



**Canon Electronics Inc.**

**Semi-Annual Report 2019(Unaudited)**

**Consolidated Financial Highlights**

Millions of yen  
(Amounts less than one million yen are truncated)

	Six months of FY2018 (from January 1, 2018 to June 30, 2018)	Six months of FY2019 (from January 1, 2019 to June 30, 2019)
Net sales		
Component	25,313	24,316
Electronic Information Appliance	15,358	14,751
Other	5,126	5,397
Total	45,797	44,465
Profit attributable to owners of parent	4,018	3,387

	Six months of FY2018 (from January 1, 2018 to June 30, 2018)	Six months of FY2019 (from January 1, 2019 to June 30, 2019)
Basic earnings per share	98.45 yen	82.98 yen
Diluted earnings per share	—	—

Millions of yen  
(Amounts less than one million yen are truncated)

	As of December 31, 2018	As of June 30, 2019
Total assets	112,997	115,781
Net assets	91,591	93,278

## Consolidated Quarterly Balance Sheets

Millions of yen  
(Amounts less than one million yen are truncated)

	As of December 31, 2018	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	19,043	22,660
Notes and accounts receivable - trade	23,328	24,521
Lease investment assets	270	626
Merchandise and finished goods	1,292	1,645
Work in process	4,099	4,413
Raw materials and supplies	103	170
Short-term loans receivable	25,000	20,000
Other	1,797	2,105
Total current assets	<u>74,934</u>	<u>76,144</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,925	11,045
Machinery, equipment and vehicles, net	2,494	2,813
Tools, furniture and fixtures, net	3,091	2,969
Land	15,094	15,899
Construction in progress	621	933
Total property, plant and equipment	<u>32,226</u>	<u>33,661</u>
Intangible assets	<u>1,589</u>	<u>1,594</u>
Investments and other assets		
Investment securities	1,421	1,675
Deferred tax assets	2,150	2,003
Other	674	702
Allowance for doubtful accounts	△0	△0
Total investments and other assets	<u>4,246</u>	<u>4,381</u>
Total non-current assets	<u>38,062</u>	<u>39,637</u>
Total assets	<u>112,997</u>	<u>115,781</u>

## Consolidated Quarterly Balance Sheets

Millions of yen  
(Amounts less than one million yen are truncated)

	As of December 31, 2018	As of June 30, 2019
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	11,473	12,147
Electronically recorded obligations - operating	544	525
Lease obligations	92	185
Accrued expenses	1,384	1,232
Income taxes payable	1,436	1,236
Provision for bonuses	378	429
Provision for directors' bonuses	29	9
Provision for loss on order received	264	93
Other	1,402	2,415
Total current liabilities	<u>17,008</u>	<u>18,274</u>
Non-current liabilities		
Provision for directors' retirement benefits	221	221
Net defined benefit liability	3,970	3,542
Deferred tax liabilities	30	24
Other	175	439
Total non-current liabilities	<u>4,398</u>	<u>4,227</u>
Total liabilities	<u>21,406</u>	<u>22,502</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,969	4,969
Capital surplus	9,602	9,602
Retained earnings	80,361	82,089
Treasury shares	△2,582	△2,546
Total shareholders' equity	<u>92,350</u>	<u>94,114</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	262	199
Foreign currency translation adjustment	413	242
Remeasurements of defined benefit plans	△2,858	△2,584
Total accumulated other comprehensive income	<u>△2,181</u>	<u>△2,142</u>
Non-controlling interests	1,421	1,306
Total net assets	<u>91,591</u>	<u>93,278</u>
Total liabilities and net assets	<u>112,997</u>	<u>115,781</u>

## Consolidated Quarterly Statements of Income

Millions of yen  
(Amounts less than one million yen are truncated)

	Six months of FY2018 (from January 1, 2018 to June 30, 2018)	Six months of FY2019 (from January 1, 2019 to June 30, 2019)
Net sales	45,797	44,465
Cost of sales	34,920	34,692
Gross profit	10,876	9,772
Selling, general and administrative expenses	5,306	5,229
Operating profit	5,570	4,543
Non-operating income		
Interest and dividend income	38	41
Subsidy income	20	14
Other	28	26
Total non-operating income	88	82
Non-operating expenses		
Foreign exchange losses	135	241
Other	2	2
Total non-operating expenses	137	243
Ordinary profit	5,520	4,382
Extraordinary income		
Gain on sales of non-current assets	14	0
Total extraordinary income	14	0
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	1
Total extraordinary losses	1	1
Profit before income taxes	5,534	4,381
Income taxes - current	1,313	1,040
Income taxes - deferred	205	69
Total income taxes	1,518	1,109
Profit	4,015	3,271
Loss attributable to non-controlling interests	△2	△115
Profit attributable to owners of parent	4,018	3,387

## Consolidated Quarterly Statements of Comprehensive Income

Millions of yen  
(Amounts less than one million yen are truncated)

	Six months of FY2018 (from January 1, 2018 to June 30, 2018)	Six months of FY2019 (from January 1, 2019 to June 30, 2019)
Profit	4,015	3,271
Other comprehensive income		
Valuation difference on available-for-sale securities	18	△63
Deferred gains or losses on hedges	0	—
Foreign currency translation adjustment	△134	△171
Remeasurements of defined benefit plans, net of tax	251	274
Total other comprehensive income	136	39
Comprehensive income	4,152	3,311
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,154	3,426
Comprehensive income attributable to non-controlling interests	△2	△115

## Consolidated Quarterly Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	Six months of FY2018 (from January 1, 2018 to June 30, 2018)	Six months of FY2019 (from January 1, 2019 to June 30, 2019)
Cash flows from operating activities		
Profit before income taxes	5,534	4,381
Depreciation	1,345	1,233
Increase (decrease) in provision for bonuses	54	51
Increase (decrease) in provision for directors' bonuses	△20	△20
Increase (decrease) in provision for loss on order received	△4	△171
Increase (decrease) in net defined benefit liability	△853	△427
Interest and dividend income	△38	△41
Loss (gain) on sales and retirement of property, plant and equipment	△13	0
Decrease (increase) in notes and accounts receivable - trade	△1,810	△1,241
Decrease (increase) in inventories	△892	△734
Increase (decrease) in notes and accounts payable - trade	△206	682
Other, net	133	584
Subtotal	<u>3,228</u>	<u>4,298</u>
Interest and dividend income received	38	41
Income taxes paid	△1,077	△1,227
Net cash provided by (used in) operating activities	<u>2,189</u>	<u>3,113</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,311	△2,259
Proceeds from sales of property, plant and equipment	44	0
Purchase of intangible assets	△142	△132
Purchase of investment securities	△500	△346
Proceeds from sales of investment securities	-	1
Collection of loans receivable	-	5,000
Payments of loans receivable	△5,000	-
Other, net	92	△126
Net cash provided by (used in) investing activities	<u>△6,818</u>	<u>2,137</u>
Cash flows from financing activities		
Cash dividends paid	△1,633	△1,631
Proceeds from share issuance to non-controlling shareholders	1,365	-
Other, net	△0	35
Net cash provided by (used in) financing activities	<u>△269</u>	<u>△1,596</u>
Effect of exchange rate change on cash and cash equivalents	△74	△117
Net increase (decrease) in cash and cash equivalents	<u>△4,972</u>	<u>3,536</u>
Cash and cash equivalents at beginning of period	<u>26,134</u>	<u>18,773</u>
Cash and cash equivalents at end of period	<u>21,161</u>	<u>22,310</u>