

Part 1

Supports for Independence in Order to Stabilize Living and Society

* Part 1 is described in accordance with the trends in general and the statistical data up to July 2009

Chapter 1

INDEPENDENCE OF INDIVIDUALS AND SAFETY NETS

SECTION 1 THE SAFETY NETS FOR THE ECONOMICAL BASES OF INDEPENDENT LIFE

Since the Japanese society has been facing an economic crisis, where a lot of people have lost their jobs, the needs for the function of safety nets by the social security system have been impending.

It is important for all people to exercise their own abilities to their maximum by making the best use of their personalities from the perspective of enriching their lives. Besides, it is important to enable all people willing to work to exercise their own abilities, in order to maintain the economical vitality of Japan and from the perspective of supporting the social security that will lead the safety nets to function effectively.

However, in the recent severe economic conditions, there are those who have difficulty with independence.

For instance, young people are the age group, who make use of their own abilities with hope for their future and strive to realize them. In the employment conditions of young people, although the number of part-time workers have been decreasing for five years in a row, that of elder part-time workers (from 25 years old to 34 years old) still has been increasing, and young people who could not work as regular employees during the so-called “employment ice age” are in a situation where they will reach their mid-thirties. If stabilized employment could not be realized as soon as possible, it would be feared that the independence of these young people would

be more difficult in the future, and there would be the possibility that the people who are expected to support the social security would be on the supported side. From the perspective of also maintaining the economical vitality of Japan, it is necessary to support young people so that those who should shoulder the future will take a stable job, stand on their own feet and play an active role.

Moreover, there are people who need social supports, such as those with disabilities and mothers of fatherless families.

Although it is necessary to support people with disabilities, so that they can lead an independent daily life and social life according to their own abilities and aptitudes, it is also important from the perspective of supporting the society together with their reasons for their lives to enable all of those who have the will to work according to their will and abilities.

Besides, if people with disabilities cannot earn enough income, it is important to support them by means of income security and others so that they can lead a stable life.

Moreover, since mothers of fatherless families have to make a living while raising their children all by themselves, there are cases that taking a job is difficult and their works are limited. For this reason, it is important to support general independence of mothers of fatherless families by supporting them to find a work while supporting their living and economy, on the basis of the healthy growth of their children.

We have been supporting these people so that they can stand on their own feet while planning to stabilize their living, by supporting both their living and their opportunities for employment. Further, such as dismissal of dispatched workers, suspension of employment and others, increase of non-regular workers being separated from services have turned into big problems. There is a possibility that they will face living difficulties and great difficulties, because they cannot earn incomes and will lose their houses due to separation from their services. For this reason, by making various supports for securing their residences and their living, their living foundations are supported; also independence is attempted by taking a job again through supports for employment opportunities.

In this way, the independence of the individuals is supported through functioning social security as the safety nets and enabling people to exercise their own abilities to their maximum. Also, the social security is composed of supports shouldered by independent individuals.

For the social security, the contents can be classified into three fields. The security for the income for the economical foundation of independent living, the security for the social service supporting the community life and family life (health care, nursing care service and others), the security for the benefit and the service supporting the upbringing of the next generation who will shoulder the sustainable society (child allowance, service supporting child care and others).

Although the Japanese society have been facing an economic crisis and a lot of people have been losing their occupations, from the perspective of ①the security for the income for the economical foundation of independent living, there is the social welfare policy like the public assistance and others as the safety nets which support the independence of the people, such as the employment policy, which is a last resort for those who are in great difficulty, including the employment insurance in order to enable people to take a work.

The following policies exist as the employment policy mentioned above.

- Under the government's management, enterprises that employ workers are admitted as applied enterprises and the employees are insured in principle and are provided the basic allowance according to the employment insurance system when they have lost their occupation. Also in case they find new occupations at the early stage, they are provided the employment promoting allowance and others.
- In case people have lost their occupations, they can receive placements at the Public Employment Security Office and others.
 - We have been striving to prevent people from unemployment by giving aid to enterprises which attempt employment maintenance. Also, we have been supporting reemployment of unemployment, by means of the execution of public Vocational Training, where job opportunities are created and secured in addition to development and improvement of vocational abilities in the community and

others, also by means of aiding a part of wages to entrepreneurs that employ those who are in difficulty to find jobs and others in order to secure job opportunities.

Besides, following policies exist as the social welfare policy.

- Pensions and allowances are provided in order to stabilize living of people with disabilities.
- Child rearing allowances are provided to fatherless families for stabilizing their living and independence.
- Allocations are loaned to residents of low-income people who have lost their jobs in order to secure stable living by promoting economical independence and their will to live.
- In case people are still in great difficulty regardless of utilizing their properties, abilities and others, minimum living is guaranteed by the public assistance system.

Employment policies and social welfare policies play an important role as the safety nets when people are facing great difficulty such as the separation from services and their living is in great difficulty.

When these policies are developed and people are facing great difficulty, it is important to help them stand on their own feet again before their living is in great difficulty.

For this reason, for instance, from the perspective of enabling people who have lost their living foundations by separation from their services under the recent harsh economic climate, to work while keeping their life foundations, improvement of these policies have been planned to function as an effective safety nets of the social security by expanding both the employment policy and the social welfare policy, such as expansion of vocational trainings, enforcing life security for the training period, executing supports for their residences and their living to job leavers, who have lost their residences, and others.

In the following section, after over viewing the changes of environments surrounding the independence of individuals, we will look into the way how we support individual independence by enabling people to exercise their own abilities through the employment policy and the social welfare policy functioning hand in hand as the safety nets in various scenes.

SECTION 2 THE CHANGES OF ENVIRONMENTS SURROUNDING THE INDEPENDENCE OF INDIVIDUALS

In Japan, changes in the society and the economical conditions also have influenced the present state of the independence of individuals. In recent days, due to the aging of society with fewer children, some phenomena have been seen such as an increase of one-person households, losing connection to their communities and an increase of non-regular workers who can not rely on companies for their life designs and their future designs since their belonging levels are weak compared to that of regular workers. A system that functions as the safety nets when people are facing difficulty, and that makes the people to stand on their own feet again and enables them to exercise their own abilities have been getting important more than before since conditions surrounding the independence of individuals has been getting severer.

Therefore, in this section, the changes of the environment surrounding the independent of individuals will be observed in detail.

1. CHANGES OF ENVIRONMENTS OBSERVED IN MID-TERM

First of all, various phenomena, structural changes of the economy and industrial, etc, caused by aging of society with fewer children of our country are described as a big mid-term change in environmental transformations that surrounds personal independence.

(1) Changes in demographic structure due to further aging of society with fewer children

1) Changes in demographic structure

Japan's population began to decline in 2005. In the future, the country will face further aging of society with fewer children and move into a full-fledged era of population decrease (National Institute of Population and Social Security Research, "Population Projection for Japan" [December 2006], which is hereinafter referred to as "the new population projection")¹. According to the projection of medium-fertility

and medium-mortality, the total fertility rate will be 1.26, and the population will fall below 90 million people. Also, the aging rate will rise to about 40 % and the number of infants born each year will fall below 500 hundred thousand people (Chart 1-2-1).

According to the projection, first of all, while the number of elder people over 65 years old are expected to increase dramatically to 10.91 million between 2005 and 2030, the decline of the population between 15 years old and 64 years old is predicted to be 17.02 million since the junior babyboomers generation (who were born between 1971 and 1974) will still be working. Secondly, since the large number of live births has not appear so far in the children generation of the junior babyboomers generation while the junior babyboomers generation will be senior citizens between 2030 and 2055, the population over 65 years old in 2055 will approximately be at the same level as in 2030. However, the population between 15 years old and 64 years old is predicted to decrease rapidly to 21.45 million. As a result, the aging rate is predicted to increase to 31.8 % in 2030 from 20.2 % in 2005, and the figure will top the 40% mark to reach 40.5% in 2055.

2) Decline in the labour force population

There is a concern that changes in demographic structure may lead to the decline in the labour force population and affect the sustainable development of the Japanese economy and society. First of all, if the demographic structure up to 2030 is observed, it is necessary to strive for the creation of an environment where all people can work according to their will and abilities, and to mitigate the decline of the labour force population in the future since the generation who will be over 22 years old in 2030 is already born.

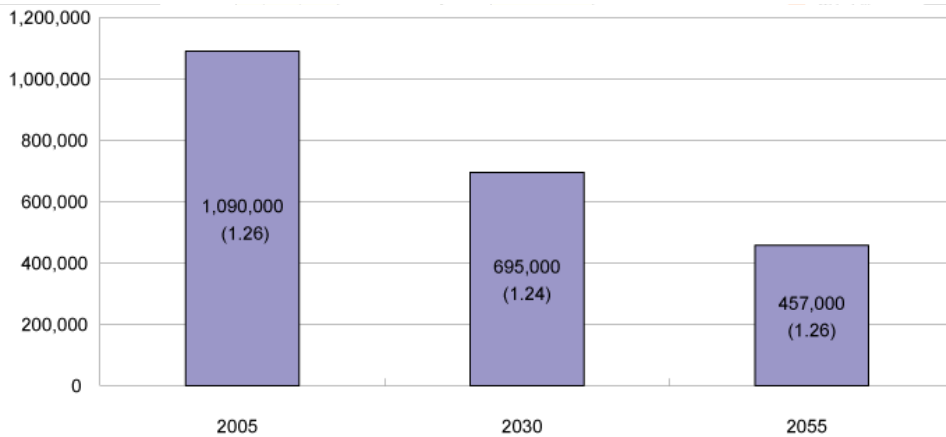
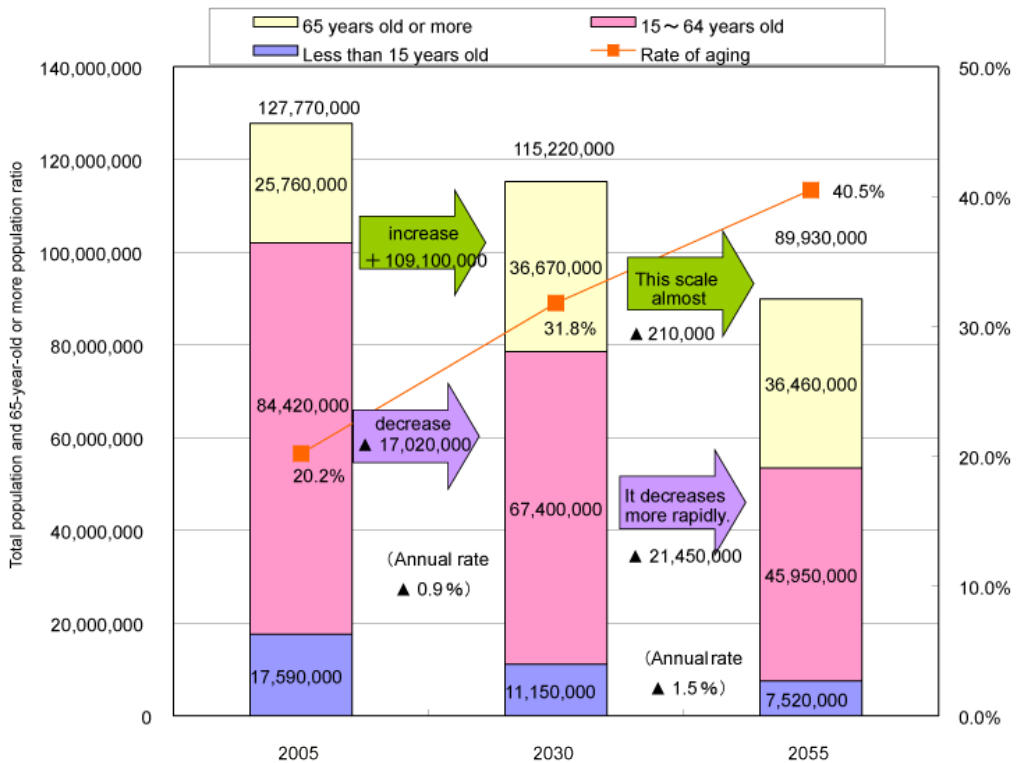
According to the estimate of the Japan Institute for Labour Policy and Training, it is estimated that if the labour participation rates remain the same as the 2006 levels, Japan's labour force population in 2030 will be about 10.7 million, smaller than that in 2006. However, projections also show that if various employment measures are taken to foster the participation in the labour market, the decline in the labour force population will be limited to about 4.8 million.

¹ Changes in the number of birth, death and international population movement that they assume have been projected by reflecting the result in the past and the past trend on the future, so it is necessary to be mindful of the following points.

- ① The point that is different from policy targets incorporating effects of policies.
- ② The point that this date doesn't include change of the society in the future and economical situations since they can not be projected with the actual demographic dates.
- ③ The point that doesn't reflect citizen's hope for their marriages and their births.

Secondly, starting from 2030, although the generation at or under 21 years old has chances that its number changes according to change of the future trends in birth since they are the generation who are born in the future, the new population projection assumes that the population of productive age decrease dramatically compared with the former decrease and which may pose the labour force population to decrease rapidly.

Chart1-2-1Prospect of population in the future, change in age distribution, and number of live births (total fertility rate)



Source: National Institute of Population and Social Security Research "Projected population of Japan (estimate in December, 2006)" (When being giving birth and dying).

On the other hand, the future trends in marriage and childbearing (the ratio of life-time no marriage among women born in 1990 is 23.5%; the final number of children per couple, 1.70; and the total fertility rate in 2055, 1.26) that the new population projection assumes are far from what marriage and childbearing people

desire (about 90% wish to marry and the average desired number of children is two or more). Needless to say, although marriage and childbearing are entrusted to decision of each person, the reality is far from people's desire.

Come to think of big influence on the social economy in the future caused by it, first of all, it is indispensable to maintain the social economic environment in order to realize marriage and childbearing to people's desire.

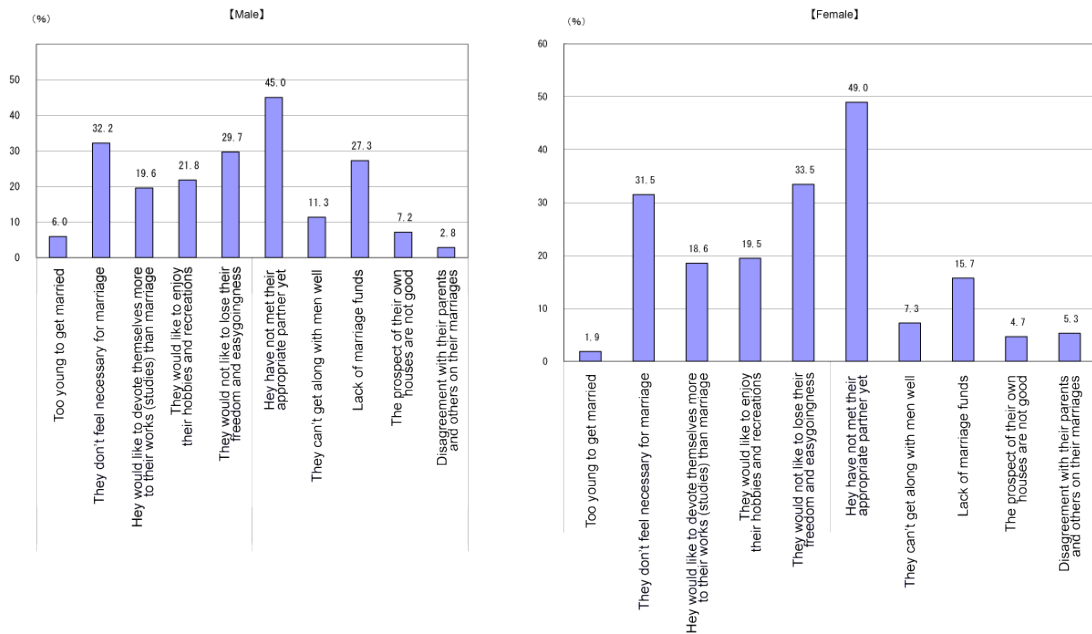
3) Household status and change in communities

Hereupon, changes in communities will also be described with household status such as trends in marriage, living with their parents and an increase of one-person households.

(The trend in marriage)

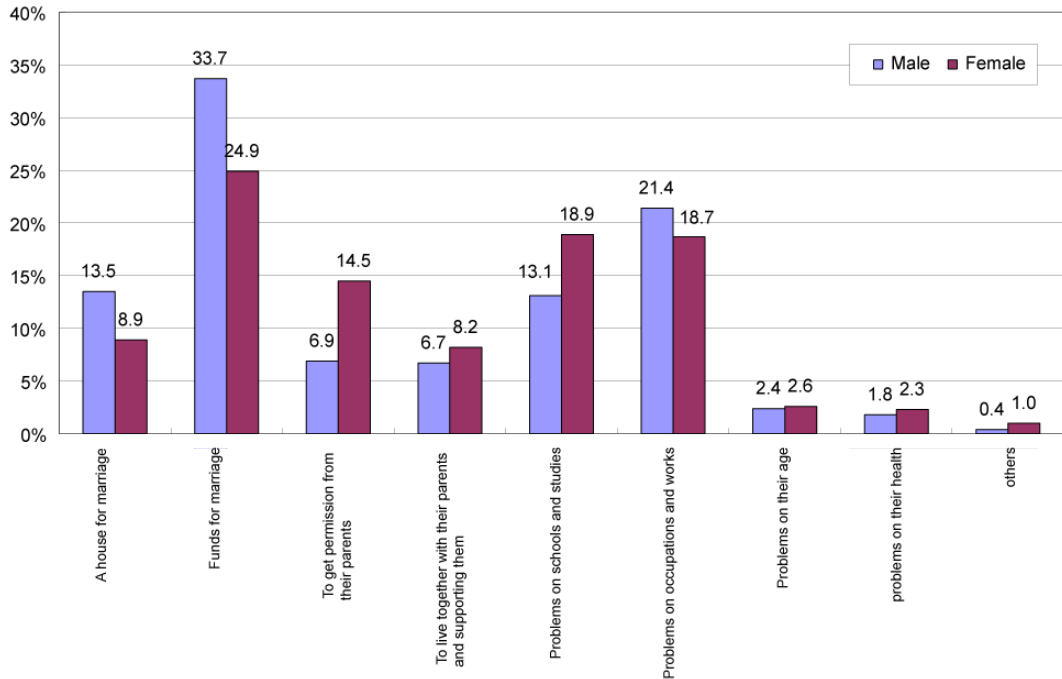
If trends in marriage are observed, the trend in putting off marriage and life-time no marriage has been increasing. Since the mid-1970s, the average age of the first marriage of both men and women has been rising and men's average reached 30.2 years old and women's average reached 28.5 years old (Ministry of Health, Labour and Welfare "Summary of Monthly Report of Vital Statistics 2008"). The trend in life-time no marriage between 20s and 30s has been increasing along with the trend to put off marriage, the rates of unmarried men between 30 years old and 34 years old reached 47.1% in 2005, and that of women between 25 years old and 29 years old reached 59.0% (Statistics Bureau of Ministry of Internal Affairs and Communications "2005 Population Census").

Chart1-2-2 Reason to stay single (25 years old - 34 years old)



Although various backdrops are assumed as backgrounds of such trends to put off marriage and life-time no marriage people, especially the reason of “the lack of their wedding funds” has been rising to nearly 30%, following the reason that “people can not meet appropriate partner” among the reasons of why “they can not get married” according to the 13th National Fertility Survey (Unmarried People Investigation)” (2005) by the National Institute of Population and Social Security Research, and look over the reason why unmarried people between 25 years old and 34 years old still remain single (Chart1-2-2). Also, “wedding funds”, which is the matter that has been brought as the biggest obstacle, is the most popular answer of the life-time no marriage people with the will to marriage under 35 years old to the question whether there is an obstacle if they get married within a year. (Chart 1-2-3)

Chart1-2-3 Obstacles to marriage (under 35 years old)



Sources: Compiled by the Counsellor Office for Policy Evaluation of the Ministry of Health, Labour and Welfare from the National Institute of Population and Social Security Research's "13th National Fertility Survey (Unmarried People Investigation)" (2005)
 (Note 1) Each item is the biggest obstacle chosen by unmarried people under 35 years old with the will to get married if they get married within a year.
 (Note 2) Date is the ratio to total except for unclear answers.

The 6th Longitudinal Survey of Adults in 21st Century” (FY2007) by the Ministry of Health, Labour and Welfare shows that there is not a big difference for women by working states between the rates of “unemployed” 27.6 % and “non-regular workers” 24.5% according to the rate of whether or not people have a work and their work styles.

In men’s case, the rate of “regular workers” is 24.0%, “non-regular workers” is 12.1% which is approximately half of 24.0% and “unemployed” is 9.0% and the rate of getting married in the last three years tends to increase along with the rising incomes for both men and women.

It is assumed that the way of increasing young people who can find a stable job will lead those who can not get married due to economical reasons in the direction to regard marriage positively.

Since there are various factors in backdrops of changes in young people’s marriage action such as the fact that “people can not meet appropriate partner” is the most popular answer mentioned in “the 13th National Fertility Survey (Unmarried

People Investigation)” as the reason of why “they can not get married”, so it can not necessarily be ascribed to the economic constraint.

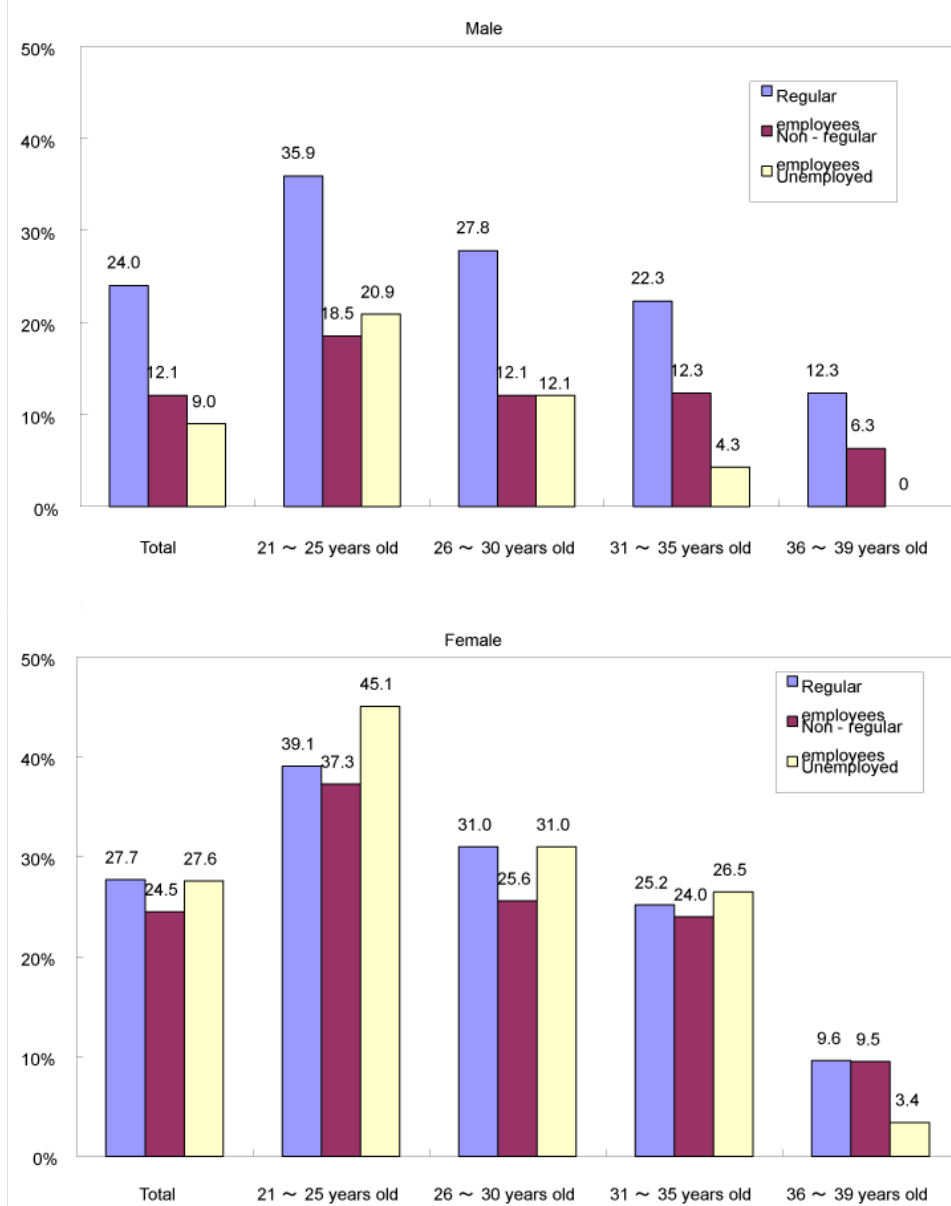
Yet, from above-mentioned, it is assumed that the way of increasing young people who can find a stable job will lead those who can not get married due to economical reasons in the direction to regard marriage positively.

(The status of life-time no marriage people living with their parents)

In accordance with the 13th National Fertility Survey (Unmarried People Investigation)” by the National Institute of Population and Social Security Research, changes in the rate of living together with their parents according to the working status of single men is projected that in cases of “part-time and *arbeit* workers”, “unemployed and domestic duties” and “self-employed, etc” are high rate and approximately 70% to 90%, and in the case of “regular employments” are comparatively lower around 60% to 70%. In women’s case, although the difference caused by working status is little if we rule students out of it, in case of “regular employments” is comparatively lower and in cases of “unemployment and domestic duties” and “part-time and *arbeit workers*” are relatively higher (Chart 1-2-1).

It is assumed that life-time no marriage people with low income or no income who live together with their parents make a living by living together, so it is urgent to support them so that these people can find stable jobs as soon as possible and can stand on their own feet.

Chart1-2-4 Ratio of married couples in the last five years, by presence of work and work styles



(Note 1) Total objects are those who were single at First Survey and who replied to Sixth Survey and all past surveys.

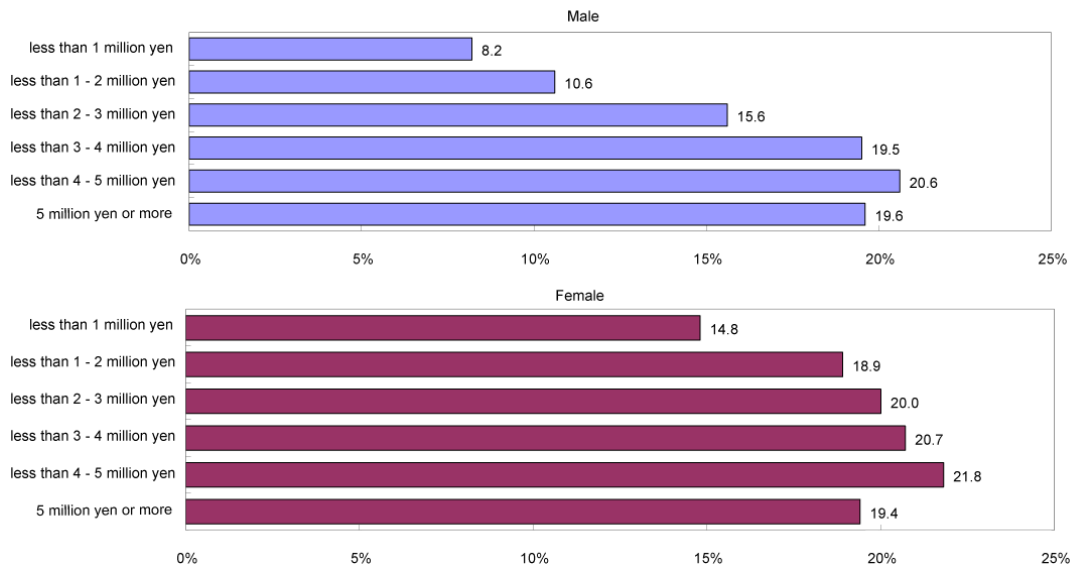
(Note 2) These ages refer to ages reflected after they got married.

(Note 3) These types of employment are premarital status.

(Note 4) The replies "I got married" include those who got divorced in the last five years.

(Note 5) In case people on the chart got married twice or more in the last five years, the latest status of their

Chart1-2-5 Ratio of married couples in the last three years, by income bracket



Source: Statistics and Information Department, Minister's Secretariat, MHLW, "Sixth Longitudinal Survey of Adults in 21st Century" (FY 2007).

(Note 1) Total objects are those who were single at the Third Survey and who replied to the Sixth Survey besides replies to the Fourth Survey and the Fifth Survey except for those who got married but also who got divorced during the survey.

(Note 2) Income amount refers to data gathered before they got married.

(Note 3) The item of income amount of "less than 1 million yen" includes non-income.

(Note 4) In case people on the chart got married twice or more in the last three years, the latest status of their marriage is reflected on this chart.

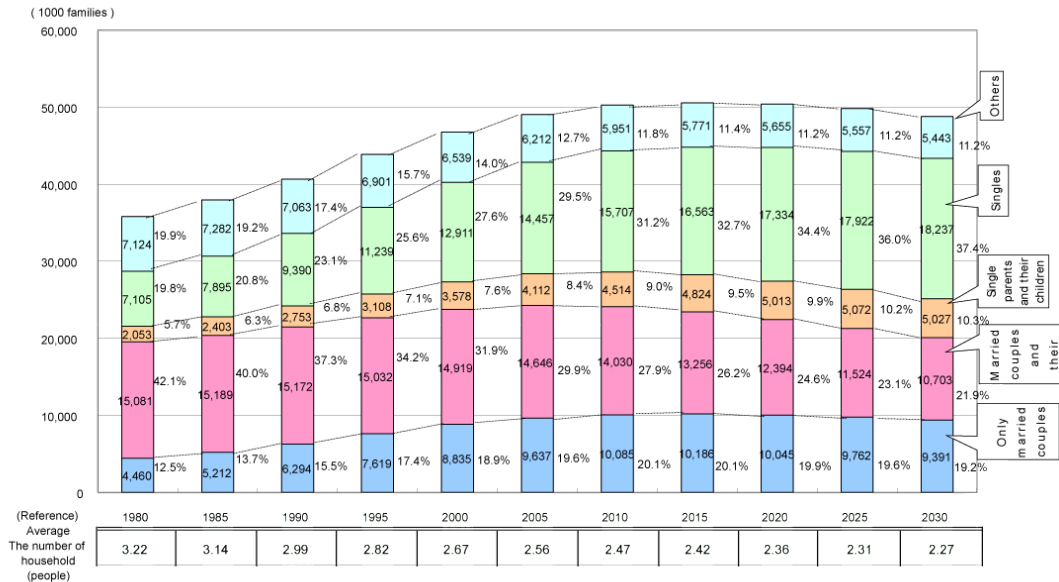
(Increase of one-person households)

Changes in demographic structure are assumed to affect household statuses. We will observe changes in family structure up to now and a projection of the future from the National Institute of Population and Social Security Research, "Projection of the number of households for Japan (nationwide projection) compiled in March 2008. First of all, the average number of household members has been consistently decreasing and, although its number was 3.22 people in 1980 it fell to 2.56 people in 2005. Observing changes in family patterns, "households consisting of a couple and their children" accounted for 42.1% of all households in 1980 but percentages declined to 29.9% in 2005. However, "households of only a couple" rose to 19.6% in 2005 from 12.5% in 1980 and "one-person households" rose to 29.5% in 2005 from 19.8% in 1980 (Chart1-2-6).

"One-person households" are expected to increase more in the future and to account for 37.4% in 2030. It is assumed that supports from communities and society will be needed more since "one-person households" can not expect informal supports of mutual household members and they are relatively vulnerable to social

risks such as unemployment, disease and disaster. Besides, the increase of one-person households may pose a great impact to the whole society such as an increase of households which need supports including long-term care services and decline of capability of bearing burden.

Chart1-2-6 Changes in the number of households, by family patterns and average household members



Source: National Institute of Population and Social Security Research, "Projection of the number of households for Japan (nationwide projection) compiled in March 2008".

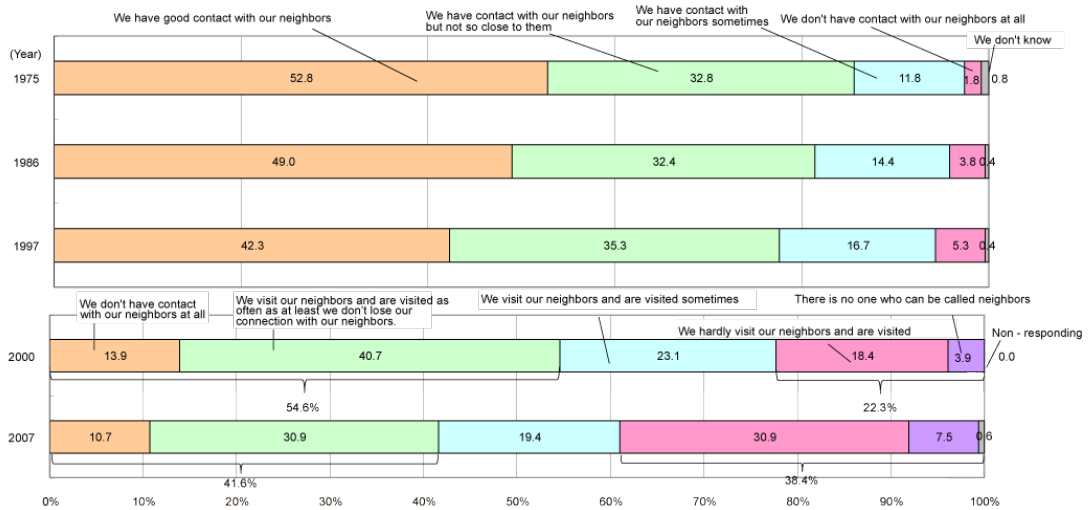
(Changes in communities)

Trends show that communities have been losing their connection along with an increase of one-person households. According to the Annual Report on the National Life (2007) by the Cabinet Office, the percentage of “we have good contact with our neighbors” declined to 42.3% in 1997 from 52.8% in 1975 and that of “we get visited and visit our neighbors often” declined to 10.7% in 2007 from 13.9% in 2000. However, the percentage of “we have contact with our neighbors sometimes,” “we don’t have contact with our neighbors at all,” “we don’t get visited and visit our neighbors very much” and “we hardly get visited and visit our neighbors” have been rising and this result shows that people have been losing their connection with their neighbors (Chart1-2-7).

Besides, according to the National Survey on Lifestyle Preferences compiled by the Cabinet Office, although those replying “nothing changed” is the most popular choices accounting for 45%, the ratio of those who feel that it has been getting

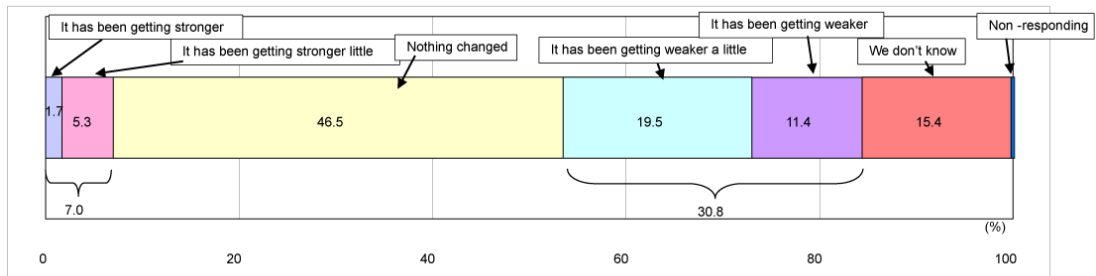
weaker (total of the reply “it has been getting weaker” and “it has been getting weaker a little”) accounts for 30.8% in replies to the question about changes in connections of communities compared to 10 years ago.

Chart 1-2-7 Change in degree of contact with neighbors



Source: The Annual Report on the National Life (2007) by the Cabinet Office
 (Note 1) Items of 1975, 1986 and 1997, specially compiled according to "the opinion poll on social awareness" the Cabinet Office, items of 2000 and 2007, specially compiled according to the National Survey on Lifestyle Preferences.
 (Note 2) The items of 1975, 1986 and 1997 indicate the ratio of those who answered to the question that "How often do you have contact with your neighbors? Choose an answer from this list". The items of 2000 and 2007 indicate the ratio of those who answered to the question that "How often do you get visited and visit people mentioned below (neighbors)? (Each person can only choose one answer)".
 (Note 3) Respondents to the items of 1975, 1986 and 1997 are 20 years old and more in the whole country. Respondents who are men and women to the item of 2000 are from 20 years old to 70 years old. Respondents who are men and women to the item of 2007 are 80 years old and more.

Chart 1-2-8 Change in connection of communities compared to 10 years ago



Source: The Annual Report on the National Life (2007) by the Cabinet Office
 (Note) 3,383 respondents both men and women are from 15 years old to 80 years old in the whole country.

(2) Changes in companies and work patterns

(Changes in an environment surrounding companies)

Observing mid-term changes surrounding companies in our county, changes in the economic structure and the industrial structure such as the globalization of the economic, service industrialization and digitalization have been progressing.

After the corruption of the so-called bubble economy in the beginning of 1990s, the economic of Japan remained sluggish in the long term. Under the harsh economical environment, the excessive consideration to company's employment, production and facilities for business dramatically rose in 1990s and had been changing at a high level until 2000s (Chart1-2-9).

Moving of capital and the labour force beyond the nation due to the economical globalization and the long-term economical depression had been increasing and the deregulation by widened industry was progressed.

Against the background of these facts, competition between companies had been getting harder and it led companies' consideration on cost to be stricter. For this reason, companies controlled capital investment together with employment and restructuring.

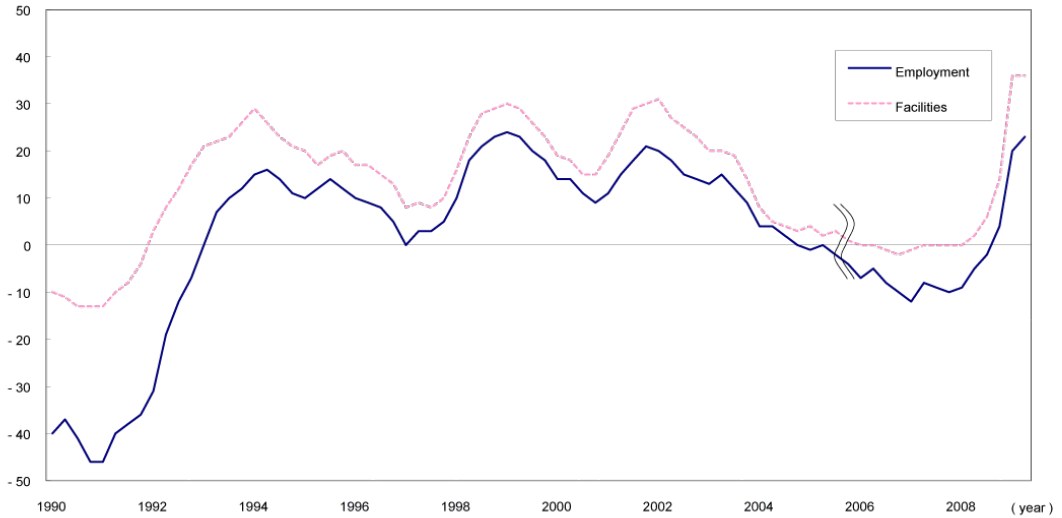
(The trend in employment of companies)

After 1990s, although the control of employment had been remained under the depression, it is said that there is a traditional trend in employing new graduate students from university in a lump on the assumption of long-term employment.

According to "the employment management investigation" (2001) compiled by The Ministry of Health, Labour and Welfare, 30% to 40% is the highest rate in companies whose ratio of "the percentages of the mid-hiring to all employees" accounts for less than 10% in accordance with each size of companies such as "5000 employees or more""1000 to 4999 employees" and "300 to 999 employees." Since the ratio of mid-career workers with "5000 or more" in a company accounts for 67.3%; in case of companies which have "1000 to 4999 employees," 58.4%; and in case of companies which have "300 to 999 employees," 51.2%, according to the ratio of mid-career workers that accounts for less than 30%, simultaneous recruiting of new graduates is the mainstream for most of the companies including big companies (Chart1-2-10). Besides, in "the campus recruiting questionnaire survey 2008" compiled by the Japan Business Federation, the ratio of intermediate recruitment to new graduates that is 0% accounts for 13.9%, its ratio, about 10%, accounts for 33.6%, about 20% accounts for 19.7%, and about 30% accounts for 11.7%, so companies whose ratio with 30% or less accounts for 80% in total.

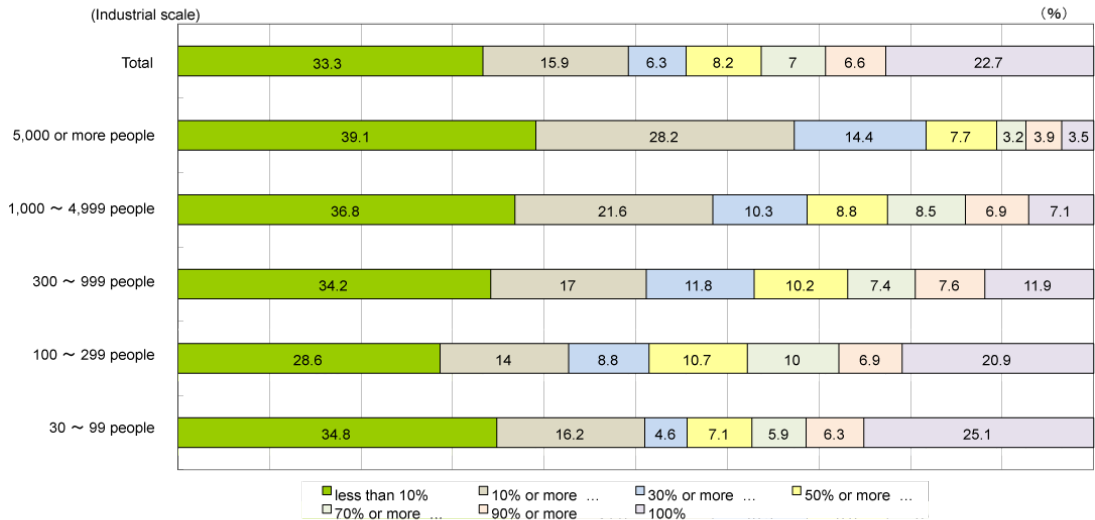
Chart1-2-9 Change in diffusion index of employment and facilities

(Diffusion index of "Excessive" minus "Insufficient", %points)



Source: "Short-term Economic Survey of Enterprises in Japan" compiled by the Bank of Japan
 (Note 1) Data is calculated by subtracting the ratio of the answer of "insufficient" from the ratio of the answer of "excessive" on employment and production capacity.
 (Note 2) Data of employment is numerical value of all scales and all industries.
 (Note 3) Data of production capacity is numerical value of all scales and manufacturing.

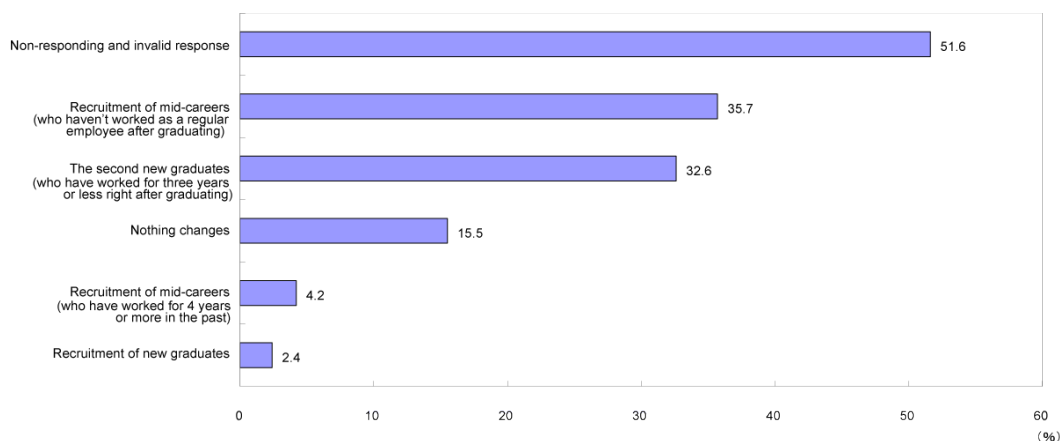
Chart 1-2-10 Ratio of mid-career workers to the total hiring (by industrial scale)



Source: "The employment management investigation" (2001) compiled by the Ministry of Health, Labour and Welfare

Moreover, according to "the survey on the adoption of the corporate ideal"(2006) compiled by the Cabinet Office, companies that are willing to increase intermediate recruitment accounts for 51.6%, which is the largest percentages.

Chart1-2-11 Recruitment policy on the future regular employment



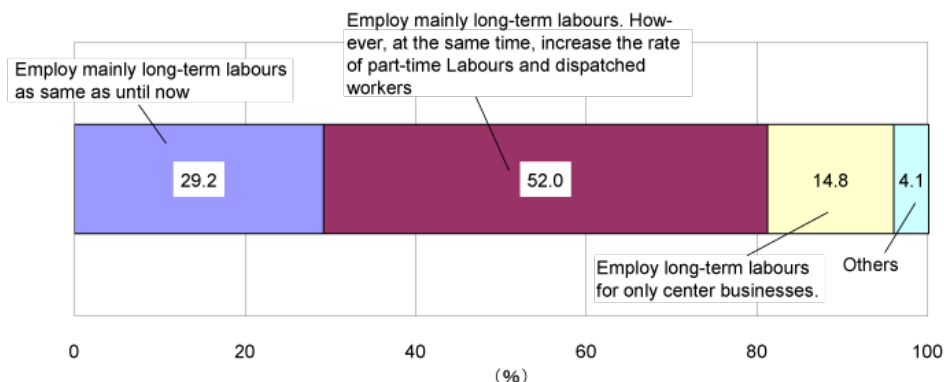
Source: "The survey on the adoption of the corporate ideal" (2006) compiled by the Cabinet Office

(Note 1) Companies cooperating with this research are 963 companies which have 30 employees or more in the whole country.

(Note 2) These are replies to the question on recruitment policy on the future regular employment that "Which ratio would you like to increase in the breakdown of the number of employment as regular-employment?" (You can choose up to three answers).

Meanwhile, according to "the research into top management on the spring labour offensive (2004)" compiled by the Japan Business Federation, executive officers' thought on a combination of types of employment is that executive officers who still think that long-term employment is a basis account for more than 80%, and many executive officers think the same way at the present. Although long-term employment is the focus, executive officers who answered to raise the ratio of part-time and dispatched workers accounts for more than half. In brief, while the custom of long-term employment in our country remains, the will to exploit types of employment except for regular workers seems to be in many executive officers' minds (Chart1-2-12).

Chart1—2—12 Combination of type of employment in the future



Source: Research into top management on the spring labour offensive 2004 compiled by corp. Japan Business Federation
 (Note) Objects for the research refer to directors in labour office of 2,091 companies belonging to Japan Business Federation and Tokyo Employer's Association (the ratio of valid replies accounts for 26.1%).

(Increase of various ways of working)

In changes in the economical and the industrial structure mentioned above, sense of value on their work styles has been diversified and against a backdrop of bilateral needs of both companies and workers, various ways of working apart from regular workers have been increased.

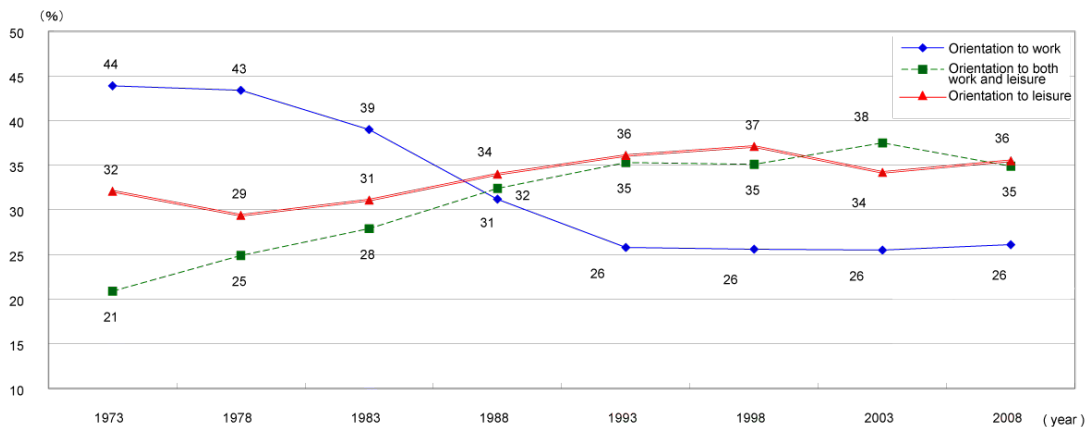
That is to say that competition between companies has been getting harder by progression of globalization and companies' consideration on cost has been rising, which has been leading companies to increase employment of non-regular workers. Meanwhile, looking into workers' sense of value of their work, while "orientation to work" has been decreasing for the long term, "orientation to leisure" and "orientation to both work and leisure" has been rising (chart 1-2-13); also, the ratio of thought on "sacrificing more or less of one's life for a company is reasonable" accounted for 47.0% in 1987 but decreased to 34.4% in 2003.

Against these backdrops, various ways of working increased and the number of non-regular workers has been increasing by being affected from the business trend, and that of non-regular workers exceeded 10 million in 1995 and reached 17.6 million in 2008. On the other hand, after the number of regular employees had been changing slowly until the middle of 1990s, it tended to decrease after 1998. After its number had decreased to 33.74 million slowly, it reached 33.99 million in 2008. (Chart1-2-14)

Besides, according to the ratio of all non-regular employees(except for executives), although its ratio accounted for 16.4% in 1985, it rised dramatically from the end of 1990s to the beginning of 2000s. Its ratio has been changing at the ratio exceeding 30% since 2003 and it rised to 34.1% (Chart1-2-15).

² Those who replied to this research are employees in offices and others whose employee scale is over 100.(Source: “Changes in employment practices and prospects of Japan “(1987) compiled by the Ministry of Labour, “ Survey on corporate personal strategy and labour’s consideration to work”(2003) compiled by the Statistics Bureau, Ministry of Internal Affairs and Communications

Chart1-2-13 Ideal way at work and leisure



Source: This chart is made by the Counselors for Policy Evaluation working under the Director-General for Policy Planning and Evaluation, MHLW according to Japanese Value Orientations compiled by the NHK Broadcasting Culture Research Institute.

(Note1) The content of each item is as follows.

Orientation to work: Total of the reply that "we live for work and devote our best to that" and the reply that "sometimes we enjoy our leisure too. However, we devote more our energy to work."

Orientation to work and leisure: "We devote our energy to work as well as to leisure."

Orientation to leisure: Total of the reply that "we live for our leisure more than for our work" and "we finish our work as soon as possible and enjoy our leisure."

(Note2) The chart doesn't include replies of "other", "don't know" and "non-responding."

Chart1-2-14 The number of employees, by type of employment

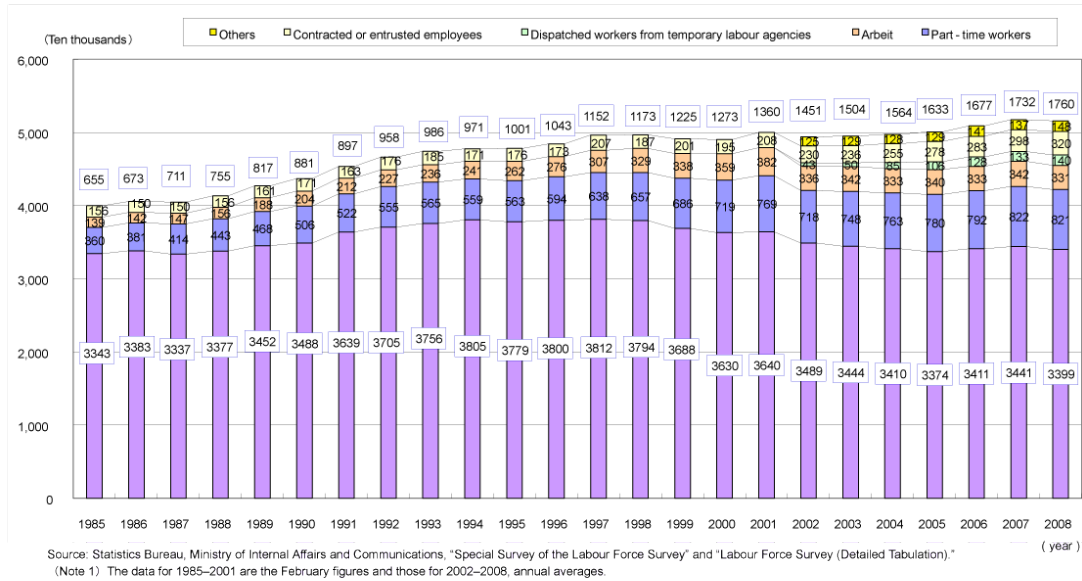
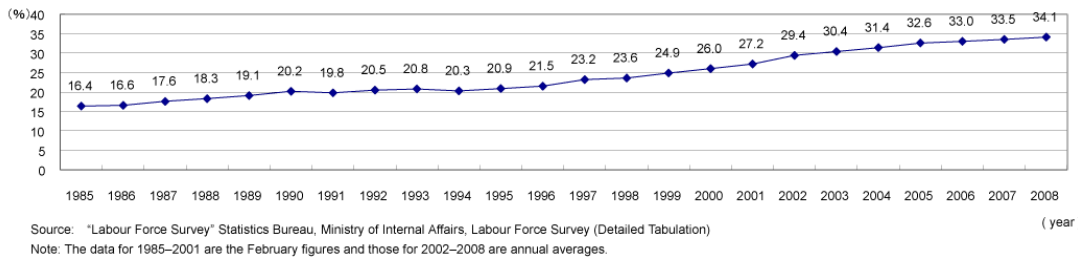


Chart1-2-15 Non-regular workers as a percentage of total employees except executives



2. Under the harsh economical climate

Although the business of our country had been recovering since 2002, it deteriorated rapidly due to the recession all over the world caused by the financial crisis of 2008. The ratio of real economic growth of GDP in 2008 was minus 3.3%, which was the worst negative growth after the war.

Employment situation has been deteriorating rapidly and it is in a difficult situation. The unemployment rate has been rising and it accounted for 5.2% in May 2009, and the number of unemployment rose for seven months in a row and it reached 3.47 million in the same month. The ratio of valid job offers has been decreasing more than ever and it declined to 0.44 times in the same month. Besides, situation in non-regular workers to be refused to renew their employment contract led that the

number of those who would separate, and planned to separate from their work, to reach about 229,000 (“Report of labour survey (up-dated in July)” compiled by MHLW (2009)) (Chart2-5-10).

Consideration to their life and anxiousness about their employment and treatment in their offices tends to deteriorate. According to “the survey on general public’s view” (researched in June 2009) compiled by the Bank of Japan, although business sentiment D.I (“ positive”-“negative”) is ▲11.0% as of September 2006, it is ▲81.4% as of March 2009. Also, “DI on life”(“leeway has been getting better”-“leeway has been getting worse”) is ▲57.0% from 39.6% as of the same date.

Besides, while anxiousness about their employment and treatment in their offices as of 1 year later, the ratio of “we are anxious about it so much” increased to 41.9% from 35.9%, the ratio of “we are anxious about it not much” decreased to 12.6% from 18,7%.