

## Summary Report of Consolidated Financial Results

for the first quarter ended March 31, 2012

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  
 Tel. +81-3-6719-9071  
 Scheduled date for commencement of dividend payment: -  
 U.S. Accounting Standards Applied: No

1.Consolidated business results for the three months ended March 31, 2012 (From January 1, 2012 to March 31, 2012)

(1) Consolidated Results of Operations (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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2012	167,554	10.6	3,540	188.9	3,678	168.6	1,958	-
March 31, 2011	151,533	(10.9)	1,225	(41.9)	1,369	(39.5)	(572)	-

[Note] Comprehensive Income: Three months ended March 31,2012 : 2,227 (-%) / Three months ended March 31, 2011 : (409) (-%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
March 31, 2012	14.28	-
March 31, 2011	(4.17)	-

(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
First quarter ended March 31, 2012	452,257	252,151	55.6	1,833.46
Year ended December 31, 2011	447,765	251,307	56.0	1,827.25

[Reference] Shareholders' equity: First quarter ended March 31,2012 : 251,522 / Year ended December 31, 2011 : 250,670

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, 2011	-	10.00	-	10.00	20.00
Year ending December 31, 2012	-				
Year ending December 31, 2012 (forecast)		10.00	-	10.00	20.00

[Note] Revision of cash dividend forecast for this period : None

3.Consolidated financial forecast for the fiscal year ending December31, 2012

(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	
Six months ending June 30, 2012	-	-	-	-	-	-	-	-	-	-
Full year	717,000	13.4	12,000	42.2	13,100	22.8	7,000	3.5		51.03

[Note] Revision of forecast for this period : None

[Note] Consolidated financial forecast of the interim 2012 is not be disclosed.

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 specified accounting procedure : Yes

(3) Changes in accounting policies, accounting estimates and retrospective restatement

( i ) Changes in accounting policies with revision of accounting standards : None

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

( iii ) Changes in accounting estimates : None

( iv ) Retrospective restatement : None

(4) Number of shares issued (common stock)

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

As of March 31, 2012 : 151,079,972

As of December 31, 2011 : 151,079,972

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

As of March 31, 2012 : 13,895,292

As of December 31, 2011 : 13,895,071

( iii ) Average number of shares during the period

Three months ended March 31, 2012 : 137,184,777

Three months ended March 31, 2011 : 137,184,134

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 Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2011	As of March 31, 2012
<b>Assets</b>		
Current assets		
Cash and deposits	19,303	22,975
Notes and accounts receivable-trade	123,027	121,670
Short-term investment securities	83,219	79,329
Merchandise and finished goods	24,701	29,059
Work in process	438	501
Raw materials and supplies	1,193	1,314
Deferred tax assets	4,410	4,439
Short-term loans receivable	40,028	40,026
Other	5,770	6,603
Allowance for doubtful accounts	(215)	(246)
Total current assets	<u>301,878</u>	<u>305,674</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	40,233	40,297
Machinery, equipment and vehicles, net	11	12
Tools, furniture and fixtures, net	3,831	4,162
Rental assets, net	6,963	7,086
Land	36,832	36,831
Lease assets, net	1,255	1,160
Construction in progress	2,799	5,333
Total property, plant and equipment	<u>91,928</u>	<u>94,884</u>
Intangible assets		
Goodwill	524	304
Software	19,257	18,306
Lease assets	253	234
Right of using facilities	317	317
Other	82	75
Total intangible assets	<u>20,435</u>	<u>19,237</u>
Investments and other assets		
Investment securities	4,084	4,401
Long-term loans receivable	30	22
Deferred tax assets	19,020	18,914
Guarantee deposits	7,857	6,500
Other	2,977	3,129
Allowance for doubtful accounts	(446)	(508)
Total investments and other assets	<u>33,523</u>	<u>32,460</u>
Total noncurrent assets	<u>145,886</u>	<u>146,583</u>
Total assets	<u>447,765</u>	<u>452,257</u>

## Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2011	As of March 31, 2012
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	100,046	99,237
Short-term loans payable	1,616	1,285
Current portion of bonds	1,115	1,127
Lease obligations	604	592
Accrued expenses	21,469	20,482
Income taxes payable	1,685	2,029
Accrued consumption taxes	2,208	1,932
Provision for bonuses	3,365	11,602
Provision for directors' bonuses	37	11
Provision for product warranties	726	744
Provision for loss on order received	255	107
Other	17,958	15,646
Total current liabilities	<u>151,090</u>	<u>154,799</u>
Noncurrent liabilities		
Bonds payable	60	-
Long-term loans payable	564	504
Lease obligations	1,152	1,048
Deferred tax liabilities	639	607
Deferred tax liabilities for land revaluation	31	31
Provision for retirement benefits	37,259	37,393
Provision for directors' retirement benefits	906	875
Accrued long service rewards for employees	918	984
Other	3,835	3,860
Total noncurrent liabilities	<u>45,367</u>	<u>45,306</u>
Total liabilities	<u>196,457</u>	<u>200,105</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	73,303	73,303
Capital surplus	82,819	82,819
Retained earnings	116,933	117,519
Treasury stock	(22,189)	(22,190)
Total shareholders' equity	<u>250,866</u>	<u>251,452</u>
Accumulated other comprehensive income		
Valuation difference on available- for-sale securities	(61)	170
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustments	(133)	(100)
Total accumulated other comprehensive income	<u>(195)</u>	<u>70</u>
Minority interests	636	629
Total net assets	<u>251,307</u>	<u>252,151</u>
Total liabilities and net assets	<u>447,765</u>	<u>452,257</u>

## Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Three months of FY2011 (from January 1, 2011 to March 31, 2011)	Three months of FY2012 (from January 1, 2012 to March 31, 2012)
Net sales	151,533	167,554
Cost of sales	99,850	109,069
Gross profit	51,682	58,485
Selling, general and administrative expenses	50,456	54,944
Operating income	1,225	3,540
Non-operating income		
Interest income	83	71
Dividends income	9	15
Other	165	182
Total non-operating income	258	269
Non-operating expenses		
Interest expenses	8	25
Foreign exchange losses	-	29
Other	106	77
Total non-operating expenses	114	132
Ordinary income	1,369	3,678
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Other	0	0
Total extraordinary income	0	1
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	87	125
Impairment loss	0	0
Loss on disaster	929	-
Office transfer expenses	7	126
Loss on adjustment for changes of accounting standard for asset retirement obligation	1,131	-
Loss on valuation of investment securities	298	-
Other	193	5
Total extraordinary losses	2,648	257
Income (loss) before income taxes and minority interests	(1,278)	3,422
Income taxes	(713)	1,466
Income (loss) before minority interests	(565)	1,956
Minority interests in income (loss)	6	(2)
Net income (loss)	(572)	1,958

## Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Three months of FY2011 (from January 1, 2011 to March 31, 2011)	Three months of FY2012 (from January 1, 2012 to March 31, 2012)
Income (loss) before minority interests	(565)	1,956
Other comprehensive income		
Valuation difference on available-for-sale-securities	144	235
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	11	35
Total other comprehensive income	156	271
Comprehensive income	(409)	2,227
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(416)	2,224
Comprehensive income attributable to minority interests	7	3

## Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Three months of FY2011 (from January 1, 2011 to March 31, 2011)	Three months of FY2012 (from January 1, 2012 to March 31, 2012)
Net cash provided by (used in) operating activities		
Income (loss) before income taxes and minority interests	(1,278)	3,422
Depreciation and amortization	3,652	3,797
Impairment loss	0	0
Amortization of goodwill	227	220
Increase (decrease) in allowance for doubtful accounts	(13)	93
Increase (decrease) in provision for retirement benefits	(174)	156
Increase (decrease) in provision for directors' retirement benefits	(165)	(31)
Increase (decrease) in provision for bonuses	7,461	8,236
Interest and dividends income	(92)	(87)
Interest expenses	8	25
Loss (gain) on sales and retirement of property, plant and equipment	52	123
Loss on disaster	929	-
Decrease (increase) in notes and accounts receivable-trade	15,316	1,278
Decrease (increase) in inventories	(6,830)	(4,485)
Increase (decrease) in notes and accounts payable-trade	(10,847)	(809)
Other, net	(5,736)	(4,734)
Subtotal	2,510	7,206
Interest and dividends income received	96	86
Interest expenses paid	(8)	(25)
Income taxes paid	(4,330)	(997)
Net cash provided by (used in) operating activities	(1,731)	6,270
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment securities	1,000	-
Purchase of property, plant and equipment	(1,806)	(5,511)
Purchase of intangible assets	(792)	(654)
Purchase of investment securities	(4)	(6)
Proceeds from sales of investment securities	163	24
Net decrease (increase) in short-term loans receivable	0	4
Decrease (increase) in time deposits	1,000	-
Other, net	51	1,624
Net cash provided by (used in) investing activities	(387)	(4,518)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	-	(390)
Repayments of finance lease obligations	(109)	(159)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,373)	(1,373)
Cash dividends paid to minority shareholders	(7)	(8)
Other, net	0	(47)
Net cash provided by (used in) financing activities	(1,490)	(1,980)
Effect of exchange rate change on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(3,608)	(228)
Cash and cash equivalents at beginning of period	109,575	102,372
Cash and cash equivalents at end of period	105,966	102,144

## Consolidated Quarterly Segment Information

### I. Three months of FY2011 (from January 1, 2011 to March 31, 2011)

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

(Amounts less than one million yen are truncated)

	Business Solutions	IT Solutions	Consumer Imaging	Industrial Equipment	Other	Total	Adjustment	Consolidated
Net sales								
Sales - external customers	86,162	24,152	38,146	3,019	53	151,533	-	151,533
Sales - intersegment	-	7,330	-	-	-	7,330	(7,330)	-
Total	86,162	31,483	38,146	3,019	53	158,864	(7,330)	151,533
Operating income (loss)	2,283	(802)	(265)	(5)	(34)	1,176	49	1,225

[Note] "Other" includes shared service businesses.

### II. Three months of FY2012 (from January 1, 2012 to March 31, 2012)

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

(Amounts less than one million yen are truncated)

	Business Solutions	IT Solutions	Consumer Imaging	Industrial Equipment	Other	Total	Adjustment	Consolidated
Net sales								
Sales - external customers	90,142	27,370	39,293	10,698	50	167,554	-	167,554
Sales - intersegment	-	6,951	-	-	-	6,951	(6,951)	-
Total	90,142	34,322	39,293	10,698	50	174,506	(6,951)	167,554
Operating income (loss)	3,764	443	(1,000)	304	28	3,540	-	3,540

[Note] "Other" includes shared service businesses.

#### \*NOTE\*

As a result of the change in reportable segments, the "Commercial Imaging Equipment", which was previously included in "Industrial Equipment" segment, is included in "Consumer Imaging" segment starting from the current fiscal year.

The segment information for the previous fiscal year is disclosed after reclassifying the figures in accordance with the new reportable segments mentioned above.