

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

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Canon Inc. to Acquire Own Shares

(Under the provisions of its Articles of Incorporation
pursuant to paragraph 2, Article 165, of the Corporation Law of Japan)

At the Board of Directors meeting held on February 15, 2007, Canon Inc. (the Company) resolved to acquire its own shares under Article 156, as applied pursuant to paragraph 3, Article 165, of the Corporation Law, as follows.

1. Reason for acquisition of own shares

The Company decided to acquire its own shares with the aim of improving capital efficiency and ensuring a flexible capital strategy that provides for such future transactions as share exchanges.

2. Details of acquisition

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| 1. Type of shares to be acquired: | Shares of common stock |
| 2. Total number of shares to be acquired: | Up to 17 million shares
(Equivalent to 1.3% of outstanding shares) |
| 3. Total cost of acquisition: | Up to 100 billion yen |
| 4. Period of acquisition: | From February 16, 2007 to March 16, 2007 |

3. Regarding the Company's capital and shareholder return policies

From now on, as an important part of its capital strategy, the Company will acquire its own shares, as it deems necessary, to improve capital efficiency and realize a flexible capital strategy, taking into account future investment and other financial plans.

As for shareholder return, the Company will continue its current dividend policy to gradually raise the payout ratio to approximately 30% on a consolidated basis.

(Reference) Possession of treasury stock as of December 31, 2006

Number of outstanding shares (Excluding treasury stock)	1,331,651,440 shares
Number of treasury stock	1,794,390 shares