
Canon Inc.

Second Quarter 2025 Results

July 24, 2025

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Agenda



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- Our markets remained stable, basically in line with expectations. However, our performance was significantly impacted by yen's appreciation compared to same period last year
- New products drove continued growth in camera sales. Network camera sales grew nearly 20% and Medical posted strong sales growth
- Second quarter net sales slightly down, but 2% increase on local currency basis. On same basis, net sales at record high for 1H 2025
- Profits, thanks to increased sales and effects from last year's review of sales structure, increased by around 20% in both 2Q/1H of year on local currency basis, evidencing the continuation of momentum for improving profitability.

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As for the market environment in the second quarter, in the United States, we saw the start of provisional tariff rates. However, we have not seen any significant change in demand so far. Overall, the market environment remained stable from the first quarter.

As for our performance in the second quarter, thanks to the contribution of new products, camera sales continued to grow. And strong demand for network cameras led to sales growth of nearly 20%. Furthermore, for Medical, which is a growth business, we expanded sales not only in emerging markets, but also in Europe and the U.S.

The second quarter of last year was a period when the yen was at its weakest. As a result, our second quarter sales were slightly lower than the same period last year. However, on a local currency basis or excluding the impact of changes in exchange rates, sales were up 2% and we achieved a record high in first-half sales.

Operating profit was basically in line with the same period last year due to the impact of exchange rates. However, on a local currency basis, we posted nearly a 20% increase, thanks to increased sales and the effects of last year's sales structural reforms. As a result, our operating profit ratio improved by 0.2 points from the same period last year to a double-digit level of 10.3%.

As for operating profit in the first half of the year, we secured nearly a 20% increase in operating profit on a local currency basis and maintained the momentum of improving profitability.

P&L (2Q/1H 2025 Results)



(Billions of yen)	2Q				1st Half			
	2025 Actual	2024 Actual	% Change	excl. FX Impact	2025 Actual	2024 Actual	% Change	excl. FX Impact
Net Sales	1,140.2	1,167.8	-2.4%	+2.0%	2,198.6	2,156.3	+2.0%	+4.0%
Gross Profit (% of Net Sales)	534.8 46.9%	551.6 47.2%	-3.0%		1,035.7 47.1%	1,030.0 47.8%	+0.6%	
Op. Expenses (% of Net Sales)	417.0 36.6%	433.2 37.1%			821.4 37.4%	831.5 38.6%		
Op. Profit (% of Net Sales)	117.8 10.3%	118.4 10.1%	-0.5%	+17.6%	214.3 9.7%	198.5 9.2%	+8.0%	+18.4%
Non-operating Income	5.7	13.8			8.0	22.9		
IBT	123.5	132.2	-6.6%		222.3	221.4	+0.4%	
Net Income (% of Net Sales)	83.7 7.3%	89.9 7.7%	-6.9%		155.9 7.1%	149.8 6.9%	+4.1%	
USD	144.59	155.93	-11.34		148.34	152.60	-4.26	
EUR	163.82	167.98	-4.16		162.23	164.97	-2.74	

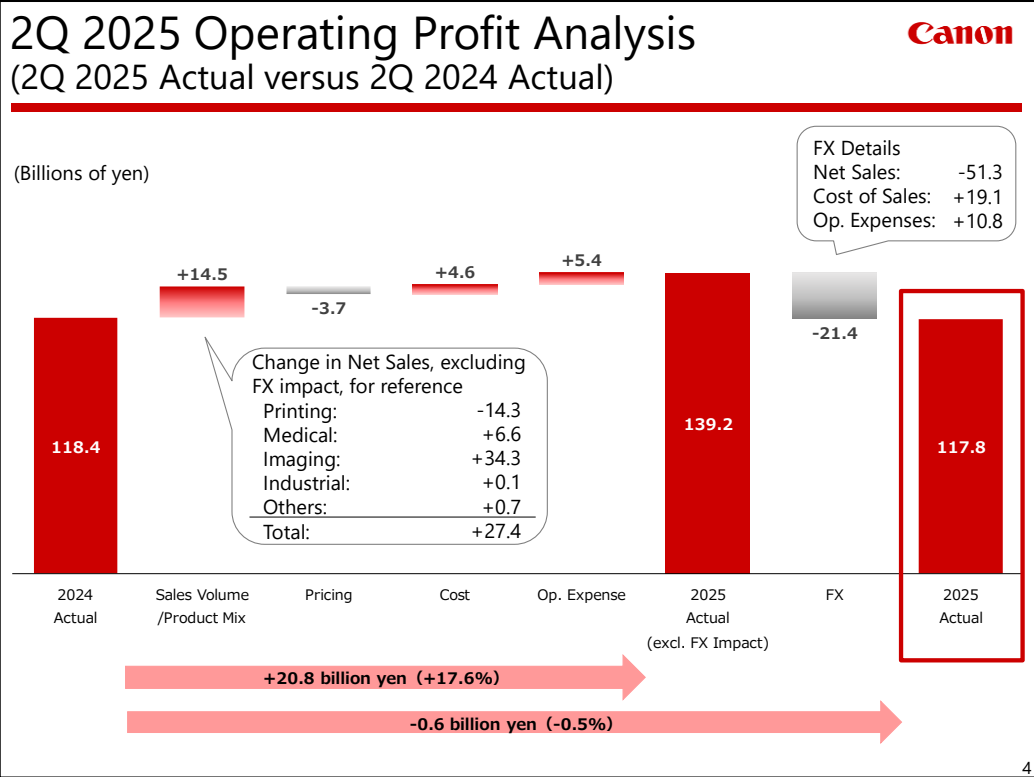
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Second quarter sales decreased by 2.4% to 1 trillion 140.2 billion yen.

As for profit, although our gross profit ratio declined by 0.3 points, operating expenses as a percentage of net sales improved by 0.5 points, mainly due to the sales structure reforms implemented last year.

As a result, operating profit was basically in line with last year, amounting to 117.8 billion yen, and net income decreased by 6.9% to 83.7 billion yen, partly due to revaluation of foreign currency receivables.

For the first half of the year, we achieved sales and profit growth. Sales were at an all-time high, growing 2% to 2 trillion 198.6 billion yen. As for profits, thanks to a 1.2 point improvement in our operating expense ratio, operating profit increased by 8% to 214.3 billion yen and net income increased by 4.1% to 155.9 billion yen.



As for changes in sales volume/product mix, the impact was a positive 14.5 billion yen, mainly due to an increase in Imaging sales.

Although an increase in sales promotion investment negatively impacted pricing by 3.7 billion yen, we offset this through 4.6 billion yen in cost reduction.

Operating expenses decreased by 5.4 billion yen, despite an increase in personnel costs, linked to a step up in base pay, and increased sales. Among other factors, we largely attribute this to the effects of reviewing the expense structure of sales companies.

As a result, on a local currency basis, operating profit increased by 20.8 billion yen or by 17.6% compared to the same period last year to 139.2 billion yen.

On the other hand, due to the yen's appreciation against the U.S. dollar compared to last year, and its negative impact of 21.4 billion yen, operating profit was down slightly to 117.8 billion yen compared to the same period last year.

2Q/1H 2025 Financial Results by Business Unit						
(Billions of yen)		2Q			1st Half	
		2025 Actual	2024 Actual	% Change	2025 Actual	2024 Actual
Printing	Net Sales	610.6	654.5	-6.7%	1,221.6	1,234.8
	Op. Profit	76.9	79.2	-2.9%	150.0	144.7
	(%)	(12.6%)	(12.1%)		(12.3%)	(11.7%)
Medical	Net Sales	142.0	141.0	+0.7%	279.3	275.2
	Op. Profit	5.1	5.5	-7.4%	11.8	11.1
	(%)	(3.6%)	(3.9%)		(4.2%)	(4.0%)
Imaging	Net Sales	260.7	244.7	+6.5%	472.8	420.3
	Op. Profit	39.1	41.0	-4.7%	70.3	55.3
	(%)	(15.0%)	(16.8%)		(14.9%)	(13.2%)
Industrial	Net Sales	92.4	93.2	-0.9%	159.8	160.6
	Op. Profit	17.7	17.9	-1.1%	26.1	30.0
	(%)	(19.2%)	(19.2%)		(16.3%)	(18.7%)
Others & Corporate	Net Sales	60.7	59.9	+1.3%	116.7	115.0
	Op. Profit	-20.8	-24.8	-	-44.2	-43.6
Eliminations	Net Sales	-26.2	-25.5	-	-51.6	-49.6
	Op. Profit	-0.2	-0.4	-	0.3	1.0
Total	Net Sales	1,140.2	1,167.8	-2.4%	2,198.6	2,156.3
	Op. Profit	117.8	118.4	-0.5%	214.3	198.5
	(%)	(10.3%)	(10.1%)		(9.7%)	(9.2%)

* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

In Printing, starting with production, second-quarter sales were lower than the same period last year, largely due to a difference in the timing of major business deals. However, we made progress in supplying products to HEIDELBERG, a leading company of offset printing equipment, as well as increased sales of the varioPRINT iX3200, a cut sheet printer for the B3 segment. As for office, by expanding our MIF of color models, we stabilized service revenue and posted net sales that were in line with the same period last year. Regarding laser printers, second-quarter sales were lower than the same period last year, when we started to see recovery from the shipment adjustments carried out in the first quarter. However, sales for the first half of the year was higher. As for inkjet printers, we further increased sales of refillable ink tank models for which we completed our lineup last year. As a result, business unit sales in total decreased by 6.7%. However, profitability was 12.6%, higher than last year, thanks to the effects of last year's sales structural reforms.

As for Medical, in Latin America and other emerging markets, we maintained sales growth following the first quarter. At the same time, in the United States, where we aim to expand our market share, sales increased as the market is beginning to recognize the high performance of our MRI and CT systems. In Europe as well, thanks to a recovery in market conditions, sales were higher than last year, and on a local currency basis, overall sales increased by 4.7 %

As for Imaging, starting with cameras, in addition to the EOS R5 Mark II, a full-frame model that we launched in the second half of last year, sales of the EOS R50 V and the PowerShot V1, new video-centric models launched in the second quarter, increased as they were highly evaluated not only by video users but also by still image users who want to enjoy easy shooting. As for network cameras, we achieved strong sales growth in each region. and as a result, Imaging Group overall sales expanded by 6.5%.

As for Industrial, we sold 51 units of semiconductor lithography equipment, which were mainly for back-end processes due to strong AI demand, and 9 units of FPD lithography equipment, mainly for smartphones. As a result, sales of the business unit overall were in line with the same period last year. As for nanoimprint, our next-generation semiconductor manufacturing system, we shipped systems for evaluation to major semiconductor manufacturers in the first and second quarter and are making steady progress in evaluating and verifying the systems for mass production applications.

- Solid market environment expected, but incorporated impact of postponed investment due to additional U.S. tariffs and heightened geopolitical tension into plan
- Decrease in gross profit due to lower sales will be offset through expense reduction. However, lowered projection for operating profit by 6 billion yen and net income by 3 billion yen
- Aiming for sales and profit growth as well as operating profit ratio of 10%
- As for impact of additional U.S. tariffs, assumed tariff rate will remain at 10% until year-end
- Raising dividend by 5 yen to 160 yen for full year, returning to pre-COVID level of 2019. Completed 200 billion yen in share buybacks

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In the markets which we compete, the impact of additional tariffs by the United States may not be limited to the U.S. In combination with the rise in geopolitical tensions, we are starting to see investment in Europe and other regions being postponed. We lowered our projection by 50 billion yen as we incorporated the impact of these factors.

As for profit, although we expect a decline in gross profit due to lower sales to be offset by a reduction in some expenses, we lowered our projection for operating profit and net income by 6 billion yen and 3 billion yen, respectively.

As for the impact of additional tariffs by the United States, it was recently reported that the tariff rate on Japanese imports would be 15%. However, our current projection is based on an assumed additional tariff rate of 10% until the end of the year, which is the same as our previous assumption. Based on this assumption, we expect tariffs to increase costs by 41.3 billion yen, which we will address through selling price increases totaling 35.2 billion yen. And due to price increases, we expect a decrease in sales volume in the amount of 18.7 billion yen. We have included this in our projection by business unit.

As for shareholders return, in addition to our plan to return the dividend to the pre-COVID level of 160 yen per share, an increase of 5 yen compared to last year, we completed 200 billion yen in share buybacks in the first half of the year.

2025 Financial Projection (Full Year)



(Billions of yen)	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	4,600.0	4,509.8	+2.0%	4,650.0	-50.0
Gross Profit (% of Net Sales)	2,160.0 47.0%	2,143.1 47.5%	+0.8%	2,170.0 46.7%	-10.0
Op. Expenses (% of Net Sales)	1,700.0 37.0%	1,698.2 37.6%		1,704.0 36.7%	+4.0
Op. Profit (% of Net Sales)	460.0 10.0%	444.9 9.9%	+3.4%	466.0 10.0%	-6.0
IBT	472.0	466.3	+1.2%	481.0	-9.0
Net Income (% of Net Sales)	330.0 7.2%	325.1 7.2%	+1.5%	333.0 7.2%	-3.0
USD	145.06	151.63		144.38	
EUR	163.70	163.99		160.11	

Impact of exchange rate movement (3Q-4Q impact given a one yen change)		
	Net Sales	Op. Profit
USD	6.7 billion yen	1.7 billion yen
EUR	3.5 billion yen	1.8 billion yen

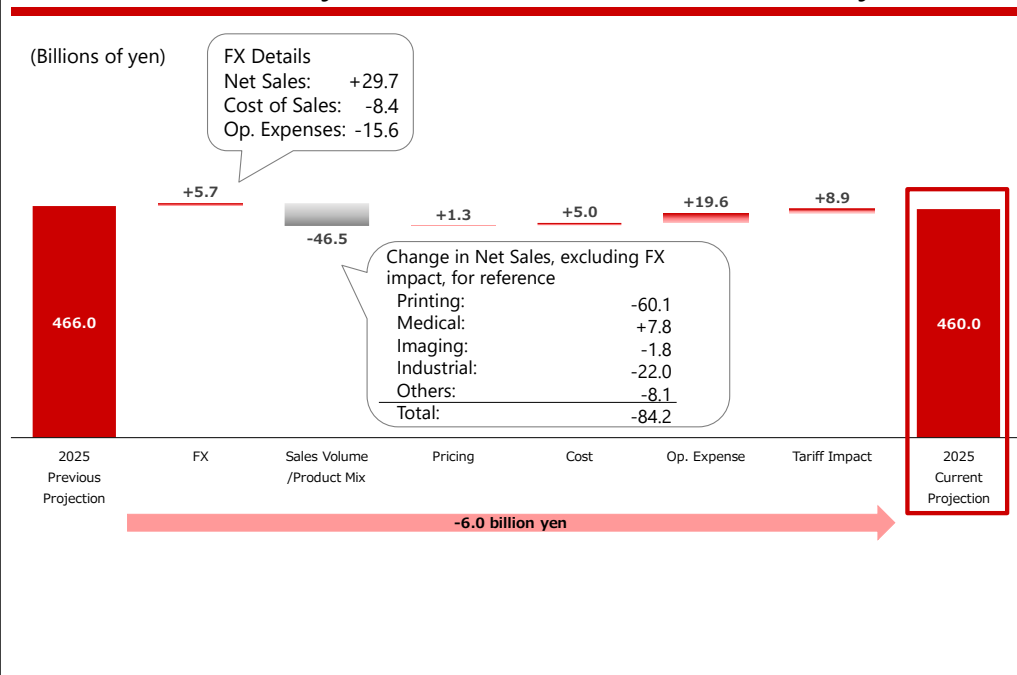
As for exchange rates, we assume the yen to be 5 yen weaker than we previously expected from the third quarter onward and revised our assumption for the euro to 165 yen, accordingly. This change had a positive impact of 29.7 billion yen on sales and 5.7 billion yen on operating profit.

Reflecting the latest business environment in our current projection for the full year, we lowered our projection for net sales by 50 billion yen, operating profit by 6 billion yen, and net income by 3 billion yen. Compared to last year, net sales is projected to increase 2% to 4.6 trillion yen, operating profit by 3.4% to 460 billion yen, and net income by 1.5% to 330 billion yen, showing our continued momentum in sales and profit growth.

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2025 Previous Projection)

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An analysis of operating profit versus last year.

As for exchange rates, we expect a positive impact of 5.7 billion yen for the full year due to our assumption that the euro yen exchange rate will change from 160 to 165 yen, a 5 yen depreciation from what we assumed in our previous projection.

In terms of sales volume/product mix, we expect a negative impact of 46.5 billion yen due to the lowering of our sales projection for Printing and Industrial. To make up for the decline in volume, we expect an additional 5 billion yen in cost reduction, and considering the uncertain situation in the second half of the year, expenses will be reduced by 19.6 billion yen by decreasing advertising and sales promotion expenses and reviewing the timing of capital investment and personnel recruitment plans.

As for the impact of tariffs, based on an assumed additional tariff rate of 10% until the end of the year, we conducted a reevaluation, resulting in a negative impact of 24.8 billion yen, an improvement of 8.9 billion yen from our previous estimation.

As a result, operating profit is projected to decrease by 6 billion yen to 460 billion yen.

Review of Business Structure

(Billions of yen)

		2024	2025		
		Actual	1Q	2Q	Full year Current Projection
Sales	Cost	-20.0	-1.2	-0.5	-6.0
Structural	Effect	8.0	5.0	4.9	22.0
Reform	PL Impact	-12.0	3.8	4.4	16.0
Production	Cost	0.0	-0.9	-0.1	-20.0
Structural	Effect	0.0	0.0	0.0	0.0
Reform	PL Impact	0.0	-0.9	-0.1	-20.0
Medical	Cost	-2.5	-0.7	-0.7	-5.0
Business	Effect	0.0	1.5	2.2	10.0
Innovation	PL Impact	-2.5	0.8	1.5	5.0
Total	Cost	-22.5	-2.8	-1.3	-31.0
	Effect	8.0	6.5	7.1	32.0
	PL Impact	-14.5	3.7	5.8	1.0

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Review of our business structure.

In the structural reforms that we are currently implementing, we have made good progress up to and including the second quarter.

First, the review of our sales structure. The measures implemented last year have been effective from the beginning of the year and have also contributed 4.9 billion yen to profit in the second quarter. And we expect the cost savings to be 22 billion yen for the full year. This year, we are planning for further structural reforms that are needed in the European region and have factored in costs of approximately 6 billion yen.

Second, the review of our production structure. We are reviewing the way production sites should be operated from a perspective of geopolitical risks and productivity and budgeted for 20 billion yen in expenses, mainly to be incurred in the second half of the year.

Third, medical business innovation. We are promoting measures aimed at improving profitability by thoroughly examining operations, including development, production, management and sales, resulting in a 2.2 billion yen effect in the second quarter. In addition to the effects of improvement in the first half of the year, we will review loss-making businesses and subsidiaries, reduce external expenditures, and improve service operations in the second half of the year, and expect a 10 billion yen improvement effect for the full year.

2025 Financial Projection by Business Unit

(Full Year)

(Billions of yen)		2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change	Tariff Impact	excl. Tariff Impact
Printing	Net Sales	2,489.7	2,522.7	-1.3%	2,523.1	-33.4	+6.2	-39.6
	Op. Profit	287.7	289.9	-0.8%	314.7	-27.0	-7.6	-19.4
	(%)	(11.6%)	(11.5%)		(12.5%)			
Medical	Net Sales	582.1	568.8	+2.3%	580.9	+1.2	-9.0	+10.2
	Op. Profit	34.5	24.7	+39.9%	37.7	-3.2	-5.3	+2.1
	(%)	(5.9%)	(4.3%)		(6.5%)			
Imaging	Net Sales	1,011.1	937.4	+7.9%	1,011.5	-0.4	-6.3	+5.9
	Op. Profit	158.3	151.3	+4.6%	160.6	-2.3	-12.1	+9.8
	(%)	(15.7%)	(16.1%)		(15.9%)			
Industrial	Net Sales	380.3	351.7	+8.1%	402.1	-21.8		-21.8
	Op. Profit	68.3	68.9	-0.9%	70.5	-2.2		-2.2
	(%)	(18.0%)	(19.6%)		(17.5%)			
Others & Corporate	Net Sales	235.1	233.7	+0.6%	225.7	+9.4	+12.3	-2.9
	Op. Profit	-89.1	-91.2	-	-117.7	+28.6	+33.9	-5.3
Eliminations	Net Sales	-98.3	-104.5	-	-93.3	-5.0		-5.0
	Op. Profit	0.3	1.3	-	0.2	+0.1		+0.1
Total	Net Sales	4,600.0	4,509.8	+2.0%	4,650.0	-50.0	+3.2	-53.2
	Op. Profit	460.0	444.9	+3.4%	466.0	-6.0	+8.9	-14.9
	(%)	(10.0%)	(9.9%)		(10.0%)			

* 2024 figures exclude the impact of impairment loss.

* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

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As for Printing, starting with commercial printing, we aim to achieve further growth by launching new products in segments that we have not covered before and by taking advantage of sales channels expanded through our partnership with HEIDELBERG. In office MFDs, we will expand our market share by rolling out, the new imageFORCE series, which incorporates new technologies that greatly improve product features. As for inkjet printers, we are working to expand sales further by penetrating the market with our lineup of refillable ink tank models, which we completed last year. For the business unit overall, although full-year sales are projected to decline by approximately 1%, we aim for a profit ratio of 11.6%, which exceeds the level of last year.

For Medical, the strengthening of relationships with the world's top 10 hospitals in the United States is starting to lead to an increase in orders, and by leveraging our sales network, strengthened through new dealership agreements, we plan to expand our market share. In emerging markets, we will continue to expand sales particularly in Latin America and the Middle East and for the Medical business unit overall, we aim to increase sales by 4.7% on a local currency basis. As for profit, we will improve the operating profit ratio to 5.9% by increasing gross profit through sales expansion and steadily accumulating the effects of business innovation activities.

As for Imaging, starting with cameras, we plan to expand sales of the new EOS R50 V which is starting to gain popularity. In addition, for compact cameras, we will expand sales of the new PowerShot V series model and will also increase production of conventional models where supply is not keeping up with demand. Through these measures, we expect to increase overall camera sales by 5.4% for the full year. As for network cameras, we aim to achieve double-digit full-year growth and for the Imaging Group as a whole, achieve sales of 1 trillion yen for the year.

In Industrial, although there is a tendency to postpone investment in semiconductor lithography equipment for memory and power devices, AI demand remains strong, and we aim to increase unit sales in the second half of the year, mainly for back-end processes, which will lead to 255 units for the full year, which exceeds last year. As for FPD lithography equipment and OLED vapor deposition equipment, equipment used in the manufacturing of displays, sales in the second half of the year is expected to exceed the first half, resulting in a full-year increase of 8.1% for the Industrial business unit overall.

Inventory

- Inventory at Jun.-end in line with Mar.-end, as increased inventory of finished goods for sales expansion in second half of year was offset through work-in-process reduction
- Aiming for an optimal inventory level of less than 60 days by end of 2025

(Billions of yen)

		2024				2025	
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end
Printing	Amt.	347.6	361.5	344.1	342.7	334.4	346.1
	Days	52	53	50	49	47	52
Medical	Amt.	141.1	146.0	142.1	133.2	139.8	138.5
	Days	86	97	95	83	85	90
Imaging	Amt.	191.5	182.4	168.5	158.6	176.3	166.4
	Days	86	79	63	56	66	64
Industrial	Amt.	146.4	150.2	158.7	138.0	150.7	160.3
	Days	160	168	175	130	146	183
Others & Corporate	Amt.	68.3	72.4	76.3	69.3	71.6	68.2
Total	Amt.	894.9	912.5	889.7	841.8	872.8	879.5
	Days	76	77	72	65	68	73

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The total value of inventory at the end of June 2025 did not change significantly compared to the end of March, as we are still working to raise the level in preparation for expanded sales in the second half of the year.

In the second half, we will roll out in each region, ImageFORCE, our new series of office MFDs. We have also received many orders for our semiconductor lithography equipment. At the end of the year, this inventory of finished goods will be converted into sales, and for work-in-process and raw materials, we will promote reduction by holding down orders and shortening lead times, thereby improving turnover to an appropriate level of less than 60 days.

Cash Flow

(Full Year)



- Operating cash flow expected to be approximately 610 billion yen, same level as last year
- Invest in future growth and carry out active shareholders return

(Billions of yen)	2025 Current Projection	2025 Previous Projection	2024 Actual	2023 Actual
Net income	330.0	333.0	325.1	264.5
Depreciation and amortization	235.0	240.0	235.5	238.7
Others	45.0	56.0	46.2	-52.0
Net cash provided by operating activities	610.0	629.0	606.8	451.2
Capital expenditure	-250.0	-250.0	-237.0	-231.7
Others	-76.0	-100.0	-60.3	-43.7
Net cash used in investing activities	-326.0	-350.0	-297.3	-275.4
Free cash flow	284.0	279.0	309.5	175.8
Net cash provided by (used in) financing activities	-360.0	-348.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	-13.6	-15.6	16.7	20.1
Net change in cash and cash equivalents	-89.6	-84.6	100.2	39.2
Cash and cash equivalents at end of period	412.0	417.0	501.6	401.3
Cash-on-hand (In months of Net sales)	1.0	1.1	1.3	1.1

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

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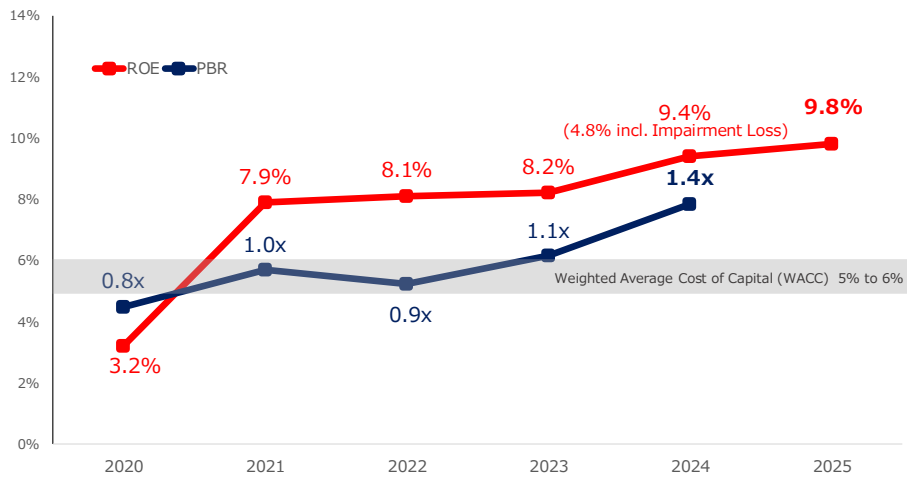
This year, we expect net income to be 330 billion yen and, like last year, operating cash flow to exceed 600 billion yen.

As for investing cash flow, in addition to a new factory for semiconductor lithography equipment being completed on July 30th, we budgeted for 250 billion yen in capital expenditures, which includes the return of production to Japan in line with a review of our production structure.

As for shareholders return, in addition to already carrying out 200 billion yen in share buybacks, we plan to raise our dividend to 160 yen per share, representing a dividend increase for the fifth consecutive year, bringing us back to our pre-COVID level.

Return on Capital

- Expect ROE to be 9.8% in 2025
- Improve return on capital to achieve ROE of 10% or higher, through structural reforms

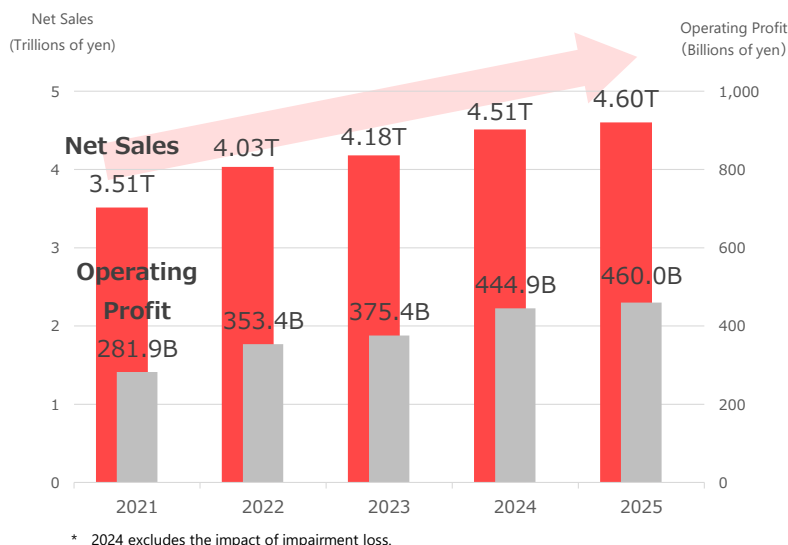


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While net income is expected to increase by approximately 5 billion yen, as we completed 200 billion yen in share buybacks, we expect ROE to increase by 0.4 points from last year to 9.8% due to a reduction in shareholders' equity.

By making steady progress in the structural reforms we are currently implementing, we aim to achieve an ROE of 10% at an early stage by improving profitability and asset efficiency.

- Complete structural reforms in 2025, the year to close out 5-year plan, and work to solidify foundation for next 5-years



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In the first half of the year, in addition to increasing sales volume, the effects of structural reforms that we are currently implementing helped us maintain the momentum of sales and profit growth that has continued since last year.

As the full impact of additional U.S. tariffs is only expected to become apparent from the third quarter onwards, uncertainty will increase in the global economy. However, we aim to achieve a fifth consecutive year of sales and profit growth, benefiting from ongoing structural reforms in development, production and sales that we have implementing so far.

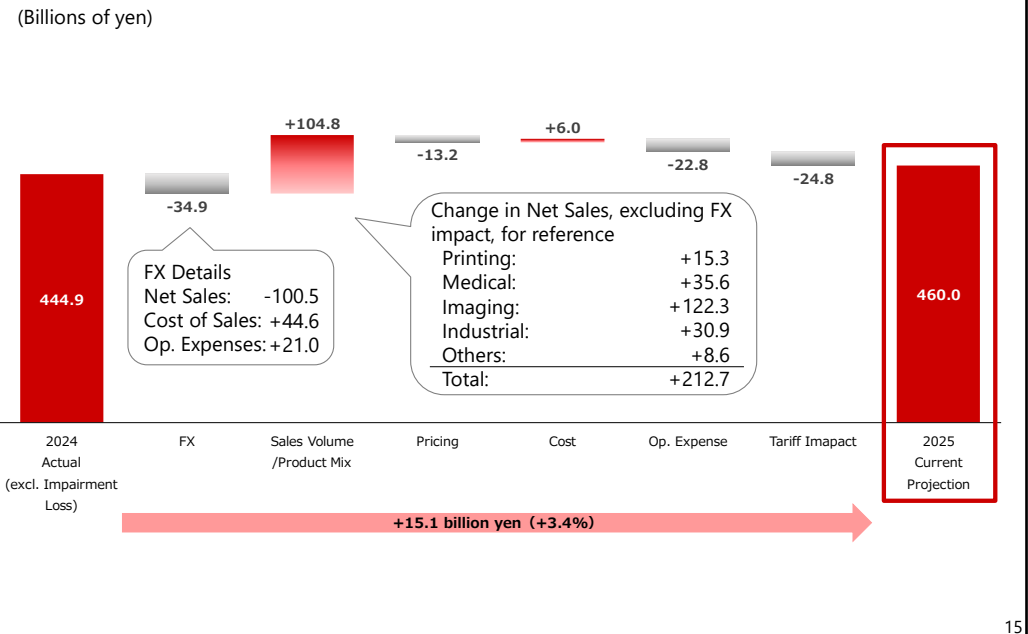
This year is the year in which we finalize our five-year initiative, "Phase VI of the Excellent Global Corporation Plan." We will work in a concerted effort to complete the three structural reforms currently being implemented across the Canon Group, so that we can make further progress in the next five-year plan starting in 2026.

Supplementary Information

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2024 Actual)

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Net Sales & Net Sales Growth Rate Y/Y

		2Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		103.3	111.2	-7.1%	446.0	441.5	+1.0%	448.4	-2.4
Office	Office MFDs	161.2	170.2	-5.3%	636.1	647.0	-1.7%	637.6	-1.5
	Others	104.2	103.8	+0.4%	427.0	408.1	+4.6%	431.5	-4.5
		265.4	274.0	-3.2%	1,063.1	1,055.1	+0.8%	1,069.1	-6.0
Prosumer	LPs	160.4	179.9	-10.8%	637.0	679.6	-6.3%	660.0	-23.0
	IJPs	81.5	89.4	-8.8%	343.6	346.5	-0.8%	345.6	-2.0
		241.9	269.3	-10.1%	980.6	1,026.1	-4.4%	1,005.6	-25.0
Net Sales		610.6	654.5	-6.7%	2,489.7	2,522.7	-1.3%	2,523.1	-33.4
Op. Profit		76.9	79.2	-2.9%	287.7	289.9	-0.8%	314.7	-27.0
%		12.6%	12.1%		11.6%	11.5%		12.5%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Production	-2.6%	+3.3%
Office	+0.3%	+2.5%
Prosumer	-4.7%	-2.0%
Total	-2.2%	+0.8%

Unit Growth Rate Y/Y

	2025	
	2Q	Full Year Projection
Office MFDs	-2%	+4%
LPs	-13%	-9%
IJPs	+3%	+4%

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Production

As for commercial printing, we expect the digital printing equipment market to continue growing at a rate of around 5%, as the shift to digital printing progresses in line with increasing demand for small-lot printing of many products.

As for the second quarter, sales were lower than last year due to a difference in the timing of major business deals. However, we posted significant growth in the unit sales of the varioPRINT iX3200, which is highly evaluated by customers for its high productivity. Additionally, as we make progress in supplying products to HEIDELBERG, a leading company of offset printing equipment, we will continue to increase unit sales in the future.

Furthermore, for the imagePRESS V Series, we are expanding product options to improve productivity and expand the range of media that can be handled, including label paper. This will enhance the competitiveness of this series and lead to increased sales in the second half of the year.

This year, we plan to launch new products in areas that we have not previously covered. Through the varioPRINT iX1700, a printer for small- and medium-sized printing companies and the varioPRESS iV7, a printer that can handle media up to B2 in size, we aim to capture the ever-expanding demand for digital commercial and industrial printing equipment more broadly.

Net Sales & Net Sales Growth Rate Y/Y

		2Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		103.3	111.2	-7.1%	446.0	441.5	+1.0%	448.4	-2.4
Office	Office MFDs	161.2	170.2	-5.3%	636.1	647.0	-1.7%	637.6	-1.5
	Others	104.2	103.8	+0.4%	427.0	408.1	+4.6%	431.5	-4.5
		265.4	274.0	-3.2%	1,063.1	1,055.1	+0.8%	1,069.1	-6.0
Prosumer	LPs	160.4	179.9	-10.8%	637.0	679.6	-6.3%	660.0	-23.0
	IJPs	81.5	89.4	-8.8%	343.6	346.5	-0.8%	345.6	-2.0
		241.9	269.3	-10.1%	980.6	1,026.1	-4.4%	1,005.6	-25.0
Net Sales		610.6	654.5	-6.7%	2,489.7	2,522.7	-1.3%	2,523.1	-33.4
Op. Profit		76.9	79.2	-2.9%	287.7	289.9	-0.8%	314.7	-27.0
%		12.6%	12.1%		11.6%	11.5%		12.5%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Production	-2.6%	+3.3%
Office	+0.3%	+2.5%
Prosumer	-4.7%	-2.0%
Total	-2.2%	+0.8%

Unit Growth Rate Y/Y

	2025	
	2Q	Full Year Projection
Office MFDs	-2%	+4%
LPs	-13%	-9%
IJPs	+3%	+4%

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Office MFDs

In office, demand for office MFDs, which are core printing equipment, is firm, and we expect the size of this year's market to be basically in line with last year.

We have been strategically expanding sales of color models. This has led to an increase in our MIF and subsequent stability in service revenue. As a result, we maintained second quarter sales at the same level as last year.

In June, starting from Europe, we commenced sales of imageFORCE, our new series of office MFDs which incorporates new technologies that greatly improve basic performance features such as image quality and power saving, as well as serviceability. In the second half of the year, the new series will be rolled out globally, to increase our market share and grow our unit sales by 4% for the full year.

Office Others

In the IT solutions business, we are expanding sales, capturing strong corporate demand for DX, and plan to achieve 6% growth for the full year.

Net Sales & Net Sales Growth Rate Y/Y

		2Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		103.3	111.2	-7.1%	446.0	441.5	+1.0%	448.4	-2.4
Office	Office MFDs	161.2	170.2	-5.3%	636.1	647.0	-1.7%	637.6	-1.5
	Others	104.2	103.8	+0.4%	427.0	408.1	+4.6%	431.5	-4.5
		265.4	274.0	-3.2%	1,063.1	1,055.1	+0.8%	1,069.1	-6.0
Prosumer	LPs	160.4	179.9	-10.8%	637.0	679.6	-6.3%	660.0	-23.0
	IJPs	81.5	89.4	-8.8%	343.6	346.5	-0.8%	345.6	-2.0
		241.9	269.3	-10.1%	980.6	1,026.1	-4.4%	1,005.6	-25.0
Net Sales		610.6	654.5	-6.7%	2,489.7	2,522.7	-1.3%	2,523.1	-33.4
Op. Profit		76.9	79.2	-2.9%	287.7	289.9	-0.8%	314.7	-27.0
%		12.6%	12.1%		11.6%	11.5%		12.5%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Production	-2.6%	+3.3%
Office	+0.3%	+2.5%
Prosumer	-4.7%	-2.0%
Total	-2.2%	+0.8%

Unit Growth Rate Y/Y

	2025	
	2Q	Full Year Projection
Office MFDs	-2%	+4%
LPs	-13%	-9%
IJPs	+3%	+4%

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Prosumer

As for the printer market, in Asia and Europe, conditions remain weak, and in the United States, how tariffs will impact the market remains unclear.

As for laser printers, in the first quarter of last year, measures to adjust shipments were completed and in the second quarter, sales recovered. As a result, our sales in the second quarter of this year were lower than the same period last year. However, cumulative first half sales was above. Even with the uncertain market outlook, we will ensure profitability, appropriately promoting sales of color medium- and high-speed printers, in areas where we can expect high print volumes.

As for inkjet printers, we posted an increase in unit sales in the second quarter as our lineup of refillable ink tank models that was completed last year penetrated the market. In the second half of the year, we will further expand sales of refillable ink tank models, mainly in emerging markets, while making necessary promotional investments. Additionally, we aim to increase sales in advanced countries by launching new products that meet their needs and achieve 2% sales growth for the full year on a local currency basis.

Printing Hardware & Non-hardware Sales



Net Sales Growth Rate of Printing Hardware & Non-hardware

			2025		2024	
			2Q Actual	Full Year Projection	2Q Actual	Full Year Actual
Production	JPY	Hardware	-12%	+4%	+19%	+11%
		Non-hardware	-4%	-1%	+13%	+9%
	LC	Hardware	-7%	+6%	+6%	+4%
		Non-hardware	0%	+2%	+1%	+2%
Office MFDs	JPY	Hardware	-7%	0%	+7%	+1%
		Non-hardware	-4%	-3%	+11%	+7%
	LC	Hardware	-2%	+2%	-4%	-5%
		Non-hardware	0%	-2%	+2%	+1%
LPs	JPY	Hardware	-17%	-12%	+17%	+17%
		Non-hardware	-7%	-3%	+22%	+9%
	LC	Hardware	-12%	-9%	+7%	+11%
		Non-hardware	0%	0%	+14%	+5%
IJPs	JPY	Hardware	-7%	+4%	+7%	-2%
		Non-hardware	-10%	-4%	+8%	0%
	LC	Hardware	-2%	+6%	-3%	-8%
		Non-hardware	-6%	-2%	-2%	-6%

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	142.0	141.0	+0.7%	582.1	568.8	+2.3%	580.9	+1.2
Op. Profit	5.1	5.5	-7.4%	34.5	24.7	+39.9%	37.7	-3.2
%	3.6%	3.9%		5.9%	4.3%		6.5%	

* 2024 figures exclude the impact of impairment loss.

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Total	+4.7%	+4.7%

Medical

In the second quarter, we posted continued sales growth in Latin America and other emerging markets following the first quarter. We also expanded sales in the United States thanks in part to the recognized strength of our MRI and CT systems. In Europe where market conditions are recovering, sales on a local currency basis rose by 4.7%.

Aiming for further sales growth in the second half of the year, efforts to strengthen relationships with renowned medical institutions in the United States, which rank among the top 10 in the world, is leading to increased orders. Additionally, we are strengthening our sales capability by entering into new dealer agreements. In emerging markets, where we posted increased sales in the first half of the year, we will continue to expand sales, mainly in Latin American countries, such as Mexico and Brazil, and the Middle East, where high growth is expected. We aim to grow full-year net sales of the Medical Group by 4.7% on a local currency basis.

As for full-year profit, we will work to raise our operating profit ratio to 5.9% by increasing gross profit through sales growth and by steadily accumulating the effects of business innovation activities.

In April, we launched the Aquilion Rise, a CT system that can image a patient in multiple positions, from lying down to standing and sitting, which is generating many inquiries from around the world. Additionally, we will launch our next-generation CT system, a photon-counting CT system, within the year, which will enhance our presence in the medical area and lead to accelerated sales growth from next year onwards.

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	155.4	155.1	+0.2%	610.9	579.9	+5.4%	612.6	-1.7
Network Cameras & Others	105.3	89.6	+17.5%	400.2	357.5	+11.9%	398.9	+1.3
Net Sales	260.7	244.7	+6.5%	1,011.1	937.4	+7.9%	1,011.5	-0.4
Op. Profit	39.1	41.0	-4.7%	158.3	151.3	+4.6%	160.6	-2.3
%	15.0%	16.8%		15.7%	16.1%		15.9%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Cameras	+5.8%	+8.5%
NWCs & Others	+24.4%	+15.2%
Total	+12.6%	+11.1%

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

	2025	
	2Q	Full Year Projection
Units (Millions)	0.75	3.00
Growth Rate	-2%	+6%

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Cameras

In the United States, although demand is expected to decline due to price increases associated with additional tariffs, globally, we expect the market size to remain around 6.6 million units as each company invests in sales promotions to stimulate demand.

In the second quarter, we achieved sales growth. This was largely driven by increased sales of the EOS R5 Mark II, a full-frame model that was launched in the second half of last year, and the new EOS/PowerShot V series, which focuses on video. The EOS R50 V has been highly evaluated for its design and operability by video creators that pursue videography. Furthermore, the compact camera, PowerShotV1, has been well received by both video users on social media and still image users for its high-quality shooting, resulting in more orders than expected.

In the second half of the year, we expect demand to soften in the United States due to price increases associated with additional tariffs. However, by expanding sales, particularly in Asia where the market is strong, we still plan to increase full-year sales by 6% to 3 million units. The launch of the EOS R5 Mark II has led to an increase in the number of users of full-frame cameras, which we will leverage to expand RF lens sales. As for compact cameras, we will expand sales of the PowerShot V1, which is performing well, and increase the production of existing models for which we have back orders. Through these measures, we aim to grow overall camera sales by 5.4%.

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	155.4	155.1	+0.2%	610.9	579.9	+5.4%	612.6	-1.7
Network Cameras & Others	105.3	89.6	+17.5%	400.2	357.5	+11.9%	398.9	+1.3
Net Sales	260.7	244.7	+6.5%	1,011.1	937.4	+7.9%	1,011.5	-0.4
Op. Profit	39.1	41.0	-4.7%	158.3	151.3	+4.6%	160.6	-2.3
%	15.0%	16.8%		15.7%	16.1%		15.9%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	2Q	Full Year Projection
Cameras	+5.8%	+8.5%
NWCs & Others	+24.4%	+15.2%
Total	+12.6%	+11.1%

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

	2025	
	2Q	Full Year Projection
Units (Millions)	0.75	3.00
Growth Rate	-2%	+6%

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Network Cameras

While there is uncertainty surrounding the U.S. market, which is being affected by additional tariffs, we do not expect a major change in the global network camera market trend, as demand for core surveillance applications continues to grow and new opportunities for growth such as video DX are expanding.

In the second quarter, demand remained strong, particularly in Europe and the United States. Additionally, in the U.S., we saw purchasing in advance of a price hike. As a result, overall sales increased by a significant 17.5%

In the second half of the year, we will continue to expand sales by leveraging our strong sales network and achieve double-digit full-year sales growth of 11.9%.

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	61.2	61.3	-0.1%	272.6	253.4	+7.6%	289.5	-16.9
Industrial Equipment	31.2	31.9	-2.5%	107.7	98.3	+9.5%	112.6	-4.9
Net Sales	92.4	93.2	-0.9%	380.3	351.7	+8.1%	402.1	-21.8
Op. Profit	17.7	17.9	-1.1%	68.3	68.9	-0.9%	70.5	-2.2
%	19.2%	19.2%		18.0%	19.6%		17.5%	

* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

Net Sales Growth Rate Y/Y
(Local Currency)

	2025	
	2Q	Full Year Projection
Opt. Equip.	+1.2%	+8.2%
Industrial Equip.	-2.1%	+10.2%
Total	+0.1%	+8.8%

Lithography Equipment (Units)

		2025	
		2Q	Full Year Projection
Semiconductor	KrF	14	55
	i-line	37	200
		51	255
FPD		9	33

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Optical Products
Semiconductor Lithography Equipment

As for the 2025 semiconductor lithography equipment market, shipments of PCs and smartphones are not growing as much as expected. As a result, we are seeing a delay in investment towards memory devices. Although demand for power devices has also been sluggish due to a slowdown in EV demand, we are seeing a significant expansion in demand for AI servers and other equipment for data centers and therefore expect growth over the medium- to long-term from next year on.

On the back of strong demand for AI-related products such as High-Bandwidth Memory (HBM) and GPUs, we sold 51 units in the second quarter. This largely consisted of our back-end processing equipment, which has become the industry standard in advanced packaging applications.

For the full year, we lowered our sales plan due to the impact of delayed investment towards memory and power devices. However, there is still a strong appetite for investment in back-end processing equipment. Under this market situation, we aim to increase unit sales in the second half to achieve 255 units for the full year.

As for nanoimprint, our next-generation semiconductor manufacturing system, the system shipped to a major semiconductor manufacturer in the first quarter became operational for evaluation purposes. We shipped another system in the second quarter. We aim for early sales as steady progress in evaluating and verifying the tool for mass production applications by the manufacturer is being made.

Net Sales & Net Sales Growth Rate Y/Y

	2Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	61.2	61.3	-0.1%	272.6	253.4	+7.6%	289.5	-16.9
Industrial Equipment	31.2	31.9	-2.5%	107.7	98.3	+9.5%	112.6	-4.9
Net Sales	92.4	93.2	-0.9%	380.3	351.7	+8.1%	402.1	-21.8
Op. Profit	17.7	17.9	-1.1%	68.3	68.9	-0.9%	70.5	-2.2
%	19.2%	19.2%		18.0%	19.6%		17.5%	

* From 2025, some reclassification between the Industrial Business Unit and Eliminations was made to manage the performance of reportable segments more appropriately. The figures for 2024 were also reclassified.

Net Sales Growth Rate Y/Y
(Local Currency)

	2025	
	2Q	Full Year Projection
Opt. Equip.	+1.2%	+8.2%
Industrial Equip.	-2.1%	+10.2%
Total	+0.1%	+8.8%

Lithography Equipment (Units)

		2025	
		2Q	Full Year Projection
Semiconductor	KrF	14	55
	i-line	37	200
		51	255
FPD		9	33

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Optical Products

FPD Lithography Equipment

The market for display manufacturing equipment is gradually recovering, thanks to the rising profit of display manufacturers, driven by improvement in the balance of panel supply and demand.

In addition to new investment towards IT panels, we are also capturing additional investment projects for smartphones with advanced functionality. In the second quarter, we sold 9 units, up 2 from the same period last year. We have received orders for all 19 units we planned for in the second half of this year and expect to sell 33 units for the full year.

Industrial Equipment

As for our OLED display manufacturing equipment business, we are making steady progress in producing our second large-scale machine for IT panels that was ordered in the fourth quarter of 2024.

Regarding the semiconductor manufacturing equipment business handled by Canon Anelva, in addition to sales of sputtering equipment used in the production of HBM and other devices, we are also seeing growth in sputtering equipment for photomask blanks. By also expanding sales in the second half of the year, we aim to achieve a 9.5% full year increase in net sales of Industrial Equipment overall.