

CANON INC
Form 20-F
March 29, 2018
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report _____

Commission file number 001-15122

CANON KABUSHIKI KAISHA

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(Exact name of Registrant in Japanese as specified in its charter)

CANON INC.

(Exact name of Registrant in English as specified in its charter)

JAPAN

(Jurisdiction of incorporation or organization)

30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan (Address of principal executive offices)

Eiji Shimizu, +81-3-3758-2111, +81-3-5482-9680, 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan

(Name, Telephone, Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
(1) Common Stock (the shares)	New York Stock Exchange*
(2) American Depositary Shares (ADSs), each of which represents one share	New York Stock Exchange

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None

(Title of Class)

* Not for trading, but only for technical purposes in connection with the registration of ADSs.

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

As of December 31, 2017, 1,079,755,783 shares of common stock, including 19,648,132 ADSs, were outstanding.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit

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and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See definition of large accelerated filer, accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company
If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The term new or revised financial accounting standard refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued

Other

by the International Accounting Standards Board

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Table of Contents

TABLE OF CONTENTS

	Page number
<u>CERTAIN DEFINED TERMS, CONVENTIONS AND PRESENTATION OF FINANCIAL INFORMATION</u>	1
<u>FORWARD-LOOKING INFORMATION</u>	1
<u>PART I</u>	
Item 1. <u>Identity of Directors, Senior Management and Advisers</u>	2
Item 2. <u>Offer Statistics and Expected Timetable</u>	2
Item 3. <u>Key Information</u>	2
A. <u>Selected financial data</u>	2
B. <u>Capitalization and indebtedness</u>	3
C. <u>Reasons for the offer and use of proceeds</u>	3
D. <u>Risk factors</u>	3
Item 4. <u>Information on the Company</u>	11
A. <u>History and development of the Company</u>	11
B. <u>Business overview</u>	12
<u>Products</u>	12
<u>Net sales by segment</u>	17
<u>Net sales by geographic area</u>	17
<u>Seasonality</u>	18
<u>Sources of supply</u>	18
<u>Marketing and distribution</u>	18
<u>Service</u>	19
<u>Patents and licenses</u>	19
<u>Competition</u>	20
<u>Environmental regulations</u>	21
<u>Other regulations</u>	24
C. <u>Organizational structure</u>	25
D. <u>Property, plants and equipment</u>	26
Item 4A. <u>Unresolved Staff Comments</u>	29
Item 5. <u>Operating and Financial Review and Prospects</u>	29
A. <u>Operating results</u>	29
<u>Overview</u>	29
<u>Key performance indicators</u>	30
<u>Critical accounting policies and estimates</u>	32
<u>Consolidated results of operations</u>	35
<u>2017 compared with 2016</u>	35
<u>2016 compared with 2015</u>	40
<u>Foreign operations and foreign currency transactions</u>	44
B. <u>Liquidity and capital resources</u>	44
<u>Non-GAAP financial measures</u>	46
C. <u>Research and development, patents and licenses</u>	46
D. <u>Trend information</u>	47
E. <u>Off-balance sheet arrangements</u>	49
F. <u>Contractual obligations</u>	49

Table of Contents

	Page number
Item 6.	<u>Directors, Senior Management and Employees</u> 51
A.	<u>Directors and senior management</u> 51
B.	<u>Compensation</u> 58
C.	<u>Board practices</u> 60
D.	<u>Employees</u> 61
E.	<u>Share ownership</u> 61
Item 7.	<u>Major Shareholders and Related Party Transactions</u> 62
A.	<u>Major shareholders</u> 62
B.	<u>Related party transactions</u> 62
C.	<u>Interests of experts and counsel</u> 63
Item 8.	<u>Financial Information</u> 63
A.	<u>Consolidated financial statements and other financial information</u> 63
	<u>Consolidated financial statements</u> 63
	<u>Legal proceedings</u> 63
	<u>Dividend policy</u> 63
B.	<u>Significant changes</u> 64
Item 9.	<u>The Offer and Listing</u> 64
A.	<u>Offer and listing details</u> 64
	<u>Trading in domestic markets</u> 64
	<u>Trading in foreign markets</u> 65
B.	<u>Plan of distribution</u> 65
C.	<u>Markets</u> 65
D.	<u>Selling shareholders</u> 66
E.	<u>Dilution</u> 66
F.	<u>Expenses of the issue</u> 66
Item 10.	<u>Additional Information</u> 66
A.	<u>Share capital</u> 66
B.	<u>Memorandum and articles of association</u> 66
C.	<u>Material contracts</u> 73
D.	<u>Exchange controls</u> 74
E.	<u>Taxation</u> 75
F.	<u>Dividends and paying agents</u> 79
G.	<u>Statement by experts</u> 79
H.	<u>Documents on display</u> 79
I.	<u>Subsidiary information</u> 79
Item 11.	<u>Quantitative and Qualitative Disclosures about Market Risk</u> 79
	<u>Market risk exposures</u> 79
	<u>Equity price risk</u> 79
	<u>Foreign currency exchange rate and interest rate risk</u> 80
Item 12.	<u>Description of Securities Other than Equity Securities</u> 81
A.	<u>Debt securities</u> 81
B.	<u>Warrants and rights</u> 81
C.	<u>Other securities</u> 81
D.	<u>American Depositary Shares</u> 81

Table of Contents

	Page number
<u>PART II</u>	
Item 13.	<u>Defaults, Dividend Arrearages and Delinquencies</u> 82
Item 14.	<u>Material Modifications to the Rights of Security Holders and Use of Proceeds</u> 82
Item 15.	<u>Controls and Procedures</u> 82
Item 16A.	<u>Audit Committee Financial Expert</u> 83
Item 16B.	<u>Code of Ethics</u> 83
Item 16C.	<u>Principal Accountant Fees and Services</u> 83
Item 16D.	<u>Exemptions from the Listing Standards for Audit Committees</u> 85
Item 16E.	<u>Purchases of Equity Securities by the Issuer and Affiliated Purchasers</u> 86
Item 16F.	<u>Change in Registrant's Certifying Accountant</u> 86
Item 16G.	<u>Corporate Governance</u> 86
<u>PART III</u>	
Item 17.	<u>Financial Statements</u> 89
Item 18.	<u>Financial Statements</u> 89
	<u>Reports of Independent Registered Public Accounting Firm</u> 90
	<u>Consolidated Balance Sheets</u> 92
	<u>Consolidated Statements of Income</u> 93
	<u>Consolidated Statements of Comprehensive Income</u> 94
	<u>Consolidated Statements of Equity</u> 95
	<u>Consolidated Statements of Cash Flows</u> 97
	<u>Notes to Consolidated Financial Statements</u> 98
	<u>Schedule II Valuation and Qualifying Accounts</u> 143
Item 19.	<u>Exhibits</u> 144
<u>SIGNATURES</u>	145

Table of Contents

CERTAIN DEFINED TERMS, CONVENTIONS AND PRESENTATION OF FINANCIAL INFORMATION

All information contained in this Annual Report is as of December 31, 2017 unless otherwise specified.

References in this discussion to the Company are to Canon Inc. and, unless otherwise indicated, references to the financial condition or operating results of Canon refer to Canon Inc. and its consolidated subsidiaries.

On March 9, 2018, the noon buying rate for yen in New York City as reported by the Federal Reserve Bank of New York was ¥106.74= U.S.\$1.

The Company's fiscal year end is December 31. In this Annual Report 2017 refers to the Company's fiscal year ended December 31, 2017, and other fiscal years of the Company are referred to in a corresponding manner.

FORWARD-LOOKING INFORMATION

This Annual Report contains forward-looking statements and information relating to Canon that are based on beliefs of its management as well as assumptions made by and information currently available to Canon Inc. When used in this Annual Report, the words anticipate, believe, estimate, expect, intend, may, plan, project, should and similar expressions, as they relate to Canon or its management, are intended to forward-looking statements. Such statements, which include, but are not limited to, statements contained in Item 3. Key Information-Risk Factors, Item 4. Information on the Company, Item 5. Operating and Financial Review and Prospects and Item 11. Quantitative and Qualitative Disclosures about Market Risk reflect the current views and assumptions of the Company with respect to future events and are subject to risks and uncertainties. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this Annual Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected, intended, planned or projected. Canon Inc. does not intend or assume any obligation to update these forward-looking statements.

Table of Contents**PART I****Item 1. Identity of Directors, Senior Management and Advisers**

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information**A. Selected financial data**

The following information should be read in conjunction with and qualified in its entirety by reference to the Consolidated Financial Statements of Canon Inc. and subsidiaries, including the notes thereto, included in this Annual Report.

Selected financial data *1:	2017	2016	2015	2014	2013
	(Millions of yen, except average number of shares and per share data)				
Net sales	¥ 4,080,015	¥ 3,401,487	¥ 3,800,271	¥ 3,727,252	¥ 3,731,380
Operating profit	331,479	228,866	355,210	363,489	337,277
Net income attributable to Canon Inc.	241,923	150,650	220,209	254,797	230,483
Advertising expenses	61,207	58,707	80,907	79,765	86,398
Research and development expenses	330,053	302,376	328,500	308,979	306,324
Depreciation of property, plant and equipment	189,712	199,133	223,759	213,739	223,158
Increase in property, plant and equipment	147,542	171,597	195,120	182,343	188,826
Long-term debt, excluding current installments	493,238	611,289	881	1,148	1,448
Common stock	174,762	174,762	174,762	174,762	174,762