



March 31, 2008

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

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Policy Regarding Reduction of Share Trading Unit

Canon Inc. (the “**Company**”) maintains a basic policy of regularly reviewing its share trading unit from the standpoint of enhancing liquidity of its shares in the stock market and stimulating broader investor participation.

In view of this policy, the Company changed the number of shares that constitute one trading unit from 1,000 to 100 as of May 6, 2004, and furthermore, initiated a 3 for 2 stock split as of July 1, 2006, which established an environment where its shares had become more accessible.

As a result, the Company recognizes that moderate liquidity of its shares is retained.