

Summary Report of Consolidated Financial Results

for the third quarter ended September 30, 2015

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, 2015 (From January 1, 2015 to September 30, 2015)

(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, 2015	469,535	(2.0)	15,698	(1.7)	16,895	(1.4)	9,252	(4.6)
September 30, 2014	479,105	2.2	15,973	90.9	17,138	83.5	9,702	107.1

[Note] Comprehensive Income: Nine months ended September 30, 2015 : 9,420 million yen [(6.0)%]
 Nine months ended September 30, 2014 : 10,020million yen [60.3%]

	Net income per share	Diluted net income per share
Nine months ended September 30, 2015	Yen 71.35	Yen -
September 30, 2014	74.82	-

(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, 2015	463,223	271,258	58.5	2,089.39
Year ended December 31, 2014	479,747	270,352	56.3	2,082.60

[Reference] Shareholders' equity: Third quarter ended September 30, 2015 : 270,937 million yen
 Year ended December 31, 2014 : 270,061 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, 2014	-	15.00	-	25.00	40.00
Year ending December 31, 2015	-	20.00	-		
Year ending December 31, 2015 (forecast)				20.00	40.00

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

3.Consolidated financial forecast for the fiscal year ending December 31, 2015

(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	656,000	(0.5)	25,200	0.4	26,600	0.2	15,100	(5.8)	116.45

[Note] Revision of forecast for this period : Yes

* Others

(1) Material changes in subsidiaries during this period

(Changes in scope of consolidations resulting from change is subsidiaries) : None

(2) Application of a specified accounting procedure : Yes

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

- (i) Changes in accounting policies based on revisions of accounting standard : Yes
- (ii) Changes in accounting policies other than (i) : None
- (iii) Changes in accounting estimates : None
- (iv) Retrospective restatement : None

(4) Number of issued and outstanding shares (common stock)

(i) Number of issued and outstanding shares at the end of fiscal year (including treasury stock)

As of September 30, 2015 :	151,079,972
As of December 31, 2014 :	151,079,972

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

As of September 30, 2015 :	21,407,106
As of December 31, 2014 :	21,404,708

(iii) Average number of shares

As of September 30, 2015 :	129,673,723
As of September 30, 2014 :	129,678,039

- * Because of a change in the accounting policy, the calculation of retirement benefit obligations and service costs was modified, effective from the current term. As a result, the net defined benefit liability at the beginning of the nine-month period increased by 4,062 million yen, while the retained earnings decreased by 2,662 million yen. The impact on the operating profit, ordinary profit, and profit before income taxes for the nine-month period will be minimal.

Disclaimer :

Earnings projections are based on information available at the time these materials were announced, and the Company cannot guarantee that they will be realized. Also, actual results may differ from the estimated figures given due to various factors.

Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2014	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	36,107	13,721
Notes and accounts receivable-trade	128,473	106,801
Securities	84,500	77,400
Merchandise and finished goods	26,471	30,205
Work in process	488	790
Raw materials and supplies	855	847
Deferred tax assets	4,860	4,846
Short-term loans receivable	50,054	80,054
Other	7,899	7,300
Allowance for doubtful accounts	(113)	(72)
Total current assets	<u>339,596</u>	<u>321,895</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,152	47,450
Machinery, equipment and vehicles, net	9	71
Tools, furniture and fixtures, net	4,374	4,382
Rental assets, net	10,637	11,231
Land	36,301	36,263
Leased assets, net	584	454
Total property, plant and equipment	<u>100,059</u>	<u>99,853</u>
Intangible assets		
Goodwill	1,090	875
Software	9,362	8,644
Leased assets	116	87
Right of using facilities	317	317
Other	20	16
Total intangible assets	<u>10,906</u>	<u>9,941</u>
Investments and other assets		
Investment securities	6,292	7,292
Long-term loans receivable	11	10
Deferred tax assets	15,040	16,478
Guarantee deposits	5,338	5,304
Other	2,859	2,759
Allowance for doubtful accounts	(357)	(312)
Total investments and other assets	<u>29,184</u>	<u>31,533</u>
Total non-current assets	<u>140,151</u>	<u>141,328</u>
Total assets	<u>479,747</u>	<u>463,223</u>

Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2014	As of September 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable-trade	101,337	89,489
Lease obligations	343	245
Accrued expenses	24,115	16,496
Income taxes payable	5,918	3,292
Accrued consumption taxes	7,619	3,437
Provision for bonuses	3,346	13,523
Provision for directors' bonuses	119	61
Provision for product warranties	679	638
Provision for loss on order received	21	-
Other	21,270	16,319
Total current liabilities	<u>164,770</u>	<u>143,505</u>
Non-current liabilities		
Lease obligations	445	372
Deferred tax liabilities	540	584
Deferred tax liabilities for land revaluation	29	29
Accrued long service rewards for employees	997	849
Net defined benefit liability	37,862	41,945
Other	4,748	4,679
Total non-current liabilities	<u>44,623</u>	<u>48,459</u>
Total liabilities	<u>209,394</u>	<u>191,965</u>
Net assets		
Shareholders' equity		
Capital stock	73,303	73,303
Capital surplus	82,819	82,820
Retained earnings	143,864	144,618
Treasury shares	(31,905)	(31,910)
Total shareholders' equity	<u>268,082</u>	<u>268,831</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,704	2,398
Foreign currency translation adjustment	272	219
Remeasurements of defined benefit plans	1	(511)
Total accumulated other comprehensive income	<u>1,978</u>	<u>2,106</u>
Minority interests	<u>291</u>	<u>320</u>
Total net assets	<u>270,352</u>	<u>271,258</u>
Total liabilities and net assets	<u>479,747</u>	<u>463,223</u>

Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Nine months of FY2014 (from January 1, 2014 to September 30, 2014)	Nine months of FY2015 (from January 1, 2015 to September 30, 2015)
Net sales	479,105	469,535
Cost of sales	309,509	300,003
Gross profit	169,595	169,531
Selling, general and administrative expenses	153,622	153,833
Operating income	15,973	15,698
Non-operating income		
Interest income	198	217
Dividend income	74	91
Insurance income	593	584
Other	518	619
Total non-operating income	1,385	1,513
Non-operating expenses		
Interest expenses	24	22
Share of loss of entities accounted for using equity method	4	-
Foreign exchange losses	-	116
Other	190	178
Total non-operating expenses	219	316
Ordinary income	17,138	16,895
Extraordinary income		
Gain on sales of non-current assets	2	11
Gain on bargain purchase	12	-
Insurance income on disaster	-	21
Gain on sales of investment securities	4	-
Other	5	0
Total extraordinary income	24	33
Extraordinary losses		
Loss on sales and retirement of non-current assets	155	152
Loss on disaster	-	14
Group reorganization expenses	-	102
Other	97	105
Total extraordinary losses	253	375
Income before income taxes and minority interests	16,910	16,553
Income taxes	7,183	7,279
Income before minority interests	9,726	9,274
Minority interests in income	24	21
Net income	9,702	9,252

Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Nine months of FY2014 (from January 1, 2014 to September 30, 2014)	Nine months of FY2015 (from January 1, 2015 to September 30, 2015)
Income before minority interests	9,726	9,274
Other comprehensive income		
Valuation difference on available-for-sale-securities	239	694
Deferred gains or losses on hedges	8	-
Foreign currency translation adjustment	45	(35)
Remeasurements of defined benefit plans, net of tax	-	(512)
Total other comprehensive income	293	145
Comprehensive income	10,020	9,420
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,000	9,380
Comprehensive income attributable to minority interests	19	40

Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Nine months of FY2014 (from January 1, 2014 to September 30, 2014)	Nine months of FY2015 (from January 1, 2015 to September 30, 2015)
Cash flows from operating activities		
Income before income taxes and minority interests	16,910	16,553
Depreciation	12,911	11,696
Amortization of goodwill	78	182
Gain on bargain purchase	(12)	-
Increase (decrease) in allowance for doubtful accounts	(104)	(84)
Increase (decrease) in provision for retirement benefits	(403)	-
Increase (decrease) in net defined benefit liability	-	(728)
Increase (decrease) in provision for bonuses	9,080	10,177
Interest and dividend income	(273)	(308)
Interest expenses	24	22
Loss (gain) on sales and retirement of property, plant and equipment	118	110
Decrease (increase) in notes and accounts receivable-trade	32,675	21,771
Decrease (increase) in inventories	(4,605)	(3,997)
Increase (decrease) in notes and accounts payable-trade	(18,458)	(11,848)
Other, net	(10,737)	(14,476)
Subtotal	<u>37,204</u>	<u>29,069</u>
Interest and dividends income received	272	306
Interest expenses paid	(24)	(22)
Income taxes paid	(5,602)	(10,467)
Net cash provided by (used in) operating activities	<u>31,849</u>	<u>18,886</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,375)	(9,480)
Proceeds from sales of property, plant and equipment	16	98
Purchase of intangible assets	(2,332)	(2,529)
Purchase of investment securities	(136)	(111)
Proceeds from sales of investment securities	8	18
Purchase of shares of subsidiaries	(939)	-
Proceeds from sales of shares of subsidiaries and associates	236	5
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,278)	-
Net decrease (increase) in short-term loans receivable	(40)	(29,999)
Decrease (increase) in time deposits	100	-
Other, net	108	(217)
Net cash provided by (used in) investing activities	<u>(11,632)</u>	<u>(42,216)</u>
Cash flows from financing activities		
Repayments of finance lease obligations	(399)	(300)
Purchase of treasury shares	(6)	(6)
Cash dividends paid	(3,505)	(5,836)
Cash dividends paid to minority shareholders	(12)	(10)
Other, net	(70)	(1)
Net cash provided by (used in) financing activities	<u>(3,994)</u>	<u>(6,154)</u>
Effect of exchange rate change on cash and cash equivalents	(0)	(1)
Net increase (decrease) in cash and cash equivalents	<u>16,221</u>	<u>(29,485)</u>
Cash and cash equivalents at beginning of period	<u>102,182</u>	<u>120,607</u>
Cash and cash equivalents at end of period	<u>118,404</u>	<u>91,121</u>

Consolidated Quarterly Segment Information

I. Nine months of FY2014 (from January 1, 2014 to September 30, 2014)

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

(Amounts less than one million yen are truncated)

	Business Solutions	IT Solutions	Imaging System	Industrial / Medical	Other	Total	Adjustment	Consolidated
Net sales								
Sales - external customers	248,335	87,160	122,950	20,618	40	479,105	-	479,105
Sales - intersegment	-	26,007	-	-	-	26,007	(26,007)	-
Total	248,335	113,167	122,950	20,618	40	505,112	(26,007)	479,105
Operating income (loss)	6,665	2,503	7,383	(921)	342	15,973	-	15,973

[Note] "Other" includes businesses, such as shared service businesses, which are not included in other reportable segments.

II. Nine months of FY2015 (from January 1, 2015 to September 30, 2015)

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

(Amounts less than one million yen are truncated)

	Business Solutions	IT Solutions	Imaging System	Industrial / Medical	Other	Total	Adjustment	Consolidated
Net sales								
Sales - external customers	244,754	83,798	119,979	20,748	254	469,535	-	469,535
Sales - intersegment	-	21,538	-	-	-	21,538	(21,538)	-
Total	244,754	105,337	119,979	20,748	254	491,073	(21,538)	469,535
Operating income (loss)	6,815	2,641	6,273	(366)	334	15,698	-	15,698

[Note] "Other" includes businesses, such as shared service businesses, which are not included in other reportable segments.