



Canon Inc.

First Quarter 2012 Results

April 25, 2012

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Agenda

■ 1Q 2012 Results P3 – 5

■ FY 2012 Projections P6 – 9

■ Details by Business P10 – 15

■ Financial Situation P16 – 18

■ Supplementary Information P19 – 24

1Q 2012 in Summary

External Environment

- ✓ Only a gradual recovery in the global economy
 - Continued weakness in Europe
 - Deceleration in emerging markets
- ✓ Yen's appreciation

Results

- ✓ Achieved a third consecutive quarter of operating-profit and net-income growth, despite a slight decrease in net sales, through cost reductions and comprehensive effort to streamline expenses

Summary of Results

1Q 2012 Actual

(Billions of yen)

	1Q 2012 Actual	1Q 2011 Actual	Pct. Change
Net Sales	829.2	839.2	-1.2%
Gross Profit	390.9	406.2	-3.8%
(% Sales)	47.1%	48.4%	
Op. Profit	82.7	82.5	+0.2%
(% Sales)	10.0%	9.8%	
Net Income	61.5	55.5	+11.0%
Attributable to Canon Inc.			
(% Sales)	7.4%	6.6%	
Foreign Exchange Rate			
Yen – 1USD	79.72	82.28	
Yen – 1EURO	104.57	112.86	

Transition in Sales and Op. Profit

1Q 2012 Actual v. 1Q 2011 Actual

(Billions of yen)

	Sales	Op. Profit
1Q 2011 Actual	839.2	82.5
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	-22.7	-9.8
Sales Volume Impact		
Office	-19.8	
Consumer	+24.9	
Industry and Others	+19.9	
.....		
Total	+25.0	+0.8
Others	-12.3	+9.2
Total Change	-10.0	+0.2
1Q 2012 Actual	829.2	82.7

Change in Exchange Rate

- 1USD: 82.28 to 79.72 yen
- 1EURO: 112.86 to 104.57 yen

Assumptions

2012 Current Projection

Average Exchange Rate	2Q-4Q12	FY12	FY11
■ Yen-1USD	80.00 yen	79.94 yen	79.55 yen
■ Yen-1EURO	105.00 yen	104.91 yen	110.72 yen

Impact of Exchange Rate Movement (2Q-4Q Impact Given a One Yen Change)

	Net Sales	Operating Profit
■ USD	15.7 billion yen	7.8 billion yen
■ EURO	8.9 billion yen	4.8 billion yen

Key Points FY2012

External Environment

- ✓ Global economy pulled by emerging markets, amid unstable and unclear situation
- ✓ Continued yen's appreciation

Outlook

Build solid foundation for growth to achieve 2015 targets in “Phase IV of Excellent Global Corporation Plan”

Through advancements made in manufacturing,

- Enhance product competitiveness
- Strengthen production and sales structure



Achieve net sales and profit growth

Summary of Projected Results

FY 2012 Current Projection

(Billions of yen)

	FY 2012 Current Projection	FY 2011 Actual	Pct. Change
Net Sales	3,900.0	3,557.4	+9.6%
Gross Profit	1,867.0	1,736.8	+7.5%
(% Sales)	47.9%	48.8%	
Op. Profit	450.0	378.1	+19.0%
(% Sales)	11.5%	10.6%	
Net Income	290.0	248.6	+16.6%
Attributable to Canon Inc.			
(% Sales)	7.4%	7.0%	
Foreign Exchange Rate			
Yen – 1USD	79.94	79.55	
Yen – 1EURO	104.91	110.72	

Transition in Sales and Op. Profit

FY 2012 Current Projection v. FY 2012 Previous Projection

(Billions of yen)

	Sales	Op. Profit
Previous Projection (Jan. 30, 2012)	3,750.0	390.0
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	+158.4	+77.4
Sales Volume Impact		
Office	-25.2	
Consumer	+13.2	
Industry and Others	+3.6	
Total	-8.4	-10.8
Others	0.0	-6.6
Total Change	+150.0	+60.0
Current Projection (Apr. 25, 2012)	3,900.0	450.0

Change in Exchange Rate

- 1USD: 75.00 to 79.94 yen
- 1EURO: 100.00 to 104.91 yen

Office

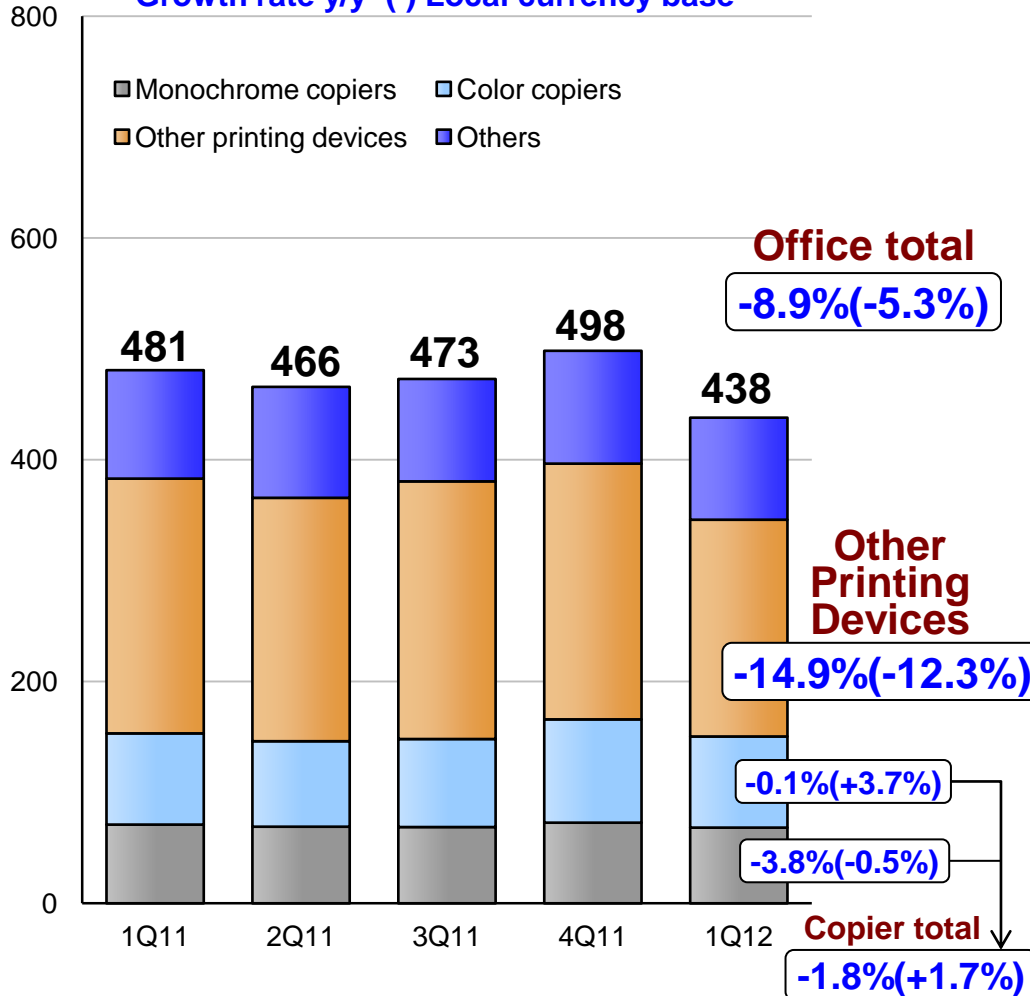
1Q 2012 Actual

1Q12 Growth rate y/y (Unit base)		
	Copiers	Printers
Color	+13%	+5%
Monochrome	-5%	-15%
Total	+1%	-13%

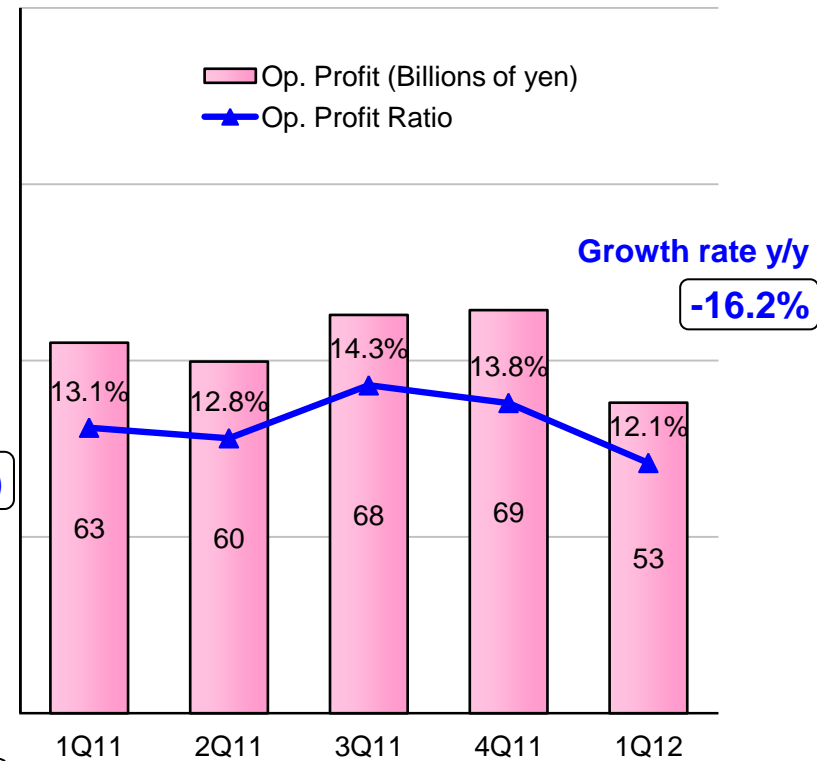
1Q12 Color ratio		
	Copiers	Printers
Value base*	55%	43%
Unit base	37%	15%

*Includes consumables

(Billions of yen) **Sales**
Growth rate y/y () Local currency base



Op.Profit



Office

FY 2012 Projection

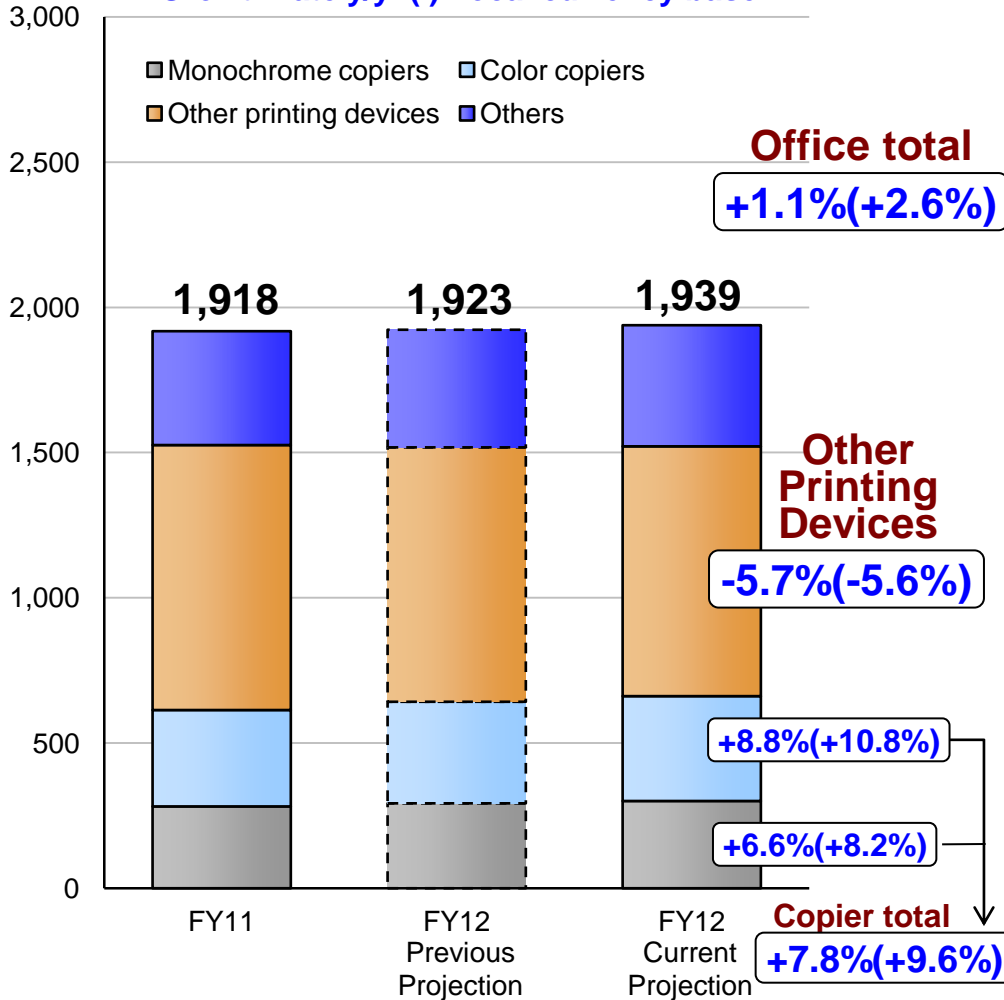
FY12 Growth rate y/y (Unit base)		
	Copiers	Printers
Color	+22%	+2%
Monochrome	+10%	-5%
Total	+14%	-4%

FY12 Color ratio		
	Copiers	Printers
Value base*	55%	45%
Unit base	36%	13%

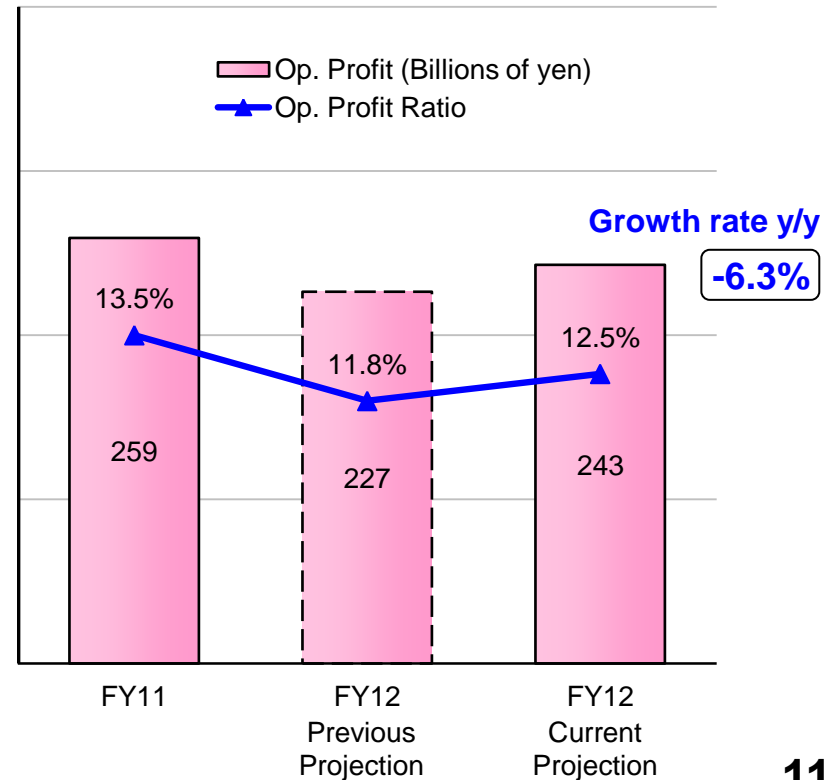
*Includes consumables

(Billions of yen) Sales

Growth rate y/y () Local currency base



Op.Profit



Consumer

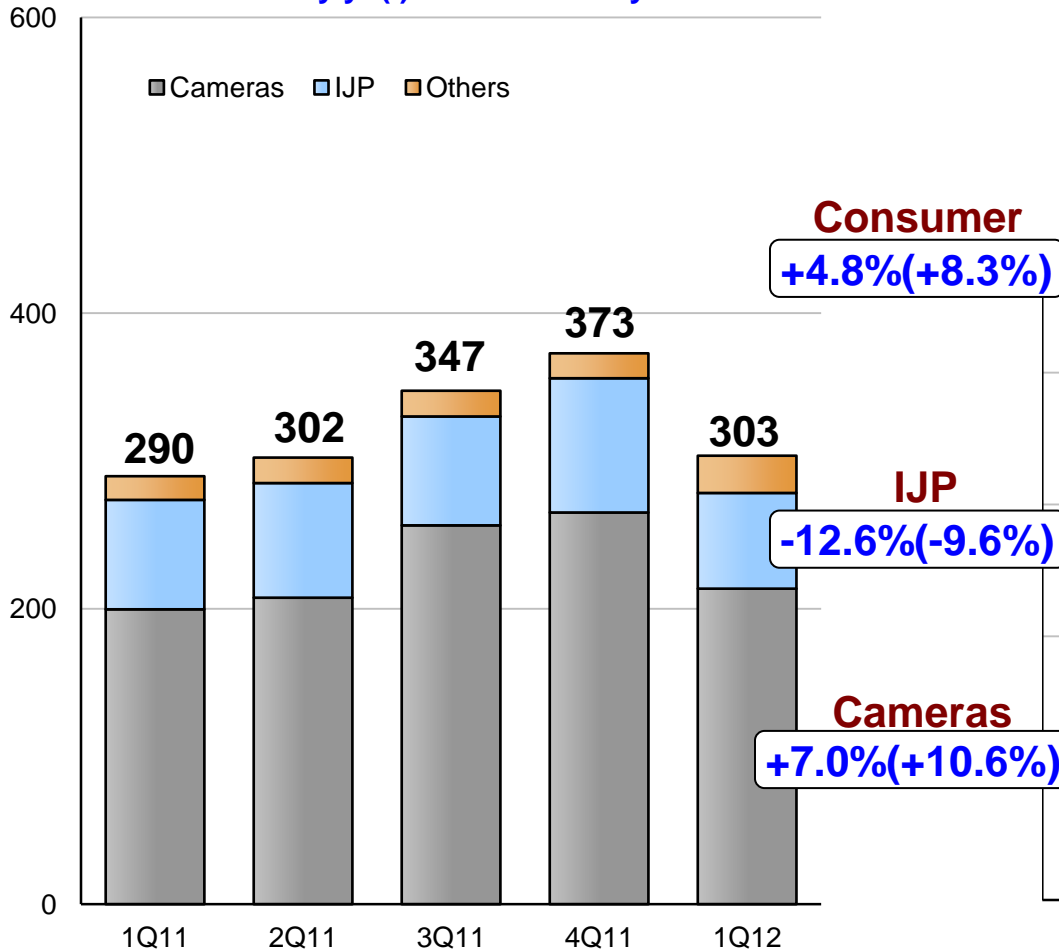
1Q 2012 Actual

Growth Rate y/y (Unit Base)	
	1Q12
Digital Cameras	+4%
IJP	-12%

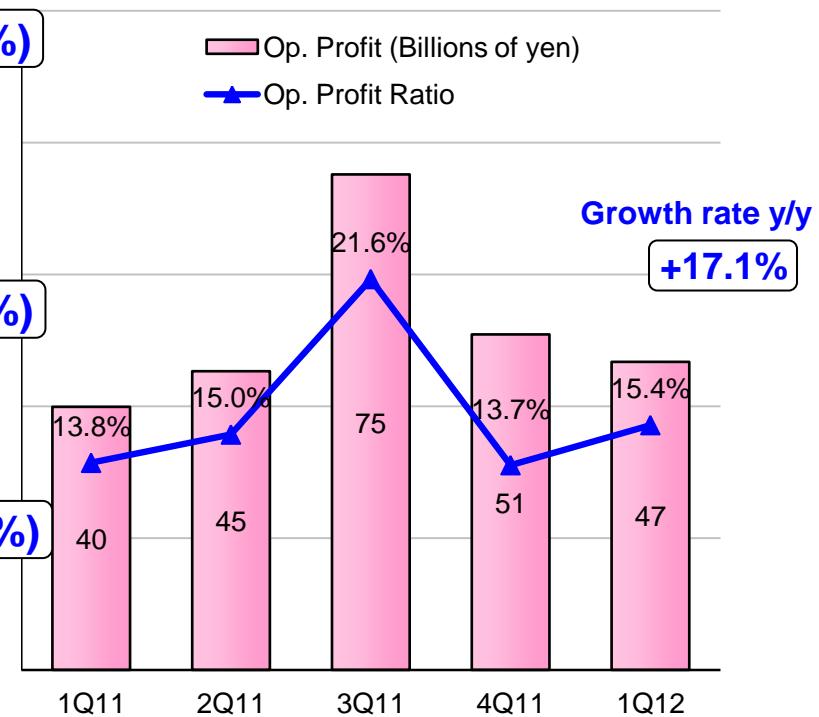
D SLR Ratio *	
	1Q12
Value Base	73%
Unit Base	28%

* Proportion of digital camera total

(Billions of yen) **Sales**
Growth rate y/y () Local currency base



Op.Profit



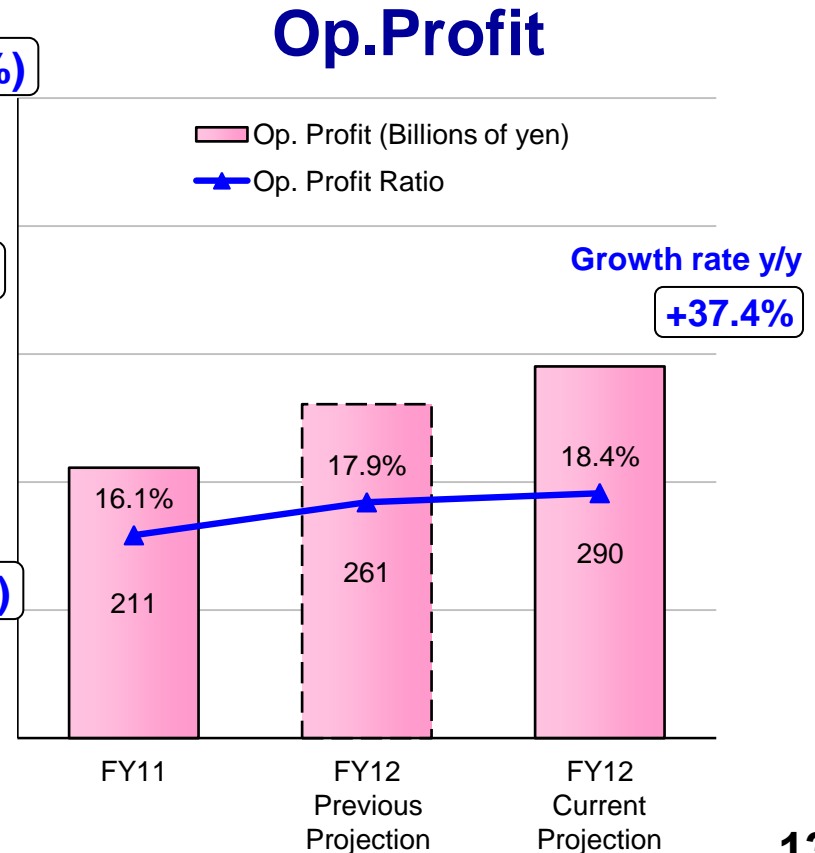
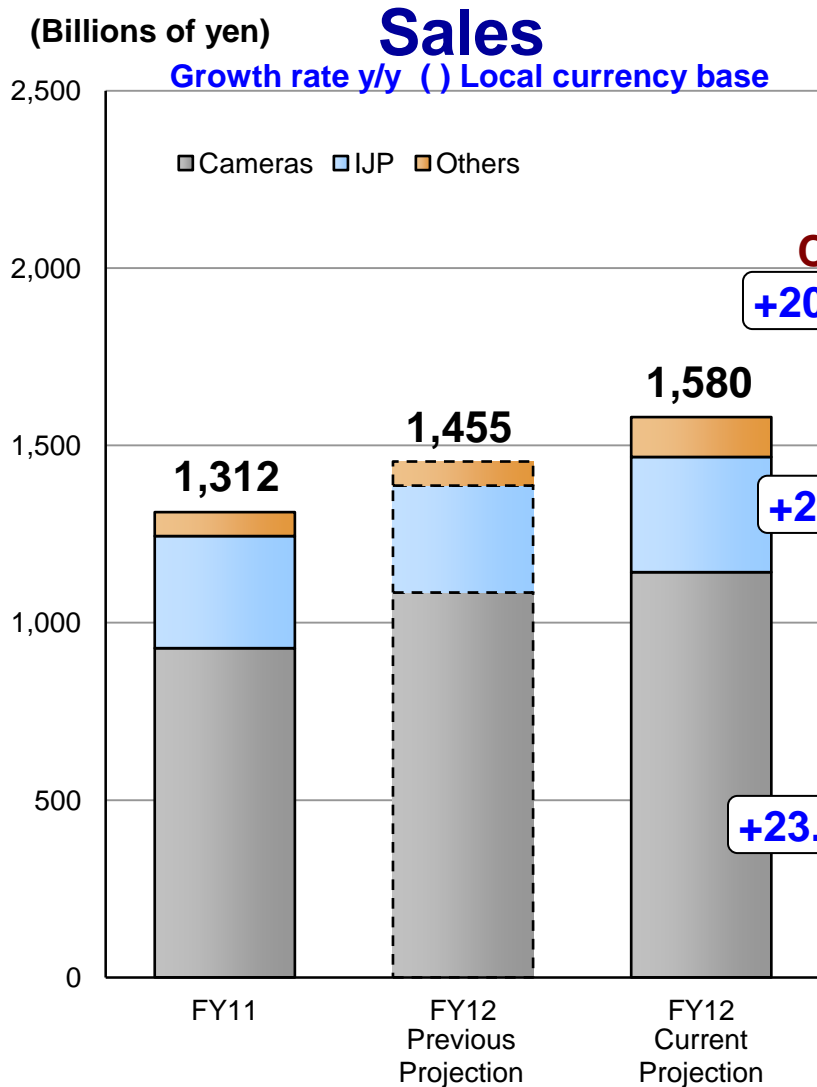
Consumer

FY 2012 Projection

Growth Rate y/y (Unit Base)	
	FY12
Digital Cameras	+20%
IJP	+1%

D SLR Ratio *	
	FY12
Value Base	74%
Unit Base	29%

* Proportion of digital camera total



Industry and Others

1Q 2012 Actual

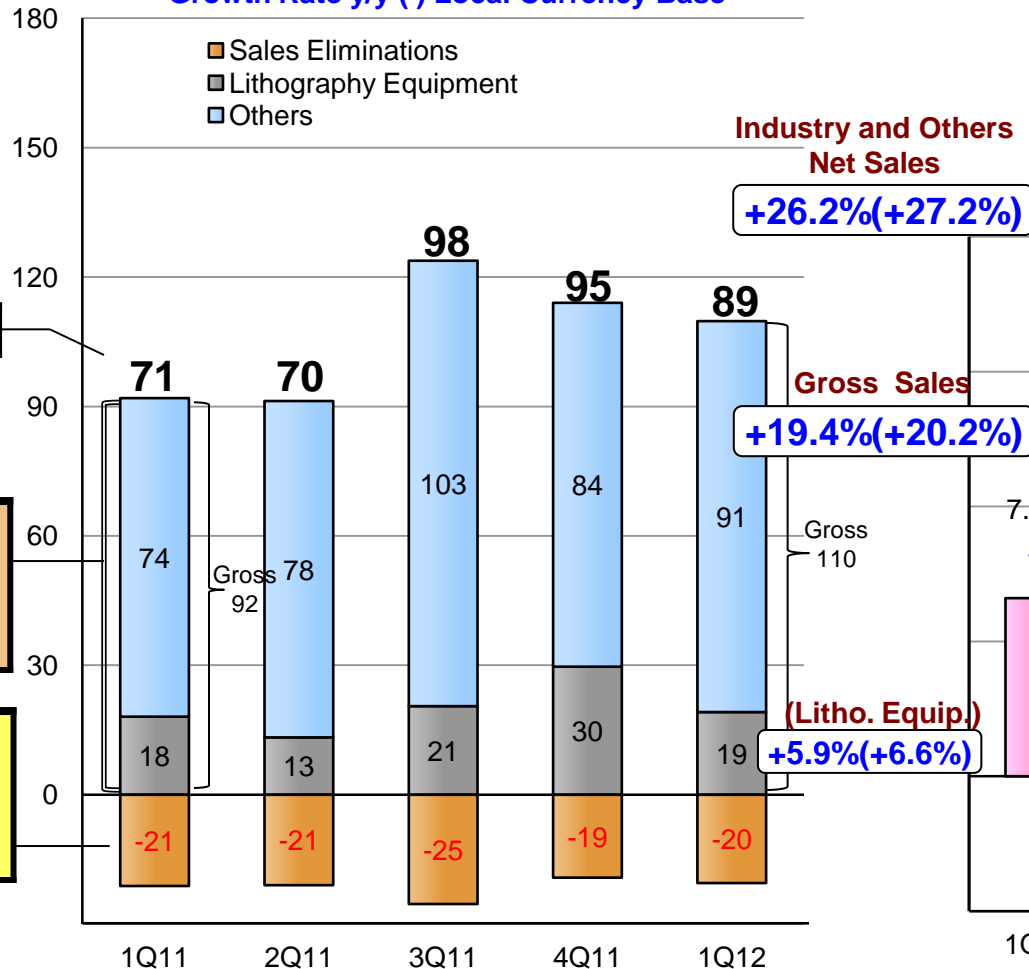
Lithography Equipment (Unit Sales)		
	1Q11	1Q12
IC	11	13
LCD	5	5
Total	16	13

IC Stepper Unit Breakdown by Light Source		
	1Q11	1Q12
ArF Dry	0	0
ArF Immersion	0	0
KrF	0	2
i-line	11	11

(Billions of yen)

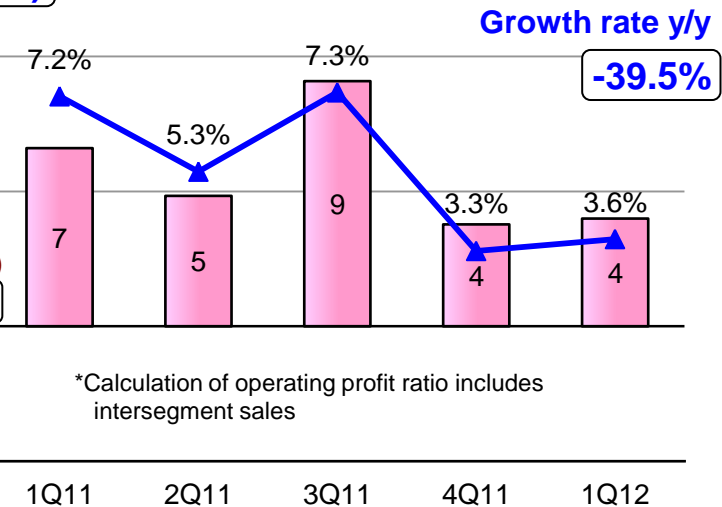
Sales

Growth Rate y/y () Local Currency Base



Op.Profit

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



Industry and Others

FY 2012 Projection

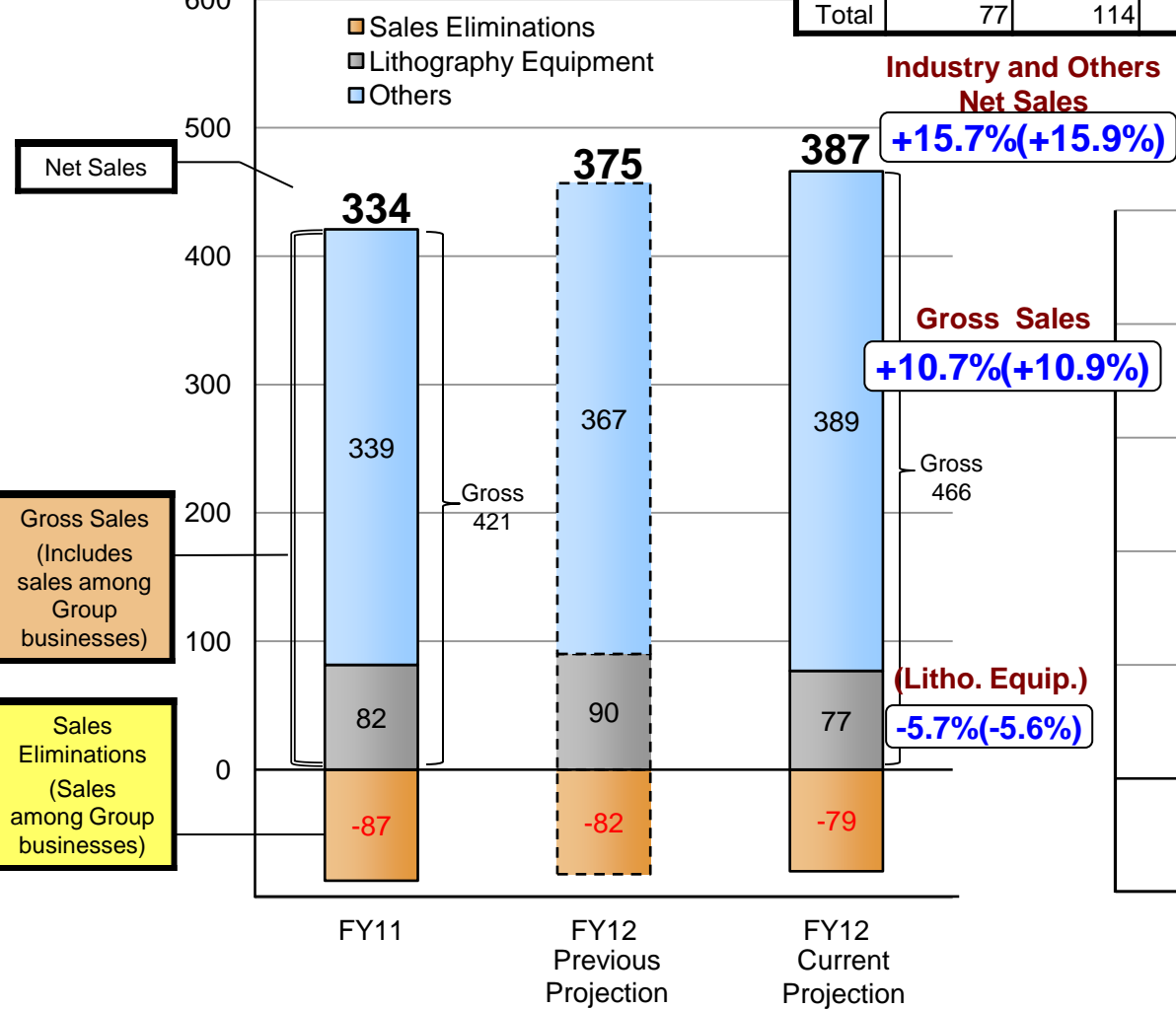
	FY11	FY12 Previous Projection	FY12 Current Projection
ArF Dry	0	0	0
ArF Immersion	0	0	0
KrF	7	18	10
i-line	45	76	60

	FY11	FY12 Previous Projection	FY12 Current Projection
IC	52	94	70
LCD	25	20	16
Total	77	114	86

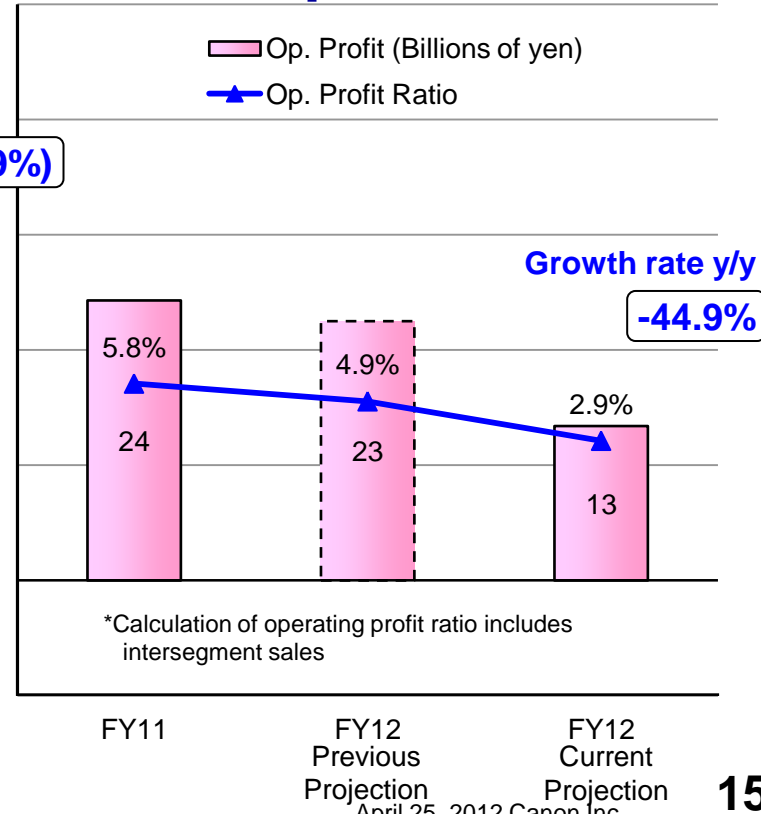
Sales

(Billions of yen)

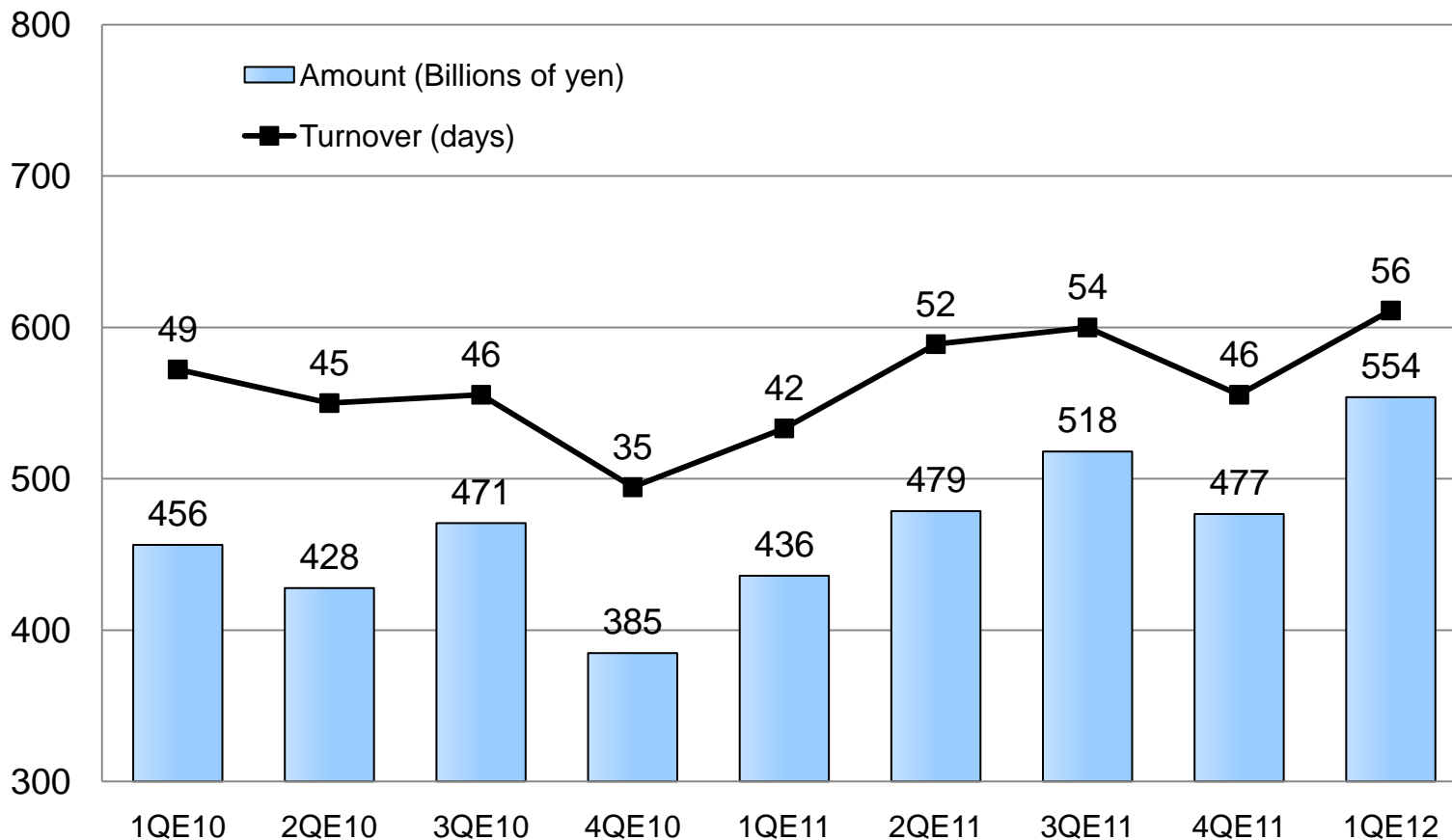
Growth Rate y/y () Local Currency Base



Op.Profit



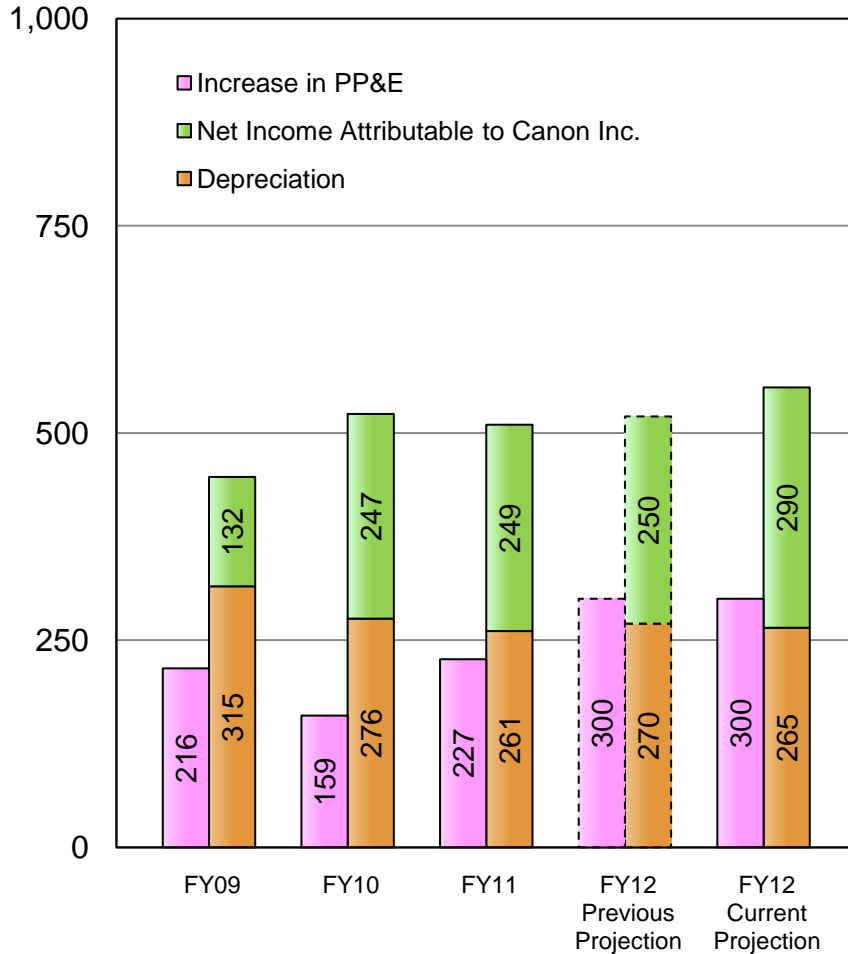
Inventories



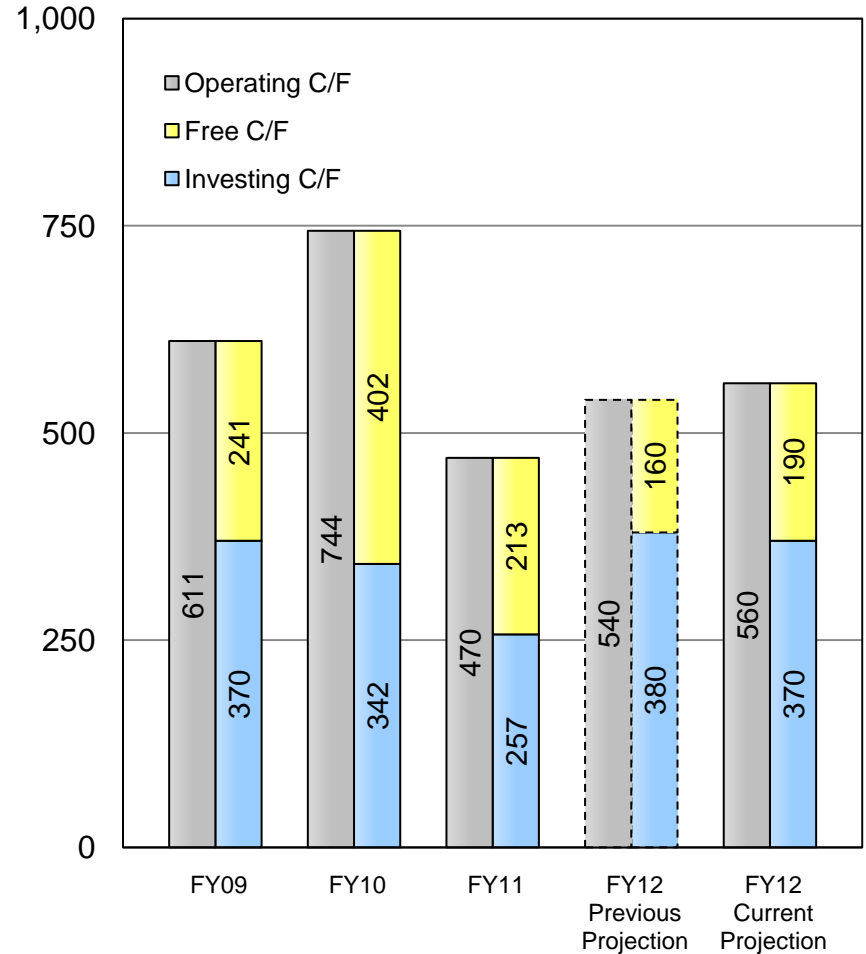
Capital Expenditure

Free Cash Flow

(Billions of yen)

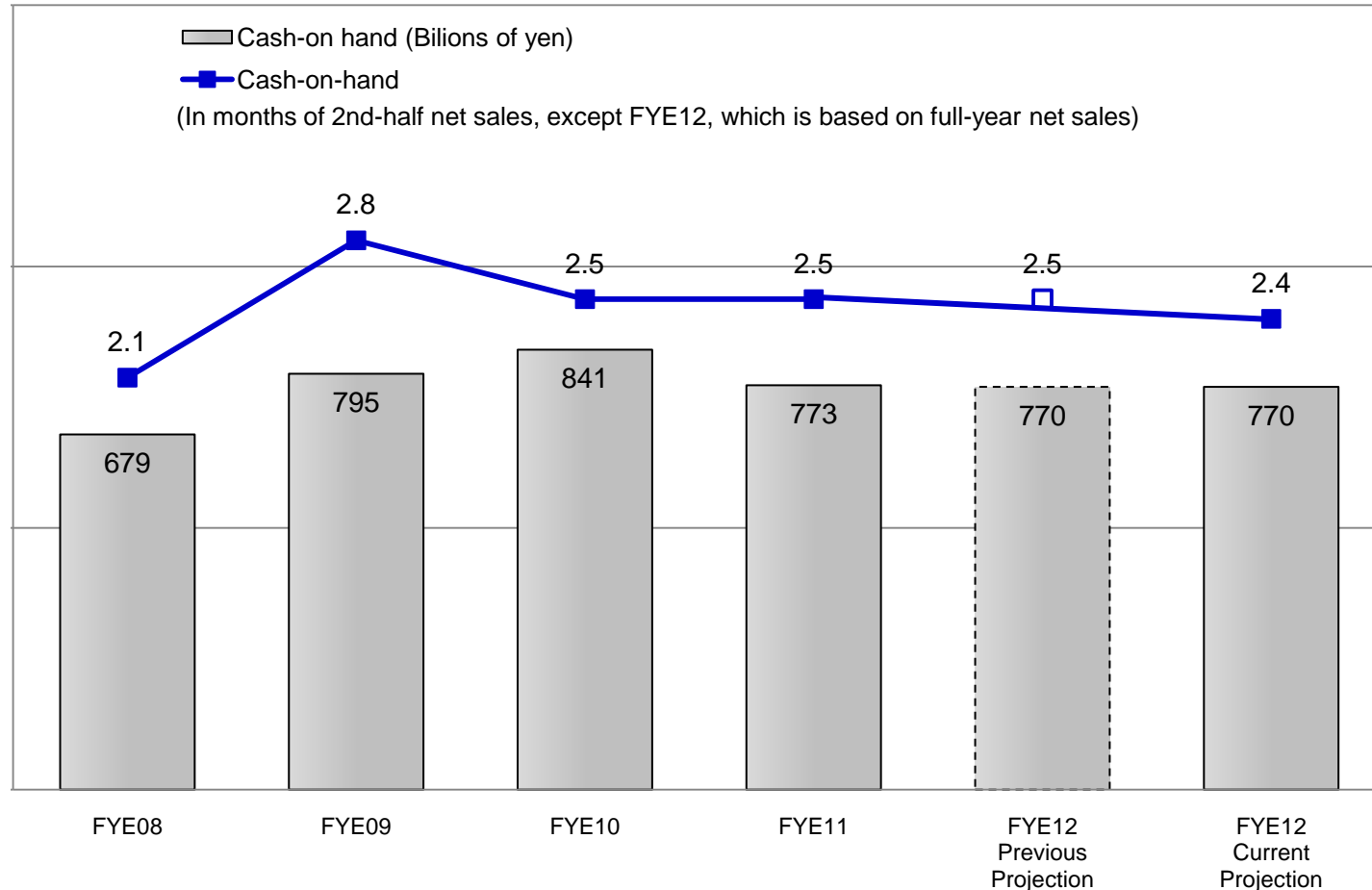


(Billions of yen)



Cash on Hand

Cash on Hand (Year-end)



Note 1: 450, 100, 50, and 100 billion yen was used to acquire own shares in 2007, 2008, 2010 and 2011, respectively. In 2012, the year-to-date total is 50 billion yen.

Supplementary Information

Transition in Sales and Operating Profit

FY 2012 Current Projection v. FY 2011 Actual

(Billions of yen)

	Sales	Op. Profit
FY 2011 Actual	3,557.4	378.1
Foreign Exchange Impact (Net Sales, Cost of Sales, Expenses)	-36.3	-15.0
Sales Volume Impact		
Office	+107.2	
Consumer	+326.6	
Industry and Others	+55.1	
.....		
Total	+488.9	+168.3
Others	-110.0	-81.4
Total Change	+342.6	+71.9
FY 2012 Current Projection	3,900.0	450.0

Change in Exchange Rate

- 1USD: 79.55 to 79.94 yen
- 1EURO: 110.72 to 104.91 yen

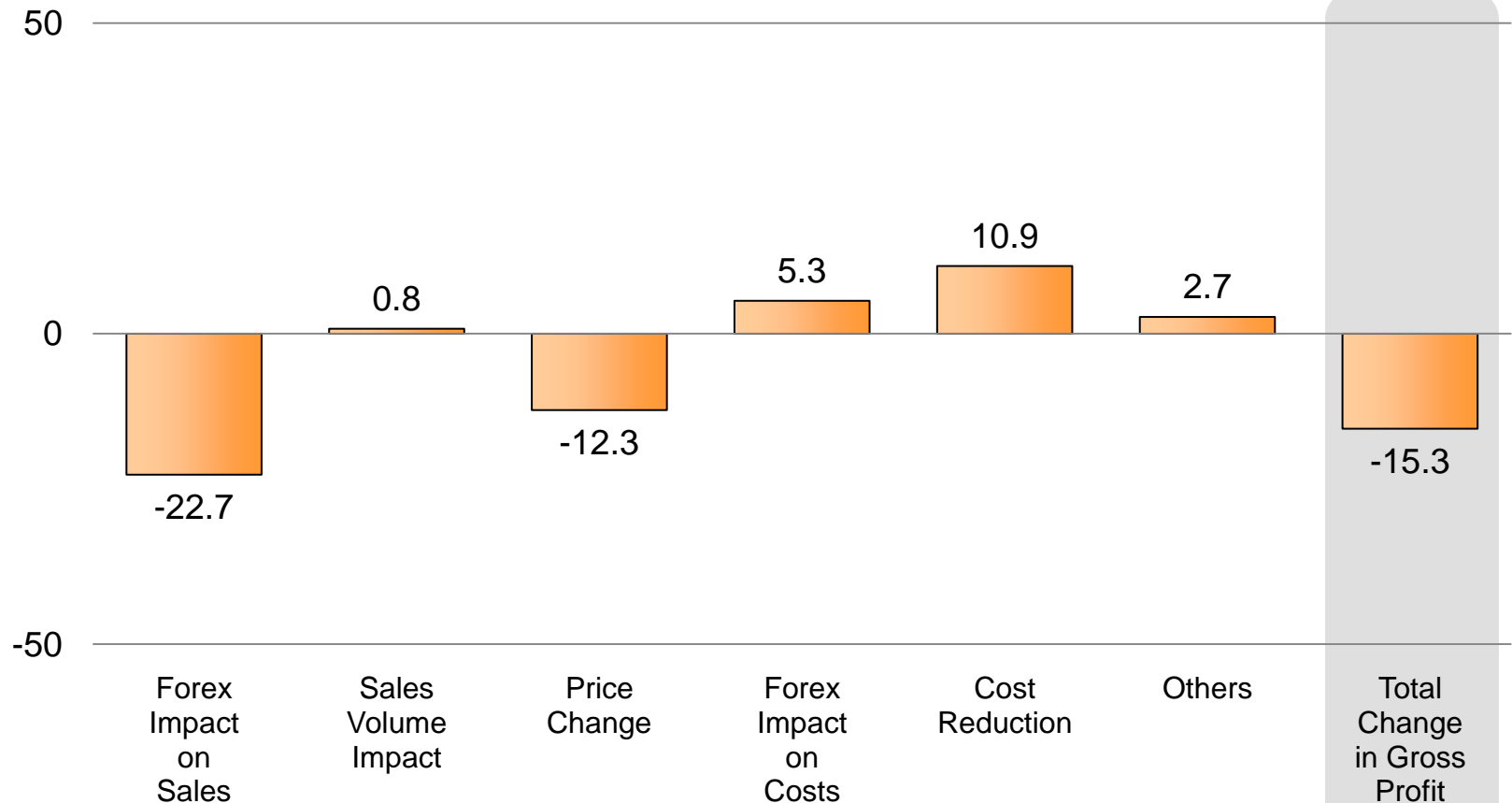
Gross Profit Variance Analysis

1Q 2012 Actual v. 1Q 2011 Actual

(Billions of yen)

	1Q12	1Q11	Change
Gross Profit	390.9	406.2	-15.3
% Sales	47.1%	48.4%	-1.3 pt.

(Billions of yen)



Supplementary Information

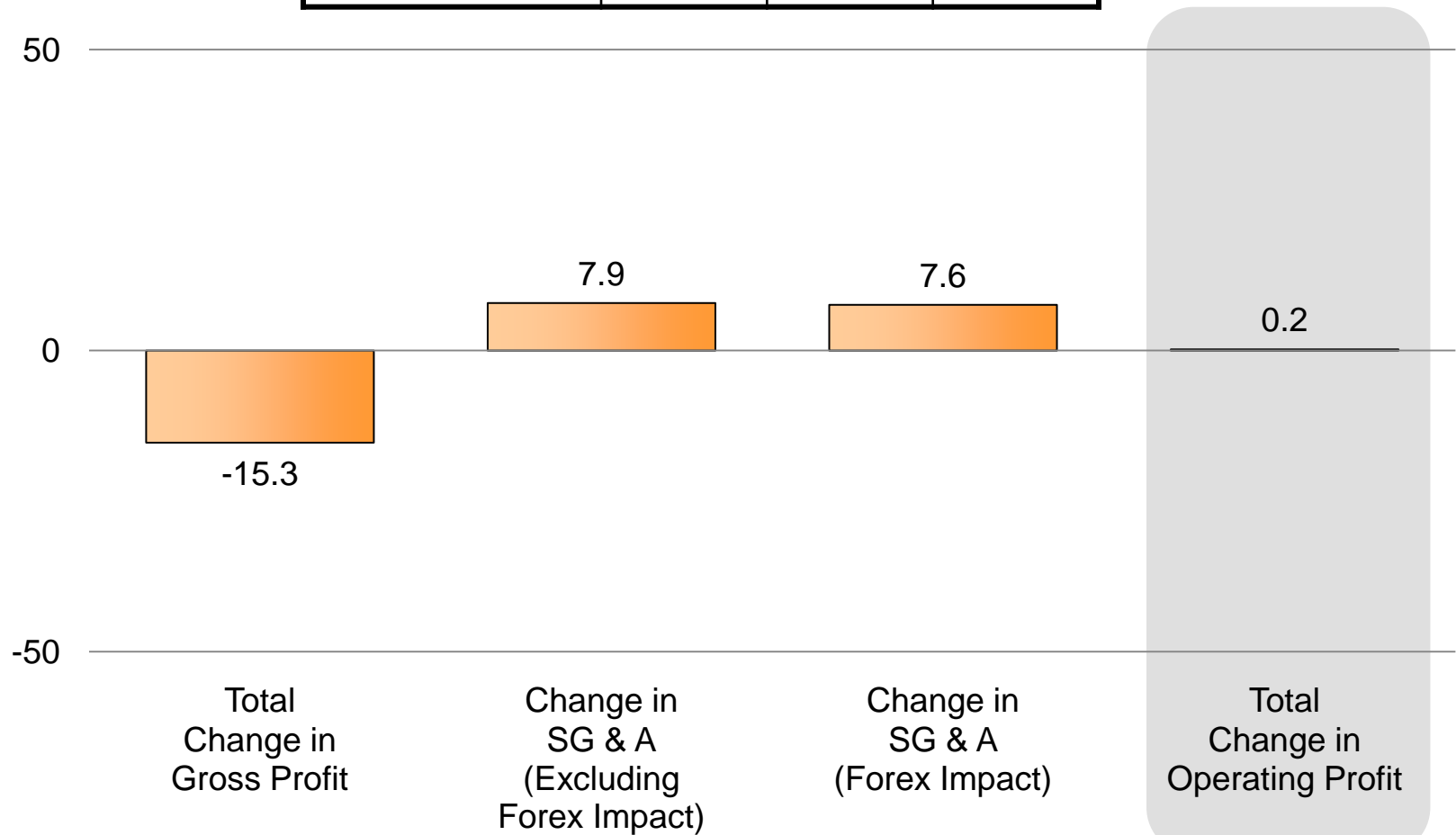
Operating Profit Variance Analysis

1Q 2012 Actual v. 1Q 2011 Actual

(Billions of yen)

	1Q12	1Q11	Change
Op. Profit	82.7	82.5	+0.2
% Sales	10.0%	9.8%	+0.2 pt.

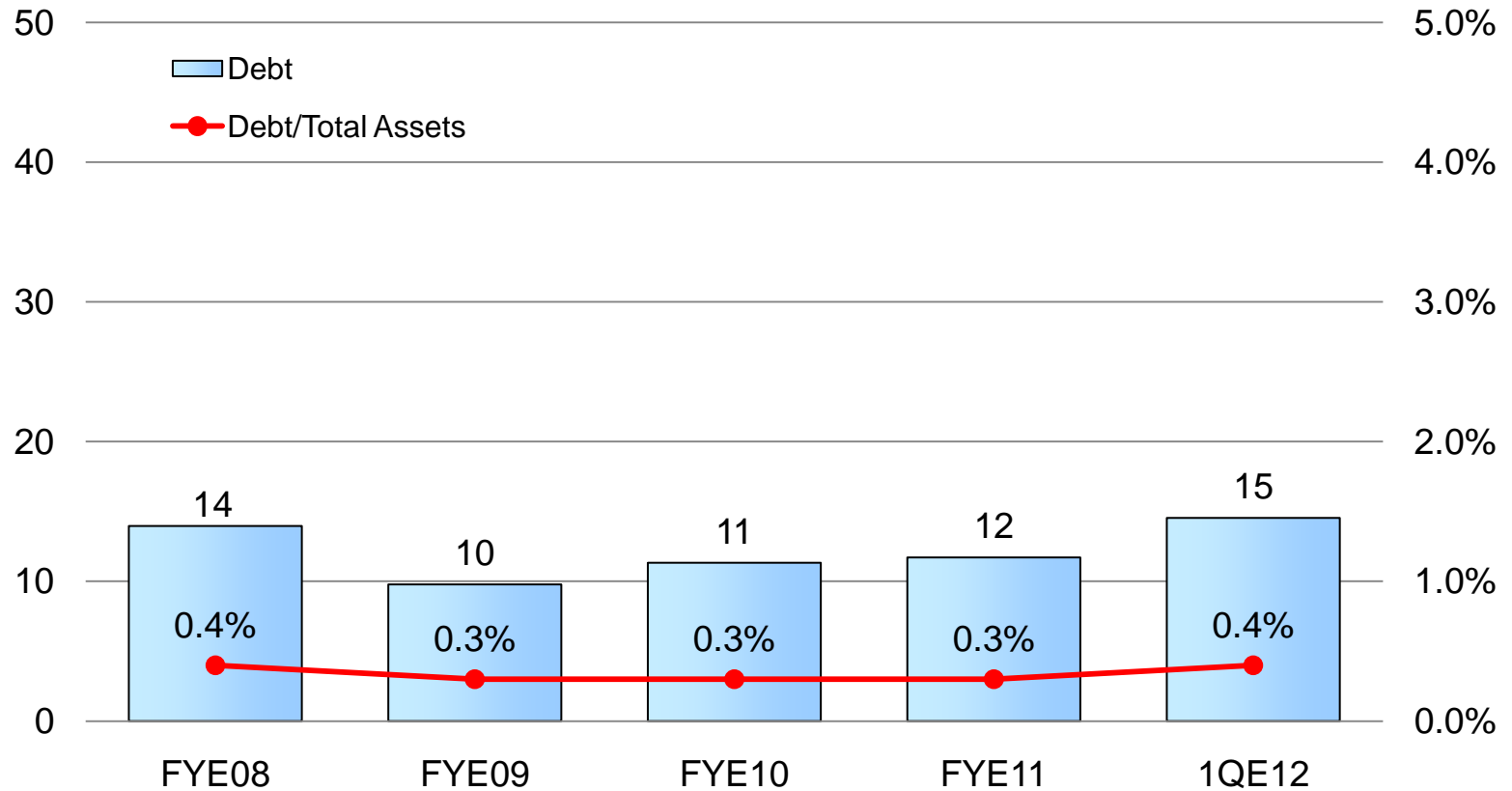
(Billions of yen)



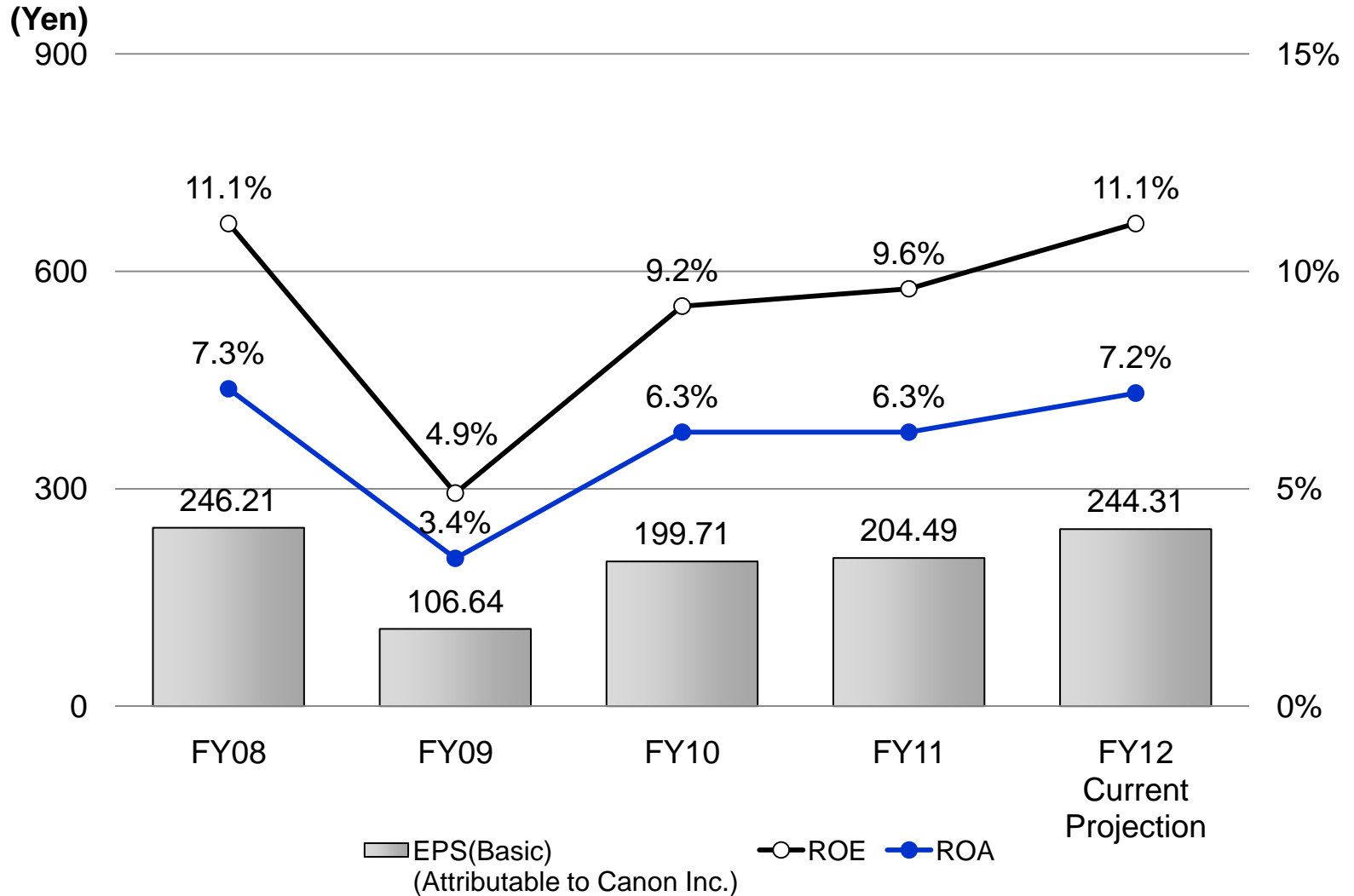
Supplementary Information

Interest Bearing Debt

(Billions of yen)



Financial Ratios



Supplementary Information