

## Summary Report of Consolidated Financial Results

for the fiscal year ended December 31, 2020

Registered company name: **Canon Marketing Japan Inc.**  
 Stock listing: Tokyo Stock Exchange, First Section  
 Code number: 8060  
 URL: <https://cweb.canon.jp/eng/ir>  
 Representative director: Masahiro Sakata, President  
 Contact: Shiro Hamada, Director Vice President  
 Dividend payable date (as planned): March 29, 2021  
 U.S. Accounting Standards Applied: No

1.Consolidated business results for the year ended December 31, 2020 (From January 1, 2020 to December 31, 2020)

(1) Consolidated Results of Operations

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

| Year ended        | Net sales       |        | Operating income |       | Ordinary income |      | Profit attributable to owners of parent |       |
|-------------------|-----------------|--------|------------------|-------|-----------------|------|---|-------|
|                   | Millions of yen | %      | Millions of yen  | %     | Millions of yen | %    | Millions of yen                         | %     |
| December 31, 2020 | 545,060         | (12.2) | 31,317           | (3.5) | 35,236          | 3.8  | 21,997                                  | (1.1) |
| December 31, 2019 | 621,134         | (0.1)  | 32,439           | 12.1  | 33,937          | 11.2 | 22,250                                  | 6.8   |

[Note] Comprehensive Income: Year ended December 31, 2020 : 27,530 million yen [(11.1)%]

Year ended December 31, 2019 : 30,965 million yen [123.7%]

| Year ended        | Basic earnings per share | Diluted net income per share | Rate of return on equity | Ordinary income to total assets ratio | Operating income to net sales ratio |
|-------------------|--------------------------|------------------------------|--------------------------|---------------------------------------|-------------------------------------|
|                   | Yen                      | Yen                          | %                        | %                                     | %                                   |
| December 31, 2020 | 169.65                   | 169.62                       | 6.6                      | 7.0                                   | 5.7                                 |
| December 31, 2019 | 171.60                   | 171.58                       | 7.1                      | 6.8                                   | 5.2                                 |

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

| Year ended        | Total assets    | Net assets      | Equity ratio | Net asset per share |
|-------------------|-----------------|-----------------|--------------|---------------------|
|                   | Millions of yen | Millions of yen | %            | Yen                 |
| December 31, 2020 | 506,604         | 346,114         | 68.2         | 2,664.20            |
| December 31, 2019 | 503,698         | 325,092         | 64.4         | 2,502.39            |

[Reference] Shareholders' equity: Year ended December 31, 2020 : 345,458 million yen

Year ended December 31, 2019 : 324,475 million yen

(3) Cash Flows

(Amounts less than one million yen are truncated)

| Year ended        | Net cash provided by operating activities | Net cash provided by investing activities | Net cash provided by financing activities | Cash and cash equivalents at end of period |
|-------------------|---|---|---|--|
|                   | Millions of yen                           | Millions of yen                           | Millions of yen                           | Millions of yen                            |
| December 31, 2020 | 38,490                                    | (26,174)                                  | (6,587)                                   | 60,131                                     |
| December 31, 2019 | 22,052                                    | (94,584)                                  | (8,557)                                   | 54,493                                     |

2.Dividends

|  | Dividend per share |                     |                    |           |           | Total dividends (annual) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|--------------------|---------------------|--------------------|-----------|-----------|--------------------------|-----------------------------|---|
|  | First quarter -end | Second quarter -end | Third quarter -end | Year-end  | Annual    |                          |                             |   |
| Year ended December 31, 2019             | Yen -              | Yen 30.00           | Yen -              | Yen 30.00 | Yen 60.00 | Yen 7,779                | % 35.0                      | % 2.5   |
| Year ended December 31, 2020             | Yen -              | Yen 20.00           | Yen -              | Yen 40.00 | Yen 60.00 | Yen 7,780                | % 35.4                      | % 2.3   |
| Year ending December 31, 2021 (forecast) | Yen -              | Yen -               | Yen -              | Yen -     | Yen 60.00 |                          | % 34.6                      |   |

3.Consolidated financial forecast for the fiscal year ending December 31, 2021

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

| Full year | Net sales       |     | Operating income |     | Ordinary income |       | Profit attributable to owners of parent |     | Basic earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-------|---|-----|--------------------------|
|           | Millions of yen | %   | Millions of yen  | %   | Millions of yen | %     | Millions of yen                         | %   | Yen                      |
|           | 560,000         | 2.7 | 32,500           | 3.8 | 33,300          | (5.5) | 22,500                                  | 2.3 | 173.52                   |

\*Others

(1) Material changes in subsidiaries during this period

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

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

( i ) Changes in accounting policies based on revisions of accounting standard : None

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

( iii ) Changes in accounting estimates : None

( iv ) Retrospective restatement : None

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

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

As of December 31, 2020 : 131,079,972

As of December 31, 2019 : 151,079,972

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

As of December 31, 2020 : 1,412,822

As of December 31, 2019 : 21,413,743

( iii ) Average number of shares

As of December 31, 2020 : 129,667,222

As of December 31, 2019 : 129,666,745

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated business results for the year ended December 31, 2020 (From January 1, 2020 to December 31, 2020)

(1) Non-Consolidated Results of Operations

(Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

| Year ended        | Net sales       |        | Operating income |       | Ordinary income |       | Net income      |        |
|-------------------|-----------------|--------|------------------|-------|-----------------|-------|-----------------|--------|
|                   | Millions of yen | %      | Millions of yen  | %     | Millions of yen | %     | Millions of yen | %      |
| December 31, 2020 | 412,800         | (12.8) | 18,082           | 15.4  | 25,723          | 35.5  | 17,641          | 32.8   |
| December 31, 2019 | 473,229         | (0.5)  | 15,669           | (3.0) | 18,987          | (3.2) | 13,287          | (21.7) |

| Year ended        | Net income per share | Diluted net income per share |
|-------------------|----------------------|------------------------------|
|                   | Yen                  | Yen                          |
| December 31, 2020 | 136.05               | 136.03                       |
| December 31, 2019 | 102.48               | 102.47                       |

(2) Non-Consolidated Financial Position

(Amounts less than one million yen are truncated)

| Year ended        | Total assets    | Net assets      | Equity ratio | Net asset per share |
|-------------------|-----------------|-----------------|--------------|---------------------|
|                   | Millions of yen | Millions of yen | %            | Yen                 |
| December 31, 2020 | 488,713         | 308,625         | 63.2         | 2,380.14            |
| December 31, 2019 | 489,371         | 297,426         | 60.8         | 2,293.78            |

[Reference] Shareholders' equity: Year ended December 31, 2020 : 308,625 / Year ended December 31, 2019 : 297,426

\* Audits by CPAs or audit corporations are not required for financial results.

Disclaimer :

This report is not subject to audit procedures based on the Financial Instruments and Exchange Law in Japan.

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 Balance Sheets

(Amounts less than one million yen are truncated)

|  | As of December 31, 2019 | As of December 31, 2020 |
|--|-------------------------|-------------------------|
| <b>Assets</b>                          |                         |                         |
| Current assets                         |                         |                         |
| Cash and deposits                      | 53,993                  | 59,631                  |
| Notes and accounts receivable          | 112,666                 | 105,328                 |
| Securities                             | 500                     | 500                     |
| Merchandise and finished goods         | 33,281                  | 27,091                  |
| Work in process                        | 206                     | 103                     |
| Raw materials and supplies             | 622                     | 631                     |
| Short-term loans receivable            | 170,012                 | 180,006                 |
| Other current assets                   | 6,197                   | 7,122                   |
| Allowance for doubtful receivables     | (75)                    | (66)                    |
| Total current assets                   | <u>377,403</u>          | <u>380,349</u>          |
| Non-current assets                     |                         |                         |
| Property, plant and equipment          |                         |                         |
| Buildings and structures, net          | 26,948                  | 43,402                  |
| Machinery, equipment and vehicles, net | 99                      | 87                      |
| Tools, furniture and fixtures, net     | 3,315                   | 3,004                   |
| Rental assets, net                     | 9,403                   | 7,281                   |
| Land                                   | 28,918                  | 28,359                  |
| Leased assets, net                     | 31                      | 16                      |
| Construction in progress               | 14,095                  | 1,577                   |
| Total property, plant and equipment    | <u>82,813</u>           | <u>83,729</u>           |
| Intangible assets                      |                         |                         |
| Software                               | 4,148                   | 5,373                   |
| Lease assets                           | 2                       | 1                       |
| Utilization rights                     | 315                     | 294                     |
| Other intangible assets                | 2                       | 0                       |
| Total intangible assets                | <u>4,469</u>            | <u>5,669</u>            |
| Investments and other assets           |                         |                         |
| Investment in securities               | 11,037                  | 11,302                  |
| Long-term loans receivable             | 35                      | 35                      |
| Net defined benefit assets             | 393                     | 415                     |
| Deferred tax assets                    | 20,792                  | 19,219                  |
| Lease deposits                         | 4,358                   | 3,427                   |
| Other investments and other assets     | 2,775                   | 2,659                   |
| Allowance for doubtful receivables     | (382)                   | (205)                   |
| Total investments and other assets     | <u>39,011</u>           | <u>36,855</u>           |
| Total non-current assets               | <u>126,295</u>          | <u>126,255</u>          |
| Total assets                           | <u>503,698</u>          | <u>506,604</u>          |

## Consolidated Balance Sheets

(Amounts less than one million yen are truncated)

|   | As of December 31, 2019 | As of December 31, 2020 |
|---|-------------------------|-------------------------|
| <b>Liabilities</b>                                    |                         |                         |
| Current liabilities                                   |                         |                         |
| Notes and accounts payable                            | 51,542                  | 44,107                  |
| Lease obligations                                     | 72                      | 54                      |
| Accrued expenses                                      | 17,855                  | 16,166                  |
| Accrued income taxes                                  | 8,235                   | 7,004                   |
| Consumption taxes payable                             | 5,901                   | 5,547                   |
| Provision for bonuses                                 | 3,373                   | 5,664                   |
| Provision for directors' bonuses                      | 99                      | 75                      |
| Provision for product warranties                      | 651                     | 453                     |
| Provision for loss on order received                  | 189                     | 8                       |
| Other current liabilities                             | 32,101                  | 29,356                  |
| Total current liabilities                             | <u>120,023</u>          | <u>108,440</u>          |
| Long-term liabilities                                 |                         |                         |
| Lease obligations                                     | 103                     | 74                      |
| Deferred tax liabilities                              | -                       | 1                       |
| Allowance for long-term continuous service rewards    | 1,042                   | 951                     |
| Net defined benefit liabilities                       | 53,956                  | 47,883                  |
| Other long-term liabilities                           | 3,480                   | 3,139                   |
| Total long-term liabilities                           | <u>58,582</u>           | <u>52,049</u>           |
| Total liabilities                                     | <u>178,606</u>          | <u>160,490</u>          |
| <b>Net assets</b>                                     |                         |                         |
| Stockholders' equity                                  |                         |                         |
| Common stock  | 73,303                  | 73,303                  |
| Capital surplus                                       | 82,820                  | 82,814                  |
| Retained earnings                                     | 202,783                 | 188,481                 |
| Treasury stock  | (31,926)                | (2,103)                 |
| Total stockholders' equity                            | <u>326,979</u>          | <u>342,495</u>          |
| Accumulated other comprehensive income (loss)         |                         |                         |
| Net unrealized gains on available-for-sale securities | 3,929                   | 4,230                   |
| Deferred gains or losses on hedges                    | 11                      | (29)                    |
| Foreign currency translation adjustments              | 51                      | 5                       |
| Remeasurements of defined benefit plans               | (6,497)                 | (1,243)                 |
| Total accumulated other comprehensive income (loss)   | <u>(2,504)</u>          | <u>2,962</u>            |
| Non-controlling interests                             | 616                     | 655                     |
| Total net assets                                      | <u>325,092</u>          | <u>346,114</u>          |
| Total liabilities and net assets                      | <u>503,698</u>          | <u>506,604</u>          |

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

|  | FY2019<br>(from January 1, 2019<br>to December 31, 2019) | FY2020<br>(from January 1, 2020<br>to December 31, 2020) |
|--|--|--|
| Net sales  | 621,134  | 545,060  |
| Cost of sales  | 420,107  | 361,077  |
| Gross profit   | 201,026  | 183,982  |
| Selling, general and administrative expenses           | 168,586  | 152,665  |
| Operating income                                       | 32,439   | 31,317   |
| Non-operating income                                   |  |  |
| Interest income  | 196  | 243  |
| Dividend income  | 154  | 155  |
| Insurance income                                       | 767  | 452  |
| Gain on investments in partnership                     | 247  | 231  |
| Subsidies for employment adjustment                    | -  | 2,744  |
| Other non-operating income                             | 302  | 279  |
| Total non-operating income                             | 1,667  | 4,106  |
| Non-operating expenses                                 |  |  |
| Interest expense                                       | 12   | 12   |
| Foreign exchange losses                                | -  | 5  |
| Other non-operating expenses                           | 157  | 169  |
| Total non-operating expenses                           | 169  | 187  |
| Ordinary profit  | 33,937   | 35,236   |
| Extraordinary income                                   |  |  |
| Gain on sales of fixed assets                          | 13   | 283  |
| Gain on sales of investment securities                 | 2  | 278  |
| Other extraordinary income                             | -  | 20   |
| Total extraordinary income                             | 15   | 581  |
| Extraordinary losses                                   |  |  |
| Loss on sales and disposal of fixed assets             | 206  | 1,021  |
| Loss on impairment of fixed assets                     | 82   | -  |
| Loss on sales of shares of subsidiaries and associates | -  | 737  |
| Loss on valuation of investment securities             | 329  | 316  |
| Loss on COVID-19                                       | -  | 274  |
| Other extraordinary losses                             | 31   | 4  |
| Total extraordinary losses                             | 649  | 2,355  |
| Profit before income taxes                             | 33,302   | 33,463   |
| Income taxes-current                                   | 12,626   | 12,525   |
| Income taxes-deferred                                  | (1,663)  | (1,133)  |
| Total income taxes                                     | 10,963   | 11,392   |
| Profit   | 22,339   | 22,071   |
| Profit attributable to non-controlling interests       | 89   | 73   |
| Profit attributable to owners of parent                | 22,250   | 21,997   |

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

|   | FY2019<br>(from January 1, 2019<br>to December 31, 2019) | FY2020<br>(from January 1, 2020<br>to December 31, 2020) |
|---|--|--|
| Profit  | 22,339   | 22,071   |
| Other comprehensive income (loss)                               |  |  |
| Net unrealized gains or losses on available-for-sale securities | 1,412  | 302  |
| Deferred gains or losses on hedges                              | 9  | (40)   |
| Foreign currency translation adjustments                        | (24)   | (56)   |
| Remeasurements of defined benefit plans, net of tax             | 7,228  | 5,253  |
| Total other comprehensive income (loss)                         | 8,625  | 5,459  |
| Comprehensive income  | 30,965   | 27,530   |
| Comprehensive income attributable to                            |  |  |
| Owners of parent  | 30,875   | 27,464   |
| Non-controlling interests                                       | 89   | 66   |

## Consolidated Statements of Shareholders' Equity

I. FY2019 (from January 1, 2019 to December 31, 2019)

(Amounts less than one million yen are truncated)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stocks | Total shareholders' equity |
| Balance at beginning of current period               | 73,303               | 82,820          | 189,957           | (31,924)        | 314,156                    |
| Cumulative effects of changes in accounting policies | -                    | -               | (996)             | -               | (996)                      |
| Restated balance                                     | 73,303               | 82,820          | 188,961           | (31,924)        | 313,160                    |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 | -                    | -               | (8,428)           | -               | (8,428)                    |
| Profit attributable to owners of parent              | -                    | -               | 22,250            | -               | 22,250                     |
| Purchase of treasury stock                           | -                    | -               | -                 | (2)             | (2)                        |
| Profit attributable to non-controlling interests     | -                    | -               | -                 | -               | -                          |
| Dividends paid to non-controlling interests          | -                    | -               | -                 | -               | -                          |
| Net changes of items other than shareholders' equity | -                    | -               | -                 | -               | -                          |
| Total changes of items during period                 | -                    | -               | 13,821            | (2)             | 13,819                     |
| Balance at end of current period                     | 73,303               | 82,820          | 202,783           | (31,926)        | 326,979                    |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of current period               | 2,518   | 1                                  | 75                                      | (13,725)                                | (11,129)                                     | 542                       | 303,570          |
| Cumulative effects of changes in accounting policies | -   | -                                  | -                                       | -                                       | -  | -                         | (996)            |
| Restated balance                                     | 2,518   | 1                                  | 75                                      | (13,725)                                | (11,129)                                     | 542                       | 302,573          |
| Changes of items during period                       |   |                                    |   |   |  |                           |                  |
| Dividends of surplus                                 | -   | -                                  | -                                       | -                                       | -  | -                         | (8,428)          |
| Profit attributable to owners of parent              | -   | -                                  | -                                       | -                                       | -  | -                         | 22,250           |
| Purchase of treasury stock                           | -   | -                                  | -                                       | -                                       | -  | -                         | (2)              |
| Profit attributable to non-controlling interests     | -   | -                                  | -                                       | -                                       | -  | 89                        | 89               |
| Dividends paid to non-controlling interests          | -   | -                                  | -                                       | -                                       | -  | (15)                      | (15)             |
| Net changes of items other than shareholders' equity | 1,410   | 9                                  | (24)                                    | 7,228                                   | 8,625  | 0                         | 8,625            |
| Total changes of items during period                 | 1,410   | 9                                  | (24)                                    | 7,228                                   | 8,625  | 74                        | 22,519           |
| Balance at end of current period                     | 3,929   | 11                                 | 51                                      | (6,497)                                 | (2,504)                                      | 616                       | 325,092          |



## Consolidated Statements of Shareholders' Equity

II. FY2020 (from January 1, 2020 to December 31, 2020)

(Amounts less than one million yen are truncated)

|  | Shareholders' equity |                 |                   |                 |                            |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
|  | Capital stock        | Capital surplus | Retained earnings | Treasury stocks | Total shareholders' equity |
| Balance at beginning of current period               | 73,303               | 82,820          | 202,783           | (31,926)        | 326,979                    |
| Changes of items during period                       |                      |                 |                   |                 |                            |
| Dividends of surplus                                 | -                    | -               | (6,483)           | -               | (6,483)                    |
| Profit attributable to owners of parent              | -                    | -               | 21,997            | -               | 21,997                     |
| Purchase of treasury stock                           | -                    | -               | -                 | (2)             | (2)                        |
| Disposal of treasury shares                          | -                    | 1               | -                 | 3               | 4                          |
| Cancellation of treasury shares                      | -                    | (29,822)        | -                 | 29,822          | -                          |
| Transfer from retained earnings to capital surplus   | -                    | 29,815          | (29,815)          | -               | -                          |
| Profit attributable to non-controlling interests     | -                    | -               | -                 | -               | -                          |
| Dividends paid to non-controlling interests          | -                    | -               | -                 | -               | -                          |
| Net changes of items other than shareholders' equity | -                    | -               | -                 | -               | -                          |
| Total changes of items during period                 | -                    | (5)             | (14,301)          | 29,822          | 15,515                     |
| Balance at end of current period                     | 73,303               | 82,814          | 188,481           | (2,103)         | 342,495                    |

|  | Accumulated other comprehensive income                |                                    |   |   |  | Non-controlling interests | Total net assets |
|--|---|------------------------------------|---|---|--|---------------------------|------------------|
|  | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income |                           |                  |
| Balance at beginning of current period               | 3,929   | 11                                 | 51                                      | (6,497)                                 | (2,504)                                      | 616                       | 325,092          |
| Changes of items during period                       |   |                                    |   |   |  |                           |                  |
| Dividends of surplus                                 | -   | -                                  | -                                       | -                                       | -  | -                         | (6,483)          |
| Profit attributable to owners of parent              | -   | -                                  | -                                       | -                                       | -  | -                         | 21,997           |
| Purchase of treasury stock                           | -   | -                                  | -                                       | -                                       | -  | -                         | (2)              |
| Disposal of treasury shares                          | -   | -                                  | -                                       | -                                       | -  | -                         | 4                |
| Cancellation of treasury shares                      | -   | -                                  | -                                       | -                                       | -  | -                         | -                |
| Transfer from retained earnings to capital surplus   | -   | -                                  | -                                       | -                                       | -  | -                         | -                |
| Profit attributable to non-controlling interests     | -   | -                                  | -                                       | -                                       | -  | 73                        | 73               |
| Dividends paid to non-controlling interests          | -   | -                                  | -                                       | -                                       | -  | (26)                      | (26)             |
| Net changes of items other than shareholders' equity | 301   | (40)                               | (46)                                    | 5,253                                   | 5,467  | (7)                       | 5,459            |
| Total changes of items during period                 | 301   | (40)                               | (46)                                    | 5,253                                   | 5,467  | 39                        | 21,022           |
| Balance at end of current period                     | 4,230   | (29)                               | 5                                       | (1,243)                                 | 2,962  | 655                       | 346,114          |

## Consolidated Statements of Cash Flows

(Amounts less than one million yen are truncated)

|   | FY2019<br>(from January 1, 2019<br>to December 31, 2019) | FY2020<br>(from January 1, 2020<br>to December 31, 2020) |
|---|--|--|
| Cash flows from operating activities  |  |  |
| Profit before income taxes  | 33,302   | 33,463   |
| Depreciation  | 12,257   | 11,253   |
| Loss on Impairment of fixed assets  | 82   | -  |
| Increase (decrease) in allowance for doubtful receivables                                   | (66)   | (179)  |
| Increase (decrease) in net defined benefit liabilities                                      | 4,468  | 2,028  |
| Decrease (increase) in net defined benefit assets   | (19)   | (19)   |
| Increase (decrease) in provision for bonuses  | (64)   | 2,323  |
| Interest and dividend income  | (350)  | (398)  |
| Interest expense  | 12   | 12   |
| Loss (gain) on sales and disposal of property, plant and equipment, net                     | 190  | (150)  |
| Loss (gain) on sales of investment securities   | (2)  | (278)  |
| Loss (gain) on valuation of investment securities   | 329  | 316  |
| Loss (gain) on sales of shares of subsidiaries and associates                               | -  | 737  |
| Loss (gain) on investments in partnership   | (247)  | (231)  |
| Decrease (increase) in notes and accounts receivable-trade                                  | 4,857  | 5,276  |
| Decrease (increase) in inventories  | (1,805)  | 5,357  |
| Increase (decrease) in notes and accounts payable-trade                                     | (24,301)   | (6,262)  |
| Other, net  | 4,038  | (1,567)  |
| Subtotal  | 32,683   | 51,682   |
| Interest and dividends received   | 346  | 394  |
| Interest paid   | (12)   | (12)   |
| Income taxes paid   | (10,965)   | (13,574)   |
| Net cash provided by (used in) operating activities   | 22,052   | 38,490   |
| Cash flows from investing activities  |  |  |
| Payments for purchases of property, plant and equipment                                     | (11,651)   | (14,695)   |
| Proceeds from sales of property, plant and equipment  | 16   | 1,010  |
| Payments for purchases of intangible assets   | (1,450)  | (3,729)  |
| Payments for purchases of investment in securities  | (1,383)  | (310)  |
| Proceeds from sales of investments in securities  | 328  | 697  |
| Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation | -  | 828  |
| Decrease (increase) in short-term loans receivable, net.                                    | (79,997)   | (9,994)  |
| Other, net  | (446)  | 19   |
| Net cash provided by (used in) investing activities   | (94,584)   | (26,174)   |
| Cash flows from financing activities  |  |  |
| Repayments of finance lease obligations   | (109)  | (72)   |
| Payments for purchases of treasury stock  | (2)  | (2)  |
| Dividends paid  | (8,426)  | (6,485)  |
| Dividends paid to non-controlling shareholders  | (15)   | (26)   |
| Other, net  | (2)  | 0  |
| Net cash provided by (used in) financing activities   | (8,557)  | (6,587)  |
| Effect of exchange rate changes on cash and cash equivalents                                | 11   | (91)   |
| Net increase (decrease) in cash and cash equivalents  | (81,077)   | 5,637  |
| Cash and cash equivalents at beginning of period  | 135,571  | 54,493   |
| Cash and cash equivalents at end of period  | 54,493   | 60,131   |

## Consolidated Segment Information

### I. FY2019 (from January 1, 2019 to December 31, 2019)

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

(Amounts less than one million yen are truncated)

|   | Reportable segment |            |         |              | Other | Total   | Adjustment | Consolidated |
|---|--------------------|------------|---------|--------------|-------|---------|------------|--------------|
|   | Consumers          | Enterprise | Area    | Professional |       |         |            |              |
| Net sales   |                    |            |         |              |       |         |            |              |
| Sales - external customers                                      | 132,737            | 186,652    | 256,139 | 41,887       | 3,717 | 621,134 | -          | 621,134      |
| Sales - intersegment  | 53                 | 9,176      | 12,170  | 1,787        | 5,579 | 28,767  | (28,767)   | -            |
| Total   | 132,790            | 195,828    | 268,309 | 43,675       | 9,297 | 649,901 | (28,767)   | 621,134      |
| Operating income (loss)   | 6,865              | 10,070     | 14,398  | 1,617        | (714) | 32,235  | 203        | 32,439       |
| Assets  | 44,760             | 94,423     | 74,465  | 24,736       | 2,352 | 240,738 | 262,960    | 503,698      |
| Other   |                    |            |         |              |       |         |            |              |
| Depreciation  | 641                | 7,462      | 3,218   | 387          | 28    | 11,737  | 519        | 12,257       |
| Increase in Property, plant and equipment and Intangible assets | 617                | 17,723     | 2,516   | 544          | 22    | 21,423  | 27         | 21,450       |

[Note]

1. Other includes call center business and BPO service business, which are not included in reportable segments.

2. Adjustments are as follows:

(1) Adjustment of Operating income (loss) is the elimination of intersegment transactions.

(2) Adjustment in segment assets are corporate assets that do not belong to individual reportable segments. The corporate assets mainly consist of surplus funds (cash and marketable securities), assets related to land of head office, buildings, and the administrative division of the head office.

(3) Adjustment in depreciation expenses are depreciation expenses related to the buildings of the head office that do not belong to individual reportable segments.

(4) Adjustment in increase of property, plant and equipment and intangible assets consist of capital investment amount of the buildings of the head office that do not belong to individual reportable segments.

3. Total amount of Operating income (loss) for Reportable segments, Other and Adjustment is equal to the Operating income of Consolidated Quarterly Statements of Income.

## Consolidated Segment Information

II. FY2020 (from January 1, 2020 to December 31, 2020)

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

(Amounts less than one million yen are truncated)

|   | Reportable segment |            |         |              | Other   | Total   | Adjustment | Consolidated |
|---|--------------------|------------|---------|--------------|---------|---------|------------|--------------|
|   | Consumers          | Enterprise | Area    | Professional |         |         |            |              |
| Net sales   |                    |            |         |              |         |         |            |              |
| Sales - external customers                                      | 124,830            | 162,068    | 225,893 | 29,194       | 3,073   | 545,060 | -          | 545,060      |
| Sales - intersegment  | 44                 | 9,168      | 9,873   | 1,515        | 6,297   | 26,899  | (26,899)   | -            |
| Total   | 124,874            | 171,237    | 235,766 | 30,710       | 9,371   | 571,960 | (26,899)   | 545,060      |
| Operating income (loss)   | 12,218             | 8,920      | 9,898   | 1,879        | (1,566) | 31,350  | (33)       | 31,317       |
| Assets  | 44,100             | 98,152     | 68,943  | 14,955       | 2,814   | 228,965 | 277,639    | 506,604      |
| Other   |                    |            |         |              |         |         |            |              |
| Depreciation  | 569                | 7,190      | 2,745   | 338          | 27      | 10,871  | 382        | 11,253       |
| Increase in Property, plant and equipment and Intangible assets | 1,355              | 11,746     | 2,839   | 338          | 39      | 16,319  | 32         | 16,351       |

[Note]

1. Other includes call center business and BPO service business, which are not included in reportable segments.

2. Adjustments are as follows:

(1) Adjustment of Operating income (loss) is the elimination of intersegment transactions.

(2) Adjustment in segment assets are corporate assets that do not belong to individual reportable segments. The corporate assets mainly consist of surplus funds (cash and marketable securities), assets related to land of head office, buildings, and the administrative division of the head office.

(3) Adjustment in depreciation expenses are depreciation expenses related to the buildings of the head office that do not belong to individual reportable segments.

(4) Adjustment in increase of property, plant and equipment and intangible assets consist of capital investment amount of the buildings of the head office that do not belong to individual reportable segments.

3. Total amount of Operating income (loss) for Reportable segments, Other and Adjustment is equal to the Operating income of Consolidated Quarterly Statements of Income.