



Toward Greater Involvement with Society and the Realization
of a Better Livelihood and Happiness

Message from the President

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

Our basic idea has always been that a win-win relationship with the various stakeholders involved—i.e., customers, shareholders, vendors, employees, and local communities as well as the global environment—will allow us to achieve sustainable growth and create new value through our business. Our corporate slogan, “Your Vision, Our Future,” symbolizes our corporate desire to achieve our goals and build a better future with all stakeholders.

In October 2004, I signed a statement addressed to UN Secretary-General Kofi Annan, declaring that we will support and implement the 10 principles of the Global Compact in the four areas of human rights, labor standards, the environment, and anticorruption. Thus, Olympus became the 22nd company in Japan that participates Global Compact. We are determined to work even harder so that we may contribute to the sustainable development of society.

Preserving the global environment is an extremely critical issue for the sustainable growth of society. The Kyoto Protocol was finally put into effect in February of 2005, and it is required to reduce greenhouse gas emissions immediately by adopting substantial measures. The Olympus Group’s Basic Environmental Plan, developed as a medium-term 3-year program, places greater emphasis on measures to conserve resources and save energy as a means of reducing greenhouse gas emissions. Besides this activity, we are making effort to realize essential dual management target of corporate growth and global environmental preservation, such as the promotion and introduction of Eco-products (environmentally conscious products), etc.

This year, Olympus presents the next evolution of its annual Environmental Report—renamed the Corporate Social Responsibility Report (CSR Report): it is not only to help stakeholders understand how Olympus is serving as a responsible member of society but also to encourage all members of the Olympus Group to further strive to realize corporate social responsibility. We are very pleased to receive any comments you may have about us.



June 2005

A handwritten signature in black ink, which appears to read "Tsuyoshi Kikukawa".

Tsuyoshi Kikukawa
President
Olympus Corporation

Overview of the CSR Report

Editorial Policy

- The Environmental Report, issued annually, has evolved into the Corporate Social Responsibility Report (CSR Report) as a result of Olympus' determination to respond to social growing interest in company's social activities and improve the Company's reports on governance and sociability.
- The CSR Report is written in line with the Olympus Group Corporate Conduct Charter (page 7). Sound Corporate Activities and Act on Behalf of the Customer correspond to the Governance and Economy Report; Harmony with the Environment to the Environmental Report; and Respect for Human Rights/Working Environments with Vitality and Good Relationship with the Community to the Social Report, respectively.
- Special Features I and II deal with the CSR philosophy of Olympus and specific actions taken in the Company's medical and imaging businesses.
- Olympus underwent a third party verification (page 50) for the first time in order to guarantee objectivity in its reports.
- The CSR Report was edited using the Sustainability Reporting Guideline 2002 of GRI and the Environmental Report Guideline of the Ministry of Environment (2003) as references, but it is not in accordance with those guidelines.
* Correlations with these guidelines are shown in the supplementary data pages of our Web site. [▶ WEB](#)
- In 2004, we carried out a full review of existing data, which includes a reexamination of past data, in pages 32, 34, 40, and 41. On page 32 (CO₂ Emissions of Energy Systems), the CO₂ converted factor (CO₂ emissions per kWh) of purchased power, which changes year by year because fuel used in generating power vary according to nation and year, is used in the CSR Report 2005 to show more accurate emissions data. (The 1999 factor was applied to all years until last year.)

Main Scope of the CSR Report Organizations covered by the report

■ Pages 2–19 and 42–47:

Governance and Economy Report and Social Report

Olympus Corporation
Olympus Imaging Corp.
Olympus Medical Systems Corp.

■ Pages 20–41:

Environmental Report and environment-related data

The following plants of Olympus Corporation,
Olympus Imaging Corp., and Olympus Medical Systems Corp.

Technology Research Institutes (Hachioji)
Hinode Plant
Ina Plant
Tatsuno Plant

Affiliated Production Companies of Olympus Corporation, Olympus Imaging Corp., and Olympus Medical Systems Corp.

Aomori Olympus Co., Ltd.
Aizu Olympus Co., Ltd.
Olympus Opto-Technology Co., Ltd.

- Head Office
- Omachi Plant
- Sakaki Plant

Mishima Olympus Co., Ltd.
Shirakawa Olympus Co., Ltd.
Okaya Olympus Co., Ltd.

* The philosophy and policies of the Olympus Group apply to consolidated subsidiaries, excluding ITX Corp., but the schemes, policy plans, and data used herein are only for the organizations mentioned above in the main scope of the CSR Report unless otherwise mentioned.

* If there is a difference in the scope of the report, the following note is given:

[Information on Group Companies](#): Information of companies other than that above

Pages 28, 32, 34, and 40–41: The scope of application is expanded, and the scope is stated on each page from the viewpoint of the active disclosure of information to stakeholders.

Subject period: April 1, 2004, to March 31, 2005 (Fiscal Year 2004)

Legend

▶ WEB

Indicates Web sites where more detailed information can be found; specifically, refer to the supplementary pages of the Web sites indicated (<http://www.olympus.co.jp/en/corc/csr/wdata/>)

▶ 1

Explanatory comments given at the end of sentences



Explains why the Company engaged in certain activities



Group companies information: Information on Group companies outside the main scope of the CSR Report

Table of Contents

	2	Message from the President
Special Feature I	4	What CSR Olympus Is Working on
	6	Olympus' CSR Philosophy
Sound Corporate Activities	8	Creating an Efficient and Sound Management System
	10	Global Group Operation
Customer-based Conduct	12	Aiming for the Highest Quality, Which Makes Customers Say, "Olympus, the choice that couldn't be more right"
	13	Incorporating the Customer's Opinions into Products and Services
	14	Having a Closer Rapport with Customers and Responding Faster to What They Need
Respect for Human Rights/Working Environments with Vitality	16	Respect for Human Rights and Compliance with the Law
	18	Creating Worthwhile Workplaces
Special Feature II	20	Environmental Management Practices at Olympus
In Harmony with the Environment	22	Creation of Environmentally Conscious Products
	26	Comprehending of Environmental Characteristic of Respective Olympus Products
	27	Training People to Create Environmentally Conscious Products
	28	Purchasing and Procuring with Environmental View
	30	Managing and Understanding Chemicals Used in Products and Production Processes
	31	Reducing the Environmental Loads of Packaging and Logistics from the 3R Viewpoint
	32	Preventing Global Warming
	34	Reducing the Total Volume of Waste Discharged and Recovering Resources
	36	Formulating a Basic Environmental Plan toward an Environmentally Advanced Company
	38	Reinforcing of the Environmental Management System
	40	Quantitative Appreciation of Influences of Business Activities and Environmental Preservation Activities
Social Involvement	42	Contributing to Local, Regional, and International Societies
	45	Promoting Information Disclosure and Interactive Communication
	48	Efforts by Domestic and Overseas Olympus Group
	50	Third-Party Verification Report
	51	History of Olympus' Environmental Activities

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.



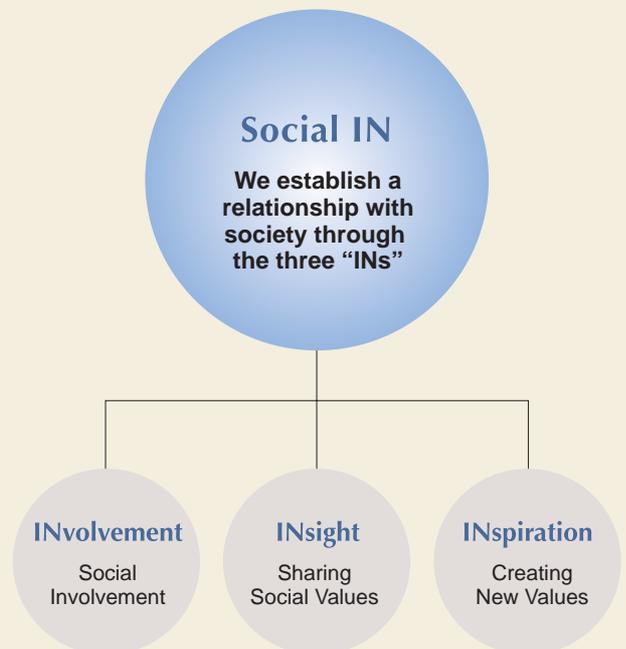
President Kikukawa's statement addressed to UN Secretary-General Kofi Annan

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

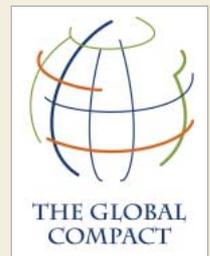
We believe that the Olympus Group's involvement in CSR will nurture trust in and sympathy to the Olympus Group, reinforce the corporate culture, and eventually help the Olympus brand enhance its value. We also believe it will help the employees of the Olympus Group realize the importance of working with 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.

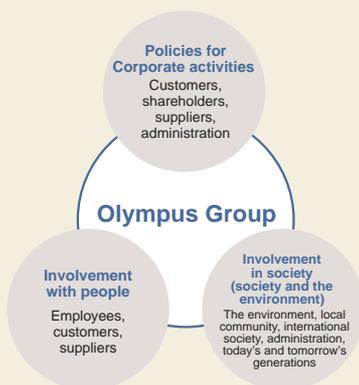


* See the UN Global Compact Web pages for details of the Global Compact: <http://www.unglobalcompact.org/>

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.

>>> Sound Corporate Activities

A corporation needs to create added value through its economic activities in order to fulfill its social responsibility. This chapter outlines the major corporate activities of Olympus; its operational and management structure; its system of complying with laws, regulations, and ethics; and its mechanism to appropriately check managerial decisions and corporate

Creating an Efficient and Sound Management System

reason

Continuously providing value to all stakeholders, including shareholders, requires not only the capability of swiftly developing strategies and putting them into action but also a peer review mechanism to check the decisions and actions of management and employees.

Separating the Imaging Systems Business and Medical Systems Business

Increasing operating efficiency by clarifying who does what

Effective October 1, 2004, the in-house groups engaged in the imaging business and medical business at Olympus have become two separate companies: Olympus Imaging Corp. and Olympus Medical Systems Corp., respectively. Olympus Corporation assumes the role of strategic planner for the entire Group, Head Office, R&D, promotion of life science and industry-related businesses, and promotion of new businesses.

This reorganization intends to further clarify who does what in business management to speed up decision making, establish a consistent system that matches the characteristics of each business, and maximize corporate value.

Business Management System

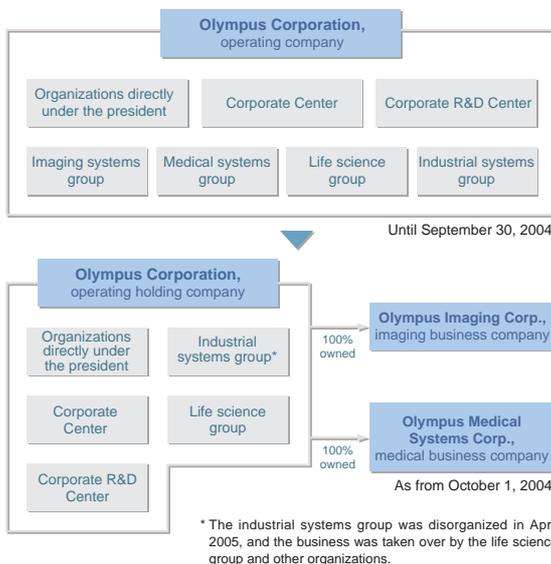
Quick judgment and appropriate checking

Because the appropriate operation of the Olympus Group is more important, an operating officer system was introduced in 2001, and the Board of Directors, originally composed of 20 members, was trimmed down. The Board of Directors is now positioned as a supervising organization to develop strategies and make decisions in the Group's global operation. Decision making is swiftly carried out by the Executive Management Committee. The Global Strategy Committee, which is in charge of executing global strategies and evaluating performance, is the binder of intragroup cooperation.

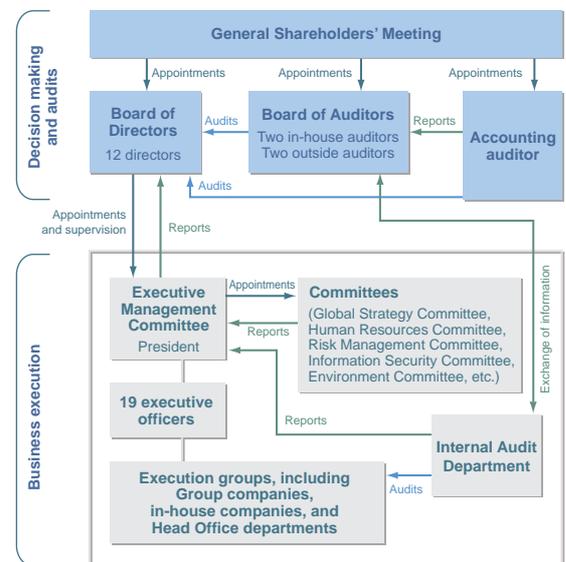


Global Strategy Committee

Outline of the organization before and after the separation



Corporate governance system



To further clarify the missions and responsibilities of the directors and executive officers, their term of office is one year. As of March 31, 2005, Olympus has 12 directors and 20 executive managing officers (including 10 who also serve as directors). The system of examining the management status is as follows: two external auditors, who are among four auditors, are assigned to ensure objective checking. The auditors, who are required to attend the Board of Directors meeting generally held twice a month, examine the financial status of the entire business as an independent organization that plays an important role in corporate governance and regularly exchange information with the Internal Audit Department.

Promoting Compliance

Developing an orderly set of regulations and creating a transparent and communication-friendly corporate culture

The Olympus Group has put in place the Olympus Group Corporate Conduct Charter and the Olympus Group Code of Conduct as guidelines for every director and employee to comply with laws and regulations as well as a high level of ethics in carrying out fair and honest corporate activities.

In addition to a variety of in-house rules, the Olympus International Standards (OIS), a set of our own Groupwide business criteria, have been established to guide the conduct of employees.

A very high level of product and service quality and safety is required, considering our mission in the medical business of providing products directly related to human life. To meet such critical requirements, Olympus has implemented in-house regulations and standards in fields related to the Pharmaceutical Law, and the Pharmaceutical Affairs Division supervises and reinforces the Company's compliance with those codes.

Because we believe a transparent corporate culture with smooth communication is the nesting ground for a high awareness of compliance among employees, the president sends his message to all employees through the intranet once a month, and the internal system is set up to allow any employee to directly send e-mail messages to the president for his opinion. This is how we promote smooth communication inside the Olympus Group.

Protecting Information

Special importance on the protection of private information

The safe maintenance and management of information assets, including private and corporate information, are never more important with the advancement and diffusion of information technology. Olympus takes precautions and measures to prevent information from leaking and ensure the unflinching management of information assets provided by customers and suppliers as well as its own information assets according to the Olympus Information Security Policy. The Information Security Committee, headed by one of the directors, studies, reviews, and implements preventive

measures throughout the Group. The Olympus Private Information Protection Policy was put in place in Japan to protect private information.

Information Security Policy* (Abstract)

- Olympus recognizes that all the information it handles and its information systems (information assets) are a critical management resource. In the handling of information assets, Olympus believes it is important to appropriately protect, manage, and utilize its information assets while strictly following related laws and social norms.
- This Olympus Information Security Policy applies to all Olympus Group companies globally.
- Olympus maintains information assets to efficiently and effectively execute business operations. Employees are basically restricted from using these information assets for non-business purposes.
- Olympus appropriately manages confidential information related to products and technological know-how, personal information and all other secret information. This confidential information is only disclosed on a need-to-know basis for business purposes. In particular, personal information about customers is managed under strict control to protect their privacy.
- Olympus has company rules that clearly address issues for ensuring the secure management of information.
- Olympus provides its employees with education on information security as needed.

* This policy is not applicable to listed companies that have a separate policy.

Risk Management System

Special committee, headed by the president, supervises risk management

Corporations face a growing number of unexpected risks as a result of their expanding economic activities and changes in the social system and people's awareness. The president of Olympus heads risk management activities in the Risk Management Committee, which stipulates risk management rules for the integrated management and control of risk information from an overall point of view to prevent and quickly eliminate risks.

■ Olympus Risk Management System



Global Group Operation

reason

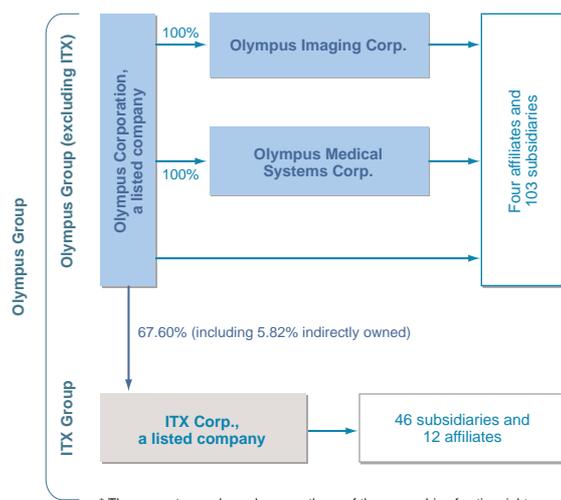
Under the stewardship of the operating holding company, **Olympus Corporation**, the **Olympus Group** carries out its international operation in various fields so as to provide added value to many people.

Outline of the Olympus Group

Three Core Corporations and the ITX Group

The three mainstays of the Olympus Group are Olympus Corporation (operating holding company), Olympus Imaging Corp. (imaging business), and Olympus Medical Systems Corp. (medical business), with some 110 affiliates and subsidiaries. Olympus Corporation acquired a major stake in ITX Corp., a listed corporation with approximately 60 affiliated companies, and included it as a consolidated company in October 2004. The Olympus Group is therefore a combination of Olympus Group companies and ITX Group companies.

■ Group Organization Map



* The percentages shown here are those of the ownership of voting rights.

The CSR Report mainly covers Olympus Corporation, Olympus Imaging Corp., and Olympus Medical Systems Corp. and mentions other affiliated companies, except for ITX Group companies, whenever necessary. ITX Corp., which is a listed company, and its group companies are not included in this report unless especially necessary. Details on this are given on page 3.

Overview of the Three Mainstays of the Group

(As of March 31, 2005)

Olympus Corporation

Established	October 12, 1919
Head Office	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0914, Japan
Business Lines	Manufacture and sale of precision machinery and instruments
Capital	¥40,832 million
Total number of employees (consolidated)	30,312
Number of employees (Olympus Corporation only)	2,845
Consolidated net sales	¥813,538 million ▶ ¹
Net sales	¥258,953 million ▶ ²
Consolidated total assets	¥858,083 million (including ¥240,837 million in equity capital)

Olympus Imaging Corp.

Established	October 1, 2004
Head Office	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0914, Japan
Business Lines	Manufacture and sale of digital cameras, film cameras, and voice recorders.
Capital	¥1,000 million
Number of employees	1,022
Net sales	¥113,724 million ▶ ²

Olympus Medical Systems Corp.

Established	April 27, 2004
Head Office	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0914, Japan
Business Lines	Manufacture and sale of medical endoscopes and other medical devices
Capital	¥1,000 million
Number of employees	1,755
Net sales	¥66,033 million ▶ ²

(Reference) ITX Corp.

Established	May 16, 1986
Head Office	3-2-5, Kasumigaseki, Chiyoda-ku, Tokyo 100-6014, Japan
Business Lines	Investment and business incubation, equipment sales and service provision in the IT field
Capital	¥20,456 million
Total number of employees (consolidated)	1,848
Consolidated net sales	¥349,699 million

- ▶¹ Consolidated net sales include the sales of ITX in the second half of 2004.
- ▶² The net sales of Olympus Imaging and Olympus Medical Systems are those only in the second half of the year. Sales in the first half of the year are included under the single net sales of Olympus Corporation.

Main Business Bases

Production and Sales Bases around the World

The data shown here are as of March 31, 2005. The updated data and details are shown on our Web site.

Japan

Locations of main offices and plants

Shinjuku-ku and Shibuya-ku, Tokyo (Head Office)
 Hachioji-shi, Tokyo (Technology Research Institutes)
 Ina-shi, Nagano Prefecture (development and manufacture)
 Tatsuno-machi, Kamiina-gun, Nagano Prefecture (development and manufacture)
 Hinode-cho, Nishitama-gun, Tokyo (development and manufacture)
 Okaya-shi, Nagano Prefecture (development and manufacture)

Sales bases

Sapporo, Sendai, Omiya, Yokohama, Niigata, Matsumoto, Shizuoka, Tsukuba, Nagoya, Osaka, Kanazawa, Kyoto, Matsuyama, Hiroshima, Fukuoka, and Minamikyushu

Main manufacturing subsidiaries

Olympus Opto-Technology Co., Ltd.
 Head Office (Tatsuno-machi, Nagano Prefecture), Omachi Plant, and Sakaki Plant

Aizu Olympus Co., Ltd.
 Shirakawa Olympus Co., Ltd.
 Aomori Olympus Co., Ltd.
 Mishima Olympus Co., Ltd.
 Okaya Olympus Co., Ltd.

Europe

Supervising subsidiaries

Olympus Europa GmbH (Germany)
 KeyMed (Medical & Industrial Equipment) Ltd. (U.K.)

Local companies and subsidiaries in

Austria, Croatia, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Portugal, Slovenia, Spain, Sweden, Switzerland, and United Kingdom

Major manufacturing plants (subsidiaries)

Olympus BioSystems GmbH (Germany)
 Olympus Winter & Ibe GmbH (Germany)
 KeyMed (Medical & Industrial Equipment) Ltd. (U.K.)
 Algram Group Ltd. (U.K.)
 Olympus Diagnostica GmbH (Ireland)

Americas

Supervising subsidiaries

Olympus America Inc. (USA)

Offices (subsidiaries) in

United States, Mexico, and Brazil

Asia and other regions

Major manufacturing plants (subsidiaries) in

Australia, China, Hong Kong, Malaysia, New Zealand, Singapore, South Korea, Taiwan, and Thailand

Major manufacturing plants (subsidiaries)

Olympus (Beijing) Industry & Technology Ltd. (Beijing, Pan Yu)
 Olympus (Shenzhen) Industrial Ltd. (Shenzhen)
 Olympus (Guangzhou) Industrial Ltd. (Guangzhou)
 Olympus Optical Technology Philippines, Inc. (Cebu)

Major Data on Olympus Group

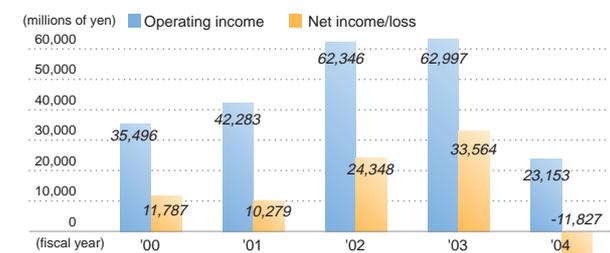
Changes in Performance and Number of Employees

Net sales in fiscal 2004 exceeded those in the previous year, but operating income decreased from that in the previous year due to increased competition in digital cameras. In addition, the write-off of the deferred tax asset was required. Therefore, fiscal 2004 recorded a loss. Please see Investor Relations on our Web site.

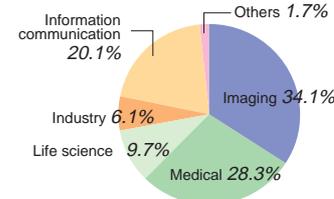
Consolidated net sales and number of employees



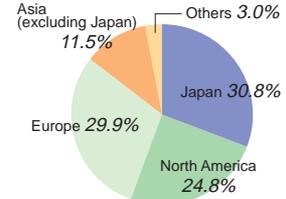
Consolidated operating income and net income/loss



Consolidated net sales ratio in fiscal 2004 by field



Consolidated net sales ratio in fiscal 2004 by area



* The above consolidated net sales include the sales of ITX Corp. for the second half of the year.



>>>> Customer-based Conduct

Olympus' "Social IN" management philosophy addresses the principle of customer-based conduct. Our creed is that our corporate activities can create value and reward shareholders and other stakeholders only when they are of service to customers and meet their satisfaction in the form of products and services.

Aiming for the Highest Quality, Which Makes Customers Say "Olympus, the choice that couldn't be more right"

reason



Any lapse in the quality control system will end up hurting the customer. A successful manufacturer would never take it for granted that their products and services automatically provide customers with a sense of security and win their trust.

Quality Philosophy and Quality Policies How to Get the Highest Quality

The quality philosophies of Olympus are that "the total quality achieved must be the highest in the world" and "provide products and services that are of the highest quality." To achieve these, we set up essential measures every year based on medium- and long-term plans, and all-out efforts are made throughout the Olympus Group to carry them out as our quality policies.

Quality Philosophy

1. Realization of genuinely world-class "Total Quality" in all aspects of the organization.
2. Provision of the highest quality products and services to customers.

[Core Principles]

- (1) All actions to reflect a customer-oriented approach.
- (2) Develop "Win-Win" relationships with all partners.
- (3) Be disciplined in following the appropriate procedures and, in day-to-day operations, continuously strive for improvement, avoiding complacency.

Quality Organization

Quality assurance staff watches over the entire Group

Committed to ensuring the safety of use, Olympus has set up an optimal quality assurance system for each field of business to guarantee the highest quality for its products and services at any stage. At the same time, our cross-disciplinary and cross-divisional All-House Quality Assurance Division checks and evaluates quality management activities and provides the results of its evaluation to the president.

Quality Inspection by Top Management

Top management takes the initiative in ensuring quality awareness.

At Olympus, top management is personally involved in checking quality to promote constant quality improvements. They carry out periodic inspections to see that set standards and criteria are being strictly followed and appropriate quality management is being conducted. They give instructions to correct any deficiencies found in the inspection so that constant improvements are smoothly made. This approach was introduced not only in Japan but also at overseas offices.



Quality inspection by top management

Quality Education

Quality education is provided to the development staff.

Many quality problems are said to result from at the development stage. Every year, Olympus holds more than 100 lectures on quality given by in-house and outside instructors to provide quality education to development staff.

Because November is designated as Quality Month, we hold symposiums on quality and standardization for all sectors to ensure that our employees are thoroughly aware of quality and the customer-based principle. All employees are given a copy of Customer-based Conduct, a CSR handbook, to show them how they should think and act to improve customer satisfaction.



Customer-based Conduct, a CSR handbook

Incorporating the Customer's Opinion into Products and Services

reason



You created a quality product using excellent technology, but it is the customer who actually uses it and decides whether it has any real value.
At Olympus, the customer's opinion is always incorporated into the making of products.

Product Development System

Incorporating the customer's opinion into products

Olympus uses a consistent business operation system that covers everything from development to production, sale, and service, depending on the business' characteristics.

In the medical business, we communicate closely with users in the medical field who actually use our products and services as early as the planning stage, learn from them the medical worthiness of our products and how easy they are to use, and use the knowledge we gain to refine our products. Likewise, in the life science and industrial fields, we always carry out product development while in constant contact with customers.

In the consumer-related business, including cameras, we highly value the frank opinions and comments our customers give to the Customer Support Center or Olympus Plaza (showroom). Those opinions and comments as well as the information obtained from marketing surveys are used as feedback in product planning.

We always try to respond to requests from customers concerning the products they actually use as quickly as possible through a consistent business operation system.



Staff engaged in a product planning meeting

Quality Checks in the Development Stage

Internationally certified quality check system

Olympus has set up a fully established quality check system that is internationally certified. In July 2004, Olympus set up the Test and Evaluation Center, which has a 10-m radio wave anechoic chamber certified by NVLAP (U.S.A.) and TNO (the Netherlands) and other pieces of measuring equipment, and develops and trains qualified evaluation engineers. We will further improve our quality check system, which allows us to make accurate evaluations of the advancement of our products and provide our customers with a sense of security and safety with respect to our products and services.



10-m radio wave anechoic chamber in the Test and Evaluation Center



Quality Inspection Analysis Room

Promoting Ease of Use

Creating customer-friendly products

Ergonomics has long been a basic concept in our designs in product development. Usability evaluations and universal designs are among the major indexes in our approach to producing easy-to-use products. As part of our efforts to achieve greater customer satisfaction in this aspect, the Monitor Room, which was set up in July 2004, can be used by customers to actually use products so that we can discover any carelessness or shortcomings, such as the likeliness of using the product incorrectly or difficulties in using the product, and help ourselves improve products and instruction manuals.



Staff checking usability in the Monitor Room

Having a Closer Rapport with Customers and Responding Faster to What They Need

reason



Creating excellent products, quickly responding to customers' requests and inquiries, and repairing products in case of failure are essential for us to satisfy customers and provide them with value.

Olympus Customer Support System

Global Support System with Local Corporations and Distributors

Olympus appropriately responds to customers according to the nature of the product, such as digital cameras, microscopes, or endoscopes, and that is indispensable in effectively coping with customer needs. Be it in Japan, America, or Europe, Olympus' local corporations know how to cope with customers in after-sale service, i.e., the repair or maintenance of the Olympus products they bought and use, depending on the field of business. The support system is also available in other areas through local distributors. Our Websites provide information on how and where to contact us, depending on the product, by area. This CSR Report mainly focuses on the support system of Japan.

Customer Support Center (imaging field)

Support is also available on Saturdays and Sundays

In Japan, the Olympus Customer Support Center answers questions, inquiries, and requests from customers over the phone on weekdays as well as Saturdays and Sundays concerning Olympus products, including digital cameras, film cameras, voice recorders, and MO drives.

We take various measures to reduce the waiting time of customers calling the Support Center by, for instance, improving the reception system through appropriate waiting time management or providing Web site readers with data on which days of the week and time of day are busy.



Staff answering a telephone inquiry at the Customer Support Center

Customer Response System in the B-to-B Field

Customer Information Center for endoscopes and microscopes

In the endoscope and microscope business, customers (medical institutes, research institutes, or corporations) are usually dealt with through their representatives. However, the Customer Information Center is ready to directly receive inquiries from such regular customers as well to provide better satisfaction.

Microscope Customer Information Center

The Microscope Customer Information Center, established in 1999, answers approximately 17,000 inquiries every year from customers, including those transferred from sales offices.

Recently, the center has a growing number of inquiries concerning digital photography using microscopes, and the staff at the center is trained to properly handle such inquiries.

Endoscope Customer Information Center

The Endoscope Customer Information Center answers a lot of inquiries, which has grown at a rate of 40% to 50% every year since the center opened in 1999. The center receives up to about 50,000 inquiries a year, including those transferred from sales staff.

These inquiries help us improve our endoscope products and services.

The staff is also available to answer phone inquiries on endoscope equipment problems and relay the information to field service staff or sales staff deployed to various parts of the country to ensure swift solutions to those problems, including repair and maintenance services, at medical facilities.

Thus, we keep our customer response system always in operation to provide a greater sense of security to customers.

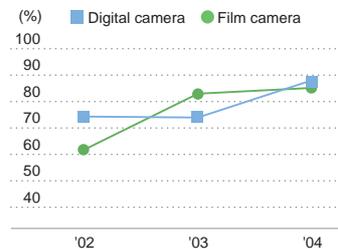
Repair System

In Times of Need

Olympus strives to constantly improve quality, which, however, does not guarantee a zero failure rate. This is why we set up an optimum repair response system for customers. In Japan, the Repair Service Center at Okaya serves as the main repair plant for cameras and digital cameras to ensure a quick response to equipment failure and breakdowns and reduce cost. In addition to conventional repair services through retail and service shops, the Repair Item Pick-up Service was opened to provide greater convenience in troubleshooting products. The staff, after receiving a call from equipment users whose Olympus products are broken, visits them to pack, pick-up, and deliver the items to the designated service center. Users of this service can also check the progress of the repair over the Internet, reducing the irritation that stems from waiting.

A repair system that optimizes the time and cost of the repair service, depending on the area and product, is also available overseas. In Europe, for instance, repair centers are located in Portugal and the Czech Republic for the repair of cameras.

■ Percentage of repairs completed within allotted time



* When a product breaks, the user calls the Repair Service Center and sends the product in for repair. When the repair is completed, the product is returned to the user. The percentage of repairs completed within the allotted time is increasing.



Okaya Repair Service Center

Showroom

Direct Exchange of Experience and Notes with Customers

● Olympus Plaza

Olympus Plaza, located in Tokyo and Osaka, is where we can exchange information with customers in the field of information and imaging. Once you arrive at Olympus Plaza, you can see up-to-the-minute products on display, experience applications of digital images that are useful in our daily lives at the Digital Solution Experience Corner, and take lessons at a mini-digital workshop to improve your skill in using digital cameras. Olympus Plaza supports customers by teaching them how to use and express themselves with image equipment.



Olympus Plaza

● Olympus Techno Lab

Olympus Techno Lab, located in Tokyo and Osaka, is a facility where business meetings with customers can be conducted on such topics as microscopes, products related to genetics, proteins and cells, and industrial endoscopes as well as demonstrations and training given on those products.

Each lab offers six microscope training classes to beginners and provides individual consultation on general matters concerning microscopes.

Small-group classes that offer practical exercises are well-received by students and have a good reputation.



Olympus Techno Lab

● Business-to-Business Mobile Showroom in the United States, Olympus OnSite™

Information on Group Companies

Olympus OnSite is a customized 53-ft. trailer that is swiftly morphed into a 105 ft. × 45 ft. mobile showroom. Launched in October 2004, Olympus OnSite brings innovative Olympus technology directly to healthcare professionals. The showroom houses a complete ALPHA O.R. surgical suite as well as medical endoscopes, microscopes, and diagnostic equipment. Because every visitor is also a consumer, a sampling of Olympus consumer electronic products is available on board as well. Now, busy healthcare professionals can make informed purchasing decisions and learn how to use the latest Olympus medical technology at a location near their own hospital or institution. And that benefits the entire community.



Appearance of the Olympus OnSite



Visitors inside the Olympus OnSite

>>>> Respect for Human Rights/Working Environments with Vitality

Olympus believes that the most important element that produces a value-creating corporation is human resources. We also believe that human resources are best utilized when the human rights of every employee are protected, a good working environment where every employee can perform his or her best for self-realization is in place, and a personnel system and an employee development system in which the development of special skills is encouraged and a merit-based evaluation is promoted are in place.

Respect for Human Rights and Compliance with the Law

reason



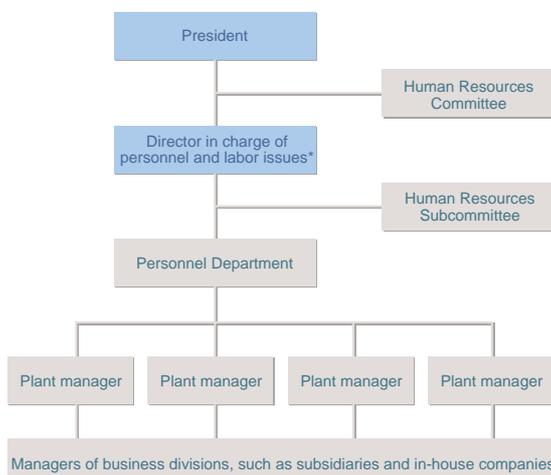
Human rights need to be respected in corporate activities, which is a common understanding in modern society. However, it is still possible that human rights could be violated inside the Group without ever being noticed. To prevent such a situation from happening or to improve any environment in which it is likely to arise, respect for human rights needs to be officially stated as a part of corporate policy together with a workable system of carrying out measures to prevent the violation of human rights and promote respect towards others.

Human Rights and Labour Policy and the Global Compact

Respect for human rights officially stated as one of our basic principles

For years, Olympus has been actively engaged in creating a working environment where every employee can perform his or her best through respecting human rights, a varied sense of values, and individual personalities in order to fully develop human resources and an organization that have vitality—our guiding principle for personnel management—based on the Social IN management philosophy. In October 2004, Olympus participated in the UN Global Compact by officially stating its determination to support and implement the 10 universal principles in four areas, including human rights and labor. In March 2005, the new Olympus Human Rights and Labour Policy was formulated for groupwide application to send a strong message of respect for human rights to all employees in the Group.

Organization of personnel and labor issues



* Personnel and labor issues are supervised by a director, with the president being the highest person responsible. If two or more subsidiaries and in-house companies exist in the same plant, a plant manager is assigned to each plant so that policies and measures concerning personnel and labor issues can be thoroughly conveyed and implemented.

Actions for the Prevention, Early Detection, and Resolution of Problems

Creating an energetic, rule-abiding workplace

Workplace Management Handbook

Olympus gives a copy of the Workplace Management Handbook to each employee in a managerial position, and he or she is obliged to undergo manager training. The comprehensive guidebook imparts know-how and guidelines on how to make the most of each and every employee's ability and have the organization function at its optimum. In addition, the book contains basic rules on labor management, including time management and obligations to ensure employee safety—both of which are in line with the labor law—as well as considerations to the mental health of employees.

The Sexual Harassment Guidebook is also published and disclosed over the in-house intranet so that all employees will know how to handle it.



Workplace Management Handbook

Employee Complaint Procedure

As part of the Employee Complaint Procedure, a consultation service has been set up in which women answer the complaints of female employees who have been sexually harassed. The consultants keep any information disclosed by harassed employees strictly confidential (such information is disclosed to no one without consent, not even the manager of the employee filing the complaint) and take appropriate action to solve the problem. Consultants that deal with other labor problems are also available. If the matter cannot be resolved between the parties directly involved, it will be reviewed by a committee formed by representatives from the company and employees to either find a solution or eliminate the problem.

Diversity and Opportunity

Utilizing diverse human resources according to individual abilities

Equal employment opportunities for both sexes

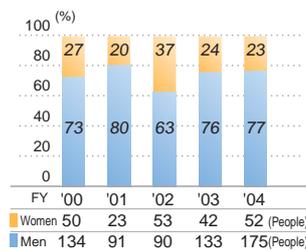
At Olympus, there are no restrictions in deciding who to employ—whether for entry-level or midlevel positions—whose salary to raise, or who to promote. We are always happy to employ and make use of unique human resources: people who are capable in specialty fields, have appropriate work ethics, and think in terms of an independent professional.

Woman of the Year 2004

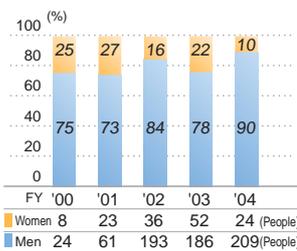
Sachiko Karaki, the current manager of fundamental technology at Corporate R&D Center, was elected Woman of the Year 2004 by *Nikkei Woman* magazine. She was awarded the prize for her great achievement as a leading researcher, mother, and wife.



Employment for entry-level positions: Percentage of men and women



Employment for midlevel positions: Percentage of men and women



Employment of Foreigners

The skilled human resources we employ include foreign nationals. Many local corporations are headed by locals. Olympus Imaging Corp., one of the core companies of the Olympus Group, has two foreign directors out of nine in total, while Olympus Medical Systems Corp. has three foreign directors out of eight in total (as of the end of March 2005).

Employees of Local Corporations Overseas

Information on Group Companies

KeyMed (Medical & Industrial Equipment) Ltd. was chosen by The Sunday Times for two consecutive years as one of the 100 Best Companies to Work For in the United Kingdom. Olympus Europa GmbH, in Germany, was ranked 20th in the country based on an employee evaluation and No. 1 in Hamburg. Also, Olympus America Inc. compares favorably in various categories to companies chosen by Fortune as one of the 100 best places to work based on an employee evaluation. Local corporations of Olympus have excellent evaluations. The key is management by local leaders who respect local social and cultural ideas based on the Social IN management principle.

Employment of the Physically Challenged

At Olympus, there are 75 physically challenged employees who are a part of the workforce in various trades. The percentage of employees who are physically challenged is 1.18%, which is, unfortunately, under the statutory level of 1.8%. Therefore, Olympus is determined to make its workplace more accessible to the physically challenged and create more opportunities for them to show what they can do in order to raise their employment to the statutory level.

* The number and percentage of physically challenged employees are the combined data of Olympus Corporation, Olympus Imaging Corp., and Olympus Medical Systems Corp. as of the end of March 2005.

Reemployment System for Retirees

Olympus employees who reach the age of 60, the official retirement age at Olympus, but wish to continue working and whose workplace needs them are allowed to work under the reemployment system. In 2004, 15 retirees were reemployed.



Former retiree working again under the reemployment system

Olympus Human Rights and Labour Policy* (abstract)

- Olympus supports and respects the Universal Declaration of Human Rights, adopted by the United Nations in 1948, and is committed to respecting its employees' human rights as well as expects the protection of human rights by its business partners.
- The Olympus Human Rights and Labour Policy applies to all Olympus Group companies globally.
- Olympus respects the diversity, character, and human rights of each employee; provides employees with opportunities to fulfill their potential, develop their capabilities, and maximize their value; and strives to maintain a safe and healthy working environment.
- Olympus supports and respects the protection of internationally proclaimed human rights within the sphere of its influence and ensures that it is not complicit in human rights abuses.
- Olympus ensures that it will not use any forced or bonded labour in the production of Olympus products or services.
- Olympus complies with local minimum age laws and requirements and does not employ child labour
- Olympus strives to eliminate discrimination based on gender, race, nationality, ethnicity, religion, disability, etc., that are unrelated to the job performance required for the business interests of Olympus.
- Olympus respects the rights of workers to organize in labour unions in accordance with local laws and established practice.

* This policy is not applicable to listed companies that have a separate policy.

Creating Worthwhile Workplaces

reason

Employees are assets entrusted by society to a company, and a company's social responsibility is to promote the capabilities of those employees and help them fully demonstrate their capabilities and lead a full life both at home and at work.

Evaluation System

Fair and reasonable treatment

The personnel system of Olympus is designed to bring about individual respect and independence, high specialty capability and morale, and the promotion of merit- and performance-based treatment.

Employees will be evaluated on their level of achievement as compared to the originally set target, and the evaluation will be reflected in their salary and bonus. Evaluations and the setting of targets will be done based on statements made by each employee. Managers should give each employee a detailed explanation of his or her target and evaluation in one-on-one meetings. The total amount of bonuses to be given to employees varies according to the performance of the company because of the company's basic policy that states that the company's income stems from the contribution of all employees.

Challenge System

In-house job placement schemes

Olympus introduced two types of in-house job placement schemes in 1990 and 2001. The former, or Type A, allows a department to look for the human resources it needs from within the company, and any employee can apply for it without the approval of his or her superior. If the employee passes the interview, he or she can move to the new department. The latter, or Type B, allows an employee to look for a more suitable job within the company for one year with the approval of his or her superior. These two schemes are collectively called the Challenge System. This system aims at promoting the more effective use of in-house human resources and providing individual employees with opportunities to think about their careers, explore new roads, and develop an independent professional mind-set.

■ Type-A scheme: Data for the past five years ■ Type-B scheme: Data for the past three years

	No. of job titles	No. of applicants	No. of employees reassigned
2000	41	47	20
2001	43	36	22
2002	69	46	22
June 2003	83	28	15
Dec. 2003	92	37	16
2004	109	45	28

	No. of employees registered for job placement	No. of employees reassigned
2002	32	16
2003	29	7
2004	17	4

Capability Development System

Education and Training

● Olympus College

Olympus College, an in-house education system, provides employees with many opportunities to enhance their knowledge and skills in specialty areas by holding lectures and workshops on business, engineering, and technology. Employees are allowed to file an application, provided they consulted with their superiors in advance.

■ Changes in the approximate number of trainees

FY2002	FY2003	FY2004
2,800	4,100	4,500

■ Samples of popular themes

Practical marketing strategy
Career design seminar
Fundamental course in mold parts design
ISO 9000 auditor course
Introductory and beginner's course in Visual Basic

● Advanced Technician/Engineer Encouragement System

Olympus has set up an advanced technician/engineer encouragement system to ensure improvements in and the inheritance of the technical and practical skills of its technicians and engineers. The level of individual employees is generally evaluated based on the Technical Level Evaluation Table. Employees, once judged qualified, will be awarded the special title of Advanced Technician/Engineer and given bonus. As of March 2005, 92 qualified technicians/engineers are at work.



Advanced technician/engineer certificate

Internship

Mutual communication between students and corporation

We introduced an internship system in FY2002 to provide students with an opportunity to know our working environment. Students actually work at Olympus, and, according to their comments, the system helps them prepare and be more aware of the business world they are entering.

In FY2004, we had more than 200 applicants, 33 of which were accepted by the R&D departments.

Work Arrangement and Welfare Systems

Supporting both the working and private lives of employees

Olympus believes that it is important for its employees to actively work toward their higher targets as well as in living a full life in society and at home and has established a variety of work arrangement and welfare systems through negotiations with employees and their labor union. Some of the major arrangements are as follows:

Welfare Cafeteria Plan

Employees, who are given a certain number of “welfare points,” are entitled to make choices among the predetermined welfare schemes. This system was introduced to fulfill the diversifying needs of employees. The unit price per point is doubled for certain activities that require employees to have social support or promote employees’ self-education, such as learning a language, caring for elderly parents, or raising children.

“Refresh Plan” and PLP Seminar

The “Refresh Plan” was introduced to help long-time employees have a renewed look at what they have achieved and what they can do in the future in their time remaining with the company. The Age 55 Pension Life Plan (PLP) Seminar is for employees nearing retirement age to plan how they are going to live after retirement. Employees, together with their wives or husbands, can join the seminar, which is held, for instance, at a hot spring, to learn about and plan for life after retirement from three viewpoints: money, objectives, and health.

■ Paid holidays and seminars

7th year of employment	Paid holidays: 5 days
20th year of employment	Paid holidays: 10 days
55 years of age	Paid holidays: 5 days Participation in the PLP Seminar



Participants enjoying a PLP Seminar

Annual Paid Holidays

Employees apply for paid holidays and receive permission through an intranet-based procedure. The management should keep a good workload balance and always consider the workforce available when granting leave to applicants so that employees will find it easier to take leave without causing an excessive load to be placed on certain employees.

No. of annual paid holidays (for full-time workers)	20 days a year, starting the first year of employment Unused paid holidays can be carried over to the next year only.
Consecutive leave promotion scheme (“Creative Holiday”)	5 consecutive holiday leave is promoted (with ordinary consecutive holidays in between possible)
Expired annual paid holiday saving scheme (“Special Sick Leave”)	Saving of up to 50 days allowed for medical treatments and family care (paid holidays)

Childcare and Family Care Support System

Olympus respects the Childcare and Family Care Leave Law. The childcare and family care support system offered by Olympus provides more benefits than prescribed by statute.

Childcare	Leave of absence	Within one year, up to the child’s second birthday (may be extended for an additional six months in special cases) 36 employees used this system in FY2004.
	Reduction in working hours	Up to March 31 of the year the child enters elementary school
	Leave for nursing care	5 days (paid) per year until March 31 of the year the child enters elementary school
Family care	Leave of absence	Up to one year per person in need of care per condition 1 person used the system in FY2004
	Reduction in working hours	Up to one year per person in need of care per condition
	Exemption from overtime and midnight work	As prescribed by statute

Volunteer Leave

This system allows Olympus employees to join volunteer programs, such as the Japan Overseas Cooperation Volunteers. Employees who use this system are fully entitled to resume the job they held before taking leave.

Purpose:	Leave for participation in social contribution programs typically held or organized by international organizations, the Japanese government, local governments, or social welfare corporations
Period:	Longer than one month but shorter than two years
No. of employees who used this system	No employees in FY2004, 3 employees in total since FY1995

Occupational Safety and Health

Effort to eliminate occupational accidents

Occupational safety and prevention of occupational accidents

Olympus and the labor union of every Olympus plant form an Occupational Safety and Health Committee, which carries out various programs to eliminate occupational hazards and accidents and ensure a safe working environment, including traffic safety guidance and periodic safety patrols.



Occupational Safety and Health Committee

■ No. of occupational accidents

Item	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004
No. of accidents	20	22	20	20	39	32
No. of accidents that shut down work	5	9	7	8	7	3
No. of accidents that required no shut-down	15	13	13	12	32	29
No. of shut-down days	25	238	163	41	149	36.5

Physical and Mental Health Consultation

An external health consultation service is provided to offer employees free consultation on health, caring, etc., over the phone. A consultation service for mental health, in cooperation with an external medical facility, is also available to employees.

Olympus' Digital Cameras Also Rank High in Environmental Performance.

Olympus is one of the leading manufacturers of digital cameras. In FY2004, the world digital camera market became huge, with 72 million cameras sold. Masaharu Okubo, who became president of Olympus Imaging Corp. in April 2005, has been playing a vigorous part in a wide range of areas—not only in fields ranging from microscopes through analyzers and industrial endoscopes to printers but also as the director of the Corporate Center. We have heard from President Okubo on Olympus' social contributions through their digital imaging business.

Q.

What kind of products does Olympus Imaging Corp. produce?

A. In FY2004, we produced 8.9 million digital cameras, 3.09 million film cameras, and 1.58 million digital audio systems on a shipment basis. These products were produced mainly in our Shenzhen and Panyu Plants in China.



Shenzhen Plant, China



E-1 (FY2003 Olympus Eco-product) and Zuiko Lens Series using Lead-free Lenses

Q.

With increasing concern about the environment, market requires more strongly environmentally conscious products, doesn't it?

A. Olympus has long exhibited originality in the development of compact and lightweight products, such as its OM system SLR camera in the old days, and more recently the μ series digital camera and DS series IC recorder. We have been seeking high added value with the use of fewer resources. The compact and lightweight products is related to minimizing the environmental load during production.



DS series IC Recorder DS-20 (RoHS-compatible Product)



OM system SLR Camera
*This camera is no longer produced or sold.

Q.

What kind of program has been started to develop the sort of environmentally conscious products that customers are looking for?

A. We have stipulated voluntary standards known as Olympus Eco-product Standards and have clarified environmentally conscious items and the level required for our products. An Olympus Eco-product mark is given to each product that meets these standards. In production, we aim to make Olympus Eco-products that also exhibit high quality in environmental performance. Concretely, we promote life cycle assessment (LCA) to understand quantitative environmental load, from the raw material stage through actual products to the waste disposal stage, and are carrying out product assessments to confirm that items are environmentally conscious in the product planning & development process. We provide products that are manufactured to meet not only our voluntary standards but also standards enacted by public organizations. Our E-1 digital SLR received ECOLEAF certification in December 2003, the first of its kind, and its product environmental information have been published by the LCA information dissemination system of the Japan Environmental Management Association For Industry (JEMAI).

Q.

In Europe, it is mandatory to eliminate hazardous substances contained in products in order to prevent discarded electronic equipment from polluting the environment. What kinds of measures are Olympus taking?

A. We have control measures for hazardous substances, such as heavy metals contained in products, that meet the regulations in each country in the world, and we can control the amount of impact that those hazardous substances have on the environment.

We will abolish all use of specified hazardous substances by sometime around the summer of 2005, one year before the July 2006 enforcement deadline in the EU's RoHS Directive (restrictions on the use of certain hazardous substances, such as lead and cadmium, in electrical and electronic equipment).



m:robe
motion music player

MR-100 (RoHS-compatible Product)

Q.

In these days, product packaging has changed radically, hasn't it?

A. Since around 1992, we have been promoting on environmental management as well. For example, we have discontinued the use of vinyl chloride in product packaging, and have adopted cardboard that can easily be recycled, thus promoting environmental consciousness concerning our packaging materials. The individual packaging box for the E-1 is an environmentally conscious design, a one-piece box. We have developed this using a single material, which saves resources. This was awarded the Good Packaging Prize in the Japan Packaging Contest in 2003.



One-piece Product Packaging Box for the Body and Lens of the E-1

Q.

The enclosure of environmental information to customers has become increasingly important. What are you going to do about this?

A. We understand the importance of public disclosure of environmental information through our Web site and via our responses to inquiries from customers. Our Web site introduces our environmental activities and provides information about the environmentally conscious features of our products. Our Customer Support Center supplies environmental information by telephone and e-mail. At Olympus Imaging Corp., we will develop advanced technology and create and provide products that consider the environment while remaining in close contact with our customers.



Masaharu Okubo
President of
Olympus Imaging Corp.

>>>> In Harmony with the Environment

“Must have a high quality in environmental performance too.” Olympus will contribute to the creation of new values, such as a healthy environment and a sustainable development society, by offering environmentally conscious products that not only have the highest performance but also are safe and protect the environment.

Creation of Environmentally Conscious Products

reason



Not only human health and safety but also the workings of nature are precious and irreplaceable. By providing more products that are in harmony with the environment, Olympus will contribute to society and nature as a manufacturer.

Olympus' Concept of Environmentally Conscious Products

Olympus' current and future programs

Olympus manufactures and sells products that respect the environment, and it is also actively working to increase the number of environmentally conscious products in society by purchasing such products itself. As the number of environmentally conscious products increases, the environmental load from processing the raw materials, assembling and shipping the products will decrease. The impact on the environment from using and disposing of products will also decrease. Olympus will also continue to work to manufacture, sell, and purchase environmentally conscious products in order to achieve a sustainable society.

The Olympus program for environmentally conscious products started in 1996 with the development of microscopes by the Design and Development Group in the Ina Plant. Later, a section exclusively for environmental control measures was established as a company-wide Olympus program. In 2000, we prepared three sets of guidelines for manufacturing environmentally conscious products: the

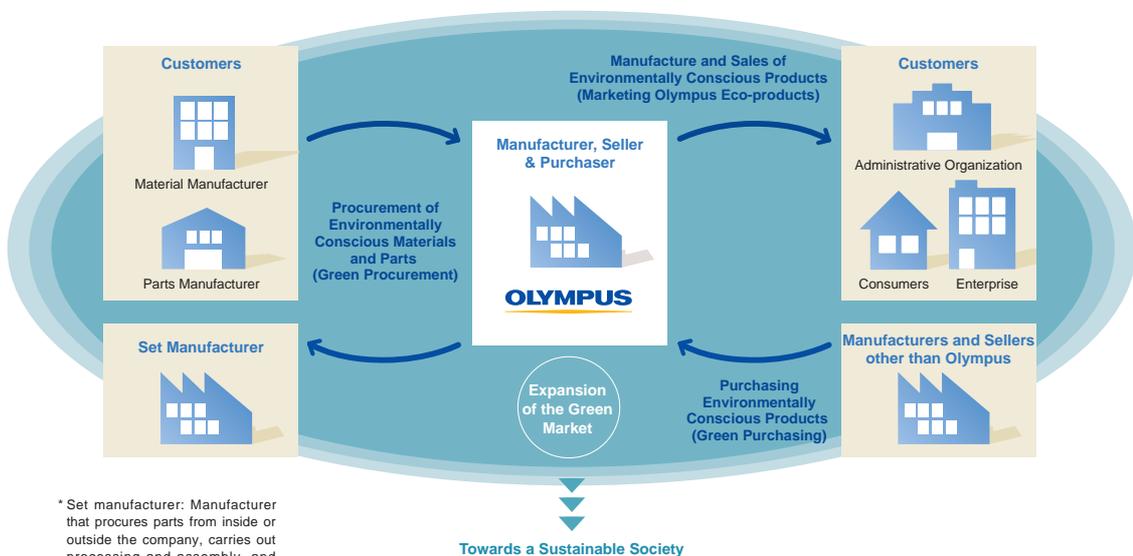
■ Olympus activities for expanding the green market

Green Purchasing Guideline, the Green Procurement Guideline, and Environmental Assessment Guide of Products.

In FY2003, we started to prepare two standards for managing chemical substances: one is Environment-related Substances Used in Product Control Rules and the other is Environment-related Substances Used in the Manufacturing Process Regulations (Please see Page 30). Olympus also began certifying Olympus Eco-products, which are environmentally conscious products manufactured according to Olympus' own standards. To date, a total of five Olympus Eco-products have been designed and marketed. In particular, we have officially conducted the life cycle assessment (LCA) of the E-1 digital SLR public, so that it can be evaluated by third parties outside the Olympus Group▶1.

In future, we will intensify the program we have been carrying out for purchasing and providing environmentally conscious products and services. In particular, we aim to reduce the environmental impact of all the products manufactured and sold by Olympus, to below their present levels.

▶1 We officially published LCA information on the Web site of the Japan Environmental Management Association For Industry (JEMAI) in conformity with the Type III environmental label indications stipulated in ISO/TR14025. http://www.jemai.or.jp/JEMAI_DYNAMIC/data/current/prodobj-405-pdf.pdf



* Set manufacturer: Manufacturer that procures parts from inside or outside the company, carries out processing and assembly, and sells finished products

Olympus Eco-products

Environmentally conscious products made according to Olympus' own standards

After evaluating the distinctive features of our business and products, Olympus has established its own standards in order to reduce the environmental load of our products as much as possible. These standards are established referring to the Type II environmental label indication stipulations in the international standard ISO 14021.

We certify products conforming to these standards as Olympus Eco-products. Olympus Eco-products have four major distinctive features.

We also use the Olympus Eco-product mark so that users will find it easy to recognize products that are certified as Olympus Eco-products.

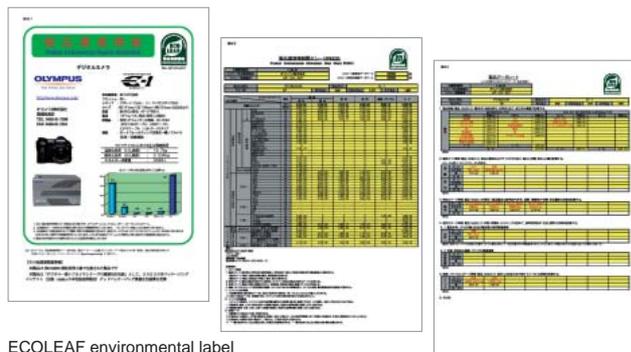


■ Olympus Eco-products standard items

Standards & distinctive features	Descriptions of standards & distinctive features
1. Remove hazardous chemical substances as many as possible	<ul style="list-style-type: none"> Controlling chemical substances contained in products Controlling chemical substances used in the product manufacturing process
2. Reduce energy use as far as possible	<ul style="list-style-type: none"> Reducing electric power consumption while products are in use
3. Promote resource saving and effective use of resources	<ul style="list-style-type: none"> Developing lightweight, compact products and lightweight, thin, and compact packaging Using a wide range of recyclable materials Making it easy to break down and separate expendable parts Making it easy to collect and recycle materials used for packaging and shipping of products Indicating material quality on plastic parts Saving resources when manufacturing and using products Developing a long lifespan for products Making products that satisfy upgrading requirements
4. Dissemination of information on environmentally conscious products widely throughout society	<ul style="list-style-type: none"> Carrying out environmental assessment Providing information which makes product users increase their environmental awareness

Olympus carries out environmental impact assessment using LCA and officially disclosed its data.

ECOLEAF is the system for disclosing product environmental information managed by the Japan Environmental Management Association For Industry (JEMAI: <http://www.jemai.or.jp>), an external organization of the Ministry of Economy, Trade and Industry. The environmental load of products is calculated based on an LCA, and quantitative data are officially disclosed, based on international standard Type III environmental label specifications. Using these data, customers can quantitatively evaluate how environmentally conscious a product is. The Olympus E-1 was the first interchangeable lens type digital SLR camera to receive ECOLEAF environmental label (Type III environmental label) certification*.



ECOLEAF environmental label (Type III environmental label)

* For main body and accompanying items contained in the same package. Interchangeable lens and accessories sold separately are not included.

Products certified as FY2004 Olympus Eco-products [1]

CE21/CX31/CX41 Biological Microscopes

General-purpose type microscopes with advanced performance and operability, for examination and practical training in medical and biological fields

These biological microscopes are certified followed by FY2003 Olympus Eco-products microscope, SZ61 and SZX7 as FY2003 Olympus Eco-products, which employ lead- and arsenic-free eco-glass in all optical glass parts, such as lenses and prisms.



CX31 Biological Microscope

CX41 Biological Microscope

Major Features as Eco-products

Material Identification Marks

- Material identification marks are placed on the main molded resin parts and die-cast parts to accelerate recycling.

Environmental Impact Assessment of Products by LCA

- We carried out environmental impact assessments of products by using Olympus LCA (OLCA), and verified their lifetime environmental loads.

Use of Eco-glass for Optical Systems

- We use lead-free and arsenic-free Eco-glass for all optics, such as lenses and prisms.



Optical Path Diagram



CX21 Biological Microscope



Development of Resource-saving and Easy-to-recycle Packaging Materials

(1) Use of Cardboard

We previously used styrene foam as the packaging material, but have replaced it with cardboard, making it easier to recycle. In addition, we indicate information about the materials used on the packaging bags to encourage recycling.

(2) Reduction of Packaging Materials

We have discontinued the previous individual-unit packaging for CX31, and changed to a set packaging method, in which units needed for observation are prepackaged together. As a result, we were able to reduce the weight by 7% and the number of parts by 81%, decreasing the environmental load.



Set Packaging using Cardboard

Products Certified as FY2004 Olympus Eco-products [2]

Medical-use endoscope video scopes: EVIS 180 scope series

A medical endoscope system consists of a video scope and a main unit that houses a video system (color monitor, video processor, and light source system). The video scope is comprised of the operating section, insertion section, tip section, and connector section. The connector section is connected to the main unit video system, and the images transmitted are displayed on the color monitor.

The EVIS 180 Scope Series (all six products), recently certi-

fied as Olympus Eco-products, provide two kinds of video scopes: a general-purpose video scope for the upper digestive tract, for examination and treatment of the section from the mouth to the upper digestive tract (from the esophagus to the duodenum), and a large intestine video scope for examination and treatment of the section from the anus to the lower digestive tract (from the rectum and sigmoid to the ileocecal valve).

* Only the video scopes are certified as Olympus Eco-products.

Major Features as Eco-products

Reduction in Hazardous Chemical Substances

- Surface treatment using hexavalent chromium as well as lead soldering, both classified as hazardous, have been discontinued during manufacturing.

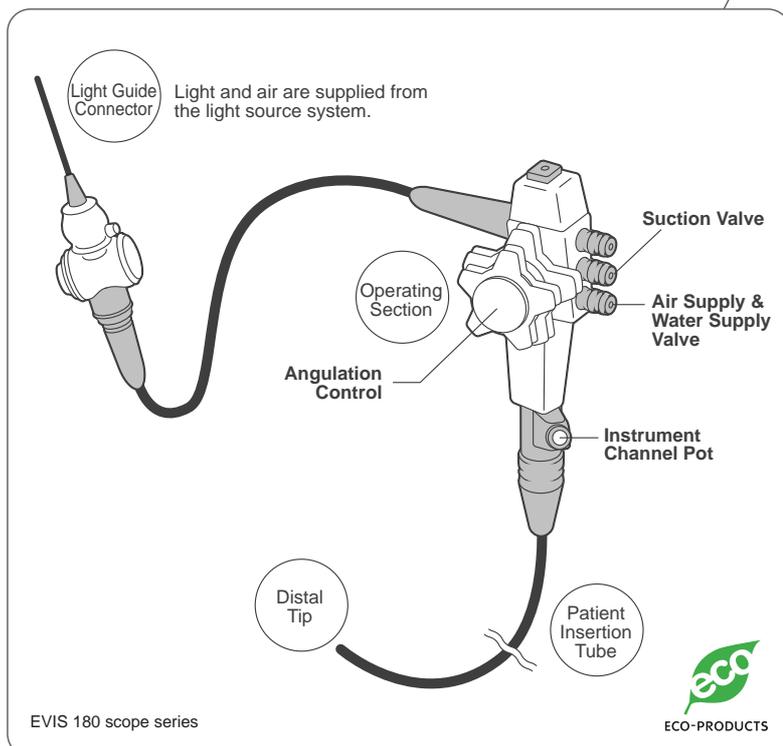
Use of Eco-glass for Optical Systems

- Lead-free and arsenic-free optical glass (Eco-glass) is used.

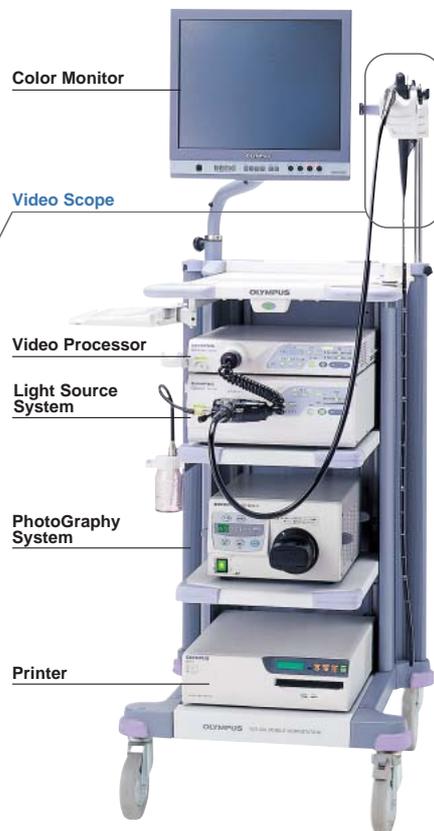
Environmental Impact Assessment by LCA

- A lifetime environmental impact assessment of the products, to establish the lifetime environmental load, was conducted, using the Olympus Life Cycle Assessment (OLCA) procedure.

Video Scope Mechanism



Medical-use Endoscope System



* The photo shows the EMS260.

Comprehending of Environmental Characteristic of Respective Olympus Products

reason



Each of our products has distinctive characteristics of its impact on the environment. Incorporating these characteristics into our measures to reduce environmental impact will have a great effect.

Olympus Product Life Cycle Assessments

Products for business users and products for ordinary users

In order to create environmentally conscious products, it is important to thoroughly investigate the causes of each product's impact on the environment.

For Olympus products, the causes of environmental impact of products for business users, such as analyzers, microscopes, and endoscopes for medical and industrial uses, which we manufacture from the parts production stage, differ from the causes for products for ordinary users, such as cameras and IC recorders, which have a high ratio of parts processed and assembled by suppliers. It is important that measures to reduce environmental load are based on these characteristics.

To achieve this, we carry out our own Olympus Life Cycle Assessment (OLCA) as part of our development method, in the process of designing environmentally conscious products.

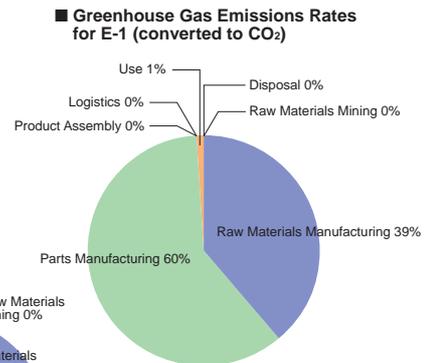
For instance, regarding the effect on global warming of greenhouse effect gas emissions for one of our products for business use, the IPLEX-MX industrial endoscope, about 65% of total emissions result from parts manufacturing, while the emission rate during use is about 15%; therefore, reducing the environmental load of parts manufacturing at the manufacturing stage in Olympus, and reducing the environmental load during use by making environmentally conscious designs, will both have a great effect.

On the other hand, for the E-1 digital SLR, one of our products for ordinary users, the emission rate share for the raw material manufacturing and parts manufacturing stages is about 99%, and the emission rate at the product-use stage is 1%. Therefore, the most effective way is for suppliers to reduce the environmental load at the raw material manufacturing and parts manufacturing stages.

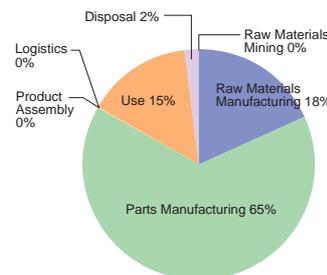
■ Olympus Life Cycle Assessment (OLCA) Conceptual Diagram



Olympus E-1 (FY2003 Olympus Eco-product)



■ Greenhouse Gas Emissions Rates for IPLEX MX (converted to CO₂)



IPLEX MX (FY2003 Olympus Eco-products)

Training People to Create Environmentally Conscious Products

reason



Training of people is the basis of manufacturing.

The understanding and actions of the people involved with the products are important in making environmentally conscious products.

Training People through Seminars

Increasing employees' understanding and awareness, and accelerating their actions

● Purpose of Seminars

For environmentally conscious product-making to become well established, it is important that consideration towards the environment be seen as the normal way to handle things in all operations that concerns Olympus products. To achieve this, it is important for employees who are involved in manufacturing environmentally conscious products to have opportunities to deepen their understanding and awareness of the environment, so that they can transform this into concrete action.

Olympus recognizes that holding seminars provides important opportunities for such employees.

● Content of FY2004 Seminars

Seminars for Employees in Design & Development Posts

Design is basic of product making, and is the main determinant of whether or not the product will be successful. We have therefore been intensifying training for people in designing environmentally conscious products.

In FY2004, we invited Professor Yasushi Umeda^{▶1} of Osaka University, who lectures on making environmentally conscious products, in order for us to understand the positioning of the Olympus' program for protecting the global environment in society. By comparing our program to the actual examples from around the world introduced in this lecture, we were able to review which parts of our program are advanced or delayed and by how much. This increases participants' awareness of environmentally conscious product manufacture, and we will also connect this to further improvements in our program in future.

In addition, we consider that seminars provide opportunities for individual participants to raise their awareness of why Olympus makes environmentally conscious products by systematically understanding social trends, including laws and regulations, both in Japan and overseas, concerning environmentally conscious products, the Olympus Eco-products certification mechanism, the chemical substances management that supports this mechanism, green procurement, and Olympus' programs, including LCA.

^{▶1} **Mr. Yasushi Umeda:** Professor, Department of Mechanical Engineering and Systems, Graduate School of Engineering, Osaka University, and a leading scholar in the areas of environmentally conscious design and life cycle design. He has written the "Inverse Manufacturing Handbook," etc. He is also a Ministry of Economy, Trade and Industry council member.

● Seminars for Employees in Business Operation and Sales

In order to make the manufacturing and sales of environmentally conscious products a sustainable business, it is vital for employees to both understand and take the right action in design and development. This is important too for the employees concerned with business operation and sales who are the contact points for users and the purchasers of our products.

In FY2004, we invited Ms. Kikuko Tatsumi^{▶2}, Director of the Nippon Association of Consumer Specialists (NACS), to lecture on ideal environmental labeling for the selection of environmentally conscious merchandise, from the viewpoint of the consumer. We consider that this provides an opportunity to think about what action Olympus must take, by gaining an understanding of the ways that enterprises and consumers think about environmentally conscious merchandise, and allows us to consider what we need to do in order to propagate environmentally conscious merchandise in the market.

^{▶2} **Ms. Kikuko Tatsumi:** Director of the Nippon Association of Consumer Specialists (NACS), concurrently Chairperson of the Environmental Committee of NACS. Active as a consumer lifestyle adviser on the roles of consumers and enterprises in achieving and maintaining a sustainable society and the ideal ways of communication between consumers and enterprises. She is also a Ministry of Economy, Trade and Industry council member.

● Results of FY2004 Seminars and Future Plans

In FY2004, we held five seminars for employees in design and development posts, and two seminars for employees in business operations and sales posts. A total of about 220 employees participated in these seminars.

In future, we will further promote human resources development by expanding the seminar topics to cover a series of jobs related to Olympus products, such as business/product planning, design & development, materials purchasing, manufacturing & assembly, inspection, business operations & sales, and logistics.



Seminar for Employees in Design & Development Posts



Seminar for Employees in Business Operations and Sales Posts

Purchasing and Procuring with Environmental View

reason

We are not only producers, but also consumers.

A view that gives consideration to the environment is vital in our activities in procuring and purchasing materials and parts as an enterprise with harmony in society and nature.

Green Purchasing and Green Procurement

Olympus: both a producer and a consumer

Olympus defines green purchasing and green procurement as follows:

Green Purchasing: Purchasing of OA (office automation) equipment, office supplies, lighting fixtures and motor vehicles, produced to minimize their impact on the environment, for business use by our employees

Green Procurement: Purchasing of raw materials and parts, produced to minimize their impact on the environment, to be used for manufacturing Olympus products

The reason why we have created these two categories is because there are two different viewpoints: the case in which we, as a consumer, use the purchased products as is, and the case in which we as a producer use the purchased products to make new products. We are taking an environmentally conscious viewpoint in all of the purchasing activities that support Olympus' business activities.

Actual Results for Green Purchasing in FY2004

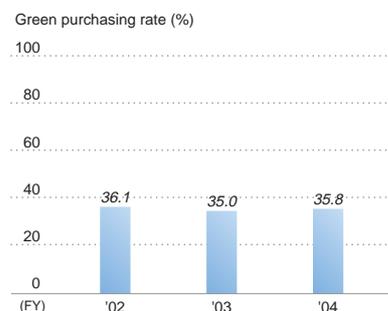
Promoting an electronic purchasing system

Paper, stationery, and office supplies

Our green purchasing rate^{▶1} in FY2004 was 35.8% (for plants and bases^{▶2} that have introduced the electronic purchasing system). The following diagram shows the transition of actual results from FY2002.

Education of staff in charge of purchasing on the use of green purchasing and green procurement is insufficient at present; therefore, the green purchasing results for FY2004 remain almost unchanged compared with the previous two years. We will make efforts to increase staff awareness of green purchasing and green procurement by holding green purchasing seminars in FY2005.

Actual Green Purchasing Results



Introducing Eco-cars

We are introducing Eco-cars^{▶3} for new company vehicles as part of our efforts to control emissions of substances that cause global warming. In FY2004, Shirakawa Olympus and Aizu Olympus each purchased a hybrid car. We will continue to introduce Eco-cars that are certified low emission vehicles with ratings of ☆☆☆ or higher. We also urge each driver to take Eco-driving^{▶4}, an environmental activity that controls emissions of substances that cause global warming, and we appeal to all drivers to avoid unnecessary idling by turning off their engines in the parking lots at all our plants.



Eco-cars introduced as Company Vehicles



No-idling Sign at Technology Research Institutes (Hachioji)

$$\text{▶1 Green Purchasing Rate (\%)} = \frac{\text{Amount (\%) of Environmentally conscious paper, stationery, and office supplies* purchased}}{\text{Amount (\%) of all paper, stationery, and office supplies purchased}} \times 100$$

* Environmentally conscious paper, stationery, and office supplies are any items that can be classified under at least one of the following categories: merchandise that has received an Eco-mark; merchandise that has received a Green-mark; merchandise included in the GPN environmental data book; and merchandise conforming with the Green Purchasing Law.

▶2 Tokyo area (Shinjuku, Hachioji), part of the Mishima Plant, part of the Tatsuno plant, and all branches and business offices throughout Japan)

▶3 **Eco-cars:** Olympus considers the following five categories of vehicles to be Eco-cars: certified low emission vehicles with higher than a ☆☆☆ rating, electric vehicles, hybrid vehicles, natural gas vehicles, and methanol vehicles.

▶4 **Eco-driving:** Generally, Eco-driving means the continuous practice of "acceleration work," i.e., no unnecessary sudden stops, sudden acceleration, etc., while conscientiously avoiding all unnecessary idling, to reduce gas emissions. Eco-driving is considered an important environmental activity that contributes to improvements in fuel consumption, helps to prevent accidents, and reduces air pollution.

Number of Company-owned Vehicles in Japan (as of March 31, 2005)

Plant	Total Number of Vehicles Owned	Number of Eco-cars	Eco-car Rate (%)
Olympus Corporation Head Office, all branches and business offices throughout Japan	360	250	69
KS Olympus Co., Ltd.	212	94	44
Olympus Corporation Tatsuno Plant, Okaya Olympus Co., Ltd. and Olympus Opto-Technology Co., Ltd. Head Office	21	3	14
Olympus Corporation, Ina Plant	11	0	0
Olympus Corporation, Technology Research Institutes (Hachioji) and Hinode Plant	10	0	0
Aizu Olympus Co., Ltd.	5	2	40
Shirakawa Olympus Co., Ltd.	3	1	33
Mishima Olympus Co., Ltd.	3	0	0
Aomori Olympus Co., Ltd.	2	1	50
Olympus Opto-Technology Co., Ltd., Omachi Branch	2	1	50
Olympus Opto-Technology Co., Ltd., Sakaki Branch	2	0	0
Olympus Logitex Co., Ltd.	2	0	0
Total	633	352	56

* In addition to the major subject scope, we have included the following: Olympus Corporation Head Office, all Olympus Corporation branches and business offices throughout Japan, KS Olympus Co., Ltd., and Olympus Logitex Co., Ltd.

Procurement Policy

Fair and impartial trade as the basis of our procurement activities

Olympus produces a variety of products, including cameras and equipment for medical use; for these we procure various materials and parts from suppliers around the world. We have been making efforts to encourage green procurement to protect the environment, aiming to carry out fair and impartial trade that contributes to the mutual development of all the enterprises involved, standing on an equal footing with our suppliers, based on the Basic Purchase Trade Regulations.

Basic Purchase Trade Regulations (Abstract)

- In conformity with our management policies, we will actively contribute to improving the profitability and stability of the company over the long term.
- Under conditions of free competition, we will seek mutual prosperity in coexistence based on mutual trust and equal positioning.
- We will select and purchase the best assets and services on the basis of economic rationality.
- Purchasing, which is open to suppliers both inside and outside of Japan, will be fair and impartial, and will be carried out using easy-to-understand and simple procedures.
- Purchasing shall conform to all applicable laws and to the spirit of those laws.
- We will work to protect our resources and protect the environment.

Green Procurement Activities

Environmental Measures Survey and Green Procurement Basic Information Survey

Olympus distributes the Olympus Green Procurement Standards to all suppliers with which we deal continuously. The booklet also contains the Olympus Environmental Principles and Environmental Action Guideline for Environmental Protection Declaration, clearly showing our environmental concepts, and we ask our suppliers for their understanding and cooperation in the environmental measures survey and Green Procurement Basic Information Survey.

In addition to procuring materials and parts with lower environmental loads, Olympus will promote green procurement jointly with suppliers, with the aim of eliminating all hazardous chemical substances.

Environmental Measures Survey

The purpose of the environmental measures survey is to confirm the actual amount of effort suppliers are making to protect resources and the environment. In assessing our business with each supplier, in addition to assessing quality, delivery time, and the cost of materials and parts, assessing each supplier's environmental activities is also an important point. In this assessment, we evaluate the environmental activities of suppliers using six grades from A to E, including A-.

Suppliers' environmental consciousness has greatly improved

in recent years, and the number of suppliers evaluated at level A has increased.

On the other hand, we have asked those suppliers whose environmental activities are judged insufficient and who are evaluated at level D or E, to improve their programs.

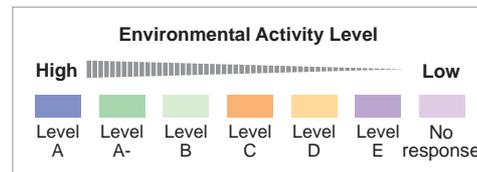
Until FY2004 we have assessed the activities of domestic suppliers only, but from FY2005 on we will gradually expand the scope of assessment to include overseas suppliers.

Results of the Environmental Measures Survey

FY2002



FY2004



* We did not carry out the survey in FY2003.

Green Procurement Basic Information Survey

Olympus has joined the Japan Green Procurement Survey Standardization Initiative (JGPSSI)^{▶1}, and conducts a survey of controlled chemicals (see page 30) contained in materials and parts used for our products according to the list of chemical substances that require a survey as determined by JGPSSI. We ask suppliers to analyze and provide information concerning the chemical substances contained in materials and parts and conduct our own analyses where necessary.

The information collected through the green procurement basic information survey is managed using a dedicated database, and information is verified by the staff members responsible for design & development and purchasing. Selection and changes in materials, parts, and suppliers are done according to this verification, and we make great efforts to ensure that final products do not contain any controlled-use chemical substances.

▶1 Japan Green Procurement Survey Standardization Initiative (JGPSSI): Organization established for the purposes of reducing the labor involved in surveys and improving the quality of answers by making common lists of survey subjects and answer formats for green procurement surveys. At present, over 80 major domestic manufacturers participate in JGPSSI, and they are involved in consultations on the development of the green procurement survey method used in Japan into a common method worldwide.



Chemical Substance Analysis Work

Managing and Understanding Chemicals Used in Products and Production Processes

reason

We must manage chemical substances appropriately to minimize their impact on health and the environment. Olympus has detailed knowledge of the emissions and quantitative mobility of the chemical substances used in product development and production processes, and is making efforts to reduce the environmental risk.

Managing Chemical Substances in Products

Establishing regulations for controlling environment-related substances

Recently, in order to protect the environment and human health, demand for environmentally conscious products has been strong, and regulations on the use of certain chemical substances for materials used to make products have been tightened. In particular, both in Japan and overseas, there are movements toward controlling plastics and metals used for electrical and electronic products and other hazardous substances contained in electronic parts.

In Europe, the RoHS Directive, stipulating restrictions on the use of certain chemical substances in electrical and electronic equipment, will come into force in July 2006, when the use of the following substances will be restricted.

Chemical Substances Designated in the RoHS Directive

Restricted Substances	Remarks	
	Main Uses and Parts	Toxicity Information*
Cadmium	Cord sheathing, plastic stabilizer, dry cells	Cadmium causes liver and kidney disorders and osteomalacia and is also a carcinogen.
Lead	Lead solder	Lead can have harmful influence on the nervous system and hematopoietic organs as well as on children's mental development.
Mercury	Switches, electric bulbs, dry cells	Harmful influence on reproductive functions
Hexavalent chromium	Plating on screws, etc.	Hexavalent chromium has harmful influence on skin, causes ulcers, and is carcinogenic
Polybrominated biphenyls (PBBs)	Flame retardant for plastics	Hormone disruptor, suspected harmful influence on children's growth
Polybrominated diphenyl ethers (PBDEs)	Flame retardant for plastics	PBDEs generate bromide-based dioxins, and are suspected of being hormone disruptors.

* These harmful influences on health will not occur during normal use of products.

In FY2004, we established Environment-related Substances Used in Product Control Rules [▶ WEB](#). These rules are specified for products for the entire company based on the environmental laws and regulations relating to products and tighten the control of chemical substances contained in products. In these regulations, chemical substances subject to control are divided into two categories: banned substances and controlled-use substances.

Environment-related Substances Used in Product Control Rules (Abstract)

<p>Banned Substances</p> <p>Level 1: Use of the substance in products is basically banned.</p> <p>Level 2: Use of the substance in products is banned according to the use-restriction plan.</p>	<p>16 varieties of substances, including: Cadmium and its compounds Hexavalent chromium compounds Lead and its compounds Mercury and its compounds Polybrominated biphenyls (PBBs) Polybrominated diphenyl ethers (PBDEs)</p>
<p>Controlled-use Substances</p> <p>The conditions under which these substances are contained in products must be controlled.</p>	<p>10 varieties of substances, including: Antimony and its compounds Arsenic and its compounds Beryllium and its compounds Bismuth and its compounds</p>

Survey of Substances Subject to the PRTR Law

Survey on the use of chemical substances that are used in amounts of over 10 kg per year

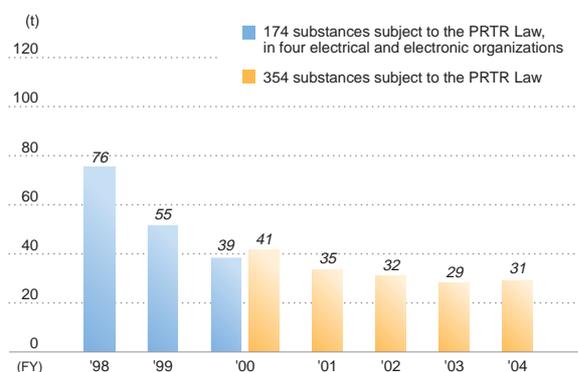
Olympus controls the chemical substances used during production, dividing chemical substances into completely discontinued substances, substances expected to be completely discontinued, limited-use substances, and properly controlled substances, in its Environment-related Substances Used in the Manufacture Process Control Regulations [▶ WEB](#).

In particular, with regard to PRTR [▶1](#) substances, which are properly controlled substances, we survey all the chemical substances that individual plants handle in amounts of over 10 kg in each fiscal year and also collect data on each substance for which the total annual amount handled by all plants is 100 kg or more [▶ WEB](#).

As a result, in FY2004, the total handling of substances subject to the PRTR Law was increased by 1.67 tons from the previous year, to 30.94 tons. Because the development of substitutes advanced, we were able to completely discontinue the use of trichloroethylene, which was scheduled to be completely discontinued by the end of FY2004. However, we could not completely discontinue the use of dichloromethane because we were obliged to use 440 kg of it to maintain parts quality in a portion of the clear plastic lens molding and lens parts recycling processes. In FY2005, we will continue our efforts to develop a substitute for dichloromethane and limit its use in order to control the level of consumption.

[▶1](#) Law Concerning Reporting, etc., of Releases to the Environment of Specific Chemical Substances and Promoting Improvements in Their Management. The purpose of this law is to accelerate improvements in voluntary control by business operators and to prevent obstacles to environmental protection.

Handling of PRTR Substances



Reducing the Environmental Loads of Packaging and Logistics from the 3R Viewpoint

reason



An environmental load exists not only while manufacturing products, but also in the packaging and logistics stages. Olympus is developing the latest environmentally conscious packaging and logistics systems from the viewpoint of the 3Rs (Reduce, Reuse, Recycle), within the international shipping environment.

Japan Packaging Contest

New-type plastic containers receive an award

Polypropylene plastics cardboard are already in practical use as an important tool in popularizing returnable containers, which reduce environmental load when transporting parts from suppliers at bases in Japan and overseas.

In FY2004, we designed a washable version of plastic containers to make logistics a cleaner process. The previous version had a hollow. When washing this type of containers, water entered the hollow and it took a long time for the containers to dry. For the new type of plastic containers, we developed a special machine that seals off the hollow to prevent water getting in.

We also effectively utilize the materials recovered from old-type plastic containers for recycling. In addition, the new containers

have improved bottom sections to withstand the weight of heavy parts so that their application will expand.

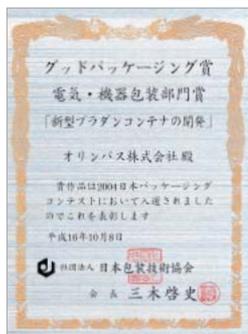
In recognition of the excellent function of the new plastic containers as circulation-type packaging and their effect on waste reduction during production and transportation, we received an award in the Electric & Equipment Packaging Category in the 2004 Good Packaging Contest sponsored by the Japan Packaging Institute. In 2003, we received an Adequate Packaging Award.



Old-type Plastic Cardboard Container



New-type Plastic Cardboard Container



Received an Award in the Electric & Equipment Packaging Category in the 2004 Good Packaging Contest



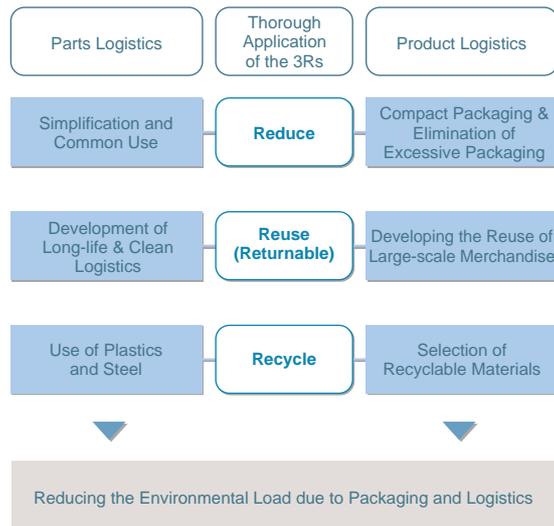
Mr. Masami Kurihara of the Logistics Development Department, responsible for improving packaging

Reducing Environmental Load by Optimizing Packaging and Logistics

Survey of the International transportation environment

The Olympus packaging & logistics system is divided into product logistics and parts logistics. We are making great efforts to reduce the environmental load from the 3R (Reduce, Reuse, Recycle) viewpoint in developing compact and lightweight packaging, reducing the number of packaging materials used, and developing returnable packaging containers made using recycled materials, in light of the characteristics of the products and parts to be transported. The following diagram summarizes these measures. Our efforts thus focus on achieving further reductions in environmental load by pursuing each individual measure from the 3R viewpoint.

Measures to Reduce the Environmental Load due to Packaging and Logistics



We are also surveying and analyzing the actual effects (impact, vibration, temperature, and humidity) on products and parts while products are being delivered to customers, in the international transportation environment.

We are making efforts to optimize packaging and logistics to avoid difficulties and waste by reviewing the company's packaging and cargo test methods and packaging design standards based on the results of these analyses.

Preventing Global Warming

reason

Olympus has been emitting greenhouse gases from the energy used in its production activities. One of our most important tasks is the suppression of greenhouse gas emissions to prevent global warming, which is becoming more serious. We are now energetically working to prevent global warming.

Concept of Global Warming Prevention

Reduction of CO₂ emissions per unit of sales and reduction of greenhouse gas emissions

Olympus products are distinguished by their precision and compact size. Due to these factors, the space and energy needed for production activities are relatively small. However, in working to prevent global warming we are increasing the efficiency of our energy usage even further and making great efforts to reduce emissions of greenhouse gases—HFC, PFC, and SF₆^{▶1}—from non-energy systems.

We must acquire more equipment and construct more plants when expanding our business. Energy consumption will increase accordingly, and to counteract this, we take measures to reduce the environmental load of this business expansion by, for instance, installing energy-saving equipment when replacing the old one and incorporating energy-saving systems from the design stage before building new structures. Olympus carries out rational evaluations of the increase in our energy consumption efficiency, using the index of CO₂ emissions per unit of sales shown in the following formula.

$$\text{CO}_2 \text{ emissions per unit of sales} = \frac{\text{CO}_2 \text{ emissions by Energy Systems (t-CO}_2\text{)}}{\text{Consolidated Sales (100 million yen)}}$$

On the other hand, measures for reducing emissions of greenhouse gases, such as HFC and PFC, differ from the measures for reducing energy consumption. Emissions of these gases can be reduced by installing abatement equipment for non-energy derived greenhouse gases or by replacing them with other gases. Once we clarify the current conditions surrounding emissions of greenhouse gases, we set goals for overall reductions and put into the effect, measures accordingly.

▶1 In order, these are hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. They are all greenhouse gases that have global warming effects and are subject to reduction under the Kyoto Protocol.

Actual Energy Consumption Records

Area	Classification	Japan		China	Europe & North America
		Production	Non-production	Production	Production
Electric power	10,000 kWh	9,990	548	3,452	1,141
Heavy oil	kℓ	4,139	0	2	0
Light oil	kℓ	74	0	4,326	47
Gas	1,000 m ³	911	0	149	6,726*
Others	kℓ	325	113	0	0
Energy volume	TJ	1,203	58	518	140

* Production in Japan: Major subject scope
 Non-production in Japan: Olympus Head Office, Hatagaya, Logitex
 Production in China: Shenzhen, Panyu
 Production in Europe and North America: OWI, KeyMed, OAI
 * Gas equivalency unit in Europe and North America is 1,000 kWh.

Goal and Actual Result in FY2004

CO₂ emissions per unit of sales 0.3% decrease (from FY2003)

Goal: CO₂ Emissions per Unit of Sales -6% (compared to FY2003)
 (Applies to all Olympus Group Production Facilities)

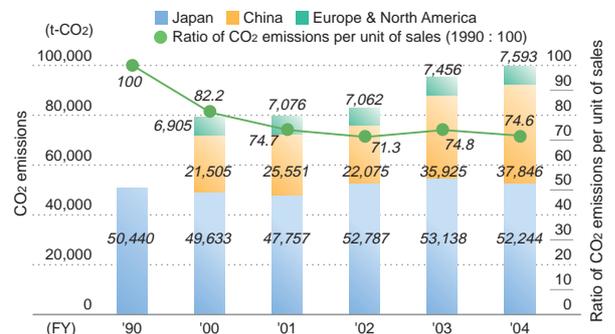
The CO₂ emissions per unit of sales in FY2004 was 15.2 t-CO₂/100 million yen, a decrease of 0.3% from FY2003. The two causes of the unattained goals were that we added the Panyu Plant in China to be subject to environmental management and that CO₂ emissions drastically increased due to the increased production of digital cameras. Also, sales did not increase because of the lowered product unit price despite the fact that the number of digital cameras produced rose.

Aiming to stimulate activities in all facilities, we launched a system by which each facility makes a self-assessment of the status of its own activities and shares the results with other facilities. Accordingly, we are carrying out further improvements in energy-saving activities in all facilities, by sharing examples of each facility's activities and by improving weak points and developing advanced case studies.

In the future, we will make further improvements in each facility and will study energy-saving measures before installing new equipment or building new structures. We will also introduce energy-saving equipment when replacing old equipment and introduce cogeneration systems^{▶2}, etc.

▶2 A cogeneration system is a system that can supply heat and electricity simultaneously. While it generates power using a motor, the waste heat generated at the same time is utilized for hot water supply and air conditioning. The energy efficiency of a cogeneration system is higher than when using electricity or heat alone.

Changes in Emissions of CO₂ from Energy Systems and CO₂ Emissions per Unit of Sales



* Changes in emissions of CO₂ from energy systems and CO₂ emissions per unit of sales within the major subject scope of this report, including those in Shenzhen, Panyu, OWI, ODI, KeyMed, and OAI
 * Consolidated sales figure is calculated based on figures in accordance with the major subject scope of this report.
 * The following shows greenhouse gas conversion coefficients.
 Japan: Calculated using the conversion coefficient officially announced by the Ministry of the Environment in 2003 and the conversion coefficient officially announced by the Federation of Electric Power Companies of Japan. The FY2001 conversion coefficient was used as the conversion coefficient for electric power in 2004.
 Overseas: Calculated using the Greenhouse Gas (GHG) protocol conversion coefficient officially announced in 2004. <http://www.ghgprotocol.org>

Reducing Greenhouse Gas Emissions from Non-energy Systems

Clarifying and implementing measures to reduce emissions

In FY2004, Olympus started a new program to clarify the amount of greenhouse gas emissions from non-energy systems and the measures needed to reduce these emissions. In Olympus, these greenhouse gases are mainly used as spraying agents for blasting out dust, as cleaning agents, and as etching agents in the manufacture of semiconductors. The increased emissions from FY2002 to FY2003, converted to CO₂, are due to the change in the cleaning agent for improving lens quality.

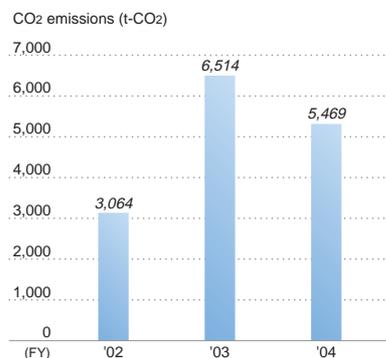
In FY2004 emissions of non-energy system greenhouse gases converted to CO₂ were 5,469t-CO₂, which means that we were able to reduce this by 16% compared to the previous year. We reduced greenhouse gas consumption by replacing the spraying agent for blasting out dust with an injection agent with a smaller Global Warming Potential (GWP)▶³ and by using compressed air. We also improved the way we use cleaning machines. We will set a goal for a reduction in greenhouse gases for the future, and we will carry out measures to achieve this reduction based on the actual work situation, including workability and the quality required for products. We will continue our program of technological development, including the development of compact cleaning machines.

▶³ Index showing the effect of the emission of each individual greenhouse gas on global warming, with its duration taken into consideration, relative to the effects of CO₂. Indices will change depending on the estimated period of the greenhouse effect. In comparison of GWPs for a period of over 100 years for the same weights, the GWP of methane is about 21 times that of carbon dioxide, the GWP of nitrogen suboxide (nitrous oxide) is about 310 times that of carbon dioxide, and GWP values for CFCs range from about several hundred to several thousand times that of carbon dioxide.



Replacing the Use of the Old Spray-can Propellant (left) by the Use of Air (right)

Changes in CO₂ Emissions from Non-energy Systems



* Calculated using conversion values officially announced by the Intergovernmental Panel on Climate Change (IPCC) in

Environmental Consciousness in Building Construction

Implementing preventive energy-saving measures from the design stage

Accompanying the increase in production from business expansion, we completed a new building at the Tatsuno Plant in November 2004. Because building construction is connected to increased energy consumption, and energy reduction measures are difficult to implement after construction has finished, we implemented preventive measures at the building design stage to control the increase in energy consumption, taking into account the energy consumption conditions at the stage when the building is in use.

The following concrete measures were taken.

Monitoring Equipment

- Clarifying the electrical energy consumption per unit of equipment by introducing electric power monitors

Lighting Load Control Measures

- Introducing energy-saving lighting fixtures
- Controlling lighting in common-use areas using motion-detector sensors
- Studying zoning▶⁴ for light switches

Air-conditioning Load Control Measures

- Using materials with high adiabatic performance for roof and outer walls
- Improving adiabatic performance by using double-glazed windows

Water-saving Measures

- Introducing water-saving device (such as a water-saving top)

We expect to construct more new buildings in the future; we will therefore clarify and study the effects of the recent preventive measures in the Tatsuno Plant and will actively implement environmental management when constructing new buildings. We will also carry out environmental control measures not only when constructing new buildings but also when building extensions to existing buildings and when introducing new equipment.

▶⁴ Zoning: Designing the layout of electric switches so that lights can be turned on only in the places where they are needed.



Improving the Adiabatic Performance of the Roof



Adopting Double-glazed Windows and Energy-saving Lighting

Reducing the Total Volume of Waste Discharged and Recovering Resources

reason

To spend global resources wastefully has become a serious problem.

Olympus is aiming to achieve a circulation-oriented society by using the smallest amounts of resources as possible for its production activities.

Waste Reduction Concepts

Maintaining Zero emissions and reducing the total volume of waste

Olympus has been carrying out a Zero emissions▶1 program, aiming to achieve reductions in the amounts of waste disposed of and improvements in the recycling ratio. We achieved Zero emissions at our development, production, and logistics bases in Japan (11 sites) in FY2003 and continued these activities at all sites in FY2004.

In addition to reductions in the amounts of waste disposed of and improvements in the recycling ratio by maintaining and continuing Zero emissions, we will make efforts to achieve a reduction in the total volume of waste by the following procedures, giving the highest priority to control measures at the source of the waste.

1. **Reduction in waste generation:**
Production activities using minimum resources needed
2. **In-house circulation:**
Reduction in input of resources
3. **In-house volume reduction:**
Reduction in volume discharged outside the company
4. **Recycling into valuable resources:**
Effective use of resources by thoroughly sorting waste materials
5. **Resource recovery (1):**
Recycling and reuse of recovered resources
6. **Resource recovery (2):**
Recovery of waste heat as energy
7. **Landfill after treatment:**
Disposal of waste as landfill after intermediate treatment, such as dehydration, neutralization, and incineration

While making efforts to promote Zero emissions and reduce the total volume of waste, we will strengthen our checking system to ensure that each waste service company is disposing of waste appropriately and will also intensify our risk management regarding waste, especially the safe disposal of medical waste.

▶1 The Zero emission standard, as we define it at Olympus, is to reduce the final amount of waste disposed of in landfill, which does not enter the recycling route, to less than 1% of the total amount of waste discharged.



Sorting and Collection of Waste (Omachi Branch)

Waste Reduction Goal and Actual Results in FY2004

Total volume of waste discharged reduced 10.6% from FY2000 and recycling rate improved to 96.9%

Goal:
Total volume of waste discharged -15% (compared to FY2000)
Recycling rate Over 92%
(Applies to: Total domestic production and development facilities)

We were not able to achieve the FY2004 goal of a 15% or more reduction in the total volume of waste discharged, with the figure standing at 3,365 tons (a 10.6% reduction compared to the FY2000 level). Despite a greater input of resources as a result of increased production, we steadily reduced the total volume of waste during the period from FY2000 to FY2003 by thoroughly controlling the quantity of waste discharged. However, the total volume of waste in FY2004 was slightly higher than that in FY2003 due mainly to equipment in facilities being abandoned. In the future, we will strive harder to improve the utilization of resources in production activities and reduce the generation of waste.

On the other hand, we achieved a recycling rate of 96.9%, better than the FY2004 goal of 92% or more, by thoroughly sorting and collecting waste and using it as a recoverable resource since FY2000 while seeking other resource recovery routes. We were able to increase our recycling rate by promoting, and ultimately achieving, Zero emissions in FY2003. Furthermore, by maintaining Zero emissions in FY2004 we were able to achieve our recycling rate goal. We will make further efforts to improve our recycling rate and convert waste into valuable materials.

Changes in the Amounts of Waste Generated and Recycling Ratios



* Waste that does not enter the recycling route

Overall Content of Waste Reduction and Recycling Activities

Daily efforts bring great results

We carried out a range of activities in all our facilities with the aim of reducing the total volume of waste and increasing recycling rates in FY2004. The figure below illustrates our activities, including those that had the largest reduction effects and those that are unique. (Figures indicate the volumes of waste tackled by these activities and the reductions in volume achieved.)

Olympus is making particular efforts towards in-house circulation and product recovery in an attempt to reduce the input of resources. To begin with, we strive, within the company, to reduce the volume of waste discharged from manufacturing processes. The waste discharged despite such efforts is then treated according to the following order: recycling into valuable resources, recycling, and disposing of as landfill after intermediate treatment.

Examples of Waste Reduction and Recycling Activities in FY2004



* Facility names are indicated in parentheses.

Appropriate Management of Waste Containing PCBs

Plan for a quick treatment of waste that contains PCBs

At each facility, Olympus carefully stores and manages PCB-containing electrical equipment, such as transformers and condensers. In the future, the treatment of such equipment will begin in our PCB waste treatment bases throughout Japan, and we will quickly and appropriately treat PCB waste.

Quantity of PCB-containing Equipment Stored and Used

	Transformers	Condensers	Ballasts
Quantity stored (units)	1	19	638



Storage Situation of PCB-containing Equipment

Formulating a Basic Environmental Plan toward an Environmentally Advanced Company



Olympus aims to become an environmentally advanced company to implement its “Social IN” management concept. Olympus will PLAN the long-term goals and directions at which it should accomplish, actually DO the plan, CHECK realistic goals, and ACT to realize each environmental measure.

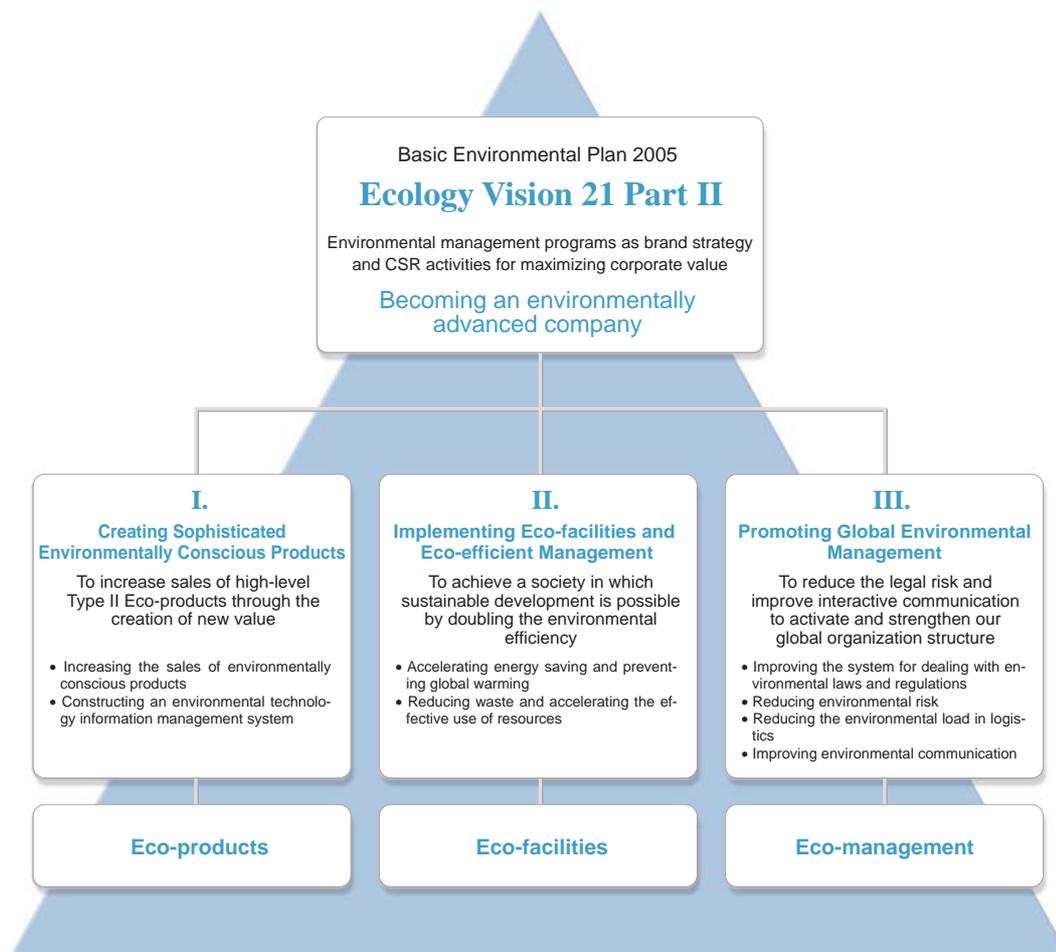
Olympus Corporate Image for 2007

Becoming an environmentally advanced company

The Olympus Group aims to become an environmentally advanced company by making Eco-Design▶1 (environmentally conscious design) well-established in its corporate activities and fulfilling its responsibilities (Corporate Social Responsibility: CSR) to support the creation of a sustainable society.

Every three years, Olympus formulates its Basic 5-year Environment Plan. We started to implement our Basic Environmental Plan 2002 in FY2002 under the name of “Ecology Vision 21,” showing our plan for the environment at the beginning of the 21st century. Recently, for the first time in three years, we revised the Basic Environmental Plan to create our Basic Environment Plan 2005. We will implement this plan as “Ecology Vision 21 Part II.”

▶1 Eco-Design is a comprehensive method for environmental management. Its purpose is to work towards a sustainable economic society by reducing the environmental load on society. It aims to create new added value from both the environmental and economic aspects by optimizing all processes, from manufacturing through production technology and business models to social systems.



■ Summary of actual results in FY2004

Eco-products (Accelerating the introduction of environmentally conscious products to markets)

Priorities PLAN	Goals	Actual Results DO	Assessment CHECK	Future Programs ACT	Reference Pages
Applying Product Assessment Method to Products	• Introducing Olympus Eco-products to the markets of all groups	• Introduction of Olympus Eco-products to the markets of all groups was completed, after the CX21, 31, 41 biological microscopes and the EVIS 180 scope endoscope series received Eco-product certification.	○	• We will set sales goals for each field and increase the range of Eco-products.	P23-26
	• Establishing schedules for the development of new products that do not contain any of the substances designated by the RoHS Directive	• In line with green procurement, all branches and groups started hazardous chemical substance surveys, which are progressing as planned.	○	• We will review the changeover plan and intensify the program to accomplish amended goals.	P29
	• Introducing OLCA	• The Production Engineering Division supported LCA, and technology transfer to each group is progressing.	○	• We will promote the introduction of LCA in each field, further expanding its application.	P26
Developing Environmental Technology and Applying it to Products	• Applying hexavalent-chromium-free technology to new products	• We completed the elemental technology study, and all divisions are now checking the functioning and performance of alternative parts, including purchased parts.	○	• We will continue the verification of the functioning and performance of alternative parts.	P25, 30
	• Using lead-free solder on new products	• Application to new products, including products processed in-house and products manufactured by external consignees, is progressing as planned.	○	• We will further promote the application to new products, both products processed in-house and products manufactured by external consignees.	P30
Developing the 3Rs for Packaging Materials	• Determination and enforcement of packaging materials improvement plan	• To improve packaging materials, we developed and are using new-type plastic containers.	○	• We will continue the improvement of packaging materials to further promote the 3Rs.	P31

Eco-facilities (Improving environmental management by introducing an environmental efficiency index)

Priorities PLAN	Goals	Actual Results DO	Assessment CHECK	Future Programs ACT	Reference Pages
Accelerating Energy-saving and Resource-saving Measures	• Improving efficiency by 6.0% compared to the previous year with regard to CO ₂ emissions	• Actual efficiency results were almost the same as in the previous year, and the goals were not achieved. • Energy-saving investment, including electric power monitoring, is not sufficiently advanced.	×	• We will review concrete improvement measures and include them in the business plan along with an investment plan.	P32-33
Reducing Waste	• Reducing the total amount of waste by 15% compared to FY2000	• Total amount of waste was reduced by 10.6% compared to FY2000, and the goal was not achieved.	△	• We will study process improvements, including upstream, to reduce the total amount of waste.	P34-35
	• Achieving a recycling rate of 92% or higher	• Recycling rate was drastically increased to 97% by the ongoing Zero emissions activities.	○	• We will determine the direction for promoting Zero emissions based on the infrastructure, laws, and regulations in the European and North American regions.	
	• Starting Zero emissions activities in overseas plants	• We discussed the definition of Zero emissions for overseas plants but did not reach a conclusion.	△		
Eliminating Hazardous Substances and Reducing Environmental Risk	• Totally eliminating chlorine-based organic solvents (using a substitute for dichloromethane)	• We reduced the consumption of this solvent but were not able to completely stop using it for recycling defective lenses.	×	• We will control the use and consumption of this solvent and simultaneously continue our efforts to reduce this fur-	P30

Eco-management (Intensifying the promotion of global environmental management)

Priorities PLAN	Goals	Actual Results DO	Assessment CHECK	Future Programs ACT	Reference Pages
Developing Global Environmental Management	• Strengthening the system for dealing with laws and regulations	• We started to hold in-house law and regulation liaison meetings.	○	• We will continue to hold law and regulation liaison meetings.	P39
	• Expanding ISO 14001 certification to the entire Olympus Group	• Panyu Plant in China received ISO 14001 certification.	○	• Olympus Optical Technology Philippines, Inc. is expected to obtain ISO 14001 certification.	
Improving Environmental Communication	• Improving the environmental Web site and Environmental Reports	• We redesigned our Web site.	○	• We will continue to make improvements on our Web site.	P46-47
	• Exhibiting at eco-exhibitions outside the company	• We are continuing to publish our Environmental Reports in Japanese, English, and Chinese.	○	• We will publish CSR reports (in Japanese, English, and Chinese).	
		• We exhibited at Eco-Products 2004.	○		

* To strengthen its environmental management, the Olympus Group plans and executes the PDCA WEB-conscious measures.

Reinforcing of the Environmental Management System

reason

Environmental load is generated by corporate activities.

In Olympus, all employees are making efforts to efficiently and effectively reduce environmental load.

Enhancing the Olympus Corporation Environmental Management System

Strengthening the top management review

Olympus strives to promote company-wide environmental activities under the exclusive control of the president. The Olympus Corporation Environmental Management System is run by an organization consisting of the director responsible for environmental affairs, the Corporate Planning Division, the Risk Management Bureau, the Olympus Group Environmental Committee, the Facility Environmental Affairs Administration Meeting, and the Olympus Group Environmental Secretariat.

Each branch, group, center, and facility addresses environmental issues under the Olympus Corporation Environmental Management System, reflecting top management policy. Environmental management organizations are formed at the branches, groups, centers, and facilities as well as at companies incorporated overseas, corresponding to the Olympus Corporation Environmental Management System.

In FY2003, Olympus received ISO 14001 certification for the Olympus Corporation Environmental Management System (box at right). In FY2004, Olympus developed its Basic Environmental Plan 2005 and the FY2005 President's Direction. In addition, we have intensified the management review conducted by the president and the director responsible for environmental affairs on the progress of the plan and the results of internal environmental audits on a company-wide basis to achieve continuous improvement. In the meantime, the Risk Management Bureau prepared a risk map^{▶1} and strengthened its environmental risk management mechanism.

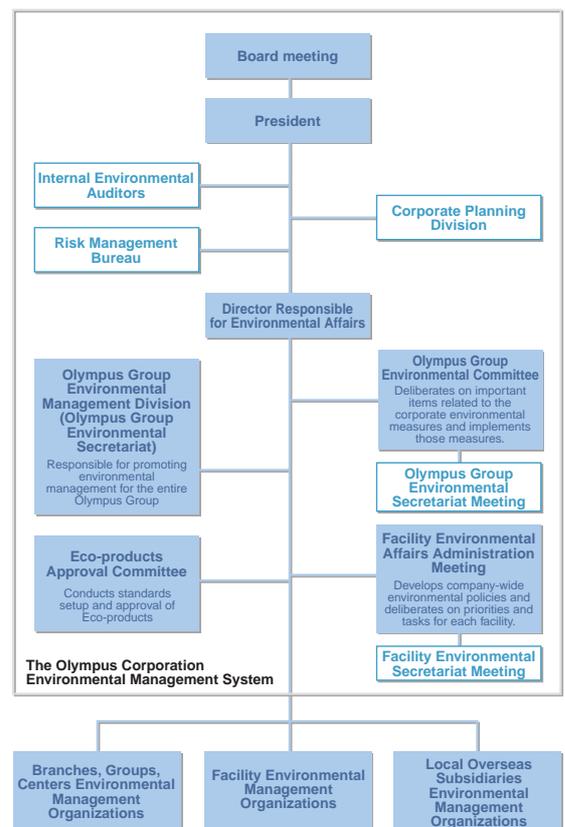
^{▶1} **Risk Map:** The risks faced by the enterprise are plotted in two dimensions by plotting the potential impact of each risk on the vertical axis and the possibility of occurrence on the horizontal axis.

Risk Management

Establishing voluntary standards that are stricter than the legal restrictions

We investigated the environmental facilities of the Shenzhen Plant and Panyu Plant in China twice in FY2004, in May and November, mainly confirming the management conditions and items monitored. We carried out environmental assessments and diagnosed the environmental risks. Naturally, we must observe all the legal restrictions in each country, and from the global viewpoint we are establishing even stricter voluntary standards for Olympus to make further improvements on facilities.

Environmental Promotion System



Personnel with Environmental Management Qualifications

Setting up in-house standards to educate legally-qualified personnel in environmental management

Each facility sets internal standards and trains its staff in environmental management and labor health and safety in order to ensure that it has sufficient legally-qualified staff members available in-house.

Number of Personnel with Environmental Management Qualifications

Qualification		Number of Personnel with Relevant Duties	Number of Personnel Satisfying Internal Standards	Number of Legally-Qualified Personnel
Pollution Control Managers	Air	34	16	2
	Water Quality	89	29	12
	Noise	15	5	0
	Vibration	12	3	0
Senior Pollution Control Managers		1	0	0
Managers for Industrial Waste Requiring Special Treatment		62	13	13

ISO 14001 Certification Obtained

Increase in the number of ISO 14001-certified branches

The Olympus Group recognizes that environmental management systems provide the basic procedures for promoting environmental management and has been actively constructing its own environmental management system.

The Ina Plant obtained Olympus' first ISO 14001 certification in February 1997. Subsequently other major Olympus development and production facilities and affiliated logistics and sales companies in Japan have obtained ISO 14001 certification by the end of FY2003. Major companies overseas involved in production have also obtained certification. The Panyu Plant in Guangzhou, China, obtained certification in October of FY2004, and the Omachi Branch of Olympus Opto-Technology Co., Ltd., obtained certification in January 2005. Of our 17 development and production facilities in Japan and overseas, 15 facilities have obtained certification. The facilities already certified have a total of about 19,500 employees, about 64% of all employees in the Olympus Group.

Each facility is producing good results regarding environmentally conscious products, the prevention of global warming, and the creation of a circulation-oriented society by the improvement activities carried out through the environmental management system.



Receiving Certification at the Panyu Plant

■ Olympus Group ISO 14001 Certification (as of the end of March 2005)

Facility	Location	Date of certification
Ina Plant	Ina-shi, Nagano	February 1997
Tatsuno Plant/Okaya Olympus Co., Ltd.	Tatsuno-machi, Kami-ina-gun, Nagano	February 1998
Hinode Plant	Hinode-machi, Nishitama-gun, Tokyo	July 1998
Aizu Olympus Co., Ltd./Opnotech Co., Ltd.	Aizu-Wakamatsu-shi, Fukushima	October 1998
Shirakawa Olympus Co., Ltd.	Nishigo-mura, Nishishirakawa-gun, Fukushima	October 1998
Aomori Olympus Co., Ltd.	Kuroishi-shi, Aomori	November 1998
Olympus Opto-Technology Co., Ltd., Sakaki Branch	Sakaki-machi, Hanishina-gun, Nagano	December 1998
Mishima Olympus Co., Ltd.	Nagaizumi-cho, Shunto-gun, Shizuoka	June 1999
Olympus (Shenzhen) Industrial Ltd.	Shenzhen, China	September 1999
Technology Research Institutes (Hachioji)	Hachioji-shi, Tokyo	March 2000
Olympus Winter & Ibe GmbH	Hamburg, Germany	May 2001
KeyMed (Medical & Industrial Equipment) Limited	Southend-on-Sea, United Kingdom	March 2002
Olympus Logitex Co., Ltd.	Kawasaki-shi, Kanagawa	November 2003
The Olympus Corporation Environmental Management System	2 Nishi-Shinjuku, Shinjuku-ku, Tokyo Hachioji-shi, Tokyo	January 2004
Olympus Diagnostica GmbH (Irish Branch)	Clare, Ireland	January 2004
KS Olympus Co., Ltd.	3 Nishi-Shinjuku, Shinjuku-ku, Tokyo	March 2004
Olympus (Guangzhou) Industrial Ltd.	Panyu, Guangzhou City, China	October 2004
Olympus Opto-Technology Co., Ltd., Omachi Branch	Omachi-shi, Nagano	January 2005

Company-wide Environmental Education

Follow-up training for the revised ISO 14001 also held

Olympus provides environmental education to all employees, both in Japan and overseas. We tailor its content to suit the employees being educated and the type of business at each facility, so that they can receive the type of education that matches their roles.

ISO 14001 internal auditor training has already entered its 7th year, and 28 lecture courses have been held, participated in by more than 600 employees. Also, for the revised edition of ISO 14001:2004, we provide follow-up training for those employees who have previously participated in lecture courses, mainly covering important points in the revision and increasing the trainees' competence.

In addition, we give seminars on environmentally conscious products for employees in design and development posts and for employees in business operation and sales posts. (See page 27)

A series of articles on the environment are being published in our in-house magazine, and this has now entered its second year. We have been making efforts to promote in-house educational activities by presenting specially-edited feature articles on environmental reports, the Olympus Eco-forum, seminars on environmentally conscious products, etc.



ISO 14001:2004 follow-up Training

Olympus Eco-forum

Official commendations for excellent environmental programs

We held the Third Eco-forum for our employees over two days on September 14 and 15, 2004, at the Technology Research Institutes (Hachioji). The Eco-forum included lectures by speakers from outside the company, presentations and official commendations for excellent environmental programs, reports from overseas facilities, and a global environmental meeting to discuss measures for coping with legal restrictions. We will increase motivation and accelerate the sharing of information throughout the company through future Eco-forums.



Global Environmental Meeting

Quantitative Appreciation of Influences of Business Activities and Environmental Preservation Activities

reason

It is important to quantitatively determine the resources input into corporate activities and the values created by these activities.
Olympus' aim is to efficiently minimize environmental load by suppressing wastefulness.

In Harmony with the Environment

Input

Energy P32

- Electric power 99,900,000kWh
 - City gas 800,000m³
 - LPG 110,000m³
 - Heavy fuel oil 4,139kl
 - Kerosene 277kl
 - Diesel fuel 74kl
 - Gasoline 47kl
- Total 1,203 TJ

Raw Materials and Sub-materials for Products

- Metals Steel, aluminum, brass
- Optical plastic
- Plastic ABS, PC, polyethylene, polypropylene
- Chemicals and acids Alkalis, solvents, paint

Office Supplies ▶ WEB

- Copy paper 137t

Other Utilities ▶ WEB

- Piped water 200,000m³
 - Ground water 1,700,000m³
- Total 1,900,000m³



Research and Development Processes



Production Process



Logistics Process

Discharge

CO₂ Emissions P32

- Electric power.. 37,633t-CO₂
 - City gas 1,691t-CO₂
 - LPG 678t-CO₂
 - Heavy fuel oil .. 11,216t-CO₂
 - Kerosene 691t-CO₂
 - Diesel fuel 195t-CO₂
 - Gasoline portion .. 110t-CO₂
- Total 52,244t-CO₂

CO₂ Emissions from Non-energy Systems P33

- HFC, PFC 5,493t-CO₂

Boiler Air Pollutants ▶ WEB

- SO_x 5.3t
- NO_x 42t

Discharge into Water Systems ▶ WEB

- BOD 5.7t

Amount of Discharge

- Discharge into public water areas 1.339 mil. m³
- Discharge from sewage0.148 mil. m³

Emissions of PRTR-listed Substances into the Air P30

- Toluene 6.8t
 - Xylene 3.6t
 - Ethylene oxide 0.8t
 - Ethylbenzene 0.6t
 - Dichloromethane 0.3t
 - Others 0.1t
- Total 12.2 t

Consigned Intermediate Waste Treatment P34

- Wastepaper 88t
 - Waste plastic 0.1t
 - Waste metals and glass..0.1t
 - Sludge 3t
 - Waste acids 1t
 - Waste alkalis 0.01t
 - Waste oil 5t
 - Others 7t
- Total 104 t

	In Upstream Costs ^{*1}	R&D Costs	Costs Inside Business Area ^{*2}		
	Environmental consciousness in purchasing and procurement activities	Development of Eco-products / Elimination of hazardous substances	Prevention cost of public nuisance	Global environmental conservation costs	Resource circulation costs
Contents of Major Programs	Green purchasing / Green procurement	Development of Eco-products / Research on hexavalent-chromium-free and lead-free materials	Sump pump repair / Installation of liquid-proof embankments	Improvement of air conditioning and condensers	Circulatory utilization of water resources / Installation of concentrators
Detailed Content Reference Pages	P28-30	P23-26	P34-35	P32-33 • WEB	P34-35 • WEB
Environmental Preservation Costs	Amount of Capital Investment	73.3	12.5	216.0	37.0
	Amount of Costs	649.7	178.7	39.8	237.9
	Total	723.0	191.2	255.8	274.9
Economic Effects of Environmental Preservation Activities	Domestic green purchasing: 32.3 (previous year: 28.8)	Total sales of Eco-products (Group consolidated): 2,224	Cost of lawsuits for domestic environmental pollution and complaints: 0 Penalties for domestic environmental pollution and complaints: 0	Energy cost: 1,783 (compared to previous year: 2.41%) ▶ WEB	Cost of consigned intermediate waste treatment: 14 (compared to previous year: -26%) Income from sales of recycled valuable resources: 34 (compared to previous year: 70%) ▶ WEB
Environmental Preservation Effects	Domestic green purchasing rate: 35.8% Eco-cars as percentage of domestic company vehicles: 55.8% Domestic suppliers' environmental measures survey: 98.7%	Total sales results for Eco-products (Group consolidated): 61,395 units	Domestic environmental pollution lawsuits: 0 cases Complaints from residents in surrounding areas in Japan: 0 cases	CO ₂ emissions: 83,032 t-CO ₂ (compared to previous year: 0.42%) ▶ WEB	Volume of waste consigned for intermediate treatment: 173 t-CO ₂ (compared to previous year: -46%) ▶ WEB

^{*1} In Upstream Costs: Costs related to programs for controlling the environmental load of raw materials before inputting resources and carrying out business activities

^{*2} Costs Inside Business Area: Environmental preservation costs for controlling the environmental load generated by business activities

^{*3} In Downstream costs: Costs related to programs for controlling the environmental load generated and discharged after products have been produced as the result of business activities

^{*4} Cost of Control Activity: Costs related to programs that indirectly contributes to controlling the environmental load from business activities and management activities for environmental preservation

Environmental Impact of Olympus Business Activities

Reducing the environmental load in all processes

Olympus' material flow

- The scope of the data concerning input, discharge, and recycled items* is the major topic in this report.
* Recycled items include the total for in-house circulation, in-house reduction, valuable resources, and recovered resources.
- Concerning production, production bases in China (Shenzhen, Panyu) are included in the major subject scope of this report.



Sales Process



Service Process

Production

Major Products

• Digital cameras	1,496t
• Film cameras	598t
• IC Recorders	242t
• MO disk drives	62t
• Endoscopes	1,359t
• Microscopes	648t
• Clinical analyzers	676t
• Measuring instruments	865t
• Printers	1,124t
Total	7,070t

Packaging Materials P31

• Cardboard	1,953t
• Paper	416t
• Plastic	294t
• Metal	0t
• Glass	2t
Total	2,665t

Recycled Waste P34

• Food waste	48t	• Waste acids	385t
• Paper and cardboard ...	846t	• Waste alkalis	287t
• Plastic	510t	• Waste oil	229t
• Waste metals and glass ...	519t	• Wood chips	152t
• Sludge	192t	• Others	91t
Total	3,259t		

Olympus' business activities affect the global environment in various ways. The development, production, and logistics processes have the greatest impact.

Olympus is aiming to reduce the environmental load of each process activity by clarifying the material flow (the movement of goods) from the input of resources, through the production and shipping of products, to the discharging and recycling of waste.

Even though the production weight of products in FY2004 increased by about 12% over the previous year, cardboard consumption was reduced by about 1.2%, paper consumption by about 12%, and plastic consumption by about 8%. This indicates a great effect of environmental consciousness in product packaging (see page 31).

Environmental Accounting Used to Gain a Quantitative Understanding of Environmental Preservation Costs and Effects

Promoting effective and efficient environmental management

Olympus adopts environmental accounting as a way to obtain quantitative data on environmental preservation costs and the effects (economic effects and environmental impact) accompanying environmental preservation. In FY2004, programs (see pages 23–26) for environmentally conscious products and green procurement (see page 29) moved forward throughout the entire Group, and R&D costs (up about 1.5 times on the previous year) and upstream costs (up about 3.3 times on the previous year) increased greatly. We also introduced preventive environmental consciousness (see page 33) and completed a new building at the Tatsuno Plant, incorporating about 137 million yen worth of energy-saving measures. To be in line with the revised Environmental Accounting Guidelines (FY2005 edition), we are reviewing company-wide data collection methods and systems. In future, we will use environmental accounting more effectively, will discover and share effective and efficient environmental activities within our group, and promote environmental management.

Unit: 1 million yen

In Downstream Costs ³	Environmental Management Activity and other Costs		Costs of Social Activity ⁶		Total
	Additional costs for recovery of products, recycling, and development of low-environmental-load containers and packaging	Cost of control activity ⁴	Costs for damaged environment ⁵	Support for environmental improvement and activities for society and regional areas	
Reduction of containers and packaging / Product (endoscope film) recovery & reuse	Management, operation, and public relations for the environmental management system	No program in FY2004	Participation in tree-planting and cleaning activities in regional areas		
P31 - P34-35	P38-39	-	P48-49	-	-
0.0	0.4	0.0	0.2	-	346.4
44.8	330.0	0.0	10.8	-	1,573.4
44.8	330.4	0.0	11.0	-	1,919.8
Effect of reusing endoscope film: 58.7	-	-	-	-	-
Reused endoscope film: 11t Consumption of packaging plastic: -8% compared to previous year Consumption of packaging paper: -12% compared to previous year Weight of products produced in FY2004: increased by 12%	ISO 14001 certified facilities: 15 (out of a total of 17 production and development bases) Number of employees in certified facilities: About 19,500	-	-	-	-

⁵ Costs for Damaged Environment: Costs related to programs for restoring environmental damage caused by business activities

⁶ Costs of Social Activity: Costs of extensive environmental preservation done as a contribution to society

⁷ Estimated effect: Estimated profit and expense based on the calculation of the hypothetical results of environmental preservation activities carried out; for instance, the cost of avoiding environmental restoration expenses, avoiding the need for payment of compensation for damage from environmental pollution accidents prevented by capital investment, and expenditures to prevent environmental pollution

* Aggregation period: April 1, 2004, to March 31, 2005

* Environmental preservation cost aggregation scope: One production base in China (Shenzhen) has been added to the major subject scope of this report.

* Amount of capital investment during the period = 46,127 million yen in total, R&D cost = 47,720 million yen in total

Olympus' environmental accounting

1) Starting with the FY2004 portion, calculation is made with reference to the Environmental Accounting Guidelines (FY2005 edition).

2) Starting with the FY2004 portion, 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.

3) See our Web site and specific detailed reference pages concerning the subject scopes of economic effects and environmental preservation effects.

4) Among the economic effects accompanying environmental preservation, effects for which there is insufficient data to determine an estimated effect⁷ have been excluded.

5) See our Web site for environmental accounting changes and details in [WEB](#).

>>>> Social Involvement

Social involvement, as explained in our "Social IN" management philosophy, is a manifestation of our commitment to act as a responsible member of society. Olympus admires and respects the culture of each nation and region, understands the needs of the people in each area, and carries out business for the benefit of society.

Contributing to Local, Regional, and International Societies

reason >>>

Olympus believes it imperative to carry out business while always keeping in mind how to be of service to society if it wishes to be favorably accepted and chosen by stakeholders as a member of the international society.

Social Involvement

Social Contribution Policy

Active support in the field where our management resources are effectively used

Olympus endeavors to bring about a healthy and comfortable life to people by offering new value to society through its business. In addition, we would like to contribute to society in various ways other than business by using our managerial resources, such as our know-how and manpower. As a demonstration of this desire, we established the Social Contribution Policy in March 2005. The policy focuses on four areas of social contribution, namely, medicine and health, culture and arts, the global environment, and natural science. It also encourages every employee to actively participate in volunteer activities.

Donating Endoscopes to Developing Countries

Supporting the growth of and improvements in medicine in developing countries

Olympus has donated endoscope equipment to hospitals in developing countries since September 2003, one hospital a year, as a cosponsor of the Outreach Program operated by the World Organization for Digestive Endoscopy and the World Gastroenterology Organization. In its first year of donating equipment, Olympus donated to Eva Peron Education Hospital in Argentina. In 2005, Olympus will donate to Yalgado Ouedraogo University Hospital Center in Burkina Faso, Africa.



Endoscopic Video Information System "EVIS EXERA"

Bio Imaging Laboratory

Jointly established with the Japanese Foundation for Cancer Research

In February 2005, Olympus set up the Olympus Bio Imaging Laboratory inside the Cancer Chemotherapy Center, a joint effort with the Japanese Foundation for Cancer Research. Equipped with such state-of-the-art research equipment as laser cofocal microscopes and monomolecular fluorometric analyzers, the laboratory is engaged in cancer-related research, including the cellular-level evaluation of the effects of anticancer drugs and clarification of the cancer metastasis mechanism.



Bio Imaging Lab

Japanese Foundation for the Research and Promotion of Endoscopy

Promoting endoscopic research in medicine

The Japanese Foundation for Research and Promotion of Endoscopy was established to encourage and promote research on endoscopic medicine, thereby contributing to the development of medicine and improvement of mankind welfare. Launched with a donation from Olympus in 1982, the foundation was officially established with the approval of the Ministry of Education (currently the Ministry of Education, Culture, Sports, Science and Technology). The foundation provides financial support to a variety of research programs on endoscopy, with 604 receivers of research support and 1,165 receivers of support for meetings and seminars up to FY2004.

A Day in the Life of Africa

Olympus, with its excellent digital imaging technology, collaborates with the UN.

In February 2002, approximately 100 world-famous photographers armed with digital cameras dispersed all over Africa to photograph African people in a single given day. Olympus joined this spectacular event as a major sponsor by supplying digital cameras and other photographic equipment to participating photographers. Their work was collected in a photographic book, with all profits from its sale donated to the AIDS Education Fund in Africa. Olympus later held photo exhibitions in various parts of the world using all the pictures taken and donated the money generated by the exhibitions to the UN Millennium Development Target.

In March 2005, Olympus cosponsored a special photo exhibition, A Day in the Life of Africa—How African Women Live, at the UN Gallery in Tokyo in commemoration of International Women’s Day (March 8) with international agencies, including the UN Information Center in Japan, as main sponsors. Olympus also cosponsored a special exhibition, Toward Achievement of the Millennium Development Target, at the UN Pavilion in the Aichi Expo in April and May of this year together with the UN Information Center.



©Nick Keish from "A Day in the Life of AFRICA"

Wakuwaku Science Workshop

Science lessons with volunteer staff

The intention of the Wakuwaku (“exciting”) Science Workshop is to let children feel the joy of science. Volunteer staff from Olympus joined the Wakuwaku Project to take the initiative in holding seminars for local elementary school and junior high school students. Children will learn the joy of science, particularly the workings and wonder of light, one of Olympus’ specialty fields, through hands-on experience. Olympus supports this volunteer activity by supplying materials for the experiments. The workshop was held three times in FY2004 and had some 700 participants.



Wakuwaku Science Workshop at an elementary school

Natural Science Observation Contest

Nurturing children’s love of exploring science

This contest provides elementary school and junior high school children with opportunities to learn the wonders of nature and answer questions about the things happening around them. Students entering the contest submit, for example, the research they were assigned to do as homework over the summer vacation. In FY2004, over 8,000 students entered the contest, the highest ever, and an award ceremony and an exhibition of outstanding submissions were held at the National Museum of Emerging Science and Innovation in Tokyo. Olympus has been a cosponsor of the event since its start in 1960 as the Microscope Observation Contest. We are told that children who were awarded in past contests are now fully-fledged scientists.

Supporting WWF with Nature Photo Calendars

Over 20 years of support

Olympus cameras are loved by renowned animal and nature photographers. Nature Photo Calendars is the result of a unique collaboration with those photographers to support WWF▶1. Olympus publishes Nature Photo Calendars and donates them to WWF Japan so that the international organization can use the profit from their sales toward the preservation of nature. The 2005 calendar uses valuable photos that photographer Mitsuaki Iwago took of wild animals on the verge of extinction in the Qin Ling Mountains in China for about a year with an E-1 digital single-lens reflex camera. The calendar is an environment-friendly non-polluting product made entirely of recycled paper and does not use a PVC wall-hanging folder.

▶1 WWF, or the World Wide Fund for Nature, is the world’s largest natural protection organization. It is active in approximately 180 countries and has the support of over 4.5 million people. WWF was founded in 1961 to protect endangered wild animals around the world. Currently, WWF is engaged in protecting nature in a wider sense with the inclusion of environmental problems, such as global warming and toxic chemical pollution, and the promotion of the sustainable use of resources obtained from nature. Its ultimate goal is to realize a new society where people and nature can coexist harmoniously.



2005 Calendar



Family's Day

Strengthening the parent-child relationship

Olympus cosponsors Family's Day (the fourth Sunday of July) proposed by photographer Bruce Osborn. On Family's Day in 2004, Olympus held the Family Photo Contest and a photo exhibition, hoping that many people will feel anew the warmth and importance of the parent-child relationship.

Supporting the Victims of the Niigata Chuetsu Earthquake and Sumatra-Andaman Earthquake

The matching gift method brings out monetary donations

Olympus asked its employees to give monetary donations to the victims of the Niigata Chuetsu Earthquake and Sumatra-Andaman Earthquake. The amount of money equal to the collected donations was added by Olympus for a total of approximately 3 million yen for the Niigata Chuetsu Earthquake victims and around 18 million yen, with the efforts of foreign local corporations included, for the Sumatra Earthquake victims.

Supporting Art and Cultural Activities

Focusing on visual and musical activities

Olympus cosponsored the following events in 2004 as part of its support of art and cultural activities:

Event	Venue	Date
Theo Angelopoulos Film Festival	Tokyo	July 2004
Saito Kinen Festival Matsumoto	Nagano	August to September
Vienna Stateopera in Japan	Tokyo	October
Mineko Orisaku Photo Exhibition in Shanghai	Shanghai	October
Denis Morris Photo Exhibition	Tokyo	December
Robert Capa Photo Exhibition	Tokyo	February 2005

Cooperation with Local Communities

Olympus plants actively involved in local activities

Information on Group Companies

Olympus and its affiliated companies are actively involved in local activities, including special events and cleaning campaigns. Aomori Olympus Co., Ltd., for instance, regularly takes part in a cleaning campaign targeting the floodplain in the city of Aomori and has been an active corporate member of the Kuroishi Neputa Festival for over 25 years. Olympus Ina Plant uses *neputa* (a large lantern designed like a parade float) handed down by Aomori Olympus in the Neputa Festival and participates in the Ina Festival every August. Over 200 employees of the plant join the festival and *neputa* float parade and enjoy dancing. There are citizens of Ina who always look forward to the performance of Olympus Ina Plant every summer. The plant has participated in the Ina Festival for over 20 years.

Olympus Europa Science for Life Foundation (Europe)

Supporting research in the life science field

Information on Group Companies

The Olympus Europa Science for Life Foundation was founded in 1988 as an NPO committed to the promotion of science and research, especially in the fields of endoscopic diagnosis and therapy, microscopy, clinical chemistry, and scientific photography. The fund supports several research projects and bestows annual awards and grants. One of these is the Olympus Award for Computer Science in cooperation with the German Association for Pattern Recognition (DAGM). Monetary donations from Olympus to the fund have amounted to approximately 1.28 billion euro (about 170 million yen) since the foundation of the fund.

Olympus Innovation Award (USA)

Supporting innovative education

Information on Group Companies

Education is one of the main areas of Olympus America's social contribution. Its efforts in this area include supporting image education curricula for all levels, from elementary schools through higher education, as well as a number of other programs.

For example, in cooperation with the National Collegiate Inventors and Innovators Alliance (NCIIA), Olympus America launched the Olympus Innovation Award in 2004, with the inaugural awarding ceremony held in March 2005. The award is given to educators who have promoted or demonstrated innovative thinking in education in the United States that helps to develop a new generation of entrepreneurs and inventors. The first winner is Professor Stephen Nichols from the University of Texas at Austin, who was recognized for his interdisciplinary education, research, and service programs that expanded opportunities for student entrepreneurship.

Additionally, in 2004, as part of its efforts to promote innovation as a virtue of American society, Olympus America sponsored a Public Broadcasting Service series called *They Made America*, an educational TV program that examines America's evolution and explores its innovations over two centuries.

KeyMed wins Queen's Award for Enterprise in Sustainable Development

Information on Group Companies

KeyMed Ltd., a British subsidiary of Olympus, won the Queen's Award for Enterprise in Sustainable Development on April 21, 2004, for its achievement in sustainable development in business through improvements in employee education and motivation, local contributions, and mitigation of environmental loads. KeyMed is highly reputed for its active involvement in charity events and local community development projects.

Olympus President Kikukawa awarded Class 2 Medal by Slovak Republic

Information on Group Companies

Olympus President Tsuyoshi Kikukawa was awarded the Cross of the President of the Slovak Republic, Second Grade, by the Slovakian government in June 2004. He was the first Japanese to be given this honor. The major reason behind this award was the high reputation of Olympus C&S, a local Olympus corporation in Slovakia, for its many years of contributions, including the development of techniques to prevent and treat alimentary cancer and other diseases using endoscopy as well as its support of the Colon and Rectum Cancer Prevention Program, a Slovakian national program.

Promoting Information Disclosure and Interactive Communication

reason ▶▶▶

It is very important for Olympus to let people know what it is thinking about and doing and learn what people want from it. Interactive communication is an essential tool for us to get involved with the community and provide value to society.

Information Disclosure Policy

Providing the right information at the right time

Olympus discloses appropriate corporate information in the right way at the right time so that the company's shareholders and customers can correctly understand it and will find it trustworthy according to its information disclosure policy. Olympus has established an internal rule on information disclosure, including procedure, based on the information disclosure policy. Whenever we disclose information, it is particularly important to comply with relevant laws and ordinances and stock transaction regulations effective in countries where we or our subsidiaries and affiliates do business and are listed as well as protect the private information of stakeholders and respect their rights.

Method of Information Disclosure

Providing information to as many people as possible

Depending on the level of importance or content, Olympus discloses information using optimal means, such as news releases, publicity events, news conferences, and Web sites.

With the recent spread of the Internet, the role of Web sites has never been more important in providing information on corporations. Olympus is therefore constantly improving its Web site to better send information to consumers. Any particularly important piece of information about the Company will be swiftly put on its Web site after official disclosure as per the insider deal regulation▶1 so that the information can be accessible to as many people as possible.



Olympus' Official Web site
<http://www.olympus.co.jp/en/>

▶1 Companies should avoid unofficially and prematurely disclosing any important information that may affect their stock value. Such disclosure of important information may provide advantages to those who receive the information before the general public does (insider trading), and any company that discloses information in this manner is obligated to swiftly disclose the same information to the public. Such critical information is deemed to be disclosed in accordance to the insider trading regulation if it is put on the Timely Disclosed Information Access Service jointly operated by the Tokyo Stock Exchange and others.

Corporate Advertisements and Events

Active Communication

In addition to ordinary advertisements and promotional events, Olympus communicates with the general public by sending information on the technologies and businesses of Olympus as well as other useful information through its Web site, advertisements, and special events.

Onaka-kenko.com Health Promotion Web Site

The purpose of this Web site is to inform people of the importance of abdominal healthcare and prevention and the early detection of serious stomach and intestinal diseases. The Web site provides useful health-related information, including an easy-to-perform "medical check of the abdomen," inspection and treatment methods by organ and disease, the roles of endoscopy, and other important data related to the abdomen and endoscopy.



Onaka-kenko.com
<http://www.onaka-kenko.com/>

Corporate Advertisements in Newspapers and Magazines

There are things that cannot be fully conveyed to the consumer, such as the technology or management philosophy behind our products and services. Such messages are sent to the consumer through corporate advertisements placed in newspapers and magazines.

One such advertisement placed in newspapers, called the Optical Technology Series, won a few advertisement awards, including the 53rd Nikkei Advertisement Award and the Corporate Brand Advertisement Award.



Optical Technology Series
(five-part series newspaper advertisement)
Top: Part 1; Bottom: Part 5

● **Medical Care and Health Forum Karada Expo**

Olympus put up an exhibit at the Health and Medical Care Forum Karada (Body) Exposition, which was sponsored by Nihon Keizai Shimbun and NHK and held in August 2004 at Tokyo Big Sight. The exhibits at our booth, which was shaped like a large human body, provided hands-on experience in endoscopy to visitors. Many visitors, including parents and children, had a good time and were pleasantly surprised by the clarity of the endoscope image or the experience of operating with an endoscope, which is something they rarely had the chance to observe, not to mention touch, in their lives.



Olympus booth at the Karada Expo

● **Olympus Technology Fair 85**

In commemoration of its 85th anniversary, Olympus invited its business partners as well as the media to a technology exhibition at the Tokyo International Forum in December 2004. Under the theme Your Vision, Our Future, which is our corporate slogan, the exhibition was intended to explain the kind of future we intend to realize with the technology we have in our specialty fields, i.e., imaging, medical care, and life science. We received many comments from visitors. The capsule endoscope, which we had on exhibit, drew a lot of attention from the industries and the general public in addition to large coverage by many media companies.



Staff giving an explanation of the capsule endoscope

● **Eco-Products 2004 Exhibition**

Olympus participated in the ecological-products exposition, Eco-Product 2004 Exhibition, held at Tokyo Big Sight in December 2004. Our exhibits included the CX21/31/41 biological microscope, E-300 digital single-lens reflex camera, and IPLEX MX industrial endoscope as well as introduced major environmental considerations in our products, such as energy-saving functions, resource-saving processes, and the use of no hazardous materials. The environment observation corner, which was aimed at elementary and junior high school students, helped younger visitors learn the importance of environmental preservation by giving them a lecture on the food chain, from microbes in the water to large animals, and then an opportunity to observe microbes in the water using microscopes. Children who saw microbes in the water often shouted with joy!



Olympus booth at Eco-Products 2004



Visitors enjoying a microscopic view

Communicating Environmental Issues to the Local Community

Offering the Environment Leader Training Class

Olympus cooperates with the Environment Division of Hachioji City by supporting the city's Environment Study Leader Training Class. To be specific, Olympus invited the trainees to its Technology Research Institute at Utsugi for a visit and held a lecture there in February 2005. The trainees made a tour in the facility, visiting and observing the rooftop light intake system, drainage facility, and refuse sorting system. The lecture was on the current hot theme, the environment, and Olympus' efforts in environmental preservation. After the lecture, the trainees and Olympus staff had an active Q&A session, with questions being asked about the facility of the institute, Olympus' approach to the RoHS regulation, etc.



A tour of the Utsugi facility



Lecture on environmental efforts

The Evolution of the Environmental Report into the Corporate Social Responsibility Report (CSR Report)

Detailed data and updates are available on our Web site.

Environmental Report and Web Site for Olympus' Environmental Information

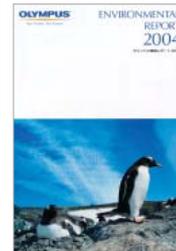
Olympus has published the Olympus Environmental Report since 2000 as a means of communicating its approach to environmental issues to the general public. Since 2003, we started publishing a Chinese version of our report in addition to the Japanese and English versions so that a greater number of people around the world can read it. In 2005, we changed the title of the Environmental Report to the Corporate Social Responsibility Report (CSR Report) to reflect an expanded content that now includes social and governance data about the Olympus Group.

Our Web site provides detailed information and updates that cannot be put into the CSR Report.

■ Circulation of the Olympus Environmental Report 2004

Japanese	12,000 copies
English	4,000 copies
Chinese	2,000 copies

(as of March 2005)



Olympus Environmental Report



Olympus Web site CSR/Environmental Activities

Recommendations for Improvement—Questionnaire on the Environmental Report 2004

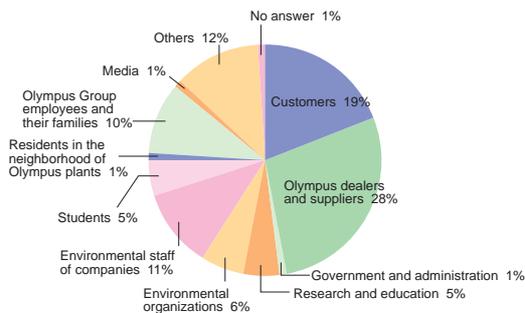
Olympus acknowledged the readers of the Environmental Report 2004 for their comments and opinions, which were incorporated into the CSR Report 2005.

Results of the Olympus Environmental Report 2004 Questionnaire

No. of respondents: 126 (as of March 31, 2005)

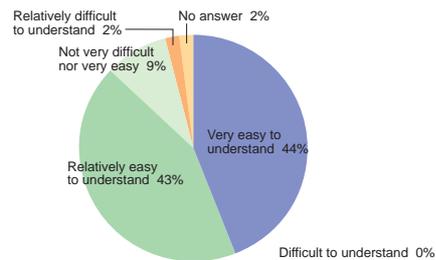
Q1

In what social capacity did you read the report?



Q2

Do you have any comments on the report?



Opinions about the Olympus Environmental Report 2004

Recommendations for improvement

- I think you should publish CSR reports.
- An evaluation by a third party is needed.
- It would be better if the important focal points of Olympus' efforts were written more clearly.
- A more detailed explanation on environmental accounting is needed.
- Notes on special environmental terms would help improve readability.
- Larger fonts and better coloring for graphs are needed.

Responses in the Olympus CSR Report 2005

Main reference page

- ▶▶▶ Olympus started publishing CSR reports this year to disclose information on social and economic issues in addition to environmental ones. P3
- ▶▶▶ Olympus began using a third-party verification this year to improve the objectivity and reliability of the report. P50
- ▶▶▶ The important focal points of Olympus' efforts are now put together as a special feature. P4-7
P20-21
- ▶▶▶ On our Web site, we have placed more detailed data on environmental accounting as well as a material flow chart showing both the cost for each environmental preservation activity and a breakdown of the effects. P40-41
- ▶▶▶ Explanatory notes on special terms have been added for greater readability. P3
- ▶▶▶ Clear fonts are used for better readability and graph colors have been arranged for easier recognition by those with color blindness. Entire report

Efforts by Domestic and Overseas Olympus Group

Olympus Group sites within and outside Japan are working hard to protect the environment and contribute to local communities. An outline of these activities is introduced in the following pages. More detailed data and reports for other locations are shown on our respective Web sites.

● KeyMed (Medical & Industrial Equipment) Ltd.

KeyMed recognizes that the pursuit of profit alone is an empty vessel and, together with its employees, tries to put something back into the community in a positive way. KeyMed supports the community in a number of ways, for example, local schools through practical assistance and road safety programs and local disabled people by contributing to state-of-the-art homes. Internationally, KeyMed supports the Chernobyl Children's Project (helping children affected by the Chernobyl disaster) and Midway (helping Ugandan children affected by HIV/AIDS). KeyMed encourages managers and staff to engage socially-responsible projects.



KeyMed Group Environment Manager, Mr. Andrew J. Vaughan



Raising money for a road safety charity. Employees' children from the day nursery take part in a road awareness program.

● Olympus Diagnostica GmbH [Irish Branch] (ODI)

In December 2004, ODI switched all utility power to "green electricity," which is electric power generated mainly at wind-farms around Ireland but also through hydro energy from Scotland. In community based activities, ODI renovated buildings that were built at the beginning of the 18th century, using as many original materials as possible. Also, ODI mounted a plaque for a megalithic tomb adjacent to the ODI building written in English, Irish, Japanese, and German.



Human Resource Manager, Mr. Liam McGregor



The plaque that describes the protected monument is written in English, Irish, Japanese, and German.

● Olympus Winter & Ibe GmbH (OWI)

OWI focused on reducing ethanol, which is used in the special cleaning of sterile packed HF¹ electrodes, one of our important groups.

Based on detailed tests, we were able to double the exchanging cycle of the ethanol without any loss of quality. The outcome of this is a reduction of approximately 400 kilos (500 liters) of ethanol, which does not need to be purchased and, later on, to be disposed of. In the total consumption of ethanol in FY2004, we consumed roughly 9% less than in 2003.

¹ HF = high frequency



R&D Business, Project Engineer, Mr. Thomas Reher (left) and Head of Regulatory Affairs, Mr. Bruno Soltau (right)



Cleaning process of HF electrodes before sterilization.

► **WEB** Efforts by Domestic Olympus Group (Japanese only) <http://www.olympus.co.jp/jp/corc/csr/wdata/>
 Efforts by Oversea Olympus Group (English only) <http://www.olympus.co.jp/en/corc/csr/wdata/>

- Technology Research Institutes (Hachioji)
- Hinode Plant
- Ina Plant
- Tatsuno Plant
- Aomori Olympus Co., Ltd.
- Aizu Olympus Co., Ltd.
- Olympus Opto-Technology Co., Ltd. (Omachi Brach)
- Olympus Opto-Technology Co., Ltd. (Sakaki Branch)
- Mishima Olympus Co., Ltd.
- Shirakawa Olympus Co., Ltd.
- Olympus Logitex Co., Ltd.
- Olympus (Shenzhen) Industrial Ltd.
- Olympus Winter & Ibe GmbH (OWI)
- Olympus Diagnostica GmbH [Irish Branch] (ODI)
- KeyMed (Medical & Industrial Equipment) Ltd.
- Olympus America Inc. (OAI)

● **Shirakawa Olympus Co., Ltd.**

Shirakawa Olympus made efforts to reduce total CO₂ emissions and achieved a 4.4% reduction over the previous year's level in FY2004 by shifting to inverter fluorescent lamps, introducing hybrid vehicles, and increasing the air piping diameter. Shirakawa Olympus planted four cherry tree saplings on the premises using the profit made from a recycling bazaar during Environmental Week. The company's local contribution involved donating an abandoned bus to Nishigo village. The village is using the bus for the athletic activities of a local junior sport club as well as local elementary and junior high schools.



Shoichi Sano (left) and Hiroshi Suzuki (right) of the General Affairs Group



Planting cherry tree saplings in the compound using the profit made from a recycling bazaar

Japan

● **Olympus America Inc. (OAI)
National Service Center (NSC)**

The National Service Center (NSC) moved ahead towards its goal of achieving ISO 14001 certification by early 2006. A policy manual and SOPs for specific environmental activities were developed. Employee environmental awareness and education were initiated through specific daily displays on the NSC's LCD monitors and on table displays in the cafeteria showing Olympus' Environmental Policy. Also, the NSC and the branches just introduced repair and service activities using lead-free solder for endoscopes.



NSC Environmental Health, Safety & Facility Senior Manager, Mr. Pad Kemmanahalli



Table displays in the cafeteria showing Olympus' Environmental Policy

America

● **Olympus (Shenzhen) Industrial Ltd.**

Olympus Industrial accepts visitors from many corporations at the request of the Environmental Preservation Bureau of Guangdong Province and the Environmental Preservation Bureau of Shenzhen City. Visitors learn how Olympus Industrial takes on the task of environmental preservation as a "clean producing company." The company also engages in improving its corporate image among consumers.

The company promotes the enhancement of employees' environmental consciousness by holding seminars on the disposal of hazardous wastes, ISO 14001 internal environmental auditor training, and an employee-participated activity to pick up refuse at beaches and mountain trails.

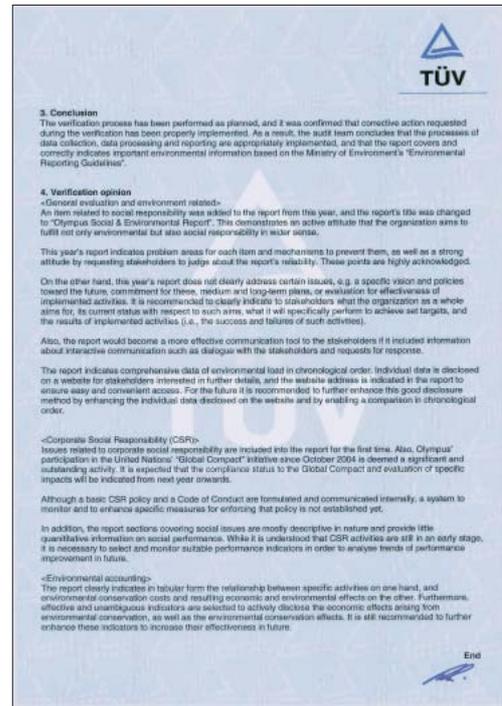
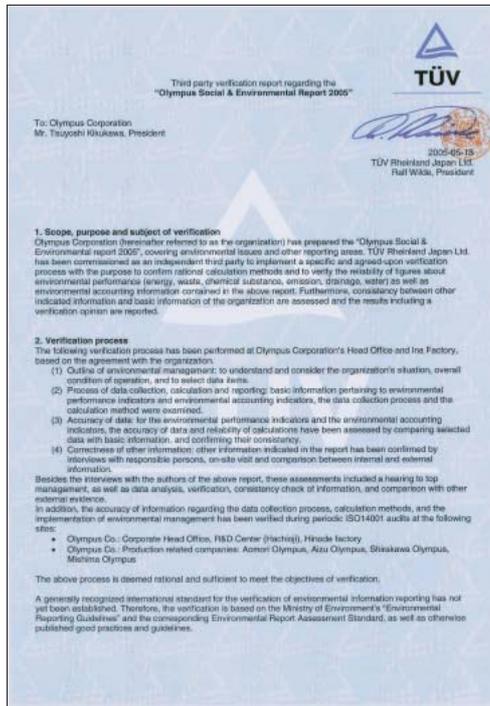


Baofeng Di (left), Ying Luo (center), and Shunqiu Yan (right) of the Environmental Development Department in the Personnel Supervising Division



Employees participate in picking up refuse at a beach

Third-Party Verification Report



* See our [▶WEB](#) site for details.

Purpose of a Third-Party Verification

Up to FY2003, Olympus had written and published the Environmental Report according to its policy of providing a fair and honest description by in-house writers. In FY2004, a year before publishing the CSR Report, Olympus decided for the first time to be subject to a third-party verification in order to write a report that is correct in content, easy to read, and sufficiently transparent. The independent third-party auditor, TÜV Rheinland Japan, an ISO 14001-certified organization that checks the environmental promotion capability of Olympus (see page 38), did a review to see if all important information and environmental data were gathered, summated, and disclosed by valid means and point in the report ▶1; if the report was complete with important information from the guidelines referenced in the CSR Report ▶2; and if such information was accurately described ▶3 in the report.

▶1 **Validity of the report:** Verifying whether any information that is damaging to the management or company was omitted or judging the importance of the report with respect to the necessity of descriptions (i.e., the degree of influence that false data or omitted data have on the judgment of stakeholders)

▶2 **Completeness of the report:** Verifying whether all information from the guidelines referred to in the report was disclosed

▶3 **Accuracy of the report:** Verifying whether the data in the report were accurately measured or calculated

Third-Party Verification and Opinion

The third-party gave us high marks on following contents:

- Olympus' social responsibility concerns are participation in the Global Compact and relevant environmental issues.
- This is due to the fact that the CSR Report explained the problems related to the environment which the Company faced and it showed the mechanism that was put in place to solve the problems.
- Specific data are shown on the Company's Web site, where stakeholders who are interested in knowing more, can read about it.

It was, however, pointed out that the report failed to clearly indicate concrete vision, policies, and commitments from Olympus on what the Company should do in the future; indicators for the evaluation and measurement of effects; or quantified or specific information. It was also pointed out that information on the CSR, which Olympus started to carry out methodically in FY2004, was insufficient, in terms of the quantified data, even though Olympus' policies on and the current situation concerning CSR were explained.

Olympus accepted these evaluation results and decided to promote interactive communication with stakeholders so that their comments can be used to improve future CSR Reports and create and implement better policies and actions regarding CSR.



Interviews concerning CSR Division



Field examination and verification of environmental data at Ina Plant



Verification of data at the Environmental Development Department

History of Olympus' Environmental Activities

Year	Month	Description
1975	March	Pollution Prevention Committee established
1976	June	Activities during Environment Week held at various plants Support of WWF (currently the World Wide Fund for Nature) started (with the donation of calendars, for example)
Latter half of the 1970s		Companywide standards and regulations on pollution prevention, waste disposal, and chemical management arranged and improved
1984	April	Pollution prevention inspection started (carried out until 1996)
Latter half of the 1980s		Procedure to put together annual environmental preservation actions of all plants into <i>Environment White Paper</i> and submit it to director in charge of the environment established
1992	January	Environmental Affairs Office (in charge of companywide environment-related matters) established
	August	Olympus Environmental Charter formulated
1993	July	Specified chlorofluorocarbons and 1,1,1-trichloroethane totally eliminated from use.
1994	December	Polystyrene foam used in small-camera packages totally put to eliminated from use
1995	July	Awarded for the promotion of the cleaning and protection of the Tenryu River (by the Chubu Construction Bureau, Ministry of Construction)
1996	March	1996 Companywide Environmental Basic Plan formulated
	June	Companywide Olympus Environment Management Manual formulated
1997	February	Ina Plant obtained ISO 14001 certification; the first member of Olympus Group to do so Product environment impact assessment started
1998	June	PRTR data for FY 1997 put together and disclosed
	October	Tatsuno Plant won Japan Greenery Research and Development Center President Award as a 1998 Good Greening Plant
1999	February	Tatsuno and Ina Plants won 1998 Energy Management Achiever's Award (from the Chubu Bureau of Economy, Trade and Industry)
	July	1999 Companywide Olympus Environment Basic Plan formulated
	September	Shenzhen Plant, Shenzhen, China, obtained ISO 14001 certification
2000	February	Hinode Plant awarded for superior rationalization of energy by the Kanto Electric Association
	March	Technology Research Institutes (Hachioji) obtained ISO 14001 certification; the last among the 12 major plants in Japan to do so
	October	Green procurement guideline introduced, and investigation of parts suppliers completed Guideline for the purchase of products for daily business use formulated
2001	February	Hinode Plant rewarded for superior rationalization of energy by the Kanto Electric Association
	March	Use of trichloroethylene in washing process decreased Use of garbage processor at Tatsuno Plant started
	May	Olympus Winter & Ibe GmbH obtained ISO 14001 certification
	June	Use of garbage fermentation processor at Technology Research Institutes (Hachioji) started
	August	Olympus Logitex Tokyo Center started up as a core of distribution activity
2002	March	KeyMed (Medical & Industrial Equipment) Ltd. obtained ISO 14001 certification Recycling center at Technology Research Institutes (Hachioji) started Companywide Basic Environmental Plan 2002 (Ecology Vision 21) formulated
	April	Environmental Development Department established Environment committees organized (e.g., Olympus Group Environmental Committee and plant managers' meeting) Environment site assessment for soil and groundwater started (for domestic production sites)
	September	In-house Eco Forum launched
2003	February	Ina Plant won Director-General of the Agency of Natural Resources and Energy Award
	September	Five major development and production sites in Japan achieved zero emissions. Olympus Shenzhen won Clean Production Corporation Award
	October	Olympus Logitex won 20th (2003) Logistics Grand Prize from Japan Institute of Logistics Systems
	November	Olympus Logitex obtained ISO 14001 certification
	December	Olympus participated in Eco Products 2003 In-house certification system for eco-friendly products launched; SZX7/SZ61 stereoscopic microscope and E-1 digital single-lens reflex camera certified as Olympus eco-products. E-1 granted Eco Leaf Environmental Label; the first digital single-lens reflex camera to be so granted
2004	January	All environment promotion functions of the Company obtained ISO 14001 certification Olympus Diagnostical GmbH (Irish Branch) obtained ISO 14001 certification
	March	All major plants in Japan achieved Zero emissions. Sales subsidiary KS Olympus obtained ISO 14001 certification
	April	CSR Promotion Department established KeyMed (Medical & Industrial Equipment) Ltd. won the Queen's Award for Enterprise in Sustainable Development
	June	Environment training for developers started Illuminations at Olympus turned off in support of environmental campaign for a million people, Light Down 2004 Black Illumination
	September	Panyu Plant, China, obtained ISO 14001 certification Olympus Group Corporate Conduct Charter and Olympus Group Code of Conduct announced
	October	Olympus participated in UN Global Compact
	November	Environment training for sales staff started
2005	March	ISO 14001 (2004) revision response training started



Smile for the Earth

OLYMPUS[®]

OLYMPUS CORPORATION CSR Division

Contact

CSR Department

Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome,
Shinjuku-ku, Tokyo 163-0914, Japan
Tel.: +81-3-6901-3960 Fax: +81-3-3340-2062
E-mail: csr_info@ot.olympus.co.jp

Environmental Development Department

Kuboyamacho 2-3, Hachioji-shi, Tokyo 192-8512,
Japan
Tel.: +81-426-91-7288 Fax: +81-426-91-7291
E-mail: environ@ot.olympus.co.jp

Olympus Web site www.olympus.co.jp/en/



This report is printed with soybean oil ink via waterless printing on non-wood
Take-pulp key G A paper made from 100% bamboo pulp.

Issued August 2005
Next volume scheduled to be issued August 2006
X020-05E①0805T Printed in Japan

Q1 Please answer the following questions concerning the clarity of the report and Olympus' activities introduced in the report.
Rate each item by writing down the appropriate number in the parentheses using the following scale:
5. Excellent 4. Very good 3. Good 2. Poor 1. Very poor
Under the column marked "Sections," place a checkmark next to the title(s) you found interesting, if any.

Item	Ease of understanding	Evaluation	Sections
Total	()	()	
Message from the President Special Features I and II	()	()	<input type="checkbox"/> Message from the President <input type="checkbox"/> Special Feature I <input type="checkbox"/> Special Feature II
Sound Corporate Activities	()	()	<input type="checkbox"/> Creating an Efficient and Sound Management System <input type="checkbox"/> Global Group Operation
Customer-based Conduct	()	()	<input type="checkbox"/> Aiming for the Highest Quality, Which Makes Customers Say, "Olympus, the choice that couldn't be more right" <input type="checkbox"/> Incorporating the Customer's Opinions into Products and Services <input type="checkbox"/> Having a Closer Rapport with Customers and Responding Faster to What They Need
Respect for Human Rights/Working Environments with Vitality	()	()	<input type="checkbox"/> Respect for Human Rights and Compliance with the Law <input type="checkbox"/> Creating Worthwhile Workplaces
In Harmony with the Environment	()	()	<input type="checkbox"/> Working to prevent global warming <input type="checkbox"/> Promoting efforts to reduce the total volume of waste discharged and recover resources <input type="checkbox"/> Formulation of a basic environmental plan to become an environmentally advanced enterprise <input type="checkbox"/> Reinforcement of the environmental management system <input type="checkbox"/> Quantitative understanding of influences of business activities and environmental preservation activities
	()	()	<input type="checkbox"/> Creation of environmentally conscious products <input type="checkbox"/> Knowing the distinctive characteristics of the environmental impact of Olympus products
	()	()	<input type="checkbox"/> Training people to create environmentally conscious products <input type="checkbox"/> Consideration to the environment even in the purchasing and procurement activities <input type="checkbox"/> Managing and understanding products and chemicals used in production processes <input type="checkbox"/> Reducing the environmental loads of packaging and logistics from the 3R viewpoint
Social Involvement	()	()	<input type="checkbox"/> Contributing to Local, Regional, and International Societies <input type="checkbox"/> Promoting Information Disclosure and Interactive Communication
Others	()	()	<input type="checkbox"/> Efforts by Domestic and Overseas Olympus Offices and Companies <input type="checkbox"/> Third-Party Inspection <input type="checkbox"/> History of Olympus' Environmental Activities
No. of pages	()		Check one below. <input type="checkbox"/> Too many <input type="checkbox"/> Appropriate <input type="checkbox"/> Too few
Design	()		

Q2 In your opinion, does the report have any good points or points that need improvement?

Good points

Points that need improvement

Q3 How would you rate Olympus' attitude toward CSR and what is your reason for giving such a rating?

5. Excellent 4. Very good 3. Good 2. Poor 1. Very poor

Reason

Q4 How did you learn about this report?

- Sent by Olympus Newspaper or magazine Exhibition or seminar Olympus Web site
 Olympus employee Other ()

Q5 In what capacity did you read this report?

- Customer Dealer Government or administrative employee Research or education Media
 Environmental organization Company employee in charge of the environment Student
 Resident in the neighborhood of an Olympus plant Employee of the Olympus Group or his/her family member
 Other ()

Thank you for your cooperation. Please fill in the following information (optional).

Name: _____

Address: _____

Contact _____ Tel. _____ Fax _____

_____ E-mail _____

Profession, company, section: _____

- Please send me the next CSR Report.
 Please do not send

* All private information that respondents provide through this questionnaire will be used only as reference by Olympus to improve its CSR efforts; as contact information for sending the next Social Environmental Report, if requested by the respondent; and as a means to reply to respondents' questions. Please refer to our Web site for details on our Privacy Notice (www.olympus.co.jp).