

# Canon Inc.

## FY 2024 Results

January 30, 2025

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# Agenda



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# Medical Business Impairment Loss

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- Impacted from changes in external environment (market stagnation, inflation), conducted review of plans, and booked impairment loss of 165.1 billion yen on goodwill tied to medical business
- No change in policy to cultivate medical into core business as growth over long term is expected. Realize positive cycle in which earned profits are used for investment to accelerate growth through Business Innovation Committee activities
- Plan to invest approximately 13 billion yen over two years (2024 and 2025), and expect to improve profit in 2025 by approximately 10 billion yen
- Initial plan to achieve 600 billion yen or more in sales and operating profit ratio of 10% or higher postponed

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An impairment loss on the goodwill of the medical business was booked which was not anticipated at the time of our previous earnings announcement.

As for our medical business, since acquiring Canon Medical Systems Inc. in 2016, designated as a growth business, we have invested actively in this area. As a result, for sales, including business expansion through M&A, we were able to achieve a certain level of growth. However, for profit, due to factors such as the spread of COVID-19, business contraction in Russia linked to the Russia-Ukraine war, economic weakness in China, and deteriorating business conditions surrounding medical institutions in Japan, we were unable to achieve the level that we originally planned.

Additionally, as personnel costs and raw material and parts prices are expected to continue to rise, we have reviewed our plans conservatively and decided to reduce goodwill by 165.1 billion yen as the business value falls below its book value. As this impairment loss is an operating expense and has no tax effect, the amount of impairment loss has deteriorated operating income, income before income taxes and net income before impairment loss equally.

# Medical Business Impairment Loss

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- No change in policy to cultivate medical into core business as growth over long term is expected. Realize positive cycle in which earned profits are used for investment to accelerate growth through Business Innovation Committee activities
- Plan to invest approximately 13 billion yen over two years (2024 and 2025), and expect to improve profit in 2025 by approximately 10 billion yen
- Initial plan to achieve 600 billion yen or more in sales and operating profit ratio of 10% or higher postponed

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Although we booked an impairment loss of goodwill this year, we still expect our medical business to steadily grow over the long term. Therefore, there is no change to our policy of cultivating the medical business into a core business in the future.

In February of last year, we launched the Medical Business Innovation Committee to quickly establish a revenue base that enables sales growth to translate into profit growth, and to realize a positive cycle in which earned profits are used for investment to accelerate growth. The committee is devoting all of Canon's resources, including management-level personnel, technology, and know-how, to thoroughly eliminating inefficiencies in all operations, including development, production, management, and sales, and is working to improve profitability through synergies with Canon Inc. We will invest approximately 13 billion yen in these activities over the 2 years between 2024 and 2025. However, we expect profit to improve by approximately 10 billion yen in 2025 and continue to improve from 2026 onward.

Due to intensive business restructuring in the 2 years between 2024 and 2025, the initial target of 600 billion yen in sales and a profit ratio of 10% or higher for 2025 will be postponed. However, we will make every effort to achieve our initial targets as soon as possible by swiftly realizing the results of our innovation activities.

- In the markets in which we compete, some weakening of demand, but overall solid
- 4Q sales of cameras and laser printers up more than 10%, network camera and lithography equipment sales up more than 30%
- Full-year net sales up 7.9%, exceeded record high sales of 2007, achieved 4.5 trillion yen sales target for 2025, one year ahead of schedule
- Excluding impairment loss of medical, profit up nearly 20%, operating profit ratio 9.9%, 0.9 point improvement
- Decided to raise year-end dividend by 5 yen to 80 yen for full-year dividend of 155 yen

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As for the global economy, despite economic weakness in Europe and economic slowdown in China due to the real estate crisis, growth was stable, driven by the firm U.S. economy. In the markets in which we compete, due to economic slowdown in the fourth quarter, we saw some weakening of demand. However, our markets remained solid and were within the range of expectations throughout the year.

In the fourth quarter, which is typically our highest quarter in terms of sales each year, we grew sales of cameras and laser printers at a rate of more than 10%, and for network cameras and lithography equipment for which investment is strong, we grew sales by more than 30%.

As a result, full-year net sales increased by 7.9%. In terms of amount, we exceeded our record high of 2007 and achieved the net sales target of 4.5 trillion yen, which was set for 2025, the last year of Phase VI of the Global Excellent Corporation Plan, one year ahead of schedule.

As for profit, excluding the impact of impairment loss on our medical business, profit increased nearly 20% compared to last year and our operating profit ratio improved by 0.9 points to 9.9% compared to last year.

Against the backdrop of improving profitability, at a meeting of the Board of Directors held today, Canon passed a resolution to increase its year-end dividend by 5 yen to 80 yen. Combined with the interim dividend of 75 yen, the full-year dividend for 2024 will be 155 yen.

# P&L (FY 2024 Results)



(Billions of yen)	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	Including Impairment Loss		
						2024 Actual	v.s. 2023 % Change	v.s. Previous Projection Amt. Change
<b>Net Sales</b>	<b>4,509.8</b>	<b>4,181.0</b>	+7.9%	<b>4,540.0</b>	-30.2	<b>4,509.8</b>	+7.9%	-30.2
<b>Gross Profit</b> (% of Net Sales)	<b>2,143.1</b> 47.5%	<b>1,968.9</b> 47.1%	+8.8%	<b>2,148.0</b> 47.3%	-4.9	<b>2,143.1</b> 47.5%	+8.8%	-4.9
<b>Op. Expenses</b> (% of Net Sales)	<b>1,698.2</b> 37.6%	<b>1,593.5</b> 38.1%		<b>1,692.5</b> 37.3%	-5.7	<b>1,863.3</b> 41.3%		-170.8
<b>Op. Profit</b> (% of Net Sales)	<b>444.9</b> 9.9%	<b>375.4</b> 9.0%	+18.5%	<b>455.5</b> 10.0%	-10.6	<b>279.8</b> 6.2%	-25.5%	-175.7
<b>IBT</b>	<b>466.3</b>	<b>390.8</b>	+19.3%	<b>475.5</b>	-9.2	<b>301.2</b>	-22.9%	-174.3
<b>Net Income</b> (% of Net Sales)	<b>325.1</b> 7.2%	<b>264.5</b> 6.3%	+22.9%	<b>325.0</b> 7.2%	+0.1	<b>160.0</b> 3.5%	-39.5%	-165.0
USD	151.63	140.85		149.62		151.63		
EUR	163.99	152.20		163.19		163.99		

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In the selling season fourth quarter, net sales grew by 9.5% compared to last year, thanks to new cameras and progress in installing lithography equipment. As a result, full-year net sales increased by 7.9% to a record high 4 trillion 509.8 billion yen.

As for gross profit, in addition to increased sales, lower logistics costs and prices of parts contributed to a 0.4 point improvement in our gross profit ratio, which was 47.5%.

Expenses increased due to higher personnel costs and structural reforms. However, thanks to efficiency improvements, expenses as a percentage of sales decreased by 0.5 points.

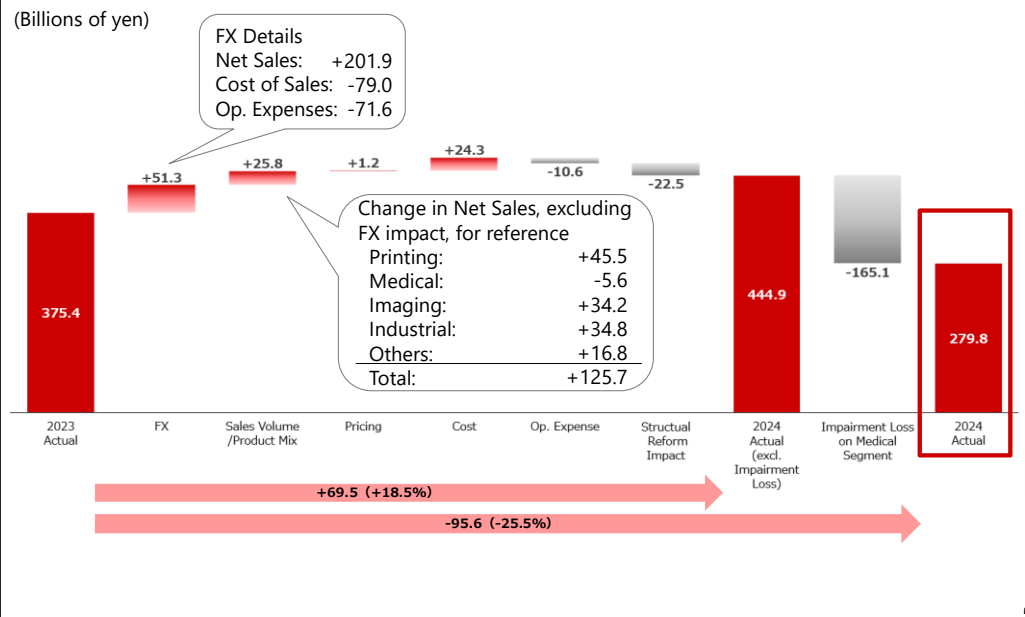
As a result, operating profit increased by 18.5% to 444.9 billion yen, income before income taxes increased by 19.3% to 466.3 billion yen, and net income increased by 22.9% to 325.1 billion yen. With profits increasing by around 20%, in each case, we are making steady progress in raising profitability.

On the other hand, ultimately due to the booking of an impairment loss of 165.1 billion yen of the medical business, profit decreased.

# FY 2024 Operating Profit Analysis

(FY 2024 Actual versus FY 2023 Actual)

Canon



Changes in exchange rates had a positive effect of 51.3 billion yen.

As for changes in sales volume and product mix, the overall impact was a positive 25.8 billion yen.

As for costs, in addition to a turnaround in logistics costs, lower parts costs and factory expenses contributed to a reduction of 24.3 billion yen.

As for expenses, in addition to an increase of 10.6 billion yen due to an increase in personnel costs linked to a step up in base pay, 22.5 billion yen was invested in structural reforms to optimize the workforce of sales companies and to integrate our medical business. As a result, operating profit increased 69.5 billion yen, or 18.5%, to 444.9 billion yen.

# 2024 Financial Results by Business Unit

## (Full year)



(Billions of yen)		2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2024 Actual (incl. Impairment Loss)
Printing	Net Sales	2,522.7	2,346.1	+7.5%	2,516.0	+6.7	
	Op. Profit	289.9	228.3	+27.0%	288.0	+1.9	
	(%)	(11.5%)	(9.7%)		(11.4%)		
Medical	Net Sales	568.8	553.8	+2.7%	580.8	-12.0	568.8
	Op. Profit	24.7	31.6	-22.1%	33.1	-8.4	-140.4
	(%)	(4.3%)	(5.7%)		(5.7%)		(-24.7%)
Imaging	Net Sales	937.4	861.6	+8.8%	955.8	-18.4	
	Op. Profit	151.3	145.6	+3.9%	152.6	-1.3	
	(%)	(16.1%)	(16.9%)		(16.0%)		
Industrial	Net Sales	356.5	314.7	+13.3%	363.4	-6.9	
	Op. Profit	68.9	58.6	+17.6%	69.4	-0.5	
	(%)	(19.3%)	(18.6%)		(19.1%)		
Others & Corporate	Net Sales	233.7	208.8	+11.9%	228.6	+5.1	
	Op. Profit	-91.2	-86.3	-	-88.9	-2.3	
Eliminations	Net Sales	-109.3	-104.0	-	-104.6	-4.7	
	Op. Profit	1.3	-2.4	-	1.3	0.0	
Total	Net Sales	4,509.8	4,181.0	+7.9%	4,540.0	-30.2	4,509.8
	Op. Profit	444.9	375.4	+18.5%	455.5	-10.6	279.8
	(%)	(9.9%)	(9.0%)		(10.0%)		(6.2%)

\* From 2024, some reclassification between Others & Corporate and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2023 were also reclassified.

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As for Printing, starting with Production. We achieved our fourth consecutive year of sales growth as the orders we secured at drupa, the world's largest printing equipment tradeshow, were linked to sales. As for office MFDs, despite economic weakness in Europe and China, sales increased due to higher market share and growth in service revenue, resulting from an increase in the number of color office MFDs in operation. As for laser printers for which shipment adjustments were completed, we made significant recovery in sales. However, for inkjet printers, unit sales declined due to weak market conditions.

For the Business Unit overall, net sales increased 7.5% and profitability was 11.5%, a significant improvement compared to last year.

As for Medical, although we expanded sales in the United States where we continue to enhance our sales capability, the protracted anti-corruption campaign in China, and economic weakness in Europe led to lower sales compared to last year. As a result, profitability was limited to 4.3%, as we were unable to cover the increase in costs linked to the strengthening of our sales structure overseas, developing our next-generation CT (photon counting CT), and structural reforms.

As for Imaging, in the selling season fourth quarter, in addition to new cameras that were launched in the second half of the year, namely the EOS R5 Mark II, and EOS R1, we expanded sales of entry-class models through sales promotions. As a result, full-year sales increased by 6.5%. For network cameras, we posted sales growth of over 10%, thanks to strong sales, particularly in the United States and Europe. As a result, sales were up 8.8% for the full year.

As for Industrial, sales increased significantly in the fourth quarter, thanks to the efficient installation of both semiconductor and FPD lithography equipment. For the full year, the 25% increase in semiconductor lithography equipment sales to 233 units, was a major driver of double-digit sales and profit growth for the entire group.



- Even amid global economic uncertainty, expect market environment to be solid overall
- Growing customer demand of semiconductor lithography equipment, medical, network cameras, and commercial printing, contributing to continued growth in 2025
- Aiming to grow sales of office MFDs, and printers through market share expansion
- Effects of last year's structural reform of sales companies contributing throughout the year
- Aiming for sales and profit growth, operating profit ratio of 11% or higher
- Raise dividend by 5 yen to 160, and return to pre-COVID 2019 level, plan to acquire 100 billion yen of own shares

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As for the global economy, due to heightened geopolitical risks and policy changes linked to changes in governments in various countries, the future is expected to remain uncertain on both political and economic fronts. However, even under this situation, we expect the markets in which we compete to remain basically firm, like last year.

Due to growing customer demand for lithography equipment, medical equipment, network cameras and commercial printing, we expect their respective markets to continue growing this year as well. And for office MFDs and printers, we plan to expand sales through market share gain, even amid market contraction.

From a profit perspective, we expect the effects of restructuring of sales companies that were implemented last year to be felt throughout the year and by absorbing the remaining costs of the restructuring of sales, production, and our medical business, we expect our operating profit ratio to improve to 11%.

As for shareholder returns, in addition to increasing the dividend by 5 yen and returning to the pre-covid level of 160 yen per share, we plan to acquire our own shares in an amount up to 100 billion yen.

# Review of Business Structure (Sales/Production)

## Sales Companies

- Organization restructuring
  - DX promotion
  - Sales channel review
- **Optimize workforce,  
raise asset efficiency**

**Strengthen Competitiveness**

## 2024-2025 Approximate Cost/Effect

(Billions of yen)

	FY 2024	FY 2025
Cost	20.0	6.0
Effect	8.0	22.0
<b>PL impact</b>	<b>-12.0</b>	<b>16.0</b>

## Production Sites

- Consolidation of sites
  - Return to domestic production through Automation, in-house production
- **Raise utilization rates,  
asset efficiency**

**Strengthen Cost Competitiveness**

## 2024-2025 Approximate Cost/Effect

(Billions of yen)

	FY 2024	FY 2025
Cost	0.0	20.0
Effect	0.0	0.0
<b>PL impact</b>	<b>0.0</b>	<b>-20.0</b>

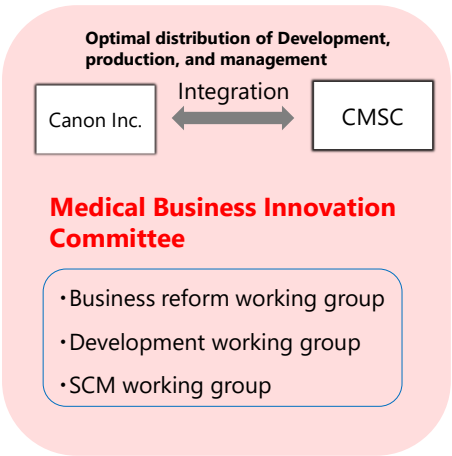
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Between 2024 and 2025, we are promoting three business structure reforms.

First, a review of our sales structure. Since the second quarter of last year, we have been promoting DX and a review of our sales channel, particularly in the United States, and have invested approximately 20 billion yen towards organizational restructuring, to transform our sales organization into a more competitive one. As a result, we reduced expenses by 8 billion yen last year and expect to an effect of 22 billion yen this year. Although reforms were mostly completed in 2024, we decided to take the initiative and conduct further reviews, particularly in Europe, where the market is expected to remain sluggish for a prolonged period and factored into our plan approximately 6 billion yen in costs.

Second, a review of our production structure. Currently, with a focus on geopolitical risks and productivity, we are conducting a review of our approximately 60 production sites located around the world, with an eye towards concentrating production in countries and regions where politics and society are more stable. Through this, we aim to raise the utilization rates of each production site, enhance cost competitiveness and at the same time, link this to asset efficiency improvements in ROE and ROI by reducing parts and work-in-process inventory as well as reducing fixed assets. We plan to implement the production structure reform in stages over the next several years, and this year we expect costs of 20 billion yen.

## Medical



### 2024-2025 Cost of Infrastructure Development (Headquarters) (Billions of yen)

	FY 2024	FY 2025	Total
CapEx	4.5	5.5	10.0
Expense	0.5	2.5	3.0
<b>Total</b>	<b>5.0</b>	<b>8.0</b>	<b>13.0</b>

### 2024-2025 Approximate Cost/Effect (Medical) (Billions of yen)

	FY 2024	FY 2025
Cost	2.5	5.0
Effect	0.0	10.0
<b>PL impact</b>	<b>-2.5</b>	<b>5.0</b>

Third, Medical business innovation.

To make a groupwide concerted effort to improve profitability, in February of last year, the Medical Business Innovation Committee was established. Canon Inc. is investing all its resources, including management level and other personnel, technology, and know-how. The Medical Business Innovation Committee is thoroughly examining each operation, including development, production, and management, and is already implementing measures to address many of the issues that it has identified.

For infrastructure development to promote integration with Canon Inc., 5 billion yen was booked as a headquarter expense last year and we plan to invest 8 billion yen this year. Additionally, in the medical business, we will spend 5 billion yen towards structural reforms, for integration with Canon Inc., review of loss-making businesses and subsidiaries, reducing external expenses, and improving service operations. And through this, we expect to improve profit by approximately 10 billion yen this year.

# 2025 Financial Projection (Full Year)

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				Incl. Impairment Loss
(Billions of yen)	FY 2025 Projection	FY 2024 Actual	% Change	% Change
<b>Net Sales</b>	<b>4,736.0</b>	<b>4,509.8</b>	+5.0%	
<b>Gross Profit</b> (% of Net Sales)	<b>2,240.5</b> 47.3%	<b>2,143.1</b> 47.5%	+4.5%	
<b>Op. Expenses</b> (% of Net Sales)	<b>1,721.5</b> 36.3%	<b>1,698.2</b> 37.6%		
<b>Op. Profit</b> (% of Net Sales)	<b>519.0</b> 11.0%	<b>444.9</b> 9.9%	+16.7%	+85.5%
<b>IBT</b>	<b>536.0</b>	<b>466.3</b>	+15.0%	+78.0%
<b>Net Income</b> (% of Net Sales)	<b>364.0</b> 7.7%	<b>325.1</b> 7.2%	+12.0%	+127.5%
USD	150.00	151.63	Impact of exchange rate movement (Annual impact given a one yen change)	
EUR	160.00	163.99		
			Net Sales	Op. Profit
			USD 13.1 billion yen	3.1 billion yen
			EUR 6.7 billion yen	3.4 billion yen

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As for exchange rates, based on comprehensive consideration of the current market, monetary policies, and other trends, we assumed 150 yen against the U.S. dollar and 160 yen against the euro.

Aiming for sales and profit growth, we project net sales to increase by 5.0% to 4 trillion 736 billion yen, operating profit to increase by 16.7% to 519 billion yen and net income to increase by 12.0% to 364 billion yen based on these exchange rates.

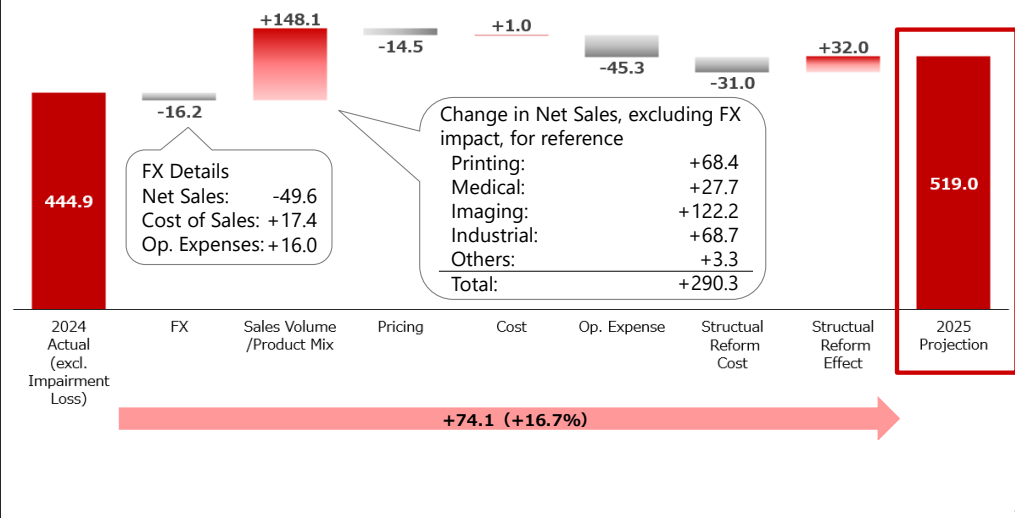
Including the impairment loss impact in 2024, operating profit and net income are projected to increase 85.5% and 127.5%, respectively.

# 2025 Operating Profit Analysis

## (FY 2025 Projection versus FY 2024 Actual)

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(Billions of yen)



As for changes in exchange rates, due to our assumption that the yen would appreciate compared to last year, we project a negative impact of 16.2 billion yen.

As for changes in sales volume and product mix, as we expect sales to increase in all four business units, particularly in Imaging and Industrial, we project a positive impact of 148.1 billion yen.

As for expenses, we expect an increase of 45.3 billion yen due to a rise in personnel costs and development expense linked to new products. Additionally, for the three structural reforms estimated to cost 31 billion yen, we expect positive effects to be 32 billion yen.

As a result, operating profit compared to last year, when the impairment loss impact is excluded, is projected to increase by 74.1 billion yen or grow at a rate of 16.7% to 519 billion yen.

# 2025 Financial Projection by Business Unit (Full Year)



(Billions of yen)		FY 2025 Projection	FY 2024 Actual	% Change
Printing	Net Sales	<b>2,558.0</b>	<b>2,522.7</b>	+1.4%
	Op. Profit	<b>323.6</b>	<b>289.9</b>	+11.6%
	(%)	<b>(12.7%)</b>	<b>(11.5%)</b>	
Medical	Net Sales	<b>590.0</b>	<b>568.8</b>	+3.7%
	Op. Profit	<b>39.5</b>	<b>24.7</b>	+60.2%
	(%)	<b>(6.7%)</b>	<b>(4.3%)</b>	
Imaging	Net Sales	<b>1,036.7</b>	<b>937.4</b>	+10.6%
	Op. Profit	<b>169.2</b>	<b>151.3</b>	+11.8%
	(%)	<b>(16.3%)</b>	<b>(16.1%)</b>	
Industrial	Net Sales	<b>424.2</b>	<b>356.5</b>	+19.0%
	Op. Profit	<b>76.3</b>	<b>68.9</b>	+10.7%
	(%)	<b>(18.0%)</b>	<b>(19.3%)</b>	
Others & Corporate	Net Sales	<b>226.1</b>	<b>233.7</b>	-3.3%
	Op. Profit	<b>-89.8</b>	<b>-91.2</b>	-
Eliminations	Net Sales	<b>-99.0</b>	<b>-109.3</b>	-
	Op. Profit	<b>0.2</b>	<b>1.3</b>	-
Total	Net Sales	<b>4,736.0</b>	<b>4,509.8</b>	+5.0%
	Op. Profit	<b>519.0</b>	<b>444.9</b>	+16.7%
	(%)	<b>(11.0%)</b>	<b>(9.9%)</b>	

\* 2024 figures exclude the impact of impairment loss.

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As for Printing, starting with Production, we will expand sales by not only significantly enhancing our product lineup through the launch of several new products in areas that we did not cover in the past, but also expanding our sales channel through our partnership with Heidelberg. As for office MFDs, in addition to the sales of large business deals that we already secured, we will further expand our market share through the launch of new products. As for laser printers, we will focus on sales of medium- to high-speed color models in countries and regions, and with users where high print volume is expected and for inkjet printers, work to earnestly expand sales of refillable ink tank models.

As a result, we expect sales of the Printing business unit to increase by 1.4%, and profitability to improve by 1.2 points to 12.7%, as we strive to ensure profitability as a cash cow business.

As for Medical, we will increase our presence, particularly in the United States, through launch of groundbreaking equipment like our next-generation CT, which we plan to launch this year. In emerging markets, such as India and those in the Middle East, our newly established local subsidiaries will work to secure orders for large-scale projects, which will facilitate our aim to grow the entire medical business by 3.7%.

As for profit, we will strive to achieve a profit ratio of 6.7% by focusing on growth investments, such as sales capabilities and development, and enhancing profitability through business innovation activities.

As for Imaging, starting with cameras, we will work to increase sales of full-frame cameras, particularly the EOS R1 and EOS R5 Mark II, and expand sales of RF lenses. Additionally, we will expand sales by increasing production of compact cameras, which are gaining popularity mainly among young people, to achieve 8.2% sales growth for cameras overall. As for network cameras, by achieving sales growth of 14.5%, exceeding the market's growth, we aim to achieve 10.6% growth for the entire Imaging Group and sales of more than 1 trillion yen.

As for Industrial, starting with semiconductor lithography equipment, against the backdrop of expanding demand for GPUs which are used in generative AI, demand for our equipment for back-end processes is very strong. Additionally, demand for equipment used in manufacturing memory devices is expected to recover. As a result, we plan to sell 308 units this year, which is a 30% increase over the 233 units of last year. And to make it possible to sell this many units, we are building a new plant in Utsunomiya to increase our production capacity. Additionally, sales of semiconductor manufacturing equipment produced by Canon ANELVA and Canon MACHINERY is planned to increase, and the Group is expected to post double-digit growth in both sales and profits as in the previous year.

# Inventory

- 4Q sales as well as reduction in parts and materials lead to 50 billion yen reduction in inventory at the end of December compared to end of September
- Aiming for appropriate level of inventory of 60 or fewer days at the end of December 2025

(Billions of yen)

		FY 2023				FY 2024			
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end	Sep.-end	Dec.-end
Printing	Amt.	372.5	387.5	377.6	312.6	347.6	361.5	344.1	342.7
	Days	57	62	60	47	52	53	50	49
Medical	Amt.	136.3	143.1	150.9	125.9	141.1	146.0	142.1	133.2
	Days	88	102	107	77	86	97	95	83
Imaging	Amt.	163.6	173.3	184.6	168.4	191.4	182.4	168.5	158.6
	Days	69	77	77	68	86	79	63	56
Industrial	Amt.	133.0	140.0	142.8	132.9	146.4	150.2	158.7	138.0
	Days	154	187	170	136	160	168	175	130
Others & Corporate	Amt.	53.4	54.2	58.0	57.1	68.3	72.4	76.3	69.3
<b>Total</b>	<b>Amt.</b>	<b>858.8</b>	<b>898.1</b>	<b>913.9</b>	<b>796.9</b>	<b>894.9</b>	<b>912.5</b>	<b>889.7</b>	<b>841.8</b>
	<b>Days</b>	<b>74</b>	<b>82</b>	<b>82</b>	<b>66</b>	<b>76</b>	<b>77</b>	<b>72</b>	<b>65</b>

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Inventory at the end of December 2024 was approximately 50 billion yen lower than at the end of September. This reflects decreases in the inventory of finished goods such as cameras and inkjet printers, which were build up for the selling season, and lithography equipment and medical equipment, due to progress made in installation at customer sites. This also reflects a decrease in parts and materials that were procured early during the period of tight supply.

Inventory increased by 45 billion yen from the end of 2023 due to a revaluation of overseas inventories caused by the weak yen and an increase in distribution costs caused by the avoidance of navigation through the Red Sea and Suez Canal. However, turnover decreased by one day due to an increase in sales.

As for 2025, we will continue to strongly promote activities of the Production, Sales, Inventory (PSI) optimization project and even while expanding sales, work to further reduce inventory to achieve an appropriate level of less than 60 days.

# Cash Flow

## (Full Year)



- Operating CF expected to be 650 billion yen, exceeding last year
- Decided to acquire 100 billion yen of own shares and raise dividend to 160 yen per share

(Billions of yen)	FY 2025 Projection	FY 2024 Actual	FY 2023 Actual
Net income	364.0	325.1	264.5
Depreciation and amortization	240.0	235.5	238.7
Others	47.0	46.2	-52.0
Net cash provided by operating activities	651.0	606.8	451.2
Capital expenditure	-250.0	-237.0	-231.7
Others	-100.0	-60.3	-43.7
Net cash used in investing activities	-350.0	-297.3	-275.4
<b>Free cash flow</b>	<b>301.0</b>	<b>309.5</b>	<b>175.8</b>
Net cash provided by (used in) financing activities	-345.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	-7.6	16.7	20.1
<b>Net change in cash and cash equivalents</b>	<b>-51.6</b>	<b>100.2</b>	<b>39.2</b>
<b>Cash and cash equivalents at end of period</b>	<b>450.0</b>	<b>501.6</b>	<b>401.3</b>
<b>Cash-on-hand (In months of Net sales)</b>	<b>1.1</b>	<b>1.3</b>	<b>1.1</b>

\* Figures for 2023 and 2024 calculated using second half net sales. 2025 figures based on net sales for full year

\* 2024 net income figure excludes the impact of impairment loss.

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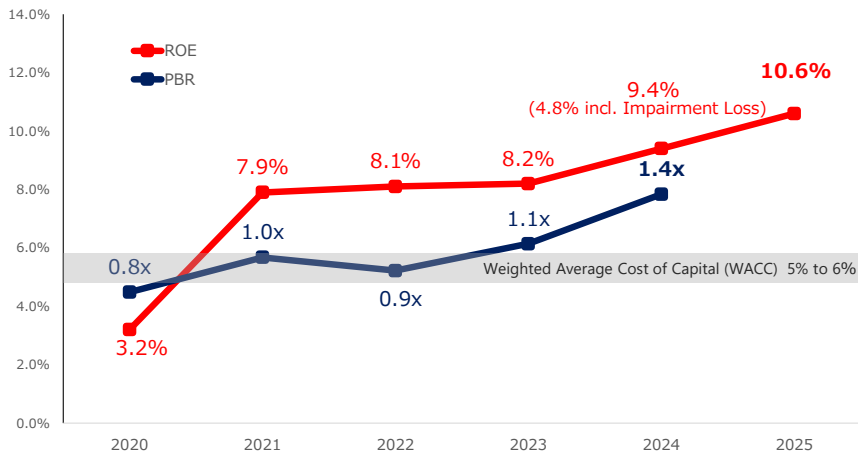
In 2024, we generated more than 600 billion yen in operating cash flow, invested in future growth through capital expenditures and M&A, and at the same time, deployed 200 billion yen through two acquisitions of our own shares, and raised our dividend per share by 15 yen.

As for 2025, we will raise our net income by 40 billion yen and plan to generate more than 650 billion yen in operating cash flow. In addition to the completion of the new Utsunomiya factory for semiconductor lithography equipment this year, we will make strategic investments to review our production structure. Furthermore, we expect to further raise our dividend per share by 5 yen and return to the pre-COVID level of 160 yen per share. We also plan to deploy 100 billion yen to acquire our own shares to increase shareholder returns.



# Return on Capital

- 2024 ROE 9.4%, 1.2 points above last year
- Work for further improvement, achieve 2025 target of 10% or higher



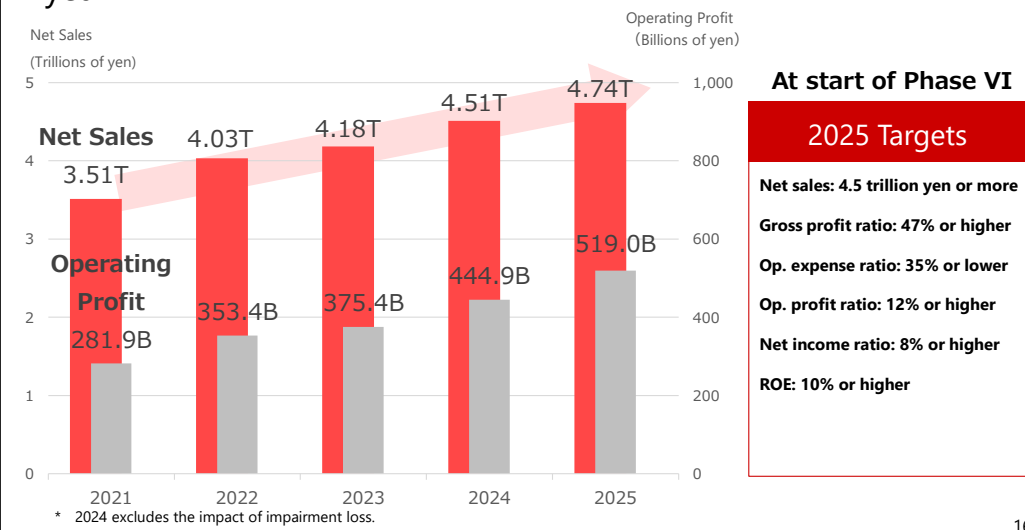
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Excluding the impact of impairment loss, ROE in 2024 increased by 1.2 points to 9.4% compared to 2023, due to a 23% increase in net income and 200 billion yen in share repurchases.

As for PBR, due to more than a 40% increase in our stock price last year, it was around 1.4X at the end of 2024.

In 2025, we aim to achieve an ROE of 10% or higher by expanding profits and reducing assets through a review of our business structure.

- In 2025, the final year of current 5-year plan, basically complete structural reforms and work to lay the groundwork for next five year



Despite being impacted by weak market conditions in 2024, we achieved continued sales growth, particularly in semiconductor lithography equipment, network cameras, and commercial printing equipment, which are our growth areas, and steadily increased sales of cameras and laser printers after inventory adjustments were completed. As a result, we achieved record high full-year sales of 4 trillion 509.8 billion yen. From a profit perspective as well, excluding the one-time costs factors of impairment loss and structural reform expenses, our operating profit ratio exceeded 10%, and profitability is steadily improving.

As for 2025, the final year of Phase VI of the Excellent Global Corporation Plan, the entire company is united in its effort to make good progress in the three company-wide structural reforms that we are undertaking and laying the groundwork for further growth in our next five-year plan starting in 2026.

## Supplementary Information

# P&L

## (4Q/FY 2024 Results)



(Billions of yen)	4Q			Full Year				
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change
<b>Net Sales</b>	<b>1,273.7</b>	<b>1,163.7</b>	+9.5%	<b>4,509.8</b>	<b>4,181.0</b>	+7.9%	<b>4,540.0</b>	-30.2
<b>Gross Profit</b> (% of Net Sales)	<b>596.7</b> 46.8%	<b>548.1</b> 47.1%	+8.9%	<b>2,143.1</b> 47.5%	<b>1,968.9</b> 47.1%	+8.8%	<b>2,148.0</b> 47.3%	-4.9
<b>Op. Expenses</b> (% of Net Sales)	<b>448.5</b> 35.2%	<b>432.1</b> 37.1%		<b>1,698.2</b> 37.6%	<b>1,593.5</b> 38.1%		<b>1,692.5</b> 37.3%	-5.7
<b>Op. Profit</b> (% of Net Sales)	<b>148.2</b> 11.6%	<b>116.0</b> 10.0%	+27.8%	<b>444.9</b> 9.9%	<b>375.4</b> 9.0%	+18.5%	<b>455.5</b> 10.0%	-10.6
<b>IBT</b>	<b>155.5</b>	<b>114.8</b>	+35.5%	<b>466.3</b>	<b>390.8</b>	+19.3%	<b>475.5</b>	-9.2
<b>Net Income</b> (% of Net Sales)	<b>106.6</b> 8.4%	<b>80.6</b> 6.9%	+32.3%	<b>325.1</b> 7.2%	<b>264.5</b> 6.3%	+22.9%	<b>325.0</b> 7.2%	+0.1
USD	152.42	147.93		151.63	140.85		149.62	
EUR	162.55	159.16		163.99	152.20		163.19	

\* 2024 figures exclude the impact of impairment loss.

# 2024 Financial Results by Business Unit (4Q/FY 2024 Results)



(Billions of yen)		4Q			Full Year				
		2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change
Printing	Net Sales	677.1	642.6	+5.4%	2,522.7	2,346.1	+7.5%	2,516.0	+6.7
	Op. Profit	84.5	72.4	+16.7%	289.9	228.3	+27.0%	288.0	+1.9
	(%)	(12.5%)	(11.3%)		(11.5%)	(9.7%)		(11.4%)	
Medical	Net Sales	161.3	164.2	-1.8%	568.8	553.8	+2.7%	580.8	-12.0
	Op. Profit	8.9	13.7	-34.9%	24.7	31.6	-22.1%	33.1	-8.4
	(%)	(5.5%)	(8.4%)		(4.3%)	(5.7%)		(5.7%)	
Imaging	Net Sales	277.6	229.3	+21.1%	937.4	861.6	+8.8%	955.8	-18.4
	Op. Profit	52.4	33.7	+55.6%	151.3	145.6	+3.9%	152.6	-1.3
	(%)	(18.9%)	(14.7%)		(16.1%)	(16.9%)		(16.0%)	
Industrial	Net Sales	122.2	99.0	+23.5%	356.5	314.7	+13.3%	363.4	-6.9
	Op. Profit	24.9	23.3	+6.9%	68.9	58.6	+17.6%	69.4	-0.5
	(%)	(20.4%)	(23.6%)		(19.3%)	(18.6%)		(19.1%)	
Others & Corporate	Net Sales	64.8	52.5	+23.5%	233.7	208.8	+11.9%	228.6	+5.1
	Op. Profit	-23.0	-26.3	-	-91.2	-86.3	-	-88.9	-2.3
Eliminations	Net Sales	-29.3	-23.9	-	-109.3	-104.0	-	-104.6	-4.7
	Op. Profit	0.5	-0.8	-	1.3	-2.4	-	1.3	0.0
Total	Net Sales	1,273.7	1,163.7	+9.5%	4,509.8	4,181.0	+7.9%	4,540.0	-30.2
	Op. Profit	148.2	116.0	+27.8%	444.9	375.4	+18.5%	455.5	-10.6
	(%)	(11.6%)	(10.0%)		(9.9%)	(9.0%)		(10.0%)	

\* 2024 figures exclude the impact of impairment loss.

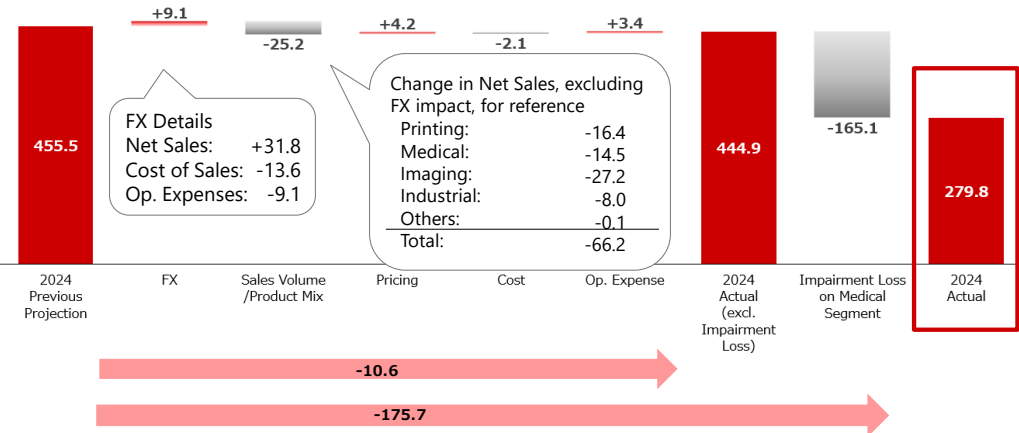
\* From 2024, some reclassification between Others & Corporate and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2023 were also reclassified.

# 2024 Operating Profit Analysis

## (FY 2024 Actual versus FY 2024 Previous Projection)



(Billions of yen)



# Printing



## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		4Q			Full Year					Full Year	
		2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Production		125.7	119.2	+5.4%	441.5	401.6	+9.9%	442.5	-1.0	457.7	+3.7%
Office	Office MFDs	167.5	170.5	-1.7%	647.0	622.2	+4.0%	652.6	-5.6	650.1	+0.5%
	Others	108.2	96.9	+11.7%	408.2	364.1	+12.1%	407.3	+0.9	433.6	+6.2%
		275.7	267.4	+3.1%	1,055.2	986.3	+7.0%	1,059.9	-4.7	1,083.7	+2.7%
Prosumer	LPs	182.5	162.4	+12.4%	679.6	608.9	+11.6%	662.7	+16.9	664.3	-2.2%
	IJPs	93.2	93.6	-0.5%	346.5	349.3	-0.8%	350.9	-4.4	352.3	+1.7%
		275.7	256.0	+7.7%	1,026.1	958.2	+7.1%	1,013.6	+12.5	1,016.6	-0.9%
Net Sales		677.1	642.6	+5.4%	2,522.7	2,346.1	+7.5%	2,516.0	+6.7	2,558.0	+1.4%
Op. Profit		84.5	72.4	+16.7%	289.9	228.3	+27.0%	288.0	+1.9	323.6	+11.6%
%		12.5%	11.3%		11.5%	9.7%		11.4%		12.7%	

## Net Sales Growth Rate Y/Y (Local Currency)

## Unit Growth Rate Y/Y

	2024		2025 Projection		2024		2025 Projection
	4Q	Full Year Actual			4Q	Full Year Actual	
Production	+2.9%	+2.8%	+5.3%	Office MFDs	-7%	-3%	+5%
Office	+1.4%	+2.2%	+3.7%	LPs	+37%	+14%	-5%
Prosumer	+6.1%	+2.4%	+0.2%	IJPs	-4%	-6%	+4%
Total	+3.5%	+2.4%	+2.6%				

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## Production

As for commercial printing, thanks to growing demand for low-volume, high-mix printing, the shift from analog to digital is progressing, driving continued growth of around 5% of the digital printing equipment market.

At drupa, the world's largest printing equipment tradeshow that was held in May, we secured many business deals for our highly evaluated product lineup that we have strengthened based on customer feedback and achieved our fourth consecutive year of sales growth.

In 2025, we will launch new products in areas that we have not been able to cover, such as the varioPRESS iV7, our first printer compatible with B2 size paper, and the varioPRINT iX1700, a compact, low-cost printer for small and medium-sized printing companies. Additionally, with the launch of the LabelStream LS2000, our first water-based inkjet label printer for food and daily use labels, we will earnestly enter the field of industrial printing, which includes labels and packaging, where demand is expected to grow in the future.

In addition to significantly expanding our product lineup, this year, we will start supplying products to Heidelberg, a leading company in offset printing, to expand sales channels and accelerate sales expansion.

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

Net Sales & Net Sales Growth Rate Y/Y									(billions of yen)		
		4Q			Full Year				Full Year		
		2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Production		125.7	119.2	+5.4%	441.5	401.6	+9.9%	442.5	-1.0	457.7	+3.7%
Office	Office MFDs	167.5	170.5	-1.7%	647.0	622.2	+4.0%	652.6	-5.6	650.1	+0.5%
	Others	108.2	96.9	+11.7%	408.2	364.1	+12.1%	407.3	+0.9	433.6	+6.2%
		275.7	267.4	+3.1%	1,055.2	986.3	+7.0%	1,059.9	-4.7	1,083.7	+2.7%
Prosumer	LPs	182.5	162.4	+12.4%	679.6	608.9	+11.6%	662.7	+16.9	664.3	-2.2%
	IJPs	93.2	93.6	-0.5%	346.5	349.3	-0.8%	350.9	-4.4	352.3	+1.7%
		275.7	256.0	+7.7%	1,026.1	958.2	+7.1%	1,013.6	+12.5	1,016.6	-0.9%
Net Sales		677.1	642.6	+5.4%	2,522.7	2,346.1	+7.5%	2,516.0	+6.7	2,558.0	+1.4%
Op. Profit		84.5	72.4	+16.7%	289.9	228.3	+27.0%	288.0	+1.9	323.6	+11.6%
%		12.5%	11.3%		11.5%	9.7%		11.4%		12.7%	

## Net Sales Growth Rate Y/Y (Local Currency)

## Unit Growth Rate Y/Y

	2024		2025 Projection		2024		2025 Projection
	4Q	Full Year Actual			4Q	Full Year Actual	
Production	+2.9%	+2.8%	+5.3%	Office MFDs	-7%	-3%	+5%
Office	+1.4%	+2.2%	+3.7%	LPs	+37%	+14%	-5%
Prosumer	+6.1%	+2.4%	+0.2%	IJPs	-4%	-6%	+4%
Total	+3.5%	+2.4%	+2.6%				

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## Office MFDs

The office MFD market in 2024 was impacted by economic weakness in China and Europe and shrank compared to last year. However, as a core printing device in offices, demand for office MFDs remains solid. Because of this, we expect the market in 2025 to be about the same size as last year.

We were also impacted by the weak market conditions in 2024. However, we expanded our hardware market share and through the expansion of unit sales of color models up to now, growth in our install base led to an increase in service revenue. As a result, sales of office MFDs overall were at the same level as last year.

For sales growth in 2025, we have already secured many large business deals, and by launching new products with improved basic performance in areas such as image quality and power consumption, as well as improved serviceability, we aim to further expand our market share.

## Office Other

As for our IT solutions business, which is a growth area, we plan to further expand sales by capturing strong demand for DX, mainly in Japan.



## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

4Q				Full Year					Full Year		
		2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Production		125.7	119.2	+5.4%	441.5	401.6	+9.9%	442.5	-1.0	457.7	+3.7%
Office	Office MFDs	167.5	170.5	-1.7%	647.0	622.2	+4.0%	652.6	-5.6	650.1	+0.5%
	Others	108.2	96.9	+11.7%	408.2	364.1	+12.1%	407.3	+0.9	433.6	+6.2%
		275.7	267.4	+3.1%	1,055.2	986.3	+7.0%	1,059.9	-4.7	1,083.7	+2.7%
Prosumer	LPs	182.5	162.4	+12.4%	679.6	608.9	+11.6%	662.7	+16.9	664.3	-2.2%
	IJPs	93.2	93.6	-0.5%	346.5	349.3	-0.8%	350.9	-4.4	352.3	+1.7%
		275.7	256.0	+7.7%	1,026.1	958.2	+7.1%	1,013.6	+12.5	1,016.6	-0.9%
Net Sales		677.1	642.6	+5.4%	2,522.7	2,346.1	+7.5%	2,516.0	+6.7	2,558.0	+1.4%
Op. Profit		84.5	72.4	+16.7%	289.9	228.3	+27.0%	288.0	+1.9	323.6	+11.6%
%		12.5%	11.3%		11.5%	9.7%		11.4%		12.7%	

## Net Sales Growth Rate Y/Y (Local Currency)

## Unit Growth Rate Y/Y

	2024		2025 Projection		2024		2025 Projection
	4Q	Full Year Actual			4Q	Full Year Actual	
Production	+2.9%	+2.8%	+5.3%	Office MFDs	-7%	-3%	+5%
Office	+1.4%	+2.2%	+3.7%	LPs	+37%	+14%	-5%
Prosumer	+6.1%	+2.4%	+0.2%	IJPs	-4%	-6%	+4%
Total	+3.5%	+2.4%	+2.6%				

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## Prosumer

The printer market in 2024 shrank due to weak market conditions in China and Europe. Though we expect this to continue in 2025, we expect the rate of market contraction to decrease.

As for laser printers, with the completion of shipment adjustments, sales recovered from the second quarter on, particularly for monochrome printers. As a result, overall unit sales of laser printers increased significantly by 14% compared to last year. As for 2025, we will focus on sales of color medium- and high-speed printers to customers in countries and regions where high print volumes are expected and aim for high profitability even as the market shrinks.

As for inkjet printers, with the launch of a new model that offers great performance at a competitive price in the second half of 2024, we completed our lineup of refillable ink tank models. Although sales of our refillable ink tank models increased, particularly in emerging markets, inkjet printer unit sales in total declined due to overall weakness in market conditions. In 2025, by making effective promotional investments, we will strive to expand sales of refillable ink tank models and while raising our average selling price, aim for 2% sales growth compared to last year.

Printing Hardware & Non-hardware Sales

Canon

Net Sales Growth Rate of Printing Hardware & Non-hardware

			FY 2025	FY 2024		FY 2023	
			Full Year Projection	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual
Production	JPY	Hardware	+8%	+7%	+11%	+13%	+11%
		Non-hardware	+1%	+4%	+9%	+8%	+11%
	LC	Hardware	+9%	+4%	+4%	+7%	+3%
		Non-hardware	+3%	+2%	+2%	+2%	+3%
Office MFDs	JPY	Hardware	+3%	-6%	+1%	+3%	+12%
		Non-hardware	-2%	+2%	+7%	+4%	+7%
	LC	Hardware	+4%	-8%	-5%	-2%	+5%
		Non-hardware	-1%	0%	+1%	-1%	+2%
LPs	JPY	Hardware	-3%	+36%	+17%	-30%	-10%
		Non-hardware	-2%	+1%	+9%	+13%	-4%
	LC	Hardware	-2%	+33%	+11%	-33%	-15%
		Non-hardware	-1%	0%	+5%	+10%	-6%
IJPs	JPY	Hardware	+7%	+2%	-2%	-22%	-14%
		Non-hardware	-2%	-2%	0%	-4%	+2%
	LC	Hardware	+8%	0%	-8%	-26%	-18%
		Non-hardware	-1%	-4%	-6%	-8%	-4%

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	4Q			Full Year					Full Year	
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Net Sales	161.3	164.2	-1.8%	568.8	553.8	+2.7%	580.8	-12.0	590.0	+3.7%
Op. Profit %	8.9 5.5%	13.7 8.4%	-34.9%	24.7 4.3%	31.6 5.7%	-22.1%	33.1 5.7%	-8.4	39.5 6.7%	+60.2%

## Net Sales Growth Rate Y/Y (Local Currency)

	2024		2025
	4Q	Full Year Actual	Projection
Total	-2.8%	-1.0%	+4.9%

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## Medical

In 2024, the overall diagnostic imaging equipment market shrank due to China's protracted anti-corruption campaign, Europe's economic weakness, and greater-than-expected impact from the implementation of workstyle reforms at medical institutions in Japan. As for 2025, we do not expect a major recovery. However, we do expect a slight increase as interest rate cuts have increased investment appetite in the United States and due to growth of emerging markets in the Middle East and Southeast Asia.

As for the fourth quarter, due to deteriorating business conditions of small- and medium-size medical institutions, sales of ultrasound diagnostic and other small-size equipment were sluggish and for large-size equipment, business deals and equipment installations continued to be delayed. For the full year, in the United States, where we continue to strengthen our sales capability, driven by CT and angiographic equipment, sales increased. However, sales in China declined 20%, and sales in Europe declined on a sales volume basis. As a result, profitability was limited to 4.3%, as we could not cover the increase in upfront investment expenses such as the strengthening of the sales structure in the United States and emerging countries, development of next-generation CT (Photon Counting CT), and restructuring expenses.

In 2025, we will continue to strengthen our sales capabilities in the United States, where market conditions are relatively favorable, and further increase sales by enhancing our presence through innovative devices such as the next-generation CT system that we plan to launch this year. In emerging markets with high growth potential, such as India and those in the Middle East, our newly established local subsidiary will maximize the acquisition of orders for large-scale projects that were delayed from last year, which will facilitate our aim to grow the entire medical business by 3.7%.

As for profit, by balancing sales capacity, development and other growth investments with business reform activities aimed at enhancing profitability, we will strive to achieve a profit ratio of 6.7%.

## Net Sales & Net Sales Growth Rate Y/Y

	4Q			Full Year					(Billions of yen)	
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Cameras	176.5	154.0	+14.6%	579.9	544.6	+6.5%	593.9	-14.0	627.3	+8.2%
Network Cameras & Others	101.1	75.3	+34.3%	357.5	317.0	+12.8%	361.9	-4.4	409.4	+14.5%
<b>Net Sales</b>	<b>277.6</b>	<b>229.3</b>	<b>+21.1%</b>	<b>937.4</b>	<b>861.6</b>	<b>+8.8%</b>	<b>955.8</b>	<b>-18.4</b>	<b>1,036.7</b>	<b>+10.6%</b>
<b>Op. Profit</b>	<b>52.4</b>	<b>33.7</b>	<b>+55.6%</b>	<b>151.3</b>	<b>145.6</b>	<b>+3.9%</b>	<b>152.6</b>	<b>-1.3</b>	<b>169.2</b>	<b>+11.8%</b>
%	18.9%	14.7%		16.1%	16.9%		16.0%		16.3%	

## Net Sales Growth Rate Y/Y (Local Currency)

	2024		2025
	4Q	Full Year Actual	Projection
Cameras	+11.9%	+0.4%	+9.3%
NWCs & Others	+28.6%	+6.0%	+16.0%
<b>Total</b>	<b>+17.4%</b>	<b>+2.5%</b>	<b>+11.9%</b>

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

	2024		2025
	4Q	Full Year Actual	Projection
Units (Millions)	0.85	2.84	2.90
Growth Rate	6%	-1%	2%

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## Cameras

As for interchangeable-lens cameras, demand is stable thanks to needs of professionals and people who enjoy shooting still images as well as the needs of SNS users to shoot video. Additionally, demand was stimulated by the investment of each company to expand sales. As a result, the size of the market in 2024 was 6.3 million units, which exceeds last year. And in 2025, we expect it to be around the same level.

In addition to launching two new models in the second half of the year, the EOS R5 Mark II for professionals and enthusiasts and the EOS R1, our flagship model, we also conducted sales promotions for entry-class models. As a result, net sales of cameras in the selling season fourth quarter increase 14.6%, resulting in a 6.5% increase for the full year.

In 2025 as well, our plan is to expand sales of full-frame models, mainly the EOS R5 Mark II and EOS R1, which will raise our average selling price and lead to an increase in RF lens sales.

Additionally, due to the spread of SNS, the popularity of compact cameras that can easily capture images that differ from those of smartphones is growing among young people. As a result, we are seeing a buildup of orders, mainly for higher priced models like the PowerShot G7 X Mark III. We aim to expand overall camera sales by 8.4% through increased production and supply.

## Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	4Q			Full Year					Full Year	
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Cameras	176.5	154.0	+14.6%	579.9	544.6	+6.5%	593.9	-14.0	627.3	+8.2%
Network Cameras & Others	101.1	75.3	+34.3%	357.5	317.0	+12.8%	361.9	-4.4	409.4	+14.5%
<b>Net Sales</b>	<b>277.6</b>	<b>229.3</b>	<b>+21.1%</b>	<b>937.4</b>	<b>861.6</b>	<b>+8.8%</b>	<b>955.8</b>	<b>-18.4</b>	<b>1,036.7</b>	<b>+10.6%</b>
<b>Op. Profit</b>	<b>52.4</b>	<b>33.7</b>	<b>+55.6%</b>	<b>151.3</b>	<b>145.6</b>	<b>+3.9%</b>	<b>152.6</b>	<b>-1.3</b>	<b>169.2</b>	<b>+11.8%</b>
%	18.9%	14.7%		16.1%	16.9%		16.0%		16.3%	

## Net Sales Growth Rate Y/Y (Local Currency)

	2024		2025
	4Q	Full Year Actual	Projection
Cameras	+11.9%	+0.4%	+9.3%
NWCs & Others	+28.6%	+6.0%	+16.0%
<b>Total</b>	<b>+17.4%</b>	<b>+2.5%</b>	<b>+11.9%</b>

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

	2024		2025
	4Q	Full Year Actual	Projection
Units (Millions)	0.85	2.84	2.90
Growth Rate	6%	-1%	2%

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## Network Cameras

We expect continued market growth also in 2025, reflecting the fundamental human need for safety and security.

Our sales in 2024, despite being impacted by partners adjusting inventory in the first quarter, returned to a trend of growth from the second quarter. And in the second half of the year, sales growth was more than 20%.

In 2025 as well, we will leverage our strong sales network, particularly in the United States and Europe, and with our broad product line and software, offer total solutions that will lead to market exceeding growth and facilitate our aim for double-digit sales growth for the full year.

## Net Sales &amp; Net Sales Growth Rate Y/Y

(Billions of yen)

	4Q			Full Year					Full Year	
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Optical Equipment	93.6	68.8	+36.0%	253.4	212.6	+19.2%	255.0	-1.6	305.5	+20.6%
Industrial Equipment	28.6	30.2	-4.9%	103.1	102.1	+1.0%	108.4	-5.3	118.7	+15.1%
<b>Net Sales</b>	<b>122.2</b>	<b>99.0</b>	<b>+23.5%</b>	<b>356.5</b>	<b>314.7</b>	<b>+13.3%</b>	<b>363.4</b>	<b>-6.9</b>	<b>424.2</b>	<b>+19.0%</b>
<b>Op. Profit</b>	<b>24.9</b>	<b>23.3</b>	<b>+6.9%</b>	<b>68.9</b>	<b>58.6</b>	<b>+17.6%</b>	<b>69.4</b>	<b>-0.5</b>	<b>76.3</b>	<b>+10.7%</b>
%	20.4%	23.6%		19.3%	18.6%		19.1%		18.0%	

Net Sales Growth Rate Y/Y  
(Local Currency)

	2024		2025
	4Q	Full Year Actual	Projection
Opt. Equip.	+35.1%	+17.6%	+20.7%
Industrial Equip.	-5.4%	+0.5%	+15.8%
Total	+22.8%	+12.1%	+19.3%

## Lithography Equipment (Units)

		2024		2025
		4Q	Full Year Actual	Projection
Semiconductor	KrF	17	51	76
	i-line	58	182	232
		75	233	308
FPD		15	27	32

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## Optical Equipment – Semiconductor Production Equipment

The semiconductor device market is expected to surpass 2024 as sales of memory and logic for generative AI and data centers, which drove growth in 2024, continues to expand in 2025.

As for the semiconductor lithography equipment market, thanks to expected growth in semiconductor devices over the medium and long-term and moves by each country to promote production within their own countries, we expect expansion in 2025 as well.

In the fourth quarter of 2024, we installed 75 units. And for the full year, sold 233 units, significantly exceeding the 187 units that we sold last year. In 2025, against the backdrop of strong demand for GPUs that are used for generative AI, we are seeing even stronger demand for our back-end process equipment, which has become the industry standard in advanced packaging. Additionally, we expect a recovery in demand for memory equipment, which had been stagnant over the past two years. To address the expanding demand, we are currently building a new plant in Utsunomiya, which is scheduled to be completed in June 2025. We plan to expand sales to 308 units, an expansion of 32% compared to last year.

Additionally, with the aim of further enhancing our future growth potential, for nanoimprint, the next generation of semiconductor product equipment that we aim to use in the mass production of memory, logic, and other devices, we are conducting joint evaluation and verification on various pattern types with several semiconductor manufacturers. Additionally, for the ArF lithography equipment that we announced and exhibited at the end of 2024, we are proceeding with development for launch in the second half of 2025. With this, we will strengthen our lineup and expand the range of semiconductors we can cover.

## Net Sales &amp; Net Sales Growth Rate Y/Y

(Billions of yen)

	4Q			Full Year					Full Year	
	2024 Actual	2023 Actual	% Change	2024 Actual	2023 Actual	% Change	2024 Previous Projection	Amount Change	2025 Projection	% Change
Optical Equipment	93.6	68.8	+36.0%	253.4	212.6	+19.2%	255.0	-1.6	305.5	+20.6%
Industrial Equipment	28.6	30.2	-4.9%	103.1	102.1	+1.0%	108.4	-5.3	118.7	+15.1%
<b>Net Sales</b>	<b>122.2</b>	<b>99.0</b>	<b>+23.5%</b>	<b>356.5</b>	<b>314.7</b>	<b>+13.3%</b>	<b>363.4</b>	<b>-6.9</b>	<b>424.2</b>	<b>+19.0%</b>
<b>Op. Profit</b>	<b>24.9</b>	<b>23.3</b>	<b>+6.9%</b>	<b>68.9</b>	<b>58.6</b>	<b>+17.6%</b>	<b>69.4</b>	<b>-0.5</b>	<b>76.3</b>	<b>+10.7%</b>
%	20.4%	23.6%		19.3%	18.6%		19.1%		18.0%	

Net Sales Growth Rate Y/Y  
(Local Currency)

	2024		2025
	4Q	Full Year Actual	Projection
Opt. Equip.	+35.1%	+17.6%	+20.7%
Industrial Equip.	-5.4%	+0.5%	+15.8%
Total	+22.8%	+12.1%	+19.3%

## Lithography Equipment (Units)

		2024		2025
		4Q	Full Year Actual	Projection
Semiconductor	KrF	17	51	76
	i-line	58	182	232
		75	233	308
FPD		15	27	32

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## Optical Equipment – Flat panel display lithography equipment

As for the display production equipment market, as the balance between panel supply and demand improves, we are seeing an improvement in panel manufacturer profits which is leading to steady recovery.

As for FPD lithography equipment, in the fourth quarter, we installed 15 units for a total of 27 units for the full year, indicating a trend of growth. In 2025, in addition to large-scale investment in IT panels, we are securing additional investment aimed at increasing the production of panels used in smartphones with advanced functions. As such, we expect to sell 32 units for the full year.

## Industrial equipment

As for Canon Tokki's OLED vapor deposition equipment, in the fourth quarter of 2024, we received our second order for a large machine for IT panels and in 2025 we will steadily advance production in conjunction with the first machine.

Canon Anelva and Canon Machinery also plan to significantly increase sales of semiconductor manufacturing equipment, including thin-film deposition equipment and die bonders, in response to rising demand for semiconductors. We aim to increase total sales of industrial equipment by 15.1%.