

FY 2018 RESULTS

Supplementary Data

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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 forwardlooking 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. A detailed description of these and other risk factors is included in Canon's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission. 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.

1. Segment Information by Business Unit

(Millions of yen)

	FY 2017		FY 2018		FY 2019	% Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2018		FY 2019
						4Q Actual	Full Year Actual	Full Year Projection
Office								
External customers	476,741	1,802,542	470,465	1,804,002	1,760,900	-1.3%	+0.1%	-2.4%
Intersegment	605	2,240	1,107	3,299	3,100	+83.0%	+47.3%	-6.0%
Total sales	477,346	1,804,782	471,572	1,807,301	1,764,000	-1.2%	+0.1%	-2.4%
Operating profit	38,108	189,261	60,669	220,804	212,500	+59.2%	+16.7%	-3.8%
Operating profit ratio	8.0%	10.5%	12.9%	12.2%	12.0%			
Imaging System								
External customers	340,738	1,135,584	297,258	1,007,365	967,300	-12.8%	-11.3%	-4.0%
Intersegment	182	604	274	800	1,700	+50.5%	+32.5%	+112.5%
Total sales	340,920	1,136,188	297,532	1,008,165	969,000	-12.7%	-11.3%	-3.9%
Operating profit	58,484	173,525	39,667	116,955	102,000	-32.2%	-32.6%	-12.8%
Operating profit ratio	17.2%	15.3%	13.3%	11.6%	10.5%			
Medical System								
External customers	103,508	434,985	118,094	437,305	476,500	+14.1%	+0.5%	+9.0%
Intersegment	174	1,202	93	273	500	-46.6%	-77.3%	+83.2%
Total sales	103,682	436,187	118,187	437,578	477,000	+14.0%	+0.3%	+9.0%
Operating profit	4,811	21,941	8,810	28,839	35,000	+83.1%	+31.4%	+21.4%
Operating profit ratio	4.6%	5.0%	7.5%	6.6%	7.3%			
Industry & Others								
External customers	199,304	706,904	172,523	703,265	695,300	-13.4%	-0.5%	-1.1%
Intersegment	21,833	85,946	25,617	101,946	109,200	+17.3%	+18.6%	+7.1%
Total sales	221,137	792,850	198,140	805,211	804,500	-10.4%	+1.6%	-0.1%
Operating profit	3,376	40,728	11,638	65,546	48,000	+244.7%	+60.9%	-26.8%
Operating profit ratio	1.5%	5.1%	5.9%	8.1%	6.0%			
Corporate & Eliminations								
External customers	-	-	-	-	-	-	-	-
Intersegment	-22,794	-89,992	-27,091	-106,318	-114,500	-	-	-
Total sales	-22,794	-89,992	-27,091	-106,318	-114,500	-	-	-
Operating profit	-28,191	-103,850	-21,206	-89,192	-72,500	-	-	-
Operating profit ratio								
Consolidated								
External customers	1,120,291	4,080,015	1,058,340	3,951,937	3,900,000	-5.5%	-3.1%	-1.3%
Intersegment	-	-	-	-	-	-	-	-
Total sales	1,120,291	4,080,015	1,058,340	3,951,937	3,900,000	-5.5%	-3.1%	-1.3%
Operating profit	76,588	321,605	99,578	342,952	325,000	+30.0%	+6.6%	-5.2%
Operating profit ratio	6.8%	7.9%	9.4%	8.7%	8.3%			

2. Other Income

(Millions of yen)

	FY 2017		FY 2018		FY 2019	Amount Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2018		FY 2019
						4Q Actual	Full Year Actual	Full Year Projection
Interest and dividend, net	1,242	5,194	1,030	5,807	2,500	-212	+613	-3,307
FX gain (loss)	-3,416	-9,775	946	-6,044	300	+4,362	+3,731	+6,344
Equity earnings of affiliated cos.	281	1,196	-103	1,414	1,000	-384	+218	-414
Other, net	13,822	35,664	-1,489	18,763	18,700	-15,311	-16,901	-63
Total	11,929	32,279	384	19,940	22,500	-11,545	-12,339	+2,560

Notes:1. In 2018, a reclassification of operating profit and other income (deductions) was conducted due to change in pension accounting standard. 2017 figures were also retroactively restated.

2. Due to a change in business model, the outsourcing business within the Office Business Unit was reclassified to the Industry & Others Business Unit. 2017 figures were also retroactively restated.

3. Net Sales by Region & Business Unit

	FY 2017		FY 2018		FY 2019	(Millions of yen) % Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2018		FY 2019
						4Q Actual	Full Year Actual	Full Year Projection
Japan								
Office	103,599	381,475	99,099	385,114	-	-4.3%	+1.0%	-
Imaging System	60,338	174,944	53,441	152,787	-	-11.4%	-12.7%	-
Medical System	39,664	190,276	41,288	178,789	-	+4.1%	-6.0%	-
Industry & Others	39,091	138,133	41,946	152,887	-	+7.3%	+10.7%	-
Total	242,692	884,828	235,774	869,577	917,900	-2.9%	-1.7%	+5.6%
Overseas								
Office	373,142	1,421,067	371,366	1,418,888	-	-0.5%	-0.2%	-
Imaging System	280,400	960,640	243,817	854,578	-	-13.0%	-11.0%	-
Medical System	63,844	244,709	76,806	258,516	-	+20.3%	+5.6%	-
Industry & Others	160,213	568,771	130,577	550,378	-	-18.5%	-3.2%	-
Total	877,599	3,195,187	822,566	3,082,360	2,982,100	-6.3%	-3.5%	-3.3%
Americas								
Office	149,310	573,463	149,806	564,580	-	+0.3%	-1.5%	-
Imaging System	97,310	316,756	87,683	275,512	-	-9.9%	-13.0%	-
Medical System	26,226	102,131	31,534	102,560	-	+20.2%	+0.4%	-
Industry & Others	30,431	115,165	36,504	133,750	-	+20.0%	+16.1%	-
Total	303,277	1,107,515	305,527	1,076,402	1,066,400	+0.7%	-2.8%	-0.9%
Europe								
Office	146,760	550,251	143,330	549,042	-	-2.3%	-0.2%	-
Imaging System	91,598	301,906	82,628	278,417	-	-9.8%	-7.8%	-
Medical System	22,623	80,035	24,476	82,251	-	+8.2%	+2.8%	-
Industry & Others	28,123	96,223	29,735	105,718	-	+5.7%	+9.9%	-
Total	289,104	1,028,415	280,169	1,015,428	984,300	-3.1%	-1.3%	-3.1%
Asia & Oceania								
Office	77,072	297,353	78,230	305,266	-	+1.5%	+2.7%	-
Imaging System	91,492	341,978	73,506	300,649	-	-19.7%	-12.1%	-
Medical System	14,995	62,543	20,796	73,705	-	+38.7%	+17.8%	-
Industry & Others	101,659	357,383	64,338	310,910	-	-36.7%	-13.0%	-
Total	285,218	1,059,257	236,870	990,530	931,400	-17.0%	-6.5%	-6.0%
Intersegment								
Office	605	2,240	1,107	3,299	-	+83.0%	+47.3%	-
Imaging System	182	604	274	800	-	+50.5%	+32.5%	-
Medical System	174	1,202	93	273	-	-46.6%	-77.3%	-
Industry & Others	21,833	85,946	25,617	101,946	-	+17.3%	+18.6%	-
Eliminations	-22,794	-89,992	-27,091	-106,318	-	-	-	-
Total	0	0	0	0	0	-	-	-
Total								
Office	477,346	1,804,782	471,572	1,807,301	-	-1.2%	+0.1%	-
Imaging System	340,920	1,136,188	297,532	1,008,165	-	-12.7%	-11.3%	-
Medical System	103,682	436,187	118,187	437,578	-	+14.0%	+0.3%	-
Industry & Others	221,137	792,850	198,140	805,211	-	-10.4%	+1.6%	-
Eliminations	-22,794	-89,992	-27,091	-106,318	-	-	-	-
Total	1,120,291	4,080,015	1,058,340	3,951,937	3,900,000	-5.5%	-3.1%	-1.3%

4. Statements of Cash Flows

	FY 2017		FY 2018		FY 2019	(Millions of yen) Amount Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2018		FY 2019
						4Q Actual	Full Year Actual	Full Year Projection
Net cash provided by operating activities	176,051	590,557	171,586	365,293	595,000	-4,465	-225,264	+229,707
Net cash used in investing activities	-32,858	-165,010	-59,161	-195,615	-290,000	-26,303	-30,605	-94,385
Free cash flow	143,193	425,547	112,425	169,678	305,000	-30,768	-255,869	+135,322
Net cash provided by (used in) financing activities	-70,621	-340,464	-119,536	-354,830	-320,000	-48,915	-14,366	+34,830
Effect of exchange rate changes on cash and cash equivalents	2,401	6,538	-7,478	-16,017	-5,645	-9,879	-22,555	+10,372
Net change in cash and cash equivalents	74,973	91,621	-14,589	-201,169	-20,645	-89,562	-292,790	+180,524
Cash and cash equivalents at end of period	721,814	721,814	520,645	520,645	500,000	-201,169	-201,169	-20,645

Note: Due to a change in business model, the outsourcing business within the Office Business Unit was reclassified to the Industry & Others Business Unit.
2017 figures were also retroactively restated.

5. Foreign Exchange Rate Impact

(1) Exchange rates

(Yen)

	FY 2017		FY 2018		FY 2019
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection
USD/Yen	112.96	112.13	112.89	110.43	105.00
EUR/Yen	132.98	126.69	128.74	130.29	125.00

(2) Amount of impact on net sales (Year over Year)

(Billions of yen)

	FY 2018		FY 2019
	4Q Actual	Full Year Actual	Full Year Projection
USD	+0.1	-17.8	-72.3
EUR	-7.9	+22.5	-35.2
Other currencies	-4.5	-3.7	-16.2
Total	-12.3	+1.0	-123.7

(3) Impact of foreign exchange rate per yen

(Billions of yen)

	FY 2019
	Full Year Projection
On sales	
USD	13.2
EUR	6.1
On operating Profit	
USD	4.4
EUR	3.0

6. Sales Growth on a Local Currency Basis (Year over Year)

	FY 2018		FY 2019
	4Q Actual	Full Year Actual	Full Year Projection
Office			
Japan	-4.3%	+1.0%	-
Overseas	+0.9%	-0.3%	-
Total	-0.2%	+0.1%	+1.0%
Imaging System			
Japan	-11.4%	-12.7%	-
Overseas	-11.3%	-11.1%	-
Total	-11.3%	-11.3%	-0.1%
Medical System			
Japan	+4.1%	-6.0%	-
Overseas	+22.2%	+6.3%	-
Total	+15.2%	+0.7%	+11.3%
Industry & Others			
Japan	+7.3%	+10.7%	-
Overseas	-17.8%	-3.3%	-
Total	-9.9%	+1.5%	+1.7%
Total			
Japan	-2.9%	-1.7%	-
Overseas	-4.9%	-3.6%	-
Americas	+0.9%	-1.7%	-
Europe	-0.3%	-3.2%	-
Asia and Oceania	-15.6%	-5.8%	-
Total	-4.4%	-3.2%	+1.8%

7. R&D Expenditure / Capex / Depreciation & Amoritization

(Millions of yen)

	FY 2017	FY 2018	FY 2019
	Full Year Actual	Full Year Actual	Full Year Projection
R&D Expenditure			
Office	91,743	87,967	-
Imaging System	91,784	85,626	-
Medical System	36,210	38,421	-
Industry and Others	68,151	71,996	-
Corporate & Eliminations	45,483	31,832	-
Total	333,371	315,842	312,500
% of Net Sales	8.2%	8.0%	8.0%
Capex			
Office	43,288	46,927	-
Imaging System	26,876	20,421	-
Medical System	7,599	7,059	-
Industry and Others	14,504	22,625	-
Corporate & Eliminations	55,275	62,284	-
Total	147,542	159,316	175,000
Depreciation & Amoritization			
Office	72,346	64,964	-
Imaging System	41,695	40,541	-
Medical System	5,212	9,365	-
Industry and Others	39,736	38,582	-
Corporate & Eliminations	102,892	98,102	-
Total	261,881	251,554	240,000

8. Other Financial Data

	FY 2017	FY 2018	FY 2019
	Full Year Actual	Full Year Actual	Full Year Projection
ROE*	8.6%	8.9%	8.4%
ROA*	4.7%	5.0%	4.9%
EPS - Basic (Yen)	222.88	234.09	222.27
EPS - Diluted (Yen)	222.88	234.08	222.26

	FY 2017	FY 2018
	Dec. 31	Dec. 31
Debt Ratio	10.2%	8.2%
Number of Employees		
Japan	73,665	73,460
Overseas	124,111	121,596
Total	197,776	195,056
Domestic Production Ratio	62%	62%

* Based on Net Income attributable to Canon Inc.

- Notes: 1. In 2018, a reclassification of operating profit and other income (deductions) was conducted due to change in pension accounting standard. 2017 figures were also retroactively restated.
2. Due to a change in business model, the outsourcing business within the Office Business Unit was reclassified to the Industry & Others Business Unit. 2017 figures were also retroactively restated.