

# Canon Marketing Japan Inc. Second Quarter 2013 Results

July 24, 2013

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**Canon**

Canon Marketing Japan Inc.

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\* The figures are rounded off to the nearest 100 million yen in this material.

\* Forward-looking statements and results forecasts presented in this material are based on the management's assumptions using currently available information and therefore contain inherent risks and uncertainties.

As a consequence, due to a range of possible factors, actual results may materially differ from the forecasts.

# Summary of Results

## 2Q 2013 Actual

(from April 1 to June 30)



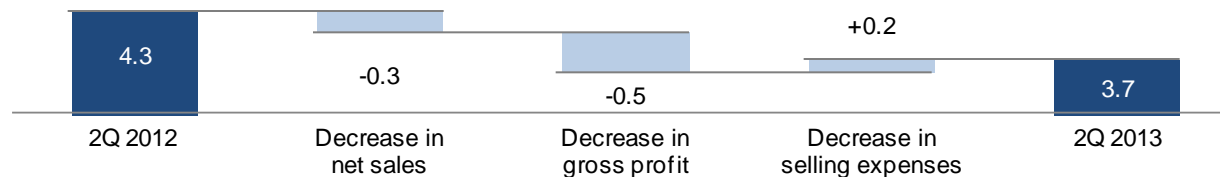
### Summary of Results

(Billions of yen)

	2Q 2012	2Q 2013	Changes	
			Amount	%
Net sales	160.0	159.2	-0.8	-0%
Gross profit	(34.2%) 54.7	(33.9%) 53.9	(-0.3%) -0.8	-1%
Operating income	(2.7%) 4.3	(2.3%) 3.7	(-0.4%) -0.6	-14%
Ordinary income	(3.1%) 5.0	(2.7%) 4.3	(-0.4%) -0.7	-14%
Net income (loss)	(1.7%) 2.7	(1.3%) 2.0	(-0.4%) -0.7	-26%

### Op. Income Variance Analysis

Starting from FY2013, some of promotion expenses that have previously been presented in selling, general and administrative expenses are deducted from net sales in order to present them on a net basis. Accordingly, figures after retrospective reclassification in accordance with such changes are presented for FY2012 and thereafter. The change stated above had no effect on operating income. Please refer to the Supplementary Information on page 17 for details.



# Segment Outline

2Q 2013 Actual  
(from April 1 to June 30)



(Billions of yen)

	2Q 2012		2Q 2013		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Business Solutions	<b>81.4</b>	<b>1.7</b>	<b>81.4</b>	<b>1.8</b>	<b>-0.1</b>	<b>+0.1</b>
IT Solutions	<b>32.3</b>	<b>-0.4</b>	<b>36.0</b>	<b>-0.1</b>	<b>+3.8</b>	<b>+0.3</b>
Imaging System	<b>45.4</b>	<b>3.3</b>	<b>43.2</b>	<b>2.5</b>	<b>-2.2</b>	<b>-0.9</b>
Industrial Equipment	<b>7.0</b>	<b>-0.5</b>	<b>5.8</b>	<b>-0.6</b>	<b>-1.1</b>	<b>-0.1</b>
Other	<b>-6.1</b>	<b>0.1</b>	<b>-7.2</b>	<b>0.1</b>	<b>-1.2</b>	<b>-0.1</b>
Total	<b>160.0</b>	<b>4.3</b>	<b>159.2</b>	<b>3.7</b>	<b>-0.8</b>	<b>-0.6</b>

“Other” includes the intersegment sales and the corporate expenses that are not allocated to the shared service businesses or to each segment.

# Summary of Results

## 2Q 2013 Actual



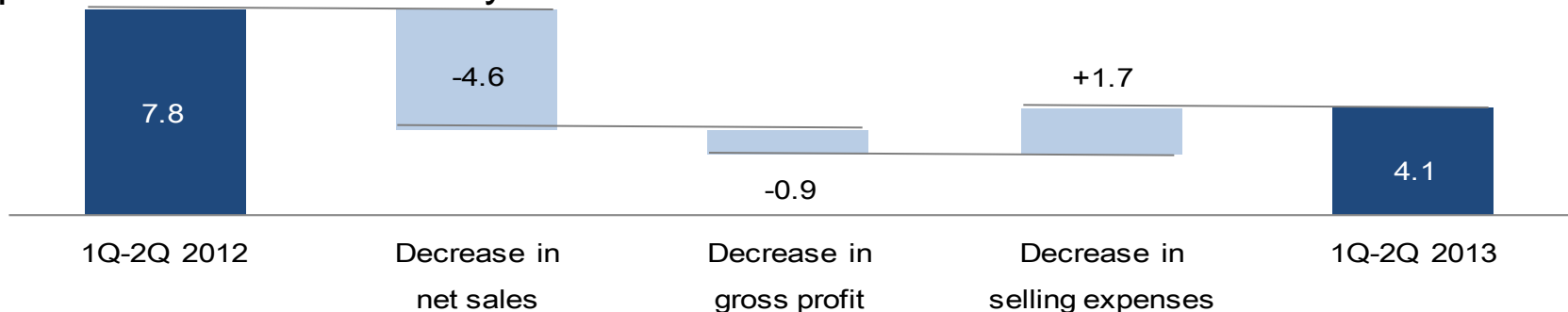
(from January 1 to June 30)

### Summary of Results

(Billions of yen)

	1Q-2Q 2012	1Q-2Q 2013	Changes	
			Amount	%
Net sales	<b>323.0</b>	<b>309.4</b>	<b>-13.6</b>	<b>-4%</b>
Gross profit	(33.6%) <b>108.7</b>	(33.4%) <b>103.2</b>	(-0.3%) <b>-5.5</b>	<b>-5%</b>
Operating income	(2.4%) <b>7.8</b>	(1.3%) <b>4.1</b>	(-1.1%) <b>-3.7</b>	<b>-48%</b>
Ordinary income	(2.7%) <b>8.7</b>	(1.6%) <b>4.9</b>	(-1.1%) <b>-3.8</b>	<b>-44%</b>
Net income (loss)	(1.5%) <b>4.7</b>	(0.6%) <b>2.0</b>	(-0.8%) <b>-2.7</b>	<b>-58%</b>

### Op. Income Variance Analysis



# Segment Outline

2Q 2013 Actual  
(from January 1 to June 30)



(Billions of yen)

	1Q-2Q 2012		1Q-2Q 2013		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Business Solutions	<b>168.8</b>	<b>5.5</b>	<b>163.7</b>	<b>3.4</b>	<b>-5.1</b>	<b>-2.1</b>
IT Solutions	<b>66.5</b>	<b>0.0</b>	<b>70.0</b>	<b>0.0</b>	<b>+3.4</b>	<b>-0.0</b>
Imaging System	<b>83.0</b>	<b>2.3</b>	<b>77.8</b>	<b>1.5</b>	<b>-5.2</b>	<b>-0.8</b>
Industrial Equipment	<b>17.7</b>	<b>-0.2</b>	<b>12.4</b>	<b>-1.0</b>	<b>-5.2</b>	<b>-0.8</b>
Other	<b>-13.0</b>	<b>0.2</b>	<b>-14.4</b>	<b>0.2</b>	<b>-1.5</b>	<b>-0.0</b>
Total	<b>323.0</b>	<b>7.8</b>	<b>309.4</b>	<b>4.1</b>	<b>-13.6</b>	<b>-3.7</b>

“Other” includes the intersegment sales and the corporate expenses that are not allocated to the shared service businesses or to each segment.

# Segment Information 2Q 2013 Actual

(from January 1 to June 30)

(Billions of yen)



## 2013 Actual v. 2012 Actual

	1Q-2Q 2012	1Q-2Q 2013	Changes
Net sales	168.8	163.7	-5.1
Op. income	5.5	3.4	-2.1

## Net sales - Growth rate

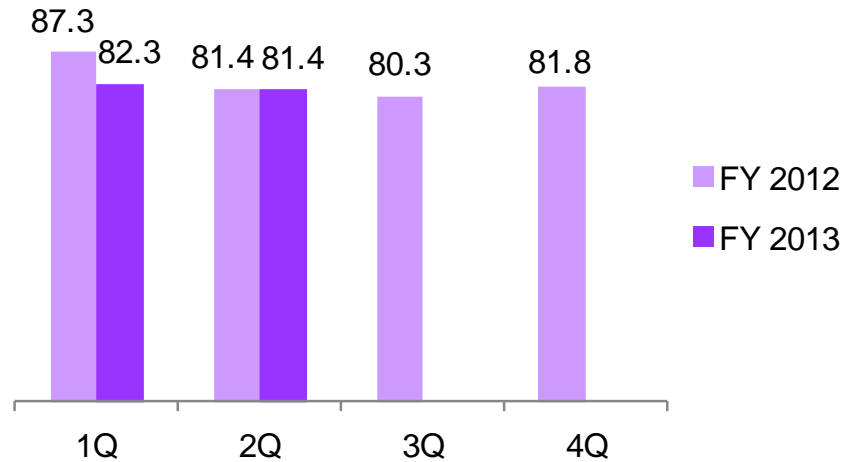
	1Q	2Q	3Q	4Q	FY
FY 2012	+5%	+12%	+6%	+1%	+6%
FY 2013	-6%	-0%			-3%

\* Percent change for FY2012 is calculated using comparative figures of FY2011 and FY2012 without deducting net sales, and that for FY2013 is calculated using comparative figures of FY2012 and FY2013 deducting net sales in accordance with the new accounting policy .

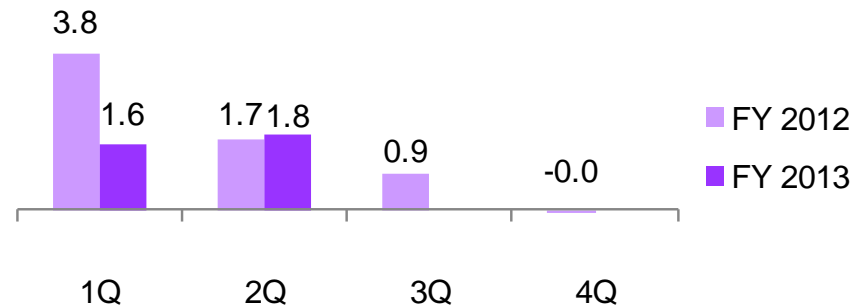
## Points

- ▶ Net sales remained roughly flat, reflecting slight recovery in corporate capital spending.
- ▶ Operating income rose with cost cutting and the strong performance at Canon System & Support Inc.

## Net sales



## Op. income



# Segment Information 2Q 2013 Actual

(from January 1 to June 30)



(Billions of yen)



## 2013 Actual v. 2012 Actual

	1Q-2Q 2012	1Q-2Q 2013	Changes
Net sales	66.5	70.0	+3.4
Op. income	0.0	0.0	-0.0

## Net sales - Growth rate

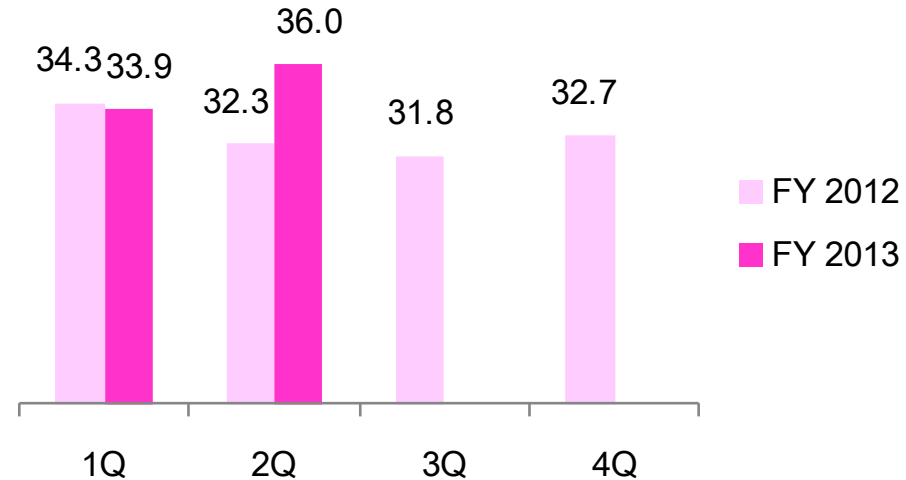
	1Q	2Q	3Q	4Q	FY
FY 2012	+9%	+3%	+6%	+4%	+5%
FY 2013	-1%	+12%			+5%

\* Percent change for FY2012 is calculated using comparative figures of FY2011 and FY2012 without deducting net sales, and that for FY2013 is calculated using comparative figures of FY2012 and FY2013 deducting net sales in accordance with the new accounting policy .

## Points

- Both sales and profits increased, attributable to strong sales of IT products and scratch developments.

## Net sales



## Op. income



# Segment Information 2Q 2013 Actual

(from January 1 to June 30)

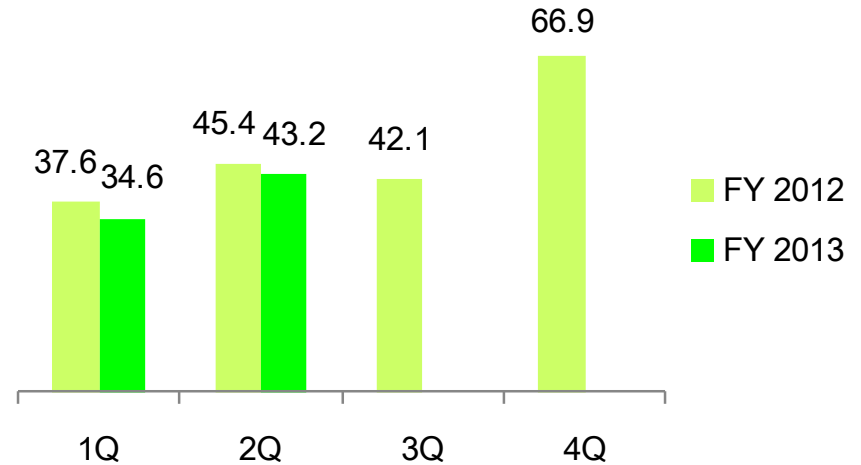


(Billions of yen)

## 2013 Actual v. 2012 Actual

	1Q-2Q 2012	1Q-2Q 2013	Changes
Net sales	83.0	77.8	-5.2
Op. income	2.3	1.5	-0.8

## Net sales

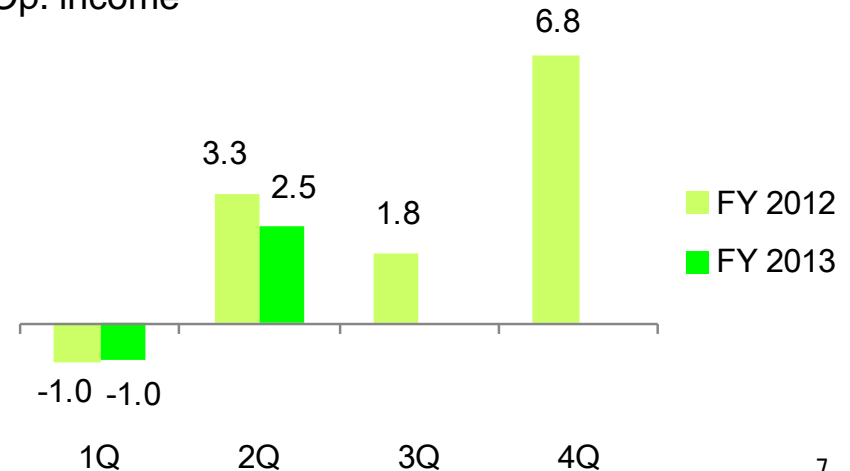


## Net sales - Growth rate

	1Q	2Q	3Q	4Q	FY
FY 2012	+3%	+22%	-4%	+18%	+10%
FY 2013	-8%	-5%	-	-	-6%

\* Percent change for FY2012 is calculated using comparative figures of FY2011 and FY2012 without deducting net sales, and that for FY2013 is calculated using comparative figures of FY2012 and FY2013 deducting net sales in accordance with the new accounting policy .

## Op. income



## Points

- Both sales and profits fell as a result of declines in digital compact cameras and inkjet printers, despite the strong performance of interchangeable-lens digital cameras.



# Segment Information 2Q 2013 Actual

(from January 1 to June 30)

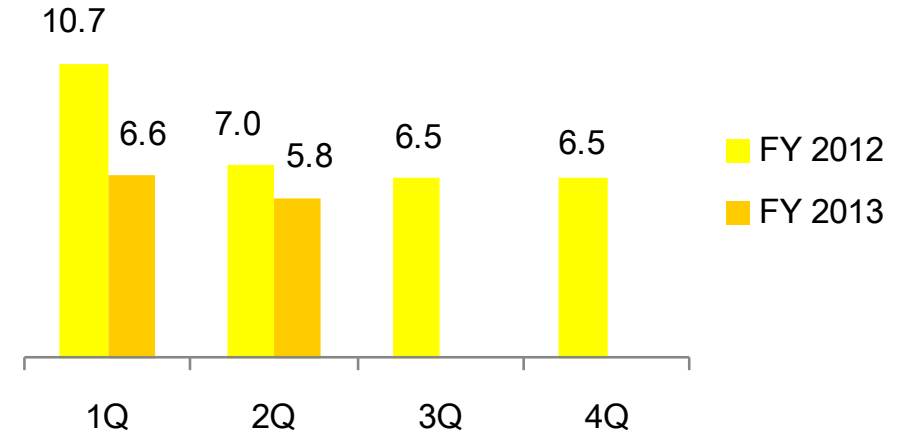


(Billions of yen)

## 2013 Actual v. 2012 Actual

	1Q-2Q 2012	1Q-2Q 2013	Changes
Net sales	17.7	12.4	-5.2
Op. income	-0.2	-1.0	-0.8

## Net sales

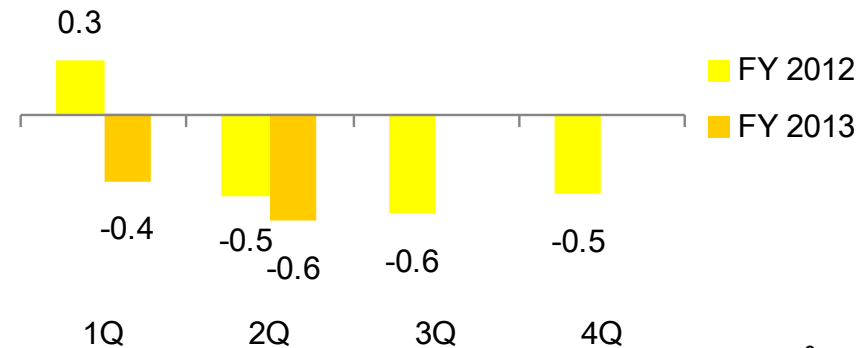


## Net sales - Growth rate

	1Q	2Q	3Q	4Q	FY
FY 2012	+254%	+91%	-18%	-47%	+14%
FY 2013	-38%	-16%	-	-	-30%

\* Percent change for FY2012 is calculated using comparative figures of FY2011 and FY2012 without deducting net sales, and that for FY2013 is calculated using comparative figures of FY2012 and FY2013 deducting net sales in accordance with the new accounting policy.

## Op. income



## Points

- Both sales and profits declined, primarily reflecting the sluggish domestic semiconductor market and a decrease in demand for consumables due to the emergence of filmless medical imaging equipment.

# Summary of Projections



(Billions of yen)

	FY 2013	FY 2013	Changes		FY 2012	Changes	
	Previous projection	Current projection	Amount	%	Actual	Amount	%
Net sales	<b>684.8</b>	<b>665.6</b>	<b>-19.2</b>	<b>-3%</b>	<b>659.2</b>	<b>+6.4</b>	<b>+1%</b>
	(2.6%)	(2.7%)	(+0.1%)		(2.5%)	(+0.2%)	
Operating income	<b>18.0</b>	<b>18.0</b>	-	-	<b>16.8</b>	<b>+1.2</b>	<b>+7%</b>
	(2.8%)	(2.9%)	(+0.1%)		(2.7%)	(+0.1%)	
Ordinary income	<b>19.0</b>	<b>19.0</b>	-	-	<b>18.1</b>	<b>+0.9</b>	<b>+5%</b>
	(1.5%)	(1.6%)	(+0.0%)		(1.6%)	(-0.0%)	
Net income	<b>10.6</b>	<b>10.6</b>	-	-	<b>10.6</b>	<b>+0.0</b>	<b>+0%</b>

# Summary of Projections



## FY2013 Previous projection v. Current projection

(Billions of yen)

	FY 2013		FY 2013		Changes		
	Previous projection		Current projection		Net sales	Op. income	
	Net sales	Op. income	Net sales	Op. income			
Business Solutions	<b>336.7</b>	<b>7.0</b>	<b>328.9</b>	<b>5.9</b>	<b>-7.8</b>	<b>-2%</b>	<b>-1.1</b>
IT Solutions	<b>139.4</b>	<b>0.7</b>	<b>140.7</b>	<b>1.5</b>	<b>+1.3</b>	<b>+1%</b>	<b>+0.8</b>
Imaging System	<b>199.2</b>	<b>9.7</b>	<b>191.1</b>	<b>10.5</b>	<b>-8.1</b>	<b>-4%</b>	<b>+0.8</b>
Industrial Equipment	<b>35.6</b>	<b>0.1</b>	<b>31.0</b>	<b>-0.3</b>	<b>-4.6</b>	<b>-13%</b>	<b>-0.4</b>
Other	<b>-26.1</b>	<b>0.5</b>	<b>-26.1</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-0.1</b>
Total	<b>684.8</b>	<b>18.0</b>	<b>665.6</b>	<b>18.0</b>	<b>-19.2</b>	<b>-3%</b>	<b>-</b>

“Other” includes the intersegment sales and the corporate expenses that are not allocated to the shared service businesses or to each segment.

# Projections Summary Outline



## FY2013 Projection v. FY 2012 Actual

(Billions of yen)

	FY 2012		FY 2013		Changes		
	Actual		Projection		Net sales		Op. income
	Net sales	Op. income	Net sales	Op. income			
Business Solutions	<b>330.9</b>	<b>6.3</b>	<b>328.9</b>	<b>5.9</b>	<b>-2.0</b>	<b>-1%</b>	<b>-0.4</b>
IT Solutions	<b>131.0</b>	<b>0.2</b>	<b>140.7</b>	<b>1.5</b>	<b>+9.7</b>	<b>+7%</b>	<b>+1.3</b>
Imaging System	<b>192.0</b>	<b>10.9</b>	<b>191.1</b>	<b>10.5</b>	<b>-0.9</b>	<b>-0%</b>	<b>-0.4</b>
Industrial Equipment	<b>30.7</b>	<b>-1.2</b>	<b>31.0</b>	<b>-0.3</b>	<b>+0.3</b>	<b>+1%</b>	<b>+0.9</b>
Other	<b>-25.4</b>	<b>0.6</b>	<b>-26.1</b>	<b>0.4</b>	<b>-0.7</b>	<b>+3%</b>	<b>-0.2</b>
Total	<b>659.2</b>	<b>16.8</b>	<b>665.6</b>	<b>18.0</b>	<b>+6.4</b>	<b>+1%</b>	<b>+1.2</b>

“Other” includes the intersegment sales and the corporate expenses that are not allocated to the shared service businesses or to each segment.

# Projections Segment Information

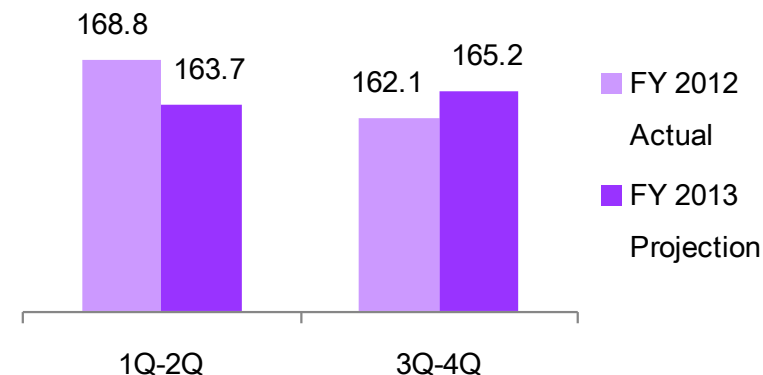
(Billions of yen)



## FY 2013 Projection v. FY 2012 Actual

	FY 2012 Actual	FY 2013 Projection	Changes	Previous projection - April 22 -
Net sales	330.9	328.9	-2.0	336.7
Op. income	6.3	5.9	-0.4	7.0

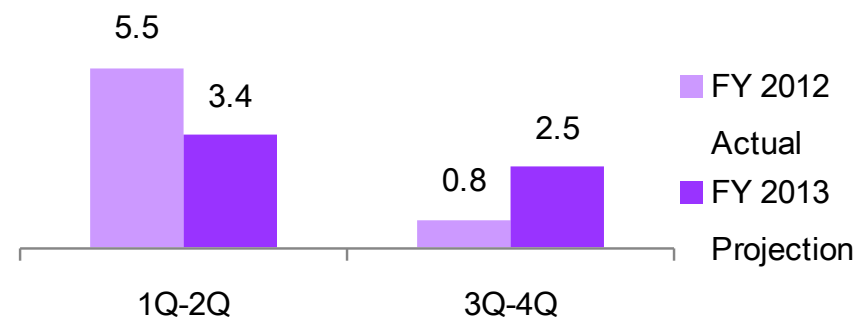
### Net sales



## Points

- ▶ We expect that both sales and profits will increase from the third quarter, mainly because of aggressive MFP sales promotion and cost cutting in maintenance services, against a backdrop of a recovery in corporate capital spending.
- ▶ In the full year, we forecast a slight fall in net sales and a decrease in operating income from the previous year due to the weak performance up to the second quarter.

### Op. income



# Projections Segment Information

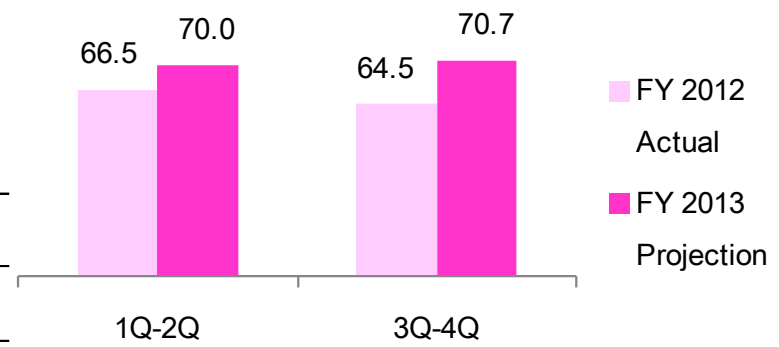
(Billions of yen)



## FY 2013 Projection v. FY 2012 Actual

	FY 2012 Actual	FY 2013 Projection	Changes	Previous projection - April 22 -
Net sales	131.0	140.7	+9.7	139.4
Op. income	0.2	1.5	+1.3	0.7

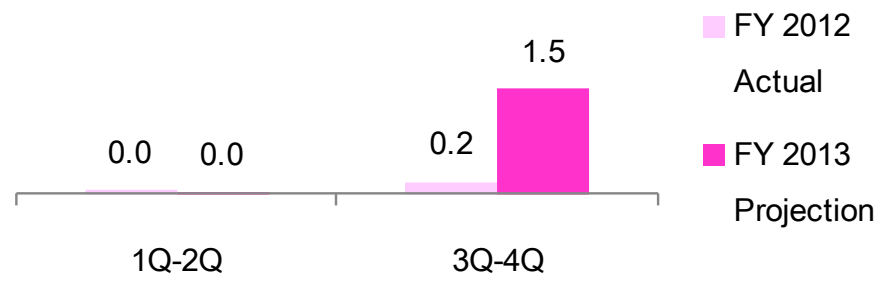
### Net sales



## Points

- ▶ We expect an increase in sales, thanks chiefly to a recovery in investment in a wide range of industries.
- ▶ We expect that operating income will rise, reflecting an increase in sales and ongoing cost cutting.

### Op. income



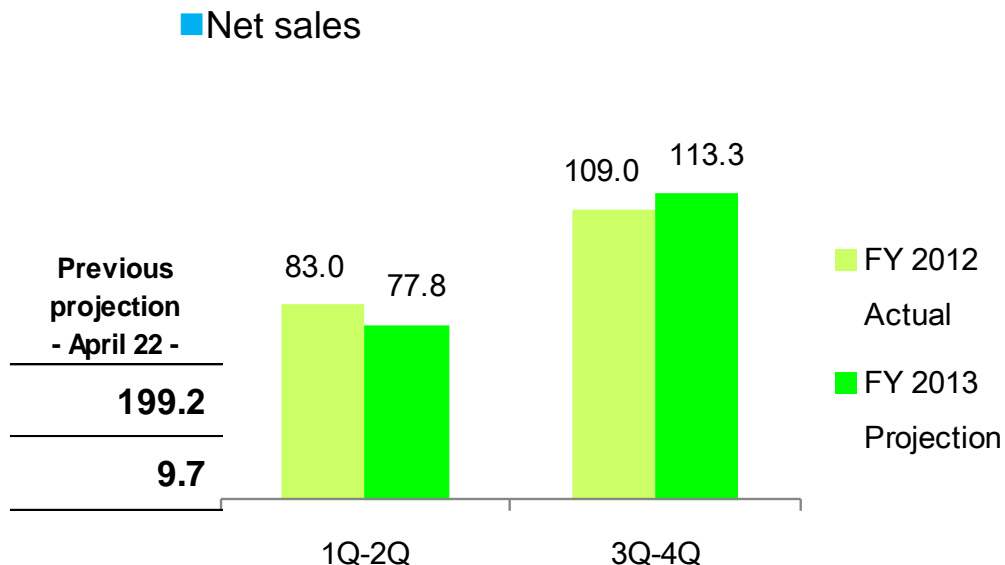
# Projections Segment Information



(Billions of yen)

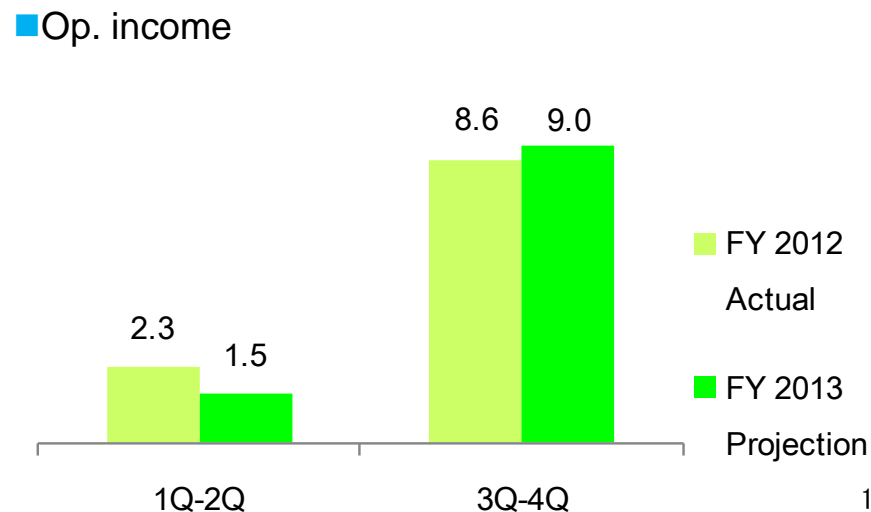
## FY 2013 Projection v. FY 2012 Actual

	FY 2012 Actual	FY 2013 Projection	Changes
Net sales	192.0	191.1	-0.9
Op. income	10.9	10.5	-0.4



## Points

- ▶ Both sales and profits are projected to increase from the third quarter given the expected continued strength of interchangeable-lens digital cameras and a recovery in the performance of inkjet printers.
- ▶ We expect that both sales and profits will decline slightly for the full year as a result of a contraction in the digital compact camera market and a decline in the performance of inkjet printers up to the second quarter.



# Projections Segment Information

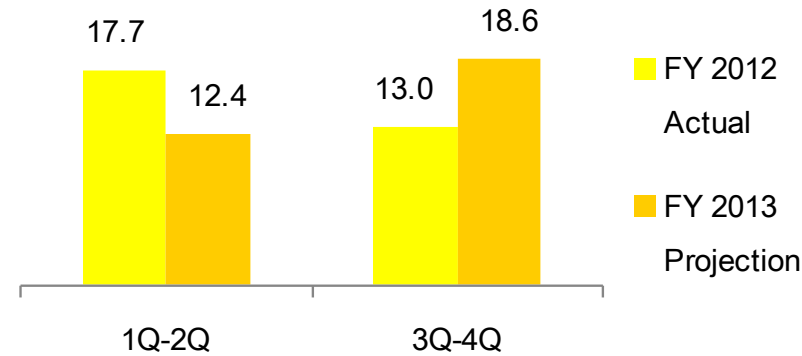


(Billions of yen)

## FY 2013 Projection v. FY 2012 Actual

	FY 2012 Actual	FY 2013 Projection	Changes	Previous projection - April 22 -
Net sales	30.7	31.0	+0.3	35.6
Op. income	-1.2	-0.3	+0.9	0.1

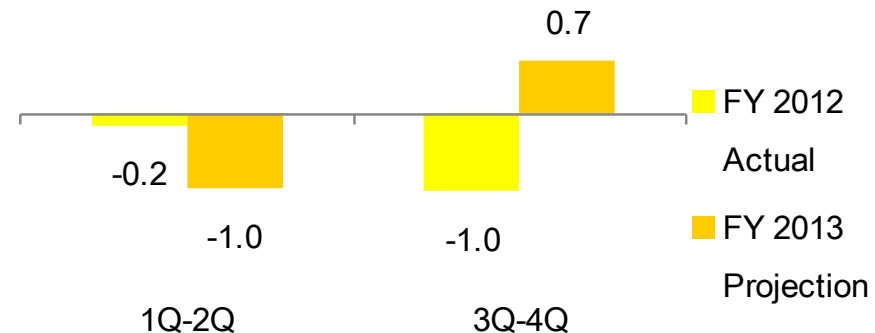
### Net sales



## Points

- ▶ We forecast rises in sales and profits primarily due to a recovery in investment in the domestic semiconductor industry and the expected expansion of sales of new medical equipment products.

### Op. income





# Supplementary Information

# FY2012 Results - After deduction -

(Billions of yen)

[Reference]

FY 2012

FY 2012 Results [After deduction]

1Q      2Q      3Q      4Q      FY

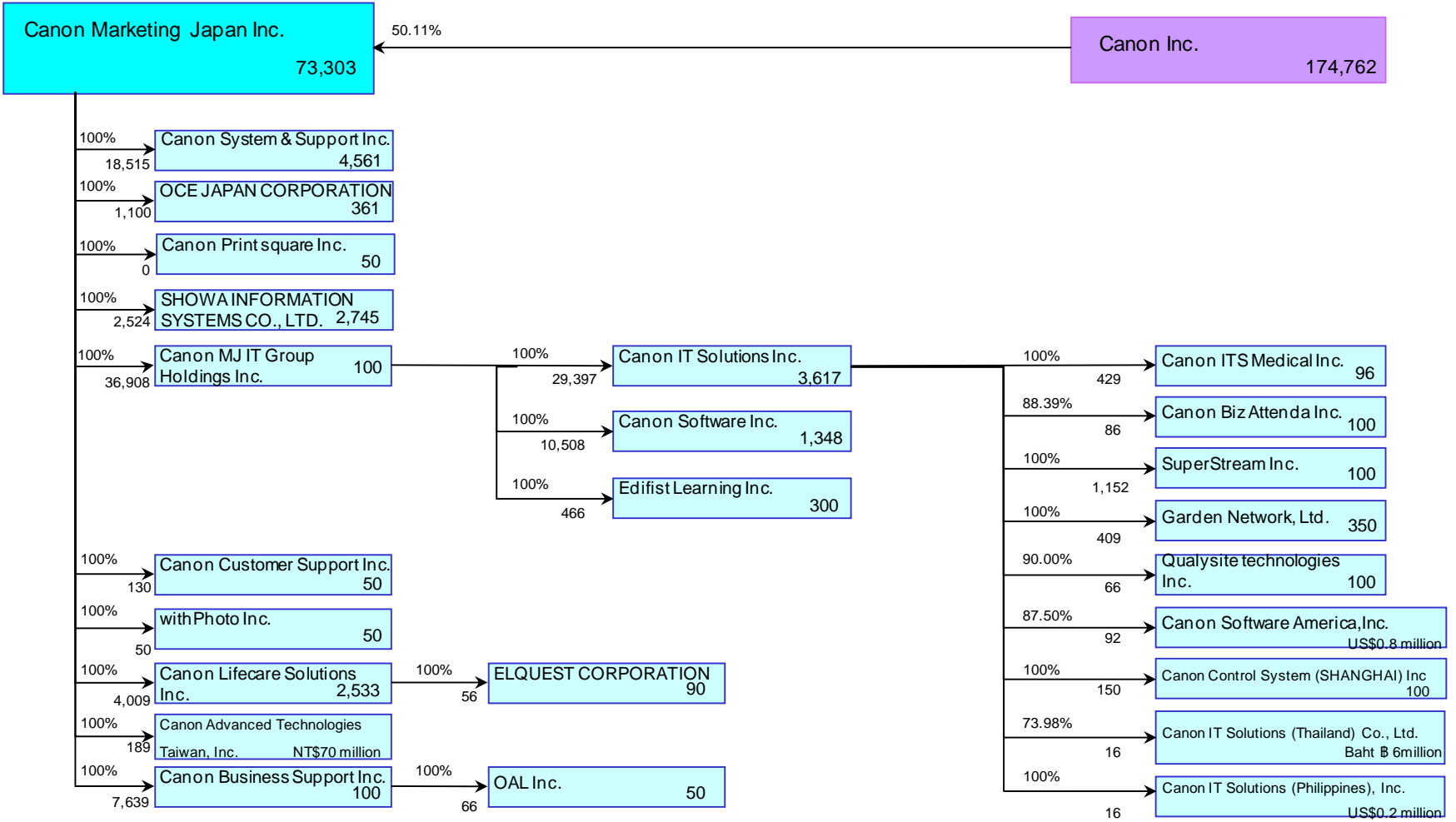
Before      Amount  
deduction      deducted

Business Solutions	<b>87.3</b>	<b>81.4</b>	<b>80.3</b>	<b>81.8</b>	<b>330.9</b>	<b>344.0</b>	<b>-13.1</b>
IT Solutions	<b>34.3</b>	<b>32.3</b>	<b>31.8</b>	<b>32.7</b>	<b>131.0</b>	<b>131.3</b>	<b>-0.3</b>
Imaging System	<b>37.6</b>	<b>45.4</b>	<b>42.1</b>	<b>66.9</b>	<b>192.0</b>	<b>200.6</b>	<b>-8.6</b>
Industrial Equipment	<b>10.7</b>	<b>7.0</b>	<b>6.5</b>	<b>6.5</b>	<b>30.7</b>	<b>30.7</b>	<b>-0.0</b>
Other	<b>-6.9</b>	<b>-6.1</b>	<b>-6.2</b>	<b>-6.2</b>	<b>-25.4</b>	<b>-25.4</b>	<b>-0.0</b>
<b>Total</b>	<b>163.0</b>	<b>160.0</b>	<b>154.5</b>	<b>181.7</b>	<b>659.2</b>	<b>681.2</b>	<b>-22.0</b>

Starting from FY2013, some of promotion expenses that have previously been presented in selling, general and administrative expenses are deducted from net sales in order to present them on a net basis.

Accordingly, figures after retrospective reclassification in accordance with such changes are presented for FY2012 and thereafter. The change stated above had no effect on operating income.

# Capital Relationship Diagram



Number of subsidiaries : 24

Ratio of shareholding → Consolidated  
 ----- → Non-consolidated

Book value (Millions of yen)

Corporate name  
 Capital (millions of yen)

June 30, 2013  
 Supplementary Information

# Results of main consolidated companies



(Billions of yen)

		2Q 2012		2Q 2013		Changes	
						Amount	%
<b>Business Solutions</b>							
Canon System & Support Inc.	Net sales	<b>25.5</b>		<b>27.9</b>		<b>+2.5</b>	<b>+10%</b>
	Op. income	<b>0.0</b>	(0.1%)	<b>0.4</b>	(1.4%)	<b>+0.4</b>	(+1.4%)
SHOWA INFORMATION SYSTEMS CO., LTD.	Net sales	<b>3.0</b>		<b>3.8</b>		<b>+0.8</b>	<b>+25%</b>
	Op. income	<b>0.2</b>	(5.0%)	<b>0.2</b>	(4.8%)	<b>+0.0</b>	(-0.2%)
<b>IT Solutions</b>							
Canon IT Solutions (Consolidated)	Net sales	<b>19.4</b>		<b>20.9</b>		<b>+1.5</b>	<b>+8%</b>
	Op. income	<b>0.0</b>	(0.1%)	<b>0.1</b>	(0.4%)	<b>+0.1</b>	(+0.2%)
Canon Software	Net sales	<b>5.3</b>		<b>5.2</b>		<b>-0.1</b>	<b>-2%</b>
	Op. income	<b>0.4</b>	(7.9%)	<b>0.4</b>	(8.1%)	<b>-0.0</b>	(+0.2%)
Total	Net sales	<b>24.7</b>		<b>26.1</b>		<b>+1.4</b>	<b>+5%</b>
	Op. income	<b>0.5</b>	(2.2%)	<b>0.5</b>	(1.9%)	<b>+0.1</b>	(-0.3%)
<b>Industrial Equipment</b>							
Canon Lifecare Solutions (Consolidated)	Net sales	<b>4.6</b>		<b>4.1</b>		<b>-0.5</b>	<b>-11%</b>
	Op. income	<b>-0.2</b>	(-)	<b>-0.3</b>	(-)	<b>-0.1</b>	(-)

\* The amount is before the elimination on a consolidated basis.

# Results of main consolidated companies



(Billions of yen)

		1Q-2Q 2012		1Q-2Q 2013		Changes	
						Amount	%
<b>Business Solutions</b>							
Canon System & Support Inc.	Net sales	<b>52.9</b>		<b>57.2</b>		<b>+4.3</b>	<b>+8%</b>
	Op. income	<b>0.8</b>	(1.5%)	<b>1.5</b>	(2.6%)	<b>+0.7</b>	(+1.1%)
SHOWA INFORMATION SYSTEMS CO., LTD.	Net sales	<b>5.3</b>		<b>6.5</b>		<b>+1.1</b>	<b>+21%</b>
	Op. income	<b>-0.0</b>	(-)	<b>0.2</b>	(3.8%)	<b>+0.1</b>	(-)
<b>IT Solutions</b>							
Canon IT Solutions (Consolidated)	Net sales	<b>40.8</b>		<b>40.8</b>		<b>-0.0</b>	<b>-0%</b>
	Op. income	<b>0.7</b>	(1.7%)	<b>0.3</b>	(0.8%)	<b>-0.4</b>	(-1.0%)
Canon Software	Net sales	<b>10.9</b>		<b>10.4</b>		<b>-0.5</b>	<b>-5%</b>
	Op. income	<b>1.1</b>	(9.6%)	<b>0.7</b>	(7.1%)	<b>-0.3</b>	(-2.5%)
Total	Net sales	<b>51.7</b>		<b>51.2</b>		<b>-0.5</b>	<b>-1%</b>
	Op. income	<b>1.8</b>	(3.4%)	<b>1.1</b>	(2.1%)	<b>-0.7</b>	(-1.3%)
<b>Industrial Equipment</b>							
Canon Lifecare Solutions (Consolidated)	Net sales	<b>11.8</b>		<b>9.6</b>		<b>-2.2</b>	<b>-19%</b>
	Op. income	<b>-0.1</b>	(-)	<b>-0.3</b>	(-)	<b>-0.3</b>	(-)

\* The amount is before the elimination on a consolidated basis.

# Selling expenses



(Billions of yen)

	FY 2012		FY 2013		Changes	
	2Q	1Q-2Q	2Q	1Q-2Q	2Q	1Q-2Q
Advertising expenses	<b>2.2</b>	<b>5.1</b>	<b>2.3</b>	<b>4.3</b>	<b>+0.2</b>	<b>-0.8</b>
Promotion expenses	<b>0.8</b>	<b>1.6</b>	<b>1.0</b>	<b>1.7</b>	<b>+0.2</b>	<b>+0.1</b>
Warranty expenses	<b>2.3</b>	<b>4.5</b>	<b>1.8</b>	<b>3.8</b>	<b>-0.5</b>	<b>-0.7</b>
Personnel expenses	<b>32.2</b>	<b>63.7</b>	<b>31.1</b>	<b>62.1</b>	<b>-1.1</b>	<b>-1.6</b>
Depreciation and amortization	<b>0.6</b>	<b>1.3</b>	<b>0.6</b>	<b>1.2</b>	<b>-0.0</b>	<b>-0.0</b>
Rent expenses	<b>1.8</b>	<b>3.8</b>	<b>1.8</b>	<b>3.6</b>	<b>+0.0</b>	<b>-0.2</b>
IT expenses	<b>2.1</b>	<b>4.3</b>	<b>2.2</b>	<b>4.5</b>	<b>+0.1</b>	<b>+0.2</b>
Other selling expenses	<b>8.4</b>	<b>16.6</b>	<b>9.4</b>	<b>17.9</b>	<b>+1.0</b>	<b>+1.3</b>
<b>Total</b>	<b>50.4</b>	<b>100.9</b>	<b>50.3</b>	<b>99.1</b>	<b>-0.2</b>	<b>-1.7</b>

## ■ Non-operating income

	FY 2012		FY 2013		Changes	
	2Q	1Q-2Q	2Q	1Q-2Q	2Q	1Q-2Q
Interest & dividends income	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.2</b>	<b>-0.0</b>	<b>-0.0</b>
Insurance income	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>-0.0</b>	<b>-0.0</b>
Other	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>0.3</b>	<b>-0.0</b>	<b>-0.0</b>
Total	<b>0.9</b>	<b>1.1</b>	<b>0.8</b>	<b>1.1</b>	<b>-0.0</b>	<b>-0.0</b>

## ■ Non-operating expenses

	FY 2012		FY 2013		Changes	
	2Q	1Q-2Q	2Q	1Q-2Q	2Q	1Q-2Q
Interest expenses	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.0</b>	<b>-0.0</b>
Other	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>+0.1</b>	<b>+0.1</b>
Total	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>+0.0</b>	<b>+0.0</b>

# Extraordinary income and expenses



(Billions of yen)

## ■ Extraordinary income

	FY 2012		FY 2013		Changes	
	2Q	1Q-2Q	2Q	1Q-2Q	2Q	1Q-2Q
Gain on sales of investment securities	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.0</b>	<b>+0.1</b>
Gain on sales of noncurrent assets	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>+0.0</b>	<b>+0.0</b>
Gain on negative goodwill	<b>0.2</b>	<b>0.2</b>	-	-	<b>-0.2</b>	<b>-0.2</b>
Other	-	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>+0.0</b>	<b>+0.0</b>
Total	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>-0.2</b>	<b>-0.1</b>

## ■ Extraordinary expenses

	FY 2012		FY 2013		Changes	
	2Q	1Q-2Q	2Q	1Q-2Q	2Q	1Q-2Q
Special extra retirement payments	-	-	<b>0.6</b>	<b>0.6</b>	<b>+0.6</b>	<b>+0.6</b>
Loss on sales and retirement of noncurrent assets	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>+0.1</b>	<b>+0.1</b>
Office transfer expenses	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>+0.1</b>	<b>+0.0</b>
Impairment loss	<b>0.0</b>	<b>0.0</b>	-	-	<b>-0.0</b>	<b>-0.0</b>
Other	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.0</b>	<b>+0.0</b>
Total	<b>0.1</b>	<b>0.4</b>	<b>1.0</b>	<b>1.1</b>	<b>+0.8</b>	<b>+0.7</b>

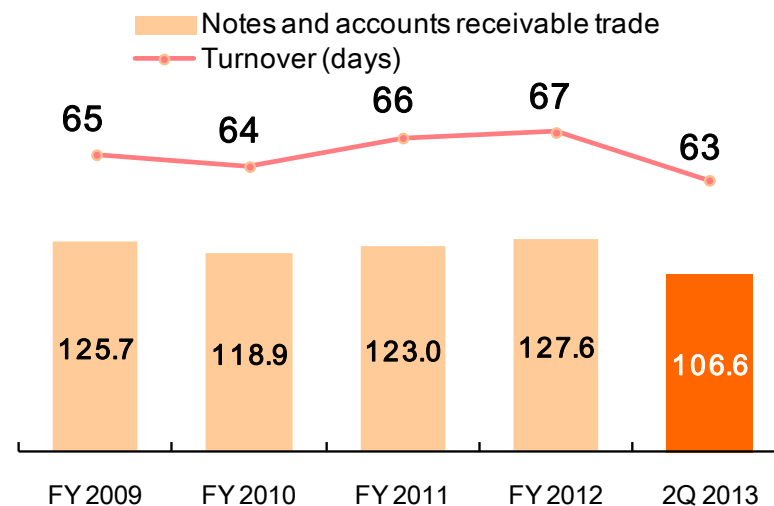


# Balance Sheets

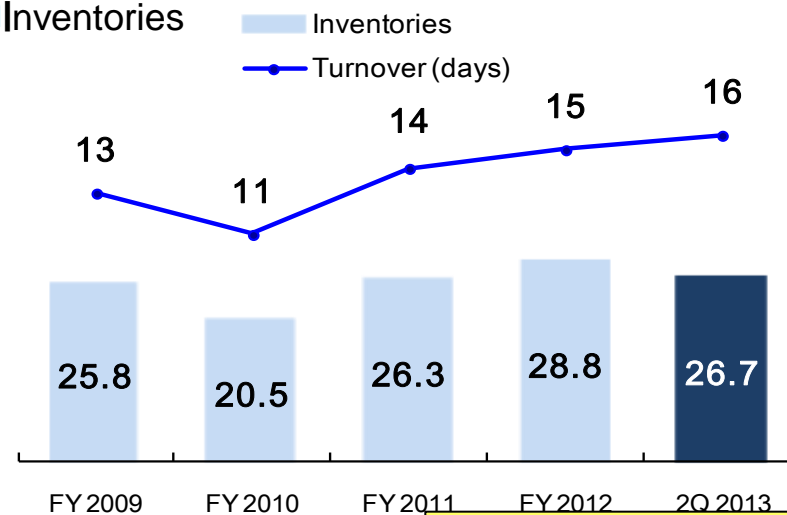
	Dec. 31 2012	June 30 2013	Changes
<b>Assets</b>	<b>462.6</b>	<b>436.9</b>	<b>-25.7</b>
Current assets	316.6	292.7	-23.9
Cash and deposits	108.4	107.4	-1.1
Notes and accounts receivable trade	127.6	106.6	-21.1
Inventories	28.8	26.7	-2.1
Other	51.7	52.1	+0.4
Noncurrent assets	146.0	144.1	-1.8
Property, plant and equipment	99.6	100.0	+0.4
Intangible assets	16.0	13.8	-2.2
Investments and other assets	30.4	30.3	-0.1
<b>Liabilities</b>	<b>208.5</b>	<b>181.8</b>	<b>-26.7</b>
Current liabilities	163.4	137.3	-26.1
Notes and accounts payable-trade	104.2	87.1	-17.1
Other	59.2	50.2	-9.0
Noncurrent liabilities	45.1	44.5	-0.5
<b>Net assets</b>	<b>254.1</b>	<b>255.1</b>	<b>+1.0</b>
Shareholders' equity	253.9	254.0	+0.1
(Treasury stock)	-26.9	-26.9	-0.0
Accumulated other comprehensive income	0.0	0.9	+0.9
Minority interests	0.2	0.2	+0.0
<b>Equity ratio</b>	<b>55%</b>	<b>58%</b>	<b>+3%</b>

(Billions of yen)

## Notes and accounts receivable trade



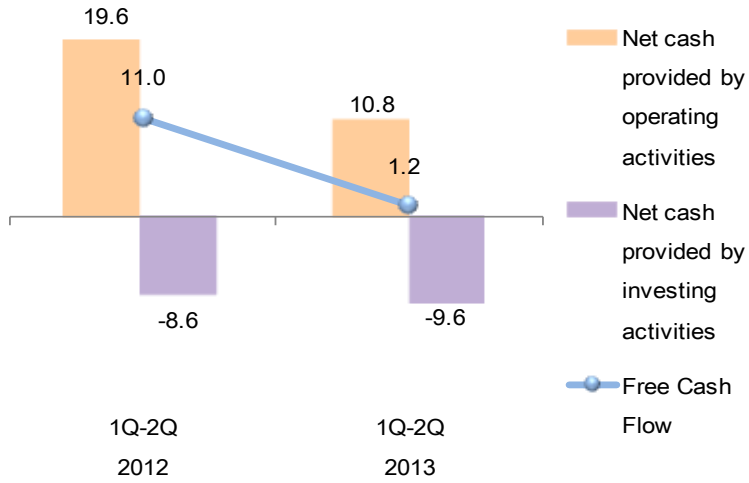
## Inventories



Supplementary Information

# Cash Flow / Investment / Depreciation and amortization / Financial indicator

## Cash Flow



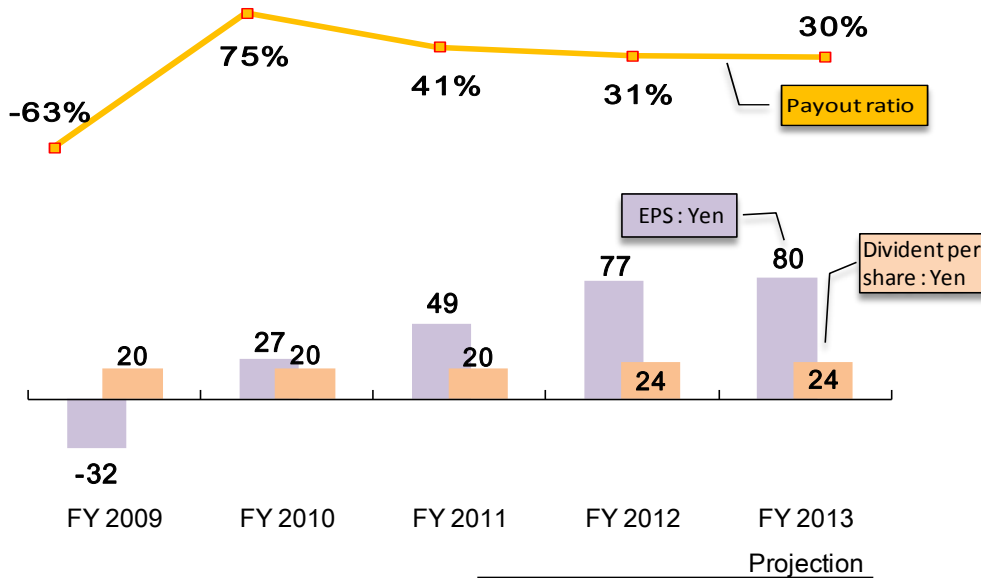
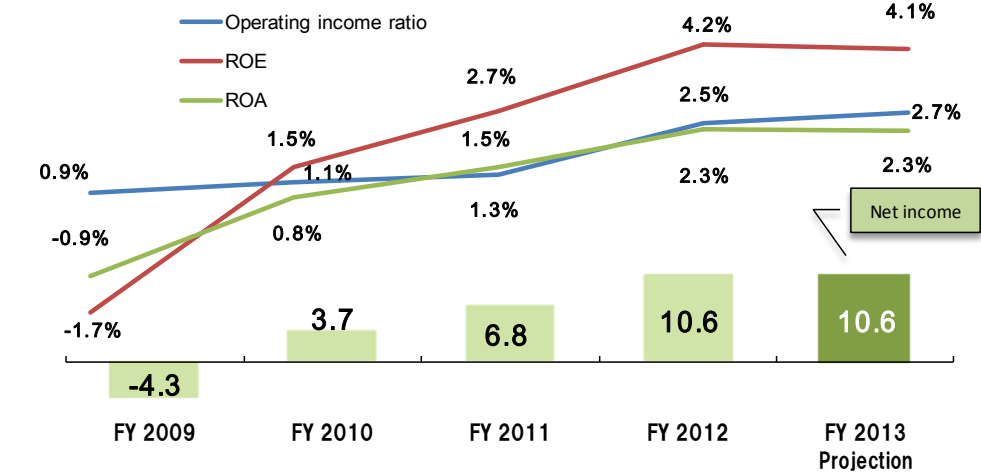
## Investment

	1Q-2Q Actual	3Q-4Q Projection	FY Projection
FY 2012	10.2	11.7	22.0
FY 2013	10.3	7.9	18.3

## Depreciation and amortization

	1Q-2Q Actual	3Q-4Q Projection	FY Projection
FY 2012	7.7	8.6	16.3
FY 2013	8.6	8.8	17.4

(Billions of yen)



**Canon**

Canon Marketing Japan Inc.