

Deloitte.

Financial Services

Look to the future.

A guide to our pension advisory services



Developing effective business strategies

In today's rapidly changing business world, companies are facing more challenges than ever before. Economic stagnation, regulatory changes, and rapid advancements in technology are requiring companies to develop strategies that go beyond simply meeting these escalating demands. To be successful, businesses must also develop strategies to meet the increasing challenges of human capital development.



Keeping pace today

Changes in pension systems, the vast array of products, and reforms to the associated legislation are emerging as critical issues for senior management of any business. In Japan, where the growing issue of the aging population is prompting pension reforms, effective pension strategies are of paramount importance.

Effective design and implementation of a pension system play a key role in delivering a business strategy in a cost-effective manner. Our Pension Advisory Services specialists work closely with you to design plans that reflect your business goals.

Designing a pension plan

Today's employers encounter an array of complex pension plans, choices in providers, and strategic financial decisions. Our in-depth experience in designing all types of benefit plans, from accumulated point plans and defined contribution plans to hybrid plans, allows us to align the plan design process with your broader financial and human resource objectives and find the optimal pension solution for your business needs. Our process considers: a) financial implications, such as the impact on liabilities/expenses and interest rate sensitivity analysis; b) human resources strategies, such as retaining talent, guarantee of income after retirement,

employee needs and plan consensus; and c) the resulting impact to company administration.

We can provide assistance with:

1. Plan Design

- Designing retirement benefit plan
- Ongoing plan management

2. Portfolio Consulting

- Pension fund asset & liability management
- Service provider search and selection

3. Communication

- Employee communication support
- Investor relation (IR) support

4. Evaluation

- Actuarial evaluation of pension liabilities and expenses.

Achieving maximum value

Our Pension Advisory Services professionals work with employers to develop pension strategies that meet comprehensive human resource strategies. Our pension strategies are cost-effective and financially viable, address critical compliance-related issues and achieve maximum value through effective employee communication support.

Our approach includes:

1. Analysis

- Future simulation of retirement benefit liabilities and expenses
- Finance management review of Tax Qualified Pension Plan
- Finance management review of Employees' Pension Fund
- Benefit model analysis
- Investment organization review
- Manager structure review

2. Implementation support

Plan Design

- Transition from Tax Qualified Pension Plan
- Transition from Employees' Pension Fund
- Financial impact analysis
- Consensus-building support
- Compliance review

Portfolio Management

- Pension fund asset & liability management
- Policy asset mix management
- Asset manager structure

Defined Contribution Pension Plan

- Implementation time-line
- Service provider selection support
- Communication support

3. Ongoing plan management

- Employee communication and education
- Pension compliance review
- Investment guideline
- Quarterly performance evaluation and monitoring
- Pension fund governance

The Deloitte difference

- We bring our clients unparalleled industry knowledge and experience
- We stand by our core values of integrity, objectivity, independence and transparency in today's environment
- We are responsive to our clients' needs
- We attract and retain the best people
- We value and build close relationships.

About Deloitte

Deloitte Touche Tohmatsu is an organization of member firms around the world devoted to excellence in providing professional services and advice, focused on client service through a global strategy executed locally in nearly 150 countries. With access to the deep intellectual capital of 120,000 people worldwide, Deloitte delivers services in four professional areas—audit, tax, consulting, and financial advisory services—and serves more than one-half of the world's largest companies, as well as large national enterprises, public institutions, locally important clients, and successful, fast-growing global growth companies. Services are not provided by the Deloitte Touche Tohmatsu Verein, and, for regulatory and other reasons, certain member firms do not provide services in all four professional areas.

As one of the leading professional services firms in Japan, we provide a broad range of audit & assurance, consulting, enterprise risk, financial advisory and tax-related services via 3,500 people in nearly 40 cities in Japan.

For more information on our Pension Advisory Services, please contact:

Hiroaki Shimbo
Tokyo, Japan
Tel: 81-3-6213-1160
fig.hcas@tohmatu.co.jp



Deloitte refers to one or more of Deloitte Touche Tohmatsu, a Swiss Verein, its member firms, and their respective subsidiaries and affiliates. As a Swiss Verein (association), neither Deloitte Touche Tohmatsu nor any of its member firms has any liability for each other's acts or omissions. Each of the member firms is a separate and independent legal entity operating under the names "Deloitte," "Deloitte & Touche," "Deloitte Touche Tohmatsu," or other related names. Services are provided by the member firms or their subsidiaries or affiliates and not by the Deloitte Touche Tohmatsu Verein.

© 2005 Deloitte Touche Tohmatsu. All rights reserved.

Member of
Deloitte Touche Tohmatsu