
Canon Inc.

First Quarter 2026 Results

April 23, 2026

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Agenda

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1Q 2026 Review

- 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

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 (% of Net Sales)	505.3 46.2%	500.9 47.3%	+0.9%
Op. Expenses (% of Net Sales)	433.9 39.7%	404.4 38.2%	
Op. Profit (% of Net Sales)	71.4 6.5%	96.5 9.1%	-26.1%
IBT	74.7	98.8	-24.4%
Net Income (% of Net Sales)	48.3 4.4%	72.2 6.8%	-33.1%
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%

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

(Billions of yen)

Change in Net Sales, excluding FX impact, for reference

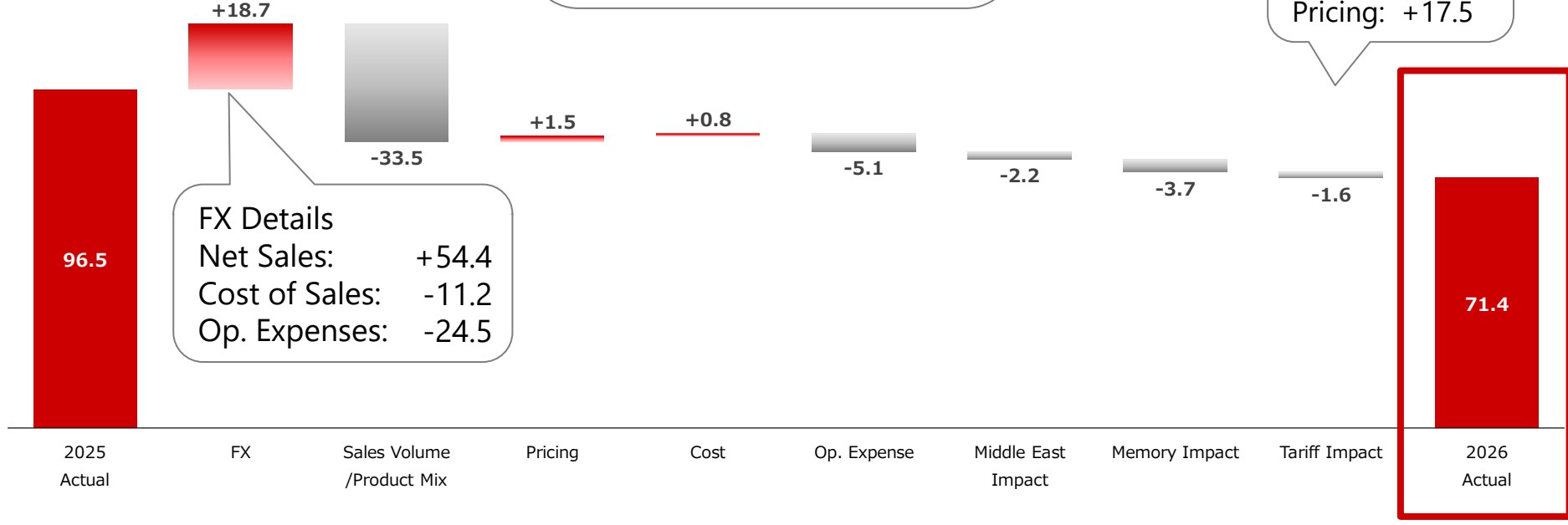
Printing:	-41.8
Medical:	-0.2
Imaging:	+16.8
Industrial:	-2.4
Others:	-3.0
Total:	-30.6

Tariff Impact

Cost:	-19.1
Pricing:	+17.5

FX Details

Net Sales:	+54.4
Cost of Sales:	-11.2
Op. Expenses:	-24.5



-25.1 billion yen (-26.1%)

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%)	

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

2026 Financial Projection

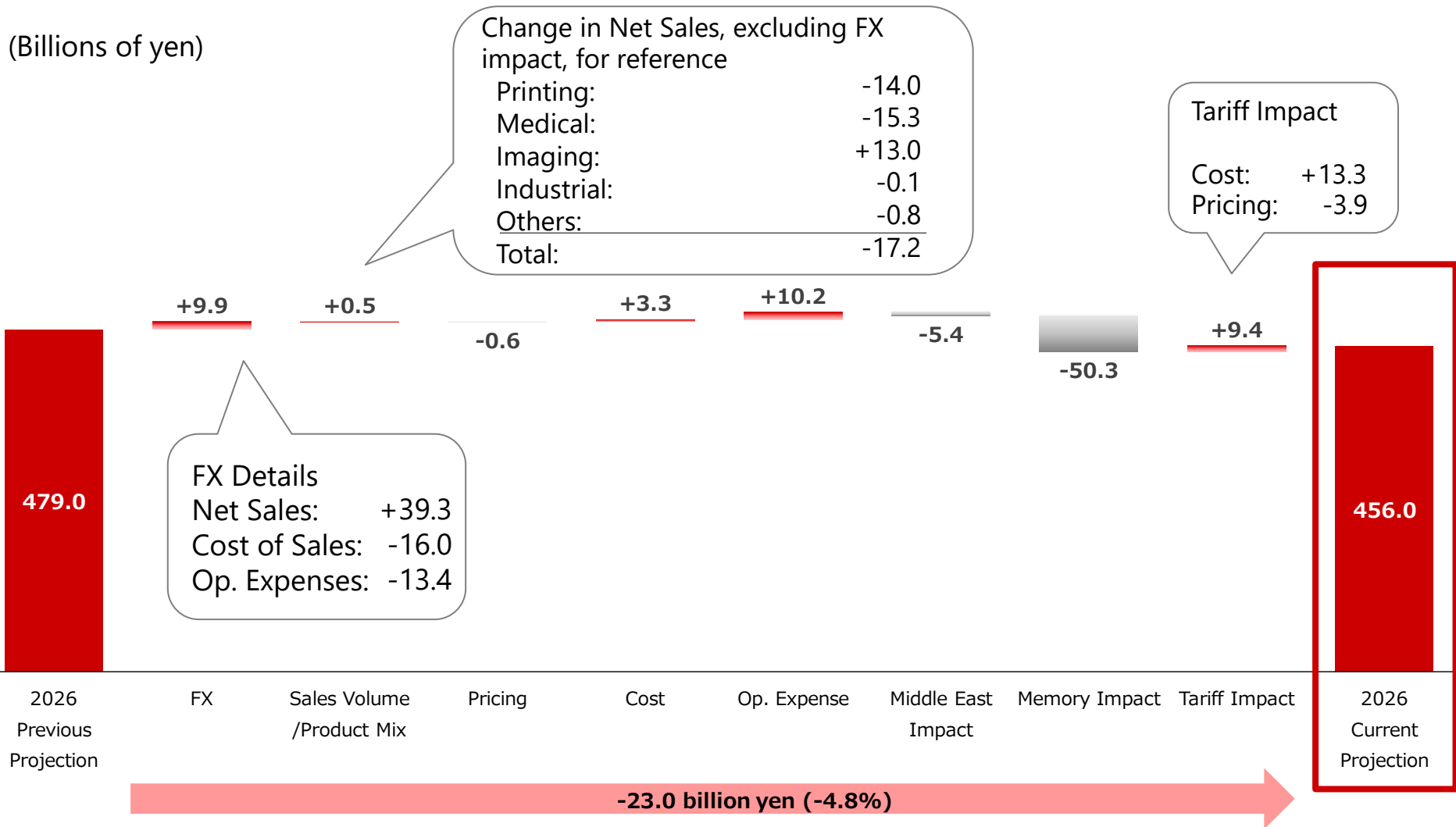
(Full Year)

(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)														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Net Sales</th> <th>Op. Profit</th> </tr> </thead> <tbody> <tr> <td>USD</td> <td>10.0 billion yen</td> <td>2.3 billion yen</td> </tr> <tr> <td>EUR</td> <td>5.2 billion yen</td> <td>2.3 billion yen</td> </tr> </tbody> </table>							Net Sales	Op. Profit	USD	10.0 billion yen	2.3 billion yen	EUR	5.2 billion yen	2.3 billion yen
	Net Sales	Op. Profit												
USD	10.0 billion yen	2.3 billion yen												
EUR	5.2 billion yen	2.3 billion yen												

2026 Operating Profit Analysis

(FY 2026 Current Projection versus FY 2026 Previous Projection)

(Billions of yen)



Review of Business Structure

(Billions of yen)

		2025		2026		2026
		1Q	Full Year	1Q	Full year Current Projection	Full year Previous Projection
Sales Structural Reform	Cost	-1.2	-7.9	-0.7	-14.4	-17.2
	Effect	5.0	22.0	0.8	4.7	11.5
	PL Impact	3.8	14.1	0.1	-9.7	-5.7
Production Structural Reform	Cost	-0.9	-14.7	-0.8	-12.4	-14.2
	Effect	0	0	0.3	14.0	13.0
	PL Impact	-0.9	-14.7	-0.5	1.6	-1.2
Medical Business Innovation	Cost	-0.7	-3.6	-0.3	-1.2	-1.2
	Effect	1.5	11.5	1.0	10.0	10.0
	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

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%)	

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

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

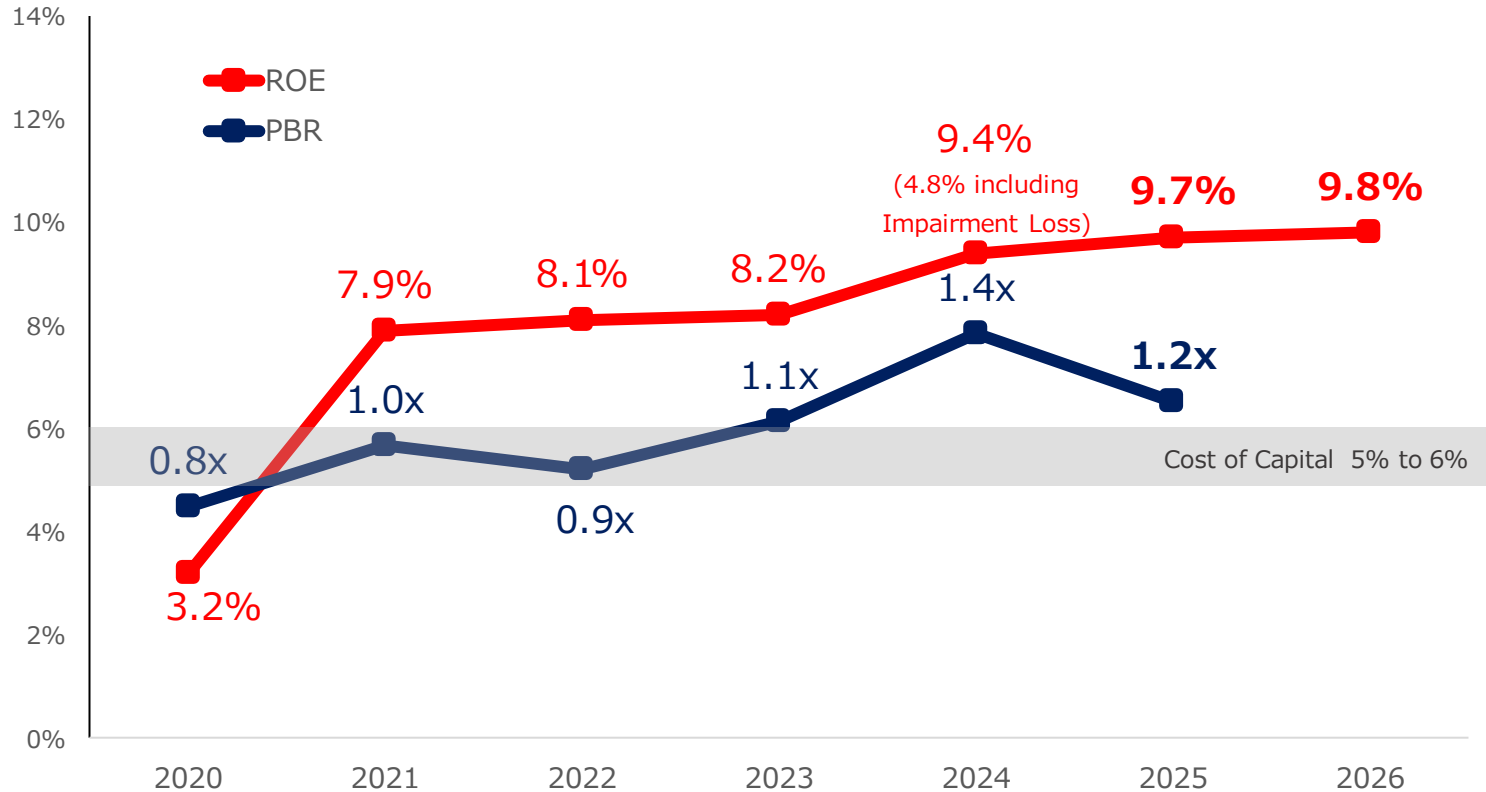
(Billions of yen)	2026 Current Projection	2025 Actual	2024 Actual
Net income	333.0	332.1	325.1
Depreciation and amortization	230.0	239.2	235.5
Others	37.0	-95.4	46.2
Net cash provided by operating activities	600.0	475.9	606.8
Net cash used in investing activities	-270.0	-237.4	-297.3
Free cash flow	330.0	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.

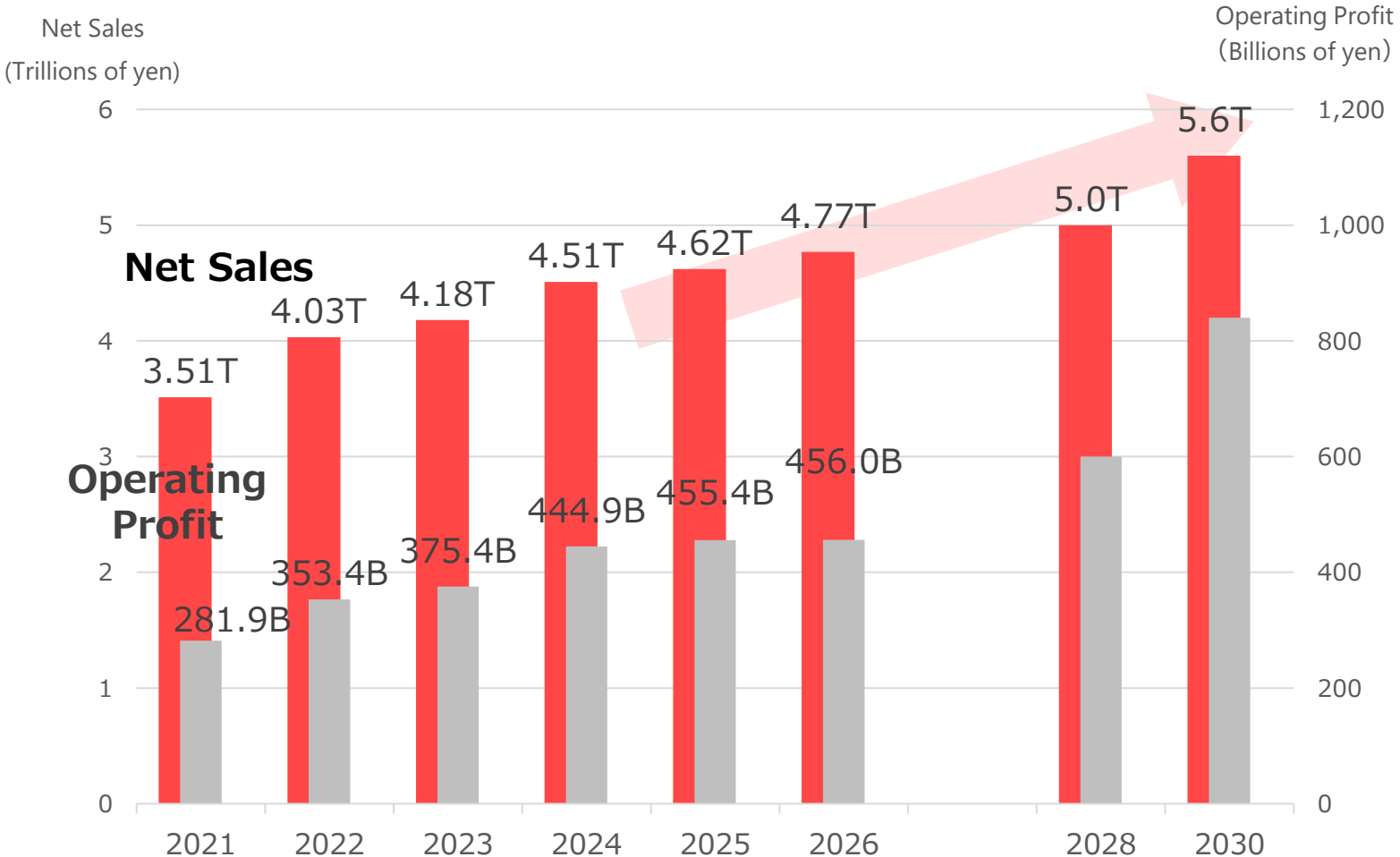
Return on Capital

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



Summary

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



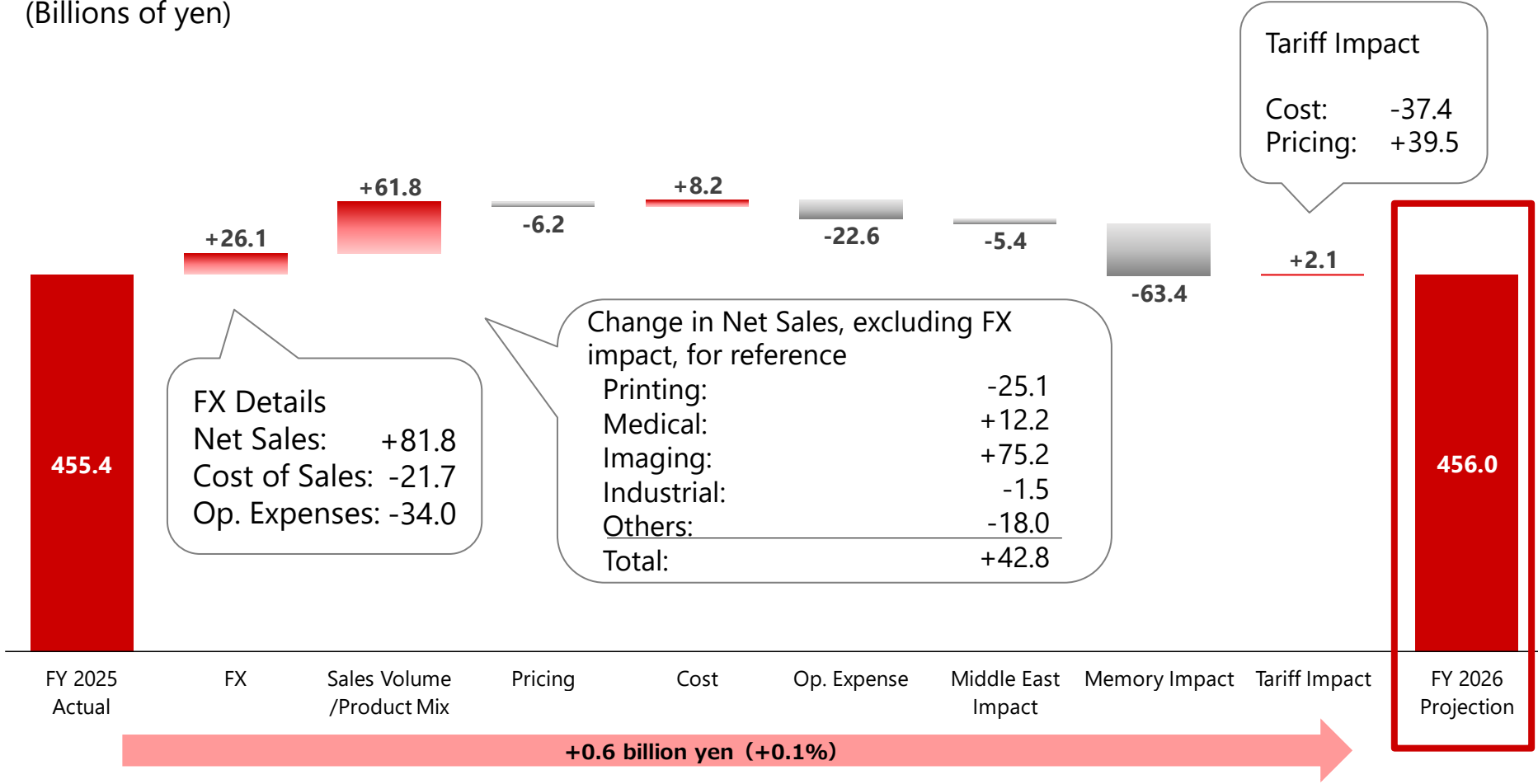
* 2024 excludes the impact of impairment loss.

Supplementary Information

2026 Operating Profit Analysis

(FY 2025 Actual versus FY 2026 Projection)

(Billions of yen)



Printing

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%

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%

Medical

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 3.7%	6.7 4.9%	-22.2%	38.2 6.4%	32.8 5.6%	+16.6%	38.3 6.2%	-0.1

Net Sales Growth Rate Y/Y (Local Currency)

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

Imaging

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%

Industrial

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
FPD		44	238
		6	20