

The Aging Society: Current Situation and Implementation Measures FY 2016

Chapter 1

Situation on Aging

Section1 Situation on Aging

Current State and Future Outlook on Aging

The percentage of the elderly rises to 27.3%

- The total population of Japan is 126.93 million people as of October 1, 2016 (Chart 1-1-1).
- The number of the elderly aged 65 and over is 34.59 million.
- Of people aged 65 and over, the number of males was 15.00 million and the number of females was 19.59 million, and the sex ratio (the number of males to 100 females) was 76.6.
- Percentage of the population aged 65 and over (percentage of the elderly): 27.3%.
- 65-74 years old population (the young elderly): 17.68 million people, 13.9% of the total population.
- 75 years old and over population (the old elderly): 16.91 million people, 13.3% of the total population.

Chart 1-1-1 Current State of Aging

Units: 10,000 people (Population), % (Composition ratio)

		Total	Male	Female
Population (Units of 10,000 people)	Total population	12,693	6,177	6,517
	Aged population (65 or over)	3,459	1,500	1,959
	65-74 years old population	1,768	842	926
	75 years old and over population	1,691	658	1,033
	Productive population (15-64)	7,656	3,869	3,788
	Child population (0-14)	1,578	808	770
Composition Ratio (%)	Total population	100	100	100
	Aged Population (Population aging rate)	27.3	24.3	30.1
	65-75 years old population	13.9	13.6	14.2
	75 years old and over population	13.3	10.6	15.9
	Productive population	60.3	62.6	58.1
Child population	12.4	13.1	11.8	

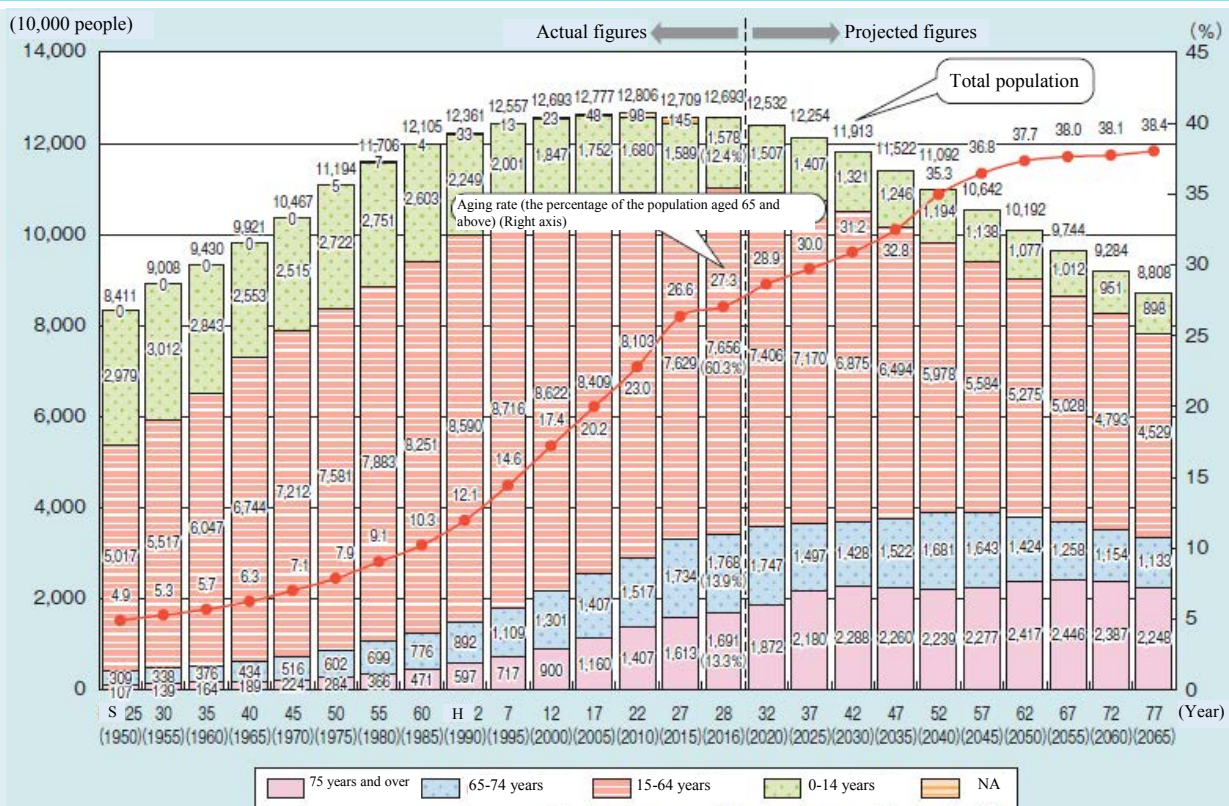
Source: Ministry of Internal Affairs and Communications "Population Estimates (final estimates as of October 1, 2016)"

(Note) "Sex ratio" is the male population against a female population of 100 people

By 2065, 1 in 2.6 people will be 65 years old and over, and 1 in 4 will be 75 years old and over

- In the future, as the total population decreases, the percentage of the elderly will continue to increase (Chart 1-1-2).
- In 2015, when the baby boomers (born between 1947 and 1949) begin reaching 65 years old, the number of elderly persons will grow to 33.87 million and will further increase. As the elderly population will reach its peak of 39.35 million in 2042, the percentage of the elderly will increase.
- In 2065, the percentage of the elderly will reach 38.4% with 1 in 2.6 people being 65 years and over.
- In 2065, the percentage of people aged 75 and over will be 25.5%, with 1 in 4 being 75 years and over. In comparison with the estimates calculated 5 years ago (2012), the rate of the population declining (estimated population in 2060, according to the latest survey is estimated to be 92.84 million and is to be 86.74 million according to the previous survey) and the degree of progress of aging, both have moderated (the estimated aging rate in 2060 is estimated to be 38.1% in the most recent survey and was estimated to be 39.9% on the last one).

Chart 1-1-2 Trends in Aging and Estimations for the Future

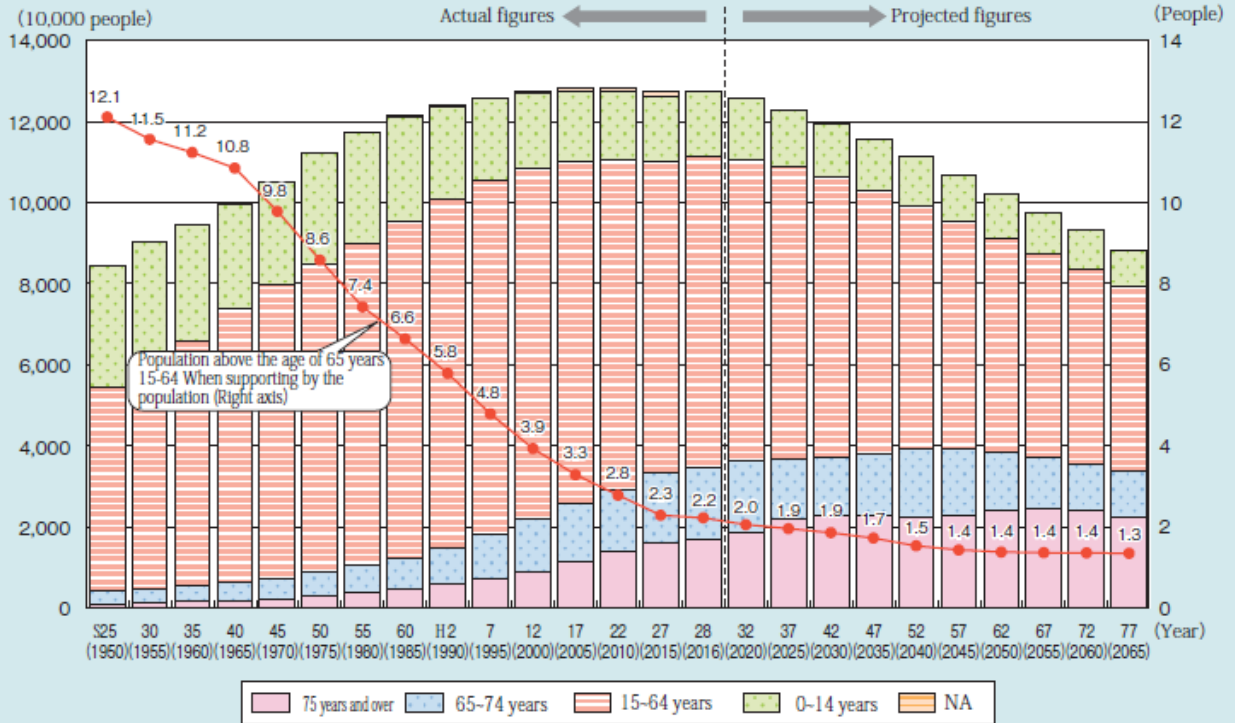


Source: Ministry of Internal Affairs and Communications "Census" of 2015, Ministry of Public Management, Home Affairs, Posts and Telecommunications "Population Estimation" (fixed value as of October 1, 2008) in 2016, Ministry of Internal Affairs and Communications "Population Census" (until 2015), "Population Estimates (definitive number as of October 1, 2015 based on the preliminary counts of Population Census 2015)" (2015), National Institute of Population and Social Security Research "Population Projection for Japan(2017): 2016-2065", according to Medium-Fertility and Medium-Mortality Assumption (from 2020). (Note) The population by age group after 2016 is based on the statistical bureau "Ministry of Internal Affairs and Communications" "Population census of the census age and nationality uncertainty (reference table)" of 2015. Since it is calculated based on the population who divided the age unknown, age unknown does not exist. In calculating the aging rate from 1950 to 2015, the unknown age is excluded from the denominator.

Arrival of a society where 1.3 persons of working age support an elderly person

- In 2015, there are 2.3 persons of working age (aged 15-64) per elderly person (Chart 1-1-3).
- In 2065, there will be 1.3 persons of working age (aged 15-64) per elderly person.

Chart 1-1-3 Population by Age Group



Source: Ministry of Internal Affairs and Communications "Census" of 2015, Ministry of Public Management, Home Affairs, Posts and Telecommunications "Population Estimation" (fixed value as of October 1, 2008) in 2016, National Social Security and Population Problem Study Ministry of Internal Affairs and Communications "Population Census" (until 2015), "Population Estimates (definitive number as of October 1, 2015 based on the preliminary counts of Population Census 2015)" (2015), National Institute of Population and Social Security Research "Population Projection for Japan(2017): 2016-2065", according to Medium-Fertility and Medium-Mortality Assumption (from 2020).

Note: The population by age group after 2016 is based on the statistical bureau "Ministry of Internal Affairs and Communications" "Population census of the census age and nationality uncertainty (reference table)" of 2015.

Life expectancy at birth in the future will be 84.95 years for males and 91.35 years for females

- Life expectancy at birth is 80.75 years for males and 86.99 years for females as of 2015 (Chart 1-1-4).
- By 2065, it will be 84.95 years for males and 91.35 years for females, exceeding 90 years for females.

Chart 1-1-4 Trends and Future Projections of Life Expectancy at Birth



Source: Ministry of Health, Labour and Welfare “Abridged Life Tables” (1950), “Complete Life Tables” (1960-2015). After 2020 National Institute of Population and Social Security Research “Population Projections for Japan: 2016 to 2065” in January 2017, based on the projected figure with Medium-Fertility and Medium-Mortality Assumption.

(Note) Before 1970 Okinawa is excluded from the calculation.

Population aging by prefecture

- The percentage of the elderly (aging rate) as of 2015 is the highest in Akita Prefecture (33.8 %) and the lowest in Okinawa Prefecture (19.6 %) (Chart 1-1-5).

Chart 1-1-5

Percentage of the Elderly Projections by Prefecture

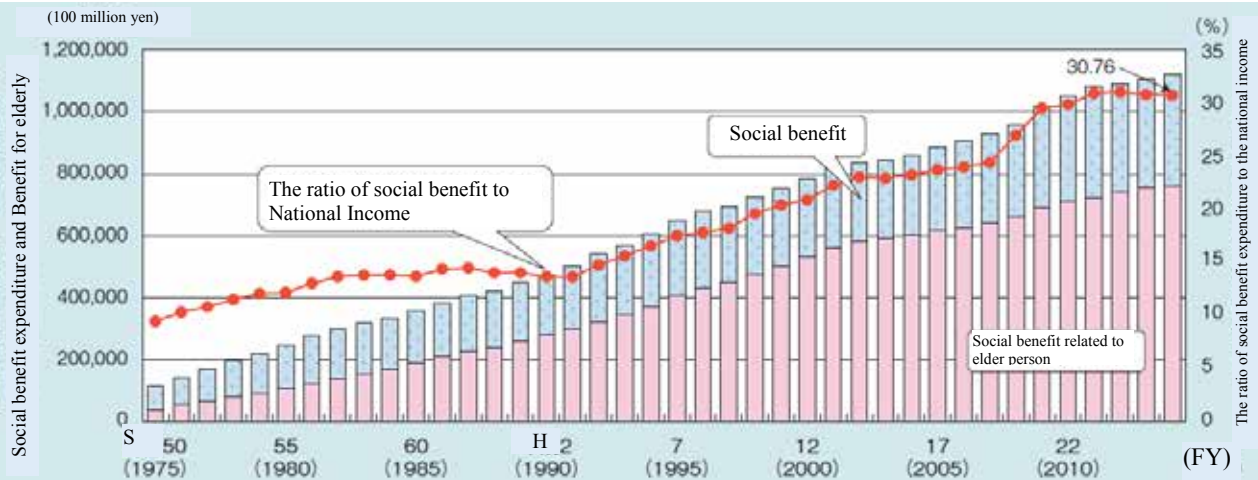
	2015			2040	Increase in aging rate (point)
	Total population (unit: thousands)	65 years and over (unit: thousands)	Aging rate (%)	Aging rate (%)	
Hokkaido	5,382	1,558	29.1	40.7	11.6
Aomori	1,308	391	30.1	41.5	11.4
Iwate	1,280	387	30.4	39.7	9.3
Miyagi	2,334	588	25.7	36.2	10.5
Akita	1,023	343	33.8	43.8	10.0
Yamagata	1,124	344	30.8	39.3	8.5
Fukushima	1,914	542	28.7	39.3	10.6
Ibaraki	2,917	772	26.8	36.4	9.6
Tochigi	1,974	508	25.9	36.3	10.4
Gunma	1,973	540	27.6	36.6	9.0
Saitama	7,267	1,789	24.8	34.9	10.1
Chiba	6,223	1,584	25.9	36.5	10.6
Tokyo	13,515	3,006	22.7	33.5	10.8
Kanagawa	9,126	2,158	23.9	35.0	11.1
Niigata	2,304	685	29.9	38.7	8.8
Toyama	1,066	323	30.5	38.4	7.9
Ishikawa	1,154	317	27.9	36.0	8.1
Fukui	787	222	28.6	37.5	8.9
Yamanashi	835	235	28.4	38.8	10.4
Nagano	2,099	626	30.1	38.4	8.3
Gifu	2,032	568	28.1	36.2	8.1
Shizuoka	3,700	1,021	27.8	37.0	9.2
Aichi	7,483	1,761	23.8	32.4	8.6
Mie	1,816	501	27.9	36.0	8.1
Shiga	1,413	338	24.2	32.8	8.6
Kyoto	2,610	703	27.5	36.4	8.9
Osaka	8,839	2,278	26.1	36.0	9.9
Hyogo	5,535	1,482	27.1	36.4	9.3
Nara	1,364	389	28.7	38.1	9.4
Wakayama	964	296	30.9	39.9	9.0
Tottori	573	169	29.7	38.2	8.5
Shimane	694	223	32.5	39.1	6.6
Okayama	1,922	541	28.7	34.8	6.1
Hiroshima	2,844	774	27.5	36.1	8.6
Yamaguchi	1,405	448	32.1	38.3	6.2
Tokushima	756	231	31.0	40.2	9.2
Kagawa	976	286	29.9	37.9	8.0
Ehime	1,385	417	30.6	38.7	8.1
Kochi	728	237	32.8	40.9	8.1
Fukuoka	5,102	1,305	25.9	35.3	9.4
Saga	833	229	27.7	35.5	7.8
Nagasaki	1,377	405	29.6	39.3	9.7
Kumamoto	1,786	511	28.8	36.4	7.6
Oita	1,166	352	30.4	36.7	6.3
Miyazaki	1,104	323	29.5	37.0	7.5
Kagoshima	1,648	480	29.4	37.5	8.1
Okinawa	1,434	278	19.6	30.3	10.7

Source: For 2015 Ministry of Internal Affairs and Communications "Population Census," for 2040 National Institute of Population and Social Security Research "Regional Population Projections for Japan: 2010-2040" (projected in March 2013)

Highest recorded cost of social security

- The social benefit expenditure in FY 2014 was on the largest scale ever and amounted to 112.1020 trillion yen (Chart 1-1-6).
- The ratio of social benefit to National Income was 30.76% (a decrease of 0.07 percent points from a year earlier).
- In FY 2014, 76.1383 trillion yen, or 67.9% of social benefit expenditure, was used on social benefit for the elderly.

Chart 1-1-6 Japanese Social Benefit Trends



Source: National Institute of Population and Social Security Research “The Financial Statistics of Social Security in Japan” (FY 2014)

(Note 1) Benefit for elderly is the aggregate cost for pension benefits and medical care, welfare services and subsidies for elderly employees.

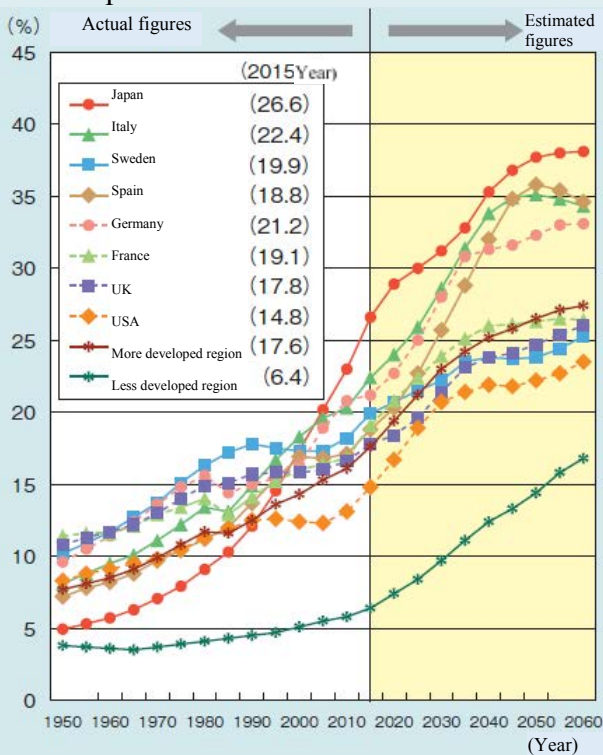
(Note 2) Benefit for the elderly includes expenditures from former Health Services Scheme for the Aged till FY 2007, latter-stage elderly healthcare system in FY 2008 and expenditure from former Health Services Scheme for the Aged on March 2008.

Japan has the highest percentage of the elderly in the world

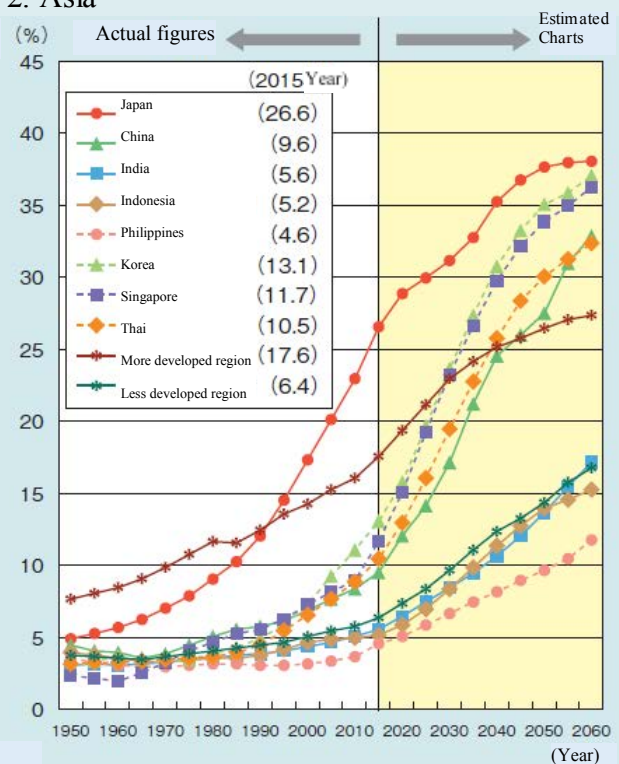
- The percentage of the elderly in Japan which used to be at a lower rank until the 1980's and at a medium rank in the 1990's among the more developed countries became the highest in the world in 2005 (Chart 1-1-7).
- While considering the calculation of the aging rate on the basis of the number of years required for it to double since it has exceeded 7%, in the case of Japan, the aging rate increased in 1970, and it exceeded 7% and reached 14% in 1994, 24 years later. However, at that point in time, the growth rate slowed down. On the other hand, if we take a look at some of the other Asian countries, it is expected that aging will be faster than in Japan e.g. Korea in 18 years, Singapore in 20 years, China in 23 years, etc. (Chart. 1-1-8)

Chart 1-1-7 Worldwide Ratio Trends

1. Europe and North America



2. Asia

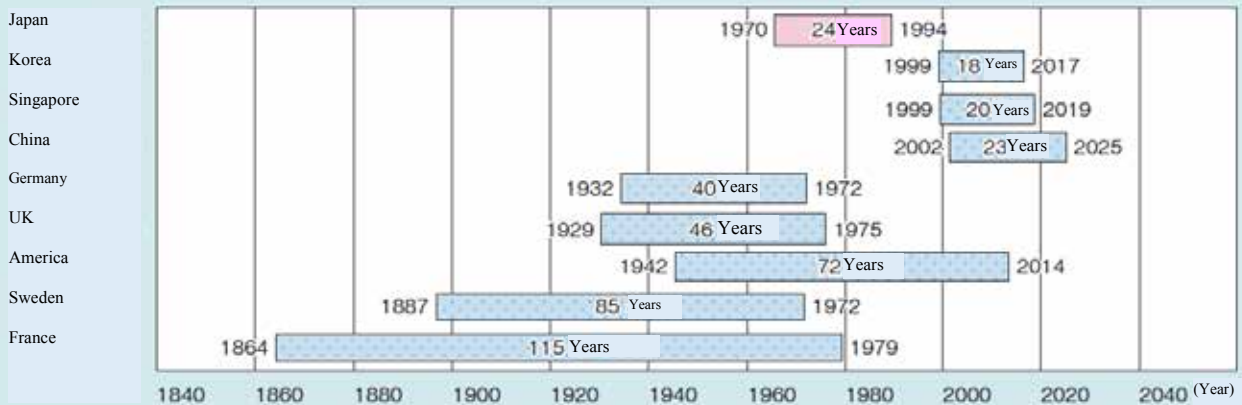


Source: UN, World Population Prospects: The 2015 Revision. However, Japan's Ministry of Internal Affairs until 2015 (Census). From 2020 onwards estimation results are based on the birth middle level / mortality mid-hypothesis of the National Social Security and Population Research Institute "Future Estimated Population of Japan (Estimated in 2017)".

(Note) The more developed regions include North America, Japan, Europe, Australia and New Zealand. The less developed regions include Africa, Asia (excluding Japan), Latin America and the Caribbean, Melanesia, Micronesia and Polynesia.

Chart 1-1-8

Time taken by population aging rate in major countries to increase from 7% to 14%



Source: National Institute of Population and Social Security Research "Latest demographic statistics 2016"

Note: Prior to 1950 UN, The Aging of Population and Its Economic and Social Implications (Population Studies, No. 26, 1956) and Demographic Yearbook, after 1950 UN, according to World Population Prospects: The 2015 Revision (middle estimate). However, the case of Japan is based on "Population Census" and "Population Estimates" of the Ministry of Internal Affairs and Communications. Prior to 1950 it is based on interpolation estimates based on data of known years.