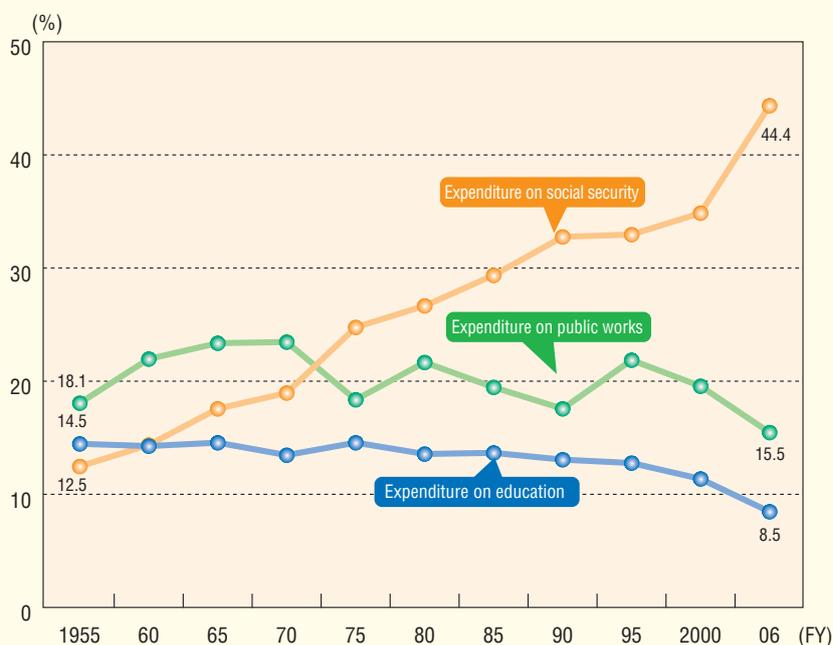


Expenditure on Education



III-1 Expenditure of National and Local Governments

III-1-1 Trends in Ratio of Three Primary Expenditures to General Annual Expenditure of National Government

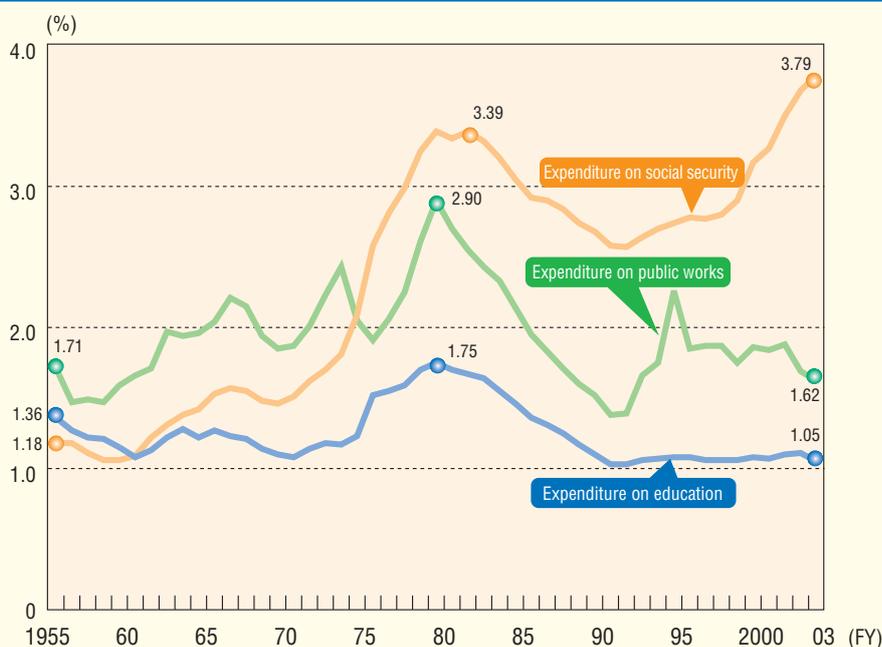


Source: MEXT, based on annual *General Account Budget Statement*

In 1955, expenditure on education had a higher share of general annual expenditure (the general account excluding government bonds and distribution of local allocation tax) than expenditure on social security. However, in 2006, expenditure on social security represented 44.4% of general expenditure, compared to 8.5% for education, and that gap is widening.

See p.84 of reference documents

III-1-2 Trends in Ratio of Three Primary Expenditures to GDP

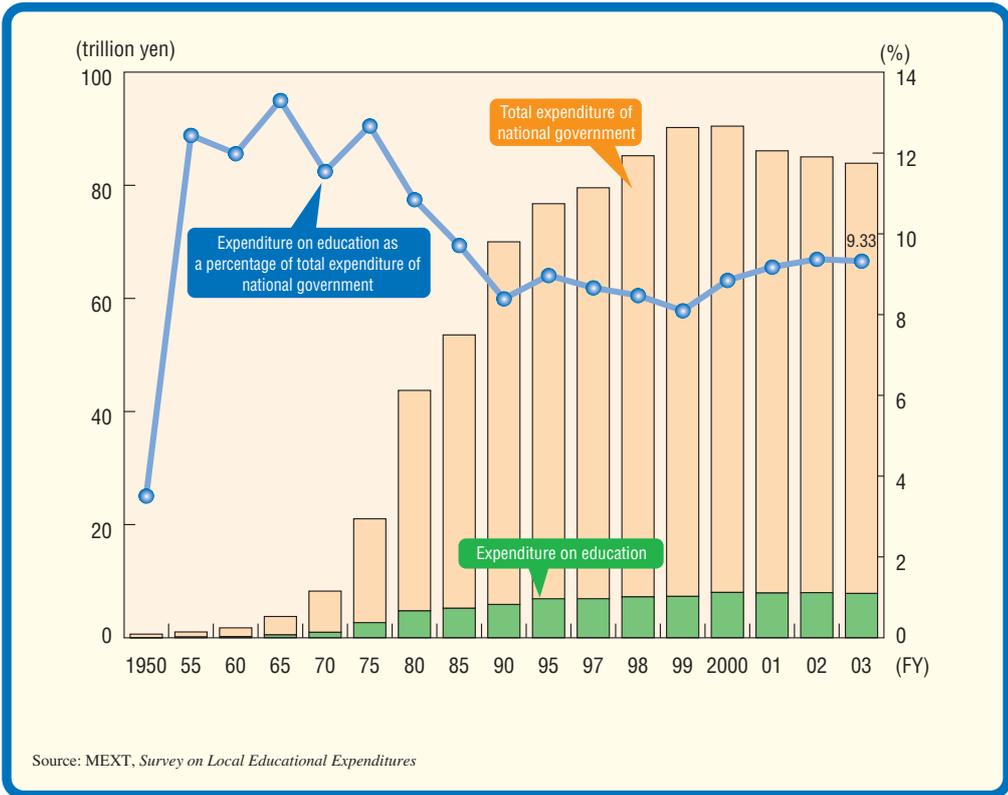


Source: MEXT, based on annual *General Account Budget Statement* and *The Cabinet Office, on National Economic Accounting Annual Report*

In 1955, expenditure on education was higher than expenditure on social security as a ratio of GDP. However, the ratio of expenditure on education to GDP has been static, and the ratio of expenditure on social security is rising.

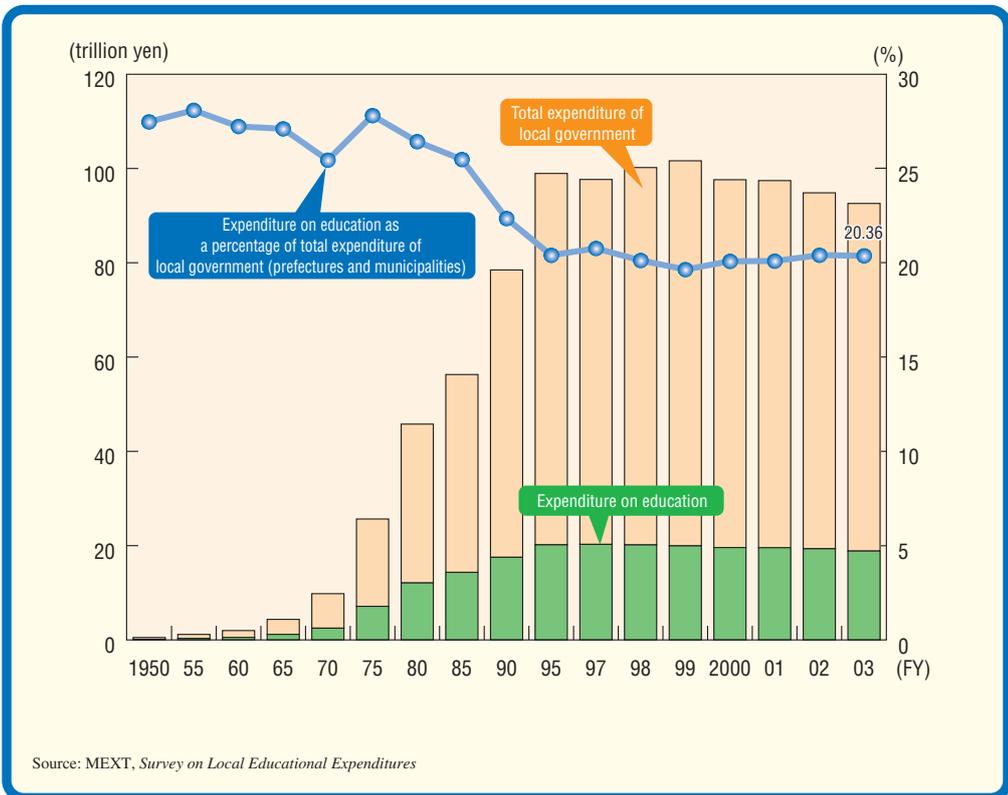
See p.84 of reference documents

III-1-3 Trends in Expenditure on Education and Total Expenditure of National Government



See p.84 of reference documents

III-1-4 Trends in Expenditure on Education and Total Expenditure of Local Government

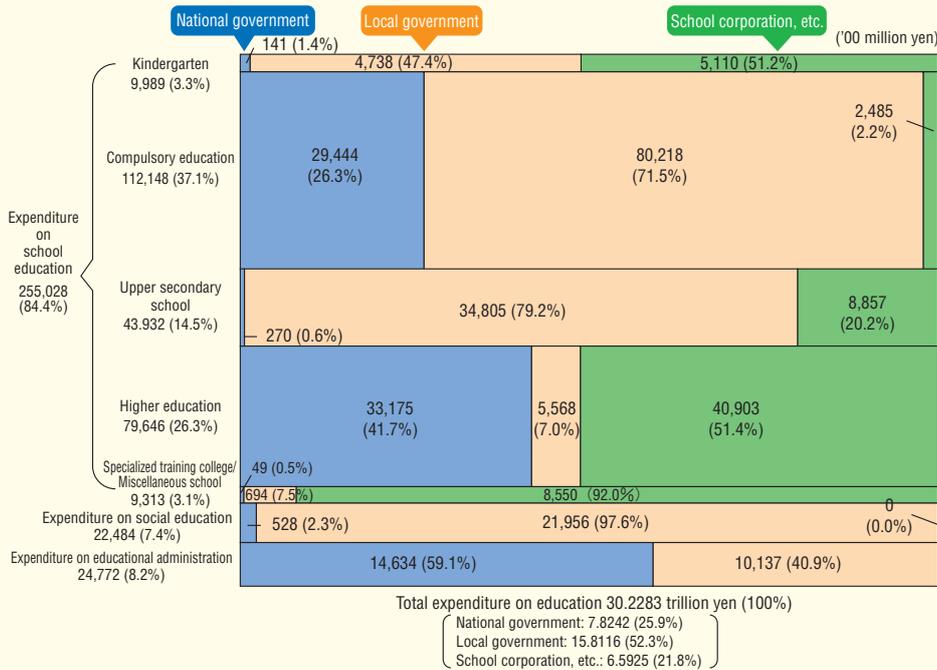


See p.84 of reference documents

Total expenditure of national government has been on the rise since 1950, but dropped in 2001 and further went down to around 84 trillion yen in 2003. The expenditure on education as a percentage of total expenditure of national government was more than 10% until the late 1970s and early 1980s, and 9.33% in 2003.

Total expenditure of local government (prefectures and municipalities) rose from 1950, but has dropped in 2000 and further went down to around 93 trillion yen in 2003. The local expenditure on education as a percentage of total expenditure of local government was more than that of national government: 20.36% in 2003.

III-1-5 Total Expenditure on Education by Sphere of Education and Source (2003)



Note: "School corporation, etc." includes tuition and other student fees of households to private schools.
Source: Reported by MEXT

Looking at total expenditure on education by sphere of education in 2003, the biggest item was expenditure on school education at 25.5 trillion yen (84.4%) and of that, compulsory education had the biggest slice, at 11.21 trillion yen. In terms of source, local government was the biggest provider for compulsory education and upper secondary school, spending 8.02 trillion yen (71.5%) and 3.48 trillion yen (79.2%) respectively. In higher education, school corporations, etc., spent the most at 4.09 trillion yen (51.4%).

See p.84 of reference documents

III-1-6 Trends in Public Expenditure on Education per Student



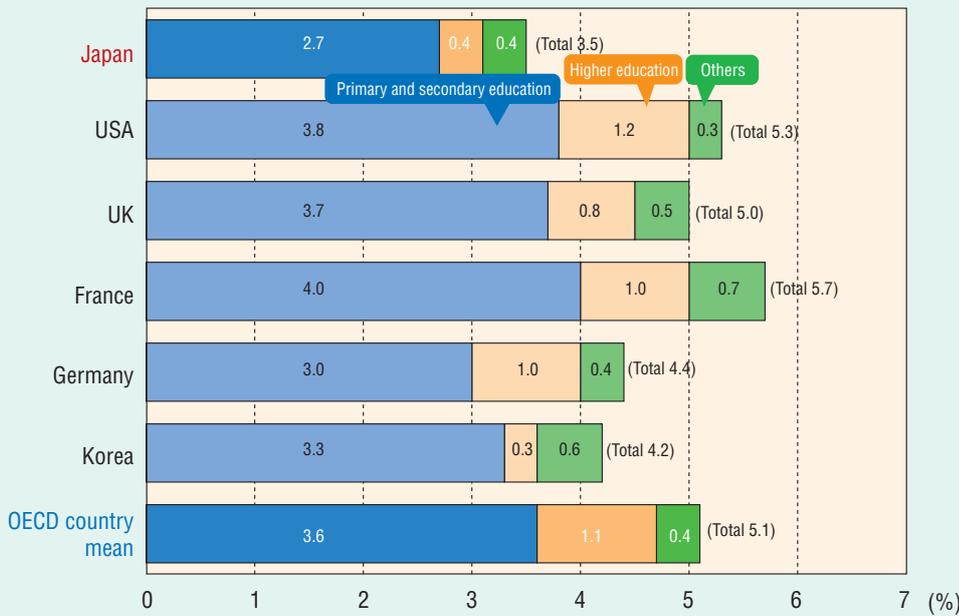
Source: MEXT, Survey on Local Educational Expenditures

Local and national government education expenditures on a per-student basis for students in public schools has been increasing, although expenditures for kindergartens, elementary schools and upper secondary schools dropped in 2003. Upper secondary schools had the highest spending per student in 2003 at 1,120,000 yen per student.

See p.85 of reference documents



III-1-7 Public Expenditure on Educational Institutions as a Percentage of GDP (2002)

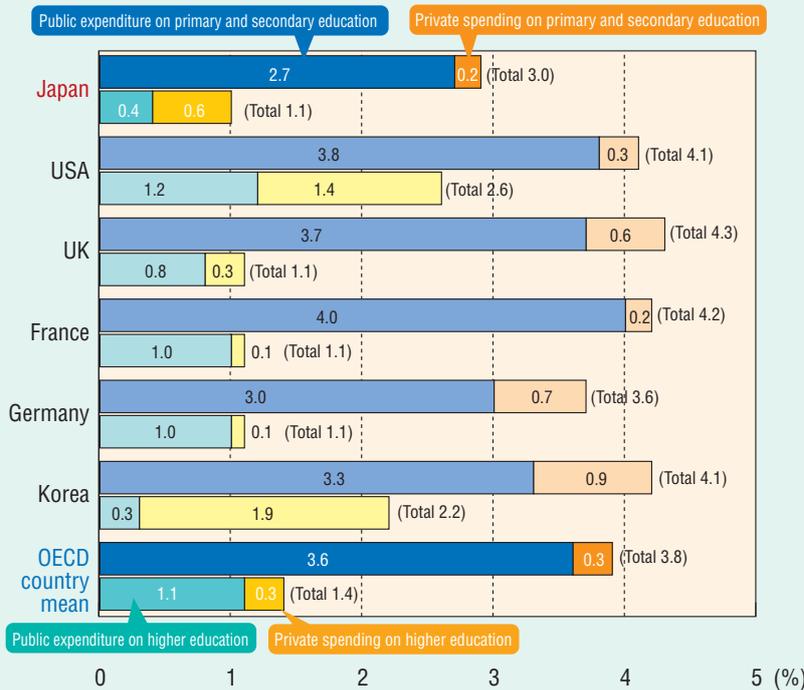


Note: "Others" refers to preschool education and non-ISCED institutions (specialized training colleges (general course) and miscellaneous schools and expenditure on educational administration in Japan's case).
Source: OECD, *Education at a Glance 2005*

Public expenditure on school education is 3.5% of GDP in Japan, which is in the lower group among OECD countries. Public expenditure on higher education is particularly low and at 0.4%, in the lower end among OECD countries. One reason is that public expenditure accounts for a low proportion of GDP in Japan overall, and another is that the majority of higher education is privately-run.



III-1-8 Public and Private Expenditure on Educational Institutions as a Percentage of GDP (2002)

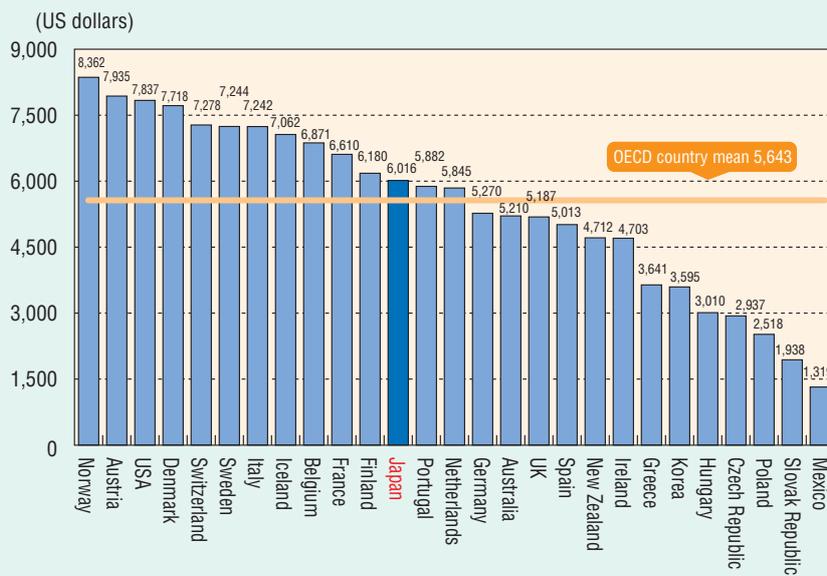


Source: OECD, *Education at a Glance 2005*

Japan's public and private expenditure on school education as a percentage of GDP is 3.0% for primary and secondary education, which is low for an OECD country. Expenditure on higher education is 1.1%, which is below the OECD country mean, but on par with the countries of Europe.



III-1-9 Public Expenditure on Educational Institutions per Student (Primary and Secondary Education) (2002)

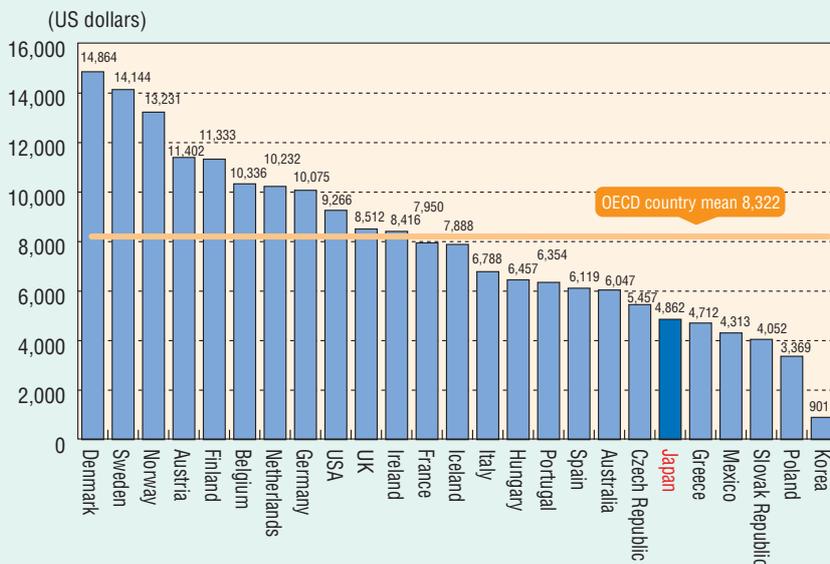


Source: MEXT, *International Comparison of Educational Indicators 2006*

Japan's public expenditure on educational institutions per student for primary and secondary education is \$6,016, above the OECD country mean.



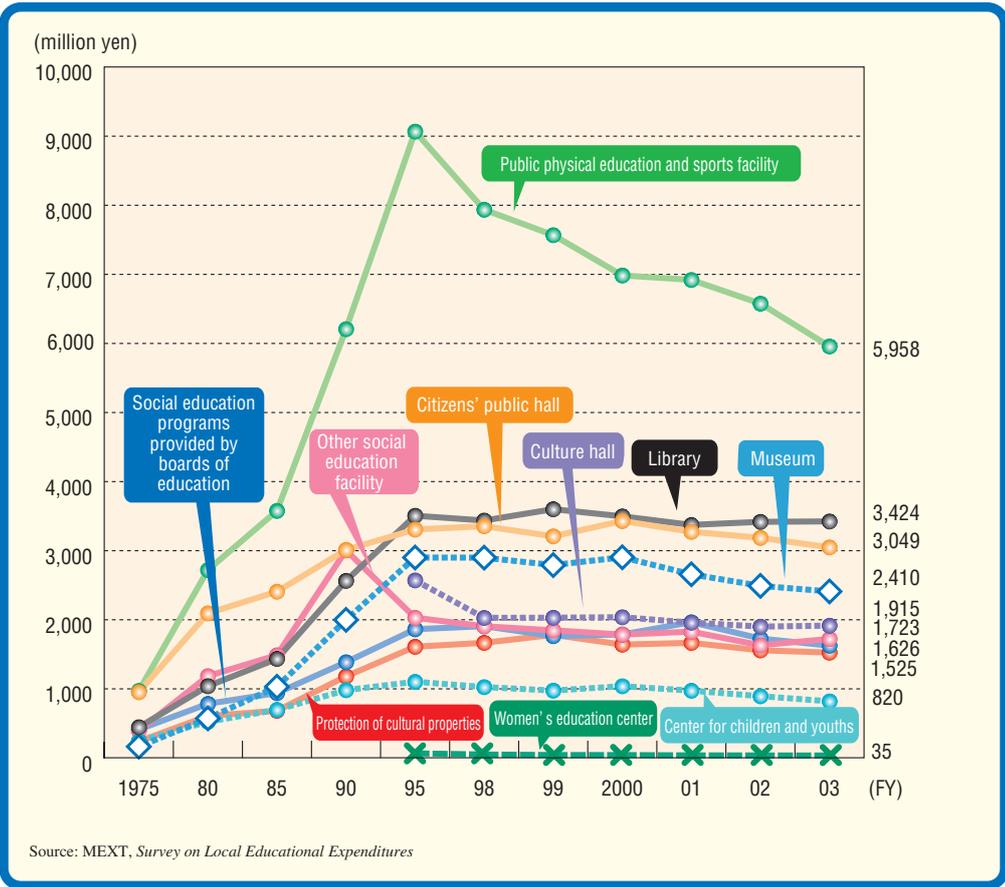
III-1-10 Public Expenditure on Educational Institutions per Student (Higher Education) (2002)



Source: MEXT, *International Comparison of Educational Indicators 2006*

Japan's public expenditure on educational institutions per student for higher education is \$4,862, well below the OECD country mean.

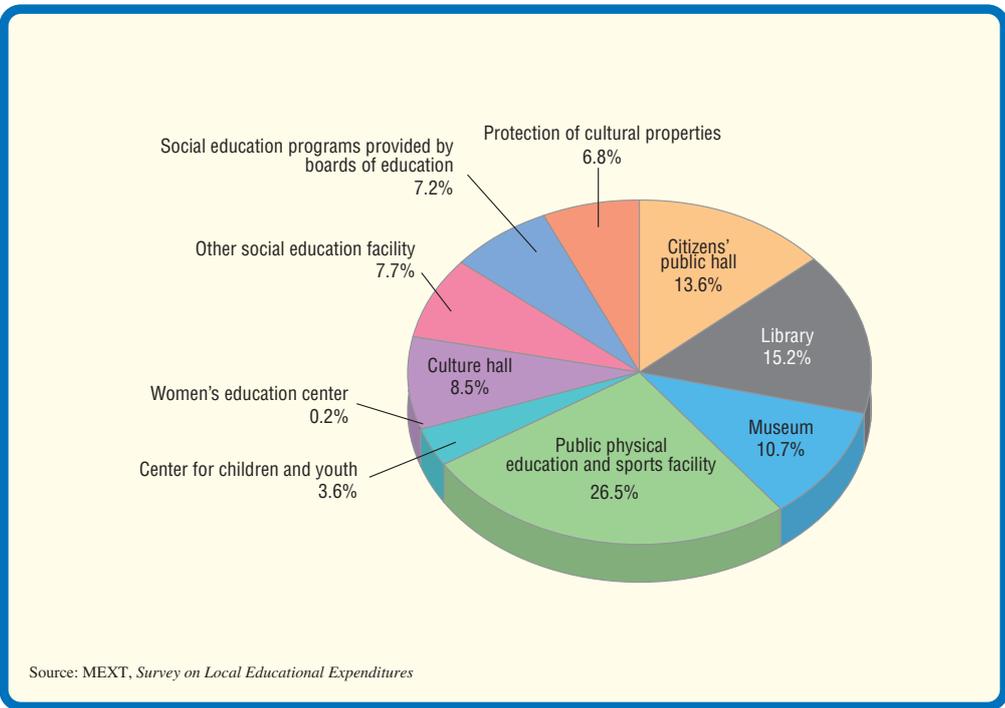
III-1-11 Trends in Expenditure on Social Education of Local Governments by Type of Facility



Looking at the expenditure on social education of local governments by type of facility in 2003, public physical education and sports facilities accounted for the most expenditure (600 billion yen, or 26.5%), followed by libraries at 340 billion yen (15.2%) and citizens' public halls with 300 billion yen (13.6%). Trends in recent years show that spending on public physical education and sports facilities is dropping, while expenditure on other facilities is flat.

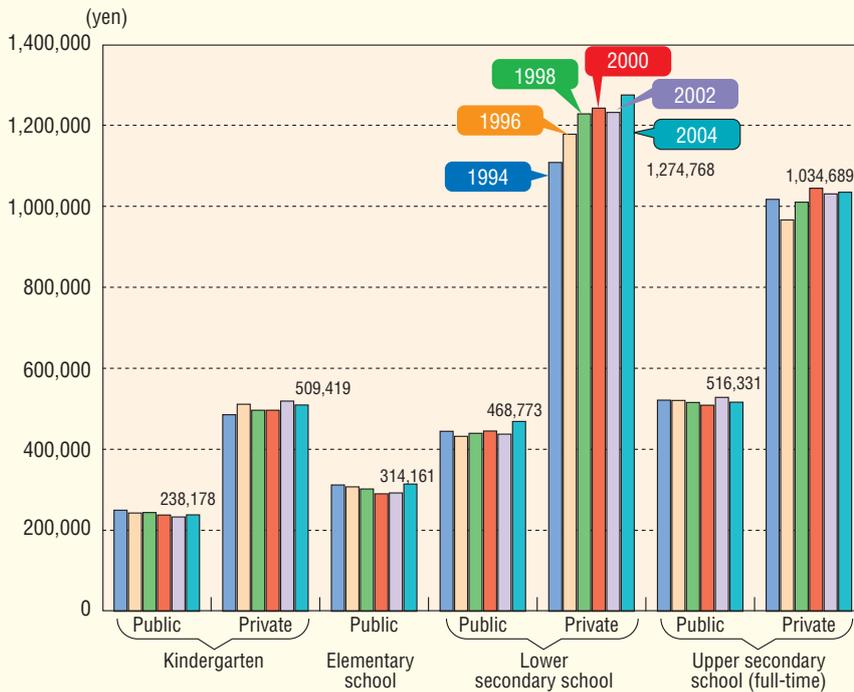
See p.85 of reference documents

III-1-12 Percentage Distribution of Expenditure on Social Education by Type of Facility (2003)



III-2 Educational Expenditure of Households

III-2-1 Trends in Total Learning Expenditure of Households for Children (Annual Expenditure per Child)

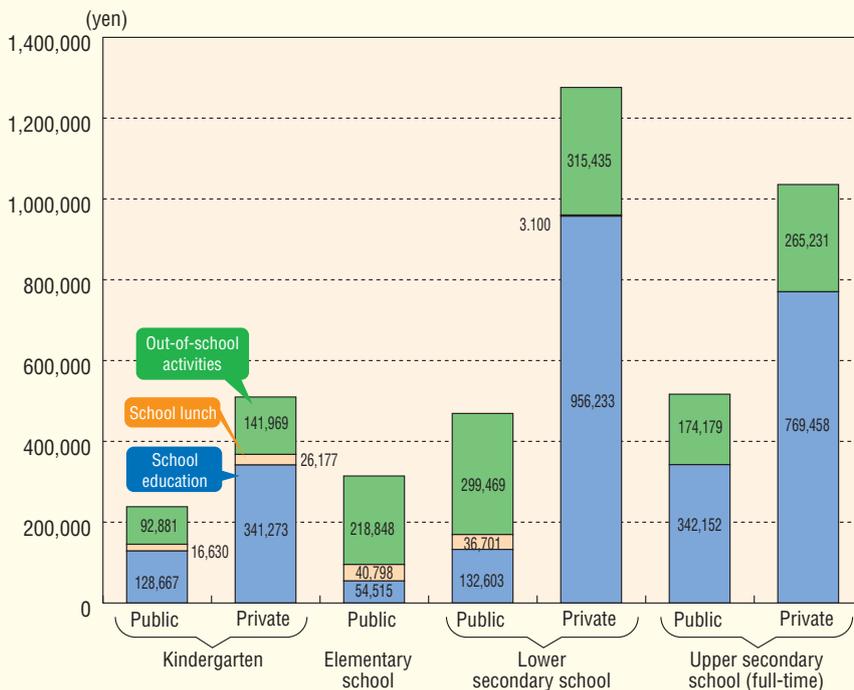


Source: MEXT, Survey of Household Expenditure on Education per Student

Looking at the expenditure of households on school education and out-of-school activities by school type in 2004, those spending the most were households with children at private lower secondary schools at 1,275,000 yen.

See p.85 of reference documents

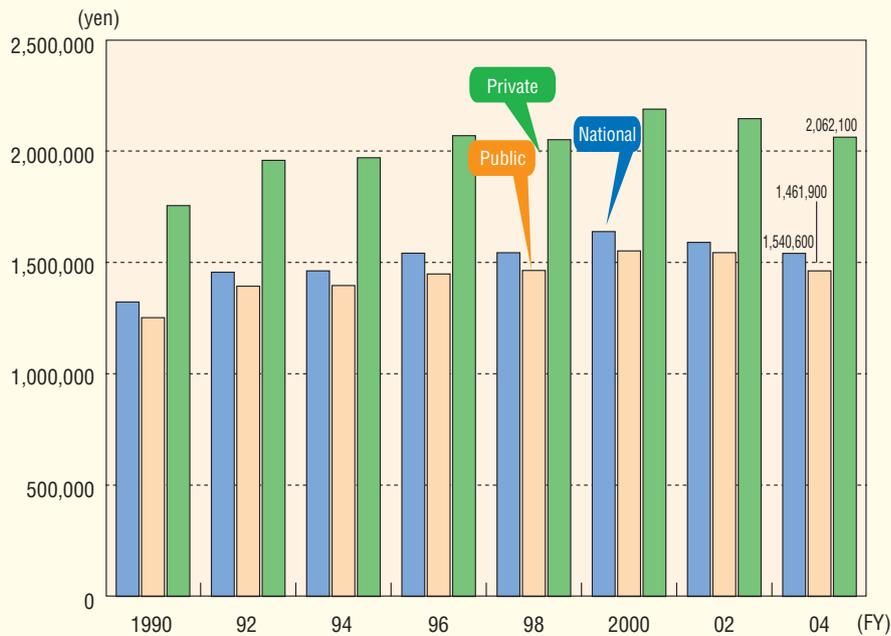
III-2-2 Details in Total Learning Expenditure of Households for Children (2004)



Source: MEXT, Survey of Household Expenditure on Education per Student (2004)

Looking at the total learning expenditure of households for children in 2004, in public elementary and lower secondary schools, which do not require that fees be paid, out-of-school activities accounted for the most household spending. At other school types, spending on school education was the largest expense.

III-2-3 Trends in Student Living Costs (University)

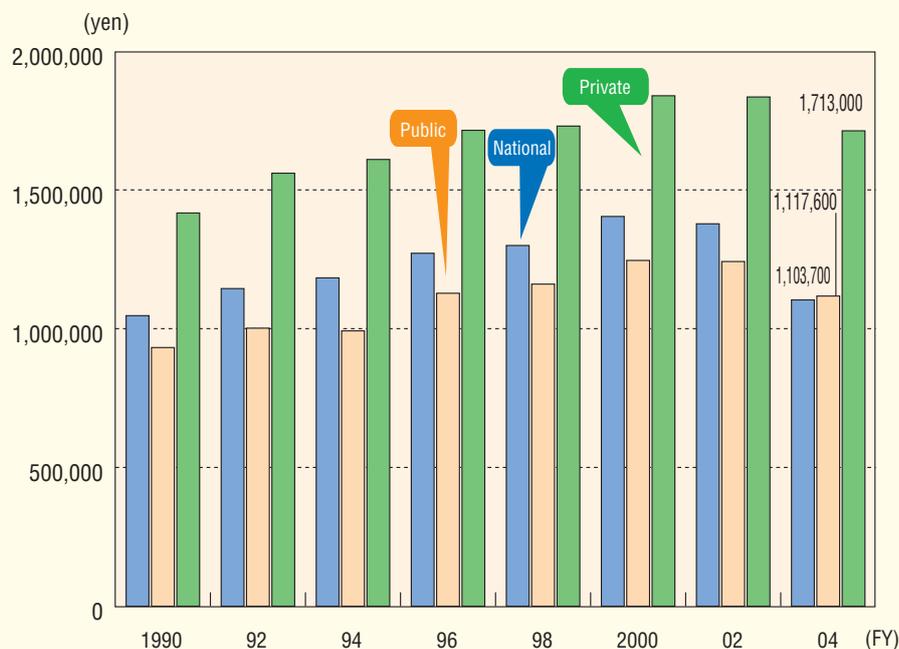


Source: MEXT, Survey on Student Life

Looking at student living costs by type of university, all have been on an upward trend, but from the 2002 survey, they have been dropping. With average costs for a national university student at 1,540,000 yen, a public university student at 1,462,000 yen and a private university student at 2,062,000 yen, the most expensive living was at private universities in 2004.

See p.86 of reference documents

III-2-4 Trends in Student Living Costs (Junior College)

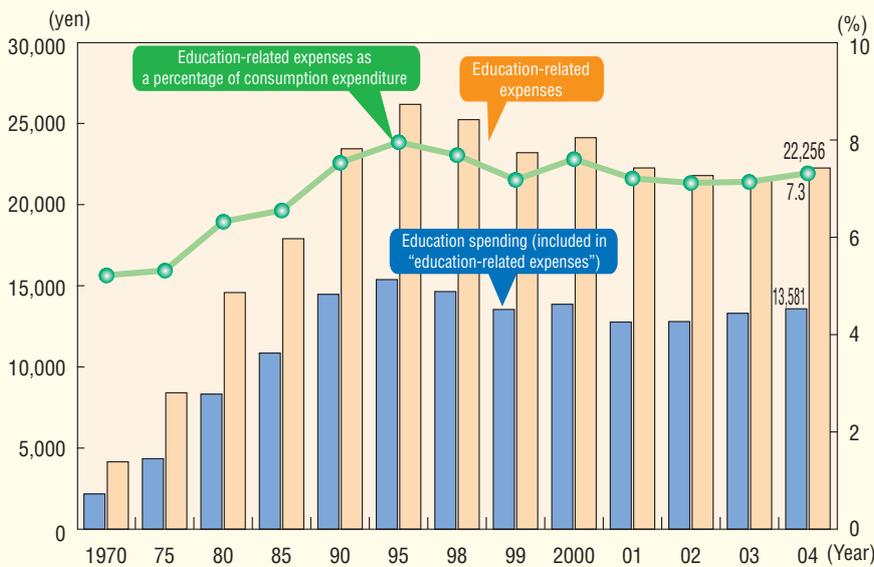


Source: MEXT, Survey on Student Life

Like university students, living costs for junior college students had been rising, but then started to fall from 2002. With average costs for a national junior college student at 1,104,000 yen, a public junior college student at 1,118,000 yen and a private junior college student at 1,713,000 yen in 2004, the most expensive living was at private junior colleges.

See p.86 of reference documents

III-2-5 Trends in Education-related Expenses as a Percentage of Household Expenditure

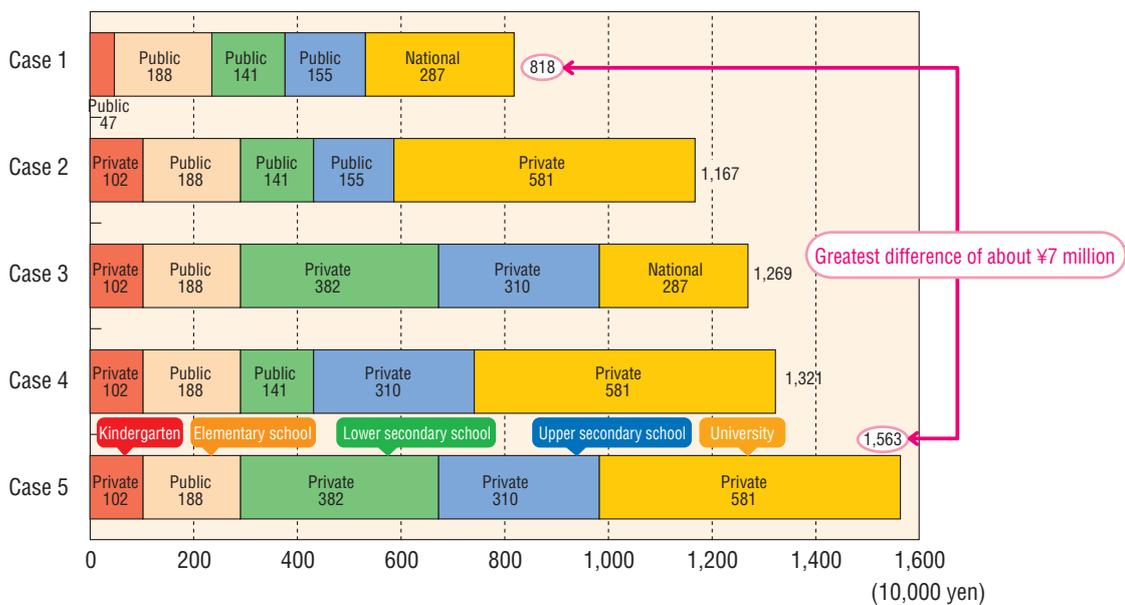


Source: Ministry of Internal Affairs and Communications, Annual Report on the Family Income and Expenditure Survey

Education-related expenses of (monthly) household expenditure topped 25,000 yen in 1995 before falling back again. In 2004 households spent 22,000 yen on education every month. The percentage of education-related expenses has remained in the 7-8% range and was 7.3% in 2004.

See p.86 of reference documents

● Total Average Household Spending of Five Education Patterns from Kindergarten (4 years old) to University (Undergraduate) Graduation (2004 Estimate) ●



Notes: 1 Amounts are the net total of the average cost of each school year in 2004.
 2 Private elementary schools are not surveyed.
 Source: MEXT, Survey of Household Expenditure on Education per Student, Survey on Student Life, etc.