

## Introduction

This report reviews the financial situation of Japan's public pensions in FY2003.

The Actuarial Subcommittee of the Social Security Council was established, among other activities, "to make review of actuarial valuations and to ask reports of settlement of account each fiscal year, to ensure stability and equitableness in employee pension plans" and "to conduct examinations and verifications on specific expenditure burdens (from a actuarial-based perspective) when concrete unification measures are being implemented for employee pension plans."

Since its establishment, the Subcommittee has requested financial situation reports for ministries having jurisdiction over each public pension plans. At the same time, we have provided to the general public through disclosure of Subcommittee proceedings; posting of report materials and meeting records on the website of the Ministry of Health, Labour and Welfare; and other means. However, these reports and many materials are prepared individually for each plans, and thus cannot provide a crosscutting view of the financial situation of all plans. Given this background, this Financial Report on the Public Pension plans has been prepared to explain the complicated framework of pension finances and to analysis the current situation and comparison with the actuarial valuation of FY1999. It intends to achieve these goals by presenting an easy-to-understand overview of the financial situation of each plans based on their reports and materials. Produced and released to the public every year since FY2001, this fiscal year's report contains reports on mark-to-market valuation results concerning reserves, investment income etc. from all plans, and adds FY2003 performance that includes these results.

Amid the discussion surrounding integrated reform of the social security plans, the pension system is currently the focus of active debate in a various fields. Included in this debate covers are such topics as unification of the pension plans and the system framework itself. Comparison of current conditions in each plan will be essential in future discussion of amendments.

We hope this report will help understanding the current financial situation of Japan's public pension plans and, still more, make a contribution to pension system reform.