
Canon Inc.

Third Quarter 2026 Results

October 27, 2026

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Agenda

■ 3Q/YTD 2026 Results	P 2-5
■ FY 2026 Projection	P 6-11
■ Financial Situation	P 12-14
■ Summary	P 15
■ Supplementary Information	P 16-21

- Market conditions – While the U.S. remained solid, Europe continued to be weak, affected by the situation in the Middle East, while demand in China was soft due to sluggish consumer spending
- Steady improvement in core printing equipment and strong growth in network cameras drove 3Q sales up 4.9% to a record high
- Cost increases in memory and raw materials, including those related to Middle East tensions, were offset by benefits of structural reforms and favorable foreign exchange rates
- Operating profit increased 10.3% Y/Y to 97.1 billion yen, net income increased 18.2% Y/Y to 75.2 billion yen

2

In the markets we serve, the U.S. market remained solid. However, Europe continued to be weak, affected by the situation in the Middle East, while demand in China was soft due to sluggish consumer spending.

Turning to our performance, printing equipment, which began to show signs of recovery in the second quarter, continued to improve steadily, while strong growth in network cameras, driven by expanding applications across a wider range of fields, supported overall business performance. As a result, revenue increased 4.9% year on year, reaching a record high for the third quarter.

The impact of higher memory prices and rising raw material costs resulting from higher crude oil prices was offset by the benefits of structural reforms and the weaker yen. As a result, operating profit increased by 10.3% to 97.1 billion yen and net income increased by 18.2% to 75.2 billion yen. Despite a challenging business environment, we achieved both sales and profit growth.

P&L (3Q/YTD 2026 Results)



(Billions of yen)	3Q			1Q-3Q		
	2026 Actual	2025 Actual	% Change	2026 Actual	2025 Actual	% Change
Net Sales	1,158.8	1,104.3	+4.9%	3,433.4	3,302.9	+4.0%
Gross Profit (% of Net Sales)	543.9 46.9%	512.0 46.4%	+6.2%	1,666.9 48.5%	1,547.7 46.9%	+7.7%
Op. Expenses (% of Net Sales)	446.8 38.5%	424.0 38.4%		1,339.2 39.0%	1,245.3 37.7%	
Op. Profit (% of Net Sales)	97.1 8.4%	88.0 8.0%	+10.3%	327.7 9.5%	302.4 9.2%	+8.4%
IBT	106.4	91.8	+15.8%	358.4	314.1	+14.1%
Net Income (% of Net Sales)	75.2 6.5%	63.7 5.8%	+18.2%	246.4 7.2%	219.6 6.6%	+12.2%
USD	159.13	147.50	+11.63	158.57	148.06	+10.51
EUR	183.14	172.33	+10.81	184.07	165.56	+18.51

3

Third-quarter net sales increased by 4.9% to 1 trillion 158.8 billion yen, reaching a new record high.

Gross profit as a percentage of net sales improved by 0.5 points, as the negative impact of higher memory prices and rising raw material costs was offset by the positive impact of the weaker yen.

As for operating expenses, increases in foreign-currency-denominated expenses due to the weaker yen and higher personnel costs resulting from base pay increases were largely offset by the benefits of structural reforms, limiting the deterioration to 0.1 points.

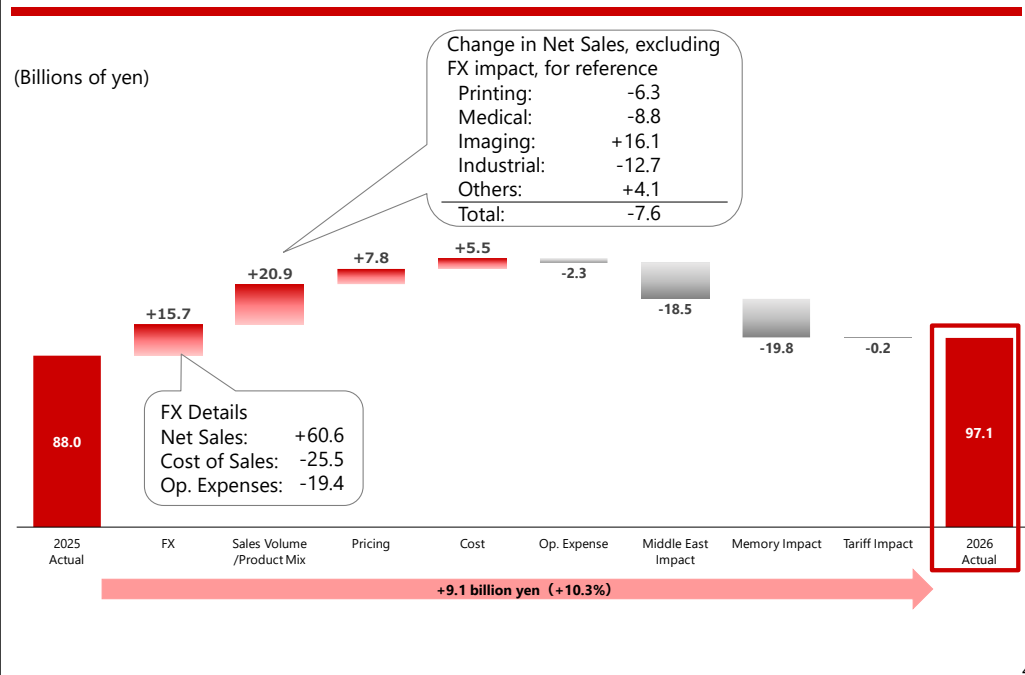
As a result, operating profit increased by 10.3% to 97.1 billion yen, income before income taxes increased by 15.8% to 106.4 billion yen, and net income increased by 18.2% to 75.2 billion yen.

For the first nine months of the year, we continued to deliver sales and profit growth. Net sales increased by 4.0% to a record 3 trillion 433.4 billion yen, while operating profit rose by 8.4% to 327.7 billion yen, and net income increased by 12.2% to 246.4 billion yen.

3Q 2026 Operating Profit Analysis

(3Q 2026 Actual versus 3Q 2025 Actual)

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Changes in foreign exchange rates had a positive impact of 15.7 billion yen, as the yen weakened by more than 10 yen against both the U.S. dollar and the euro.

On the other hand, sales declines related to the situation in the Middle East and higher raw material costs had a combined negative impact of 18.5 billion yen on profit, while higher memory prices reduced profit by a further 19.8 billion yen. However, volume and product mix had a positive impact of 20.9 billion yen. Higher sales in the highly profitable Imaging business, together with increased sales of higher-margin products and structural reform benefits in Printing, offset the weaker performance in Medical and Industrial. Along with positive impacts of 7.8 billion yen from pricing and 5.5 billion yen from cost reductions, these factors covered most of the negative impacts.

As for operating expenses, despite higher personnel costs from base salary increases and higher R&D spending, the increase was limited to 2.3 billion yen due to the benefits of structural reforms.

As a result, operating profit increased by 10.3% to 97.1 billion yen.

3Q 2026 Financial Results by Business Unit

		3Q			1Q-3Q		
		2026	2025	% Change	2026	2025	% Change
(Billions of yen)		Actual	Actual		Actual	Actual	
Printing	Net Sales	627.5	604.0	+3.9%	1,867.4	1,825.6	+2.3%
	Op. Profit	50.6	52.2	-3.0%	208.2	202.2	+3.0%
	(%)	(8.1%)	(8.6%)		(11.1%)	(11.1%)	
Medical	Net Sales	129.9	132.9	-2.2%	407.4	412.2	-1.2%
	Op. Profit	2.4	6.4	-61.5%	10.8	18.2	-40.6%
	(%)	(1.9%)	(4.8%)		(2.6%)	(4.4%)	
Imaging	Net Sales	294.9	253.6	+16.3%	847.6	726.4	+16.7%
	Op. Profit	46.8	38.1	+22.7%	144.4	108.4	+33.2%
	(%)	(15.9%)	(15.0%)		(17.0%)	(14.9%)	
Industrial	Net Sales	73.7	85.4	-13.7%	218.9	245.2	-10.7%
	Op. Profit	12.7	13.9	-9.2%	30.1	40.0	-24.8%
	(%)	(17.2%)	(16.3%)		(13.8%)	(16.3%)	
Others & Corporate	Net Sales	62.7	55.4	+13.2%	175.5	172.0	+2.0%
	Op. Profit	-15.7	-22.9	-	-65.7	-67.1	-
Eliminations	Net Sales	-29.9	-27.0	-	-83.4	-78.5	-
	Op. Profit	0.3	0.3	-	-0.1	0.7	-
Total	Net Sales	1,158.8	1,104.3	+4.9%	3,433.4	3,302.9	+4.0%
	Op. Profit	97.1	88.0	+10.3%	327.7	302.4	+8.4%
	(%)	(8.4%)	(8.0%)		(9.5%)	(9.2%)	

5

As for the Printing Group, the increase in customer engagements seen in the second quarter began translating into actual sales in the third quarter. In addition, newly launched products started contributing to revenue. As a result, revenue for the Printing Business Unit as a whole increased by 3.9%.

Regarding the Medical Business Unit, production continued to be constrained, as it was in the second quarter, by operational disruptions associated with the production system update and component shortages caused by a fire at a supplier. As a result, sales declined.

As for the Imaging Group, unit sales of interchangeable-lens cameras declined due to the impact of the conflict in the Middle East and weak market conditions in China. However, sales of new full-frame models expanded. Sales of compact cameras also expanded, driven by strong demand and increased by more than 50%, extending the similar strong growth seen in the first half of the year.

Network cameras also delivered strong growth, leveraging a product lineup with strengths in cybersecurity and AI analytics. As a result of significantly increasing sales across a wide range of sectors, including data centers and retail, sales for the Group as a whole increased by 16.3% year on year.

In the Industrial Group, sales of semiconductor lithography equipment increased as shipments of KrF systems, particularly for memory applications, exceeded the previous year's level amid growing AI-related demand. However, sales of FPD lithography equipment declined as panel manufacturers postponed investment decisions, resulting in lower unit sales. As a result, the Industrial Business Unit as a whole reported lower sales.

■ Procurement and Cost Environment

- 4Q memory procurement price level finalized in line with expectations
- No further increases in crude oil-related raw material costs observed at this point
- Supply constraints for printed circuit boards and related electronic components due to growing AI-related demand

■ Medical business production delays

	Previous Projection	Current Projection
Sales impact amount	Approx. 45.0 billion yen	Approx. 90.0 billion yen
Normalization of production	September 2026	2027 onwards
Cause of delay	Disruption following system update	
	Fire at supplier's facility	
	Supply constraints for printed circuit boards and electronic components	

6

This year, one issue affecting not only Canon but also a wide range of industries has been tightening supply and rising material costs. At Canon, we have already secured the memory components we need for this year, and fourth-quarter procurement prices remained at roughly the level we had anticipated.

Crude oil prices have reached their highest level in 18 years, reflecting the unstable situation in the Middle East. At this point, however, we have not observed any further increases in the prices of raw materials linked to crude oil.

On the other hand, since August, shortages of printed circuit boards and the electronic components used in them have emerged as a result of growing AI-related demand. This has had a significant impact on our production operations and led to missed sales opportunities.

The impact of these shortages has been most pronounced in the Medical Business Unit. At our previous earnings announcement, we expected production to return to normal in September and planned to increase output as much as possible in the fourth quarter to minimize the impact on our results. However, as mentioned earlier, shortages of printed circuit boards and the electronic components used in them have prevented us from procuring the planned volumes. As a result, we have further lowered our fourth-quarter sales forecast and revised the full-year impact to approximately 90 billion yen.

We are currently pursuing every available measure, including alternative sourcing, to secure the necessary circuit boards and gradually restore production to normal levels beginning next year.

Until then, we will work closely with each medical institution to adjust delivery schedules based on their installation plans and provide loaner equipment where necessary. Through these efforts, we will continue to work closely with customers and maintain our customer base.

■ Other

- Factors behind the downward revisions in cameras and Industrial are expected to be resolved next year
- Raised the Printing outlook, reflecting improved 3Q performance
- Lowered projection due to weakness in Medical business, but remain committed to achieving overall sales and profits growth

As for our other businesses, we lowered our projection for cameras due to the ongoing conflict in the Middle East, weak market conditions in China, and component shortages. We also revised down our Industrial business outlook because some customers have postponed product deliveries. However, we expect these issues to be resolved next year.

Meanwhile, Printing, which showed improving performance in the third quarter, has been steadily securing orders heading into the fourth quarter, leading us to raise our sales projection.

Although we lowered our projections for sales and profit due to the weakness in the Medical Business Unit, we remain committed to achieving sales and profit growth as a whole for the full year.

2026 Financial Projection (Full Year)



(Billions of yen)	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	4,766.0	4,624.7	+3.1%	4,800.0	-34.0
Gross Profit (% of Net Sales)	2,253.0 47.3%	2,162.0 46.7%	+4.2%	2,268.0 47.3%	-15.0
Op. Expenses (% of Net Sales)	1,797.0 37.7%	1,706.6 36.9%		1,803.0 37.6%	+6.0
Op. Profit (% of Net Sales)	456.0 9.6%	455.4 9.8%	+0.1%	465.0 9.7%	-9.0
IBT	483.0	482.1	+0.2%	492.0	-9.0
Net Income (% of Net Sales)	333.0 7.0%	332.1 7.2%	+0.3%	340.0 7.1%	-7.0
USD	157.58	149.71		156.56	
EUR	182.90	169.41		182.08	
Impact of exchange rate movement (4Q impact given a one yen change)					
		Net Sales		Op. Profit	
USD		3.5 billion yen		0.7 billion yen	
EUR		1.8 billion yen		0.8 billion yen	

8

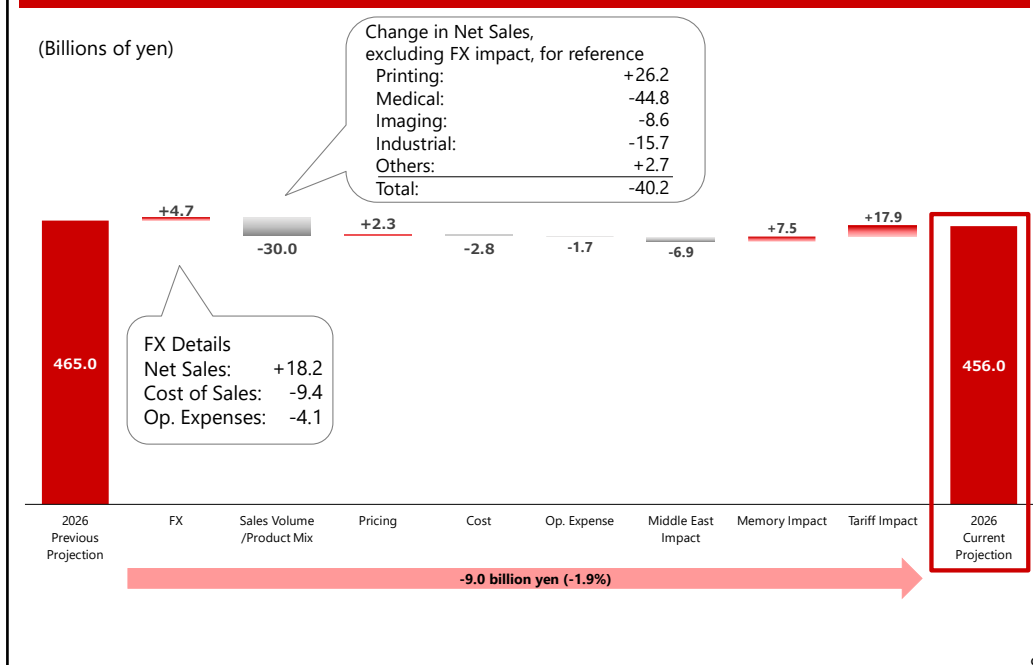
Compared with our previous projection, we lowered our full-year outlook for net sales by 34.0 billion yen to 4 trillion 766.0 billion yen, representing 3.1% growth. We also lowered our outlook for operating profit by 9.0 billion yen to 456.0 billion yen, which would be 0.1% higher than last year, and our net income projection by 7.0 billion yen to 333.0 billion yen, representing 0.3% growth.

We view achieving these targets as the minimum requirement, and over the remainder of the year, we will work to generate as much additional sales and profit as possible.

2026 Operating Profit Analysis

(FY 2026 Current Projection versus Previous Projection)

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Changes in foreign exchange rates are expected to have a positive impact of 4.7 billion yen for the full year. This positive impact reflects the weaker yen in the third quarter as our fourth-quarter exchange rate assumptions remain unchanged from the previous projection at 155 yen to the U.S. dollar and 180 yen to the euro.

Volume and product mix are expected to have a negative impact of 30.0 billion yen, mainly reflecting the downward revision to our Medical sales plan.

On the positive side, the additional U.S. tariffs are now expected to be 12.5%, compared with the 15% rate assumed previously, resulting in lower costs. In addition, we reviewed strategic investments funded by tariff refunds in light of cost increases driven by higher memory and crude oil prices. Together, these factors are expected to have a positive impact of 17.9 billion yen, partially offsetting higher costs.

As a result, operating profit is expected to decrease by 9.0 billion yen from the previous projection to 456.0 billion yen.

Review of Business Structure

(Billions of yen)

		2025	2026				
		Full Year	1Q	2Q	3Q	4Q	Full year Current Projection
Sales	Cost	-7.9	-0.7	-2.0	-4.8	-7.5	-14.9
Structural Reform	Effect	22.0	0.8	2.1	2.5	2.5	7.9
	PL Impact	14.1	0.1	0.1	-2.3	-5.0	-7.0
Production	Cost	-14.7	-0.8	-13.6	-4.6	-2.8	-21.8
Structural Reform	Effect	0	0.3	0.7	6.5	7.3	14.8
	PL Impact	-14.7	-0.5	-12.9	1.9	4.5	-7.0
Medical Business	Cost	-3.6	-0.3	-0.1	-0.2	-0.1	-0.7
	Effect	11.5	1.0	3.0	4.3	1.7	10.0
Innovation	PL Impact	7.9	0.7	2.9	4.1	1.6	9.3
Total	Cost	-26.2	-1.8	-15.7	-9.6	-10.4	-37.4
	Effect	33.5	2.1	5.8	13.3	11.6	32.7
	PL Impact	7.3	0.3	-9.9	3.7	1.2	-4.7

10

In Sales, we are reorganizing our operations in Europe and reviewing the balance between direct and indirect sales channels on a country-by-country basis. We have made steady progress on these initiatives through the third quarter. We plan to incur costs of 14.9 billion yen this year and expect benefits of 7.9 billion yen. However, next year the benefits are expected to substantially exceed the associated costs.

Regarding Production, most of the associated costs had already been incurred by the end of the third quarter, as the consolidation of production sites, which began in earnest in the second half of last year, has progressed steadily. While we expect to record restructuring costs of 21.8 billion yen for the full year, savings in indirect expenses have already exceeded those costs by a wide margin since the third quarter. For the full year, we expect these reforms to generate benefits of 14.8 billion yen.

In Medical, reforms have progressed steadily through initiatives such as consolidating overseas call centers to improve service efficiency and reducing external spending. These initiatives are expected to contribute 10.0 billion yen to profit for the full year.

Our structural reform initiatives aimed at improving profitability are progressing steadily.

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	2,579.4	2,494.4	+3.4%	2,544.2	+35.2
	Op. Profit	262.8	255.8	+2.8%	256.0	+6.8
	(%)	(10.2%)	(10.3%)		(10.1%)	
Medical	Net Sales	522.7	580.6	-10.0%	568.2	-45.5
	Op. Profit	3.6	32.8	-89.0%	22.8	-19.2
	(%)	(0.7%)	(5.6%)		(4.0%)	
Imaging	Net Sales	1,190.7	1,054.9	+12.9%	1,201.5	-10.8
	Op. Profit	191.6	172.9	+10.8%	191.5	+0.1
	(%)	(16.1%)	(16.4%)		(15.9%)	
Industrial	Net Sales	338.6	361.1	-6.2%	353.7	-15.1
	Op. Profit	58.6	62.5	-6.3%	60.3	-1.7
	(%)	(17.3%)	(17.3%)		(17.0%)	
Others & Corporate	Net Sales	247.5	237.1	+4.4%	241.3	+6.2
	Op. Profit	-60.6	-69.5	-	-65.9	+5.3
Eliminations	Net Sales	-112.9	-103.4	-	-108.9	-4.0
	Op. Profit	0.0	0.9	-	0.3	-0.3
Total	Net Sales	4,766.0	4,624.7	+3.1%	4,800.0	-34.0
	Op. Profit	456.0	455.4	+0.1%	465.0	-9.0
	(%)	(9.6%)	(9.8%)		(9.7%)	

11

In the Printing Business Unit, as market conditions continue to recover, we will accelerate sales of new products during the key fourth-quarter selling season. In office MFDs, we expect to raise average selling prices by expanding sales of the new imageFORCE series, for which the product lineup is now complete. In production printing, we will expand our product lineup by adding the B2-format varioPRESS iV7 alongside the B3-format varioPRINT iX1700. Through these initiatives, we plan to increase sales for the Business Unit by 3.4% year over year.

For Medical, operational disruptions related to the production system update have been largely resolved. However, due to growing AI-related demand, we have been unable to secure the planned quantities of printed circuit boards and electronic components. As a result, the normalization of production is now expected to be delayed until the second quarter of next year onward, and we have therefore revised our full-year earnings outlook downward once again.

In Imaging, we have lowered our full-year camera outlook. For interchangeable-lens cameras, this reflects the ongoing conflict in the Middle East and weaker market conditions in China, while for compact cameras, production is expected to fall short of plan due to component shortages. Nevertheless, supported by strong sales of the new full-frame EOS R6 Mark III and EOS R6 V, as well as expanded sales of the compact and lightweight entry-level full-frame EOS R8 Mark II, which will be launched in October, we aim to accelerate growth in the fourth quarter and achieve 8% sales growth for the full year.

For network cameras, market expansion remains strong. We have therefore raised our outlook once again and now expect full-year sales growth of 20%. As a result, we are targeting revenue growth of 12.9% for the Imaging Business Unit as a whole.

In the Industrial Business Unit, revenue will decline because some deliveries of semiconductor lithography equipment have been delayed due to postponements in site preparation and related installation work at customer facilities. However, unit sales of semiconductor lithography systems are expected to increase significantly in the fourth quarter, driven by strong demand from memory customers.

As for nanoimprint lithography, which we are developing as a next-generation semiconductor manufacturing technology, we are making steady progress toward its adoption in mass production beginning in 2027. Leveraging additional equipment that has been shipped, we are steadily advancing process verification and productivity improvement efforts for future mass-production lines.

Inventory

- Deploy inventory built up ahead of the peak selling season to drive sales growth in 4Q
- Year-end inventory expected to remain strategically above normal levels in preparation for next year

(Amt: Billions of yen)		2025				2026			Change	
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end	Sep.-end	vs 25 Sep.	vs 25 Dec.
Printing	Amt.	334.4	346.1	368.1	342.1	355.8	375.3	387.0	+18.9	+44.9
	Days	47	52	55	49	51	55	56	+1	+7
Medical	Amt.	139.8	138.5	148.5	142.4	149.1	156.8	166.3	+17.8	+23.9
	Days	85	90	99	86	88	103	114	+15	+28
Imaging	Amt.	176.3	166.4	172.1	170.3	214.0	223.7	245.1	+73.0	+74.8
	Days	66	64	61	53	68	74	74	+13	+21
Industrial	Amt.	150.7	160.3	154.7	130.0	133.5	140.1	158.0	+3.3	+28.0
	Days	146	183	159	118	133	176	190	+31	+72
Others & Corporate	Amt.	71.6	68.2	70.4	55.6	61.3	65.6	68.6	-1.8	+13.0
Total	Amt.	872.8	879.5	913.8	840.4	913.7	961.5	1,025.0	+111.2	+184.6
	Days	68	73	74	63	69	77	80	+6	+17

12

Inventory at the end of September increased further from the end of June to 1 trillion 25.0 billion yen. This reflects the seasonal buildup of inventories, primarily in the Printing and Imaging Business Units, to support increased sales during the key fourth-quarter selling season. In addition, a large number of semiconductor lithography systems were still in the process of installation, which also contributed to the increase in inventory.

While inventory is expected to decline by the end of December following the peak selling season, we plan to continue to maintain inventory of semiconductor lithography systems at a high level to meet strong demand. In addition, we are moving to secure raw materials and components that are in tight supply at an early stage. As a result, inventory days at year-end are expected to remain above normal levels at around 70 days.

Cash Flow

(Full Year)



- Operating CF to be in line with prior year despite strategic inventory build-up
- Continue investing in growth areas while providing proactive and stable shareholder returns

(Billions of yen)	2026 Current Projection	2026 Previous Projection	2025 Actual	2024 Actual
Net income	333.0	340.0	332.1	325.1
Depreciation and amortization	230.0	230.0	239.2	235.5
Others	-102.0	-25.0	-95.4	46.2
Net cash provided by operating activities	461.0	545.0	475.9	606.8
Net cash used in investing activities	-252.0	-255.0	-237.4	-297.3
Free cash flow	209.0	290.0	238.5	309.5
Net cash provided by (used in) financing activities	-385.0	-445.0	-179.2	-226.0
Effect of exchange rate changes on cash and cash equivalents	-4.0	-6.0	25.1	16.7
Net change in cash and cash equivalents	-180.0	-161.0	84.4	100.2
Cash and cash equivalents at end of period	406.0	425.0	586.0	501.6
Cash-on-hand (In months of Net sales)	1.0	1.0	1.4	1.3

* 2024 net income excludes the impact of impairment loss.

13

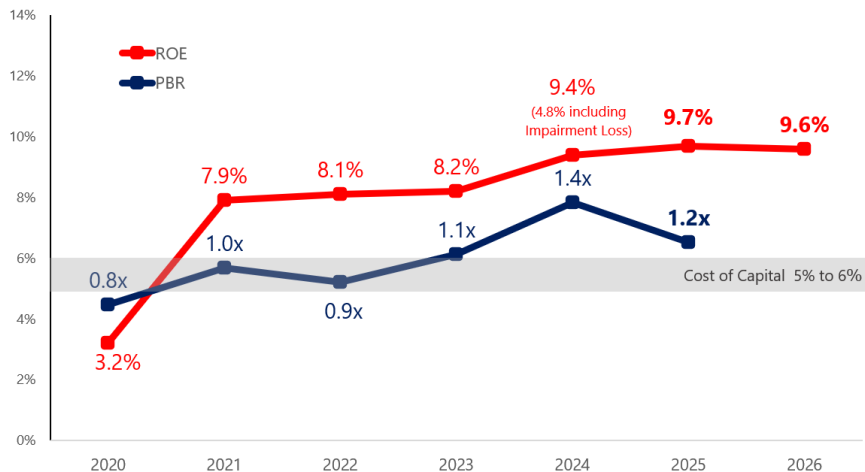
Operating cash flow is expected to remain in line with the previous year at 461.0 billion yen, despite the strategic build-up of component inventories.

In investing activities, capital expenditures are expected to remain in line with past levels. Investments will include expanding semiconductor lithography equipment production capacity at the new Utsunomiya plant, as well as continued investments in the Medical and Network Camera businesses to support future growth.

As for shareholder returns, we plan to maintain our full-year dividend at 160 yen per share. In addition, in September, we completed the 200.0 billion yen share repurchase program announced in January. Going forward, we will continue to deliver proactive and stable shareholder returns while maintaining an appropriate balance with growth investments.

Return on Capital

- 2026 ROE outlook: 9.6%
- Advancing initiatives to improve returns on capital and achieve the targets set out in Phase VII

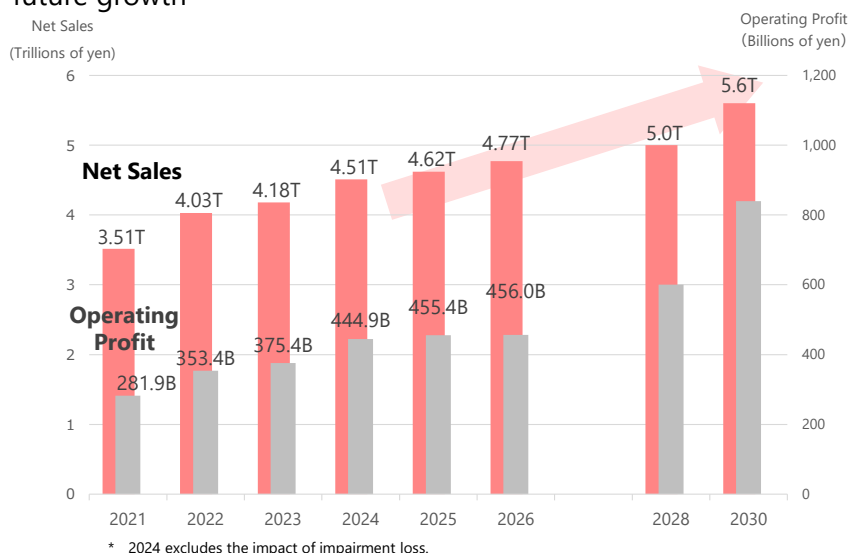


14

Full-year sales and profit are expected to increase. However, because growth in net income is expected to be limited, ROE is projected to remain at 9.6%, largely unchanged from the previous year.

Given the impact of production delays in the Medical Business Unit and geopolitical tensions in the Middle East, meaningful improvement in ROE is now expected to be realized from next year onward. To achieve our Phase VII ROE targets of 12% in 2028 and 15% in 2030, we will steadily translate the benefits of our business structural reforms into earnings while continuing to enhance capital efficiency.

- Achieve revenue and profit growth in 2026, the first year of the current five-year plan, while further enhancing management quality to drive future growth



15

The outlook for the Middle East and the global economy remains uncertain, and we continue to face challenges, including higher memory and raw material costs. However, by leveraging our strong cost-management capabilities and solid management foundation, we will take every possible step to reduce costs and maximize fourth-quarter sales, with the goal of achieving growth in both sales and profits for the full year.

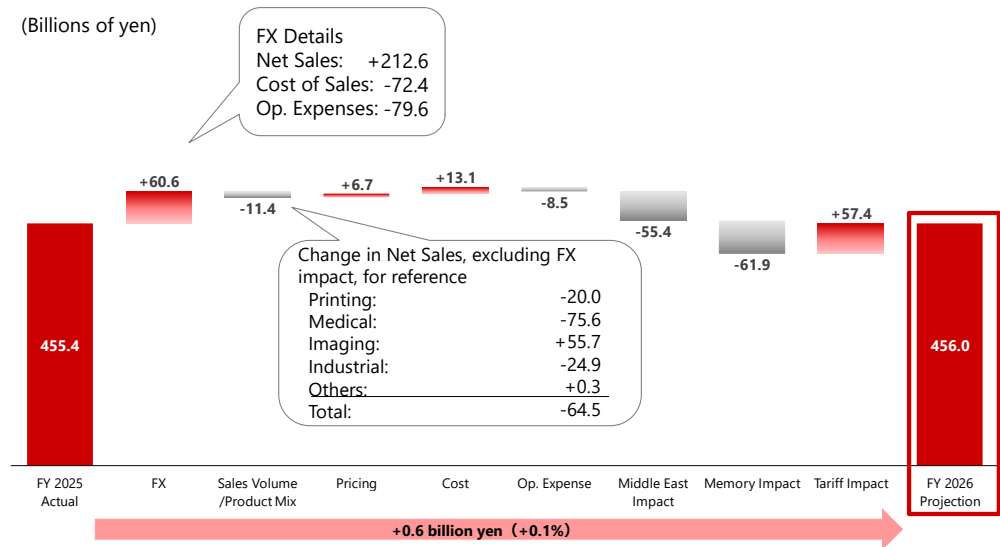
Our medium- to long-term initiatives, including structural reforms, are progressing as planned, and their benefits are expected to become increasingly evident from next year onward. Under the slogan, "Achieving New Growth Through Innovations in Productivity," we will further enhance the quality of our management and pursue further growth as we work toward achieving the targets set forth in our five-year initiative, Phase VII of the Excellent Global Corporation Plan.

Supplementary Information

2026 Operating Profit Analysis

(FY 2026 Projection versus FY 2025 Actual)

(Billions of yen)



Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Production		111.3	107.5	+3.5%	469.1	437.3	+7.3%	469.0	+0.1
Office	Office MFDs	155.6	149.2	+4.2%	658.8	631.6	+4.3%	653.3	+5.5
	Others	109.7	105.0	+4.5%	454.5	432.1	+5.2%	454.2	+0.3
		265.3	254.2	+4.4%	1,113.3	1,063.7	+4.7%	1,107.5	+5.8
Prosumer	LPs	164.6	159.4	+3.2%	647.0	648.1	-0.2%	619.4	+27.6
	IJPs	86.3	82.9	+4.1%	350.0	345.3	+1.4%	348.3	+1.7
		250.9	242.3	+3.5%	997.0	993.4	+0.4%	967.7	+29.3
Net Sales		627.5	604.0	+3.9%	2,579.4	2,494.4	+3.4%	2,544.2	+35.2
Op. Profit		50.6	52.2	-3.0%	262.8	255.8	+2.8%	256.0	+6.8
%		8.1%	8.6%		10.2%	10.3%		10.1%	

Net Sales Growth Rate Y/Y (Local Currency)

Unit Growth Rate Y/Y

	2026				2026		
	3Q	Full Year Projection	Previous Projection		3Q	Full Year Projection	Previous Projection
Production	-3.0%	+1.2%	+1.6%	Office MFDs	-5%	-5%	-4%
Office	-0.4%	+0.3%	+0.0%	LPs	-5%	-2%	-3%
Prosumer	-1.3%	-3.7%	-6.2%	IJPs	+11%	-1%	-7%
Total	-1.3%	-1.1%	-2.2%				

17

Production

Printing companies seeking to improve productivity were among the first to resume investment in digital commercial printing equipment beginning in the second quarter.

In the third quarter, revenue increased due to strong sales of the imagePRESS V series, which is highly regarded for its productivity and reliability, particularly in the Americas. Sales were also supported by the new varioPRINT iX1700, a high-speed cut-sheet printer that offers an attractive balance of price and performance and is aimed at driving replacement demand by encouraging customers to switch from competing systems to Canon equipment.

In the fourth quarter, we plan to further increase hardware sales with the launch of the varioPRESS iV7, which supports B2-size paper and high-volume printing and is designed to accelerate the replacement of analog presses. We also plan to expand sales of the Colorado XL, a hybrid large-format printer capable of printing on both roll media and rigid materials such as acrylic panels.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Production		111.3	107.5	+3.5%	469.1	437.3	+7.3%	469.0	+0.1
Office	Office MFDs	155.6	149.2	+4.2%	658.8	631.6	+4.3%	653.3	+5.5
	Others	109.7	105.0	+4.5%	454.5	432.1	+5.2%	454.2	+0.3
		265.3	254.2	+4.4%	1,113.3	1,063.7	+4.7%	1,107.5	+5.8
Prosumer	LPs	164.6	159.4	+3.2%	647.0	648.1	-0.2%	619.4	+27.6
	IJPs	86.3	82.9	+4.1%	350.0	345.3	+1.4%	348.3	+1.7
		250.9	242.3	+3.5%	997.0	993.4	+0.4%	967.7	+29.3
Net Sales		627.5	604.0	+3.9%	2,579.4	2,494.4	+3.4%	2,544.2	+35.2
Op. Profit		50.6	52.2	-3.0%	262.8	255.8	+2.8%	256.0	+6.8
%		8.1%	8.6%		10.2%	10.3%		10.1%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026		
	3Q	Full Year Projection	Previous Projection
Production	-3.0%	+1.2%	+1.6%
Office	-0.4%	+0.3%	+0.0%
Prosumer	-1.3%	-3.7%	-6.2%
Total	-1.3%	-1.1%	-2.2%

Unit Growth Rate Y/Y

	2026		
	3Q	Full Year Projection	Previous Projection
Office MFDs	-5%	-5%	-4%
LPs	-5%	-2%	-3%
IJPs	+11%	-1%	-7%

17

Office MFDs

Customers had been postponing investments in office multifunction devices since the second half of last year due to uncertainty about the economic outlook. However, customer purchasing activity picked up in the second quarter, signaling signs of a market recovery.

In the third quarter, pick up in business negotiations began translating into actual sales, resulting in revenue growth mainly in the Americas and Asia. The new imageFORCE series, which has been highly rated for its core performance attributes, including image quality, energy efficiency, and ease of maintenance, was expanded with the launch of lower-speed models in June. This has strengthened our ability to address a wide range of customer needs through a comprehensive product lineup. Orders continue to build ahead of the fourth-quarter peak selling season, and we expect average selling prices to increase as the share of the new series in our sales mix rises. As a result, we are targeting 4.3% revenue growth for the full year.

Office Others

In the IT Solutions Business, revenue continued to grow in the third quarter, primarily in Japan. Growth was driven by an increase in digital transformation (DX) projects in the financial and education sectors, as well as rising demand for cybersecurity solutions amid increasingly sophisticated and faster AI-driven cyberattacks.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Production		111.3	107.5	+3.5%	469.1	437.3	+7.3%	469.0	+0.1
Office	Office MFDs	155.6	149.2	+4.2%	658.8	631.6	+4.3%	653.3	+5.5
	Others	109.7	105.0	+4.5%	454.5	432.1	+5.2%	454.2	+0.3
		265.3	254.2	+4.4%	1,113.3	1,063.7	+4.7%	1,107.5	+5.8
Prosumer	LPs	164.6	159.4	+3.2%	647.0	648.1	-0.2%	619.4	+27.6
	IJPs	86.3	82.9	+4.1%	350.0	345.3	+1.4%	348.3	+1.7
		250.9	242.3	+3.5%	997.0	993.4	+0.4%	967.7	+29.3
Net Sales		627.5	604.0	+3.9%	2,579.4	2,494.4	+3.4%	2,544.2	+35.2
Op. Profit		50.6	52.2	-3.0%	262.8	255.8	+2.8%	256.0	+6.8
%		8.1%	8.6%		10.2%	10.3%		10.1%	

Net Sales Growth Rate Y/Y (Local Currency)

Unit Growth Rate Y/Y

	2026		
	3Q	Full Year Projection	Previous Projection
Production	-3.0%	+1.2%	+1.6%
Office	-0.4%	+0.3%	+0.0%
Prosumer	-1.3%	-3.7%	-6.2%
Total	-1.3%	-1.1%	-2.2%

	2026		
	3Q	Full Year Projection	Previous Projection
Office MFDs	-5%	-5%	-4%
LPs	-5%	-2%	-3%
IJPs	+11%	-1%	-7%

17

Prosumer

In the Prosumer segment, due to the challenging market environment, sales in the first half of the year decreased compared to the same period last year. However, market conditions improved in the third quarter, and revenue exceeded the level recorded in the same period last year.

The laser printer business also continued to recover gradually, with both hardware and consumables returning to year-on-year growth in the third quarter.

In the fourth quarter, we will expand sales of the new medium- to high-speed printer models introduced in the first half of the year, particularly in countries and regions where high print volumes are expected. Equipped with high-speed printing and advanced document processing capabilities, these models are expected to drive hardware sales growth and contribute to consumables revenue growth from next year onward.

For inkjet printers, hardware sales had continued to decline due to weak market conditions in Europe and the United States, where cartridge models account for a large share of the market. However, in the third quarter, revenue increased as the cartridge models introduced last year continued to gain traction, driven by their ease of use. Sales expanded steadily, with one of the models becoming the No. 1 selling model in units in the U.S. market.

In the fourth quarter, we will further increase sales of new cartridge models to drive consumables revenue growth next year. We also aim to increase sales of refillable ink tank models, particularly in Asia, where the market continues to expand, and achieve overall revenue growth.

Printing Hardware & Non-hardware Sales



Net Sales Growth Rate of Printing Hardware & Non-hardware

			2026		2025	
			3Q	Full Year Projection	3Q	Full Year Actual
Production	JPY	Hardware	-4%	+8%	+3%	-4%
		Non-hardware	+8%	+7%	+1%	+1%
	LC	Hardware	-10%	+3%	+1%	-5%
		Non-hardware	+1%	0%	0%	0%
Office MFDs	JPY	Hardware	+1%	+5%	-7%	-5%
		Non-hardware	+7%	+3%	+2%	0%
	LC	Hardware	-5%	0%	-8%	-5%
		Non-hardware	+1%	-2%	+1%	0%
LPs	JPY	Hardware	+3%	0%	-22%	-12%
		Non-hardware	+3%	0%	+4%	0%
	LC	Hardware	-1%	-4%	-23%	-12%
		Non-hardware	-1%	-3%	+2%	+1%
IJPs	JPY	Hardware	+19%	+5%	-4%	+2%
		Non-hardware	-7%	-2%	+3%	-2%
	LC	Hardware	+11%	0%	-5%	+1%
		Non-hardware	-13%	-7%	+2%	-3%

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Net Sales	129.9	132.9	-2.2%	522.7	580.6	-10.0%	568.2	-45.5
Op. Profit	2.4	6.4	-61.5%	3.6	32.8	-89.0%	22.8	-19.2
%	1.9%	4.8%		0.7%	5.6%		4.0%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026		
	3Q	Full Year Projection	Previous Projection
Total	-7.5%	-14.2%	-6.2%

19

Medical

In the third quarter, revenue continued to decline from the previous year, as operational disruptions associated with the production system update implemented in April and component shortages caused by a fire at a supplier prevented us from supplying products within normal lead times.

We have been working to restore production to normal levels by September and planned to minimize the impact on this year's performance by increasing production as much as possible in the fourth quarter. However, strong AI-related demand has created shortages of printed circuit boards and the electronic components used in them, and we now expect to fall short of our procurement targets. As a result, we have lowered our fourth-quarter production and sales plans. Consequently, the estimated impact on full-year revenue has increased by approximately 45.0 billion yen from our previous projection to around 90.0 billion yen, leading us to revise our outlook downward once again.

Going forward, we will use every available means, including alternative sourcing, to secure printed circuit boards. However, production is not expected to return to normal until the second quarter of next year onward. In the meantime, we will work closely with customers by adjusting delivery schedules to align with equipment installation plans at healthcare institutions and providing loaner systems where necessary. Through these efforts, we will strive to maintain our customer relationships and preserve our customer base.

Looking beyond these near-term challenges, initiatives aimed at future growth are progressing as planned, including improving profitability through business transformation activities and strengthening our sales capabilities, particularly in the United States. In addition, our next-generation Photon Counting CT technology continues to make steady progress, with new orders being secured in Japan and systems being introduced overseas for clinical research.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Cameras	158.8	152.7	+4.0%	675.9	625.5	+8.1%	698.0	-22.1
Network Cameras & Others	136.1	100.9	+34.9%	514.8	429.4	+19.9%	503.5	+11.3
Net Sales	294.9	253.6	+16.3%	1,190.7	1,054.9	+12.9%	1,201.5	-10.8
Op. Profit	46.8	38.1	+22.7%	191.6	172.9	+10.8%	191.5	+0.1
%	15.9%	15.0%		16.1%	16.4%		15.9%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026		
	3Q	Full Year Projection	Previous Projection
Cameras	-3.6%	+1.5%	+5.4%
NWCs & Others	+25.7%	+13.1%	+11.3%
Total	+8.1%	+6.2%	+7.8%

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

	2026		
	3Q	Full Year Projection	Previous Projection
Units (Millions)	0.62	2.75	2.80
Growth Rate	-16%	-5%	-3%

20

Cameras

The compact camera market is expanding as the number of new camera users continues to increase, with younger generations accounting for much of this growth. Demand for interchangeable-lens cameras also remains solid outside the Middle East, where conflicts continue, and China, where consumer spending remains sluggish, supporting our expectation that the market will reach 6.3 million units this year.

In the third quarter, revenue from compact cameras, for which demand remains strong, increased by more than 50%, following similarly strong growth recorded in the first half of the year. Although unit sales of interchangeable-lens cameras were lower than the previous year, the average selling price continued to rise, supported by the full-frame EOS R6 Mark III launched in November last year and the EOS R6 V for video creators launched in June this year. As a result, revenue from cameras as a whole increased 4.0% year on year.

For the full year, we lowered our outlook for interchangeable-lens camera unit sales to 2.75 million units by reducing our sales forecast for the Middle East and China by 50,000 units. We also lowered our outlook for compact cameras, as this year's production increase is expected to fall short of plan due to component shortages.

Nevertheless, overall sales remain solid. In October, we launched the EOS R8 Mark II, a compact, lightweight, and highly portable entry-level full-frame model. By positioning the model as a step-up option for users seeking a more advanced photography experience and increasing the share of full-frame models in our sales mix, we aim to achieve 8.1% revenue growth for the camera business as a whole this year.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Cameras	158.8	152.7	+4.0%	675.9	625.5	+8.1%	698.0	-22.1
Network Cameras & Others	136.1	100.9	+34.9%	514.8	429.4	+19.9%	503.5	+11.3
Net Sales	294.9	253.6	+16.3%	1,190.7	1,054.9	+12.9%	1,201.5	-10.8
Op. Profit	46.8	38.1	+22.7%	191.6	172.9	+10.8%	191.5	+0.1
%	15.9%	15.0%		16.1%	16.4%		15.9%	

Net Sales Growth Rate Y/Y (Local Currency)

	2026		
	3Q	Full Year Projection	Previous Projection
Cameras	-3.6%	+1.5%	+5.4%
NWCs & Others	+25.7%	+13.1%	+11.3%
Total	+8.1%	+6.2%	+7.8%

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

	2026		
	3Q	Full Year Projection	Previous Projection
Units (Millions)	0.62	2.75	2.80
Growth Rate	-16%	-5%	-3%

20

Network cameras

The network camera market is expanding beyond traditional security applications as advances in AI-powered video analytics create a wider range of uses for video data, including marketing support and improvements in manufacturing-site efficiency. We expect the market to continue showing strong growth.

In the third quarter, we significantly increased sales across a wide range of sectors, including data centers and retail, supported by our broad lineup of products equipped with our proprietary SoC (System on Chip), which enables advanced cybersecurity and AI analytics capabilities. As a result, revenue grew by more than 30%, exceeding the strong growth recorded in the first half of the year.

As strong market growth is expected to continue in the fourth quarter, we have once again raised our outlook and are targeting 20% growth for the full year. Supported by our strong global network of sales partners, as well as solutions that combine a broad product lineup with software to meet diverse customer needs, we will outgrow the market.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Optical Equipment	50.1	61.9	-19.1%	254.0	256.4	-0.9%	262.2	-8.2
Industrial Equipment	23.6	23.5	+0.5%	84.6	104.7	-19.2%	91.5	-6.9
Net Sales	73.7	85.4	-13.7%	338.6	361.1	-6.2%	353.7	-15.1
Op. Profit	12.7	13.9	-9.2%	58.6	62.5	-6.3%	60.3	-1.7
%	17.2%	16.3%		17.3%	17.3%		17.0%	

Net Sales Growth Rate Y/Y
(Local Currency)

Lithography Equipment (Units)

Currency)		2026			2026				
		3Q	Full Year Projection	Previous Projection	Semiconductor	KrF i-line	3Q	Full Year Projection	Previous Projection
Opt. Equip.		-20.0%	-1.5%	+1.8%					14
Industrial Equip.		-1.2%	-20.0%	-13.3%			28	155	157
Total		-14.9%	-6.9%	-2.6%			42	221	227
					FPD		2	20	20

21

Optical equipment

Semiconductor manufacturing equipment

The semiconductor lithography equipment market continues to grow, driven by investments in memory and logic semiconductors supported by expanding demand for AI infrastructure. AI-related investments are expected to continue in 2027, and investment in back-end equipment for advanced packaging is also expected to increase. Accordingly, we believe the market will continue to grow.

Third-quarter unit sales were 42 units, remaining below the previous year's level. However, revenue increased due to strong growth in sales of KrF systems which have higher average selling prices than i-Line, particularly for memory applications, driven by expanding AI-related demand. Production capacity expansion to meet strong demand is progressing as planned, and fourth-quarter unit sales are expected to increase significantly to 87 units. As a result, full-year revenue is also expected to increase from the previous year.

For nanoimprint lithography, which we are promoting as our next-generation semiconductor manufacturing technology, customers are making steady progress in process verification using production wafers. The additional equipment shipped in June has also been successfully installed and set up, and efforts are underway to improve productivity for future mass production.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2026 Actual	2025 Actual	% Change	2026 Current Projection	2025 Actual	% Change	2026 Previous Projection	Amount Change
Optical Equipment	50.1	61.9	-19.1%	254.0	256.4	-0.9%	262.2	-8.2
Industrial Equipment	23.6	23.5	+0.5%	84.6	104.7	-19.2%	91.5	-6.9
Net Sales	73.7	85.4	-13.7%	338.6	361.1	-6.2%	353.7	-15.1
Op. Profit	12.7	13.9	-9.2%	58.6	62.5	-6.3%	60.3	-1.7
%	17.2%	16.3%		17.3%	17.3%		17.0%	

Net Sales Growth Rate Y/Y
(Local Currency)

	2026		
	3Q	Full Year Projection	Previous Projection
Opt. Equip.	-20.0%	-1.5%	+1.8%
Industrial Equip.	-1.2%	-20.0%	-13.3%
Total	-14.9%	-6.9%	-2.6%

Lithography Equipment (Units)

		2026		
		3Q	Full Year Projection	Previous Projection
Semiconductor	KrF	14	66	70
	i-line	28	155	157
		42	221	227
FPD		2	20	20

21

Optical equipment

FPD (Flat Panel Display) lithography equipment

Demand for display-equipped devices has fallen significantly due to higher prices caused by U.S. tariffs and rising memory costs. As a result, panel manufacturers have delayed investment plans, leading to a temporary contraction in the FPD lithography equipment market.

Third-quarter unit sales were 2 units, and full-year unit sales are projected to be 20 units, both below the previous year's levels. However, panel manufacturers have recently begun to resume investments, driven by new investments in IT panels and demand for smartphone panels with increasingly advanced functionality and thinner designs. The number of sales opportunities is also increasing, and we expect unit sales to grow from 2027 onward.

Industrial Equipment

Revenue from OLED display manufacturing equipment is expected to decline due to panel manufacturers postponing investments. Sales of semiconductor deposition equipment are also expected to be lower than the previous year due to customer-driven schedule changes and tight component supply. However, orders for memory applications, particularly HBM, have increased significantly due to strong AI-related demand. As a result, we expect revenue growth from 2027 onward.