

CANON INC
Form 6-K
October 26, 2011

FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of

the Securities Exchange Act of 1934

For the month of . **October** , **2011** .. ,

CANON INC.

(Translation of registrant's name into English)

30-2, Shimomaruko 3-Chome, Ohta-ku, Tokyo 146-8501, Japan

(Address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CANON INC.
(Registrant)

Date . **October 25, 2011** .

By /s/ Masashiro Kobayashi
(Signature)*

Masashiro Kobayashi
Deputy Senior General Manager
Global Finance Accounting Center
Canon Inc.

*Print the name and title of the signing officer under his signature.

The following materials are included.

1. CONSOLIDATED FINANCIAL RESULTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2011

CONSOLIDATED RESULTS FOR THE THIRD QUARTER AND THE NINE MONTHS ENDED SEPTEMBER 30, 2011

October 25, 2011

CONSOLIDATED RESULTS FOR THE THIRD QUARTER

(Millions of yen, thousands of U.S. dollars, except per share amounts)

	Actual				
	Three months ended September 30, 2011	Three months ended September 30, 2010	Change(%)		
Net sales	¥ 916,911	¥ 913,151	+ 0.4	\$ 11,907,935	
Operating profit	122,548	104,424	+ 17.4	1,591,532	
Income before income taxes	118,265	108,826	+ 8.7	1,535,909	
Net income attributable to Canon Inc.	¥ 77,864	¥ 68,195	+ 14.2	\$ 1,011,221	
Net income attributable to Canon Inc. stockholders per share:					
- Basic	¥ 64.43	¥ 55.07	+ 17.0	\$ 0.84	
- Diluted	64.42	55.07	+ 17.0	0.84	

CONSOLIDATED RESULTS FOR THE NINE MONTHS

(Millions of yen, thousands of U.S. dollars, except per share amounts)

	Actual			Projected		
	Nine months ended September 30, 2011	Nine months ended September 30, 2010	Change(%)	Nine months ended September 30, 2011	Year ending December 31, 2011	Change(%)
Net sales	¥ 2,592,676	¥ 2,639,035	- 1.8	\$ 33,671,117	¥ 3,650,000	- 1.5
Operating profit	283,461	304,705	- 7.0	3,681,312	360,000	- 7.1
Income before income taxes	281,924	310,329	- 9.2	3,661,351	350,000	- 10.9
Net income attributable to Canon Inc.	¥ 187,187	¥ 192,644	- 2.8	\$ 2,431,000	¥ 230,000	- 6.7
Net income attributable to Canon Inc. stockholders per share:						
- Basic	¥ 153.42	¥ 155.79	- 1.5	\$ 1.99	¥ 191.43	- 4.1
- Diluted	153.41	155.79	- 1.5	1.99	-	-

	Actual		
	As of September 30, 2011	As of September 30, 2010	Change(%)
	As of September 30, 2011	As of September 30, 2010	Change(%)

Edgar Filing: CANON INC - Form 6-K

Total assets	¥ 3,910,019	¥	3,983,820	-	1.9	\$	50,779,468
Canon Inc. stockholders equity	¥ 2,521,160	¥	2,645,782	-	4.7	\$	32,742,338

- Notes: 1. Canon's consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles.
2. U.S. dollar amounts are translated from yen at the rate of JPY77=U.S.\$1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of September 30, 2011, solely for the convenience of the reader.

Canon Inc.
Headquarter office

30-2, Shimomaruko 3-chome, Ohta-ku,
Tokyo 146-8501, Japan
Phone: +81-3-3758-2111

I. Operating Results and Financial Conditions

2011 Third Quarter in Review

Looking back at the global economy in the third quarter of 2011, the pace of economic recovery further decelerated due to downward pressure on the economies of Europe and the United States. In the United States, a lack of progress in alleviating the high unemployment rate and housing problems led to a decline in the growth rate, while in Europe, as the peripheral countries confront the debt crisis, the major economies of the region also slowed down. In contrast, emerging Asian countries, such as China and India, continued to achieve solid economic growth fueled by stable domestic demand. In Japan, although the economy continued to face severe challenges, progress was made in restoring the supply chain and indications pointed to a recovery in production in the aftermath of the Great East Japan Earthquake.

As for the markets in which Canon operates amid these conditions, within the office equipment market, demand for network digital multifunction devices (MFDs) continued to recover moderately. The laser printer market continued to display solid growth boosted by emerging economies. With regard to the consumer products market, demand for digital single-lens reflex (SLR) cameras maintained significant growth in all regions, while the market for compact digital cameras grew steadily in emerging markets. Demand for inkjet printers achieved healthy growth in emerging markets and a recovery of demand was also felt in Japan, resulting in stable growth overall. In the industry and others sector, investment in semiconductor lithography equipment used to manufacture DRAM memory devices was partially restrained due to a slowdown in the PC market. Despite solid growth in liquid crystal display (LCD) lithography equipment for the manufacture of mid- and small-size LCD panels used in smartphones, demand for equipment used to manufacture large LCD panels has remained sluggish since the beginning of the year.

The average values of the yen during the third quarter and first nine months of the year were ¥77.75 and ¥80.39 to the U.S. dollar, respectively, year-on-year appreciations of approximately ¥8 and ¥9, and ¥109.98 and ¥113.23 to the euro, respectively, year-on-year appreciations of approximately ¥1 and ¥3.

In the third quarter, owing to recovery efforts following the earthquake through increased production and expanded sales, net sales of digital SLR cameras recorded significant year-on-year growth. As for network digital MFDs and laser printers, despite the signs of recovery from the previous quarter, third-quarter net sales declined from the year-ago period. Additionally, the Industry and Others Business Unit recorded an increase in net sales during the three-month period. Amid the impact of the strong yen against the U.S. dollar, which led to significantly reduced sales, overall net sales for the third quarter totaled ¥916.9 billion (U.S.\$11,908 million), an increase of 0.4% from the year-ago period. Net sales for the nine months ended September 30, 2011 totaled ¥2,592.7 billion (U.S.\$33,671 million), slipping 1.8% year on year, reflecting the effects of the earthquake in the first half of the year. The gross profit ratio for the third quarter improved by 0.5 points to 49.4%, thanks to ongoing cost-cutting efforts that absorbed the impact of the appreciation of the yen to the U.S. dollar, while the ratio for the first nine months of the year rose 0.4 points to 49.3%. Gross profit for the third quarter totaled ¥452.5 billion (U.S.\$5,877 million), a year-on-year increase of 1.3%, and totaled ¥1,277.2 billion (U.S.\$16,588 million) for the first nine months, a year-on-year decline of 1.1%, due to reduced sales. Operating expenses decreased by ¥12.5 billion (U.S.\$163 million) for the quarter owing to Group-wide efforts to thoroughly reduce spending. For the nine months ended September 30, 2011, however, the amount increased by ¥7.6 billion (U.S.\$99 million), mainly stemming from the effects of new consolidation arising from the acquisition of Océ N.V. in the previous year. Consequently, third-quarter operating profit totaled ¥122.5 billion (U.S.\$1,592 million), jumping 17.4% year on year, income before income taxes totaled ¥118.3 billion (U.S.\$1,536 million), an increase of 8.7% from the year-ago period, and net income attributable to Canon Inc. totaled ¥77.9 billion (U.S.\$1,011 million) for the quarter, an increase of 14.2%, achieving year-on-year increases in both sales and profit for the first time in four quarters. As for the first nine months of the year, operating profit decreased by 7.0% to ¥283.5 billion (U.S.\$3,681 million), income before income taxes declined 9.2% to ¥281.9 billion (U.S.\$3,661 million), and net income attributable to Canon Inc. dipped 2.8% to ¥187.2 billion (U.S.\$2,431 million).

Basic net income attributable to Canon Inc. stockholders per share for the third quarter was ¥64.43 (U.S.\$0.84), an increase of ¥9.36 (U.S.\$0.12) compared with the corresponding quarter for the previous year, and ¥153.42 (U.S.\$1.99) for the first nine months of 2011, a year-on-year decrease of ¥2.37 (U.S.\$0.03).

Results by Segment

Looking at Canon's quarterly performance by business unit, within the Office Business Unit, amid stable demand for color network digital MFDs, particularly the imageRUNNER ADVANCE C5000/C2000-series, efforts to restore production following the earthquake led to a year-on-year increase in overall sales volumes. In addition, sales of imagePRESS C7010VPS/C6010VPS/C6010S-series color MFDs for production printing, which were launched in March this year and are the first products to be jointly developed by Canon and Océ, gained momentum and contributed to increased unit sales of digital commercial printing and production printing devices for corporate clients. As for laser printers, hearty demand centered on emerging countries boosted unit sales volume, mainly for monochrome models, resulting in nearly double-digit growth compared with the corresponding period of the previous year. These performances, however, were affected by the appreciation of the yen against the U.S. dollar along with a shift in demand to lower-priced products. As a result, third-quarter sales for the segment dropped 6.7% year on year to ¥472.9 billion (U.S.\$6,142 million), while operating profit for the quarter decreased 11.2% to ¥67.8 billion (U.S.\$880 million) due to the appreciation of the yen against the U.S. dollar along with the decline in gross profit accompanying reduced sales. Sales for the first nine months of the year totaled ¥1,419.6 billion (U.S.\$18,436 million), slipping 1.3% year on year, while operating profit decreased by 17.9% to ¥190.7 billion (U.S.\$2,476 million).

Within the Consumer Business Unit, active efforts to boost production and expand sales in response to robust demand for digital SLR cameras resulted in significant increases in sales volumes over the corresponding year-ago period for such models as the entry-level EOS Rebel T3i/T2i/T3 and the advanced-amateur EOS 5D Mark II and EOS 60D. As for compact digital cameras, sales of the PowerShot ELPH 100 HS/300 HS and PowerShot SX230 HS, which were launched this spring, remained solid while sales of the PowerShot ELPH 310 HS introduced in September recorded a healthy start, resulting in a year-on-year increase of unit sales overall. With regard to inkjet printers, despite the impact of severe price competition among market players in Europe and elsewhere, unit sales increased year on year, fueled by sales growth for the mid- to high-end PIXMA MG6220/6120/5120, mainly in Japan, and for the entry-level PIXMA MP280, mainly in emerging markets. Accordingly, amid the effects of the strong yen to the U.S. dollar, third-quarter sales for the Consumer Business Unit increased 7.0% year on year to ¥347.4 billion (U.S.\$4,512 million), and quarterly operating profit climbed 27.9% to ¥75.2 billion (U.S.\$976 million), reflecting the effects of increased sales along with cost-reduction and expense-cutting efforts. Having not fully recovered from the negative effects of the earthquake in the first half and the impact of the appreciation of the yen, net sales for the first nine months totaled ¥939.3 billion (U.S.\$12,198 million), a decline of 4.1% year on year, while operating profit totaled ¥160.4 billion (U.S.\$2,083 million), a decrease of 7.3% year on year.

In the Industry and Others Business Unit, owing to active investment in semiconductor lithography equipment for the manufacture of NAND flash memories and digital-imaging sensors, which are used in smartphones, and power devices utilized in environmentally friendly products, sales of i-line steppers remained solid. Unit sales of LCD lithography equipment dropped substantially in the face of shrinking demand for equipment to produce large-size panels, an area in which Canon is particularly strong. In addition to these factors, sales of equipment used to manufacture organic light-emitting panels, which applies vacuum technologies and is sold by a Canon Group company, increased significantly, contributing to third-quarter sales for the segment, which totaled ¥123.8 billion (U.S.\$1,608 million), an increase of 12.8%. Operating profit was ¥9.1 billion (U.S.\$118 million), a surge of 106.9%, owing to the improved gross profit ratio along with efforts to curb expenses. Sales for the first nine months of the year totaled ¥306.8 billion (U.S.\$3,985 million), rising 1.9% year on year, while operating profit was ¥20.5 billion (U.S.\$267 million).

Cash Flow

During the first nine months of 2011, cash flow from operating activities totaled ¥342.6 billion (U.S.\$4,449 million), a decrease of ¥176.8 billion (U.S.\$2,297 million) compared with the year-ago period, as the amounts of accounts payable and accrued income tax increased in the previous year amid the recovery following the collapse of Lehman Brothers. Cash out flow from investing activities decreased ¥41.2 billion (U.S.\$535 million) year on year, mainly as a result of corporate acquisition activities implemented in the year-ago period, totaling ¥202.0 billion (U.S.\$2,623 million). Accordingly, free cash flow totaled ¥140.6 billion (U.S.\$1,826 million), a decrease of ¥135.6 billion (U.S.\$1,762 million) from the corresponding period of the previous year.

Cash flow from financing activities recorded an outlay of ¥251.6 billion (U.S.\$3,267 million), mainly arising from the dividend payout and repurchases of treasury stock. This, along with the negative impact of foreign currency translation adjustments, resulted in cash and cash equivalents of ¥711.6 billion (U.S.\$9,242 million), a decrease of ¥128.9 billion (U.S.\$1,675 million) year on year.

Outlook

As for the outlook in the fourth quarter of 2011, the global economy is expected to realize low growth and also faces increasing downward risks due to public finance and financial market problems. Amid lingering concerns over high unemployment and housing issues in the United States, coupled with the debt crisis in Europe, the pace of recovery in these economies is expected to be weak. As for emerging economies such as China and India, which are expected to continue enjoying robust growth, there is concern over weakening export growth to Europe and the United States and the economic impact of tighter financial measures. Despite signs of recovery in Japan following the earthquake, the negative effects of the current historically strong yen on exports and the impact on production activities are expected to continue to have a negative influence on the Japanese economy.

In the businesses in which Canon is involved, within the office equipment market, demand for such products as network digital MFDs is anticipated to recover modestly. Although the slowdown in European economies and the United States is cause for concern, overall demand for laser printers is growing steadily. With regard to the consumer products market, demand for digital SLR cameras is expected to achieve robust growth. Amid the slowed growth for compact digital cameras due to weak consumer spending in developed countries, demand in emerging markets continues to grow steadily. Despite the fierce price competition within the inkjet printer segment, which is expected to continue, demand is projected to grow steadily. However, due to the floods in Thailand in this month, the company anticipates delays in production for select inkjet printer and digital camera products. In the industry and others market, although chip manufacturers are expected to further curb investment in semiconductor lithography equipment for the manufacture of DRAM memory devices, solid demand is projected for i-line steppers, a segment in which Canon excels. Demand for LCD lithography equipment targeting mid- and small-size LCD panels is also expected to grow in contrast to the sluggish demand for lithography equipment targeting large-size panels.

With regard to currency exchange rates for the last quarter in 2011, on which Canon's performance outlook is based, despite the uncertain prospects of the current historically strong yen amid the instability in financial markets, Canon anticipates exchange rates for the period of ¥77 to the U.S. dollar and ¥105 to the euro. The annual average exchange rates are ¥79.41 to the U.S. dollar and ¥110.83 to the euro, representing appreciation of approximately ¥8 against the U.S. dollar and ¥4 against the euro compared with the annual average rates for the previous year.

Upon taking into consideration the abovementioned foreign exchange rate assumptions along with the current economic forecasts and market prospects, and incorporating the predicted impact of the floods in Thailand, Canon projects full-year consolidated net sales of ¥3,650.0 billion (U.S.\$47,403 million), a year-on-year decrease of 1.5%; operating profit of ¥360.0 billion (U.S.\$4,675 million), a year-on-year decrease of 7.1%; income before income taxes of ¥350.0 billion (U.S.\$4,545 million), a year-on-year decrease of 10.9%; and net income attributable to Canon Inc. of ¥230.0 billion (U.S.\$2,987 million), a year-on-year decrease of 6.7%.

Consolidated Outlook

Fiscal year

	Millions of yen				
	Year ending December 31, 2011	Change	Year ended December 31, 2010	Change (%)	
	Previous Outlook (A)	Revised Outlook (B)	(B - A)	Results (C)	(B - C) / C
Net sales	¥ 3,780,000	¥ 3,650,000	¥ (130,000)	¥ 3,706,901	-1.5%
Operating profit	380,000	360,000	(20,000)	387,552	-7.1%
Income before income taxes	380,000	350,000	(30,000)	392,863	-10.9%
Net income attributable to Canon Inc.	¥ 260,000	¥ 230,000	¥ (30,000)	¥ 246,603	-6.7%

This document contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as anticipate, believe, estimate, expect, intend, may, plan, project or similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this document. A detailed description of these and other risk factors is included in Canon's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described

Edgar Filing: CANON INC - Form 6-K

herein. Canon does not intend or assume any obligation to update these forward-looking statements.

- 4 -

CANON INC. AND SUBSIDIARIES

CONSOLIDATED

II. Financial Statements**1. CONSOLIDATED BALANCE SHEETS**

	\$50,779,468	\$50,779,468	\$50,779,468	\$50,779,468
	As of	Millions of yen As of	Change	Thousands of U.S. dollars As of
	September 30, 2011	December 31, 2010		September 30, 2011
ASSETS				
Current assets:				
Cash and cash equivalents	¥ 711,631	¥ 840,579	¥ (128,948)	\$ 9,241,961
Short-term investments	146,447	96,815	49,632	1,901,909
Trade receivables, net	480,436	557,504	(77,068)	6,239,429
Inventories	518,039	384,777	133,262	6,727,779
Prepaid expenses and other current assets	266,208	250,754	15,454	3,457,247
Total current assets	2,122,761	2,130,429	(7,668)	27,568,325
Noncurrent receivables	16,811	16,771	40	218,325
Investments	56,531	81,529	(24,998)	734,169
Property, plant and equipment, net	1,188,765	1,201,968	(13,203)	15,438,506
Intangible assets, net	139,497	153,021	(13,524)	1,811,649
Other assets	385,654	400,102	(14,448)	5,008,494
Total assets	¥ 3,910,019	¥ 3,983,820	¥ (73,801)	\$ 50,779,468
LIABILITIES AND EQUITY				
Current liabilities:				
Short-term loans and current portion of long-term debt	¥ 11,877	¥ 7,200	¥ 4,677	\$ 154,247
Trade payables	423,347	383,251	40,096	5,498,013
Accrued income taxes	68,345	72,482	(4,137)	887,597
Accrued expenses	308,843	299,710	9,133	4,010,948
Other current liabilities	146,014	134,298	11,716	1,896,286
Total current liabilities	958,426	896,941	61,485	12,447,091
Long-term debt, excluding current installments	4,954	4,131	823	64,338
Accrued pension and severance cost	192,353	197,609	(5,256)	2,498,091
Other noncurrent liabilities	69,529	75,502	(5,973)	902,974
Total liabilities	1,225,262	1,174,183	51,079	15,912,494
Equity:				
Canon Inc. stockholders' equity:				
Common stock	174,762	174,762	-	2,269,636
Additional paid-in capital	401,410	400,425	985	5,213,117
Legal reserve	58,988	57,930	1,058	766,078
Retained earnings	2,998,013	2,965,237	32,776	38,935,234
Accumulated other comprehensive income (loss)	(450,172)	(390,459)	(59,713)	(5,846,390)
Treasury stock, at cost	(661,841)	(562,113)	(99,728)	(8,595,337)

Edgar Filing: CANON INC - Form 6-K

Total Canon Inc. stockholders' equity	2,521,160	2,645,782	(124,622)	32,742,338
Noncontrolling interests	163,597	163,855	(258)	2,124,636
Total equity	2,684,757	2,809,637	(124,880)	34,866,974
Total liabilities and equity	¥ 3,910,019	¥ 3,983,820	¥ (73,801)	\$ 50,779,468

	Millions of yen		Thousands of U.S. dollars
	As of September 30, 2011	As of December 31, 2010	As of September 30, 2011
Notes:			
1. Allowance for doubtful receivables	¥ 11,880	¥ 14,920	\$ 154,286
2. Accumulated depreciation	2,034,757	1,909,703	26,425,416
3. Accumulated other comprehensive income (loss):			
Foreign currency translation adjustments	(383,160)	(325,612)	(4,976,104)
Net unrealized gains and losses on securities	(1,034)	3,020	(13,429)
Net gains and losses on derivative instruments	2,042	917	26,519
Pension liability adjustments	(68,020)	(68,784)	(883,376)

CANON INC. AND SUBSIDIARIES

CONSOLIDATED

2. CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Change(%)		Thousands of U.S. dollars
	Three months ended September 30, 2011	Three months ended September 30, 2010			Three months ended September 30, 2011
Net sales	¥ 916,911	¥ 913,151	+	0.4	\$ 11,907,935
Cost of sales	464,405	466,240			6,031,234
Gross profit	452,506	446,911	+	1.3	5,876,701
Operating expenses:					
Selling, general and administrative expenses	251,974	265,413			3,272,390
Research and development expenses	77,984	77,074			1,012,779
	329,958	342,487			4,285,169
Operating profit	122,548	104,424	+	17.4	1,591,532
Other income (deductions):					
Interest and dividend income	2,056	1,544			26,701
Interest expense	(155)	(207)			(2,013)
Other, net	(6,184)	3,065			(80,311)
	(4,283)	4,402			(55,623)
Income before income taxes	118,265	108,826	+	8.7	1,535,909
Income taxes	39,733	39,904			516,013
Consolidated net income	78,532	68,922			1,019,896
Less: Net income attributable to noncontrolling interests	668	727			8,675
Net income attributable to Canon Inc.	¥ 77,864	¥ 68,195	+	14.2	\$ 1,011,221

Note: Consolidated comprehensive loss for the three months ended September 30, 2011 was JPY 1,723 million (U.S.\$ 22,377 thousand) and consolidated comprehensive income for the three months ended September 30, 2010 was JPY 52,105 million.

Results for the nine months

	Millions of yen		Change(%)		Thousands of U.S. dollars
	Nine months ended September 30, 2011	Nine months ended September 30, 2010			Nine months ended September 30, 2011
Net sales	¥ 2,592,676	¥ 2,639,035	-	1.8	\$ 33,671,117
Cost of sales	1,315,434	1,348,193			17,083,559
Gross profit	1,277,242	1,290,842	-	1.1	16,587,558

Edgar Filing: CANON INC - Form 6-K

Operating expenses:				
Selling, general and administrative expenses	769,623	756,238		9,995,103
Research and development expenses	224,158	229,899		2,911,143
	993,781	986,137		12,906,246
Operating profit	283,461	304,705	- 7.0	3,681,312
Other income (deductions):				
Interest and dividend income	5,816	4,287		75,532
Interest expense	(827)	(1,160)		(10,740)
Other, net	(6,526)	2,497		(84,753)
	(1,537)	5,624		(19,961)
Income before income taxes	281,924	310,329	- 9.2	3,661,351
Income taxes	91,992	113,879		1,194,702
Consolidated net income	189,932	196,450		2,466,649
Less: Net income attributable to noncontrolling interests	2,745	3,806		35,649
Net income attributable to Canon Inc.	¥ 187,187	¥ 192,644	- 2.8	\$ 2,431,000

Note: Consolidated comprehensive income for the nine months ended September 30, 2011 and 2010 was JPY 130,161 million (U.S.\$ 1,690,403 thousand) and JPY 104,852 million, respectively.

CANON INC. AND SUBSIDIARIES

CONSOLIDATED

3. DETAILS OF SALES

<u>Results for the third quarter</u>	Millions of yen		Thousands of U.S. dollars	
	Three months ended September 30, 2011	Three months ended September 30, 2010	Change(%)	Three months ended September 30, 2011
Sales by business unit				
Office	¥ 472,941	¥ 506,915	- 6.7	\$ 6,142,091
Consumer	347,442	324,773	+ 7.0	4,512,234
Industry and Others				