

Message from the President



The Olympus Group creates and proposes new values to society through its businesses. With the “Social IN” management philosophy, Olympus strives to be a responsible and integral member of society while sharing our common values.

Our founder manufactured the first Japanese-made microscope with a strong desire to contribute to the development of medicine. I believe that all of our employees should retain this “company DNA” which has been handed down from our founders, and respond to the needs of society by creating new values through design and manufacturing, acting based on high ethical standards, and complying with all relevant laws and regulations. In addition, it is important to promote economic, social, and environmental activities that go the extra distance to bring health and happiness for people on this planet—the core of the Olympus Group’s business activities.

To fulfill our corporate social responsibility (CSR) goals, member companies of the Olympus Group should listen to the voices of various stakeholders—customers, shareholders, employees, business partners, local and global communities, as well as the global environment—and form win-win relationships with them, so as to contribute to the attainment of a sustainable society through our business activities. I believe this will be brought about through the actions of individual employees who are prepared to exceed stakeholder expectations in their daily work.

Since its founding, the Olympus Group has been involved in medical and life science businesses, contributing to disease diagnosis, prevention, and health maintenance for people throughout the world. As a part of such efforts, the Olympus Group promotes health awareness activities in Japan, Europe and the United States including participation in a campaign to combat colorectal cancer.

In terms of the environment, we are advancing the introduction of environmentally friendly facilities at our new Mishima Olympus Plant, KeyMed plant in the United Kingdom, and Olympus America Inc. headquarters in North America. In all regions and across all businesses, we are continuing our efforts in environmental conservation—including making our products more compact and lighter. We are also promoting environmental education for all of our employees to further introduce Eco-Design^{*1} in our corporate activities.

We are committed to doing our best in all aspects of the economy, society, and the environment through ensuring the achievement of all of our planned measures and with the recognition that we must fully assume all of our corporate social responsibilities.

This CSR Report is designed to communicate our CSR activities, as well as encourage all members of the Olympus Group to further strive to realize corporate social responsibility on their own. We will be very pleased to receive any comments that you may have about the report so that we can further improve our CSR management.

June 2007

A handwritten signature in black ink, appearing to read 'T. Kikukawa', written in a cursive style.

Tsuyoshi Kikukawa
President
Olympus Corporation

^{*1}: Business model aiming at continuously reducing our environmental burden across all business activities in order to realize a sustainable society.

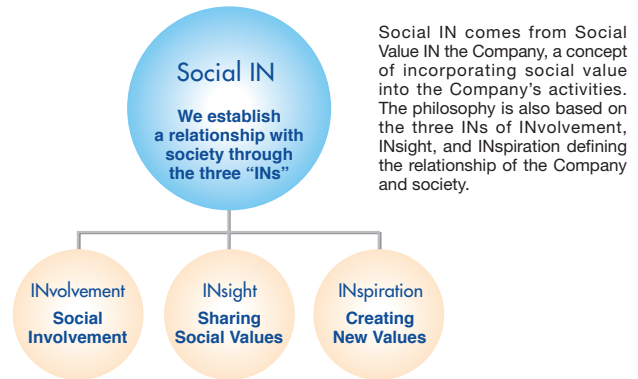
Olympus Group Management Philosophy/Corporate Conduct Charter

Olympus was founded with a desire to produce Japanese-made microscopes that could contribute to the development of medicine in Japan. With our “Social IN” management philosophy, formulated in 1994, we have declared our determination to strive to realize better health and happiness for people by being an integral member of society, sharing common values, and proposing new values through our business. Our corporate social responsibility (CSR) is based on this “Social IN” philosophy.

The “Social IN” Management Philosophy and Corporate Conduct Charter of the Olympus Group

The Olympus Group sets “Social IN” as the basis of its management philosophy. In addition, the Olympus Group Corporate Conduct Charter and Code of Conduct were established in September 2004 to apply “Social IN” to daily business activities in order to fulfill our corporate social responsibilities. The charter and code disseminate our CSR approach to the Olympus Group, including our concern for the environment.

■ Management Philosophy of the Olympus Group



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 of its 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 Environment 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 with 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.

▶▶WEB <http://www.olympus-global.com/en/corc/csr/olycsr/philosophy/csrcorporate.cfm>

UN Global Compact

Olympus agrees with the 10 principles of the UN Global Compact and has participated in the Compact since October 2004. We incorporate the 10 principles utilizing interactions and mutual enlightenment with other participants to improve our actions regarding social responsibility.

The 10 principles of the Global Compact have also been incorporated into our Corporate Conduct Charter and Code of Conduct.

Please refer to the UN Global Compact website for details:

▶▶WEB <http://www.unglobalcompact.org/>

■ UN Global Compact



The Olympus Group FY2006: Major Achievements in Our Social and Environmental Activities

In FY2006 the Olympus Group engaged in a range of social and environmental activities as part of the FY2006 Corporate Strategic Plan, announced in 2005. The results of these activities are as listed below.

We will continue to make further efforts to achieve our FY2006 Corporate Strategic Plan.

	Priority measures in FY2006	Target
Policies for Corporate Activities	Strengthening the internal control system	Establishing a framework for internal control
	Securing and enhancing the shared interests of shareholders	Introducing measures against the acquisition of a large amount of Olympus shares (defense measures against any potential corporate buyout) according to a decision taken at the shareholders' meeting
	Thorough implementation of compliance activities	Developing a framework on compliance and familiarizing employees with measures
	Protecting personal information	Strengthening the security system
	Innovating services through "Voice Of the Customer" (VOC) management	Establishing a system to utilize customers' voices throughout the organization
	Self-assessing CSR activities	Achieving self-assessment questionnaire collection rate of 80% in Japan and East Asia
Involvement with People	Improving workplace management capabilities	Renewal and familiarize management training
	Promoting employees' health and ensuring a healthy working environment	1) Establishing a base to develop Olympus Good Health 21, the Group's comprehensive health management policy 2) Introducing concrete measures to reduce long working hours
Harmony with the Environment	I: Eco-products (Environmental consideration of products and services) Developing high-quality, environmentally-conscious products	Increasing sales of Olympus eco-products
	II: Eco-facilities (Environmental efforts in our business activities) Practicing environmentally-efficient management	<ul style="list-style-type: none"> Prevention of global warming: Reducing CO₂ emissions from energy systems by 50% compared with FY1990 by FY2010 (per unit sales) Effective use of resources and reducing the amount of waste finally disposed in landfills: Reducing waste generation by 50% compared with FY2000 by FY2010 (per unit sales)
	III: Eco-management (Promoting environmental management) Implementing global environmental management	<ul style="list-style-type: none"> Enhancing functions to comply with environmental laws and regulations Strengthening environmental risk management
	IV: Eco-communication (Communicating environmental information to stakeholders inside and outside the company and activating social contribution activities) Enhancing environmental communication	Enhancing environmental communication
Good Relations with Community	Establishing good relationships with the community	Implementing social contribution activities in line with our management philosophy

*1: A part of the Law on Sales of Financial Products for the prevention of financial scandals and inadequate compliance and formulated based on the U.S. Sarbanes-Oxley Act (SOX Act), J-SOX requires listed companies and their consolidated subsidiaries to improve their accounting audit systems and strengthen their internal control structures.



Achievement	Relevant page	Future efforts (Challenges in FY2007)
<ul style="list-style-type: none"> Established a basic policy regarding the internal control system required by the Companies Act Newly formulated and revised company rules Set up a dedicated section for J-SOX¹ and promoted preparation 	▶▶WEB	<ul style="list-style-type: none"> Continuous review and improvement of the internal control system Enhance the level of response to J-SOX¹
<ul style="list-style-type: none"> Details of defense measures against any potential corporate buyout announced in May Introduction of defense measures decided at a regular shareholders' meeting in June 		<ul style="list-style-type: none"> Continuous efforts to secure and enhance the shared interests of shareholders
<ul style="list-style-type: none"> Provided basic education on compliance in the form of e-learning and group training, targeted at all employees (officers, employees, contracted employees, and others) 		<ul style="list-style-type: none"> Continuous provision of education on compliance to new employees and mid-career workers Continue follow-up on compliance for all employees
<ul style="list-style-type: none"> Awareness-raising using company magazines and posters Provided training through an educational video Held lectures for employees in charge of handling personal information 		<ul style="list-style-type: none"> Further enhance the system to protect personal information and continue education for all employees
<ul style="list-style-type: none"> Established a management system reflecting VOC in main business fields Fostered a corporate culture to respect customers by enriching educational courses on customer satisfaction (CS) for each level 	P7-10	<ul style="list-style-type: none"> To further improve effectiveness of VOC activities, enrich and improve the system to ensure improvement activities based on feedback at the source Enhance product development for better usability to improve customer satisfaction
<ul style="list-style-type: none"> Achieved questionnaire collection rate of 92% in Japan and East Asia 	P8	<ul style="list-style-type: none"> Promote CSR activities with mutual respect and cooperation based on questionnaire results
<ul style="list-style-type: none"> Introduced new management training in July and all newly appointed leaders for FY2006 joined the training 	P11-14	<ol style="list-style-type: none"> 1) Introduce revised management training reflecting new personnel system scheduled to be adopted in FY2008 and establish a new system of full-time lecturers 2) Newly introduce training on sexual harassment to respond to the revised Law for Equal Employment Opportunities for Men and Women
<ol style="list-style-type: none"> 1) Increased number of full-time industrial physicians; introduced and developed a support program for those returning to work; improved health checkups 2) Reduced late-night and holiday working hours, familiarized employees with management standards to be compliant with agreements on overtime work and paid holidays and establishing a check system 		<ol style="list-style-type: none"> 1) Strengthen the health and safety management system for the entire company, improving the medical checkup system (subsidizing colon examinations) 2) Strict control of working hours using IC (integrated circuit) cards
<ul style="list-style-type: none"> Put 78 product items into the market (44 in FY 2006) 	P15-16	<ul style="list-style-type: none"> 100% of new Olympus products to be Olympus eco-products (excluding OEM products and accessories)
<ul style="list-style-type: none"> Reduced CO₂ emissions from energy systems by 37% compared with the result for FY1990 (per unit sales) 	P15-18	<ul style="list-style-type: none"> Prevent global warming: <ul style="list-style-type: none"> Reduce CO₂ emissions from energy systems by 6% year-on-year (per unit sales) Reduce CO₂ emissions from non-energy systems by 30% year-on-year Reduce CO₂ emissions attributable to logistics by 5% year-on-year (per unit sales) Effective use of resources and reduce the amount of waste disposed in landfills: <ul style="list-style-type: none"> Reduce waste generation by 6% year-on-year (per unit sales)
<ul style="list-style-type: none"> Reduced waste generation by 32% compared with FY2000 (per unit sales) 	P27-29	
<ul style="list-style-type: none"> Set up a working group and made preparations to comply with Administration on the Control of Pollution Caused by Electronic Information Products of China Implemented measures against friable asbestos and soil pollution at production sites 	P16	<ul style="list-style-type: none"> No violation of any environmental laws and/or regulations
	P14, 16	
<ul style="list-style-type: none"> Provided a range of environmental education programs Participated in Eco-Products 2006 Improved transmission of social and environmental information in English 	P15-16	<ul style="list-style-type: none"> Further improve environmental communication
<ul style="list-style-type: none"> Launched a campaign for colorectal cancer awareness in Japan 	P19-26	<ul style="list-style-type: none"> Continue social contribution activities