

Canon Marketing Japan Inc.

FY 2009 Results

January 26, 2010

Yo Shibasaki

Managing Director

Canon

1-1. Consolidated Statements of Income



(Oct.1- Dec.31, 2009)

billions of yen

Three months	4Q 2008	4Q 2009	Changes		1Q-3Q 2009
				%	
Net Sales	215.2	189.9	-25.3	-12%	496.7
(%)	(33.3%)	(32.9%)	(-0.4%)		(34.3%)
Gross Margin	71.8	62.4	-9.4	-13%	170.6
(%)	(3.6%)	(1.2%)	(-2.4%)		(0.8%)
Operating Income	7.8	2.2	-5.6	-71%	4.1
(%)	(3.6%)	(1.4%)	(-2.2%)		(1.1%)
Ordinary Income	7.7	2.6	-5.1	-67%	5.6
Income before income taxes	6.4	1.7	-4.7	-72%	-2.3
(%)	(1.6%)	(0.1%)	(-1.5%)		
Net Income	3.4	0.2	-3.2	-91%	-4.5

1-2. Consolidated Statements of Income



(Oct.1- Dec. 31, 2009)

billions of yen

Three months	4Q 2008		4Q 2009		Changes	
	Net Sales	%	Net Sales	%		%
Document Business	(79.0)	(37%)	(68.2)	(36%)	(-10.8)	(-14%)
IT Solution	(42.0)	(19%)	(35.4)	(19%)	(-6.6)	(-16%)
Business Solutions	121.0	56%	103.6	55%	-17.4	-14%
Consumer equipment	82.0	38%	78.2	41%	-3.8	-5%
Industrial equipment	12.2	6%	8.1	5%	-4.1	-34%
Total	215.2	100%	189.9	100%	-25.3	-12%

2-1. Consolidated Segment information

Canon

(Jan.1- Dec.31, 2009)

billions of yen

	FY 2008	FY 2009	Changes	
				%
Net Sales	827.5	686.6	-140.9	-17%
(%)	(33.0%)	(33.9%)	(+0.9%)	
Gross Margin	273.0	233.1	-39.9	-15%
(%)	(3.1%)	(0.9%)	(-2.2%)	
Operating Income	25.4	6.3	-19.1	-75%
(%)	(3.1%)	(1.2%)	(-1.9%)	
Ordinary Income	25.9	8.2	-17.7	-68%
Income before income taxes	22.2	-0.6	-22.8	-
(%)	(1.4%)			
Net Income	11.2	-4.3	-15.5	-
EPS (Yen)	78.6	-31.6		

2-2. Consolidated Segment information

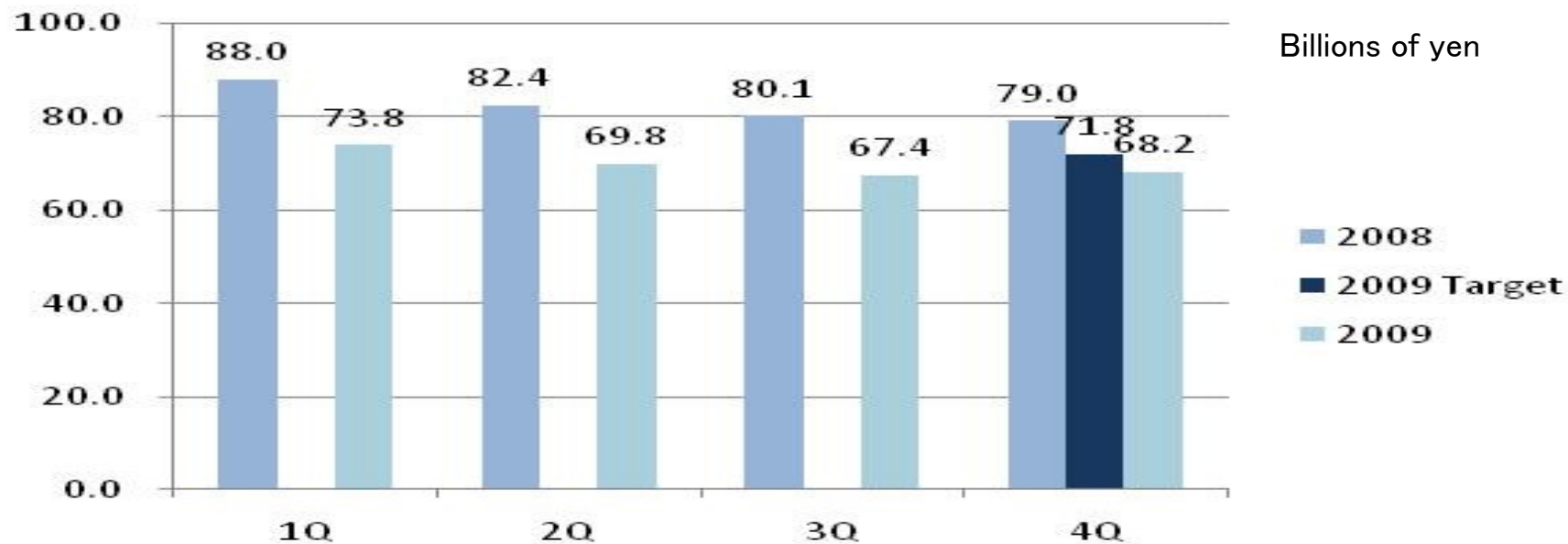
Canon

(Jan.1- Dec.31, 2009)

billions of yen

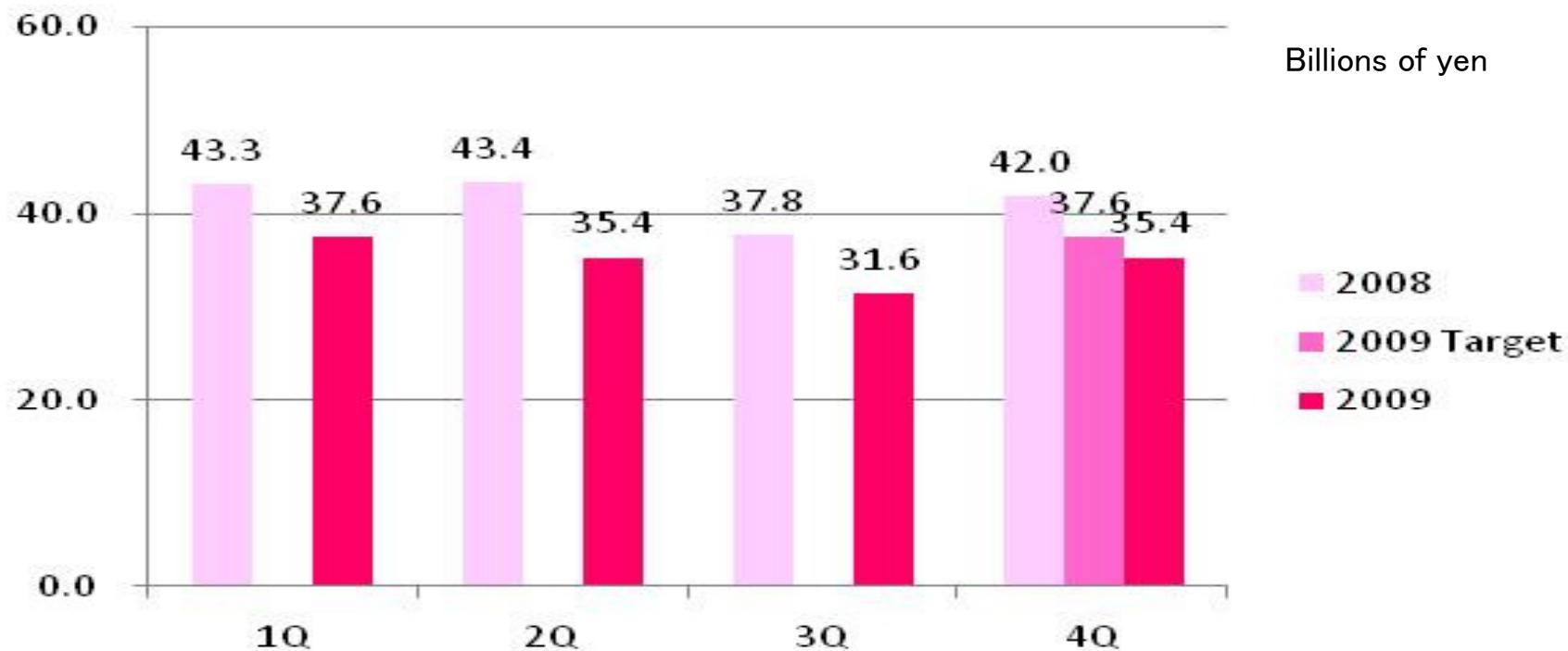
	FY 2008		FY 2009		Changes	
	Net Sales	%	Net Sales	%		%
Document Business	(329.5)	(40%)	(279.2)	(41%)	(-50.3)	(-15%)
IT Solution	(166.5)	(20%)	(140.0)	(20%)	(-26.5)	(-16%)
Business Solutions	496.0	60%	419.2	61%	-76.8	-15%
Consumer equipment	265.8	32%	241.7	35%	-24.1	-9%
Industrial equipment	65.7	8%	25.7	4%	-40.0	-61%
Total	827.5	100%	686.6	100%	-140.9	-17%

3-1. Segment Information (Document Business)



Growth rate y/y		1Q	2Q	3Q	4Q	FY
Business equipment	2008	-4%	-8%	-10%	-14%	-9%
	2009	-23%	-21%	-23%	-16%	-21%
Service & support	2008	+2%	+1%	0%	-4%	0%
	2009	-8%	-10%	-8%	-12%	-9%
TOTAL	2008	-1%	-3%	-5%	-9%	-5%
	2009	-16%	-15%	-16%	-14%	-15%

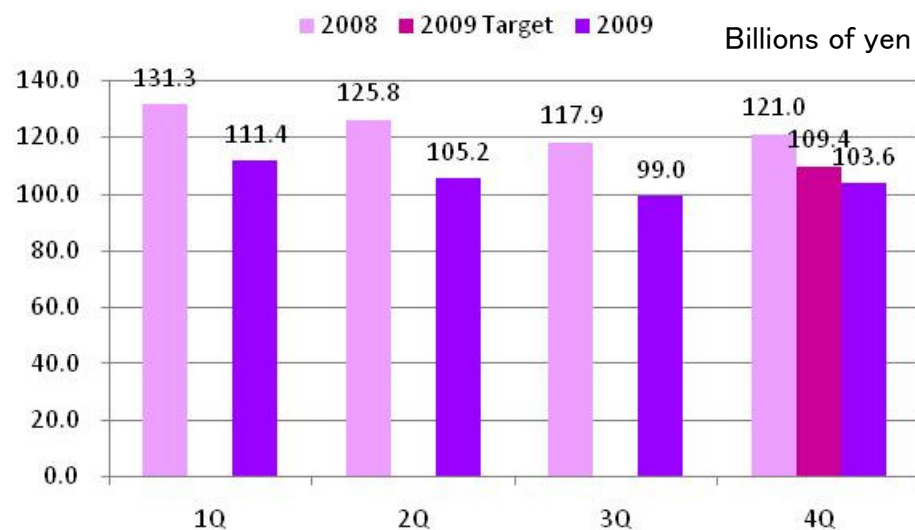
3-2. Segment Information (IT Solutions)



Growth rate y/y		1Q	3Q	3Q	4Q	FY
TOTAL	2008	+24%	+12%	-8%	-25%	-3%
	2009	-13%	-18%	-16%	-16%	-16%

3-3. Segment Information (Business Solutions)

Net Sales



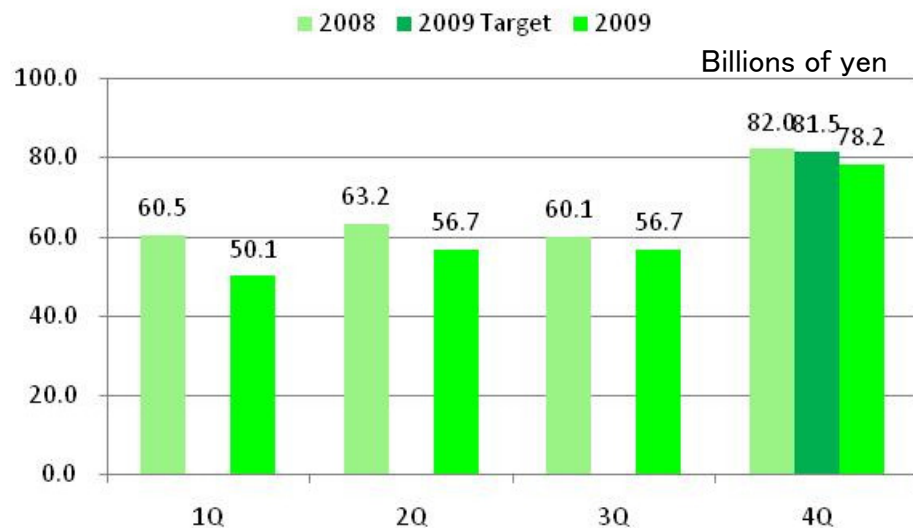
Operating Income



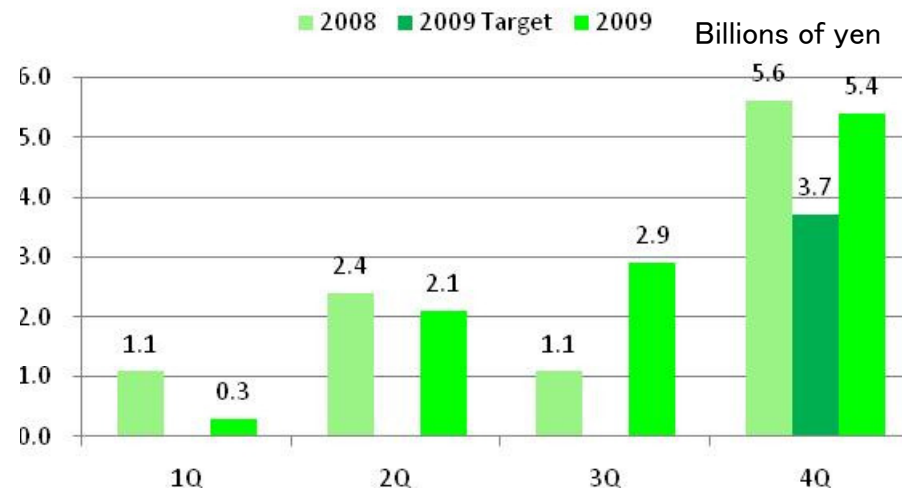
Growth rate y/y		1Q	3Q	3Q	4Q	FY
Business Solutions Total	2008	+6%	+1%	-6%	-15%	-4%
	2009	-15%	-16%	-16%	-14%	-15%

3-4. Segment Information (Consumer equipment)

Net Sales



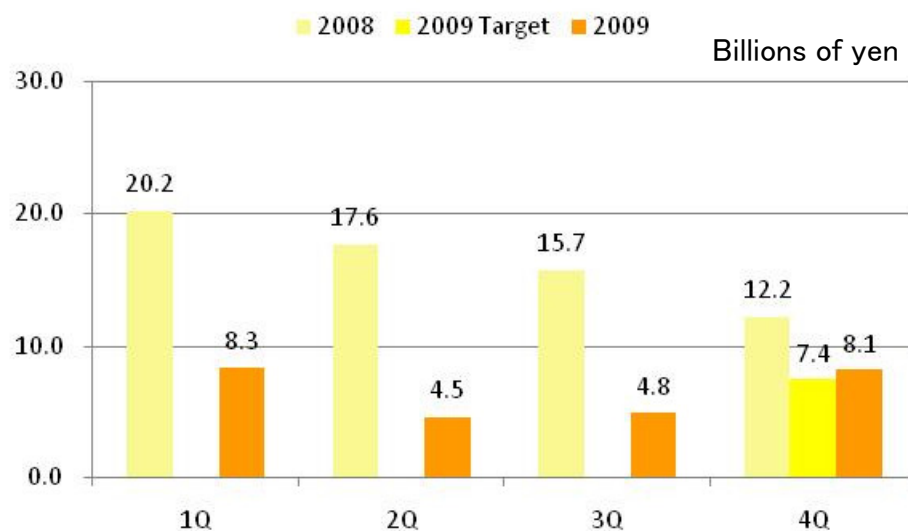
Operating Income



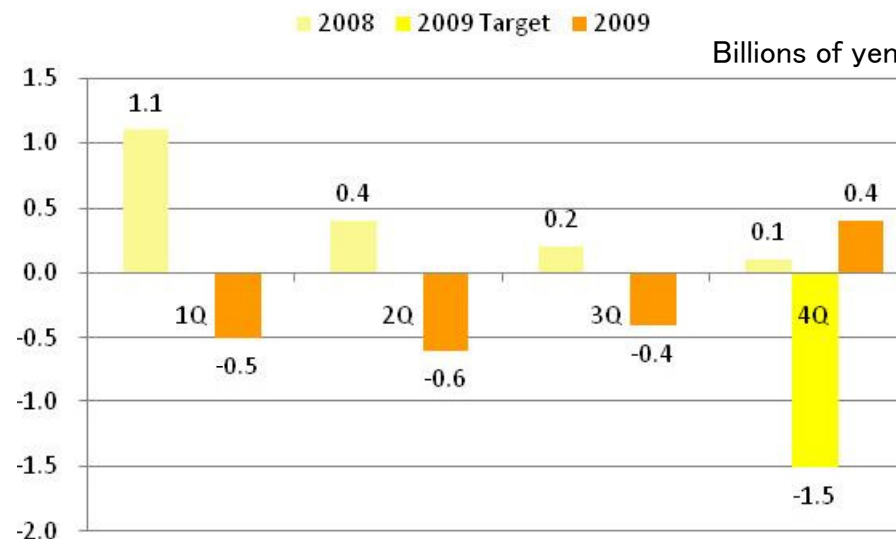
Growth rate y/y		1Q	3Q	3Q	4Q	FY
Consumer equipment Total	2008	-4%	-2%	-6%	-12%	-7%
	2009	-17%	-10%	-5%	-5%	-9%

3-5. Segment Information (Industrial equipment)

Net Sales



Operating Income



Growth rate y/y		1Q	3Q	3Q	4Q	FY
Consumer equipment Total	2008	-23%	-31%	-34%	-57%	-37%
	2009	-59%	-74%	-70%	-34%	-61%

FY 2010 Projections

Canon

1. FY2010 Current Projection

billions of yen

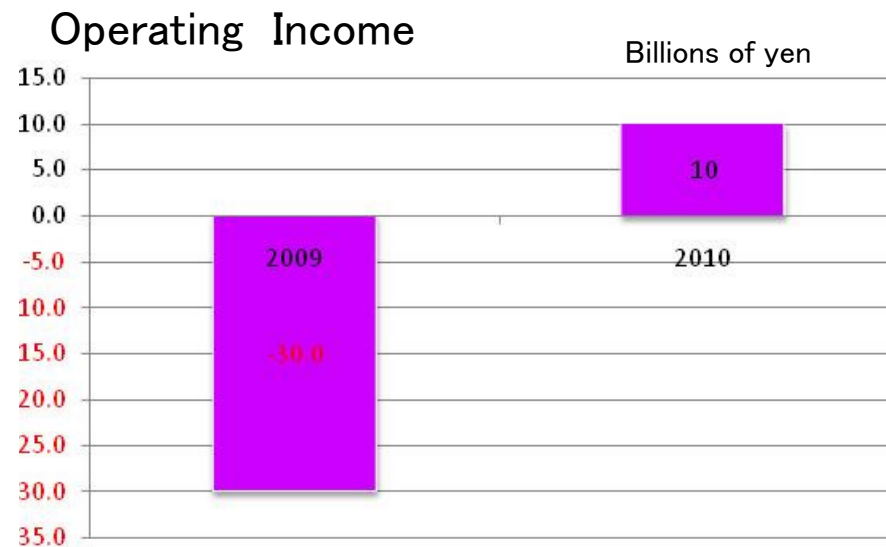
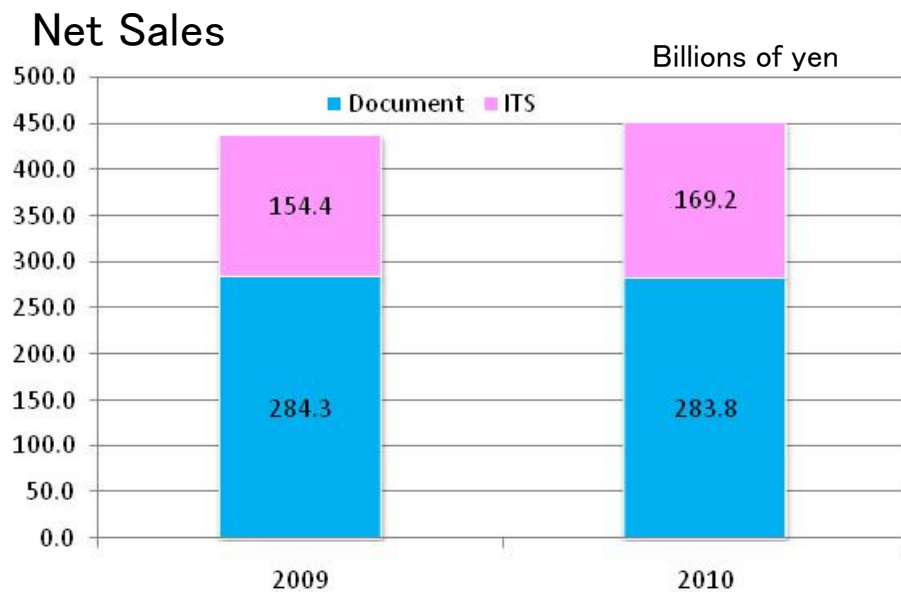
	FY2009	FY 2010	Changes	
				%
Net Sales	686.6	690.0	+3.4	+0%
(%)	(0.9%)	(1.2%)	(+0.3%)	
Operating Income	6.3	8.0	+1.7	+27%
(%)	(1.2%)	(1.3%)	(+0.1%)	
Ordinary Income	8.2	9.0	+0.8	+10%
Income before income taxes	-0.6	8.5	+9.1	-
(%)		(0.4%)		
Net Income	-4.3	3.0	+7.3	-

2. FY2010 Current Projection by segment

billions of yen

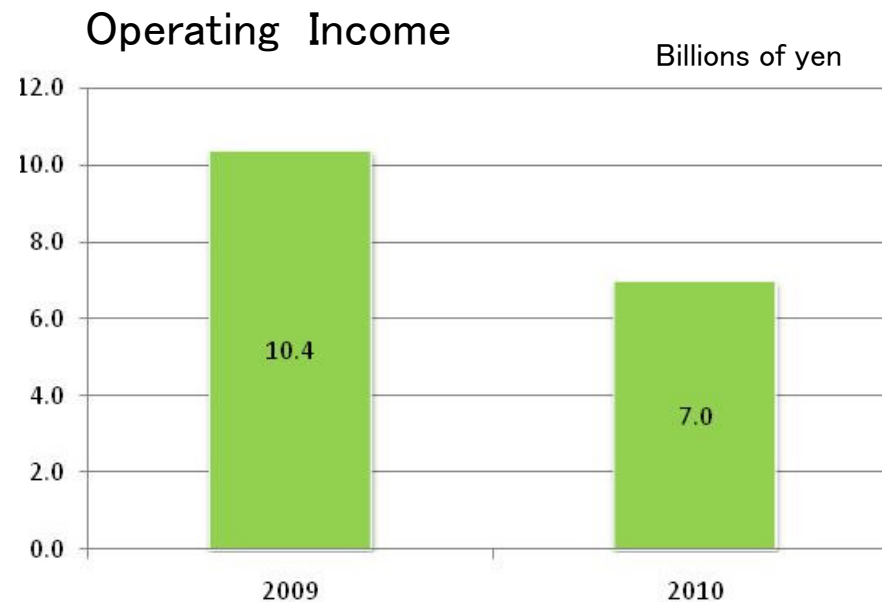
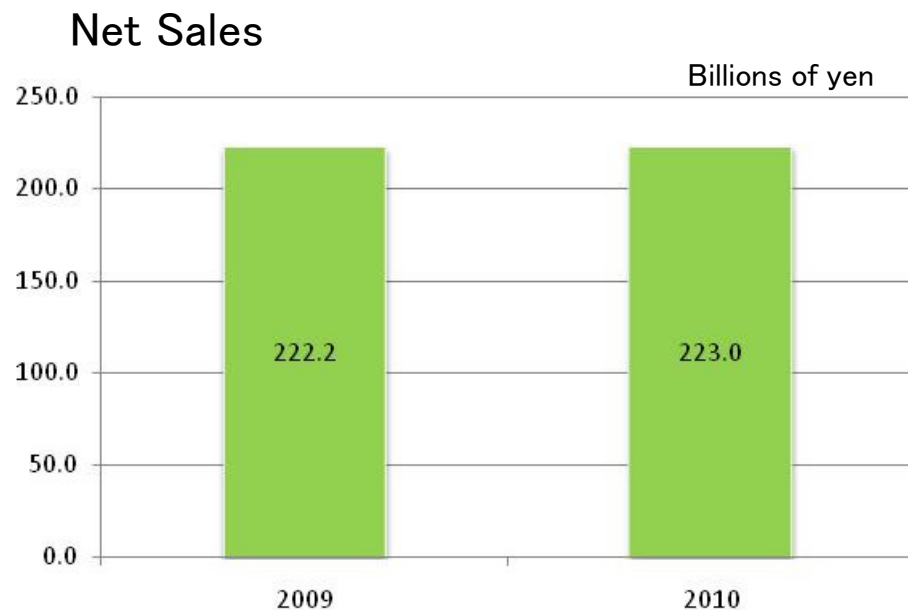
		FY2009	FY 2010	Changes
	Document Business	(284.3)	(283.8)	(-0.5)
	IT Solution	(154.4)	(169.2)	(+14.8)
Business Solutions		438.7	453.0	+14.3
Consumer equipment		222.2	223.0	+0.8
Industrial equipment		25.7	14.0	-11.7
Total		686.6	690.0	+3.4

3-1. Segment Information (Business Solutions)



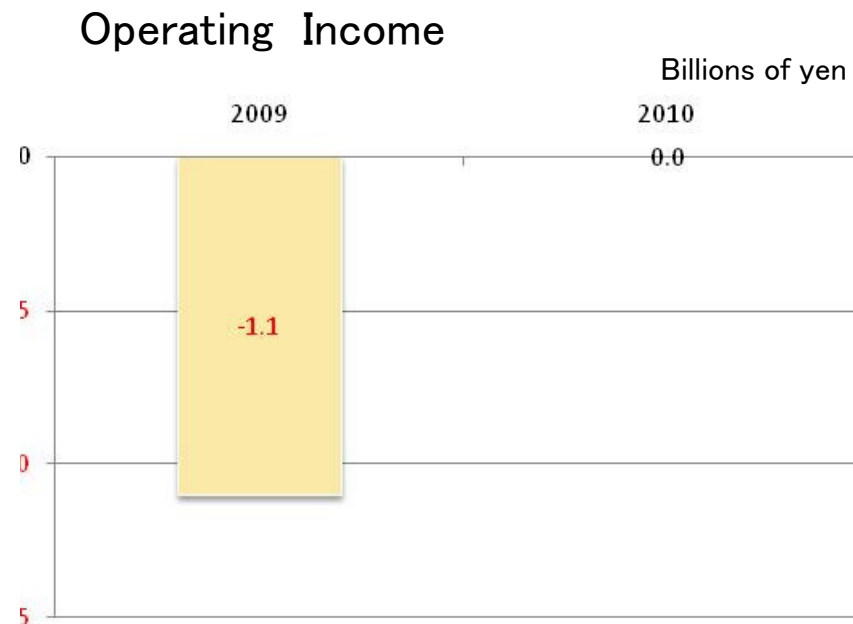
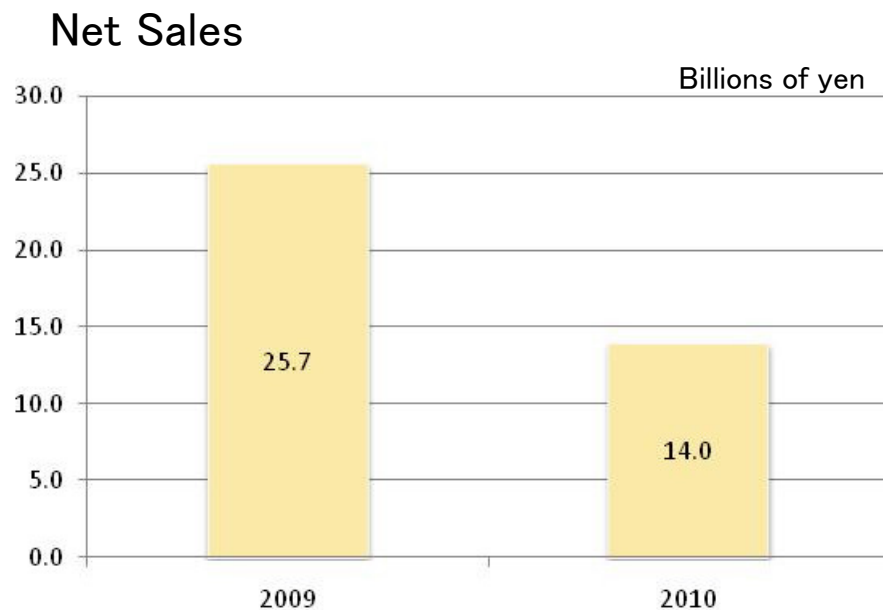
		2009	2010	Changes
Net Sales	Document	284.3	283.8	-0.5
	ITS	154.4	169.2	+14.8
	TOTAL	438.7	453.0	+14.3
Operating Income	TOTAL	-3.0	1.0	+4.0

3-4. Segment Information (Consumer equipment)



		2008	2009	Changes
Net Sales	TOTAL	222.2	223.0	+8
Operating income	TOTAL	10.4	7.0	-3.4

3-5. Segment Information (Industrial equipment)



		2009	2010	Changes
Net Sales	TOTAL	25.7	14.0	-11.7
Operating Income	TOTAL	-1.1	0	+11.0

Supplementary information

Canon

1. The main consolidated company results

billions of yen

	FY 2008 Results				FY2009 Projection				Changes			
	4Q		FY2008		4Q		FY2009		4Q		FY	
	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Document Business				(0.3%)								
Canon System & Support	27.3	-0.3	119.2	0.3	23.7	-1.5	99.1	-3.6	-3.6	-1.2	-20.1	-3.9
IT Solution		(11.7%)		(8.0%)				(5.6%)				(-2.5%)
Canon Software (Consolidated)	9.2	1.1	26.8	2.2	6.6	0.6	23.7	1.3	-2.6	-0.4	-3.1	-0.8
		(7.2%)		(6.4%)				(1.3%)				(-5.1%)
Canon IT Solutions (Consolidated)	22.0	1.6	85.0	5.5	20.3	0.2	78.0	1.1	-1.7	-1.4	-7.0	-4.4
		(8.6%)		(6.8%)				(2.3%)				(-4.5%)
IT Solution TOTAL	31.2	2.7	111.8	7.6	26.9	0.9	101.7	2.4	-4.3	-1.8	-10.1	-5.2
				(0.2%)								
Canon Business Support	6.6	0.0	26.2	0.1	5.6	-0.3	22.8	-1.1	-1.0	-0.4	-3.4	-1.1

2. Selling, general and administrative expenses

Billions of yen

	FY 2008 Results		FY2009 Projection		Changes	
	4Q	FY	4Q	FY	4Q	FY
Advertising expenses	4.8	16.7	3.4	12.6	-1.4	-4.1
Promotion expenses	9.6	30.2	8.6	25.9	-1.0	-4.3
Waranty expenses	3.2	13.4	3.5	12.3	+0.3	-1.1
Other direct expenses	4.3	16.0	4.0	15.2	-0.3	-0.8
Personal expenses	30.5	127.0	30.4	121.2	-0.1	-5.8
Depreciation and amortization	1.2	4.7	1.1	4.4	-0.1	-0.3
Rent expenses	2.1	8.5	2.0	8.0	-0.1	-0.5
IT expenses	1.5	6.0	2.5	7.2	+1.0	+1.2
Other selling expenses	6.8	25.1	4.7	20.0	-2.1	-5.1
TOTAL	64.0	247.6	60.2	226.8	-3.8	-20.8

3. Non-operating income & expenses

Extra ordinary income and loss



Billions of yen

	FY 2008		FY2009		Changes	
	4Q	FY	4Q	FY	4Q	FY
Interest & Dividends income	0.2	0.7	0.1	0.7	-0.1	+0.0
Other	0.4	1.2	0.4	1.7	+0.0	+0.5
Total non-operating income	0.6	1.9	0.5	2.4	-0.1	+0.5
Loss on disposal and devaluation of inventories	0.6	1.0	0.0	0.0	-0.6	-1.0
Other	0.1	0.4	0.1	0.5	+0.0	+0.1
Total non-operating expenses	0.7	1.4	0.1	0.5	-0.6	-0.9
Gain on sales of noncurrent assets	0.0	0.0	0.0	5.6	+0.0	+5.6
Other	0.0	0.0	0.0	0.2	+0.0	+0.2
Total extraordinary income	0.0	0.0	0.0	5.8	+0.0	+5.8
Impairment loss	0.1	0.1	0.1	10.8	+0.0	+10.7
Loss on adjustment for changes of accounting standard for measurement of inventories	-	-	0.0	1.3	+0.0	+1.3
Loss on devaluation of investments securities	0.9	1.1			-0.9	-1.1
Other	0.4	2.5	0.1	1.1	-0.3	-1.4
Total extraordinary losses	1.4	3.7	0.9	14.6	-0.5	+10.9

4. Balance sheets

billions of yen

	Dec. 31, 2008	Dec. 31, 2009	changes		Dec. 31, 2008	Dec. 31, 2009	changes
Current assets	327.7	301.8	-25.9	Current liabilities	183.7	153.7	-30.0
Cash and cash deposit	112.6	95.8	-16.8	Notes and accounts payable	123.9	106.4	-17.5
Notes and accounts receivable	149.5	125.7	-23.8	Other	59.8	47.3	-12.5
Inventories	34.1	25.8	-8.3				
Other	31.5	54.5	+23.0				
Fixed assets	157.2	147.8	-9.4	Long-term liabilities	42.2	45.0	+2.8
Property and equipment	98.0	84.2	-13.8	Stockholders' equity	255.5	247.0	-8.5
Intangible assets	19.0	24.4	+5.4	treasury stock	-24.7	-24.8	-0.1
Other	40.2	39.2	-1.0	Valuation and translation adjustments	-0.3	-0.1	+0.2
				Minority interests	3.8	4.0	+0.2
				Total net assets	259.0	250.9	-8.1
Total assets	484.9	449.6	-35.3	Total liabilities and net assets	484.9	449.6	-35.3
				Stockholders' equity ratio	52.6%	54.9%	+2.3%

5. Cash flows & Capital Investment , Depreciation and amortization



Capital Investment and Depreciation and amortization

billions of yen

	FY2008	FY 2009	Changes
Investment	17.0	14.5	-2.5
Depreciation and amortization	12.4	17.2	+4.8

Cash flow

billions of yen

	FY2008	FY 2009
Net cash provided by (used in) operating activities	41.1	18.1
Net cash provided by (used in) investment activities	-28.9	-25.8

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.