



## CANON ELECTRONICS INC.

### ANNUAL REPORT 2000 (Unaudited)

#### CONSOLIDATED FINANCIAL HIGHLIGHTS

	Millions of yen		Thousands of U.S. dollars	
	2000	1999	2000	1999
Net sales	¥	¥	\$	\$
Business Machines	68,670	56,791	597,134	493,835
Others	21,002	18,754	182,627	163,080
<b>Total</b>	<b>89,672</b>	<b>75,545</b>	<b>779,761</b>	<b>656,916</b>
Net Income	1,356	518	11,792	4,512
Net income per common share				
assuming no dilution	49.05	18.77	0.43	0.16
assuming full dilution	-	-	-	-

	Millions of yen		Thousands of U.S. dollars	
	2000	1999	2000	1999
Total assets	¥ 47,023	¥ 39,579	\$ 408,901	\$ 344,172
Stockholders' equity	19,028	17,486	165,467	152,053

#### CONSOLIDATED STATEMENT OF INCOME

	Millions of yen		Thousands of U.S. dollars	
	2000	1999	2000	1999
Net sales	¥ 89,672	¥ 75,545	\$ 779,761	\$ 656,916
Cost of sales	80,777	68,625	702,415	596,741
Gross profit	8,894	6,920	77,346	60,175
Selling, general and administrative expenses	5,928	5,243	51,555	45,591
Operating profit	2,965	1,677	25,790	14,583
Other income				
Interest and dividends	45	33	393	291
Exchange gains	282	-	2,458	-
Other	142	475	1,236	4,133
	470	508	4,089	4,424
Other expenses				
Interest	81	79	707	694
Exchange losses	-	657	-	5,714
Other	1,057	481	9,191	4,185
	1,138	1,218	9,899	10,593
Income before income taxes and minority interests	2,297	967	19,979	8,414
Income taxes	962	451	8,367	3,923
Minority interests	20	2	179	22
<b>Net income</b>	<b>¥ 1,356</b>	<b>¥ 518</b>	<b>\$ 11,792</b>	<b>\$ 4,512</b>

Notes: U.S. Dollar amounts are translated from yen at the rate of ¥115=U.S.1, the approximate exchange rate on the Tokyo Foreign Exchange Market as of December 29, 2000.

CONSOLIDATED STATEMENT OF CASH FLOW

	Millions of yen		Thousands of U.S. dollars	
	2000	1999	2000	1999
Net income	¥ 1,356	¥ 518	\$ 11,792	\$ 4,512
Adjustment to reconcile net income to net cash provided by operating activities				
Depreciation and amortization	2,073	2,115	18,032	18,392
Loss on disposal of property and equipment	570	273	4,961	2,374
Decrease (increase) in trade receivables	(3,780)	(2,727)	(32,874)	(23,720)
Decrease (increase) in inventories	(458)	725	(3,991)	6,310
Increase (decrease) in trade payables	5,090	2,665	44,261	23,182
Other, net	653	(191)	5,685	(1,668)
Net cash provided by operating activities	5,504	3,379	47,866	29,382
Cash flows from investing activities				
Payment for purchase of property , plant and equipment	(2,423)	(5,232)	(21,077)	(45,497)
Other	(429)	(66)	(3,730)	(578)
Net cash used in investing activities	(2,852)	(5,298)	(24,808)	(46,076)
Cash flows from financing activities				
Proceeds from long-term debt	-	14	-	124
Repayment of long-term debt	(7)	(231)	(69)	(2,012)
Bonds	-	2,000	-	17,391
Increase (decrease) in short-term loans	(480)	210	(4,178)	1,833
Dividends paid	(164)	(262)	(1,431)	(2,280)
Net cash used in financing activities	(653)	1,731	(5,680)	15,056
Effect of exchange rate changes on cash and cash equivalents	70	(197)	609	(1,713)
Net change in cash and cash equivalents	2,068	(385)	17,987	(3,351)
Cash and cash equivalents at beginning of year	4,451	4,814	38,710	41,861
Increase arising from adding consolidated company	-	22	-	199
Cash and cash equivalents at end of year	6,520	4,451	56,698	38,710

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