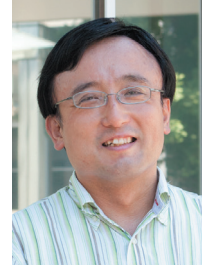


Changing Employment Structure of Japan



Author Nobuo Iizuka

By Nobuo Iizuka

Number of Employed Increases for 5th Year

According to the Labour Force Survey (Statistics Bureau, Ministry of Internal Affairs and Communications) released on Jan. 30, 2026, the average number of employed persons in Japan for 2025 was 68.28 million people, increasing for the fifth consecutive year. Even looking at the past decade it has continued to rise, except for a decline in 2020 during the coronavirus pandemic, with the number increasing by 1.07 times, equivalent to 4.52 million people.

Japan has entered a society of population decline, and the increase in the number of employed persons has been driven by greater labor participation among women and seniors. The employment rate, which is the percentage of employed persons in a population over 15 years of age, has reached 62.2% in 2025, the highest since the early 1980s, and it has risen by 4.6 percentage points in the past decade. In which

industry are employed persons working?

Greatest Increase in Medical, Healthcare & Welfare

Looking at the number of employed people in 2025 by industry, the number is large in manufacturing (10.33 million people, 15.1% of total) and wholesale and retail trade (10.29 million people, 15.1% of total), and these two sectors account for 30 % of the total. But looking at the trend for the past decade, the number of employed people has declined for both sectors (*Chart 1*).

On the other hand, the sector which saw the largest increase in the number of employed people over the past decade is medical, healthcare and welfare (9.47million people, 13.9% of total). Of the increase of 1.63 million people in the past decade, an increase of 960,000, or more than half, was in “social insurance, social welfare

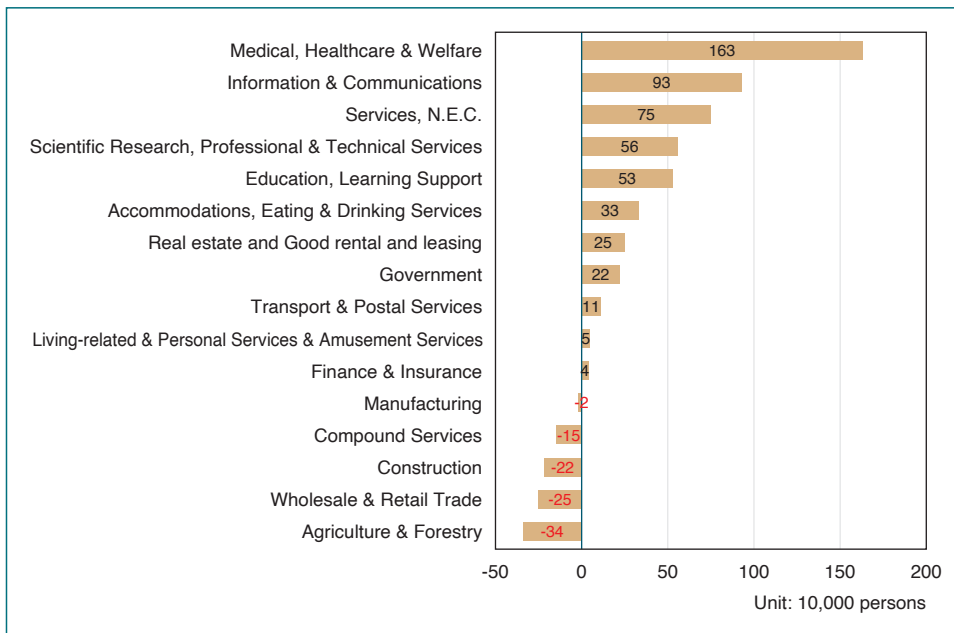
and care services”. Elderly welfare and care services are included, and it is thought that this is a manifestation of the rising demand for care services with the advance of an aging society.

The next largest is information and communications (3.02 million people in 2025, 4.4% of total). Most of the increase of 930,000 people in the past decade is in the information services sector. This includes the software industry and information processing and provider services, and it is likely that advancement of digitalization is behind the increase.

The third is services (not elsewhere classified, n.e.c.), and it was 4.82 million people in 2025, or 7.1% of the total. It includes various services in other classifications but most of the increase of 750,000 people in the

CHART 1

Change in the number of employed persons by industry (2015-2025)



Source: Statistics Bureau of Japan “Labour Force Survey”

past decade was in other business services. The security industry, which is said to be experiencing labor shortages, is included and looks to be behind the increase.

Increase in Employment of Women

Looking at the breakdown of the growth in the number of employed persons over the past decade by age group and gender, for medical, healthcare and welfare, the increase of women between 15 to 64 years was the largest at 710,000 people (Chart 2). The next is 450,000 people for women 65 years and over. This seems to be related to the fact that many women are engaged in care work.

On the other hand, for information and communications, which saw the second-highest increase in the number of employed persons over the past decade, the increase in men between 15 to 64 years is the largest at 500,000 people. The increase for women between 15 to 64 years is also 370,000 people, but neither men nor women 65 years and over stand out. The third highest is services (n.e.c.) and the increase of 350,000 people is greatest for women between 15 to 64 years, but the next is men 65 years and over at 190,000 people.

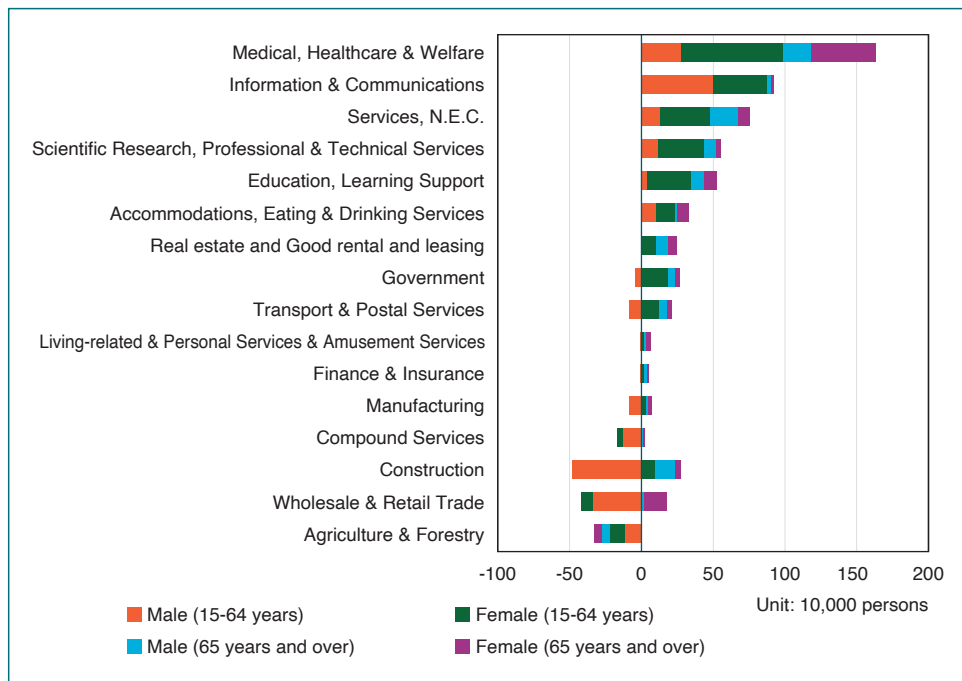
The wholesale and retail trade, which has seen a decline in the number of employed persons in the past decade, is seeing men and women 65 years and over slightly covering for the decline in men and women between 15 to 64 years. Indeed, we are seeing more elderly people working at such places like supermarket checkouts. Construction and manufacturing are seeing a decline of men between 15 to 64 years being supported by the increase in women between 15 to 64 years and men and women 65 years and over. An elderly workforce supporting the labor shortage can be confirmed.

Foreign Workers Mostly in Manufacturing

According to the “Summary of Reporting Status for ‘Employment Status of Foreign Nationals’” by the Ministry of Health, Labour and Welfare, the number of foreign workers as of the end of October 2025 was the highest since reporting became mandatory in 2007 at 2.57

CHART 2

Change in the number of employed persons by industry, age group & gender (2015-2025)



Source: Statistics Bureau of Japan “Labour Force Survey”

million, of whom 24.7%, or 635,000 people work in manufacturing. Although the statistics are different, they account for 6% of the number of employed persons in manufacturing in the “Labour Force Survey” (10.33 million people). In addition, numbers are large for services (n.e.c.) at 392,000 people, wholesale and retail trade at 340,000 people, and eating and drinking services at 34,000 people, corresponding to the sectors that are growing in the number of employed persons by industry in the Labour Force Survey. It can be reconfirmed that foreign workers are also supporting Japanese industries.

NOTE: This article is based on information available as of March 2, 2026.

Article translated from the original Japanese by Mio Uchida

JS

Nobuo Iizuka is a professor of the Department of Economics at Kanagawa University. He worked for the *Nihon Keizai Shimbun (Nikkei)* and the Japan Center for Economic Research for more than 20 years, and is one of the most highly-regarded commentators on Japanese business and the economy.

Calendar year, Quarter and Month	Real GDP		Nominal GDP		IIP rate of increase over previous year/term (month) (%)	CPI (All terms, less fresh food) rate of increase over previous year/the same term (month) of the previous year (%)
	Amount (trillion yen)	Rate of increase over previous year/term (%)	Amount (trillion yen)	Rate of increase over previous year/term (%)		
2018	580.9	0.8	569.2	0.7	0.6	0.9
2019	579.1	-0.3	571.8	0.5	-2.6	0.6
2020	554.3	-4.3	554.1	-3.1	-10.4	-0.2
2021	574.0	3.6	573.6	3.5	5.4	-0.2
2022	581.7	1.3	584.9	2.0	-0.1	2.3
2023	585.9	0.7	616.0	5.3	-1.3	3.1
2024	584.5	-0.2	634.2	3.0	-2.6	2.5
2025	591.4	1.2	663.8	4.7	-0.3	3.1
2025/1st Qtr.	590.3	0.3	651.8	0.9	0.0	3.1
2nd Qtr.	593.8	0.6	666.0	2.2	-0.5	3.5
3rd Qtr.	589.9	-0.7	665.7	0.0	-1.1	2.9
4th Qtr.	591.9	0.3	671.6	0.9	0.3	2.8
2025/July	—	—	—	—	-1.0	3.1
Aug.	—	—	—	—	-1.3	2.7
Sept.	—	—	—	—	1.8	2.9
Oct.	—	—	—	—	0.6	3.0
Nov.	—	—	—	—	-2.0	3.0
Dec.	—	—	—	—	0.6	2.4
2026/Jan.	—	—	—	—	4.3	2.0
Feb.	—	—	—	—	-2.0	1.6
Sources	"SNA (National Accounts of Japan)", Cabinet Office				"Indices of Industrial Production", Ministry of Economy, Trade and Industry	"Consumer Price Index", Statistics Bureau, Ministry of Internal Affairs and Communications

Calendar year, Quarter and Month	Foreign Trade Statistics									
	Exports amount (trillion yen)	Exports rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount (trillion yen)	Imports rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to US (trillion yen)	Exports to US rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from US (trillion yen)	Imports from US rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to EU (trillion yen)	Exports to EU rate of increase over previous year/ the same term (month) of the previous year (%)
2018	81.5	4.1	82.7	9.7	15.5	2.4	9.0	11.4	7.7	7.8
2019	76.9	-5.6	78.6	-5.0	15.3	-1.4	8.6	-4.2	7.4	-3.0
2020	68.4	-11.1	68.0	-13.5	12.6	-17.3	7.5	-13.7	6.3	-15.1
2021	83.1	21.5	84.9	24.8	14.8	17.6	8.9	19.6	7.7	21.4
2022	98.2	18.2	118.5	39.6	18.3	23.1	11.8	31.9	9.4	22.0
2023	100.9	2.7	110.4	-6.8	20.3	11.0	11.6	-1.7	10.4	10.9
2024	107.1	6.2	112.7	2.1	21.3	5.1	12.7	9.8	10.0	-3.9
2025	110.4	3.1	113.3	0.5	20.4	-4.3	12.9	1.8	10.1	1.3
2025/1st Qtr.	26.9	7.4	28.6	6.1	5.3	7.1	3.1	-0.8	2.4	-7.6
2nd Qtr.	26.4	-0.1	27.1	-3.1	5.0	-8.3	3.1	-9.1	2.4	0.7
3rd Qtr.	27.2	0.3	27.9	-3.1	4.7	-12.8	3.3	5.7	2.5	2.1
4th Qtr.	29.9	4.9	29.7	2.6	5.4	-2.5	3.4	12.6	2.8	9.8
2025/July	9.3	-2.8	9.5	-7.3	1.7	-10.8	1.1	-0.7	0.9	-3.4
Aug.	8.4	-0.1	8.7	-5.1	1.4	-14.1	1.1	12.0	0.8	5.5
Sept.	9.4	4.1	9.7	3.3	1.6	-13.7	1.1	7.0	0.9	5.0
Oct.	9.8	3.6	10.0	0.8	1.8	-3.1	1.2	21.1	0.9	9.2
Nov.	9.7	6.1	9.4	1.4	1.8	8.8	1.1	7.3	0.9	19.5
Dec.	10.4	5.1	10.3	5.4	1.8	-11.1	1.1	9.3	1.0	2.5
2026/Jan.	9.2	16.8	10.4	-2.6	1.5	-5.1	1.1	3.2	0.8	29.6
Feb.	9.6	4.0	9.5	10.3	1.8	-8.0	1.1	8.4	0.9	14.0
Sources	"Trade Statistics of Japan", Ministry of Finance									

Calendar year, Quarter and Month	Cash salary amount rate of increase over previous year/the same term (month) of the previous year (%)	Active job openings-to-applicants ratio (time(s))	Unemployment rate (%)	M2 rate of increase over previous year/ the same term (month) of the previous year (%)	Balance of payments		Yen/\$ rate (averaged during the term)
					Trade balance (trillion yen)	Current balance (trillion yen)	
2018	1.4	1.61	2.4	2.9	1.1	19.5	110.4
2019	-0.4	1.60	2.4	2.4	0.2	19.3	109.0
2020	-1.2	1.18	2.8	6.5	2.8	16.0	106.8
2021	0.3	1.13	2.8	6.4	1.8	21.5	109.8
2022	2.0	1.28	2.6	3.3	-15.5	11.4	131.4
2023	1.2	1.31	2.6	2.5	-6.6	22.5	140.5
2024	2.8	1.25	2.5	1.7	-2.7	29.3	151.5
2025	2.3	1.22	2.5	1.2	-0.6	32.2	149.6
2025/1st Qtr.	2.2	1.25	2.5	1.1	-1.4	7.3	152.5
2nd Qtr.	2.4	1.23	2.5	0.7	-0.0	7.0	144.5
3rd Qtr.	2.4	1.21	2.5	1.3	0.2	10.7	147.5
4th Qtr.	2.2	1.19	2.6	1.7	0.7	7.3	154.1
2025/July	3.4	1.22	2.4	1.0	-0.2	2.6	146.9
Aug.	1.3	1.21	2.6	1.3	0.1	3.6	147.6
Sept.	2.1	1.20	2.6	1.5	0.2	4.4	147.9
Oct.	2.5	1.19	2.6	1.6	0.0	2.7	151.3
Nov.	1.7	1.19	2.6	1.7	0.6	3.7	155.1
Dec.	2.4	1.20	2.6	1.7	0.1	0.9	155.9
2026/Jan.	2.5	1.18	2.7	1.6	-0.6	0.9	156.8
Feb.	3.3	1.19	2.6	1.7	0.3	3.9	155.2
Sources	"Monthly Labour Survey", Ministry of Health, Labour and Welfare	"Employment Referrals for General Workers", Ministry of Health, Labour and Welfare	"Labour Force Survey", Statistics Bureau, Ministry of Internal Affairs and Communications	"Money Stock", Bank of Japan	"Balance of Payments", Ministry of Finance		Bank of Japan

Calendar year, Quarter and Month	Foreign Trade Statistics									
	Imports amount from EU (trillion yen)	Imports from EU rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to Asia (excluding China) (trillion yen)	Exports to Asia (excluding China) rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from Asia (excluding China) (trillion yen)	Imports from Asia (excluding China) rate of increase over previous year/ the same term (month) of the previous year (%)	Exports amount to China (trillion yen)	Exports to China rate of increase over previous year/ the same term (month) of the previous year (%)	Imports amount from China (trillion yen)	Imports from China rate of increase over previous year/ the same term (month) of the previous year (%)
2018	8.8	10.6	28.8	2.9	20.0	7.8	15.9	6.8	19.2	4.0
2019	8.8	0.3	26.6	-7.6	19.0	-5.3	14.7	-7.6	18.5	-3.9
2020	7.8	-12.1	24.1	-9.4	17.2	-9.4	15.1	2.7	17.5	-5.1
2021	9.5	21.8	30.2	25.0	20.7	20.6	18.0	19.2	20.4	16.4
2022	11.4	21.1	36.4	20.6	28.6	37.8	19.0	5.7	24.8	21.9
2023	11.4	-0.2	34.7	-4.6	27.6	-3.4	17.8	-6.5	24.4	-1.7
2024	12.0	4.7	38.0	9.4	28.6	3.7	18.9	6.2	25.3	3.6
2025	12.8	6.6	41.1	8.2	29.1	1.6	18.8	-0.4	26.7	5.5
2025/1st Qtr.	3.1	16.5	9.9	13.2	7.5	9.6	4.4	0.7	6.5	10.9
2nd Qtr.	3.2	7.1	9.8	6.6	6.8	-2.7	4.6	-4.7	6.4	3.2
3rd Qtr.	3.2	-1.3	10.3	4.9	7.2	-3.3	4.7	0.5	6.5	2.5
4th Qtr.	3.3	6.0	11.0	8.6	7.6	3.3	5.1	1.8	7.3	5.6
2025/July	1.1	5.9	3.5	1.3	2.4	-9.9	1.6	-3.5	2.2	-3.9
Aug.	0.9	-19.5	3.2	2.7	2.3	-2.6	1.5	-0.5	1.9	2.1
Sept.	1.1	11.3	3.6	10.7	2.6	3.0	1.6	5.8	2.4	9.8
Oct.	1.0	-9.0	3.5	5.3	2.6	0.3	1.7	2.1	2.5	0.8
Nov.	1.0	6.6	3.6	7.9	2.4	4.3	1.6	-2.5	2.4	2.4
Dec.	1.2	21.6	3.9	12.5	2.6	5.4	1.8	5.5	2.5	14.7
2026/Jan.	1.0	-1.1	3.7	23.3	2.7	-1.2	1.5	32.0	2.6	0.6
Feb.	1.1	3.1	3.7	8.9	2.4	6.9	1.4	-11.0	2.3	35.4
Sources	"Trade Statistics of Japan", Ministry of Finance									