

Summary Report of Consolidated Financial Results

For the First quarter ended March 31, 2011

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		
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U.S. Accounting Standards Applied:	No		

1. Business Performance (From January 1, 2011 to March 31, 2011)

(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 2011	151,533	(10.9) %	1,225	(41.9)%	1,369	(39.5)%
First quarter 2010	170,116	0.2%	2,108		2,262	-

Years ended Dec. 31	Net Income	Change	Net Income per Share (Yen)	Diluted Net Income per Share
First quarter 2011	(572)	-	(4.17)	-
First quarter 2010	657	-	4.79	-

(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 2011	428,868	245,057	57.1%	1,785.13
Full term 2010	448,592	246,846	55.0%	1,798.16

【Reference】 Stockholder's Equity: First quarter 2011 244,890 / Full term 2010 246,679

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 2010	-	10.00	-	10.00	20.00
Full term 2011	-	-	-	-	-
Full term 2011 (Target)	-	-	-	-	-

[Note] Dividends for Full term 2011 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, 2011)

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

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income per share (Yen)
First six months 2011	-	-	-	-	-
Full term 2011	633,000	0	1,300	(1,900)	(13.85)
Percentage Change	(6.1)%	(100)%	(86.3)%	-	

[Note] Earnings Outlook for the first six months 2011 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): NO

(4) Number of shares issued (common shares)

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

the first quarter 2011 151,079,972 shares

Full term 2010 151,079,972 shares

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

the first quarter 2011 13,896,004 shares

Full term 2010 13,895,647 shares

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

the first quarter 2011 137,184,134 shares

the first quarter 2010 137,331,964 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, 2011 and December 31, 2010

(Millions of yen truncated to the nearest million)

ASSETS	March 31, 2011	December 31, 2010
Current assets:		
Cash and deposits	16,316	15,975
Notes and accounts receivable—trade	103,554	118,886
Short-term investment securities	89,650	94,599
Merchandise and finished goods	24,851	19,005
Work in process	1,279	1,115
Raw materials and supplies	495	410
Deferred tax assets	5,409	4,930
Short-term loans receivable	40,000	40,000
Other	5,214	7,278
Allowance for doubtful accounts	(486)	(509)
Total current assets	286,285	301,693
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	38,283	38,738
Machinery, equipment and vehicles, net	1	1
Tools, furniture and fixtures, net	3,237	3,395
Rental assets, net	6,256	7,073
Land	35,083	35,083
Lease assets, net	1,343	1,330
Construction in progress	1,279	504
Total property, plant and equipment	85,485	86,127
Intangible assets:		
Goodwill	1,201	1,429
Software	21,120	21,857
Lease assets	52	55
Right of using facilities	288	288
Other	98	105
Total intangible assets	22,760	23,736
Investments and other assets:		
Investment securities	3,747	4,133
Long-term loans receivable	14	15
Deferred tax assets	20,785	20,874
Guarantee deposits	7,508	8,624
Other	2,619	3,716
Allowance for doubtful accounts	(338)	(329)
Total investments and other assets	34,336	37,035
Total noncurrent assets	142,582	146,899
Total assets	428,868	448,592

Consolidated Balance Sheets

As of March 31, 2011 and December 31, 2010

(Millions of yen truncated to the nearest million)

LIABILITIES	March 31, 2011	December 31, 2010
Current liabilities:		
Notes and accounts payable-trade	92,002	102,849
Lease obligations	426	431
Accrued expenses	18,794	24,389
Income taxes payable	224	5,055
Accrued consumption taxes	1,597	2,607
Provision for bonuses	10,350	2,888
Provision for directors' bonuses	13	55
Provision for product warranties	765	803
Provision for loss on order received	567	526
Other	14,769	17,641
Total current liabilities	139,511	157,247
Noncurrent liabilities:		
Lease obligations	1,085	1,069
Deferred tax liabilities	2,020	2,021
Provision for retirement benefits	36,313	36,506
Provision for directors' retirement benefits	635	801
Accrued long service rewards for employees	988	915
Other	3,256	3,184
Total noncurrent liabilities	44,299	44,498
Total liabilities	183,810	201,745
Shareholders' equity:		
Capital stock	73,303	73,303
Capital surplus	82,819	82,819
Retained earnings	110,970	112,914
Treasury stock	(22,192)	(22,191)
Total shareholders' equity	244,901	246,845
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	97	(47)
Foreign currency translation adjustments	(107)	(118)
Total valuation and translation adjustments	(10)	(165)
Minority interests	166	166
Total net assets	245,057	246,846
Total liabilities and net assets	428,868	448,592

Consolidated Statements of Income

For the First quarter ended March 31, 2011 and 2010

(Millions of yen truncated to the nearest million)

	The First quarter of 2010	The First quarter of 2011
Net sales	170,116	151,533
Cost of sales	114,477	99,850
Gross profit	55,638	51,682
Selling, general and administrative expenses	53,529	50,456
Operating income (loss)	2,108	1,225
Non-operating income:		
Interest income	110	83
Dividends income	7	9
Other	180	165
Total non-operating income	298	258
Non-operating expenses:		
Interest expenses	8	8
Other	136	106
Total non-operating expenses	145	114
Ordinary income (loss)	2,262	1,369
Extraordinary income:		
Gain on sales of noncurrent assets	-	0
Gain on transfer of business	400	-
Other	2	0
Total extraordinary income	402	0
Extraordinary loss:		
Loss on sales and retirement of noncurrent assets	53	87
Impairment loss	317	0
Loss on disaster	-	929
Loss on adjustment for changes of accounting standard for retirement obligations	-	1,131
Loss on valuation of investment securities	5	298
Loss on revision of retirement benefit plan	163	-
Other	14	201
Total extraordinary losses	554	2,648
Income (loss) before income taxes and minority interests	2,110	(1,278)
Income taxes	1,409	(713)
Loss before minority interests	-	(565)
Minority interests in income	43	6
Net income (loss)	657	(572)

Consolidated Statements of Cash Flows

For the First quarter ended March 31, 2011 and 2010

(Millions of yen truncated to the nearest million)

	The First quarter of 2010	The First quarter of 2011
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	2,110	(1,278)
Depreciation and amortization	3,180	3,652
Impairment loss	317	0
Amortization of goodwill	226	227
Increase (decrease) in allowance for doubtful accounts	(8)	(13)
Increase(decrease) in provision for retirement benefits	435	(174)
Increase(decrease) in provision for directors' retirement benefits	(199)	(165)
Increase(decrease) in provision for bonuses	7,596	7,461
Interest and dividends income	(118)	(92)
Interest expenses	8	8
Loss(gain) on sales and retirement of property, plant and	52	52
Loss on disaster	-	929
Loss(gain) on transfer of business	(400)	-
Decrease(increase) in notes and accounts receivable-trade	8,045	15,316
Decrease (increase) in inventories	(1,624)	(6,830)
Increase (decrease) in notes and accounts payable-trade	(5,709)	(10,847)
Other, net	(4,856)	(5,736)
Subtotal	9,056	2,510
Interest and dividends income received	122	96
Interest expenses paid	(8)	(8)
Income taxes paid	(717)	(4,330)
Net cash provided by (used in) operating activities	8,453	(1,731)
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment securities	-	1,000
Purchase of property, plant and equipment	(1,574)	(1,806)
Purchase of intangible assets	(1,225)	(792)
Purchase of investment securities	(19)	(4)
Proceeds from sales of investment securities	2	163
Decrease in short-term loans receivable	-	0
Decrease in time deposits	-	1,000
Proceeds from transfer of business	1,776	-
Other, net	198	51
Net cash provided by (used in) investing activities	(842)	(387)
Net cash used in financing activities		
Repayments of finance lease obligations	(55)	(109)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,374)	(1,373)
Cash dividends paid to minority shareholders	(64)	(7)
Other, net	0	0
Net cash used in financing activities	(1,496)	(1,490)
Effect of exchange rate changes on cash and cash equivalents	(1)	0
Net increase (decrease) in cash and cash equivalents	6,112	(3,608)
Cash and cash equivalents at beginning of period	95,575	109,575
Cash and cash equivalents at end of period	101,687	105,966

Consolidated Segment Information

For the First quarter ended March 31, 2011

Main Company and Organization in Each Segment

Segment	Main Company / Organization
Business Solutions	Canon Marketing Japan Inc. Business Solutions Company Canon System & Support Inc. Canon Print Square Inc.
IT Solutions	Canon Marketing Japan Inc. IT Product Promotion Headquarters Canon MJ IT Group Holdings Inc. Canon IT Solutions Inc. Canon Software Inc. Edifist Learning Inc. Other 9 companies
Consumer Imaging	Canon Marketing Japan Inc. Consumer Imaging Company Canon Field Assist Inc. Canon Customer Support Inc.
Industrial Equipment	Canon Marketing Japan Inc. Industrial Equipment Sales Headquarters

Main Products in Each Segment

Segment	Main Products / Service
Business Solutions	Business-use multifunctional products, print-on-demand (POD) digital presses, personal-use plain-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
IT Solutions	System integration, embedded software, infrastructure&operation, solution&software products, computer devices, network devices
Consumer Imaging	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

(Millions of yen truncated to the nearest million)

the First quarter ended March 31, 2011 (From January 1 to March 31)	Business Solutions	IT Solutions	Consumer Imaging	Industrial Equipment	Other	Total	Adjustment	Consolidated
Net sales:								
Unaffiliated customers	86,162	24,152	37,779	3,385	53	151,533	-	151,533
Intersegment	-	7,330	-	-	-	7,330	(7,330)	-
Total	86,162	31,483	37,779	3,385	53	158,864	(7,330)	151,533
Operating income	2,283	(802)	(197)	(73)	(34)	1,176	49	1,225