

Summary Report of Consolidated Financial Results

For the Third quarter ended September 30, 2009

Registered Company Name:	Canon Marketing Japan Inc.	Stock Listing:	Tokyo Stock Exchange, First Section
Code No.:	8060	Headquarters:	Tokyo
URL:	http://cweb.canon.jp/co-profile/ir-e		
Representative Director:	Masami Kawasaki, President		
Contact:	Yo Shibasaki, Managing Director, Senior general manager of Accounting Headquarters	Telephone:	+81-3-6719-9071
U.S. Accounting Standards Applied:	No		

1. Business Performance (From January 1, 2009 to September 30, 2009)

(1) Results of Operations

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

Years ended Dec. 31	Net Sales	Change (%)	Operating Income	Change (%)	Ordinary Income	Change (%)
Third quarter 2009	¥496,709	-	¥4,086	-	¥5,630	-
Third quarter 2008	¥612,307	(4.4)%	¥17,638	(26.6)%	18,213	(25.3)%

Years ended Dec. 31	Net Income	Change (%)	Net Income per Share (Yen)	Diluted Net Income per Share
Third quarter 2009	¥ (4,536)	-	¥(33.04)	-
Third quarter 2008	¥7,772	(42.6)%	¥ 54.12	-

(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)
Third quarter 2009	¥ 440,690	¥250,537	56.0%	¥1,796.19
Full term 2008	¥ 484,936	¥259,043	52.6%	¥ 1,858.39

【Reference】 Stockholder's Equity: Third quarter 2009 ¥246,676 / Full term 2008 ¥255,220

2. Dividends

(Yen)

Dividend per share	The end of the first quarter	The end of the second quarter	The end of the third quarter	The end of a term	Annual
Full term 2008	-	¥20.00	-	¥20.00	¥40.00
Full term 2009	-	¥10.00	-	-	-
Full term 2009 (Target)	-	-	-	-	-

【Note】 Dividends for the end of a term and Full term 2009 have not be decided yet.

3. Earnings Outlook (For the Fiscal year ending December 31, 2009)

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

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (yen)
Full term 2009	¥695,000	¥6,500	¥8,000	¥(4,400)	¥(32.04)
Percentage Change	(16.0)%	(74.4)%	(69.2)%	-	

*[Note] Earnings Outlook changed.***4. Notes**

- (1) Significant changes in subsidiaries during the period : No
- (2) Use of simplified accounting procedures : Yes
- (3) 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. : Yes
- (ii) Changes other than : No
- (4) Number of shares issued (common shares)
- (i) Number of shares issued at the end of the period (including treasury stocks)
- | | |
|------------------------|--------------------|
| the Third quarter 2009 | 151,079,972 shares |
| Full term 2008 | 151,079,972 shares |
- (ii) Number of treasury stocks at the end of the period
- | | |
|------------------------|-------------------|
| the Third quarter 2009 | 13,747,226 shares |
| Full term 2008 | 13,745,742 shares |
- (iii) Number of shares during the period (first nine months)
- | | |
|------------------------|--------------------|
| the Third quarter 2009 | 137,333,160 shares |
| the Third quarter 2008 | 143,606,505 shares |

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

September 30, 2009 and December 31, 2008

(Millions of yen truncated to the nearest million)

The Third quarter of 2009	September 30, 2009	December 31, 2008	Change
ASSETS			
Current assets:			
Cash and deposits	¥14,718	¥24,501	¥(9,783)
Notes and accounts receivable—trade	106,467	149,548	(43,081)
Short-term investment securities	82,120	88,096	(5,976)
Merchandise and finished goods	26,613	29,920	(3,307)
Work in process	4,758	3,411	1,347
Raw materials and supplies	630	811	(181)
Deferred tax assets	7,437	5,388	2,049
Short-term loans receivable	40,000	20,000	20,000
Other	10,945	6,473	4,472
Allowance for doubtful accounts	(574)	(460)	(114)
Total current assets	293,117	327,692	(34,575)
Noncurrent assets:			
Property, plant and equipment			
Buildings and structures, net	41,521	44,105	(2,584)
Machinery, equipment and vehicles, net	4	30	(26)
Tools, furniture and fixtures, net	4,376	4,455	(79)
Rental assets, net	7,532	7,659	(127)
Land	31,897	41,739	(9,842)
Lease assets, net	392	—	392
Total property, plant and equipment	85,724	97,989	(12,265)
Intangible assets:			
Goodwill	2,551	2,925	(374)
Software	21,540	15,598	5,942
Lease assets	27	—	27
Right of using facilities	288	389	(101)
Other	109	116	(7)
Total intangible assets	24,518	19,028	5,490
Investments and other assets:			
Investment securities	5,374	6,420	(1,046)
Long-term loans receivable	23	25	(2)
Deferred tax assets	18,962	20,326	(1,364)
Guarantee deposits	9,126	8,791	335
Other	5,414	5,829	(415)
Allowance for doubtful accounts	(1,571)	(1,168)	(403)
Total investments and other assets	37,330	40,225	(2,895)
Total noncurrent assets	147,573	157,243	(9,670)
Total assets	¥440,690	¥484,936	¥(44,246)

(Millions of yen truncated to the nearest million)

LIABILITIES	September 30, 2009	December 31, 2008	Change
Current liabilities:			
Notes and accounts payable-trade	96,197	123,896	(27,699)
Lease obligations	100	-	100
Accrued expenses	19,147	28,137	(8,990)
Income taxes payable	2,211	6,085	(3,874)
Accrued consumption taxes	1,268	2,280	(1,012)
Deferred tax liabilities	7	7	0
Provision for bonuses	11,400	3,084	8,316
Provision for directors' bonuses	83	114	(31)
Provision for product warranties	798	1,106	(308)
Provision for loss on order received	138	290	(152)
Other	16,412	18,736	(2,324)
Total current liabilities	147,765	183,739	(35,974)
Noncurrent liabilities:			
Lease obligations	348	-	348
Deferred tax liabilities	306	279	27
Provision for retirement benefits	37,012	37,122	(110)
Provision for directors' retirement benefits	794	804	(10)
Accrued long service rewards for employees	911	937	(26)
Other	3,013	3,010	3
Total noncurrent liabilities	42,387	42,153	234
Total liabilities	190,153	225,893	(35,740)
Shareholders' equity:			
Capital stock	73,303	73,303	-
Capital surplus	83,288	83,289	(1)
Retained earnings	114,958	123,616	(8,658)
Treasury stock	(24,758)	(24,730)	(28)
Total shareholders' equity	246,792	255,477	(8,685)
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	(67)	(212)	145
Foreign currency translation adjustments	(48)	(45)	(3)
Total valuation and translation adjustments	(116)	(257)	141
Minority interests	3,861	3,822	39
Total net assets	250,537	259,043	(8,506)
Total liabilities and net assets	440,690	484,936	(44,246)

Consolidated Statements of Income

For the Third quarter ended September 30, 2009 and 2008

From January 1 to September 30

(Millions of yen truncated to the nearest million)

	Nine months The third quarter of 2009	Nine months The third quarter of 2008	Change
Net sales	¥496,709	¥612,307	¥(115,598)
Cost of sales	326,100	411,041	(84,941)
Gross profit	170,608	201,266	(30,658)
Selling, general and administrative expenses	166,521	183,627	(17,106)
Operating income	4,086	17,638	(13,552)
Non-operating income			
Interest income	503	733	(230)
Dividends income	71	-	71
Insurance income	533	-	533
Other	794	1,214	(420)
Total non-operating income	1,903	1,948	(45)
Non-operating expenses:			
Interest expenses	77	50	27
Loss on disposal and devaluation of inventories	-	1,052	(1,052)
Other	281	270	11
Total non-operating expenses	359	1,373	(1,014)
Ordinary income	5,630	18,213	(12,583)
Extraordinary income:			
Gain on sales of noncurrent assets	5,595	0	5,595
Other	166	20	146
Total extraordinary income	5,761	21	5,740
Extraordinary loss:			
Loss on sales and retirement of noncurrent assets	310	372	(62)
Impairment loss	10,685	-	10,685
Loss on devaluation of investments in securities	-	267	(267)
Provision of liability for deferment continuous service's reward	-	929	(929)
Expenses related to restructuring of consolidated subsidiaries	-	487	(487)
Expenses related to relocation of headquarters of affiliated companies	-	142	(142)
Expenses related to changing in business name	-	132	(132)
Other	2,708	36	2,672
Total extraordinary losses	13,704	2,368	11,336
(Loss) income before income taxes and minority interests	(2,312)	15,866	(18,178)
Income taxes	2,060	7,882	(5,822)
Minority interests in income	164	211	(47)
Net (loss) income	¥(4,536)	¥7,772	¥(12,308)

【Note】We do not rearrange the results of 2008 in accounting system of 2009.

Consolidated Statements of Income

For the Third quarter ended September 30, 2009 and 2008

From July 1 to September 30

(Millions of yen truncated to the nearest million)

	Three months The third quarter of 2009	Three months The third quarter of 2008	Change
Net sales	¥160,506	¥193,683	¥(33,177)
Cost of sales	105,394	129,033	(23,639)
Gross profit	55,112	64,650	(9,538)
Selling, general and administrative expenses	54,685	61,322	(6,637)
Operating income	427	3,327	(2,900)
Non-operating income			
Interest income	134	224	(90)
Dividends income	3	-	3
Other	457	203	254
Total non-operating income	595	427	168
Non-operating expenses:			
Interest expenses	10	15	(5)
Other	56	294	(238)
Total non-operating expenses	66	310	(244)
Ordinary income	955	3,444	(2,489)
Extraordinary income:			
Gain on sales of noncurrent assets	24	-	24
Other	5	-	5
Total extraordinary income	29	-	29
Extraordinary loss:			
Loss on sales and retirement of noncurrent assets	142	-	142
Impairment loss	0	-	0
Office transfer expenses	96	-	96
Other	18	219	(201)
Total extraordinary losses	257	219	38
Income before income taxes and minority interests	728	3,225	(2,497)
Income taxes	685	1,867	(1,182)
Minority interests in income	1	49	(48)
Net income	¥40	¥1,308	¥(1,268)

【Note】We do not rearrange the results of 2008 in accounting system of 2009.

Consolidated Statements of Cash Flows

For the third quarter ended September 30, 2009 and 2008

From July 1 to September 30

(Millions of yen truncated to the nearest million)

	The third quarter of 2009	The third quarter of 2008	Change
Net cash provided by (used in) operating activities			
(Loss) income before income taxes and minority interests	¥(2,312)	¥15,866	¥(18,178)
Depreciation and amortization	8,790	8,996	(206)
Impairment loss	10,685	–	10,685
Amortization of goodwill	633	630	3
Increase in allowance for doubtful accounts	555	77	478
Increase (decrease) in provision for retirement benefits	321	(1,458)	1,779
(Decrease) in provision for directors' retirement benefits	(9)	(5)	(4)
Increase in provision for bonuses	8,271	10,053	(1,782)
Interest and dividends income	(575)	(733)	158
Interest expenses	77	50	27
Gain (loss) on sales and retirement of property, plant and equipment	(5,307)	354	(5,661)
Decrease in notes and accounts receivable–trade	42,568	53,787	(11,219)
Decrease (increase) in inventories	2,415	(2,898)	5,313
(Decrease) in notes and accounts payable–trade	(27,074)	(29,509)	2,435
Other, net	(12,365)	(9,155)	(3,210)
Subtotal	26,674	46,057	(19,383)
Interest and dividends income received	596	746	(150)
Interest expenses paid	(77)	(69)	(8)
Income taxes paid	(10,781)	(12,946)	2,165
Net cash provided by (used in) operating activities	16,411	33,788	(17,377)
Net cash provided by (used in) investment activities			
Purchase of property, plant and equipment	(5,257)	(7,092)	1,835
Proceeds from sales of property, plant and equipment	5,959	–	5,959
Purchase of intangible assets	(8,037)	(5,452)	(2,585)
Purchase of investment securities	(2)	(814)	812
Proceeds from sales of investment securities	15	4,070	(4,055)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(396)	(18)	(378)
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(188)	27	(188)
(Increase) in short–term loans receivable	(19,999)	(19,994)	(5)
Decrease in time deposits	5,000	5,000	0
Other, net	(199)	(464)	265
Net cash provided by (used in) investment activities	(23,106)	(24,739)	1,633
Net cash provided by (used in) financing activities			
Decrease in short–term bank loans	–	(473)	
Repayments of finance lease obligations	(41)	–	(41)
Purchase of treasury stock	(3)	(10,013)	10,010
Cash dividends paid	(4,118)	(6,096)	1,978
Cash dividends paid to minority shareholders	(121)	(124)	3
Other, net	1	7	(6)
Net cash provided by (used in) financing activities	(4,283)	(16,699)	12,416
Effect of exchange rate change on cash and cash equivalents	(2)	(25)	23
Net (decrease) in cash and cash equivalents	(10,981)	(7,676)	(3,305)
Cash and cash equivalents at beginning of period	107,588	117,206	(9,618)
Cash and cash equivalents at end of period	¥96,607	¥109,529	¥(12,922)

Consolidated Segment Information

For the third quarter ended September 30, 2009 and 2008

Nine months

From January 1, 2009 to September 30, 2009

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	TOTAL	Corporate and elimination	Consolidated
Net sales:						
Unaffiliated customers	¥315,573	¥163,561	¥17,574	¥496,709	¥ -	¥496,709
Intersegment	-	-	-	-	(-)	-
Total	315,573	163,561	17,574	496,709	(-)	496,709
Operating income (loss)	¥309	¥5,255	¥(1,478)	¥4,086	(-)	¥4,086

From January 1, 2008 to September 30, 2008

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	TOTAL	Corporate and elimination	Consolidated
Net sales:						
Unaffiliated customers	¥374,972	¥183,782	¥53,553	¥612,307	¥ -	¥612,307
Intersegment	-	-	-	-	(-)	-
Total	374,972	183,782	53,553	612,307	(-)	612,307
Operating income	¥11,288	¥4,619	¥1,729	¥17,638	(-)	¥17,638

Three months

From July 1, 2009 to September 30, 2009

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	TOTAL	Corporate and elimination	Consolidated
Net sales:						
Unaffiliated customers	¥98,962	¥56,782	¥4,762	¥160,506	¥ -	¥160,506
Intersegment	-	-	-	-	(-)	-
Total	98,962	56,782	4,762	160,506	(-)	160,506
Operating income (loss)	¥(2,113)	¥2,887	¥(346)	¥427	(-)	¥427

From July 1, 2008 to September 30, 2008

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	TOTAL	Corporate and elimination	Consolidated
Net sales:						
Unaffiliated customers	¥117,854	¥60,047	¥15,781	¥193,683	¥ -	¥193,683
Intersegment	-	-	-	-	(-)	-
Total	117,854	60,047	15,781	193,683	(-)	193,683
Operating income	¥2,009	¥1,143	¥174	¥3,327	(-)	¥3,327

Notes:**1.Organization of Segments**

The Canon Marketing Japan Group has organized segments according to product and market characteristics.

2.Main Products in Each Segment

Segment	Main Products / Service
Business Solutions	Business-use multifunctional products, print-on-demand (POD) digital presses, laser-beam printers, large format ink-jet printers, business-use facsimiles, liquid crystal projectors, document scanners, color card printers, color label printers, teleconference system, network equipment, software, service and support, system integration, embedded software,infrastructure&operation, solution&software products, computer devices, network devices
Consumer Equipment	Digital cameras, film cameras, interchangeable lenses, digital video cameras, ink-jet printers, compact photo printers, personal-use plain-paper copiers, personal-use facsimiles, personal-use scanners, electronic dictionaries, calculators, personal computers
Industrial Equipment	Lithography equipment for semiconductor manufactures and other semiconductor manufacturing equipment, Lithography equipment for LCD manufactures, medical equipment (digital X-ray cameras, ophthalmic equipment), broadcasting equipment