



Canon Electronics Inc.

Semi-Annual Report 2021(Unaudited)

Consolidated Financial Highlights

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

	Six months of FY2020 (from January 1, 2020 to June 30, 2020)	Six months of FY2021 (from January 1, 2021 to June 30, 2021)
Net sales		
Component	17,720	20,854
Electronic Information Appliance	13,378	13,204
Other	4,847	5,336
Total	35,946	39,395
Profit attributable to owners of parent	1,989	2,538

	Six months of FY2020 (from January 1, 2020 to June 30, 2020)	Six months of FY2021 (from January 1, 2021 to June 30, 2021)
Basic earnings per share	48.71 yen	62.14 yen
Diluted earnings per share	—	—

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

	As of December 31, 2020	As of June 30, 2021
Total assets	117,211	123,413
Net assets	97,629	100,673

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	23,833	28,244
Notes and accounts receivable - trade	21,440	20,270
Investments in leases	492	395
Merchandise and finished goods	924	2,921
Work in process	5,366	6,158
Raw materials and supplies	143	186
Short-term loans receivable	22,000	20,000
Other	1,734	2,228
Allowance for doubtful accounts	△0	△0
Total current assets	75,934	80,404
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	10,125	9,955
Machinery, equipment and vehicles, net	2,875	2,813
Tools, furniture and fixtures, net	3,152	3,226
Land	15,917	15,965
Leased assets, net	3	7
Construction in progress	3,205	5,275
Total property, plant and equipment	35,281	37,242
Intangible assets	1,648	1,611
Investments and other assets		
Investment securities	2,061	1,924
Deferred tax assets	1,659	1,603
Other	625	626
Allowance for doubtful accounts	△0	△0
Total investments and other assets	4,346	4,154
Total non-current assets	41,277	43,008
Total assets	117,211	123,413

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2020	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	9,633	11,408
Electronically recorded obligations - operating	447	672
Lease obligations	201	191
Accrued expenses	1,326	1,154
Income taxes payable	716	1,279
Provision for bonuses	429	416
Provision for bonuses for directors (and other officers)	21	13
Provision for loss on order received	24	13
Other	1,398	1,460
Total current liabilities	<u>14,199</u>	<u>16,609</u>
Non-current liabilities		
Long-term borrowings	2,100	3,200
Provision for retirement benefits for directors (and other officers)	204	200
Retirement benefit liability	2,768	2,499
Deferred tax liabilities	22	26
Other	287	203
Total non-current liabilities	<u>5,383</u>	<u>6,129</u>
Total liabilities	<u>19,582</u>	<u>22,739</u>
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	9,602	9,435
Retained earnings	85,148	86,665
Treasury shares	△2,522	△2,502
Total shareholders' equity	<u>97,197</u>	<u>98,567</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	369	280
Foreign currency translation adjustment	△17	442
Remeasurements of defined benefit plans	△2,000	△1,906
Total accumulated other comprehensive income	<u>△1,648</u>	<u>△1,184</u>
Non-controlling interests	<u>2,079</u>	<u>3,290</u>
Total net assets	<u>97,629</u>	<u>100,673</u>
Total liabilities and net assets	<u>117,211</u>	<u>123,413</u>

Consolidated Quarterly Statements of Income

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

	Six months of FY2020 (from January 1, 2020 to June 30, 2020)	Six months of FY2021 (from January 1, 2021 to June 30, 2021)
Net sales	35,946	39,395
Cost of sales	27,976	30,774
Gross profit	7,969	8,621
Selling, general and administrative expenses	5,087	5,667
Operating profit	2,882	2,953
Non-operating income		
Interest and dividend income	53	47
Subsidy income	65	96
Foreign exchange gains	-	271
Other	35	10
Total non-operating income	154	426
Non-operating expenses		
Share issuance costs	-	16
Foreign exchange losses	70	-
Other	2	2
Total non-operating expenses	72	19
Ordinary profit	2,963	3,360
Extraordinary income		
Gain on sales of non-current assets	0	2
Gain on sales of investment securities	24	-
Total extraordinary income	24	2
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	2
Loss due to new coronavirus infection	395	-
Total extraordinary losses	395	2
Profit before income taxes	2,592	3,360
Income taxes - current	681	1,122
Income taxes - deferred	92	56
Total income taxes	773	1,178
Profit	1,818	2,181
Loss attributable to non-controlling interests	△170	△356
Profit attributable to owners of parent	1,989	2,538

Consolidated Quarterly Statements of Comprehensive Income

Millions of yen

(Amounts less than one million yen are truncated)

	Six months of FY2020 (from January 1, 2020 to June 30, 2020)	Six months of FY2021 (from January 1, 2021 to June 30, 2021)
Profit	1,818	2,181
Other comprehensive income		
Valuation difference on available-for-sale securities	△103	△89
Foreign currency translation adjustment	△110	459
Remeasurements of defined benefit plans, net of tax	220	94
Total other comprehensive income	6	464
Comprehensive income	1,825	2,646
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,995	3,003
Comprehensive income attributable to non-controlling interests	△170	△356

Consolidated Quarterly Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	Six months of FY2020 (from January 1, 2020 to June 30, 2020)	Six months of FY2021 (from January 1, 2021 to June 30, 2021)
Cash flows from operating activities		
Profit before income taxes	2,592	3,360
Depreciation	1,355	1,395
Increase (decrease) in provision for bonuses	Δ57	Δ17
Increase (decrease) in provision for bonuses for directors (and other officers)	Δ23	Δ8
Increase (decrease) in provision for loss on order received	6	Δ11
Increase (decrease) in retirement benefit liability	Δ456	Δ272
Interest and dividend income	Δ53	Δ47
Loss (gain) on sales and retirement of property, plant and equipment	0	Δ0
Loss (gain) on sales and valuation of investment securities	Δ24	-
Decrease (increase) in trade receivables	4,571	1,311
Decrease (increase) in inventories	Δ1,518	Δ2,831
Increase (decrease) in trade payables	Δ1,469	1,906
Other, net	Δ772	Δ350
Subtotal	<u>4,152</u>	<u>4,434</u>
Interest and dividends received	53	57
Income taxes paid	Δ920	Δ584
Net cash provided by (used in) operating activities	<u>3,285</u>	<u>3,907</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	Δ1,788	Δ3,107
Proceeds from sales of property, plant and equipment	0	3
Purchase of intangible assets	Δ126	Δ110
Purchase of investment securities	Δ171	Δ0
Proceeds from sales of investment securities	55	-
Collection of loans receivable	3,000	2,000
Payments into time deposits	Δ50	Δ1,320
Proceeds from withdrawal of time deposits	-	200
Other, net	92	Δ37
Net cash provided by (used in) investing activities	<u>1,010</u>	<u>Δ2,372</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	2,100	1,100
Dividends paid	Δ1,632	Δ1,022
Proceeds from share issuance to non-controlling shareholders	1,425	1,400
Other, net	25	19
Net cash provided by (used in) financing activities	<u>1,917</u>	<u>1,496</u>
Effect of exchange rate change on cash and cash equivalents	Δ53	259
Net increase (decrease) in cash and cash equivalents	<u>6,159</u>	<u>3,291</u>
Cash and cash equivalents at beginning of period	<u>20,932</u>	<u>23,533</u>
Cash and cash equivalents at end of period	<u>27,091</u>	<u>26,824</u>