



Canon Electronics Inc.

Semi-Annual Report 2017(Unaudited)

Consolidated Financial Highlights

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

	Six months of FY2016 (from January 1, 2016 to June 30, 2016)	Six months of FY2017 (from January 1, 2017 to June 30, 2017)
Net sales		
Component	21,692	22,932
Electronic Information Appliance	14,648	13,455
Other	4,505	4,654
Total	40,846	41,042
Profit attributable to owners of parent	2,428	3,981

	Six months of FY2016 (from January 1, 2016 to June 30, 2016)	Six months of FY2017 (from January 1, 2017 to June 30, 2017)
Basic earnings per share	59.51 yen	97.55 yen
Diluted earnings per share	—	—

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

	As of December 31, 2016	As of June 30, 2017
Total assets	103,171	106,663
Net assets	81,515	84,396

Consolidated Quarterly Balance Sheets

Millions of yen

(Amounts less than one million yen are truncated)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	16,270	19,739
Notes and accounts receivable - trade	22,394	22,650
Lease investment assets	299	248
Merchandise and finished goods	975	1,344
Work in process	2,233	2,565
Raw materials and supplies	76	78
Short-term loans receivable	20,000	20,000
Deferred tax assets	280	282
Other	1,374	1,367
Allowance for doubtful accounts	△0	—
Total current assets	63,905	68,275
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	11,935	11,463
Machinery, equipment and vehicles, net	4,299	4,017
Tools, furniture and fixtures, net	3,265	3,040
Land	14,618	14,582
Construction in progress	290	385
Total property, plant and equipment	34,409	33,490
Intangible assets		
	1,447	1,482
Investments and other assets		
Investment securities	565	669
Deferred tax assets	2,060	1,921
Other	782	824
Allowance for doubtful accounts	△0	△0
Total investments and other assets	3,408	3,415
Total non-current assets	39,266	38,387
Total assets	103,171	106,663
Liabilities		
Current liabilities		
Accounts payable - trade	12,105	11,062
Electronically recorded obligations - operating	—	1,967
Lease obligations	106	103
Accrued expenses	1,295	1,135
Income taxes payable	629	1,422
Provision for bonuses	377	381
Provision for directors' bonuses	27	13
Provision for loss on order received	188	209
Other	1,543	1,435
Total current liabilities	16,274	17,731
Non-current liabilities		
Provision for directors' retirement benefits	230	221
Net defined benefit liability	4,878	4,086
Deferred tax liabilities	58	56
Other	213	171
Total non-current liabilities	5,381	4,536
Total liabilities	21,655	22,267
Net assets		
Shareholders' equity		
Capital stock	4,969	4,969
Capital surplus	9,595	9,595
Retained earnings	71,229	73,986
Treasury shares	△2,579	△2,579
Total shareholders' equity	83,215	85,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	203	273
Deferred gains or losses on hedges	△40	—
Foreign currency translation adjustment	719	473
Remeasurements of defined benefit plans	△2,645	△2,389
Total accumulated other comprehensive income	△1,762	△1,642
Non-controlling interests	63	66
Total net assets	81,515	84,396
Total liabilities and net assets	103,171	106,663

Consolidated Quarterly Statements of Income

	Millions of yen (Amounts less than one million yen are truncated)	
	Six months of FY2016 (from January 1, 2016 to June 30, 2016)	Six months of FY2017 (from January 1, 2017 to June 30, 2017)
Net sales	40,846	41,042
Cost of sales	31,336	30,264
Gross profit	9,510	10,778
Selling, general and administrative expenses	4,973	5,537
Operating income	4,536	5,240
Non-operating income		
Interest and dividend income	44	39
Other	16	23
Total non-operating income	61	62
Non-operating expenses		
Foreign exchange losses	1,052	30
Other	40	7
Total non-operating expenses	1,093	37
Ordinary income	3,504	5,265
Extraordinary income		
Gain on sales of non-current assets	0	17
Gain on sales of investment securities	47	7
Total extraordinary income	47	25
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	6
Total extraordinary losses	0	6
Profit before income taxes	3,551	5,284
Income taxes - current	892	1,278
Income taxes - deferred	226	20
Total income taxes	1,118	1,299
Profit	2,432	3,984
Profit attributable to non-controlling interests	3	3
Profit attributable to owners of parent	2,428	3,981

Consolidated Quarterly Statements of Comprehensive Income

Millions of yen

(Amounts less than one million yen are truncated)

	Six months of FY2016 (from January 1, 2016 to June 30, 2016)	Six months of FY2017 (from January 1, 2017 to June 30, 2017)
Profit	2,432	3,984
Other comprehensive income		
Valuation difference on available-for-sale securities	Δ137	69
Deferred gains or losses on hedges	—	40
Foreign currency translation adjustment	Δ863	Δ245
Remeasurements of defined benefit plans, net of tax	139	255
Total other comprehensive income	Δ861	120
Comprehensive income	1,570	4,105
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,567	4,102
Comprehensive income attributable to non-controlling interests	3	3

Consolidated Quarterly Statements of Cash Flows

Millions of yen

(Amounts less than one million yen are truncated)

	Six months of FY2016 (from January 1, 2016 to June 30, 2016)	Six months of FY2017 (from January 1, 2017 to June 30, 2017)
Cash flows from operating activities		
Profit before income taxes	3,551	5,284
Depreciation	1,539	1,601
Increase (decrease) in provision for bonuses	25	5
Increase (decrease) in provision for directors' bonuses	△21	△14
Increase (decrease) in provision for loss on order received	80	21
Increase (decrease) in net defined benefit liability	△745	△790
Interest and dividend income	△44	△39
Loss (gain) on sales and retirement of property, plant and equipment	△0	△11
Loss (gain) on sales and valuation of investment securities	△47	△7
Decrease (increase) in notes and accounts receivable - trade	△491	△307
Decrease (increase) in inventories	△608	△702
Increase (decrease) in notes and accounts payable - trade	1,307	961
Other, net	176	147
Subtotal	4,722	6,148
Interest and dividend income received	44	40
Income taxes paid	△1,459	△521
Net cash provided by (used in) operating activities	3,308	5,667
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,546	△770
Proceeds from sales of property, plant and equipment	0	78
Purchase of intangible assets	△204	△111
Purchase of investment securities	△0	△0
Proceeds from sales of investment securities	150	7
Payments of loans receivable	△5,000	-
Other, net	△285	△98
Net cash provided by (used in) investing activities	△6,885	△895
Cash flows from financing activities		
Cash dividends paid	△1,223	△1,225
Other, net	△0	△0
Net cash provided by (used in) financing activities	△1,223	△1,226
Effect of exchange rate change on cash and cash equivalents	△187	△117
Net increase (decrease) in cash and cash equivalents	△4,988	3,428
Cash and cash equivalents at beginning of period	19,189	16,040
Cash and cash equivalents at end of period	14,200	19,469