

First Quarter 2019 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 2018		FY 2019		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Office						
External customers	442,130	1,804,002	424,869	1,770,100	-3.9%	-1.9%
Intersegment	582	3,299	753	2,400	+29.4%	-27.3%
Total sales	442,712	1,807,301	425,622	1,772,500	-3.9%	-1.9%
Operating profit	51,733	220,804	45,128	204,000	-12.8%	-7.6%
Operating profit ratio	11.7%	12.2%	10.6%	11.5%		
Imaging System						
External customers	212,371	969,660	176,026	887,700	-17.1%	-8.5%
Intersegment	141	775	290	1,300	+105.7%	+67.7%
Total sales	212,512	970,435	176,316	889,000	-17.0%	-8.4%
Operating profit	25,683	126,681	4,737	94,000	-81.6%	-25.8%
Operating profit ratio	12.1%	13.1%	2.7%	10.6%		
Medical System						
External customers	117,025	437,305	109,340	478,200	-6.6%	+9.4%
Intersegment	40	273	80	1,300	+100.0%	+376.2%
Total sales	117,065	437,578	109,420	479,500	-6.5%	+9.6%
Operating profit	10,469	28,839	6,702	36,200	-36.0%	+25.5%
Operating profit ratio	8.9%	6.6%	6.1%	7.5%		
Industry & Others						
External customers	189,186	740,970	153,982	714,000	-18.6%	-3.6%
Intersegment	23,659	101,971	22,473	101,500	-5.0%	-0.5%
Total sales	212,845	842,941	176,455	815,500	-17.1%	-3.3%
Operating profit	15,411	55,665	5,290	28,300	-65.7%	-49.2%
Operating profit ratio	7.2%	6.6%	3.0%	3.5%		
Corporate & Eliminations						
External customers	-	-	249	-	-	-
Intersegment	-24,422	-106,318	-23,596	-106,500	-	-
Total sales	-24,422	-106,318	-23,347	-106,500	-	-
Operating profit	-26,213	-89,037	-21,431	-88,500	-	-
Operating profit ratio						
Consolidated						
External customers	960,712	3,951,937	864,466	3,850,000	-10.0%	-2.6%
Intersegment	-	-	-	-	-	-
Total sales	960,712	3,951,937	864,466	3,850,000	-10.0%	-2.6%
Operating profit	77,083	342,952	40,426	274,000	-47.6%	-20.1%
Operating profit ratio	8.0%	8.7%	4.7%	7.1%		

* Businesses such as broadcast equipment and cinema use video cameras that were included in Imaging System were reclassified to Industry & Others.

2. Other Income

(Millions of yen)

	FY 2018		FY 2019		Amount Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Interest and dividend, net	1,695	5,807	1,276	3,488	-419	-2,319
FX gain (loss)	413	-6,044	-699	-2,199	-1,112	+3,845
Equity earnings of affiliated cos.	297	1,414	-82	630	-379	-784
Other, net	6,271	18,763	5,192	19,081	-1,079	+318
Total	8,676	19,940	5,687	21,000	-2,989	+1,060

3. Net Sales by Region & Business Unit

(Millions of yen)

	FY 2018		FY 2019		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Japan						
Office	98,626	385,114	104,814	-	+6.3%	-
Imaging System	26,617	146,854	25,139	-	-5.6%	-
Medical System	56,018	178,789	52,107	-	-7.0%	-
Industry & Others	43,679	158,820	36,985	-	-15.3%	-
Eliminations	-	-	249	-	-	-
Total	224,940	869,577	219,294	910,000	-2.5%	+4.6%
Overseas						
Office	343,504	1,418,888	320,055	-	-6.8%	-
Imaging System	185,754	822,806	150,887	-	-18.8%	-
Medical System	61,007	258,516	57,233	-	-6.2%	-
Industry & Others	145,507	582,150	116,997	-	-19.6%	-
Eliminations	-	-	-	-	-	-
Total	735,772	3,082,360	645,172	2,940,000	-12.3%	-4.6%
Americas						
Office	132,357	564,580	132,601	-	+0.2%	-
Imaging System	53,671	260,839	45,671	-	-14.9%	-
Medical System	22,368	102,560	23,456	-	+4.9%	-
Industry & Others	31,215	148,423	36,638	-	+17.4%	-
Eliminations	-	-	-	-	-	-
Total	239,611	1,076,402	238,366	1,067,400	-0.5%	-0.8%
Europe						
Office	136,311	549,042	118,456	-	-13.1%	-
Imaging System	60,902	267,546	51,581	-	-15.3%	-
Medical System	23,006	82,251	19,522	-	-15.1%	-
Industry & Others	27,630	116,589	25,324	-	-8.3%	-
Eliminations	-	-	-	-	-	-
Total	247,849	1,015,428	214,883	984,000	-13.3%	-3.1%
Asia & Oceania						
Office	74,836	305,266	68,998	-	-7.8%	-
Imaging System	71,181	294,421	53,635	-	-24.6%	-
Medical System	15,633	73,705	14,255	-	-8.8%	-
Industry & Others	86,662	317,138	55,035	-	-36.5%	-
Eliminations	-	-	-	-	-	-
Total	248,312	990,530	191,923	888,600	-22.7%	-10.3%
Intersegment						
Office	582	3,299	753	-	+29.4%	-
Imaging System	141	775	290	-	+105.7%	-
Medical System	40	273	80	-	+100.0%	-
Industry & Others	23,659	101,971	22,473	-	-5.0%	-
Eliminations	-24,422	-106,318	-23,596	-	-	-
Total	0	0	0	0	-	-
Total						
Office	442,712	1,807,301	425,622	-	-3.9%	-
Imaging System	212,512	970,435	176,316	-	-17.0%	-
Medical System	117,065	437,578	109,420	-	-6.5%	-
Industry & Others	212,845	842,941	176,455	-	-17.1%	-
Eliminations	-24,422	-106,318	-23,347	-	-	-
Total	960,712	3,951,937	864,466	3,850,000	-10.0%	-2.6%

* Businesses such as broadcast equipment and cinema use video cameras that were included in Imaging System were reclassified to Industry & Others.

4. Statements of Cash Flows

(Millions of yen)

	FY 2018		FY 2019		Amount Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Net cash provided by operating activities	42,143	365,293	60,869	570,000	+18,726	+204,707
Net cash used in investing activities	-49,921	-195,615	-51,632	-260,000	-1,711	-64,385
Free cash flow	-7,778	169,678	9,237	310,000	+17,015	+140,322
Net cash provided by (used in) financing activities	-95,721	-354,830	-87,000	-325,000	+8,721	+29,830
Effect of exchange rate changes on cash and cash equivalents	-17,604	-16,017	-1,786	-5,645	+15,818	+10,372
Net change in cash and cash equivalents	-121,103	-201,169	-79,549	-20,645	+41,554	+180,524
Cash and cash equivalents at end of period	600,711	520,645	441,096	500,000	-159,615	-20,645

5. Foreign Exchange Rate Impact

(1) Exchange rates

(Yen)

	FY 2018		FY 2019		
	1Q Actual	Full Year Actual	1Q Actual	2Q - 4Q Projection	Full Year Projection
USD/Yen	108.03	110.43	110.31	105.00	106.20
EUR/Yen	133.10	130.29	125.17	125.00	125.04

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

(Billions of yen)

	FY 2019	
	1Q Actual	Full Year Projection
USD	+5.4	-57.2
EUR	-12.0	-34.7
Other currencies	-3.6	-15.6
Total	-10.2	-107.5

(3) Impact of foreign exchange rate per yen

(Billions of yen)

	FY 2019
	2Q - 4Q Projection
On sales	
USD	10.1
EUR	4.8
On operating Profit	
USD	3.4
EUR	2.4

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

	FY 2019	
	1Q Actual	Full Year Projection
Office		
Japan	+6.3%	-
Overseas	-5.7%	-
Total	-3.0%	+1.0%
Imaging System		
Japan	-5.6%	-
Overseas	-17.0%	-
Total	-15.4%	-5.2%
Medical System		
Japan	-7.0%	-
Overseas	-3.3%	-
Total	-5.1%	+11.7%
Industry & Others		
Japan	-15.3%	-
Overseas	-18.9%	-
Total	-16.6%	-1.5%
Total		
Japan	-2.5%	-
Overseas	-10.9%	-
Americas	-2.0%	-
Europe	-8.8%	-
Asia and Oceania	-21.7%	-
Total	-9.0%	+0.1%

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

(Millions of yen)

	FY 2018		FY 2019	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection
R&D Expenditure				
Office	24,726	87,967	21,386	-
Imaging System	17,652	74,797	17,683	-
Medical System	9,910	38,421	9,336	-
Industry and Others	18,216	82,825	19,185	-
Corporate & Eliminations	8,416	31,832	6,345	-
Total	78,920	315,842	73,935	312,500
% of Net Sales	8.2%	8.0%	8.6%	8.1%
Capex	32,993	159,316	46,097	165,000
Depreciation & Amoritization	60,537	251,554	58,832	230,000

* Businesses such as broadcast equipment and cinema use video cameras that were included in Imaging System were reclassified to Industry & Others.

8. Other Financial Data

	FY 2018		FY 2019	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection
ROE	8.1%	8.9%	4.5%	7.1%
ROA	4.5%	5.0%	2.6%	4.1%
EPS - Basic (Yen)	52.89	234.09	29.00	185.23
EPS - Diluted (Yen)	52.89	234.08	28.99	185.20

	FY 2018	FY 2019
	Dec. 31	Mar. 31
Debt Ratio	8.2%	10.8%
Number of Employees		
Japan	73,460	72,867
Overseas	121,596	122,106
Total	195,056	194,973
Domestic Production Ratio	62%	62%

* According to the adoption of new lease accounting standards, the lease obligations related to operating leases are included in debt from 2019.