

June 15, 2007



Canon Inc.
Chairman & CEO: Fujio Mitarai
Securities code: 7751
[Tokyo (First section) and other Stock Exchanges]

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Notice Regarding Results of Tender Offer by Subsidiary and Subsidiary's Plan to Make
Acquired Company a Subsidiary

Canon Marketing Japan Inc., a subsidiary of Canon Inc., decided at its Board of Directors meeting held on May 16, 2007, to commence the tender offer for shares in, and share warrants of, Argo 21 Corporation (Code: 4692, listed on the first section of the Tokyo Stock Exchange, hereinafter called the "Target Company") (hereinafter referred to as the "Tender Offer"). The Tender Offer has been conducted from May 17, 2007 through June 14, 2007, the details of which are as described in the attached document.

As a result of the Tender Offer, the Target Company is planned to be a consolidated subsidiary of Canon Inc. and Canon Marketing Japan Inc.

This notice contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed by available information. All statements other than statements of historical fact are statements that could be considered forward-looking statements. When used in this document, words such as "anticipate," "believe," "estimate," "expect," "intend," "may," "plan," "project" or "should" and similar expressions, as they relate to Canon, are intended to identify forward-looking statements. Many factors could cause the actual results, performance or achievements of Canon to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others, changes in general economic and business conditions, changes in currency exchange rates and interest rates, introduction of competing products by other companies, lack of acceptance of new products or services by Canon's targeted customers, inability to meet efficiency and cost-reduction objectives, changes in business strategy and various other factors, both referenced and not referenced in this notice. A detailed description of these and other risk factors is included in Canon's annual report on Form 20-F, which is on file with the United States Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. Canon does not intend or assume any obligation to update these forward-looking statements.

June 15, 2007

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Notice of Results of the Tender Offer for Shares in Argo 21 Corporation, and Transfer of Subsidiary

Please be informed that Canon Marketing Japan Inc. (the “Company”) has conducted a tender offer (hereinafter the “Tender Offer”) from May 17, 2007 for shares in and share warrants of Argo 21 Corporation (Code: 4692, listed on the first section of the Tokyo Stock Exchange (TSE), hereinafter called the “Target Company”), the commencement of which has been decided at a Board of Directors meeting held on May 16, 2007, and has finished the Tender Offer on June 14, 2007.

As a result of the Tender Offer, the Target Company is to become a consolidated subsidiary of the Company.

Details

I. Results of the Tender Offer

1. Outline of the Tender Offer

(1) Name and address of bidder and name of Target Company

| | |
|-------------------------|---------------------------------------|
| Name of bidder: | Canon Marketing Japan Inc. |
| Address of bidder: | 16-6, Konan 2-chome, Minato-ku, Tokyo |
| Name of Target Company: | Argo 21 Corporation |

(2) Types of shares etc. relating to the Tender Offer

Common shares

Share warrants

- 1) Share warrants issued on the basis of a resolution passed at the 19th ordinary general shareholders’ meeting on June 24, 2003 (“First Share Warrants”)
- 2) Share warrants issued on the basis of a resolution passed at the 21st ordinary general shareholders’ meeting on June 23, 2005 (“Second Share Warrants”)

(3) Number of shares and other securities to be purchased

| Type | 1) Number when converted into shares | 2) Extra number when converted into shares |
|-------------------------------------|--------------------------------------|--|
| Shares | — shares | — shares |
| Share warrants | — shares | — shares |
| Corporate bonds with share warrants | — shares | — shares |
| Depository receipts for shares () | — shares | — shares |
| Total | — shares | — shares |

Note1: Shares, etc., to be purchased total 5,800,000shares. However, the bidder will purchase all the shares, etc., tendered and will not attach any conditions set forth under the Article 27.13.4. of the Securities and Exchange Law.

Note 2: The maximum number to be purchased under the Tender Offer is an equivalent of 11,455,061 shares of the Target Company. It is derived by deducting the treasury stock held by the Target Company (850,939 shares) from the total outstanding shares (11,551,100 shares) as of Sept. 30, 2006, which was disclosed in the interim financial statement in fiscal 2006 (the 23rd business term) submitted on Dec. 21, 2006, and adding the maximum number of shares of the Target Company (754,900 shares) which may be issued or transferred by exercising the First or the Second Share Warrants (including shares of the Target Company, which were issued or transferred by exercising the First Share Warrants between Dec. 1, 2006 and the submission date of this statement). Based on the interim report for fiscal 2006 (the 23rd business term) filed by the Target Company on Dec. 21, 2006, 3,887 First Warrants and 3,662 Second Warrants, which had not been exercised as of Nov. 30 2006, were treated as 100 shares per warrant, on the basis of the issuance guidelines of each share warrant.

Note 3: There is no plan to acquire the treasury stock held by the Target Company through the Tender Offer.

Note 4: The Tender Offer also covers odd lot shares.

Note 5: The Tender Offer also covers shares of the Target Company, which may be issued or transferred by possibly exercising the First Share Warrants by the closing day of the Tender Offer period.

(4) Period of the Tender Offer

Thursday, May 17, 2007 – Thursday, June 14, 2007 (21 business days)

(5) Tender Offer price

| | | |
|----------------|--------------------------|-------------------|
| Shares | 1,400 yen per share | |
| Share warrants | 1) First Share Warrants | 1 yen per warrant |
| | 2) Second Share Warrants | 1 yen per warrant |

2. Results of the Tender Offer

(1) Success or failure of the Tender Offer

All shares tendered are to be purchased.

(2) Shares etc. tendered

| Type | 1) Number when converted into shares | 2) Extra number when converted into shares | Number of shares etc. tendered when converted into shares | Number of shares etc. purchased when converted into shares |
|-------------------------------------|--------------------------------------|--|---|--|
| Shares | — shares | — shares | 8,899,794 shares | 8,899,794 shares |
| Share warrants | — shares | — shares | — shares | — shares |
| Corporate bonds with share warrants | — shares | — shares | — shares | — shares |
| Depository receipts for shares () | — shares | — shares | — shares | — shares |
| Total | — shares | — shares | 8,899,794 shares | 8,899,794 shares |

(3) Changes in percentages of shareholdings after the purchase

| | | |
|---|---------|---|
| Number of voting rights pertaining to shares, etc., held by the bidder before the Tender Offer | - | (Percentage of shareholding before the Tender Offer 0.00%) |
| Number of voting rights pertaining to shares, etc. held by parties with special relationship after the Tender Offer | - | (Percentage of shareholding after the Tender Offer 0.00%) |
| Number of voting rights pertaining to shares, etc. held by the bidder after the Tender Offer | 88,997 | (Percentage of shareholding after the Tender Offer 83.17%) |
| Number of voting rights of all shareholders of the Target Company | 105,199 | |

Note 1: The number of voting rights of all the shareholders of the Target Company is the number of voting rights of all the shareholders as of Sept. 30, 2006 (the number of shares per unit is 100 shares), which was disclosed in the interim financial report in fiscal 2006 (the 23rd business term) submitted by the Target Company on Dec. 21, 2006.

Note 2: In calculation of percentages of shareholdings after the Tender Offer, since odd lot shares were also covered by the Tender Offer, and the voting rights pertaining to odd lot shares of 1,797 (the total number of odd lot shares of 179,800, minus 39 shares held in treasury by the Target Company, leaving 179,761 odd lot shares with voting rights) and the number of voting rights of 5 pertaining to 500 shares held by JASDEC were added to the number of voting rights of all the stockholders of 105,199, written in the above-mentioned interim

financial report of the Target Company, and the number of voting rights of all the shareholders was calculated as 107,001.

Note 3: Percentages of shareholding before and after the Tender Offer were rounded to the nearest hundredth.

(4) Calculation in case of purchase by the proportional method

Not applicable.

(5) Total purchase price 12,460 million yen

(6) Settlement method

1) Name and the location of the head office of the securities house, bank, etc. handling the settlement
Nomura Securities Co., Ltd. 9-1, 1-chome, Nihonbashi, Chuo-ku, Tokyo
Japan

2) Settlement start date
Thursday, June 21, 2007

3) Settlement method
A notice of purchase under the Tender Offer will be mailed to the address of applicant shareholders, etc. (or the standing agent in the case of a foreign shareholder) without delay after the closing of the Tender Offer.

Purchase will be settled in cash. The bidder agent will remit proceeds pertaining to the sale of shares to the address designated by applicant shareholders or pay at its head office or any domestic branch without delay after settlement begins.

3. Places where copies of the Tender Offer report are made available for public inspection

Canon Marketing Japan Inc. 2-16-6 Konan, Minato-ku, Tokyo

Tokyo Stock Exchange, Inc. 2-1 Nihonbashi Kabutocho, Chuo-ku, Tokyo

II. Transfer of Subsidiary

As a result of the Tender Offer, the Target Company is planned to be a consolidated subsidiary of the Company on June 21, 2007.

1. Outline of Subsidiary (as of September 30, 2006)

| | |
|---|---|
| 1) Company name | Argo 21 Corporation |
| 2) Title and name of the company representative | President & CEO Kiyochika Ota |
| 3) Address of the head office | 1-15, 6-chome, Kachidoki Chuo-ku, Tokyo, Japan |
| 4) Date of incorporation | April 18, 1984 |
| 5) Business | Provides architecture, management and maintenance services of information systems |
| 6) End of fiscal year | March 31 |
| 7) Number of employees | 1,220 (consolidated, as of September 30, 2006) (Note) Employees dispatched to entities outside the Target Company's Group are included, and employees dispatched from sources outside the Target Company's Group are excluded. |
| 8) Main place of business | 1-15, 6-chome, Kachidoki Chuo-ku, Tokyo, Japan |
| 9) Capitalization | 3,627,700 thousand yen (as of September 30, 2006) |
| 10) Number of shares issued | 11,551,100 shares (as of September 30, 2006) |

| | | |
|--|--|-------|
| 11) Major shareholders and the percentages of their shareholdings | Nomura Research Institute, Ltd | 8.65% |
| | TEPCO SYSTEMS CORPORATION | 8.65% |
| | Yujiro Sato | 5.72% |
| | Japan Trustee Services Bank,Ltd. | 5.11% |
| | The Master Trust Bank of Japan , Ltd. | 4.49% |
| | Employee stock ownership of Argo 21 Corporation | 2.16% |
| | Information Services International-DENTSU Ltd. | 1.42% |
| | JP Morgan Chase CREF Jasdec Lending Account (standing agent Bank of Tokyo-Mitsubishi UFJ Ltd.) | 1.14% |
| | Citibank London SA Stitching Shell pension fund (standing agent Citibank, N.A. Tokyo Branch) | 1.04% |
| | Sadamoto Akimoto | 0.99% |
| (Note 1) Information included in the outline of the Target Company is based on its interim report for fiscal 2006 (the 23rd business term) filed on Dec. 21, 2006. | | |

2. Results for Latest Fiscal Years (Consolidated)

(Thousands of yen, except per share amounts)

| Fiscal year | Year ended March 31, 2006 (22nd business term) | Year ended March 31, 2007 (23rd business term) |
|--------------------|---|---|
| Net Sales | 22,003,188 | 24,205,466 |
| Gross profit | 5,071,837 | 5,841,656 |
| Operating income | 1,067,418 | 1,396,170 |
| Ordinary income | 1,329,793 | 1,638,558 |
| Net income | 161,126 | 940,734 |
| Total assets | 16,337,100 | 17,043,515 |
| Net assets | 10,807,444 | 11,565,384 |
| Dividend per share | 15.00 | 20.00 |

3. Scheduled Transfer Date of Subsidiary Thursday, June 21, 2007

III. Outlook

1. Expected influence of the Tender Offer on Business Results

The Company is closely examining the influence on the consolidated and non-consolidated earnings forecasts of the Company resulting from making the Target Company a subsidiary.

Should the consolidated and non-consolidated forecasts require revision, it will be disclosed in a timely manner.

2. Policy after the Tender Offer

As a result of the Tender Offer, the Company will become the largest shareholder of the Target Company, holding 77.05% of the Target Company's total number of issued shares.

If the Company's shareholding ratio in the Target Company is maintained until the end of the Target Company's fiscal year (March 31, 2008), the shareholding ratio of the "Special Few," may meet the delisting criteria set by the TSE. In this case, the Target Company's stock may be delisted through a prescribed procedure.

At the commencement of the Tender Offer, the Company was planning to study carefully such possibilities as making the Target Company a wholly owned subsidiary through exchange of shares or other means, if the TSE's delisting criteria was met. Given the result of the Tender Offer, in that the Company's shareholding ratio exceeds 75%, the possibility that the Target Company may be delisted has increased. The Company will expedite the examination of possible actions, such as making the Target Company a wholly owned subsidiary through exchange of shares or other means, with an eye towards protecting the interests of minority shareholders of the Target Company. Although the specific policy, conditions and other factors are yet to be determined, based on the outcome of our investigation and the Company's decision on how it will respond, the Company will provide this information in a timely disclosure.