

CSR DATA BOOK 2018

The Olympus Group's Corporate Philosophy and CSR

All the Olympus Group's activities are founded on its corporate philosophy: "Our Purpose" and "Our Core Values."

OUR PURPOSE
**Making people's lives healthier,
safer and more fulfilling**



Our Purpose

Making People's Lives Healthier, Safer and More Fulfilling

Supporting cutting-edge medical procedures and scientific discoveries. Helping make people feel safer and more secure. Capturing life's most precious moments. Through our business activities, we aim to contribute to global society by making these things happen. This is the purpose of our existence.

Our Core Values

Integrity, Empathy, Long-Term View, Agility, Unity

These values are shared among all global Olympus employees and are reflected in everything we do at Olympus. They are the very values that will let us realize Our Purpose.

Approach to CSR

Through its CSR activities, the Olympus Group responds to the needs and expectations of society and fulfills its obligations and responsibilities.

We believe that to justify the continuing existence of Olympus as a company and contribute to "making people's lives healthier, safer and more fulfilling, we must fulfill our responsibilities through dialogue with all stakeholders (persons and organizations with which we interact through our business activities), including customers, suppliers, shareholders and investors, as well as employees and their families, local communities*, and the international community*.

*Local communities and the international community include general citizens, NGOs, NPOs, the government, and international organizations.

About the Editing Process

From 2018, the Olympus Group's Annual Report is being published as an integrated report. Detailed information related to CSR will be published in the Olympus CSR Data Book 2018, rather than in the CSR Report.

The reporting format used in this report is in line with the standard disclosure items of the Global Reporting Initiative (GRI) Sustainability Reporting Standard, the international standard for CSR reporting. The report also contains details of the Group's corporate governance structure and policies as well as wide-ranging activities from each of the social and environmental perspectives.

Reference Guidelines

● GRI, Sustainability Reporting Standard

The report does not, however, address all of the requirements of the "comprehensive" and "core" level options of the guidelines.

● Environmental Reporting Guidelines (2012) of the Ministry of the Environment, Japan

The ISO 26000 guidelines and the 10 Principles of the United Nations Global Compact were also used as reference when selecting items for inclusion in the report.

Period Covered by the Report

Organizations Covered by the Report

This report covers the activities of the Olympus Group, which for reporting purposes covers Olympus Corporation as well as its 98 consolidated subsidiaries and two affiliated companies as of March 31, 2018.

In principle, the organizations covered by the report are as follows (any change in the reporting organizations covered with respect to a specific matter is identified separately).

● Corporate governance: The Olympus Group

● Social aspects: The Olympus Group (However, some part of information such as human resources, etc. covers Olympus Corporation or domestic Olympus Group)

● Environmental aspects: Olympus Corporation, Olympus Medical Systems Corporation, and their main domestic and overseas business enterprises. (However, small businesses are excluded.)

Note: As the environmental performance data has been revised due to expansion of the coverage of information to be disclosed, the data values may differ from past disclosed environmental performance.

Period Covered by the Report [April 1, 2017–March 31, 2018]

The report contains some information outside this period.

External Assurance

Scope of external assurance: The amounts of CO₂ emissions and energy consumption

Scope 1, Scope 2, and Category 4 (emissions from upstream transportation and distribution) of Scope 3

External Assurance Organization: Lloyd's Register Quality Assurance Limited (LRQA)

■ Publication Date

[Annual publication (Japanese and English editions)]

● Japanese edition: September 5, 2018

(The previous edition was published on August 31, 2017. The publication of the next edition is scheduled for August 2019.)

● English edition: September 28, 2018

(The previous edition was published on September 30, 2017. The publication of the next edition is scheduled for September 2019.)

■ Information Disclosure/Distribution Media

The Olympus Group is ramping up efforts to disclose and distribute information in a bid to provide stakeholders with a deeper understanding of its activities. Excluding the integrated report and CSR Data Book, the principal tools used to disclose and communicate this information are as follows:

● Principal corporate information disclosure and distribution media

WEB <http://www.olympus-global.com/en/>

- The Olympus Group website

● Financial information disclosure and distribution media

WEB <https://www.olympus-global.com/en/ir/data/>

- Financial Results
- Medium-Term Management Plan
- Corporate Disclosure
- Securities Reports and other materials

● CSR related information disclosure and distribution media

WEB <https://www.olympus-global.com/en/csr/>

- CSR activity website

Inquiries on this Data Book:

https://contact.olympus.co.jp/webapp/form/20709_nqeb_15/index.do

Disclaimer

This report includes past and present performance details of the Olympus Group, and outlines the Group's plans and outlook as of the date of publication, along with forecasts based on management plans and policies. These forecasts represent assumptions and determinations based on information available to management as of the date of the report. Accordingly, the actual results of future activities and events may differ materially from forecasts due to a variety of factors.

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Profile

Company Outline

Company Name: 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 sales of precision machineries and instruments

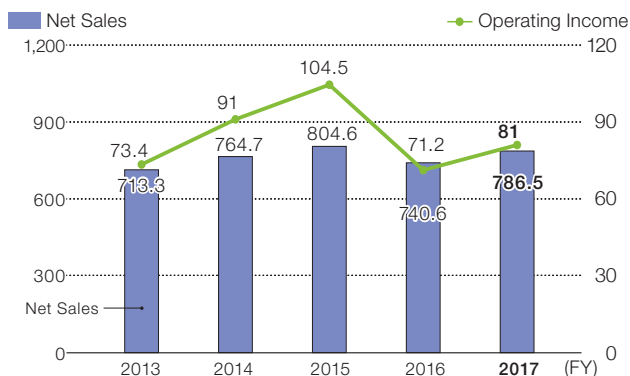
Capital: 124.56 billion yen (As of March 31, 2018)

Consolidated headcount: 35,933 (As of March 31, 2018)

http://www.olympus-global.com/en/corc/o_top/

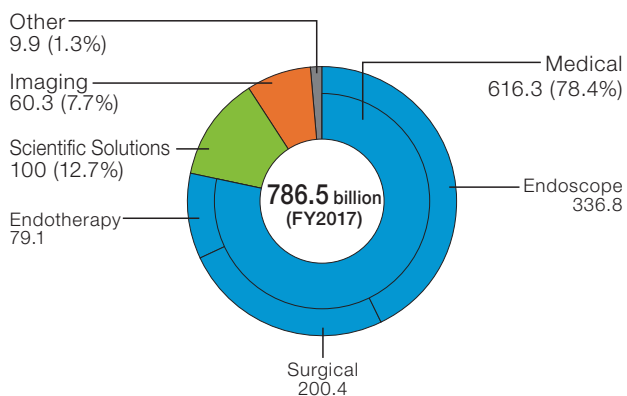
Financial Highlights

Net Sales/Operating Income (Consolidated) (billion yen)

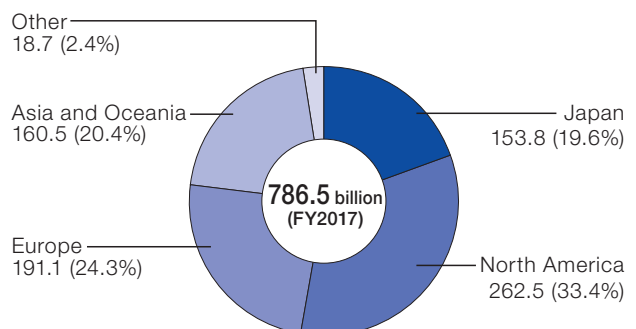


*From the FY2017 consolidated cumulative first quarter, the Olympus Group voluntarily started utilizing the International Financial Reporting Standards (IFRS) in its consolidated financial statements. For comparison purposes, we also present the FY2016 consolidated financial statements in IFRS format.

Share of Net Sales by Business Segment (Consolidated) (billion yen)



Net Sales by Region (Consolidated) (billion yen)



Business Areas

The Olympus Group has continued to expand its global business activities since its foundation in 1919.

Please refer to the following website for details regarding specific locations, names and profiles of Group companies.

<https://www.olympus-global.com/company/base/>

Business Overview and Markets Served

The Olympus Group works diligently to both create and provide new value as a part of efforts to contribute to society through its Medical, Scientific Solutions, and Imaging businesses.

Medical Business

Business Overview

At Olympus, we work with health care professionals every day, matching our innovative capabilities in medical technology and precision manufacturing with their skills to provide the best possible outcomes for patients and society. As the healthcare industry focuses on early detection of diseases and minimally invasive procedures, Olympus is there to deliver the diagnostic and therapeutic technologies they need to treat their patients.

Social Responsibility and Expectations

Medical Progress

Olympus engages in activities that aid in the progress of medicine through its R&D endeavors and efforts to provide medical devices while paying close attention to the opinions of medical professionals.

Improving Patients' QOL

Olympus is making every effort to help improve the quality of life (QOL) of patients both during and after treatment by providing medical devices that are used in the early diagnosis of diseases and in minimally invasive therapy.

Reducing Medical Costs

The early diagnosis of disease as well as minimally invasive therapy help to shorten the periods that patients are hospitalized and require treatment. Olympus is in turn helping to reduce medical expenses by supplying mainly endoscopes and other medical devices.

Markets Served

GI&R (gastrointestinal and respiratory) Business Unit

Gastrointestinal endoscopes, bronchoscopes, ultrasound endoscopes, endoscope reprocessors, endotherapy devices, capsule endoscopes, endoscopic information systems

GS (general surgery) Business Unit

Surgical videoscope systems, surgical energy devices, operating room systems integration

Uro/Gyn (urology/gynecology) Business Unit

Urology (Bladder, renal pelvis endoscopes), gynecology (hysteroscopes), resectoscopes, urinary stone treatment devices

ENT (ear, nose, and throat) Business Unit

Rhino-laryngo endoscopes, Multidebriders, bipolar electro-surgical units

MS (medical service) Business Unit

Repair and maintenance of Olympus-manufactured products, single- and multi-year repair and maintenance contracts



Video endoscope systems



Surgical energy devices



Resectoscopes



Multidebriders

Scientific Solutions Business

Business Overview

Olympus globally contributes to the health and safety of society in numerous ways through R&D in healthcare, life science and industrial fields. Other services provided by Olympus include production site quality control and inspections of social infrastructure, such as large industrial plants and aircraft.

Social Responsibility and Expectations

Advancing Life Science Research

By supplying biological microscopes and bioimaging systems, Olympus supports basic life science research that leads to new medical knowledge, including regenerative medicine research and research into brain functions and diseases.

Providing Safety

Olympus is helping to make the world we live in safer by supplying equipment used to maintain and inspect social infrastructure and lifelines, such as the body and engine of aircraft, roads, bridges, overpasses, power generation facilities, chemical plants, pipelines, and water supply and wastewater systems.

Contributing to Industrial Progress

Olympus contributes to industrial efficiency and progress by supplying industrial inspection equipment used in research and quality control in such areas as mechanical and electronic parts and raw materials.

Markets Served

Biological Microscope Systems

System biological microscopes, inverted biological microscopes, stereo microscopes, confocal laser scanning microscopes, single-molecule fluorescence detection systems, microscope system equipment, and peripherals

Industrial microscope systems

Metallurgical microscopes, semiconductor inspection microscopes, flat-panel display inspection systems, laser microscopes, measuring microscopes, digital microscopes, and peripherals

Remote visual inspection products and non-destructive testing products

Industrial videoscopes, industrial fiberscopes, industrial rigidsopes, peripherals, ultrasonic flaw detectors, eddy current flaw detectors, phased array flaw detectors, X-ray fluorescence analyzers



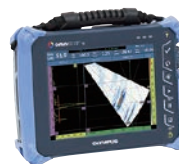
Biological microscopes



Industrial microscopes



Industrial videoscopes



Ultrasonic flaw detectors



Handheld X-ray fluorescence analyzers

Imaging Business

Business Overview

Olympus creates innovative digital cameras that include a mirrorless interchangeable lens camera, the OM-D series which incorporates a built-in electronic viewfinder, the compact and lightweight PEN series, and the TOUGH series of compact digital cameras. These products offer sophisticated and innovative features and have established a new style of photography that opens up new possibilities for digital cameras.

Social Responsibility and Expectations

Enriching Lives

Olympus contributes to enriching people's lives by offering them the "joy of photography and expression by pushing the envelope of photography," delivering high resolution, high performance and highly mobile mirrorless interchangeable lens cameras, high optical performance interchangeable lenses, dust, water, freeze and shock proof compact digital cameras, and the "joy of living with voice and sound" through audio recorders capable of high-quality recording in all recording environments.

Building a Barrier-Free World

Olympus provides audio recorders equipped with audio guide functions designed for optimal ease of use. Both IC recorders and digital cameras employ a logical and intuitive user interface design and Color Universal Design to enhance visibility for people with different vision characteristics.

Markets Served

Cameras

Interchangeable lens camera body and lenses, compact digital cameras, accessories

Other

Audio recorders, linear PCM audio recorders, binoculars



Interchangeable Lens Camera OM-D E-M1 Mark II



Compact Digital Camera TG-5



Linear PCM Audio Recorder LS-P4

Communication with Stakeholders

Under our corporate philosophy, “Making people’s lives healthier, safer, and more fulfilling,” Olympus responds to stakeholders’ expectations at a high level, conducts itself as a model corporate citizen, and aims at sustainable growth together with society.

We also disclose corporate information, such as management policy, financial condition, status of business activities, CSR activities and our product & service information in a fair, timely, appropriate and active manner based on our Information Disclosure Policy (see page 38), in order to gain the correct understanding and trust of all our stakeholders.

Examples of Communication with Stakeholders

Customers

The Olympus Group actively promotes dialogue with its customers through each of its Medical, Scientific Solutions, and Imaging businesses. In doing so, the Group strives to better understand a wide range of diverse latent needs and to propose and provide products and services in a timely manner.

To solve customers’ issues, Olympus has set up customer call centers for each business in Japan and overseas and is expanding opportunities to interact with its customers through seminars and other initiatives.

Shareholders and Investors

Olympus will disclose corporate information, such as management policy, financial condition, status of business activities and CSR activities in a fair, timely, appropriate and active manner according to its “Information Disclosure Policy.”

When announcing our financial results, we hold IR meetings to explain the results and publish financial data. In addition, we use our website to distribute presentation materials and stream video images of IR meetings, including Q&A sessions.

Investor Information <https://www.olympus-global.com/ir/>

Suppliers

Once a year, the Procurement Policy Meeting is held with key domestic suppliers for each business for the purpose of sharing with them the business strategies and procurement policy of the Olympus Group.

In addition, suppliers can access our Compliance Helpline, which is used to report compliance issues or seek advice on compliance related matters.

Employees and Their Families

In addition to drawing out the opinions of employees and workplace issues, Olympus actively holds town meetings that provide opportunities for direct exchanges of views between the senior management and employees.

Furthermore, we conduct employee questionnaire surveys for continual verification and improvement of the Group’s corporate culture. The results of these surveys are reflected in various initiatives including Group-wide events that include the participation of employees and their families.

Communities

We actively participate in various community activities as part of our efforts to inform a wide range of stakeholders, including communities, schools and businesses located near our business facilities, about the activities of the Olympus Group.

We also organize facility tours and work experience opportunities based on the characteristics of each business site. Other initiatives include the provision of instructors to schools, and participation in and support for community events.

International Community, Civil Society

Since 2012 we have studied human rights issues in cooperation with NGOs and NPOs through our participation in the Human Rights Due Diligence

Workshops run by the Nippon CSR Consortium. In addition to reviewing our company’s approach to contributing to the UN Sustainable Development Goals (SDGs), we are also involved in various social contribution activities.

Compliance

Basic Stance & Policy

Olympus Group Corporate Conduct Charter

We adopted the Olympus Group Corporate Conduct Charter and Code of Ethics in September 2004 as the basis of all Group employee actions. As the Olympus Group Corporate Conduct Charter and Code of Ethics are a comprehensive declaration of Olympus' stance on CSR, we formulate various CSR-related policies based on these codes.

In response to a series of problems concerning false statements for the purpose of deferring record of losses in the Annual Securities Reports uncovered in 2011, we revised the Olympus Group Corporate Conduct Charter and Code of Ethics in June 2012 to promote thorough compliance by reflecting discussions among workplace leaders as well as the opinions of domestic and overseas Group employees. These revisions reflect our basic philosophy on social responsibility required by ISO 26000, UN Global Compact, OECD Guidelines for Multinational Enterprises 2011, and other international guidelines. We modified the Olympus Corporate Philosophy in May 2018, and the Corporate Conduct Charter has been revised accordingly.

Olympus works to raise awareness of the Olympus Group Corporate Conduct Charter and Code of Ethics through various employee-oriented materials, training for new hires, during promotions, and at all levels, and e-learning programs.

◎ Olympus Group Corporate Conduct Charter

All our activities are based on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling." Following this philosophy, at the Olympus Group, we are committed to conducting our affairs with a strong sense of ethics, and accordingly, will strictly comply with all relevant laws and regulations. All members of the management team and all employees of the Olympus Group hereby pledge to act in accordance with the Corporate Conduct Charter in their global corporate activities.

1. Adherence to High Ethical Standards

We will prioritize the spirit of compliance under any circumstances and will never tolerate any action that violates laws and regulations, social norms or internal rules. We will create an environment within the organization where no concern pertaining to compliance will be ignored.

Moreover, we will implement training and provide guidance to all parties concerned.

We will consistently oppose any antisocial force or organization posing a threat to the order and safety of civil society and completely dissociate ourselves from any relation with them.

2. Respect for Human Rights

In all corporate activities, the Olympus Group will respect all internationally recognized human rights and will prohibit forced labor, child labor or discrimination based on race, beliefs, gender, age, social position, family lineage, nationality, ethnicity, religion or disability.

3. Delivering Innovative Value

Olympus strives to play an integral role in helping people around the world lead healthier and more fulfilling lives. To enhance people's lives, the Olympus Group will continue to offer innovative value. To that aim, we constantly seek to provide safe, high quality products and services that engender loyalty and affection for our brand and that are meaningful to society, while taking sufficiently stringent measures to protect customers' information.

4. Working Environments with Vitality

The Olympus Group will provide a safe and healthy working environment where individuality and diversity are respected and personal development is fostered. This environment will allow employees to strive for the highest level of skill and knowledge, and enable the innovative creation of value sought by society. We will aim to create working environments with a high level of transparency in management, to share information without seeking to hide or obfuscate unfavorable truths, and an atmosphere in which free and vigorous discussion is encouraged.

5. Harmony with the Environment

Respecting the importance of people's safety and health and the essential role of nature in supporting their lives, the Olympus Group will contribute to a healthy environment and pursue sustainable development of society through business activities and technological developments that are in harmony with nature.

6. Contribution to Society

The Olympus Group is always mindful of the impact our decisions have on stakeholders and society, and we will actively seek out the voices of stakeholders, including customers, business partners, shareholders, employees and communities, and sincerely respond to their questions, concerns and needs. The Olympus Group regards itself as a citizen in each of the communities where employees live and work, and we recognize the importance of supporting community organizations, programs and activities. Additionally, we will always respect the culture and practices of the countries and regions where the Group engages in business.

Revised on April 27, 2018

Olympus Group Corporate Conduct Charter
<https://www.olympus-global.com/csr/effort/charter.html>

Olympus Group Code of Ethics
<https://www.olympus-global.com/csr/effort/principle.html>

Promotion System

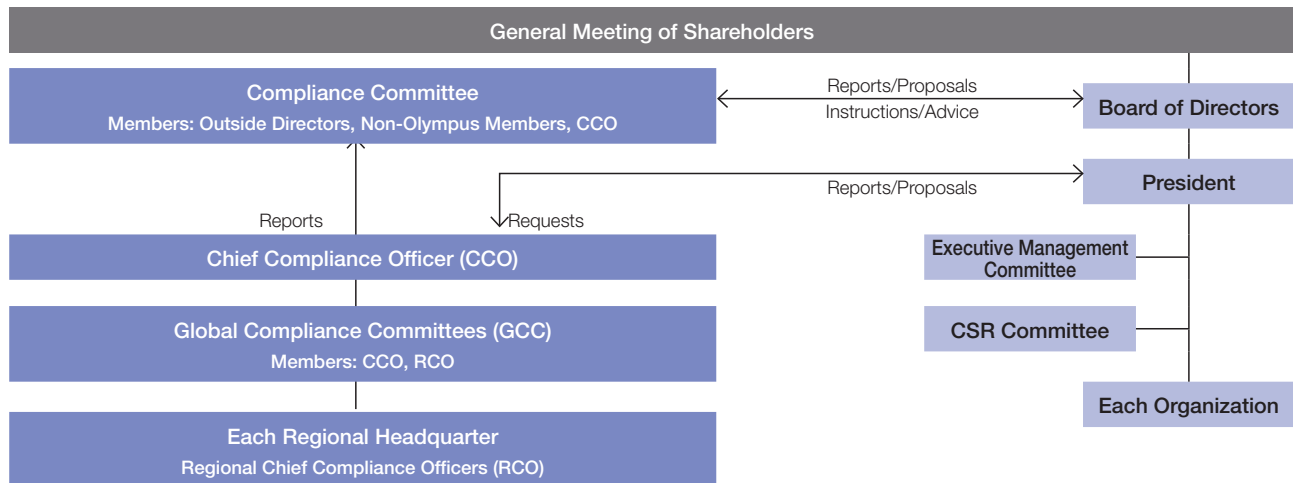
Compliance Promotion System

In order to clarify who is responsible for compliance-related issues, Olympus has appointed a Chief Compliance Officer (CCO) as a global compliance supervisor. (A deputy CCO was also appointed in fiscal 2017)

Moreover, we have also established a Compliance Committee, which is composed of outside directors, the CCO, and an external member (external lawyer in fiscal 2017), which serves as an advisory body to the Board of Directors. The chair is elected by mutual vote from outside directors. Meeting on a quarterly basis in principle, Compliance Committee members oversee and improve compliance systems, report compliance-related matters to the Board of Directors, and upgrade related systems to prevent compliance infractions.

We have also established the Global Compliance Committee (GCC), which is composed of the CCO and Regional Chief Compliance Officers (RCOs), in order to implement compliance-related policies and measures globally, understand regional situations and challenges, and carry out necessary corrective measures. The GCC has meetings on a quarterly basis in principle. Policies and measures directed and confirmed by the GCC are applied to each region by RCOs. In addition, compliance circumstances and issues throughout the Olympus Group identified by the GCC and RCOs are reported by the CCO on a regular basis to the Compliance Committee and are discussed at Board of Directors' meetings as needed.

Compliance Promotion Structure



Systems and Mechanisms

Compliance Hotline Systems

In an effort to maintain compliance, Olympus has established compliance hotline systems for each regional headquarter in accordance with the laws of individual countries. For its compliance hotline system in Japan, Olympus has established the Compliance Helpline based on the Whistleblower Protection Act and operates two contact points, an internal one as well as an external one managed by an independent attorney. Regarding the external contact point, the attorney providing the service will not, without the approval of the whistle-blower, reveal any information that could be used to identify the individual to staff within the company of the internal contact point, thereby providing greater assurance of anonymity. In keeping with the laws on subcontractors and on the prevention of unfair competition, this system receives reports not only from executives and employees, but also from suppliers that have direct business relationships with domestic Olympus Group companies.

Regional headquarters have established internal/external contact points (hotline) in Europe and the Americas as well as external reporting lines in Asia/Oceania. Internal contact points in the United States are overseen by employees who are certified lawyers.

In cases where reports are received by contact points across regions in Japan and overseas, the relevant regional headquarters are expected to take action in cooperation with the Regional Chief Compliance Officer (RCO) and the RCO for the relevant regional headquarters will address these issues in coordination with other RCOs.

Facilitating an Atmosphere That Encourages the Use of Compliance Helpline

In Japan, we maintain an atmosphere that encourages employees to use the Compliance Helpline by enhancing internal reporting systems through appropriate revisions of various operating regulations, while raising awareness of this system through e-learning programs, compliance handbooks, and intranet bulletin boards. In addition, we explain how to use the Compliance Helpline to suppliers at supplier briefings held at the beginning of the fiscal year.

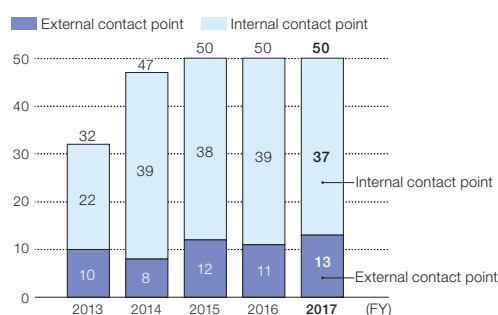
Overseas, Olympus promotes the use of internal reporting systems through enhancements and raising awareness, both of which are the responsibility of RCOs.

Training of Internal Reporting System Supervisors

With the aim of enhancing the internal reporting system and increasing its trustworthiness, we conduct systematic training of internal reporting system supervisors in Japan. Beyond supervisors providing guidance to their replacements, we are working to systematically and continuously improve supervisor responsiveness by requiring them to obtain a management ethics certification authorized by the Association of Certified Business Ethics Experts Japan and receive training conducted by an external specialist agency.

Furthermore, the number of cases of harassment (power harassment, sexual harassment, etc.) is higher than in any other category, and accounts for a third of all the reports received in Japan, regardless of the fiscal year.

Number of Compliance Hotline Reports and Inquiries in Japan



Compliance-related Monitoring of Domestic Affiliated Companies

The status of compliance with important laws and regulations in domestic affiliates of the Olympus Group (14 companies*) is being monitored on a quarterly basis. Specifically, every quarter, Compliance Promotion Committee members in each company submit responses on the status of compliance with Class A laws (laws related to subcontractors, occupational health and safety, labor issues, anti-monopoly issues and prevention of unfair business transactions) enacted in fiscal 2017, along with risk assessments based on their compliance status (high, medium or low) and status of corrective action. The findings are published by the Compliance Promotion Committee and shared together with responses from the principal business divisions responsible for monitoring important laws and regulations, to contribute to reinforcing compliance at affiliates in Japan.

*The following 14 companies: Olympus Medical Systems, Olympus Medical Science Sales, Nagano Olympus, Aizu Olympus, Aomori Olympus, Shirakawa Olympus, TmediX, Olympus Digital System Design, Olympus Terumo Biomaterials, Olympus Memory Works, Olympus Logitex, AVS, Olympus Systems, and OLYMPUS RMS.

Compliance Education

In order to raise compliance awareness and promote an understanding of important laws and internal rules, as well as to ensure consistent compliance with them, Olympus is enhancing its compliance education. In Japan, the Compliance Promotion Department conducts education programs for various individuals using optimal tools. In addition, departments responsible for ensuring compliance to important laws conduct education programs by selecting course participants and training methods in accordance with the characteristics of applicable laws. Overseas, we undertake compliance education in a systematic manner at each regional headquarters according to the education curriculum used in Japan.

Major Results in Compliance Education

Category	Target	Method	Description	実績
General	Executive officers	Group training	Outside instructors conduct lectures on management compliance.	Frequency of program: 1 Number of participants: 19
	All employees	E-learning and group training	Education on compliance helpline	Frequency of program: 1 Number of participants: 13,234
	All domestic employees		Distribute compliance handbooks containing explanations of the management philosophy and corporate code of ethics as well as a Q&A summary	Frequency of program: As needed Target: New employees, mid-career employees, etc.
Education in Important Laws and Regulations	All employees	E-learning and group training	Education on compliance helpline Provide more comprehensive education programs to departments and supervisors that are deeply involved with key laws and regulations related to management	Frequency of program: 1 Number of participants: 7,600 (employees in medical care-related business)
Rank-Specific Education	People at specific ranks	Group training	Educational programs required for management and executive personnel, employees who have been promoted, and new employees	Frequency of program: As needed in accordance with the plan
Messages from Senior Management	All employees	Intranet	Messages distributed from the President, executives, and the CCO CCO messages are sent out during, Compliance Month (October).	Message from the CCO Frequency of program: 1 (October)
Management Dialog Opportunities	Managers and employees	Town meetings	At town meetings, Group company top management explains the importance of compliance. Town meetings held on an ongoing basis (include affiliates and local corporations)	Small town hall meeting by the RCO Frequency of program: 1 Number of participants: 55 (9 divisions)

Strengthening Compliance with Key Laws and Regulations

Jurisdiction	Name of Law/Regulation, etc.
Laws, regulations and guidelines in Japan	<p>Laws and regulations relating to anti-bribery such as Unfair Competition Prevention Act, etc. National Public Service Ethics Act/rules of ethics Agreements relating to fair competition Transparency guidelines for the medical device industry in relation to medical institutions, etc. (formulated by the Japan Federation of Medical Devices Associations) Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Antimonopoly Act) Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act) Laws and regulations relating to labor such as Labor Standards Act/Industrial Safety and Health Act, etc. Laws and regulations relating to insider trading Personal information protection laws/My Number ID Act Laws and guidelines relating to measures against antisocial forces</p>
Laws, regulations and guidelines in other countries	<p>Foreign Corrupt Practices Act (FCPA, United States) U.K. Bribery Act 2010 (United Kingdom) Anti-Kickback Statute (United States) OECD agreements concerning the prevention of the bribery of foreign public officials in international commercial transactions United Nations agreements concerning the prevention of corruption Other laws and regulations relating to the prevention of unfair competition Physician Payment Sunshine Provision (United States) Laws and regulations relating to anti-monopoly Laws and regulations relating to measures against antisocial forces</p>

Small Town Hall Meeting Led by the RCO

In response to the message from the CCO released during October, which is the Internal Compliance Reinforcement Month, stating that "all employees must renew their awareness that compliance is part of their everyday duties and remember that there is a compliance team to support their efforts," small town hall meetings led by the RCO were organized to replace the compliance awareness questionnaire survey.

At the first such meeting, nine business divisions from the Olympus Group in Japan were selected to avoid duplicating business activities and functions. The meeting, which was attended by all employees except for those in managerial positions, encouraged employees to freely express the doubts and dissatisfaction they feel with our day-to-day business performance. There were lively exchanges of views and a question-and-answer session held with the RCO.

The findings from the meeting were shared with the Compliance Promotion Committee. At the same time, all questions were relayed to the compliance division, so that they could relay their answers to the relevant business divisions.

Status of Legal Compliance

Ruling on the Lawsuit Claiming Damages against Former Olympus Executives and Proposal for Appeal

In relation to the claim for damages Olympus filed against six former Olympus executives over the issue related to deferment of losses, on April 27, 2017, the Tokyo District Court ruled that the former executives should pay compensation for the damage caused. Olympus filed an appeal in the Tokyo High Court on May 11, 2017 to challenge part of the ruling.

For latest updates, please see Olympus Investor News:

<https://www.olympus-global.com/ir/data/announcement/2017.html>

CSR Management

CSR Promotion Structure and Risk Management

CSR Promotion Structure

To enhance the CSR promotion structure, Olympus established the CSR Committee in fiscal 2010. Under the umbrella of this CSR Committee, Olympus has set up a number of promotion committees to plan and advance individual CSR-related initiatives.

The CSR Committee meets at least twice a year and is chaired by the CSR Division Manager and members include managers from functional organization. Olympus aims to spread and entrench CSR throughout the Group by having the CSR Committee support the decisions made by the president, who is ultimately responsible for CSR, and overseeing the promotion and progress of important matters.

◎ CSR Committee and Promotion Committees (Fiscal 2017)



Risk Management System

Olympus Group has established a global risk management system to prevent risks from occurring and to mitigate risks, based on its Risk Management and Crisis Response Policy and its Rules on Risk Management and Crisis Response.

Specifically, Olympus established the Risk Management Promotion Committee as a promotion function of the CSR Committee to promote important risk management measures at departments and worksites.

The risk management implementation status in each region and organization is reported to the head office through international meetings. We have also begun enhancing risk assessment perspectives throughout the process of creating business plans and policies and priority measures in order to improve business management efficiency.

As for plans concerned with reducing risks from major earthquakes, which could have a significant impact across all our business activities, we established an individual implementation structure as part of the overall Business Continuation Plan. We then organized chronological action processes based on experiences in the Great East Japan Earthquake and 2016 Kumamoto Earthquake into the Action Procedure for Staff to Save Their Lives, Initial Action Procedure in Each Worksite, and Action Procedure for Business Recovery. These action procedures were then allotted to different organizations and their roles and compiled as manuals, and drills based on these manuals are conducted regularly.

Any major incident is reported to the president and directors, and then addressed by managers in the relevant departments.

Policy of Risk Management and Crisis Response

Based on the Corporate Conduct Charter as well as on our corporate philosophy of “Making people’s lives healthier, safer and more fulfilling,” which provide the basis for all corporate activities, the Olympus Group will conduct global risk-management activities to obviate and to mitigate the risks that might prevent the achievement of its group management objectives. In the event that a risk materializes, the Olympus Group will promptly and appropriately take actions to minimize any crisis and damage.

1. Basic Purpose

- To secure the safety of customers, regional residents, officers, employees and their families
- To keep the managerial resources intact and ensure the continuity of business
- To improve the quality of business management and increase the corporate value

2. Action Guidelines

- We respond to stakeholders' expectation by managing risks integrally on a company-wide basis, and through responses implemented with sufficient consideration for social demand and/or change.
- We incorporate risk management into our day-to-day global business activities.
- We integrate risk management consciousness throughout our organizations and members, and continuously increase our risk response ability, through global risk management activities.
- We take prompt, responsible actions prioritizing human life and safety in case of emergency.

3. Establishment of a Risk Management System

- We will establish a risk management system and a crisis response system, and clarify the related responsibilities in order to ensure conducting risk mitigation activities and making appropriate management and responses in case of emergencies.

4. Establishment of Rules

- We will establish the in-house rules to clarify the measures to be implemented, in order to ensure conducting appropriate risk mitigation activities and making appropriate responses in case of emergencies.

5. Education

- We will provide necessary education and training so that each organization and all personnel in the Group will be able to act appropriately in line with the Action Guidelines to meet the Basic Purpose as described in this policy.

CSR in Procurement Activities (Supply Chain)

Basic Policy on Procurement

The Olympus Group aims to strengthen supply chain management (SCM) within the context of business continuity and sustainable value creation in its three business segments: the Medical Business, the Scientific Solutions Business and the Imaging Business.

In 2005, Olympus formulated the Olympus Group Procurement Policy. Since then, Olympus has disclosed its basic stance on procurement both internally and externally through its website and training sessions, while strengthening compliance with laws, regulations and social norms. We have also drawn up the "Request to Suppliers" as a guideline for complying with laws, regulations and social norms, including respect for human rights and the elimination of antisocial forces, prohibiting corruption and bribes, promoting fair and just transactions, and taking the environment into consideration.

Based on these two principles for procurement activities, Olympus strives to create and strengthen good relationships with its suppliers through fair, just and transparent transactions.

Olympus Group Procurement Policy

In line with the following principles and based on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling," which provide the basis for all corporate activities, the Olympus Group procures the materials and services necessary for the manufacture of our products.

1. Compliance with Laws, Regulations, and Social Norms

Olympus complies with applicable laws, regulations, and social norms including those concerning the respect for human rights, including the prohibition of child labor and forced labor, and anti-corruption and, carries out our corporate activities in a sound and fair manner. We ask the suppliers of the materials and services used in manufacturing our products to do the same.

2. Green Procurement and Consideration for the Environment

In establishing green procurement standards in line with our Environmental Policy, and in its procurement activities, we endeavors to build a society that has a sound environment and that is capable of supporting sustainable development.

3. Promotion of Fair and Impartial Trade

We open our doors wide to current suppliers and future suppliers all over the world. We conduct fair and impartial trade with its suppliers according to the policies and procedures disclosed to suppliers.

4. Selection of Suppliers

Olympus selects suppliers based on a comprehensive decision on key elements for the appropriate procurement, including the management of compliance with laws, regulations, and social norms, environmental considerations, quality and safety assurance and a stable supply, management stability, technical capabilities, security of information, respect for the intellectual property of other parties, compliance with the designated delivery date and appropriate pricing.

5. Reinforcement of Partnership with Suppliers

Olympus endeavors to establish and maintain a relationship of trust with our suppliers based on mutual understanding.

6. Prohibition on Accepting Personal Interests

Olympus prohibits its employees from accepting any improper personal gifts, benefits or entertainment from suppliers.

System and Framework

■ Initiatives with Suppliers

● Share business strategies and procurement policy

Once a year, the Procurement Policy Meeting is held with key domestic suppliers for each business for the purpose of sharing with them the business strategies and procurement policy of the Olympus Group.

In fiscal 2017, 855 representatives from 520 suppliers participated. We explained compliance matters that all suppliers should know, such as conflict minerals and human rights issues, and asked for their cooperation in tackling these problems.

● Supplier survey and improvement activities

Once a year, Olympus conducts a web-based survey of its main suppliers in Japan and overseas with which it has ongoing business transactions. The survey covers 121 questions, of which 24 are related to CSR, related to management information, CSR initiatives, and delivery deadlines.

In fiscal 2017, survey was conducted on roughly 1,000 companies, including overseas suppliers. Responses were received from approximately 95%. We have put in place a system that encourages suppliers to make improvements to prevent incidents on their own initiative, and we consult privately with suppliers on remedies if we believe they have room for improvement. We conduct studies for risk assessment in collaboration with specialized divisions within the Group companies.

● Response to Conflict Minerals

The Olympus Group upholds international efforts to resolve the problem of conflict minerals*. On behalf of the Olympus Group, the Olympus Corporation participates in a committee established by the Responsible Minerals Trade Working Group of the Japan Electronics and Information Technology Industries Association (JEITA). Working together with suppliers, such as by discussing the conflict minerals at procurement policy meetings, we ensure transparency in our supply chains and continue the procurement of parts and materials that does not cause human rights violations.

*Conflict minerals

The Democratic Republic of the Congo (DRC) and surrounding countries produce minerals such as tantalum, tin, tungsten, and gold. Armed groups in the DRC, where the civil war continues, use these minerals to raise funds, causing human rights violations (child labor and sexual violence), as well as environmental damage. These four minerals are defined as conflict minerals in the United States and Europe, and actions are executed in earnest to cut off the supply of funds to armed groups. Other moves by international organizations, governments, NGOs and industry organizations to solve this problem include the publication of the Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas by the Organization for Economic Cooperation and Development (OECD).

■ Education for Adhering to Subcontract Act

The Subcontract Act is regarded one of the key legislations for Olympus, and e-learning programs were organized for all employees, including those in Group companies in Japan. Additionally, an awareness survey across our Group companies in Japan was conducted to assess their state of compliance with the Act.

We will continue to confirm group-wide compliance and organize training programs to enhance our observation of the Subcontract Act.

■ Expansion of Scope of Compliance Helpline

Since June 2012, suppliers have had access to the Compliance Helpline, the internal reporting system at Olympus. In conjunction with guidance provided on our website, we proactively engage with suppliers, such as through procurement policy meetings.

◎ Key Evaluation Items in Supplier Survey for Initiatives with Suppliers

Evaluation	Criteria Details
Management information	Corporate information Financial condition
CSR	Compliance with laws, regulations and social norms Protection of human rights (child labor, forced labor, inappropriate low-wage labor) Protection of worker rights (labor standards, occupational safety and hygiene) Protection of the environment (CO ₂ emissions, waste discharged, water usage, environment-related chemical substances)
BCP	Business continuity strategy Manufacturing site information Contact information during emergencies and disasters Confirmation of supply chain Confirmation of employee safety
Environment and quality	Acquisition of ISO 9000 and ISO 14000 Procurement and process management (5Ms (materials, methods, measurement, machinery, manpower), change information, noncompliant treatments)
Delivery	Production plans Progress and distribution management
Information protection	Personal and confidential information Intellectual property Computer security

Commitment to External Initiatives

In October 2004, Olympus joined the U.N. Global Compact, agreeing to uphold its 10 principles.

The Global Compact (GC) is a voluntary initiative to create a global framework within which companies can contribute to good corporate citizenship and sustainable growth through responsible and creative leadership. The 10 principles of the Global Compact are incorporated into our Corporate Conduct Charter and related policies, and are reflected in our business activities.

Olympus supports initiatives on climate change as a signatory to the Global Compact “Caring for Climate,” and announced its support for Global Compact Network Japan’s “Tokyo Principles for Strengthening Anti-Corruption Initiatives” in April 2018.



External Evaluation of CSR Management (Fiscal 2017)

FTSE4Good Global Index Series

Olympus has been selected as a stock for inclusion in the FTSE4Good Global Index Series, an investment index consisting of the best companies in the world in terms of social responsibility.



FTSE4Good

FTSE Blossom Japan Index

Olympus has been selected to FTSE Blossom Japan Index, designed to measure the performance of Japanese business enterprises showing excellence in the environmental, social and governance (ESG) criteria.



FTSE Blossom
Japan

MS-SRI

Olympus has been selected as a stock for inclusion in the Morningstar Socially Responsible Investment (MS-SRI) Index.

Labor Practices and Decent Work

Employment and Labor Relations

Basic Approach and Policy

Olympus Group recognizes that its employees are its most valuable assets. We respect diversity, character, personality and the human rights of all our employees, and provide them with equal opportunities to fulfill their potential and improve their abilities as well as opportunities to work, develop their skills and gain promotion according to their level of competency.

Promotion Structure

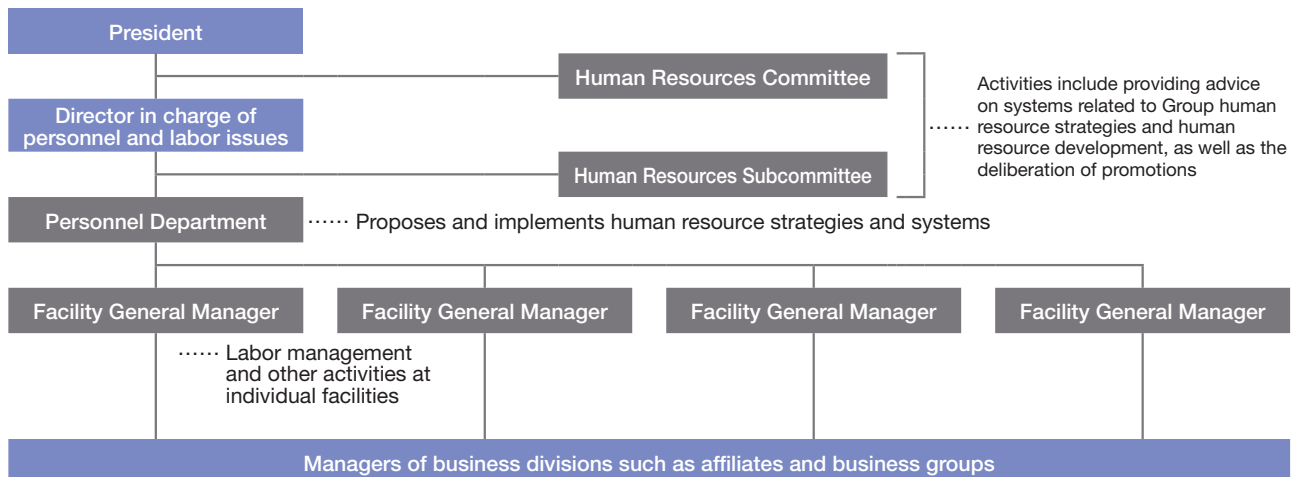
Employment and Labor Management Systems

In the Olympus Group, the president is ultimately responsible for personnel and labor issues such as human resource strategy, human resource development and labor management, while the director in charge of personnel and labor issues supervises individual activities.

We are working to implement measures relating to labor-related regulations in various countries in each Group company and divisions in compliance with the Group's human resource strategy for optimal business management utilizing diverse human resources.

As multiple subsidiaries and in-house companies in Japan are sometimes located in one facility, each facility has its own facility general manager to ensure the comprehensive implementation of policies and measures concerning personnel and labor issues.

◎ Organization of Personnel and Labor Issues (Japan)



Employment

The Provision of Fair Opportunities section of the Olympus Human Rights and Labor Policy (see page 33) clearly states that “Employees are our most valuable assets. We respect diversity, character, personality and the human rights of all employees, and provide them with equal opportunities to fulfill their potential and improve their abilities as well as opportunities to work, develop their abilities and gain promotion according to their level of competency.” We endeavor to reflect this stance.

We employ people on the assumption that employment will be long-term. Our salary system is based on job-related qualifications and performance, and we have in place human resource systems aimed at cultivating employee growth over the long term.

Recruitment in Fiscal 2017

Olympus hired 363 employees in fiscal 2017, down by 27.2% over the previous year. Of these, mid-career employees accounted for 41.5% of the total.

Also, the hiring of women was actively promoted in line with the Act on the Promotion and Advancement of Women, and the percentage of female employees is now 16%.

Employment of People with Disabilities

Olympus works proactively to employ people with disabilities (physical, mental and intellectual). At Olympus Support Mate, the special-purpose subsidiary* established in April 2009, we create working environments and working conditions that are appropriate both for the nature of each individual’s disabilities and for operational requirements and strive to ensure ongoing employment.

*Special-purpose subsidiary

A subsidiary approved by the Minister of Health, Labour and Welfare under the provisions of Article 44 of the Act on Employment Promotion, etc., of Persons with Disabilities as an organization that gives special consideration to the employment of people with disabilities and is deemed as one of the business offices of its parent company

Employment of the Elderly

In Japan, Olympus has a system to continue employing employees who want to work for the Company after reaching the retirement age of 60 until they become 65 years old.

In fiscal 2017, 95 people qualified for the program, and 100% of the employees requesting continued employment were hired accordingly.

Continued employment does not involve changes in working conditions, paid annual leave or special leave. The employee welfare program (Cafeteria Plan) is suspended for these employees.

Labor Practices and Decent Work

Occupational Safety and Health

Occupational Safety and Health

Basic Approach and Policy

In order to prevent industrial accidents and maintain healthy working environments with vitality, Olympus has set forth “Ensuring Occupational Safety and Health” in the “Olympus Group Code of Ethics” and established the “Occupational Safety and Health Basic Policy.”

Olympus Group Code of Ethics
<http://www.olympus-global.com/en/csr/olycsr/socialin/principle/policy.jsp>

Basic Policy on Group-Wide Occupational Safety and Health

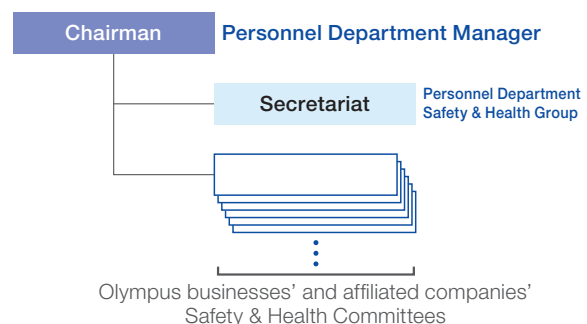
1. The Olympus Group will support the mental and physical health of all employees while working diligently to promote a workplace environment in which employees can carry out their duties in comfort and with peace of mind.
2. The Olympus Group will observe the Industrial Safety and Health Law as well as all related regulatory requirements. The Group will fulfill its responsibilities in ensuring the proper management of employees' health while addressing all safety concerns.
3. The Olympus Group will implement activities aimed at preventing accidents in the workplace as a part of efforts to eliminate any and all industrial incidents.

Occupational Safety and Health Promotion Structure

In order to implement the “Occupational Safety and Health Basic Policy,” Olympus has established the “Safety & Health Promotion Committee,” which is chaired in Japan by the general manager of the Human Resources Division. The members who make up the committee are the representatives of the Safety & Health Committee established in each business of our headquarters and in affiliated companies, the labor union, and the industrial doctors of each site.

The Safety & Health Promotion Committee tracks general safety and health and health management activities at each site and shares the causes, countermeasures, and preventive measures for occupational accidents with the aim of improving overall Group activities by presenting remedial guidelines and information about legal amendments to all sites. Overseas, we are pursuing activities based on compliance with laws and regulations in each country.

◎ Safety & Health Promotion Committee

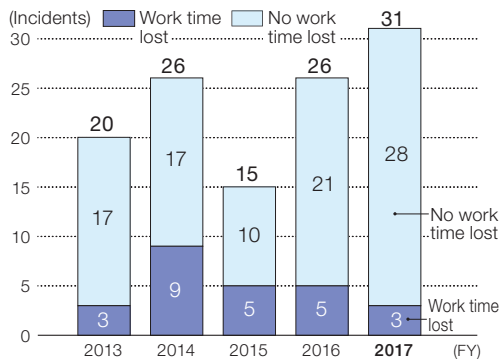


Safety & Health Promotion Activities

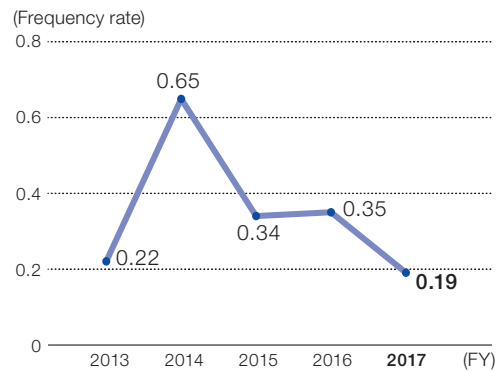
At the beginning of every year, Olympus establishes the “Activity Policy” for occupational safety and health and health management in accordance with the “Occupational Safety and Health Basic Policy,” and promotes activities utilizing the PDCA cycle.

Elimination of industrial accidents is a theme that requires continuous action, and the number as of fiscal 2017 was 31. We have promoted various measures to reduce industrial accidents without fail. In fiscal 2018, we will reinforce our efforts to reduce industrial accidents. We will make introduction of measures to prevent industrial accidents a top-priority theme for all Group companies to increase the synergistic effect and accelerate implementation of the measures.

Number of Industrial Accidents (work time lost/no work time lost)



Incidence Ratio of Industrial Accidents



*Scope: Olympus Corporation only
 Number of workers, incl. temporary workers (average total) × 1,920 ... (1)
 Industrial accidents (work time lost) ÷ (1) × 1,000,000 = Incidence ratio

Number of Fatal Accidents

	FY2013	FY2014	FY2015	FY2016	FY2017
Fatal accidents	0	0	0	0	0

Health Management

Basic Approach and Policy

In addition to health management activities as industrial healthcare, in cooperation with the Health Insurance Association, we support health promotion activities for employees. In fiscal 2015, we began the “Mind and Body Vitality Project,” which promotes activities with an emphasis on (1) prevention of lifestyle-related diseases, (2) early detection of cancer, and (3) prevention of mental health disorders.

Basic Policy for Activities

We will promote the creation of a healthy and vibrant corporate culture for both mind and body with our sights set on the “Realization of a Better Livelihood and Happiness” for each and every individual.

Priority Activities

- (1) Prevention of lifestyle diseases
- (2) Early detection of cancer
- (3) Prevention of mental health disorders

Realization of a Better Livelihood and Happiness



Activities in Fiscal 2017

■ Health Promotion Activities and Campaign

To foster greater awareness and provide support in activities related to health management among employees, we introduced the portal site Wellness Port Navi under the initiative of the health insurance union to promote health management by individual employees.

We have actively organized health campaigns, including promotion on walking, year-end weight control program, quitting smoking, dental health, etc.

■ Recognized under White 500, the 2018 Certified Health and Productivity Management Organization Recognition Program

Olympus's activities in employee health management, implemented strategically from a management point of view, won consecutive recognition in 2017 and 2018 from White 500, the Certified Health and Productivity Management Organization Recognition Program.

The Program organized jointly by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi, is a certification program bestowing recognition to large enterprises with outstanding health management practices organized in cooperation with health insurance society, etc.

Olympus emphasizes the development of a healthy and vibrant working environment for employees' minds and bodies and is proactively implementing measures that include our system for industrial health activities, a range of health examinations, the prevention of lifestyle-related diseases, implementation of cancer screening tests using endoscopes, and improvements in mental health services.

We plan to continue to work in cooperation with the Health Insurance Association, for continuing effort in building a better working environment and good health for both the employees and their families. We plan to work actively in promoting health among employees of the Group companies and to contribute to society through promotion of health among its customers through our business activities.



■ Health Declaration and Stop Smoking Promotion

We have announced the Olympus Health Declaration to promote health awareness among employees and their families. As a priority issue, we aim to prohibit smoking completely within the premises of our group companies across Japan by the end of March 2021.

At the same time, we are working together with the Health Insurance Association to organize support programs for those of employees who want to stop smoking.

◆ Corporate targets

- Complete smoking ban within company buildings: By the end of March 2020
- Complete smoking ban within company premises: By the end of March 2021
- Smoking ban among out-of-office workers during working hours: By the end of March 2021

◆ Health Insurance Association target: Reduce smoking rate to 12% by the end of March 2023

Health Management Support System

Olympus is developing and strengthening Systematic Health Management by allocating industrial doctors, health workers, and nurses depending on the size of the facility.

In the Health Insurance Association, we actively support the implementation of cancer screening tests, prevention of lifestyle-related diseases, and individual health promotion activities.

Number of Medical Staff and their Role

	Headquarter Facilities	Headquarters Branch/Sales Offices	Affiliates/Sales Companies	Roles
Supervising industrial doctors	○	○	○	<ul style="list-style-type: none"> ● Hiring decision/Interview ● Overwork/Mental support ● Contracted industrial doctor follow-up
Industrial doctors: 7	○	○	○	
Health workers/nurses: 25	○ (12)	○ (4)	○ (9)	<ul style="list-style-type: none"> ● Subsequent measures ● Specific health guidance ● Health support seminar
Counselors/Psychiatrists (Contracted: 3)	○	—	○ Workers in headquarters facilities	<ul style="list-style-type: none"> ● Collaboration with industrial doctors/medical care workers
Contracted industrial doctors: 9	—	○ (Partial)	○ (Core factories)	<ul style="list-style-type: none"> ● Cooperation with industrial doctors/medical care workers

Health Examinations and Health Counseling

In cooperation with the Health Insurance Association, we are enhancing our routine health examination offering. In optional screening, we have introduced endoscopic tests.

We are also holding events such as seminars on physical exercise for the prevention of lifestyle-related diseases and non-smoking seminars to provide employees with more opportunities to receive advice on their health, including mental health.

We require routine health examinations for expatriate employees sent to work abroad and we follow up on the health management of employees and their families. We deploy industrial doctors, health workers and nurses and we interview them when they are appointed and when they return from assignment, and also conduct daily health counseling. In addition, industrial doctors make routine site visits and we have enhanced our health management activities for expatriates.

Cancer Screening Tests

Health examinations offer enhanced cancer screening tests using endoscope and support the early detection of cancer. In fiscal 2017, lectures by prominent speakers were organized to raise the screening rate.

- Most of the cost of cancer screening tests is paid by the Health Insurance Association. (For lung and brain cancer screening, however, employees pay half the cost.)
- Employees aged 35 or older can choose to have stomach and colon cancer screening using endoscopes.
- Gynecological (breast cancer and cervical cancer) screening can be received without age restrictions.
- Dependent family members aged 30 or older are also eligible for cancer screening provided by the Association.

Cancer Screening Test Support System

Examination Item	Target	Health Insurance Cost Subsidy	Years Consultation Encouraged*
Gastric cancer (endoscope)	35 years and older	100% coverage	Once every two years
Gastric cancer (pepsinogen examination)	35 years and older	100% coverage	Year that gastroendoscope exam is not undertaken
Bowel cancer (endoscope)	35 years and older	100% coverage	Once every three years (40 years and older)
Bowel cancer (fecal occult blood test)	35 years and older	100% coverage	Year that large bowel endoscope exam is not undertaken
Breast cancer/Cervical cancer	Women of all ages 100% coverage	100% coverage	Once every two years
Prostate cancer (PSA marker)	Men 50 years and older	100% coverage	Once every two years
Abdominal ultrasonography	40 years and older	100% coverage	Once every two years
Lung cancer (lung helical CT)	40 years and older	50% (Limit of ¥5,000 including tax)	Individual decides whether to receive health exam

*Consultation encouraged: For those who have not yet taken the exam from the target age to retirement (depending on item) (call/recall)

■ Mental Health

Combining with the four types of care listed below, we support everything from preventive action to treatment for the mentally ill, and those returning to work after an absence due to mental illness.

- Education on mental health using e-learning tools and other methods
- Consultation and daily care service provided by industrial doctors and other health staff
- Consultation service and seminars provided by external psychologists

We conduct the statutory stress checks all together in our domestic group. In fiscal 2017, the participation rate was 94%, with interviews and personalized follow-up provided according to results. The program was completed satisfactorily. We continue to review its effective application, as part of our mental health program.

◎ Occupational Safety and Health Initiatives

Priority Topics	Priority Initiatives	
	FY2017	Next Fiscal Year
Reduce the number of industrial accident	<ul style="list-style-type: none"> ● Report to management in the event of a serious workrelated injury or an equivalent industrial accident and horizontally expand recurrence prevention ● Risk prevention training and improvement in risk assessment ● Rigorous recurrence prevention measures in the event of a disaster ● Establishment of priority issues in preventing disasters and review into corrective measures: Implementation of improvement measures ● Promotion of inspection and educational activities for the workplace environment to prevent falling down injuries (the Ministry of Health, Labour, and Welfare's promotion of the "STOP! Falling-Down Injuries Project") ● Promotion of inspection and educational activities for the workplace environment to prevent heatstrokes and promotion of awareness (promotion of the Ministry of Health, Labour and Welfare's "Stop! Heatstrokes, Cool Work Campaign") 	<ul style="list-style-type: none"> ● Report to management in the event of a serious workrelated injury or an equivalent industrial accident and horizontally expand recurrence prevention ● Risk prevention training and improvement in risk assessment ● Rigorous recurrence prevention measures in the event of a disaster ● Establishment of priority issues in preventing disasters and review into corrective measures: Implementation of improvement measures ● Promotion of inspection and educational activities for the workplace environment to prevent falling down injuries (the Ministry of Health, Labour, and Welfare's promotion of the "STOP! Falling-Down Injuries Project")
Strict legal compliance	<ul style="list-style-type: none"> ● Respond to new revisions based on notification from the Ministry of Health, Labour, and Welfare ● Reorganization of chemical substances control system (In areas related to the environment, export trade, and Occupational Safety and Health) 	<ul style="list-style-type: none"> ● Respond to new revisions based on notification from the Ministry of Health, Labour, and Welfare ● Improvement accuracy on chemical substances control system
Support health promotion activities (data health)	Promotion of health management activities <ul style="list-style-type: none"> ● Full support for health examinations (routine/special/specific procedures, etc.) and subsequent measures ● Thoroughly conduct doctor interviews to understand the overworked people being studied (including managers) ● Promotion of employee educational programs to strengthen health management activities ● Standardization of health management and mental health measures 	Promotion of health management activities <ul style="list-style-type: none"> ● Full support for health examinations (routine/special/specific procedures, etc.) and subsequent measures ● Thoroughly conduct doctor interviews to understand the overworked people being studied (including managers) ● Proposal and implementation of companywide health management measures in cooperation with the Health Insurance Association ● Study into measures to prevent greater disease severity and promotion of measures related to cancer
Mental support	Promotion of mental health measures <ul style="list-style-type: none"> ● Entrenchment and application of the mental health stress check program ● Expansion of mental health education (rank-specific training, support of young workers, etc.) 	Promotion of mental health measures <ul style="list-style-type: none"> ● Entrenchment and application of the mental health stress check program ● Improvement in education on mental health
Overseas health management	<ul style="list-style-type: none"> ● Industrial physician conduct of on-site inspection and individual interview, etc. ● Regular expatriates' health examination and promotion of a result follow-up ● Providing stress checks 	<ul style="list-style-type: none"> ● Industrial physician conduct of on-site inspection and individual interview, etc. ● Regular expatriates' health examination and promotion of a result follow-up, and recommendation for cancer screening tests ● Providing stress checks ● Implementation system for vaccination

Labor Practices and Decent Work

Training and Education

Human Resource Development

Basic Stance on Human Resource Development

Olympus regards “people” as its most important management resource and respects individuals. At the same time, we strive to be an organization that responds swiftly and systematically to changes in the management environment. Toward this end, we believe that it is important for each employee to transform themselves into a self-reliant professional with a mature character and to acquire the ability to respond to changes in society.

We believe it is important to trust in the motivation and vitality of our employees, provide a fair evaluation of the results based on their personalities and abilities, and treat them fairly. For this purpose, capacity development guidelines have been established as part of the personnel system for the outcome and achievements required of each employee. At the same time, support is provided to enable each employee in the Group to actively develop their career by improving their competences through the introduction of a goal management/evaluation system.

Furthermore, to ensure swift improvements in the performance of our human resource development system, we monitor the development of each employee and the effect on our investment in human resources.

Promotion Structure of Training and Education

In April 2016, Olympus established the Education & Training Department which charts strategies related to the training and career development of Group employees in Japan, and plans and implements systematic education programs. Education & Training Department has clarified its education program content and promotion structure in the course of upgrading its training systems over a period of one year. The new training system consists of “Company-wide Stratified Training,” which forms the basic training given to all employees in Japan, and “Functional Training,” which includes professional skills training and training programs tailored to individual circumstances. The Company-wide Stratified Training has been designed to provide and implement an effective system of training from a medium to long-term perspective. Over the five years starting in fiscal 2017, we will be systematically planning and developing a succession of new programs that we will shift to from the existing training courses.

Training and Education System

Olympus conducts more than 250 courses per year, consisting of management training, business training, technical training, global training, and so on, in the “Olympus College” Capability Development System. In 2016, we rebuilt these programs into “Company-wide Stratified Training” and “Functional Training” based on the concept of a “new training system” aimed at effective training from the medium- to long-term perspective. Company-wide Stratified Training is positioned as the fundamental training scheme that is conducted throughout the entire company. It is essential training that all employees receive from the simultaneous hiring of new graduates. With Functional Training, in addition to the training programs offered by functional departments focusing on professional skills development, we also offer training programs that can be selected depending on the needs and circumstances of each employee. We have worked on improving the effectiveness and efficiency of in-house training, including preparations for integrating Olympus College and e-learning, which were previously managed separately, to strengthen capability development.

Overview of New Training System

Company-wide Stratified Training				Functional Training
Qualification-specific Training		Role-specific Training		
Management training	Innovative mind, Leadership facilitation, etc.	Management training	New director training	Pre-retirement training
			Existing group leader training	Training for those in their 50s
New group leader training	Training for those in their 40s			
Existing team leader training				
New team leader training				
Young employee training	Establishing a professional mind (5th year)	Mentor training		Professional skill development training
	Contributing to organization and problem solving in action (4th year)			
	Practical communications, and application of problem solving (3rd year)			
	Role awareness and basic problem solving (2nd year)			
	Basics of work and organizational activities (1st year)			
	Writing skill and languages (Prospective employees)			

Manufacturing Technicians Training Program

Olympus regards its manufacturing technicians as an important source of added value, and provides them with functional training through the Manufacturing Technicians Training Program.

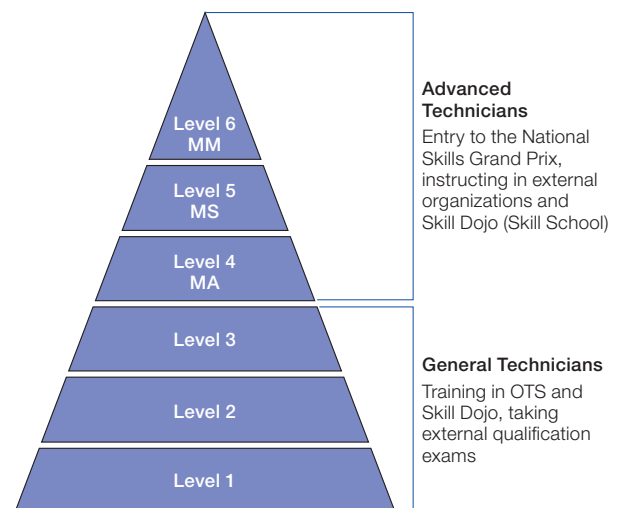
In the Manufacturing Technicians Training Program, we classify skills of manufacturing technicians into 6 stages, aiming at a planned level-up. Level 1 to 3 new employees are “general technicians,” Level 4 and above are certified as “advanced technicians” with high technical skills. Level 4 employees are referred to as Manufacturing Advisors (MA), Level 5 as Manufacturing Supervisors (MS), and the highest level 6 as Manufacturing Masters (MM). From new recruits to MMs, we nurture our employees in a planned manner according to their level.

We provide training programs oriented toward certification and programs that allow higher ranking certified technicians to provide assistance to raise the motivation of each employee.

With human resources training in overseas manufacturing sites becoming increasingly important, top experts in Japan are being dispatched to organize and provide guidance for similar training programs overseas. In fiscal 2017, the cumulative number of advanced technicians reached 113.

At the Vietnam factory, where imaging and medical-related products are manufactured, a certification system for bonding and soldering work has been introduced. This is designed to upgrade the training and education programs and contribute to the creation of a global manufacturing system.

Skill level of Advanced Technician Development System in Olympus



Labor Practices and Decent Work

Diversity and Equal Opportunity

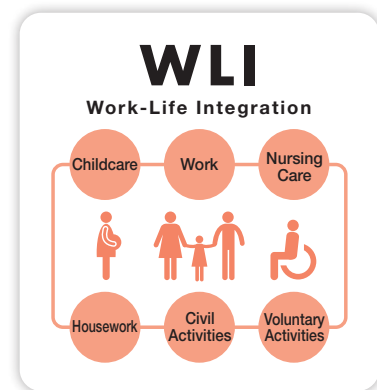
Systems to Improve Work-Life Balance

Work-Life Integration

In 2011, the Olympus Group introduced the concept of Work-Life Integration to help our diverse employees progress their careers regardless of the life events they are facing. We also implemented a range of activities under this concept among domestic Group companies, and are aiming to further enhance these measures, which we believe can lead to synergetic fulfillment in both work and life.

The measures are being implemented under four themes: (1) Promotion of diversity (see page 28 *Promoting Diversity*); (2) Nurturing the next generation (see page 28 *Promoting Diversity*); (3) Enhancing work productivity; and (4) Promoting health (see page 20 *Occupational Safety and Health*).

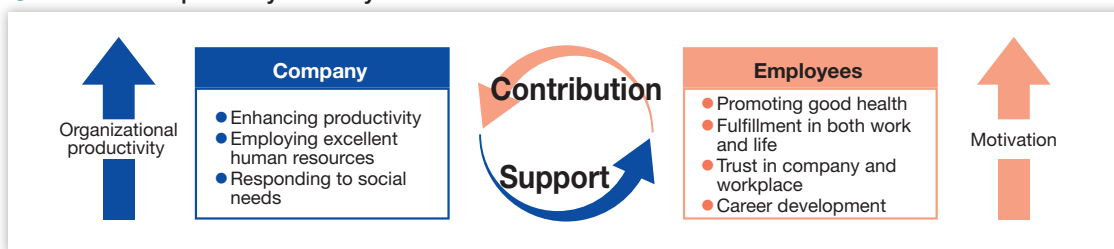
We also started Work-Life Integration training for managers on a regular basis in fiscal 2015 in order to disseminate an understanding of the importance of a management approach that will empower a diverse range of human resources. In fiscal 2017, we published a booklet describing our systems concerning Work-Life Integration and case studies, to promote usage of such systems, as well as providing know-how about achieving a good work-life balance.



Promoting Workstyle Reform and Productivity Enhancement

Olympus embarked on the Business Process Re-engineering (BPR) Project in July 2016 to strengthen our business and management foundation and to make best use of our organizational strengths. In collaboration with the Human Resources Division, the BPR Division, which is dedicated to implementing reforms, is upgrading organizational productivity and further motivating employees through changes in workstyles and awareness. We are implementing this project as a two-sided program consisting of reforms in action, aimed at building a better working environment, and reforms in awareness aimed at improving workplace productivity and changes in workstyles for each employee.

Effects Anticipated by Workstyle Reform



In April 2016, we expanded the scope of application of the work-at-home system so that more employees could take advantage of it. We expanded the system from workplaces with discretionary working hours to include other workplaces, and revised our employment regulations and labor agreements accordingly. In fiscal 2017, we further expanded the scope of applicable staff and now count some 1,280 users of the system, as of April 2018.

From July to August 2018, we participated in Telework Days, a teleworking promotion campaign led by the government in collaboration with the Tokyo Metropolitan Government and economic community. We also took a part in the Smart Commuting campaign (*Jisa Biz*), which is being promoted by the Tokyo Metropolitan Government to ease rush hour traffic congestion.

Welfare System

The Olympus Group implements welfare systems suited to different countries and regions.

In Japan, we provide employees with a welfare system to share the medical, childcare/nursing care and self-enlightenment expenses they have to pay. Specifically, we give priority to implementing measures to support employees who in need of support for home nursing care, home bathing services, babysitting, childcare facilities and language learning, including employees who are strongly committed to self-development.

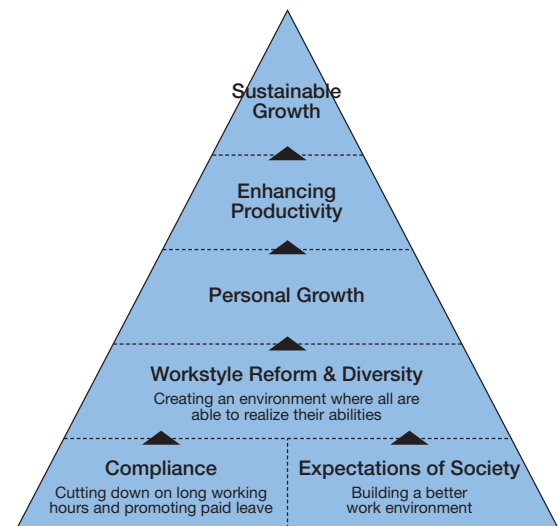
◎ Major Welfare System

System	Description	Coverage
Pension	Legally designated system	Across the group (including non-full-time employees)
Childcare leave	Longer than legally specified number of days	Group companies in Japan

Promoting Diversity

For the Olympus Group, which is propelling its business globally, utilization of diverse human resources has a significant influence in our business. We believe that maintaining an awareness of the importance of diverse human resources in progressing every aspect of our human resource strategy provides work satisfaction to each employee.

We are proactively promoting the empowerment of women in workplaces in Group companies both inside and outside Japan.



Promotion Structure

At Olympus, the Human Resources Division serves as the center for dialogue with employees and the labor union, providing systems to support an active role for diverse human resources and appropriately drafting and implementing measures. In fiscal 2017, we established the Diversity Promotion Group as a specific organization to reinforce our promotion structure.

The Diversity Promotion Group has the following five missions:

1. Creating the Diversity Policy and announcing it inside and outside the Group
2. Managing Group companies' diversity promotion
3. Creating and promoting the Olympus diversity measures (women's empowerment, employment of people with disabilities, and reemployment after retirement)
4. Providing Olympus diversity education and managing legal compliance
5. Promoting workstyle reforms

In fiscal 2017, we started diversity promotion over six categories, gender (women), people with disabilities, caregiver, the elderly, sexual & gender minorities, and foreigners.

Promoting the Advancement of Women

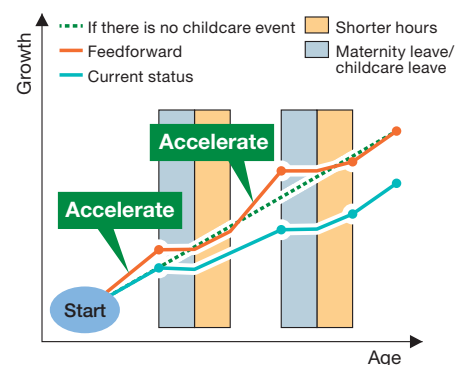
Olympus adopts gender equality in employment opportunities, employee promotions, and salary increases. We also actively appoint highly skilled and ethical people to appropriate positions. The advancement of women is in progress. As of the end of April 2018, female managers count 33 (29 in the previous year) and female managerial candidates increased to 188 from 146 in the previous year.

As well as establishing these welfare systems that support career progress while facing typical life events, we are also actively promoting the usage of such systems by publishing and distributing the leaflet concerning balancing work and child/elderly caring. We also hold related workshops in each department.

In fiscal 2016, we formulated a general business operator action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. The principal agenda of the plan is expanding the scope of employees qualified for the work-at-home system, Work-Life Integration (WLI) training for managers focusing on systematic career development for women, and training of managerial candidates to encourage the appointment of female managers. We are also considering introducing a mentoring system for female workers and a post-childcare training for early return to work.

Support is also provided for career development for women, based on anticipating life events and applying the concept of feedforward to provide experience and work opportunities at an earlier stage.

◎ Concept of Feedforward



Employer Action Plan Based on the Next-Generation Act

Olympus has formulated a general business operator action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Next-Generation Act). We are creating a working environment to support the Next-Generation Act by expanding the scope of employees qualified for the work-at-home system, establishing a childcare facility in Shirakawa Factory and other related activities.

General Business Operator Action Plan Based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Only in Japanese)
<http://www.olympus.co.jp/jp/csr/innovation/lively/actionplan/>

Receiving the Kurumin Mark

Of the companies that formulate action plans under the Act on Advancement of Measures to Support Raising Next-Generation Children (Next-Generation Act), those that achieve the targets specified in those action plans and meet certain standards may apply to be recognized as companies that support the raising of children and receive *Kurumin* accreditation from the Minister of Health, Labour and Welfare.

Olympus received *Kurumin* accreditation from the Minister of Health, Labour and Welfare in March 2016.



Employer Action Plan Based on the Act on the Promotion of Women

Olympus has formulated a general business operator action plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace (Act on the Promotion and Advancement of Women), which was adopted in August 2015.

Our efforts made in fiscal 2017 to develop female leaders through enhancing our training programs resulted in a steady increase of women managers as intended in the action plan.

Implementation of the work-life balance systems are also steadily progressing through expansion of the scope of employees qualified for the work-at-home system and the short working hour system for childcare, as well as the creation of a database to exchange company information to retain their career connections while on childcare leave.

The female employment rate is also increasing by focusing on women candidates in our recruitment drives and holding job fair presentations for women candidates.

General Business Operator Action Plan Based on the Act on the Promotion and Advancement of Women (Only in Japanese)
<http://www.olympus.co.jp/jp/csr/innovation/lively/woman/>

Personnel Evaluation System

Olympus manages its own goal management and evaluation system, to allow employees to proactively pursue their business themes and develop their abilities to grow towards their goals. Employees have regular individual interviews with their superiors to confirm the degree to which they have achieved their quantitative and qualitative targets and to set goals for the next term.

Repeatedly attending interviews and improving their abilities not only allows employees to make temporary improvements in performance, but also allows them and their company to pursue mid- to long-term growth.

We introduce 360-degree feedback evaluations to some senior management to assess their work behavior as well as business performance.

Employment and Labor Relations

The Olympus Group values protection of the rights of individual employees in order to offer better corporate value to society.

We implement appropriate measures based on human rights viewpoints and the labor-related laws of each country.

Labor-Management Consultations

The Olympus management team provides regular opportunities to engage in labor-management consultations, both centrally and at individual facilities, such as during its twice-annual Central Labor-Management Council with the Olympus Labor Union. Such councils serve as a forum for discussing improvements in labor conditions and corporate culture reforms.

One of the major topics in labor-management consultations in fiscal 2017 was employees' salaries, which resulted in revision of initial salaries for new graduates.

As of April 1, 2018, 5,749 employees (other than management) were members of the labor union, which covers 75% of all employees.

Employee-Related Data

			Olympus Corporation	Overall Olympus Group in Japan*1
Number of newly employed (FY2017) (persons)			789	662
Break down	Men	30s and younger	426	322
		40s and older	230	26
	Women	30s and younger	121	243
		40s and older	12	71
Rate of newly employed*2 (%)			10%	16%
Break down	Men	30s and younger	16%	20%
		40s and older	6%	2%
	Women	30s and younger	18%	25%
		40s and older	3%	21%
Number of staff leaving (FY2017) (persons)			216	278
Of which number of voluntary leavers			104	211
Break down	Men	30s and younger	41	86
		40s and older	143	51
	Women	30s and younger	26	72
		40s and older	6	45
Job retention rate*3 (%)			93%	—
Break down	Men		93%	—
	Women		91%	—

*1 The following 13 companies: Olympus Medical Science Sales, Nagano Olympus, Aizu Olympus, Aomori Olympus, Shirakawa Olympus, TmediX, Olympus Digital System Design, Olympus Terumo Biomaterials, Olympus Memory Works, Olympus Logitex, Olympus-Supportmate, AVS, and Olympus Systems.

*2 Includes both new graduates and mid-career employment.

*3 The percentage of those who remain in the company as of April 1, 2017, out of those employed in FY2014 (including new graduates and mid-career employment).

Employee-Related Data

		Olympus Corporation	Overall Olympus Group in Japan*1	
Number of employees (as of March 31, 2018) (persons)		8,244	5,819	
Break down	Full-time employees	Total*4	7,572	4,048
		Men's total	6,497	2,724
		20s and younger	714	769
		30s	1,954	855
		40s	2,048	670
		50s or older	1,781	430
		Women's total	1,075	1,324
		20s and younger	234	583
		30s	446	400
		40s	325	257
	50s and older	70	84	
	Excluding full-time employees	Total	672	1,771
		Men's total	373	529
		20s and younger	8	188
		30s	29	173
		40s	42	64
		50s or older	294	104
		Women's total	299	1,242
		20s and younger	18	239
		30s	90	440
40s		110	387	
50s and older	81	176		
Senior management	Total	373	63	
	Men	372	62	
	Women	1	1	
Junior management	Total	1,471	209	
	Men	1,390	206	
	Women	81	3	
Foreign employees	Total	39	27	
	Men	26	11	
	Women	13	16	

*4 Based on original employer companies (ignoring whether on-loan or not).

*5 Number of reemployed retirees.

*6 Taken in FY2017.

*7 Number of individual employees in FY2017 (not total usage).

*8 Number of those who used the system against number of employees in FY2017.

* Figures are for full-time employees unless otherwise stated.

		Olympus Corporation	Overall Olympus Group in Japan*1
Percentage of employees with disabilities (as of end of March 2018)		2%	—
Number of employees with disabilities (persons)		171	154
Number of reemployed retired workers*5 (persons)		275	122
Number of corporate-certified advanced technicians (persons)		80	68
Break down	MM	5	2
	MS	18	4
	MA	57	62
Number of employees taking childcare leaves*6 (persons)		80	122
Break down	Men	7	3
	Women	73	119
Work-at-home system users*7 (persons)		118	5
Break down	Men	8	1
	Women	110	4
Usage rate of leave for volunteer activities*8 (%)		0	0
Break down	Men	0	0
	Women	0	0
Average overtime hours (hours/fiscal year)		183	111
Average number of paid holidays actually taken (days/fiscal year)		13	12

Human Rights

Basic Approach and Policy

Basic Policy

Olympus supports the United Nations Declaration of Human Rights and Global Compact. To put international initiatives into practice in our business activities, we have also clearly spelled out the respect for human rights in the Olympus Group Corporate Conduct Charter and the Olympus Group Code of Ethics (see page 20). In addition, we have formulated the Olympus Group Human Rights and Labor Policy and strive to respect human rights in the management of our businesses. We also urge our business partners to comply with the protection of human rights.

Olympus Group Human Rights and Labor Policy

The Olympus Group upholds the concept of “Making people’s lives healthier, safer and more fulfilling” as its management philosophy for all corporate activities, and abides by its Corporate Conduct Charter. Based on these norms, we support the Universal Declaration of Human Rights, which was adopted by the United Nations in 1948 and the international norms on human rights, including the United Nations Global Compact’s principles on human rights and labor. Accordingly, we are committed to respecting human rights in our business management and also expect our business partners to respect the protection of human rights.

1. Provision of Fair Opportunities

Employees are our most valuable assets. We respect diversity, character, personality and the human rights of all employees, and provide them with equal opportunities to fulfill their potential and improve their abilities as well as opportunities to work, develop their abilities and gain promotion according to their level of competency.

2. Safe and Comfortable Working Environment

We strive to create workplaces where employees can work in a safe and healthy setting both physically and mentally, and to provide all our employees with an environment that will help them work with enthusiasm.

3. Respect for Human Rights

We support and respect the protection of internationally proclaimed human rights within our sphere of influence, and ensure that we are not complicit in human rights abuses.

4. Respect for the Rights of Workers

We respect the rights of workers to organize labor unions and bargain collectively in line with local laws and established practice.

5. Elimination of Forced Labor

We pledge not to use any forced or bonded labor in the production of our products or services.

6. Elimination of Child Labor

We comply with local minimum age laws and requirements and do not employ child labor.

7. Elimination of Discrimination

We strive to eliminate discrimination based on race, belief, gender, age, social status, family lineage, nationality, ethnicity, religion, disability, or of any other type in all our business activities.

Systems and Mechanisms

Initiatives with Suppliers

Olympus has adopted the “Request to Suppliers,” a document defining its expectations toward suppliers in such areas as respect for human rights, compliance with laws, regulations and social norms, including the laws concerning the exclusion of antisocial elements, the prohibition of corruption, bribery and similar behavior, the promotion of fair and equitable trading, and consideration for the environment. Once each year, we use a Web-based system to conduct a corporate survey in this regard targeting major suppliers in Japan and overseas, and the survey results are utilized for work procedure improvement to avoid problematic incidents (see page 16).

Request to Suppliers
https://www.olympus-global.com/csr/procurement/pdf/procurement_request.pdf

Human Rights Due Diligence

Olympus strives to verify and further strengthen initiatives targeting human rights issues within the Company. To this end, since 2012 we have taken part in Human Rights Due Diligence Workshops, a stakeholder engagement program organized by the Caux Round Table Japan, thereby clarifying some of the critical issues in each business sector. In 2014, we took part in the 2014 Global Conference on CSR and Risk Management (co-hosted by Caux Round Table Japan and the UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises and supported deliberations concerning “business and human rights.” In fiscal 2017, we continued to participate in the Human Rights Due Diligence Workshop, determining key human rights issues in the manufacturing sector along the value chain.

Reports and related materials of Caux Round Table Japan
[http://crt-japan.jp/en/portfolio/human-rights-due-WEB diligence-workshop/](http://crt-japan.jp/en/portfolio/human-rights-due-WEB%20diligence-workshop/)

Preventing Harassing Behavior

Olympus makes every effort to prevent workplace harassment by declaring in the Olympus Corporate Code of Ethics its determination to eliminate any form of harassing behavior that injures human dignity, and further by itemizing concrete prohibitions on sexual and other types of harassment in the employment regulations.

We have also established a Harassment Hotline in each business site and subsidiary as a preventive means and to provide a prompt and pertinent solution if a problem arises. Our Hotline officers are trained with the skills and knowledge to handle complaints appropriately, which include the protection of the privacy of the consulter or harassment victim, ensuring consultation confidentiality, and preventing any adverse consequences from the consultation.

We also hold regular harassment prevention training programs for managers, who are responsible for creating a respectful culture in the workplace and to promote further understanding to achieve harassment-free offices.

Response to the UK Modern Slavery Act

Olympus KeyMed, the Olympus Group company in the UK, has issued the following statement in accordance with the provisions of Article 54, Clause 1, of the 2015 Modern Slavery Act in the UK.

Olympus UK and Ireland: SLAVERY AND HUMAN TRAFFICKING STATEMENT (In English only)
<https://www.olympus.co.uk/company/en/news/publications/>

Fair Business Practices

Systems and Mechanisms

Prevention of Bribery

Olympus will never engage in actions that could be deemed to be bribery in its dealings with any of its business partners, such as government officials, both nationally and internationally, and employees of government agencies (including international agencies), or any other parties. In addition to having established our own rules based on key laws and regulations and thoroughly educating our employees on those rules, we are working on the prevention of actions that could be interpreted as bribery by tightening the rules governing external dealings and internal consensus decision-making as well as by implementing process controls.

Having formulated guidelines covering the prevention of bribery and in addition to “Requesting Your Support for the Olympus Group Guideline and Your Cooperation in Fighting Corruption” set out below, the Olympus Group has been disclosing its guidelines on its website since April 2015.

Olympus Group guidelines covering the prevention of bribery
<https://www.olympus-global.com/csr/effort/anti-bribery.html>

Requesting Your Support for the Olympus Group Guideline and Your Cooperation in Fighting Corruption

In line with the Corporate Conduct Charter, the Olympus Group insists that each director and employee of the Group will resolutely uphold legal compliance under any circumstances and will not tolerate any act or behave in such a manner which is contrary to any laws, social norms or Olympus internal rules or policies. Olympus has made a strong commitment to conduct all aspects of its business in an honest and highly ethical manner throughout the world.

Olympus is adopting stricter policies and has established an effective preventative mechanism to deal with the corruption and unfair competition for which compliance with laws and social ethics is being reinforced globally.

I am writing to inform you once again of Olympus' basic approach to the prevention of bribery and corruption. We have prepared a guideline that summarizes what actions you will need to take in order to support Olympus' initiatives. We believe that our (Olympus') efforts alone will not be sufficient to achieve full compliance. We need your support and action to achieve this vitally important social and ethical contribution to our society.

Thank you in advance for reading through the Guideline and for your continued cooperation and support.

Exclusion of Antisocial Forces

Olympus will have no involvement with organized crime syndicates, or any other antisocial forces that threaten the order of society, and will never engage in actions that could support their activities.

We will respond resolutely and in accordance with the law to any fraudulent demands from antisocial forces. In July 2012, “Regulations for the Elimination of Antisocial Forces” covering the Company and domestic Group companies were formulated.

In principle, we conclude contracts or memorandums of understanding incorporating provisions relating to the exclusion of antisocial forces with all new business partners (including clients and suppliers as well as partners in joint research) in Japan.

Overseas, we are confirming that our business suppliers and partners do not have any ties with antisocial forces in compliance with the “Regulations for the Elimination of Antisocial Forces.”

Prevention of Insider Trading

Olympus is determined to ensure the fairness and soundness of security markets and earn the trust of shareholders and investors by working to prevent insider trading. Formulated in June 2012, the Insider Trading Prohibition Regulations clearly forbid use of undisclosed information gained through activities related to trading in stocks, and continuous education and training about these regulations is provided to all employees.

We have adopted rules, such as those concerning the buying and selling of our own shares by directors and employees, and we consistently comply with those requirements, including the submission of notices concerning such transactions. In fiscal 2017, an e-learning program to prevent insider trading was implemented for all employees. At the same time, lecturers were invited twice from the Tokyo Stock Exchange to training sessions for those employees from our corporate divisions who have ample opportunity to come into contact with insider information.

Security Export Control and Appropriate Import Declaration

Olympus works in compliance with security export control regulations in Japan and other countries concerned. Since 2007, as a result of having set up an export control system that conforms to the Compliance Programs designated by the Ministry of Economy, Trade and Industry, we received certification as an Authorized Economic Operator (AEO)* by Japan Customs and received preferential treatment as a company with superior export controls in Japan. To maintain and improve this system, we provide training programs including executive training given by outside lecturers, specialized training for employees involved frequently in export/import business and basic e-learning programs to cover nearly all executives and employees in Japan. In fiscal 2017, we increased our support for the development of the necessary organizations and their export inspection operations to raise the export control level of all our related companies in Japan that engage in exports at the same level as Olympus.

We are also establishing a global system in cooperation with the regional headquarters to respond to extraterritorially applied regulations and enhancements in export regulations in countries concerned. We share with them regulatory information and classification data for products. Based on our medium-term plan, in fiscal 2017 we utilized our global export control systems centered on our regional headquarters to assess and improve export control for our group companies around the world.

On the other side, paying the appropriate tax for imported goods is an important area of responsibility as a company. Therefore, as a general rule with respect to products and parts procured from overseas, it is assumed that the Trade Compliance Department will have verified the import declaration price, which forms the basis of the tax payment, prior to the placement of the order. In fiscal 2017, we also expanded measures to cover domestic group companies engaged in import to prevent imports being declared and revised at inappropriate prices all across Japan.

*AEO (Authorized Economic Operator)

A program that offers relaxed or simplified custom processes to operators certified as having sufficient security and legal compliance systems in place for managing shipments, in order to ensure both security and smooth operations in international distribution. In Japan, the program is certified by Japan Customs.

◎ Implementation Status of Training Designed to Maintain Security Export Control and Appropriate Import Declaration (Japan/Fiscal 2017)

Target	Aim/Description of Training	Number of Attendees
Directors	Guest lecturers presented case studies on violations and the subsequent response to foster understanding of the importance of export control and the risks involved.	19
Employees with ample opportunity for involvement in import-export duties	Point to be aware of business practice for security export control <ul style="list-style-type: none"> • Export: customer classification/item classification/transaction screening • Import: declaration price 	Export/Import training: 249
Directors and employees working in Japan (including affiliated companies)	Basic awareness of import-export controls (e-learning program)	10,970

Disclosure of Medical Business Information

■ Ethical Committee

Developing and manufacturing medical equipment such as endoscopes, Olympus held an Ethical Committee meeting and assessed propriety from the points of view of ethics, science and reliability as well as conflicts of interest in its medical research to respond to the “Ethical Guidelines for Medical and Health Research Involving Human Subjects” that was revised in May 2017. We ensured the independence of the Committee by having it comprise internal and external experts not directly involved in the research. The scope of the assessment was all of the medical research conducted by the Company and Group companies in Japan to which the ethical guidelines apply. We disclose the Committee’s rules, register and summary of proceedings by registration on the Ethical Review Committee Reporting System of the Japan Agency for Medical Research and Development (AMED).

■ Transparency Guidelines

With the advances in medical technology in recent years, medical equipment is being used in the diagnosis and treatment of a growing number of patients and has become a major contributor to the health and welfare of people in Japan.

On the other hand, efforts to develop new technologies, launch products on the market and optimize their use after launch require coordinated efforts with various people in the medical industry. In paying the expenses incurred, it is essential not only to comply with the relevant laws and regulations, the “Olympus Group Corporate Conduct Charter” and regulations in the medical equipment industry, but also to increase the transparency of these transactions.

Olympus has established Transparency Guidelines for Relations between Corporate Activities and Medical Institutions and Other Organizations described below and is working to assure and increase transparency based on full disclosure of information on payments made to medical institutions and personnel in accordance with the Guidelines.

Olympus Group “Transparency Guideline for the Relation between Corporate Activities and Medical Institutions and Other Organizations”

1. Basic Policy

The Olympus Group hereby declares compliance with the statutory laws and regulations and pledges to uphold high ethical standards to assure that all executive directors and employees observe “what is right” and behave responsibly. Under all circumstances, Olympus will consistently apply the spirit of compliance and will never tolerate any actions that contravene laws, regulations, social norms or internal corporate rules.

To ensure that society at large is aware that it conducts its corporate activities in accordance with these ethical values in the context of its relationships with medical institutions, etc., Olympus has adopted these guidelines and discloses information about payments to medical institutions, etc., in accordance with the “Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations,” as compiled by the Japan Federation of Medical Devices Associations (JFMDA), of which it is a corporate member.

*These guidelines apply to Olympus Corporation and Olympus Group companies in Japan that are members of the Japan Federation of Medical Devices Associations (JFMDA).

2. Scope of Application

■ Olympus

Olympus Corporation and Olympus Group companies in Japan that are members of the Japan Federation of Medical Devices Associations (JFMDA)

■ Medical institutions and other organizations

Scientific societies, university medical departments (affiliated hospitals), hospitals and clinics, associations of technologists, research institutes, research groups, other facilities that provide medical care or conduct research, development or clinical trials, and persons employed in the medical sector

3. Disclosure Methods

Related information for the previous fiscal year will be disclosed on the Olympus website.

4. Timing of Disclosure

Information about payments to medical institutions and other organizations in each fiscal year will be disclosed after the announcement of financial results for that fiscal year.

5. Scope of Disclosure

The information disclosed by Olympus will apply to payments made by Olympus to medical institutions and other organizations, in the categories of research and development expenses, academic research support expenses, manuscript writing fees, etc., expenses related to information provision, and other expenses.

For more details on the “Scope of Disclosure” please visit the website of the Japan Federation of Medical Devices Associations (JFMDA)
<http://www.jfmda.gr.jp/e/>

JFMDA Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations
http://www.jfmda.gr.jp/wp-content/uploads/2016/10/120524_clear_02_e.pdf

Proactive Information Disclosure

In line with its “Information Disclosure Policy,” Olympus strives to gain the understanding and trust of all stakeholders, including shareholders and customers, through fair, timely, appropriate and proactive disclosure of corporate information, including management policies, financial status, information about business activities and CSR activities.

In fiscal 2017, we improved website accessibility to make it easier for various customers, such as senior citizens and users with disabilities, to comfortably use our website. We chose the Web Content Accessibility Guidelines (WCAG) 2.0 as our international model and have been working to improve our website design to comply with these guidelines.

Olympus Information Disclosure Policy

All our activities are based on our corporate philosophy of “Making people’s lives healthier, safer and more fulfilling.” Following this philosophy, Olympus strives to gain the understanding and confidence of all stakeholders, including shareholders and customers, through fair, timely, appropriate and proactive disclosure of corporate information, including management policies, financial status, information about business activities and CSR activities.

1. Information Disclosure Standards

Olympus is committed to the disclosure of information in accordance with all laws, as well as the rules of the financial instruments exchange where the Company is listed, and to the disclosure of all information required by laws, regulations and rules. In accordance with its internal disclosure standards, Olympus will also proactively disclose all information that could have a significant impact on its corporate value, as well as all information deemed as useful to all stakeholders, regardless of whether such disclosure is required under laws, regulations or rules.

2. Method of Information Disclosure

Disclosure information, as required by the Timely Disclosure Rules of the Tokyo Stock Exchange, will be disclosed through the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange. Such information will then immediately be posted on our website. Furthermore, any information not subject to disclosure under laws, regulations or rules will be disclosed by using the most appropriate methods, including the TDnet, our website, explanatory meetings or printed publications.

3. Disclosing Information with Due Consideration

When disclosing information, Olympus will take care to protect personal information and avoid infringements of the rights of any party. Olympus will establish corporate rules concerning procedures for the disclosure of information using the aforementioned methods and all information disclosure will be implemented in accordance with those rules.

(Applicable Scope)

The Information Disclosure Policy of Olympus is applicable to all Olympus group companies.

Information Security

In recognition of the proper handling and protection of information as a social responsibility, the Olympus Group formulated the "Olympus Group Information Security Policy" and works to protect information security.

In specific terms, we established an Information Security Promotion Committee as a subordinate organization of the CSR Committee and implemented the action plans made by the Committee across Group companies in Japan. In addition, we have placed managers responsible for information security management at our regional headquarters in Europe, the Americas, and Asia/Oceania while engaging in activities that are managed by each region.

Among the concrete measures taken are basic physical measures. For example, offices were divided into zones with different security management levels and access to these zones is now controlled by ID cards and biometric devices.

Several new technical measures are also being adopted, including antivirus and information protection measures on PCs and other IT devices, taking account of external attacks through network communications. Another area concerns HR measures, such as promoting information security awareness among both management and employees. Inside Japan, we are updating security-related warnings and news through our intranet, and regularly hold e-learning security education sessions, as well as submitting related articles through email magazines. On the global scale, we have designated February as our Global Information Security Month, and every year we organize a range of information security checks and emergency drills, for example, against a targeted email attack.

Olympus Group Information Security Policy

Based on the Corporate Conduct Charter as well as on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling," which provide the basis for all our corporate activities, the Olympus Group considers all the information we handle and our information systems ("information assets") to be a critical management-resource.

1. Compliance with Laws and Regulations

We will comply with the laws, regulations, and contractual duties related to information security in all countries and regions where we operate.

2. Management and Protection of Information

We will manage and protect the information assets appropriately in our business activities. We will also implement measures to prevent the inappropriate use of these assets detrimental to Olympus and any acts that might decrease the value of the assets, such as falsification, destruction, leakage and abuse.

3. Establishment of an Information Security Organization Structure

To ensure the appropriate management and protection of our information assets, we will establish an information security organization structure and clarify the related responsibilities.

4. Establishment of Rules

We will establish the in-house rules to clarify the measures to be implemented to ensure information security. We will also revise these rules, processes and controls continuously.

5. Education

We will increase information security awareness among all who handle the information assets and provide them with necessary education and training on information security.

6. Emergency Responses

We will work to prevent information security-related incidents. If an information security incident occurs, we will make prompt responses to it and implement measures to prevent the reoccurrence of similar problems.

Personal Information Protection

■ Basic Approach and Policy

Olympus protects personal information concerning all its stakeholders, including its customers, using appropriate methods and, in order for proper handling to be performed, clarifies its policies relating to information protection in the Olympus Group Code of Ethics. In Japan, we have stipulated The Olympus Group Personal Information Protection Policy and works to adhere to that policy.

The Olympus Group Personal Information Protection Policy

Note: This Personal Information Protection Policy is based on Japanese law, and thus is applicable only to Olympus Group Companies in Japan (excluding companies with their own personal information protection policy in place). The Olympus Group (the "Olympus Group") recognizes the importance of protecting personal information in the network society and believes that it is the Olympus Group's social responsibility to properly handle and protect personal information. Accordingly, the Olympus Group shall implement the following measures.

1. Implementation of an Internal System

The Olympus Group shall implement its internal system for the protection of personal information and educate all of its Directors, Auditors and employees to enable proper handling of personal information. In addition, in order to ensure that initiatives to protect personal information are being accurately implemented, the Olympus Group shall periodically hold audits.

2. Proper Handling of Information

The collection of personal information shall be limited to the appropriate scope and amount and may only occur after the person who provides his or her personal information (the "Information Provider") has been clearly informed of the intended purpose and use of such information. In addition, the Olympus Group shall not handle any personal information outside the appropriate scope and shall accommodate an Information Provider's requests for disclosure, correction, deletion or discontinued of use of his or her personal information within a reasonable period following such request.

Furthermore, the Olympus Group shall handle specific personal information only within the scope of purpose of use prescribed by law.

3. Limitation of Provision and Disclosure of Personal Information to Third Parties

Unless consent of the relevant Information Provider is obtained or otherwise required by law, the Olympus Group shall not disclose or otherwise provide personal information to third parties.

Furthermore, unless required by law, the Olympus Group shall not disclose or provide any specific personal information the Olympus Group hold to any third party, regardless of whether the relevant Information Provider consents to the disclosure.

If the Olympus Group engages a third party on a matter that involves disclosure of personal information (maintained by the Olympus Group) to the third party, the Olympus Group shall cause such third party to enter into a contract that obligates such party to properly maintain and manage personal information.

Further, in such situations, the Olympus Group shall supervise and provide directions to such third party in connection to the protection of personal information.

4. Ensuring of Accuracy and Safety

The Olympus Group shall make efforts to maintain accurate and up-to-date personal information, and take appropriate security measures against risks such as unauthorized access to personal information, loss, destruction and falsification of personal information, and unauthorized disclosure of personal information.

5. Compliance with Laws and Regulations, and Continuous Improvements

The Olympus Group shall comply with laws, regulations and standards applicable to the protection of personal information and review and make continuous improvements to the above-mentioned measures.

■ System

In Japan, Olympus Group has in place supervisory personal information protection administrators and promotes personal information protection activities across the Group in Japan while providing direction and supervision.

■ Personal Information Protection Measures

With regard to the creation of a personal information database in Japan, in addition to incorporating a system for obtaining the prior approval of the administrator in each department, we utilize a personal information management register and works to improve the register's accuracy. In addition, we inspect the register on a regular basis to better understand the actual situation with regard to the management of personal information. Requests for the disclosure, correction or deletion of personal information provided by customers are accepted at a predetermined point of contact.

In response to enforcement of the EU's General Data Protection Regulation (GDPR) in May 2018, we reinforced personal information protection measures by forming a joint protection scheme coordinated among the regional headquarters in Europe, the Americas, and Asia/Oceania.

Product Responsibility

Quality Assurance

Basic Approach and Policy

Olympus has established its Olympus Group Quality Policy based on the Olympus Group Corporate Philosophy and the Olympus Group Corporate Conduct Charter. The policy was revised in October 2017 to define the Group's basic policy direction in activities aimed at improving quality and safety, and to define a code of conduct to ensure the utmost focus on quality, which defines the fundamental direction of the Group's quality activities to provide products and services for society that are beneficial, safe and of high quality.

Olympus Group Quality Policy

The Olympus Group will pursue value that is genuinely wanted by our customers, act with the utmost focus on quality and will sustainably deliver safe products and services that are useful to society. To this end, the Olympus Group will continue to maintain and improve the effectiveness of its quality management system in full conformance with regulatory requirements.

Code of conduct for ensuring the utmost focus on quality

1. Customer-centric approach

We will keep our customers and patients in mind, fully focus on their safety and need, and act in a sincere manner.

2. Ensuring compliance with laws, regulations and social norms

We will strive to fully and correctly understand and comply with all relevant laws, regulations and social norms, as this understanding and compliance forms the foundation for the delivery of safe, reliable products and services to our customers and patients.

3. Constant quest for quality

We will never be content with the status quo when it comes to the quality of all relevant business processes, which will boost the safety and quality of our products and services.

4. Appropriate communication

We will provide useful and accurate information in an appropriate manner to our customers and patients in order to ensure their safety and peace of mind.

In fiscal 2017, the second year of the Group's medium-term management plan adopted in 2016, efforts were directed to reorganizing the quality management system for the entire Olympus Group, including revising the Olympus Group Quality Policy, and reinforcing its global compliance organization by providing quality and product regulations. In fiscal 2018 we will focus on greater employee awareness of quality and improvements in business operations to ensure products that are safe and of high quality and to strengthen the product-related statutory compliance process.

■ Quality Management System

Each business unit and group company in the Olympus Group actively seek certification under an international quality control standard—either ISO 9001 or ISO13485. They also build individual quality management systems that comply with the legal requirements in each country, while accurately understanding the quality demands of our markets, maintaining and improving the quality of existing products, and aiming to enhance customer satisfaction toward further global business expansion.

■ Quality Improvement Activities

Our medical, scientific solutions, and imaging business units are improving their quality management system across the globe. They gather data concerning customer inquiries and quality-related issues and utilize the data analysis results in making quality improvements.

The Olympus Group also vigorously invests in human resource development through quality management seminars focused on ISO9001, ISO13485, and the relevant laws and regulations of each country, as well as utilization of an e-learning system. We also utilize external consultants aiming at better quality management through their assessments and reviews.

■ Improvement in Product Usability and Safe Usage

The Olympus Group manages risks concerning product safety, providing information for customers on using our products safely and effectively through instruction manuals and product labeling, in conformance with the laws and regulations of each country. We also have our own medical product usage training centers in Tokyo, Germany, China (Shanghai, Beijing, and Guangzhou), Thailand and Korea. These provide training on endoscope knowledge and handling for medical staff so that they can use our medical equipment safely. We established Olympus Korea Medical Training & Education Center (K-TEC) in 2017 to offer product demonstrations and training sessions for medical staff in Korea and contribute to the development of medical industry.

■ Efforts in Health and Safety

The Olympus Group publishes the “Olympus Group Control Rules for Chemical Substances Used in Products,” based on the latest information concerning chemical substance handling and the legal frameworks in each country. These rules clarify the chemical substance standards used in Olympus Group products to ensure the health and safety of customers and patients who use the products. The latest version of the Control Rules, updated in fiscal 2018 is Edition 12 and is available on the following website:

Olympus Group Control Rules for Chemical Substances Used in Products
https://www.olympus.co.jp/csr/effort/pdf/annexA_Ver12_en.pdf?page=ir

■ Example of Quality Evaluation at the Development Stage

As a part of quality evaluation during the development phase of Olympus products, our intra-company test and evaluation center conducts calibrations, Electromagnetic Compatibility (EMC), product safety testing, usability evaluations, mechanical and environmental tests, material analyses, electronic component analyses, and failure analyses. As these tests and evaluations are important for ensuring our products' quality and safety, we insist that they are conducted in a fair and reliable manner. To verify this, our test center has obtained certification as a third-party testing laboratory.

■ Calibration

Calibration is a process used to maintain the accuracy of measuring instruments by ensuring that all components are functioning correctly. The precision of measuring instruments can vary from day to day in response to changes in environmental conditions. Olympus is accredited as an ILAC-MRA*1 member and carefully monitors errors caused by these changes and applies approved calibration methods to its measuring equipment.

■ Electromagnetic Compatibility (EMC)

Electromagnetic compatibility (EMC) testing is carried out to ensure that electrical and electronic equipment will not emit electromagnetic noise that exceeds acceptable levels and could affect other equipment, and that it will not malfunction when exposed to such emissions. The significance of EMC is being recognized more widely in recent years, and related regulations were enforced in various countries. We test our products in a 10 m anechoic chamber*2 and an electromagnetic field immunity test chamber*3.

*1 ILAC-MRA International Laboratory Accreditation Cooperation—Mutual Recognition Agreement

*2 10 m anechoic chamber

Olympus has three 10 m anechoic chambers that were certified for use in electromagnetic testing under the National Voluntary Laboratory Accreditation Program (NVLAP) of the United States.

*3 Electromagnetic field immunity test chamber

This chamber is used to confirm that electrical and electronic devices do not malfunction by exposing them to specific electromagnetic fields.

With the dissemination of wireless communication devices, action is underway to expand the test frequency range and upgrade testing levels. The chamber at Olympus is capable of testing at frequency ranges of 80 MHz–6 GHz and a maximum test level of 30 V/m.

■ Product Safety Testing

For medical equipment, it is particularly important to conduct product safety tests. Olympus conducts safety tests, including a conformity assessment test (compliant with IEC 60601-1), as a third-party testing laboratory.

■ Mechanical and Environmental Testing

Taking account of various conditions of usage, storage, and transportation, mechanical tests assess product strength and life expectancy. Tests include a vibration test, drop test, and environmental tests, including operational humidity and temperature, to confirm that products will maintain their performance and have sufficient strength and life.

■ Materials Analysis

Olympus not only analyzes and assesses parts and materials, but also uses various analytical systems to identify defects and other issues through detailed analyses carried out after products have been brought to market. Findings from these analyses are used to eliminate the causes of problems and prevent recurrences.

■ Electronic Component Analysis and Failure Analysis

We conduct electronic component analyses to prevent the components used in a new product from causing failures. We also analyze failures that have occurred in test products and commercialized products.

Valuing Bioethics in Evaluating of Product Efficacy and Safety

Olympus conducts animal research as required to develop medical equipment and evaluate equipment efficacy and safety. We are keen to ensure that the research we carry out is ethical from both the scientific and animal welfare viewpoints, because we value the lives of animals.

Olympus introduced its animal research corporate rules based on the Act on Welfare and Management of Animals, Basic Guidelines for Animal Research in Institutions under Management of the Ministry of Health, Labour and Welfare and other related laws and guidelines. We established our Animal Research Ethical Committee based on the animal research corporate rules to rigorously review all our animal research plans and ensure that they are based on the 3Rs of animal welfare — Replacement (of animal testing with alternative methods), Reduction (of the number of animals to be used), and Refinement (of the testing method to minimize animals' suffering). We are committed to handling all the animals used in our research ethically and humanely, paying extra attention to animal welfare. We also conduct regular self-inspections to ensure that our animal research is carried out appropriately and our practice is accredited under the Accreditation for Laboratory Animal Care and Use by the Japan Health Sciences Foundation.

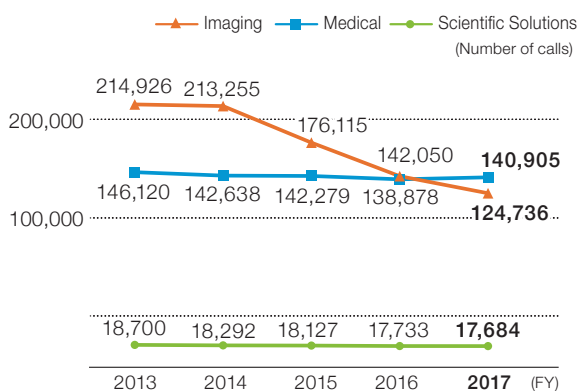
Improvement of Sales/After-Sales Service Quality (Responses to Inquiries/Repairs)

Olympus has systems in place to respond to customer inquiries and repairs in Japan and overseas for different product fields and in different regions. As regards points of contact for inquiries, information relating to after-sales services in general is provided via a Product Support link on our website. Important information concerning safety or consumer protection is made known via Important Announcements for Customers on our website.

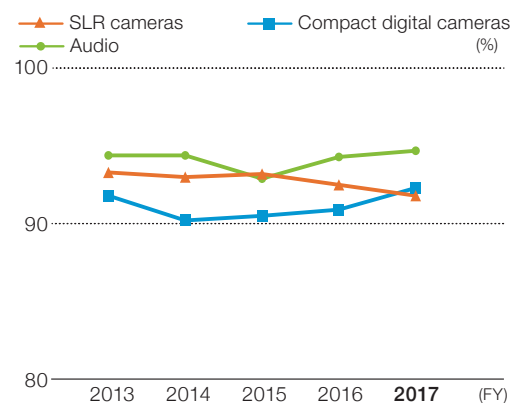
We have developed a repair service network to meet user needs in each region and product category.

Outlines of customer response activities in each business field and of the efforts of the repair service network are set out below.

◎ Calls Received at Customer Support Centers (in Japan)



◎ Percentage of Repairs Completed within the Allotted Time in Imaging Business (in Japan)



Customer Response Structures in Each Business

Business Field	Outline of Activities
Medical	<p>[Japan]</p> <ul style="list-style-type: none"> ● Olympus has developed service systems designed to ensure the safety and reliability of healthcare environment. <ul style="list-style-type: none"> • Establishment of Medical Customer Information Center, a call center dedicated to providing an information service for medical specialists. • Formation of a team for specialist services offering information on how to handle medical treatment devices, troubleshooting, etc. • More than 95% telephone connection rate • Major medical devices are retained inside the call center so we can provide accurate answers to inquiries • Immediate response system based on coordination and interaction among call centers and Olympus sales/service personnel or authorized vendors in various regions. • Medical Town, a special website that offers up-to-date information on medical endoscopes and related medical treatment for medical specialists. • Share call center inquiry contents inside the company leading to product and service improvements • Advanced efforts utilizing AI to improve customer responses <p>[Overseas]</p> <ul style="list-style-type: none"> ● Olympus has established call centers in major cities. <ul style="list-style-type: none"> • Call centers have also been set up in major cities in the USA, China, and Europe for localized and extensive services.
Scientific Solutions	<p>[Japan]</p> <ul style="list-style-type: none"> ● Call Center <ul style="list-style-type: none"> • Running Customer Support Center to solve customers' problems in using our products ● Technical assistance <ul style="list-style-type: none"> • Running the Olympus Techno Lab for customers to experience our products and evaluate their performance • Held Microscope Training Program for customers to learn how to use the product correctly <p>[USA]</p> <ul style="list-style-type: none"> ● Opening of Olympus Discovery Center in the University of Texas at Dallas <ul style="list-style-type: none"> • Under collaboration with the University of Texas at Dallas, we opened a product training center for users. ● Offering support for Mexican Navy and a rescue team <ul style="list-style-type: none"> • After the 2017 Central Mexico earthquake, Olympus donated an industrial videoscope to the Mexican Navy and the Topos de Tlatelolco, a non-profit emergency rescue team, to help in the search for survivors who may be trapped under collapsed buildings and rubble. <p>[Europe]</p> <ul style="list-style-type: none"> ● Olympus Academy activities <ul style="list-style-type: none"> • Manned by specialist staff, the Olympus Academy provides training in products and applications for subsidiaries and sales agents in various countries. Product and application seminars are then held for customers by the subsidiaries and sales agents that have undergone such training themselves.
Imaging	<p>[Japan]</p> <ul style="list-style-type: none"> ● Call center staffed seven days a week, including national holidays (Note: Excluding system maintenance days and year-end/New Year holidays) ● Enhanced telephone and e-mail support per product category ● Enhancing responses at call center <ul style="list-style-type: none"> • Enhancing the quality of telephone responses by various means, including improving the communication skills and product knowledge of call center staff members, through "mystery shopper" surveys undertaken by external organizations and by e-mailing customer questionnaires • From August 2015, lines into the call center changed to a nationwide call-handling service ● Q&A and other information made public via our website ● Supervision and management of global response results <p>[Overseas]</p> <ul style="list-style-type: none"> ● Olympus has established call centers in major cities. <ul style="list-style-type: none"> • Call centers have also been set up in major cities in the USA, China, and Europe to provide detailed responses tailored to the areas they cover.

○ Repair System per Business Field and Improvement Efforts

Business Field	Outline of Activities
Medical	<p>Minimizing downtime of endoscope To minimize endoscope downtime during malfunction or repair work, both Shirakawa and Nagano service centers (Domestic Repair Division) collectively control and carry out repair operations as well as handling of loaners.</p> <p>Endoscope service networks Major repairs (Repairs in need of overhaul) Japan: Medical Equipment Service Operation Centers located in Shirakawa and Nagano Overseas: Service centers in the United States, Germany, France, Czech Republic, United Kingdom, Russia, China, India, etc. Simple repairs (to endoscopes and peripherals): Available through a worldwide network of approx. 170 repair bases</p>
Scientific Solutions	<p>Providing repair services to the same high level at service bases across the world The following services are provided at domestic and overseas manufacturing sites, sales subsidiaries and contracted agents</p> <ul style="list-style-type: none"> • Microscopes: Back-to-base repairs, on-site repair services, function inspections, precision calibration, service contracts, delivery installation • Industrial endoscopes: Back-to-base repairs, function inspections, service contracts • Non-destructive testing devices: Back-to-base repairs, on-site repair services, function inspections, precision calibration • X-ray analytical systems: Back-to-base repairs, function inspections <p>Back-to-base repair services Portable devices and those that may require extensive repairs are collected and repaired in an environment equivalent to the production line. Devices that are collected for repair are normally returned within one month of receipt.</p> <p>On-site repair services For installation-type products, technical staff is dispatched to provide on-site services, including repairs, calibration and maintenance inspections.</p> <p>Service contracts Depending on the product, Olympus offers a number of maintenance service contracts.</p>
Imaging	<p>Greater repair service convenience with a variety of services and schemes In Japan, the following services are provided by the Hachioji Repair Center, Olympus Plaza Tokyo, Olympus Plaza Osaka and the service stations in Sapporo and Fukuoka:</p> <ol style="list-style-type: none"> (1) Pickup service via website and telephone (2) On-line repair booking and estimating service Internet-based repair service offering applications for servicing and information on repair fees and repair status (3) Quick Repair Service (Applied to mirrorless SLR camera bodies and interchangeable lenses) Service for reducing repair time (4) Camera cleaning service (Applied to Olympus digital cameras and interchangeable lenses) (5) Digital Camera Maintenance Seminar Hands-on-style seminars for digital camera owners on cleaning their cameras and interchangeable lenses under instruction were held in Olympus Plaza in Tokyo and Osaka, and other service stations in Sapporo and Fukuoka. (6) Olympus Owners Care Plus (OOC+) The OOC+ service offers Olympus camera owners functional diagnoses and camera servicing, customization (e.g. changing colors of external parts), and rental lenses. A Maintenance Package service for our flagship model, the E-M1 Mark II, also started to coincide with the commencement of sales. <p>For worldwide overseas repairs Overseas, repair services tailored to the areas they cover are provided by repair bases in the USA, Portugal, Czech, Republic, Russia, Australia, China, South Korea, Hong Kong, Singapore, Thailand and Malaysia.</p> <p>Improving the on-time rate for back-to-base repairs One of our target indicators for customer satisfaction is the on-time rate for back-to-base repairs, the achievement rate of which we verify on an annual basis.</p>

Social Contribution Activities

Basic Approach and Policy

Olympus Group's Policy for Social Contribution

In addition to its contribution through business, Olympus will contribute to society in various other ways through the use of its management resources, including its technology and human resources. In order to advance our social contribution activities, we revised our conventional Social Contribution Policy in September 2016, and established two new global policies: the Corporate Citizenship Activity Policy, and the Donation and Grant Policy (see page 48). We further added procedural guidelines for the Donation and Grant Policy to maintain transparency in the donation and granting process.

Under the Corporate Citizenship Activity Policy, we stipulated the four areas on which Olympus intends to focus: Medicine and Health; Culture and the Arts; Global Environment; and Science and Technology. We are now carrying out a range of activities in these areas.

Olympus Group Charitable Donations and Grants Policy

Based on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling" that provides the basis for all corporate activities, the Olympus Group (hereinafter, "Olympus") is committed to gain trust from society, in addition to creating social values through our business operations. Through charitable donations and grants, we live up to our commitment and responsibility to address social issues.

1. Priority Areas and Activities

Our charitable donations and grants efforts are focused on following areas: "Medicine and Health", "Culture and the Arts", "Global Environment" and "Science and Technology". Also, our contributions shall be socially just and shall follow ethical norms.

(1) Charitable Donations

We provide monetary aid and/or in-kind donations to philanthropic activities, and contribution activity for local community based on CSR for humanitarian aid. Aid and donations provided for disaster relief will also be considered charitable donations.

(2) Grants

We provide monetary aid and/or in-kind donations to education as well as research activities, conducted by organizations for public welfare, that relate to four priority areas: "Medicine and Health", "Culture and the Arts", "Global Environment", and "Science and Technology".

2. Compliance with Legal Regulations and Social Norms

We will fully comply with both Japanese and non-Japanese law and industry guidelines in respect to charitable donations and grants.

3. Rules and Organizational Systems

We clearly separate charitable donations and grants from any Olympus commercial activities, and establish guidelines and operational structures to ensure transparency.

4. Information Disclosure

We will fully comply with Japanese and non-Japanese law and industry guidelines, will assuredly record charitable donations and grants activities, and will commit to disclose information in a timely and appropriate manner. Furthermore, through information disclosure and active communication, we will commit to deepen mutual understanding with stakeholders.

Olympus Group Corporate Citizenship Policy

Based on our corporate philosophy of "Making people's lives healthier, safer and more fulfilling" that provides the basis for all corporate activities, the Olympus Group (hereinafter, "Olympus") is committed to contributing to society through various corporate citizenship activities, in addition to creating social value through our business operations, with the goal to build positive relationships with communities and to contribute to sustainable growth of both society and Olympus.

We carry out corporate citizenship activities that reflect the uniqueness of Olympus and leverage our technologies, expertise and other assets to address social issues.

1. Priority Areas and Activities

Our corporate citizenship efforts are focused on the following areas: "Health and Medicine", "Culture and Arts", "Global Environment" and "Science and Technology". To solve social issues that fall into one of these areas, we prioritize the three following activities:

- (1) Contributing to the solution of global social issues, realizing our responsibility as a global company
- (2) Contributing to the effective solution of social problems through activities relevant to our business
- (3) Conducting awareness-raising activities and providing education and training support to new generations of leaders by leveraging our technologies and know-how

Furthermore, in addition to the aforementioned priority areas and activities, we are committed to providing disaster relief assistance and humanitarian support for the alleviation of hunger and poverty.

2. Compliance with Social Norms

We are committed to social development and strive to build long-lasting relationships with society, by ensuring regulatory compliance and respect to local cultures and customs.

3. Rules and Organizational Systems

Along with raising the awareness of our executives and employees about the importance of social contribution, we establish robust systems and regulations, and design effective measures to enhance our corporate citizenship activities.

4. Information Disclosure

We promote effective stakeholder communication and accommodate community requests to ensure the quality and continuity of our corporate citizenship activities. Furthermore, we are committed to making the information about our community activities available to a wide audience.

For more details about Olympus corporate citizenship activities, refer to the following https://www.olympus-global.com/csr/global_activities/

Environmental Management

Basic Approach and Policy

Olympus Group Environmental Policy

The Olympus Group Environmental Charter was adopted in August 1992 with the aim of defining our basic philosophy on environmental issues and linking that philosophy to concrete action. In order to foster solutions to social problems through our business operations, in May 2015 we added an item to the Environmental Charter on compatibility between environmental protection and economic growth, and revised it into the Olympus Group Environmental Policy. Placing great importance on reducing environmental loads throughout product life cycles, we are actively working to improve the environmental performance of our products, facilities, and logistics processes.

Olympus Group Environmental Policy

Based on our corporate philosophy of “Making people’s lives healthier, safer and more fulfilling” that provides the basis for all corporate activities, the Olympus Group respects people’s security, health and the natural mechanisms. We will contribute to the realization of a sustainable society and sound environment by working to make the environment and economy compatible throughout our business operations.

1. Participation by All

Each employee enriches their understanding of environmental activities and each one of us will participate in the environmental activities conducted in consideration of the local features.

2. Promotion of Environmental Management

We will maintain the environmental management system and mechanism on a global scale so that we can continuously improve our environmental activities.

3. Compliance with Laws, Regulations, and Social Norms

We will fully comply with the laws and regulations, agreements with our stakeholders, and our voluntary standards in respect to the environment.

4. Reduction of Environmental Impact

Toward the solution of environmental issues, prevention of pollution, sustainable resource use, climate change mitigation and adaptation, and protection of biodiversity, we will reduce environmental impact of our products, services and business activities.

5. Development of Technologies to Foster Harmony with the Environment

We will develop the technologies that contribute to environmental protection and will make use of the results in our manufacturing processes, products and services.

6. Attributing Importance to Environmental Communication

We will proactively dispatch information about our environmental activities within and outside Olympus to deepen mutual understanding with our stakeholders.

System and its Activities

System to Promote Environmental Management

We have established a unit to promote environmental management within each of our business units and Group companies, while the Olympus Group Environmental Management Division is tasked with fostering environmental management across the Group. Progress on these activities is reviewed by the Board of Directors and the Executive Management Committee, and measures are taken across the Group to achieve our predefined environmental targets. We are collecting environmental measures, the status of legal compliance and the environmental data necessary for our environmental management system from each of our global sites. We established an efficient information infrastructure to collect and share these data across the Group and put it into operation in fiscal 2014.

Moreover, our major production facilities, as well as logistics and sales subsidiaries in Japan and overseas, have ISO 14001 certification, and we are continuously improving our environmental management system through audits and by other means. In June 2018, all group business sites and offices certified with ISO 14001 completed their certification update to ISO14001:2015, the revised certification for 2015.

Environmental Management Structure



*Covered businesses are consolidated Group companies both in Japan and overseas.

List of ISO 14001 Certified Sites/Offices

Sites/Office		Date of Certification	
Japan	Olympus Corporation	Technology Research Center (Ishikawa)	March, 2000
		Technology Research Center (Utsugi)	March, 2000
		Technology Research Center (Takakura)	February, 2018
		Nagano Facility (Tatsuno)	February, 1998
		Nagano Facility (Ina)	May, 2014
	Olympus Medical Systems Corporation	Hinode Plant	July, 1998
	Aizu Olympus Co., Ltd.		October, 1998
	Shirakawa Olympus Co., Ltd.		October, 1998
	Aomori Olympus Co., Ltd.		November, 1998
	Olympus Logitex Co., Ltd.		November, 2003
Olympus Medical Science Sales Co., Ltd.		March, 2004	

Sites/Office		Date of Certification
Asia Oceania	Olympus (Shenzhen) Industrial Ltd.	September, 1999
	Olympus (GuangZhou) Industrial Co., Ltd.	October, 2004
	Olympus Trading (Shanghai) Limited	February, 2012
	Olympus Vietnam Co., Ltd.	April, 2013
	Olympus Australia Pty Ltd	August, 2017
Europe	Olympus Winter & Ibe GmbH	May, 2001
	KeyMed (Medical & Industrial Equipment) Ltd.	March, 2002
Americas	Olympus America Inc., National Service Center	December, 2005
	Olympus Scientific Solutions Americas Corp.	July, 2010
	Olympus Scientific Solutions Technologies Inc.	July, 2010
	Olympus NDT Canada Inc.	July, 2010

◎ Major Environmental Activity Results in Fiscal 2017

Primary Policy		Target	Measures	Fiscal 2017 Achievements and Results	Fiscal 2018 Target
Promotion of environmental management	Enhancement of environmental governance system	Enhance the environmental governance system on a global level	<ul style="list-style-type: none"> Respond to ISO 14001 revisions 	<ul style="list-style-type: none"> Completed updating to ISO14001:2015 certification in eight domestic business sites Provided practical training for environmental promotion officers and Environmental Secretariat (24 people) Provided training for auditors on the revised ISO standard (130 persons). 	Improve operation efficiency for the Environmental Management System in compliance with ISO 14001:2015
	Environmental risk reduction activities	Continue to improve the process to comply with environmental laws	<ul style="list-style-type: none"> Improved wastewater management Examined compliance with environmental laws and regulations in non-manufacturing sites 	<ul style="list-style-type: none"> Completed pollution prevention process inspections in 30 global production sites On-site inspection of compliance with environmental laws and regulations in six domestic non-manufacturing sites Continue to improve the environmental regulatory compliance process for products and facilities 	Trial for environmental risk diagnosis Continue to improve the environmental regulatory compliance process for products and facilities
		HCFCs risk countermeasures Replacement planning and implementation	<ul style="list-style-type: none"> Identify HCFC-containing devices and create replacement plan 	<ul style="list-style-type: none"> Completed HCFC-containing device survey in each global site and completed replacement planning 	
Environmental initiative throughout product life cycles	Product-related initiatives	Create Olympus Eco-Products (no quantitative target)	<ul style="list-style-type: none"> Implement environmentally conscious designs tailored to each products' characteristics 	<ul style="list-style-type: none"> Created new Eco-Products in all business units (12 new, bringing total to 584) 	Continue to create products that are environmentally conscious and tailored to business characteristics
	Facilities-related initiatives	Energy consumption rate: improve by 7.73% or more (compared to FY2012), by 2020 Water use rate: improve compared to FY2016 Waste discharge rate: improve compared to FY2016	<ul style="list-style-type: none"> Conduct ongoing manufacturing improvement activities 	<ul style="list-style-type: none"> Energy consumption rate: improved by 6.6% Water use rate: improved by 5.9% Waste discharge rate: 0.0% (same as previous fiscal year) 	Carry out activities to improve the energy consumption rate in accordance to local characteristics such as manufacturing improvement, energy conservation, introduction of natural energy, etc.
	Environmental contribution activities	Environmental contribution activities under the theme of "Water Circulation—Protection of Forests, Rivers, and Oceans"	<ul style="list-style-type: none"> Conduct environmental contribution activities at global sites Conduct activities under the theme of "Ocean Legacy Project" 	<ul style="list-style-type: none"> Conducted river clean-ups and local greening activities at global sites Conducted ongoing coral planting and nature school (2 times) 	Continue environmental activities

Systems and Mechanisms

Environmental Risk Management

Violations of laws and regulations related to chemical substances contained in products, effluent from production sites, and soil and groundwater contamination are important environmental risks that affect Olympus Corporation's management such as by shutting down operations, generating recovery costs and reducing corporate value. Therefore, we maintain and revise rules and regulations for regulatory compliance, educate environmental promoters, monitor and improve local investments, and work to reduce environmental risks.

The advance of global warming is causing more frequent cases of extreme weather. As concluded by the Paris Agreement, climate change is a serious environmental factor that can have a serious impact on business activities. We experience this as business continuation risks deriving from climate change. For example, we might experience increases in business costs due to tougher CO₂ reduction regulations in different countries, emissions trading and carbon taxes. Or our supply chain may be cut off by ever more destructive natural disasters, such as typhoons and floods. As countermeasures against these risks, we are working to improve energy usage efficiency, increase our use of renewable energy, and broaden our range of suppliers. Water risk, which is a global concern, is another factor that may have an impact on our business operations through increases in business costs due to reinforcement of wastewater regulations and water shortages—although the scope of those impacts may be limited. We are now establishing business sites in areas where water is abundant and reducing water usage in our business activities as a way of hedging the risks. To monitor wastewater, we appoint wastewater facility managers and regularly measure our wastewater volumes.

Olympus also sees the business opportunities presented by environmental risks and actively develops and sells environmentally conscious products as well as products that contribute to the resolution of environmental issues accordingly.

◎ Compliance with Environmental Laws (FY2017)*

Company/Facility	Description & Cause	Countermeasures
Olympus America Inc.	Failed to change organic solvent handling classifications	In addition to a check by solvent managers on the quantity of organic solvents, we have now added a monthly check by compliance managers.

*Relatively minor violations have been excluded.

Biodiversity Conservation

There is a concern that the loss of biodiversity will have a serious impact on the global environment and our lives.

Olympus is working to conserve biodiversity, including the management of water use and wastewater and the maintenance of green spaces, through cleanup and forest conservation activities in areas surrounding its facilities.

Green Procurement

Olympus published the "Olympus Group Green Procurement Standard" in 2001. The Green Procurement Standard, which is also posted on our website, explains Olympus' approach to its environmental activities to all suppliers.

In addition, in our corporate survey that we conduct once a year targeting major suppliers in Japan and abroad with whom we have ongoing business, we verify whether the suppliers have acquired ISO 14001 certification, reduced CO₂ and waste, and what measures they have taken against chemical substances. In this way, we are working to raise the level of our environmental activities with suppliers.

Olympus Group Green Procurement Standard
<http://www.olympus-global.com/en/csr/involvement/management/procurement/>

Environmental Education and Awareness Activities

To promote environmental activities with the participation of all employees based on the “Olympus Group Environmental Policy,” Olympus works to raise environmental awareness through activities implemented during the Olympus Environmental Awareness Month, such as the “Global Environmental Photo Contest.”

Moreover, we provide environmental education appropriate to each department, including education on compliance with environmental laws and regulations and on the ISO 14001 internal audit.

Global Environmental Photo Contest

http://www.olympus-global.com/en/csr/involvement/management/WEB_education/2016.jsp

◎ Major Environmental Education Programs (Japan/FY2017)

Target	Purpose/Description	Number of Participants
Environmental managers	Thorough notification of revisions to environmental laws, along with necessary changes in operations at facilities Understanding the ISO14001:2015 requirements	10
Environmental Secretariat staff at facilities	Training to improve skills for environmental officers (Understanding key points for efficient usage of the Environmental Information Management System and related discussions)	14
Environmental audit leaders	Training to improve internal audit skills (Understanding key points in audit indications and improvement proposals, audit role playing, etc.)	63
Environmental auditors	Audit training based on ISO 14001:2015 (Understanding the revisions to ISO 14001, audit experience, etc.)	272

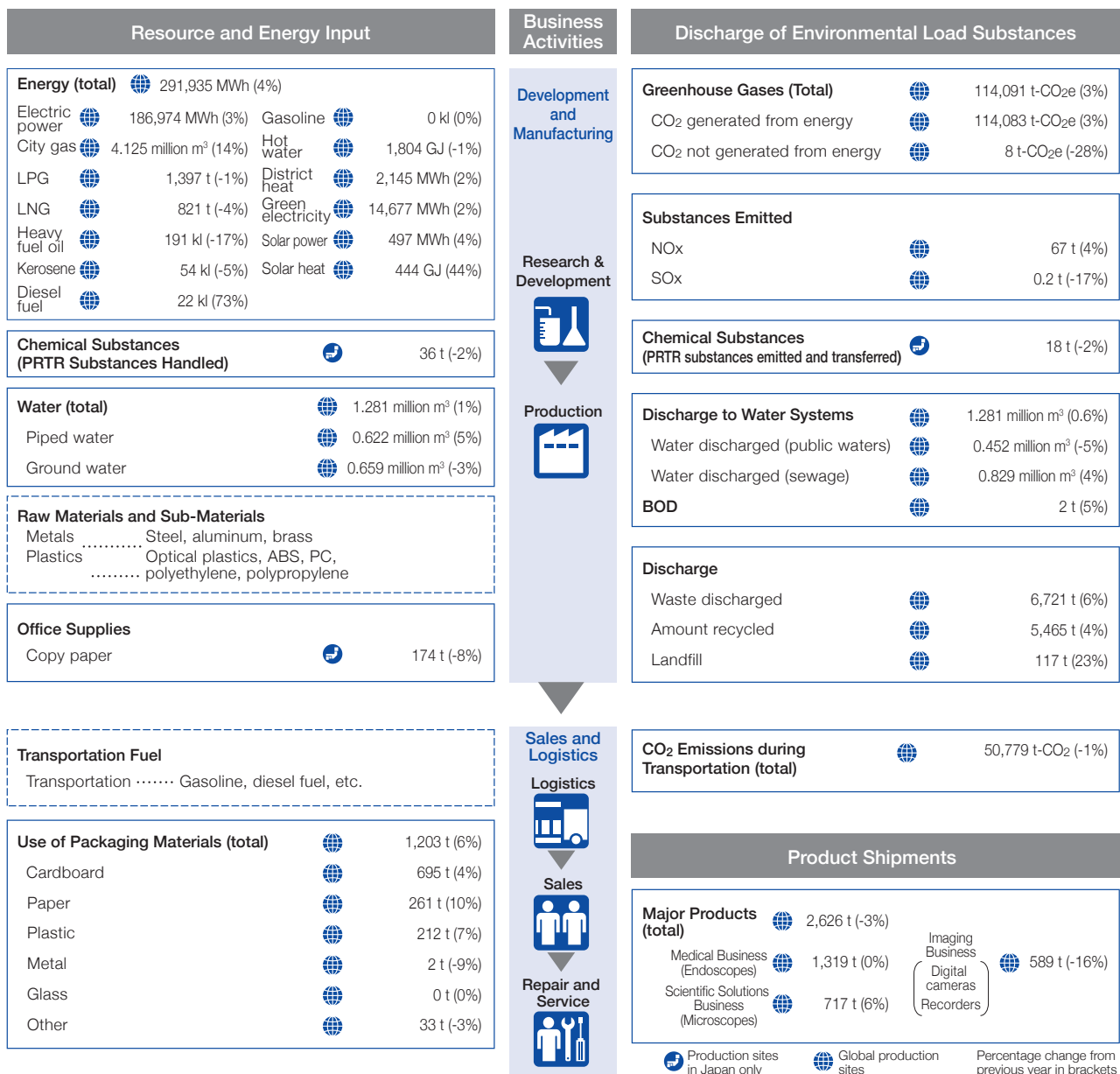
Environmental Performance

Basic Policy

Olympus is implementing a variety of environmental activities while assessing the environmental impact of its business activities with precision and with awareness of the scale of the impact on and risk to the environment. Also, following the diversification in our suppliers and with an awareness of climate change as a major environmental issue impacting our business activities, we continue to implement measures to assess information on energy conservation and regulations on reducing CO₂ levels and responding to sudden flooding.

At the same time, we recognize environmental risks as opportunities for us to actively develop and market environmentally conscious products that contribute to resolving issues with climate change and water risk and products designed to resolve environmental issues.

Material Balance (Fiscal 2017)



Energy/Atmospheric Release

Internal (Scope 1, 2) Results

FY2017 Targets	FY2017 Results	Main Measures	FY2018 Targets
Energy consumption rate: improve by 5% or more (compared to FY2012)	Energy consumption rate: improved by 6.6% (compared to FY2012) GHG Emissions: reduced by 1.0% (compared to FY2012)	<ul style="list-style-type: none"> ● Ongoing implementation of manufacturing improvement activities ● Introduction of energy saving equipment ● Ongoing implementation of energy-saving activities on a daily basis, including switching off lights and adjusting air-conditioning temperatures ● Effective use of renewable energy 	Energy consumption rate: improve by 6% or more (compared to FY2012)

Olympus set a target of improving its energy consumption rate by 7.73% or more, compared with fiscal 2012, by fiscal 2020 and among its energy-reduction activities is engaged in reducing its CO₂ emissions. Olympus continued production procedure improvements in factories across the world in fiscal 2017 following its preset targets, such as installing energy-saving facilities, space usage reduction, and lead time reduction. We installed energy-saving elevators and replaced conventional lighting with LEDs in Nagano Facility Ima, and started using renewable energy (green power) in Gyrus ACMI, Inc. (Norwalk).



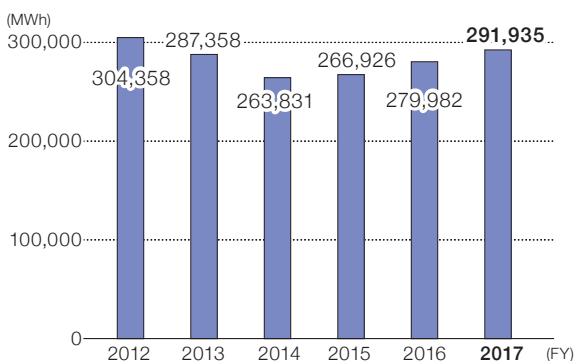
Environmental Stewardship

External (Scope 3 [Category 4 Upstream transportation and distribution]) Results

FY2017 Results	Main Measures
GHG Emissions: reduced by 8.9% (compared to FY2012)	<ul style="list-style-type: none"> ● Enhanced loading efficiency by improving packaging size and strength ● Reduced transportation weights by improving packing and packaging methods ● Shortened lead times and transportation distances by improving logistics routes ● Eliminating packaging materials by using returnable containers

Olympus is engaged in reducing logistics-related CO₂ emissions at each of its business sites. We continued our modal shift in international transportation from aircraft to ships. Fiscal 2017 focuses also included reduction of waste materials by expanding usage of returnable containers, revision of transportation routes of products to be sold in China, and switching domestic freight deliveries to truck transportation.

Internal Energy Consumption

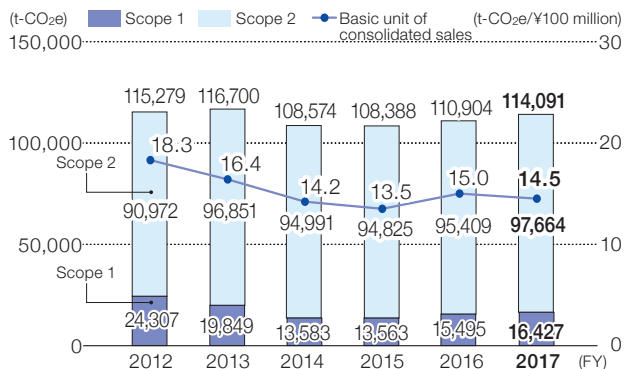


*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded. Conversion coefficient based on Enforcement Regulation for the Act on the Rational Use of Energy

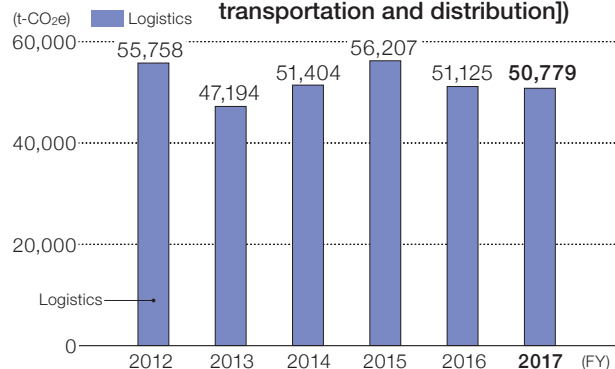
Breakdown of Internal Energy Consumption

		FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Direct	City gas	42,816	44,571	41,742	39,164	45,375	51,825
	LPG	9,567	10,556	11,891	15,013	19,928	19,708
	LNG	14,298	15,348	13,388	12,764	12,954	12,454
	Heavy fuel oil	4,163	3,417	3,178	3,525	2,492	2,072
	Kerosene	484	379	378	536	574	548
	Diesel fuel	43,955	23,791	1,002	184	132	228
	Gasoline	0	4	2	4	3	3
	Subtotal	115,283	98,067	71,587	71,190	81,457	86,837
Indirect	Electricity	177,484	174,615	174,148	177,788	180,743	186,974
	Hot water	324	332	277	519	687	682
	District heat	2,268	1,823	1,969	2,082	2,106	2,145
	Green electricity	8,700	12,213	15,536	14,990	14,423	14,677
	Solar power	168	181	175	251	479	497
	Solar heat	130	129	143	106	85	123
Total	304,358	287,358	263,831	266,926	279,982	291,935	

GHG Emissions/Basic Unit (Scope 1, 2)



GHG Emissions (Scope 3 [Category 4 Upstream transportation and distribution])



*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

*Reporting based on the following GHG Protocol scopes.

Scope 1: Greenhouse gas emission from direct use of fossil fuels

Scope 2: Greenhouse gas emission from secondary use, such as electric power purchase

Sources for CO₂ Conversion Coefficients

● Electricity

Japan: Coefficients published annually by the national government under the Act on Promotion of Global Warming Countermeasures and coefficients after adjustment for each power utility per fiscal year. FY2015 conversion coefficient used for FY2016.

Overseas: Coefficients published by the IEA that are conversion coefficients by nation per fiscal year. FY2014 conversion coefficient used from FY2015 onward.

● Fuels

Japan/overseas: Conversion coefficients based on Act on Promotion of Global Warming Countermeasures employed.

Coefficients for Converting GHG to CO₂e

From FY2015 onward: 100-year GWP in IPCC Fourth Report used.

Up to and including FY2014: 100-year GWP in IPCC Second Report used.

Basic Unit of Consolidated Sales

Companywide CO₂ emission (t-CO₂e) / Consolidated sales (100 million yen)

GHG Emissions for the Entire Supply Chain

Category	Emissions (in thousands t-CO ₂ e)		Calculation Method (Assumptions)	
	FY2016	FY2017		
Scope 1	15	16		
Scope 2	95	98		
Scope 3	1. Purchased goods and services	82	85	Calculated by multiplying raw materials and parts of leading products by basic unit
	2. Capital goods	199	198	Calculated by multiplying facility investment value by basic unit
	3. Fuel- and energy-related activities (not included in Scope 1, Scope 2)	11	10	Calculated by multiplying electric power and fuel purchased by basic unit
	4. Upstream transportation and distribution	51	51	Calculated by multiplying transport ton/kg of leading products by basic unit (including delivery logistics)
	5. Waste generated in operations	7	8	Calculated by multiplying worksite waste output by basic unit
	6. Business travel	21	20	Calculated by multiplying business travel expenses by basic unit
	7. Employees' commuting	14	14	Standard commute model defined by region and calculated by multiplying the number of employees in region by basic unit
	8. Leased assets (upstream)	11	14	Calculated by multiplying gasoline consumption for corporate & leased vehicles by basic unit
	9. Downstream transportation and distribution	—	—	Classified as transport from dealers and sales companies to the customer but excluded due to small impact scale
	10. Processing of sold products	—	—	Excluded due to small impact scale and difficulty in tabulation in this category
	11. Use of sold products	57	66	Calculated by multiplying electric power consumption, etc., for lifetime of sold product by basic unit
	12. End-of-life treatment of sold products	3	3	Calculated by multiplying product disposal weight by basic unit for waste material
	13. Leased assets (downstream)	—	—	Calculation including use of sold products, although some products are leased
	14. Franchises	—	—	Not calculated due to absence from Olympus's business range
	15. Investments	10	10	Calculated by multiplying Scope 1 & Scope 2 emissions at investment targets by investment ratio

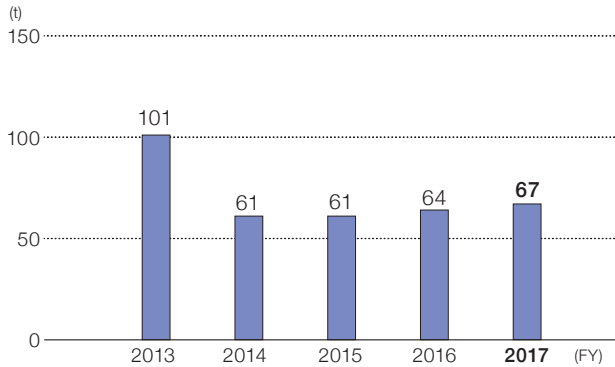
Scope 1: Direct emissions from facilities owned or controlled by the company (e.g., emission from use of town gas or heavy oil)

Scope 2: Emission from generation of energy consumed at facilities owned and controlled by the company

Scope 3: Other indirect emissions excluding Scope 1 and Scope 2

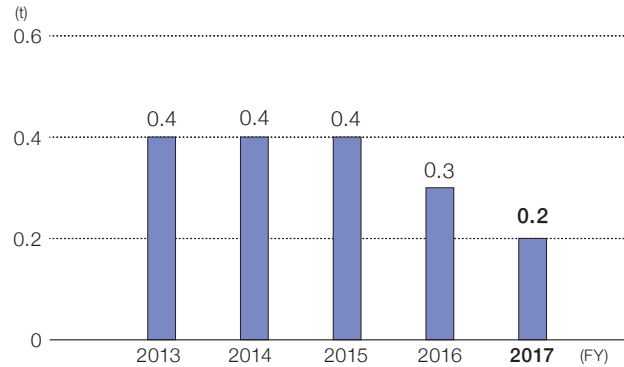
*Obtained external assurance (Page 63) for total GHG emissions in Scope 1 and Scope 2, and assurance for "Category 4. Upstream transportation and distribution" in Scope 3, because it is more important than the others and emissions are close to the actual value.

NOx Emissions



*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

SOx Emissions



*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

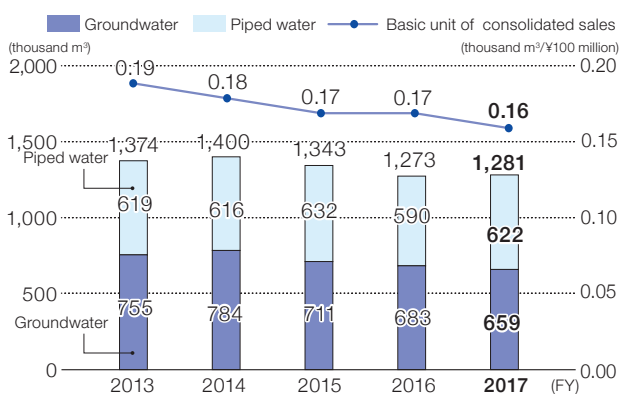
Water/Waste

Water Use/Wastewater Results

FY2017 Targets	FY2017 Results	Main Measures	FY2018 Targets
Water use rate: improve compared to FY2016	Water use rate: improved by 5.9% (compared to FY2016)	<ul style="list-style-type: none"> Improvements in water use processes Implementation of anti-leak measures during equipment inspections 	Water use rate: improve compared to FY2017

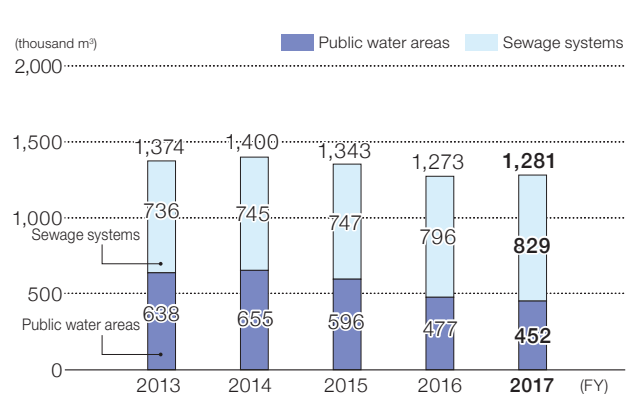
Olympus uses water mainly for cleaning components and other purposes during production processes as well as in its dining halls. We carefully control the chemicals in wastewater emitted from our facilities by setting stricter criteria than the levels designated by regulations in different regions. In the facilities where water consumption is high, we set targets for individual facilities to reduce water consumption and emissions. In fiscal 2017, Nagano Facility continued inspections and repairs of water leakages from underground pipes to minimize water losses. Shirakawa Facility and Aizu Olympus also reduced water usage by shortening washing hours in the rinsing process during production.

Water Use



*Scope: Manufacturing and development sites in Japan and overseas (Some production sites in North America and small businesses are excluded.)

Wastewater



*Scope: Manufacturing and development sites in Japan and overseas (Some production sites in North America and small businesses are excluded.)

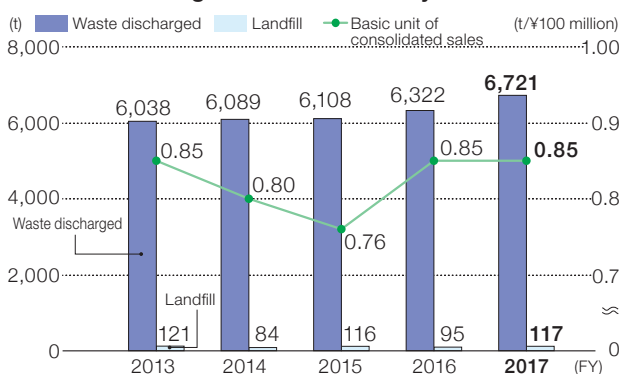
Waste Results

FY2017 Targets	FY2017 Results	Main Measures	FY2018 Targets
Waste discharge rate: improve compared to FY2016	Waste discharge rate: 0.0% (same as previous fiscal year)	<ul style="list-style-type: none"> ● Reduction of process defects ● Recycling organic solvents ● Improvement in recycling rate by thorough separation and other measures 	Waste discharge rate: improve compared to FY2017

Olympus is advancing methods to reduce the amounts of waste produced and disposed of at landfills at each of its business facilities.

Waste emissions in fiscal 2017 increased due to additional usage of packing materials for transferring production lines from one facility to another; however, we continued to reduce processing losses in each facility by improving production procedures. Nagano Facility and Shirakawa Facility use a condenser to reduce acid and alkaline wastes. KeyMed (Medical & Industrial Equipment) Ltd. promoted thorough waste management among its employees to improve the recycling rate by distributing an original waste separation guidebook inside the company.

Waste discharged/Landfill and Recycle Rate



*Scope: Manufacturing & development sites in Japan and overseas
(Some production sites in North America and small businesses are excluded.)



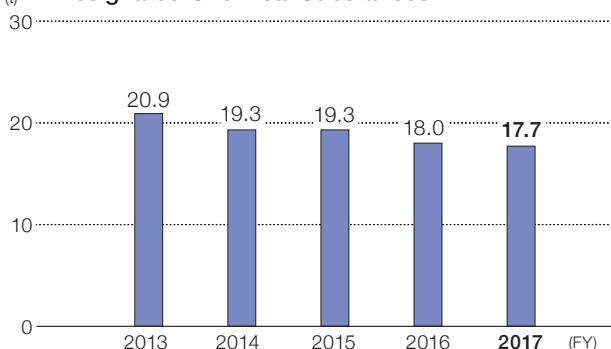
Original waste separation guidebook, *The A-Z of Waste*

Chemical Substance Safety and Control

FY2017 Results	Main Measures
Emissions and Movements of PRTR Class 1-Designated Chemical Substances: decreased by 1.7% (compared to FY2016)	<ul style="list-style-type: none"> ● Substitution of PRTR-designated chemicals with other substances through material developments ● Reduced usage of PRTR-designated chemical substances

Olympus is striving for appropriate management and emissions reduction of chemical substances subject to the PRTR regulations in order to minimize the impact on people and the environment. Nagano Facility reduced usage of 1-bromopropane, a cleaning solvent, by optimizing the component cleaning process.

Emissions and Movements of PRTR Class 1-Designated Chemical Substances



*Scope: Manufacturing and development sites in Japan

○ Olympus Group Site Data

Company/Facility		Location	CO ₂ (t-CO ₂ e)	Water used (thousand m ³)	Waste discharged (t)	Amount recycled (t)	
Japan	Olympus Corporation	Technology Development Center, Ishikawa Facility	Hachioji-shi, Tokyo	9,131	99	489	489
		Technology Development Center, Utsugi Facility	Hachioji-shi, Tokyo	2,498	21	105	105
		Technology Development Center, Takakura Facility	Hachioji-shi, Tokyo	372	4	15	15
		Nagano Facility Tatsuno	Tatsuno-machi, Kamiina-gun, Nagano	17,304	312	498	495
		Nagano Facility Ina	Ina-shi, Nagano	2,155	17	84	77
	Olympus Medical Systems Corp.	Hinode Plant	Hinode-cho, Nishitama-gun, Tokyo	1,360	6	53	53
	Aizu Olympus Co., Ltd.		Aizu-Wakamatsu-shi, Fukushima	13,591	249	428	396
	Aomori Olympus Co., Ltd.		Kuroishi-shi, Aomori	4,217	33	233	233
	Shirakawa Olympus Co., Ltd.		Nishigo-mura, Nishishirakawa-gun, Fukushima	3,642	36	368	309
	Olympus Terumo Biomaterials Corp.	Mishima Plant	Nagaizumi-cho, Suntogun, Shizuoka	1,439	6	10	8
Olympus Logitex Co., Ltd.		Sagamihara-shi, Kanagawa	667	—	350	350	
Asia/Oceania	Olympus (Shenzhen) Industrial Ltd.		Guangdong Province, China	25,977	163	539	477
	Olympus (GuangZhou) Industrial Co., Ltd.		Guangzhou, China	370	3	91	88
	Olympus Trading (Shanghai) Limited		Shanghai, China	456	1	15	15
	Olympus Vietnam Co., Ltd.		Dong Nai Province, Vietnam	9,326	170	1,019	543
	Olympus Australia Pty Ltd		Victoria, Australia	362	1	74	41
Europe	Olympus Winter & Ibe GmbH		Hamburg, Germany	1,226	14	328	313
	KeyMed (Medical & Industrial Equipment) Ltd.		Essex, U.K.	954	27	381	342
	Algram Group Ltd.		Devon, U.K.	54	3	121	52
Americas	Gyrus ACMI, Inc.		Massachusetts, U.S.A.	5,999	18	357	118
	Olympus Scientific Solutions Americas Corp.		Massachusetts, U.S.A.	2,293	44	145	80
	Olympus America Inc.	National Service Center	California, U.S.A.	1,204	11	252	252

* Olympus Group's production sites in Japan and overseas

Environmentally Conscious Products

Product Life Cycle Assessments

The Olympus Group works to develop products and production technologies that show consideration for safety and for the environment. Having in fiscal 2003 established its Eco-Products Administration Rules, a voluntary standard relating to the environmental considerations of our products, we continue to certify our products as Olympus Eco-Products.

In addition, a life cycle assessment (LCA) is performed at each stage of a product's life cycle to assess its impact on the environment at the product development stage and from procurement through manufacture, distribution, use and final disposal. Clarifying the environmentally conscious aspects that differ for each product, we have set them as items for the environmental consideration standard.

Examples of Environmentally Conscious Products

The Olympus Group works to show consideration for the environment through the products in each of its business fields.

Medical Business

ORBEYE Surgical Microscope System

< Main Product Features >

1. The 4K 3D high-definition digital images support precision surgery.
2. The large 55-inch monitor with 4K 3D quality contributes to team surgery and reduces the burden on physicians.
3. Significant downsizing of the microscope component (95% volume reduction compared to previous model) ensures sufficient space for surgery and shortens system setup time.

< Environmentally Conscious Aspects >

- Running cost reduction due to less power consumption.
- CO₂ emissions reduction from product transportation through reducing the weight of the product and the packaging volume.



Scientific Solutions Business

Semiconductor & FPD Inspection Microscopes MX63 & MX63L

< Main Product Features >

1. The newly added MIX observation unit provides better visibility for easier identification of faults previously difficult to detect.
2. LED light source enables observation under stable conditions over a prolonged period regardless of light source brightness.
3. The focus aid function enables quick and accurate focusing without the lens accidentally coming into contact with the sample.

< Environmentally Conscious Aspects >

Adoption of LED light source prolongs bulb lifetime and reduces power consumption.



Camera and Audio Business

Interchangeable Lens Camera OLYMPUS PEN E-PL9

< Main Product Features >

1. Art Filters, together with beautiful blurred backgrounds, enable impressive photos with a versatile range of photographic expressions to be easily created.
2. Easy connection to a smartphone and handy image transfer function to share photos over SNSs.
3. Compact and lightweight body with simple, high quality design, makes the camera an all-the-time companion.
4. Five-axis image stabilizer creates high quality photos in any conditions and the Auto mode delivers high performance basic functions with simple operations.



Linear PCM Recorder LS-P4

<Main Product Features>

1. Three-dimensional microphone system using TRESMIC technology creates a wide frequency response recording, faithful to the original sound.
2. Lossless compression FLAC format has been adopted.
3. Equipped with Bluetooth® compatibility to wirelessly connect with headphones and other peripheral devices.
4. Various pre-installed editing functions, including Fade-in & Fade-out.



<Environmentally Conscious Aspects> (shared by both products)

- In accordance with the “Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment”^{*1} and the guidelines formulated by the Camera & Imaging Products Association (CIPA)^{*2}, battery recycling is encouraged by having not incorporated the batteries into the device bodies and by having adopted a rechargeable battery and a retractable battery compartment cover to facilitate battery removal.
- Reduced power consumption when in use and when on standby

*1 For more details please visit:
<http://www.env.go.jp/recycle/recycling/raremetals/law.html> (Only in Japanese)

*2 For more details please visit:
http://www.cipa.jp/env/documents/j/assessmentguide_20160419.pdf (Only in Japanese)

Products that Contribute to Solving Environmental Issues

Utilized even at the forefront of automobile and aircraft development with the aim of improving the efficient use of energy and the recycling facilities, Olympus products contribute to solving environmental issues.

VANTA X-Ray Fluorescence Analyzer

Assisting in hazardous substance analysis and resource recycling

< Main Product Features >

1. Nondestructive measurement of substances (elements) in the target object by type and content
2. Small and light for easy measurement on the spot
3. Complies with dustproof and waterproof standard IP65^{*3}.
4. Use for quality inspections at production sites, selecting recycled raw materials, inspecting hazardous metals, etc.



*3 International standard on dust and moisture resistance established by the International Electrotechnical Commission. The tens digit shows the dust resistance grade and the ones digit shows the moisture resistance grade

IPLEX NX Industrial Videoscope

Contributing to the realization of a society that emits only small amounts of CO₂

< Main Product Features >

1. Used in the inspection and diagnosis of the internal parts of machinery
2. Reproduces even the slightest defect in a sharp, clear image
3. Used for inspections of wind power generation facilities and of automobiles competing on low fuel consumption as well as of aircraft engines



Recycling Small Rechargeable Batteries, Containers and Packaging Materials

Under the Act on the Promotion of Effective Utilization of Resources and as a member of the Japan Portable Rechargeable Battery Recycling Center (JBRC), Olympus is cooperating in collecting and recycling small rechargeable batteries. Containers for individual packaging and packaging materials used for products are being identified to allow sorted collection. Under the Act on the Promotion of Sorted Garbage Collection and Recycling of Containers and Packaging and as a member of the Japan Containers and Packaging Recycling Association, Olympus is also cooperating in recycling. At the same time, we are making efforts to promote effective use of resources to cut down the volume of container and packaging materials used.

Environmental Accounting

◎ Environmental Conservation Costs

(Millions of yen)

Grouping	FY2015		FY2016		FY2017		
	Investment	Cost	Investment	Cost	Investment	Cost	
Costs inside Business Area	278	778	328	588	183	263	
Content	Prevention of Public Nuisance Cost	30	565	38	397	24	119
	Global Environmental Conservation Cost	247	35	290	35	144	8
	Resource Circulation Cost	1	178	0	156	16	136
In Upstream Costs	1	86	1	70	0	64	
In Downstream Costs	0	8	0	5	0	3	
Environmental Management Activity Costs	0	366	10	379	0	342	
R&D Costs	0	96	0	34	0	695	
Costs of Social Activities	0	6	0	1	0	6	
Costs for Damaged Environment	0	0	0	0	0	0	
Total	279	1,340	339	1,077	183	1,373	

◎ Environmental Conservation Effects

Quantitative Effects of Environment Preservation	FY2015	FY2016	FY2017
CO ₂ emissions (t-CO ₂ e)	51,593	54,888	56,368
Waste Discharged (t)	2,367	2,531	2,633
Water Usage (10,000 m ³)	82	81	78
Chemical Substances Transferred/Discharged (t)	19	18	18

(Millions of yen)

Economic Benefits of Environmental Protection		Change from Previous Fiscal Year
Revenue Benefits	Revenues from Sales of Valuable Recycled Substances	6
	Energy Costs	63
Cost Savings	Costs of Water Usage	4
	Disposal Contracting Costs	9

Target period: April 1, 2015–March 31, 2018

Scope: Head office functions, manufacturing companies and distribution companies in Japan

Notes: 1) Tabulation based on "Environmental Accounting Guideline 2005."

- 2) Cost and depreciation that cannot be separated clearly in environmental management are not divided proportionately. Full amount has been excluded from the calculations.

Assurance Statement related to GHG Emissions

© Assurance Statement related to GHG Emissions (1/2)



Assurance Statement related to Olympus Corporation's GHG Emissions Inventory for the fiscal year 2017

Terms of Engagement

This Assurance Statement has been prepared for Olympus Corporation.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Olympus Corporation (hereafter referred to as "the organisation") to assure its GHG Emissions Inventory for the fiscal year 2017 (1 April 2017 to 31 March 2018) (hereafter referred to as "the report"). The report relates to direct GHG emissions (Scope 1)¹, energy indirect GHG emissions (Scope 2)¹ and other indirect GHG emissions related to upstream transportation and distribution (Scope 3, Category 4)² from the activities of the organisation and its consolidated subsidiaries in Japan and overseas.

Management Responsibility

The organisation's management was responsible for preparing the report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the report in accordance with our contract with the organisation.

Ultimately, the report has been approved by, and remains the responsibility of the organisation.

LRQA's Approach

Our verification has been conducted in accordance with ISO 14064-3:2006 *Specification with guidance for validation and verification of greenhouse gas assertions* to provide limited assurance that the GHG emissions data as presented in the report and as summarized in Table 1 and Table 2 below have been prepared in conformance with the organisation's in-house reporting procedures and with reference to ISO14064-1:2006.

To form our conclusions, the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- reviewed the management system documents for GHG emissions data, information and records, covering all the processes up to the preparation of the GHG Emissions Inventory;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records;
- assessed effectiveness of implementation of the GHG management system and the internal data verification;
- conducted site tours of the facilities and reviewed processes related to the control of GHG emissions data and records at Nagano Facility Ina, Olympus Co., Ltd and Olympus Vietnam Co., Ltd.; and
- verified historical GHG emissions data and records at an aggregated level for the fiscal year 2017, including the associated main activity data for each type of energy consumption as summarised in Table 1 and Table 2 below.

Level of Assurance & Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at a materiality of the professional judgment of the Verifier.

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the total direct GHG emissions, energy indirect GHG emissions and other GHG emissions related to upstream transportation and distribution as disclosed in the Report as summarized in Table 1 and Table

¹ The Scopes are as defined in *The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard*.

² The categories of Scope 3 emissions are as defined in the *Greenhouse Gas Protocol – Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.

○ Assurance Statement related to GHG Emissions (2/2)



2 below are not materially correct and that the report has not been prepared in conformance with the organisation's in-house reporting procedures and with reference to ISO14064-1.

LRQA's Recommendations

The organization has year-on-year demonstrated improvement in its data management system. However, the organization should further demonstrate the completeness of its future GHG Emissions Inventory. This is particular to expanding the reporting boundaries of its Scope 1 and Scope 2 emissions and identifying other relevant Scope 3 categories across its entire value chain.

Signed:

Dated: 28 June 2018

Norihiko Kinoshita
 LRQA Lead Verifier
 On behalf of Lloyd's Register Quality Assurance Limited
 Japan Business Centre, Queen's Tower A, 10th Floor
 2-3-1 Minatomirai, Nishi-ku, Yokohama 220-6010, Japan

LRQA Reference: YKA4005278

Table 1. Summary of Olympus Corporation, Energy Consumption 2017

Type of energy consumption		TJ	MWh
Direct energy consumption	Town gas	187	51,825
	Liquefied petroleum gas (LPG)	71	19,708
	Liquefied natural gas (LNG)	45	12,454
	Heavy oil	7	2,072
	Kerosene	2	548
	Diesel oil	1	228
	Gasoline	0	3
Indirect energy consumption	Electricity	1,836	186,974
	Hot water	2	682
	District heat	8	2,145

Table 2. Summary of Olympus Corporation, GHG Emissions Inventory 2017

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	16,427
Energy indirect GHG emissions (Scope 2, Market-based)	97,664
Other indirect GHG emissions (Scope 3 - Category 4) <i>related to upstream transportation and distribution</i>	50,779

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GRI Content Index

The information contained within this report conforms to Global Reporting Initiative (GRI) Sustainability Reporting Standards. (Contains some information of the Integrated Report and Website.)

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Olympus Corporation
