

Olympus Contributes to the Better Health and Happiness of all the People in the World through the Company's Business

Endoscopes are indispensable to Olympus for today's medical fronts. Olympus has maintained about 70% of the world's sale of digestive endoscopes for many years. In this fact lie the basics of the Company's CSR: Olympus will realize the sustainable growth of its business by contributing to society and fulfilling its social responsibility. Haruhito Morishima, who became president of Olympus Medical Systems Corp. in April 2005, gave an interview on CSR in the medical business (interviewer: Hiroyuki Otake; writer: Shoji Ozawa).

Olympus Technology Helps the Advancement of Medicine

Mr. Morishima recalls his first encounter with an endoscope with deep regret when he lost his father.

"My father died of esophageal cancer when I was a college sophomore. The attending physician told me that a new device called an endoscope was recently introduced and that if it had been used in his medical checkup, the cancer could have been detected at an earlier stage and he could have been saved."

At that time, Olympus had started marketing esophageal endoscopes three years earlier. Mr. Morishima made up his mind to engage in work that contributes to society and decided to join Olympus.

"I joined Olympus, determined to be involved in endoscopes, and I've been with it for 35 years. What a happy life I lead!"

The endoscope, which significantly promoted the advancement of diagnostic and treatment skills and techniques, is a great contributor to the advancement of medicine, as evidenced by the

following comment that is often heard: if the person who invented the endoscope is identified, he or she would win a Nobel Prize. The endoscopic technology of Olympus has had a long history of contributions and advancements; Olympus has always been with doctors who were active in the front lines of medicine since the days of the gastro-camera. The world's largest share in the field of endoscopy was just a result of Olympus' strenuous efforts.

"In Japan, the rate of stomach cancer deaths is declining, and I am certain that the endoscope is responsible for it to some extent."

The widespread practice of endoscopy will help detect diseases much earlier, and endoscopy can help remove cancerous cells then and there if detected at an early stage, making abdominal operations unnecessary. With the development of the image diagnostic technique, doctors can find very small cancerous growths, as small as about 1 mm in diameter, which was previously beyond detection.

"Endoscopes are now used for not only diagnosis but also surgical treatment. Take cholecystectomies in advanced countries, for instance. More than 80% are done with an endoscope. It reduces the burden placed on the patient and helps shorten the hospitalization period. It helps reduce medical cost."

Endoscopes help reduce the rate of death as well as improve the quality of life in patients.

Haruhito Morishima
President of Olympus
Medical Systems Corp.



Business Nurtured by Joint Efforts of R&D and the Medical Front Line

The very start of Olympus' endoscope business was a response to a doctor asking if it was possible to take a picture of the inside of a stomach. Nobody believed it was possible back then. With the viability of doing it as a business being questioned, Olympus remained serious in its commitment, and that perseverance finally paid off, according to Mr. Morishima.

"This field needs the joint efforts of the industry and academia. We are not medical doctors, so we listen to what doctors have to say and return with proposals from our technical staff. Next, the doctors give us their opinions and comments on how to improve our equipment, which are then incorporated at our technological development or product improvement



Endoscopic Video Information System "EVIS LUCERA"

stage. This entire process is repeated, which helped both Olympus and the medical people nurture mutual trust. And now here we are."

Olympus' optical technology lives in its endoscopic technology. Olympus is committed to image quality.

"As an optical manufacturer, Olympus aims at providing excellent image quality, enough to ensure practical diagnosis. And that is the key to the early detection of diseases."

Endoscopes are being used in a wider range of applications, from diagnosis to treatment. Olympus develops new treatment tools jointly with doctors.

"The primary social contribution of Olympus as the No. 1 endoscope manufacturer is the continuous manufacturing of products that have high levels of safety, security, and medical economic efficiency. I believe our efforts to continue providing the medical front line with state-of-the-art technology that matches their needs will eventually result in our fulfillment of CSR."

Active in Social Contributions in and out of Japan

Manufacturing high-quality products is not the only field Olympus is active in terms of social contribution. In 1990, Olympus set up the Endoscopy Masters' Forum, a world conference of front line medical doctors engaged in endoscopic treatment, to find and create new and advanced applications of endoscopes together with medical doctors. In addition, Olympus supports the World Gastroenterology Organization and World Organization of Digestive Endoscopy as part of its social contributions. Through these two organizations, Olympus donates endoscopes to medical institutes in developing countries, provided that the recipient institute has an appropriate environment where the donated endoscope can be properly used and their doctors can learn to properly use it.

"You can only spread the use of endoscopes by training doctors how to use them. We therefore work together with organizations that support the development of doctors who are to become leaders in the operation of endoscopes and teaching them how to use the equipment."

Moreover, Olympus is actively cooperating in launching campaigns in the United States and other countries, calling for endoscopic examinations to help the early detection of colon cancer.

In the area of the environment, Olympus aims at realizing Zero emissions. To be specific, Olympus Medical Systems successfully reduced landfill waste after intermediate treatment to



below 1% of total emissions at all its endoscope plants. In addition, the Environmentally Conscious Design Standard was created to help produce Eco-products.

"For our environmental efforts, our idea is to set stringent criteria in the beginning and do our very best to match that criteria."

Creating the Most Reliable Brand

Olympus never fails to forget the basics. Olympus regularly re-educates its employees so that they fully understand the importance of rapport with customers.

"The endoscope business is our pride. That is why every one of us needs to be a better person. I want all our employees to try harder to get the job done with a lot of ambition in order to create the most reliable brand."

Mr. Morishima expects the joint work with doctors in surgery and internal medicine to begin in the area of endoscopic treatment in the future.

"I hope we can help them successfully combine their joint efforts. Our strength is what we have achieved so far, including comprehensive endoscopic technologies, by ensuring communication between developing staff and medical doctors. This is one of the key factors that have made us a leader in the endoscope field."



Gastrointestinal Videoscope

Olympus Fulfilling Its Social Responsibility Equates to Olympus Strenuously Trying to Achieve its "Social IN" Management Philosophy.

Olympus was created out of the desire of its founder to produce Japanese-made microscopes that can contribute to the development of Japanese medicine. Our "Social IN" management philosophy, formulated in 1994, is our official declaration to strive to realize better health and happiness for people by being integral members of society, sharing common values, and proposing new values through our business. Our CSR is based on the principle of "Social IN."

Management Philosophy and Corporate Conduct Charter

Olympus bases its management philosophy on the concept of "Social IN."

In September 2004, the Corporate Conduct Charter and the Code of Conduct were established for the Olympus Group to carry out its social responsibility while applying the above philosophy to its daily activities. These are official statements that comprehensively regulate our attitude toward CSR, including environment-related policies.

UN Global Compact

As announced in October 2004, Olympus participated in the UN Global Compact because it needed to clearly state its determination to be an excellent global company, one that fulfills its social responsibility, contributes to the sustainable growth of society, and accelerates its efforts in CSR.



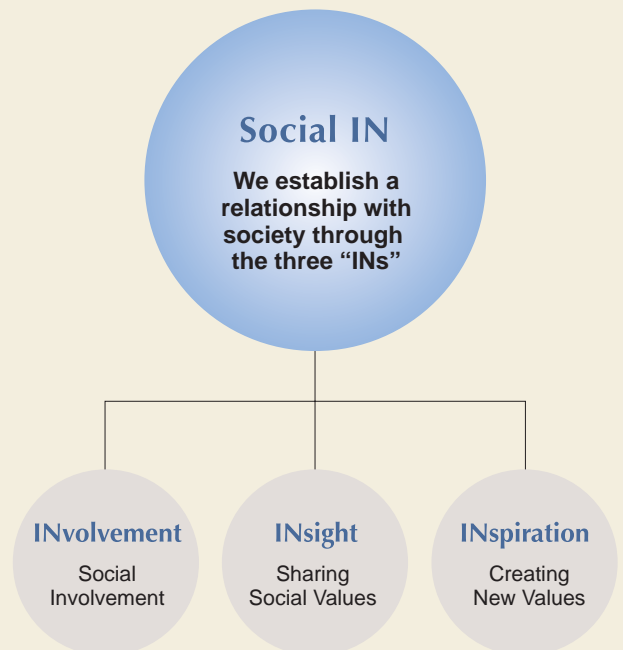
President Kikukawa's statement addressed to UN Secretary-General Kofi Annan

Now that the principles of the Global Compact are incorporated into our Corporate Conduct Charter and Code of Conduct, we can carry them out while conducting business. Interaction and mutual stimulation with other Global Compact participants will also help us improve our actions toward social responsibility.

Corporate Brand and CSR

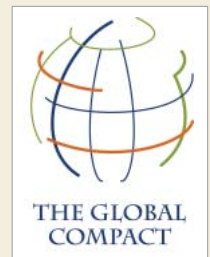
We believe that the Olympus Group's involvement in CSR will nurture trust in and sympathy to the Olympus Group, reinforce the corporate culture, and eventually help the Olympus brand enhance its value. We also believe it will help the employees of the Olympus Group realize the importance of working with one of the world's leading brands and of taking pride in the value of the brand with appropriate action, ultimately reinforcing compliance with CSR.

Management Philosophy of the Olympus Group



UN Global Compact

This initiative was advocated by UN Secretary-General Kofi Annan and officially launched at UN headquarters in July 2000. Participating corporations from around the world are required to support and comply with 10 principles in the areas of human rights, labor, the environment, and anticorruption. Olympus is the 22nd company in Japan to participate in the Global Compact.

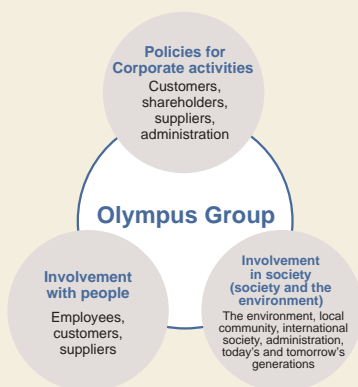


* See the UN Global Compact Web pages for details of the Global Compact: <http://www.unglobalcompact.org/>

Olympus Group Corporate Conduct Charter

The Corporate Conduct Charter provides a CSR framework for the Olympus Group to follow. Together with the principles, the Olympus Group Code of Conduct* is put in place to guide all directors and employees to act in compliance with the Conduct Charter.

* The Olympus Group Code of Conduct can be found on Olympus' Web site.



■ Corporate Conduct Charter and major stakeholders

Olympus Environmental Principles

In August 1992, being an excellent corporate citizen, Olympus constituted the Olympus Environmental Principles to articulate its basic positions on environmental issues and to set ambitious environmental protection goals, thereby leading to specific activities. The Corporate Conduct Charter states the fundamental ideas of the Environmental Principles in the "Harmony with the Environment" chapter.

Olympus Group Corporate Conduct Charter

Based on the fundamental concept of Social-IN and being fully aware of its responsibilities as a corporate member of society and as a company prized by people with various value systems around the world, the Olympus Group continues to provide value for our society in support of the livelihood and happiness of people all over the world. The Olympus Group, with a strong sense of ethics, engages in global corporate activities while strictly complying with relevant laws and regulations.

Policies for Corporate Activities

1. Sound Corporate Activities

With highly transparent management, the Olympus Group engages in sound and fair corporate activities based on laws and ethics through its relationship with all stakeholders, including customers, suppliers, shareholders, employees, and local communities.

2. Act on Behalf of the Customer

The Olympus Group provides safe, high-quality products and services that are meaningful to society and in tune with the demands of customers while taking sufficient measures to protect customer information.

Involvement with People

3. Respect for Human Rights

In all corporate activities, the Olympus Group prohibits discrimination based on race, faith, gender, age, social position, family lineage, nationality, ethnicity, religion, or disability as well as forced labor and child labor.

4. Working Environments with Vitality

The Olympus Group provides safe and healthy working environments to respect individuality and foster personal growth and offers value sought by society as its employees strive for skills and improve technologies.

Involvement in Society

5. Harmony with the Environment

Respecting people's safety and health and the effects of the environment on their lives, the Olympus Group contributes to a healthy environment and sustainable development through business activities and technological developments that are in harmony with the natural environment and society.

6. Good Relationship with the Community

The Olympus Group contributes to the development and improvement of local communities through respect for the cultures and customs of countries and regions in which it engages in business activities.

Olympus Environmental Principles

Environmental Protection Declaration

Olympus, respecting nature and the health and safety of mankind, has resolved through its technological development and through adopting ecologically compatible business practices to contribute to the re-establishment of a healthy environment and a society in which a sustainable development is possible.

Guideline for Environmental Action

In all business activities, Olympus will give priority to environmental protection and will apply itself with dedication to this task both on an organizational and individual basis.

1. Technology Development

We will develop products and production technologies with a careful and conscientious regard for safety and environmental protection. Furthermore, we will make the results of such developments available to everybody.

2. Drawing up Norms and Assessing Results

We will take the initiative in setting up our own standards and norms. We will assess the environmental impact at each stage of our operations from development through to production and sales.

3. Protection of Natural Resources

We will make a united effort to conserve natural resources and save energy. At the same time, we will push forward with recycling activities, such as the retrieval of discarded materials and the reuse of resources.

4. Activity Support

We will co-operate with environmental measures recommended by government bodies. We will treat regional and international environmental protection activities with understanding and actively participate in and support them.

5. Education and Total Staff Participation

We will publicize and engage in other activities with the purpose of informing all Olympus staff of the need for environmental protection. We will encourage each and every staff member to increase his or her understanding of environmental protection activities at home, at work, and in the community.

6. Structure to Promote Activities

Under our director in charge of environmental protection, we will make clear our responsibility to promote environmental protection. We will establish a structure through which we can take appropriate measures to deal with changes as they occur inside and outside Olympus.