

People

- Public pension plan holders (as of the end of FY2007):

70,070,000

National Pension Plan – No.1 insured persons:
20,350,000

National Pension Plan – No.2 insured persons, etc.:
39,080,000

National Pension Plan – No.3 insured persons:
10,630,000

* The “No.2 insured persons etc.” refers to persons insured by the employed workers’ pension, which include, in addition to the second category persons insured, persons who are aged 65 or older and have the vested right to pension payment due to aging or retirement.

- Beneficiaries (as of the end of FY2007)
34,800,000 (one out of every four people)

- Basic pension (after paying premium for 40 years)

Monthly payment: 66,008 yen

- Employees’ pension (standard payment for a married couple)

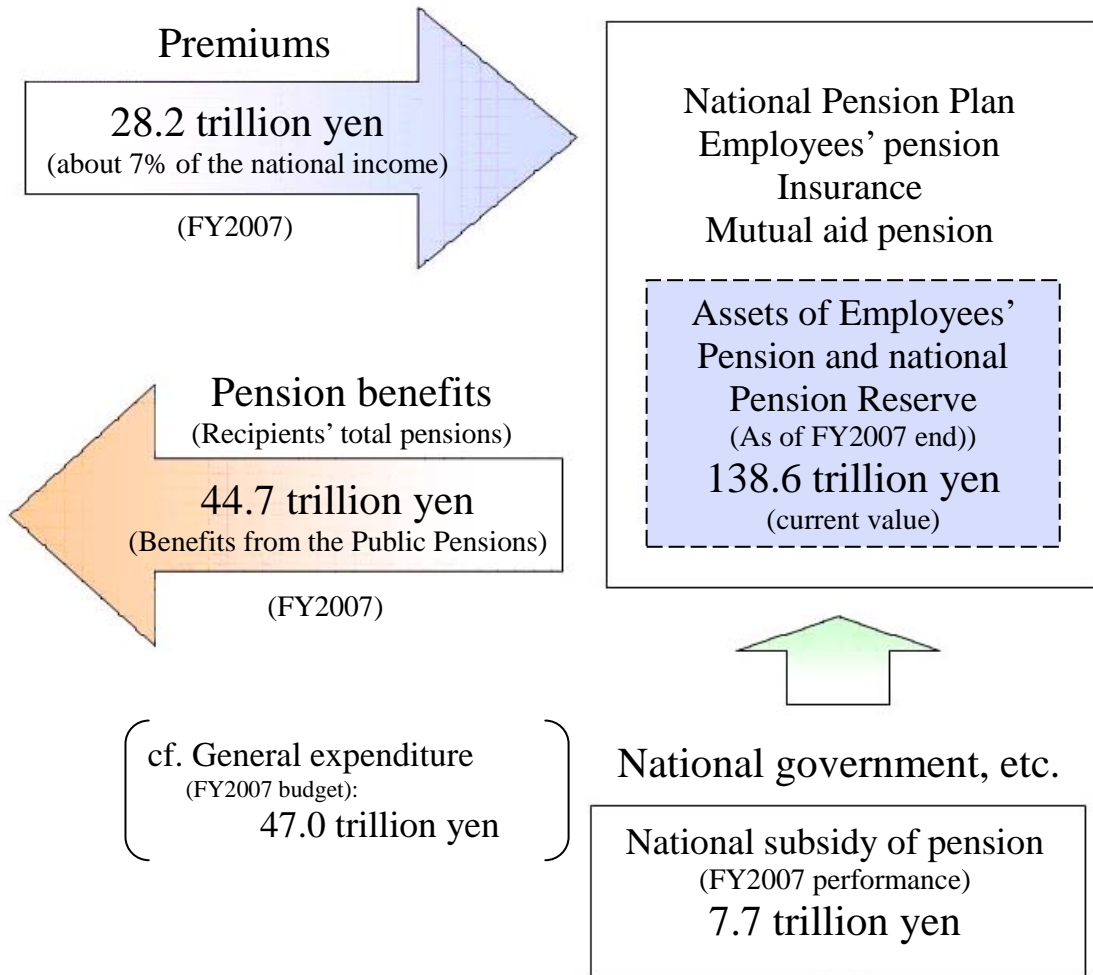
Monthly payment: 232,592 yen

(FY2009)

- Public pension makes up approx. 70% of aged population’s household income
Proportion of public pension in the aged population’s household income (2,989,000 yen):
70.8% (2,116,000 yen)

(National Livelihood Survey 2008)

Pension System



Reviewing Benefits and Contributions in the Revised Pension System for Fiscal 2004

Benefit level

(Employees' Pension (including the basic pension for the husband & wife))

The standard pension benefit level of a recipient at age 65 will exceed 50% of the average income of an employee household despite the falling birth rate in the future.

FY 2023 and onward: 50.2%

Present 59.3% will gradually fall as the working population decrease. However, the amount of pension will remain as it is.

The amount of pension (nominal amount) after a person begins to receive the pension will increase as prices increase. Usually, since the wage increase rate is higher than the price increase rate, the ratio of pension to the income of working people will decrease.

Reference: Present pension payments (as of FY2009): Basic pension (after paying premium for 40 years): monthly payment: 66,008 yen; Employees' pension (standard payment for a married couple): monthly payment: 232,592 yen

Premium contribution

(Employees' Pension, National Pension)

Present: Employees' Pension: 13.58%
(insured person: 6.79%)
National Pension: ¥13,300

(Employees' Pension)

- In and after October 2004, the premium contribution will be raised by 0.354% every year. (insured person: 0.177%)
 - * Average worker (¥360,000 of monthly salary and bonuses for 3.6 months of monthly salary)
 - Monthly: ¥650
 - Per bonus: ¥1,150 (twice a year)

(National Pension)

- Monthly premium contribution will be raised by ¥280 in and after April 2005 (value for fiscal 2004).

Fiscal 2017 and onward

Employees' Pension: 18.30%
(employer: 9.15%)

National Pension: ¥16,900
(value in fiscal 2004*)

* "value for fiscal 2004" represents a value based on the wage level for fiscal 2004. The amount of actual premiums to pay is calculated based on the value for fiscal 2004 multiplied by the wage increase rate until the calculation is made. Accordingly, the amount will vary depending on wage increases in the future.

Reference: Present premium rates (as of September 2009): Employees' pension: 15.704%, National Pension Plan: 14,660 yen

Raising the national subsidy ratio for the basic pension and the course

Fiscal 2004: Working on

Fund source: Reviewing pension tax (reviewing public pension deduction, discontinuing elderly deduction, etc.)

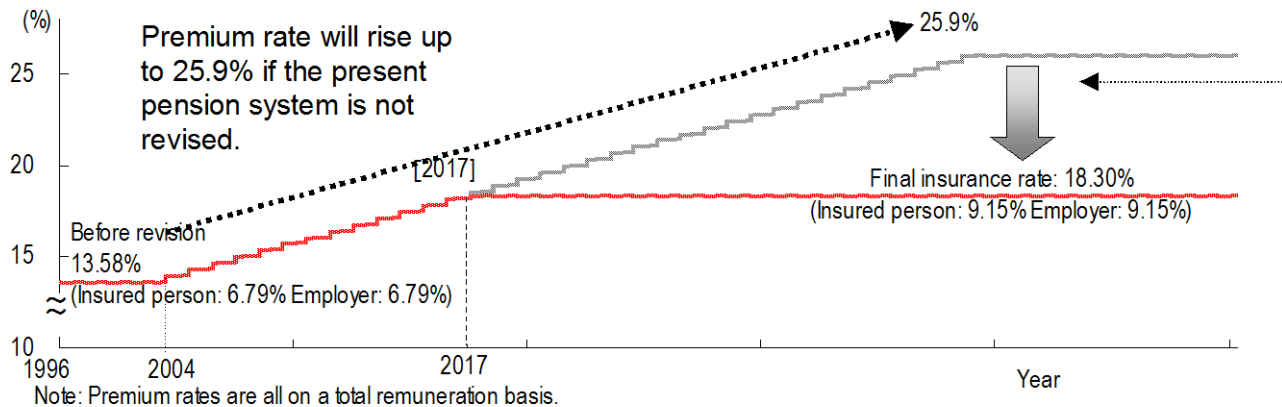
Of the increasing revenue of ¥240 billion, about 160 billion will be appropriated to the basic pension which does not include the portion of local allocation tax. (11/1000)

Raising contributions to an appropriate level in fiscal 2005 and 2006

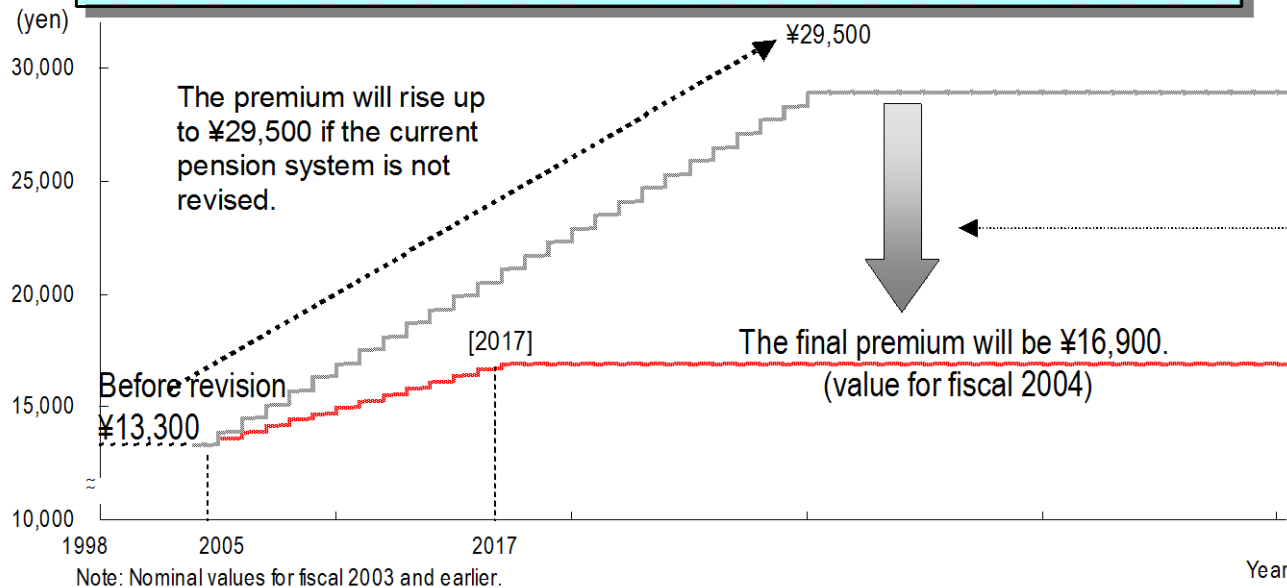
- In fiscal 2005, 110.1 billion yen of revenue increase from reduction of the fixed-rate tax reduction to 1/2 is appropriated to the basic pension.
- In fiscal 2006, the national subsidy rate was raised to 1/3 + 32/1000, in light of the reduction and abolition of the fixed-rate tax reduction.
- In fiscal 2007, the national subsidy rate was raised to 1/3 + 32/1000, in light of the reduction and abolition of the fixed-rate tax reduction.

Completing to raise national subsidy to 1/2 by FY 2009

Premium rates of Employees' Pension

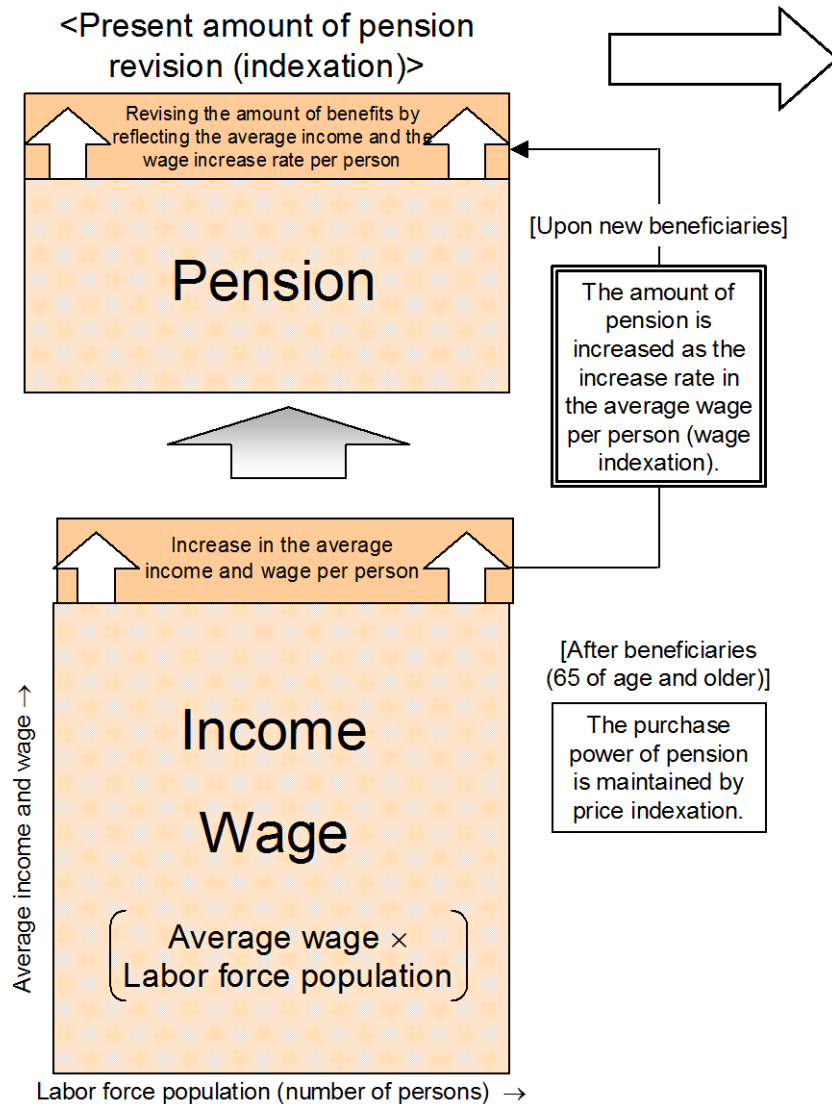


Premium rates of National Pension

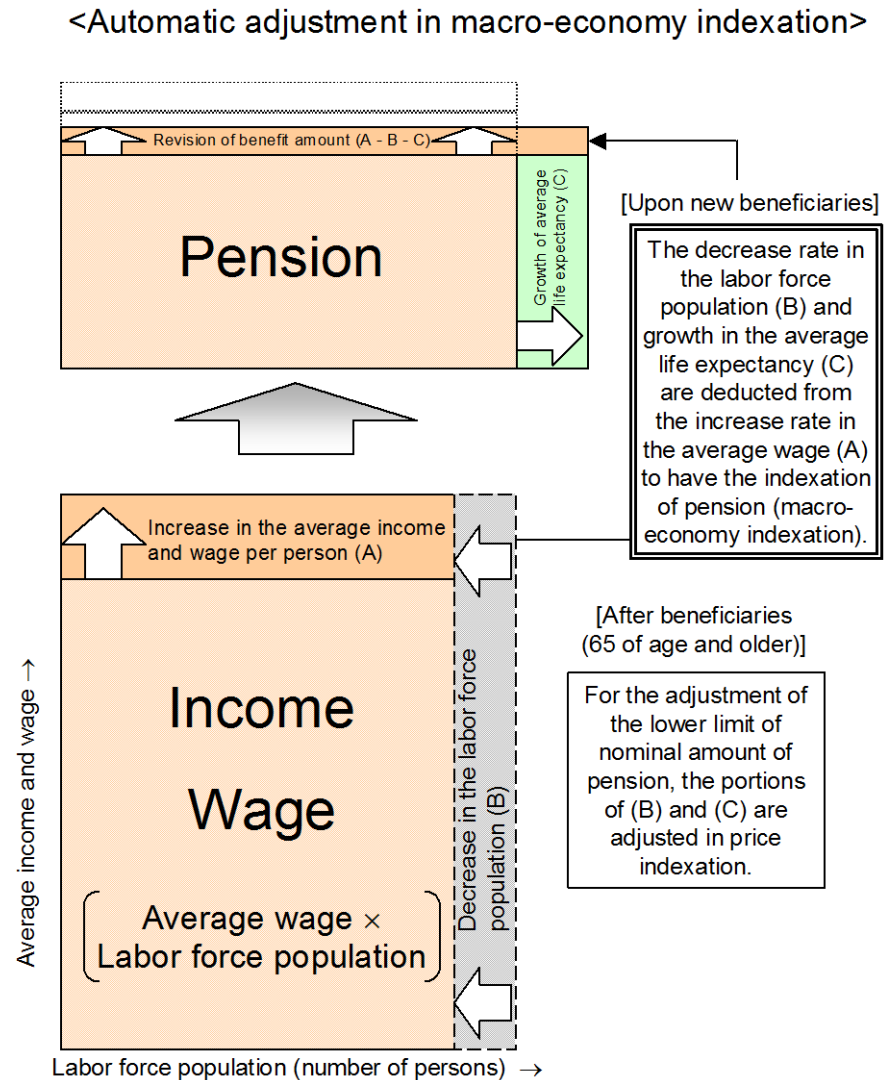


The rise in premium will be suppressed as much as possible by reviewing rises in the national subsidy ratio, planned fund utilization of reserve, and benefit levels.

* "value for fiscal 2004" represents a value based on the wage level for fiscal 2004. The amount of actual premiums to pay is calculated based on the value for fiscal 2004 multiplied by the wage increase rate until the calculation is made. Accordingly, the amount will vary depending on wage increases in the future.



○ The force to sustain the pension system (on a premium levy basis) is based on the incomes and wages that society produces through production activities.



○ Amid the falling labor force population, incomes and wages of the entire society, which is also the power to sustain the pension system (on a premium levy basis), do not increase even if the average wage increases.