

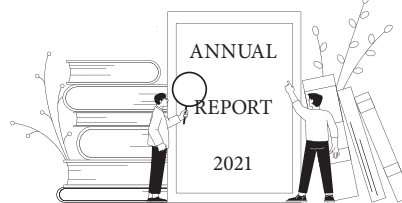


日本年金機構
Japan Pension Service

In a New Era

Annual Report 2021

[April 2021 - March 2022]



MESSAGE

From the President to Japanese citizens and residents

Contributing

President, Japan Pension Service

Toichiro Mizushima

After graduating from Hitotsubashi University, Toichiro Mizushima joined the Mitsui Bank.

After serving as Vice President of the Sumitomo Mitsui Banking Corporation, he became President of the Readjustment of Facilities for Insured Persons and Beneficiaries Organization in 2005.

He has been President of JPS since January 2013.



Japan Pension Service's Major Initiatives for FY 2021

I am pleased to share with you that in fiscal 2021, the Japan Pension Service set its organizational goal as "contributing to social stability and sense of security for people," based on our determination to contribute to stabilize people's livelihood especially in the COVID-19 pandemic. To achieve the goal, we set the priorities of "mission-critical operations that contribute to stability and sense of security," "promotion of online business model" and "responsible implementation of reformed pension system." Under the priorities we promoted the initiatives listed below.

to a New Era

[Mission-critical operations that contribute to stability and sense of security]

First, I would like to summarize JPS's mission-critical operations which include National Pension contribution collection, coverage extension of Employees' Pension Insurance, pension benefits payments and pension consultation service. Regarding National Pension contribution collection, we offered Temporary Special Measures for National Pension Contribution Exemptions, continuously since last year, to those who experienced sharp drop in income due to the effects of the COVID-19 pandemic. Taking into consideration of the people who have not paid their contribution, we deliberately sent them payment reminders to help them secure insurance. These efforts resulted in a current-year payment rate of 73.9% for FY 2021 and a final payment rate of 78.0% for FY 2019, both of which exceeded JPS's targets, and these rates increased year by year in the past 10 years and the past 9 years respectively.

In terms of coverage extension of Employees' Pension Insurance JPS effectively sent letters or called workplaces to encourage timely enrollment to EPI, by making use of the information of national tax withholding agent. As a result, approximately 104,000 workplaces have been newly covered through our coverage guidance efforts and we achieved substantial reduction in numbers of possible workplaces which should be covered under the Employees' Health Insurance to as low as 185,000 compared to about 970,000 as of the start of FY 2015.

For contribution collection measures under the Employees' Pension Insurance, the grace period of special postponement system for EPI contribution, which was COVID-19 policy-driven measures since February 2020 was gradually expiring after March 2021. Accordingly, JPS started to carefully remind workplaces to pay contribution taking into consideration their business situation or to continue to apply the special postponement system to those who need it. This effort resulted in an increase in payment rate to 98.3%, exceeding the rate of previous year.

For pension benefits, JPS continued to encourage those over the age of 70 who have not yet claimed old-age pensions to file a claim for benefits. By March 2022, we had encouraged approximately 52,000 people to file a claim and paid approximately 48,000 people old-age pensions. Among our efforts for prompt processing of benefits entitlements, we strengthened the operational system.

For pension consultation service, JPS continued to maintain high rates of consultations by appointment at JPS branch offices. We also achieved a response rate of more than 70% at call centers by maintaining and improving dedicated service dial lines for specific purposes.

[Promotion for online business model]

JPS has promoted initiatives based on the three measures below in order to respond to the needs for contactless operations in the circumstance of the digital advancement as well as the COVID-19 pandemic.

<Online services>

JPS worked to improve customer-oriented services which were tailored for the characteristics of each workplace and individual customer. We also worked to improve the usability of e-applications and to advance systems development for online information provision service. As a result of e-applications promotion, we achieved significant increase in the e-applications ratio to 58% from the previous fiscal year, for the seven main reporting including coverage registration and coverage-end reports which are especially popular among workplaces. Promotion of Nenkin Net (pension net,) the primary online service for individual customers, also pushed the number of users to 7.7 million, a 1 million increase over the previous fiscal year.

<Creating a digital workflow>

We added an imaging data processing function for various reports within our progress management and electronic approval system. This has enabled all processing centers to perform their work free from traditional business jurisdictions.

Without such restrictions, JPS could spread workloads evenly to each processing center. This change enabled the spread of excessive workload which used to be processed at large processing centers alone, evenly to other processing centers.

<Channel diversification>

In February 2022, we opened "Nenkin Satellite Aobadai," a sub branch office in Aoba-ku, Yokohama City, Kanagawa Prefecture, where the local population had a high demand for consultation service. JPS expanded the face-to-face service in response to population ageing / density in urban areas.

[Reliable response to pension reform]

In preparation for the smooth operation of revised pension system which was to be implemented in fiscal year 2022, we examined necessary operational change and developed responding systems to ensure that the reformed pension system would be accurately operated in practice. Furthermore, JPS communicated with customers, namely, pension beneficiaries, insured persons and employers about the revision in pension system. Practically, when we sent regular notices to them, we enclosed relevant and respective information about the revision, to beneficiaries, insured persons and employers, each.

Initiatives in FY 2022

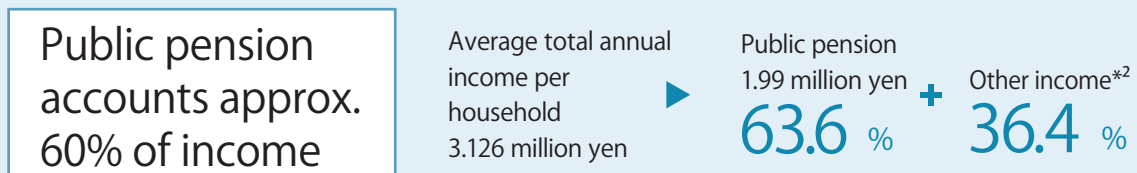
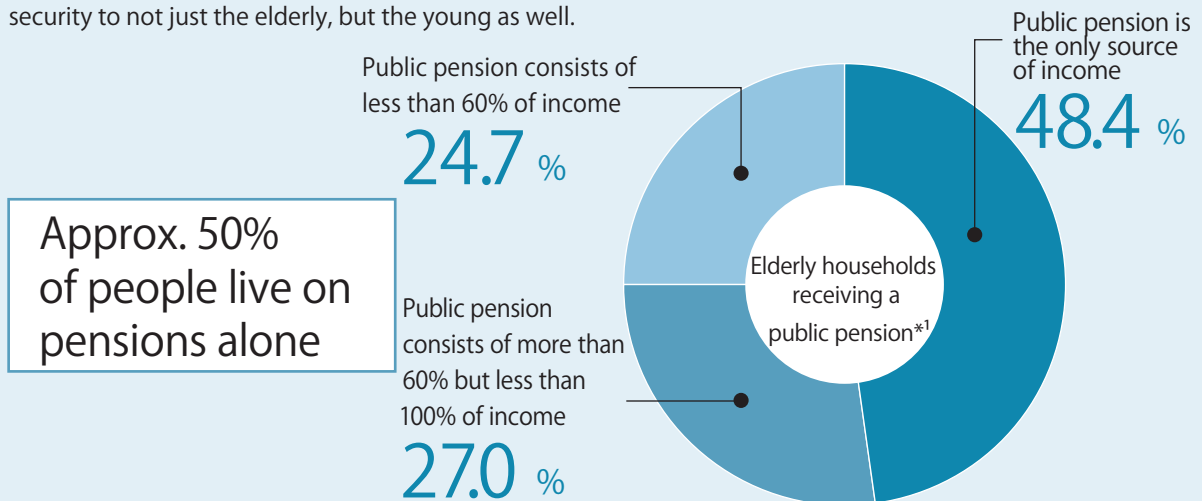
In FY 2022, JPS set an organizational goal as "Overcoming the COVID-19 pandemic —Contributing to a New Era." In terms of the mission-critical operations, we take advantage of the experiences and lessons from our response during COVID-19 Pandemic. Regarding our mission critical operations, JPS aims to link the past COVID-19 response to future follow-up operations. Under the aim, JPS is calling for contribution payment to individuals who were once officially permitted to postpone their National Pension contribution payments under the temporary special measure for COVID-19. Likewise, JPS is providing workplaces a substantial support to make contribution payment plan, where the workplaces were once granted a statutory approval to postpone their contribution payments for Employees' Pension Insurance. As a new challenge in our mission-critical operations, JPS is working on measures toward 80% as a final rate of National Pension contribution payment. Also we are making administrative efforts to expand coverage to more workers on the occasion of pension system revision to expand coverage to part-time workers.

In conclusion, I would like to promise to the public that each and every JPS staffer is committed to correct and fair operation of the pension system to achieve the organizational goals, bearing in mind the expected role and mandate of JPS, which is "to operate ever-more complex pension system accurately and fairly in practice, and ensure correct payment of pension benefits to the public, thus to contribute to the stability in people's livelihood."

How does the public provide stability and

1 Preparedness for Post-Retirement Livelihood and Against Unexpected Events

Around 50% of elderly households currently receiving pension benefits live on their pension alone. Around 60% of elderly households' income is provided by pensions. The public pension system is the bedrock of a secure life in old age. Pensions can also be received when someone suffers a disability or the household's primary wage earner passes away. In this way, the pension is a preparedness measure that provides sense of security to not just the elderly, but the young as well.



[Source] 2019 Comprehensive Survey of Living Conditions (Ministry of Health, Labour and Welfare)

*1: Elderly household: Consists only of people aged 65 or older, or such a household that also contains unmarried individuals under the age of 18.

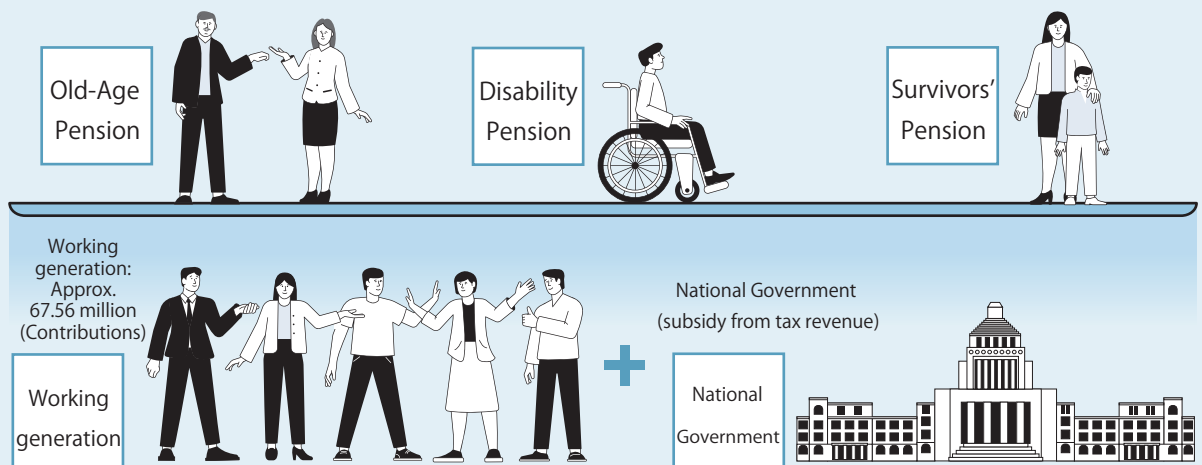
*2: Other income includes income from work, income from investment in land, buildings, marketable securities, financial support from children, corporate pension funds, and personal pension.

pension system sense of security?

2 All People Are Covered and Support One Another

Under Japan's public pension system, all people living in Japan aged 20 to 59 must be covered by the National Pension (also called the Basic Pension.) This entire coverage system is called a universal pension, and this is the source of sense of security. As long as you are making contribution payments, all people are guaranteed the basic essentials to living a stable lifestyle.

Our lives entail some risks that we will have difficulty being financially independent due to causes including our own ageing, the ageing of our family members, disability, or death. Moreover, many risks cannot be foreseen. The public pension enables people to receive benefits when they need them by making contributions in advance. It is difficult to predict what age one will live to, or what changes to one's economic circumstances or society as a whole will take place in the course of one's long life. It is highly possible that you will not have enough savings when you need them, that you may cut down on living expenses more than necessary in the name of savings, or that you may not be able to rely on your children or family. That is why the public pension system provides sense of security.



The mechanism of the public pension system can also be described from an insurance perspective. In an insurance system, everyone pays contributions and supports each other via the group. In the public pension system, all the people are enrolled and support each other in a social insurance system. Different generations support one another, with current pension beneficiaries receiving benefits funded by insurance contributions from the current working-age population. Moreover, in addition to the contributions of the people, the national government also contributes (taxes) to support the livelihood of pensioners. The types of pensions are the "old-age pension," "disability pension," and "survivors' pension."

How does the public pension system provide stability and sense of security?

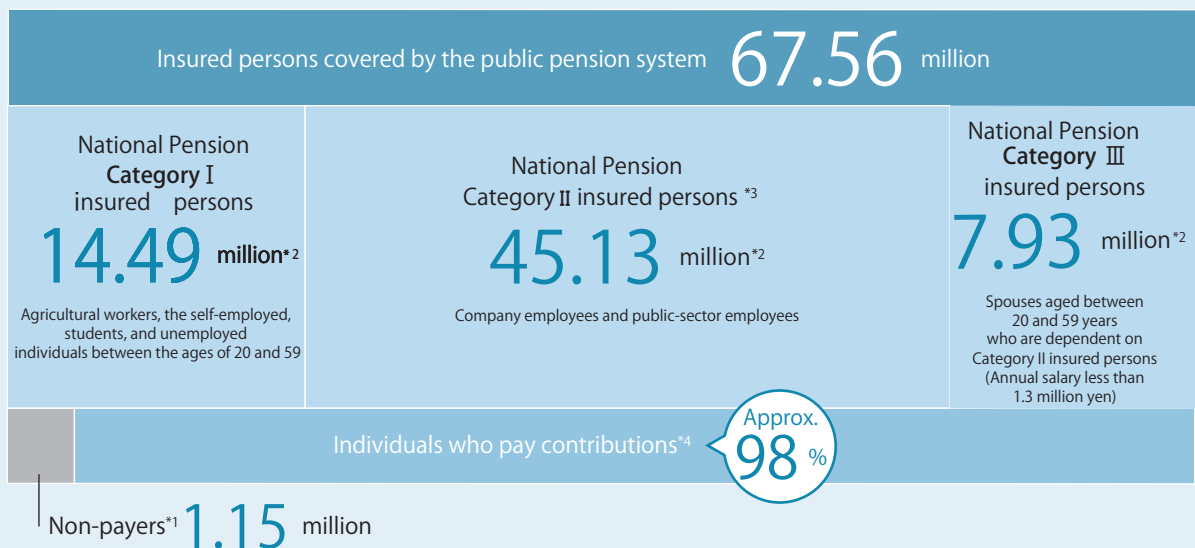
3

Reliable and Correct Payment of Important Funds under Government Responsibility

All people in Japan aged between 20 and 59 are obligated to make contribution payments to the pension system, and they have the right to receive pension benefits in old age or at the unexpected life events. At present, around 98% of all people enrolled in the public pension system are paying contributions. The Japan Pension Service is entrusted by the Japanese national government to properly handle indispensable contributions collected from the people and to pay out pension benefits accurately and promptly. In principle, it is not possible to receive pension benefits without paying contributions.

▶ Status of insured persons covered by the public pension system Figures may not add up due to rounding.

About 98% of all insured persons pay contributions (including those granted exemptions and postponements of payment.)



[Source] "FY 2020 National Pension Enrollment and Pension Contribution Payment Status," Ministry of Health, Labour and Welfare, Japan Pension Service; "Employees' Pension Insurance and National Pension Annual Report," Ministry of Health, Labour and Welfare (FY 2020)

*1: A non-payer is someone who is a Category I insured person and has not paid contribution in 24 months (From April 2019 to March 2021.)

*2: As of the end of FY 2019. Number of the Category I insured persons include 190,000 people under voluntary coverage.

*3: Category II insured person refers to the insured persons under Employees' Pension Insurance (In addition to Category II insured persons, this includes individuals aged 65 years or older with the right to pension benefits due to old age or retirement.)

*4: Including individuals whose contribution payments are either exempted or postponed.

4

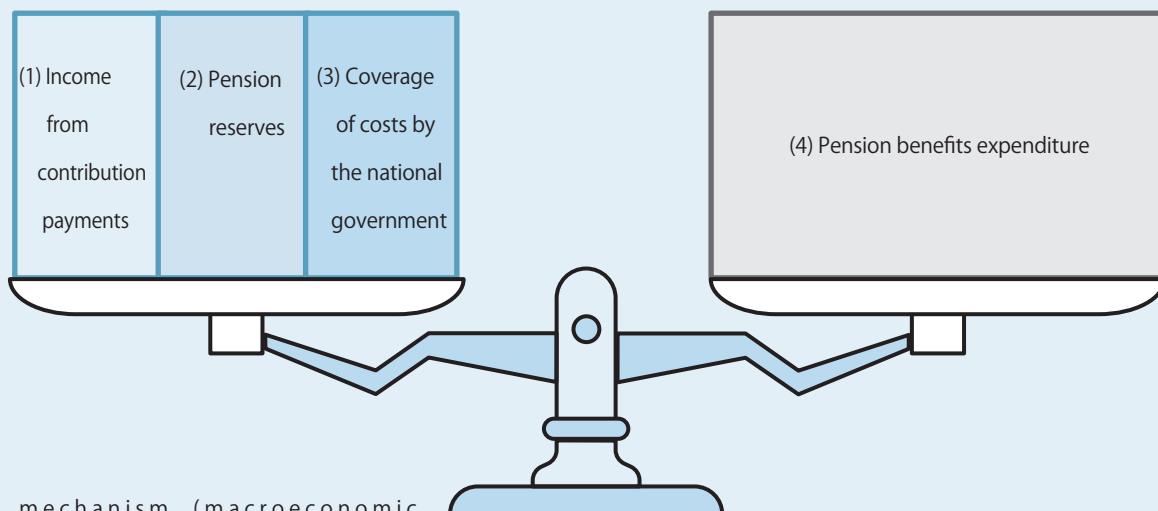
Public Pension System Will Never End

The public pension system is designed to be able to pay benefits covered by the national government funds. Mechanisms have also been introduced to automatically adjust annual monetary values of benefits, in order to maintain the system even in time of the population aging and low birth rate, ensuring a long-term balance of income and expenditures. Additionally, the public pension system works such that pension benefits are paid based on the contribution payments one has made, so even if some people do not pay contributions, the system itself will not collapse. Therefore, you can say the system is reliable in the future.

- (1) Set an upper limit on future contributions burden
- (2) Investment of pension reserves
- (3) Increase the national government's subsidy rate to the Basic Pension expenditure
- (4) Automatic adjustment of benefit levels based on financial resources available



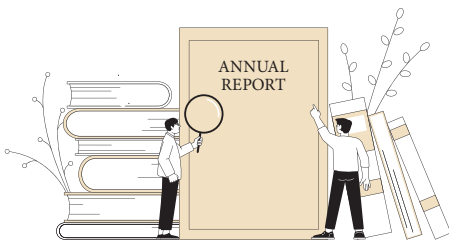
- Balance long-term incomes and expenditures
- Regular check on the financial status of the pension system



A mechanism (macroeconomic indexation) has been introduced to automatically adjust pension amount values to ensure that benefits payments can be covered by available financial resources.

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Publication of Annual Report

Since its foundation in January 2010, JPS has published an annual report every fiscal year to provide the public with easy-to-understand information on the status of its operations and goal achievement. This year's edition has been compiled to include priority measures for FY 2022 as well as performance for FY 2021. We hope you will take a look at this report.

Japan Pension Service and the Public Pension System

This chapter focuses on JPS's organization and operation which support whole series of implementation of the public pension system.

It also explains the "foundation" and "structure" of the Japanese public pension system.

About the Japan Pension Service

Overview [Basic information]

| | |
|----------------------|--|
| Name | Japan Pension Service (Nippon Nenkin Kiko) |
| Headquarters address | 3-5-24, Takaido-nishi, Suginami-ku, Tokyo 168-8505 Japan |
| Telephone (main) | 03-5344-1100 |
| Organization | Special public corporation with non-government employees: Headquarters and 312 branch offices |
| Founded | January 1, 2010 - Replaced the Social Insurance Agency, which was abolished. |
| President | Toichiro Mizushima |
| Staff | Approximately 11,000 regular staff members (as of April 1, 2021) - In addition to the above, there are also special-purpose (contract) staff engaged in specific operations and assistant (contract) workers engaged in support operations. |
| Operations | The Japan Pension Service (JPS) is responsible for public pension system operations (coverage, contribution collection, pension records management, pension consultation service, benefits entitlement, and benefits payments) that are delegated and entrusted by the Japanese government (Minister of Health, Labour and Welfare.) |



Japan Pension Service's symbol mark (decided on June 25, 2009)

The organization that manages the public pension system of Japan is represented by a single character "Nen" (year) above the "Hinomaru" (Japanese flag.)

Check out the JPS website

The JPS website contains all kinds of information about the public pension system and the Japan Pension Service. You can search for the information you need easily from menus specific to certain types of users and scenarios. You can also watch various videos on how to fill out the pension benefit claim form.



Simple access via QR code!

Japan Pension Service 
<https://www.nenkin.go.jp>

Homepage overview

1

You can find main categories for specific information, including pension systems and procedures, application and report forms, and Q&A on pension.

2

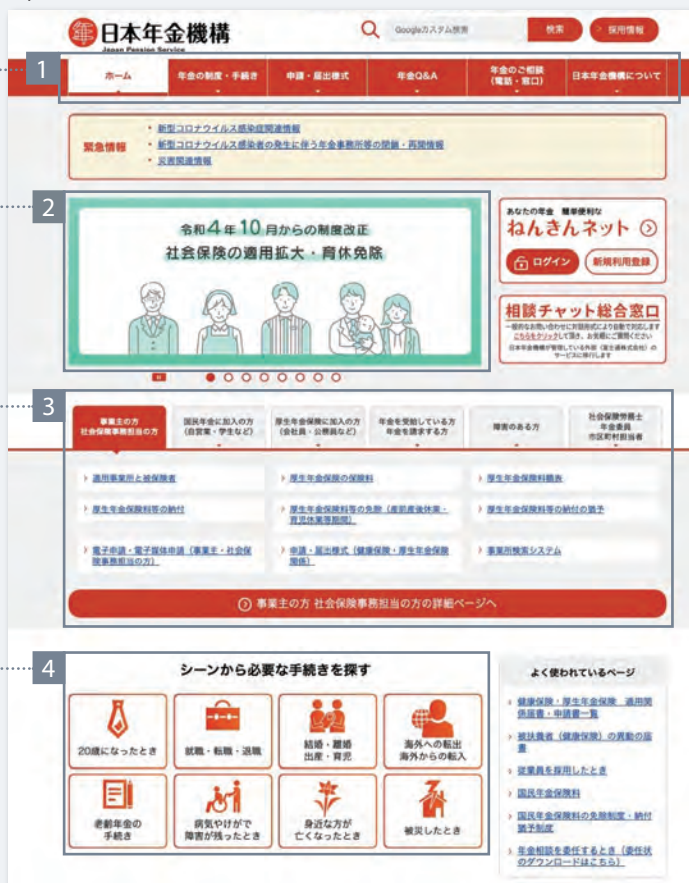
You can find information on JPS operations and initiatives, timely announcements.

3

There are six menus available for different group of users, such as employers and insured persons of National Pension system.

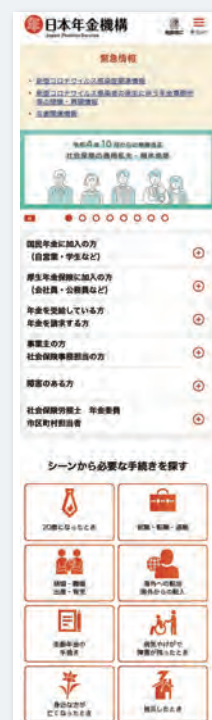
4

You can find what to do in relation to the pension system for specific situations, such as turning 20 years old, hired to work, changing jobs, or retirement.



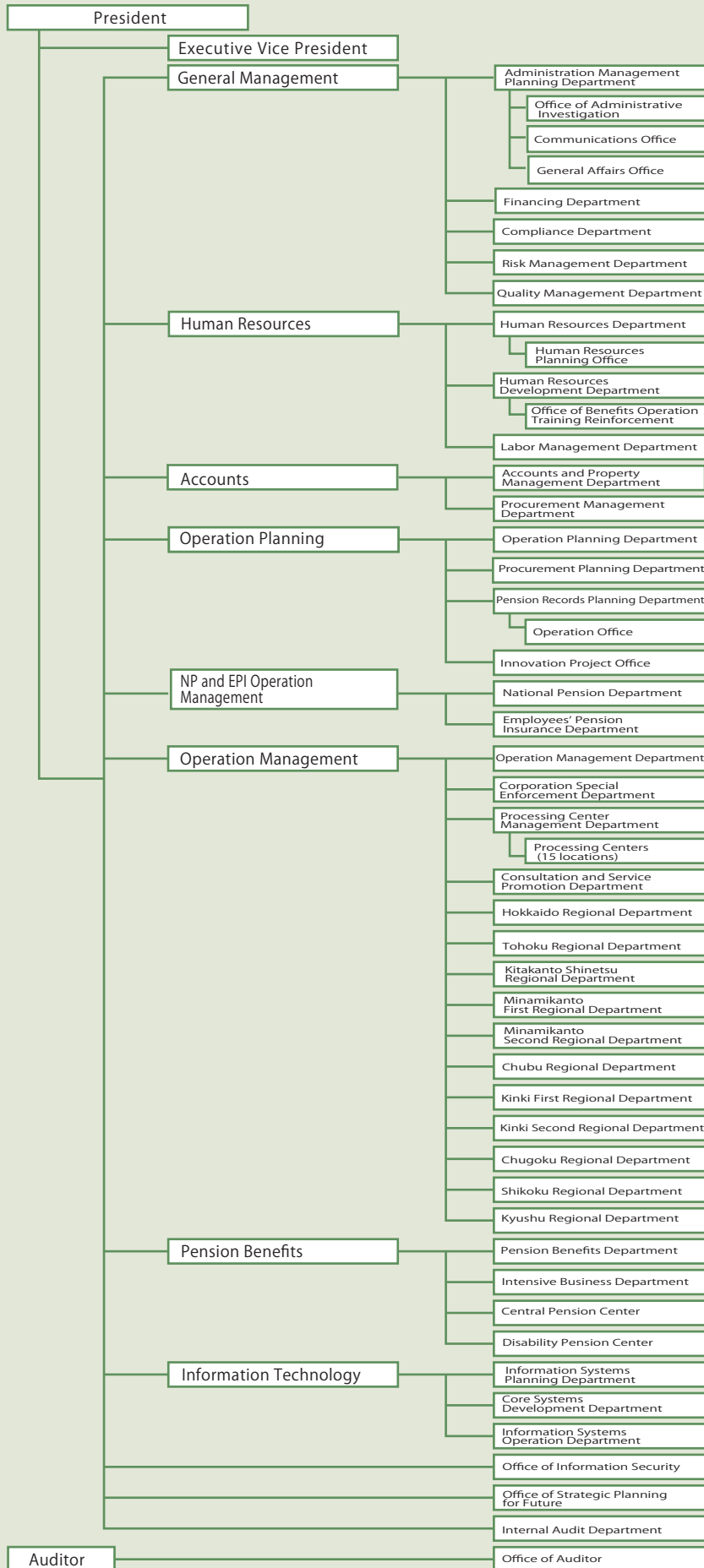
Smartphone browsing

The JPS website is automatically adjusted to be easy to view on smartphone and tablet screens.

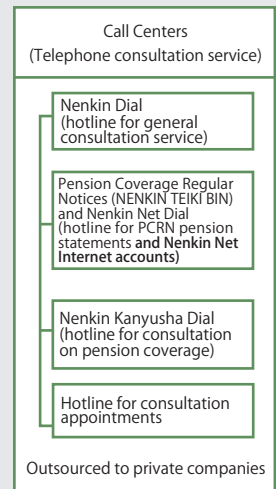
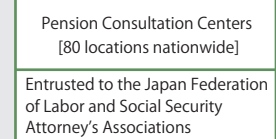
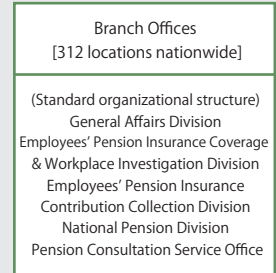


JPS organizational structure (as at April 2022)

Headquarters



Customer service frontline offices



About the Japan Pension Service

Basic Principle and Operating Policy

JPS's top priority is to perform its operations with speed and accuracy.

JPS, establishing the following basic principle and operating policy, ensures the proper operation of its business and secures the trust of its customers throughout Japan.

Basic Principle

The JPS basic principle is established in Article 2 of the Japan Pension Service Act as follows.

"The government-managed pension system shall be operated stably and sustainably, based on public trust and a principle of solidarity. The Japan Pension Service, therefore, shall strive for a higher quality of service reflecting people's needs and opinions on government-managed pension systems, and assure effective operation as well as fairness and transparency in operation."

Operating Policy

Based on the basic principle, JPS has set out the following Operating Policy that is employed in the operation of its organization and business.

1

To provide a courteous, prompt, accurate, and efficient service from the customers' point of view.

2

To reflect customers' opinions in its operations, and to promote disclosure of the outcome of its activities and other information in easy-to-understand terms.

3

To establish new personnel principles based on ability and performance by employing both public sector and private sector human resources, and to change the corporate culture.

4

To establish corporate governance by ensuring compliance and building a risk management system.

JPS Operations

JPS engages in five primary operations in order to properly sustain customers' livelihoods.

JPS implements a wide range of public pension operations, under the supervision of the national government (Minister of Health, Labour and Welfare.)*

* The national government (Minister of Health, Labour and Welfare) is responsible for financing, and management of the public pension system operation as well as for providing guidance and supervision to JPS.

| | |
|---|--|
| 1 | <h3>Coverage Registration</h3> <p>■ Ensuring that customers are registered to be covered by the pension system fairly and properly</p> <p>JPS ensures proper coverage registration for each individual under the National Pension and Employees' Pension Insurance systems. In the National Pension system, the enrollment procedures are promptly completed for all persons between the ages of 20 and 59 who have an address in Japan and who should be enrolled in the system. For Employees' Pension Insurance, JPS promotes coverage registration by providing non-registered workplaces with appropriate guidance.</p> |
| 2 | <h3>Contribution Collection</h3> <p>■ Ensuring that customers pay contributions</p> <p>JPS takes various measures to ensure that both individuals and employers properly pay their contributions. For the National Pension, to give some examples, JPS promotes contribution payments through payment encouragement, compulsory collection, and application guidance for exemptions. For Employees' Pension Insurance, JPS provides workplaces with payment guidance and undertakes compulsory collection.</p> |
| 3 | <h3>Benefits Payment</h3> <p>■ Ensuring that pension benefits are properly paid out to customers</p> <p>JPS receives pension applications from customers, sends out Pension Certificates, and works to pay pension benefits quickly and accurately.</p> |
| 4 | <h3>Records Management</h3> <p>■ Managing customers' pension records</p> <p>In addition to accurately managing customers' pension records, JPS sends Pension Coverage Regular Notices (NENKIN TEIKI BIN) to customers and provides Nenkin Net (individual Internet account) service so that customers can easily confirm their personal records.</p> |
| 5 | <h3>Pension Consultation Service</h3> <p>■ Courteously and thoroughly responding to pension inquiries</p> <p>JPS promptly and meticulously responds to customers' inquiries on pension and provide consultation service through a variety of channels, such as by telephone and at JPS's frontline offices.</p> |

About the Public Pension System

Foundation of the Public Pension System

Three fundamental concepts support people's livelihoods.

The public pension system was created based on the idea of all working people banding together to support the livelihoods of those in need, including people in old age, people with disability due to illness or injury, and surviving family members whose primary wage earner has died. The public pension system is built on the following three fundamental concepts.

Public Pension System

Universal pension coverage

In general, all residents of Japan aged 20 to 59 must be covered by the pension system. This universal pension coverage enables society as a whole to band together to support the livelihoods of people in Japan.

Social insurance system

In the social insurance system, pension benefits are paid out using funds collected in advance from contribution payments. In general, it is not possible to receive pension benefits without paying contributions.

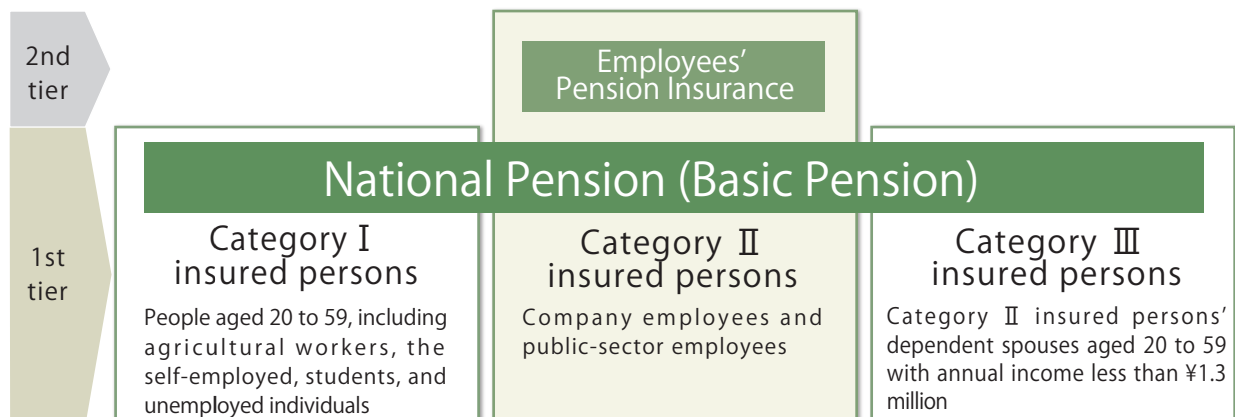
Intergenerational support

Japan's public pension system is a "pay-as-you-go" system in which different generations support one another, with current pension beneficiaries receiving benefits funded by contributions from the current working-age population.

Structure of the Public Pension System

The system is structured to suit your lifestyle.

The public pension system consists of a two-tier structure: the National Pension which covers all people aged 20 to 59, and Employees' Pension Insurance which covers company employees and public-sector employees. Company employees and public-sector employees are covered by both pension systems, the National Pension and Employees' Pension Insurance. Furthermore, individuals are categorized as Category I, Category II, or Category III insured persons according to individual status. Each of these categories has different contribution payment schemes and processes.



Pension benefits types

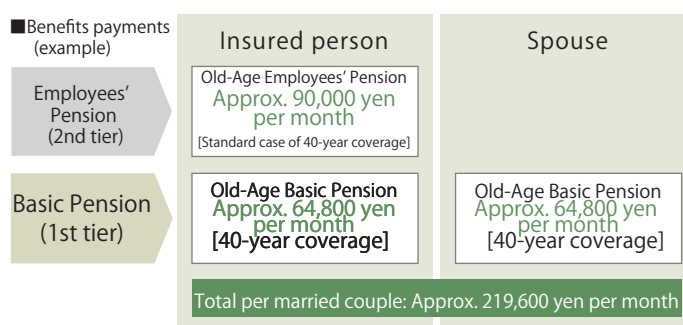
There are three types of pension benefits: old-age, disability, and survivors' pensions.

Pensions are not only for senior citizens. Even young people can receive the disability pension or survivors' pension when in need. The pension system is essential for its role in supporting the livelihoods of the elderly as well as the working population and young people.

1 Old-Age Pension

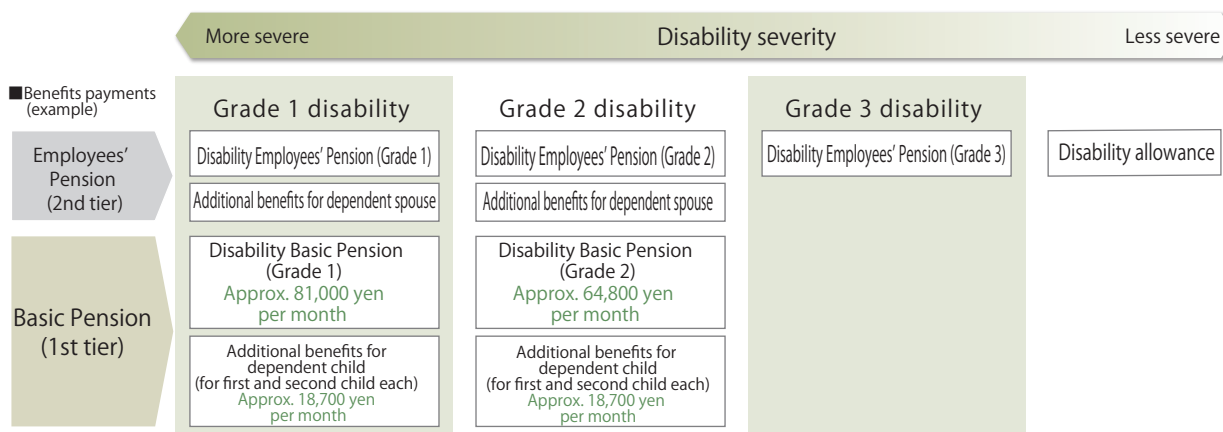
Individuals can receive the Old-Age Basic Pension benefits provided by the National Pension system for the rest of their lives. If an individual is also covered by Employees' Pension Insurance system, they will receive the Old-Age Employees' Pension in addition to their Old-Age Basic Pension. For both the National Pension and Employees' Pension Insurance, the amount of pension benefits payable depends on the period of coverage that individuals have made contribution payments. Although beneficiaries can begin receiving pension benefits at age 65 in principle, it is also possible to receive benefits early, from age 60 to 65, or to delay benefits until age 66 through 70.*

* Benefits will be reduced if received early and increased if received late. For those born on and before April 1, 1952, the maximum age limit for deferral is up to 70 years old.



2 Disability Pension

Individuals can receive a disability pension when illness or injury interferes livelihood or work, based on the disability's degree of severity. The Disability Basic Pension is paid if the date of first medical consultation of the illness or injury is during the covered period under the National Pension. If such date is during the period the individual is covered by Employees' Pension Insurance, the Disability Employees' Pension is paid.



Note: - FY 2022 figures for pension benefits.

- Additional benefits for the dependent child is 6,220 yen per month for the third and subsequent children.

- To receive the additional benefits for spouse, the spouse must be under 65 years old and not qualified to receive benefits including the Old-Age Employees' Pension (i.e. they do not satisfy the requirement of 240 months of coverage) or a disability pension.

- To be eligible for additional benefits for children, children must be 18 or younger, and if they are 18, it must still be the fiscal year in which they turned 18. Alternatively, children must be under 20 and have a Grade 1 or 2 disability.

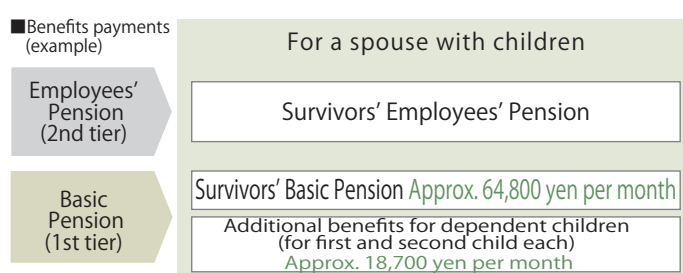
3 Survivors' Pension

In the event that an insured wage earner has died, survivors' pensions are paid out to the dependent family members including spouse or children who meet certain requirements. Depending on the type of pension system under which the deceased person was covered, the survivor(s) can receive either the Survivors' Basic Pension or the Survivors' Employees' Pension, or both of them.

Note: - FY 2022 figures for pension benefits.

- Additional benefits for dependent children are 6,220 yen per month for the third and subsequent children.

- To be eligible for additional benefits for children, children must be 18 or younger, and if they are 18, it must still be the fiscal year in which they turned 18. Alternatively, children must be under 20 and have a Grade 1 or 2 disability.



About the Public Pension System

History

The history of Japan's public pension system begins with the establishment of Worker's Pension Insurance in 1942, followed by the establishment of a universal pension system for all the people of Japan in 1961 (universal coverage under the public pension system.) Later, public pension system was reformed several times, eventually leading to the current system.

● Basic Pension system Establishment

At the time, there were various independent pension systems that had inter-system differences in addition to carrying the risk of becoming fiscally unstable. To address this, the Basic Pension system was established to cover all the people of/in Japan. Thus, the Public Pension system was reorganized and consolidated into a two-tier structure: the National Pension system was deemed the Basic Pension benefits system, with Employees' Pension Insurance and other employee pension systems offering additional benefits on top of it.

● System for Category III Insured Persons launched

- Worker's Pension Insurance Act fully brought into force (Contribution collection begins)

- Worker's Pension Insurance Act renamed to the Employees' Pension Insurance Act; female coverage expanded

- Contribution collection begins for Employees' Pension Insurance

- National Pension Act enacted

- Welfare pension benefits payments begin

- Coverage registration for the National Pension system begins

- Benefits increased to keep pace with Japan's high economic growth period

- The old-age pension system for active employees is modified so that the total sum of their income and pension benefits increases as their income increases

- Employees' Pension Insurance Act reformed (Increase in the age of eligibility for the earnings-related portion of pension benefits. It takes effect in 2013.)

- Introduction of Special Student Payment System

- Beginning of a gradual increase of the age of eligibility for Employees' Pension Insurance (fixed portion of benefits payments)

1942

1944

1959

1960

1961

1965–1974

1973

1986

1991

1994

1995

1997

2000

2001

2002

- Contribution collection begins for the National Pension system

The universal pension system for all the people of Japan begins

In addition to Employees' Pension Insurance, the National Pension system began in 1961 to cover workers engaged in agriculture, forestry, and fisheries as well as the self-employed, thereby establishing a universal pension system for all the people of Japan.

- 1973 is considered the first year of the welfare era. Social insurance systems were drastically improved, including significant increases in pension benefits payments.
- Introduction of CPI Indexation to benefits amount adjustment

- System launched that requires all students aged 20 and older to enroll in the National Pension system

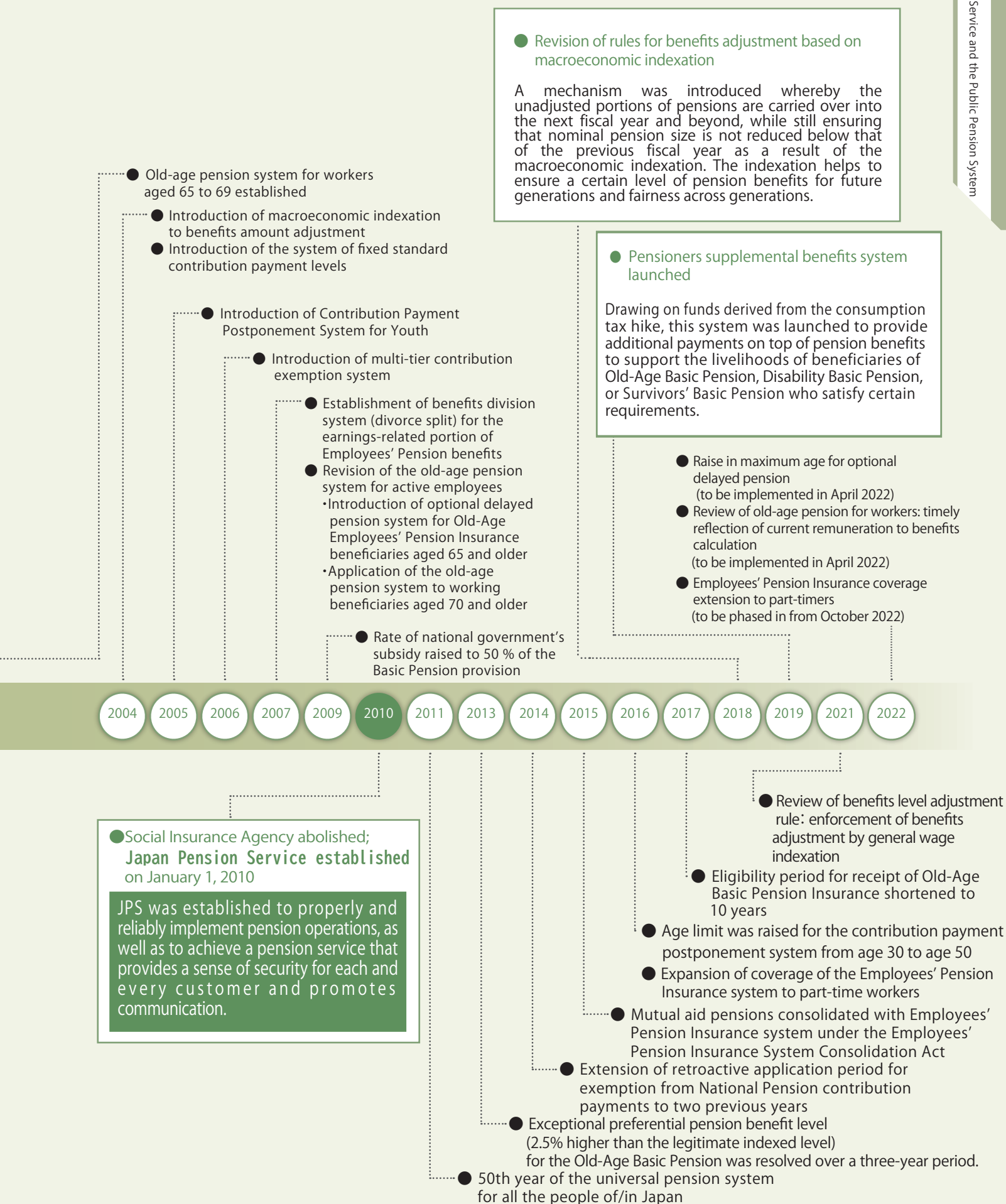
Mandatory coverage was extended to students aged 20 and older, in the aim of providing insurance against disability; formerly non-covered students had been unable to receive a disability pension.

- Introduction of Basic Pension Number

In the past, pension-related records were managed using numbers specific to each respective system, such as the National Pension, Employees' Pension Insurance, or Mutual Aid Associations. To address this, "Basic Pension Number" shared across all pension systems were introduced, and each individual was assigned one such number. This facilitated cross-system information exchange and communication with insured persons, and streamlined various types of consultation service.

- Japan Railway Mutual Aid, Japan Tobacco Mutual Aid, and Nippon Telegraph and Telephone Mutual Aid are integrated into Employees' Pension Insurance

- Employees' Pension Insurance Act reformed (Increase in the pensionable age for the fixed portion of pension benefits)





Pension Q&A

We will answer your questions.

Q.1

What exactly is a “Nenkin Net” service?

A. This is an online personal account service that allows you to check your pension records, view various notices, and estimate your future pension benefits.

► What can I do on “Nenkin Net”?

You can easily check your personal information on pension, anytime and anywhere on your computer or smartphone.

- Check your pension records

You can check your National Pension records, covered work history, standard monthly remuneration, and bonuses you have received.

- Estimate future pension benefits

You can estimate your future pension benefits in two ways: "Easy Estimation" and "Detailed Estimation" based on your pension coverage history (type of pension system you were covered by and monthly standard remuneration.)

Using "Detailed Estimation" to estimate your future pension benefits under a variety of scenarios, such as benefits while you work or delayed benefits

- View electronic Pension Coverage Regular Notices (NENKIN TEIKI BIN)

You can electronically view pension records one month earlier than you receive them on paper-based Pension Coverage Regular Notices (NENKIN TEIKI BIN.)

- View notices and other information

You can view the contents of “direct deposit notices” and “notice of pension amounts change.”

- Other

You can apply for the reissue of “tax deduction slips for public pension.”

* JPS will begin providing electronic data for the “National Pension contribution payment deduction certificates” in October 2022 and the “tax deduction slips for public pension” in January 2023 through the “My Number Portal.” Available for e-Tax tax returns.



To register for
the Nenkin Net,
use this QR code.



Priority Initiatives of the Japan Pension Service

The organizational goal in FY 2022 is to set as "Overcome the COVID-19 pandemic and Contribute to a New Era" from the desire to contribute to the social stability and sense of security, which is attempting to recover from the effects of the COVID-19 pandemic and move forward into a bright new era.

To achieve this organizational goal, JPS will promote the "Implementation of mission-critical operations that contribute to a new era," "Consistent implementation of an online business model," "Strengthening the risk management system" and "Implementation of Women's activities and work style reform," which are prioritized and will be steadily implemented.

Implementation of mission-critical

In FY 2022, JPS will continue to implement National Pension contribution collection initiatives and collection measures of Employees' Pension Insurance. New challenges include measures to achieve a final payment rate of 80% for National Pension and the expansion of Employees' Pension Insurance and Employees' Health Insurance coverage for part-time workers beginning in October 2022, encouragement to claim pension to those with unclaimed pensions, and strengthening the organization.

(1) Challenge to reach 80% final payment rate for the National Pension contribution

The FY 2021 National Pension contribution payment rate has increased for nine consecutive years, and the final payment rate has increased for 10 consecutive years. By the efforts of our branch offices, which support our mission-critical businesses on the front lines, JPS have consistently yielded results. In FY 2022, JPS set a new challenge to "achieve a final national pension payment rate of 80%" and established the "National Pension Contribution Payment Rate 80% Promotion Team" in April 2022. This team, in cooperation with the National Pension Department and regional departments, will conduct an analysis at branch offices nationwide, select priority areas and discuss measures, effectively manage and support the progress of initiatives, and promote more integrated efforts between branch offices and headquarters to meet goals.

The main initiatives that will be implemented in 2022

● Collection initiatives

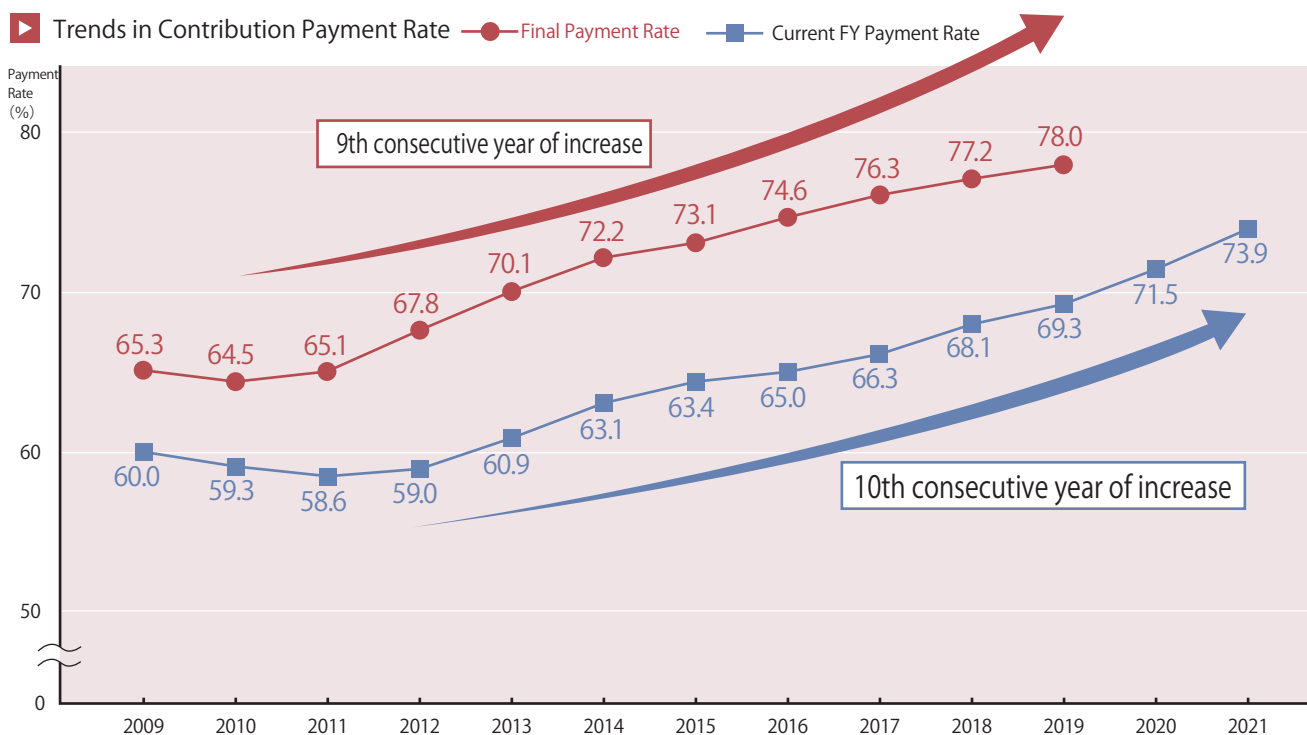
- After the qualification of 20 years of age, the registration of bank account transfers and advance payments for contribution payments in cash at the end of a period in which the Special Payment System for Students is implemented, as well as following up for those who have not submitted the registration.
- JPS will send a special notice to those who have been approved for partial contribution exemption but have not yet paid, and encourage them to do so more effectively.

● Measures based on local conditions

- The payment rate in Okinawa Prefecture has been steadily increasing as a result of efficient efforts to improve the systems and supports. However, the payment rate remains low in comparison to other prefectures, necessitating further improvement.

● Initiatives of compulsory collection

- JPS will certainly send a final notification letter to those whose income after deduction is 3 million yen or more and whose contributions have been in arrears for seven months or more based on the payment status. Those who do not pay voluntarily after being urged to do so will be charged with delinquency.



* Payment Rate (%) = Number of months paid / Number of months due x 100

The number of months due is the number of months that should be paid as contributions for the relevant fiscal year (excluding legal exemption months, application full exemption months, special payment months for students, payment grace months, and prenatal and postnatal exemption months.) The number of months paid is the number of months in which payment was made during the relevant fiscal year (by the end of April of the following fiscal year.)

* National pension contribution can be paid retroactively for up to two years in the past. The final payment rate for contribution payments due in the current year will be determined two years in future.

operations that contribute to a new era

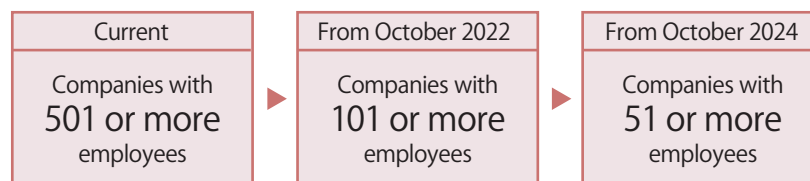
(2) Responding to Coverage Expansion for Part-time workers

To respond smoothly to the system revision to expand the application of part-time workers beginning in October 2022, JPS provided the following information to relevant workplaces in collaboration with the Japan Federation of Labor and Social Security Attorney's Associations to ensure that the notification of qualification acquisition for part-time workers is properly submitted at the time of law enforcement, and supported the workplaces that experts (labor and social security attorneys) visited the workplace to explain the system. Furthermore, JPS staff will encourage appropriate reports and conduct site surveys for workplaces that do not appear to have submitted reports following the enforcement.

[Revision Details]

Revision of company size requirements

Currently, part-time workers working at workplaces with 501 or more employees are covered by both health insurance and Employee's Pension Insurance. Effectively from October 2022, part-time workers working at workplaces with 101 or more employees will be required to participate in health Insurance and Employee's Pension Insurance. Effectively from October 2024, part-time workers at workplaces with 51 or more employees will also be covered.



Elimination of work period requirements for part-time workers

In terms of the requirement for part-time workers to be covered by Employees' Pension Insurance and health insurance, the "work period of one year or more" requirement will be eliminated. Those who meet all of the following conditions will be newly eligible effectively from October 2022.

- | | | | |
|-----------------------------------|---------------------------------------|------------------------|--------------------------------------|
| 1) 20 or more work hours per week | 2) Monthly wage of 88,000 yen or more | 3) Students are exempt | 4) Companies with over 100 employees |
|-----------------------------------|---------------------------------------|------------------------|--------------------------------------|

Professions engaged in the practice of law or accounting were added to the list of covered occupations. (Enacted in October 2022.)

Small business workplaces that fall under the following professions and employ five or more employees regularly are required to be covered by the Employees' Pension Insurance system and Employees' Health Insurance System from October 1, 2022.

Professions added to the list of covered occupations: Lawyer / Okinawa Lawyer / Registered Foreign Law Lawyer / Certified Public Accountant / Notary / Judicial Scrivener / Land and Building Investigator / Administrative Scrivener / Maritime Judicial Scrivener / Licensed Tax Accountant / Labor and Social Security Attorney / Patent Attorney

Please visit the special website below to learn more about the expansion of part-time worker coverage.
<https://www.mhlw.go.jp/tekiyokakudai/index.html>



(3) Recommendations for those with unclaimed pensions

● Initiatives for insured persons who have unclaimed old-age pensions

JPS has been promoting initiatives such as sending encouraging letters to individuals who have not claimed an old-age pension benefit despite having a qualifying period of 25 years or more, and informing them of their estimated pension amount, since 2019. In 2022, JPS will continue to implement the efforts from 2019, and plan to send written claim guidance for those who have reached the age of 70 in 2021.

● Recommendations for claiming pension benefits

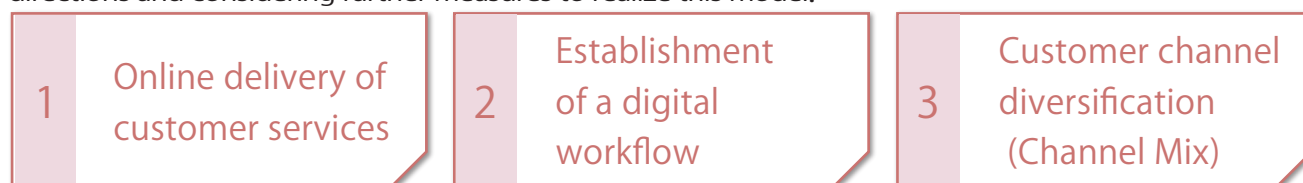
Due to the change of the measure effectively from April 2022 that maximum age for delayed pension payment was raised from 70 to 75, for insured persons aged 66 or older who are not receiving an old-age pension, to enable them to claim the delayed payment pension at the time they wish, a new "notice of delayed payment pension amount" will be sent every year starting in March 2022. Additionally, JPS is implementing initiatives to send pension claim form again when they reach 75 years of age.

Implementation of Online Business

To respond to the overall progress of digitalization of society and the need for online business operations caused by COVID-19 pandemic, JPS will continue to promote the realization and execution of each measure of the "Online Business Model," which is based on three policy directions, online delivery of customer service, establishment of a digital workflows, and customer channel diversification (channel mix.)

Three Policy Directions for the Online Business Model

For the online business model, JPS is implementing measures based on the following three policy directions and considering further measures to realize this model.



(1) Online Delivery of Customer Services

JPS will promote efforts to realize online services that meet the needs of each workplace and individual customer, as well as the characteristics of application procedures, in order to reduce the burden and improve the convenience of administrative procedures for customers. The measures' basic policy is to make use of the government's common infrastructure. The decision was based on the Ministry of Health, Labour, and Welfare's "Basic Plan to Increase Online Usage Rates," which was released in October 2021.

| | |
|--|--|
| Workplace initiatives | <ul style="list-style-type: none"> ● In terms of promoting the use of e-applications, recommendations were made to workplaces with over 100 million yen in capital which are newly required to use of e-applications by law as well as workplaces with 51 or more insured employees that were the focus of intensive efforts in the previous fiscal year. JPS made promotion by visits, documents, and videos in addition to other measures depending on the status of electronic media use and the characteristics and needs of each workplace. ● Creating a system for returning to the applicant a copy of the e-application data received by the JPS for verification (Service began in September 2022) ● Creating the "Online pension information service for workplaces" (tentative name,) which will provide various types of information electronically via the e-Gov*¹ delivery service. (The service launch planned in January 2023.) |
| Individual customer initiatives | <ul style="list-style-type: none"> ● Creating a function that allows for a simple e-application for National Pension enrollment and contribution exemption by displaying customer data on the application screen ahead of time, saving time and effort inputting. (Service began in May 2022) ● Considering creating an environment that allows for simple e-applications for pension benefit-related report forms. (Dependent declaration forms on e-application is expected to be available in September 2023) ● Creating a function that notifications to individuals can be distributed online via "My Number Portal" *². (Social insurance (National Pension) contribution payment deduction certificates were available in October 2022 and tax deduction slips of public pension are expected to be available in January 2023.) ● In terms of Nenkin-Net, JPS considers implementation of a number of functional enhancements, including the development of an environment that enables simple e-applications and the online provision of information, in addition to Web browsing functions such as confirmation of customers' own pension records and trial of pension amount calculation. |
| Improvement of online consultation environment | <p>Areas that do not deal with personal pension information</p> <ul style="list-style-type: none"> ● Expanding and implementing online pension seminars using web conferencing tools ● Expansion of chatbots*³ functions and other website services, as well as website contents. <p>Areas that deal with personal pension information</p> <ul style="list-style-type: none"> ● Improving the functionality of the service that accepts pension consultation appointments via the Internet and increasing the convenience of expanding the scope of consultations. ● Using videophone consultations and concrete research for the implementation of online pension consultation. ● Using web conferencing tools that meet the government's security requirements for external meetings and expanding online meetings. |

*1: e-Gov is a government-run portal site that provides comprehensive search and guidance services for government information provided by various government ministries over the Internet, in addition to serving as a point of contact for online applications submitted to various ministries and other such procedures.

*2: "My Number Portal" is a government-run portal site that enables users to do government procedures and check on notifications online.

*3: A chatbot is an automated conversation program that automatically responds to users' questions.

Model (Future Direction)

(2) Establishment of a Digital Workflow

Based on online review and approval of e-application, JPS will keep working to achieve on administration work with "paperless" and end practices of paper circulations. Making effective of use of ICT (information and communications technology,) JPS will improve the efficiency of internal processing and ensure the accuracy of administrative processing.

| | |
|--|---|
| Administration work with "paperless" and "end practice of paper circulation" | <ul style="list-style-type: none">● Developing a system for additional electronic approval request form on Progress Management and Electronic Decisions System and administrative process improvement. (Operated in October 2022)● Expanding the scope of business decentralization by using the Progress Management and Electronic Decisions System to equalize the scale and workload of the local processing centers.● Developing a system and establishing regulations for using and storing various forms of digitalized data that were output, used, and stored on paper.● Organizing system and building guidelines for document management electronically. |
| Improving internal process efficiency through the use of ICT technology | <ul style="list-style-type: none">● Sequential review of data circulation and information transmission using electronic media.● RPA* target business expansion for labor savings by exiting from manual processing.● Use of voice recognition systems for further labor saving in the creation of consultation records at call centers. |

* Abbreviation for Robotic Process Automation. It is generally referred to as "a software-type robot that performs tasks in place of humans."

(3) Customer Channel Diversification (Channel Mix)

JPS will continue to systematically organize our channels (by face-to-face, telephone, and the Internet) to effectively provide services that meet the characteristics and needs of customers, while promoting online customer service.

Initiatives Promoting the Use of Nenkin Net

- Nenkin Net is an Internet-based service that allows customers to easily check their pension information. It has around 7.7 million users at the end of FY 2021.
- JPS is implementing the following initiatives to improve convenience as an important channel for customer service.
 - JPS will build a system to provide information on the pension system and information tailored to each customer's circumstances using the Nenkin Net notification function.
 - Developing linkage with the "My Number Portal" JPS will sequentially establish the environment in which to provide online notification to individual, and expand the system that allows for a simple e-application.

* Please see P. 17 "[What exactly is a "Nenkin Net" service?]" and P. 29 "[How to use "Nenkin Net?]" for more information about Nenkin Net.

Primary Initiatives in FY 2021 to

As in the previous fiscal year, JPS continued to promote the use of e-applications and work for the required digital environment in FY 2021, to achieve “paperless” and “end practice of paper circulation” administration work, reduce procedural burden, improve convenience, and more accurate, timely, and efficient operations. Furthermore, JPS has created a system that is easier for customers to use, such as strengthening the collaboration between Nenkin Net and “My Number Portal,” sharing information via My Number, and diversifying channels for pension consultation.

(1) Online Delivery of Customer Services

Initiatives for workplaces

- JPS continued to implement the following initiatives for workplaces (larger companies with over 100 million yen in capital) that are required to use e-application, and workplaces with 51 or more insured workers to promote the use of e-applications.
 - In the Operation Management Department of JPS, a team was formed to promote the use of e-applications, and 177 full-time staff were assigned for promotion to branch offices.
 - Conducted training to those in charge of e-applications at branch offices on how to promote the use of e-applications.
 - Promoted the use of e-applications via visit, phone, or written recommendation
 - Cooperation with related organizations such as the Japan Federation of Labor and Social Security Attorney's Associations in promoting the use of e-applications, as well as publicity requests.

As a result of these efforts, the percentage of e-applications for the seven main reports*¹ has increased significantly when compared to before the intensive use promotion (before FY 2019.)

*1: The seven main reports include applications for coverage registration, coverage-end reports, remuneration calculation reports, monthly remuneration change reports, bonus payment reports, dependents report forms, and National Pension Category III insured person reports.
- JPS achieved the target set by the Ministry of Health, Labour and Welfare's “Target of Basic Plan to Increase Online Usage Rates based on the Regulatory Reform Implementation Plan” (aiming at 50% usage of e-applications in five reports, including application to enroll in Employees' Health Insurance / Employees' Pension Insurance, by the end of FY 2023) ahead of schedule.
- Promoted the system development for creating a system for returning to the applicant a copy of the e-application data received by JPS for verification. (Service began in September 2022)
- Continued system development towards the launch of the “Online pension information service for workplaces,” (tentative name) which will provide various types of information electronically via the e-Gov delivery service. (The launch planned in January 2023.)

▶ Status of e-Applications at Mandatory Workplaces and Workplaces with 51 or More Insured Workers (as of the end of March 2022)

| Category | Number of workplaces* ² | Number of workplaces using e-applications* ³ | Percentage of e-applications Use |
|---------------------------|------------------------------------|---|----------------------------------|
| Mandatory | 24,195 workplaces | 22,574 workplaces | 93.3 % |
| workplaces 101 or more | 41,019 workplaces | 30,378 workplaces | 74.1 % |
| Insured Persons 51 to 100 | 49,027 workplaces | 32,408 workplaces | 66.1 % |

*2: Number of covered workplaces by size as of March 31, 2022

*3: Number of workplaces that used e-applications during FY 2021

▶ Usage of e-Applications at All Covered Workplaces (Proportion of e-applications to the total number of insured persons on 7 main reports received)

| Period | FY 2021 (Total) | FY 2020 (Total) | FY 2019 (Total) |
|--|------------------------|------------------------|------------------------|
| Number of e-applications (proportion to total) | 78.59 million (57.7 %) | 54.55 million (41.9 %) | 31.68 million (23.9 %) |

Realize an Online Business Model

Individual Customer Initiatives

- The linkage function that allows users to log in to the "Nenkin Net" from the "My Number Portal" was improved in July 2021 so that it can be linked with a smartphone equipped with a "My Number" card reading function. At the same time, JPS has created a linkage function that leads to the "My Number portal" from the "Nenkin Net" login screen.
- Created a function that allows for a simple e-application operation for National Pension enrollment and National Pension contribution exemption by displaying customer information on the application screen ahead of time, which saves time and effort of inputting customer data. (Service began in May 2022)
- JPS has reviewed the plan of new feature that allows for easy e-application via the "Nenkin Net" from the "My Number Portal" and organized the basic policy.
- JPS continued to develop the function that enables providing the following notifications in electronic data via the "My Number Portal."
 - Social insurance (National Pension) contribution payment deduction certificates (Service began in October 2022)
 - Tax deduction slips of public pension (The service launch planned in January 2023.)

Maintaining of online pension consultation environment

- JPS has improved the environment required for web conferences and set up the facility with which pension seminars can be held in a not face to face manner at branch offices.

(2) Establishment of a Digital Workflow

- JPS has achieved the "cease of practice of circulating paper" by converting to image and digital data from reports and other documents with the launch of the Progress Management and Electronic Decisions system. The process to distribute some of the operations at large processing centers to other local processing centers to equalize the office scale and workload was started using this feature.
- A new inquiring system for deposit and savings account information via electronic data was implemented in May 2021, and it improved the efficiency of work on document creation, printing, and circulation.
- JPS has phased out output in paper form about approximately 800 types and 30 million sheet paper lists and checklists which had been used and stored. Electronic data should be stored in a dedicated shared folder for personal pension information and utilized. JPS declared to implement it and make it a policy. JPS began managing electronic data for seven kinds of reports in FY 2021, including "contribution increase/decrease statements," reduced paper usage by approximately 11 million sheets per year (nearly 40% of total) and allowed us to respond to customer inquiries more efficiently and promptly.
- The JPS introduced a system in September 2021 that enables the safe and direct data transfer between servers via network, which had previously been done via electronic media among the organizations, resulting in a reduction of the number of electronic media by approximately 3,000 electronic media per year.
- The way of data exchange with the Pension Fund Association was changed from using electronic media to transferring via JPS's network (closed network) in October 2021, resulting in a reduction of approximately 450 electronic media per year.

(3) Customer Channel Diversification (Channel Mix)

- JPS investigated the development of a mechanism to integrate the management of the diverse channels and systematically organize the entire channel (face-to-face, telephone, and the Internet,) in addition to the existing face-to-face services centered on branch offices.

(4) Use of "My Number" (National Individual Numbers)

- In terms of information linkage via the information provision network system based on the "My Number" (National Individual Numbers,) JPS launched a full-scale operation for the continued exemption of "National Pension contribution full exemption/contribution payment postponement" and conducted information inquiries in various operations. Furthermore, we took the following steps to broaden the scope of information inquiries and provision to other government agencies.
 - System development preparation for the implementation of information inquiry of family registry information (scheduled for implementation in 2023)
 - System development for the start of information inquiries on public fund payment account information following the passage of the Public Funds Receipt Account Registration Act in May 2021. (Started on October 31, 2022.)
 - Additional promotion of the use of pension-related information to municipalities

Implementation of Women's Participation and

JPS aims to create an environment in which all employees, regardless of gender, can continue to work with sense of security through initiatives such as expanding training and interview programs, and encouraging employees to take childcare leave. The organizational goal for 2022 is to "Implementation of Women's participation and advancement in the workplace and work style reform." JPS will continue to make efforts to increase the proportion of female managers, encourage the use of childcare and other types of leave, and reduce overtime work.

JPS's current status and issues

As of April 2022, female employees made up roughly 40% of JPS's regular employees. Since JPS's inception, more than half of new hires have been women, and the proportion of female employees is expected to rise further in the future. To ensure the long-term viability of the business, it is critical to create a work environment in which female employees can play an active role and to increase the ratio of female managers, which is one of the indicators of women's active participation. Furthermore, to fulfill the mission of accurately and fairly operating the pension system, JPS believes that it is necessary to create an environment in which all employees, regardless of gender, can continue to work with sense of security.

Initiatives for Women's empowerment and work-style reform

Women must play a more active role in the future operation of JPS to ensure its long-term viability. In September 2021, a "Women's Activities Promotion Team" was established in addition to the support team established with the enforcement of the "Act on the Promotion of Women's Active Engagement in Professional Life" to conduct cross-organizational studies and promote the activities of female employees and a comfortable working environment.

Increasing the percentage of female managers

- JPS focused primarily on the following measures to promote the development and appointment of female managers.
 - Opinion exchange meetings for younger staff, with a focus on interaction with familiar managers and staff of the same generation.
 - Conducted interviews with all female full-time staff (regular staff) at a milestone age (35-40 years old) to relieve anxiety about drawing up their future careers and raising awareness toward demonstrating their abilities.
 - Conducting training and interviews for managerial candidate staff to instill a desire to become a manager.
- As a result of these efforts, the number of applicants for management positions increased, and as of April 2022, the ratio of female managers was 15.3% (up 0.7 percentage points from the same period last year.) JPS intends to exceed the general employer action plan target of 15.5% by the end of FY 2023.

▶ Percentage of female staff in management positions (as of April 1, 2022)

| Total Number of Managers* | Number of Female Managers | Rate of Female Managers |
|---------------------------|---------------------------|-------------------------|
| 2,806 | 430 | 15.3 % |

* Excluding executives.

Encouragement to take annual paid leave

- An annual paid leave management book was added to the work management system that manages staff's work to promote work-life balance. JPS encouraged the use of annual paid leave by designating a time of year for staff with a poor track record of taking annual paid leave. JPS also provided each location with a list of annual paid leave usage status as well as examples of good initiatives to encourage employees to take annual paid leave.
- As a result of these efforts, the average number of days of annual paid leave taken in fiscal 2021 was 14.6 days, up from the previous year (12.8 days.)

Advancement in the Workplace and Work Style Reform

Encouragement to take childcare leave

- JPS has promoted the use of childcare leave and provided support for returning to work through workplace training and internal newsletters to create a workplace where staff can balance work and childcare.
- JPS has created an environment in which employees can learn at any time by providing information on the job training and childcare support, and has alleviated concerns about returning to work through the "Re-learning Program" a correspondence training program that provides a learning environment for staff who have been away from work for an extended period due to a childcare leave.
- As a result of these efforts, 96.08% of regular female employees and 45.54% of regular male employees took childcare leave in FY 2021. JPS has met the general employer action plan target of 90% or more for women and 30% or more for men in these areas.

▶ The rate of childcare leave acquisition and the average number of acquired days (as of April 1, 2022)

| | | Acquisition rate | Average number of acquired days |
|-----------------|--------|------------------|---------------------------------|
| Full-time staff | Male | 45.54 % | 79.75 days |
| | Female | 96.08 % | 537.92 days |

* Calculation Formula <Acquisition Rate> (Men) Number of men taking childcare leave / Number of spouses giving birth x 100

(Women) Number of women who took childcare leave / Number of women who gave birth x 100

<Average number of acquisition days> Number of acquisition days by staff who have completed childcare leave / Number of staff who have completed childcare leave

* The business period from April 1, 2021 to March 31, 2022.

Reduction of overtime work

- All branch offices have implemented a strict no-overtime policy and lights-out on the last Wednesday of every month by leaving the office on time.
- JPS has started to measure the overtime work hours by branch office, including managers', as an indicator for evaluating business performance to reduce overtime.
- Regular staff reduced overtime work by 1 hour and 23 minutes per person per month compared to the previous year as a result of these efforts.

Improvement of compensation for fixed-term staff

- JPS has changed the regulation and allowed for a permanent change of employment for those who had been under a contract for a total of five years to improve their motivation and ability and secure the necessary human resources that stable employment brings.
- For constant secure hiring, JPS reviewed the compensation package for fixed-term staff.





COVID-19 Countermeasures

The JPS's COVID-19 countermeasures have been rigorously implemented by the “Japan Pension Service Guidelines for COVID-19 Countermeasures,” which were developed by the government's basic policy. Since elderly people and those with pre-existing conditions might visit at branch offices and Pension Consultation Centers (including ones in small offices,) JPS is working to implement infection prevention measures and promoting initiatives at pension offices from the perspective of the customer.

Furthermore, under the government policy, JPS has appropriately taken the measures responding to the followings:

- Workplaces facing financial difficulties as a result of the COVID-19 pandemic
- Those whose income has decreased sharply
- Those who may be disadvantaged as a result of the state-of-emergency declaration of movement restrictions

[Initiatives to prevent infection among customers and staff]

| | |
|--|---|
|  <p>Branch office sanitation</p> | <ul style="list-style-type: none"> ● Distribution of disinfectants and acrylic plates to local offices. ● Disinfect tables and chairs each time a customer is served in a booth or individual space. ● Ventilation when using indoor resting/resting areas. ● Adequate humidity retention, including humidification (humidity should be 40% or higher) |
|  <p>Reducing person-to-person contact</p> | <ul style="list-style-type: none"> ● Staggered commute times. Implementation of shift working systems at local offices in regions subject to state-of-emergency declaration. ● Cancellation or postponement of large meetings and training sessions with many participants, or transition to video conferencing instead. |
|  <p>Operations / customer service</p> | <ul style="list-style-type: none"> ● Regarding the visits and visiting offices of mission-critical operations, JPS did not halt door-to-door visits, which were stopped from April 2022, across the board and generally restarted them out of consideration for the impact of suspended visits. However, if the state-of-emergency is declared, an area is designated as a priority area for disease prevention measures based on the Act, or the local government issues its request for voluntary restraint from leaving the house or business, door-to-door visits to that area will be suspended in principle for that period. ● These policies are subject to change based on the future status of COVID-19 pandemic infections. |
|  <p>Labor management for staff</p> | <ul style="list-style-type: none"> ● Suspension of staff with cold symptoms from work, monitoring and reporting their condition. ● Establishment of a leave system for staff who need to take care of children due to the temporary closure of elementary schools. ● Establishment of an exceptional treatment for work hours required for vaccination. |

With the “Emergency Economic Measures to Cope with COVID-19” as the government policy, JPS responded with special postponement system of contribution payment for Employees’ Pension Insurance and temporary special measures for the National Pension contribution exemption. And JPS moved to rapidly switch over to the legal postponement system.

(1) Switching from special postponement system of contribution payment for Employees’ Pension Insurance to the legal postponement system

| | |
|-----------------|--|
| System overview | The special postponement system of contribution payment for Employees’ Pension Insurance, which had been provided as a policy requirement in response to the COVID-19 pandemic since February 2020, expired between March 2, 2021 and February 1, 2022. |
| JPS response | <ul style="list-style-type: none"> ● Since March 2021, when grace periods expired in order, JPS encouraged people to pay contribution on time by phone and in writing. ● For those workplaces that continue to experience difficulties in making payments, JPS guided and approved the application of the legal postponement system. |

(2) Special revision to the standard monthly remuneration due to temporary business closures associated with the COVID-19 pandemic

| | |
|-----------------|---|
| System overview | Individuals whose remuneration dropped off considerably as a result of a temporary work stoppage due to the COVID-19 pandemic in the period from April 2020 to September 2022, and who met certain requirements would see a revision to their standard monthly remuneration for Employees’ Health Insurance and Employees’ Pension Insurance contribution payments in the following month exceptionally, rather than in the typical ad-hoc revision cycle of every four months. |
| JPS response | <ul style="list-style-type: none"> ● A processing system has been in place since the beginning of acceptance, and processing has moved quickly. ● Rapid processing resulted in standard monthly remuneration adjustments being made for approximately 32,000 workplaces and 549,000 individuals (as of August 26, 2022.) |

(3) Temporary special measure for National Pension contribution payment exemption

| | |
|-----------------|--|
| System overview | The temporary special measure that enables individuals to apply for National Pension contribution payment exemptions through a simple, accelerated process if they experienced an acute drop in income caused by the COVID-19 pandemic and their expected income for the current year qualified for an exemption based on standards for National Pension contributions, even if they did not suffer a loss of work or temporary closure of a business. |
| JPS response | <ul style="list-style-type: none"> ● 720,000 people were approved as a result of guiding all those who had an unpaid period and recommending those who might be applicable in FY 2021 among those who were approved for the contribution exemption in FY 2020. (By the end of March 2022.) |

(4) Extension of deadlines for disability status reports (medical reports) to be submitted by disability pension beneficiaries

| | |
|-----------------|---|
| System overview | Following the COVID-19 state-of-emergency declarations, which began in January 2021, the temporary suspension of pension payments was postponed until the end of December 2021 for the disability pension beneficiaries whose due date to submit the disability status report (medical reports) was between the end of February 2021 and the end of November of 2021. (or the end of November 2021 for those whose due date was the end of February 2021.) |
| JPS response | <ul style="list-style-type: none"> ● Since the state-of-emergency declaration was lifted and the deadline for the temporary suspension of the disability status report submissions was passed, the following actions were taken. <ul style="list-style-type: none"> ・ JPS encouraged those who did not submit the report to do so. (22,238 cases) ・ A notice that the disability status report can be re-submitted was sent to those whose symptoms were relieved at the time of the report submissions but have since worsened. (6,622 cases) ● Due to the extension of the deadline for submitting disability status reports in FY 2020, JPS strengthened the administrative organization at the Disability Pension Center to ensure a smooth approval process for the increased number of disability status confirmation applications in FY 2021. |



Pension Q&A

We will answer your questions.

Q.2

How to use "Nenkin Net"?

A.

You can easily use "Nenkin Net" with a "My Number" (national individual numbers) card via "My Number Portal" on your smartphone.

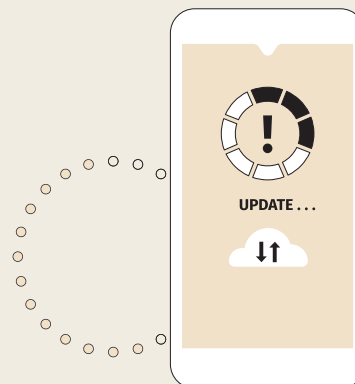
► First, log in to "My Number Portal" on your smartphone.

Please prepare the following items.

- The "My Number" card
- A four-digit numeric password
(digital certificate password for user certification)
- A Smartphone (that can read the "My Number" card)

Please follow the instructions below.

- 1) Access "My Number Portal" and tap [Login] in the upper right corner of the screen.
 - 2) Select [User Registration].
 - 3) Select [Smartphone] from the device selection screen and download the "My Number Portal" application.
 - 4) Tap [User Registration/login]
 - 5) Input your four-digit numeric password
 - 6) Hold your "My Number" card over your smartphone and scan it by tapping [Start Scanning].
- ⇒ Complete login to the "My Number Portal"



► Next, link "My Number Portal" with "Nenkin Net" and complete initial registration.

Please follow the steps below to the link after logging in to "My Number Portal"

- 1) On the top page of "My Number Portal," select "View Pension Records and Estimated Amounts (Nenkin Net)" from the [Featured Information] column.
- 2) Confirm the terms of use of "Nenkin Net," check the "I agree to the linkage" checkbox, and tap "Link with Nenkin Net."

* It may take some time to complete the linkage.

- 3) Enter your e-mail address from [Register/Change e-mail address].

⇒ Completion of initial registration for use of "Nenkin Net"

* Initial registration on "Nenkin Net" from "My Number Portal" is available on weekdays, from 8:00am to 11:00pm.

* This service may not be available to those who do not have a basic pension number.

* You can access Nenkin Net 24 hours a day after completing the initial registration.

► If you do not have the "My Number" (national individual numbers) card

Even if you do not have your "My Number" card, you can sign up for "Nenkin Net" on the JPS website. Please check the JPS website for details.

To register for the Nenkin Net, use this QR code.



FY 2021 Initiatives

This section reports on the JPS's initiatives implemented based on its annual plan.

1 Initiatives to Promote National Pension coverage

All people who are registered residents of Japan and aged between 20 and 59 must be covered by the National Pension system. There is a need to work to reduce the number of individuals who are not covered by the system. JPS's initiatives in FY 2021 to promote National Pension coverage are as follows.

(1) Ensuring Coverage

FY 2021 Plan Overview

- For those who have reached the age of 20, JPS planned to register them in the system as National Pension Category I insured persons, and send a payment slip along with the notification of enrollment. As the number of months for contribution payment is increasing by this payment encouragement, JPS would strengthen measures to disseminate the system focused on payment.
- JPS planned to encourage those aged 34, 44, and 54 who are identified by the Basic Resident Registration Network System to apply for the National Pension.
- Moreover, if an insured person fails to submit a "category change" report, JPS planned to work to register such person as National Pension Category I insured person.

Status of FY 2021 Initiatives

- **Ensure application for those over the age of 20.**
 - JPS promptly completed enrollment procedures for all eligible persons who should be enrolled as National Pension Category I insured persons (992,000 people,) based on information provided by the Japan Agency for Local Authority Information Systems (J-LIS.)
 - To improve young people's payment rates, JPS sent out pre-enrollment notices one month before their 20th birthday, informing them of the advance payment system, automatic bank account transfer, and credit card payment. Furthermore, with the collaboration of municipalities, JPS made phone calls and provided the information on payment, advance payment, automatic bank account transfers, special payment for students, contribution postponement system and exemption system to those whose phone numbers were identified. (Approximately 54,000 people.)
- **Coverage registration done by JPS to the people who have not filed registration application**
Among the people aged 34, 44, and 54-years-old (approximately 5.02 million) identified by the Japan Local Information System Organization (J-LIS,) those who moved to Japan from overseas and did not have basic pension numbers, were encouraged to submit registration applications. If applications were not received despite JPS's encouragement, JPS simply registered them (approx. 26,000 people) as National Pension Category I insured persons.
- **Encouragement for submission of National Pension "category change" reports to retired employees and their dependent spouses**
JPS also encouraged those leaving their jobs and their dependent spouses to voluntarily report "category change." Steps were first taken to encourage registrations two months after they quit their jobs. If applications were not received in spite of JPS's encouragement, JPS simply registered them (approx. 97.6 million people) as National Pension Category I insured persons.

(2) Coordination and Cooperation with Affiliated Organizations

FY 2021 plan overview

- Based on the status of various measures under consideration to enhance online business model, such as the development of a function to enable the creation and application for contribution exemption through My Number Portal, JPS planned to increase cooperation with municipalities, improve enrollment procedures in the National Pension system, and promote proper reporting.
- JPS planned to strengthen its coordination with HELLO WORK (employment offices) to use the occasion of the employment insurance explanatory sessions to encourage the submission of National Pension "category change" reports and to explain special postponement system of contribution payment and exemption systems for the unemployed.

Status of FY 2021 Initiatives

- **Digitalization of reporting**
JPS collaborated with the Digital Agency to prepare the e-application via My Number Portal, for the National Pension enrollment and application for contribution exemption, which is planned to launch in May 2022.
- **Strengthening collaboration with municipalities**
JPS created the information magazine "KAKEHASHI" (meaning "bridge") to provide National Pension updates to municipal government staff in charge, and also gave briefing sessions to explain National Pension enrollment procedures, requesting them to widely distribute the information among residents.

- **Strengthening collaboration with HELLO WORK (employment offices)**

JPS created a video explaining the procedures for the National Pension in an easy-to-understand manner to be shown at employment insurance briefings held by Hello Work nationwide and inform displaced workers about special contribution exemption systems and temporary contribution exemption system.

(3) Addressing People Unqualified for a Pension or Receiving Low Pension Benefits

FY 2021 Plan Overview

- JPS planned to assess the effectiveness of the voluntary enrollment program, which was implemented in FY 2020 for those who meet the eligibility requirements for benefits by voluntarily enrolling and paying contribution between the ages of 60 and 65 years old, and consider more efficient and effective measures.
- JPS planned to continue the FY 2020 recommendation of payment for exempted terms to those with approval periods of the 2nd and 9th years for possible supplemental payment, evaluate the effectiveness of the recommendation and consider the selection of new subjects.

Status of FY 2021 Initiatives

- **Encouragement of the use of the voluntary coverage system**

Based on the result of FY 2020 efforts, JPS encouraged 9,000 people who reached the age from 60 to 64 years old and meet the conditions for receiving benefits by voluntarily enrolling and paying contribution until the age of 65 to apply for voluntary coverage.

- **Encouragement of retroactive payment**

JPS recommended retroactive payment for those who had contribution exemption approval period that allows retroactive payment in the 2nd and 9th years. Approximately 7.97 million people were encouraged to make retroactive payments, which resulted in 234,000 people's payment during FY 2021.

(4) Measures to Cover Foreign Nationals

FY 2021 Plan Overview

- JPS planned to compare information on foreign nationals supplied by the Ministry of Justice with JPS's own records, to encourage people not covered by the pension system to submit applications for coverage and to complete procedures to give them eligibility for coverage if they fail to submit an application.
- JPS planned to continue expanding on explanatory pamphlets on National Pension systems available in a variety of languages in order to provide easy-to-understand explanations of pension systems. Furthermore, JPS planned to consider using SNS to publicize the system.

Status of FY 2021 Initiatives

- **Extending coverage to specified skilled non-Japanese workers who are not covered by the pension system**

Based on the information provided by the Immigration Services Agency of Japan, such as specified skilled non-Japanese workers information since June 2019, JPS worked to register specific skilled non-Japanese workers (167 people) as National Pension category I insured persons, who were not covered by the National Pension and were employed at workplaces that were not classified as Employees' Pension Insurance covered workplaces.

- **Provision of pamphlets that are easy to understand for non-Japanese readers**

In order to better explain the pension system to non-Japanese readers in an easy-to-understand way, JPS created pamphlets and expanded language support. Furthermore, JPS posted these pamphlets on JPS website, as well as on the JPS's Twitter and LINE application "Me and everyone's Pension portal," and encouraged municipalities to use them.

- JPS has made the pamphlet, "Application for National Pension Contribution Special Payment System for Students" (English version) which was created in 2020, available in 14 languages.
- JPS created pamphlets in Japanese and English with hiragana that explain the Public Pension system in the easy-to-understand way for non-Japanese residents and specified skilled non-Japanese workers.

2 Initiatives to Improve National Pension Contribution Payment Rates

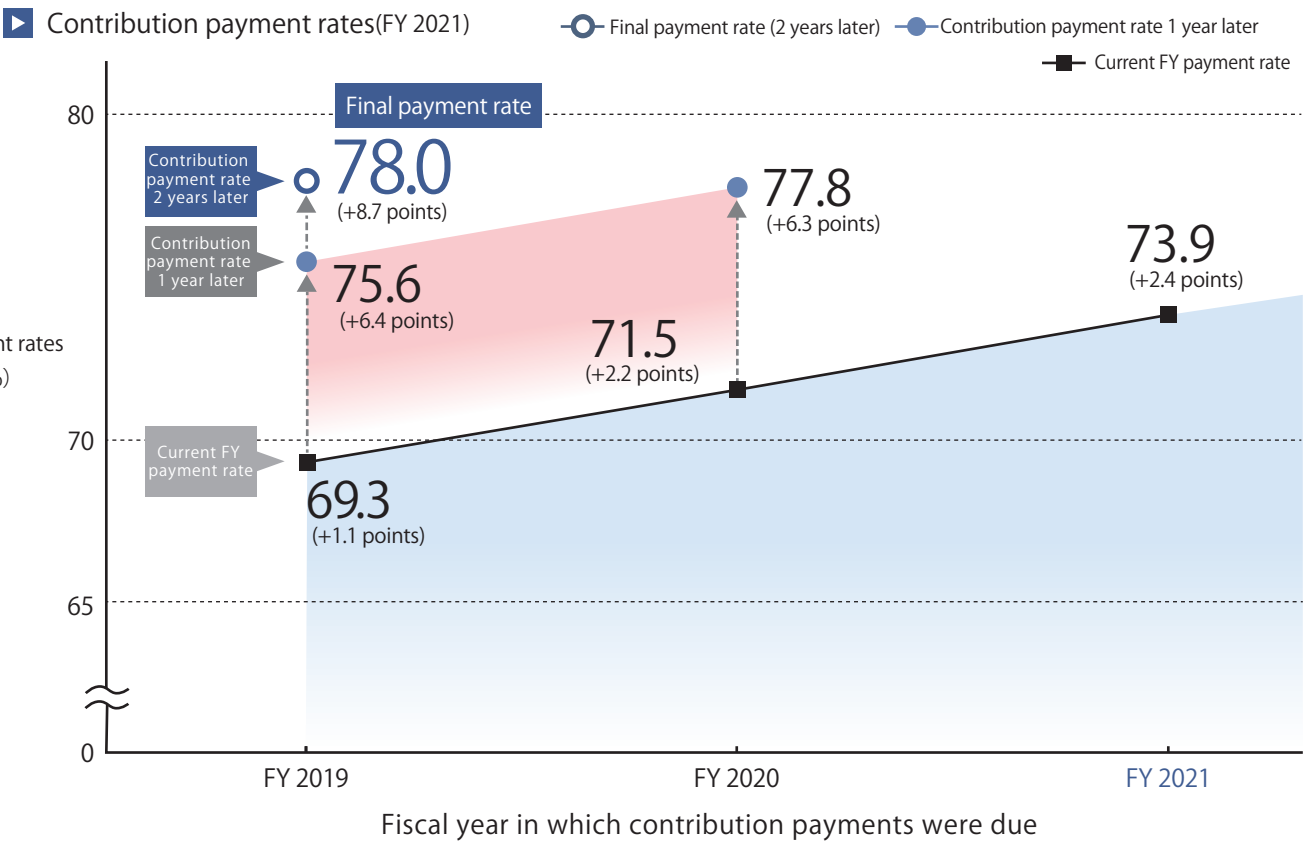
Underlying the public pension system is an intergenerational support system (pay-as-you-go system) in which different generations support one another, with current pension beneficiaries receiving benefits funded by contributions from the current working-age population.

Reducing the numbers of those who are not making National Pension contribution payments (non-payers) and improving contribution payment rates are essential to ensuring the systems function correctly. The current-year payment rate reached 73.9% and the final payment rate reached 78.0% in FY 2021 by taking efficient and effective measures even in the severe situation of the COVID-19 pandemic.

(1) Contribution Collection Initiatives for Non-payers by age group

FY 2021 Plan Overview

- JPS established the following targets to secure a current-year payment rate above first half of the 70s% while pushing the final payment rate above 77%.
 - Secure a roughly 2.0 point increase from the results in FY 2019 (69.3%) in the current-year payment rate for FY 2021 contribution and exceed the previous year's results.
 - Secure at least a 5.0 point increase in the contribution payment rate for FY 2020 contributions as of the end of FY 2021, relative to the payment rate for those contributions as of the end of FY 2020.
 - At least an 8.0 point increase in the final payment rate for FY 2019 contributions relative to the current-year payment rate for those contributions in FY 2019.
 - Secure higher rates of payment by automatic bank account transfers and credit cards than last fiscal year.



- ◎ The final payment rate for FY 2021 (contributions for FY 2019) has marked the 9th consecutive year that final payment rates have increased, since FY 2012 (contributions for 2010.)
- ◎ The highest rate since the final payment rate for FY 2004 (contributions for 2002) when statistics were started to be collected.

Note: National Pension contribution payments can be paid retroactively for up to two years in the past. The final payment rate for contribution payments due in the current year will be determined two years in the future.

Status of FY 2021 Initiatives

● Achieved the target contribution payment rates

Even in the difficult environment of the COVID-19 pandemic, JPS implemented initiatives, such as recommending temporary special contribution exemptions*¹ and special postponement system of contribution payment or contribution exemption system for unemployment*². As a result, the payment rate for FY 2021 contributions was 73.9%, up 2.4 percentage points from the previous year, contributions for the first year of the past FY 2020 increased by 6.3 percentage points to 77.8%, the final payment rate for FY 2019 contributions increased 8.7 percentage points to 78.0%. All of these exceeded targets.

● Recommendations for automatic bank account transfers and credit card payments

In addition to the existing initiatives, in terms of promoting payment by automatic bank account transfers and credit card, JPS focused on the people in their 50s, who have high payment rates, and encouraged them. As a result, total implementation rate for automatic bank account transfers and credit card payments was 40.8%.

▶ Rates of payment by automatic bank account transfers or credit card

| Fiscal year | 2020 | 2021 | Relative to previous FY |
|--------------------------------------|--------|--------|-------------------------|
| Automatic bank account transfer rate | 33.9 % | 34.3 % | +0.4 % |
| Credit card usage rate | 5.5 % | 6.5 % | +1.0 % |
| Total | 39.4 % | 40.8 % | +1.4 % |

● Built a convenient contribution payment infrastructure

JPS continued to include explanations of how to pay contributions at convenience stores, by Internet banking, or by credit card on the backs of payment notices and promote usage of those payment methods in the leaflets.

▶ Status of payment by convenience store, Internet banking, and credit card

| Fiscal year | 2020 | 2021 | Relative to the previous FY* ³ |
|-------------------|---------------------|---------------------|---|
| Convenience store | 15.42 million cases | 15.17 million cases | -1.6 % |
| Internet banking | 2.96 million cases | 3.03 million cases | +2.2 % |
| Credit card | 2.61 million cases | 3.01 million cases | +15.6 % |
| Total | 20.99 million cases | 21.21 million cases | +1.0 % |

*1: Temporary special contribution exemptions are applied for individuals whose income has declined due to the COVID-19 pandemic and are estimated to reach an income level for the current year that satisfies requirements for National Pension contribution payment exemptions or similar.

*2: Payment postponement system or exempting all or a portion of contributions can be applied for those who have financial difficulties in National Pension contribution payments due to unemployment. (If the spouse or head of household earns more than a certain amount, the exemption may not be granted.)

*3: In comparison to the previous year, the number of insured persons at the end of FY 2021 was -1.3%.

(2) Initiatives for Specific Collection Measures

1) Measures for Young People

FY 2021 Plan Overview

- JPS planned to inform those who have reached the age of 20 years old about the National Pension System and payment procedures through various opportunities.
- JPS planned to send out special dedicated payment reminders to non-payers, and also send out reminders to the heads of household who are jointly and severally liable for the payment.

Status of FY 2021 Initiatives

● Measures taken on those reaching the age of 20 years old

A video explaining payment methods and procedures for the National Pension Contribution Special Payment System for Students was posted on JPS's Twitter page to strengthen measures for those reaching the age of 20 years old. JPS also sent out payment reminders to non-payers. Furthermore, JPS sent out special envelopes designed to encourage reading to the head of the household, who was jointly and severally obligated to pay. As a result, the payment rate for those who reached the age of 20 increased to 66.1% (up 3.1 points from the previous year.)

2) Encouragement to those eligible for contribution exemptions

FY 2021 Plan Overview

- JPS planned to encourage those who are eligible for the contribution exemption but have not paid due to low income to apply.

Status of FY 2021 Initiatives

- Encouraged the contribution exemption of those who are eligible for the exemption due to low income.
 - JPS gave the information of the temporary special measure for National Pension contribution exemptions related to the COVID-19 pandemic, which had been in effect since May 2020, to all with unpaid periods. Recommendations were made to those who were approved for the exemption in FY 2021 and might be eligible for the exemption in FY 2022. As of March 31, 2022, JPS had approved 720,000 cases.
 - Regarding the special contribution exemption system for unemployment, JPS made recommendations for 101,000 people who changed their National Pension Plan coverage status from Category II to Category I and did not pay contributions. As a result, JPS had approved 530,000 cases as of March 31, 2022.

(3) Measures for Long-term Non-payers

FY 2021 Plan Overview

- JPS planned to send payment reminders to insured persons with 24 unpaid months who have paid for a certain number of months of contributions to indicate the amount of time remaining before each such person attains eligibility of benefit.

Status of FY 2021 Initiatives

- Achieved elimination of 24 month non-payers by various payment encouragement measures
JPS sent notices, made phone calls, and door-to-door visits to 26,000 24-month non-payers who were close to fulfilling eligibility requirements (between 50-59 years old and with 84 to 119 months in their eligibility period.) As a result, JPS was able to contact 16,000 people and 9,000 people had paid or applied for exemption, and 2,000 of them had met the eligibility requirements for the old-age pension by the end of March 2022.

(4) Measures Suited to the Circumstances of Each Region

FY 2021 Plan Overview

- Although the payment rate is steadily rising as a result of the systems and supports put in place to prevent an increase in the number of non-pensioners and low-pensioners in Okinawa Prefecture, JPS planned to implement more effective measures because the contribution payment rate in Okinawa is still lower than the one in other prefectures.
- Efforts will be made to develop a system to improve the payment rate at branch offices with a large number of non-payers.

Status of FY 2021 Initiatives

- Increasing the payment rate through the Ongoing Okinawa Project
In FY 2019, the six branch offices in Okinawa Prefecture collaborated with municipalities to launch the "Okinawa Project" to improve the contribution payment rate in Okinawa Prefecture. As part of our efforts to implement new measures, JPS continued to encourage payment through phone calls and door-to-door visits in FY 2021, and also held an online pension system seminar on "Pension Day," on November 30, 2021. These initiatives significantly increased the current-year payment rate for FY 2021 contributions in Okinawa Prefecture to 66.8% (+5.7 points relative to the previous fiscal year's contribution payment rate.)
- Increasing the payment rate by improving the system at branch offices with large numbers of non-payers
JPS improved the system in the 20 branch offices across the country where the number of non-payers is high by increasing the number of staff and clarifying the duties related to collection measures. As a result, the current year payment rate at the branch offices increased to 71.7% (up 3.0 points from the previous year.)

(5) Consistent Implementation of Compulsory Collection

FY 2021 Plan Overview

- JPS planned to target compulsory collection and send final ultimatums regarding payment to all individuals, based on contribution payment status, who have an income after applying deductions of at least 3 million yen and have failed to pay contributions for at least 7 months. JPS also planned to implement disposition for failure to pay contributions concerning individuals who do not pay contribution despite being sent reminder letters.
- In terms of compulsory collection, JPS will make an appropriate decision based on the impact of the COVID-19 pandemic.

Status of FY 2021 Initiatives

- Resuming compulsory collection in consideration of the impact of the COVID-19 pandemic.
According to the severity of the COVID-19 pandemic, since April 2021, careful consideration was given to limiting the number of applicants to those with an annual income of 10 million yen or more in 2019. JPS resumed the compulsory collection except in areas where the state-of-emergency was declared. Since February 2022, except in areas where the state-of-emergency was declared, JPS expanded the target in 2022 to include those with an income of 7 million yen or more and delinquent contributions for 7 months or more. As of the end of March 2022, the compulsory collection was conducted for 2,000 people.

Non-payers

Income data from municipalities (acquired from information provision network systems beginning FY 2020)

Targeted for compulsory collection and payment encouragement*¹

Payment encouragement (better quality / more efficient)

| Fiscal year | 2019 | 2020 | 2021 |
|------------------|---------------------|---------------------|---------------------|
| By mail | 32.72 million cases | 35.31 million cases | 36.57 million cases |
| By phone | 23.50 million cases | 20.89 million cases | 21.02 million cases |
| In-person visits | 4.19 million cases | 10,000 cases | 2.29 million cases |

No response to repeated payment encouragement

Compulsory collection (to eliminate feelings of unfairness and generate ripple effects)

| Fiscal year | 2019 | 2020 | 2021 |
|----------------------|---------------|----------|-------------|
| Final ultimatums | 142,871 cases | 42 cases | 2,117 cases |
| Reminder letters | 89,615 cases | 0 cases | 15 cases |
| Seizures of property | 20,590 cases | 41 cases | 46 cases |

* Numbers of cases of final ultimatums, reminder letters, and seizures of property refer to those cases begun in that fiscal year.

Payment encouragement outsourced

| Fiscal year | 2019 | 2020 | 2021 |
|------------------|---------------------|---------------------|---------------------|
| By mail | 5.82 million cases | 6.17 million cases | 8.48 million cases |
| By phone | 23.48 million cases | 20.52 million cases | 20.68 million cases |
| In-person visits | 4.12 million cases | 0 million cases | 2.23 million cases |
| Total | 33.42 million cases | 26.69 million cases | 31.39 million cases |

*1: It is an act to encourage voluntary payment by phone or visit if the contribution is not paid by the payment deadline. It is an act to encourage voluntary payment by phone or visit if the contribution is not paid by the payment deadline.

Eligible for exemptions

Promoting and Encouraging the exemption system

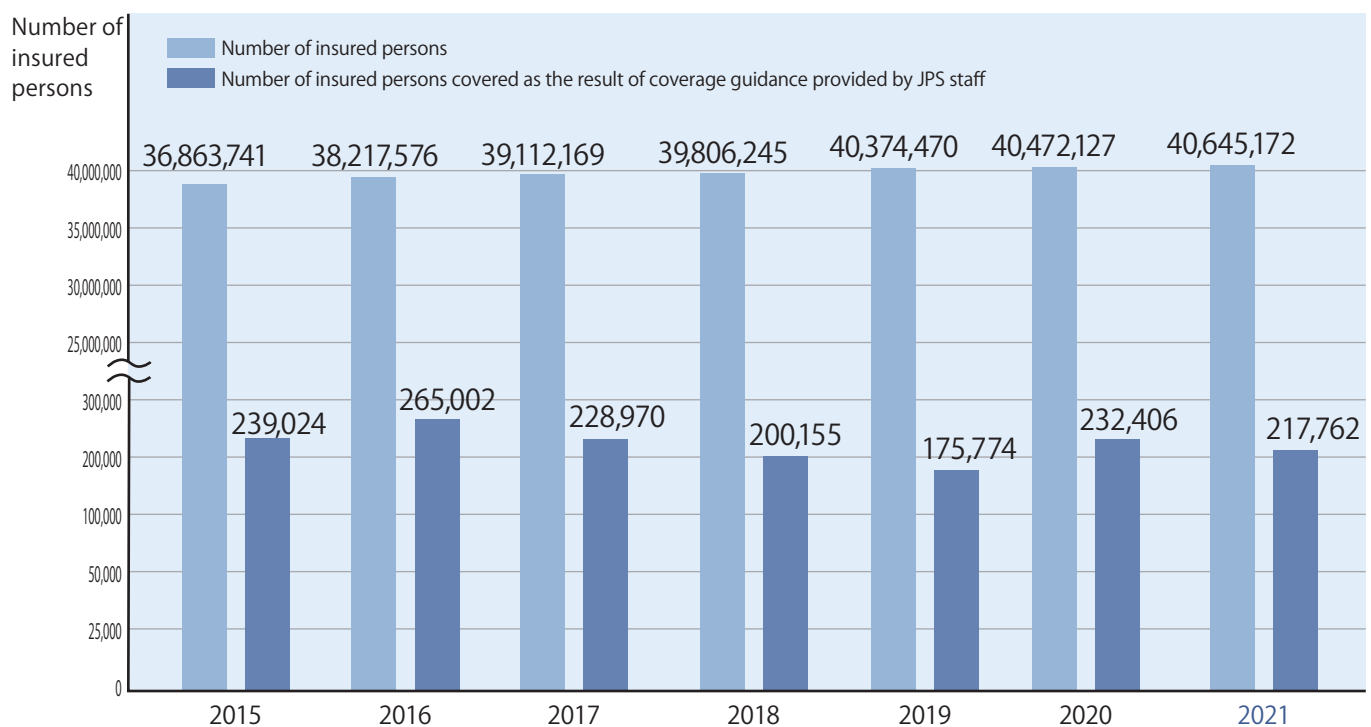
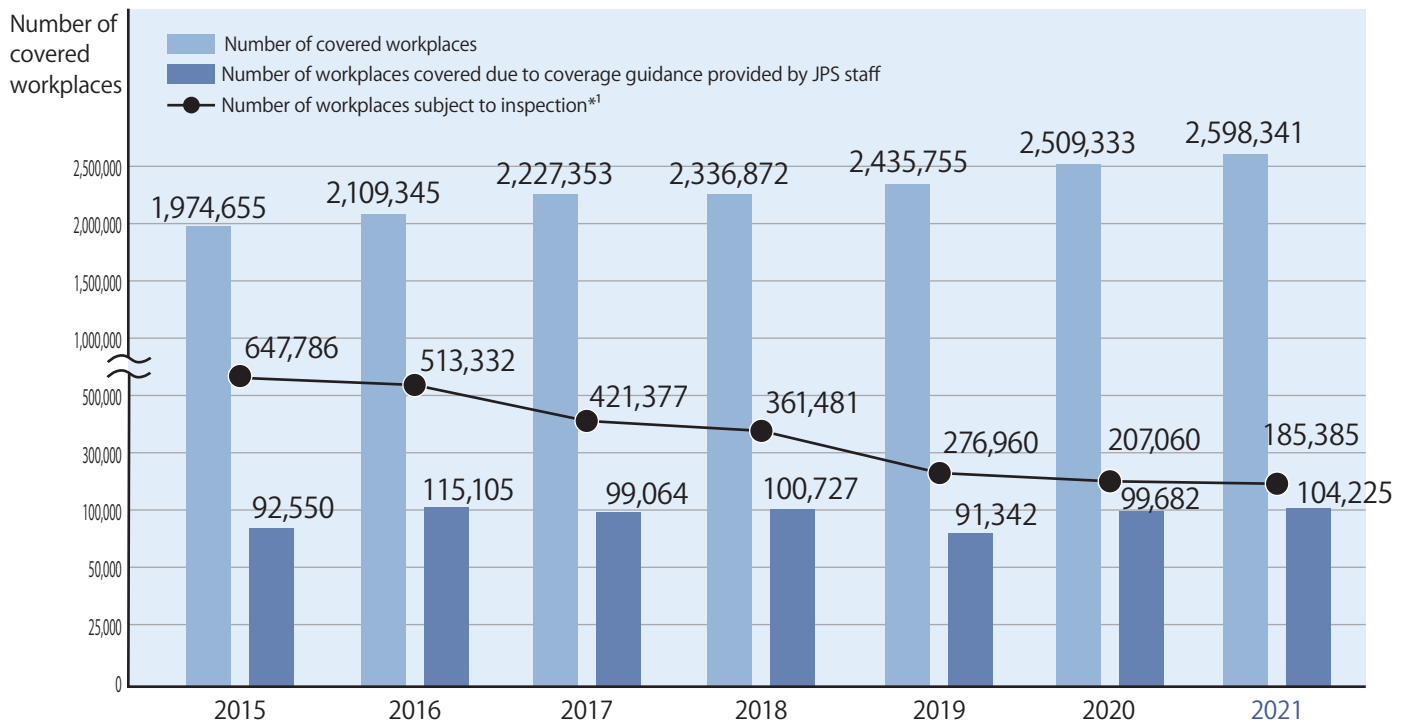
Promote and encourage the exemption system and the Special Payment System for Students (the program that enables students to postpone pension contribution payments,) and to ensure people's secure pension entitlements and pension amount increment.

* JPS suspended procedures and door-to-door visits related to the compulsory collection in light of the impact of the COVID-19 pandemic in FY 2020 and FY 2021.

3 Initiatives to Promote Coverage of Employees' Pension Insurance and Employees' Health Insurance

In general, all corporate workplaces and small business workplaces with at least five regular employees (excluding some industries) are required to be covered by the Employees' Pension Insurance and Employees' Health Insurance system. To ensure a fair distribution of the burden on employers and to prevent individuals from falling unqualified for a pension or receiving only low pension benefits, JPS works to systematically promote coverage at workplaces that have employees that should be covered.

► Status of initiatives since FY 2015



*1: Of such corporate workplaces that employ and pay wages to employees on whom information is provided by the National Tax Agency, workplaces subject to inspection are the subset not covered by Employees' Pension Insurance, according to JPS data

(1) Measures to Promote Coverage of Workplaces That Are Not Covered

FY 2021 Plan Overview

- JPS planned to implement initiatives that utilize information on national tax withholding agents and other information to further reduce the number of workplaces lacking coverage, and to intensively implement such initiatives over four years beginning FY 2020. JPS planned to continue these initiatives in FY 2021, taking account of impact of COVID-19 pandemic.
- JPS continued to aim coverage extension to workplaces that had a high probability of employing five or more employees or employees other than family members, which were identified by various information (hereinafter referred to as "workplaces with five or more employees.") JPS intended to focus on workplaces with five or more employees that were identified during the formulation of the FY 2020 action plan and implement the coverage by end of FY 2021.
- For corporate workplaces where the employer or business owner did not respond to coverage encouragement or where the investigation is otherwise needed, JPS planned to check on the workplaces' actual conditions through on-site inspection or other types of the investigation by the end of FY 2021. For corporate workplaces identified as having five or more employees, JPS aimed to make them covered by the end of the FY 2023.
- JPS planned to review the system and procedures to improve coverage application at the branch offices. JPS would register the workplaces without receiving an application in some cases, depending on the results of the on-site investigation.

Status of FY 2021 Initiatives

● Guided plans based on the individual branch office

JPS set the target of 88,000 workplaces to be newly covered through coverage guidance provided by JPS staff, with individual targets set for specific branch offices. JPS created plans to achieve those targets and worked towards them. To help prevent the spread of the COVID-19 pandemic, JPS stopped coverage guidance through on-site workplace inspections and requests to visit JPS offices in areas where a state-of-emergency was declared from the beginning of the FY 2021 through September. Instead JPS implemented coverage guidance primarily by mailings and by phone.

● Achieved about 104,000 workplace coverage through coverage guidance.

In addition to approximately 56,000 newly uncovered workplaces through coverage guidance using the information on national tax withholding agents, JPS also implemented coverage guidance by using company registry information, and ultimately extended coverage to approximately 104,000 workplaces and 218,000 individuals in total. The number of uncovered workplaces which are required inspections dropped to approximately 185,000 as of the end of FY 2021, down from approximately 207,000 as of the end of FY 2020.

● Extended coverage to approx. 3,800 workplaces through priority coverage guidance

In addition to the workplaces with 5 or more employees that were identified when the FY 2020 action plan was established, in FY 2021, 6,066 workplaces including those with 5 or more employees newly identified during FY 2020, were focused. Of these, by the end of March 2022, coverage was extended to 3,789 workplaces, reducing the number of targets by 1,933.

▶ Status of workplaces with five or more employees

| | Number of target workplaces as of April 2021 | Number of workplaces provided coverage guidance | Number of workplaces covered or exempted | Number of target workplaces* ³ as of March 2022 |
|--|--|---|--|--|
| Corporate workplaces with 5 or more insured workers* ² | 2,829 Workplaces | 1,807 Workplaces | 151 Workplaces | 871 Workplaces |
| Corporate workplaces with less than 5 insured workers and employing non-family members* ² | 3,237 Workplaces | 1,982 Workplaces | 193 Workplaces | 1,062 Workplaces |
| Total | 6,066 Workplaces | 3,789 Workplaces | 344 Workplaces | 1,933 Workplaces |

*2: It is divided with estimation based on data from withholding national tax as of the end of March 2021, information by hearing in coverage guidance, and confirmation by questionnaire.

*3: Excluded workplaces identified after April 2021.

● Investigated non-responding workplaces

When the employer or business owner did not respond to coverage encouragement, JPS initiated the necessary status survey by sending questionnaires to check on the actual conditions of the workplaces. This effort reduced the number of workplaces subject to a status survey to 83,079 from 146,287 at the end of FY 2020.

(2) Measures to Improve Coverage through Workplace Inspections

FY 2021 Plan Overview

- As a general rule, JPS planned to conduct workplace inspections at all covered workplaces within the Mid-term Plan period. The inspection should be effectively conducted by giving priority to workplaces depending on the number of employees and other considerations.
- For large workplaces, JPS planned to strengthen collaboration between headquarters and branch offices, and to implement effective, efficient on-site inspections.

Status of FY 2021 Initiatives

- **Implemented workplace inspections aiming to cover around 8.24 million insured workers**
In FY 2021, considering the impact of the COVID-19 pandemic, JPS selected workplaces based on priority, and conducted a survey using a combination of visiting, calling, and mailing methods. JPS aimed to inspect workplaces that would represent 8.24 million insured workers, but JPS ended up inspecting more workplaces, exceeding the targets.
- **Initiatives in anticipation of increased use of part-time workers enacted in October 2022**
To raise awareness of the system, a survey of workplaces with 101 to 500 insured persons was conducted over two years beginning in FY 2021. In FY 2021, 21,281 of the 50,000 workplaces inspection were conducted.
- **Implemented large scale workplace inspection**
The inspection of large-scale workplaces with more than 10,000 insured workers was implemented in collaboration between the Corporation Research Group, Corporation Special Enforcement Department, which was established at the headquarters in April 2021, and the branch office in charge. JPS confirmed the all workers' insured status by utilizing the electronic data of salary information, which was submitted by the workplace as the inspection material. JPS checked them with JPS's internal data and completed the inspection in an efficient and effective manner, which did not require any face-to-face contact by visiting or calling the workplaces.

▶ Status of workplace inspection initiatives

| The target number of insured | Number of inspected insured workers | Number of workplaces inspected |
|------------------------------|-------------------------------------|--------------------------------|
| 8,240,000 people | 9,983,365 people | 242,793 workplaces |

▶ Workplace inspection identification status

| Number of workplaces identified for targeting by initiatives*4 | Matters related to coverage/ loss of coverage | Matters related to remuneration |
|--|---|---------------------------------|
| | 16,241 workplaces | 79,681 workplaces |

Number of insured workers covered as the result of JPS inspection:

27,252 people

*4: Workplaces identified for targeting by initiatives: This refers to workplaces for which proper registrations/reporting were finally made as a result of workplace inspections. (Including workplaces for which JPS made corrections or registrations without receiving applications / reports from the workplace.) These inspections checked whether proper registration application/reporting had been made for insured persons' eligibility and remuneration, and identified omissions or errors in registration applications/reporting.

(3) Initiatives to Promote Coverage of Employees' Pension Insurance and Employees' Health Insurance

FY 2021 Plan Overview

- To promote the rapid issuance of health insurance cards, JPS planned to accelerate the process by setting targets for the lengths of administrative processing periods for applications and conducting progress management every month.
- For e-applications for coverage registration and other applications about those covered by health insurance, JPS aimed to submit eligibility information within two business days to the Japan Health Insurance Association in principle.

Status of FY 2021 Initiatives

● Successfully accelerated the processing of e-applications

JPS prioritized the processing of registration applications and similar documents, and this resulted in a reduction in the average number of days required for processing compared to April 2020. Particularly the average number of days required for processing e-applications was significantly less than the target of two business days.

▶ Average Number of Processing Days by Registration Application/Report Type

| Registration applications | | | | | | |
|---------------------------------------|---------------|-----------|------------------|-----------|-----------|-----------|
| Type | e-Application | | Electronic media | | Paper | |
| Fiscal year | Apr. 2020 | Apr. 2021 | Apr. 2020 | Apr. 2021 | Apr. 2020 | Apr. 2021 |
| The average number of processing days | 1.4 | 0.5 | 1.6 | 0.8 | 5.1 | 2.9 |

| Report for dependent person change | | | | | | |
|---------------------------------------|---------------|-----------|------------------|-----------|-----------|-----------|
| Type | e-Application | | Electronic media | | Paper | |
| Fiscal year | Apr. 2020 | Apr. 2021 | Apr. 2020 | Apr. 2021 | Apr. 2020 | Apr. 2021 |
| The average number of processing days | 1.9 | 0.7 | 1.5 | 0.9 | 6.0 | 2.8 |

Note: The "processing days" is the length of the period from the day after the registration application/report is received by JPS to the day on which pension eligibility is confirmed. The period does not include the period of time required by the Japan Health Insurance Association to create the health insurance card.

4 Initiatives for Contribution Collection for Employees' Pension Insurance and Employees' Health Insurance

The contribution collection rate for Employees' Pension Insurance has been at a high level ever since JPS was founded. JPS continues to conduct contribution collection fairly and equitably and improve its performance. In FY 2021, JPS encouraged appropriate payment based on the circumstances of each workplace. Furthermore, for those workplaces that continued to have difficulties in paying contributions, JPS took prompt and flexible action, taking into account the unique circumstances of each workplace.

(1) Initiatives to Achieve Target Contribution Collection Rates

FY 2021 plan overview

- JPS planned to maintain or improve contribution collection rates relative to the previous fiscal year by contribution collection rates excluding the contribution amount that the legal postponement system was applied (hereinafter referred to as the "postponed amount approved by legal postponement system.")

Status of FY 2021 Initiatives

● Systematically managing progress toward goals

Progress on targets was managed in collaboration with the headquarters and the branch offices, JPS made improvements, such as offering effective advice and guidance to branch offices whose performance results fell short of expectations.

● Achieving a higher collection rate than the previous fiscal year

- Employees' Pension Insurance contribution collection rate
The collection rate was 98.3% in FY 2021, an increase of 0.8% from the previous year. In addition, the collection rate, which was the amount of "confirmed contribution amount to be collected" minus the amount of "postponed amounts approved by legal postponement system," was 99.4%.
- Health insurance contribution collection rate
The contribution collection rate for the Employees' Health Insurance managed by the Japan Health Insurance Association reached 97.2% in FY 2021, an increase of 0.4% from the previous year. The contribution collection rate, removing postponed amounts approved by special/legal postponement systems from the "confirmed contribution amount to be collected," was 98.9%.

▶ Employees' Pension Insurance contribution collection rate

| Fiscal year | 2020 | 2020 (Removing postponed amounts approved by special*/ legal postponement systems) | 2021 | 2021 (Removing postponed amounts approved by special/legal postponement systems) |
|---|----------------------|---|----------------------|---|
| Confirmed contribution amount to be collected | 32.8717 trillion yen | 32.2875 trillion yen | 33.9149 trillion yen | 33.5620 trillion yen |
| Contributions collected | 32.0612 trillion yen | 32.0612 trillion yen | 33.3535 trillion yen | 33.3535 trillion yen |
| Collection rate | 97.5 % | 99.3 % | 98.3 % | 99.4 % |

▶ Employees' Health Insurance contribution collection rate

| Fiscal year | 2020 | 2020 (Removing postponed amounts approved by special/legal postponement systems) | 2021 | 2021 (Removing postponed amounts approved by special/legal postponement systems) |
|---|----------------------|---|----------------------|---|
| Confirmed contribution amount to be collected | 10.7665 trillion yen | 10.5527 trillion yen | 11.1806 trillion yen | 10.9910 trillion yen |
| Contributions collected | 10.4235 trillion yen | 10.4235 trillion yen | 10.8700 trillion yen | 10.8700 trillion yen |
| Collection rate | 96.8 % | 98.8 % | 97.2 % | 98.9 % |

*1: Enacted April 30, 2020. In case of income loss over the inspection period (one month or longer) occurring in or after February 2020 due to the effects of the COVID-19 pandemic, it is possible to apply to postpone for one year contribution payments due between February 1, 2020 and February 1, 2021. No collateral is necessary and no late fees will be assessed.

JPS collected 722.3 billion yen for the special postponement system of contribution payment for Employees' Pension Insurance by the end of March 2021, which was approximately 74% of the approved amount of 973.7 billion yen. JPS implemented approximately 24% or 234.2 billion yen of the approved amount of 973.7 billion yen switching over to the legal postponement system. Approximately 95% of workplaces have paid or applied (switched) to the legal postponement system.

► Status of special postponement amount of contribution payment (as of the end of FY 2021)

| Postponement approved amount | Amount of grace period expiration (contributions from January 2020 to December 2020) | | | |
|------------------------------|--|-------------------|---------------------------------------|------------------|
| | | Paid | Switched to legal postponement system | Pending payment |
| 973.7 billion yen | 973.7 billion yen | 722.3 billion yen | 234.2 billion yen | 17.2 billion yen |
| Rate | 100 % | 74 % | 24 % | 2 % |

► Status of the special postponement of contribution payment expiration (as of the end of FY 2021)

| Informed workplaces of the special payment postponement expiration | Paid (In full) | Switching to legal postponement system (Installment payment) | Pending payment |
|--|-------------------|--|------------------|
| 81,016 workplaces | 20,984 workplaces | 55,849 workplaces | 4,183 workplaces |
| Rate | 25.9 % | 68.9 % | 5.2 % |

(2) Payment Guidance, Suspension of Conversions Into Cash, and Delinquency Dispositions for Delinquent Workplaces

FY 2021 plan overview

- JPS planned to take appropriate action as suited to the delinquent workplaces' circumstances and based on the relevant laws and regulations, when delinquent workplaces report difficulty making a contribution payment.
- For those workplaces that have not paid by the payment due date, a system of telephone payment reminders and efficient implementation will be considered.

Status of FY 2021 Initiatives

- **Switching rapidly from special postponement system of contribution payment to the legal postponement system**
Regarding the special postponement system of contribution payment for Employees' Pension Insurance, which had been responded to as a policy request by the impact of the COVID-19 pandemic since February 2020, all grace periods ended between March 2, 2021 and February 1, 2022. JPS encouraged payment appropriately according to the situation of the workplaces, continued to proactively guide workplaces that have difficulties in making payments to use the legal postponement system, and responded to them carefully.

► Use of the legal postponement system

| Fiscal year | | 2019 | 2020 | 2021 |
|-------------------------------------|---------------------------------|-----------|--------------|--------------|
| Payment postponement | | 15 cases | 39 cases | 336 cases |
| Special payment postponement | | — | 97,877 cases | 0 |
| Suspensions of conversion into cash | By applications | 732 cases | 2,850 cases | 42,537 cases |
| | Implemented without application | 144 cases | 4,919 cases | 29,255 cases |

▶ Number of delinquent workplaces

| Fiscal year | 2019 | 2020 | 2021 |
|---|---------|---------|---------|
| Number of delinquent workplaces | 142,139 | 160,308 | 147,750 |
| Delinquent workplaces' proportion of all covered workplaces | 5.8 % | 6.4 % | 5.7 % |

■ The number of delinquent workplaces was 147,750 at the end of FY 2021, with 5.7% proportion of all covered workplaces, a decrease from the end of FY 2020.

● Encouraging appropriate payment by phone and providing information on the legal postponement system

For those workplaces that failed to pay by the legal payment deadline, JPS made sure to encourage them to make a payment by phone. At the time, if workplaces indicated that making a lump-sum payment was difficult, JPS provided information on the legal postponement system and worked on the payment plans and performance management that take into account the unique circumstances of individual workplaces. To reduce the number of new delinquent workplaces that exceed the specified deadlines for reminders, JPS established an organization dedicated to payment discussions, a centralized call center in February 2022 to encourage payments by phone from the legal payment deadline to the specified deadline for reminders, and started the advanced operation for some areas.

(3) Contribution Collection Enhancement for Difficult-to-Collect Workplaces

FY 2021 plan overview

- JPS planned to improve its contribution collection systems, centralize on the Corporation Special Enforcement Department at headquarters, to handle difficult-to-collect workplaces with long-term, or larger amount of delinquencies and eliminate their delinquencies.

Status of FY 2021 Initiatives

● Utilization of legal postponement system and appropriate payment guidance at difficult-to-collect workplaces

Regarding the handling of difficult-to-collect workplaces, which are under the control of the Corporation Special Enforcement Department, JPS actively guided the use of the legal postponement system to workplaces that were in arrears before the impact of the COVID-19 pandemic and were unable to apply (switch) from the special postponement system of contribution payment to the legal postponement system, and provided appropriate advice on developing payment plans based on financial resources. As a result, the delinquent payment amount prior to the special postponement system of contribution payment was reduced by 1 billion yen, and the total delinquent payment amount was reduced by 2.4 billion yen. As of the end of March 2022, 161 of our 328 workplaces were switched to the legal postponement system, with a monetary amount of 9.7 billion yen.

▶ Number of delinquent workplaces

| Cases handled by the Corporation Special Enforcement Department | Cases overseen for FY 2021 | | | End of FY 2021 | | End of FY 2021 (Removing monetary amounts approved as legal postponement system) |
|---|--|------------------------------------|------------------|--------------------------------|-------------------------------|---|
| | Carried over from the previous fiscal year | Cases transferred over for FY 2021 | Total | | Legal postponement systems | |
| Number of workplaces overseen | 145 | 297 | 442 | 328 | 161 | — |
| Total of delinquent amounts (incl. late fees) | 6.8 billion yen | 14.0 billion yen | 20.8 billion yen | 18.4 billion yen* ² | 9.7 billion yen* ² | 8.7 billion yen* ² |

*2: Includes the delinquent amounts of workplaces transferred during the fiscal year.

● Promoting delegation of authority to the National Tax Agency

In light of the delegation of authority to the National Tax Agency (NTA) over delinquency disposition, regular meetings with the NTA were resumed, after being postponed during FY 2020 due to the impact of the COVID-19 pandemic. JPS delegated additional items to NTA for the previously agreed upon delegated cases, resulting in 80 cases in FY 2021.

(4) Training of Contribution Collection Staff

FY 2021 plan overview

- JPS planned to conduct job-specific administrative staff training to cultivate high expertise.

Status of FY 2021 Initiatives

● Conducting training on the legal postponement system by the level of collection staff

As for the legal postponement system which was the foundation for the collection measures of the Employees' Pension Insurance system, JPS conducted job-level training to ensure fair and equitable operations by laws and regulations and developed collection staff knowledgeable about both the system and practical operations. Staff from the National Tax Agency and the Corporation Special Enforcement Department served as lecturers for the training. The course had 360 participants and included practical content to help them improve their expertise, such as studying specific response methods. As a result, 72,128 cases were switched to the legal postponement system, which contributed to the proper credit management. JPS also shared information on examples of how to handle difficult cases with branch office managers and assistant managers.

(5) Promoting Systemization of Contribution Collection Operations

FY 2021 plan overview

- JPS planned to continue to consolidate support tools for contribution collection operations and promote the systemization of contribution collection operations to analyze trends among delinquent workplaces and the effectiveness of JPS initiatives.

Status of FY 2021 Initiatives

● Expanding the function of support tools for contribution collection measures

In May 2021, the electronic inquiry service for delinquent workplaces' financial status with their financial institutions was launched as one of the functions in the support tools for contribution collection, which were integrated in the FY 2020. In December 2021, JPS added a function to extract the specific delinquent workplaces for the efficiency operations.

● Reducing administrative workload associated with the special postponement system

When the special postponement system of contribution payment for Employees' Pension Insurance was switched to the legal postponement system in FY 2021, administrative workload was increased. JPS developed the system on the process of notification preparation such as legal postponement approval resolution notice, thereby streamlining and reducing the burden of related paperwork.

(6) Promotion of Payment by Automatic Bank Account Transfer

FY 2021 plan overview

- JPS planned to promote the use of automatic bank account transfers to pay contributions to the existing covered workplaces, and new covered workplaces as well.

Status of FY 2021 Initiatives

● Promoting pension contribution payments by automatic bank account transfer

Leaflets and other materials were distributed to covered workplaces that were not using automatic bank account transfers to encourage their use, while new covered workplaces were encouraged to apply by phone or in writing. As a result, the rate of automatic bank account transfer usage for FY 2021 was 81.4% (0.4 points increase from last fiscal year) for Employees' Pension Insurance and 80.8% (0.1 point increase from last fiscal year) for the Employees' Health Insurance managed by the Japan Health Insurance Association.

5 | Pension Benefits Initiatives

In FY 2021, in order to properly manage the pension system as a practical operation and promote accuracy in pension benefits payments and improvements to customer services, JPS made strides toward restructuring a system in which pension benefit operations are carried out at branch offices and the Central Pension Center and digitizing pension benefit operations, as well as the creation of an environment for easily use e-applications. Furthermore, in accordance with the pension system reform (raise in maximum age for optional delayed pension,) JPS improved customer service by sending a new annual notification of the estimated delayed pension amount to those who are 66 years of age or older.

(1) Improving Operational Structure for More Accurate Benefits Payments

FY 2021 plan overview

- In order to restructure pension benefit operations into a system in which branch offices and the Central Pension Center execute pension benefit operations, JPS planned to maintain the aspect of administration and system, and examine the system aspect for consolidating the pension benefit operations (recommendation of re-examination for benefit eligibility and operations related to special disability benefits) that were being performed at the processing centers.
- JPS planned to secure the staffing structure at the Central Pension Center and branch offices to ensure the smooth and steady implementation of the pension system reform (raise in maximum age for optional delayed pension and revision of the old-age pension for incumbent workers) to be implemented in April 2022.

Status of FY 2021 Initiatives

● Maintenance and consolidation of pension benefit operations at processing centers

In FY 2021, JPS made the following efforts regarding the processing center's pension benefit operations.

- JPS decided that recommendations of re-examination for benefit eligibility would be conducted at the **Central Pension Center and branch offices as a policy, and developed a system to realize it.**
- JPS decided to consolidate operations related to special disability benefits to Central Pension Center and other organizations.
- **JPS established guidelines** for the data entry processing of pension claims and the preparation and distribution of pension certificates to customers.

● System infrastructure unification in order to restructure the execution system

In October 2021, the Central Pension Center and branch offices were unified in terms of system infrastructure, such as business terminals, which had previously differed, and JPS maintained the environment for processing pension benefits in the same environment. Based on this, JPS proceeded to restructure the enforcement system by organizing the roles (scope of work) of the Central Pension Center and Pension Offices for the future.

● Strengthening the organization for pension system reform

JPS increased the number of staff at branch offices and the Central Pension Center by 80 to provide pension consultation and to examine pension claims in order to gradually implement the pension system reform that went into effect in April 2022.

(2) Realizing More Accurate Benefits Payments

FY 2021 plan overview

- JPS planned to verify the decision's content at the Central Pension Center as soon as it was made in order to assure the accuracy of pension benefits, and they attempted to prevent and correct any administrative errors as quickly as possible.
- JPS planned to ensure that those subject to the "Comprehensive Inspection of Administrative Errors Related to Pension Benefits" received postvention responses.
- JPS planned to enhance information collaboration with the Mutual Aid Association to strengthen the system check function for benefit eligibility examination.
- JPS planned to review an administrative processing based on paper filings, and encourage research into digitizing pension benefit operations.

Status of FY 2021 Initiatives

● Creating a system to monitor pension decisions.

To ensure the accuracy of pension decisions made by branch offices throughout the organization, JPS developed a system for checking the details of decisions at the Central Pension Center immediately after they were made. In FY 2021, JPS identified 234,000 cases that were difficult to check by the system among the determined old-age, survivor, and disability pension cases (about 1.44 million cases,) prevented 387 administrative errors, and took early action.

- **Ensuring implementation of the "Comprehensive Inspection of Administrative Errors Related to Pension Benefits"**

In the "Comprehensive Inspection of Administrative Errors Related to Pension Benefits," JPS took necessary actions sequentially for those events for which the subject could be identified, and the results were made public every month. JPS also inspected and analyzed administrative processing errors in 2020, and the results were announced in September 2021.

- **Strengthening system check functions to optimize pension benefits**

JPS strengthened the system check function and improved benefit accuracy in order to optimize pension benefits between JPS and the Mutual Aid Association.

- **Initiatives for digitalization of Pension Benefit Operations**

JPS considered building environment to enable simple e-applications for Dependents and Old-Age Pension Claims in order to promote accuracy and efficiency in processing and simplify procedures for customers.

(3) Improvement of Administrative Processing for the Disability Pension

FY 2021 plan overview

- JPS planned to implement a system in which multiple disability assessment doctor participate in disability assessment process consistently, as well as to properly implement the inclusion of reasons for adverse dispositions.
- JPS planned to review the Disability Pension Center's administrative processing flow and clarify roles by job type and function to ensure smooth administrative processing.
- An environment for remote assessment operations was planned to create to enable the implementation of online assessment operations in order to prevent the spread of COVID-19 pandemic and improve assessment operations' efficiency.

Status of FY 2021 Initiatives

- **Improving the appropriateness of disability pension approval operations**

To further ensure the fairness of certification, JPS promoted a system in which multiple disability assessment doctor were involved in cases that particularly required comprehensive medical judgment by a disability assessment doctor. Regarding the disadvantageous disposition of the disability pension, JPS enclosed a document that explained the reason for the disposition notice to the customer.

- **Smooth implementation of administrative processing at the Disability Pension Center**

To standardize disability pension approval operations and improve staff expertise and skills, the Disability Pension Center's workflow was reviewed, and the following initiatives were implemented beginning in April 2022.

- Clarification of roles and delegation of decision-making authority based on job responsibilities.
- Implementation of a system in which staff prepares an advance confirmation form for items related to the disability status of the required medical report for assessment.
- Strengthening of checks on assessment results, such as assessment by multiple disability assessment doctor and the inclusion of reasons for adverse dispositions.

- **Improving the environment for conducting online assessment work**

An environment for remote certification work was established in order to enable online assessment work, and the remote work for re-assessment of mental disability began in September 2021.

(4) Customer Service Improvements

FY 2021 plan overview

- Regarding the pension system reform, which was set to take effect in April 2022, (raising the upper limit of the deferral age for delaying benefits and reviewing the old-age pension system for active employees,) JPS planned to consistently provide customer publicity by disseminating information through various publicity media and distributing leaflets to branch offices.
- JPS planned to advise customers approaching the ages of 60, 65, and 69 on how to apply for old-age pensions and worked to familiarize them with various pension payment methods. Through documents, phones, and visits, JPS also planned to provide individual claim information to those over the age of 70 who unclaimed old-age pensions.
- JPS planned to monitor the status of service standards*¹ appropriately and maintained an achievement rate of 90% or higher for each service standard.

*1: The "service standard" is the standard number of days required after receiving a pension benefits application to determine pension benefits and deliver a Pension Certificate. For the old-age pension and survivors' pension, this standard is "within two months" (or within 2 months if there is a need to reconfirm coverage records.) For the disability pension, the standard is "within 3 months."

Status of FY 2021 Initiatives

● Publishing the pension system reform on the website and Twitter.

In February 2022, JPS published an overview of the pension system reform on the JPS website and used Twitter to raise customer awareness of the reform. JPS also posted the revised procedures, pamphlets, reportings, and claim forms on our website in April 2022.

● Enhancement of recommendations for claiming pension benefits

- Consistent distribution of pension application forms (for pre-sending)

JPS sent pension application forms (for pre-sending) with pension enrollment records when they reached the age at which they began receiving pension benefits or when they turned 65, in order to prevent those who were eligible for pension benefits from failing to claim the pension.

- Beginning of notification of estimated delayed benefits amount

As a new initiative for those who wanted to delay benefits after the age of 66 but did not receive the old-age pension, a notice of the estimated delayed benefits amount was sent every year in conjunction with the month of birth, and another pension application form was sent upon reaching 75 years of age.

- Recommendations to those with unclaimed old-age pensions

To ensure that those who were eligible but had not yet claimed their pensions, JPS encouraged those over the age of 70 who had unclaimed old-age pensions to file individual claims in writing, by phone, or through visits from January 2020. JPS also encouraged approximately 52,000 people to apply for the pension by March 2022, and 48,000 people submitted their pension application forms, with JPS paying their old-age pensions.

● All service standards for old-age, survivors, and disability pensions met or exceeded expectations.

Despite the impact of the COVID-19 pandemic, the achievement levels of service standards for old-age, survivors, and disability pensions was all maintained at or above 90%, and efforts were made to determine pension payments as soon as possible.

[Service standard achievement levels]

▶ Old-Age Pension (FY 2021)

| If there is NO need to reconfirm coverage records (Within one month) | | If there is a need to reconfirm coverage records (Within two months) | |
|---|------------------|---|------------------|
| Avg. days required | Achievement rate | Avg. days required | Achievement rate |
| 23.0 | 98.6 % | 29.7 | 97.9 % |

▶ Survivors' Pension (FY 2021)

| If there is NO need to reconfirm coverage records (Within one month) | | If there is a need to reconfirm coverage records (Within two months) | |
|---|------------------|---|------------------|
| Avg. days required | Achievement rate | Avg. days required | Achievement rate |
| 23.2 | 98.3 % | 30.6 | 96.7 % |

▶ Disability Pension (FY 2021)

| Within three months | |
|---------------------|------------------|
| Avg. days required | Achievement rate |
| 65.8 | 95.7 % |

(5) Reliable Implementation of a Pensioners Supplementary Benefits System

FY 2021 plan overview

- JPS planned to prepare for the revision of the pensioners supplementary benefits payment cycle*2 and continue to provide accurate payments to those receiving the supplementary benefits.
- JPS planned to provide claim recommendations to those who were newly expected to receive supplementary benefits as a result of a decrease in income amount, to make accurate payments.
- JPS planned to enhance the content of the JPS website and publicize the service through a variety of advertising media.

*2: Enacted in August 2021. The payment cycle was changed from August to July of the following year to October to September of the following year.

Status of FY 2021 Initiatives

- Continuation of payments to recipients of supplementary benefits and notification of changes in the payment cycle

Regarding the pensioners of pensioners supplementary benefits payments, JPS received income data from municipalities and continued to pay supplementary benefits to approximately 7.28 million people who met the payment requirements. Furthermore, the change in the supplementary benefits payment cycle that went into effect in August 2021 was expressed through notifications of the supplementary benefits payment amount (change.)

- Information on claim procedures for individuals newly expected to receive supplementary benefits

JPS mailed simple postcard-style application forms to approximately 530,000 people who may have become newly eligible for supplementary benefits payments as a result of a decrease in their income. Furthermore, JPS advised those who had not completed the claim procedure three times. As a result, by the end of March 2022, approximately 500,000 people had filed claims and JPS began payment.

- Conducting public awareness and PR activities

JPS reviewed the information on supplementary benefits on the JPS website in an easy-to-understand manner, newly posted the details of pension system reform and frequently asked questions, and enhanced the content. JPS also used various advertising media (website, government public relations, Internet ads, and Twitter) in collaboration with the Ministry of Health, Labor, and Welfare to publicize and promote the program in order to ensure that the simple postcard-style application procedure was followed.

- ▶ Communication activities in collaboration with the Ministry of Health, Labour and Welfare



Public relations via the Ministry of Health, Labour and Welfare, and JPS websites



Publicity via the JPS Twitter



Posters and leaflets distributed to JPS branch offices and municipalities



Communication with municipalities through the "KAKEHASHI" informational magazine



Requested welfare institutions for the elderly or persons with disabilities to properly handle the application



Publicity via Internet ads and physical signage

6 | Initiatives to Address Pension Records Problems

JPS continues to work to regain the public's trust since the pension records problems that occurred at the old Social Insurance Agency. JPS's initiatives on this issue in FY 2021 are as follows.

(1) Checking Pension Records and Investigating Unidentified Records

FY 2021 plan overview

- JPS planned to send out notifications to insured persons who had not replied to records aggregation special mailings (NAYOSE TOKUBETSU BIN) and similar mailings, in order to have them check whether there were unidentified records in their pension records.
- To resolve the pension records problem, JPS planned to take various opportunities such as pension benefits application and coverage status confirmation through Pension Coverage Regular Notices (NENKIN TEIKI BIN) or Nenkin Net, concerning customers' pension records-related requests and reports.

Status of FY 2021 Initiatives

● Requiring that insured persons review their records

In order to investigate unidentified records, JPS sent an additional "request for pension records self-check" to persons who had not replied to records aggregation special mailings (NAYOSE TOKUBETSU BIN.) Additionally, JPS continued to encourage people to check their records for omissions and mistakes using Pension Coverage Regular Notices (NENKIN TEIKI BIN.) For customers' pension records-related requests and reports made during the pension application process, JPS thoroughly checked records.

● Unidentified records declined by 210,000 since the last fiscal year

As a result of these initiatives, the number of unidentified records in FY 2021 was 17.73 million, a reduction of 210,000 relative to FY 2020.

▶ Investigation Status of Unidentified Records (50.95 million) (as of March 2022)

Base population: 15.57 million

Beneficiaries: 10.81 million

Insured persons: 4.93 million

Identified records

Approx.
33.21 million

(1) Records matched to owners' basic pension numbers: 20.52 million

(2) Records for deceased persons: 12.69 million

- Records for individuals determined to be deceased: 7.40 million
- Records not linked to any pension benefits payments: 5.29 million

Records under investigation or need further investigation:

Approx.
17.73 million

Decrease of
210,000
from FY 2020

(3) Records currently under investigation (reply from individual received): 4,000

(4) Owners of records unknown due to lack of reply to records aggregated special mailings (NAYOSE TOKUBETSU BIN): 6.64 million

- No reply from the individual: 2.15 million
- Reply of non-ownership: 1.61 million
- Undelivered notices: 390,000
- Other: 2.49 million

(5) No clue or indication of ownership: 8.36 million

(6) Records believed to belong to the same individuals as in (3), (4), or (5): 2.73 million

(2) Pension Records: Problem Prevention and Accurate Management

FY 2021 plan overview

- JPS planned to properly manage pension records by linking basic pension numbers with "My Number" (national individual numbers) and similar measures.

Status of FY 2021 Initiatives

- Requested collaboration with linking "My Number" (national individual numbers) to basic pension numbers. JPS requested cooperation from employers, municipalities, and individuals and worked to encourage the submission of "My Number" (national individual numbers) registration forms. These efforts resulted in the 99.76 % linkage rate of basic pension numbers to "My Number" (national individual numbers,) consisting of approx. 5,000 Category I insured persons; approx. 6,000 Category II insured persons, approx. 14,000 Category III insured persons, approx. 3,000 pension beneficiaries, and approx. 1,000 persons on a waiting list.

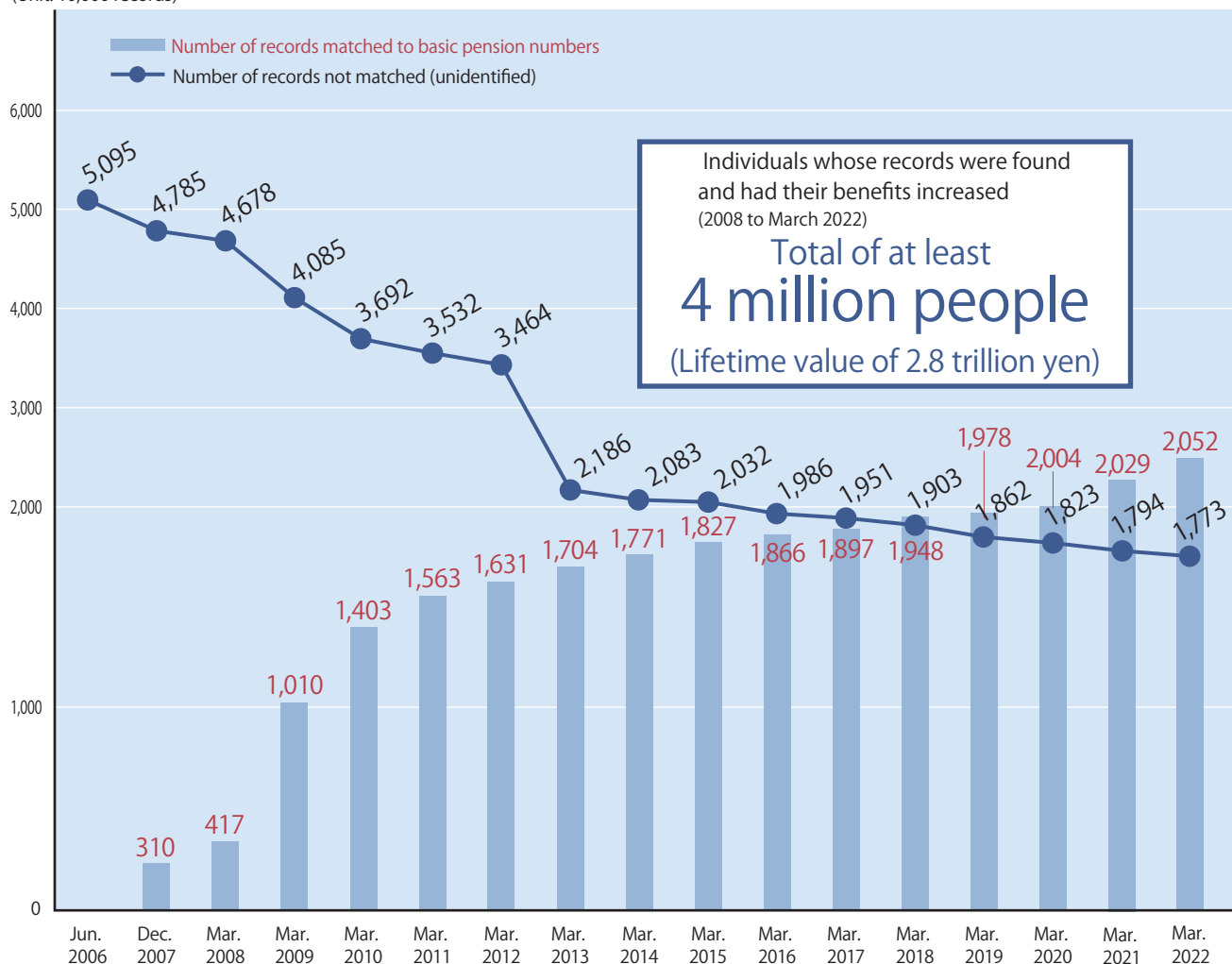
▶ Number of Linkages of Basic Pension Numbers and "My Number" (national individual numbers)



▶ Investigation Status of Unidentified Records (50.95 million) Over Time (as of March 2022)

(Unit: 10,000 records)

Note: The method of statistical aggregation used was changed in Sept. 2012 (Records for the deceased and records of receiving the withdrawal allowance were classified as "identified records.")



7 | Initiatives to Improve Pension Consultation Service

In order to achieve customer-centric, effective, stable, and accurate pension consultation services, JPS is working to improve its pension consultation service system, reduce waiting days, and address the COVID-19 pandemic. Moreover, JPS provides various types of training to improve the skills of pension consultation staff to create a consultation service system that is more satisfying for customers.

(1) Consultations at Branch Offices

FY 2021 plan overview

- JPS planned to optimize permanent booths placed at local offices based on the results of analysis of future demand for consultations in light of population fluctuations and other factors.
- To maintain a stable consultation system, JPS planned to continue the pension consultation service system to be composed of regular staff, indefinite-term staff for pension consultation service, and labor and social security attorneys.
- JPS planned to vigorously prepare in advance for consultations and encouraged initiatives to decrease the number of waiting days.
- JPS planned to introduce and facilitate a service that accepts online appointments for pension consultations.
- JPS planned to improve consultation services in rural areas. In addition, to improve the environment for online consultation, JPS will look into how to implement online pension consultation in light of the COVID-19's effects.

Status of FY 2021 Initiatives

- **Securing the necessary consultation booths for consultations in preparation for a possible growth in the number of consultations**
The number of consultations was predicted to stay low in FY 2021 and FY 2022, due to the rise in the age at which Old-Age Employees' Pension benefits started to be paid. However, JPS secured the number of consultation booths required to maintain a reliable pension consultation system because it was anticipated that the number of consultations would rise once more in FY 2023.
- **Maintaining a stable pension consultation system with regular staff**
In order to maintain a stable consultation system by staff familiar with pension consultation services, JPS continued to secure the number of indefinite-term staff for pension consultation service. As a result, the percentage of regular staff, indefinite-term staff for pension consultation service, and Labor and Social Security Attorneys in pension counseling booths nationwide remained above 90%.
- **Spreading the reservation system and decreasing the duration of consultation days for appointments**
JPS publicized the appointment system and the appointment rate was 98.0% (as of March 2022.) In addition, the average number of waiting days for consultation appointments decreased from 13.6 days (as of March 2021) to 7.0 days as a result of developing an environment that made it easy to make appointments (as of March 2022.)
- **Preparation and implementation of training to improve the quality of consultations**
JPS was able to more reliably plan ahead for consultations with the establishment of appointment consultations. Also, hands-on training and in-person counseling were provided to staff in charge of the pension consultation service to enhance their skills.
- **Starting a service to accept online appointments for pension consultations**
In May 2021, JPS started a service that accepts online appointments for pension consultation and procedures regarding old-age pension application (for pre-sending) to be sent at the age of receiving benefits. As a result of publicity and promotion on the JPS's website, approximately 49,000 cases were used by March 2022. Additionally, from March 2020, JPS expanded the scope to include consultations and procedures related to old-age pension claims other than those for pre-sending.
- **Considering operating an online pension consultation service**
In addition to the videophone consultation that had been implemented as a remote consultation service, JPS examined the feasibility of operating an online pension consultation service.

Keeping branch offices safe to visit

At branch offices and Pension Consultation Centers throughout Japan, JPS is implementing COVID-19 countermeasures to protect the health of our customers and staff. Beginning with thorough management of the health of JPS staff, other measures that JPS has taken to ensure the safety of everyone at branch offices include better cleaning and disinfecting policies for desks and facilities, countermeasures against infection by droplets, and the reduction of the number of chairs in waiting areas.



Reception for pension consultation services(Shinjuku Branch Office, Tokyo)



Waiting area for pension consultation services(Shinjuku Branch Office, Tokyo)



Pension consultation video phone service

*Available at local offices listed below:

Sawata Administrative Service Center, Niigata Prefecture
Iki Municipal Office, Ashibe Branch and Goto Municipal Office,
Nagasaki Prefecture



Table to fill in pension consultation forms and bulletin board
(Shinjuku Branch Office, Tokyo)

(2) Consultations at Pension Consultation Centers*¹

FY 2021 plan overview

- JPS planned to strengthen the collaboration with the Japan Federation of Labor and Social Security Attorney's Associations for providing high-quality consultation services.
- JPS planned to encourage a reassessment of the appropriate placement of Pension Consultation Centers.

Status of FY 2021 Initiatives

- **Enhancing training in collaboration with the Japan Federation of Labor and Social Security Attorney's Associations**
In collaboration with the Japan Federation of Labor and Social Security Attorney's Associations, JPS enhanced training aimed at improving the quality of pension consultations, including training for staff on the content of pension system reforms and administrative procedures.
- **Determining the best placement in light of regional requirements**
The Kawaguchi Pension Consultation Center was shut down with the opening of the Kawaguchi Pension Satellite.
At Soka City, which has a large number of consultation cases, a new pension consultation center was established, and the pension consultation center was properly assigned.

*1: Pension Consultation Centers are operated by the Japan Federation of Labor and Social Security Attorney's Associations. Pension Consultation Centers provide pension consultation services to visitors only, not phone-in consultation services.

(3) Consultations via Call Centers

FY 2021 plan overview

- JPS planned to continue to maintain a call center structure and flexible operations based on the purpose and content of consultations.
- JPS planned to reduce processing time for telephone consultations by using voice recognition tools to save labor in the creation of consultation records.
- JPS planned to encourage the use of its newly launched online consultation appointment service.
- For multilingual support^{*2}, JPS planned to continue providing interpretation services in 10 different languages^{*3}.
- JPS aimed for an overall call center answer rate of 70% or higher by implementing the above measures.

Status of FY 2021 Initiatives

- **Ensuring that the answer rate exceeded the target value**
Due to the consequence of raising the starting age for receiving pension payments, there were fewer inbound calls in 2021 compared to the previous year. The answer rate increased by 1% from the previous year to 71.6%, exceeding the target of 70%, by establishment of call centers for different consultation purposes, saving labor in the creation of consultation records, and the expansion of chatbots.
- **Responding to various needs with a dedicated dial for each purpose and content of consultations**
In order to meet the diverse needs of customers, JPS set up call centers according to the purpose and content of the consultation. In addition to "Nenkin Dial," "Hotline for consultation appointments" and "Nenkin Kanyusha Dial (hotline for consultation on pension coverage) (National Pension/Employees' Pension Insurance/By Municipality)." In the fiscal year 2021, JPS set up a dedicated toll-free number and worked on a flexible call center management as a response to the pension benefits direct deposit notice printing error.
- **Reducing post-processing time by saving labor in the creation of consultation notes**
JPS was able to reduce the post-processing time for pension consultations by developing a voice recognition tool that translated the voices heard during telephone consultations into text and saves labor in the creation of consultation records.
- **Promoting the use of online consultation appointment acceptance services**
In May 2021, voice guidance was used to introduce and encourage the use of online consultation appointment services. In addition, the launch of online appointment significantly reduced the number of incoming calls to the Hotline for consultation appointments and lead to increased operational effectiveness and improved annual answer rate.
- **Providing multi-language services in 10 different languages**
JPS kept offering telephone interpretation services in 10 different languages. This service is also available for National Pension purposes at municipal offices. 109 municipalities were newly added, and 550 municipalities nationwide can use it as of October 2021. In addition, JPS reviewed the call response times to meet customer needs.

^{*2}: Telephone interpretation services used at branch offices and call centers for consultation from customers who are not proficient in Japanese.

^{*3}: English, Chinese, Korean, Spanish, Portuguese, Vietnamese, Tagalog, Thai, Indonesian, and Nepali

Overall Call Center Statistics Over Time

| Fiscal year | 2019 | 2020 | 2021 |
|--------------------------------|------------|------------|-----------|
| Total number of incoming calls | 11,881,535 | 10,469,409 | 9,721,769 |
| Number of calls answered | 7,984,711 | 7,395,303 | 6,957,405 |
| Answer rate | 67.2 % | 70.6 % | 71.6 % |

^{*} "Nenkin Dial (hotline for general consultation service)," "Toll-Free Dial for Old-Age Pension Claims," "Pension Coverage Regular Notices (NENKIN TEIKI BIN) and Nenkin Net Dial (hotline for pension statements and Internet accounts)," "Hotline for consultation appointments," "Hotline for Declaration of Dependents," and "Nenkin Kanyusha Dial (hotline for consultation on pension coverage)"

8 | Initiatives to Promote Understanding of the Public Pension System

JPS implements the local pension communication project, a project led by JPS branch offices throughout Japan to propagate and promote understanding of the public pension system. The local pension communication project is focused on community-based activities implemented in collaboration with communities, companies, schools, and other related organizations.

FY 2021 plan overview

- In order to build correct knowledge and understanding of pension systems which leads people to insurance coverage and pay contributions, JPS planned to promote the propagation and public awareness of pension systems in communities, companies, and schools.
- JPS planned to expand the use of online pension seminars and carried out campaigns to promote and inform about the pension system using tools that suited each relevant institution's requirements, resources, and environment.
- JPS planned to improve training and contests mainly for young staff members to be the instructors to promote pension system for online pension seminars. At the same time, JPS review the teaching materials according to the participants and further improved the quality of pension seminars.
- JPS planned to improve support for the activities of Pension Assistants and promoted organizational activities through online training and regular liaison meetings.

Status of FY 2021 Initiatives

- **Holding pension seminars in various places while taking measures against infectious diseases**
JPS held 3,077 pension seminars nationwide for students and pupils at universities and high schools, and 4,417 pension system information sessions for companies and community associations nationwide. With the use of web teleconferencing tools, online implementation, and DVD video services, JPS attempted to hold the event as much as possible and presented details on the system and procedures even with the COVID-19 pandemic in effect.
- **Training especially young staff members to be seminar instructors**
To improve the quality of pension seminars, JPS conducted various training programs and contests to develop seminar instructors, especially young staff members. In particular, the training focused on the skills and considerations for online pension seminars, the materials and resources were reviewed and added to accommodate the diversity of content.
- **Providing necessary information nationwide for Pension Assistant activities via informational magazine.**
JPS held training sessions for Pension Assistants and liaison meetings for Community Pension Assistants at branch offices throughout Japan. JPS also distributed Pension Assistant activity handbooks and informational magazines guiding systems and procedures, working to provide information necessary for Pension Assistants' activities.
- **Reestablishing the liaison meetings for Community Pension Assistants and enhancing communication among Pension Assistant members**
Using a videoconferencing system, the "liaison meetings for Community Pension Assistants" that had previously taken place at each branch office were reestablished as "Prefectural liaison meetings for Community Pension Assistants" and "District Liaison Meetings" at each branch office. This expanded the participation of Pension Assistant members and enhanced information sharing among them and branch offices.
- **Distributing information on the public pension system during Pension Month**
At branch offices throughout Japan during Pension Month (November) and Pension Day (Nov. 30,) JPS dispatched staff members to municipal offices and local schools (e.g. universities, professional schools and senior high schools) to promote understanding about the public pension systems (via pension seminars, information sessions on pension systems. JPS also dispatched staff members to provide on-site pension consultation services needed by the target audience.) Also, Branch offices held sessions by making use of web tools. At headquarters, as well, JPS created videos for pension seminars and posted them to the JPS website, and used Twitter to provide basic information on the pension system.

▶ Pension Seminars and Pension System Information Sessions

| Type | Number of times held | |
|-------------------------------------|---|---|
| Pension seminars | 3,077 seminars (2,125 in FY 2020) | Including 412 virtual seminars (148 in FY 2020) and 1,066 sessions conducted via DVD (848 in FY 2020) |
| Pension system information sessions | 4,417 sessions (1,083 in FY 2020) | Including 918 virtual sessions (165 in FY 2020) |

9 | Improving Customer Service

(1) JPS's "Ten Promises to Our Customers"

Upon its establishment in January 2010, JPS created its core customer service policy titled "Ten Promises to Our Customers." This policy was created as a message to customers as well as the foundation for JPS's spirit of customer service. JPS displays this poster in prominent locations at its offices, in part so that customers can check on the implementation status of the promises it contains.

JPS received a "Certificate of Merit" for its efforts and accomplishments based on the "Ten Promises to Customers" in the ISSA Good Practice Awards, which honors outstanding projects carried out by social security organizations in the region, in February 2022 at the International Social Security Association's (ISSA) Asia-Pacific Regional Social Security Forum.

Ten Promises to Our Customers

Stand in the customer's shoes

- 1) We will explain courteously and thoroughly, in easily understood terms.
In a customer satisfaction survey conducted among customers visiting branch offices and Pension Consultation Centers throughout Japan, a total of 93.6% of respondents said that they were "satisfied" or "mostly satisfied" in response to the following question: "Were the explanations provided at the consultation desk sufficient and easy to understand?"
- 2) In pension consultations, we will endeavor to go the "extra step" to provide extra-helpful advice to the customer.
JPS has been praised by our customers for "careful, thorough customer service," as well as for "giving detailed explanations of even future procedures and processes."
- 3) We will answer phone calls within three rings.
JPS staff always keep in mind to pick up the phone within three rings, and they work to put that promise into practice.
- 4) We will respond promptly to inquiries, both via phone and in person at our offices.
If we're unable to provide an answer right away, we'll promptly look into the issue and communicate our findings to customers within two days.
In a customer satisfaction survey conducted with customers visiting branch offices and Pension Consultation Centers throughout Japan, a total of 98.4% of respondents said that visiting JPS offices successfully resolved the uncertainty or questions they had before their visit.
- 5) We will aim to minimize visitors' waiting time to less than 30 minutes.
Even during busy times, we will display estimated waiting times and work to minimize them.
JPS works to minimize waiting times by implementing the appointment system, sharing good practices, and pursuing other initiatives that lead to shorter waiting times.
- 6) We will make notifications, reports, and applications as easy to read and understand as possible.
JPS works to improve its forms and notices from a customer perspective so that it is easy to understand, establishing a dedicated team at headquarters focused on this task as well as holding regular "Monitor Meetings" where average customers provide monitoring oversight and share their opinions.
- 7) We actively work to apply customer opinions and requests to improve customer services.
JPS works to collect customer opinions and improve services via opinion boxes set up at branch offices and the "Comments and Feedback for JPS" page on the JPS website.

Reliably and correctly

- 8) Through prompt service, we will deliver your pension correctly, reliably, and as quickly as possible.
JPS sets a "service standard" which is a standard number of days that should elapse between when a pension application is first filed and a Pension Certificate is delivered to the applicant. Achievement rates for service standards are also continuously monitored.
- 9) We will provide customers with various pension information such as the Pension Coverage Regular Notices (NENKIN TEIKI BIN) sent to customers in their birth month.
Through the online service Nenkin Net, customers can make use of a variety of services from their personal computers and smartphones 24 hours per day, to check pension coverage records, estimate future pension benefits amount, and more.
- 10) We will manage customers' personal data properly and take meticulous care in its use.
Through training and self-inspections, JPS improves staff awareness of personal data protection and information security. JPS will also continue to work to eradicate clerical errors such as mailings.

(2) Initiatives to Promote Customer Satisfaction

FY 2021 plan overview

- JPS planned to continue conducting training based on the "Service Promotion Guidelines" while working to promote awareness of customer service among executives and staff members.
- JPS planned to keep track of individual issues, provide practical instructions on improvements to make, and give follow-up training sessions at branch offices throughout Japan.

Status of FY 2021 Initiatives

- **Implementing workplace training to promote awareness of customer service**
In order to promote staff's awareness of customer satisfaction, JPS conducted new employee training, in-house CS training for all staff using the "Service Promotion Guidelines" and CS improvement training by external instructors using the video conference system.
- **Unannounced "service patrol guidance" to check service implementation status**
Unannounced "service patrol guidance" visits were made by headquarters staff to all branch offices to assess the state of service implementation and to offer recommendations for any necessary improvements. Also, JPS carried out a "Customer Satisfaction Survey Questionnaire" and gave tailored advice to each branch office based on the findings.

(3) Initiatives to Collect Customer Opinions and Improve Operations

FY 2021 plan overview

- JPS planned to collect "customer opinions and comments" daily via "opinion boxes" placed at branch offices and the "Comments and Feedback for JPS" page on the JPS website and to manage and analyze those opinions and comments using the Customer Service System to study and implement necessary improvement.
- In order to make documents prepared by JPS for customers easier to understand from the customers' perspective, in addition to the existing activities of the "Document Review Team" and the "Document Monitoring Conference for Customers," JPS planned to set up a "survey monitor" system, which is primarily for the younger generation, and introduce a mechanism to reflect customer's opinions.
- In order to monitor customer feedback and satisfaction with JPS services, JPS planned to conduct a "Customer Satisfaction Survey Questionnaire" and analyze the results thereof for key issues to be addressed in the study and implement necessary improvement.

Status of FY 2021 Initiatives

- **Collecting customer opinions and comments to improve services and operations**
JPS worked to collect "customer opinions and comments" and improve services via "opinion boxes" placed at branch offices and the "Comments and Feedback for JPS" page on the JPS website. Additionally, JPS used the Customer Service System to manage and analyze customer comments and opinions including making website content and documents sent to customers easier to understand, in addition to studying necessary improvement measures.
- **Setting up the "survey monitor" system to receive opinions on documents**
JPS's documentation for customers was designed to make them easier to understand for customers, activities for review and improvement were conducted by a "Document Review Team" consisting of staff members, and a "Document Monitor Meeting for Customers" attended by general monitors and document designers. A new "survey monitor" had set up to gather feedback from a variety of generations, including the younger generation for the further enhancement of the product's clarity.

- **Achieved a customer satisfaction rate of 93.6%**

In February and March 2022, JPS conducted a customer satisfaction survey questionnaire focused on branch offices and Pension Consultation Centers throughout Japan. In the questionnaire, a total of 93.6% of respondents reported that they were "satisfied" or "mostly satisfied," while "somewhat unsatisfied" and "unsatisfied" responses totaled 0.9%, representing levels on par with the previous year's results. In general, around 90% of customers were satisfied. JPS used the results of this questionnaire to understand and analyze issues to be addressed in order to further improve customer service and took the necessary improvement measures, including implementing individualized guidance and training on customer service for branch offices where satisfaction rates are low.

▶ Overall Satisfaction of Customers Visiting Offices

| Fiscal year | 2020 | 2021 |
|------------------------|--------|--------|
| "Satisfied" | 68.2 % | 72.6 % |
| "Mostly satisfied" | 23.0 % | 21.0 % |
| "Average" | 7.6 % | 5.6 % |
| "Somewhat unsatisfied" | 0.9 % | 0.6 % |
| "Unsatisfied" | 0.5 % | 0.3 % |

Satisfaction rate
93.6 %
* Total of "Satisfied" and "Mostly satisfied"

10 | Initiatives to Ensure the Effective Internal Controls System

JPS has taken various measures to ensure proper operations and achieve an organization that can live up to the people's expectations and trust. JPS's Major initiatives on this issue in FY 2020 are as follows.

(1) Initiatives Ensuring Accuracy in Administrative Processing

FY 2021 plan overview

- To detect and respond to administrative errors as early as possible, JPS planned to monitor daily reports from branch offices, investigate and analyze the causes of administrative errors that occurred, and implement measures to prevent a recurrence.
- To eradicate processing delays, the misplacing of documents, and mistakenly sent physical mailings / fax sent to wrong numbers / mistakenly issued documents (collectively called "three priority issues,") JPS planned to analyze the causes of their occurrence and took thorough measures to prevent recurrence based on the results.
- In order to identify administrative risks of headquarters operations* at an early stage, JPS planned to check the progress of operations, maintain manuals, and conduct surveys on the compliance status.

* Of the operations performed at JPS headquarters and Central Pension Center such as creating, enclosing, sealing, and sending out notifications and reports forms, the subset of administrative processes that has a direct impact on customer rights, duties, and eligibility records.

Status of FY 2021 Initiatives

- **Early identification, response, and recurrence prevention of administrative errors**
JPS identified administrative errors through administrative error reports and daily reports quickly and responded promptly to collaboration among relevant departments. Necessary recurrence prevention measures, such as revision of manuals, were formulated. In addition, after investigating and analyzing the causes of administrative errors in order to prevent the occurrence of the errors, including the "three priority issues," JPS also revised the manuals, organized numerous training sessions, evaluated the existing regulations, and used internal reports to enforce the regulations.
- **Managing progress and monitoring headquarters operations**
The manuals for headquarters operations were amended in collaboration with the planning department based on the business circumstances and comments gathered through patrols of the headquarters operation departments, and quality control was carried out. JPS continued to implement the daily operational reports of the headquarters operation department's group director and made efforts to understand the status of operation implementation. To ensure consistent progress management and avoid administrative processing delays, management tools were used to manage the progress of the entire headquarters operations.
- **Prevented administrative errors in external contracting**
JPS kept selecting subcontractors and optimizing management in order to properly manage operations while maintaining and improving quality. However, an error in printing direct deposit notices occurred in October 2021, and we released a "Report on the status of the verification of printing errors in direct deposit notices" on December 3 of the same year. As measures to prevent a recurrence, the quality confirmation method of sending material was reviewed, and management of various inspections and outsourced operations were improved and strengthened because of a failure to prevent accidents from happening as a top accountant for entrusted services.

► Occurrences of Administrative Errors (as of the end of March 2022)

| Fiscal year | 2017 | 2018 | 2019 | 2020 | 2021 |
|---------------------------------|-------|-------|------|------|------|
| Number of administrative errors | 1,538 | 1,188 | 980 | 813 | 481 |

► Occurrences of the three priority issues (Annual occurrences as of the end of March 2022)

| Fiscal year | 2019 | 2020 | 2021 |
|--|------|------|------|
| Processing delay | 36 | 27 | 12 |
| Misplaced document | 29 | 18 | 8 |
| Mistakenly sent physical mailings/ fax sent to wrong numbers / mistakenly issued documents | 76 | 102 | 67 |
| Total | 141 | 147 | 87 |

(2) Risk Management and Compliance Initiatives, Promotion of Sharing Information

FY 2021 plan overview

- JPS planned to respond properly to each type of risk, including information security risk, system risk, administrative risk, and disaster and other risks, taking measures to monitor and prevent risks before they occur, in addition to continuously implementing compliance-related training, self-inspections, and awareness surveys.

Status of FY 2021 Initiatives

- **Risk management**
JPS established a "three-line defense system" for risk management to further strengthen risk management by clarifying the roles and responsibilities of each of the operation, administrative, and audit departments. (April 2022)
 - Information security risk
JPS examined its pension payment system and JPS website with information security analysis/evaluations and vulnerability assessments conducted by external experts.
 - System risk
JPS checked the malfunction status of its systems, took the necessary measures to address malfunctions, and analyzed the causes of malfunctions, in addition to taking measures to prevent similar malfunctions from occurring in the future.
 - Administrative risk
JPS worked to rapidly detect and respond to risks through monitoring of daily reports from local offices, as well as to thoroughly implement measures to prevent reoccurrence. Additionally, in order to monitor administrative risk information about headquarters operations, JPS continued the report operational status daily and to manage the progress using management tools
 - Infectious disease risk and large-scale earthquake risk
In response to the spread of COVID-19 pandemic, JPS implemented comprehensive countermeasures based on the "Japan Pension Service Guidelines for COVID-19 Countermeasures" in addition to improving system functions related to the BCP (Business Continuity Plan) of pension benefits in preparation for a direct earthquake hitting the Tokyo metropolitan area.
- **Compliance**
JPS implemented compliance training for executives and staff members, while also conducting awareness surveys and self-inspections on compliance. JPS also properly implemented and publicized punishments and sanctions based on its staff sanction rules and also worked to prevent the reoccurrence of similar issues.

(3) Proper Auditing

FY 2021 plan overview

- JPS planned to conduct training and on-the-job training to develop auditing human resources, and improve the checking system to maintain and improve audit quality.
- JPS planned to establish audit methods and conduct effective audits.

Status of FY 2021 Initiatives

- JPS conducted audit quality checks using a multi-layered audit record checking system to maintain and improve audit quality, as well as new staff training, case study training, and on-the-job training within the audit department to develop auditing human resources.
- JPS established inspection items and reviewed inspection methods focusing on high-risk operation processes in order to conduct effective audits. JPS conducted audits at all local offices, as well as follow-up audits at low-rated in the previous fiscal year and high-risk local offices.
- Based on a review of the entire organization's risk management system, an audit system was established to confirm the effectiveness and efficiency of the risk management function. (April 2022)

(4) Initiatives for Contract: Competitiveness, Transparency and Cost Reduction

FY 2021 plan overview

- JPS planned to make use of appropriate and reasonable contracting methods that were suitable for the nature of the contract, in addition to conducting strict reviews and inspections of procurement projects. Through this, JPS aimed to ensure the transparency and competitiveness of contracts as well as cut costs, while working to improve the accuracy of operations and the quality of services.

Status of FY 2021 Initiatives

● Appropriate procurement procedures

Collusion was alleged in the bidding process for the preparation and delivery of the Pension Coverage Regular Notice (NENKIN TEIKI BIN) between May 2016 and October 2019. In March 2022, the Fair Trade Commission issued a cease and desist order as well as a surcharge payment order against violating businesses under the Antimonopoly Act (26 companies.) JPS took this seriously, and considered to implement an e-bidding system with the guidance of the Fair Trade Commission. Also, JPS reconsidered the internal rule for properly reporting to the Fair Trade Commission in case hearing a collusion information.

● Selection of appropriate procurement methods

JPS used open competitive bidding for all competitive contracts, except contracts with a low target price.

● Preliminary review by a procurement committee

As a preliminary examination of procurement projects over a certain amount, the Procurement Committee held 24 meetings and screened 178 projects on bidding methods, participation qualifications, procurement units, and contingency plans. JPS established planned annual procurement amounts and published quote ads on its website for small discretionary contracts just as it would for open bidding. In this way, JPS sought to improve the competitiveness and transparency of procurement procedures, the accuracy of operations, and the quality of services, while reducing costs. The reduction from the planned annual procurement amount (31,058 million yen) for competitive contracts excluding those using the comprehensive evaluation bidding method was 10,261 million yen, a reduction rate of 33.0%.

● Using of reasonable multi-year contractual agreements

JPS made active use of multi-year contracts, concluding 839 multi-year contracts for building leases, outsourcing, and system maintenance services in FY 2021. Furthermore, based on an advance request for information (RFI,) JPS divided the procurement unit appropriately and worked to create a contract that was simple for the contractor to accept.



Q.3

Can I use my smartphone to apply for an exemption from National Pension contribution payments or a special exception for student payment?

A. You can do the electric application on My Number Portal.

► What is My Number Portal?

My Number Portal is an online window for administrative procedures

My Number Portal offers a variety of services, including administrative agency notifications and e-applications for various procedures.

You will need your "My Number (national individual numbers) card" and the "password" you created when you received your My Number Card to use the My Number Portal.

► e-Application procedures on My Number Portal

The following three procedures are eligible for e-applications.

- Application for enrollment into National Pension Category I insured persons (Change from Employees' Pension Insurance after retirement)
- Application for National Pension contribution payment exemption and postponement
- Application for National Pension Contribution Special Payment System for students

You can apply at any time, 24 hours a day, 365 days a year, using your computer or smartphone.

You can also view the application status and results.

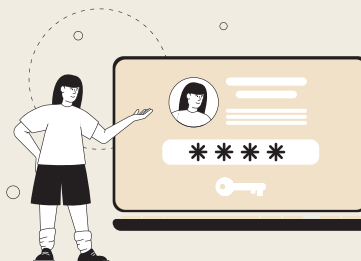
► My Number Portal and "Nenkin Net"

It is possible to link to "Nenkin Net" from My Number Portal.

For information on what you can do with "Nenkin Net," see p. 17, [What exactly is a "Nenkin Net" service?].

For information on how to link with "Nenkin Net," see p. 29, [How to use "Nenkin Net"?]

The services that can be used accessed by linking My Number Portal and "Nenkin Net" are scheduled to be expanded sequentially.



To use the "Nenkin Net," use this QR code.



* To use for My Number Portal, use this QR code as well.

Protection of Personal Information

Placing a priority on the protection of customer privacy, JPS steadily implemented organizational, technical, and operational information security measures. JPS implemented a variety of security measures in response to the general trend of frequent security breaches.

(1) Information Security Measures

FY 2021 plan overview

1) Organizational measures

- JPS planned to keep the systems needed for information security measures in place by drawing sufficiently on the Information Security Task Force that centrally manages information security measures, the subordinate Office of Information Security that implements security measures, and JPS CSIRT*.

* The Computer Security Incident Response Team is an organization established to address security incidents. In normal times, this organization works on the collection and analysis of incident information as well as the formulation of associated response policies and procedures. When an incident occurs, the organization performs an emergency response.

- JPS planned to properly implement information security measures and address new threats by maintaining operational support systems provided by the advanced expertise of a professional institute.

2) Technical measures

- Regarding the risk assessment and vulnerability diagnosis performed by external experts, JPS planned to conduct from the perspective of addressing internal threats in addition to external threats, and implement effective countermeasures based on the results.
- JPS planned to continuously improve the log monitoring rules in order to further upgrade the security level of "Nenkin Net."

3) Operational measures

- Based on trends in unified standards of government agencies, JPS planned to make effective revisions to various regulations related to information security.
- JPS planned to conduct training both within and outside JPS and practical drills such that when an incident occurs, individual staff can act quickly and correctly by information security incident response manuals.

Status of FY 2021 Initiatives

1) Organizational measures

● Implementing initiatives to strengthen information security measures

The Information Security Task Force maintained and strengthened information security measures by setting up JPS's information security policies and monitoring progress while organizing response measures for issues identified in audits conducted by external organizations. In order to improve its incident response skills, the JPS CSIRT also made efforts to acquire knowledge through collaboration training with the Ministry of Health, Labor, and Welfare (MHLW) and training both within and outside JPS.

● Securing a support system

JPS maintained its operational support systems with its Chief Information Security Advisor and Information Security Support Contractors, and improved information security measures by receiving recommendations based on their professional and technical expertise.

2) Technical measures

● Secluding critical information from the Internet and other system areas

In terms of the dedicated shared folder for managing personal pension information, JPS continued to seclude the Internet environment and common office system areas.

● Implementation of risk analysis evaluation and vulnerability diagnosis by external experts

External experts conducted information security risk analysis evaluation, vulnerability diagnosis, and penetration tests for the pension benefit system and the JPS website. There were no findings to address.

● Improved Nenkin Net security

Along with the review of detection rules that comes with the improvement of "Nenkin Net" and the start of online consultation appointments, JPS strengthened the system for early detection of security events by adding monitoring rules. In addition, to the general trend of frequent security breaches, JPS ensured the security of "Nenkin Net" in particular by strengthening monitoring and implementing communication-blocking measures.

● Examination and trial implementation of anti-phishing measures

Due to an increase in phishing scams across the country, new detection rules were researched and tested as an anti-phishing measure.

3) Operational measures

● Revising information security policies and procedures

In addition to the revision of the "Unified Standards for Cybersecurity Measures for Government Agencies," the JPS Information Security Policy and related procedure manuals were revised.

● Promoting information security awareness among all staff through training and comprehension tests

Training and comprehension tests were conducted for all staff members to ensure their understanding of information security regulations and the importance of information security, as well as to maintain appropriate information security standards. JPS also practiced response drills in the event of an incident.

(2) Management of Personal Information at External Contractors

FY 2021 plan overview

- JPS planned to properly implement its pre-work inspections of work execution systems and methods, mid-work operational management, product testing/inspections, and post-work inspections, and to conduct organized management thereof.
- JPS planned to conduct regular training for procurement staff in responsible departments and to work to promote knowledge of and thoroughly enforce rules governing suppliers and external contractor management.
- In order to thoroughly implement better management of pension-related personal information, JPS planned to verify inadequate items identified for improvement in external contractor operations and to revise rules and guidelines along with other necessary reviews.

Status of FY 2021 Initiatives

- **Organizational management of outsourced operations**
Various inspections were performed before and during the performance, immediate improvements were ordered for any detected unsuitable items, and improvements were confirmed. JPS communicated the status of various inspections' implementation within the headquarters and systematically managed outsourced operations.
- **Procurement Rule Dissemination and Thoroughness**
As a preventive measure against recurrence, the inspection method was reviewed in light of the printing errors in the direct deposit notice that occurred in October 2021. Furthermore, JPS conducted systematic training for the departments in charge of operations and worked to ensure a thorough understanding of the procurement rules.

(3) Audit checks

FY 2021 plan overview

1) Internal audits

- JPS planned to conduct audits to ensure that efforts to protect personal information are appropriate.
- JPS planned to conduct audits to verify the effectiveness of information security measures at external contractors.
- JPS planned to conduct audits to confirm the status of management of contractors in the department in charge of the operations.

2) Audits by external experts

- Audits were planned to conduct by external experts to confirm and evaluate the appropriateness of technical measures for personal information protection initiatives.

Status of FY 2021 Initiatives

1) Internal audits

- **Audits at all local offices and departments at the headquarters**
Through operation inspections, JPS checked the implementation status of information security measures, as well as the protection and management status of personal information at each local office and department at the headquarters, and conducted an information security audit of the relevant departments at the headquarters.
- **Audits of external contractor's operations**
As for external contractor's operations that handle personal information, JPS conducted audits of the implementation status of information security measures for contractors, audits of the adequacy of the protection and management of personal information and audits of the appropriateness of management and guidance status based on various rules and regulations for departments in charge of operations.

2) Audits by external experts

- **Audits by independent external experts**
Audits by independent external experts were conducted to confirm and evaluate that the necessary information security measures (technical aspects) based on the "Information Security Management Standards" (Ministry of Economy, Trade and Industry Notification No. 37, 2016) were properly strengthened and improved by the "Japan Pension Service Information Security Measures Promotion Plan."

FY 2021 Performance (Primary operational performance indicators)

JPS has created a Mid-term Plan and an Annual Plan that aim to satisfy mid-term targets set by the Minister of Health, Labour and Welfare, and JPS implements various initiatives to achieve those plans. Additionally, JPS's operational performance is evaluated by the Minister of Health, Labour and Welfare every fiscal year for every mid-term target period, based on the Japan Pension Service Act. This section covers the primary operational performance indicators for FY 2020 and explains the evaluations given by the Minister of Health, Labour and Welfare.

Note: The third mid-term target period began in FY 2019 (April 2019 to March 2024,) and assessment items have been partially reorganized.

Note: The "Evaluation of the FY 2021 Operational Performance of the Japan Pension Service" is available on the Ministry of Health, Labour and Welfare website.

I Quality improvement in services provided and other operations

| Operational performance items | | | Primary operational performance indicator | | | | | |
|--|--|--|---|---|--|--|--|--|
| | | | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| National Pension contribution collection | National Pension contribution payment rate for the current fiscal year | | 66.3 % | 68.1 % | 69.3 % | 71.5 % | 73.9 % | |
| | National Pension contribution final payment rate*1 | | Contributions for FY 2015 73.1 % (+9.8points) | Contributions for FY 2016 74.6 % (+9.6points) | Contributions for FY 2017 76.3 % (+10.0points) | Contributions for FY 2018 77.2 % (+9.0points) | Contributions for FY 2019 78.0 % (+8.7points) | |
| Employees' Pension Insurance coverage | Number of newly covered workplaces | | 165,007 workplaces | 157,818 workplaces | 146,533 workplaces | 120,898 workplaces | 133,305 workplaces | |
| | (Of the above numbers) Number of workplaces covered as a result of measures to promote coverage | | 99,064 workplaces | 100,727 workplaces | 91,342 workplaces | 99,682 workplaces | 104,225 workplaces | |
| Employees' Pension Insurance contribution collection | Employees' Pension Insurance contribution collection rate | | 99.0 % | 99.1 % | 99.1 % | 97.5 % <small>Note: Removing the 584.2 billion yen approved for special payment postponement and the legal postponement system associated with COVID-19 pandemic, the contribution collection rate was 99.3%.</small> | 98.3 % <small>Note: Removing the 352.9 billion yen approved for the legal postponement system, the contribution collection rate was 99.4%</small> | |
| | Percentage of contribution payments via automatic bank account transfer | | 82.7 % | 82.8 % | 81.8 % | 81.0 % | 81.4 % | |
| Benefits payment | Service standard*3 (Target period for pension benefits payment processing) | Old-Age Employees' Pension | 88.2 % | 92.2 % | 95.3 % | 97.4 % | 97.9 % | |
| | | Disability Employees' Pension | 85.0 % | 88.5 % | 90.1 % | 75.4 % | 95.7 % | |
| Pension records problems | Progress of investigating unidentified records | Records matched | 19.48 million (As of Mar. 2018) | 19.78 million (As of Mar. 2019) | 20.04 million (As of Mar. 2020) | 20.29 million (As of Mar. 2021) | 20.52 million (As of Mar. 2022) | |
| | | Records under investigation or needing further investigation | 19.03 million (As of Mar. 2018) | 18.62 million (As of Mar. 2019) | 18.23 million (As of Mar. 2020) | 17.94 million (As of Mar. 2021) | 17.73 million (As of Mar. 2022) | |

*1: National Pension contribution payments can be paid up to two years retroactively, and final payment rates for current-fiscal-year contributions are determined after two years have passed. The number in parentheses refers to the improvement in the payment rate compared to the current year rate.

*2: The "budget implemented" amounts given are determined according to certain assumptions and do not include the staff costs of regular and associate staff members.

- ▷ Individual grades given by the Minister of Health, Labour and Welfare
 S : Notably exceeded the Annual Plan
 A : Exceeded the Annual Plan
 B : Generally achieved the Annual Plan
 C : Somewhat worse than the Annual Plan
 D : Worse than the Annual Plan and in need of drastic improvement

| | Individual grades given by the Minister of Health, Labour and Welfare | | | | | Primary reasons |
|--|---|---------|---------|---------|---------|---|
| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| | A | A | A | A | A | <ul style="list-style-type: none">● The current-year payment rate of FY 2021 contribution payments was +2.4 points relative to the previous year, 73.9%. While the number of insured persons decreased, the number of payment months turned to increase. (Target: Exceed the previous year's result (71.5%) and secure an increase of about 2.0 percentage points from the FY 2019 result (69.3%))● The final payment rate of FY 2019 contribution payments was +8.7 points relative to the FY 2019 current-year payment rate, 78.0%. (Target: Secure an increase of about 8.0 percentage points from the FY 2019 result (69.3%)) Ref: FY 2021 budget implemented*2: Approx. 34.450 billion yen (incl. approx.10.12 billion yen for the operation of coverage) |
| | B | A | A | A | A | <ul style="list-style-type: none">● In extending coverage to workplaces lacking coverage, visits and requests for visits to offices were halted due to COVID-19 control measures until September. The number of covered workplaces through enrollment guidance was 104,225 and exceeded the target as a result of efforts centered on documents and phone calls utilizing information on national tax withholding agents (target: 88,000.)● In conducting workplace inspections of covered workplaces, JPS selected high-priority workplaces and combined on-site, call-in, and mailing while taking thorough measures against the COVID-19 pandemic. Surveys on more than 9.98 million insured persons (target 8.24 million) were conducted as a result of systematic and exhaustive surveys, exceeding the target. Ref: FY 2021 budget implemented : Approx. 29.510 billion yen |
| | A | A | A | A | A | <ul style="list-style-type: none">● Excluding the contributions permitted under the legal postponement system, the compliance rate of Employees' Pension Insurance contributions was 99.4% (99.3% in the previous year,) and the compliance rate of Employees' Health Insurance managed by the Japan Health Insurance Association was 98.9% (98.8% in the previous year,) securing a level above the previous year's rate. In addition, even if the calculation included the contributions permitted under the legal postponement system, the level was maintained at or above the level of the previous fiscal year.● After transferring jurisdiction to the headquarters' Corporation Special Enforcement Department for difficult-to-collect workplaces, the use of the legal postponement system and appropriate payment guidance ensured efficient and effective contribution collection, resulting in a reduction in uncollected contributions. Ref: FY 2021 budget implemented : Approx. 7.530 billion yen |
| | B | B | B | B | A | <ul style="list-style-type: none">● To restructure pension benefit operations into a system in which branch offices and the Central Pension Center carry out pension benefit operations, the terminals were standardized, administrative and system issues were sorted out, and the execution system was strengthened and improved.● The declaration of a state of emergency was lifted due to the COVID-19 pandemic, and the special measures to postpone the temporary suspension of pension payments were terminated. Individual notifications were sent to those who had not yet submitted their disability status reports, and the staff number at the Disability Pension Center was increased to accommodate the increased number of applications received.● Appropriately grasped the achievement status of service standards and maintained a 90% or higher achievement rate for each service standard. Ref: FY 2021 budget implemented : Approx. 12.060 billion yen |
| | B | B | B | B | B | <ul style="list-style-type: none">● JPS continued to provide an environment where customers could check their enrollment status through the Pension Coverage Regular Notice (NENKIN TEIKI BIN) and "Nenkin Net," and worked to resend notices to insured persons who had not responded to the "Records Aggregation Special Mailings (NAYOSE TOKUBETSU BIN)."● In order to link basic pension numbers with My Number of insured persons, JPS worked with municipalities, employers, and individuals to request cooperation or encourage them to submit an Individual Number registration form. |

^{*3}: "Service standard" which aims to promote prompt and accurate pension benefits payment, sets the standard number of days needed from the intake of a pension benefits application to the entitlement of pension benefits and mailing of a Pension Certificate to new beneficiaries. Here, the entitlement procedure for the old-age pension requires reconfirmation of the individual's pension coverage records and the standard is "within 2 months." The standard for the disability pension is "within 3months." (Through FY 2018, the figures used were for the Old-Age Employees' Pension and the Disability Employees' Pension. In FY 2019, JPS merged categories that were separated between the Basic Pension benefits and Employees' Pension Insurance benefits, and therefore the figures listed from FY 2019 are for the old-age pension and the disability pension. Additionally, the standard number of days required for the Disability Employees' Pension had been 3 and a half months through FY 2018.)

| Operational performance items | Primary operational performance indicator | | | | | |
|---------------------------------------|---|---------|---------|---------|---------|--|
| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| Response to the pension system reform | A | A | A | A | A | |

II Effectiveness of operations

| Operational performance items | Primary operational performance indicator | | | | | |
|--|---|---------|---------|---------|---------|--|
| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| Efficient and effective operational (Reforms to business processes) | B | B | B | B | B | |
| Proper use and management of external contracting | D | C | B | B | B | |
| Management, improvement, and development of the Social Insurance Online System | B | B | B | B | B | |
| ICT promotion | B | B | A | A | A | |

III Fairness and transparency and other critical operational issues

| Operational performance items | Primary operational performance indicator | | | | | |
|--|---|---------|---------|---------|---------|--|
| | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | |
| Ensuring the effectiveness of the internal controls system | C | C | B | B | B | |
| Protection of personal information | C | C | B | B | B | |
| Document management and information disclosure | B | B | B | B | B | |

| | Primary reasons |
|--|---|
| | <ul style="list-style-type: none"> ● JPS appropriately implemented the necessary measures for examining administrative processing and system development related to system reform that was implemented in April and October of 2022 in preparation for the implementation of the pension system reform. Smooth implementation was achieved for April 2022. ● JPS communicated directly to the individuals subject to the reforms (recipients, beneficiaries, and insured persons.) In addition, JPS publicized the reforms through employers in order to effectively approach recipients regarding the review of the old-age pension system for active employees. Individuals received detailed publicity, such as leaflets distributed at the time of pension consultation. ● Regarding the covered expansion of insured persons, JPS used the opportunity of workplace surveys to inform them of systems, sent direct mailings, and conducted detailed public relations to inform them of the system for workplaces that may be newly eligible for the expanded coverage. JPS worked with the Pension Bureau at the time to promote understanding among businesses, including the use of materials describing the purpose of reform. |
| | Primary reasons |
| | <ul style="list-style-type: none"> ● To further unify the organization, improve overall operational performance, and increase the efficiency of the personnel structure, the Regional Departments were reorganized from 15 to 11, and Regional Department capacity was reallocated based on the scale of operations in each region. Furthermore, in order to ensure the speed, efficiency, and accuracy of responses to inquiries from the sites, JPS established a section in the Operation Management Department dedicated to responding to inquiries. ● Efforts were made to improve the description of the operation process manual, such as by adding system explanation materials. ● In FY 2021, general administrative expenses were reduced by 9.7% from FY 2018 (target: 1.5% reduction by FY 2023,) and operational expenses were reduced by 3.1% from FY 2018 (target: 5% reduction by FY 2023.) |
| | <ul style="list-style-type: none"> ● In response to the October 2021 incident involving printing errors in direct deposit notices, a dedicated toll-free number was immediately established to assist customers. JPS resent direct deposit notices that were re-created with the correct information to customers who received incorrect direct deposit notices, and all such costs were borne by contractors. ● To avoid a recurrence, JPS improved the quality of deliverables and the effectiveness of inspections, and worked on contractor selection and management. |
| | <ul style="list-style-type: none"> ● 13 reports, such as notification of new coverage, were expanded to be converted to images and subject to electronic approval in order to promote measures to improve administrative processing efficiency by reducing manual work by staff. JPS also created a computerized system for producing returned documents and returning work for re-registration. ● System development was carried out as originally planned in line with system reform and operation improvements while maintaining the stable operation of the Social Insurance Online System through appropriate operation, maintenance, and management. |
| | <ul style="list-style-type: none"> ● The percentage of electric applications used for the seven main reports increased from 41.9% in FY 2020 to 57.7% (+15.8 points) as a result of promoting the transition to electric applications. ● In terms of the Ministry of Health, Labor, and Welfare's basic plan target for increasing online usage (50% of electric applications by the end of FY 2023,) as of the end of FY 2021, 58.3% of the five reports, such as application for coverage registration, coverage-end, remuneration calculation reports, monthly remuneration change, and bonus payment reports, was completed ahead of schedule. ● Due to improved collaboration between My Number Portal and "Nenkin Net," the number of "Nenkin Net" users via My Number Portal increased tremendously to approximately 695,000 from approximately 70,000 in FY 2020. |
| | Primary reasons |
| | <ul style="list-style-type: none"> ● To avoid processing delays, JPS created work schedules and implemented progress management using work progress management tools for headquarters operations. ● In terms of the overall risk management system, JPS clarified the role of the audit department, which was the third line, strengthened the system, and reorganized and reviewed the system to ensure the effectiveness of the second line. ● JPS worked to implement various pieces of training in order to permeate and establish awareness of risk management and compliance in the workplace. ● For competitive contracts, the Procurement Committee reduced the procurement plan amount by at least 10% of the annual procurement plan amount. |
| | <ul style="list-style-type: none"> ● The Information Security Task Force Headquarters met regularly to develop information security policies and monitor the implementation of various measures. ● The security requirements for the examination of new plans related to the promotion of online business models were confirmed using the information security requirements confirmation implementation guidelines. ● JPS performed an audit to confirm the protection and management status of personal information at the contractors, as well as the management status of the business by the department in charge, and requested necessary improvements. |
| | <ul style="list-style-type: none"> ● In terms of the Progress Management and Electronic Decisions Sub-system's method of electronic notification management, JPS confirmed that the criteria of the government's guidelines were met and encouraged the proper disposal of corporate documents other than those directly related to pension records and pension amounts. ● In accordance with applicable laws, regulations, and guidelines, JPS appropriately prompted the disclosure of necessary information, such as the disclosure of administrative errors, the disclosure of information on operation management, and the preparation and disclosure of annual reports. |

Online

Pension Seminars and Pension Information Sessions



JPS provides online pension seminars and pension information sessions that can be viewed from anywhere customers feel comfortable.

► Type of Online Briefing Service

Pension Seminars

Participants: Students and teachers at high schools and universities

JPS organizes seminars in cooperation with educational institutions (e.g. high schools, universities, technical colleges) with the aim of providing knowledge about public pension system and promoting understanding of pensions among young people, who are future insured persons and recipients.

Pension Information Sessions

Participants: Employees and pension beneficiaries

JPS organizes sessions to deepen understanding of the public pension system so that people recognize the pension system closer to their lives. These sessions also provide an easy-to-understand overview of pension systems reforms.

► Advantages of Online Seminars

Online: enabling customers to participate from anywhere

Easy to participate



Participate from anywhere as long as you have an Internet access. Use a PC, smartphone, or tablet device to join.

On-the-spot answers



Raise your hand virtually to ask the lecturer a question on the spot and resolve hard-to-understand points about pension system.

Sharing Consistent Information



During the sessions, all participants will see the same screen, so everyone will receive the same content.

► Other formats to participate seminars

Face-to-face

A lecturer* visits the partner organization and delivers a seminar face-to-face with participants

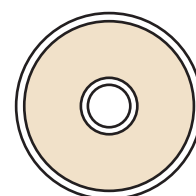
* JPS staff, Regional Pension Promotion Staff, Community Pension Assistants



Video

JPS provides a video (DVD) of a seminar for participants to watch

JPS has set up a general-purpose seminar video based on common material called "Public pension system you need to know."



Contact your local JPS branch office about any inquiries for participation.

Supplementary Materials

This section presents a variety of data about pensions and the Japan Pension Service.
This section also contains the award-winning “My Pension and Me” essays for FY 2021.

JPS Data

1 Board Members (as of June 29, 2022)

Four full-time board members, including the President, have been appointed from the private sector.

| | | | | | |
|--|---|---|--|--|---|
| <p>President</p> <p>Toichiro Mizushima</p> <p><i>*From the private sector</i></p> <p>Career highlights</p> <p>Vice president, Sumitomo Mitsui Banking Corporation; President, Readjustment of Facilities for Insured Persons and Beneficiaries Organization</p> |  | <p>Executive Vice President</p> <p>Hideki Tarumi</p> <p>Career highlights</p> <p>Director-General, Pharmaceutical Safety and Environmental Health Bureau, Ministry of Health, Labour and Welfare (MHLW); Director, Office for COVID-19 and Other Emerging Infectious Disease Control, Cabinet Secretariat; Vice-Minister, MHLW</p> |  | <p>Executive Director for Human Resources and Accounts</p> <p>Toshihiko Kusakari</p> <p>Career highlights</p> <p>Director, Management Group, Quality Management Department, JPS; Director, Revitalization Project Office, JPS; Senior Director, Human Resources Department, JPS</p> |  |
| <p>Executive Director for Operation Planning</p> <p>Masaru Hiraiwa</p> <p>Career highlights</p> <p>Director for Social Structure, Cabinet Office; Deputy Assistant Minister for International Policy Planning, International Affairs Division, Minister's Secretariat, Ministry of Health, Labour and Welfare (MHLW); Deputy Assistant Minister for International Affairs, Minister's Secretariat, MHLW; (Board member on loan)</p> |  | <p>Executive Director for National Pension and Employees' Pension Insurance Operation Management</p> <p>Katsuhiro Iwai</p> <p>Career highlights</p> <p>Director, General Affairs Division, Pension Bureau, Ministry of Health, Labour and Welfare (MHLW); Councilor, Pension Fund Association; Councilor for Social Welfare, War Victims' Relief and Humanitarian Survey, MHLW; (Board member on loan)</p> |  | <p>Executive Director for Operation Management</p> <p>Toshiyuki Irisawa</p> <p>Career highlights</p> <p>Director, Minamikanto First Regional Department, JPS; Planning Coordinator for Channel Strategy, Administration Management Planning Department, JPS; Director, Employees' Pension Insurance Department, JPS</p> |  |
| <p>Executive Director for Pension Benefits</p> <p>Mika Taura</p> <p>Career highlights</p> <p>Coordinator for Women's Participation Promotion, Human Resources Development Department, JPS; Director, Human Resources Development Department, JPS; Director, Consultation and Service Promotion Department, JPS</p> |  | <p>Executive Director for Information Technology</p> <p>Hiroyuki Nakayama</p> <p><i>*From the private sector</i></p> <p>Career highlights</p> <p>An acting Executive Officer for First Development Section, The Japan Research Institute, Limited; Director, Managing Executive Officer for System section, SMBC Consumer Finance Co., Ltd.</p> |  | <p>Executive Director for Special Tasks</p> <p>Tomoyasu Eto</p> <p><i>*From the private sector</i></p> <p>Career highlights</p> <p>Director, Tachikawa Branch Office, Minamikanto Block Headquarters, JPS; Deputy Director, Internal Audit Department, JPS; Director, Internal Audit Department, JPS</p> |  |
| <p>Executive Director (part-time)</p> <p>Yoshiharu Kawabata</p> <p>Career highlights</p> <p>Lawyer, Kasumigaseki-Sogo Law Offices (current); Vice President, Japan Federation of Bar Associations; President, Daini Tokyo Bar Association; Director and Chairman of the Nomination and Remuneration Committee, NKSJ Holdings, Inc.</p> |  | <p>Executive Director (part-time)</p> <p>Masafumi Tsujihiro</p> <p>Career highlights</p> <p>Outside Director (Independent Officer), Seibu Holdings Inc. (current); Professor, Department of Business Administration, Faculty of Economics, Teikyo University (current)</p> |  | <p>Executive Director (part-time)</p> <p>Hiroshi Toda</p> <p>Career highlights</p> <p>Vice Chairman, Nomura Securities Co., Ltd.; Ambassador, Japanese Embassy in Greece; Outside Director, Yusen Logistics Co., Ltd. (current)</p> |  |
| <p>Executive Director (part-time)</p> <p>Michiko Yoshinaga</p> <p>Career highlights</p> <p>Vice President, EIRIN (Administrative Commission of Motion Picture code of Ethics) (current); President, THE MINKYOKYO (Commercial Broadcasters Educational Association)</p> |  | <p>Auditor</p> <p>Toru Ishihara</p> <p><i>*From the private sector</i></p> <p>Career highlights</p> <p>Director, 2nd East Japan Audit Group, Internal Audit Department, JPS; Director, Audit Planning Group, Internal Audit Department, JPS; Director, Internal Audit Department, JPS</p> |  | <p>Auditor (part-time)</p> <p>Fumiko Yazaki</p> <p>Career highlights</p> <p>Partner, Grant Thornton Yamada & Partners (current); Outside Director, Kitano Construction Corporation (current)</p> |  |

2 Board Member Remuneration and Staff Salaries

(1) Board Member Remuneration

| Position and name | | Total remuneration in FY 2021 |
|--------------------------|---|-------------------------------|
| President | Toichiro Mizushima | 18.88 million yen |
| Executive Vice President | Hisashi Noguchi (Resigned December 31, 2021) | 13.30 million yen |
| Executive Vice President | Hideki Tarumi (Assumed January 1, 2022) | 2.98 million yen |
| Executive Director | Takashi Abe (Resigned December 31, 2021) | 12.66 million yen |
| Executive Director | Toshihiko Kusakari (Assumed January 1, 2022) | 2.76 million yen |
| Executive Director | Tomohiro Onishi (Resigned May 19, 2021) | 1.49 million yen |
| Executive Director | Kenichi Suzuki (Assumed May 20, 2021) (Resigned June 27, 2022) | 14.32 million yen |
| Executive Director | Hiroshi Choda (Resigned June 30, 2021) | 5.07 million yen |
| Executive Director | Katsuhiro Iwai (Assumed July 1, 2021) | 10.84 million yen |
| Executive Director | Hiroshi Machida (Resigned December 31, 2021) | 12.66 million yen |
| Executive Director | Toshiyuki Irisawa (Assumed January 1, 2022) | 2.76 million yen |
| Executive Director | Yuko Ishikura (Resigned December 31, 2021) | 12.69 million yen |
| Executive Director | Mika Taura (Assumed January 1, 2022) | 2.90 million yen |
| Executive Director | Hiroyuki Hisashima (Resigned December 31, 2021) | 13.00 million yen |

| Position and name | | Total remuneration in FY 2021 |
|--------------------------------|--|-------------------------------|
| Executive Director | Hiroyuki Nakayama (Assumed January 1, 2022) | 2.82 million yen |
| Executive Director | Tsukasa Furusawa (Resigned December 31, 2021) | 11.73 million yen |
| Executive Director | Tomoyasu Eto (Assumed January 1, 2022) | 2.76 million yen |
| Executive Director (part-time) | Masafumi Tsujihiro | 410,000 yen |
| Executive Director (part-time) | Eiko Oya (Resigned December 31, 2021) | 240,000 yen |
| Executive Director (part-time) | Michiko Yoshinaga (Assumed January 1, 2022) | 140,000 yen |
| Executive Director (part-time) | Hiroshi Toda | 380,000 yen |
| Executive Director (part-time) | Yoshiharu Kawabata | 450,000 yen |
| Auditor | Toru Ishihara | 14.36 million yen |
| Auditor (part-time) | Norimitsu Yanai (Retirement December 31, 2021) | 2.19 million yen |
| Auditor (part-time) | Fumiko Yazaki (Assumed January 1, 2022) | 400,000 yen |

- ▷ Total remuneration includes salary and other benefits.
 ▷ Directors' remuneration is determined based on JPS regulations on remuneration for board members.

[Note] Based on certain assumptions, estimated annual pension amounts for board members are; Approx. 3.02 million yen for the President (originally from the private sector,) and approx. 2.07 million yen for the Executive Vice President (originally from the Ministry of Health, Labour and Welfare.)

(2) Board Member Retirement Allowance (paid during FY 2021)

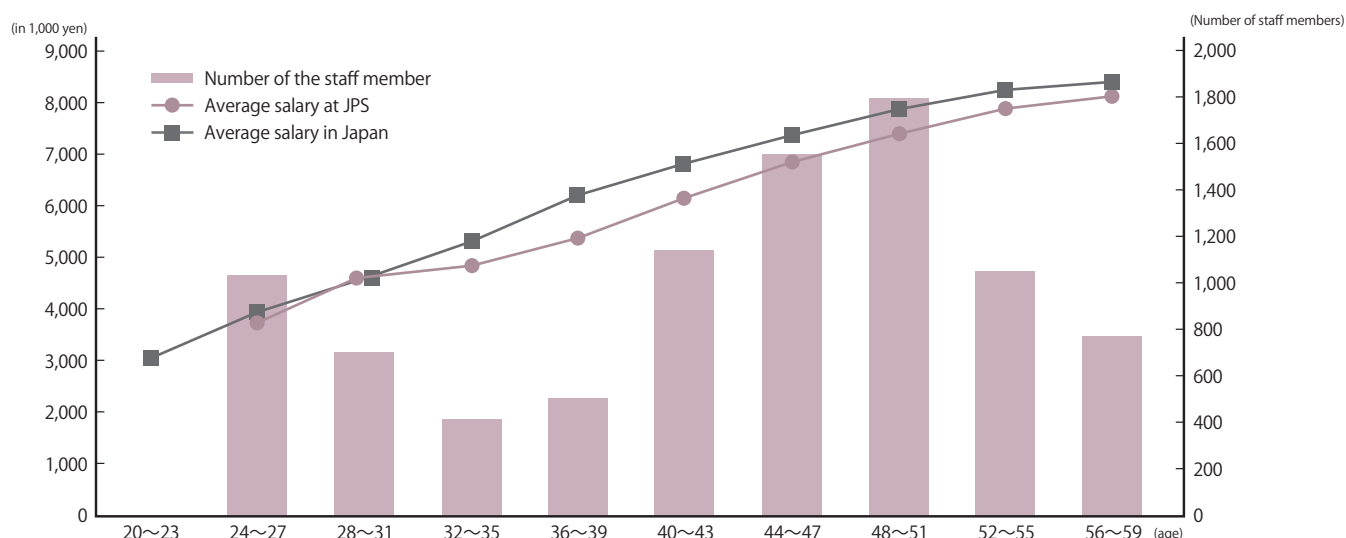
No payment during FY 2021

(3) Staff Salaries

| Category | Average age | Total annual salary (Average) |
|---------------|----------------|-------------------------------|
| Regular staff | 43.7 years old | 6.52 million yen |

▷ Total annual salary includes bonuses and other benefits.

▶ Annual Salary Distribution by Age Group (average annual salary and number of beneficiaries)



(4) Average Retirement Allowance Payment

| | |
|--------------------------------|-------------------|
| Amount of retirement allowance | 22.43 million yen |
|--------------------------------|-------------------|

▷ Average retirement allowance paid in FY 2021 to those who have served at JPS for 20 years or longer.

3 FY 2021 Financial Data

(1) Financial situation

1) Income statement summary

(From April 1, 2021 to March 31, 2022)

| Expenses and income | Amount |
|---------------------------------------|--------|
| Recurring expenses | 2,919 |
| Operating expenses | 2,743 |
| Staff expenses | 683 |
| Other personnel expenses | 382 |
| Communication expenses | 295 |
| Outsourcing expenses | 875 |
| Other | 508 |
| General administrative expenses | 174 |
| Staff expenses | 72 |
| Outsourcing expenses | 34 |
| Repair expenses | 8 |
| Other | 60 |
| Financial expenses | 2 |
| Recurring income | 3,244 |
| Grants for operational expenses | 2,989 |
| Other | 255 |
| Recurring income – Recurring expenses | 326 |

▷ Unit: 100 million yen

▷ Totals may be inconsistent due to rounding of fractions.

▷ "0" is used to signify that the relevant figure is less than 100 million yen, while "-" is used to represent a null value.

▷ The above data are published on the JPS website under "Financial statements."

▷ JPS is a non-profit corporation. Unlike a private company, JPS has no operating revenue, and its recurring revenue is primarily provided via grants from the national government.

2) Recurring expenses by segment

(From April 1, 2021 to March 31, 2022)

| Expenses | Monetary amount | Breakdown | | |
|---|-----------------|-----------------------|-------------------|--|
| | | Pension contributions | National treasury | National treasury (for pensioners supplemental benefits) |
| Recurring expenses | 2,919 | 1,901 | 971 | 47 |
| Operating expenses | 2,743 | 1,899 | 798 | 46 |
| Insurance operations | 830 | 830 | — | — |
| Online system operations | 620 | 620 | — | — |
| Pension consultation operations | 449 | 449 | — | — |
| Payment operation of pensioners supplemental benefits | 31 | — | — | 31 |
| Measures addressing pension records problems | 0 | — | 0 | — |
| Personnel expenses | 813 | — | 798 | 16 |
| General administrative expenses | 174 | — | 173 | 1 |
| Personnel expenses | 85 | — | 85 | 1 |
| Internal management administrative expenses | 88 | — | 88 | — |
| Financial expenses | 2 | 2 | 0 | 0 |

3) Assets and liabilities

Balance sheet summary

(as of March 31, 2022)

| Assets | Monetary amount |
|---|-----------------|
| Cash and deposits | 667 |
| Entrusted securities for payment | 7 |
| Tangible fixed assets | 1,136 |
| Investments and other assets | 1,009 |
| Other | 435 |
| Total assets | 3,253 |
| Liabilities | Monetary amount |
| Accounts payable | 272 |
| Deposits received for pension contributions | 6 |
| Entrusted securities for payment of pension contributions | 7 |
| Retirement benefit allowance | 1,008 |
| Other | 622 |
| Total liabilities | 1,915 |
| Capital stock (Government investment) | 1,001 |
| Capital surplus | △170 |
| Retained earnings | 507 |
| Total net assets | 1,338 |
| Total liabilities and net assets | 3,253 |

(2) Summaries of Budget and Statement of Accounts

1) Income

(From April 1, 2021 to March 31, 2022)

| Income | Budgeted | Actual | Difference |
|---|--------------|--------------|------------|
| Grants for operational expenses | 3,250 | 3,250 | — |
| Grants for operational expenses | 1,063 | 1,063 | — |
| Grants for business operational expenses | 2,125 | 2,125 | — |
| Grants for administration and payment of pensioners supplemental benefits | 62 | 62 | — |
| Other income | 7 | 4 | △2 |
| Total | 3,256 | 3,254 | △2 |

▷ Unit: 100 million yen

▷ Totals may be inconsistent due to rounding of fractions.

▷ "0" is used to signify that the relevant figure is less than 100 million yen, while "-" is used to represent a null value.

▷ The above data are published on the JPS website under "Statement of accounts."

▷ "Difference" is calculated by subtracting the budgeted value from the actual value.

2) Expenditures

(From April 1, 2021 to March 31, 2022)

| Expenses | Budgeted | Actual | Difference |
|--|--------------|--------------|-------------|
| Insurance business expenses | 959 | 836 | △123 |
| Online system expenses | 678 | 599 | △79 |
| Pension consultation expenses | 489 | 451 | △38 |
| Administrative costs for payment operation of pensioners supplemental benefits | 62 | 47 | △15 |
| General administrative expenses | 1,069 | 981 | △88 |
| Total | 3,256 | 2,913 | △343 |

4 FY 2021 Operational Data

In general, the following data does not include data for the National Public Service Personnel Mutual Aid Association, the Local Public Service Personnel Mutual Aid Association, or the Promotion and Mutual Aid Corporation for Private Schools of Japan, which used to operate independent pension schemes and now fall under Employees' Pension Insurance due to consolidation of pension schemes.

(1) Insured Persons and Covered Workplaces

1) Employees' Pension Insurance and Seamen's Insurance (as of the end of FY 2021)

| | | | | | |
|------------------------------|--------------------|----------------------|--------------------|----------------------------------|------------------|
| Employees' Pension Insurance | Insured persons | 40,594,774 people | Seamen's Insurance | Insured persons | 50,398 people |
| | Covered workplaces | 2,594,264 workplaces | | Covered workplaces (ship owners) | 4,077 workplaces |

2) Employees' Health Insurance system managed by the Japan Health Insurance Association*¹ (as of the end of FY 2021)

| | | | | |
|-----------------|--------------------------|-------------------|--------------------|----------------------|
| Insured persons | Insured persons | 25,072,072 people | Covered workplaces | 2,488,577 workplaces |
| | Dependent family members | 15,193,274 people | | |

*1: Employees' Health Insurance for workers not covered by a Health Insurance Society is called "Kyokai Kempo," which is an Employees' Health Insurance managed by the Japan Health Insurance Association.

3) National Pension (as of the end of FY 2021)

| | |
|--|-------------------|
| Category I insured persons* ² | 14,312,055 people |
| Category III insured persons | 7,626,794 people |

*2: Includes voluntarily covered insured persons.

(2) Contribution Collection

1) Employees' Pension Insurance (FY 2021)

| Confirmed amount to be collected | Collected revenue | Loss from non-collection | Uncollected revenue | Collection rate* ³ |
|----------------------------------|----------------------|--------------------------|---------------------|-------------------------------|
| 33,914.9 billion yen | 33,353.5 billion yen | 23.5 billion yen | 537.9 billion yen | 98.3 % |

2) Seamen's Insurance (FY 2021)

| Confirmed amount to be collected | Collected revenue | Loss from non-collection | Uncollected revenue | Collection rate |
|----------------------------------|--------------------|--------------------------|---------------------|-----------------|
| 38,500 million yen | 37,100 million yen | 60 million yen | 1,400 million yen | 96.3 % |

3) Employees' Health Insurance system managed by the Japan Health Insurance Association (FY 2021)

| Confirmed amount to be collected | Collected revenue | Loss from non-collection | Uncollected revenue | Collection rate* ⁴ |
|----------------------------------|--------------------|--------------------------|---------------------|-------------------------------|
| 11,180.6 billion yen | 10,870 billion yen | 13.6 billion yen | 297 billion yen | 97.2 % |

4) National Pension (FY 2021)

| The current fiscal year (FY 2021) | | | Past fiscal years | |
|---|--|---------------------------|---------------------------------------|--|
| Number of months paid (unit of payment) | Number of months due (unit of payment) | Contribution payment rate | Final payment rate (FY 2019 payments) | Contribution payment rate (FY 2020 payments) |
| 71.28 million months | 96.52 million months | 73.9 % | 78.0 % | 77.8 % |

*3: Removing the 352.9 billion yen approved for the legal postponement system excluding from the confirmed contribution amount to be collected, the contribution collection rate was 99.4%.

*4: Removing the 189.6 billion yen approved for the legal postponement system excluding from the confirmed contribution amount to be collected, the contribution collection rate was 98.8%.

- ▷ The payment due date for National Pension contribution payments is the end of the month after the month in which the contribution is to be paid. Contribution payment status for the current fiscal year refers to the payment status as of the end of April 2022, regarding contributions for April 2021 through March 2022.
- ▷ The contribution payment rate for payments for past fiscal years (i.e. FY 2019 and FY 2020) refers to the payment rates as of the end of April 2022, regarding contributions for FY 2019 and FY 2020. The contribution payment rate for FY 2019 payments is the final payment rate.

(3) Pension Beneficiaries and Payments

1) Employees' Pension Insurance and National Pension beneficiaries as of the end of FY 2021 (March 2022)

| Number of Employees' Pension beneficiaries | | |
|--|---------------------|---------------------|
| Old-age benefits | Disability benefits | Survivors' benefits |
| A: 15,615,077 B: 14,047,259 | 486,371 | 5,729,528 |
| Number of National Pension beneficiaries | | |
| Old-age benefits | Disability benefits | Survivors' benefits |
| 33,963,297 | 2,088,597 | 90,051 |

2) Number and size of payments for Employees' Pension Insurance and the National Pension (sum of FY 2021)

| Number of payments | Amounts paid |
|-------------------------|----------------------|
| 451.66 million payments | 47.5175 trillion yen |

- ▷ "Employees' Pension beneficiaries" refers to the total number of beneficiaries covered by Employees' Pension Insurance under the old and new laws.
- ▷ For "old-age benefits" (Employees' Pension Insurance beneficiaries), A refers to those with a coverage period of 20 years or more and those subject to the exception for the middle-aged and older beneficiaries (however, for those born on April 2, 1952, or later, the period has been gradually raised to between 21 and 25 years, and therefore those who satisfy that requirement are eligible.) B refers to those not classified as A.
- ▷ "National Pension beneficiaries" refers to the total number of beneficiaries under the contributory National Pension under the old law and the Basic Pension under the new law.
- ▷ In addition to the above, there were 7 Old-Age Welfare Pension beneficiaries as of the end of FY 2021.

Public Pension by the Numbers

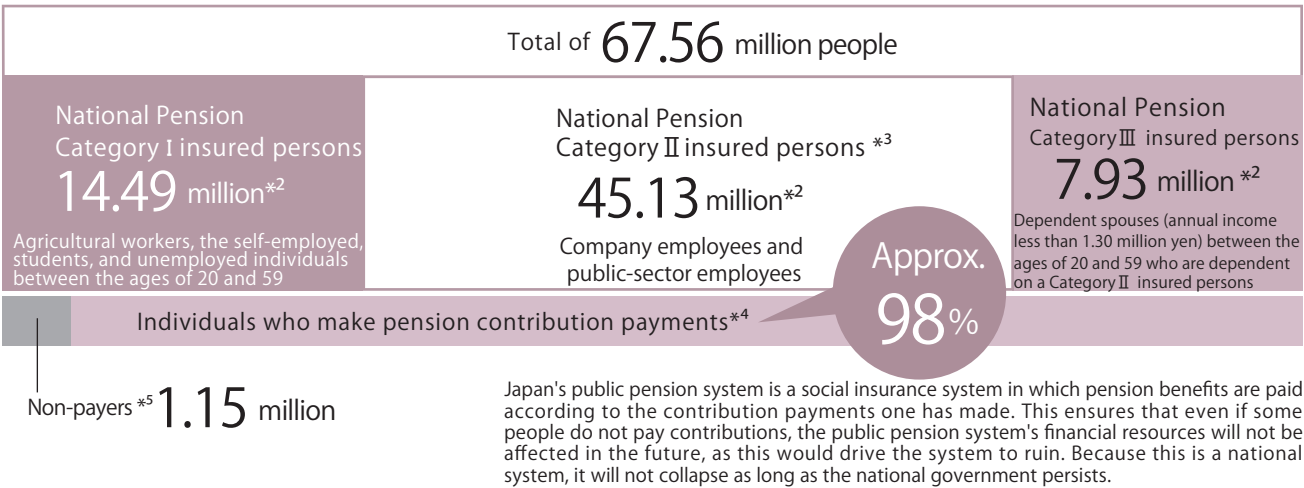
These figures showcase the size and importance of the public pension system.

Insured persons in the public pension system
(as of the end of FY 2020) **67.56** million people

This refers to insured persons covered by the public pension system (the National Pension and Employees' Pension Insurance.) Given that the population of Japan is roughly 125.86 million*¹, this is equivalent to more than half the population of Japan. Source: "Employees' Pension Insurance and National Pension Annual Report," Ministry of Health, Labour and Welfare (FY 2020.)

Proportion of insured persons covered by public pension system who make pension contribution payments (as of the end of FY 2020)

■ Pension contribution payment status (as of the end of FY 2020)



The contribution payment rate (current-FY) for National Pension Category I insured persons' payments due in FY 2020 was 71.5%, but if combined with Employees' Pension Insurance and other programs, around 98% of all insured persons covered by public pension programs have made their contribution payments. In reality, just 2% have not made their contribution payments. Source: "FY 2020 National Pension Coverage and Pension Contribution Payment Status," Ministry of Health, Labour and Welfare, Japan Pension Service, "Employees' Pension Insurance and National Pension Annual Report," Ministry of Health, Labour and Welfare (FY 2020)

Revenues from contribution payments
(FY 2020) **38.6168** trillion yen

Contribution payments made for the National Pension and Employees' Pension Insurance total 38.6168 trillion yen. Employers cover half of the Employees' Pension Insurance contribution payments. Source: "Revenues and Expenditures of the Public Pension System, FY 2020 (single-year data)," Ministry of Health, Labour and Welfare

Add national government subsidy and pension reserve fund investment income.

Pension benefits payments (FY 2020) **53.3612** trillion yen

Pension benefits payments paid out total around 53.3612 trillion yen, a sum covered by pension contribution revenues, national government subsidy, and pension reserve fund investment income. This sum is equal to around 10% of Japan's nominal GDP*⁶. Source: "Revenues and Expenditures of the Public Pension System, FY 2020 (single-year data)," Ministry of Health, Labour and Welfare

Pension beneficiaries (FY 2020) **40.51** million people

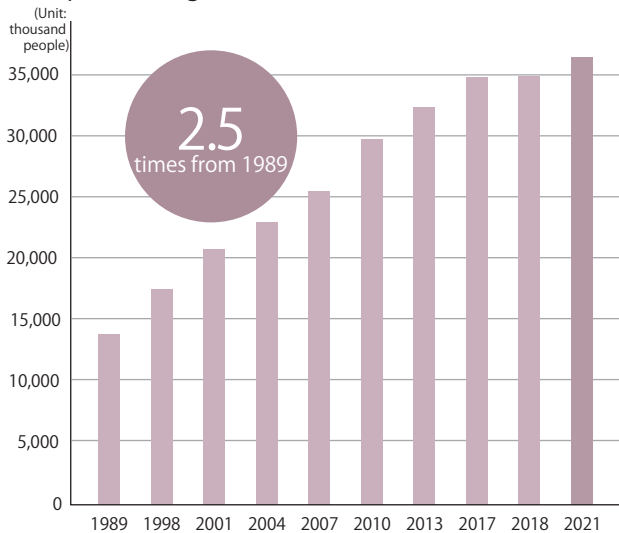
The population of Japan is around 125,500,000. Approximately 30% of the people in Japan are beneficiaries*⁷ of the old-age pension, disability pension, or survivors' pension. Source: "Employees' Pension Insurance and National Pension Annual Report," Ministry of Health, Labour and Welfare (FY 2020.)

Population aged
65 and over
(April 2021)

36.27

million people

■ Population aged 65 and over

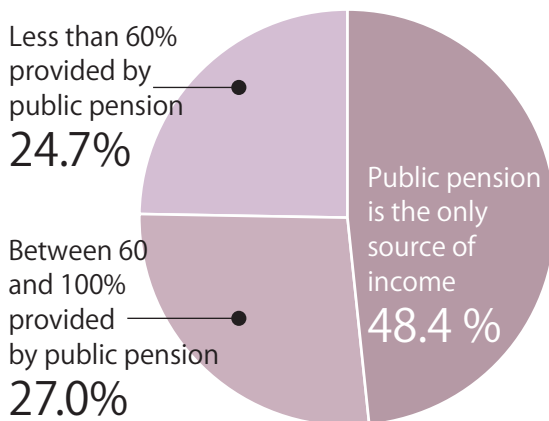


The senior citizen population has reached a level of approx. 2.5 times that in 1989 (14.31 million.)
Source: "Population Estimates," Ministry of Internal Affairs and Communications

Elderly households for which
public pension ^{*8} is the only
source of income

48.4 %

■ Public pension as a percentage of total income



Of the elderly households receiving a public pension, the public pension is the only source of income for about 50% of them.

Source: 2019 Comprehensive Survey of Living Conditions (Ministry of Health, Labour and Welfare)

▷ Totals may be inconsistent due to rounding of fractions.

*1: Total population is the total population (fixed value) as of April 1 of the following year (Monthly Population Estimation Report, Statistics Bureau, Ministry of Internal Affairs and Communications.)

*2: This population statistic is valid as of the end of FY 2020. Category I insured persons include voluntarily covered insured persons (190,000 people.)

*3: Category II insured persons are those who are insured by the Employees' Pension Insurance.
(In addition to Category II insured persons, this category includes persons 65 years of age or older who are entitled to receive pension benefits for old age or retirement as the reason for payment.)

*4: Includes individuals who are exempt from or approved to postpone their contribution payments.

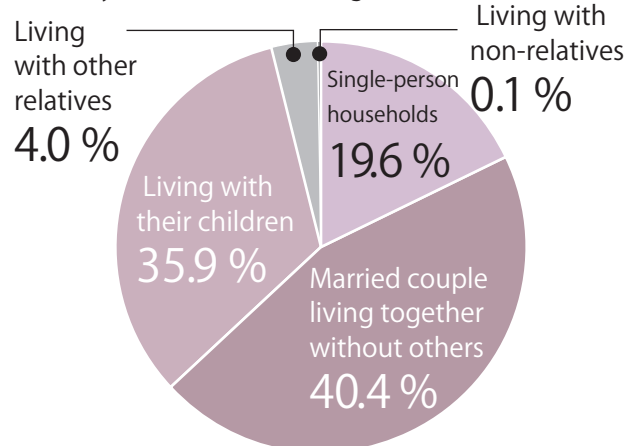
*5: A non-payer is someone who has not made a contribution payment in 24 months (April 2019 to March 2021.)

*6: This refers to the total value of goods and services produced in a year, calculated using market prices. (GDP is the gross domestic product.)

*7: This refers to actual discrete public pension beneficiaries, with no double-counting.

*8: An elderly household is one consisting only of people aged 65 or older, or such a household that also contains unmarried individuals under the age of 18.

■ Family structure of those aged 65 and older



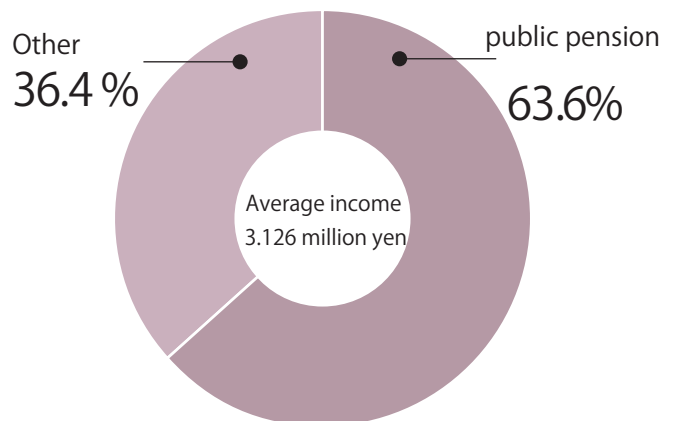
Looking at the various family structures in which senior citizens live, the largest group is the 15.208 million "married couples living together without others" (one or both members of the couple are aged 65 or older; 40.4% of the population aged 65+), followed by the 13.527 million "living with their children" (35.9% of the same), and finally the 7.37 million "single-person households" (19.6% of the same.)

Source: 2019 Comprehensive Survey of Living Conditions (Ministry of Health, Labour and Welfare)

Amount of public pension benefits
paid to elderly households

1.99 million yen

■ Breakdown of average income per elderly household



Public pension benefits average 1.99 million yen per year, which is equivalent to 63.6% of the average income of an elderly household.

Source: 2019 Comprehensive Survey of Living Conditions (Ministry of Health, Labour and Welfare)

“My Pension and Me” Essays

FY 2021 Winning Entries

All award-winning entries (full text) are posted on the JPS website.



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Search

(“My Pension and Me” essays results)

<https://www.nenkin.go.jp/info/torikumi/nenkingekkan/nenkin-essay/20211130.html>



Minister of Health,
Labour and Welfare's Award

Mitsuo Matsumoto (40s),
Aomori Prefecture

The Mutual Aid Association for Prefectural Government Personnel pays me Employees' Disability Pension benefits.

I worked for the Aomori Prefectural government office until 2017, which is four years ago. I developed depression while working and had treatment at the prefectural psychiatric hospital. I was hospitalized four times and had outpatient treatment, but I was unable to return to work and resigned when I exhausted my leave of absence. I was devastated because I had been very proud of my work, primarily in commerce and industry administration.

Upon my resignation, my doctor provided a medical certificate which was required to claim disability pension. In addition to the medical certificate I prepared the document to verify medical treatment records, drew up a declaration document on medical history and employment records, and rewrote many times, and I submitted a set of required documents to the mutual aid association office.

While they examined my claim the critical problem of verifying the date of my first visit to the clinic arose. My previous psychiatric clinic had closed, and my medical records were gone. A labor and social insurance attorney at the Hello Work (local employment office) and my father asked my old supervisors at the prefectural office at that time to write a third-party's verifying note, and then submitted the verification and a notebook documenting my medical examination to the mutual aid association office.

About six months after filing the claim I received the certificate of disability grade from the mutual aid association. It was Grade 3 disability. I was so relieved. At home, I keep my pension certificate in a desk drawer with great care.

The 15th of an even-numbered month is a special day for me. On the day of pension benefits payment, I always look up at the sky. I live in Aomori City, but I look up toward Tokyo (where the benefits come from.) When I find my pension benefits in my bank account, tears naturally well up in my eyes. Because of my illness, I am now unable to work as much as I would like. When I am unable to work, I sometimes feel distressed and wonder what I am living for. However, I have a pension. The pension benefit is truly irreplaceable and significant in protecting my life and encouraging me to take care of myself and live with a purpose.

I am working part-time and paying National Pension contribution while receiving a disability pension. I have Grade 3 disability, which means I am not eligible for the Basic Disability Pension. I have visited the Japan Pension Service Aomori branch office for pension consultation several times, and in order to prepare for my retirement, I take advantage of the exemption system of the National Pension contribution and am making retroactive payment to recover the past unpaid period at my own pace. I am unable to work as much as I would like, but by paying contributions to the government as a Category I insured person, I am beginning to think that now I am able to support the Japanese pension system as a member of society.

My mother paid my National Pension contributions while I was in college. My parents have always taken good care of me. I believe it is my responsibility to look after them and contribute to the society so they can lead comfortable life. The pension benefits, which is truly irreplaceable and valuable for me, is an eternal proof of my hard work as a proud prefectural government employee, and it gives me strength to live. With the pension benefits as food for my soul, I am determined to live my life to the fullest in order to achieve new goals in the future.

In order to help people understand more about Japan's pension systems, JPS marks November as "Pension Month" annually to promote and raise awareness of the public pension system among people in cooperation with the Ministry of Health, Labour and Welfare.

As part of this effort, JPS has been calling for entries for "My Pension and Me" essay contest since FY 2010, providing opportunity for people to think about the value and significance of the public pension system.

Below are two winning essays selected from 1,596 entries to the contest for FY 2021.



Enter your essay to our annual contest.



Japan Pension Service President's Award

Fuuka Sato
(High School Student),
Fukuoka Prefecture

I learned about pension system by asking around and researching online before writing my essay. Then I remembered my grandmother, who passed away in March of this year. My grandmother was in a car accident when she was young and had been in a wheelchair for as long as I can remember. She was in a facility, and I used to go visit her when I was a kid. When I asked my mother about the time my grandmother was in an accident, she said the entire family, in panic and anxiety, faced difficulty because they needed a lot of money for hospitalization and rehabilitation, among other things. She also stated that, thankfully, the disability pension helped them to pay for the hospitalization and other expenses.

Before I researched about public pension system, I had a vague idea that pensions were something you could receive when you became old. However, during my research on pension system, I discovered that it was a kind system that could assist a wide range of people in need. Not only my maternal grandmother who passed away in March, the pension system must be helping my paternal grandparents, too.

I also asked my father of his thoughts on pension system. He told me, "Pension system is necessary, but the amount of benefits people will receive will probably decrease in the future due to the declining birthrate and aging population. Accordingly, the number of people who will pay pension contribution may decrease." That struck me as just right. I also genuinely admired my father and the adults in our society who work and pay pension contributions. My grandparents, the elderly, and those in need can make a living thanks to those who pay their pension contributions. It is said that the current working generation may not be able to receive a pension, and I believe my father is correct in that some of them may not be willing to pay contributions. I may be still too young to say anything as if I am an independent grown-up, but when I start working, I commit to pay my pension contributions just like these adults. I want to help those in need as well as be helped by others. I believe such mutual assistance is critical.

This type of mechanism exists not only in pension system, but also in the lives of children and teens such as ourselves. Since elementary school, my teachers taught me to cooperate and help one another. If I don't extend my helping hand to those in need, no one will assist me when I am in trouble. I don't know what the world will be like in the future, but I hope that this mechanism of mutual assistance will last forever. My grandmother's live was supported by those who paid pension contributions, and I would feel bad if our generation would not reciprocate, and we must maintain the principle of mutual support.

I still have some time until I become old enough to pay my pension contributions, but I want to make conscious effort to remember what I have written in this essay. And I hope that today's youth understand the kindness of the pension system.

Pension Consultation Service Appointments via the Internet

Via the Internet you can make an appointment for in-person consultation service at any JPS branch offices and pension consultation centers throughout Japan.

Service hours
for making
appointment

Every day, including Saturdays, Sundays,
and national holidays / 8:00 – 23:30

▷ May not be available during occasional
systems maintenance

You can make an appointment for consultation service on the second business day from the date of making appointment and after.

Appointments by the Internet can be made for certain consultation issues.
Please check our website to find if appointment is available for what you would like to consult about.
(As of March 2022)

Process of consultation by appointment

1. Request for an appointment

Follow the instructions and enter the following information to request an appointment:

1. time and date you want the appointment, 2. select branch office you want to visit, and 3. your detailed information

● The following information is required to make an appointment

- Your Basic Pension Number (you can find the number on Basic Pension Number Notification or Pension Certificate)
(We need Basic Pension Number of your spouse if any.)
- Your valid email address



2. Receipt of request for an appointment

You will receive an email from JPS stating that "your request for appointment has been received." Please proceed to provide additional information requested.

* Please note that the appointment is not yet established at this point.



3. Completion of appointment

You will receive an email to inform you whether your request for appointment was accepted or not, based on our appointment availability schedule. Your reservation is complete once you receive a successful appointment email.

* If your request was not successful, please request again for other date and time.



4. Visit to the branch office on consultation appointment

Please visit the branch office as you made the appointment. We welcome you at the reception.

* For the purpose of consultation service, we ask you to bring driver's license or other documents to verify your identity.



Access to the appointment site (in Japanese language)



Smartphone
Cell phone



https://www.yoyaku.nenkin.go.jp/sp_soyo/RA01_SP/W_RA0101_SPSCR.do



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(JPS Appointment for Consultation)

https://www.yoyaku.nenkin.go.jp/soyo/RA01/W_RA0101SCR.do

Pension Consultation Service Contact Information

Call Nenkin Dial for general inquiries about pension

“Nenkin Dial” hotline for general consultation services



0570-05-1165

If your phone number starts with 050, please call: (Tokyo) 03-6700-1165

Service hours

Monday (If Monday is a national holiday, then the first post-holiday workday)/ 8:30 AM to 7:00 PM
Tuesday to Friday/ 8:30 AM to 5:15 PM Second Saturday of the month/ 9:30 AM to 4:00 PM

▷ The Nenkin Dial service is not available on Sundays, national holidays, Saturdays (excl. the second Saturday of the month,) or from December 29 to January 3.

To make an appointment to visit an office for consultation, call the Hotline for Consultation Appointments.



0570-05-4890

If your phone number starts with 050, please call: (Tokyo) 03-6631-7521

Service hours

Monday to Friday (Weekdays)/ 8:30 AM to 5:15 PM

The pension consultation service is available throughout Japan.

The pension consultation service is available at branch offices and Pension Consultation Centers.

Monday (If Monday is a national holiday, then the first post-holiday workday)/ 8:30 AM to 7:00 PM

Tuesday to Friday/ 8:30 AM to 5:15 PM Second Saturday of the month/ 9:30 AM to 4:00 PM

▷ Not available on Sundays, national holidays, Saturdays (excl. Second Saturday of the month,) or Dec. 29 through Jan. 3.

▷ Some Pension Consultation Centers are not open after 5:15 PM or on the second Saturday of the month.

Please call our “Nenkin Kanyusha Dial” for inquiries about insurance coverage

For insured persons covered by the National Pension system



0570-0003-0004

If your phone number starts with 050, please call: (Tokyo) 03-6630-2525

For workplaces and employees covered by the Employees’ Pension Insurance



0570-0007-1223

If your phone number starts with 050, please call: (Tokyo) 03-6837-2913

Service hours

Monday to Friday/ 8:30 AM to 7:00 PM
Second Saturday of the month/ 9:30 AM to 4:00 PM

▷ Not available on Sundays, national holidays, Saturdays (excl. Second Saturday of the month,) or Dec. 29 through Jan. 3.

For inquiries about Pension Coverage Regular Notices (NENKIN TEIKI BIN) and Nenkin Net

Call Pension Coverage Regular Notices (NENKIN TEIKI BIN) and Nenkin Net Dial (hotline for pension statements and Internet accounts)



0570-058-5555

If your phone number starts with 050, please call: (Tokyo) 03-6700-1144

Service hours

Monday (If Monday is a national holiday, then the first post-holiday workday)/ 8:30 AM to 7:00 PM
Tuesday to Friday/ 8:30 AM to 5:15 PM Second Saturday of the month/ 9:30 AM to 4:00 PM

▷ Not available on Sundays, national holidays, Saturdays (excl. Second Saturday of the month,) or Dec. 29 through Jan. 3.

Use Nenkin Net to check your pension coverage records and estimate future pension amounts.

- ▶ Check your up-to-date pension coverage records on your computer or smartphone anytime and anywhere, 24 hours per day.
 - Check your National Pension coverage records and contribution payment record.
 - If you are employed by a company, check your Employees’ Pension Insurance coverage record.
- ▶ Estimate your future pension amount based on your various plans.
 - Estimate your future pension amount based on various factors, such as if you chose to continue working, change jobs, or retire.
- ▶ Check pension benefits direct deposit notices, tax deduction slips for public pension, and other notices pertaining to pension payments.



For user registration with your smartphone



For more information, visit the JPS website

https://www.nenkin.go.jp/n_net/

Nenkin Net

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日本年金機構

Japan Pension Service

3-5-24, Takaido-nishi, Suginami-ku, Tokyo
168-8505

Phone: 03-5344-1100

<https://www.nenkin.go.jp>

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