
Canon Inc.

Second Quarter 2025 Results

July 24, 2025

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2Q/1H 2025 Review

- Our markets remained stable, basically in line with expectations. However, our performance was significantly impacted by yen's appreciation compared to same period last year
- New products drove continued growth in camera sales. Network camera sales grew nearly 20% and Medical posted strong sales growth
- Second quarter net sales slightly down, but 2% increase on local currency basis. On same basis, net sales at record high for 1H 2025
- Profits, thanks to increased sales and effects from last year's review of sales structure, increased by around 20% in both 2Q/1H of year on local currency basis, evidencing the continuation of momentum for improving profitability.

P&L

(2Q/1H 2025 Results)

(Billions of yen)	2Q			
	2025 Actual	2024 Actual	% Change	excl. FX Impact
Net Sales	1,140.2	1,167.8	-2.4%	+2.0%
Gross Profit	534.8	551.6	-3.0%	
(% of Net Sales)	46.9%	47.2%		
Op. Expenses	417.0	433.2		
(% of Net Sales)	36.6%	37.1%		
Op. Profit	117.8	118.4	-0.5%	+17.6%
(% of Net Sales)	10.3%	10.1%		
Non-operating Income	5.7	13.8		
IBT	123.5	132.2	-6.6%	
Net Income	83.7	89.9	-6.9%	
(% of Net Sales)	7.3%	7.7%		
USD	144.59	155.93	-11.34	
EUR	163.82	167.98	-4.16	

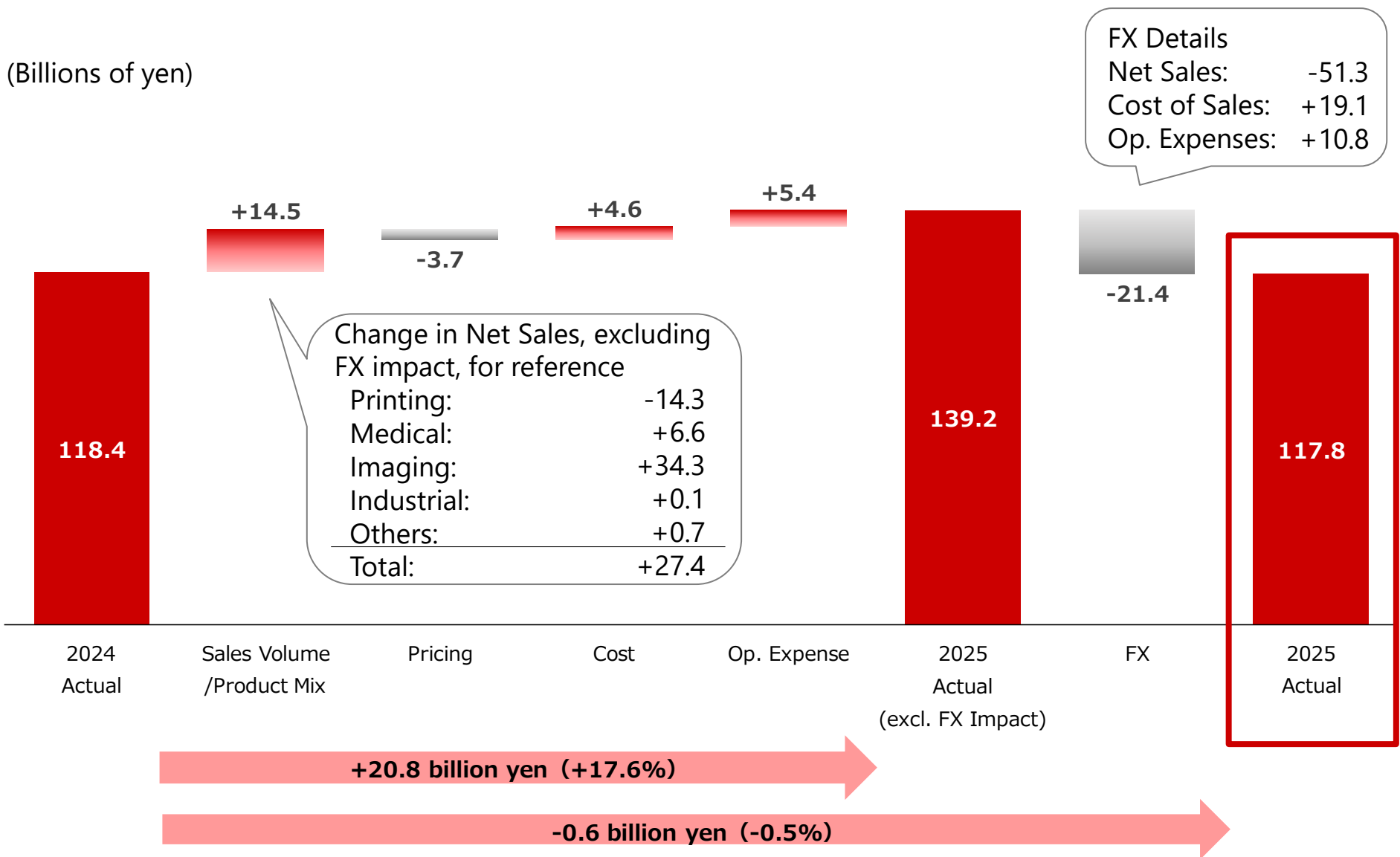
1st Half			
2025 Actual	2024 Actual	% Change	excl. FX Impact
2,198.6	2,156.3	+2.0%	+4.0%
1,035.7	1,030.0	+0.6%	
47.1%	47.8%		
821.4	831.5		
37.4%	38.6%		
214.3	198.5	+8.0%	+18.4%
9.7%	9.2%		
8.0	22.9		
222.3	221.4	+0.4%	
155.9	149.8	+4.1%	
7.1%	6.9%		
148.34	152.60	-4.26	
162.23	164.97	-2.74	

2Q 2025 Operating Profit Analysis

(2Q 2025 Actual versus 2Q 2024 Actual)



(Billions of yen)



2Q/1H 2025 Financial Results by Business Unit

(Billions of yen)		2Q			1st Half		
		2025 Actual	2024 Actual	% Change	2025 Actual	2024 Actual	% Change
Printing	Net Sales	610.6	654.5	-6.7%	1,221.6	1,234.8	-1.1%
	Op. Profit	76.9	79.2	-2.9%	150.0	144.7	+3.6%
	(%)	(12.6%)	(12.1%)		(12.3%)	(11.7%)	
Medical	Net Sales	142.0	141.0	+0.7%	279.3	275.2	+1.5%
	Op. Profit	5.1	5.5	-7.4%	11.8	11.1	+6.5%
	(%)	(3.6%)	(3.9%)		(4.2%)	(4.0%)	
Imaging	Net Sales	260.7	244.7	+6.5%	472.8	420.3	+12.5%
	Op. Profit	39.1	41.0	-4.7%	70.3	55.3	+27.2%
	(%)	(15.0%)	(16.8%)		(14.9%)	(13.2%)	
Industrial	Net Sales	92.4	93.2	-0.9%	159.8	160.6	-0.5%
	Op. Profit	17.7	17.9	-1.1%	26.1	30.0	-12.9%
	(%)	(19.2%)	(19.2%)		(16.3%)	(18.7%)	
Others & Corporate	Net Sales	60.7	59.9	+1.3%	116.7	115.0	+1.4%
	Op. Profit	-20.8	-24.8	-	-44.2	-43.6	-
Eliminations	Net Sales	-26.2	-25.5	-	-51.6	-49.6	-
	Op. Profit	-0.2	-0.4	-	0.3	1.0	-
Total	Net Sales	1,140.2	1,167.8	-2.4%	2,198.6	2,156.3	+2.0%
	Op. Profit	117.8	118.4	-0.5%	214.3	198.5	+8.0%
	(%)	(10.3%)	(10.1%)		(9.7%)	(9.2%)	

* 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.

- Solid market environment expected, but incorporated impact of postponed investment due to additional U.S. tariffs and heightened geopolitical tension into plan
- Decrease in gross profit due to lower sales will be offset through expense reduction. However, lowered projection for operating profit by 6 billion yen and net income by 3 billion yen
- Aiming for sales and profit growth as well as operating profit ratio of 10%
- As for impact of additional U.S. tariffs, assumed tariff rate will remain at 10% until year-end
- Raising dividend by 5 yen to 160 yen for full year, returning to pre-COVID level of 2019. Completed 200 billion yen in share buybacks

2025 Financial Projection

(Full Year)

(Billions of yen)	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	4,600.0	4,509.8	+2.0%	4,650.0	-50.0
Gross Profit (% of Net Sales)	2,160.0 47.0%	2,143.1 47.5%	+0.8%	2,170.0 46.7%	-10.0
Op. Expenses (% of Net Sales)	1,700.0 37.0%	1,698.2 37.6%		1,704.0 36.7%	+4.0
Op. Profit (% of Net Sales)	460.0 10.0%	444.9 9.9%	+3.4%	466.0 10.0%	-6.0
IBT	472.0	466.3	+1.2%	481.0	-9.0
Net Income (% of Net Sales)	330.0 7.2%	325.1 7.2%	+1.5%	333.0 7.2%	-3.0
USD	145.06	151.63		144.38	
EUR	163.70	163.99		160.11	

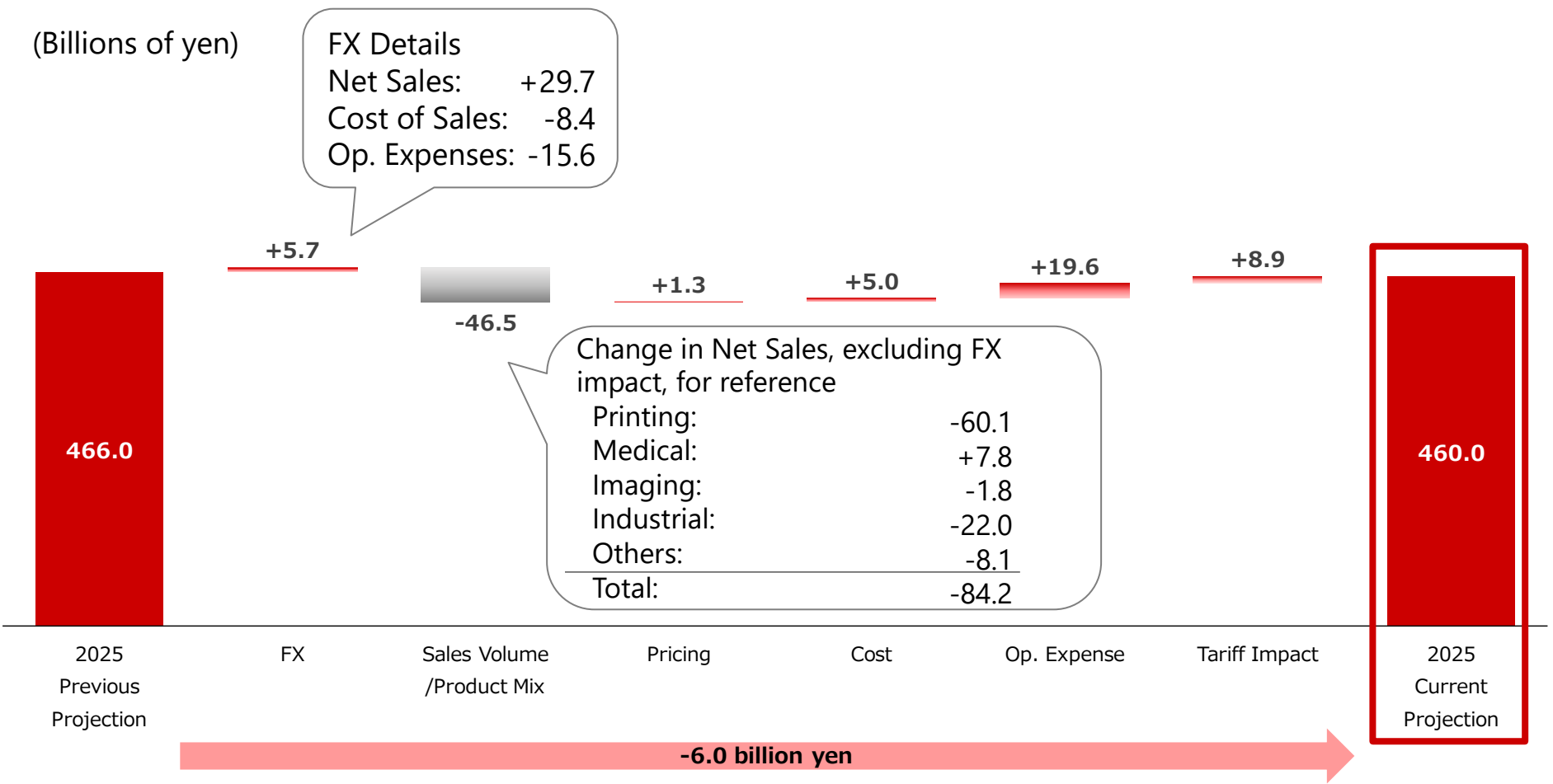
Impact of exchange rate movement
(3Q-4Q impact given a one yen change)

	Net Sales	Op. Profit
USD	6.7 billion yen	1.7 billion yen
EUR	3.5 billion yen	1.8 billion yen

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2025 Previous Projection)





Review of Business Structure

(Billions of yen)

		2024	2025		
		Actual	1Q	2Q	Full year Current Projection
Sales Structural Reform	Cost	-20.0	-1.2	-0.5	-6.0
	Effect	8.0	5.0	4.9	22.0
	PL Impact	-12.0	3.8	4.4	16.0
Production Structural Reform	Cost	0.0	-0.9	-0.1	-20.0
	Effect	0.0	0.0	0.0	0.0
	PL Impact	0.0	-0.9	-0.1	-20.0
Medical Business Innovation	Cost	-2.5	-0.7	-0.7	-5.0
	Effect	0.0	1.5	2.2	10.0
	PL Impact	-2.5	0.8	1.5	5.0
Total	Cost	-22.5	-2.8	-1.3	-31.0
	Effect	8.0	6.5	7.1	32.0
	PL Impact	-14.5	3.7	5.8	1.0

2025 Financial Projection by Business Unit

(Full Year)

(Billions of yen)		2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change	Tariff Impact	excl. Tariff Impact
Printing	Net Sales	2,489.7	2,522.7	-1.3%	2,523.1	-33.4	+6.2	-39.6
	Op. Profit	287.7	289.9	-0.8%	314.7	-27.0	-7.6	-19.4
	(%)	(11.6%)	(11.5%)		(12.5%)			
Medical	Net Sales	582.1	568.8	+2.3%	580.9	+1.2	-9.0	+10.2
	Op. Profit	34.5	24.7	+39.9%	37.7	-3.2	-5.3	+2.1
	(%)	(5.9%)	(4.3%)		(6.5%)			
Imaging	Net Sales	1,011.1	937.4	+7.9%	1,011.5	-0.4	-6.3	+5.9
	Op. Profit	158.3	151.3	+4.6%	160.6	-2.3	-12.1	+9.8
	(%)	(15.7%)	(16.1%)		(15.9%)			
Industrial	Net Sales	380.3	351.7	+8.1%	402.1	-21.8		-21.8
	Op. Profit	68.3	68.9	-0.9%	70.5	-2.2		-2.2
	(%)	(18.0%)	(19.6%)		(17.5%)			
Others & Corporate	Net Sales	235.1	233.7	+0.6%	225.7	+9.4	+12.3	-2.9
	Op. Profit	-89.1	-91.2	-	-117.7	+28.6	+33.9	-5.3
Eliminations	Net Sales	-98.3	-104.5	-	-93.3	-5.0		-5.0
	Op. Profit	0.3	1.3	-	0.2	+0.1		+0.1
Total	Net Sales	4,600.0	4,509.8	+2.0%	4,650.0	-50.0	+3.2	-53.2
	Op. Profit	460.0	444.9	+3.4%	466.0	-6.0	+8.9	-14.9
	(%)	(10.0%)	(9.9%)		(10.0%)			

* 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 Jun.-end in line with Mar.-end, as increased inventory of finished goods for sales expansion in second half of year was offset through work-in-process reduction
- Aiming for an optimal inventory level of less than 60 days by end of 2025

(Billions of yen)

		2024				2025	
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end
Printing	Amt.	347.6	361.5	344.1	342.7	334.4	346.1
	Days	52	53	50	49	47	52
Medical	Amt.	141.1	146.0	142.1	133.2	139.8	138.5
	Days	86	97	95	83	85	90
Imaging	Amt.	191.5	182.4	168.5	158.6	176.3	166.4
	Days	86	79	63	56	66	64
Industrial	Amt.	146.4	150.2	158.7	138.0	150.7	160.3
	Days	160	168	175	130	146	183
Others & Corporate	Amt.	68.3	72.4	76.3	69.3	71.6	68.2
Total	Amt.	894.9	912.5	889.7	841.8	872.8	879.5
	Days	76	77	72	65	68	73

Cash Flow

(Full Year)

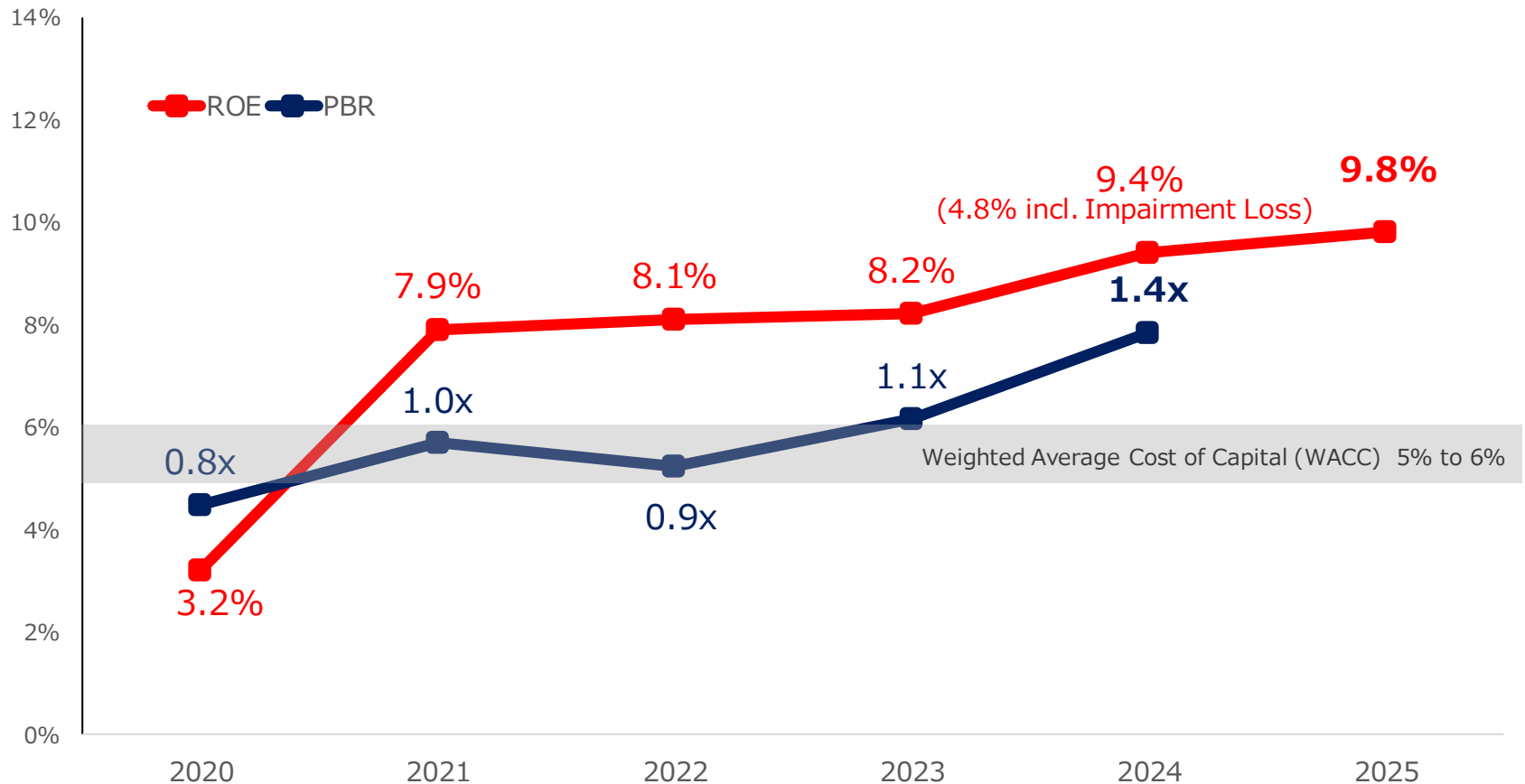
- Operating cash flow expected to be approximately 610 billion yen, same level as last year
- Invest in future growth and carry out active shareholders return

(Billions of yen)	2025 Current Projection	2025 Previous Projection	2024 Actual	2023 Actual
Net income	330.0	333.0	325.1	264.5
Depreciation and amortization	235.0	240.0	235.5	238.7
Others	45.0	56.0	46.2	-52.0
Net cash provided by operating activities	610.0	629.0	606.8	451.2
Capital expenditure	-250.0	-250.0	-237.0	-231.7
Others	-76.0	-100.0	-60.3	-43.7
Net cash used in investing activities	-326.0	-350.0	-297.3	-275.4
Free cash flow	284.0	279.0	309.5	175.8
Net cash provided by (used in) financing activities	-360.0	-348.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	-13.6	-15.6	16.7	20.1
Net change in cash and cash equivalents	-89.6	-84.6	100.2	39.2
Cash and cash equivalents at end of period	412.0	417.0	501.6	401.3
Cash-on-hand (In months of Net sales)	1.0	1.1	1.3	1.1

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

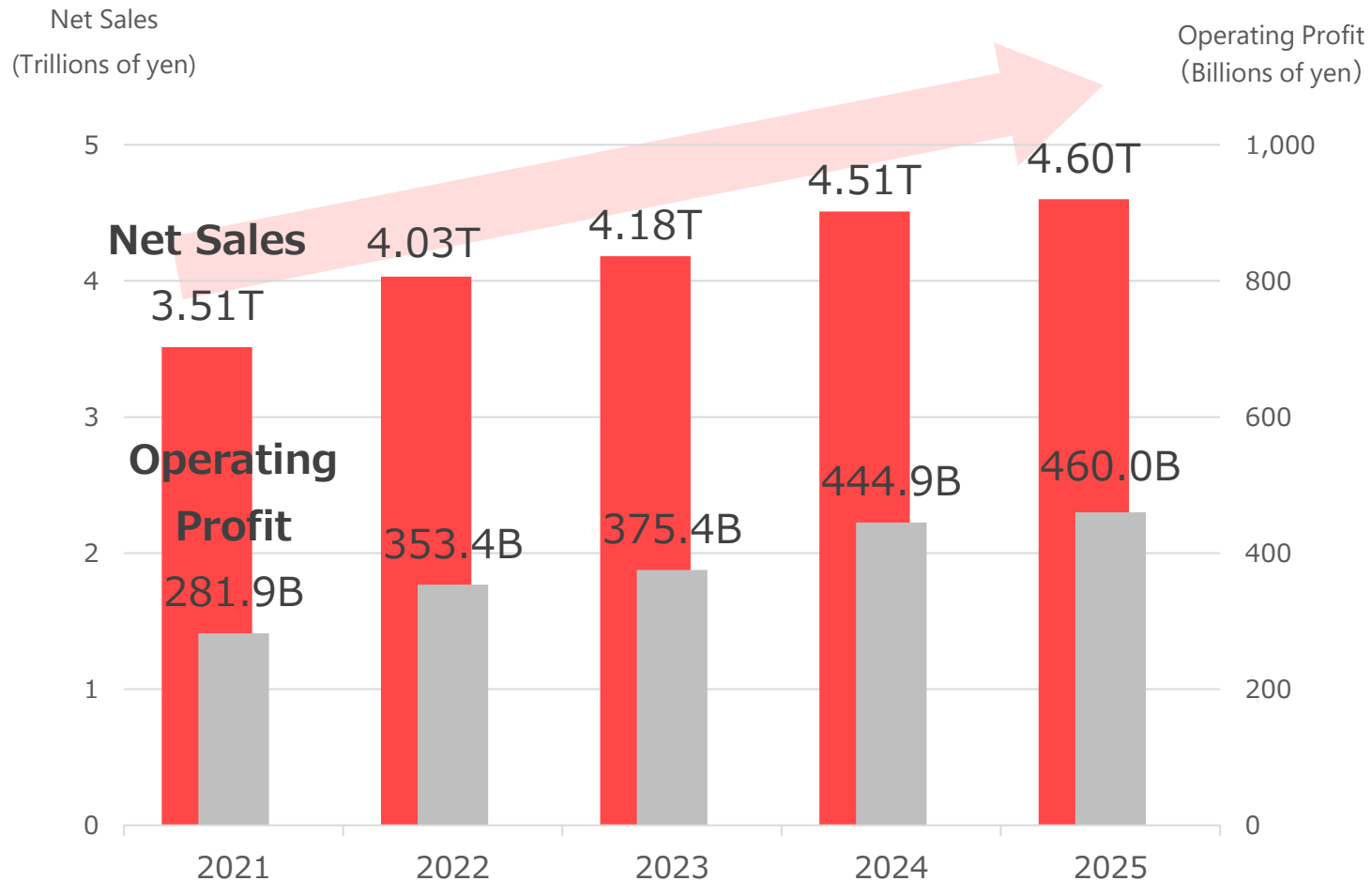
Return on Capital

- Expect ROE to be 9.8% 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.

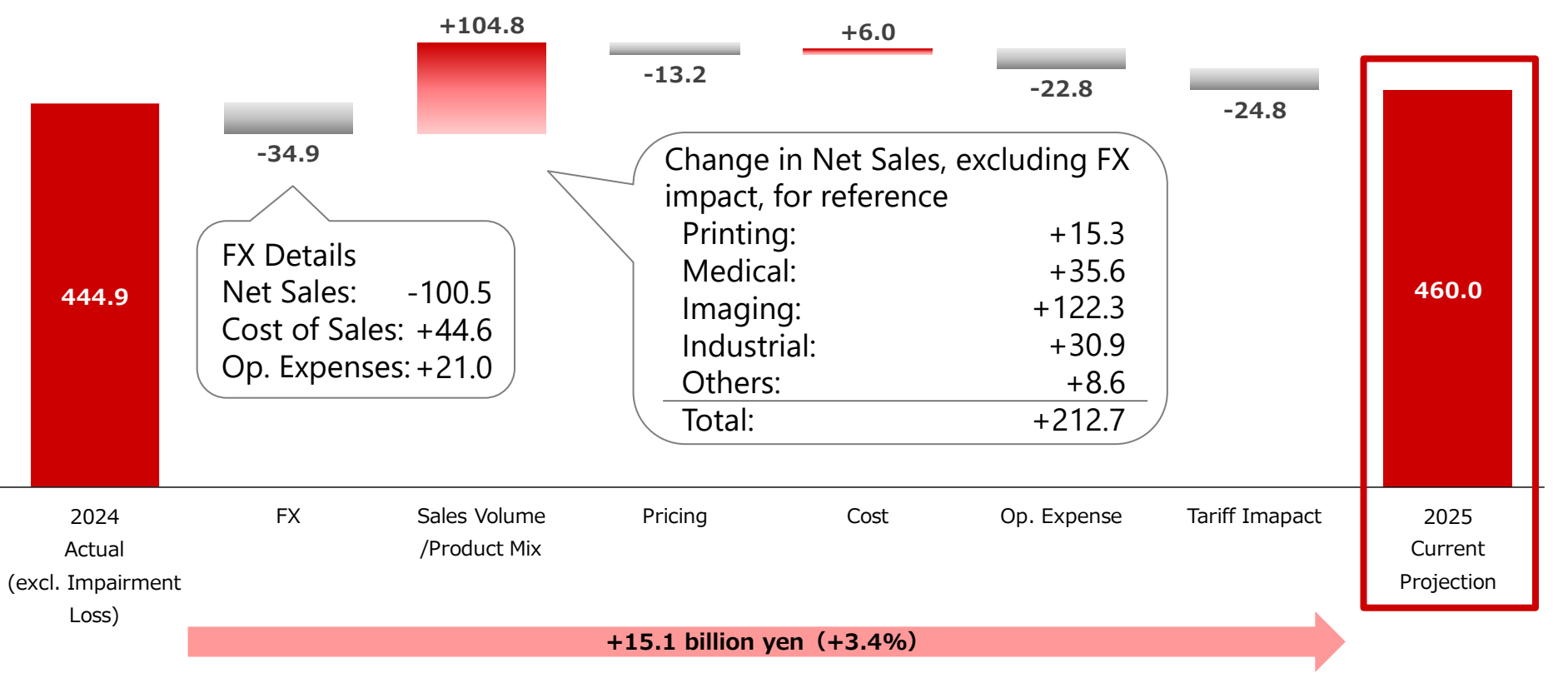
Supplementary Information

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2024 Actual)

Canon

(Billions of yen)



Printing

Net Sales & Net Sales Growth Rate Y/Y

		2Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		103.3	111.2	-7.1%	446.0	441.5	+1.0%	448.4	-2.4
Office	Office MFDs	161.2	170.2	-5.3%	636.1	647.0	-1.7%	637.6	-1.5
	Others	104.2	103.8	+0.4%	427.0	408.1	+4.6%	431.5	-4.5
		265.4	274.0	-3.2%	1,063.1	1,055.1	+0.8%	1,069.1	-6.0
Prosumer	LPs	160.4	179.9	-10.8%	637.0	679.6	-6.3%	660.0	-23.0
	IJPs	81.5	89.4	-8.8%	343.6	346.5	-0.8%	345.6	-2.0
		241.9	269.3	-10.1%	980.6	1,026.1	-4.4%	1,005.6	-25.0
Net Sales		610.6	654.5	-6.7%	2,489.7	2,522.7	-1.3%	2,523.1	-33.4
Op. Profit		76.9	79.2	-2.9%	287.7	289.9	-0.8%	314.7	-27.0
%		12.6%	12.1%		11.6%	11.5%		12.5%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025 2Q	2025 Full Year Projection
Production	-2.6%	+3.3%
Office	+0.3%	+2.5%
Prosumer	-4.7%	-2.0%
Total	-2.2%	+0.8%

Unit Growth Rate Y/Y

	2025 2Q	2025 Full Year Projection
Office MFDs	-2%	+4%
LPs	-13%	-9%
IJPs	+3%	+4%

Printing Hardware & Non-hardware Sales

Net Sales Growth Rate of Printing Hardware & Non-hardware

			2025		2024	
			2Q Actual	Full Year Projection	2Q Actual	Full Year Actual
Production	JPY	Hardware	-12%	+4%	+19%	+11%
		Non-hardware	-4%	-1%	+13%	+9%
	LC	Hardware	-7%	+6%	+6%	+4%
		Non-hardware	0%	+2%	+1%	+2%
Office MFDs	JPY	Hardware	-7%	0%	+7%	+1%
		Non-hardware	-4%	-3%	+11%	+7%
	LC	Hardware	-2%	+2%	-4%	-5%
		Non-hardware	0%	-2%	+2%	+1%
LPs	JPY	Hardware	-17%	-12%	+17%	+17%
		Non-hardware	-7%	-3%	+22%	+9%
	LC	Hardware	-12%	-9%	+7%	+11%
		Non-hardware	0%	0%	+14%	+5%
IJPs	JPY	Hardware	-7%	+4%	+7%	-2%
		Non-hardware	-10%	-4%	+8%	0%
	LC	Hardware	-2%	+6%	-3%	-8%
		Non-hardware	-6%	-2%	-2%	-6%

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	142.0	141.0	+0.7%	582.1	568.8	+2.3%	580.9	+1.2
Op. Profit	5.1	5.5	-7.4%	34.5	24.7	+39.9%	37.7	-3.2
%	3.6%	3.9%		5.9%	4.3%		6.5%	

* 2024 figures exclude the impact of impairment loss.

Net Sales Growth Rate Y/Y
(Local Currency)

	2025	
	2Q	Full Year Projection
Total	+4.7%	+4.7%

Imaging

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	155.4	155.1	+0.2%	610.9	579.9	+5.4%	612.6	-1.7
Network Cameras & Others	105.3	89.6	+17.5%	400.2	357.5	+11.9%	398.9	+1.3
Net Sales	260.7	244.7	+6.5%	1,011.1	937.4	+7.9%	1,011.5	-0.4
Op. Profit	39.1	41.0	-4.7%	158.3	151.3	+4.6%	160.6	-2.3
%	15.0%	16.8%		15.7%	16.1%		15.9%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Cameras	+5.8%	+8.5%
NWCs & Others	+24.4%	+15.2%
Total	+12.6%	+11.1%

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

	2025	
	2Q	Full Year Projection
Units (Millions)	0.75	3.00
Growth Rate	-2%	+6%

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	61.2	61.3	-0.1%	272.6	253.4	+7.6%	289.5	-16.9
Industrial Equipment	31.2	31.9	-2.5%	107.7	98.3	+9.5%	112.6	-4.9
Net Sales	92.4	93.2	-0.9%	380.3	351.7	+8.1%	402.1	-21.8
Op. Profit	17.7	17.9	-1.1%	68.3	68.9	-0.9%	70.5	-2.2
%	19.2%	19.2%		18.0%	19.6%		17.5%	

* 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	
	2Q	Full Year Projection
Opt. Equip.	+1.2%	+8.2%
Industrial Equip.	-2.1%	+10.2%
Total	+0.1%	+8.8%

Lithography Equipment (Units)

		2025	
		2Q	Full Year Projection
Semiconductor	KrF	14	55
	i-line	37	200
		51	255
FPD		9	33