

Involvement with People

Respect for Human Rights and Compliance with the Law

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 our corporate policy together with a workable system of carrying out measures to prevent the violation of human rights and promote respect towards others.

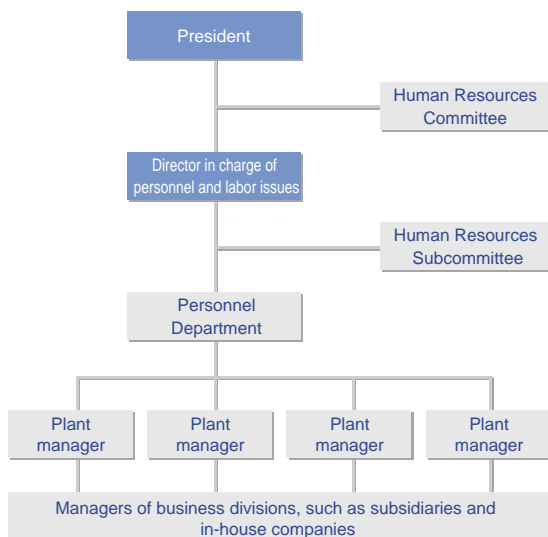
Human Rights and Labour Policy and the Global Compact

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; respect for human rights, a varied sense of values, and individual personalities help totally develop human resources and maintain an organization that have with 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 [▶WEB](#) was formulated for groupwide application to send a strong message of respect for human rights to all employees in the Group. In December 2005, Olympus Procurement Policy [▶WEB](#) was released in which we ask our suppliers to cooperate in respecting human rights.

- ▶WEB Olympus Human Rights and Labour Policy = <http://www.olympus.co.jp/en/corc/csr/compliance/human/index.cfm?ote=0>
- ▶WEB Olympus Procurement Policy = <http://www.olympus.co.jp/en/corc/procurement/procurement.cfm?ote=>

■ 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 abilities 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 prepared over the intranet so that all employees 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 to 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. These measures have been effectively implemented.

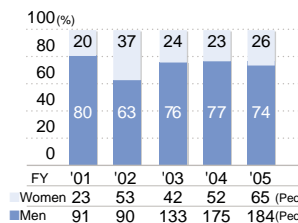
Diversity and Opportunity

Utilizing diverse human resources according to individual abilities

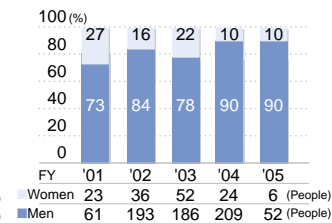
Equal Employment Opportunities for Both Sexes

At Olympus, there are no restrictions in deciding who to employ—whether for entry-level or midlevel employ whose salary to raise, or who to promote. We are always ready 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. As a result, more female employees have been appointed for managerial positions.

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



Employment for midlevel positions: Percentage of men and women



Employment of Foreigners

Our skilled human resources 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 seven in total, while Olympus Medical Systems Corp. has two foreign directors out of seven in total (as of March 31, 2006).

Employment of the Physically Challenged

At Olympus, there are 67 physically challenged employees who are a part of the workforce in various trades. The percentage of employees who are physically challenged is 1.07%[▶], which is, regrettably, under the statutory level of 1.8%. Olympus, having accepted this result seriously, developed active recruiting activities and made its workplace more accessible to the physically challenged. In addition, aiming to raise their employment ratio to the statutory level, Olympus established concrete improvement plan and started to expand it actively.

[▶]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 2006.

Reemployment System for Retirees

In addition to an existing retirement system for those who reach the age of 60, Olympus introduced a reemployment system after retirement in 2001. At the time of introduction, nomination by Olympus was a requirement. In April 2006, in line with the revision of the Law concerning Stabilization of Employment of Older Persons, a new system started to reemploy all of those who wish to continue working unless they have serious problems in their evaluation and/or health. For those nearing retirement age, Olympus confirms whether they wish to be reemployed or not after a thorough discussion of the system. To

ensure that those who wish to be reemployed and qualified will get jobs, Olympus structured a new vocational development promotion system covering the entire Group in Japan.

Number of reemployed retirees

FY2003	FY2004	FY2005
16	16	9

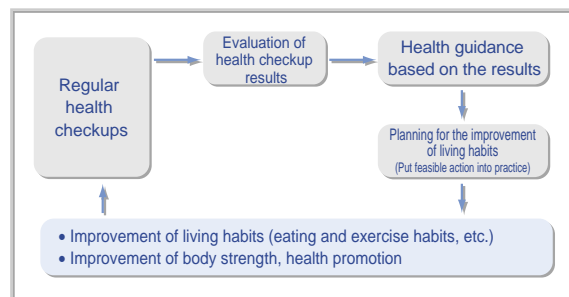
* Combined data of Olympus Corporation, Olympus Imaging Corp., and Olympus Medical Systems Corp.

Development of Health Promotion Activities “Olympus Good Health 21”

To further promote “Respect for Human Rights/ Working Environment with Vitality”

Employees’ health plays an important role in promoting “Respect for Human Rights/ Working Environment with Vitality.” Although their health depends mainly upon their own efforts, the company and the health insurance association support them by creating a suitable environment for health promotion.

Health promotion cycle by improving living habits



Various Measures to Support Improving Living Habits

As a measure to support improvement of living habits, Olympus, in cooperation with the health insurance association, holds such events as “Walking Campaign,” “No-smoking Campaign,” “Improving Eating Habit Seminar,” and “Health Seminar.”



Improving Eating Habit Seminar

Health Checkup System for Nonworking Dependents by Health Insurance Association Started

For the health promotion of employees’ family members, this year Olympus launched the “health checkup system for nonworking dependents” targeted at those nonworking dependents at the age of 35 or above. High-level checkups are available by sharing the cost. Employees may choose to use the existing nonworking dependents and spouse health checkup system. The checkups are provided by contracted institutions commissioned by the health insurance association and about 1,500 institutions nationwide that perform checkups on contract.

Working Environments with Vitality: Creating Worthwhile Workplaces

Olympus believes that a company's social responsibility is to promote the capabilities of its 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 achievement level 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 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 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 ways and develop an independent professional mind-set.

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

	No. of job titles	No. of applicants	No. of employees reassigned
June 2003	83	28	15
Dec. 2003	92	37	16
2004	109	45	28
2005	117	48	28

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

	No. of employees registered for job placement	No. of employees reassigned
2003	29	7
2004	17	4
2005	20	3

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 consult with their superiors in advance.

■ Change in the approximate number of trainees

FY2003	FY2004	FY2005
4,100	4,500	5,600

■ Popular courses

Coaching basic
Techniques to make others work
Logical thinking
Innovation of design quality and design technology capabilities

● 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 a bonus. As of March 2006, 103 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 FY2005, we had more than 100 applicants, 20 of which were accepted by the R&D departments.

Work Arrangements 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 living a full life at home and in society. To support this, we have established a variety of work arrangement and welfare systems through negotiations with employees and the labor union. Some of the major arrangements are as follows:

Welfare Cafeteria Plan

Olympus introduced this system to fulfill the diversified needs of the employees. In this system, they are given welfare points every year and are entitled to make choices among the various welfare schemes. The given points can be used for the costs of nursery and after-school programs for children, education, and family care. The unit price per point is doubled for certain important activities such as learning foreign languages, or caring for elderly parents. The unit price per point is doubled when used for the cost paid to babysitters and day-care centers, as Olympus has set these as an important priorities.

“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. Employees are given paid holidays and bonus at the seventh and twentieth year of service. In addition, the Age 55 Pension Life Plan (PLP) Seminar is provided for employees nearing retirement age to help them how they are going to live after retirement. Employees, together with their spouses, can join the seminar held at a hotel in a hot spring resort to learn about and plan for life after retirement from three viewpoints: money, objectives, and health.

■ Paid holidays, bonus and seminar

7th year of employment	Paid holidays: 5 days
20th year of employment	Paid holidays: 10 days
At the age of 55	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 leave is promoted (can be taken combining with ordinary holidays)
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) 46 employees used this system in FY2005.
	Reduction in working hours	Until 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 FY2005.
	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	Leaving for participation in social contribution program typically held or organized by international organizations, the Japanese government, local governments, or social welfare corporations
Period	Longer than one month but up to two years
No. of employees who used this system	No employees in FY2005, 3 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	FY2003	FY2004	FY2005
Accidents on the way to/from work	5	3	14
Accidents in the work	13	15	9
Total	18	18	23

* No. of occupational accidents is a combined data of Olympus Corporation, Olympus Imaging Corp., and Olympus Medical Systems Corp.

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.