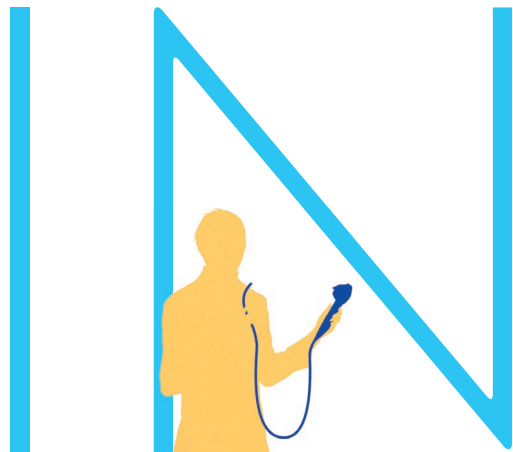


Social



IN



Social Value
IN the Company

2008



Introduction

The Olympus Group published its first “Environmental Report” in 2000. In 2005 the report was expanded to include governance and the social aspects of the Group’s activities, and it has since been published as the “Corporate Social Responsibility Report.” In 2008 we began to publish comprehensive information about our CSR activities on our CSR website. This booklet is a digest version of the information on the website. It describes new initiatives during fiscal 2007 and presents key information. The content is presented with reference to the Olympus Group Corporate Conduct Charter (see Page 3).

Further information about the corporate and environmental activities of Olympus can be found on the following website.

WEB Olympus CSR website <http://www.olympus-global.com/en/corc/csr/>

Contents

Olympus Vision	2
Olympus Group Corporate Social Responsibility Report Digest FY 2007	5
— Feature 01: Policies for Corporate Activities (Social Report)	7
— Feature 02: Involvement with People (Social Report)	9
— Feature 03: Harmony with the Environment (Environmental Report)	11
— Feature 04: Good Relationship with the Communities (Social Report)	13
Harmony with Local Communities	15
Summary of Economic, Social and Environmental Performance Data for the Olympus Group	17
Future Social and Environmental Goals for the Olympus Group	18

Scope

Period: April 1, 2007-March 31, 2008

Organizations	<table border="1"><tr><td>Economic Report</td></tr><tr><td>Social Report</td></tr><tr><td>Environmental Report</td></tr></table>	Economic Report	Social Report	Environmental Report	Olympus Corporation and its consolidated subsidiaries and affiliated companies Olympus Corporation, Olympus Imaging Corporation, Olympus Medical Systems Corporation Olympus Corporation, Olympus Imaging Corporation, Olympus Medical Systems Corporation, major production and logistics subsidiaries in Japan, major overseas production subsidiaries
Economic Report					
Social Report					
Environmental Report					

* The ITX Group is currently coordinating its CSR policies with those of the Olympus Group. Unless otherwise stated, it is excluded from the scope of this report.

* Environmental data presented in this report may vary from that of the results stated in past reports or on the website. This is due to continuous examination of our operations, past and present, to ensure accurate and consistent reporting..

Reference Guidelines

— Environmental Reporting Guidelines (FY2007) of the Ministry of the Environment, Japan

* Comparative tables for the Global Compact have been posted on our website. **WEB**

— Environmental Reporting Guidelines (FY2005) of the Ministry of the Environment, Japan



Olympus aims to realize a better livelihood and happiness for all through its activities as a value-creating enterprise.

A handwritten signature in black ink, which appears to read 'T. Kikukawa'.

Tsuyoshi Kikukawa
President
Olympus Corporation

“Social IN” Philosophy—Our Continuing Commitment to Value Creation

Formulated in 1994, our “Social IN” management philosophy is our determination to help all people achieve health and happiness in their lives by working as an integral member of society, by sharing our values, and by offering new values to society. This philosophy is the basis for all Olympus products, solutions, software, services and social contribution activities.

To offer new value is in other words to create corporate value. The establishment of Olympus in 1919 was inspired by its founder’s ambition to contribute to the

advancement of medicine by manufacturing high-quality microscopes in Japan in order to produce Japanese users an alternative to expensive imported models. Microscope manufacturing requires precision processing technologies and an advanced knowledge of optics. The technological heritage created in that era would later form the foundation for our other products, including film cameras, digital cameras and endoscopes. We developed the world’s first practical endoscope in response to a request from a clinician who wanted a camera capable of observing the inside of a patient’s stomach. This dedication to the needs of society and determination to offer new

value by exploring new frontiers continue to shape our corporate culture today. These qualities are our foundation as a value-creating enterprise.

Building Win-Win Relationships with Our Stakeholders

From a business management perspective, it is necessary to maximize corporate value while offering new value to society. Corporate value can be measured in terms of financial value, corporate fundamentals or intellectual capital. I regard corporate fundamentals as the most important of these. I want all Olympus officers and employees to apply our “Social IN” management philosophy to their day-to-day activities, and I want Olympus to be a company viewed with pride by all stakeholders—customers, shareholders, suppliers and employees and their families. This is the foundation on which we must build reciprocal win-win relationships based on strong trust with all of our stakeholders.

Of course, the creation of win-win relationships requires the development of systems and policies through which our philosophy can be realized. That is why we have adopted the Olympus Group Corporate Conduct Charter as a set of basic principles that all officers and employees must apply to our business activities. We have also established a code of conduct defining rules and behavior standards for our officers and employees.

Olympus is member of the United Nations Global Compact, and we have incorporated the 10 Global Compact principles into our Corporate Conduct Charter and code of conduct. The Global Compact is

a pledge to the international community. We are hard to retreat from this commitment, since we are required to report annually on our initiatives. Our membership of the Global Compact reinforces our employees’ awareness of the required standard of conduct. It is also a great source of pride for them. We refer to our management philosophy, Corporate Conduct Charter and code of conduct as “the Olympus backbone,” and we are determined to ensure full compliance with all of these requirements by all Olympus Group companies, including overseas subsidiaries.

I have always believed that corporate value is the sum of the value of each individual in the organization. To maximize our corporate value, we must maximize the value of each individual. That process must begin with a commitment by each of us to improve our own value. To provide organizational support, we are reforming our goal management system. (See Feature 02)

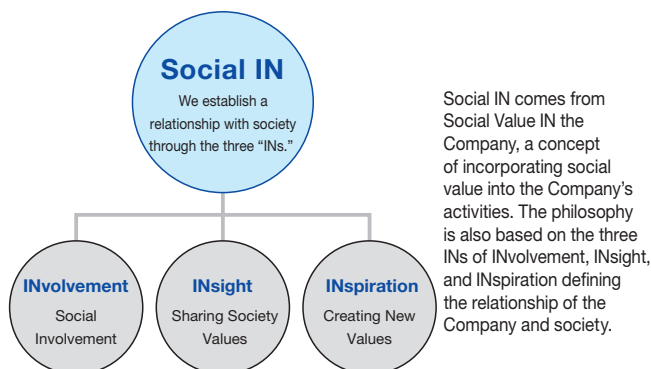
Social Contribution through our Business Activities

In addition to our efforts to provide the value sought by society, we also undertake a variety of social contribution initiatives in fields relating to our business activities. Examples include the “Brave Circle” campaign to awareness colorectal cancer (see CSR Report 2007), and the “A Day in the Life of AFRICA” (DITLA) program, through which we helped to raise awareness of the Millennium Development Goals through photographic images depicting life in Africa. (See Feature 04)

For over 40 years we have been a co-sponsor of the

Management Philosophy of the Olympus Group

Toward the Realization of a Better Livelihood and Happiness



Olympus Group Corporate Conduct Charter (Extracts)

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 |
| Involvement with People | 2. Act on behalf of the customer |
| Involvement with Society | 3. Respect for human rights |
| | 4. Working environment with vitality |
| | 5. Harmony with the environment |
| | 6. Good relationship with the community |

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

Natural Science Observation Contest. Another initiative is the “Exciting Wakuwaku Science Workshop” for children. Olympus staff volunteer their time to support this educational program. Hirofumi Tsuchida, who leads this program, received an award from the Minister of Education, Culture, Sports, Science and Technology in 2008 in recognition of his efforts to promote understanding of science and technology. I am especially proud of our activities in the field of medical science, through which we contribute directly to society. We provide training in diagnostic technology using endoscopes and other equipment at locations throughout the world. We are also working to prevent endoscope breakdowns, which result in increased costs for medical institutions. (See Feature 01) Another focus of our activities is the development of minimally invasive endoscopic procedures. These help to reduce the impact on patients by avoiding the need for major incisions on the chest or abdomen. Benefits include faster recovery, shorter hospital stays, improved quality of life (QOL), and reduced medical expenses. In the future we aim to contribute to all aspects of human health through a comprehensive involvement in preventive medicine, testing and diagnosis, therapy and care.

Helping to Build a Sustainable Society and a Sound Environment

We also aim to contribute to the creation of a sustainable society and a sound environment through the activities of the Olympus Group. By reducing energy consumption in factories (See Feature 03), and



Olympus President Tsuyoshi Kikukawa supports a campaign to eradicate colorectal cancer by wearing a “Brave Circle” badge.

by creating environmentally conscious Eco-Products, we are working to minimize environmental loads across the entire Olympus Group. In preparation for the launch of our new medium-term basic management plan in 2009, we are currently studying ways to monitor and reduce the impact of our business activities on the environment, including global warming, so that Olympus can contribute to the realization of the sustainable society on a higher level.

To realize the Olympus Group’s goal of bringing health and happiness to the lives of people everywhere, all individuals working for the Group are encouraged to fulfill their social responsibilities at work and in their private lives. In this way, we can raise the standard of CSR activities throughout the Olympus Group and build a win-win relationship with society. As individuals, we also need to base our behavior on awareness of our responsibility to future generations.

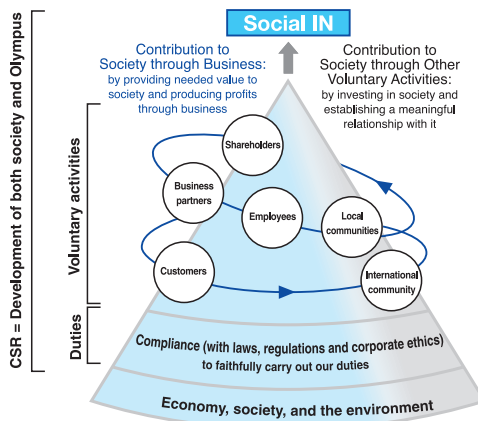
UN Global Compact



Olympus agrees with the 10 principles of the UN Global Compact and has participated in the Compact since October 2004. Details of the Global Compact can be found on the websites of the United Nations Information Centers.

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

CSR Concept of the Olympus Group



We believe that the Olympus Group’s CSR activities help us continually improve our corporate activities that combine basic duties with voluntary initiatives as extra distance to achieve our management philosophy of “Social IN.”

Toward the Realization of a Better Livelihood and Happiness

As a company dedicated to continuously creating value-added products and services and contributing to health, happiness and livelihood for people, Olympus approaches CSR activities to build win-win relationships with all stakeholders. Details of our CSR activities can be found on the following website.

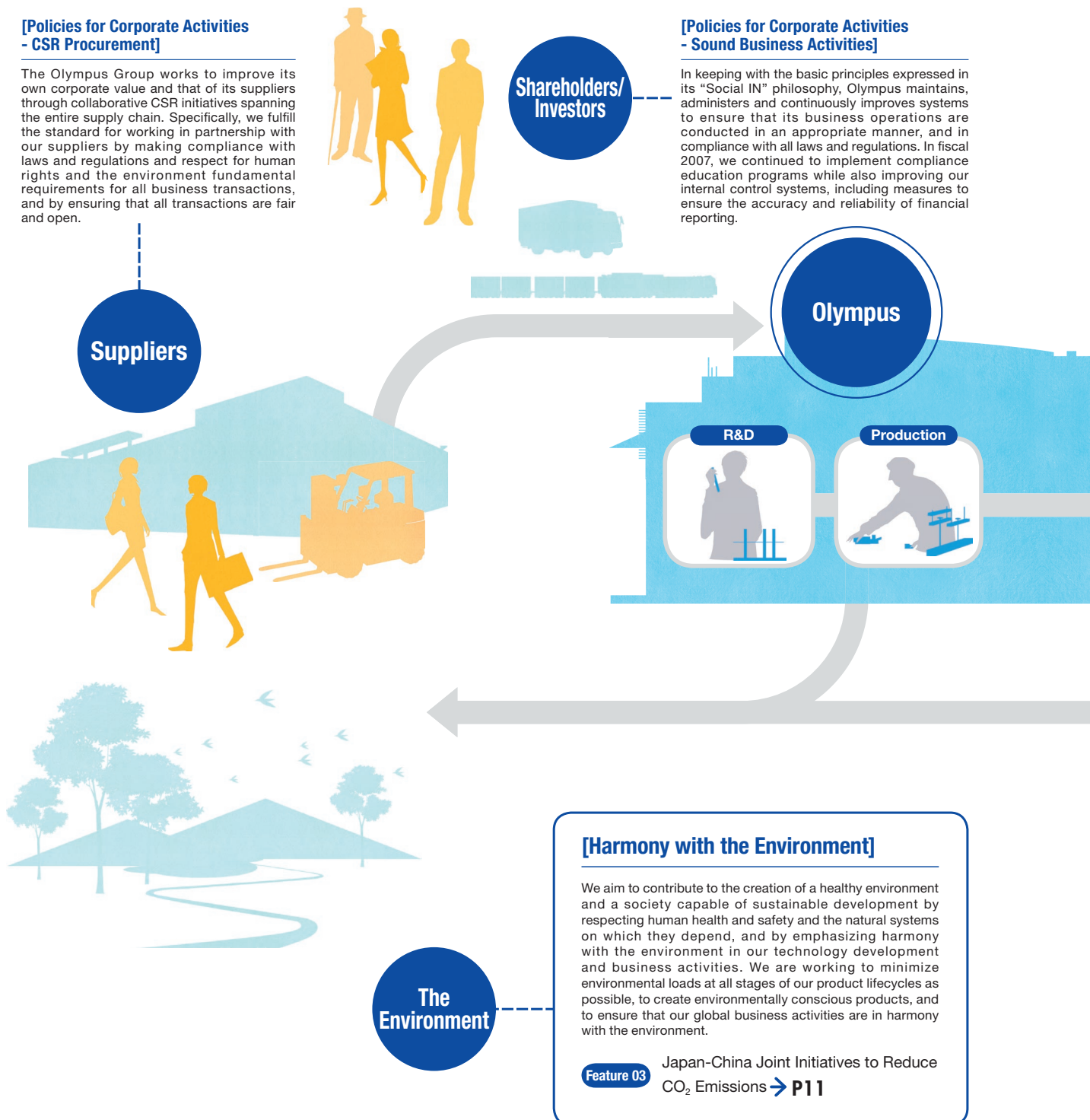
WEB Olympus CSR website <http://www.olympus-global.com/en/corc/csr/>

[Policies for Corporate Activities - CSR Procurement]

The Olympus Group works to improve its own corporate value and that of its suppliers through collaborative CSR initiatives spanning the entire supply chain. Specifically, we fulfill the standard for working in partnership with our suppliers by making compliance with laws and regulations and respect for human rights and the environment fundamental requirements for all business transactions, and by ensuring that all transactions are fair and open.

[Policies for Corporate Activities - Sound Business Activities]

In keeping with the basic principles expressed in its "Social IN" philosophy, Olympus maintains, administers and continuously improves systems to ensure that its business operations are conducted in an appropriate manner, and in compliance with all laws and regulations. In fiscal 2007, we continued to implement compliance education programs while also improving our internal control systems, including measures to ensure the accuracy and reliability of financial reporting.



[Harmony with the Environment]

We aim to contribute to the creation of a healthy environment and a society capable of sustainable development by respecting human health and safety and the natural systems on which they depend, and by emphasizing harmony with the environment in our technology development and business activities. We are working to minimize environmental loads at all stages of our product lifecycles as possible, to create environmentally conscious products, and to ensure that our global business activities are in harmony with the environment.

Feature 03

Japan-China Joint Initiatives to Reduce CO₂ Emissions → P11

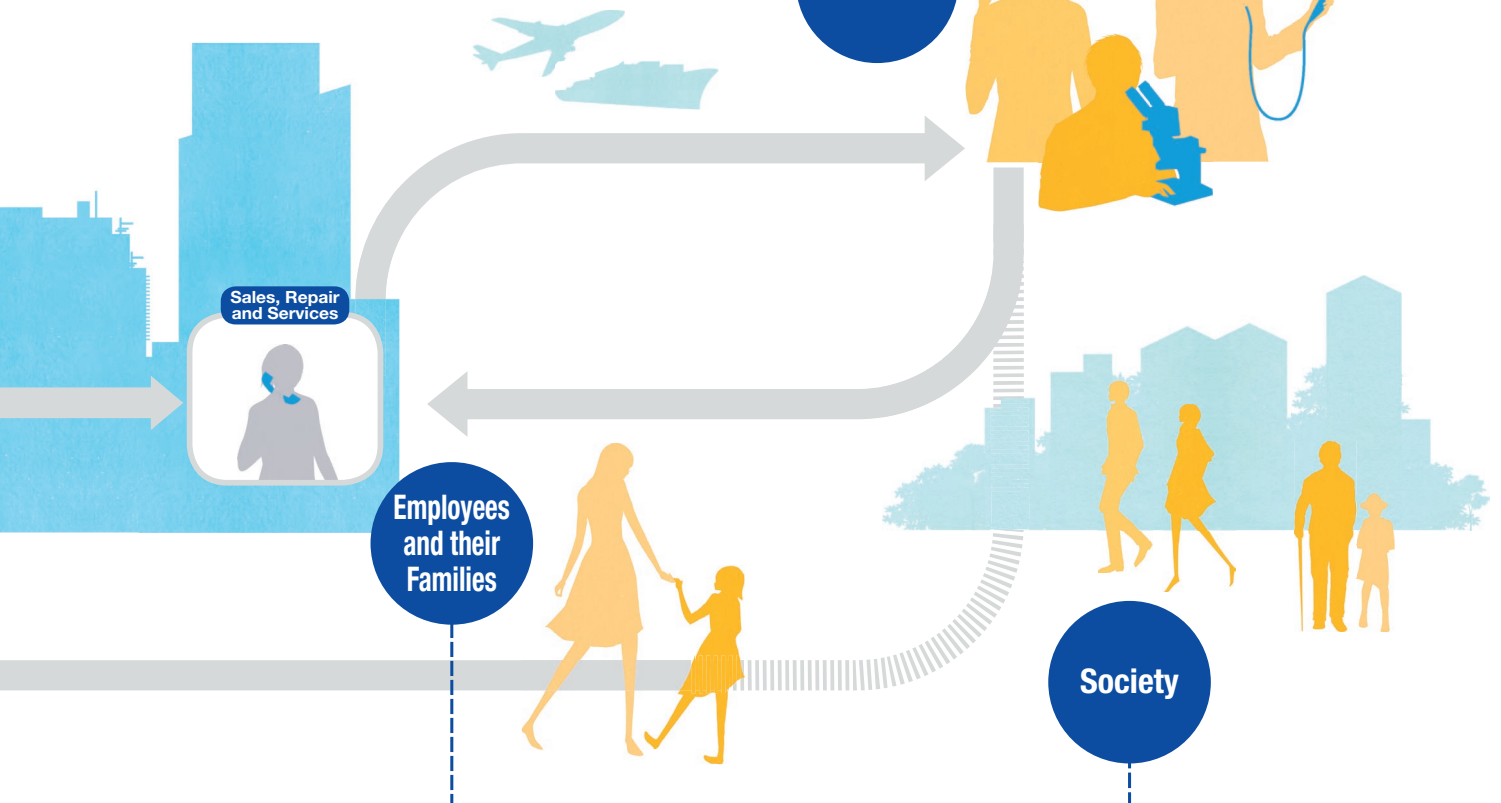
[Policies for Corporate Activities - Customer-Focused Activities]

We want every customer to be pleased that they chose Olympus. This is reflected in the establishment of organization-wide systems to support "Voice of Customer" (VOC) activities, and in the enhancement of our customer satisfaction (CS) training courses for employees at all levels. In fiscal 2007 we improved the collection and analysis of VOC data. We also achieved improvements in the usability of our products, including the application of universal design principles, and further enhanced our repair services.

Feature 01 Working together with Endoscope Technicians to Prevent Product Malfunctions → **P7**

Environmentally Responsible Logistics

Olympus is determined to minimize environmental loads of the delivery of its products and services to customers, by emphasizing environmental factors in choosing transportation methods, and by using appropriate packaging. Additionally, to optimize transportation efficiency, we are continually improving our packaging technology to reconcile the need to protect products during transportation with the need to protect the environment.



[Involvement with People]

Employees are the Olympus Group's most valuable assets. We want to provide the best possible working environments for our employees. We achieve this by respecting human rights, and by providing attractive work opportunities as the basis for enhanced personal growth and corporate growth. To ensure that our working environments are safe and pleasant, we comply with laws and regulations in all of the countries in which we operate and implement measures based on the characteristics of individual overseas subsidiaries.

Feature 02 New Reforms to Support Both Personal Growth and Organizational Development → **P9**

[Good Relationship with the Community]

We disclose information and promote two-way communication, both to inform the public about the philosophy and activities of the Olympus Group, and also to ascertain what society expects from Olympus. Olympus is continually using own management resources, including its technology and human resources, in social contribution activities. We regard such contributions to society as an essential part of our efforts to build good relationships with all stakeholders as a global citizen.

Feature 04 Contribution to Achieve the Millennium Development Goal → **P13**

Closer Communication with Front-Line Medical Personnel

Minor problems with endoscopes can be avoided through correct use. The first step is to educate endoscopy technicians. Endoscope malfunctions can be costly, but the biggest problem is that equipment becomes unavailable for use. Yet endoscope technicians may not have a clear understanding of what is meant by "malfunction prevention," and they cannot be expected to follow minutely detailed instructions before starting every procedure. Either endoscope technicians will need to be more alert to potential problems when they inspect their equipment in the context of day-to-day operations, or Olympus will need to step up its training in malfunction prevention. We tell our members to work closely with service engineers, because they have first-hand knowledge of how equipment is used in front-line situations. Service engineers can help technicians to improve their sensitivity to problems with their equipment by providing input based on the information that they gather while visiting a variety of sites. The Japan Gastroenterological Endoscopy Technicians Society asked Olympus to create a data base of equipment malfunctions, to provide information about repairs and costs, and to disclose their repair processes. Olympus has met all of these requests. In the future we hope that Olympus will also provide feedback based on information received at its customer advice centers.

Kimihide Tamura

President,
Japan Gastroenterological Endoscopy Technicians Society

A field service engineer visits a medical institution.

Working together with Endoscope Technicians to Prevent Malfunctions

Endoscopes are one of the most important types of medical equipment. By allowing clinicians to observe internal conditions directly, they play a vital role in the early detection and treatment of disease. Since developing the world's first practical gastroscope in 1950, Olympus has continued to contribute to the advancement of medicine and improvement in patients' quality of life as a leading endoscope manufacturer. The task of Olympus service engineers is to ensure the early detection and treatment of problems that could cause endoscopes to malfunction.

Delicate, Precision-Engineered Devices

Endoscopes manufactured by Olympus are used in countless medical institutions. These precision-engineered devices are designed for direct insertion into patients' bodies, and some of their components are extremely delicate and require careful maintenance and repair. "Medical professionals are our customers, and our mission is to ensure that they can use our equipment safely and with confidence," says Fumio Watanabe, an endoscope service engineer working for the Field Service Planning Group of Olympus Medical Systems Corp. "Any reduction in repairs is better for them, and better for us." Malfunctions in crucial components, such as the CCDs that form the "eyes" of endoscopes, can result in expensive repairs that may put a strain on the budgets of medical institutions. Patients are also inconvenienced because of the need to suspend endoscopic procedures until equipment can be repaired. Yet most endoscope malfunctions are preventable. Olympus field service engineers (FSEs) and sales personnel are working closely with the Japan Gastroenterological Endoscopy Technicians Society to establish preventive care systems based on the early detection and "treatment" of endoscope malfunctions.

New Approval System for Instructors

Endoscope operation requires a high standard of technical skill and knowledge of safety requirements. The Japan Gastroenterological Endoscopy Technicians Society administers an approval system for endoscopy technicians.

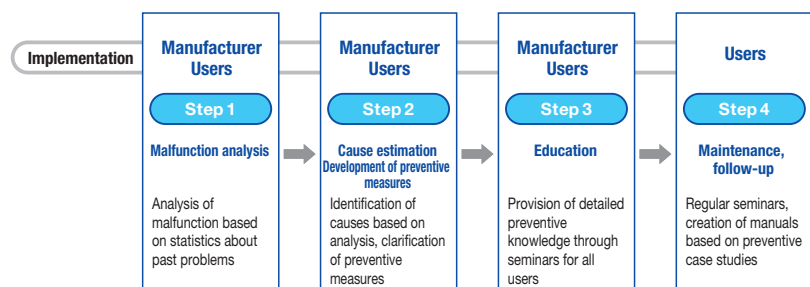
At the request of the Society, which is a national organization for endoscopy technicians, Olympus supports training for technicians by holding about 40 courses and seminars throughout Japan each year. Olympus FSEs and sales personnel act as instructors for these programs. To ensure a consistent standard of training at all programs nationwide, Olympus introduced an instructor approval system three years ago with the cooperation of the Society. The textbooks used have also been standardized. "Olympus and the Society agreed on the need for this approach," recalls Kenji Koyata, head of a technical team in the Endoscope Marketing Group of Olympus Medical Systems Corp. "The process of obtaining approval from the Society raises our standards and provides additional motivation. We have also expanded our distribution of detailed information through pamphlets, journals and other media."

Reciprocal Win-Win Relationships

Olympus emphasizes the importance of malfunction prevention. This requires four steps: 1) the analysis of malfunctions, 2) cause estimation and the development of preventive measures, 3) education about malfunction prevention, and 4) maintenance and follow-up activities. The first three of these steps require cooperative efforts by Olympus and the Society. Olympus FSEs visit medical institutions to provide product information and offer appropriate advice about how equipment should be handled and stored and other aspects. Olympus established a proactive program of user visits in 2007. As a result of this initiative, some medical institutions are already reporting improvements in equipment handling and maintenance costs.

Preventive maintenance is now the main focus of the repair reports given to users when replacement parts are delivered. These reports provide detailed information about the repair and the replacement parts used. They also include information about the probable causes of problems and suggestions for the prevention of recurrences. These efforts to prevent malfunctions also lead to the discovery of user needs that can be reflected in product development. The result is a win-win relationship with benefits for both Olympus and users.

Step-up chart for
malfunction prevention
initiatives



Expectations toward New Human Resource Management Systems—With Development Circle of Individuals' Ideas about the Future Altogether

The views of the union were reflected in the “Development Circle” project, and I am indirectly involved through the provision of information. Particular emphasis is placed on initiatives to ensure that every individual is heard. For example, there are female-only meetings to give female workers opportunities to express themselves freely.

Generally there is no gender discrimination in human resource management systems. However, there are cases in which female workers find it difficult to reconcile their life plans with their career plans. For example, it may be difficult for female workers with children to work in certain jobs or at certain sites. Even if a system appears good at first glance, it will be useless unless it is seen to be good by the people who work under it. Fortunately Olympus has a culture based on mutual respect. Those working in large organizations cannot expect to be able to achieve 100% of employees' aspirations. However, I believe Olympus appears to have created an environment that allows the goals of individuals to be reconciled as far as possible with the goals of the organization so that everyone can reach his or her full potential. As an employee, and as someone with a sense of participation in that culture, I intend to do everything I can to reinforce it.

Shinobu Namba

Tokyo Branch Representative, Olympus Labor Union

Workers in the Tokyo office of Olympus Imaging Corporation

New Reforms to Support Both Personal Growth and Organizational Development

In 2006, Olympus revised its human resource strategy to establish a new vision based on the perspectives of management, individuals and the organization (see diagram below). This vision is now being put into effect through human resource management reforms. The reforms are designed to support continuing growth for both individuals and the organization by management-labor cooperation. The “Development Circle” project is the first stage in a reform process that will strengthen human resource development in Olympus.

Goal Management System Revised to Reflect Environmental Change

In 1998 Olympus substantially amended its qualification-centered human resource management system. This change was accompanied by a transition to a new goal management and evaluation system known as “Management by Objective and Self-control” (MBO*). However, the management environment has changed radically over the past 10 years as a result of accelerating business expansion, and there has been a growing tendency to focus on the achievement of short-term results through measures that emphasize localized optimization and the development of resources capable of immediate deployment. “We adopted a new human resource management strategy in 2006, but as we were developing this strategy it became apparent that we would need to reform the MBO system at the same time,” says Kenya Mori, acting deputy section manager of the Human Resources Planning Group. “There wasn’t sufficient sharing of our vision within the organization, and we felt that we were not helping every individual to reach his or her full potential, because our goal management and evaluation mechanisms were limited to assessment systems. That is why we started to think about ways to establish a true results-based structure that would encourage individuals to achieve personal growth while working toward shared aspirations.”

* Under the MBO system, organizational goals are broken down into personal goals that are carefully managed by individuals. This management system enhances organizational goal attainment while also contributing to human resource development.

Verifying Hypotheses through Wide-Ranging Workplace Input

Olympus Group employees set personal goals based on policies set at higher levels within the organization. These goals are determined through negotiation between employees and their supervisors. To ensure

that organizational goals are achieved, supervisors must communicate policies clearly to their subordinates, who must in turn have to work toward strategic objectives with a sense of personal determination. This is not possible unless employees and their supervisors can share their ideas through close communication. The Human Resources Department believes that the answer can be found in the workplace. It reviewed the new system after canvassing views in the workplace with the cooperation of divisional managers and the union, as the organization representing employees.

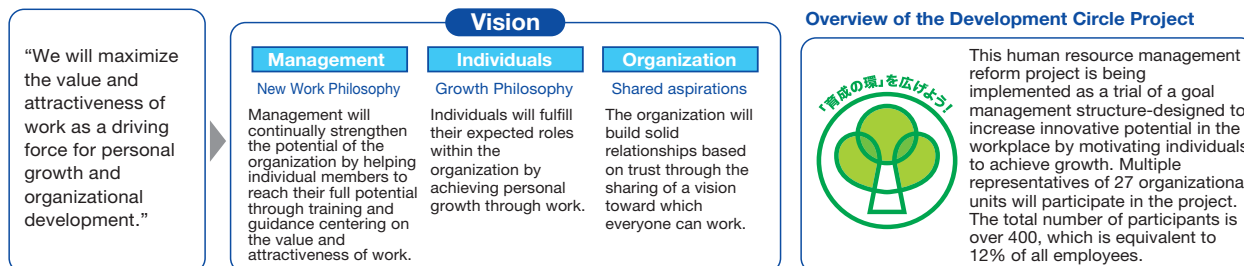
The core focus of the new human resource management system is the reinforcement of communication between individuals. Priority was given to this aspect during the reform process. In December 2007, when the framework of the new system was beginning to take shape, a labor-management roundtable meeting was convened by the Human Resources Department. This meeting was held immediately after the conclusion of the union conference and was attended by approximately 100 union representatives. A variety of views and questions were put forward at the meeting. “Someone said that the systems would not function properly because most of the executives act not only as managers, but as busy players,” recalls Kenya Mori. “However, others thought that while the new system might be difficult to implement throughout the organization, we should all work together to drive the reform process. I realized that there were still issues, but when I heard these and other views, I felt a strong sense of personal involvement and became determined to confront and overcome any problems.”

Trial Involving over 10% of Employees

In March 2008 Olympus launched the “Development Circle” project as a trial of the new MBO system. Although the project is still at the experimental stage, over 10% of employees will participate. The project will include a review of the new system, which will be implemented in April 2009. There will also be group-wide management training based on case studies from the trial.

The “Development Circle” project is significant for two reasons. First, this goal management system will provide a framework for the development of people and the organization within the PDCA cycle. Second, the new system is designed to create a “Development Circle” that will spread a culture of support for personal growth motivation throughout the Olympus organization. In this way, Olympus wants to establish a corporate culture in which all people can share the sense of satisfaction that comes from growth achieved by continually meeting challenges.

Basic Policy on Human Resource Strategy





Olympus Should Adopt a More Aggressive Strategy and Convey More Actively on Environmental Matters

I am extremely impressed that Olympus has launched emission reduction initiatives in China, which accounts for 50% of all CO₂ emissions by the Olympus Group. I also hope that Olympus will proactively disclose information about its deliberations on the extent to which it can reduce its CO₂ emissions, and by when, and on the strategies that it will use to achieve its targets. That information should ideally relate to total emissions. If Olympus really regards the reduction of CO₂ emissions and the prevention of global warming as an urgent priority in relation to its business development plans, I hope that it will base its approach on long-term targets covering the period to around 2050, and that it will set an example for other manufacturers by implementing specific measures in areas that require action now.

While efforts within a business context are important, I hope that Olympus will also make positive use of its capabilities as a global enterprise. For example, Olympus is already using natural energy in Japan, Europe and North America and could explore the feasibility of using this technology in China, too. I see the fact that Olympus is using FSC-certified paper in this booklet as an extremely significant improvement in your basic approach to environmental communication.

Yumiko Kawamura

Director, Fundraising & Marketing Communications
World Wide Fund for Nature (WWF) Japan

Workers in Japan and China take part in a video conference.

Japan-China Joint Initiatives to Reduce CO₂ Emissions

Carbon dioxide (CO₂) is seen as a cause of global warming. As an enterprise dedicated to healthier and more fulfilling lived of people around the world, the Olympus Group sees contribution to global warming prevention as one of its most important priorities and is working actively to reduce CO₂ emissions through energy conservation measures. We are placing particular emphasis on the reduction of emissions in China, which accounts for around 50% of the total CO₂ emissions of the Olympus Group.

Increased Production in China Reflected in Higher CO₂ Emissions

The Shenzhen Factory and Pan Yu Factory in China's Guangdong Province are key production facilities for Olympus imaging and information products. They manufacture digital camera parts and IC recorders and assemble finished products. The Shenzhen Factory was opened in 1991. It is equipped with a variety of advanced systems, including sophisticated control systems for lighting and air conditioning, and maintenance programs that give priority to energy conservation. In 2007 it received an environmental excellence award from the municipal government of Shenzhen City. Like the Shenzhen Factory, the Pan Yu Factory is designed for energy efficiency, and there have been sustained efforts to reduce energy consumption since the facility was opened in 1990. Production has increased dramatically at both factories, leading to substantial increase in CO₂ emissions.

Shenzhen Factory—Advanced Energy Management

Makio Yamada, acting deputy section manager of the QA & Environmental Compliance Department of Olympus Imaging Corp., visited the Shenzhen and Pan Yu Factories in January 2006 to check facilities and engage in dialog with those working at the sites. "I found that both factories were implementing advanced energy conservation measures, but that they had reached the limits of what could be achieved locally and would need information and support from Japan. They are now achieving further reductions in CO₂ emissions in collaboration with Olympus Imaging, which administers both factories, and the Environmental Development Department, which is responsible for reducing CO₂ emissions across the entire Olympus Group. In November 2006, representatives of Olympus Imaging and the Environmental Development Department of Olympus Corporation went to China to meet with factory

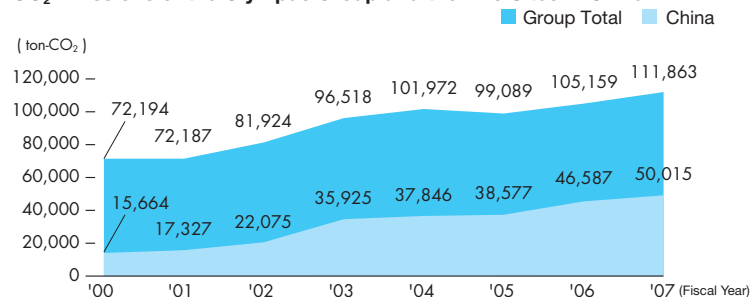
representatives. After monitoring the operation of facilities at the sites, they were able to introduce CO₂ reduction activities similar to those implemented in Japan. However, it was not possible to achieve dramatic reductions. In July 2007, a Japanese consulting firm conducted an energy conservation diagnosis of the Shenzhen Factory with view to achieving further improvements.

Yukinori Fujii, an energy conservation diagnosis and analysis manager in the Environmental Development Department of Olympus Corporation, recalls the collaborative efforts of factory managers and officials from his department and Olympus Imaging to facilitate the two-day on-site inspection by the consultants. "We made thorough preparations, including the collection and analysis of detailed data over a three-month period." The diagnosis by outside experts confirmed that facilities at the Shenzhen Factory were being operated at an extremely high standard. The results indicated that further major improvements would require detailed improvements to production processes, including a search for production conditions that would yield better energy efficiency. "We were very pleased when the experts recognized the sustained efforts that those working at the two sites have made with regard to facility management," says Kazuya Abe, head of human resource and general administration for Olympus Hong Kong and China Limited, who is responsible for environmental management at both facilities.

Closer China-Japan Collaboration on CO₂ Reduction Initiatives

In July 2007, Olympus began to gather data using a newly installed electric power monitoring system at the Pan Yu Factory. Information from Japan, including data analysis case studies and proposed countermeasures, is used to implement specific measures. In October these efforts were beginning to yield reductions in CO₂ emissions. According to Du Fei, head of environmental and safety administration of Olympus (Guangzhou) Industry Ltd., which runs the Pan Yu Factory, up-to-date information from China was not previously reaching Japan. "Frequent contacts with our colleagues in Japan allowed us to overcome the barriers of language and culture, and they were able to understand the situation here. Access to Japanese experience and knowledge heightened our awareness of the need for group-level efforts." All elements of the Olympus Group will continue to work closely together to find solutions to the complex problem of global warming.

CO₂ Emissions of the Olympus Group and the Two Sites in China



The Olympus Group is working to reduce CO₂ emissions at its production sites in Japan, Europe and North America by installing environmental systems when new plants are commissioned, by promoting daily energy conservation activities, and by purchasing energy derived from natural sources. Production at the Olympus sites in China has increased dramatically, and these facilities now account for around 50% of total emissions by the Olympus Group. We will continue our efforts to find solutions to this problem.

Feature 04: Good Relationship with the Communities



Bringing People together through the DITLA Project

Most of the world's least developed countries are located in Sub-Saharan Africa. These are the countries that have lagged furthest behind the rest of the world in efforts achieving the Millennium Development Goals. When conflicts and famines occur in any of these countries, the impact can spread across multiple neighboring countries.

To make progress, these countries need not only official development assistance provided by governments, but also private sector investment. However, both businesses and banks have been slow to invest in Africa, compared with their activities in other regions.

Through its activities in 166 countries, the United Nations Development Programme (UNDP) has built extensive resources of detailed local information, project experience and knowledge, and risk reduction methods. We can be a powerful partner for private sector businesses.

The DITLA project has helped to shorten the perceived distance between Africa and the rest of the world, including Japan, and to raise awareness on a people-to-people level. As the threat of HIV/AIDS continues to spread, we hope that this campaign will continue in the future, and that Olympus will continue to contribute in its areas of specialization, especially imaging and medical equipment.

Shun-ichi Murata

Director, United Nations Development Programme (UNDP) Tokyo Office

Visitors view photographs at a DITLA exhibition.

Contribution to Achieve the Millennium Development Goals

Olympus provided extensive support for the “A Day in the Life of AFRICA” project and has since sponsored photographic exhibitions in various countries with the cooperation of international organizations, including the United Nations Development Programme (UNDP). Income from this project is donated for use in HIV/AIDS education, and in continuing efforts to raise awareness of the problems caused by this disease in Africa.

A Day in the Life of AFRICA Captured by 100 Photographers

On February 28, 2002, approximately 100 leading photographers were dispersed through 53 countries on the African continent. The aim of this major project was to compile a collection of photographs taken on a single day. Olympus participated in the “A Day in the Life of AFRICA” (DITLA) project as an official sponsor and supplier of photographic equipment. Olympus supplied digital cameras and accessories, as well as compact portable printers used to check photographs in the field. Olympus also provided extensive support during the implementation of the project, including 24-hour technical support, and training for the photographers, who came from 26 countries.

Many of the pictures captured by the 100 photographers provided glimpses of ordinary life in Africa, as well as the beauty of the natural environment. They also showed people filled with energy and hope. Yet in the background lurk the threats of droughts, floods, poverty, disease and conflict.

The aim of the DITLA project was to inform people throughout the world about life in Africa, and about the HIV/AIDS situation. All proceeds from the publication of the book have been used in HIV/AIDS education.

Donation of Income from Photographic Exhibition for Use in MDGs (Millennium Development Goals) Initiatives

English, French and German versions of the completed book were published to wide acclaim in over 20 countries in late 2002. Olympus also staged “A Day in the Life of AFRICA” exhibitions as part of the “Africa Year 2003” program established by the Japanese Ministry of Foreign Affairs. Originally staged at the Tokyo Metropolitan Museum of Photography, the exhibition was subsequently taken to 17 sites around the world. The photographs attracted large

audiences, and many visitors said that the photographs had completely transformed their view of Africa by revealing the positive, beautiful aspects that are usually obscured by negative perspectives. With the cooperation of the United Nations Development Programme (UNDP), the exhibition was also presented at the headquarters of the United Nations in New York. The opening ceremony was attended by Ms. Nane Annan, wife of the UN Secretary General, and senior UN officials, including Under-Secretary General Ibrahim Gambari, who was the Special Adviser on Africa to the Secretary General. During the ceremony, then Olympus Chairman Masatoshi Kishimoto announced that all proceeds from the exhibition in Tokyo would be donated for use in activities contributing to the realization of the Millennium Development Goals. (This was in addition to the donation of income from the book.)

Partnership with International Organizations and the International Community

The Millennium Development Goals (MDGs) combine the United Nations Millennium Declaration with goals previously adopted at summit conferences and in other forums. The challenge for the international community is to achieve the eight goals, include the elimination of poverty and famine, and the provision of universal elementary education, as well as the prevention of the spread of HIV/AIDS and other infectious diseases, by 2015. The UNDP used the donations from Olympus contributed to a project by UNDP to produce a music CD (see photograph below) by African musicians for use in HIV/AIDS education. To mark World AIDS Day on December 1, 2007, the CD was distributed during the DITLA photographic exhibition at the National Art Museum of China in Beijing. It was also distributed to media organizations across Africa through the United Nations network. The DITLA exhibition is still being staged in various locations. In 2008, it was presented in multiple venues to coincide with the 4th Tokyo International Conference on African Development (TICAD IV) in Yokohama. The exhibition also included an MDGs corner to inform visitors about the significance of the MDGs. As a member of the United Nations Global Compact, Olympus is actively supporting efforts to achieve these goals.

A logo created to promote awareness of the MDGs



Reproduced with the permission of the Hottokenai Sekai no Mazushisa (Don't let it be - World Poverty) organization

The Millennium Development Goals (MDGs)

1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development



We are the Drums
for an AIDS free generation

Harmony with Local Communities

The Olympus Group promotes unique environmental initiatives and social contribution activities tailored to individual communities. This page provides brief summaries of some of these activities. More detailed reports are shown on our websites.

WEB Japan (Only in Japanese) <http://www.olympus.co.jp/jp/corc/csr/data/2007/domestic.cfm>
Overseas <http://www.olympus-global.com/en/corc/csr/data/2007/overseas.cfm>

Japan

Research and Development Center (Hachioji, Tokyo) Photo 1

Establishment of Clean Support Team

The Clean Support Team was established to support people with disabilities who are engaged in general work activities. Since fiscal 2007, eight people with disabilities and four full-time support personnel have been providing cleaning services in dining rooms, conference rooms, corridors and other areas in the facility, which is located in Utsugi, Hachioji City.

Hinode Plant

Sustained efforts to reduce energy consumption

Energy conservation activities include facility improvements and continuous energy conservation patrols. In fiscal 2007, Olympus also worked to raise workers' environmental awareness by encouraging them to take simple steps to save energy, such as turning off individual fluorescent lights, and lowering screens to provide shade from the sun.

Tatsuno Plant

No-Car Days

To encourage employees to use public transport or car-pooling, the second Wednesday each month was designated a no-car day. This initiative reduced CO₂ emissions by two tons each month and also helped to raise employee awareness.

Ina Plant

Eco-Product Manufacturing

Olympus is progressively switching to eco-product manufacturing. This change has necessitated improved quality management, including the control of chemical substances used in manufacturing. In fiscal 2007, ISO14001 internal audit training was provided for employees, especially those involved in purchasing.



Photo 1 Clean Support Team members at the Research and Development Center (Hachioji, Tokyo)

This training helped to strengthen the systems used to ensure that procurement processes meet the eco-product standards.

Mishima Plant Photo 2

Support for Blood Donation

The Mishima Plant manufactures blood analyzers. Since February 2007, it has been registered as a blood donation support center, allowing both employees and local residents to donate blood. Other initiatives to foster harmony with the local community include open days. Recently the Mishima Plant received an award from the Governor of Shizuoka Prefecture in recognition of its contribution to blood donation activities.

Tokyo Office

Installation of Drive Recorders

In March 2008, Olympus installed drive recorders with front-mounted monitor cameras in all of the approximately 500 commercial vehicles used at its 18 sites throughout Japan. The aim of this initiative is to reduce accidents and encourage safe, energy-efficient driving.

Aomori Olympus Co., Ltd. Photo 3

Tree-Planting in the Shirakami Mountains

Eighty-five employees planted 200 beech trees at a location in the Shirakami Mountains, which have been registered as a World Heritage site. The area was previously covered with cedar trees planted for logging. The aim of this project is to restore the precious natural environment of the area for future generations by planting beech trees.



Photo 2 Open Day at the Mishima Plant

Aizu Olympus Co., Ltd.

Support for Environment Festa in Aizu

In September 2007, Olympus participated in the 15th annual Environment Festa in Aizu. Activities included the use of panel displays to inform the public about environmental initiatives, and the free distribution of fertilizer made from waste food from company dining-rooms. In fiscal 2007, Aizu Olympus also hosted an environmental education program in which participants were able to observe water fleas (*Daphnia pulex*) through an electron microscope.

Shirakawa Olympus Co., Ltd.

Recycling Bazaar to Support Continued Tree-Planting

Goods donated by employees were sold in a recycling bazaar. The proceeds were used to support the continued planting of cherry trees in the factory grounds. The number of cherry trees at the plant has increased over the years and reached 20 in fiscal 2007.

Olympus Logitex Co., Ltd.

Fluorescent Light Leasing

To reduce costs and ensure proper recycling, Olympus Logitex has switched to leased fluorescent lights. This has reduced costs by around ¥300,000 annually compared with the previous approach of purchasing and recycling lights. Another benefit is a 150kg reduction in the amount of waste.

KS Olympus Co., Ltd.

Reducing Environment Loads from Business Activities

KS Olympus is working to minimize environmental loads resulting from its business activities by conducting environmental impact assessments for its own products as well as for Olympus Eco-Products. The aim is to supply customers with products with reduced environmental footprints.



Photo 3 Tree-planting in the Shirakami Mountains (Aomori Olympus)

Overseas

● Europe

Olympus Europa (OE)

Christmas Cards Used to Raise Funds for International NGO

During the 2007 Christmas season, Olympus Europa decided to give donations rather than gifts by donating 50 euro cents for every Christmas card sent by the company. The money was donated to Médecins Sans Frontières (MSF, Doctors Without Borders), an international humanitarian organization.

KeyMed (Medical & Industrial Equipment) Ltd.

Natural Energy Used in New Building

A new building completed in May 2007 is equipped with a variety of environment-friendly systems, including an air-conditioning system that uses geothermal energy, and a solar hot water system.

Olympus Winter & Ibe GmbH (OWI)

Maintenance of Environmental Partnership

The company has maintained an environmental partnership with the city of Hamburg for three consecutive years since fiscal 2005, by installing new air compressors, and by optimizing air conditioning in its manufacturing facilities.

Olympus Life Science Research Europa GmbH [Irish Branch] (OLREI)

Environmental Impact Study in Preparation for Installation of Wind Power Generation System

OLREI has already switched to 100% green electric power. It now plans to generate power on-site using a wind power generation system. The company is currently conducting an environmental impact study that includes the use of acoustic measuring equipment to ascertain whether the facilities would affect the sonar capabilities of wild bats living near the proposed construction site.



Photo 4 Craft products made from reuse/recycled materials (OSZ)

● North America

Olympus America Inc. (OAI)/Olympus Imaging America Inc. (OIMA)

Support for Voluntary Community Activities by Employees

Since 2007, over 270 employees have participated in highly visible voluntary programs in local community. To date employees have given a total of 3,500 hours for community service initiatives. Olympus America also supports voluntary activities by donating money to community subsidy funds.

Olympus Canada Inc. [OCI]

Bowling Tournament Used to Foster Employee Friendships and Promote Cancer Eradication Efforts

OCI's work force has increased by over 30% in the past year. It has staged a number of events to improve in-house communication and foster friendship among employees. These include a bowling tournament, which also had a goal of promoting colorectal cancer eradication efforts.

Olympus Medical Equipment Service America Inc. National Service Center (NSC)

Car-Pooling Promotion, Establishment of Numerical Targets

To reduce greenhouse gas emissions, the company is promoting car-pooling and the use of public transport. Initiatives include the provision of parking spaces close to buildings for vehicles used for car-pooling. Employees car-pooled on a total of 3,600 days, exceeding the target of 3,100 days.

● Asia and Other Regions

Olympus (Guangzhou) Industrial Ltd. [Pan Yu Factory] (OGZ)

Production Safety Award (Grade A)

The company is working to improve safety awareness and protective skills among its employees by holding safety seminars and fire-fighting drills and publishing safety information. In the current year it received a production safety award (Grade A) from the government of Guangzhou City.

Olympus (Shenzhen) Industrial Ltd. (OSZ) Photo 4

In-House Craft Exhibition

Olympus (Shenzhen) Industrial staged an in-house exhibition of craft items made using waste materials. The environmentally themed event featured 53 items. Prizes were presented for the best products.

Olympus Optical Technology Philippines, Inc. (OPI)

Participation in Government Tree-Planting Program

During Environment Week in September 2007, the company held in-house screenings of the film, An Inconvenient Truth. It also raised environmental awareness among its employees by planting trees along an expressway on Cebu Island. This initiative formed part of the Philippine government's Green Philippines Program, the aim of which is to plant 20 million trees.


Olympus Latin America, Inc. (OLA)

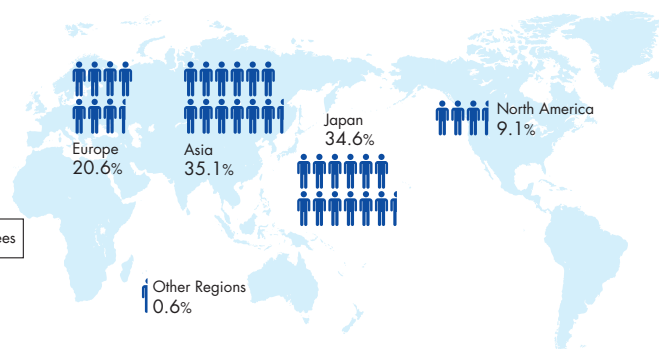
Emergency Donation of Microscope to University

The day after the School of Sciences of the Universidad Austral de Chile was devastated by a major fire, Olympus Latin America made an emergency donation of money and a BX51 advanced polarization microscopes to support the continuation of research activities.

Regional Breakdown of Workforce

Consolidated number of employees: 35,772 (As of March 31, 2008)

 = Thousands of employees



Summary of Performance Data for Economic, Social and Environmental Activities

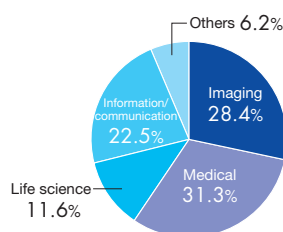
The following data were extracted from information about the business operations and social and environmental activities of the Olympus Group. Please visit the following websites for current information and detailed data.

WEB Details of economic performance <http://www.olympus-global.com/en/corc/ir/>
 Details of social and environmental activities <http://www.olympus-global.com/en/corc/csr/>

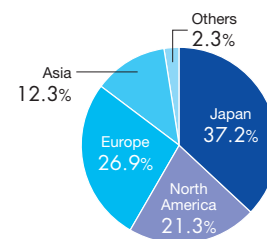
Overviews of Business Operations

Established: October 12, 1919
Headquarters: Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0914, Japan
Business activities: Manufacture and sale of precision machinery and instruments
Capital: ¥48,332 million

Consolidated Net Sales Ratio by Segment in Fiscal 2007



Consolidated Net Sales Ratio by Region in Fiscal 2007



	Unit	FY2005	FY2006	FY2007
Economic WEB				
Consolidated net sales	[million yen]	978,127	1,061,786	1,128,875
Operating income	[million yen]	62,523	98,729	112,623
Net income	[million yen]	28,564	47,799	57,969
Social				
Consolidated number of employees	[individuals]	33,022	32,958	35,772
Environmental WEB				
Eco-products				
Number of Olympus Eco-products registered	[cumulative]	27 (34)	44 (78)	341 (112)
Product shipments	[tons]	4,309	4,555	5,129
Usage of packaging materials	[tons]	2,554	2,456	2,692
Eco-facilities				
Global warming prevention				
Energy consumption	[TJ]	1,813	1,905	2,030
CO ₂ emissions	[tons-CO ₂]	104,658	111,030	114,890
CO ₂ emissions from energy system	[tons-CO ₂]	99,089	105,159	111,863
CO ₂ emissions per unit of sales from energy system (compared with FY1990 level)	[%]	69.4	63.5	61.3
CO ₂ emissions from non-energy system	[tons-CO ₂]	5,569	5,871	3,027
CO ₂ emissions during transportation	[tons-CO ₂]	76,259	99,256	109,197
Reducing waste and recovering resources				
Total discharges*1	[tons]	4,758	5,238	5,577
Discharges per unit of sales (compared with FY2000 level)	[%]	71.6	68.0	65.8
Landfill waste*2	[tons]	448	467	407
Recycled waste	[tons]	4,311	4,771	5,170
Recycling into valuable resources	[tons]	1,265	1,637	2,250
Chemical substances control				
PRTR-listed substances	[tons]	27.7	27.0	27.9
Reducing total usage of water				
Total water usage	[m ³]	225	238	253
Eco-management/communication				
Employees at ISO14001-certified sites	[individuals]	23,141	24,074	24,120

* 1 Discharge (waste) means landfill waste as well as recycled waste and does not include waste recycled into valuable resources.

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

Targets for Future Social and Environment Activities

In fiscal 2008, the Olympus Group will continue to implement social and environmental initiatives toward the achievement of the following targets, as contained in the Medium-Term Corporate Strategic Plan adopted in 2006.

Targets for FY2008 and beyond

Policies for Corporate Activities

Reinforcement of internal control systems	<ul style="list-style-type: none"> Continuing revision and improvement of internal control systems Preparation of internal control system report in accordance with the Japanese SOX Act (June 2009)
Ensuring compliance	<ul style="list-style-type: none"> Continuing efforts to raise compliance awareness of employees Guidance and support to improve compliance-related initiatives in each specialization/function category
Service reforms for VOC management	<ul style="list-style-type: none"> Application of "voice of customer" (VOC) perspectives at all stages from product planning and design to manufacturing, sales and customer support Sharing of VOC information, including global information, and reinforcement of customer-focused management systems
Implementation of procurement policies	<ul style="list-style-type: none"> CSR based on cooperation and mutual respect with suppliers

Working with People

Reinforcement of workplace management	<ul style="list-style-type: none"> Company-wide management training based on new human resource management system to be introduced in FY2009 Regular updating of executive support systems to clarify roles in business site administration and line-based human resource functions
Creation of amenable working environments and promotion of employee health	<ul style="list-style-type: none"> Formulation of measures to support advancement for female employees Expanded implementation of health measures based on lifestyle improvement

Harmony with the Environment

Eco-products Creation of advanced environmentally responsible products	<ul style="list-style-type: none"> Expansion of sales of environment-friendly products
Eco-facilities Realization of environmentally efficient management	<ul style="list-style-type: none"> 50% reduction in energy-related CO₂ emissions per unit of sales by FY2010 (compared with FY1990 level) 50% reduction in total waste discharges per unit of sales by FY2010 (compared with FY2000 level)
Eco-management Implementation of global environmental management	<ul style="list-style-type: none"> Reinforcement of environment-related regulatory compliance systems and environmental risk management
Eco-communication Improvement of environmental communication	<ul style="list-style-type: none"> Enhancement of environmental protection and social contribution activities, improvement of environmental education

Working with Communities

Building a good relationship with society	<ul style="list-style-type: none"> Continued implementation of social contribution activities based on Olympus characteristics
---	---



Smile for the Earth

This logo mark symbolizes the environmental activities of the Olympus Group, which is involved in beneficial activities for the earth and human beings, so that together we can smile like this.

OLYMPUS®

Olympus Corporation

Contact

CSR Department, CSR Division

Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome,
Shinjuku-ku, Tokyo 163-0914, Japan
Tel: +81-3-6901-9299 Fax: +81-3-3340-2062
E-mail: csr_info@ot.olympus.co.jp

Quality and Environment Management Department, Quality and Environment Administration Division

2951 Ishikawa-cho, Hachioji-shi,
Tokyo 192-8507, Japan
Tel: +81-42-642-5125 Fax: +81-42-642-9017
E-mail: environ@ot.olympus.co.jp

Olympus CSR Website <http://www.olympus-global.com/en/corc/csr/>

Issued in August 2008 (previous edition issued in August 2007)
Circulation: 4,000 copies
Next volume scheduled for issue in August 2009
X020-08E 0808T Printed in Japan
This booklet was produced using FSC-certified paper.