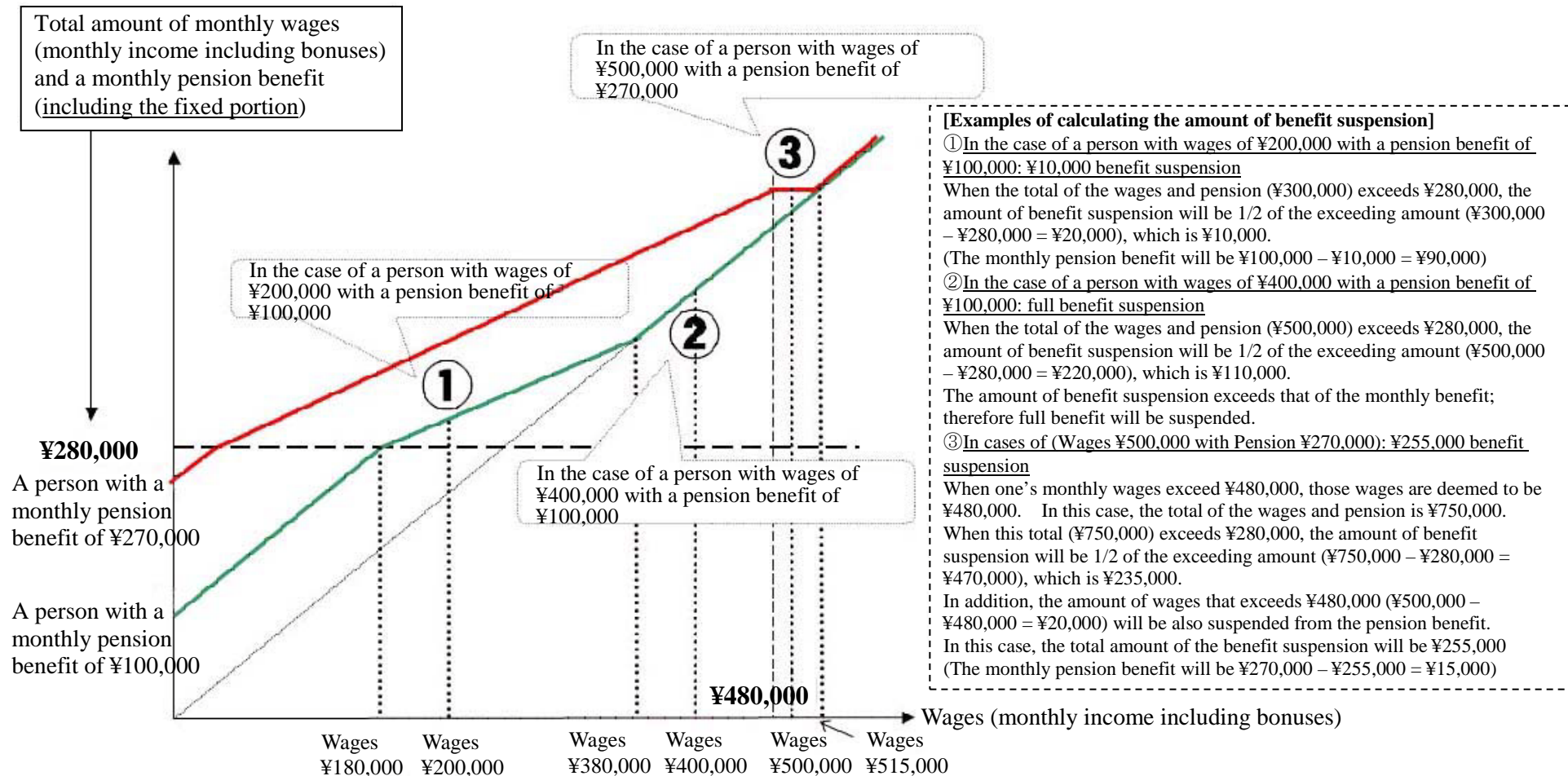


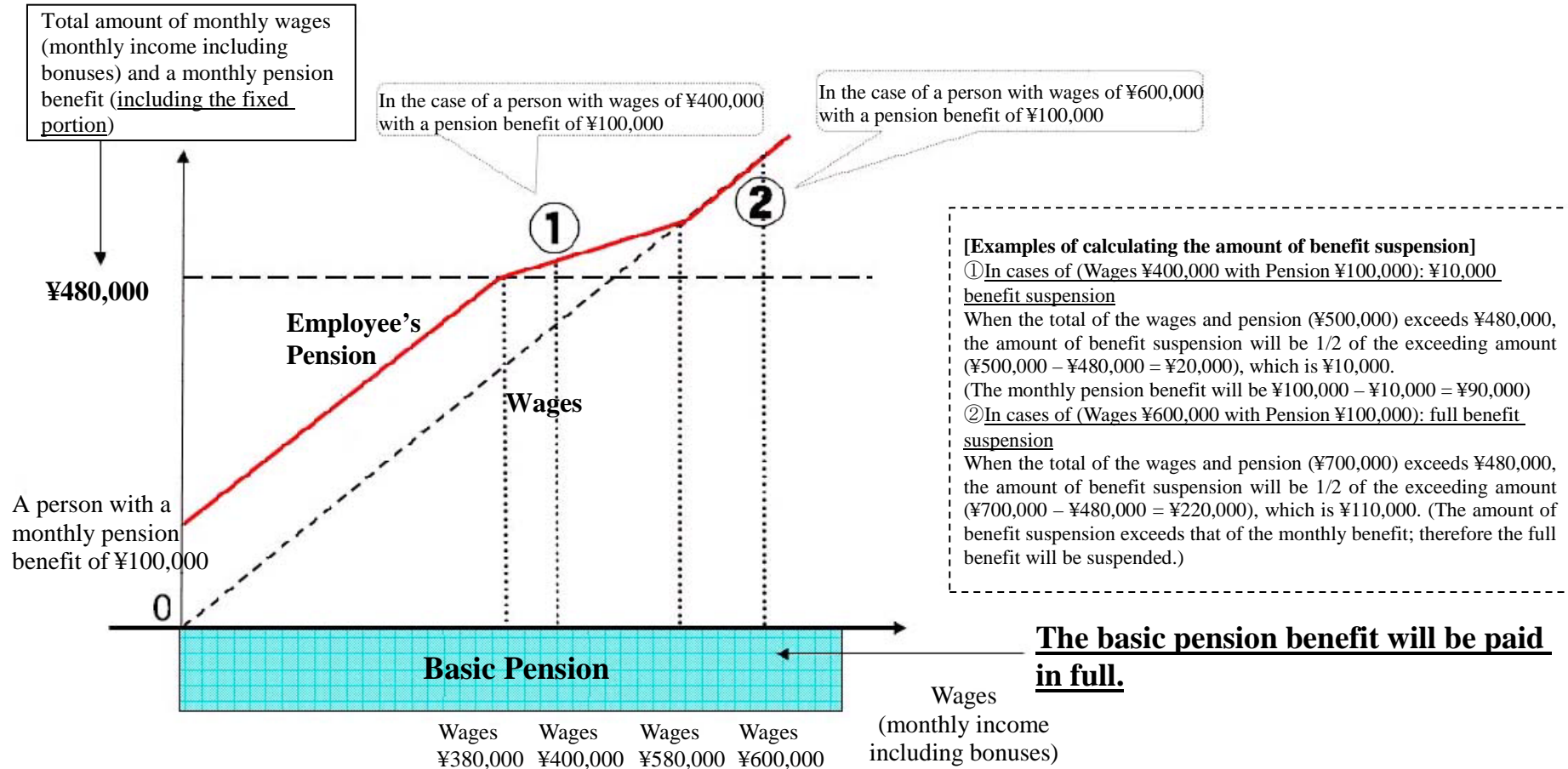
The Old-Age Pension System for Active Workers Aged 60 – 64

- In cases when the total amount of monthly wages (monthly income including bonuses) and a pension benefit, including the fixed portion (equivalent to the basic pension benefit of a person aged 65 or older), exceeds ¥280,000, a certain amount of pension benefit is suspended by the proportion of 1 in the pension benefit against 2 in wage increase.
 - In cases when the monthly wages (monthly income including bonuses) exceeds ¥480,000, the amount of the pension benefit is suspended by the same amount of the wage increase.
- * According to the 2004 revision of the system, the scheme of 20% pension benefit suspension during the working period was abolished.



The Old-Age Pension System for Active Workers Aged 65 and over

- The full amount of the basic pension benefit will be paid.
- In cases when the total amount of monthly wages (monthly income including bonuses) and the benefit from the Employee's Pension (the remuneration-based portion) exceeds ¥480,000, a certain amount of pension benefit (the remuneration-based portion) is suspended by the proportion of 1 in the pension benefit against 2 in wage increase.



Division of Employees' Pension upon Divorce

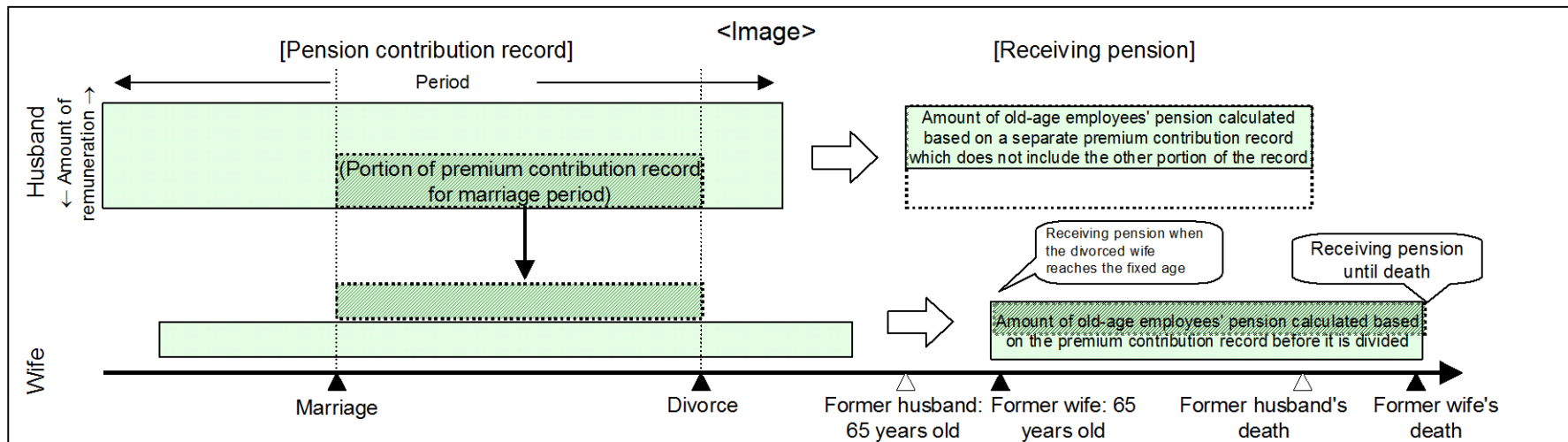
[From April 2007]

Mechanism of dividing employees' pension upon divorce

- The premium contribution record of the employees' pension of a husband and wife for the marriage period may be separated between them upon their divorce.
- This rule may be applied to divorces on and after the enforcement. However, the premium contribution records before the enforcement of this rule are also subject to separation.
- The division ratio (the spouse's equity of the premium contribution record) shall be up to 50%.
- After a divorced husband and wife agree to a division ratio, a spouse shall apply for the separation of the premium contribution record to a social insurance office.
- If a divorced husband and wife do not reach an agreement on a division ratio, a spouse may request the court to decide a division ratio.

Effects of separation of the premium contribution record

- A person who obtained a separation of the premium contribution record may receive a pension according to his or her qualification for employee pension (such as old-age pension and disability pension).
 - No old-age employees' pension is provided until the insured person reaches a fixed elderly age.
 - Even when the divorced spouse who obtained a separate premium contribution record dies, the pension benefit of the other spouse is not affected.
- Division involves only the amount of the employees' pension (portion proportional to remuneration) and does not affect the basic pension.
- In principle, the separate premium contribution record is used as the basis to calculate the amount of employees' pension, but is not used for calculating the pensionable period, etc.



Division of Employees' Pension for the Period of Category-3 Insured Person

[From April 2006]

- A husband and wife couple is basically regarded that they jointly bore the premiums that Category-2 insured person who has the dependent spouse (Category-3 insured person) bore (which is stipulated in the Act).
- Concerning the period of Category-3 insured person (period since the time when it was enforced), the employees' pension of Category-2 insured person (premium contribution record) may be divided in half for the following cases:
 - ① When a husband and wife couple divorce
 - ② When an applicant for a separation falls into a case prescribed in an ordinance of the Ministry of Health, Labour and Welfare (such as the case where the whereabouts of a spouse is unknown for a long time)

* When a divorced husband and wife couple agreed to do so or when the court has decided to do so, the couple may apply for a separation of their employees' pension for a period not subject to separation (such as a co-working period).

[Image of division of employees' pension when husband and wife divorced]

