[2] Health and Medical Services

(1) Health Care Insurance

Health Care Insurance System

Outline of Health Care Insurance System

(After the end of March 2010)

<table>
<thead>
<tr>
<th>System</th>
<th>Number of subscribers</th>
<th>Medical care benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>JHIA-managed Health Insurance</strong></td>
<td>34,828 / 19,517</td>
<td>High-cost medical care benefit, Unitary high-cost medical-care system</td>
</tr>
<tr>
<td><strong>Society-managed Health Insurance</strong></td>
<td>29,951 / 15,722</td>
<td>Hospital meal expenses</td>
</tr>
</tbody>
</table>

**Co-payment**

- After reaching compulsory education age at age 70

- Before reaching compulsory education age at age 20

<table>
<thead>
<tr>
<th>System</th>
<th>Number of insured persons</th>
<th>Cash benefits</th>
<th>Financial resources</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Japan Health Insurance Association</strong></td>
<td>1,000 persons</td>
<td>Premium rate</td>
<td>State subsidy</td>
</tr>
<tr>
<td><strong>National health insurance (NHI)</strong></td>
<td>35,665</td>
<td>19.50% (national average)</td>
<td>16.4% of benefit expenses (16.4% for Support coverage for the late-stage elderly)</td>
</tr>
</tbody>
</table>

**Late-stage medical care system for the elderly**

- 10% (30% for persons with more than a certain level of income)
Provision of Unitary High-Cost Medical/Long-Term Care Benefits
(Enforced in April 2008, provision commenced gradually from August 2009)

<Reduced co-payments for households receiving both medical and long-term care services>

- Conventional maximum monthly co-payment is individually set for health care insurance and long-term care insurance systems
- In addition to these limits, new maximum co-payment is also set for the total annual co-payments for both systems

* Maximum co-payment is set carefully according to age and income levels.
* Diet/residence expenses need to be paid separately.

Reference case of the unitary high cost medical/long-term care system

Household with a husband receiving medical services and a wife receiving long-term care services, both 75 or older
(exempted from residence tax)

(Medical care services) Being hospitalized (*)
(Long-term care services) Using multifunctional long-term care in a small group home
(Pension income) ¥2.11 million or less for a couple

Co-payment: ¥600,000 annually

Before (until March 2008)

Co-payment ¥300,000
10% of medical fees are paid. However, the maximum monthly co-payment applies. (maximum of ¥24,600 in this case)

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After paying medical and long-term care fees, claims are made to the insurers

Insures

If the total amount exceeds the maximum co-payment (¥310,000), the excess amount (¥290,000) is paid to insured persons

After (from April 2008)

Co-payment: ¥310,000 annually
(reduction of ¥290,000)

(*) In case of being hospitalized in long-term care beds, hospital meal/living expenses and bed surcharges, etc. need to be paid separately (same as the current high cost medical care system, etc.)