



Photograph location: Gusukubetomori, Miyakojima City, Okinawa Pref., Japan  
Photographed using: EOS R3 / RF14-35mm F4 L IS USM

# Interim Report for the 124th Business Term

From January 1, 2024 to June 30, 2024

# To Our Shareholders



We are pleased to provide this overview of the first half (from January 1, 2024 to June 30, 2024) of our 124th Business Term.

The global economy continued down a path of gradual recovery. While the European economy remained sluggish due to persistently high interest rates, and the Chinese economy continued to slow down, triggered by a slump in the real estate market, the U.S. economy remained solid.

In the markets in which we operate, we steadily increased sales of semiconductor lithography equipment, digital commercial printing equipment, and medical equipment, products in markets where medium- to long-term growth is expected. As for interchangeable-lens digital cameras, network cameras, and laser printers, market inventory adjustments were completed in the first quarter, leading to a return to sales growth in the second quarter.

Consolidated net sales for the first half of this term increased by 8.2% year on year, and consolidated net income attributable to Canon Inc. increased by 23.0%, reflecting solid sales, especially in our growth businesses. For the first half of the year, sales surpassed the two trillion-yen mark for the first time in 16 years, approaching our record high set in 2007.

Based on our first-half results, as previously announced, we decided to pay 75.00 yen per share for the interim dividend for this term, which is 5.00 yen higher than the interim dividend for the previous term (The annual dividend for this term is expected to be 150.00 yen per share.)

Although political and economic uncertainty continues, we aim to achieve our fourth consecutive year of sales and profit growth by accelerating sales expansion in growing markets for products such as semiconductor lithography equipment, digital commercial printing equipment, medical equipment, and network cameras, and by stimulating demand for cameras and inkjet printers through the launch of new models and enhanced marketing. We will also strive to achieve our performance targets for 2025 set in our five-year management plan, Phase VI of the Excellent Global Corporation Plan, and further increase our corporate value by advancing activities such as sales structure review and medical business innovation, in addition to existing efforts to expand sales and improve profitability.

We look forward to our shareholders' continued support and encouragement.

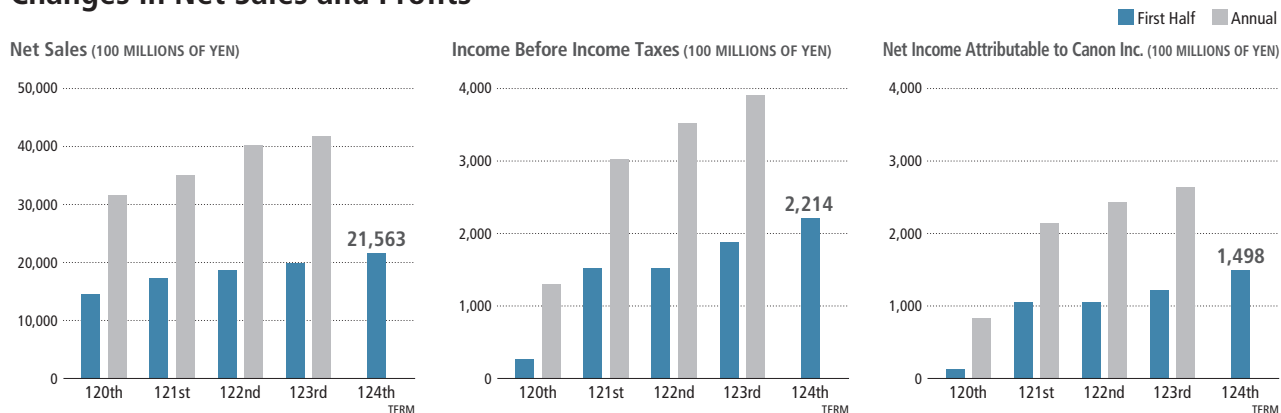
August, 2024

Chairman & CEO **FUJIO MITARAI**

## Highlights of Consolidated Results

- In the first half of this term, we mainly increased sales of growth businesses such as semiconductor lithography equipment, digital commercial printing equipment, and medical equipment. As a result, consolidated net sales for the first half of this term increased by 8.2% year on year.
- Consolidated net income attributable to Canon Inc. for the first half of this term increased by 23.0% year on year thanks to solid sales and efforts to control logistic costs, production costs, and selling expenses.

## Changes in Net Sales and Profits



## Constitution of Sales by Operations (100 MILLIONS OF YEN)

### Industrial Business Unit

**7.6%**  
Sales 1,629  
Increased by 19.0% from the first half of the previous term

### Imaging Business Unit

**19.5%**  
Sales 4,203  
Increased by 2.1% from the first half of the previous term

### Total

Sales 21,563  
Increased by 8.2% from the first half of the previous term

### Others and Corporate

**5.3%**  
Sales 1,150  
Increased by 8.0% from the first half of the previous term

### Printing Business Unit

**57.3%**  
Sales 12,348  
Increased by 9.0% from the first half of the previous term

### Medical Business Unit

**12.8%**  
Sales 2,752  
Increased by 7.0% from the first half of the previous term

### Printing Business Unit

Digital Continuous Feed Presses, Digital Sheet-fed Presses, Large Format Printers, Office Multifunction Devices (MFDs), Document Solutions, Laser Multifunction Printers (MFPs), Laser Printers, Inkjet Printers, Image Scanners, Calculators

### Medical Business Unit

Computed Tomography (CT) Systems, Diagnostic Ultrasound Systems, Diagnostic X-ray Systems, Magnetic Resonance Imaging (MRI) Systems, Digital Radiography Systems, Ophthalmic Equipment, In Vitro Diagnostic Systems and Reagents, Healthcare IT Solutions

### Imaging Business Unit

Interchangeable-Lens Digital Cameras, Interchangeable Lenses, Digital Compact Cameras, Compact Photo Printers, MR Systems, Network Cameras, Video Management Software, Video Content Analytics Software, Digital Camcorders, Digital Cinema Cameras, Broadcast Equipment

### Industrial Business Unit

Semiconductor Lithography Equipment, FPD (Flat Panel Display) Lithography Equipment, OLED Display Manufacturing Equipment, Vacuum Thin-Film Deposition Equipment, Die Bonders

### Others

Handy Terminals, Document Scanners

Notes: 1. The totals do not amount to 100% because the consolidated sales of each business unit include the sales relating to intersegment transactions.

2. In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method for intersegment transactions in "Others and Corporate" starting from this term. Accordingly, the figures for the previous term have also been restated.

## Printing Business Unit

As for commercial printing, where the shift from analog to digital is ongoing, expanding sales of the imagePRESS V-series and Colorado M-series, we continue to post stable growth. At the quadrennial international printing equipment trade fair held in Germany from the end of May, our industry-leading product lineup, including new products, was well received, leading to increased orders. Office multifunction device (MFD) net sales grew as sales of color models have grown over the past few years, leading to growth in our install base and subsequent increase in service revenue. Sales of laser printers returned to growth with the normalization of market inventory.

As a result, sales for this business unit for the first half of this term increased by 9.0% on a consolidated basis, in comparison to the first half of the previous term.

## Medical Business Unit

Sales of diagnostic imaging equipment are growing due to the launch of Aquilion Serve SP, a new 80-row computed tomography (CT) system introduced at the Annual Meeting of the Radiological Society of North America (RSNA) at the end of last year, and the global rollout of the Vantage Fortian 1.5T, which contributed to us achieving the No. 1 MRI market share in Japan last year. In the United States, a key market for growth, we have strengthened our sales structure and increased orders by enhancing our presence, building relationships with medical institutions and medical practitioners who serve as key opinion leaders, such as the partnership with Cleveland Clinic announced last year.

As a result, sales for this business unit for the first half of this term increased by 7.0% on a consolidated basis, in comparison to the first half of the previous term.

## Imaging Business Unit

As for interchangeable-lens digital cameras, we maintain growth as mirrorless camera unit sales continue to exceed the previous year's level. In the second half of the year, we plan to launch the EOS R1, our flagship mirrorless model, and the EOS R5 Mark II, a new mainstream model for professionals and enthusiasts, aiming for further sales growth. Sales of network cameras, whose market has continued to grow particularly in the security applications were sluggish in the first quarter due to inventory adjustments. However, their sales returned to double-digit growth from the second quarter, resulting in overall net sales growth for the first half of the year.

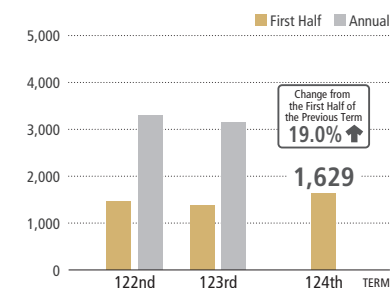
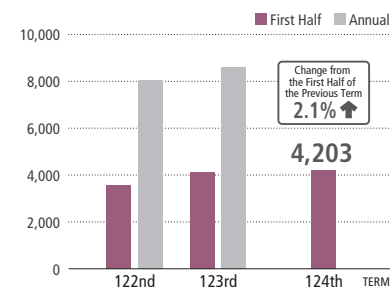
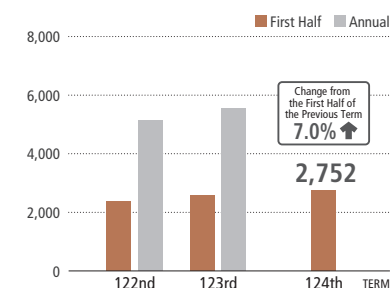
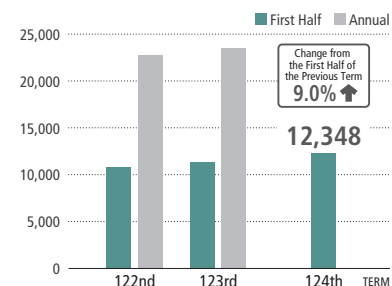
As a result, sales for this business unit for the first half of this term increased by 2.1% on a consolidated basis, in comparison to the first half of the previous term.

## Industrial Business Unit

As for semiconductors, demand for logic and DRAM for generative AI has grown significantly, and with the added trend toward domestic production from an economic security perspective, strong demand for semiconductor lithography equipment has continued. We have increased our unit sales by more than 50% from last year, primarily of equipment for power semiconductors used in electric vehicles (EVs) and back-end processing equipment used for advanced packaging of GPUs. Sales of OLED vapor deposition equipment for IT panels used in notebook PCs and tablets also increased significantly.

As a result, sales for this business unit for the first half of this term increased by 19.0% on a consolidated basis, in comparison to the first half of the previous term.

## Change in Sales (100 MILLIONS OF YEN)







Photon-counting CT under accelerated research for practical application



Network camera market expanding, centered on security applications



Growing mirrorless camera product line-up



Semiconductor lithography equipment sales developing amid semiconductor boom



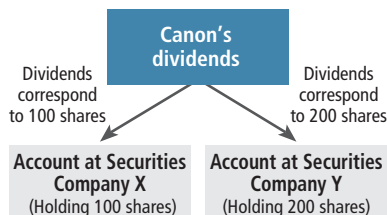
Industry-leading commercial printing products maintain stable business growth

## For Shareholders who Receive Dividends by Exchanging a “Receipt of Dividend” (Guidance for the Direct Deposit of Dividends into an Account)

We recommend the direct deposit of dividends into an account as a safer and more expeditious way to receive dividends. Please select one of the three ways to have dividends deposited into an account, outlined below.

### System of allocating dividends to securities company accounts in proportion to the number of shares held in respective accounts

With this method, the shareholders are able to receive dividends for each account they have with a securities company in proportion to the number of shares they hold.



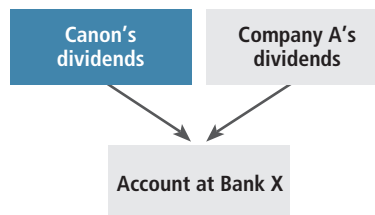
For information regarding procedures:

If you hold shares through a securities company, please contact the securities company where you have an account.

If you don't hold shares through a securities company, please contact Mizuho Trust & Banking Co., Ltd. (0120-288-324; Toll free, available in Japan only)

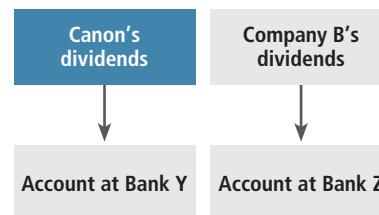
### System of receiving dividends in the account registered for receipt of dividends

With this method, the shareholders are able to receive dividends for all of the issues they hold through one designated account with a financial institution.



### System of designating an account for each issue held

With this method, the shareholders are able to designate the account that the dividends will be transferred to for each issue they hold.



## Share Handling Procedures

| For inquiries  | If you hold shares through a securities company:  | If you don't hold shares through a securities company*): |
|--|---|--|
| Address change   | Please contact the securities company where you have an account.  | Please contact Mizuho Trust & Banking Co., Ltd.          |
| Requests for purchase or sale of shares less than one unit |   |  |
| Changing the method for receiving dividends                |   |  |
| How to receive non-received dividends                      | Stock Transfer Agency Department of Mizuho Trust & Banking Co., Ltd.<br>8-4, Izumi 2-chome, Suginami-ku, Tokyo 168-8507<br>0120-288-324 (Toll free, available in Japan only)<br>Operating hours: 9:00 – 17:00 (Monday – Friday, except national holidays) |  |

\* For the sale of shares, it is necessary to carry out procedures for the transfer of such shares to an account at a securities company etc. Should you have any inquiries about such procedures, please contact Mizuho Trust & Banking Co., Ltd.

**Canon**  
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