

Canon
Canon Electronics Inc.

Annual Report 2023(Unaudited)

Consolidated Financial Highlights

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

	FY2022 (from January 1, 2022 to December 31, 2022)	FY2023 (from January 1, 2023 to December 31, 2023)
Net sales		
Component	57,029	55,934
Electronic Information Appliance	29,145	28,419
Other	10,331	11,968
Total	96,506	96,321
Profit attributable to owners of parent	6,920	6,566

	FY2022 (from January 1, 2022 to December 31, 2022)	FY2023 (from January 1, 2023 to December 31, 2023)
Basic earnings per share	169.34yen	160.62yen
Diluted earnings per share	—	—

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

	As of December 31, 2022	As of December 31, 2023
Total assets	137,493	131,145
Net assets	111,296	113,845

Consolidated Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2022	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	24,764	27,483
Notes and accounts receivable - trade, and contract assets	27,317	23,862
Investments in leases	161	160
Merchandise and finished goods	2,759	1,870
Work in process	11,747	11,715
Raw materials and supplies	191	206
Short-term loans receivable	20,000	22,000
Other	1,951	967
Total current assets	<u>88,893</u>	<u>88,266</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	39,783	37,317
Accumulated depreciation	(24,885)	(25,685)
Buildings and structures, net	<u>14,897</u>	<u>11,632</u>
Machinery, equipment and vehicles	23,773	24,023
Accumulated depreciation	(21,473)	(21,947)
Machinery, equipment and vehicles, net	<u>2,300</u>	<u>2,075</u>
Tools, furniture and fixtures	20,199	19,119
Accumulated depreciation	(16,138)	(15,724)
Tools, furniture and fixtures, net	<u>4,060</u>	<u>3,395</u>
Land	<u>18,600</u>	<u>15,313</u>
Leased assets	655	24
Accumulated depreciation	(25)	(7)
Leased assets, net	<u>630</u>	<u>17</u>
Construction in progress	644	669
Total property, plant and equipment	<u>41,134</u>	<u>33,104</u>
Intangible assets	<u>1,634</u>	<u>1,433</u>
Investments and other assets		
Investment securities	2,091	2,481
Shares of subsidiaries and associates	-	937
Deferred tax assets	916	365
Retirement benefit asset	2,138	3,745
Other	684	810
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	<u>5,830</u>	<u>8,340</u>
Total non-current assets	<u>48,599</u>	<u>42,878</u>
Total assets	<u>137,493</u>	<u>131,145</u>

Consolidated Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2022	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	12,013	9,660
Electronically recorded obligations - operating	748	741
Lease liabilities	148	65
Accrued expenses	1,301	1,369
Income taxes payable	2,036	1,129
Provision for bonuses	420	419
Provision for bonuses for directors (and other officers)	84	80
Provision for loss on orders received	472	18
Other	3,072	2,045
Total current liabilities	20,298	15,531
Non-current liabilities		
Bonds payable	300	-
Long-term borrowings	3,200	-
Lease liabilities	684	107
Deferred tax liabilities	37	50
Provision for retirement benefits for directors (and other officers)	200	181
Retirement benefit liability	1,475	1,428
Other	0	0
Total non-current liabilities	5,898	1,768
Total liabilities	26,196	17,299
Net assets		
Shareholders' equity		
Share capital	4,969	4,969
Capital surplus	10,609	10,609
Retained earnings	93,167	97,283
Treasury shares	(2,482)	(2,459)
Total shareholders' equity	106,263	110,403
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	356	643
Foreign currency translation adjustment	1,938	2,662
Remeasurements of defined benefit plans	(924)	(15)
Total accumulated other comprehensive income	1,370	3,289
Non-controlling interests	3,662	153
Total net assets	111,296	113,845
Total liabilities and net assets	137,493	131,145

Consolidated Statements of Income

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2022 (from January 1, 2022 to December 31, 2022)	FY2023 (from January 1, 2023 to December 31, 2023)
Net sales	96,506	96,321
Cost of sales	75,795	75,844
Gross profit	20,711	20,476
Selling, general and administrative expenses	12,665	11,333
Operating profit	8,046	9,142
Non-operating income		
Interest and dividend income	112	134
Subsidy income	27	652
Foreign exchange gains	751	379
Other	36	71
Total non-operating income	928	1,237
Non-operating expenses		
Interest expenses	33	24
Share of loss of entities accounted for using equity method	-	1,357
Share issuance costs	12	-
Other	5	35
Total non-operating expenses	52	1,417
Ordinary profit	8,922	8,963
Extraordinary income		
Gain on sale of non-current assets	0	77
Gain on sale of golf club membership	-	2
Total extraordinary income	0	79
Extraordinary losses		
Loss on sale and retirement of non-current assets	36	18
Loss on valuation of golf club membership	7	-
Total extraordinary losses	43	18
Profit before income taxes	8,878	9,024
Income taxes - current	3,265	2,994
Income taxes - deferred	237	49
Total income taxes	3,502	3,043
Profit	5,376	5,980
Loss attributable to non-controlling interests	(1,544)	(585)
Profit attributable to owners of parent	6,920	6,566

Consolidated Statements of Comprehensive Income

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2022 (from January 1, 2022 to December 31, 2022)	FY2023 (from January 1, 2023 to December 31, 2023)
Profit	5,376	5,980
Other comprehensive income		
Valuation difference on available-for-sale securities	37	286
Foreign currency translation adjustment	1,207	723
Remeasurements of defined benefit plans, net of tax	307	908
Total other comprehensive income	1,552	1,918
Comprehensive income	6,928	7,899
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,472	8,484
Comprehensive income attributable to non-controlling interests	(1,544)	(585)

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 Shareholders' Equity

FY2023 (from January 1, 2023 to December 31, 2023)

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	10,609	93,167	(2,482)	106,263
Changes during period					
Dividends of surplus			(2,452)		(2,452)
Profit attributable to owners of parent			6,566		6,566
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(0)		24	23
Transfer from retained earnings to capital surplus		0	(0)		—
Change in scope of consolidation			3		3
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	4,115	23	4,139
Balance at end of period	4,969	10,609	97,283	(2,459)	110,403

	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	356	1,938	(924)	1,370	3,662	111,296
Changes during period						
Dividends of surplus				—		(2,452)
Profit attributable to owners of parent				—		6,566
Purchase of treasury shares				—		(0)
Disposal of treasury shares				—		23
Transfer from retained earnings to capital surplus				—		—
Change in scope of consolidation				—		3
Net changes in items other than shareholders' equity	286	723	908	1,918	(3,509)	(1,590)
Total changes during period	286	723	908	1,918	(3,509)	2,548
Balance at end of period	643	2,662	(15)	3,289	153	113,845

Consolidated Statements of Cash Flows

	Millions of yen (Amounts less than one million yen are truncated)	
	FY2022 (from January 1, 2022 to December 31, 2022)	FY2023 (from January 1, 2023 to December 31, 2023)
Cash flows from operating activities		
Profit before income taxes	8,878	9,024
Depreciation	3,653	3,273
Increase (decrease) in provision for bonuses	(19)	3
Increase (decrease) in provision for bonuses for directors (and other officers)	20	(4)
Increase (decrease) in provision for loss on orders received	457	176
Increase (decrease) in retirement benefit liability	572	301
Decrease (increase) in retirement benefit asset	(2,138)	(1,607)
Interest and dividend income	(112)	(134)
Interest expenses	33	24
Share of loss (profit) of entities accounted for using equity method	-	1,357
Loss (gain) on sale and retirement of property, plant and equipment	36	(58)
Decrease (increase) in trade receivables	(3,253)	3,761
Decrease (increase) in inventories	(3,076)	(891)
Increase (decrease) in trade payables	345	(2,494)
Other, net	1,923	1,089
Subtotal	<u>7,322</u>	<u>13,821</u>
Interest and dividends received	110	163
Interest paid	(33)	(24)
Income taxes paid	(3,235)	(3,760)
Net cash provided by (used in) operating activities	<u>4,163</u>	<u>10,200</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,002)	(3,172)
Proceeds from sale of property, plant and equipment	10	338
Purchase of intangible assets	(332)	(167)
Purchase of investment securities	(2)	(11)
Loan advances	(3,000)	(5,000)
Proceeds from collection of loans receivable	3,000	5,000
Other, net	(164)	(295)
Net cash provided by (used in) investing activities	<u>(5,490)</u>	<u>(3,307)</u>
Cash flows from financing activities		
Proceeds from issuance of bonds	300	-
Dividends paid	(2,248)	(2,456)
Proceeds from share issuance to non-controlling shareholders	3,700	-
Repayments of lease liabilities	(51)	(27)
Other, net	20	23
Net cash provided by (used in) financing activities	<u>1,720</u>	<u>(2,460)</u>
Effect of exchange rate change on cash and cash equivalents	744	229
Net increase (decrease) in cash and cash equivalents	<u>1,138</u>	<u>4,661</u>
Cash and cash equivalents at beginning of period	<u>22,206</u>	<u>23,344</u>
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	(822)
Cash and cash equivalents at end of period	<u>23,344</u>	<u>27,183</u>