

Human Resources

Olympus views its human resources as the most important management resource to ensuring our sustainable growth. We therefore respect the individuality of employees as we seek to become an organization that can provide swift and systematic responses to changes in the operating environment.

Basic Policy

Olympus faces a rapidly changing operating environment. In order for the Company to grow and return value to society, it is crucial that all employees pursue self-growth as independent and socially minded craftspeople to become able to respond appropriately to social change. We revised our corporate philosophy in May 2018 and clarified Our Purpose, which lays out the aims of the company, and Our Core Values, the values that all employees should share. We also defined Our Behaviors, guidelines concerning the concrete actions to be taken, to reflect Our Core Values in the activities of individual employees. Under *Transform Olympus*, our corporate transformation plan that got underway in April 2019, we are

pushing ahead with the introduction of a globally integrated HR management structure as a basis for supporting employees who can play a role on the world stage and individuals in their quest for ambitious goals and personal growth.

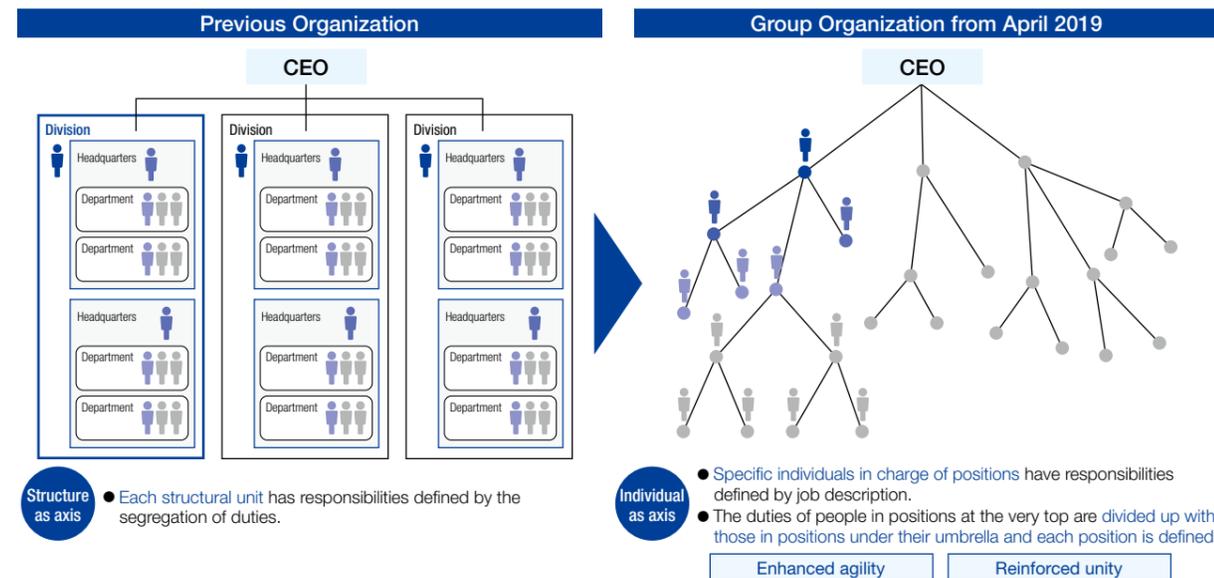
Olympus thus believes in the importance of respecting the individuality and unique skills of its employees and, trusting in their ambition and enthusiasm, accurately evaluating their achievements and providing appropriate rewards. Our human resource development approach places an emphasis on the growth of each employee, encouraging their independent and voluntary motivation for self-development.

Organization Changes in Line with *Transform Olympus*

Under *Transform Olympus*, we aim to provide a structure that enables employees with shared values to take active roles globally and for each individual to challenge ambitious goals and develop with an emphasis on maximizing mutual potential and dynamism. To achieve this, it is necessary to create infrastructure that allows us to appoint the right high-level talent from the Olympus Group worldwide in optimal positions. Organizational changes in Japan were made in April 2019 to facilitate this. Whereas previously roles and responsibilities were defined by structure, we have shifted to a style in which positions with

responsibilities and authority are assigned by function. We have adopted the idea of establishing necessary positions based on the ideal organizational design and connecting each one in a tree-like manner with high-ranking positions serving as points of origin. Respective positions will have a job description that clarifies individual responsibilities, authority, and work conditions. Employees will aim to be flexible and cooperate with one another depending on the objective, with work performed based on a line of report under the responsibility and authority of personnel in high-ranking positions.

Organization Changes



Performance-Based HR Management System to Utilize Global Talent

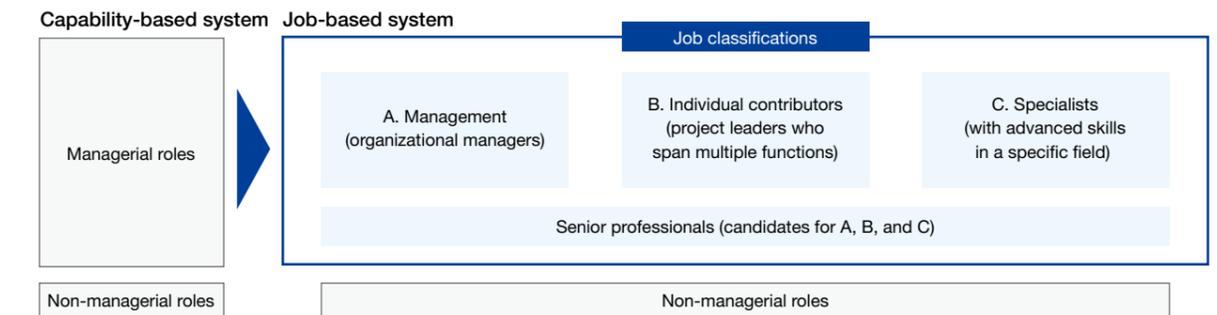
To promote the use of global human resources, Olympus changed its management-level human resources program in Japan from a capability-based system to a job-based system. With a job-based system, management is divided into four groups: management (organizational managers), individual contributors (project leaders who span multiple functions), specialists (with advanced skills in a specific field), and senior professionals (candidates for the aforementioned three groups). Organizational managers and individual contributors are given six different job classifications and each position is rated based on the weight of the duties they are responsible for. Each position is defined by a job description that clarifies responsibilities and the required authority is allocated. Compensation falls within a range for each job classification and bonuses and salary increases are decided based on outcomes and results for each fiscal period.

The evaluation system prioritizes performance evaluation based on management by objectives with behavioral

assessment taken into account to adjust the rating up or down by 10%. With performance evaluation, Olympus has shifted to a system that more strictly applies a management by objectives approach with an awareness of the change from capability-based reward to job-based reward. In particular, we intend to strengthen the connection between top policy and individual objectives based on the role of the position defined in the job description. Behavioral assessments will be based on the degree to which the person has demonstrated core values as a manager. This will be added to the results of the performance evaluation at the end of the fiscal period to determine a final evaluation for that particular evaluation period.

With the revision to the HR management system, Olympus will make sure that the right people are appointed in line with a principle of capability irrespective of nationality, age, and gender and based on the clear roles and responsibilities set for each position.

Example) Changes to Japan's Human Resources System



Promotion of Diversity

Olympus aims to drive sustainable growth for our employees and the corporation while maximizing the individual potential of our diverse human resources and striking a good balance between work and private life. We continue to promote Work-Life Integration to realize synergy through the support of our employees' work-life balance, which resulted in the attainment of *Kurumin* certification from the Minister of Health, Labour and Welfare once again in 2019.

Olympus has been implementing action plans based on the Act on Promotion of Women's Participation and Advancement in the Workplace since 2016, introducing a mentor system aimed at developing female employees and working to nurture female leaders by expanding and enhancing training. As of April 30, 2019, Olympus had 53 females in managerial positions



(compared with 33 in the previous year)*1, with the ratio of females in such positions rising each year. Under *Transform Olympus*, we aim to employ and appoint human resources regardless of nationality, age, and gender, and we are making progress in efforts to build a human resources system at the global level as well as a conducive environment.

Olympus works proactively to employ persons with disabilities. In April 2019, the number of companies operating as special-purpose subsidiaries*2 was increased from five to eight with the addition of three manufacturing subsidiaries companies in Tohoku, strengthening our commitment to employing persons with disabilities in the domestic group and maintaining our employment rate above 2.2%.



Training for female managers

*1 Olympus Group in Japan

*2 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