



December 22, 2009

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

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Notice Regarding Projected Dividend for the Fiscal Year Ending December 31, 2009
(the 109th Business Term)

At a Board of Directors meeting held on December 22, 2009, Canon Inc. (the “Company”) passed a resolution regarding the projected year-end dividend per share for the fiscal year ending December 31, 2009 (the 109th Business Term) as follows.

1. Basic Policy Regarding Profit Distribution and Dividend for the Period

Canon is being more proactive in returning profits to shareholders, mainly in the form of a dividend, taking into consideration planned future investments, free cash flow, and the Company’s consolidated business performance. Specifically, the Company’s medium- to long-term objective is a consolidated payout ratio of approximately 30%.

Despite projecting lower profits due to the harsh environment for the fiscal year ending December 31, 2009, to provide a stable return to shareholders, the Company plans to distribute a year-end dividend of ¥55.00 per share – the same year-end dividend amount as fiscal year 2008.

The Company’s projection for consolidated results for the fiscal year ending December 31, 2009, is provided below and remains unchanged since being announced on October 27, 2009.

2. Details of the Revision

Record date	Dividend per share		
	Mid-term	Year-end	Full Year
Previous projection		Not yet determined	Not yet determined
Current projection		55.00 yen	110.00 yen
Actual	55.00 yen		
Previous year’s dividend payout (Fiscal year ending December 31, 2008)	55.00 yen	55.00 yen	110.00 yen

For reference, projected consolidated results for year ending December 31, 2009 (announced October 27, 2009)

(Millions of yen, except per share amounts)

	Fiscal year ending December 31, 2009	Percent change (year-over-year)
Net sales	3,200,000	-21.8%
Operating profit	190,000	-61.7%
Income before income taxes	180,000	-62.6%
Net income attributable to Canon Inc.	110,000	-64.4%
Net income attributable to Canon Inc. stockholders per share	89.11	

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.