

Canon
Canon Electronics Inc.

Annual Report 2022(Unaudited)

Consolidated Financial Highlights

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

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Net sales		
Component	45,909	57,029
Electronic Information Appliance	26,199	29,145
Other	10,504	10,331
Total	82,614	96,506
Profit attributable to owners of parent	5,392	6,920

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Basic earnings per share	131.98yen	169.34yen
Diluted earnings per share	—	—

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

	As of December 31, 2021	As of December 31, 2022
Total assets	126,268	137,493
Net assets	102,898	111,296

Consolidated Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2021	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	23,626	24,764
Notes and accounts receivable - trade	23,722	-
Notes and accounts receivable - trade, and contract assets	-	27,317
Investments in leases	333	161
Merchandise and finished goods	3,579	2,759
Work in process	7,559	11,747
Raw materials and supplies	289	191
Short-term loans receivable	20,000	20,000
Other	2,588	1,951
Total current assets	81,699	88,893
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,235	39,783
Accumulated depreciation	(23,436)	(24,885)
Buildings and structures, net	12,798	14,897
Machinery, equipment and vehicles	23,489	23,773
Accumulated depreciation	(20,869)	(21,473)
Machinery, equipment and vehicles, net	2,620	2,300
Tools, furniture and fixtures	19,240	20,199
Accumulated depreciation	(15,304)	(16,138)
Tools, furniture and fixtures, net	3,936	4,060
Land	18,489	18,600
Leased assets	13	655
Accumulated depreciation	(8)	(25)
Leased assets, net	5	630
Construction in progress	1,210	644
Total property, plant and equipment	39,061	41,134
Intangible assets	1,556	1,634
Investments and other assets		
Investment securities	2,036	2,091
Deferred tax assets	1,291	916
Retirement benefit asset	-	2,138
Other	622	684
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	3,950	5,830
Total non-current assets	44,569	48,599
Total assets	126,268	137,493

Consolidated Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2021	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	11,424	12,013
Electronically recorded obligations - operating	771	748
Lease liabilities	192	148
Accrued expenses	1,261	1,301
Income taxes payable	2,008	2,036
Provision for bonuses	427	420
Provision for bonuses for directors (and other officers)	63	84
Provision for loss on orders received	14	472
Other	2,620	3,072
Total current liabilities	18,784	20,298
Non-current liabilities		
Bonds payable	-	300
Long-term borrowings	3,200	3,200
Provision for retirement benefits for directors (and other officers)	200	200
Retirement benefit liability	1,019	1,475
Deferred tax liabilities	25	37
Other	140	684
Total non-current liabilities	4,585	5,898
Total liabilities	23,370	26,196
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	9,435	10,609
Retained earnings	88,497	93,167
Treasury shares	(2,503)	(2,482)
Total shareholders' equity	100,399	106,263
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	319	356
Foreign currency translation adjustment	730	1,938
Remeasurements of defined benefit plans	(1,231)	(924)
Total accumulated other comprehensive income	(181)	1,370
Non-controlling interests	2,680	3,662
Total net assets	102,898	111,296
Total liabilities and net assets	126,268	137,493

Consolidated Statements of Income

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Net sales	82,614	96,506
Cost of sales	64,061	75,795
Gross profit	18,552	20,711
Selling, general and administrative expenses	12,207	12,665
Operating profit	6,344	8,046
Non-operating income		
Interest and dividend income	93	112
Subsidy income	142	27
Foreign exchange gains	491	751
Other	31	36
Total non-operating income	758	928
Non-operating expenses		
Interest expenses	2	33
Share issuance costs	16	12
Other	4	5
Total non-operating expenses	23	52
Ordinary profit	7,079	8,922
Extraordinary income		
Gain on sale of non-current assets	4	0
Total extraordinary income	4	0
Extraordinary losses		
Loss on sale and retirement of non-current assets	6	36
Loss on valuation of investment securities	3	-
Loss on valuation of golf club membership	-	7
Total extraordinary losses	10	43
Profit before income taxes	7,073	8,878
Income taxes - current	2,585	3,265
Income taxes - deferred	62	237
Total income taxes	2,648	3,502
Profit	4,425	5,376
Loss attributable to non-controlling interests	(966)	(1,544)
Profit attributable to owners of parent	5,392	6,920

Consolidated Statements of Comprehensive Income

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

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Profit	4,425	5,376
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	37
Foreign currency translation adjustment	748	1,207
Remeasurements of defined benefit plans, net of tax	768	307
Total other comprehensive income	1,466	1,552
Comprehensive income	5,892	6,928
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,859	8,472
Comprehensive income attributable to non-controlling interests	(966)	(1,544)

Consolidated Statements of Shareholders' Equity

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

Millions of yen
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	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 Shareholders' Equity

FY2022 (from January 1, 2022 to December 31, 2022)

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	9,435	88,497	(2,503)	100,399
Changes during period					
Dividends of surplus			(2,247)		(2,247)
Profit attributable to owners of parent			6,920		6,920
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		21	18
Transfer from retained earnings to capital surplus		2	(2)		—
Capital increase of consolidated subsidiaries		1,173			1,173
Net changes in items other than shareholders' equity					—
Total changes during period	—	1,173	4,669	20	5,864
Balance at end of period	4,969	10,609	93,167	(2,482)	106,263

	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	319	730	(1,231)	(181)	2,680	102,898
Changes during period						
Dividends of surplus				—		(2,247)
Profit attributable to owners of parent				—		6,920
Purchase of treasury shares				—		(0)
Disposal of treasury shares				—		18
Transfer from retained earnings to capital surplus				—		—
Capital increase of consolidated subsidiaries				—		1,173
Net changes in items other than shareholders' equity	37	1,207	307	1,552	981	2,533
Total changes during period	37	1,207	307	1,552	981	8,398
Balance at end of period	356	1,938	(924)	1,370	3,662	111,296

Consolidated Statements of Cash Flows

Millions of yen

(Amounts less than one million yen are truncated)

	FY2021 (from January 1, 2021 to December 31, 2021)	FY2022 (from January 1, 2022 to December 31, 2022)
Cash flows from operating activities		
Profit before income taxes	7,073	8,878
Depreciation	3,248	3,653
Increase (decrease) in provision for bonuses	(10)	(19)
Increase (decrease) in provision for bonuses for directors (and other officers)	42	20
Increase (decrease) in provision for loss on orders received	(10)	457
Increase (decrease) in retirement benefit liability	(931)	572
Decrease (increase) in retirement benefit asset	-	(2,138)
Interest and dividend income	(93)	(112)
Interest expenses	2	33
Loss (gain) on sale and retirement of property, plant and equipment	2	36
Loss (gain) on sale and valuation of investment securities	3	-
Decrease (increase) in trade receivables	(2,050)	(3,253)
Decrease (increase) in inventories	(4,994)	(3,076)
Increase (decrease) in trade payables	1,963	345
Other, net	(253)	1,923
Subtotal	3,992	7,322
Interest and dividends received	102	110
Interest paid	(2)	(33)
Income taxes paid	(1,348)	(3,235)
Net cash provided by (used in) operating activities	2,744	4,163
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,535)	(5,002)
Proceeds from sale of property, plant and equipment	5	10
Purchase of intangible assets	(214)	(332)
Purchase of investment securities	(59)	(2)
Loan advances	-	(3,000)
Proceeds from collection of loans receivable	2,000	3,000
Payments into time deposits	(1,320)	-
Proceeds from withdrawal of time deposits	200	-
Other, net	(60)	(164)
Net cash provided by (used in) investing activities	(4,984)	(5,490)
Cash flows from financing activities		
Proceeds from long-term borrowings	1,100	-
Proceeds from issuance of bonds	-	300
Dividends paid	(2,046)	(2,248)
Proceeds from share issuance to non-controlling shareholders	1,400	3,700
Repayments of lease liabilities	-	(51)
Other, net	18	20
Net cash provided by (used in) financing activities	471	1,720
Effect of exchange rate change on cash and cash equivalents	441	744
Net increase (decrease) in cash and cash equivalents	(1,327)	1,138
Cash and cash equivalents at beginning of period	23,533	22,206
Cash and cash equivalents at end of period	22,206	23,344