



Canon Inc.

FY 2022 Analyst Meeting

Q&A Session Summary

Q1. How do you see the current environment for printing and what is your growth strategy?

A1. As for Prosumer, although home demand peaked out, we did see a recovery in fourth quarter sales, and expect a certain level of demand to remain going forward. As for office MFDs, while the market trend is one of gradual decline, we will raise our market share through the high competitiveness of our products. In commercial and industrial printing areas, which are growing markets, we will invest aggressively to increase sales of the entire Printing group.

Q2. Why did your domestic production ratio decline in 2022 compared to last year?

A2. This is a transitory decline due to a change in product mix. It does not reflect a change in policy. We will continue to move production back to Japan.

Q3. How will the rise in various costs impact your performance in 2023?

A3. Though we see the trend of inflation continuing in 2023, we do not expect further increases in logistics, parts, and other costs. From this perspective, we assume the impact on earnings will not be significantly different from last year.

Q4. What caused you to miss your projection for sales and profit in 2022?

A4. The main factors were a stronger-than-expected yen towards the end of the year, slower-than-expected improvement in parts shortages, and delays in the installation of semiconductor lithography equipment, due to turmoil associated with China's zero-COVID policy.

Q5. How do you see your dividend in 2023?

- A5. From a long-term perspective, we target a dividend payout ratio that is inside 50%. In 2022, our dividend payout ratio was 50%. At this point in time, there is still a lot of uncertainty, but we will use the same approach to determine our dividend for 2023.

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