yen compared to its full-year dividend for fiscal year 2023.

This matter will be submitted to the Ordinary General Meeting of Shareholders for the 124th business term to be held on March 28, 2025.

Details of Year-end Dividend

	Determined amount	Most recent dividend forecast (Announced October 24, 2024)	Previous period result (Fiscal year 2023)
Record date	December 31, 2024	December 31, 2024	December 31, 2023
Dividend per share	80.00 yen	75.00 yen	70.00 yen
Total dividend amount	75,519 million yen		70,799 million yen
Effective date	March 31, 2025		March 29, 2024
Dividend resource	Retained earnings		Retained earnings

(Reference) Full-year Dividend Breakdown

Fiscal year 2024	Dividend per share (Yen)		
Record date	Second quarter-end	Fiscal year-end	Full year
Previous projection	75.00	75.00	150.00
Actual	75.00	80.00	155.00
Previous year actual (Fiscal year 2023)	70.00	70.00	140.00

Additionally, regarding the Company's full-year dividend for fiscal year 2025, given expectations for continued expansion of business performance, at a meeting of the Board of Directors held on January 30, 2025, the Company passed a resolution to increase its projected dividend by 5 yen from the previous fiscal year to 160 yen per share.

Details of Projected Dividend

Fiscal year 2025	Dividend per share (Yen)		
	Second quarter-end	Fiscal year-end	Full year
Current projection	80.00	80.00	160.00

3. Regarding acquisition of own shares

The Company passed a resolution regarding the acquisition of its own shares under Article 156, as applied pursuant to paragraph 3, Article 165, of the Corporation Law, as follows.

1) Purpose of acquisition of own shares

The Company aims to further raise its corporate value through active growth investment and works to enhance shareholder returns by improving capital efficiency. As a part of this approach for shareholder returns, the Company passed a resolution to acquire its own shares.

2) Detail of acquisition of own shares

- 1) Type of shares to be acquired: Shares of common stock
- 2) Total number of shares to be acquired: Up to 26 million shares
(Equivalent to 2.8% of issued shares (Excluding treasury stock))
- 3) Total cost of acquisition: Up to 100 billion yen
- 4) Period of acquisition: February 3, 2025 - January 30, 2026
- 5) Method of acquisition: Market purchases on the Tokyo Stock Exchange
 - 1) Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share Repurchase Trading System (ToSTNeT-3)
 - 2) Market purchases based on a discretionary trading contract regarding acquisition of own shares

(Reference) Possession of treasury stock as of December 31, 2024

Number of issued shares (Excluding treasury stock)	943,991,866 shares
Number of treasury stock	389,771,598 shares