



CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2026

July 27, 2026

Canon Inc.

Canon hereby reports that the following consolidated financial results for the six months ended of the fiscal year ending December 31, 2026 (from January 1, 2026 to June 30, 2026) 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		
	Six months ended June 30, 2026	Six months ended June 30, 2025	Change(%)	Six months ended June 30, 2026	Year ending December 31, 2026	Change(%)
Net sales	¥ 2,274,542	¥ 2,198,567	+ 3.5	\$ 14,040,383	¥ 4,800,000	+ 3.8
Operating profit	230,595	214,308	+ 7.6	1,423,426	465,000	+ 2.1
Income before income taxes	252,074	222,319	+ 13.4	1,556,012	492,000	+ 2.1
Net income attributable to Canon Inc.	¥ 171,184	¥ 155,904	+ 9.8	\$ 1,056,691	¥ 340,000	+ 2.4
Net income attributable to Canon Inc. shareholders per share:						
- Basic	¥ 197.51	¥ 169.16	+ 16.8	\$ 1.22	¥ 398.84	+ 8.5
- Diluted	197.36	169.06	+ 16.7	1.22	398.51	+ 8.5

	Actual		
	As of June 30, 2026	As of December 31, 2025	Change(%)
Total assets	¥ 6,378,155	¥ 6,135,044	+ 4.0
Canon Inc. shareholders' equity	¥ 3,483,846	¥ 3,491,808	- 0.2

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 JPY162=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2026, 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.

July 27, 2026

Consolidated Financial Results for the Six Months Ended June 30, 2026 (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: Sachiho Tanino, General Manager, Consolidated Accounting Div.
 Telephone: +81-3-3758-2111
 Scheduled date to file semi-annual securities report: August 6, 2026
 Scheduled date to commence dividend payments: August 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 six months ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	2,274,542	3.5	230,595	7.6	252,074	13.4	171,184	9.8
June 30, 2025	2,198,567	2.0	214,308	8.0	222,319	0.4	155,904	4.1

Note: Comprehensive income For the six months ended June 30, 2026: ¥ 214,913 million 84.3%
 For the six months ended June 30, 2025: ¥ 116,628 million -68.9%

	Net income attributable to Canon Inc. shareholders per share -Basic	Net income attributable to Canon Inc. shareholders per share -Diluted
Six months ended	Yen	Yen
June 30, 2026	197.51	197.36
June 30, 2025	169.16	169.06

(2) Consolidated financial position

	Total assets	Total equity (Net assets)	Canon Inc. shareholders' equity	Canon Inc. shareholders' equity ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2026	6,378,155	3,687,079	3,483,846	54.6
December 31, 2025	6,135,044	3,774,128	3,491,808	56.9

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	—	80.00	—	80.00	160.00
Fiscal year ending December 31, 2026	—	80.00			
Fiscal year ending December 31, 2026 (Forecast)			—	80.00	160.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2026	4,800,000	3.8	465,000	2.1	492,000	2.1	340,000	2.4	398.84

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of simplified method of accounting or specific accounting treatments: None
- (3) Changes in accounting policies
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (4) 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 June 30, 2026	1,333,763,464 shares
As of December 31, 2025	1,333,763,464 shares

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

As of June 30, 2026	484,424,702 shares
As of December 31, 2025	455,138,571 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended June 30, 2026	866,697,720 shares
Six months ended June 30, 2025	921,617,922 shares

* Semi-annual financial results reports are exempt from review 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. For assumptions and other matters related to the forecast of financial results, please refer to the “Presentation Material” published on the Canon Global website on July 27, 2026.

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I. Operating Results and Financial Conditions

For details of the Operating Results and Financial Conditions, please refer to the “Presentation Material” published on the Canon Global website on July 27, 2026.

URL : <https://global.canon/en/ir/library/results.html>

II. Consolidated Financial Statements

1. Consolidated Balance Sheet

	Millions of yen		
	As of June 30, 2026	As of December 31, 2025	Change
Assets			
Current assets	2,839,745	2,617,021	222,724
Cash and cash equivalents	731,922	585,981	145,941
Short-term investments	12,248	32,446	(20,198)
Trade receivables	688,734	733,809	(45,075)
Inventories	961,468	840,445	121,023
Current lease receivables	181,070	175,798	5,272
Prepaid expenses and other current assets	282,993	265,266	17,727
Allowance for credit losses	(18,690)	(16,724)	(1,966)
Non-current assets	3,538,410	3,518,023	20,387
Noncurrent receivables	47,504	45,743	1,761
Investments	105,438	103,602	1,836
Property, plant and equipment, net	1,193,093	1,190,682	2,411
Operating lease right-of-use assets	129,450	126,997	2,453
Intangible assets, net	252,454	259,661	(7,207)
Goodwill	989,210	985,806	3,404
Noncurrent lease receivables	367,141	365,734	1,407
Prepaid pension and severance cost	349,299	336,986	12,313
Other assets	110,044	107,916	2,128
Allowance for credit losses	(5,223)	(5,104)	(119)
Total assets	6,378,155	6,135,044	243,111
Liabilities and Equity			
Current liabilities	1,949,161	1,704,060	245,101
Short-term loans and current portion of long-term debt	734,789	511,139	223,650
Short-term loans related to financial services	34,900	38,100	(3,200)
Other short-term loans and current portion of long-term debt	699,889	473,039	226,850
Trade payables	321,462	310,832	10,630
Accrued income taxes	66,785	65,550	1,235
Accrued expenses	450,913	474,052	(23,139)
Current operating lease liabilities	42,886	43,096	(210)
Other current liabilities	332,326	299,391	32,935
Non-current liabilities	741,915	656,856	85,059
Long-term debt, excluding current portion of long-term debt	404,324	304,970	99,354
Accrued pension and severance cost	147,640	149,503	(1,863)
Noncurrent operating lease liabilities	88,058	86,954	1,104
Other noncurrent liabilities	101,893	115,429	(13,536)
Total liabilities	2,691,076	2,360,916	330,160
Canon Inc. shareholders' equity	3,483,846	3,491,808	(7,962)
Common stock	174,762	174,762	-
Additional paid-in capital	395,423	408,920	(13,497)
Retained earnings	4,165,632	4,064,922	100,710
Legal reserve	62,679	62,382	297
Other retained earnings	4,102,953	4,002,540	100,413
Accumulated other comprehensive income (loss)	734,131	701,248	32,883
Treasury stock, at cost	(1,986,102)	(1,858,044)	(128,058)
Noncontrolling interests	203,233	282,320	(79,087)
Total equity	3,687,079	3,774,128	(87,049)
Total liabilities and equity	6,378,155	6,135,044	243,111

Notes:

	Millions of yen	
	As of June 30, 2026	As of December 31, 2025
1. Accumulated depreciation	3,305,251	3,304,002
2. Accumulated other comprehensive income (loss):		
Foreign currency translation adjustments	693,732	665,412
Net unrealized gains and losses on securities	120	77
Net gains and losses on derivative instruments	(848)	(1,786)
Pension liability adjustments	41,127	37,545

2. Consolidated Statement of Income and
Consolidated Statement of Comprehensive Income

Consolidated statement of income

	Millions of yen				Change
	Six months ended June 30, 2026	%	Six months ended June 30, 2025	%	
Net sales	2,274,542	100.0	2,198,567	100.0	75,975
Cost of sales	1,151,597	50.6	1,162,854	52.9	(11,257)
Gross profit	1,122,945	49.4	1,035,713	47.1	87,232
Operating expenses:					
Selling, general and administrative expenses	715,165	31.5	657,785	30.0	57,380
Research and development expenses	177,185	7.8	163,620	7.4	13,565
Total	892,350	39.3	821,405	37.4	70,945
Operating profit	230,595	10.1	214,308	9.7	16,287
Other income (deductions):					
Interest and dividend income	7,604		7,543		61
Interest expense	(5,606)		(2,990)		(2,616)
Other, net	19,481		3,458		16,023
Total	21,479	1.0	8,011	0.4	13,468
Income before income taxes	252,074	11.1	222,319	10.1	29,755
Income taxes	70,166	3.1	53,970	2.4	16,196
Consolidated net income	181,908	8.0	168,349	7.7	13,559
Less: Net income attributable to noncontrolling interests	10,724	0.5	12,445	0.6	(1,721)
Net income attributable to Canon Inc.	171,184	7.5	155,904	7.1	15,280

Consolidated statement of comprehensive income

	Millions of yen				Change
	Six months ended June 30, 2026		Six months ended June 30, 2025		
Consolidated net income	181,908		168,349		13,559
Other comprehensive income (loss), net of tax					
Foreign currency translation adjustments	28,551		(55,671)		84,222
Net unrealized gains and losses on securities	43		4		39
Net gains and losses on derivative instruments	903		1,413		(510)
Pension liability adjustments	3,508		2,533		975
Total	33,005		(51,721)		84,726
Comprehensive income (loss)	214,913		116,628		98,285
Less: Comprehensive income (loss) attributable to noncontrolling interests	10,846		11,548		(702)
Comprehensive income (loss) attributable to Canon Inc.	204,067		105,080		98,987

3. Consolidated Statement of Cash Flows

	Millions of yen	
	Six months ended June 30, 2026	Six months ended June 30, 2025
Cash flows from operating activities:		
Consolidated net income	181,908	168,349
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	114,038	108,743
(Gain) loss on disposal of fixed assets	(520)	44
Deferred income taxes	(15,350)	(17,053)
Decrease in trade receivables	55,352	44,745
Increase in inventories	(109,027)	(50,788)
Decrease (increase) in lease receivables	9,116	(4,905)
Increase in trade payables	7,881	4,142
Increase (decrease) in accrued income taxes	1,053	(17,775)
Decrease in accrued expenses	(27,818)	(33,845)
Decrease in accrued pension and severance cost	(12,916)	(9,491)
Other, net	1,704	(33,274)
Net cash provided by operating activities	205,421	158,892
Cash flows from investing activities:		
Purchases of fixed assets	(123,113)	(119,210)
Proceeds from sale of fixed assets	3,399	1,515
Purchases of securities	(18,371)	(6,658)
Proceeds from sale and maturity of securities	18,599	4,024
Acquisitions of businesses, net of cash acquired	(3,405)	(539)
Other, net	19,849	(3,292)
Net cash used in investing activities	(103,042)	(124,160)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	100,046	-
Repayments of long-term debt	(101,407)	(1,238)
Proceeds from short-term loans (maturities greater than three months)	49,400	-
Decrease in short-term loans related to financial services, net	(3,200)	(200)
Increase in other short-term loans, net	277,000	470,000
Transactions with noncontrolling interests	(86,292)	(5,668)
Dividends paid	(70,290)	(75,520)
Repurchases and reissuance of treasury stock, net	(128,199)	(200,011)
Other, net	(1,280)	24
Net cash provided by financing activities	35,778	187,387
Effect of exchange rate changes on cash and cash equivalents	7,784	(8,506)
Net change in cash and cash equivalents	145,941	213,613
Cash and cash equivalents at beginning of period	585,981	501,565
Cash and cash equivalents at end of period	731,922	715,178

* Corresponding figures for the six months ended June 30, 2025 have been reclassified to conform to the consolidated statement of cash flows for the six months ended June 30, 2026.

4. Note for Going Concern Assumption

Not applicable.

5. Segment Information

Segment information by business unit

(1) Consolidated statement of income, depreciation and amortization, and capital expenditures by business unit

	Millions of yen			
	Six months ended June 30, 2026	Six months ended June 30, 2025	Change	Change(%)
Printing				
Net sales:				
External customers	1,237,891	1,218,306	19,585	+1.6
Intersegment	1,988	3,271	(1,283)	-39.2
Total	1,239,879	1,221,577	18,302	+1.5
Cost of sales	645,885	653,765	(7,880)	-1.2
Gross profit	593,994	567,812	26,182	+4.6
Research and development expenses	46,165	46,791	(626)	-1.3
Selling, general and administrative expenses	390,304	371,036	19,268	+5.2
Operating profit	157,525	149,985	7,540	+5.0
Other income (deductions)	9,599	10,011	(412)	-4.1
Income before income taxes	167,124	159,996	7,128	+4.5
Depreciation and amortization	29,639	29,339	300	+1.0
Capital expenditures	30,530	34,593	(4,063)	-11.7
Medical				
Net sales:				
External customers	276,857	278,985	(2,128)	-0.8
Intersegment	590	307	283	+92.2
Total	277,447	279,292	(1,845)	-0.7
Cost of sales	149,200	155,311	(6,111)	-3.9
Gross profit	128,247	123,981	4,266	+3.4
Research and development expenses	23,499	24,244	(745)	-3.1
Selling, general and administrative expenses	96,405	87,945	8,460	+9.6
Operating profit	8,343	11,792	(3,449)	-29.2
Other income (deductions)	915	270	645	+238.9
Income before income taxes	9,258	12,062	(2,804)	-23.2
Depreciation and amortization	8,067	6,556	1,511	+23.0
Capital expenditures	7,605	7,723	(118)	-1.5
Imaging				
Net sales:				
External customers	552,518	472,589	79,929	+16.9
Intersegment	176	175	1	+0.6
Total	552,694	472,764	79,930	+16.9
Cost of sales	237,904	220,713	17,191	+7.8
Gross profit	314,790	252,051	62,739	+24.9
Research and development expenses	70,177	51,974	18,203	+35.0
Selling, general and administrative expenses	146,991	129,757	17,234	+13.3
Operating profit	97,622	70,320	27,302	+38.8
Other income (deductions)	2,305	2,054	251	+12.2
Income before income taxes	99,927	72,374	27,553	+38.1
Depreciation and amortization	9,967	9,825	142	+1.4
Capital expenditures	17,705	18,873	(1,168)	-6.2
Industrial				
Net sales:				
External customers	143,636	157,959	(14,323)	-9.1
Intersegment	1,591	1,881	(290)	-15.4
Total	145,227	159,840	(14,613)	-9.1
Cost of sales	84,779	91,313	(6,534)	-7.2
Gross profit	60,448	68,527	(8,079)	-11.8
Research and development expenses	14,814	15,222	(408)	-2.7
Selling, general and administrative expenses	28,187	27,218	969	+3.6
Operating profit	17,447	26,087	(8,640)	-33.1
Other income (deductions)	1,322	1,301	21	+1.6
Income before income taxes	18,769	27,388	(8,619)	-31.5
Depreciation and amortization	5,771	5,484	287	+5.2
Capital expenditures	9,499	7,916	1,583	+20.0

	Millions of yen			
	Six months ended June 30, 2026	Six months ended June 30, 2025	Change	Change(%)
Others and Corporate				
Net sales:				
External customers	63,640	70,728	(7,088)	-10.0
Intersegment	49,230	45,929	3,301	+7.2
Total	112,870	116,657	(3,787)	-3.2
Cost of sales	87,027	93,978	(6,951)	-7.4
Gross profit	25,843	22,679	3,164	+14.0
Research and development expenses	22,530	25,389	(2,859)	-11.3
Selling, general and administrative expenses	53,346	41,528	11,818	+28.5
Operating profit	(50,033)	(44,238)	(5,795)	-
Other income (deductions)	7,366	(5,626)	12,992	-
Income before income taxes	(42,667)	(49,864)	7,197	-
Depreciation and amortization	60,594	57,539	3,055	+5.3
Capital expenditures	53,850	47,414	6,436	+13.6
Eliminations				
Net sales:				
External customers	-	-	-	-
Intersegment	(53,575)	(51,563)	(2,012)	-
Total	(53,575)	(51,563)	(2,012)	-
Cost of sales	(53,198)	(52,226)	(972)	-
Gross profit	(377)	663	(1,040)	-
Research and development expenses	-	-	-	-
Selling, general and administrative expenses	(68)	301	(369)	-
Operating profit	(309)	362	(671)	-
Other income (deductions)	(28)	1	(29)	-
Income before income taxes	(337)	363	(700)	-
Depreciation and amortization	-	-	-	-
Capital expenditures	-	-	-	-
Consolidated				
Net sales:				
External customers	2,274,542	2,198,567	75,975	+3.5
Intersegment	-	-	-	-
Total	2,274,542	2,198,567	75,975	+3.5
Cost of sales	1,151,597	1,162,854	(11,257)	-1.0
Gross profit	1,122,945	1,035,713	87,232	+8.4
Research and development expenses	177,185	163,620	13,565	+8.3
Selling, general and administrative expenses	715,165	657,785	57,380	+8.7
Operating profit	230,595	214,308	16,287	+7.6
Other income (deductions)	21,479	8,011	13,468	+168.1
Income before income taxes	252,074	222,319	29,755	+13.4
Depreciation and amortization	114,038	108,743	5,295	+4.9
Capital expenditures	119,189	116,519	2,670	+2.3

* 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.

Notes: 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)Total assets by business unit

	Millions of yen		
	As of June 30, 2026	As of December 31, 2025	Change
Printing	1,378,729	1,360,992	17,737
Medical	429,507	434,929	(5,422)
Imaging	557,847	504,267	53,580
Industrial	247,234	231,431	15,803
Others and Corporate	3,767,765	3,606,118	161,647
Eliminations	(2,927)	(2,693)	(234)
Consolidated	6,378,155	6,135,044	243,111

6. Details of Sales

Sales by business unit	Millions of yen				
	Six months ended June 30, 2026		Six months ended June 30, 2025		Change(%)
		%		%	
Printing	1,239,879	54.5	1,221,577	55.6	+1.5
Medical	277,447	12.2	279,292	12.7	-0.7
Imaging	552,694	24.3	472,764	21.5	+16.9
Industrial	145,227	6.4	159,840	7.3	-9.1
Others and Corporate	112,870	5.0	116,657	5.3	-3.2
Eliminations	(53,575)	(2.4)	(51,563)	(2.4)	-
Total	2,274,542	100.0	2,198,567	100.0	+3.5

Sales by region	Millions of yen				
	Six months ended June 30, 2026		Six months ended June 30, 2025		Change(%)
		%		%	
Japan	475,575	20.9	481,043	21.9	-1.1
Overseas:					
Americas	725,752	31.9	700,024	31.8	+3.7
Europe	605,133	26.6	569,564	25.9	+6.2
Asia and Oceania	468,082	20.6	447,936	20.4	+4.5
	1,798,967	79.1	1,717,524	78.1	+4.7
Total	2,274,542	100.0	2,198,567	100.0	+3.5

Notes: 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

7. Note on Significant Changes in Shareholders' Equity

None.

8. Basis of Presentation and Significant Accounting Policies

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

9. Notes to Consolidated Financial Statements

(1) Change in depreciation method and useful life

Historically, Canon Inc. (the "Company") and its consolidated manufacturing subsidiaries primarily applied the declining-balance method for the depreciation of property, plant and equipment. Effective January 1, 2026, the Company changed the depreciation method to the straight-line method.

Under the Excellent Global Corporation Plan Phase VII initiatives, the Company has been reviewing its global manufacturing structure. As part of this process, the Company conducted an assessment of the actual usage of its property, plant and equipment. Based on this assessment, the Company expects that the economic benefits from such assets will be consumed in a more even and stable pattern going forward. Accordingly, the Company believes that the straight-line method more appropriately reflects the pattern of consumption of economic benefits of these assets.

In connection with this change, the estimated useful lives of certain machinery and equipment were also revised.

The impact of the change in depreciation method is recognized prospectively as a change in accounting estimate in accordance with the Accounting Standards Codification (ASC) 250 "Accounting Changes and Error Corrections."

As a result of these changes, depreciation and amortization for the six months ended June 30, 2026 decreased by ¥12,644 million compared with the previous method, and net income attributable to Canon Inc. and basic net income attributable to Canon Inc. shareholders per share increased by ¥8,731 million and ¥10.07, respectively.

(2) Recently adopted accounting guidance

In July 2025, ASU No. 2025-05, "Measurement of Credit Losses for Account Receivable and Contract Assets"-ASC 326 ("Financial Instruments – Credit Losses"), was issued by FASB. This standard allows us to elect the practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing an estimate of expected credit losses on current accounts receivable and current contract asset balances arising from transactions accounted for under ASC 606 on revenue from contracts with customers. Canon adopted the standard from reporting period beginning January 1, 2026. The adoption of this standard did not have a material impact on its consolidated results of operations and financial condition.