



Canon Electronics Inc.

Semi-Annual Report 2020(Unaudited)

Consolidated Financial Highlights

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

	Six months of FY2019 (from January 1, 2019 to June 30, 2019)	Six months of FY2020 (from January 1, 2020 to June 30, 2020)
Net sales		
Component	24,316	17,720
Electronic Information Appliance	14,751	13,378
Other	5,397	4,847
Total	44,465	35,946
Profit attributable to owners of parent	3,387	1,989

	Six months of FY2019 (from January 1, 2019 to June 30, 2019)	Six months of FY2020 (from January 1, 2020 to June 30, 2020)
Basic earnings per share	82.98 yen	48.71 yen
Diluted earnings per share	—	—

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

	As of December 31, 2019	As of June 30, 2020
Total assets	115,237	116,019
Net assets	95,348	96,990

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	21,282	27,491
Notes and accounts receivable - trade	23,140	18,542
Investments in leases	654	583
Merchandise and finished goods	1,270	1,986
Work in process	4,216	5,056
Raw materials and supplies	177	140
Short-term loans receivable	23,000	20,000
Other	1,918	2,333
Allowance for doubtful accounts	△0	△0
Total current assets	75,660	76,132
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,755	10,412
Machinery, equipment and vehicles, net	3,003	3,222
Tools, furniture and fixtures, net	3,001	3,119
Land	15,907	15,917
Leased assets, net	15	8
Construction in progress	1,003	1,615
Total property, plant and equipment	33,686	34,296
Intangible assets	1,696	1,671
Investments and other assets		
Investment securities	1,895	1,887
Deferred tax assets	1,550	1,403
Other	748	627
Allowance for doubtful accounts	△0	△0
Total investments and other assets	4,194	3,919
Total non-current assets	39,577	39,887
Total assets	115,237	116,019

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2019	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	10,637	9,172
Electronically recorded obligations - operating	563	541
Lease obligations	212	211
Accrued expenses	1,335	1,159
Income taxes payable	1,081	843
Provision for bonuses	488	428
Provision for bonuses for directors (and other officers)	26	3
Provision for loss on order received	23	30
Other	2,335	1,906
Total current liabilities	16,707	14,298
Non-current liabilities		
Long-term borrowings	-	2,100
Provision for retirement benefits for directors (and other officers)	221	204
Retirement benefit liability	2,480	2,030
Deferred tax liabilities	24	21
Other	455	373
Total non-current liabilities	3,181	4,730
Total liabilities	19,889	19,029
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	9,602	9,602
Retained earnings	83,185	83,541
Treasury shares	△2,547	△2,521
Total shareholders' equity	95,210	95,591
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	352	248
Foreign currency translation adjustment	337	227
Remeasurements of defined benefit plans	△1,718	△1,498
Total accumulated other comprehensive income	△1,028	△1,022
Non-controlling interests	1,166	2,421
Total net assets	95,348	96,990
Total liabilities and net assets	115,237	116,019

Consolidated Quarterly Statements of Income

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

	Six months of FY2019 (from January 1, 2019 to June 30, 2019)	Six months of FY2020 (from January 1, 2020 to June 30, 2020)
Net sales	44,465	35,946
Cost of sales	34,692	27,976
Gross profit	9,772	7,969
Selling, general and administrative expenses	5,229	5,087
Operating profit	4,543	2,882
Non-operating income		
Interest and dividend income	41	53
Subsidy income	14	65
Other	26	35
Total non-operating income	82	154
Non-operating expenses		
Foreign exchange losses	241	70
Other	2	2
Total non-operating expenses	243	72
Ordinary profit	4,382	2,963
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	-	24
Total extraordinary income	0	24
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	0
Loss due to new coronavirus infection	-	395
Total extraordinary losses	1	395
Profit before income taxes	4,381	2,592
Income taxes - current	1,040	681
Income taxes - deferred	69	92
Total income taxes	1,109	773
Profit	3,271	1,818
Loss attributable to non-controlling interests	△115	△170
Profit attributable to owners of parent	3,387	1,989

Consolidated Quarterly Statements of Comprehensive Income

Millions of yen

(Amounts less than one million yen are truncated)

	Six months of FY2019 (from January 1, 2019 to June 30, 2019)	Six months of FY2020 (from January 1, 2020 to June 30, 2020)
Profit	3,271	1,818
Other comprehensive income		
Valuation difference on available-for-sale securities	△63	△103
Foreign currency translation adjustment	△171	△110
Remeasurements of defined benefit plans, net of tax	274	220
Total other comprehensive income	39	6
Comprehensive income	3,311	1,825
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,426	1,995
Comprehensive income attributable to non-controlling interests	△115	△170

Consolidated Quarterly Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	Six months of FY2019 (from January 1, 2019 to June 30, 2019)	Six months of FY2020 (from January 1, 2020 to June 30, 2020)
Cash flows from operating activities		
Profit before income taxes	4,381	2,592
Depreciation	1,233	1,355
Increase (decrease) in provision for bonuses	51	Δ57
Increase (decrease) in provision for bonuses for directors (and other officers)	Δ20	Δ23
Increase (decrease) in provision for loss on order received	Δ171	6
Increase (decrease) in retirement benefit liability	Δ427	Δ456
Interest and dividend income	Δ41	Δ53
Loss (gain) on sales and retirement of property, plant and equipment	0	0
Loss (gain) on sales and valuation of investment securities	-	Δ24
Decrease (increase) in trade receivables	Δ1,241	4,571
Decrease (increase) in inventories	Δ734	Δ1,518
Increase (decrease) in trade payables	682	Δ1,469
Other, net	584	Δ772
Subtotal	<u>4,298</u>	<u>4,152</u>
Interest and dividends received	41	53
Income taxes paid	Δ1,227	Δ920
Net cash provided by (used in) operating activities	<u>3,113</u>	<u>3,285</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	Δ2,259	Δ1,788
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	Δ132	Δ126
Purchase of investment securities	Δ346	Δ171
Proceeds from sales of investment securities	1	55
Collection of loans receivable	5,000	3,000
Other, net	Δ126	42
Net cash provided by (used in) investing activities	<u>2,137</u>	<u>1,010</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	-	2,100
Dividends paid	Δ1,631	Δ1,632
Proceeds from share issuance to non-controlling shareholders	-	1,425
Other, net	35	25
Net cash provided by (used in) financing activities	<u>Δ1,596</u>	<u>1,917</u>
Effect of exchange rate change on cash and cash equivalents	<u>Δ117</u>	<u>Δ53</u>
Net increase (decrease) in cash and cash equivalents	<u>3,536</u>	<u>6,159</u>
Cash and cash equivalents at beginning of period	<u>18,773</u>	<u>20,932</u>
Cash and cash equivalents at end of period	<u>22,310</u>	<u>27,091</u>