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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]

July 23, 2025

Company name: Canon Electronics Inc.
Listing: Tokyo Stock Exchange
Securities code: 7739
URL: <https://www.canon-elec.co.jp/>
Representative: Takeshi Hashimoto, President & CEO
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Telephone: +81-3(6910)4111
Scheduled date to file semi-annual securities report: August 1, 2025
Scheduled date to commence dividend payments: August 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2025	50,099	5.0	4,762	(1.1)	4,013	(11.8)	3,149	(11.8)
June 30, 2024	47,723	(1.6)	4,813	94.1	4,551	20.3	3,571	13.9

(Note) Comprehensive income: Six months ended June 30, 2025: ¥ 1,819 million [(66.6)%]
Six months ended June 30, 2024: ¥ 5,445 million [47.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	77.02	-
June 30, 2024	87.36	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	143,127	122,143	85.2
December 31, 2024	141,891	121,741	85.7

(Reference) Equity: As of June 30, 2025: ¥ 121,964 million
As of December 31, 2024: ¥ 121,570 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	35.00	-	35.00	70.00
Fiscal year ending December 31, 2025	-	35.00			
Fiscal year ending December 31, 2025(Forecast)			-	-	-

(Note) Revision to the forecast for dividends announced most recently: Yes

The year-end dividend per share for the fiscal year ending December 2025 has not been determined.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025(January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	105,000	4.3	11,000	5.8	10,500	6.3	7,800	1.9	190.74

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 42,206,540 shares

December 31, 2024: 42,206,540 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 1,303,709 shares

December 31, 2024: 1,309,332 shares

3) Average number of shares outstanding during the period:

Six months ended June 30, 2025: 40,899,633 shares

Six months ended June 30, 2024: 40,889,999 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and forward-looking statements contained in this document are made by our company based on the information currently available and involve potential risks and uncertainties. Changes in various factors may cause actual results to differ materially from the forward-looking statements.

With regard to the year-end dividend per share for the fiscal year ending December 2025, the business environment surrounding our group remains uncertain, and the Company plans to announce the dividend based on future market trends.

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	30,213	29,913
Notes and accounts receivable - trade, and contract assets	26,021	25,797
Investments in leases	808	745
Merchandise and finished goods	1,833	1,833
Work in process	10,440	11,654
Raw materials and supplies	283	386
Short-term loans receivable	2,000	2,000
Other	1,055	1,350
Total current assets	72,656	73,681
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,999	10,420
Machinery, equipment and vehicles, net	1,970	1,795
Tools, furniture and fixtures, net	3,502	3,635
Land	15,287	15,222
Leased assets, net	23	18
Construction in progress	312	771
Total property, plant and equipment	32,095	31,863
Intangible assets	1,038	976
Investments and other assets		
Investment securities	2,468	2,595
Shares of subsidiaries and associates	286	411
Deferred tax assets	50	47
Retirement benefit asset	5,890	6,172
Long-term time deposits	26,500	26,500
Other	905	879
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	36,101	36,606
Total non-current assets	69,235	69,446
Total assets	141,891	143,127

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	11,825	12,962
Electronically recorded obligations - operating	529	628
Lease liabilities	286	299
Accrued expenses	1,356	1,227
Income taxes payable	643	762
Provision for bonuses	426	421
Provision for bonuses for directors (and other officers)	82	26
Allowance officer retirement special service money	400	-
Provision for loss on orders received	35	26
Other	1,964	1,967
Total current liabilities	17,549	18,322
Non-current liabilities		
Lease liabilities	543	459
Deferred tax liabilities	460	766
Provision for retirement benefits for directors (and other officers)	181	6
Retirement benefit liability	1,415	1,427
Other	0	0
Total non-current liabilities	2,601	2,661
Total liabilities	20,150	20,983
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	10,617	10,621
Retained earnings	102,281	104,000
Treasury shares	(2,435)	(2,425)
Total shareholders' equity	115,432	117,165
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	614	589
Foreign currency translation adjustment	4,106	2,718
Remeasurements of defined benefit plans	1,416	1,490
Total accumulated other comprehensive income	6,138	4,799
Non-controlling interests	170	179
Total net assets	121,741	122,143
Total liabilities and net assets	141,891	143,127

Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	47,723	50,099
Cost of sales	38,125	40,538
Gross profit	9,598	9,561
Selling, general and administrative expenses	4,785	4,798
Operating profit	4,813	4,762
Non-operating income		
Interest and dividend income	57	111
Subsidy income	15	12
Foreign exchange gains	617	-
Other	15	20
Total non-operating income	706	144
Non-operating expenses		
Interest expenses	1	-
Share of loss of entities accounted for using equity method	963	584
Foreign exchange losses	-	306
Other	3	2
Total non-operating expenses	968	893
Ordinary profit	4,551	4,013
Extraordinary income		
Gain on change in equity	402	208
Gain on sale of non-current assets	123	54
Gain on sale of investment securities	0	-
Gain on sale of golf club membership	27	-
Total extraordinary income	554	263
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	6
Loss on valuation of investment securities	294	-
Total extraordinary losses	297	6
Profit before income taxes	4,809	4,270
Income taxes - current	1,298	857
Income taxes - deferred	(69)	254
Total income taxes	1,228	1,111
Profit	3,580	3,158
Profit attributable to non-controlling interests	8	8
Profit attributable to owners of parent	3,571	3,149

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Profit	3,580	3,158
Other comprehensive income		
Valuation difference on available-for-sale securities	169	(25)
Foreign currency translation adjustment	1,700	(1,388)
Remeasurements of defined benefit plans, net of tax	(5)	74
Total other comprehensive income	1,864	(1,338)
Comprehensive income	5,445	1,819
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,436	1,810
Comprehensive income attributable to non-controlling interests	8	8

Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	4,809	4,270
Depreciation	1,432	1,294
Increase (decrease) in provision for bonuses	(6)	4
Increase (decrease) in provision for bonuses for directors (and other officers)	(57)	(56)
Allowance officer retirement special service money increase and decrease	-	(400)
Increase (decrease) in provision for loss on orders received	2	(8)
Increase (decrease) in retirement benefit liability	(7)	112
Decrease (increase) in retirement benefit asset	(108)	(281)
Interest and dividend income	(57)	(111)
Interest expenses	1	-
Share of loss (profit) of entities accounted for using equity method	963	584
Loss (gain) on change in equity	(402)	(208)
Loss (gain) on sale and retirement of property, plant and equipment	(121)	(47)
Loss (gain) on sale and valuation of investment securities	293	-
Decrease (increase) in trade receivables	(779)	(85)
Decrease (increase) in inventories	(325)	(1,437)
Increase (decrease) in trade payables	2,245	1,452
Other, net	(337)	(491)
Subtotal	7,543	4,589
Interest and dividends received	81	71
Interest paid	(1)	-
Income taxes paid	(1,326)	(740)
Net cash provided by (used in) operating activities	6,297	3,920
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,003)	(1,108)
Proceeds from sale of property, plant and equipment	212	202
Purchase of intangible assets	(64)	(100)
Purchase of investment securities	(268)	(151)
Proceeds from sale of investment securities	10	-
Purchase of shares of subsidiaries and associates	-	(500)
Other, net	20	(69)
Net cash provided by (used in) investing activities	(1,093)	(1,727)
Cash flows from financing activities		
Dividends paid	(1,224)	(1,431)
Other, net	31	14
Net cash provided by (used in) financing activities	(1,192)	(1,416)
Effect of exchange rate change on cash and cash equivalents	1,249	(1,076)
Net increase (decrease) in cash and cash equivalents	5,260	(300)
Cash and cash equivalents at beginning of period	27,183	28,913
Cash and cash equivalents at end of period	32,443	28,613