3Q 2019 Results

October 28, 2019

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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.

Summary of 3Q 2019 Results

Canon

Net sales	¥160.2 B (Y/Y +12.8B, +9%)

✓Sales increased due to higher sales in the Enterprise, Area and Professional segments, offsetting decreased sales in the Consumer segment of digital SLR cameras and other products.

Operating Income	¥10.5 B (Y/Y +4.2B, +68%)

✓Profits increased significantly, reflecting rises in operating income in all segments.

Profit attributable to owners of parent	¥7.1 B (Y/Y +3.0B, +72%)

Summary of Results 3Q 2019 Actual
(from July 1 to September 30)

Canon

(Billions of yen)

■ Summary of Results

	3Q 2018	3Q 2019	Changes Amount	Changes %
Net sales	**147.4**	**160.2**	**+12.8**	**+9%**
Gross profit	(35.3%) **52.0**	(32.6%) **52.3**	(-2.7%) **+0.2**	**+0%**
Operating income	(4.2%) **6.2**	(6.5%) **10.5**	(+2.3%) **+4.2**	**+68%**
Ordinary income	(4.3%) **6.3**	(6.6%) **10.6**	(+2.3%) **+4.3**	**+67%**
Profit attributable to owners of parent	(2.8%) **4.1**	(4.4%) **7.1**	(+1.6%) **+3.0**	**+72%**

Summary of Results

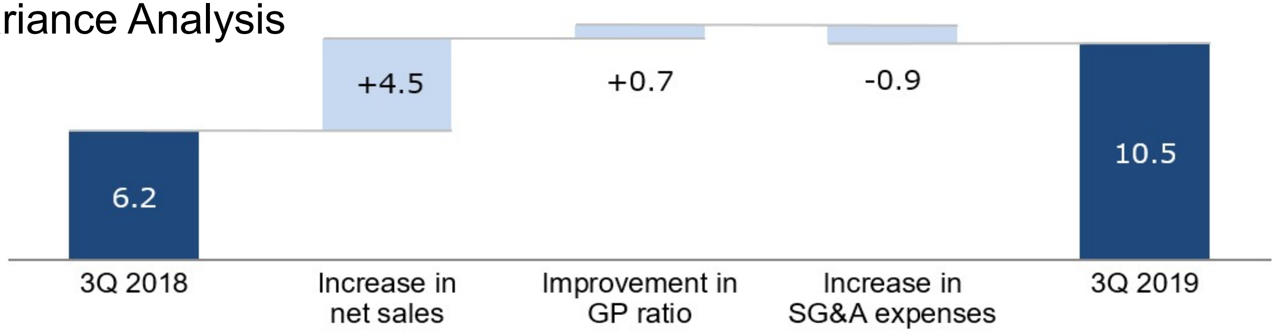
Comparisons with Results before the Reclassification

(Billions of yen)

Summary of Results

	3Q 2018	3Q 2019	Impact of the reclassification of services	3Q 2019 (before the reclassification)	Changes Amount	Changes %
Net sales	**147.4**	**160.2**	**-**	**160.2**	**+12.8**	**+9%**
Gross profit	(35.3%) **52.0**	(32.6%) **52.3**	**4.9**	(35.7%) **57.2**	(+0.4%) **+5.2**	**+10%**
Operating income	(4.2%) **6.2**	(6.5%) **10.5**	**-**	(6.5%) **10.5**	(+2.3%) **+4.2**	**+68%**
Ordinary income	(4.3%) **6.3**	(6.6%) **10.6**	**-**	(6.6%) **10.6**	(+2.3%) **+4.3**	**+67%**
Profit attributable to owners of parent	(2.8%) **4.1**	(4.4%) **7.1**	**-**	(4.4%) **7.1**	(+1.6%) **+3.0**	**+72%**

Op. Income Variance Analysis



Segment Outline

3Q 2019 Actual
(from July 1 to September 30)

Canon

(Billions of yen)

	3Q 2018		3Q 2019		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	**35.3**	**1.5**	**34.2**	**2.8**	**-1.1**	**+1.4**
Enterprise	**45.9**	**1.7**	**50.9**	**2.8**	**+5.0**	**+1.0**
Area	**61.8**	**3.0**	**69.4**	**4.7**	**+7.6**	**+1.7**
Professional	**9.6**	**0.0**	**10.7**	**0.4**	**+1.0**	**+0.4**
Other	**-5.2**	**0.0**	**-4.9**	**-0.2**	**+0.3**	**-0.3**
Total	**147.4**	**6.2**	**160.2**	**10.5**	**+12.8**	**+4.2**

Notes
*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.
*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Summary of Results

1Q-3Q 2019 Actual
(from January 1 to September 30)

Canon

■ Summary of Results

(Billions of yen)

	1Q-3Q 2018	1Q-3Q 2019	Changes	
			Amount	%
Net sales	**447.9**	**463.0**	**+15.1**	**+3%**
Gross profit	(35.1%) **157.0**	(32.2%) **149.1**	(-2.9%) **-8.0**	**-5%**
Operating income	(3.5%) **15.9**	(5.2%) **23.9**	(+1.6%) **+8.0**	**+50%**
Ordinary income	(3.9%) **17.3**	(5.4%) **24.9**	(+1.5%) **+7.6**	**+44%**
Profit attributable to owners of parent	(2.6%) **11.6**	(3.6%) **16.5**	(+1.0%) **+5.0**	**+43%**

Summary of Results

Comparisons with Results before the Reclassification

Canon

(Billions of yen)

Summary of Results

	1Q-3Q 2018	1Q-3Q 2019	Impact of the reclassification of services	1Q-3Q 2019 (before the reclassification)	Changes Amount	Changes %
Net sales	**447.9**	**463.0**	**-**	**463.0**	**+15.1**	**+3%**
Gross profit	(35.1%) **157.0**	(32.2%) **149.1**	**14.9**	(35.4%) **164.0**	(+0.4%) **+7.0**	**+4%**
Operating income	(3.5%) **15.9**	(5.2%) **23.9**	**-**	(5.2%) **23.9**	(+1.6%) **+8.0**	**+50%**
Ordinary income	(3.9%) **17.3**	(5.4%) **24.9**	**-**	(5.4%) **24.9**	(+1.5%) **+7.6**	**+44%**
Profit attributable to owners of parent	(2.6%) **11.6**	(3.6%) **16.5**	**-**	(3.6%) **16.5**	(+1.0%) **+5.0**	**+43%**

Op. Income Variance Analysis

Segment Outline

1Q-3Q 2019 Actual
(from January 1 to September 30)

Canon

(Billions of yen)

	1Q-3Q 2018		1Q-3Q 2019		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	**96.3**	**0.4**	**91.8**	**2.6**	**-4.5**	**+2.2**
Enterprise	**139.3**	**6.0**	**149.6**	**8.3**	**+10.3**	**+2.2**
Area	**192.0**	**8.5**	**202.2**	**11.7**	**+10.2**	**+3.2**
Professional	**35.8**	**0.8**	**33.9**	**1.7**	**-1.9**	**+0.9**
Other	**-15.5**	**0.2**	**-14.4**	**-0.3**	**+1.0**	**-0.5**
Total	**447.9**	**15.9**	**463.0**	**23.9**	**+15.1**	**+8.0**

Notes
*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.
*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Segment Information **Consumers Segment**

Net sales : 34.2 B (Y/Y -1.1B, -3%)

- Sales decreased due to a decline in sales of digital SLR cameras, despite an increase in sales related to inkjet printers.

Operating income 2.8 B (Y/Y +1.4B, +91%)

- Profits increased, aided by reductions in SG&A expenses, over and above strong sales of ink cartridges and the positive effects of new product lines for digital interchangeable lens cameras.

(Billions of Yen)

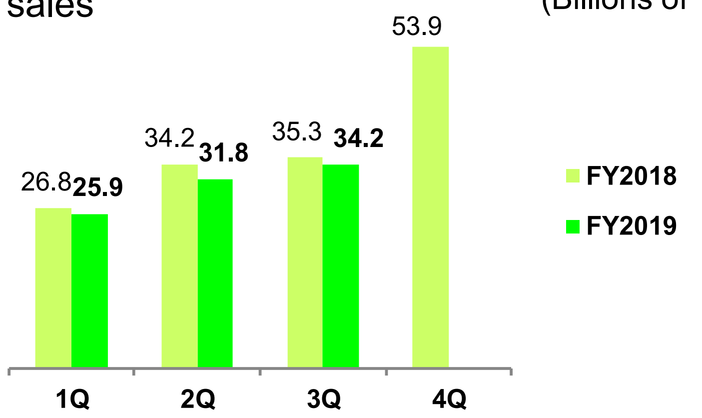
■2019 Actual v. 2018 Actual

	1Q-3Q 2018	1Q-3Q 2019	Changes
Net sales	**96.3**	**91.8**	**-4.5**
Op. income	**0.4**	**2.6**	**+2.2**

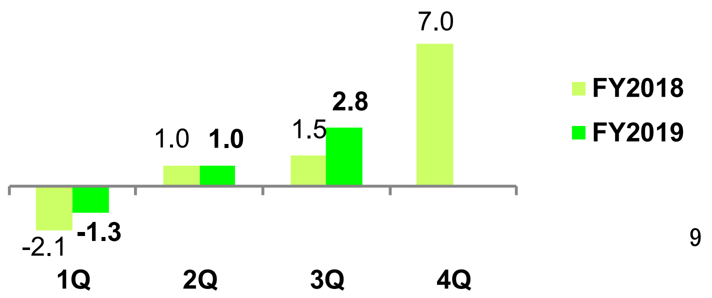
■Net sales - Growth rate (Y/Y)

	1Q	2Q	3Q	4Q	FY
FY2019	**-3%**	**-7%**	**-3%**		

■Net sales



■Op. income



Segment Information **Enterprise Segment**

Canon

Net sales : 50.9 B (Y/Y +5.0B, +11%)

- Sales increased, reflecting large-scale projects for laser printers and the steady performance of IT Solutions, such as IT infrastructure services and engineering.

Operating income 2.8B (Y/Y +1.0B, +61%)

- Operating income rose, reflecting an increase in gross profit resulting from higher sales.

■2019 Actual v. 2018 Actual

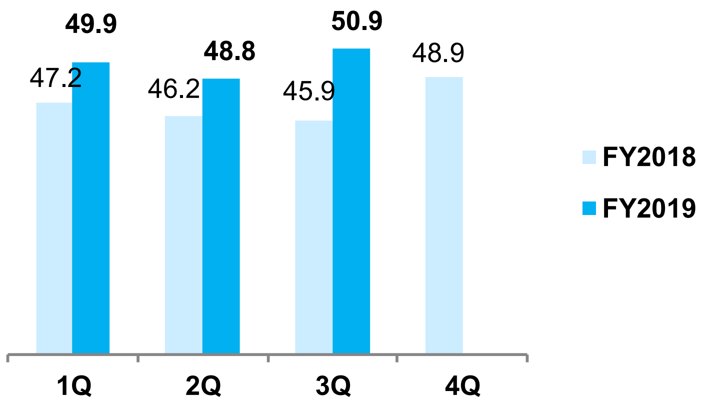
	1Q-3Q 2018	1Q-3Q 2019	Changes
Net sales	**139.3**	**149.6**	**+10.3**
Op. income	**6.0**	**8.3**	**+2.2**

■Net sales - Growth rate (Y/Y)

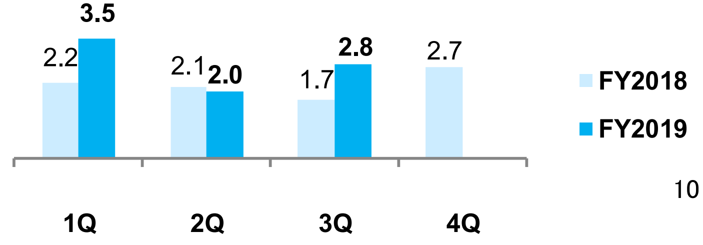
	1Q	2Q	3Q	4Q	FY
FY2019	**+6%**	**+6%**	**+11%**		

■Net sales

(Billions of Yen)



■Op. income



Segment Information **Area Segment**

Net sales : 69.4 B (Y/Y +7.6B, +12%)

- Sales increased due to a rise in sales of IT solutions mainly for PCs for business use, in addition to the solid performance of the main business equipment.

Operating income 4.7 B (Y/Y +1.7B, +57%)

- Operating income rose, reflecting an increase in gross profit resulting from higher sales.

■2019 Actual v. 2018 Actual

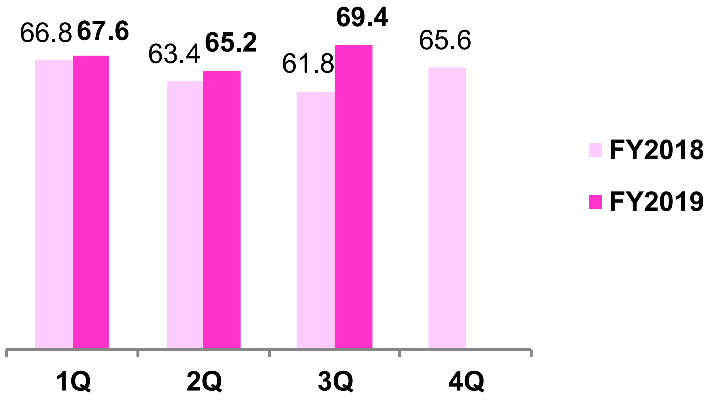
	1Q-3Q 2018	1Q-3Q 2019	Changes
Net sales	**192.0**	**202.2**	**+10.2**
Op. income	**8.5**	**11.7**	**+3.2**

■Net sales - Growth rate (Y/Y)

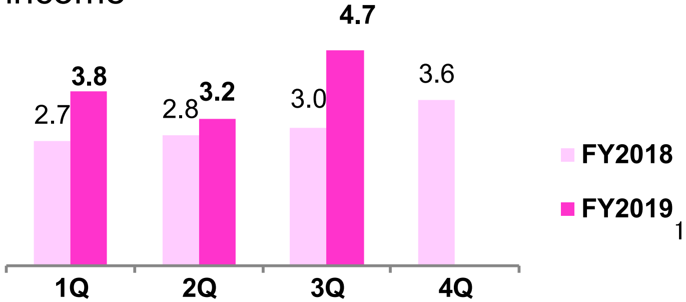
	1Q	2Q	3Q	4Q	FY
FY2019	**+1%**	**+3%**	**+12%**		

■Net sales

(Billions of Yen)



■Op. income



Segment Information **Professional Segment**

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Net sales : 10.7 B (Y/Y +1.0B, +11%)

- Sales increased thanks to the strong performance of the healthcare business, offsetting the poor performance of industrial equipment.

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

- Operating income increased, mainly reflecting reductions in SG&A expenses and the strong performance of highly profitable products.

(Billions of Yen)

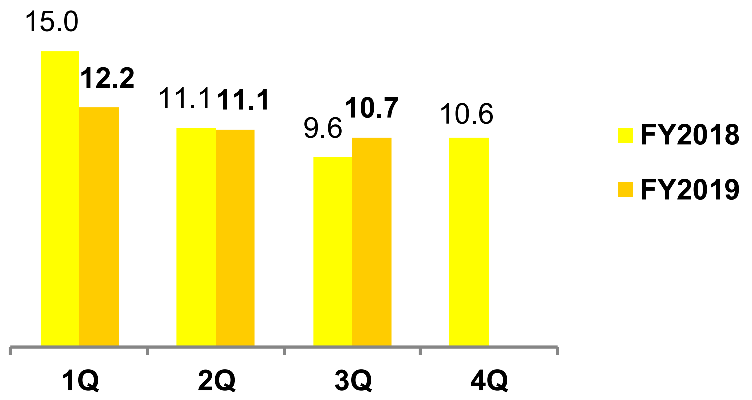
■2019 Actual v. 2018 Actual

	1Q-3Q 2018	1Q-3Q 2019	Changes
Net sales	**35.8**	**33.9**	**-1.9**
Op. income	**0.8**	**1.7**	**+0.9**

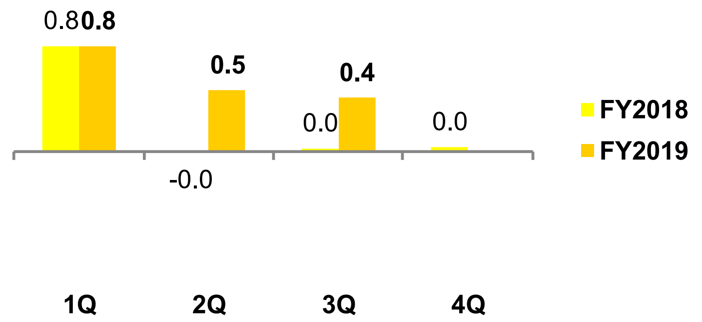
■Net sales - Growth rate (Y/Y)

	1Q	2Q	3Q	4Q	FY
FY2019	**-19%**	**-1%**	**+11%**		

■Net sales



■Op. income



Segment Information **Professional Segment**

■Net sales - Growth rate (Y/Y)

	FY2019		
	1Q Results	2Q Results	3Q Results
Production Printing	+1%	-22%	-4%
Industrial Equipment	-34%	-2%	-6%
Healthcare Business	-13%	+19%	+37%

Production Printing

Sales decreased mainly due to the poor performance of color continuous feed printers and wide-format printers, among other products, despite the strong performance of system projects for POP production.

Industrial Equipment

Sales declined due to the poor performance of components, among other products, in the non-semiconductor sector, despite the strong performance of the semiconductor sector.

Healthcare Business

Sales increased significantly, partly reflecting a last minute surge in demand for consumables before the consumption tax hike in addition to the significant growth of medical IT for hospitals and increased sales of digital radiography.

Overall Sales of IT Solutions

(Billions of Yen)

Sales of IT Solutions by Segment

	3Q 2018	3Q 2019	Changes	
			Amount	%
Enterprise segment	28.2	31.7	+3.6	+13%
Area segment	14.0	20.2	+6.3	+45%
Other	5.4	5.9	+0.6	+10%
Total	47.5	57.9	+10.4	+22%

	1Q-3Q 2018	1Q-3Q 2019	Changes	
			Amount	%
Enterprise segment	86.2	96.2	+10.0	+12%
Area segment	43.7	55.8	+12.1	+28%
Other	15.5	17.0	+1.5	+10%
Total	145.4	169.1	+23.7	+16%

Reference: Overall IT Security

	Y/Y 2018 vs 2019	
	3Q	1Q-3Q
Overall IT Security Amount	+9%	+4%

Summary of Projections

FY2019 Current Projection v. Previous Projection

(Billions of Yen)

	FY2019 Previous projection	FY2019 Current Projection	Changes Amount	Changes %	【Reference】 FY2018 Actual	Changes Amount	Changes %
Net Sales	622.0	623.0	+1.0	+0%	621.6	+1.4	+0%
Operating Income	(4.8%) 30.0	(5.0%) 31.0	(+0.2%) +1.0	+3%	(4.7%) 28.9	(+0.3%) +2.1	+7%
Ordinary Income	(5.0%) 31.2	(5.2%) 32.2	(+0.2%) +1.0	+3%	(4.9%) 30.5	(+0.3%) +1.7	+6%
Profit attributable to owners of parent	(3.4%) 21.0	(3.5%) 21.5	(+0.1%) +0.5	+2%	(3.4%) 20.8	(+0.1%) +0.7	+3%

Summary of Projections by Segment

FY2019 Current Projection v. Previous Projection

(Billions of Yen)

	FY2019 Previous Projection		FY2019 Current Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	Net Sales %	Op. Income
Consumers	**138.8**	**6.9**	**133.7**	**6.9**	**-5.1**	**-4%**	**-**
Enterprise	**191.0**	**9.9**	**196.2**	**9.9**	**+5.2**	**+3%**	**-**
Area	**261.9**	**12.6**	**267.4**	**13.6**	**+5.5**	**+2%**	**+1.0**
Professional	**48.7**	**1.2**	**45.1**	**1.2**	**-3.6**	**-7%**	**-**
Other	**-18.4**	**-0.6**	**-19.4**	**-0.6**	**-1.0**	**-**	**-**
Total	**622.0**	**30.0**	**623.0**	**31.0**	**+1.0**	**+0%**	**+1.0**

Notes

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

*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Summary of Projections by Segment

Canon

FY2019 Projection v. FY2018 Actual

(Billions of Yen)

	FY2018 Actual		FY2019 Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	Net Sales %	Op. Income
Consumers	**150.2**	**7.3**	**133.7**	**6.9**	**-16.5**	**-11%**	**-0.4**
Enterprise	**188.2**	**8.7**	**196.2**	**9.9**	**+8.0**	**+4%**	**+1.2**
Area	**257.6**	**12.1**	**267.4**	**13.6**	**+9.8**	**+4%**	**+1.5**
Professional	**46.4**	**0.9**	**45.1**	**1.2**	**-1.3**	**-3%**	**+0.3**
Other	**-20.8**	**-0.1**	**-19.4**	**-0.6**	**+1.4**	**-**	**-0.5**
Total	**621.6**	**28.9**	**623.0**	**31.0**	**+1.4**	**+0%**	**+2.1**

Notes

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

*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Summary of Projections by Segment

(Billions of Yen)

	Actual 1Q-3Q 2018		Actual 4Q 2018		Actual 1Q-3Q 2019		Projection 4Q 2019		Changes 1Q-3Q		Changes 4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	96.3	0.4	53.9	7.0	91.8	2.6	41.9	4.3	-4.5	+2.2	-12.0	-2.6
Enterprise	139.3	6.0	48.9	2.7	149.6	8.3	46.6	1.6	+10.3	+2.2	-2.3	-1.1
Area	192.0	8.5	65.6	3.6	202.2	11.7	65.2	1.9	+10.2	+3.2	-0.4	-1.6
Professional	35.8	0.8	10.6	0.0	33.9	1.7	11.2	-0.5	-1.9	+0.9	+0.6	-0.5
Other	-15.5	0.2	-5.3	-0.2	-14.4	-0.3	-5.0	-0.3	+1.0	-0.5	+0.4	-0.1
Total	447.9	15.9	173.7	13.0	463.0	23.9	160.0	7.1	+15.1	+8.0	-13.7	-5.9

Notes
*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.
*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Supplementary Information

FY2018
Financial results after the segment reclassification

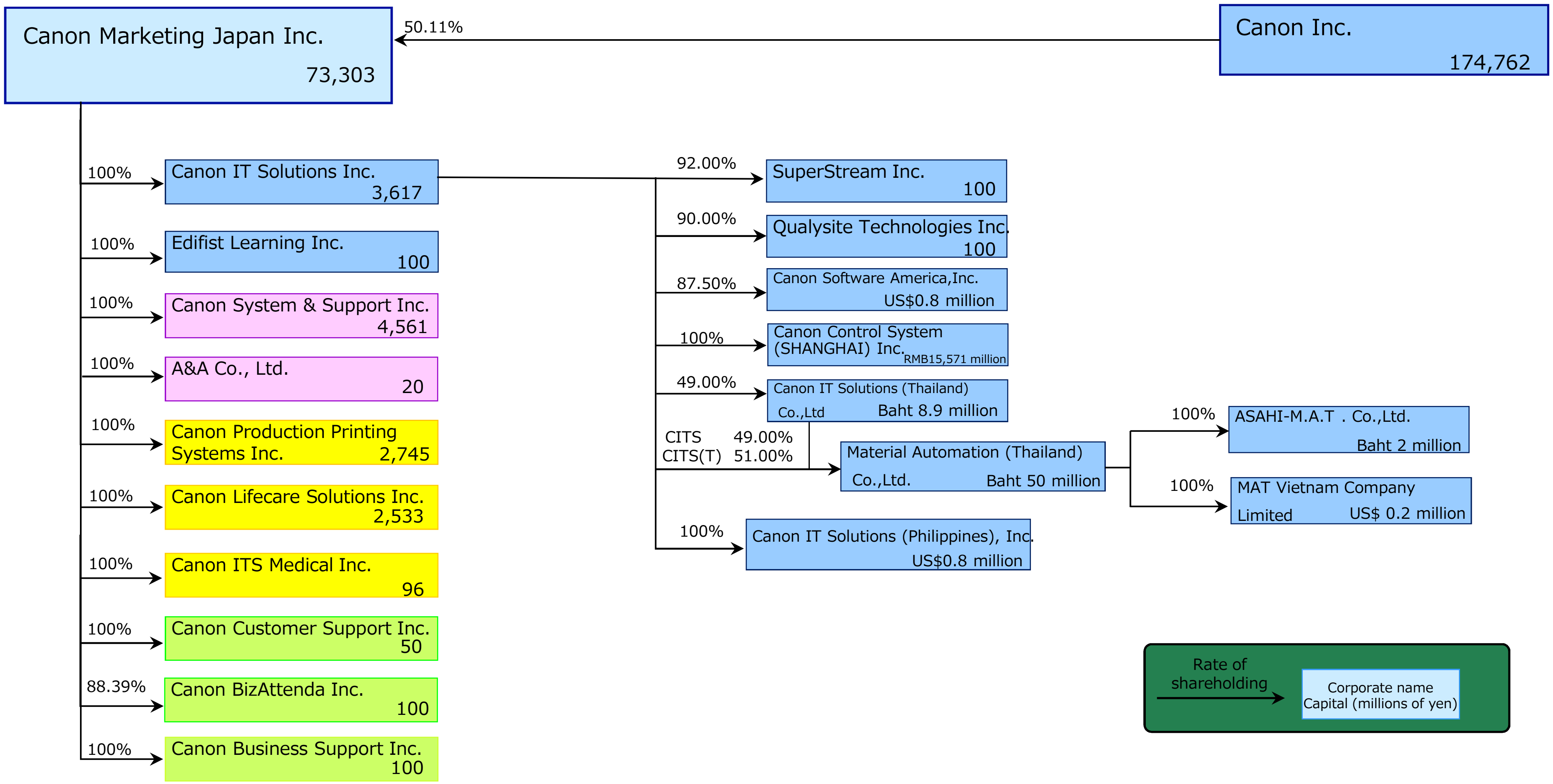
(Billions of Yen)

	FY2018							
	1Q		2Q		3Q		4Q	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	26.8	-2.1	34.2	1.0	35.3	1.5	53.9	7.0
Enterprise	47.2	2.2	46.2	2.1	45.9	1.7	48.9	2.7
Area	66.8	2.7	63.4	2.8	61.8	3.0	65.6	3.6
Professional	15.0	0.8	11.1	-0.0	9.6	0.0	10.6	0.0
Other	-5.0	0.2	-5.3	0.0	-5.2	0.0	-5.3	-0.2
Total	150.8	3.7	149.7	5.9	147.4	6.2	173.7	13.0

Notes
*1 "Other" includes the intersegment sales, the shared service businesses and the corporate expenses that are not allocated to each segment.
*2 Visual Solutions, a sub-segment of the Professional segment, was transferred to the Enterprise and Area segments in 2019. In addition, the planning and development functions of the security business, which had been dispersed throughout the Group, were integrated into the marketing administration department operated solely by Canon Marketing Japan, resulting in changes in the amount of inter-segment transactions. The segments for the results of the previous year are restated according to the classification method for the current period.

Capital Relationship Diagram

Canon



As of September 30, 2019

Results of main consolidated companies

(Billions of Yen)

		3Q FY2018		3Q FY2019		Changes Amount		%
Enterprise								
Canon IT Solutions Inc.	Net sales	22.16		23.62		+1.46		+7%
	Op. income	1.51	(6.8%)	1.50	(6.3%)	-0.02	(-0.5%)	
Area								
Canon System & Support Inc.	Net sales	28.62		33.12		+4.50		+16%
	Op. income	0.94	(3.3%)	1.63	(4.9%)	+0.68	(+1.6%)	
Professional								
Canon Production Printing Systems Inc.	Net sales	2.82		2.69		-0.13		-5%
	Op. income	-0.09	(-)	0.09	(3.4%)	+0.18	(-)	
Canon Lifecare Solutions Inc.	Net sales	2.44		2.98		+0.54		+22%
	Op. income	-0.06	(-)	0.13	(4.3%)	+0.18	(-)	

* The results of the main affiliated companies for the previous year are also presented after the reclassification of such results due to changes in segment classification.

Results of main consolidated companies

(Billions of Yen)

		1Q-3Q FY2018		1Q-3Q FY2019		Changes Amount		Changes %
Enterprise								
Canon IT Solutions Inc.	Net sales	64.17		69.96		+5.79		+9%
	Op. income	5.00	(7.8%)	6.49	(9.3%)	+1.49	(+1.5%)	
Area								
Canon System & Support Inc.	Net sales	88.51		95.12		+6.62		+7%
	Op. income	2.66	(3.0%)	4.07	(4.3%)	+1.41	(+1.3%)	
Professional								
Canon Production Printing Systems Inc.	Net sales	8.97		8.06		-0.91		-10%
	Op. income	-0.35	(-)	0.19	(2.3%)	+0.54	(-)	
Canon Lifecare Solutions Inc.	Net sales	8.58		8.78		+0.20		+2%
	Op. income	0.12	(1.4%)	0.27	(3.1%)	+0.15	(+1.7%)	

* The results of the main affiliated companies for the previous year are also presented after the reclassification of such results due to changes in segment classification.

SG&A expenses

3Q 2019 Actual
(from July 1 to September 30)

Canon

(Billions of Yen)

	FY 2018 3Q	FY 2019 3Q	Impact of the reclassification of services	FY 2019 3Q (before the reclassification)	Changes 3Q
Advertising expenses	2.0	1.8	-	1.8	-0.3
Promotion expenses	0.9	0.8	-	0.8	-0.1
Warranty expenses	1.2	0.9	0.1	1.0	-0.2
Other direct selling expenses	4.7	4.7	-	4.7	+0.0
Personnel expenses	29.6	26.4	4.6	31.0	+1.4
Depreciation and amortization	0.3	0.2	-	0.2	-0.1
Other selling expenses	7.0	7.0	0.2	7.2	+0.2
Total	45.8	41.8	4.9	46.7	+0.9

SG&A expenses

1Q-3Q 2019 Actual
(from January 1 to September 30)

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(Billions of Yen)

	FY 2018 1Q-3Q	FY 2019 1Q-3Q	Impact of the reclassification of services	FY 2019 1Q-3Q (before the reclassification)	Changes 1Q-3Q
Advertising expenses	5.8	5.4	-	5.4	-0.4
Promotion expenses	3.2	2.5	-	2.5	-0.6
Warranty expenses	3.6	2.9	0.2	3.0	-0.5
Other direct selling expenses	14.4	14.0	-	14.0	-0.4
Personnel expenses	91.5	79.2	14.0	93.3	+1.7
Depreciation and amortization	1.0	0.7	-	0.7	-0.3
Other selling expenses	21.7	20.6	0.7	21.2	-0.5
Total	141.1	125.2	14.9	140.1	-1.0

Non-operating income and expenses

(Billions of Yen)

Non-operating income

	FY 2018		FY 2019		Changes	
	3Q	1Q-3Q	3Q	1Q-3Q	3Q	1Q-3Q
Interest income	0.0	0.2	0.1	0.1	+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	-0.1
Gain on investments in partnership	-0.0	0.5	0.0	0.2	+0.0	-0.3
Other	0.1	0.3	0.0	0.2	-0.0	-0.1
Total	0.1	1.6	0.1	1.2	+0.0	-0.4

Non-operating expenses

	FY 2018		FY 2019		Changes	
	3Q	1Q-3Q	3Q	1Q-3Q	3Q	1Q-3Q
Interest expense	0.0	0.0	0.0	0.0	+0.0	+0.0
Other	0.0	0.2	0.0	0.1	-0.0	-0.0
Total	0.0	0.2	0.0	0.1	-0.0	-0.0

Extraordinary income and expenses

(Billions of Yen)

Extraordinary income

	FY 2018		FY 2019		Changes	
	3Q	1Q-3Q	3Q	1Q-3Q	3Q	1Q-3Q
Gain on sales of fixed assets	0.0	0.1	0.0	0.0	-0.0	-0.1
Gain on sales of investment securities	0.1	0.5	0.0	0.0	-0.1	-0.5
Gain on sales of shares of subsidiaries and associates	-	0.2	-	-	-	-0.2
Total	0.1	0.8	0.0	0.0	-0.1	-0.8

Extraordinary expenses

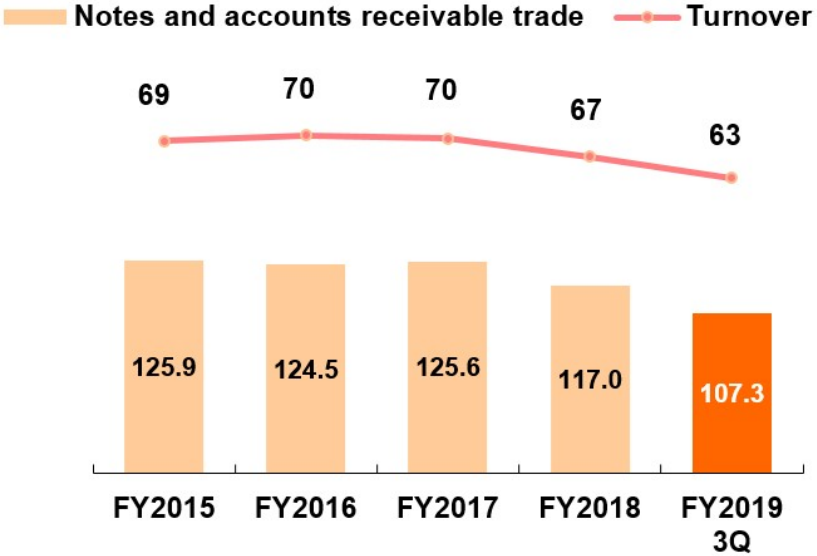
	FY 2018		FY 2019		Changes	
	3Q	1Q-3Q	3Q	1Q-3Q	3Q	1Q-3Q
Loss on sales and disposal of fixed assets	0.2	0.3	0.0	0.2	-0.1	-0.1
Loss on impairment of fixed assets	-	0.0	0.1	0.1	+0.1	+0.1
Loss on valuation of investment securities	0.0	0.1	0.0	0.0	-0.0	-0.1
Expenses for restructuring of business bases	0.0	0.1	-	-	-0.0	-0.1
Other	0.0	0.1	0.0	0.0	-0.0	-0.1
Total	0.2	0.5	0.1	0.3	-0.1	-0.2

Balance Sheets

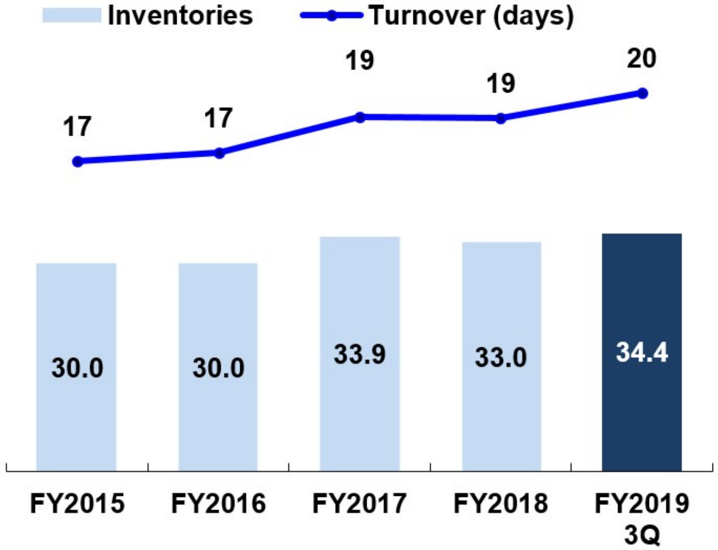
(Billions of Yen)

	Dec. 31 2018	Sep. 30 2019	Changes
Assets	498.8	491.7	-7.1
Current assets	383.3	369.0	-14.4
Cash and deposits	135.6	60.3	-75.3
Notes and accounts receivable	117.0	107.3	-9.8
Inventories	33.0	34.4	+1.4
Other (current assets)	97.7	167.0	+69.3
Non-current assets	115.4	122.8	+7.3
Property, plant and equipment	72.0	79.1	+7.1
Intangible assets	5.3	4.8	-0.4
Investments and other assets	38.2	38.8	+0.6
Liabilities	195.2	177.3	-18.0
Current liabilities	129.9	113.7	-16.2
Notes and accounts payable	75.8	50.9	-25.0
Other (current liabilities)	54.1	62.8	+8.8
Long-term liabilities	65.3	63.6	-1.7
Net assets	303.6	314.5	+10.9
Stakeholders' equity	314.2	321.2	+7.1
(Treasury stock)	-31.9	-31.9	-0.0
Total accumulated other comprehensive income (loss)	-11.1	-7.4	+3.7
Non-controlling interests	0.5	0.6	+0.1
Equity ratio	61%	64%	+3%

■Notes and accounts receivable trade



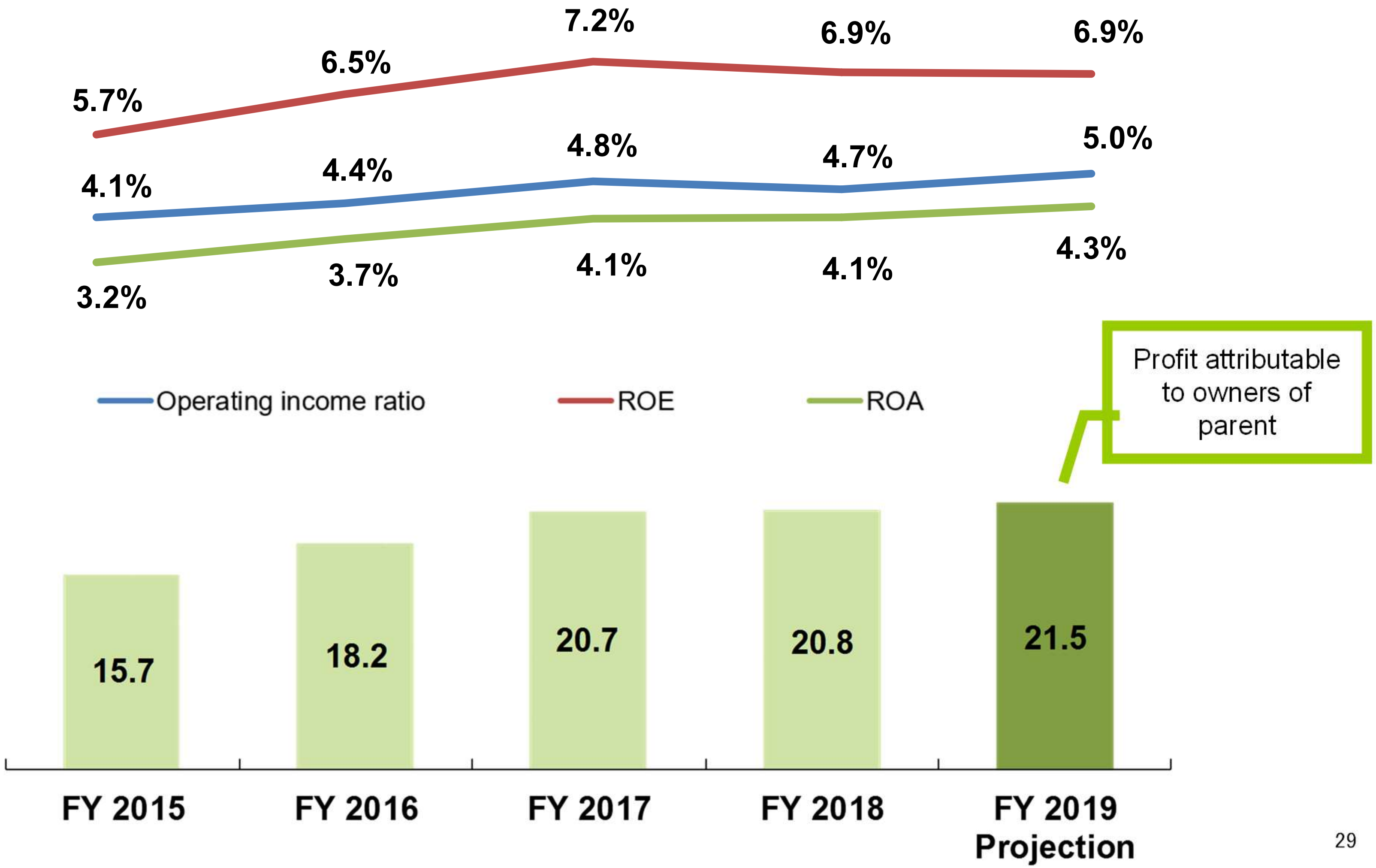
■Inventories



Financial Indicator

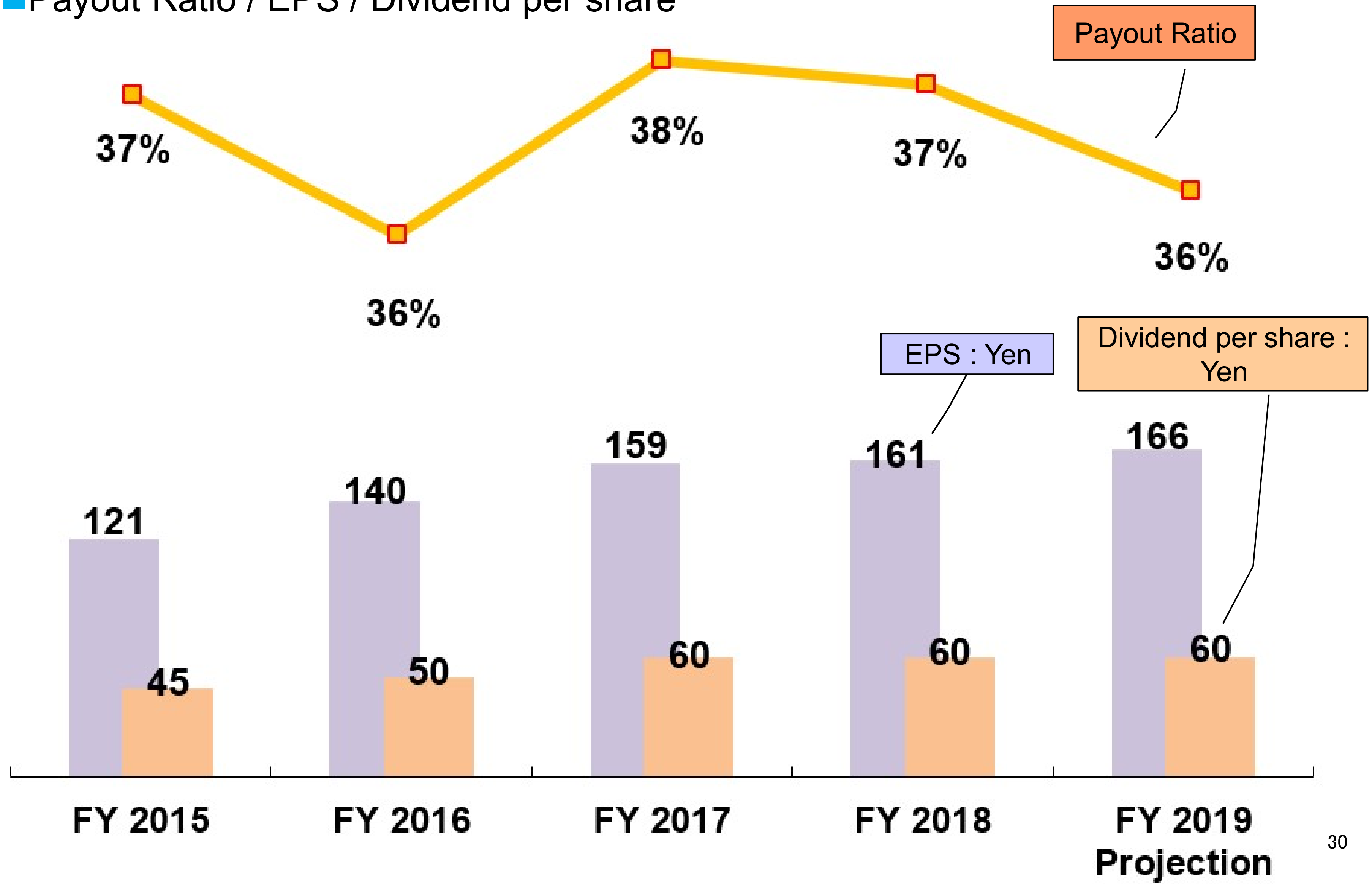
(Billions of Yen)

■Operating income ratio / ROA / ROE



Financial Indicator

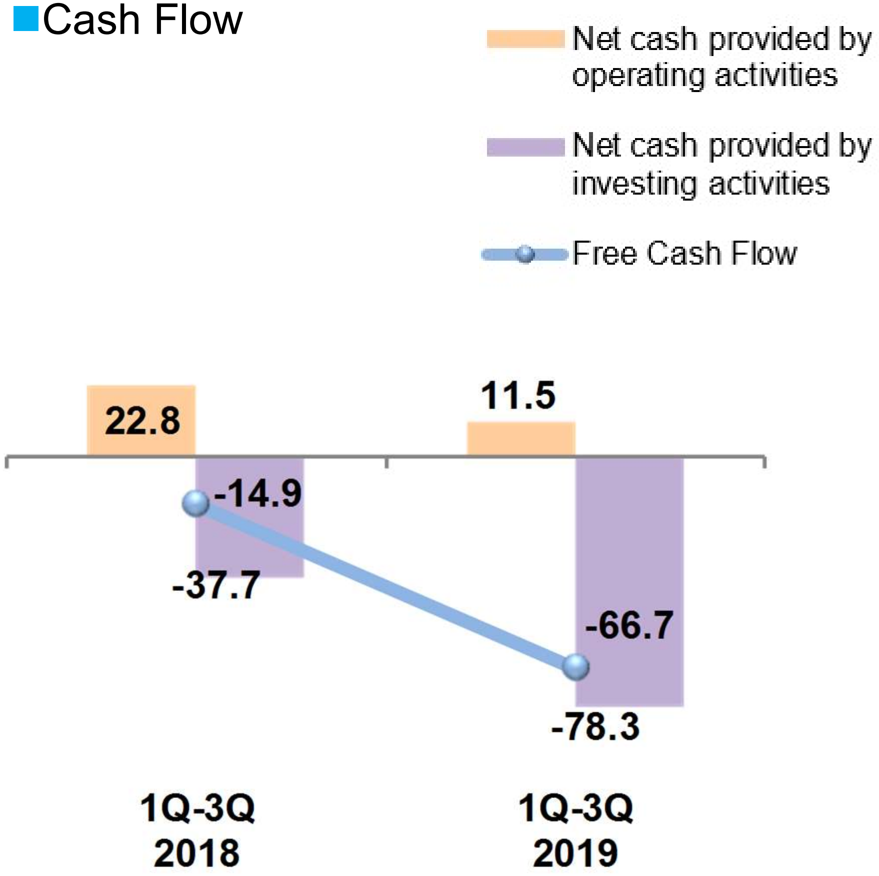
■Payout Ratio / EPS / Dividend per share



Financial Indicator

(Billions of Yen)

Cash Flow



Investment

	1Q-3Q Actual	4Q Projection	FY Projection
FY 2018	**7.7**	**3.0**	**10.7**
FY 2019	**15.3**	**8.3**	**23.6**

Depreciation and amortization

	1Q-3Q Actual	4Q Projection	FY Projection
FY 2018	**10.0**	**3.3**	**13.3**
FY 2019	**9.2**	**3.3**	**12.5**

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Canon Marketing Japan Inc.