

Basic Policy

- > Regarding corporate governance as an important management issue, the Olympus Group is making concerted efforts to build an optimal, effective, and fair management structure based on the "Social IN" management principle from a global perspective.

Management Organizational Structure

Directors, Board of Directors, and Executive Officer System

- > Comprising 14 directors, including two outside directors, the Board of Directors in principle meets regularly once a month to formulate business strategies, make critical decisions, and observe business execution. The term of office for directors is one year in order to allow for annual performance evaluations and better clarify director responsibilities.

Using an executive officer system, Olympus aims to strengthen corporate governance by separating the decision-making and business observation responsibilities of the Board of Directors from the business execution responsibilities of the executive officers.

Auditors and Board of Auditors

- > Olympus has an auditing structure comprising four auditors, of which two are outside auditors. The Board of Auditors meets in principle once a month, the same frequency as the Board of Directors. Olympus has established the Internal Audit Department, an independent organization under the direct control of the president. The Internal Audit Department regularly exchanges information with the independent auditor to which Olympus consigns external audits, conducts audits on the appropriateness of internal controls and management, and promptly reports the results of its audits.

Business Company Structure

- > In October 2004, Olympus split off the Imaging Systems Group into Olympus Imaging Corp. and the Medical Systems Group into Olympus Medical Systems Corp. in order to reinforce and advance their operations. By splitting off these operations, we aim to establish a global business structure with better market responsiveness based on business characteristics and with faster business execution.

Performance Evaluation

- > Olympus is introducing Olympus Value Added (OVA) as a performance benchmark designed to maximize corporate value. In using this benchmark, we are able to identify the true value of a business by taking into consideration capital costs and other factors. OVA will also be used as a reference benchmark for the selection and concentration of businesses.

In addition, Olympus is introducing a balanced scorecard to clarify strategic targets and performance evaluation benchmarks for business companies such as Olympus Imaging Corp. and Olympus Medical Systems Corp. as well as in-house companies to use in developing their operations. The balanced scorecard will include targets for each fiscal year and numerical objectives related to finance, customers, business processes, and growth potential.

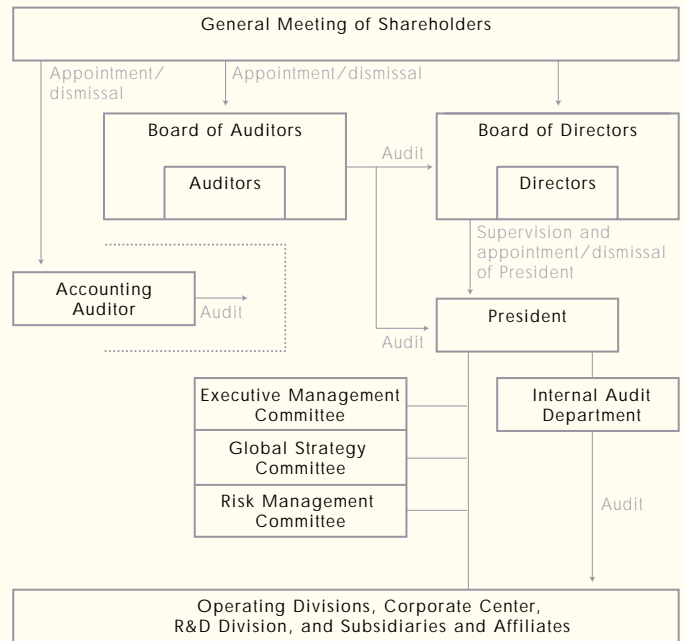
Compliance Structure

- > In September 2004, Olympus formulated the Corporate Conduct Charter and the Olympus Code of Conduct to ensure that its business activities are fair and sincere, follow a strong sense of ethics, and strictly comply with relevant laws and regulations. With these in hand, we have created a means for sharing our values and code of conduct around the world. As a cross-sectional business standard, we created Olympus International Standards as behavior guidelines for our employees. In April 2004, Olympus established the Pharmaceuticals Affairs Division in an aim to bolster its structure in the medical field. In this move, Olympus upgraded its regulations and standards for business fields related to the Pharmaceuticals Affairs Law to maintain a consistently high level of product safety, quality, and service—uncompromising standards for a company responsible for providing lifesaving products.

Risk Management Structure

- > Olympus has set up the Risk Management Committee with the president as its head, creating a structure for responding to risk. We have also created the Risk Management Bureau, where specially trained staff professionals collect information on potential risks, evaluate them, and propose effective measures to effectively prevent and the manage any such potential risks.

Corporate Governance Structure Chart



BOARD OF DIRECTORS, CORPORATE AUDITORS AND EXECUTIVE OFFICERS

(As of June 29, 2005)



Tsuyoshi Kikukawa
President

PRESIDENT

Tsuyoshi Kikukawa*

DIRECTORS

Atsushi Yusa
Masaaki Terada
Koji Miyata
Isao Takahashi
Masaharu Okubo
Hideo Yamada
Hiroyuki Furihata
Kazuhisa Yanagisawa
Haruhito Morishima
Masataka Suzuki
Tatsuo Nagasaki

OUTSIDE DIRECTORS

Toru Toyoshima
Robert A. Mundell

STANDING CORPORATE AUDITORS

Tadao Imai
Tadahiko Amemiya

OUTSIDE CORPORATE AUDITORS

Makoto Shimada
Yasuo Nakamura

SENIOR EXECUTIVE MANAGING OFFICER

Masaaki Terada**

EXECUTIVE MANAGING OFFICERS

Masaharu Okubo**
Hideo Yamada**
Hiroyuki Furihata**
Kazuhisa Yanagisawa**
Haruhito Morishima**
Masataka Suzuki**

EXECUTIVE OFFICERS

Tatsuo Nagasaki**
Kazuo Ichikawa
Shuichi Takayama
Takashi Tsukaya
Masao Kuribayashi
Toshiaki Gomi
Akinobu Yokoo
Kazuhiro Watanabe
Takashi Saito
Koichi Karaki

*Representative Director

**Jointly Serving Directors