



## **Canon Inc.**

### **3Q 2023 Analyst Meeting**

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

#### **Q1. Compared to your previous projection, how has your outlook for sales changed?**

A1. Excluding the effects of changes in foreign exchange rates, we lowered our sales projection by about 200 billion yen. About half of this is linked to printing mainly due to declining printer sales. As for the remainder, about 30 billion yen each is linked to Medical and Industrial where we are seeing some push out in deals and installations, and about 40 billion is linked to Imaging, where we see impact from price reduction, product mix change etc.

#### **Q2. In the fourth quarter you are projecting an operating profit ratio of 11.7%. How do you plan to achieve this?**

A2. We expect this to come from an increase in gross profit, mainly thanks to sales expansion. Our plan calls for significant increase in sales, reflecting the buildup of MFD, Medical, and Industrial orders. Additionally, we expect sales and profit in the fourth quarter to benefit from increasing orders for higher profit printer consumables.

#### **Q3. Please describe the situation of printer inventory in the market.**

A3. The situation of inkjet printer inventory really differs by region. In Asia, inventory is high. As for laser printer inventory, we expect this to come down to an appropriate level by the end of the year, reflecting continued shipment adjustments.

#### **Q4. How do you see demand for laser printers as well as the competitive environment?**

A4. The need to adjust shipments remains but will be gone by the end of the year. And from next year on, we expect things to return to normal. From a performance perspective, we are expanding our sales of medium- to high-speed color printers.

In terms of competition, however, we are seeing an increase in price aggression, but are focused on managing our business for profit.

**Q5. How do you see the camera market this year and what is your outlook for next year?**

A5. We expect the overall interchangeable-lens camera market to be 5.85 million units this year, which is also the projection we had at the beginning of the year. At this point in time, we also expect our unit sales to be around the same level as next year. Our sales are also in line with our plan, and we still expect sales to be 2.9 million units. However, we do expect the portion of sales attributable to entry models to increase more than expected.

**Q6. How big of a business will nanoimprint be in the future and how will you get there?**

A6. We announced the commercialization of nanoimprint on October 13th this year. At this point in time, there is not much we can say. However, we are in numerous business discussions with potential customers.

**Q7. As for reduced production, what products does this affect, when does/did this start and what impact do you expect this to have in the future?**

A7. Inventory has been piling up since the beginning of the year. As a result, we established a plan and began decreasing production, mainly for printers, from the first half of this year. The impact of production cuts was already factored into our plan for the year, and we do not expect any additional downside to profit.

**Q8. What are your thoughts about operating profit next year?**

A8. With the aim of achieving the 2025 targets we set in Phase VI of our Excellent Global Corporation Plan, we plan to increase sales in 2024 and further raise added value to improve profitability. Specific figures will be released when the time comes.

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