



## **Canon Inc.**

### **1Q 2023 Analyst Meeting**

### **Q&A Session Summary**

**Q1. Why did you disclose your dividend projection this time and why did you keep the amount the same?**

A1. This time, to reflect the requests of investors, we announced our dividend projection, which is initially the same dividend as last year. Our policy of targeting a dividend payout ratio of 50% has not changed. We will take a look at our dividend projection again after reviewing the progress in our first half performance.

**Q2. As for cameras, what is your outlook for the market and your business performance from the second quarter?**

A2. Although we don't think the camera market will be as big as it used to be, we do think demand will be firm. We will work to expand sales and raise profitability by enhancing our product lineup, through the launch of new mirrorless cameras that broaden our user base.

**Q3. Why do you expect the profitability of your Imaging group to decrease from the second quarter?**

A3. In the first quarter, profitability was higher, as we curbed investment to expand sales. From the second quarter, however, investment to expand our market share is factored into our plan.

**Q4. What allowed you to post significant growth in network camera sales in the first quarter?**

A4. In the first quarter of last year, there were supply constraints due to component shortages, and installation delays due to COVID-19. In a year in which supply constraints have been lifted, this year's exceptionally high growth, reflects improvement in these factors.

**Q5. As for your revised full-year projection, how will you curb expenses?**

A5. In our plan at the beginning of the year, we assumed costs, such as utilities and logistics, would rise significantly. We revised our plan, assuming the rise will be smaller than we initially expected.

**Q6. Amid the need for capital cost-conscious management, what are your thoughts on ROE?**

A6. Rather than focusing on ROE alone, we will work to increase profitability and raise indicators, including ROE, through management efforts from a comprehensive perspective.

**Q7. How do you evaluate the low rates of approval for the reappointment of directors at the shareholders meeting?**

A7. We recognize that the ratio of favorable votes for directors have been declining year by year. Several reasons for this have been cited by the media and others. We take this matter seriously and are considering appropriate measures.

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