


CANON ELECTRONICS INC.
SEMI-ANNUAL REPORT 2014(Unaudited)
CONSOLIDATED FINANCIAL HIGHLIGHTS

	Millions of yen (except per share amounts)		Thousands of U.S. dollars (except per share amounts)	
	For the six-month periods ended June 30.			
	2014	2013	2014	2013
	¥	¥	\$	\$
Net sales				
Component	25,037	26,383	247,900	261,222
Electronic Information Appliance	16,467	17,022	163,046	168,543
Other	5,200	5,397	51,494	53,438
Total	46,706	48,803	462,442	483,204
Net Income	3,315	4,335	32,829	42,928
Net income per common share				
assuming no dilution	79.80	104.22	0.79	1.03
assuming full dilution	-	-	-	-

	Millions of yen		Thousands of U.S. dollars	
	For the six-month periods ended June 30.			
	2014	2013	2014	2013
	¥	¥	\$	\$
Total assets	96,521	96,013	955,661	950,625
Net assets	75,072	73,953	743,292	732,210

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen		Thousands of U.S. dollars	
	For the six-month periods ended June 30.			
	2014	2013	2014	2013
	¥	¥	\$	\$
Net sales	46,706	48,803	462,442	483,204
Cost of sales	36,762	38,132	363,988	377,551
Gross profit	9,943	10,670	98,453	105,653
Selling, general and administrative expenses	5,456	5,256	54,024	52,043
Operating profit	4,487	5,414	44,428	53,609
Other income				
Interest and dividends	25	26	248	260
Rent income	24	25	242	257
Foreign exchange gains	-	562	-	5,571
Gain on sales of investment securities	-	675	-	6,687
Gain on reversal of subscription rights to shares	225	9	2,233	94
Other	31	117	310	1,166
Other income	306	1,417	3,034	14,036
Other expenses				
Foreign exchange losses	357	-	3,539	-
Loss on sales and retirement of non-current assets	11	1	109	14
Loss on valuation of investment securities	47	-	472	-
Other	25	1	256	17
Other expenses	442	3	4,378	32
Income before income taxes and minority interests	4,351	6,829	43,085	67,614
Income taxes	1,035	2,486	10,249	24,618
Minority interests	0	6	5	66
Net income	¥ 3,315	¥ 4,335	\$ 32,829	\$ 42,928

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥101=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2014.

CONSOLIDATED STATEMENTS OF CASH FLOW

	Millions of yen		Thousands of U.S. dollars	
	2014	2013	2014	2013
Net income	¥ 3,315	¥ 7,249	\$ 32,829	\$ 71,773
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation	1,997	2,059	19,774	20,387
Amortization of goodwill	-	92	-	916
Increase (decrease) in provision for bonuses	24	51	247	513
Increase (decrease) in provision for directors' bonuses	(28)	(22)	(277)	(222)
Increase (decrease) in provision for loss on order received	2	(17)	20	(174)
Increase (decrease) in provision for retirement benefits	(144)	(92)	(1,434)	(912)
Loss (gain) on sales and valuation of investments in securities	47	(675)	472	(6,687)
Decrease (increase) in notes and accounts receivable	(892)	(391)	(8,839)	(3,878)
Decrease (increase) in inventories	(107)	(648)	(1,063)	(6,423)
Increase (decrease) in notes and accounts payable	1,773	682	17,561	6,758
Other, net	(2,361)	(2,426)	(23,378)	(24,023)
Net cash provided by operating activities	3,627	5,860	35,911	58,028
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,283)	(2,655)	(22,613)	(26,287)
Proceeds from sales of property, plant and equipment	0	2	3	28
Purchase of intangible assets	(37)	(42)	(374)	(419)
Purchase of investment securities	(85)	(69)	(849)	(684)
Proceeds from sales of investment securities	-	1,139	-	11,283
Collection of loans receivable	-	0	-	1
Other, net	(20)	(84)	(205)	(832)
Net cash used in investing activities	(2,427)	(1,707)	(24,038)	(16,910)
Cash flows from financing activities				
Cash dividends paid	(1,245)	(1,245)	(12,335)	(12,332)
Purchase of treasury shares	(434)	-	(4,304)	-
Other, net	(1)	(1)	(16)	(10)
Net cash used in financing activities	(1,682)	(1,246)	(16,656)	(12,343)
Effect of exchange rate changes on cash and cash equivalents	(166)	16	(1,643)	165
Net change in cash and cash equivalents	(649)	2,922	(6,427)	28,940
Cash and cash equivalents at beginning of period	27,326	28,489	270,555	282,075
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	(104)	-	(1,030)	-
Cash and cash equivalents at end of period	26,572	31,412	263,098	311,016

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥101=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2014.

