

# FY2026 1Q Consolidated Results

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**Canon**  
Canon Marketing Japan Group

- The figures are rounded off to the nearest 100 million yen in this material.
- Forward-looking statements and results forecasts presented in this material are based on the management's assumptions using currently available information and therefore contain inherent risks and uncertainties. As a consequence, due to a range of possible factors, actual results may materially differ from the forecasts.
- 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.

Hello, everyone. I am Hatsumi Hirukawa.

Thank you very much for today, despite your busy schedules.

# Agenda

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Now we will be moving on to the results for the first quarter of 2026 and the forecast.

I will be proceeding according to the order of this agenda.

## Summary of 1Q of FY2026 Financial Results

- Net sales and income increased year on year.
- Operating income, ordinary income and net income attributable to owners of the parent all surpassed previous record highs for 1Q results.
- Operating margin and ordinary margin reached new quarterly highs.
- Gains in both sales and income were greater than forecast.

## FY2026 Financial Results Forecasts

- The previous forecasts have not been changed. The Group aims to achieve an increase in sales and income for the sixth consecutive fiscal year.

## Topics

- IR Day was held for the first time on March 4.

<Refer to the below for details.>

Canon Marketing Japan Group IR Day <https://corporate.jp.canon/en/ir/library/business-briefing>

On the third page, I will review the key points of the first quarter results.

For the first quarter, net sales and income figures rose on a year-on-year basis.

Operating income, ordinary income and net income attributable to owners of the parent all hit record highs for first quarter results, and we also managed to set new quarterly highs for operating margin and ordinary margin. Although there was a reactionary decline due to the absence of business PC replacement demand from the end of Windows 10 extended support present in the same period of the previous year, there was an increase in high value-added security and SI projects, etc., leading to gains in both sales and income that were greater than forecast.

There are no changes to our full-year forecasts from the previous announcement.

The Group aims to achieve an increase in sales and income for the sixth consecutive fiscal year.

Next, I would like to highlight a key topic from the first quarter.

On March 4, the Group held an IR Day for the first time.

I invite you to check the materials, etc. from that day, which are available on our website. We have steadily implemented the strategies for each segment that were communicated on IR Day, and this also played a part in our 1Q results.

# Summary of Results

1Q 2026 Actual  
(from January 1 to March 31)

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- ✓ Operating income, ordinary income and net income attributable to owners of the parent all surpassed previous record highs for 1Q results.
- ✓ Operating margin and ordinary margin reached new quarterly highs.

(Billions of yen)	1Q FY2025	1Q FY2026	Changes	
			Amount	%
<b>Net sales</b>	167.3	<b>171.7</b>	+4.3	+3%
<b>Gross profit</b>	51.6 (30.9%)	<b>55.5</b> (32.3%)	+3.8 (+1.4pt)	+7%
<b>Operating income</b>	13.2 (7.9%)	<b>18.5</b> (10.8%)	+5.4 (+2.9pt)	+41%
<b>Ordinary income</b>	13.2 (7.9%)	<b>18.6</b> (10.8%)	+5.4 (+2.9pt)	+41%
<b>Net income attributable to owners of the parent</b>	8.8 (5.3%)	<b>12.8</b> (7.5%)	+4.0 (+2.2pt)	+45%

The fourth page shows a summary of the results for the first quarter.

In the first quarter both sales and income increased year on year, with operating income, ordinary income and net income attributable to owners of the parent all setting record highs. Our operating margin and ordinary margin surpassed previous record highs.

Net sales rose 3% year on year to ¥171.7 billion, reflecting the steady performance in both IT Solutions and Canon Products and Other Business.

Operating income recorded a ¥5.4 billion year-on-year jump to ¥18.5 billion, benefitting from higher gross profit due to increased sales.

Net income attributable to owners of the parent increased by ¥4.0 billion to ¥12.8 billion.

# Operating Income Variance Analysis

1Q 2026 Actual  
(from January 1 to March 31)

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The fifth page shows an analysis of operating income for the first quarter.

Due to the rise in net sales, gross profit increased by ¥1.4 billion.

Gross profit margin improved, in part due to high value-added products and services, primarily in the Enterprise segment and Area segment, being a larger percentage of the total sale.

In the Canon Products business, we managed to strike a balance between increased sales volume and higher unit sales prices for office MFPs.

In addition, in the IT Solutions business, the percentage of products generating lower gross profit margins declined due to the reactionary decline in business PC replacement demand connected with the end of Windows 10 extended support that had been present in the same period of the previous year. At the same time, we expanded high value-added businesses such as SI, security and network cameras. We will continue to implement proposals that demonstrate a keen understanding of the issues faced by our customers.

SG&A expenses declined by ¥1.5 billion, reflecting decreases in personnel expenses, amortization of goodwill, etc.

For details of the first quarter SG&A expenses, please refer to SG&A expenses on page 25.

# Results by Segment

1Q 2026 Actual  
(from January 1 to March 31)

**Canon**  
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(Billions of yen)	1Q FY2025		1Q FY2026		Changes	
	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income
<b>Enterprise</b>	68.0	5.1	<b>69.7</b>	<b>7.4</b>	+1.7	+2.3
<b>Area</b>	60.6	5.5	<b>60.6</b>	<b>7.3</b>	-0.0	+1.8
<b>Consumers</b>	31.9	2.1	<b>32.1</b>	<b>2.7</b>	+0.2	+0.6
<b>Professional</b>	13.4	1.2	<b>13.8</b>	<b>1.7</b>	+0.4	+0.5
<b>Other</b>	-6.6	-0.7	<b>-4.5</b>	<b>-0.6</b>	+2.1	+0.1
<b>Total</b>	167.3	13.2	<b>171.7</b>	<b>18.5</b>	+4.3	+5.4

\*Other is a business segment that is not included in the reportable segments of the Company and includes the shared service business and the elimination of intersegment transactions.

The sixth page shows the summary of the results for the first quarter by segment.

In the Area segment, sales were on par with the previous year, while operating income increased. However, in the Enterprise, Consumers and Professional segments, both net sales and operating income increased year on year.

Later, I will explain the details of the financial results by segment.

# Segment Results Enterprise Segment

- ✓ Net sales increased, reflecting a steady performance from Canon Products & Other as well as IT Solutions.
- ✓ Operating income increased due to a rise in gross profit following the growth of net sales and high value-added products and services being a larger percentage of total sales.

(Billions of yen)	1Q			
	FY2025	FY2026	Changes	
			Amount	%
Canon Products & Other	14.2	14.6	+0.5	+3%
IT Solutions	53.9	55.1	+1.2	+2%
<b>Net sales</b>	68.0	<b>69.7</b>	+1.7	+2%
<b>Op. income</b>	5.1	<b>7.4</b>	+2.3	+44%
<b>margin</b>	7.5%	<b>10.5%</b>	+3.1pt	—

## [Reference] Results of main consolidated company Canon IT Solutions Inc.

	1Q		Changes
	FY2025	FY2026	%
Net sales	40.8	41.0	+1%
Op. income	4.3	5.3	+24%

## Canon IT Solutions Inc. Orders received and outstanding orders, Y/Y Non-consolidated

	1Q
Orders received	+8%
Outstanding orders	-9%

Outstanding orders excluding the Data Center business increased by 3% year on year.

\*TCS Inc. was merged into Canon IT Solutions Inc. in July 2025. The results of Canon IT Solutions Inc. 2025 have been recalculated accordingly.

On the seventh page, I will explain the Enterprise segment.

For the first quarter, net sales increased 3% year on year to ¥69.7 billion, thanks to the steady performance of Canon Products and Other Business, along with IT Solutions. Operating income increased by ¥2.3 billion from the previous year to ¥7.4 billion. In addition to a rise in gross profit from growth in net sales, this was thanks to improved gross profit margin following a higher percentage of high value-added products and services in total sales.

### (Canon Products and Other Business)

In Canon Products and Other Business, laser beam printer (LBP) sales volume declined, primarily due to the continuing impact of the shift toward paperless offices. Although the market is shrinking, for office MFPs, sales volume was strong following several major projects resulting from active proposal efforts. Sales of LBP cartridges increased due to some major orders, while maintenance services for office MFPs recorded higher net sales due to an increase in the number of operating units and a higher percentage of color output. Consequently, net sales for the entire Canon Products and Other Business increased 3% year on year.

### (IT Solutions)

In IT Solutions, there was a reactionary decline in demand for business PC replacements associated with the end of Windows 10 extended support, which was present in the same period of the previous year. However, overall sales in IT Solutions improved 2% year on year thanks to smooth performance from SI projects for manufacturing industry, along with video-based cloud AI projects for the public sector.

# Segment Results Enterprise Segment

- ✓ Net sales increased, reflecting a steady performance from Canon Products & Other as well as IT Solutions.
- ✓ Operating income increased due to a rise in gross profit following the growth of net sales and high value-added products and services being a larger percentage of total sales.

(Billions of yen)	1Q			
	FY2025	FY2026	Changes	
			Amount	%
Canon Products & Other	14.2	<b>14.6</b>	+0.5	+3%
IT Solutions	53.9	<b>55.1</b>	+1.2	+2%
<b>Net sales</b>	68.0	<b>69.7</b>	+1.7	+2%
<b>Op. income</b>	5.1	<b>7.4</b>	+2.3	+44%
<b>margin</b>	7.5%	<b>10.5%</b>	+3.1pt	—

**[Reference] Results of main consolidated company**  
Canon IT Solutions Inc.

	1Q		Changes
	FY2025	FY2026	%
Net sales	40.8	41.0	+1%
Op. income	4.3	5.3	+24%

Canon IT Solutions Inc.  
Orders received and outstanding orders, Y/Y Non-consolidated

	1Q
Orders received	+8%
Outstanding orders	-9%

Outstanding orders excluding the Data Center business increased by 3% year on year.

\*TCS Inc. was merged into Canon IT Solutions Inc. in July 2025. The results of Canon IT Solutions Inc. 2025 have been recalculated accordingly.

## [Results, orders received and outstanding orders for Canon IT Solutions Inc.]

Due to the merger of TCS Inc. into Canon IT Solutions Inc. in July 2025, the results of the comparable first quarter from the previous year have been recalculated accordingly.

Sales at Canon IT Solutions Inc., a key affiliate, increased 1% year on year to ¥41.0 billion. When PC projects for the Canon MJ Group from the same period of the previous year are excluded, this represents an 8% increase. Operating income increased by ¥1.0 billion from the previous year to ¥5.3 billion. In addition to a rise in gross profit from growth in net sales, this was thanks to improved gross profit margin due to a higher percentage of high value-added products and services, and the stabilization of unprofitable projects.

Orders received were up 8% year on year. The factors for the increase include strong sales of SI projects for manufacturing industry and an IT infrastructure projects in the education sector.

Outstanding orders declined 9% year on year. This was due to the end of a video-based cloud AI projects for the public sector that had been underway in the same period of the previous year and a convert of outstanding orders for major data center projects to sales, despite securing a major IT infrastructure projects in the education sector and SI projects for the manufacturing and financial industries. Outstanding orders excluding the Data Center business increased 3% year on year.

## [Status of Primagest Inc.]

At Primagest Inc., business is growing smoothly and sales are increasing.

Primagest Inc. achieved the synergy that was expected prior to joining the Group, and in the first quarter secured new orders from customers in the finance industry.

## Segment Results

## Area Segment

- ✓ Net sales remained flat year on year due to a decrease in sales in Canon Products & Other, despite steady sales in IT Solutions.
- ✓ Operating income increased reflecting a rise in the gross profit margin, which was a result of high value-added products and services being a larger percentage of total sales.

(Billions of yen)	1Q			
	FY2025	FY2026	Changes	
			Amount	%
Canon Products & Other	39.2	38.7	-0.5	-1%
IT Solutions	21.4	21.8	+0.5	+2%
<b>Net sales</b>	<b>60.6</b>	<b>60.6</b>	-0.0	-0%
<b>Op. income</b>	<b>5.5</b>	<b>7.3</b>	+1.8	+34%
<b>margin</b>	<b>9.1%</b>	<b>12.1%</b>	+3.0pt	—

### [Reference] Results of main consolidated company

Canon System & Support Inc.

	1Q		Changes
	FY2025	FY2026	%
Net sales	29.1	30.2	+4%
Op. income	2.6	3.6	+37%

On the eighth page, I will explain the Area segment.

Net sales for the first quarter were ¥60.6 billion, on par with the same period in the previous year. This was due to a decline in sales of Canon Products and Other Business despite the steady performance from IT Solutions. Operating income rose ¥1.8 billion year on year to ¥7.3 billion, reflecting an increase in gross profit margin following an increase in the percentage of high value-added products and services.

### (Canon Products and Other Business)

In Canon Products and Other Business, the sales volume of LBPs and sales from LBP cartridges declined, principally due to the continued impact of the shift toward paperless offices. Although the market of office MFPs is shrinking, sales volume increased slightly due to customers who had been using office MFPs for an extended period of time replacing equipment and active proposals to improve operational efficiency. At the same time, there was only a slight decline in sales of maintenance services for office MFPs.

### (IT Solutions)

Regarding IT Solutions, sales increased 2% year on year, driven by strong performance of security packages such as anti-ransomware solutions and increased subscriptions for the Makasete IT series which provides comprehensive sustainable management and DX implementation support for SMEs, despite a reactionary decline in the demand for business PC replacements from the end of extended support for Windows 10, which was present in the previous year.

### [Results for Canon System & Support Inc.]

Net sales for Canon System & Support Inc., a key affiliate, rose 4% year on year to ¥30.2 billion. Operating income recorded a ¥1.0 billion year-on-year jump to ¥3.6 billion, benefitting from higher gross profit due to increased sales. In addition, the operating margin has improved, in part due to smooth performance of high added-value security solutions and recurring revenue businesses, chief among which is the Makasete IT series.

To date, Canon System & Support Inc. has offered end-to-end support for everything from IT selection to operation and maintenance by closely addressing the issues faced by SME managers through the Makasete IT DX series. From last year, the scope of coverage was expanded with the launch of the Makasete IT BX series, which helps solve management challenges. In addition, against a backdrop of recent cyber attacks becoming increasingly sophisticated, security is increasingly positioned not just as an IT issue but as a management challenge. With preparations ahead of the launch of a Cybersecurity Measures Evaluation System for Strengthening Supply Chains supported by the Ministry of Economy, Trade and Industry underway, the Group will continue to help customers solve management issues by providing end-to-end acquisition support from current state analysis to the development of rules and expert evaluation.

# Segment Results

# Consumers Segment

- ✓ Net sales rose. This is mainly attributable to higher sales of interchangeable lens cameras and compact cameras, despite sales decreasing in IT products.
- ✓ Operating income increased following the increase in gross profit, which reflected the growth of net sales, and high value-added products being a larger percentage of total sales.

(Billions of yen)	1Q			
	FY2025	FY2026	Changes	
			Amount	%
Canon Products & Other	21.4	22.0	+0.6	+3%
IT Solutions	10.4	10.0	-0.4	-4%
<b>Net sales</b>	31.9	<b>32.1</b>	+0.2	+1%
<b>Op. income</b>	2.1	<b>2.7</b>	+0.6	+31%
<b>margin</b>	6.5%	<b>8.5%</b>	+2.0pt	—

■ Consumer Products, Y/Y Non-consolidated

		1Q
Interchangeable Lens Camera	Unit	+18%
Inkjet Printer (IJP)	Unit	-7%
IJP Cartridge	Amount	-3%

On the ninth page, I will explain the Consumers segment.

In the first quarter, sales increased by 1% year on year to ¥32.1 billion, mainly reflecting increased sales of interchangeable lens cameras and compact cameras, despite a decline in IT products, etc. Operating income increased by ¥0.6 billion from the previous year to ¥2.7 billion. In addition to a rise in gross profit from growth in net sales, this was thanks to improved gross profit margin following a higher percentage of high value-added products in total sales.

(Interchangeable lens cameras)

Looking at interchangeable lens cameras, the sales volume was up 18% year on year, due to increased sales including the EOS R6 Mark III that went on sale last year, along with smooth sales of entry-level models.

Sales volume of interchangeable lenses increased despite a drop in net sales, reflecting an increased percentage of sales of products with lower unit prices.

(Inkjet printers (IJP))

Sales volume of inkjet printers declined 7% year on year due to market contraction and other factors, while net sales from IJP cartridges also fell, reflecting a decline in print volume among other trends.

(IT products)

In IT products, sales of portable SSD storage were strong due to rush demand over concerns about sharply rising memory prices. However, net sales declined overall, reflecting the absence of the previous year's strong sales of high-performance PCs mainly driven by demand associated with the end of extended support for Windows 10.

# Segment Results Professional Segment

- ✓ Net sales increased on the heels of increases in sales in Production printing and Industrial equipment, despite sales decreasing in Healthcare business.
- ✓ Operating income increased, reflecting a rise in gross profit due to higher sales.

(Billions of yen)	1Q			
	FY2025	FY2026	Changes	
			Amount	%
Production printing	2.2	2.4	+0.2	+12%
Industrial equipment	3.5	3.8	+0.3	+9%
Healthcare business	7.7	7.6	-0.1	-2%
Net sales	13.4	13.8	+0.4	+3%
Op. income	1.2	1.7	+0.5	+40%
margin	9.1%	12.3%	+3.2pt	—

## [Reference] Results of main consolidated company

Canon Production Printing Systems Inc.

	1Q		Changes
	FY2025	FY2026	%
Net sales	2.1	2.3	+12%
Op. income	0.1	0.2	+133%

On the tenth page, I will explain the Professional segment.

For the first quarter, net sales rose 3% year on year, to ¥13.8 billion. That resulted from the increases in sales in Production printing and Industrial equipment, despite sales decreasing in Healthcare.

Operating income recorded a ¥0.5 billion year-on-year jump to ¥1.7 billion, benefitting from higher gross profit due mainly to increased sales.

(Production printing)

Sales in Production printing increased 12% year over year, in part reflecting an increase in high-speed sheet-fed printers projects.

[Results at Canon Production Printing Systems Inc.]

Canon Production Printing Systems Inc., a key affiliate, achieved a 12% year-on-year increase of net sales to ¥2.3 billion.

Operating income recorded a ¥0.1 billion year-on-year jump to ¥0.2 billion, benefitting from higher gross profit due to increased sales.

(Industrial equipment)

Net sales of Industrial equipment soared 9% year on year, chiefly due to multiple projects for semiconductor-related inspection and measurement equipment.

(Healthcare)

Sales in the Healthcare business fell 2% year on year following a decline in projects for clinics, despite multiple projects for hospitals.

# Sales of Products and Service by Segment

1Q 2026 Actual  
(from January 1 to March 31)

**Canon**  
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(Billions of yen)

	Enterprise		Area		Consumers		Professional		Other		Total		Composition Ratio 1Q FY2026
	1Q FY2025	1Q FY2026	1Q FY2025	1Q FY2026	1Q FY2025	1Q FY2026	1Q FY2025	1Q FY2026	1Q FY2025	1Q FY2026	1Q FY2025	1Q FY2026	
<b>SI/Solutions</b>	17.7	19.2	2.1	2.4	-	-	7.8	7.6	-0.1	-0.3	27.5	28.9	<b>31%</b>
Changes		+8%		+17%		-		-2%		-		+5%	
<b>Service/Outsourcing</b>	20.2	21.0	4.8	5.1	-	-	0.4	0.4	-0.6	-0.5	24.8	26.0	<b>28%</b>
Changes		+4%		+7%		-		+4%		-		+5%	
<b>IT Products/ System construction</b>	15.9	14.9	14.5	14.3	10.4	10.0	-	-	-3.1	-0.8	37.8	38.4	<b>41%</b>
Changes		-6%		-1%		-4%		-		-		+2%	
<b>IT Solutions</b>	53.9	55.1	21.4	21.8	10.4	10.0	8.1	8.0	-3.7	-1.6	90.1	93.3	<b>100%</b>
Changes		+2%		+2%		-4%		-2%		-		+4%	
<b>Canon Products &amp; Other</b>	14.2	14.6	39.2	38.7	21.4	22.0	5.3	5.8	-2.9	-2.9	77.2	78.3	
Changes		+3%		-1%		+3%		+11%		-		+1%	
<b>Total</b>	68.0	69.7	60.6	60.6	31.9	32.1	13.4	13.8	-6.6	-4.5	167.3	171.7	
Changes		+3%		-0%		+1%		+3%		-		+3%	

\*Other is a business segment that is not included in the reportable segments of the Company and includes the shared service business and the elimination of intersegment transactions.

\*Starting from FY2026, the name of 'SI Services', 'Maintenance and Operation Service/Outsourcing' and 'IT Products and System Sales' were changed into 'SI/Solutions', 'Service/Outsourcing' and 'IT Products/System Construction' respectively. Concurrently, the basis of aggregation for the three categories was changed and 'FY2025 results' is recalculated accordingly.

The eleventh page shows net sales for products and services by segment. Here I will explain the first quarter results for IT Solutions.

Let's begin with SI/Solutions.

In the Enterprise segment, SI projects, etc. for manufacturing industry performed strongly, while in the Area segment, replacement proposals gained momentum due to the end of software support and drove strong sales of mission-critical business software. As a result, net sales improved 5% year on year.

Next let's look at the Service/Outsourcing.

In the Enterprise segment, sales increased 5% year on year, reflecting strong results for the financial industry at Primagest Inc., and strong performance of cloud security services at Canon IT Solutions Inc.

Next let's look at the IT Products and System Construction.

PC sales declined by a little over ¥2.0 billion, in line with initial assumptions due to the absence of the previous year's business PC replacement demand driven by the end of Windows 10 support in the Enterprise, Area and Consumers segments.

In addition, in the Enterprise segment a PC project for the Canon MJ Group was underway at the same period in the previous year and has not come to an end.

However, in the Enterprise segment there was an IT infrastructure projects for the education sector, while security solutions such as anti-ransomware software performed strongly in the Area segment. The "Other" includes intra-Group transactions in the previous year's results, and improvements in that area drove a 2% year-on-year increase in overall sales for IT Products/System Construction.

As a result, net sales for the whole Group IT Solutions increased 4% year on year.

## Summary of Forecasts

Previous Forecast vs Current Forecast

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(Billions of yen)	FY2026 Previous forecast	FY2026 Current forecast	Changes		FY2025 Actual	Changes	
			Amount	%		Amount	%
Net sales	685.0	<b>685.0</b>	—	—	679.8	+5.2	+1%
Operating income	60.0 (8.8%)	<b>60.0</b> (8.8%)	—	—	58.2 (8.6%)	+1.8 (+0.2pt)	+3%
Ordinary income	60.7 (8.9%)	<b>60.7</b> (8.9%)	—	—	59.8 (8.8%)	+0.9 (+0.1pt)	+1%
Net income attributable to owners of the parent	42.0 (6.1%)	<b>42.0</b> (6.1%)	—	—	41.5 (6.1%)	+0.5 (+0.0pt)	+1%

The twelfth page shows a summary of forecasts.

In the first quarter we got off to a smooth start with increases in both sales and income. We have made progress exceeding our forecasts in terms of both sales and income, in part due to some projects being shifted forward to the first quarter from the second quarter or beyond.

If we turn our attention to the external environment, there are various potential risks in addition to impacts from the tight memory supply and soaring prices, including rising costs and purchase prices driven by sharply increasing resource prices against the backdrop of the situation in the Middle East, as well as constrained investment on the part of customers in connection with those developments.

In the Canon MJ Group, we forecast a reactionary decline due to the absence of last year's business PC replacement demand linked with the end of Windows 10 support, and also expect increases in business investment, including research and development expenses aimed at new business creation, personnel investments including wage hikes from April and educational expenses, and investment expenses to drive future growth, such as IT and equipment investments to reform business processes.

At the same time, with the working population continuing to decline, there are steadily rising needs for IT-driven productivity improvements, and security solutions that address both cyber and physical aspects.

By proactively proposing solutions to address these needs, the Group will strive to expand sales, boosting the profitability of the IT solutions business as a result. We will also work to further strengthen the profitability of Canon products business.

In light of these circumstances, our annual forecasts have remained unchanged from the previously announced figures.

## Forecasts by Segment

Actual vs  
Current Forecast

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(Billions of yen)	FY2025 Actual		FY2026 Current forecast		Changes			
	Net sales	Op. income	Net sales	Op. income	Net sales		Op. income	
					Amount	%	Amount	%
<b>Enterprise</b>	265.8	21.1	<b>275.4</b>	<b>22.4</b>	+9.6	+4%	+1.3	+6%
<b>Area</b>	240.3	22.3	<b>235.5</b>	<b>22.3</b>	-4.8	-2%	—	—
<b>Consumers</b>	144.8	13.0	<b>142.6</b>	<b>13.0</b>	-2.2	-2%	—	—
<b>Professional</b>	48.8	5.5	<b>49.0</b>	<b>5.0</b>	+0.2	+0%	-0.5	-10%
<b>Other</b>	-19.8	-3.8	<b>-17.5</b>	<b>-2.7</b>	+2.3	—	+1.1	—
<b>Total</b>	679.8	58.2	<b>685.0</b>	<b>60.0</b>	+5.2	+1%	+1.8	+3%

\*Other is a business segment that is not included in the reportable segments of the Company and includes the shared service business and the elimination of intersegment transactions.

The thirteenth page compares the FY2026 forecasts by segment and results by segment for the previous fiscal year.

Looking at net sales, we project decreases in the Area and Consumers segments, but expect sales to increase in the Enterprise and Professional segments.

For operating income, we anticipate a decline in the Professional segment, with the levels remaining flat in the Area and Consumers segments, along with an increase in the Enterprise segment.

Later, I will explain the details of the financial results by segment.

# Forecasts by Segment

(Billions of yen)	FY2025				FY2026				Changes			
	1Q Actual		2Q-4Q Actual		1Q Actual		2Q-4Q Forecast		1Q		2Q-4Q	
	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income	Net sales	Op. income
<b>Enterprise</b>	68.0	5.1	197.7	16.0	69.7	7.4	205.7	15.0	+1.7	+2.3	+8.0	-0.9
<b>Area</b>	60.6	5.5	179.7	16.8	60.6	7.3	174.9	15.0	-0.0	+1.8	-4.7	-1.9
<b>Consumers</b>	31.9	2.1	112.9	10.9	32.1	2.7	110.5	10.3	+0.2	+0.6	-2.4	-0.7
<b>Professional</b>	13.4	1.2	35.4	4.3	13.8	1.7	35.2	3.3	+0.4	+0.5	-0.3	-1.0
<b>Other</b>	-6.6	-0.7	-13.3	-3.1	-4.5	-0.6	-13.0	-2.1	+2.1	+0.1	+0.3	+1.0
<b>Total</b>	167.3	13.2	512.5	45.0	171.7	18.5	513.3	41.5	+4.3	+5.4	+0.9	-3.5

\*Other is a business segment that is not included in the reportable segments of the Company and includes the shared service business and the elimination of intersegment transactions.

The fourteenth page shows a year-on-year comparison of the first quarter results and forecasts for the second quarter onward by segment.

# Segment Forecasts

## Enterprise

- ✓ Net sales are expected to rise following strong sales of IT Solutions.
- ✓ Operating income is expected to decrease due to an increase in SG&A expenses.

(Billions of yen)

	1Q Actual				2Q-4Q Forecast			
	FY2025	FY2026	Changes		FY2025	FY2026	Changes	
			Amount	%			Amount	%
Net sales	68.0	<b>69.7</b>	+1.7	+2%	<b>197.7</b>	<b>205.7</b>	+8.0	+4%
Op. income	5.1	<b>7.4</b>	+2.3	+44%	<b>16.0</b>	<b>15.0</b>	-0.9	-6%
margin	7.5%	<b>10.5%</b>	+3.1pt	—	<b>8.1%</b>	<b>7.3%</b>	-0.8pt	—

From the fifteenth page, I will explain our forecasts for each segment.

First, let's look at the Enterprise segment.

We project increased sales and a decline in income for the second quarter onward.

We expect net sales to improve 4% year over year to ¥205.7 billion.

We expect operating income to decline by ¥0.9 billion from the previous year to ¥15 billion, reflecting increased SG&A expenses, including logistics expenses because of increasingly active business meetings, system engineer expenses to secure new projects, and research expenses and development expenses aimed at new business creation.

In Canon Products and Other Business, we project a significant increase in the number of LBP units sold due to multiple large projects, and a slight increase in the amount of office MFP maintenance services thanks to the increased number of office MFPs in operation.

However, the number of office MFPs and LBP cartridge sales volume will decline due to offices continuing to shift to paperless operations.

As a result, while we project a decline in net sales under Canon Products and Other Business, we will continue to actively propose solutions to customers in order to help improve their business processes.

For IT Solutions, we expect net sales to increase, reflecting strong performance of SI projects for the financial and manufacturing industries at Canon IT Solutions, steady progress with BPO projects at Canon Marketing Japan and Primagest, and strong performance of imaging solutions at Canon Marketing Japan.

# Segment Forecasts

## Area

- ✓ Net sales are expected to decline due to a slight decrease in sales in Canon Products & Other and sales decreasing in IT Solutions.
- ✓ Operating income is expected to decrease due to lower gross profit resulting from reduced sales as well as an increase in SG&A expenses.

(Billions of yen)

	1Q Actual				2Q-4Q Forecast			
	FY2025	FY2026	Changes		FY2025	FY2026	Changes	
			Amount	%			Amount	%
Net sales	60.6	<b>60.6</b>	-0.0	-0%	179.7	<b>174.9</b>	-4.7	-3%
Op. income	5.5	<b>7.3</b>	+1.8	+34%	16.8	<b>15.0</b>	-1.8	-11%
margin	9.1%	<b>12.1%</b>	+3.0pt	—	9.4%	<b>8.6%</b>	-0.8pt	—

We will now be moving on to the forecasts in the Area segment. Beginning in the second quarter, we expect both sales and income to decline.

Net sales are forecast to decline 3% year on year to ¥174.9 billion, while operating income is expected to fall by ¥1.9 billion to ¥15 billion, given that gross profit will decline with the decrease in sales, and SG&A expenses, including logistics expenses, are projected to rise.

For Canon Products and Other Business, although office MFP maintenance services and LBP cartridge sales are expected to decline due to offices reducing their print volume, we aim to expand unit sales of office MFPs and LBPs by proactively proposing the introduction of devices to existing customers that have adopted IT and by promoting the replacement of equipment by customers with aging devices. As a result, we expect net sales from Canon Products and Other Business to be limited to a slight decline.

Regarding the sales in IT Solutions, we project a decline in net sales. This is because despite smooth performance from security solutions such as ESET antivirus software, along with the Makasete IT series, which provides comprehensive sustainable management and DX implementation support for SMEs, we anticipate a reactionary decline from the significant increase in PC sales in the previous year due to the end of extended support for Windows 10.

# Segment Forecasts

## ■ Consumers

- ✓ Net sales are expected to decline due to a decrease in sales of IT products and IJP cartridges.
- ✓ Operating income is forecast to decrease as a result of increasing SG&A expenses.

(Billions of yen)

	1Q Actual				2Q-4Q Forecast			
	FY2025	FY2026	Changes		FY2025	FY2026	Changes	
			Amount	%			Amount	%
Net sales	31.9	<b>32.1</b>	+0.2	+1%	112.9	<b>110.5</b>	-2.4	-2%
Op. income	2.1	<b>2.7</b>	+0.6	+31%	10.9	<b>10.3</b>	-0.6	-6%
margin	6.5%	<b>8.5%</b>	+2.0pt	—	9.7%	<b>9.3%</b>	-0.4pt	—

Next, let us look at the Consumers segment.

Beginning in the second quarter, we expect both sales and income to decline.

Sales are expected to decline 2% to ¥110.5 billion.

Operating income is expected to decline by ¥0.7 billion year on year to ¥10.3 billion due to increases in SG&A expenses, including promotion and advertising expenses.

Sales of interchangeable lens cameras are forecast to increase, linked with increased shipments from the rollout of products that meet customer needs, and continued sales of RF lenses in connection with the shift to mirrorless cameras.

Sales of inkjet printers and IJP cartridges will decline, reflecting a contraction of the markets.

Regarding IT products, we project a decline in net sales, reflecting a reactionary decline following the significant increase in PC sales in the previous year due to the end of extended support for Windows 10, combined with instability in the supply of PCs due to memory supply constraints and concerns over a drop in demand from rising prices.

# Segment Forecasts

## Professional

- ✓ Net sales are expected to fall due to the contraction of sales in Industrial equipment, despite sales increasing in Production printing and the Healthcare business.
- ✓ Operating income is forecast to decline due to a decrease in gross profit caused by lower sales.

(Billions of yen)

	1Q Actual				2Q-4Q Forecast			
	FY2025	FY2026	Changes		FY2025	FY2026	Changes	
			Amount	%			Amount	%
Production printing	2.2	2.4	+0.2	+11%	7.2	7.8	+0.6	+8%
Industrial equipment	3.5	3.8	+0.3	+9%	16.8	15.8	-1.0	-6%
Healthcare business	7.7	7.6	-0.1	-2%	11.4	11.6	+0.2	+2%
Net sales	13.4	<b>13.8</b>	+0.4	+3%	35.4	<b>35.2</b>	-0.3	-1%
Op. income	1.2	<b>1.7</b>	+0.5	+40%	4.3	<b>3.3</b>	-1.0	-24%
margin	9.1%	<b>12.3%</b>	+3.2pt	—	12.2%	<b>9.4%</b>	-2.8pt	—

Next, we will discuss the Professional segment.

Beginning in the second quarter, we expect both sales and income to decline.

We expect net sales to fall 1% year over year to ¥35.2 billion.

Operating income is expected to decline by ¥1.0 billion year on year to ¥3.3 billion, reflecting a decrease in gross profit caused by lower sales of Industrial equipment.

In Production printing, sales are expected to grow, driven by progress expanding sales in the area of high-speed continuous feed printers and high-speed cut-sheet printers.

Sales of Industrial equipment are projected to decline, reflecting a drop in the number of projects for inspection and measurement equipment related to semiconductor manufacturing.

Note that Canon Marketing Japan has mostly secured forecast orders for this equipment for 2026, and is currently pursuing aggressive proposals for projects to be carried out in 2027 and beyond.

Sales in the Healthcare business are expected to rise, reflecting plans for multiple projects for hospitals and clinics to enter the service phase.

## ■IT Solutions

Consolidated

		FY2025 vs FY2024					FY2026 vs FY2025		Previous Forecasts
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Forecasts	Full Year Forecasts
SI/Solutions	Amount	+1%	+1%	+4%	+10%	+4%	+5%	+11%	+11%
Service/Outsourcing	Amount	+27%	+8%	+7%	-2%	+9%	+5%	+8%	+8%
IT Products/System construction	Amount	+30%	+8%	+14%	+4%	+13%	+2%	-8%	-8%
<b>Network Camera</b>	Amount	<b>-0%</b>	<b>+53%</b>	<b>+4%</b>	<b>+7%</b>	<b>+13%</b>	<b>+32%</b>	<b>+15%</b>	<b>+15%</b>

\*Starting from FY2026, the name of SI Services, 'Maintenance and Operation Service/Outsourcing' and 'IT Products and System Sales' were changed into 'SI/Solutions', 'Service/Outsourcing' and 'IT Products/System Construction' respectively.  
Concurrently, the basis of aggregation for the three categories was changed and 'FY2025 results' in 'FY2026 vs. FY2025' is recalculated accordingly.

On the nineteenth page, I would like to brief you on sales in monetary and unit terms for the main products shown in the supplementary material.  
Starting this quarter, we will brief you on this information using these materials, so you will not need to access our website.

First, let's look at IT Solutions.

Looking at the first quarter results from SI/Solutions to IT Products and System Construction, Sales of Products and Services by Segment are as shown here. There are no changes to the full-year forecasts for 2026 from the figures we previously announced.

Overall sales of network cameras in the first quarter show a year-on-year increase of 32%, reflecting strong performance in the Enterprise and Area segments of the XProtect video management software and the VisualStage series of cloud-based video recording services.  
There are no changes to the full-year forecasts for 2026 from the figures we previously announced.

# Outline of Main Products Sales

## ■ Canon Products & Other

Non-consolidated

		FY2025 vs FY2024					FY2026 vs FY2025		Previous Forecasts
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Forecasts	Full Year Forecasts
MFP including Rental Machine	Unit	-3%	+7%	+9%	+6%	+5%	+8%	+4%	+4%
Service & Support	Amount	-4%	-1%	-1%	-2%	-2%	+0%	-1%	-1%
Laser Beam Printer (LBP)	Unit	+4%	+2%	-1%	-7%	-1%	-4%	+8%	+8%
LBP Cartridge	Amount	-3%	-0%	-1%	-3%	-2%	+0%	-2%	-2%

Consolidated

Commercial Printing	Amount	+5%	+10%	+10%	-1%	+6%	+5%	+0%	+0%
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Non-consolidated

		FY2025 vs FY2024					FY2026 vs FY2025		Previous Forecasts
		1Q Results	2Q Results	3Q Results	4Q Results	Full Year Results	1Q Results	Full Year Forecasts	Full Year Forecasts
Interchangeable Lens Camera	Unit	-15%	-12%	-25%	+19%	-7%	+18%	+3%	+3%
Inkjet Printer (IJP)	Unit	-14%	-8%	-14%	-0%	-8%	-7%	-4%	-4%
IJP Cartridge	Amount	-7%	-7%	-5%	-9%	-7%	-3%	-4%	-4%

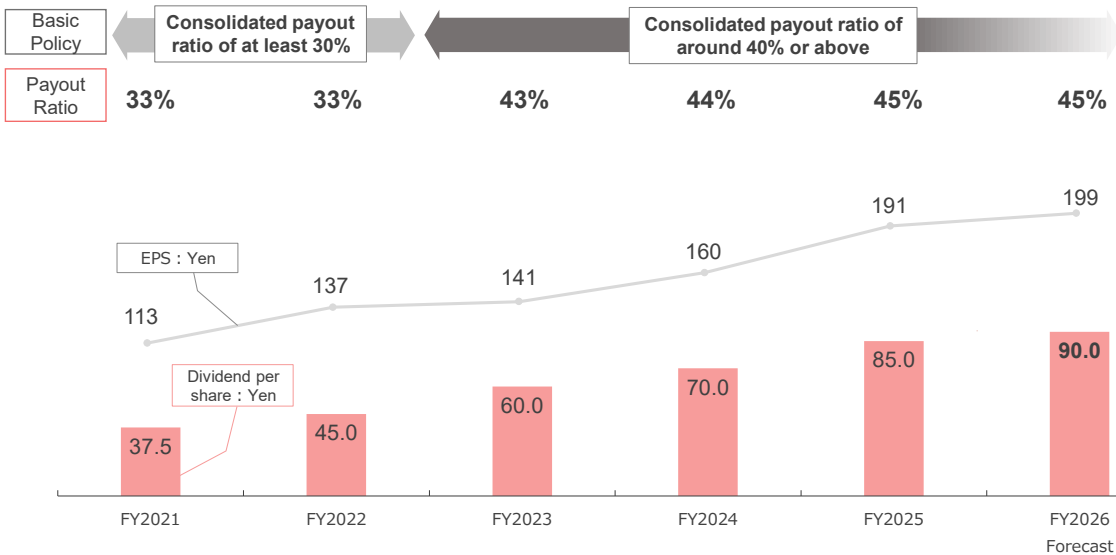
Next, let's look at Canon Products and Other Business.

The first quarter results from Office MFPs to LBP cartridges, and from interchangeable lens cameras to IJP cartridges are as shown in the segment information. Again, there are no changes from our previously announced figures.

The Group total commercial printing increased 5% year on year, reflecting higher production printing sales in the Professional segment, and strong performance from high-speed cut-sheet printers in the Area segment.

There are no changes to the full-year forecasts for 2026 from the figures we previously announced.

# Financial Indicator



\*The Company conducted a share split in the proportion of two shares for one share of common stock, with the record date set as March 31, 2026 and the effective date set as April 1, 2026. Both annual dividends per share and EPS (earnings per share) for periods prior to 2025 have been calculated on the assumption that the share split had been conducted at the beginning of each respective consolidated fiscal year.

Finally, I would like to speak about the share split and dividends.

We have conducted a 2-for-1 share split with April 1 as the record date.

Going forward, we will continue to develop an environment making it easier for investors to invest in the Company.

Our annual dividend forecast for 2026 is 90 yen per share, in line with previous announcements.

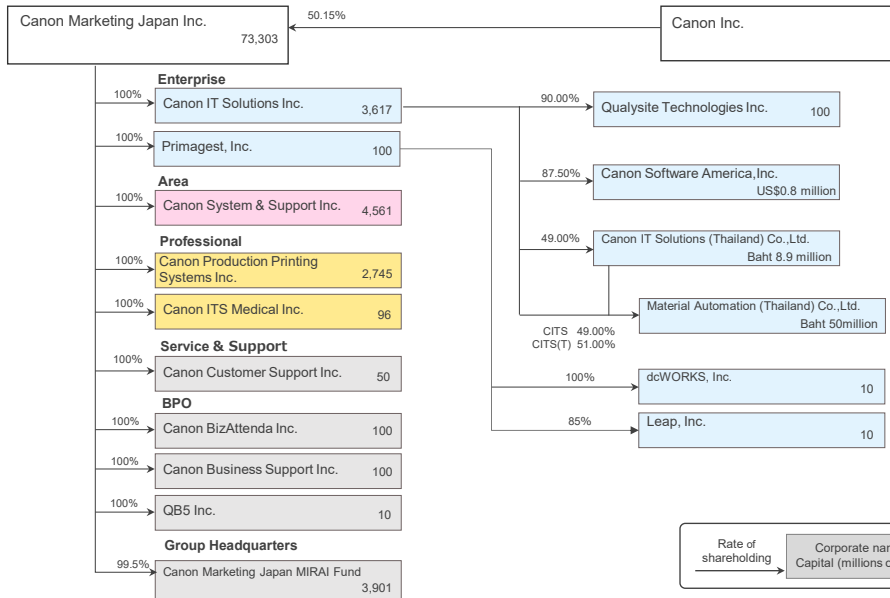


This concludes today's briefing.

Thank you very much.

# **Supplementary Information**

# Capital Relationship Diagram



As of March 31, 2026

# SG&A Expenses

1Q 2026 Actual  
(from January 1 to March 31)

**Canon**  
Canon Marketing Japan Group

(Billions of yen)

	1Q FY2025	1Q FY2026	Changes
Advertising expenses	1.1	1.0	-0.1
Promotion expenses	0.7	0.5	-0.1
Warranty expenses	0.7	0.7	-0.0
Other direct selling expenses	4.7	4.7	+0.0
Personnel expenses	22.3	21.0	-1.3
Office expenses	2.0	2.0	-0.0
IT expenses	2.5	2.5	-0.0
Amortization of goodwill, etc.	0.9	0.7	-0.2
Other selling expenses	3.6	3.8	+0.2
<b>Total</b>	<b>38.5</b>	<b>36.9</b>	<b>-1.5</b>

# Non-operating Income and Expenses

(Billions of yen)	1Q FY2025	1Q FY2026	Changes
Interest income	0.1	0.1	+0.0
Dividend income	0.0	0.0	-0.0
Other, net	0.1	0.1	-0.0
<b>Total non-operating income</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.0</b>
Interest expense	0.0	0.0	+0.0
Investment partnership management expenses	0.1	0.1	-0.0
Loss on investments in partnership	0.0	0.0	+0.0
Foreign exchange losses	0.1	0.0	-0.0
Other, net	0.1	0.0	-0.0
<b>Total non-operating expenses</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.0</b>

# Extraordinary Income and Losses

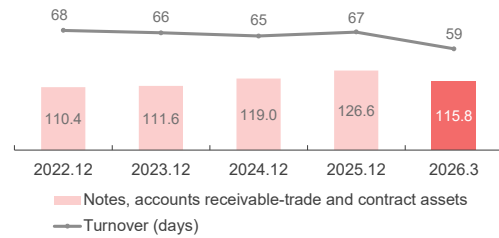
(Billions of yen)	1Q FY2025	1Q FY2026	Changes
Gain on sales of long-lived assets	-	0.0	+0.0
Gain on sales of investments in securities	0.1	0.5	+0.4
<b>Total extraordinary income</b>	0.1	0.5	+0.4
Loss on sales and disposal of long-lived assets	0.0	0.0	+0.0
Impairment loss	0.3	-	-0.3
Loss on sale of investments in securities	0.0	-	-0.0
Other, net	0.0	-	-0.0
<b>Total extraordinary losses</b>	0.3	0.0	-0.3

# Quarterly Balance Sheets

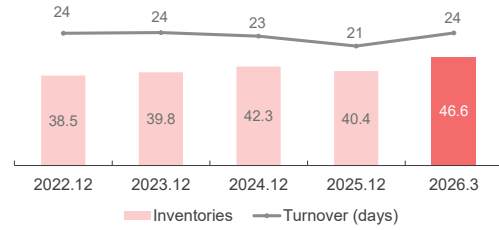
(Billions of yen)

	Dec. 31 2025	Mar. 31 2026	Changes
<b>Assets</b>	564.4	546.3	-18.2
<b>Current assets</b>	339.6	321.6	-18.1
Cash and deposits	160.1	131.3	-28.7
Notes, accounts receivable- trade and contract assets	126.6	115.8	-10.9
Inventories	40.4	46.6	+6.2
Other current assets	12.6	27.9	+15.3
<b>Non-current assets</b>	224.8	224.7	-0.1
Property, plant and equipment	86.8	86.8	+0.0
Intangible assets	52.0	51.6	-0.3
Investments and other assets	86.0	86.2	+0.2
<b>Liabilities</b>	150.6	149.3	-1.3
<b>Current liabilities</b>	125.1	126.4	+1.3
Notes and accounts payable-trade	52.1	59.3	+7.2
Other current liabilities	73.0	67.0	-5.9
<b>Long-term liabilities</b>	25.5	23.0	-2.6
<b>Equity</b>	413.8	396.9	-16.9
Shareholders' equity (Treasury stock)	361.7 -20.4	349.2 -35.0	-12.5 -14.6
Total accumulated other comprehensive income(loss)	51.1	47.1	-4.0
Stock acquisition rights	0.1	0.1	+0.0
Non-controlling interests	0.9	0.6	-0.4
<b>Equity ratio</b>	73%	73%	-1%

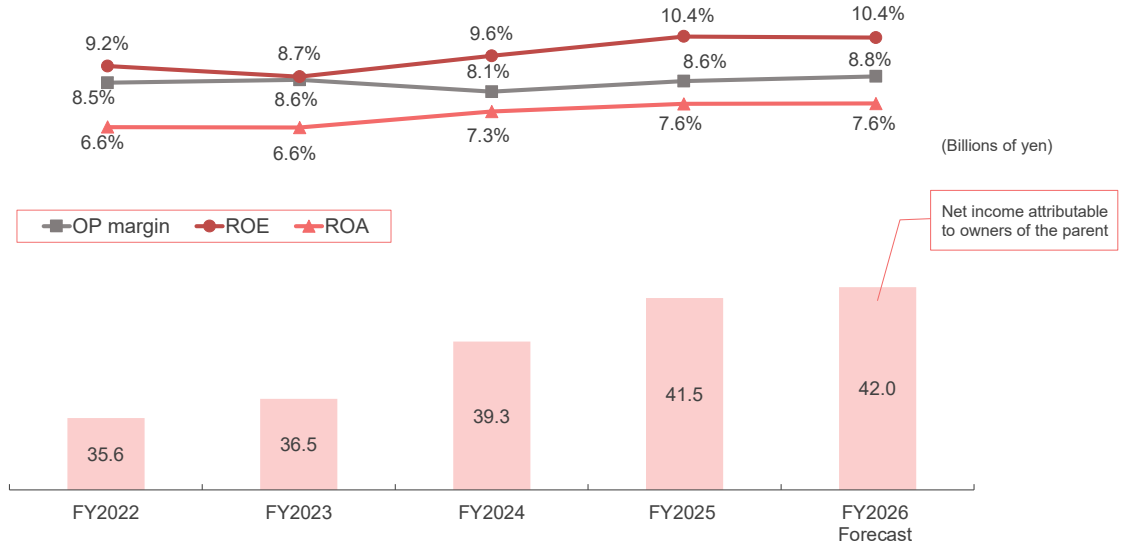
## Notes, accounts receivable-trade and contract assets



## Inventories

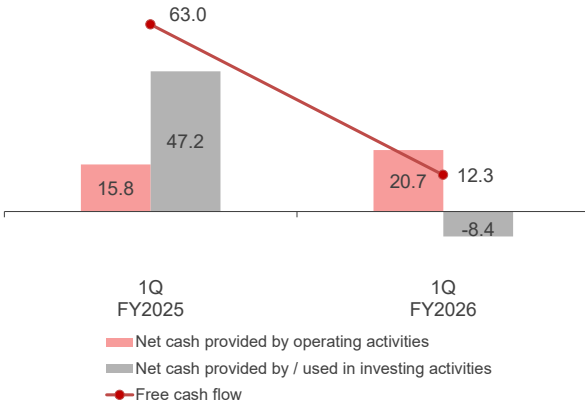


# Financial Indicator



# Financial Indicator

## ■ Cash Flow



## ■ Capital Investment

(Billions of yen)


	1Q Actual	2Q-4Q Forecast	Full year
FY2025 Actual	3.0	14.9	17.9
FY2026 Forecast	3.9	21.6	25.5

## ■ Depreciation and amortization


	1Q Actual	2Q-4Q Forecast	Full year
FY2025 Actual	2.8	9.4	12.1
FY2026 Forecast	3.2	9.6	12.8

# Sales Breakdown by Segment (FY2025)


(Billions of yen) **Canon**  
Canon Marketing Japan Group

4	Professional 
Net sales	Operating income
<b>48.8</b>	<b>5.5</b> (11.4%)


Customers in specialized areas  
 -Production printing  
 -Industrial equipment  
 -Healthcare

1	Enterprise 
Net sales	Operating income
<b>265.8</b>	<b>21.1</b> (7.9%)

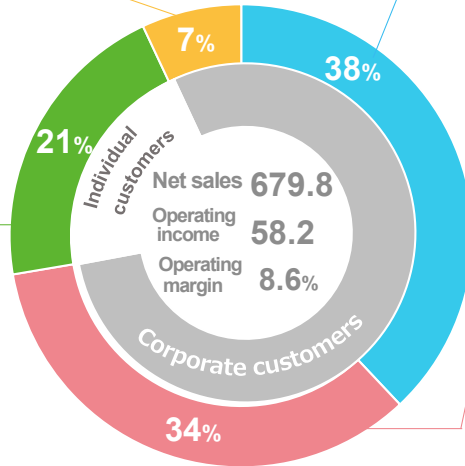
Large, quasi-major and upper medium-sized enterprises

3	Consumers 
Net sales	Operating income
<b>144.8</b>	<b>13.0</b> (9.0%)

Individual customers

2	Area 
Net sales	Operating income
<b>240.3</b>	<b>22.3</b> (9.3%)

SMEs nationwide  
 SME: Small and Medium Enterprise

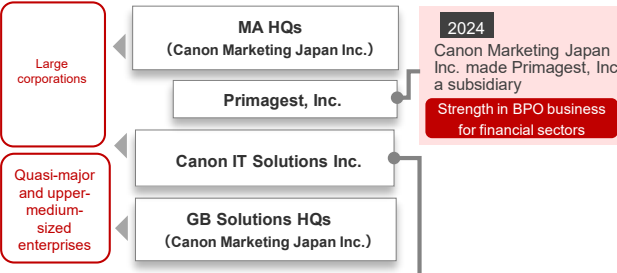


\*Net sales of -19.8 billion yen and operating income of -3.8 billion yen are not displayed in this chart. They include elimination of inter-segment transactions, shared service business and corporate expenses that do not belong to any segment.

# Business Summary by Segment

## 1 Enterprise

We provide Canon products, IT solutions and BPO services that help resolve various industry- and business-specific management issues of our vast range of customers, from **large corporations to quasi-major and upper medium-sized enterprises**, public agencies, and educational institutions.



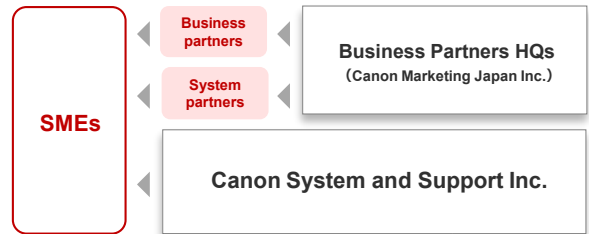
- 2003** Sumitomo Metal System Solutions Co., Ltd. is reorganized into a subsidiary.
- 2007** ARGO 21 Corp. is reorganized into a subsidiary.
- 2008** Both Integrated into Canon IT Solutions Inc.
- 2023** TCS Inc. is reorganized into a subsidiary. (absorbed into Canon IT Solutions Inc. in 2025)



Strong in financial and manufacturing sectors | Data Center Business

## 2 Area

Harnessing diverse channels consisting of **indirect sales** by business partners and system partners, and **direct sales** by Canon System and Support Inc., this segment offers Canon products and IT solutions to **SMEs** all over Japan.



- 1980** Copier Sales Co., Inc. is established.
- 2000** The company name is changed to Canon System and Support Inc.
- 2002** The company becomes a wholly owned subsidiary of Canon Marketing Japan Inc., former name of which was Canon Sales Co., Inc.

Build relationships with customers through the direct sales channels

Concentrate mainly on the introduction, operations and maintenance of IT infrastructure

# Business Summary by Segment

## 3 Consumers

This segment sells imaging products, including cameras which are the business Canon has been operating since its foundation, inkjet printers and other Canon products as well as non-Canon-branded products to **corporate and individual customers through retail stores and online shops, etc.**

### Camera business



### Inkjet printer business



Hobbies, photos and Working from home

### IT products business



High-performance PCs (used for e-sports, etc.)

## 4 Professional

This segment offers solutions to **customers in the specialized areas** like Production printing, Industrial equipment and Healthcare.

### Industrial equipment

Related to semiconductor manufacturing

Not related to semiconductors



Plasma ashing equipment



X-ray analyzer



Appearance inspection equipment



Industrial 3D printer

\* We import industrial equipment from abroad and sell localized equipment in the Japanese market. We are also in charge of installation and maintenance support.

### Production printing

Production printer



IX3200  
Color IJ Printer



MJP20JXR  
Monochrome IJ Printer

Software services

Workflow solutions

Connect Works Manager

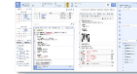
POP system

Drawings management system

### Healthcare

Electronic health records

Pharmacy systems



# Outsiders' Assessments and Inclusion in Indices : ESG

Selected as a constituent of the FTSE4Good Index



Selected as a constituent of the FTSE JPX Blossom Japan Index



Selected as a constituent of the FTSE JPX Blossom Japan Sector Relative Index



Selected as a constituent of the Morningstar Japan Equity Gender Diversity Tilt Index(GE Group 3)

Selected as a constituent of JPX Nikkei Index 400



Selected as a constituent of the MSCI NIHONKABU ESG Select Leaders Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

Selected as a constituent of the MSCI Japan Empowering Women Index

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

Selected as a constituent of the S&P/JPX Carbon Efficient Index



Selected as a constituent of the Somo Sustainability Index

2025



Somo Sustainability Index

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**Selected as the Certified Health  
& Productivity Management  
Outstanding Organization**



**Eruboshi certification  
(two stars)**



**Selected for the grand prize  
of the Good Career  
Company Award**



**Platinum Kurumin  
certification**



**Awarded an excellent  
company prize and a prize of  
excellence in the IFSJ  
Innovation Award with the DX  
Test™ series**



**Canon**

Canon Marketing Japan Group