

First Quarter 2020 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 2019		FY 2020		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Office						
External customers	438,245	1,749,165	396,882	-	-9.4%	-
Intersegment	753	2,942	737	-	-2.1%	-
Total sales	438,998	1,752,107	397,619	-	-9.4%	-
Operating profit	44,642	164,996	45,927	-	+2.9%	-
Operating profit ratio	10.2%	9.4%	11.6%	-		
Imaging System						
External customers	176,026	806,425	151,487	-	-13.9%	-
Intersegment	290	989	241	-	-16.9%	-
Total sales	176,316	807,414	151,728	-	-13.9%	-
Operating profit	4,737	48,167	917	-	-80.6%	-
Operating profit ratio	2.7%	6.0%	0.6%	-		
Medical System						
External customers	109,340	437,456	106,055	-	-3.0%	-
Intersegment	80	1,069	39	-	-51.3%	-
Total sales	109,420	438,525	106,094	-	-3.0%	-
Operating profit	6,702	26,744	3,989	-	-40.5%	-
Operating profit ratio	6.1%	6.1%	3.8%	-		
Industry & Others						
External customers	140,606	598,653	128,489	-	-8.6%	-
Intersegment	22,473	89,780	18,642	-	-17.0%	-
Total sales	163,079	688,433	147,131	-	-9.8%	-
Operating profit	5,776	19,392	3,765	-	-34.8%	-
Operating profit ratio	3.5%	2.8%	2.6%	-		
Corporate & Eliminations						
External customers	249	1,600	-601	-	-	-
Intersegment	-23,596	-94,780	-19,659	-	-	-
Total sales	-23,347	-93,180	-20,260	-	-	-
Operating profit	-21,431	-84,632	-21,721	-	-	-
Operating profit ratio						
Consolidated						
External customers	864,466	3,593,299	782,312	-	-9.5%	-
Intersegment	-	-	-	-	-	-
Total sales	864,466	3,593,299	782,312	-	-9.5%	-
Operating profit	40,426	174,667	32,877	-	-18.7%	-
Operating profit ratio	4.7%	4.9%	4.2%	-		

* Certain businesses that were included in Industry & Others are now included in Office. Results for the previous year have been restated to confirm with the new presentation.

2. Other Income

	FY 2019		FY 2020		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Interest and dividend, net	1,276	4,488	952	-	-324	-
FX gain (loss)	-699	-4,236	185	-	+884	-
Equity earnings of affiliated cos.	-82	-311	39	-	+121	-
Other, net	5,192	21,132	458	-	-4,734	-
Total	5,687	21,073	1,634	-	-4,053	-

3. Net Sales by Region & Business Unit

(Millions of yen)

	FY 2019		FY 2020		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Japan						
Office	104,814	403,845	107,949	-	+3.0%	-
Imaging System	25,139	128,638	22,707	-	-9.7%	-
Medical System	52,107	182,506	51,306	-	-1.5%	-
Industry & Others	36,985	155,945	33,317	-	-9.9%	-
Eliminations	249	1,600	-601	-	-341.4%	-
Total	219,294	872,534	214,678	-	-2.1%	-
Overseas						
Office	333,431	1,345,320	288,933	-	-13.3%	-
Imaging System	150,887	677,787	128,780	-	-14.7%	-
Medical System	57,233	254,950	54,749	-	-4.3%	-
Industry & Others	103,621	442,708	95,172	-	-8.2%	-
Eliminations	0	0	0	-	-	-
Total	645,172	2,720,765	567,634	-	-12.0%	-
Americas						
Office	139,686	576,103	124,040	-	-11.2%	-
Imaging System	45,671	218,209	38,511	-	-15.7%	-
Medical System	23,456	104,739	22,019	-	-6.1%	-
Industry & Others	29,553	130,027	30,865	-	+4.4%	-
Eliminations	0	0	0	-	-	-
Total	238,366	1,029,078	215,435	-	-9.6%	-
Europe						
Office	124,386	492,524	109,918	-	-11.6%	-
Imaging System	51,581	232,326	52,434	-	+1.7%	-
Medical System	19,522	79,461	17,594	-	-9.9%	-
Industry & Others	19,394	78,169	17,857	-	-7.9%	-
Eliminations	0	0	0	-	-	-
Total	214,883	882,480	197,803	-	-7.9%	-
Asia & Oceania						
Office	69,359	276,692	54,975	-	-20.7%	-
Imaging System	53,635	227,252	37,835	-	-29.5%	-
Medical System	14,255	70,750	15,136	-	+6.2%	-
Industry & Others	54,674	234,512	46,450	-	-15.0%	-
Eliminations	0	0	0	-	-	-
Total	191,923	809,206	154,396	-	-19.6%	-
Intersegment						
Office	753	2,942	737	-	-2.1%	-
Imaging System	290	989	241	-	-16.9%	-
Medical System	80	1,069	39	-	-51.3%	-
Industry & Others	22,473	89,780	18,642	-	-17.0%	-
Eliminations	-23,596	-94,780	-19,659	-	-	-
Total	0	0	0	-	-	-
Total						
Office	438,998	1,752,107	397,619	-	-9.4%	-
Imaging System	176,316	807,414	151,728	-	-13.9%	-
Medical System	109,420	438,525	106,094	-	-3.0%	-
Industry & Others	163,079	688,433	147,131	-	-9.8%	-
Eliminations	-23,347	-93,180	-20,260	-	-	-
Total	864,466	3,593,299	782,312	-	-9.5%	-

* Certain businesses that were included in Industry & Others are now included in Office. Results for the previous year have been restated to confirm with the new presentation.

4. Statements of Cash Flows

	FY 2019		FY 2020		% Change Y/Y	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection	1Q	Full Year
Net cash provided by operating activities	60,869	358,461	63,349	-	+2,480	-
Net cash used in investing activities	-51,632	-228,568	-43,606	-	+8,026	-
Free cash flow	9,237	129,893	19,743	-	+10,506	-
Net cash provided by (used in) financing activities	-87,000	-232,590	13,616	-	+100,616	-
Effect of exchange rate changes on cash and cash equivalents	-1,786	-5,134	-6,231	-	-4,445	-
Net change in cash and cash equivalents	-79,549	-107,831	27,128	-	+106,677	-
Cash and cash equivalents at end of period	441,096	412,814	439,942	-	-1,154	-

5. Foreign Exchange Rate Impact

(1) Exchange rates

(Yen)

	FY 2019		FY 2020		
	1Q Actual	Full Year Actual	1Q Actual	2Q-4Q Projection	Full Year Projection
USD/Yen	110.31	109.03	108.96	-	-
EUR/Yen	125.17	122.03	120.11	-	-

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

	FY 2020	
	1Q Actual	Full Year Projection
USD	-1.8	-
EUR	-7.0	-
Other currencies	-3.2	-
Total	-12.0	-

(3) Impact of foreign exchange rate per yen

(Billions of yen)

	FY 2020
	2Q-4Q Projection
On sales	
USD	-
EUR	-
On operating Profit	
USD	-
EUR	-

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

	FY 2020	
	1Q Actual	Full Year Projection
Office		
Japan	+3.0%	-
Overseas	-11.9%	-
Total	-8.3%	-
Imaging System		
Japan	-9.7%	-
Overseas	-11.9%	-
Total	-11.6%	-
Medical System		
Japan	-1.5%	-
Overseas	-1.5%	-
Total	-1.5%	-
Industry & Others		
Japan	-9.9%	-
Overseas	-7.0%	-
Total	-9.0%	-
Total		
Japan	-2.1%	-
Overseas	-10.2%	-
Americas	-8.8%	-
Europe	-4.8%	-
Asia and Oceania	-18.0%	-
Total	-8.1%	-

7. R&D expenses / Capital expenditures / Depreciation & Amortization

(Millions of yen)

	FY 2019		FY 2020	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection
R&D expenses				
Office	21,386	83,557	18,929	-
Imaging System	17,683	73,087	14,409	-
Medical System	9,336	38,762	9,624	-
Industry and Others	19,185	82,837	18,298	-
Corporate & Eliminations	6,345	20,260	6,683	-
Total	73,935	298,503	67,943	-
% of Net Sales	8.6%	8.3%	8.7%	-
Capital expenditures	46,097	178,088	30,005	-
Depreciation & Amortization	58,832	237,327	53,790	-

8. Other Financial / Non-Financial Data

	FY 2019		FY 2020	
	1Q Actual	Full Year Actual	1Q Actual	Full Year Projection
ROE	4.5%	4.5%	3.4%	-
ROA	2.6%	2.6%	1.9%	-
EPS - Basic (Yen)	29.00	116.93	20.69	-
EPS - Diluted (Yen)	28.99	116.91	20.68	-

	FY 2019	FY 2020
	Dec. 31	Mar. 31
Debt Ratio	10.8%	14.2%
Number of Employees		
Japan	72,979	72,395
Overseas	114,062	112,786
Total	187,041	185,181
Domestic Production Ratio	62%	65%