

Third 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		
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	Full Year Projection	3Q Actual	YTD Actual	Full Year
Office									
External customers	429,417	1,333,537	1,804,002	413,038	1,265,143	1,696,600	-3.8%	-5.1%	-6.0%
Intersegment	936	2,192	3,299	714	2,112	2,400	-23.7%	-3.6%	-27.3%
Total sales	430,353	1,335,729	1,807,301	413,752	1,267,255	1,699,000	-3.9%	-5.1%	-6.0%
Operating profit	47,638	160,135	220,804	40,291	128,334	172,000	-15.4%	-19.9%	-22.1%
Operating profit ratio	11.1%	12.0%	12.2%	9.7%	10.1%	10.1%			
Imaging System									
External customers	219,442	682,709	969,660	188,947	569,410	820,900	-13.9%	-16.6%	-15.3%
Intersegment	225	504	775	227	767	1,100	+0.9%	+52.2%	+41.9%
Total sales	219,667	683,213	970,435	189,174	570,177	822,000	-13.9%	-16.5%	-15.3%
Operating profit	23,340	84,223	126,681	10,088	27,481	50,800	-56.8%	-67.4%	-59.9%
Operating profit ratio	10.6%	12.3%	13.1%	5.3%	4.8%	6.2%			
Medical System									
External customers	107,556	319,211	437,305	113,863	328,145	451,500	+5.9%	+2.8%	+3.2%
Intersegment	82	180	273	74	355	500	-9.8%	+97.2%	+83.2%
Total sales	107,638	319,391	437,578	113,937	328,500	452,000	+5.9%	+2.9%	+3.3%
Operating profit	7,893	20,029	28,839	9,044	19,121	30,500	+14.6%	-4.5%	+5.8%
Operating profit ratio	7.3%	6.3%	6.6%	7.9%	5.8%	6.7%			
Industry & Others									
External customers	170,083	558,140	740,970	153,071	476,069	656,000	-10.0%	-14.7%	-11.5%
Intersegment	26,844	76,351	101,971	23,174	68,983	92,000	-13.7%	-9.7%	-9.8%
Total sales	196,927	634,491	842,941	176,245	545,052	748,000	-10.5%	-14.1%	-11.3%
Operating profit	10,510	46,818	55,665	2,616	14,871	20,400	-75.1%	-68.2%	-63.4%
Operating profit ratio	5.3%	7.4%	6.6%	1.5%	2.7%	2.7%			
Corporate & Eliminations									
External customers	0	0	0	576	1,063	0	-	-	-
Intersegment	-28,087	-79,227	-106,318	-24,189	-72,217	-96,000	-	-	-
Total sales	-28,087	-79,227	-106,318	-23,613	-71,154	-96,000	-	-	-
Operating profit	-21,053	-67,831	-89,037	-23,594	-67,809	-85,700	-	-	-
Operating profit ratio									
Consolidated									
External customers	926,498	2,893,597	3,951,937	869,495	2,639,830	3,625,000	-6.2%	-8.8%	-8.3%
Intersegment	-	-	-	-	-	-	-	-	-
Total sales	926,498	2,893,597	3,951,937	869,495	2,639,830	3,625,000	-6.2%	-8.8%	-8.3%
Operating profit	68,328	243,374	342,952	38,445	121,998	188,000	-43.7%	-49.9%	-45.2%
Operating profit ratio	7.4%	8.4%	8.7%	4.4%	4.6%	5.2%			

* 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			Amount Change Y/Y		
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	Full Year Projection	3Q Actual	YTD Actual	Full Year
Interest and dividend, net	1,696	4,777	5,807	1,074	3,455	3,455	-622	-1,322	-2,352
FX gain (loss)	-7,287	-6,990	-6,044	1,622	2,384	4,285	+8,909	+9,374	+10,329
Equity earnings of affiliated cos.	593	1,517	1,414	9	124	378	-584	-1,393	-1,036
Other, net	3,720	20,252	18,763	5,874	16,251	19,882	+2,154	-4,001	+1,119
Total	-1,278	19,556	19,940	8,579	22,214	28,000	+9,857	+2,658	+8,060

3. Net Sales by Region & Business Unit

(Millions of yen)

	FY 2018			FY 2019			% Change Y/Y		
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	Full Year Projection	3Q Actual	YTD Actual	Full Year
Japan									
Office	92,516	286,015	385,114	104,186	306,671	-	+12.6%	+7.2%	-
Imaging System	34,561	94,810	146,854	33,055	88,712	-	-4.4%	-6.4%	-
Medical System	43,096	137,501	178,789	53,974	146,800	-	+25.2%	+6.8%	-
Industry & Others	35,176	115,477	158,820	36,025	114,676	-	+2.4%	-0.7%	-
Eliminations	0	0	0	576	1,063	-	-	-	-
Total	205,349	633,803	869,577	227,816	657,922	887,600	+10.9%	+3.8%	+2.1%
Overseas									
Office	336,901	1,047,522	1,418,888	308,852	958,472	-	-8.3%	-8.5%	-
Imaging System	184,881	587,899	822,806	155,892	480,698	-	-15.7%	-18.2%	-
Medical System	64,460	181,710	258,516	59,889	181,345	-	-7.1%	-0.2%	-
Industry & Others	134,907	442,663	582,150	117,046	361,393	-	-13.2%	-18.4%	-
Eliminations	0	0	0	0	0	-	-	-	-
Total	721,149	2,259,794	3,082,360	641,679	1,981,908	2,737,400	-11.0%	-12.3%	-11.2%
Americas									
Office	138,373	414,774	564,580	136,303	404,882	-	-1.5%	-2.4%	-
Imaging System	56,288	177,247	260,839	48,963	149,121	-	-13.0%	-15.9%	-
Medical System	26,039	71,026	102,560	24,742	75,735	-	-5.0%	+6.6%	-
Industry & Others	38,614	107,828	148,423	39,391	116,097	-	+2.0%	+7.7%	-
Eliminations	0	0	0	0	0	-	-	-	-
Total	259,314	770,875	1,076,402	249,399	745,835	1,038,700	-3.8%	-3.2%	-3.5%
Europe									
Office	125,376	405,712	549,042	106,620	348,086	-	-15.0%	-14.2%	-
Imaging System	58,925	188,042	267,546	52,129	163,121	-	-11.5%	-13.3%	-
Medical System	18,959	57,775	82,251	18,179	55,630	-	-4.1%	-3.7%	-
Industry & Others	25,392	83,730	116,589	22,946	71,785	-	-9.6%	-14.3%	-
Eliminations	0	0	0	0	0	-	-	-	-
Total	228,652	735,259	1,015,428	199,874	638,622	889,100	-12.6%	-13.1%	-12.4%
Asia & Oceania									
Office	73,152	227,036	305,266	65,929	205,504	-	-9.9%	-9.5%	-
Imaging System	69,668	222,610	294,421	54,800	168,456	-	-21.3%	-24.3%	-
Medical System	19,462	52,909	73,705	16,968	49,980	-	-12.8%	-5.5%	-
Industry & Others	70,901	251,105	317,138	54,709	173,511	-	-22.8%	-30.9%	-
Eliminations	0	0	0	0	0	-	-	-	-
Total	233,183	753,660	990,530	192,406	597,451	809,600	-17.5%	-20.7%	-18.3%
Intersegment									
Office	936	2,192	3,299	714	2,112	-	-23.7%	-3.6%	-
Imaging System	225	504	775	227	767	-	+0.9%	+52.2%	-
Medical System	82	180	273	74	355	-	-9.8%	+97.2%	-
Industry & Others	26,844	76,351	101,971	23,174	68,983	-	-13.7%	-9.7%	-
Eliminations	-28,087	-79,227	-106,318	-24,189	-72,217	-	-	-	-
Total	0	0	0	0	0	0	-	-	-
Total									
Office	430,353	1,335,729	1,807,301	413,752	1,267,255	-	-3.9%	-5.1%	-
Imaging System	219,667	683,213	970,435	189,174	570,177	-	-13.9%	-16.5%	-
Medical System	107,638	319,391	437,578	113,937	328,500	-	+5.9%	+2.9%	-
Industry & Others	196,927	634,491	842,941	176,245	545,052	-	-10.5%	-14.1%	-
Eliminations	-28,087	-79,227	-106,318	-23,613	-71,154	-	-	-	-
Total	926,498	2,893,597	3,951,937	869,495	2,639,830	3,625,000	-6.2%	-8.8%	-8.3%

* 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			Amount Change Y/Y		
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	Full Year Projection	3Q Actual	YTD Actual	Full Year
Net cash provided by operating activities	28,854	193,707	365,293	81,339	194,512	380,000	+52,485	+805	+14,707
Net cash used in investing activities	-46,709	-136,454	-195,615	-47,070	-157,845	-220,000	-361	-21,391	-24,385
Free cash flow	-17,855	57,253	169,678	34,269	36,667	160,000	+52,124	-20,586	-9,678
Net cash provided by (used in) financing activities	-90,818	-235,294	-354,830	11,106	-96,438	-225,000	+101,924	+138,856	+129,830
Effect of exchange rate changes on cash and cash equivalents	6,409	-8,539	-16,017	-4,552	-12,559	-15,645	-10,961	-4,020	+372
Net change in cash and cash equivalents	-102,264	-186,580	-201,169	40,823	-72,330	-80,645	+143,087	+114,250	+120,524
Cash and cash equivalents at end of period	535,234	535,234	520,645	448,315	448,315	440,000	-86,919	-86,919	-80,645

5. Foreign Exchange Rate Impact

(1) Exchange rates

(Yen)

	FY 2018			FY 2019			
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	4Q Projection	Full Year Projection
USD/Yen	111.47	109.53	110.43	107.32	109.14	105.00	107.99
EUR/Yen	129.63	130.88	130.29	119.27	122.67	117.00	121.07

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

(Billions of yen)

	FY 2019		
	3Q Actual	YTD Actual	Full Year Projection
USD	-13.0	-6.7	-34.2
EUR	-15.1	-37.2	-59.0
Other currencies	-5.2	-13.6	-21.3
Total	-33.3	-57.5	-114.5

(3) Impact of foreign exchange rate per yen

(Billions of yen)

	FY 2019
	4Q Projection
On sales	
USD	3.5
EUR	1.7
On operating Profit	
USD	1.4
EUR	0.9

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

	FY 2019		
	3Q Actual	YTD Actual	Full Year Projection
Office			
Japan	+12.6%	+7.2%	-
Overseas	-3.4%	-5.9%	-
Total	+0.0%	-3.1%	-3.0%
Imaging System			
Japan	-4.4%	-6.4%	-
Overseas	-10.3%	-15.1%	-
Total	-9.4%	-13.9%	-11.6%
Medical System			
Japan	+25.2%	+6.8%	-
Overseas	-3.0%	+2.8%	-
Total	+8.3%	+4.6%	+6.0%
Industry & Others			
Japan	+2.4%	-0.7%	-
Overseas	-10.3%	-17.0%	-
Total	-8.5%	-13.1%	-9.7%
Total			
Japan	+10.9%	+3.8%	-
Overseas	-6.4%	-9.8%	-
Americas	-0.1%	-2.6%	-
Europe	-5.7%	-8.0%	-
Asia and Oceania	-14.2%	-18.8%	-
Total	-2.6%	-6.8%	-5.4%

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

(Millions of yen)

	FY 2018			FY 2019		
	3Q Actual	YTD Actual	Full Year Actual	3Q Actual	YTD Actual	Full Year Projection
R&D Expenditure						
Office	22,920	70,673	87,967	20,112	62,262	-
Imaging System	17,609	54,165	74,797	19,146	54,602	-
Medical System	9,518	28,819	38,421	9,356	28,344	-
Industry and Others	20,848	58,737	82,825	19,234	59,036	-
Corporate & Eliminations	6,507	20,162	31,832	5,959	17,945	-
Total	77,402	232,556	315,842	73,807	222,189	305,000
% of Net Sales	8.4%	8.0%	8.0%	8.5%	8.4%	8.4%
Capex	31,350	106,416	159,316	37,306	132,085	165,000
Depreciation & Amoritzation	64,379	185,921	251,554	61,144	178,514	230,000

* 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	
	YTD Actual	Full Year Actual	YTD Actual	Full Year Projection
ROE	8.4%	8.9%	4.5%	5.1%
ROA	4.7%	5.0%	2.5%	2.9%
EPS - Basic (Yen)	167.67	234.09	86.16	130.85
EPS - Diluted (Yen)	167.66	234.08	86.15	130.83

	FY 2018	FY 2019
	Dec. 31	Sep. 30
Debt Ratio	8.2%	13.5%
Number of Employees		
Japan	73,460	73,470
Overseas	121,596	114,711
Total	195,056	188,181
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.