Canon

Canon Inc.
Third Quarter 2025 Results

October 27, 2025

Agenda

3Q 2025 Review

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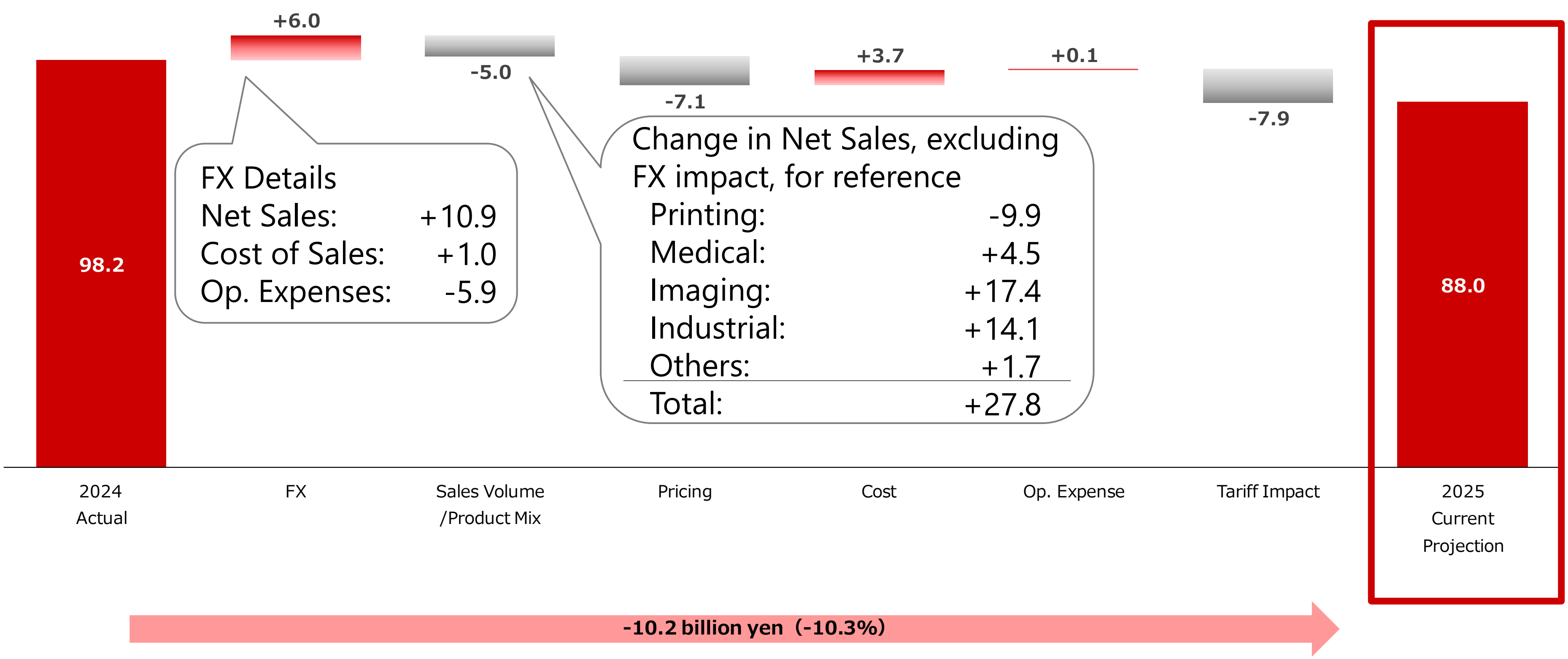
- In our markets, additional U.S. tariffs and geopolitical risks led to trend of postponed investment greater than in Q2
- Printing Group net sales declined, but steady growth in camera and network camera sales, more than 20% increase in Industrial Group net sales
- Net sales up 2% in Q3, at record high YTD
- Profit down due to tariffs in Q3, but thanks to increase in net sales and effects from last year’s sales structure review, sales and profits up YTD

P&L
(3Q 2025 Results)

(Billions of yen)	3Q 2025 Actual	3Q 2024 Actual	3Q % Change	1Q-3Q 2025 Actual	1Q-3Q 2024 Actual	1Q-3Q % Change
Net Sales	**1,104.3**	**1,079.8**	+2.3%	**3,302.9**	**3,236.1**	+2.1%
Gross Profit	**512.0**	**516.4**	-0.8%	**1,547.7**	**1,546.4**	+0.1%
(% of Net Sales)	46.4%	47.8%		46.9%	47.8%	
Op. Expenses	**424.0**	**418.2**		**1,245.3**	**1,249.8**	
(% of Net Sales)	38.4%	38.7%		37.7%	38.6%	
Op. Profit	**88.0**	**98.2**	-10.3%	**302.4**	**296.6**	+1.9%
(% of Net Sales)	8.0%	9.1%		9.2%	9.2%	
Non-operating Income	**3.8**	**-8.9**		**11.7**	**14.2**	
IBT	**91.8**	**89.3**	+2.8%	**314.1**	**310.8**	+1.1%
Net Income	**63.7**	**68.8**	-7.4%	**219.6**	**218.6**	+0.5%
(% of Net Sales)	5.8%	6.4%		6.6%	6.8%	
USD	147.50	149.00	-1.50	148.06	151.34	-3.28
EUR	172.33	163.81	8.52	165.56	164.58	0.98

3Q 2025 Operating Profit Analysis
(3Q 2025 Actual versus 3Q 2024 Actual)

(Billions of yen)



3Q 2025 Financial Results by Business Unit

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(Billions of yen)		3Q 2025 Actual	3Q 2024 Actual	3Q % Change	1Q-3Q 2025 Actual	1Q-3Q 2024 Actual	1Q-3Q % Change
Printing	Net Sales	**604.0**	**610.9**	-1.1%	**1,825.6**	**1,845.7**	-1.1%
	Op. Profit	**52.2**	**60.7**	-14.0%	**202.2**	**205.4**	-1.6%
	(%)	**(8.6%)**	**(9.9%)**		**(11.1%)**	**(11.1%)**	
Medical	Net Sales	**132.9**	**132.3**	+0.4%	**412.2**	**407.5**	+1.1%
	Op. Profit	**6.4**	**4.7**	+36.4%	**18.2**	**15.7**	+15.4%
	(%)	**(4.8%)**	**(3.5%)**		**(4.4%)**	**(3.9%)**	
Imaging	Net Sales	**253.6**	**239.6**	+5.9%	**726.4**	**659.8**	+10.1%
	Op. Profit	**38.1**	**43.6**	-12.6%	**108.4**	**98.9**	+9.7%
	(%)	**(15.0%)**	**(18.2%)**		**(14.9%)**	**(15.0%)**	
Industrial	Net Sales	**85.4**	**70.1**	+21.7%	**245.2**	**230.8**	+6.3%
	Op. Profit	**13.9**	**14.0**	-0.4%	**40.0**	**44.0**	-9.0%
	(%)	**(16.3%)**	**(20.0%)**		**(16.3%)**	**(19.1%)**	
Others & Corporate	Net Sales	**55.4**	**53.9**	+2.7%	**172.0**	**168.9**	+1.8%
	Op. Profit	**-22.9**	**-24.6**	-	**-67.1**	**-68.2**	-
Eliminations	Net Sales	**-27.0**	**-27.0**	-	**-78.5**	**-76.6**	-
	Op. Profit	**0.3**	**-0.2**	-	**0.7**	**0.8**	-
Total	Net Sales	**1,104.3**	**1,079.8**	+2.3%	**3,302.9**	**3,236.1**	+2.1%
	Op. Profit	**88.0**	**98.2**	-10.3%	**302.4**	**296.6**	+1.9%
	(%)	**(8.0%)**	**(9.1%)**		**(9.2%)**	**(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.

2025 Outlook

- In Q4, expected trend of postponed investment to continue due to additional U.S. tariffs and impact of geopolitical risks
- Expect continued growth of cameras and network camera businesses, Printing Group to gain share with new products, and large-size equipment business to steadily convert orders into sales
- Achieve record high quarterly net sales of 1.3 trillion yen or more and 11% profitability level in Q4 to maintain sales and profit growth for full year
- Lowered projections for operating profit by 9 billion yen and net income by 4.5 billion yen, reflecting impact of additional U.S. tariffs from August and worsening market environment
- Raising dividend by 5 yen to 160 yen per share, returning to pre-COVID level of 2019, and carried out 300 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	**4,616.0**	**4,509.8**	+2.4%	**4,600.0**	+16.0
Gross Profit	**2,154.0**	**2,143.1**	+0.5%	**2,160.0**	-6.0
(% of Net Sales)	46.7%	47.5%		47.0%	
Op. Expenses	**1,703.0**	**1,698.2**		**1,700.0**	-3.0
(% of Net Sales)	36.9%	37.6%		37.0%	
Op. Profit	**451.0**	**444.9**	+1.4%	**460.0**	-9.0
(% of Net Sales)	9.8%	9.9%		10.0%	
IBT	**466.0**	**466.3**	-0.1%	**472.0**	-6.0
Net Income	**325.5**	**325.1**	+0.1%	**330.0**	-4.5
(% of Net Sales)	7.1%	7.2%		7.2%	
USD	148.58	151.63		145.06	
EUR	168.24	163.99		163.70	

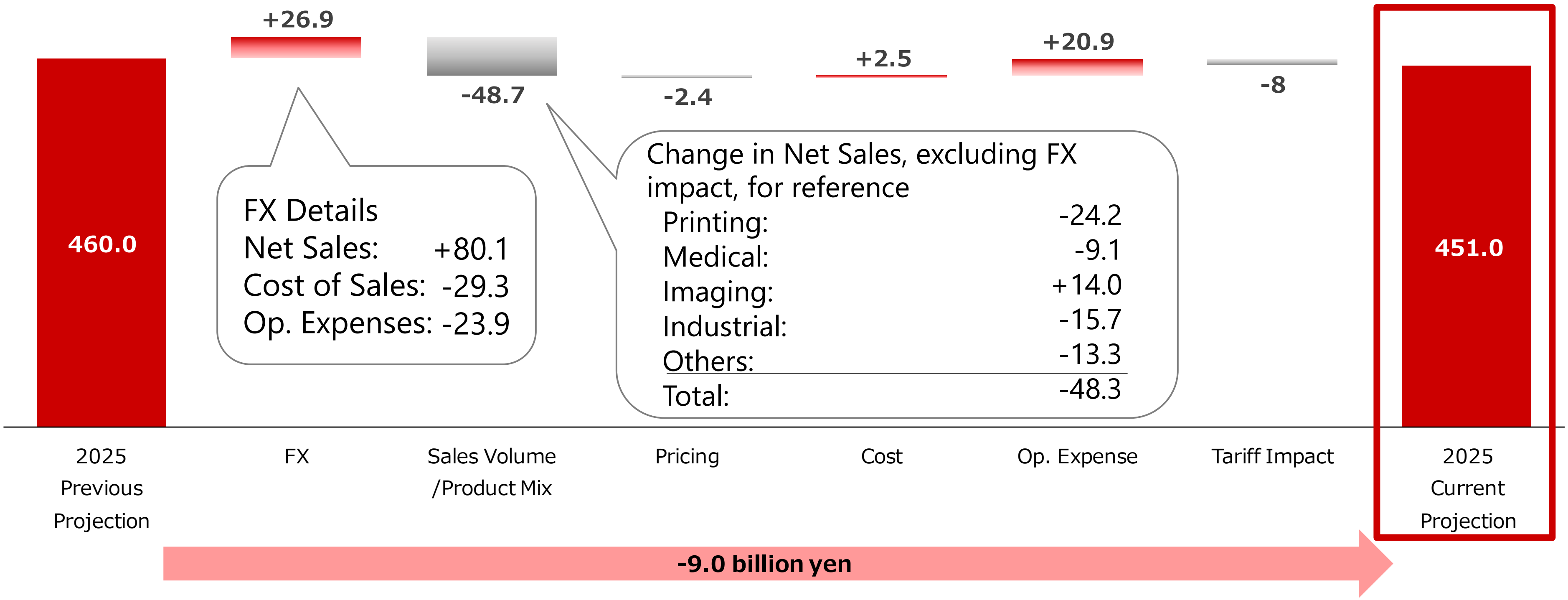
Impact of exchange rate movement
(4Q impact given a one yen change)

	Net Sales	Op. Profit
USD	3.5 billion yen	1.0 billion yen
EUR	1.9 billion yen	1.0 billion yen

* 2024 figures exclude the impact of impairment loss.

2025 Operating Profit Analysis
(FY 2025 Current Projection versus FY 2025 Previous Projection)

(Billions of yen)



Review of Business Structure

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(Billions of yen)

		2024 Actual	2025 1Q	2025 2Q	2025 3Q	2025 4Q Current Projection	2025 Full year Current Projection
Sales Structural Reform	Cost	-20.0	-1.2	-0.5	-0.8	-3.5	-6.0
	Effect	8.0	5.0	4.9	5.3	6.8	22.0
	PL Impact	-12.0	3.8	4.4	4.5	3.3	16.0
Production Structural Reform	Cost	0.0	-0.9	-0.1	-4.8	-14.2	-20.0
	Effect	0.0	0.0	0.0	0.0	0.0	0.0
	PL Impact	0.0	-0.9	-0.1	-4.8	-14.2	-20.0
Medical Business Innovation	Cost	-2.5	-0.7	-0.7	-0.7	-2.9	-5.0
	Effect	0	1.5	2.2	2.0	4.3	10.0
	PL Impact	-2.5	0.8	1.5	1.3	1.4	5.0
Total	Cost	-22.5	-2.8	-1.3	-6.3	-20.6	-31.0
	Effect	8.0	6.5	7.1	7.3	11.1	32.0
	PL Impact	**-14.5**	**3.7**	**5.8**	**1.0**	**-9.5**	**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	**2,495.1**	**2,522.7**	-1.1%	**2,489.7**	+5.4	-12.6	+18.0
	Op. Profit	**276.2**	**289.9**	-4.7%	**287.7**	-11.5	-3.5	-8.0
	(%)	**(11.1%)**	**(11.5%)**		**(11.6%)**			
Medical	Net Sales	**580.9**	**568.8**	+2.1%	**582.1**	-1.2	-0.9	-0.3
	Op. Profit	**31.3**	**24.7**	+26.9%	**34.5**	-3.2	-2.4	-0.8
	(%)	**(5.4%)**	**(4.3%)**		**(5.9%)**			
Imaging	Net Sales	**1,049.7**	**937.4**	+12.0%	**1,011.1**	+38.6	+0.2	+38.4
	Op. Profit	**163.4**	**151.3**	+8.0%	**158.3**	+5.1	-2.1	+7.2
	(%)	**(15.6%)**	**(16.1%)**		**(15.7%)**			
Industrial	Net Sales	**365.9**	**351.7**	+4.0%	**380.3**	-14.4	0	-14.4
	Op. Profit	**63.6**	**68.9**	-7.7%	**68.3**	-4.7	0	-4.7
	(%)	**(17.4%)**	**(19.6%)**		**(18.0%)**			
Others & Corporate	Net Sales	**224.4**	**233.7**	-4.0%	**235.1**	-10.7	-0.1	-10.6
	Op. Profit	**-84.1**	**-91.2**	-	**-89.1**	+5.0	-0.2	+5.2
Eliminations	Net Sales	**-100.0**	**-104.5**	-	**-98.3**	-1.7		-1.7
	Op. Profit	**0.6**	**1.3**	-	**0.3**	+0.3		+0.3
Total	Net Sales	**4,616.0**	**4,509.8**	+2.4%	**4,600.0**	+16.0	-13.4	+29.4
	Op. Profit	**451.0**	**444.9**	+1.4%	**460.0**	-9.0	-8.2	-0.8
	(%)	**(9.8%)**	**(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

- Reduced work-in-process and built-up inventory of finished goods for year-end selling season
- Aiming for appropriate level of inventory of 60 days or less by end of 2025

(Billions of yen)

		2024				2025		
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end	Sep.-end
Printing	Amt.	347.6	361.5	344.1	342.7	334.4	346.1	368.1
	Days	52	53	50	49	47	52	55
Medical	Amt.	141.1	146.0	142.1	133.2	139.8	138.5	148.5
	Days	86	97	95	83	85	90	99
Imaging	Amt.	191.5	182.4	168.5	158.6	176.3	166.4	172.1
	Days	86	79	63	56	66	64	61
Industrial	Amt.	146.4	150.2	158.7	138.0	150.7	160.3	154.7
	Days	160	168	175	130	146	183	159
Others & Corporate	Amt.	68.3	72.4	76.3	69.3	71.6	68.2	70.4
Total	**Amt.**	**894.9**	**912.5**	**889.7**	**841.8**	**872.8**	**879.5**	**913.8**
	Days	**76**	**77**	**72**	**65**	**68**	**73**	**74**

Cash Flow
(Full Year)

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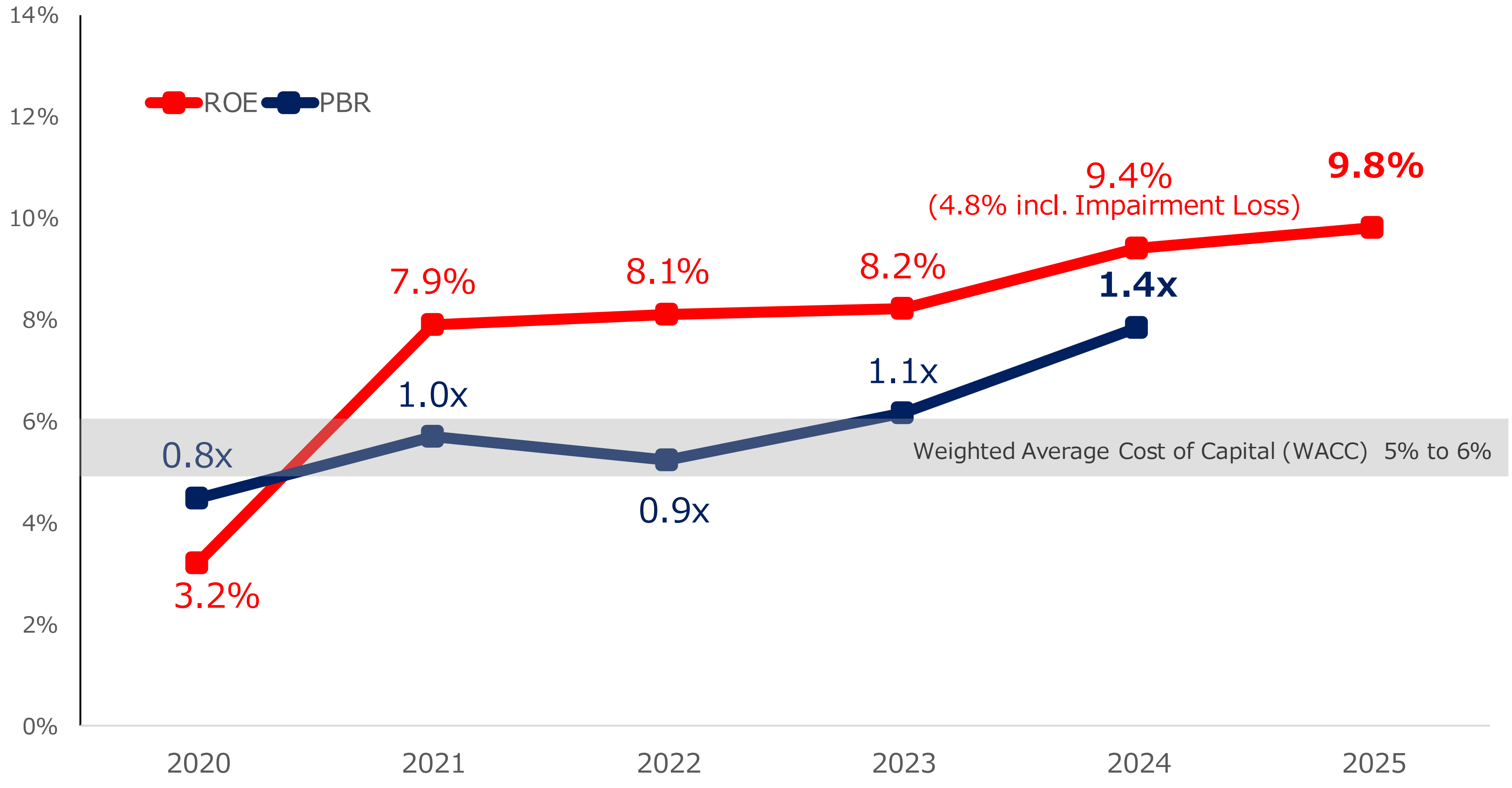
- Secure 500 billion yen or more in operating CF
- Invest in future growth and carry out active shareholders return

(Billions of yen)	FY2025 Current Projection	FY 2025 Previous Projection	FY 2024 Actual	FY 2023 Actual
Net income	325.5	330.0	325.1	264.5
Depreciation and amortization	235.0	235.0	235.5	238.7
Others	-36.5	45.0	46.2	-52.0
Net cash provided by operating activities	524.0	610.0	606.8	451.2
Capital expenditure	-250.0	-250.0	-237.0	-231.7
Others	-5.0	-76.0	-60.3	-43.7
Net cash used in investing activities	-255.0	-326.0	-297.3	-275.4
Free cash flow	**269.0**	**284.0**	**309.5**	**175.8**
Net cash provided by (used in) financing activities	-271.0	-360.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	1.4	-13.6	16.7	20.1
Net change in cash and cash equivalents	**-0.6**	**-89.6**	**100.2**	**39.2**
Cash and cash equivalents at end of period	**501.0**	**412.0**	**501.6**	**401.3**
Cash-on-hand (In months of Net sales)	**1.2**	**1.0**	**1.3**	**1.1**

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

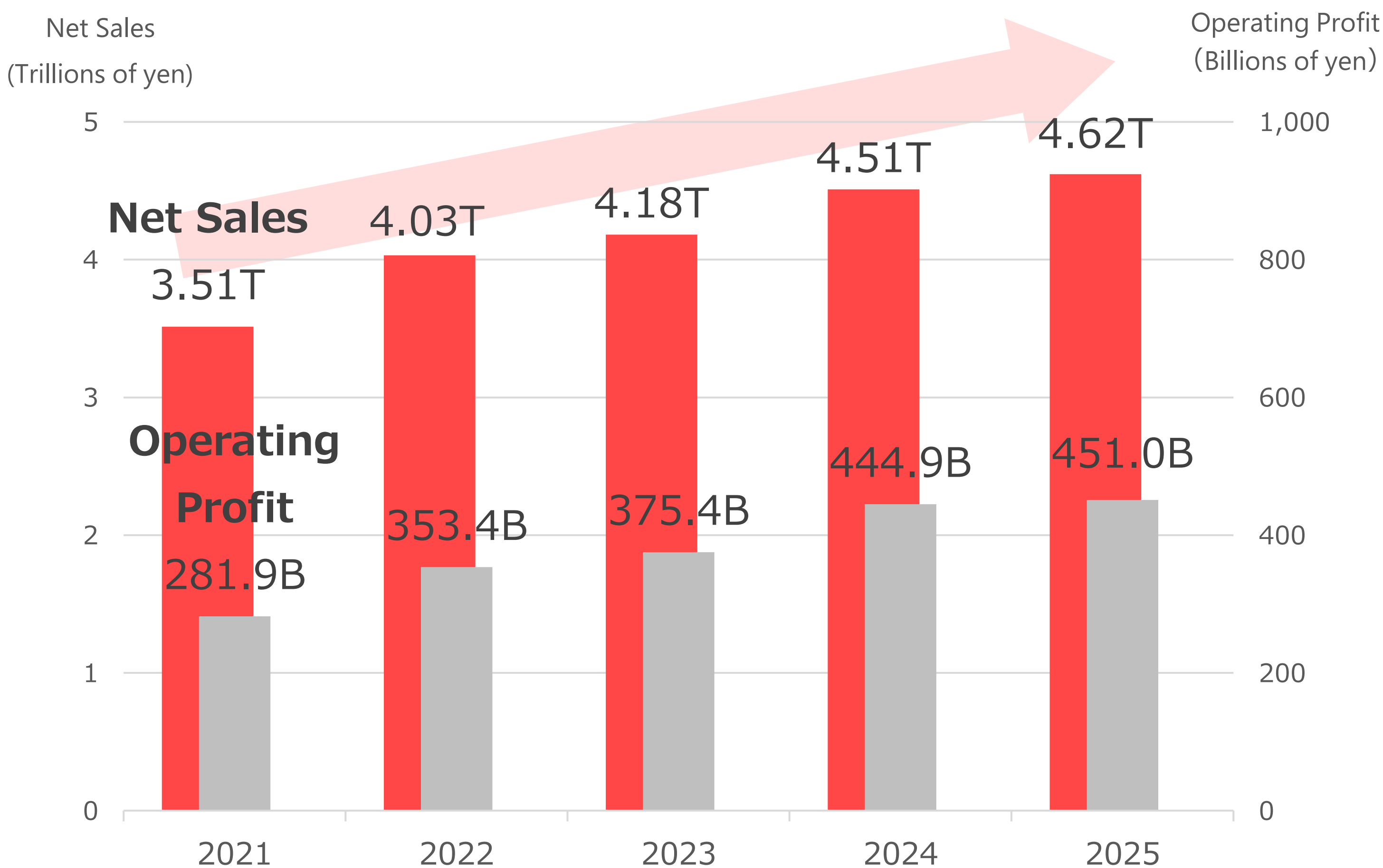
Return on Capital

- Expect ROE to be 9.8% in 2025
- Aiming to achieve 10% or higher at early stage, through sales growth and progress in structural reforms



Summary

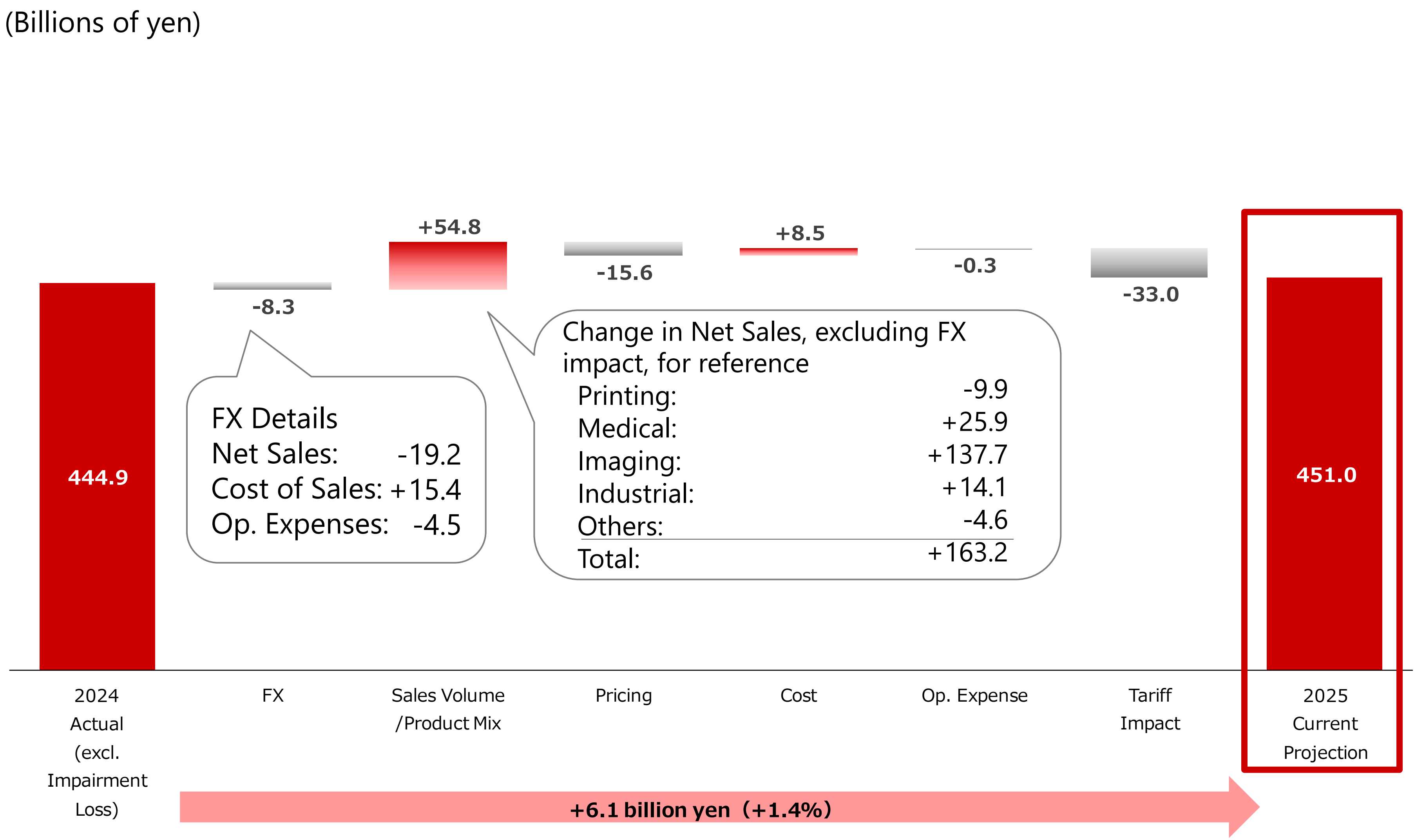
■ In 2025, final year of 5-year plan, achieve 5th consecutive year of sales and profit growth, and accelerate structural reforms to make further advancement in next 5-year plan



* 2024 excludes the impact of impairment loss.

Supplementary Information

2025 Operating Profit Analysis
(FY 2025 Current Projection versus FY 2024 Actual)



Printing

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		**107.5**	**105.5**	+1.9%	**446.6**	**441.5**	+1.2%	**446.0**	+0.6
Office	Office MFDs	**149.2**	**152.9**	-2.4%	**636.5**	**647.0**	-1.6%	**636.1**	+0.4
	Others	**105.0**	**98.0**	+7.1%	**429.3**	**408.1**	+5.2%	**427.0**	+2.3
		254.2	**250.9**	+1.3%	**1,065.8**	**1,055.1**	+1.0%	**1,063.1**	+2.7
Prosumer	LPs	**159.4**	**171.7**	-7.1%	**640.3**	**679.6**	-5.8%	**637.0**	+3.3
	IJPs	**82.9**	**82.8**	+0.1%	**342.4**	**346.5**	-1.2%	**343.6**	-1.2
		242.3	**254.5**	-4.8%	**982.7**	**1,026.1**	-4.2%	**980.6**	+2.1
Net Sales		**604.0**	**610.9**	-1.1%	**2,495.1**	**2,522.7**	-1.1%	**2,489.7**	+5.4
Op. Profit		**52.2**	**60.7**	-14.0%	**276.2**	**289.9**	-4.7%	**287.7**	-11.5
%		8.6%	9.9%		11.1%	11.5%		11.6%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	3Q	Projection
Production	+0.0%	+0.9%
Office	+0.5%	+1.2%
Prosumer	-6.3%	-3.5%
Total	-2.4%	-0.8%

Unit Growth Rate Y/Y

	2025	
	3Q	Projection
Office MFDs	-4%	+0%
LPs	-23%	-14%
IJPs	-9%	+2%

Printing Hardware & Non-hardware Sales

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			FY 2025 3Q Actual	FY 2025 Full Year Actual	FY 2024 3Q Actual	FY 2024 Full Year Actual
Production	JPY	Hardware	+3%	+2%	+10%	+11%
		Non-hardware	+1%	+1%	+5%	+9%
	LC	Hardware	+1%	+2%	+7%	+4%
		Non-hardware	0%	0%	+2%	+2%
Office MFDs	JPY	Hardware	-7%	-1%	+1%	+1%
		Non-hardware	+2%	-2%	+1%	+7%
	LC	Hardware	-8%	-1%	-2%	-5%
		Non-hardware	+1%	-2%	-2%	+1%
LPs	JPY	Hardware	-22%	-13%	+33%	+17%
		Non-hardware	+4%	-1%	+8%	+9%
	LC	Hardware	-23%	-13%	+32%	+11%
		Non-hardware	+2%	0%	+11%	+5%
IJPs	JPY	Hardware	-4%	+1%	-3%	-2%
		Non-hardware	+3%	-3%	-4%	0%
	LC	Hardware	-5%	+1%	-6%	-8%
		Non-hardware	+2%	-2%	-6%	-6%

Medical

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	**132.9**	**132.3**	+0.4%	**580.9**	**568.8**	+2.1%	**582.1**	-1.2
Op. Profit	**6.4**	**4.7**	+36.4%	**31.3**	**24.7**	+26.9%	**34.5**	-3.2
%	4.8%	3.5%		5.4%	4.3%		5.9%	

* 2024 figures exclude the impact of impairment loss.

Net Sales Growth Rate Y/Y
(Local Currency)

	2025	
	3Q	Projection
Total	+0.1%	+2.8%

Imaging

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	**152.7**	**146.0**	+4.6%	**632.1**	**579.9**	+9.0%	**610.9**	+21.2
Network Cameras & Others	**100.9**	**93.6**	+7.9%	**417.6**	**357.5**	+16.8%	**400.2**	+17.4
Net Sales	**253.6**	**239.6**	+5.9%	**1,049.7**	**937.4**	+12.0%	**1,011.1**	+38.6
Op. Profit	**38.1**	**43.6**	-12.6%	**163.4**	**151.3**	+8.0%	**158.3**	+5.1
%	15.0%	18.2%		15.6%	16.1%		15.7%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	3Q	Projection
Cameras	+3.6%	+9.6%
NWCs & Others	+7.4%	+17.7%
Total	+5.1%	+12.7%

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

	2025	
	3Q	Projection
Units (Millions)	0.73	3.00
Growth Rate	+1%	+6%

Industrial

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	**61.9**	**51.4**	+20.4%	**260.4**	**253.4**	+2.8%	**272.6**	-12.2
Industrial Equipment	**23.5**	**18.7**	+25.2%	**105.5**	**98.3**	+7.2%	**107.7**	-2.2
Net Sales	**85.4**	**70.1**	+21.7%	**365.9**	**351.7**	+4.0%	**380.3**	-14.4
Op. Profit	**13.9**	**14.0**	-0.4%	**63.6**	**68.9**	-7.7%	**68.3**	-4.7
%	16.3%	20.0%		17.4%	19.6%		18.0%	

* 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	
	3Q	Projection
Opt. Equip.	+18.5%	+2.7%
Industrial Equip.	+24.2%	+7.2%
Total	+20.0%	+4.0%

Lithography Equipment (Units)

		2025	
		3Q	Projection
Semiconductor	KrF	7	50
	i-line	47	191
		54	241
FPD		11	33