
Canon Inc.

First Quarter 2026 Results

April 23, 2026

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Agenda

■ 1Q 2026 Results	P 2-5
■ FY 2026 Projection	P 6-10
■ Financial Situation	P 11-13
■ Summary	P 14
■ Supplementary Information	P 15-20

- Trend of postponed investment due to additional U.S. tariffs and rise in geopolitical risks continued, compounded by deteriorating situation in Middle East
- While Printing Group significantly impacted by weak market conditions, demand for cameras and network cameras remained strong and sharp rise in willingness to invest in semiconductor lithography equipment for memory device production
- Sales were sluggish in Americas and Europe, but strong in Japan and Asia
- Net sales up 3.3% YoY, and achieved record high 1Q
- Profit down 26.1% due to higher memory costs, additional U.S. tariffs, and increase in sales of lower profit products and sales to channels with lower margins

2

Since the second half of last year, the trend of customers postponing investments linked to additional U.S. tariffs and rising geopolitical risks, compounded by the worsening situation in the Middle East, showed no signs of being resolved in the first quarter. As a result, sales remained sluggish, mainly in Printing.

Meanwhile, despite global uncertainty, camera sales remained solid as new users joined the market, and demand for network cameras continued to grow strongly, resulting in double digit Imaging Group sales growth. In addition, in our semiconductor business, the willingness to invest in semiconductor manufacturing equipment for memory applications has risen sharply, and we are currently increasing production as much as possible to enable early delivery to customers.

By region, in Europe, which includes the Middle East and in the United States, that are parties to the conflict, corporate investment and personal consumption declined, leading to a decrease in sales. Meanwhile, sales in Japan, China, and other parts of Asia remained solid.

As a result, we achieved record-high first quarter sales overall, with revenue growth of 3.3% compared with the same period last year.

Regarding profits, there were negative impacts such as rising memory costs and additional U.S. tariffs. In addition, due to an increase in sales of lower profit products and sales to channels with lower margins, operating profit declined by 26.1% to 71.4 billion yen.

P&L (1Q 2026 Results)



(Billions of yen)	2026 Actual	2025 Actual	% Change
Net Sales	1,093.7	1,058.4	+3.3%
Gross Profit	505.3	500.9	+0.9%
(% of Net Sales)	46.2%	47.3%	
Op. Expenses	433.9	404.4	
(% of Net Sales)	39.7%	38.2%	
Op. Profit	71.4	96.5	-26.1%
(% of Net Sales)	6.5%	9.1%	
IBT	74.7	98.8	-24.4%
Net Income	48.3	72.2	-33.1%
(% of Net Sales)	4.4%	6.8%	
USD	156.95	152.41	
EUR	183.64	160.51	

■ Gross Profit Ratio

1Q 2025	47.3%
FX Impact	+1.7pt
Selling Price	+0.1pt
Cost Increase	-0.3pt
Tariff Impact	-0.9pt
Product Mix	-1.7pt
Total Difference	-1.1pt
1Q 2026	46.2%

■ Operating Expenses Ratio

1Q 2025	38.2%
FX Impact	-0.8pt
Others	-0.7pt
Total Difference	-1.5pt
1Q 2026	39.7%

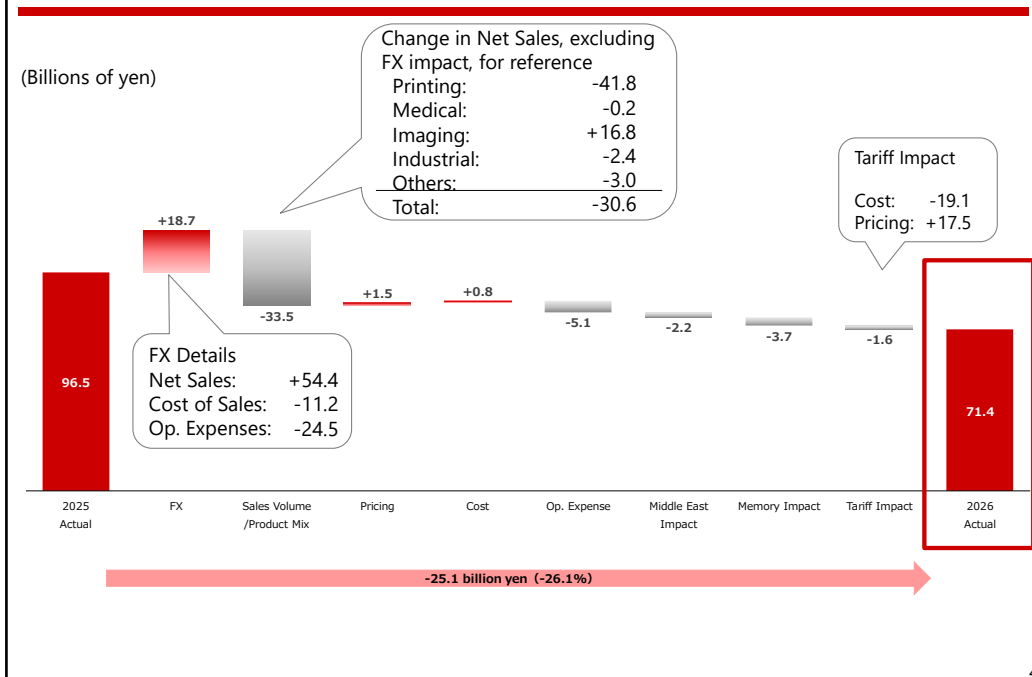
3

First-quarter net sales increased by 3.3% to 1 trillion 93.7 billion yen, marking a new record high.

As for gross profit, although changes in exchange rates had a positive effect, as a percentage of net sales, it declined by 1.1 points due to higher memory costs, the impact of additional U.S. tariffs that began to be felt in the second half of last year, and an increase in sales of lower profit products and sales to channels with lower margins. With regard to operating expenses, it deteriorated by 1.5 points, due to an increase in the yen converted amount of foreign currency denominated expenses due to the weaker yen, as well as base salary increases in personnel costs and higher development expenses in growth areas such as cameras and network cameras.

As a result, operating profit decreased by 26.1% to 71.4 billion yen, income before income taxes decreased by 24.4% to 74.7 billion yen, and net income decreased by 33.1% to 48.3 billion yen.

1Q 2026 Operating Profit Analysis (1Q 2026 Actual versus 1Q 2025 Actual)



Changes in exchange rates had a positive impact of 18.7 billion yen, reflecting the depreciation of the yen, particularly against the euro.

As for changes in sales volumes and product mix, sales for cameras and network cameras increased. On the other hand, sales of the Printing Group declined mainly due to the decrease in sales of high margin OEM laser printers, and production printers with higher average selling prices. This resulted in a negative impact of 33.5 billion yen.

With regard to selling prices, there was a positive impact of 1.5 billion yen, and cost savings through normal cost reduction activities was a positive 0.8 billion yen. However, the increase in memory prices had a negative impact of 3.7 billion yen.

Expenses increased by 5.1 billion yen compared with the same period last year due to higher base wages and development costs.

With regard to U.S. tariffs, whose impact began to fully materialize in the second half of last year, we covered most of the 19.1 billion yen cost increase through pricing measures amounting to 17.5 billion yen. However, this still resulted in a negative impact of 1.6 billion yen.

As a result of all these factors, operating profit decreased by 26.1% to 71.4 billion yen.

1Q 2026 Financial Results by Business Unit



(Billions of yen)		2026	2025	% Change
		Actual	Actual	
Printing	Net Sales	610.5	611.0	-0.1%
	Op. Profit	59.9	73.1	-18.0%
	(%)	(9.8%)	(12.0%)	
Medical	Net Sales	142.1	137.3	+3.4%
	Op. Profit	5.2	6.7	-22.2%
	(%)	(3.7%)	(4.9%)	
Imaging	Net Sales	245.9	212.1	+15.9%
	Op. Profit	27.8	31.2	-11.1%
	(%)	(11.3%)	(14.7%)	
Industrial	Net Sales	67.0	67.5	-0.7%
	Op. Profit	4.8	8.4	-42.6%
	(%)	(7.2%)	(12.4%)	
Others & Corporate	Net Sales	53.9	56.0	-3.8%
	Op. Profit	-25.6	-23.5	-
Eliminations	Net Sales	-25.7	-25.5	-
	Op. Profit	-0.7	0.6	-
Total	Net Sales	1,093.7	1,058.4	+3.3%
	Op. Profit	71.4	96.5	-26.1%
	(%)	(6.5%)	(9.1%)	

5

As for the Printing Group, the impact of U.S. tariffs and the situation in the Middle East have made the business environment increasingly uncertain. As a result, the postponement of customer investment continued and sales declined, particularly for hardware such as commercial printing equipment and laser printers. As for office MFDs, while hardware sales were flat, thanks to steady performance in consumables and solutions businesses, sales of the Printing Group overall remained in line with the previous year.

In the Medical Group, sales in emerging markets remained strong, supported by the acquisition of large deals in Indonesia, Malaysia, and Brazil. However, sales in the United States, Japan, and China were constrained by delays in the installation of large-scale equipment and other factors. As a result, overall sales growth was limited to 3.4%. Meanwhile, the intake of new orders that will contribute to future sales increased by approximately 7% compared with the same period last year, mainly thanks to Europe.

In respect to the Imaging Group, sales of compact cameras increased significantly as production was ramped up in response to strong demand and a substantial backlog of orders. Overall, camera sales rose by 13% compared to the same period last year, supported by continued strong performance of entry level mirrorless models and growth in full frame mirrorless camera sales, led by the EOS R6 Mark III launched in November last year.

For network cameras, amid continued expansion in global demand, we expanded sales, primarily in Europe and the United States, which led to sales increasing by nearly 20%, continuing the strong performance seen since the fourth quarter of last year. As a result, the Imaging Group as a whole achieved a 15.9% increase in sales compared to the same period last year.

In the Industrial Group, sales declined slightly due to restrained investment toward power semiconductor device production in China. However, the willingness to invest is rising rapidly for memory-related applications as well as for back-end semiconductor processes, and we are ramping up production of semiconductor lithography equipment with the aim of recognizing sales in the second half of the year.

2026 global situation uncertain and hard to forecast

<Key Assumptions>

- Memory needed for this year mostly secured, but expect a negative impact of approximately 50 billion yen
- Impact on sales through May, assuming early resolution of Middle East situation
- Potential increases in raw material and transportation costs are excluded from current assumptions due to limited visibility; any further cost increases will be addressed through pricing, cost reduction, and expense control
- As positive factor, current U.S. tariff rate of 10% to continue through late July
- FX rates from 2Q onward: 1USD=150 yen, 1euro=175 yen

6

Global conditions have been highly volatile from the beginning of this year, and since our earnings announcement in January, a number of developments have occurred that have had an impact on our business performance. However, as many of these factors remain uncertain and difficult to forecast, our current outlook has been formulated based on the following assumptions.

First, memory prices have risen sharply over the past four months since the start of the year. By leveraging multiple procurement channels, we have secured nearly all of the memory required for this year. However, an increase in costs is unavoidable, and we expect a negative impact of approximately 50 billion yen compared with our previous projection.

As for the situation in the Middle East, sales in the region account for approximately 2% of our total and are not material. Based on the assumption of an early resolution of the conflict, we revised our plan to reflect lower sales and profits through May.

At this stage, we have not assumed any cost increases for oil based materials, components, or transportation. However, should costs rise further, we will address the impact through price increase, cost reduction, and expense control.

Compared with our previous projection, a positive factor is U.S. tariffs. We have factored into our profit and loss forecast the assumption that the current 10% tariff rate will remain in place through late July.

For exchange rates from the second quarter onward, we assume 150 yen against the U.S. dollar and 175 yen against the euro.

2026 Financial Projection (Full Year)



(Billions of yen)	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	4,765.0	4,624.7	+3.0%	4,765.0	+0
Gross Profit (% of Net Sales)	2,219.0 46.6%	2,162.0 46.7%	+2.6%	2,239.0 47.0%	-20.0
Op. Expenses (% of Net Sales)	1,763.0 37.0%	1,706.6 36.9%		1,760.0 36.9%	-3.0
Op. Profit (% of Net Sales)	456.0 9.6%	455.4 9.8%	+0.1%	479.0 10.1%	-23.0
IBT	483.0	482.1	+0.2%	495.0	-12.0
Net Income (% of Net Sales)	333.0 7.0%	332.1 7.2%	+0.3%	341.0 7.2%	-8.0
USD	151.58	149.71		150.00	
EUR	176.82	169.41		175.00	
				Impact of exchange rate movement (2Q-4Q impact given a one yen change)	
				Net Sales	Op. Profit
				USD 10.0 billion yen	2.3 billion yen
				EUR 5.2 billion yen	2.3 billion yen

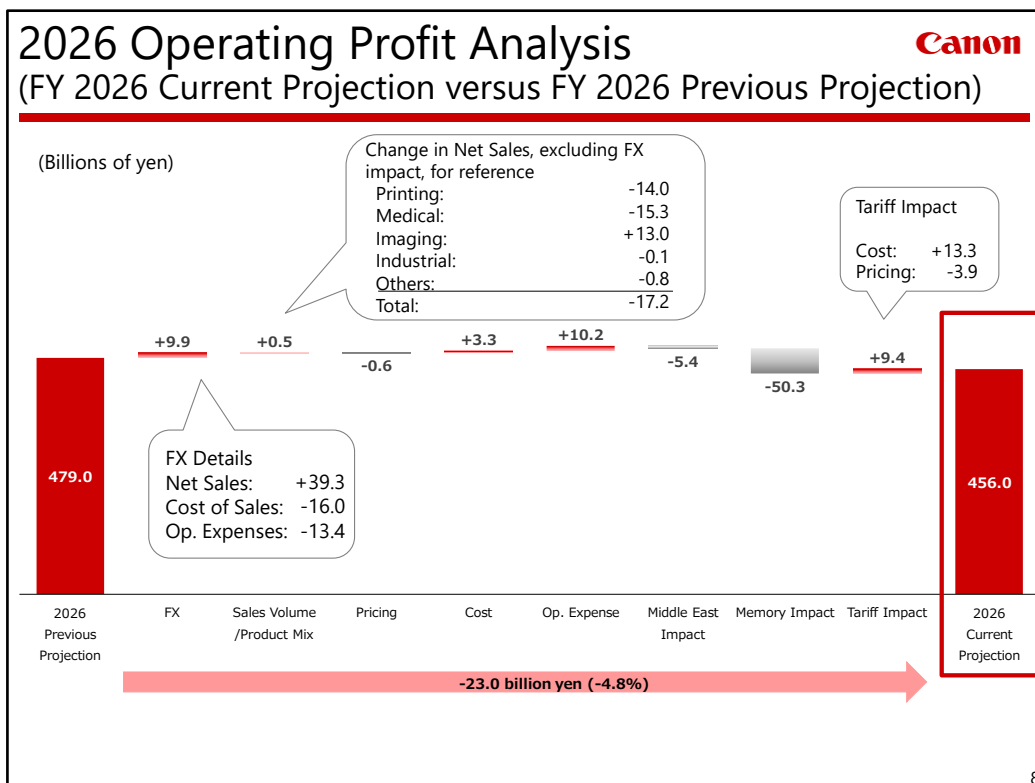
7

Sales are expected to increase by 3.0% to 4 trillion 765.0 billion yen, unchanged from our previous projection. While we will offset part of the increased memory costs (approximately 50.0 billion yen) and the impact of the Middle East conflict (approximately 5.0 billion yen) through internal efforts, operating profit has been revised downward by 23.0 billion yen from our previous projection to 456.0 billion.

Although our projections for income before income taxes as well as net income have also been revised downward, we remain committed to achieving continued profit growth while maintaining the positive momentum we have built since last year.

2026 Operating Profit Analysis

(FY 2026 Current Projection versus FY 2026 Previous Projection)



As for the impact of exchange rates, our exchange rate assumptions from the second quarter onward remain unchanged from our previous projection, with the U.S. dollar at 150 yen and the euro at 175 yen. However, due to the yen's depreciation in the first quarter, the full year impact is expected to be a positive 9.9 billion yen.

The impact of the situation in the Middle East is expected to be a negative 5.4 billion yen, taking into account the adverse effects on sales and profit through May.

As for the impact from memory devices, reflecting the latest price trends, we expect a decline in profit of 50.3 billion yen compared to our previous plan. While we have factored in 3.3 billion yen in cost reductions and 10.2 billion yen in expense reductions as internal measures, these efforts do not fully offset the negative impact of rising memory prices.

As for tariffs, reflecting the decrease in the rate to 10% until the latter half of July we modified the projected negative impact by 9.4 billion yen compared with our previous plan.

Consequently, the decline in operating profit compared to our previous projection is expected to be 23.0 billion yen, bringing operating profit to 456.0 billion yen.

Review of Business Structure

(Billions of yen)

		2025		2026		2026
		1Q	Full Year	1Q	Full year Current Projection	Full year Previous Projection
Sales	Cost	-1.2	-7.9	-0.7	-14.4	-17.2
Structural Reform	Effect	5.0	22.0	0.8	4.7	11.5
	PL Impact	3.8	14.1	0.1	-9.7	-5.7
Production	Cost	-0.9	-14.7	-0.8	-12.4	-14.2
Structural Reform	Effect	0	0	0.3	14.0	13.0
	PL Impact	-0.9	-14.7	-0.5	1.6	-1.2
Medical Business	Cost	-0.7	-3.6	-0.3	-1.2	-1.2
	Effect	1.5	11.5	1.0	10.0	10.0
Innovation	PL Impact	0.8	7.9	0.7	8.8	8.8
Total	Cost	-2.8	-26.2	-1.8	-28.0	-32.6
	Effect	6.5	33.5	2.1	28.7	34.5
	PL Impact	3.7	7.3	0.3	0.7	1.9

9

With regard to the sales structural reform, we are promoting the reorganization of our sales structure and a review of the balance between direct and indirect sales on a country-by-country basis. This year, we expect to incur costs of 14.4 billion yen, while anticipating benefits of 4.7 billion yen, mainly in the second half of the year. From next year, these initiatives are expected to contribute to profit on a full year basis.

As for the production structural reform, we began full scale site consolidation in the second half of last year. This year, we expect to incur costs of 12.4 billion yen, while anticipating annual benefits of 14.0 billion yen from cost reductions in administrative functions.

As for our medical business, effective April 1, Canon Medical Systems Corporation was split and absorbed by Canon Inc., and under the new organizational structure, we are accelerating reforms. By rolling out globally the service operation efficiency initiatives implemented in Japan last year, as well as reducing external expenditure, we aim to achieve a 10.0 billion yen profit contribution again this year.

2026 Financial Projection by Business Unit (Full Year)



(Billions of yen)		2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Printing	Net Sales	2,526.8	2,494.4	+1.3%	2,532.9	-6.1
	Op. Profit	254.5	255.8	-0.5%	257.4	-2.9
	(%)	(10.1%)	(10.3%)		(10.2%)	
Medical	Net Sales	601.4	580.6	+3.6%	616.1	-14.7
	Op. Profit	38.2	32.8	+16.6%	38.3	-0.1
	(%)	(6.4%)	(5.6%)		(6.2%)	
Imaging	Net Sales	1,158.5	1,054.9	+9.8%	1,137.2	+21.3
	Op. Profit	176.5	172.9	+2.1%	184.1	-7.6
	(%)	(15.2%)	(16.4%)		(16.2%)	
Industrial	Net Sales	361.5	361.1	+0.1%	361.5	0
	Op. Profit	63.1	62.5	+0.9%	63.8	-0.7
	(%)	(17.5%)	(17.3%)		(17.6%)	
Others & Corporate	Net Sales	214.4	237.1	-9.6%	212.1	+2.3
	Op. Profit	-75.5	-69.5	-	-64.7	-10.8
Eliminations	Net Sales	-97.6	-103.4	-	-94.8	-2.8
	Op. Profit	-0.8	0.9	-	0.1	-0.9
Total	Net Sales	4,765.0	4,624.7	+3.0%	4,765.0	0
	Op. Profit	456.0	455.4	+0.1%	479.0	-23.0
	(%)	(9.6%)	(9.8%)		(10.1%)	

10

In the Printing Group, non hardware sales from services and consumables remains relatively stable, and we are rolling out new products in preparation for a recovery in customer investment from the latter half of the year. As for commercial printing, we are active in discussions with customers for the varioPRINT iX1700, that entered full-scale sales this year. In office MFDs, we plan to introduce lower-speed models to our new imageFORCE series in order to complete our lineup that offers a price range that is attractive to customers. By stimulating replacement demands we aim to achieve full year sales growth of 1.3%.

For the Medical Group, in addition to solid sales in emerging markets, we are beginning to see the results from strengthening our sales structure in the United States, a priority market, including an increase in orders for ultrasound diagnostic systems resulting from agreements with new dealers. In Europe, we are also seeing signs of recovery in orders, and we aim to achieve a 3.6% increase in full year sales for the entire Group. In April we launched sales of our next generation CT system, photon counting CT. By leveraging this innovative new product, we will first enhance our presence in the Japanese CT market and furthermore extend this momentum to drive growth across our other diagnostic systems.

For the Imaging Group, starting with cameras, despite factors such as the deteriorating situation in the Middle East and rising memory prices, sales of cameras will be expanded by building on strong performance of entry level models among new camera users, particularly younger customers, while also strengthening the lineup of full frame models. For compact cameras, we aim for a significant increase in sales by further expanding production going forward.

As for network cameras, in addition to security related demand, strong market growth is expected to continue, supported by expansion into a variety of applications. Supported by this, we aim to achieve a 9.8% increase in sales for the Imaging Group as a whole.

In the Industrial Group, supported by strong AI related demand, sales of semiconductor lithography equipment is expected to reach 238 units exceeding last year, driven by a significant increase in equipment for memory applications. Demand for film deposition equipment is also supported by growth in semiconductor equipment used for memory production, including HBM. As a result, we expect sales for the business unit as a whole to be roughly in line with last year. Nanoimprint lithography, which we are promoting as our next generation technology, has entered the evaluation and validation phase for production use at a major semiconductor manufacturer. Progress toward mass production adoption in 2027 is proceeding steadily.

Inventory

- Leverage inventory built up since end of peak selling season of last year to support sales expansion from 2Q
- Maintain supply chain and aim to reduce inventory turnover to below 60 days by end of 2026

(Amt: Billions of yen)		2025				2026	Change	
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	vs 25 Mar.	vs 25 Dec.
Printing	Amt.	334.4	346.1	368.1	342.1	355.8	+21.4	+13.7
	Days	47	52	55	49	51	+4	+2
Medical	Amt.	139.8	138.5	148.5	142.4	149.1	+9.3	+6.7
	Days	85	90	99	86	88	+3	+2
Imaging	Amt.	176.3	166.4	172.1	170.3	214.0	+37.7	+43.7
	Days	66	64	61	53	68	+2	+15
Industrial	Amt.	150.7	160.3	154.7	130.0	133.5	-17.2	+3.5
	Days	146	183	159	118	133	-13	+15
Others & Corporate	Amt.	71.6	68.2	70.4	55.6	61.3	-10.3	+5.7
Total	Amt.	872.8	879.5	913.8	840.4	913.7	+40.9	+73.3
	Days	68	73	74	63	69	+1	+6

11

As for inventory, the level as of the end of March 2026 increased from the end of last year, which was at its lowest after the peak selling season. We will utilize this to support sales expansion from the second quarter.

Ensuring supply chain stability, including the procurement of raw materials and components, has become increasingly critical. While appropriately responding to risks, we will strengthen controls to prevent the buildup of excess inventory and will aim to reduce inventory turnover to below 60 days by year end.

Cash Flow

(Full Year)

- Generate 600.0 billion yen in operating CF, well above last year
- Continue to invest in future growth and pursue active shareholder returns

(Billions of yen)	2026 Current Projection	2025 Actual	2024 Actual
Net income	333.0	332.1	325.1
Depreciation and amortization	230.0	239.2	235.5
Others	37.0	-95.4	46.2
Net cash provided by operating activities	600.0	475.9	606.8
Net cash used in investing activities	-270.0	-237.4	-297.3
Free cash flow	330.0	238.5	309.5
Net cash provided by (used in) financing activities	-394.0	-179.2	-226.0
Effect of exchange rate changes on cash and cash equivalents	-11.0	25.1	16.7
Net change in cash and cash equivalents	-75.0	84.4	100.2
Cash and cash equivalents at end of period	511.0	586.0	501.6
Cash-on-hand (In months of Net sales)	1.3	1.4	1.3

* Cash-on-hand (in months of Net sales) for 2024 and 2025 is calculated using second-half net sales. The figure for 2026 is based on full-year net sales.
 * 2024 net income excludes the impact of impairment loss.

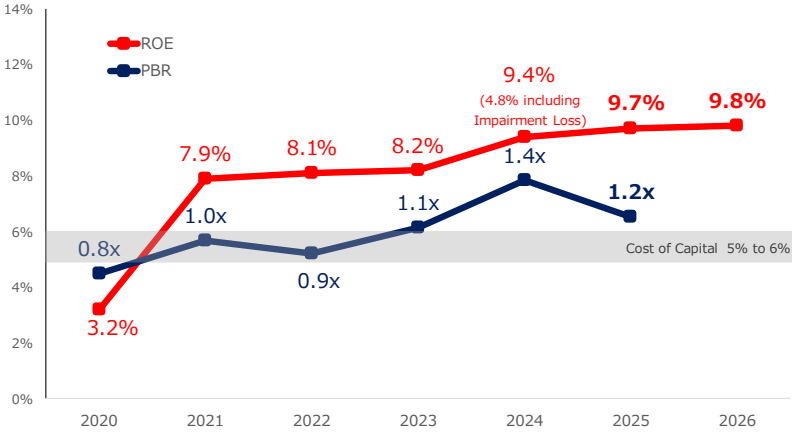
12

This year, we plan to generate 600 billion yen in operating cash flow, significantly exceeding last year's level. Leveraging the cash, we will continue investments in the new Utsunomiya plant for semiconductor lithography systems for which we are promoting production expansion amid strong demand. In addition, we will also actively pursue future oriented capital investments, focusing on growth areas such as our medical and network camera businesses.

As for shareholder returns, we will continue to carry out active and stable returns by utilizing the cash generated. With respect to dividends, based on a target payout ratio of 40%, we have set the dividend at 160 yen per share, the same level as last year. In addition, we will also proceed with the 200 billion yen share repurchase that has been already approved.

Return on Capital

- ROE for 2026 projected to be 9.8%
- Continue initiatives to improve return on capital in order to achieve Phase VII targets

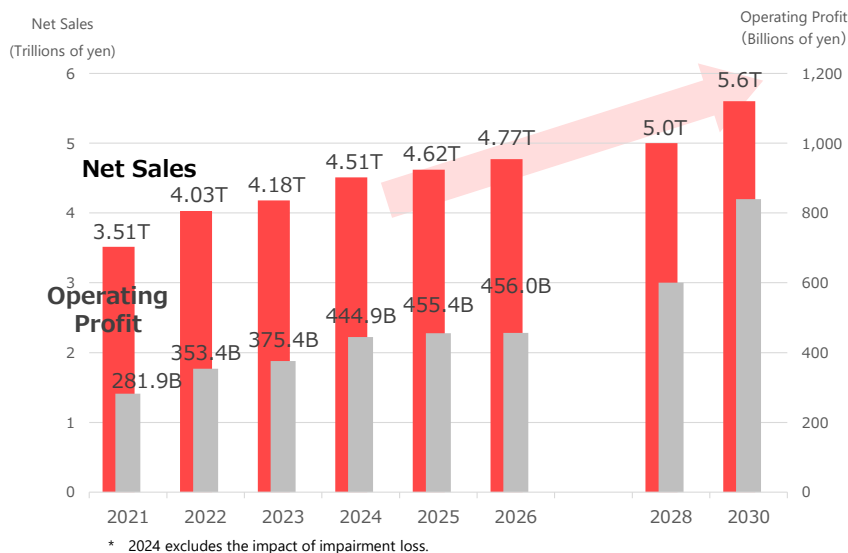


13

While we expect only a slight increase in net income, ROE for this year is projected to be 9.8%. This reflects the reduction in shareholders' equity resulting from the previously announced 200 billion yen share repurchase.

In Phase VII, announced in January, we set out plans to increase ROE to 12% by 2028 and to 15% by 2030. Even amid an uncertain business environment, we will work toward achieving these targets by steadily advancing the structural reforms currently underway, with the aim of maximizing profits and improving capital efficiency.

- In 2026 – first year of five-year plan – further enhance quality of management to drive additional growth



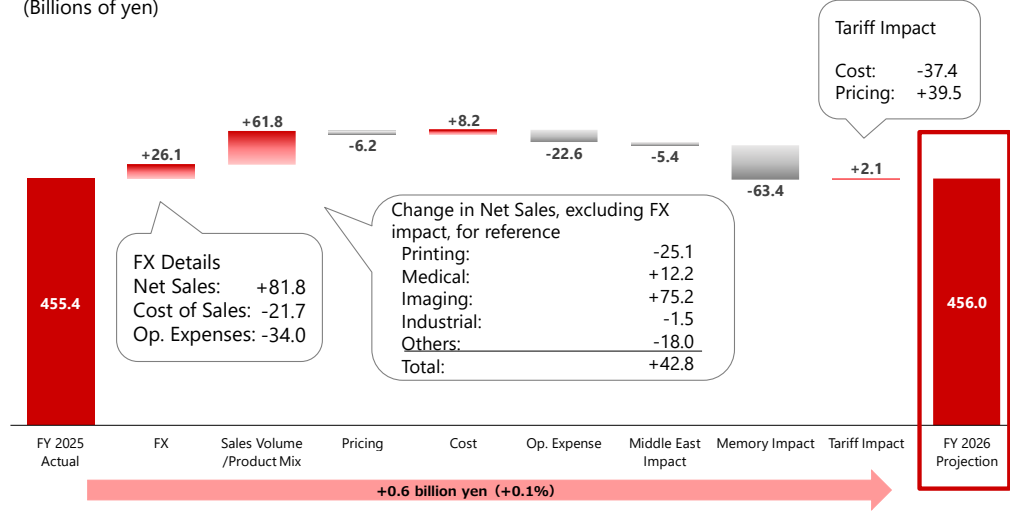
The situation in the Middle East and the outlook for the global economy are becoming increasingly uncertain, making it difficult to clearly define the assumptions underlying the business environment in which we operate. Nevertheless, by leveraging our strong cost management capability and solid management foundation, we will once again overcome these challenges and strive to achieve higher revenue and profit growth.

This year marks the first year of our five year management plan, Global Excellent Corporation Plan Phase VII. Even in this challenging environment, under the slogan "Achieve new growth through innovations in productivity," we will further enhance the quality of management to strive for further growth.

Supplementary Information

2026 Operating Profit Analysis (FY 2025 Actual versus FY 2026 Projection)

(Billions of yen)



Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year					
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change	
Production	99.3	99.9	-0.6%	468.3	437.3	+7.1%	480.3	-12.0	
Office	Office MFDs	154.6	149.2	+3.6%	643.9	631.6	+1.9%	639.9	+4.0
	Others	116.1	110.9	+4.7%	446.4	432.1	+3.3%	445.0	+1.4
		270.7	260.1	+4.1%	1,090.3	1,063.7	+2.5%	1,084.9	+5.4
Prosumer	LPs	158.4	168.0	-5.7%	617.2	648.1	-4.8%	613.1	+4.1
	IJPs	82.1	83.0	-1.1%	351.0	345.3	+1.7%	354.6	-3.6
		240.5	251.0	-4.2%	968.2	993.4	-2.5%	967.7	+0.5
Net Sales	610.5	611.0	-0.1%	2,526.8	2,494.4	+1.3%	2,532.9	-6.1	
Op. Profit	59.9	73.1	-18.0%	254.5	255.8	-0.5%	257.4	-2.9	
%	9.8%	12.0%		10.1%	10.3%		10.2%		

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Production	-7.9%	+4.6%
Office	-0.8%	+0.7%
Prosumer	-8.4%	-4.0%
Total	-5.1%	-0.5%

Unit Growth Rate Y/Y

	2026	
	1Q	Full Year Projection
Office MFDs	-3%	0%
LPs	-11%	-3%
IJPs	-7%	-3%

16

Production

In commercial and industrial printing, supported by expanding demand for short-run production for a broad range of applications and the need to reduce operational workloads, the shift toward digital printing methods progresses, and the digital market segment is expected to continue growing over the medium- to long-term. However, in the current market environment, customers, particularly in the United States, are continuing to postpone investments.

First-quarter net sales decreased slightly compared to the same period last year, as sales of digital continuous feed presses and other large-scale systems shifted into the second quarter. However, this year, we plan to introduce a number of new products that will broaden our business area and stimulate customers' willingness to invest.

In recent years, sales of our high-speed cut sheet inkjet printer, the varioPRINT iX3200, has grown significantly, and we have now started selling the varioPRINT iX1700, a new product designed to balance price and productivity.

In addition, the varioPRESS iV7, which supports paper sizes up to B2 and is scheduled for launch in the near future, has already attracted strong interest from customers. With this, we plan to further increase our market share in this segment.

From the second quarter onward, through these new products and the expansion of product supply to our partner, Heidelberg, we aim to achieve full-year net sales growth of 7.1%.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year					
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change	
Production	99.3	99.9	-0.6%	468.3	437.3	+7.1%	480.3	-12.0	
Office	Office MFDs	154.6	149.2	+3.6%	643.9	631.6	+1.9%	639.9	+4.0
	Others	116.1	110.9	+4.7%	446.4	432.1	+3.3%	445.0	+1.4
		270.7	260.1	+4.1%	1,090.3	1,063.7	+2.5%	1,084.9	+5.4
Prosumer	LPs	158.4	168.0	-5.7%	617.2	648.1	-4.8%	613.1	+4.1
	IJPs	82.1	83.0	-1.1%	351.0	345.3	+1.7%	354.6	-3.6
		240.5	251.0	-4.2%	968.2	993.4	-2.5%	967.7	+0.5
Net Sales	610.5	611.0	-0.1%	2,526.8	2,494.4	+1.3%	2,532.9	-6.1	
Op. Profit	59.9	73.1	-18.0%	254.5	255.8	-0.5%	257.4	-2.9	
%	9.8%	12.0%		10.1%	10.3%		10.2%		

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Production	-7.9%	+4.6%
Office	-0.8%	+0.7%
Prosumer	-8.4%	-4.0%
Total	-5.1%	-0.5%

Unit Growth Rate Y/Y

	2026	
	1Q	Full Year Projection
Office MFDs	-3%	0%
LPs	-11%	-3%
IJPs	-7%	-3%

16

Office MFDs

While demand for office MFDs as core printing devices in offices remains solid, the trend of postponing investments, particularly in Europe and the United States, triggered by U.S. tariffs, is expected to continue in 2026. As a result, we expect the overall market to shrink by about 6% in 2026.

Our new imageFORCE series has been highly evaluated by customers and dealers for its core features such as improved image quality, energy efficiency, and ease of service and maintenance enabled by new technologies. As a result, the year-on-year decline in our office MFD hardware sales has narrowed.

From the second quarter onward, with the launch of lower end models completing our imageFORCE lineup, it will become possible to make full range proposals to customers and promote replacement purchases. Supported by this, we aim to increase market share and achieve full year net sales growth.

Office Other

As for our IT solutions business, system integration projects for the manufacturing industry expanded among large enterprises, and among small- and medium sized enterprises, DX-related investment increased amid rising security awareness. As a result, sales continued to grow in the first quarter.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year					
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change	
Production	99.3	99.9	-0.6%	468.3	437.3	+7.1%	480.3	-12.0	
Office	Office MFDs	154.6	149.2	+3.6%	643.9	631.6	+1.9%	639.9	+4.0
	Others	116.1	110.9	+4.7%	446.4	432.1	+3.3%	445.0	+1.4
		270.7	260.1	+4.1%	1,090.3	1,063.7	+2.5%	1,084.9	+5.4
Prosumer	LPs	158.4	168.0	-5.7%	617.2	648.1	-4.8%	613.1	+4.1
	IJPs	82.1	83.0	-1.1%	351.0	345.3	+1.7%	354.6	-3.6
		240.5	251.0	-4.2%	968.2	993.4	-2.5%	967.7	+0.5
Net Sales	610.5	611.0	-0.1%	2,526.8	2,494.4	+1.3%	2,532.9	-6.1	
Op. Profit	59.9	73.1	-18.0%	254.5	255.8	-0.5%	257.4	-2.9	
%	9.8%	12.0%		10.1%	10.3%		10.2%		

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Production	-7.9%	+4.6%
Office	-0.8%	+0.7%
Prosumer	-8.4%	-4.0%
Total	-5.1%	-0.5%

Unit Growth Rate Y/Y

	2026	
	1Q	Full Year Projection
Office MFDs	-3%	0%
LPs	-11%	-3%
IJPs	-7%	-3%

16

Prosumer

In the printer market, the impact of U.S. tariffs is being felt mainly in Europe and the United States. As a result, the overall market, in terms of units, is expected to shrink by around 3 to 5 percent in 2026.

In the first quarter, although sales of laser printers declined due to the continued postponement of investment by companies, we intend to stimulate demand by increasing promotional investments in countries and regions where high print volume is expected.

From a product perspective, we have launched new products equipped with high-speed printing and document processing capabilities. Going forward, we will continue to strengthen our competitiveness by filling gaps in our product lineup and aim for an early recovery in sales.

As for inkjet printers, first quarter sales declined compared to the same period last year, since we started the year with inventory at a somewhat high level. However, for refillable ink tank models, which achieved a 10% increase in unit sales last year following the completion of the lineup, we continued to see solid growth in sales, particularly in Asia.

From the second quarter onward, in addition to refillable ink tank models, we will expand sales of new cartridge based models and enhance our lineup of business oriented products to raise our average selling price and aim for a 1.7% increase in full-year sales.

Printing Hardware & Non-hardware Sales



Net Sales Growth Rate of Printing Hardware & Non-hardware

			2026		2025	
			1Q	Full Year Projection	1Q	Full Year Actual
Production	JPY	Hardware	-12%	+12%	+1%	-4%
		Non-hardware	+5%	+4%	+1%	+1%
	LC	Hardware	-18%	+10%	0%	-5%
		Non-hardware	-3%	+1%	0%	0%
Office MFDs	JPY	Hardware	0%	+4%	-4%	-5%
		Non-hardware	+7%	0%	-5%	0%
	LC	Hardware	-7%	+2%	-5%	-5%
		Non-hardware	+1%	-2%	-5%	0%
LPs	JPY	Hardware	-8%	-7%	+17%	-12%
		Non-hardware	-4%	-4%	+15%	0%
	LC	Hardware	-13%	-8%	+16%	-12%
		Non-hardware	-7%	-5%	+13%	+1%
IJPs	JPY	Hardware	+2%	+3%	+10%	+2%
		Non-hardware	-3%	+1%	-3%	-2%
	LC	Hardware	-4%	+1%	+9%	+1%
		Non-hardware	-10%	-2%	-4%	-3%

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	142.1	137.3	+3.4%	601.4	580.6	+3.6%	616.1	-14.7
Op. Profit	5.2	6.7	-22.2%	38.2	32.8	+16.6%	38.3	-0.1
%	3.7%	4.9%		6.4%	5.6%		6.2%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Total	-1.0%	+1.9%

18

Medical

In the diagnostic imaging device market, despite concerns that market conditions may worsen due to the situation in the Middle East, we expect the overall market to continue growing at a gradual pace in 2026, driven by expansion in the United States and emerging markets.

In the first quarter, our performance in emerging markets remained solid, with government contracts secured in Indonesia and Malaysia and large deals won in Brazil. Meanwhile, the deterioration of the hospital management environment in Japan continued, and sales in the United States did not grow due to the shift of large equipment installations to the second quarter. As a result, excluding the effects of foreign exchange, first quarter sales remained flat compared with the same period last year.

First quarter order amounts increased by approximately 7% compared to the same period last year, mainly driven by Europe. In the United States, a priority market, orders for ultrasound diagnostic systems have been increasing through our strengthened sales channel resulting from agreements with new dealers. We will continue to strengthen our sales structure in the United States and emerging markets to drive sales growth from the second quarter onward and aim for a 3.6% increase in full-year sales.

In April, we began sales of our next generation photon-counting CT in Japan. It uses a very different principle for detecting X-rays than conventional CT, which enables high resolution imaging with reduced radiation exposure, and its ability to distinguish materials within the body is expected to improve diagnostic accuracy.

With the addition of this groundbreaking new CT to the multi position CT system launched last year, we aim to enhance our presence and market share in the CT segment and extend this momentum to drive growth across our other diagnostic systems.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Cameras	133.9	118.1	+13.4%	674.8	625.5	+7.9%	675.3	-0.5
Network Cameras & Others	112.0	94.0	+19.1%	483.7	429.4	+12.6%	461.9	+21.8
Net Sales	245.9	212.1	+15.9%	1,158.5	1,054.9	+9.8%	1,137.2	+21.3
Op. Profit	27.8	31.2	-11.1%	176.5	172.9	+2.1%	184.1	-7.6
%	11.3%	14.7%		15.2%	16.4%		16.2%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Cameras	+6.0%	+5.7%
NWCs & Others	+12.2%	+10.3%
Total	+8.7%	+7.6%

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

	2026	
	1Q	Full Year Projection
Units (Millions)	0.54	2.90
Growth Rate	+2%	+1%

19

Cameras

In the interchangeable lens camera market, despite an increase in new users, particularly among younger generations, the market size is estimated at 6.6 million units, a 1% decrease compared with last year. This reflects uncertainty in the market environment stemming from factors such as the situation in the Middle East and rising memory prices.

As for compact digital cameras, in the first quarter, by increasing production in the second half of last year, we addressed strong demand and significantly increased sales. For mirrorless cameras, entry level models such as the EOS R50 V, EOS R50, and EOS R100, which are compact and lightweight yet capable of serious photography, have attracted new users, particularly among younger generations. Full frame models also saw steady sales growth, driven primarily by the new EOS R6 Mark III, which was launched in November of last year. As a result, first-quarter sales increased by 13.4% compared to the same period last year.

For the full year, while we lowered our unit sales projection for interchangeable lens cameras due to the uncertain market outlook, we expect the increase in new camera users to continue, mainly younger users seeking a shooting experience distinct from that of smartphones. As a result, we expect our sales to exceed last year's level. With regard to compact cameras, in order to resolve the supply shortage as quickly as possible, we will further strengthen our production capacity, significantly expand sales, and aim for a 7.9% increase in full-year sales for the camera business as a whole.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Cameras	133.9	118.1	+13.4%	674.8	625.5	+7.9%	675.3	-0.5
Network Cameras & Others	112.0	94.0	+19.1%	483.7	429.4	+12.6%	461.9	+21.8
Net Sales	245.9	212.1	+15.9%	1,158.5	1,054.9	+9.8%	1,137.2	+21.3
Op. Profit	27.8	31.2	-11.1%	176.5	172.9	+2.1%	184.1	-7.6
%	11.3%	14.7%		15.2%	16.4%		16.2%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	1Q	Full Year Projection
Cameras	+6.0%	+5.7%
NWCs & Others	+12.2%	+10.3%
Total	+8.7%	+7.6%

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

	2026	
	1Q	Full Year Projection
Units (Millions)	0.54	2.90
Growth Rate	+2%	+1%

19

Network cameras

The network camera market, in addition to the security field, which continues to grow due to strong demand for safety and security, is expanding into a variety of applications such as marketing support and production site efficiency through AI based video analytics. As a result, we expect strong growth to continue even amid an uncertain economic environment.

In the first quarter, although we expected a downturn following the strong growth posted last year, we continued strong performance from the fourth quarter of 2025, achieving nearly 20% sales growth, by steadily expanding sales mainly in Europe and the United States.

From the second quarter onward, by making full use of our strong network of sales partners and driving sales growth through comprehensive solutions that combine our broad product lineup with software, we aim to achieve growth that exceeds the market and target a double digit increase in sales of 12.6% for the full year.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Optical Equipment	45.7	50.5	-9.5%	260.1	256.4	+1.5%	256.6	+3.5
Industrial Equipment	21.3	17.0	+25.4%	101.4	104.7	-3.2%	104.9	-3.5
Net Sales	67.0	67.5	-0.7%	361.5	361.1	+0.1%	361.5	0
Op. Profit	4.8	8.4	-42.6%	63.1	62.5	+0.9%	63.8	-0.7
%	7.2%	12.4%		17.5%	17.3%		17.6%	

Net Sales Growth Rate Y/Y
(Local Currency)

	2026	
	1Q	Full Year Projection
Opt. Equip.	-13.0%	+0.7%
Industrial Equip.	+24.8%	-3.3%
Total	-3.5%	-0.4%

Lithography Equipment (Units)

		2026	
		1Q	Full Year Projection
Semiconductor	KrF	10	69
	i-line	34	169
		44	238
FPD		6	20

20

Optical equipment

Semiconductor manufacturing equipment

As for the semiconductor lithography equipment market, In 2026, the size of the semiconductor device market is projected to exceed the 2025 level, as memory and logic devices used for AI semiconductors in data centers continues to expand. The semiconductor lithography equipment market is expected to remain at a high level similar to last year, as the willingness to invest for memory has risen sharply since the end of last year.

In the first quarter, we sold 44 units. This was largely driven by our back-end process equipment used for advanced AI related packaging, such as HBM and GPUs. For memory related equipment, centered on KrF systems, we have received a large number of inquiries, and in order to meet customer demand for early delivery, we are moving forward to increase production. We now expect to sell 238 units this year, up 14 units from our previous projection, and will continue to pursue further growth in unit sales next year.

As for nanoimprint lithography, our next generation semiconductor manufacturing equipment, the systems delivered to a major semiconductor manufacturer have passed basic performance verifications and has now entered the evaluation and validation phase that simulate actual production, and is making steady progress toward mass production in 2027.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	1Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Optical Equipment	45.7	50.5	-9.5%	260.1	256.4	+1.5%	256.6	+3.5
Industrial Equipment	21.3	17.0	+25.4%	101.4	104.7	-3.2%	104.9	-3.5
Net Sales	67.0	67.5	-0.7%	361.5	361.1	+0.1%	361.5	0
Op. Profit	4.8	8.4	-42.6%	63.1	62.5	+0.9%	63.8	-0.7
%	7.2%	12.4%		17.5%	17.3%		17.6%	

Net Sales Growth Rate Y/Y
(Local Currency)

	2026	
	1Q	Full Year Projection
Opt. Equip.	-13.0%	+0.7%
Industrial Equip.	+24.8%	-3.3%
Total	-3.5%	-0.4%

Lithography Equipment (Units)

		2026	
		1Q	Full Year Projection
Semiconductor	KrF	10	69
	i-line	34	169
		44	238
FPD		6	20

20

Optical equipment FPD (Flat Panel Display) lithography equipment

In 2026, the market for display manufacturing equipment is expected to temporarily contract due to the impact of decisions made last year by panel manufacturers to postpone investments in order to assess the effects of U.S. tariffs.

In the first quarter, we sold six units of our FPD lithography equipment, in line with the same period of last year. For the full year, we plan to sell 20 units, supported by new investment in IT panels as well as demand for higher performance and thinner smartphone designs. As panel manufacturers move toward resuming capital investment, the number of potential business opportunities is gradually increasing, and we expect unit sales to increase next year.

Industrial equipment

For OLED display manufacturing equipment, we expect to see a decline in sales due to the impact of panel manufacturers postponing investment, similar to FPD lithography equipment. However, for deposition equipment, supported by strong AI demand, semiconductor equipment used in the production of HBM and other products is growing, and sales are expected to continue increasing from the second quarter onward.