Canon Inc.
Second Quarter 2026 Results

July 27, 2026

Agenda

2Q/1H 2026 Review

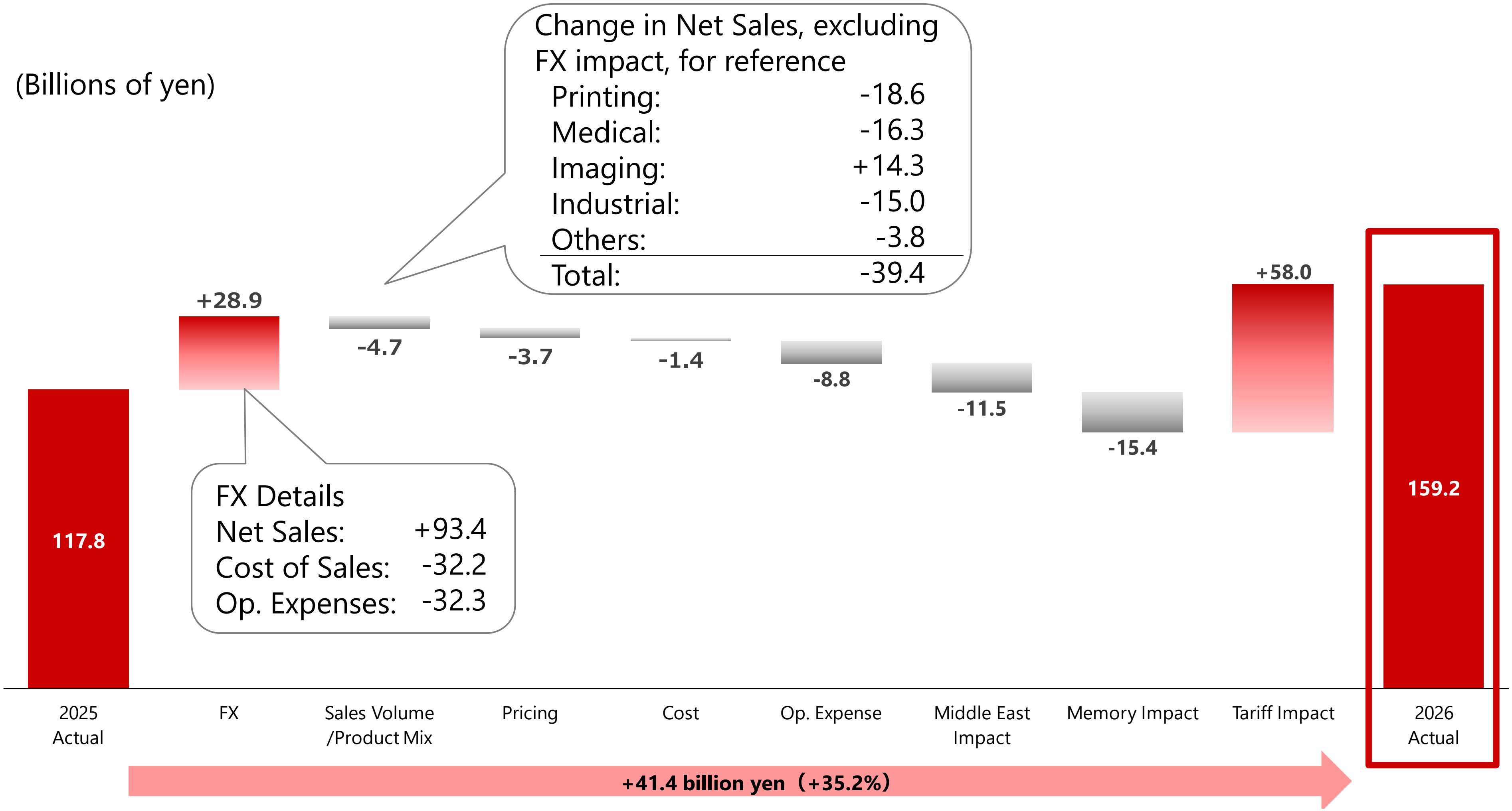
- Market conditions remained weak in Europe, affected by Middle East situation, and in the U.S., where tariff impact persists. In printing equipment market, trend of postponed investment continued
- Net sales rose 3.6%, reaching record high for second quarter, driven by continued sales growth in compact camera and network camera businesses, and revenue growth in semiconductor lithography equipment driven by memory-related demand
- Higher costs resulting from rise in memory prices and Middle East situation, absorbed by refunds on additional U.S. tariff and yen depreciation
- Increased operating profit by 35.2% to 159.2 billion yen

P&L
(2Q/1H 2026 Results)

(Billions of yen)	2Q 2026 Actual	2Q 2025 Actual	2Q % Change	1st Half 2026 Actual	1st Half 2025 Actual	1st Half % Change
Net Sales	**1,180.9**	**1,140.2**	+3.6%	**2,274.5**	**2,198.6**	+3.5%
Gross Profit	**617.7**	**534.8**	+15.5%	**1,122.9**	**1,035.7**	+8.4%
(% of Net Sales)	52.3%	46.9%		49.4%	47.1%	
Op. Expenses	**458.5**	**417.0**		**892.3**	**821.4**	
(% of Net Sales)	38.8%	36.6%		39.3%	37.4%	
Op. Profit	**159.2**	**117.8**	+35.2%	**230.6**	**214.3**	+7.6%
(% of Net Sales)	13.5%	10.3%		10.1%	9.7%	
IBT	**177.3**	**123.5**	+43.6%	**252.1**	**222.3**	+13.4%
Net Income	**122.9**	**83.7**	+46.9%	**171.2**	**155.9**	+9.8%
(% of Net Sales)	10.4%	7.3%		7.5%	7.1%	
USD	159.50	144.59		158.27	148.34	
EUR	185.35	163.82		184.54	162.23	

2Q 2026 Operating Profit Analysis
(2Q 2026 Actual versus 2Q 2025 Actual)

(Billions of yen)



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2Q/1H 2026 Financial Results by Business Unit

(Billions of yen)		2Q 2026 Actual	2Q 2025 Actual	2Q % Change	1st Half 2026 Actual	1st Half 2025 Actual	1st Half % Change
Printing	Net Sales	**629.4**	**610.6**	+3.1%	**1,239.9**	**1,221.6**	+1.5%
	Op. Profit	**97.6**	**76.9**	+26.9%	**157.5**	**150.0**	+5.0%
	(%)	**(15.5%)**	**(12.6%)**		**(12.7%)**	**(12.3%)**	
Medical	Net Sales	**135.4**	**142.0**	-4.6%	**277.4**	**279.3**	-0.7%
	Op. Profit	**3.1**	**5.1**	-38.5%	**8.3**	**11.8**	-29.2%
	(%)	**(2.3%)**	**(3.6%)**		**(3.0%)**	**(4.2%)**	
Imaging	Net Sales	**306.8**	**260.7**	+17.7%	**552.7**	**472.8**	+16.9%
	Op. Profit	**69.8**	**39.1**	+78.7%	**97.6**	**70.3**	+38.8%
	(%)	**(22.8%)**	**(15.0%)**		**(17.7%)**	**(14.9%)**	
Industrial	Net Sales	**78.3**	**92.4**	-15.3%	**145.2**	**159.8**	-9.1%
	Op. Profit	**12.6**	**17.7**	-28.7%	**17.4**	**26.1**	-33.1%
	(%)	**(16.1%)**	**(19.2%)**		**(12.0%)**	**(16.3%)**	
Others & Corporate	Net Sales	**59.0**	**60.7**	-2.7%	**112.9**	**116.7**	-3.2%
	Op. Profit	**-24.4**	**-20.8**	-	**-50.0**	**-44.2**	-
Eliminations	Net Sales	**-28.0**	**-26.2**	-	**-53.6**	**-51.6**	-
	Op. Profit	**0.5**	**-0.2**	-	**-0.2**	**0.3**	-
Total	Net Sales	**1,180.9**	**1,140.2**	+3.6%	**2,274.5**	**2,198.6**	+3.5%
	Op. Profit	**159.2**	**117.8**	+35.2%	**230.6**	**214.3**	+7.6%
	(%)	**(13.5%)**	**(10.3%)**		**(10.1%)**	**(9.7%)**	

2026 Outlook

- Raised operating profit projection by 9.0 billion yen, to reflect uncertain factors not included in previous projection

Negative factors

- Impact from Middle East situation: Negative 34.6 billion yen
  - Expected normalization of sales now pushed back to October or later
  - Incorporated expected increase in costs for oil-related raw materials, components, and transportation
- Additional 6.0 billion yen increase in cost due to rise in memory prices

Positive factors

- U.S. tariff impact, including refund: Positive 37.5 billion yen
- Foreign exchange impact: Positive 34.1 billion yen
  - 2026 2nd half Assumptions - USD 150 yen to 155 yen, EUR 175 yen to 180 yen

2026 Financial Projection
(Full Year)

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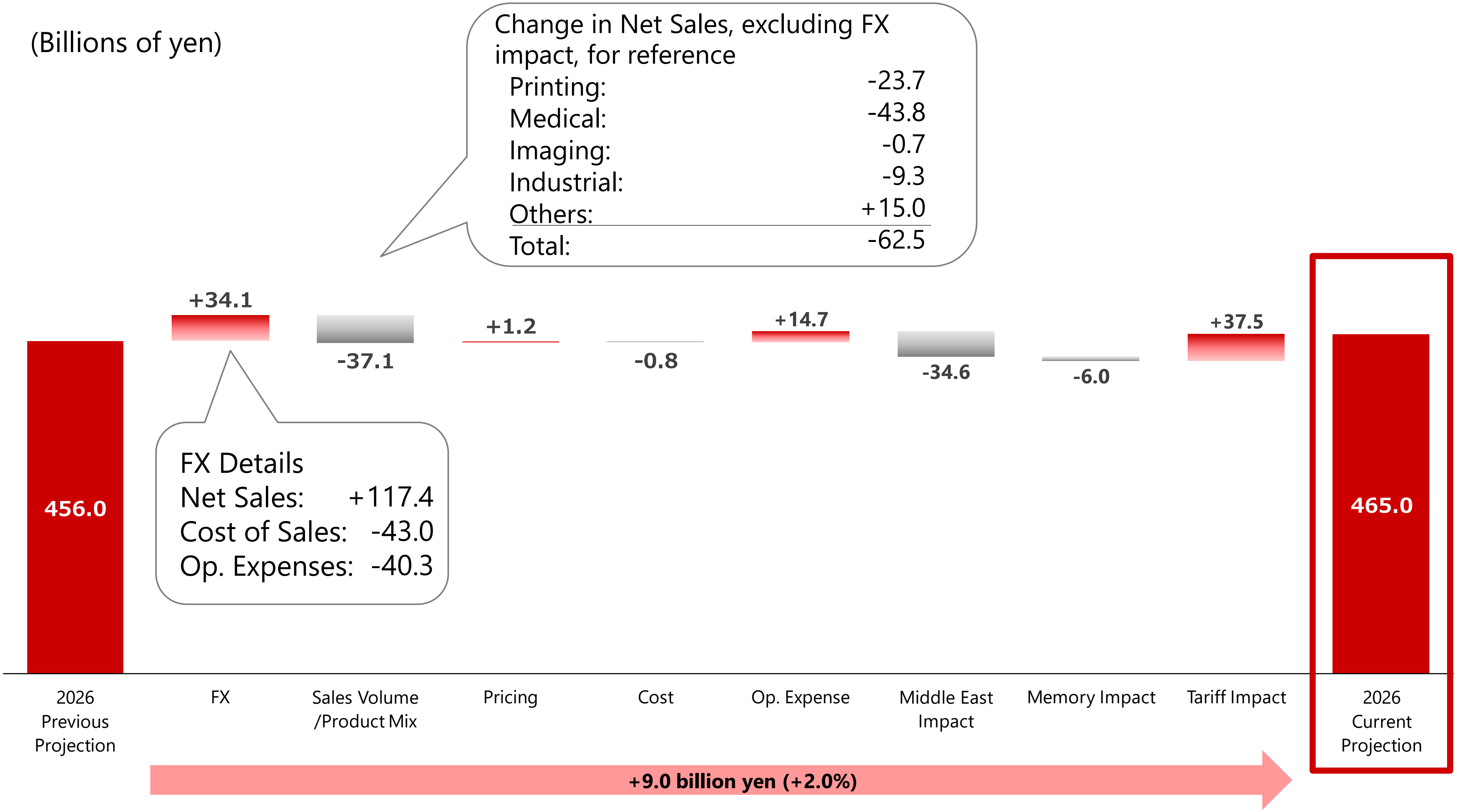
(Billions of yen)	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	**4,800.0**	**4,624.7**	+3.8%	**4,765.0**	+35.0
Gross Profit	**2,268.0**	**2,162.0**	+4.9%	**2,219.0**	+49.0
(% of Net Sales)	47.3%	46.7%		46.6%	
Op. Expenses	**1,803.0**	**1,706.6**		**1,763.0**	-40.0
(% of Net Sales)	37.6%	36.9%		37.0%	
Op. Profit	**465.0**	**455.4**	+2.1%	**456.0**	+9.0
(% of Net Sales)	9.7%	9.8%		9.6%	
IBT	**492.0**	**482.1**	+2.1%	**483.0**	+9.0
Net Income	**340.0**	**332.1**	+2.4%	**333.0**	+7.0
(% of Net Sales)	7.1%	7.2%		7.0%	
USD	156.56	149.71		151.58	
EUR	182.08	169.41		176.82	

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

	Net Sales	Op. Profit
USD	6.8 billion yen	1.5 billion yen
EUR	3.3 billion yen	1.5 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 1Q	2025 2Q	2025 Full Year	2026 1Q	2026 2Q	2026 Full year Current Projection	2026 Full year Previous Projection
Sales Structural Reform	Cost	-1.2	-0.5	-7.9	-0.7	-2.0	-15.1	-14.4
	Effect	5.0	4.9	22.0	0.8	2.1	8.2	4.7
	PL Impact	3.8	4.4	14.1	0.1	0.1	-6.9	-9.7
Production Structural Reform	Cost	-0.9	-0.1	-14.7	-0.8	-13.6	-20.4	-12.4
	Effect	0	0	0	0.3	0.7	14.4	14.0
	PL Impact	-0.9	-0.1	-14.7	-0.5	-12.9	-6.0	1.6
Medical Business Innovation	Cost	-0.7	-0.7	-3.6	-0.3	-0.1	-0.7	-1.2
	Effect	1.5	2.2	11.5	1.0	3.0	10.0	10.0
	PL Impact	0.8	1.5	7.9	0.7	2.9	9.3	8.8
Total	Cost	-2.8	-1.3	-26.2	-1.8	-15.7	-36.2	-28.0
	Effect	6.5	7.1	33.5	2.1	5.8	32.6	28.7
	PL Impact	**3.7**	**5.8**	**7.3**	**0.3**	**-9.9**	**-3.6**	**0.7**

2026 Financial Projection by Business Unit (Full Year)

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(Billions of yen)		2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Printing	Net Sales	**2,544.2**	**2,494.4**	+2.0%	**2,526.8**	+17.4
	Op. Profit	**256.0**	**255.8**	+0.1%	**254.5**	+1.5
	(%)	**(10.1%)**	**(10.3%)**		**(10.1%)**	
Medical	Net Sales	**568.2**	**580.6**	-2.1%	**601.4**	-33.2
	Op. Profit	**22.8**	**32.8**	-30.4%	**38.2**	-15.4
	(%)	**(4.0%)**	**(5.6%)**		**(6.4%)**	
Imaging	Net Sales	**1,201.5**	**1,054.9**	+13.9%	**1,158.5**	+43.0
	Op. Profit	**191.5**	**172.9**	+10.8%	**176.5**	+15.0
	(%)	**(15.9%)**	**(16.4%)**		**(15.2%)**	
Industrial	Net Sales	**353.7**	**361.1**	-2.1%	**361.5**	-7.8
	Op. Profit	**60.3**	**62.5**	-3.6%	**63.1**	-2.8
	(%)	**(17.0%)**	**(17.3%)**		**(17.5%)**	
Others & Corporate	Net Sales	**241.3**	**237.1**	+1.8%	**214.4**	+26.9
	Op. Profit	**-65.9**	**-69.5**	-	**-75.5**	+9.6
Eliminations	Net Sales	**-108.9**	**-103.4**	-	**-97.6**	-11.3
	Op. Profit	**0.3**	**0.9**	-	**-0.8**	+1.1
Total	Net Sales	**4,800.0**	**4,624.7**	+3.8%	**4,765.0**	+35.0
	Op. Profit	**465.0**	**455.4**	+2.1%	**456.0**	+9.0
	(%)	**(9.7%)**	**(9.8%)**		**(9.6%)**	

Inventory

- Utilize inventory built up since end of last year following year-end sales season to support sales expansion in second half
- Plan to maintain higher-than-normal inventory levels at year-end in preparation for next year

(Amt: Billions of yen)		2025				2026		Change	
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end	vs 25 Jun.	vs 25 Dec.
Printing	Amt.	334.4	346.1	368.1	342.1	355.8	375.3	+29.2	+33.2
	Days	47	52	55	49	51	55	+3	+6
Medical	Amt.	139.8	138.5	148.5	142.4	149.1	156.8	+18.3	+14.4
	Days	85	90	99	86	88	103	+13	+17
Imaging	Amt.	176.3	166.4	172.1	170.3	214.0	223.7	+57.3	+53.4
	Days	66	64	61	53	68	74	+10	+21
Industrial	Amt.	150.7	160.3	154.7	130.0	133.5	140.1	-20.2	+10.1
	Days	146	183	159	118	133	176	-7	+58
Others & Corporate	Amt.	71.6	68.2	70.4	55.6	61.3	65.6	-2.6	+10.0
Total	**Amt.**	**872.8**	**879.5**	**913.8**	**840.4**	**913.7**	**961.5**	**+82.0**	**+121.1**
	Days	**68**	**73**	**74**	**63**	**69**	**77**	**+4**	**+14**

Cash Flow
(Full Year)

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- Generate 545.0 billion yen in operating CF, significantly exceeding last year's level
- Invest in growth areas and deliver proactive, stable shareholder returns

(Billions of yen)	2026 Current Projection	2026 Previous Projection	2025 Actual	2024 Actual
Net income	340.0	333.0	332.1	325.1
Depreciation and amortization	230.0	230.0	239.2	235.5
Others	-25.0	37.0	-95.4	46.2
Net cash provided by operating activities	545.0	600.0	475.9	606.8
Net cash used in investing activities	-255.0	-270.0	-237.4	-297.3
Free cash flow	**290.0**	**330.0**	**238.5**	**309.5**
Net cash provided by (used in) financing activities	-445.0	-394.0	-179.2	-226.0
Effect of exchange rate changes on cash and cash equivalents	-6.0	-11.0	25.1	16.7
Net change in cash and cash equivalents	**-161.0**	**-75.0**	**84.4**	**100.2**
Cash and cash equivalents at end of period	**425.0**	**511.0**	**586.0**	**501.6**
Cash-on-hand (In months of Net sales)	**1.0**	**1.3**	**1.4**	**1.3**

* 2024 net income excludes the impact of impairment loss.

Return on Capital

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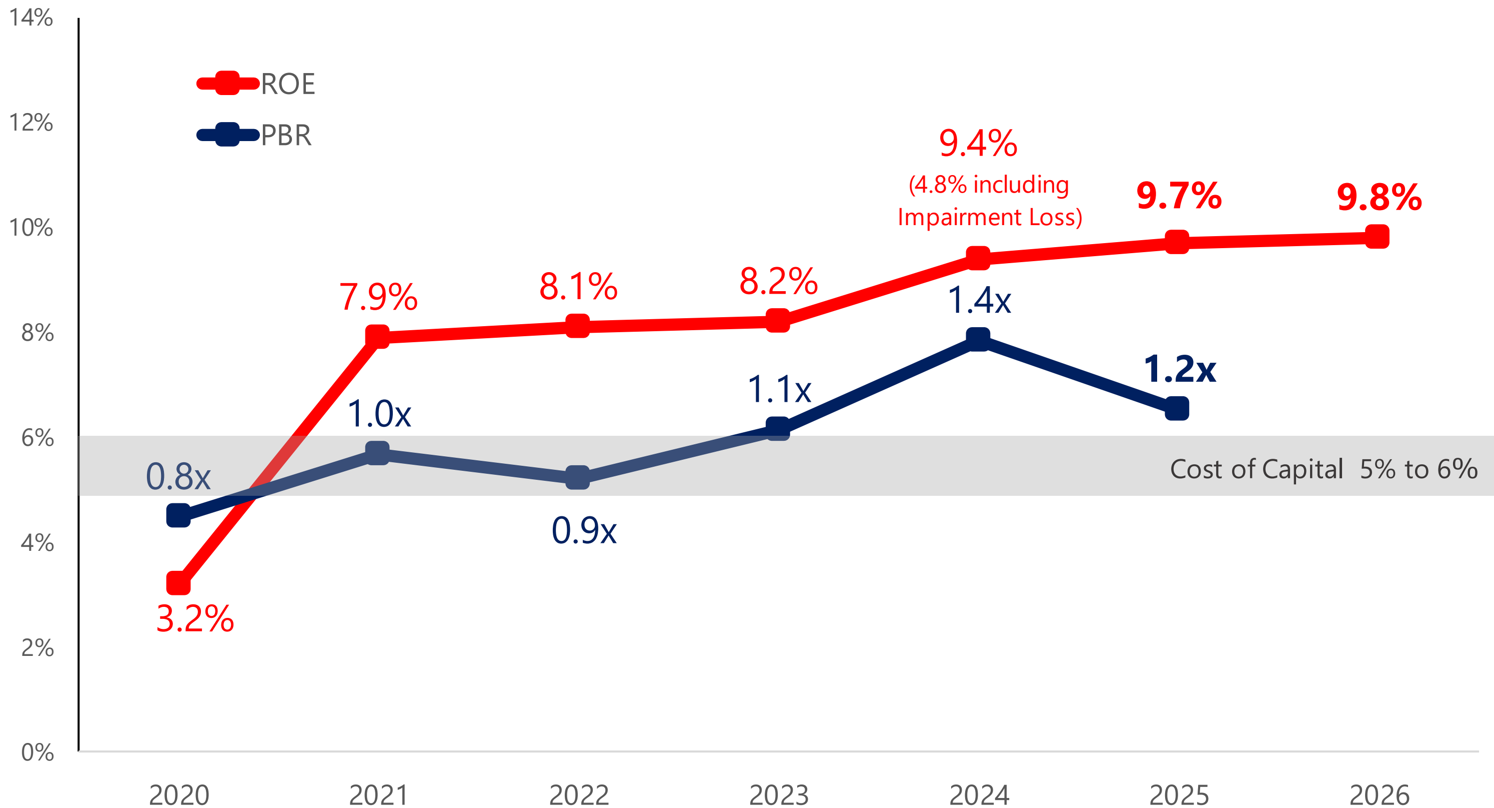
- ROE for 2026 projected to be 9.8%
- Advance efforts to enhance capital efficiency and profitability toward achieving Phase VII targets



Summary

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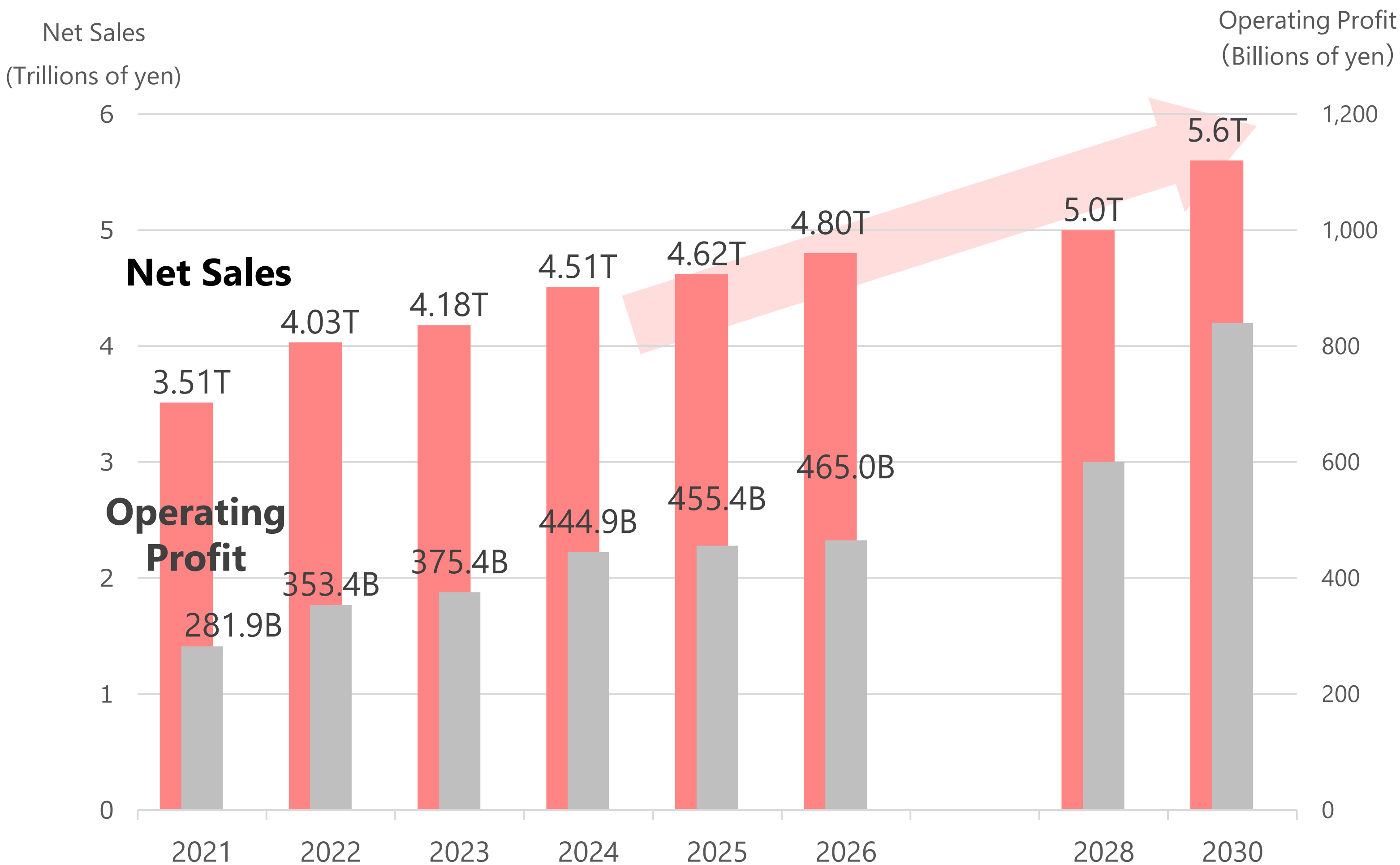
- In 2026 – first year of five-year plan – deliver higher revenue and profit, while elevating management quality to lay foundation for future growth

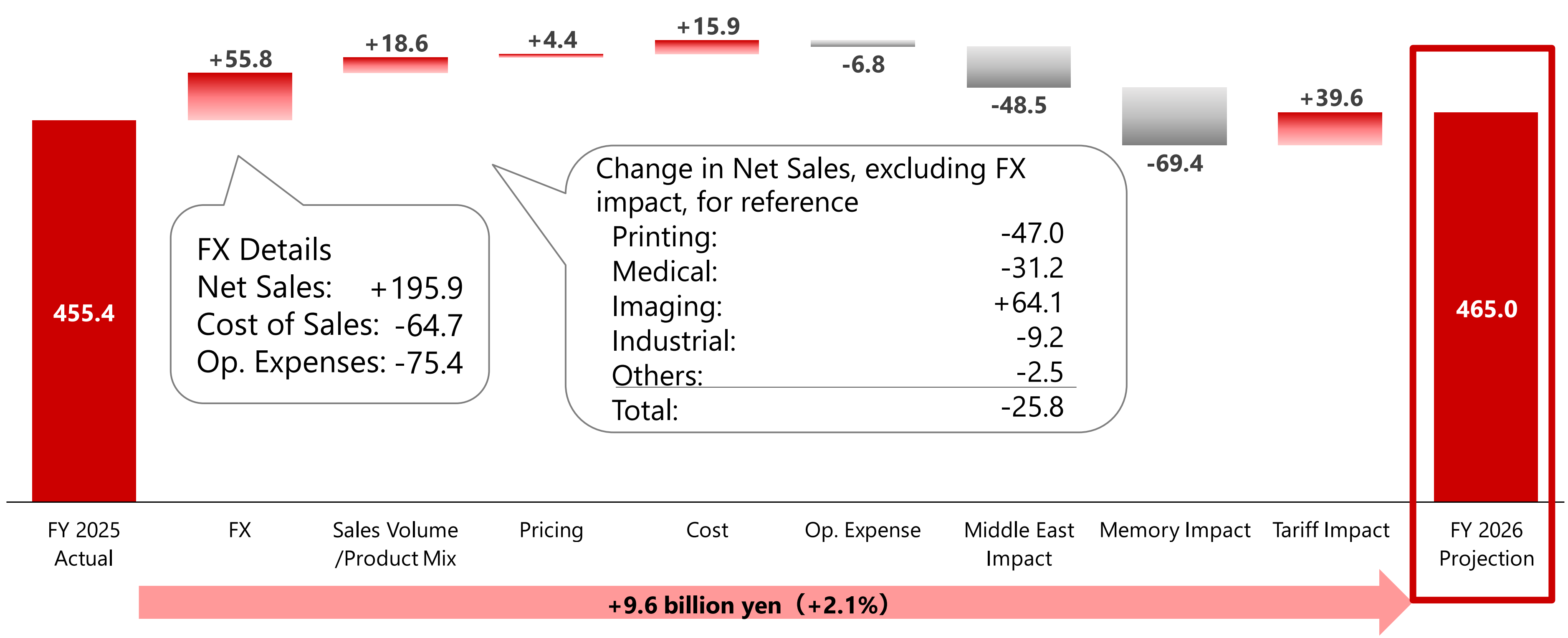


* 2024 excludes the impact of impairment loss.

Supplementary Information

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

(Billions of yen)



Printing

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		2Q			Full Year				
		2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Production		**116.1**	**103.3**	+12.4%	**469.0**	**437.3**	+7.3%	**468.3**	+0.7
Office	Office MFDs	**167.4**	**161.2**	+3.8%	**653.3**	**631.6**	+3.4%	**643.9**	+9.4
	Others	**111.1**	**104.2**	+6.7%	**454.2**	**432.1**	+5.1%	**446.4**	+7.8
		278.5	**265.4**	+4.9%	**1,107.5**	**1,063.7**	+4.1%	**1,090.3**	+17.2
Prosumer	LPs	**152.2**	**160.4**	-5.1%	**619.4**	**648.1**	-4.4%	**617.2**	+2.2
	IJPs	**82.6**	**81.5**	+1.3%	**348.3**	**345.3**	+0.9%	**351.0**	-2.7
		234.8	**241.9**	-3.0%	**967.7**	**993.4**	-2.6%	**968.2**	-0.5
Net Sales		**629.4**	**610.6**	+3.1%	**2,544.2**	**2,494.4**	+2.0%	**2,526.8**	+17.4
Op. Profit		**97.6**	**76.9**	+26.9%	**256.0**	**255.8**	+0.1%	**254.5**	+1.5
%		15.5%	12.6%		10.1%	10.3%		10.1%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	2Q	Full Year Projection
Production	+1.2%	+1.6%
Office	-2.3%	0.0%
Prosumer	-10.9%	-6.2%
Total	-5.1%	-2.2%

Unit Growth Rate Y/Y

	2026	
	2Q	Full Year Projection
Office MFDs	-7%	-4%
LPs	-9%	-3%
IJPs	-11%	-7%

Printing Hardware & Non-hardware Sales

Net Sales Growth Rate of Printing Hardware & Non-hardware

			2026 2Q	2026 Full Year Projection	2025 2Q	2025 Full Year Actual
Production	JPY	Hardware	+12%	+9%	-12%	-4%
		Non-hardware	+13%	+6%	-4%	+1%
	LC	Hardware	+1%	+4%	-7%	-5%
		Non-hardware	+1%	+1%	0%	0%
Office MFDs	JPY	Hardware	+1%	+4%	-7%	-5%
		Non-hardware	+6%	+3%	-4%	0%
	LC	Hardware	-8%	-2%	-2%	-5%
		Non-hardware	-2%	-1%	0%	0%
LPs	JPY	Hardware	-7%	-5%	-17%	-12%
		Non-hardware	-4%	-4%	-7%	0%
	LC	Hardware	-15%	-8%	-12%	-12%
		Non-hardware	-11%	-7%	0%	+1%
IJPs	JPY	Hardware	+3%	-1%	-7%	+2%
		Non-hardware	0%	+2%	-10%	-2%
	LC	Hardware	-6%	-6%	-2%	+1%
		Non-hardware	-9%	-3%	-6%	-3%

Medical

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	2Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	**135.4**	**142.0**	-4.6%	**568.2**	**580.6**	-2.1%	**601.4**	-33.2
Op. Profit	**3.1**	**5.1**	-38.5%	**22.8**	**32.8**	-30.4%	**38.2**	-15.4
%	2.3%	3.6%		4.0%	5.6%		6.4%	

Net Sales Growth Rate Y/Y
(Local Currency)

	2026	
	2Q	Full Year Projection
Total	-12.0%	-6.2%

Imaging

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	2Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Cameras	**175.4**	**155.4**	+12.9%	**698.0**	**625.5**	+11.6%	**674.8**	+23.2
Network Cameras & Others	**131.4**	**105.3**	+24.8%	**503.5**	**429.4**	+17.3%	**483.7**	+19.8
Net Sales	**306.8**	**260.7**	+17.7%	**1,201.5**	**1,054.9**	+13.9%	**1,158.5**	+43.0
Op. Profit	**69.8**	**39.1**	+78.7%	**191.5**	**172.9**	+10.8%	**176.5**	+15.0
%	22.8%	15.0%		15.9%	16.4%		15.2%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	2Q	Full Year Projection
Cameras	+1.1%	+5.4%
NWCs & Others	+12.6%	+11.3%
Total	+5.7%	+7.8%

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

	2026	
	2Q	Full Year Projection
Units (Millions)	0.67	2.80
Growth Rate	-10%	-3%

Industrial

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Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	2Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Optical Equipment	**61.9**	**61.2**	+1.0%	**262.2**	**256.4**	+2.3%	**260.1**	+2.1
Industrial Equipment	**16.4**	**31.2**	-47.3%	**91.5**	**104.7**	-12.7%	**101.4**	-9.9
Net Sales	**78.3**	**92.4**	-15.3%	**353.7**	**361.1**	-2.1%	**361.5**	-7.8
Op. Profit	**12.6**	**17.7**	-28.7%	**60.3**	**62.5**	-3.6%	**63.1**	-2.8
%	16.1%	19.2%		17.0%	17.3%		17.5%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026	
	2Q	Full Year Projection
Opt. Equip.	+0.1%	+1.8%
Industrial Equip.	-48.5%	-13.3%
Total	-16.2%	-2.6%

Lithography Equipment (Units)

		2026	
		2Q	Full Year Projection
Semiconductor	KrF	17	70
	i-line	31	157
		48	227
FPD		6	20