
Canon Inc.

Third Quarter 2025 Results

October 27, 2025

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Agenda



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- In our markets, additional U.S. tariffs and geopolitical risks led to trend of postponed investment greater than in Q2
- Printing Group net sales declined, but steady growth in camera and network camera sales, more than 20% increase in Industrial Group net sales
- Net sales up 2% in Q3, at record high YTD
- Profit down due to tariffs in Q3, but thanks to increase in net sales and effects from last year's sales structure review, sales and profits up YTD

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The impact of additional U.S. tariffs that were introduced from the first half of the year was not limited to the United States. The tariffs, coupled with geopolitical risks, impacted other regions as well, particularly Europe, which led to a trend of postponed investment that was greater than in the second quarter.

Our results in the third quarter were also impacted by the market conditions. Although net sales of the Printing Group, particularly laser printers, declined, sales of cameras and network cameras continued to grow steadily as in the first half, and Industrial Group net sales increased by more than 20%, resulting in a 2% increase in net sales as a whole.

As for profit, in addition to the increase in net sales, we saw positive effects from the structural reforms implemented last year. However, our operating profit ratio decreased by 1.1 points, compared to the same period last year, to 8%. This reflects the recording of production restructuring costs and the negative impact of additional U.S. tariffs.

Despite the difficult market environment, we are steadily improving our business performance. In the first nine months of this year, although we were impacted by the yen appreciation, thanks to solid sales from the first half, we achieved a record high in net sales and operating profit increased and exceeded 300 billion yen.

P&L (3Q 2025 Results)



(Billions of yen)	3Q			1Q-3Q		
	2025 Actual	2024 Actual	% Change	2025 Actual	2024 Actual	% Change
Net Sales	1,104.3	1,079.8	+2.3%	3,302.9	3,236.1	+2.1%
Gross Profit (% of Net Sales)	512.0 46.4%	516.4 47.8%	-0.8%	1,547.7 46.9%	1,546.4 47.8%	+0.1%
Op. Expenses (% of Net Sales)	424.0 38.4%	418.2 38.7%		1,245.3 37.7%	1,249.8 38.6%	
Op. Profit (% of Net Sales)	88.0 8.0%	98.2 9.1%	-10.3%	302.4 9.2%	296.6 9.2%	+1.9%
Non-operating Income	3.8	-8.9		11.7	14.2	
IBT	91.8	89.3	+2.8%	314.1	310.8	+1.1%
Net Income (% of Net Sales)	63.7 5.8%	68.8 6.4%	-7.4%	219.6 6.6%	218.6 6.8%	+0.5%
USD	147.50	149.00	-1.50	148.06	151.34	-3.28
EUR	172.33	163.81	8.52	165.56	164.58	0.98

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Third-quarter net sales increased by 2.3%, compared to the same period last year, and amounted to 1 trillion 104.3 billion yen.

Although our gross profit ratio declined by 1.4 points, mainly due to the impact of U.S. tariffs, operating expenses as a percentage of net sales improved by 0.3 points thanks in part to the sales structural reforms we implemented last year.

As a result, operating profit was down 10.3%, compared to the same period last year, and amounted to 88 billion yen. Conversely, income before income taxes increased by 2.8% to 91.8 billion yen, in part due to the revaluation of foreign currency receivables and net income decreased by 7.4% to 63.7 billion yen, compared to the same period last year when the tax rate was lower because of special factors..

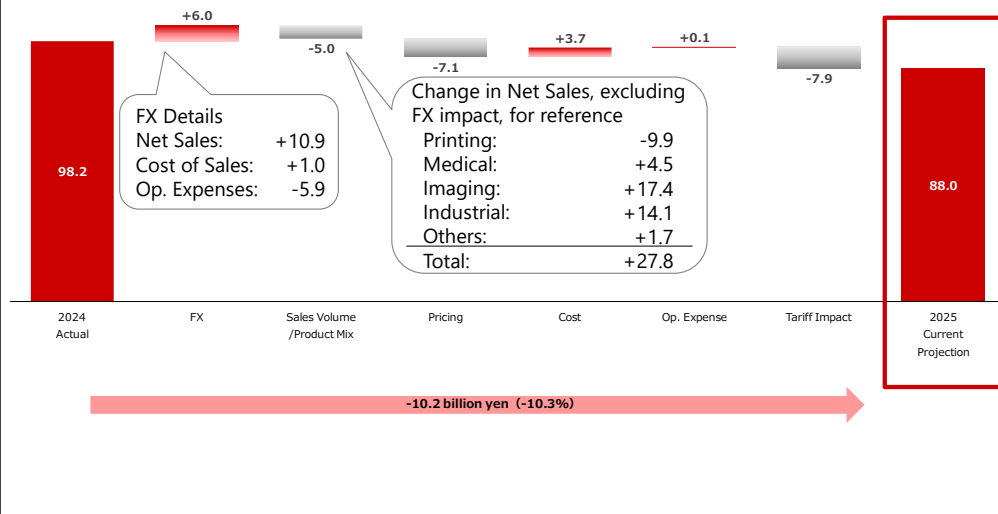
In the first 9 months of the year, we achieved sales and profit growth. Net sales increased by 2.1% to a record high 3 trillion 302.9 billion yen. Operating profit increased by 1.9% to 302.4 billion yen, and net income increased by 0.5% to 219.6 billion yen.

3Q 2025 Operating Profit Analysis

(3Q 2025 Actual versus 3Q 2024 Actual)

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(Billions of yen)



While the yen appreciated slightly against the U.S. dollar, it depreciated nearly 9 yen against the euro. The resulting impact from changes in exchange rates was a positive 6 billion yen.

As for changes in sales volume/product mix, the impact was a negative 5 billion yen. This reflects lower sales of our laser printer business and a shift in sales toward lower priced products within our Printing and Imaging Groups.

Due to increased promotional investment, mainly within our Imaging Group, the impact from pricing was a negative 7.1 billion yen. However, this was partially offset by 3.7 billion yen in cost savings.

Operating expenses, despite an increase in personnel costs, linked to a step up in base pay, and the booking of production restructuring costs, was held to the same level as the same period last year, in part thanks to the review of expense structures of sales companies last year.

When the negative impact of 7.9 billion yen linked to additional U.S. tariffs is included, operating profit declined by 10.3%, compared to the same period last year, and amounted to 88.0 billion yen.

3Q 2025 Financial Results by Business Unit



(Billions of yen)		3Q			1Q-3Q		
		2025 Actual	2024 Actual	% Change	2025 Actual	2024 Actual	% Change
Printing	Net Sales	604.0	610.9	-1.1%	1,825.6	1,845.7	-1.1%
	Op. Profit	52.2	60.7	-14.0%	202.2	205.4	-1.6%
	(%)	(8.6%)	(9.9%)		(11.1%)	(11.1%)	
Medical	Net Sales	132.9	132.3	+0.4%	412.2	407.5	+1.1%
	Op. Profit	6.4	4.7	+36.4%	18.2	15.7	+15.4%
	(%)	(4.8%)	(3.5%)		(4.4%)	(3.9%)	
Imaging	Net Sales	253.6	239.6	+5.9%	726.4	659.8	+10.1%
	Op. Profit	38.1	43.6	-12.6%	108.4	98.9	+9.7%
	(%)	(15.0%)	(18.2%)		(14.9%)	(15.0%)	
Industrial	Net Sales	85.4	70.1	+21.7%	245.2	230.8	+6.3%
	Op. Profit	13.9	14.0	-0.4%	40.0	44.0	-9.0%
	(%)	(16.3%)	(20.0%)		(16.3%)	(19.1%)	
Others & Corporate	Net Sales	55.4	53.9	+2.7%	172.0	168.9	+1.8%
	Op. Profit	-22.9	-24.6	-	-67.1	-68.2	-
Eliminations	Net Sales	-27.0	-27.0	-	-78.5	-76.6	-
	Op. Profit	0.3	-0.2	-	0.7	0.8	-
Total	Net Sales	1,104.3	1,079.8	+2.3%	3,302.9	3,236.1	+2.1%
	Op. Profit	88.0	98.2	-10.3%	302.4	296.6	+1.9%
	(%)	(8.0%)	(9.1%)		(9.2%)	(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.

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As for the Printing Group in the third quarter, in addition to the impact of U.S. tariffs, we saw a trend of postponed purchasing of printing equipment in Europe and Asia. This led to a 1.1% decline in Printing Group net sales, primarily linked to laser printers. However, in commercial printing, which is a growth business, sales grew thanks to increased sales of the varioPRINT iX3200, a cut-sheet printer. As for Office MFDs, in the third quarter, we launched several models of our new imageFORCE series and have received a large number of orders that will be used to expand sales from the fourth quarter on.

As for the Medical Group, although sales continued to grow in the Middle East, Brazil, and other emerging markets, overall sales were in line with last year due to lower sales in Japan and Europe, where investment was postponed, particularly for large equipment.

As for the Imaging Group, we posted strong sales growth of entry-level interchangeable-lens cameras such as the EOS R50 and EOS R100, particularly in China and Asia. Sales of compact cameras also expanded thanks to a substantial increase in supply through increased production in response to strong demand. As a result, overall camera net sales increased 5%. For network cameras, we posted a net sales increase of 8% as sales remained solid. As a result, Imaging Group net sales increased by 5.9%.

As for the Industrial Group, amid strong demand for AI, we posted significant sales growth, selling 54 units of semiconductor lithography equipment, mainly for back-end process applications. We also saw significant growth in sales of sputtering equipment for advanced semiconductor devices. Additionally, for FPD lithography equipment, we sold 11 units, 7 more than last year, which were primarily for smartphones. As a result, Industrial Group net sales increased by more than 20%.

- In Q4, expected trend of postponed investment to continue due to additional U.S. tariffs and impact of geopolitical risks
- Expect continued growth of cameras and network camera businesses, Printing Group to gain share with new products, and large-size equipment business to steadily convert orders into sales
- Achieve record high quarterly net sales of 1.3 trillion yen or more and 11% profitability level in Q4 to maintain sales and profit growth for full year
- Lowered projections for operating profit by 9 billion yen and net income by 4.5 billion yen, reflecting impact of additional U.S. tariffs from August and worsening market environment
- Raising dividend by 5 yen to 160 yen per share, returning to pre-COVID level of 2019, and carried out 300 billion yen in share buybacks

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In the markets where we compete, we expect the trend of postponed investment to continue in the fourth quarter due to the impact of U.S. tariffs and geopolitical risks in Europe.

Within this environment, in the fourth quarter, when sales are at their highest level, we expect strong camera and network camera sales growth to continue. As for the Printing Group, we expect to increase our market share through new products that were introduced. At the same time, mainly in our lithography equipment, commercial printing equipment, and medical equipment businesses, by ensuring that the orders we received are converted into sales, we aim to achieve record sales on a quarterly basis of 1.3 trillion yen.

As for profit, although a large portion of structural reform costs will be booked, by increasing sales and reducing costs through group-wide cost reduction activities, we plan to raise our operating profit ratio to the 11% level.

As for our full year outlook, incorporating the impact of U.S. tariffs that were added in August, we lowered our projection for operating profit and net income by 9 billion yen and 4.5 billion yen, respectively, but still aim to maintain sales and profit growth.

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 300 billion yen in share buybacks.

2025 Financial Projection (Full Year)



(Billions of yen)	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	4,616.0	4,509.8	+2.4%	4,600.0	+16.0
Gross Profit (% of Net Sales)	2,154.0 46.7%	2,143.1 47.5%	+0.5%	2,160.0 47.0%	-6.0
Op. Expenses (% of Net Sales)	1,703.0 36.9%	1,698.2 37.6%		1,700.0 37.0%	-3.0
Op. Profit (% of Net Sales)	451.0 9.8%	444.9 9.9%	+1.4%	460.0 10.0%	-9.0
IBT	466.0	466.3	-0.1%	472.0	-6.0
Net Income (% of Net Sales)	325.5 7.1%	325.1 7.2%	+0.1%	330.0 7.2%	-4.5
USD	148.58	151.63		145.06	
EUR	168.24	163.99		163.70	

* 2024 figures exclude the impact of impairment loss.

Impact of exchange rate movement (4Q impact given a one yen change)		
Net Sales		Op. Profit
USD	3.5 billion yen	1.0 billion yen
EUR	1.9 billion yen	1.0 billion yen

As for exchange rate assumptions for the fourth quarter, we revised them to 150 yen to the U.S. dollar and 175 yen to the euro. This reflects the yen's weakness up to the third quarter and a weakening of the yen compared to our previous projection of 8 and 10 yen, respectively. The overall impact of changes in exchange rates, compared to our previous projection is positive and amounts to 80.1 billion yen on net sales and 26.9 billion yen on operating profit for the full year.

On the other hand, considering the latest business environment, including postponed investments due to additional U.S. tariffs, we expect full-year net sales to exceed our previous projection by 16 billion yen, but have revised downward our projections for operating profit and net income by 9 billion yen and 4.5 billion yen, respectively.

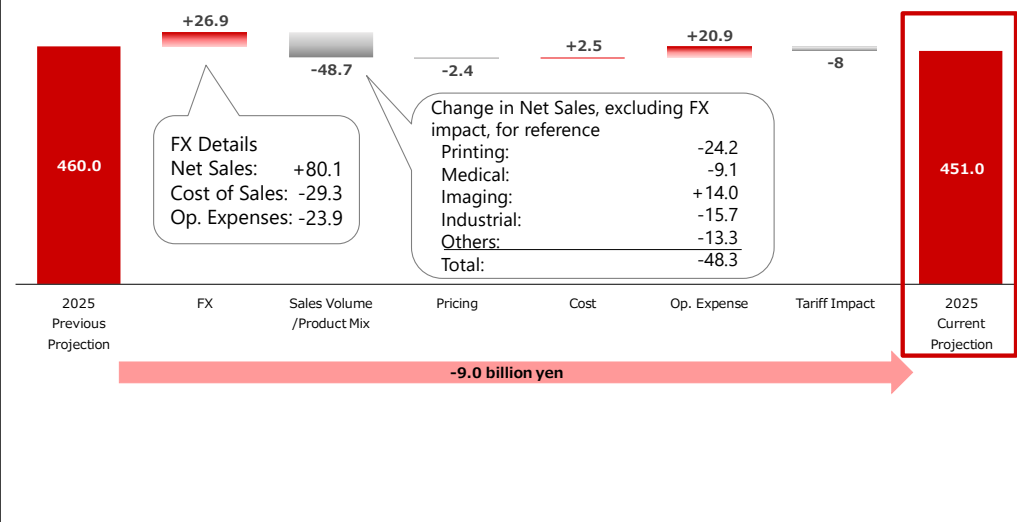
As a result, compared to last year, we expect full-year net sales to increase by 2.4% to 4 trillion 616.0 billion yen and operating profit to increase by 1.4% to 451.0 billion yen, as we aim to maintain sales and profit growth.

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2025 Previous Projection)

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(Billions of yen)



An analysis of operating profit versus our previous projection.

As for changes in exchange rates, we expect a positive impact of 26.9 billion yen for the full year, which reflects our revised assumption that exchange rates will move in the direction of yen depreciation.

As for changes in sales volume/product mix, we expect a negative impact of 48.7 billion yen as we lowered our sales projections for the Printing Group and Industrial Group.

To make up for the negative impact of the sales volume decline, we expect to reduce costs by an additional 2.5 billion yen. Furthermore, in response to the decrease in sales volume, by reducing advertising and sales promotion expenses and revising the timing of capital investment and personnel recruitment plans, we will reduce operating expenses by 20.9 billion yen.

And, after adding the negative impact of 8.2 billion yen from U.S. tariffs, we expect operating profit to decrease by 9 billion yen to 451 billion yen for the full year.

Review of Business Structure

(Billions of yen)

		2024	2025				
		Actual	1Q	2Q	3Q	4Q Current Projection	Full year Current Projection
Sales	Cost	-20.0	-1.2	-0.5	-0.8	-3.5	-6.0
Structural	Effect	8.0	5.0	4.9	5.3	6.8	22.0
Reform	PL Impact	-12.0	3.8	4.4	4.5	3.3	16.0
Production	Cost	0.0	-0.9	-0.1	-4.8	-14.2	-20.0
Structural	Effect	0.0	0.0	0.0	0.0	0.0	0.0
Reform	PL Impact	0.0	-0.9	-0.1	-4.8	-14.2	-20.0
Medical	Cost	-2.5	-0.7	-0.7	-0.7	-2.9	-5.0
Business	Effect	0	1.5	2.2	2.0	4.3	10.0
Innovation	PL Impact	-2.5	0.8	1.5	1.3	1.4	5.0
Total	Cost	-22.5	-2.8	-1.3	-6.3	-20.6	-31.0
	Effect	8.0	6.5	7.1	7.3	11.1	32.0
	PL Impact	-14.5	3.7	5.8	1.0	-9.5	1.0

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We are making good progress on the 3 structural reforms we are currently implementing.

First, the review of our sales structure. Since the beginning of this year, we have benefited from the measures we implemented last year, which contributed 5.3 billion yen to profit in the third quarter. Furthermore, we expect this to generate 22 billion yen in improved profit for the full year. However, in the fourth quarter, we plan to carry out further structural reforms, particularly in the European region and have factored in costs of approximately 6 billion yen for the full year.

Second, the review of our production structure. We are intensifying our efforts to consolidate production sites from perspectives of geopolitical risks and productivity. As a result, we booked 4.8 billion yen in costs in the third quarter. In the fourth quarter, we will further accelerate our efforts and project costs to be 20 billion yen for the full year and expect to see results from next year.

Third, Medical business innovation. We are making good progress implementing measures aimed at improving profitability through a thorough examination of operations, including development, production, management, and sales. In the third quarter, this contributed 2 billion yen to profit. In the fourth quarter, through measures such as reviewing loss-making businesses and subsidiaries operating in the red, reducing external expenses, and making further improvements in service operations, we expect profit to improve by 10 billion yen 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	2,495.1	2,522.7	-1.1%	2,489.7	+5.4	-12.6	+18.0
	Op. Profit (%)	276.2 (11.1%)	289.9 (11.5%)	-4.7%	287.7 (11.6%)	-11.5	-3.5	-8.0
Medical	Net Sales	580.9	568.8	+2.1%	582.1	-1.2	-0.9	-0.3
	Op. Profit (%)	31.3 (5.4%)	24.7 (4.3%)	+26.9%	34.5 (5.9%)	-3.2	-2.4	-0.8
Imaging	Net Sales	1,049.7	937.4	+12.0%	1,011.1	+38.6	+0.2	+38.4
	Op. Profit (%)	163.4 (15.6%)	151.3 (16.1%)	+8.0%	158.3 (15.7%)	+5.1	-2.1	+7.2
Industrial	Net Sales	365.9	351.7	+4.0%	380.3	-14.4	0	-14.4
	Op. Profit (%)	63.6 (17.4%)	68.9 (19.6%)	-7.7%	68.3 (18.0%)	-4.7	0	-4.7
Others & Corporate	Net Sales	224.4	233.7	-4.0%	235.1	-10.7	-0.1	-10.6
	Op. Profit	-84.1	-91.2	-	-89.1	+5.0	-0.2	+5.2
Eliminations	Net Sales	-100.0	-104.5	-	-98.3	-1.7		-1.7
	Op. Profit	0.6	1.3	-	0.3	+0.3		+0.3
Total	Net Sales	4,616.0	4,509.8	+2.4%	4,600.0	+16.0	-13.4	+29.4
	Op. Profit (%)	451.0 (9.8%)	444.9 (9.9%)	+1.4%	460.0 (10.0%)	-9.0	-8.2	-0.8

* 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 the Printing Group in the fourth quarter, although we expect sales to decline due to laser printer shipment adjustments, for commercial printing, sales through HEIDELBERG, a leading company of offset printing equipment, is expected to increase, and we plan to grow production sales overall, particularly cut-sheet printers. For office MFDs, we will increase sales by expanding sales of our new imageFORCE series. As for inkjet printers, we will promote sales expansion through refillable ink tank models and the new products for home printing, which we launched in September. Even in this challenging market environment, through growth in commercial printing and IT solutions, we will maintain full-year net sales of the Printing Group at last year's level.

As for the Medical Group, we expect fourth quarter sales to increase by 4.6% compared to last year, driven by orders for large equipment that we secured through our strengthened relationship with U.S. medical institutions. We also expect a benefit from full-fledged sales to dealers we newly contracted with in the first half of the year. While full year sales growth is limited to 2.1%, we are steadily raising our profit through business innovation activities and will work to further improve profitability from next year, when sales growth is expected to accelerate.

As for the Imaging Group, starting with cameras, we aim to increase net sales by 9% for the full year. In the fourth quarter, in addition to entry-level interchangeable-lens digital cameras and compact digital cameras, where demand is strong, we will work to expand sales of full-frame interchangeable-lens digital cameras during the year-end selling season. As for network cameras, we aim to increase net sales by 17% for the full year, supported by continued steady market growth in each region. As a result, we expect Imaging Group sales to grow at a double-digit rate as it aims for 1 trillion yen in sales.

As for the Industrial Group in the fourth quarter, starting with semiconductor lithography equipment, the trend of postponing investment, particularly in power semiconductors due to a slowdown in EV demand, is expected to continue. Despite this situation, we plan to sell 80 units of semiconductor lithography equipment that will mainly be used in back-end process applications, thanks to the ongoing strong demand for AI, and aim to increase full-year sales of the Industrial Group by 4%. Additionally, for Nanoimprint, our next-generation semiconductor manufacturing system, leveraging the equipment shipped to major semiconductor manufacturers, we are accelerating evaluation and verification at customer sites with the aim of memory and logic mass-production applications.

Inventory

- Reduced work-in-process and built-up inventory of finished goods for year-end selling season
- Aiming for appropriate level of inventory of 60 days or less by end of 2025

(Billions of yen)

		2024				2025		
		Mar.-end	Jun.-end	Sep.-end	Dec.-end	Mar.-end	Jun.-end	Sep.-end
Printing	Amt.	347.6	361.5	344.1	342.7	334.4	346.1	368.1
	Days	52	53	50	49	47	52	55
Medical	Amt.	141.1	146.0	142.1	133.2	139.8	138.5	148.5
	Days	86	97	95	83	85	90	99
Imaging	Amt.	191.5	182.4	168.5	158.6	176.3	166.4	172.1
	Days	86	79	63	56	66	64	61
Industrial	Amt.	146.4	150.2	158.7	138.0	150.7	160.3	154.7
	Days	160	168	175	130	146	183	159
Others & Corporate	Amt.	68.3	72.4	76.3	69.3	71.6	68.2	70.4
Total	Amt.	894.9	912.5	889.7	841.8	872.8	879.5	913.8
	Days	76	77	72	65	68	73	74

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The total value of inventory at the end of September 2025 increased by 34.3 billion yen, compared to the end of June, as we raised the level of inventory of finished goods, targeting sales expansion in the fourth quarter, the year-end selling season. Conversely, the inventory of work-in-process and raw materials decreased thanks to efforts such as restraining orders and shortening lead times.

At the end of the year, we expect the inventory of finished goods to significantly decline, driven by increased sales during the year-end selling season. At the same time, we will work to further reduce the inventory of work-in-process and raw materials, to bring inventory turnover to an appropriate level of below 60 days.

Cash Flow

(Full Year)



- Secure 500 billion yen or more in operating CF
- Invest in future growth and carry out active shareholders return

(Billions of yen)	FY2025 Current Projection	FY 2025 Previous Projection	FY 2024 Actual	FY 2023 Actual
Net income	325.5	330.0	325.1	264.5
Depreciation and amortization	235.0	235.0	235.5	238.7
Others	-36.5	45.0	46.2	-52.0
Net cash provided by operating activities	524.0	610.0	606.8	451.2
Capital expenditure	-250.0	-250.0	-237.0	-231.7
Others	-5.0	-76.0	-60.3	-43.7
Net cash used in investing activities	-255.0	-326.0	-297.3	-275.4
Free cash flow	269.0	284.0	309.5	175.8
Net cash provided by (used in) financing activities	-271.0	-360.0	-226.0	-156.7
Effect of exchange rate changes on cash and cash equivalents	1.4	-13.6	16.7	20.1
Net change in cash and cash equivalents	-0.6	-89.6	100.2	39.2
Cash and cash equivalents at end of period	501.0	412.0	501.6	401.3
Cash-on-hand (In months of Net sales)	1.2	1.0	1.3	1.1

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

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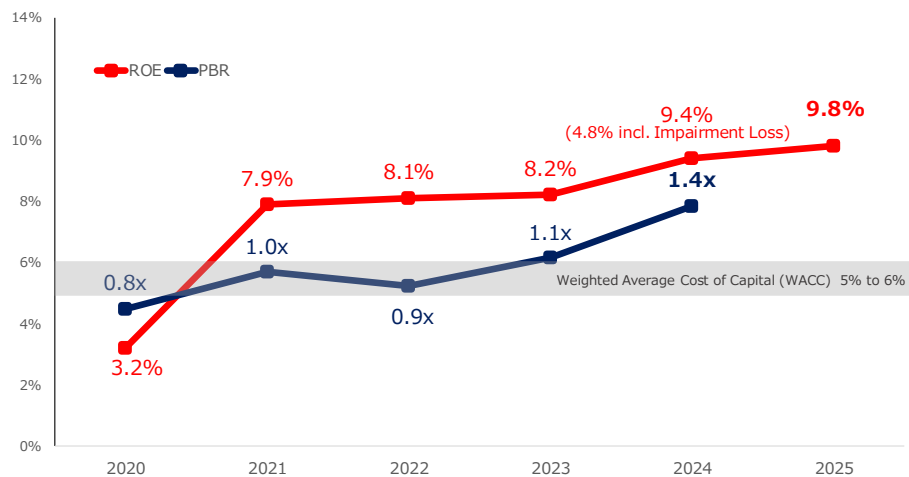
As for operating cash flow, although we expect a decrease, due to our projected decline in net income and changed outlook for working capital, we also expect to continue to generate operating cash flow of more than 500.0 billion yen.

In terms of investing cash flow, with an eye to the future, capital expenditure will be 250 billion yen. In addition to completing construction of a new plant for semiconductor lithography equipment in Utsunomiya in July, in line with our revised production structure, we are working to reshore production.

This year, by utilizing the cash generated, we are actively returning profits to shareholders. We repurchased 300 billion yen of our own shares, the highest level since 2007, and are raising our dividend to the pre-COVID level of 160 yen per share.

Return on Capital

- Expect ROE to be 9.8% in 2025
- Aiming to achieve 10% or higher at early stage, through sales growth and progress in structural reforms



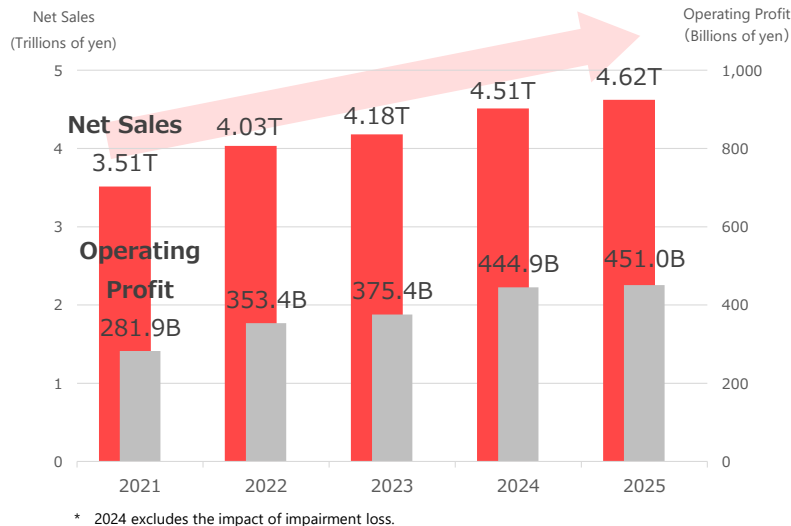
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Net income is projected to be in line with last year. However, we expect ROE to improve by 0.4 points to 9.8% due to the completion of 300 billion yen in share buybacks this year which reduced shareholders' equity.

In addition to expanding sales in growth areas such as medical and network cameras, we will strive to maximize profits and improve capital efficiency by steadily advancing structural reform to achieve our ROE target of 10% or more as soon as possible.

Summary

- In 2025, final year of 5-year plan, achieve 5th consecutive year of sales and profit growth, and accelerate structural reforms to make further advancement in next 5-year plan



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In the third quarter, we began to see real impact from the additional U.S. tariffs. Despite this, our sales increased, and profitability improved because of ongoing structural reforms in development, production, and sales. As a result, we were able to increase sales and profits over the first nine months of the year. Although uncertainty in the global economy is increasing, in the fourth quarter, we will strengthen our sales promotion activities during the year-end selling season, particularly for new products in our Printing and Imaging Groups. We will also ensure that orders received for our lithography equipment and medical business are converted into sales. Through these efforts, we aim to achieve record high sales and our fifth consecutive year of sales and profit growth.

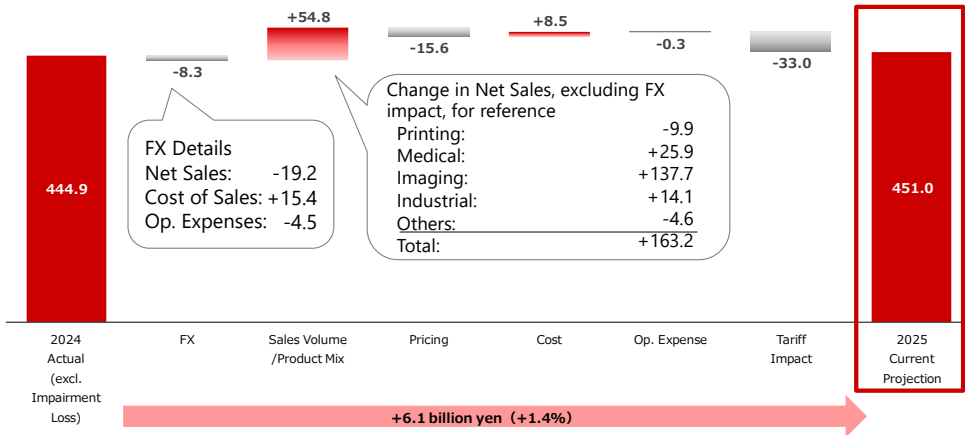
This year marks the completion of our 5-year initiative, Phase VI of the Excellent Global Corporation Plan. With only two months remaining, the entire Canon Group will work in a concerted effort to accelerate the 3 structural reforms that are being implemented and achieve sales and profit growth to make further advancement in our next 5-year plan starting from 2026.

Supplementary Information

2025 Operating Profit Analysis

(FY 2025 Current Projection versus FY 2024 Actual)

(Billions of yen)



Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		107.5	105.5	+1.9%	446.6	441.5	+1.2%	446.0	+0.6
Office	Office MFDs	149.2	152.9	-2.4%	636.5	647.0	-1.6%	636.1	+0.4
	Others	105.0	98.0	+7.1%	429.3	408.1	+5.2%	427.0	+2.3
		254.2	250.9	+1.3%	1,065.8	1,055.1	+1.0%	1,063.1	+2.7
Prosumer	LPs	159.4	171.7	-7.1%	640.3	679.6	-5.8%	637.0	+3.3
	IJPs	82.9	82.8	+0.1%	342.4	346.5	-1.2%	343.6	-1.2
		242.3	254.5	-4.8%	982.7	1,026.1	-4.2%	980.6	+2.1
Net Sales		604.0	610.9	-1.1%	2,495.1	2,522.7	-1.1%	2,489.7	+5.4
Op. Profit		52.2	60.7	-14.0%	276.2	289.9	-4.7%	287.7	-11.5
%		8.6%	9.9%		11.1%	11.5%		11.6%	

Net Sales Growth Rate Y/Y

(Local Currency)

	2025	
	3Q	Projection
Production	+0.0%	+0.9%
Office	+0.5%	+1.2%
Prosumer	-6.3%	-3.5%
Total	-2.4%	-0.8%

Unit Growth Rate Y/Y

	2025	
	3Q	Projection
Office MFDs	-4%	+0%
LPs	-23%	-14%
IJPs	-9%	+2%

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Production

As for commercial printing, the industry continues to shift toward digital printing as demand for small-lot printing of many products increases. Though we see customers postponing investments this year due to U.S. tariffs, the market is expected to continue to grow over the medium term.

Sales of the varioPRINT iX3200, which has been highly evaluated by customers for its high productivity, increased further in the third quarter following strong sales in the first half of the year. In the fourth quarter, sales through HEIDELBERG, a leading company of offset printing equipment, is expected to increase, and we plan to grow production sales overall, particularly cut-sheet printers.

In September, we announced the Colorado XL, our first hybrid large-format printer capable of printing not only on roll paper, but also on rigid materials such as acrylic and aluminum substrates.

Going forward, we will add new products to our lineup that address segments we have not previously covered, such as the varioPRESS iV7, which supports up to B2 size paper, and the LabelStream LS2000, which is designed for labels used on the packaging of food and daily necessities. This will enable us to capture the ever-expanding demand for digital commercial and industrial printing equipment more broadly, and lead to further growth from next year.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		107.5	105.5	+1.9%	446.6	441.5	+1.2%	446.0	+0.6
Office	Office MFDs	149.2	152.9	-2.4%	636.5	647.0	-1.6%	636.1	+0.4
	Others	105.0	98.0	+7.1%	429.3	408.1	+5.2%	427.0	+2.3
		254.2	250.9	+1.3%	1,065.8	1,055.1	+1.0%	1,063.1	+2.7
Prosumer	LPs	159.4	171.7	-7.1%	640.3	679.6	-5.8%	637.0	+3.3
	IJPs	82.9	82.8	+0.1%	342.4	346.5	-1.2%	343.6	-1.2
		242.3	254.5	-4.8%	982.7	1,026.1	-4.2%	980.6	+2.1
Net Sales		604.0	610.9	-1.1%	2,495.1	2,522.7	-1.1%	2,489.7	+5.4
Op. Profit		52.2	60.7	-14.0%	276.2	289.9	-4.7%	287.7	-11.5
%		8.6%	9.9%		11.1%	11.5%		11.6%	

Net Sales Growth Rate Y/Y

(Local Currency)

	2025	
	3Q	Projection
Production	+0.0%	+0.9%
Office	+0.5%	+1.2%
Prosumer	-6.3%	-3.5%
Total	-2.4%	-0.8%

Unit Growth Rate Y/Y

	2025	
	3Q	Projection
Office MFDs	-4%	+0%
LPs	-23%	-14%
IJPs	-9%	+2%

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Office MFDs

In the office, there is solid demand for office MFDs as core printing equipment. However, due to the impact of U.S. tariffs and postponed investments, even in Europe, the market is expected to decrease in size by about 5% compared to last year.

In the third quarter, sales were down as customers delayed purchases. However, the new imageFORCE series, which is being rolled out in each region, has been highly evaluated by customers not only for its improved basic performance, such as image quality and energy efficiency, but also its improved service and maintenance features, which led to a significant buildup of orders. In the fourth quarter, we will significantly increase sales and expand our market share even amid uncertain market conditions, by promoting the expansion of imageFORCE sales.

Office Other

As for our IT solutions business, by capturing strong DX demand, particularly in manufacturing and financial sectors, we will maintain growth and achieve a 5% increase in full-year net sales.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

		3Q			Full Year				
		2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Production		107.5	105.5	+1.9%	446.6	441.5	+1.2%	446.0	+0.6
Office	Office MFDs	149.2	152.9	-2.4%	636.5	647.0	-1.6%	636.1	+0.4
	Others	105.0	98.0	+7.1%	429.3	408.1	+5.2%	427.0	+2.3
		254.2	250.9	+1.3%	1,065.8	1,055.1	+1.0%	1,063.1	+2.7
Prosumer	LPs	159.4	171.7	-7.1%	640.3	679.6	-5.8%	637.0	+3.3
	IJPs	82.9	82.8	+0.1%	342.4	346.5	-1.2%	343.6	-1.2
		242.3	254.5	-4.8%	982.7	1,026.1	-4.2%	980.6	+2.1
Net Sales		604.0	610.9	-1.1%	2,495.1	2,522.7	-1.1%	2,489.7	+5.4
Op. Profit		52.2	60.7	-14.0%	276.2	289.9	-4.7%	287.7	-11.5
%		8.6%	9.9%		11.1%	11.5%		11.6%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	3Q	Projection
Production	+0.0%	+0.9%
Office	+0.5%	+1.2%
Prosumer	-6.3%	-3.5%
Total	-2.4%	-0.8%

Unit Growth Rate Y/Y

	2025	
	3Q	Projection
Office MFDs	-4%	+0%
LPs	-23%	-14%
IJPs	-9%	+2%

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Prosumer

As for the printer market, it is being impacted by tariffs in the United States and remains sluggish in Europe and Asia.

Impacted by the market's downturn, laser printer net sales in the third quarter declined, particularly in Europe and Asia, compared to the same period last year. In the fourth quarter as well, we expect shipment adjustments to continue. With an eye towards next year, we will review our strategy to promote sales of color medium- and high-speed printers to customers and regions where large print volumes are expected.

For inkjet printers, we are expanding our market share by strengthening sales promotions as we completed our lineup of refillable ink tank models. For cartridge models as well, we are seeing a trend of customers preferring them for home printing due to their low initial cost. Going forward, we will work to expand sales of the new printers which we launched in September that offer faster print speeds and improved operability.

Printing Hardware & Non-hardware Sales



			FY 2025		FY 2024	
			3Q Actual	Full Year Actual	3Q Actual	Full Year Actual
Production	JPY	Hardware	+3%	+2%	+10%	+11%
		Non-hardware	+1%	+1%	+5%	+9%
	LC	Hardware	+1%	+2%	+7%	+4%
		Non-hardware	0%	0%	+2%	+2%
Office MFDs	JPY	Hardware	-7%	-1%	+1%	+1%
		Non-hardware	+2%	-2%	+1%	+7%
	LC	Hardware	-8%	-1%	-2%	-5%
		Non-hardware	+1%	-2%	-2%	+1%
LPs	JPY	Hardware	-22%	-13%	+33%	+17%
		Non-hardware	+4%	-1%	+8%	+9%
	LC	Hardware	-23%	-13%	+32%	+11%
		Non-hardware	+2%	0%	+11%	+5%
IJPs	JPY	Hardware	-4%	+1%	-3%	-2%
		Non-hardware	+3%	-3%	-4%	0%
	LC	Hardware	-5%	+1%	-6%	-8%
		Non-hardware	+2%	-2%	-6%	-6%

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Net Sales	132.9	132.3	+0.4%	580.9	568.8	+2.1%	582.1	-1.2
Op. Profit	6.4	4.7	+36.4%	31.3	24.7	+26.9%	34.5	-3.2
%	4.8%	3.5%		5.4%	4.3%		5.9%	

* 2024 figures exclude the impact of impairment loss.

Net Sales Growth Rate Y/Y
(Local Currency)

	2025	
	3Q	Projection
Total	+0.1%	+2.8%

Medical

As for the diagnostic imaging device market, in contrast to Japan and Europe, where the operating environment for hospitals is becoming more challenging, continued growth is expected in the U.S. and emerging markets. However, given the uncertain economic situation, there is a tendency to postpone investment in each region, and overall growth is expected to be slight or remain in line with last year.

In the third quarter, although sales continued to grow in the Middle East, Brazil, and other emerging markets, overall sales were in line with last year due to lower sales in Japan and Europe, where investment was postponed, particularly in large equipment.

In the fourth quarter, in addition to linking orders for large equipment such as CTs and angiography systems for which we secured orders through our strengthened relationship with U.S. medical institutions that rank among the world's top 10, we expect sales to increase by 4.6% compared to last year with continued growth in sales in emerging countries as we begin full swing sales of ultrasound diagnostic systems to dealers we newly contracted with in the first half of the year.

As for profit, in the third quarter our operating profit ratio recovered to 4.8% thanks to the accumulated benefits of steady progress being made in business innovation activities. In the fourth quarter, when the scale of sales is large, we expect our operating profit ratio to improve further to 7.8%, resulting in a full year operating profit ratio of 5.4%.

For the Aquilion Rise, a CT system that can image a patient in multiple positions, which was launched in April, the results of clinical trials have been highly evaluated, and we have received more than 40 inquiries from around the world that we expect will contribute to sales from next year on. Photon Counting CT, our next-generation CT technology, has attracted a great deal of attention, including being featured on the cover of the world-renowned Radiology magazine for its clinical diagnosis images taken with Canon equipment. Aiming for an early release of this technology, we will accelerate growth.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	152.7	146.0	+4.6%	632.1	579.9	+9.0%	610.9	+21.2
Network Cameras & Others	100.9	93.6	+7.9%	417.6	357.5	+16.8%	400.2	+17.4
Net Sales	253.6	239.6	+5.9%	1,049.7	937.4	+12.0%	1,011.1	+38.6
Op. Profit	38.1	43.6	-12.6%	163.4	151.3	+8.0%	158.3	+5.1
%	15.0%	18.2%		15.6%	16.1%		15.7%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	3Q	Projection
Cameras	+3.6%	+9.6%
NWCs & Others	+7.4%	+17.7%
Total	+5.1%	+12.7%

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

	2025	
	3Q	Projection
Units (Millions)	0.73	3.00
Growth Rate	+1%	+6%

Cameras

As for the interchangeable-lens digital camera market in 2025, through the aggressive sales promotion of each company to stimulate demand, particularly in the unit sales of entry-level models, we expect the market to grow 6% to 6.8 million units compared to last year.

In the third quarter, we posted steady growth in camera sales, particularly in China and Asia. As a result, camera net sales increased by 4.6%, further exceeding the high level of sales in the same period last year, which was boosted by the launch of the EOS R5 Mark II, a full-frame mirrorless camera.

Amid growing demand for entry-level mirrorless cameras, we posted strong sales growth as new camera users, including young people looking to step up from smartphones, chose our EOS R50 and EOS R100. Sales of our new EOS R50 V and PowerShot V1, which were launched in the second quarter of this year, also increased due to favorable reviews from users who shoot videos for SNS and Vlogs. As for compact digital cameras, for which demand is increasing, we expanded sales through a substantial increase in product supply by expanding production.

In the fourth quarter, for the year-end selling season, during which demand for cameras is at its highest, we will increase sales of entry-level interchangeable-lens digital cameras through promotional activities and expand sales of full-frame models and interchangeable lenses.. As for compact digital cameras, for which demand is growing, particularly among young people, by further increasing production, we plan to double our unit sales from the third quarter and increase our net sales of cameras by 8.4% for the full year.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Cameras	152.7	146.0	+4.6%	632.1	579.9	+9.0%	610.9	+21.2
Network Cameras & Others	100.9	93.6	+7.9%	417.6	357.5	+16.8%	400.2	+17.4
Net Sales	253.6	239.6	+5.9%	1,049.7	937.4	+12.0%	1,011.1	+38.6
Op. Profit	38.1	43.6	-12.6%	163.4	151.3	+8.0%	158.3	+5.1
%	15.0%	18.2%		15.6%	16.1%		15.7%	

Net Sales Growth Rate Y/Y (Local Currency)

	2025	
	3Q	Projection
Cameras	+3.6%	+9.6%
NWCs & Others	+7.4%	+17.7%
Total	+5.1%	+12.7%

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

	2025	
	3Q	Projection
Units (Millions)	0.73	3.00
Growth Rate	+1%	+6%

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Network cameras

The network camera market remains on a solid growth path. In addition to strong demand for network cameras in security applications, their usage in other areas, such as marketing and social infrastructure, is expanding, owing to AI analytics

In the third quarter, we expected a negative reaction from last-minute demand in the second quarter ahead of the tariff hike and subsequent price increase. However, sales remained solid, and net sales increased by 7.9% thanks to steady growth even in other regions.

In the fourth quarter as well, as we expect the market to continue growing, we aim to grow 15.7% for the full year by leveraging not only the strength of our sales network with partners, but also our total solutions, including our extensive lineup of products and software.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	61.9	51.4	+20.4%	260.4	253.4	+2.8%	272.6	-12.2
Industrial Equipment	23.5	18.7	+25.2%	105.5	98.3	+7.2%	107.7	-2.2
Net Sales	85.4	70.1	+21.7%	365.9	351.7	+4.0%	380.3	-14.4
Op. Profit	13.9	14.0	-0.4%	63.6	68.9	-7.7%	68.3	-4.7
%	16.3%	20.0%		17.4%	19.6%		18.0%	

* 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	
	3Q	Projection
Opt. Equip.	+18.5%	+2.7%
Industrial Equip.	+24.2%	+7.2%
Total	+20.0%	+4.0%

Lithography Equipment (Units)

		2025	
		3Q	Projection
Semiconductor	KrF	7	50
	i-line	47	191
		54	241
FPD		11	33

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Optical Products

Semiconductor Lithography Equipment

In the third quarter, we sold 54 units, up from 49 units in the same period last year. Amid strong demand for GPUs, which are essential for generative AI, this reflects greatly expanded sales of our equipment that has become the industry standard back-end advanced packaging applications.

For the full year, we lowered our sales plan due to the impact of further investment postponements in power semiconductors. Despite this, we plan to sell 80 units, 5 units more than last year, as the willingness to invest in equipment for back-end processing is expected to remain strong, even in the fourth quarter.

As for the semiconductor lithography equipment market, in 2025, demand for PCs and smartphones is not growing as much as expected, and the recovery in demand for memory devices is being delayed. Additionally, demand for power semiconductors has stagnated due to the slowdown in EV demand. However, demand for generative AI will continue to grow, and memory is expected to recover next year.

Additionally, as for nanoimprint, our next-generation semiconductor manufacturing system, we are accelerating the evaluation and verification of the equipment shipped to a major semiconductor manufacturer site in the first half of this year with the aim of memory and logic mass-production applications.

Net Sales & Net Sales Growth Rate Y/Y

(Billions of yen)

	3Q			Full Year				
	2025 Actual	2024 Actual	% Change	2025 Current Projection	2024 Actual	% Change	2025 Previous Projection	Amount Change
Optical Equipment	61.9	51.4	+20.4%	260.4	253.4	+2.8%	272.6	-12.2
Industrial Equipment	23.5	18.7	+25.2%	105.5	98.3	+7.2%	107.7	-2.2
Net Sales	85.4	70.1	+21.7%	365.9	351.7	+4.0%	380.3	-14.4
Op. Profit	13.9	14.0	-0.4%	63.6	68.9	-7.7%	68.3	-4.7
%	16.3%	20.0%		17.4%	19.6%		18.0%	

* 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	
	3Q	Projection
Opt. Equip.	+18.5%	+2.7%
Industrial Equip.	+24.2%	+7.2%
Total	+20.0%	+4.0%

Lithography Equipment (Units)

		2025	
		3Q	Projection
Semiconductor	KrF	7	50
	i-line	47	191
		54	241
FPD		11	33

20

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 secured a number of additional investment deals for smartphones, which are becoming more energy efficient and thinner. As a result, we sold 11 units in the third quarter, 7 units more than in the same period last year. As for the 8 units we plan to sell in the fourth quarter, all units have been shipped, and steady progress is being made in their installation.

Industrial Equipment

As for sputtering equipment, sales of equipment used in the production of HBM and other semiconductors increased significantly in the third quarter, thanks to strong AI demand, demand for semiconductors used in the production of HBM and other products grew sharply. 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. By increasing sales in the fourth quarter as well, we aim to achieve a 7.2% increase in the full-year net sales of Industrial Equipment overall.