

1Q 2021 Results

April 23, 2021
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Director, Vice President

Canon

Canon Marketing Japan Inc.

* 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.

Net sales	¥140.4 B	(Y/Y -1.1 B, -1%)
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- ✓ Net sales decreased due to lower sales in the Enterprise, Area and Professional segments, offsetting an increase in sales in the Consumers segment.

Operating Income	¥10.6 B	(Y/Y +2.8 B, +36%)
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- ✓ In the Consumers segment, operating income increased, reflecting a rise in gross profit mainly due to growth in high value-added products, such as inkjet printers and digital interchangeable lens cameras, and efforts to reduce SG&A expenses.

Net income attributable to owners of parent	¥8.0 B	(Y/Y +3.9 B, +95%)
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On the second page, I will review the key points of the first quarter results.

Net sales fell 1%, to 140.4 billion yen, reflecting a decrease in maintenance services due to a decline in the print volume in offices, despite an increase in sales of high-value added products, such as inkjet printers and digital interchangeable lens cameras, and IT products in the Consumers segment

Operating income increased 2.8 billion yen, to 10.6 billion yen, reflecting a rise in gross profit mainly due to a rise in the weighting of high value-added products in the Consumers segment and efforts made to reduce SG&A expenses on a company-wide basis.

Net income attributable to owners of parent came to 8.0 billion yen, an increase of 3.9 billion yen, mainly reflecting a loss on sales of shares due to the sale of Canon Life Care Solutions Inc., a consolidated subsidiary, last year, and a gain on sales of shares due to the sale of Edifist Learning Inc., a consolidate subsidiary, this year.

I will explain the details of projections by segment later.

Summary of Results

1Q 2021 Actual
(from January 1 to March 31)



(Billions of yen)

	1Q 2020	1Q 2021	Changes	
			Amount	%
Net sales	141.5	140.4	-1.1	-1%
	(33.1%)	(33.7%)	(+0.6%)	
Gross profit	46.9	47.3	+0.4	+1%
	(5.5%)	(7.5%)	(+2.0%)	
Operating income	7.8	10.6	+2.8	+36%
	(5.5%)	(7.8%)	(+2.3%)	
Ordinary income	7.8	10.9	+3.1	+40%
	(2.9%)	(5.7%)	(+2.8%)	
Net income attributable to owners of parent	4.1	8.0	+3.9	+95%

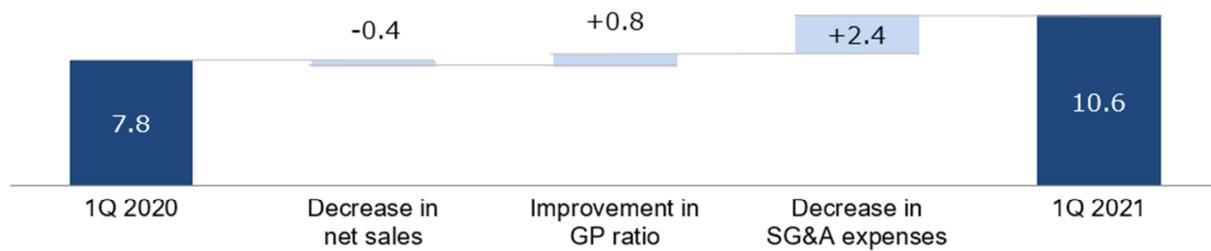
The third page shows a summary of the results for the first quarter.

Op. Income Variance Analysis

1Q 2021 Actual
(from January 1 to March 31)



(Billions of yen)



Improvement in GP ratio

•Gross profit recovered mainly in the Consumers segment.

Decrease in SG&A expenses

- Reduced advertising expenses -0.3 B
- Reduced promotion expenses -0.4 B
- Personnel expenses -1.2 B

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The fourth page shows an analysis of operating income for the first quarter.

Gross profit decreased 0.4 billion yen due to a fall in net sales. Even so, the gross profit ratio improved, reflecting an increase in sales of high value-added models of inkjet printers and digital interchangeable lens cameras in the Consumers segment.

SG&A expenses decreased 1.2 billion yen, mainly due to declines in retirement benefit expenses and overtime allowances. In addition, advertising and promotion expenses decreased, mainly reflecting the continued avoidance of holding large-scale events and in-store events largely due to the impact of the COVID-19 pandemic.

For details of SG&A expenses, please refer to the breakdown of SG&A expenses on the 17th page.

Segment Outline

1Q 2021 Actual
(from January 1 to March 31)

Canon

(Billions of yen)

	1Q 2020		1Q 2021		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	24.6	0.0	30.6	3.0	+6.0	+3.0
Enterprise	50.6	3.7	47.3	3.6	-3.4	-0.1
Area	62.0	3.6	59.4	4.0	-2.6	+0.4
Professional	8.7	0.7	8.2	0.7	-0.5	+0.0
Other	-4.5	-0.2	-5.1	-0.6	-0.6	-0.4
Total	141.5	7.8	140.4	10.6	-1.1	+2.8

※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

※Part of the organization that conducted direct sales to medium-sized/second-tier companies in the Area segment was transferred to the Enterprise segment in 2021. Accordingly, results for 2020 have been reclassified between the segments.

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The fifth page shows the summary of the results for the first quarter by segment.

- ✓ Net sales increased, mainly reflecting higher sales of inkjet printers, digital interchangeable lens cameras and IT products.
- ✓ Operating income increased significantly, reflecting a rise in gross profit due to a the higher weighting of high value-added products and efforts to reduce SG&A expenses.

(Billions of yen)

	1Q		
	FY2020	FY2021	Changes
Net sales	24.6	30.6	+24%
Op. income	0.0	3.0	-
ratio	0.1%	9.8%	+9.7%

Consumer Products, Y/Y
Non-consolidated

		1Q	2Q	3Q	4Q	Full Year
Digital Interchangeable Lens Camera	Unit	-20%	-	-	-	-
Compact Digital Camera	Unit	-2%	-	-	-	-
Inkjet Printer (IJP)	Unit	+34%	-	-	-	-
IJP Cartridge	Amount	-0%	-	-	-	-

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On the sixth and subsequent pages, I will explain results by segment.

In the Consumers segment, net sales grew 24% year on year, to 30.6 billion yen in the first quarter, mainly reflecting growth in sales of high-value added models of inkjet printers and digital interchangeable lens cameras and IT products. Operating income rose 3.0 billion yen year on year, to 3.0 billion yen, reflecting an increase in gross profit due to rise in the percentage of high value-added products in the Consumers segment and efforts made to reduce SG&A expenses.

(Digital cameras)

The number of digital interchangeable lens cameras sold decreased 20% year on year, attributable to a decline in shooting opportunities due to the COVID-19 pandemic as well as a continuing fall in demand for SLR cameras from individual customers. In the meantime, net sales for cameras increased significantly year on year, reflecting an increased percentage of sales of mirrorless cameras with high unit prices, particularly including EOS R5 and EOS R6 that were released last year, and interchangeable lenses.

(Inkjet printers)

The number of home-use inkjet printers shipped to sales stores increased, reflecting low channel inventory levels at the end of the previous fiscal year due to growth in demand for printing at home. In addition, results remained strong mainly for high value-added products, reflecting the continued strength of demand due to working from home. With results for products equipped with the GIGA TANK, a large capacity tank, continuing to be steady, net sales of inkjet printers increased significantly. On the other hand, net sales of ink cartridges decreased slightly, reflecting a market contraction largely due to a decline in demand for color printing.

(IT products)

Net sales for IT products rose substantially, reflecting the growth of peripheral PC devices against the backdrop of the continued strength of demand due to working from home and an increase in sales of gaming PCs.

- ✓ Net sales declined mainly due to the impact of a fall in sales from maintenance services and LBP cartridges, which resulted from a decline in the print volume attributable to continued telework.
- ✓ Operating income declined due to the fall in gross profit from lower sales.

	1Q			Changes
	FY2020	FY2021		
Main Business Equipment, Other	18.8	16.1	-14%	
IT Solutions	31.8	31.1	-2%	
Net sales	50.6	47.3	-7%	
Op. income	3.7	3.6	-3%	
ratio	7.3%	7.5%	+0.3%	

(Billions of yen)

[Reference] Results of main consolidated companies
Canon IT Solutions Inc.

	1Q		Changes	
	2020	2021	Amount	%
Net sales	23.6	24.5	+0.8	+4%
Op. income	2.3	2.4	+0.1	+4%

Orders received and outstanding orders, Y/Y
Canon IT Solutions, Non-consolidated

		1Q	2Q	3Q	4Q	Full Year
		Amount				
Orders received	Amount	+1%	-	-	-	-
Outstanding orders	Amount	+14%	-	-	-	-

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On the seventh page, I will explain the Enterprise segment.

Businesses for medium-sized/second-tier companies were transferred from the Area segment in January 2021. Consequently, the Enterprise segment engages in sales activities with medium-sized/second-tier companies, as well as large companies it has already been in charge of.

Net sales decreased 7% year on year, to 47.3 billion yen in the first quarter, mainly reflecting a decline in sales from maintenance services and LBP cartridges, which resulted from a decline in the print volume in offices due to customers continuing teleworking, although Canon IT Solutions showed a solid performance. Operating income decreased 0.1 billion yen year on year, to 3.6 billion yen due to the impact of decreased gross profit attributable to a fall in net sales.

(Business Equipment, Other)

Looking at main business equipment, net sales of office MFP and LBP decreased, mainly reflecting a trend of large companies continuing to curb capital investments in office equipment. Regarding maintenance services for office MFP and LBP cartridges, net sales fell, reflecting a decline in the volume of printing in offices as the number of customers engaging in telework continued to rise.

(IT solutions)

With respect to IT solutions, net sales decreased 2% year on year, partly in reaction to the large projects for IT products that had existed in the previous year, despite strong results from SI projects for financial companies, projects that addressed online services-related needs of educational institutions, and the Second Data Center.

(Results, orders received and outstanding orders for Canon IT Solutions Inc.)

Net sales for Canon IT Solutions Inc., a key affiliate, rose 4% year on year, to 24.5 billion yen. Operating income for the affiliate grew 0.1 billion yen from the previous fiscal year, to 2.4 billion yen.

Orders received by the affiliate increased 1% year on year, chiefly attributable to strong results achieved in projects for developing systems for financial companies and projects related to the Data Centers.

Outstanding orders at the affiliate increased 14% year on year mainly due to a rise in orders from financial companies and the impact of the previous year's renewal project for the First Data Center.

- ✓ Net sales declined mainly due to the impact of a fall in sales from maintenance services and LBP cartridges, which resulted from a decline in the print volume attributable to continued telework.
- ✓ Operating income increased, reflecting efforts to reduce SG&A expenses to offset a decline in gross profit attributable to lower sales.

	1Q			(Billions of yen)
	FY2020	FY2021	Changes	
Main Business Equipment, Other	43.7	42.1	-4%	
IT Solutions	18.3	17.2	-6%	
Net sales	62.0	59.4	-4%	
Op. income	3.6	4.0	+10%	
ratio	5.8%	6.7%	+0.9%	

[Reference] Results of main consolidated companies
Canon System & Support Inc.

	1Q		Changes	
	2020	2021	Amount	%
Net sales	27.5	26.2	-1.3	-5%
Op. income	0.8	1.0	+0.3	+35%

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On the eighth page, I will explain the Area segment.

Net sales for the Area segment fell 4% year on year, to 59.4 billion yen, in the first quarter, mainly reflecting the impacts of a reactionary decline to PC replacement demand that had continued in the previous year, a decrease in the printing volume in offices due to customers' continued teleworking, and a decrease in the number of maintenance services. Operating income increased 0.4 billion yen year on year, to 4.0 billion yen due to efforts made to cut SG&A expenses.

(Business Equipment, Other)

Looking at main business equipment, net sales increased as a result of progress in the acquisition of orders for office MFPs and LBPs, which had been delayed in the previous year. Net sales from maintenance services for office MFP and those for LBP cartridges decreased, reflecting a decline in the volume of printing in offices as teleworking expanded mainly in large city areas.

(IT solutions)

Regarding IT solutions, net sales from the HOME, an IT support cloud service, and security products such as the ESET anti-virus software increased, reflecting continued demand for the establishment of teleworking environments. In addition, we increased the number of orders received by focusing on acquiring maintenance and operation services for customers' IT and other equipment. However, net sales for IT solutions decreased 6% year on year overall in reaction to a rise in sales of IT products such as business PCs in the same period of the previous year, among other factors.

(Results for Canon System & Support Inc.)

Net sales for Canon System & Support Inc., a key affiliate, dropped 5% year on year, to 26.2 billion yen. Operating income for the affiliate rose 0.3 billion yen to 1.0 billion yen due to a decrease in SG&A expenses, which more than offset a fall in gross profit attributable to lower sales.

*The Area segment up to here

<Network cameras>

Consolidated net sales for network cameras whose results are stated in the Supplementary Material rose 2% year on year in the first quarter due to continued high demand for using video from them in remote places without human contact, including remote surveillance and remote control, mainly at small- and medium-sized companies, coupled with large projects for public facilities.

- ✓ Net sales decreased due to lower sales in production printing and medical IT, despite growth in industrial equipment.
- ✓ Operating income increased, mainly reflecting growth in profit from the maintenance services for industrial equipment.

	1Q			Changes
	FY2020	FY2021		
Production Printing	2.8	2.3	-17%	
Industrial Equipment	3.6	3.7	+1%	
Healthcare Business	2.3	2.2	-3%	
Net sales	8.7	8.2	-6%	
Op. income	0.7	0.7	+3%	
ratio	7.6%	8.3%	+0.7%	

(Billions of yen)

[Reference] Results of main consolidated companies
Canon Production Printing Systems Inc.

	1Q		Changes	
	2020	2021	Amount	%
Net sales	2.6	2.1	-0.5	-19%
Op. income	0.1	0.1	-0.0	-36%

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On the ninth page, I will explain the Professional segment

Net sales for the Professional segment decreased 6% year on year, to 8.2 billion yen in the first quarter, reflecting a decline in sales of production printing and medical IT, despite solid results for industrial equipment. Operating income for the segment improved 20 million yen year on year, to 0.7 billion yen, mainly reflecting the growth of maintenance services for industrial equipment.

(Production printing)

Net sales decreased 17% year on year, mainly reflecting a fall in sales of expendables attributable principally to a decline in printing volumes and a decline in net sales of continuous feed printers.

Net sales for Canon Production Printing Systems Inc., an affiliate, fell 19% year on year, to 2.1 billion yen. Operating income for the affiliate decreased 30 million yen year on year, to 50 million yen, due to a fall in gross profit attributable to lower sales, despite efforts made to reduce SG&A expenses.

Year-on-year changes in net sales are stated for consolidated commercial printing, a category for production printing, adding the production printer business whose net sales are posted in another segment, in the second line from the bottom in the Business Products section of the Supplementary Material we distributed to you. Net sales for consolidated commercial printing declined 9% year on year in the first quarter.

(Industrial equipment)

Net sales for industrial equipment increased 1% year on year due to growth in sales for maintenance services for equipment related to semiconductors manufacturing and those for inspection and measuring equipment.

(Healthcare)

Net sales decreased 3% year on year. This was mainly attributable to a slight decline in sales for hospital information systems, such as electronic medical charts for hospitals, and their IT platforms, coupled with a decline in reaction to a rise in sales from large projects for pharmacies and clinics in the previous year.

Overall Sales of IT Solutions



(Billions of yen)

	1Q 2020	1Q 2021	Changes	
			Amount	%
Enterprise segment	31.8	31.1	-0.6	-2%
Area segment	18.3	17.2	-1.0	-6%
Other	6.9	9.0	+2.0	+29%
Total	57.0	57.3	+0.4	+1%

	1Q 2020	1Q 2021	Changes	
			Amount	%
SI service	19.1	18.8	-0.3	-1%
Maintenance and operation service /outsourcing	9.7	9.9	+0.2	+2%
System sales/IT product	28.1	28.6	+0.5	+2%
Total	57.0	57.3	+0.4	+1%

※ The FY2020 financial results have been subject to reclassification due to the inclusion of the business of certain products such as network cameras in sales of IT Solutions in FY2021.

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The tenth page shows overall sales of IT solutions.

Starting from 2021, sales related to network cameras are counted as those of IT solutions, and are included as sales for the System sales/IT products category in sales by product and by solution.

Currently, the network camera business is conducted mainly by offering cameras as part of IT solution packages such as software and cloud services, rather than selling them as single units. The FY2020 financial results reflect the inclusion of network cameras and the reclassification of certain products.

I will explain the results for the first quarter.

Conditions in the Enterprise and Area segments are as explained in the Segment Information section. In other segments, net sales grew in the Consumers segment due to favorable results for IT products.

Next, let me explain conditions by product and by solution.

Net sales for the system integration service fell year on year, mainly in reaction to higher sales that had been posted by Group companies in the previous year, although Canon Solutions recorded an increase in sales for the service on an unconsolidated basis due to the strong results for projects for financial companies.

Net sales for maintenance and operation services and outsourcing increased year on year due to factors such as the contribution to sales from the completion of the Second Data Center Building in October 2020, steady results for the HOME IT-support cloud service for medium and small enterprises based on expanded demand for teleworking, and solid results for IT maintenance, a key service area.

Net sales for system sales/IT products rose year on year, as a result of an increase in sales for PC peripheral devices and the strong performance of gaming PCs based on greater demand for working from home, in spite of a reactionary fall in business PC replacement demand.

Summary of Projections

Canon

(Billions of yen)

	FY2021	FY2021	Changes		FY2020	Changes	
	Previous Projection	Current Projection	Amount	%	Actual	Amount	%
Net Sales	560.0	567.0	+7.0	+1%	545.1	+21.9	+4%
	(5.8%)	(6.0%)	(+0.2%)		(5.7%)	(+0.3%)	
Operating Income	32.5	34.0	+1.5	+5%	31.3	+2.7	+9%
	(5.9%)	(6.1%)	(+0.2%)		(6.5%)	(-0.3%)	
Ordinary Income	33.3	34.8	+1.5	+5%	35.2	- 0.4	-1%
	(4.0%)	(4.1%)	(+0.1%)		(4.0%)	(+0.1%)	
Net income attributable to owners of parent	22.5	23.5	+1.0	+4%	22.0	+1.5	+7%

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The eleventh page shows a summary of projections.

In light of the progress during the first quarter, we have made upward revisions to net sales, operating income, ordinary income and net income attributable to owners of parent of 7.0 billion yen, 1.5 billion yen, 1.5 billion yen and 1.0 billion yen, respectively.

Summary of Projections by Segment

FY2021 Current Projection v. Previous Projection

(Billions of yen)

	FY2021 Previous Projection		FY2021 Current Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	%	Op. Income
Consumers	121.1	9.0	128.1	10.0	+7.0	+6%	+1.0
Enterprise	192.7	11.6	192.7	11.9	-	-	+0.3
Area	228.5	11.5	228.5	11.7	-	-	+0.2
Professional	34.7	2.4	34.7	2.4	-	-	-
Other	-17.0	-2.0	-17.0	-2.0	-	-	-
Total	560.0	32.5	567.0	34.0	+7.0	+1%	+1.5

※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

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The twelfth page shows comparisons with the previous projection by segment.

Inkjet printers continues to perform strongly mainly due to demand for working from home, and IT solutions are expected to exceed the initial projection. Taking these factors into consideration, we have made upward revisions of 7.0 billion yen in net sales and 1.0 billion yen in operating income for the Consumers segment, 0.3 billion yen in operating income for the Enterprise segment, and 0.2 billion yen in operating income for the Area segment, respectively.

As a result of these revisions, we have reviewed the Supplementary Material for 2021 1Q that we distributed to you.

In conjunction with forecasts for the second quarter and beyond, we expect that net sales of cameras will increase due to a market recovery in reaction to a fall in demand last year.

On the other hand, net sales for inkjet printers are expected to decline this year mainly in reaction to a rise in demand last year due to the spread of home learning, as well as work from home.

Regarding main business equipment, net sales for maintenance services are expected to decrease due to a decline in print volumes in offices as teleworking continues mainly at large companies. However, we expect that sales for office MFP and LBP will rise in reaction to a significant drop in the number of units sold caused by a decrease in the number of projects and restrictions on sales activities attributable to the COVID-19 pandemic last year.

Regarding IT solutions for large companies, progress is expected to be made in the acquisition of projects on production management and demand prediction, reflecting a recovery in the amount of orders received by manufacturing companies, as well as a steady advancement in projects for financial companies. In addition, regarding small- and medium-sized companies, with demand for establishing teleworking environments expected to continue, sales from security and IT maintenance services are expected to increase.

Summary of Projections by Segment

FY2021 Projection vs FY2020 Actual

(Billions of yen)

	FY2020 Actual		FY2021 Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	%	Op. Income
Consumers	124.7	12.3	128.1	10.0	+3.4	+3%	-2.3
Enterprise	184.6	9.4	192.7	11.9	+8.1	+4%	+2.5
Area	223.7	9.0	228.5	11.7	+4.8	+2%	+2.7
Professional	30.7	1.9	34.7	2.4	+4.0	+13%	+0.5
Other	-18.6	-1.3	-17.0	-2.0	+1.6	-	-0.7
Total	545.1	31.3	567.0	34.0	+21.9	+4%	+2.7

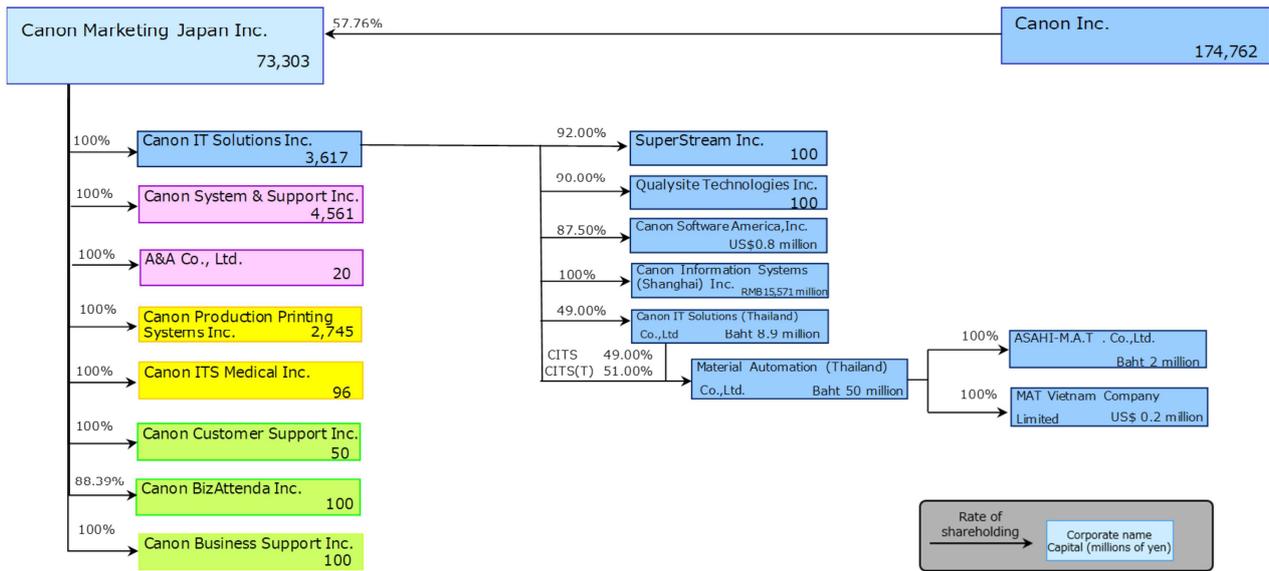
※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

※Part of the organization that conducted direct sales to medium-sized/second-tier companies in the Area segment was transferred to the Enterprise segment in 2021. Accordingly, results for 2020 have been reclassified between the segments. Following a careful examination, some numbers have been changed with respect to the FY2020 results announced in January.

The thirteenth page shows comparisons with the previous by segment.

Supplementary Information

Capital Relationship Diagram



As of March 31, 2021 15

Results of main consolidated companies

1Q 2021 Actual
(from January 1 to March 31)



(Billions of yen)

		1Q 2020		1Q 2021		Changes	
						Amount	%
Enterprise							
Canon IT Solutions Inc.	Net sales	23.64		24.47		+0.83	+4%
	Op. income	2.33	(9.8%)	2.43	(9.9%)	+0.10	(+0.1%)
Area							
Canon System & Support Inc.	Net sales	27.48		26.20		-1.28	-5%
	Op. income	0.77	(2.8%)	1.04	(4.0%)	+0.27	(+1.2%)
Professional							
Canon Production Printing Systems Inc.	Net sales	2.64		2.14		-0.50	-19%
	Op. income	0.08	(3.2%)	0.05	(2.6%)	-0.03	(Δ0.7%)

SG&A expenses

1Q 2021 Actual
(from January 1 to March 31)

Canon

(Billions of yen)

	1Q 2020	1Q 2021	Changes
Advertising expenses	1.1	0.8	-0.3
Promotion expenses	1.0	0.6	-0.4
Warranty expenses	0.9	0.8	-0.1
Other direct selling expenses	4.5	4.3	-0.2
Personnel expenses	24.9	23.7	-1.2
Depreciation and amortization	0.2	0.3	+0.0
Other selling expenses	6.5	6.2	-0.3
Total	39.1	36.7	-2.4

Non-operating income and expenses

Canon

(Billions of yen)

	FY2020	FY2021	Changes
	1Q	1Q	1Q
Interest income	0.1	0.1	+0.0
Dividend income	0.0	0.0	-0.0
Gain on investments in partnership	-	0.2	+0.2
Other, net	0.1	0.2	+0.1
Total non-operating income	0.2	0.4	+0.3
Interest expense	0.0	0.0	-0.0
Foreign exchange losses	0.0	0.0	-0.0
Other, net	0.1	0.1	-0.0
Total non-operating expenses	0.1	0.1	-0.0

Extraordinary income and expenses

Canon

(Billions of yen)

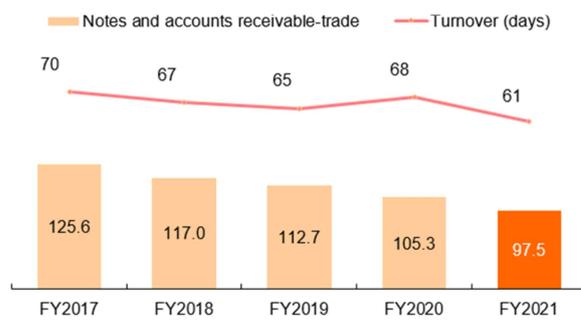
	FY2020	FY2021	Changes
	1Q	1Q	1Q
Gain on sales of fixed assets	0.3	0.0	-0.3
Gain on sales of shares of subsidiaries and associates	-	0.9	+0.9
Other, net	0.0	0.0	-0.0
Total extraordinary income	0.3	0.9	+0.6
Loss on sales and disposal of fixed assets	0.0	0.0	-0.0
Loss on sales of shares of subsidiaries and associates	0.7	-	-0.7
Other, net	0.0	-	-0.0
Total extraordinary expenses	0.8	0.0	-0.7

Balance Sheets

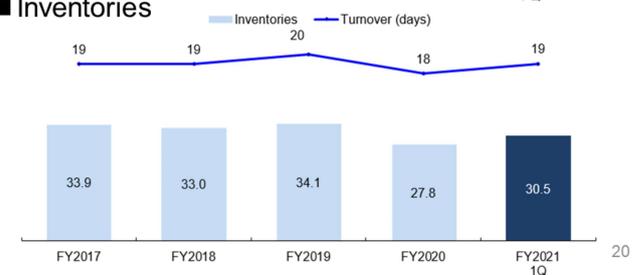


	Dec. 31 2020	Mar. 31 2021	Changes
Assets	506.6	507.8	+1.2
Current assets	380.3	380.7	+0.3
Cash and deposits	60.1	66.4	+6.3
Notes and accounts receivable-trade	105.3	97.5	-7.8
Inventories	27.8	30.5	+2.7
Other (current assets)	187.1	186.2	-0.8
Non-current assets	126.3	127.1	+0.8
Property, plant and equipment	83.7	84.1	+0.4
Intangible assets	5.7	6.0	+0.3
Investments and other assets	36.9	37.0	+0.1
Liabilities	160.5	158.5	-2.0
Current liabilities	108.4	107.0	-1.4
Notes and accounts payable-trade	44.1	47.1	+3.0
Other (current liabilities)	64.3	59.9	-4.4
Long-term liabilities	52.0	51.5	-0.6
Equity	346.1	349.3	+3.2
Stakeholders' equity	342.5	345.3	+2.8
(Treasury stock)	-2.1	-2.1	-0.0
Total accumulated other comprehensive income (loss)	3.0	3.3	+0.4
Non-controlling interests	0.7	0.7	+0.0
Equity ratio	68%	69%	+0%

Notes and accounts receivable trade (Billions of yen)



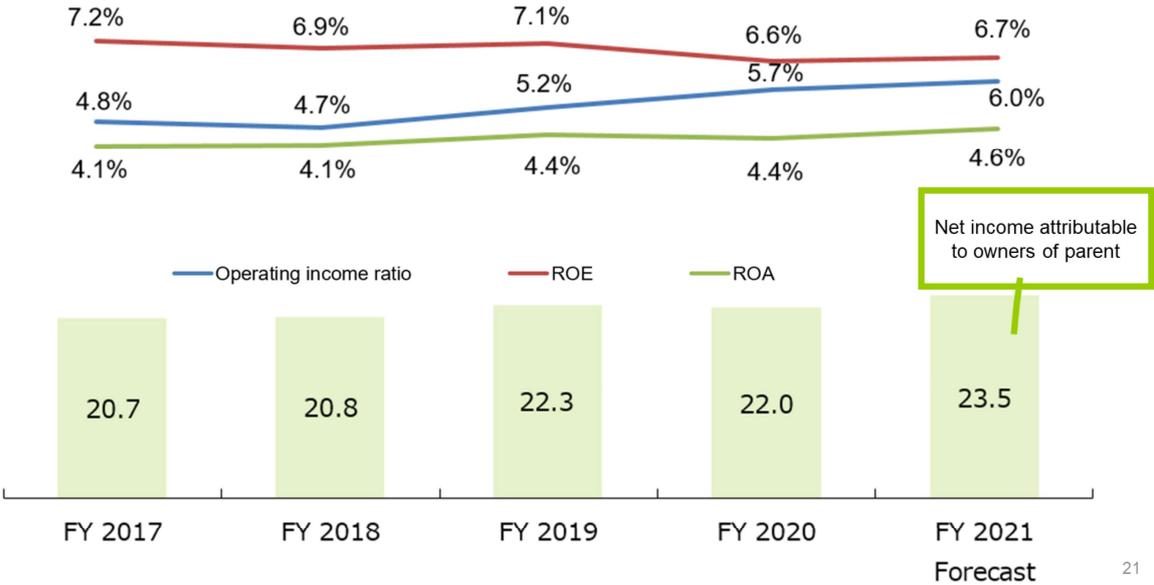
Inventories

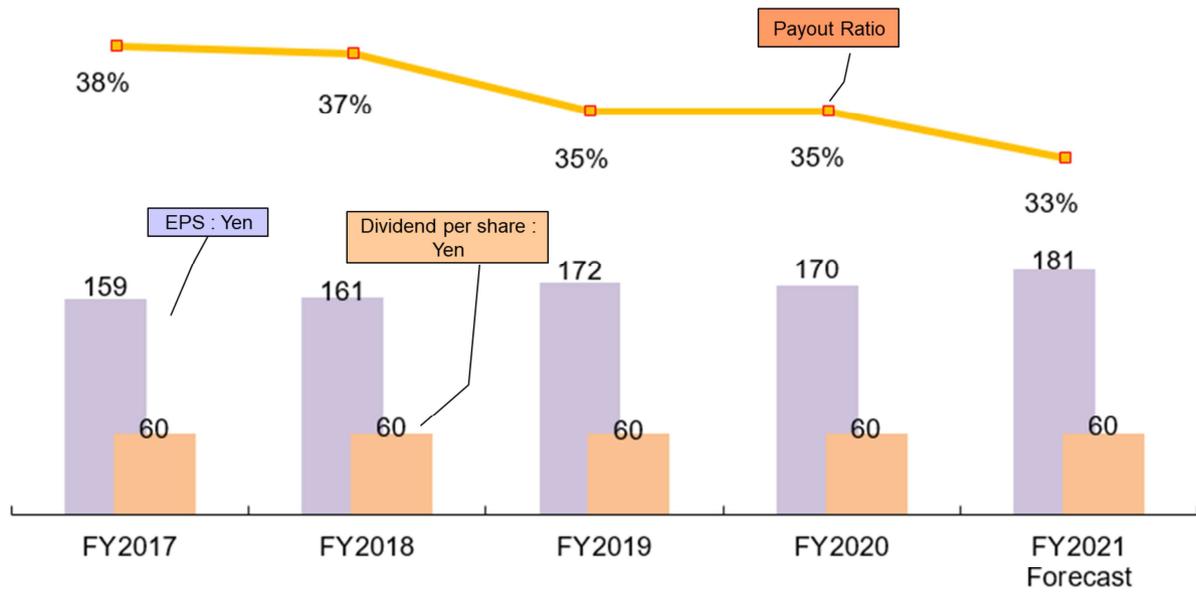


Financial Indicator



(Billions of yen)



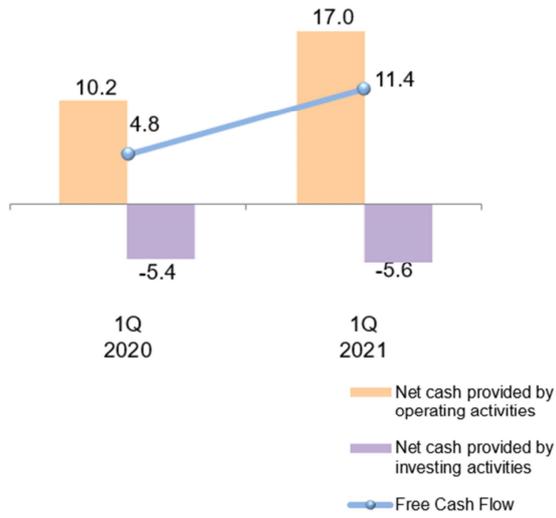


We will revise our year-end dividend to 30 yen per share by adding 10 yen to the previous forecast, considering the revisions made to the full-year results forecast and our shareholder return policy. Consequently, the forecast for the annual dividend will be revised to 50 yen per share after combining the year-end dividend of 30 yen and the interim dividend of 20 yen.

Financial Indicator

(Billions of yen)

■ Cash Flow



■ Capital Investment

	1Q Actual	2Q-4Q Projection	FY Projection
FY 2020	2.8	13.5	16.4
FY 2021	3.2	11.8	15.0

■ Depreciation and amortization

	1Q Actual	2Q-4Q Projection	FY Projection
FY 2020	2.9	8.3	11.3
FY 2021	2.6	9.3	11.9

Canon

Canon Marketing Japan Inc.