

## Summary Report of Consolidated Financial Results

for the first quarter ended March 31, 2023

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): -  
 U.S. Accounting Standards Applied: No

1.Consolidated business results for the for the three months ended March 31, 2023 (From January 1, 2023 to March 31, 2023)

(1) Consolidated Results of Operations (Amounts less than one million yen are truncated)

(Percentage represents increases or decreases from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2023	154,825	5.0	15,285	3.3	15,423	5.1	10,450	4.1
March 31, 2022	147,419	5.0	14,796	39.8	14,680	34.6	10,035	25.6

[Note] Comprehensive Income: Three months ended March 31, 2023 : 10,724 million yen [29.8%]

Three months ended March 31, 2022 : 8,265 million yen [(1.5%)]

	Basic earnings per share	Diluted net income per share
Three months ended	Yen	Yen
March 31, 2023	80.59	80.57
March 31, 2022	77.39	77.38

(2) Consolidated Financial Position

(Amounts less than one million yen are truncated)

	Total assets	Equity	Equity ratio	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
First quarter ended March 31, 2023	555,911	404,599	72.6	3,113.58
Year ended December 31, 2022	543,740	400,372	73.5	3,081.07

[Reference] Shareholders' equity: First quarter ended March 31, 2023 : 403,756 million yen

Year ended December 31, 2022 : 399,542 million yen

2.Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2022	-	40.00	-	50.00	90.00
Year ending December 31, 2023	-				
Year ending December 31, 2023 (forecast)		-	-	-	90.00

[Note] Revision of cash dividend forecast for this period : No

[Note]The interim dividend for the fiscal year ending December 31, 2023, remains undecided because financial results forecasts have yet to be made for the first six months of the fiscal year ending December 31, 2023. The year-end dividend for the fiscal year ending December 31, 2023, will be an amount calculated by subtracting the interim dividend from the full-year dividend.

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)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	624,000	6.1	50,000	0.1	51,400	0.8	35,600	0.1	274.53

[Note] Revision of forecast for this period : No

\*Others

(1) Material changes in subsidiaries during this period

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

(2) Application of a specified accounting procedure :

Yes

(3) 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

(4) 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 March 31, 2023 : 131,079,972

As of December 31, 2022 : 131,079,972

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

As of March 31, 2023 : 1,403,873

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

( iii ) Average number of shares

As of March 31, 2023 : 129,676,228

As of March 31, 2022 : 129,675,021

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

Disclaimer :

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 Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	84,132	91,500
Notes accounts receivable-trade and contract assets	110,431	106,053
Securities	500	500
Merchandise and finished goods	37,897	45,373
Work in process	99	330
Raw materials and supplies	523	493
Short-term loans receivable	180,012	180,012
Other current assets	6,153	6,756
Allowance for doubtful receivables	(43)	(46)
Total current assets	419,708	430,973
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,384	48,831
Machinery and vehicles, net	68	66
Furniture and fixtures, net	2,670	2,762
Rental assets, net	4,890	5,314
Land	28,359	28,359
Lease assets, net	5	4
Construction in progress	897	-
Total property, plant and equipment	85,276	85,339
Intangible assets		
Software	5,364	5,218
Goodwill	327	461
Facility utilization rights	302	302
Other intangible assets	0	0
Total intangible assets	5,995	5,983
Investments and other assets		
Investments in securities	13,312	13,956
Long-term loans receivable	15	15
Prepaid pension and severance costs	392	416
Deferred tax assets	12,904	12,891
Lease deposits	2,767	2,741
Other investments and other assets	3,555	3,780
Allowance for doubtful receivables	(187)	(187)
Total investments and other assets	32,760	33,614
Total non-current assets	124,032	124,937
Total assets	543,740	555,911

## Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	47,376	55,773
Current portion of long-term lease obligations	45	82
Accrued expenses	16,627	13,837
Accrued income taxes	7,453	4,220
Consumption taxes payable	5,426	4,413
Accrued bonuses	3,439	12,462
Accrued directors' bonuses	118	19
Accrued product warranties	243	234
Accrued loss on contracts	114	121
Other current liabilities	27,216	25,135
Total current liabilities	108,062	116,300
Long-term liabilities		
Long-term lease obligations	73	154
Allowance for long-term continuous service rewards	749	823
Accrued pension and severance costs	32,141	31,694
Other long-term liabilities	2,340	2,338
Total long-term liabilities	35,305	35,011
Total liabilities	143,368	151,312
<b>Equity</b>		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,827	82,827
Retained earnings	233,354	237,321
Treasury stock	(2,092)	(2,093)
Total shareholders' equity	387,392	391,357
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	5,202	5,627
Deferred gain (loss) on derivatives under hedge accounting	(14)	(28)
Foreign currency-translation adjustments	293	265
Defined retirement benefit plans	6,667	6,534
Total accumulated other comprehensive income (loss)	12,149	12,398
Stock acquisition rights	29	38
Non-controlling interests	801	804
Total equity	400,372	404,599
Total liabilities and equity	543,740	555,911

## Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Three months of FY2022 (from January 1, 2022 to March 31, 2022)	Three months of FY2023 (from January 1, 2023 to March 31, 2023)
Net sales	147,419	154,825
Cost of sales	96,918	102,640
Gross profit	50,501	52,184
Selling, general and administrative expenses	35,704	36,899
Operating income	14,796	15,285
Non-operating income		
Interest income	69	89
Dividend income	24	27
Foreign exchange gains	-	13
Other, net	72	70
Total non-operating income	167	201
Non-operating expenses		
Interest expense	2	2
Loss on investments in partnership	148	33
Foreign exchange losses	81	-
Other, net	50	27
Total non-operating expenses	284	63
Ordinary income	14,680	15,423
Extraordinary income		
Gain on sales of long-lived assets	0	0
Gain on sales of investments in securities	13	-
Total extraordinary income	13	0
Extraordinary losses		
Loss on sales and disposal of long-lived assets	13	32
Loss on sales of shares of subsidiaries and associates	-	159
Total extraordinary losses	13	191
Net income before income taxes	14,680	15,232
Income taxes	4,626	4,757
Net income	10,054	10,474
Net income attributable to non-controlling interests	19	24
Net income attributable to owners of the parent	10,035	10,450

## Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Three months of FY2022 (from January 1, 2022 to March 31, 2022)	Three months of FY2023 (from January 1, 2023 to March 31, 2023)
Net income	10,054	10,474
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(1,651)	425
Deferred gain (loss) on derivatives under hedge accounting	(7)	(13)
Foreign currency-translation adjustments	79	(27)
Defined retirement benefit plans	(209)	(133)
Total other comprehensive income (loss)	(1,789)	250
Comprehensive income	8,265	10,724
Comprehensive income attributable to		
Owners of the parent	8,236	10,699
Non-controlling interests	28	25

## Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Three months of FY2022 (from January 1, 2022 to March 31, 2022)	Three months of FY2023 (from January 1, 2023 to March 31, 2023)
<b>Cash flows from operating activities</b>		
Net income before income taxes	14,680	15,232
Depreciation and amortization	2,516	2,386
Amortization of goodwill	-	25
Increase (decrease) in allowance for doubtful receivables	(12)	2
Increase (decrease) in accrued pension and severance costs	(855)	(657)
Decrease (increase) in prepaid pension and severance costs	(8)	(10)
Increase (decrease) in accrued bonuses	8,765	9,026
Interest and dividend income	(94)	(117)
Interest expense	2	2
Loss (gain) on sales and disposal of property, plant and equipment, net	11	31
Loss (gain) on sales of investments in securities	(13)	-
Loss (gain) on sales of shares of subsidiaries and associates	-	159
Loss (gain) on investments in partnership	148	33
Decrease (increase) in notes and accounts receivable	5,611	4,342
Decrease (increase) in inventories	(2,507)	(7,309)
Increase (decrease) in notes and accounts payable-trade	3,782	8,391
Other, net	(9,869)	(6,010)
Subtotal	22,158	25,530
Interest and dividends received	93	114
Interest paid	(2)	(2)
Income taxes paid	(6,964)	(7,412)
Net cash provided by operating activities	15,285	18,229
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment	(1,801)	(2,867)
Proceeds from sales of property, plant and equipment	15	1
Payments for purchases of intangible assets	(197)	(260)
Payments for purchases of investments in securities	(88)	(89)
Proceeds from sales of investments in securities	68	-
Payments for acquisition of businesses	-	(750)
Other, net	(340)	(471)
Net cash used in investing activities	(2,343)	(4,437)
<b>Cash flows from financing activities</b>		
Repayments of finance lease obligations	(15)	(10)
Payments for purchases of treasury stock	(0)	(0)
Dividends paid	(5,757)	(6,408)
Dividends paid to non-controlling interests	(23)	(22)
Net cash used in financing activities	(5,796)	(6,442)
Effect of exchange rate changes on cash and cash equivalents	132	17
Net increase (decrease) in cash and cash equivalents	7,277	7,368
Cash and cash equivalents at beginning of period	68,028	84,632
Cash and cash equivalents at end of period	75,306	92,000

## Consolidated Quaterly Segment Information

### I. Three months of FY2022 (from January 1, 2022 to March 31, 2022)

Information on net sales and income (loss) by reportable segment (Amounts less than one million yen are truncated)

	Reportable segment				Other	Total	Adjustments	Consolidated
	Consumers	Enterprise	Area	Professional				
Net sales								
Sales - external customers	31,237	48,483	54,417	12,453	829	147,419	-	147,419
Sales - intersegment	10	2,687	2,745	348	1,983	7,775	(7,775)	-
Total	31,247	51,170	57,162	12,801	2,812	155,195	(7,775)	147,419
Operating income (loss)	3,128	5,368	4,524	2,190	(446)	14,765	31	14,796

[Note]

1. "Other" is a business segment that is not included in the reportable segments of the Company. The Other segment includes the shared service business.
2. Adjustment of Operating income (loss) is the elimination of intersegment transactions.
3. Total segment income (loss) after adjustments for reportable and other business segments equals operating income in the consolidated quarterly statement of income.

### II. Three months of FY2023 (from January 1, 2023 to March 31, 2023)

Information on net sales and income (loss) by reportable segment (Amounts less than one million yen are truncated)

	Reportable segment				Other	Total	Adjustments	Consolidated
	Consumers	Enterprise	Area	Professional				
Net sales								
Sales - external customers	31,414	51,684	58,263	11,434	2,028	154,825	-	154,825
Sales - intersegment	5	2,967	2,760	291	1,933	7,957	(7,957)	-
Total	31,420	54,651	61,023	11,725	3,961	162,783	(7,957)	154,825
Operating income (loss)	2,921	5,907	4,934	1,925	(348)	15,340	(55)	15,285

[Note]

1. "Other" is a business segment that is not included in the reportable segments of the Company. The Other segment includes the shared service business.
2. Adjustment of Operating income (loss) is the elimination of intersegment transactions.
3. Total segment income (loss) after adjustments for reportable and other business segments equals operating income in the consolidated quarterly statement of income.