

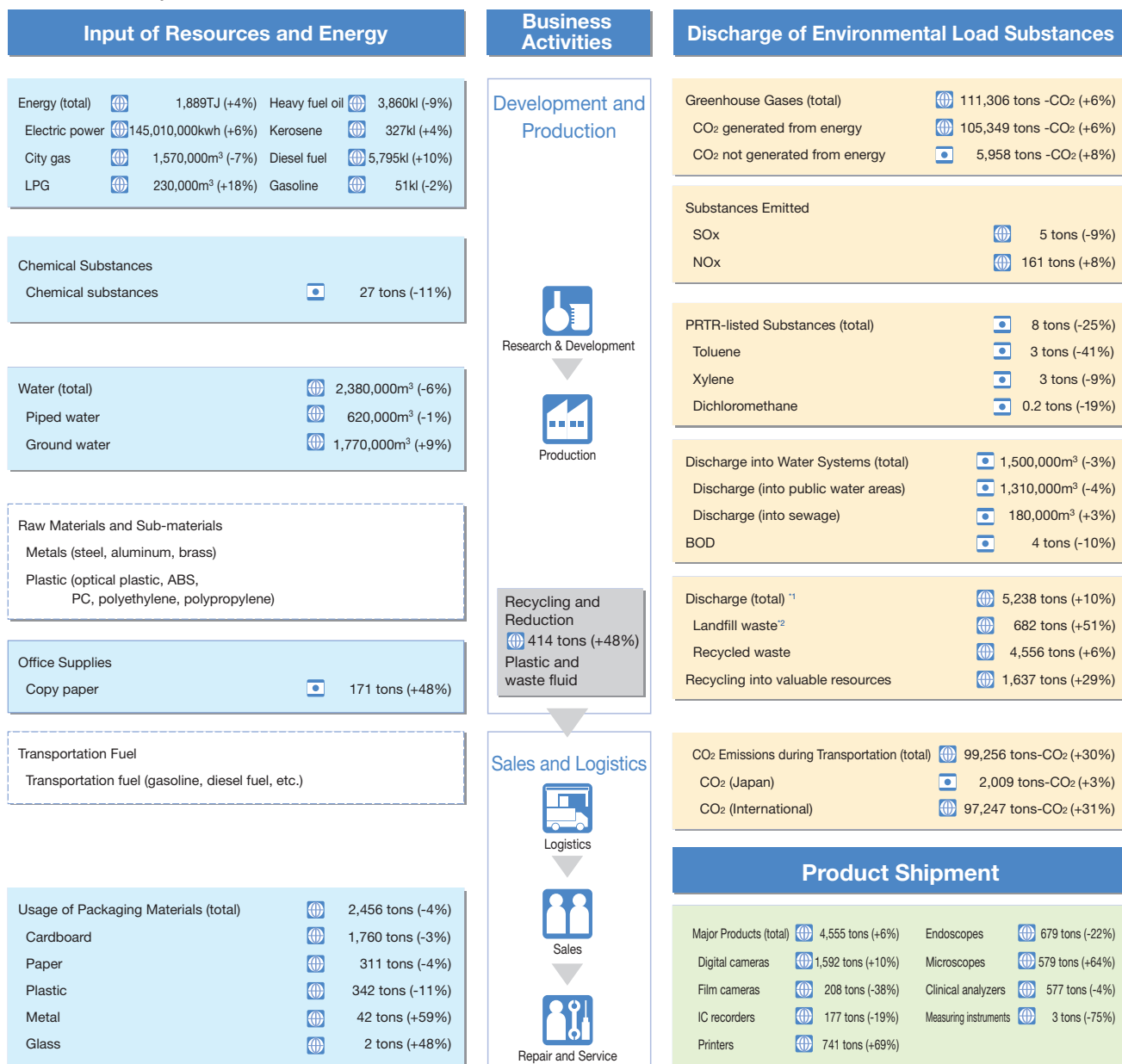
Influences of Business Activities and Environmental Preservation Activities

The business activities of the Olympus Group have impacts on the global environment in a variety of ways. We try to understand those impacts quantitatively, conduct efficient reduction of waste and minimize our environmental load.

In FY2006, the Olympus Group further promoted efforts to reduce energy consumption and waste generation. However, use of resources and energy increased as a result of expanded product shipments.

▶▶ **WEB** <http://www.olympus-global.com/en/corc/csr/environment/emanagement/eimpact.cfm>

■ Environmental Impact of Business Activities



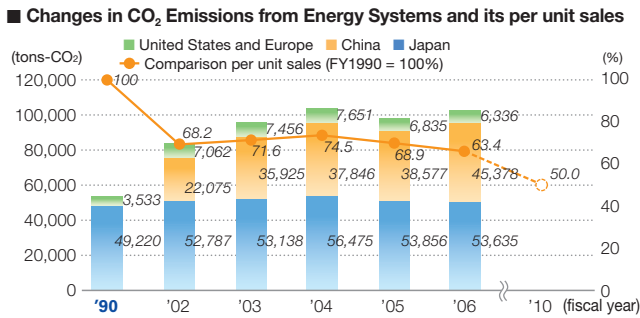
■ Production facilities in Japan ■ Global production facilities

Values within the parentheses are percentages for the previous year.

*1: Discharge (total) = Discharge (waste) means landfill waste as well as recycled waste and does not include waste recycled into valuable resources. Values in this section contain those of waste discharged from logistics sites.

*2: Waste emitted for landfill disposal as a prerequisite. Such waste undergoes volume reduction, such as incineration, and some of the residues are sent to landfills.

Global Warming Prevention: CO₂ Emissions from Energy Systems



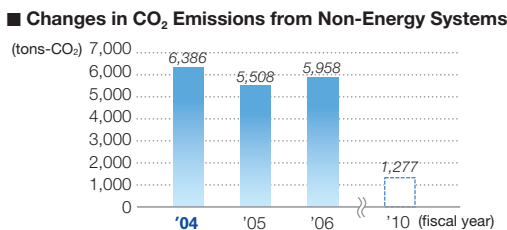
* Data for all sites are shown.
 * Greenhouse effect gas conversion coefficients are taken from the following sources.
 Japan: Conversion coefficient announced by the Ministry of the Environment and by the Federation of Electric Power Companies of Japan, both in 2005. The power conversion coefficient used for FY2006 as above is the value announced for FY2005.
 Overseas: GHG protocol conversion coefficient (<http://www.ghgprotocol.org>)

CO₂ Emissions from Energy Systems Compared to FY1990: 37% reduction (per unit sales)

FY2010 target: 50% reduction of CO₂ emissions per unit sales (relative to FY1990)

CO₂ emissions from energy systems were 105,349 ton-CO₂, which is 37% down per unit sales (against FY1990). This represents a steady downward move toward the FY2010 target. Despite an increase in CO₂ emissions as a result of production growth, we continued CO₂ reduction efforts, including the introduction of energy-saving equipment (pages 17 and 18) at the Mishima Plant, which newly started operations in 2006, and the continuation of daily activities to save energy and improve production efficiency. We intend to redouble our energy-saving activities in production processes toward the realization of the FY2010 target.

Global Warming Prevention: CO₂ Emissions from Non-Energy Systems



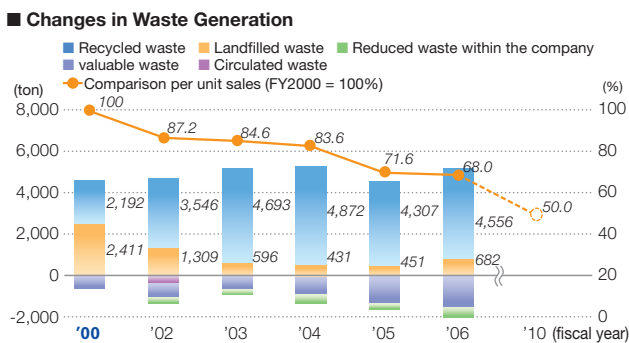
* Calculated using the conversion value announced by IPCC (Intergovernmental Panel for Climate Change) in 1996

CO₂ Emissions from Non-Energy Systems Compared to the Previous Year: 8% increase

FY2010 target: 80% reduction of CO₂ emissions (relative to FY2004)

CO₂ emissions from non-energy systems resulting from use of sprays for dust removal, cleansing agents, and etching in semi-conductor production were 5,958 ton-CO₂, up 8.2% compared to FY2005. One of the main factors behind this increase was a rise in emissions due to disposal of detergents and liquid leaks from equipment resulting from the relocation of the former Sakaki Plant. Our ongoing efforts in the field of technical development toward an 80% reduction in CO₂ emissions from non-energy systems in FY2010 (against FY2004) include a reduction in consumption of materials, replacement of cleansing agents with less environmentally harmful ones, and installation of a preliminary treatment facility.

Reducing Waste and Recovering Resources: Changes of Waste Generation



* Because detailed categorization of the amount recycled started in FY2005, the preconditions used in and before FY2004 were different from those in FY2005. Detailed categories are the valuable waste, and circulated, reduced one within the company and recycled waste, respectively.
 * The term "amount put to intermediate treatment" was changed to "landfilled waste" in the FY2005 report.

Waste Generation Compared to FY2000: 32% reduction per unit sales (compared to FY2000)

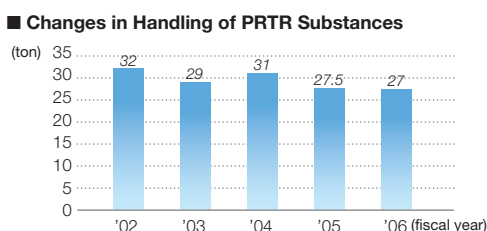
2010 target: 50% reduction per unit sales (compared to FY2000)

Waste generation was 5,238 tons, down 32% per unit sales (compared to FY2000). This again represents a smooth reduction process toward the FY2010 target. For Japanese sites, discharge was reduced thanks to strict separation of waste by type for value enhancement and effective integration of sites. For European and the U.S. sites, the amount of liquid waste increased as a result of additional installation of experimental equipment.

We are determined to do our best to minimize consumption of resources while maintaining production requirements.

* Discharge is the total of recycled and landfilled waste.

Chemical Substances Control: Handling of PRTR Substances



* The reference year is shown in bold.

Total Amount Handling: 27 tons, 0.5 tons down from the previous year

The total amount of PRTR-listed substances handled in FY2006 was 27 tons, 0.5 tons less than the previous year. Although consumption of some substances and sterilizing gases increased due to increased production, consumption of some solvents decreased due to the use of alternative coating agents. Overall, the Olympus Group as a whole achieved a slight reduction. We continue to actively tackle this issue through strict examinations upon the introduction of new chemical substances or providing technical support to processes that use a large amount of PRTR-listed substances.

Environmental Accounting

Olympus conducts environmental accounting as a way of obtaining quantitative data on environmental preservation costs and related effects.

In FY2006, total costs increased, largely as a result of implementation of the measures against global warming for the new Mishima Plant (pages 17 to 18); preserving the global environment; R&D costs for the introduction of Olympus Eco-products to the market promoted inside and outside Japan (page 15); and upstream costs to respond to laws and regulations related to the environmental assessment of products (page 16).

▶▶WEB <http://www.olympus-global.com/en/corc/csr/environment/emanagement/eaccounting.cfm>

Aggregation period: April 1, 2006 to March 31, 2007
 Targets of aggregation: Major sites in Japan and China
 Amount of capital investment by the Olympus Group during the period = 44,696 million yen
 R&D cost = 55,531 million yen
 Unit: million yen

■ Environmental Accounting in FY 2006 (as of March 31, 2006)

| Classification | Contents of Programs | Content Reference Pages | Environmental Preservation Cost | | | Environmental Effect | |
|---|--|-------------------------|--|---|--|---|--|
| | | | Equipment (compared to the previous year ¹⁾) | Cost (compared to the previous year ¹⁾) | Total (compared to the previous year ¹⁾) | Economic Effects Relating to Environmental Preservation Activities | Quantitative Effects Related to Environmental Preservation |
| Upstream Costs | Green procurement Green purchasing | ▶▶WEB | 77.6 (0 the previous year) | 505.7 (+105%) | 583.3 (+137%) | Green purchasing in Japan: 39.4 | Domestic green purchasing rate: 61.7% Percentage of Eco-cars in domestic company vehicles |
| R&D Costs | Olympus Eco-products development | P15 | 3.0 (0 the previous year) | 367.3 (+113%) | 370.3 (+115%) | ☎ Total sales of Eco-products (Group consolidated): 91,863 | ☎ Total sales results for Eco-products (Group consolidated): 2,740,971 |
| Costs Inside Business Area | Renewal and repair of pollution prevention equipment | P15-18 | 42.1 (-65%) | 162.7 (-77%) | 204.8 (-75%) | Cost of lawsuits for domestic environmental pollution and complaints: 0 Penalties for domestic environmental pollution and complaints: 0 | Domestic environmental pollution lawsuits: 0 cases Complaints from residents in surrounding areas in Japan: 0 cases |
| | Measures to prevent global warming for new Mishima Plant | | 269.1 (+675%) | 93.9 (-16%) | 363.0 (+148%) | Energy cost: 2,441 | CO ₂ emissions: 104,497 tons-CO ₂ |
| | Effective use of resources Disposal of waste Recycling | | 0.0 (-100%) | 489.0 (-92%) | 489.0 (-92%) | Cost of consigned landfill waste treatment: 22.5 Income from sales of recycled valuable resources: 59.3 | Volume of landfill waste: 465 tons |
| Downstream Costs | Recovery of products Optimization of packaging | ▶▶WEB | 0.1 (0%) | 4.9 (+8%) | 5.0 (+8%) | — | — |
| Environmental Management Activity Costs | For asbestos check and response ISO 14001 management and operation Environmental communication | P14-15 | 147.3 (+458%) | 328.8 (-59%) | 476.1 (-43%) | — | ISO 14001 certified facilities: 15 sites (out of a total of 15 production and development sites) |
| Costs for Damaged Environment | For soil investigation and remediation at the former Sakaki Plant | P16 | 62.6 (0 the previous year) | 0.0 (0 the previous year) | 62.6 (0 the previous year) | — | — |
| Costs of Social Activities | Contributions to society and regional areas | P23-24 | 0.0 (-100%) | 5.7 (+6%) | 5.7 (+2%) | — | — |

How to aggregate Olympus' environmental accounting

- Starting from the FY 2004 environmental accounting, calculations are based on the Environment Accounting Guidelines (FY 2005 edition).
- The proportions of cost and depreciation expenses that cannot be clearly separated into those for environmental preservation and those for other purposes are not calculated, and their totals are not included for the purposes of environmental accounting.
- Of the economic effects accompanying environmental preservation, elements such as estimated effects² that lack sufficient data are excluded.
- See our website for changes (standards of Ministry of the Environment) and details of past environmental accounting.

¹: For items that were recorded as zero in the previous year, as no comparison can be made, "(0 in the previous year)" is shown for the cost.

²: Estimated effects = Estimated profit and loss based on the calculation of the hypothetical results of implemented environmental preservation-activities: For example, the cost for damages or environmental restoration with respect to pollution accidents prevented by capital investment or expenditure for pollution prevention.