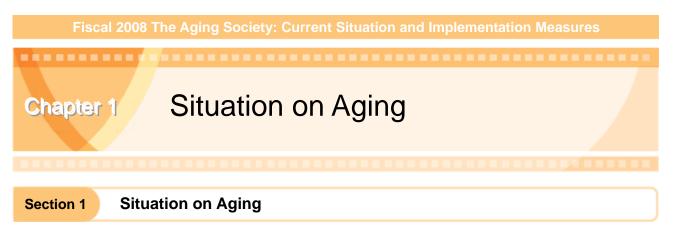
Aging - 2



Current State and Future Outlook on Aging

A society where 1 out of every 5 is elderly

- The total population of Japan as of October 1, 2008 was 127.69 million, a decrease of about 80 thousand from the previous year (estimated population as of October 1, 2007 was 127.77 million). The population of elderly people aged 65 or older reached the record number of 28.22 million (27.46 million in the previous year) while its share of the national total population (aging rate) was 22.1% (21.5% in the previous year): it exceeded 22%.
- In addition, a breaking down the population of elderly people reveals "that 15 million (7.06 million males and 7.94 million females: sex ratio of 88.9) people were aged 65 to 75" (early-stage elderly) accounting for 11.7% of the total, and "that 13.22 million (4.99 million males and 8.23 million females: sex ratio of 60.6) were aged 75 or older" (latter-stage elderly), accounting for 10.4% of the total, and exceeding 10% for the first time (Table 1-1-1).

1 out of 2.5 is 65 or older, and 1 out of four is 75 or older

○ The increase in the number of elderly people in spite of a decreasing overall total population has led to the expectation that the aging rate will reach 25.2%, or 1 in every 4 being elderly, in 2013, and 33.7%, or 1 in every 3, in 2035. From 2042 on the estimation is that even if the population of elderly people starts decreasing the aging rate will continue to rise and reach 40.5% in 2055, thus resulting in the estimation that a society will come about where 1 in every 2.5 people is elderly aged 65 or older. It is also estimated that the share of people aged 75 or older to the total population will continue to rise and after the so-called "Dankai-juniors" (second baby boomers in the post-war period born between 1971 and 1974) reach 75 or older the rate will be 26.5% by 2055, with 1 in every 4 people being elderly aged 75 or older (Fig. 1-1-4).

				Unit: thousand (popula	tion), % (increase rate,	component	
	1-Oct-08			1-Oct-07			
	Total	Male	Female	Total	Male	Female	
Total population	127,692	62,251	65,441	127,771	62,310	65,461	
	(sex ratio) 95.1				(sex ratio) 95.2		
Elderly population(65 or older)	28,216	12,044	16,172	27,464	11,703	15,760	
	(sex ratio) 74.5				(sex ratio) 74.3		
65-74(Early-stage elderly	14,998	7,058	7,939	14,760	6,938	7,822	
65-74(Early-stage elderly people)	(sex ratio) 88.9				(sex ratio) 88.7		
€ 75 or older(Latter-stage elderly	13,218	4,986	8,233	12,703	4,766	7,938	
T5 or older(Latter-stage elderly people)	(sex ratio) 60.6				(sex ratio) 60.0		
Working age population (15-64)	82,300	41,405	40,895	83,015	41,745	41,270	
	(sex ratio) 101.2				(sex ratio) 101.2		
Child population (0–14)	17,176	8,802	8,374	17,293	8,861	8,431	
	(sex ratio) 105.1				(sex ratio) 105.1		
Total population	100.0	100.0	100.0	100.0	100.0	100.0	
Elderly people population (Ageing rate) 65-74	22.1	19.3	24.7	21.5	18.8	24.1	
65-74	11.7	11.3	12.1	11.6	11.1	11.9	
75 or older	10.4	8.0	12.6	9.9	7.6	12.1	
ਿ. Working age population	64.5	66.5	62.5	65.0	67.0	63.0	
Child population	13.5	14.1	12.8	13.5	14.2	12.9	

Tab. 1-1-1 Situation on Aging

Source: Ministry of Internal Affairs and Communications "Population Estimates" (as of October 1 of every year)

(Note) "Sex ratio" is male number per 100 females

Aging-3

Both the population of child and number of births will be half or less that of at present and the working age population will be 45.95 million

It is estimated that population of the children (0-14 years old) will number less than 10 million in 2039 and 7.52 million in 2055, i.e. half or less than at present.
The decrease in number of births is expected to affect the working age population (15-64 years old), which will be less than 80 million in 2012 and become 45.95 million in 2055.

A society will arrive where 1.3 people of the present generation will be supporting 1 elderly

○ Taking into consideration the ratio of the population of people aged 65 or older and the population of working age people aged 15-64 results in 11.2 working age people to every 1 elderly person, whereas it was 3.3 per 1 in 2005. From now on, the aging rate will continue to rise and the share of the current generation fall down, with the rate being 1.3 working age people for every 1 elderly person in 2055.

Even if calculated where people aged 15-69 are selected as supporters and people aged 70 or older as elderly people, the rate would be 1.7 working age people for every 1 elderly person of 70 or older (Table 1-1-6).

Life expectancy for males will be 83.67 and for females 90.34

 \bigcirc The average life expectancy was 79.19 for males and 85.99 for females as of 2007, but in the future, it will continue to rise for both males and females, so in 2055 being 83.67 for males and 90.34 for females. The life expectancy for females is estimated to exceed 90 (Fig. 1-1-7).

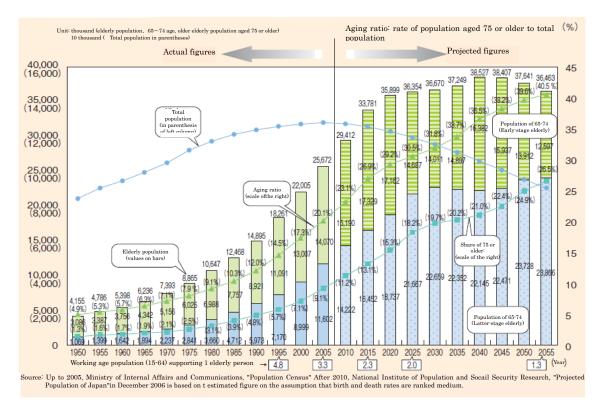


Fig. 1-1-4 Transition and Future Projection of Aging

Aging-4

International aging trend

Japan will become an aged society on a scale unlike any other in the world

○ Comparing the aging rate among advanced nations, Japan's was lower than that of others until the 1980s. In the 1990s, it rose to almost middle level, and in the early 21st century, it rose to the highest level. Japan is expected to become an aged society the like of which no other country in the world has experienced. (Figure 1-1-14)

	If productive-age popula	ation (15-64) is presumed	as a supporting person	If productive-age population(15-69) is presumed as a supporting person		
	(a) How many persons an elderly aged over 65 is supported by?	(b) How manypersons an elderly aged over 70 is supported by?	(a) How many persons an elderly aged over 75 is supported by?	(b) [,] How many personsan elderly agedover 70 is supported by?	(c)' How manypersons anelderly aged over 75 is supported by?	
2005	3.3	4.6	7.3	5.0	7.9	
2008	2.9	4.1	6.2	4.5	6.8	
2015	2.3	3.2	4.7	3.6	5.3	
2025	2.0	2.4	3.3	2.7	3.6	
2035	1.7	2.1	2.8	2.4	3.2	
2045	1.4	1.7	2.4	2.0	2.7	
2055	1.3	1.5	1.9	1.7	2.2	

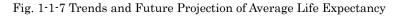
Tab.. 1-1-6 Ratio of aged generation population to productive age population

Source: Data of 2008 derived from "Population Estimates" made by Ministry of Internal Affairs and Communications Other data are derived from estimation results based on middle series of the estimates of birth and death in "Future-Projected Population of Japan (projected in Dec. 2006)" by National Institute of Population and Social Security Research

(Reference) Number of persons aged 15–64 who have supported the elderly aged 65 or older (Per person) $% \left(1-\frac{1}{2}\right) =0$

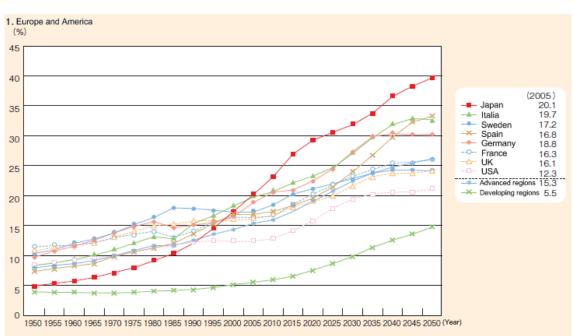
1960	11.2
1965	10.8
1970	9.8
1975	8.6
1980	7.4
1985	6.6
1990	5.8
1995	4.8
2000	3.9

Source: Produced on "Population Census" of Ministry of Internal Affairs and Communications

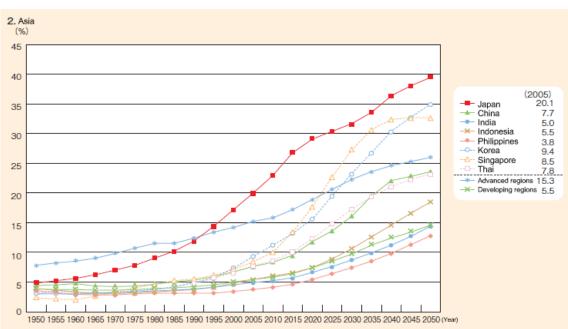




Source: Up to 2005, Ministry of Health, Labour and Welfare "Complete Life Tables". 2007, Ministry of Health, Labour and Welfare "Abridged Life Table". After 2015, National Institute of Population and Social Security Research "Future Projected Population of Japan" in December 2006 is based on the estimated figure on the assumption that death rate is ranked medium



Aging-5 Fig. 1-1-13 Trends with Ratio of Aging in the world



Source: UN, World Population Prospects: The 2006 Revision Excluding data for Japan, which is based on "Population Census" (Ministry of Internal Affairs and Communications) and on "Projected Population of Japan" (National Institute of Population and Social Security Reasearch) on the assumption that birth and death rates are ranked medium. (estimated in December 2006).

(Note): Developed regions include North America, Japan, Europe, Aurstralia and New Zealand Developing regions include Africa, Asia (other than Japan), Central and South America, Melanesia, Micronesia, and Polynesia.