

## Summary Report of Consolidated Financial Results

For the Second quarter ended June 30, 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/eng/ir		
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 June 30, 2010 )

#### (1) Results of Operations (Year-to-date)

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

Years ended Dec. 31	Net Sales	Change	Operating Income	Change	Ordinary Income	Change
Second quarter 2010	¥334,194	(0.6)%	¥2,873	(21.5)%	¥4,096	(12.4)%
Second quarter 2009	¥336,202	-	¥3,659	-	¥4,675	-

Years ended Dec. 31	Net Income	Change	Net Income per Share (Yen)	Diluted Net Income per Share
Second quarter 2010	¥1,333	-	¥9.62	-
Second quarter 2009	¥(4,577)	-	¥(33.33)	-

#### (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)
Second quarter 2010	¥ 436,698	¥250,885	57.4%	¥ 1,771.53
Full term 2009	¥ 449,607	¥250,875	54.9%	¥ 1,797.31

【Reference】 Stockholder's Equity: Second quarter 2010 ¥250,729/ 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	-	¥10.00	-	-	-
Full term 2010 (Target)	-	-	-	-	-

【Note】 Dividends for 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, %)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
Full term 2010	¥690,000	¥8,000	¥9,000	¥3,000	¥21.41
Percentage Change	0.5%	27.0%	9.5%	-	

### 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 Second 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 Second quarter 2010	9,546,823 shares
Full term 2009	13,747,552 shares

- (iii) Number of shares during the period (first six months)

the Second quarter 2010	138,732,306 shares
the Second quarter 2009	137,333,321 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 June 30, 2010 and December 31, 2009

(Millions of yen truncated to the nearest million)

ASSETS	June 30, 2010	December 31, 2009
<b>Current assets:</b>		
Cash and deposits	¥18,270	¥17,676
Notes and accounts receivable—trade	101,971	125,738
Short-term investment securities	94,819	78,120
Merchandise and finished goods	19,009	22,027
Work in process	1,831	3,213
Raw materials and supplies	471	545
Deferred tax assets	4,851	4,360
Short-term loans receivable	40,000	40,000
Other	6,656	10,714
Allowance for doubtful accounts	(533)	(567)
<b>Total current assets</b>	<b>287,349</b>	<b>301,828</b>
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures, net	39,577	40,908
Machinery, equipment and vehicles, net	2	3
Tools, furniture and fixtures, net	3,747	4,216
Rental assets, net	7,508	6,809
Land	35,266	31,629
Lease assets, net	1,021	622
<b>Total property, plant and equipment</b>	<b>87,123</b>	<b>84,189</b>
<b>Intangible assets:</b>		
Goodwill	1,883	2,335
Software	22,419	21,637
Lease assets	55	26
Right of using facilities	288	288
Other	120	103
<b>Total intangible assets</b>	<b>24,767</b>	<b>24,392</b>
<b>Investments and other assets:</b>		
Investment securities	3,915	5,154
Long-term loans receivable	17	21
Deferred tax assets	21,250	21,236
Guarantee deposits	8,757	9,016
Other	3,876	5,300
Allowance for doubtful accounts	(358)	(1,532)
<b>Total investments and other assets</b>	<b>37,457</b>	<b>39,196</b>
<b>Total noncurrent assets</b>	<b>149,348</b>	<b>147,778</b>
<b>Total assets</b>	<b>¥436,698</b>	<b>¥449,607</b>

## Consolidated Balance Sheets

As of June 30, 2010 and December 31, 2009

(Millions of yen truncated to the nearest million)

LIABILITIES	June 30, 2010	December 31, 2009
<b>Current liabilities:</b>		
Notes and accounts payable-trade	89,295	106,443
Lease obligations	277	189
Accrued expenses	20,821	22,902
Income taxes payable	3,082	697
Accrued consumption taxes	1,634	2,268
Deferred tax liabilities	7	8
Provision for bonuses	3,071	3,138
Provision for directors' bonuses	52	26
Provision for product warranties	861	878
Provision for loss on order received	1,072	130
Other	20,534	17,025
<b>Total current liabilities</b>	<b>140,711</b>	<b>153,709</b>
<b>Noncurrent liabilities:</b>		
Lease obligations	869	502
Deferred tax liabilities	2,068	2,078
Provision for retirement benefits	37,291	37,538
Provision for directors' retirement benefits	693	844
Accrued long service rewards for employees	1,081	1,007
Other	3,097	3,050
<b>Total noncurrent liabilities</b>	<b>45,101</b>	<b>45,022</b>
<b>Total liabilities</b>	<b>185,813</b>	<b>198,731</b>
<b>Shareholders' equity:</b>		
Capital stock	73,303	73,303
Capital surplus	82,819	83,288
Retained earnings	111,939	115,152
Treasury stock	(17,191)	(24,758)
<b>Total shareholders' equity</b>	<b>250,870</b>	<b>246,985</b>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	(56)	(116)
Foreign currency translation adjustments	(84)	(39)
<b>Total valuation and translation adjustments</b>	<b>(141)</b>	<b>(156)</b>
<b>Minority interests</b>	<b>155</b>	<b>4,046</b>
<b>Total net assets</b>	<b>250,885</b>	<b>250,875</b>
<b>Total liabilities and net assets</b>	<b>436,698</b>	<b>449,607</b>

## Consolidated Statements of Income

For the Second quarter ended June 30, 2010 and 2009 (Year-to-date)

(Millions of yen truncated to the nearest million)

	The Second quarter of 2009	The Second quarter of 2010
Net sales	¥336,202	¥334,194
Cost of sales	220,706	222,175
Gross profit	115,496	112,019
Selling, general and administrative expenses	111,836	109,145
Operating income	3,659	2,873
Non-operating income:		
Interest income	369	214
Dividends income	68	52
Insurance income	524	546
Other	346	657
Total non-operating income	1,307	1,471
Non-operating expenses:		
Interest expenses	67	16
Other	225	231
Total non-operating expenses	292	248
Ordinary income	4,675	4,096
Extraordinary income:		
Gain on sales of noncurrent assets	5,571	0
Gain on transfer of business	–	400
Gain on sales of investment securities	–	210
Other	161	–
Total extraordinary income	5,732	611
Extraordinary loss:		
Loss on sales and retirement of noncurrent assets	168	174
Impairment loss	10,684	450
Other	2,594	476
Total extraordinary losses	13,447	1,101
Income (loss) before income taxes and minority interests	(3,040)	3,606
Income taxes	1,374	2,201
Minority interests in income	162	71
Net income (loss)	¥(4,577)	¥1,333

## Consolidated Statements of Cash Flows

For the Second quarter ended June 30, 2010 and 2009 (Year-to-date)

(Millions of yen truncated to the nearest million)

	The Second quarter of 2009	The Second quarter of 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	¥(3,040)	¥3,606
Depreciation and amortization	5,716	6,340
Impairment loss	10,684	450
Amortization of goodwill	418	451
Increase (decrease) in allowance for doubtful accounts	577	(168)
Increase (decrease) in provision for retirement benefits	(3)	437
Increase (decrease) in provision for directors' retirement benefits	(60)	(150)
Interest and dividends income	(437)	(267)
Interest expenses	67	16
Loss (gain) on sales and retirement of property, plant and equipment	(5,425)	163
Loss (gain) on transfer of business	–	(400)
Decrease (increase) in notes and accounts receivable–trade	42,707	23,802
Decrease (increase) in inventories	7,687	3,130
Increase (decrease) in notes and accounts payable–trade	(32,407)	(17,148)
Other, net	(6,478)	2,275
Subtotal	20,006	22,541
Interest and dividends income received	458	277
Interest expenses paid	(67)	(16)
Income taxes (paid) refund	(6,086)	2,920
Net cash provided by (used in) operating activities	14,310	25,722
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(3,900)	(8,315)
Proceeds from sales of property, plant and equipment	5,901	438
Purchase of intangible assets	(5,521)	(2,870)
Purchase of investment securities	(2)	(40)
Proceeds from sales of investment securities	9	515
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(396)	–
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(188)	–
Decrease (increase) in short-term loans receivable	(19,999)	–
Decrease (increase) in time deposits	5,000	–
Proceeds from transfer of business	–	1,776
Other, net	(191)	638
Net cash provided by (used in) investing activities	(19,289)	(7,858)
Net cash used in financing activities		
Repayments of finance lease obligations	(18)	(117)
Purchase of treasury stock	(2)	(1)
Cash dividends paid	(2,733)	(1,378)
Cash dividends paid to minority shareholders	(63)	(64)
Other, net	0	1
Net cash provided by (used in) financing activities	(2,816)	(1,562)
Effect of exchange rate changes on cash and cash equivalents	4	(7)
Net increase (decrease) in cash and cash equivalents	(7,791)	16,294
Cash and cash equivalents at beginning of period	107,588	95,575
Cash and cash equivalents at end of period	¥99,796	¥111,870

## Consolidated Segment Information

For the Second quarter ended June 30, 2010 and 2009 (Year-to-date)

(Millions of yen truncated to the nearest million)

the Second quarter ended June 30, 2009 (From January 1 to June 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
<b>Net sales:</b>					
Unaffiliated customers	¥225,519	¥97,871	¥12,811	¥ -	¥336,202
Intersegment	-	-	-	(-)	-
<b>Total</b>	<b>225,519</b>	<b>97,871</b>	<b>12,811</b>	<b>(-)</b>	<b>336,202</b>
Operating income (loss)	¥2,555	¥2,236	(¥1,132)	(-)	¥3,659

(Millions of yen truncated to the nearest million)

the Second quarter ended June 30, 2010 (From January 1 to June 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
<b>Net sales:</b>					
Unaffiliated customers	¥227,037	¥100,300	¥6,856	¥ -	¥334,194
Intersegment	-	-	-	(-)	-
<b>Total</b>	<b>227,037</b>	<b>100,300</b>	<b>6,856</b>	<b>(-)</b>	<b>334,194</b>
Operating income	(¥1,188)	¥4,061	¥1	(-)	¥2,873

### 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	Industrial equipment (impoted equipmet etc.), 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.