

FY2018 3Q Results

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* The figures are rounded off to the nearest 100 million yen in this material.

* Forward-looking statements and results forecasts presented in this material are based on the management's assumptions using currently available information and therefore contain inherent risks and uncertainties.
As a consequence, due to a range of possible factors, actual results may materially differ from the forecasts.

Summary of 2018 3Q Results



Net sales **¥147.4 B (Y/Y -5.2B, -3%)**

- ✓ Although we achieved increased sales in the Enterprise segment, each of the Consumers, Area and Professional segments posted decreased sales, resulting in lower net sales.

Operating Income **¥6.2 B (Y/Y -1.2B, -16%)**

- ✓ Despite company-wide cost-cutting measures, we were not able to offset the drop in gross profits and posted a decrease in income.

Profit attributable to owners of parent **¥4.1 B (Y/Y -0.0B, -1%)**

Summary of Results

3Q 2018 Actual
(from July 1 to September 30)

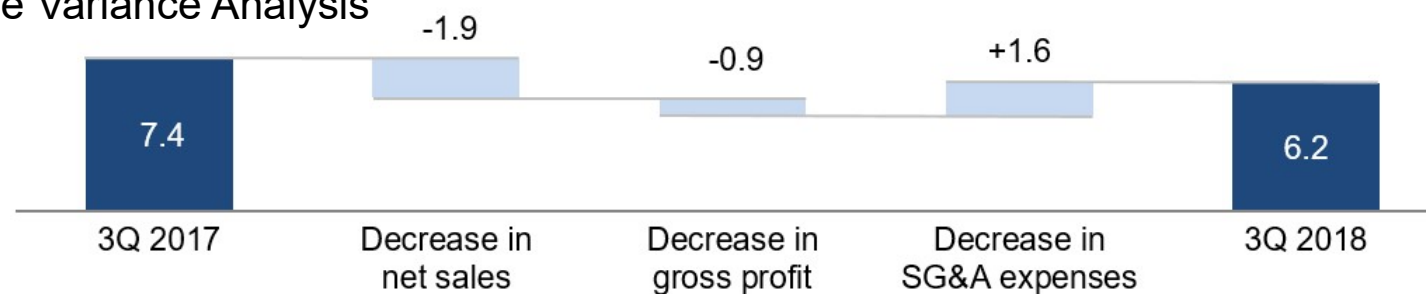


(Billions of yen)

■ Summary of Results

| | 3Q 2017 | 3Q 2018 | Changes | |
|---|------------------------|------------------------|------------------------|-------------|
| | | | Amount | % |
| Net sales | 152.6 | 147.4 | -5.2 | -3% |
| Gross profit | (35.9%) 54.8 | (35.3%) 52.0 | (-0.6%) -2.8 | -5% |
| Operating income | (4.9%) 7.4 | (4.2%) 6.2 | (-0.7%) -1.2 | -16% |
| Ordinary income | (4.9%) 7.5 | (4.3%) 6.3 | (-0.6%) -1.2 | -16% |
| Profit attributable to owners of parent | (2.7%) 4.1 | (2.8%) 4.1 | (+0.1%) -0.0 | -1% |

■ Op. Income Variance Analysis



Segment Outline

3Q 2018 Actual
(from July 1 to September 30)



| | 3Q 2017 | | 3Q 2018 | | (Billions of yen) Changes | |
|--------------|--------------|-------------|--------------|-------------|------------------------------|-------------|
| | Net sales | Op. Income | Net sales | Op. Income | Net sales | Op. Income |
| Consumers | 38.7 | 3.1 | 35.3 | 1.5 | -3.4 | -1.7 |
| Enterprise | 43.2 | 1.9 | 45.8 | 1.9 | +2.6 | +0.0 |
| Area | 62.3 | 2.6 | 61.4 | 3.2 | -0.9 | +0.7 |
| Professional | 14.3 | -0.2 | 11.1 | -0.4 | -3.2 | -0.2 |
| Other | -5.9 | 0.1 | -6.2 | 0.0 | -0.3 | -0.1 |
| Total | 152.6 | 7.4 | 147.4 | 6.2 | -5.2 | -1.2 |

Notes

*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.

*2 Starting from the third quarter of 2018, the reporting segment for Canon BizAttenda Inc., which had been included in "Enterprise", was changed to "Other." As a result of the change, results for fiscal 2017 and the first and second quarters of FY2018 have been reclassified.

Summary of Results

3Q 2018 Actual
(from January 1 to September 30)

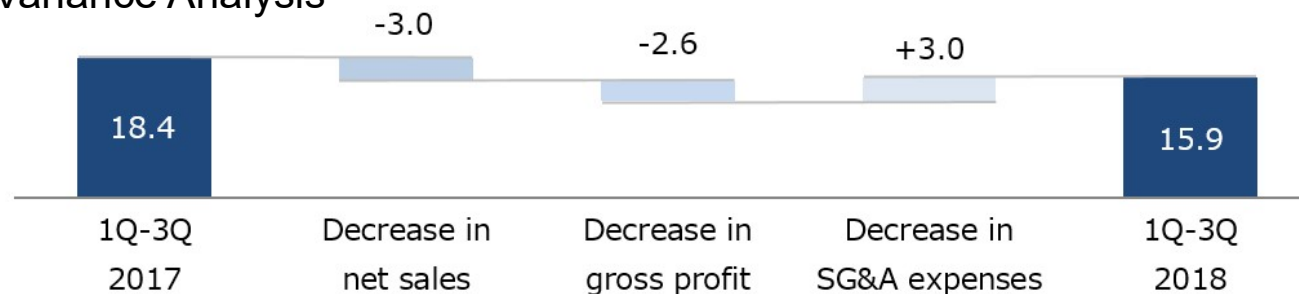


■ Summary of Results

(Billions of yen)

| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes | |
|---|------------------|------------------|-----------------|------|
| | | | Amount | % |
| Net sales | 456.2 | 447.9 | -8.3 | -2% |
| Gross profit | (35.6%) 162.6 | (35.1%) 157.0 | (-0.6%) -5.5 | -3% |
| Operating income | (4.0%) 18.4 | (3.5%) 15.9 | (-0.5%) -2.5 | -14% |
| Ordinary income | (4.2%) 19.3 | (3.9%) 17.3 | (-0.4%) -2.0 | -10% |
| Profit attributable to owners of parent | (2.7%) 12.5 | (2.6%) 11.6 | (-0.2%) -1.0 | -8% |

■ Op. Income Variance Analysis



Segment Outline

3Q 2018 Actual
(from January 1 to September 30)



| | 1Q-3Q 2017 | | 1Q-3Q 2018 | | (Billions of yen) Changes | |
|--------------|--------------|--------------|--------------|-------------|------------------------------|--------------|
| | Net sales | Op. Income | Net sales | Op. Income | Net sales | Op. Income |
| | Consumers | 109.3 | 5.7 | 96.3 | 0.4 | -13.0 |
| Enterprise | 131.1 | 5.5 | 139.1 | 6.8 | +8.0 | +1.3 |
| Area | 193.4 | 8.0 | 190.8 | 9.2 | -2.6 | +1.2 |
| Professional | 40.0 | -1.2 | 40.0 | -0.6 | +0.0 | +0.5 |
| Other | -17.7 | 0.4 | -18.4 | 0.2 | -0.7 | -0.2 |
| Total | 456.2 | 18.4 | 447.9 | 15.9 | -8.3 | -2.5 |

Notes

*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.

*2 Starting from the third quarter of 2018, the reporting segment for Canon BizAttenda Inc., which had been included in "Enterprise", was changed to "Other." As a result of the change, results for fiscal 2017 and the first and second quarters of FY2018 have been reclassified.

Segment Information Consumers Segment



Net sales : 35.3 B (Y/Y -3.4B, -9%)

- Although mirrorless cameras remained steady, sales of digital interchangeable lens cameras declined overall. Inkjet printer sales also fell due to a significant decrease in cartridge sales, resulting in decreased sales for the segment overall.

Operating income 1.5 B (Y/Y -1.7B, -53%)

- We took steps to reduce SG&A expenses but this did not offset the drop in gross profits attributable to decreased sales, resulting in lower income.

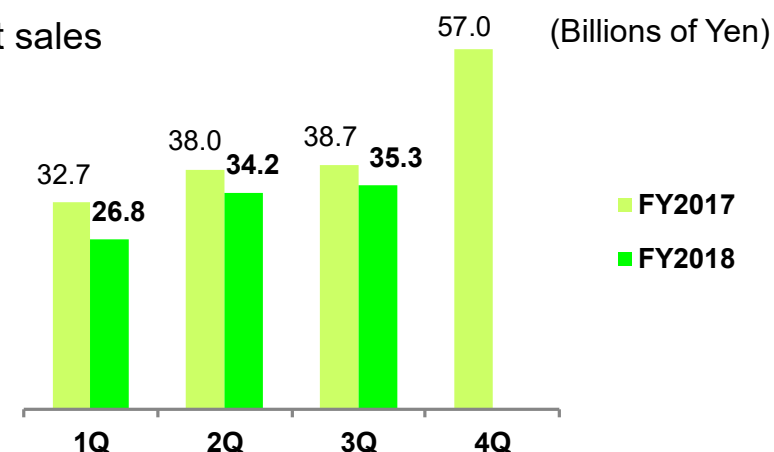
■ 2018 Actual v. 2017 Actual

| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes |
|------------|---------------|---------------|---------|
| Net sales | 109.3 | 96.3 | -13.0 |
| Op. income | 5.7 | 0.4 | -5.3 |

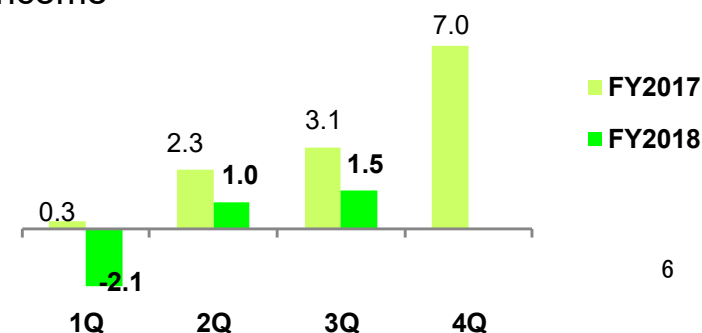
■ Net sales - Growth rate (Y/Y)

| | 1Q | 2Q | 3Q | 4Q | FY |
|--------|------|------|-----|----|----|
| FY2018 | -18% | -10% | -9% | | |

■ Net sales (Billions of Yen)



■ Op. income



Segment Information **Enterprise Segment**



Net sales : 45.8 B (Y/Y +2.6B, +6%)

- The solution business expanded mainly for the manufacturing and distribution sectors. The SI and data center businesses also increased, resulting in increased sales.

Operating income 1.9 B (Y/Y +0.0B, +2%)

- Gross profits declined partially due to the temporary occurrence of unprofitable projects. Even so, we secured an increase in income by cutting SG&A expenses.

■ 2018 Actual v. 2017 Actual

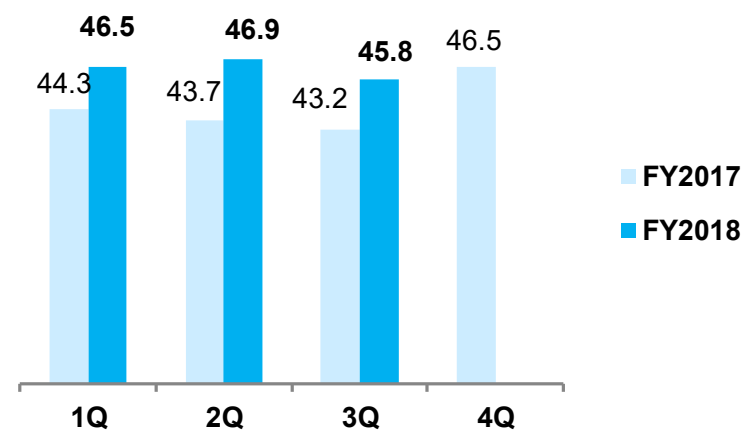
| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes |
|------------|---------------|---------------|---------|
| Net sales | 131.1 | 139.1 | +8.0 |
| Op. income | 5.5 | 6.8 | +1.3 |

■ Net sales - Growth rate (Y/Y)

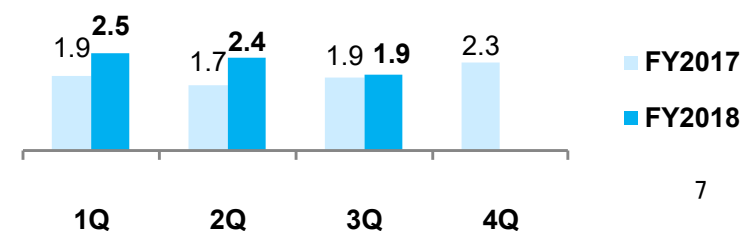
| | 1Q | 2Q | 3Q | 4Q | FY |
|--------|-----|-----|-----|----|----|
| FY2018 | +5% | +7% | +6% | | |

■ Net sales

(Billions of Yen)



■ Op. income



Segment Information Area Segment



Net sales : 61.4 B (Y/Y -0.9B, -1%)

- Main hardware declined although IT solutions increased, resulting in lower sales.

Operating income 3.2 B (Y/Y +0.7B, +26%)

- Operating income rose due to an increase in gross profit from higher sales from laser printer cartridges, etc. and reduced SG&A expenses.

■ 2018 Actual v. 2017 Actual

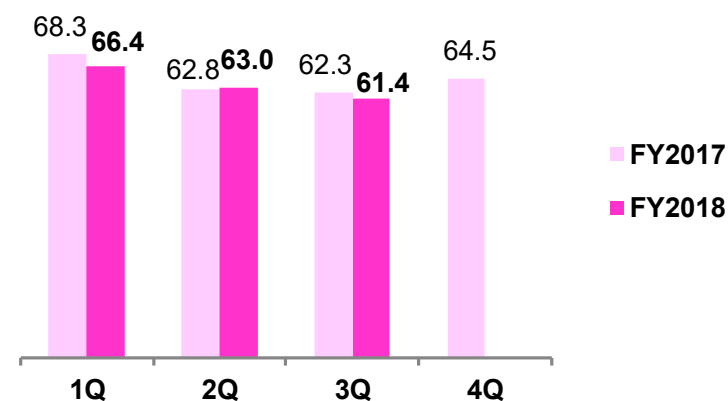
| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes |
|------------|---------------|---------------|---------|
| Net sales | 193.4 | 190.8 | -2.6 |
| Op. income | 8.0 | 9.2 | +1.2 |

■ Net sales - Growth rate (Y/Y)

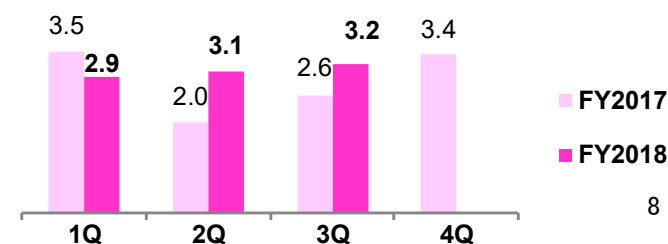
| | 1Q | 2Q | 3Q | 4Q | FY |
|--------|-----|-----|-----|----|----|
| FY2018 | -3% | +0% | -1% | | |

■ Net sales

(Billions of Yen)



■ Op. income



Segment Information Professional Segment



Net sales : 11.1 B (Y/Y -3.2B, -23%)

➤ We recorded a decline in sales given a poor performance for health care.

Operating income -0.4 B (Y/Y -0.2B, -%)

➤ Operating income fell due to the effects of declining gross profits associated with decreased sales.

■ 2018 Actual v. 2017 Actual

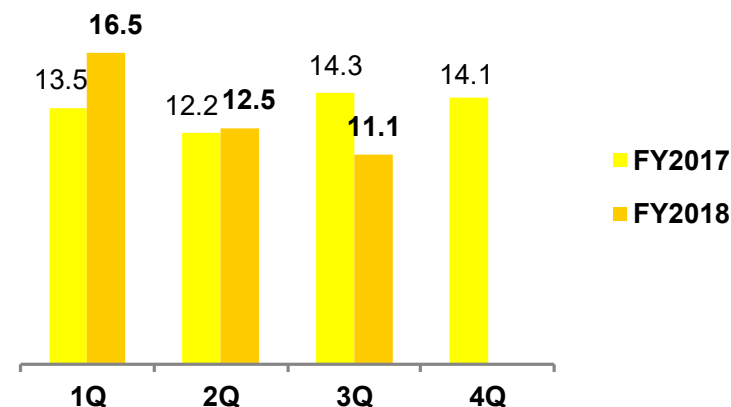
| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes |
|------------|---------------|---------------|---------|
| Net sales | 40.0 | 40.0 | +0.0 |
| Op. income | -1.2 | -0.6 | +0.5 |

■ Net sales - Growth rate (Y/Y)

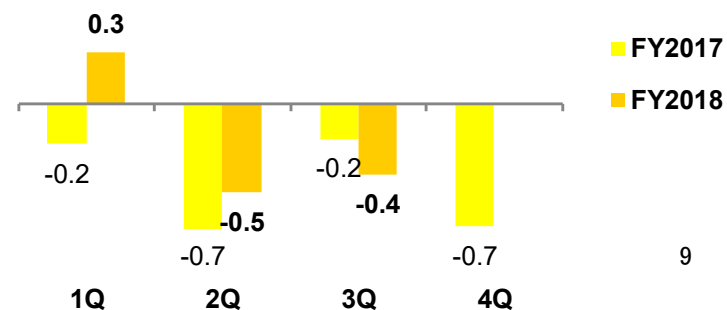
| | 1Q | 2Q | 3Q | 4Q | FY |
|--------|------|-----|------|----|----|
| FY2018 | +22% | +3% | -23% | | |

■ Net sales

(Billions of Yen)



■ Op. income



Segment Information Professional Segment



■ Net sales - Growth rate (Y/Y)

| | FY2018 |
|----------------------|---|
| | 3Q Results (from July 1 to September 30) |
| Production Printing | +1% |
| Industrial Equipment | -33% |
| Healthcare Business | -32% |
| Visual Solutions | -0% |

■ Production Printing

We posted higher sales due to a slightly better performance for high-speed continuous feed printers and high-speed cut sheet printers.

■ Industrial Equipment

We recorded lower sales due to the termination of a sales distributorship agreement for non-semiconductor-based measurement equipment with an overseas client, in addition to the temporary settlement of projects in the semiconductor sector.

■ Healthcare Business

We recorded lower sales due to sluggish performance for modality projects aimed at hospitals.

■ Visual Solutions

While the network camera business declined, sales remained almost unchanged thanks to a slightly better performance of businesses for broadcasters.

Overall Sales of IT Solutions



■ Sales of IT Solutions by Segment

(Billions of Yen)

| | 3Q 2017 | 3Q 2018 | Changes | |
|--------------------|---------|---------|---------|------|
| | | | Amount | % |
| Enterprise segment | 26.2 | 28.7 | +2.5 | +10% |
| Area segment | 13.3 | 13.9 | +0.6 | +4% |
| Other | 4.8 | 4.9 | +0.1 | +3% |
| Total | 44.3 | 47.6 | +3.3 | +7% |

| | 1Q-3Q 2017 | 1Q-3Q 2018 | Changes | |
|--------------------|---------------|---------------|---------|------|
| | | | Amount | % |
| Enterprise segment | 79.6 | 87.9 | +8.2 | +10% |
| Area segment | 42.0 | 43.6 | +1.6 | +4% |
| Other | 12.9 | 14.1 | +1.2 | +10% |
| Total | 134.5 | 145.6 | +11.1 | +8% |

■ Reference: Overall IT Security

| | Y/Y 2017 vs 2018 | |
|----------------------------|---------------------|-------|
| | 3Q | 1Q-3Q |
| Overall IT Security Amount | +1% | -0% |

Summary of Projections



(Billions of Yen)

- There is a revision of projection for FY2018.

| | FY2018 | | Changes | | 【Reference】 | | |
|--|----------------------------------|---------------------------------|--------------|------------|------------------|--------------|-------------|
| | FY2018 Previous projection | FY2018 Current Projection | Amount | % | FY2017 Actual | Changes | |
| | | | | | Amount | Amount | % |
| Net Sales | 625.0 | 620.0 | - 5.0 | -1% | 632.2 | -12.2 | -2% |
| | (4.6%) | (4.4%) | (-0.2%) | | (4.8%) | (-0.5%) | |
| Operating Income | 28.5 | 27.0 | - 1.5 | -5% | 30.4 | -3.4 | -11% |
| | (4.8%) | (4.6%) | (-0.2%) | | (5.0%) | (-0.4%) | |
| Ordinary Income | 30.0 | 28.5 | - 1.5 | -5% | 31.5 | -3.0 | -9% |
| | (3.2%) | (3.1%) | (-0.2%) | | (3.3%) | (-0.2%) | |
| Profit attributable to owners of parent | 20.2 | 19.0 | - 1.2 | -6% | 20.7 | -1.7 | -8% |
| | | | | | | | |

Summary of Projections by Segment



FY2018 Current Projection v. Previous Projection

(Billions of Yen)

| | FY2018 | | FY2018 | | Changes | | |
|--------------|---------------------|-------------|--------------------|-------------|------------------|------------|-------------|
| | Previous Projection | | Current Projection | | | | |
| | Net Sales | Op. Income | Net Sales | Op. Income | Net Sales Amount | % | Op. Income |
| Consumers | 154.5 | 9.4 | 151.0 | 8.0 | -3.5 | -2% | -1.4 |
| Enterprise | 185.0 | 8.5 | 185.0 | 8.5 | - | - | - |
| Area | 256.5 | 11.8 | 255.0 | 11.8 | -1.5 | -1% | - |
| Professional | 55.5 | -1.2 | 54.4 | -1.3 | -1.1 | -2% | -0.1 |
| Other | -26.5 | 0.0 | -25.4 | 0.0 | +1.1 | - | - |
| Total | 625.0 | 28.5 | 620.0 | 27.0 | -5.0 | -1% | -1.5 |

Notes

*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.

*2 Starting from the third quarter of 2018, the reporting segment for Canon BizAttenda Inc., which had been included in "Enterprise", was changed to "Other." As a result of the change, results for fiscal 2017 and the first and second quarters of FY2018 have been reclassified.

Summary of Projections by Segment



FY2018 Projection v. FY2017 Actual

(Billions of Yen)

| | FY2017 | | FY2018 | | Changes | | |
|--------------|--------------|-------------|--------------------|-------------|------------------|------------|-------------|
| | Actual | | Current Projection | | | | |
| | Net Sales | Op. Income | Net Sales | Op. Income | Net Sales Amount | % | Op. Income |
| Consumers | 166.3 | 12.7 | 151.0 | 8.0 | -15.3 | -9% | -4.7 |
| Enterprise | 177.6 | 7.7 | 185.0 | 8.5 | +7.4 | +4% | +0.8 |
| Area | 257.9 | 11.4 | 255.0 | 11.8 | -2.9 | -1% | +0.4 |
| Professional | 54.1 | -1.9 | 54.4 | -1.3 | +0.3 | +0% | +0.6 |
| Other | -23.8 | 0.4 | -25.4 | 0.0 | -1.6 | +7% | -0.4 |
| Total | 632.2 | 30.4 | 620.0 | 27.0 | -12.2 | -2% | -3.4 |

Notes

*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.

*2 Starting from the third quarter of 2018, the reporting segment for Canon BizAttenda Inc., which had been included in "Enterprise", was changed to "Other." As a result of the change, results for fiscal 2017 and the first and second quarters of FY2018 have been reclassified.

Earnings Forecast: Segment Information (1)



Consumers

- 4Q: We expect an increase in mirrorless cameras, particularly in EOS R, Canon's first full-sized mirrorless camera. Even so, net sales are expected to decline year on year due to the declining performance for DSLR cameras and inkjet printers. Operating income is likely to rise, reflecting increased gross profits associated with increasing mirrorless camera sales and the reduction of SG&A expenses.
- Full year: We expect that net sales will come to 151.0 billion yen, reflecting the downward revision of 3.5 billion yen from the previous plan attributable to a decrease in sales of DSLR cameras and inkjet printers. Operating income is expected to be 8.0 billion yen, reflecting a downward revision of 1.4 billion yen from the previous plan attributable to decreased income associated with a decline in sales.

Enterprise

- 4Q: We expect a decrease in sales year on year due to a decline in reaction to the posting of sales from major projects in infrastructure and office MFPs in the previous year, although the solutions business rose mainly for the manufacturing sector. Operating income is expected to decline, mainly reflecting declining gross profits associated with lower sales and a lower gross profit ratio in major projects.
- Full year: Net sales and operating income remained unchanged from the previous plan.

Earnings Forecast: Segment Information (2)



Area

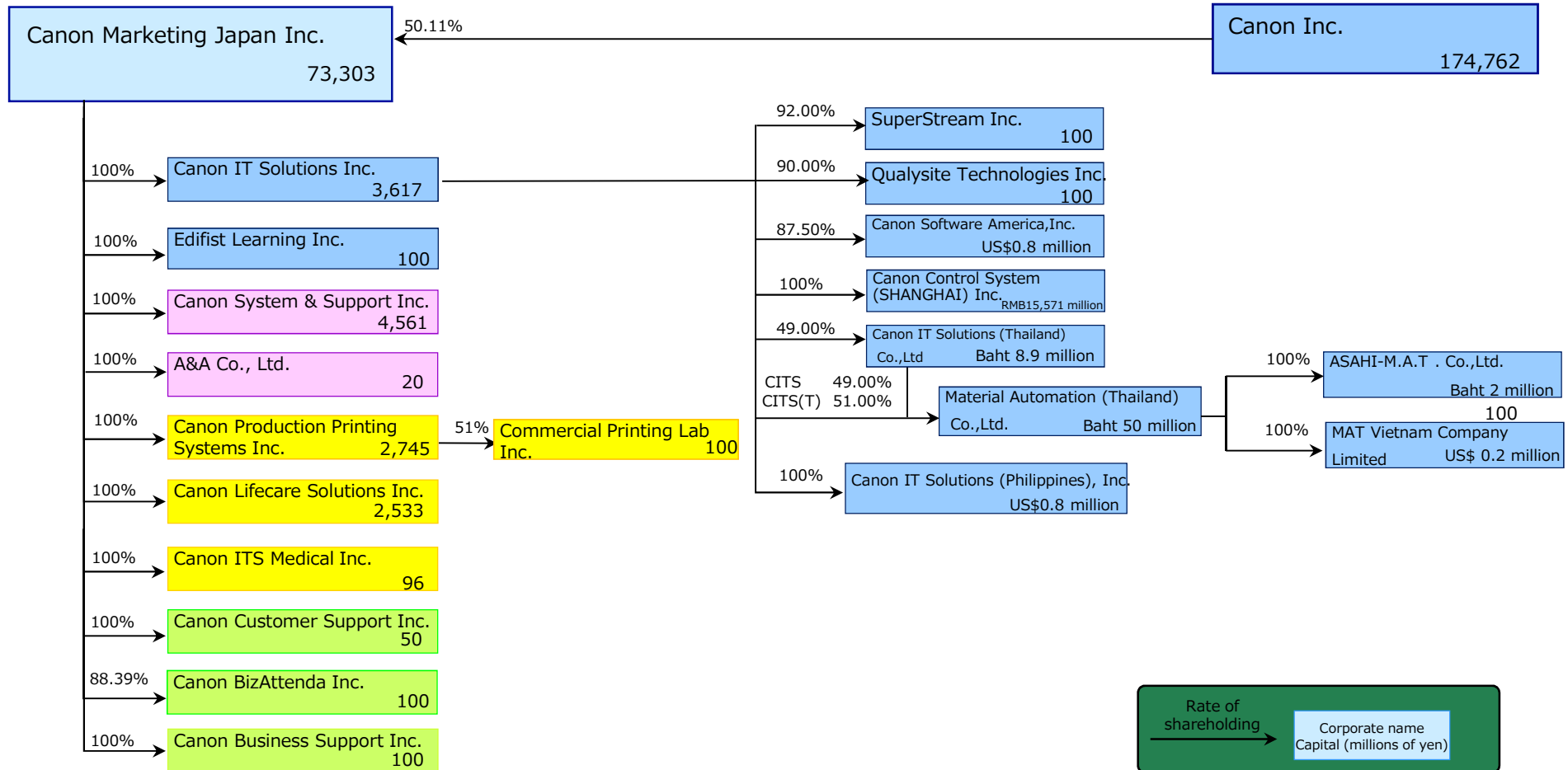
- 4Q: Shipments of main business equipment will increase along with the continued increase in sales of the IT solution business such as security and support services for the introduction of different types of IT as well as the operation and maintenance thereof. However, sales are expected to decline slightly year on year, mainly given the declining performance of maintenance services and the decrease in reaction to a last-minute increase in demand for laser printer cartridges in the 3Q. We expect to record a lower income, primarily due to a decline in sales for businesses whose gross profit ratios are high, such as maintenance services and cartridges, as well as an increase in expenses associated with the sales promotion of office MFPs.
- Full year: We expect that net sales will be 255.0 billion yen due to a downward revision of 1.5 billion yen from the previous year, reflecting the downward modification in 3Q and forecasts for 4Q. Operating income will remain unchanged.

Professional

- 4Q: The segment is expected to achieve an increase in sales and income overall, reflecting steady performances attributable to a shift of business negotiations to the 4Q in the healthcare business and planned major projects in the visual solutions business.
- Full year: With progress in healthcare slower than expected, we forecast that net sales will be 54.4 billion yen, or almost unchanged from the previous year, reflecting a downward revision of 1.1 billion yen from the previous plan. Operating income, which will be revised downward by 0.1 billion yen from the previous plan, is expected to be minus 1.3 billion yen, or an improvement of 0.6 billion yen from a year ago.

Supplementary Information

Capital Relationship Diagram



As of September 30, 2018

Results of main consolidated companies



(Billions of Yen)

| | | 3Q FY2017 | | 3Q FY2018 | | Changes | |
|--|------------|-----------|--------|-----------|--------|---------|---------|
| | | | | | | Amount | % |
| Enterprise | | | | | | | |
| Canon IT Solutions Inc. | Net sales | 21.0 | | 22.7 | | +1.7 | +8% |
| | Op. income | 1.4 | (6.7%) | 1.5 | (6.5%) | +0.1 | (-0.2%) |
| Area | | | | | | | |
| Canon System & Support Inc. | Net sales | 29.2 | | 28.5 | | -0.7 | -2% |
| | Op. income | 0.7 | (2.3%) | 1.0 | (3.3%) | +0.3 | (+1.0%) |
| Professional | | | | | | | |
| Canon Production Printing Systems Inc. | Net sales | 3.0 | | 2.9 | | -0.0 | -1% |
| | Op. income | -0.1 | (-) | -0.1 | (-) | +0.0 | (-) |
| Canon Lifecare Solutions Inc. | Net sales | 4.1 | | 2.4 | | -1.6 | -40% |
| | Op. income | 0.2 | (5.3%) | -0.1 | (-) | -0.3 | (-) |

Results of main consolidated companies



(Billions of Yen)

| | | 1Q-3Q FY2017 | | 1Q-3Q FY2018 | | Changes | |
|---|------------|-----------------|--------|-----------------|--------|---------|---------|
| | | | | | | Amount | % |
| Enterprise | | | | | | | |
| Canon IT Solutions Inc. | Net sales | 62.0 | | 66.2 | | +4.2 | +7% |
| | Op. income | 4.0 | (6.4%) | 5.1 | (7.7%) | +1.1 | (+1.3%) |
| Area | | | | | | | |
| Canon System & Support Inc. | Net sales | 90.2 | | 88.2 | | -2.0 | -2% |
| | Op. income | 2.3 | (2.6%) | 2.7 | (3.0%) | +0.3 | (+0.4%) |
| Professional | | | | | | | |
| Canon Production Printing Systems Inc. | Net sales | 9.7 | | 9.2 | | -0.4 | -4% |
| | Op. income | -0.4 | (-) | -0.4 | (-) | +0.0 | (-) |
| Canon Lifecare Solutions Inc. | Net sales | 10.9 | | 8.6 | | -2.3 | -21% |
| | Op. income | 0.2 | (2.1%) | 0.1 | (1.4%) | -0.1 | (-0.6%) |

SG&A expenses



(Billions of Yen)

| | FY 2017 | | FY 2018 | | Changes | |
|-------------------------------|-------------|--------------|-------------|--------------|-------------|-------------|
| | 3Q | 1Q-3Q | 3Q | 1Q-3Q | 3Q | 1Q-3Q |
| Advertising expenses | 1.9 | 6.0 | 2.0 | 5.8 | +0.1 | -0.2 |
| Promotion expenses | 1.1 | 3.4 | 0.9 | 3.2 | -0.2 | -0.3 |
| Warranty expenses | 1.2 | 3.9 | 1.2 | 3.6 | -0.0 | -0.4 |
| Other direct selling expenses | 4.9 | 15.1 | 4.7 | 14.4 | -0.2 | -0.7 |
| Personnel expenses | 30.6 | 92.4 | 29.6 | 91.5 | -1.0 | -0.9 |
| Depreciation and amortization | 0.5 | 1.5 | 0.3 | 1.0 | -0.2 | -0.5 |
| Other selling expenses | 7.1 | 21.7 | 7.0 | 21.7 | -0.1 | -0.0 |
| Total | 47.4 | 144.2 | 45.8 | 141.1 | -1.6 | -3.0 |

Non-operating income and expenses



(Billions of Yen)

■ Non-operating income

| | FY 2017 | | FY 2018 | | Changes | |
|------------------------------------|---------|-------|---------|-------|---------|-------|
| | 3Q | 1Q-3Q | 3Q | 1Q-3Q | 3Q | 1Q-3Q |
| Interest income | 0.0 | 0.1 | 0.0 | 0.2 | +0.0 | +0.0 |
| Dividend income | 0.0 | 0.1 | 0.0 | 0.1 | +0.0 | +0.0 |
| Insurance income | 0.0 | 0.5 | 0.0 | 0.5 | +0.0 | -0.0 |
| Gain on investments in partnership | - | - | -0.0 | 0.5 | -0.0 | +0.5 |
| Other | 0.1 | 0.4 | 0.1 | 0.3 | -0.0 | -0.1 |
| Total | 0.1 | 1.1 | 0.1 | 1.6 | -0.0 | +0.4 |

■ Non-operating expenses

| | FY 2017 | | FY 2018 | | Changes | |
|-------------------------|---------|-------|---------|-------|---------|-------|
| | 3Q | 1Q-3Q | 3Q | 1Q-3Q | 3Q | 1Q-3Q |
| Interest expense | 0.0 | 0.0 | 0.0 | 0.0 | -0.0 | +0.0 |
| Foreign exchange losses | 0.0 | 0.0 | - | - | -0.0 | -0.0 |
| Other | 0.0 | 0.2 | 0.0 | 0.2 | -0.0 | -0.0 |
| Total | 0.1 | 0.2 | 0.0 | 0.2 | -0.0 | -0.0 |

Extraordinary income and expenses



(Billions of Yen)

■ Extraordinary income

| | FY 2017 | | FY 2018 | | Changes | |
|--|---------|-------|---------|-------|---------|-------|
| | 3Q | 1Q-3Q | 3Q | 1Q-3Q | 3Q | 1Q-3Q |
| Gain on sales of fixed assets | 0.0 | 0.9 | 0.0 | 0.1 | -0.0 | -0.7 |
| Gain on sales of investments in securities | 0.1 | 0.5 | 0.1 | 0.5 | +0.0 | -0.1 |
| Gain on sales of shares of subsidiaries and associates | - | - | - | 0.2 | - | +0.2 |
| Other | - | 0.1 | - | - | - | -0.1 |
| Total | 0.1 | 1.5 | 0.1 | 0.8 | +0.0 | -0.6 |

■ Extraordinary expenses

| | FY 2017 | | FY 2018 | | Changes | |
|--|---------|-------|---------|-------|---------|-------|
| | 3Q | 1Q-3Q | 3Q | 1Q-3Q | 3Q | 1Q-3Q |
| Loss on sales and disposal of fixed assets | 0.6 | 0.8 | 0.2 | 0.3 | -0.5 | -0.6 |
| Loss on impairment of fixed assets | 0.8 | 0.8 | - | 0.0 | -0.8 | -0.8 |
| Loss on valuation of investments in securities | 0.0 | 0.0 | 0.0 | 0.1 | +0.0 | +0.1 |
| Special extra retirement payments | - | 0.1 | - | - | - | -0.1 |
| Expenses for restructuring of business bases | - | - | 0.0 | 0.1 | +0.0 | +0.1 |
| Other | 0.0 | 0.0 | 0.0 | 0.1 | +0.0 | +0.0 |
| Total | 1.4 | 1.7 | 0.2 | 0.5 | -1.2 | -1.3 |

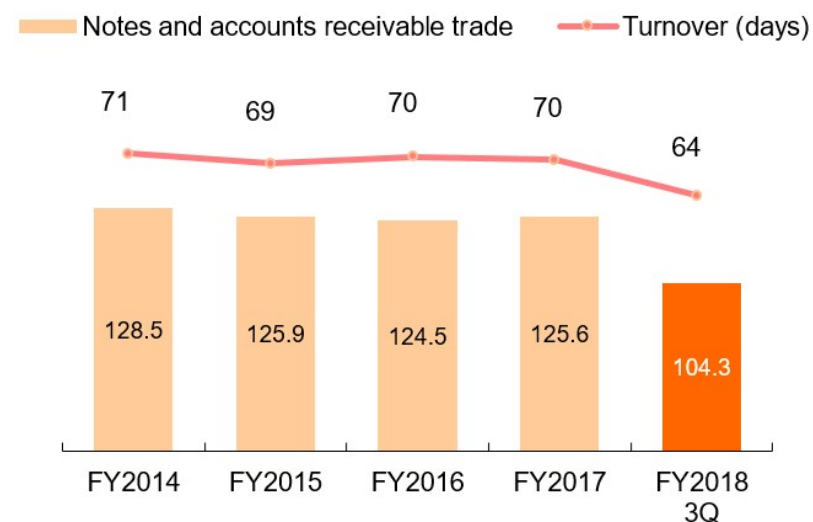
Balance Sheets



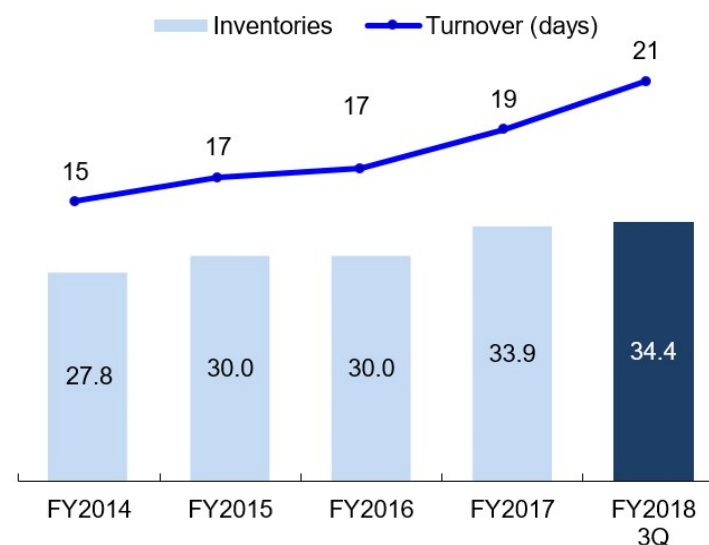
| | Dec. 31 2017 | Sep. 30 2018 | Changes |
|---|-----------------|-----------------|---------|
| Assets | 510.8 | 495.0 | -15.8 |
| Current assets | 397.5 | 384.9 | -12.7 |
| Cash and deposits | 137.0 | 114.2 | -22.7 |
| Notes and accounts receivable | 125.6 | 104.3 | -21.3 |
| Inventories | 33.9 | 34.4 | +0.6 |
| Other (current assets) | 101.0 | 131.9 | +30.8 |
| Non-current assets | 113.3 | 110.2 | -3.2 |
| Property, plant and equipment | 75.1 | 73.0 | -2.1 |
| Intangible assets | 5.5 | 4.7 | -0.8 |
| Investments and other assets | 32.8 | 32.5 | -0.3 |
| Liabilities | 213.3 | 192.1 | -21.2 |
| Current liabilities | 157.4 | 137.3 | -20.1 |
| Notes and accounts payable | 100.9 | 83.3 | -17.6 |
| Other (current liabilities) | 56.5 | 54.0 | -2.5 |
| Long-term liabilities | 55.9 | 54.8 | -1.1 |
| Net assets | 297.5 | 302.9 | +5.4 |
| Stakeholders' equity | 301.1 | 304.9 | +3.8 |
| (Treasury stock) | -31.9 | -31.9 | -0.0 |
| Total accumulated other comprehensive income (loss) | -4.1 | -2.5 | +1.6 |
| Non-controlling interests | 0.5 | 0.5 | +0.0 |
| Equity ratio | 58% | 61% | +3% |

(Billions of Yen)

Notes and accounts receivable trade



Inventories

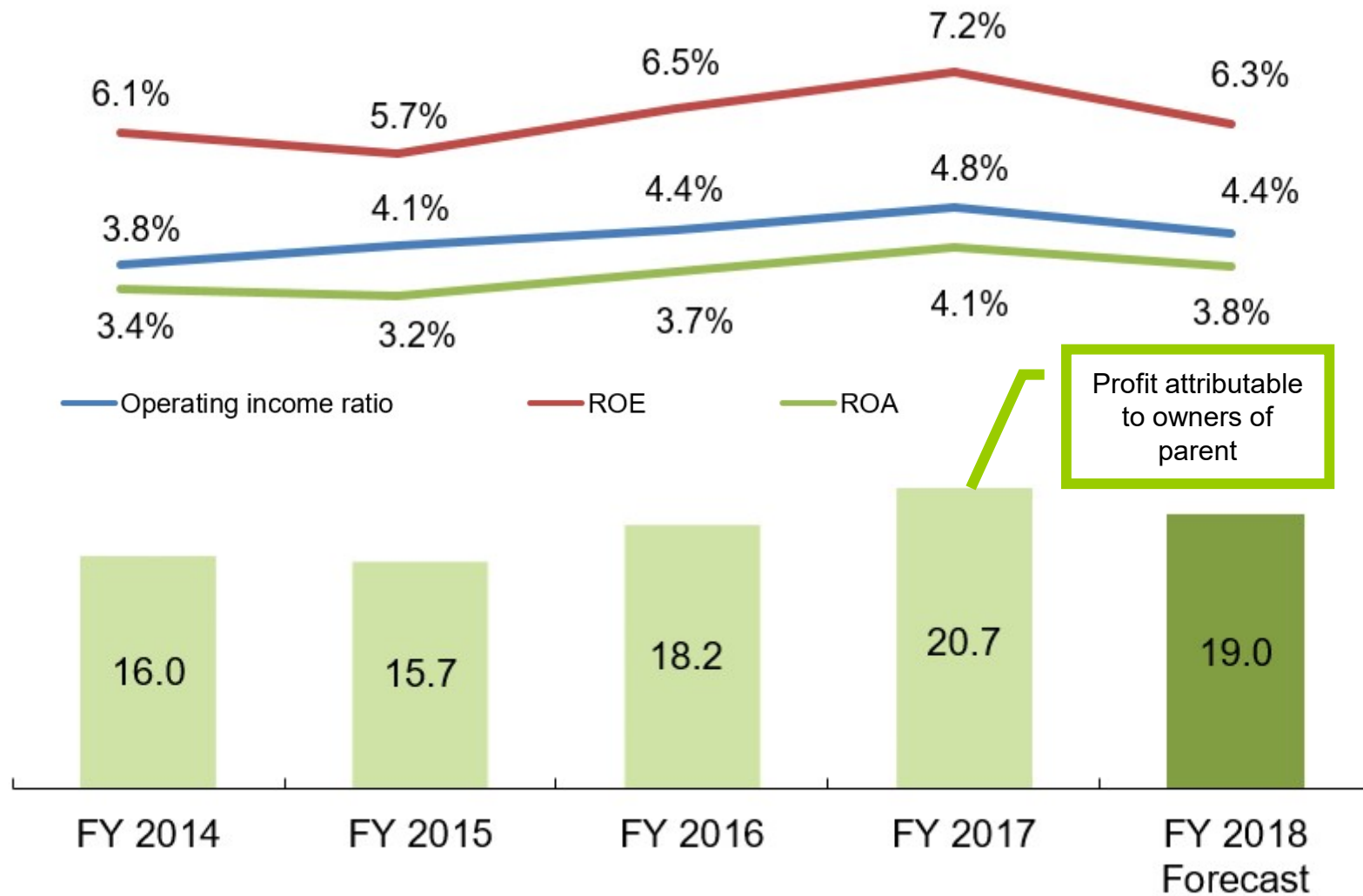


Financial Indicator



(Billions of Yen)

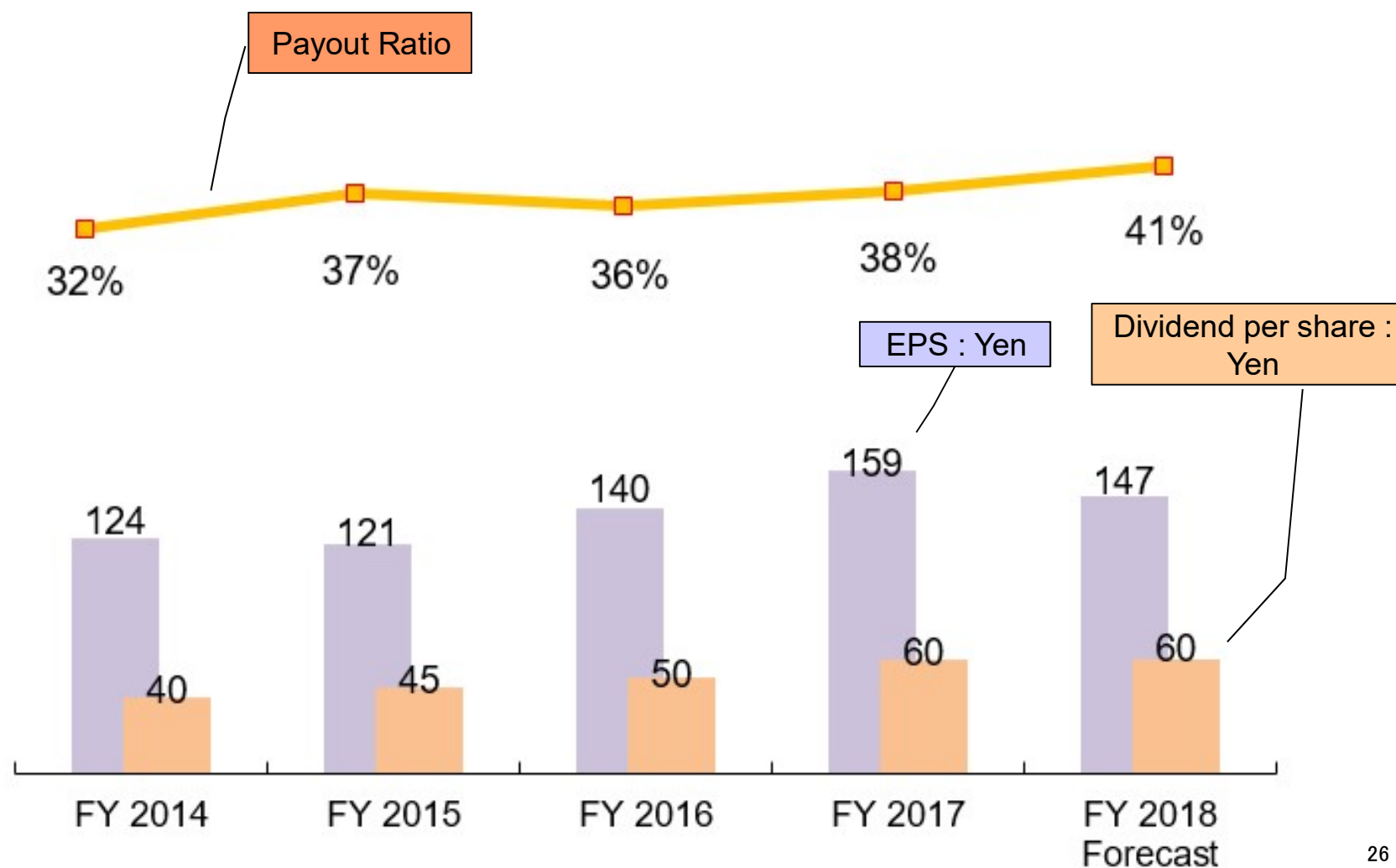
■ Operating income ratio / ROA / ROE



Financial Indicator



■ Payout Ratio / EPS / Dividend per share

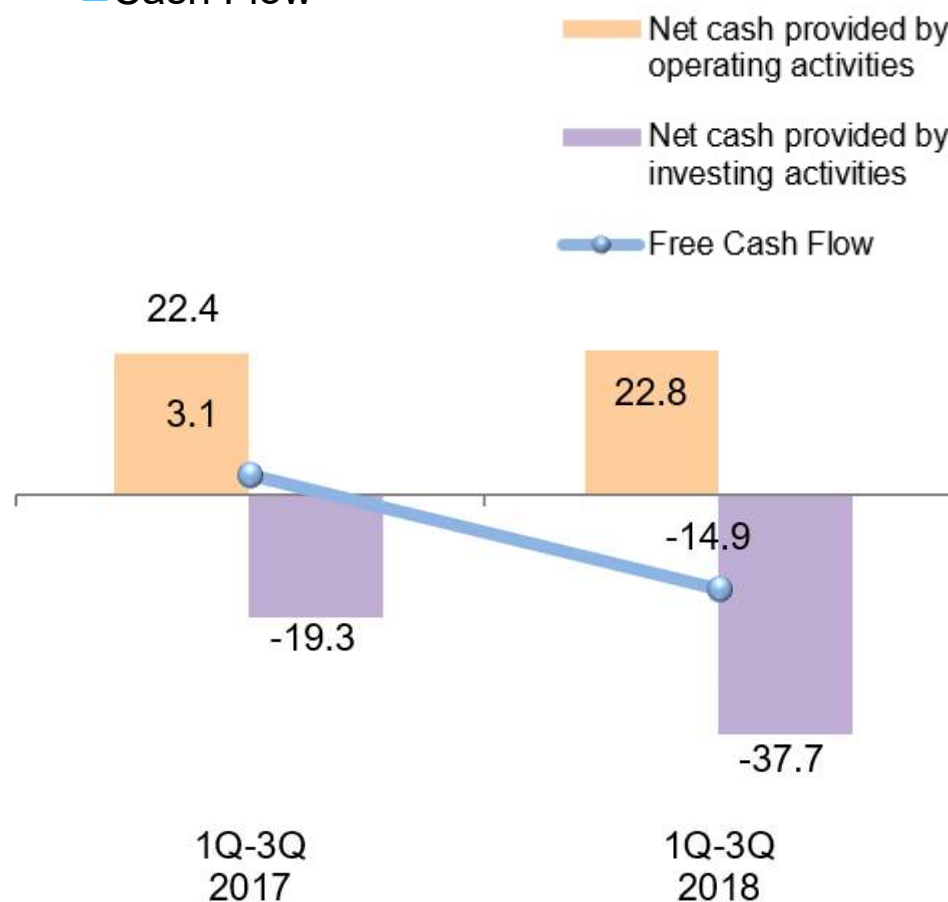


Financial Indicator



(Billions of Yen)

■ Cash Flow



■ Investment

| | 1Q-3Q Actual | 4Q Projection | FY Projection |
|---------|-----------------|------------------|------------------|
| FY 2017 | 9.3 | 4.3 | 13.7 |
| FY 2018 | 7.7 | 4.4 | 12.2 |

■ Depreciation and amortization

| | 1Q-3Q Actual | 4Q Projection | FY Projection |
|---------|-----------------|------------------|------------------|
| FY 2017 | 10.7 | 3.6 | 14.3 |
| FY 2018 | 10.0 | 3.0 | 13.0 |

Canon

Canon Marketing Japan Inc.