

## Summary Report of Consolidated Financial Results

for the third quarter ended September 30, 2011

Registered company name: **Canon Marketing Japan Inc.**  
 Stock listing: Tokyo Stock Exchange, First Section  
 Code number: 8060  
 URL: <http://cweb.canon.jp/eng/ir>  
 Representative director: Masami Kawasaki, President  
 Contact: Yo Shibasaki, Director Senior Vice President  
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Scheduled date for commencement of dividend payment: —  
 U.S. Accounting Standards Applied: No

1. Consolidated business results for the nine months ended September 30, 2011 (From January 1, 2011 to September 30, 2011)

(1) Consolidated Results of Operations

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
September 30, 2011	450,414	Δ 8.3	2,580	21.6	4,434	23.9	2,395	708.8
September 30, 2010	491,229	Δ 1.1	2,122	Δ 48.1	3,578	Δ 36.4	296	—

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
September 30, 2011	17.46	—
September 30, 2010	2.12	—

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

	Total assets	Net assets	Equity ratio	Net asset per share
	Millions of yen	Millions of yen	%	Yen
Third quarter ended September 30, 2011	439,164	246,718	56.1	1,795.71
Year ended December 31, 2010	448,592	246,846	55.0	1,798.16

【Reference】 Shareholders' equity: Third quarter ended September 30, 2011 : 246,344 / Year ended December 31, 2010 : 246,679

2. Dividends

Dividend per share	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2010	—	10.00	—	10.00	20.00
Year ending December 31, 2011	—	10.00			
Year ending December 31, 2011 (forecast)				10.00	20.00

【Note】 Revision of cash dividend forecast for this period : None

3. Consolidated financial forecast for the fiscal year ending December 31, 2011

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	653,000	Δ 3.1	6,300	Δ 18.6	8,200	Δ 13.5	3,600	Δ 3.3	26.24

【Note】 Revision of forecast for this period : None

#### 4.Others

(1) Changes in significant subsidiaries during the period : None

\*This refers to changes in specified subsidiaries resulting in change of scope of consolidation.

(2) Application of a simplified and specified accounting procedure : Yes

(3) Changes in accounting principles, procedures and presentation methods, etc. related to the preparation of consolidated financial statements :

( i ) Changes in accounting policies with revision of accounting standards : Yes

( ii ) Changes in accounting policies other than ( i ) : None

(4) Number of shares issued (common stock)

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

As of September 30, 2011 : 151,079,972

As of December 31, 2010 : 151,079,972

( ii ) Number of treasury stock at the end of the period :

As of September 30, 2011 : 13,895,119

As of December 31, 2010 : 13,895,647

( iii ) Average number of shares during the period

Nine months ended September 30, 2011 : 137,184,360

Nine months ended September 30, 2010 : 139,665,953

**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

(Amounts less than one million yen are truncated)

	As of December 31, 2010	As of September 30, 2011
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	15,975	18,273
Notes and accounts receivable-trade	118,886	106,003
Short-term investment securities	94,599	85,100
Merchandise and finished goods	19,005	26,558
Work in process	1,115	1,477
Raw materials and supplies	410	712
Deferred tax assets	4,930	4,726
Short-term loans receivable	40,000	40,028
Other	7,278	6,568
Allowance for doubtful accounts	(509)	(365)
<b>Total current assets</b>	<b>301,693</b>	<b>289,083</b>
<b>Noncurrent assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	38,738	40,749
Machinery, equipment and vehicles, net	1	12
Tools, furniture and fixtures, net	3,395	3,626
Rental assets, net	7,073	6,323
Land	35,083	36,483
Lease assets, net	1,330	1,377
Construction in progress	504	2,655
<b>Total property, plant and equipment</b>	<b>86,127</b>	<b>91,228</b>
<b>Intangible assets</b>		
Goodwill	1,429	749
Software	21,857	20,018
Lease assets	55	383
Right of using facilities	288	309
Other	105	89
<b>Total intangible assets</b>	<b>23,736</b>	<b>21,548</b>
<b>Investments and other assets</b>		
Investment securities	4,133	4,126
Long-term loans receivable	15	24
Deferred tax assets	20,874	21,664
Deferred tax assets for land revaluation	—	831
Guarantee deposits	8,624	8,255
Other	3,716	2,826
Allowance for doubtful accounts	(329)	(424)
<b>Total investments and other assets</b>	<b>37,035</b>	<b>37,304</b>
<b>Total noncurrent assets</b>	<b>146,899</b>	<b>150,081</b>
<b>Total assets</b>	<b>448,592</b>	<b>439,164</b>

## Consolidated Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2010	As of September 30, 2011
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	102,849	91,060
Short-term loans payable	—	354
Lease obligations	431	610
Accrued expenses	24,389	18,363
Income taxes payable	5,055	365
Accrued consumption taxes	2,607	1,303
Provision for bonuses	2,888	11,561
Provision for directors' bonuses	55	41
Provision for product warranties	803	717
Provision for loss on order received	526	713
Other	17,641	19,098
Total current liabilities	<u>157,247</u>	<u>144,190</u>
Noncurrent liabilities		
Bonds payable	—	1,127
Long-term loans payable	—	461
Lease obligations	1,069	1,306
Deferred tax liabilities	2,021	3,295
Provision for retirement benefits	36,506	36,854
Provision for directors' retirement benefits	801	761
Accrued long service rewards for employees	915	821
Other	3,184	3,628
Total noncurrent liabilities	<u>44,498</u>	<u>48,255</u>
Total liabilities	<u>201,745</u>	<u>192,446</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	73,303	73,303
Capital surplus	82,819	82,819
Retained earnings	112,914	112,564
Treasury stock	(22,191)	(22,190)
Total shareholders' equity	<u>246,845</u>	<u>246,497</u>
Valuation and translation adjustments		
Valuation difference on available- for-sale securities	(47)	(9)
Foreign currency translation adjustments	(118)	(142)
Total valuation and translation adjustments	<u>(165)</u>	<u>(152)</u>
Minority interests	166	373
Total net assets	<u>246,846</u>	<u>246,718</u>
Total liabilities and net assets	<u>448,592</u>	<u>439,164</u>

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

	Nine months of FY2010 (from January 1, 2010 to September 30, 2010)	Nine months of FY2011 (from January 1, 2011 to September 30, 2011)
Net sales	491,229	450,414
Cost of sales	325,709	291,540
Gross profit	165,520	158,874
Selling, general and administrative expenses	163,397	156,293
Operating income	2,122	2,580
Non-operating income		
Interest income	307	312
Dividends income	55	66
Insurance income	590	617
Gain on bad debts recovered	—	475
Other	805	779
Total non-operating income	1,759	2,251
Non-operating expenses		
Interest expenses	26	114
Other	277	283
Total non-operating expenses	303	398
Ordinary income	3,578	4,434
Extraordinary income		
Gain on sales of noncurrent assets	0	1
Gain on negative goodwill	—	2,393
Gain on sales of investment securities	211	0
Gain on transfer of business	400	—
Other	—	0
Total extraordinary income	612	2,394
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	338	309
Impairment loss	458	204
Loss on disaster	—	979
Loss on adjustment for changes of accounting standard for asset retirement obligation	—	1,173
Loss on valuation of investment securities	361	298
Other	417	406
Total extraordinary losses	1,575	3,371
Income before income taxes and minority interests	2,614	3,457
Income taxes	2,239	1,060
Income before minority interests	—	2,396
Minority interests in income	79	1
Net income	296	2,395

## Consolidated Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Nine months of FY2010 (from January 1, 2010 to September 30, 2010)	Nine months of FY2011 (from January 1, 2011 to September 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,614	3,457
Depreciation and amortization	9,981	11,145
Impairment loss	458	204
Amortization of goodwill	677	685
Gain on negative goodwill	—	(2,393)
Increase (decrease) in allowance for doubtful accounts	(176)	(158)
Increase (decrease) in provision for retirement benefits	45	(493)
Increase (decrease) in provision for directors' retirement benefits	(97)	(102)
Increase (decrease) in provision for bonuses	7,856	8,637
Interest and dividends income	(362)	(378)
Interest expenses	26	114
Loss (gain) on sales and retirement of property, plant and equipment	237	246
Loss on disaster	—	979
Loss (gain) on transfer of business	(400)	—
Decrease (increase) in notes and accounts receivable-trade	23,076	18,971
Decrease (increase) in inventories	(1,022)	(6,552)
Increase (decrease) in notes and accounts payable-trade	(13,127)	(17,262)
Other, net	(3,387)	(7,074)
Subtotal	26,400	10,027
Interest and dividends income received	375	386
Interest expenses paid	(26)	(114)
Income taxes (paid) refund	2,564	(6,637)
Net cash provided by (used in) operating activities	29,313	3,662
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment securities	—	1,000
Purchase of property, plant and equipment	(9,472)	(6,737)
Proceeds from sales of property, plant and equipment	534	1,611
Purchase of intangible assets	(4,110)	(2,806)
Purchase of investment securities	(58)	(17)
Proceeds from sales of investment securities	515	164
Purchase of investments in subsidiaries resulting in change in scope of consolidation	—	(290)
Decrease (increase) in short-term loans receivable	(0)	4
Decrease (increase) in time deposits	—	1,000
Proceeds from transfer of business	1,776	—
Other, net	874	(588)
Net cash provided by (used in) investing activities	(9,939)	(6,658)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	—	(103)
Repayments of finance lease obligations	(210)	(388)
Purchase of treasury stock	(2)	(1)
Cash dividends paid	(2,794)	(2,749)
Cash dividends paid to minority shareholders	(64)	(64)
Other, net	1	1
Net cash provided by (used in) financing activities	(3,069)	(3,306)
Effect of exchange rate change on cash and cash equivalents	(2)	0
Net increase (decrease) in cash and cash equivalents	16,301	(6,301)
Cash and cash equivalents at beginning of period	95,575	109,575
Cash and cash equivalents at end of period	111,876	103,273

## Consolidated Segment Information

For the nine months of FY2011 (from January 1, 2011 to September 30, 2011)

### Major companies and organizations in each segment

Segment	Major companies / organizations
Business Solutions	Canon Marketing Japan Inc. Business Solutions Company Canon System & Support Inc. Océ-Japan Corporation 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 Customer Support Inc. Canon Field Assist Inc. WithPhoto Inc.
Industrial Equipment	Canon Marketing Japan Inc. Industrial Equipment Sales Headquarters ELK CORPORATION other 2 companies

### Major products in each segment

Segment	Major products / services
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), medical system, healthcare related product, broadcasting equipment

### Information on net sales and income (loss) by reported segment.

(Amounts less than one million yen are truncated)

	Business Solutions	IT Solutions	Consumer Imaging	Industrial Equipment	Other	Total	Adjustment	Consolidated
Net sales								
Sales - outside customers	240,595	72,661	120,793	16,191	172	450,414	—	450,414
Sales - intersegment	—	20,317	—	—	—	20,317	(20,317)	—
Total	240,595	92,979	120,793	16,191	172	470,732	(20,317)	450,414
Operating income (loss)	1,899	(2,623)	3,405	36	(137)	2,580	—	2,580