

**AMENDMENTS TO THE AGREEMENT ON THE ESTABLISHMENT OF A
CANON EUROPEAN CONSULTATIVE COMMITTEE**

DEFINITIONS

When used in this CECC Agreement, each of the following terms shall have the following meaning:

- (1) "CECC" shall mean an organization consisting of Management and Employees' Representatives which is established under the CECC Agreement.
- (2) "CECC Agreement" shall mean the Agreement on the Establishment of a Canon European Consultative Committee signed by Management and Employees' Representatives on 12th September 1996.
- (3) "Dutch EWC Act" shall mean Wet van 3 januari 1997 tot uitvoering van richtlijn nr. 94/45/EG van de Raad van de Europese Unie van 22 september 1994 inzake de instelling van een Europese ondernemingsraad of van een procedure in ondernemingen of concerns met een communautaire dimensie ter informatie en raadpleging van de werknemers, Staatsblad 1997/32, gepubliceerd op 4 februari 1997 (English translation: Act of 3 January 1997 to execute Directive no. 94/45/EC of the Council of the European Union of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings or Community-scale groups of undertakings for the purposes of informing and consulting employees, State Journal 1997/32, published on 4 February 1997).
- (4) "Employees' Representatives" shall mean employees' representatives elected by employees of Canon for the purpose of the CECC as defined more specifically under Articles 4 through 8 of this CECC Agreement.
- (5) "EWC Directive" shall mean Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.
- (6) "Management" shall mean the management of Canon as defined more specifically in Article 4 hereof.
- (7) "Select Committee" shall mean the body consisting of the selected Employees' Representatives as defined more specifically in Article 10 hereof.

WHEREAS, the Management and Employees' Representatives had reached an agreement and signed the CECC Agreement on 12th September 1996 which Management and Employees' Representatives recognize to be qualified as a "Voluntary Agreement" within the meaning of Article 13 of EWC Directive;

WHEREAS, after several years' experiences that the Management and Employees' Representatives have gained through the operations of the CECC and the process of information and consultation through CECC, Employees' Representatives wish to review the CECC Agreement and to amend certain provisions thereof, and then have undergone a process of the discussions with Management about possible amendments, through which all Employees' Representatives have been invited to participate in such discussions;

WHEREAS, the Management have agreed to amend certain provisions of the CECC Agreement in order to improve the operations of CECC and to obtain better functioning and organisation of the CECC;

WHEREAS, the Management and Employees' Representatives recognize that, while the amendments will replace certain provisions of the CECC Agreement, the CECC Agreement will continue to be in force and that for this reason the EWC Directive and the Dutch EWC Act, excluding Article 13 of EWC Directive and Articles 5 and 24 of the Dutch EWC Act, are still not applicable to Canon and its subsidiaries;

WHEREAS, the Management and Employees' Representatives have agreed to incorporate all provisions of Memorandum for the Interpretation of the Agreement Establishing the Canon European Consultative Committee (CECC) signed by Management and Employees' Representatives on 12th September 1996, Memorandum for the Clarification of the Preparatory Committee of 24th June 1998 and Memorandum for the Delegation of Signing Authorities of 8th June 1999 into the amendments to the CECC Agreement, and therefore these Memoranda will be no more effective as of the date of the execution of the amendments to the CECC Agreement;

WHEREAS, in addition to the amendments to certain provisions of the CECC Agreement Management and Employees' Representatives have agreed to improve the practical arrangement of the CECC meeting, such as distribution of documents prior to the CECC meeting, number of microphones and a better shape of seating arrangement for the meeting;

IN WITNESS WHEREOF, both parties hereto have amended the CECC Agreement as follows:

I. PURPOSE OF THE AGREEMENT

Article 1

Management and Employees' Representatives have reached this CECC Agreement, believing that it is the common interest of the Canon group and of all Canon employees to share a proper understanding of the current status and future progress of the Canon European business.

This CECC Agreement describes competencies and proceedings applied to the CECC, which is established to exchange information and views as well as to consult on the above-mentioned matters taking place at European level between Management and Employees' Representatives.

Exchange of information means in this CECC Agreement that Management and Employees' Representatives or Management representatives and the Select Committee exchange oral and written information and data and exchange views and opinions and that Management or its representative provides oral explanation on its information and data.

Consultation means in this CECC Agreement that Management and Employees' Representatives or Management representatives and the Select Committee discuss their views and opinions and establish dialogue between both parties.

II. SCOPE OF THE AGREEMENT

Article 2

The competence of CECC will cover all Canon operations in the European Union (including accession countries in 2004) as well as Norway and Switzerland. It is agreed between Management and Employees' Representatives that new Canon companies established in European countries not belonging to the EU (other than Norway and Switzerland) will be included in the CECC when they are acquired by the Canon group and if the number of Canon's employees in the country concerned is 50 or above.

Article 3

CECC will focus on the following issues:

- a) the current structure and economic and financial situation of the Canon European business;
- b) the probable development of the Canon European activities of R&D, production and sales;
- c) Canon's possible future investments in Europe and worldwide investments which have an effect upon European business;
- d) matters relating to corporate policy and philosophy as well as employment trends in the territories mentioned in Article 2 above;
- e) other relevant issues which affect employees, such as substantial changes in the organisation, the introduction of new working methods or production processes, environmental care, mergers, relocations, cut-backs, closure or establishment of a group company or an important part thereof in Europe, the status and development of employment situation (including social issues, such as health and safety, equal opportunities, working time directives, etc.), collective redundancies, and other major business issues.

The establishment of CECC shall not affect the competence of national or local negotiating or consultative processes. Therefore, CECC will limit its scope of discussion to issues which concern the Canon European business as a whole or two or more Canon operations in different European countries. CECC will not involve itself in discussions on labour conditions such as remuneration, compensation, benefits or terms and conditions of employment.

III. MEMBERSHIP AND ALLOCATION OF SEATS WITHIN CECC

Article 4

CECC shall be a joint committee composed of (i) Employees' Representatives and (ii) management representatives appointed by the President of Canon Europa NV ("Management").

The President of Canon Europa NV shall appoint one Management representatives as Chairman of CECC.

The Canon European workforce shall be represented, within CECC, by thirty one (31) Employees' Representatives (which are indicated in Attachment 1 hereto) as of the effective date of the amendments to this CECC Agreement mentioned in Article 18 hereof. Seats within CECC shall be allocated according to the criteria, under which the seats are in essence allocated on the basis of the number of employees in the countries subject to the minimum requirement of 50 employees per country or per company and which is laid down more specifically in the Attachment 2, which forms an integral part of this CECC Agreement. The number of Employees' Representatives shall be adjusted by the Select Committee upon consultation with the Management representatives, according to the above-mentioned criteria, in the light of the developments of Canon operations in Europe (such as acquisition of a company by the Canon group, establishment of a new subsidiary, closure of an existing company or an increase or decrease in the number of employees of existing Canon group companies). Adjustment shall be made annually on the basis of the number of employees in the end of the year. However, should the Employees' Representatives exceed the number of thirty two (32), the allocation criteria shall be amended, in accordance with the procedure laid down in Article 18(2) of this CECC Agreement, in order to maintain the size of CECC within reasonable limits.

Article 5

Employees' Representatives within CECC shall be appointed by the employees' representative bodies in the different European countries, according to the national legislation and practices in force in the country concerned.

In countries where no employees' representative bodies exist, local management shall set up a democratic procedure to elect the Employees' Representative(s) for CECC. When establishing such procedure, local management shall endeavour to reach an agreement with its employees.

Where the appointment of a common Employees' Representative for two or more companies is necessary, in accordance with the criteria laid down in the Attachments to this CECC Agreement, local employees' representatives and local management shall agree on the procedure to elect jointly the common Employees' Representatives.

Article 6

Employees' Representatives shall serve on CECC for a period of four (4) years. However, i) Employees' Representatives belonging to local works councils or other local employees' representatives bodies shall be replaced in accordance with the local legislation and local decisions in the event that they are no longer employees' representatives at local level, or ii) local management and local employees may reach an agreement for a different duration of the mandate of the Employees' Representatives as members of CECC, if they so wish and if this is allowed by national legislation.

Employees' Representatives may be re-elected, if this is allowed by the national legislation and practice.

The names of the Employees' Representatives shall be communicated to the Chairman of CECC immediately after each local election.

Article 7

When the permanent Employees' Representatives are appointed or elected, an equal number of deputy Employees' Representatives shall be appointed or elected.

Deputy Employees' Representatives shall attend the meetings of CECC only in the event that the permanent Employees' Representatives are unable to attend them.

Article 8

In order to be considered as permanent Employees' Representative or as deputy Employees' Representative within CECC, an employee must have at least one year's service with Canon, unless national legislation or practices in force in the country concerned provide for a different service period.

The Canon European workforce shall be represented, within CECC, exclusively by Canon employees.

IV. ADMINISTRATION OF CECC

Article 9

CECC shall meet at the Headquarters of Canon Europa NV in Amstelveen, The Netherlands, or any other place determined by the President of Canon Europa NV.

CECC shall meet once a year.

Employees' Representatives will have their own meetings on the day before the meeting of CECC and after the meeting of CECC. A chairperson and a deputy will be elected by the Employees' Representatives for their own meetings who will be an office of four (4) years subject to their eligibility provided under Article 6 of this CECC Agreement.

In exceptional circumstances, which shall be defined as issues which have a significant impact on the interests of employees in two or more countries within the CECC, the Select Committee, as described in Article 10, shall be informed and, if required, shall be consulted by the Management as representative of the employees at the time when the consultation is still meaningful. Member(s) of the management of the relevant part of the company concerned may be involved. The Select Committee may involve the Employees' Representatives from countries affected which are not a member of the Select Committee. It is important that such exchange of information and consultation be communicated to all Employees' Representatives. Where, due to the sensitive nature of the information, the Management decides that the information should not be disseminated to the other Employees' Representatives, then Management will explain why it should stay within the Select Committee and the invited Employees' Representatives and when it may be fully communicated to all the Employees' Representatives.

In the event that exceptional circumstances shall arise and the Select Committee and the Management representatives so agree, an extraordinary meeting of the CECC will be organised.

Article 10

A Select Committee shall be established within the CECC. The Select Committee shall be composed by five (5) members, one of whom is a chairperson defined in the preceding Article and other of whom are four (4) members from different countries elected by Employees' Representatives for a period of two (2) years subject to their eligibility provided under Article 6 of this CECC Agreement. It is the principle that the election of two (2) members of these other four (4) members of Select Committee will be taken place every year. Deputy of these four (4) other members of the Select Committee may be appointed among Employees' Representatives by such member who is not able to attend the meeting of the Select Committee. All CECC Employees' Representatives are eligible as members of the Select Committee.

The powers granted to the Select Committee under this Agreement belong to the CECC, the Select Committee being the body which makes it more viable, for the CECC to exert them.

In order to ensure that feedback to consultation and requests for information can be properly discussed and actioned the Select Committee shall if required meet 4 times in the year on a quarterly basis with its own members and with the Management representatives.

Article 11

At least three months before the CECC meeting, the Chairman of CECC shall notify all CECC members of the date and location of the meeting.

Suggestions for the agenda items for the CECC meeting should be forwarded to the Chairman of CECC at least two months before the meeting. One month before the CECC meeting, the Chairman of CECC shall prepare the agenda in consultation with the Select Committee and shall forward it to the members of CECC and local management.

Notwithstanding the provisions mentioned above, Chairman and Secretary of CECC and the Select Committee can agree on the different procedure for organisation of the specific CECC meeting from what is provided in the above in order to set the agenda of such specific CECC meeting and date and venue of that meeting.

Article 12

A representative of Management appointed by the Chairman of CECC shall act as Secretary of the CECC meeting. The Secretary shall prepare, in consultation with the Select Committee, the minutes and/or the communiqué of the CECC meeting, which will then be forwarded to the participants and local management within a month after the meeting has taken place.

Article 13

The CECC meeting will be held in English. The agenda, additional written information as well as the minutes of the meetings shall be written in English.

Notwithstanding the provisions of the above and without prejudice to the general principle mentioned above, the simultaneous translations will be provided for the CECC meetings in the

initial years if it is found necessary. Management and Employees' Representatives should find the best solution to overcome the language problem (e.g. providing English course, etc.).

Article 14

Canon shall bear the costs of the organisation of the CECC meetings and preparatory meetings of Employees' Representatives, as well as accommodation and travel costs of Employees' Representatives.

Employees' Representatives shall be entitled to release from their professional duties with pay to prepare for (with reasonable amount of time) and to attend the CECC and preparatory meetings and the necessary travelling time. All arrangements concerning such matters shall be agreed between Employees' Representatives and their local management. In order to ensure these arrangements are handled efficiently and in a timely fashion, Management has the obligation to instruct local management.

Management and the Select Committee may agree on a budget for CECC for consultation of outside experts. In the absence of such agreement, CECC shall only consult outside experts after Management's approval.

The Select Committee may invite to the CECC meeting and pre-meeting at a maximum of two (2) advisers with European competence. A budget to allow for this will be agreed with Management as provided in the preceding paragraph and will be managed by the Select Committee.

Upon written request of Select Committee Management may agree to pay the cost of trainings for Employees' Representatives which are considered to provide efficiencies and added-value to the operations of CECC.

V. COMMUNICATION AND CONFIDENTIALITY

Article 15

The issues discussed during the CECC meetings, insofar as they do not contain confidential information (which is supplied with legend of 'confidential' or of which a reasonably acting person should have understood from the nature of the information that it is confidential), should be communicated as widely as possible to all Canon employees, by the communiqué mentioned in Article 12 or in another appropriate way which may be agreed by Management and the Select Committee.

This communication should not release local management from its obligations to inform staff of issues affecting their countries' operation.

Canon's internal information, including but not limited to those which are reasonably expected to affect or damage the company's operations or interest or those which are commercially sensitive, should be strictly restricted to be within Canon and not to be disclosed to outside Canon.

Article 16

All members of CECC undertake not to disclose any information which is expressly supplied on a confidential basis. When confidential obligation will be imposed Management will provide Employees' Representatives with the reason for confidentiality, which information falls within the scope of the confidentiality obligation, whether there are any persons to whom such confidentiality obligation is not applied and a timescale (if applicable) when this information may be further communicated.

Confidentiality duties as set forth in the preceding Article and this Article 16 are statutory obligation and the attendance to the meetings of the CECC or of the Select Committee is subject to the compliance with this obligation. Any proven breach of the provisions of the preceding Article and this Article 16 shall be viewed as serious disciplinary offence and shall lead to disqualification as a member of CECC. This undertaking shall remain valid after the conclusion of the term of office of CECC members.

VI. STATUS OF THIS AGREEMENT

Article 17

The parties recognize this CECC Agreement as a "Voluntary Agreement" within the meaning of Article 13 of EWC Directive.

Article 18

The amendments to the CECC Agreement shall be effective from 7th May 2004 when they are executed by both Management and at least two thirds of the Employees' Representatives. This CECC Agreement shall thereupon continue to be valid and all its provisions shall be binding and enforceable for the Management and all the Employees' Representatives.

Either Management, Select Committee or two thirds of Employees' Representatives may at any time notify the Chairman of CECC, in writing, that the notifying party intends to re-negotiate this CECC Agreement. In that case, re-negotiation of this Agreement will be started within a reasonable period of time from the receipt of the above-mentioned written notice through the meeting between Management's representatives and the members of the Select Committee. This CECC Agreement shall remain valid during the re-negotiation procedure, until a new agreement is concluded.

This CECC Agreement may only be amended by a written agreement executed by both Management and a duly authorized representative of at least two thirds of CECC Employees' Representatives.

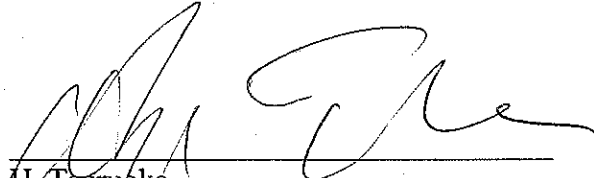
Article 19

This CECC Agreement shall be interpreted and construed in all respects in accordance with the current English language version.


This CECC Agreement is governed in accordance with the laws of the Netherlands. In the event a dispute arises between the parties hereto with regard to this Agreement and this

dispute cannot be resolved amicably, the Amsterdam District Court will have exclusive jurisdiction.


For Management:



H. Tsuruoka
President of Canon Europa NV



L.E. Kennbert
Chairman of CECC

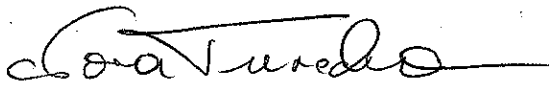


N. Morton
Secretary to CECC

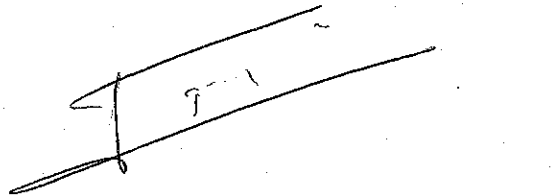


M.I. Suzuki
Advisor of CECC


For Employees' Representatives



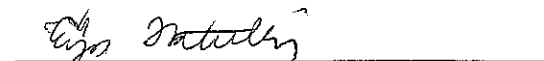
N. Turecka
Canon CEE GmbH




A. De Bruyn
Canon Belgium NV/SA



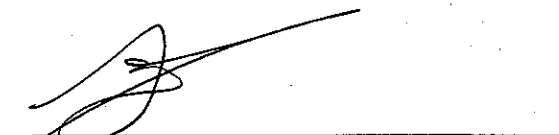
K. Larsen
Canon Danmark AS



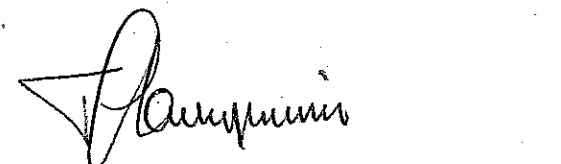
E. Ibatullin
Canon Oy




E. Rouhiainen
Canon Oy



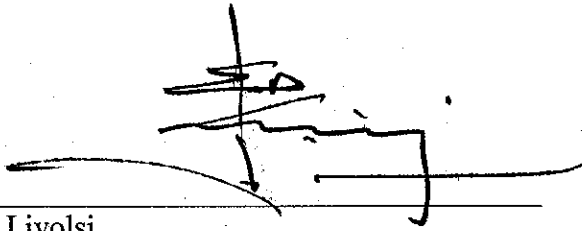
J.M. Bonnetain
Canon Bretagne SAS



T. Champomier
Canon France SA



J. Guillou
Canon Research Centre France SAS



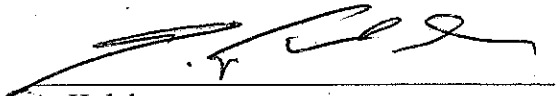
G. Livolsi
Canon France SA



A. Charpigny
Canon France SA



S. Coolhaas - van der Woude
Canon Giessen GmbH



A. Kelch
Canon Deutschland GmbH



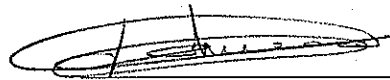
C. Kobs
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R. Sherlock
Canon (Ir) Business Equipment Limited



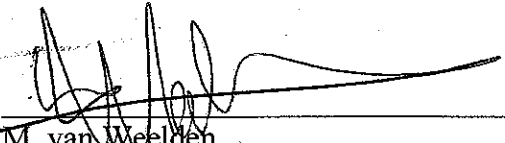
F. Cannizzo
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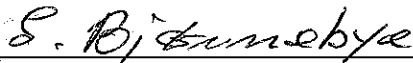
C. Frederic
Canon Luxembourg SA



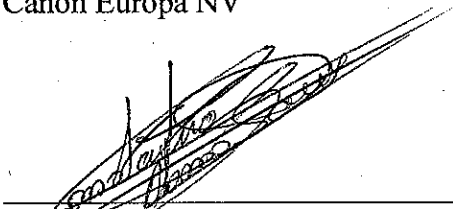
D. Holt
Canon Nederland NV



M. van Weelden
Canon Europa NV



I. Bjornebye
Canon Norge A/S



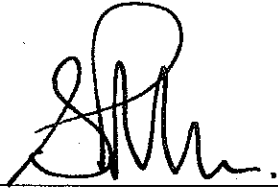
C. Alonso
Canon Iberica Manufacturing SA



O. Hansson
Canon Svenska AB



P.H. Kaeser
Canon (Schweiz) AG



S. Mee
Canon (UK) Limited

Attachment 1

Workforce Canon in Europe (as of Dec 2003)

06-Apr-04

company	employees	%	employees in each country		%	Total seats	seats by company		current																			
			France	Germany			Switzerland	Netherlands	Belgium	Italy	Sweden	Denmark	Finland	Luxembourg	Austria	Hungary	Czech	Poland	Slovakia	Slovenia	Ireland	UK	Spain	Norway	Total	seat	extra sheets	Total
Canon France	1,884	16.1%					Canon France																					
Canon Consumer Imaging France	605	5.2%	2,553		21.8%	5	Canon Consumer Imaging France																		1	4	5	
Canon Bretagne	64	0.5%					Canon Bretagne																					
Canon Research Center France	955	8.2%					Canon Research Center France																					
Canon Deutschland	434	3.7%					Canon Deutschland																					
Canon Giessen	626	5.4%					Canon Giessen																					
Canon Schweiz AG	434	3.7%					Canon Schweiz AG																					
Canon Netherlands	607	5.2%					Canon Netherlands																					
Canon Europa NV	277	2.4%					Canon Europa NV																					
Canon Belgium	434	3.7%					Canon Belgium																					
Canon Italia	420	3.6%					Canon Italia																					
Canon Svenska	398	3.4%					Canon Svenska																					
Canon Denmark	446	3.8%					Canon Denmark																					
Oy Canon	103	0.9%					Oy Canon																					
Canon North Europe	41	0.4%					Canon North Europe																					
Canon Luxembourg	369	3.2%					Canon Luxembourg																					
Canon Austria	269	2.3%					Canon Austria																					
Canon East Europe	58	0.5%					Canon East Europe																					
Canon Hungary	74	0.6%					Canon Hungary																					
Canon Czech	50	0.4%					Canon Czech																					
Canon Poland	8	0.1%					Canon Poland																					
Canon Slovakia	11	0.1%					Canon Slovakia																					
Canon Adlia (in Slovenia)	138	1.2%					Canon Adlia (in Slovenia)																					
Canon Ireland	197	1.7%					Canon Ireland																					
Canon Europe Ltd	2,013	17.2%					Canon Europe Ltd																					
Canon UK	104	0.9%					Canon UK																					
Canon Research Centre Europe	170	1.5%					Canon Research Centre Europe																					
Criterion	25	0.2%					Criterion																					
Fotango	120	1.0%					Fotango																					
Canon Iberica	353	3.0%					Canon Iberica																					
Canon Norge	11,687	100.0%					Canon Norge																					
Total	11,687	100.0%	11,687	Total	100%	31	Total	31	Total	15	13	28																

(Source: Monthly Headcount Report December 2003 FTE)

1. Countries with 50 - 500 employ 1 sheet
2. Countries with 501 - 1,000 employ 2 sheet
3. Countries with 1,001 - 2,000 en 3 sheets
4. Countries with 2,001 - 3,000 en 4 sheets
5. Countries with more than 3,000 € 5 sheets

French representation shall be reviewed in the next CECC meeting to be held after May 2004.

ATTACHMENT 2

Criteria for Allocation of Seats

- | | |
|--|---------|
| 1. Countries with 50 – 500 employees: | 1 seat |
| 2. Countries with 501 – 1,000 employees : | 2 seats |
| 3. Countries with 1,001 – 2,000 employees: | 3 seats |
| 4. Countries with 2,001 – 3,000 employees: | 4 seats |
| 5. Countries with more than 3,000 employees: | 5 seats |