



Canon Electronics Inc.

Semi-Annual Report 2022(Unaudited)

Consolidated Financial Highlights

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

	Six months of FY2021 (from January 1, 2021 to June 30, 2021)	Six months of FY2022 (from January 1, 2022 to June 30, 2022)
Net sales		
Component	20,854	26,150
Electronic Information Appliance	13,204	14,440
Other	5,336	4,871
Total	39,395	45,462
Profit attributable to owners of parent	2,538	2,855

	Six months of FY2021 (from January 1, 2021 to June 30, 2021)	Six months of FY2022 (from January 1, 2022 to June 30, 2022)
Basic earnings per share	62.14 yen	69.87 yen
Diluted earnings per share	—	—

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

	As of December 31, 2021	As of June 30, 2022
Total assets	126,268	130,183
Net assets	102,898	106,158

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	23,626	20,932
Notes and accounts receivable - trade	23,722	-
Notes and accounts receivable - trade, and contract assets	-	25,925
Investments in leases	333	259
Merchandise and finished goods	3,579	3,989
Work in process	7,559	10,321
Raw materials and supplies	289	257
Short-term loans receivable	20,000	20,000
Other	2,588	2,316
Total current assets	81,699	84,003
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,798	12,878
Machinery, equipment and vehicles, net	2,620	2,472
Tools, furniture and fixtures, net	3,936	4,061
Land	18,489	18,600
Leased assets, net	5	639
Construction in progress	1,210	2,216
Total property, plant and equipment	39,061	40,868
Intangible assets	1,556	1,635
Investments and other assets		
Investment securities	2,036	2,005
Deferred tax assets	1,291	1,017
Other	622	653
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,950	3,676
Total non-current assets	44,569	46,180
Total assets	126,268	130,183

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2021	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	11,424	13,752
Electronically recorded obligations - operating	771	841
Lease obligations	192	189
Accrued expenses	1,261	1,236
Income taxes payable	2,008	1,316
Provision for bonuses	427	432
Provision for bonuses for directors (and other officers)	63	27
Provision for loss on order received	14	10
Other	2,620	1,765
Total current liabilities	18,784	19,572
Non-current liabilities		
Long-term borrowings	3,200	3,200
Lease obligations	139	741
Provision for retirement benefits for directors (and other officers)	200	200
Retirement benefit liability	1,019	260
Deferred tax liabilities	25	49
Other	0	1
Total non-current liabilities	4,585	4,453
Total liabilities	23,370	24,025
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	9,435	9,556
Retained earnings	88,497	90,328
Treasury shares	(2,503)	(2,482)
Total shareholders' equity	100,399	102,371
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	319	297
Foreign currency translation adjustment	730	2,210
Remeasurements of defined benefit plans	(1,231)	(1,138)
Total accumulated other comprehensive income	(181)	1,368
Non-controlling interests	2,680	2,417
Total net assets	102,898	106,158
Total liabilities and net assets	126,268	130,183

Consolidated Quarterly Statements of Income

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

	Six months of FY2021 (from January 1, 2021 to June 30, 2021)	Six months of FY2022 (from January 1, 2022 to June 30, 2022)
Net sales	39,395	45,462
Cost of sales	30,774	36,815
Gross profit	8,621	8,646
Selling, general and administrative expenses	5,667	6,050
Operating profit	2,953	2,596
Non-operating income		
Interest and dividend income	47	63
Subsidy income	96	23
Foreign exchange gains	271	1,050
Other	10	25
Total non-operating income	426	1,163
Non-operating expenses		
Interest expenses	1	17
Share issuance costs	16	1
Other	1	3
Total non-operating expenses	19	21
Ordinary profit	3,360	3,737
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	2	7
Total extraordinary losses	2	7
Profit before income taxes	3,360	3,730
Income taxes - current	1,122	1,158
Income taxes - deferred	56	258
Total income taxes	1,178	1,417
Profit	2,181	2,313
Loss attributable to non-controlling interests	(356)	(541)
Profit attributable to owners of parent	2,538	2,855

Consolidated Quarterly Statements of Comprehensive Income

Millions of yen

(Amounts less than one million yen are truncated)

	Six months of FY2021 (from January 1, 2021 to June 30, 2021)	Six months of FY2022 (from January 1, 2022 to June 30, 2022)
Profit	2,181	2,313
Other comprehensive income		
Valuation difference on available-for-sale securities	(89)	(22)
Foreign currency translation adjustment	459	1,479
Remeasurements of defined benefit plans, net of tax	94	93
Total other comprehensive income	464	1,550
Comprehensive income	2,646	3,863
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,003	4,405
Comprehensive income attributable to non-controlling interests	(356)	(541)

Consolidated Quarterly Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	Six months of FY2021 (from January 1, 2021 to June 30, 2021)	Six months of FY2022 (from January 1, 2022 to June 30, 2022)
Cash flows from operating activities		
Profit before income taxes	3,360	3,730
Depreciation	1,395	1,670
Increase (decrease) in provision for bonuses	(17)	(10)
Increase (decrease) in provision for bonuses for directors (and other officers)	(8)	(36)
Increase (decrease) in provision for loss on order received	(11)	(3)
Increase (decrease) in retirement benefit liability	(272)	(798)
Interest and dividend income	(47)	(63)
Interest expenses	1	17
Loss (gain) on sale and retirement of property, plant and equipment	(0)	7
Decrease (increase) in trade receivables	1,311	(1,784)
Decrease (increase) in inventories	(2,831)	(2,902)
Increase (decrease) in trade payables	1,906	2,127
Other, net	(350)	812
Subtotal	<u>4,435</u>	<u>2,763</u>
Interest and dividends received	57	64
Interest paid	(1)	(32)
Income taxes paid	(584)	(1,830)
Net cash provided by (used in) operating activities	<u>3,907</u>	<u>965</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,107)	(3,757)
Proceeds from sale of property, plant and equipment	3	4
Purchase of intangible assets	(110)	(153)
Purchase of investment securities	(0)	(1)
Proceeds from collection of loans receivable	2,000	3,000
Loan advances	-	(3,000)
Payments into time deposits	(1,320)	-
Proceeds from withdrawal of time deposits	200	-
Other, net	(37)	(60)
Net cash provided by (used in) investing activities	<u>(2,372)</u>	<u>(3,967)</u>
Cash flows from financing activities		
Proceeds from long-term borrowings	1,100	-
Dividends paid	(1,022)	(1,021)
Proceeds from share issuance to non-controlling shareholders	1,400	400
Repayments of lease obligations	-	(46)
Other, net	19	20
Net cash provided by (used in) financing activities	<u>1,496</u>	<u>(647)</u>
Effect of exchange rate change on cash and cash equivalents	<u>259</u>	<u>956</u>
Net increase (decrease) in cash and cash equivalents	<u>3,291</u>	<u>(2,693)</u>
Cash and cash equivalents at beginning of period	<u>23,533</u>	<u>22,206</u>
Cash and cash equivalents at end of period	<u>26,824</u>	<u>19,512</u>