

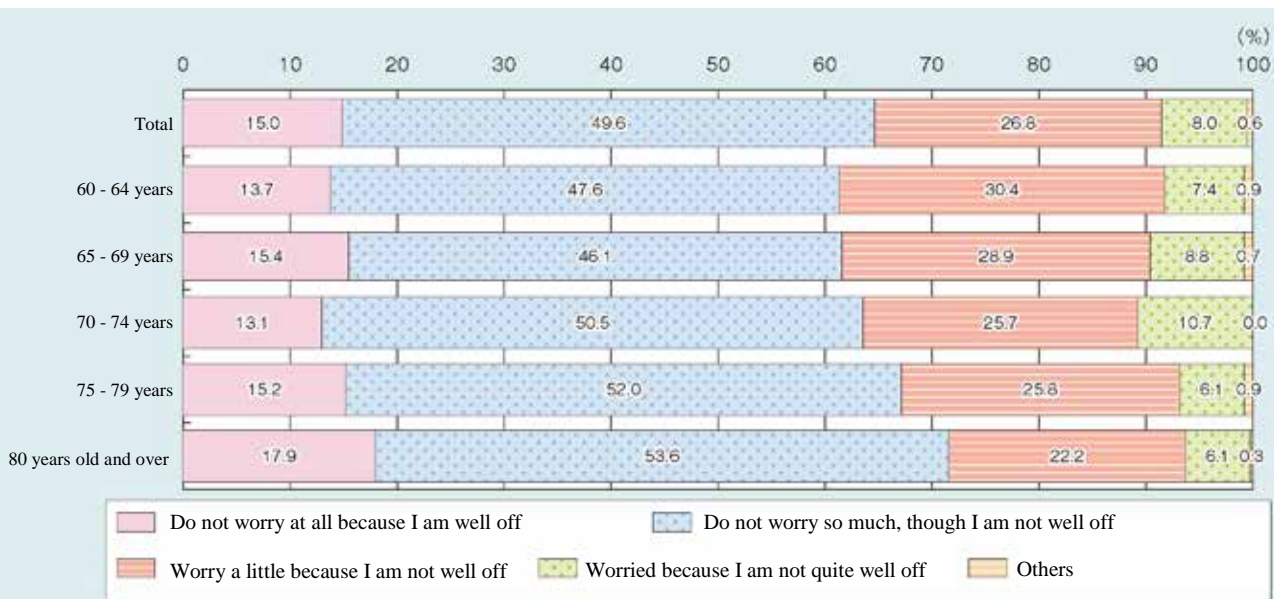
Section 2 Trends of Living of the Elderly

1 Employment and Income

i Percentage of people aged 60 and over who need not worry about their livelihood is 64.6%.

- When we look at the life circumstances of older people aged 60 and over, the percentage who feel they “do not worry” (the total of “Do not worry at all because I am well off” and “Do not worry so much, though I am not well off”) is 64.6%. Within the age group, the higher the age groups are, the higher the percentages of those who feel “do not worry” are, and 71.5% of those of 80 years old and over feel so (Chart 1-2-1).

Chart 1-2-1 Livelihood of people aged 60 and over



Source: Cabinet Office “Public Opinion Survey on older people’s economic life” (2016)

(Note) The survey was carried out nationwide with males and females aged 60 and over

i Income within aged households is lower than other households

- The average income of aged households (consists of people aged 65 and over only or with unmarried member(s) under 18 years old) is 3.081 million yen, which is little less than 50% of other households excluding aged households and single mother households from all households (6.447 million yen).
- Looking at the average income amount, the difference between other households and aged households is large. However, adjusting the influence of the living cost that becomes relatively expensive, if the number of households is small, and looking at the average equivalent disposable income amount by dividing the disposable income with the square root of the number of household headcounts, the amount of aged households is 2.162 million yen, which is 0.873 million yen lower than other households (3.035 million yen) (Chart1-2-2).

(Note 1) Average equivalised disposable income is income divided by the square root of the number of household members to adjust the difference of the number of household members. It takes in account that it requires higher living cost when there are less number of household members. Disposable income of a household means spendable household income with social security and tax deducted.

- Among the 66.2% of aged households receiving public pensions, the percentage of such public pensions against the total income is over 80% (Chart 1-2-3).

Chart 1-2-2 Income of aged households

Category	Average Income Amount (Average number of household members)	Average Equivalent Disposable Income Amount
Aged Households	3,081,000 yen (1.56)	2,162,000 yen
Other Households	6,447,000 yen (2.97)	3,035,000 yen
All Households	5,454,000 yen (2.57)	2,837,000 yen

Source: Ministry of Health, Labour and Welfare “Comprehensive Survey of Living Conditions” (2016) (Income for one year in 2015 in the said survey)

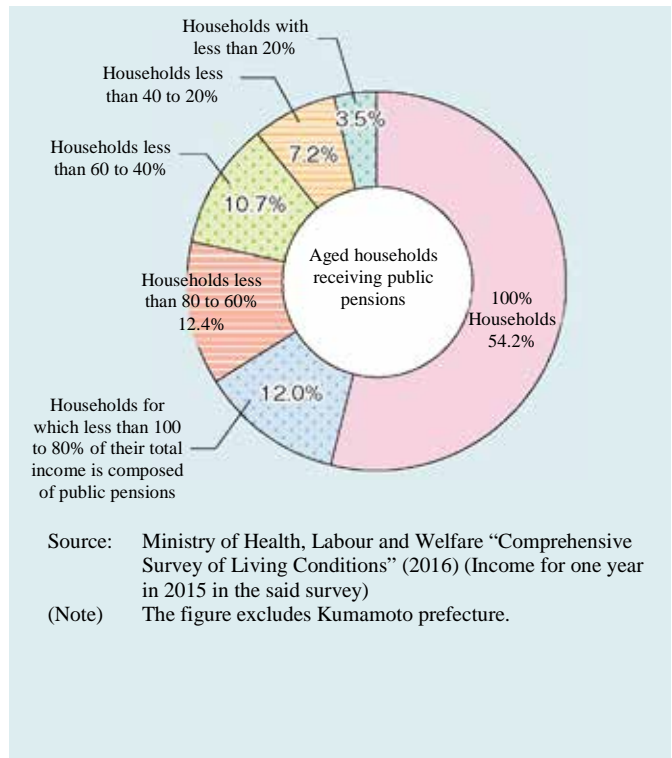
(Note 1) Aged households refers to a household with persons aged 65 and over only, or a household with persons aged 65 and over and unmarried person aged under 18.

(Note 2) Average equivalised disposable income is the adjusted amount obtained by dividing the household’s disposable income with the square root of the number of household members.

(Note 3) Other households mean households excluding aged households and single mother households from all households.

(Note 4) The figure excludes Kumamoto prefecture.

Chart 1-2-3 Percentage distribution of number of households for aged households receiving public pension, by the share of public pensions against their total income

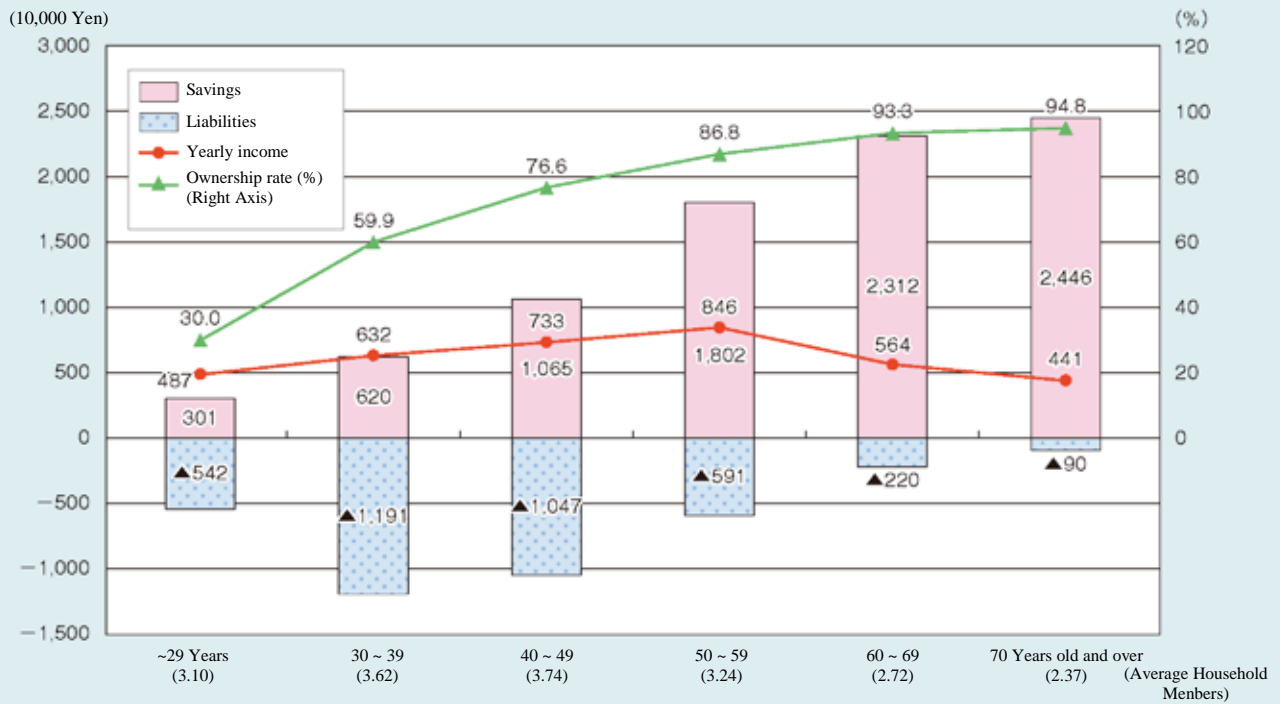


The median value of the savings of households headed by 60 years old and over is as high as about 1.5 times of the total household savings and the main objective of saving purpose group is “preparedness for emergency”.

- It is understood that households in which the head is 60 to 69 years old or 70 years old and over hold higher net savings compared to other age groups. (Chart 1-2-4)
- The median value of the savings of household in which heads is 60 years and over was 15.67 million yen, about 1.5 times the median of savings of all households which is 10.64 million yen.(Chart 1-2-5).
- Looking at the purpose of savings among people aged 60 and over, “for emergency preparedness” was the highest at 47.5% (Chart 1-2-6)
- As for the distribution of financial assets by generations, people aged 60 and over accounted for 31.9% in 1989 and increased to 64.5% by 32.6 points in 2014 (Chart 1-2-7).

Chart 1-2-4

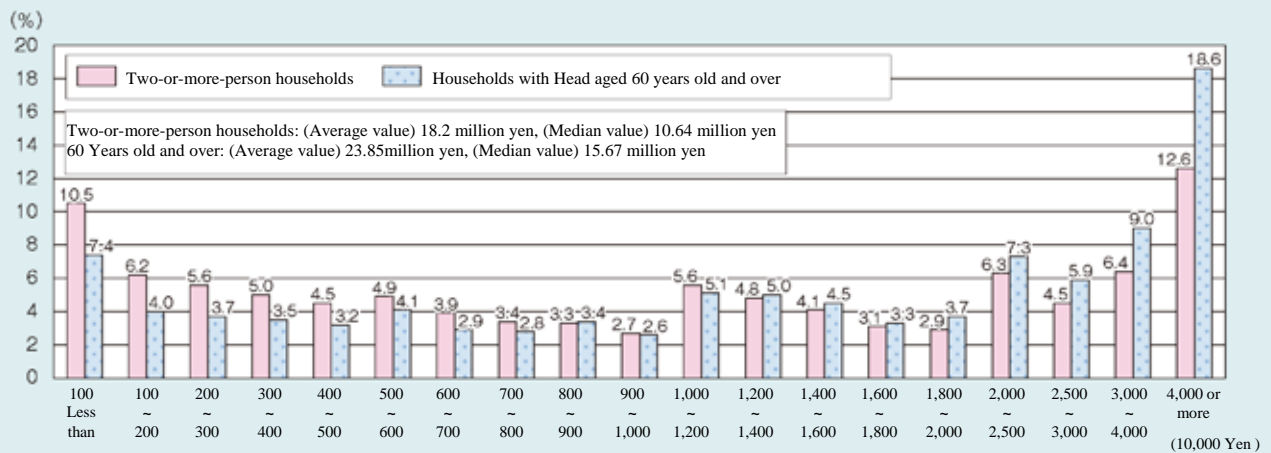
Savings, Liabilities, Yearly Income and Ratio of Ownership of Owner-Occupied Dwellings per Household by Age of Household Head



Source: Ministry of Internal Affairs and Communications “Family Income and Expenditure Survey (two-or-more-person households)” (2016)

Chart 1-2-5

Distribution of Households by Amount of Savings



Source: Ministry of Internal Affairs and Communications “Family Income and Expenditure Survey (two-or-more-person households)” (2016)

(Note 1) One-person households are not included.

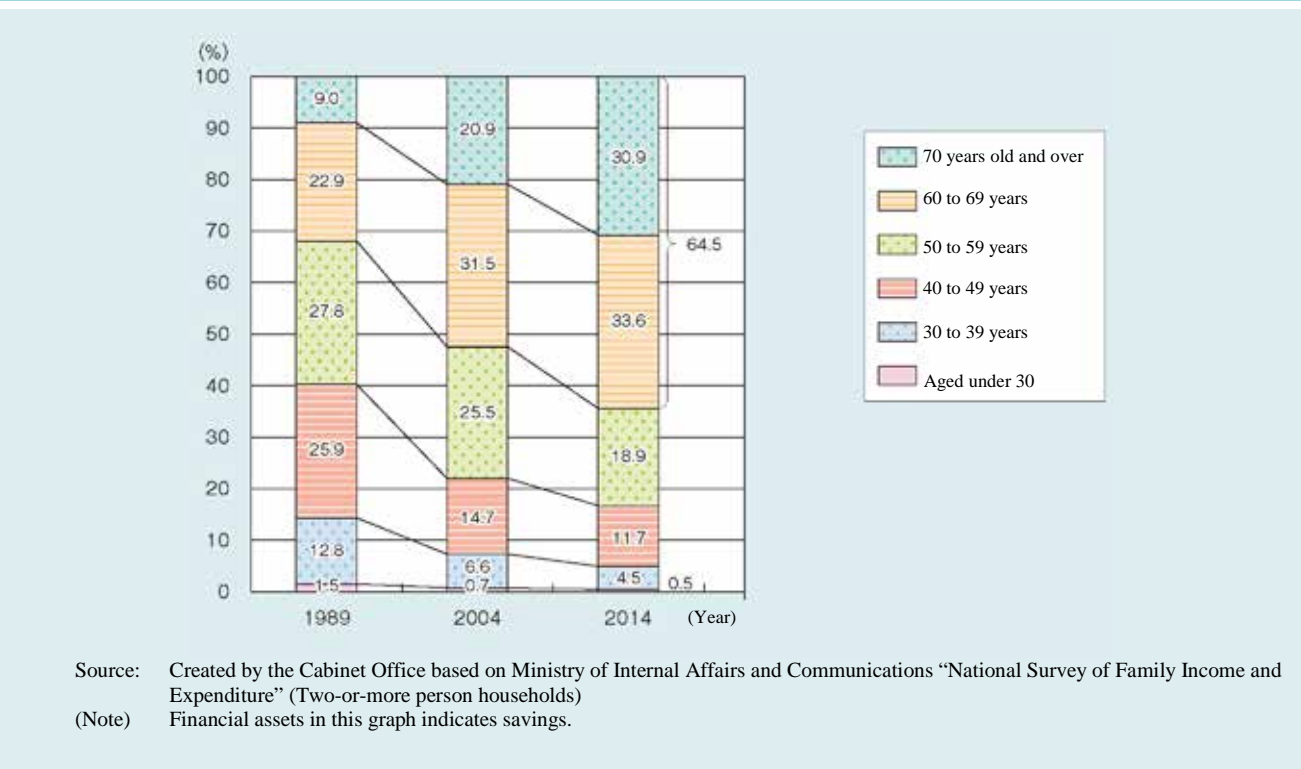
(Note 2) Total amount of deposits in Japan Post Bank, Management Organization for Postal Savings and Postal Life Insurance (former Japan Post), banks and other financial institutions, premiums of life insurance and maturity-refund-type non-life insurance, securities such as stocks, bonds, investment trusts and cash or money trusts and deposits in non-financial institutions such as one’s own companies.

(Note 3) The “Median value”, is the middle value when the values are arranged from lowest savings (excluding “0” savings) to highest savings in an ascending order.

Chart 1-2-6 Purpose of Savings



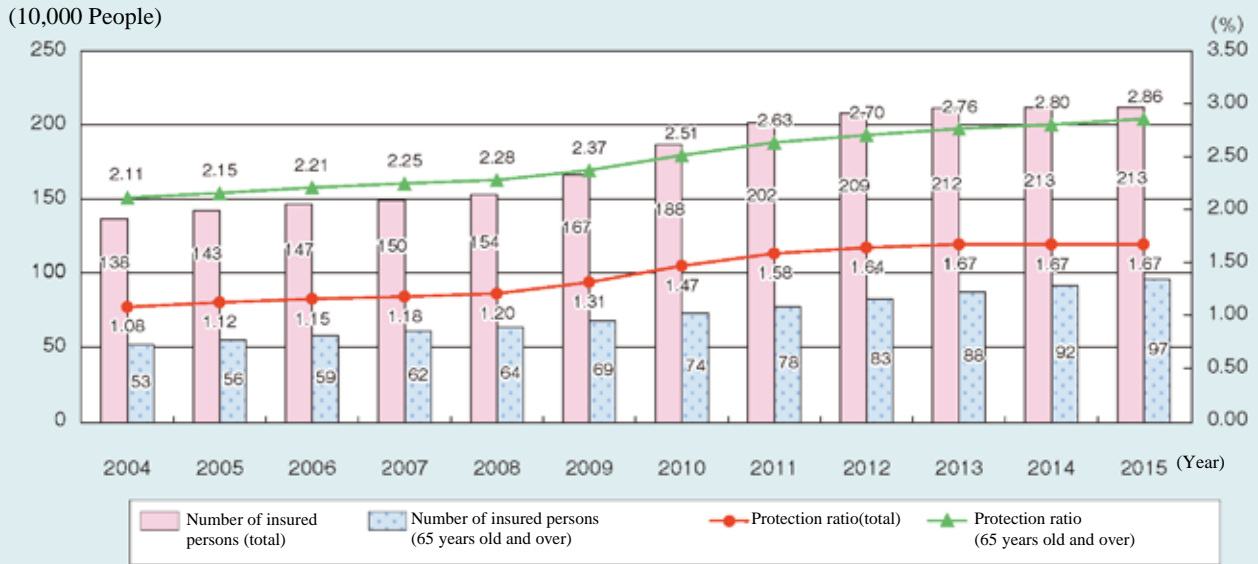
Chart 1-2-7 Distribution of Financial Assets by Generations



i The number of public assistance recipients aged 65 and over is on the rise

- In 2015, the number of public assistance recipients aged 65 and over was 970,000 people, which was an increase from the previous year (Chart 1-2-8).
- The ratio of public assistance recipients aged 65 and over against the total population aged 65 and over was 2.86, which was higher than the ratio of public assistance recipients of the total population. (1.67%).

Chart 1-2-8 Number of Persons Receiving Public Assistance

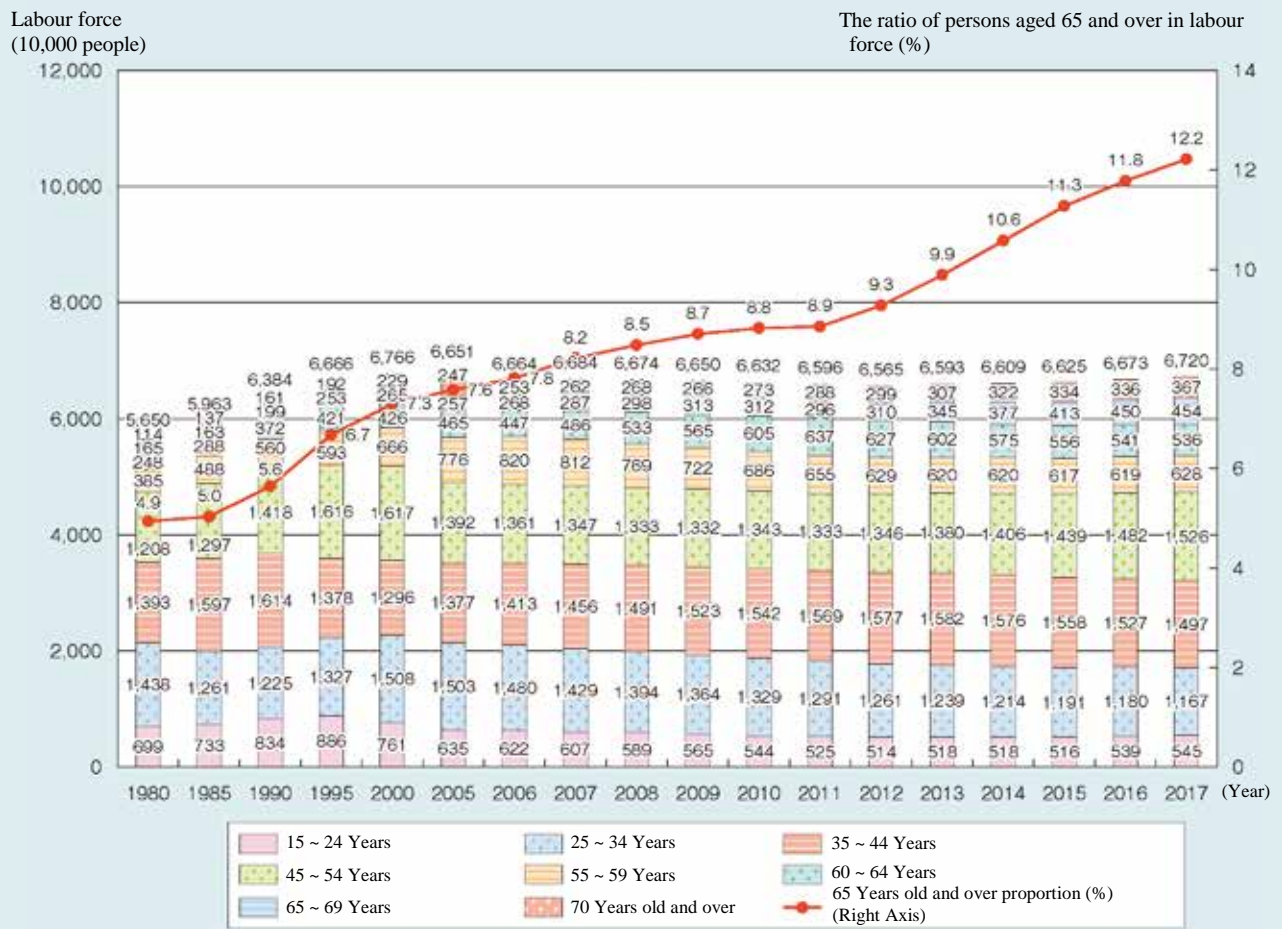


Source: Created by the Cabinet Office based on Ministry of Internal Affairs and Communications, "Population Estimates" and "Population Census" and Ministry of Health, Labour and Welfare "National Survey on Public Assistance Recipients (Basic survey)."

i The ratio of persons aged 65 and over in the labour force has increased

- The labour force in 2017 was 67.20 million people.
- Of this labour force, 4.54 million people are in the age group of 65 to 69, those who are 70 years and over are 3.67 million people, and the percentage of those who are 65 years and over in the total labour force continues to rise up to 12.2% (Chart 1-2-9).
- The labour force ratio (percentage of the labour force to the population) in 2017 is 45.3% at 65 to 69 years old; it is on an upward trend since 2004 year. Population aged 70 to 74 account for 27.6%, which touched bottom in 2003 and 2004 (21.4%) and then tends to increase. 75 and over account for 9.0%, and remains around 9% (Chart 1-2-10).

Chart 1-2-9 Trends in the Labour Force



Source: Ministry of Internal Affairs and Communication “Labour Force Survey”
 (Note 1) “Labour force” refers to an aggregate of employed people and unemployed people for the age group of 15 years old and over.
 (Note 2) In 2011, the survey implementation became difficult temporarily in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, so complementarily estimated values were used.

Chart 1-2-10

Labour Force Participation Rate Trend



Source: Ministry of Internal Affairs and Communications "Labour Force Survey"

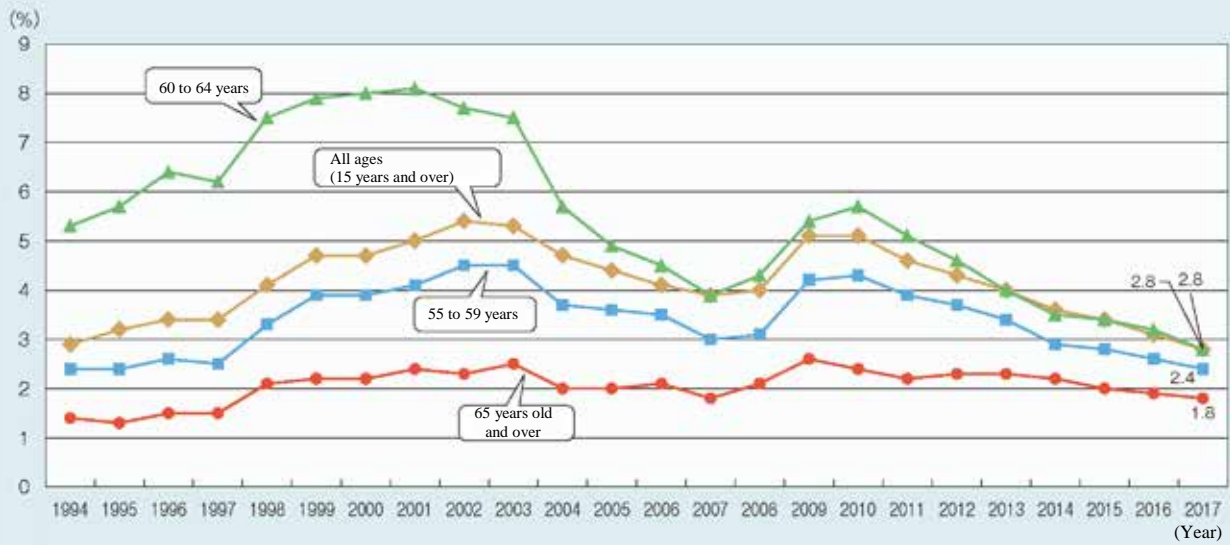
(Note 1) "Labour force" refers to an aggregate of employed people and unemployed people for the age group of 15 years old and over. "Labour force participation rate" is the percentage of "Labour force" in population aged 15 and over.

(Note 2) Because surveying was temporarily hindered in Iwate, Miyagi and Fukushima Prefectures in 2011, supplementary values are used for age 15 to 64 and 65 to 69, and for 70 to 74 and 75 and over, values of these three prefectures are excluded.

i The employment situation of age 60 to 64 is improving

- In the period from 2008 to 2010, the unemployment rate at the age of 60 to 64 has risen due to the rapid deterioration of the economic situation, but has declined at the peak of 2010. In 2017, the unemployment rate for the age group 60 to 64 years old was 2.8%, which was almost the same as the total age group (2.8%) for the age group of 15 years old and over (Chart 1-2-11).

Chart 1-2-11 Unemployment Rate Trends



Source: Ministry of Internal Affairs and Communications “Labour Force Survey”

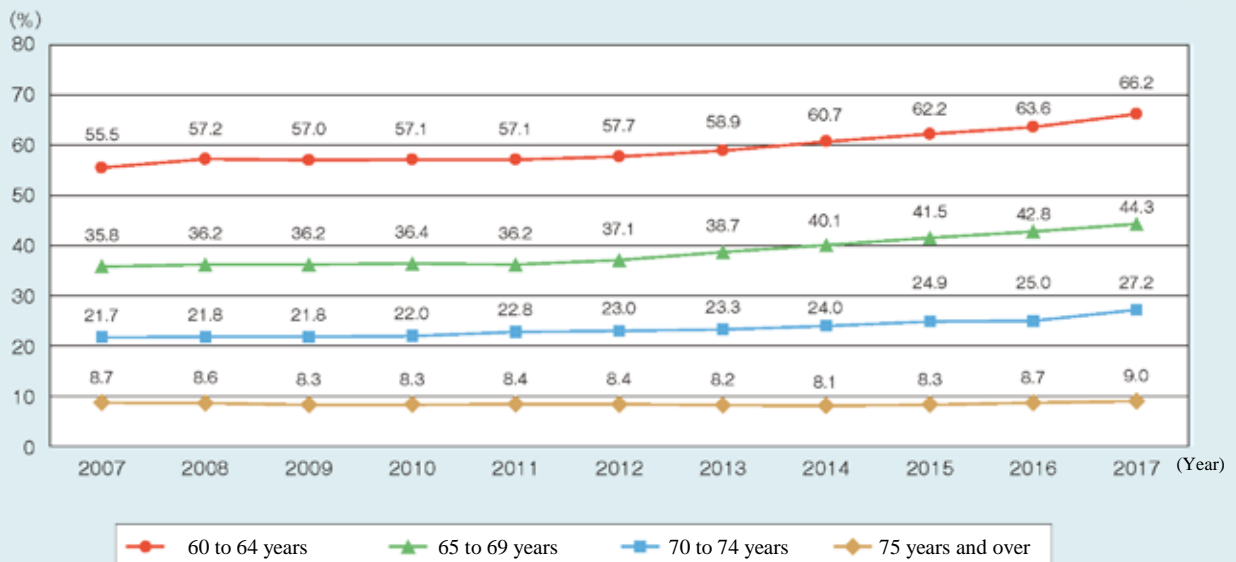
(Note 1) Annual average rates

(Note 2) In 2011, the survey implementation became difficult temporarily in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, so complementarily estimated values have been used.

i Trends in employment rate by age

- As for employment rates by age groups, rates in 2017 for age 60 - 64, 65 - 69, and 70 -74 have increased to 10.7 points, 8.5 points, 5.5 points respectively, compared to that of 2007, ten years ago (Chart 1-2-12).

Chart 1-2-12 Trends in Employment Rate by Age



Source: Ministry of Internal Affairs and Communications “Labour Force Survey”

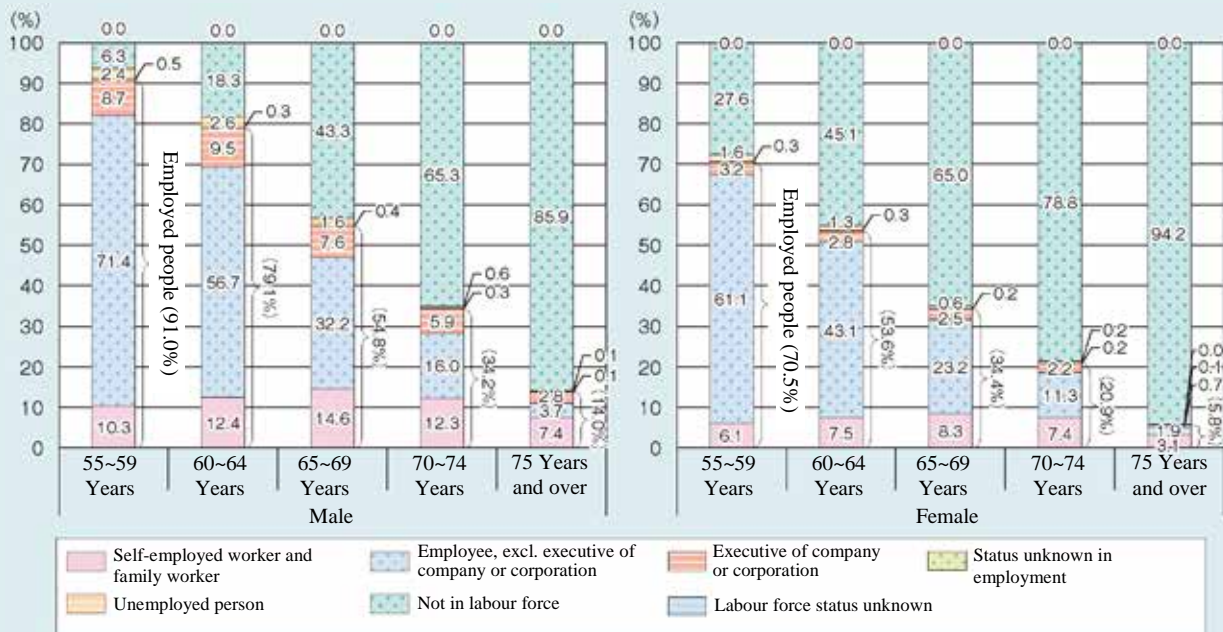
(Note 1) “Employment rate” is the percentage of employed persons in population aged 15 and over.

(Note 2) In 2011, the survey implementation became difficult temporarily in Iwate Prefecture, Miyagi Prefecture and Fukushima Prefecture, so complementarily estimated values have been used.

i As for males, more than half of the total are working even in late 60s.

- Regarding the employment status of people aged 55 and over, in the case of males, the percentage of employed people is 91.0% for the age group of 55 to 59, 79.1% for the age group of 60 to 64, and 54.8% for the age group of 65 to 69. Even after completing 60 years of age, people are still working. In addition, the percentage of female employed people is 70.5% for the age group of 55 to 59, 53.6% for the age group of 60 to 64, and 34.4% for the age group of 65 to 69 (Chart 1-2-13).

Chart 1-2-13 Labour Force Status of People Aged 55 and over



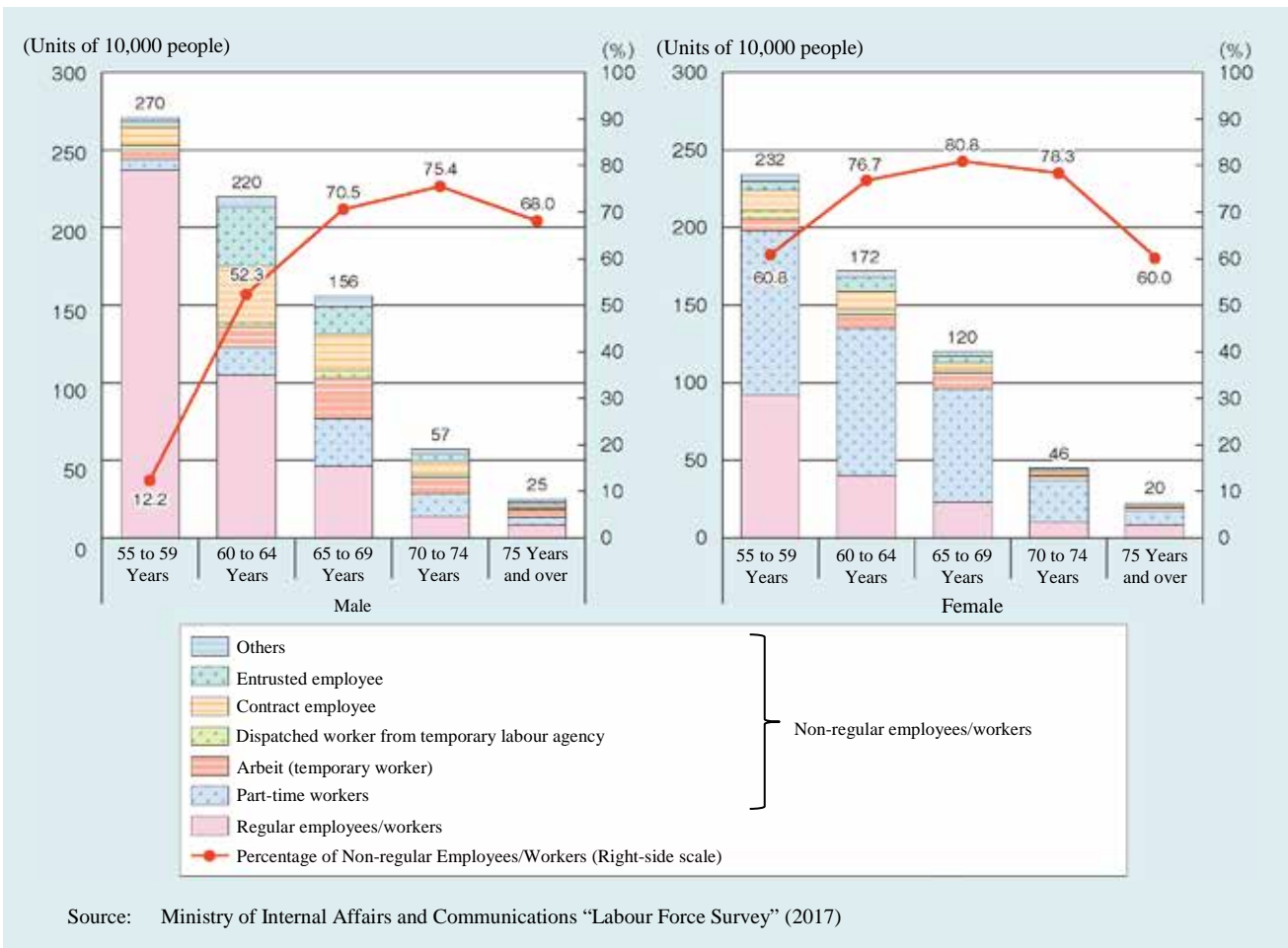
Source: Ministry of Internal Affairs and Communications "Labour Force Survey" (2017)
 (Note) The total may not add up to 100% due to rounding

i Percentage of non-regular employees/workers increases from age 60.

- As for the percentage of non-regular employees/workers by gender, the ratio of non-regular male employees/workers marks 12.2% in 55 - 59, it increases significantly after 60 years of age to 52.3% for 60 - 64, and 70.5% for 65 - 69. Meanwhile, females mark 60.8% for age 55 - 59, 76.7% for 60 - 64, and 80.8% for 65 - 69, and although the rise is small compared to that of males, the ratio of non-regular employees/workers rises all the same after age 60 (Chart 1-2-14).

Chart 1-2-14

Number of Employees by Type of Employment, Gender and Age, and Percentage of Non-regular Employees to Employees Excluding Executives of Company or Corporation

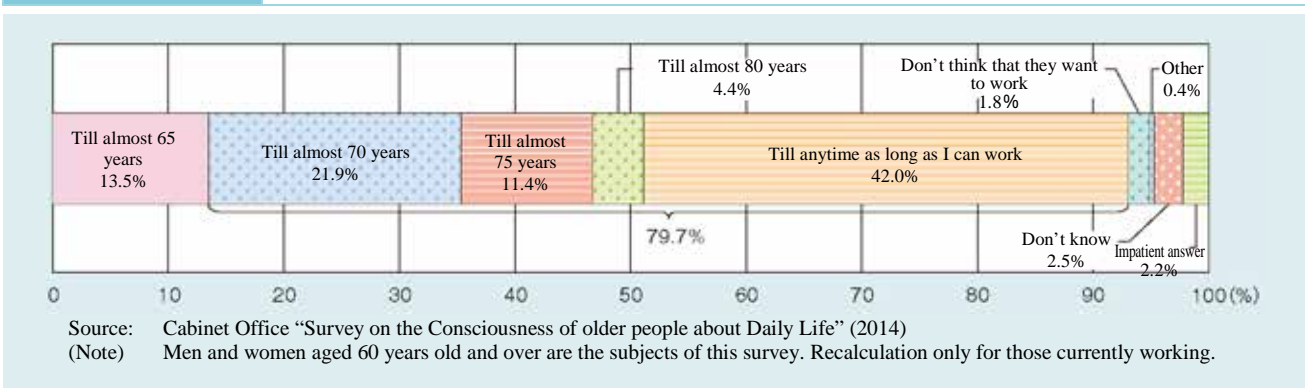


i Approximately 40% of people ages 60 and over want to work "as long as they can work"

- Approximately 40% of people aged 60 and over who are working currently answered that they want to work "till anytime as long as I can work." If we sum up the answers "till almost 70 years" and more, the total comes to 80% of older people who have high motivation for employment in their old age (Chart 1-2-15).

Chart 1-2-15

Until what age would you like to work with income?



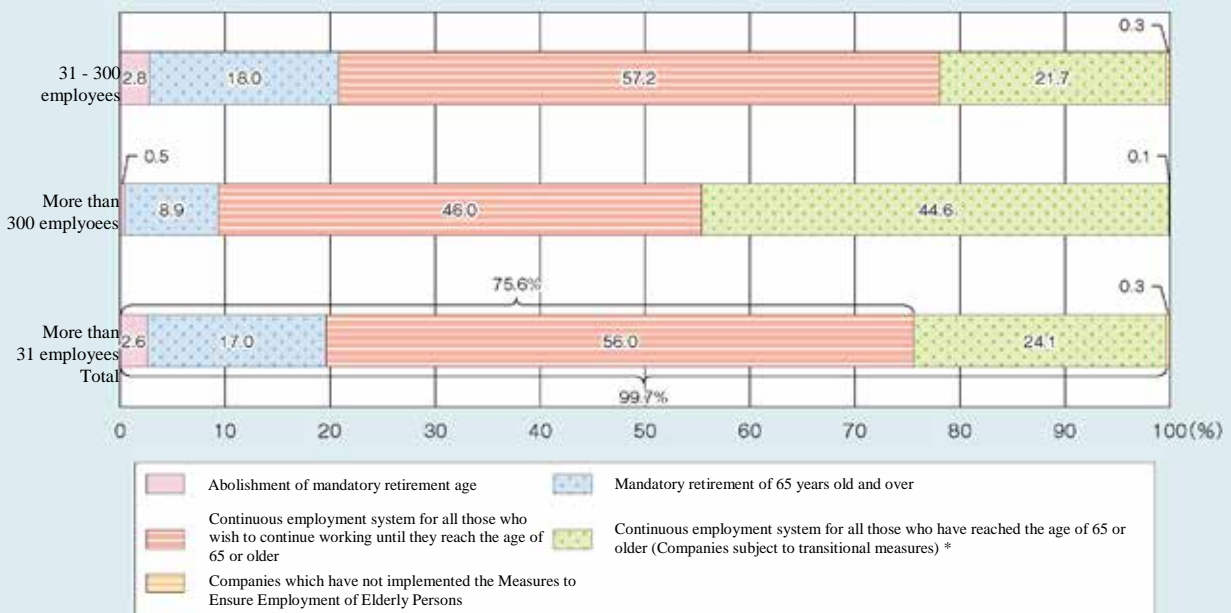
i The percentage of companies which allow all those who wish to continue working until 65 years old and over is over 70%

- The percentage of companies with 31 employees or more which have implemented the “Measures for Securing Employment for Elderly Persons” is 99.7% (155,638 companies). In addition, The percentage of companies which allow all those who wish to continue working until 65 years old and over is 75.6% (118,081 companies) (Chart 1-2-16).

(Note 2) The “Act on Stabilization of Employment of Elderly Persons” obliges companies to take either of the following measures: “to abolish their age abolition of the Mandatory Retirement Age,” “raising said Mandatory Retirement Age” or “introduction of a continuous employment system” in order to secure stable employment until 65 years old.

Chart 1-2-16

Breakdown of the Implementation Status of the Measures to Ensure Employment (By Company Size)



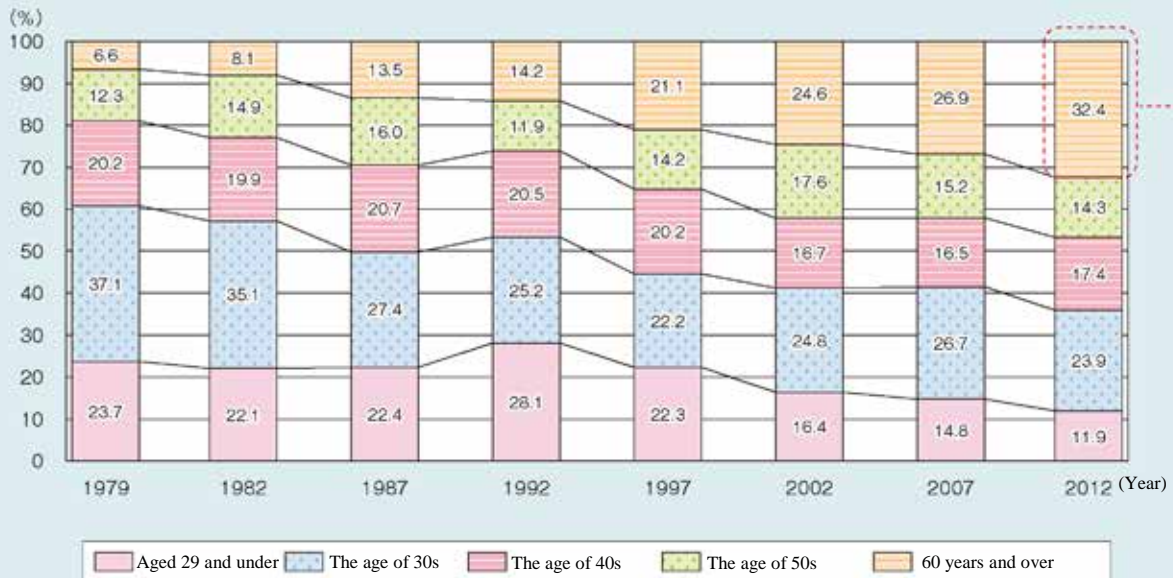
Source: Prepared by the Cabinet Office from the “Employment Situation of Elderly People” by the Ministry of Health, Labour and Welfare (2017)

(Note) Companies follow the Introduced criteria, pertaining to the subjects of the continuous employment system, based on transitional measures prescribed in the Act on Stabilization of Employment of Elderly Persons (2012) No. 78. This is applicable to an employer who had established standards, with regards to the subjects of the continuing employment system by labour-management agreement by March 31, 2013. This criterion can be applied to persons who are older than the age of starting payment of the compensation proportional part of the old-age welfare pension.

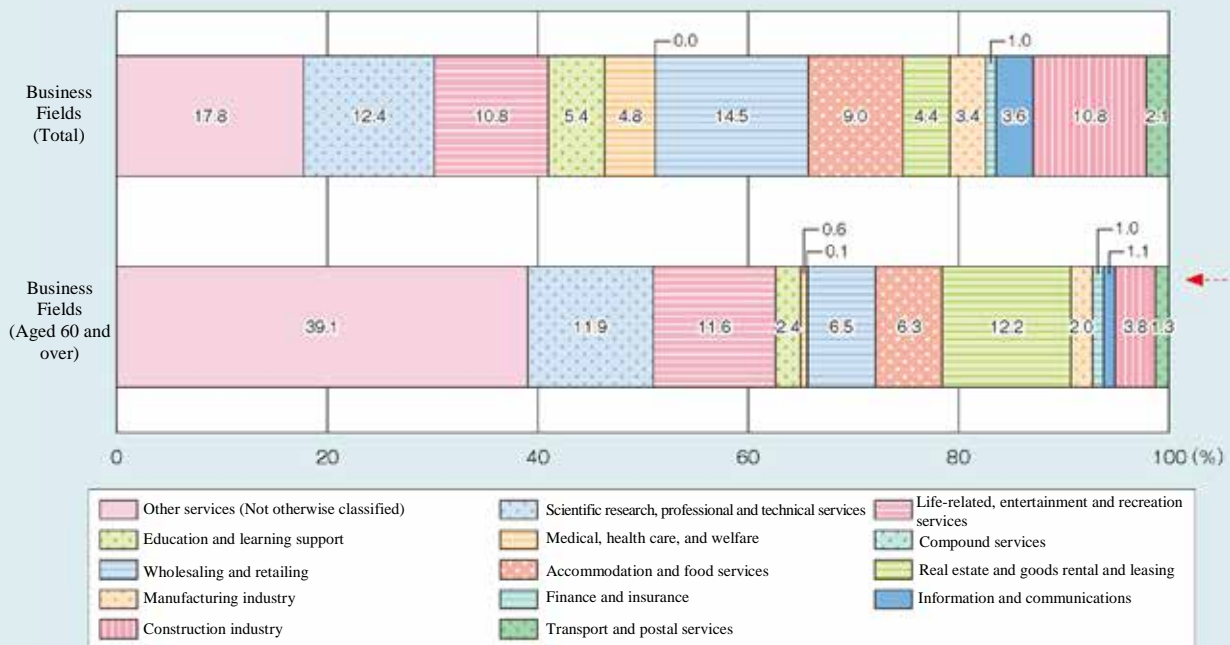
i Percentage of entrepreneur aged 60 and over are increasing

- As for the distribution of entrepreneurs by age, 60 and over accounted for 6.6% in 1979 and has increased to 32.4% in 2012. And for the distribution by industry, people aged 60 and over engage in Other services (Not otherwise classified) the most by 39.1% (Chart 1-2-17).

Chart 1-2-17 Trends in age distribution of entrepreneurs



Source: Quoted from “2014 White Paper on Small and Medium Enterprises in Japan” by the Ministry of Economy, Trade and Industry (data of the White Paper is based on MIC’s Employment Status Survey)
 (Note) Entrepreneurs here consists of persons who changed or found new job within the past one year and are now self-employed (excluding homeworkers).



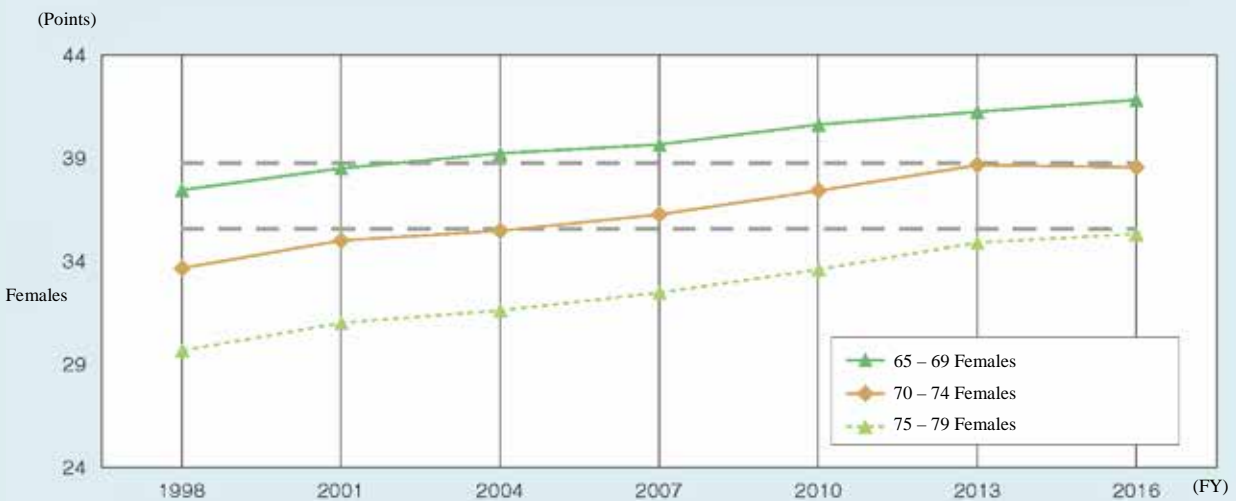
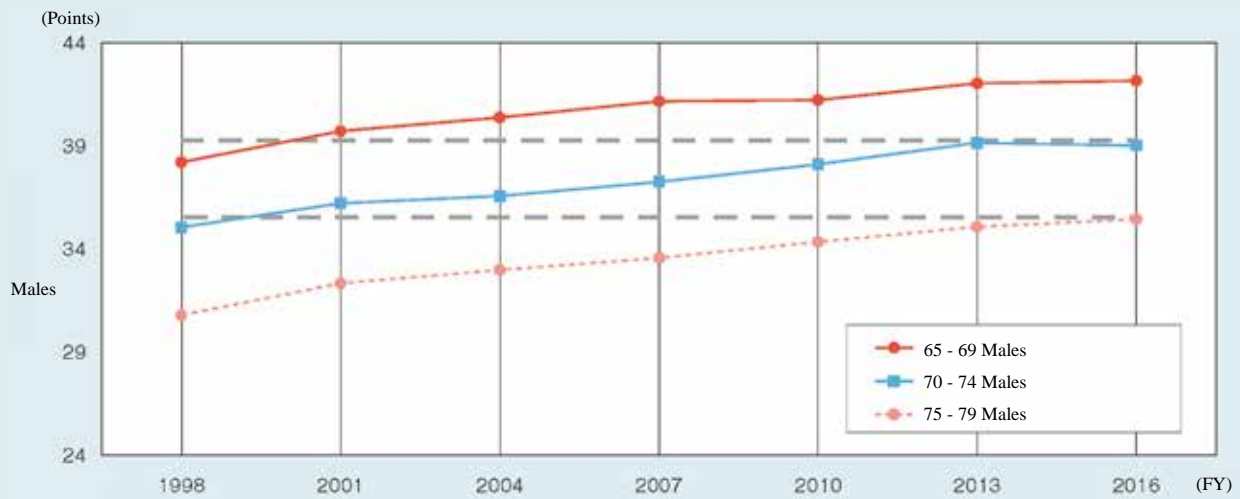
Source: Quoted from “2014 White Paper on Small and Medium Enterprises in Japan” by the Ministry of Economy, Trade and Industry (data of the White Paper is based on MIC’s Employment Status Survey)
 (Note) Business fields here consists of the field where persons who changed or found new job within the past one year and are now self-employed (excluding homeworkers) work in.

2 Health and Welfare

i Results of people aged 65 and over for new strength test (grip strength, sit-up, seated forward bend, one leg stand, 10m obstacle walking, 6 min. walking) tend to improve

- The results of 2016 new strength test for males and females aged 70 to 74, and aged 75 to 79 exceed those of 1998 test for males and females aged 65 to 69 and 70 to 74. (Chart 1-2-18).

Chart 1-2-18 Results for the new strength test



Source: Sports Agency "Physical fitness and exercise capacity survey"

(Note 1) The Chart is smoothed using the three point moving average method.

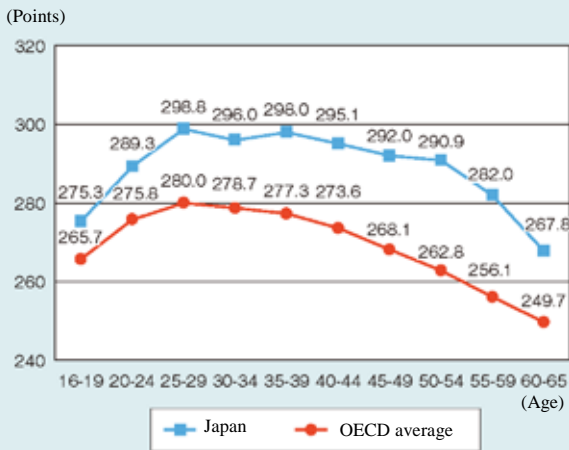
(Note 2) Total points are based on "item score table" of the New Physical Fitness Test Implementation Procedure. Scoring criteria differs according to gender

i Ability for mathematical thinking and reading skill of people aged 60 to 65 are higher than other countries

- According to Programme for the International Assessment of Adult Competencies (PIAAC) by OECD, ability for mathematical thinking and reading skill of people aged 60 to 65 are higher than that of other countries (Chart 1-2-19, Chart 1-2-20).

Chart 1-2-19

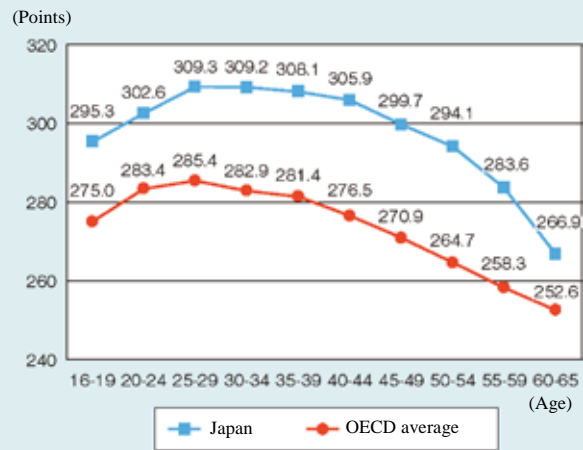
Relationship between mathematical thinking and age



Source: OECD “Programme for the International Assessment of Adult Competencies” (first survey)
 (Note) Conducted in 24 countries and regions. Targeted adults aged 16 to 65. Conducted during August, 2011 to February, 2012.

Chart 1-2-20

Relationship between reading skill and age

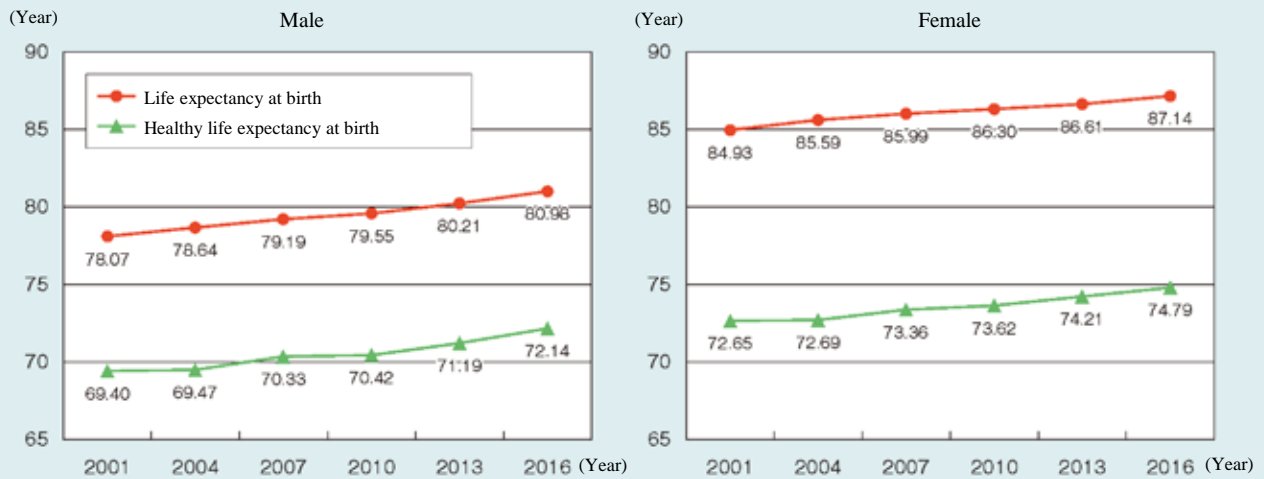


Source: OECD “Programme for the International Assessment of Adult Competencies” (first survey)
 (Note) Conducted in 24 countries and regions. Targeted adults aged 16 to 65. Conducted during August, 2011 to February, 2012.

i Healthy life expectancy is lengthened by longer years than lengthening of life expectancy at birth

- The period during which daily life is not hindered (healthy life expectancy at birth) was 72.14 years for males and 74.79 years for females as of 2016. Compared to 2010, both became longer (2010 to 2016: males 1.72 years, females 1.17 years). The years lengthened in healthy life expectancy at birth is longer than that of life expectancy at birth (2010 to 2016: males 1.43 years, females 0.84 years) (Chart 1-2-21).
- As for the gap between healthy life expectancy at birth and life expectancy at birth by prefectures, for males, Aomori marks the shortest (life expectancy at birth: 78.67 years, healthy life expectancy at birth: 71.64), and then Yamanashi (life expectancy at birth: 80.85 years, healthy life expectancy at birth: 73.21), while Nara marks the largest (life expectancy at birth: 81.36 years, healthy life expectancy: 71.39), and then Nagano (life expectancy at birth: 81.75 years, healthy life expectancy at birth: 72.11). For females, Tochigi marks the shortest (life expectancy at birth 86.24 years, healthy life expectancy at birth: 75.73), and then Aichi (life expectancy at birth: 86.86 years, healthy life expectancy at birth: 76.32), while Hiroshima marks the largest (life expectancy at birth: 87.33 years, healthy life expectancy at birth: 73.62), and then Shiga (life expectancy at birth: 87.57 years, healthy life expectancy at birth: 74.07). (Chart 1-2-22).

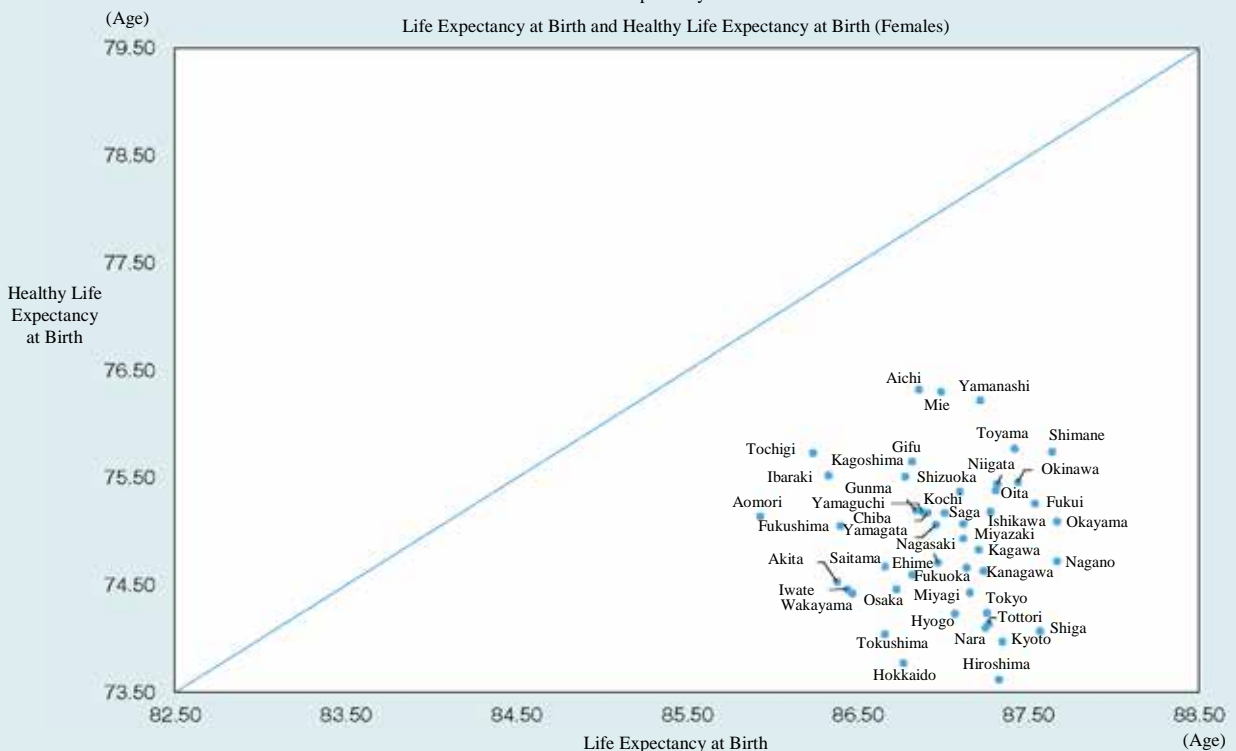
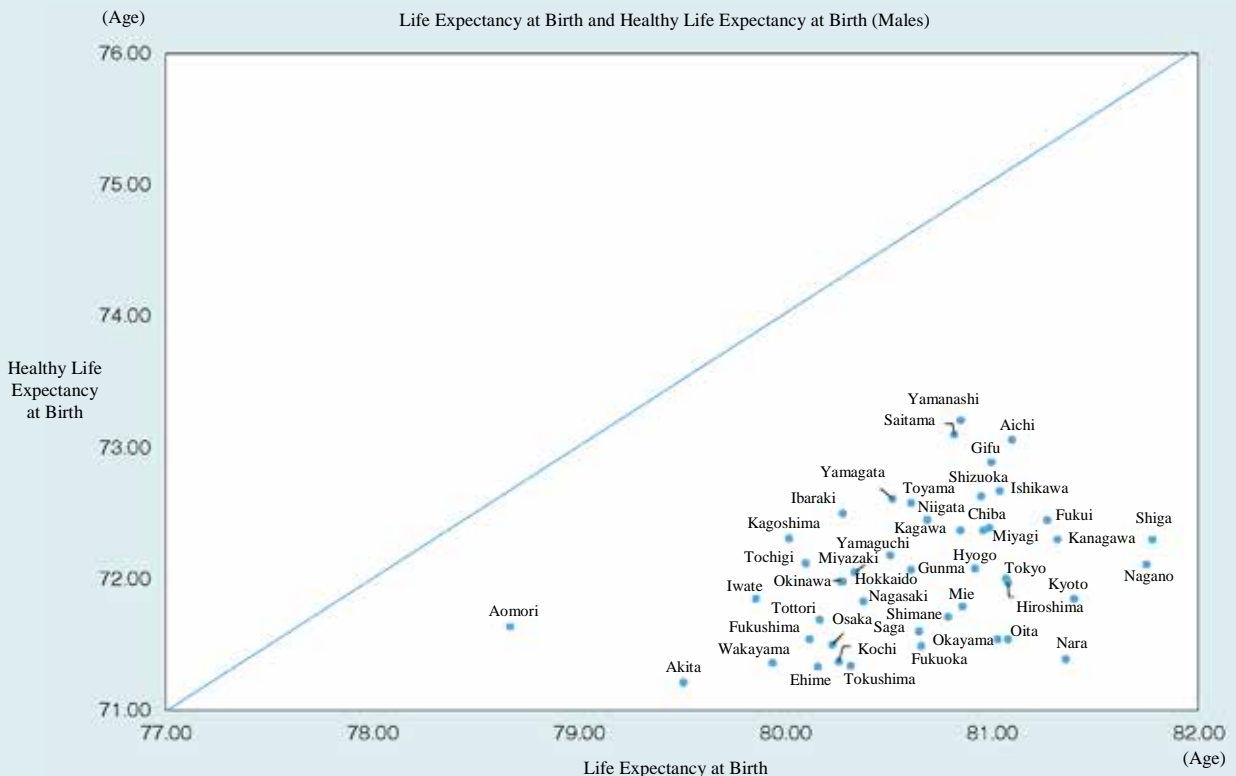
Chart 1-2-21 Healthy Life Expectancy at Birth and Life Expectancy at Birth



Sources: Life expectancy at birth: "Abridged Life Table," Ministry of Health, Labour and Welfare for 2001, 2004, 2007, 2013 and 2016 and "Complete Life Table," Ministry of Health, Labour and Welfare, for 2010
 Healthy life expectancy at birth: Health and Labor Sciences Research Grant "Projection of the healthy life expectancy and the study on the cost-effectiveness of the measures against lifestyle diseases" for 2001, 2004, 2007, and 2010, "Reference Document for the 11th Promotion Specialized Committee of Healthy Japan 21 (the second term)" for 2013 and 2016.

Chart 1-2-22

Gap Between Life Expectancy at Birth and Healthy Life Expectancy at Birth by Prefectures



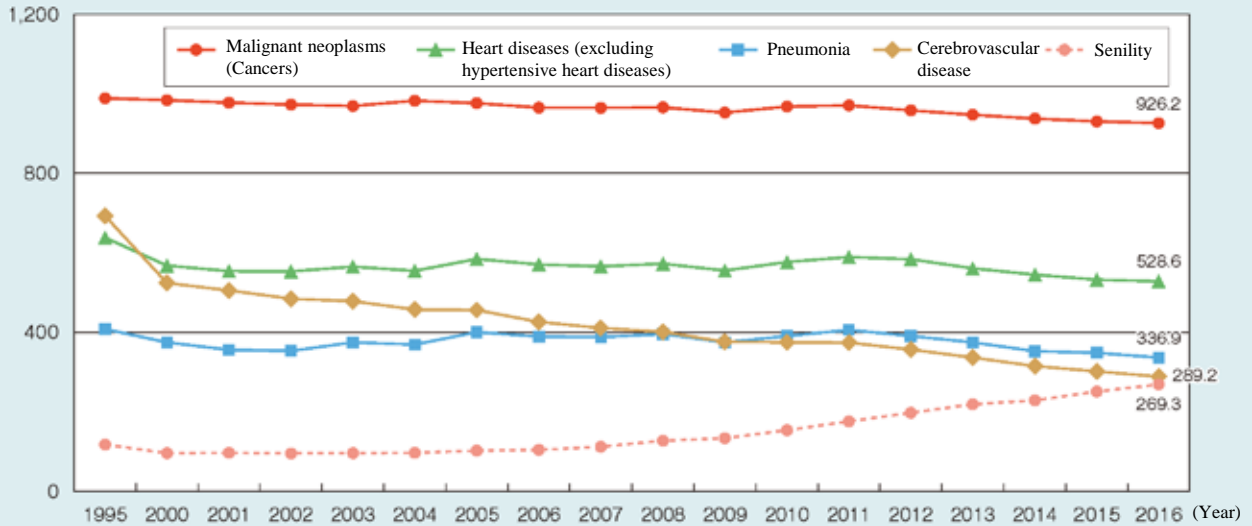
Life Expectancy at Birth: Ministry of Health, Labour and Welfare “2015 Life Tables by Prefectures”
 Healthy Life Expectancy at Birth (Estimations in 2016): “Reference Document for the 11th Promotion Specialized Committee of Healthy Japan 21 (the second term)”
 (Note) Values exclude Kumamoto

i The highest rate of death of people aged 65 and over is “malignant neoplasms (cancers).”

- In terms of cause of death of persons aged 65 and over, the highest rate of death (number of deaths per 100,000 population of persons aged 65 and over) in 2016 was “malignant neoplasms (cancers)” at 926.2 followed by “heart diseases (excluding hypertensive heart diseases)” at 528.6 and “pneumonia” at 336.9 (Chart 1-2-23).

Chart 1-2-23 Trends in Death Rates by Major Cause of Death (among people age 65 and over)

(per 100,000 population of persons aged 65 and over)



Source: Ministry of Health, Labour and Welfare “Vital Statistics”

i The number of people aged 65 and over requiring long-term care is increasing, and the ratio is high especially for people aged 75 and over.

- The number of people who are certified as requiring support or long-term care (hereinafter “persons requiring long-term care”) under long-term care insurance system was 6.068 million at the end of FY 2015, which is an increase of by 2.364 million from the end of FY 2003 (3.704 million). (Chart 1-2-24).
- The number of people aged 75 and over who are certified as requiring long-term care account for 23.5 % of all insured persons aged 75 and over (Chart 1-2-25).

Chart 1-2-24 Number of Primary Insured Persons (aged 65 and over) Requiring Long-Term Care or Support by Care Level



Source: Ministry of Health, Labour and Welfare “Report survey on situation of Long-Term Care Insurance service (annual report)”
 (Note 1) Following the revision of Long-Term Care Insurance Act in April 2006, the classification of care levels has changed.
 (Note 2) Due to the Great East Japan Earthquake, 5 towns and 1 village in Fukushima Prefecture (Hironomachi, Narahamachi, Tomiokamachi, Kawauchimura, Futabamachi and Shinchimachi) were excluded due to reporting difficulties in FY 2010.

Chart 1-2-25 Long-Term Care Certifications

Units: 1,000 persons; () shows percentage

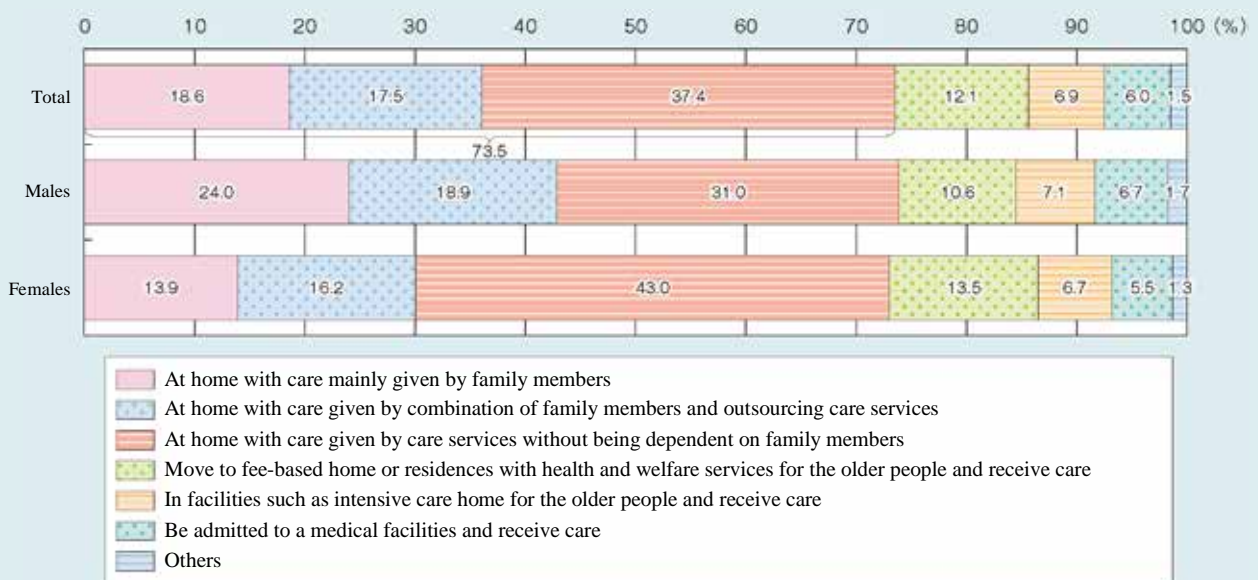
65 to 74 years old		75 years old and over	
Support required	Care required	Support required	Care required
246	510	1,470	3,842
(1.4)	(2.9)	(9.0)	(23.5)

Source: Calculated from Ministry of Health, Labour and Welfare “Report survey on situation of Long-Term Care Insurance service (annual report)” (FY 2015)
 (Note 1) Excludes those who received temporary care-required certification
 (Note 2) The Charts in the parentheses show the percentages of people requiring support and care among the insured people aged between 65 and 74 and those aged 75 and over.

i Percentage of those who wish to receive care at his own home is 73.5%., The highest ratio of males wish to be taken care by their spouse while females wish home-care workers or other long-term care service staff for their caregiver.

- For a question where he/she wishes to receive care, 73.5% of the total answered “At home” (Chart 1-2-26).
- As for “Caregiver he/she wish to receive care from,” the largest portion was 56.9% of males' answer, “my spouse,” and 39.5% of females', “home-care workers or long-term care service staff” (Chart 1-2-27).

Chart 1-2-26 Where and what long-term care do you wish to receive?



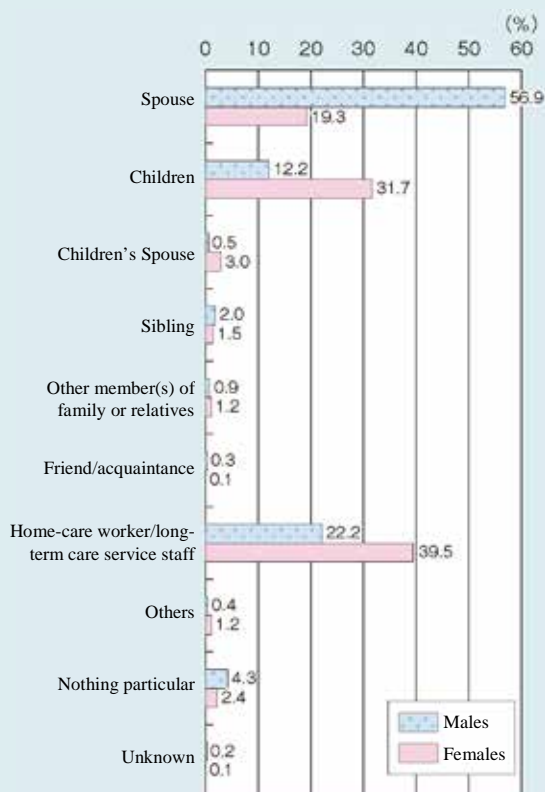
Source: “Opinion Survey on Ageing Society” commissioned by Counsellor Office for Policy Evaluation under Director-General for General Policy and Evaluation, Ministry of Health, Labour and Welfare (2016)

(Note 1) The actual question was “Where and what long-term care do you wish to receive when you come to require care?”

(Note 2) The survey was conducted on males and females aged 40 and over in Japan.

Chart 1-2-27

Person who he/she wants to receive care from



Source: Cabinet Office "Survey on the Health of older people" (2017)

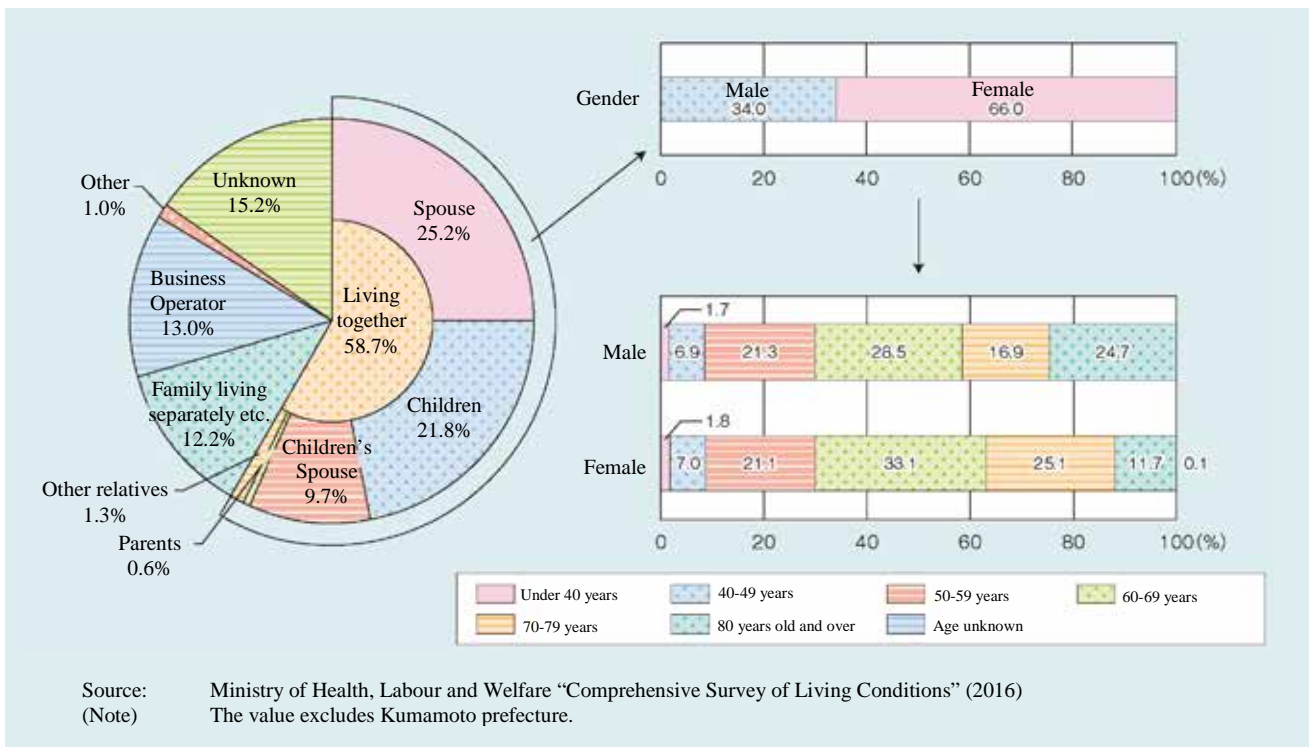
(Note) The survey was conducted on males and females aged 55 and over in Japan.

j Family members (especially females) are the main caregivers and there are considerable cases of "care for the elderly by the elderly."

- Looking at the relationship of the principal caregivers, more than 60% of them are a person living together with the persons requiring long-term care.
- The main breakdown of the principal caregivers is spouse (25.2%), children (21.8%), children's spouse (9.7%), and in a breakdown by gender, females exceeded males with males making up 34.0% of the total and females 66.0%.
- As for the age of principal caregivers living with the persons requiring long-term care, 70.1% of male and 69.9% of female caregivers were 60 years old and over, showing that there are considerable numbers of so-called "care for the elderly by the elderly" (Chart 1-2-28).

Chart 1-2-28

Relationship of the Principal Caregivers to the Persons Requiring Long-term Care

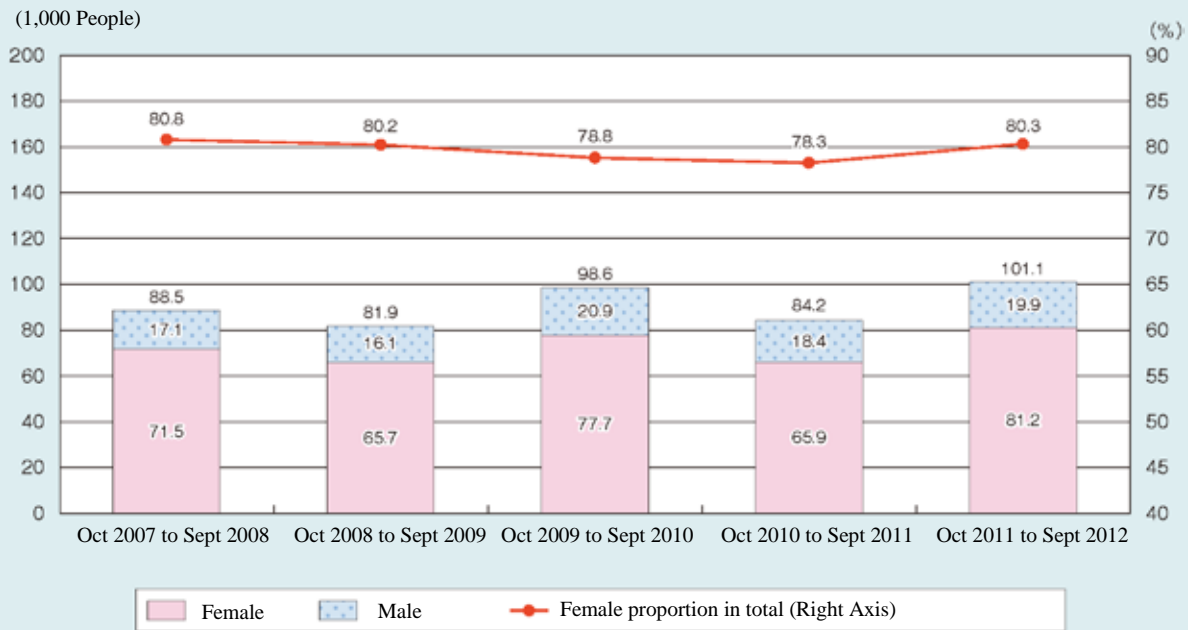


i Women make up a large share of those who leave their job due to long-term care or nursing care.

- The number of people who left job for long-term care or nursing care of their family during the one year from October 2011 to September 2012 was 101.1 thousand. Especially, the number of women who left their job was 81.2 thousand, accounting for 80.3% of the total. (Chart 1-2-29).
- Among job quitting owing to long-term care or nursing care, the number of female employees quitting jobs in 2016 is 62.6 thousand where females make up 73.0% of the total (85.8 thousand) (Chart 1-2-30).

Chart 1-2-29

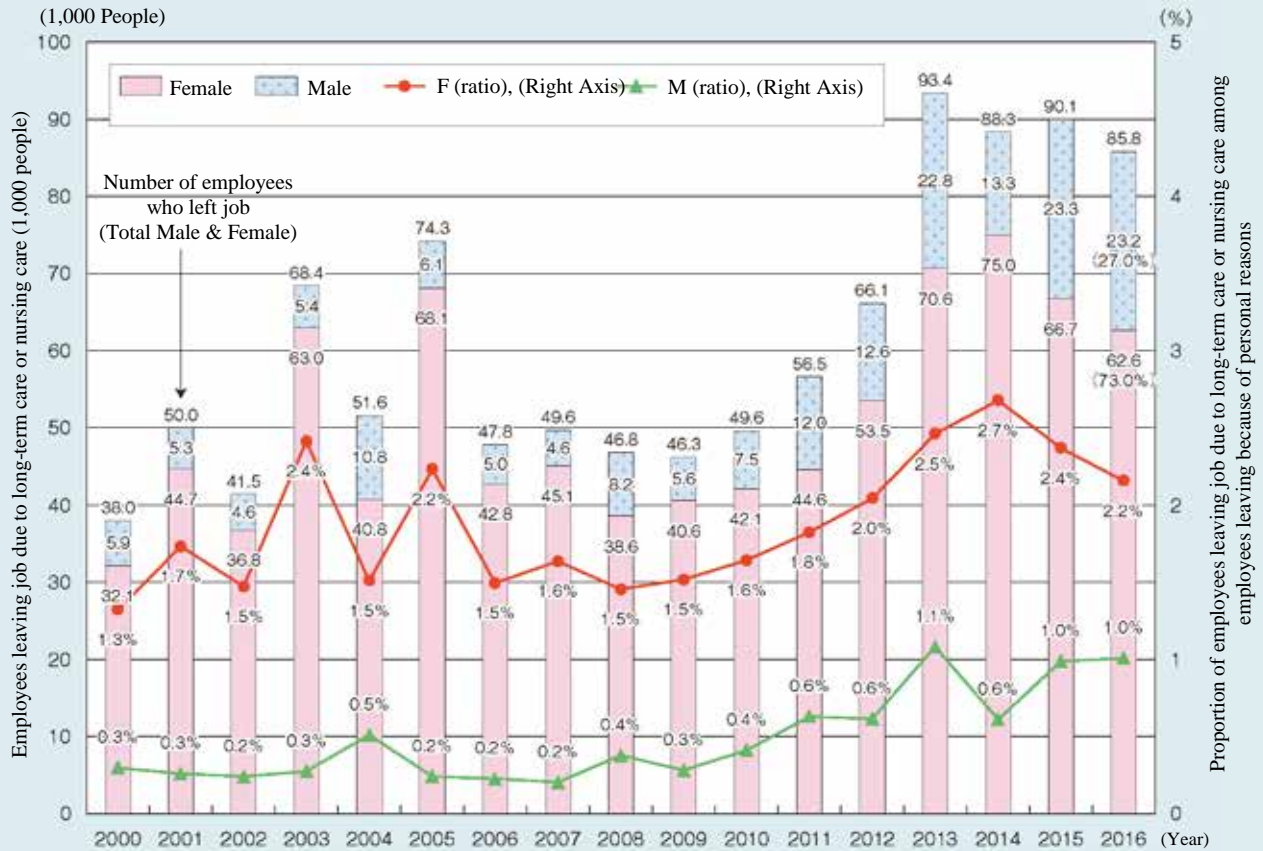
Number of people who left job due to long-term care or nursing care



Source: Ministry of Internal Affairs and Communications "Employment Status Survey" (2012).

Chart 1-2-30

Number of employees who left job due to long-term care or nursing care

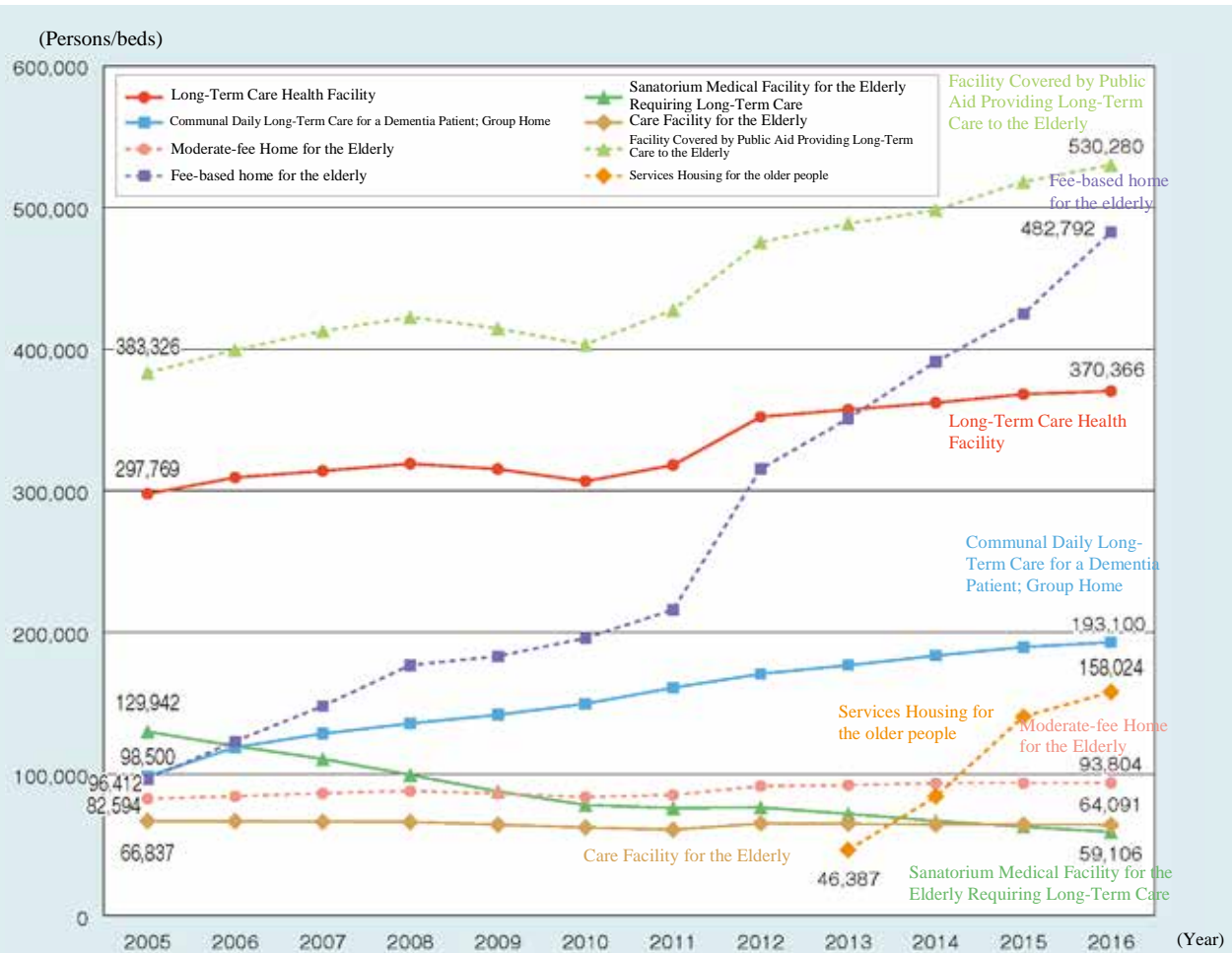


Source: Calculated based on "Survey on Employment Trends" of the Ministry of Health, Labour and Welfare

The capacity of long-term care institutions etc. shows an increase. Especially, the number of fee-based homes for the elderly and the number of Services Housing for the older people have increased.

- Looking at the capacity of long-term care institutions etc., it tends to increase. By types of institutions in 2016, Facility Covered by Public Aid Providing Long-Term Care to the Elderly (530,280 persons), fee-based homes for the elderly (482,792 persons), and Long-Term Care Health Facility (370,366 persons) make up large portion. Particularly, capacity of fee-based homes for the elderly and Services Housing for the older people has increased in recent years (Chart 1-2-31).

Chart 1-2-31 Changes in the capacity of long-term care institutions etc. (number of beds)



Source: Ministry of Health, Labour and Welfare “Survey of Institutions and Establishments for Long-term Care,” “Survey of Social Welfare Institutions,” “Survey of Long-term Care Benefit Expenditures” (On examinations in October in each year)
 (Note 1) For Communal daily long-term care for a dementia patient (Group home), the figure is the number of recipients. In addition, short-term use is excluded from data for 2006 and after.
 (Note2) “Services Housing for the older people” are the ones registered as fee-based home for the elderly only.

Although the number of staff engaged in long-term care is increasing, it is still not sufficient

- Concurrently with the increase of the number of certified persons requiring long-term care/support, the number of staff engaged in long-term care has increased. As of FY 2016, the number has become 1.833 million 3.3 times from the number in FY 2000 (0.549 million people). (Chart 1-2-32).
- Looking at the high probability jobs being offered in the long-term care sector, as compared with the active opening ratio of all other sectors, it maintain high standards. The active opening ratio in the long-term care field in 2017 was 3.50 times, and it was about 2.3 times the active opening ratio (1.50 times) of all industries (Chart 1-2-33).