

CANON INC
Form 6-K
February 12, 2004

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FORM 6-K
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer
Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of February 12, 2004

CANON INC.

(Translation of registrant's name into English)
30-2, Shimomaruko 3-Chome, Ohta-ku, Tokyo 146-8501, Japan

(Address of principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

[Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

[If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):82-_____

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date February 12, 2004

CANON INC.

(Registrant)
By /s/ Shunji Onda

(Signature)*
Shunji Onda
General Manager, Finance Division
Canon Inc.

* Print the name and title of the signing officer under his signature.

The following materials are included.

Notice regarding share exchange agreement between Canon Inc. and Igari Mold

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February 10, 2004

FOR IMMEDIATE RELEASE

Canon Inc.
 President & CEO: Fujio Mitarai
 Securities code: 7751
 [First sections of the Tokyo, Osaka and
 Nagoya Stock Exchanges; Fukuoka and
 Sapporo Stock Exchanges]

Inquiries:
 Toshizo Tanaka
 Group Executive,
 Finance & Accounting Headquarters
 +81-3-3758-2111

Notice regarding share exchange agreement between Canon Inc. and Igari Mold

TOKYO, February 10, 2004 Canon Inc. (Canon) and Igari Mold Co. Ltd. (Igari Mold) entered into a basic agreement on December 25, 2003, by which Igari Mold will become a wholly owned subsidiary of Canon through share exchange. Canon and Igari Mold today entered into a formal share exchange agreement and announced the terms of the share exchange.

1. Conditions of the Share Exchange

(1) Schedule

Entry into share exchange agreement	February 10, 2004
Announcement of simplified share exchange	February 11, 2004
Shareholders meeting to approve share exchange agreement (Igari Mold)	February 25, 2004
Effective date of share exchange	March 29, 2004

* Canon is entitled to undertake the share exchange without the approval of its shareholders pursuant to the provisions of Paragraph 1 of Article 358 of the Commercial Code of Japan (Simplified Share Exchange).

(2) Share Exchange Ratio

	Canon (Sole parent company)	Igari Mold (Wholly owned subsidiary)
Share exchange ratio	1	9.030

- Notes:
- Allotment of shares
9.030 shares of common stock of Canon will be allotted per one (1) share of common stock of Igari Mold.
 - Calculation basis for share exchange ratio
Canon and Igari Mold requested a third party, Nikko Cordial Securities Inc., to evaluate the exchange ratio, and using that evaluation as a reference and after discussions between themselves, agreed on the above exchange ratio.
 - Evaluation method by the third-party organization
Canon was evaluated using the Market Price Method and Igari Mold was evaluated using the Discounted Cash Flow Method.
 - Shares to be issued under share exchange
Canon will use treasury shares for exchange with the shareholders of Igari Mold, therefore no new shares will be issued.

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2. Overview of the Companies Party to the Share Exchange

(1) Name	Canon (non-consolidated)	Igari Mold (non-consolidated)
(2) Business activities	1. Production and sales of optical machinery 2. Production and sales of audio, electric, and electronic machinery 3. Production and sales of precision machinery 4. Production and sales of medical machinery 5. Production and sales of general machinery 6. Production and sales of parts and components of the above products 7. Programming and sales of software	Design and manufacture of precision molds for plastic components
(3) Date of incorporation	August 1937	November 1972
(4) Representative	President & CEO Fujio Mitarai	President & CEO Masaomi Igari
(5) Location of head office	Ohta-ku, Tokyo	Nishi Ibaraki-gun, Ibaraki prefecture
(6) Capital	Yen 168,892 million (as of Dec. 31, 2003)	Yen 32 million (as of Feb. 28, 2003)
(7) Outstanding shares	881,339 thousand shares (as of Dec. 31, 2003)	64,000 shares (as of Feb. 28, 2003)
(8) Shareholders equity	Yen 1,444,160 million (as of Dec. 31, 2003)	Yen 1,100 million (as of Feb. 28, 2003)
(9) Total assets	Yen 2,059,317 million (as of Dec. 31, 2003)	Yen 3,306 million (as of Feb. 28, 2003)
(10) Fiscal year end	December 31	Last day of February
(11) Number of employees	18,828 (as of Dec. 31, 2003)	160 (as of Dec. 25, 2003)
(12) Major business contacts	Domestic and overseas Canon Group marketing companies	Plastic parts machining makers, electric appliance makers, precision equipment makers, etc.
(13) Major shareholders and their share percentages	State Street Bank and Trust Company 7.19% Japan Trustee Services Bank, Ltd. (Trust Account) 6.95% The Dai-ichi Mutual Life Insurance Company 6.70% (as of Dec. 31, 2003)	Masaomi Igari 89.18% Nobuko Igari 10.28% Yota Igari 0.53% (as of Dec. 25, 2003)

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(14) Main banks	Mizuho Corporate Bank, Ltd Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi, Ltd	The Juyo Bank, Ltd. The Ibaraki-ken Credit Cooperative The Shoko Chukin Bank
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(15) Relationship between the Companies

Capital	There is no capital relationship between the two companies
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Human Resources	There is no personnel relationship between the two companies
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Business Connections	Orders from the Canon Group account for 7% of Igari Mold's sales volume (fiscal year ended February 28, 2003)
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3. Outlook after share exchange

(1) Name, business activities, representative and location of head office

There will be no change in the name, business activities, representative or location of head office of either company from the corresponding entries found in 2. Overview of the Companies Party to the Share Exchange above. Igari Mold (wholly owned subsidiary) will appoint a new president and CEO at the company's first extraordinary general shareholders' meeting after the completion of the share exchange.

(2) Canon's stated capital

Canon's stated capital will not increase as a result of the exchange.

(3) Impact on Canon's business results

For Canon, the impact of the share exchange on business results is expected to be minimal.