

## Summary Report of Consolidated Financial Results

for the fiscal year ended December 31, 2022

Registered company name: **Canon Marketing Japan Inc.**  
 Stock listing: Tokyo Stock Exchange, Prime Market  
 Code number: 8060  
 URL: <https://cweb.canon.jp/eng/ir>  
 Representative director: Masachika Adachi, President  
 Contact: Akihiro Shirone, General Manager Accounting Div. Accounting Headquarters  
 Dividend payable date (as planned): March 30, 2023  
 U.S. Accounting Standards Applied: No

1. Consolidated business results for the year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)

(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, 2022	588,132	6.5	49,947	25.8	50,991	24.1	35,552	20.8
December 31, 2021	552,085	1.3	39,699	26.8	41,096	16.6	29,420	33.7

[Note] Comprehensive Income: Year ended December 31, 2022 : 36,710 million yen [(2.5%)]  
 Year ended December 31, 2021 : 37,640 million yen [36.7%]

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, 2022	274.16	274.10	9.2	9.5	8.5
December 31, 2021	226.88	226.83	8.2	8.0	7.2

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

Year ended	Total assets	Equity	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2022	543,740	400,372	73.5	3,081.07
December 31, 2021	526,418	374,676	71.0	2,883.74

[Reference] Shareholders' equity: Year ended December 31, 2022 : 399,542 million yen  
 Year ended December 31, 2021 : 373,949 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, 2022	37,725	(10,107)	(11,259)	84,632
December 31, 2021	32,756	(15,894)	(9,160)	68,028

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			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2021	-	30.00	-	45.00	75.00	9,725	33.1	2.7
Year ended December 31, 2022	-	40.00	-	50.00	90.00	11,670	32.8	3.0
Year ending December 31, 2023 (forecast)	-	-	-	-	90.00		32.8	

3. Consolidated financial forecast for the fiscal year ending December 31, 2023

(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
	624,000	6.1	50,000	0.1	51,400	0.8	35,600	0.1	274.53

\*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 : Yes

( 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, 2022 : 131,079,972

As of December 31, 2021 : 131,079,972

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

As of December 31, 2022 : 1,403,572

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

( iii ) Average number of shares

As of December 31, 2022 : 129,676,340

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

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated business results for the year ended December 31, 2022 (From January 1, 2022 to December 31, 2022)

(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, 2022	435,150	4.7	30,923	30.7	43,262	33.6	33,769	29.5
December 31, 2021	415,654	0.7	23,664	30.9	32,385	25.9	26,068	47.8

Year ended	Basic earnings per share	Diluted net income per share
	Yen	Yen
December 31, 2022	260.41	260.35
December 31, 2021	201.03	200.99

(2) Non-Consolidated Financial Position

(Amounts less than one million yen are truncated)

Year ended	Total assets	Equity	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2022	512,064	349,261	68.2	2,693.11
December 31, 2021	503,481	329,000	65.3	2,537.11

[Reference] Shareholders' equity: Year ended December 31, 2022 : 349,232 million yen  
Year ended December 31, 2021 : 329,000 million yen

\* 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, 2021	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	67,528	84,132
Notes and accounts receivable-trade	107,367	-
Notes, accounts receivable-trade and contract assets	-	110,431
Securities	500	500
Merchandise and finished goods	34,578	37,897
Work in process	145	99
Raw materials and supplies	511	523
Short-term loans receivable	180,004	180,012
Other current assets	5,469	6,153
Allowance for doubtful receivables	(24)	(43)
Total current assets	396,082	419,708
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	45,916	48,384
Machinery, equipment and vehicles, net	77	68
Tools, furniture and fixtures, net	2,760	2,670
Rental assets, net	5,639	4,890
Land	28,359	28,359
Leased assets, net	7	5
Construction in progress	2,392	897
Total property, plant and equipment	85,154	85,276
Intangible assets		
Software	6,226	5,364
Goodwill	-	327
Utilization rights	303	302
Other intangible assets	0	0
Total intangible assets	6,530	5,995
Investments and other assets		
Investments in securities	17,353	13,312
Long-term loans receivable	35	15
Prepaid pension and severance costs	421	392
Deferred tax assets	14,974	12,904
Lease deposits	2,961	2,767
Other investments and other assets	2,999	3,555
Allowance for doubtful receivables	(95)	(187)
Total investments and other assets	38,651	32,760
Total non-current assets	130,336	124,032
Total assets	526,418	543,740

## Consolidated Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2021	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	46,323	47,376
Lease obligations	52	45
Accrued expenses	16,127	16,627
Accrued income taxes	6,954	7,453
Consumption taxes payable	6,089	5,426
Accrued bonuses	4,148	3,439
Accrued directors' bonuses	98	118
Accrued product warranties	291	243
Accrued loss on order received	308	114
Other current liabilities	26,715	27,216
Total current liabilities	107,109	108,062
Long-term liabilities		
Lease obligations	81	73
Allowance for long-term continuous service rewards	899	749
Accrued pension and severance costs	40,913	32,141
Other long-term liabilities	2,738	2,340
Total long-term liabilities	44,632	35,305
Total liabilities	151,741	143,368
<b>Equity</b>		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,824	82,827
Retained earnings	208,824	233,354
Treasury stock	(2,092)	(2,092)
Total shareholders' equity	362,859	387,392
Accumulated other comprehensive income (loss)		
Net unrealized gains on available-for-sale securities	7,873	5,202
Deferred gains or losses on hedges	22	(14)
Foreign currency translation adjustments	125	293
Defined retirement benefit plans	3,067	6,667
Total accumulated other comprehensive income (loss)	11,089	12,149
Stock acquisition rights	-	29
Non-controlling interests	727	801
Total equity	374,676	400,372
Total liabilities and equity	526,418	543,740

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Net sales	552,085	588,132
Cost of sales	361,809	388,842
Gross profit	190,276	199,289
Selling, general and administrative expenses	150,576	149,341
Operating income	39,699	49,947
Non-operating income		
Interest income	274	299
Dividend income	283	209
Insurance income	506	459
Foreign exchange gains	-	29
Gain on investments in partnership	278	-
Other, net	220	227
Total non-operating income	1,562	1,225
Non-operating expenses		
Interest expense	12	12
Loss on investments in partnership	-	29
Foreign exchange losses	6	-
Other, net	146	139
Total non-operating expenses	165	180
Ordinary income	41,096	50,991
Extraordinary income		
Gain on sales of fixed assets	6	3
Gain on sales of investments in securities	1,255	729
Gain on sales of shares of subsidiaries and associates	895	-
Gain on casualty insurance	202	-
Other, net	16	0
Total extraordinary income	2,376	733
Extraordinary losses		
Loss on sales and disposal of fixed assets	124	124
Loss on valuation of investments in securities	18	57
Loss on sales of investments in securities	-	18
Loss on disaster	168	-
Loss on sales of shares of subsidiaries and associates	40	-
Other, net	26	1
Total extraordinary losses	377	202
Net income before income taxes	43,094	51,523
Income taxes-current	12,971	14,244
Income taxes-deferred	627	1,652
Total income taxes	13,598	15,896
Net income	29,495	35,626
Net income attributable to non-controlling interests	75	74
Net income attributable to owners of parent	29,420	35,552

## Consolidated Statements of Income

(Amounts less than one million yen are truncated)

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Net income	29,495	35,626
Other comprehensive income (loss)		
Net unrealized gains or losses on available-for-sale securities	3,643	(2,673)
Deferred gains / (losses) on hedges	51	(37)
Foreign currency translation adjustments	137	193
Defined retirement benefit plans, net of tax	4,311	3,600
Total other comprehensive income (loss)	8,144	1,083
Comprehensive income	37,640	36,710
Comprehensive income attributable to		
Owners of parent	37,547	36,612
Non-controlling interests	93	97

## Consolidated Statements of Shareholders' Equity

I. 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 period	73,303	82,814	188,481	(2,103)	342,495
Changes 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 in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	9	20,343	10	20,363
Balance at end of period	73,303	82,824	208,824	(2,092)	362,859

	Accumulated other comprehensive income (loss)					Stock acquisition rights	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 period	4,230	(29)	5	(1,243)	2,962	-	655	346,114
Changes 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 in items other than shareholders' equity	3,642	51	120	4,311	8,126	-	17	8,144
Total changes during period	3,642	51	120	4,311	8,126	-	71	28,562
Balance at end of period	7,873	22	125	3,067	11,089	-	727	374,676



## Consolidated Statements of Shareholders' Equity

II. FY2022 (from January 1, 2022 to December 31, 2022)

(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 period	73,303	82,824	208,824	(2,092)	362,859
Changes during period					
Dividends of surplus	-	-	(11,022)	-	(11,022)
Net income attributable to owners of parent	-	-	35,552	-	35,552
Purchase of treasury stock	-	-	-	(4)	(4)
Disposal of treasury stock	-	2	-	3	6
Net income attributable to non-controlling interests	-	-	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-
Net changes in items other than shareholders' equity	-	-	-	-	-
Total changes during period	-	2	24,529	(0)	24,532
Balance at end of period	73,303	82,827	233,354	(2,092)	387,392

	Accumulated other comprehensive income (loss)					Stock acquisition rights	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 period	7,873	22	125	3,067	11,089	-	727	374,676
Changes during period								
Dividends of surplus	-	-	-	-	-	-	-	(11,022)
Net income attributable to owners of parent	-	-	-	-	-	-	-	35,552
Purchase of treasury stock	-	-	-	-	-	-	-	(4)
Disposal of treasury stock	-	-	-	-	-	-	-	6
Net income attributable to non-controlling interests	-	-	-	-	-	-	74	74
Dividends paid to non-controlling interests	-	-	-	-	-	-	(23)	(23)
Net changes in items other than shareholders' equity	(2,670)	(37)	167	3,600	1,060	29	23	1,112
Total changes during period	(2,670)	(37)	167	3,600	1,060	29	73	25,695
Balance at end of period	5,202	(14)	293	6,667	12,149	29	801	400,372

## Consolidated Statements of Cash Flows

(Amounts less than one million yen are truncated)

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
<b>Cash flows from operating activities</b>		
Net income before income taxes	43,094	51,523
Depreciation and amortization	10,246	9,592
Amortization of goodwill	-	29
Increase (decrease) in allowance for doubtful receivables	(242)	111
Increase (decrease) in accrued pension and severance costs	(544)	(3,480)
Decrease (increase) in prepaid pension and severance costs	(45)	(46)
Increase (decrease) in accrued bonuses	(1,486)	(716)
Interest and dividend income	(558)	(509)
Interest expense	12	12
Loss (gain) on sales and disposal of property, plant and equipment, net	111	107
Loss (gain) on sales of investments in securities	(1,255)	(711)
Loss (gain) on valuation of investments in securities	18	57
Loss (gain) on sales of shares of subsidiaries and associates	(855)	-
Loss (gain) on investments in partnership	(278)	29
Decrease (increase) in notes and accounts receivable-trade	(1,987)	(2,894)
Decrease (increase) in inventories	(7,467)	(3,280)
Increase (decrease) in notes and accounts payable-trade	2,222	985
Other, net	4,332	241
Subtotal	45,317	51,051
Interest and dividends received	555	506
Interest paid	(12)	(12)
Income taxes paid	(13,103)	(13,820)
Net cash provided by operating activities	32,756	37,725
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment	(14,587)	(8,889)
Proceeds from sales of property, plant and equipment	18	23
Payments for purchases of intangible assets	(2,242)	(894)
Payments for purchases of investments in securities	(1,089)	(676)
Proceeds from sales of investments in securities	1,893	1,330
Payments for purchases of shares of a subsidiary resulting in change in scope of consolidation	-	(209)
Proceeds from sales of shares of a subsidiary resulting in change in scope of consolidation	847	-
Decrease (increase) in short-term loans receivable, net	2	11
Other, net	(737)	(802)
Net cash provided by (used in) investing activities	(15,894)	(10,107)
<b>Cash flows from financing activities</b>		
Repayments of finance lease obligations	(61)	(56)
Payments for purchases of treasury stock	(2)	(4)
Dividends paid	(9,073)	(11,020)
Dividends paid to non-controlling interests	(21)	(23)
Other, net	-	(155)
Net cash used in financing activities	(9,160)	(11,259)
Effect of exchange rate changes on cash and cash equivalents	195	245
Net increase (decrease) in cash and cash equivalents	7,897	16,603
Cash and cash equivalents at beginning of period	60,131	68,028
Cash and cash equivalents at end of period	68,028	84,632

## Consolidated Segment Information

### I. 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
Amortization of goodwill	-	-	-	-	-	-	-	-
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 shared 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 mainly 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. FY2022 (from January 1, 2022 to December 31, 2022)

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	136,574	191,507	215,019	40,377	4,652	588,132	-	588,132
Sales - intersegment	37	11,222	11,541	1,293	7,629	31,724	(31,724)	-
Total	136,612	202,730	226,560	41,670	12,281	619,856	(31,724)	588,132
Operating income (loss)	13,940	17,072	15,563	5,240	(1,750)	50,066	(119)	49,947
Assets	47,479	109,102	70,911	20,252	3,437	251,184	292,555	543,740
Other								
Depreciation	685	6,421	1,709	294	18	9,129	463	9,592
Amortization of goodwill	-	-	-	-	29	29	-	29
Increase in Property, plant and equipment and Intangible assets	348	7,286	1,165	123	3	8,928	136	9,065

[Note]

1. Other includes shared 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 mainly 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.