



Canon Inc.

FY 2012 Results

January 30, 2013
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Agenda

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■ Details by Business P10 – 15
(4Q/FY 2012 Results and FY 2013 Projections)

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FY 2012 in Summary

External Environment

- ✓ Global economic slowdown due to Europe's debt crisis
- ✓ Yen's appreciation remains at a historically high level

Results

- ✓ Posted net sales and profits decrease
- ✓ Strengthen business structure → Build solid base for growth
 - Sustained competitive product advantage through new product launches
 - Maintained or improved market share of all core products
 - Firmly maintained healthy financial constitution
 - Healthy level of cash-on-hand (2.3 months of net sales)

Summary of Results

4Q/FY 2012 Actual

(Billions of yen)

	4Q			FY		
	2012 Actual	2011 Actual	Pct. Change	2012 Actual	2011 Actual	Pct. Change
Net Sales	951.4	964.8	-1.4%	3,479.8	3,557.4	-2.2%
Gross Profit	432.4	459.5	-5.9%	1,650.0	1,736.8	-5.0%
(% Sales)	45.4%	47.6%		47.4%	48.8%	
Op. Profit	77.7	94.6	-17.9%	323.9	378.1	-14.3%
(% Sales)	8.2%	9.8%		9.3%	10.6%	
Net Income						
Attributable to Canon Inc.	61.2	61.4	-0.4%	224.6	248.6	-9.7%
(% Sales)	6.4%	6.4%		6.5%	7.0%	
Foreign Exchange Rate						
Yen – 1USD	81.26	77.40		79.96	79.55	
Yen – 1EURO	105.31	104.22		102.80	110.72	

Transition in Sales and Op. Profit

FY 2012 Actual v. Projection

(Billions of yen)

	Sales	Op. Profit
FY 2012 Projection (Oct. 25, 2012)	3,532.0	356.0
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+36.9	+19.6
Sales Volume Impact		
Office	-20.2	
Imaging System	-65.5	
Industry and Others	-10.6	
.....		
Total	-96.3	-68.6
Others	+7.2	+16.9
Total Change	-52.2	-32.1
FY 2012 Actual	3,479.8	323.9

Change in Exchange Rate

- 1USD: 79.08 to 79.96 yen
- 1EURO: 101.30 to 102.80 yen

Assumptions

FY 2013 Projection

Average Exchange Rate	FY13	FY12
■ Yen-1USD	85.00 yen	79.96 yen
■ Yen-1EURO	115.00 yen	102.80 yen

Impact of Exchange Rate Movement (FY13 Impact Given a One Yen Change)

	Net Sales	Operating Profit
■ USD	19.7 billion yen	7.7 billion yen
■ EURO	8.6 billion yen	4.6 billion yen

Key Points

FY 2013 Projection

External Environment

- ✓ Strengthening trend of global economic recovery from the second half of the year

Outlook

- ✓ Return to path of growth in line with recovery of related markets
 - Expand sales, leveraging competitive product advantage
 - Flexibly and strategically invest in sales expansion and development
- ➔ Achieve net sales and profit increase

Summary of Projected Results

FY 2013 Projection

(Billions of yen)

	FY 2013 Projection	FY 2012 Actual	Pct. Change
Net Sales	3,810.0	3,479.8	+9.5%
Gross Profit	1,849.8	1,650.0	+12.1%
(% Sales)	48.6%	47.4%	
Op. Profit	410.0	323.9	+26.6%
(% Sales)	10.8%	9.3%	
Net Income	255.0	224.6	+13.6%
Attributable to Canon Inc.			
(% Sales)	6.7%	6.5%	
Foreign Exchange Rate			
Yen – 1USD	85.00	79.96	
Yen – 1EURO	115.00	102.80	

Transition in Sales and Op. Profit

FY 2013 Projection v. FY 2012 Actual

(Billions of yen)

	Sales	Op. Profit
FY 2012 Actual	3,479.8	323.9
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+202.9	+109.2
Sales Volume Impact		
Office	+70.7	
Imaging System	+120.8	
Industry and Others	+15.8	
Total	+207.3	+32.9
Others	-80.0	-56.0
Total Change	+330.2	+86.1
FY 2013 Projection (Jan. 30, 2013)	3,810.0	410.0

Change in Exchange Rate

- 1USD: 79.96 to 85.00 yen
- 1EURO: 102.80 to 115.00 yen

Office

2012 Actual

Growth Rate y/y (Unit Base)

	Copiers		Printers	
	4Q12	FY12	4Q12	FY12
Color	-6%	+8%	-32%	-6%
Monochrome	-6%	+4%	-21%	-17%
Total	-6%	+5%	-22%	-15%

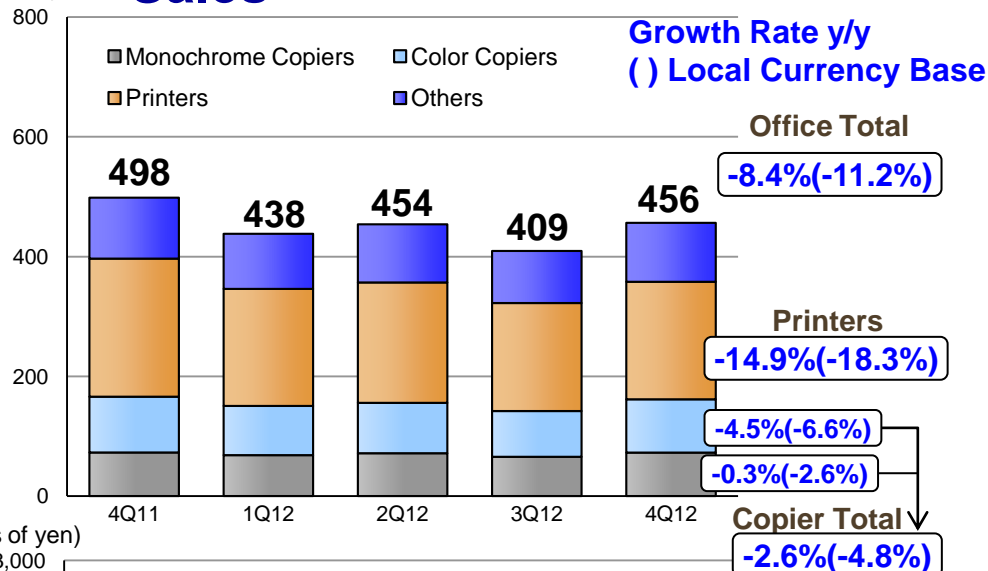
Color Ratio

	Copiers		Printers	
	4Q12	FY12	4Q12	FY12
Value Base*	55%	54%	46%	46%
Unit Base	36%	34%	12%	14%

*Includes Consumables

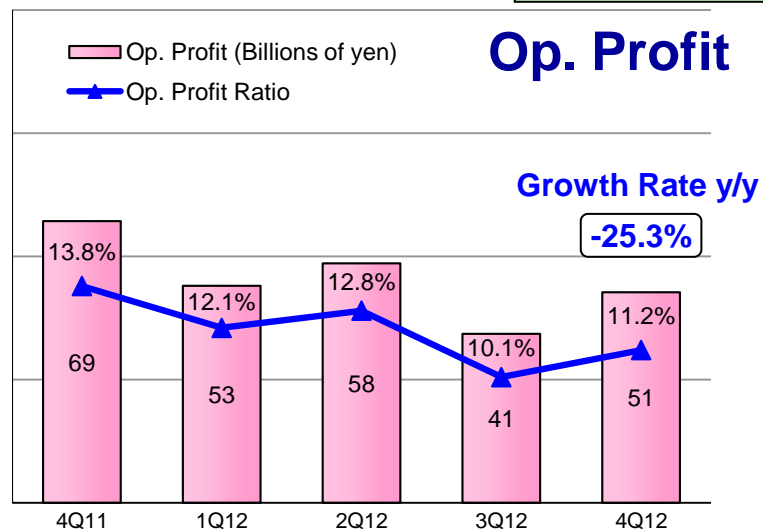
(Billions of yen) **Sales**

4Q

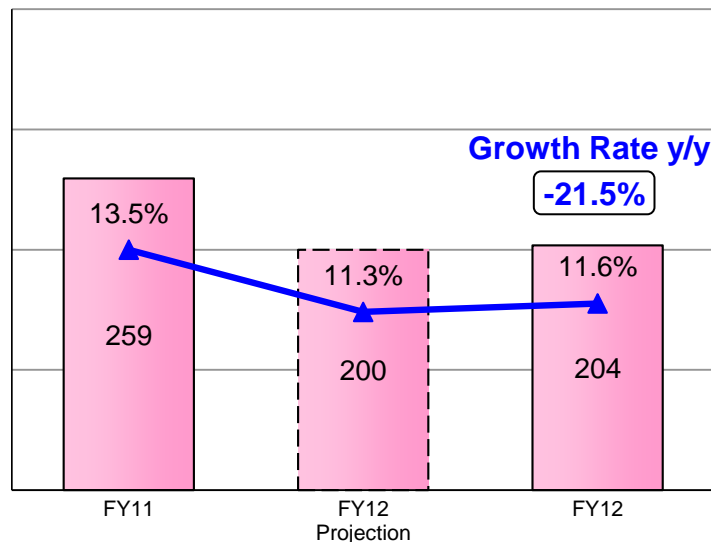
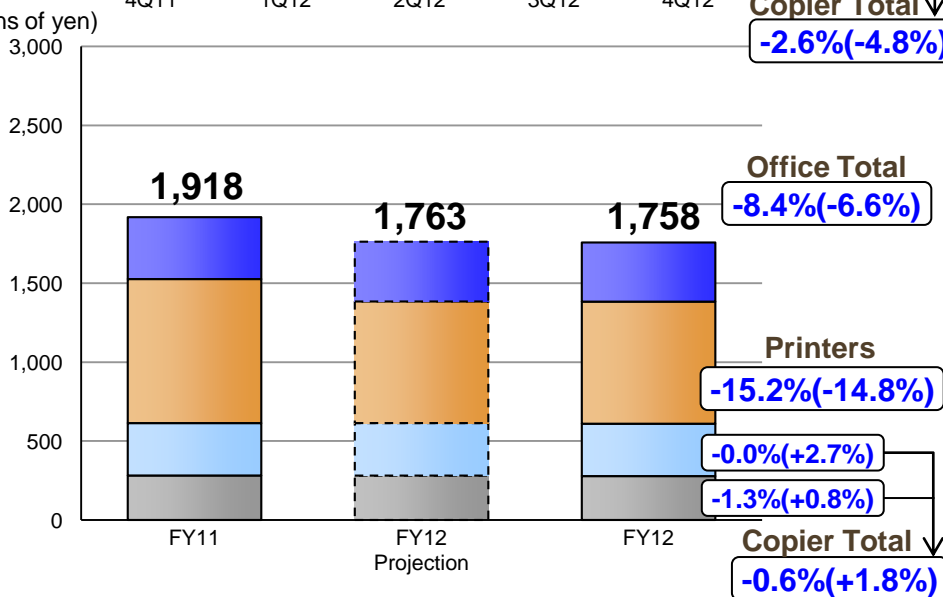


Op. Profit

Op. Profit (Billions of yen)
Op. Profit Ratio

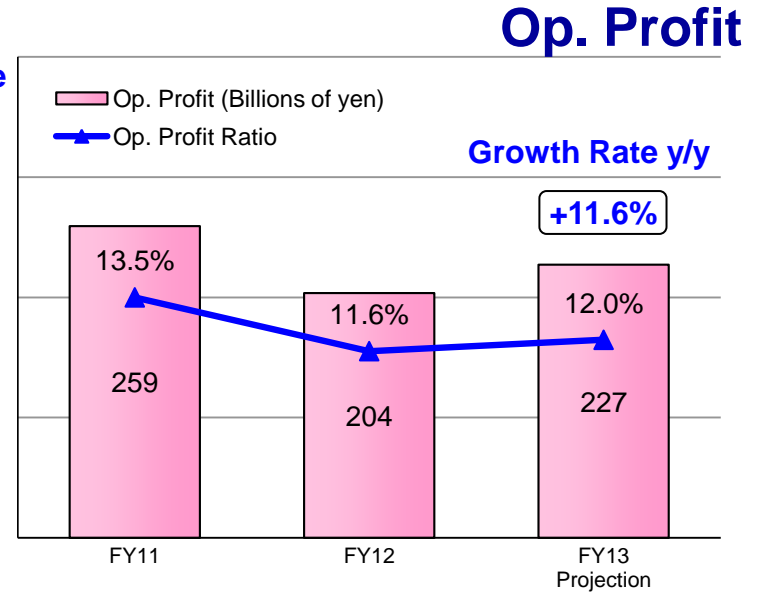
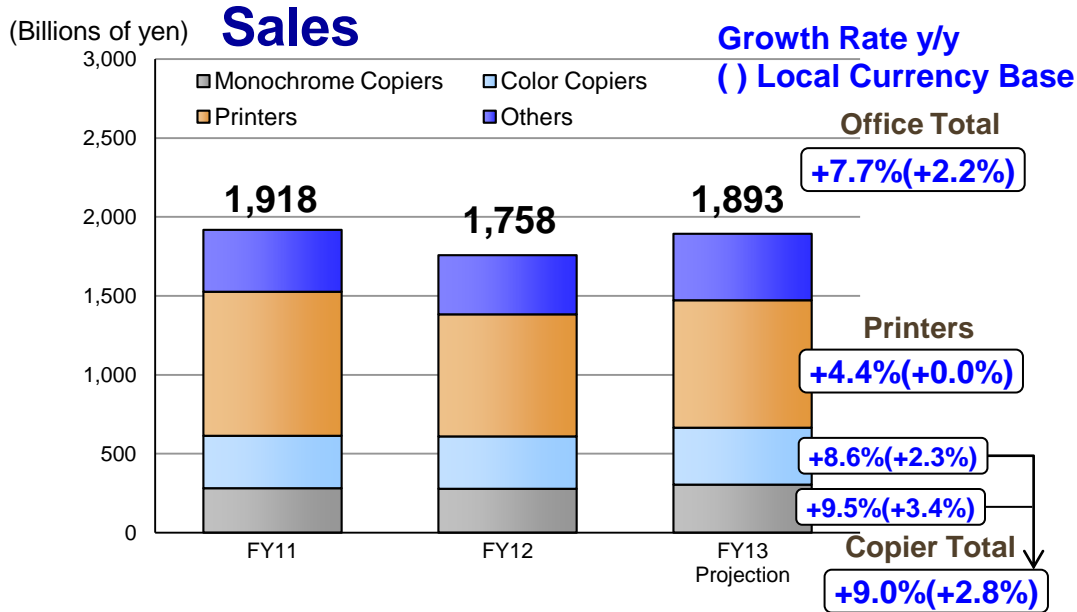


FY



Office

FY 2013 Projection



Growth Rate y/y (Unit Base)				
	Copiers		Printers	
	FY12	FY13 Projection	FY12	FY13 Projection
Color	+8%	+20%	-6%	+16%
Monochrome	+4%	+5%	-17%	+9%
Total	+5%	+10%	-15%	+10%

Color Ratio				
	Copiers		Printers	
	FY12	FY13 Projection	FY12	FY13 Projection
Value Base*	54%	54%	46%	46%
Unit Base	34%	38%	14%	14%

*Includes Consumables

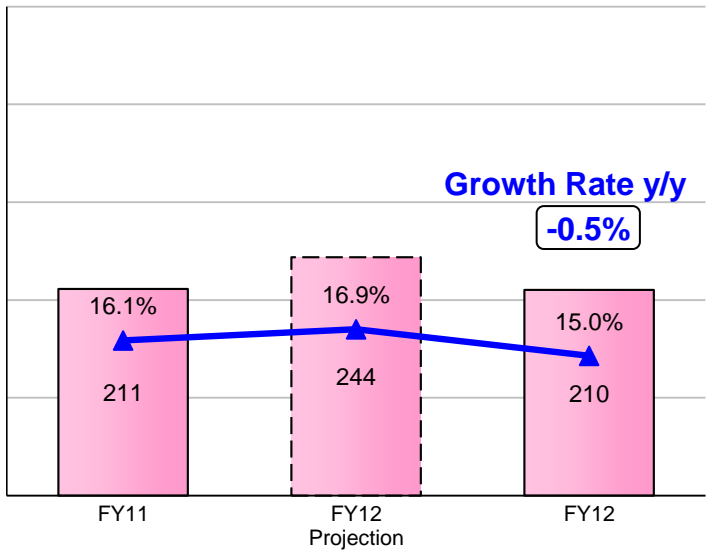
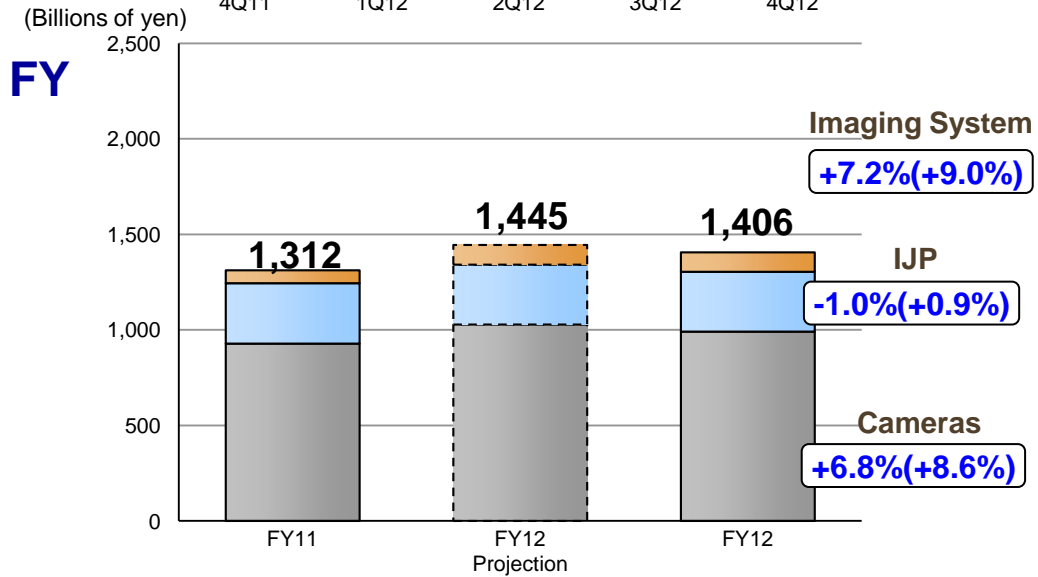
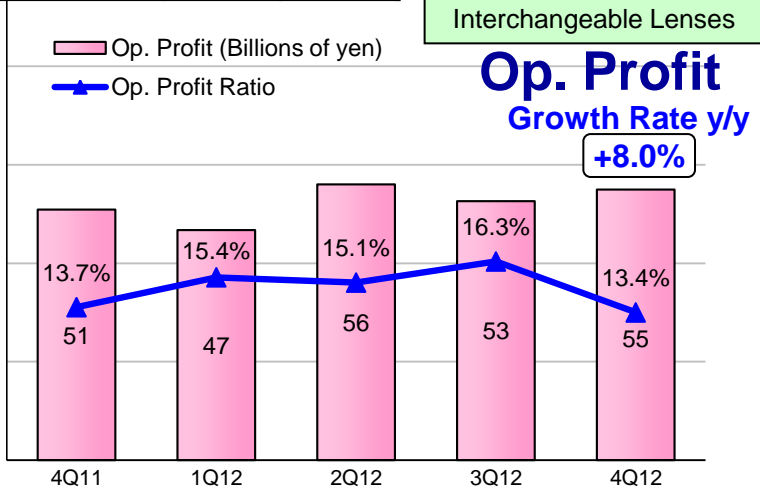
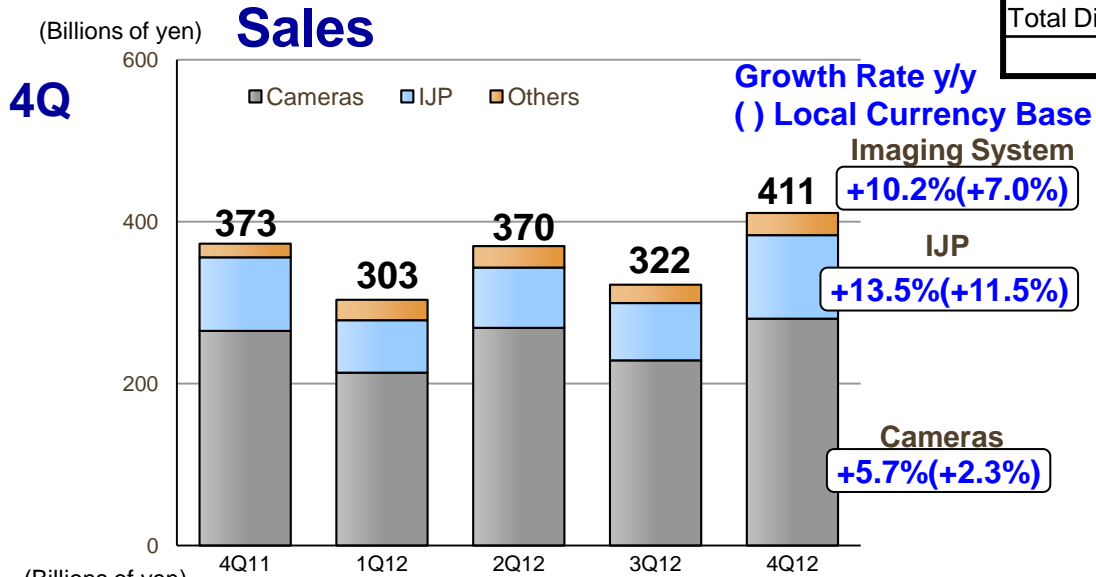
Imaging System

2012 Actual

Growth Rate y/y (Unit Base)		
	4Q12	FY12
Interchangeable Lens Digital Cameras	+3%	+14%
Compact Digital Cameras	-6%	-2%
Total Digital Cameras	-3%	+2%
IJP	+10%	+2%

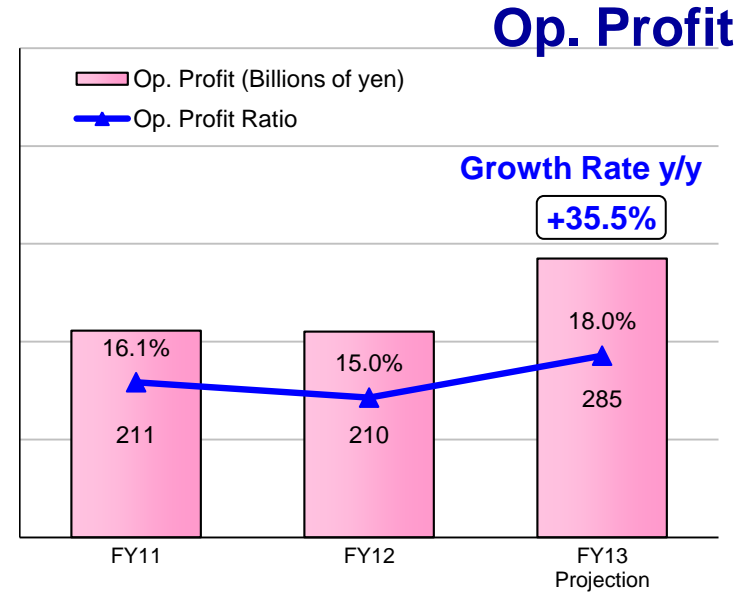
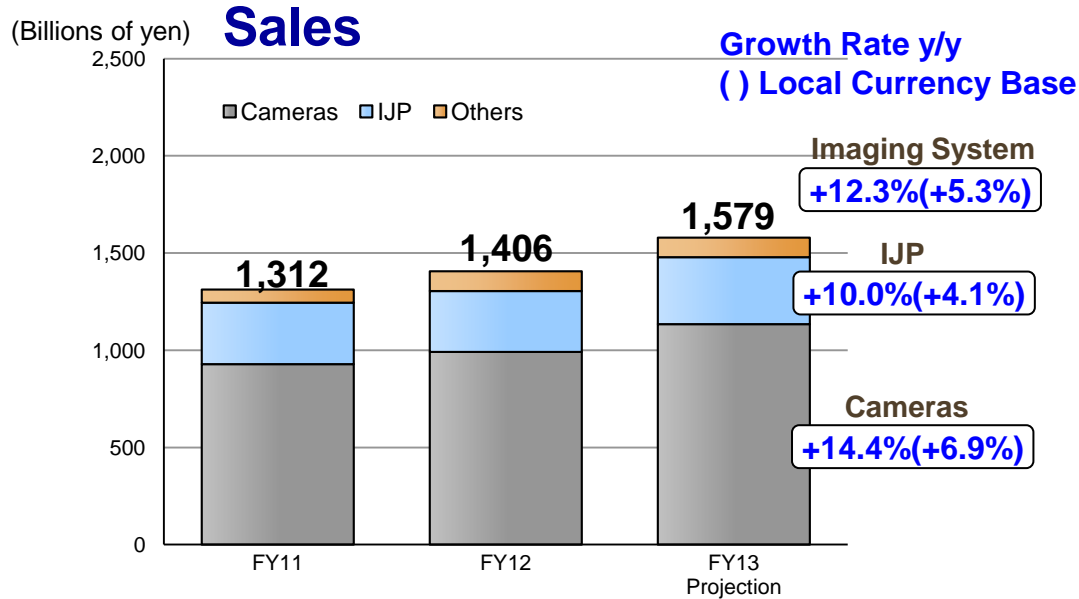
Interchangeable Lens Digital Camera Ratio *		
	4Q12	FY12
Value Base	77%	76%
Unit Base	32%	31%

* Proportion of Total Digital Cameras
* Value Base Includes Interchangeable Lenses



Imaging System

FY 2013 Projection



Growth Rate y/y (Unit Base)		
	FY12	FY13 Projection
Interchangeable Lens Digital Cameras	+14%	+12%
Compact Digital Cameras	-2%	-7%
Total Digital Cameras	+2%	-1%
IJP	+2%	+2%

Interchangeable Lens Digital Camera Ratio *		
	FY12	FY13 Projection
Value Base	76%	80%
Unit Base	31%	35%

* Proportion of Total Digital Cameras
* Value Base Includes Interchangeable Lenses

Industry and Others

2012 Actual

IC Stepper Unit Breakdown by Light Source

	4Q11	FY11	4Q12	FY12
ArF	0	0	0	0
KrF	3	7	0	3
i-line	19	45	6	43

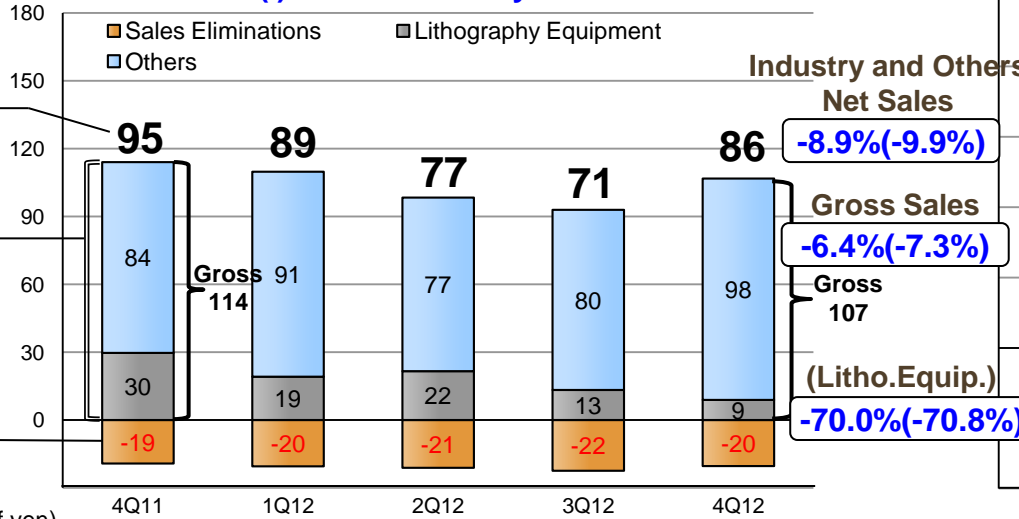
Lithography Equipment (Unit Sales)

	4Q11	FY11	4Q12	FY12
IC	22	52	6	46
FPD	11	25	1	16

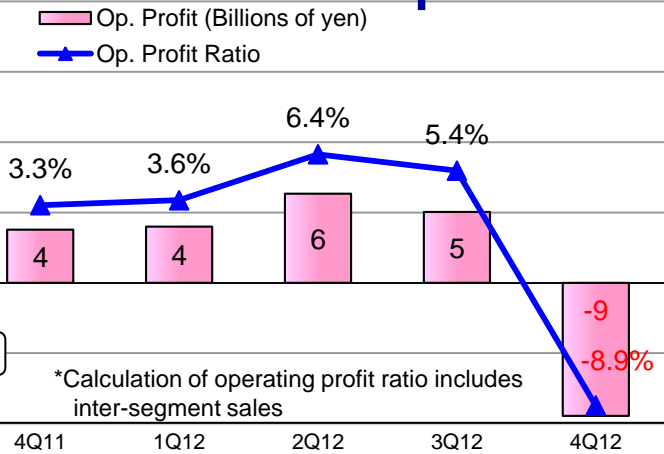
(Billions of yen) **Sales** Growth Rate y/y
() Local Currency Base

4Q

- Net Sales
- Gross Sales (Includes sales among Group businesses)
- Sales Eliminations (Sales among Group businesses)

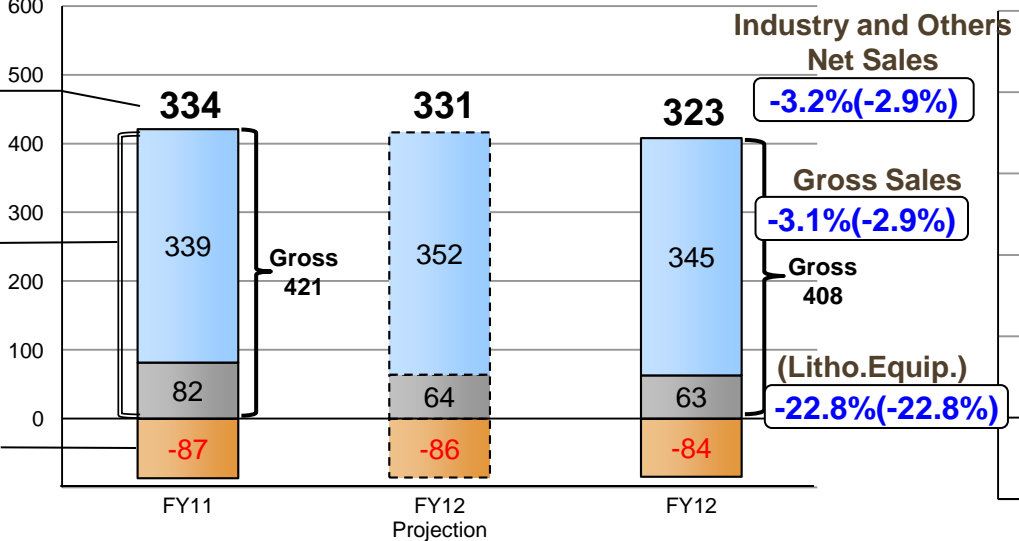


Op. Profit

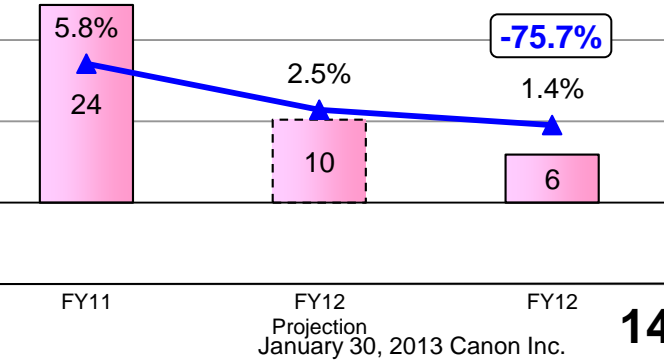


FY

- Net Sales
- Gross Sales (Includes sales among Group businesses)
- Sales Eliminations (Sales among Group businesses)



Growth Rate y/y

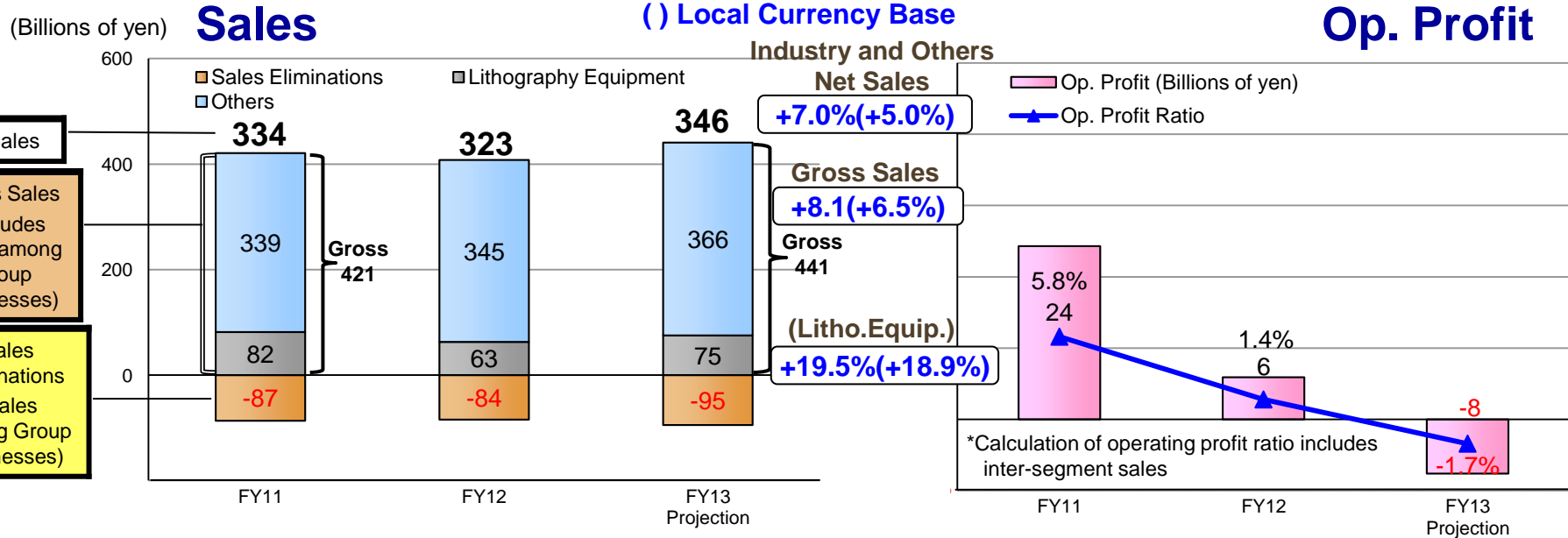


Industry and Others

FY 2013 Projection

Growth Rate y/y
() Local Currency Base

Op. Profit

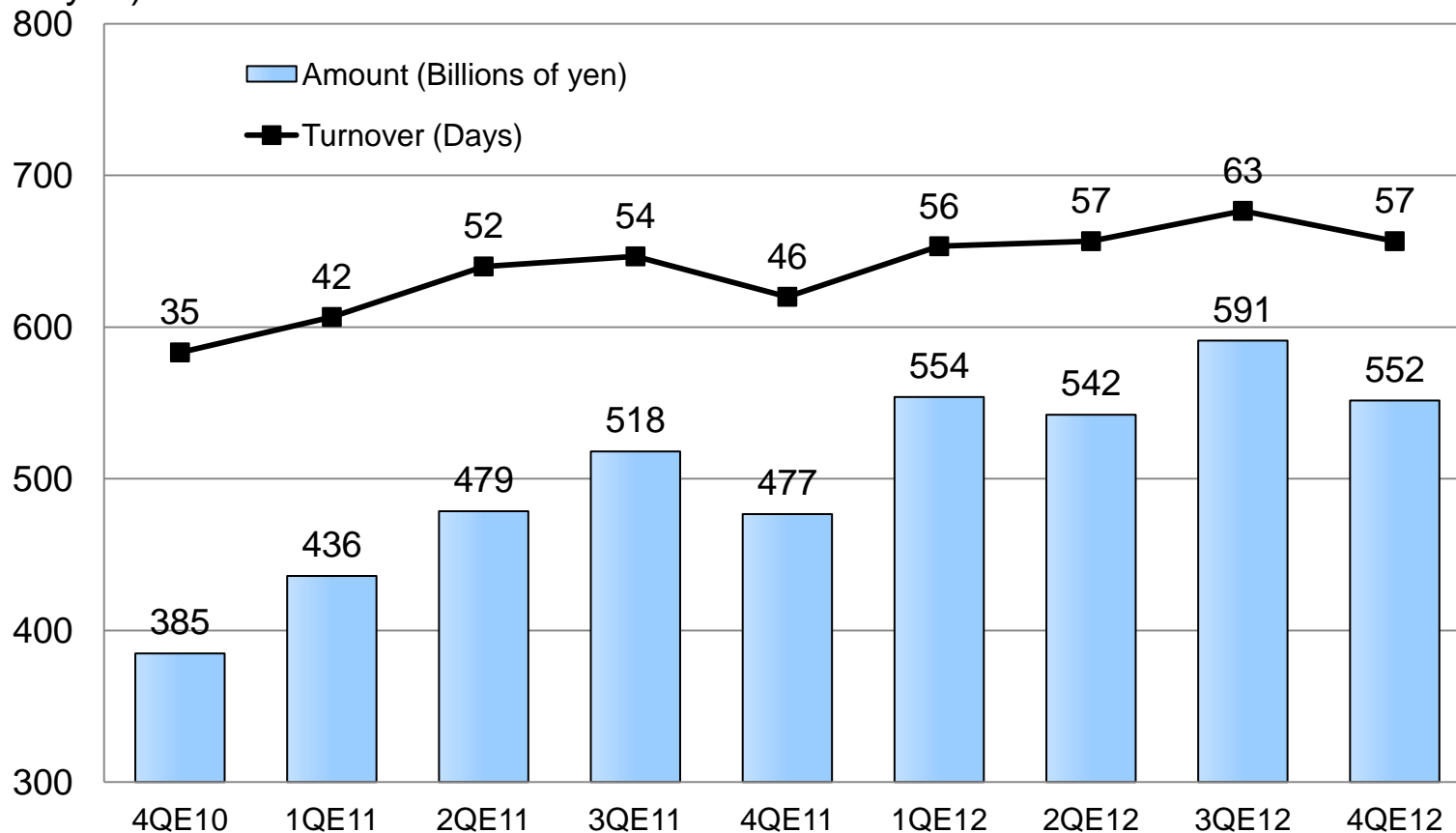


Lithography Equipment (Unit Sales)		
	FY12	FY13 Projection
IC	46	41
FPD	16	24

IC Stepper Unit Breakdown by Light Source		
	FY12	FY13 Projection
ArF	0	0
KrF	3	9
i-line	43	32

Inventories

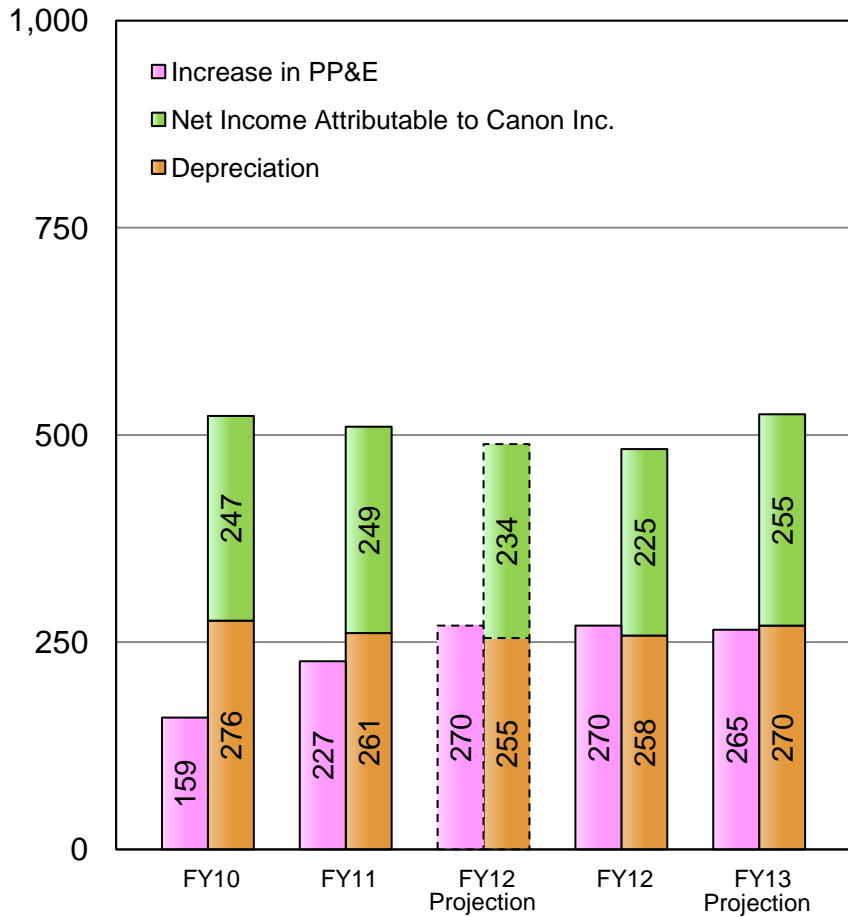
(Billions of yen)



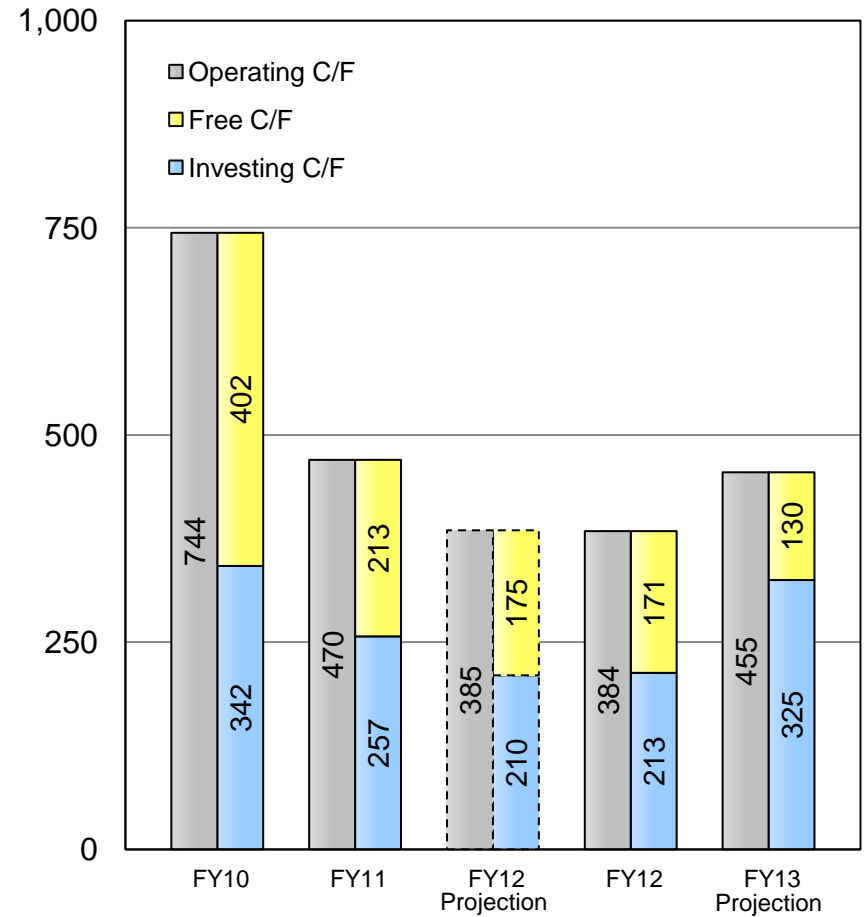
Capital Expenditure

Free Cash Flow

(Billions of yen)



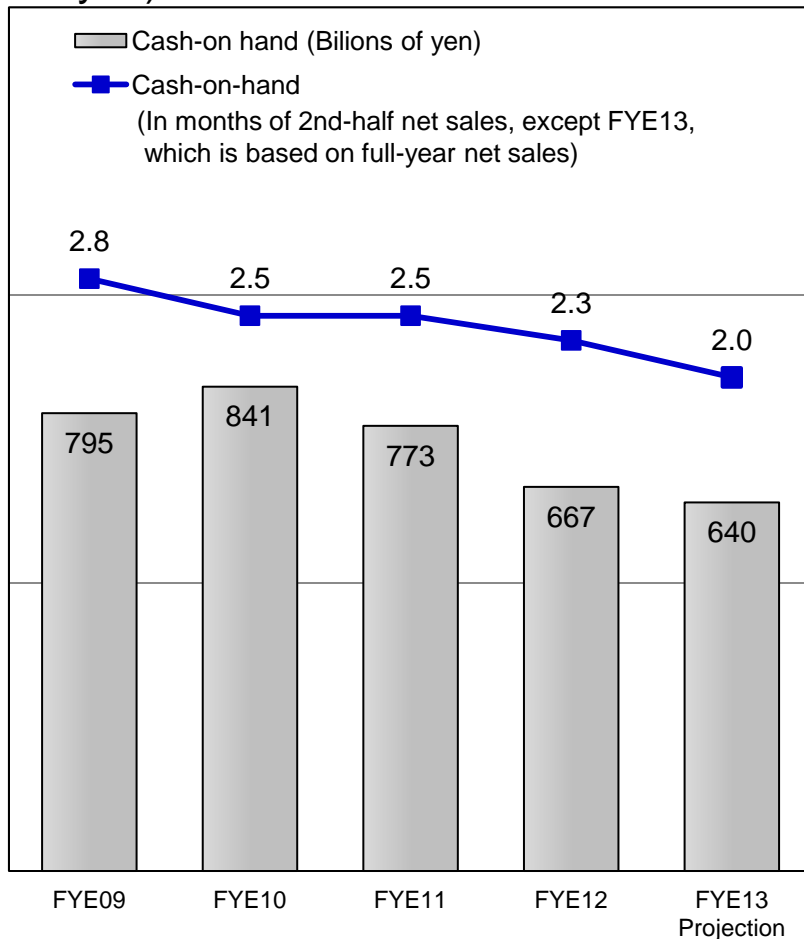
(Billions of yen)



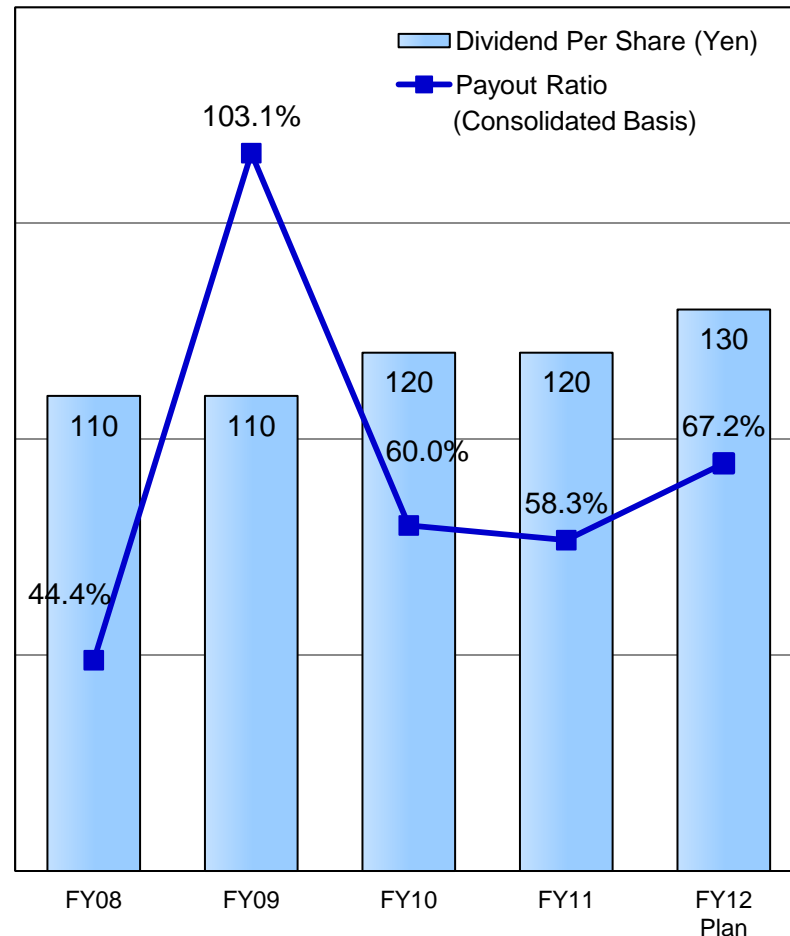
Cash on Hand and Return to Shareholders

Cash on Hand (Year-end)

(Billions of yen)



Dividend



Note 1: 450, 100, 50, 100 and 150 billion yen was used to acquire own shares in 2007, 2008, 2010, 2011 and 2012, respectively.

Supplementary Information

Transition in Sales and Operating Profit

4Q/FY 2012 Actual v. 4Q/FY 2011 Actual

(Billions of yen)

	4Q		FY	
	Sales	Op. Profit	Sales	Op. Profit
FY 2011 Actual	964.8	94.6	3,557.4	378.1
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+24.8	+9.8	-54.3	-27.4
Sales Volume Impact				
Office	-32.7		-71.5	
Imaging System	+27.2		+115.5	
Industry and Others	-10.1		-9.5	
Total	-15.6	-33.5	+34.5	-43.6
Others	-22.6	+6.8	-57.8	+16.8
Total Change	-13.4	-16.9	-77.6	-54.2
FY 2012 Actual	951.4	77.7	3,479.8	323.9

Change in Exchange Rate(4Q)

- 1USD: 77.40 to 81.26 yen
- 1EURO: 104.22 to 105.31 yen

Change in Exchange Rate(FY)

- 1USD: 79.55 to 79.96 yen
- 1EURO: 110.72 to 102.80 yen

Gross Profit Variance Analysis

4Q 2012 Actual v. 4Q 2011 Actual

(Billions of yen)

	4Q12	4Q11	Change
Gross Profit	432.4	459.5	-27.1
% Sales	45.4%	47.6%	-2.2pt.

(Billions of yen)



Supplementary Information

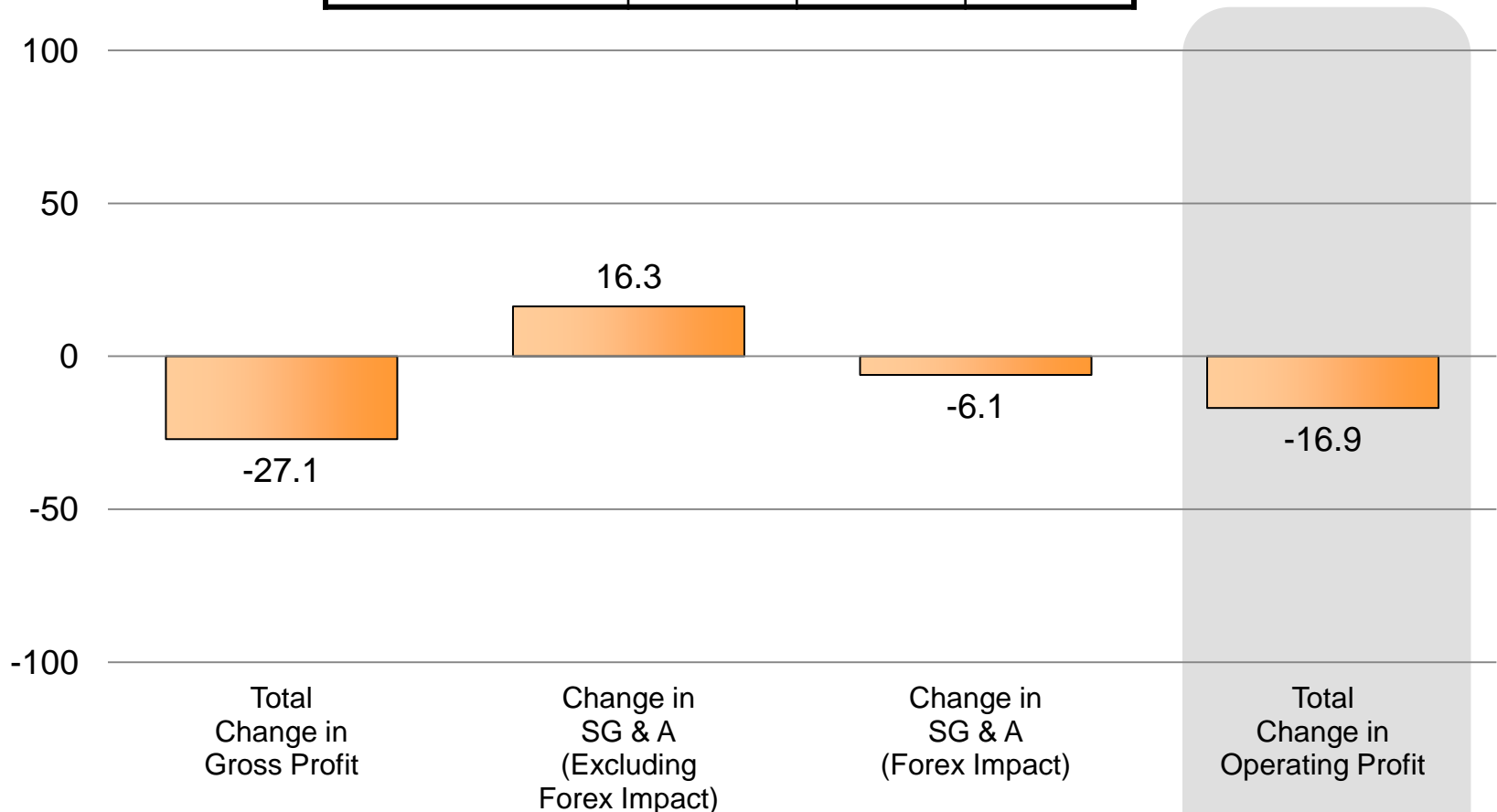
Operating Profit Variance Analysis

4Q 2012 Actual v. 4Q 2011 Actual

(Billions of yen)

(Billions of yen)

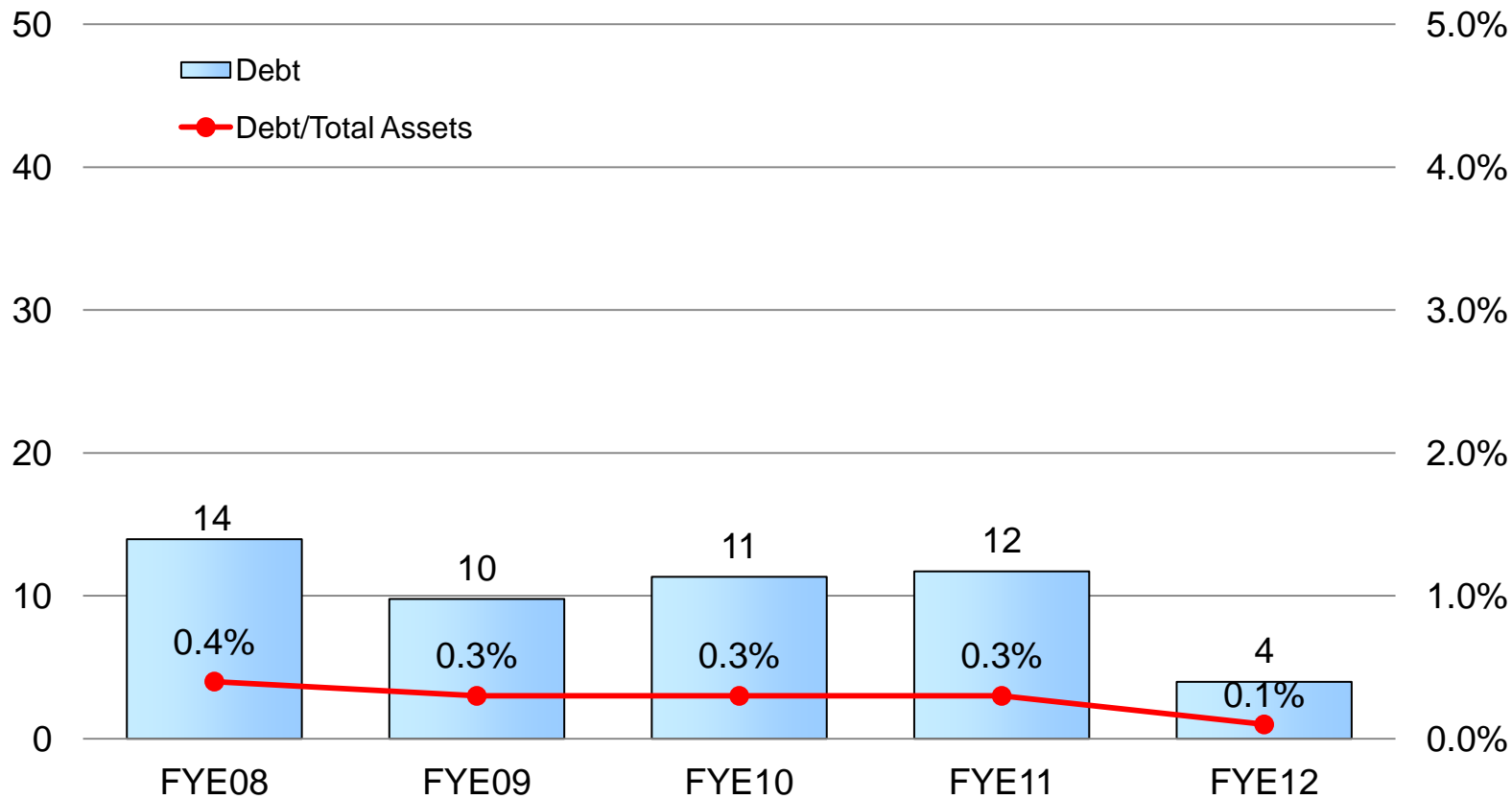
	4Q12	4Q11	Change
Op. Profit	77.7	94.6	-16.9
% Sales	8.2%	9.8%	-1.6pt.



Supplementary Information

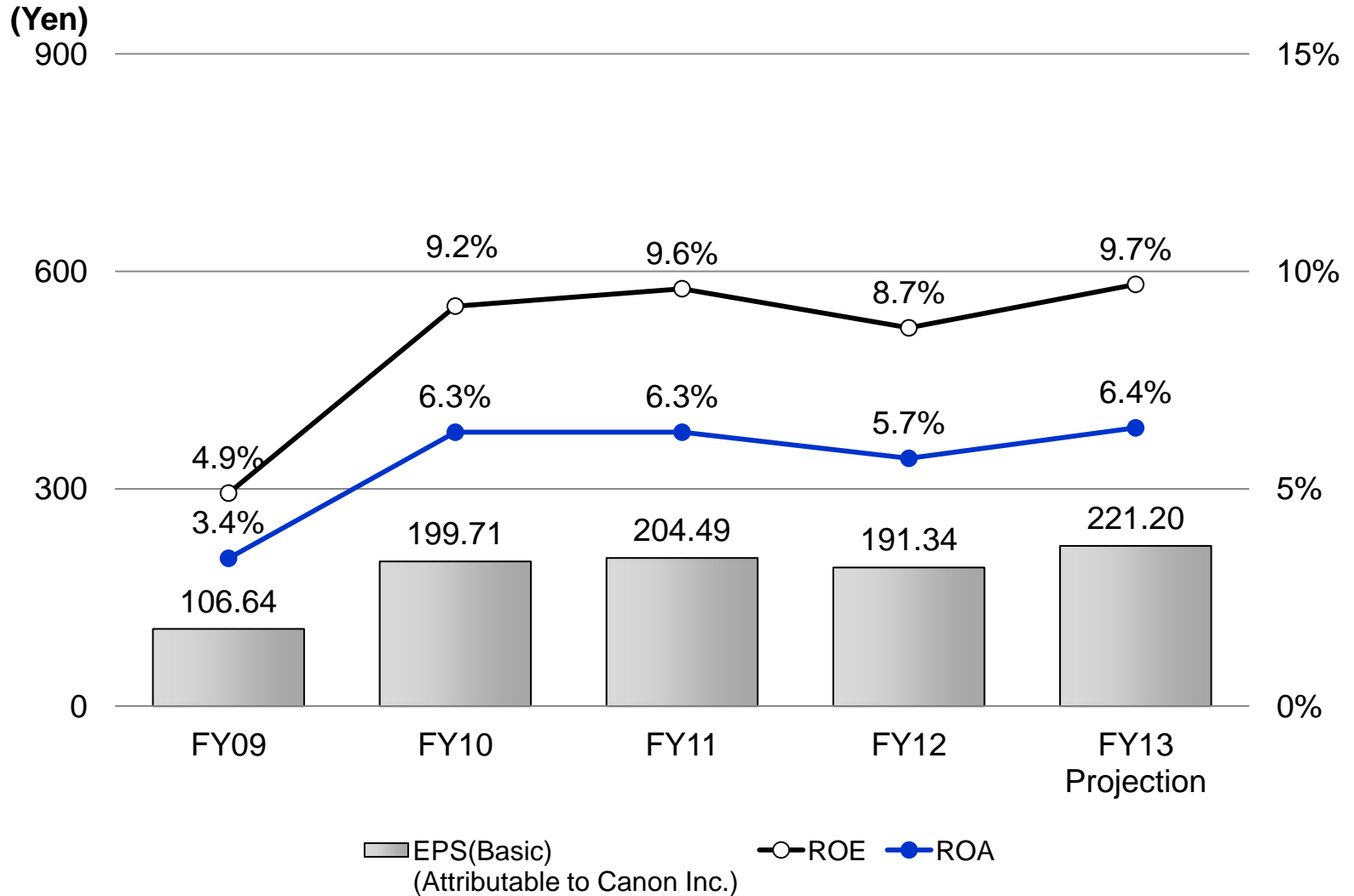
Interest Bearing Debt

(Billions of yen)



Supplementary Information

Financial Ratios



Supplementary Information