



CONSOLIDATED RESULTS FOR THE FOURTH QUARTER AND THE FISCAL YEAR ENDED DECEMBER 31, 2025

January 29, 2026
Canon Inc.

Canon hereby reports that the following consolidated and non-consolidated financial results for the fiscal year ended December 31, 2025 (from January 1, 2025 to December 31, 2025) have been approved today at the board of directors meeting.

CONSOLIDATED RESULTS

(Millions of yen, thousands of U.S. dollars, except per share amounts)

	Actual			Projection		
	Year ended December 31, 2025	Year ended December 31, 2024	Change(%)	Year ended December 31, 2025	Year ending December 31, 2026	Change(%)
Net sales	¥ 4,624,727	¥ 4,509,821	+ 2.5	\$ 29,456,860	¥ 4,765,000	+ 3.0
Operating profit	¥ 455,390	279,754	+ 62.8	¥ 2,900,573	479,000	+ 5.2
Income before income taxes	¥ 482,059	301,161	+ 60.1	¥ 3,070,439	495,000	+ 2.7
Net income attributable to Canon Inc.	¥ 332,053	¥ 160,025	+ 107.5	\$ 2,114,987	¥ 341,000	+ 2.7

Net income attributable to Canon Inc. shareholders per share:

- Basic	¥ 367.48	¥ 165.53	+ 122.0	\$ 2.34	¥ 394.31	+ 7.3
- Diluted	¥ 367.25	¥ 165.44	+ 122.0	\$ 2.34	¥ 394.04	+ 7.3

	Actual			
	As of December 31, 2025	As of December 31, 2024	Change(%)	As of December 31, 2025
Total assets	¥ 6,135,044	¥ 5,766,246	+ 6.4	\$ 39,076,713
Canon Inc. shareholders' equity	¥ 3,491,808	¥ 3,380,273	+ 3.3	\$ 22,240,815

Notes: 1. Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.

2. U.S. dollar amounts are translated from yen at the rate of JPY157=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2025, solely for the convenience of the reader.

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Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

January 29, 2026

**Consolidated Financial Results
for the Fiscal Year Ended December 31, 2025
(Under U.S. GAAP)**

Company name: Canon Inc.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Sapporo Securities Exchange / Fukuoka Stock Exchange
 Securities code: 7751
 URL: <https://global.canon/en/ir/>
 Representative: Fujio Mitarai, Chairman & CEO
 Inquiries: Sachiko Tanino, General Manager, Consolidated Accounting Div.
 Telephone: +81-3-3758-2111
 Scheduled date of annual general meeting of shareholders: March 27, 2026
 Scheduled date to commence dividend payments: March 30, 2026
 Scheduled date to file annual securities report: March 25, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Yen amounts are rounded to millions, unless otherwise noted.)

**1. Consolidated financial results for the fiscal year ended December 31, 2025
(from January 1, 2025 to December 31, 2025)**

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	4,624,727	2.5	455,390	62.8	482,059	60.1	332,053	107.5
December 31, 2024	4,509,821	7.9	279,754	-25.5	301,161	-22.9	160,025	-39.5

Note: Comprehensive income For the fiscal year ended December 31, 2025: ¥ 597,419 million 52.0%
 For the fiscal year ended December 31, 2024: ¥ 393,160 million -20.6%

	Net income attributable to Canon Inc. shareholders per share -Basic	Net income attributable to Canon Inc. shareholders per share -Diluted	Return on Canon Inc. shareholders' equity	Ratio of income before income taxes to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	367.48	367.25	9.7	8.1	9.8
December 31, 2024	165.53	165.44	4.8	5.4	6.2

Reference: Equity in earnings (loss) of affiliates

For the fiscal year ended December 31, 2025: ¥ 106 million
 For the fiscal year ended December 31, 2024: ¥ 730 million

(2) Consolidated financial position

	Total assets	Total equity (Net assets)	Canon Inc. shareholders' equity	Canon Inc. shareholders' equity ratio	Canon Inc. shareholders' equity per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2025	6,135,044	3,774,128	3,491,808	56.9	3,974.81
December 31, 2024	5,766,246	3,645,051	3,380,273	58.6	3,581.36

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended December 31, 2025	Millions of yen 475,903	Millions of yen -237,450	Millions of yen -179,221	Millions of yen 585,981
December 31, 2024	606,831	-297,322	-225,996	501,565

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended December 31, 2024	Yen —	Yen 75.00	Yen —	Yen 80.00	Yen 155.00	Millions of yen 147,903	% 92.4	% 4.4
Fiscal year ended December 31, 2025	—	80.00	—	80.00	160.00	142,414	42.9	4.1
Fiscal year ending December 31, 2026 (Forecast)	—	80.00	—	80.00	160.00		40.2	

As for the dividend per share for the fiscal year ending December 31, 2026, Canon aims for a payout ratio of around 40% without reducing the dividend amount, and under the policy of stable and proactive profit distribution, dividend will be reviewed as necessary taking into account future business performance and financial conditions.

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2026

(from January 1, 2026 to December 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.		Net income attributable to Canon Inc. shareholders per share -Basic
Fiscal year ending December 31, 2026	Millions of yen 4,765,000	% 3.0	Millions of yen 479,000	% 5.2	Millions of yen 495,000	% 2.7	Millions of yen 341,000	% 2.7	Yen 394.31

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(3) Number of issued shares (common stock)

(i) Total number of issued shares at the end of the period (including shares of treasury stock)

As of December 31, 2025	1,333,763,464 shares
As of December 31, 2024	1,333,763,464 shares

(ii) Number of shares of treasury stock at the end of the period

As of December 31, 2025	455,138,571 shares
As of December 31, 2024	389,771,598 shares

(iii) Average number of shares outstanding during the period

For the fiscal year ended December 31, 2025	903,589,986 shares
For the fiscal year ended December 31, 2024	966,762,583 shares

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended December 31, 2025

(from January 1, 2025 to December 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	1,837,606	-2.6	178,187	-19.1	324,303	-30.3	262,055	-44.1
December 31, 2024	1,886,031	13.1	220,221	64.1	465,458	-9.0	469,083	-1.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	289.97	289.79
December 31, 2024	485.14	484.90

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2025	2,980,493	1,531,792	51.3	1,741.54
December 31, 2024	3,026,990	1,716,389	56.7	1,816.90

Reference: Equity

As of December 31, 2025: ¥1,530,156 million

As of December 31, 2024: ¥1,715,135 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Appropriate use of financial forecasts, and other special notes

Financial forecast and forward looking statements in this document are based on the available information at present and contain potential risks and uncertainties. Please be aware that the actual result may differ significantly from the forecast due to changes caused by various factors. Please refer to "I. Operating Results and Financial Conditions, 4. Outlook" on page 4 for assumptions and other matters related to the forecast of financial results.

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I. Operating Results and Financial Conditions

1. 2025 in Review

Looking back at 2025, the global economy continued to recover moderately overall, even as the impact of U.S. tariffs was observed. By region, in the U.S., although inflation advanced due to the impact of tariffs and other factors, personal consumption remained firm throughout the year. In Europe, although labor market conditions and income growth supported personal consumption, the economic recovery remained modest. In China, real estate investment continued to stagnate, and personal consumption slowed as the effects of consumer stimulus measures diminished. In other emerging markets, economic conditions remained firm overall, as domestic demand was steady thanks to fiscal policies implemented in each country and exports also remained at high levels. In Japan, personal consumption continued to recover moderately, supported by stable labor market conditions.

In the markets in which Canon operates, demand for office multifunction devices (MFDs) and commercial printing softened overall, particularly in the U.S., where sluggish market conditions continued due to the impact of tariffs, resulting in postponement of investments. The market for laser printers continued to shrink, mainly in Europe and China. For medical equipment, the market remained strong in the U.S. and emerging markets, while in Japan, the market continued to shrink due to deteriorating financial conditions at hospitals. For cameras, demand for mirrorless cameras continued to expand, and the market for network cameras remained firm in each region. As for the semiconductor lithography equipment, while the recovery of demand for memory devices for smartphones and PCs was delayed and there was also a tendency for investments in power semiconductors to be postponed, AI-related demand continued to expand. For FPD (Flat Panel Display) lithography equipment, demand increased thanks to large investments in panels for computer monitors and digital device screens, as well as additional investments for smartphone panels driven by advancements in functionality.

The average value of the yen against the U.S. dollar for the year was ¥149.71, a year-on-year appreciation of approximately ¥2. The average value of the yen against the euro was ¥169.41, a year-on-year depreciation of approximately ¥5.

As for the performance in 2025, although sales of the Printing Business Unit decreased compared to the previous year due to the continuing trend of postponing investment in Europe and the U.S., the Medical Business Unit remained solid in the U.S. and emerging markets. Sales were strong for network cameras, a market that continues to grow, and for cameras that captured demand such as for video shooting. As a result, net sales for 2025, the final year of Phase VI of the Excellent Global Corporation Plan, increased by 2.5% year-on-year to ¥4,624.7 billion, achieving record-high sales for the second consecutive year. Although gross profit as a percentage of net sales decreased by 0.8 points year-on-year to 46.7%, gross profit increased by 0.9% year-on-year to ¥2,162.0 billion due to the sales increase. Operating expenses decreased by 8.4% year-on-year to ¥1,706.6 billion, reflecting the absence of the impairment loss on goodwill recorded in the Medical Business Unit in 2024, as well as the effects of structural reforms overseas and thorough expense management in 2025. As a result, operating profit increased by 62.8% year-on-year to ¥455.4 billion, income before income taxes increased by 60.1% year-on-year to ¥482.1 billion, and net income attributable to Canon Inc. increased by 107.5% year-on-year to ¥332.1 billion. Profit increased at each level compared with the previous year's adjusted profit excluding impairment loss on goodwill as well.

Basic net income attributable to Canon Inc. shareholders per share was ¥367.48 for the year, a year-on-year increase of ¥201.95.

2. Results by Segment

Looking at Canon's full year performance by business unit, in the Printing Business Unit, sales of equipment for the production printing market decreased year-on-year due to the impact of postponed investments in the U.S. As for office MFDs, although there was an increase in sales of imageFORCE, a new series launched in the second half of the year, unit sales decreased overall mainly in Europe and the U.S. As for inkjet printers, unit sales increased compared with the previous year due to solid sales of refillable ink tank models. Sales of laser printers decreased year-on-year mainly in Europe and China, where market shrinkage continued. As a result, total sales for the Printing Business Unit decreased by 1.1% year-on-year to ¥2,494.4 billion, while income before income taxes decreased by 10.0% year-on-year to ¥273.6 billion.

In the Medical Business Unit, sales were firm overall. Sales in Japan and Europe were sluggish, but in the U.S., sales through newly contracted distributors began in earnest in the second half of the year, and sales also increased in emerging markets such as the Middle East and South America, which are priority regions for the business unit. As a result, total sales for the Medical Business Unit increased by 2.1% year-on-year to ¥580.6 billion, while adjusted income before income taxes excluding impairment loss on goodwill increased by 33.1% year-on-year to ¥34.1 billion, partly thanks to the ongoing efforts of the Medical Business Innovation Committee.

In the Imaging Business Unit, sales increased due to the favorable performance of products for video creators such as the EOS R50 V and PowerShot V1, which captured demand from younger customers, as well as increased sales of the full-frame model EOS R6 Mark III launched at the end of the fiscal year. Sales of network cameras also grew steadily during the fiscal year, partly thanks to the introduction of new products equipped with newly developed chips that significantly improved functionality. As a result, total sales for the Imaging Business Unit increased by 12.5% year-on-year to ¥1,054.9 billion, while income before income taxes increased by 14.5% year-on-year to ¥176.8 billion.

In the Industrial Business Unit, although demand for semiconductor lithography equipment for producing memory and power semiconductors was weak, AI-related demand remained strong, and unit sales of Canon's advanced back-end lithography systems, which have become the industry standard, exceeded those of the previous year. As for FPD lithography equipment, unit sales also exceeded those of the previous year as the business unit captured additional investment demand resulting from higher functionality in smartphone panels. As a result, total sales for the Industrial Business Unit increased by 2.7% year-on-year to ¥361.1 billion, while income before income taxes decreased by 7.9% year-on-year to ¥64.8 billion partly due to a negative impact from the product mix.

3. Financial Conditions in Review

Financial Conditions

As of December 31, 2025, total assets increased by ¥368.8 billion to ¥6,135.0 billion, compared to the end of the previous year, mainly from an increase in foreign-currency-denominated assets due to the depreciation of the yen, and an increase in cash and cash equivalents. Total liabilities increased by ¥239.7 billion to ¥2,360.9 billion from the end of the previous year mainly due to additional borrowing to meet working capital requirements. The balance of total equity increased by ¥129.1 billion to ¥3,774.1 billion compared to the end of the previous year, due to an increase in net income attributable to Canon Inc. shareholders, and an increase in foreign currency translation adjustments caused by the depreciation of the yen, partially offset by dividends to Canon Inc. shareholders and three rounds of treasury stock repurchases.

As a result, Canon Inc.'s shareholders' equity as a percentage of total assets decreased by 1.7 points to 56.9% compared to the end of the previous year.

Cash Flow

During 2025, cash flow from operating activities resulted in an inflow of ¥475.9 billion, a year-on-year decrease of ¥130.9 billion, as decreases in inventories resulting from efforts to optimize work in process were more than offset by a decrease in trade payables due in part to revisions to payment terms with suppliers. Although the amount of fixed asset purchases increased, including investment in a new plant for semiconductor lithography equipment at the Utsunomiya Office, the increase was more than offset by proceeds from sales of property, plant and equipment and by a decrease in acquisition-related cash outflows from the previous year (which included the acquisition of Primagest, Inc.). Overall cash outflows from investing activities were lower by ¥59.9 billion year-on-year, totaling ¥237.4 billion. As a result, free cash flow decreased by ¥71.0 billion compared with the previous year to ¥238.5 billion.

Cash flow from financing activities resulted in an outflow of ¥179.2 billion, a decrease of ¥46.8 billion compared with the previous year. This was mainly due to an increase in loans in response to higher working capital requirements, despite proactive shareholder return measures, such as dividend increases and three rounds of treasury stock repurchases.

As a result of these factors, combined with the effect of exchange rate fluctuations, cash and cash equivalents increased by ¥84.4 billion to ¥586.0 billion from the end of the previous year.

4. Outlook

As for the outlook for 2026, in the IMF's World Economic Outlook published in January 2026, the global growth rate forecast was revised upward from the forecast published in October 2025. As also indicated by this forecast, although uncertainty is expected to persist due to such factors as trade policy changes and the potential for heightened geopolitical risks, the global economy is expected to remain firm, led by robust AI-related investment that has continued since last year and supported by monetary easing and fiscal measures in many countries.

In the markets in which Canon operates, although it is anticipated that it will take time for market conditions for office MFDs to recover in some regions, demand for printing equipment that facilitates digital transformation in areas such as cloud connectivity, is expected to remain solid. For laser and inkjet printers, although the market is expected to continue to shrink, demand for refillable ink tank models is expected to remain stable. For medical equipment, demand is expected to increase mainly in the U.S. and emerging markets. In the camera market, market growth is expected to continue for both mirrorless cameras and compact cameras, driven by the needs for video shooting and an increase in new users, mainly among younger generations. For network cameras, stable demand is expected to continue in diverse fields including security. For semiconductor lithography equipment, demand is expected to remain solid supported by strong demand for AI-related applications. For FPD lithography equipment, although there are moves such as additional investments driven by the increasing functionality of smartphone panels, the market is expected to shrink due to delayed investments resulting from the impact of U.S. tariffs.

With regard to the currency exchange rates on which Canon bases its performance outlook, Canon anticipates exchange rates of ¥150 to the U.S. dollar and ¥175 to the euro. For the full year, this represents an exchange rate unchanged from the previous year against the U.S. dollar and depreciation of approximately ¥6 against the euro for the full fiscal year from the previous year.

Having taken the aforementioned currency exchange rates into consideration, as well as recent economic forecasts, Canon projects full-year consolidated net sales of ¥4,765.0 billion, a year-on-year increase of 3.0%; operating profit of ¥479.0 billion, a year-on-year increase of 5.2%; income before income taxes of ¥495.0 billion, a year-on-year increase of 2.7%; and net income attributable to Canon Inc. of ¥341.0 billion, a year-on-year increase of 2.7%. While maintaining the momentum built under Phase VI of the Excellent Global Corporation Plan and promoting structural reforms aimed at further improving profitability, Canon expects expanded sales of its highly competitive products. In 2026, which is also the first year of Phase VII of the Excellent Global Corporation Plan, Canon aims to achieve record sales for the third consecutive year and an operating profit margin exceeding 10%.

This document contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this document. Please refer to Canon's most recent disclosure documents such as the Annual Securities Report, which are available on its website, for more information on the risks and uncertainties that may affect Canon's business, financial condition and results of operations. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

II. Basic Concept Regarding the Selection of Accounting Standards

Canon will voluntarily adopt International Financial Reporting Standards ("IFRS") for its consolidated financial statements, in lieu of the currently applied Generally Accepted Accounting Principles of the United States ("US GAAP"), from the first quarter of fiscal year 2027. This decision was made with the main goals of maintaining the quality of Canon's financial and management reporting systems over the medium- to long-term and improving the international comparability of financial information in the capital markets.

III. Consolidated Financial Statements

1. Consolidated Balance Sheet

	Millions of yen		
	As of December 31, 2025	As of December 31, 2024	Change
Assets			
Current assets			
Cash and cash equivalents	2,617,021	2,450,083	166,938
Short-term investments	585,981	501,565	27,671
Trade receivables	32,446	4,775	28,218
Inventories	733,809	705,591	(1,391)
Current lease receivables	840,445	841,836	(1,391)
Prepaid expenses and other current assets	175,798	167,612	8,186
Allowance for credit losses	265,266	245,665	19,601
	(16,724)	(16,961)	237
Non-current assets	3,518,023	3,316,163	201,860
Noncurrent receivables	45,743	29,614	16,129
Investments	103,602	113,241	(9,639)
Property, plant and equipment, net	1,190,682	1,147,380	43,302
Operating lease right-of-use assets	126,997	136,717	(9,720)
Intangible assets, net	259,661	275,391	(15,730)
Goodwill	985,806	915,258	70,548
Noncurrent lease receivables	365,734	363,749	1,985
Prepaid pension and severance cost	336,986	209,123	127,863
Other assets	107,916	130,446	(22,530)
	(5,104)	(4,756)	(348)
Total assets	6,135,044	5,766,246	368,798
Liabilities and Equity			
Current liabilities			
Short-term loans and current portion of long-term debt	1,704,060	1,546,306	157,754
Short-term loans related to financial services	511,139	318,330	192,809
Other short-term loans and current portion of long-term debt	38,100	40,400	(2,300)
Trade payables	473,039	277,930	195,109
Accrued income taxes	310,832	350,128	(39,296)
Accrued expenses	65,550	78,438	(12,888)
Current operating lease liabilities	474,052	433,329	40,723
Other current liabilities	43,096	41,876	1,220
	299,391	324,205	(24,814)
Non-Current liabilities			
Long-term debt, excluding current portion of long-term debt	656,856	574,889	81,967
Accrued pension and severance cost	304,970	205,075	99,895
Noncurrent operating lease liabilities	149,503	166,153	(16,650)
Other noncurrent liabilities	86,954	98,219	(11,265)
	115,429	105,442	9,987
Total liabilities	2,360,916	2,121,195	239,721
Canon Inc. shareholders' equity			
Common stock	3,491,808	3,380,273	111,535
Additional paid-in capital	174,762	174,762	-
Retained earnings	408,920	412,287	(3,367)
Legal reserve	4,064,922	3,880,561	184,361
Other retained earnings	62,382	61,893	489
Accumulated other comprehensive income (loss)	4,002,540	3,818,668	183,872
Treasury stock, at cost	701,248	470,897	230,351
	(1,858,044)	(1,558,234)	(299,810)
Noncontrolling interests	282,320	264,778	17,542
Total equity	3,774,128	3,645,051	129,077
Total liabilities and equity	6,135,044	5,766,246	368,798

* Canon has changed the presentation of “Prepaid pension and severance cost” separated from “Other assets” in the consolidated balance sheet from the fourth quarter of 2025. To conform with this change, the same reclassification has been made on the balances as of December 31, 2024.

	Millions of yen	
	As of December 31, 2025	As of December 31, 2024
Notes:		
1. Accumulated depreciation	3,304,002	3,203,327
2. Accumulated other comprehensive income (loss):		
Foreign currency translation adjustments	665,412	519,361
Net unrealized gains and losses on securities	77	31
Net gains and losses on derivative instruments	(1,786)	(1,519)
Pension liability adjustments	37,545	(46,976)

2. Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income

Results for the fourth quarter**Consolidated statement of income**

	Millions of yen				
	Three months ended		Three months ended		Change
	December 31, 2025	%	December 31, 2024	%	
Net sales	1,321,836	100.0	1,273,710	100.0	48,126
Cost of sales	707,604	53.5	677,006	53.2	30,598
Gross profit	614,232	46.5	596,704	46.8	17,528
Operating expenses:					
Selling, general and administrative expenses	368,075	27.9	356,940	27.9	11,135
Research and development expenses	93,122	7.0	91,548	7.2	1,574
Impairment losses on goodwill	-	-	165,100	13.0	(165,100)
Operating profit (loss)	461,197	34.9	613,588	48.1	(152,391)
Other income (deductions):					
Interest and dividend income	3,960		4,045		(85)
Interest expense	(2,289)		(1,258)		(1,031)
Other, net	13,204		4,489		8,715
Income (loss) before income taxes	14,875	1.1	7,276	0.5	7,599
Income taxes	167,910	12.7	(9,608)	(0.8)	177,518
Consolidated net income (loss)	46,947	3.5	40,627	3.1	6,320
Less: Net income attributable to noncontrolling interests	120,963	9.2	(50,235)	(3.9)	171,198
Net income (loss) attributable to Canon Inc.	8,481	0.7	8,309	0.7	172
	112,482	8.5	(58,544)	(4.6)	171,026

Note

Canon includes "adjusted income before income taxes," which is a non-U.S. GAAP measure, in its disclosure.

Canon believes this measure helps investors better understand Canon's recurring business performance.

A reconciliation from income (loss) before income taxes to adjusted income before income taxes is set forth on the following table.

Reconciliation from income (loss) before income taxes to adjusted income before income taxes

	Millions of yen				
	Three months ended		Three months ended		%
	December 31, 2025	%	December 31, 2024	%	
Income (loss) before income taxes	167,910	12.7	(9,608)	(0.8)	
Impairment losses on goodwill	-		165,100		
Adjusted income before income taxes	167,910	12.7	155,492	12.2	

Consolidated statement of comprehensive income

	Millions of yen				
	Three months ended		Three months ended		Change
	December 31, 2025	%	December 31, 2024	%	
Consolidated net income (loss)	120,963		(50,235)		171,198
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	139,098		130,167		8,931
Net unrealized gains and losses on securities	10		(39)		49
Net gains and losses on derivative instruments	(783)		(2,909)		2,126
Pension liability adjustments	90,315		62,706		27,609
Comprehensive income (loss)	228,640		189,925		38,715
Less: Comprehensive income (loss) attributable to noncontrolling interests	349,603		139,690		209,913
Comprehensive income (loss) attributable to Canon Inc.	17,808		16,222		1,586
	331,795		123,468		208,327

Results for the fiscal year**Consolidated statement of income**

	Millions of yen				
	Year ended		Year ended		Change
	December 31, 2025	%	December 31, 2024	%	
Net sales	4,624,727	100.0	4,509,821		114,906
Cost of sales	2,462,772	53.3	2,366,726	52.5	96,046
Gross profit	2,161,955	46.7	2,143,095	(52.5)	18,860
Operating expenses:					
Selling, general and administrative expenses	1,367,277	29.6	1,360,893	30.1	6,384
Research and development expenses	339,288	7.3	337,348	7.5	1,940
Impairment losses on goodwill	-	-	165,100	3.7	(165,100)
Operating profit	1,706,565	36.9	1,863,341	41.3	(156,776)
Other income (deductions):	455,390	9.8	279,754	(93.8)	175,636
Interest and dividend income	14,907		15,602		(695)
Interest expense	(7,305)		(3,745)		(3,560)
Other, net	19,067		9,550		9,517
Income before income taxes	26,669	0.6	21,407	0.5	5,262
	482,059	10.4	301,161	(93.3)	180,898
Income taxes	123,906	2.7	118,287	2.6	5,619
Consolidated net income	358,153	7.7	182,874	(95.9)	175,279
Less: Net income attributable to noncontrolling interests	26,100	0.5	22,849	0.6	3,251
Net income attributable to Canon Inc.	332,053	7.2	160,025	(96.5)	172,028

Note

Canon includes "adjusted income before income taxes," which is a non-U.S. GAAP measure, in its disclosure.

Canon believes this measure helps investors better understand Canon's recurring business performance.

A reconciliation from income before income taxes to adjusted income before income taxes is set forth on the following table.

Reconciliation from income before income taxes to adjusted income before income taxes

	Millions of yen		
	Year ended		Year ended
	December 31, 2025	%	December 31, 2024
Income before income taxes	482,059	10.4	301,161
Impairment losses on goodwill	-		165,100
Adjusted income before income taxes	482,059	10.4	466,261
			10.3

Consolidated statement of comprehensive income

	Millions of yen			
	Year ended		Year ended	
	December 31, 2025	%	December 31, 2024	
Consolidated net income	358,153		182,874	175,279
Other comprehensive income (loss), net of tax				
Foreign currency translation adjustments	146,679		145,724	955
Net unrealized gains and losses on securities	46		5	41
Net gains and losses on derivative instruments	(228)		(2,433)	2,205
Pension liability adjustments	92,769		66,990	25,779
Comprehensive income (loss)	239,266		210,286	28,980
Less: Comprehensive income (loss) attributable to noncontrolling interests	35,015		30,996	4,019
Comprehensive income (loss) attributable to Canon Inc.	562,404		362,164	200,240

3. Consolidated Statement of Equity

	Common stock	Additional paid-in capital	Retained earnings			Accumulated other comprehensive income (loss)	Treasury stock	Total Canon Inc. shareholders' equity	Millions of yen	
			Legal reserve	Other retained earnings	Total retained earnings				Noncontrolling interests	Total equity
Balance at December 31, 2023	174,762	404,935	61,634	3,801,212	3,862,846	268,758		3,353,022	252,685	3,605,707
Equity transactions with noncontrolling interests and other										
Dividends to Canon Inc. shareholders		7,410		(762)	(762)			6,648	(10,839)	(4,191)
Dividends to noncontrolling interests				(141,530)	(141,530)			(141,530)		(141,530)
Acquisition of subsidiaries			259	(259)	-				(8,854)	(8,854)
Transfers to legal reserve									790	790
Comprehensive income:										
Net income				160,025	160,025			160,025	22,849	182,874
Other comprehensive income (loss), net of tax:										
Foreign currency translation adjustments								144,424	1,300	145,724
Net unrealized gains and losses on securities								5	5	5
Net gains and losses on derivative instruments								(2,443)	(2,443)	(2,443)
Pension liability adjustments								60,153	6,837	66,990
Total comprehensive income (loss)									362,164	30,996
Repurchases and reissuance of treasury stock			(58)	(18)	(18)			(199,955)	(200,031)	(200,031)
Balance at December 31, 2024	174,762	412,287	61,893	3,818,668	3,880,561	470,897	(1,558,234)	3,380,273	264,778	3,645,051
Equity transactions with noncontrolling interests and other										
Dividends to Canon Inc. shareholders		(3,206)	(5)	5	-			(3,206)	(7,280)	(10,486)
Dividends to noncontrolling interests				(147,644)	(147,644)			(147,644)	(147,644)	(147,644)
Acquisition of subsidiaries			494	(494)	-				(10,203)	(10,203)
Transfers to legal reserve									10	10
Comprehensive income:										
Net income				332,053	332,053			332,053	26,100	358,153
Other comprehensive income (loss), net of tax:										
Foreign currency translation adjustments								146,051	628	146,679
Net unrealized gains and losses on securities								46	46	46
Net gains and losses on derivative instruments								(267)	(267)	(228)
Pension liability adjustments								84,521	8,248	92,769
Total comprehensive income (loss)									562,404	35,015
Repurchases and reissuance of treasury stock			(161)	(48)	(48)			(299,810)	(300,019)	(300,019)
Balance at December 31, 2025	174,762	408,920	62,382	4,002,540	4,064,922	701,248	(1,858,044)	3,491,808	282,320	3,774,128

4. Consolidated Statement of Cash Flows

	Millions of yen	
	<u>Year ended December 31, 2025</u>	<u>Year ended December 31, 2024</u>
Cash flows from operating activities:		
Consolidated net income	358,153	182,874
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	239,236	235,465
Impairment losses on goodwill	-	165,100
(Gain) loss on disposal of fixed assets	(25,216)	1,271
Deferred income taxes	(9,156)	(14,571)
Increase in trade receivables	(26,767)	(29,437)
Decrease (increase) in inventories	35,183	(6,865)
Increase in lease receivables	(1,694)	(18,216)
(Decrease) increase in trade payables	(44,573)	29,348
(Decrease) increase in accrued income taxes	(14,064)	20,464
Increase in accrued expenses	20,654	27,284
Decrease in accrued pension and severance cost	(17,880)	(32,639)
Other, net	<u>(37,973)</u>	<u>46,753</u>
Net cash provided by operating activities	475,903	606,831
Cash flows from investing activities:		
Purchases of fixed assets	(262,165)	(237,001)
Proceeds from sale of fixed assets	33,575	7,279
Purchases of securities	(13,574)	(13,812)
Proceeds from sale and maturity of securities	8,514	4,840
Acquisitions of businesses, net of cash acquired	(878)	(32,672)
Other, net	<u>(2,922)</u>	<u>(25,956)</u>
Net cash used in investing activities	(237,450)	(297,322)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	200,844	200,000
Repayments of long-term debt	(2,469)	(2,297)
(Decrease) increase in short-term loans related to financial services, net	(2,300)	1,500
Increase (decrease) in other short-term loans, net	95,000	(70,960)
Dividends paid	(147,644)	(141,530)
Repurchases and reissuance of treasury stock, net	(300,019)	(200,031)
Other, net	<u>(22,633)</u>	<u>(12,678)</u>
Net cash used in financing activities	(179,221)	(225,996)
Effect of exchange rate changes on cash and cash equivalents	25,184	16,729
Net change in cash and cash equivalents	84,416	100,242
Cash and cash equivalents at beginning of period	501,565	401,323
Cash and cash equivalents at end of period	585,981	501,565

5. Note for Going Concern Assumption

Not applicable.

6. Segment Information

Segment information by business unit

**(1) Consolidated statement of income, depreciation and amortization, and capital expenditures by business unit
Results for the fourth quarter**

	Three months ended December 31, 2025	Three months ended December 31, 2024	Change	Change(%)
Printing				
Net sales:				
External customers	667,090	675,568	(8,478)	-1.3
Intersegment	1,745	1,502	243	+16.2
Total	668,835	677,070	(8,235)	-1.2
Cost of sales	372,797	366,989	5,808	+1.6
Gross profit	296,038	310,081	(14,043)	-4.5
Research and development expenses	24,877	26,671	(1,794)	-6.7
Selling, general and administrative expenses	217,585	198,946	18,639	+9.4
Operating profit	53,576	84,464	(30,888)	-36.6
Other income (deductions)	4,244	3,613	631	+17.5
Income before income taxes	57,820	88,077	(30,257)	-34.4
Depreciation and amortization	18,340	16,857	1,483	+8.8
Capital expenditures	18,174	19,504	(1,330)	-6.8
Medical				
Net sales:				
External customers	168,143	161,189	6,954	+4.3
Intersegment	320	82	238	+290.2
Total	168,463	161,271	7,192	+4.5
Cost of sales	90,825	89,376	1,449	+1.6
Gross profit	77,638	71,895	5,743	+8.0
Research and development expenses	11,203	15,092	(3,889)	-25.8
Selling, general and administrative expenses	51,811	212,972	(161,161)	-75.7
Operating profit	14,624	(156,169)	170,793	-
Other income (deductions)	718	289	429	+148.4
Income before income taxes	15,342	(155,880)	171,222	-
Depreciation and amortization	3,822	3,291	531	+16.1
Capital expenditures	5,947	3,958	1,989	+50.3
Imaging				
Net sales:				
External customers	328,420	277,414	51,006	+18.4
Intersegment	107	138	(31)	-22.5
Total	328,527	277,552	50,975	+18.4
Cost of sales	149,301	126,990	22,311	+17.6
Gross profit	179,226	150,562	28,664	+19.0
Research and development expenses	34,048	28,812	5,236	+18.2
Selling, general and administrative expenses	80,735	69,327	11,408	+16.5
Operating profit	64,443	52,423	12,020	+22.9
Other income (deductions)	950	765	185	+24.2
Income before income taxes	65,393	53,188	12,205	+22.9
Depreciation and amortization	5,815	5,421	394	+7.3
Capital expenditures	10,961	11,045	(84)	-0.8
Industrial				
Net sales:				
External customers	115,127	119,459	(4,332)	-3.6
Intersegment	792	1,512	(720)	-47.6
Total	115,919	120,971	(5,052)	-4.2
Cost of sales	66,211	68,780	(2,569)	-3.7
Gross profit	49,708	52,191	(2,483)	-4.8
Research and development expenses	9,279	9,393	(114)	-1.2
Selling, general and administrative expenses	17,932	17,859	73	+0.4
Operating profit	22,497	24,939	(2,442)	-9.8
Other income (deductions)	440	439	1	+0.2
Income before income taxes	22,937	25,378	(2,441)	-9.6
Depreciation and amortization	4,299	3,379	920	+27.2
Capital expenditures	3,279	4,455	(1,176)	-26.4

	Millions of yen			
	Three months ended December 31, 2025	Three months ended December 31, 2024	Change	Change(%)
Others and Corporate				
Net sales:				
External customers	43,056	40,080	2,976	+7.4
Intersegment	22,042	24,734	-2,692	-10.9
Total	65,098	64,814	284	+0.4
Cost of sales	53,704	53,623	81	+0.2
Gross profit	11,394	11,191	203	+1.8
Research and development expenses	13,715	11,580	2,135	+18.4
Selling, general and administrative expenses	15	22,595	(22,580)	-99.9
Operating profit	(2,336)	(22,984)	20,648	-
Other income (deductions)	8,522	2,170	6,352	+292.7
Income before income taxes	6,186	(20,814)	27,000	-
Depreciation and amortization	33,547	33,729	(182)	-0.5
Capital expenditures	28,635	42,121	(13,486)	-32.0
Eliminations				
Net sales:				
External customers	-	-	-	-
Intersegment	(25,006)	(27,968)	2,962	-
Total	(25,006)	(27,968)	2,962	-
Cost of sales	(25,234)	(28,752)	3,518	-
Gross profit	228	784	(556)	-
Research and development expenses	-	-	-	-
Selling, general and administrative expenses	(3)	341	(344)	-
Operating profit	231	443	(212)	-
Other income (deductions)	1	-	1	-
Income before income taxes	232	443	(211)	-
Depreciation and amortization	-	-	-	-
Capital expenditures	-	-	-	-
Consolidated				
Net sales:				
External customers	1,321,836	1,273,710	48,126	+3.8
Intersegment	-	-	-	-
Total	1,321,836	1,273,710	48,126	+3.8
Cost of sales	707,604	677,006	30,598	+4.5
Gross profit	614,232	596,704	17,528	+2.9
Research and development expenses	93,122	91,548	1,574	+1.7
Selling, general and administrative expenses	368,075	522,040	(153,965)	-29.5
Operating profit	153,035	(16,884)	169,919	-
Other income (deductions)	14,875	7,276	7,599	+104.4
Income before income taxes	167,910	(9,608)	177,518	-
Depreciation and amortization	65,823	62,677	3,146	+5.0
Capital expenditures	66,996	81,083	(14,087)	-17.4

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three months ended December 31, 2024 have also been reclassified.

* Corporate expenses include certain corporate research and development expenses. Amortization costs of identified intangible assets resulting from the purchase price allocation of Toshiba Medical Systems Corporation (Canon Medical Systems Corporation) are also included in corporate expenses.

Reconciliation from income before income taxes to adjusted income before income taxes

	Millions of yen			
	Three months ended December 31, 2025	Three months ended December 31, 2024	%	%
Medical				
Income before income taxes	15,342	(155,880)	9.1	-96.7
Impairment losses on goodwill	-	165,100		
Adjusted income before income taxes	15,342	9,220	9.1	5.7
Consolidated				
Income before income taxes	167,910	(9,608)	12.7	-0.8
Impairment losses on goodwill	-	165,100		
Adjusted income before income taxes	167,910	155,492	12.7	12.2

Segment information by business unit

Results for the fiscal year

	Millions of yen			
	Year ended December 31, 2025	Year ended December 31, 2024	Change	Change(%)
Printing				
Net sales:				
External customers	2,487,885	2,515,543	(27,658)	-1.1
Intersegment	6,513	7,182	(669)	-9.3
Total	2,494,398	2,522,725	(28,327)	-1.1
Cost of sales	1,362,457	1,356,530	5,927	+0.4
Gross profit	1,131,941	1,166,195	(34,254)	-2.9
Research and development expenses	94,762	100,361	(5,599)	-5.6
Selling, general and administrative expenses	781,420	775,950	5,470	+0.7
Operating profit	255,759	289,884	(34,125)	-11.8
Other income (deductions)	17,844	14,262	3,582	+25.1
Income before income taxes	273,603	304,146	(30,543)	-10.0
Depreciation and amortization	65,486	63,356	2,130	+3.4
Capital expenditures	71,372	70,075	1,297	+1.9
Medical				
Net sales:				
External customers	579,723	568,260	11,463	+2.0
Intersegment	899	548	351	+64.1
Total	580,622	568,808	11,814	+2.1
Cost of sales	316,368	308,642	7,726	+2.5
Gross profit	264,254	260,166	4,088	+1.6
Research and development expenses	46,971	52,639	(5,668)	-10.8
Selling, general and administrative expenses	184,508	347,964	(163,456)	-47.0
Operating profit	32,775	(140,437)	173,212	-
Other income (deductions)	1,287	929	358	+38.5
Income before income taxes	34,062	(139,508)	173,570	-
Depreciation and amortization	13,928	13,132	796	+6.1
Capital expenditures	16,434	16,663	(229)	-1.4
Imaging				
Net sales:				
External customers	1,054,513	937,028	117,485	+12.5
Intersegment	387	363	24	+6.6
Total	1,054,900	937,391	117,509	+12.5
Cost of sales	491,391	425,663	65,728	+15.4
Gross profit	563,509	511,728	51,781	+10.1
Research and development expenses	112,298	101,200	11,098	+11.0
Selling, general and administrative expenses	278,340	259,224	19,116	+7.4
Operating profit	172,871	151,304	21,567	+14.3
Other income (deductions)	3,888	3,004	884	+29.4
Income before income taxes	176,759	154,308	22,451	+14.5
Depreciation and amortization	21,615	19,984	1,631	+8.2
Capital expenditures	41,274	38,922	2,352	+6.0
Industrial				
Net sales:				
External customers	357,924	345,863	12,061	+3.5
Intersegment	3,204	5,867	(2,663)	-45.4
Total	361,128	351,730	9,398	+2.7
Cost of sales	205,926	196,393	9,533	+4.9
Gross profit	155,202	155,337	(135)	-0.1
Research and development expenses	32,286	30,559	1,727	+5.7
Selling, general and administrative expenses	60,391	55,875	4,516	+8.1
Operating profit	62,525	68,903	(6,378)	-9.3
Other income (deductions)	2,300	1,500	800	+53.3
Income before income taxes	64,825	70,403	(5,578)	-7.9
Depreciation and amortization	13,938	11,590	2,348	+20.3
Capital expenditures	15,759	13,109	2,650	+20.2

	Millions of yen			
	Year ended December 31, 2025	Year ended December 31, 2024	Change	Change(%)
Others and Corporate				
Net sales:				
External customers	144,682	143,127	1,555	+1.1
Intersegment	92,434	90,619	1,815	+2.0
Total	237,116	233,746	3,370	+1.4
Cost of sales	191,298	186,273	5,025	+2.7
Gross profit	45,818	47,473	(1,655)	-3.5
Research and development expenses	52,971	52,589	382	+0.7
Selling, general and administrative expenses	62,298	86,058	(23,760)	-27.6
Operating profit	(69,451)	(91,174)	21,723	-
Other income (deductions)	1,350	1,712	(362)	-21.1
Income before income taxes	(68,101)	(89,462)	21,361	-
Depreciation and amortization	124,269	127,403	(3,134)	-2.5
Capital expenditures	104,691	117,498	(12,807)	-10.9
Eliminations				
Net sales:				
External customers	-	-	-	-
Intersegment	(103,437)	(104,579)	1,142	-
Total	(103,437)	(104,579)	1,142	-
Cost of sales	(104,668)	(106,775)	2,107	-
Gross profit	1,231	2,196	(965)	-
Research and development expenses	-	-	-	-
Selling, general and administrative expenses	320	922	(602)	-
Operating profit	911	1,274	(363)	-
Other income (deductions)	-	-	-	-
Income before income taxes	911	1,274	(363)	-
Depreciation and amortization	-	-	-	-
Capital expenditures	-	-	-	-
Consolidated				
Net sales:				
External customers	4,624,727	4,509,821	114,906	+2.5
Intersegment	-	-	-	-
Total	4,624,727	4,509,821	114,906	+2.5
Cost of sales	2,462,772	2,366,726	96,046	+4.1
Gross profit	2,161,955	2,143,095	18,860	+0.9
Research and development expenses	339,288	337,348	1,940	+0.6
Selling, general and administrative expenses	1,367,277	1,525,993	(158,716)	-10.4
Operating profit	455,390	279,754	175,636	+62.8
Other income (deductions)	26,669	21,407	5,262	+24.6
Income before income taxes	482,059	301,161	180,898	+60.1
Depreciation and amortization	239,236	235,465	3,771	+1.6
Capital expenditures	249,530	256,267	(6,737)	-2.6

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the year ended December 31, 2024 have also been reclassified.

* Corporate expenses include certain corporate research and development expenses. Amortization costs of identified intangible assets resulting from the purchase price allocation of Toshiba Medical Systems Corporation (Canon Medical Systems Corporation) are also included in corporate expenses.

Reconciliation from income before income taxes to adjusted income before income taxes

	Millions of yen			
	Year ended December 31, 2025	Year ended December 31, 2024	%	%
Medical				
Income before income taxes	34,062	(139,508)	5.9	-24.5
Impairment losses on goodwill	-	165,100		
Adjusted income before income taxes	34,062	25,592	5.9	4.5
Consolidated				
Income before income taxes	482,059	301,161	10.4	6.7
Impairment losses on goodwill	-	165,100		
Adjusted income before income taxes	482,059	466,261	10.4	10.3

(2) Total assets by business unit

	Millions of yen		
	As of December 31, 2025	As of December 31, 2024	Change
Printing	1,360,992	1,354,948	6,044
Medical	434,929	421,453	13,476
Imaging	504,267	425,515	78,752
Industrial	231,431	238,625	(7,194)
Others and Corporate	3,606,118	3,329,047	277,071
Eliminations	(2,693)	(3,342)	649
Consolidated	6,135,044	5,766,246	368,798

7. Details of SalesResults for the fourth quarter

Sales by business unit	Millions of yen				
	Three months ended December 31, 2025	Three months ended December 31, 2024	Change(%)		
	%	%			
Printing	668,835	50.6	677,070	53.2	-1.2
Medical	168,463	12.7	161,271		+4.5
Imaging	328,527	24.9	277,552	21.8	+18.4
Industrial	115,919	8.8	120,971	9.5	-4.2
Others and Corporate	65,098	4.9	64,814	5.1	+0.4
Eliminations	(25,006)	(1.9)	(27,968)	(2.3)	-
Total	1,321,836	100.0	1,273,710	87.3	+3.8

Sales by region	Millions of yen				
	Three months ended December 31, 2025	Three months ended December 31, 2024	Change(%)		
	%	%			
Japan	262,613	19.9	262,009	20.6	+0.2
Overseas:					
<i>Americas</i>	431,347	32.6	396,562	31.1	+8.8
<i>Europe</i>	359,344	27.2	343,219	26.9	+4.7
<i>Asia and Oceania</i>	268,532	20.3	271,920	21.4	-1.2
Total	1,059,223	80.1	1,011,701	79.4	+4.7
	1,321,836	100.0	1,273,710	100.0	+3.8

Results for the fiscal year

Sales by business unit	Millions of yen				
	Year ended December 31, 2025	Year ended December 31, 2024	Change(%)		
	%	%			
Printing	2,494,398	53.9	2,522,725	55.9	-1.1
Medical	580,622	12.6	568,808	12.6	+2.1
Imaging	1,054,900	22.8	937,391	20.8	+12.5
Industrial	361,128	7.8	351,730	7.8	+2.7
Others and Corporate	237,116	5.1	233,746	5.2	+1.4
Eliminations	(103,437)	(2.2)	(104,579)	(2.3)	-
Total	4,624,727	100.0	4,509,821	100.0	+2.5

Sales by region	Millions of yen				
	Year ended December 31, 2025	Year ended December 31, 2024	Change(%)		
	%	%			
Japan	961,480	20.8	955,456	21.2	+0.6
Overseas:					
<i>Americas</i>	1,489,639	32.2	1,429,201	31.7	+4.2
<i>Europe</i>	1,225,475	26.5	1,184,389	26.3	+3.5
<i>Asia and Oceania</i>	948,133	20.5	940,775	20.8	+0.8
Total	3,663,247	79.2	3,554,365	78.8	+3.1
	4,624,727	100.0	4,509,821	100.0	+2.5

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three months and the year ended December 31, 2024 have also been reclassified.

Notes 1. The primary products included in each of the segments are as follows:

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

2. The principal countries and regions included in each regional category are as follows:

Americas: United States of America, Canada, Latin America

Europe: United Kingdom, Germany, France, Netherlands, European countries, Middle East and Africa

Asia and Oceania: China, Asian countries, Australia

8. Note on Significant Changes in Shareholders' Equity

None.

9. Basis of Presentation and Significant Accounting Policies

Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.

10. Notes to Consolidated Financial Statements

(1) Net Income Attributable to Canon Inc. Shareholders per Share

Results for the fiscal year	Millions of yen	
	Year ended <u>December 31, 2025</u>	Year ended <u>December 31, 2024</u>
Net income attributable to Canon Inc.		
-Basic	332,053	160,025
-Diluted	332,045	160,018
Weighted average common shares outstanding	Number of shares	
-Basic	903,589,986	966,762,583
-Diluted	904,145,263	967,234,173
Net income attributable to Canon Inc. shareholders per share:	Yen	
-Basic	367.48	165.53
-Diluted	367.25	165.44

(2) Significant Subsequent Events

Tender Offer for Shares of Canon Electronics Inc.

Canon Inc.(the“Company”) resolved at the meeting of its Board of Directors held on November 28, 2025, to acquire the common stock of its consolidated subsidiary, Canon Electronics Inc. (“Canon Electronics”), for the purpose of making Canon Electronics a wholly-owned subsidiary of the Company, through a tender offer (the “Tender Offer”) conducted pursuant to the Financial Instruments and Exchange Act. The Tender Offer was implemented during the period from December 1, 2025 to January 19, 2026.

As a result of the Tender Offer, the total number of shares tendered exceeded the minimum number of shares to be purchased, and accordingly, the Tender Offer was successfully completed. As a result, the Company's shareholding ratio in Canon Electronics increased to 87.94%.

Furthermore, based on the results of the Tender Offer, the Company plans to implement a series of procedures to acquire all of the shares of Canon Electronics to make Canon Electronics a wholly-owned subsidiary of the Company. The common shares of Canon Electronics are currently listed on the Prime Market of Tokyo Stock Exchange. However, upon completion of the procedures for making it a wholly-owned subsidiary, the shares will meet the delisting criteria of the Tokyo Stock Exchange and are expected to be delisted following the prescribed procedures.

(i) Results of the Tender Offer

Tender Offer Period:	December 1, 2025 – January 19, 2026
Tender Offer Price:	¥3,650 per share of common stock
Number of Shares Purchased:	13,470,819 shares
Total Purchase Amount:	¥49,168 million
Settlement Commencement Date:	January 26, 2026

(ii) Funding for the Tender Offer

Fund Purpose:	Funds required for the Tender Offer
Lender:	Mizuho Bank, Ltd.
Loan Amount:	¥49,400 million
Loan Interest:	Base rate plus a spread
Loan Execution Date:	January 23, 2026
Loan Period:	Within one year
Collateral Situation:	No collateral

Acquisition of treasury stock by Canon Marketing Japan Inc.

Canon Marketing Japan Inc. ("CMJ"), a subsidiary of Canon Inc., passed a Board of Directors resolution on January 28, 2026, to acquire treasury stock in accordance with Article 459, Paragraph 1 of the Companies Act and its Articles of Incorporation.

1. Purpose of acquisition of own shares

CMJ will acquire treasury stock to increase shareholder returns and enhance capital efficiency.

2. Details of acquisition

(i) Type of shares to be acquired	Share of common stock
(ii) Total number of shares to be acquired	Up to 5,000,000 shares * (Equivalent to 4.66% of issued shares (excluding treasury stock))
(iii) Total cost of acquisition	Up to ¥30,000 million
(iv) Period of acquisition	From February 2, 2026 to October 30, 2026
(v) Method of acquisition	Market purchases on the Tokyo Stock Exchange

* As described in the "Significant Subsequent Events : Share Split by Canon Marketing Japan Inc.", CMJ also approved at the same meeting to conduct a share split. The total number of shares for the acquisition shown in (ii) above after the effective date of the share split (April 1, 2026) will be 10,000,000 shares (maximum).

Share Split of Canon Marketing Japan Inc.

CMJ, a subsidiary of Canon Inc., passed a Board of Directors resolution on January 28, 2026, to conduct share split.

1. Purpose of share split

The purpose of the share split is to reduce the investment unit of CMJ common stock, thereby creating an environment that encourages investors to invest in shares of CMJ, increasing the liquidity of the shares, and expanding the investor base.

2. Overview of share split

(i) Method of share split

CMJ will split the shares of its common stock owned by the shareholders recorded on the final register of shareholders as of March 31, 2026, the record date, in the proportion of two shares for one share.

(ii) Number of shares to be increased by share split

Total number of issued shares before the share split	111,079,972 shares
Number of shares to be increased by this share split	111,079,972 shares
Total number of issued shares after the share split	222,159,944 shares
Total number of shares authorized to be issued after the share split	299,500,000 shares

(iii) Timetable

Date of public notice of the record date (scheduled)	March 16, 2026
Record date	March 31, 2026
Effective date	April 1, 2026

(iv) Other

The above share split will not result in a change to the amount of CMJ share capital or to the Articles of its Incorporation.

Acquisition of treasury stock

The Company at a meeting of the Board of Directors held on January 29, 2026, passed a Board of Directors resolution regarding the acquisition of its own shares under Article 156, as applied pursuant to paragraph 3, Article 165, of the Companies Act, as follows.

1. Purpose of acquisition of own shares

The Company aims to further raise corporate value through active growth investment. At the same time, to enhance shareholder returns by improving capital efficiency, the Company has established a framework to acquire its own shares. The purpose of this framework is to allow the Company to flexibly acquire its own share, based on a comprehensive assessment of factors, including the Company's share price level.

Please note that, depending on the Company's investment priorities and market conditions, some of the planned share acquisition may not be carried out.

2. Details of acquisition

(i) Type of shares to be acquired	Share of common stock
(ii) Total number of shares to be acquired	Up to 54,000,000 shares

(Equivalent to 6.1% of issued shares (excluding treasury stock))

(iii) Total cost of acquisition

Up to ¥200,000 million

(iv) Period of acquisition

From January 30, 2026 to January 29, 2027

(v) Method of acquisition

Market purchases on the Tokyo Stock Exchange

1)Purchases through the Tokyo Stock Exchange Trading Network Off-Auction Own Share

Repurchase Trading System (ToSTNeT-3)

2)Market purchases based on a discretionary trading contract regarding acquisition of own shares

NON-CONSOLIDATED

(Current Titles are Shown in the Parentheses)

Effective Date: March 27, 2026

Directors

(1) Candidate for new Representative Director to be appointed

President & COO Kazuto Ogawa (Executive Vice President & Director)

(2) Candidate for new Director to be appointed

Atsumi Arima (Outside Director of Seibu Holdings Inc. and others)

(3) Representative Directors to be promoted

Vice Chairman & CFO Toshizo Tanaka (Executive Vice President & CFO)

Vice Chairman & CTO Toshio Homma (Executive Vice President & CTO)

NON-CONSOLIDATED

(Current Titles are Shown in the Parentheses)

Effective Date: March 27, 2026

Audit & Supervisory Board Members

(1) Audit & Supervisory Board Members to be retired

Chikahiro Okayama (Audit & Supervisory Board Member)

Koichi Kashimoto (Audit & Supervisory Board Member (Outside))

(2) Candidates for new Audit & Supervisory Board Member to be appointed

Ikuko Naruse (Senior Principal Specialist of IMG Business Unit 3)

Kaori Asakura (Senior Managing Director of the Dai-ichi Life Research Institute Inc.)

(Current Titles are Shown in the Parentheses)

Executive Officers

(1) Executive Officers to be retired

Effective Date: March 31, 2026

Soichi Hiramatsu	(Senior Managing Executive Officer, Senior General Manager of Global Logistics Management Center, Senior General Manager of Economic Security Office)
Akiko Tanaka	(Managing Executive Officer, Unit Vice Executive of Medical Systems and Components Operations Development Unit)
Katsuyoshi Soma	(Managing Executive Officer, President of Fukushima Canon Inc.)

(2) New Executive Officers to be appointed

Effective Date: April 1, 2026

Akira Yoshida	(President & CEO of Canon Production Printing Holding B.V.)
Kazumasa Yoshikawa	(Unit Executive of IMG Development Unit)
Eisuke Katsuyama	(Senior General Manager of Public Affairs Center)
Kazuhiro Tomoi	(Deputy Group Executive of Procurement Headquarters)

(3) Executive Officers to be promoted

Effective Date: April 1, 2026

Managing Executive Officer	Hideto Kotani	(Executive Officer, Unit Executive of IMG Business Unit 3)
Managing Executive Officer	Shunji Sawa	(Executive Officer, Plant Manager of Toride Plant)
Managing Executive Officer	Makoto Kambe	(Executive Officer, Group Executive of Facilities Management Headquarters)
Managing Executive Officer	Hirotomo Fujimori	(Executive Officer, Senior General Manager of Public Relations and IR Center)