

OLYMPUS[®]

Your Vision, Our Future

Social IN

Olympus CSR Report 2017

Toward the Realization of a Better Livelihood and Happiness

Toward the Realization of a Better Livelihood and Happiness

The Olympus Group strives to realize better health and happiness for people by being integral members of society, sharing common values, and proposing new values through its business activities.

© Olympus Group Corporate Philosophy

Social IN

We aim towards establishing firm ties with society through the three IN's

Since 1994, the Olympus Group has regarded the "Social IN" corporate philosophy as the starting point for management thought. The Olympus Group strives to realize better health and happiness for people by being integral members of society, sharing common values, and proposing new values through its business activities. This is "Social IN" and it describes the basic Olympus philosophy underlying all our activities. Social IN comes from Social Value IN the Company, a concept of incorporating social values into the Company's activities.

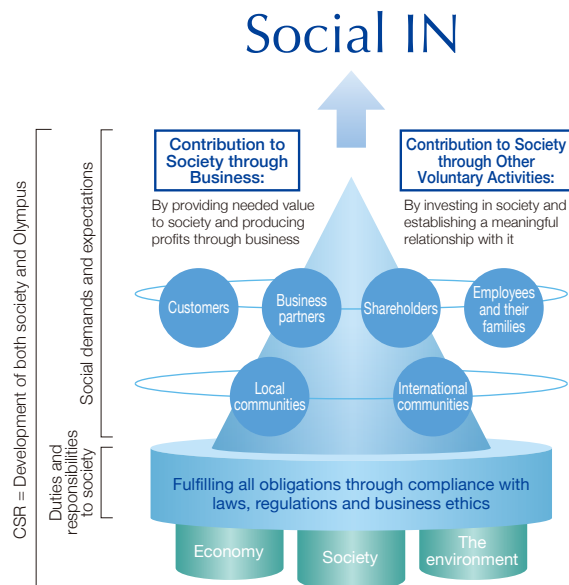
Approach to CSR

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

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

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

© CSR Concept of the Olympus Group



About the Editing Process

The Olympus CSR Report 2017 has been published to inform stakeholders about the Group's CSR-related basic policies, management structure, and CSR-related activity results in fiscal 2016.

The reporting format used in this report is in line with the standard disclosure items of the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Ver. 4.0, 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 Guidelines Ver. 4.0**
The report does not, however, address all of the requirements of the "comprehensive" and "core" level options of the guidelines.
- **Environmental Reporting Guidelines (2012) of the Ministry of the Environment, Japan**
The ISO 26000 guidelines and the 10 Principles of the United Nations Global Compact were also used as reference when selecting items for inclusion in the report.

Period Covered by the Report

Organizations Covered by the Report

This report covers the activities of the Olympus Group, which for reporting purposes covers Olympus Corporation as well as its 107 consolidated subsidiaries and two affiliated companies as of March 31, 2017.

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

- **Corporate governance:** The Olympus Group
- **Social aspects:** Olympus Corporation and Olympus Medical Systems Corporation
- **Environmental aspects:** Olympus Corporation, Olympus Medical Systems Corporation, and their main domestic and overseas business enterprises. (However, small businesses are excluded.)

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

Period Covered by the Report [April 1, 2016–March 31, 2017]

The report contains some information outside this period.

External Assurance

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

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

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

Publication Date

Annual publication (Japanese and English editions)

- **Japanese edition: August 31, 2017**
(The previous edition was published on August 31, 2016. The publication of the next edition is scheduled for August 2018.)
- **English edition: September 29, 2017**
(The previous edition was published on September 30, 2016. The publication of the next edition is scheduled for September 2018.)

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. The principal tools used to disclose and communicate this information are as follows:

- **Principal corporate information disclosure and distribution media**

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

- The Olympus Group website

- **Financial information disclosure and distribution media**

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

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

- **Non-financial information disclosure and distribution media**

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

- CSR activity website

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

- CSR Report and other materials

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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Message from the President

Working toward sustainable growth together with society, under our “Social IN” philosophy



A handwritten signature in black ink, reading "Hiroyuki Sasa". The signature is fluid and cursive, written in a professional style.

Hiroyuki Sasa
President and Representative Director

Our management philosophy and corporate vision

The Olympus Group strives to realize better health and happiness for people by being integral members of society, sharing common values, and proposing new values. This "Social IN" management philosophy underpins every facet of the Group's business activities. As an overarching vision, we also look to contribute to society by making people's lives healthier, safer, and more fulfilling around the world.

Striving for sustainable growth with our stakeholders

Olympus contributes to society through its corporate citizenship activities that utilize the technologies and expertise gained in its Medical, Scientific Solutions and Imaging Businesses. In the emerging economies of Asia, for example, the demand for advanced medical care is growing alongside economic growth. We provide support in training medical professionals capable of meeting this need. This activity requires the cooperation of a wide range of stakeholders, including persons in the medical care industry, both in Japan and in the developing countries. We tap into the bonds of trust it cultivated in the Medical Business for activities in this area.

In achieving sustainable growth, it is also necessary to foster employee growth. In fiscal 2016, Olympus embarked on upgrading work efficiency and making changes in work styles under the Business Process Re-engineering Project. Especially in Japan, support for employees to enrich their lives and work began under the name "Work-Life Integration." We believe that betterment in both work and personal life will lead to growth for our employees and will ultimately create synergy and advances in our competitiveness.

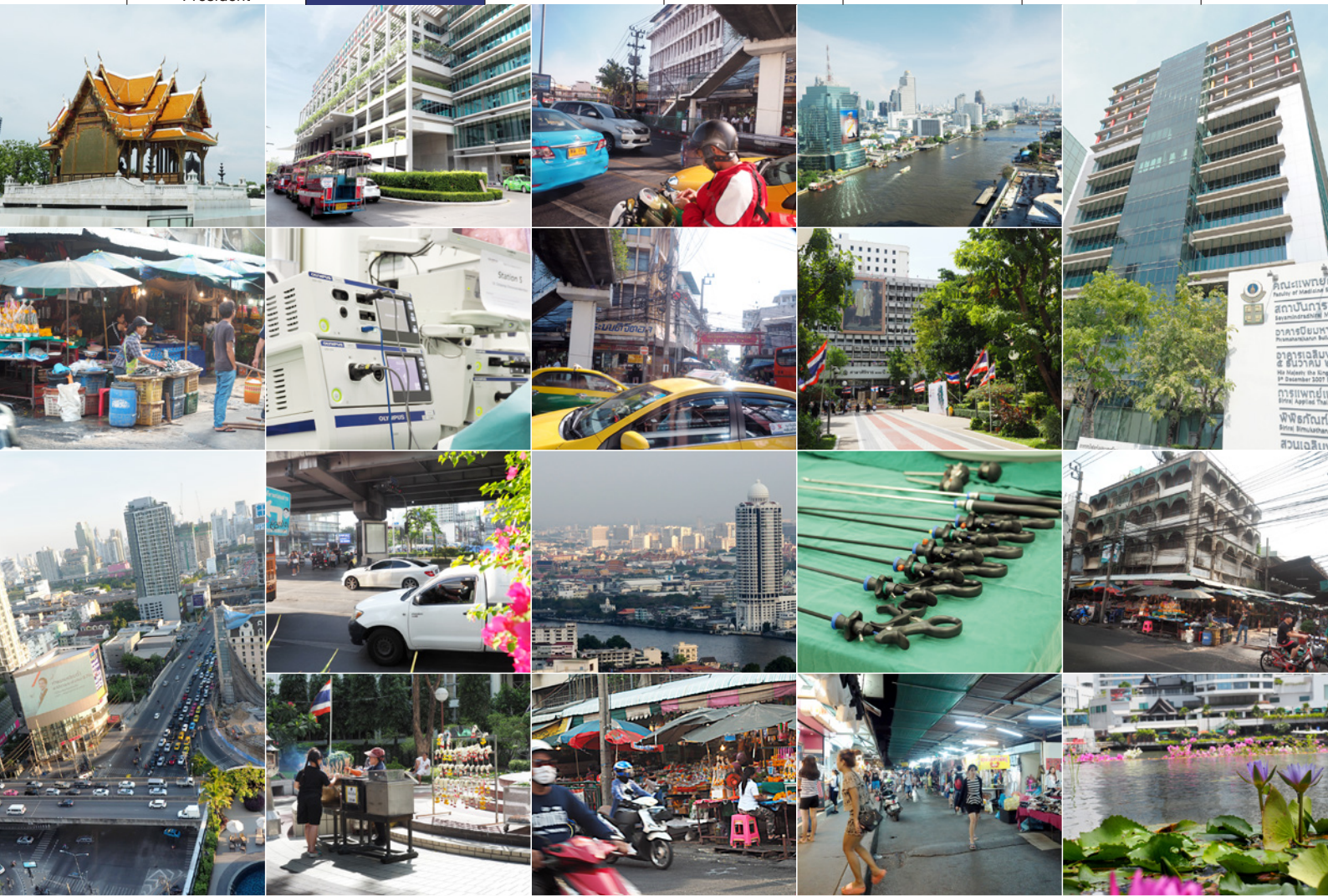
I am convinced that these activities will build the driving force to realize our management philosophy.

Initiatives toward the sustainable development of society

As a global company, Olympus continues to engage in activities that are geared toward the sustainable development of society. We are making earnest efforts in the area of social responsibility, including the environment and governance, as designated in ISO 26000, the international standard on social responsibility. We also joined the UN Global Compact in 2004 and remain committed to observing and promoting the 10 basic principles that cover a wide range of issues including human rights, labor, and anti-corruption. Additionally, we formulated the Basic Policy for Corporate Governance, and are taking steps to reinforce our governance structure and systems.

Moreover, we are working to build a compliance structure that will enable us to fulfill our global aspirations.

Moving forward, Olympus will meet the expectations of all its stakeholders on an advanced level and act as a good corporate citizen. At the same time, we will work to achieve sustainable growth in concert with society.



Special Feature

1

Supporting Endoscopic Surgeon Training Program in Emerging Countries



Rapid economic growth in Asian emerging countries has produced an unexpected byproduct—increasing lifestyle-related diseases, such as cancer and diabetes. Together with international cooperation organizations and medical associations in Japan, Olympus supports training opportunities as a part of our corporate citizenship activities that make the best of our strengths.

Endoscopic surgery is less invasive compared to open surgery and is an advanced medical treatment that can shorten the recovery time. It is expected that the Quality of Life (QoL) of patients will be increased as the number of endoscopic surgeons increases.

Our intention is to contribute to improving healthcare standards in emerging countries by spreading Japan’s advanced medical technologies and services, which is related to “SDG 3: Ensure healthy lives and promote well-being for all at all ages,” which is one of the 17 *Sustainable Development Goals* (SDGs) suggested by the United Nations to transform the world towards a sustainable future.

This Special Feature introduces Olympus Corporate Citizenship Activities and international support focusing on the medical training activities that we have conducted over two years in Thailand since fiscal 2015, and includes comments from the people involved in these activities.



Message from the CSR Division Manager

Contributing to healthcare development in emerging countries by offering our expertise gained through medical business

Olympus has been running medical businesses for over 60 years, since we developed the world's first practical gastroscope in 1950. Since its birth, our endoscope has been developed and improved based on advice from doctors and medical professionals. We believe that our expertise concerning medical needs and regional conditions across the world accumulated over a long period of time is deep and wide-ranging.

Our Corporate Citizenship Policy gives priority to three areas: "Contributing to the solution of global social issues, realizing our responsibility as a global company"; "Contributing to effective solutions to social problems through activities relevant to our business"; and "Conducting awareness-raising activities and providing education and training support to new generations of leaders by leveraging our technologies and know-how." Our Endoscopic Surgeon Training Program in emerging countries is based on this policy and we believe this is a

contribution unique to us that utilizes the know-how we have gained through our medical business.

The training is a result of collaboration between industry, government, and academia with help from individual physicians, medical associations, and international cooperation organizations, such as the Japan International Cooperation Agency (JICA) and the National Center for Global Health and Medicine (NCGM). We believe that it is also unique to us to build such specialized partnerships.

We hope to help increase the number of endoscopic surgeons in emerging countries, so that they can provide operations in a less invasive and more accessible manner in the treatment of increasing diseases, such as cancer. We also hope that our efforts will contribute to healthy and happy lives in these countries.



Masahito Kitamura

Division Manager of CSR Division,
Executive Officer,
Olympus Corporation

VOICE

Message from the Japan International Cooperation Agency (JICA)

We expect Olympus to be a drive for development of innovative solutions to address major health challenges in emerging countries

Export of Japanese medical technology and system to emerging countries, such as, advanced treatment, disease prevention, less invasive treatment, staff training program, and public healthcare insurance, seems to be effective and crucial not only to improve medical service level in those countries but also to support the Growth Strategy under the Japanese government.

The Japan International Cooperation Agency (JICA) is a sole organization to provide Japan's Official Development Assistance (ODA) to developing countries. My department, Private Sector Partnership and Finance Department has strategic partnerships and collaborations with Japanese private sector to support dissemination of Japanese goods and services to developing countries to address unmet local needs. When forming a partnership, we value the following three points. First, the business should address local needs. Second, the business should align with Japan's Growth Strategy. Finally, the business should be sustainable. The endoscope project under which we are collaborating with Olympus, satisfied these three criteria in Thailand and Indonesia;

- Olympus products meet with needs of those nations which are facing increasing non-communicable diseases, such as cancer;
- Olympus products are competitive to provide the safest and most patient-friendly treatment;
- Olympus has a marketing and after-sales network in both countries that ensure high quality service to healthcare professionals.

JICA expects that collaboration program with Olympus will promote better understanding about good quality of such products as well as importance of proper usage of endoscope among local physicians, and then will contribute to improvement of patients' QOL as well as to more efficient medical economy



Takashi Baba

Director, Private Sector Partnership Division
Private Sector Partnership and Finance
Department, JICA

through decrease of hospitalization period.

In addition, JICA expects that this program will increase corporate value because it includes professional education and training for local medical associations, which will contribute to improve local medical level. Such contribution will be recognized by a wide-range of stakeholders, including shareholders, employees, business partners, and customers. In accordance with recent trend where the integration of environmental, social and governance (ESG) factors into corporate management is growing momentum, such recognition will lead better understanding and evaluation about Olympus, delivering better business. I hope that Olympus continues this program to bring about win-win relationship between the emerging countries and Olympus itself.

* Titles are as of the time when the interview was held.

Project in Thailand

Endoscopic surgery can be a new treatment to tackle the rise in cancer patients in Thailand



Training in endoscopic surgery



Thailand is now experiencing the rapid growth of its economy. It is also becoming an aging society where 10% of the total 67 million population are aged 65 or older, a figure expected to reach 14% by 2030. At the same time, the second cause of death in Thailand is cancer at 17%, and colorectal cancer is particularly increasing due to population aging and changes in diet as in other advanced countries.*1 Colorectal cancer treatment has a 95% or higher success rate if the disease is detected and treated at an early stage.*2 Endoscopic surgery is one of the most common modalities of treatment for early-stage colon cancer in advanced countries (see Illustration). Compared to conventional open surgery, endoscopic surgery is less invasive and thereby could improve the QoL for patients and help the medical economy by shortening the hospitalization period. However, endoscopic surgery is still not a major treatment in Thailand and other emerging countries.

In light of this medical background, Olympus has been providing the Endoscopic Surgeon Training Program for colorectal cancer since fiscal 2015, under the auspices of JICA. The program is provided in collaboration with Siriraj Hospital of Mahidol University and King Chulalongkorn Memorial Hospital, under the instruction of Japanese experts recommended by the Japan Society for Endoscopic Surgery. The two-year program has trained approximately 100 physicians, of which six were also specially trained to work as local instructors.

*1 Source: WHO 2012 and 2014

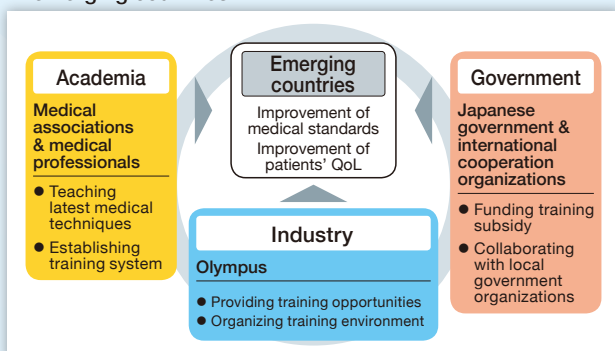
*2 Source: Cancer Statistics 2013; Foundation for the Promotion of Cancer Research

Commissioner: Japan International Cooperation Agency (JICA)

Collaborating hospitals: Oita University Faculty of Medicine, Graduate School of Medicine; Siriraj Hospital, Mahidol University; and King Chulalongkorn Memorial Hospital

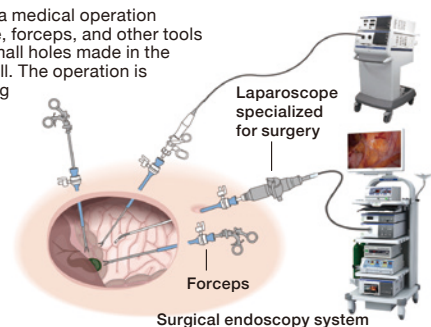
Project period: June 2015 to May 2017 (2 years)

Collaboration among industry, government, and academia in Japan to endoscopic surgeon training program in emerging countries



Example of Endoscopic Surgery

Endoscopic surgery is a medical operation whereby a laparoscope, forceps, and other tools are inserted through small holes made in the patient's abdominal wall. The operation is carried out by observing a monitor displaying an image from the endoscope. It offers a number of advantages, such as small incisions, shortening of hospitalization period, and an earlier return to normal life when compared to a conventional open surgery.



Collaboration among industry, government, and academia is indispensable for endoscopic surgeon training in emerging countries

I have been working as the course director in the Japan-Thailand Collaboration Program (JTCP) for Advanced Endoscopic Surgery Training Course hosted by JICA for over two years, and have trained approximately 100 Thai physicians, of which six have themselves become local instructors. The keys to success in training endoscopic surgeons in emerging countries are having programs that are designed to suit both the physicians and the medical conditions in the target country, the quality of the trainers, and a support structure and environment to provide the programs. These have been realized by a collaboration among industry, government, and academia. We have gradually refined the program contents by tailoring them to the experience and skills of the trainees, which we gained through providing lectures and hands-on training sessions. The quality of trainers is maintained at a high level by assigning experts that have been board certified by the Japan Society for Endoscopic Surgery and those selected by the Thai medical association. It is often the case that high costs can be an obstacle when a physician studies a new medical technique. However, this issue was alleviated by a Japanese subsidy through JICA. Further, the locations and equipment necessary for the training were supported by Siriraj Hospital and King Chulalongkorn Memorial Hospital in Thailand, and by Olympus. Hands-on training, in particular, requires both local staff members who have substantial knowledge about the conditions of medical operations in the target country and are capable of handling smooth communications with local physicians, and Japanese staff members who support the Japanese trainers and liaise with local staff members. Olympus took this role under the commission of JICA, and this was certainly a great help to us.



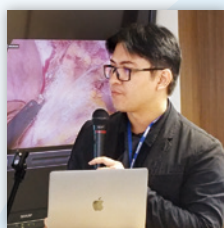
Masafumi Inomata

Professor, Department of Gastroenterological and Pediatric Surgery, Oita University Faculty of Medicine

This is a large scale project that crosses a number of countries, and I enjoy my responsibilities and the challenges I face in my role. Physicians who have received our training will gain more experience in the future and this experience will enable them to train other physicians. There will then be more endoscopic surgeons in Thailand, and patients can have more opportunities to receive less invasive operations. I think this is truly a beneficial project for everyone.

VOICE

Comments by Thai instructors and trainees



I studied laparoscopic and endoscopic surgery in Japan. I have also attended this JTCP Training Course as a trainee several times in the past. I learned a lot every time I participated in this program, from basic knowledge to advanced skills and techniques, and I am honored to be part of the program this time as an instructor for the first time. I am devoting myself to contributing to the dissemination of advanced endoscopic surgery and I hope that the procedures we learned will become a global standard in the future.

Pawit Sutharat, MD

Department of Surgery, Faculty of Medicine, Chiangmai University
Assistant Professor



I have attended this training courses five times. In the field of laparoscopic colorectal surgery, Japan is the top in the world. The program is very useful, starting from the very basic lectures on anatomy, instruments and so on, and then covering hands-on training. In these training courses, I received answers to questions I have in the field.

Teeranut Boonpittanapong, MD

Faculty of Medicine, Prince of Songkla, Department of Surgery
Assistant Professor in Colorectal Surgery



I found this training course very useful and fruitful. It starts from lectures on anatomy and techniques to training for laparoscopic surgery. This is my second time and I think my skills are progressing. Next time I want to provide a clinical case report so that I can discuss the techniques with the instructors and other trainees.

Ekkarin Supatrakul, MD

Department of Surgery, Faculty of Medicine, Chiangmai University

Olympus staff members who support endoscopic surgeon training program

I contribute to improving patients' QoL by liaising between Japan and Thailand

After working in endoscope sales in Japan, I have managed medical sales in Olympus (Thailand) Co., Ltd. for seven years. Thai staff members are lively and keen, and proud of their medical work. When Japanese experts teach medical techniques correctly to Thai surgeons, it is critical to have an understanding of the languages and the differences in medical practices. Our Thai staff members liaise between the two parties to fill in any gaps in an appropriate manner. Thai surgeons now have complete trust in them.

Olympus has been working on spreading safe and secure endoscopic treatment over many years and I feel that our devoted approach has been inherited by our overseas staff members. It is our honor to be given this challenging role being deeply involved in disseminating endoscopic surgery through collaborative power of industry, government, and academia to contribute to medical improvements in emerging countries. It is also a role where Olympus can utilize its real strengths. Through its forte and working together with local staff members, we aim to continue to pursue our contribution to the improvement of medical services in emerging countries other than Thailand and to a better QoL for all patients.



Takaharu Yamada

Head of GIR Business,
Asia Pacific Medical Sales Division,
Olympus Corporation of Asia
Pacific Limited

I am proud of contributing to medical development in Thailand

Since joining Olympus (Thailand) Co., Ltd. in 2004, I have always been involved in the medical business. My current job is promoting correct usage of Olympus products through planning and operating training programs, workshops, and events targeted at medical professionals. Olympus products are developed utilizing the latest technologies through collaborations with medical professionals across the world. However, training in handling the products is indispensable for safe usage. It is very exciting to contribute to the technical improvement of young Thai physicians through providing such training programs. As there are insufficient numbers of endoscopic surgeons in Thailand, open surgery is still a common method of operation. Our training programs should increase the number of endoscopic surgeons and thereby improve Thai patients' QoL. It is not an easy job to meet all the demands of the Japanese experts, including preparing equipment for training, but I always do my sincere best to offer attentive support so that both instructors and trainees are satisfied with the outcome of the training.



Patcharee Boonmee

Medical Affairs Manager
Olympus (Thailand) Co., Ltd.

I believe that our activities lead to improvements in medical standards in emerging countries

While I was studying economics at university, I visited several emerging countries in Asia and saw the economic disparities when compared with advanced countries with my own eyes. I joined Olympus hoping to work on social and economic development in such emerging countries. After experiencing overseas sales and planning and administration for our medical business, I was appointed to a position to promote international contributions in Thailand and Indonesia in 2015. For this role, it is indispensable to have communication skills to be able to liaise between people in Japan and in the local areas, and the ability to make decisions as local situations require. It is often the case that things do not proceed quite as you expect in foreign countries, however, the enthusiasm of local staff members and the Japanese doctors always drives me forward. I am also inspired by the highly motivated local staff members from day to day—it is truly exciting to work in these lively emerging countries. I hope that our two-year efforts will lead to raising quality of healthcare and patients' QoL in these countries, and I will continue to focus on my work thinking of the words of an economist I admire in my mind: "Cool heads but warm hearts."



Daisuke Miyamoto

CSR Department
Olympus Corporation

Column

Initiatives in different emerging countries

Indonesia

Indonesia, where the population of the country has reached 255 million,^{*1} the fourth highest in the world, is maintaining constant economic growth. At the same time, the country is experiencing rising demand for more advanced medical services. Cancer is the second highest cause of death (13%) among the Indonesian population, and among men, urological cancer (prostate, bladder, and kidney) is the second leading cause of death^{*2} with an incidence rate higher than that in neighboring countries.

In response to this medical situation in Indonesia, Olympus started the Japan–Indonesia Collaboration Program for Urological Laparoscopic Surgery Training Course, under the commission of JICA and in collaboration with the Japanese Society of Endourology and the Indonesian Urological Association. We hope that this initiative will be a trigger to spread endoscopic surgery, which can improve patients' QoL and shorten the hospitalization period, thereby contributing to improving the overall medical environment in the country.

*1 Source: Statistics Indonesia 2015
 *2 Source: WHO 2012 and 2014

Commissioner:Japan International Cooperation Agency (JICA)
 Collaborating medical associations:Japanese Society of Endourology and Indonesian Urological Association
 Collaborating hospital:Cipto Mangunkusumo National General Hospital (Jakarta)
 Project period:November 2015 to October 2017 (2 years)



Vietnam

As lifestyles in Vietnam change along with its economic growth, the most common diseases are changing from infections caused by parasites and bacteria to non-infectious diseases, such as cancer and myocardial infarction. Cancer is the second highest cause of death in Vietnam (18%), and 14% of these are stomach cancers, which represent the third highest cause of cancer death.^{*3}

To address this medical situation in Vietnam, Olympus conducted the Endoscopic Surgeon Training Program particularly for gastric cancers under a commission from the National Center for Global Health and Medicine (NCGM) and in collaboration with the Japan Society for Endoscopic Surgery and the Vietnam Association of Gastrointestinal Endoscopy. We hope that this initiative will help spread endoscopic surgery, which can shorten the hospitalization period and reduce the quantity of medicine to be administered, and contribute to improving the medical environment in Vietnam.

*3 Source: WHO 2012 and 2014

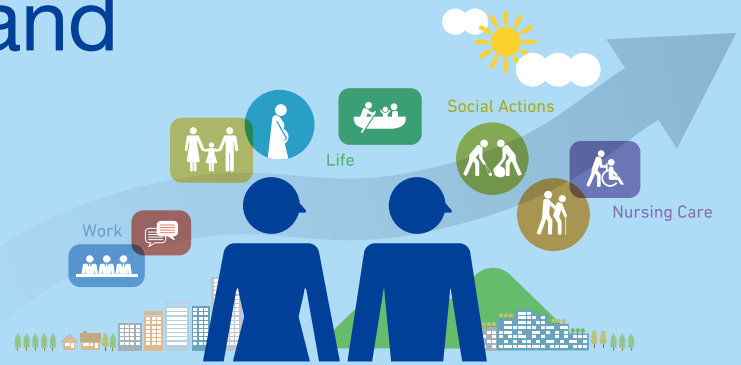
Commissioner:National Center for Global Health and Medicine (NCGM)
 Collaborating medical associations:Japan Society for Endoscopic Surgery and the Vietnam Association of Gastrointestinal Endoscopy
 Collaborating hospital:Viet Duc University Hospital (Hanoi) and University Medical Center (Ho Chi Minh)
 Project period:August to December 2016 (5 months)



Special Feature

2

Development and Use of Human Resources at Olympus



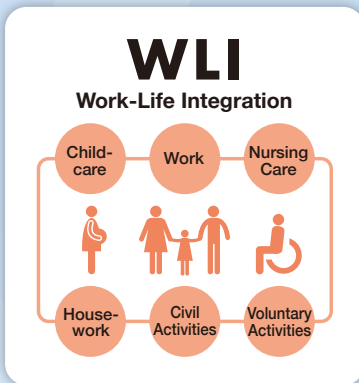
Olympus recognizes that its employees are its most valuable assets. We respect diversity, character, personality and the human rights of all our employees, and provide them with equal opportunities to fulfill their potential and improve their abilities as well as opportunities to work, develop their skills and gain promotion according to their level of competency. We promote a wide range of measures to encourage continuing growth for each person through diverse

social experiences and participation in business operations as distinctive and attractive individuals, in line with Goal 8* and Goal 5* of the United Nations' Sustainable Development Goals.



* Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
 * Goal 5: Achieve gender equality and empower all women and girls

Synergy that leads to fulfillment in both work and life: Work-Life Integration (WLI)



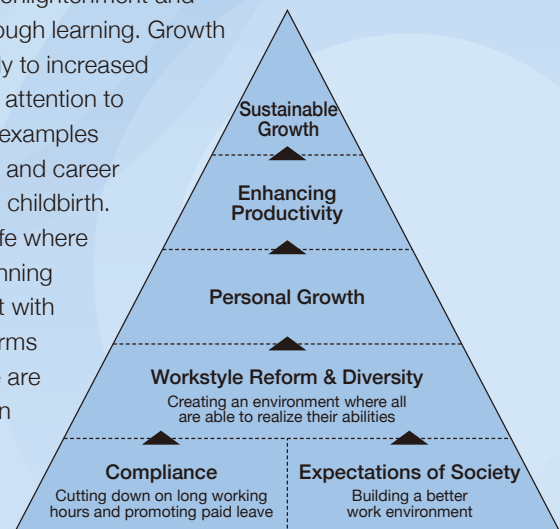
As part of its activities in Japan, Olympus is organizing various measures in the development and use of human resources under the slogan "Work-Life Integration (WLI)." In comparison to the frequently-heard term "work-life balance" aimed at achieving a balance in-time between work and life, WLI aims to create a synergistic effect that leads to fulfillment in both work and life. If, for example, enhanced work efficiency helps to achieve the same results in a shorter period of time, reduced working times will lead to greater involvement with the family, more time for community activities and self-enlightenment and ultimately to personal growth through learning. Growth



Kiichi Hirata

Chief Administrative Officer (CAO & Executive Managing Officer, Human Resources & General Affairs)

of each individual is expected to generate a synergy that leads ultimately to increased competitiveness for the entire company. Also, career support that pays attention to the life events of each individual is an important WLI program. Leading examples are uninterrupted career support with use of the work-at-home system, and career development support training with attention given to life events such as childbirth. Support focuses, not on how to maintain one's career at the points in life where attention to childcare or nursing care is important, but to advanced planning of life events and systematic planning to accelerate career development with attention given to these events. Recognizing compliance with social norms and appropriate social contribution as prerequisites in our activities, we are moving forward in creating workplaces with dynamic energy, tapping on the potential of each individual to contribute to the Company's growth, working in unity and with respect for and an understanding of diversity in human resources.

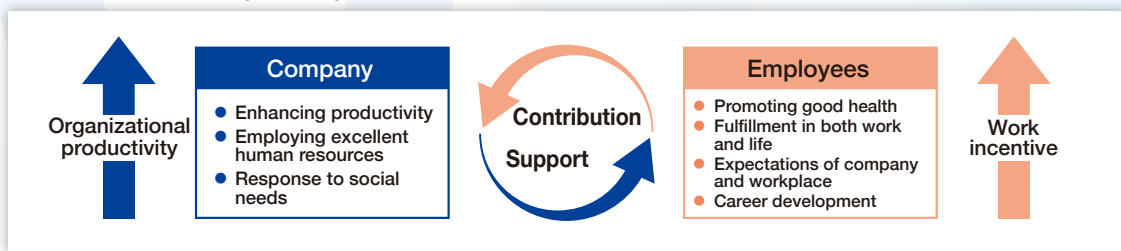


Promoting workstyle reform

To strengthen the foundation of its business and management and to make best use of its organizational strengths, Olympus embarked on the Business Process Re-engineering (BPR) Project in July 2016. Changes are initiated by the BPR Division, formed as an organization dedicated to implementing reform, collaborating with the Human Resources Division to upgrade organizational

productivity and employee work incentives 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.

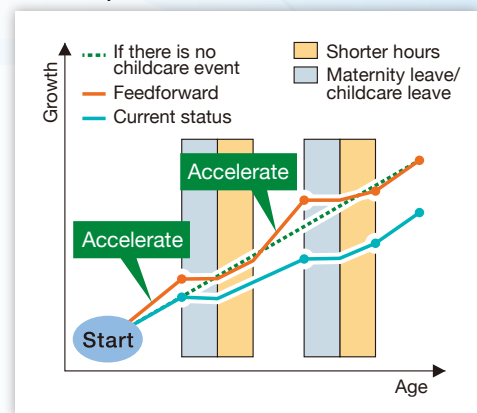
Effects Anticipated by Workstyle Reform



Promoting diversity

As the first step in promoting diversity, Olympus has set its focus on women, and in 2016 established its Employer Action Plan based on the Act on the Promotion of Women's Participation and Advancement in the Workplace. The principal items on the agenda are 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, training of managerial candidates to encourage the appointment of female managers and establishment of the Diversity and Inclusion group, working exclusively to strengthen diversity. 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



Development of global human resources

With roughly 80% of our revenue coming from overseas, the number of Japanese expatriates has exceeded 300 people in 2016, creating more opportunities for young employees to work overseas. Education & Training Department, established in April 2016, is planning strategies and systematic programs for career development of domestic employees. In April 2017, we are also working to strengthen global human resources who can play an active role internationally as we reform our company-wide training system in Japan. The new

training-by-layer system consists of stratified training for all employees and functional training by job family. By organically linking them, we are trying to nurture human resources who have not only language skills but also basic business skills and expertise, more effectively. We will continue to invest in human resources development with the aim of optimally utilizing human resources throughout the group, including actively accepting talents from overseas to Japan.

Profile

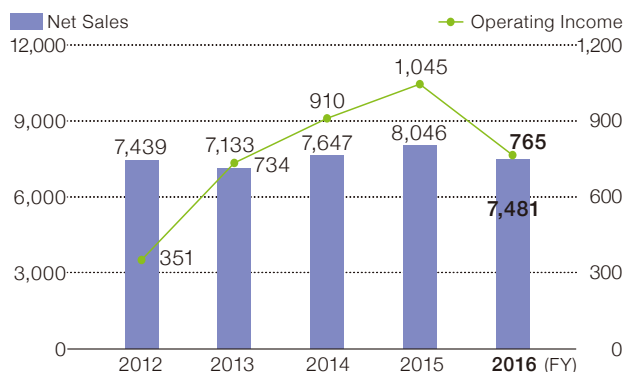
Company Outline

Company Name	Olympus Corporation
Established	October 12, 1919
Head Office	Shinjuku Monolith, 3-1 Nishi-Shinjuku 2-chome, Shinjuku-ku, Tokyo 163-0914, Japan
Business Lines	Manufacture and sales of precision machineries and instruments
Capital	124.5 billion yen (As of March 31, 2017)
Consolidated headcount	34,687 (As of March 31, 2017)

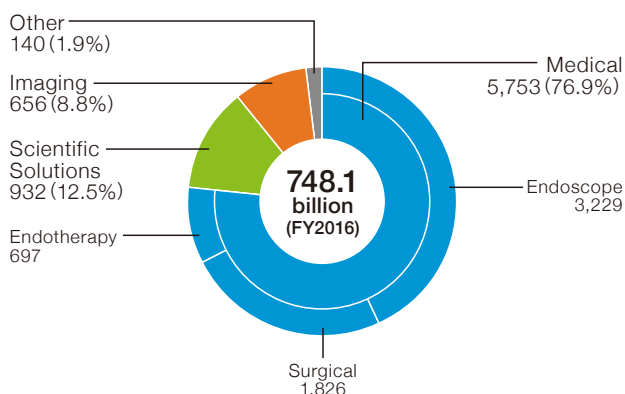
http://www.olympus-global.com/en/corc/o_top/

Financial Highlights

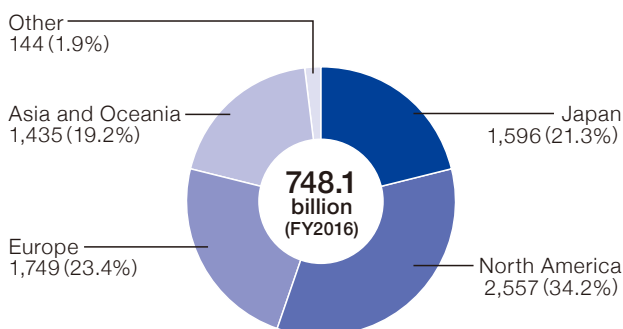
● Net Sales/Operating Income (Consolidated) (billion yen)



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



● Net Sales by Region (Consolidated) (billion yen)



Business Areas

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

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

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

Business Overview and Markets Served

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

Medical Business

Business Overview

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

Social Responsibility and Expectations

Medical Progress

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

Improving Patients' QOL

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

Reducing Medical Costs

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

Markets Served

GI&R (gastrointestinal and respiratory) Business Unit

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

GS (general surgery) Business Unit

Surgical videoscope systems, surgical endoscopes, surgical energy devices, ultrasonically activated devices, electro-surgical generators

Uro/Gyn (urology/gynecology) Business Unit

Bladder, renal pelvis, and ureter endoscopes, hysteroscopes, resectoscopes, urinary stone treatment devices

ENT (ear, nose, and throat) Business Unit

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

MS (medical service) Business Unit

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



Video endoscope systems



Surgical energy devices



Resectoscopes



Multidebriders

Scientific Solutions Business

Business Overview

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

Social Responsibility and Expectations

Advancing Life Science Research

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

Providing Safety

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

Contributing to Industrial Progress

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

Markets Served

Biological Microscope Systems

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

Industrial microscope systems

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

Remote visual inspection products and non-destructive testing products

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



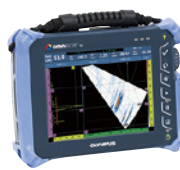
Biological microscopes



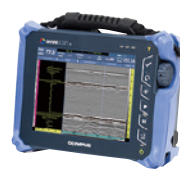
Industrial microscopes



Industrial videoscopes



Ultrasonic flaw detectors



Handheld X-ray fluorescence analyzers

Imaging Business

Business Overview

Olympus creates innovative digital cameras that include a mirrorless interchangeable lens camera, the OM-D series which incorporates a built-in electronic viewfinder, the compact and lightweight PEN series, and the TOUGH series of compact digital cameras.

These products offer sophisticated and innovative features and have established a new style of photography that opens up new possibilities for digital cameras.

Social Responsibility and Expectations

Enriching Lives

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

Building a Barrier-Free World

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

Markets Served

Cameras

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

Other

Audio recorders, linear PCM audio recorders, binoculars



Interchangeable Lens Camera OM-D E-M1 Mark II TG-5



Compact Digital Camera TG-5



Linear PCM Audio Recorder LS-P2

Communication with Stakeholders

Olympus sees the reflection of public input in its management policies to share values with society as vital to the realization of the “Social IN” corporate philosophy. We continually listen to the views of stakeholders in the context of our day-to-day activities.

We also engage experts in dialogue and are currently working on identifying medium- and long-term CSR issues.

Examples of Communication with Stakeholders

Customers

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

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

Shareholders and Investors

Olympus is committed to the fair, timely and accurate disclosure of corporate information, including management policies, financial data, and information about business activities and CSR activities.

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

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

Suppliers

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

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

Employees and Their Families

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

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

Communities

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

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

International Community, Civil Society

Since 2012 we have studied human rights issues in cooperation with NGOs and NPOs through our participation in the Human Rights Due Diligence Workshops run by the Nippon CSR Consortium. We are also working with various organizations, including NGOs, NPOs, student groups, international agencies and government agencies, to help in achieving the Millennium Development Goals (MDGs). We also undertake a wide range of social contribution activities.

Corporate Governance

Basic Approach and Policy

Basic Approach

The Olympus Group strives to realize better health and happiness for people by being an integral member of society, sharing common values, and proposing new values through its business activities. This is “Social IN” and it describes the basic Olympus philosophy underlying all our activities.

Based on this, we have designed a corporate governance structure to secure the efficiency and efficacy of the Group as well as the integrity and credibility of our financial reports, and we are continually working to improve this framework.

Basic Idea Regarding Corporate Governance

Olympus has formulated its Basic Policy for Corporate Governance, in accordance with the principles of the Corporate Governance Code.

Based on our fiduciary responsibility to shareholders and our responsibility to stakeholders including clients, employees and local communities, etc. as well as the above corporate philosophy, our company has implemented all the principles of the Corporate Governance Code and developed this policy with the aim of realizing effective corporate governance. The content of this policy has been approved by the Board of Directors.

Basic Policy for Corporate Governance

http://www.olympus-global.com/en/common/pdf/basic_policy_for_corporate_governance_2016.pdf

Promotion Structure

Corporate Governance Structure

The Board of Directors consists of 11 members, a majority (six) of whom are outside directors. In principle, the Board of Directors meets once per month and approves important management proposals made by the president, the highest authority for executive management, while exercising appropriate oversight of business execution. Olympus fills the position of chairman of the Board of Directors with a director that does not have business execution responsibilities.

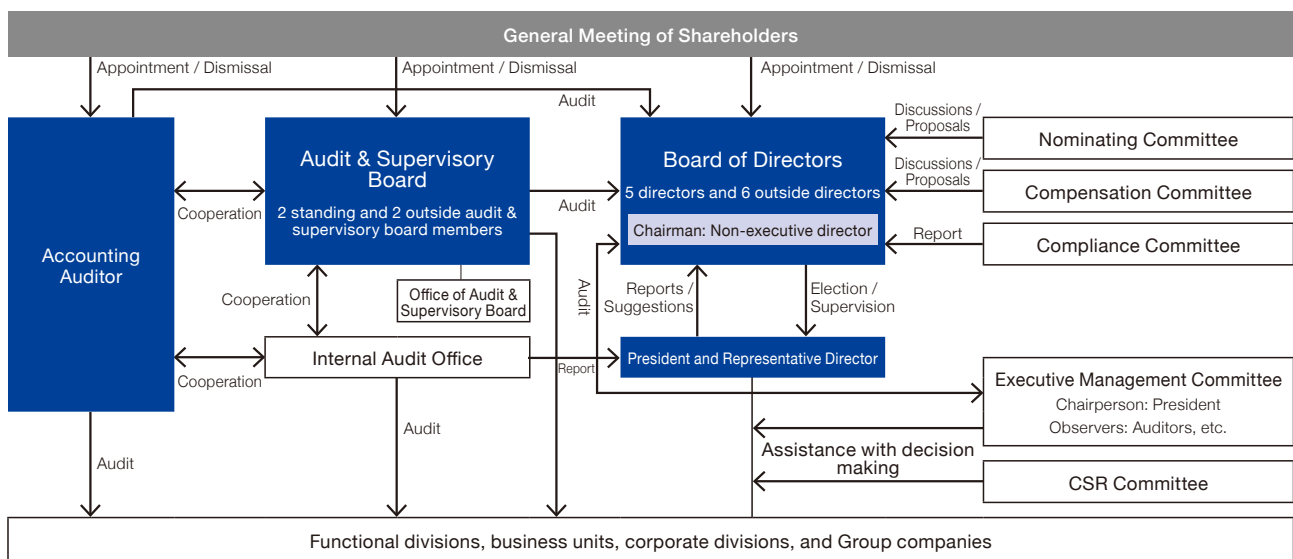
Olympus expects the six outside directors to apply their specialized expertise in management by engaging in decision making and oversight of the Board of Directors from an independent perspective. Furthermore, the Board of Directors requests reports on matters that are decided by the Executive Management Committee or by the president. In this manner, we are strengthening governance from the perspectives of sharing information and monitoring, thereby creating systems for better ensuring the soundness of management.

Olympus employs an executive officer system, which segregates the decision-making function and supervisory function of the Board of Directors from the business execution function of the executive officers. In addition, we have set a maximum tenure period for the president and a maximum age for directors and executive officers. These restraints are in place to prevent inappropriate activities from occurring due to extended tenures of corporate officers.

Overview of the Corporate Governance Structure (As of 28 June 2017)

Format	Board of Company Auditors system
Adoption of executive officer system	Yes
Directors	11
Of whom, outside directors	6
Term of directors	1 year
Audit & supervisory board members	4
Of whom, outside audit & supervisory board members	2
Independent officers	8
Participation of outside directors in determination of remuneration	Yes
Board of Directors convened (2016)	23 times
Results-linked remuneration	Yes

Corporate Governance Structure



For more details on Olympus' corporate governance, please refer to the 2017 annual report, One Olympus Report 2017. <http://www.olympus-global.com/en/ir/data/annualreport/2017/index.jsp>

Compliance

Basic Stance & Policy

Olympus Group Corporate Conduct Charter

Applying our “Social IN” management philosophy to our day-to-day business activities, we adopted the Olympus Group Corporate Conduct Charter and Code of Ethics in September 2004 as the basis of all Group employee actions in order to fulfill our corporate social responsibilities. As the Olympus Group Corporate Conduct Charter and Code of Ethics are a comprehensive declaration of Olympus’ stance on CSR, we formulate various CSR-related policies based on these codes.

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

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

◎ Olympus Group’s Corporate Philosophy



◎ Olympus Group Corporate Conduct Charter

Guided by the fundamental concept of “Social IN” and a keen awareness of our responsibilities as a corporate member of society, and as a company on which diverse people with different cultures and value systems depend, the Olympus Group continues to provide value to society by enhancing people’s lives through the products and solutions that we design and deliver.

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. We have revised the Olympus Group Corporate Conduct Charter to serve as the basis for making appropriate decisions and taking responsible actions. All members of the management team and all employees of the Olympus Group hereby pledge to act in accordance with the new Corporate Conduct Charter in their global corporate activities.

<INtegrity> Integrity in Society

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.

<INnovation> Creating Innovative Value

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

<INvolvement> Social Involvement

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.

Adopted on June 20, 2012

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

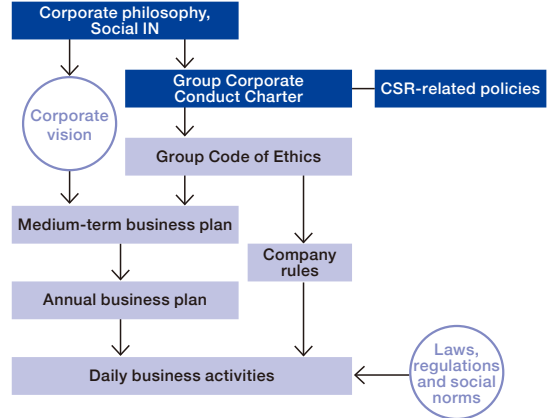
◎ Linkage between Corporate Conduct Charter and CSR Policies

The Olympus Group Corporate Conduct Charter	CSR-Related Basic Policies	
INtegrity Integrity in Society	(1) Adherence to High Ethical Standards	Information Disclosure Policy Information Security Policy Risk Management and Crisis Response Policy Procurement Policy Personal Information Protection Policy Human Rights and Labor Policy
	(2) Respect for Human Rights	
INnovation Creating Innovative Value	(3) Delivering Innovative Value	Quality Policy Personal Information Protection Policy Human Rights and Labor Policy
	(4) Working Environments with Vitality	
INvolvement Social Involvement	(5) Harmony with the Environment	Environmental Policy Charitable Donations and Grants Policy Corporate Citizenship Policy
	(6) Contribution to Society	

CSR-Related Basic Policies

<http://www.olympus-global.com/en/csr/olycsr/socialin/activity/>

◎ From Corporate Philosophy to Policies/Plans/Actions



Promotion System

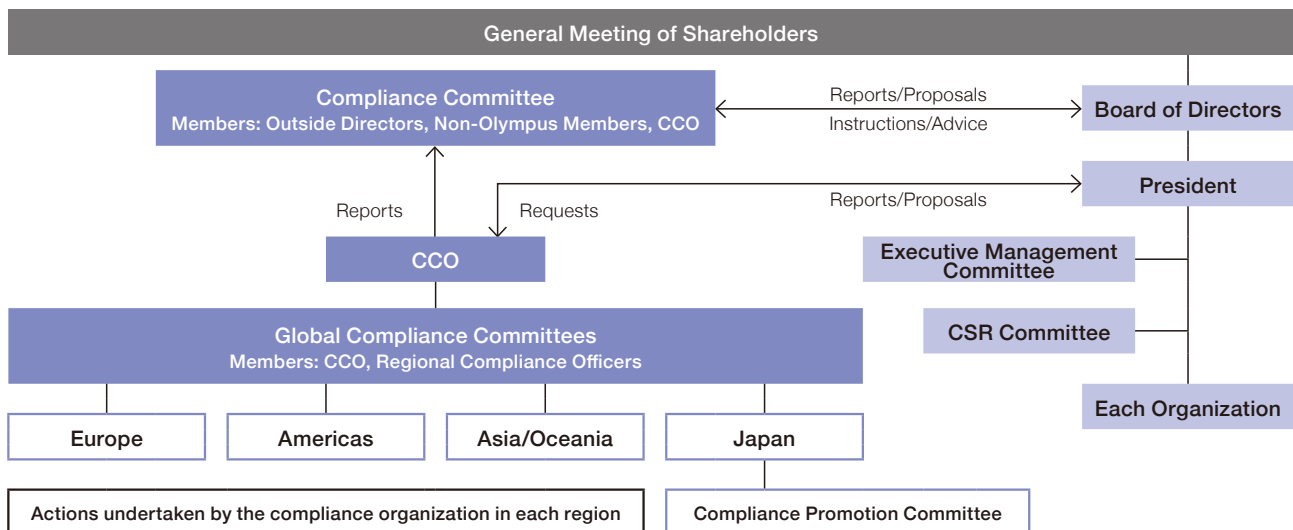
Compliance Promotion System

In order to clarify who is responsible for compliance-related issues, Olympus has appointed a Chief Compliance Officer (CCO) as a global compliance supervisor. (A deputy CCO was also appointed in fiscal 2016)

Moreover, we have also established a Compliance Committee, which is composed of outside directors, the CCO, and an external member (external lawyer in fiscal 2016), 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 Compliance Officers (RCOs), in order to implement compliance-related policies and measures globally, understand regional situations and challenges, and carry out necessary corrective measures. The GCC has meetings on a quarterly basis in principle. Policies and measures directed and confirmed by the GCC are applied to each region by RCOs. In addition, compliance circumstances and issues throughout the Olympus Group identified by the GCC and RCOs are reported by the CCO on a regular basis to the Compliance Committee and are discussed at Board of Directors' meetings as needed.

◎ Compliance Promotion Structure



Systems and Mechanisms

Compliance Hotline Systems

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

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

In cases that reports are received by contact points across various regions in Japan and overseas, we address these issues in coordination with each RCO.

Facilitating an Atmosphere That Encourages the Use of Compliance Helpline

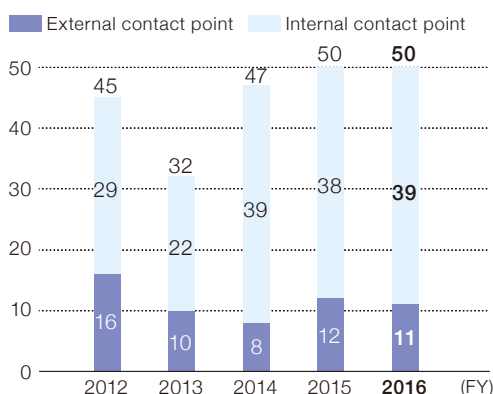
In Japan, we maintain an atmosphere that encourages employees to use the Compliance Helpline by enhancing internal reporting systems through appropriate revisions of various operating regulations, while raising awareness of this system through e-learning programs, compliance handbooks, and intranet bulletin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

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

Training of Internal Reporting System Supervisors

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

Number of Compliance Hotline Reports and Inquiries in Japan



Self-Assessment on Compliance

Olympus conducts a self-assessment survey of the maintenance/operational status of the compliance management systems of 77 consolidated subsidiaries and four regional headquarters in Japan and overseas as part of Compliance Month every October. The self-assessment surveys involve Group company Compliance Promotion Committee members answering questions in 15 categories. Assessment results are provided as feedback to Group companies via the GCC and Compliance Promotion Committee as well as play a useful role in improving and strengthening Olympus' compliance activities. In addition, we undertake compliance assessment monitoring at all Group companies in Japan.

The self-assessment response rate was 100% in fiscal 2016. An analysis of the assessment results reveals that all surveyed companies generally have compliance structures and mechanisms in place.

Compliance Education

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

◎ Major Results in Compliance Education

Category	Target	Method	Description
General	Executive officers	Group training	Outside instructors conduct lectures on management compliance. After lectures are completed, all attendees sign a pledge.
	All employees	E-learning and group training	General compliance education
	All domestic employees		Distribute compliance handbooks containing explanations of the management philosophy and corporate code of ethics as well as a Q&A summary
Education in Important Laws and Regulations	All employees	E-learning and group training	Education on strengthening compliance with key laws and regulations Provide more comprehensive education programs to departments and supervisors that are deeply involved with key laws and regulations related to management
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
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).
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)

Strengthening Compliance with Key Laws and Regulations

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

Compliance Awareness Survey

We conduct a survey of Olympus Group employees during Compliance Month held every October to monitor the level of their compliance awareness and identify any related issues. Survey questions consist of 10 common global categories, while results are reflected in the activities of regional headquarters' compliance departments and reported to management.

In Japan, we conduct compliance awareness surveys using in-house e-learning systems. In fiscal 2016, we surveyed 12,878 employees, with 98.9% of those surveyed responding (fiscal 2015: 99.4%). Survey results revealed that compliance awareness at workplaces and among employees has increased, but this awareness has not filtered down to the level of individual employees' actual actions. As a result, we plan to enhance compliance education even further.

Status of Legal Compliance

Settlement on Lawsuits for Damages against Former Auditors of the Company (May 2016 and November 2016)

Olympus filed a lawsuit for damages against its five former auditors. Olympus reached a settlement with the four former auditors on May 12, 2016. A settlement with the remaining one former auditor was reached on November 28, 2016, concluding the lawsuit for damages against the former auditors.

Settlement of Lawsuit for Damages by Foreign Institutional Investors and Others (December 2016)

On December 26, 2016, Olympus reached a court settlement in the Tokyo District Court with regard to the civil actions for damages filed by foreign institutional investors and others (72 entities in total) alleging that the Company made false statements in its Annual Securities Reports, etc. for the purpose of deferring record of losses.

For latest updates, please see Olympus Investor News:

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

CSR Management

CSR Promotion Structure and Risk Management

CSR Promotion Structure

To realize “Social IN,” our CSR-enhanced corporate philosophy, Olympus established the CSR Committee in fiscal 2010. Under the umbrella of this CSR Committee, Olympus has set up a number of promotion committees to plan and advance individual CSR-related initiatives.

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

CSR Committee and Promotion Committees (Fiscal 2016)



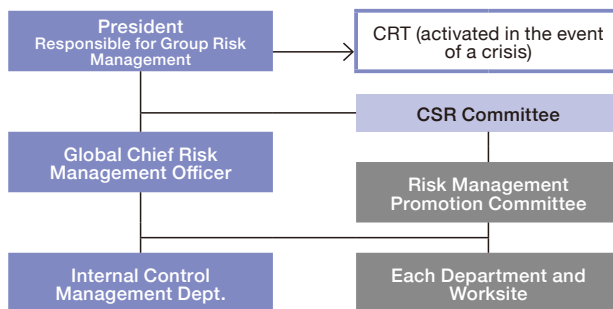
Risk Management System

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

Specifically, Olympus has established the Risk Management Promotion Committee as a promotion function of the CSR Committee. The Risk Management Promotion Committee promotes risk-reduction activities at departments and worksites based on risk assessments, and management periodically monitors the situation. In the event a crisis arises and severely impacts the Olympus Group, the Crisis Response Team (CRT) is activated to properly respond to the crisis and rapidly report information to the president and management. During the Kumamoto Earthquake, the CRT was set up to minimize damages in the Group.

In risk reduction activities conducted throughout the year, working groups were organized under the Risk Management Promotion Committee, responsible for addressing large-scale earthquake risks and risks related to the Social Security and Tax Number system. In activities conducted to address risks from major earthquakes, drills were carried out to prepare for the occurrence of the Nankai Trough Mega-Earthquake, implementing initial response activities ranging from the setting up of CRT to action to prevent secondary damages and status reporting, through coordination among local CRTs, worksite CRTs and the central CRT. The drill included verification of measures implemented to correct issues that surfaced in the Kumamoto Earthquake in April. In addition, Olympus has developed the global security structure and has carried out drills to strengthen coordinated action in case of a large-scale terrorist act.

Risk Management System (As of April 2017)



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

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

Olympus Group Procurement Policy

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 endeavor to build a society that has a sound environment and that is capable of supporting sustainable development.

3. Promotion of Fair and Impartial Trade

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

4. Selection of Suppliers

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

5. Reinforcement of Partnership with Suppliers

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

6. Prohibition on Accepting Personal Interests

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

System and Framework

■ Initiatives with Suppliers

● Share business strategies and procurement policy

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

In fiscal 2016, 819 representatives from 505 suppliers participated. We explained compliance matters that all suppliers should know, such as conflict minerals and human rights issues, and asked for their cooperation in tackling these problems.

● Supplier Survey and Improvement Activities

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

In fiscal 2016, survey was conducted on roughly 1,000 companies, including overseas suppliers. Responses were received from approximately 95%. We have put in place a system that encourages suppliers to make improvements to prevent incidents on their own initiative, and we consult privately with suppliers on remedies if we believe they have room for improvement. We conduct studies for risk assessment in collaboration with specialized divisions within the Group companies.

◎ Key Evaluation Items in Supplier Survey for Initiatives with Suppliers

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

● Response to Conflict Minerals

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

* Conflict minerals

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

■ Education for Adhering to Subcontract Act

Olympus promotes compliance with laws and regulations with the awareness that the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (the Subcontract Act) is a key piece of legislation. In fiscal 2016, e-learning programs were organized for all employees, including those at the Group companies in Japan.

We will continue to review our training content and methods to further enhance the process of adhering to the Subcontract Act.

■ Expansion of Scope of Compliance Helpline

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

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 also supports initiatives concerning climate change under the Global Compact “Caring for Climate” initiative, of which it has been a signatory since 2009.



External Evaluation of CSR Management (Fiscal 2016)

FTSE4Good Global Index Series

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



FTSE4Good

FTSE Blossom Japan Index

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



FTSE Blossom
Japan

MS-SRI

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

Labor Practices and Decent Work

Employment and Labor Relations

Basic Approach and Policy

Basic Approach

The Provision of Fair Opportunities section of the Olympus Human Rights and Labor Policy (see page 41) clearly states that “Employees are our most valuable assets. We respect diversity, character, personality and the human rights of all employees, and provide them with equal opportunities to fulfill their potential and improve their abilities as well as opportunities to work, develop their abilities and gain promotion according to their level of competency.” We endeavor to reflect this stance.

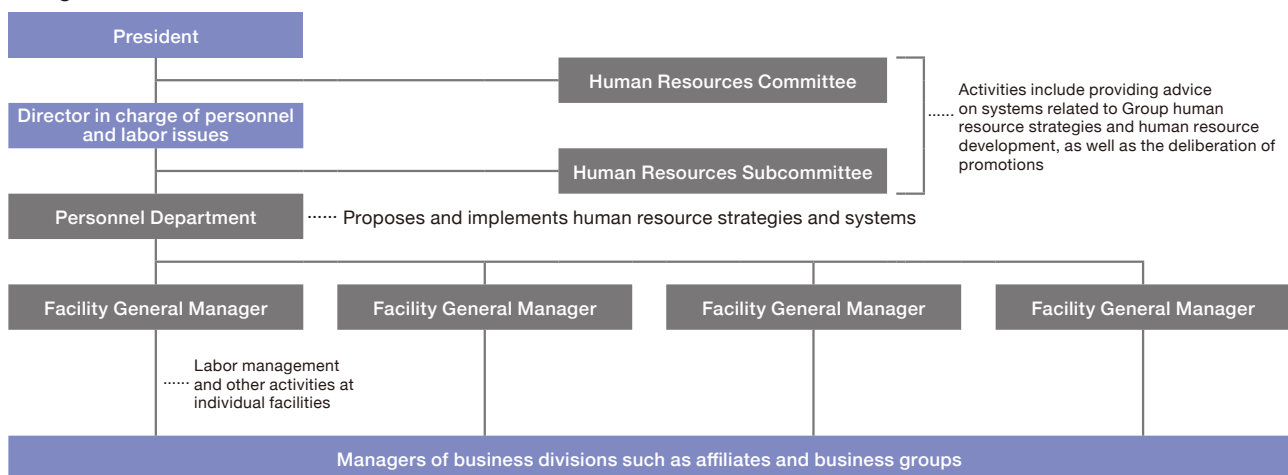
We employ people on the assumption that employment will be long-term. Our salary system is based on job-related qualifications and performance, and we have in place human resource systems aimed at cultivating employee growth over the long term.

Promotion Structure

Employment and Labor Management Systems

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



Systems and Mechanisms

Employment of People with Disabilities

Olympus works proactively to employ people with disabilities. In April 2009, we established Olympus-Supportmate Corp. as a special-purpose subsidiary*. This company creates working environments and working conditions that are appropriate both for the nature of each individual's disabilities and for operational requirements and strives to ensure ongoing employment.

* Special-purpose subsidiary

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

Employment of the Elderly

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

Welfare System

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

Labor-Management Consultation

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.

In fiscal 2016, during labor-management consultations we discussed issues such as improvement of working conditions for expatriate employees, and the regulations have been revised accordingly.

As of April 15, 2017, 75% of the 5,708 employees not in management positions were members of the labor union.

Minimum Notice Period Regarding Operational Changes

Olympus recognizes that personnel transfers and other changes have the potential to affect employees' lifestyles. Accordingly, in principle our collective agreement sets one month as the preparatory notice period.

◎ Employment-Related Data

Indicators	Fiscal 2016	Breakdown			
		Men		Women	
Employees*1 (people)	7,059	6,047		1,012	
		By gender			
		20s and younger	30s	40s	50s and older
		866	2,279	2,195	1,719
New employees (people)	523	406		117	
		By gender			
		20s and younger	30s	40s	50s and older
		329	166	25	3
Leaving the Company*2 (people)	189	147		42	
		By gender			
		20s and younger	30s	40s	50s and older
		23	43	21	102
Rate of return to work following childbirth, childcare leave (%)	100	100		100	
		By gender			
Retention rate following childbirth, childcare leave (%)	93.4	100		92.7	
		By gender			
Percentage of employees with disabilities*3 (%)	2.04				

Totals for Olympus Corporation and Olympus Medical Systems Corporation

*1 Permanent and contract employees as of March 31, 2017

*2 Includes 92 people retiring

*3 As of March 31, 2017. Overall Olympus Group in Japan: Olympus, Olympus Medical Systems, Olympus Medical Science Sales, Olympus Software Technology, Nagano Olympus, Olympus-Supportmate

Labor Practices and Decent Work

Occupational Safety and Health

Occupational Safety and Health

Basic Approach and Policy

In order to prevent industrial accidents and maintain healthy working environments with vitality, Olympus has set forth “Ensuring Occupational Safety and Health ” in the “Olympus Group Code of Ethics” (see page 20) 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 and support activities aimed at preventing accidents in the workplace as a part of efforts to eliminate any and all industrial incidents.

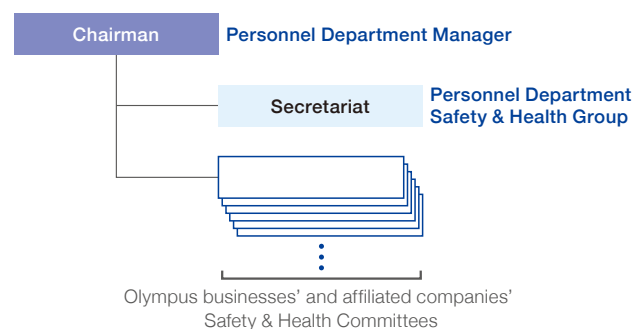
Occupational Safety and Health Promotion Structure

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

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

Overseas, we are pursuing activities based on compliance with laws and regulations in each country.

◎ Safety & Health Promotion Committee

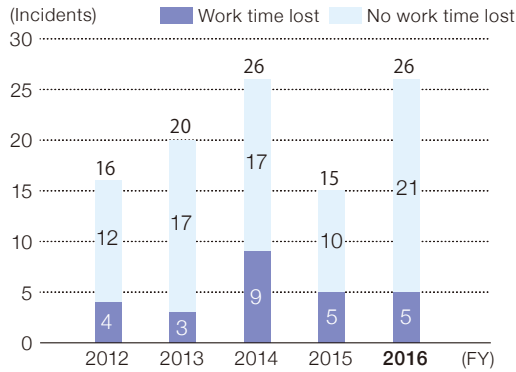


Safety & Health Promotion Activities

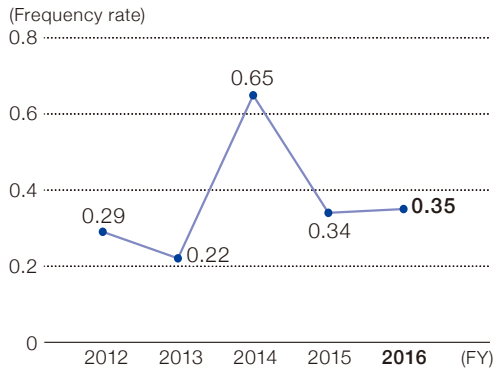
At the beginning of every year, Olympus establishes the “Activity Policy” for occupational safety and health and health management in accordance with the “Occupational Safety and Health Basic Policy,” and promotes activities utilizing the PDCA cycle.

Elimination of industrial accidents is a theme that requires continuous action, and the number as of fiscal 2016 was 26. We have promoted various measures to reduce industrial accidents without fail. In fiscal 2017, we will reinforce the organizational structure to promote safety and health. Members responsible for promoting Occupational Safety and Health have been selected even from organizations with less than 50 workers. Participation in the companywide Occupational Safety and Health committee strengthens action in the entire Group. For the system of chemical substance control, we continue to strengthen risk assessment and education activities started last year at each site.

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



Incidence Ratio of Industrial Accidents



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

Number of Fatal Accidents

	FY2012	FY2013	FY2014	FY2015	FY2016
Number of fatal accidents	0	0	0	0	0

Health Management

Basic Approach and Policy

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

Basic Policy for Activities

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

Priority Activities

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

Realization of a Better Livelihood and Happiness



Activities in Fiscal 2016

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

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

■ Recognized under White 500, the 2017 Certified Health and Productivity Management Organization Recognition Program

Olympus's activities in employee health management, implemented strategically from the management point of view, won recognition in White 500, the 2017 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.

We uphold in our Group management philosophy "Social IN" the ideal of "Realization of a Better Livelihood and Happiness" and emphasizes the development of a healthy and vibrant working environment for employees' mind and body. We upgrade the system of our industrial health activities and build an environment for better working conditions, including support of various health examinations, prevention of lifestyle-related diseases, implementation of cancer screening tests using endoscopes, and improvement in mental health service, etc.

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



Health Management Support System

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

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

○ Number of Medical Staff and their Role

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

■ Health Examinations and Health Counseling

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

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

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

■ Cancer Screening Tests

Health examinations offer enhanced cancer screening tests using endoscope and support the early detection of cancer.

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

◎ Cancer Screening Test Support System

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

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

■ Mental Health

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

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

We started preparations for the statutory stress checks in the second half of fiscal 2015 and implemented them for the entire group in Japan in October 2016. 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	
	FY2016	Next Fiscal Year
Promotion of industrial accident prevention activities	<ul style="list-style-type: none"> ● Clarification of division of responsibility in the event of an industrial accident ● Report to management in the event of a serious work-related injury or an equivalent industrial accident and horizontally expand recurrence prevention ● Risk prevention training and activities to return to the basics of risk assessment ● Rigorous recurrence prevention measures in the event of a disaster ● Promotion of educational activities for disaster prevention ● 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 work-related 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"> ● Support for chemical substance risk assessment ● Respond to new revisions based on notification from the Ministry of Health, Labour, and Welfare ● Develop management system (OIS, etc.) for 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 ● Reorganization of chemical substances control system (In areas related to the environment, export trade, and Occupational Safety and Health)
Promotion of health management measures	<p>Promotion of health management activities</p> <ul style="list-style-type: none"> ● Full support for health examinations (routine/special/specific procedures, etc.) and subsequent measures ● Thoroughly conduct doctor interviews to understand the overworked people being studied (including managers) ● Promotion of employee educational programs to strengthen health management activities ● Standardization of health management and mental health measures 	<p>Promotion of health management activities</p> <ul style="list-style-type: none"> ● Full support for health examinations (routine/special/specific procedures, etc.) and subsequent measures ● Thoroughly conduct doctor interviews to understand the overworked people being studied (including managers) ● Proposal and implementation of companywide health management measures in cooperation with the Health Insurance Association ● Study into measures to prevent greater disease severity and promotion of measures related to cancer
Promotion of mental health measures	<p>Promotion of mental health measures</p> <ul style="list-style-type: none"> ● Introduction of mental health stress check support system ● Expand mental health education (review education for each level of the organization) 	<p>Promotion of mental health measures</p> <ul style="list-style-type: none"> ● Entrenchment and application of the mental health stress check program ● Expand mental health education (rank-specific training, support of young workers, etc.)
Overseas health management	<ul style="list-style-type: none"> ● Industrial physician conduct of on-site inspection and seminars ● Understand expatriates' health examination results and create a follow-up system 	<ul style="list-style-type: none"> ● On-site inspection by corporate physicians and organization of seminars ● Confirmation and follow-up of health examination results for overseas assignees and reinforcement of daily healthcare

Labor Practices and Decent Work

Training and Education

Basic Approach and Policy

Basic Stance on Personnel Systems

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.

It is also important to trust the motivation and vitality of employees, make a fair evaluation of the results they achieve through their individual abilities, and treat them fairly.

To achieve this, our personnel system sets out the outcomes and capabilities called for in individual employees as capacity development guidelines. We have also introduced a goal management/evaluation system, MBO-S*, to support the development of employees’ abilities.

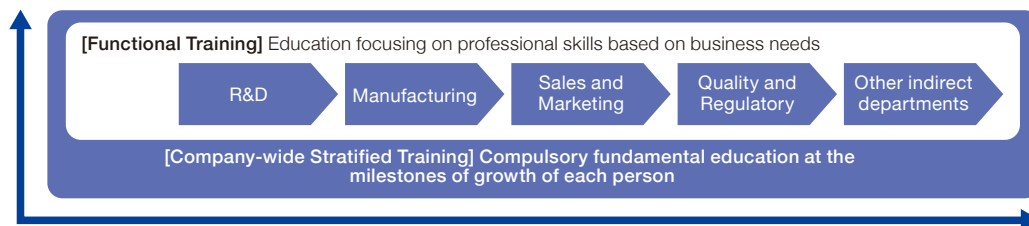
Promotion Structure

Promotion Structure of Training and Education

In April 2016, Olympus established the Education & Training Department which charts strategies related to the training and career development of Group employees in Japan, and plans and implements systematic education programs.

The Education & Training Department has revamped our training system after a year of discussion, and clarified the training contents and promotion structure. The new training system consists of “stratified training,” which is the fundamental training given to all employees throughout the company in Japan, and “functional training,” which includes professional skills training and training programs appropriate to individual circumstances, implemented mainly by the functional departments on the basis of the stratified training.

The stratified training aims to give employees effective practical training from the medium- to long-term perspective. Over the next five years, we will be consistently planning and systematically developing new programs in sequence that we will shift to from existing training.



Systems and Mechanisms

MBO-S* Goal Management /Evaluation System

Olympus manages its own goal management and evaluation system, called MBO-S, to allow employees to proactively pursue their business themes and develop their abilities to grow towards their goals. Employees have individual interviews with their superiors every six months to confirm the degree to which they have achieved their quantitative and qualitative targets and to set goals for the next half year.

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.

* MBO-S

Acronym for “management by objectives and self-control.” MBO-S applies to regular employees of Olympus Corporation including about 6,000 non-managers overseas.

The “Olympus College” Capability Development System

Olympus conducts more than 250 courses per year, consisting of management training, business training, technical training, global training, and so on, in the “Olympus College” Capability Development System.

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

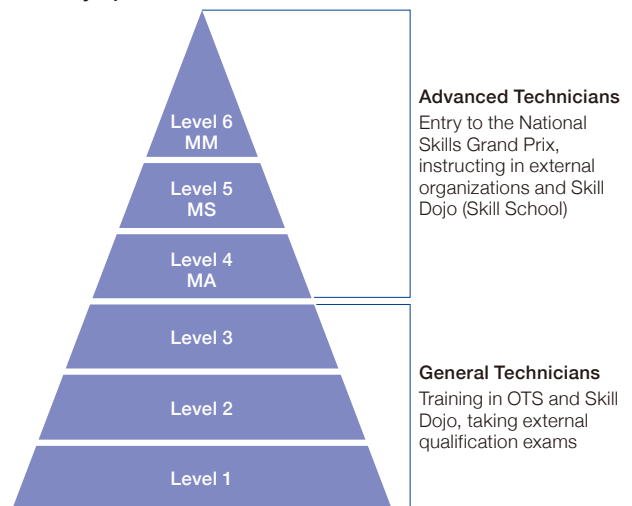
Overview of New Training System

Company-wide Stratified Training				Functional Training
Qualification-specific Training		Role-specific Training		
Management training		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				
Mid-level career training	Innovative mind Leadership facilitation, etc.			
Young employee training	Establishing a professional mind (5th year)	Mentor training		Professional skill development training
	Contributing to organization and problem solving in action (4th year)			
	Practical communications, and application of problem solving (3rd year)			
	Role awareness and basic problem solving (2nd year)			
	Basics of work and organizational activities (1st year)			
	Writing skill and languages (Prospective employees)			

Manufacturing Technicians Training Program

Olympus regards its manufacturing technicians as an important source of added value, and classifies them 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.

Skill level of ‘advanced technician development system’ in Olympus



Developing Human Resources Overseas to Become Manufacturing Workers

Olympus is proactive in promoting human resources development at its overseas manufacturing bases. For example, the Shenzhen Factory in China, which manufactures digital cameras and microscope products, has an in-house skills qualification system for the lens polishing and coating processes that is based on the Japanese National Skill Test. Our Shenzhen and Vietnam factories have also introduced qualification systems for bonding and soldering work based on Japanese certification programs. For initiatives such as these, experts from Japan visit local factories, offer guidance and hold certification exams.

Labor Practices and Decent Work

Diversity and Equal Opportunity

Basic Approach and Policy

Basic Policy

To continue creating new value as its business grows increasingly global, Olympus believes in the importance of providing opportunities for people of diverse capabilities, resolve and lifestyles to play an active role. The Olympus Group Code of Ethics (see page 20) clearly states our focus on “respect for diversity” in human resources. In accordance with this policy, Olympus does not discriminate based on race, beliefs, gender, age, social position, family lineage, nationality, ethnicity, religion or disability in carrying out every facet of its business activities.

Olympus Group Code of Ethics

<https://www.olympus-global.com/csr/effort/principle.html>

Promotion Structure

System for Promoting an Active Role for Diverse Human Resources

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

Systems and Mechanisms

Diversity of Human Resources

Olympus excludes any gender discrimination in terms of employment, promotion, and salary increases, and actively promotes human resources who are equipped with highly specialized skills and an ethical approach. As of the end of April 2017, the number of female managers stands at 29, and 146 are registered as managerial candidates. Each year, the percentage of women continues to increase.

We make proactive use of excellent human resources regardless of their nationality by putting the right person in the right place.

Work-Life Integration

Olympus began promoting work-life integration activities at Group companies in Japan in 2011 to help employees maximize their capabilities and proactively continue their careers in periods when they need to take care of children or other family members. To help employees achieve a work-life balance and generate work-life synergies, we are formulating and introducing systems under four themes: (1) promoting diversity, (2) supporting the cultivation of the next generation, (3) enhancing labor productivity and (4) promoting health.

In April 2016, we expanded the scope of application of the work-at-home system so that it could be used by more employees. We expanded the system from workplaces with discretionary working hours to include other workplaces, and revised our employment regulations and labor agreements accordingly. In 2017, we further expanded the scope of applicable staff and this led to some 1,000 users of the system as of April 2017.

We also started Work-Life Integration training for managers on a regular basis in 2015 in order to disseminate an understanding of the importance of a management approach that will empower a diverse range of human resources.

The leaflet concerning balancing work and child/elderly caring that we published in 2016 was distributed to full-time Olympus employees to promote further understanding of work-life integration.

Promoting Work-Life Integration

<https://www.olympus-global.com/csr/effort/support.html>

Action Plan Based on the Next-Generation Act

Olympus has formulated a general business operator action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children (Next-Generation Act).

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.



Action Plan Based on the Act on the Promotion and Advancement of Women

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

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/>

Human Rights

Basic Approach and Policy

Basic Policy

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

We also urge our business partners to comply with the protection of human rights.

Olympus Group Human Rights and Labor Policy

The Olympus Group upholds the concept of Social IN 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 26).

Request to Suppliers

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

Human Rights Due Diligence

Olympus strives to verify and further strengthen initiatives targeting human rights issues within the Company. To this end, since 2012 we have taken part in Human Rights Due Diligence Workshops, a stakeholder engagement program organized by the Caux Round Table Japan, thereby clarifying some of the critical issues in each business sector. In 2014, we took part in the 2014 Global Conference on CSR and Risk Management (co-hosted by Caux Round Table Japan and the UN Working Group on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises and supported deliberations concerning “business and human rights.” In fiscal 2016, we continued to participate in the Human Rights Due Diligence Workshop, determining key human rights issues in the manufacturing sector along the value chain.

Reports and related materials of Caux Round Table Japan
<http://crt-japan.jp/en/portfolio/human-rights-due-WEB-diligence-workshop/>

Preventing Harassing Behavior

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

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

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

Fair Business Practices

Systems and Mechanisms

Prevention of Bribery

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

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

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

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

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

Corruption and unfair competition are two ethical issues at the heart of Olympus' Social IN initiatives. These issues are under review by all global stakeholders. In light of our culture as an ethical company, and in the spirit of global citizenship, Olympus has adopted stricter policies and established an effective preventative mechanism.

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

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

Exclusion of Antisocial Forces

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

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

We have also been asking the parties with which we have done business since before the formulation of the regulations to sign the same memorandum of understanding requiring the exclusion of antisocial forces at the time of their contract renewals.

Prevention of Insider Trading

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

We have adopted rules, such as those concerning the buying and selling of our own shares by directors and employees, and we consistently comply with those requirements, including the submission of notices concerning such transactions.

In fiscal 2016, in addition to twice holding training sessions, for which lecturers from the Tokyo Stock Exchange were invited, designed for employees from corporate divisions who have ample opportunity to come into contact with insider information, we held training on insider trading prevention for new employees.

Security Export Control and Appropriate Import Declaration

Olympus works in compliance with security export control regulations in Japan and other countries concerned. Since 2007, as a result of having set up an export control system that conforms to the Compliance Programs designated by the Ministry of Economy, Trade and Industry, we received certification as an Authorized Economic Operator (AEO)* by Japan Customs and received preferential treatment as a company with superior export controls. To maintain and improve this system, we provide training programs including executive training given by outside lecturers, specialized training for employees involved frequently in export/import business and basic e-learning programs to cover nearly all executives and employees in Japan. In fiscal 2016, we reconstructed the organization, its business operations and the IT system for security trade control in Japan. To enable screening of export projects by Trade Compliance Department, the work style that was heavily dependent on manual work has been revised to highly systematic one that prevents human error.

We are also establishing a global system in cooperation with the regional headquarters to respond to extraterritorially applied regulations and enhancements in export regulations in countries concerned. We share with them regulatory information and classification data for products. As part of this effort, we adopted the Rules on Security Export Control in Olympus Group group-wide to maintain optimal trade in fiscal 2016. At the same time, we defined medium-range issues with trade control in cooperation with various regional headquarters in the Americas, Europe, and Asia/Oceania to resolve these issues.

On the other side, paying the appropriate tax for imported goods is an important area of responsibility as a company. Therefore, as a general rule with respect to products and parts procured from overseas, it is assumed that the Trade Compliance Department will have verified the import declaration price, which forms the basis of the tax payment, prior to the placement of the order. We work to declare price correctly by having the verification of import declarations performed centrally by the Trade Compliance Department that possesses the specialized knowledge.

* 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 2016)

Target	Aim/Description of Training	Number of Attendees
Directors	Security export control (overview)	21
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: 268
Directors and employees working in Japan (including affiliated companies)	Basic awareness of import-export controls (e-learning program)	10,051

Disclosure of Medical Business Information

■ Ethical Committee

Developing and manufacturing medical equipment such as endoscopes, Olympus held an Ethical Committee meeting and assessed propriety from the points of view of ethics, science and reliability as well as conflicts of interest in its medical research to respond to the “Ethical Guidelines for Medical and Health Research Involving Human Subjects” that came into effect in April 2015. We ensured the independence of the Committee by having it comprise internal and external experts not directly involved in the research. The scope of the assessment was all of the medical research conducted by the Company and Group companies in Japan to which the ethical guidelines apply. We disclose the Committee’s rules, register and summary of proceedings by registration on the Ethical Review Committee Reporting System of the Japan Agency for Medical Research and Development (AMED).

■ Transparency Guidelines

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

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

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

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

1. Basic Policy

In accordance with its “Social IN” philosophy, Olympus* is keenly aware of the fact that business corporations are also members of society, and it will continue to provide the value sought by society by bringing health and happiness to human lives through its role as an entity that is seen as essential by people with diverse values throughout the world. In addition, Olympus has adopted the Olympus Group Corporate Conduct Charter, which requires every employee and management executive to pledge not only to comply with laws and regulations, but also to maintain high ethical standards and act responsibly, after determining the correct course of action. Under all circumstances, Olympus will consistently apply the spirit of compliance and will never tolerate any actions that contravene laws, regulations, social norms or internal corporate rules. To ensure that society at large is aware that it conducts its corporate activities in accordance with these ethical values in the context of its relationships with medical institutions, etc., Olympus has adopted these guidelines and discloses information about payments to medical institutions, etc., in accordance with the “Transparency Guidelines for the Medical Device Industry and its Relationships with Medical Institutions and Other Organizations,” as compiled by the Japan Federation of Medical Devices Associations (JFMDA), of which it is a corporate member.

*These guidelines apply to Olympus Corporation and Olympus Group companies in Japan that are members of JFMDA.

2. Scope of Application

■ Olympus

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

■ Medical institutions and other organizations

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

3. Disclosure Methods

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

4. Timing of Disclosure

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

5. Scope of Disclosure

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

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

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

Proactive Information Disclosure

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

We restructured our corporate website in fiscal 2016 to provide greater accessibility. Specifically, we introduced responsive web design that will automatically optimize the screen size not only on desktop and laptop computers but also on smartphones and tablets to make viewing easier. We also updated the design of the website to make it easier to navigate and understand for senior citizens and users with disabilities, to contribute to narrowing the information divide.

Olympus Information Disclosure Policy

The Olympus Group (hereinafter "Olympus") works in all its corporate activities through a fundamental philosophy called the "Social IN" management philosophy. The Social IN management philosophy expresses our commitment to help all people achieve health and happiness in their lives by working as an integral member of society, by sharing our values and by offering new values to society through our business activities.

In accordance with this philosophy, Olympus strives to gain the understanding and confidence of all stakeholders, including shareholders and customers, through fair, timely, appropriate and proactive disclosure of corporate information, including management policies, financial status, information about business activities and CSR activities.

1. Information Disclosure Standards

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

2. Method of Information Disclosure

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

3. Disclosing Information with Due Consideration

When disclosing information, Olympus will take care to protect personal information and avoid infringements of the rights of any party.

Olympus will establish corporate rules concerning procedures for the disclosure of information using the aforementioned methods and all information disclosure will be implemented in accordance with those rules.

(Applicable Scope)

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

Information Security

In recognition of the proper handling and protection of information as a social responsibility, the Olympus Group formulated the “Olympus Group Information Security Policy” in March 2011 and works to protect information security.

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

We continue to conduct employee education and training sessions. As the risk of cyberattack has been growing in recent years, we are focusing on education and awareness activities. While providing employees in Japan with the skills to address mail-based cyberattacks, we also provide e-learning programs that cover case studies of actual internal and external incidents and distribute mail magazines. The e-learning program was held twice in fiscal 2016, and the attendance rate on both occasions was 100%.

Olympus Group Information Security Policy

The Olympus Group considers all the information we handle and our information systems (“information assets”) to be a critical management resource based on the Corporate Conduct Charter as well as on our “Social IN” corporate philosophy, which provides the basis for all our corporate activities. We will appropriately protect and manage our information assets 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 appropriately in our business activities. We will also implement measures to prevent the inappropriate use of these assets detrimental to Olympus and any acts that might decrease the value of the assets, such as falsification, destruction, leakage and abuse.

3. Establishment of an Information Security Organization Structure

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

4. Establishment of Rules

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

5. Education

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

6. Emergency Responses

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

Personal Information Protection

■ Basic Approach and Policy

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

The Olympus Group Personal Information Protection Policy (translation)

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 use of his or her personal information within a reasonable period following such request.

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

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

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

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

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

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

4. Ensuring of Accuracy and Safety

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

5. Compliance with Laws and Regulations, and Continuous Improvements

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

■ System

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

■ Personal Information Protection Measures

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

Product Responsibility

Quality Assurance

Basic Approach and Policy

Olympus has formulated the Olympus Group Quality Policy based on its Corporate Philosophy and the Olympus Group Corporate Conduct Charter.

Olympus Group Quality Policy

The Olympus Group will listen to the voices of our customers based on our “Social IN” corporate philosophy, which provides the basis for all corporate activities, and will constantly pursue true value to continue to provide customers with high-quality products and services.

1. We will take actions always from the viewpoint of our customers.
2. We will listen to the requests from our customers and look for their true needs and provide them with high-quality products that are useful for society.
3. We will comply with the related laws, regulations, social norms, and the in-house criteria to ensure the safety and security of our products and services for our customers.
4. We will establish a quality management system to pursue higher quality in all our business processes and make continual improvements, thereby winning more trust of our customers and increasing their satisfaction.
5. We will provide information about the quality and safety of our products and services to our customers in a prompt and appropriate manner.

The Olympus Group listens to the voices of its customers based on its “Social IN” corporate philosophy, which provides the basis for all corporate activities, and constantly pursues true values to continue to provide customers with high-quality products and services.

The fiscal 2016 was the initial year of our medium-term management plan, and we reorganized the quality assurance management system to build the structures necessary to ensure quality control and legal compliance with product-related laws suitable for a global corporation. The focuses of the second year of the medium-term management plan in fiscal 2017, which will span all our business, are reinforcement of the compliance system, and enhancement of our control systems over global product quality and legal compliance.

■ Quality Management System

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

■ Quality Improvement Activities

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

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

■ Improvement in Product Usability and Safe Usage

The Olympus Group manages risks concerning product safety, providing information for customers on using our products safely and effectively through instruction manuals and product labeling, in conformance with the laws and regulations of each country. We also have our own medical product usage training centers in Tokyo, Germany, China (Shanghai, Beijing, and Guangzhou), and Thailand. These provide training on endoscope knowledge and handling for medical staff so that they can use our medical equipment safely. The training center in Thailand commenced operations in July 2016 to contribute to reinforcing the medical platform in Southeast Asian countries through offering medical equipment training for medical staff across the entire region.

Example of Quality Evaluation at the Development Stage

Olympus places particular importance on quality evaluation at the development stage, which is the starting point for manufacturing. Conducted at the in-house Test and Analysis Center (an organization that performs tests that have been quality system-audited by a third-party accreditation body), the measures that form part of quality evaluation at this stage include calibration, EMC and safety testing, usability assessment, mechanical and environmental testing, and materials analysis.

■ 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 equipments.

■ Electromagnetic Compatibility (EMC)

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

■ 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.

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

*2 10 m anechoic chamber

Olympus's 10 m anechoic chamber is one of the most advanced facilities of its type in the world and has been certified for use in electromagnetic testing under the National Voluntary Laboratory Accreditation Program (NVLAP) of the United States.

*3 Electromagnetic field immunity test chamber

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

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

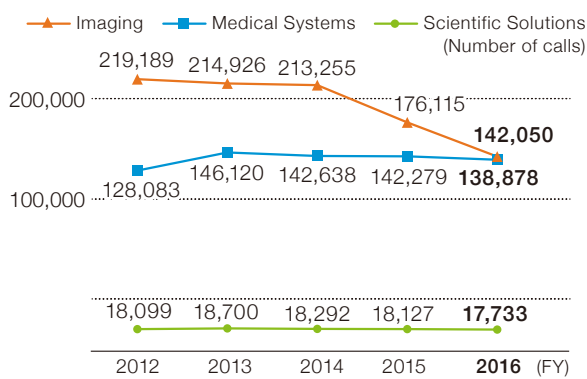
Improvement of Sales/After-Sales Service Quality (Responses to Inquiries/Repairs)

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

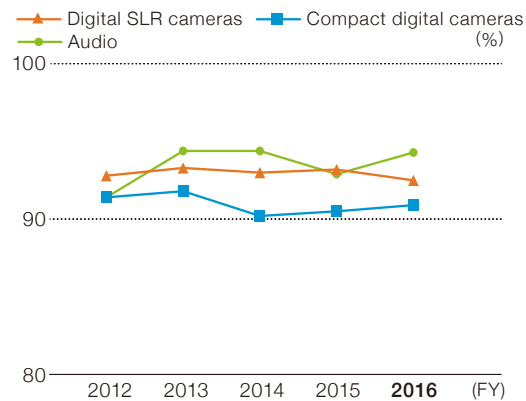
We have developed a repair service network to meet user needs in each region and product category.

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

◎ Calls Received at Customer Support Centers (in Japan)



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



◎ Customer Response Structures in Each Business

Business Field	Outline of Activities
Medical Systems	<p>[Japan]</p> <ul style="list-style-type: none"> ● Olympus has developed service systems designed to ensure the safety and reliability of healthcare environment. <ul style="list-style-type: none"> ● Establishment of Medical Customer Information Center, a call center dedicated to providing an information service for medical specialists. ● Formation of a team for specialist services offering information on how to handle medical treatment devices, troubleshooting, etc. ● Immediate response system based on coordination and interaction among call centers and Olympus sales/service personnel or authorized vendors in various regions. ● Medical Town, a special website that offers up-to-date information on medical endoscopes and related medical treatment for medical specialists. <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"> ● Customer satisfaction improvement activities at customer support centers <ul style="list-style-type: none"> ● At customer support centers, assisted customer problem-solving covering all products from the Scientific Solutions field. ● Customer inquiries are fed back to all divisions to provide the best solutions to customers. ● Improving quality of responses through regular customer satisfaction surveys ● Set up help desks to assist retailers Technical assistance ● Technical assistance <ul style="list-style-type: none"> ● Held "Olympus Microscope Classroom" seminars for customers to learn the proper and effective ways to use microscopes. Held on-site classroom courses in response to customer requests <p>[USA]</p> <ul style="list-style-type: none"> ● TAC customer service <ul style="list-style-type: none"> ● Assigned to local subsidiaries, TACs (Technical Assistance Specialists for microscopes) respond to customer inquiries via telephone. ● Technical assistance <ul style="list-style-type: none"> ● As sponsor, Olympus supports microscope training courses held at the world-renowned Woods Hole Marine Biological Laboratory and Cold Spring Harbor Laboratory. <p>[Europe]</p> <ul style="list-style-type: none"> ● Olympus Academy activities <ul style="list-style-type: none"> ● Manned by specialist staff, the Olympus Academy provides training in products and applications for subsidiaries and sales agents in various countries. Product and application seminars are then held for customers by the subsidiaries and sales agents that have undergone such training themselves.
Imaging	<p>[Japan]</p> <ul style="list-style-type: none"> ● Call center staffed seven days a week, including national holidays (Note: Excluding system maintenance days and year-end/New Year holidays) ● Enhanced telephone and e-mail support per product category ● Enhancing responses at call center <ul style="list-style-type: none"> ● Enhancing the quality of telephone responses by various means, including improving the communication skills and product knowledge of call center staff members, through "mystery shopper" surveys undertaken by external organizations and by e-mailing customer questionnaires ● From August 2015, lines into the call center changed to a nationwide call-handling service ● Q&A and other information made public via our website ● Supervision and management of global response results <p>[Overseas]</p> <ul style="list-style-type: none"> ● Olympus has established call centers in major cities. <ul style="list-style-type: none"> ● Call centers have also been set up in major cities in the USA, China, and Europe to provide detailed responses tailored to the areas they cover.

Repair System per Business Field and Improvement Efforts

Business Field	Outline of Activities
Medical Systems	<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, China, India, etc. Simple repairs (to endoscopes and peripherals): Available through a worldwide network of approx. 200 repair bases</p>
Scientific Solutions	<p>Providing repair services to the same high level at service bases across the world The following services are provided at domestic and overseas manufacturing sites, sales subsidiaries and contracted agents</p> <ul style="list-style-type: none"> • Microscopes: Back-to-base repairs, on-site repair services, function inspections, precision calibration, service contracts, delivery installation • Industrial endoscopes: Back-to-base repairs, function inspections, service contracts • Non-destructive testing devices: Back-to-base repairs, on-site repair services, function inspections, precision calibration • X-ray analytical systems: Back-to-base repairs, function inspections <p>Back-to-base repair services Portable devices and those that may require extensive repairs are collected and repaired in an environment equivalent to the production line. Devices that are collected for repair are normally returned within one month of receipt.</p> <p>On-site repair services For installation-type products, technical staff is dispatched to provide on-site services, including repairs, calibration and maintenance inspections.</p> <p>Service contracts Depending on the product, Olympus offers a number of maintenance service contracts.</p>
Imaging	<p>Greater repair service convenience with a variety of services and schemes In Japan, the following services are provided by the Hachioji Repair Center, Olympus Plaza Tokyo, Olympus Plaza Osaka and the service stations in Sapporo and Fukuoka:</p> <ol style="list-style-type: none"> (1) Pickup service via website and telephone (2) On-line repair booking and estimating service Internet-based repair service offering applications for servicing and information on repair fees and repair status (3) Quick Repair Service (Applied to mirrorless SLR camera bodies and interchangeable lenses) Service for reducing repair time (4) Camera cleaning service (Applied to Olympus digital cameras and interchangeable lenses) (5) Digital Camera Maintenance Seminar Hands-on-style seminars for digital camera owners on cleaning their cameras and interchangeable lenses under instruction were held in Olympus Plaza in Tokyo and Osaka, and other service stations in Sapporo and Fukuoka. (6) Olympus Owners Care Plus (OOC+) The OOC+ service offers Olympus camera owners functional diagnoses and camera servicing, customization (e.g. changing colors of external parts), and rental lenses. A Maintenance Package service for our flagship model, the E-M1 Mark II, also started to coincide with the commencement of sales. <p>For worldwide overseas repairs Overseas, repair services tailored to the areas they cover are provided by repair bases in the USA, Portugal, Czech Republic, Russia, Australia, China, South Korea, Hong Kong, Singapore, Thailand and Malaysia.</p> <p>Improving the on-time rate for back-to-base repairs One of our target indicators for customer satisfaction is the on-time rate for back-to-base repairs, the achievement rate of which we verify on an annual basis.</p>

Social Contribution Activities

Basic Approach and Policy

Olympus Group's Policy for Social Contribution

In addition to its contribution through business, Olympus will contribute to society in various other ways through the use of its management resources, including its technology and human resources. In September 2016, our Social Contribution Policy was revised and reestablished as two new global policies: Corporate Citizenship Activity Policy, and Donation and Grant Policy. Our Donation and Grant Policy stipulates a global approach to monetary donations and separates it from physical support activities in order to make the donation process transparent. Our Corporate Citizenship Activity Policy now stipulates the concrete social contribution activities in the four areas on which Olympus intends to focus: Medical & Health, Culture & Art, Global Environment, and Science & Technology.

Olympus Group Charitable Donations and Grants Policy

The Olympus Group (hereinafter, "Olympus"), following our management philosophy "Social IN" that provides the basis for all corporate activities, in addition to creating social value through our business operations, commits to gain trust from society. Through charitable donations and grants, we live up to our commitment and responsibility to address social issues.

1. Priority Areas and Activities

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

(1) Charitable Donations

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

(2) Grants

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

2. Compliance with Legal Regulations and Social Norms

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

3. Rules and Organizational Systems

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

4. Information Disclosure

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

Olympus Group Corporate Citizenship Policy

The Olympus Group (hereinafter, "Olympus"), following our management philosophy "Social IN" that provides the basis for all corporate activities, in addition to creating social value through our business operations, commits to contribute to society through corporate citizenship activities, 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 Corporate Citizenship Activities by Olympus across the world, see "Olympus Corporate Citizenship Activities."
https://www.olympus-global.com/csr/global_activities/



Environmental Management

Basic Approach and Policy

Olympus Group Environmental Policy

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

Olympus Group Environmental Policy

Based on our “Social IN” corporate philosophy that provides the basis for all corporate activities, the Olympus Group respects people’s security and health and the natural mechanisms that realize this. We will contribute to the realization of a sustainable society and sound environment by working to make the environment and economy compatible in 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 through 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. As a part of these activities, we established an IT system that provides the basis for global management of the data and documents related to our environmental management system. Operations commenced from fiscal 2014.

Moreover, our major production sites, 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 fiscal 2016, Olympus Logitex Co., Ltd. and Olympus Vietnam Co., Ltd. acquired certification for transition to ISO14001:2015 revision.

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
Nagano Facility (Tatsuno)*1	February, 1998
Hinode Plant	July, 1998
Aizu Olympus Co., Ltd.	October, 1998
Shirakawa Olympus Co., Ltd.	October, 1998
Aomori Olympus Co., Ltd.	November, 1998
Olympus (Shenzhen) Industrial Ltd.	September, 1999
Technology Research Center (Hachioji)	March, 2000
Olympus Winter & Ibe GmbH	May, 2001
KeyMed (Medical & Industrial Equipment) Ltd.	March, 2002
Olympus Logitex Co., Ltd.	November, 2003

Sites/Office	Date of Certification
Olympus Medical Science Sales Co., Ltd.	March, 2004
Olympus (GuangZhou) Industrial Co., Ltd.	October, 2004
Olympus America Inc., National Service Center	December, 2005
Olympus Scientific Solutions Americas Inc.	July, 2010
Olympus Scientific Solutions Technologies Inc.	July, 2010
Olympus NDT Canada Inc.	July, 2010
Olympus Trading (Shanghai) Limited	February, 2012
Olympus Vietnam Co., Ltd.	April, 2013
Nagano Facility (Ina)*2	May, 2014

*1 The former Tatsuno Plant has been certified as the Nagano Facility since April 2013.

*2 The former Ina Plant was certified in 1997. After consolidation with Tatsuno Plant and change into repair function, it was recertified in 2014.

Major Environmental Activity Results in Fiscal 2016

Primary Policy	Target	Measures	Fiscal 2016 Achievements and Results	Next Fiscal Year Plans
Promotion of environmental management	Enhancement of environmental governance system	<ul style="list-style-type: none"> Respond to ISO 14001 revisions 	<ul style="list-style-type: none"> ISO14001: 2015 certification acquired by Olympus Logitex and Vietnam Factory Provided training for internal audit leader and auditors on the revised ISO standard (210 persons). 	Start the Environmental Management System in compliance with ISO 14001:2015
	Compliance with environmental laws and regulations	<ul style="list-style-type: none"> Improve relevant management rules Educate relevant parties on environmental laws and regulations 	<ul style="list-style-type: none"> Established global pollution control and management rules. Maintained management rules for products and facilities Provided education on pollution control, chemical substance management and waste management (41 persons in Japan). 	Continue to improve the environmental regulatory compliance process for products and facilities
Environmental initiative throughout product life cycles	Product-related initiatives	<ul style="list-style-type: none"> Implement environmentally conscious designs tailored to each products' characteristics 	<ul style="list-style-type: none"> Created new Eco-Products in all business units (16 new, bringing total to 572) 	Continue to create products that are environmentally conscious and tailored to business characteristics
	Facilities-related initiatives	<ul style="list-style-type: none"> Conduct ongoing manufacturing improvement activities Carry out environmentally conscious measures at time of new building construction 	<ul style="list-style-type: none"> Energy consumption rate: Improved 9% Implemented environmentally conscious measures for new building construction at three Tohoku facilities (Aizu, Aomori, and Shirakawa) 	Carry out activities to improve the energy consumption rate in accordance to local characteristics such as manufacturing improvement, energy conservation, introduction of natural energy, etc.
	Environmental contribution activities	<ul style="list-style-type: none"> Conduct environmental contribution activities at global sites Conduct activities under the theme of "Ocean Legacy Project" 	<ul style="list-style-type: none"> Conducted river clean-ups and local greening activities at global sites Conducted ongoing coral planting and nature school (4 sessions) 	Continue environmental activities

Systems and Mechanisms

Environmental Risk Management

Violations of laws and regulations related to chemical substances contained in products, effluent from production sites, and soil and groundwater contamination are important environmental risks that affect Olympus Corporation's management such as by shutting down operations, generating recovery costs and reducing corporate value. Therefore, we maintain and revise rules and regulations for regulatory compliance, educate environmental promoters, monitor and improve local investments, and work to reduce environmental risks. We implemented prompt emergency action for all violations of environmental laws that occurred in fiscal 2016, followed by training on internal rules to prevent any recurrence.

■ Control of Chemical Substances Used in Products

Products that Olympus designs and develops have been verified as not containing environment-related substances in accordance with "Olympus Group Control Rules for Chemical Substances Used in Products," which is maintained based on the chemical substance regulations of each country. In addition, if these rules are amended, we conduct additional surveys.

Olympus Group Control Rules for Chemical Substances Used in Products
<http://www.olympus-global.com/en/csr/involvement/management/chemical/index.jsp>

■ Management of Wastewater

To reduce the volume of wastewater, we are taking steps to reduce the volume of water usage and to recirculate water. Further, in each of our businesses, we have installed a wastewater equipment manager and set voluntary standards stricter than the laws and regulations in each region. By routinely measuring water quality, we rigorously maintain water quality.

■ Prevention of Soil and Groundwater Contamination

In the redevelopment of our facilities, we are voluntarily investigating soil and groundwater. We are also taking countermeasures based on reports that have been presented to and consultations with government.

◎ Compliance with Environmental Laws (FY2016)*

Company/Facility	Description & Cause	Countermeasures
Olympus Corporation	Oils in wastewater effluent (n-hexane extracts) temporarily exceeded permissible levels.	Continued monitoring, and took action to increase the cleaning frequency in oil removal facilities.
Gyrus ACMI, Inc.	pH level of wastewater effluent (hydrogen ion concentration) temporarily exceeded permissible levels.	Discontinued discharge of effluent and started to treat it as industrial waste.
Olympus America Inc.	Shortcomings in handling waste chemicals	Established waste chemical delivery rules and completed training for relevant personnel.

* Relatively minor violations have been excluded.

◎ Soil and Groundwater Survey

Survey Scope	Survey Results and Measures
Olympus property in Okaya City, Nagano Prefecture	A substance that exceeded designated levels was found in some areas of the soil in fiscal 2014 and this was removed and replaced with clean soil in compliance with the law.

Biodiversity Conservation

There is a concern that the loss of biodiversity will have a serious impact on the global environment and our lives. Olympus is working to conserve biodiversity, including the management of water use and wastewater and the maintenance of green spaces, through cleanup and forest conservation activities in areas surrounding its facilities.

Green Procurement

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

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

Olympus Group Green Procurement Standard

<http://www.olympus-global.com/en/csr/involvement/management/procurement/>

Environmental Education and Awareness Activities

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

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

Global Environmental Photo Contest

[http://www.olympus-global.com/en/csr/involvement/management/WEB education/2016.jsp](http://www.olympus-global.com/en/csr/involvement/management/WEB%20education/2016.jsp)

◎ Major Environmental Education Programs (Japan/FY2016)

Target	Purpose/Description	Number of Participants
Environmental managers	Announcement on revisions in environmental laws, response & management policy at facilities	11
Environmental Secretariat staff at facilities	Understanding administrative procedures for pollution control, chemical substance control and waste management	12
Pollution control officers	Understanding the important points in dealing with pollution control	29
Environmental audit leaders	Training to improve internal audit skills (Understanding key points in audit indications and improvement proposals, audit role playing, etc.)	22
Environmental auditors	Audit training based on ISO 14001:2015 (Understanding the revisions to ISO 14001, audit experience, etc.)	188

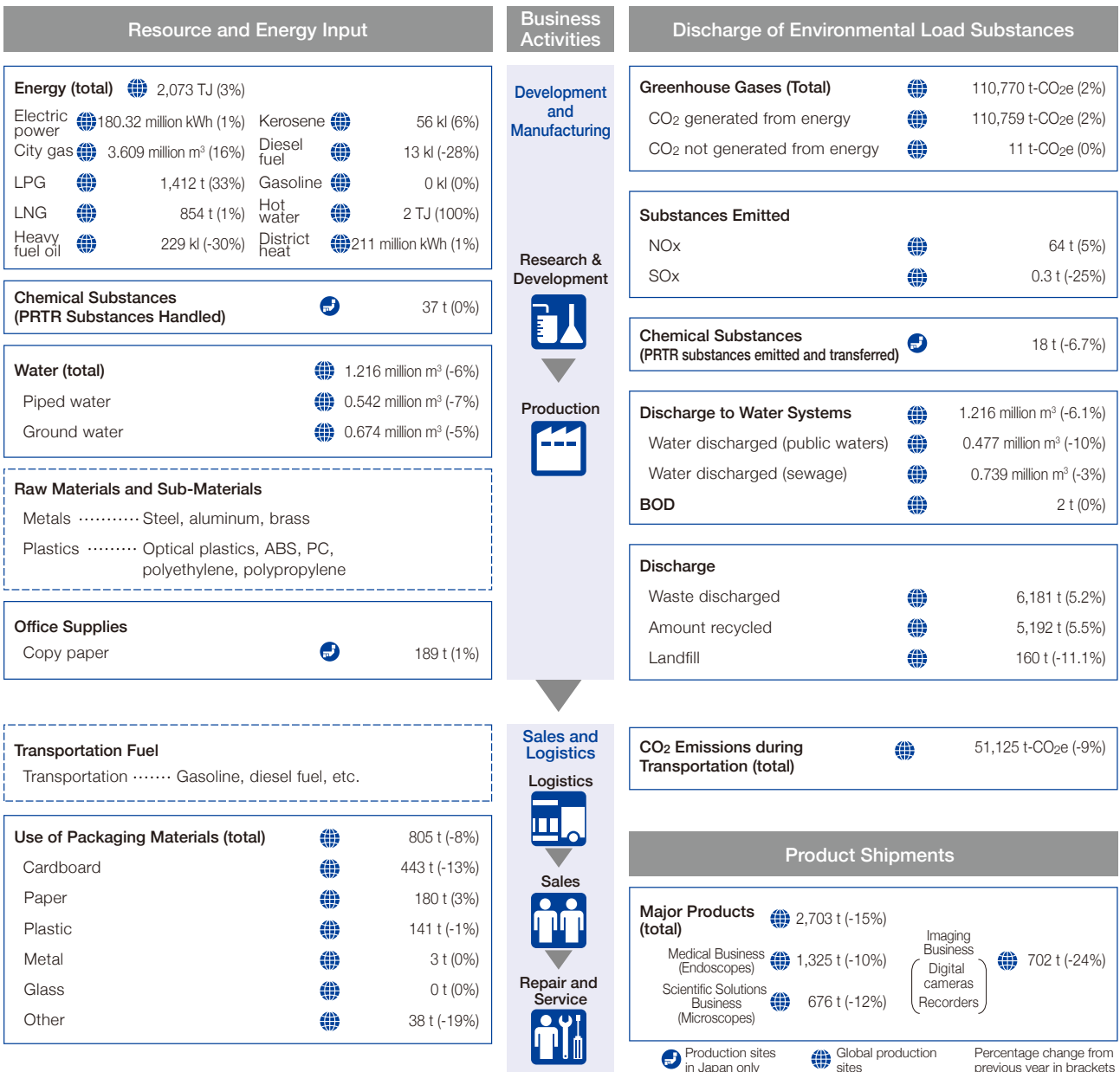
Environmental Performance

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



Energy/Atmospheric Release

Internal (Scope 1, 2) Results

FY2016 Results	Main Measures	FY2017 Targets
Basic unit of energy: 9% improvement (compared to FY2012) GHG Emissions: 3.9% decrease (compared to FY2012)	<ul style="list-style-type: none"> • Ongoing implementation of manufacturing improvement activities • Measures that show consideration for the environment when having new buildings constructed • Replacement with LED lighting • Ongoing implementation of energy-saving activities on a daily basis, including switching off lights and adjusting air-conditioning temperatures • Effective use of renewable energy 	Basic unit of energy: improve by 5% or more (compared to FY2012)

Olympus set a target of improving its basic unit of energy 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. To achieve our targets, the activities we conducted in fiscal 2016 included continual improvements in manufacturing, such as reducing space and lead times at business facilities in Japan and other countries, replacing lighting with LED and replacing aging air conditioning and hot-water supply equipment. A solar power generation system and vertical-type heat storage tank were installed in the new buildings at Aizu Olympus.



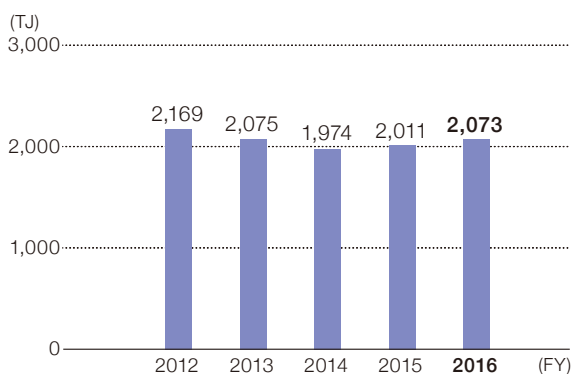
Aizu Olympus

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

FY2016 Results	Main Measures
GHG Emissions: 9% reduction (compared to FY2012)	<ul style="list-style-type: none"> • Enhanced loading efficiency by improving packaging size and strength • Reduced transportation weights by improving packing and packaging methods • Shortened lead times and transportation distances by improving logistics routes • Eliminating packaging materials by using returnable containers

Olympus is engaged in reducing logistics-related CO₂ emissions at each of its business sites. Alongside continuing the modal shift in our international transportation from aircraft to ships, goods from the UK for sale in China that had been shipped via Japan are now shipped directly from the UK to Shanghai.

Internal Energy Consumption

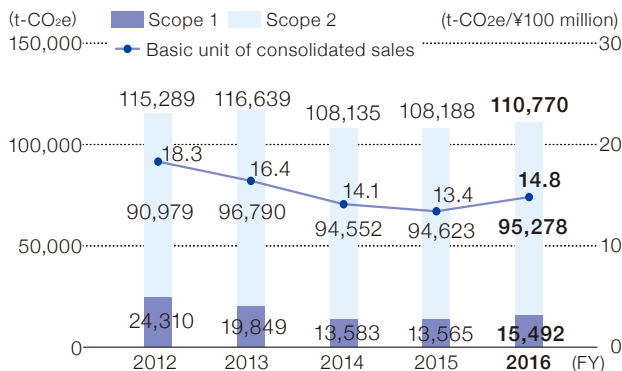


*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded. Conversion coefficient based on Enforcement Regulation for the Act on the Rational Use of Energy

Breakdown of Internal Energy Consumption

	FY2012	FY2013	FY2014	FY2015	FY2016	
Direct	City gas	154	160	150	141	163
	LPG	34	38	43	54	72
	LNG	51	55	48	46	47
	Heavy fuel oil	15	12	11	13	9
	Kerosene	2	1	1	2	2
	Diesel fuel	158	86	4	1	0
	Gasoline	0	0	0	0	0
Subtotal	414	352	257	257	293	
Indirect	Electricity	1,746	1,715	1,709	1,745	1,770
	Hot water	1	1	1	2	2
	District heat	8	7	7	7	8
Total	2,169	2,075	1,974	2,011	2,073	

GHG Emissions/Basic Unit (Scope 1, 2)



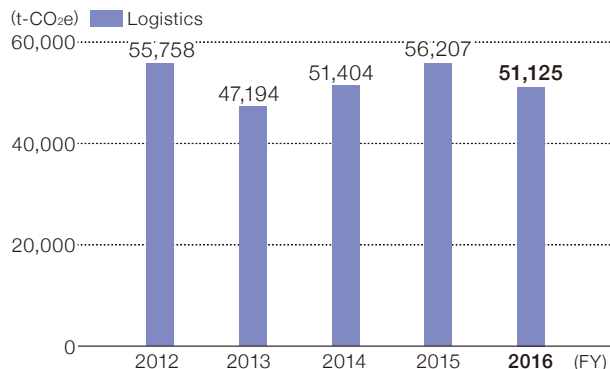
*Scope: Domestic and overseas business enterprises of the Olympus Group. However, small businesses are excluded.

*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

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



Sources for CO₂ Conversion Coefficients

• Electricity

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

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

• Fuels

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

Coefficients for Converting GHG to CO₂e

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

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

Basic Unit of Consolidated Sales

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

GHG Emissions for the Entire Supply Chain

Category	Emissions (in thousands t-CO ₂ e)		Calculation Method (Assumptions)	
	FY2015	FY2016		
Scope 1	14	15		
Scope 2	95	95		
Scope 3	1. Purchased goods and services	74	82	Calculated by multiplying raw materials and parts of leading products by basic unit
	2. Capital goods	134	199	Calculated by multiplying facility investment value by basic unit
	3. Fuel- and energy-related activities (not included in Scope 1, Scope 2)	10	11	Calculated by multiplying electric power and fuel purchased by basic unit
	4. Upstream transportation and distribution	56	51	Calculated by multiplying transport ton/kg of leading products by basic unit (including delivery logistics)
	5. Waste generated in operations	7	7	Calculated by multiplying worksite waste output by basic unit
	6. Business travel	19	21	Calculated by multiplying business travel expenses by basic unit
	7. Employees' commuting	13	14	Standard commute model defined by region and calculated by multiplying the number of employees in region by basic unit
	8. Leased assets (upstream)	7	11	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	58	57	Calculated by multiplying electric power consumption, etc., for lifetime of sold product by basic unit
	12. End-of-life treatment of sold products	4	3	Calculated by multiplying product disposal weight by basic unit for waste material
	13. Leased assets (downstream)	—	—	Calculation including use of sold products, although some products are leased
	14. Franchises	—	—	Not calculated due to absence from Olympus's business range
	15. Investments	10	10	Calculated by multiplying Scope 1 & Scope 2 emissions at investment targets by investment ratio

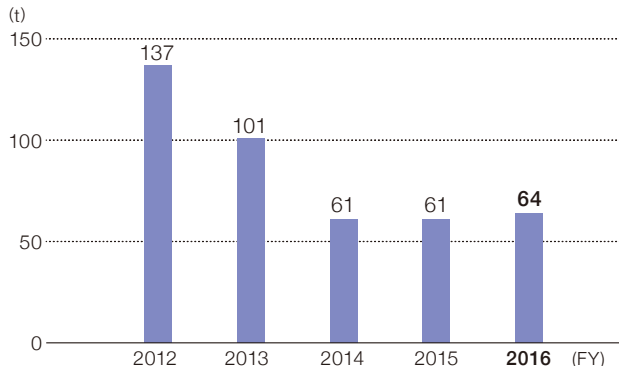
Scope 1: Direct emissions from facilities owned or controlled by the company (e.g., emission from use of town gas or heavy oil)

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

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

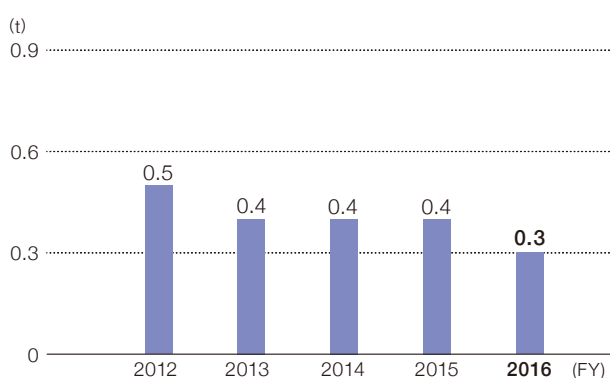
* Obtained external assurance for total GHG emissions in Scope 1 and Scope 2, and assurance for "Category 4. Upstream transportation and distribution" in Scope 3, because it is more important than the others and emissions are close to the actual value.

NOx Emissions



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

SOx Emissions



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

Water/Waste

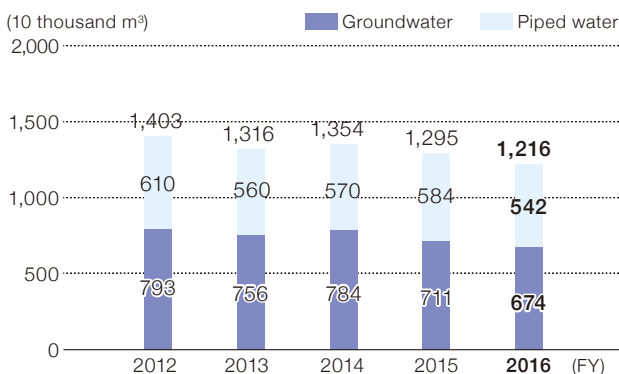
Water Use/Wastewater Results

FY2016 Results	Main Measures
Water use: 6.1% decrease (compared to FY2015)	<ul style="list-style-type: none"> Improvements in water use processes Implementation of anti-leak measures during equipment inspections

Olympus uses water mainly for cleaning components and other purposes during production processes as well as in its dining halls. We set targets individually at those business facilities that use large amounts of water and encourages the reduction in the amount of water used and wastewater. In fiscal 2016, as water leakage of underground pipelines at the Olympus Nagano Facility was inspected and repaired, the amount of water used reduced. Also at Aizu Olympus, the amount of water used reduced by minimizing cleaning time and controlling water, etc. at the water cleaning process.

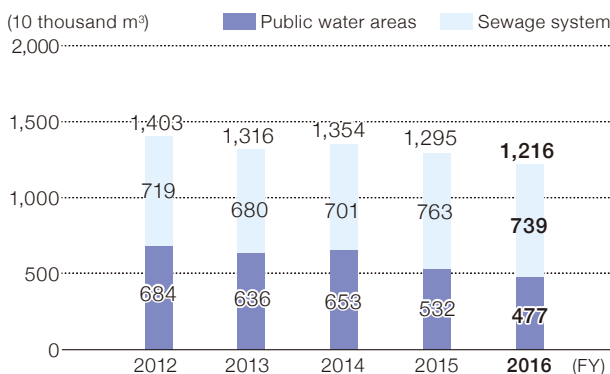
Having also set standards that are stricter than the laws and regulations in each region, Olympus painstakingly controls the quality of water discharge at its business facilities.

Water Use



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

Wastewater



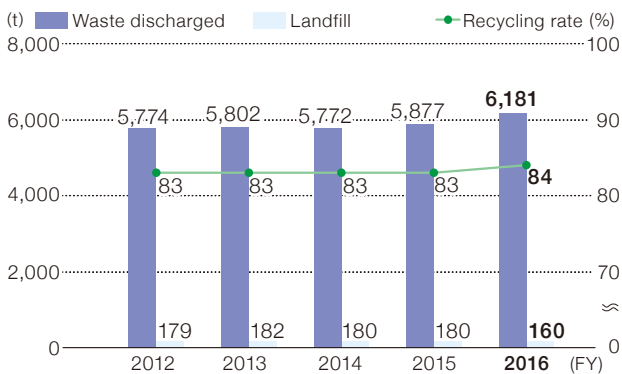
*Scope: Manufacturing and development sites in Japan and overseas (Some production sites in North America and small businesses are excluded.)

Waste Results

FY2016 Results	Main Measures
Waste discharged: 5.2% increase (compared to FY2015)	<ul style="list-style-type: none"> Reduction of process defects Recycling organic solvents Improvement in recycling rate by thorough separation and other measures

Olympus is advancing methods to reduce the amounts of waste produced and disposed of at landfills at each of its business facilities. Although the amount of waste increased in fiscal 2016 because of the packaging materials, etc., that were used in transferring the production lines between sites, improvements made in the manufacturing process reduced our processing losses. At the Shirakawa Factory, waste solvents are being distilled and recycled. KeyMed (Medical & Industrial Equipment) Ltd., has reduced the volume of waste for incineration by exhaustive separating and recycling.

Waste discharged/Landfill and Recycle Rate



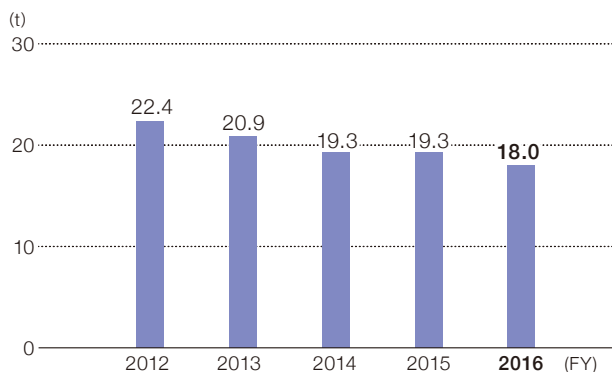
*Scope: Manufacturing & development sites in Japan and overseas (Some production sites in North America and small businesses are excluded.)

Chemical Substance Safety and Control

FY2016 Results	Main Measures
Emissions and Movements of PRTR Class 1-Designated Chemical Substances: 6.7% decrease (compared to FY2015)	<ul style="list-style-type: none"> Substitution of PRTR-designated chemicals with other substances through material developments Reduced usage of PRTR-designated chemical substances

Setting targets individually at each of its business sites, the Olympus Group is making progress in the reduction of PRTR-designated chemical substances. At Aizu Olympus, improvements made to the light guides that form part of medical endoscopes has reduced the amount of lead used.

Emissions and Movements of PRTR Class 1-Designated Chemical Substances



*Scope: Manufacturing and development sites in Japan

◎ Olympus Group Site Data

Company/Facility		Location	CO2 (t-CO2e)	Water used (thousand m ³)	Waste discharged (t)	Amount recycled (t)	
Japan	Olympus Corporation	Technology Development Center, Ishikawa Facility	Hachioji-shi, Tokyo	9,222	103	382	382
		Technology Development Center, Utsugi Facility	Hachioji-shi, Tokyo	1,760	18	70	70
		Nagano Facility Tatsuno	Tatsuno-machi, Kamiina-gun, Nagano	17,345	350	503	498
		Nagano Facility Ina	Ina-shi, Nagano	1,783	16	89	82
	Olympus Medical Systems Corp.	Hinode Plant	Hinode-cho, Nishitama-gun, Tokyo	1,452	7	45	45
	Aizu Olympus Co., Ltd.		Aizu-Wakamatsu-shi, Fukushima	13,870	219	486	453
	Aomori Olympus Co., Ltd.		Kuroishi-shi, Aomori	4,052	31	193	193
	Olympus Terumo Biomaterials Corp.	Mishima Plant	Nagaizumi-cho, Sunto-gun, Shizuoka	1,537	6	14	10
	Shirakawa Olympus Co., Ltd.		Nishigo-mura, Nishishirakawa-gun, Fukushima	4,059	38	395	332
Asia	Olympus (Shenzhen) Industrial Ltd.		Guangdong Province, China	27,599	169	592	537
	Olympus (GuangZhou) Industrial Co., Ltd		Guangzhou, China	1,024	7	88	85
	Olympus Vietnam Co., Ltd.		Dong Nai Province, Vietnam	6,997	142	776	444
Europe	Olympus Winter & Ibe GmbH		Hamburg, Germany	1,229	15	311	297
	KeyMed (Medical & Industrial Equipment) Ltd.		Essex, U.K.	871	23	431	409
	Algram Group Ltd.		Devon, U.K.	49	3	83	17
Americas	Gyrus ACMI, Inc.		Massachusetts, U.S.A.	5,626	17	348	116
	Olympus Scientific Solutions Americas Corp.		Massachusetts, U.S.A.	2,020	—	—	—
	Olympus America Inc.	National Service Center	California, U.S.A.	1,155	11	154	154

* 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 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

VISERA ELITEII Video System Center OLYMPUS OTV-S300 (part of the surgical endoscopy system)

< Main Product Features >

1. Compatible with infrared (IR) observation
2. Reduced size and weight of product, minimizing the physical burden on physicians and medical staff

< Environmentally Conscious Aspects >

Compact design achieves reductions in size and weight of roughly 30% compared to previous comparable products.



Scientific Solutions Business

BX53M/BXFM System Microscope

< Main Product Features >

1. Designed to be even easier to use, with the addition of units that facilitate aperture adjustment and switching between different observation methods
2. Suitable for a wide range of applications, with a high degree of expandability made possible by an extensive range of units

< Environmentally Conscious Aspects >

Having adopted LEDs for the microscope's light sources, plans were made to both increase the service life of the light sources and reduce power consumption.



Camera and Audio Business

OLYMPUS OM-D E-M1 Mark II Mirrorless Camera

< Main Product Features >

1. Continuous high-speed shooting and auto focus to capture each moment; AF/AE tracking for continuous shooting at 18 frames per second.
2. Small, compact and with outstanding functionality and reliability, in addition to a design resistant to dust, moisture and low temperatures (-10°C).



Voice-Trek VN-541PC IC Recorder

< Main Product Features >

1. One-Touch Direct Recording ensuring you will not miss the moment you want to record.
2. Recording Scene Select allows the recorder to control detailed settings automatically.



<Environmentally Conscious Aspects> (shared by both products)

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

*1 For more details please visit:

<http://www.env.go.jp/recycle/recycling/raremetals/law.html> (Only in Japanese)

*2 For more details please visit:

http://www.cipa.jp/env/documents/j/assessmentguide_20160419.pdf (Only in Japanese)

Products that Contribute to Solving Environmental Issues

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

VANTA X-Ray Fluorescence Analyzer

Assisting in hazardous substance analysis and resource recycling

< Main Product Features >

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

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



IPLEX NX Industrial Videoscope

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

< Main Product Features >

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



Recycling Small Rechargeable Batteries, Containers and Packaging Materials

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

Environmental Accounting

Environmental Costs

(Millions of yen)

Grouping	FY2014		FY2015		FY2016		
	Investment	Cost	Investment	Cost	Investment	Cost	
Costs inside Business Area	70	1,302	278	778	328	588	
Content	Prevention of Public Nuisance Cost	36	1,100	30	565	38	397
	Global Environmental Conservation Cost	34	31	247	35	290	35
	Resource Circulation Cost	0	171	1	178	0	156
In Upstream Costs	1	97	1	86	1	70	
In Downstream Costs	0	8	0	8	0	5	
Environmental Management Activity Costs	0	386	0	366	10	379	
R&D Costs	0	95	0	96	0	34	
Costs of Social Activities	0	3	0	6	0	1	
Costs for Damaged Environment	0	0	0	0	0	0	
Total	72	1,891	279	1,340	339	1,077	

Environmental Effects

Quantitative Effects of Environment Preservation	FY2014	FY2015	FY2016
Effects inside Business Area			
CO ₂ emissions (t-CO ₂)	51,485	51,319	55,718
Waste Discharged (t)	2,521	2,370	2,535
Water Usage (10000m ³)	87	90	82
Chemical Substances Transferred/Discharged (t)	19	19	18

(Millions of yen)

Economic Benefits of Environmental Protection		Change from Previous Fiscal Year
Revenue Benefits	Revenues from Sales of Valuable Recycled Substances	0
Cost Savings	Energy Costs	-148
	Costs of Water Usage	1
	Disposal Contracting Costs	15

Target period: April 1, 2014–March 31, 2017

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.

GRI Guideline Reference Chart

The information contained within this report conforms to Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 4.0.

Also shown are references to the GC Principles applied by Olympus as a signatory of the United Nations Global Compact, and ISO 26000.

General Standard Disclosures

Description ^{*Core Indicator}		Item	Page	GC Principles	ISO 26000
Strategy and Analysis					
G4-1*	a. Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Message from the President	3-4		4.7 6.2
G4-2	a. Provide a description of key impacts, risks, and opportunities.	Message from the President Special Feature 1 Risk Management System	3-4 5-10 25		7.4.2
Organizational Profile					
G4-3*	a. Report the name of the organization.	Company Outline	13		
G4-4*	a. Report the primary brands, products, and services.	Business Overview and Markets Served	14-16		
G4-5*	a. Report the location of the organization's headquarters.	Company Outline	13		
G4-6*	a. Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Business Areas	13		
G4-7*	a. Report the nature of ownership and legal form.	Company Outline	13		
G4-8*	a. Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Business Overview and Markets Served	14-16		
G4-9*	a. Report the scale of the organization. · Total number of employees · Total number of operations · Net sales (for private sector organizations) or net revenues (for public sector organizations) · Total capitalization broken down in terms of debt and equity (for private sector organizations) · Quantity of products or services provided	Company Outline Financial Highlights	13 13		6.3.10 6.4.1- 6.4.2 6.4.3 6.4.4 6.4.5 6.8.5 7.8 5.2
G4-10*	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	Employment-Related Data	30	6	
G4-11*	a. Report the percentage of total employees covered by collective bargaining agreements.	Labor-Management Consultation	30	3	
G4-12*	a. Describe the organization's supply chain.	—			
G4-13*	a. Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain. · Changes in the location of, or changes in, operations, including facility openings, closings, and expansions · Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) · Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	N/A			
Commitments to External Initiatives					
G4-14*	a. Report whether and how the precautionary approach or principle is addressed by the organization.	CSR Promotion Structure Risk Management System Commitment to External Initiatives	25 25 28		
G4-15*	a. List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Commitment to External Initiatives	28		

	Description *Core Indicator	Item	Page	GC Principles	ISO 26000
G4-16*	<ul style="list-style-type: none"> a. List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: · Holds a position on the governance body · Participates in projects or committees · Provides substantive funding beyond routine membership dues · Views membership as strategic 	—			

Identified Material Aspects and Boundaries

G4-17*	<ul style="list-style-type: none"> a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. 	Organizations Covered by the Report	2		
G4-18*	<ul style="list-style-type: none"> a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content. 	—			
G4-19*	<ul style="list-style-type: none"> a. List all the material Aspects identified in the process for defining report content. 	—			
G4-20*	<ul style="list-style-type: none"> a. For each material Aspect, report the Aspect Boundary within the organization. <ul style="list-style-type: none"> ● Whether the Aspect is material within the organization ● If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: <ul style="list-style-type: none"> – The list of entities or groups of entities included in G4-17 for which the Aspect is not material or – The list of entities or groups of entities included in G4-17 for which the Aspects is material ● Specific limitation regarding the Aspect Boundary within the organization 	—			5.2 7.3.2 7.3.3 7.3.4
G4-21*	<ul style="list-style-type: none"> a. For each material Aspect, report the Aspect Boundary outside the organization. <ul style="list-style-type: none"> · Whether the Aspect is material outside of the organization · If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. · Specific limitation regarding the Aspect Boundary outside the organization 	—			
G4-22*	<ul style="list-style-type: none"> a. Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements. 	—			
G4-23*	<ul style="list-style-type: none"> a. Report significant changes from previous reporting periods in the Scope and Aspect Boundaries. 	Organizations Covered by the Report	2		

Stakeholder Engagement

G4-24*	<ul style="list-style-type: none"> a. Provide a list of stakeholder groups engaged by the organization. 	Examples of Communication with Stakeholders	17		
G4-25*	<ul style="list-style-type: none"> a. Report the basis for identification and selection of stakeholders with whom to engage. 	—			
G4-26*	<ul style="list-style-type: none"> a. Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process. 	Examples of Communication with Stakeholders	17		5.3
G4-27*	<ul style="list-style-type: none"> a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns. 	Examples of Communication with Stakeholders	17		

Report Profile

G4-28*	<ul style="list-style-type: none"> a. Reporting period (such as fiscal or calendar year) for information provided. 	Period Covered by the Report	2		
G4-29*	<ul style="list-style-type: none"> a. Date of most recent previous report (if any). 	Publication Date	2		7.5.3
G4-30*	<ul style="list-style-type: none"> a. Reporting cycle (such as annual, biennial). 	Publication Date	2		7.6.2
G4-31*	<ul style="list-style-type: none"> a. Provide the contact point for questions regarding the report or its contents. 	Back cover	Back cover		

GRI Content Index

G4-32*	<ul style="list-style-type: none"> a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured. (GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.) 	This chart			
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Description *Core Indicator		Item	Page	GC Principles	ISO 26000
Assurance					
G4-33*	<p>a. Report the organization's policy and current practice with regard to seeking external assurance for the report.</p> <p>b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.</p> <p>c. Report the relationship between the organization and the assurance providers.</p> <p>d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.</p>	Assurance Statement related to GHG Emissions	79-80		
Governance					
Governance Structure and Composition					
G4-34*	a. Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Corporate Governance Structure (Annual Report)	18		
G4-35	a. Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	CSR Promotion Structure	25		
G4-36	a. Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	CSR Promotion Structure	25		
G4-37	a. Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	—			
G4-38	<p>a. Report the composition of the highest governance body and its committees.</p> <ul style="list-style-type: none"> · Executive or non-executive · Independence · Tenure on the governance body · Number of each individual's other significant positions and commitments, and the nature of the commitments · Gender · Membership of under-represented social groups · Competences relating to economic, environmental and social impacts · Stakeholder representation 	Corporate Governance Structure (Annual Report)	18		6.2 7.4.3 7.7.5
G4-39	a. Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	Corporate Governance Structure (Annual Report)	18		
G4-40	<p>a. Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including:</p> <ul style="list-style-type: none"> · Whether and how diversity is considered · Whether and how independence is considered · Whether and how expertise and experience relating to economic, environmental and social topics are considered · Whether and how stakeholders (including shareholders) are involved 	Corporate Governance Structure (Annual Report)	18		
G4-41	<p>a. Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders.</p> <ul style="list-style-type: none"> · Cross-board membership · Cross-shareholding with suppliers and other stakeholders · Existence of controlling shareholder · Related party disclosures 	Corporate Governance Report			
Highest Governance Body's Role in Setting Purpose, Values, and Strategy					
G4-42	a. Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	Corporate Governance Structure CSR Promotion Structure	18 25		6.2 7.4.3 7.7.5
Highest Governance Body's Competencies and Performance Evaluation					
G4-43	a. Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	—			6.2 7.4.3 7.7.5
G4-44	<p>a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment.</p> <p>b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.</p>	—			
Highest Governance Body's Role in Risk Management					
G4-45	<p>a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes.</p> <p>b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	Corporate Governance Structure Risk Management System	18 25		6.2 7.4.3 7.7.5

Description *Core Indicator		Item	Page	GC Principles	ISO 26000
G4-46	a. Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Corporate Governance Structure Risk Management System	18 25		
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	CSR Promotion Structure	25		
Highest Governance Body's Role in Sustainability Reporting					
G4-48	a. Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	—			6.2 7.4.3 7.7.5
Highest Governance Body's Role in Evaluating Economic, Environmental and Social Performance					
G4-49	a. Report the process for communicating critical concerns to the highest governance body.	Corporate Governance Structure CSR Promotion Structure	18 25		6.2 7.4.3 7.7.5
G4-50	a. Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	—			
Remuneration and Incentives					
G4-51	a. Report the remuneration policies for the highest governance body and senior executives. · Fixed pay and variable pay: – Performance-based pay – Equity-based pay – Bonuses – Deferred or vested shares · Sign-on bonuses or recruitment incentive payments · Termination payments · Clawbacks · Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	(Annual Report)			6.2 7.4.3 7.7.5
G4-52	a. Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	(Annual Report)			
G4-53	a. Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	—			
G4-54	a. Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—			
G4-55	a. Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	—			
Ethics and Integrity					
G4-56*	a. Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	The Olympus Group's Corporate Philosophy and CSR Olympus Group Corporate Conduct Charter	1 20	10	4.4 6.6.3
G4-57	a. Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines.	Compliance Promotion System	21	10	
G4-58	a. Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Compliance Hotline Systems	22	10	

Specific Standard Disclosures

Description	*Core Indicator	Item	Page	GC Principles	ISO 26000
G4-DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts. c. Report the evaluation of the management approach. ·The mechanisms for evaluating the effectiveness of the management approach ·The results of the evaluation of the management approach ·Any related adjustments to the management approach	Employment and Labor Management Systems			
		Occupational Safety and Health Promotion Structure			
		Health Management Support System	29		
		Promotion Structure	31		
		System for Promoting an Active Role for Diverse Human Resources	33		6
		Systems and Mechanisms (Human Rights)	36		7.3.1
		Systems and Mechanisms (Fair Business Practices)	39		7.4.3
		41		7.7.3	
		43		7.7.5	
		56			
		Environmental Management			

Economic

Economic Performance

G4-EC1	Direct economic value generated and distributed	Financial Highlights (Fiscal Year Ended March 31, 2016)			6.8.1-6.8.2, 6.8.3, 6.8.7, 6.8.9
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	—		10	6.5.5
G4-EC3	Coverage of the organization's defined benefit plan obligations	—			6.8.7
G4-EC4	Financial assistance received from government	—			

Market Presence

G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	—		6	
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	—		6	

Indirect Economic Impacts

G4-EC7	Development and impact of infrastructure investments and services supported	—			
G4-EC8	Significant indirect economic impacts, including the extent of impacts	—			

Procurement Practices

G4-EC9	Proportion of spending on local suppliers at significant locations of operation	—			
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Environmental

Materials

G4-EN1	Materials used by weight or volume	Material Balance	60	7, 8	6.5.4
G4-EN2	Percentage of materials used that are recycled input materials	—		8	

Energy

G4-EN3	Energy consumption within the organization	Energy/Atmospheric Release	61	7, 8	6.5.4
G4-EN4	Energy consumption outside of the organization	Energy/Atmospheric Release	61	8	6.5.4
G4-EN5	Energy intensity	Energy/Atmospheric Release	61	8	6.5.4
G4-EN6	Reduction of energy consumption	Energy/Atmospheric Release	61	8, 9	6.5.4, 6.5.5
G4-EN7	Reductions in energy requirements of products and services	—		8, 9	6.5.4, 6.5.5

Water

G4-EN8	Total water withdrawal by source	Water/Waste	63	7, 8	
G4-EN9	Water sources significantly affected by withdrawal of water	—		8	6.5.4
G4-EN10	Percentage and total volume of water recycled and reused	—		8	

Biodiversity

G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—			
G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	—		8	6.5.6
G4-EN13	Habitats protected or restored	—			
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	—			

Description *Core Indicator		Item	Page	GC Principles	ISO 26000
Emissions					
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	Energy/Atmospheric Release	61	7, 8	6.5.5
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Energy/Atmospheric Release	61		
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Energy/Atmospheric Release	61		
G4-EN18	Greenhouse gas (GHG) emissions intensity	Energy/Atmospheric Release	61	8	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Energy/Atmospheric Release	61	8, 9	
G4-EN20	Emissions of ozone-depleting substances (ODS)	—		7, 8	6.5.3 6.5.5
G4-EN21	NOx, SOx, and other significant air emissions	Energy/Atmospheric Release	61-63		6.5.3
Effluents and Waste					
G4-EN22	Total water discharge by quality and destination	Water/Waste	63	8	6.5.3 6.5.4
G4-EN23	Total weight of waste by type and disposal method	Water/Waste	63		
G4-EN24	Total number and volume of significant spills	Environmental Risk Management	57-58		6.5.3
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention ² Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	—			
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	—			6.5.3 6.5.4 6.5.6
Products and Services					
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Environmentally Conscious Products	66	7, 8, 9	6.5.3, 6.5.4, 6.5.5, 6.7.5
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	—		8	6.5.3, 6.5.4, 6.7.5
Compliance					
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Environmental Risk Management	57-58	8	4.6
Transport					
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	Energy/Atmospheric Release	61-62	8	6.5.4 6.6.6
Overall					
G4-EN31	Total environmental protection expenditures and investments by type	Environmental Accounting	68	7, 8, 9	6.5.1- 6.5.2
Supplier Environmental Assessment					
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	—		8	6.3.5 6.6.6 7.3.1
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Supplier Survey and Improvement Activities Initiatives with Suppliers Green Procurement	27 41 59		
Environmental Grievance Mechanisms					
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Environmental Risk Management	57-58	8	6.3.6
Social					
Labor practices and decent work					
Employment					
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender, and region	Employment-Related Data	30	6	6.4.3
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	—			6.4.4 6.8.7
G4-LA3	Return to work and retention rates after parental leave, by gender	Employment-Related Data	30	6	6.4.4
Labor/Management Relations					
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Minimum Notice Period Regarding Operational Changes	30	3	6.4.3 6.4.5
Occupational Health and Safety					
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Labor-Management Consultation	30		6.4.6
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	Safety & Health Promotion Activities	31-32		6.4.6 6.8.8

	Description *Core Indicator	Item	Page	GC Principles	ISO 26000
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	—			
G4-LA8	Health and safety topics covered in formal agreements with trade unions	—			6.4.6
Training and Education					
G4-LA9	Average hours of training per year per employee by gender, and by employee category	—		6	6.4.7
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Systems and Mechanisms (Training and Education)	36		6.4.7 6.8.5
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	—		6	6.4.7
Diversity and Equal Opportunity					
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Employment-Related Data Diversity of Human Resources	30 39	6	6.2.3, 6.3.7, 6.3.10, 6.4.3
Equal Remuneration for Women and Men					
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	—		6	6.3.7, 6.3.10, 6.4.3, 6.4.4
Supplier Assessment for Labor Practices					
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	—			6.3.5 6.4.3
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	Supplier Survey and Improvement Activities	27 41		6.6.6 7.3.1
Labor Practices Grievance Mechanisms					
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	—			6.3.6
Human Rights					
Investment					
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—		2	6.3.3 6.3.5 6.6.6
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	—		1	6.3.5
Non-discrimination					
G4-HR3	Total number of incidents of discrimination and corrective actions taken	—		6	6.3.6, 6.3.7, 6.3.10, 6.4.3
Freedom of Association and Collective Bargaining					
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Initiatives with Suppliers Human Rights Due Diligence	41 42	3	6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.5, 6.6.6
Forced or Compulsory Labor					
G4-HR5	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	Supplier Survey and Improvement Activities Initiatives with Suppliers Human Rights Due Diligence	27 41 42	5	6.3.3, 6.3.4, 6.3.5, 6.3.7, 6.3.10, 6.6.6, 6.8.4
Security Practices					
G4-HR6	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Supplier Survey and Improvement Activities Initiatives with Suppliers Human Rights Due Diligence	27 41 42	4	6.3.3, 6.3.4, 6.3.5, 6.3.10, 6.6.6
Security Practices					
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	—		1	6.3.4, 6.3.5, 6.6.6
Indigenous Rights					
G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	—		1	6.3.4, 6.3.6, 6.3.7, 6.3.8, 6.6.7, 6.8.3
Assessment					
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	—		1	6.3.3, 6.3.4, 6.3.5

Description *Core Indicator		Item	Page	GC Principles	ISO 26000
Supplier Human Rights Assessment					
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	—		2	6.3.3, 6.3.4, 6.3.5, 6.6.6
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Supplier Survey and Improvement Activities Initiatives with Suppliers	27 41		
Human Rights Grievance Mechanisms					
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	—		1	6.3.6
Society					
Local Communities					
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	—		1	6.3.9, 6.5.1-6.5.2, 6.5.3, 6.8
G4-SO2	Operations with significant actual or potential negative impacts on local communities	—			6.3.9, 6.5.3 6.8
Anti-corruption					
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	—			6.6.1-6.6.2 6.6.3
G4-SO4	Communication and training on anti-corruption policies and procedures	Compliance Education Prevention of Bribery	23 43	10	6.6.1-6.6.2, 6.6.3, 6.6.6
G4-SO5	Confirmed incidents of corruption and actions taken	Status of Legal Compliance	24		6.6.1-6.6.2 6.6.3
Public Policy					
G4-SO6	Total value of political contributions by country and recipient/beneficiary	—		10	6.6.1-6.6.2 6.6.4
Anti-competitive Behavior					
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	—			6.6.1-6.6.2 6.6.5 6.6.7
Compliance					
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Status of Legal Compliance	24		4.6
Supplier Assessment for Impacts on Society					
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	—			6.3.5, 6.6.1-6.6.2, 7.3.1 6.6.6, 6.8.1-6.8.2,
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	Supplier Survey and Improvement Activities	27		
Grievance Mechanisms for Impacts on Society					
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	—			6.3.6 6.6.1-6.6.2 6.8.1-6.8.2
Product Responsibility					
Customer Health and Safety					
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	—			6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	—			4.6, 6.7.1-6.7.2, 6.7.4, 6.7.5, 6.8.8
Product and Service Labeling					
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	—			6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9

Description *Core Indicator		Item	Page	GC Principles	ISO 26000
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	—			4.6, 6.7.1-6.7.2, 6.7.3, 6.7.4, 6.7.5, 6.7.9
G4-PR5	Results of surveys measuring customer satisfaction	—			6.7.1-6.7.2, 6.7.6
Marketing Communications					
G4-PR6	Sale of banned or disputed products	—			—
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	—			4.6, 6.7.1-6.7.2, 6.7.3
Customer Privacy					
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	—			6.7.1-6.7.2, 6.7.7
Compliance					
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	—			4.6, 6.7.1-6.7.2, 6.7.6

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<p>Human Rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and</p> <p>Principle 2: make sure that they are not complicit in human rights abuses.</p> <p>Labor</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labor;</p> <p>Principle 5: the effective abolition of child labor; and</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Environment</p> <p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: undertake initiatives to promote greater environmental responsibility; and</p> <p>Principle 9: encourage the development and diffusion of environmentally friendly technologies.</p> <p>Anti-Corruption</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>
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© ISO 26000: Core Social Responsibility Subjects and Issues

Core Subject	Issues	
Organizational governance	6.2 Organizational governance	
Human rights	6.3.3 Due diligence	
	6.3.4 Human rights risk situations	
	6.3.5 Avoidance of complicity	
	6.3.6 Resolving grievances	
	6.3.7 Discrimination and vulnerable groups	
	6.3.8 Civil and political rights	
	6.3.9 Economic, social and cultural rights	
	6.3.10 Fundamental principles and rights at work	
	Labor practices	6.4.3 Employment and employment relationships
		6.4.4 Conditions of work and social protection
6.4.5 Social dialogue		
6.4.6 Health and safety at work		
6.4.7 Human development and training in the workplace		
The environment	6.5.3 Prevention of pollution	
	6.5.4 Sustainable resource use	
	6.5.5 Climate change mitigation and adaptation	
	6.5.6 Protection of the environment, biodiversity and restoration of natural habitats	

Core Subject	Issues	
Fair operating practices	6.6.3 Anti-corruption	
	6.6.4 Responsible political involvement	
	6.6.5 Fair competition	
	6.6.6 Promoting social responsibility in the value chain	
	6.6.7 Respect for property rights	
	Consumer issues	6.7.3 Fair marketing, factual and unbiased information and fair contractual practices
		6.7.4 Protecting consumers' health and safety
6.7.5 Sustainable consumption		
6.7.6 Consumer service, support, and complaint and dispute resolution		
6.7.7 Consumer data protection and privacy		
6.7.8 Access to essential services		
6.7.9 Education and awareness		
Community involvement and development		6.8.3 Community involvement
		6.8.4 Education and culture
		6.8.5 Employment creation and skills development
	6.8.6 Technology development and access	
	6.8.7 Wealth and income creation	
	6.8.8 Health	
	6.8.9 Social investment	

Assurance Statement related to GHG Emissions

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



Assurance Statement related to Olympus Corporation's GHG Emissions for the fiscal year 2016

Terms of Engagement

This Assurance Statement has been prepared for Olympus Corporation.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by Olympus Corporation (hereafter referred to as "the organisation") to assure its GHG Emissions Inventory for the fiscal year 2016 (1 April 2016 to 31 March 2017) (hereafter referred to as "the Report"). The Report relates to direct GHG emissions (Scope 1)¹, energy indirect GHG emissions (Scope 2) and other indirect GHG emissions related to upstream transportation and distribution (Scope 3, Category 4)² from the activities of the Organisation and its consolidated subsidiaries in Japan and overseas.

Management Responsibility

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

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

LRQA's Approach

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

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

- reviewed the management system documents for GHG emissions data, information and records, covering all the processes up to the preparation of the GHG Inventory;
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records;
- assessed effectiveness of implementation of the GHG management system and the internal data verification;
- conducted site tours of the facilities and reviewed processes related to the control of GHG emissions data and records at Aomori Olympus Co.,Ltd and Aomori Olympus Co.,Ltd; and
- verified historical GHG emissions data and records at an aggregated level for the fiscal year 2016, including the associated main activity data for each type of energy consumption as summarised in Table 1 below.

Level of Assurance & Materiality

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

LRQA's Opinion

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the total direct GHG emissions, energy indirect GHG emissions and other GHG emissions related to upstream transportation and distribution as disclosed in the Report as summarized in Table 2 below are not materially correct and that the Report has not been prepared in conformance with the Organisation's in-house reporting procedures refer to ISO14064-1.

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

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



LRQA's Recommendations

The organisation should:

- continue improving accuracy and completeness.
- maintain an up-to-date site-level information about emission sources.

Dated: 26 June 2017

Signed

Jun Yasumoto
 LRQA Lead Verifier
 On behalf of Lloyd's Register Quality Assurance Limited
 Japan Business Centre, Queen's Tower A, 10th Floor
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LRQA Reference: YKA4005278

Table 1. Summary of energy consumption

Type of energy consumption		Tera-joule (TJ)
Direct energy consumption	Town gas	163
	Liquefied petroleum gas (LPG)	72
	Liquefied natural gas (LNG)	47
	Heavy oil	9
	Kerosene	2
	Diesel oil	0
	Gasoline	0
Indirect energy consumption	Electricity	1,770
	Hot water	2
	District heat	8

Table 2. Summary of Olympus Corporation, GHG Emissions Inventory 2016

Scope of GHG emissions	Tonnes CO ₂ e
Direct GHG emissions (Scope 1)	15,492
Energy indirect GHG emissions (Scope 2)	95,278
Other indirect GHG emissions (Scope 3, Category 4) related to upstream transportation and distribution	51,125

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Due to inherent limitations in any internal control, it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected. Further, the verification was not designed to detect all weakness or errors in internal controls so far as they relate to the requirements set out above as the verification has not been performed continuously throughout the period and the verification carried out on the relevant internal controls were on a test basis. Any projection of the evaluation of control to future periods is subject to the risk that the processes may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

The English version of this Assurance Statement is the only valid version. Lloyd's Register assumes no responsibility for versions translated into other languages.

In the case of any conflict between the English and Japanese versions of this legal section, the English version shall prevail.



Olympus Corporation

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