## Table 1: Basic statistics

|  | Mean | Median | Std. Dev. | Min. | Max. | No. of obs. |
|---|---|---|---|---|---|---|
| **FY2001-FY2002** |  |  |  |  |  |  |
| Long-term care certification ratio (%) | 13.21 | 12.85 | 2.94 | 5.69 | 29.27 | 4941 |
| Long-term care user ratio (%) | 75.86 | 75.92 | 7.15 | 6.40 | 99.68 | 4930 |
| No. of long-term care users | 22794.58 | 4431.50 | 66271.47 | 59.00 | 625547.00 | 4930 |
| Per head allowance (thousand yen) | 1790.11 | 1835.10 | 1046.79 | 0.00 | 28110.39 | 4930 |
| Current expenditure/current income ratio (%) | 82.27 | 82.30 | 7.00 | 38.90 | 129.00 | 4920 |
| Proportion of those aged 65 and over in total population | 22.88 | 22.60 | 6.82 | 7.40 | 50.10 | 4890 |
| Population density (persons per km2 | 842.94 | 225.75 | 1930.22 | 1.30 | 18898.40 | 4890 |
| No. of institutionalized care receivers per 100,000 persons aged 65 and o | 3149.45 | 3153.00 | 721.33 | 2018.00 | 5188.00 | 4930 |
| No. of hospital beds per 100,000 persons | 1376.92 | 1329.50 | 327.70 | 835.03 | 2038.20 | 4930 |
| Wage level group |  |  |  |  |  |  |
|    Group A | 0.01 | 0 | 0.10 | 0 | 1 | 4930 |
|    Group B | 0.02 | 0 | 0.15 | 0 | 1 | 4930 |
|    Group C | 0.01 | 0 | 0.07 | 0 | 1 | 4930 |
|    Group D | 0.03 | 0 | 0.17 | 0 | 1 | 4930 |
|    Group D | 0.93 | 1 | 0.25 | 0 | 1 | 4930 |
| Employment share by industry |  |  |  |  |  |  |
|    Primary industry | 13.68 | 11.20 | 11.02 | 0 | 77.20 | 4910 |
|    Secondary industry | 31.80 | 31.90 | 8.92 | 0 | 60.70 | 4910 |
|    Tertiary industry | 54.44 | 53.40 | 11.16 | 0 | 92.60 | 4910 |
| Dummy for regional associations | 0.13 | 0 | 0.34 | 0 | 1 | 4930 |
| Share of insurers receiving financial stabilization loans | 7.98 | 3.85 | 11.71 | 0 | 75.47 | 4930 |
|  |  |  |  |  |  |  |
| **FY2003-FY2004** |  |  |  |  |  |  |
| Long-term care certification ratio (%) | 15.22 | 14.94 | 2.94 | 7.89 | 30.24 | 4947 |
| Long-term care user ratio (%) | 77.86 | 77.84 | 6.33 | 6.58 | 99.90 | 4942 |
| No. of long-term care users | 31004.04 | 6030.50 | 83592.53 | 49.00 | 849219.00 | 4942 |
| Per head allowance (thousand yen) | 1800.25 | 1782.77 | 305.34 | 920.09 | 18345.51 | 4942 |
| Current expenditure/current income ratio (%) | 86.15 | 86.30 | 7.04 | 42.60 | 142.50 | 4915 |
| Proportion of those aged 65 and over in total population | 24.16 | 23.80 | 6.99 | 8.10 | 52.30 | 4902 |
| Population density (persons per km2 | 845.17 | 223.40 | 1946.14 | 1.30 | 19053.20 | 4902 |
| No. of institutionalized care receivers per 100,000 persons aged 65 and o | 3278.58 | 3287.00 | 632.35 | 2231.00 | 5107.00 | 4942 |
| No. of hospital beds per 100,000 persons | 1294.31 | 1281.27 | 303.34 | 743.25 | 1867.67 | 4942 |
| Dummy for regional associations | 0.16 | 0 | 0.37 | 0 | 1 | 4942 |
| Share of insurers receiving financial stabilization loans | 19.53 | 13.95 | 18.27 | 0 | 86.54 | 4942 |

\* It should be noted that the data used for the wage groups and the employement share by industry are the same for all years.

**Table 2(a): Determinants of the certification ratio (share of insurers receiving financial stabilization loans)**

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the share of insurers receiving loans from the financial stabilization | -0.0094 | 0.0022 | ** | -0.0117 | 0.0023 | ** |
| Proportion of those aged 65 and over in total population | 0.0261 | 0.0060 | ** | 0.0039 | 0.0084 | |
| Population density | 0.0000 | 0.0000 | | 0.0000 | 0.0000 | |
| Wage level group | | | | | | |
|    Group B | -0.1055 | 0.1581 | | -0.3834 | 0.2234 | |
|    Group C | 0.1113 | 0.1983 | | -0.0370 | 0.2253 | |
|    Group D | -0.1665 | 0.1881 | | -0.3486 | 0.2748 | |
|    Group D | -0.2179 | 0.2092 | | -0.3887 | 0.3149 | |
| Employment share by industry | | | | | | |
|    Primary industry | -0.0146 | 0.0031 | ** | -0.0024 | 0.0029 | |
|    Tertiary industry | 0.0052 | 0.0022 | * | 0.0012 | 0.0025 | |
| Intercept | 0.9124 | 0.3774 | * | 1.0663 | 0.5684 | |
| | No. of obs.=2443 | | | No. of obs.=2445 | | |
| | $R^2$=0.4073 | | | $R^2$=0.1877 | | |

Notes: (1) **, * indicate that the variable is statistically significant at the 1% and the 5% level, respectively.
    (2) Estimated using the municipal population as a weight.
    (3) Group A was used as the reference value for the wage level dummy.
    (4) In order to take into consideration the special characteristics of each prefecture, 47 prefecture dummies were included in the regression.
      However, the results have been omitted to conserve space.

## Table 2(b): Determinants of the certification ratio (current expenditure ratio)

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the current expenditure ratio | 0.0035 | 0.0068 | | -0.0151 | 0.0076 | * |
| Proportion of those aged 65 and over in total population | 0.0259 | 0.0060 | ** | 0.0043 | 0.0083 | |
| Population density | 0.0000 | 0.0000 | | 0.0000 | 0.0000 | |
| Wage level group | | | | | | |
|   Group B | -0.1118 | 0.1592 | | -0.3755 | 0.2210 | |
|   Group C | 0.1070 | 0.1991 | | -0.0242 | 0.2234 | |
|   Group D | -0.1718 | 0.1889 | | -0.3281 | 0.2705 | |
|   Group D | -0.2226 | 0.2096 | | -0.3911 | 0.3130 | |
| Employment share by industry | | | | | | |
|   Primary industry | -0.0146 | 0.0031 | ** | -0.0029 | 0.0028 | |
|   Tertiary industry | 0.0053 | 0.0022 | * | 0.0009 | 0.0024 | |
| Intercept | 0.8451 | 0.3804 | * | 0.9277 | 0.5723 | |
| | No. of obs.=2441 | | | No. of obs.=2445 | | |
| | $R^2$=0.4075 | | | $R^2$=0.192 | | |

Notes: See Table 2(a).

**Table 3(a): Determinants of the utilization ratio (share of insurers receiving financial stabilization loans)**

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the share of insurers receiving loans from the financial stabilization fur | 0.030 | 0.025 | | 0.0463 | 0.0162 | ** |
| Proportion of those aged 65 and over in total population | 0.003 | 0.028 | | 0.0029 | 0.0165 | |
| Population density | 0.000 | 0.000 | | 0.0000 | 0.0000 | |
| Wage level group | | | | | | |
|   Group B | -0.945 | 0.804 | | 0.2425 | 0.4659 | |
|   Group C | -1.748 | 0.999 | | -0.2673 | 0.6739 | |
|   Group D | -2.680 | 0.997 | ** | -0.8672 | 0.6104 | |
|   Group D | -2.386 | 0.986 | * | -0.6761 | 0.6125 | |
| Employment share by industry | | | | | | |
|   Primary industry | 0.020 | 0.016 | | -0.0087 | 0.0127 | |
|   Tertiary industry | 0.006 | 0.012 | | -0.0030 | 0.0093 | |
| No. of institutionalized care receivers | 0.000 | 0.001 | | -0.0001 | 0.0006 | |
| No. of hospital beds | -0.001 | 0.002 | | -0.0010 | 0.0012 | |
| Intercept | 3.920 | 1.780 | * | 3.8239 | 1.6794 | * |
| | No. of obs.=2013 | | | No. of obs.=2197 | | |
| | $R^2$=0.1809 | | | $R^2$=0.1623 | | |

Notes: (1) **, * indicate that the variable is statistically significant at the 1% and the 5% level, respectively.
    (2) Estimated using the municipal population as a weight.
    (3) Group A was used as the reference value for the wage level dummy.
    (4) In order to take into consideration the special characteristics of each prefecture, 47 prefecture dummies were included in the regression. However, the results have been omitted to conserve space.
    (5) Both 5% tails of the data for the dependent variable were omitted for the estimation.

Table 3(b): Determinants of the utilization ratio (current expenditure ratio)

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
| --- | --- | --- | --- | --- | --- | --- |
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the current expenditure ratio | -0.0425 | 0.0334 | | 0.028 | 0.026 | |
| Proportion of those aged 65 and over in total population | 0.0060 | 0.0281 | | 0.002 | 0.017 | |
| Population density | -0.0001 | 0.0001 | | 0.000 | 0.000 | |
| Wage level group | | | | | | |
|   Group B | -0.8643 | 0.8147 | | 0.234 | 0.465 | |
|   Group C | -1.6889 | 1.0007 | | -0.285 | 0.669 | |
|   Group D | -2.6040 | 0.9877 | ** | -0.899 | 0.604 | |
|   Group D | -2.3253 | 0.9811 | * | -0.664 | 0.611 | |
| Employment share by industry | | | | | | |
|   Primary industry | 0.0196 | 0.0159 | | -0.008 | 0.013 | |
|   Tertiary industry | 0.0061 | 0.0123 | | -0.002 | 0.009 | |
| No. of institutionalized care receivers | 0.0009 | 0.0003 | ** | -0.001 | 0.001 | |
| No. of hospital beds | -0.0023 | 0.0007 | ** | 0.000 | 0.001 | |
| Intercept | 2.8557 | 1.6525 | | 4.848 | 1.768 | ** |
| | No. of obs.=2013 | | | No. of obs.=2197 | | |
| | $R^2$=0.1825 | | | $R^2$=0.1633 | | |

Notes: See Table 3(a).

## Table 3(c): Determinants of the number of users (share of insurers receiving financial stabilization loans)

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the share of insurers receiving loans from the financial stabilization fu | -0.0638 | 0.0262 | * | -0.1187 | 0.0322 | ** |
| Proportion of those aged 65 and over in total population | -0.1017 | 0.0319 | ** | -0.1202 | 0.0280 | ** |
| Population density | -0.0001 | 0.0001 | | 0.0001 | 0.0001 | * |
| Wage level group | | | | | | |
| Group B | -1.9628 | 0.9435 | * | 1.4580 | 0.6170 | * |
| Group C | -0.8028 | 1.2873 | | 2.5025 | 1.0179 | * |
| Group D | -2.2779 | 1.1502 | * | 1.5395 | 0.7861 | |
| Group D | -3.9381 | 1.1519 | ** | 1.9821 | 0.8931 | * |
| Employment share by industry | | | | | | |
| Primary industry | -0.1202 | 0.0215 | ** | -0.0940 | 0.0225 | ** |
| Tertiary industry | 0.0083 | 0.0156 | | 0.0283 | 0.0148 | |
| No. of institutionalized care receivers | -0.0001 | 0.0008 | | 0.0020 | 0.0014 | |
| No. of hospital beds | -0.0023 | 0.0019 | | -0.0055 | 0.0033 | |
| Intercept | 25.5499 | 2.6668 | ** | 11.9693 | 2.4191 | ** |
| | No. of obs.=2213 | | | No. of obs.=2202 | | |
| | $R^2$=0.4311 | | | $R^2$=0.4048 | | |

Notes: (1) **, * indicate that the variable is statistically significant at the 1% and the 5% level, respectively.
 (2) Estimated using the municipal population as a weight.
 (3) Group A was used as the reference value for the wage level dummy.
 (4) In order to take into consideration the special characteristics of each prefecture, 47 prefecture dummies were included in the regression. However, the results have been omitted to conserve space.
 (5) Both 5% tails of the data for the dependent variable were omitted for the estimation.

## Table 3(d): Determinants of the number of users (current expenditure ratio)

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the current expenditure ratio | 0.0323 | 0.0532 | | -0.0478 | 0.0419 | |
| Proportion of those aged 65 and over in total population | -0.1033 | 0.0322 | ** | -0.1195 | 0.0280 | ** |
| Population density | -0.0001 | 0.0001 | | 0.0001 | 0.0001 | * |
| Wage level group | | | | | | |
|    Group B | -2.0254 | 0.9478 | * | 1.4802 | 0.6175 | * |
|    Group C | -0.8468 | 1.2900 | | 2.5420 | 1.0183 | * |
|    Group D | -2.3278 | 1.1539 | * | 1.6068 | 0.7834 | * |
|    Group D | -3.9790 | 1.1515 | ** | 1.9810 | 0.8885 | * |
| Employment share by industry | | | | | | |
|    Primary industry | -0.1199 | 0.0216 | ** | -0.0942 | 0.0225 | ** |
|    Tertiary industry | 0.0085 | 0.0155 | | 0.0283 | 0.0148 | |
| No. of institutionalized care receivers | -0.0025 | 0.0004 | ** | 0.0016 | 0.0014 | |
| No. of hospital beds | 0.0016 | 0.0013 | | -0.0051 | 0.0032 | |
| Intercept | 27.6652 | 2.7811 | ** | 10.9973 | 2.4912 | ** |
| | No. of obs.=2232 | | | No. of obs.=2201 | | |
| | $R^2$=0.4312 | | | $R^2$=0.4060 | | |

Notes: See Table 3(c).

**Table 4(a): Determinants of the per-head allowance (share of insurers receiving financial stabilization loans)**

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the share of insurers receiving loans from the financial stabilization fu | 0.0066 | 0.0363 | | 0.0232 | 0.0148 | |
| Proportion of those aged 65 and over in total population | 0.0185 | 0.0309 | | -0.0011 | 0.0206 | |
| Population density | 0.0000 | 0.0001 | | -0.0001 | 0.0001 | * |
| Wage level group | | | | | | |
|    Group B | 1.3265 | 1.1744 | | -0.5721 | 0.5305 | |
|    Group C | 1.6391 | 1.2711 | | -1.5491 | 0.7637 | * |
|    Group D | 2.7576 | 1.2704 | * | -0.5442 | 0.6938 | |
|    Group D | 2.8025 | 1.1895 | * | -0.9428 | 0.6779 | |
| Employment share by industry | | | | | | |
|    Primary industry | 0.0770 | 0.0227 | ** | 0.0364 | 0.0159 | * |
|    Tertiary industry | -0.0263 | 0.0176 | | -0.0203 | 0.0116 | |
| No. of institutionalized care receivers | -0.0011 | 0.0014 | | 0.0001 | 0.0005 | |
| No. of hospital beds | -0.0025 | 0.0019 | | -0.0035 | 0.0011 | ** |
| Intercept | 2.6559 | 3.0541 | | 4.9656 | 1.6926 | ** |
| | No. of obs.=1971 | | | No. of obs.=2394 | | |
| | $R^2$=0.2765 | | | $R^2$=0.2208 | | |

Notes: See Table 3(a).

## Table 4(b): Determinants of the per-head allowance (current expenditure ratio)

| | FY2001-FY2002 | | | FY2003-FY2004 | | |
|---|---|---|---|---|---|---|
| | Coeff. | Std. Dev. | | Coeff. | Std. Dev. | |
| Change in the current expenditure ratio | 0.0275 | 0.0546 | | -0.0361 | 0.0293 | |
| Proportion of those aged 65 and over in total population | 0.0160 | 0.0306 | | -0.0002 | 0.0205 | |
| Population density | 0.0000 | 0.0001 | | -0.0001 | 0.0001 | ** |
| Wage level group | | | | | | |
| Group B | 1.2797 | 1.1993 | | -0.5563 | 0.5276 | |
| Group C | 1.6083 | 1.2756 | | -1.5223 | 0.7616 | ** |
| Group D | 2.7136 | 1.2731 | * | -0.4966 | 0.6897 | |
| Group D | 2.7679 | 1.1935 | * | -0.9519 | 0.6762 | |
| Employment share by industry | | | | | | |
| Primary industry | 0.0776 | 0.0227 | ** | 0.0354 | 0.0159 | ** |
| Tertiary industry | -0.0262 | 0.0176 | | -0.0210 | 0.0116 | |
| No. of institutionalized care receivers | -0.0009 | 0.0004 | * | -0.0002 | 0.0004 | |
| No. of hospital beds | -0.0030 | 0.0013 | * | -0.0028 | 0.0011 | ** |
| Intercept | 2.5094 | 2.6290 | | 5.4977 | 1.8033 | ** |
| | No. of obs.=1969 | | | No. of obs.=2394 | | |
| | $R^2$=0.2766 | | | $R^2$=0.2217 | | |

Notes: See Table 3(c).