



Canon Inc.

FY 2013 Results

January 29, 2014
Toshizo Tanaka
Executive Vice President & CFO

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Agenda

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(4Q/FY 2013 Results and FY 2014 Projections)

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FY 2013 in Summary

External Environment

- Global economic slowdown due to weakness in Europe and sluggish growth in China
- Challenging conditions across our businesses as well
- Correction of excessive yen appreciation

Results

- Achieved full-year sales and profit growth for the first time in three years
- Returned to sales and profit growth from the second quarter
 - ➔ Recovery trend becoming increasingly apparent

Summary of Results

4Q/FY 2013 Actual

(Billions of yen)

	4Q			FY		
	2013 Actual	2012 Actual	Pct. Change	2013 Actual	2012 Actual	Pct. Change
Net Sales	1,034.7	951.4	+8.8%	3,731.4	3,479.8	+7.2%
Gross Profit	488.0	432.4	+12.9%	1,798.4	1,650.0	+9.0%
(% Sales)	47.2%	45.4%		48.2%	47.4%	
Op. Profit	93.5	77.7	+20.4%	337.3	323.9	+4.1%
(% Sales)	9.0%	8.2%		9.0%	9.3%	
Net Income						
Attributable to Canon Inc.	64.3	61.2	+5.0%	230.5	224.6	+2.6%
(% Sales)	6.2%	6.4%		6.2%	6.5%	
Foreign Exchange Rate						
Yen – 1USD	100.50	81.26		97.84	79.96	
Yen – 1EURO	136.69	105.31		130.01	102.80	

Transition in Sales and Op. Profit

FY 2013 Actual v. Projection

(Billions of yen)

	Sales	Op. Profit
FY 2013 Projection (Oct. 24, 2013)	3,750.0	360.0
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+32.8	+18.1
Sales Volume Impact		
Office	-11.6	
Imaging System	-33.2	
Industry and Others	-8.4	
.....		
Total	-53.2	-42.5
Others	+1.8	+1.7
Total Change	-18.6	-22.7
FY 2013 Actual	3,731.4	337.3

Change in Exchange Rate

- 1USD: 96.95 to 97.84 yen
- 1EURO: 128.24 to 130.01 yen

Assumptions

FY 2014 Projection

Average Exchange Rate	FY14	FY13
■ Yen-1USD	100.00 yen	97.84 yen
■ Yen-1EURO	135.00 yen	130.01 yen

Impact of Exchange Rate Movement (FY14 Impact Given a One Yen Change)

	Net Sales	Operating Profit
■ USD	16.8 billion yen	6.4 billion yen
■ EURO	7.0 billion yen	3.4 billion yen

Key Points

FY 2014 Projection

External Environment

- Gradual global economic recovery
- Recovering conditions across our businesses from the second half

Outlook

- Return to a path of growth, posting second consecutive year of sales and profit expansion
 - For Office and Industry & Others
 - Expand sales in line with the recovery in market conditions
 - Imaging System
 - Improve product mix of interchangeable-lens cameras

Summary of Projected Results

FY 2014 Projection

(Billions of yen)

	FY 2014 Projection	FY 2013 Actual	Pct. Change
Net Sales	3,850.0	3,731.4	+3.2%
Gross Profit	1,877.0	1,798.4	+4.4%
(% Sales)	48.8%	48.2%	
Op. Profit	360.0	337.3	+6.7%
(% Sales)	9.4%	9.0%	
Net Income	240.0	230.5	+4.1%
Attributable to Canon Inc.			
(% Sales)	6.2%	6.2%	
Foreign Exchange Rate			
Yen – 1USD	100.00	97.84	
Yen – 1EURO	135.00	130.01	

Transition in Sales and Op. Profit

FY 2014 Projection v. FY 2013 Actual

(Billions of yen)

	Sales	Op. Profit
FY 2013 Actual	3,731.4	337.3
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+55.4	+13.4
Sales Volume Impact		
Office	+116.9	
Imaging System	-27.6	
Industry and Others	+63.9	
Total	+153.2	+91.7
Others	-90.0	-82.4
Total Change	+118.6	+22.7
FY 2014 Projection (Jan. 29, 2014)	3,850.0	360.0

Change in Exchange Rate

- 1USD: 97.84 to 100.00 yen
- 1EURO: 130.01 to 135.00 yen

Office

2013 Actual

Growth Rate y/y (Unit Base)

	Copiers		Printers	
	4Q13	FY13	4Q13	FY13
Color	+10%	+8%	+37%	+16%
Monochrome	+1%	-6%	+20%	+13%
Total	+4%	-2%	+22%	+14%

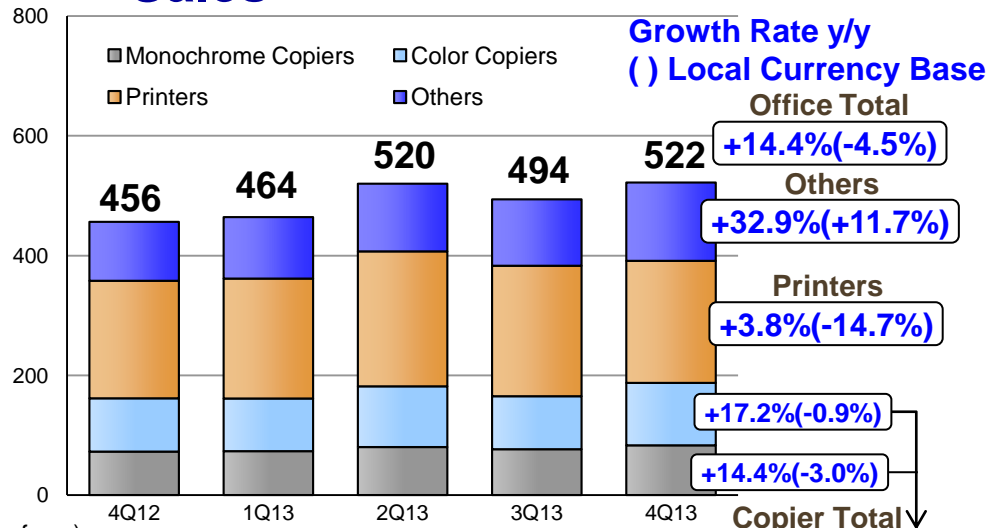
Color Ratio

	Copiers		Printers	
	4Q13	FY13	4Q13	FY13
Value Base*	56%	55%	47%	47%
Unit Base	38%	37%	14%	14%

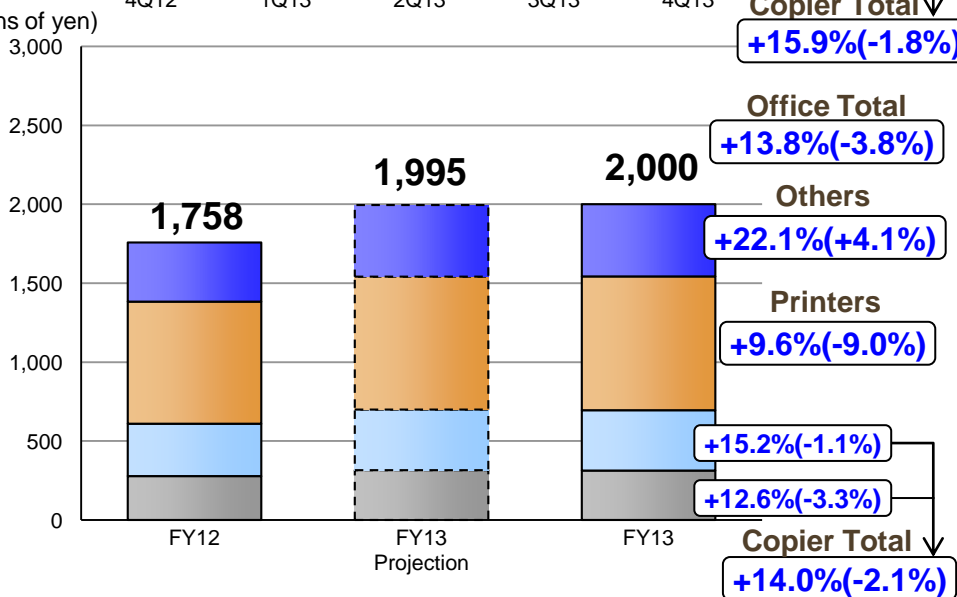
*Includes Consumables

(Billions of yen) **Sales**

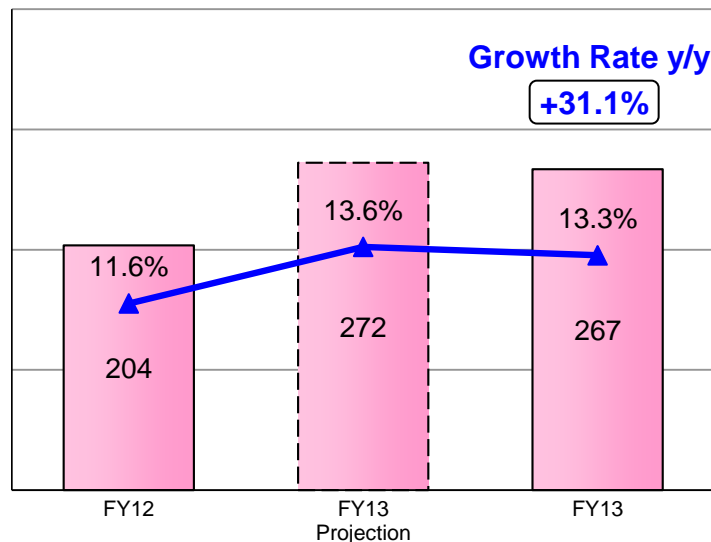
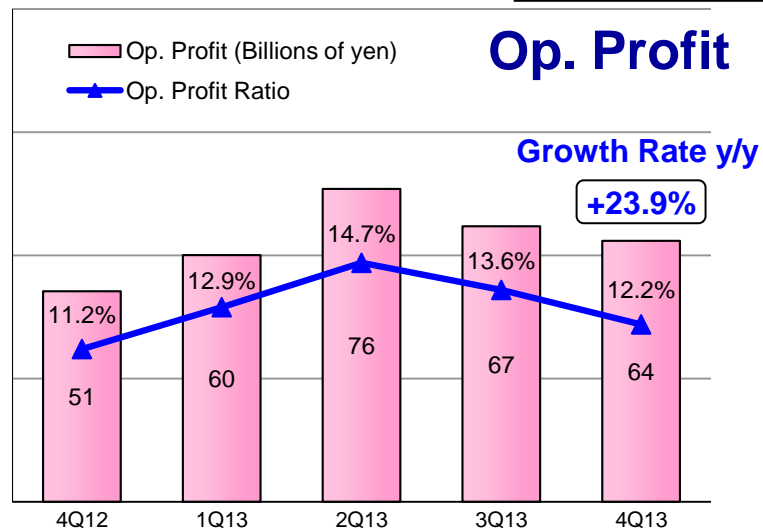
4Q



FY



Op. Profit



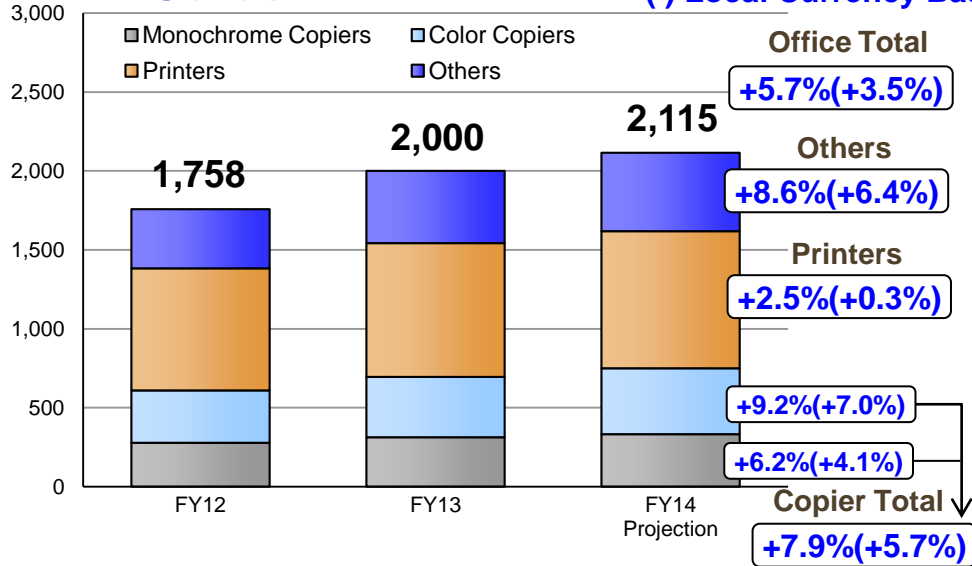
Office

FY 2014 Projection

(Billions of yen)

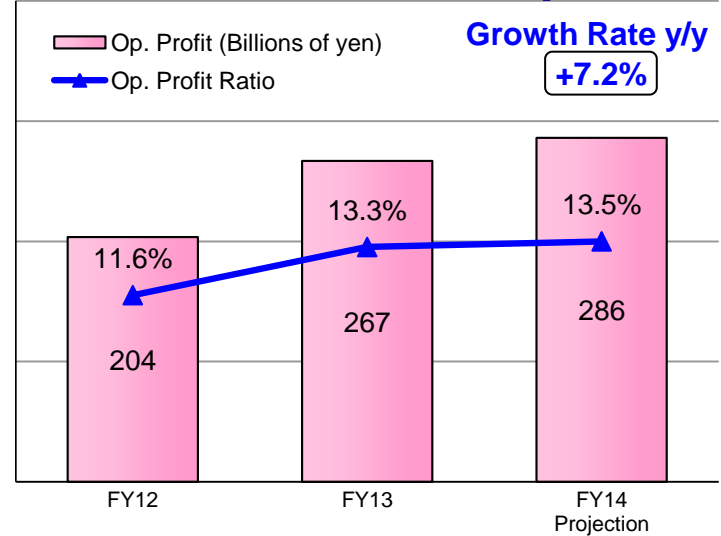
Sales

Growth Rate y/y
() Local Currency Base



Op. Profit

Growth Rate y/y



Growth Rate y/y (Unit Base)

	Copiers		Printers	
	FY13	FY14 Projection	FY13	FY14 Projection
Color	+8%	+19%	+16%	+12%
Monochrome	-6%	+9%	+13%	-1%
Total	-2%	+13%	+14%	+1%

Color Ratio

	Copiers		Printers	
	FY13	FY14 Projection	FY13	FY14 Projection
Value Base*	55%	56%	47%	46%
Unit Base	37%	39%	14%	16%

*Includes Consumables

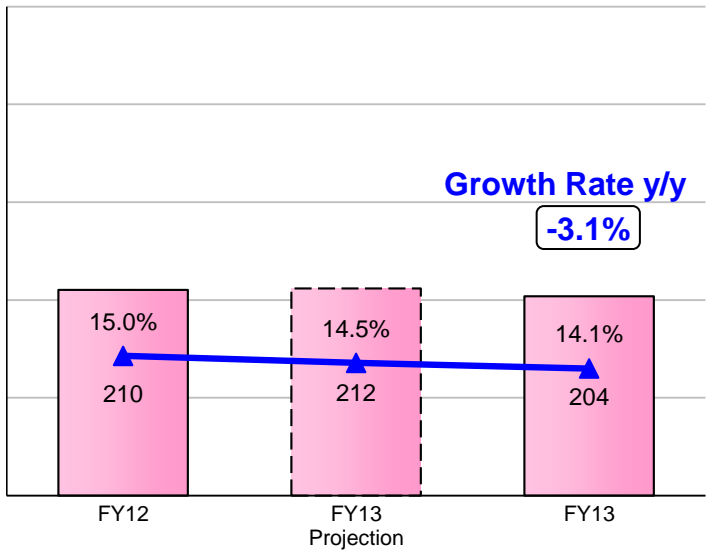
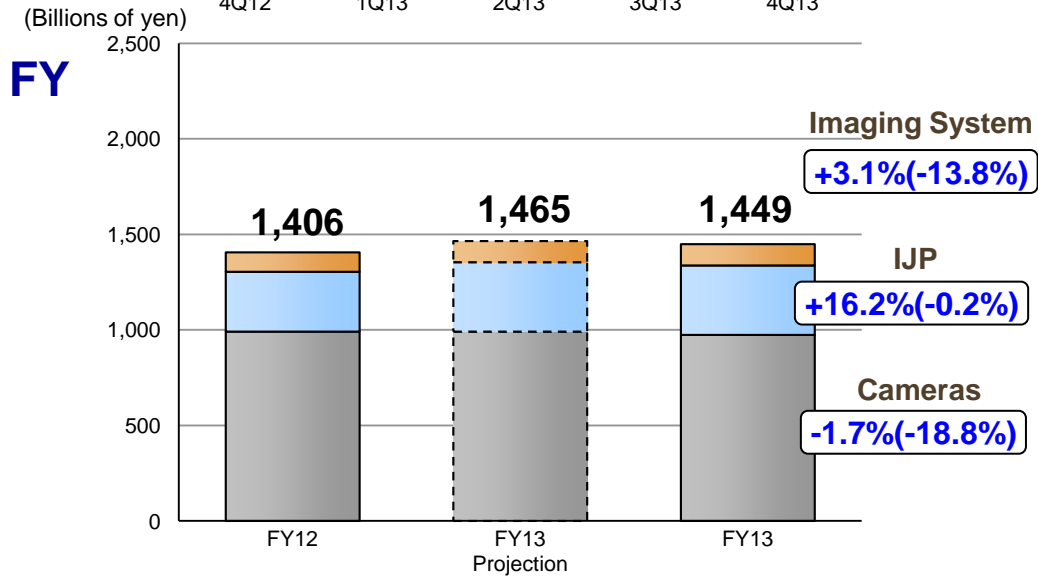
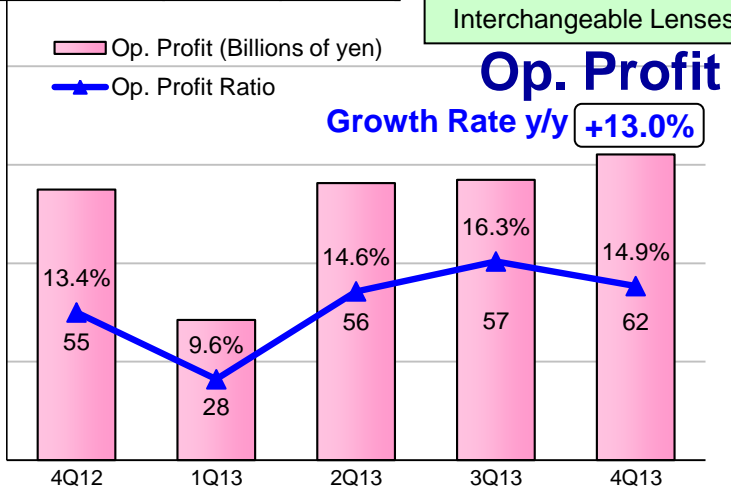
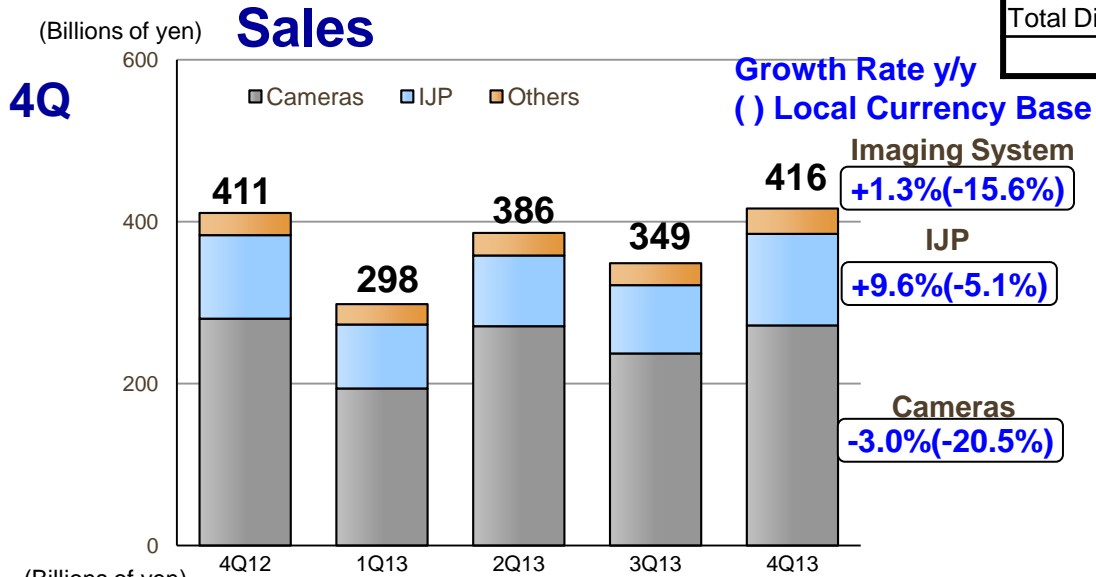
Imaging System

2013 Actual

Growth Rate y/y (Unit Base)		
	4Q13	FY13
Interchangeable Lens Digital Cameras	-6%	-7%
Compact Digital Cameras	-20%	-28%
Total Digital Cameras	-16%	-21%
IJP	-4%	+0%

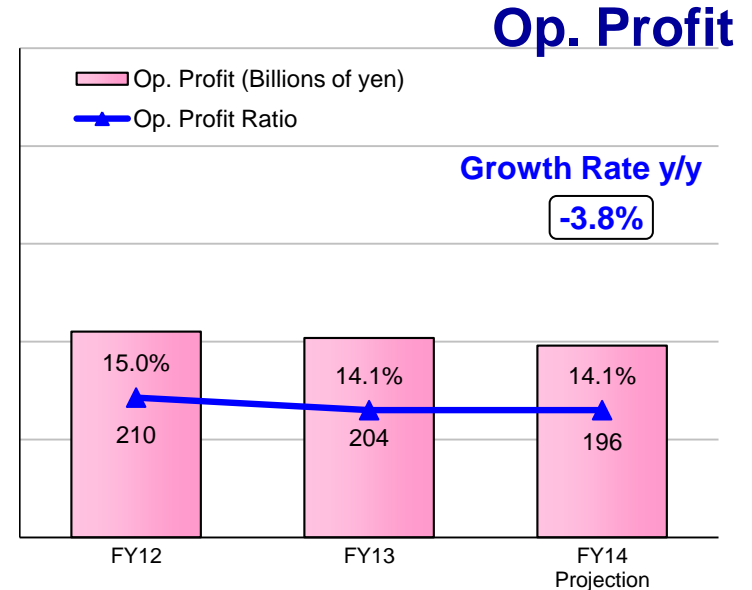
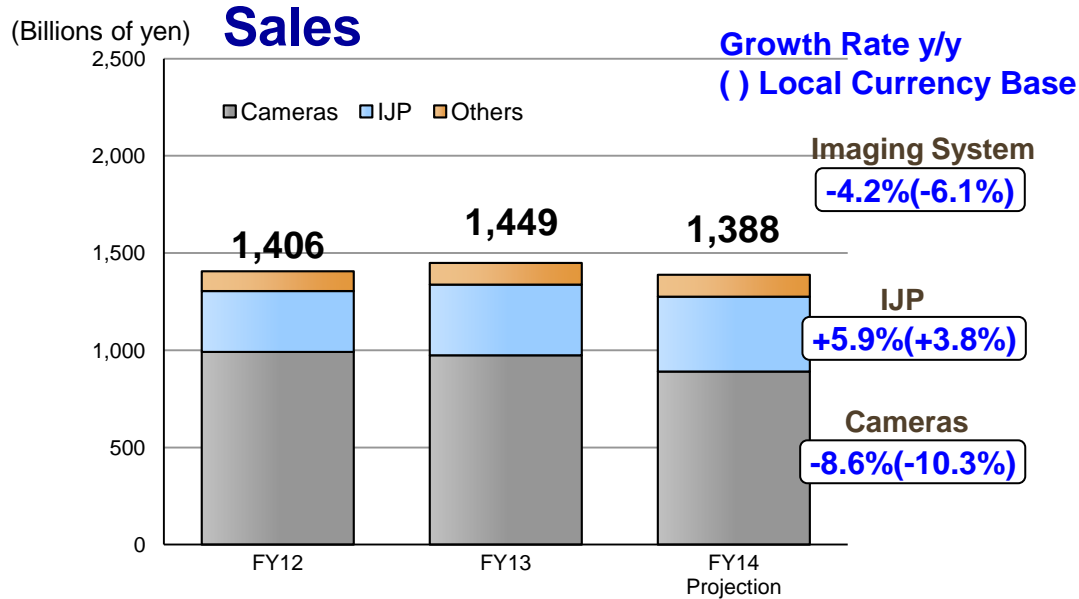
Interchangeable Lens Digital Camera Ratio *		
	4Q13	FY13
Value Base	81%	81%
Unit Base	35%	37%

* Proportion of Total Digital Cameras
* Value Base Includes Interchangeable Lenses



Imaging System

FY 2014 Projection



Growth Rate y/y (Unit Base)		
	FY13	FY14 Projection
Interchangeable Lens Digital Cameras	-7%	-1%
Compact Digital Cameras	-28%	-20%
Total Digital Cameras	-21%	-13%
IJP	+0%	+2%

Interchangeable Lens Digital Camera Ratio *		
	FY13	FY14 Projection
Value Base	81%	83%
Unit Base	37%	42%

* Proportion of Total Digital Cameras
* Value Base Includes Interchangeable Lenses

Industry and Others

2013 Actual

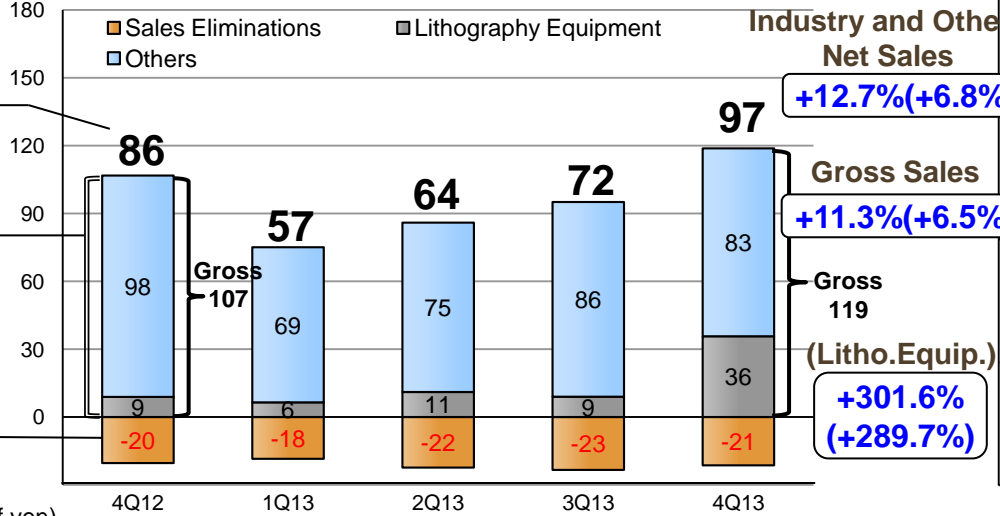
	4Q12	FY12	4Q13	FY13
ArF	0	0	0	0
KrF	0	3	4	6
i-line	6	43	12	37

	4Q12	FY12	4Q13	FY13
IC	6	46	16	43
FPD	1	16	16	16

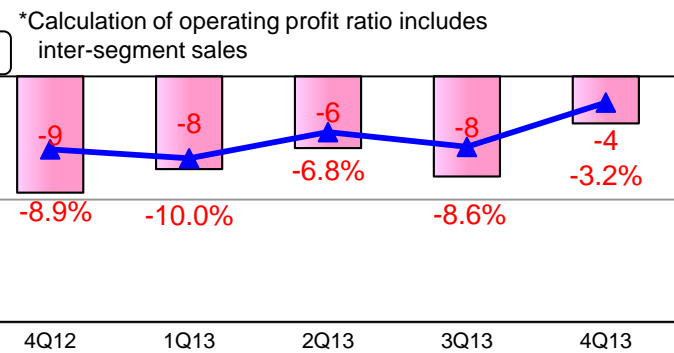
(Billions of yen) **Sales** Growth Rate y/y
() Local Currency Base

4Q

- Net Sales
- Gross Sales (Includes sales among Group businesses)
- Sales Eliminations (Sales among Group businesses)

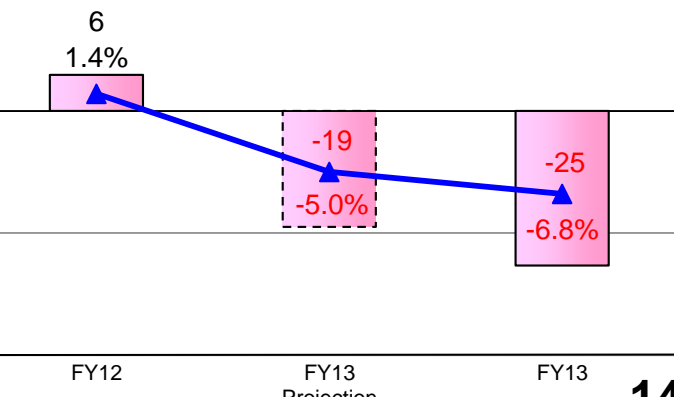
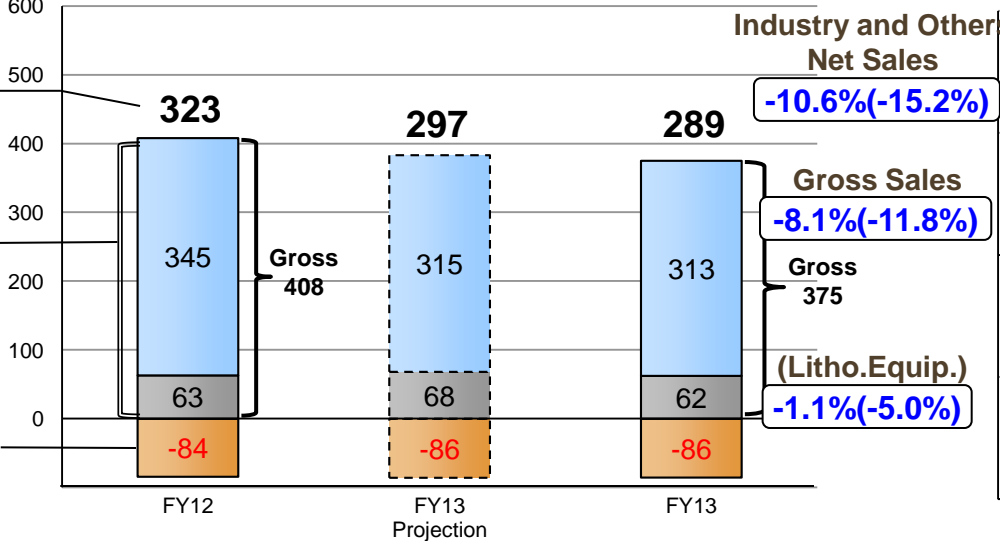


Op. Profit
Op. Profit (Billions of yen)
Op. Profit Ratio



FY

- Net Sales
- Gross Sales (Includes sales among Group businesses)
- Sales Eliminations (Sales among Group businesses)

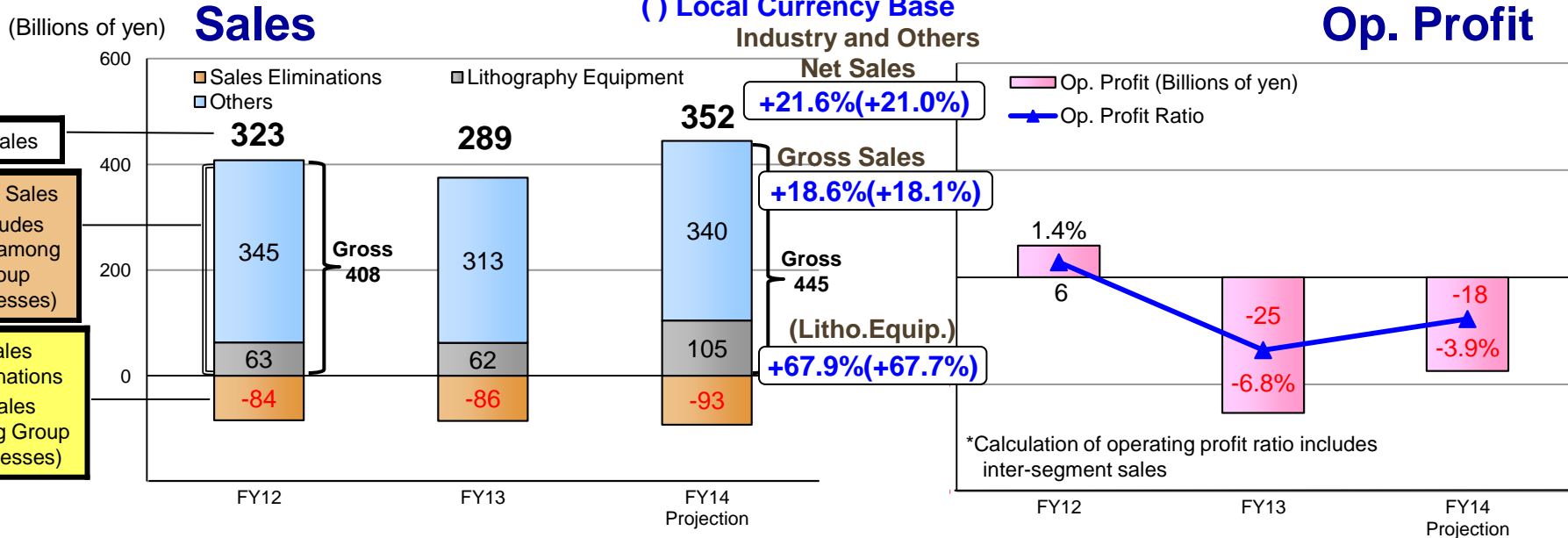


Industry and Others

FY 2014 Projection

Growth Rate y/y
() Local Currency Base
Industry and Others

Op. Profit

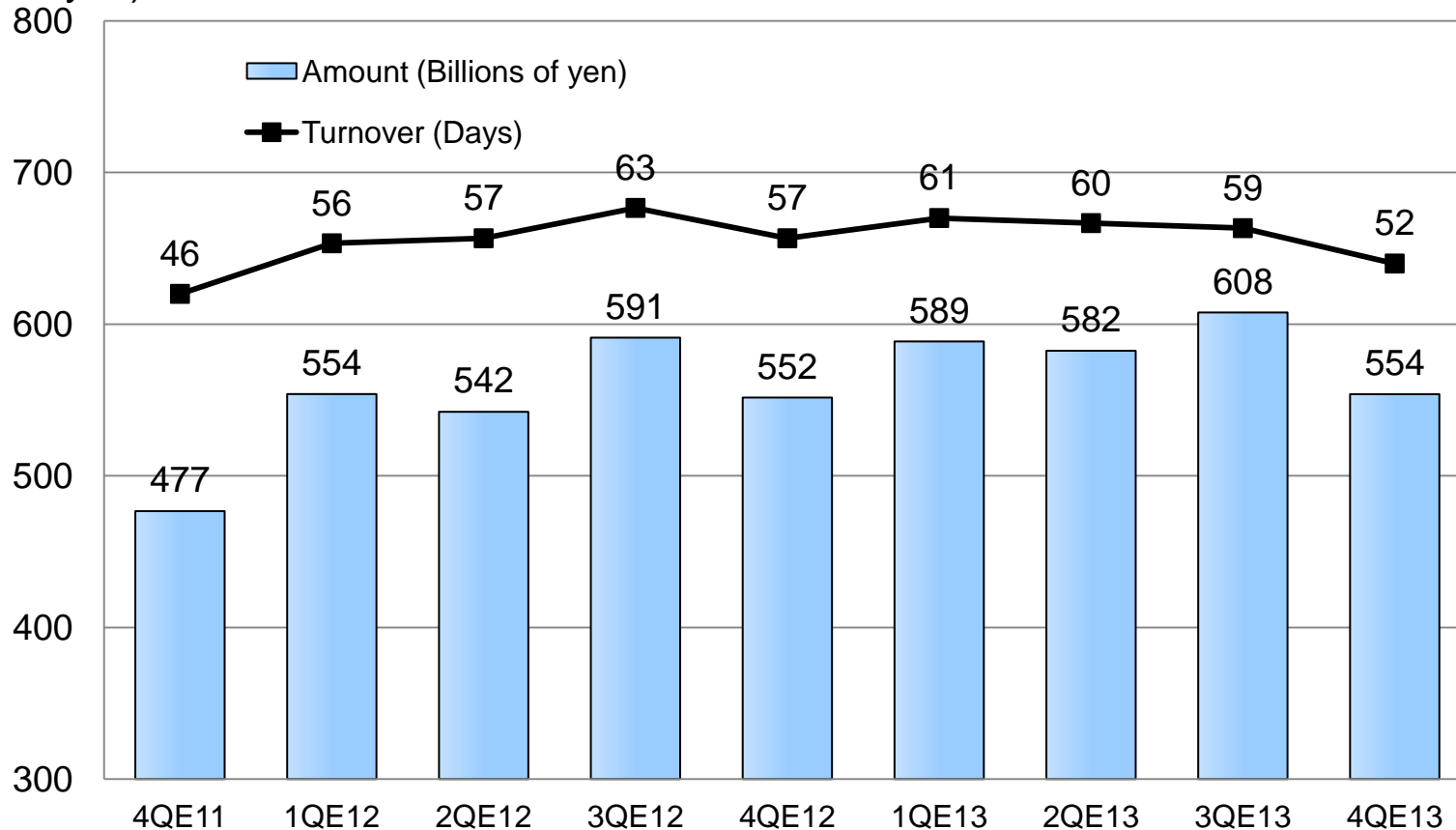


Lithography Equipment (Unit Sales)		
	FY13	FY14 Projection
IC	43	57
FPD	16	27

IC Stepper Unit Breakdown by Light Source		
	FY13	FY14 Projection
ArF	0	0
KrF	6	15
i-line	37	42

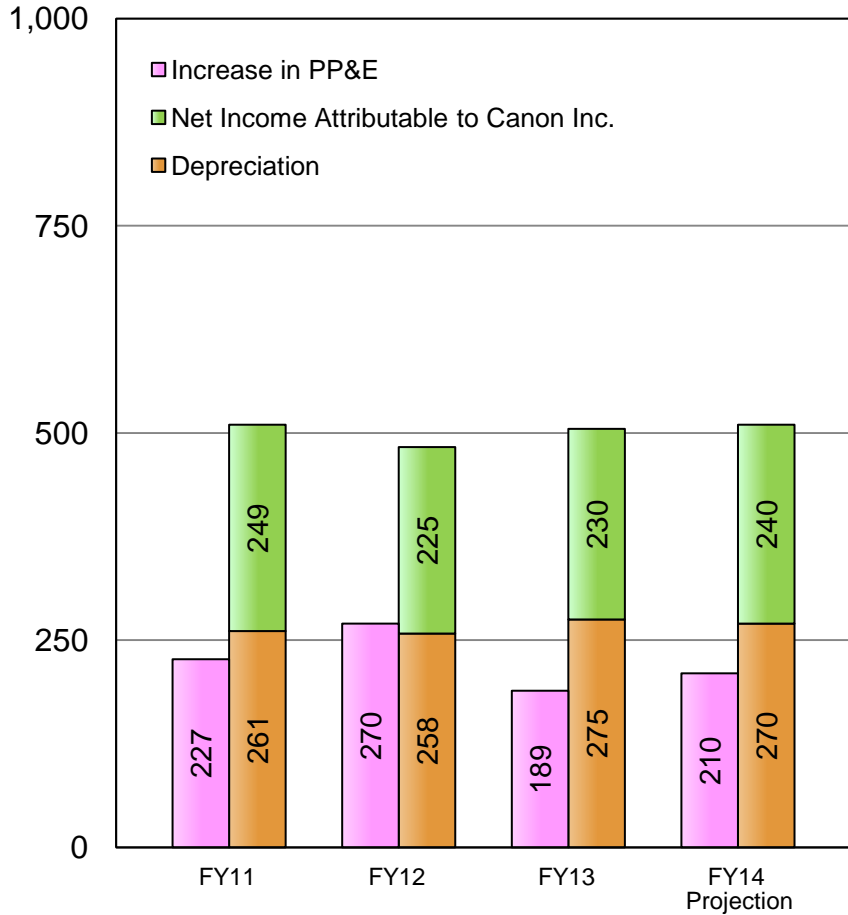
Inventories

(Billions of yen)



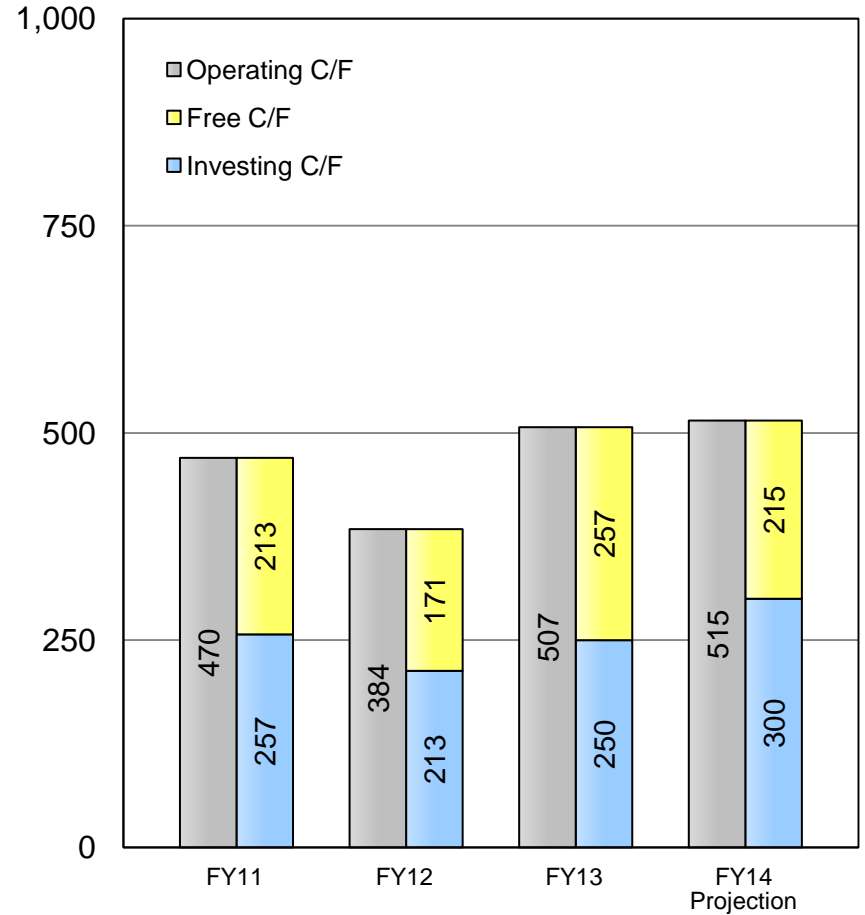
Capital Expenditure

(Billions of yen)



Free Cash Flow

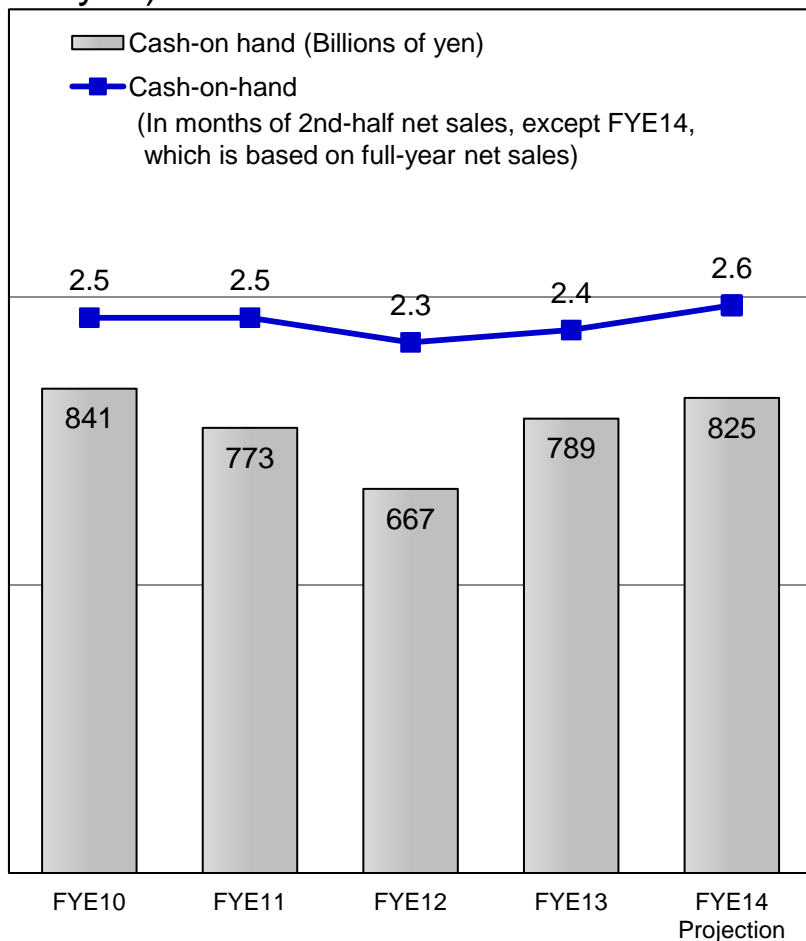
(Billions of yen)



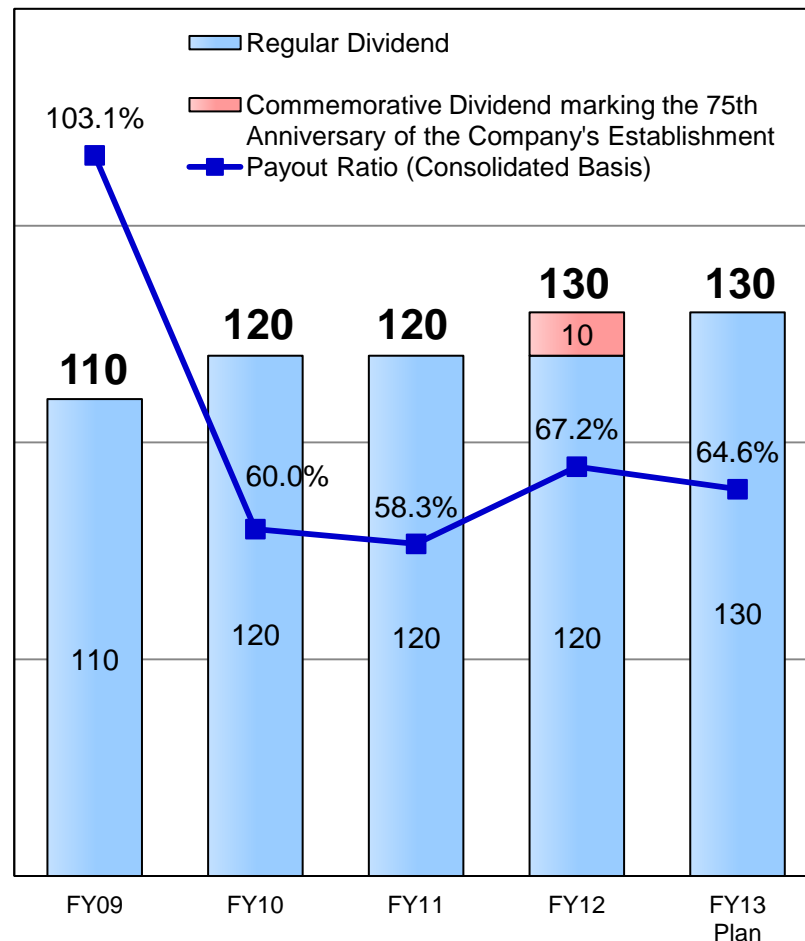
Cash on Hand and Return to Shareholders

Cash on Hand (Year-end)

(Billions of yen)



Dividend



Note 1: Approx. 50, 100, 150 and 50 billion yen was used to acquire own shares in 2010, 2011, 2012 and 2013, respectively. The cumulative amount since 2007 is approx. 900 billion yen.

Supplementary Information

Transition in Sales and Operating Profit

4Q/FY 2013 Actual v. 4Q/FY 2012 Actual

(Billions of yen)

	4Q		FY	
	Sales	Op. Profit	Sales	Op. Profit
2012 Actual	951.4	77.7	3,479.8	323.9
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+146.9	+60.5	+514.0	+217.6
Sales Volume Impact				
Office	+4.0		+18.9	
Imaging System	-37.8		-95.4	
Industry and Others	+7.7		-47.7	
Total	-26.1	-23.5	-124.2	-116.8
Others	-37.5	-21.2	-138.2	-87.4
Total Change	+83.3	+15.8	+251.6	+13.4
2013 Actual	1,034.7	93.5	3,731.4	337.3

Change in Exchange Rate(4Q)

- 1USD: 81.26 to 100.50 yen
- 1EURO: 105.31 to 136.69 yen

Change in Exchange Rate(FY)

- 1USD: 79.96 to 97.84 yen
- 1EURO: 102.80 to 130.01 yen

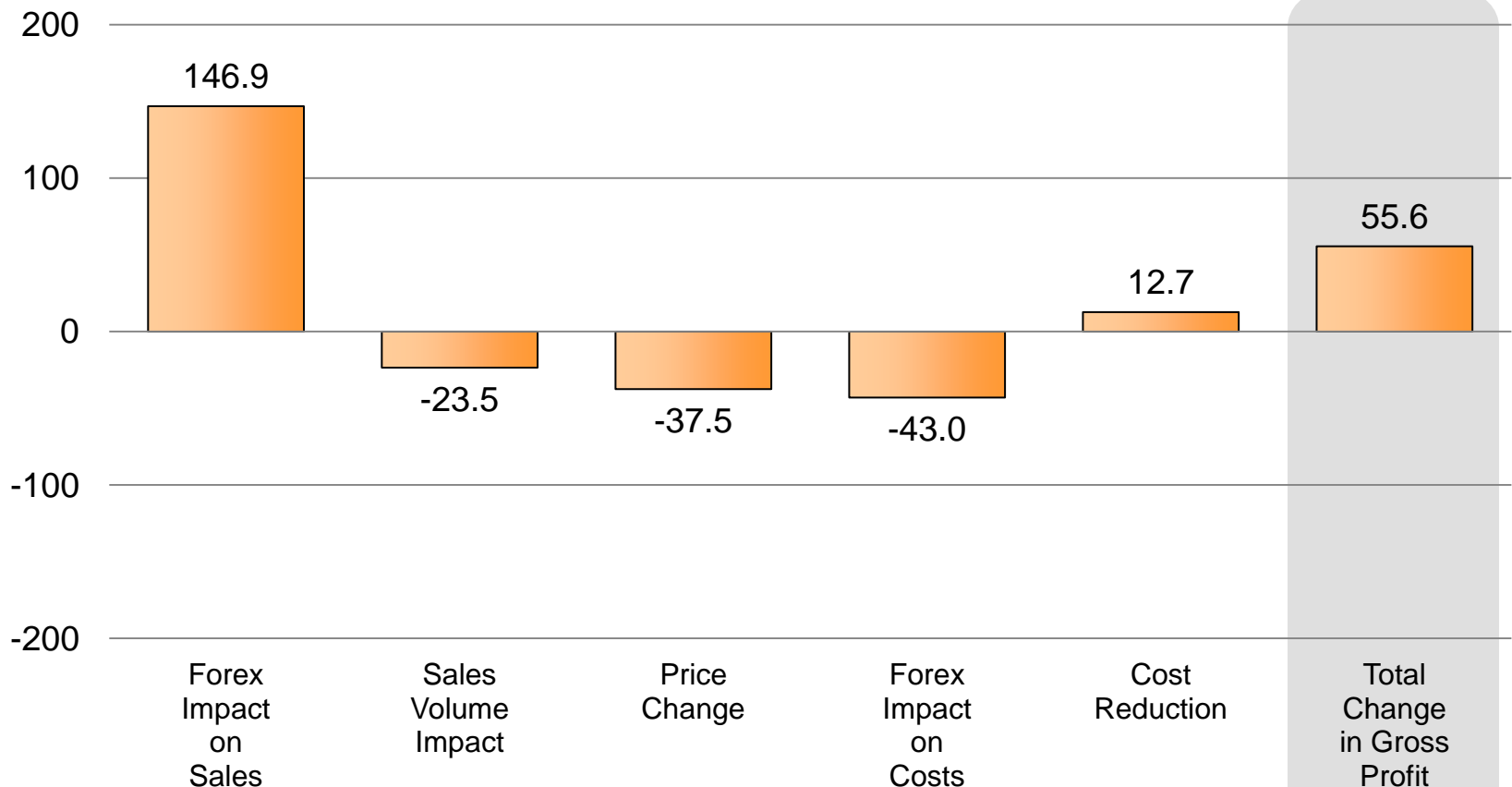
Gross Profit Variance Analysis

4Q 2013 Actual v. 4Q 2012 Actual

(Billions of yen)

	4Q13	4Q12	Change
Gross Profit	488.0	432.4	+55.6
% Sales	47.2%	45.4%	+1.8pt.

(Billions of yen)



Supplementary Information

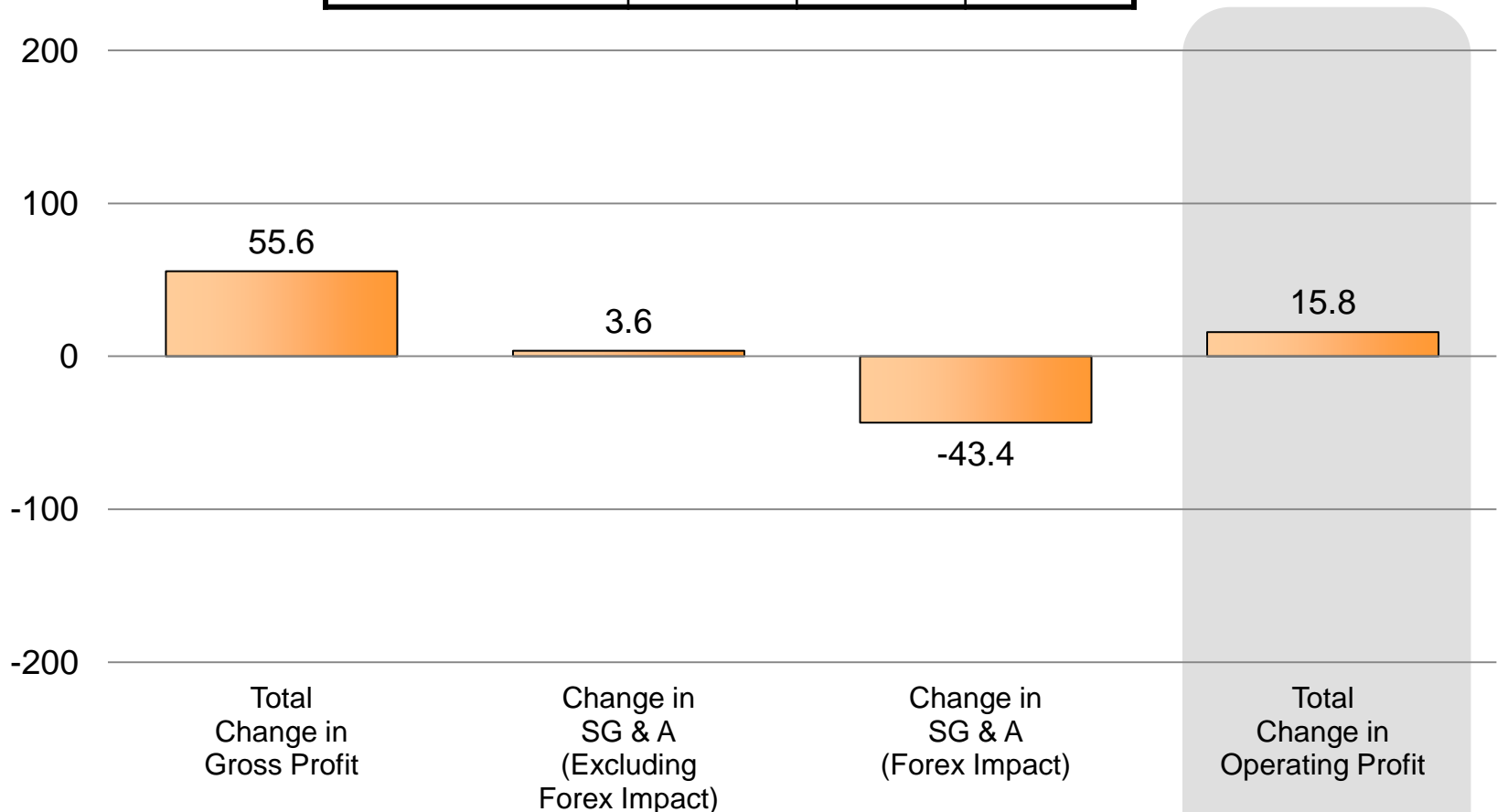
Operating Profit Variance Analysis

4Q 2013 Actual v. 4Q 2012 Actual

(Billions of yen)

(Billions of yen)

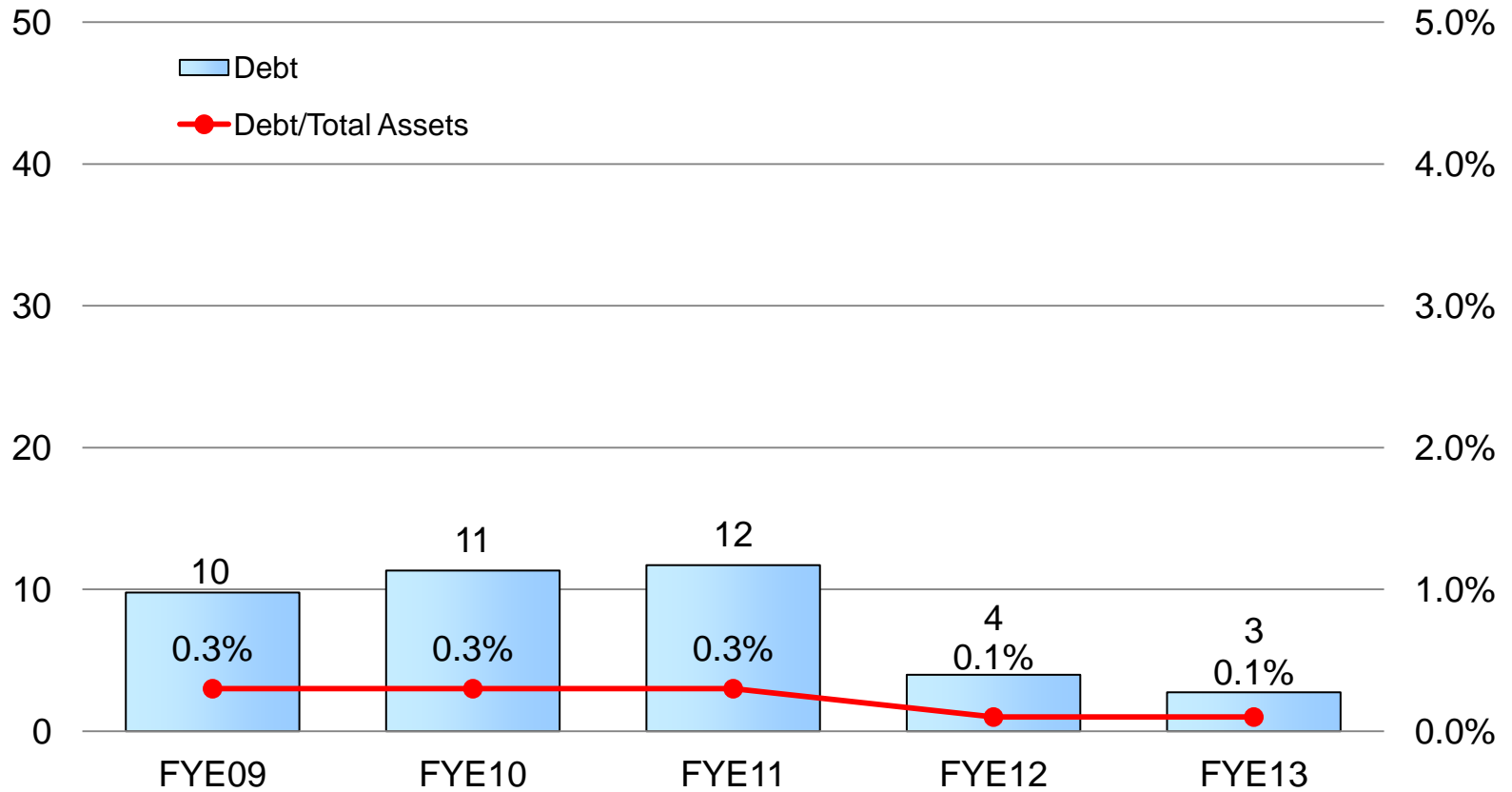
	4Q13	4Q12	Change
Op. Profit	93.5	77.7	+15.8
% Sales	9.0%	8.2%	+0.8pt.



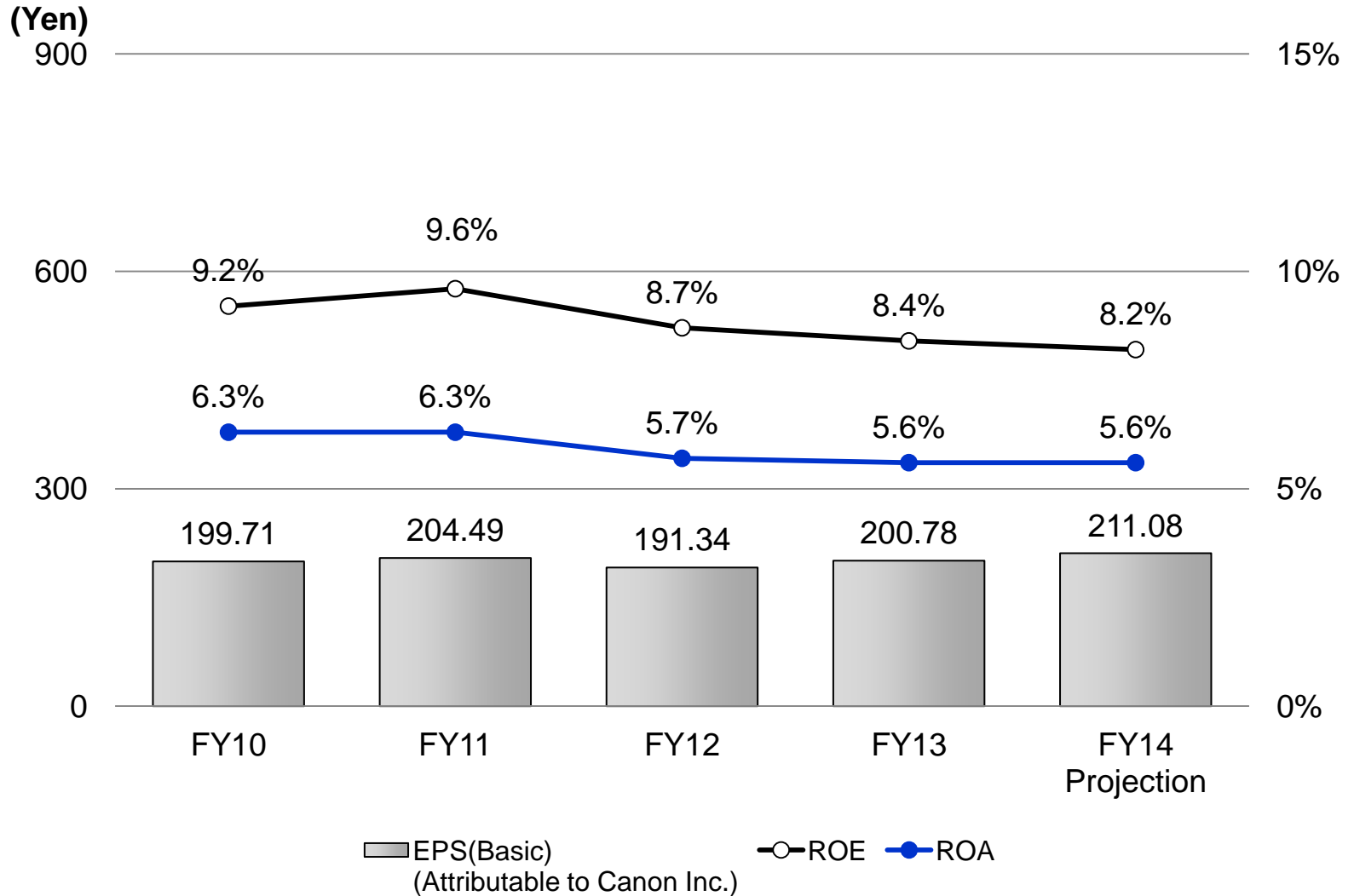
Supplementary Information

Interest Bearing Debt

(Billions of yen)



Financial Ratios



Supplementary Information