



**Happy elder**

Innovation for Aging, Beyond the Border

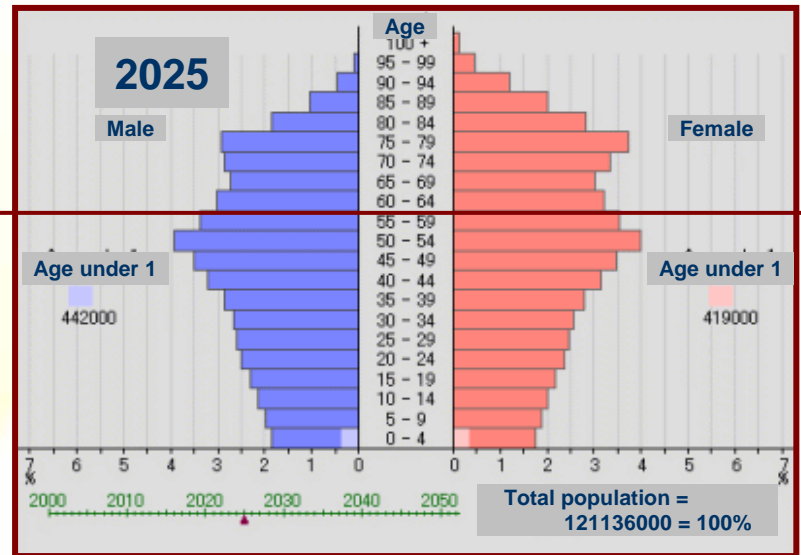
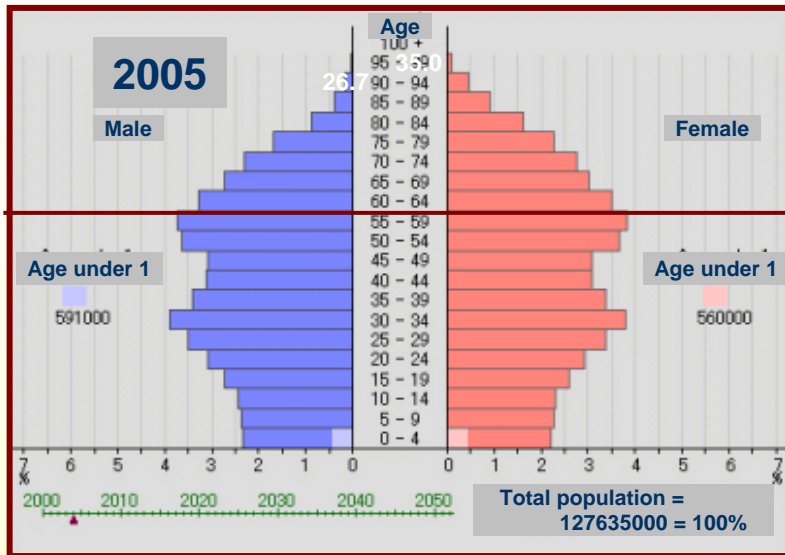
Japan at a glance

# The 60 plus population is the fastest growing segment worldwide

Percentage (%) of the population age 60 and over, 2000-2025



# The demographic structure of Japan

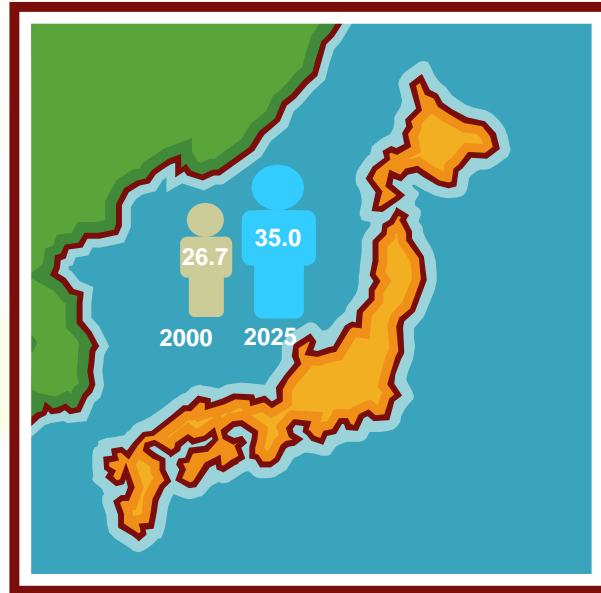


Source: Statistics Bureau of Japan, Dr. Funatsu, Meisei University



# The demographic structure of Japan

## Percentage (%) of the population age 60 and over 2000-2025



## Estimated population of 85 and older

### Japanese

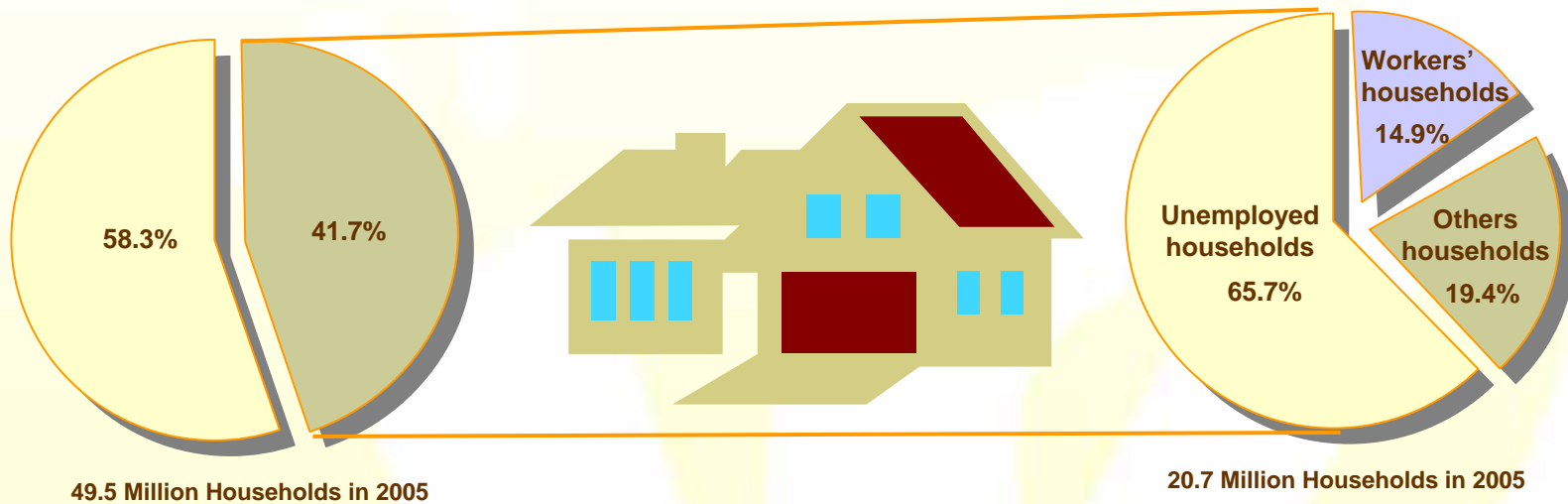


### Americans



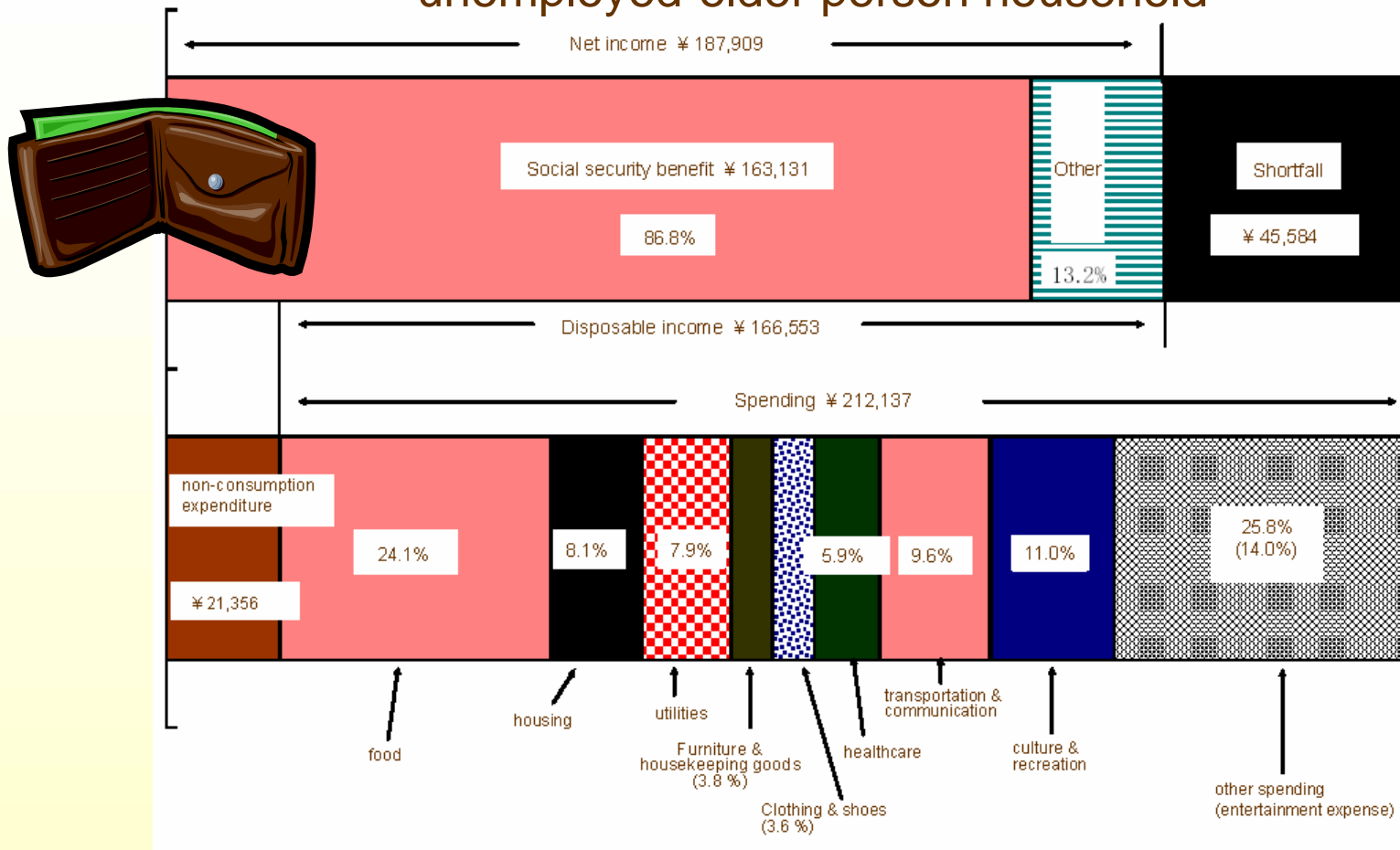
# The Daily Life of 60 and older

## Households headed by an elder person 60 or older in Japan



# The Daily Life of 60 and older

## Income/spending of an average unemployed-elder person household



Source: Statistics Bureau of Japan 2005, nationwide/total households



# Japanese baby boomers

- ◆ Japanese baby boomers: born between 1947 and 1949
- ◆ 7 million = 9% of the entire Japanese population

## Average baby boomer

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
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age 56 - 58

59 - 61

64 - 66

compulsory  
retirement

retirement  
**old-age pension**

- Reality of retirement, change of mentality & lifestyle
- Can you shift from being “faithful to an organization” to “faithful to yourself” ?
- Has mental & physical strength to work
- Needs supplemental income as well as something to “do”

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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66 - 68

69 - 71

75 - 77

- Reality of retirement, change of mentality and lifestyle
- Greater differences in individuals (employed or not, physical condition, family structure, etc.)



# TEINEN and retirements

- ◆ TEINEN is a Japanese word of compulsory retirement age
- ◆ Most companies have the plan at the age of 60
- ◆ A new Japanese act in April 2006 urges companies
  - to increase the mandatory retirement age to 65 by 2013
  - to have a program of extension of employment
  - to demolish the Teinen plan
- ◆ At the year 2007, Japanese baby boomers reach the age of 60

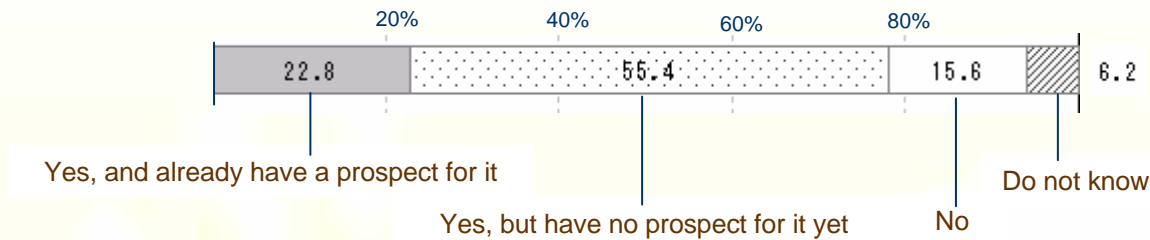


# Japanese baby boomers

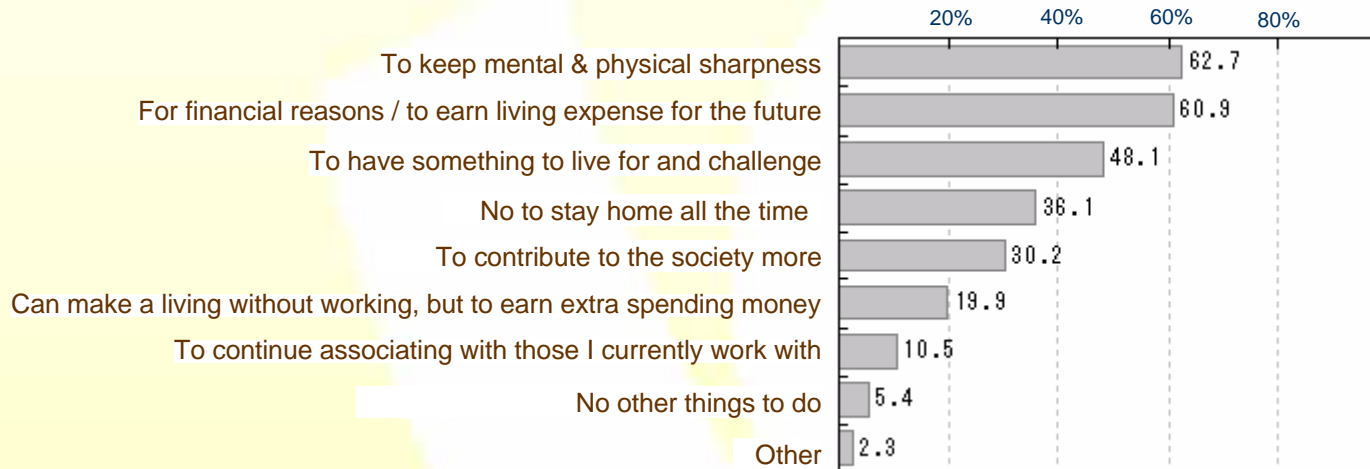
Do you have specific plans for your “life after retirement”?

- No: 65 %, Yes, or no but intend to plan: 35 %

Do you want to continue working after becoming 60 years old? (N=500)



Reasons for continuing to work after becoming 60 years old



Source: Nomura Research Inc. Research conducted in August, 2005, 500 nationwide company & civil workers aged 55 - 59



# Social Security Systems in Japan

## <Medical Insurance System>

Medical Insurance : Japan has a compulsory insurance system by which all those living in Japan shall be covered by one of the following insurances to receive medical services.

Workplace-based insurance (for salaried workers and their dependents)	Government-managed insurance (municipality is the insurer)
<b>Employer-based insurance :</b> enrolled by company employees	<b>National Health Insurance :</b> enrolled by self-employed individuals, part-time workers, and those who are not enrolled in a social insurance such as farmers and fishers.  <b>&lt;Retiree Health Care System&gt;</b> Eligibility : Those who retired and withdrew from social insurance and receive a pension
<b>Mutual aid associations :</b> enrolled by civil-service workers and faculty members	
<b>Seamen's insurance :</b> enrolled by mariners	
<b>Elderly Health Care System</b>	
Eligibility : Those aged 75 years or older (including those who became 70 years old before September 30, 2002), or those aged between 65 and 75 and in bed-ridden and other deteriorated physical conditions with their eligibility for medical insurance benefits unchanged.	



# Social Security Systems in Japan

## <Long-term Care Insurance>

Long-term Care Insurance : Those aged 65 or over (called category 1 insured persons) and those aged 40 to 64 (called category 2 insured persons) pay premiums for long-term care insurance.

Category 1  
insured persons



25.79 million  
Feb/2006

Persons receiving  
care services



4.15 million  
(Feb/2006)



5.4 Trillion yen  
(FY2004)

### Eligibility for receiving care services

#### Those aged 65 or over

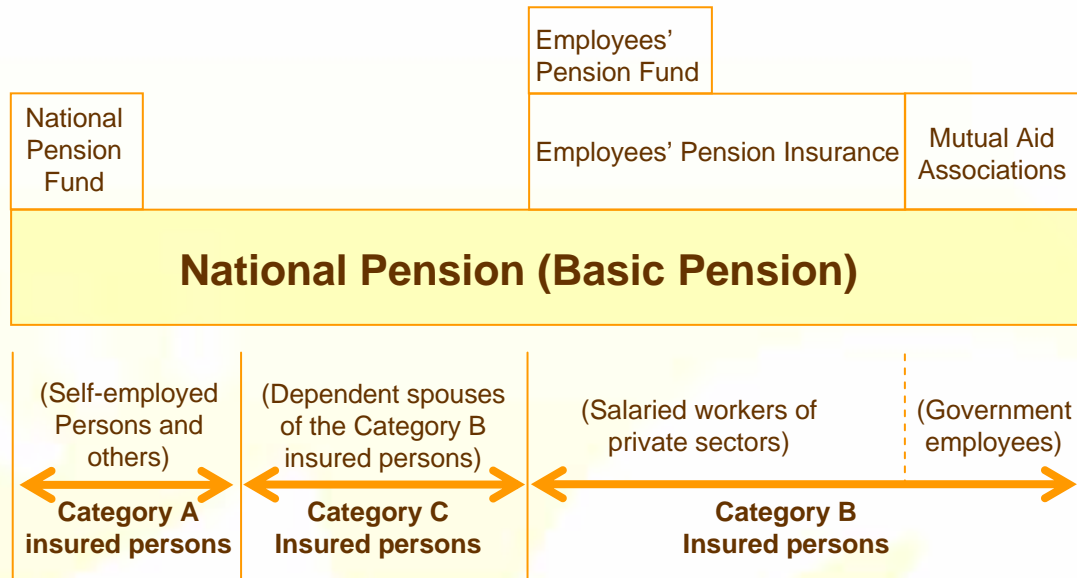
All those who require long-term care can receive care services.

#### Those aged 40 to 64

Those who require long-term care due to specified age-related diseases can receive care services.

# Social Security Systems in Japan

## <Pension >



Source : Social Insurance Agency

Persons having contributed for 40 years from age 20 to 60 qualify for receiving full benefit amount of the old-age basic pension (794,500 yen in FY2005).

Enrollment in an Employees' Pension Insurance system or a Mutual Aid Association shall be from the date employed to the retirement. Benefit amount reflects enrollment period and salaries during employment.



# What does "social security" mean in the United States and in Europe?

Each country has its own "social security systems," which have been formed based on its nationality and values and reflect the social systems, economic situation and political conditions of the country. There are therefore a lot of differences in the mechanisms of and in services or benefits provided under the systems among countries. For example, public pension systems differ with countries in terms of financial resources, the premium level, ages at which the benefits begin to be provided, benefit levels, and requirements for receiving benefits. International comparisons of the social security systems should be made based on the recognition that there are diversified differences in the systems of each country. If made without such recognition, it might lead to misunderstanding.

In the first place, each country has its own definition of social security.

For example in the United Kingdom, social security means income security such as pensions and child allowances, while Japan's definition of social security systems includes those called "social policy" or "social services" in the United Kingdom. The "social policy" or "social services" have a wide range of meaning: income security, medical care (called "national health service" in the United Kingdom), personal social services, housing policies, education and employment.

Also in the United States, "social security" is often defined as income security such as pensions. The welfare services provided in Japan are called "human services." In the United States, "welfare" usually points to services that are funded by tax revenues and provided after the status inquiry, especially to the temporary assistance to needy families (TANF). The U.S. Social Security Act, however, is a comprehensive law, which provides for unemployment insurance, health services for fatherless families, human services for people with disabilities, medical services for the elderly and medical assistance in addition to pension insurance for ensuring income.

In France, social security ("Securite Sociale" in French) means social insurance such as sickness insurance and old-age insurance. In addition to Social insurance, social assistance (provision of cash and services to the ill, people with disabilities or to the elderly who have cleared the income criteria), social services (other social welfare services provided without an income limit) and the minimum income level security system for independence are collectively called "Protection Social."

In Germany, social security ("Soziale Sicherheit" in German) includes social insurance, social compensation (for the war victims, etc.), and social support (social assistance or support to students). German people, however, do not often use the expression "Soziale Wohlfahrt" (social welfare).



# Aged Care Facilities

Facilities	Managed by	# of facilities	Long-term care insurance payments
Nursing/medical/healthcare/welfare facilities	Public institutions Medical institutions	12,139	Long-term care insurance 2,760 billion yen
Retirement homes	Business corporations Social welfare corporations Healthcare corporations	6,353	267 billion yen
Treatment & nursing / daily-life-care facilities for short-term stays (Short-stay)	Healthcare corporations Social welfare corporations	11,478	251 billion yen
Day care facilities (Day care services)	Healthcare corporations Social welfare corporations Business corporations	20,594	894 billion yen
In-home services	Healthcare corporations Social welfare corporations Business corporations	24,904	747 billion yen



# Japanese market and business

## Market

to be updated



## Business

to be updated



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