


CANON ELECTRONICS INC.
SEMI-ANNUAL REPORT 2000 (Unaudited)
CONSOLIDATED FINANCIAL HIGHLIGHTS

	Millions of yen		Thousands of U.S. dollars	
	2000	For the six-month periods ended June 30, 1999	2000	1999
	¥	¥	\$	\$
Net sales				
Business Machines	33,576	26,440	316,755	249,434
Others	9,177	8,741	86,575	82,462
Total	42,754	35,182	403,340	331,906
Net Income	603	246	5,689	2,321
Net income per common share				
assuming no dilution	21.82	8.93	0.21	0.08
assuming full dilution	-	-	-	-

	Millions of yen		Thousands of U.S. dollars	
	June 30, 2000	December 31, 1999	June 30, 2000	December 31, 1999
	¥	¥	\$	\$
Total assets	42,381	39,579	399,821	373,387
Stockholders' equity	18,358	17,486	173,189	164,962

CONSOLIDATED STATEMENT OF INCOME

	Millions of yen		Thousands of U.S. dollars	
	2000	For the six-month periods ended June 30, 1999	2000	1999
	¥	¥	\$	\$
Net sales	42,754	35,182	403,340	331,906
Cost of sales	38,580	32,040	363,962	302,264
Gross profit	4,173	3,141	39,368	29,632
Selling, general and administrative expenses	2,941	2,616	27,745	24,679
Operating profit	1,231	524	11,613	4,943
Other income				
Interest and dividends	20	12	189	113
Exchange gains	67	59	632	557
Other	100	43	943	406
	188	115	1,774	1,085
Other expenses				
Interest	41	43	387	406
Other	333	127	3,142	1,198
	374	170	3,528	1,604
Income before income taxes and minority interests	1,045	469	9,858	4,425
Income taxes	462	225	4,358	2,123
Minority interests	20	2	189	19
Net income	¥ 603	¥ 246	\$ 5,689	\$ 2,321

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥106=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2000.

CONSOLIDATED STATEMENT OF CASH FLOW

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	Millions of yen		Thousands of U.S. dollars	
	2000	For the six-month periods ended June 30. 1999	2000	1999
	¥	¥	\$	\$
Net income	603	246	5,689	2,321
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	893	984	8,425	9,283
Loss on disposal of property and equipment	150	84	1,415	792
Decrease (increase) in trade receivables	411	(1,666)	3,877	(15,717)
Decrease (increase) in inventories	(409)	(468)	(3,858)	(4,415)
Increase (decrease) in trade payables	2,034	1,942	19,189	18,321
Other, net	359	(334)	3,387	(3,151)
Net cash provided by operating activities	4,043	790	38,142	7,453
Cash flows from investing activities				
Payment for purchase of property, plant and equipment	(623)	(2,940)	(5,877)	(27,736)
Other	(1,500)	(87)	(14,151)	(821)
Net cash used in investing activities	(2,123)	(3,027)	(20,028)	(28,557)
Cash flows from financing activities				
Proceeds from long-term debt	-	26	-	245
Repayment of long-term debt	(5)	-	(47)	-
Increase (decrease) in short-term loans	(492)	1,738	(4,642)	16,396
Dividends paid	(82)	(178)	(774)	(1,679)
Net cash used in financing activities	(581)	1,586	(5,481)	14,962
Effect of exchange rate changes on cash and cash equivalents	13	10	123	94
Net change in cash and cash equivalents	1,351	(639)	12,745	(6,028)
Cash and cash equivalents at beginning of year	4,451	4,814	41,991	45,415
Increase arising from adding consolidated company	-	22	-	208
Cash and cash equivalents at end of year	5,803	4,197	54,745	39,594

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥106=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of June 30, 2000.

