


CANON ELECTRONICS INC.
ANNUAL REPORT 2015(Unaudited)
CONSOLIDATED FINANCIAL HIGHLIGHTS

	Millions of yen (except per share amounts)		Thousands of U.S. dollars (except per share amounts)	
	2015	2014	2015	2014
Net sales	¥	¥	\$	\$
Component				
Electronic Information Appliance	48,564	51,537	401,359	425,929
Other	31,932	34,033	263,908	281,269
Other	8,876	9,911	73,359	81,913
Total	89,373	95,482	738,627	789,112
Net Income	6,951	7,377	57,452	60,971
Net income per common share				
assuming no dilution	170.31	178.77	1.41	1.48
assuming full dilution	-	-	-	-

	Millions of yen		Thousands of U.S. dollars	
	2015	2014	2015	2014
Total assets	¥ 101,806	¥ 101,542	\$ 841,374	\$ 839,195
Net assets	78,539	75,996	649,087	628,073

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars	
	2015	2014	2015	2014
Net sales	¥ 89,373	¥ 95,482	\$ 738,627	\$ 789,112
Cost of sales	68,033	75,523	562,257	624,157
Gross profit (loss)	21,340	19,959	176,370	164,954
Selling, general and administrative expenses	10,816	11,162	89,395	92,249
Operating income (loss)	10,523	8,797	86,974	72,704
Other income				
Foreign exchange gains	-	1,585	-	13,102
Interest and dividend income	80	51	668	425
Gain on reversal of subscription rights to shares	-	225	-	1,864
Other	107	127	894	1,056
Other expenses	188	1,989	1,563	16,449
Foreign exchange losses	25	-	214	-
Loss on sales and retirement of non-current assets	10	14	88	120
Loss on valuation of investment securities	56	47	465	394
Other	7	36	59	305
Income (loss) before income taxes	10,612	10,688	87,710	88,333
Income taxes	3,655	3,310	30,210	27,357
Minority interests in income	5	0	47	5
Profit (loss)	¥ 6,951	¥ 7,377	\$ 57,452	\$ 60,971

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥121=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2015.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Millions of yen		Thousands of U.S. dollars	
	2015	2014	2015	2014
Income (loss) before minority interests	¥ 6,957	¥ 7,378	\$ 57,500	\$ 60,976
Other comprehensive income				
Valuation difference on available-for-sale securities	68	(25)	563	(209)
Foreign currency translation adjustment	(374)	803	(3,092)	6,640
Remeasurements of defined benefit plans, net of tax	(828)	-	(6,845)	-
Comprehensive income	(1,134)	778	(9,374)	6,431
Comprehensive income	5,823	8,156	48,125	67,408
Profit attributable to				
Comprehensive income attributable to owners of parent	5,817	8,155	48,078	67,402
Comprehensive income attributable to minority interests	5	0	47	5

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥121=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2015.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Millions of yen		Thousands of U.S. dollars	
	2015	2014	2015	2014
Profit (loss)	¥ 6,957	¥ 7,378	\$ 57,500	\$ 60,976
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation	3,278	3,995	27,092	33,019
Increase (decrease) in provision for bonuses	5	(2)	47	(19)
Increase (decrease) in provision for directors' bonuses	(0)	(6)	(4)	(52)
Increase (decrease) in provision for loss on order received	39	(8)	326	(66)
Increase (decrease) in net defined benefit liability	(1,457)	(309)	(12,041)	(2,558)
Interest and dividend income	(80)	(51)	(668)	(425)
Loss (gain) on sales and retirement of property, plant and equipment	9	14	77	118
Loss (gain) on sales and valuation of investment securities	55	47	457	394
Decrease (increase) in notes and accounts receivable - trade	3,963	(1,701)	32,758	(14,062)
Decrease (increase) in inventories	492	447	4,069	3,695
Increase (decrease) in notes and accounts payable - trade	(2,324)	1,123	(19,213)	9,281
Other, net	(390)	(767)	(3,228)	(6,338)
Net cash provided by (used in) operating activities	10,547	10,159	87,172	83,962
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,472)	(3,811)	(20,432)	(31,500)
Proceeds from sales of property, plant and equipment	5	1	44	16
Purchase of intangible assets	(316)	(222)	(2,615)	(1,835)
Purchase of investment securities	(2)	(86)	(24)	(714)
Payments of loans receivable	(15,000)	-	(123,966)	-
Other, net	(334)	(98)	(2,764)	(816)
Net cash provided by (used in) investing activities	(18,121)	(4,217)	(149,760)	(34,851)
Cash flows from financing activities				
Cash dividends paid	(2,447)	(2,486)	(20,223)	(20,550)
Purchase of treasury shares	-	(1,499)	-	(12,395)
Other, net	(3)	(3)	(31)	(25)
Net cash provided by (used in) financing activities	(2,450)	(3,989)	(20,254)	(32,971)
Effect of exchange rate change on cash and cash equivalents	(263)	301	(2,177)	2,494
Net increase (decrease) in cash and cash equivalents	(10,287)	2,254	(85,020)	18,634
Cash and cash equivalents at beginning of period	29,476	27,326	243,609	225,835
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	(104)	-	(860)
Cash and cash equivalents at end of period	19,189	29,476	158,589	243,609

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥121=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2015.

CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

	Millions of yen											
	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at December 31, 2014	¥ 4,969	¥ 9,595	¥ 64,450	¥ (2,574)	¥ 76,439	¥ 195	¥ 1,206	¥ (1,895)	¥ (492)	-	¥ 49	¥ 75,996
Cumulative effects of changes in accounting policies			(827)		(827)				-			(827)
Restated balance	4,969	9,595	63,622	(2,574)	75,612	195	1,206	(1,895)	(492)	-	49	75,169
Changes of items during period												
Dividends of surplus			(2,449)		(2,449)				-			(2,449)
Net income (loss)			6,951		6,951				-			6,951
Purchase of treasury shares				(3)	(3)				-			(3)
Disposal of treasury shares					-				-			-
Net changes of items other than shareholders' equity					-	68	(374)	(828)	(1,134)		5	(1,128)
Total changes of items during period	-	-	4,502	(3)	4,498	68	(374)	(828)	(1,134)	-	5	3,370
Balance at December 31, 2015	¥ 4,969	¥ 9,595	¥ 68,125	¥ (2,578)	¥ 80,111	¥ 264	¥ 832	¥ (2,723)	¥ (1,627)	-	¥ 55	¥ 78,539

	Thousands of U.S. dollars											
	Shareholders' equity					Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at December 31, 2014	\$ 41,067	\$ 79,300	\$532,645	\$(21,279)	\$ 631,734	\$ 1,618	\$ 9,971	\$ (15,663)	\$ (4,074)	-	\$ 412	\$ 628,073
Cumulative effects of changes in accounting policies			(6,839)		(6,839)				-			(6,839)
Restated balance	41,067	79,300	525,805	(21,279)	624,894	1,618	9,971	(15,663)	(4,074)	-	412	621,233
Changes of items during period												
Dividends of surplus			(20,240)		(20,240)				-			(20,240)
Net income (loss)			57,452		57,452				-			57,452
Purchase of treasury shares				(31)	(31)				-			(31)
Disposal of treasury shares					-				-			-
Net changes of items other than shareholders' equity					-	563	(3,092)	(6,845)	(9,374)		47	(9,326)
Total changes of items during period	-	-	37,212	(31)	37,181	563	(3,092)	(6,845)	(9,374)	-	47	27,854
Balance at December 31, 2015	\$ 41,067	\$ 79,300	\$563,018	\$(21,310)	\$ 662,076	\$ 2,181	\$ 6,879	\$ (22,509)	\$ (13,448)	-	\$ 459	\$ 649,087

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥121=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30, 2015.