

Canon
Canon Electronics Inc.

Annual Report 2021(Unaudited)

Consolidated Financial Highlights

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

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Net sales		
Component	41,610	45,909
Electronic Information Appliance	23,296	26,199
Other	9,705	10,504
Total	74,612	82,614
Profit attributable to owners of parent	4,413	5,392

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Basic earnings per share	108.04yen	131.98yen
Diluted earnings per share	—	—

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

	As of December 31, 2020	As of December 31, 2021
Total assets	117,211	126,268
Net assets	97,629	102,898

Consolidated Balance Sheets

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

	As of December 31, 2020	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	23,833	23,626
Notes and accounts receivable - trade	21,440	23,722
Investments in leases	492	333
Merchandise and finished goods	924	3,579
Work in process	5,366	7,559
Raw materials and supplies	143	289
Short-term loans receivable	22,000	20,000
Other	1,734	2,588
Allowance for doubtful accounts	(0)	-
Total current assets	75,934	81,699
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,448	36,235
Accumulated depreciation	(22,323)	(23,436)
Buildings and structures, net	10,125	12,798
Machinery, equipment and vehicles	23,118	23,489
Accumulated depreciation	(20,243)	(20,869)
Machinery, equipment and vehicles, net	2,875	2,620
Tools, furniture and fixtures	18,227	19,240
Accumulated depreciation	(15,074)	(15,304)
Tools, furniture and fixtures, net	3,152	3,936
Land	15,917	18,489
Leased assets	15	13
Accumulated depreciation	(12)	(8)
Leased assets, net	3	5
Construction in progress	3,205	1,210
Total property, plant and equipment	35,281	39,061
Intangible assets	1,648	1,556
Investments and other assets		
Investment securities	2,061	2,036
Deferred tax assets	1,659	1,291
Other	625	622
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,346	3,950
Total non-current assets	41,277	44,569
Total assets	117,211	126,268

Consolidated Balance Sheets

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

	As of December 31, 2020	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	9,633	11,424
Electronically recorded obligations - operating	447	771
Lease obligations	201	192
Accrued expenses	1,326	1,261
Income taxes payable	716	2,008
Provision for bonuses	429	427
Provision for bonuses for directors (and other officers)	21	63
Provision for loss on order received	24	14
Other	1,398	2,620
Total current liabilities	14,199	18,784
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	1,019
Deferred tax liabilities	22	25
Other	287	140
Total non-current liabilities	5,383	4,585
Total liabilities	19,582	23,370
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	9,602	9,435
Retained earnings	85,148	88,497
Treasury shares	(2,522)	(2,503)
Total shareholders' equity	97,197	100,399
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	369	319
Foreign currency translation adjustment	(17)	730
Remeasurements of defined benefit plans	(2,000)	(1,231)
Total accumulated other comprehensive income	(1,648)	(181)
Non-controlling interests	2,079	2,680
Total net assets	97,629	102,898
Total liabilities and net assets	117,211	126,268

Consolidated Statements of Income

Millions of yen

(Amounts less than one million yen are truncated)

	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Net sales	74,612	82,614
Cost of sales	57,753	64,061
Gross profit	16,858	18,552
Selling, general and administrative expenses	11,254	12,207
Operating profit	5,604	6,344
Non-operating income		
Interest and dividend income	91	93
Subsidy income	264	142
Foreign exchange gains	-	491
Other	67	31
Total non-operating income	423	758
Non-operating expenses		
Share issuance costs	-	16
Foreign exchange losses	193	-
Other	5	6
Total non-operating expenses	199	23
Ordinary profit	5,828	7,079
Extraordinary income		
Gain on sale of non-current assets	0	4
Gain on sale of investment securities	24	-
Total extraordinary income	24	4
Extraordinary losses		
Loss on sale and retirement of non-current assets	7	6
Loss on valuation of investment securities	-	3
Loss due to new coronavirus infection	392	-
Total extraordinary losses	399	10
Profit before income taxes	5,454	7,073
Income taxes - current	1,547	2,585
Income taxes - deferred	5	62
Total income taxes	1,553	2,648
Profit	3,901	4,425
Loss attributable to non-controlling interests	(512)	(966)
Profit attributable to owners of parent	4,413	5,392

Consolidated Statements of Comprehensive Income

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Profit	3,901	4,425
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(49)
Foreign currency translation adjustment	(355)	748
Remeasurements of defined benefit plans, net of tax	(281)	768
Total other comprehensive income	(619)	1,466
Comprehensive income	3,281	5,892
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,793	6,859
Comprehensive income attributable to non-controlling interests	(512)	(966)

Consolidated Statements of Shareholders' Equity

FY2020 (from January 1, 2020 to December 31, 2020)

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

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,969	9,602	83,185	(2,547)	95,210
Changes during period					
Dividends of surplus			(2,450)		(2,450)
Profit attributable to owners of parent			4,413		4,413
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		25	25
Transfer from retained earnings to capital surplus		0	(0)		—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(0)	1,962	24	1,987
Balance at end of period	4,969	9,602	85,148	(2,522)	97,197

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	352	337	(1,718)	(1,028)	1,166	95,348
Changes during period						
Dividends of surplus				—		(2,450)
Profit attributable to owners of parent				—		4,413
Purchase of treasury shares				—		(0)
Disposal of treasury shares				—		25
Transfer from retained earnings to capital surplus				—		—
Net changes in items other than shareholders' equity	17	(355)	(281)	(619)	912	293
Total changes during period	17	(355)	(281)	(619)	912	2,280
Balance at end of period	369	(17)	(2,000)	(1,648)	2,079	97,629

Consolidated Statements of Shareholders' Equity

FY2021 (from January 1, 2021 to December 31, 2021)

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

	Shareholders' Equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,969	9,602	85,148	(2,522)	97,197
Changes during period					
Dividends of surplus			(2,042)		(2,042)
Profit attributable to owners of parent			5,392		5,392
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares				20	20
Capital increase of consolidated subsidiaries		(167)			(167)
Net changes in items other than shareholders' equity					—
Total changes during period	—	(167)	3,349	18	3,201
Balance at end of period	4,969	9,435	88,497	(2,503)	100,399

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	369	(17)	(2,000)	(1,648)	2,079	97,629
Changes during period						
Dividends of surplus				—		(2,042)
Profit attributable to owners of parent				—		5,392
Purchase of treasury shares				—		(1)
Disposal of treasury shares				—		20
Capital increase of consolidated subsidiaries				—		(167)
Net changes in items other than shareholders' equity	(49)	748	768	1,466	600	2,067
Total changes during period	(49)	748	768	1,466	600	5,268
Balance at end of period	319	730	(1,231)	(181)	2,680	102,898

Consolidated Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2020 (from January 1, 2020 to December 31, 2020)	FY2021 (from January 1, 2021 to December 31, 2021)
Cash flows from operating activities		
Profit before income taxes	5,454	7,073
Depreciation	2,950	3,248
Increase (decrease) in provision for bonuses	(51)	(10)
Increase (decrease) in provision for bonuses for directors (and other officers)	(5)	42
Increase (decrease) in provision for loss on order received	0	(10)
Increase (decrease) in retirement benefit liability	(764)	(931)
Interest and dividend income	(91)	(93)
Loss (gain) on sale and retirement of property, plant and equipment	6	2
Loss (gain) on sale and valuation of investment securities	(24)	3
Decrease (increase) in trade receivables	1,611	(2,050)
Decrease (increase) in inventories	(769)	(4,994)
Increase (decrease) in trade payables	(1,059)	1,963
Other, net	(145)	(253)
Subtotal	7,110	3,992
Interest and dividends received	91	102
Income taxes paid	(1,898)	(1,348)
Net cash provided by (used in) operating activities	5,303	2,744
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,332)	(5,535)
Proceeds from sale of property, plant and equipment	0	5
Purchase of intangible assets	(281)	(214)
Purchase of investment securities	(172)	(59)
Proceeds from sale of investment securities	55	-
Loan advances	(2,000)	-
Proceeds from collection of loans receivable	3,000	2,000
Payments into time deposits	(50)	(1,320)
Proceeds from withdrawal of time deposits	100	200
Other, net	61	(60)
Net cash provided by (used in) investing activities	(3,619)	(4,984)
Cash flows from financing activities		
Proceeds from long-term borrowings	2,100	1,100
Dividends paid	(2,453)	(2,046)
Proceeds from share issuance to non-controlling shareholders	1,425	1,400
Other, net	24	18
Net cash provided by (used in) financing activities	1,096	471
Effect of exchange rate change on cash and cash equivalents	(179)	441
Net increase (decrease) in cash and cash equivalents	2,601	(1,327)
Cash and cash equivalents at beginning of period	20,932	23,533
Cash and cash equivalents at end of period	23,533	22,206