

**Summary Report of Consolidated Financial Results  
For the Interim of fiscal year ended June 30, 2008**

Registered Company Name:	Canon Marketing Japan Inc.	Stock Listing:	Tokyo Stock Exchange, First Section
Code No.:	8060	Headquarters:	Tokyo
URL:	<a href="http://cweb.canon.jp/co-profile/ir-e">http://cweb.canon.jp/co-profile/ir-e</a>		
Representative Director:	Haruo Murase, President and CEO		
Contact:	Masami Kawasaki, Senior Managing Director, Head of Administrative Department	Telephone:	+81-3-6719-9071
U.S. Accounting Standards Applied:	No		

**1. Business Performance (From January 1, 2008 to June 30, 2008)**

**(1) Results of Operations**

(Millions of yen truncated to the nearest million, %)

Years ended Dec. 31	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Interim 2008	¥ 418,624	(2.1) %	¥ 14,311	(15.8)%	¥ 14,769	(15.4)%
Interim 2007	¥ 427,709	+3.7%	¥ 16,999	+4.0%	¥ 17,465	+3.6%
Full term 2007	¥ 905,136		¥ 36,886		¥ 36,895	

Years ended Dec. 31	Net Income	Percentage Change	Net Income per Share (Yen)	Diluted Net Income per Share
Interim 2008	¥ 6,464	(35.3)%	¥ 44.79	-
Interim 2007	¥ 9,990	+7.7%	¥ 66.75	-
Full term 2007	¥ 20,033		¥ 134.84	-

**(2) Financial Position**

(Millions of yen truncated to the nearest million, %)

Years ended Dec. 31	Total Assets	Total Net Assets	Stockholders' Equity Ratio	Stockholders' Equity per Share (Yen)
Interim 2008	¥ 486,206	¥ 267,492	54.3%	¥ 1,837.47
Interim 2007	¥ 503,819	¥ 272,898	53.2%	¥ 1,789.16
Full term 2007	¥ 526,124	¥ 269,568	50.6%	¥ 1,817.59

Notes:

- ✓ Shareholders' equity (millions of yen)
  - Interim 2008    ¥ 263,913
  - Interim 2007    ¥ 267,786
  - Full term 2007   ¥ 266,086

**(3) Cash Flows**

(Millions of yen truncated to the nearest million, %)

Years ended Dec. 31	Net Cash (Used in) Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents at End of Period
Interim 2008	¥ 22,925	¥ (25,395)	¥ (8,769)	¥ 105,944
Interim 2007	¥ 18,788	¥ (21,115)	¥ (2,796)	¥ 103,136
Full term 2007	¥ 47,214	¥ (21,911)	¥ (16,344)	¥ 117,206

## 2. Dividends

Dividend per share	The end of Interim	The end of a term	Annual
Full term 2007	¥18.00	¥22.00	¥40.00
Full term 2008	¥20.00		¥40.00
Full term 2008 ( Target )		¥20.00	

## 3. Earnings Outlook (For the fiscal year ended December 31, 2008)

	Net Sales	Operating income	Ordinary Income	Net Income	(Millions of yen)	
					Net Income per Share (Yen)	
Full term 2008	¥ 875,000	¥32,500	¥ 33,000	¥ 17,000	¥ 118.36	
% change	(3.3)%	(11.9)%	(10.6)%	(15.1)%		

## 4. Note

(1) Significant changes in subsidiaries during the period No

(2) Changes in accounting principles and procedures and presentation methods, etc. related to the preparation of consolidated financial statements

(i) Changes associated with the revision of accounting standards, etc. No

(ii) Changes other than (i) Yes

(3) Number of shares issued (common shares)

(i) Number of shares issued at the end of the period (including treasury stocks)

Interim 2008 151,079,972 shares

Interim 2007 150,523,896 shares

Full term 2007 151,079,972 shares

(ii) Number of treasury stocks at the end of the period

Interim 2008 7,451,381 shares

Interim 2007 852,329 shares

Full term 2007 4,684,846 shares

**(Reference) Summary of Non-Consolidated Financial Results****1. Non-Consolidated Business Performance****(1) Results of Operations**

(Millions of yen truncated to the nearest million, %)

Years ended Dec. 31	Net Sales	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Interim 2008	¥353,531	(6.0)%	¥9,156	(26.7)%	¥11,303	(18.7)%
Interim 2007	¥376,036	+3.2%	¥12,489	+4.5%	¥13,908	+3.6%
Full term 2007	¥777,348		¥25,483		¥27,429	

Years ended Dec. 31	Net Income	Percentage Change	Net Income per Share (Yen)
Interim 2008	¥6,670	(21.8)%	¥46.22
Interim 2007	¥8,531	+3.4%	¥57.00
Full term 2007	¥15,795		¥106.31

**(2) Non-Consolidated Financial Position**

(Millions of yen truncated to the nearest million, %)

Years ended Dec. 31	Total Assets	Total Net Assets	Stockholders' Equity Ratio	Stockholders' Equity per Share (Yen)
Interim 2008	¥489,304	¥259,214	53.0%	¥1,804.75
Interim 2007	¥494,163	¥265,358	52.73%	¥1,772.94
Full term 2007	¥522,556	¥261,159	50.0%	¥1,783.93

Notes:

- ✓ Shareholders' equity (millions of yen)
 

Interim 2008	¥259,214
Interim 2007	¥265,358
Full term 2007	¥261,159

**Disclaimer:**

Projections made in this report are based on information available at the time of publication. Owing to various factors, actual results may differ from these projections.

## Consolidated Balance Sheets

As of June 30, 2008 and 2007

(Millions of yen truncated to the nearest million)

	June 30, 2008	June 30, 2007	December 31, 2007
<b>ASSETS</b>			
Current assets:			
Cash and cash deposits	¥33,349	¥ 109,138	¥41,014
Notes and accounts receivable	144,977	168,269	189,551
Marketable securities	82,994	4,218	86,491
Inventories	37,802	43,019	37,691
Deferred tax assets	4,844	5,947	6,056
Short-term loans receivable	20,003	-	7
Other current assets	6,786	7,170	8,151
Allowance for doubtful receivables	(241)	(234)	(310)
	330,517	337,530	368,653
Property and equipment:			
Buildings and structures	45,041	46,641	45,492
Machinery and vehicles	38	61	54
Furniture and fixtures	4,973	5,594	5,011
Rental assets	8,118	8,110	7,236
Land	41,865	41,865	41,865
	100,036	102,273	99,659
Intangible assets:			
Goodwill	3,363	3,709	3,772
Software	11,446	8,050	9,396
Utilization rights	390	397	393
Other intangible assets	41	43	44
	15,241	12,200	13,606
Investments and other assets:			
Investments in securities	8,187	20,050	12,369
Long-term loans receivable	24	33	29
Deferred tax assets	19,435	19,301	19,262
Lease deposits	8,703	8,418	8,627
Other investments	4,984	5,295	4,936
Allowance for doubtful receivables	(925)	(1,284)	(1,020)
	40,410	51,814	44,205
Total fixed assets	155,689	166,288	157,471
Total assets	¥486,206	¥503,819	¥526,124

(Millions of yen truncated to the nearest million)

LIABILITIES AND NET ASSETS	June 30, 2008	June 30, 2007	December 31, 2007
Current liabilities:			
Notes and accounts payable	¥120,954	¥126,126	¥148,329
Short-term bank loans	-	668	343
Accrued expenses	23,839	26,336	30,167
Accrued income taxes	4,261	5,899	8,682
Accrued consumption taxes payable	1,422	2,754	3,360
Deferred tax liabilities	32	-	12
Reserves	4,984	5,815	5,386
Other current liabilities	20,860	18,517	17,677
	176,354	186,118	213,959
Long-term liabilities:			
Long-term bank loans	-	383	130
Deferred tax liabilities	344	1,930	338
Liability for employees' retirement benefits	37,504	39,148	38,577
Liability for directors' and corporate auditors' retirement benefits	678	661	738
Liability for continuous service's reword	903	-	-
Other long-term liabilities	2,928	2,679	2,812
	42,359	44,802	42,597
Total liabilities	218,714	230,921	256,556
Stockholders' equity:			
Common stock	73,303	73,303	73,303
Capital surplus	83,295	82,528	83,296
Retained earnings	121,767	111,357	118,527
Treasury stock	(14,697)	(1,250)	(9,694)
	263,668	265,938	265,432
Valuation and translation adjustments:			
Net unrealized gain on available for sale securities	239	1,814	639
Foreign currency translation adjustments	5	34	14
	244	1,848	654
Minority interests	3,579	5,111	3,481
Total net assets	267,492	272,898	269,568
Total liabilities and net assets	¥486,206	¥503,819	¥526,124

# Consolidated Statements of Income

For the Interim ended June 30, 2008 and 2007

From January 1, 2008 to June 30, 2008

(Millions of yen truncated to the nearest million, %)

	Interim 2008		Interim 2007		Full Term 2007	
		% of Net Sales		% of Net Sales		% of Net Sales
Net sales	¥418,624	100.0%	¥427,709	100.0%	¥905,136	100.0%
Cost of sales	282,008	67.4	289,495	67.7	615,389	68.0
Gross profit	136,616	32.6	138,213	32.3	289,746	32.0
Selling, general and administrative expenses	122,305	29.2	121,213	28.3	252,860	27.9
Operating income	14,311	3.4	16,999	4.0	36,886	4.1
Other income:						
Interest and dividend income	509		393		911	
Amortization of negative goodwill	-		374		61	
Other	1,011		904		1,428	
	1,521	0.4	1,671	0.4	2,400	0.3
Other expenses:						
Interest expense	34		25		66	
Loss on disposal and devaluation of inventories	816		948		1,901	
Other	211		231		423	
	1,063	0.3	1,205	0.3	2,391	0.3
Ordinary income	14,769	3.5	17,465	4.1	36,895	4.1
Extraordinary gains:						
Gain on sales of fixed assets	0		12		15	
Gain on sales of investments in securities	0		12		805	
Other	20		-		492	
	21	0.0	24	0.0	1,313	0.1
Extraordinary losses:						
Loss on sales and disposal of fixed assets	291		214		558	
Loss on revaluation of investments in securities	207		-		1,235	
Provision of liability for deferment continuous service's reword	929		-		-	
Expenses related to headquarters in affiliated companies	423		-		58	
Expenses related to relocation of restructuring of consolidated subsidiaries	142		-		-	
Expenses related to relocation of warehouse	-		226		226	
Expenses related to changing in business name	130		11		20	
Other	24		32		657	
	2,149	0.5	484	0.1	2,757	0.3
Income before income taxes and minority interests	12,641	3.0	17,005	4.0	35,452	3.9
Current income taxes	4,685	1.1	5,589	1.3	14,469	1.6
Deferred income taxes	1,329	0.3	1,250	0.3	278	0.0
Minority interests	161	0.2	175	0.1	670	0.1
Net income	¥6,464	1.5	¥9,990	2.3	¥20,033	2.2

## Consolidated Statements of Changes in Net Assets

For the Interim ended June 30, 2008 and 2007

(Millions of yen truncated to the nearest million)

	Stockholders' equity					Valuation and translation adjustments			Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total stock	Net unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total		
Balance at December 31,2007	73,303	82,296	118,527	(9,694)	265,432	639	14	654	3,481	269,568
Cash dividends	-	-	(3,220)	-	(3,220)	-	-	-	-	(3,220)
Net income	-	-	6,464	-	6,464	-	-	-	-	6,464
Purchases of treasury stock	-	-	-	(5,007)	(5,007)	-	-	-	-	(5,007)
Disposition of treasury stock	-	(0)	-	4	3	-	-	-	-	3
Employee welfare fund	-	-	(3)	-	(3)	-	-	-	-	(3)
Other-Net	-	-	-	-	-	(400)	(8)	(409)	97	(311)
Change in the term	-	(0)	3,239	(5,003)	(1,763)	(400)	(8)	(409)	97	(2,075)
Balance at June 30,2008	73,303	83,295	121,767	(14,697)	263,668	239	5	244	3,579	267,492
Balance at December 31,2006	73,303	82,529	104,076	(1,235)	258,673	1,676	17	1,693	3,100	263,467
Cash dividends	-	-	(2,703)	-	(2,703)	-	-	-	-	(2,703)
Net income	-	-	9,990	-	9,990	-	-	-	-	9,990
Purchases of treasury stock	-	-	-	(14)	(14)	-	-	-	-	(14)
Disposition of treasury stock	-	0	-	0	0	-	-	-	-	0
Purchases of treasury stock belonging to consolidated subsidiary by parent company	-	(1)	-	-	(1)	-	-	-	-	(1)
Employee welfare fund	-	-	(6)	-	(6)	-	-	-	-	(6)
Other-Net	-	-	-	-	-	137	17	154	2,011	2,165
Change in the term	-	(1)	7,280	(14)	7,264	137	17	154	2,011	9,430
Balance at June 30,2007	73,303	82,528	111,357	(1,250)	265,938	1,814	34	1,848	5,111	272,898
Balance at December 31,2006	73,303	82,529	104,076	(1,235)	258,673	1,676	17	1,693	3,100	263,467
Cash dividends	-	-	(5,575)	-	(5,575)	-	-	-	-	(5,575)
Net income	-	-	20,033	-	20,033	-	-	-	-	20,033
Stock exchange	-	766	-	1,562	2,329	-	-	-	-	2,329
Purchases of treasury stock	-	-	-	(10,025)	(10,025)	-	-	-	-	(10,025)
Disposition of treasury stock	-	1	-	3	4	-	-	-	-	4
Purchases of treasury stock from subsidiary by parent company	-	(1)	-	-	(1)	-	-	-	-	(1)
Employee welfare fund	-	-	(6)	-	(6)	-	-	-	-	(6)
Other-Net	-	-	-	-	-	(1,036)	(2)	(1,039)	380	(658)
Change in the term	-	766	14,451	(8,458)	6,758	(1,036)	(2)	(1,039)	380	6,100
Balance at December 31,2007	73,303	83,296	118,527	(9,694)	265,432	639	14	654	3,481	269,568

## Consolidated Statements of Cash Flows

For the Interim ended June 30, 2008 and 2007

From January 1, 2008 to June 30, 2008

(Millions of yen truncated to the nearest million)

	Interim 2008	Interim 2007	Full Term 2007
Cash flows from operating activities:			
Income before income taxes and minority interests	¥12,641	¥17,005	¥35,452
Depreciation and amortization	6,077	5,541	11,968
Amortization of goodwill (negative goodwill)	426	(374)	(61)
Decrease in allowance for doubtful receivables	(164)	(63)	(251)
Reversal of liability for employees' retirement benefits	(1,098)	(1,051)	(1,658)
Reversal of liability for directors' and corporate auditors' retirement benefits	(60)	(87)	(10)
Interest and dividend income	(509)	(393)	(911)
Interest expense	34	25	66
Loss on sales and disposal of property and equipment, net	275	200	424
Gain on sales of investments in securities	(0)	(12)	(80)
Decrease in notes and accounts receivable	44,512	32,101	10,798
(Increase) Decrease in inventories	(107)	9,151	14,606
Decrease in notes and accounts payable	(27,375)	(32,574)	(10,371)
Other	(3,178)	(3,168)	1,161
	31,473	26,299	60,410
Interest and dividends received	519	387	881
Interest paid	(53)	(25)	(48)
Income taxes paid	(9,014)	(7,874)	(14,028)
Net cash provided by (used in) operating activities	22,925	18,788	47,214
Cash flows from investing activities:			
(Increase) Decrease short-term loans receivable	(19,996)	-	1
Payments for purchases of property and equipment	(5,258)	(4,466)	(7,270)
Payments for purchases of intangible assets	(3,265)	(2,234)	(5,771)
Payments for purchases of investments in securities	(723)	(624)	(963)
Proceeds from sales of investments in securities	4,010	1,522	3,188
Payments for purchases of investments in subsidiaries	(18)	(343)	(343)
Payments for purchases of investments in subsidiaries accompanying changes in scope of consolidation	-	(9,439)	(9,439)
Payments for deposit to long-term time deposits	-	(1,000)	(1,000)
Increase in time deposits	(100)	(4,995)	(4,995)
Other	(43)	465	4,681
Net cash used in investing activities	(25,395)	(21,115)	(21,911)
Cash flows from financing activities:			
Decrease in short-term bank loans	(473)	(10)	(587)
Payments for purchases of treasury stock	(5,007)	(8)	(10,019)
Dividends paid by the Company	(3,226)	(2,691)	(5,383)
Dividends paid to minority interests in consolidated subsidiaries	(65)	(58)	(331)
Other	3	(26)	(22)
Net cash used in financing activities	(8,769)	(2,796)	(16,344)
Effect of exchange rate changes on cash and cash equivalents	(22)	12	0
Net (decrease) increase in cash and cash equivalents	(11,261)	(5,111)	8,958
Cash and cash equivalents at beginning of period	117,206	108,247	108,247
Cash and cash equivalents at end of period	¥ 105,944	¥ 103,136	¥ 117,206



## Consolidated Segment Information

For the Interim ended June 30, 2008 and 2007

(Millions of yen truncated to the nearest million)

<i>Interim 2008</i> (From January 1 to June 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Total	Corporate and eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥257,118	¥123,734	¥37,771	¥418,624	¥ -	¥418,624
Intersegment	-	-	-	-	(-)	-
Total	257,118	123,734	37,771	418,624	(-)	418,624
Operating expenses	247,838	120,258	36,216	404,313	(-)	404,313
Operating income	¥9,279	¥3,476	¥1,555	¥14,311	¥ (-)	¥14,311

(Millions of yen truncated to the nearest million)

<i>Interim 2007</i> (From January 1 to June 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Total	Corporate and eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥247,956	¥127,965	¥51,786	¥427,709	¥ -	¥427,709
Intersegment	-	-	-	-	(-)	-
Total	247,956	127,965	51,786	427,709	(-)	427,709
Operating expenses	239,448	122,180	49,080	410,709	(-)	410,709
Operating income	¥8,508	¥5,785	¥2,706	¥16,999	¥ (-)	¥16,999

<i>Full term 2007</i> (From January 1 to December 31)	Business Solutions	Consumer Equipment	Industrial Equipment	Total	Corporate and eliminations	Consolidated
Net sales						
Unaffiliated customers	¥516,719	¥284,375	¥104,041	¥905,136	¥ -	¥905,136
Intersegment	-	-	-	-	(-)	-
Total	516,719	284,375	104,041	905,136	(-)	905,136
Operating expenses	499,496	270,041	98,712	868,250	(-)	868,250
Operating income	¥17,223	¥14,334	¥5,328	¥36,886	(-)	¥36,866