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# Canon Inc.

## First Quarter 2025 Results

April 24, 2025

This presentation contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this presentation. Should one or more risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

# Agenda

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# 1Q 2025 Review

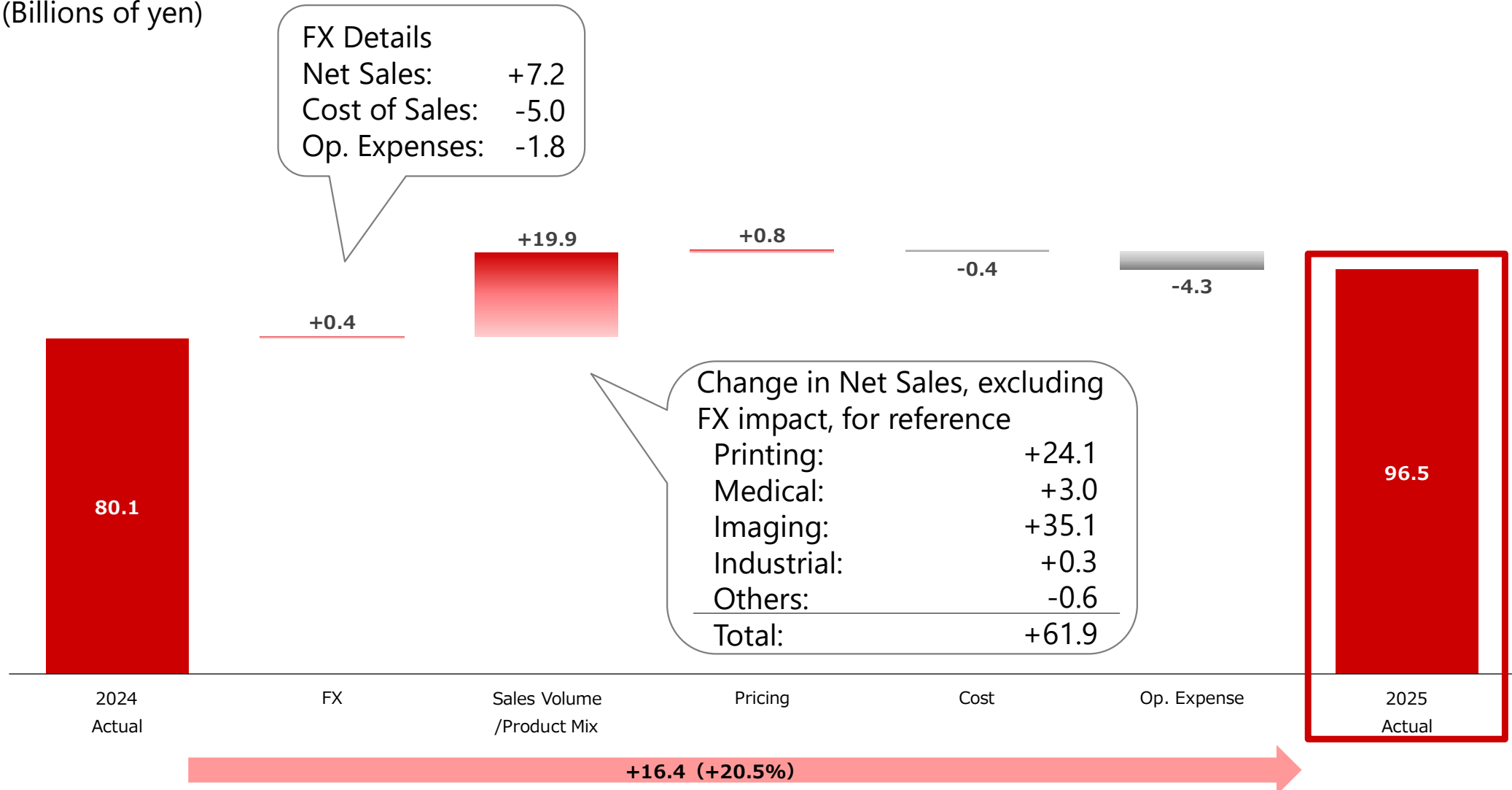
- Overall, our markets remained solid as expected
- Network camera sales up nearly 30%  
Double-digit sales growth of laser printers,  
and cameras thanks to the launch of new cameras last year  
Unit sales of semiconductor lithography equipment up more than 10%
- Net sales up 7.1%, at record high for first quarter
- Profit up 20%, in addition to increased sales, benefits from last year's sales structure reform
- Operating profit ratio up 1 point to 9.1%. Highest level in 10 years

(Billions of yen)	2025 Actual	2024 Actual	% Change
<b>Net Sales</b>	<b>1,058.4</b>	<b>988.5</b>	+7.1%
<b>Gross Profit</b> (% of Net Sales)	<b>500.9</b> 47.3%	<b>478.4</b> 48.4%	+4.7%
<b>Op. Expenses</b> (% of Net Sales)	<b>404.4</b> 38.2%	<b>398.3</b> 40.3%	
<b>Op. Profit</b> (% of Net Sales)	<b>96.5</b> 9.1%	<b>80.1</b> 8.1%	+20.5%
<b>Non-operating Income</b>	<b>2.3</b>	<b>9.1</b>	
<b>IBT</b>	<b>98.8</b>	<b>89.2</b>	+10.8%
<b>Net Income</b> (% of Net Sales)	<b>72.2</b> 6.8%	<b>59.9</b> 6.1%	+20.5%
USD	152.41	148.69	
EUR	160.51	161.35	

# 1Q 2025 Operating Profit Analysis

## (1Q 2025 Actual versus 1Q 2024 Actual)

(Billions of yen)



# 1Q 2025 Financial Results by Business Unit

(Billions of yen)		2025 Actual	2024 Actual	% Change
Printing	Net Sales	<b>611.0</b>	<b>580.3</b>	+5.3%
	Op. Profit	<b>73.1</b>	<b>65.5</b>	+11.5%
	(%)	<b>(12.0%)</b>	<b>(11.3%)</b>	
Medical	Net Sales	<b>137.3</b>	<b>134.2</b>	+2.3%
	Op. Profit	<b>6.7</b>	<b>5.6</b>	+20.2%
	(%)	<b>(4.9%)</b>	<b>(4.2%)</b>	
Imaging	Net Sales	<b>212.1</b>	<b>175.5</b>	+20.8%
	Op. Profit	<b>31.2</b>	<b>14.3</b>	+118.9%
	(%)	<b>(14.7%)</b>	<b>(8.1%)</b>	
Industrial	Net Sales	<b>67.5</b>	<b>67.4</b>	+0.1%
	Op. Profit	<b>8.4</b>	<b>12.1</b>	-30.5%
	(%)	<b>(12.4%)</b>	<b>(17.9%)</b>	
Others & Corporate	Net Sales	<b>56.0</b>	<b>55.1</b>	+1.6%
	Op. Profit	<b>-23.5</b>	<b>-18.9</b>	-
Eliminations	Net Sales	<b>-25.5</b>	<b>-24.0</b>	-
	Op. Profit	<b>0.6</b>	<b>1.5</b>	-
Total	Net Sales	<b>1,058.4</b>	<b>988.5</b>	+7.1%
	Op. Profit	<b>96.5</b>	<b>80.1</b>	+20.5%
	(%)	<b>(9.1%)</b>	<b>(8.1%)</b>	

\* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

## Assumptions

- Additional tariffs of 10% (China 145%) to continue from April to December
- Respond to cost increase from additional tariffs by raising prices
- Decreased unit sales as a result of price increase and customers less willing to invest due to growing uncertainty

# 2025 Financial Projection (Full Year)

		Assuming Additional Tariff of 10%					2025 Current Projection (incl. Tariff Impact)	2024 Actual (excl. Impairment Loss)	%Change
(Billions of yen)	2025 Previous Projection	FX	Tariff Cost	Pricing	Sales Volume	Total Change			
<b>Net Sales</b>	<b>4,736.0</b>	-74.0		42.8	-54.8	-86.0	<b>4,650.0</b>	<b>4,509.8</b>	+3.1%
<b>Gross Profit</b> (% of Net Sales)	<b>2,240.5</b> 47.3%	-38.6	-56.0	42.8	-18.7	-70.5	<b>2,170.0</b> 46.7%	<b>2,143.1</b> 47.5%	+1.3%
<b>Op. Expenses</b> (% of Net Sales)	<b>1,721.5</b> 36.3%	19.3	0.0		-1.8	17.5	<b>1,704.0</b> 36.7%	<b>1,698.2</b> 37.6%	
<b>Op. Profit</b> (% of Net Sales)	<b>519.0</b> 11.0%	-19.3	-56.0	42.8	-20.5	-53.0	<b>466.0</b> 10.0%	<b>444.9</b> 9.9%	+4.8%
<b>IBT</b>	<b>536.0</b>					-55.0	<b>481.0</b>	<b>466.3</b>	+3.2%
<b>Net Income</b> (% of Net Sales)	<b>364.0</b> 7.7%					-31.0	<b>333.0</b> 7.2%	<b>325.1</b> 7.2%	+2.4%
USD	150.00						144.38	151.63	
EUR	160.00						160.11	163.99	

Impact of exchange rate movement  
(2Q-4Q impact given a one yen change)

	Net Sales	Op. Profit
USD	10.0 billion yen	2.7 billion yen
EUR	5.3 billion yen	2.8 billion yen

# 2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2025 Previous Projection)

(Billions of yen)

FX Details

Net Sales: -74.0

Cost of Sales: +35.4

Op. Expenses: +19.3

+1.8

+0.0

+0.0

-1.8

-33.7

519.0

466.0

Change in Net Sales, excluding  
FX impact, for reference

Printing: +4.7

Medical: -0.3

Imaging: -1.6

Industrial: -15.4

Others: +12.6

Total: 0.0

2025  
Previous  
Projection

FX

Sales Volume  
/Product Mix

Pricing

Cost

Op. Expense

Tariff Impact

2025  
Current  
Projection

-53.0

# Review of Business Structure

(Billions of yen)

			2024	2025	
	Sales Structural Reform		FY	1Q	FY
		Cost	-20.0	-1.2	-6.0
		Effect	8.0	5.0	22.0
		PL Impact	-12.0	3.8	16.0
	Production Structural Reform		FY	1Q	FY
		Cost	0.0	-0.9	-20.0
		Effect	0.0	0.0	0.0
		PL Impact	0.0	-0.9	-20.0
	Medical Business Innovation		FY	1Q	FY
		Cost	-2.5	-0.7	-5.0
		Effect	0.0	1.5	10.0
		PL Impact	-2.5	0.8	5.0
	Total		FY	1Q	FY
		Cost	-22.5	-2.8	-31.0
		Effect	8.0	6.5	32.0
		PL Impact	-14.5	3.7	1.0

# 2025 Financial Projection by Business Unit (Full Year)



(Billions of yen)		2025 Current Projection (incl. Tariff Impact)	2024 Actual	% Change	2025 Previous Projection	Amount Change	FX Impact	excl. FX Impact
Printing	Net Sales	<b>2,523.1</b>	<b>2,522.7</b>	+0.0%	<b>2,558.0</b>	-34.9	-39.6	+4.7
	Op. Profit	<b>314.7</b>	<b>289.9</b>	+8.6%	<b>323.6</b>	-8.9	-8.4	-0.5
	(%)	<b>(12.5%)</b>	<b>(11.5%)</b>		<b>(12.7%)</b>			
Medical	Net Sales	<b>580.9</b>	<b>568.8</b>	+2.1%	<b>590.0</b>	-9.1	-8.8	-0.3
	Op. Profit	<b>37.7</b>	<b>24.7</b>	+52.9%	<b>39.5</b>	-1.8	-1.9	+0.1
	(%)	<b>(6.5%)</b>	<b>(4.3%)</b>		<b>(6.7%)</b>			
Imaging	Net Sales	<b>1,011.5</b>	<b>937.4</b>	+7.9%	<b>1,036.7</b>	-25.2	-23.6	-1.6
	Op. Profit	<b>160.6</b>	<b>151.3</b>	+6.1%	<b>169.2</b>	-8.6	-8.4	-0.2
	(%)	<b>(15.9%)</b>	<b>(16.1%)</b>		<b>(16.3%)</b>			
Industrial	Net Sales	<b>402.1</b>	<b>351.7</b>	+14.3%	<b>418.5</b>	-16.4	-1.0	-15.4
	Op. Profit	<b>70.5</b>	<b>68.9</b>	+2.3%	<b>76.3</b>	-5.8	-0.4	-5.4
	(%)	<b>(17.5%)</b>	<b>(19.6%)</b>		<b>(18.2%)</b>			
Others & Corporate	Net Sales	<b>225.7</b>	<b>233.7</b>	-3.4%	<b>226.1</b>	-0.4	-1.0	+0.6
	Op. Profit	<b>-117.7</b>	<b>-91.2</b>	-	<b>-89.8</b>	-27.9	-0.2	-27.7
Eliminations	Net Sales	<b>-93.3</b>	<b>-104.5</b>	-	<b>-93.3</b>	0.0	0.0	0.0
	Op. Profit	<b>0.2</b>	<b>1.3</b>	-	<b>0.2</b>	0.0	0.0	0.0
Total	Net Sales	<b>4,650.0</b>	<b>4,509.8</b>	+3.1%	<b>4,736.0</b>	-86.0	-74.0	-12.0
	Op. Profit	<b>466.0</b>	<b>444.9</b>	+4.8%	<b>519.0</b>	-53.0	-19.3	-33.7
	(%)	<b>(10.0%)</b>	<b>(9.9%)</b>		<b>(11.0%)</b>			

\* 2024 figures exclude the impact of impairment loss.

\* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

# Inventory

- Inventory at end of March increased by 30 billion yen compared to the end of last year, in preparation for sales expansion from the second quarter onward
- Aiming for an optimal inventory level of less than 60 days by end of 2025

		FY 2024				FY 2025
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end
Printing	Amt.	347.6	361.5	344.1	342.7	334.4
	Days	52	53	50	49	47
Medical	Amt.	141.1	146.0	142.1	133.2	139.8
	Days	86	97	95	83	85
Imaging	Amt.	191.5	182.4	168.5	158.6	176.4
	Days	86	79	63	56	66
Industrial	Amt.	146.4	150.2	158.7	138.0	150.7
	Days	160	168	175	130	146
Others & Corporate	Amt.	68.3	72.4	76.3	69.4	71.5
<b>Total</b>	<b>Amt.</b>	<b>894.9</b>	<b>912.5</b>	<b>889.7</b>	<b>841.9</b>	<b>872.8</b>
	<b>Days</b>	<b>76</b>	<b>77</b>	<b>72</b>	<b>65</b>	<b>68</b>

(Billions of yen)

# Cash Flow

## (Full Year)

- Operating cash flow expected to be approximately 630 billion yen, exceeding last year
- No change in plans for investments and dividends

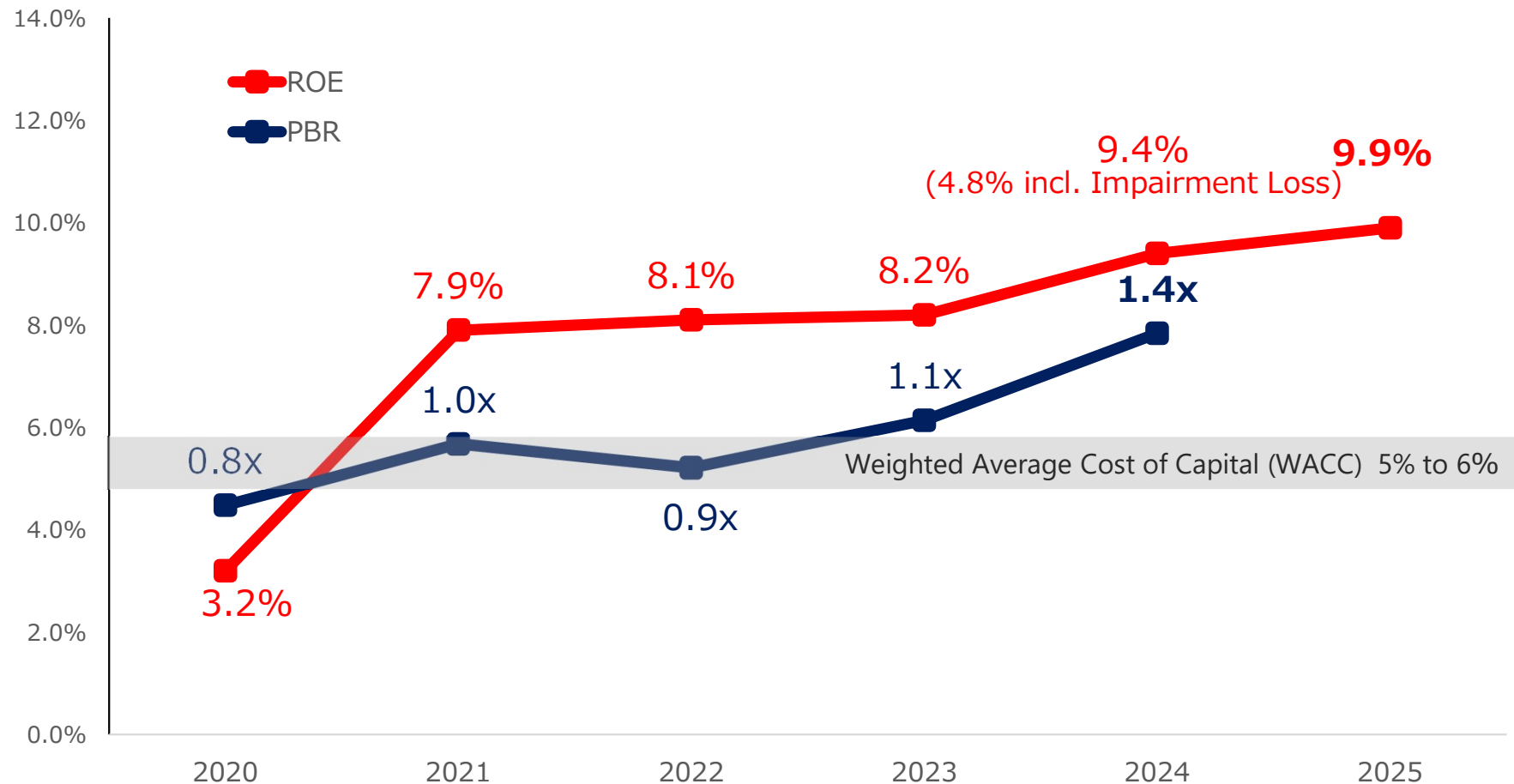
(Billions of yen)	FY 2025 Current Projection (incl. Tariff Impact)	FY 2025 Previous Projection	FY 2024 Actual	FY 2023 Actual
Net income	333.0	364.0	325.1	264.5
Depreciation and amortization	240.0	240.0	235.5	238.7
Others	56.0	47.0	46.2	-52.0
Net cash provided by operating activities	629.0	651.0	606.8	451.2
Capital expenditure	-250.0	-250.0	-237.0	-231.7
Others	-100.0	-100.0	-60.3	-43.7
Net cash used in investing activities	-350.0	-350.0	-297.3	-275.4
<b>Free cash flow</b>	<b>279.0</b>	<b>301.0</b>	<b>309.5</b>	<b>175.8</b>
Net cash provided by (used in) financing activities	-348.0	-345.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	-15.6	-7.6	16.7	20.1
<b>Net change in cash and cash equivalents</b>	<b>-84.6</b>	<b>-51.6</b>	<b>100.2</b>	<b>39.2</b>
<b>Cash and cash equivalents at end of period</b>	<b>417.0</b>	<b>450.0</b>	<b>501.6</b>	<b>401.3</b>
<b>Cash-on-hand (In months of Net sales)</b>	<b>1.1</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>

\* Cash-on-hand for 2023 and 2024 calculated using second half net sales. 2025 figures based on net sales for full year.

\* 2024 net income figure excludes the impact of impairment loss.

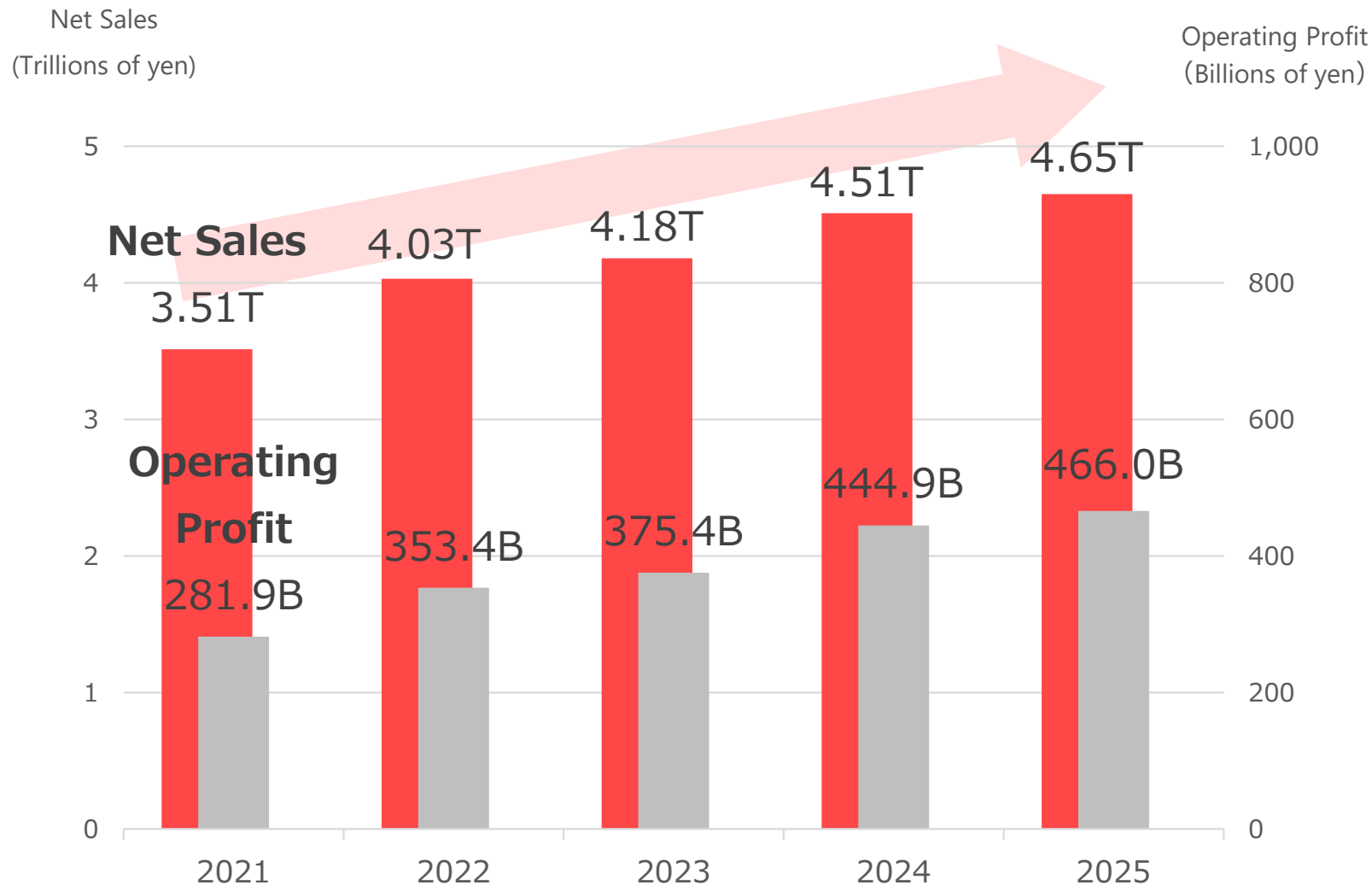
# Return on Capital

- Expect ROE to be 9.9% in 2025
- Improve return on capital to achieve ROE of 10% or higher, through structural reforms



# Summary

- Complete structural reforms in 2025, the year to close out 5-year plan, and work to solidify foundation for next 5-years



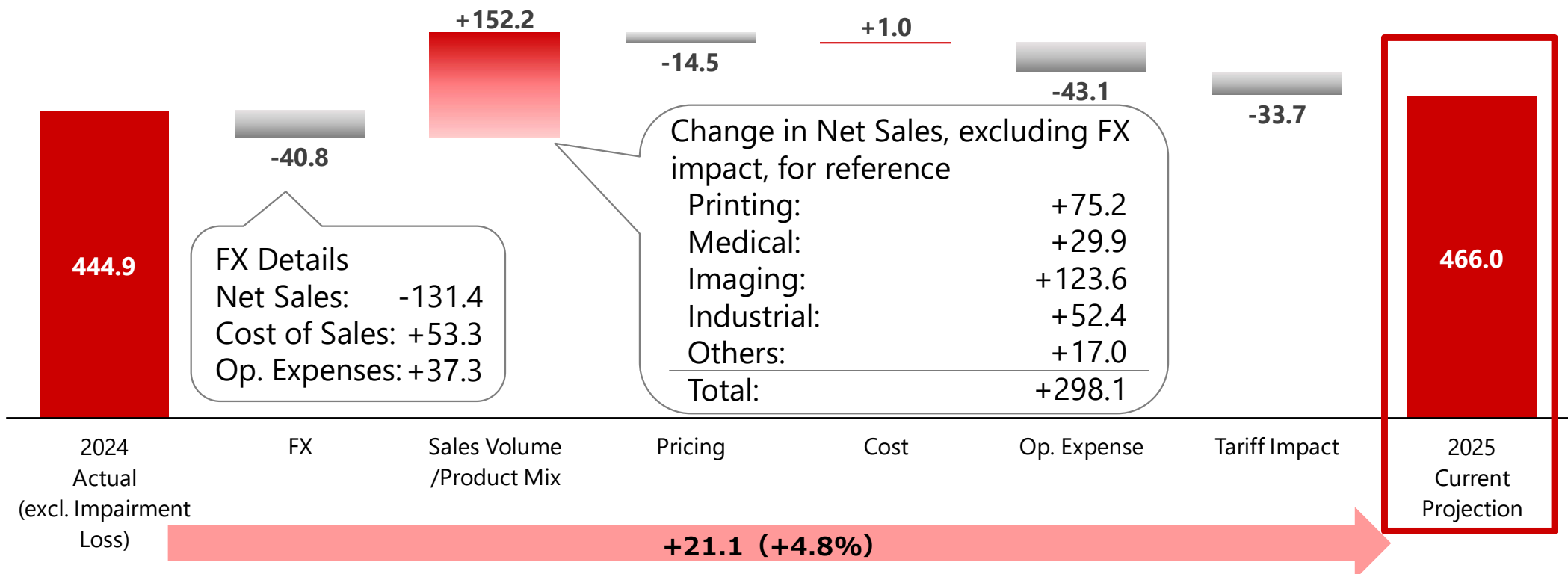
\* 2024 excludes the impact of impairment loss.

# Supplementary Information

# 2025 Operating Profit Analysis

## (FY 2025 Current Projection versus FY 2024 Actual)

(Billions of yen)



## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		1Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		99.9	99.0	+0.9%	448.4	441.5	+1.6%	457.7	-9.3
Office	Office MFDs	149.2	156.3	-4.6%	637.6	647.0	-1.5%	650.1	-12.5
	Others	110.9	98.3	+12.9%	431.5	408.1	+5.7%	433.6	-2.1
		260.1	254.6	+2.2%	1,069.1	1,055.1	+1.3%	1,083.7	-14.6
Prosumer	LPs	168.0	145.4	+15.5%	660.0	679.6	-2.9%	664.3	-4.3
	IJPs	83.0	81.3	+2.2%	345.6	346.5	-0.3%	352.3	-6.7
		251.0	226.7	+10.7%	1,005.6	1,026.1	-2.0%	1,016.6	-11.0
Net Sales		611.0	580.3	+5.3%	2,523.1	2,522.7	+0.0%	2,558.0	-34.9
Op. Profit		73.1	65.5	+11.5%	314.7	289.9	+8.6%	323.6	-8.9
%		12.0%	11.3%		12.5%	11.5%		12.7%	

## Net Sales Growth Rate Y/Y

(Local Currency)

	2025	
	1Q	Full Year Projection
Production	-0.1%	+5.2%
Office	+1.6%	+3.7%
Prosumer	+9.7%	+0.9%
Total	+4.5%	+2.8%

## Unit Growth Rate Y/Y

	2025	
	1Q	Full Year Projection
Office MFDs	-5%	+5%
LPs	+17%	-5%
IJPs	+13%	+4%

# Printing Hardware & Non-hardware Sales

## Net Sales Growth Rate of Printing Hardware & Non-hardware

			FY 2025		FY 2024	
			1Q Actual	Full Year Current Projection	1Q Actual	Full Year Actual
<b>Production</b>	JPY	Hardware	+1%	+5%	+13%	+11%
		Non-hardware	+1%	0%	+14%	+9%
	LC	Hardware	0%	+9%	+1%	+4%
		Non-hardware	0%	+3%	+3%	+2%
<b>Office MFDs</b>	JPY	Hardware	-4%	+1%	+4%	+1%
		Non-hardware	-5%	-3%	+14%	+7%
	LC	Hardware	-5%	+4%	-6%	-5%
		Non-hardware	-5%	-1%	+5%	+1%
<b>LPs</b>	JPY	Hardware	+17%	-5%	-15%	+17%
		Non-hardware	+15%	-1%	+4%	+9%
	LC	Hardware	+16%	-2%	-23%	+11%
		Non-hardware	+13%	+1%	-4%	+5%
<b>IJPs</b>	JPY	Hardware	+10%	+4%	-14%	-2%
		Non-hardware	-3%	-4%	-1%	0%
	LC	Hardware	+9%	+8%	-22%	-8%
		Non-hardware	-4%	-1%	-10%	-6%

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
<b>Net Sales</b>	<b>137.3</b>	<b>134.2</b>	+2.3%	<b>580.9</b>	<b>568.8</b>	+2.1%	<b>590.0</b>	-9.1
<b>Op. Profit</b>	<b>6.7</b>	<b>5.6</b>	+20.2%	<b>37.7</b>	<b>24.7</b>	+52.9%	<b>39.5</b>	-1.8
%	4.9%	4.2%		6.5%	4.3%		6.7%	

## Net Sales Growth Rate Y/Y

(Local Currency)

	2025	
	1Q	Full Year Projection
Total	+2.3%	+5.3%

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	118.1	102.3	+15.5%	612.6	579.9	+5.6%	627.3	-14.7
Network Cameras & Others	94.0	73.2	+28.3%	398.9	357.5	+11.6%	409.4	-10.5
<b>Net Sales</b>	<b>212.1</b>	<b>175.5</b>	<b>+20.8%</b>	<b>1,011.5</b>	<b>937.4</b>	<b>+7.9%</b>	<b>1,036.7</b>	<b>-25.2</b>
<b>Op. Profit</b>	<b>31.2</b>	<b>14.3</b>	<b>+118.9%</b>	<b>160.6</b>	<b>151.3</b>	<b>+6.1%</b>	<b>169.2</b>	<b>-8.6</b>
%	14.7%	8.1%		15.9%	16.1%		16.3%	

## Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	1Q	Full Year Projection
Cameras	+14.4%	+9.7%
NWCs & Others	+26.6%	+15.7%
Total	+19.4%	+12.0%

## Digital Interchangeable Lens Cameras (DILCs) Units (Millions) & Unit Growth Rate Y/Y

	2025	
	1Q	Full Year Projection
Units (Millions)	0.53	3.00
Growth Rate	+6%	+6%

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	50.5	47.0	+7.4%	289.5	253.4	+14.3%	305.5	-16.0
Industrial Equipment	17.0	20.4	-16.7%	112.6	98.3	+14.5%	113.0	-0.4
<b>Net Sales</b>	<b>67.5</b>	<b>67.4</b>	+0.1%	<b>402.1</b>	<b>351.7</b>	+14.3%	<b>418.5</b>	-16.4
<b>Op. Profit</b>	<b>8.4</b>	<b>12.1</b>	-30.5%	<b>70.5</b>	<b>68.9</b>	+2.3%	<b>76.3</b>	-5.8
%	12.4%	17.9%		17.5%	19.6%		18.2%	

\* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

## Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	1Q	Full Year Projection
Opt. Equip.	+7.9%	+14.7%
Industrial Equip.	-16.6%	+15.4%
<b>Total</b>	<b>+0.5%</b>	<b>+14.9%</b>

## Lithography Equipment (Units)

		2025	
		1Q	Full Year Projection
Semiconductor	KrF	10	57
	i-line	46	232
		56	289
FPD		5	32