



CONSOLIDATED RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF ENDED JUNE 30, 2025

July 24, 2025

Canon Inc.

Canon hereby reports that the following consolidated financial results for the six months ended of the fiscal year ending December 31, 2025 (from January 1, 2025 to June 30, 2025) have been approved today at the board of directors meeting.

CONSOLIDATED RESULTS FOR THE SECOND QUARTER

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

	Actual			
	Three months ended June 30, 2025	Three months ended June 30, 2024	Change(%)	Three months ended June 30, 2025
Net sales	¥ 1,140,171	¥ 1,167,786	- 2.4	\$ 7,863,248
Operating profit	117,791	118,391	- 0.5	812,352
Income before income taxes	123,474	132,225	- 6.6	851,545
Net income attributable to Canon Inc.	¥ 83,673	¥ 89,857	- 6.9	\$ 577,055
Net income attributable to Canon Inc. shareholders per share:				
- Basic	¥ 92.05	¥ 91.88	+ 0.2	\$ 0.63
- Diluted	91.99	91.83	+ 0.2	0.63

CONSOLIDATED RESULTS FOR THE FIRST HALF

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

	Actual			Projection	
	Six months ended June 30, 2025	Six months ended June 30, 2024	Change(%)	Six months ended June 30, 2025	Year ending December 31, 2025
Net sales	¥ 2,198,567	¥ 2,156,305	+ 2.0	15,162,531	¥ 4,600,000 + 2.0
Operating profit	214,308	198,474	+ 8.0	1,477,986	460,000 + 64.4
Income before income taxes	222,319	221,447	+ 0.4	1,533,234	472,000 + 56.7
Net income attributable to Canon Inc.	¥ 155,904	¥ 149,806	+ 4.1	\$ 1,075,200	¥ 330,000 + 106.2
Net income attributable to Canon Inc. shareholders per share:					
- Basic	¥ 169.16	¥ 152.53	+ 10.9	\$ 1.17	¥ 361.73 + 118.5
- Diluted	169.06	152.45	+ 10.9	1.17	361.50 + 118.5

	Actual		
	As of June 30, 2025	As of December 31, 2024	Change(%)
Total assets	¥ 5,970,001	¥ 5,766,246	+ 3.5
Canon Inc. shareholders' equity	¥ 3,210,363	¥ 3,380,273	- 5.0

Notes: 1. Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.
2. U.S. dollar amounts are translated from yen at the rate of JPY145=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2025, solely for the convenience of the reader.

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

July 24, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under U.S. GAAP)

Company name: Canon Inc.
Listing: Tokyo Stock Exchange / Nagoya Stock Exchange / Sapporo Securities Exchange / Fukuoka Stock Exchange
Securities code: 7751
URL: <https://global.canon/en/ir/>
Representative: Fujio Mitarai, Chairman & CEO
Inquiries: Sachiho Tanino, General Manager, Consolidated Accounting Div.
Telephone: +81-3-3758-2111
Scheduled date to file semi-annual securities report: August 7, 2025
Scheduled date to commence dividend payments: August 25, 2025
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

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

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	2,198,567	2.0	214,308	8.0	222,319	0.4	155,904	4.1
June 30, 2024	2,156,305	8.2	198,474	12.3	221,447	17.4	149,806	23.0

Note: Comprehensive income For the six months ended June 30, 2025: ¥ 116,628 million -68.9%
For the six months ended June 30, 2024: ¥ 374,886 million 17.6%

	Net income attributable to Canon Inc. shareholders per share -Basic	Net income attributable to Canon Inc. shareholders per share -Diluted
Six months ended	Yen	Yen
June 30, 2025	169.16	169.06
June 30, 2024	152.53	152.45

(2) Consolidated financial position

	Total assets	Total equity (Net assets)	Canon Inc. shareholders' equity	Canon Inc. shareholders' equity ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	5,970,001	3,481,054	3,210,363	53.8
December 31, 2024	5,766,246	3,645,051	3,380,273	58.6

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2024	—	75.00	—	80.00	155.00
Year ending December 31, 2025	—	80.00			
Year ending December 31, 2025 (Forecast)			—	80.00	160.00

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

As for the dividend per share for the year ending December 2025, Canon aims for a payout ratio of 50%, and under the policy of stable and proactive profit distribution, dividend will be reviewed as necessary taking into account future business performance and financial conditions.

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Income before income taxes		Net income attributable to Canon Inc.		Net income attributable to Canon Inc. shareholders per share -Basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending December 31, 2025	4,600,000	2.0	460,000	64.4	472,000	56.7	330,000	106.2	361.73

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

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of simplified method of accounting or specific accounting treatments: None
- (3) Changes in accounting policies
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None

(4) Number of issued shares (common stock)

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

As of June 30, 2025	1,333,763,464 shares
As of December 31, 2024	1,333,763,464 shares

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

As of June 30, 2025	432,211,159 shares
As of December 31, 2024	389,771,598 shares

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

Six months ended June 30, 2025	921,617,922 shares
Six months ended June 30, 2024	982,145,453 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Appropriate use of financial forecasts, and other special notes

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

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I. Operating Results and Financial Conditions

1. 2025 Second Quarter in Review

Looking back at the second quarter of 2025, the global economy continued to show steady growth, despite concerns about downward pressure on the economy due to the U.S. tariff policy. By region, in the U.S., although corporate capital investments slowed down due to concerns over the economic outlook, personal consumption remained firm. In Europe, consumer sentiment continued to improve and the economy showed signs of a gradual recovery. In China, despite the positive effect of economic stimulus measures on domestic demand, the economy weakened against the backdrop of a sluggish real estate market. In other emerging countries, economic conditions remained firm due to strong personal consumption and an expansion in exports following the temporary suspension of reciprocal tariffs. In Japan, as improvements in the employment and income environment continued, signs of recovery were observed, and the economy gradually recovered.

In the markets in which Canon operates, demand remained firm overall. By product, although the market for office multifunction devices (MFDs) remained sluggish in Europe and China, the overall market remained solid. For commercial printing, postponement of installations was seen in some regions. While the market for inkjet printers continued to shrink, sales for refillable ink tank models remained strong. The market for laser printers continued to shrink, particularly in China as it was affected by the curbing of corporate investments. For medical equipment, the market remained strong in the U.S. and emerging countries. For cameras, demand remained high, particularly for mirrorless cameras. As for semiconductor lithography equipment, while there was weakness in demand for memory devices for smartphones and PCs, demand for semiconductors used in generative artificial intelligence (AI) increased. For FPD (Flat Panel Display) lithography equipment, the market continued to recover moderately as the profitability of panel manufacturers increased thanks to improvements in the balance between supply and demand.

The average value of the yen against the U.S. dollar during the second quarter and the first half of the year was ¥144.59 and ¥148.34, a year-on-year appreciation of approximately ¥11 and a year-on-year appreciation of approximately ¥4, respectively. The average value of the yen against the euro was ¥163.82 and ¥162.23, a year-on-year appreciation of approximately ¥4 and a year-on-year appreciation of approximately ¥3, respectively.

As for the second quarter, although sales of mirrorless cameras and network cameras were strong, net sales decreased by 2.4% year-on-year to ¥1,140.2 billion due to the appreciation of the yen. Net sales for the first half of the year increased by 2.0% year-on-year to ¥2,198.6 billion, the highest sales since 2007, partly thanks to the high level of sales in the first quarter. Gross profit for the second quarter also decreased by 3.0% year-on-year to ¥534.8 billion due to the appreciation of the yen, and gross profit as a percentage of net sales decreased by 0.3 points year-on-year to 46.9%. Operating expenses decreased by 3.7% year-on-year to ¥417.0 billion thanks to thorough expense management and the effects of structural reform implemented at overseas businesses in the previous year, which also helped to improve the operating expense to sales ratio by 0.5 points year-on-year to 36.6%. As a result, operating profit decreased by 0.5% year-on-year to ¥117.8 billion. Other income (deductions) decreased by ¥8.2 billion from the previous fiscal year mainly due to a currency exchange loss from receivables in foreign currencies. As a result, income before income taxes decreased by 6.6% year-on-year to ¥123.5 billion, and net income attributable to Canon Inc. decreased by 6.9% year-on-year to ¥83.7 billion. For the first half of the year, operating profit increased by 8.0% to ¥214.3 billion, income before income taxes increased by 0.4% to ¥222.3 billion and net income attributable to Canon Inc. increased by 4.1% to ¥155.9 billion, with all levels of profit exceeding the figures from the same period of the previous year.

Basic net income attributable to Canon Inc. shareholders per share was ¥92.05 for the second quarter, a year-on-year increase of ¥0.17, and ¥169.16 for the first half, a year-on-year increase of ¥16.63.

2. Results by Segment

Looking at Canon's second quarter performance by business unit, in the Printing Business Unit, although sales remained stable, sales of equipment for the production printing market decreased due to lack of a large-scale deal as in the previous fiscal year. In the office MFD market, although unit sales decreased in Europe where market conditions continue to deteriorate, overall business remained firm. For inkjet printers, sales of refillable ink tank models steadily progressed. Sales of laser printers decreased compared to the same period of the previous year, when shipments increased significantly as inventory adjustments by its OEM partner were settled. As a result, sales for the second quarter of the Printing Business Unit decreased by 6.7% compared with the same period of the previous year to ¥610.6 billion, while income before income taxes for the second quarter decreased by 1.3% compared with the same period of the previous year to ¥81.9 billion. Sales for the first half of the year totaled ¥1,221.6 billion, a year-on-year decrease of 1.1%, while income before income taxes totaled ¥160.0 billion, a year-on-year increase of 4.9% thanks to the results of structural reform carried out in the previous year.

In the Medical Business Unit, sales increased primarily in the U.S., and service revenue also remained firm due to an increase in the number of installed base medical equipment in the market. As a result, sales for the second quarter of the Medical Business Unit increased by 0.7% compared with the same period of the previous year to ¥142.0 billion, while income before income taxes for the second quarter decreased by 8.6% compared with the same period of the previous year to ¥5.2 billion due to factors such as deterioration of the product mix. Sales for the first half of the year totaled ¥279.3 billion, a year-on-year increase of 1.5%, while income before income taxes totaled ¥12.1 billion, a year-on-year increase of 5.5%.

In the Imaging Business Unit, sales increased significantly due to continued strong sales of mirrorless cameras such as the EOS R5 Mark II launched in the second half of the previous year, and the favorable reception of the new EOS R50V and PowershotV1 introduced this year, which emphasizes on video shooting. For network cameras, sales grew significantly as the market showed steady growth, in addition to boosted demand before the full implementation of U.S. tariff policy. As a result, sales for the second quarter of the Imaging Business Unit increased by 6.5% compared with the same period of the previous year to ¥260.7 billion, while income before income taxes for the second quarter decreased by 3.9% compared with the same period of the previous year to ¥40.1 billion due to appreciation of the yen. Sales for the first half of the year totaled ¥472.8 billion, a year-on-year increase of 12.5%, while income before income taxes totaled ¥72.4 billion, a year-on-year increase of 27.8%.

In the Industrial Business Unit, demand for semiconductor lithography equipment remained strong, driven by the growth of generative AI. Sales of Canon's back-end lithography systems, which have become the industry standard, continued to expand. However, the number of units sold in this quarter declined year-on-year, as installations are concentrated in the second half of the fiscal year. As for the sales of FPD lithography equipment, unit sales exceeded the level of the same period of the previous year, as installations progressed amid a gradual recovery in market conditions. In total, sales for the second quarter of the Industrial Business Unit decreased by 0.9% compared with the same period of the previous year to ¥92.4 billion, while income before income taxes for the second quarter increased by 1.2% compared with the same period of the previous year to ¥18.4 billion thanks to improvement in the product mix. Sales for the first half of the year totaled ¥159.8 billion, a year-on-year decrease of 0.5%, while income before income taxes totaled ¥27.4 billion, a year-on-year decrease of 10.6%.

3. Financial Conditions in Review

Financial Conditions

As of June 30, 2025, total assets increased by ¥203.8 billion to ¥5,970.0 billion compared to the end of the previous year, mainly due to the increase of cash and cash equivalents and an accumulation of inventories, despite a decrease in accounts receivable. Total liabilities increased by ¥367.8 billion to ¥2,488.9 billion due to the execution of loans in response to the increase in necessary working capital. The balance of total equity decreased by ¥164.0 billion to ¥3,481.1 billion mainly due to dividends to Canon Inc. shareholders, repurchases of treasury stock which were carried out two times, and decrease in foreign currency translation adjustments caused by the appreciation of the yen, despite an increase in net income attributable to Canon Inc. shareholders.

As a result, Canon Inc. shareholders' equity as a percentage of total assets declined by 4.8 points to 53.8% compared to the end of the previous year.

Cash Flow

In the first half of the year, cash flow from operating activities decreased by ¥83.1 billion year-on-year to ¥158.9 billion due to an increase in working capital, despite an increase in net income. While investment in production facilities remained at the same level as the same period of the previous year, cash flow from investing activities decreased by ¥24.8 billion year-on-year to ¥124.2 billion mainly due to the acquisition of Primagest, Inc. carried out in the same period of the previous year. As a result, free cash flow decreased by ¥58.3 billion compared with the previous year to ¥34.7 billion due to a year-on-year decline in operating cash flow.

Cash flow from financing activities increased by ¥119.6 billion year-on-year as a result of the execution of short-term loans in response to an increase in necessary working capital, despite active returns to shareholders, including increased dividends and repurchases of treasury stock which were carried out two times, resulting in a cash inflow of ¥187.4 billion.

Owing to these factors, as well as the impact from foreign currency exchange adjustments, cash and cash equivalents increased by ¥213.6 billion to ¥715.2 billion from the end of the previous year.

4. Outlook

As for the outlook for the third quarter onward, the global economy is expected to continue its moderate growth as inflationary pressure eases. However, the outlook is becoming increasingly unclear due to geopolitical risks such as the situation in the Middle East and the effects of the U.S. tariff policy. Due to the high level of uncertainty regarding U.S. tariffs, the assumption that the currently implemented additional 10% tariff will continue has been reflected in the full-year business performance forecast.

In the markets in which Canon operates, although it is expected that it will take time for market conditions for office MFDs to recover in some regions, overall demand is expected to remain at the same level as the previous year thanks to the continued high level of demand for highly productive printing equipment with excellent cloud connectivity. For laser and inkjet printers, although the market is expected to continue to shrink, Canon will focus on expanding sales for refillable ink tank models through an enhanced lineup. For medical equipment, the U.S. market is expected to remain steady, while emerging markets such as the Middle East and Southeast Asia are expected to grow. For interchangeable-lens digital cameras, the market is expected to remain strong as a result of the need for video shooting and high demand from younger generations. For network cameras, the market is also expected to continue to grow steadily, driven by the expansion of demand from not only the surveillance field, but also demands for applications to improve productivity and quality at manufacturing sites and sales sites. For semiconductor lithography equipment, although demand for semiconductors used in generative AI is expected to remain at a high level, the recovery of demand for memory has been delayed, and overall demand is expected to continue at the same level as the previous year. For FPD lithography equipment, the market is expected to recover as panel manufacturers' investment appetite is gradually recovering.

With regard to the currency exchange rates on which Canon bases its performance outlook for the third quarter onward, Canon anticipates exchange rates of ¥142 to the U.S. dollar and ¥165 to the euro, representing appreciation of approximately ¥7 against the U.S. dollar and the same level against the euro for the full fiscal year from the previous year. For the U.S. dollar and the euro, Canon expects the yen to depreciate by ¥1 and by

¥4 respectively compared with its previous forecast.

Canon projects full-year consolidated net sales of ¥4,600.0 billion, a year-on-year increase of 2.0%; operating profit of ¥460.0 billion, a year-on-year increase of 3.4%*; income before income taxes of ¥472.0 billion, a year-on-year increase of 1.2%*; and net income attributable to Canon Inc. of ¥330.0 billion, a year-on-year increase of 1.5%*. While taking into account the projected sales of competitive new products, the forecast has been revised downward from its previous outlook in consideration of the impact of uncertainty over U.S. tariff policy on corporate investment and personal consumption. Amid concerns over a slowdown in the global economy, Canon will strive to achieve record high sales and improve profitability in 2025, the final year of Phase VI of Excellent Global Corporation Plan.

*Compared to adjusted profits excluding impairment loss on goodwill

Consolidated Outlook

Fiscal year

	Millions of yen					
	Year ending December 31, 2025		Change (B - A)	Change (%) (B - A) / A	Year ended December 31, 2024	Year ended December 31, 2024
	Previous Outlook (A)	Revised Outlook (B)			Results	Results (adjusted)
Net sales	4,650,000	4,600,000	(50,000)	-1.1%	4,509,821	4,509,821
Operating profit	466,000	460,000	(6,000)	-1.3%	279,754	444,854
Income before income taxes	481,000	472,000	(9,000)	-1.9%	301,161	466,261
Net income attributable to Canon Inc.	333,000	330,000	(3,000)	-0.9%	160,025	325,125

*Year ended December 31, 2024 Results (adjusted) exclude the impact of impairment loss on goodwill of ¥165,100 million

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

II. Consolidated Financial Statements

1. Consolidated Balance Sheet

	Millions of yen		
	As of June 30, 2025	As of December 31, 2024	Change
Assets			
Current assets	2,645,227	2,450,083	195,144
Cash and cash equivalents	715,178	501,565	213,613
Short-term investments	6,816	4,775	2,041
Trade receivables	639,785	705,591	(65,806)
Inventories	879,459	841,836	37,623
Current lease receivables	159,090	167,612	(8,522)
Prepaid expenses and other current assets	261,468	245,665	15,803
Allowance for credit losses	(16,569)	(16,961)	392
Non-current assets	3,324,774	3,316,163	8,611
Noncurrent receivables	29,819	29,614	205
Investments	118,328	113,241	5,087
Property, plant and equipment, net	1,157,398	1,147,380	10,018
Operating lease right-of-use assets	122,335	136,717	(14,382)
Intangible assets, net	260,636	275,391	(14,755)
Goodwill	931,024	915,258	15,766
Noncurrent lease receivables	348,029	363,749	(15,720)
Other assets	361,415	339,569	21,846
Allowance for credit losses	(4,210)	(4,756)	546
Total assets	5,970,001	5,766,246	203,755
Liabilities and Equity			
Current liabilities	1,833,140	1,546,306	286,834
Short-term loans and current portion of long-term debt	688,004	318,330	369,674
Short-term loans related to financial services	40,200	40,400	(200)
Other short-term loans and current portion of long-term debt	647,804	277,930	369,874
Trade payables	346,710	350,128	(3,418)
Accrued income taxes	60,498	78,438	(17,940)
Accrued expenses	393,482	433,329	(39,847)
Current operating lease liabilities	40,009	41,876	(1,867)
Other current liabilities	304,437	324,205	(19,768)
Non-Current liabilities	655,807	574,889	80,918
Long-term debt, excluding current portion of long-term debt	304,908	205,075	99,833
Accrued pension and severance cost	165,655	166,153	(498)
Noncurrent operating lease liabilities	85,409	98,219	(12,810)
Other noncurrent liabilities	99,835	105,442	(5,607)
Total liabilities	2,488,947	2,121,195	367,752
Canon Inc. shareholders' equity	3,210,363	3,380,273	(169,910)
Common stock	174,762	174,762	-
Additional paid-in capital	412,668	412,287	381
Retained earnings	3,960,898	3,880,561	80,337
Legal reserve	62,183	61,893	290
Other retained earnings	3,898,715	3,818,668	80,047
Accumulated other comprehensive income (loss)	420,072	470,897	(50,825)
Treasury stock, at cost	(1,758,037)	(1,558,234)	(199,803)
Noncontrolling interests	270,691	264,778	5,913
Total equity	3,481,054	3,645,051	(163,997)
Total liabilities and equity	5,970,001	5,766,246	203,755

Notes:

	Millions of yen	
	As of June 30, 2025	As of December 31, 2024
1. Accumulated depreciation	3,196,635	3,203,327
2. Accumulated other comprehensive income (loss):		
Foreign currency translation adjustments	464,459	519,361
Net unrealized gains and losses on securities	35	31
Net gains and losses on derivative instruments	(40)	(1,519)
Pension liability adjustments	(44,382)	(46,976)

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

Results for the second quarter

Consolidated statement of income

	Millions of yen				Change
	Three months ended June 30, 2025	%	Three months ended June 30, 2024	%	
Net sales	1,140,171	100.0	1,167,786	100.0	(27,615)
Cost of sales	605,374	53.1	616,198	52.8	(10,824)
Gross profit	534,797	46.9	551,588	47.2	(16,791)
Operating expenses:					
Selling, general and administrative expenses	334,175	29.3	348,137	29.8	(13,962)
Research and development expenses	82,831	7.3	85,060	7.3	(2,229)
	417,006	36.6	433,197	37.1	(16,191)
Operating profit	117,791	10.3	118,391	10.1	(600)
Other income (deductions):					
Interest and dividend income	3,897		3,794		103
Interest expense	(1,631)		(846)		(785)
Other, net	3,417		10,886		(7,469)
	5,683	0.5	13,834	1.2	(8,151)
Income before income taxes	123,474	10.8	132,225	11.3	(8,751)
Income taxes	32,778	2.8	36,753	3.1	(3,975)
Consolidated net income	90,696	8.0	95,472	8.2	(4,776)
Less: Net income attributable to noncontrolling interests	7,023	0.7	5,615	0.5	1,408
Net income attributable to Canon Inc.	83,673	7.3	89,857	7.7	(6,184)

Consolidated statement of comprehensive income

	Millions of yen		
	Three months ended June 30, 2025	Three months ended June 30, 2024	Change
Consolidated net income	90,696	95,472	(4,776)
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	9,462	133,249	(123,787)
Net unrealized gains and losses on securities	29	(1)	30
Net gains and losses on derivative instruments	(657)	(2,393)	1,736
Pension liability adjustments	1,158	1,254	(96)
	9,992	132,109	(122,117)
Comprehensive income (loss)	100,688	227,581	(126,893)
Less: Comprehensive income (loss) attributable to noncontrolling interests	6,842	6,457	385
Comprehensive income (loss) attributable to Canon Inc.	93,846	221,124	(127,278)

Results for the first half**Consolidated statement of income**

	Millions of yen				Change
	Six months ended June 30, 2025	%	Six months ended June 30, 2024	%	
Net sales	2,198,567	100.0	2,156,305	100.0	42,262
Cost of sales	1,162,854	52.9	1,126,275	52.2	36,579
Gross profit	1,035,713	47.1	1,030,030	47.8	5,683
Operating expenses:					
Selling, general and administrative expenses	657,785	30.0	667,046	31.0	(9,261)
Research and development expenses	163,620	7.4	164,510	7.6	(890)
Operating profit	821,405	37.4	831,556	38.6	(10,151)
Other income (deductions):	214,308	9.7	198,474	9.2	15,834
Interest and dividend income	7,543		7,729		(186)
Interest expense	(2,990)		(1,475)		(1,515)
Other, net	3,458		16,719		(13,261)
Income before income taxes	8,011	0.4	22,973	1.1	(14,962)
	222,319	10.1	221,447	10.3	872
Income taxes	53,970	2.4	61,770	2.9	(7,800)
Consolidated net income	168,349	7.7	159,677	7.4	8,672
Less: Net income attributable to noncontrolling interests	12,445	0.6	9,871	0.5	2,574
Net income attributable to Canon Inc.	155,904	7.1	149,806	6.9	6,098

Consolidated statement of comprehensive income

	Millions of yen		
	Six months ended June 30, 2025	Six months ended June 30, 2024	Change
Consolidated net income	168,349	159,677	8,672
Other comprehensive income (loss), net of tax			
Foreign currency translation adjustments	(55,671)	215,648	(271,319)
Net unrealized gains and losses on securities	4	21	(17)
Net gains and losses on derivative instruments	1,413	(4,021)	5,434
Pension liability adjustments	2,533	3,561	(1,028)
	(51,721)	215,209	(266,930)
Comprehensive income (loss)	116,628	374,886	(258,258)
Less: Comprehensive income (loss) attributable to noncontrolling interests	11,548	11,613	(65)
Comprehensive income (loss) attributable to Canon Inc.	105,080	363,273	(258,193)

3. Consolidated Statement of Cash Flows

	Millions of yen	
	Six months ended June 30, 2025	Six months ended June 30, 2024
Cash flows from operating activities:		
Consolidated net income	168,349	159,677
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	108,743	113,345
Loss on disposal of fixed assets	44	520
Deferred income taxes	(17,053)	(9,193)
Decrease in trade receivables	44,745	15,246
Increase in inventories	(50,788)	(57,966)
Increase in lease receivables	(4,905)	(22,685)
Increase in trade payables	4,142	49,900
(Decrease) increase in accrued income taxes	(17,775)	11,297
Decrease in accrued expenses	(33,845)	(13,359)
Decrease in accrued pension and severance cost	(9,491)	(18,575)
Other, net	(33,274)	13,774
Net cash provided by operating activities	158,892	241,981
Cash flows from investing activities:		
Purchases of fixed assets	(119,210)	(114,768)
Proceeds from sale of fixed assets	1,515	1,985
Purchases of securities	(6,658)	(2,785)
Proceeds from sale and maturity of securities	4,024	3,595
Acquisitions of businesses, net of cash acquired	(539)	(32,672)
Other, net	(3,292)	(4,297)
Net cash used in investing activities	(124,160)	(148,942)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	-	100,000
Repayments of long-term debt	(1,238)	(1,159)
(Decrease) increase in short-term loans related to financial services, net	(200)	3,100
Increase in other short-term loans, net	470,000	140,000
Dividends paid	(75,520)	(69,146)
Repurchases and reissuance of treasury stock, net	(200,011)	(100,016)
Other, net	(5,644)	(4,974)
Net cash provided by financing activities	187,387	67,805
Effect of exchange rate changes on cash and cash equivalents	(8,506)	31,374
Net change in cash and cash equivalents	213,613	192,218
Cash and cash equivalents at beginning of period	501,565	401,323
Cash and cash equivalents at end of period	715,178	593,541

4. Note for Going Concern Assumption

Not applicable.

5. Segment Information

Segment information by business unit

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

	Millions of yen			
	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	Change(%)
Printing				
Net sales:				
External customers	608,747	652,730	(43,983)	- 6.7
Intersegment	1,865	1,784	81	+ 4.5
Total	610,612	654,514	(43,902)	- 6.7
Cost of sales	323,400	350,805	(27,405)	- 7.8
Gross profit	287,212	303,709	(16,497)	- 5.4
Research and development expenses	23,426	26,343	(2,917)	- 11.1
Selling, general and administrative expenses	186,860	198,146	(11,286)	- 5.7
Operating profit	76,926	79,220	(2,294)	- 2.9
Other income (deductions)	4,953	3,724	1,229	+ 33.0
Income before income taxes	81,879	82,944	(1,065)	- 1.3
Medical				
Net sales:				
External customers	141,797	140,784	1,013	+ 0.7
Intersegment	162	211	(49)	- 23.2
Total	141,959	140,995	964	+ 0.7
Cost of sales	80,646	75,081	5,565	+ 7.4
Gross profit	61,313	65,914	(4,601)	- 7.0
Research and development expenses	12,392	13,567	(1,175)	- 8.7
Selling, general and administrative expenses	43,834	46,855	(3,021)	- 6.4
Operating profit	5,087	5,492	(405)	- 7.4
Other income (deductions)	155	241	(86)	- 35.7
Income before income taxes	5,242	5,733	(491)	- 8.6
Imaging				
Net sales:				
External customers	260,600	244,680	15,920	+ 6.5
Intersegment	68	44	24	+ 54.5
Total	260,668	244,724	15,944	+ 6.5
Cost of sales	126,300	111,911	14,389	+ 12.9
Gross profit	134,368	132,813	1,555	+ 1.2
Research and development expenses	27,228	25,449	1,779	+ 7.0
Selling, general and administrative expenses	68,048	66,364	1,684	+ 2.5
Operating profit	39,092	41,000	(1,908)	- 4.7
Other income (deductions)	1,025	739	286	+ 38.7
Income before income taxes	40,117	41,739	(1,622)	- 3.9
Industrial				
Net sales:				
External customers	91,539	91,553	(14)	- 0.0
Intersegment	833	1,661	(828)	- 49.8
Total	92,372	93,214	(842)	- 0.9
Cost of sales	53,635	55,001	(1,366)	- 2.5
Gross profit	38,737	38,213	524	+ 1.4
Research and development expenses	6,671	8,145	(1,474)	- 18.1
Selling, general and administrative expenses	14,355	12,156	2,199	+ 18.1
Operating profit	17,711	17,912	(201)	- 1.1
Other income (deductions)	720	308	412	+ 133.8
Income before income taxes	18,431	18,220	211	+ 1.2

	Millions of yen			
	Three months ended June 30, 2025	Three months ended June 30, 2024	Change	Change(%)
Others and Corporate				
Net sales:				
External customers	37,488	38,039	(551)	- 1.4
Intersegment	23,164	21,840	1,324	+ 6.1
Total	60,652	59,879	773	+ 1.3
Cost of sales	47,177	48,539	(1,362)	- 2.8
Gross profit	13,475	11,340	2,135	+ 18.8
Research and development expenses	13,114	11,556	1,558	+ 13.5
Selling, general and administrative expenses	21,125	24,558	(3,433)	- 14.0
Operating profit	(20,764)	(24,774)	4,010	-
Other income (deductions)	(1,170)	8,822	(9,992)	-
Income before income taxes	(21,934)	(15,952)	(5,982)	-
Eliminations				
Net sales:				
External customers	-	-	-	-
Intersegment	(26,092)	(25,540)	(552)	-
Total	(26,092)	(25,540)	(552)	-
Cost of sales	(25,784)	(25,139)	(645)	-
Gross profit	(308)	(401)	93	-
Research and development expenses	-	-	-	-
Selling, general and administrative expenses	(47)	58	(105)	-
Operating profit	(261)	(459)	198	-
Other income (deductions)	-	-	-	-
Income before income taxes	(261)	(459)	198	-
Consolidated				
Net sales:				
External customers	1,140,171	1,167,786	(27,615)	- 2.4
Intersegment	-	-	-	-
Total	1,140,171	1,167,786	(27,615)	- 2.4
Cost of sales	605,374	616,198	(10,824)	- 1.8
Gross profit	534,797	551,588	(16,791)	- 3.0
Research and development expenses	82,831	85,060	(2,229)	- 2.6
Selling, general and administrative expenses	334,175	348,137	(13,962)	- 4.0
Operating profit	117,791	118,391	(600)	- 0.5
Other income (deductions)	5,683	13,834	(8,151)	- 58.9
Income before income taxes	123,474	132,225	(8,751)	- 6.6

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three months ended June 30, 2024 have also been reclassified.

* Canon has modified the presentation of segment information in accordance with the requirements set forth in ASU 2023-07, Segment Reporting – Improvements to Reportable Segment Disclosures, from the fourth quarter of 2024. Operating results for the three months ended June 30, 2024 have also been reclassified.

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

Segment information by business unit

Results for the first half

Millions of yen

	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change(%)
Printing				
Net sales:				
External customers	1,218,306	1,230,823	(12,517)	- 1.0
Intersegment	3,271	3,955	(684)	- 17.3
Total	1,221,577	1,234,778	(13,201)	- 1.1
Cost of sales	653,765	657,665	(3,900)	- 0.6
Gross profit	567,812	577,113	(9,301)	- 1.6
Research and development expenses	46,791	50,104	(3,313)	- 6.6
Selling, general and administrative expenses	371,036	382,295	(11,259)	- 2.9
Operating profit	149,985	144,714	5,271	+ 3.6
Other income (deductions)	10,011	7,804	2,207	+ 28.3
Income before income taxes	159,996	152,518	7,478	+ 4.9
Depreciation and amortization	29,339	30,362	(1,023)	- 3.4
Capital expenditures	34,593	35,447	(854)	- 2.4
Medical				
Net sales:				
External customers	278,985	274,959	4,026	+ 1.5
Intersegment	307	248	59	+ 23.8
Total	279,292	275,207	4,085	+ 1.5
Cost of sales	155,311	149,174	6,137	+ 4.1
Gross profit	123,981	126,033	(2,052)	- 1.6
Research and development expenses	24,244	24,962	(718)	- 2.9
Selling, general and administrative expenses	87,945	90,000	(2,055)	- 2.3
Operating profit	11,792	11,071	721	+ 6.5
Other income (deductions)	270	363	(93)	- 25.6
Income before income taxes	12,062	11,434	628	+ 5.5
Depreciation and amortization	6,556	6,580	(24)	- 0.4
Capital expenditures	7,723	8,733	(1,010)	- 11.6
Imaging				
Net sales:				
External customers	472,589	420,126	52,463	+ 12.5
Intersegment	175	139	36	+ 25.9
Total	472,764	420,265	52,499	+ 12.5
Cost of sales	220,713	190,757	29,956	+ 15.7
Gross profit	252,051	229,508	22,543	+ 9.8
Research and development expenses	51,974	48,894	3,080	+ 6.3
Selling, general and administrative expenses	129,757	125,348	4,409	+ 3.5
Operating profit	70,320	55,266	15,054	+ 27.2
Other income (deductions)	2,054	1,349	705	+ 52.3
Income before income taxes	72,374	56,615	15,759	+ 27.8
Depreciation and amortization	9,825	9,370	455	+ 4.9
Capital expenditures	18,873	19,772	(899)	- 4.5
Industrial				
Net sales:				
External customers	157,959	157,662	297	+ 0.2
Intersegment	1,881	2,949	(1,068)	- 36.2
Total	159,840	160,611	(771)	- 0.5
Cost of sales	91,313	91,799	(486)	- 0.5
Gross profit	68,527	68,812	(285)	- 0.4
Research and development expenses	15,222	14,555	667	+ 4.6
Selling, general and administrative expenses	27,218	24,293	2,925	+ 12.0
Operating profit	26,087	29,964	(3,877)	- 12.9
Other income (deductions)	1,301	686	615	+ 89.7
Income before income taxes	27,388	30,650	(3,262)	- 10.6
Depreciation and amortization	5,484	5,267	217	+ 4.1
Capital expenditures	7,916	4,231	3,685	+ 87.1

	Millions of yen				
	Six months ended June 30, 2025	Six months ended June 30, 2024	Change	Change(%)	
Others and Corporate					
Net sales:					
External customers	70,728	72,735	(2,007)	-	2.8
Intersegment	45,929	42,282	3,647	+	8.6
Total	116,657	115,017	1,640	+	1.4
Cost of sales	93,978	88,163	5,815	+	6.6
Gross profit	22,679	26,854	(4,175)	-	15.5
Research and development expenses	25,389	25,995	(606)	-	2.3
Selling, general and administrative expenses	41,528	44,486	(2,958)	-	6.6
Operating profit	(44,238)	(43,627)	(611)	-	-
Other income (deductions)	(5,626)	12,771	(18,397)	-	-
Income before income taxes	(49,864)	(30,856)	(19,008)	-	-
Depreciation and amortization	57,539	61,766	(4,227)	-	6.8
Capital expenditures	47,414	58,829	(11,415)	-	19.4
Eliminations					
Net sales:					
External customers	-	-	-	-	-
Intersegment	(51,563)	(49,573)	(1,990)	-	-
Total	(51,563)	(49,573)	(1,990)	-	-
Cost of sales	(52,226)	(51,283)	(943)	-	-
Gross profit	663	1,710	(1,047)	-	-
Research and development expenses	-	-	-	-	-
Selling, general and administrative expenses	301	624	(323)	-	-
Operating profit	362	1,086	(724)	-	-
Other income (deductions)	1	-	1	-	-
Income before income taxes	363	1,086	(723)	-	-
Depreciation and amortization	-	-	-	-	-
Capital expenditures	-	-	-	-	-
Consolidated					
Net sales:					
External customers	2,198,567	2,156,305	42,262	+	2.0
Intersegment	-	-	-	-	-
Total	2,198,567	2,156,305	42,262	+	2.0
Cost of sales	1,162,854	1,126,275	36,579	+	3.2
Gross profit	1,035,713	1,030,030	5,683	+	0.6
Research and development expenses	163,620	164,510	(890)	-	0.5
Selling, general and administrative expenses	657,785	667,046	(9,261)	-	1.4
Operating profit	214,308	198,474	15,834	+	8.0
Other income (deductions)	8,011	22,973	(14,962)	-	65.1
Income before income taxes	222,319	221,447	872	+	0.4
Depreciation and amortization	108,743	113,345	(4,602)	-	4.1
Capital expenditures	116,519	127,012	(10,493)	-	8.3

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the six months ended June 30, 2024 have also been reclassified.

* Canon has modified the presentation of segment information in accordance with the requirements set forth in ASU 2023-07, Segment Reporting – Improvements to Reportable Segment Disclosures, from the fourth quarter of 2024. Operating results for the six months ended June 30, 2024 have also been reclassified.

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

(2) Total assets by business unit

Millions of yen			
	As of June 30, 2025	As of December 31, 2024	Change
Printing	1,281,133	1,354,948	(73,815)
Medical	410,925	421,453	(10,528)
Imaging	439,033	425,515	13,518
Industrial	253,069	238,625	14,444
Others and Corporate	3,588,948	3,329,047	259,901
Eliminations	(3,107)	(3,342)	235
Consolidated	5,970,001	5,766,246	203,755

6. Details of Sales**Results for the second quarter****Sales by business unit**

<u>Results for the second quarter</u>		Millions of yen			
Sales by business unit	Three months ended		Three months ended		Change(%)
	June 30, 2025		June 30, 2024		
		%		%	
Printing	610,612	53.6	654,514	56.0	- 6.7
Medical	141,959	12.5	140,995	12.1	+ 0.7
Imaging	260,668	22.9	244,724	21.0	+ 6.5
Industrial	92,372	8.1	93,214	8.0	- 0.9
Others and Corporate	60,652	5.3	59,879	5.1	+ 1.3
Eliminations	(26,092)	(2.4)	(25,540)	(2.2)	-
Total	1,140,171	100.0	1,167,786	100.0	- 2.4

Sales by region

Sales by region	Millions of yen				
	Three months ended		Three months ended		Change(%)
	June 30, 2025		June 30, 2024		
		%		%	
Japan	241,689	21.2	240,276	20.6	+ 0.6
Overseas:					
<i>Americas</i>	363,014	31.8	373,474	32.0	- 2.8
<i>Europe</i>	296,656	26.0	304,918	26.1	- 2.7
<i>Asia and Oceania</i>	238,812	21.0	249,118	21.3	- 4.1
	898,482	78.8	927,510	79.4	- 3.1
Total	1,140,171	100.0	1,167,786	100.0	- 2.4

Results for the first half**Sales by business unit**

<u>Results for the first half</u>		Millions of yen			
Sales by business unit	Six months ended		Six months ended		Change(%)
	June 30, 2025		June 30, 2024		
		%		%	
Printing	1,221,577	55.6	1,234,778	57.3	- 1.1
Medical	279,292	12.7	275,207	12.8	+ 1.5
Imaging	472,764	21.5	420,265	19.5	+ 12.5
Industrial	159,840	7.3	160,611	7.4	- 0.5
Others and Corporate	116,657	5.3	115,017	5.3	+ 1.4
Eliminations	(51,563)	(2.4)	(49,573)	(2.3)	-
Total	2,198,567	100.0	2,156,305	100.0	+ 2.0

Sales by region

Sales by region	Millions of yen					
	Six months ended		Six months ended		Change(%)	
	June 30, 2025		June 30, 2024			
		%		%		
Japan	481,043	21.9	480,338	22.3	+	0.1
Overseas:						
<i>Americas</i>	700,024	31.8	677,552	31.4	+	3.3
<i>Europe</i>	569,564	25.9	555,906	25.8	+	2.5
<i>Asia and Oceania</i>	447,936	20.4	442,509	20.5	+	1.2
	1,717,524	78.1	1,675,967	77.7	+	2.5
Total	2,198,567	100.0	2,156,305	100.0	+	2.0

* In order to manage the performance of each reportable segment more appropriately, Canon has changed its performance management method regarding intercompany transactions for Industrial Business Unit from the beginning of the first quarter of 2025. Operating results for the three and six months ended June 30, 2024 have also been reclassified.

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

Printing Business Unit :

Digital continuous feed presses / Digital sheet-fed presses / Large format printers /
Office multifunction devices (MFDs) / Document solutions / Laser multifunction printers (MFPs) /
Laser printers / Inkjet printers / Image scanners / Calculators

Medical Business Unit :

Computed tomography (CT) systems / Diagnostic ultrasound systems / Diagnostic X-ray systems /
Magnetic resonance imaging (MRI) systems / Digital radiography systems / Ophthalmic equipment /
In vitro diagnostic systems and reagents / Healthcare IT solutions

Imaging Business Unit :

Interchangeable-lens digital cameras / Interchangeable lenses / Digital compact cameras / Compact photo printers /
MR systems / Network cameras / Video management software / Video content analytics software /
Digital camcorders / Digital cinema cameras / Broadcast equipment

Industrial Business Unit :

Semiconductor lithography equipment / FPD (Flat Panel Display) lithography equipment /
OLED display manufacturing equipment / Vacuum thin-film deposition equipment / Die bonders

Others :

Handy terminals / Document scanners

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

Americas: United States of America, Canada, Latin America

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

Asia and Oceania: China, Asian countries, Australia

7. Note on Significant Changes in Shareholders' Equity

None.

8. Basis of Presentation and Significant Accounting Policies

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