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**Notice Concerning Acquisition of Axis AB Shares and Making Axis a Subsidiary**

Canon Inc. (the “Company”) conducted a tender offer for the ordinary shares of Axis AB (“Axis”), a Sweden-based company, from March 3, 2015. The Company declares the tender offer unconditional, allowing Axis to become a subsidiary of the Company. The following lays out the details.

1. Purpose of Share Acquisition

Under Phase IV of its Excellent Global Corporation Plan, launched in 2011, Canon aims to maintain its highly profitable structure and join the ranks of the world’s top 100 companies in terms of all key measures of business performance. As a key strategy toward the achievement of this goal, Canon aims to develop new business through globalized diversification.

In recent years, the video surveillance system market has continued to realize rapid growth. Canon views its network surveillance camera business as a promising new business area and positions the business as a driving force for future growth within the Canon Group.

Canon welcomes Axis, a global leader in the network video solutions industry, into the Canon Group. Through the effective use of the management resources of both companies, Canon will further ensure its goal of becoming the world leader in network surveillance camera systems and aim for a further leap forward.

## 2. Outline of New Subsidiary (Axis)

- (1) Company name: Axis AB
- (2) Representative: Ray Mauritsson, President and CEO
- (3) Location: Lund, Sweden
- (4) Date of foundation: 1984
- (5) Main business activities: Development and sales of network video solutions
- (6) Fiscal year: January 1st to December 31st
- (7) Number of employees: 1,941 (as at the end of December 2014)
- (8) Share capital: 0.7 million Swedish krona (10 million yen)  
(as at the end of December 2014)
- (9) Relationships with the Company and Axis  
 Capital Relationships: Not applicable  
 Personnel Relationships: Not applicable  
 Trading Relationships: Not significant
- (10) Recent fiscal year financial results

(SEK: Millions of Swedish krona, except per share amounts)  
 ((JPY): Billions of yen, except per share amounts)

Fiscal Year		2012	2013	2014
Total revenues	SEK	4,184	4,717	5,450
	(JPY)	(59.1)	(66.7)	(77.0)
Gross margin	SEK	2,104	2,430	2,822
	(JPY)	(29.7)	(34.3)	(39.9)
Operating profit	SEK	575	640	715
	(JPY)	(8.1)	(9.0)	(10.1)
Net income attributable to Shareholders	SEK	427	479	539
	(JPY)	(6.0)	(6.8)	(7.6)
Total assets	SEK	1,696	1,943	2,207
	(JPY)	(24.0)	(27.5)	(31.2)
Equity attributable to shareholders	SEK	810	937	1,097
	(JPY)	(11.4)	(13.2)	(15.5)
Dividend per share (in Swedish krona)	SEK	5.50	5.00	5.50
	(JPY)	(77.7)	(70.7)	(77.7)

Note: Yen amounts are translated from Swedish krona at the rate of SEK 1 = JPY14.13.

### 3. Number of Shares to be Acquired by the Company and Share Ownership Situation Before and After the Acquisition

- (1) Number of shares before transfer  
0 shares  
(Percentage of shareholding by the Company: 0.0%)  
(Number of voting rights: 0)
- (2) Number of shares to be acquired  
52,839,223 shares  
Acquisition price: 18.0 billion Swedish krona (Approximately 254.0 billion yen)  
(Number of voting rights: 52,839,223)
- (3) Number of shares after the transfer  
52,839,223 shares  
(Percentage of shareholding by the Company: 76.1%)  
(Number of voting rights: 52,839,223)

### 4. Outlook

The impact on Canon's performance due to the acquisition is still under investigation. In the case that Canon needs to revise its projection or any other item that it needs to make public, it will make prompt disclosure.

The Tender Offer is not being and will not be made, directly or indirectly, in or into, or by use of mail or any other means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of, Australia, Hong Kong, Japan, Canada, New Zealand, South Africa or the United States (the "Excluded Jurisdictions"). This includes, but is not limited to facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic transmission. The Tender Offer cannot be accepted and shares may not be tendered in the Tender Offer by any such use, means, instrumentality or facility of, or from within the Excluded Jurisdictions or by persons located or resident in the Excluded Jurisdictions. Accordingly, this notice and any related Tender Offer documentation are not being and should not be mailed or otherwise transmitted, distributed, forwarded or sent in or into the Excluded Jurisdictions or to any Excluded Jurisdiction person or any persons located or resident in an Excluded Jurisdiction.

Any purported tender of shares in the Tender Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of shares made by a person located in an Excluded Jurisdiction or any agent fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within an Excluded Jurisdiction will be invalid and will not be accepted. Each holder of shares participating in the Tender Offer will represent that it is not an Excluded Jurisdiction person, is not located in an Excluded Jurisdiction and is not participating in such Tender Offer from an Excluded Jurisdiction or that it is acting on a

non-discretionary basis for a principal that is not an Excluded Jurisdiction person, that is located outside an Excluded Jurisdiction and that is not giving an order to participate in such offer from an Excluded Jurisdiction. Canon will not deliver any consideration from the Tender Offer into an Excluded Jurisdiction.

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.