
Canon Inc.

Second Quarter 2023 Results

July 27, 2023

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Agenda

- | | |
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Key Message

(2Q/1H 2023 Results)

- Achieved 10th consecutive quarter of sales growth and sequential improvement in quarterly profit and profitability, as planned
- Realized sales and profit growth in the first half

| (Billions of yen) | 2Q | | |
|---|-----------------------|-----------------------|----------|
| | 2023 Actual | 2022 Actual | % Change |
| Net Sales | 1,020.9 | 998.8 | +2.2% |
| Gross Profit (% of Net Sales) | 484.8 47.5% | 464.0 46.5% | +4.5% |
| Op. Expenses (% of Net Sales) | 392.5 38.5% | 365.5 36.6% | |
| Op. Profit (% of Net Sales) | 92.3 9.0% | 98.5 9.9% | -6.3% |
| IBT | 101.1 | 85.2 | +18.7% |
| Net Income (% of Net Sales) | 65.4 6.4% | 59.0 5.9% | +10.8% |
| USD | 137.57 | 129.68 | |
| EUR | 149.62 | 138.11 | |

| (Billions of yen) | 1st Half | | |
|---|-----------------------|-----------------------|----------|
| | 2023 Actual | 2022 Actual | % Change |
| Net Sales | 1,992.0 | 1,878.1 | +6.1% |
| Gross Profit (% of Net Sales) | 938.8 47.1% | 858.4 45.7% | +9.4% |
| Op. Expenses (% of Net Sales) | 762.1 38.2% | 683.8 36.4% | |
| Op. Profit (% of Net Sales) | 176.7 8.9% | 174.6 9.3% | +1.2% |
| IBT | 188.7 | 152.9 | +23.4% |
| Net Income (% of Net Sales) | 121.8 6.1% | 105.0 5.6% | +16.0% |
| USD | 135.09 | 123.38 | |
| EUR | 145.88 | 134.39 | |

FY 2023 Financial Results by Business Unit

(2Q/1H 2023 Actual versus 2Q/1H 2022 Actual)

- Imaging: Maintained high profitability through new mirrorless camera products and strong sales of network cameras
- Other segments: Lower profit due to market conditions, increased expenses etc.

| (Billions of yen) | | 2Q | | |
|--------------------|------------|-------------|-------------|----------|
| | | 2023 Actual | 2022 Actual | % Change |
| Printing | Net Sales | 574.9 | 570.5 | +0.8% |
| | Op. Profit | 59.3 | 66.9 | -11.4% |
| | (%) | (10.3%) | (11.7%) | |
| Imaging | Net Sales | 219.2 | 200.9 | +9.1% |
| | Op. Profit | 34.5 | 32.4 | +6.4% |
| | (%) | (15.7%) | (16.1%) | |
| Medical | Net Sales | 126.1 | 118.2 | +6.7% |
| | Op. Profit | 4.4 | 8.3 | -46.8% |
| | (%) | (3.5%) | (7.0%) | |
| Industrial | Net Sales | 74.9 | 78.3 | -4.4% |
| | Op. Profit | 12.1 | 15.6 | -22.4% |
| | (%) | (16.1%) | (19.9%) | |
| Others & Corporate | Net Sales | 46.2 | 54.5 | -15.3% |
| | Op. Profit | -16.5 | -24.3 | - |
| Eliminations | Net Sales | -20.4 | -23.6 | - |
| | Op. Profit | -1.5 | -0.4 | - |
| Total | Net Sales | 1,020.9 | 998.8 | +2.2% |
| | Op. Profit | 92.3 | 98.5 | -6.3% |
| | (%) | (9.0%) | (9.9%) | |

| 1st Half | | |
|-------------|-------------|----------|
| 2023 Actual | 2022 Actual | % Change |
| 1,133.1 | 1,077.7 | +5.1% |
| 109.9 | 119.5 | -8.0% |
| (9.7%) | (11.1%) | |
| 411.7 | 358.1 | +15.0% |
| 71.7 | 45.7 | +56.8% |
| (17.4%) | (12.8%) | |
| 257.2 | 236.4 | +8.8% |
| 11.3 | 14.6 | -22.7% |
| (4.4%) | (6.2%) | |
| 136.9 | 146.7 | -6.7% |
| 19.5 | 27.8 | -29.8% |
| (14.2%) | (18.9%) | |
| 96.6 | 103.3 | -6.5% |
| -34.5 | -33.2 | - |
| -43.5 | -44.1 | - |
| -1.2 | 0.2 | - |
| 1,992.0 | 1,878.1 | +6.1% |
| 176.7 | 174.6 | +1.2% |
| (8.9%) | (9.3%) | |

Note: From the fourth quarter ending December 31, 2022, lithography equipment and industrial equipment, businesses that were included in Industry & Others, were classified as Industrial and the other businesses were added to corporate expenses. Additionally, from 2023, a business, which was previously included in Others & Corporate, was added to Printing, and the results of 2022 were reclassified to conform to the current presentation.

FY 2023 Financial Projection (Full Year)

- Maintained basic outlook, raised projection to reflect change in exchange rate assumptions
- Targeting operating profit of over 400.0 billion yen, first time since 2008

| (Billions of yen) | FY 2023 Current Projection | FY 2022 Actual | % Change | FY 2023 Previous Projection | Amount Change |
|---|----------------------------------|-------------------------|----------|-----------------------------------|------------------|
| Net Sales | 4,363.0 | 4,031.4 | +8.2% | 4,313.0 | +50.0 |
| Gross Profit (% of Net Sales) | 2,013.0 46.1% | 1,827.8 45.3% | +10.1% | 1,980.0 45.9% | +33.0 |
| Op. Expenses (% of Net Sales) | 1,613.0 36.9% | 1,474.4 36.5% | | 1,600.0 37.1% | -13.0 |
| Op. Profit (% of Net Sales) | 400.0 9.2% | 353.4 8.8% | +13.2% | 380.0 8.8% | +20.0 |
| IBT | 425.0 | 352.4 | +20.6% | 410.0 | +15.0 |
| Net Income (% of Net Sales) | 292.0 6.7% | 244.0 6.1% | +19.7% | 285.0 6.6% | +7.0 |
| USD | 135.05 | 131.66 | | 130.00 | |
| EUR | 145.42 | 138.42 | | 140.00 | |

Impact of exchange rate movement
(2H impact given a one yen change)

| | Net Sales | Op. Profit |
|-----|-----------------|-----------------|
| USD | 6.9 billion yen | 2.2 billion yen |
| EUR | 3.5 billion yen | 1.7 billion yen |

FY 2023 Financial Projection by Bus. Unit

(Full Year)

- Plan for sales and profit growth in all four business units
- Medical: Aiming to renew record high sales and profit

| (Billions of yen) | | FY 2023 Current Projection | FY 2022 Actual | % Change | FY 2023 Previous Projection | Amount Change |
|-----------------------|------------|----------------------------------|-------------------|----------|-----------------------------------|------------------|
| Printing | Net Sales | 2,399.0 | 2,272.6 | +5.6% | 2,368.8 | +30.2 |
| | Op. Profit | 241.8 | 212.4 | +13.8% | 231.8 | +10.0 |
| | (%) | (10.1%) | (9.3%) | | (9.8%) | |
| Imaging | Net Sales | 915.0 | 803.5 | +13.9% | 901.1 | +13.9 |
| | Op. Profit | 151.8 | 126.6 | +19.9% | 138.7 | +13.1 |
| | (%) | (16.6%) | (15.8%) | | (15.4%) | |
| Medical | Net Sales | 576.2 | 513.3 | +12.2% | 570.7 | +5.5 |
| | Op. Profit | 40.6 | 31.0 | +30.9% | 43.4 | -2.8 |
| | (%) | (7.0%) | (6.0%) | | (7.6%) | |
| Industrial | Net Sales | 352.9 | 329.2 | +7.2% | 352.0 | +0.9 |
| | Op. Profit | 60.8 | 58.0 | +4.8% | 61.8 | -1.0 |
| | (%) | (17.2%) | (17.6%) | | (17.6%) | |
| Others & Corporate | Net Sales | 224.8 | 212.3 | +5.9% | 224.4 | +0.4 |
| | Op. Profit | -94.3 | -73.8 | - | -95.0 | +0.7 |
| Eliminations | Net Sales | -104.9 | -99.5 | - | -104.0 | -0.9 |
| | Op. Profit | -0.7 | -0.8 | - | -0.7 | 0.0 |
| Total | Net Sales | 4,363.0 | 4,031.4 | +8.2% | 4,313.0 | +50.0 |
| | Op. Profit | 400.0 | 353.4 | +13.2% | 380.0 | +20.0 |
| | (%) | (9.2%) | (8.8%) | | (8.8%) | |

Note: From the fourth quarter ending December 31, 2022, lithography equipment and industrial equipment, businesses that were included in Industry & Others, were classified as Industrial and the other businesses were added to corporate expenses. Additionally, from 2023, a business, which was previously included in Others & Corporate, was added to Printing, and the results of 2022 were reclassified to conform to the current presentation.

Printing - Office

- Solid sales, even after backorders filled
- Share expansion thanks to broad product lineup and solutions proposals

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|----------------------|----------------------|----------|-------------------------|----------------------|----------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Office | 245.2 | 214.7 | +14.2% | 984.3 | 888.9 | +10.7% | 961.1 | +23.2 |
| Prosumer | 232.9 | 267.7 | -13.0% | 1,029.8 | 1,021.3 | +0.8% | 1,029.8 | 0.0 |
| Production | 96.8 | 88.1 | +9.9% | 384.9 | 362.4 | +6.2% | 377.9 | +7.0 |
| Net Sales | 574.9 | 570.5 | +0.8% | 2,399.0 | 2,272.6 | +5.6% | 2,368.8 | +30.2 |
| Op. Profit (% of Net Sales) | 59.3 10.3% | 66.9 11.7% | -11.4% | 241.8 10.1% | 212.4 9.3% | +13.8% | 231.8 9.8% | +10.0 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|------------|----------------|--------------------|
| Office | +10.0% | +8.6% |
| Prosumer | -15.4% | +0.1% |
| Production | +3.3% | +3.0% |
| Total | -2.9% | +3.9% |

Unit Growth Rate Y/Y

| | 2Q 2023 Actual | FY 2023 Projection |
|-------------|----------------|--------------------|
| Office MFDs | +17% | +7% |



**imageRUNNER ADVANCE DX series
C5800**

Note: From 2023, a business, which was previously included in Others & Corporate and Office, was added to Prosumer, and the results of 2022 were reclassified to conform to the current presentation.

Printing - Prosumer

- Laser: Aim to expand sales, particularly new medium- to high-speed color models
- Inkjet: Aggressively expand sales of enhanced lineup of refillable ink tank models

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|----------------------|----------------------|----------|-------------------------|----------------------|----------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Office | 245.2 | 214.7 | +14.2% | 984.3 | 888.9 | +10.7% | 961.1 | +23.2 |
| Prosumer | 232.9 | 267.7 | -13.0% | 1,029.8 | 1,021.3 | +0.8% | 1,029.8 | 0.0 |
| Production | 96.8 | 88.1 | +9.9% | 384.9 | 362.4 | +6.2% | 377.9 | +7.0 |
| Net Sales | 574.9 | 570.5 | +0.8% | 2,399.0 | 2,272.6 | +5.6% | 2,368.8 | +30.2 |
| Op. Profit (% of Net Sales) | 59.3 10.3% | 66.9 11.7% | -11.4% | 241.8 10.1% | 212.4 9.3% | +13.8% | 231.8 9.8% | +10.0 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|------------|----------------|--------------------|
| Office | +10.0% | +8.6% |
| Prosumer | -15.4% | +0.1% |
| Production | +3.3% | +3.0% |
| Total | -2.9% | +3.9% |

Unit Growth Rate Y/Y

| | 2Q 2023 Actual | FY 2023 Projection |
|------|----------------|--------------------|
| LPs | -22% | -5% |
| IJPs | -11% | +1% |



Inkjet printer
Refillable ink tank model

G3370

Note: From 2023, a business, which was previously included in Others & Corporate and Office, was added to Prosumer, and the results of 2022 were reclassified to conform to the current presentation.

Printing - Production

- 2Q: 9th consecutive quarter of sales growth, driven by sales expansion centered on new products
- Further sales growth, driven by increased sales of Colorado M-series and expanded dealer network

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|----------------------|----------------------|----------|-------------------------|----------------------|----------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Office | 245.2 | 214.7 | +14.2% | 984.3 | 888.9 | +10.7% | 961.1 | +23.2 |
| Prosumer | 232.9 | 267.7 | -13.0% | 1,029.8 | 1,021.3 | +0.8% | 1,029.8 | 0.0 |
| Production | 96.8 | 88.1 | +9.9% | 384.9 | 362.4 | +6.2% | 377.9 | +7.0 |
| Net Sales | 574.9 | 570.5 | +0.8% | 2,399.0 | 2,272.6 | +5.6% | 2,368.8 | +30.2 |
| Op. Profit (% of Net Sales) | 59.3 10.3% | 66.9 11.7% | -11.4% | 241.8 10.1% | 212.4 9.3% | +13.8% | 231.8 9.8% | +10.0 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|------------|----------------|--------------------|
| Office | +10.0% | +8.6% |
| Prosumer | -15.4% | +0.1% |
| Production | +3.3% | +3.0% |
| Total | -2.9% | +3.9% |



Large format graphics printer
Colorado M-series

Note: From 2023, a business, which was previously included in Others & Corporate and Office, was added to Prosumer, and the results of 2022 were reclassified to conform to the current presentation.

Imaging - Cameras

- 2Q: Double-digit sales growth, driven by strong sales of new mirrorless cameras and RF lenses
- Broaden user base via EOS R50 and EOS R100, first entry-class models of EOS R-series

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|----------------------|----------------------|--------------|-------------------------|-----------------------|---------------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Cameras | 141.9 | 127.0 | +11.8% | 569.1 | 509.7 | +11.6% | 560.6 | +8.5 |
| Network Cameras & Others | 77.3 | 73.9 | +4.6% | 345.9 | 293.8 | +17.8% | 340.5 | +5.4 |
| Net Sales | 219.2 | 200.9 | +9.1% | 915.0 | 803.5 | +13.9% | 901.1 | +13.9 |
| Op. Profit (% of Net Sales) | 34.5 15.7% | 32.4 16.1% | +6.4% | 151.8 16.6% | 126.6 15.8% | +19.9% | 138.7 15.4% | +13.1 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|---------------|----------------|--------------------|
| Cameras | +6.8% | +9.6% |
| NWCs & Others | -1.4% | +14.7% |
| Total | +3.8% | +11.5% |

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

| | 2Q 2023 Actual | | FY 2023 Projection | |
|-------|----------------|----------|--------------------|----------|
| | Units | % Change | Units | % Change |
| DILCs | 0.78 | +14% | 2.90 | +1% |

Smallest and lightest EOS R series camera

EOS R100



Designed for Vlog shooting

PowerShot V10

Imaging – Network Cameras & Others

- 2Q: Double-digit network camera sales growth
- Capture needs of growing market by enhancing product lineup

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|----------------------|----------------------|--------------|-------------------------|-----------------------|---------------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Cameras | 141.9 | 127.0 | +11.8% | 569.1 | 509.7 | +11.6% | 560.6 | +8.5 |
| Network Cameras & Others | 77.3 | 73.9 | +4.6% | 345.9 | 293.8 | +17.8% | 340.5 | +5.4 |
| Net Sales | 219.2 | 200.9 | +9.1% | 915.0 | 803.5 | +13.9% | 901.1 | +13.9 |
| Op. Profit (% of Net Sales) | 34.5 15.7% | 32.4 16.1% | +6.4% | 151.8 16.6% | 126.6 15.8% | +19.9% | 138.7 15.4% | +13.1 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|---------------|----------------|--------------------|
| Cameras | +6.8% | +9.6% |
| NWCs & Others | -1.4% | +14.7% |
| Total | +3.8% | +11.5% |



Network camera suitable for installation in hazardous areas

AXIS XFQ1636

Medical

- 2Q: Approx. 7% sales growth, driven by increased sales in each product category
- Aiming for double-digit sales growth and more than 7% operating profit ratio for the full year through further sales expansion in 2H

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|---------------------------------------|--------------------|--------------------|----------|-------------------------|---------------------|----------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Net Sales | 126.1 | 118.2 | +6.7% | 576.2 | 513.3 | +12.2% | 570.7 | +5.5 |
| Op. Profit (% of Net Sales) | 4.4 3.5% | 8.3 7.0% | -46.8% | 40.6 7.0% | 31.0 6.0% | +30.9% | 43.4 7.6% | -2.8 |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|-------|----------------|--------------------|
| Total | +3.5% | +11.0% |



80-slice CT
Aquilion Serve



Ultrasound diagnostic equipment
Aplio go/Aplio flex

Industrial – Optical & Industrial Equip.

- Semiconductor lithography equipment: Sell a solid 195 units for full year, partially thanks to developments in generative AI
- Panel manufacturing equipment: Work to improve product competitiveness for next year on

(Billions of yen)

| | 2Q | | | Full Year | | | | |
|----------------------|-------------|-------------|----------|-------------------------|--------------|----------|--------------------------|---------------|
| | 2023 Actual | 2022 Actual | % Change | 2023 Current Projection | 2022 Actual | % Change | 2023 Previous Projection | Amount Change |
| Optical Equipment | 50.6 | 51.2 | -1.0% | 229.4 | 240.4 | -4.6% | 229.2 | +0.2 |
| Industrial Equipment | 24.3 | 27.1 | -10.6% | 123.5 | 88.8 | +39.1% | 122.8 | +0.7 |
| Net Sales | 74.9 | 78.3 | -4.4% | 352.9 | 329.2 | +7.2% | 352.0 | +0.9 |
| Op. Profit | 12.1 | 15.6 | -22.4% | 60.8 | 58.0 | +4.8% | 61.8 | -1.0 |
| (% of Net Sales) | 16.1% | 19.9% | | 17.2% | 17.6% | | 17.6% | |

Net Sales Growth Rate Y/Y (Local Currency)

| | 2Q 2023 Actual | FY 2023 Projection |
|-------------------|----------------|--------------------|
| Opt. Equip. | -2.0% | -4.1% |
| Industrial Equip. | -10.9% | +39.4% |
| Total | -5.1% | +7.6% |

Lithography Equipment (Units)

| | 2Q 2023 Actual | 2Q 2022 Actual | FY 2023 Projection | FY 2022 Actual |
|---------------|----------------|----------------|--------------------|----------------|
| Semiconductor | 42 | 40 | 195 | 176 |
| FPD | 9 | 8 | 33 | 51 |



**Semiconductor lithography equipment for backend process
FPA-5520iV**

Inventory

- Inventory at end of June was same level as March, when exchange rate impact is excluded
- Inventory of parts and materials as well as product inventory approaching appropriate level towards end of year

(Billions of yen)

| | | FY 2022 | | | | FY 2023 | |
|--------------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | | Mar.-end | Jun.-end | Sep.-end | Dec.-end | Mar.-end | Jun.-end |
| Printing | Amt. | 324.7 | 353.6 | 408.1 | 366.8 | 372.5 | 387.5 |
| | Days | 58 | 60 | 67 | 56 | 57 | 62 |
| Imaging | Amt. | 117.1 | 126.6 | 143.6 | 137.6 | 163.6 | 173.3 |
| | Days | 63 | 64 | 65 | 56 | 69 | 77 |
| Medical | Amt. | 120.5 | 129.4 | 137.7 | 128.3 | 136.3 | 143.1 |
| | Days | 89 | 100 | 103 | 85 | 88 | 102 |
| Industrial | Amt. | 117.8 | 133.8 | 137.4 | 124.0 | 133.0 | 140.0 |
| | Days | 131 | 166 | 152 | 124 | 154 | 187 |
| Others & Corporate | Amt. | 53.1 | 54.7 | 57.1 | 51.6 | 53.4 | 54.2 |
| Total | Amt. | 733.2 | 798.1 | 883.9 | 808.3 | 858.8 | 898.1 |
| | Days | 73 | 78 | 81 | 69 | 74 | 82 |

Cash Flow

(Full Year)

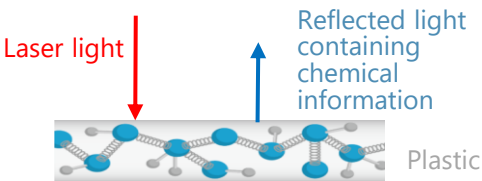


- Aggressive investment of 257.0 billion yen for growth, from 633.0 billion yen in operating CF
- Raised full-year dividend projection by 20 yen, remainder for share buybacks and debt repayment

| (Billions of yen) | 2023 Current Projection | 2023 Previous Projection | FY 2022 Actual | FY 2021 Actual |
|--|-------------------------------|--------------------------------|-------------------|-------------------|
| Net cash provided by operating activities | 633.0 | 626.0 | 262.6 | 451.0 |
| Net cash used in investing activities | -257.0 | -250.0 | -180.8 | -207.2 |
| Free cash flow | 376.0 | 376.0 | 81.8 | 243.8 |
| Net cash provided by (used in) financing activities | -384.0 | -379.1 | -146.8 | -267.4 |
| Effect of exchange rate changes on cash and cash equivalents | 3.9 | -1.0 | 25.7 | 17.3 |
| Net change in cash and cash equivalents | -4.1 | -4.1 | -39.3 | -6.3 |
| Cash and cash equivalents at end of period | 358.0 | 358.0 | 362.1 | 401.4 |
| Cash-on-hand (In months of Net sales) | 0.9 | 1.0 | 1.0 | 1.3 |
| Capital expenditure | 240.0 | 240.0 | 183.3 | 179.0 |
| Depreciation and amortization | 240.0 | 240.0 | 226.5 | 221.2 |

Sustainability Measures

- Contribute to realization of sustainable society, developing technologies for environment

| | |
|---------|---|
| Problem | Plastic recycling process |
| | <p>Infrared: Absorbed by dye, does not allow proper sorting of black plastics</p> <p>Laser light: Amount of light reflected from black plastics is small, takes time to measure</p> |

| | | |
|-----------|--|---|
| New Tech. | Introduce Canon's measurement & control devices into recycling process | |
| | <p>Laser light</p> <ul style="list-style-type: none"> • Irradiate with laser light to acquire chemical information about the substance from the light that is reflected  | <p>Measurement and control devices</p> <ul style="list-style-type: none"> • Measures plastic characteristics, in advance • Irradiate with laser light suitable for plastic characteristics   <p>Irradiate with laser light Galvano scanner motor GM-2020</p> <p>Non-contact displacement sensor PD-704</p> |

+

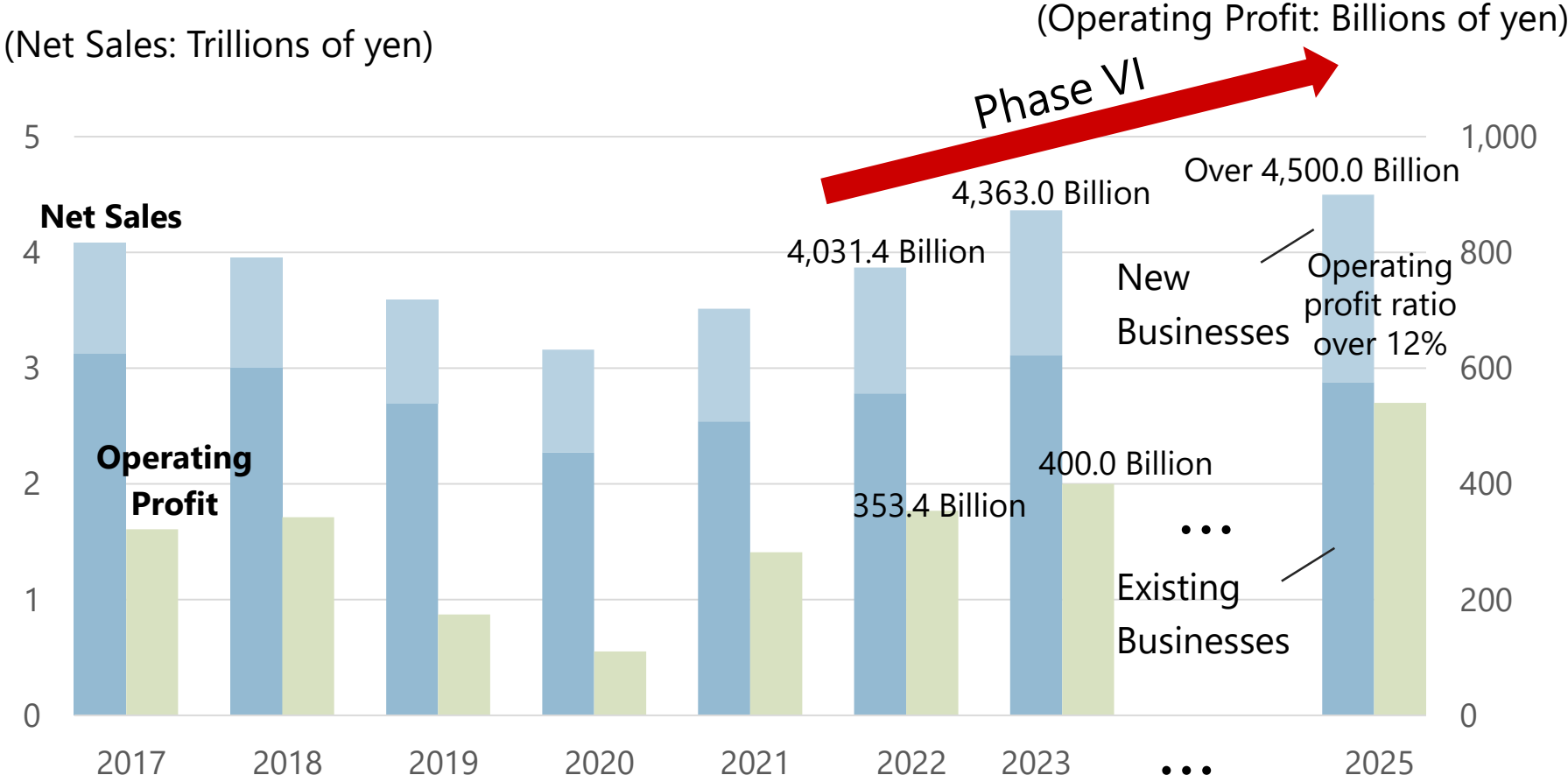
Combine



Maximize amount of plastic that can be reused by manufacturers

Excellent Global Corporation Plan Phase VI

- Achieve 3rd consecutive year of sales and profit growth, and link this to achievement of 2025 targets



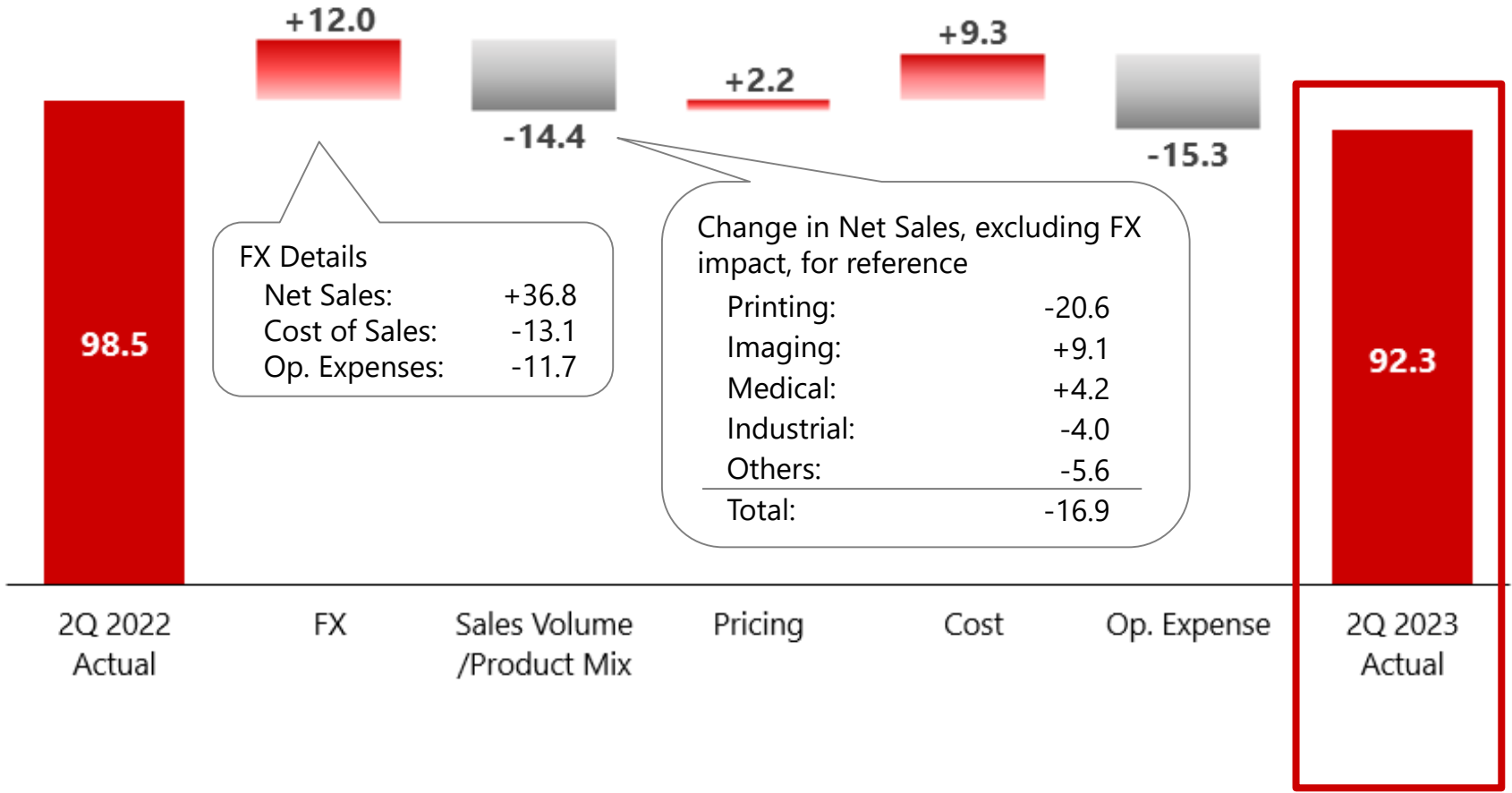
Supplementary Information

FY 2023 Operating Profit Analysis

(2Q 2023 Actual versus 2Q 2022 Actual)

- Changes in sales volume: Negative due to lower printer sales
- Expenses: Increased due to rise in selling-related expenses linked to sales growth, and R&D expenses

(Billions of yen)

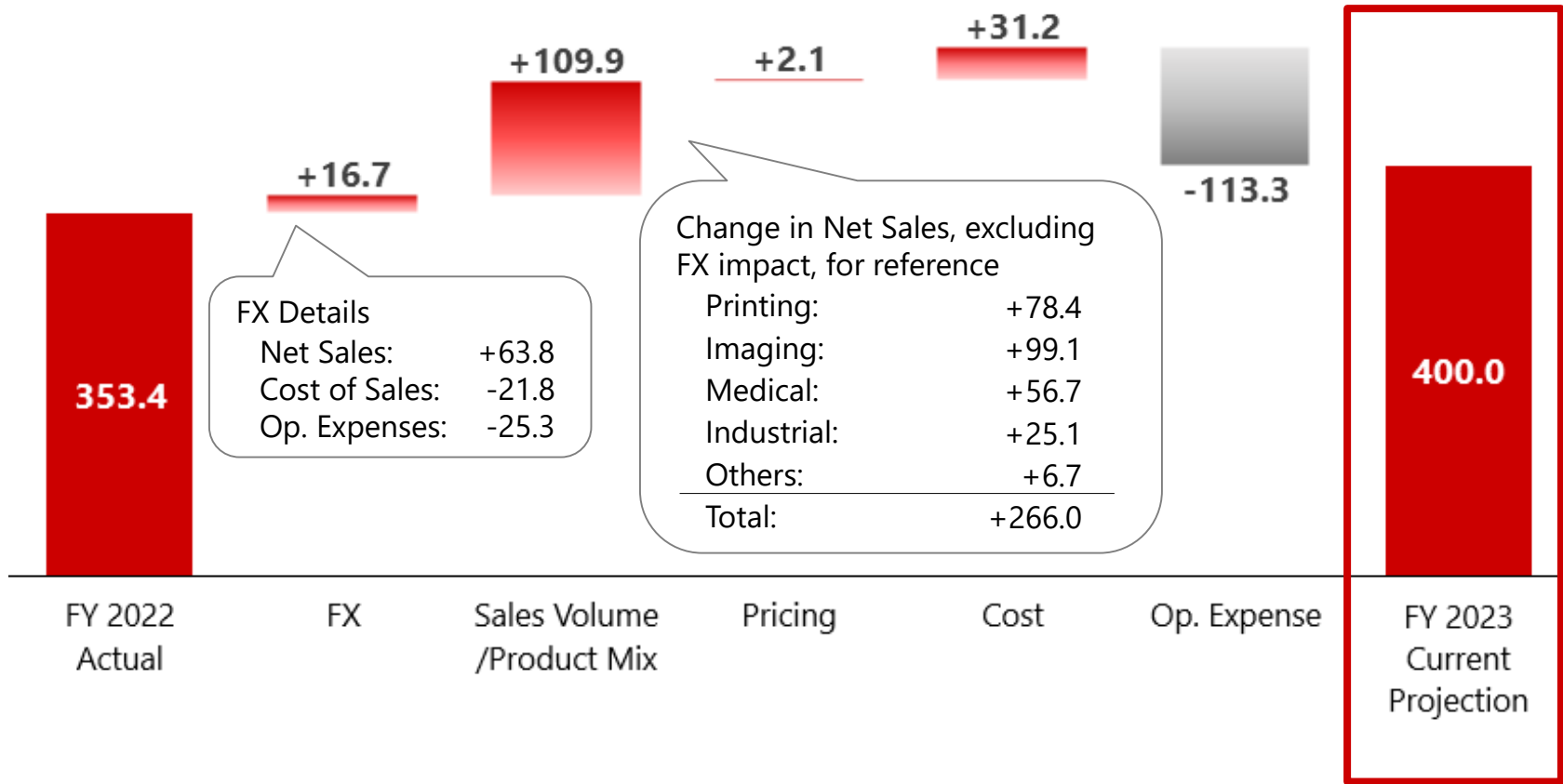


FY 2023 Operating Profit Analysis

(FY 2023 Current Projection versus FY 2022 Actual)

- Changes in sales volume: Increase in profit, as all four business units expected to post sales growth
- Expenses: Increase due to sales expansion and R&D investment to expand future performance

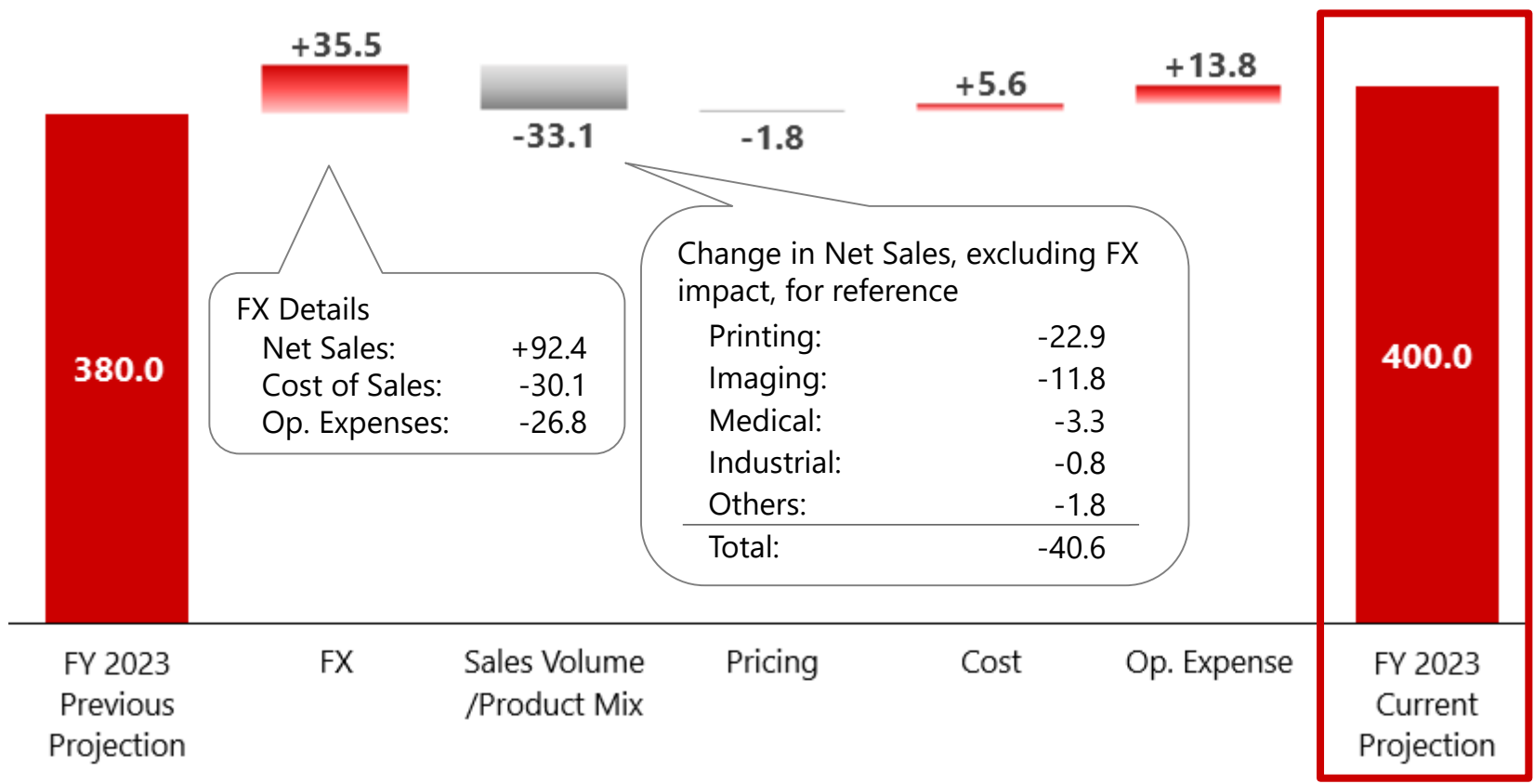
(Billions of yen)



FY 2023 Operating Profit Analysis

(FY 2023 Current Projection versus Previous Projection)

(Billions of yen)



Printing – Net Sales Growth Rate Y/Y (Hardware & Non-hardware)

| | | | FY 2023 | | FY 2022 | |
|--------------------|-----|--------------|-----------|----------------------|-----------|------------------|
| | | | 2Q Actual | Full Year Projection | 2Q Actual | Full Year Actual |
| Office MFDs | JPY | Hardware | +21% | +13% | +10% | +30% |
| | | Non-hardware | +8% | +6% | +7% | +10% |
| | LC | Hardware | +15% | +10% | -1% | +17% |
| | | Non-hardware | +3% | +4% | 0% | +2% |
| LPs | JPY | Hardware | -6% | +5% | +47% | +34% |
| | | Non-hardware | -20% | -2% | +15% | +6% |
| | LC | Hardware | -10% | +4% | +31% | +19% |
| | | Non-hardware | -20% | -2% | +4% | -2% |
| IJPs | JPY | Hardware | -19% | +1% | +35% | +34% |
| | | Non-hardware | 0% | +2% | -10% | -7% |
| | LC | Hardware | -23% | -1% | +22% | +21% |
| | | Non-hardware | -5% | -1% | -18% | -15% |
| Production | JPY | Hardware | +9% | +14% | +27% | +30% |
| | | Non-hardware | +11% | +2% | +21% | +23% |
| | LC | Hardware | +3% | +11% | +15% | +15% |
| | | Non-hardware | +4% | -2% | +10% | +10% |

Note: From 2023, a business, which was previously included in Others & Corporate and Office MFDs, was added to IJPs, and the results of 2022 were reclassified to conform to the current presentation.

Office/Prosumer - Net Sales by Product Category

(Billions of yen)

| | | FY 2023 | | FY 2022 | |
|-----------------|-------------|-----------|----------------------|-----------|------------------|
| | | 2Q Actual | Full Year Projection | 2Q Actual | Full Year Actual |
| Office | Office MFDs | 156.5 | 620.8 | 137.3 | 567.8 |
| | Others | 88.7 | 363.5 | 77.4 | 321.1 |
| | | 245.2 | 984.3 | 214.7 | 888.9 |
| Prosumer | LPs | 149.7 | 653.5 | 176.2 | 651.2 |
| | IJPs | 83.2 | 376.3 | 91.5 | 370.1 |
| | | 232.9 | 1,029.8 | 267.7 | 1,021.3 |

Semiconductor Lithography Equipment – Unit Breakdown by Light Source (Units)

| | FY 2023 | | FY 2022 | |
|--------|-----------|----------------------|-----------|------------------|
| | 2Q Actual | Full Year Projection | 2Q Actual | Full Year Actual |
| KrF | 10 | 59 | 12 | 51 |
| i-Line | 32 | 136 | 28 | 125 |
| Total | 42 | 195 | 40 | 176 |

Note: From 2023, a business, which was previously included in Others & Corporate and Office MFDs, was added to IJPs, and the results of 2022 were reclassified to conform to the current presentation.