3. The Method Used for Projecting Population

Assumptions for population process components (birth, death and international migration) are established, and the cohort component method is used for population projections. Assumptions are made based on actual statistics of each component through the demographic- projective method.

(1) Summary of Assumptions for Future Fertility

Assumptions for marriage and birth index of cohorts of women born in 1990 (reference cohorts) were made. The transition made from the actual figures of aging cohorts or statistically assumed figure to the assumptions of the reference cohorts, and gradual changes to the cohorts born in 2005, and remaining thereafter are assumed.

Type of Assumption	Fetility Assumption Index	Presupposition			Total Fertility Rate			Projected in January 2002
		Current Actual Figure Generation born in 1955		Assumption Generations born in 1990 (Reference cohort)	2005 Actual Figure	2030	2055	2050
Medium-Variant Assumption	1) Mean Age of First Marriage	24. 9 year	→ Increase	28. 2 year	1. 26	1. 24	1. 26	1. 39
	2) Proportion of Never Married	5. 8%	→ Increase	23. 5%				
	3) Completed Number of Birth from Married Couple	2. 16 people	→ Decrease	1. 70 people				
	4) Effects of Divorce, Bereavement, and Remarriage	0. 952	→	0. 925				
High-Variant Assumption	1) Mean Age of First Marriage	As Above	→ Increase	27. 8 year	1. 26	1. 53	1. 55	1. 63
	2) Proportion of Never Married		→ Increase	17. 9%				
	3) Completed Number of Birth from Married Couple		→ Decrease	1. 91 people				
	4) Effects of Divorce, Bereavement, and Remarriage		→ Decrease	0. 938				
Low-Variant Assumption	1) Mean Age of First Marriage	As Above	→ Increase	28. 7 year	1. 26	1. 04	1. 06	1. 10
	2) Proportion of Never Married		→ Increase	27. 0%				
	3) Completed Number of Birth from Married Couple		→ Decrease	1. 52 people				
	4) Effects of Divorce, Bereavement, and Remarriage		→ Decrease	0. 918				

Sources National Institute of Population and Social Security Research "Population Projection for Japan (estimated in December 2006)
[Note] Proportion of never married in this projection is calculated from the proportion of cumulated first marriage at the age of 50 of the Japanese female cohorts extracted from Vital Statistics.Assumption of the proportion of never married for reference cohorts are, if using the same definition as the previous projection, medium-variant 20.4%, high-variant 14.6%, and low-variant 24.1%.
Sex ration at birth: Assumed that sex ratio at birth from 2001 to 2005 (105.4) remains constant.

(2) Summary of Assumption for Mortality

According to the actual mortality figures from 1970 to 2005, "low variant of death" assumption (Male 83.67 years, Female 90.34 years) was made, and following the confidence interval of mortality index parameters, "high-variant death" assumption (Male 82.41 years, Female 89.17 years) and "low-variant death" assumption (Male 84.93 years, Female 91.51 years) were set. (Brackets are the average life expectancy of FY 2055)

	Actual Figures in 2005	Medium-Variant Death Assumption in 2055	Projected in January 2002 in 2050
Male	78. 53 year	→ 83. 67 year	80. 95 year
Female	85. 49 year	→ 90. 34 year	89. 22 year

References: National Institute of Population and Social Security Research "Population Projection for Japan (estimated in December 2006)"

(3) Summary of assumptions in regards to the International Migration

The average rate of age- and sex-specific annual net migration for the Japanese during the period of October 1, 1998 and September 30, 2005 remains constant. (Years affected by September 11 terrorist attacks and SARS were excluded.) As for the foreigners, the assumptions for the number of net migration were made. Assumed numbers changes from 25,000 males and 26,000 females in 2006 to 33,000 males and 42,000 females in 2025, and remain unchanged thereafter.