

FY 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		FY 2020	% Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2019		FY 2020
						4Q Actual	Full Year Actual	Full Year Projection
Office								
External customers	470,465	1,804,002	434,510	1,699,653	1,691,000	-7.6%	-5.8%	-0.5%
Intersegment	1,107	3,299	830	2,942	3,000	-25.0%	-10.8%	+2.0%
Total sales	471,572	1,807,301	435,340	1,702,595	1,694,000	-7.7%	-5.8%	-0.5%
Operating profit	60,669	220,804	40,573	168,907	188,300	-33.1%	-23.5%	+11.5%
Operating profit ratio	12.9%	12.2%	9.3%	9.9%	11.1%			
Imaging System								
External customers	286,951	969,660	237,015	806,425	786,500	-17.4%	-16.8%	-2.5%
Intersegment	271	775	222	989	500	-18.1%	+27.6%	-49.4%
Total sales	287,222	970,435	237,237	807,414	787,000	-17.4%	-16.8%	-2.5%
Operating profit	42,458	126,836	20,686	48,167	53,700	-51.3%	-62.0%	+11.5%
Operating profit ratio	14.8%	13.1%	8.7%	6.0%	6.8%			
Medical System								
External customers	118,094	437,305	109,311	437,456	486,000	-7.4%	+0.0%	+11.1%
Intersegment	93	273	714	1,069	1,000	+667.7%	+291.6%	-6.5%
Total sales	118,187	437,578	110,025	438,525	487,000	-6.9%	+0.2%	+11.1%
Operating profit	8,810	28,839	7,623	26,744	39,000	-13.5%	-7.3%	+45.8%
Operating profit ratio	7.5%	6.6%	6.9%	6.1%	8.0%			
Industry & Others								
External customers	182,830	740,970	172,096	648,165	736,500	-5.9%	-12.5%	+13.6%
Intersegment	25,620	101,971	20,797	89,780	92,500	-18.8%	-12.0%	+3.0%
Total sales	208,450	842,941	192,893	737,945	829,000	-7.5%	-12.5%	+12.3%
Operating profit	8,847	55,665	610	15,481	44,800	-93.1%	-72.2%	+189.4%
Operating profit ratio	4.2%	6.6%	0.3%	2.1%	5.4%			
Corporate & Eliminations								
External customers	0	0	537	1,600	0	-	-	-
Intersegment	-27,091	-106,318	-22,563	-94,780	-97,000	-	-	-
Total sales	-27,091	-106,318	-22,026	-93,180	-97,000	-	-	-
Operating profit	-21,206	-89,192	-16,823	-84,632	-95,800	-	-	-
Operating profit ratio								
Consolidated								
External customers	1,058,340	3,951,937	953,469	3,593,299	3,700,000	-9.9%	-9.1%	+3.0%
Intersegment	-	-	-	-	-	-	-	-
Total sales	1,058,340	3,951,937	953,469	3,593,299	3,700,000	-9.9%	-9.1%	+3.0%
Operating profit	99,578	342,952	52,669	174,667	230,000	-47.1%	-49.1%	+31.7%
Operating profit ratio	9.4%	8.7%	5.5%	4.9%	6.2%			

* 2018 results for 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		FY 2020	% Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2019		FY 2020
						4Q Actual	Full Year Actual	Full Year Projection
Interest and dividend, net	1,030	5,807	1,033	4,488	2,558	+3	-1,319	-1,930
FX gain (loss)	946	-6,044	-6,620	-4,236	-3,231	-7,566	+1,808	+1,005
Equity earnings of affiliated cos.	-103	1,414	-435	-311	512	-332	-1,725	+823
Other, net	-1,489	18,763	4,881	21,132	15,161	+6,370	+2,369	-5,971
Total	384	19,940	-1,141	21,073	15,000	-1,525	+1,133	-6,073

3. Net Sales by Region & Business Unit

(Millions of yen)

	FY 2018		FY 2019		FY 2020	% Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2019		FY 2020
						4Q Actual	Full Year Actual	Full Year Projection
Japan								
Office	99,099	385,114	97,174	403,845	-	-1.9%	+4.9%	-
Imaging System	52,044	146,854	39,926	128,638	-	-23.3%	-12.4%	-
Medical System	41,288	178,789	35,706	182,506	-	-13.5%	+2.1%	-
Industry & Others	43,343	158,820	41,269	155,945	-	-4.8%	-1.8%	-
Eliminations	0	0	537	1,600	-	-	-	-
Total	235,774	869,577	214,612	872,534	873,200	-9.0%	+0.3%	+0.1%
Overseas								
Office	371,366	1,418,888	337,336	1,295,808	-	-9.2%	-8.7%	-
Imaging System	234,907	822,806	197,089	677,787	-	-16.1%	-17.6%	-
Medical System	76,806	258,516	73,605	254,950	-	-4.2%	-1.4%	-
Industry & Others	139,487	582,150	130,827	492,220	-	-6.2%	-15.4%	-
Eliminations	0	0	0	-	-	-	-	-
Total	822,566	3,082,360	738,857	2,720,765	2,826,800	-10.2%	-11.7%	+3.9%
Americas								
Office	149,806	564,580	143,059	547,941	-	-4.5%	-2.9%	-
Imaging System	83,592	260,839	69,088	218,209	-	-17.4%	-16.3%	-
Medical System	31,534	102,560	29,004	104,739	-	-8.0%	+2.1%	-
Industry & Others	40,595	148,423	42,092	158,189	-	+3.7%	+6.6%	-
Eliminations	0	0	0	-	-	-	-	-
Total	305,527	1,076,402	283,243	1,029,078	1,061,500	-7.3%	-4.4%	+3.2%
Europe								
Office	143,330	549,042	124,639	472,725	-	-13.0%	-13.9%	-
Imaging System	79,504	267,546	69,205	232,326	-	-13.0%	-13.2%	-
Medical System	24,476	82,251	23,831	79,461	-	-2.6%	-3.4%	-
Industry & Others	32,859	116,589	26,183	97,968	-	-20.3%	-16.0%	-
Eliminations	0	0	0	-	-	-	-	-
Total	280,169	1,015,428	243,858	882,480	904,000	-13.0%	-13.1%	+2.4%
Asia & Oceania								
Office	78,230	305,266	69,637	275,141	-	-11.0%	-9.9%	-
Imaging System	71,811	294,421	58,796	227,252	-	-18.1%	-22.8%	-
Medical System	20,796	73,705	20,770	70,750	-	-0.1%	-4.0%	-
Industry & Others	66,033	317,138	62,552	236,063	-	-5.3%	-25.6%	-
Eliminations	0	0	0	-	-	-	-	-
Total	236,870	990,530	211,755	809,206	861,300	-10.6%	-18.3%	+6.4%
Intersegment								
Office	1,107	3,299	830	2,942	-	-25.0%	-10.8%	-
Imaging System	271	775	222	989	-	-18.1%	+27.6%	-
Medical System	93	273	714	1,069	-	+667.7%	+291.6%	-
Industry & Others	25,620	101,971	20,797	89,780	-	-18.8%	-12.0%	-
Eliminations	-27,091	-106,318	-22,563	-94,780	-	-	-	-
Total	0	0	0	0	0	-	-	-
Total								
Office	471,572	1,807,301	435,340	1,702,595	-	-7.7%	-5.8%	-
Imaging System	287,222	970,435	237,237	807,414	-	-17.4%	-16.8%	-
Medical System	118,187	437,578	110,025	438,525	-	-6.9%	+0.2%	-
Industry & Others	208,450	842,941	192,893	737,945	-	-7.5%	-12.5%	-
Eliminations	-27,091	-106,318	-22,026	-93,180	-	-	-	-
Total	1,058,340	3,951,937	953,469	3,593,299	3,700,000	-9.9%	-9.1%	+3.0%

* 2018 results for 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		FY 2020	% Change Y/Y		
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection	FY 2019		FY 2020
						4Q Actual	Full Year Actual	Full Year Projection
Net cash provided by operating activities	171,586	365,293	163,949	358,461	430,000	-7,637	-6,832	+71,539
Net cash used in investing activities	-59,161	-195,615	-70,723	-228,568	-210,000	-11,562	-32,953	+18,568
Free cash flow	112,425	169,678	93,226	129,893	220,000	-19,199	-39,785	+90,107
Net cash provided by (used in) financing activities	-119,536	-354,830	-136,152	-232,590	-220,000	-16,616	+122,240	+12,590
Effect of exchange rate changes on cash and cash equivalents	-7,478	-16,017	7,425	-5,134	-2,814	+14,903	+10,883	+2,320
Net change in cash and cash equivalents	-14,589	-201,169	-35,501	-107,831	-2,814	-20,912	+93,338	+105,017
Cash and cash equivalents at end of period	520,645	520,645	412,814	412,814	410,000	-107,831	-107,831	-2,814

5. Foreign Exchange Rate Impact

(1) Exchange rates

(Yen)

	FY 2018		FY 2019		FY 2020
	4Q Actual	Full Year Actual	4Q Actual	Full Year Actual	Full Year Projection
USD/Yen	112.89	110.43	108.75	109.03	108.00
EUR/Yen	128.74	130.29	120.35	122.03	120.00

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

(Billions of yen)

	FY 2019		FY 2020
	4Q Actual	Full Year Actual	Full Year Projection
USD	-13.2	-19.8	-11.2
EUR	-15.1	-52.4	-12.5
Other currencies	-5.0	-18.5	-2.2
Total	-33.3	-90.7	-25.9

(3) Impact of foreign exchange rate per yen

(Billions of yen)

	FY 2020
	Full Year Projection
On sales	
USD	12.2
EUR	6.0
On operating Profit	
USD	4.4
EUR	2.7

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

	FY 2019		FY 2020
	4Q Actual	Full Year Actual	Full Year Projection
Office			
Japan	-1.9%	+4.9%	-
Overseas	-5.2%	-5.7%	-
Total	-4.6%	-3.5%	+0.2%
Imaging System			
Japan	-23.3%	-12.4%	-
Overseas	-11.5%	-14.1%	-
Total	-13.6%	-13.8%	-1.6%
Medical System			
Japan	-13.5%	+2.1%	-
Overseas	+0.9%	+2.2%	-
Total	-3.6%	+2.4%	+11.7%
Industry & Others			
Japan	-4.8%	-1.8%	-
Overseas	-3.4%	-13.7%	-
Total	-5.6%	-11.3%	+12.8%
Total			
Japan	-9.0%	+0.3%	-
Overseas	-6.1%	-8.8%	-
Americas	-3.7%	-2.9%	-
Europe	-7.5%	-7.9%	-
Asia and Oceania	-7.7%	-16.1%	-
Total	-6.8%	-6.8%	+3.7%

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

(Millions of yen)

	FY 2018	FY 2019	FY 2020
	Full Year Actual	Full Year Actual	Full Year Projection
R&D Expenditure			
Office	87,967	83,557	-
Imaging System	74,797	73,087	-
Medical System	38,421	38,762	-
Industry and Others	82,825	82,837	-
Corporate & Eliminations	31,832	20,260	-
Total	315,842	298,503	300,000
% of Net Sales	8.0%	8.3%	8.1%
Capex			
Office	46,927	47,088	-
Imaging System	20,304	20,563	-
Medical System	7,059	6,450	-
Industry and Others	22,742	32,085	-
Corporate & Eliminations	62,284	71,902	-
Total	159,316	178,088	160,000
Depreciation & Amortization			
Office	64,964	58,373	-
Imaging System	38,054	35,805	-
Medical System	9,365	11,760	-
Industry and Others	41,069	41,420	-
Corporate & Eliminations	98,102	89,969	-
Total	251,554	237,327	220,000

* 2018 results for businesses such as broadcast equipment and cinema-use video cameras that were included in Imaging System were reclassified to Industry & Others.

8. Other Financial / Non-Financial Data

	FY 2018	FY 2019	FY 2020
	Full Year Actual	Full Year Actual	Full Year Projection
ROE	8.9%	4.5%	6.0%
ROA	5.0%	2.6%	3.4%
EPS - Basic (Yen)	234.09	116.93	150.40
EPS - Diluted (Yen)	234.08	116.91	150.37

	FY 2018	FY 2019
	Dec. 31	Dec. 31
Debt Ratio	8.2%	10.8%
Number of Employees		
Japan	73,460	72,979
Overseas	121,596	114,062
Total	195,056	187,041
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.