

Chapter 1

Situation on Ageing Population

Section 1 Situation on Ageing Population

i The percentage of the elderly rises to 27.7%

- The total population of Japan is 126.71 million people as of October 1, 2017 (Chart 1-1-1).
- The number of the population aged 65 and over is 35.15 million.
- Of population aged 65 and over, the number of males was 15.26 million and the number of females was 19.89 million, and the sex ratio (the number of males to 100 females) was 76.7.
- Percentage of the population aged 65 and over (percentage of the elderly): 27.7%.
- 65-74 years old population: 17.67 million people, 13.9% of the total population.
- 75 years old and over population: 17.48 million people, 13.8% of the total population.

Chart 1-1-1 Current State of Ageing

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

		October 1, 2017		
		Total	Male	Female
Population (Units of 10,000 people)	Total population	12,671	6,166	6,505
			(Sex ratio)	94.8
	65 years old and over population	3,515	1,526	1,989
			(Sex ratio)	76.7
	65-74 years old population	1,767	843	924
			(Sex ratio)	91.2
	75 years old and over population	1,748	684	1,065
			(Sex ratio)	64.2
	15-64 years old population	7,596	3,841	3,755
			(Sex ratio)	102.3
	Population aged under 15	1,559	798	761
			(Sex ratio)	104.9
Composition Ratio (%)	Total population	100.0	100.0	100.0
	Population aged 65 and over (rate of ageing)	27.7	24.8	30.6
	65-74 years old population	13.9	13.7	14.2
	75 years old and over population	13.8	11.1	16.4
	15-64 years old population	60.0	62.3	57.7
	Population aged under 15	12.3	12.9	11.7

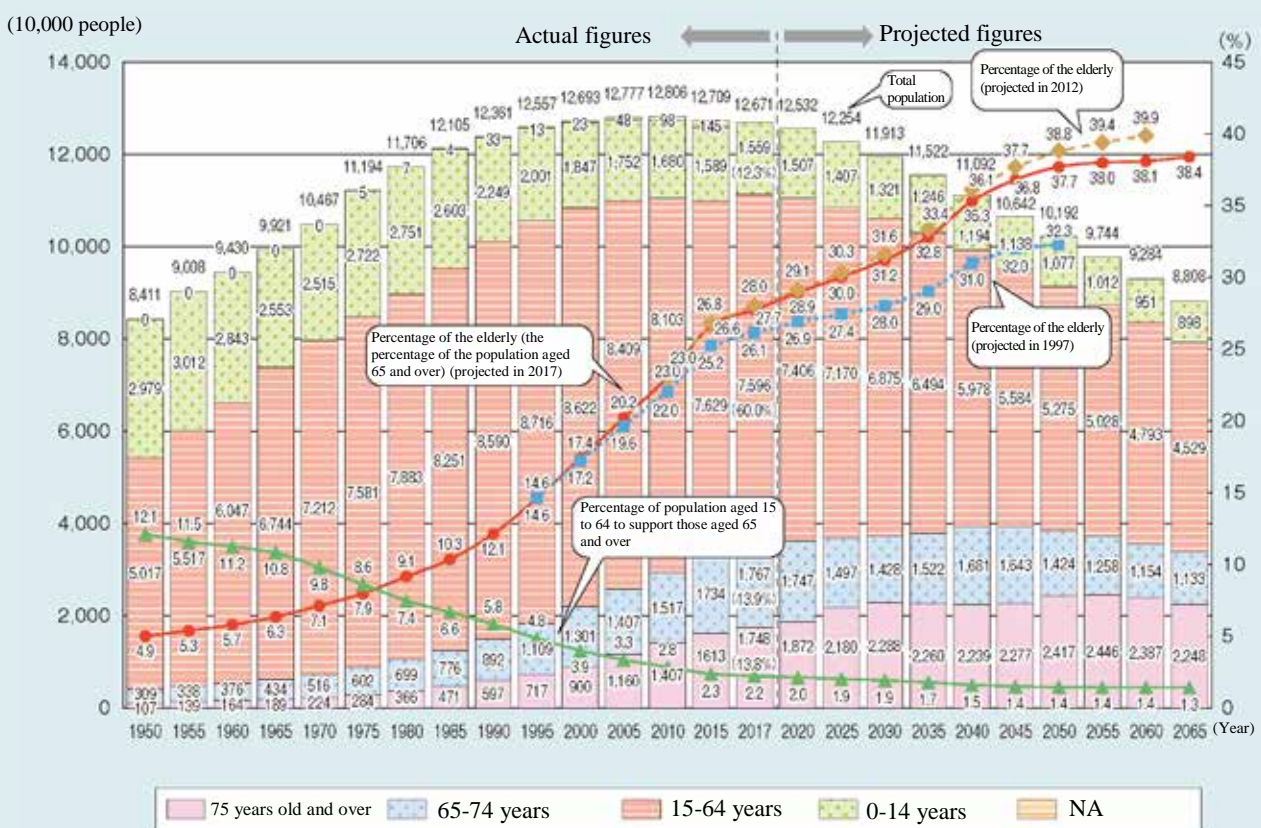
Source: Ministry of Internal Affairs and Communications “Population Estimates (final estimates as of October 1, 2017)”

(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 3.9 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 population aged 65 and over will grow to 33.87 million and will further increase. As population aged 65 and over will reach its peak of 39.35 million in 2042, the percentage of the elderly will increase.
- In 2065, 1 out of 2.6 people will be 65 years old and over.
- In comparison with the projection calculated 5 years ago (2012), the rate of the population declining and the degree of progress of ageing population, both have moderated (the projection ageing rate in 2060 is projected to be 38.1% in the most recent and was estimated to be 39.9% on the last one).
- In 2015, there are 2.3 people aged between 15 and 64 per person aged 65 and over.
- In 2065, there will be 1.3 people aged between 15 and 64 per person aged 65 and over.

Chart 1-1-2 Trends in Ageing population and Projection for the Future



Source: Rates of ageing of the bar graph and the solid line are based on data in “Population Census of Japan” (Ministry of Internal Affairs and Communications) for and before 2015, “Population Estimates (fixed value as of October 1)” (Ministry of Internal Affairs and Communications), for 2017, and “Population Projection for Japan: 2016-2065 (2017)” (National Institute of Population and Social Security Research) on the assumption that birth and death rates are ranked medium for and after 2020. Rates of ageing of dotted and dashed lines are based on the predicted values respectively at the time of the estimations which is based on the medium variant in “Population Projection for Japan: 1996-2050 (January 1997),” and “Population Projection for Japan: 2011-2060 (January 2012)” on the assumption that birth and death rates are ranked medium

(Note 1) The population by age group after 2017 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 rates of ageing from 1950 to 2015, the unknown age is excluded from the denominator.

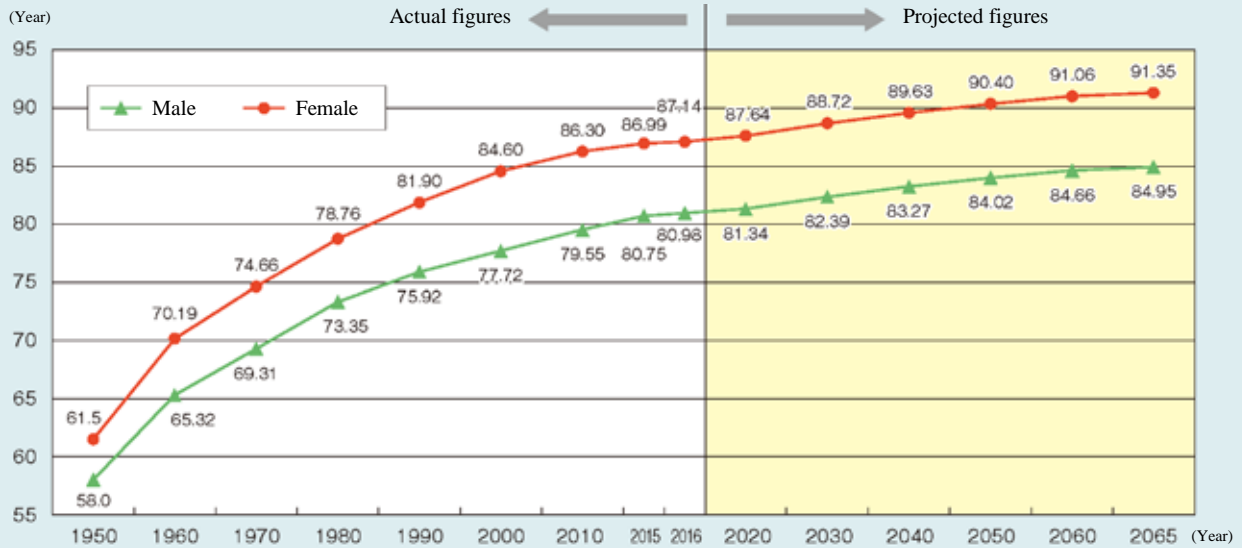
(Note 2) 136 foreigners (55 males, 81 females) aged 70 and over in 1950 and 23,328 people (8,090 males, 15,238 females) aged 70 and over in 1955 in Okinawa prefecture is excluded from the results by age groups.

(Note 3) Future Population Estimates projects future trend based on the demographic data obtained before a certain time. Deviation between the future estimates and actual result is likely to occur due to structural changes and other reasons occurred after the standard time, and the Future Population Estimates regularly reviews the estimation based on such results.

i 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 80.98 years for males and 87.14 years for females as of 2016 (Chart 1-1-3).
- By 2065, it will be 84.95 years for males and 91.35 years for females, exceeding 90 years for females.

Chart 1-1-3 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), “Abridged Life Tables” (2016). After 2020 National Institute of Population and Social Security Research “Population Projections for Japan: 2016 to 2065” in 2017, based on the projected figure with Medium-Fertility and Medium-Mortality Assumption.

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

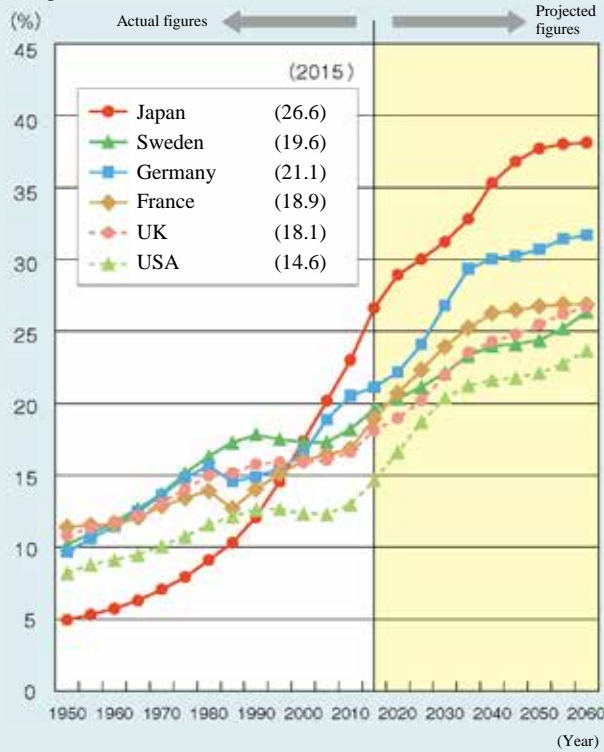
i Japan has the highest percentage of the elderly in the world

- 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 1-1-4).
- While considering the calculation of the ageing 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 ageing 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 ageing population will be faster than in Japan e.g. Korea in 18 years, Singapore in 20 years, China in 24 years, etc. (Chart 1-1-5).

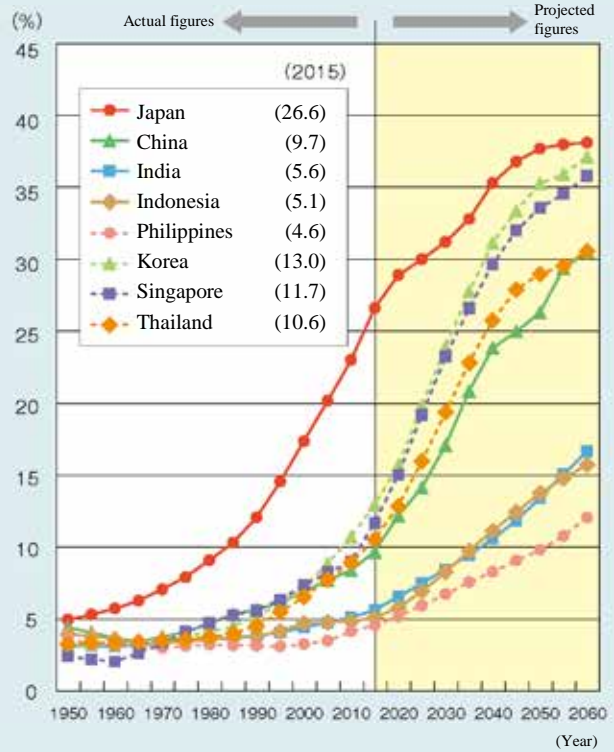
Chart 1-1-4

Trends in the Rate of Ageing in the World

1. Europe and North America



2. Asia



Source: UN, World Population Prospects: The 2017 Revision

Japan's Ministry of Internal Affairs and Communications until 2015 (Population Census). From 2020 onwards projection results are based on "Population Projection for Japan: 2016-2065 (2017)" (National Institute of Population and Social Security Research) on the assumption that birth and death rates are ranked medium for and after 2020.

Chart 1-1-5

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



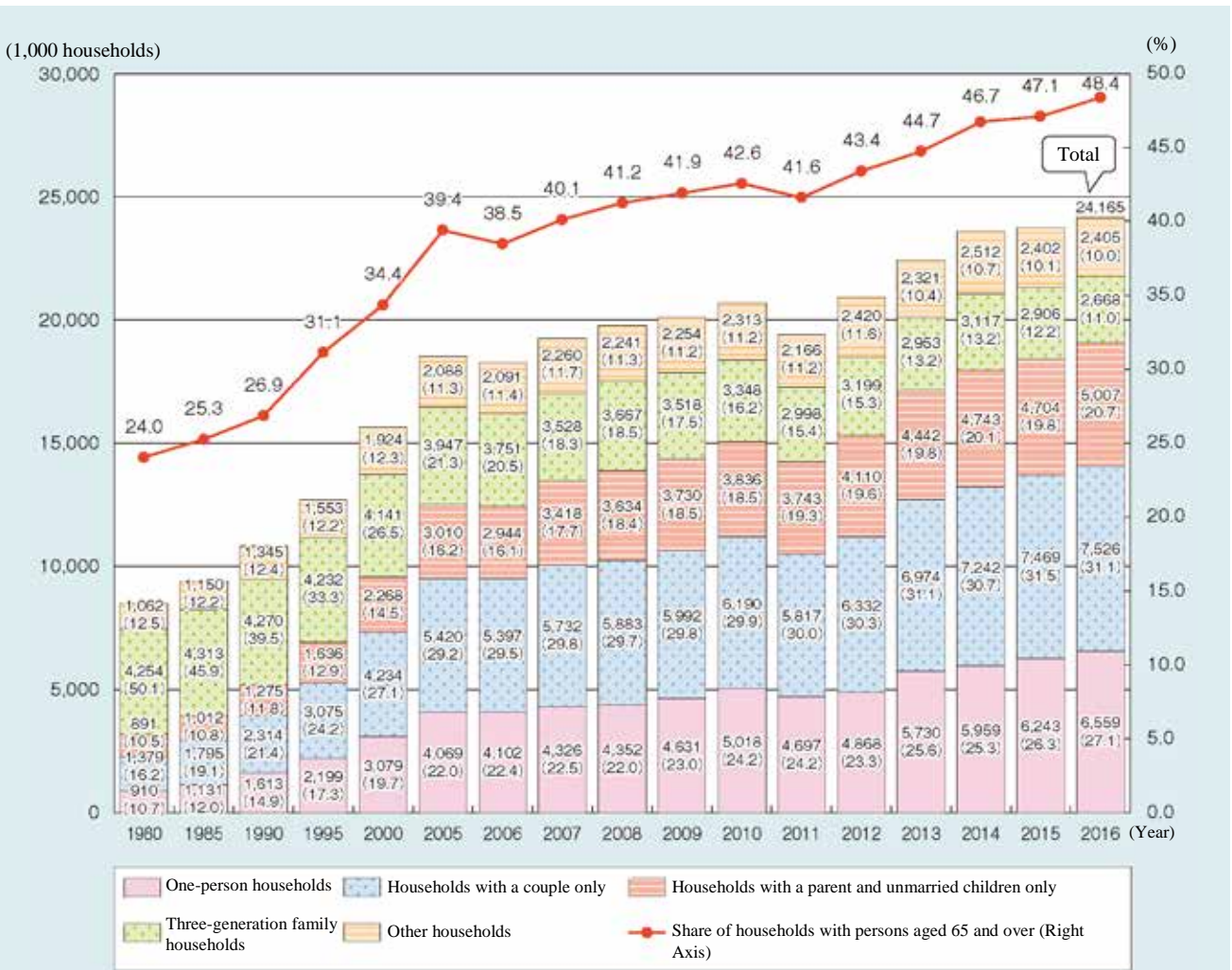
Source: National Institute of Population and Social Security Research "Latest Demographic Statistics 2018"

(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 2017 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.

i Households with persons aged 65 and over comprise about 50% of the total, and among those, individuals living alone or households with a married couple only hold a majority

- As of 2016, the number of households with persons aged 65 and over was 24,165 thousand, making up 48.4% of all households (49,945 thousand) (Chart 1-1-6).
The number of households “with a couple only” is the largest accounting for about 30% and if combined with the number of “one-person households,” the number of their households accounts for the majority.

Chart 1-1-6 Number and Percentage Distribution of Households with Persons Aged 65 and Over (by Structure of Household) and Share among All Households



Source: “Basic Survey on Welfare Administration” by the Ministry of Health and Welfare before 1985 and “Comprehensive Survey of Living Conditions” by the Ministry of Health, Labour and Welfare after 1986

(Note 1) The figure of 1995 exclude Hyogo Prefecture, the 2011 figure exclude Iwate, Miyagi and Fukushima prefectures, the 2012 figure exclude Fukushima Prefecture and the 2016 figure exclude Kumamoto Prefecture.

(Note 2) The number in brackets () is the share of the total number of households with persons aged 65 and over.

(Note 3) As a result of rounding, the numbers do not necessarily add up to the total shown here.

i Ageing population by prefecture

- The percentage of the elderly (ageing rate) as of 2017 is the highest in Akita Prefecture (35.6 %) and the lowest in Okinawa Prefecture (21.0 %) (Chart 1-1-7).
- Using 2015 as a reference, trends in population by city size is expected to be larger the city size, larger the increase rate of population aged 65 and over. On the other hand, in cities with population below 50,000, population aged 65 and over is expected to reach its peak in 2020 and then decrease less than the population in 2015 (Chart 1-1-8).

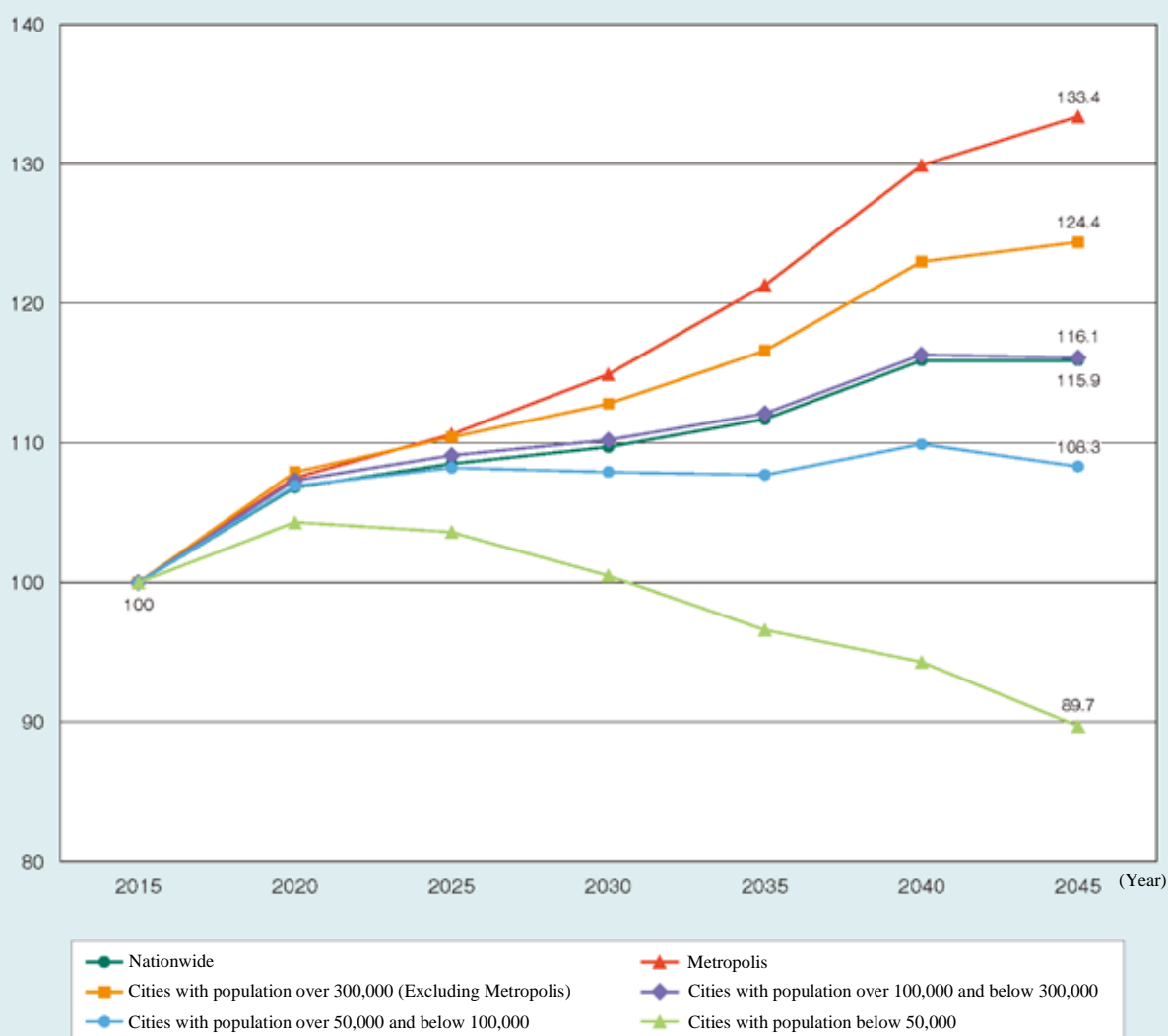
Chart 1-1-7 Percentage of the Elderly Projections by Prefecture

	2017			2045		Increase in ageing rate (point)
	Total population (unit:1,000 people)	65 years old and over (unit:1,000 people)	Ageing rate (%)	Ageing rate (%)		
Hokkaido	5,320	1,632	30.7	42.8	12.1	
Aomori	1,278	407	31.8	46.8	15.0	
Iwate	1,255	400	31.9	43.2	11.3	
Miyagi	2,323	631	27.2	40.3	13.1	
Akita	996	354	35.6	50.1	14.5	
Yamagata	1,102	355	32.2	43.0	10.8	
Fukushima	1,882	569	30.2	44.2	14.0	
Ibaraki	2,892	819	28.3	40.0	11.7	
Tochigi	1,957	536	27.4	37.3	9.9	
Gunma	1,960	567	28.9	39.4	10.5	
Saitama	7,310	1,900	26.0	35.8	9.8	
Chiba	6,246	1,692	27.1	36.4	9.3	
Tokyo	13,724	3,160	23.0	30.7	7.7	
Kanagawa	9,159	2,274	24.8	35.2	10.4	
Niigata	2,267	709	31.3	40.9	9.6	
Toyama	1,056	334	31.6	40.3	8.7	
Ishikawa	1,147	331	28.8	37.2	8.4	
Fukui	779	232	29.8	38.5	8.7	
Yamanashi	823	245	29.8	43.0	13.2	
Nagano	2,076	647	31.1	41.7	10.6	
Gifu	2,008	589	29.3	38.7	9.4	
Shizuoka	3,675	1,069	29.1	38.9	9.8	
Aichi	7,525	1,852	24.6	33.1	8.5	
Mie	1,800	522	29.0	38.3	9.3	
Shiga	1,413	357	25.3	34.3	9.0	
Kyoto	2,599	743	28.6	37.8	9.2	
Osaka	8,823	2,399	27.2	36.2	9.0	
Hyogo	5,503	1,558	28.3	38.9	10.6	
Nara	1,348	408	30.3	41.1	10.8	
Wakayama	945	304	32.2	39.8	7.6	
Tottori	565	175	31.0	38.7	7.7	
Shimane	685	230	33.6	39.5	5.9	
Okayama	1,907	567	29.7	36.0	6.3	
Hiroshima	2,829	809	28.6	35.2	6.6	
Yamaguchi	1,383	462	33.4	39.7	6.3	
Tokushima	743	241	32.4	41.5	9.1	
Kagawa	967	301	31.1	38.3	7.2	
Ehime	1,364	437	32.1	41.5	9.4	
Kochi	714	244	34.2	42.7	8.5	
Fukuoka	5,107	1,384	27.1	35.2	8.1	
Saga	824	240	29.2	37.0	7.8	
Nagasaki	1,354	424	31.3	40.6	9.3	
Kumamoto	1,765	531	30.1	37.1	7.0	
Oita	1,152	367	31.8	39.3	7.5	
Miyazaki	1,089	338	31.1	40.0	8.9	
Kagoshima	1,626	501	30.8	40.8	10.0	
Okinawa	1,443	303	21.0	31.4	10.4	

Source: For 2017 Ministry of Internal Affairs and Communications "Population Estimates," for 2045 National Institute of Population and Social Security Research "Regional Population Projections for Japan 2015-2045" (Released in 2018)

Chart 1-1-8

Trends in vital index of population aged 65 and over by city size (2015 = 100)



Source: Created based on “Regional Population Projections for Japan 2015-2045 (Released in 2018)” by National Institute of Population and Social Security Research.

(Note 1) Each category was summed up and the population of each year was indexed standardizing 2015 to 100.

(Note 2) Metropolis means Tokyo ward areas and ordinance-designated cities.

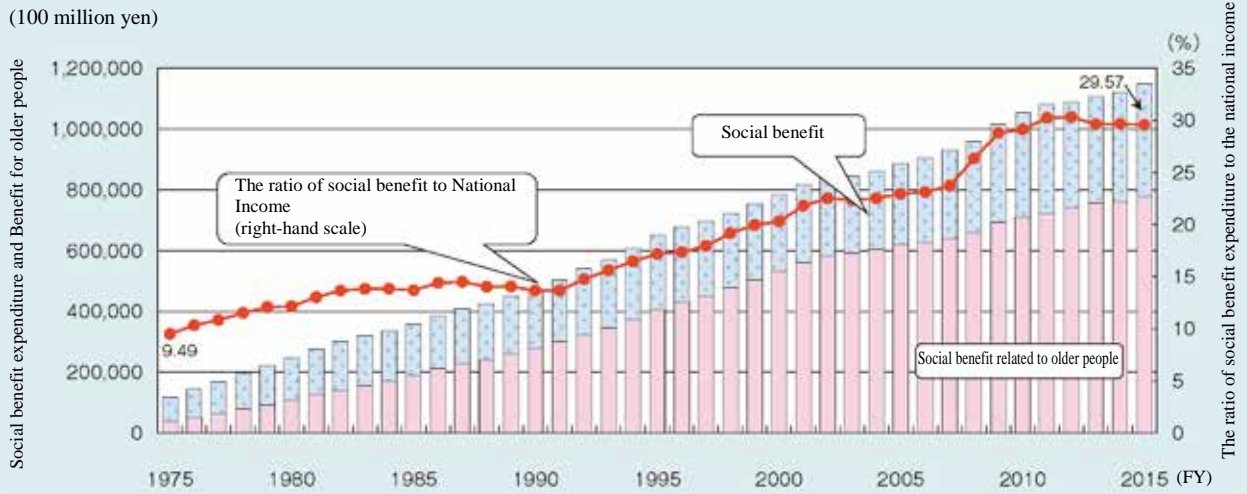
(Note 3) Data on Fukushima is not included

i Highest recorded cost of social security

- The social benefit (total amount of pension, healthcare and welfare expenses) in FY 2015 was on the largest scale ever and amounted to 114.8596 trillion yen (Chart 1-1-9).
- The ratio of social benefit to National Income was 29.57% (a decrease of 0.08 percent points from a year earlier).
- In FY 2015, 77.6386 trillion yen, or 67.6% of social benefit, was used on social benefit for the older people.
- Medical expenses in FY 2015 (in health insurance system) per person by age groups is 793,000 yen for a person aged 75 to 79, and 940,000 yen for 80 to 84 while for 60 to 64 is 371,000 yen (Chart 1-1-10).

Chart 1-1-9

Japanese Social Benefit Trends



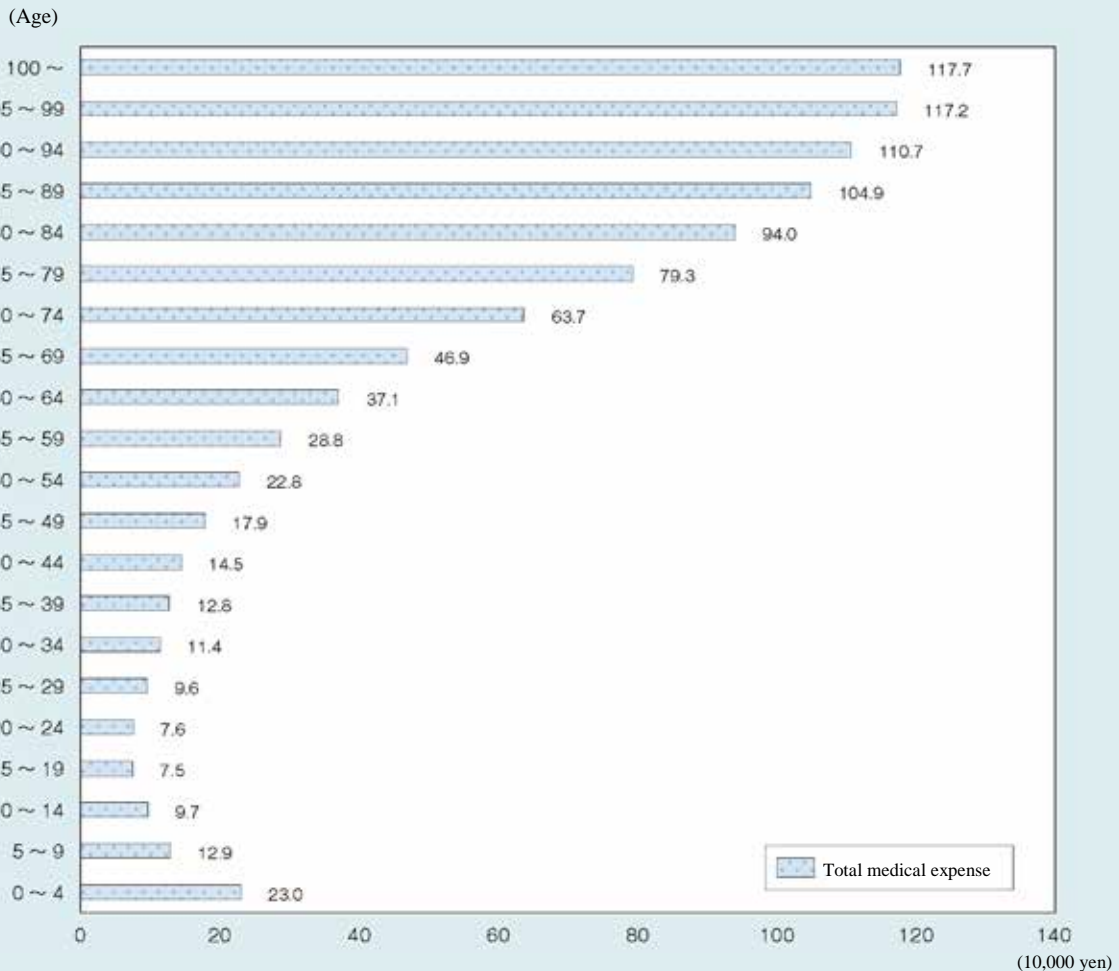
Source: National Institute of Population and Social Security Research “The Financial Statistics of Social Security in Japan” (FY 2015)

(Note 1) Benefit for older people is the aggregate cost for pension benefits and medical care, welfare services and subsidies for elderly employees, having been aggregated since 1973.

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

Chart 1-1-10

Medical expense (2015) per person by age groups in health insurance system



Source: Ministry of Health, Labour and Welfare “Basic Statistical Data on Health Insurance”

(Note) Total medical expenses means medical expenses spent for medical care during April 2015 to March 2016.