

## Summary Report of Consolidated Financial Results

For the Third quarter ended September 30, 2010

Registered Company Name:	Canon Marketing Japan Inc.	Stock Listing:	Tokyo Stock Exchange, First Section
Code No.:	8060	Headquarters:	Tokyo
URL:	<a href="http://cweb.canon.jp/co-profile/ir-e">http://cweb.canon.jp/co-profile/ir-e</a>		
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 September 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
Third quarter 2010	¥491,229	(1.1)%	¥2,122	(48.1)%	¥3,578	(36.4)%
Third quarter 2009	¥496,709	-	¥4,086	-	¥5,630	-

Years ended Dec. 31	Net Income	Change	Net Income per Share (Yen)	Diluted Net Income per Share
Third quarter 2010	¥296	-	¥2.12	-
Third quarter 2009	¥(4,536)	-	¥(33.04)	-

#### (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 2010	¥ 440,545	¥248,469	56.4%	¥ 1,754.44
Full term 2009	¥ 449,607	¥250,875	54.9%	¥ 1,797.31

【Reference】 Stockholder's Equity: Third quarter 2010 ¥248,311/ 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	¥677,000	¥7,000	¥8,500	¥3,000	¥21.41
Percentage Change	(1.4)%	11.2%	3.4%	-	

*[Note] We changed the earnings outlook from that was announced on July 26.*

### 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 Third 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 Third quarter 2010	9,546,589 shares
Full term 2009	13,747,552 shares

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

the Third quarter 2010	139,665,953 shares
the Third quarter 2009	137,333,160 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 September 30, 2010 and December 31, 2009

(Millions of yen truncated to the nearest million)

ASSETS	September 30, 2010	December 31, 2009
<b>Current assets:</b>		
Cash and deposits	¥16,677	¥17,676
Notes and accounts receivable—trade	102,716	125,738
Short-term investment securities	96,199	78,120
Merchandise and finished goods	23,328	22,027
Work in process	1,665	3,213
Raw materials and supplies	479	545
Deferred tax assets	4,691	4,360
Short-term loans receivable	40,000	40,000
Other	7,379	10,714
Allowance for doubtful accounts	(536)	(567)
<b>Total current assets</b>	<b>292,602</b>	<b>301,828</b>
<b>Noncurrent assets:</b>		
<b>Property, plant and equipment:</b>		
Buildings and structures, net	39,234	40,908
Machinery, equipment and vehicles, net	2	3
Tools, furniture and fixtures, net	3,594	4,216
Rental assets, net	7,153	6,809
Land	35,187	31,629
Lease assets, net	1,294	622
<b>Total property, plant and equipment</b>	<b>86,466</b>	<b>84,189</b>
<b>Intangible assets:</b>		
Goodwill	1,656	2,335
Software	22,185	21,637
Lease assets	56	26
Right of using facilities	288	288
Other	113	103
<b>Total intangible assets</b>	<b>24,299</b>	<b>24,392</b>
<b>Investments and other assets:</b>		
Investment securities	3,741	5,154
Long-term loans receivable	17	21
Deferred tax assets	21,222	21,236
Guarantee deposits	8,773	9,016
Other	3,770	5,300
Allowance for doubtful accounts	(347)	(1,532)
<b>Total investments and other assets</b>	<b>37,176</b>	<b>39,196</b>
<b>Total noncurrent assets</b>	<b>147,942</b>	<b>147,778</b>
<b>Total assets</b>	<b>¥440,545</b>	<b>¥449,607</b>

## Consolidated Balance Sheets

As of September 30, 2010 and December 31, 2009

(Millions of yen truncated to the nearest million)

LIABILITIES	September 30,	December 31, 2009
<b>Current liabilities:</b>		
Notes and accounts payable-trade	93,316	106,443
Lease obligations	312	189
Accrued expenses	20,000	22,902
Income taxes payable	2,409	697
Accrued consumption taxes	1,653	2,268
Deferred tax liabilities	7	8
Provision for bonuses	10,954	3,138
Provision for directors' bonuses	79	26
Provision for product warranties	836	878
Provision for loss on order received	564	130
Other	17,144	17,025
<b>Total current liabilities</b>	<b>147,280</b>	<b>153,709</b>
<b>Noncurrent liabilities:</b>		
Lease obligations	1,125	502
Deferred tax liabilities	2,069	2,078
Provision for retirement benefits	36,889	37,538
Provision for directors' retirement benefits	746	844
Accrued long service rewards for employees	825	1,007
Other	3,139	3,050
<b>Total noncurrent liabilities</b>	<b>44,795</b>	<b>45,022</b>
<b>Total liabilities</b>	<b>192,077</b>	<b>198,731</b>
<b>Shareholders' equity:</b>		
Capital stock	73,303	73,303
Capital surplus	82,819	83,288
Retained earnings	109,486	115,152
Treasury stock	(17,191)	(24,758)
<b>Total shareholders' equity</b>	<b>248,417</b>	<b>246,985</b>
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	2	(116)
Foreign currency translation adjustments	(108)	(39)
<b>Total valuation and translation adjustments</b>	<b>(106)</b>	<b>(156)</b>
<b>Minority interests</b>	<b>157</b>	<b>4,046</b>
<b>Total net assets</b>	<b>248,469</b>	<b>250,875</b>
<b>Total liabilities and net assets</b>	<b>440,548</b>	<b>449,607</b>

## Consolidated Statements of Income

From January 1 to September 30, 2010 and 2009

(Millions of yen truncated to the nearest million)

	The Third quarter of 2009	The Third quarter of 2010
Net sales	¥496,709	¥491,229
Cost of sales	326,100	325,709
Gross profit	170,608	165,520
Selling, general and administrative expenses	166,521	163,397
Operating income	4,086	2,122
Non-operating income:		
Interest income	503	307
Dividends income	71	55
Insurance income	533	590
Other	794	805
Total non-operating income	1,903	1,759
Non-operating expenses:		
Interest expenses	77	26
Other	281	277
Total non-operating expenses	359	303
Ordinary income	5,630	3,578
Extraordinary income:		
Gain on sales of noncurrent assets	5,595	0
Gain on transfer of business	–	400
Gain on sales of investments in securities	–	211
Other	166	–
Total extraordinary income	5,761	612
Extraordinary loss:		
Loss on sales and retirement of noncurrent assets	310	338
Impairment loss	10,685	458
Loss on valuation of investment securities	–	361
Other	2,708	417
Total extraordinary losses	13,704	1,575
Income (loss) before income taxes and minority interests	(2,312)	2,614
Income taxes	2,060	2,239
Minority interests in income	164	79
Net income (loss)	¥(4,536)	¥296

## Consolidated Statements of Cash Flows

From January 1 to September 30, 2010 and 2009

(Millions of yen truncated to the nearest million)

	The Third quarter of 2009	The Third quarter of 2010
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	¥(2,312)	¥2,614
Depreciation and amortization	8,790	9,981
Impairment loss	10,685	458
Amortization of goodwill	633	677
Increase (decrease) in allowance for doubtful accounts	555	(176)
Increase (decrease) in provision for retirement benefits	321	45
Increase (decrease) in provision for directors' retirement benefits	(9)	(97)
Increase (decrease) in provision for bonuses	8,271	7,856
Interest and dividends income	(575)	(362)
Interest expenses	77	26
Loss (gain) on sales and retirement of property, plant and equipment	(5,307)	237
Loss (gain) on transfer of business	-	(400)
Decrease (increase) in notes and accounts receivable-trade	42,568	23,076
Decrease (increase) in inventories	2,415	(1,022)
Increase (decrease) in notes and accounts payable-trade	(27,074)	(13,127)
Other, net	(12,365)	(3,387)
Subtotal	26,674	26,400
Interest and dividends income received	596	375
Interest expenses paid	(77)	(26)
Income taxes (paid) refund	(10,781)	2,564
Net cash provided by (used in) operating activities	16,411	29,313
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(5,257)	(9,472)
Proceeds from sales of property, plant and equipment	5,959	534
Purchase of intangible assets	(8,037)	(4,110)
Purchase of investment securities	(2)	(58)
Proceeds from sales of investment securities	15	515
Purchase of investment 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)	(0)
Decrease (increase) in time deposits	5,000	-
Proceeds from transfer of business	-	1,776
Other, net	(199)	874
Net cash provided by (used in) investing activities	(23,106)	(9,939)
Net cash used in financing activities		
Repayments of finance lease obligations	(41)	(210)
Purchase of treasury stock	(3)	(2)
Cash dividends paid	(4,118)	(2,794)
Cash dividends paid to minority shareholders	(121)	(64)
Other, net	1	1
Net cash provided by (used in) financing activities	(4,283)	(3,069)
Effect of exchange rate changes on cash and cash equivalents	(2)	(2)
Net increase (decrease) in cash and cash equivalents	(10,981)	16,301
Cash and cash equivalents at beginning of period	107,588	95,575
Cash and cash equivalents at end of period	¥96,607	¥111,876

## Consolidated Segment Information

From January 1 to September 30, 2010 and 2009

(Millions of yen truncated to the nearest million)

the Third quarter ended September 30, 2009 (From January 1 to September 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
Net sales:					
Unaffiliated customers	¥328,567	¥150,567	¥17,574	¥ -	¥496,709
Intersegment	-	-	-	(-)	-
Total	328,567	150,567	17,574	¥ -	496,709
Operating income (loss)	¥419	¥5,146	(¥1,478)	(-)	¥4,086

(Millions of yen truncated to the nearest million)

the Third quarter ended September 30, 2010 (From January 1 to September 30)	Business Solutions	Consumer Equipment	Industrial Equipment	Corporate and eliminations	Consolidated
Net sales:					
Unaffiliated customers	¥332,684	¥148,890	¥9,653	¥ -	¥491,229
Intersegment	-	-	-	(-)	-
Total	332,684	148,890	9,653	¥ -	491,229
Operating income (loss)	(¥1,186)	¥3,672	(¥363)	(-)	¥2,122

**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, embedded 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 (imported equipment 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.