

OLYMPUS CSR DATA BOOK
2019

About the Editing Process

From 2018, the Olympus Group's Annual Report changed its style as an Integrated Report. Detailed information related to CSR will be published in the Olympus CSR DATA BOOK.

The reporting format used in this CSR DATA BOOK 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.

External Assurance

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

Scope 1, Scope 2, Scope 3 (Category 1-15), energy consumption (including breakdown), water use, and waste discharged

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

Organizations Covered by the Report

In principle, the organizations covered by this DATA BOOK 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 disclosure, the data values may differ from past disclosed environmental performance.

The descriptions used herein denote the following.

- Olympus Group: Olympus Corporation, subsidiaries and affiliates (in Japan and overseas)
- Olympus: Olympus Corporation
- Olympus Group in Japan: Major subsidiaries and affiliates in Japan

Period Covered by the Report [Fiscal year ending March 2019: April 1, 2018–March 31, 2019]

The report contains some information outside this period.

■ Publication Date

[Annual publication (Japanese and English editions)]

● Japanese edition: August 27, 2019

(The previous edition was published on September 5, 2018. The publication of the next edition is scheduled for August 2020.)

● English edition: September 27, 2019

(The previous edition was published on September 28, 2018. The publication of the next edition is scheduled for September 2020.)

■ 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/>

● Financial information disclosure and distribution media

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

- Corporate Governance
- Securities Reports and other materials

● CSR related information disclosure and distribution media

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

Inquiries on this CSR 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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* Please refer to the following website for details regarding the Group's Corporate Governance.

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

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Communication with Stakeholders

The Olympus Group is committed to “making people’s lives healthier, safer, and more fulfilling.” This is our corporate philosophy and the fundamental concept underlying our activities, enabling us to respond to the highest expectations of our stakeholders, conduct ourselves as a model corporate citizen, and work towards sustainable growth together with society.

In acting as a global company to address the issues of international society, we are participating in the UN Global Compact, reporting our CSR activities to them and conducting studies into what we can do to contribute to the Sustainable Development Goals (SDGs).

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 potential needs and to propose and provide products and services in a timely manner.

Customer call centers dedicated to customer services have been set up in Japan and overseas by each business. In addition to support for resolving problems for customers, the contents of such inquiries are being used in the company for improvements.

Shareholders and Investors

The Olympus Group complies with the Fair Disclosure Rules set out in the Financial Instruments and Exchange Act and discloses corporate data including its management policies, its financial status, business activities, CSR activities, etc., in a fair, timely, appropriate and active manner according to its “Information Disclosure Policy” On our website, efforts are being made to publish such information in both Japanese and English to fulfill our information disclosure requirements.

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, Compliance Helpline, a service to receive inquiries on compliance, handles reports from the Olympus Group in Japan and from suppliers with which Olympus has direct trade relations.

Employees

To plan and operate the systems and measures that support diverse human resources, the Human Resources Division holds dialogs with employees and the labor union. Regular labor-management meetings are being held with the labor union on the central and business site levels, including semiannual meetings with the Central Labor Standards Council, to improve working conditions and reform the corporate culture.

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.

National and Local Governments

We are actively involved in a wide range of social contribution activities in cooperation with national and local governments. As part of ODA education organized in cooperation with the Japan International Cooperation Agency (JICA) and the Japanese School in Bangkok, in the fiscal year ended March 2019 we provided children with opportunities to discover, among other things, the role the endoscope plays in various applications.

Compliance

Basic Stance & Policy

Olympus Group Corporate Conduct Charter

The Olympus Group 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 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.

We work 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

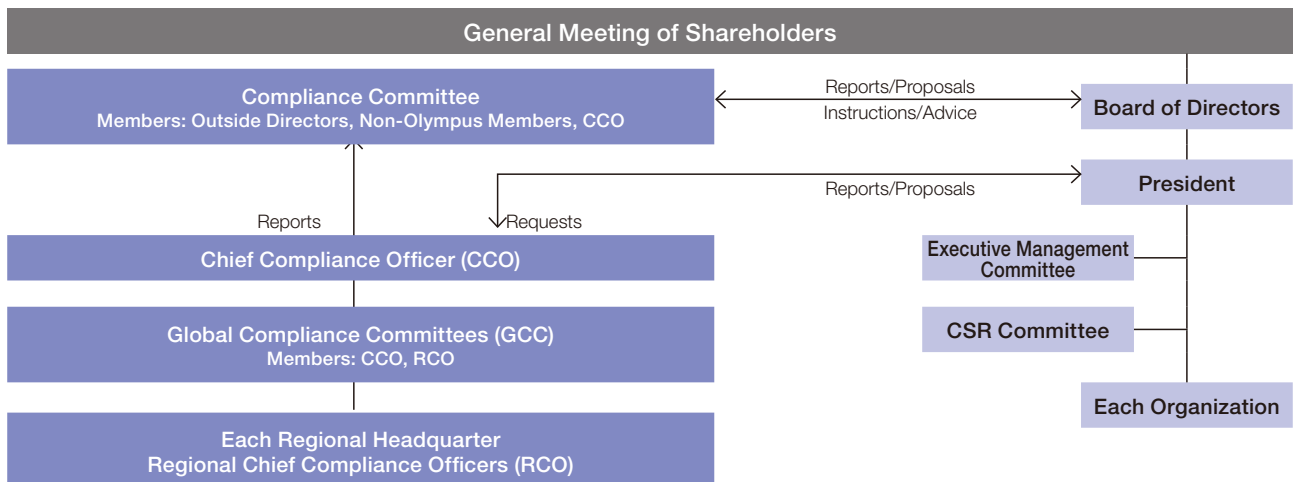
Compliance Promotion System

In order to clarify who is responsible for compliance-related issues, the Olympus Group has appointed a Chief Compliance Officer (CCO) as a global compliance supervisor. (A deputy CCO was also appointed in fiscal 2018)

Moreover, we have also established a Compliance Committee, which is composed of outside directors, the CCO, and an external member (external lawyer in fiscal 2018), 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, the Olympus Group 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. In addition to using the Compliance Helpline anonymously, whistleblowers are protected by our in-house rules that contain explicit provisions on the assurance of anonymity when reporting cases and a prohibition on unfair treatment. Moreover, regarding the external contact point, the attorney providing the service will not, without the approval of the whistleblower, 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 fiscal 2018, the Group introduced the Global Hotline internal reporting system to receive reports in multiple languages from around the world on a 24/7 basis. The system has been put into operation in regional headquarters that have completed the required preparations.

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.

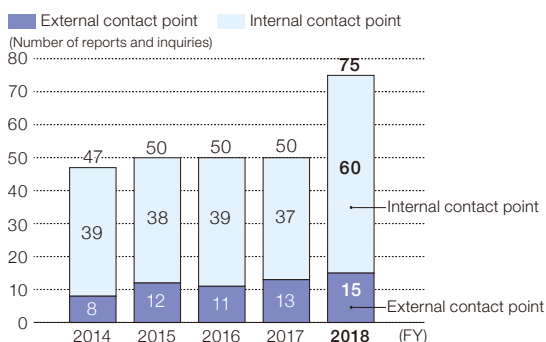
Overseas, RCOs are striving to promote the use of internal reporting system through both enhancing and notifying it.

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 in Japan* is being monitored on a quarterly basis. 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 15 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, OLYMPUS RMS, and Olympus-Supportmate.

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, the Olympus Group 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 (Olympus Group in Japan)

Category	Target	Method	Description	Results
General	Executive officers	Group training	Outside instructors conduct lectures on management compliance.	Frequency of program: 1 Number of participants: 23
	All employees	E-learning and group training	Education on compliance helpline	Frequency of program: 1 Number of participants: 13,618
	All domestic employees		Distribute Compliance Handbooks containing explanations of the management philosophy and corporate code of ethics as well as a Q&A summary (The Compliance Handbook has been revised with an updated Olympus Group Corporate Philosophy.)	Frequency of program: As needed Target: New employees, midcareer 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: 12,456 (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 meeting by the RCO Frequency of program: 1 Number of participants: 71 (10 divisions)

◎ Strengthening Compliance with Key Laws and Regulations

Jurisdiction	Name of Law/Regulation, etc.
Laws, regulations and guidelines in Japan	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
Laws, regulations and guidelines in other countries	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

Small Town Meeting Led by the RCO

In response to the message from the CCO released during October, which is the Compliance Month, we held small town meetings by regional compliance officers (RCO) in Japan in order to “raise awareness that compliance is part of daily business activities.”

Based on the results of action conducted for the first time last year, 10 divisions in the Olympus Group in Japan were selected for 71 employees, regardless of job rank, to express freely their doubts and dissatisfaction felt in day-to-day business performance through lively exchanges of views and question-and-answer sessions with the RCO.

The findings from the meeting were shared with the Compliance Promotion Committee. At the same time, all questions were brought back to the compliance division, and they could reply to their answers to the concerned divisions.

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. We aim to penetrate and establish CSR throughout the Olympus 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 2018)



Risk Management System

The Olympus Group manages risk from both the defensive aspect of preventing fraud or accidents and the proactive aspect of aggressively taking risks that are sound to achieve sustainable growth and create corporate value.

A crisis management process has also been established to minimize the impact of unforeseen incidents on corporate value.

<Risk Management>

The implementation status of risk management for each Olympus Group's region and organization is reported to global headquarter through international meetings. In addition, risk assessments conducted by members of the Board of Directors are used in making our business plans and policies. These plans are used to manage our businesses with risk transparency from the medium- to long-term perspective and in line with the changes in both the internal and external environments.

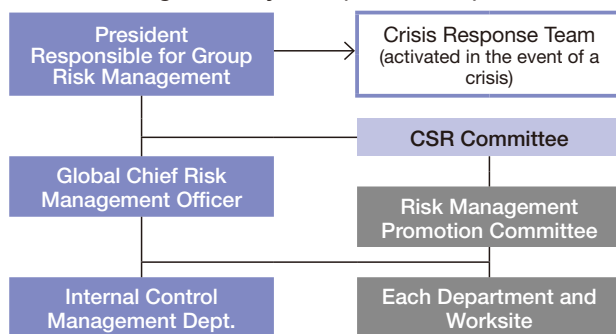
<Crisis management>

Any major incident that is highly likely to affect business management in the Olympus Group is reported promptly to the president and directors and handled appropriately by the managers in coordination with relevant divisions.

We prioritize business continuity plans (BCPs) for preparedness in the event of major earthquakes as a key part of our risk reduction activities. We continue to improve our disaster prevention and mitigation activities, and hold various activities to enhance BCP effectiveness through training and drills.

In response to the increase in devastating natural disasters in Japan, such as the heavy rains in western Japan and the succession of giant typhoons, we conducted surveys to assess the potential flooding and landslide disasters at our business sites around Japan. Overseas, on the other hand, we are implementing BCP activities mainly for fire disasters in Vietnam where our production site is located.

◎ Risk Management System (Fiscal 2018)



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 arises, 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 established the "Request to Suppliers" as a concrete 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 lawful transactions, and taking the environment into consideration. In selecting new suppliers, we review their current response to compliance with social norms and environmental issues as one of our screening criteria.

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

● Sharing business strategies and procurement policy

Once a year, Olympus holds the Procurement Policy Meeting with key domestic suppliers (about 1,000 companies extracted from our business condition) for each business for the purpose of sharing with them the business strategies and procurement policy of the Olympus Group.

In fiscal 2018, 677 representatives from 475 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 BCPs.

In fiscal 2018, survey was conducted on roughly 950 companies, including overseas suppliers. Responses were received from approximately 92%. If the survey results show that a supplier does not satisfactorily comply with legal and social norms and environmental protection and needs to improve, on-site audit is conducted and they must implement corrective actions in order to meet the points listed in our Request to Suppliers. At the same time, wherever possible, we recommend self-improvement actions to prevent the risk of incidents. We conduct studies for risk assessment in collaboration with with concerned 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, Olympus 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.

◎ 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 health) 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

* 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 movements 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 as one of the important applicable laws by Olympus, and Olympus engages in a wide range of activities to ensure compliance. The participation rate for the Subcontract Act e-learning programs for all employees of Group companies in Japan has reached 100%.

In addition, we hold workshops for the representatives responsible in our domestic Group companies, to which we invite attorneys who specialize in the Subcontract Act as guest speakers and sponsored by the Small and Medium Enterprise Agency of the Ministry of Economy, Trade and Industry. Also, we have conducted internal workshops for the procurement divisions in coordination with both the manufacturing and procurement divisions. These workshops drew 340 participants and resulted in a greater understanding of the Subcontractor 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 that have direct business transaction with the Olympus Group in Japan 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.

Starting in fiscal 2018, we introduced a Global Hotline, an internal reporting system that receives reports from around the world in multiple languages on a 24/7 basis. The system has been introduced at those regional headquarters who have completed the required preparations. We have introduced the system at all domestic Olympic Group companies since April 2019.

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 has supported initiatives on climate change as a signatory to the Global Compact “Caring for Climate” since 2009, 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 2018)

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 Series

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

Labor Practices and Decent Work

Employment and Labor Relations

Basic Approach and Policy

The Provision of Fair Opportunities section of the Olympus Human Rights and Labor Policy (see page 28) 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.

In April 2019 we introduced a corporate transformation plan Transform Olympus, a global-scale human resources development system that serves as the basis for our global employees to follow our Corporate Philosophy (Our Purpose and Our Core Values), and to encourage each employee to take on ambitious challenges for personal growth.

Management Structure

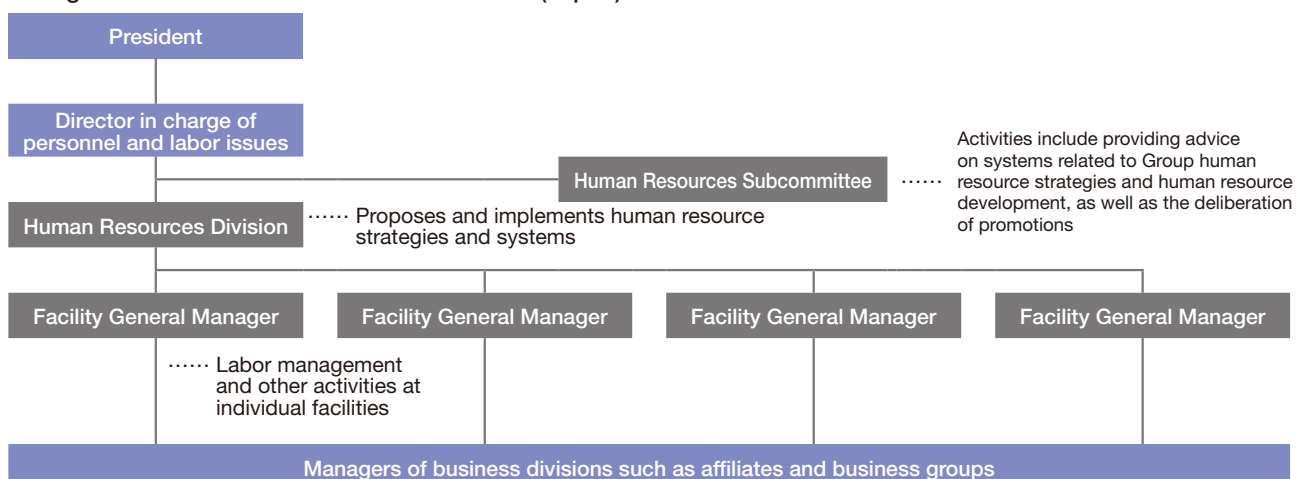
Employment and Labor Management Systems

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 senior executive officer in charge of personnel and labor issues supervises individual activities as a main function of global HR division.

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 business group companies of the Olympus Group 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

Recruitment in Fiscal 2018

Olympus hired 345 employees in fiscal 2018, down by 5% over the previous year. Of these, mid-career employees accounted for 52% 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 increased by 8% to 24.3%.

Employment of People with Disabilities

Olympus works proactively to employ people with disabilities (physical, mental and intellectual). After recruitment, they work in a wide range of fields, including general administration and engineering fields that include manufacturing technology and IT development. At Olympus Support Mate, the special-purpose subsidiary* established in April 2009, we have created working environments and working conditions that are appropriate both for the nature of each individual's disabilities and the required operational requirements to ensure that they can continue to work in Olympus. In April 2019, a cleaning service group was created by Olympus Support Mates at the Aizu Olympus to provide jobs and fulfilling lives for persons with disabilities in the local communities. The number of companies recognized and operating as special-purpose subsidiaries was increased from five to eight in April, underlining our commitment to employing these groups of people at Olympus.

*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 is abilities and is deemed as one of the business offices of its parent company.

Employment of the Elderly

In Japan, the Olympus Group 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 2018, 100 people qualified for the program, and 100% of the employees requesting continued employment were hired accordingly.

Employment and Labor Relations

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

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

Labor-Management Consultations (Japan)

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 2018 was employees' salaries, which resulted in an increase in the basic salary of union members.

As of April 1, 2018, 5,890 employees (other than management) were members of the labor union, which covers 74% of all 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, the Olympus Group 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.

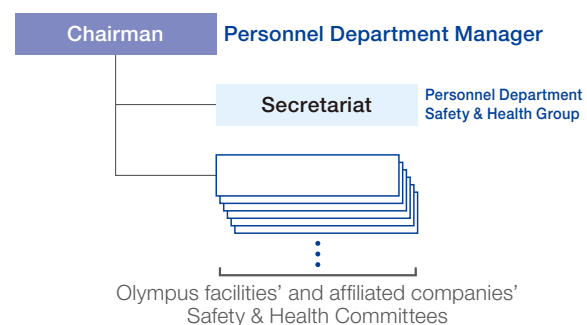
Occupational Safety and Health Promotion Structure

In order to implement the “Occupational Safety and Health Basic Policy,” the Olympus Group has established the “Safety & Health Promotion Committee,” which is chaired in Japan by the general manager of the Human Resources Division. The committee members are the representatives of the Safety & Health Committee 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 & 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

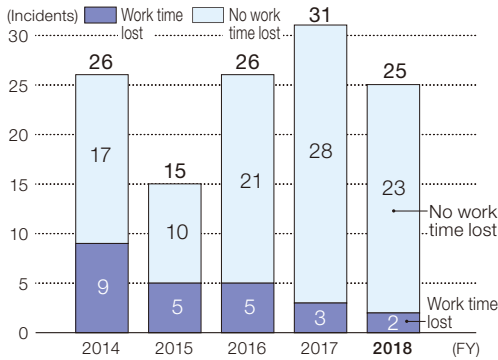


Safety & Health Promotion Activities

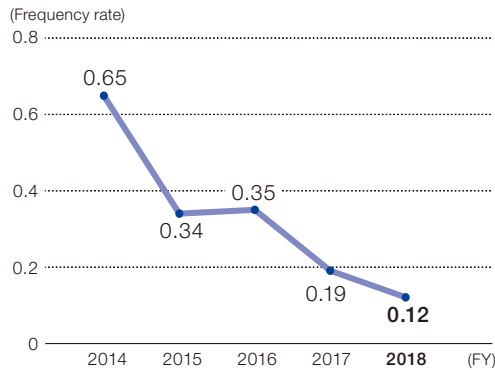
At the beginning of every year, Olympus establishes the “Activity Policy” for occupational safety and health and health management in accordance with the “Occupational Safety and Health Basic Policy,” and promotes activities utilizing the PDCA cycle.

Elimination of industrial accidents is a theme that requires continuous action, and the number of the cases as of fiscal 2018 was 25. We continue to promote various measures to reduce industrial accidents without fail. In fiscal 2019, we will introduce further training programs designed to reduce industrial accidents (e-learning programs) for all employees and will ensure that measures to prevent falling from staircases or slipping on frozen surfaces of winter roads are comprehensively implemented. We will further enhance the measures 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



*Number of workers, incl. temporary workers (average total) x 1,920 ... (1)
Industrial accidents (work time lost) / (1) x 1,000,000 = Incidence ratio

Number of Fatal Accidents

	FY2014	FY2015	FY2016	FY2017	FY2018
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 Olympus Health Insurance Association (hereinafter referred to as “Health Insurance Association”), the Olympus Group in Japan supports health promotion activities for employees in Japan. Since fiscal 2015, we have begun 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.

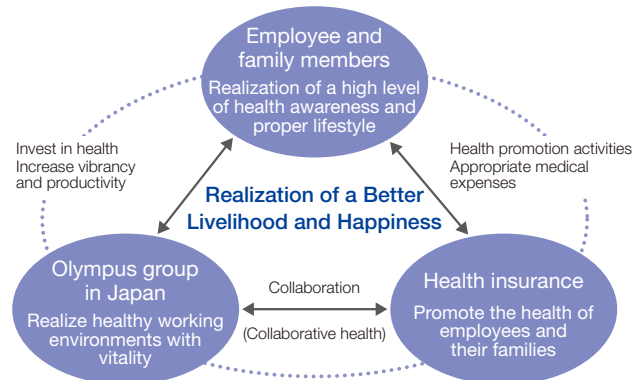
Basic Policy for Activities

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 2018 (Japan)

■ 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 Association 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 2019 Certified Health and Productivity Management Organization Recognition Program

Olympus's activities in employee health management, implemented strategically from a management point of view, have won three-year consecutive recognition since 2017 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 intend to work actively in promoting health among employees of the Group companies in Japan and to contribute to society through promotion of health among its customers through our business activities.



■ Health Declaration and Stop Smoking Promotion in Japan

We have announced the Olympus Health Declaration to promote health awareness among employees and their families in April 2018. We have made it a priority to eliminate passive smoking by introducing to complete a total smoking ban within the premises of all Group companies across Japan by the end of March 2021. Smoking has now been prohibited at many sites and the initiative is now spreading steadily. At the same time, the Health Insurance Association is organizing support programs for employees who want to quit smoking (recommending online stop smoking program, cost subsidy programs, etc.).

◆ 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 Number (Japan)

	Number	Company
Industrial doctors	9	Olympus Head Office Human Resources Division
Health workers/nurses	26	Head Office and Group companies
Contracted industrial doctors/mental counselors	9	Head Office and Group companies

■ Health Examinations and Health Counseling

In cooperation with the Health Insurance Association, we are enhancing our routine health examination offering at the Olympus Group in Japan. In optional screening, we have introduced endoscopies.

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

Health examinations offer enhanced cancer screening tests using endoscope and support the early detection of cancer in the Olympus Group in Japan. In fiscal 2018, 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 cancer screening and brain checkup, however, employees pay half of 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	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) (periodical recommendations)

■ 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 2018, the participation rate was 95%, 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	
	FY2018	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") 	<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")
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 ● Improve the chemical substance management system (related to the environment, exports and occupational health and safety).
Support for health promotion activities (data health)	<ul style="list-style-type: none"> ● Compliance <ul style="list-style-type: none"> • Health examinations (routine/special/specific procedures, etc.) and subsequent measures after the examinations implemented • Responded to overworked people, etc. ● Implemented health promotion and disease prevention measures in cooperation with the Health Insurance Association. <ul style="list-style-type: none"> • Offered specific health guidance. • Seminars (on exercise, diet, mental health, etc.) ● E-mail magazine from the Health Insurance Association to employees 	<ul style="list-style-type: none"> ● Compliance ● Develop measures to improve health literacy. ● Reinforce activities aimed at preventing the development of severe illnesses. ● Support for balancing treatment and work (cancer treatment) ● Study and implement to improve participation in cancer screening programs.
Mental health support	<ul style="list-style-type: none"> ● Promoted further mental health education <ul style="list-style-type: none"> • E-learning program on mental health for new employees • E-learning program on mental health for managers • Seminars by external counselors, etc. ● Stress checks <ul style="list-style-type: none"> • 95% participation; conducted appropriate follow-ups based on results. 	<ul style="list-style-type: none"> ● Promote further mental health education <ul style="list-style-type: none"> • Regular reviews of mental health education (age or rank-specific training, etc.) ● Stress checks & effective use of results <ul style="list-style-type: none"> • Analyze findings and use them effectively to improve the workplace environment.
Measures to prevent passive smoking and quitting smoking	<ul style="list-style-type: none"> ● Group-wide activities in all Group companies in Japan, established concrete targets and planned and developed a promotional organization. ● Wider awareness of activities for all employees (by e-learning) ● Started online quit smoking program. ● Various promotional measures (No Smoking Day & no smoking campaigns) 	<ul style="list-style-type: none"> ● Continue activities to achieve corporate targets. (Corporate target: Complete smoking ban within company premises: By the end of March 2021) ● Promote effective use of the online quit smoking program.

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 specialities 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 in Japan to actively develop their career by improving their competences through the introduction of a goal management/evaluation system. For example, we have implemented a goal management system that places emphasis on “greater communication to improve self-management abilities” under the name MBO-S. Based on the Capability Development Guidelines that define each job-related qualification, we set goals for each six-month interval and establish a development cycle to achieve the goals. A Career Management Sheet is used as a tool to organize information on career planning and to promote communication between managers and employees.

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, the Olympus Group established the Education & Training Division which charts strategies related to the training and career development of Olympus Group employees in Japan, and plans and implements systematic education programs. Education & Training Division 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 are systematically planning and developing a succession of new programs that we will shift from the existing training courses. In fiscal 2018, we have developed and implemented programs for from new employees to third-year employees.

Training and Education System

Olympus conducts more than 250 courses per year, consisting of management training, business training, technical training, training for international business communication, 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 organization focusing on professional skills development, we also offer training programs that can be selected depending on the needs and circumstances of each employee. E-learning programs that were previously managed separately from the Olympus College have also been integrated into one system platform. We will use this platform to work on improving the effectiveness and efficiency of in-house training to strengthen capability development.

Overview of New Training System (Olympus)

Company-wide Stratified Training				Functional Training
Qualification-specific Training		Role-specific Training	Age-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

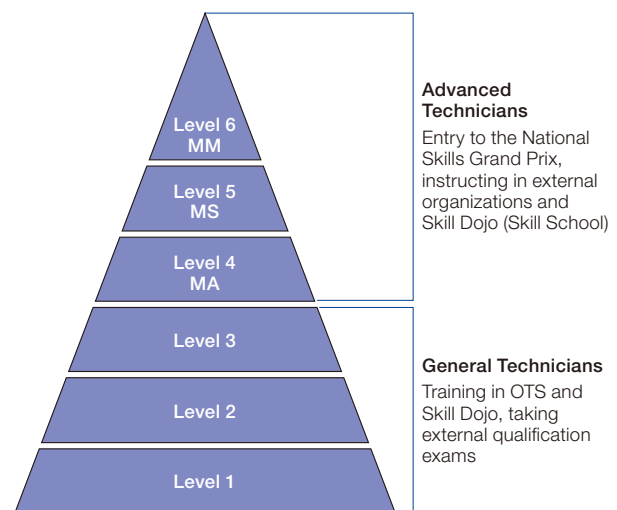
The Olympus Group regards its manufacturing technicians as an important source of added value.

The domestic Olympus Group 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. As of April 1, 2019, the cumulative number of advanced technicians reached 137.

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.

At the Vietnam factory, where both imaging and medical 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 (Olympus Group in Japan)



Labor Practices and Decent Work

Diversity and Equal Opportunity

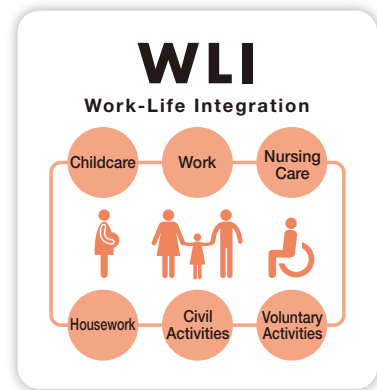
Systems to Improve Work-Life Balance

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 23 Promoting Diversity); (2) Nurturing the next generation (see page 23 Promoting Diversity); (3) Enhancing work productivity; and (4) Promoting health (see page 15 Occupational Safety and Health).

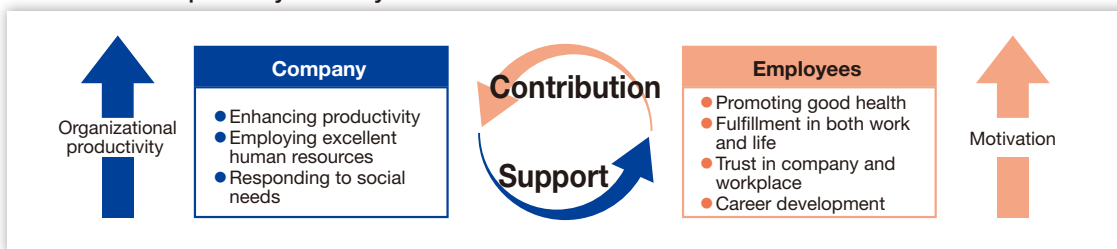
We also started Work-Life Integration training for managers on a regular basis in fiscal 2015 in order to disseminate an understanding of the importance of a management approach that will empower a diverse range of human resources. In fiscal 2017, we published a booklet describing our systems concerning 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

The Olympus Group in Japan 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, the teleworking scheme has been expanded from workplaces where discretionary work practiced to other workplaces, in order to make the scheme available to other employees, with the revision of the work regulations and labor agreement. In April 2019, qualifications criteria have been expanded for application of the scheme to deal with care for family members and for children in sudden illness. As of the date, the scheme now covers approx. 7,000 workers (approx. 1,280 in the previous fiscal year).

Teleworking has been introduced at Olympus Medical Science Sales in fiscal 2018, extending workstyle reform to sales personnel as well.

We are also participating Telework Days, Jisa Biz and 2020 TDM Promotion Project, workstyle reform activities promoted by the Japanese government in cooperation with the business sector and the Tokyo Metropolitan Government, for the purpose of dealing with the Olympic and Paralympic Games Tokyo 2020 and business activities concurrently.

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 healthcare, 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 Olympus Group (including non-full-time employees)
Childcare leave	Longer than legally specified number of days	Olympus Group in Japan

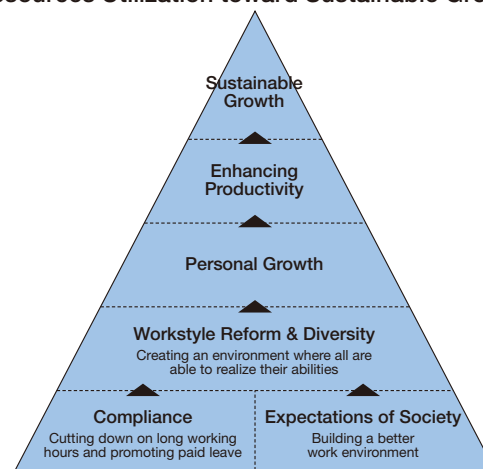
Promoting Diversity

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.

Note: For more details on the measures of Olympus Corporation of America, please visit the link below.
<https://www.olympus.co.jp/csr/special/06>

The Olympus Group's Approach on the Human Resources Utilization toward Sustainable Growth



Promotion Structure

At the Olympus Group in Japan, 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 dedicated organization for diversity to reinforce our promotion structure.

The organization for diversity 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 established rules specific to Japan to promote diversity in the six priority areas of gender (women), persons with disabilities, nursing caregivers, the elderly, sexual minorities and foreigners.

Promoting the Advancement of Women

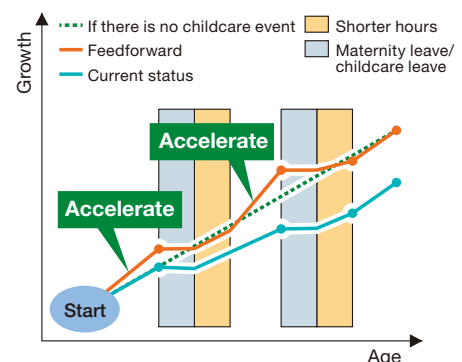
Olympus adopts gender equality in employment opportunities, employee promotions, and salary increases. We also actively appoint highly skilled and ethical people to appropriate positions. The advancement of women is in progress. At the Olympus Group in Japan, female managers count 53 (33 in the previous year) and female managerial candidates increased to 219 from 188 in the previous year as of the end of April 2019.

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 2019, we have established a new common employer action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace. Because measures implemented under the action plan established in fiscal 2016 were found to be effective in improving the empowerment of women, the fiscal 2019 plan will strengthen measures aimed at further career advancement for women to promote this empowerment, while maintaining the basic framework for the plan's goals. We will continue 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, a mentoring system for female workers, and post-childcare training for early return to work. Additionally, we will conduct studies on achieving work-life integration, introduction of a scheme that will enable both work and medical care, creation of an environment in which the work-at-home system can be made available to all employees and the introduction of a paid annual leave system that grants leave in units of hours. Study will also start on a system to promote women in sales position.

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

The Olympus Group in Japan 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.

The childcare facility that opened in September 2018 is the first of its kind in the manufacturing sector in Japan and is promoting work-life integration, will enable both child care and work. As of April 2019, the number of users has grown from six at its opening to 13.

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.

To date, the Olympus Group in Japan has developed action plans to implement the Act on Advancement of Measures to Support Raising Next-Generation Children. Olympus obtained Kurumin certification in 2016 and 2019 from the Minister of Health, Labour and Welfare.



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

The Olympus Group in Japan 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.

A mentor program aimed at aiding women was started in fiscal 2018. Moreover, we made efforts to develop female leaders through enhancing our training programs resulted in a steady increase of women managers as intended in the action plan. In addition to the opening of a childcare center at the Shirokawa site, wider coverage of the teleworking program and shorter working hours for workers caring for children, the child age limit for the shorter working hours scheme was extended from Grade 4 up to completion of Grade 6 in elementary school. Implementation of the work-life balance systems are also steadily progressing through the creation of a database to exchange company information to retain their career connections while on childcare leave and so on.

The female employment rate is also increasing by focusing on women candidates in our recruitment campaigns and by 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

The Olympus Group in Japan 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 line managers 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.

Employee-Related Data (Japan)

			Olympus Corporation	Overall Olympus Group in Japan*1
Number of newly employed (FY2018) (persons)			576	603
Break down	Men	30s and younger	298	251
		40s and older	138	87
	Women	30s and younger	101	196
		40s and older	39	69
Rate of newly employed*2 (%)			7	9.8
Break down	Men	30s and younger	10	11.9
		40s and older	3	6.6
	Women	30s and younger	13	11.3
		40s and older	9	6.9
Number of staff leaving (FY2018) (persons)			123	290
Break down	Of which number of voluntary leavers		123	—
	Men	30s and younger	55	93
		40s and older	48	41
	Women	30s and younger	17	101
		40s and older	3	55
Job retention rate (Only full-time employees)*3 (%)			95	84.5
Break down	Men		97	87.3
	Women		88	81.3
Job retention rate for new graduates*4 (%)			95.6	—
Break down	Number of new graduates in 2015 (persons)		135	—
	Number of those who remain the company as of March 2018. (persons)		129	—

*1 The following 14 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, Olympus Systems, and Olympus RMS.

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

*3 The percentage of those who remain in the company as of April 1, 2018, out of those employed in FY2015 (including new graduates and mid-career employment).

*4 The percentage of those who remains in the company at March 31, 2018 out of those employed as new graduates in FY2015.

Employee-Related Data (Japan)

		Olympus Corporation	Overall Olympus Group in Japan*1		
Number of employees (as of March 31, 2019) (persons)		9,242	6,156		
Break down	Full-time employees	Total*5	8,459	4,257	
		Men's total	7,248	2,840	
		Men	20s and younger	969	833
			30s	2,066	889
			40s	2,302	663
			50s or older	1,911	455
			Women's total	1,211	1,417
		Women	20s and younger	302	612
			30s	472	426
			40s	359	275
	50s and older		78	104	
	Total		783	1,899	
	Excluding full-time employees	Men	Men's total	454	579
			20s and younger	9	205
			30s	29	176
			40s	37	86
			50s or older	379	112
		Women	Women's total	329	1,320
			20s and younger	22	247
			30s	99	453
40s			129	419	
50s and older			79	201	
Senior management	Total	400	66		
	Men	396	66		
	Women	4	0		
Junior management	Total	1,598	212		
	Men	1,533	210		
Foreign employees	Women	45	2		
	Total	52	20		
	Men	30	14		
	Women	22	6		

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

*6 Five special-purpose subsidiaries (Olympus, Olympus Medical Systems, Olympus Medical Science Sales, Nagano Olympus, Olympus-Supportmate)

*7 Number of reemployed retirees.

*8 Taken in FY2018.

*9 Number of individual employees in FY2018 (not total usage).

*10 Number of those who used the system against number of employees in FY2018.

* 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 2019)*6		2.3	—
Number of employees with disabilities (persons)		118	—
Number of reemployed retired workers*7 (persons)		100	87
Number of corporate-certified advanced technicians (persons)		83	73
Break down	MM	5	2
	MS	18	4
	MA	60	67
Number of employees taking childcare leaves*8 (persons)		156	163
Break down	Men	13	2
	Women	143	161
Work-at-home system users*9 (persons)		162	102
Break down	Men	17	52
	Women	145	50
Usage rate of leave for volunteer activities*10 (%)		0	0
Break down	Men	0	0
	Women	0	0
Average overtime hours (hours/fiscal year)		185.28	215.2
Average number of paid holidays actually taken (days/fiscal year)		12.9	11.2

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 3). 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 11). There have been zero incidents so far. In cases where we find problems related not only to compliance with local regulations and social norms but also respect for human rights in our on-site audits and if the supplier does not comply with Olympus’s request to make improvements, we may terminate our business with them.

Request to Suppliers

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

Human Rights Due Diligence

Olympus participates in various research groups to verify and strengthen initiatives that target human rights issues within the Olympus Group.

From 2012 to 2017, we took part in Human Rights Due Diligence Workshops, a stakeholder engagement program organized by the Caux Round Table Japan, thereby determining key human rights issues in the manufacturing sector along the value chain.

Since 2017, we have been a member of the human rights education subcommittee of Global Compact Network Japan (GCNJ), whose headquarters are at the United Nations Information Center (UNIC). Research has been conducted on themes aimed at a greater understanding of the UN Guiding Principles on Business and Human Rights and a wider awareness among businesses, with the aim of developing a human rights educational tool regarding the rights of women, persons with disabilities, LGBT and other gender minorities and child labor that can be employed internally by participating companies. In fiscal 2018, research focused on the theme of foreigners in Japan, in view of the problems that have emerged in recent years regarding foreign technical interns, acceleration of business globalization and the upcoming Olympic and Paralympic Games Tokyo 2020. Educational tools were developed to learn about the current state of foreign workers in Japan, to prevent discrimination against foreigners in Japan and as a foreign technical intern training program and international students. As the Olympus Group progresses with globalization, these tools will be employed to create an environment for employing foreigners in Japan and to prevent harassment.

Reports and related materials of Caux Round Table Japan
http://crt-japan.jp/en/portfolio/human-rights-due-WEB_diligence-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. In fiscal 2018, we delivered a Harassment Prevention Guidebook to all employees of Olympus Group companies in Japan. We used e-learning for employee training to prevent issues arising. Together with this training, we have delivered 16,500 Guidebooks to all the employees in the 17 Olympus Group companies in Japan. This time, we have added to the Guidebook an item on gender minorities (LGBT, etc.). We have also revised our Internal Consultation Manual to cover the type of harassment (power harassment, gender harassment including maternity, paternity and LGBT, etc.) which are changing with the times.

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

The Olympus Group 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 business dealings and internal approval system 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

The Olympus Group does business throughout the world and seeks to earn and maintain the respect and trust of all of our stakeholders - patients, physicians, customers, governments and shareholders. Olympus expects that each and every one of our employees act in a manner that is consistent with law, Olympus policies and our values. We also expect and require that third parties who act on Olympus' behalf operate in the same manner.

Olympus has developed policies, procedures and training on key issues, such as the prevention of bribery and the support of fair competition to help assure that we provide our employees with the tools to meet these expectations. We encourage all our employees to speak up and share any concerns they might have. We will continue to hold ourselves to high standards but are always working to improve, so that we can meet or exceed high expectations. The Guideline below summarizes our approach. We invite you to support these efforts, and let us know if we have areas in which we can improve.

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

Exclusion of Antisocial Forces

The Olympus Group 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

The Olympus Group 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 2018, an e-learning program to prevent insider trading was implemented for all employees of domestic Olympus Group. 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. There have not been any insider trading matters in fiscal 2018, same as past years.

Security Export Control and Appropriate Import Declaration

The Olympus Group works in compliance with security export control regulations of Japan and the other countries in order to contribute international peace and safety. 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 specialized training for employees involved frequently in export/import transaction and training programs to cover nearly all executives and employees in Japan. We also provided training for managers in the manufacturing division (including those in domestic affiliated companies) on a trial basis in fiscal 2018, focusing on items that need confirming for divisional approval, to improve the efficiency of division-approving action by managers.

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. Sharing with them regulatory information and classification data for products and technologies, we maintain and improve the security export control with this global system.

In fiscal 2018, we enhanced our export control system by addressing issues defined for each region in our Corporate Strategic Plan. The following activities were prioritized during the year.

- Development of a system for security export control for business in the Middle East and Africa
- Assessment of risks for each business center in Asia/Oceania and definition of concrete measures to reduce risks
- Preparations for global sharing of commodity classification data by item as regulated by applicable laws in various countries

On the other side, paying the appropriate tax for imported goods is also 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 import management divisions of domestic group companies will have verified the import declaration price, which forms the basis of the tax payment, prior to the placement of the order from fiscal 2017. Such activities for the entire Olympus Group in Japan continued in fiscal 2018 to prevent import declarations with inappropriate prices and revisions to customs declarations.

*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 2018)

Target	Aim/Description of Training	Number of Attendees
Managers (manufacturing divisions)	Explanation on the importance of export controls, cases of violations in the Company and items that need confirming when getting approval	406
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: 105
Directors and employees working in Japan (including affiliated companies)	Basic awareness of import-export controls (e-learning program)	11,317

Disclosure of Medical Business Information

■ Ethical Committee

Developing and manufacturing medical equipment such as endoscopes, the Olympus Group 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 comply with the “Declaration of Helsinki (Ethical Principles for Medical Research Involving Human Subjects)” and the “Ethical Guidelines for Medical and Health Research Involving Human Subjects.” 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 Olympus Group 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.

The domestic Olympus Group 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 officers 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 healthcare organizations, 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 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, medical schools (their affiliated hospitals), hospitals and clinics, associations of paramedical staff, research institutes, research groups, other facilities that provide medical care or conduct research, development or clinical trials, and healthcare professionals

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 healthcare organizations etc. in each fiscal year will be disclosed after the announcement of financial results for that fiscal year.

5. Scope of Disclosure

The scope for information disclosure of the payment by Olympus to healthcare organizations and healthcare professionals covers in the categories of research and development expenses, academic research grants, 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

To gain the understanding and trust of all its stakeholders, the Olympus Group complies with the fair disclosure rule set out in the Financial Instruments and Exchange Act in Japan and discloses corporate information including its management policies, its financial status, business activities, CSR activities, etc., fairly, appropriately and actively in accordance with its “Information Disclosure Policy”.

In fiscal 2018, we held its third Olympus Investors Day and ICT-AI Platform Technology and Strategy Presentation for institutional investors and others. At these events, our management strategies, business strategies and activities in the area of innovative technologies were explained by the president, relevant executive officers and heads of the relevant business units. We will work to improve disclosure of information in both Japanese and English on our website at the same time, including information that will significantly influence our corporate value, including events and information to be beneficial for our stakeholders.

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 "Information Security Policy" and works to protect information security.

The division of Chief Information Security Officer (CISO) was created in October 2018 for group-wide consolidation of management of measures related to information security that are executed separately by function or region, such as IT security, product security, personal information protection law, etc., and a business division dedicated to the area has been set up to reinforce information security governance. Under the CISO, regional officers in charge of information security management and information security managers at the various regional headquarters representing Japan, Europe, the Americas, Asia/Oceania and China are coordinating their actions to upgrade the information security level for the global group.

Specifically, we are executing measures from the physical, technical and human factor aspects.

Among the concrete measures taken are basic physical measures. For example, offices were divided into zones with different security control 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 human resource measures, such as promoting information security awareness among both management and employees. In Japan, we are updating security-related warnings and news through our intranet, and regularly hold e-learning on information security, as well as sharing related articles through e-mail 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 e-mail attack.

Information Security Policy

All our activities are based on our corporate philosophy, "Making people's lives healthier, safer and more fulfilling". Following this philosophy, The Olympus Group appropriately protects and manages all the information and our information systems we handle ("Information assets"), as well as customer information on our products and services while making proactive use of them and will continuously review and improve these activities.

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 (customer and internal) appropriately in our business activities. We will also implement measures to prevent the inappropriate use (e.g., violation of laws and regulations related information security) 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 security related the Olympus Group business, we will establish an information security organization structure led by Chief Information Security Officer (CISO) and clarify the related responsibilities.

We will make effort to manage and establish information security under the global governance structure that should comprehensively covers Olympus every regions and functions (product, IT, data protection, and so on) initiated by CISO, and fulfill accountability to our stakeholders.

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 affiliates 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.

We will implement countermeasures promptly, not to spread the impact of accidents, such as information sharing with authorities or information disclosure for customers.

Personal Information Protection

■ Basic Approach and Policy

The Olympus Group 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. For the Olympus Group in Japan, our policy on handling of personal information has been published on the corporate website. In addition, a Personal Information Protection Policy has been established and implemented for compliance with its provisions.

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 conclude a contract to such third party, which 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.

Handling of Personal Information

https://www.olympus-global.com/products/policy/privacy_management/

■ System

The division dedicated to information security management under the Chief Information Security Officer (CISO) promotes personal information protection activities across the Group in Japan while providing direction and supervision.

With the introduction of the EU General Data Protection Regulation (GDPR) in May 2018, we created a global GDPR promotion structure along with regional headquarters in Japan, Europe, the Americas, Asia/Oceania and China, to strengthen measures on personal data protection.

■ Personal Information Protection Measures

In developing a personal information database for the Olympus Group in Japan, prior approval of the administrator of the various business divisions owning such personal information has become mandatory. Additionally, we try to increase security level of this information with the use of personal information management ledgers. The dedicated division requests all divisions to check the ledgers regularly and handles requests of disclosure, revision, termination of our customers' personal information.

In fiscal 2018, we did not have any violations that required a report to the Personal Information Protection Committee.*

* A Japanese administrative organization that ensures the proper handling of personal information

Product Responsibility

Quality Assurance

Basic Approach and Policy

The Olympus Group has established its Quality Policy based on the Olympus Group Corporate Philosophy. 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.

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 2018, we implemented actions based on our Corporate Strategic Plan to strengthen both the organizational and system aspects of the quality regulation functions. Global action has been taken to increase the number of employees in the quality regulation divisions, mainly for the Medical Business, in addition to reinforcing the compliance for regulations, product registration and post market surveillance. We are also continuing activities to build a group-wide corporate culture with a greater focus on safety and quality.

Based on our Corporate Strategic Plan and our corporate transformation plan Transform Olympus, we will take actions to establish and implement compliance and governance systems worthy of a truly global company in 2019.

■ Improving our business performance quality

The Olympus Group believes that a high level of performance quality will lead to improvements in our corporate value. Hence, the Quality Policy has been established not only for organizations directly linked to products (development and manufacturing, etc.) but as an Olympus Global Rules. We plan to upgrade our business performance quality based on the actions of each employee in the Group under our Quality Policy and to provide products and services that are safe and beneficial to society and support our contributions to society.

■ From the customer perspective

To ensure that products in the Medical Business are used safely, we have set up training centers for healthcare professionals to provide education and training of endoscope in Japan, Germany, China (Shanghai, Beijing and Guangzhou), South Korea and Thailand. In the Scientific Solutions Business, videos on product use and applications are available on our website to provide various information suited to customer needs.

■ Strict compliance with laws and social norms

The Olympus Group is encouraging its business divisions and group companies to obtain ISO 9001 and ISO 13485 certification, the international standards for quality management. At the same time, we have established quality management systems adapted to local laws and regulations to assess the status of market quality. We are thus promoting measures to maintain and improve product quality and increase customer satisfaction. We have also organized seminars and e-learning programs for training in quality management systems adapted to local laws and regulations.

■ Pursuit of quality

The Olympus Group will never be satisfied with the status quo and continues to pursue advancement in the quality of its operational processes. In Imaging business, for example, it was this policy that encouraged Olympus in February 2019 to introduce the OM-D E-MIX, a model with the world's highest* image stabilization equivalent to 7.5 shutter speed. This was achieved through the Development Group's determination to create new value, combined not only with joint development with suppliers of the materials and services but also as a result of our pursuing quality in our performance evaluation methods and manufacturing processes as we develop new technology.

*As of February 2019

■ Appropriate information disclosure

The Olympus Group has gathered information on handling environment-related substances, regulatory trends, etc., in countries around the world and established Control Rules for Environment-Related Substances Used in Products, which are published on our corporate website. We explicitly define the criteria for environment-related substances found in Olympus Group products to assure safe product use by our customers and patients.

Olympus Group Control Rules for Environment-Related 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 Group 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.

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

■ 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 of other equipment, and that it will not malfunction in the presence of such emissions. As the significance of EMC is being recognized more widely in recent years, its 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.

*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.

We own two test chambers, and both chambers at Olympus are 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.

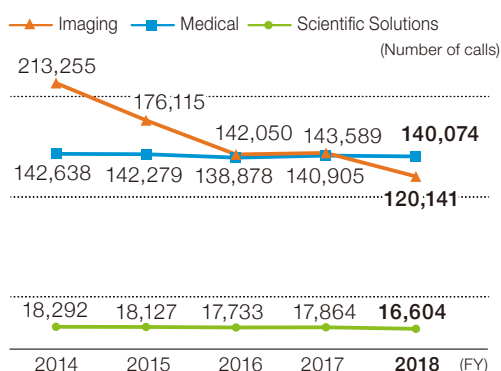
Olympus introduced its animal research corporate rules based on the Act on Welfare and Management of Animals, Basic Guidelines for Animal Research in Institutions under Management of the Ministry of Health, Labour and Welfare and other related laws and guidelines. We established our Animal Research Ethical 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)

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

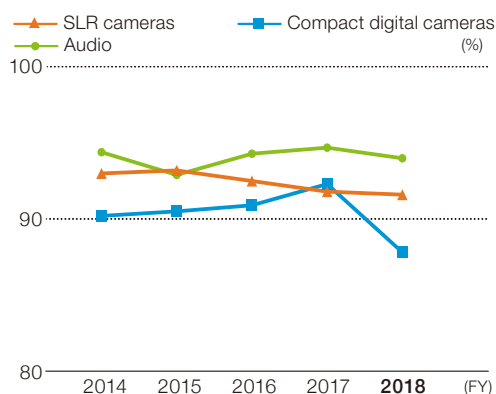
We have developed a repair service network to meet user needs in each region and product category. Outlines of customer response activities in each business field and of the efforts of the repair service network are set out below.

○ Calls Received at Customer Support Centers (in Japan)



* In Medical Business, the number of calls only by telephone until FY2017. The number has been including inquiries at website since FY2018.

○ 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 Endoscopes Customer Support Center, a call center dedicated to providing an information service for healthcare professionals. • Formation of a special team for offering information on how to handle medical devices, troubleshooting, etc. • More than 95% immediate telephone connection rate • Major medical devices are retained inside the call center so we can provide accurate answers to inquiries • Introducing advanced technologies such as AI to improve quality of response • Immediate response system based on coordination and interaction among call centers and Olympus sales/ service personnel or authorized vendors in various area. • Medical Town, a membership website that offers up-to-date information on medical endoscopes and related medical treatment for healthcare professionals. • Share call center inquiry contents inside the company for the purpose of product and service improvements <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 • Holding Microscope Training Program for customers to learn how to use the product correctly <p>[USA]</p> <ul style="list-style-type: none"> ● Expanding training opportunities <ul style="list-style-type: none"> • In addition to training programs for customers in the safe use of Olympus products, a program has been created to train engineers in nondestructive inspection. Because nondestructive inspection devices are widely used in the inspection of petroleum pipelines, etc., Olympus products have been donated to a university in Pasadena, Texas, known prominently for its ties with the petroleum industry, for training in the use of our products. <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 distributors in various countries. Product and application seminars are then held for customers by the subsidiaries and sales distributors 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) ● Consolidating telephone responses by the various service bases in a call center to integrate inquiries on product repair and usage. The customer support system has been strengthened as a one-stop service operation. ● The communication skills and product knowledge required by the personnel handling product inquiries by phone or email have been strengthened to upgrade service quality through email questionnaire surveys and "mystery shopper" surveys by external organizations. ● Q&As and other information have been published on the corporate website. Chat Support was introduced in December 2018. ● 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, service bases, sales subsidiaries and contracted agents</p> <ul style="list-style-type: none"> • Microscopes: Back-to-base repairs, on-site repair services, function inspections, 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 almost 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, maintenance services, and rental lenses. A Maintenance Package service for the E-M1X also started to coincide with the commencement of sales. The long-term maintenance services for E-M1X and E-M1 Mark II are provided, and we offer customers safety for our products. <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 order to advance our social contribution activities, the Olympus Group 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 44). Under the two policies, medical care and health, culture and the arts, the global environment and science and technology were defined as priority fields. Various social contribution activities are being organized actively in these fields. We further added procedural guidelines for the Donation and Grant Policy to maintain transparency in the donation and granting process.

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.

· Please see the following web page for charitable donations by the Olympus Group in Japan.
<https://www.olympus.co.jp/csr/effort/donations> (Only in Japanese)

· Data on grants of the Olympus Group in Japan are published on its corporate website according to the *Transparency Guideline for the Relation between Corporate Activities and Medical Institutions and Other Organizations* (see page 37). We disclose information about scholarship donations of academic research grants, general donations, academic conference donations as stated in section B, which are paid to healthcare organizations and healthcare professionals.
<https://www.olympus.co.jp/csr/effort/transparency> (Only in Japanese)

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 Group corporate citizenship activities, refer to the following https://www.olympus-global.com/csr/global_activities/

Environmental Management

Basic Approach and 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. Furthermore, Olympus Corporation of the Americas, Olympus Surgical Technologies America and Spiration Inc. in the USA are establishing their internal system and the environmental management system to obtain new ISO140001 certification in fiscal 2019.

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
		Shirakawa Facility	October, 1998
		Olympus Medical Systems Corporation	Hinode Plant
	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 (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
	KeyMed (Ireland) Ltd.	March, 2002
	Algram Group Ltd	January, 2007
Americas	Medical Physics International Limited	October, 2012
	Olympus Surgical Technologies America 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 2018

Primary Policy		Target	Measures	Achievements and Results in FY2018	FY2019 Target
Promotion of environmental management	Enhancement of environmental governance system	Improve operation efficiency for the Environmental Management System in compliance with ISO 14001:2015	<ul style="list-style-type: none"> Respond to ISO 14001 revisions Activities for integrated certification of ISO14001 	<ul style="list-style-type: none"> Completed updating to ISO14001:2015 certification in 17 global business sites Provided practical training for environmental promotion officers and Environmental Secretariat (16 people) Provided training for auditors on the revised ISO standard (78 persons). Complete establishment of environment-related rules in Japan 	<p>Complete ISO14001:2015 certification in regional headquarter and production sites (2 sites) in Americas</p> <p>Ensure appropriate response to indicated points in internal environmental audit and ISO14001 certification audit</p> <p>Introduce and entrench operations of the integrated environmental management system in Japan</p>
	Environmental risk reduction activities	Continue to improve the process to comply with environmental laws	<ul style="list-style-type: none"> Enhance inspection for compliance status with environmental laws and regulations 	<ul style="list-style-type: none"> On-site risk assessment for environment and safety in Hachioji Facility (Utsugi) On-site risk assessment of compliance with laws and regulations in seven domestic production sites Continue to improve the environmental regulatory compliance process for products and facilities 	<p>Expand target sites for the Environmental/safety and health risk</p> <p>Continue to improve the environmental regulatory compliance process for products and facilities</p>
	Product-related initiatives	Create Olympus Eco-Products	<ul style="list-style-type: none"> Create products that are environmentally conscious and tailored to business characteristics 	<ul style="list-style-type: none"> Created new Eco-Products in all business units (43 new, bringing total to 627) 	<p>Continue to create products that are environmentally conscious and tailored to business characteristics</p>
Environmental initiative throughout product life cycles	Facilities-related initiatives	<p>Energy consumption rate: improve by 7.73% or more (compared to FY2012), by 2020</p> <p>Water use rate: improve compared to FY2017</p> <p>Waste recycle rate: improve compared to FY2016</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Energy consumption rate: improve by 12.8% Water use rate: improve by 6.3% Waste recycle rate: same as previous fiscal year 	<p>Energy consumption rate: improve compared to FY2018</p> <p>Water use rate: improve compared to FY2018</p> <p>Waste recycle rate: improve compared to FY2018</p>

Systems and Mechanisms

Environmental Risk Management

Chemical substances in products, violation of laws and regulations on effluent from manufacturing sites and contamination of soil and groundwater are serious environmental risks that affects Olympus management, from aspects such as the need to suspend business operations, cost of restoring sites to their original state and the lowering of corporate value. For this reason, efforts are underway to reduce environmental risks by developing and maintaining regulations adapted to statutory requirements, training environmental managers and the personnel involved and monitoring and improving on-site management expertise.

Olympus recognizes climate change, represented by the frequent occurrence of abnormal meteorological conditions and stronger demands from the international community to prevent global warming, as a major environmental issue that affects our business activities. The specific risks, opportunities and measures on climate change are given below.

Risks and Opportunities		Measures
Risks	Transition Risk	<ul style="list-style-type: none"> • Increase in business cost with carbon tax, emission trading and CO₂ emission control in various nations
	Physical risks	<ul style="list-style-type: none"> • Supply chain disruption caused by growing scale of natural disasters, such as typhoons, floods, etc.
Opportunities		<ul style="list-style-type: none"> • Improved energy efficiency • Wider use of renewable energy
		<ul style="list-style-type: none"> • Diversification of suppliers
		<ul style="list-style-type: none"> • Eco-friendly design in product/service design and development stage • Development and provision of products/services that contribute to resolving environmental issues in society

In view of the great global interest in water risk, Olympus employs Aqueduct, a water risk evaluation tool from the World Resources Institute (WRI) and disaster prevention maps to evaluate physical water stress and regulatory risks that apply to the water resources for its key development and production sites to confirm that they are not located in high-risk regions. Although the impact on the business activities of Olympus is minimal, business sites are being set up in locations with abundant water resources, water consumption by our business activities is being reduced, managers are being appointed at our wastewater facilities and regular measurements conducted on wastewater.

Compliance with Environmental Laws (Fiscal 2018)

There are no violations or incidents related to environmental laws and regulations (Relatively minor violations have been excluded). Also, there are no claims, penalties and fines.

Biodiversity Conservation

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

The Olympus Group 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 the Olympus Group's 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 (Olympus Group in Japan/Fiscal 2018)

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	2
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.)	18
Environmental auditors	Audit training based on ISO 14001 (Understanding the revisions to ISO 14001:2015, audit experience, etc.)	60

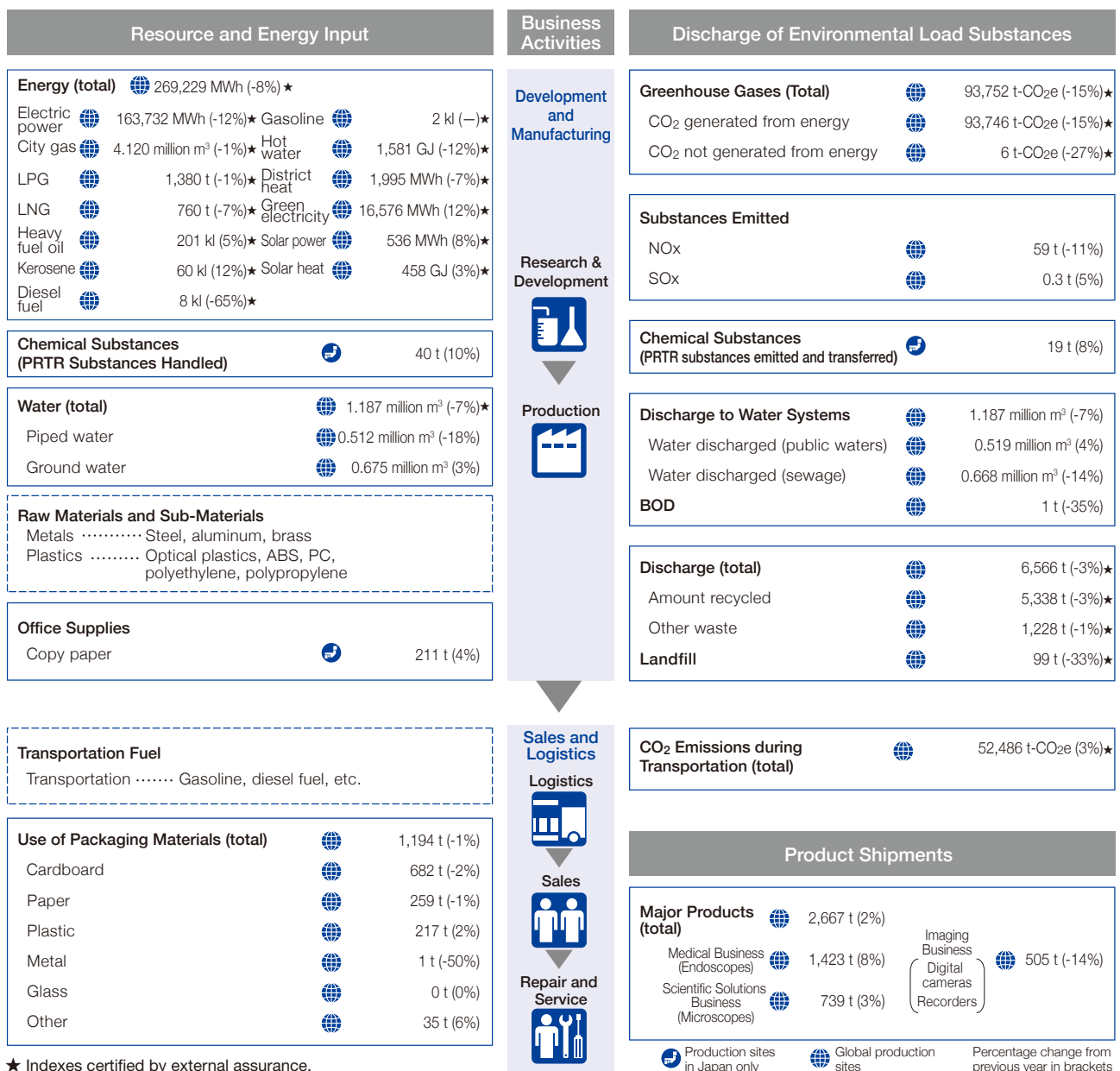
Environmental Performance

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 2018)



★ Indexes certified by external assurance.

Production sites in Japan only
 Global production sites
 Percentage change from previous year in brackets

Energy/Atmospheric Release

Internal (Scope 1, 2) Results

FY2018 Targets	FY2018 Results	Main Measures	FY2019 Targets
Energy consumption rate: improve by 5.9% or more (compared to FY2012) Expand use of renewable energy	Energy consumption rate: improved by 12.8% (compared to FY2012) GHG Emissions: reduced by 18.3% (compared to FY2012) Amounts of renewable energy: 17,239MWh (Improve by 12% over the previous year)	<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 1% or more (compared to the previous year) Expand use of renewable energy

The Olympus Group 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. In fiscal 2018, we made production process improvements, undertook continuous energy saving activities, and adopted renewable energy in major sites in Japan and overseas, as specified in our targets. For example, aiming to improve productivity, we integrated the production functions in Asia into Olympus Vietnam Co., Ltd. after ceasing Shenzhen factory operations. Olympus Vietnam Co., Ltd., also revised sterilization conditions in the production process for better working efficiency and changed their lighting to LED lighting. Gyrus ACMI, Inc. has changed the source of the electricity purchased in its Brooklyn Park center to 100% renewable energy. Their Bartlett and Norwalk centers also changed a portion of their purchased electricity to renewable energy. As a result, the volume of renewable energy usage in fiscal 2018 has increased compared to the previous year, making the renewable energy usage rate per total electricity consumption 9.5% (7.6% in the previous fiscal year).

Green Energy Certificates



Gyrus ACMI, Inc. (U.S.A.)



Olympus Europa SE & Co. KG (Germany)



KeyMed (Medical & Industrial Equipment) Ltd. and Algram Group Ltd. (U.K.)

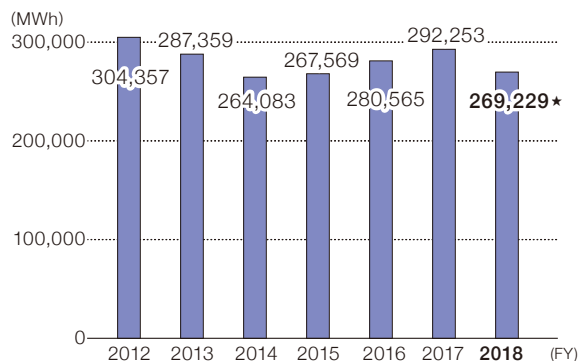
External (Scope 3 [Category 4 Upstream transportation and distribution]) Results

FY2018 Results	Main Measures
GHG Emissions: reduced by 5.9% (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 sites. We continued our modal shift in international transportation from aircraft to ships as improvements in logistics routes. We also revised shipping container sizes and enhanced their packaging efficiency by reducing packing and waste buffer zones. Logistic waste has also been reduced by expanding local use of returnable containers.



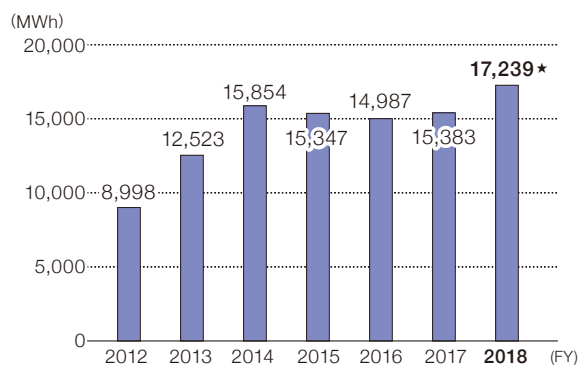
Internal Energy Consumption



* 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

★ Indexes certified by external assurance.

Renewable Energy Consumption



* Renewable energy includes green electricity, solar power and solar heat.

★ Indexes certified by external assurance.

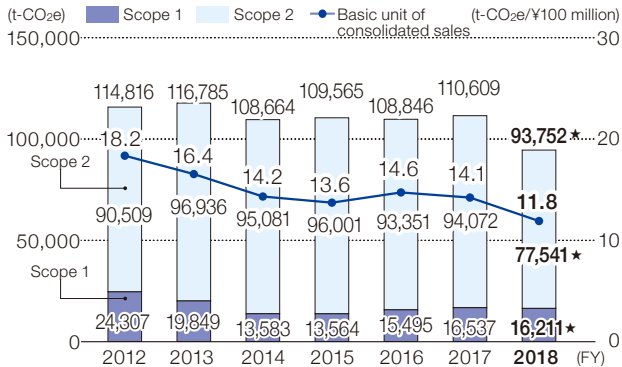
Breakdown of Internal Energy Consumption

(MWh)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	
Direct	City gas	42,816	44,571	41,742	39,164	45,375	51,776*	
	LPG	9,567	10,556	11,891	15,013	19,928	19,467*	
	LNG	14,298	15,348	13,388	12,764	12,954	11,533*	
	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	229	
	Gasoline	0	4	2	4	3	3	
	Subtotal	115,283	98,066	71,581	71,190	81,458	87,451	85,666*
Indirect	Electricity	177,484	174,615	174,402	178,431	181,327	186,592	163,732*
	Hot water	324	332	277	519	687	682	597*
	District heat	2,268	1,823	1,969	2,082	2,106	2,145	1,995*
	Green energy	8,700	12,213	15,536	14,990	14,423	14,763	16,576*
	Solar power	168	181	175	251	479	497	536*
	Solar heat	130	129	143	106	85	123	127*
Total	304,357	287,359	264,083	267,569	280,565	292,253	269,229*	

★ Indexes certified by external assurance.

GHG Emissions/Basic Unit (Scope 1, 2)



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

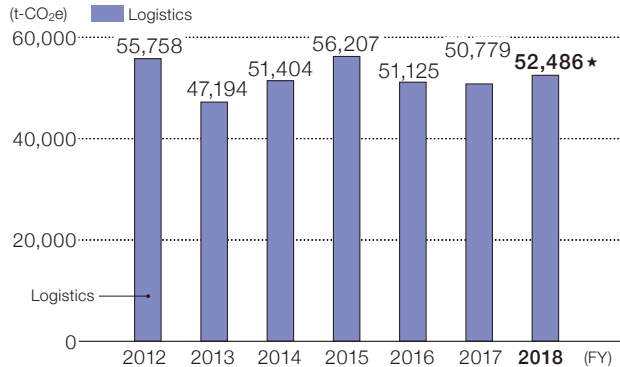
* Reporting based on the following GHG Protocol scopes.

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

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

★ Indexes certified by external assurance.

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



★ Indexes certified by external assurance.

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. FY2017 conversion coefficient used for FY2018.

Overseas: Utilized the data per country per year published by the International Energy Agency (IEA). FY2016 conversion data was used for the data after FY2017. For the U.S. and Canada, the data per state as published by the United States Environmental Protection Agency (EPA) and the United Nations Framework Convention on Climate Change (UNFCCC) was used.

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)		Calculation Method (Assumptions)	
	FY2017	FY2018		
Scope 1	16	16★		
Scope 2	98	78★		
Scope 3	1. Purchased goods and services	85	83	Calculated by multiplying raw materials and parts of leading products by basic unit
	2. Capital goods	198	200★	Calculated by multiplying facility investment value by basic unit
	3. Fuel- and energy-related activities (not included in Scope 1, Scope 2)	10	5★	Calculated by multiplying electric power and fuel purchased by basic unit
	4. Upstream transportation and distribution	51	52★	Calculated by multiplying transport ton/kg of leading products by basic unit (including delivery logistics)
	5. Waste generated in operations	8	5★	Calculated by multiplying worksite waste output by basic unit
	6. Business travel	20	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)	14	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	66	93	Calculated by multiplying electric power consumption, etc., for lifetime of sold product by basic unit
	12. End-of-life treatment of sold products	3	2★	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	4★	Calculated by multiplying Scope 1 & Scope 2 emissions at investment targets by investment ratio

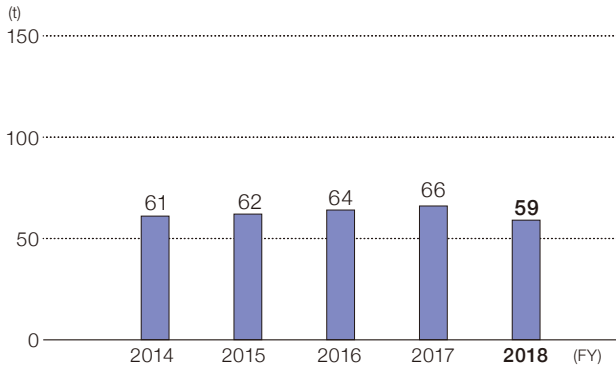
Scope 1: Direct emissions from facilities owned or controlled by the company (e.g., emission from use of town gas or heavy oil)

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

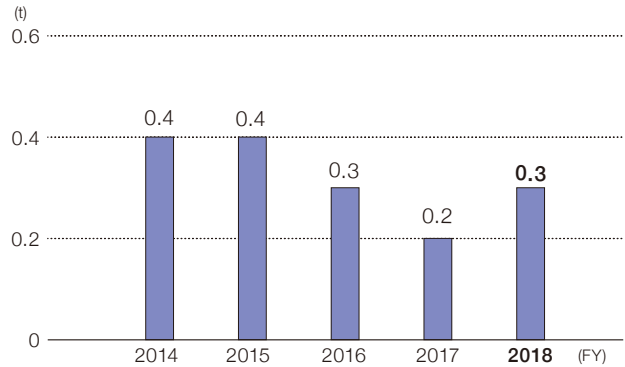
★ Obtained external assurance (Page 61) for total GHG emissions in Scope 1 and Scope 2, and assurance for Category 2-8,12,15 in Scope 3.

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.

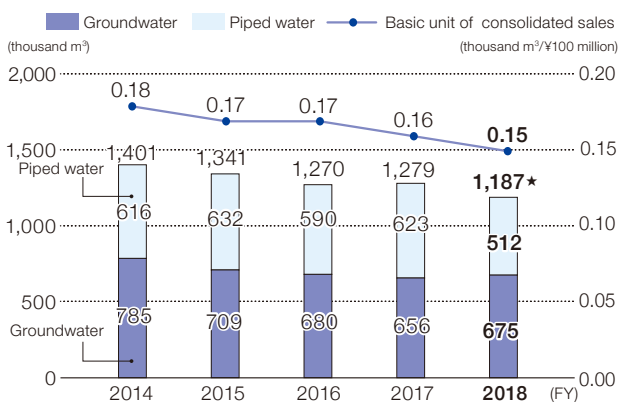
Water/Waste

Water Use/Wastewater Results

FY2018 Targets	FY2018 Results	Main Measures	FY2019 Targets
Water use rate: improve compared to FY2017	Water use rate: improved by 6.3% (compared to FY2017)	<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 FY2018

The Olympus Group uses water mainly in production processes, such as for cleaning components and cooling, as well as in its dining halls. We implement thorough wastewater control by adopting stricter standards than the legal requirements in each region, and we continue to reduce water consumption and wastewater emissions by setting targets in those sites that have high water consumption. In fiscal 2018, Nagano Facility reduced water losses by inspecting water leakages and made repairs to buried pipes, and Shirakawa Facility and Aizu Olympus reduced water consumption by shortening component cleaning times.

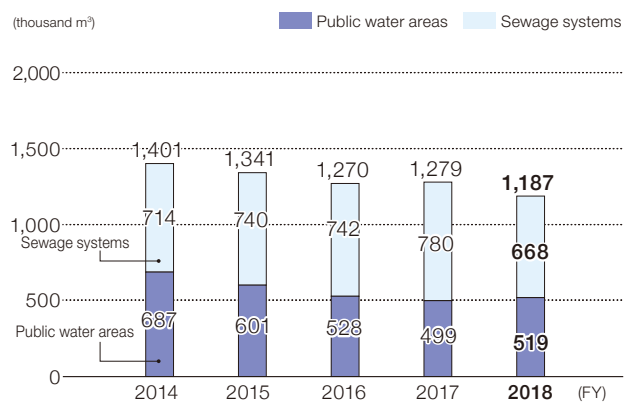
Water Use



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

★ Indexes certified by external assurance.

Wastewater



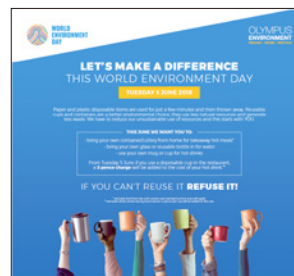
* Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

Waste Results

FY2018 Targets	FY2018 Results	Main Measures	FY2019 Targets
Waste recycling rate: improve compared to FY2017	Waste recycling rate: 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 ● Use of biodegradable plastics 	Waste recycling rate: improve compared to FY2018

The Olympus Group continues working to reduce waste volume and promote recycling, such as by improving production processes to minimize material loss and thorough waste separation.

In fiscal 2018, the volume of hazardous waste increased compared to the previous year due to an increase in the waste acid solutions used for product surface treatment and other wastewater generated in production tests. However, the total waste volume was reduced through the ongoing efforts made in each facility. One such example is KeyMed (Medical & Industrial Equipment) Ltd., which continued to work to reduce waste by displaying posters inside the company encouraging the reduction of disposable plastic waste. Gyrus ACMI, Inc. changed spoons and forks used in the dining halls to biodegradable plastic to reduce environmental impact from the disposal of such plastic cutlery. Aomori Olympus is optimizing waste volume control per type of waste by adopting a waste measurement system.

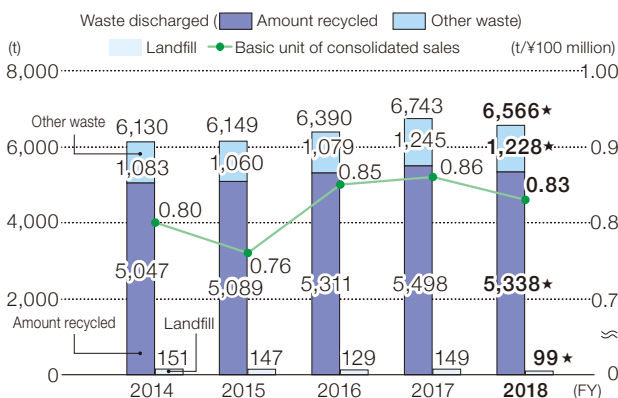


Posters encouraging the reduction of disposable plastic waste (UK)



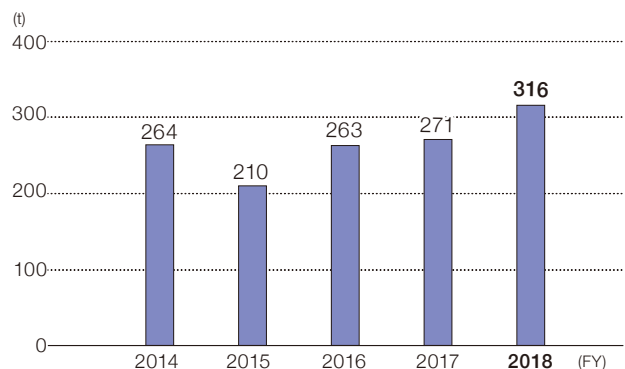
A waste measurement system (Aomori Olympus)

Waste discharged/Landfill



* Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.
 ★ Indexes certified by external assurance.

Hazardous waste discharged



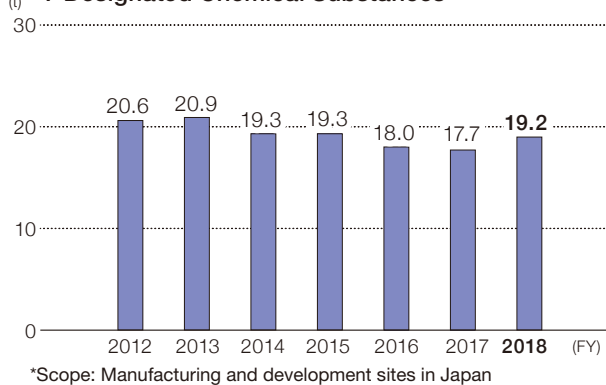
* Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

Chemical Substance Safety and Control

FY2018 Results	Main Measures
Emissions and Movements of PRTR Class 1-Designated Chemical Substances: decreased by 6.8% (compared to FY2012)	<ul style="list-style-type: none"> Substitution of PRTR-designated chemicals with other substances through material developments Reduced usage of PRTR-designated chemical substances

The Olympus Group 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. In fiscal 2018 there was an increase in the volume of PRTR substances emitted and transferred due to a rise in usage volume of organic solvents etc. caused by an increase in production. However, Nagano Facility managed to reduce the use of 1-bromopropane, which is used as a cleaning agent, by improving the component cleaning process.

Emissions and Movements of PRTR Class 1-Designated Chemical Substances



Olympus Group Site Data (Fiscal 2018)

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	8,993	99	385	385
		Technology Development Center, Utsugi Facility	Hachioji-shi, Tokyo	3,209	28	264	264
		Technology Development Center, Takakura Facility	Hachioji-shi, Tokyo	441	5	15	15
		Nagano Facility Tatsuno	Tatsuno-machi, Kamiina-gun, Nagano	17,805	325	514	507
		Nagano Facility Ina	Ina-shi, Nagano	2,102	18	89	81
	Olympus Medical Systems Corp.	Hinode Plant	Hinode-cho, Nishitama-gun, Tokyo	1,393	6	62	62
	Aizu Olympus Co., Ltd.		Aizu-Wakamatsu-shi, Fukushima	13,776	254	466	431
	Aomori Olympus Co., Ltd.		Kuroishi-shi, Aomori	4,284	38	265	265
	Shirakawa Olympus Co., Ltd.		Nishigo-mura, Nishishirakawa-gun, Fukushima	3,692	39	394	333
	Olympus Terumo Biomaterials Corp.	Mishima Plant	Nagaizumi-cho, Suntogun, Shizuoka	1,480	7	10	7
Olympus RMS Corporation		Hachioji-shi, Tokyo	28	0.01	0.5	0.5	
Olympus Logitex Co., Ltd.		Sagamihara-shi, Kanagawa	656	-	360	360	
Asia/Oceania	Olympus (GuangZhou) Industrial Co., Ltd.		Guangzhou, China	307	3	105	102
	Olympus Trading (Shanghai) Limited		Shanghai, China	289	1	9	5
	Olympus Vietnam Co., Ltd.		Dong Nai Province, Vietnam	15,848	207	984	537
	Olympus Australia Pty Ltd		Victoria, Australia	353	2	70	35
Europe	Olympus Winter & Ibe GmbH		Hamburg, Germany	431	15	318	318
	Olympus Medical Products Czech spol s.r.o.		Olomouc, Czech Republic	847	1	15	0
	KeyMed (Medical & Industrial Equipment) Ltd.		Essex, U.K.	859	27	374	328
	Algram Group Ltd.		Devon, U.K.	42	2	107	75
Americas	Olympus Corporation of the Americas		Pennsylvania, U.S.A.	4,859	17	594	588
	Olympus Scientific Solutions Americas Corp.		Massachusetts, U.S.A.	1,447	35	191	82
	Gyrus ACMI, Inc.		Massachusetts, U.S.A.	6,331	16	486	173
	Olympus Surgical Technologies America	National Service Center	California, U.S.A.	671	12	241	241

* 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

Rhino-Laryngo Videoscope OLYMPUS ENF-VH2

<Main Product Features>

1. Ergonomic new handle design with improved operability and easier insertion in otolaryngological examinations.
2. Reduced the weight of the control section by 30% compared to our conventional models*¹ to lessen discomfort during examinations.
3. The NBI observation technology*² exclusive to Olympus helps identify larynx cancer and other lesions at an early stage.

*1 ENF-VH and ENF-V3.

*2 NBI: Narrow Band Imaging. Minute vascular and mucosal patterns are visualized by casting the light in two narrow wavelengths that are easily absorbed by hemoglobin in the blood.



<Environmentally Conscious Aspects>

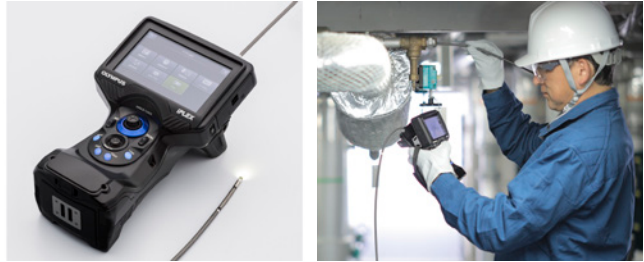
- Product weight reduction contributes to CO₂ emissions reduction from product transportation

Scientific Solutions Business

Industrial Videoscope IPLEX G Lite

<Main Product Features>

1. Improved operability through introduction of a touch panel monitor and electrically operated scope tip bending.
2. Higher image quality thanks to brightness doubled from previous models and enhanced image processing supports more efficient inspections.
3. Enhanced recording and playback functions, including still picture capture during video recording and automatic video recording of the previous 30 minutes.



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> (shared by both products)

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

Imaging Business

Interchangeable Lens Camera OM-D E-M1X

<Main Product Features>

1. Stable grip and improved operability through integrated vertical grip design.
2. Smooth autofocus system with multi-point selector and cross-type phase detection AF sensor.
3. Continuous shooting up to 60 fps*¹ and Pro Capture mode*² starts recording before pressing the shutter.
4. High-speed response by double TruePic VIII image processors and Handheld High Resolution mode.
5. Sharp images with up to 7.5 EV of image stabilization – the world's highest.

*¹ At 60 fps, autofocus and automatic exposure are locked as of the first frame. With AF/AE enabled, up to 18 fps continuous shooting is available.

*² The shutter speed is limited to the high end (1/fps or faster) and the flash is disabled.



IC Recorder Voice-Trek DP-401

<Main Product Features>

1. Large buttons and easy operations for IC recorder beginners.
2. Voice guidance walks the user through how to operate the recorder.
3. The wideband FM radio function delivers news and music with clear sound.
4. Sound collector gathers and amplifies voices in conversations.

* This product is available only in Japan.



<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.



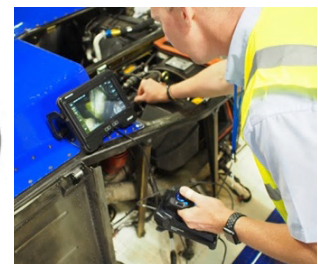
*3 International standard on dust and moisture resistance established by the International Electrotechnical Commission. The tens digit shows the dust resistance grade and the ones digit shows the moisture resistance grade

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	FY2016		FY2017		FY2018		
	Investment	Cost	Investment	Cost	Investment	Cost	
Costs inside Business Area	328	588	183	263	69	236	
Content	Prevention of Public Nuisance Cost	38	397	24	119	31	113
	Global Environmental Conservation Cost	290	35	144	8	38	3
	Resource Circulation Cost	0	156	16	136	0	120
In Upstream Costs	1	70	0	64	0	109	
In Downstream Costs	0	5	0	3	0	5	
Environmental Management Activity Costs	10	379	0	342	35	355	
R&D Costs	0	34	0	695	0	468	
Costs of Social Activities	0	1	0	6	0	6	
Costs for Damaged Environment	0	0	0	0	0	0	
Total	339	1,077	183	1,373	104	1,179	

Environmental Conservation Effects

Quantitative Effects of Environment Preservation		FY2016	FY2017	FY2018
Effects inside Business Area	CO ₂ emissions (t-CO ₂ e)	54,899	55,440	57,864
	Waste Discharged (t)	2,533	2,635	2,829
	Water Usage (10,000 m ³)	80	78	82
	Chemical Substances Transferred/Discharged (t)	18	18	19

(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	224
Cost Savings	Costs of Water Usage	6
	Disposal Contracting Costs	11

Target period: April 1, 2016–March 31, 2019

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.

Independent Assurance Statement Related to Environmental Data

© Independent Assurance Statement Related to Environmental Data (1/2)



LR Independent Assurance Statement Relating to Olympus Corporation's Environmental Data within its CSR Data Book 2019 for the fiscal year 2018

This Assurance Statement has been prepared for Olympus Corporation in accordance with our contract but is intended for the readers of this report.

Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by Olympus Corporation ("the Company") to provide independent assurance on its environmental data within its CSR Data Book 2019 ("the report") for the fiscal year 2018, that is, from 1 April 2018 to 31 March 2019, against the assurance criteria below to a limited level of assurance and at the materiality of the professional judgement of the verifier using ISAE 3000 and ISO 14064-3 for greenhouse gas ("GHG") data.

Our assurance engagement covered the Company's operations and activities in Japan and overseas and specifically the following requirements:

- Verifying conformance with the Company's reporting methodologies
- Evaluating the accuracy and reliability of data for the selected indicators listed below: ¹

GHG Emission data ²

- Energy consumption (in mega watt-hour equivalent)
- Scope 1 GHG emissions (tonnes CO₂e)
- Scope 2 GHG emissions (Market-based) (tonnes CO₂)
- Scope 3 GHG emissions (Category 2-8, 12, 15) (tonnes CO₂e)

Other environmental data

- Water consumption volume (m³)
- Total waste generated (tonnes)

Our assurance engagement excluded the data and information of the Company's suppliers, contractors and any third-parties mentioned in the report.

LR's responsibility is only to the Company. LR disclaims any liability or responsibility to others as explained in the end footnote. The Company's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of the Company.

LR's Opinion

Based on LR's approach nothing has come to our attention that would cause us to believe that Company has not, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data

The opinion expressed is formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the verifier.

Note: The extent of evidence-gathering for a limited assurance engagement is less than for a reasonable assurance engagement. Limited assurance engagements focus on aggregated data rather than physically checking source data at sites. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

¹ LR undertook a limited assurance engagement of the environmental data marked with ★ within the CSR Data Book 2019.

² GHG quantification is subject to inherent uncertainty.

© Independent Assurance Statement Related to Environmental Data (2/2)



LR's approach

LR's assurance engagements are carried out in accordance with ISAE 3000 and ISO 14064 – 3 for GHG data. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Auditing the Company's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification;
- Interviewing with key people responsible for compiling the data and drafting the report;
- Sampling datasets and tracing activity data back to aggregated levels;
- Verifying the historical GHG emissions and other environmental data and records for the fiscal year 2018; and
- Visiting Aizu factory of Aizu Olympus Co., Ltd. and Ishikawa Facility of Olympus Corporation to assess whether the data management systems have been effectively implemented.

Observations

The company should make further efforts to improve the accuracy of reported parameters measured on their own usage through formalisation of measurement equipment handling and control rules.

LR's standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 *Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition* and ISO/IEC 17021-1 *Conformity assessment – Requirements for bodies providing audit and certification of management systems – Part 1: Requirements* that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

This is the only work undertaken by LR for Company and as such does not compromise our independence or impartiality.

Signed

Dated: 26 June 2019

A handwritten signature in black ink that reads 'Koji Tagami'.

Koji Tagami

LR Lead Verifier

On behalf of Lloyd's Register Quality Assurance Limited

10th Floor, Queen's Tower A, 2-3-1 Minatomirai, Nishi-ku, Yokohama, JAPAN

LR reference: YKA4005278

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GRI Content Index

The information contained within the OLYMPUS CSR DATA BOOK 2019 and some of the information on our Website conform to the Global Reporting Initiative (GRI) Sustainability Reporting Standards.

This report refers to the GRI Sustainability Reporting Standards below.

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102-23	Chair of the highest governance body	Corporate Governance Report	https://www.olympus-global.com/company/governance/pdf/report_of_corporate_governance_2019.pdf
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102-27	Collective knowledge of highest governance body	Corporate Governance Report	https://www.olympus-global.com/company/governance/pdf/report_of_corporate_governance_2019.pdf
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