Article 2
Matters Covered

1. This Agreement shall apply,

(a) as regards Japan, to the following Japanese pension systems:

(i) the National Pension (except the National Pension Fund); and

(ii) the Employees' Pension Insurance (except the Employees' Pension Fund);

however, for the purpose of this Agreement, the National Pension shall not include the Old Age Welfare Pension or any other pensions which are granted on a transitional or complementary basis for the purpose of welfare and which are payable wholly or mainly out of national budgetary resources; and

(b) as regards Sweden, to the legislation on:

(i) sickness compensation and activity compensation;

(ii) income-based old-age pensions and guarantee pensions;

(iii) survivor's pensions and surviving children's allowance; and

(iv) social security contributions as regards the legislation referred to in (i) to (iii) of this paragraph.

2. This Agreement shall also apply to all amendments to the legislations of both Contracting States insofar as they do not modify substantially the scope of the systems regulated or implemented by those prior to such amendments.

Article 3
Persons Covered

This Agreement shall apply to a person who is or has been subject to the legislation of a Contracting State and other persons who derive rights from such person.

Article 4
Equality of Treatment

Unless otherwise provided in this Agreement, the persons specified in Article 3, who ordinarily reside in the territory of a Contracting State, shall receive equal treatment with nationals of that Contracting State in the application of the legislation of that Contracting State.

However, the foregoing shall not affect the provisions on complementary periods for Japanese nationals on the basis of ordinary residence outside the territory of Japan under the legislation of Japan.

Article 5
Payment of Benefits Abroad

1. Unless otherwise provided in this Agreement, any provision of the legislation of a Contracting State which restricts entitlement to or payment of benefits solely because the person ordinarily resides outside the territory of that Contracting State shall not be applicable to persons who ordinarily reside in the territory of the other Contracting State.

However,

(a) as regards Japan,

the foregoing shall not affect the provisions of the legislation of Japan which require a person who is aged 60 or over but under 65 on the date of the first medical examination or of the death to reside ordinarily in the territory of Japan for the acquisition of entitlement to the Disability Basic Pension or the Survivors' Basic Pension.

(b) as regards Sweden,

the foregoing shall not apply to the following benefits;

(i) sickness compensation in the form of guarantee compensation or activity compensation in the form of guarantee compensation; and

(ii) guarantee pensions and surviving children's allowance.