

CANON INC
Form 6-K
December 29, 2003

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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 December 29, 2003

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 December 29, 2003

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.

1. Canon announces revision of dividend for fiscal 2003
 2. Canon Inc. to acquire all outstanding shares of Igari Mold through share exchange
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On December 25, 2003, the Board of Directors of Canon Inc. decided to revise the company's dividend, to be proposed at the ordinary general meeting of shareholders in late March 2004.

1. Reason for revision

Since Canon Inc. expects to achieve record FY2003 consolidated and non-consolidated financial results, and in response to continued shareholder support, the Board of Directors decided to propose an increase in the company's year-end dividend.

2. Revised dividend for fiscal 2003 (ending December 31, 2003)

| | Revised Dividend | Previous Projection | Change |
|----------------|-----------------------------|--------------------------------|---------------|
| Interim | 15.00 | 15.00 | 0.00 |
| Year-end | 35.00 | 15.00 | + 20.00 |
| Annual (total) | 50.00 | 30.00 | + 20.00 |

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December 26, 2003

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]

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Canon Inc. to acquire all outstanding shares of Igari Mold through share exchange

TOKYO, December 26, 2003 Canon Inc. (Canon) today announced that Canon and Igari Mold Co. Ltd.(Igari Mold) have entered into a basic agreement by which Igari Mold will become a wholly owned subsidiary of Canon through share exchange, effective March 17, 2004.

1. Objective of the Share Exchange

Since 1996, Canon has assiduously pursued widespread management reforms under its Excellent Global Corporation Plan as the company continues striving to achieve excellence as a global corporate entity. Phase II of the Excellent Global Corporation Plan, which concludes in 2005, calls for accelerating further reforms while promoting the rapid development and launch of attractive products ahead of the competition, and targeting the No. 1 position in all of the company's major businesses.

In order to achieve these goals, Canon recognizes the importance of development capabilities to support, through refining basic technologies in the areas of networking and imaging, the creation of proprietary key components offering new functionality and high performance. Also essential is the establishment of common fundamental technologies to integrate these capabilities into products, as well as a supply chain system that facilitates the swift delivery of competitively priced new products to market. Accordingly, the structural reforms that Canon has carried out in the areas of development, production, distribution and marketing play a critical role in attaining global corporate excellence.

Amid these conditions, in the area of mold production, a key technology, Canon has worked to bolster its technical capabilities and advanced efforts toward realizing in-house processes with the aim of maintaining its global competitive strength.

Igari Mold, founded in 1972, specializes in the design and manufacture of precision molds for plastic components. With know-how accumulated over its more than 30-year history, the company's advanced production technologies, leading-edge manufacturing facilities, and technically proficient human resources have earned Igari Mold an outstanding reputation within the precision mold industry.

Bringing Igari Mold into the Canon Group will contribute to strengthening development and production capabilities throughout the Group while also promoting greater efficiency.

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2. Conditions of the Share Exchange

(1) Schedule (tentative)

| | |
|---|-------------------|
| Entry into share exchange agreement | January 29, 2004 |
| Shareholders meeting to approve share exchange agreement (Igari Mold) | February 16, 2004 |
| Effective date of share exchange | March 17, 2004 |

(2) Share Exchange Ratio

The share exchange ratio will be decided following discussions between the two companies based on evaluations performed by a third-party institution.

3. 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 167,242 million (as of Dec. 31, 2002) | Yen 32 million (as of Feb. 28, 2003) |
| (7) Outstanding shares | 879,136 thousand shares (as of Dec. 31, 2002) | 64,000 shares (as of Feb. 28, 2003) |
| (8) Shareholders equity | Yen 1,235,309 million (as of Dec. 31, 2002) | Yen 1,100 million (as of Feb. 28, 2003) |
| (9) Total assets | Yen 1,848,136 million (as of Dec. 31, 2002) | Yen 3,306 million (as of Feb. 28, 2003) |

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| (10) Fiscal year end | December 31 | | Last day of February |
|---|--|---|--|
| (11) Number of employees | 19,741 (as of Dec. 31, 2002) | | 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 | The Dai-ichi Mutual Life Insurance Company 6.72% Japan Trustee Services Bank, Ltd. 5.50% (Trust Account) The Master Trust Bank of Japan, Ltd. (Trust Account) 5.24% (as of Dec. 31, 2002) | Masaomi Igari 89.18% Nobuko Igari 10.28% Yota Igari 0.53% (as of Dec. 25, 2003) | |
| (14) Main banks | Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi, Ltd. | | The Joyo 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 |
| Human Resources | There is no personnel relationship between the two companies |
| Business Connections | Orders from the Canon Group account for 7% of Igari Mold's sales volume (fiscal year ended February 28, 2003) |

(16) Business results for the previous three fiscal years

(unit: millions of yen, except per-share amounts)

| Fiscal year ended | Canon (non-consolidated) | | | Igari Mold (non-consolidated) | | |
|--------------------------------|--------------------------|---------------|---------------|-------------------------------|---------------|---------------|
| | December 2000 | December 2001 | December 2002 | February 2001 | February 2002 | February 2003 |
| Net sales | 1,684,209 | 1,707,459 | 1,789,005 | 2,289 | 2,264 | 2,333 |
| Operating profit | 178,762 | 193,389 | 237,193 | 270 | 179 | 397 |
| Ordinary profit | 155,947 | 211,127 | 240,982 | 243 | 150 | 368 |
| Net income | 88,414 | 39,163 | 144,184 | 129 | 86 | 168 |
| Net income per share | 101.32 | 44.71 | 164.46 | 2,023.04 | 1,347.56 | 2,622.57 |
| Dividend per share* | 21.00 | 25.00 | 30.00 | 50.00 | 50.00 | 50.00 |
| Stockholders' equity per share | 1,251.31 | 1,276.45 | 1,407.34 | 13,315.35 | 14,612.91 | 17,185.48 |
| Dividend payout ratio | 20.8% | 55.9% | 18.3% | 2.5% | 3.7% | 1.9% |

*Includes interim dividend payout

4. Outlook after share exchange

(1) Canon's stated capital

Shares to be transferred by Canon upon the share exchange are scheduled to be treasury shares held by Canon. As such, stated capital will not change.

(2) Impact on Canon's business results

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