

# FY2021 Results

January 26, 2022  
Hatsumi Hirukawa  
Director, Vice President

The Canon logo is displayed in a bold, red, sans-serif font.

Canon Marketing Japan Inc.

- 
- The figures are rounded off to the nearest 100 million yen in this material.
  - Forward-looking statements and projections 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 projections.

**Net sales**                      **¥153.9 B**            **(Y/Y +1.8 B, +1%)**

- ✓ Net sales increased with higher sales in the Enterprise and Professional segments, offsetting a decrease in sales in the Consumers and Area segments.

**Operating Income**            **¥13.0 B**            **( Y/Y +2.1 B, +19%)**

- ✓ Operating income increased given a rise in the Enterprise, Area and Professional segments, offsetting a decrease in income in the Consumer segment.

**Net income attributable  
to owners of parent**            **¥9.1 B**            **( Y/Y +1.5 B, +20%)**

# Summary of Results

4Q 2021 Actual  
(from October 1 to December 31)



(Billions of yen)

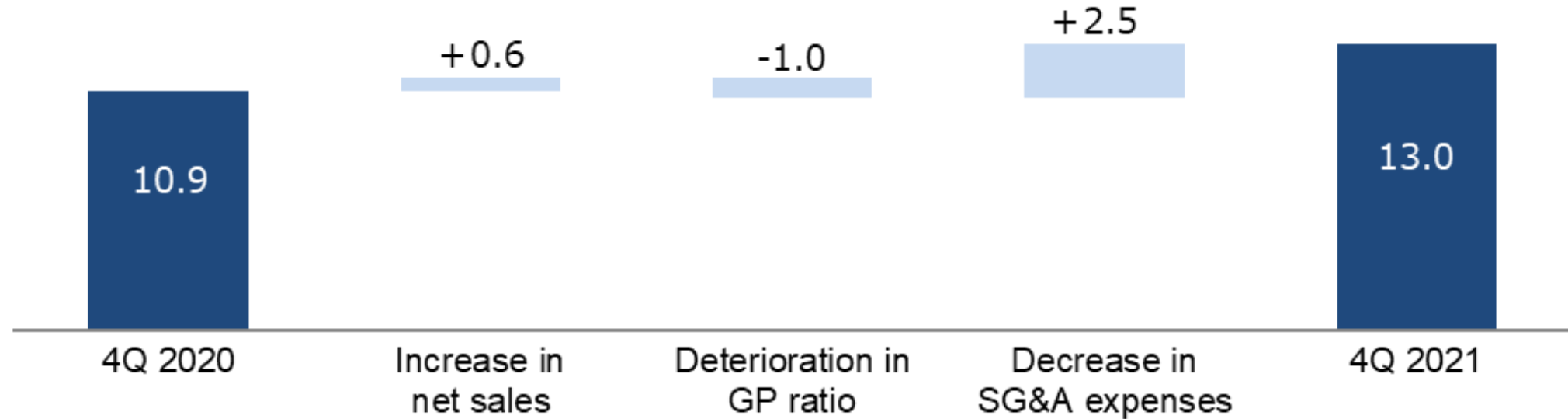
	4Q 2020	4Q 2021	Changes	
			Amount	%
Net sales	152.1	153.9	+1.8	+1%
	(34.4%)	(33.8%)	(-0.6%)	
Gross profit	52.4	52.0	-0.3	-1%
	(7.2%)	(8.5%)	(+1.3%)	
Operating income	10.9	13.0	+2.1	+19%
	(7.3%)	(8.6%)	(+1.3%)	
Ordinary income	11.2	13.3	+2.1	+19%
	(5.0%)	(5.9%)	(+0.9%)	
Net income attributable to owners of parent	7.6	9.1	+1.5	+20%

# Op. Income Variance Analysis

4Q 2021 Actual  
(from October 1 to December 31)



(Billions of yen)



## Deterioration in GP ratio

- The gross profit ratio declined mainly in the Consumer segment

## Decrease in SG&A expenses

- Other direct selling expenses -0.4 B
- Personnel expenses -1.9 B

# Segment Outline

4Q 2021 Actual  
(from October 1 to December 31)



(Billions of yen)

	4Q 2020		4Q 2021		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	43.4	6.5	41.5	5.1	-1.9	-1.3
Enterprise	48.2	2.3	53.7	4.7	+5.5	+2.4
Area	58.3	2.3	55.4	3.2	-2.9	+0.8
Professional	7.1	0.1	8.7	0.5	+1.6	+0.4
Other	-4.8	-0.3	-5.4	-0.5	-0.6	-0.2
Total	152.1	10.9	153.9	13.0	+1.8	+2.1

※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

※Part of the organization that conducted direct sales to medium-sized/second-tier companies in the Area segment was transferred to the Enterprise segment in 2021. Accordingly, results for 2020 have been reclassified between the segments.

# Summary of Results

FY2021 Actual  
(from January 1 to December 31)

**Canon**

- ✓ **Operating Income, ordinary income and net income attributable to owners of parent all surpassed previous record highs.**

(Billions of yen)

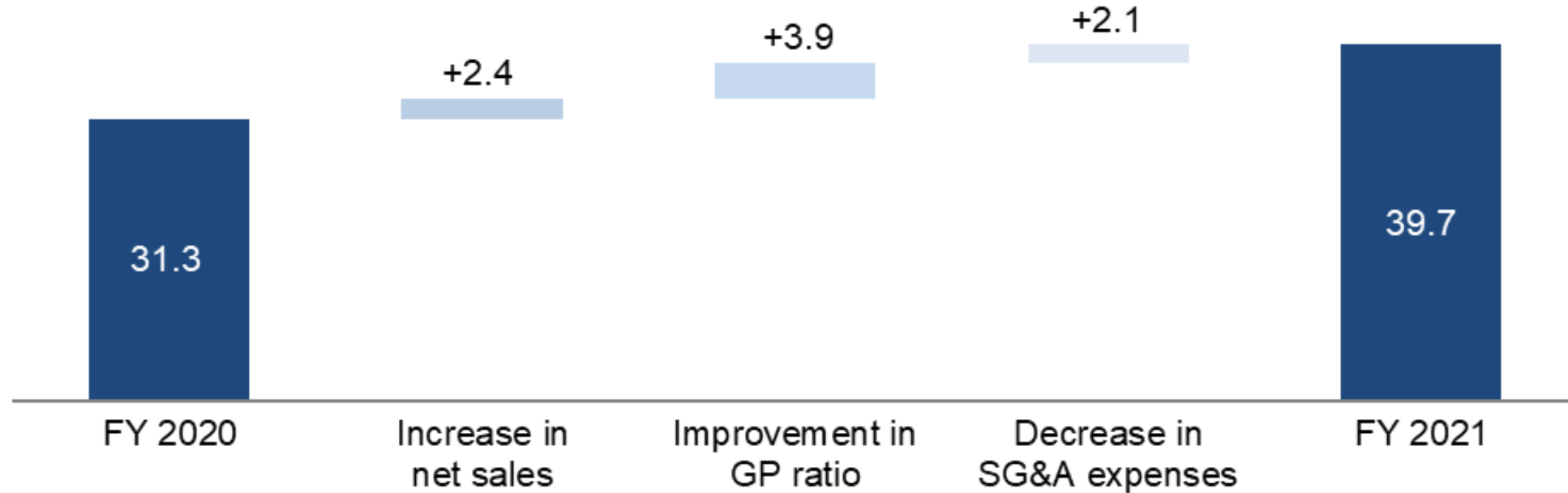
	FY2020	FY2021	Changes	
			Amount	%
Net sales	545.1	552.1	+7.0	+1%
	(33.8%)	(34.5%)	(+0.7%)	
Gross profit	184.0	190.3	+6.3	+3%
	(5.7%)	(7.2%)	(+1.4%)	
Operating income	31.3	39.7	+8.4	+27%
	(6.5%)	(7.4%)	(+1.0%)	
Ordinary income	35.2	41.1	+5.9	+17%
	(4.0%)	(5.3%)	(+1.3%)	
Net income attributable to owners of parent	22.0	29.4	+7.4	+34%

# Op. Income Variance Analysis

FY2021 Actual  
(from January 1 to December 31)



(Billions of yen)



## Improvement in GP ratio

- The gross profit ratio rose in the Enterprise, Area and Professional segments, respectively.

## Increase in SG&A expenses

- Other selling expenses -0.7 B
- Personnel expenses -2.0 B

# Segment Outline

FY2021 Actual  
(from January 1 to December 31)



(Billions of yen)

	FY 2020		FY 2021		Changes	
	Net sales	Op. Income	Net sales	Op. Income	Net sales	Op. Income
Consumers	124.7	12.3	129.5	13.6	+4.7	+1.3
Enterprise	184.6	9.4	190.6	13.9	+6.0	+4.4
Area	223.7	9.0	220.8	12.0	-2.8	+3.1
Professional	30.7	1.9	31.5	2.5	+0.8	+0.6
Other	-18.6	-1.3	-20.3	-2.3	-1.7	-1.0
<b>Total</b>	<b>545.1</b>	<b>31.3</b>	<b>552.1</b>	<b>39.7</b>	<b>+7.0</b>	<b>+8.4</b>

※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

※Part of the organization that conducted direct sales to medium-sized/second-tier companies in the Area segment was transferred to the Enterprise segment in 2021. Accordingly, results for 2020 have been reclassified between the segments.



- ✓ Net sales decreased, mainly reflecting lower sales of digital cameras, inkjet printer cartridges and IT products.
- ✓ Operating income decreased, chiefly on lower sales and a reactionary fall from higher sales attributable to a rise in the percentage of high-priced products in the same period of the previous fiscal year.

(Billions of yen)

	4Q		
	FY2020	FY2021	Changes
Net sales	43.4	41.5	-4%
Op. income	6.5	5.1	-20%
ratio	14.9%	12.4%	-2.5%

Consumer Products, Y/Y  
Non-consolidated

		1Q	2Q	3Q	4Q	Full Year
Digital Interchangeable Lens Camera	Unit	-20%	+84%	+2%	-14%	+2%
Compact Digital Camera	Unit	-2%	+39%	-30%	-52%	-18%
Inkjet Printer (IJP)	Unit	+34%	-23%	-41%	-1%	-10%
IJP Cartridge	Amount	-0%	-10%	-4%	-6%	-5%

- ✓ Net sales rose due to the strong performance of the IT Solutions business, offsetting a decline in sales of main business equipment attributable to the impact of the short supply of products.
- ✓ Operating income increased, reflecting a rise in gross profit due to higher sales and efforts made for SG&A reductions.

	4Q		
	FY2020	FY2021	Changes
Business Equipment, Other	17.9	16.0	-11%
IT Solutions	30.3	37.7	+24%
Net sales	48.2	53.7	+11%
Op. income	2.3	4.7	+103%
ratio	4.8%	8.7%	+4.0%

(Billions of yen)

[Reference] Results of main consolidated companies

Canon IT Solutions Inc.

	4Q		Changes	
	2020	2021	Amount	%
Net sales	23.4	25.9	+2.5	+11%
Op. income	2.1	2.6	+0.5	+24%

Orders received and outstanding orders, Y/Y

Canon IT Solutions, Non-consolidated

	4Q				Full Year
	1Q	2Q	3Q	4Q	
Orders received Amount	+1%	+10%	-19%	+70%	+14%
Outstanding order Amount	+14%	+19%	-3%	+31%	-

- ✓ Net sales decreased, mainly because of a significant decline in sales of main business equipment due to the impact of the short supply of products, as well as the shortage of semiconductors for business PCs, etc.
- ✓ Operating income increased, primarily reflecting efforts made to cut SG&A expenses.

	4Q		
	FY2020	FY2021	Changes
Business Equipment, Other	43.1	40.5	-6%
IT Solutions	15.2	14.9	-2%
Net sales	58.3	55.4	-5%
Op. income	2.3	3.2	+36%
ratio	4.0%	5.7%	+1.7%

(Billions of yen)

[Reference] Results of main consolidated companies  
Canon System & Support Inc.

	4Q		Changes	
	2020	2021	Amount	%
Net sales	25.2	23.7	-1.5	-6%
Op. income	0.9	1.1	+0.2	+24%

- ✓ Net sales increased due to higher sales in all subsegments.
- ✓ Operating income increased, reflecting a rise in gross profit due to higher sales and decline in SG&A expenses.

	4Q		
	FY2020	FY2021	Changes
Production Printing	2.6	3.2	+21%
Industrial Equipment	2.7	3.4	+27%
Healthcare Business	1.8	2.1	+20%
Net sales	7.1	8.7	+23%
Op. income	0.1	0.5	+340%
ratio	1.7%	6.1%	+4.4%

(Billions of yen)

[Reference] Results of main consolidated companies  
Canon Production Printing Systems Inc.

	4Q		Changes	
	2020	2021	Amount	%
Net sales	2.5	3.0	+0.5	+21%
Op. income	0.1	0.1	+0.0	+31%

# Overall Sales of IT Solutions

(Billions of yen)

## ■ By Segment

	4Q 2020	4Q 2021	1Q-4Q 2020	1Q-4Q 2021	Changes		Changes	
					Amount	%	Amount	%
Enterprise segment	30.3	37.7	118.3	128.4	+7.4	+24%	+10.1	+9%
Area segment	15.2	14.9	62.4	62.3	-0.4	-2%	-0.1	-0%
Other	8.2	8.3	28.7	30.4	+0.0	+0%	+1.8	+6%
<b>Total</b>	<b>53.8</b>	<b>60.9</b>	<b>209.4</b>	<b>221.1</b>	<b>+7.1</b>	<b>+13%</b>	<b>+11.8</b>	<b>+6%</b>

## ■ By Products and Solutions

	4Q 2020	4Q 2021	1Q-4Q 2020	1Q-4Q 2021	Changes		Changes	
					Amount	%	Amount	%
SI service	17.5	19.0	70.9	73.0	+1.4	+8%	+2.2	+3%
Maintenance and operation service /outsourcing	9.6	16.0	37.2	47.0	+6.4	+67%	+9.9	+27%
System sales/IT product	26.7	25.9	101.3	101.0	-0.8	-3%	-0.3	-0%
<b>Total</b>	<b>53.8</b>	<b>60.9</b>	<b>209.4</b>	<b>221.1</b>	<b>+7.1</b>	<b>+13%</b>	<b>+11.8</b>	<b>+6%</b>

※ The FY2020 financial results have been subject to reclassification due to the inclusion of the business of certain products such as network cameras in sales of IT Solutions in FY2021.

# Summary of Projections

(Billions of yen)

	FY2021 Actual	FY2022 Projection	Changes	
			Amount	%
Net Sales	552.1	580.0	+27.9	+5%
	(7.2%)	(7.0%)	(-0.2%)	
Operating Income	39.7	40.5	+0.8	+2%
	(7.4%)	(7.3%)	(-0.1%)	
Ordinary Income	41.1	42.4	+1.3	+3%
	(5.3%)	(5.1%)	(-0.2%)	
Profit attributable to owners of parent	29.4	29.5	+0.1	+0%

# Summary of Projections by Segment

## FY2022 Projection vs. FY2021 Actual

(Billions of yen)

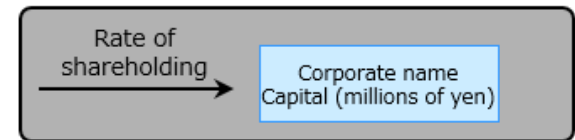
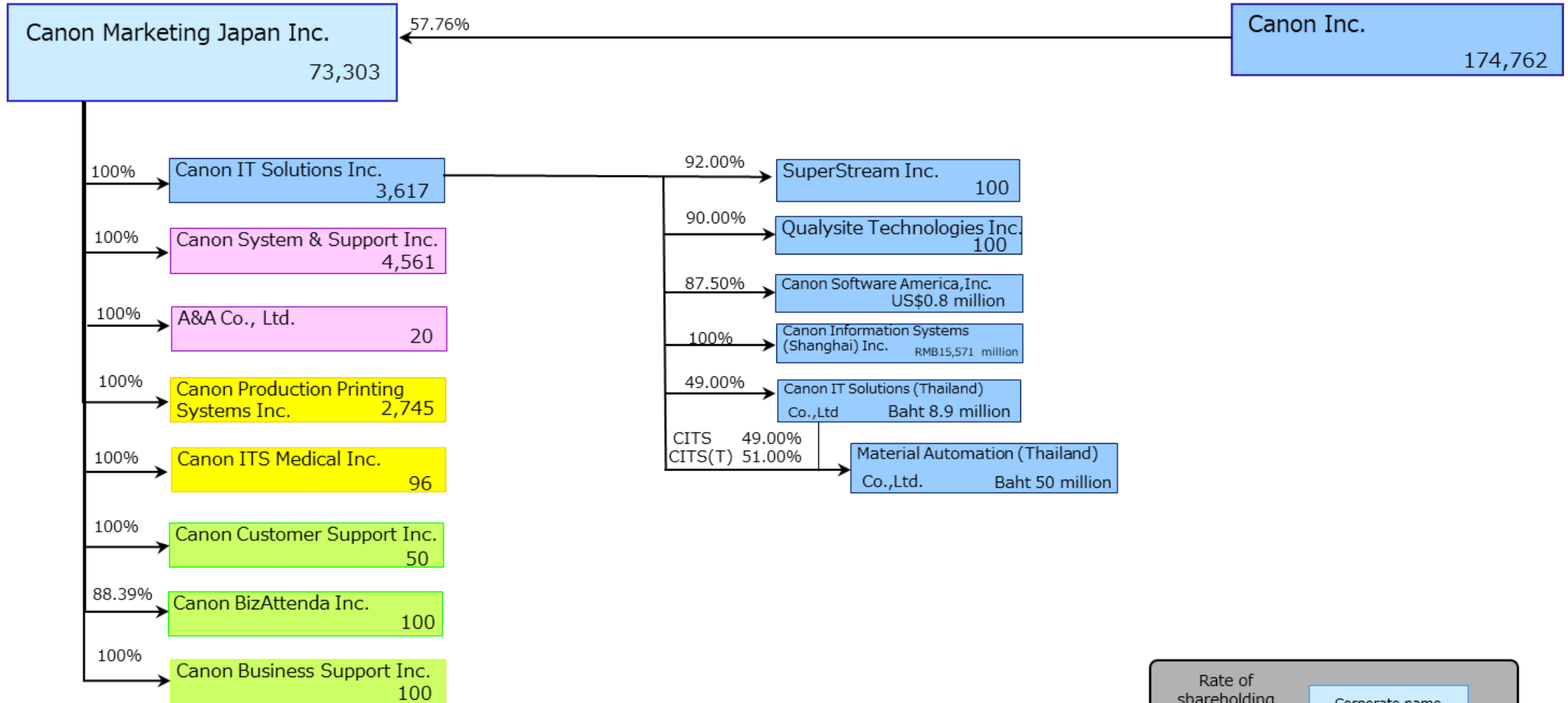
	FY2021 Actual		FY2022 Projection		Changes		
	Net Sales	Op. Income	Net Sales	Op. Income	Net Sales Amount	%	Op. Income
Consumers	129.5	13.6	130.3	12.0	+0.8	+1%	-1.6
Enterprise	190.6	13.9	196.0	13.9	+5.4	+3%	+0.0
Area	220.8	12.0	232.5	13.5	+11.7	+5%	+1.5
Professional	31.5	2.5	39.8	3.4	+8.3	+26%	+0.9
Other	-20.3	-2.3	-18.6	-2.3	+1.7	-	-0.0
Total	552.1	39.7	580.0	40.5	+27.9	+5%	+0.8

※"Other" includes inter-segment sales, shared service businesses and corporate expenses that are not allocated to each segment.

# Supplementary Information



# Capital Relationship Diagram



# Results of main consolidated companies

4Q 2021 Actual  
(from October 1 to December 31)



(Billions of yen)

		4Q 2020		4Q 2021		Changes	
						Amount	%
<b>Enterprise</b>							
Canon IT Solutions Inc.	Net sales	23.4		25.9		+2.5	+11%
	Op. income	2.1	(8.8%)	2.6	(9.9%)	+0.5	(+1.1%)
<b>Area</b>							
Canon System & Support Inc.	Net sales	25.2		23.7		-1.5	-6%
	Op. income	0.9	(3.6%)	1.1	(4.7%)	+0.2	(+1.1%)
<b>Professional</b>							
Canon Production Printing Systems Inc.	Net sales	2.5		3.0		+0.5	+21%
	Op. income	0.1	(2.2%)	0.1	(2.4%)	+0.0	(+0.2%)

# Results of main consolidated companies

FY2021 Actual  
(from January 1 to December 31)



(Billions of yen)

		FY2020		FY2021		Changes	
						Amount	%
<b>Enterprise</b>							
Canon IT Solutions Inc.	Net sales	90.9		97.6		+6.7	+7%
	Op. income	7.8	(8.6%)	9.4	(9.7%)	+1.6	(+1.1%)
<b>Area</b>							
Canon System & Support Inc.	Net sales	98.0		97.4		-0.6	-1%
	Op. income	2.0	(2.0%)	3.9	(4.0%)	+1.9	(+1.9%)
<b>Professional</b>							
Canon Production Printing Systems Inc.	Net sales	9.5		9.3		-0.2	-2%
	Op. income	0.1	(1.5%)	0.3	(2.9%)	+0.1	(+1.3%)

# SG&A expenses

4Q 2021 Actual  
(from October 1 to December 31)



(Billions of yen)

	4Q 2020	4Q 2021	Changes
Advertising expenses	1.6	1.7	+0.1
Promotion expenses	1.2	1.0	-0.2
Warranty expenses	0.7	0.6	-0.1
Other direct selling expenses	4.7	4.3	-0.4
Personnel expenses	26.1	24.1	-1.9
Depreciation and amortization	0.4	0.3	-0.2
Other selling expenses	6.7	7.0	+0.2
<b>Total</b>	<b>41.5</b>	<b>39.0</b>	<b>-2.5</b>

# SG&A expenses

FY2021 Actual  
(from January 1 to December 31)



(Billions of yen)

	FY2020	FY2021	Changes
Advertising expenses	4.7	5.1	+0.4
Promotion expenses	3.4	3.0	-0.4
Warranty expenses	3.1	2.8	-0.3
Other direct selling expenses	17.5	16.9	-0.7
Personnel expenses	97.5	95.4	-2.0
Depreciation and amortization	1.2	1.1	-0.1
Other selling expenses	25.3	26.3	+1.0
<b>Total</b>	<b>152.7</b>	<b>150.6</b>	<b>-2.1</b>

# Non-operating income and expenses

(Billions of yen)

	FY2020		FY2021		Changes	
	4Q	FY	4Q	FY	4Q	FY
Interest income	0.1	0.2	0.1	0.3	+0.0	+0.0
Dividend income	0.0	0.2	0.2	0.3	+0.1	+0.1
Insurance income	0.0	0.5	0.0	0.5	+0.0	+0.1
Gain on investments in partnership	0.1	0.2	-0.0	0.3	-0.1	+0.0
Subsidies for employment adjustment	-0.0	2.7	-	-	+0.0	-2.7
Other	0.1	0.3	0.1	0.2	-0.0	-0.1
<b>Total non-operating income</b>	<b>0.2</b>	<b>4.1</b>	<b>0.3</b>	<b>1.6</b>	<b>+0.0</b>	<b>-2.5</b>
Interest expense	0.0	0.0	0.0	0.0	-0.0	-0.0
Foreign exchange losses	-0.0	0.0	-0.0	0.0	+0.0	+0.0
Other	0.0	0.2	0.0	0.1	+0.0	-0.0
<b>Total non-operating expenses</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>+0.0</b>	<b>-0.0</b>

# Extraordinary income and expenses

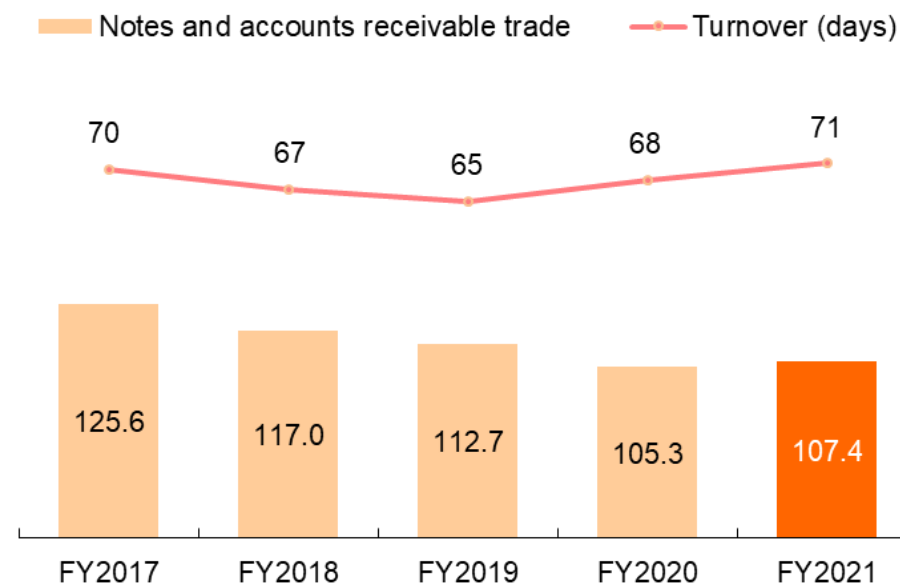
(Billions of yen)

	FY2020		FY2021		Changes	
	4Q	FY	4Q	FY	4Q	FY
Gain on sales of fixed assets	0.0	0.3	0.0	0.0	+0.0	-0.3
Gain on sales of investments in securities	0.0	0.3	-	1.3	-0.0	+1.0
Gain on sales of shares of subsidiaries and associates	-	0.0	-	0.9	-	+0.9
Gain on casualty insurance	-	0.0	-	0.2	-	+0.2
Other	-	0.0	0.0	0.0	+0.0	-0.0
<b>Total extraordinary income</b>	<b>0.0</b>	<b>0.6</b>	<b>0.0</b>	<b>2.4</b>	<b>-0.0</b>	<b>+1.8</b>
Loss on sales and disposal of fixed assets	0.1	1.0	0.0	0.1	-0.1	-0.9
Loss on disaster	-	0.0	-	0.2	-	+0.2
Loss on sales of shares of subsidiaries and associates	-	0.7	0.0	0.0	+0.0	-0.7
Loss on valuation of investments in securities	0.3	0.3	0.0	0.0	-0.3	-0.3
Loss on COVID-19	-	0.3	-	-	-	-0.3
Other	0.0	0.0	-	0.0	-0.0	+0.0
<b>Total extraordinary expenses</b>	<b>0.4</b>	<b>2.4</b>	<b>0.1</b>	<b>0.4</b>	<b>-0.3</b>	<b>-2.0</b>

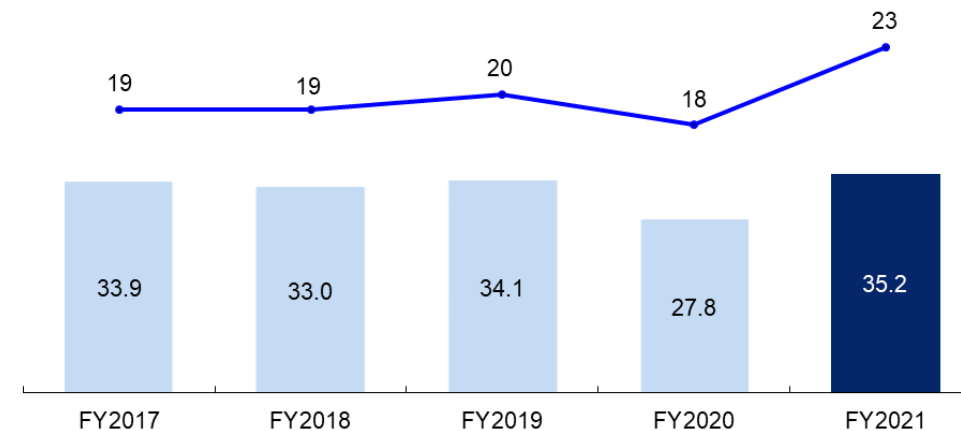
# Balance Sheets

	Dec. 31 2020	Dec. 31 2021	Changes
<b>Assets</b>	506.6	526.4	+19.8
Current assets	380.3	396.1	+15.7
Cash and deposits	60.1	68.0	+7.9
Notes and accounts receivable-trade	105.3	107.4	+2.0
Inventories	27.8	35.2	+7.4
Other (current assets)	187.1	185.4	-1.6
Non-current assets	126.3	130.3	+4.1
Property, plant and equipment	83.7	85.2	+1.4
Intangible assets	5.7	6.5	+0.9
Investments and other assets	36.9	38.7	+1.8
<b>Liabilities</b>	160.5	151.7	-8.7
Current liabilities	108.4	107.1	-1.3
Notes and accounts payable-trade	44.1	46.3	+2.2
Other (current liabilities)	64.3	60.8	-3.5
Long-term liabilities	52.0	44.6	-7.4
<b>Net assets</b>	346.1	374.7	+28.6
Shareholders' equity	342.5	362.9	+20.4
(Treasury stock included)	-2.1	-2.1	+0.0
Total accumulated other comprehensive income (loss)	3.0	11.1	+8.1
Non-controlling interests	0.7	0.7	+0.1
<b>Equity ratio</b>	68%	71%	+3%

## Notes and accounts receivable-trade (Billions of yen)



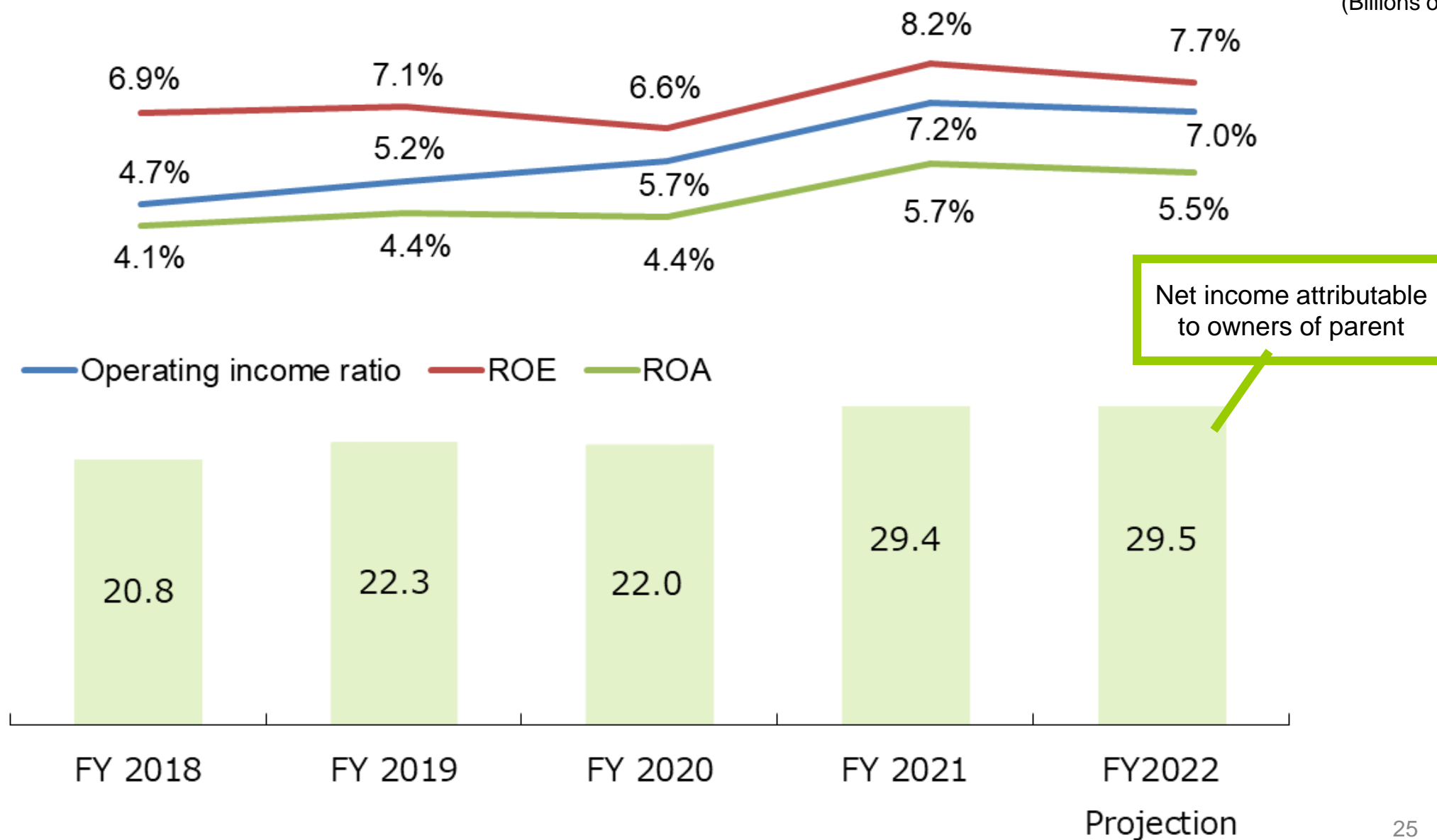
## Inventories



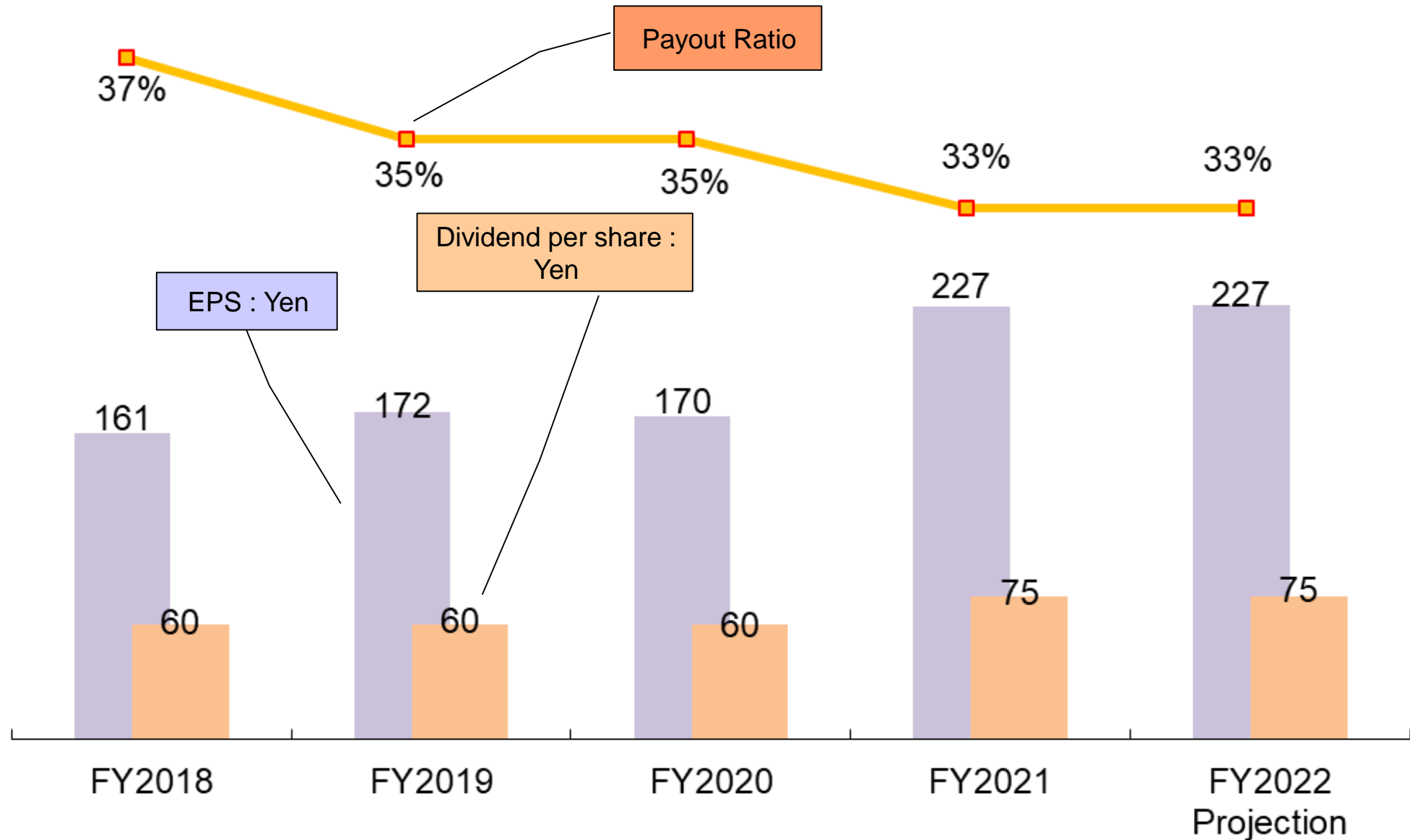


# Financial Indicator

(Billions of yen)



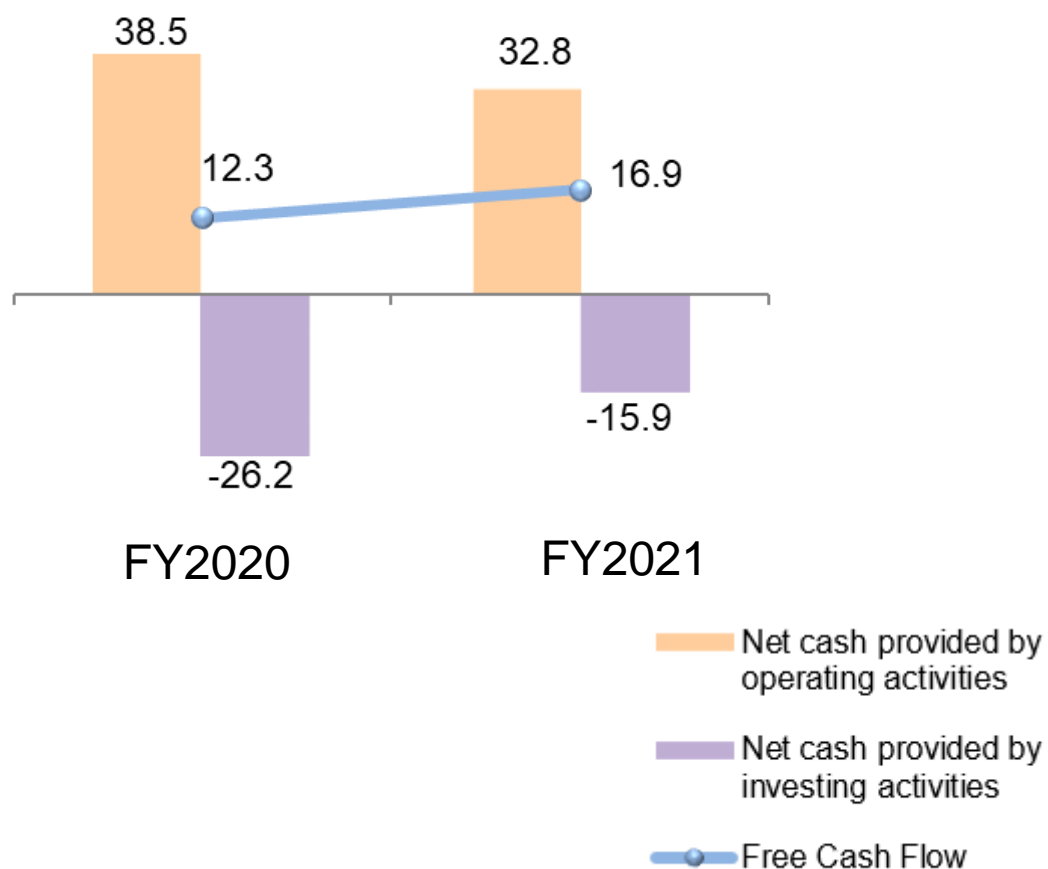
# Financial Indicator



# Cash Flow, Capital Investment, Depreciation and amortization

(Billions of yen)

## ■ Cash Flow



## ■ Capital Investment

Full Year

FY 2020	16.4
FY 2021	12.6
FY 2022 Projection	15.5

## ■ Depreciation and amortization

Full Year

FY 2020	11.3
FY 2021	10.2
FY 2022 Projection	10.2

**Canon**

Canon Marketing Japan Inc.