

## Summary Report of Consolidated Financial Results

for the second quarter ended June 30, 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): August 25, 2023  
 U.S. Accounting Standards Applied: No

1. Consolidated business results for the for the six months ended June 30, 2023 (From January 1, 2023 to June 30, 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	%
Six months ended								
June 30, 2023	302,778	4.5	27,091	(2.7)	27,857	(2.0)	18,661	(3.7)
June 30, 2022	289,873	5.4	27,832	35.2	28,414	32.0	19,372	28.7

[Note] Comprehensive Income: Six months ended June 30, 2023 : 20,164 million yen [23.3%]

Six months ended June 30, 2022 : 16,348 million yen [5.1%]

	Basic earnings per share	Diluted net income per share
Six months ended	Yen	Yen
June 30, 2023	143.91	143.87
June 30, 2022	149.39	149.36

(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
Second quarter ended June 30, 2023	555,725	414,046	74.3	3,185.97
Year ended December 31, 2022	543,740	400,372	73.5	3,081.07

[Reference] Shareholders' equity: Second quarter ended June 30, 2023 : 413,153 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	-	50.00			
Year ending December 31, 2023 (forecast)			-	50.00	100.00

[Note] Revision of cash dividend forecast for this period : Yes

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	52,000	4.1	53,400	4.7	36,000	1.3	277.61

[Note] Revision of forecast for this period : Yes

\*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 June 30, 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 June 30, 2023 :	1,400,825
As of December 31, 2022 :	1,403,572
  - ( iii ) Average number of shares

As of June 30, 2023 :	129,677,728
As of June 30, 2022 :	129,676,107

\* 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 June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	84,132	102,724
Notes, accounts receivable-trade and contract assets	110,431	94,944
Securities	500	500
Merchandise and finished goods	37,897	41,838
Work in process	99	265
Raw materials and supplies	523	519
Short-term loans receivable	180,012	180,010
Other current assets	6,153	8,907
Allowance for doubtful receivables	(43)	(47)
Total current assets	419,708	429,661
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,384	48,612
Machinery and vehicles, net	68	64
Furniture and fixtures, net	2,670	2,734
Rental assets, net	4,890	5,515
Land	28,359	28,359
Lease assets, net	5	4
Construction in progress	897	-
Total property, plant and equipment	85,276	85,290
Intangible assets		
Software	5,364	5,184
Goodwill	327	435
Facility utilization rights	302	302
Other intangible assets	0	1
Total intangible assets	5,995	5,924
Investments and other assets		
Investments in securities	13,312	15,632
Long-term loans receivable	15	15
Prepaid pension and severance costs	392	420
Deferred tax assets	12,904	12,393
Lease deposits	2,767	2,839
Other investments and other assets	3,555	3,738
Allowance for doubtful receivables	(187)	(190)
Total investments and other assets	32,760	34,849
Total non-current assets	124,032	126,064
Total assets	543,740	555,725

## Consolidated Quarterly Balance Sheets

(Amounts less than one million yen are truncated)

	As of December 31, 2022	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	47,376	44,439
Current portion of long-term lease obligations	45	85
Accrued expenses	16,627	14,389
Accrued income taxes	7,453	8,710
Consumption taxes payable	5,426	4,160
Accrued bonuses	3,439	3,725
Accrued directors' bonuses	118	38
Accrued product warranties	243	231
Accrued loss on contracts	114	87
Other current liabilities	27,216	31,197
Total current liabilities	108,062	107,067
Long-term liabilities		
Long-term lease obligations	73	165
Allowance for long-term continuous service rewards	749	752
Accrued pension and severance costs	32,141	31,353
Other long-term liabilities	2,340	2,339
Total long-term liabilities	35,305	34,611
Total liabilities	143,368	141,679
<b>Equity</b>		
Shareholders' equity		
Common stock	73,303	73,303
Capital surplus	82,827	82,828
Retained earnings	233,354	245,532
Treasury stock	(2,092)	(2,092)
Total shareholders' equity	387,392	399,571
Accumulated other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	5,202	6,750
Deferred gain (loss) on derivatives under hedge accounting	(14)	104
Foreign currency-translation adjustments	293	385
Defined retirement benefit plans	6,667	6,341
Total accumulated other comprehensive income (loss)	12,149	13,582
Stock acquisition rights	29	43
Non-controlling interests	801	849
Total equity	400,372	414,046
Total liabilities and equity	543,740	555,725

## Consolidated Quarterly Statements of Income

(Amounts less than one million yen are truncated)

	Six months of FY2022 (from January 1, 2022 to June 30, 2022)	Six months of FY2023 (from January 1, 2023 to June 30, 2023)
Net sales	289,873	302,778
Cost of sales	189,126	200,790
Gross profit	100,746	101,988
Selling, general and administrative expenses	72,914	74,897
Operating income	27,832	27,091
Non-operating income		
Interest income	142	177
Dividend income	143	149
Insurance income	445	450
Other, net	148	128
Total non-operating income	879	906
Non-operating expenses		
Interest expense	6	5
Foreign exchange losses	64	40
Loss on investments in partnership	150	32
Other, net	76	61
Total non-operating expenses	297	140
Ordinary income	28,414	27,857
Extraordinary income		
Gain on sales of long-lived assets	1	1
Gain on sales of investments in securities	13	55
Other, net	0	-
Total extraordinary income	15	56
Extraordinary losses		
Loss on sales and disposal of long-lived assets	49	376
Loss on sales of shares of subsidiaries and associates	-	159
Loss on impairment of investments in securities	4	-
Other, net	0	3
Total extraordinary losses	53	538
Net income before income taxes	28,376	27,375
Income taxes	8,969	8,663
Net income	19,406	18,711
Net income attributable to non-controlling interests	34	50
Net income attributable to owners of the parent	19,372	18,661

## Consolidated Quarterly Statements of Comprehensive Income

(Amounts less than one million yen are truncated)

	Six months of FY2022 (from January 1, 2022 to June 30, 2022)	Six months of FY2023 (from January 1, 2023 to June 30, 2023)
Net income	19,406	18,711
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale securities	(2,955)	1,549
Deferred gain (loss) on delivatives under hedge accounting	74	119
Foreign currency-translation adjustments	241	111
Defined retirement benefit plans	(419)	(326)
Total other comprehensive income (loss)	(3,058)	1,453
Comprehensive income	16,348	20,164
Comprehensive income attributable to		
Owners of the parent	16,283	20,094
Non-controlling interests	65	70

## Consolidated Quarterly Statements of Cash Flows

(Amounts less than one million yen are truncated)

	Six months of FY2022 (from January 1, 2022 to June 30, 2022)	Six months of FY2023 (from January 1, 2023 to June 30, 2023)
<b>Cash flows from operating activities</b>		
Net income before income taxes	28,376	27,375
Depreciation and amortization	4,877	4,795
Amortization of goodwill	-	51
Increase (decrease) in allowance for doubtful receivables	(14)	5
Increase (decrease) in accrued pension and severance costs	(1,649)	(1,280)
Decrease (increase) in prepaid pension and severance costs	(19)	(14)
Increase (decrease) in accrued bonuses	213	287
Interest and dividend income	(285)	(327)
Interest expense	6	5
Loss (gain) on sales and disposal of property, plant and equipment, net	46	59
Loss (gain) on sales of investments in securities	(13)	(55)
Loss (gain) on impairment of investments in securities	4	-
Loss (gain) on sales of shares of subsidiaries and associates	-	159
Loss (gain) on investments in partnership	150	32
Decrease (increase) in notes and accounts receivable	16,855	15,498
Decrease (increase) in inventories	421	(3,741)
Increase (decrease) in notes and accounts payable-trade	(4,807)	(2,961)
Other, net	(5,679)	(709)
Subtotal	38,481	39,180
Interest and dividends received	285	326
Interest paid	(6)	(5)
Income taxes paid	(7,004)	(7,449)
Net cash provided by operating activities	31,756	32,051
<b>Cash flows from investing activities</b>		
Payments for purchases of property, plant and equipment	(4,312)	(4,551)
Proceeds from sales of property, plant and equipment	17	3
Payments for purchases of intangible assets	(460)	(782)
Payments for purchases of investments in securities	(370)	(189)
Proceeds from sales of investments in securities	18	109
Payments for purchases of shares of a subsidiary	-	(100)
Decrease (increase) in short-term loans receivable, net	1	2
Payments for acquisition of business	-	(750)
Other, net	(476)	(869)
Net cash used in investing activities	(5,582)	(7,128)
<b>Cash flows from financing activities</b>		
Repayments of finance lease obligations	(28)	(11)
Payments for purchases of treasury stock	(1)	(1)
Dividends paid	(5,833)	(6,480)
Dividends paid to non-controlling interests	(23)	(22)
Net cash used in financing activities	(5,887)	(6,515)
Effect of exchange rate changes on cash and cash equivalents	414	183
Net increase (decrease) in cash and cash equivalents	20,700	18,591
Cash and cash equivalents at beginning of period	68,028	84,632
Cash and cash equivalents at end of period	88,729	103,224

## Consolidated Quaterly Segment Information

### I. Six months of FY2022 (from January 1, 2022 to June 30, 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	62,737	95,281	107,090	23,204	1,560	289,873	-	289,873
Sales - intersegment	20	5,255	5,713	679	3,879	15,549	(15,549)	-
Total	62,757	100,536	112,803	23,884	5,440	305,423	(15,549)	289,873
Operating income (loss)	6,637	9,499	8,548	4,081	(961)	27,805	26	27,832

[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. Six months of FY2023 (from January 1, 2023 to June 30, 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	64,122	101,426	112,969	21,359	2,900	302,778	-	302,778
Sales - intersegment	10	6,082	5,674	590	3,847	16,205	(16,205)	-
Total	64,132	107,509	118,643	21,950	6,748	318,984	(16,205)	302,778
Operating income (loss)	6,196	9,870	9,271	2,860	(1,006)	27,192	(101)	27,091

[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.