

## Summary Report of Consolidated Financial Results

For the First quarter ended March 31, 2010

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, 2010 to March 31, 2010)

#### (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
First quarter 2010	¥170,116	0.2%	¥2,108	-	¥2,262	-
First quarter 2009	¥169,832	-	¥(354)	-	¥(117)	-

Years ended Dec. 31	Net Income	Change	Net Income per Share (Yen)	Diluted Net Income per Share
First quarter 2010	¥657	-	¥4.79	-
First quarter 2009	¥(4,541)	-	¥(33.07)	-

#### (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)
First quarter 2010	¥ 445,892	¥250,304	55.2%	¥ 1,793.29
Full term 2009	¥ 449,607	¥250,875	54.9%	¥ 1,797.31

【Reference】 Stockholder's Equity: First quarter 2010 ¥246,276 / Full term 2009 ¥246,829

### 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 2009	-	¥10.00	-	¥10.00	¥20.00
Full term 2010	-	-	-	-	-
Full term 2010 (Target)	-	-	-	-	-

【Note】 Dividends for Full term 2010 have not be decided yet. They will be desclosed as soon as a dicision is made.

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

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

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
First six months 2010	-	-	-	-	-
Full term 2010	¥690,000	¥8,000	¥9,000	¥3,000	¥21.84
Percentage Change	0.5%	27.0%	9.5%	-	

*【Note】 Earnings Outlook for the first six months 2010 has not be announced.*

### 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 (i): Yes

(4) Number of shares issued (common shares)

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

the first quarter 2010 151,079,972 shares

Full term 2009 151,079,972 shares

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

the first quarter 2010 13,748,067 shares

Full term 2009 13,747,552 shares

(iii) Number of shares during the period (first three months)

the first quarter 2010 137,331,964 shares

the first quarter 2009 137,333,505 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

As of March 31, 2010 and 2009

(Millions of yen truncated to the nearest million)

ASSETS	March 31, 2010	December 31, 2009
<b>Current assets:</b>		
Cash and deposits	¥17,388	¥17,676
Notes and accounts receivable—trade	117,675	125,738
Short-term investment securities	85,519	78,120
Merchandise and finished goods	23,525	22,027
Work in process	2,061	3,213
Raw materials and supplies	476	545
Deferred tax assets	4,298	4,360
Short-term loans receivable	40,000	40,000
Other	10,402	10,714
Allowance for doubtful accounts	(564)	(567)
<b>Total current assets</b>	<b>300,784</b>	<b>301,828</b>
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures, net	40,186	40,908
Machinery, equipment and vehicles, net	3	3
Tools, furniture and fixtures, net	4,049	4,216
Rental assets, net	6,459	6,809
Land	31,509	31,629
Lease assets, net	653	622
<b>Total property, plant and equipment</b>	<b>82,862</b>	<b>84,189</b>
<b>Intangible assets:</b>		
Goodwill	2,108	2,335
Software	21,798	21,637
Lease assets	24	26
Right of using facilities	288	288
Other	97	103
<b>Total intangible assets</b>	<b>24,317</b>	<b>24,392</b>
<b>Investments and other assets:</b>		
Investment securities	4,455	5,154
Long-term loans receivable	19	21
Deferred tax assets	20,878	21,236
Guarantee deposits	8,944	9,016
Other	5,155	5,300
Allowance for doubtful accounts	(1,527)	(1,532)
<b>Total investments and other assets</b>	<b>37,927</b>	<b>39,196</b>
<b>Total noncurrent assets</b>	<b>145,107</b>	<b>147,778</b>
<b>Total assets</b>	<b>¥445,892</b>	<b>¥449,607</b>

## Consolidated Balance Sheets

As of March 31, 2010 and 2009

(Millions of yen truncated to the nearest million)

LIABILITIES	March 31, 2010	December 31, 2009
<b>Current liabilities:</b>		
Notes and accounts payable-trade	100,734	106,443
Lease obligations	205	189
Accrued expenses	20,519	22,902
Income taxes payable	1,508	697
Accrued consumption taxes	2,054	2,268
Deferred tax liabilities	7	8
Provision for bonuses	10,694	3,138
Provision for directors' bonuses	26	26
Provision for product warranties	871	878
Provision for loss on order received	671	130
Other	13,609	17,025
<b>Total current liabilities</b>	<b>150,905</b>	<b>153,709</b>
<b>Noncurrent liabilities:</b>		
Lease obligations	517	502
Deferred tax liabilities	2,084	2,078
Provision for retirement benefits	37,292	37,538
Provision for directors' retirement benefits	644	844
Accrued long service rewards for employees	1,054	1,007
Other	3,089	3,050
<b>Total noncurrent liabilities</b>	<b>44,682</b>	<b>45,022</b>
<b>Total liabilities</b>	<b>195,587</b>	<b>198,731</b>
<b>Shareholders' equity:</b>		
Capital stock	73,303	73,303
Capital surplus	83,288	83,288
Retained earnings	114,436	115,152
Treasury stock	(24,759)	(24,758)
<b>Total shareholders' equity</b>	<b>246,269</b>	<b>246,985</b>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	42	(116)
Foreign currency translation adjustments	(35)	(39)
<b>Total valuation and translation adjustments</b>	<b>7</b>	<b>(156)</b>
<b>Minority interests</b>	<b>4,028</b>	<b>4,046</b>
<b>Total net assets</b>	<b>250,304</b>	<b>250,875</b>
<b>Total liabilities and net assets</b>	<b>445,892</b>	<b>449,607</b>

## Consolidated Statements of Income

For the First quarter ended March 31, 2010 and 2009

(Millions of yen truncated to the nearest million)

	The First quarter of 2009	The First quarter of 2010
Net sales	¥169,832	¥170,116
Cost of sales	114,010	114,477
Gross profit	55,822	55,638
Selling, general and administrative expenses	56,177	53,529
Operating income (loss)	(354)	2,108
Non-operating income:		
Interest income	168	110
Dividends income	17	7
Other	168	180
Total non-operating income	354	298
Non-operating expenses:		
Interest expenses	9	8
Other	107	136
Total non-operating expenses	116	145
Ordinary income (loss)	(117)	2,262
Extraordinary income:		
Gain on sales of noncurrent assets	0	–
Gain on transfer of business	–	400
Gain on sales of golf memberships	5	–
Other	–	2
Total extraordinary income	5	402
Extraordinary loss:		
Loss on sales and retirement of noncurrent assets	37	53
Impairment loss	131	317
Loss on revision of retirement benefit plan	–	163
Loss on valuation of investment securities	796	5
Loss on adjustment for changes of accounting standard for measurement of inventories	1,299	–
Other	81	14
Total extraordinary losses	2,347	554
Income (loss) before income taxes and minority interests	(2,458)	2,110
Income taxes	2,036	1,409
Minority interests in income	46	43
Net income (loss)	¥(4,541)	¥657

## Consolidated Statements of Cash Flows

For the First quarter ended March 31, 2010 and 2009

(Millions of yen truncated to the nearest million)

	The First quarter of 2009	The First quarter of 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	¥(2,458)	¥2,110
Depreciation and amortization	2,890	3,180
Impairment loss	131	317
Amortization of goodwill	202	226
Increase (decrease) in allowance for doubtful accounts	628	(8)
Increase (decrease) in provision for retirement benefits	(299)	435
Decrease in provision for directors' retirement benefits	(108)	(199)
Increase in provision for bonuses	8,796	7,596
Interest and dividends income	(186)	(118)
Interest expenses	9	8
Loss on sales and retirement of property, plant and equipment	36	52
Gain on transfer of business	–	(400)
Decrease in notes and accounts receivable–trade	30,185	8,045
Decrease (increase) in inventories	1,503	(1,624)
Decrease in notes and accounts payable–trade	(21,964)	(5,709)
Other, net	(7,697)	(4,856)
Subtotal	11,669	9,056
Interest and dividends income received	202	122
Interest expenses paid	(9)	(8)
Income taxes paid	(6,058)	(717)
Net cash provided by (used in) operating activities	5,803	8,453
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,514)	(1,574)
Purchase of intangible assets	(3,251)	(1,225)
Purchase of investment securities	(0)	(19)
Proceeds from sales of investment securities	7	2
Decrease in short–term loans receivable	0	–
Decrease in time deposits	5,000	–
Proceeds from transfer of business	–	1,776
Other, net	(37)	198
Net cash provided by (used in) investing activities	204	(842)
Net cash used in financing activities		
Repayments of finance lease obligations	(4)	(55)
Purchase of treasury stock	(1)	0
Cash dividends paid	(2,747)	(1,374)
Cash dividends paid to minority shareholders	(63)	(64)
Other, net	0	0
Net cash used in financing activities	(2,817)	(1,496)
Effect of exchange rate changes on cash and cash equivalents	3	(1)
Net increase in cash and cash equivalents	3,194	6,112
Cash and cash equivalents at beginning of period	107,588	95,575
Cash and cash equivalents at end of period	¥110,783	¥101,687

## Consolidated Segment Information

For the First quarter ended March 31, 2010 and 2009

(Millions of yen truncated to the nearest million)

the First quarter ended March 31, 2009 (From January 1 to March 31)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
Net sales:					
Unaffiliated customers	¥115,880	¥45,605	¥8,346	¥ -	¥169,832
Intersegment	-	-	-	(-)	-
Total	115,880	45,605	8,346	(-)	169,832
Operating income	(¥84)	¥240	(¥510)	(-)	(¥354)

(Millions of yen truncated to the nearest million)

the First quarter ended March 31, 2010 (From January 1 to March 31)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
Net sales:					
Unaffiliated customers	¥117,838	¥48,370	¥3,907	¥ -	¥170,116
Intersegment	-	-	-	(-)	-
Total	117,838	48,370	3,907	(-)	170,116
Operating income	¥598	¥1,211	¥298	(-)	¥2,108

### 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, personal-use pain-paper copiers, laser printers, large format ink-jet printers, office-use facsimiles, liquid crystal projectors, document scanners, color card printers, color label printers, teleconference system, network cameras, service and support, system integration, embeded software, infrastructure&operation, solution&software products, computer devices, network devices
Consumer Equipment	Digital cameras, interchangeable lenses, digital video cameras, ink-jet printers, compact photo printers, personal-use scanners, electronic dictionaries, calculators
Industrial Equipment	Semiconductor manufacturing equipment, medical equipment (digital X-ray cameras, ophthalmic equipment), broadcasting equipment

#### 3. Segment change

The personal-use pain-paper copiers & personal computers which we had included in consumer equipment segment until 2009, have been changed segment to a business solutions segment from 1Q in 2010.