

Summary Report of Consolidated Financial Results

for the third quarter ended September 30, 2012

Registered company name: **Canon Marketing Japan Inc.**
 Stock listing: Tokyo Stock Exchange, First Section
 Code number: 8060
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U.S. Accounting Standards Applied: No

1.Consolidated business results for the nine months ended September 30, 2012 (From January 1, 2012 to September 30, 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	%
Nine months ended								
September 30, 2012	492,172	9.3	9,898	283.6	10,980	147.6	5,801	142.2
September 30, 2011	450,414	(8.3)	2,580	21.6	4,434	23.9	2,395	708.8

[Note] Comprehensive Income: Nine months ended September 30, 2012 : 5,804 million yen [141.2%]

Nine months ended September 30, 2011 : 2,407 million yen [-%]

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
September 30, 2012	42.26	-
September 30, 2011	17.46	-

(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, 2012	449,064	254,078	56.5	1,848.52
Year ended December 31, 2011	447,765	251,307	56.0	1,827.25

[Reference] Shareholders' equity: Third quarter ended September 30,2012 : 253,868 million yen

Year ended December 31, 2011 : 250,670 million yen

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	-	10.00	-		
Year ending December 31, 2012 (forecast)				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
Full year	688,500	8.9	17,000	101.4	18,000	68.7	10,000	47.8	72.84

[Note] Revision of forecast for this period : Yes

* 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 September 30, 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 September 30, 2012 : 13,744,345

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

(iii) Average number of shares during the period

Nine months ended September 30, 2012 : 137,279,867

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

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 September 30, 2012
Assets		
Current assets		
Cash and deposits	19,303	23,399
Notes and accounts receivable-trade	123,027	106,419
Short-term investment securities	83,219	86,129
Merchandise and finished goods	24,701	31,045
Work in process	438	512
Raw materials and supplies	1,193	1,437
Deferred tax assets	4,410	4,432
Short-term loans receivable	40,028	40,007
Other	5,770	7,010
Allowance for doubtful accounts	(215)	(232)
Total current assets	<u>301,878</u>	<u>300,162</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	40,233	48,985
Machinery, equipment and vehicles, net	11	11
Tools, furniture and fixtures, net	3,831	4,239
Rental assets, net	6,963	8,198
Land	36,832	36,831
Lease assets, net	1,255	941
Construction in progress	2,799	1,060
Total property, plant and equipment	<u>91,928</u>	<u>100,268</u>
Intangible assets		
Goodwill	524	73
Software	19,257	16,282
Lease assets	253	188
Right of using facilities	317	317
Other	82	61
Total intangible assets	<u>20,435</u>	<u>16,923</u>
Investments and other assets		
Investment securities	4,084	3,933
Long-term loans receivable	30	26
Deferred tax assets	19,020	18,938
Guarantee deposits	7,857	6,307
Other	2,977	3,018
Allowance for doubtful accounts	(446)	(514)
Total investments and other assets	<u>33,523</u>	<u>31,710</u>
Total noncurrent assets	<u>145,886</u>	<u>148,901</u>
Total assets	<u>447,765</u>	<u>449,064</u>

Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2011	As of September 30, 2012
Liabilities		
Current liabilities		
Notes and accounts payable-trade	100,046	90,792
Short-term loans payable	1,616	166
Current portion of bonds	1,115	-
Lease obligations	604	553
Accrued expenses	21,469	19,722
Income taxes payable	1,685	3,889
Accrued consumption taxes	2,208	2,222
Provision for bonuses	3,365	11,920
Provision for directors' bonuses	37	35
Provision for product warranties	726	875
Provision for loss on order received	255	60
Other	17,958	19,924
Total current liabilities	<u>151,090</u>	<u>150,162</u>
Noncurrent liabilities		
Bonds payable	60	-
Long-term loans payable	564	35
Lease obligations	1,152	796
Deferred tax liabilities	639	604
Deferred tax liabilities for land revaluation	31	31
Provision for retirement benefits	37,259	37,724
Provision for directors' retirement benefits	906	984
Accrued long service rewards for employees	918	811
Other	3,835	3,836
Total noncurrent liabilities	<u>45,367</u>	<u>44,823</u>
Total liabilities	<u>196,457</u>	<u>194,985</u>
Net assets		
Shareholders' equity		
Capital stock	73,303	73,303
Capital surplus	82,819	82,819
Retained earnings	116,933	119,846
Treasury stock	(22,189)	(21,890)
Total shareholders' equity	<u>250,866</u>	<u>254,078</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(61)	(72)
Foreign currency translation adjustment	(133)	(138)
Total accumulated other comprehensive income	<u>(195)</u>	<u>(210)</u>
Minority interests	636	210
Total net assets	<u>251,307</u>	<u>254,078</u>
Total liabilities and net assets	<u>447,765</u>	<u>449,064</u>

Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Nine months of FY2011 (from January 1, 2011 to September 30, 2011)	Nine months of FY2012 (from January 1, 2012 to September 30, 2012)
Net sales	450,414	492,172
Cost of sales	291,540	316,630
Gross profit	158,874	175,542
Selling, general and administrative expenses	156,293	165,643
Operating income	2,580	9,898
Non-operating income		
Interest income	312	214
Dividends income	66	71
Insurance income	617	635
Gain on bad debts recovered	475	-
Other	779	486
Total non-operating income	2,251	1,407
Non-operating expenses		
Interest expenses	114	65
Other	283	259
Total non-operating expenses	398	325
Ordinary income	4,434	10,980
Extraordinary income		
Gain on sales of noncurrent assets	1	2
Gain on negative goodwill	2,393	179
Gain on sales of investment securities	0	62
Other	0	0
Total extraordinary income	2,394	244
Extraordinary loss		
Loss on sales and retirement of noncurrent assets	309	373
Impairment loss	204	0
Loss on disaster	979	-
Office transfer expenses	164	132
Loss on valuation of investment securities	298	40
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,173	-
Other	241	29
Total extraordinary losses	3,371	576
Income before income taxes and minority interests	3,457	10,649
Income taxes	1,060	4,831
Income before minority interests	2,396	5,817
Minority interests in income	1	16
Net income	2,395	5,801

Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Nine months of FY2011 (from January 1, 2011 to September 30, 2011)	Nine months of FY2012 (from January 1, 2012 to September 30, 2012)
Income before minority interests	2,396	5,817
Other comprehensive income		
Valuation difference on available-for-sale-securities	37	(7)
Deferred gains or losses on hedges	-	0
Foreign currency translation adjustment	(27)	(5)
Total other comprehensive income	10	(12)
Comprehensive income	2,407	5,804
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,408	5,785
Comprehensive income attributable to minority interests	(1)	19

Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Nine months of FY2011 (from January 1, 2011 to September 30, 2011)	Nine months of FY2012 (from January 1, 2012 to September 30, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	3,457	10,649
Depreciation and amortization	11,145	11,913
Impairment loss	204	0
Amortization of goodwill	685	450
Gain on negative goodwill	(2,393)	(179)
Increase (decrease) in allowance for doubtful accounts	(158)	85
Increase (decrease) in provision for retirement benefits	(493)	531
Increase (decrease) in provision for directors' retirement benefits	(102)	77
Increase (decrease) in provision for bonuses	8,637	8,554
Interest and dividends income	(378)	(285)
Interest expenses	114	65
Loss (gain) on sales and retirement of property, plant and equipment	246	249
Loss on disaster	979	-
Decrease (increase) in notes and accounts receivable-trade	18,971	16,311
Decrease (increase) in inventories	(6,552)	(6,347)
Increase (decrease) in notes and accounts payable-trade	(17,262)	(9,254)
Other, net	(7,074)	(3,730)
Subtotal	<u>10,027</u>	<u>29,092</u>
Interest and dividends income received	386	282
Interest expenses paid	(114)	(66)
Income taxes paid	<u>(6,637)</u>	<u>(2,426)</u>
Net cash provided by (used in) operating activities	<u>3,662</u>	<u>26,882</u>
Net cash provided by (used in) investing activities		
Proceeds from sales of short-term investment securities	1,000	19
Purchase of property, plant and equipment	(6,737)	(13,134)
Proceeds from sales of property, plant and equipment	1,611	33
Purchase of intangible assets	(2,806)	(2,131)
Purchase of investment securities	(17)	(8)
Proceeds from sales of investment securities	164	138
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(290)	-
Decrease (increase) in short-term loans receivable	4	23
Decrease (increase) in time deposits	1,000	(47)
Other, net	(588)	1,648
Net cash provided by (used in) investing activities	<u>(6,658)</u>	<u>(13,458)</u>
Net cash provided by (used in) financing activities		
Redemption of bonds	-	(1,156)
Net increase (decrease) in short-term loans payable	(103)	(1,979)
Repayments of finance lease obligations	(388)	(477)
Purchase of treasury stock	(1)	(103)
Cash dividends paid	(2,749)	(2,749)
Cash dividends paid to minority shareholders	(64)	(8)
Other, net	1	0
Net cash provided by (used in) financing activities	<u>(3,306)</u>	<u>(6,474)</u>
Effect of exchange rate change on cash and cash equivalents	<u>0</u>	<u>0</u>
Net increase (decrease) in cash and cash equivalents	<u>(6,301)</u>	<u>6,948</u>
Cash and cash equivalents at beginning of period	<u>109,575</u>	<u>102,372</u>
Cash and cash equivalents at end of period	<u>103,273</u>	<u>109,321</u>

Consolidated Quarterly Segment Information

I. Nine months of FY2011 (from January 1, 2011 to September 30, 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	240,595	72,661	122,442	14,542	172	450,414	-	450,414
Sales - intersegment	-	20,317	-	-	-	20,317	(20,317)	-
Total	240,595	92,979	122,442	14,542	172	470,732	(20,317)	450,414
Operating income (loss)	1,899	(2,623)	3,396	45	(137)	2,580	-	2,580

[Note] "Other" includes shared service businesses.

II. Nine months of FY2012 (from January 1, 2012 to September 30, 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	258,347	79,218	130,297	24,154	154	492,172	-	492,172
Sales - intersegment	-	19,313	-	-	-	19,313	(19,313)	-
Total	258,347	98,531	130,297	24,154	154	511,486	(19,313)	492,172
Operating income (loss)	6,325	(73)	4,094	(739)	291	9,898	-	9,898

[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.