

10-Year Consolidated Financial Summary

(Millions of yen) (Thousands of U.S. dollars**)

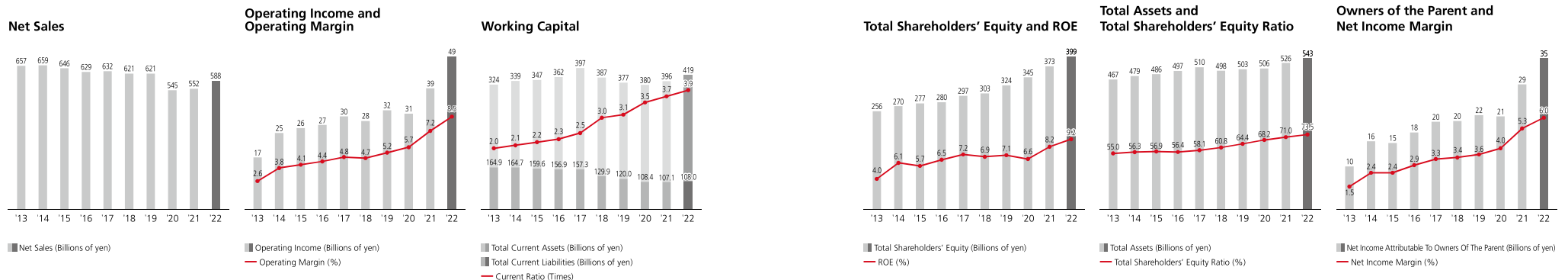
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022
For the year:											
Net sales	¥ 657,215	¥ 659,432	¥ 646,002	¥ 629,313	¥ 632,189	¥ 621,591	¥ 621,134	¥ 545,060	¥ 552,085	¥ 588,132	\$ 4,422,045
Operating income	17,012	25,087	26,647	27,676	30,406	28,941	32,439	31,317	39,699	49,947	375,541
Net income before income taxes	17,054	25,858	27,497	28,903	30,918	30,708	33,302	33,463	43,094	51,523	387,391
Net income attributable to owners of the parent	10,167	16,030	15,670	18,161	20,679	20,826	22,250	21,997	29,420	35,552	267,308
At year-end:											
Equity	257,075	270,352	277,438	280,919	297,522	303,570	325,092	346,114	374,676	400,372	3,010,316
Total assets	467,076	479,747	486,502	497,727	510,832	498,790	503,698	506,604	526,418	543,740	4,088,271
Cash flows:											
Cash flows from operating activities	28,780	38,190	29,730	33,306	28,885	16,990	22,052	38,490	32,756	37,725	283,647
Cash flows from investing activities	(25,757)	(15,221)	(44,536)	(19,460)	7,963	(10,526)	(94,584)	(26,174)	(15,894)	(10,107)	(75,992)
Cash flows from financing activities	(9,105)	(4,544)	(6,224)	(6,086)	(7,145)	(7,838)	(8,557)	(6,587)	(9,160)	(11,260)	(84,662)
Cash and cash equivalents at end of year	102,182	120,607	99,573	107,285	136,979	135,571	54,493	60,131	68,028	84,632	636,331
Per share of common stock:											
Equity	¥ 1,980.22	¥ 2,082.60	¥ 2,136.22	¥ 2,162.96	¥ 2,290.70	¥ 2,336.97	¥ 2,502.39	¥ 2,664.20	¥ 2,883.74	¥ 3,081.07	\$ 23.17
Net income* ¹	76.67	123.62	120.84	140.06	159.48	160.61	171.60	169.65	226.88	274.16	2.06
Cash dividends* ²	24.00	40.00	45.00	50.00	60.00	60.00	60.00	60.00	75.00	90.00	0.68

The amounts shown have been rounded down to the nearest million yen.

Notes: *1 Net income per share is based on the weighted-average number of shares of common stock outstanding during the respective fiscal years.

*2 Cash dividends per share are the amounts applicable to the respective fiscal years, including dividends to be paid after the end of the respective fiscal years.

*3 The figures have been presented in U.S. dollars by translating all Japanese yen amounts at ¥133 to US\$1, the prevailing exchange rate as of December 31, 2022.



Note: The yen amounts indicated on the graphs above have been rounded down to the nearest billion yen.

Consolidated Balance Sheet

Canon Marketing Japan Inc. and Consolidated Subsidiaries
December 31, 2022

(Millions of yen)

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	¥ 84,632	¥ 68,029
Notes accounts receivable-trade and contract assets	110,432	—
Notes and accounts receivable-trade	—	107,368
Inventories	38,521	35,236
Short-term loans receivable	180,013	180,004
Other current assets	6,154	5,469
Allowance for doubtful receivables	(44)	(24)
Total current assets	419,708	396,082
PROPERTY, PLANT AND EQUIPMENT:		
Land	28,360	28,360
Buildings and structures	80,189	74,946
Machinery and vehicles	167	167
Furniture and fixtures	15,225	16,092
Rental assets	35,913	36,735
Lease assets	40	40
Construction in progress	897	2,393
Total	160,791	158,733
Accumulated depreciation	(75,514)	(73,579)
Net property, plant and equipment	85,277	85,154
INTANGIBLE ASSETS:		
Software	5,365	6,227
Goodwill	327	—
Facility utilization rights	303	303
Other intangible assets	0	1
Total intangible assets	5,995	6,531
INVESTMENTS AND OTHER ASSETS:		
Investments in securities	13,312	17,353
Long-term loans receivable	16	36
Prepaid pension and severance costs	393	421
Lease deposits	2,768	2,962
Deferred tax assets	12,904	14,975
Other investments and other assets	3,555	2,999
Allowance for doubtful receivables	(188)	(95)
Total investments and other assets	32,760	38,651
Total assets	¥ 543,740	¥ 526,418

(Millions of yen)

	2022	2021
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Notes and accounts payable-trade	¥ 47,376	¥ 46,323
Current portion of long-term lease obligations	46	53
Accrued income taxes	7,453	6,955
Consumption taxes payable	5,426	6,089
Accrued expenses	16,628	16,127
Accrued bonuses	3,440	4,148
Accrued directors' bonuses	119	98
Accrued product warranties	243	292
Accrued loss on contracts	115	309
Other current liabilities	27,216	26,715
Total current liabilities	108,062	107,109
LONG-TERM LIABILITIES:		
Long-term lease obligations	74	81
Allowance for long-term continuous service rewards	749	899
Accrued pension and severance cost	32,142	40,914
Other long-term liabilities	2,341	2,738
Total long-term liabilities	35,306	44,632
COMMITMENTS AND CONTINGENT LIABILITIES		
EQUITY:		
SHAREHOLDERS' EQUITY:		
Common stock:		
Authorized, 299,500,000 shares; issued, 131,079,972 shares as of December 31, 2022 and 2021.	73,303	73,303
Capital surplus	82,827	82,824
Stock acquisition rights	29	—
Retained earnings	233,355	208,825
Treasury stock, at cost; 1,404,790 shares in 2022 and 1,403,572 shares in 2021	(2,093)	(2,092)
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized gain (loss) on available-for-sale securities	5,203	7,873
Deferred gain (loss) on derivatives under hedge accounting	(15)	23
Foreign currency-translation adjustments	294	126
Defined retirement benefit plans	6,668	3,068
Total	399,571	373,950
NON-CONTROLLING INTERESTS	801	727
Total equity	400,372	374,677
Total liabilities and equity	¥ 543,740	¥ 526,418

Consolidated Statement of Income

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2022

	(Millions of yen)	
	2022	2021
NET SALES	¥ 588,132	¥ 552,086
COST OF SALES:	388,843	361,810
Gross profit	199,289	190,276
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:	149,342	150,577
Operating income	49,947	39,699
OTHER INCOME (EXPENSES):		
Interest income	300	275
Dividend income	210	283
Interest expense	(12)	(12)
Insurance income	459	506
Foreign exchange gains	29	—
Foreign exchange losses	—	(6)
Gain on investments in partnership	—	278
Loss on investments in partnership	(29)	—
Gain on sales of long-lived assets	3	6
Insurance income due to disaster	—	203
Gain on sales of investments in securities	730	1,255
Loss on sales of investments in securities	(18)	—
Gain on sales of shares of subsidiaries and associates	—	896
Loss on sales of shares of subsidiaries and associates	—	(40)
Loss on sales and disposal of long-lived assets	(124)	(124)
Loss on disaster	—	(169)
Loss on impairment of investments in securities	(58)	(18)
Other, net	86	63
Total other income (expenses)	1,576	3,396
Net income before income taxes	51,523	43,095
INCOME TAXES:		
Current	14,244	12,971
Deferred	1,652	628
Total income taxes	15,896	13,599
Net income	35,627	29,496
NET INCOME ATTRIBUTABLE TO:		
Non-controlling interests	75	76
Owners of the parent	35,552	29,420
Net income	¥ 35,627	¥ 29,496
	(Yen)	
PER SHARE DATA:		
Net income attributable to owners of the parent		
-Basic	¥ 274.16	¥ 226.88
-Diluted	274.10	226.83
Cash dividends applicable to the year	90.00	75.00

Consolidated Statement of Comprehensive Income

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2022

	(Millions of yen)	
	2022	2021
NET INCOME	¥ 35,627	¥ 29,496
OTHER COMPREHENSIVE INCOME (LOSS):		
Unrealized gain (loss) on available-for-sale securities	(2,673)	3,644
Deferred gain (loss) on derivatives under hedge accounting	(38)	52
Foreign currency-translation adjustments	194	136
Defined retirement benefit plans	3,600	4,312
Total other comprehensive income	1,083	8,144
COMPREHENSIVE INCOME	¥ 36,710	¥ 37,640
COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the parent	¥ 36,612	¥ 37,547
Non-controlling interests	98	93

Consolidated Statement of Changes in Equity

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2022

(Thousands of shares / Millions of yen)

	Shareholders' equity						
	Common stock		Capital surplus	Stock acquisition rights	Retained earnings	Treasury stock	
	Shares	Amount				Shares	Amount
Balance at January 1, 2021	131,080	¥ 73,303	¥ 82,815	—	¥ 188,482	(1,413)	¥ (2,104)
Net income attributable to owners of the parent	—	—	—	—	29,420	—	—
Cash dividends	—	—	—	—	(9,077)	—	—
Purchase of treasury stock	—	—	—	—	—	(1)	(2)
Disposition of treasury stock	—	—	9	—	—	9	14
Net income attributable to non-controlling interests	—	—	—	—	—	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—
Net change in the year	—	—	—	—	—	—	—
Balance at January 1, 2022	131,080	73,303	82,824	—	208,825	(1,405)	(2,092)
Net income attributable to owners of the parent	—	—	—	—	35,552	—	—
Cash dividends	—	—	—	—	(11,022)	—	—
Purchase of treasury stock	—	—	—	—	—	(1)	(4)
Disposition of treasury stock	—	—	3	—	—	2	3
Net income attributable to non-controlling interests	—	—	—	—	—	—	—
Cash dividends paid to non-controlling interests	—	—	—	—	—	—	—
Net change in the year	—	—	—	¥ 29	—	—	—
Balance at December 31, 2022	131,080	¥ 73,303	¥ 82,827	¥ 29	¥ 233,355	(1,404)	¥ (2,093)

(Millions of yen)

	Accumulated other comprehensive income (loss)						
	Unrealized gain (loss) on available-for-sale securities	Deferred gain (loss) on derivatives under hedge accounting	Foreign currency-translation adjustments	Defined retirement benefit plans	Total	Non-controlling interests	Total equity
Balance at January 1, 2021	¥ 4,231	¥ (29)	¥ 5	¥ (1,244)	¥ 345,459	¥ 656	¥ 346,115
Net income attributable to owners of the parent	—	—	—	—	29,420	—	29,420
Cash dividends	—	—	—	—	(9,077)	—	(9,077)
Purchase of treasury stock	—	—	—	—	(2)	—	(2)
Disposition of treasury stock	—	—	—	—	23	—	23
Net income attributable to non-controlling interests	—	—	—	—	—	76	76
Cash dividends paid to non-controlling interests	—	—	—	—	—	(22)	(22)
Net change in the year	3,642	52	121	4,312	8,127	17	8,144
Balance at January 1, 2022	7,873	23	126	3,068	373,950	727	374,677
Net income attributable to owners of the parent	—	—	—	—	35,552	—	35,552
Cash dividends	—	—	—	—	(11,022)	—	(11,022)
Purchase of treasury stock	—	—	—	—	(4)	—	(4)
Disposition of treasury stock	—	—	—	—	6	—	6
Net income attributable to non-controlling interests	—	—	—	—	—	75	75
Cash dividends paid to non-controlling interests	—	—	—	—	—	(24)	(24)
Net change in the year	(2,670)	(38)	168	3,600	1,089	23	1,112
Balance at December 31, 2022	¥ 5,203	¥ (15)	¥ 294	¥ 6,668	¥ 399,571	¥ 801	¥ 400,372

Consolidated Statement of Cash Flows

Canon Marketing Japan Inc. and Consolidated Subsidiaries
Year Ended December 31, 2022

(Millions of yen)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income before income taxes	¥ 51,523	¥ 43,095
Depreciation and amortization	9,593	10,246
Amortization of goodwill	30	—
Increase (decrease) in allowance for doubtful receivables	111	(243)
Increase (decrease) in accrued pension and severance costs	(3,480)	(544)
Decrease (increase) in prepaid pension and severance costs	(46)	(45)
Increase (decrease) in accrued bonuses	(716)	(1,486)
Loss (gain) on sales and disposal of property, plant and equipment, net	108	112
Loss (gain) on sales of investments in securities	(712)	(1,255)
Loss on impairment of investments in securities	58	18
Loss (gain) on sales of shares of subsidiaries and associates	—	(856)
Loss (gain) on investments in partnership	29	(278)
Decrease (increase) in notes and accounts receivable	(2,895)	(1,988)
Decrease (increase) in inventories	(3,280)	(7,467)
Increase (decrease) in notes and accounts payable-trade	986	2,222
Income taxes paid	(13,820)	(13,104)
Other, net	236	4,330
Net cash provided by operating activities	37,725	32,757
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchases of property, plant and equipment	(8,890)	(14,587)
Proceeds from sales of property, plant and equipment	24	18
Payments for purchases of intangible assets	(894)	(2,242)
Payments for purchases of investments in securities	(676)	(1,089)
Proceeds from sales of investments in securities	1,330	1,893
Payments for purchases of shares of a subsidiary	(210)	—
Proceeds from sales of shares of a subsidiary	—	847
Decrease (increase) in short-term loans receivable, net	11	3
Other, net	(802)	(737)
Net cash used in investing activities	(10,107)	(15,894)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of finance lease obligations	(56)	(62)
Payments for purchases of treasury stock	(4)	(3)
Dividends paid	(11,020)	(9,073)
Dividends paid to non-controlling interests	(24)	(22)
Other, net	(156)	—
Net cash used in financing activities	(11,260)	(9,160)
Effect of exchange rate changes on cash and cash equivalents	245	195
Net increase in cash and cash equivalents	16,603	7,898
Cash and cash equivalents at beginning of year	68,029	60,131
Cash and cash equivalents at end of year	¥ 84,632	¥ 68,029

ESG Data

ENVIRONMENT**1	2018	2019	2020	2021	2022	
GHG emissions (Scope 1 and 2) (t-CO ₂)						
Scope 1*2	7,864	7,275	5,765	5,800	5,916	
Scope 2*3	40,922	43,501	45,733	51,952	49,489	
Total	48,786	50,776	51,498	57,752	55,405	
GHG emissions (Scope 3) (t-CO ₂)*4						
Category 1. Purchased goods and services*5	236,406	313,133	284,892	632,093	606,018	
Category 2. Capital goods*6	27,726	65,341	41,807	38,966	34,286	
Category 3. Fuel- and energy-related activities not included in Scope 1 or 2*7	4,601	8,993	9,061	11,349	12,382	
Category 4. Upstream transportation and distribution*8	4,039	4,175	3,785	4,944	4,999	
Category 5. Waste generated in operations*9	137	153	93	975	1,153	
Category 6. Business travel*10	9,048	12,032	6,119	2,476	2,488	
Category 7. Employee commuting*11	5,401	6,915	7,445	8,712	7,488	
Category 8. Upstream leased assets*12	0	0	0	0	0	
Category 9. Downstream transportation and distribution*13	1,122	1,073	967	1,450	1,293	
Category 10. Processing of sold products	0	0	0	0	0	
Category 11. Use of sold products*14	88,590	86,309	83,331	87,844	107,649	
Category 12. End-of-life treatment of sold products*15	15,749	15,118	16,269	21,059	19,833	
Category 13. Downstream leased assets*16	219	461	518	366	941	
Category 14. Franchises	0	0	0	0	0	
Category 15. Investments	0	0	0	0	0	
Total	393,038	513,703	454,287	810,234	798,530	
Water intake and wastewater discharge of applicable buildings (m ³)*17						
Water intake (water supply)	Public water	—	114,389	115,863	124,891	125,183
	Recycled water	—	19,455	13,999	9,596	10,543
	Groundwater	—	21,895	22,001	19,750	18,486
Total	—	155,739	151,863	154,237	154,212	
Wastewater discharge	Sewerage system	—	91,137	82,508	75,480	77,364
	Total	—	91,137	82,508	75,480	77,364
Waste emissions (t)						
Total emissions	18,635	21,098	15,670	14,075	14,879	

ESG Data Notes

*1 The scope of environmental data covers 11 Group companies in Japan, which account for 99% of the Group's net sales. (Canon Marketing Japan Inc., Canon System & Support Inc., A&A Co., Ltd., Canon IT Solutions Inc., SuperStream Inc., Qualysite Technologies Inc., Canon Production Printing Systems Inc., Canon ITS Medical Inc., Canon BizAttenda Inc., Canon Business Support Inc., and Canon Customer Support Inc.)

*2 Scope 1: Direct emissions (town gas, liquefied petroleum gas, diesel, kerosene, gasoline, etc.)

*3 Scope 2: Intermediate emissions (electricity, steam, etc.)

*4 In 2021, the scope of data was expanded to cover Group companies indicated in *1 and the method of calculation was revised. Results for 2021 are based on the revised calculation logic. Results for 2021 based on the previous method can be accessed on our corporate website, <https://canon.jp/corporate/csr/esgdata> (in Japanese only)

*5 Calculated by multiplying the Group's purchases by per-unit emissions of individual purchases based on the number obtained by multiplying the carbon footprint of products (CFP) data of core products by the number of products. In the case of businesses for which CFP data is not available, calculated by multiplying the amount purchased by per-unit emissions indicated on the Input-Output Tables of the Ministry of Economy, Trade and Industry.

*6 Calculated by multiplying the amount of capital goods purchased by the Group by emissions intensity per price of capital goods.

*7 Calculated by multiplying the amount of fuel and energy consumed by the Group by the emissions intensity at the time of fuel procurement (resource extraction, production, and delivery).

*8 Deliveries to customers are calculated using the fuel consumption method. Deliveries between warehouses are calculated using the ton-kilometer method. Storage is calculated by multiplying the average annual inventory volume by energy intensity.

*9 Calculated by multiplying the Group's total volume of waste, excluding the volume of used Canon products previously recorded under Category 12, by the emissions intensity by type of waste and treatment method.

*10 Calculated by multiplying the number of Group employees by per-unit emissions of business trips.

*11 Calculated by multiplying the amount paid for each mode of transportation by per-unit emissions of each mode. In the case of private car commuting, calculated by converting the total mileage to fuel usage and multiplying it by per-unit emissions for fuel combustion.

*12 Encompasses leased buildings and vehicles and included in Scope 1 and 2.

*13 Calculated by determining average transportation distances and weights of distributed products for each region and multiplying it by per-unit emissions of transportation.

*14 Calculated by determining the lifetime power consumption for main products and multiplying it by per-unit emissions for nationwide average power consumption.

*15 Calculated by multiplying the CFP data of main products by the number of these products. In the case of businesses for which CFP data is not available, calculated by multiplying the sales ratio.

*16 Calculated by determining annual power consumption of each leased product and multiplying it by per-unit emissions for nationwide average power consumption.

*17 Scope of data for water intake and wastewater discharge of applicable buildings covers Canon Marketing Japan (Headquarters, Konan office, Makuhari office, Aomori office, and Kumamoto office), Canon IT Solutions (Nishi-Tokyo office), and Canon Customer Support (Akita office), which account for roughly 38% of the Group's employees.

*18 The figure in parentheses indicates the number of men.

*19 The figure in parentheses indicates the percentage of Group employees returning to work that were men.

*20 Average of both directors and Audit & Supervisory Board members.

*21 As of December 31 each year.

SOCIETY	2018	2019	2020	2021	2022
Group employees					
Number of men	14,202	13,890	13,385	13,007	12,682
Number of women	3,078	3,110	3,159	3,213	3,291
Total	17,280	17,000	16,544	16,220	15,973
Group management					
Number of men	3,131	3,037	2,898	2,785	2,683
Number of women	92	97	106	108	117
Total	3,223	3,134	3,004	2,893	2,800
Percentage of Group employees taking paid leave (%)	68.3	74.5	64.5	63.6	73.5
Number of Group employees taking childcare and family care leave*18					
Childcare leave	202 (15)	144 (18)	143 (26)	136 (43)	145 (62)
Family care leave	9 (4)	4 (0)	9 (5)	3 (3)	5 (3)
Percentage of Group employees returning to work after taking childcare and family care leave*19 (%)					
Childcare leave	97.1 (100.0)	82.4 (100.0)	95.6 (100.0)	95.8 (100.0)	96.1 (100.0)
Family care leave	87.5 (100.0)	75.0 (—)	100.0 (100.0)	100.0 (100.0)	100.0 (100.0)
Number of Group retirees and reemployed workers					
Number of retirees	290	319	304	469	478
Number of reemployed workers	175	163	192	239	286
Average age of Group employees	44.6	44.7	44.8	45.5	45.7
Average number of years of service of Group employees	18.9	19.6	19.6	19.5	20.0
Number of employees with disabilities (non-consolidated)					
Number of employees	150.5	148.5	142.0	147.5	139.0
Percentage of employees (%)	2.25	2.20	2.15	2.32	2.29

GOVERNANCE	2018	2019	2020	2021	2022
Number of directors					
In-house (men)	5	4	4	4	4
In-house (women)	0	0	0	0	0
In-house total	5	4	4	4	4
Outside (men)	2	2	2	2	3
Outside (women)	0	0	0	0	0
Outside total	2	2	2	2	3
Total	7	6	6	6	7
Number of Audit & Supervisory Board members					
In-house (men)	2	2	2	2	2
In-house (women)	0	0	0	0	0
In-house total	2	2	2	2	2
Outside (men)	3	3	3	3	3
Outside (women)	0	0	0	0	0
Outside total	3	3	3	3	3
Total	5	5	5	5	5
Average age of corporate officers*20, 21	62.6	63.4	62.3	62.3	63.7
Number of Board of Directors' and Audit & Supervisory Board meetings					
Number of Board of Directors' meetings	15	16	18	16	13
Number of Audit & Supervisory Board meetings	18	20	17	17	17
Number of executive officers	23	23	23	23	20