

Summary Report of Consolidated Financial Results

For the fiscal year ended December 31, 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, Accounting Headquarters	Telephone:	+81-3-6719-9071
U.S. Accounting Standards Applied:	No		

1. Business Performance (From January 1, 2009 to December 31, 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	Net Income	Change
Full term 2009	¥686,614	(17.0)%	¥6,297	(75.2)%	¥8,222	(68.3)%	¥(4,343)	-
Full term 2008	¥827,486	(8.6)%	¥25,415	(31.1)%	¥25,943	(29.7)%	¥11,185	(44.2)%

Years ended Dec. 31	Net Income per Share (Yen)	Diluted Net Income per Share	Net Income to Stockholders' Equity Ratio	Ordinary Income to Total Assets Ratio	Operating Income to Net Sales Ratio
Full term 2009	¥(31.62)	-	(1.7)%	1.8%	0.9%
Full term 2008	¥78.63	-	4.3 %	5.1%	3.1%

(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)
Full term 2009	¥449,607	¥250,875	54.9%	¥1,797.31
Full term 2008	¥484,936	¥259,043	52.6%	¥1,858.39

Note

Stockholders' Equity Full term 2009:246,829millions of yen / Full term 2008:255,220millions of yen

(3) Cash Flows

(Millions of yen truncated to the nearest million)

Years ended Dec. 31	Net Cash Provided by Operating Activities	Net Cash Used in Investing Activities	Net Cash Used in Financing Activities	Cash and Cash Equivalents at End of Period
Full term 2009	¥18,145	¥(25,834)	¥(4,324)	¥95,575
Full term 2008	¥41,122	¥(28,967)	¥(21,738)	¥107,588

2. Dividends

Dividend per share	The end of Interim	The end of a Term	Annual	Total Dividends for full term	Dividend ratio	Dividend to total assets
Full term 2008	¥20.00	¥20.00	¥40.00	¥5,619 million	50.9%	2.2%
Full term 2009	¥10.00	¥10.00	¥20.00	¥2,746million	-	1.1%
Full term 2010 (Target)	-	-	-		-	

Note

Dividends for the Full term 2010 have not be decided yet. They will be disclosed as soon as a decision is made.

3. Earnings Outlook (For the Fiscal year ending December 31, 2010)

(Millions of yen truncated to the nearest million)

Years ended Dec. 31	Net Sales	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
Interim 2010	-	-	-	-	-	-	-	-
Full term 2010	¥690,000	0.5%	¥8,000	27.0%	¥9,000	9.5%	¥3,000	-

Years ended Dec. 31	Net Income per Share (Yen)
Interim 2010	-
Full term 2010	¥21.84

Note

Earnings Outlook of the Interim 2010 is not be disclosed.

4. Notes

- (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. Yes
 - (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)

Full term 2009	151,079,972 shares
Full term 2008	151,079,972 shares
 - (ii) Number of treasury stocks at the end of the period

Full term 2009	13,747,552 shares
Full term 2008	13,745,742 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

As of December 31, 2009 and 2008

(Millions of yen truncated to the nearest million)

ASSETS	December 31, 2008	December 31, 2009
Current assets:		
Cash and deposits	¥24,501	¥17,676
Notes and accounts receivable—trade	149,548	125,738
Short-term investment securities	88,096	78,120
Inventories	34,143	—
Merchandise and finished goods	—	22,027
Work in process	—	3,213
Raw materials and supplies	—	545
Deferred tax assets	5,388	4,360
Short-term loans receivable	20,000	40,000
Other	6,473	10,714
Allowance for doubtful accounts	(460)	(567)
Total current assets	327,692	301,828
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	44,105	40,908
Machinery, equipment and vehicles, net	30	3
Tools, furniture and fixtures, net	4,455	4,216
Rental assets, net	7,659	6,809
Land	41,739	31,629
Lease assets, net	—	622
Total property, plant and equipment	97,989	84,189
Intangible assets:		
Goodwill	2,925	2,335
Software	15,598	21,637
Lease assets	—	26
Right of using facilities	389	288
Other	116	103
Total intangible assets	19,028	24,392
Investments and other assets:		
Investment securities	6,420	5,154
Long-term loans receivable	25	21
Deferred tax assets	20,326	21,236
Guarantee deposits	8,791	9,016
Other	5,829	5,300
Allowance for doubtful accounts	(1,168)	(1,532)
Total investments and other assets	40,225	39,196
Total noncurrent assets	157,243	147,778
Total assets	¥484,936	¥449,607

Consolidated Balance Sheets

As of December 31, 2009 and 2008

(Millions of yen truncated to the nearest million)

LIABILITIES	December 31, 2008	December 31, 2009
Current liabilities:		
Notes and accounts payable-trade	123,896	106,443
Lease obligations	-	189
Accrued expenses	28,137	22,902
Income taxes payable	6,085	697
Accrued consumption taxes	2,280	2,268
Deferred tax liabilities	7	8
Provision for bonuses	3,084	3,138
Provision for directors' bonuses	114	26
Provision for product warranties	1,106	878
Provision for loss on order received	290	130
Other	18,736	17,025
Total current liabilities	183,739	153,709
Noncurrent liabilities:		
Lease obligations	-	502
Deferred tax liabilities	279	2,078
Provision for retirement benefits	37,122	37,538
Provision for directors' retirement benefits	804	844
Accrued long service rewards for employees	937	1,007
Other	3,010	3,050
Total noncurrent liabilities	42,153	45,022
Total liabilities	225,893	198,731
Shareholders' equity:		
Capital stock	73,303	73,303
Capital surplus	83,289	83,288
Retained earnings	123,616	115,152
Treasury stock	(24,730)	(24,758)
Total shareholders' equity	255,477	246,985
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(212)	(116)
Foreign currency translation adjustments	(45)	(39)
Total valuation and translation adjustments	(257)	(156)
Minority interests	3,822	4,046
Total net assets	259,043	250,875
Total liabilities and net assets	484,936	449,607

Consolidated Statements of Income

For the Full term ended December 31, 2009 and 2008

From January 1 to December 31

(Millions of yen truncated to the nearest million)

	Full term 2008	Full term 2009
Net sales	¥827,486	¥686,614
Cost of sales	554,467	453,556
Gross profit	273,019	233,058
Selling, general and administrative expenses	247,603	226,760
Operating income	25,415	6,297
Non-operating income		
Interest income	844	627
Dividends income	125	85
Insurance income	565	544
Other	1,022	1,132
Total non-operating income	2,557	2,388
Non-operating expenses:		
Interest expenses	67	87
Loss on retirement of inventories	1,394	-
Loss on valuation of inventories	218	-
Other	349	376
Total non-operating expenses	2,029	464
Ordinary income	25,943	8,222
Extraordinary income:		
Gain on sales of noncurrent assets	0	5,595
Gain on sales of investment securities	0	0
Other	25	166
Total extraordinary income	25	5,762
Extraordinary loss:		
Loss on sales and retirement of noncurrent assets	604	593
Impairment loss	144	10,768
Loss on adjustment for changes of accounting standard for measurement of	-	1,299
Loss on valuation of investment securities	1,124	1,103
Expenses related to restructuring of consolidated subsidiaries	592	65
Loss on valuation of golf club membership	27	15
Expenses related to changing in business name	138	5
Provision for accrued prior year's long service rewards for employees	929	-
Expenses related to relocation of headquarters of affiliated companies	142	-
Other	36	727
Total extraordinary losses	3,740	14,579
Income (loss) before income taxes and minority interests	22,228	(595)
Income taxes-current	10,336	1,476
Income taxes-deferred	238	1,925
Total income taxes	10,574	3,402
Minority interests in income	468	345
Net income (loss)	¥11,185	¥(4,343)

Consolidated Statements of changes in net assets

For the Full term ended December 31, 2009 and 2008

From January 1 to December 31

(Millions of yen truncated to the nearest million)

	Full term 2008	Full term 2009
Shareholders' equity		
Capital stock		
Balance at the end of previous period	¥73,303	¥73,303
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	¥73,303	¥73,303
Capital surplus		
Balance at the end of previous period	¥83,296	¥83,289
Changes of items during the period		
Disposal of treasury stock	(6)	(0)
Changes by sales of subsidiaries' stocks	-	(0)
Total changes of items during the period	(6)	(0)
Balance at the end of current period	¥83,289	¥83,288
Retained earnings		
Balance at the end of previous period	¥118,527	¥123,616
Changes of items during the period		
Dividends from surplus	(6,093)	(4,120)
Net income (loss)	11,185	(4,343)
Contributions to employee welfare pension fund	(3)	(0)
Total changes of items during the period	5,088	(8,463)
Balance at the end of current period	¥123,616	¥115,152
Treasury stock		
Balance at the end of previous period	¥(9,694)	¥(24,730)
Changes of items during the period		
Purchase of treasury stock	(15,066)	(3)
Disposal of treasury stock	30	1
Changes by sales of subsidiaries' stocks	-	(25)
Total changes of items during the period	(15,036)	(27)
Balance at the end of current period	¥(24,730)	¥(24,758)
Total shareholders' equity		
Balance at the end of previous period	¥265,432	¥255,477
Changes of items during the period		
Dividends from surplus	(6,093)	(4,120)
Net income (loss)	11,185	(4,343)
Purchase of treasury stock	(15,066)	(3)
Disposal of treasury stock	23	1
Changes by sales of subsidiaries' stocks	-	(25)
Contributions to employee welfare pension fund	(3)	(0)
Total changes of items during the period	(9,954)	(8,491)
Balance at the end of current period	¥255,477	¥246,985

Consolidated Statements of changes in net assets

For the Full term ended December 31, 2009 and 2008

From January 1 to December 31

(Millions of yen truncated to the nearest million)

	Full term 2008	Full term 2009
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	¥639	¥(212)
Changes of items during the period		
Net changes of items other than shareholders' equity	(852)	95
Total changes of items during the period	(852)	95
Balance at the end of current period	¥(212)	¥(116)
Foreign currency translation adjustment		
Balance at the end of previous period	¥14	¥(45)
Changes of items during the period		
Net changes of items other than shareholders' equity	(59)	5
Total changes of items during the period	(59)	5
Balance at the end of current period	¥(45)	¥(39)
Total valuation and translation adjustments		
Balance at the end of previous period	¥654	¥(257)
Changes of items during the period		
Net changes of items other than shareholders' equity	(911)	100
Total changes of items during the period	(911)	100
Balance at the end of current period	¥(257)	¥(156)
Minority interests		
Balance at the end of previous period	¥3,481	¥3,822
Changes of items during the period		
Net changes of items other than shareholders' equity	341	223
Total changes of items during the period	341	223
Balance at the end of current period	¥3,822	¥4,046
Total net assets		
Balance at the end of previous period	¥269,568	¥259,043
Changes of items during the period		
Dividends from surplus	(6,093)	(4,120)
Net income (loss)	11,185	(4,343)
Purchase of treasury stock	(15,066)	(3)
Disposal of treasury stock	23	1
Changes by sales of subsidiaries' stocks	–	(25)
Contributions to employee welfare pension fund	(3)	(0)
Net changes of items other than shareholders' equity	(570)	324
Total changes of items during the period	(10,525)	(8,167)
Balance at the end of current period	¥259,043	¥250,875

Consolidated Statements of Cash Flows

For the Full term ended December 31, 2009 and 2008

From January 1 to December 31

(Millions of yen truncated to the nearest million)

	Full term 2008	Full term 2009
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	¥22,228	¥(595)
Depreciation and amortization	12,059	12,356
Impairment loss	144	10,768
Amortization of goodwill	833	849
Increase in allowance for doubtful accounts	323	509
(Decrease) increase in provision for retirement benefits	(1,515)	845
Increase in provision for directors' retirement benefits	50	40
Interest and dividends income	(969)	(712)
Interest expenses	67	87
Loss (gain) on sales and retirement of property, plant and equipment	577	(5,181)
Loss (gain) on sales of investment securities	(0)	7
Decrease in notes and accounts receivable-trade	38,789	23,281
Decrease in inventories	3,577	8,634
(Decrease) in notes and accounts payable-trade	(24,449)	(16,828)
Other, net	1,452	(6,145)
Subtotal	53,168	27,918
Interest and dividends income received	976	736
Interest expenses paid	(85)	(87)
Income taxes paid	(12,937)	(10,422)
Net cash provided by (used in) operating activities	41,122	18,145
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	(9,046)	(6,957)
Proceeds from sales of property, plant and equipment	-	6,204
Purchase of intangible assets	(8,579)	(9,590)
Purchase of investment securities	(816)	(8)
Proceeds from sales of investment securities	4,075	16
Purchase of investments in subsidiaries	(18)	-
Purchase of investments in subsidiaries resulting in change in scope of consolidation	-	(396)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation	32	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	-	(188)
(Increase) in short-term loans receivable	(19,993)	(19,999)
Decrease in time deposits	5,300	5,010
Other, net	79	76
Net cash provided by (used in) investment activities	(28,967)	(25,834)
Net cash provided by (used in) financing activities		
Repayments of finance lease obligations	-	(77)
Net (decrease) in short-term loans payable	(473)	-
Purchase of treasury stock	(15,066)	(3)
Cash dividends paid	(6,097)	(4,121)
Cash dividends paid to minority shareholders	(124)	(121)
Other, net	23	1
Net cash provided by (used in) financing activities	(21,738)	(4,324)
Effect of exchange rate change on cash and cash equivalents	(34)	(0)
Net (decrease) in cash and cash equivalents	(9,617)	(12,013)
Cash and cash equivalents at beginning of period	117,206	107,588
Cash and cash equivalents at end of period	¥107,588	¥95,575

Consolidated Business Segment Information

For the Full term ended December 31, 2009 and 2008

From January 1 to December 31

Full term 2008

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	Total	Corporate and eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥495,943	¥265,827	¥65,715	¥827,486	-	¥827,486
Intersegment	-	-	-	-	(-)	-
Total	495,943	265,827	65,715	827,486	(-)	827,486
Operating expenses	482,587	255,583	63,900	802,071	(-)	802,071
Operating income	13,356	10,243	1,815	25,415	(-)	25,415
amortization, Impairment loss, Capital						
Total assets	¥208,180	¥86,654	¥48,008	¥342,843	¥142,092	¥484,936
Depreciation and amortization	10,478	1,012	568	12,059	-	12,059
Impairment loss	144	-	-	144	-	144
Capital expenditure	13,702	3,018	1,060	17,781	-	17,781

Full term 2009

(Millions of yen truncated to the nearest million)

	Business Solutions	Consumer Equipment	Industrial Equipment	Total	Corporate and eliminations	Consolidated
Net sales:						
Unaffiliated customers	¥419,217	¥241,747	¥25,649	¥686,614	-	¥686,614
Intersegment	-	-	-	-	(-)	-
Total	419,217	241,747	25,649	686,614	(-)	686,614
Operating expenses	422,494	231,063	26,759	680,317	(-)	680,317
Operating income (loss)	(3,276)	10,683	(1,109)	6,297	(-)	6,297
Total assets, Depreciation and amortization, Impairment loss, Capital expenditure						
Total assets	¥199,710	¥81,644	¥17,495	¥298,851	¥150,756	¥449,607
Depreciation and amortization	10,507	1,308	540	12,356	-	12,356
Impairment loss	700	150	9,918	10,768	-	10,768
Capital expenditure	12,455	3,467	1,116	17,039	-	17,039

Notes:

1. Organization of Segments

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

2. Main Products & Services

Segment	Main Products / Services
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 cameras, 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 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