

Canon Marketing Japan Inc.

1Q FY 2009 Results

April 23, 2009

Yo Shibasaki

Managing Director

Canon

1-1. Consolidated Statements of Income



(Jan.-Mar.2008)

billions of yen

	2008 1Q	2009 1Q	Changes	
				%
Net Sales	212.0	169.8	-42.2	-20%
(%)	(31.9%)	(32.9%)	(+0.9%)	
Gross Margin	67.7	55.8	-11.9	-18%
(%)	(3.6%)	(-0.2%)	(-3.9%)	
Operating Income	7.7	-0.4	-8.1	-
(%)	(3.7%)	(-0.1%)	(-3.7%)	
Ordinary Income	7.8	-0.1	-7.9	-
Income before income taxes	7.3	-2.5	-9.8	-
(%)	(1.7%)	(-2.7%)	(-4.3%)	
Net Income	3.6	-4.5	-8.1	-
EPS (Yen)	25.03	-33.1		

1-2. Consolidated Segment information



(Jan. - Mar. 2009)

billions of yen

	2008 1Q		2009 1Q		Changes	
	Net Sales	%	Net Sales	%		%
Document Business	(88.0)	(42%)	(73.8)	(43%)	(-14.2)	(-16%)
IT Solution	(43.3)	(20%)	(37.6)	(22%)	(-5.7)	(-13%)
Business Solutions	131.3	62%	111.4	66%	-19.9	-15%
Consumer equipment	60.5	29%	50.1	30%	-10.4	-17%
Industrial equipment	20.2	10%	8.3	6%	-11.9	-59%
Total	212.0	100%	169.8	100%	-42.2	-20%

3-2. Consolidated Segment information

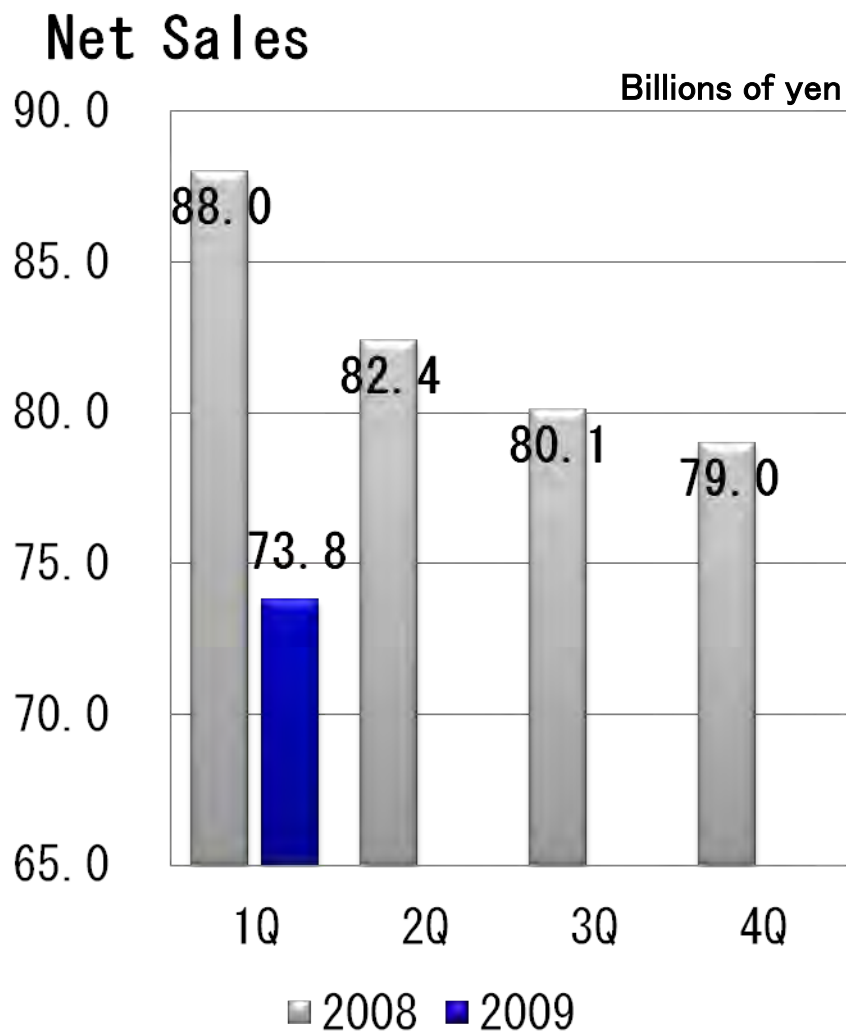


(January – December 2008)

billions of yen

		FY 2007		FY 2008		Changes	
		Net Sales	%	Net Sales	%		%
Document Business		(345.7)	(38%)	(329.5)	(40%)	(-16.2)	(-5%)
	IT Solution	(171.)	(19%)	(166.5)	(20%)	(-4.5)	(-3%)
Business Solutions		516.7	57%	496.0	60%	-20.7	-4%
Consumer equipment		284.4	31%	265.8	32%	-18.6	-7%
Industrial equipment		104.0	11%	65.7	9%	-38.3	-37%
Total		905.1	100%	827.5	100%	-77.6	-9%

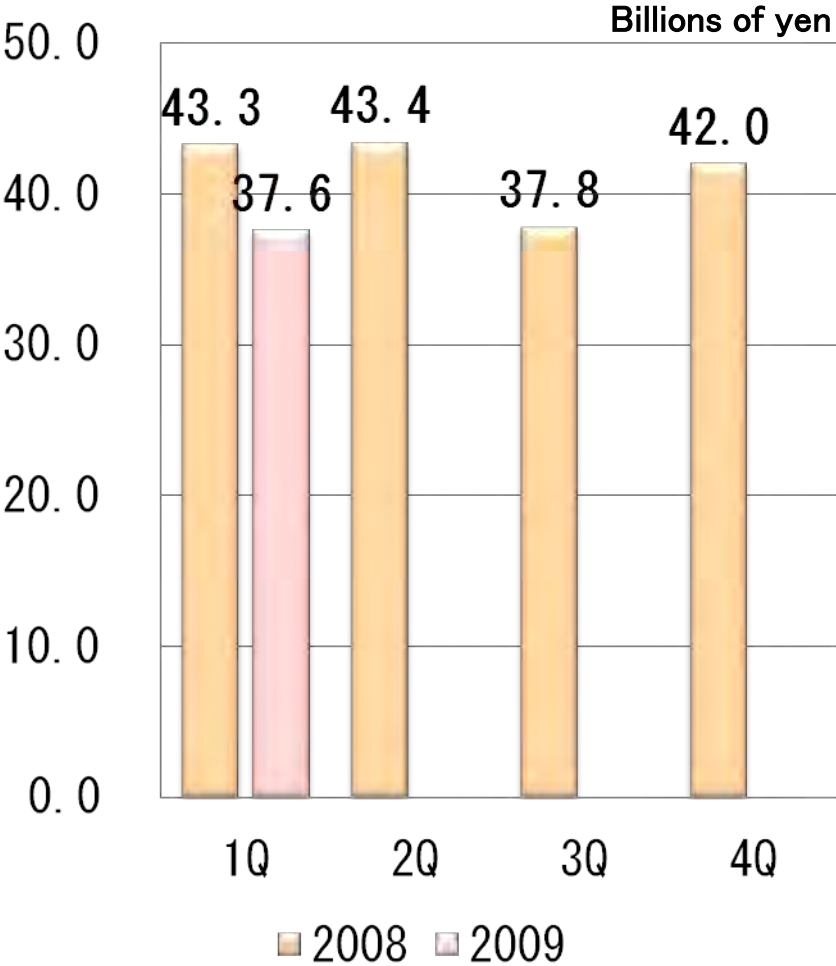
2-1. Segment Information (Document Business)



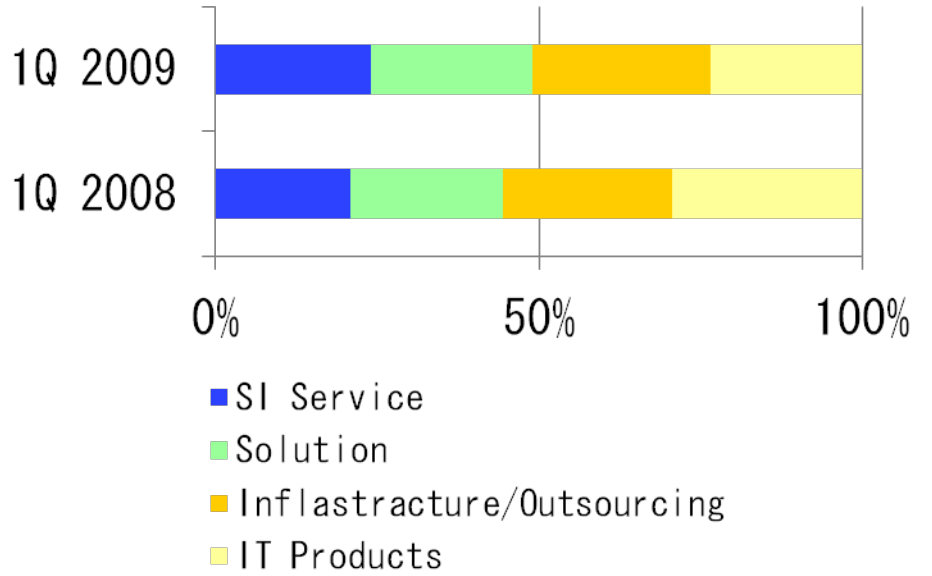
<i>Growth rate y/y</i>		1Q	2Q	3Q	4Q	FY
Business equipment	2008	-4%	-8%	-10%	-14%	-9%
	2009	-23%				
Service & support	2008	+2%	+1%	0%	-4%	0%
	2009	-8%				
Document Business TOTAL	2008	-1%	-3%	-5%	-9%	-5%
	2009	-16%				

2-2. Segment Information (IT Solutions)

Net Sales

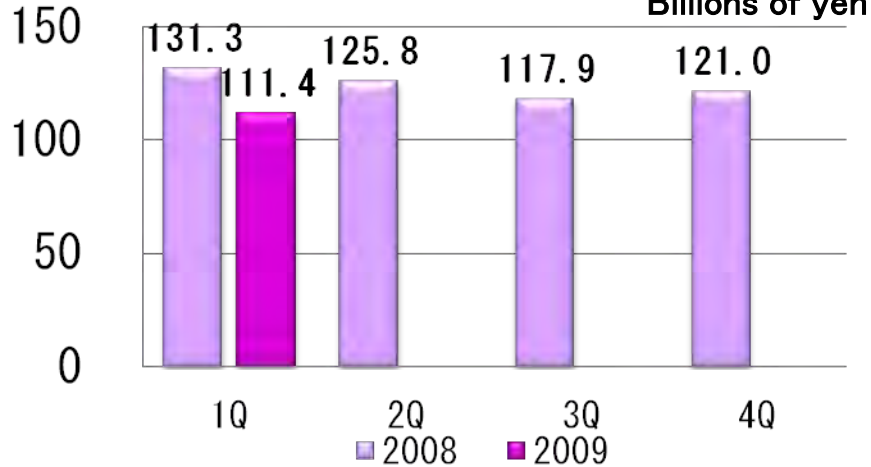


Growth rate y/y		1Q	2Q	3Q	4Q	FY
IT Solution	2008	+24%	+12%	-8%	-25%	-3%
TOTAL	2009	-13%				



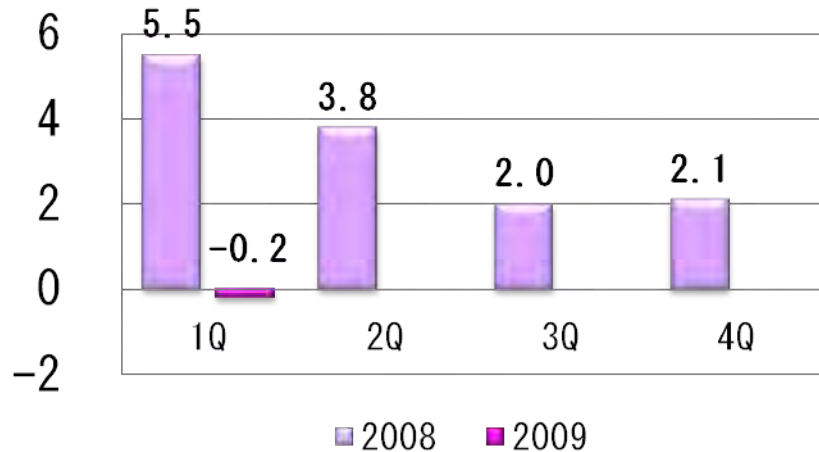
2-3. Segment Information (Business Solutions)

Net Sales



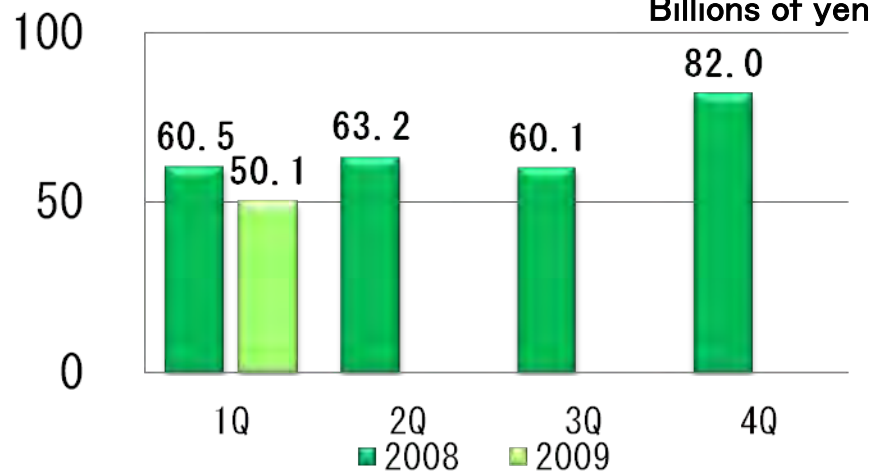
<i>Growth rate y/y</i>		1Q	2Q	3Q	4Q	FY
Business Solutions Total	2008	+6%	+1%	-6%	-15%	-4%
	2009	-15%				

Operating income



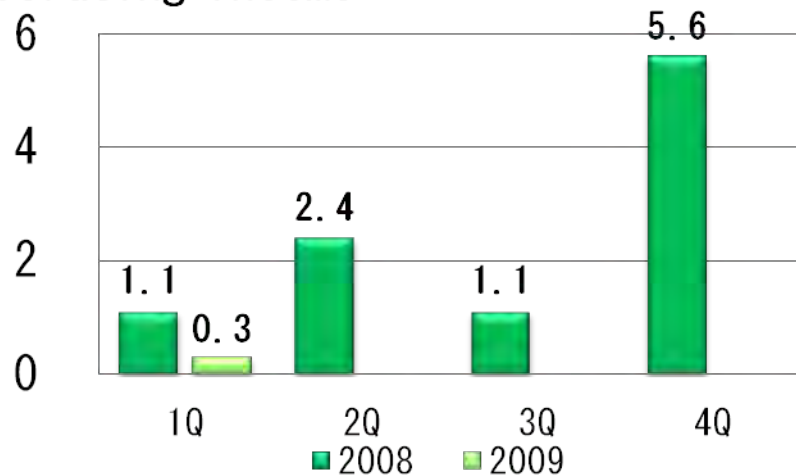
2-4. Segment Information (Consumer equipment)

Net Sales



<i>Growth rate y/y</i>		1Q	2Q	3Q	4Q	FY
Consumer equipment	2008	-4%	-2%	-6%	-12%	-7%
TOTAL	2009	-17%				

Operating income

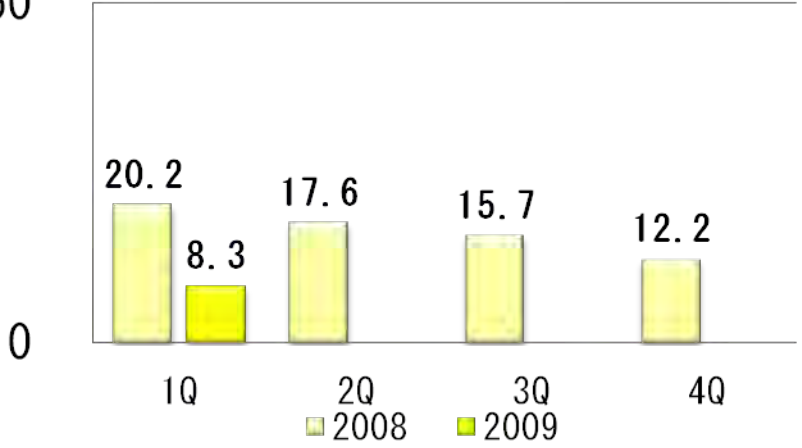


2-5. Segment Information (Industrial equipment)

Net Sales

50

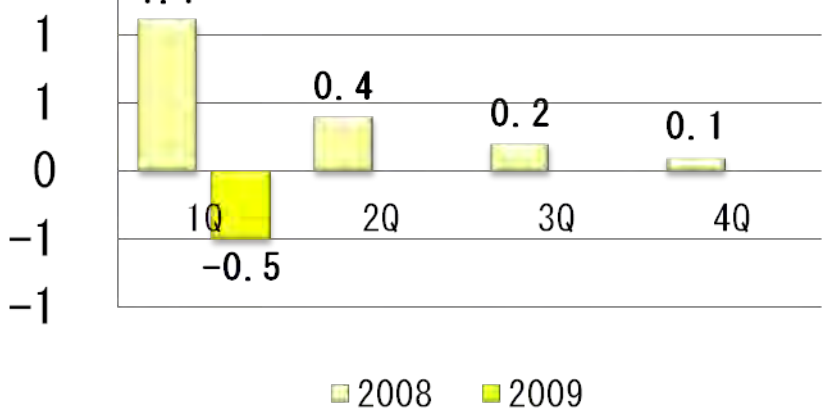
Billions of yen



<i>Growth rate y/y</i>		1Q	2Q	3Q	4Q	FY
Industrial equipment TOTAL	2008	-23%	-31%	-34%	-57%	-37%
	2009	-59%				

Operating income

2



FY 2009 Projections

Canon

3-1. FY2009 Current Projection

Billions of yen

	FY2009 Projection	FY2009 Projection (previous)	Changes	FY2008 Actual	Changes
Net sales	725.0	814.0	-89.0	827.5	-102.5
(%)	(0.8%)	(2.6%)	(-1.8%)	(3.1%)	(-2.3%)
Operating income	5.5	21.0	-15.5	25.4	-19.9
(%)	(1.0%)	(2.8%)	(-1.8%)	(3.1%)	(-2.1%)
Ordinary income	7.0	23.0	-16.0	25.9	-18.9
Income before income taxes	-2.5	20.0	-22.5	11.2	-13.7
(%)		(1.2%)		(1.4%)	
Net income	-6.3	10.0	-16.3	11.2	-17.5
EPS(Yen)	-45.87	72.82			

3-2. FY2009 Current Projection by segment

Billions of yen

Net Sales	FY2009 Projection	FY2009 Projection (previous)	Changes	FY2008 Actual	Changes
	Document Business	289.0	322.5	-33.5	329.5
IT Solutions	161.0	172.5	-11.5	166.5	-5.5
Business Solutions	450.0	495.0	-45.0	496.0	-46.0
Consumer equipment	247.0	271.0	-24.0	265.8	-18.8
Industrial equipment	28.0	48.0	-20.0	65.7	-37.7
TOTAL	725.0	814.0	-89.0	827.5	-102.5

3-3. FY2009 Current Projection by segment

Billions of yen

Operating income	FY2009 Projection	FY2009 Projection (previous)	Changes	FY2008 Actual	Changes
Business Solutions	2.5	12.0	-9.5	13.4	-10.9
Consumer equipment	7.0	8.3	-1.3	10.2	-3.2
Industrial equipment	-4.0	0.7	-4.7	1.8	-5.8
TOTAL	5.5	21.0	-15.5	25.4	-19.9

Supplementary information

Canon

4-1. The main consolidated company results

billions of yen

	1Q 2008		1Q 2009		Changes	
	Net sales	O.P.	Net sales	O.P.	Net sales	O.P.
<Document Business>		(2.3%)		(-)		(-)
Canon System & Support	32.4	0.7	26.7	-1.2	-5.7	-1.9
<IT Solutions>		(3.1%)		(4.2%)		(+1.0%)
Consolidated Canon Software	4.8	0.2	5.3	0.2	+0.5	+0.1
Consolidated Canon IT Solutions	22.2	1.8	20.4	0.8	-1.8	-1.0
S.Total	27.0	1.9	25.7	1.0	-1.3	-0.9
Consolidated Canon Business Support	6.8	0.2	6.0	-0.3	-0.8	-0.5

2. Selling, general and administrative expenses

Billions of yen

	1Q 2008	1Q 2009	Changes
Advertising expenses	4.1	3.5	-0.6
Promotion expenses	6.1	4.9	-1.2
Waranty expenses	3.3	2.9	-0.4
Other direct expenses	3.6	3.8	+0.2
Personal expenses	32.0	30.9	-1.1
Depreciation and amortizatio	1.1	1.1	+0.0
Rent expenses	2.2	2.0	-0.2
IT expenses	1.5	1.4	-0.1
Other selling expenses	6.1	5.7	-0.4
TOTAL	60.0	56.2	-3.8

3. Non-operating income & expenses

Extra ordinary income and loss

	Billions of yen		
	1Q 2008	1Q 2009	Changes
[Non-operating income]			
Interest and dividend income	0.3	0.2	-0.1
Other	0.3	0.2	-0.1
TOTAL	0.6	0.4	-0.2
[Non-operating expenses]			
Interest expenses	0.3	-	-0.3
Other	0.1	0.1	+0.0
TOTAL	0.4	0.1	-0.3
[Extraordinary income]			
TOTAL	0.0	0.0	+0.0
[Extraordinary loss]			
Loss on sales and retirement of noncurrent assets	0.1	0.0	-0.1
Loss on valuation of investment securities	0.1	0.8	+0.7
Loss on adjustment for changes of accounting standard for measurement of inventories	-	1.3	+1.3
Impairment loss	-	0.1	+0.1
Expenses related to restructuring of consolidated subsidiaries	0.2	0.0	-0.2
Expenses related to relocation of restructuring of consolidated subsidiaries	0.1	-	-0.1
Other	0.1	0.1	+0.0
TOTAL	0.6	2.3	+1.7

4. Balance sheets

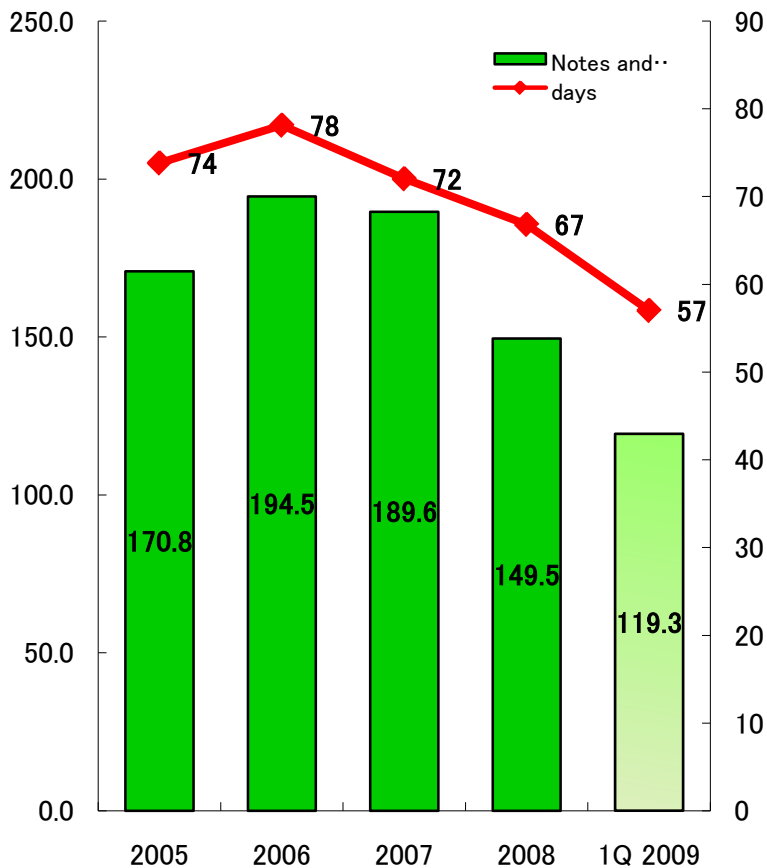
billions of yen

	Dec. 31, 2008	Mar. 31, 2009	change		Dec. 31, 2008	Mar. 31, 2009	change
Current assets	327.7	293.5	-34.2	Current liabilities	206.5	197.6	-8.9
Cash and cash deposit	112.6	110.8	-1.8	Notes and accounts payable	148.3	101.9	-46.4
Notes and accounts receivable	149.5	119.3	-30.2	Other	59.8	53.7	+7.0
Inventories	34.1	32.9	-1.2				
Other	31.5	30.5	-1.0				
Fixed assets	157.2	156.0	-1.2	Long-term liabilities	42.2	42.0	-0.2
Property and equipment	98.0	97.2	-0.8	Stockholders' equity	255.5	248.2	-7.3
Intangible assets	19.0	21.2	+2.2	treasury stock	-24.7	-24.7	+0.0
Other	40.2	37.5	-2.7	Valuation and translation adjustments	-0.3	-0.2	+0.1
				Minority interests	3.8	3.8	+0.0
				Total net assets	259.0	227.1	-31.9
Total assets	484.9	449.4	-35.5	Total liabilities and net assets	484.9	484.9	+0.0

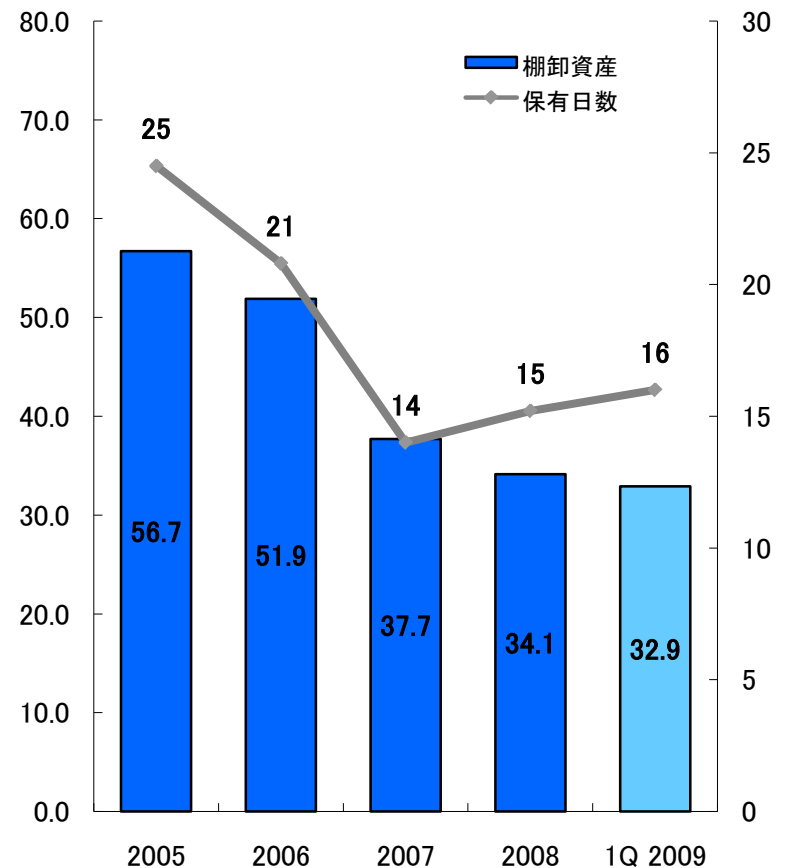
Stockholders' equity ratio 52.6% 55.2% +2.6%

5. Current Assets

Notes and accounts receivable



Inventories



6. Statements of cash flows

	1Q 2008	1Q 2009	billions of yen Changes
Cash flows from operating activities			
Income before income taxes and minority interests	7.3	-2.5	-9.8
Depreciation and amortization	3.1	2.9	-0.2
Increase in notes and accounts receivable	19.2	30.2	+11.0
Decrease in inventories	-10.0	1.5	+11.5
(Decrease) in notes and accounts payable	-3.9	-22.0	-18.1
Income taxes paid	-8.7	-6.1	+2.6
Other	0.6	1.8	+1.2
TOTAL	7.6	5.8	-1.8
Cash flows from investing activities	-0.1	0.2	+0.3
Free Cash flows	7.5	6.0	-1.5
Cash flows from financing activities	-8.4	-2.8	+5.6
Cash and cash equivalents at beginning of period	117.2	107.6	-9.6
Cash and cash equivalents at end of period	116.3	110.8	-5.5

7. *Capital Investment , Depreciation and amortization*

billions of yen

	1Q 2008	1Q 2009
	Investment	4.0
Depreciation and amortization	3.1	2.9

Forward-looking statements, including results forecasts on this web site, are based on management's assumption in light of current information available and therefore contain inherent risks and uncertainties. As a consequence, a range of variable factors may cause actual results to differ materially from forecasts.