



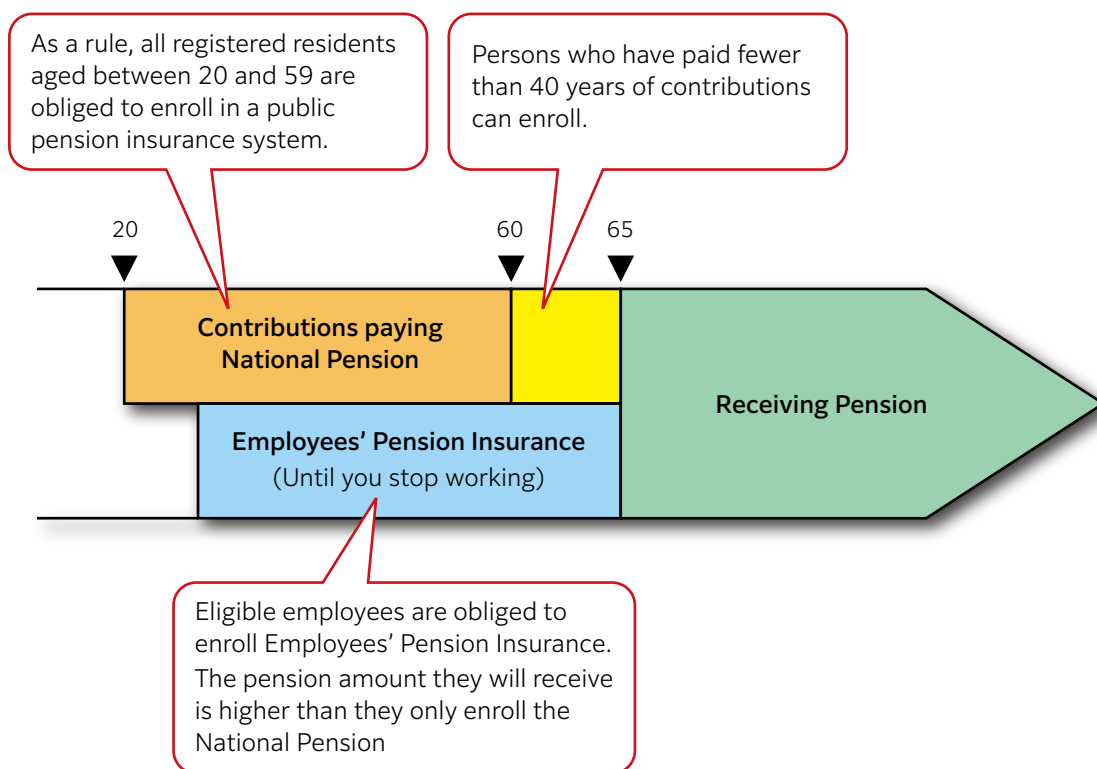
1

Pension

The Japanese public pension is a system to provide lifetime social security through mutual generational support.

The system is run with the scheme in which contributions paid by working generations goes to pension benefits of people such as the elderly.

Scheme for Old-age Basic Pension and Old-age Employees' Pension



1-1

National Pension

The Japanese National Pension system is a public pension system in which those aged 20 to 59 years who reside in Japan are to enroll.

(1) How to enroll the system

The insured (participants) are categorized according to their status as follows:

i. Category I insured persons

- Persons who are not in Category II or III, such as those who are self-employed, students, etc. are categorized in Category I.
- Applications to enroll should be filed at the municipal office in your area.

ii. Category II insured persons

- Persons who have already enrolled in Employees' Pension Insurance system or are categorized in Category II.
- Applications to enroll should be taken care of by the company which employs you.

iii. Category III insured persons

- Dependents of Category II insured persons are categorized in Category III.
- Applications to enroll are taken care of by the company where your spouse (in National Pension Category II) works.

* Dependents of Category I insured persons are not categorized in Category III.

* Dependent spouses married to persons over 65 years old in Employees' Pension Insurance system who receive pension benefits are not categorized in Category III, either.

(2) Contributions

- Contributions for those of Category I are flat. Those in Category II and III are exempted from payments of National Pension contributions.
- Contributions for those of Category I can be paid in cash when you receive a payment notice, by bank transfer, or with a credit card.
- A discount is applied if the full amount is paid in advance.
- Exemption from payment or contributions postponement options are available if you have difficulties paying contributions if your income has reduced or you have lost your job.
- For more details, please contact your municipal government or a Japan Pension Service (JPS) branch near you.

(3) Benefits

Old-age Basic Pension

- Persons who have paid contributions for at least 10 years are eligible to receive the Old-age Basic Pension when the insured attains 65 years of age.
- The benefit amount is calculated in accordance with the period during which the insured has paid contributions.
- Persons who have paid contributions for 40 years from 20 to 59 years of age can receive the full amount of pension benefits.
 - * The period of time during which the contributions have not been paid cannot be included in the qualifying period for benefits.
 - * The pension benefit amount to be paid to persons who have been exempted from the contributions payment for a period of time will be calculated in accordance with the type of such exemption and the basic pension expenditure ratio in the National Treasury.

Disability Basic Pension

- Persons who fulfill all of the following are eligible to receive the Disability Basic Pension:
 - i. A disability has been caused by illness or injuries;
 - ii. The first doctor consultation about the illness or injuries which have eventually caused the disability in question was carried out while the insured had been covered by the National Pension system; and
 - iii. Contribution payment requirements had been fulfilled as of the day before the day of the first doctor consultation.
- There are two grades of disabilities.
- Benefit amount varies from the grade.
 - i. Disability Grade 1 → Full amount of Old-age Basic Pension × 1.25
 - ii. Disability Grade 2 → Full amount of Old-age Basic Pension
- If you have a Child, no matter which grade he/she corresponds to, an additional amount is paid.

Survivors' Basic Pension

- A "Dependent with a Child" or a "Child" who satisfies the following conditions is eligible to receive Survivors' Basic Pension.
 - A "Dependent with a Child" or a "Child" who depended economically on the deceased insured satisfies i or ii below.
 - i. At the moment when an insured or ex-insured died, he/she had satisfied the contribution payment requirements.
 - ii. At the moment when an insured who had been qualified for Old-age Basic Pension for 25 years or more died, a "Dependent with a Child" or a "Child".

- The amount of Survivors' Basic Pension is the same as that for the full Basic Pension benefit. An additional amount will be paid if you have a Child.

Key Point:
Who is a "Child"?

The term "Child" refers to a child or young unmarried person who fulfills following two conditions:



- Under 18 years, and 18 years old until first 31st March after his/her birthday; or
- Under 20 years old with Disability Grade 1 or 2.

Lump-sum Death Benefit

- If an insured has paid contributions as a Category I insured person for more than 36 months and has not yet received any benefits, a family member can receive the Lump-sum Death Benefit.
- The benefit amount varies depending on the length of the contribution-paid period and contribution-exempted period.

Widow's Pension

- This is a benefit for a widow whose husband has died after contributing to the pension system at least for 10 years as a Category I insured person. However, said widow must have been financially supported by him and married to him at least for 10 years by the time of his death. The Widow's Pension will be paid from 60 to 65 years old.
- The amount of the pension is 3/4 of the Old-age Basic Pension calculated based only on the period in which the insured husband had been categorized in Category I.

1-2
Employees' Pension Insurance system

Employees who work for employers who are responsible to enroll their employees in appropriate employees' health and pension insurance systems will enroll Employees' Pension Insurance by satisfying the enrollment requirements. (The requirements for employers and employees are the same as those in Health Insurance.)

Employees who are not eligible for Employees' Pension Insurance are to enroll in the National Pension system.

(1) Eligible members

- Persons who are under 70 years old and work for employers who are responsible to enroll their employees in appropriate employees' health and pension insurance systems and fulfill the enrollment requirements, are to enroll Employees' Pension Insurance.

*** Employers**

The following employers have a responsibility to enroll their employees in the appropriate employees' health and pension insurance systems:

- i. Corporations;
- ii. Private entities except those in the agriculture, forestry, fisheries and service industries and that have five or more employees; or
- iii. Voluntary applicable businesses based on a labor-management agreement.

(2) Contributions

- Co-payment Contributions are calculated as follows:

$$\frac{\text{Monthly salary (monthly average remuneration)} \times \text{Contribution rate} \div 2 + \text{bonus (standard bonus amount)} \times \text{Contribution rate}}{\div 2}$$

- * The employee and the company each pay half of the contributions for Employees' Pension Insurance.

(3) Benefits

Old-age Employees' Pension

- If an insured person in Employees' Pension Insurance system has a coverage period of at least 10 years, Old-age Employees' Pension benefit can be received.
- The amount of the pension varies in accordance with the insured persons' monthly salary (monthly average remuneration) when paying contributions and the contribution-paid period, etc.
- * It is possible to receive Old-age Employees' Pension before your 65th birthday if you meet the contribution payment qualifications.

Disability Employees' Pension

- Persons who fulfill all of the following can receive Disability Employees' Pension:
 - i. The first doctor consultation about the illness or injury which have eventually caused the disability in question was carried out while an insured had been covered by Employees' Pension Insurance;
 - ii. Disabilities have been caused by illness or injuries; and
 - iii. Contribution payment qualifications are fulfilled as of the day before the day of the first doctor consultation.
- There are three grades of disability.
- Benefit amount varies according to the grade.
 - i. Disability Grade 1 → Old-age Employees' Pension amount × 1.25
 - ii. Disability Grade 2 and 3 → The same amount as the Old-age Employees' Pension

- * A minimum benefit amount is reserved for Disability Grade 3. Guaranteed minimum benefit = Disability Grade 2 Disability Basic Pension amount × 3/4

Even if your disabilities are not approved for Disability Employees' Pension, you may be able to receive benefits for persons with disabilities.

Survivors' Employees' Pension

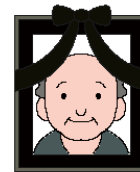
- Survivor dependents of an insured decedent who fulfill any of the following are eligible to receive Survivor's Employees' Pension:
 - i. If the insured fulfills contribution payment qualifications and when he/she has died;
 - ii. If the insured fulfills contribution payment qualifications and when he/she has died within five years from the first doctor consultation on the illness or injuries he/she had been suffered from while he/she had been covered by Employees' Pension Insurance;
 - iii. When an insured or ex-insured who has the valid coverage period for Old-age Basic Pension over 25 years has died; or
 - iv. When an insured who was eligible to receive Disability Grade 1 or 2 Employee's Pension died.
- Survivors' pension amount is 3/4 of the Old-age Employees' Pension that the insured would receive.

Key Point:

Who is a "Survivor"?

A "Survivor" is defined as any of the following:

1. Spouse (In case of a husband, he must be over 55 years. He can receive a pension from 60 years old.)
 2. Child (as defined in the National Pension system)
 3. Parents (Over 55 years old. They can receive a pension from 60 years old.)
 4. Grandchildren (the same conditions as the Children are applicable)
 5. Grandparents (Over 55 years old. They can receive a pension from 60 years old.)
- * If a husband is qualified for the Survivors' Basic Pension, he can receive Survivor Employees' Pension from 55 years old.
 - * Parents, Grandchildren and Grandparents can receive the benefit according to the priority ranking.



1-3

Lump-sum Withdrawal Payments

Eligibility

You may claim Lump-sum Withdrawal Payments (LWP) when you leave Japan if you satisfy all conditions as follows:

1. You do not have Japanese nationality.
2. You have been insured under the Employees' Pension Insurance (EPI) or the National Pension (NP) for six months or more;
3. Your total insured periods for the EPI or the NP are less than 10 years;
4. You no longer have a registered address in Japan;
5. You are no longer covered by the EPI and the NP;
6. You have never been entitled to Japanese public pension benefits including Disability Allowance.
7. Within 2 years after the date you no longer have a registered address in Japan.

Important notes for the application

Before applying for Lump-sum Withdrawal Payments (LWP), please read through the following notes:

1. When you apply for LWP, all your insured periods in the past shall be used as the base to calculate your LWP amount. Once LWP are entitled to you, these insured periods will no longer be valid. Therefore, please carefully consider before claiming LWP.

* An application form for LWP is downloadable at the JPS (Japan Pension Service) website. Please also read the notes on the application form carefully.

2. If you still have a registered address in Japan on the day when the JPS receives your application, your application will be rejected. Please submit a move-out notice to the municipal office where you live before you apply for LWP.
3. In case you submit your application while you are still in Japan before you move to another country, please submit your application so that it arrives at the JPS after the move-out (planned) date on the residence certificate.
4. The amount of payment of LWP will be calculated based on your insured periods up to a certain number of years. This maximum number of years was raised from April 2021. Specifically, the maximum number of years according to your insured periods is as follows:

◎ **If your insured periods is only in and before March 2021:**

It will be calculated based on your insured periods up to 3 years (36 months).

◎ **If your insured periods includes in and after April 2021.**

It will be calculated based on your insured periods up to 5 years (60 months).

Further, if you are going to stay in Japan for several times, with your insured periods expected to be the maximum number of years or more in total, and plan to receive your LWP to be calculated based on the whole length of your insured periods, you might need to claim LWP every time you move out of Japan.

Visit the following JPS website for more details about Lump-sum Withdrawal Payments and the application form including mailing address.

<https://www.nenkin.go.jp/service/jukyu/todoke/kyotsu/20150406.html>



Key Point:

Social Security Agreement

Japan has concluded Social Security Agreements with several countries. If you have insured periods of a country that has a totalization agreement with Japan, you may be entitled to a benefit(s) from Japan or/and the other country, even if your insured periods of each country is insufficient for the entitlement, by totalizing the insured periods of both countries.



See the list of contracting countries of the Agreements on the website of the Ministry of Health, Labour and Welfare.

2

Long-Term Care Insurance

In Japan, there is a Long-Term Care Insurance system where the whole of society supports the elderly who need long-term care, etc. The insured pay premiums and when they need long-term care, they can use the long-term care service by paying their co-payment.



2-1

Eligibility

Persons who are over 40 years old and who will reside in Japan longer than three months have to get enrolled in the system.

2-2

Premiums

The insured in this system pay a premium calculated in accordance with their income in the previous year. The amount of premium varies not only from the income but also from the age of the insured and the area they lives in.

1. Over 65 years old member (Primary insured persons)
As a general rule, the premium is deducted from your pension. (You should pay in cash when you receive a payment notice.)
2. Over 40 and under 65 years old member (Secondary insured persons)
The premium will be deducted together with that for medical insurance.

See the following URL for details about the Long-Term Care Insurance system (Secondary insured persons):

https://www.mhlw.go.jp/stf/newpage_10548.html



2-3

Long-Term Care service

The process for using the long-term care service:

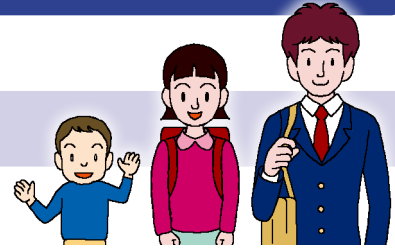
- i. Apply for a certificate for Long-Term Care/Support Need at the municipal office in your area. Your application needs to be approved.
 - * You need to be certified for long-term care/support services.
 - * Once you apply, your physical and mental conditions will be checked and you will be notified of the result generally within 30 days.
- ii. Request the Care Plan from a Care Manager or a Community General Support Center in your area.
 - * If you are going to move into a long-term care facility, apply to the facility directly.
- iii. Service is provided according to the Care Plan.
 - * Long-term preventive care and life support services are available for persons who are not certified for long-term care. Ask at your municipal office for further information.

3

Child Welfare

3-1

Child Allowance



See Chapter 4-3, Article 3-4

3-2

Child Rearing allowance

- This is a benefit for Children (*) in single-parent household.
- Persons who are in custody of Children as listed below can receive the allowance:

- Children whose parents are divorced;
- Children whose father or mother has died;
- Children whose father or mother has disabilities of a particular grade; or
- Children for whom it is not clear whether their father or mother is alive or dead.

* "Children" means persons who are under 18 years old or younger until the first 31st March after their 18th birthday, or persons who are under 20 with certain disabilities.

Monthly allowance

* In FY2021

- First child/Where you have one child
In full: 43,160 yen Partial payment: from 43,150 to 10,180 yen
- Additional amount for the second child and subsequent children

[Second child]

In full: 10,190 yen Partial payment: from 10,180 to 5,100 yen

[Per child including the third and subsequent children]

In full: 6,110 yen Partial payment: From 6,100 to 3,060 yen

- * The benefit amount varies from year to year depending on the inflation rate. Those whose income in the previous year had reached a certain standard are not eligible to receive it. When you receive a public pension, etc., the allowance will only be paid partially, or will not be paid. For further information, ask at the municipal office in your area.

3-3

Special Child Rearing Allowance (for parents of children with disabilities)

Parents and guardians who raise children who are under 20 years old and have physical or mental disabilities in households are eligible for this allowance.

- * If the income of the parents in the previous year reached a certain level, they will not be eligible to receive the allowance. For further information, ask at the municipal office in your area.

Benefit amount

*** In FY2021 (the amount varies every year in linked with prices)**

- In case of children with extremely severe disabilities (equivalent to Disability Grade 1 for the basic pension)
Per child 52,500 yen/month
- In case of children with severe disabilities (equivalent to Disabilities Grade 2 for the basic pension)
Per child 34,970 yen/month

3-4

Severe Disability Premium

Children and young persons under 20 who have severe physical or mental disabilities and need consistent nursing care are eligible to receive this premium.

- * If a qualified person had an income at a certain level in the previous year, such person will not be eligible to receive the premium. Contact your municipal office for more details.

Benefit amount

*** In FY2021 (the amount varies every year linked to retail prices): 14,880 yen/month**

4

Welfare for persons with disabilities

4-1

Certification for Persons with Disabilities

If a person has physical, intellectual or mental disabilities, a **Certification for Persons with Disabilities** is issued according to the grade of his or her disability as a certificate. With this **certification**, a tax reduction and discounts on transportation fares are applied.

Types of Certification for Persons with Disabilities

- Physical disability certificate: for persons who have permanent physical disabilities
- Intellectual disability certificate: for persons who have intellectual disabilities
- Mental disability certificate: for those have mental disabilities which cause them difficulties and limitations in social life

See the following URL for details:

https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/hukushi_kaigo/shougaishahukushi/techou.html



* For consultation, please contact your nearest municipal office.

4-2

Public services for persons and children with disabilities

Various types of public services, such as nursing and rehabilitation training, are available for persons with disabilities.

Nursing and development support are also available for children and young persons with disabilities.

For further information on public services for persons with disabilities, contact your municipal office.



5

Public Assistance

Upon meeting the requirements indicated in 5-1, if a household's income does not reach the minimum standard of living, public support may be given to bridge the difference between the income and the standard.

* The minimum standard of living is determined by the Minister of Health, Labour and Welfare.

Foreign nationals who fulfill the following condition may be eligible for the assistance:

- Persons whose status of residence does not have any limitations on their activities in Japan: Permanent Resident, Spouse or Child of Japanese National, Spouse or Child of Permanent Resident, Long-Term Resident

For more details, please consult the municipal office in your area.

5-1

Requirements for Public Assistance

(1) Utilizing Assets

If you have any savings or land/buildings that are not in use, turn them into cash to cover your living expenses.

(2) Utilizing Skills

If you can work, make the best of your skills.

(3) Other Allowances

If you are eligible for pensions and/or any allowances, apply for them.

(4) Support from family members

If you can get financial support from any of your relatives, receive the support.

5-2 Types of assistance

The types of assistance will be determined according to what is necessary to live.

Essential costs of living	Type of assistance	What is supported
Basic living expenses for food, clothing and utilities	Livelihood assistance	<ul style="list-style-type: none"> • Personal expenses (for food, etc.) • Fixed amount to cover household utility costs
Rent for apartment	Housing assistance	Actual costs within the budget
Charges for school meals, books, supplies, etc. for compulsory education	Education assistance	A fixed amount
Medical expenses, costs related to treatment	Medical assistance	Actual amount will be paid directly to the medical institution (no co-payment)
Nursing care charge using nursing-care insurance	Long-term care assistance	Actual amount will be paid directly to the care service facility (no co-payment)
Expense of childbirth	Maternity assistance	Actual costs within the budget
Expenses for acquisition of skills required for employment	Occupational assistance	Actual costs within the budget
Funeral expenses	Funeral assistance	Actual costs within the budget

6

Services to promote independence for needy persons

We provide a comprehensive and customized support for those having financial difficulties.

