Canon

CANON ELECTRONICS INC.

ANNUAL REPORT 2016(Unaudited)

CONSOLIDATED FINANCIAL HIGHLIGHTS

		ns of yen share amounts)		of U.S. dollars share amounts)
	2016	2015	2016	2015
	¥	¥	\$	\$
Net sales				
Component	44,181	48,564	380,877	418,659
Electronic Information Appliance	30,246	31,932	260,745	275,284
Other	8,862	8,876	76,398	76,521
Total	83,290	89,373	718,021	770,464
Profit (loss) attributable to owners of parent	5,553	6,951	47,875	59,929
Profit (loss) attributable to owners of parent per common share				
assuming no dilution	136.06	170.31	1.17	1.47
assuming full dilution	-	-	-	-

	Mil	llions of yen	Thousands	of U.S. dollars
	2016	2015	2016	2015
	¥	¥	\$	\$
Total assets	103,171	101,780	889,407	877,418
Net assets	81,515	78,539	702,723	677,065

CONSOLIDATED STATEMENTS OF INCOME

	Million	ns of yen	Thousands of U.S. dollars			
	2016	2015	2016	2015		
	¥	¥	\$	\$		
Net sales	83,290	89,373	718,021	770,464		
Cost of sales	64,610	68,033	556,987	586,492		
Gross profit (loss)	18,679	21,340	161,034	183,972		
Selling, general and administrative expenses	10,602	10,816	91,399	93,249		
Operating income (loss)	8,077	10,523	69,634	90,723		
Other income	·	•				
Interest and dividend income	91	80	792	697		
Gain on sales of investment securities	47	0	405	8		
Other	36	106	316	924		
	175	188	1,514	1,630		
Other expenses						
Foreign exchange losses	197	25	1,701	223		
Loss on sales and retirement of non-current assets	1	10	11	92		
Loss on valuation of investment securities	-	56	-	485		
Loss on valuation of golf club membership	64	-	554	-		
Other	48	7	419	62		
	311	100	2,686	863		
Profit (loss) before income taxes	7,941	10,612	68,462	91,491		
Income taxes	2,380	3,655	20,518	31,512		
Profit (loss)	5,561	6,957	47,943	59,978		
	¥	•	-	-		
Profit (loss) attributable to non-controlling interests	7	5	67	49		
Profit (loss) attributable to owners of parent	5,553	6,951	47,875	59,929		

Notes:U.S.Dollar amounts are translated from yen at the rate of ¥116=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30,2016.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Million	ns of yen	Thousands of U.S. dollars			
	2016	2015	2016	2015		
	¥	¥	\$	\$		
Profit (loss)	5,561	6,957	47,943	59,978		
Other comprehensive income						
Valuation difference on available-for-sale securities	(60)	68	(519)	587		
Deferred gains or losses on hedges	(40)	-	(350)	-		
Foreign currency translation adjustment	(112)	(374)	(971)	(3,225)		
Remeasurements of defined benefit plans	78	(828)	675	(7,140)		
	(135)	(1,134)	(1,167)	(9,778)		
Comprehensive income	5,426	5,823	46,776	50,200		
Profit attributable to						
Comprehensive income attributable to owners of parent	5,418	5,817	46,708	50,150		
Comprehensive income attributable to non-controlling interests	7	5	67	49		

	Millior	ns of yen	Thousands of U.S. dollars			
•	2016	2015	2016	2015		
¥		¥	\$	\$		
Profit (loss)	5,561	6,957	47,943	59,978		
Adjustment to reconcile net income to net cash						
provided by operating activities						
provided by operating activities						
Depreciation	3,356	3,278	28,931	28,260		
Increase (decrease) in provision for bonuses	5	5	49	49		
Increase (decrease) in provision for directors' bonuses	(5)	(0)	(48)	(5)		
Increase (decrease) in provision for loss on order received	123	39	1,061	341		
Increase (decrease) in net defined benefit liability	(1,486)	(1,457)	(12,815)	(12,560)		
Interest and dividend income	(91)	(80)	(792)	(697)		
Loss (gain) on sales and retirement of property, plant and equipment	1	9	8	80		
Loss (gain) on sales and valuation of investment securities	(47)	55	(405)	476		
Decrease (increase) in notes and accounts receivable - trade	(983)	3.963	(8,481)	34.170		
Decrease (increase) in inventories	, ,	3,963 492		4,244		
,	(87)		(752)			
Increase (decrease) in notes and accounts payable - trade	133	(2,324)	1,147	(20,041)		
Other, net	1,078	(390)	9,297	(3,367)		
Net cash provided by (used in) operating activities	7,556	10,547	65,143	90,929		
Cash flows from investing activities						
Purchase of property, plant and equipment	(3,078)	(2,472)	(26,536)	(21,313)		
Proceeds from sales of property, plant and equipment	(0,070)	5	(20,000)	46		
Purchase of intangible assets	(381)	(316)	(3,288)	(2,728)		
Purchase of investment securities	(1)	(2)	(13)	(25)		
Proceeds from sales of investment securities	150	0	1,300	8		
Payments of loans receivable	(5,000)	(15,000)	(43,103)	(129,310)		
Other, net	243	(335)	2,101	(2,892)		
Other, net	240	(000)	2,101	(2,002)		
Net cash provided by (used in) investing activities	(8,065)	(18,121)	(69,530)	(156,216)		
Cash flows from financing activities						
Cash dividends paid	(2,446)	(2,447)	(21,093)	(21,095)		
Other, net	(0)	(3)	(6)	(32)		
outor, not	(0)	(0)	(0)	(02)		
Net cash provided by (used in) financing activities	(2,447)	(2,450)	(21,099)	(21,127)		
Effect of exchange rate change on cash and cash equivalents	(192)	(263)	(1,655)	(2,271)		
Net increase (decrease) in cash and cash equivalents	(3,148)	(10,287)	(27,141)	(88,685)		
		, , ,	, ,	, , ,		
Cash and cash equivalents at beginning of period	19,189	29,476	165,425	254,110		
Oash and assh assistants at and affective	40.040	40.400	400.000	405 105		
Cash and cash equivalents at end of period	16,040	19,189	138,283	165,425		

Notes:U.S.Dollar amounts are translated from yen at the rate of ¥116=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30,2016.

<u>Assets</u>	Millio	Thousands of U.S. dollars				
	December 31. 2016	December 31, 2015	December 31. 2016	December 3 2015		
N		v	•	•		
Current assets	¥	¥	\$ 140.265	\$ 170,000		
Cash and deposits	16,270	19,729	140,265	170,080		
Notes and accounts receivable - trade	22,394	21,488	193,059	185,245		
Lease investment assets	299	314	2,578	2,710		
Merchandise and finished goods	975	1,068	8,406	9,207		
Work in process	2,233	2,039	19,254	17,580		
Raw materials and supplies	76	90	661	782		
Short-term loans receivable	20,000	15,000	172,413	129,310		
Deferred tax assets	280	314	2,421	2,715		
Other	1,374	1,912	11,846	16,488		
Allowance for doubtful accounts	(0)	(0)	(0)	(2		
Total current assets	63,905	61,957	550,906	534,117		
Property, plant and equipment						
Buildings and structures	31,539	31,285	271,889	269,69		
Accumulated depreciation	(19,604)	(18,576)	(169,000)	(160,14		
•	11,935	12,708	102,888	109,55		
Buildings and structures, net	·					
Machinery, equipment and vehicles	23,043	22,177	198,651	191,18		
Accumulated depreciation	(18,743)	(17,965)	(161,583)	(154,87		
Machinery, equipment and vehicles, net	4,299	4,212	37,067	36,31		
Tools, furniture and fixtures	18,694	18,863	161,156	162,61		
Accumulated depreciation				(137,97		
	(15,428)	(16,004)	(133,006)			
Tools, furniture and fixtures, net	3,265	2,858	28,150	24,64		
Land Construction in progress	14,618 290	14,493 356	126,020 2,508	124,94 3,06		
			•	-		
Total property, plant and equipment	34,409	34,628	296,634	298,52		
ntangible assets	1,447	1,221	12,480	10,53		
nvestments and other assets						
Investment securities	565	763	4,874	6,58		
Deferred tax assets	2,060	2,408	17,765	20,75		
Other	782	800	6,746	6,90		
Allowance for doubtful accounts	(0)	(0)	(0)			
Total investments and other assets	3,408	3,972	29,386	34,24		
Total assets	¥ 103,171	¥ 101,780	\$ 889,407	\$ 877,41		
Liabilities and Net assets	Million December 31.	ns of yen December 31,	Thousands December 31.	of U.S. dollars December 3		
	2016	2015	2016	2015		
Current liabilities	¥	¥	\$	\$		
Current liabilities	¥ 12 105	¥ 12.014	\$ 104.358	\$ 103.57		
Notes and accounts payable - trade	12,105	12,014	104,358	103,57		
Notes and accounts payable - trade Lease obligations	12,105 106	12,014 104	104,358 922	103,57 90		
Notes and accounts payable - trade	12,105	12,014	104,358	103,57		
Notes and accounts payable - trade Lease obligations	12,105 106	12,014 104	104,358 922	103,57 90		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable	12,105 106 1,295 629	12,014 104 1,324 1,480	104,358 922 11,169 5,426	103,57 90 11,41 12,75		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses	12,105 106 1,295 629 377	12,014 104 1,324 1,480 373	104,358 922 11,169 5,426 3,256	103,57 90 11,41 12,75 3,21		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses	12,105 106 1,295 629 377 27	12,014 104 1,324 1,480 373 33	104,358 922 11,169 5,426 3,256 235	103,57 90 11,41 12,75 3,21 28		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received	12,105 106 1,295 629 377 27 188	12,014 104 1,324 1,480 373 33 65	104,358 922 11,169 5,426 3,256 235 1,623	103,57 90 11,41 12,75 3,21 28 56		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received	12,105 106 1,295 629 377 27	12,014 104 1,324 1,480 373 33	104,358 922 11,169 5,426 3,256 235	103,57 90 11,41 12,75 3,21		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received	12,105 106 1,295 629 377 27 188	12,014 104 1,324 1,480 373 33 65	104,358 922 11,169 5,426 3,256 235 1,623	103,57 90 11,41 12,75 3,21 28 56 11,43		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities	12,105 106 1,295 629 377 27 188 1,543	12,014 104 1,324 1,480 373 33 65 1,326	104,358 922 11,169 5,426 3,256 235 1,623 13,302	103,57 90 11,41 12,75 3,21 28 56 11,45		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities	12,105 106 1,295 629 377 27 188 1,543	12,014 104 1,324 1,480 373 33 65 1,326	104,358 922 11,169 5,426 3,256 235 1,623 13,302	103,57 97 11,41 12,76 3,21 26 56 11,43		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits	12,105 106 1,295 629 377 27 188 1,543	12,014 104 1,324 1,480 373 33 65 1,326	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293	103,57 90 11,41 12,75 3,21 28 56 11,43 144,15		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293	103,57 9(11,41 12,78 3,21 28 56 11,43 144,18		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293	103,57 97 11,41 12,75 3,21 26 56 11,45 144,15		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839	103,57 9(11,41 12,75 3,21 28 56 11,43 144,15 2,13 51,54 55 1,98		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390	103,57 9(7 11,41 12,75 3,21 26 56 11,45 144,15 2,13 51,54 53 1,98		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839	103,57 9(7 11,41 12,75 3,21 26 56 11,45 144,15 2,13 51,54 53 1,98		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities	12,105 106 1,295 629 377 27 188 1,543 16,274	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390	103,57 9(7 11,41 12,75 3,21 26 56 11,45 144,15 2,13 51,54 53 1,98		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,57 90 11,41 12,75 3,21 25 56 11,43 144,15 2,13 51,54 53 1,96 200,35		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities Total liabilities Total liabilities Total liabilities Total liabilities Total liabilities Account of the control of	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,57 90 11,41 12,75 3,21 28 56 11,43 144,15 2,13 51,54 53 1,98 200,35		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total Non-current liabilities et assets Shareholders' equity Capital stock Capital surplus	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,57 97 11,41 12,78 3,21 28 56 11,43 144,18 2,13 51,54 53 1,98 200,38		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Don-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities Total liabilities Total sassets Shareholders' equity Capital strock Capital strock Capital surplus Retained earnings	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,5: 91 11,4: 12,7! 3,2: 26: 55 11,4: 144,1! 2,1: 51,5: 56,1! 200,3: 42,8: 82,7: 587,2:		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total Non-current liabilities et assets Shareholders' equity Capital stock Capital surplus	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,57 91,41 11,41 12,75 3,22 26 55 11,43 144,18 2,13 51,54 53 1,98 200,38 42,81 82,71 58,7,28		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities on-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities total Non-current liabilities Total liabilities Total liabilities Cotal liabilities Retained earnings	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683	103,57 9(11,41 12,75 3,21 28 56 11,43 144,15 2,11 51,54 53 1,98 200,35 42,83 82,71 587,28 (22,22		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for lorses or order received Other Total current liabilities Ion-current liabilities Iotal Non-current liabilities Iotal Non-current liabilities Iotal liabilities Iotal liabilities Iotal liabilities Retained earnings Ireasury shares Total shareholders' equity Total shareholders' equity	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578)	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234)	103,57 9(11,41 12,75 3,21 28 56 11,43 144,15 2,11 51,54 53 1,98 200,35 42,83 82,71 587,28 (22,22		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Ion-current liabilities Ion-current liabilities Total Non-current liabilities Total Non-current liabilities Total liabilities Total liabilities Total liabilities Iotal liabilities Total liabilities Total liabilities Iotal liabilities Total liabilities Iotal liabilities Total liabilities Iotal liabilities Total liabilities Iotal liabilities I	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578)	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371	103,57 9(11,41 11,41 12,75 3,21 28 56 11,43 144,15 2,13 51,54 55 1,98 200,38 42,83 82,71 587,28 (22,22 690,61		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for directors' bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities Iotal liabilities Ret assets Shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371	103,57 9(11,41 11,41 12,75 3,21 28 56 11,43 144,15 2,13 51,54 55 1,98 200,38 42,83 82,71 587,28 (22,22 690,61		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities on-current liabilities on-current liabilities on-current liabilities Total shall liabilities Other Total Non-current liabilities Total Non-current liabilities total Non-current liabilities Total liabilities Total liabilities t assets Shareholders' equity Capital strock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371	103,57 9(11,41 11,41 12,75 3,21 25 55 11,43 144,15 2,13 51,54 53 1,96 200,36 42,83 82,71 587,25 (22,22 690,61		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for lores or order received Other Total current liabilities Ion-current liabilities Ion-current liabilities Ion-current liabilities Total shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371	103,57 90 11,41 12,78 3,21 28 56 11,43 144,15 2,13 51,54 53 1,96 200,35 42,83 82,77 587,28 (22,22 690,61		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities Iotal Non-current liabilities Total sasets Shareholders' equity Capital strock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215 203 (40) 7719 (2,645)	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371 1,756 (350) 6,203 (22,804)	103,57 9(11,41 11,47 3,21 2,55 51,43 144,18 2,13 51,54 56,18 200,38 42,83 82,71 587,28 (22,22 690,61		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for lores or order received Other Total current liabilities on-current liabilities on-current liabilities on-current liabilities Total shareholders' equity Capital stock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371	103,57 911,41 11,41 12,75 3,22 26 55 11,43 144,18 2,17 51,54 56,18 200,38 42,88 82,77 587,28 (22,22 690,6		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for lores or order received Other Total current liabilities on-current liabilities on-current liabilities on-current liabilities on-current liabilities Total current liabilities on-current liabilities on-current liabilities Total staliabilities Other Total Non-current liabilities Total liabilities et assets Shareholders' equity Capital strock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans Total accumulated other comprehensive income	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215 203 (40) 7719 (2,645)	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371 1,756 (350) 6,203 (22,804)	103,57 911,41 11,41 12,75 3,22 28 55 11,43 144,15 2,17 51,52 50 1,98 56,15 200,35 42,88 82,77 587,25 (22,22 690,62		
Notes and accounts payable - trade Lease obligations Accrued expenses Income taxes payable Provision for bonuses Provision for loss on order received Other Total current liabilities Ion-current liabilities Ion-current liabilities Provision for directors' retirement benefits Net defined benefit liability Deferred tax liabilities Other Total Non-current liabilities Total liabilities Iotal Non-current liabilities Total sasets Shareholders' equity Capital strock Capital surplus Retained earnings Treasury shares Total shareholders' equity Accumulated other comprehensive income Valuation difference on available-for-sale securities Deferred gains or losses on hedges Foreign currency translation adjustment Remeasurements of defined benefit plans	12,105 106 1,295 629 377 27 188 1,543 16,274 230 4,878 58 213 5,381 21,655 4,969 9,595 71,229 (2,579) 83,215 203 (40) 719 (2,645) (1,762)	12,014 104 1,324 1,480 373 33 65 1,326 16,721 247 5,979 61 230 6,519 23,240 4,969 9,595 68,125 (2,578) 80,111 264 - 832 (2,723) (1,627)	104,358 922 11,169 5,426 3,256 235 1,623 13,302 140,293 1,987 42,055 507 1,839 46,390 186,683 42,837 82,718 614,050 (22,234) 717,371 1,756 (350) 6,203 (22,804) (15,195)	103,57 9(11,41 11,47 11,47 3,21 28 56 11,43 144,15 2,13 51,54 53 1,98 200,38 42,83 82,71 587,28 (22,22 690,61		

¥ 103,171

¥ 101,780

\$ 889,407

\$ 877,418

Notes:U.S.Dollar amounts are translated from yen at the rate of ¥116=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30,2016.

Total liabilities and net assets

	_	Millions of ven																	
		Shareholders' equity								Accumulated other comprehensive income							Π		
		Capital stock		Capital surplus	Retained earnings		easury	Total Shareholders' equity	diffe	aluation erence on illable-for- sale ecurities	Deferred gains or losses on hedges	Foreign currency translation adjustme	y on	Remeasure ments of defined benefit plans	Total accumulated other comprehensive income	Non- controlling interests		Total net assets	
Balance at December 31, 2015	¥	4,969	¥	9,595	¥ 68,125	¥ (:	2,578)	¥ 80,111	¥	264	-	¥ 83	32	¥ (2,723)	¥ (1,627)	¥ 55	¥	78,539	
Changes of items during period																			
Dividends of surplus					(2,449)			(2,449)							-			(2,449)	
Profit (loss)					5,553			5,553							-			5,553	
Purchase of treasury shares							(0)	(0)							-			(0)	
Disposal of treasury shares				(0)			0	0							-			0	
Net changes of items other than shareholders' equity								-		(60)	(40)	(1	12)	78	(135)	7		(127)	
Total changes of items during period				(0)	3,104		(0)	3,103		(60)	(40)	(11	12)	78	(135)	7		2,976	
Balance at December 31, 2016	¥	4,969	¥	9,595	¥ 71,229	¥ (:	2,579)	¥ 83,215	¥	203	¥ (40)	¥ 7′	19	¥ (2,645)	¥ (1,762)	¥ 63	¥	81,515	

		Thousands of U.S. dollars											
		S	hareholders	s' equity			Accumulated						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for- sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasure ments of defined benefit plans	Total accumulated other comprehensive income	Non- controlling interests	Total net assets	
Balance at December 31, 2015	\$ 42,837	\$ 82,718	\$587,286	\$ (22,228)	\$ 690,614	\$ 2,275	-	\$ 7,175	\$ (23,479)	\$ (14,028)	\$ 479	\$ 677,065	
Changes of items during period													
Dividends of surplus			(21,112)		(21,112)					-		(21,112)	
Profit (loss)			47,875		47,875					-		47,875	
Purchase of treasury shares				(6)	(6)					-		(6)	
Disposal of treasury shares		(0)		0	0					-		0	
Net changes of items other than shareholders' equity					-	(519)	(350)	(971)	675	(1,167)	67	(1,099)	
Total changes of items during period	-	(0)	26,763	(6)	26,757	(519)	(350)	(971)	675	(1,167)	67	25,658	
Balance at December 31, 2016	\$ 42,837	\$ 82,718	\$614,050	\$ (22,234)	\$ 717,371	\$ 1,756	\$ (350)	\$ 6,203	\$ (22,804)	\$ (15,195)	\$ 547	\$ 702,723	

Notes:U.S.Dollar amounts are translated from yen at the rate of ¥116=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 30,2016.