

## Summary Report of Consolidated Financial Results

for the fiscal year ended December 31, 2021

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: Masachika Adachi, President  
 Contact: Masahiko Banno, General Manager Accounting Div. Accounting Headquarters  
 Dividend payable date (as planned): March 30, 2022  
 U.S. Accounting Standards Applied: No

1. Consolidated business results for the year ended December 31, 2021 (From January 1, 2021 to December 31, 2021)

(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		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	552,085	1.3	39,699	26.8	41,096	16.6	29,420	33.7
December 31, 2020	545,060	(12.2)	31,317	(3.5)	35,236	3.8	21,997	(1.1)

[Note] Comprehensive Income: Year ended December 31, 2021 : 37,640 million yen [36.7%]  
 Year ended December 31, 2020 : 27,530 million yen [(11.1)%]

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, 2021	226.88	226.83	8.2	8.0	7.2
December 31, 2020	169.65	169.62	6.6	7.0	5.7

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

Year ended	Total assets	Equity	Equity ratio	Net asset per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2021	526,418	374,676	71.0	2,883.74
December 31, 2020	506,604	346,114	68.2	2,664.20

[Reference] Shareholders' equity: Year ended December 31, 2021 : 373,949 million yen  
 Year ended December 31, 2020 : 345,458 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, 2021	32,756	(15,894)	(9,160)	68,028
December 31, 2020	38,490	(26,174)	(6,587)	60,131

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, 2020	Yen -	Yen 20.00	Yen -	Yen 40.00	Yen 60.00	Yen 7,780	% 35.4	% 2.3
Year ended December 31, 2021	Yen -	Yen 30.00	Yen -	Yen 45.00	Yen 75.00	Yen 9,725	% 33.1	% 2.7
Year ending December 31, 2022 (forecast)	Yen -	Yen -	Yen -	Yen -	Yen 75.00		% 33.0	

3. Consolidated financial forecast for the fiscal year ending December 31, 2022

(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		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	580,000	5.1	40,500	2.0	42,400	3.2	29,500	0.3	227.49

\*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, 2021 : 131,079,972

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

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

As of December 31, 2021 : 1,404,790

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

( iii ) Average number of shares

As of December 31, 2021 : 129,673,399

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

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated business results for the year ended December 31, 2021 (From January 1, 2021 to December 31, 2021)

(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, 2021	415,654	0.7	23,664	30.9	32,385	25.9	26,068	47.8
December 31, 2020	412,800	(12.8)	18,082	15.4	25,723	35.5	17,641	32.8

Year ended	Basic earnings per share	Diluted net income per share
	Yen	Yen
December 31, 2021	201.03	200.99
December 31, 2020	136.05	136.03

(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, 2021	503,481	329,000	65.3	2,537.11
December 31, 2020	488,713	308,625	63.2	2,380.14

[Reference] Shareholders' equity: Year ended December 31, 2021 : 329,000 / Year ended December 31, 2020 : 308,625

\* 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, 2020	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	59,631	67,528
Notes and accounts receivable-trade	105,328	107,367
Securities	500	500
Merchandise and finished goods	27,091	34,578
Work in process	103	145
Raw materials and supplies	631	511
Short-term loans receivable	180,006	180,004
Other current assets	7,122	5,469
Allowance for doubtful receivables	(66)	(24)
Total current assets	380,349	396,082
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	43,402	45,916
Machinery, equipment and vehicles, net	87	77
Tools, furniture and fixtures, net	3,004	2,760
Rental assets, net	7,281	5,639
Land	28,359	28,359
Leased assets, net	16	7
Construction in progress	1,577	2,392
Total property, plant and equipment	83,729	85,154
Intangible assets		
Software	5,373	6,226
Lease assets	1	-
Utilization rights	294	303
Other intangible assets	0	0
Total intangible assets	5,669	6,530
Investments and other assets		
Investments in securities	11,302	17,353
Long-term loans receivable	35	35
Prepaid pension and severance costs	415	421
Deferred tax assets	19,219	14,974
Lease deposits	3,427	2,961
Other investments and other assets	2,659	2,999
Allowance for doubtful receivables	(205)	(95)
Total investments and other assets	36,855	38,651
Total non-current assets	126,255	130,336
Total assets	506,604	526,418

## Consolidated Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2020	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	44,107	46,323
Lease obligations	54	52
Accrued expenses	16,166	16,127
Accrued income taxes	7,004	6,954
Consumption taxes payable	5,547	6,089
Accrued bonuses	5,664	4,148
Accrued directors' bonuses	75	98
Accrued product warranties	453	291
Accrued loss on order received	8	308
Other current liabilities	29,356	26,715
Total current liabilities	<u>108,440</u>	<u>107,109</u>
Long-term liabilities		
Lease obligations	74	81
Deferred tax liabilities	1	-
Allowance for long-term continuous service rewards	951	899
Accrued pension and severance costs	47,883	40,913
Other long-term liabilities	3,139	2,738
Total long-term liabilities	<u>52,049</u>	<u>44,632</u>
Total liabilities	<u>160,490</u>	<u>151,741</u>
<b>Equity</b>		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,814	82,824
Retained earnings	188,481	208,824
Treasury stock	(2,103)	(2,092)
Total shareholders' equity	<u>342,495</u>	<u>362,859</u>
Accumulated other comprehensive income (loss)		
Net unrealized gains on available-for-sale securities	4,230	7,873
Deferred gains or losses on hedges	(29)	22
Foreign currency translation adjustments	5	125
Defined retirement benefit plans	(1,243)	3,067
Total accumulated other comprehensive income (loss)	<u>2,962</u>	<u>11,089</u>
Non-controlling interests	655	727
Total equity	<u>346,114</u>	<u>374,676</u>
Total liabilities and equity	<u>506,604</u>	<u>526,418</u>

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Net sales	545,060	552,085
Cost of sales	361,077	361,809
Gross profit	183,982	190,276
Selling, general and administrative expenses	152,665	150,576
Operating income	31,317	39,699
Non-operating income		
Interest income	243	274
Dividend income	155	283
Insurance income	452	506
Gain on investments in partnership	231	278
Subsidies for employment adjustment under COVID-19	2,744	-
Other, net	279	220
Total non-operating income	4,106	1,562
Non-operating expenses		
Interest expense	12	12
Foreign exchange losses	5	6
Other, net	169	146
Total non-operating expenses	187	165
Ordinary income	35,236	41,096
Extraordinary income		
Gain on sales of fixed assets	283	6
Gain on sales of investments in securities	278	1,255
Gain on sales of shares of subsidiaries and associates	-	895
Gain on casualty insurance	-	202
Other, net	20	16
Total extraordinary income	581	2,376
Extraordinary losses		
Loss on sales and disposal of fixed assets	1,021	124
Loss on disaster	-	168
Loss on sales of shares of subsidiaries and associates	737	40
Loss on valuation of investments in securities	316	18
Loss on COVID-19	274	-
Other, net	4	26
Total extraordinary losses	2,355	377
Net income before income taxes	33,463	43,094
Income taxes-current	12,525	12,971
Income taxes-deferred	(1,133)	627
Total income taxes	11,392	13,598
Net income	22,071	29,495
Net income attributable to non-controlling interests	73	75
Net income attributable to owners of parent	21,997	29,420

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Net income	22,071	29,495
Other comprehensive income (loss)		
Net unrealized gains or losses on available-for-sale securities	302	3,643
Deferred gains / (losses) on hedges	(40)	51
Foreign currency translation adjustments	(56)	137
Defined retirement benefit plans, net of tax	5,253	4,311
Total other comprehensive income (loss)	5,459	8,144
Comprehensive income	27,530	37,640
Comprehensive income attributable to		
Owners of parent	27,464	37,547
Non-controlling interests	66	93

## Consolidated Statements of Shareholders' Equity

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

(Amounts less than one million yen are truncated)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	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)
Net income attributable to owners of parent	-	-	21,997	-	21,997
Purchase of treasury stock	-	-	-	(2)	(2)
Disposal of treasury stock	-	1	-	3	4
Cancellation of treasury stock	-	(29,822)	-	29,822	-
Transfer from retained earnings to capital surplus	-	29,815	(29,815)	-	-
Net income 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 (loss)					Non-controlling interests	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income(loss)		
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)
Net income attributable to owners of parent	-	-	-	-	-	-	21,997
Purchase of treasury stock	-	-	-	-	-	-	(2)
Disposal of treasury stock	-	-	-	-	-	-	4
Cancellation of treasury stock	-	-	-	-	-	-	-
Transfer from retained earnings to capital surplus	-	-	-	-	-	-	-
Net income 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 Shareholders' Equity

II. FY2021 (from January 1, 2021 to December 31, 2021)

(Amounts less than one million yen are truncated)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	73,303	82,814	188,481	(2,103)	342,495
Changes of items during period					
Dividends of surplus	-	-	(9,076)	-	(9,076)
Net income attributable to owners of parent	-	-	29,420	-	29,420
Purchase of treasury stock	-	-	-	(2)	(2)
Disposal of treasury stock	-	9	-	13	23
Net income 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	-	9	20,343	10	20,363
Balance at end of current period	73,303	82,824	208,824	(2,092)	362,859

	Accumulated other comprehensive income (loss)					Non-controlling interests	Total equity
	Net unrealized gains on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income(loss)		
Balance at beginning of current period	4,230	(29)	5	(1,243)	2,962	655	346,114
Changes of items during period							
Dividends of surplus	-	-	-	-	-	-	(9,076)
Net income attributable to owners of parent	-	-	-	-	-	-	29,420
Purchase of treasury stock	-	-	-	-	-	-	(2)
Disposal of treasury stock	-	-	-	-	-	-	23
Net income attributable to non-controlling interests	-	-	-	-	-	75	75
Dividends paid to non-controlling interests	-	-	-	-	-	(21)	(21)
Net changes of items other than shareholders' equity	3,642	51	120	4,311	8,126	17	8,144
Total changes of items during period	3,642	51	120	4,311	8,126	71	28,562
Balance at end of current period	7,873	22	125	3,067	11,089	727	374,676

## Consolidated Statements of Cash Flows

(Amounts less than one million yen are truncated)

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Net income before income taxes	33,463	43,094
Depreciation and amortization	11,253	10,246
Increase (decrease) in allowance for doubtful receivables	(179)	(242)
Increase (decrease) in accrued pension and severance costs	2,028	(544)
Decrease (increase) in prepaid pension and severance costs	(19)	(45)
Increase (decrease) in accrued bonuses	2,323	(1,486)
Interest and dividend income	(398)	(558)
Interest expense	12	12
Loss (gain) on sales and disposal of property, plant and equipment, net	(150)	111
Loss (gain) on sales of investments in securities	(278)	(1,255)
Loss (gain) on valuation of investments in securities	316	18
Loss (gain) on sales of shares of subsidiaries and associates	737	(855)
Loss (gain) on investments in partnership	(231)	(278)
Decrease (increase) in notes and accounts receivable-trade	5,276	(1,987)
Decrease (increase) in inventories	5,357	(7,467)
Increase (decrease) in notes and accounts payable-trade	(6,262)	2,222
Other, net	(1,567)	4,332
Subtotal	51,682	45,317
Interest and dividends received	394	555
Interest paid	(12)	(12)
Income taxes paid	(13,574)	(13,103)
Net cash provided by operating activities	38,490	32,756
Cash flows from investing activities		
Payments for purchases of property, plant and equipment	(14,695)	(14,587)
Proceeds from sales of property, plant and equipment	1,010	18
Payments for purchases of intangible assets	(3,729)	(2,242)
Payments for purchases of investments in securities	(310)	(1,089)
Proceeds from sales of investments in securities	697	1,893
Proceeds from sales of shares of a subsidiary resulting in change in scope of consolidation	828	847
Decrease (increase) in short-term loans receivable, net.	(9,994)	2
Other, net	19	(737)
Net cash provided by (used in) investing activities	(26,174)	(15,894)
Cash flows from financing activities		
Repayments of finance lease obligations	(72)	(61)
Payments for purchases of treasury stock	(2)	(2)
Dividends paid	(6,485)	(9,073)
Dividends paid to non-controlling interests	(26)	(21)
Other, net	0	-
Net cash used in financing activities	(6,587)	(9,160)
Effect of exchange rate changes on cash and cash equivalents	(91)	195
Net increase (decrease) in cash and cash equivalents	5,637	7,897
Cash and cash equivalents at beginning of period	54,493	60,131
Cash and cash equivalents at end of period	60,131	68,028

## Consolidated Segment Information

### I. 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	124,695	174,447	213,830	29,193	2,893	545,060	-	545,060
Sales - intersegment	44	10,136	9,831	1,515	6,297	27,824	(27,824)	-
Total	124,739	184,583	223,662	30,708	9,191	572,884	(27,824)	545,060
Operating income (loss)	12,287	9,429	8,984	1,902	(1,252)	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 Statements of Income.

## Consolidated Segment Information

II. FY2021(from January 1, 2021 to December 31, 2021)

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	129,432	180,042	209,198	30,059	3,351	552,085	-	552,085
Sales - intersegment	38	10,552	11,627	1,476	7,886	31,581	(31,581)	-
Total	129,471	190,594	220,826	31,536	11,238	583,667	(31,581)	552,085
Operating income (loss)	13,572	13,856	12,045	2,488	(2,266)	39,696	3	39,699
Assets	45,913	110,214	67,621	20,157	2,220	246,128	280,289	526,418
Other								
Depreciation	468	7,176	1,923	296	27	9,892	354	10,246
Increase in Property, plant and equipment and Intangible assets	858	9,493	2,023	135	55	12,566	68	12,634

[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 Statements of Income.

\*NOTE\*

(Changes in Reporting Segments)

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.