

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

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

Respect for Human Rights and Compliance with the Law

reason



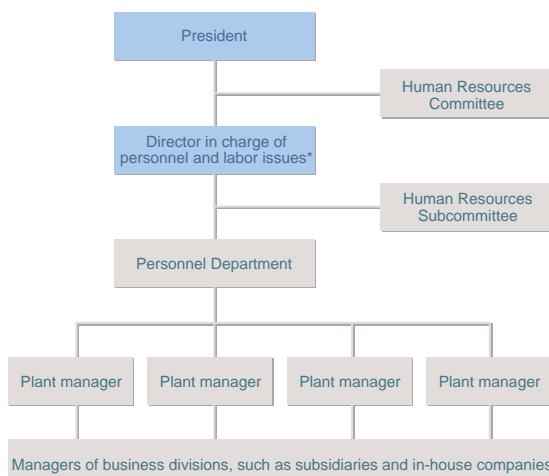
Human rights need to be respected in corporate activities, which is a common understanding in modern society. However, it is still possible that human rights could be violated inside the Group without ever being noticed. To prevent such a situation from happening or to improve any environment in which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

Human Rights and Labour Policy and the Global Compact

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

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

■ Organization of personnel and labor issues



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

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

Creating an energetic, rule-abiding workplace

● Workplace Management Handbook

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

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



Workplace Management Handbook

● Employee Complaint Procedure

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

Diversity and Opportunity

Utilizing diverse human resources according to individual abilities

Equal employment opportunities for both sexes

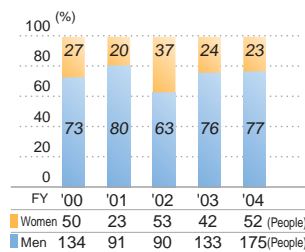
At Olympus, there are no restrictions in deciding who to employ—whether for entry-level or midlevel positions—whose salary to raise, or who to promote. We are always happy to employ and make use of unique human resources: people who are capable in specialty fields, have appropriate work ethics, and think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

Woman of the Year 2004

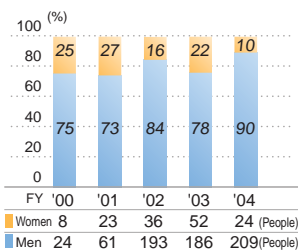
Sachiko Karaki, the current manager of fundamental technology at Corporate R&D Center, was elected Woman of the Year 2004 by *Nikkei Woman* magazine. She was awarded the prize for her great achievement as a leading researcher, mother, and wife.



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



Employment for midlevel positions: Percentage of men and women



Employment of Foreigners

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

Employees of Local Corporations Overseas

Information on Group Companies

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

Employment of the Physically Challenged

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

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

Reemployment System for Retirees

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



Former retiree working again under the reemployment system

Olympus Human Rights and Labour Policy* (abstract)

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

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

Creating Worthwhile Workplaces

reason

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

Evaluation System

Fair and reasonable treatment

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

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

Challenge System

In-house job placement schemes

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

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

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

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

Capability Development System

Education and Training

● Olympus College

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

■ Changes in the approximate number of trainees

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

■ Samples of popular themes

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

● Advanced Technician/Engineer Encouragement System

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



Advanced technician/engineer certificate

Internship

Mutual communication between students and corporation

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

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

Work Arrangement and Welfare Systems

Supporting both the working and private lives of employees

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

Welfare Cafeteria Plan

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

“Refresh Plan” and PLP Seminar

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

■ Paid holidays and seminars

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



Participants enjoying a PLP Seminar

Annual Paid Holidays

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

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

Childcare and Family Care Support System

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

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

Volunteer Leave

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

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

Occupational Safety and Health

Effort to eliminate occupational accidents

Occupational safety and prevention of occupational accidents

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



Occupational Safety and Health Committee

■ No. of occupational accidents

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

Physical and Mental Health Consultation

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