

STATISTICAL HANDBOOK OF

JAPAN

2026



Statistics Japan

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Preface

This handbook is designed to provide a clear and coherent overview of present-day Japan through statistics.

It provides statistical tables, figures, maps and photographs to portray conditions in modern-day Japan from a variety of perspectives, including demographics, economic and social trends, and culture. Most of the comments and statistical data for this purpose have been drawn from principal statistical publications available from government and other leading sources.

For more in-depth statistical information on Japan, readers are invited to peruse the Japan Statistical Yearbook.

We hope that this handbook will serve as a guide in your search for knowledge about Japan. We are always happy to receive opinions or requests from readers.

You can also view the contents of this handbook on the website of the Statistics Bureau.

September 2026

NAGASHIMA Katsutoshi
Director-General
Statistics Bureau
Ministry of Internal Affairs
and Communications
Japan

Notes for Users

1. The present issue basically contains statistics that became available by April 30, 2026.
2. Unless otherwise indicated, "year" refers to the calendar year and "fiscal year" refers to the 12 months beginning April 1 of the year stated.
3. Metric units are used in all tables and figures in which the data are measured in weight, volume, length or area. Refer to Appendix 2 for conversion factors.
4. Unless otherwise indicated, amounts shown are in Japanese yen. Refer to Appendix 3 for exchange rates of JPY per U.S. dollar.
5. Statistical figures may not add up to the totals due to rounding.
6. The following symbols are used in the tables:

...	Data not available
—	Magnitude zero or figures not applicable
0 or 0.0	Less than half of unit employed
#	Marked break in series
*	Provisional or estimate
7. Data relating to "China" generally exclude those for Hong Kong SAR, Macao SAR and Taiwan.
8. All contents of the present issue, including tables, figures, and maps, are also available on the website:

<https://www.stat.go.jp/english/data/handbook/index.html>
9. When any contents of the present issue are to be quoted or copied in other media (print or electronic), the title is to be referred to as follows:

Source: Statistical Handbook of Japan 2026, Statistics Bureau, Ministry of Internal Affairs and Communications, Japan.
10. "Statistics Bureau, MIC" in the tables and figures is an abbreviation of "Statistics Bureau, Ministry of Internal Affairs and Communications, Japan".

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Cover photo: *Dezome-shiki* (Fuji City, Shizuoka Prefecture)

Dezome-shiki in Fuji City, Shizuoka Prefecture, with Mt. Fuji in the background. *Dezome-shiki* is an event held by the Japanese fire department in early January to mark the beginning of the firefighting season. Mt. Fuji is not only a beautiful stratovolcano boasting Japan's highest peak. It has also been recognized as having outstanding universal value as an object of worship and a source of artistic inspiration, leading to its registration as a UNESCO World Heritage Site in June 2013.

Chapter 1

Land and Climate



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As of 2020, forestland and fields cover most of Japan's mountains and hills, accounting for 67.0% of the country's total land area. Farmland accounts for 11.6%, and developed land such as residential and industrial land accounts for 5.2%.

1. Land

Japan is an island country situated off the eastern seaboard of the Eurasian continent in the northern hemisphere. The islands form a crescent-shaped archipelago stretching from northeast to southwest parallel to the Eurasian continent, separated by the Sea of Japan. The land is located between approximately 20 to 45 degrees north latitude and between approximately 123 to 154 degrees east longitude. It consists of the main islands of Hokkaido, Honshu, Shikoku, Kyushu and Okinawa, and more than 14,000 smaller islands of various sizes. Its surface area totals 377,980 square kilometers.

Since the Japanese archipelago is located in the world's newest mobile belt, it is particularly prone to various geological phenomena. Therefore, the number of earthquakes in the country is quite high, and so is the proportion of active volcanoes. The land is full of undulations, with mountainous regions including hilly terrain accounting for about three-quarters of its total area. The mountains are generally steep and are intricately carved out by ravines. Hilly terrain extends between the mountainous regions and the plains.

Table 1.1
Surface Area of Japan
(as of January, 2026)
(Square kilometers)

District	Area
Japan	377,980
Honshu	231,244
Hokkaido	83,422
Kyushu	42,229
Shikoku	18,802
Okinawa	2,282

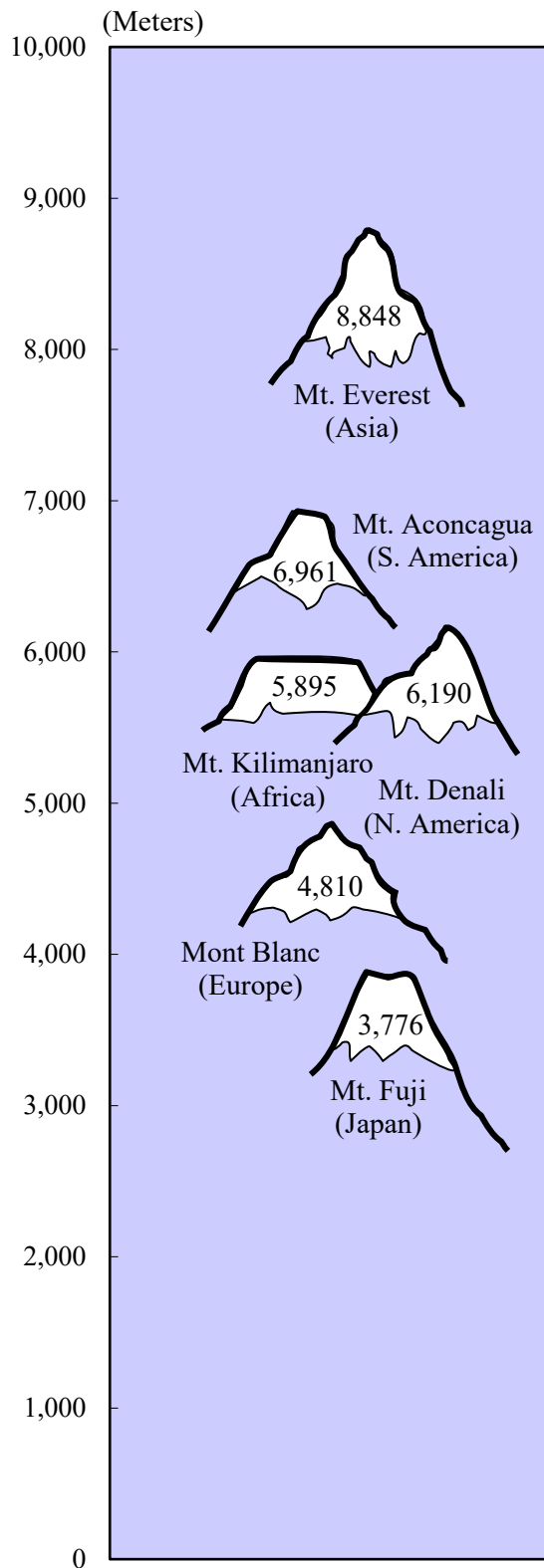
Source: Geospatial Information
Authority of Japan.

Table 1.2
Top 10 Countries According
to Surface Area (2024) ¹⁾
(1,000 square kilometers)

Country	Area
World ²⁾	130,094
Russia	17,098
Canada	9,985
U.S.A.	9,834
China	9,600
Brazil	8,510
Australia	7,692
India	3,287
Argentina	2,796
Kazakhstan	2,725
Algeria	2,382

1) Comprising land area and inland waters. Excluding polar regions and uninhabited islands. 2) Land area only.
Source: United Nations.

Figure 1.1
Famous Mountains of the World



Source: National Astronomical Observatory of Japan.

Table 1.3
Mountains (as of January, 2026)
(Meters)

Name	Height
Mt. Fuji	3,776
Mt. Kitadake	3,193
Mt. Ainotake	3,190
Mt. Oku-Hotaka	3,190
Mt. Yurigatake	3,180
Mt. Higashidake	3,141
Mt. Akaishi	3,121
Mt. Karasawa	3,110
Mt. Kita-Hotaka	3,106
Mt. Obami	3,101

Source: Geospatial Information Authority of Japan.

Table 1.4
Rivers (as of April, 2025)
(Kilometers)

Name	Length
Shinano River	367
Tone River	322
Ishikari River	268
Teshio River	256
Kitakami River	249
Abukuma River	239
Kiso River	229
Mogami River	229
Tenryu River	213
Agano River	210

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Table 1.5
Lakes (as of January, 2026)
(Square kilometers)

Name	Area
Lake Biwa	669.3
Lake Kasumigaura	168.2
Lake Saroma	151.6
Lake Inawashiro	103.2
Lake Nakaumi	85.8
Lake Kussharo	79.5
Lake Shinji	79.3
Lake Shikotsu	78.5
Lake Toba	70.7
Lake Hamana	64.9

Source: Geospatial Information Authority of Japan.

As of 2020, forestland and fields account for the largest portion of the nation's surface area. There are 25.34 million hectares of forestland and fields (which equates to 67.0% of the nation's surface area), followed by 4.37 million hectares of farmland (11.6%) combined. Together, forestland, fields and farmland thus cover approximately 80% of the nation. There are 1.97 million hectares of developed land (5.2%).

Table 1.6
Surface Area by Use

(Million hectares)							
Year	Total	Forestland and fields	Farmland	Inland water	Roads ¹⁾	Developed land ²⁾	Others
1980	37.77	25.68	5.59	1.31	0.99	1.39	2.81
1990	37.77	25.52	5.33	1.31	1.14	1.60	2.87
2000	37.79	25.38	4.91	1.35	1.27	1.79	3.09
2010	37.79	25.35	4.67	1.33	1.36	1.90	3.19
2020	37.80	# 25.34	# 4.37	1.35	1.42	1.97	3.34
Percentage distribution (%)							
2020	100.0	67.0	11.6	3.6	3.8	5.2	8.8

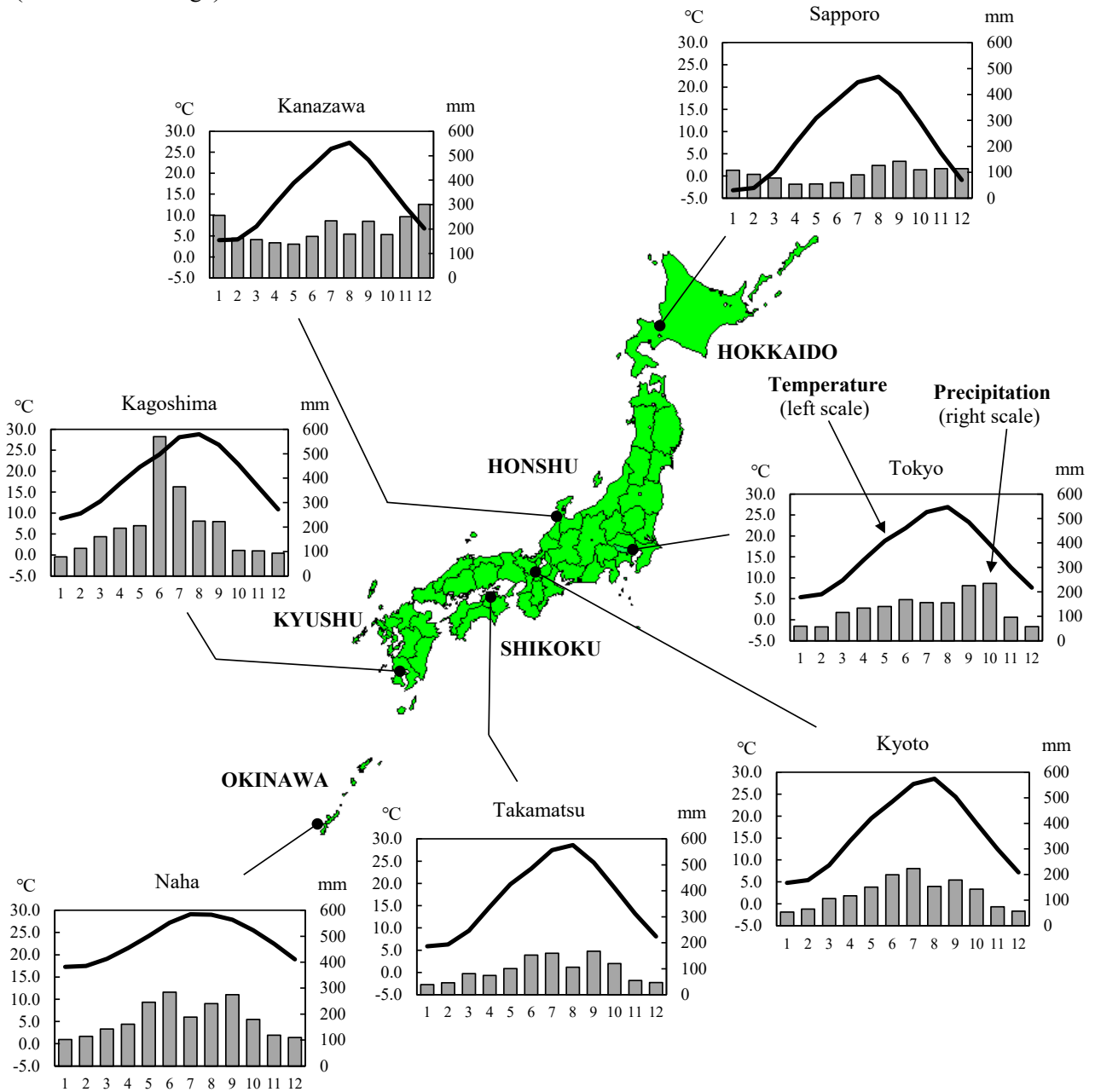
1) Including farm roads and forest roads, etc. 2) Such as residential and industrial land.

Source: Ministry of Land, Infrastructure, Transport and Tourism.

2. Climate

Although the Japanese archipelago has a temperate marine climate, it differs by region depending on the effects of seasonal winds and ocean currents. Due to the topography of Honshu featuring a series of mountain ranges running from north to south, the northwest monsoon in the winter brings humid conditions with heavy precipitation (snow) to the Sea of Japan side of Honshu but comparatively dry weather with low precipitation to the Pacific Ocean side. In the summer, the southeast monsoon brings high temperatures and low rainfall on the Sea of Japan side, and high temperatures and high humidity on the Pacific Ocean side. Another unique characteristic of Japan's climate is that it has two long spells of rainy seasons, one in early summer when the southeast monsoon begins to blow, and the other in autumn when the winds cease. From summer to autumn, tropical cyclones generated in the Pacific Ocean to the south develop into typhoons and hit Japan, sometimes causing storm and flood damage. In recent years, there has been a tendency toward extreme weather, such as record-breaking heat waves in summer, and frequent damage due to localized intense torrential rains.

Figure 1.2
Temperature and Precipitation (Normal value)
 (1991-2020 average)



Source: Japan Meteorological Agency.

Table 1.7**Temperature and Precipitation (Normal value) (1991-2020 average)**

		Temperature (°C)												Precipitation (mm)
Observing station		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Annual ¹⁾
Sapporo	Temp. <u>High</u>	-0.4	0.4	4.5	11.7	17.9	21.8	25.4	26.4	22.8	16.4	8.7	2.0	13.1
	Temp. <u>Low</u>	-6.4	-6.2	-2.4	3.4	9.0	13.4	17.9	19.1	14.8	8.0	1.6	-4.0	5.7
	Prec.	108	92	78	55	56	60	91	127	142	110	114	115	1,146
Tokyo	Temp. <u>High</u>	9.8	10.9	14.2	19.4	23.6	26.1	29.9	31.3	27.5	22.0	16.7	12.0	20.3
	Temp. <u>Low</u>	1.2	2.1	5.0	9.8	14.6	18.5	22.4	23.5	20.3	14.8	8.8	3.8	12.1
	Prec.	60	57	116	134	140	168	156	155	225	235	96	58	1,598
Kanazawa	Temp. <u>High</u>	7.1	7.8	11.6	17.3	22.3	25.6	29.5	31.3	27.2	21.8	15.9	10.2	19.0
	Temp. <u>Low</u>	1.2	1.0	3.4	8.2	13.6	18.4	22.9	24.1	19.9	13.9	8.1	3.5	11.5
	Prec.	256	163	157	144	138	170	233	179	232	177	251	301	2,402
Kyoto	Temp. <u>High</u>	9.1	10.0	14.1	20.1	25.1	28.1	32.0	33.7	29.2	23.4	17.3	11.6	21.1
	Temp. <u>Low</u>	1.5	1.6	4.3	9.2	14.5	19.2	23.6	24.7	20.7	14.4	8.4	3.5	12.1
	Prec.	53	65	106	117	151	200	224	154	179	143	74	57	1,523
Takamatsu	Temp. <u>High</u>	9.7	10.5	14.1	19.8	24.8	27.5	31.7	33.0	28.8	23.2	17.5	12.1	21.1
	Temp. <u>Low</u>	2.1	2.2	5.0	9.9	15.1	19.8	24.1	25.1	21.2	15.1	9.1	4.3	12.8
	Prec.	39	46	81	75	101	153	160	106	167	120	55	47	1,150
Kagoshima	Temp. <u>High</u>	13.1	14.6	17.5	21.8	25.5	27.5	31.9	32.7	30.2	25.8	20.6	15.3	23.1
	Temp. <u>Low</u>	4.9	5.8	8.7	12.9	17.3	21.3	25.3	26.0	23.2	18.0	12.2	6.9	15.2
	Prec.	78	113	161	195	205	570	365	224	223	105	103	93	2,435
Naha	Temp. <u>High</u>	19.8	20.2	21.9	24.3	27.0	29.8	31.9	31.8	30.6	28.1	25.0	21.5	26.0
	Temp. <u>Low</u>	14.9	15.1	16.7	19.1	22.1	25.2	27.0	26.8	25.8	23.5	20.4	16.8	21.1
	Prec.	102	115	143	161	245	284	188	240	275	179	119	110	2,161

1) Annual average for temperature and annual total for precipitation.

Source: Japan Meteorological Agency.

Chapter 2

Population



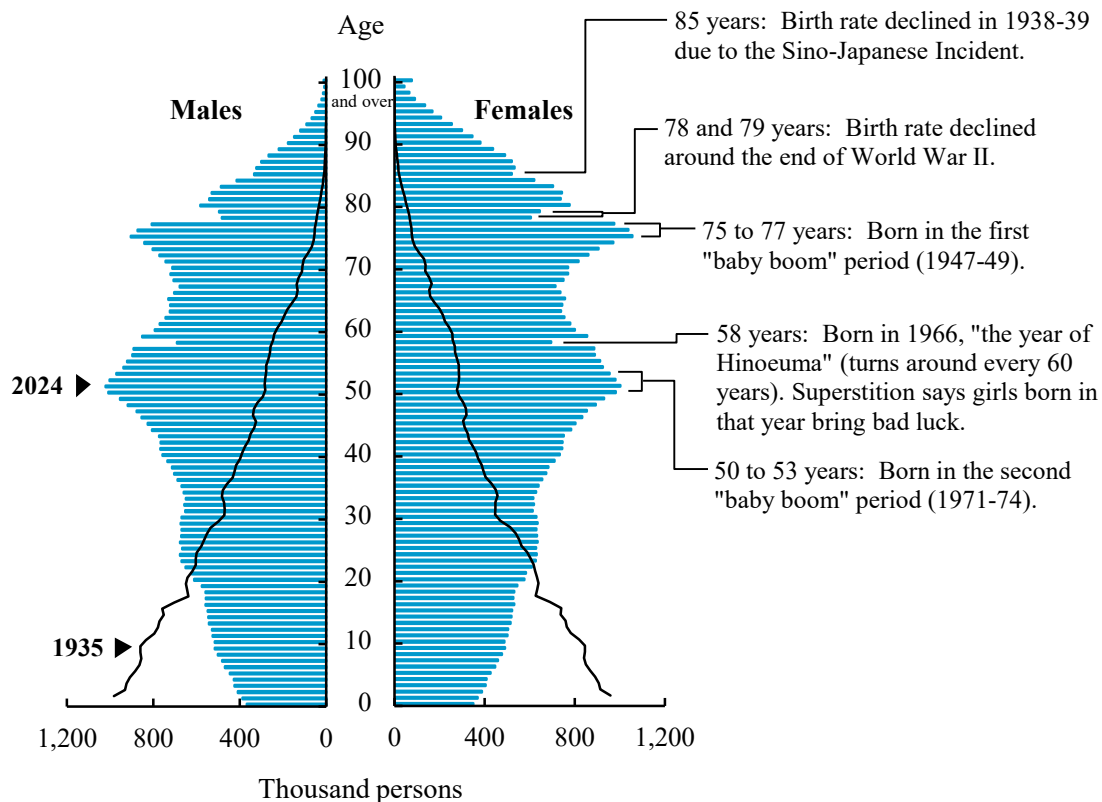
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The Children and Families Agency is promoting the "Kodomo Mannaka Action" initiative. The purpose of this initiative is to ensure that all children and young people can live happy lives by always considering what is best for them, both now and in the future, and by supporting them as a society.

1. Total Population

Japan's total population in 2024 was 123.80 million. This ranked 12th in the world and made up 1.5% of the world's total. Japan's population density measured 338.2 persons per square kilometer in 2020, ranking 12th among countries or areas with a population of 10 million or more.

Figure 2.1
Population Pyramid

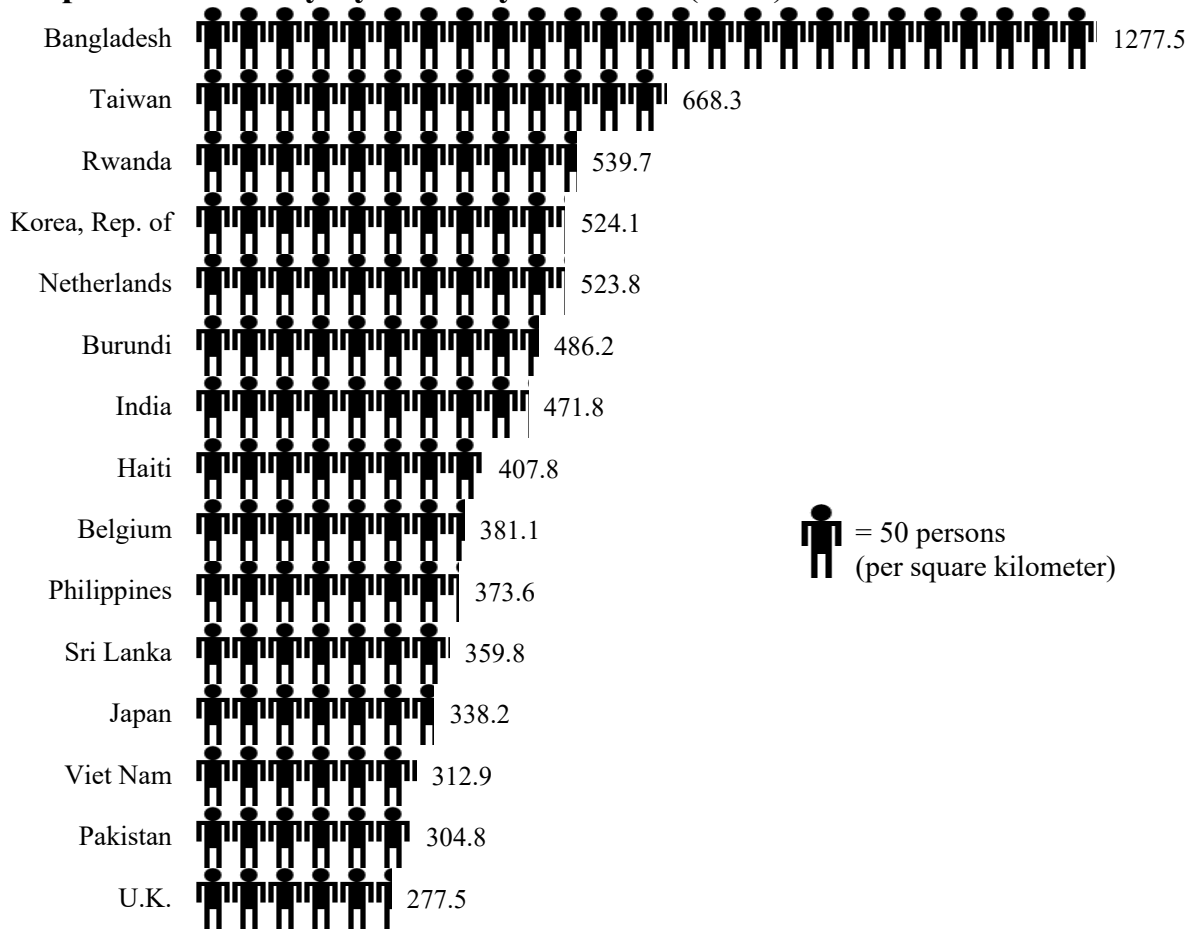


Source: Statistics Bureau, MIC.

Table 2.1
Countries with a Large Population (2024)

		(Millions)	
Country	Population	Country	Population
World	8,162		
India	1,451	Brazil	212
China	1,419	Bangladesh	174
U.S.A.	345	Russia	145
Indonesia	283	Ethiopia	132
Pakistan	251	Mexico	131
Nigeria	233	Japan	124

Source: Statistics Bureau, MIC; United Nations.

Figure 2.2**Population Density by Country or Area ¹⁾ (2020)**

1) Top 15 countries or areas with a population of 10 million or more.

Source: Statistics Bureau, MIC; United Nations.

From the 18th century through the first half of the 19th century, Japan's population remained steady at about 30 million. Following the Meiji Restoration in 1868, it began expanding in tandem with the drive to build a modern nation-state. In 1912, it reached 50 million, and in 1967, it surpassed the 100 million mark. However, Japan's population growth slowed afterward, with the rate of population change about 1% from the 1960s through the 1970s. Since the 1980s, it has declined sharply. The Population Census in 2015 marked the first decline in Japan's total population since the initiation of the Census in 1920. According to the Population Census in 2020, Japan's total population was 126.15 million, a decrease of 0.95 million people compared to the previous Census (2015). In 2024, it was 123.80 million, down by 0.55 million from the year before.

Table 2.2
Trends in Population (as of October 1)

Year	Population (1,000)	Age composition (%) ¹⁾			Change rate of annual basis (%)	Population density (per km ²)
		0-14 years old	15-64	65 years old and over		
1872 ²⁾	34,806	...	...	...	...	91
1900 ²⁾	43,847	33.9	60.7	5.4	0.83	115
1910 ²⁾	49,184	36.0	58.8	5.2	1.16	129
1920	55,963	36.5	58.3	5.3	1.30	147
1930	64,450	36.6	58.7	4.8	1.42	169
1940	71,933	36.7	58.5	4.8	1.10	188
1950	84,115	35.4	59.6	4.9	1.58	226
1955	90,077	33.4	61.2	5.3	1.38	242
1960	94,302	30.2	64.1	5.7	0.92	253
1965	99,209	25.7	68.0	6.3	1.02	267
1970	104,665	24.0	68.9	7.1	1.08	281
1975	111,940	24.3	67.7	7.9	1.35	300
1980	117,060	23.5	67.4	9.1	0.90	314
1985	121,049	21.5	68.2	10.3	0.67	325
1990	123,611	18.2	69.7	12.1	0.42	332
1995	125,570	16.0	69.5	14.6	0.31	337
2000	126,926	14.6	68.1	17.4	0.21	340
2005	127,768	13.8	66.1	20.2	0.13	343
2010	128,057	13.2	63.8	23.0	0.05	343
2015	127,095	12.6	60.9	26.6	-0.15	341
2020	126,146	11.9	59.5	28.6	-0.15	338
2021	125,502	11.8	59.4	28.9	-0.51	336
2022	124,947	11.6	59.4	29.0	-0.44	335
2023	124,352	11.4	59.5	29.1	-0.48	333
2024	123,802	11.2	59.6	29.3	-0.44	332
(Projection, 2023)						
2030	120,116	10.3	58.9	30.8	-0.50	322
2040	112,837	10.1	55.1	34.8	-0.62	303
2050	104,686	9.9	52.9	37.1	-0.75	281
2060	96,148	9.3	52.8	37.9	-0.85	258
2070	86,996	9.2	52.1	38.7	-1.00	233

1) The ratios for 2015 and 2020 were calculated using imputation values for unknowns. The ratios for 2010 and earlier were calculated by excluding unknowns from the denominator. 2) As of January 1.

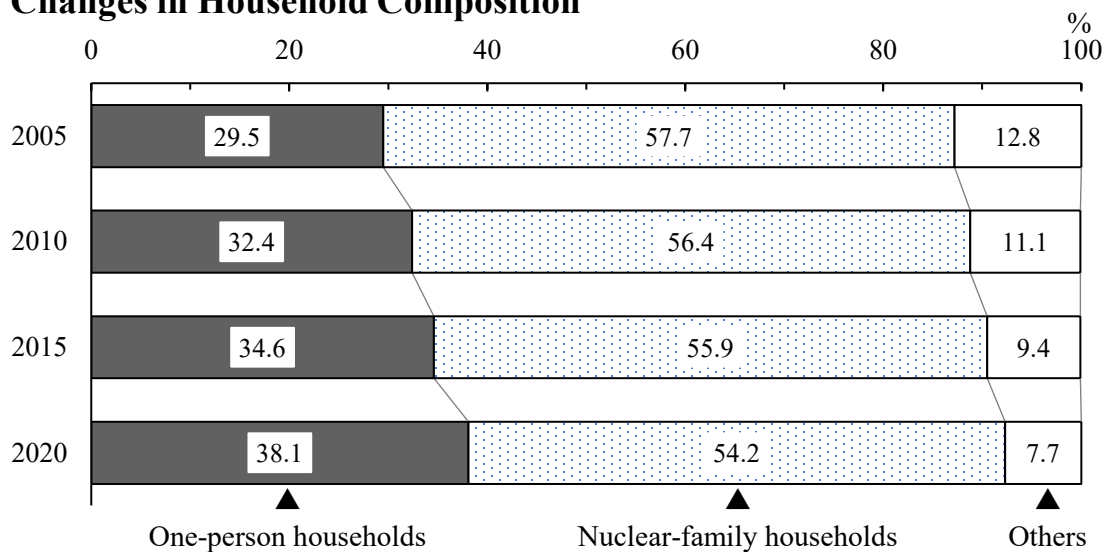
Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; Geospatial Information Authority of Japan.

2. Households

(1) Household Size and Household Composition

The Population Census shows that Japan had 55.70 million private households (excluding "institutional households" such as students in school dormitories) in 2020. Of that total, 54.2% were nuclear-family households, and 38.1% were one-person households.

Figure 2.3
Changes in Household Composition



Source: Statistics Bureau, MIC.

From the 1920s to the mid-1950s, the average number of household members remained about 5. However, due to the increase in one-person households and nuclear-family households since the 1960s, the average size of households was down significantly in 1970, to 3.41 members. The number of household members has continued to decline, dropping to 2.21 in 2020. Although the Japanese population is in a phase of decline, the number of households is expected to continue to increase, as the average household size is gradually shrinking. The number of households is expected to peak in 2030 and then start to decline.

Table 2.3**Number of Households and Household Members** ¹⁾

Year	Private households (1,000)	Rate of private households change (%) ²⁾	Private household members (1,000)	Members per household	Population (1,000)	Rate of population change (%) ²⁾
1960	22,539	...	93,419	4.14	94,302	4.7
1970	30,297	a) 15.9	103,351	3.41	104,665	5.5
1975	33,596	10.9	110,338	3.28	111,940	7.0
1980	35,824	6.6	115,451	3.22	117,060	4.6
1985	37,980	6.0	119,334	3.14	121,049	3.4
1990	40,670	7.1	121,545	2.99	123,611	2.1
1995	43,900	7.9	123,646	2.82	125,570	1.6
2000	46,782	6.6	124,725	2.67	126,926	1.1
2005	49,063	4.9	124,973	2.55	127,768	0.7
2010	51,842	5.7	125,546	2.42	128,057	0.2
2015	53,332	2.9	124,296	2.33	127,095	-0.8
2020	55,705	4.4	123,163	2.21	126,146	-0.7

1) In the 1965 Census, the definition of household differs, and it is not possible to recombine the survey subjects into private households.

2) Change over preceding Population Census.

a) The rate of change over 10 years is converted to a rate of change over 5 years.

Source: Statistics Bureau, MIC.

(2) Elderly Households

The number of elderly households (private households with household members aged 65 years old and over) in 2020 was 22.66 million. They accounted for 40.7% of the total private households. There were 6.72 million one-person elderly households. Among these, there were approximately two times as many females as males.

Table 2.4**Trends in Elderly Households**

(Private households with household members aged 65 years old and over)
(Thousand households)

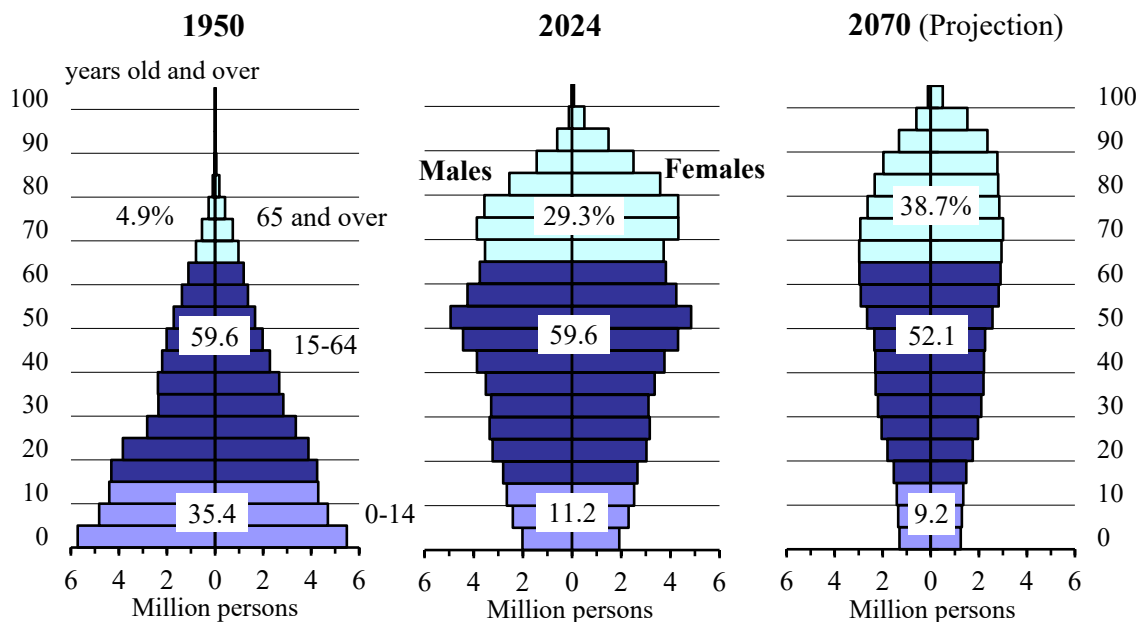
Type of households	2005	2010	2015	2020
Private households	49,063	51,842	53,332	55,705
Elderly households	17,220	19,338	21,713	22,655
(percentage)	35.1	37.3	40.7	40.7
One-person households	3,865	4,791	5,928	6,717
Males	1,051	1,386	1,924	2,308
Females	2,814	3,405	4,003	4,409
Nuclear-family households	8,398	10,011	11,740	12,528
Others	4,956	4,536	4,045	3,410

Source: Statistics Bureau, MIC.

3. Changes in the Population Structure

The population pyramid of 1950 shows that Japan had a standard-shaped pyramid with a broad base. The shape, however, has changed dramatically as both the birth rate and death rate have declined. The aged population (65 years old and over) in 2024 was 36.24 million, an increase of 17,000 persons from the previous year. The aged percentage of the total population has also continued to rise consistently since 1950, reaching a record high of 29.3%. It is estimated that the figure will reach 38.7% by 2070.

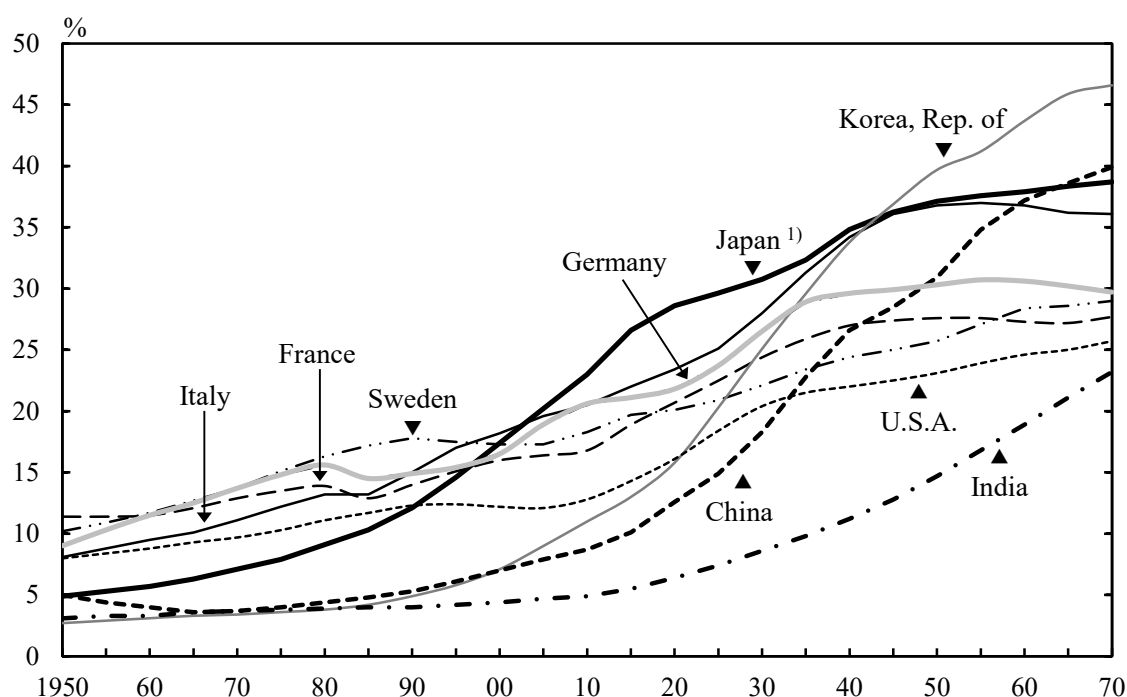
Figure 2.4
Changes in the Population Pyramid



Source: Statistics Bureau, MIC;
National Institute of Population and Social Security Research.

In Japan, the percentage of persons aged 65 years old and over exceeded 10% in 1985, but as of 1950, this percentage was already 11.4% in France and 10.2% in Sweden. The percentage exceeded 10% in 1955 in Germany, 1965 in Italy, and 1975 in the U.S.A., all earlier than in Japan. However, in 2020, the percentage of the population aged 65 years old and over in Japan was 28.6%, exceeding the U.S.A. (16.1%), Sweden (20.1%), France (20.7%), Germany (21.8%), and Italy (23.4%), indicating that the aging society in Japan is progressing quite rapidly as compared to the U.S.A. and European countries.

Figure 2.5
Proportion of Elderly Population by Country (Aged 65 years old and over)



1) The ratios for 2015 and 2020 were calculated using imputation values for unknowns in the Population Census results. The ratios for 2010 and earlier were calculated by excluding unknowns from the denominator of Population Census results.

Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; United Nations.

Table 2.5
Age Structure of Population by Country

Country	2020			2070 (projection)		
	0-14	15-64	65 years	0-14	15-64	65 years
	years old		old and over	years old		old and over
Korea, Rep. of	12.1	72.1	15.8	7.2	46.1	46.6
China	18.0	69.4	12.6	7.6	52.5	39.9
Japan ¹⁾	11.9	59.5	28.6	9.2	52.1	38.7
Italy	12.8	63.8	23.4	10.7	53.2	36.1
Germany	13.8	64.4	21.8	13.5	56.7	29.7
Brazil	20.8	69.6	9.6	13.1	57.4	29.5
Sweden	17.7	62.2	20.1	13.1	57.9	29.0
Canada	15.9	66.1	18.0	13.2	57.9	28.9
France	17.4	61.8	20.7	14.5	57.8	27.7
U.K.	18.0	63.4	18.6	13.8	58.9	27.3
U.S.A.	18.4	65.5	16.1	14.9	59.4	25.7
Russia	17.7	66.9	15.5	14.3	62.1	23.6
India	26.3	67.2	6.4	15.4	61.4	23.2

1) The ratios for 2020 were calculated using imputation values for unknowns in the Population Census results.

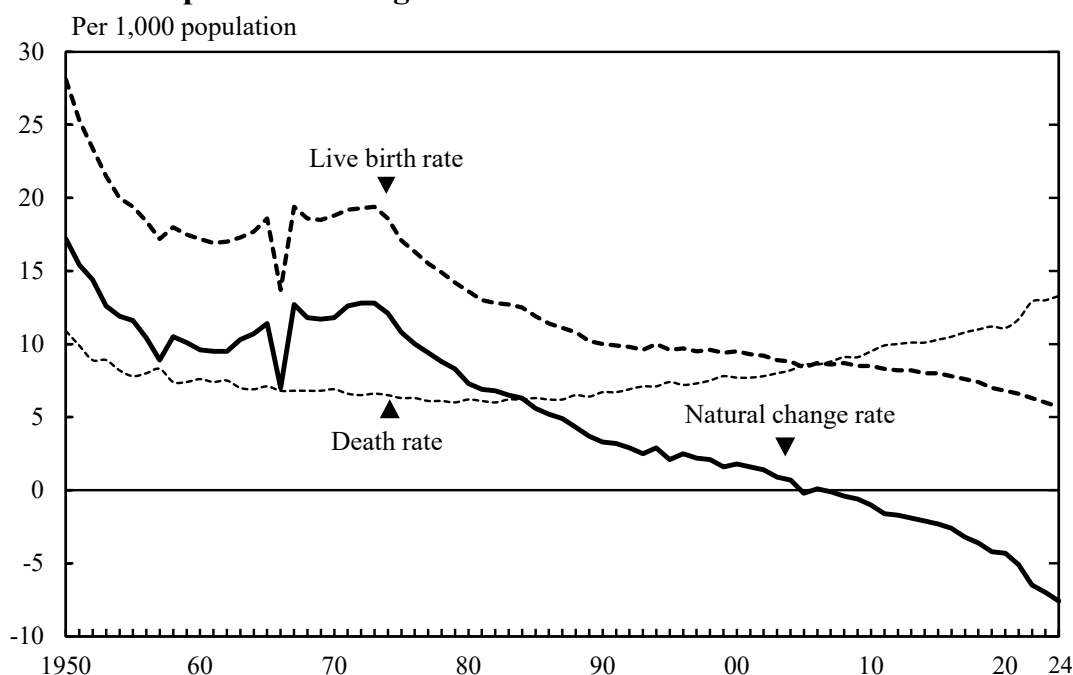
Source: Statistics Bureau, MIC; National Institute of Population and Social Security Research; United Nations.

On the other hand, in 2024, the child population (0-14 years old) in Japan amounted to 13.83 million, accounting for 11.2% of the total population, which was the lowest level on record. Since 1997, the aged population (65 years old and over) have surpassed the child population in their proportion of the total population. The working age population (15-64 years old) totaled 73.73 million, accounting for 59.6% of the entire population. The working age population, as a percentage of the total, continually declined from 1993, reaching a record low of 59.4% in 2021 and 2022, but in recent years the percentage has been rising. As a result, the dependency ratio (the sum of aged and child population divided by the working age population) was 67.9%.

4. Births and Deaths

Population growth in Japan had primarily been driven by natural increase, while social increase played only a minor part. However, in 2005, the natural change rate (per 1,000 population) became negative for the first time since 1899, when statistics were first collected in the current form, aside from the years 1944 and 1946 when statistics could not be obtained. It has been on a declining trend since then. In 2024, the natural change rate was -7.6 and decreased for the 18th consecutive year.

Figure 2.6
Natural Population Change



Source: Ministry of Health, Labour and Welfare.

During the second baby boom between 1971 and 1973, the live birth rate (per 1,000 population) was at a level of 19. Since the late 1970s, it has continued to fall. The rate for 2024 was 5.7. The decline in the live birth rate may partly be attributable to the rising maternal age at childbirth. The average age of mothers when they give birth to their first child was 31.0 years in 2024. This means that they were 5.3 years older than in 1975, when the average age was 25.7 years.

The total fertility rate continued a downward trend after dipping below 2.00 in 1975, and reached 1.26 in 2005. After that, the rate increased and appeared to be on a path of recovery. However, the total fertility rate decreased for 9 consecutive years and set a record low of 1.15 in 2024.

The death rate (per 1,000 population) remained at a low level of between 6.0 and 6.3 from 1975 to 1987, and has shown an upward trend since 1988, reflecting the aging of the population. It reached 13.3 in 2024.

Table 2.6
Vital Statistics

Year	Per 1,000 population				Total fertility rate ²⁾	Life expectancy at birth (years)	
	Live birth rate	Death rate	Infant mortality rate ¹⁾	Natural change rate		Males	Females
1950	28.1	10.9	60.1	17.2	3.65	a) 59.57	a) 62.97
1955	19.4	7.8	39.8	11.6	2.37	63.60	67.75
1960	17.2	7.6	30.7	9.6	2.00	65.32	70.19
1965	18.6	7.1	18.5	11.4	2.14	67.74	72.92
1970	18.8	6.9	13.1	11.8	2.13	69.31	74.66
1975	17.1	6.3	10.0	10.8	1.91	71.73	76.89
1980	13.6	6.2	7.5	7.3	1.75	73.35	78.76
1985	11.9	6.3	5.5	5.6	1.76	74.78	80.48
1990	10.0	6.7	4.6	3.3	1.54	75.92	81.90
1995	9.6	7.4	4.3	2.1	1.42	76.38	82.85
2000	9.5	7.7	3.2	1.8	1.36	77.72	84.60
2005	8.4	8.6	2.8	-0.2	1.26	78.56	85.52
2010	8.5	9.5	2.3	-1.0	1.39	79.55	86.30
2015	8.0	10.3	1.9	-2.3	1.45	80.75	86.99
2020	6.8	11.1	1.8	-4.3	1.33	81.56	87.71
2021	6.6	11.7	1.7	-5.1	1.30	81.47	87.57
2022	6.3	12.9	1.8	-6.5	1.26	81.05	87.09
2023	6.0	13.0	1.8	-7.0	1.20	81.09	87.14
2024	5.7	13.3	1.8	-7.6	1.15	81.09	87.13

1) Per 1,000 live births.

2) The sum of the age-specific fertility rates from age 15 to 49 years old.

a) 1950-1952 period.

Source: Ministry of Health, Labour and Welfare.

Table 2.7
Changes of Mothers' Age at Childbirth

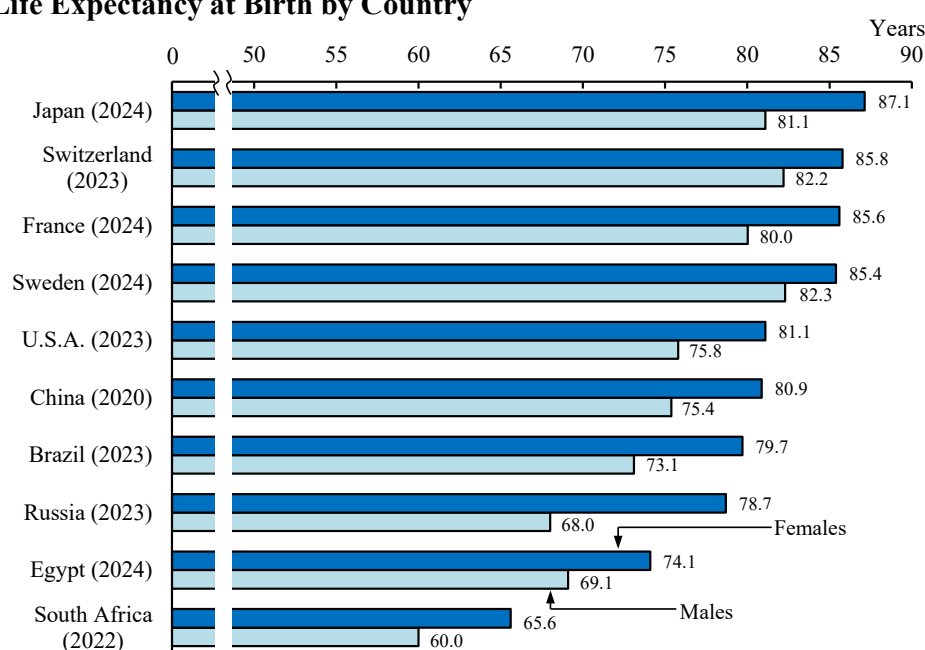
Year	Number of births (1,000) ¹⁾	Distribution of mothers' age (%) ²⁾						Mean age bearing first child (years)
		Under 19	20-24	25-29	30-34	35-39	40 and over	
1975	1,901	0.8	25.2	53.4	16.8	3.3	0.5	25.7
1985	1,432	1.2	17.3	47.7	26.6	6.5	0.6	26.7
1995	1,187	1.4	16.3	41.5	31.3	8.4	1.1	27.5
2005	1,063	1.6	12.1	31.9	38.1	14.4	1.9	29.1
2015	1,006	1.2	8.4	26.1	36.3	22.7	5.4	30.7
2020	841	0.8	7.9	25.9	36.1	23.3	5.9	30.7
2021	812	0.7	7.4	25.9	36.0	23.8	6.2	30.9
2022	771	0.6	6.9	26.3	36.3	23.8	6.2	30.9
2023	727	0.6	6.5	26.0	36.5	23.9	6.6	31.0
2024	686	0.6	6.2	25.9	36.9	23.7	6.6	31.0

1) Including mothers' ages that were not reported. 2) Percentage in relation to number of births, excluding those for which mothers' ages were not reported.

Source: Ministry of Health, Labour and Welfare.

Life expectancy at birth in Japan climbed sharply after World War II, and is today at quite a high level in the world. In 2024, life expectancy was 81.09 years for men and 87.13 years for women. Compared to the previous year, life expectancy for men remained unchanged, while that for women was 0.01 years lower.

Figure 2.7
Life Expectancy at Birth by Country



Source: Ministry of Health, Labour and Welfare.

5. Marriages and Divorces

It showed an apparent marriage boom in the early 1970s that the annual number of marriages in Japan exceeded 1 million couples, with the marriage rate (per 1,000 population) remaining around 10.0. However, both the number of couples and the marriage rate have been on a declining trend thereafter. In 2024, 485,092 couples married, and the marriage rate was 4.0.

The mean age of first marriage was 31.1 for grooms and 29.8 for brides in 2024. The mean age of first marriage for grooms rose by 1.5 years, while that of brides rose by 2.0 years over the past 20 years (in 2004: grooms, 29.6; brides, 27.8). In addition, there has been an increasing trend in the proportion of those who have never married until he or she turns the exact age 50, reaching 28.3% for males and 17.8% for females in 2020, the highest percentages ever. The declining marriage rate, rising marrying age and increased choice of unmarried life in recent years as described above could explain the dropping birth rate.

Table 2.8
Mean Age of First Marriage

(Years)		
Year	Grooms	Brides
1950	25.9	23.0
1955	26.6	23.8
1960	27.2	24.4
1965	27.2	24.5
1970	26.9	24.2
1975	27.0	24.7
1980	27.8	25.2
1985	28.2	25.5
1990	28.4	25.9
1995	28.5	26.3
2000	28.8	27.0
2005	29.8	28.0
2010	30.5	28.8
2015	31.1	29.4
2020	31.0	29.4
2021	31.0	29.5
2022	31.1	29.7
2023	31.1	29.7
2024	31.1	29.8

Source: Ministry of Health, Labour and Welfare.

Table 2.9
Proportion of Never Married
at Exact Age 50 by Sex ¹⁾

(%)		
Year	Males	Females
1950	1.5	1.4
1960	1.3	1.9
1970	1.7	3.3
1980	2.6	4.5
1990	5.6	4.3
2000	12.6	5.8
2010	20.1	10.6
2015 ²⁾	24.8	14.9
2020 ²⁾	28.3	17.8

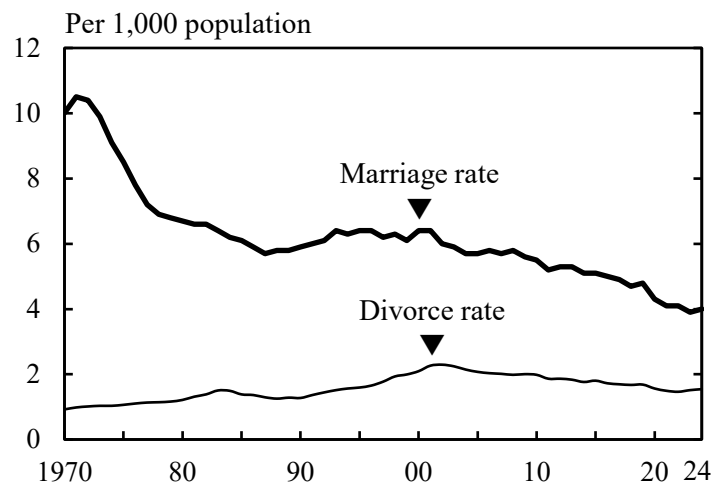
1) The proportion is computed as the mean value of the proportion remaining single at ages 45-49 and 50-54.

2) Based on results with imputation for persons of unknown marital status.

Source: National Institute of Population and Social Security Research.

In contrast, there was an upward trend about the divorces since the late 1960s, hitting a peak of 289,836 couples in 2002. From 2003, both the number of divorces and the divorce rate continued to decline. However, in the past two years, both the number of divorces and the divorce rate have been on the rise again. In 2024, the number of divorces was 185,904, and the divorce rate per 1,000 people was 1.55.

Figure 2.8
Changes in Marriage Rate and Divorce Rate



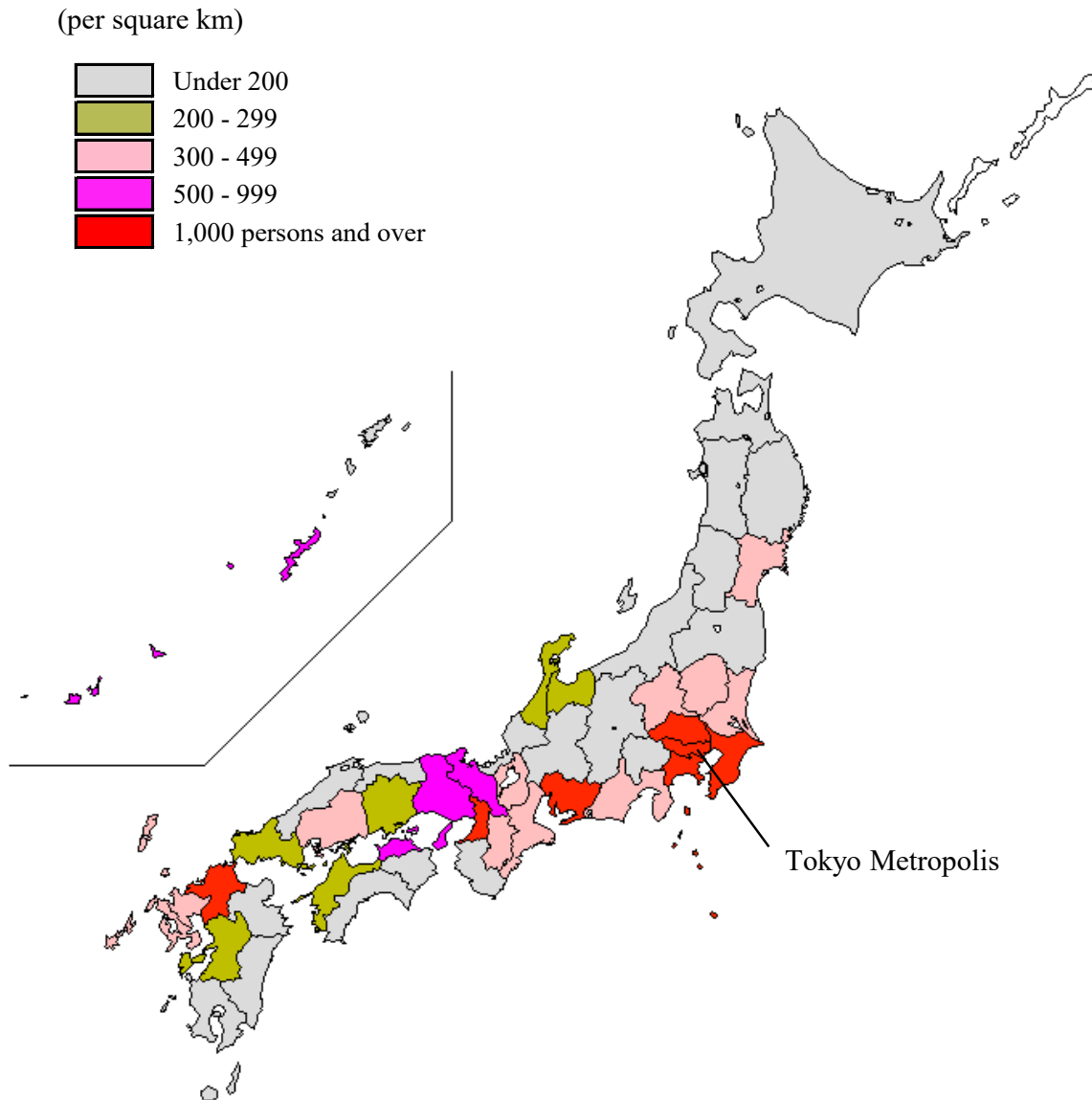
Source: Ministry of Health, Labour and Welfare.

6. Population Density and Regional Distribution

In 2020, Tokyo Metropolis had the largest population of 14.05 million among Japan's 47 prefectures, followed in decreasing order by the prefectures of Kanagawa, Osaka, Aichi, Saitama, Chiba, Hyogo, and Hokkaido. The top 8 prefectures in terms of population had a total population of 63.98 million, and accounted for more than 50% (50.7%) of the total population.

In addition, the population density in Tokyo Metropolis was the highest among Japan's prefectures, at 6,402.6 persons per square kilometer. This was almost 19 times larger than the national average (338.2 persons per square kilometer).

Figure 2.9
Population Density by Prefecture (2020)



Source: Statistics Bureau, MIC.

In 2020, there were 12 cities in Japan with a population of 1 million or more. Their total population topped 30 million, a figure equivalent to 24.0% of the national total. The largest single city was the 23 Cities of Tokyo Metropolis, with 9.73 million citizens. It was followed in decreasing order by Yokohama City (3.78 million), Osaka City (2.75 million), and Nagoya City (2.33 million).

Table 2.10
Population of Major Cities

(Thousands)					
Cities	Population		Cities	Population	
	2015	2020		2015	2020
Tokyo, 23 Cities	9,273	9,733	Kawasaki City	1,475	1,538
Yokohama City	3,725	3,777	Kobe City	1,537	1,525
Osaka City	2,691	2,752	Kyoto City	1,475	1,464
Nagoya City	2,296	2,332	Saitama City	1,264	1,324
Sapporo City	1,952	1,973	Hiroshima City	1,194	1,201
Fukuoka City	1,539	1,612	Sendai City	1,082	1,097

Source: Statistics Bureau, MIC.

In 2020, population was 38.0 million in the Kanto major metropolitan area, 19.2 million in the Kinki major metropolitan area, and 9.2 million in the Chukyo major metropolitan area. Total population of these three major metropolitan areas reached 66.4 million, accounting for 52.6% of Japan's population. Population density in the Kanto major metropolitan area was 2,804.7 persons per square kilometer. In the Kinki major metropolitan area, it was 1,464.9 persons per square kilometer, and in the Chukyo major metropolitan area, it was 1,323.0 persons per square kilometer.

Table 2.11
Population of Three Major Metropolitan Areas ¹⁾ (2020)

Areas	Population (1,000)	Percentage of the total (%)	Surface Area (km ²)	Population density (per km ²)
Kanto major metropolitan area	38,034	30.2	13,561	2,804.7
Chukyo major metropolitan area	9,192	7.3	6,948	1,323.0
Kinki major metropolitan area	19,176	15.2	13,091	1,464.9
Total of three major metropolitan areas	66,403	52.6	33,599	1,976.3

1) Major metropolitan areas consist of central cities (Kanto: 23 Cities of Tokyo Metropolis, Yokohama City, Kawasaki City, Sagami-hara City, Saitama City, and Chiba City; Chukyo: Nagoya City; Kinki: Osaka City, Sakai City, Kyoto City, and Kobe City) and surrounding areas (cities, towns and villages).

Source: Statistics Bureau, MIC.

Chapter 3

Economy



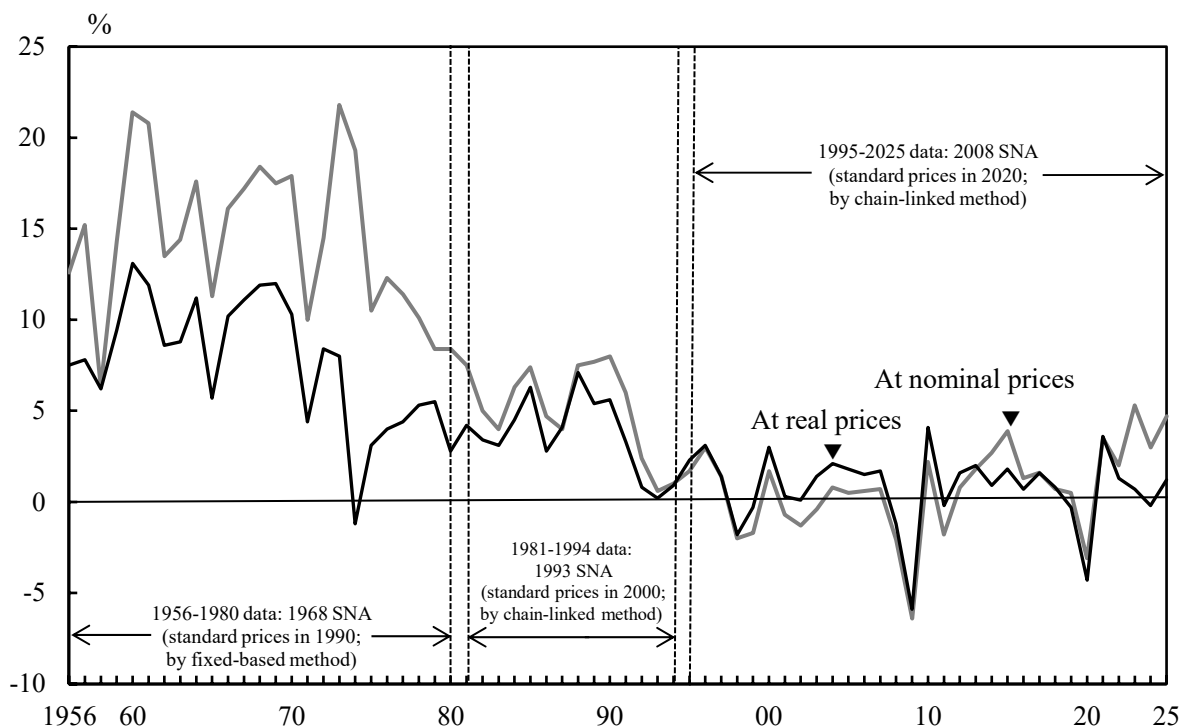
© Statistics Bureau, MIC

Shirakawa-go was designated as a UNESCO World Cultural Heritage Site in 1995 and attracts a large number of tourists from both Japan and abroad every year. The travel and tourism industry shows strong growth potential worldwide and has significant economic ripple effects.

1. Economic Development

During the 1960s, Japan's economy grew at a rapid pace of over 10% per annum. This rapid economic growth was supported by: (i) the expansion of private investments in plant and equipment, backed by a high rate of personal savings; (ii) a large shift in the working population from primary to secondary industries and "an abundant labour force supplied by a high rate of population growth"; and (iii) an increase in productivity brought about by adopting and improving foreign technologies.

Figure 3.1
Economic Growth Rates



Source: Economic and Social Research Institute, Cabinet Office.

In the 1970s, the sharp increase of Japan's exports of industrial products to the U.S.A. and Europe began to cause international friction. In 1971, the U.S.A. announced it would end the convertibility of the dollar into gold. In December 1971, Japan revalued the yen from 360 yen against the U.S. dollar, which had been maintained for 22 years, to 308 yen. In February 1973, Japan adopted a floating exchange-rate system.

In October 1973, the fourth Middle East War led to the first oil crisis, triggering high inflation. Accordingly, Japan recorded negative economic growth in 1974 for the first time in the post-war period. Following the second oil crisis in 1978, efforts were made to change Japan's industrial structure from "energy-dependent" to "energy-saving", enabling Japan to successfully overcome inflation.

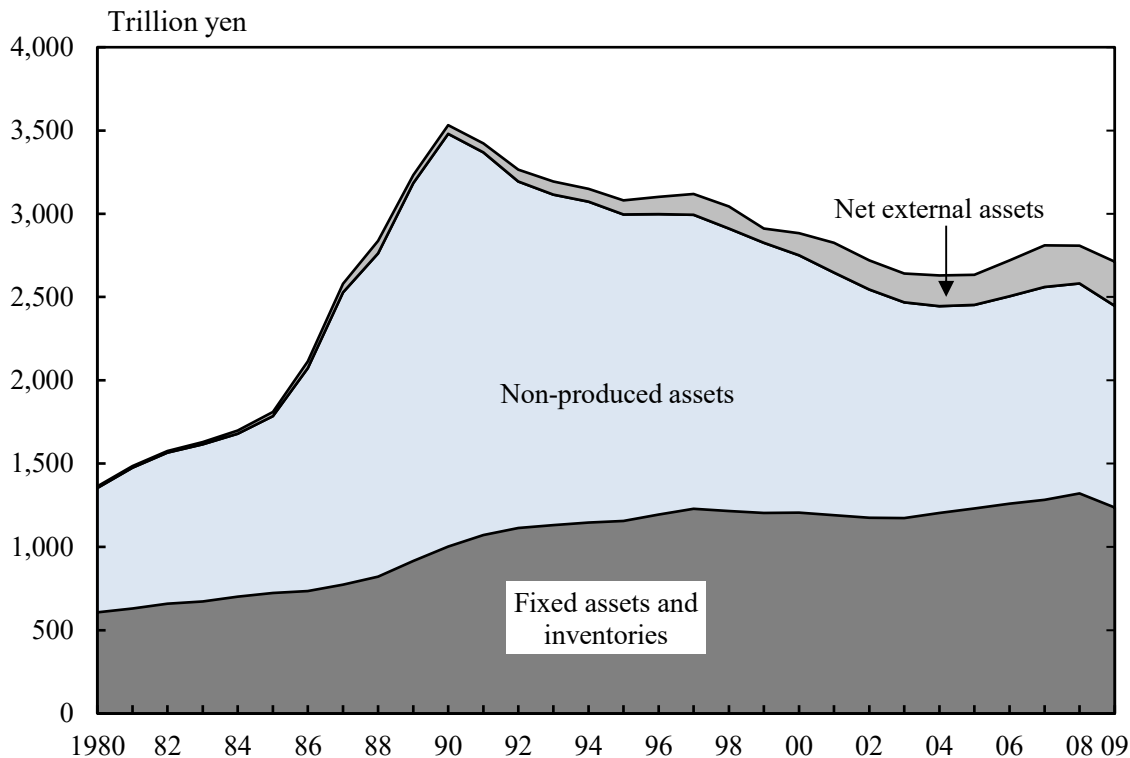
In the 1980s, the trade imbalance with other developed countries widened, leading to currency adjustments. In addition, as part of administrative and financial reforms, Japan National Railways and Nippon Telegraph and Telephone Public Corporation were privatized. Japan succeeded in overcoming the economic recession caused by the strong yen and achieving economic growth that was driven by domestic demand.

2. Bubble Economy and Its Collapse

At the end of the 1980s, Japan's economy enjoyed favorable conditions, with stable wholesale prices and a low unemployment rate. Corporate profits were at their highest level in history, and corporate failures were at their lowest level, while investments in plant and equipment for manufacturing products, such as semiconductors, were very active. Stock and land prices continued to rise rapidly, and large-scale urban developments and resort facility developments in rural areas progressed at a very fast pace. However, excessive funds flowed into the stock and real estate markets, causing abnormal increases in capital asset values (forming an economic bubble).

At the end of 1980, Japan's net worth (national wealth) stood at 1,363 trillion yen, 5.6 times the GDP. It then increased, reaching 3,531 trillion yen, 8.0 times the GDP, at the end of 1990, owing to increasing land and stock prices. At the beginning of 1990, stock prices plummeted, followed by sharp declines in land prices. This marked the start of major economic recession (collapse of the bubble economy). Japan's financial and economic systems, which were excessively dependent on land, consequently approached collapse.

Figure 3.2
National Wealth

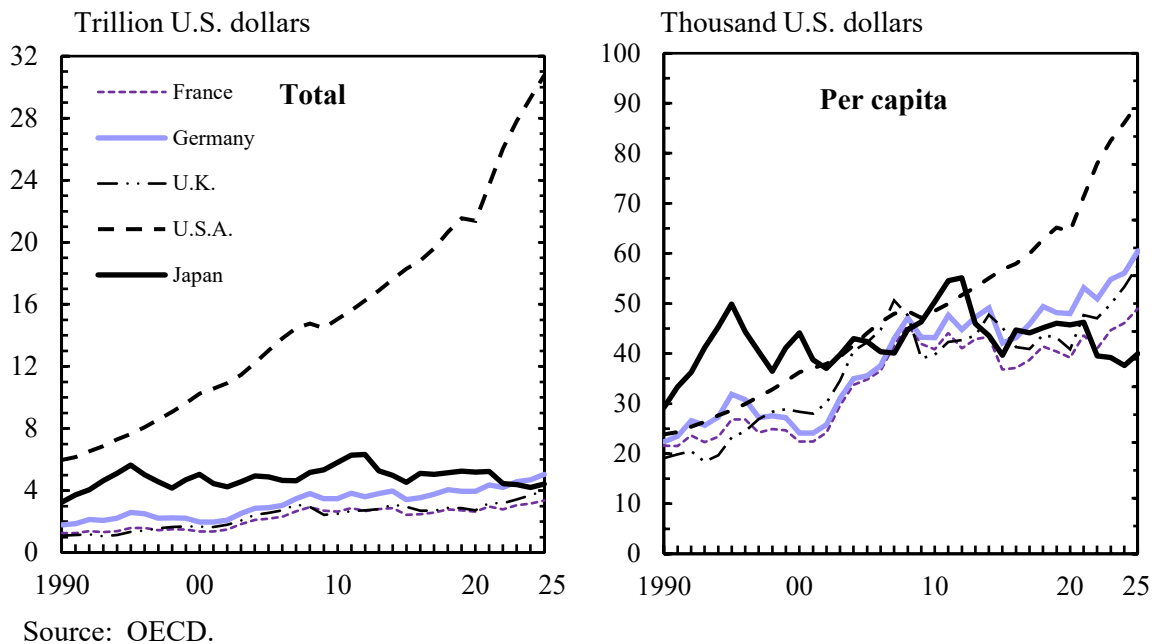


Source: Economic and Social Research Institute, Cabinet Office.

Massive bad debts were created in financial institutions' loan portfolios, as corporate borrowers suffered serious losses due to declining land prices. As a result, shareholders' equity in financial institutions shrank. In 1997, large banks began to fail. In 1998 and 1999, the government injected public money into the banking sector to stabilize the financial system.

3. Economic Trends after Collapse of the Bubble Economy

The Japanese economy began to make a moderate recovery in February 1999. This, however, was only a temporary phenomenon, as investments in plant and equipment were weak and the recovery was too dependent on foreign demand and information and communication technologies. With the global decline in IT demand from mid-2000, Japan's exports to Asia dropped, necessitating adjustments of excess inventory and production facilities. In line with this, the Japanese economy again entered into an economic downturn in 2001.

Figure 3.3**Gross Domestic Product** (Nominal prices, converted into U.S. dollars)

On the economic recovery phase starting at the beginning of 2002, the corporate sector, with export-related industries, as the central part, became favorable based on the steady recovery of the global economy, and shifted generally with a bullish tone up until mid-2007.

In 2008, private consumption, capital investments, and production all remained flat, causing the economic recovery to stall. This occurred against the backdrop of soaring crude petroleum and raw material prices and repercussions from the American subprime mortgage loan problem that, since mid-2007, rapidly clouded future prospects for the world economy further. In addition, the bankruptcy of the major American securities firm Lehman Brothers in September 2008 led to a serious financial crisis in Europe and the U.S.A. Japan was also affected by the yen's rise and the sudden economic contraction in the U.S.A. and other countries. Declining exports contributed to a large drop in production and a sharp rise in unemployment.

Subsequently, the Japanese economy recovered with foreign demand and economic measures after April 2009, and came to a standstill starting around October 2010. In early 2011, however, it began to rally. The Great East Japan Earthquake taking place on March 11, 2011, and the nuclear power plant accident caused by it weakened the economic recovery.

In order to achieve an early end to deflation and break free of economic stagnation, in January 2013, the government set forth its "three-arrows" strategy (also known as "Abenomics").

After that the economy picked up, and signs indicated that the protracted deflation would reverse. There was some weakening of economic recovery from the summer onward, brought on by the consumption tax increase in April 2014, but in part due to factors like the impact of falling crude oil prices near the end of 2014, the economy continued its moderate recovery. From the latter half of 2016, a virtuous cycle developed, against a backdrop of moderate recovery in the overseas economy, starting from the corporate sector, e.g., with recovery in exports and production, and with the dramatic improvement in the employment situation, labour shortages intensified to level like that during the bubble era. In 2019, amid improvement in the employment/income environment and high corporate profits, a moderate recovery continued in areas such as increasing personal consumption and capital investment, the mainstays of domestic demand. However, in 2020 conditions abruptly worsened due to the effects of the COVID-19 pandemic. In 2021, improvement continued from the second half of the previous year, but suppression of economic activity aimed at preventing the spread of disease continued intermittently from the start of the year, and GDP did not manage to recover its level from before the COVID-19 pandemic. From the second half of 2022, the Japanese economy recovered gradually, driven primarily by domestic demand, including a recovery of capital investments fueled by strong corporate earnings. Positive trends continue. In 2023, the nominal GDP exceeded 600 trillion yen, and, in 2024, wages were increased by the highest rate in 33 years. However, amid continued price increases for food and other daily necessities, the recovery of personal consumption has remained weak compared to wages and income.

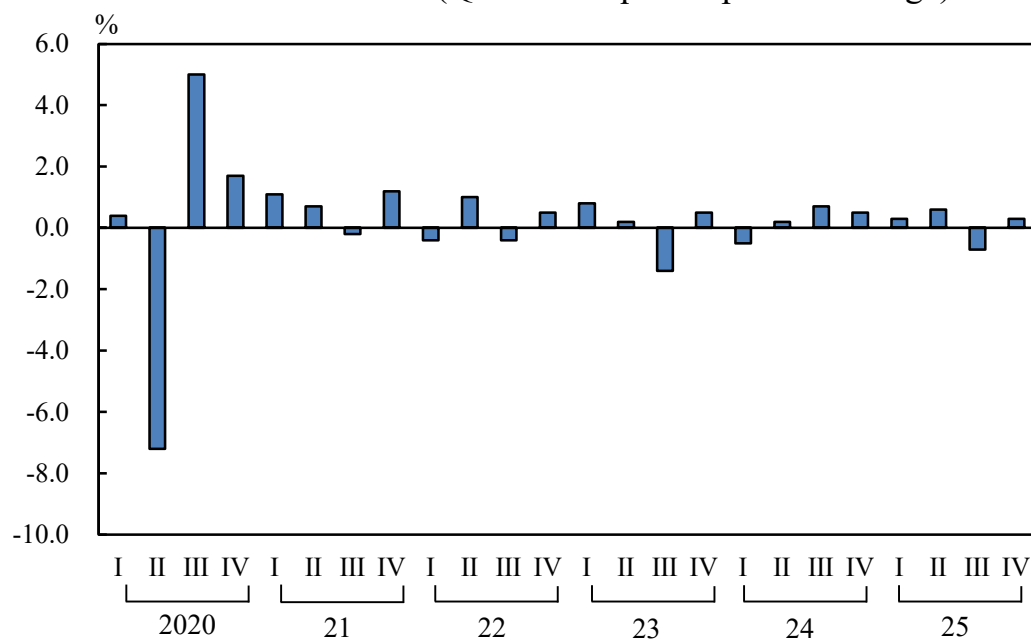
Table 3.1**Gross Domestic Product ¹⁾ (Expenditure approach)**

(Billion yen)

Item	2022	2023	2024	2025
Gross domestic product (GDP)	581,685.0	585,877.7	584,458.1	591,431.4
Domestic demand	580,045.1	579,988.1	578,633.7	587,113.4
Private demand	433,297.2	432,973.6	430,332.5	437,656.7
Private final consumption expenditure	305,760.9	306,017.5	304,189.8	308,757.0
Private residential investment	22,756.8	23,237.1	23,004.4	22,433.3
Private plant and equipment	102,455.3	104,246.7	104,068.2	106,096.7
Changes in inventories of private sectors	2,288.1	-207.0	-555.0	617.9
Public demand	146,727.2	147,000.9	148,341.6	149,455.7
Government final consumption expenditure	119,269.6	119,034.5	120,917.5	122,085.3
Gross capital formation by public sectors	27,446.2	28,090.9	27,593.8	27,495.4
Changes in inventories of public sectors	6.9	-91.7	-91.5	-47.0
Net exports of goods and services	2,262.5	5,679.9	5,765.3	4,830.0
Exports of goods and services	98,708.7	101,740.6	102,661.0	105,604.5
(less) Imports of goods and services	96,446.2	96,060.8	96,895.6	100,774.5
(Reference)				
Trading gains/losses	-17,597.8	-12,458.0	-9,737.8	-7,340.3
Gross domestic income (GDI)	564,087.2	573,419.7	574,720.3	584,091.1
Net income from the rest of the world	33,180.7	32,943.1	35,002.9	35,741.4
Incomes from the rest of the world	47,646.0	53,117.6	58,112.1	59,239.8
(less) Incomes to the rest of the world	14,465.2	20,174.6	23,109.2	23,498.4
Gross national income (GNI)	597,268.0	606,362.8	609,723.2	619,832.5

1) Quarterly estimates of GDP, real prices, 2008 SNA (standard prices in 2020; by chain-linked method).

Source: Economic and Social Research Institute, Cabinet Office.

Figure 3.4**Economic Growth Rates ¹⁾ (Quarter-to-quarter percent change)**

1) Quarterly estimates of GDP (expenditure approach), real prices, 2008 SNA (standard prices in 2020; by chain-linked method; seasonally adjusted).

Source: Economic and Social Research Institute, Cabinet Office.

4. Industrial Structure

Japan's industrial structure has undergone a major transformation since the end of World War II. The chronological changes in the industrial structure during this period by industry share of employed persons and GDP show that shares in the primary industry in particular have fallen dramatically since 1970, when Japan experienced rapid economic growth. During the 1980s, the secondary industry's share of employed persons and GDP also began to decline gradually. On the other hand, the tertiary industry's share of them have risen consistently.

Table 3.2
Changes in Industrial Structure

Year	Employed persons ¹⁾			Gross domestic product (GDP) ^{2) 3)}		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
	industry	industry	industry	industry	industry	industry
1950	48.6	21.8	29.7	...	...	...
1955	41.2	23.4	35.5	19.2	33.7	47.0
1960	32.7	29.1	38.2	12.8	40.8	46.4
1965	24.7	31.5	43.7	9.5	40.1	50.3
1970	19.3	34.1	46.6	5.9	43.1	50.9
1975	13.9	34.2	52.0	5.3	38.8	55.9
1980	10.9	33.6	55.4	# 3.5	# 36.2	# 60.3
1985	9.3	33.2	57.5	3.0	34.9	62.0
1990	7.2	33.5	59.4	2.4	35.4	62.2
1995	# 6.0	# 31.3	# 62.7	# 1.6	# 31.6	# 66.8
2000	5.2	29.5	65.3	1.4	29.2	69.4
2005	4.9	26.4	68.6	1.1	26.6	72.3
2010	4.2	25.2	70.6	1.1	26.1	72.8
2015	3.7	24.6	71.7	1.0	26.7	72.3
2020	3.2	23.4	73.4	1.0	25.9	73.1

1) Ratios for 2015 and 2020 use imputation values for unknowns. 2) Ratios relative to the total added value by economic activity (which differs from Gross Domestic Product (GDP)).

3) Nominal prices. The data for 1955 to 1975 are based on the 1968 SNA, Benchmark year = 1990, the data for 1980 to 1990 are based on the 1993 SNA, Benchmark year = 2000, and the data for 1995 onwards are based on the 2008 SNA, Benchmark year = 2020.

Source: Statistics Bureau, MIC; Economic and Social Research Institute, Cabinet Office.

In 1995, the primary industry accounted for 6.0% of employed persons, the secondary industry for 31.3%, and the tertiary industry for 62.7%. In 2020, the corresponding shares of these three sectors were 3.2%, 23.4% and 73.4%, respectively.

As for GDP by type of economic activity, in 1995, the primary, secondary and tertiary industries accounted for 1.6%, 31.6% and 66.8%, respectively. In 2020, these figures were 1.0%, 25.9% and 73.1%, respectively.

Table 3.3**Gross Domestic Product by Type of Economic Activity (Nominal prices)**

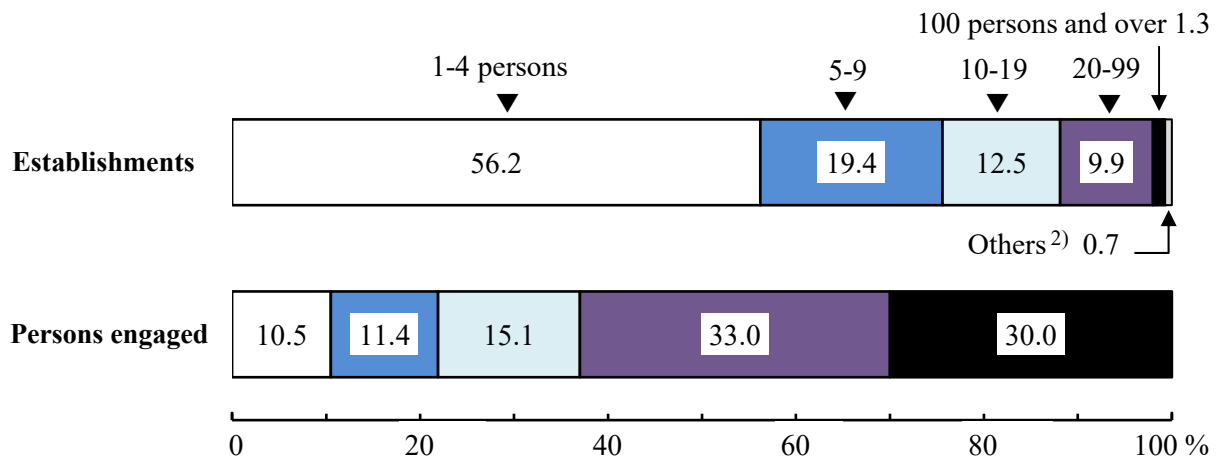
	(%)					
	1995	2000	2005	2010	2015	2020
Primary industry						
Agriculture, forestry and fishing	1.6	1.4	1.0	1.1	1.0	1.0
Secondary industry						
Mining	0.1	0.0	0.0	0.0	0.1	0.0
Manufacturing	23.5	22.2	21.1	20.9	20.1	19.8
Construction	8.0	7.0	5.4	5.1	6.5	6.0
Tertiary industry						
Electricity, gas and water supply and waste management service	3.0	3.3	2.9	2.8	2.7	3.1
Wholesale and retail trade	13.6	13.1	13.9	12.8	12.5	12.3
Transport and postal services	5.4	4.8	5.0	5.2	5.2	4.6
Accommodation and food service activities	2.9	3.0	2.6	2.5	2.4	1.5
Information and communications	3.2	4.6	4.9	4.9	4.7	6.1
Finance and insurance	5.1	5.0	6.1	4.5	4.1	4.0
Real estate	11.8	12.0	12.3	12.8	12.8	12.7
Professional, scientific and technical activities	4.2	5.1	5.8	6.9	7.4	8.3
Public administration	4.6	5.0	4.9	5.0	4.8	5.0
Education	3.8	3.9	3.9	4.0	3.7	3.8
Human health and social work activities	4.1	5.0	5.7	6.5	7.0	7.3
Other service activities	4.9	4.6	4.3	4.5	4.5	4.1

Source: Economic and Social Research Institute, Cabinet Office.

According to the "2021 Economic Census for Business Activity", there were 5.2 million establishments (excluding businesses whose operational details are unknown, national government services, and local government services) in Japan, at which a total of 57.9 million persons were employed.

The average number of persons engaged per establishment was 11.2 and establishments with less than 10 persons accounted for 75.6% of the total.

Figure 3.5
Shares of Establishments and Persons Engaged by Scale of Operation ¹⁾
(2021)



1) Excluding businesses whose operational details are unknown, national government services, and local government services. 2) Establishments consisting of only loaned or dispatched employees.
Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

With regard to the number of establishments by the major groupings of the Japan Standard Industrial Classification, the most numerous category was the "wholesale and retail trade", numbering 1.2 million, followed by "accommodations, eating and drinking services" and "construction". In terms of the number of persons engaged, establishments in the "wholesale and retail trade" ranked first as they employed 11.6 million persons, followed by "manufacturing" and "medical, health care and welfare".

Table 3.4**Number of Establishments and Persons Engaged ¹⁾ (2021)**

Item	Establishments	Persons engaged
Total	5,156,063	57,949,915
By industry		
Primary industry		
Agriculture, forestry and fisheries	42,458	453,703
Secondary industry		
Mining and quarrying of stone and gravel	1,865	19,697
Construction	485,135	3,737,415
Manufacturing	412,617	8,803,643
Tertiary industry		
Electricity, gas, heat supply and water	9,139	202,149
Information and communications	76,559	1,986,839
Transport and postal activities	128,224	3,264,734
Wholesale and retail trade	1,228,920	11,611,924
Finance and insurance	83,852	1,494,436
Real estate and goods rental and leasing	374,456	1,618,138
Scientific research, professional and technical services	252,340	2,118,920
Accommodations, eating and drinking services	599,058	4,678,739
Living-related and personal services and amusement services ...	434,209	2,176,139
Education, learning support	163,357	1,950,734
Medical, health care and welfare	462,531	8,162,398
Compound services	32,131	435,970
Services, n.e.c.	369,212	5,234,337
By type of legal organizations		
Individual proprietorships	1,640,810	4,573,854
Corporations	3,486,590	53,258,019
Companies	3,010,602	44,144,737
Organizations other than corporations	28,663	118,042

1) Excluding businesses whose operational details are unknown, national government services, and local government services.

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

5. Overseas Expansion in the Manufacturing Industry

The domestic manufacturing industry has progressed in the relocation of production bases overseas, for the cutback on production costs, the production in consumption areas, and the evasion of fluctuations in exchange rates.

The number of overseas affiliates in the manufacturing industry was 10,984 companies at the end of fiscal 2024, and the overseas production ratio was 26.7% in actual performance in fiscal 2024. The value of sales for overseas affiliated companies in the manufacturing industry decreased from 138.6 trillion yen in fiscal 2018 to 112.8 trillion yen in fiscal 2020, but sales recovered starting in fiscal 2021, and reached a record high level of 170.3 trillion yen in fiscal 2024.

Table 3.5

Trends in Overseas Affiliated Companies (Manufacturing industries)

Fiscal year	Number of overseas affiliates ¹⁾	Value of sales (Million yen)	Overseas production ratio ²⁾ (%)	Value of capital investment (Million yen)	Ratio of overseas capital investment ³⁾ (%)
2015	11,080	134,996,164	25.3	4,571,639	25.5
2016	10,919	123,636,074	23.8	3,766,446	20.7
2017	10,838	138,024,661	25.4	3,961,088	20.8
2018	11,344	138,584,467	25.1	4,384,020	21.5
2019	11,199	121,618,532	23.4	4,292,606	22.1
2020	11,070	112,790,400	23.6	3,219,364	19.4
2021	10,902	139,441,614	25.8	3,670,889	20.8
2022	10,433	162,082,259	27.1	4,350,870	22.0
2023	10,173	167,484,675	27.2	4,876,449	22.8
2024	10,984	170,333,248	26.7	5,237,840	23.4

1) End of fiscal year. 2) Based on all domestic companies. Overseas production ratio = Sales of overseas affiliates/(Sales of overseas affiliates + Sales of domestic companies) × 100.

3) Ratio of overseas capital investment = Amount of capital investment in overseas affiliates/(Amount of capital investment in overseas affiliates + Amount of capital investment in domestic companies) × 100.

Source: Ministry of Economy, Trade and Industry.

There are many companies that are planning on expanding their business in the future to India, the U.S.A., Vietnam, and Indonesia.

Chapter 4

Finance



Male students brimming with energy, shouting, "Let's do this!" The FY2026 budget expanded measures for tuition-free high school education to reduce educational disparities arising from economic circumstances and to ensure diverse, high-quality educational opportunities and a broader range of educational choices.

1. National and Local Government Finance

Finance refers to revenue and expenditure of administrative services from national and local governments.

(1) National Government Finance

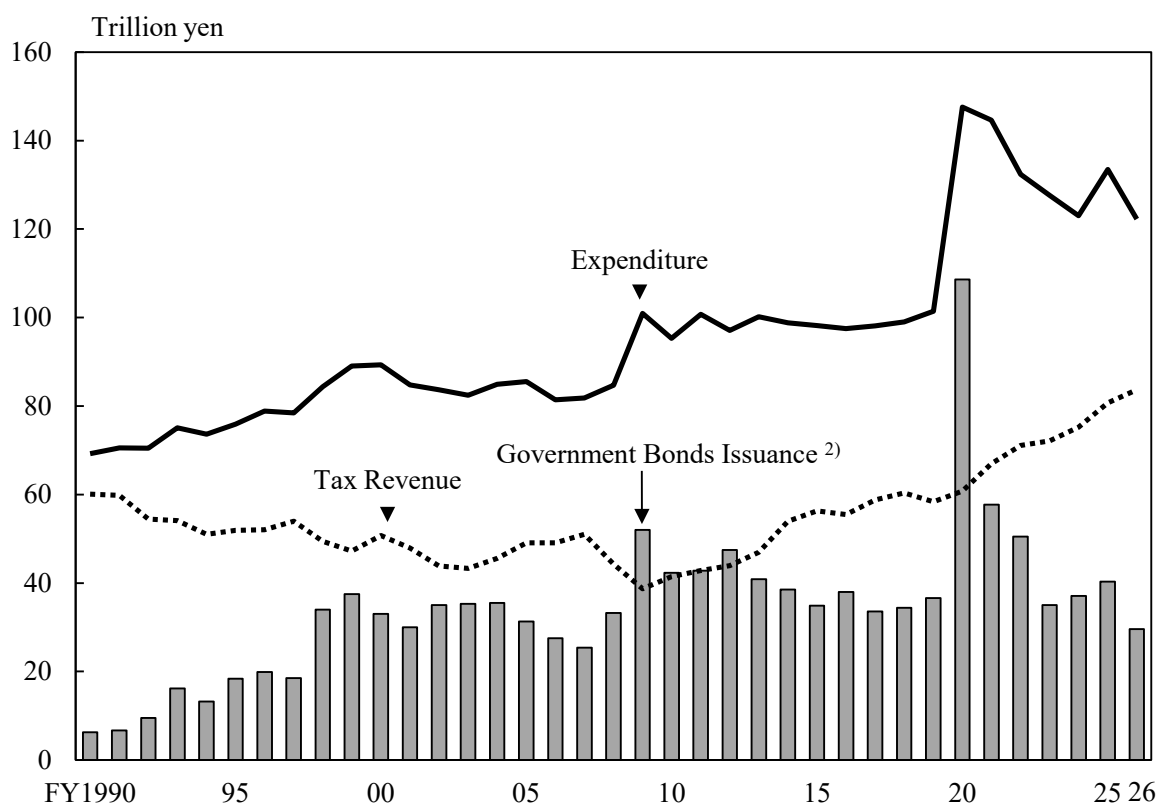
Japan's fiscal year starts in April, and ends in March of the following year. In setting the national budget, the government submits a proposed budget for the upcoming fiscal year to the Ordinary Session of the Diet, which begins in January. The proposal is then discussed, and approved usually before the fiscal year begins in April (initial budget). In the event that the Diet does not approve the budget by the end of March, an interim budget comes into effect. The interim budget is effective from the beginning of April until such time when the proposed budget is approved. If it becomes necessary to amend the budget in the course of a fiscal year, the government submits a supplementary budget for Diet approval. The budget of fiscal 2026 was designed to realize a robust economy. To achieve this, it reflects current economic and price trends and continues to promote support for children and child-rearing, Green Transformation (GX), AI and semiconductors, and other key initiatives that cover multiple fiscal years. In addition, by prioritizing spending in selected areas across the overall budget, the government has increased the budget for tuition-free high school education and other policy measures.

Japan's national budget consists of the General Account Budget, Special Account Budgets, and the Budgets of Government-affiliated Agencies. Using revenues from general sources such as taxes, the General Account covers core national expenditures such as social security, public works, education and science, and national defense.

Special Accounts are accounts established for the national government to carry out projects with specific objectives, and their management and administration are independent of the General Account. The number and particulars of Special Accounts change from year to year; for fiscal 2026, there are a total of 14 Special Accounts, including the National Debt Consolidation Fund, the Local Allocation Tax and Local Transfer Tax, and the Special Account for Child and Child-rearing Support.

Government-affiliated agencies are entities established by special laws and are entirely funded by the government. Currently, the Japan Finance Corporation, the Okinawa Development Finance Corporation, Japan Bank for International Cooperation, and the Japan International Cooperation Agency (Finance and Investment Account) are operated.

Figure 4.1
Revenue and Expenditure in the General Account ¹⁾



1) Based on settled figures until FY2024, supplementary budget for FY2025, and initial budget for FY2026. 2) Excludes some special bonds issuance.

Source: Ministry of Finance.

In the national government finance, expenditure has continued to surpass revenue. Since fiscal 2008 in particular, the worsening economy has decreased tax revenue, contributing to an increasing gap between revenue and expenditure. From fiscal 2009 to fiscal 2012, bond issues exceeded tax revenue in most years, but starting in fiscal 2013, tax revenue began to exceed borrowing. In fiscal 2020, the supplementary budget for the contingency fund for COVID-19 was covered solely by government bonds, leading to bond issues exceeding tax revenue, while bond issues in fiscal 2026 are 29.6 trillion yen.

The size of the General Account Budget for fiscal 2026 was 122 trillion

yen. This is equivalent to 17.7% of the fiscal 2026 GDP, forecasted by the government at 692 trillion yen.

Table 4.1
Expenditures of General Account

(Billion yen)

Fiscal year	Total	Social Security	Education and Science	Former Public Officers Pension	National Defense	Public Works Projects	Economic Assistance
2000	89,321	17,636	6,872	1,418	4,907	11,910	1,012
2005	85,520	20,603	5,701	1,065	4,878	8,391	784
2010	95,312	28,249	6,051	709	4,670	5,803	746
2015	98,230	31,398	5,574	387	5,130	6,378	661
2020	147,597	42,998	9,194	169	5,505	8,413	763
2024	123,024	35,779	6,868	71	8,640	8,387	765
2025 ¹⁾	133,501	40,961	7,822	63	10,142	8,626	683
2026 ²⁾	122,309	39,056	6,041	49	8,984	6,108	511

Fiscal year	Measures for SMEs ³⁾	Energy	Food Supply	Others	National Debt Service	Local Allocation Tax Grants	Special Local Grants
2000	933	677	247	6,434	21,446	14,915	914
2005	237	493	657	6,536	18,736	15,923	1,518
2010	830	845	1,122	7,953	19,544	18,407	383
2015	340	968	1,276	6,854	22,464	16,682	119
2020	16,257	1,027	1,498	23,190	22,326	16,031	226
2024	787	2,403	1,627	12,387	25,689	18,487	1,133
2025 ¹⁾	1,054	1,091	1,771	12,923	28,190	19,983	194
2026 ²⁾	170	800	1,273	7,164	31,276	20,062	816

1) Supplementary budget. 2) Initial budget. 3) Measures for small and medium-sized enterprises.

Source: Ministry of Finance.

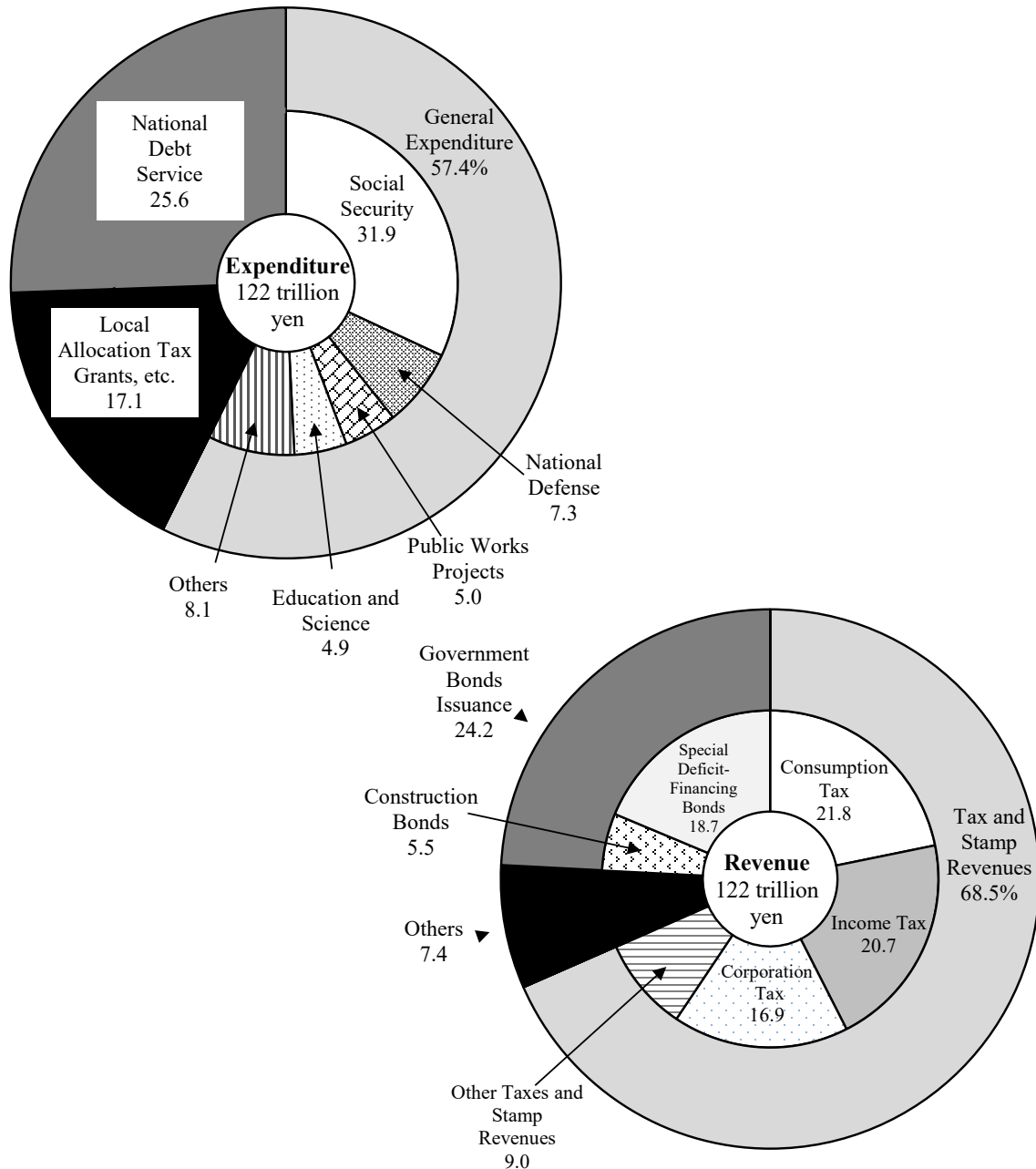
In fiscal 2026, major expenditures from the initial General Account Budget include Social Security (31.9%), National Debt Service (25.6%), Local Allocation Tax Grants, etc. (17.1%), National Defense (7.3%), Public Works Projects (5.0%), and Education and Science (4.9%).

With regard to revenue sources for the fiscal 2026 initial General Account Budget, consumption tax, income tax and corporation tax account for

59.4%. Even with the addition of other taxes and stamp revenues, these revenue sources only amount to 68.5% of the total revenue.

Figure 4.2

Composition of Revenue and Expenditure of General Account Budget
(Initial budget, FY2026)



Source: Ministry of Finance.

(2) Local Government Finance

There are two budget categories in local government finance: the ordinary

accounts and the public business accounts. The former covers all kinds of expenses related to ordinary activities of the prefectural and municipal governments. The latter covers the budgets of independently accounted enterprises such as public enterprises (water supply and sewerage systems, hospitals, etc.), the national health insurance accounts, and the latter-stage elderly medical care accounts.

While expenditures such as defense expenses are administered solely by the national government, a large portion of expenditures that directly relate to the people's daily lives are disbursed chiefly through local governments. Those disbursed mainly through local governments are: sanitation expenses, which include areas such as health centers and garbage disposal; school education expenses; judicial, police, and fire service expenses; and public welfare expenses, which cover child welfare and elderly welfare such as nursing care, etc.

The revenue composition of local governments usually remains almost the same each fiscal year, while their budget scale and structure vary from year to year. The largest portion of fiscal 2024 (net) revenues came from local taxes, accounting for 38.5% of the total.

Table 4.2**Local Government Finance**¹⁾ (Ordinary accounts)

(Billion yen)

Item	FY2020	FY2021	FY2022	FY2023	FY2024
Revenues	130,047	128,291	121,945	116,694	120,249
Local taxes	40,826	42,409	44,052	44,621	46,269
Local transfer tax	2,232	2,447	2,762	2,775	3,096
Special local grants	226	455	223	217	1,133
Local allocation tax	16,989	19,505	18,631	19,007	19,935
National treasury disbursements ...	37,456	32,072	26,711	21,116	20,186
Local bonds	12,261	11,745	8,781	8,642	8,851
Expenditures	125,459	123,368	117,356	112,422	115,982
General administration	22,535	12,432	11,885	11,479	12,551
Public welfare	28,694	31,313	30,272	31,319	32,740
Sanitation	9,120	11,375	12,225	8,605	8,147
Agriculture, forestry and fishery ...	3,411	3,304	3,362	3,369	3,305
Commerce and industry	11,534	14,980	10,316	8,416	7,496
Civil engineering work	12,690	12,686	12,444	12,412	12,927
Education	18,096	17,790	17,768	17,736	19,352

1) Settled figures of the net total of prefectural and municipal government accounts after deducting duplications. The breakdown consists of major items only.

Source: Ministry of Internal Affairs and Communications.

(3) National and Local Government Finance

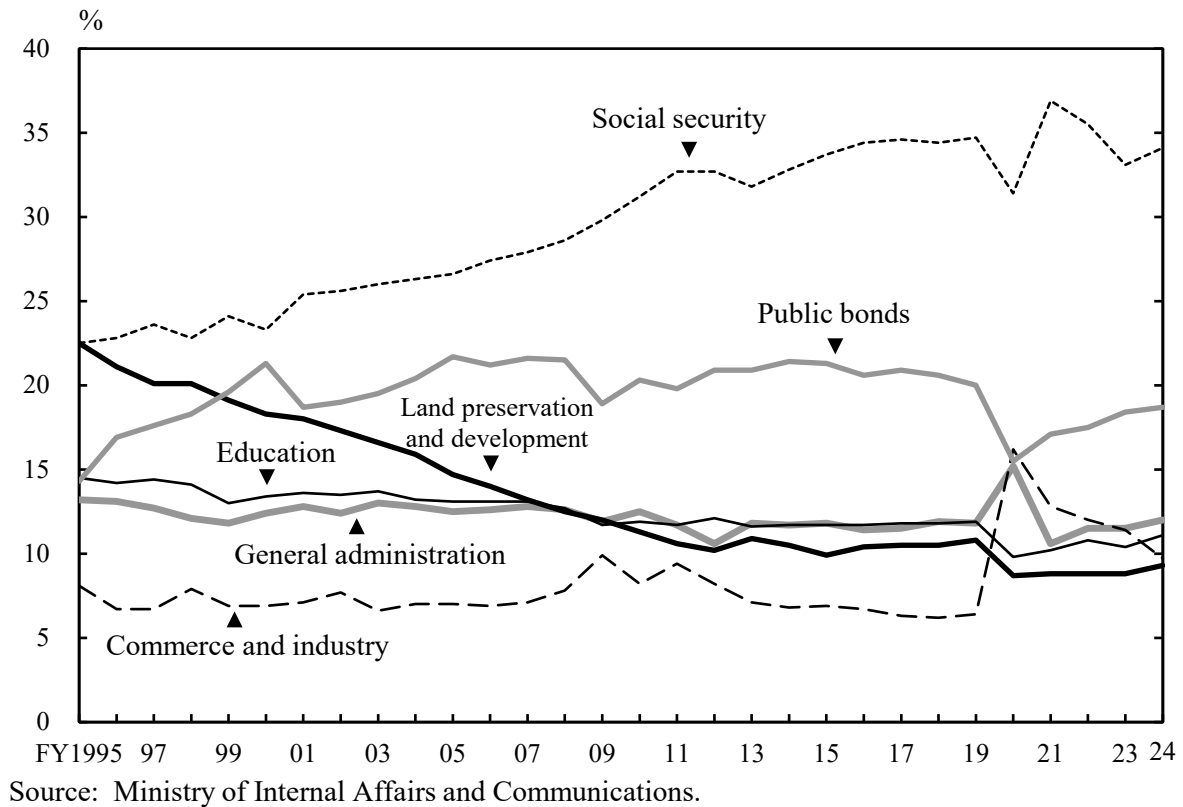
The settlement amount for fiscal 2024, the net total of national and local government expenditures was 204 trillion yen. The national government disbursed 43.5% of this amount, while the local governments disbursed 56.5%.

Table 4.3
Comparison of National and Local Government Finances (Settled figures)

(Billion yen)						
Item	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Total expenditure						
National government	109,076	154,907	151,786	140,193	137,425	132,892
Local governments	99,702	125,459	123,368	117,356	112,422	115,982
Disbursements of the national government to local governments	35,656	56,903	54,478	48,327	43,116	44,350
Disbursements of local governments to the national government	856	956	799	785	799	873
Net total	172,267	222,508	219,877	208,436	205,933	203,651
National government	73,420	98,005	97,308	91,866	94,309	88,541
Local governments	98,847	124,503	122,568	116,571	111,623	115,109
Percentage (Net total)						
National government	42.6	44.0	44.3	44.1	45.8	43.5
Local governments	57.4	56.0	55.7	55.9	54.2	56.5

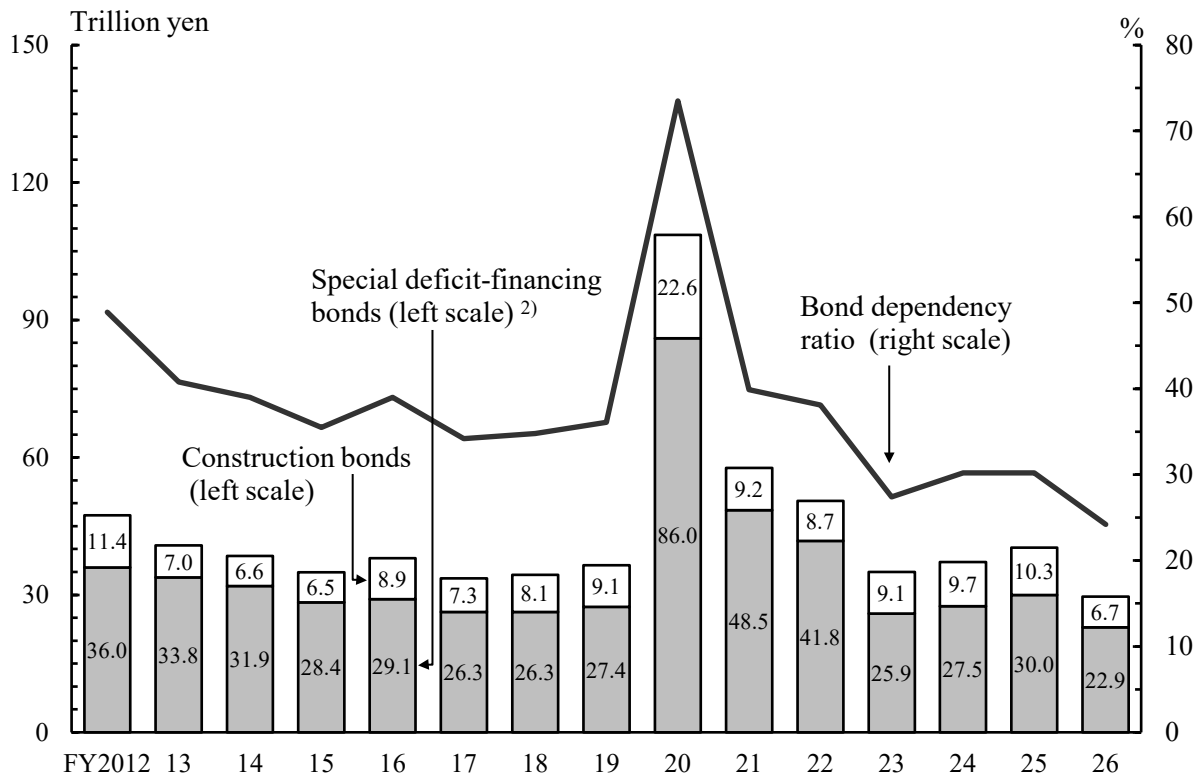
Source: Ministry of Internal Affairs and Communications.

A function-by-function breakdown of these expenditures showed that social security expenditure accounted for the largest portion (34.1%), followed by public bonds (18.7%), general administration (12.0%), education (11.1%), commerce and industry (9.7%), and then land preservation and development (9.3%).

Figure 4.3**Ratio of Net Total National and Local Expenditures by Function**

Public bonds are issued to compensate for shortages of national and local revenues. From fiscal 2013 through fiscal 2019, tax revenue rebounded and exceeded the amount of public bonds issued. However, the economy suffered a sharp downturn due to the COVID-19 pandemic that began in 2020. As a result, the government issued a large volume of government bonds to compile a supplementary budget, causing the amount of public bonds issued in fiscal 2020 to reach 109 trillion yen and exceed the amount of the initial budget. Subsequently, the level fell below 30 trillion yen at the start of fiscal 2026.

Figure 4.4
National Government Bond Issue and Bond Dependency Ratio ¹⁾

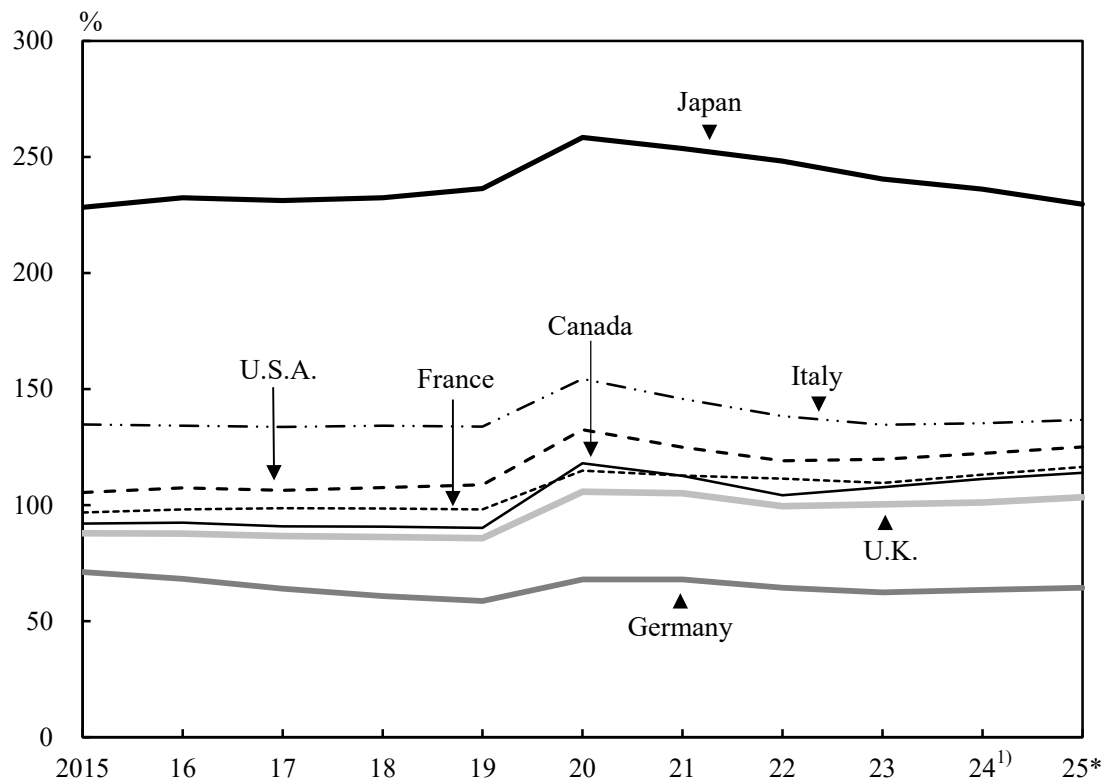


1) Based on settled figures until FY2024, supplementary budget for FY2025, and initial budget for FY2026. 2) Excludes some special accounts.

Source: Ministry of Finance.

Japan's ratio of outstanding general government debt to GDP, a stock measure in a fiscal context, is particularly high even compared to other major industrialized countries.

Figure 4.5
Ratio of General Government Gross Debt to GDP



1) The data for Japan indicates estimated figure.

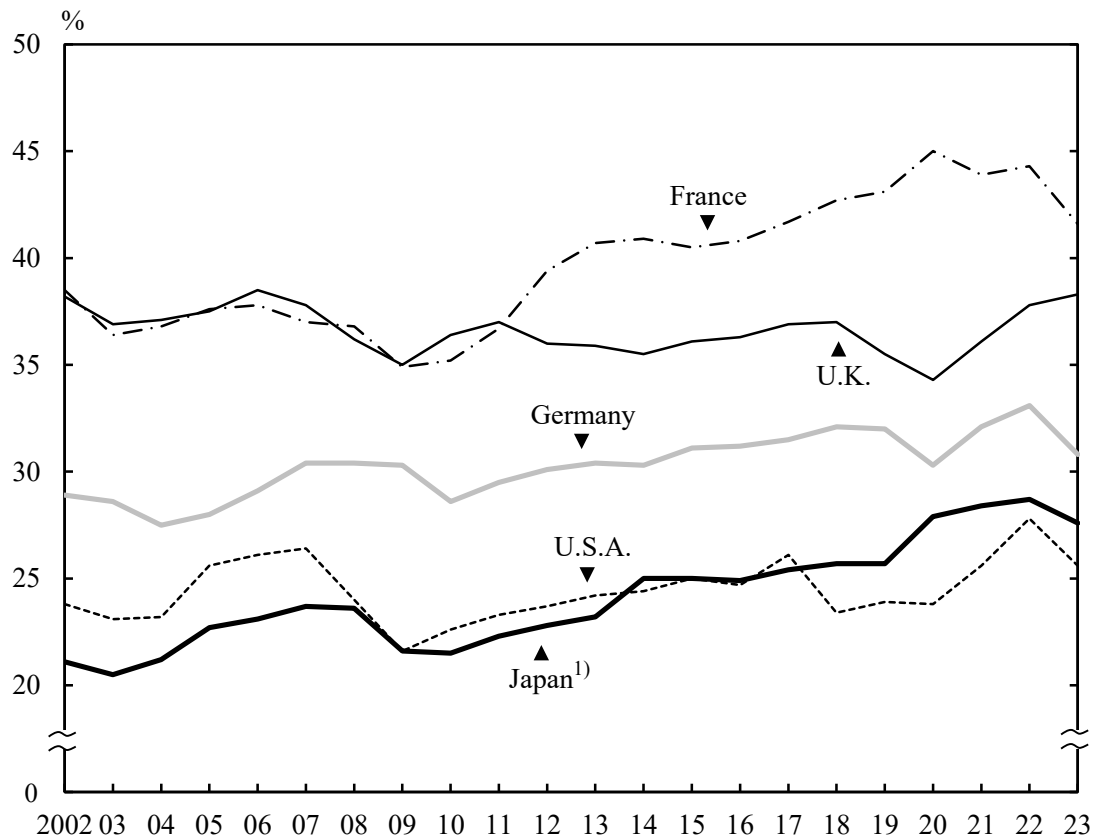
Source: Ministry of Finance.

(4) Tax

Taxes consist of national tax (income tax, corporation tax, etc.), which is paid to the national government, and local tax, which is paid to the local government of the place of payer's residence. The ratio of taxation burden, which is the ratio of national and local taxes to national income, followed an upward trend until fiscal 1990. However, after the collapse of the bubble economy, the ratio of taxation burden shrank, because tax cuts were frequently implemented as part of economic stimulus measures. From fiscal 2009 to 2010, the economy deteriorated significantly due to the global financial crisis, leading to a rapid decrease in corporate tax revenue and a smaller ratio of taxation burden. Later on, with the consumption tax rate hikes in April 2014 and October 2019, as well as an improving economy, the ratio of taxation burden grew gradually. It continued to grow also in 2020 and onward, due to increased tax income resulting from rising commodity prices. The forecast for fiscal 2026 is at 28.0% (18.1% for national taxes and 9.9% for local taxes). The October 2019 increase in the consumption tax rate was implemented to transform Japan's social security

system, which used to focus on benefits for the elderly, into a system that supports all generations. However, Japan's ratio is lower in comparison with other major industrial countries.

Figure 4.6
Ratio of Taxation Burden to National Income by Country (Actual basis)



1) Fiscal year.

Source: Ministry of Finance.

2. Bank of Japan and Money Stock

As the central bank, the Bank of Japan (i) issues banknotes; (ii) manages and stores treasury funds and provides loans to the government; (iii) provides deposit and loan services to general financial institutions; and (iv) implements monetary policies by adjusting the level of money stock to promote the sound development of the economy.

As of the end of 2025, currency in circulation totaled 125.2 trillion yen (120.6 trillion yen in banknotes and 4.6 trillion yen in coins), down 2.7% from the year before.

Table 4.4**Currency in Circulation** (Outstanding at year-end)

(Billion yen)					
Item	2021	2022	2023	2024	2025
Total	127,026	129,923	129,368	128,771	125,240
Banknotes	121,964	125,068	124,608	124,078	120,606
Coins	5,062	4,855	4,760	4,693	4,634

Source: Bank of Japan.

The Bank of Japan compiles and publishes statistics on the following indices of money stock: (i) M1, or currency in circulation plus deposit money deposited at depository institutions; (ii) M2, or currency in circulation plus deposits deposited at domestically licensed banks, etc.; (iii) M3, or currency in circulation plus deposits deposited at depository institutions; and (iv) L, or M3 plus pecuniary trusts plus investment trusts plus bank debentures plus straight bonds issued by banks plus commercial paper issued by financial institutions plus government securities plus foreign bonds. The average amounts outstanding of money stock in 2025 was 1,092 trillion yen in M1 and 1,267 trillion yen in M2.

Table 4.5**Money Stock**¹⁾ (Average amounts outstanding)

(Billion yen)						
Year	M2	M3	M1	Quasi-money	CDs	L (Broadly-defined liquidity)
2021	1,162,665	1,511,654	968,976	508,400	34,278	1,975,939
2022	1,201,202	1,555,806	1,023,363	496,546	35,897	2,053,891
2023	1,231,147	1,586,413	1,066,646	488,724	31,043	2,104,140
2024	1,252,373	1,604,914	1,094,541	485,725	24,648	2,177,242
2025	1,267,178	1,615,819	1,091,635	501,306	22,878	2,235,072

1) "Money stock" indicates the aggregate amount of money, including currency in circulation and deposit money, held by money holders such as non-financial corporations, individuals, and local governments.

Source: Bank of Japan.

To achieve a price stability target of a 2.0% year-on-year increase in the Consumer Price Index fast, the Bank of Japan introduced quantitative and

qualitative monetary easing in April 2013 and a negative interest rate policy in January 2016. However, the effects were limited, and even after more than six years, the price stability target had not been achieved. In this situation, rising crude oil and grain prices driven by developments in Ukraine and the Middle East, and other factors fueled a global surge in inflation. Coupled with the impact of the weak yen, the Consumer Price Index has begun to exceed the 2% target. In response to these changes in the price environment, the Bank of Japan started to tighten its monetary policy in March 2024, stating, "we have reached conditions where we can expect that the 2% price stability target will be achieved sustainably and stably". The Bank of Japan lifted negative interest rates and brought an end to its extraordinary monetary easing. However, the current rise in prices is primarily due to factors rooted overseas, and with long-term interest rates rising as a result of the Bank of Japan's rate hikes, there are concerns about the impact on the economy in the future.

Table 4.6
Financial Markets (Interest rates, etc.)

End of year	Basic discount rate and basic loan rate	Call rates ¹⁾	Prime lending rates ²⁾	(% per annum)	
				Average contract interest rates on loans and discounts ³⁾	10 years' newly issued Govt. bond yields ⁴⁾
2016	0.30	-0.058	1.475	0.623	0.040
2017	0.30	-0.062	1.475	0.584	0.045
2018	0.30	-0.055	1.475	0.597	-0.010
2019	0.30	-0.068	1.475	0.602	-0.025
2020	0.30	-0.033	1.475	0.481	0.020
2021	0.30	-0.018	1.475	0.475	0.070
2022	0.30	-0.022	1.475	0.440	0.410
2023	0.30	-0.039	1.475	0.452	0.620
2024	0.50	0.227	1.625	0.562	1.090
2025	1.00	0.727	1.875	1.020	2.060

1) Uncollateralized overnight. 2) Principal banks. Short-term loans.

3) Outstanding loans and bills discounted. Short-term loans and discounts. Figures are those of banking accounts of domestically licensed banks (excluding several banks) that conduct transactions with the Bank of Japan. 4) Simple yields. Figures are based on closing price.

Source: Bank of Japan; Japan Bond Trading Co., Ltd.

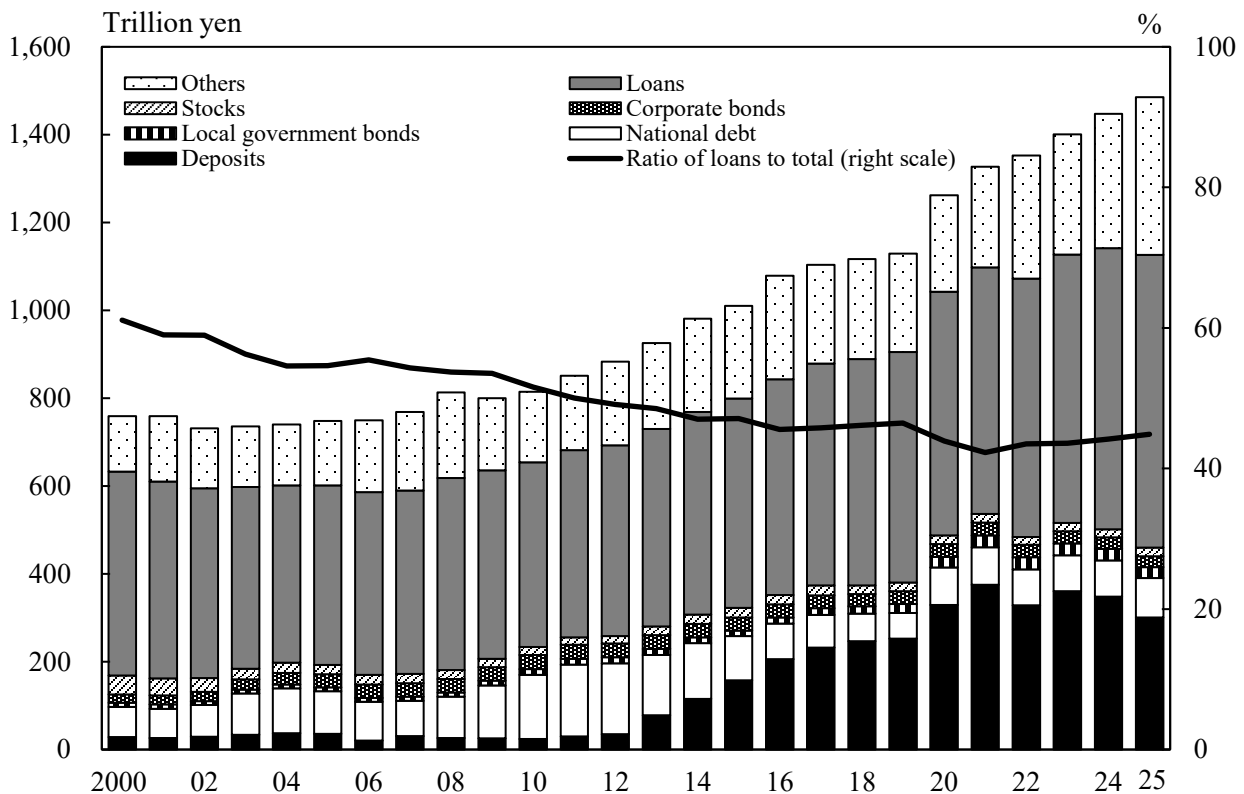
Japan's monetary base is the amount of currency supplied by the Bank of Japan. It is the combined total of banknotes in circulation, coins in circulation, and current account deposit in the Bank of Japan. This was 590.9 trillion yen as of the end of April 2026 (down 11.3% from the same month of the previous year), as growth in supply ended due to revision of the monetary policy framework in March 2024.

3. Financial Institutions

In addition to the Bank of Japan, Japan's financial system is comprised of private and public financial institutions. Private financial institutions include those that accept deposits (banks, credit depositories, agricultural cooperatives, etc.) and those that do not (securities companies, insurance companies, etc.).

In the course of the financial system reform, mergers and restructuring progressed among major banks, resulting in their being reorganized into three major financial groups. The number of regional banks and credit depositories has also declined significantly due to the progress of corporate mergers. As of the end of September 2025, in the number of offices operated domestically, including the branches of financial institutions, post offices had the largest network with 23,414 offices. Domestically licensed banks, including city banks and regional banks, had a combined total of 13,541 offices and branches.

The fundamental role of the bank sector is to adjust the surplus and deficiency of funds. In recent years, fund surplus in the corporate sector and fund deficiency in the government sector have continued, with various effects on the financial intermediation structure. As that structure changes, the percentage of loans to bank assets is exhibiting a downward trend over the long term.

Figure 4.7**Assets of Domestically Licensed Banks (Banking accounts, end of year)**

Source: Bank of Japan.

4. Financial Assets

The Flow of Funds Accounts Statistics, which is a comprehensive set of records of financial transactions, assets and liabilities, indicates that financial assets in the domestic sectors totaled 9,888 trillion yen as of the end of March 2025. Of these assets, those of the domestic nonfinancial sector were 4,716 trillion yen. Of this sector, the household sector (including the business funds of individual proprietorships) had assets of 2,200 trillion yen, in the forms of deposits, stocks and other financial assets. In Japan, the household sector holds more than 50% of its financial assets in cash and deposits.

Table 4.7**Financial Assets and Liabilities of Japan (End of fiscal year)**

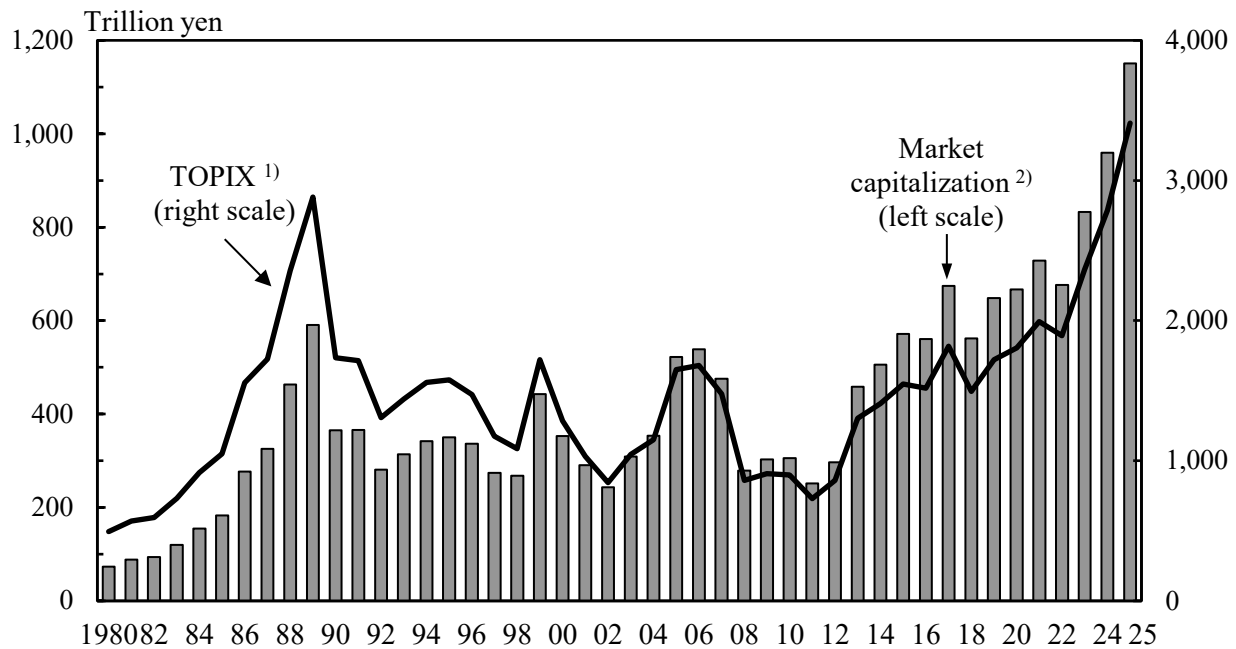
				(Billion yen)
Sectors	FY2023	FY2024	Annual change (%)	
Financial assets				
Domestic sectors	9,962,419	9,888,355	-0.7	
Financial institutions	5,274,359	5,171,857	-1.9	
Domestic nonfinancial sector	4,688,060	4,716,498	0.6	
Nonfinancial corporations	1,564,108	1,570,517	0.4	
General government	869,503	878,843	1.1	
Households (incl. individual proprietorships)	2,187,118	2,199,688	0.6	
Private nonprofit institutions serving households ..	67,332	67,450	0.2	
Overseas	1,103,105	1,090,763	-1.1	
Financial liabilities				
Domestic sectors	9,473,187	9,358,471	-1.2	
Financial institutions	5,167,553	5,158,884	-0.2	
Domestic nonfinancial sector	4,305,634	4,199,587	-2.5	
Nonfinancial corporations	2,439,380	2,358,609	-3.3	
General government	1,446,564	1,408,974	-2.6	
Households (incl. individual proprietorships)	388,838	400,901	3.1	
Private nonprofit institutions serving households ..	30,853	31,104	0.8	
Overseas	1,583,223	1,608,010	1.6	

Source: Bank of Japan.

5. Stock Market

Stock prices in Japan rose sharply in the second half of the 1980s, spearheading the bubble economy. However, they started to fall in 1990 ahead of land prices. There was some subsequent rebound, but 1998 saw a further drop as a result of factors like financial worries due to the growth of non-performing assets at banks. After that, the Tokyo Stock Price Index (TOPIX) repeatedly fell and rose, but events such as the 2007-2008 Global Financial Crisis and the Great East Japan Earthquake had a major impact on corporate profits, and by the end of 2011, the index had fallen to a level roughly one-fourth that at the end of 1989.

Figure 4.8
Stock Price Index and Market Capitalization
 (Tokyo Stock Exchange, end of year)



1) A market benchmark with functionality as an investable index, covering an extensive proportion of the Japanese stock market. It is a free-float adjusted market capitalization-weighted index. It shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4, 1968) is 100 points.

2) Until 2021, market capitalization indicates that of the First Section. From 2022, it indicates that of the Prime Market.

Source: Tokyo Stock Exchange, Inc.

In 2012, the high yen in Japanese economy was corrected due to expectations toward anti-deflationary economic and fiscal policies by the new government, and share prices rose. The market capitalization of listed stocks followed a similar trend and rebounded sharply. As of the end of 2018, the TOPIX temporarily declined because of the uncertain global economic outlook and other factors, but resumed its upward trend in 2019 and reached 3,408.97 by the end of 2025, significantly surpassing its peak of the economic bubble era.

Table 4.8
Stock Prices (Tokyo Stock Exchange)

Year	Number of listed companies ^{1) 2)}	Market capitalization ^{1) 2)} (million yen)	Total trading value ^{2) 3)} (million yen)	TOPIX ^{1) 4)} Tokyo stock price index	Nikkei Stock Average (225 issues) ^{1) 5)} (yen)
2005	1,667	522,068,129	459,136,406	1,649.76	16,111.43
2006	1,715	538,629,548	644,308,788	1,681.07	17,225.83
2007	1,727	475,629,039	735,333,528	1,475.68	15,307.78
2008	1,715	278,988,813	568,538,950	859.24	8,859.56
2009	1,684	302,712,168	368,679,737	907.59	10,546.44
2010	1,670	305,693,030	354,598,763	898.80	10,228.92
2011	1,672	251,395,748	341,587,524	728.61	8,455.35
2012	1,695	296,442,945	306,702,280	859.80	10,395.18
2013	1,774	458,484,253	640,193,836	1,302.29	16,291.31
2014	1,858	505,897,342	576,525,070	1,407.51	17,450.77
2015	1,934	571,832,889	696,509,496	1,547.30	19,033.71
2016	2,002	560,246,997	643,205,780	1,518.61	19,114.37
2017	2,062	674,199,186	683,218,254	1,817.56	22,764.94
2018	2,128	562,121,332	740,746,041	1,494.09	20,014.77
2019	2,160	648,224,522	598,213,662	1,721.36	23,656.62
2020	2,186	666,862,093	671,671,658	1,804.68	27,444.17
2021	2,182	728,424,514	765,249,832	1,992.33	28,791.71
2022	1,838	676,270,419	605,604,601	1,891.71	26,094.50
2023	1,657	833,007,509	943,955,094	2,366.39	33,464.17
2024	1,640	959,698,069	1,254,578,718	2,784.92	39,894.54
2025	1,599	1,150,906,655	1,419,998,516	3,408.97	50,339.48

1) End of year. 2) Until 2021, they indicate that of the First Section. From 2022, they indicate that of the Prime Market. 3) The figure for 2022 excludes First Section trading value of 211,610,492 (million yen). 4) A market benchmark with functionality as an investable index, covering an extensive proportion of the Japanese stock market. It is a free-float adjusted market capitalization-weighted index. It shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4, 1968) is 100 points. 5) Closing price.

Source: Tokyo Stock Exchange, Inc.; Nikkei Inc.

As of the end of March 2025, the total number of individual stockholders (individuals of Japanese nationality and domestic groups without corporate status) in possession of stocks listed on the Tokyo/Nagoya/Fukuoka/Sapporo Stock Exchanges totaled 83.6 million. In terms of value, the ratio of stocks they possessed was 17.3%, up 0.4 percentage points from the previous fiscal year. The ratio of Japanese stocks held by foreign investors (non-Japanese corporations and individuals) was 32.4% in terms of value, up 0.6 percentage points from the previous fiscal year, and exceeding 30% for the fifth consecutive year.

A survey conducted by the Japan Securities Dealers Association (JSDA) showed that 35.9% of 262 securities firms offered Internet trading as of the end of September 2025. Online securities trading thus accounted for 28.9% of the total value of stock brokerage transactions from April to September 2025.

Chapter 5

Agriculture, Forestry, and Fisheries



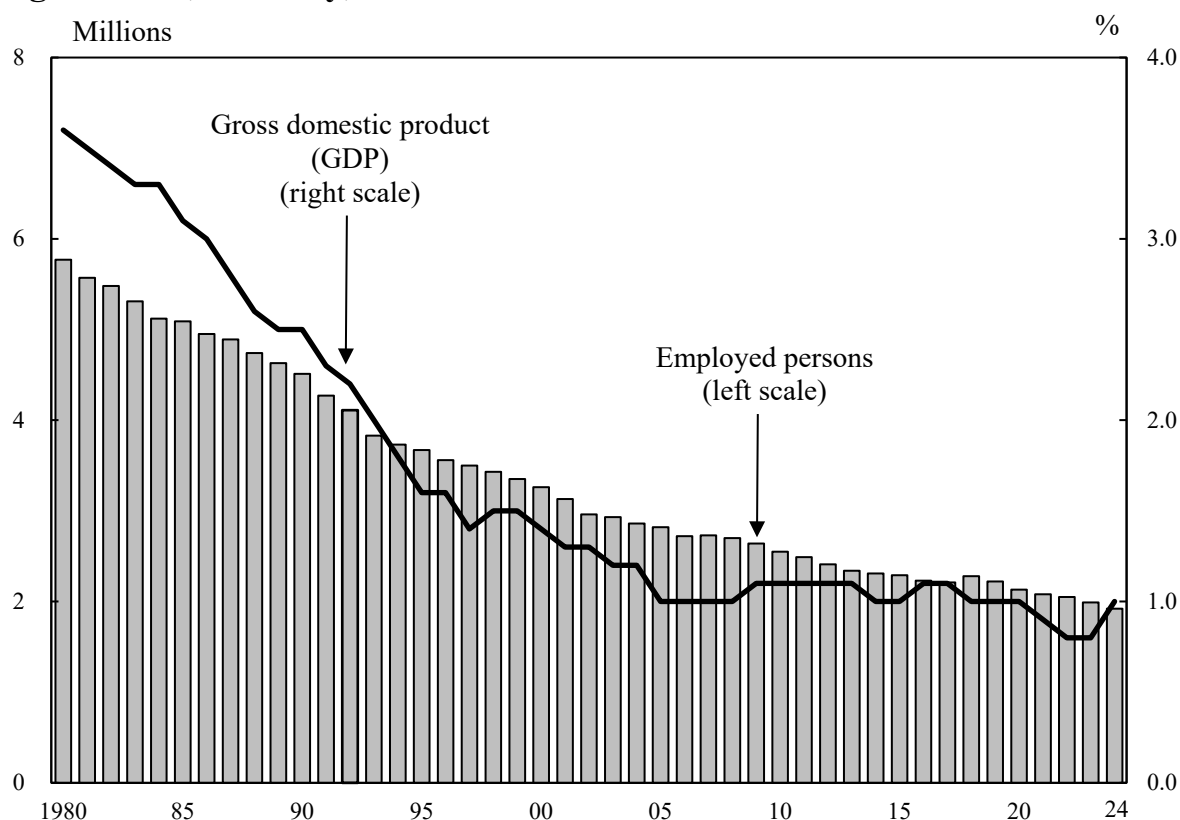
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Sweet potatoes have undergone significant varietal improvement, resulting in more varieties with a rich sweetness and textures ranging from fluffy and crumbly to moist and creamy. As a result, roasted sweet potatoes—once considered an autumn delicacy—have gained popularity as a chilled summer dessert, making sweet potatoes a cherished food enjoyed throughout the year. Their popularity has also spread overseas.

1. Overview of Agriculture, Forestry, and Fisheries

Over the course of Japan's economic growth, its agricultural, forestry and fishing industries have employed fewer and fewer workers every year, and their nominal GDP share has also dropped. The number of employed persons decreased from 5.77 million in 1980 (10.4% of the total employed persons) to 1.92 million in 2024 (2.8%), and the GDP share of the industries fell from 3.6% in 1980 to 1.0% in 2024.

Figure 5.1
Number of Employed Persons and
Percentage of Gross Domestic Product (Nominal prices) ¹⁾ for
Agriculture, Forestry, and Fisheries



1) 1980-1993 data: 1993 SNA, Benchmark year = 2000. 1994-2024 data: 2008 SNA, Benchmark year = 2020.

Source: Statistics Bureau, MIC; Economic and Social Research Institute, Cabinet Office.

2. Agriculture

(1) Agricultural Production

Japan's cultivated acreage shrank year after year from 6.09 million hectares in 1961 to 4.27 million hectares in 2024. After 1989, the cultivated acreage has continued to decrease due to diversion into residential land, ruined land continuously resulting from devastated land, etc.

Japan's total agricultural output in 2024 was 10.78 trillion yen, up 13.6% from the previous year. Among this, crops yielded 7.06 trillion yen, up 23.3% from the previous year. Livestock yielded 3.67 trillion yen, down 1.3% from the previous year.

Table 5.1
Total Agricultural Output

Item	(Billion yen)				
	2020	2021	2022	2023	2024
Total	8,937	8,838	8,998	9,488	10,780
Crops	5,656	5,378	5,477	5,723	7,058
Rice	1,643	1,370	1,395	1,519	2,552
Vegetables	2,252	2,146	2,229	2,324	2,551
Fruits and nuts	874	916	923	959	1,011
Livestock and its products	3,237	3,405	3,465	3,714	3,665
Beef cattle	739	823	826	770	786
Dairy cattle	925	922	901	925	1,004
Pigs	662	636	671	719	757
Chickens	833	936	969	1,196	1,017

Source: Ministry of Agriculture, Forestry and Fisheries.

Table 5.2
Agricultural Harvest

	(Thousand tons)				
Products	2020	2021	2022	2023	2024
Cereal grains					
Rice	7,765	7,564	7,270	7,166	7,346
Wheat	949	1,097	994	1,094	1,029
Vegetables, sweet potatoes, and beans					
Potatoes	2,205	2,175	2,283	2,364	2,295
Sweet potatoes	688	672	711	716	717
Soybeans	219	247	243	261	252
Cucumbers	539	551	549	530	503
Tomatoes	706	725	708	681	664
Cabbages	1,434	1,485	1,458	1,434	1,294
Chinese cabbages	892	900	875	852	827
Onions	1,357	1,096	1,219	1,174	1,126
Lettuces	564	547	553	546	534
Japanese radishes	1,254	1,251	1,181	1,141	1,082
Carrots	586	636	582	567	531
Fruits					
Mandarins	766	749	682	682	560
Apples	763	662	737	604	609
Grapes	163	165	163	167	165
Japanese pears	171	185	197	183	173
Industrial crops					
Crude tea ¹⁾	70	78	77	75	74
Sugar beets ²⁾	3,912	4,061	3,545	3,403	3,485

1) Production. 2) Area of Hokkaido Prefecture.

Source: Ministry of Agriculture, Forestry and Fisheries.

(2) Agriculture Management Entity

In 2025, there were around 836,000 agriculture management entities (entities producing agricultural products, or performing contract agricultural work, where the area or number of animals involved in the production or work is as stipulated), a decrease of around 240,000 entities (22.3%) compared to 2020.

Among agriculture management entities, there were around 796,000 individual management entities (non-corporate management entities), a decrease of around 242,000 entities (23.3%) compared to 2020. Group management entities (entities other than individual management entities) increased by around 2,000 entities (4.9%) to around 40,000 entities.

Table 5.3
Number of Agriculture Management Entities

(Thousand management entities)

Year	Agriculture management entities	Individual management entities	Group management entities	Corporated management entities
2015	1,377	1,340	37	27
2020	1,076	1,037	38	31
2025	836	796	40	34
Percent change (%)				
2020 / 2015	-21.9	-22.6	2.8	13.3
2025 / 2020	-22.3	-23.3	4.9	10.1

Source: Ministry of Agriculture, Forestry and Fisheries.

Average agricultural gross income for all farming types and "all agriculture management entities" (individual management entities and corporated management entities) in 2024 was 13.07 million yen, an increase of 9.8% compared to the previous year. On the other hand, agricultural expenditures increased 6.0% compared to the previous year to 12.01 million yen. As a result, agricultural income increased by 47.6% compared to the previous year to 1.69 million yen.

The population decline and age-related retirement are inevitably leading to a rapid decline in the number of workers engaged in agriculture. To ensure a sustainable food supply in this situation, it is essential to accelerate productivity gains through the promotion of smart agriculture technologies.

3. Forestry

As of 2022, Japan's forest land area is 25.02 million hectares (approximately 70% of the entire surface area of the country). Among Japan's forests, natural forests account for 13.55 million hectares, while planted forests make up 10.09 million hectares.

Japan's forest growing stock is 5,560 million cubic meters as of 2022, 3,545 million cubic meters of which are from planted forests. The stock rose mainly with the increase of that from planted forests on deforested sites right after World War II and during the period of rapid economic growth. Such forests are in a period of full-scale use as resources. Use of lumber also contributes to the sustained manifestation of the diverse functions of forests, such as mitigation of global warming, and revitalization of regional economies. In recent years, efforts have been made to use lumber in diverse ways beyond the housing field, such as for structures and interiors/exterior in the non-housing field, including both public and private sector buildings, and as woody biomass for energy.

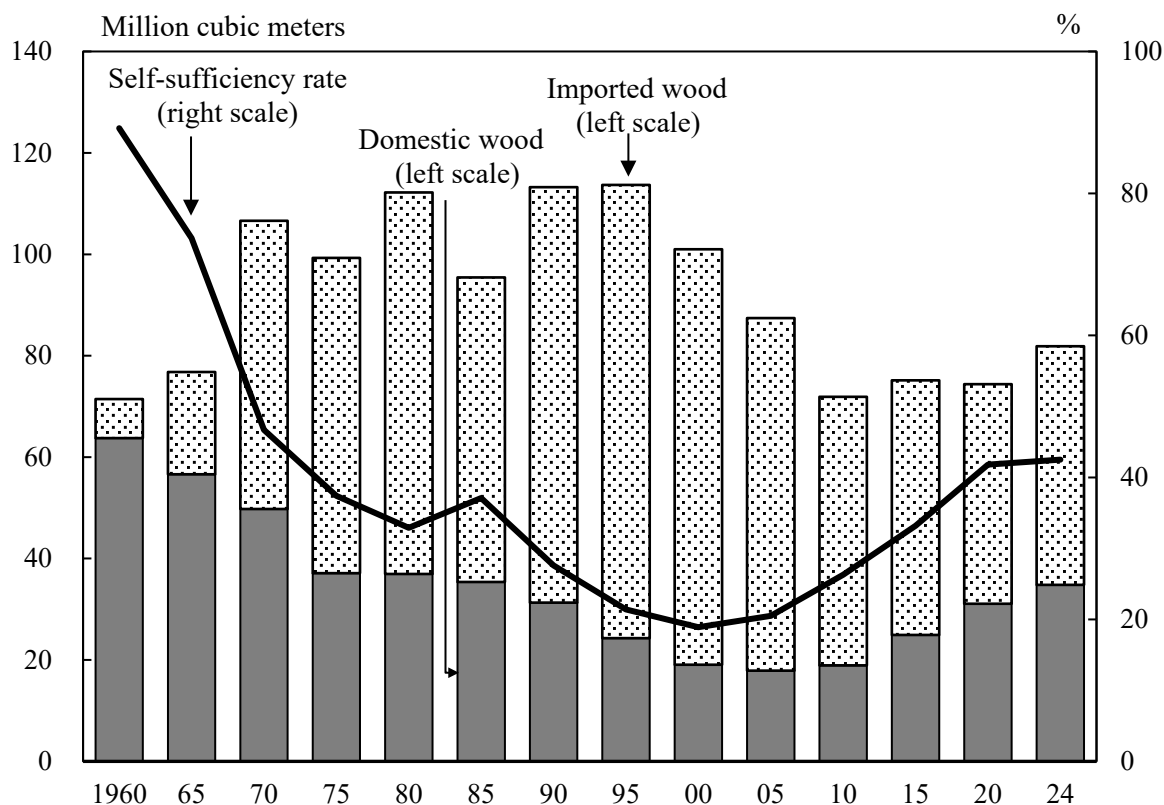
Table 5.4
Forest Land Area and Forest Resources (2022)

Item	Total	National forest	Non-national forest		
			Public	Private	Others
Forest land area (1,000 ha)	25,025	7,657	3,009	14,311	47
Forest growing stock (million m ³) ...	5,560	1,301	659	3,597	4
Planted forest					
Land area (1,000 ha)	10,093	2,247	1,334	6,500	12
Growing stock (million m ³)	3,545	554	428	2,562	2
Natural forest					
Land area (1,000 ha)	13,553	4,756	1,548	7,220	28
Growing stock (million m ³)	2,014	746	231	1,034	2

Source: Ministry of Agriculture, Forestry and Fisheries.

After reaching a low of 16.9 million cubic meters in 2002, domestic wood supply was on a rising trend, against the background of an enrichment of forest resources, increase in the use of domestic timber such as Japanese cedar for plywood material, increase in use of fuel timber in wood biomass power generation facilities, etc.

Figure 5.2
Wood Supply and Self-Sufficiency Rate ¹⁾



1) Wood supply refers to the sum of wood for industrial use, wood for mushroom production, fuel wood, etc. and imported wood products, converted into a log equivalent.

Source: Ministry of Agriculture, Forestry and Fisheries.

The number of workers engaged in forestry had been on a long-term downward trend. However, between 2015 and 2020, the number leveled off, reaching 43,710 in 2020. To sustain forestry production activities, it is necessary to acquire and train forestry workers who will carry out these operations. Moreover, securing a workforce for forestry is also important from the perspective of revitalizing mountain villages.

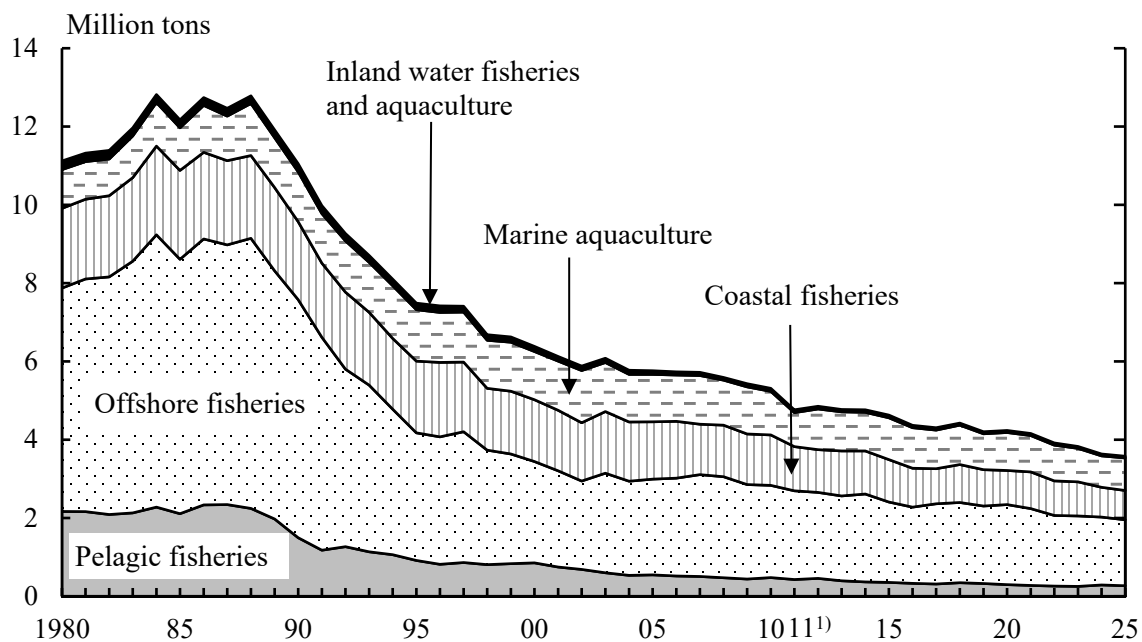
4. Fisheries

(1) Fishery Production

Japan is facing a problem in that its fishery production is in a declining trend over the long term. This is likely due to a variety of factors, such as changes in the marine environment and more intensive operations by foreign fishing boats in waters surrounding Japan. There are thought to be many fishery resources whose decline could have been prevented or mitigated with more appropriate resource management.

After peaking in 1984, Japan's fishery output decreased rapidly until around 1995, and has continued to decrease gradually afterwards. Its 2025 fishery production totaled 3.58 million tons.

Figure 5.3
Production by Type of Fishery



1) Excluding figures lost in Iwate, Miyagi and Fukushima prefectures because of the Great East Japan Earthquake.

Source: Ministry of Agriculture, Forestry and Fisheries.

Table 5.5**Production by Fishery Type and Major Kinds of Fish**

(Thousand tons)

Fishery type and species	2021	2022	2023	2024	2025*
Total	4,158	3,917	3,830	3,636	3,577
Marine fishery	3,179	2,951	2,926	2,786	2,701
Tunas	148	122	145	123	130
Skipjack, Frigate mackerel	239	197	206	257	207
Sardine	640	642	693	666	708
Mackerels	442	320	270	256	284
Shellfishes	389	373	364	348	292
Crabs	21	20	23	23	25
Cuttlefishes	64	59	49	51	55
Marine aquaculture	927	912	852	803	832
Yellowtails	134	114	124	131	119
Oysters	159	166	149	148	134
Laver ("nori")	237	232	201	195	237
Seaweed ("wakame")	44	47	50	40	47
Pearl (tons)	13	13	12	12	13
Inland water fishery	19	23	22	# 18	15
Salmons, trouts	5	10	8	# 5	3
Sweet fish	2	2	2	# 1	1
Fresh water clams	9	8	9	# 9	9
Inland water aquaculture	33	32	30	29	30
Eel	21	19	18	17	18
Trouts	6	7	7	7	7
Sweet fish	4	4	3	3	3

Source: Ministry of Agriculture, Forestry and Fisheries.

(2) Persons Engaged in Fishery

The number of persons engaged in fishing (those aged 15 years old and over who have worked at sea for 30 days or more in the past year) continues to decline reaching 114,820 in 2024, a decrease of 5.4% compared to the previous year.

Table 5.6**Number of Fishery Management Entities and Persons Engaged in Fishery ¹⁾**

Year	Fishery management entities			Persons engaged		
	Total	Individual management entities	Organized management entities	Total	Engaged in own fishery only	Hired in fishery
2005	126,020	118,930	7,090	222,170	...	...
2010	103,740	98,300	5,440	202,880	128,270	74,610
2015	85,210	80,570	4,640	166,610	100,520	66,100
2020	69,560	65,310	4,250	135,660	75,810	59,850
2024	60,530	56,420	4,110	114,820	64,270	50,550

1) Excluding inland water fisheries and including aquaculture.

Source: Ministry of Agriculture, Forestry and Fisheries.

In rural areas, the rapid aging of the population and the exodus of young people make it increasingly difficult to secure a stable workforce necessary to sustain local industries. Securing the next generation of workers is also an urgent issue in the fishery industry. Meanwhile, thanks to the diversification of values regarding life and work, there is a considerable number of people from urban areas who are interested in the fishing industry as a place to find work or a new career.

5. Self-Sufficiency in Food

Japan's food self-sufficiency ratio in terms of calory supply has shown a downward trend over the long term. It fell to 40% in fiscal 1998 and has been fluctuating around that level since that time. It was 38% in fiscal 2024. The main factors behind the long-term decline in the food self-sufficiency ratio are probably changes in dietary habits, such as a lower rice consumption coupled with a higher consumption of livestock products as well as fats and oils. As the consumption of livestock products increases, the proportion of imports is rising, and there is a growing dependence on overseas sources for the feed.

In fiscal 2024, the self-sufficiency ratio per item (on weight basis) was 97% for rice, 16% for wheat, 8% for beans, 78% for vegetables, 36% for fruits, 53% for meat, and 52% for seafood. While almost completely

self-sufficient in rice, the staple food of its people, Japan rely almost entirely on imports for the supply of wheat and beans.

Table 5.7
Food Supply and Demand

Fiscal year	Domestic production (1,000 t)	Supplies for domestic consumption (1,000 t)	Imports (1,000 t)	Food self-sufficiency ratio (%)
Rice				
2005	8,998	9,222	978	95
2010	8,554	9,018	831	97
2015	8,429	8,600	834	98
2020	8,145	7,855	814	97
2024*	7,868	8,447	884	97
Wheat				
2005	875	6,213	5,292	14
2010	571	6,384	5,473	9
2015	1,004	6,583	5,660	15
2020	949	6,412	5,521	15
2024*	1,029	6,502	5,331	16
Beans				
2005	352	4,790	4,482	7
2010	317	4,035	3,748	8
2015	346	3,789	3,511	9
2020	290	3,843	3,411	8
2024*	321	3,907	3,335	8
Vegetables				
2005	12,492	15,849	3,367	79
2010	11,730	14,508	2,783	81
2015	11,856	14,776	2,941	80
2020	11,511	14,438	2,987	80
2024*	10,477	13,376	2,920	78
Fruits				
2005	3,703	9,036	5,437	41
2010	2,960	7,719	4,756	38
2015	2,969	7,263	4,351	41
2020	2,674	7,104	4,504	38
2024*	2,241	6,221	4,064	36
Meat				
2005	3,045	5,649	2,703	54
2010	3,215	5,769	2,588	56
2015	3,269	6,036	2,769	54
2020	3,449	6,531	3,037	53
2024*	3,501	6,604	3,188	53
Seafood				
2005	5,152	10,201	5,782	51
2010	4,782	8,701	4,841	55
2015	4,194	7,663	4,263	55
2020	3,772	6,838	3,885	55
2024*	3,319	6,412	3,713	52

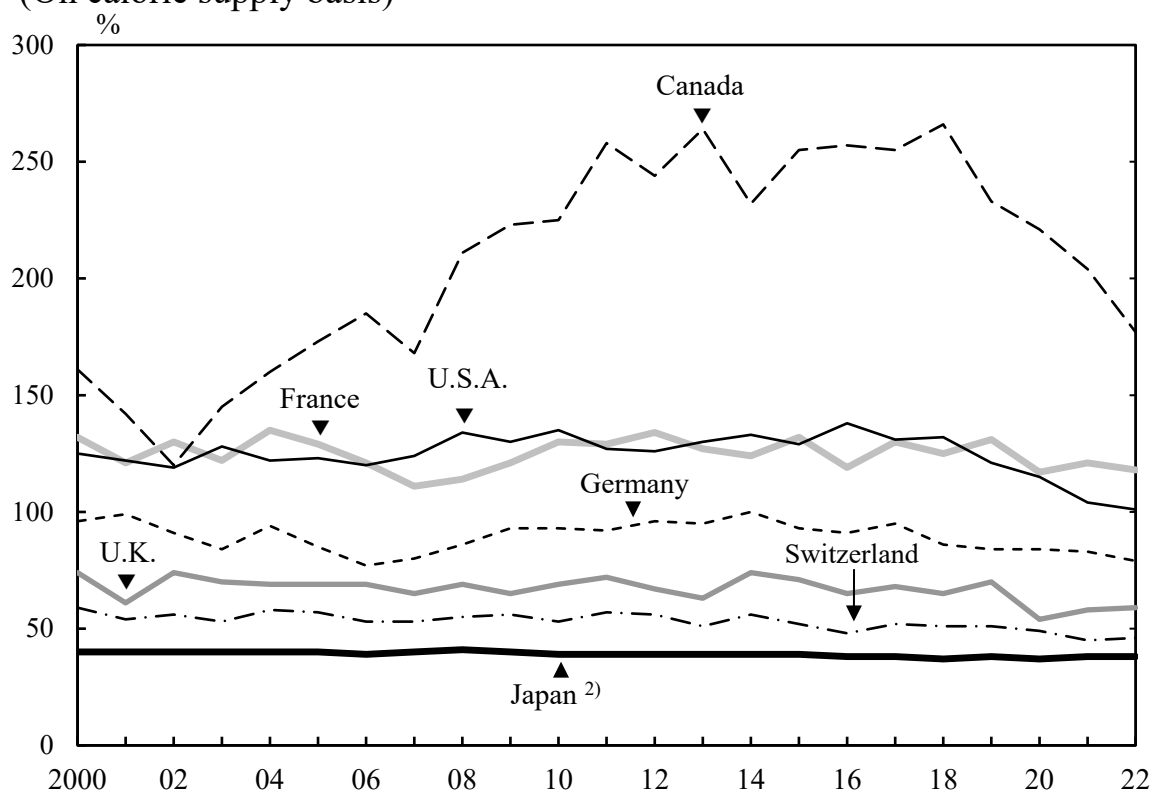
Source: Ministry of Agriculture, Forestry and Fisheries.

With its low food self-sufficiency ratio compared to other major industrialized countries, Japan is one of the leading food-importing countries in the world.

Figure 5.4

Trends in Food Self-Sufficiency Ratio of Major Countries ¹⁾

(On calorie supply basis)



1) Estimates except for Japan. 2) Fiscal year.

Source: Ministry of Agriculture, Forestry and Fisheries.

Chapter 6

Manufacturing and Construction



The housing market remains sluggish, primarily due to persistently high construction costs, and the number of new housing starts has been trending weakly. On the supply side, a shortage of construction workers has driven up labour costs, leading to deteriorating profitability as overall costs continue to rise.

1. Overview of the Manufacturing Sector

The proportion of added value produced in Japan's manufacturing sector to its nominal GDP has been around 20% recently, but it plays a role as a core industry supporting the Japanese economy.

In years past, Japan's manufacturing industry has faced a variety of unforeseeable circumstances and drastic changes in the business environment. These include the Nixon Shock and two oil crises in the 1970s, the strong yen recession following the Plaza Accord in the 1980s, the bursting of the bubble economy and the Asian currency crisis in the 1990s, and the 2007-2008 Global Financial Crisis, the European debt crisis, and the Great East Japan Earthquake in the 21st century. Since 2020, the environment surrounding the manufacturing industry has continued to change due to factors such as the COVID-19 pandemic, increased risk of supply chain breakdowns brought on by instability in the international situation due to events like Russia's invasion of Ukraine, and the rising global trend toward decarbonization. Business models themselves have also changed in the manufacturing industry due to increasing utilization of digital technology and data at manufacturing sites, and there are still many issues that must be addressed for the Japanese manufacturing industry to maintain and strengthen its competitiveness.

In 2024, there were 222,200 establishments (excluding individual proprietorships) in the manufacturing sector. By industry, "fabricated metal products" had the most, with 30,368 establishments (component ratio of 13.7%), followed by "food" with 24,659 establishments (11.1%) and "production machinery" with 23,407 establishments (10.5%).

In 2024, there were 7.73 million persons engaged, and by industry, "food" had the most, with 1.12 million persons engaged (component ratio of 14.5%), followed by "transportation equipment" with 1.07 million persons engaged (13.8%) and "production machinery" with 0.66 million persons engaged (8.5%).

The value of manufactured goods shipments in 2023 was 373.24 trillion yen, and by industry, "transportation equipment" had the most at 79.84 trillion yen (component ratio of 21.4%), followed by "chemical and allied products" at 33.38 trillion yen (8.9%) and "food" at 33.00 trillion yen (8.8%).

Table 6.1
Establishments, Persons Engaged, and Value of Manufactured Goods
Shipments of the Manufacturing Industry ¹⁾

Industries	Number of establish- ments (2024)	Number of persons engaged (2024)	Value of manu- factured goods shipments (2023) (billion yen)
Manufacturing	222,200	7,734,473	373,239
Food	24,659	1,122,868	33,004
Beverages, tobacco and feed	5,137	107,630	10,931
Textile products	13,155	226,969	3,975
Lumber and wood products ²⁾	6,196	91,885	3,439
Furniture and fixtures	6,315	89,318	2,020
Pulp, paper and paper products	6,033	183,325	8,158
Printing and allied industries	13,371	244,616	5,093
Chemical and allied products	5,641	398,040	33,385
Petroleum and coal products	1,291	28,628	17,131
Plastic products ³⁾	13,745	449,253	13,546
Rubber products	2,380	115,169	3,953
Leather tanning, leather products and fur skins	1,255	17,738	313
Ceramic, stone and clay products	10,792	239,697	8,531
Iron and steel	5,075	217,804	23,835
Non-ferrous metals and products	3,069	147,873	13,291
Fabricated metal products	30,368	602,242	17,398
General-purpose machinery	8,082	317,659	12,888
Production machinery	23,407	657,818	24,823
Business oriented machinery	4,838	220,962	7,629
Electronic parts, devices and electronic circuits	4,504	419,731	17,329
Electrical machinery, equipment and supplies ..	10,008	500,578	21,784
Information and communication electronics equipment	1,273	105,807	6,185
Transportation equipment	11,305	1,067,909	79,842
Miscellaneous manufacturing industries	10,301	160,954	4,755

1) Excluding individual proprietorships. 2) Excluding furniture.

3) Excluding plastic furniture, plastic plate making for printing, etc., which are included in other industrial classification.

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

With regard to the "Indices on Mining and Manufacturing" (2020 average=100), the production index for 2025 was 100.9, down 0.3% from the previous year, while shipments stood at 99.5, a decrease of 0.4% from the year before.

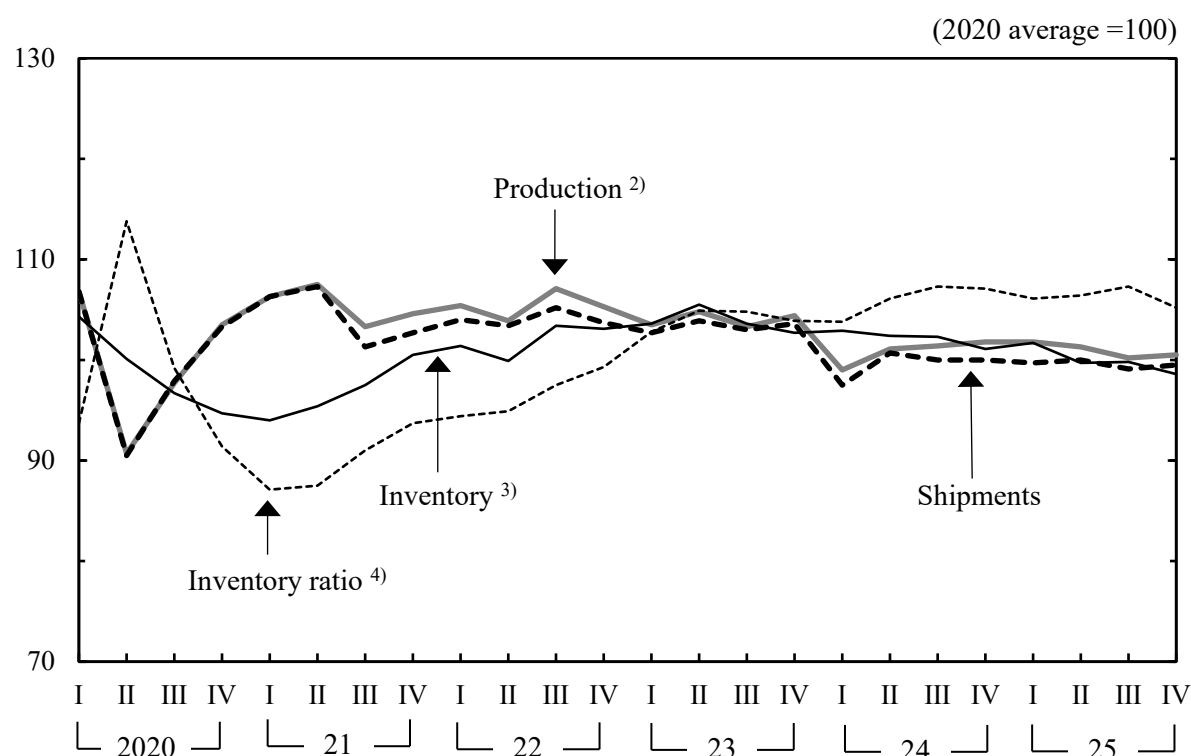
Table 6.2
Indices on Mining and Manufacturing (2025)

Industries	(2020 average =100)							
	Production ¹⁾		Shipments		Inventory ²⁾		Inventory ratio ³⁾	
		Annual growth (%)		Annual growth (%)		Annual growth (%)		Annual growth (%)
Mining and manufacturing	100.9	-0.3	99.5	-0.4	96.0	-2.8	106.2	0.1
Manufacturing	100.9	-0.3	99.5	-0.4	96.0	-2.8	106.2	0.1
Iron, steel and non-ferrous metals	99.9	-1.8	96.4	-3.1	94.6	-4.0	98.5	-0.5
Iron and steel	99.9	-1.9	95.9	-3.0	87.8	-5.6	94.0	-1.7
Fabricated metals	92.9	-2.8	90.4	-3.2	87.1	-4.0	107.4	-2.0
Production machinery	118.3	-0.5	117.7	-0.8	97.9	-8.8	100.9	-2.3
General-purpose and business oriented machinery	104.4	0.6	105.2	0.7	134.0	-0.3	123.9	1.3
General-purpose machinery	101.6	-0.1	102.8	0.2	107.4	-4.2	100.2	-1.1
Electronic parts and devices	106.4	5.2	104.1	3.9	78.9	2.9	115.9	-0.4
Electrical machinery, and information and communication electronics equipment	99.2	-0.6	97.9	1.8	121.9	3.5	135.0	9.9
Electrical machinery	104.1	0.7	103.2	1.8	113.1	-7.5	116.7	-0.5
Information and communication electronics equipment	81.5	-6.3	82.7	2.4	151.8	48.4	185.5	34.5
Transport equipment	107.2	0.8	106.2	1.6	95.7	-5.8	98.5	-13.0
Ceramics, stone and clay products	87.5	-3.0	87.4	-3.5	93.7	-0.5	119.5	2.3
Chemicals	98.3	-0.6	94.9	-1.7	90.2	1.3	99.6	1.5
Petroleum and coal products	94.7	-1.3	92.7	-2.5	99.5	-0.1	111.9	2.2
Plastic products	98.0	0.1	97.5	0.1	116.0	3.9	122.1	4.6
Pulp, paper and paper products	92.5	-2.3	89.4	-3.4	90.3	4.2	106.1	8.6
Foods and tobacco	97.1	-1.0	96.5	-0.9	79.2	-17.9	100.2	-1.7
Other manufacturing	94.2	-1.1	93.4	-0.5	92.4	-2.4	96.2	-2.8
Mining	81.1	-4.5	92.6	-0.8	87.6	-9.0	102.2	-7.4
(Reference)								
Electricity, gas, heat supply and water	101.0	0.5	101.2	0.5	-	-	-	-

1) Value added weights. 2) End of the year. 3) Inventory ratio = Inventory quantity / Shipments quantity.

Source: Ministry of Economy, Trade and Industry.

Figure 6.1
Trends in Indices on Mining and Manufacturing ¹⁾



1) Seasonal adjustment indices. 2) Value added weights.

3) End of the quarter. 4) Inventory ratio = Inventory quantity / Shipments quantity.

Source: Ministry of Economy, Trade and Industry.

2. Principal Industries in the Manufacturing Sector

This section describes the major industries in the manufacturing sector. For each industry, (a) is described by the "2024 Annual Business Survey", and (b) is described by the "Indices on Mining and Manufacturing" (2020 average = 100).

(1) Transport Equipment Industry

(a) In 2024, a total of 11,305 establishments employed 1,067,909 persons, and shipped 79.8 trillion yen worth of products in 2023.

(b) In 2025, production and shipments increased by 0.8% and 1.6%, respectively, from the previous year, representing their first increases in two years. The increase in production was due to an increase in "car body and automobile parts", "trucks", etc. The increase in shipments was due to

an increase in "passenger cars", "car body and automobile parts", etc.

(2) Chemical Industry

(a) In 2024, a total of 5,641 establishments employed 398,040 persons, and shipped 33.4 trillion yen worth of products in 2023.

(b) In 2025, production and shipments decreased by 0.6% and 1.7%, respectively, from the previous year, representing their fourth consecutive years of decrease. The decrease in production was due to a decrease in "cosmetics", "inorganic chemical industrial products", etc. The decrease in shipments was due to a decrease in "plastic", "cosmetics", etc.

(3) Iron and Steel Industry

(a) In 2024, a total of 5,075 establishments employed 217,804 persons, and shipped 23.8 trillion yen worth of products in 2023.

(b) In 2025, production and shipments decreased by 1.9% and 3.0%, respectively, from the previous year, representing their fourth consecutive years of decrease. The decrease in production was due to a decrease in "hot rolled steel", "iron and steel crude products", etc. The decrease in shipments was due to a decrease in "hot rolled steel", "cold finished steel", etc.

(4) Fabricated Metals Industry

(a) In 2024, a total of 30,368 establishments employed 602,242 persons, and shipped 17.4 trillion yen worth of products in 2023.

(b) In 2025, production and shipments decreased by 2.8% and 3.2%, respectively, from the previous year, representing their fourth consecutive years of decrease. These decreases (in both production and shipments) were due to a decrease in "cans", "metal products for building", etc.

3. Construction

The construction industry is indispensable in supporting the development of social capital, and fulfills a large role in building a vibrant future for Japan, such as through urban regeneration and regional revitalization. It also plays an extremely important role as a "local guardian" in disaster recovery, disaster prevention/reduction, deterioration countermeasures, etc.

Construction investments at nominal prices was on a declining trend after reaching a peak of 84 trillion yen in fiscal 1992, and fell to about half of this peak (42 trillion yen) in fiscal 2010. Since then, they have been on a recovery trend due to such factors as the recovery from the Great East Japan Earthquake.

Construction investments in fiscal 2024 amounted to 73.2 trillion yen at nominal prices, up 2.4% compared to the previous fiscal year.

A breakdown of construction investment (nominal prices) shows that building construction totaled 47.2 trillion yen (up 2.9% from the previous fiscal year), while civil engineering works amounted to 26.0 trillion yen (up 1.6%).

In terms of public and private construction investment (nominal prices) in fiscal 2024, public sector amounted to 25.0 trillion yen (up 2.6% from the previous fiscal year), while private sector totaled 48.2 trillion yen (up 2.4%). Public sector accounted for 34.2% of total construction investment, while private sector accounted for 65.8%.

Table 6.3
Construction Investment (Nominal prices)

	(Billion yen)			
Item	FY2021	FY2022	FY2023*	FY2024*
Total	65,166	67,848	71,470	73,210
Building construction	40,581	42,772	45,890	47,230
Dwellings	16,390	17,171	16,360	16,590
Public sector	364	451	440	420
Private sector	16,026	16,721	15,920	16,170
Non-dwellings	12,956	13,865	14,740	15,280
Public sector	3,489	3,674	3,950	4,360
Private sector	9,467	10,191	10,790	10,920
Extension and renovation	11,235	11,736	14,790	15,360
Public sector	1,985	1,871	2,480	2,630
Private sector	9,250	9,865	12,310	12,730
Civil engineering works	24,585	25,076	25,580	25,980
Public sector	17,674	17,898	17,540	17,630
Private sector	6,911	7,179	8,040	8,350
Total				
Public sector	23,512	23,892	24,410	25,040
Private sector	41,654	43,956	47,060	48,170
Building construction				
Public sector	5,838	5,995	6,870	7,410
Private sector	34,743	36,777	39,020	39,820
Civil engineering works				
Public sector	17,674	17,898	17,540	17,630
Private sector	6,911	7,179	8,040	8,350

Source: Ministry of Land, Infrastructure, Transport and Tourism.

In 2025, the number of new construction starts for dwellings (in the case of apartment buildings, the number of apartment units) decreased by 6.5% from the previous year to 0.74 million units, representing a decrease for the third consecutive year, as occupier-owned housing units, housing units for rent, and housing units built for sale all decreased.

The floor space (public and private) of the entire building whose construction started in 2025 was 95.85 million square meters, down 6.7% compared to the previous year.

Table 6.4
Building Construction Started by Types of Investor,
Dwellings, and Structure

Types	Floor space (1,000 m ²)		Construction cost (billion yen)	
	2024	2025	2024	2025
Total	102,764	95,853	29,250	30,482
Investor				
Public	4,687	4,067	2,187	2,158
Private	98,077	91,785	27,064	28,324
Dwellings				
Dwelling	63,549	59,377	16,224	16,296
Non-dwelling	39,215	36,476	13,026	14,186
Structure				
Wooden	43,864	41,562	9,678	9,665
Non-wooden	58,900	54,291	19,572	20,817

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Chapter 7

Energy



The Shirashima National Petroleum Stockpiling Base in Fukuoka Prefecture. Japan's dependence on Middle Eastern petroleum exceeds 90%. In March 2026, the government began releasing petroleum from its strategic petroleum reserves to ensure that the supply of petroleum products remains uninterrupted.

1. Supply and Demand

(1) Supply

In fiscal 2024, Japan is dependent on imports for 83.7% of its energy supply. Since experiencing the two oil crises of the 1970s, Japan has taken measures to promote energy conservation, introduce alternatives to petroleum such as nuclear power, natural gas, coal, etc., and secure a stable supply of petroleum through stockpiling and other measures. As a result, its dependence on petroleum declined from 75.5% in fiscal 1973 to 40.3% in fiscal 2010. However, since the Great East Japan Earthquake, the percentage of fossil fuels has been increasing, as a substitute for nuclear power as fuel for power generation. The level of dependence on petroleum, which had been on a declining trend, increased to 44.4% in fiscal 2012. However, it is once again on a declining trend as the switch to LNG power and renewable energy progresses.

In fiscal 2024 the domestic supply of primary energy in Japan was 17,461 petajoules, down 0.5% from the previous fiscal year. Its breakdown was: 34.5% in petroleum, 24.6% in coal, 21.0% in natural gas and city gas, 8.5% in renewable energy (excluding hydro), 4.5% in nuclear power, and 3.6% in hydro power. Renewable energy sources include photovoltaic, wind power, biomass, geothermal, and other natural energy sources. In addition, effective recovery use of wasted energy is also used.

Energy units

Joule (J) is employed as a common unit (International System of Units: SI) for energy across all energy sources in presenting international statistical information. The unit Petajoule (PJ: 10^{15} or quadrillion joules), etc. is used here to reduce the number of digits. The energy of one kiloliter of petroleum is calculated using the following formulae:

1 kiloliter of petroleum = 3.87×10^{10} joules

1 gigajoule = 10^9 joules

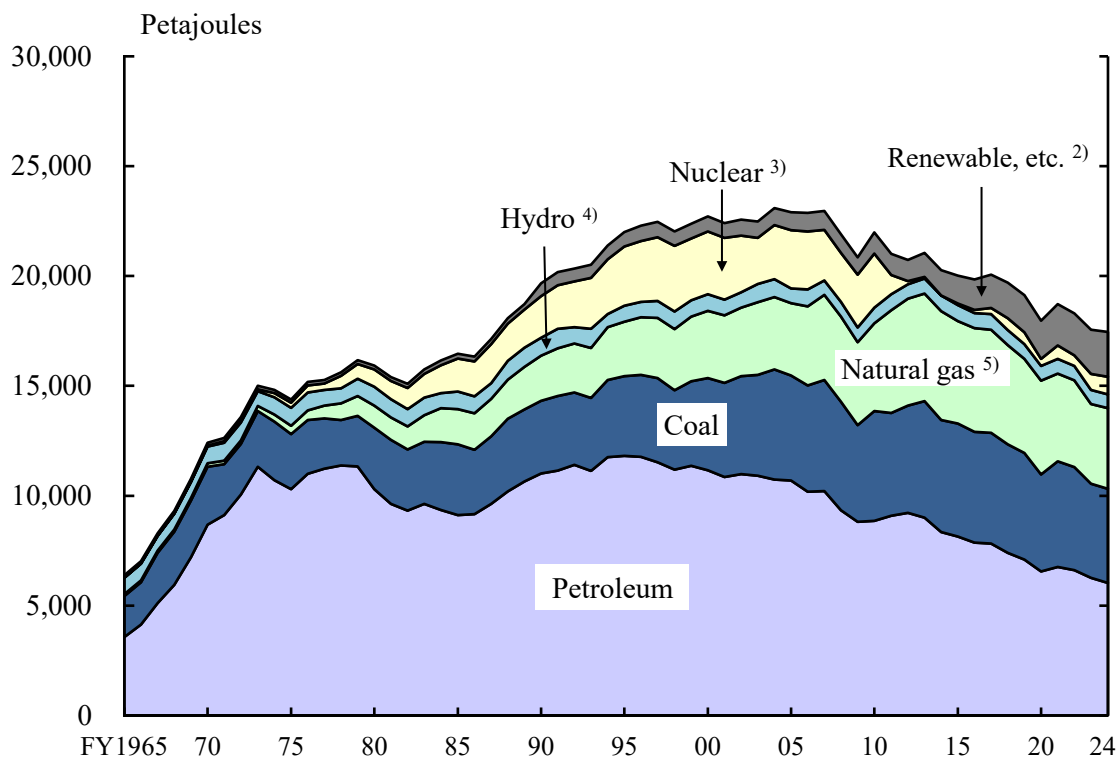
1 petajoule = 10^{15} joules

1 exajoule = 10^{18} joules

Petroleum is traded internationally using the volume unit of barrels. One barrel equals approximately 158.987 liters.

Given Japan's unique circumstances, such as lack of readily usable natural resources, mountainous land, and being surrounded by deep oceans, the new Strategic Energy Plan, decided on by the government in February 2025, calls for maximal adoption of renewable energy as Japan's major power source and aims for a balanced power generation mix that does not excessively depend on specific power sources or fuel sources, in order to achieve both stable energy supply and decarbonization.

Figure 7.1
Domestic Supply of Primary Energy by Energy Source ¹⁾



1) A different statistical method was used for the figures since FY1990. 2) Excluding hydro. Photovoltaic, wind power, geothermal, effective recovery use of wasted energy, etc. 3) In fiscal 2014, the domestic supply of nuclear energy was zero due to the suspended operation of all nuclear power plants in Japan. 4) Excluding pumped. 5) Natural gas and city gas.
Source: Agency for Natural Resources and Energy.

Table 7.1
Trends in Domestic Supply of Primary Energy and Percentage
by Energy Source

	(Petajoules)				
Item	FY2010	FY2015	FY2020	FY2023	FY2024
Domestic supply of primary energy	21,995	20,020	17,959	17,558	17,461
Energy self-sufficiency (%) ¹⁾	20.2	7.3	11.3	15.3	16.3
Petroleum	8,858	8,138	6,550	6,258	6,028
Coal	4,997	5,154	4,419	4,288	4,292
Natural gas and city gas	3,995	4,661	4,272	3,627	3,672
Hydro ²⁾	716	726	663	648	626
Nuclear	2,462	79	326	724	794
Renewable ³⁾	436	726	1,186	1,458	1,476
Effective recovery use of wasted energy	530	536	543	555	574
Percentage					
Petroleum	40.3	40.6	36.5	35.6	34.5
Coal	22.7	25.7	24.6	24.4	24.6
Natural gas and city gas	18.2	23.3	23.8	20.7	21.0
Hydro ²⁾	3.3	3.6	3.7	3.7	3.6
Nuclear	11.2	0.4	1.8	4.1	4.5
Renewable ³⁾	2.0	3.6	6.6	8.3	8.5
Effective recovery use of wasted energy	2.4	2.7	3.0	3.2	3.3

1) Domestic production of primary energy (including nuclear) / Domestic supply of primary energy × 100. 2) Excluding pumped. 3) Excluding hydro. Photovoltaic, wind power, geothermal energy, etc.

Source: Agency for Natural Resources and Energy.

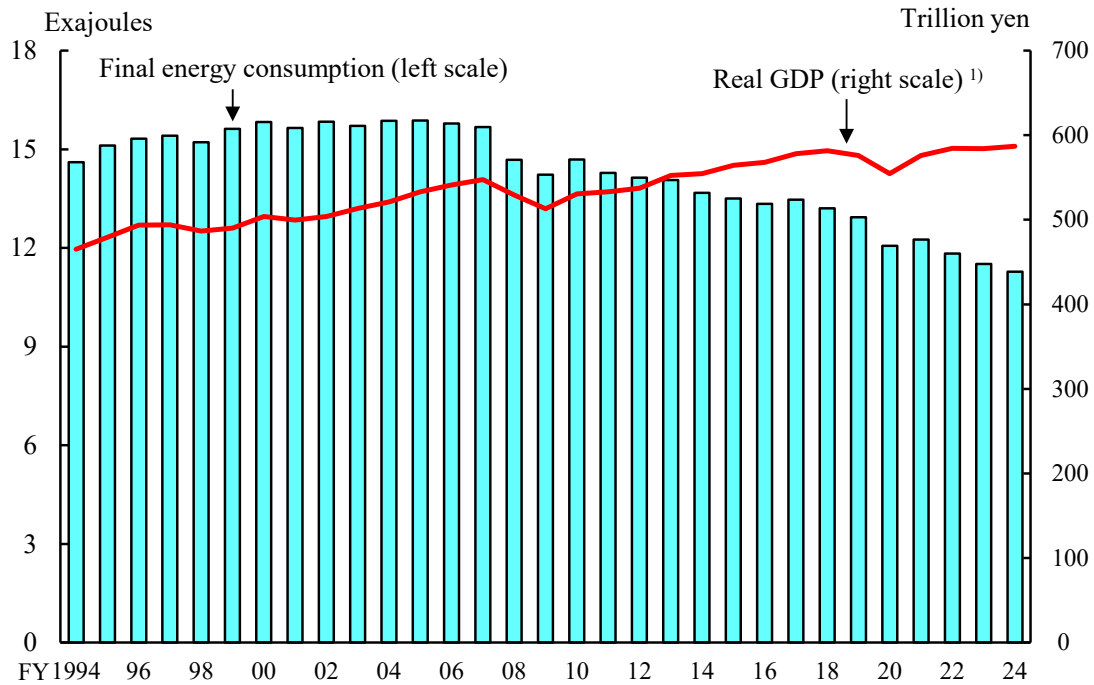
(2) Demand

During the period of high economic growth from the 1950s to the 1970s, Japan's final energy consumption increased at a higher rate than GDP. In the wake of the two oil crises of the 1970s, Japan promoted energy conservation and achieved economic growth while curbing energy consumption. Energy consumption increased in the 1990s due to lower crude oil prices. However, in the 2000s, crude oil prices rose again, leading to final energy consumption peaking in fiscal 2005 and entering a declining trend. In fiscal 2024, real GDP increased by 0.5% while final energy consumption decreased by 2.0%, compared to the previous fiscal year.

The final energy consumption in fiscal 2024 by sector showed a decrease in all sectors except the residential sector, where consumption remained flat. Specifically, the industry sector saw a 2.7% year-on-year decrease due to sluggish production in the manufacturing industry and other factors, and the transportation sector saw a 1.5% year-on-year decrease due to consolidated shipping and other efficiency improvements to deal with the

so-called "2024 logistics problem".

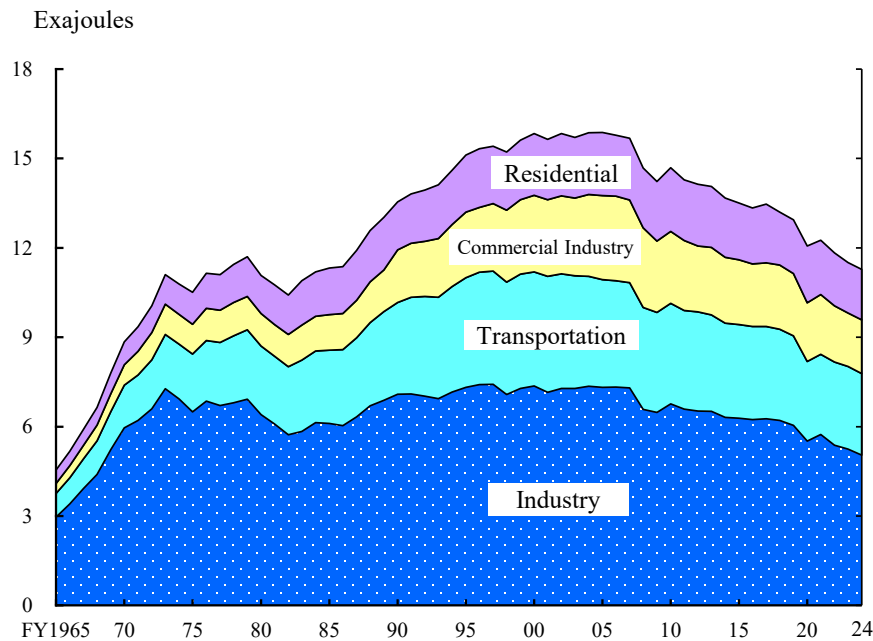
Figure 7.2
Trends in Final Energy Consumption and Real GDP



1) Figures are based on 2008 SNA, Benchmark year = 2020.

Source: Cabinet Office; Agency for Natural Resources and Energy.

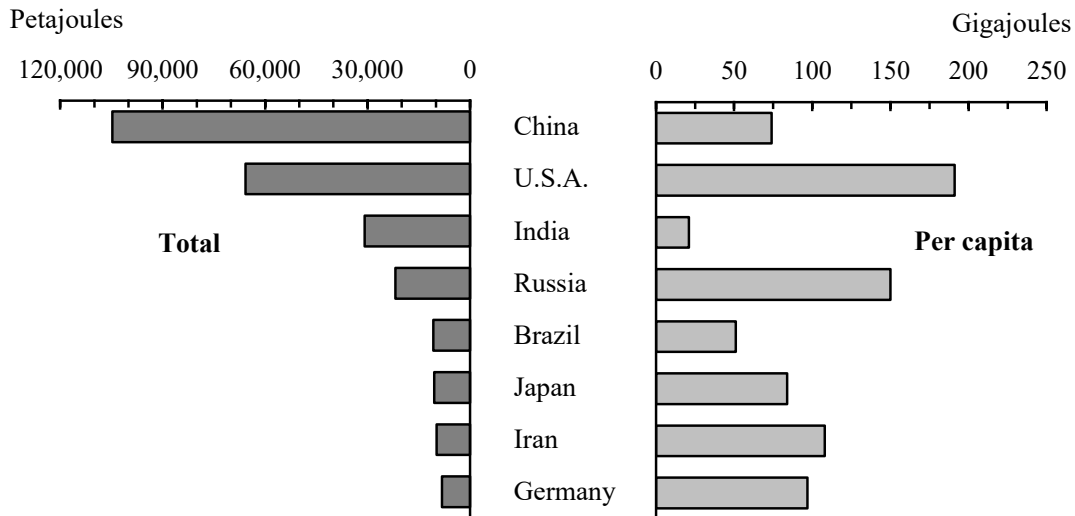
Figure 7.3
Trends in Final Energy Consumption by Sector ¹⁾



1) A different statistical method was used for the figures since FY1990.

Source: Agency for Natural Resources and Energy.

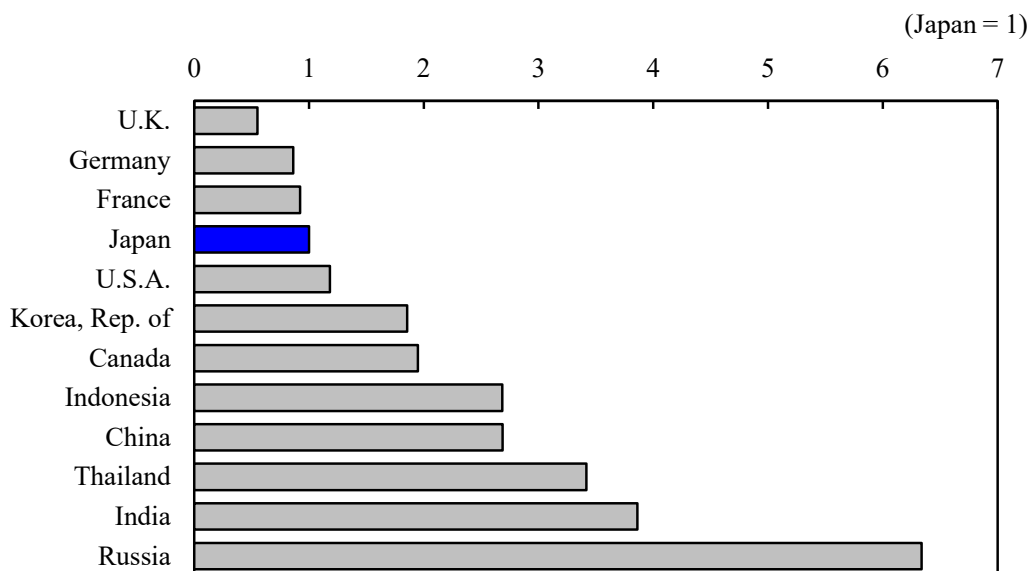
Figure 7.4
Final Energy Consumption by Country (2023)



Source: United Nations.

Energy consumption per GDP is lower in Japan than in other industrialized countries. This indicates that Japan is one of the most energy-efficient countries in the world.

Figure 7.5
International Comparison of Energy Consumption/GDP¹⁾ (2022)



1) Primary energy consumption (tons of oil equivalent) / Real GDP (2015 U.S. dollars).
 Source: Agency for Natural Resources and Energy.

2. Trends in Major Energy Sources

(1) Electric Power

Approximately half of Japan's primary energy supply of petroleum, coal and other energy sources is converted into electric power.

Electricity output (including in-house power generation) in Japan totaled 935 billion kWh in fiscal 2024, up 0.9% from the previous fiscal year. Of this total, thermal power accounted for 76.2%; nuclear power, 9.6%; hydro power, 8.9%.

Table 7.2

Trends in Electricity Output and Power Consumption¹⁾

(Million kWh)

Item	FY2010	FY2015	FY2020	FY2023	FY2024
Electricity output					
Total	1,156,888	1,024,179	948,979	926,130	934,504
Thermal	771,306	908,779	789,725	716,792	712,274
Nuclear	288,230	9,437	37,011	80,284	89,345
Hydro ²⁾	90,681	91,383	86,310	84,102	83,407
Others ³⁾	6,671	14,580	35,933	44,952	49,478
Percentage					
Total	100.0	100.0	100.0	100.0	100.0
Thermal	66.7	88.7	83.2	77.4	76.2
Nuclear	24.9	0.9	3.9	8.7	9.6
Hydro ²⁾	7.8	8.9	9.1	9.1	8.9
Others ³⁾	0.6	1.4	3.8	4.9	5.3
Electricity power consumption ⁴⁾					
Total	1,056,441	955,345	935,491	919,790	930,148
Generated by electric power suppliers ..	931,059	841,542	863,159	849,634	861,016
Consumption of in-house generation	125,382	113,803	72,332	70,156	69,132

1) Including in-house generation. 2) Excluding pumped. 3) Photovoltaic, wind power, geothermal energy, etc. 4) Changes were made to the categorization of electricity suppliers since FY2016.

Source: Agency for Natural Resources and Energy.

(2) Gas

Gas production was 1,505 petajoules in fiscal 2024, down 0.9% from the previous fiscal year. Of this total, natural gas plus vaporized liquefied natural gas accounted for 95.2%; and the remaining 4.8% was made up of petroleum gases, such as vaporized liquefied petroleum gas and other petroleum-based gas. Gas purchases for fiscal 2024 totaled 667 petajoules.

Gas sales for fiscal 2024 totaled 1,600 petajoules, or a year-on-year growth of 0.6%. Of this total, 57.3% was sold to industry, 23.7% to residential use, and 10.3% to the commercial sector.

Table 7.3

Trends in Production and Purchases, and Sales of Gas^{1) 2)}

		(Petajoules)							
Item		FY2015		FY2020		FY2023		FY2024	
Production and purchases ³⁾		1,610		2,204		2,195		2,172	
Production		1,372	(100.0)	1,574	(100.0)	1,518	(100.0)	1,505	(100.0)
Petroleum gases	⁴⁾	48	(3.5)	57	(3.6)	78	(5.1)	73	(4.8)
Natural gas and									
vaporized liquefied natural gas	⁵⁾ ..	1,324	(96.5)	1,517	(96.4)	1,440	(94.9)	1,432	(95.2)
Others		...	(...)	...	(...)	...	(...)	...	(...)
Purchases		238	(100.0)	630	(100.0)	677	(100.0)	667	(100.0)
Petroleum gases	⁶⁾	3	(1.1)	...	(...)	...	(...)	...	(...)
Natural gas and									
vaporized liquefied natural gas		236	(98.9)	624	(99.1)	672	(99.2)	660	(99.1)
Others		0	(0.0)	0	(0.0)	...	(...)	...	(...)
Sales		1,526	(100.0)	1,654	(100.0)	1,591	(100.0)	1,600	(100.0)
Residential		387	(25.3)	419	(25.4)	372	(23.4)	379	(23.7)
Commercial		177	(11.6)	153	(9.2)	161	(10.1)	165	(10.3)
Industrial		842	(55.2)	953	(57.6)	927	(58.3)	917	(57.3)
Others		120	(7.9)	129	(7.8)	130	(8.2)	139	(8.7)

1) Figures in parentheses indicate a percentage. 2) A different statistical method was used for the figures since 2017. 3) Since there are some concealed sources, the breakdown totals may not match the overall totals. 4) Figures up until FY2016 are a total of volatile oil gas, liquefied petroleum gas, and other petroleum-based gas. Starting FY2017, figures are a total of vaporized liquefied petroleum gas and other petroleum-based gas. 5) Figures up until FY2016 are a total of natural gas and liquefied natural gas. 6) Vaporized liquefied petroleum gas, other petroleum-based gas.

Source: The Japan Gas Association.

Chapter 8

Science and Technology/

Information and Communication



Uchimizu, a tradition of sprinkling water around the house, has been practiced in Japan since old times. The reason why sprinkling water is effective for combating the heat lies in "evaporative cooling". When water is sprinkled on the ground, it absorbs heat as it evaporates, causing the temperature of the ground to drop for a sense of cooling.

1. Science and Technology

(1) R&D Expenditures and Researchers

Japan's expenditures for the research and development (R&D) of science and technology are at a top level among major countries, and support the technology-based nation of Japan. The total R&D expenditures in fiscal 2024 amounted to 23.8 trillion yen, an increase of 7.9% from the previous fiscal year. Relative to GDP, R&D expenditures were 3.70%, a 0.14 percentage point increase from the previous fiscal year. Researchers as of the end of March 2025 totaled 912,800, and females accounted for 19.0% of researchers, a record high.

Table 8.1

Trends in Expenditures and Researchers on R&D

Fiscal year	R&D expenditures (billion yen)	GDP (billion yen)	Ratio of R&D expenditures to GDP (%)	Number of researchers ^{1) 2)}	Females (%)
2015	18,939	551,945	3.43	847,100	15.3
2016	18,433	556,273	3.31	853,700	15.7
2017	19,050	567,668	3.36	867,000	16.2
2018	19,526	569,944	3.43	874,800	16.6
2019	19,576	570,619	3.43	881,000	16.9
2020	19,237	554,342	3.47	890,500	17.5
2021	19,741	576,554	3.42	908,300	17.8
2022	20,704	591,651	3.50	910,400	18.3
2023	22,050	619,390	3.56	907,400	18.5
2024	23,793	642,415	3.70	912,800	19.0

1) As of the end of each fiscal year. 2) Business enterprises, non-profit institutions and public organizations: prorated by the percentage of time that researchers are actually engaged in R&D activities. Universities and colleges: headcount.

Source: Statistics Bureau, MIC.

R&D expenditures in fiscal 2024, business enterprises spent 17.4 trillion yen (73.3% of the total), non-profit institutions and public organizations spent 2.3 trillion yen (9.7%), and universities and colleges spent 4.0 trillion yen (17.0%). As of the end of March 2025, the number of researchers amounted to 526,300 persons in business enterprises, 37,500 persons in non-profit institutions and public organizations, and 349,000 persons in universities and colleges.

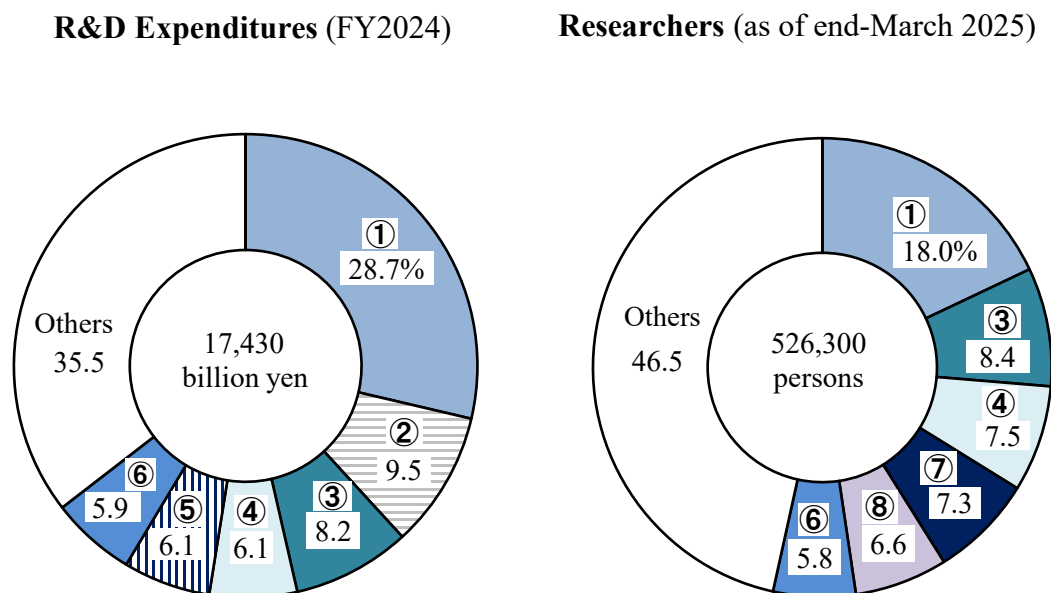
Universities and colleges spent more than 90% of their R&D expenditures on natural sciences and engineering for basic research and applied research, while business enterprises allocated over 75% for development purposes.

With regard to the portion in the R&D expenditures in fiscal 2024 by specific objective, 3.7 trillion yen went to the life sciences field (15.7% of the total), 3.4 trillion yen (14.4%) to the information technology field, 1.4 trillion yen (5.8%) to the materials field and 1.4 trillion yen (5.8%) to the environmental science and technology field, etc.

Looking at the R&D expenditures spent by business enterprises in fiscal 2024 by industry, the manufacturing industry spent 15.0 trillion out of a total of 17.4 trillion yen. The motor vehicles, parts and accessories industry spent the most, followed by the medicines industry, then by the electronic parts, devices and electronic circuits industry.

Looking at the number of researchers in business enterprises by industry as of the end of March 2025, 436,400 (82.9%) of a total of 526,300 researchers worked in the manufacturing industry; the largest number was in the motor vehicles, parts and accessories industry, followed by the electronic parts, devices and electronic circuits industry, then by the chemical products industry.

Figure 8.1
R&D Expenditures and Researchers by Industry (Business enterprises)



① Motor vehicles, parts and accessories ② Medicines ③ Electronic parts, devices and electronic circuits ④ Chemical products ⑤ Electrical machinery, equipment and supplies ⑥ Scientific research, professional and technical services ⑦ Information and communication electronics equipment ⑧ Business oriented machinery
 Source: Statistics Bureau, MIC.

(2) Technology Balance of Payments (Technology Trade)

Technology trade is defined as the export or import of technology by business enterprises with other countries, such as patents, expertise, and technical guidance. In fiscal 2024, Japan's business enterprises earned 5,470.5 billion yen from technology exports, which was up 8.4% from the previous fiscal year. It increased for fourth consecutive years. Of the total receipts, 74.7% was from overseas parent/subsidiary companies. Meanwhile, payments to technology imports stood at 869.3 billion yen, an increase of 26.8% compared with the previous fiscal year. This was the first increase in two years. Of this figure, 41.4% was for payments to overseas parent/subsidiary companies.

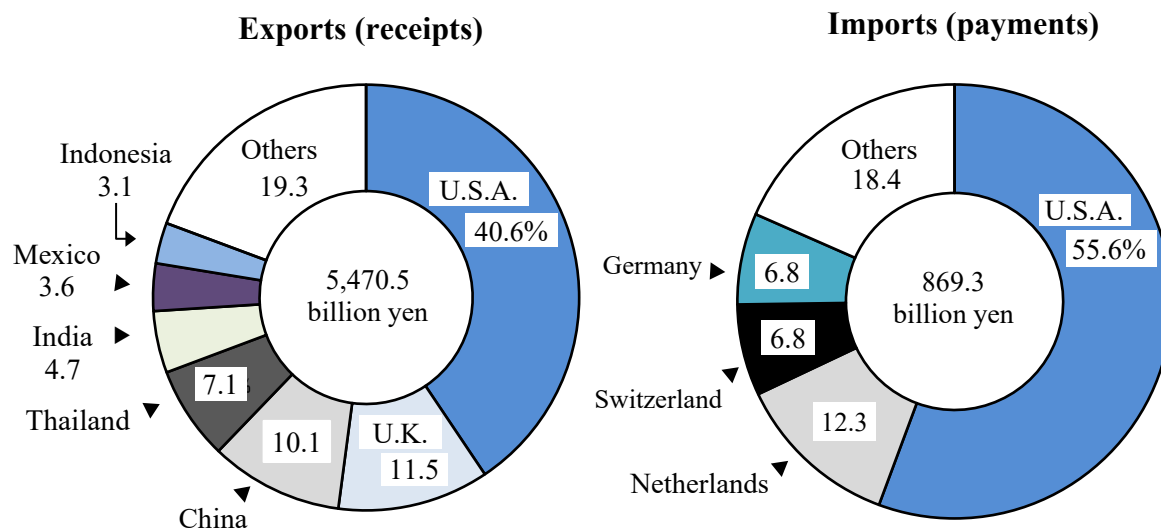
Table 8.2
Technology Trade by Business Enterprises

Fiscal year	Exports		Imports		Exports value	Imports value
	Value (billion yen)	Annual increase rate (%)	Value (billion yen)	Annual increase rate (%)		
2015	3,949.8	7.9	602.6	17.5		6.55
2016	3,571.9	-9.6	452.9	-24.8		7.89
2017	3,884.4	8.7	629.8	39.1		6.17
2018	3,871.1	-0.3	591.0	-6.2		6.55
2019	3,662.6	-5.4	543.6	-8.0		6.74
2020	3,101.0	-15.3	559.8	3.0		5.54
2021	3,620.6	16.8	620.1	10.8		5.84
2022	4,995.9	38.0	713.7	15.1		7.00
2023	5,047.6	1.0	685.8	-3.9		7.36
2024	5,470.5	8.4	869.3	26.8		6.29

Source: Statistics Bureau, MIC.

In fiscal 2024, Japan exported 5,470.5 billion yen of technologies; major export destinations were: the U.S.A. (2,218.8 billion yen, or 40.6% of total exports), followed by the U.K. (627.6 billion yen), China (555.2 billion yen), and Thailand (386.3 billion yen). On the other hand, Japan imported 869.3 billion yen of technologies, mainly from the U.S.A. (483.4 billion yen, or 55.6% of total imports), followed by Netherlands (107.0 billion yen), Switzerland (59.5 billion yen) and Germany (59.5 billion yen).

Figure 8.2
Composition of Technology Trade by Major Country (FY2024)



Source: Statistics Bureau, MIC.

2. Patents

The total number of patent applications to the Japan Patent Office has been flat since 2020, but in 2024 the figure was 306,855, up 2.2% from the previous year.

Table 8.3
Patents

Item	(Cases)				
	2020	2021	2022	2023	2024
Applications	288,472	289,200	289,530	300,133	306,855
Registrations	179,383	184,372	201,420	209,368	200,284
Existing vested rights	2,039,040	2,020,424	2,029,223	2,063,676	2,085,215

Source: Japan Patent Office.

Table 8.4
PCT International Applications by Country

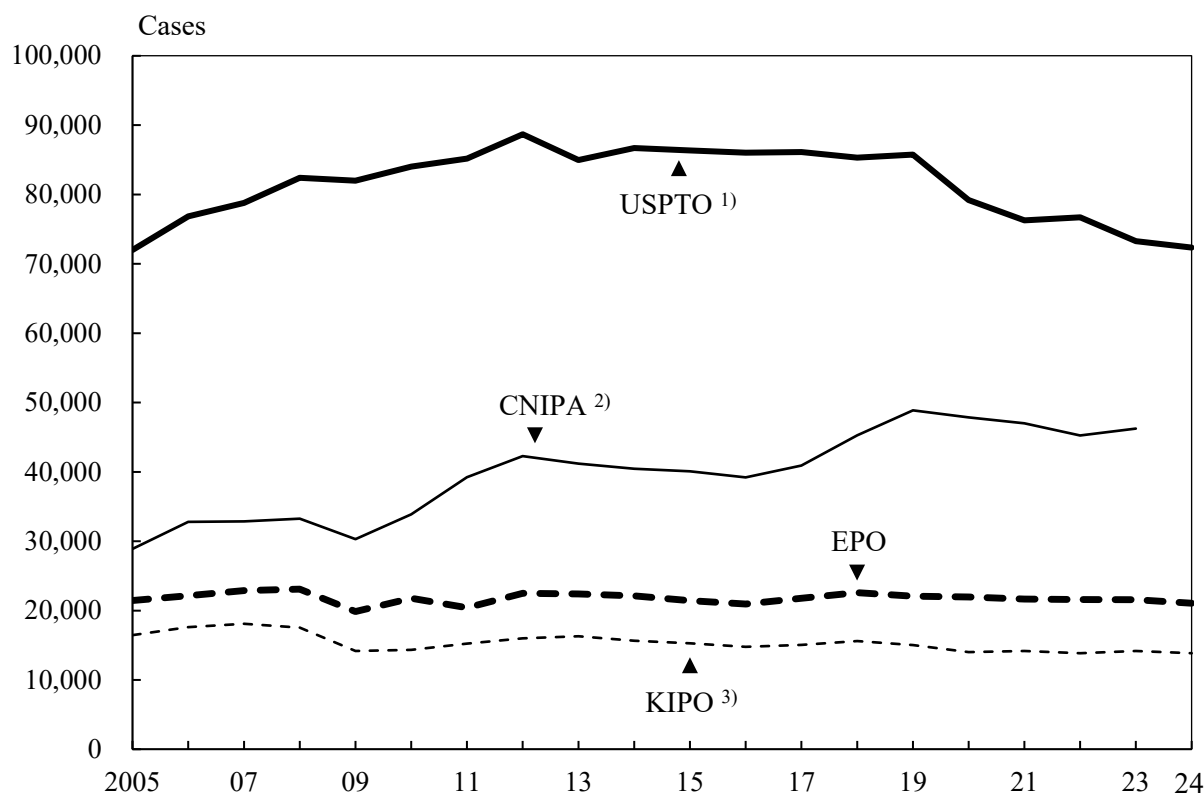
Country	(Cases)			
	2022	2023	2024*	Change from 2023 (%)
Total	277,644	272,416	273,900	0.5
China	70,016	69,527	70,160	0.9
U.S.A.	58,839	55,618	54,087	-2.8
Japan	50,529	48,992	48,397	-1.2
Korea, Rep. of	22,013	22,277	23,851	7.1
Germany	17,464	16,944	16,721	-1.3
France	7,745	7,911	8,125	2.7
U.K.	5,692	5,567	5,861	5.3
Switzerland	5,439	5,398	5,324	-1.4
Netherlands	4,012	4,256	4,310	1.3
Sweden	4,482	4,301	3,762	-12.5

Source: World Intellectual Property Organization.

158 countries, including Japan, have joined the international patent system of the World Intellectual Property Organization (WIPO) as of June 2025. In 2024, the number of international patent applications filed under the Patent Cooperation Treaty (PCT) was estimated to be 273,900, of which 48,397 were from Japan, accounting for 17.7%.

Regarding applications filed by Japanese applicants in 2024 with major patent offices, there were 72,350 applications filed at the United States Patent and Trademark Office, 21,062 at the European Patent Office, and 13,862 at the Korean Intellectual Property Office.

Figure 8.3
Changes in Patent Applications with Major Offices by Japanese Applicants



1) USPTO data from 2020 to 2024 are provisional. 2) CNIPA data for 2024 has not been released yet. 3) KIPO data for 2023 and 2024 are provisional.

USPTO: United States Patent and Trademark Office; CNIPA: China National Intellectual Property Administration; EPO: European Patent Office; KIPO: Korean Intellectual Property Office.

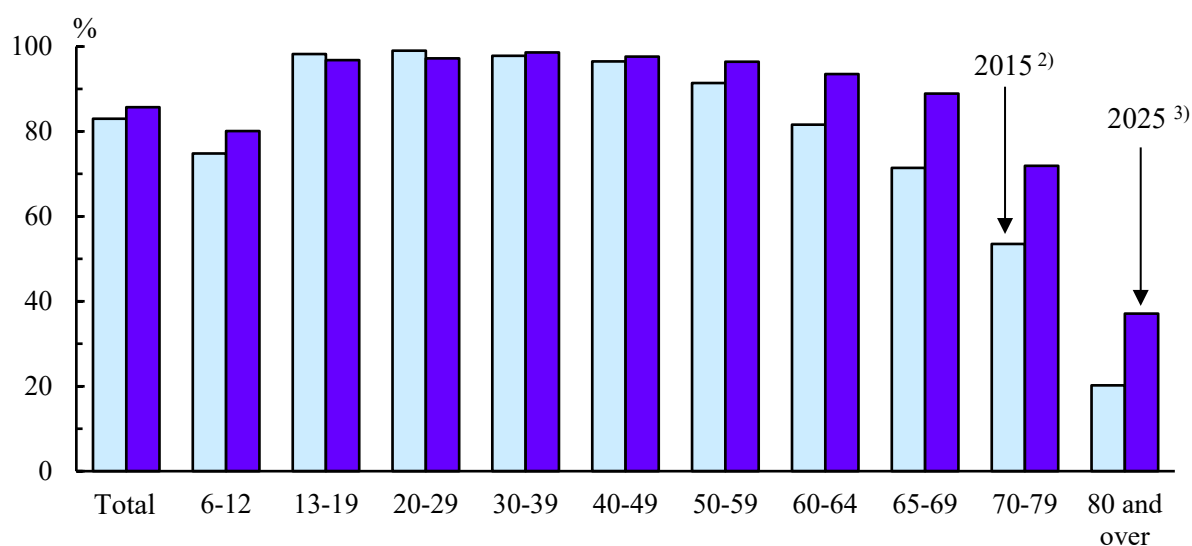
Source: Japan Patent Office.

3. Information and Communication

(1) Diffusion of the Internet

The ratio of individuals using the Internet, of which commercial usage started in 1993, exceeded 80% in 2013. As of the end of August 2025, the ratio of individuals who had used the Internet in the past year (individuals who are 6 years old and over) was 85.7%. According to the individual Internet usage rate by age group, the usage rate exceeded 90% in each age group between 13 and 69 years old.

Figure 8.4
Trends in Internet Usage Rate by Age Group ¹⁾



1) Ages 6 years old and over. 2) As of the end of 2015. 3) As of the end of August 2025.

Source: Ministry of Internal Affairs and Communications.

According to the status of Internet use by device by age group as of the end of August 2025, the usage rate of smartphones was the highest (74.3%), followed by computers (45.6%). Figures for the rate of Internet use by device by age group show that more than 80% use smartphones in each age group between 13 and 69 years old.

Table 8.5
Status of Internet Use by Device by Age Group (2025)

(%)										
Item	Average	6-12 years	13-19	20-29	30-39	40-49	50-59	60-69	70-79	80 and over
Smartphones	74.3	45.2	87.8	89.8	91.3	91.4	89.2	80.9	55.1	21.7
Computers	45.6	22.0	42.7	58.8	59.1	57.5	56.8	50.7	31.5	12.7
Internet-enabled										
TV receivers	31.1	41.4	40.3	32.9	41.3	39.9	36.5	28.7	17.9	7.3
Tablets	25.0	47.1	44.7	32.0	32.7	30.2	26.4	18.8	10.0	3.0
Mobile phones ¹⁾	9.4	7.3	7.0	9.9	10.4	10.1	9.3	8.9	11.7	7.7

1) Excluding smartphones.

Source: Ministry of Internal Affairs and Communications.

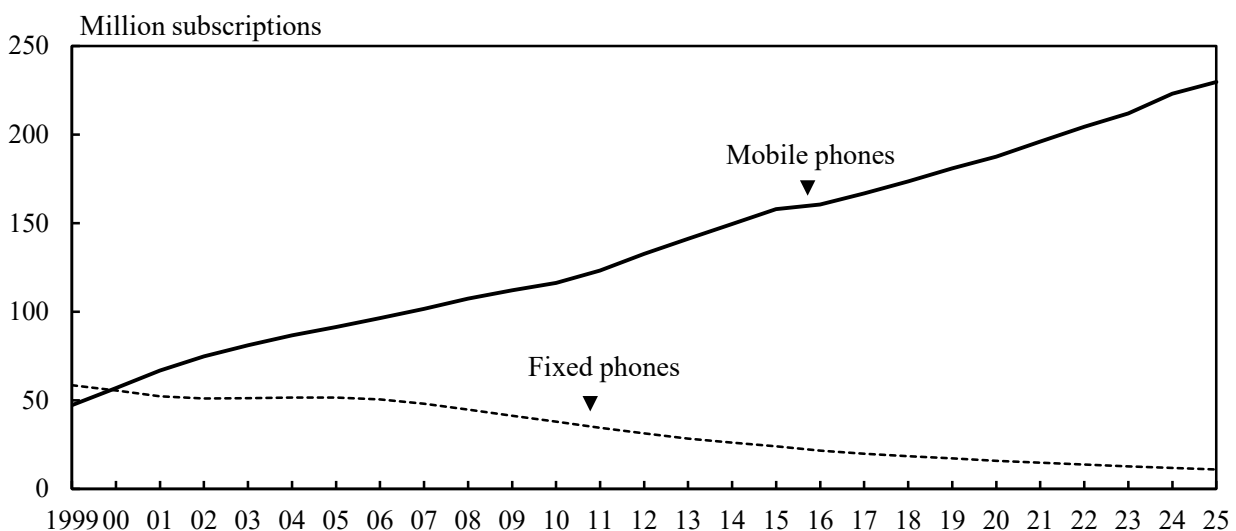
As of the end of August 2025, 50.1% of enterprises had introduced telework. This marked an increase of 2.8 percentage points compared with the previous year. The most frequent telework pattern was working from home, 89.8%, followed by mobile work, 32.5% and working from a satellite office, 14.9%.

(2) Trends in Telecommunications Services

As of the end of March 2022, the number of mobile phone subscriptions totaled 204 million, exceeding 200 million. This rose to 230 million subscriptions as of the end of March 2025, and continues to increase.

Meanwhile, the number of fixed phone service subscription contracts has continued to decrease. As of the end of March 2025, the number of fixed phone service subscription contracts was 11 million (down 6.9% from the previous year).

Figure 8.5
Number of Telephone Service Subscriptions ¹⁾



1) As of the end of March.

Source: Ministry of Internal Affairs and Communications.

Looking at the number of broadband (connection) subscribers as of the end of March 2025, 5G (fifth-generation) mobile phone access services had the highest number of subscribers, at 112 million, followed by 111 million subscribers for 3.9-4G (LTE) mobile phone services. The numbers of FTTH access service subscribers, BWA access service subscribers, and 5G mobile phone access service subscribers continue to increase.

Meanwhile, IP phone services (voice phone services that use Internet Protocol technology across part or all of the communication network), which use broadband circuits as access lines, entered full-scale use between 2002 and 2003. As of the end of March 2025, the total number of IP phone subscribers was 45 million.

Table 8.6

Number of Subscriptions to Telecommunications Services ¹⁾

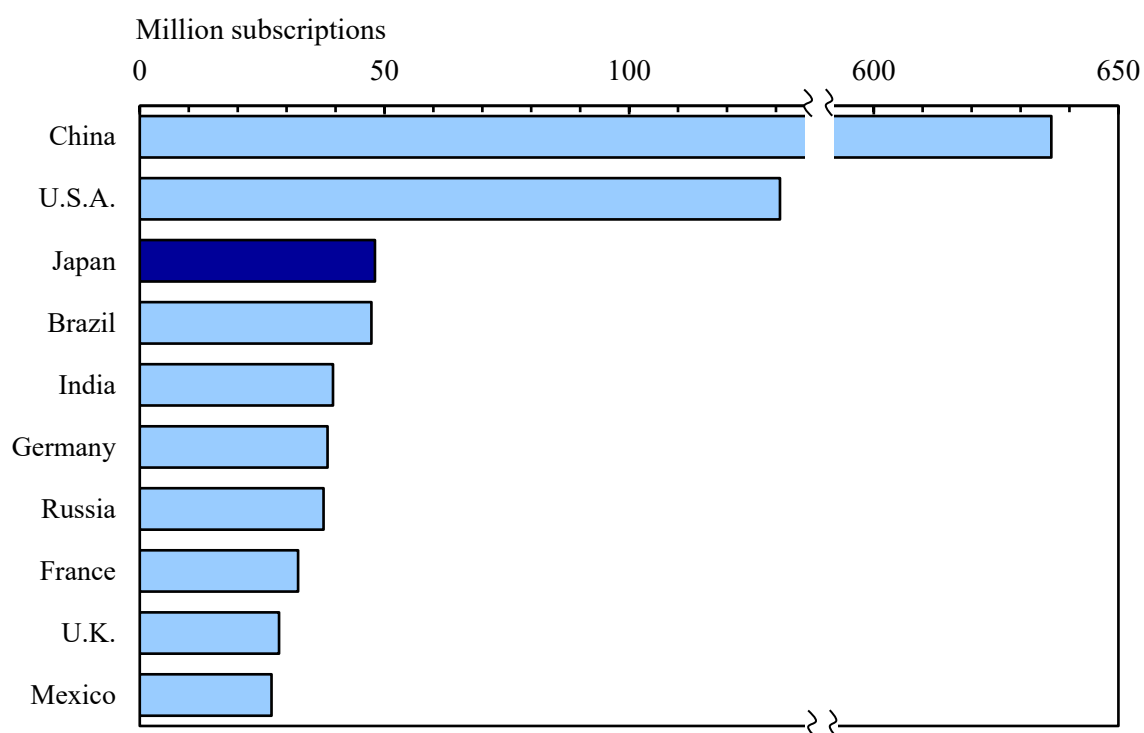
	(Thousands)				
Item	2021	2022	2023	2024	2025
Public phones (NTT, Inc. only)	146	138	122	110	96
Fixed phones	14,856	13,827	12,767	11,829	11,017
Mobile phones	196,111	204,397	211,908	223,160	229,795
IP phones	44,670	45,348	45,689	45,691	44,658
ISDN (Integrated Services Digital Network)	2,307	2,117	1,922	1,696	1,512
DSL (Digital Subscriber Line)	1,073	690	357	228	36
Cable Internet	6,532	6,401	6,270	6,126	6,008
FTTH (Fiber To The Home)	35,640	37,698	39,665	40,545	41,249
BWA (Broadband Wireless Access) ...	75,709	79,732	84,299	87,934	91,513
3.9-4G mobile phones (LTE)	154,366	139,055	127,380	118,761	111,477
5G mobile phones	14,186	45,018	69,809	92,367	112,067

1) As of the end of March.

Source: Ministry of Internal Affairs and Communications.

In 2023, the number of fixed-broadband subscriptions in Japan was 48 million, the third-largest after China, 636 million and the U.S.A., 131 million.

Figure 8.6
International Comparison of Fixed-Broadband Subscriptions (2023)



Source: International Telecommunication Union.

(3) Postal Service

As of the end of March 2026, Japan Post Co., Ltd. had 24,115 post offices nationwide. In fiscal 2025, post offices handled 16.0 billion items of domestic mail (including parcels), which was a 5.0% decrease from the previous fiscal year. Furthermore, the total quantity of international mail (letters, Express Mail Services [EMS], and parcels) sent in fiscal 2025 amounted to 21.8 million items, a decrease of 6.2% from the previous fiscal year.

Table 8.7
Postal Services

(Millions)						
Item	FY2005	FY2010	FY2015	FY2020	FY2024	FY2025
Domestic						
Letters	22,666.1	19,757.9	17,981.0	15,221.0	12,542.9	11,729.3
Parcels	2,075.0	2,968.4	4,052.4	4,390.1	4,336.8	4,302.3
International						
Sent	77.5	54.2	48.9	23.0	23.2	21.8
Letters ¹⁾	76.1	52.8	44.1	20.6	20.9	19.7
Parcels	1.5	1.4	4.8	2.5	2.3	2.1

1) Including Express Mail Services (EMS).

Source: Japan Post Co., Ltd.

Chapter 9

Transport and Tourism

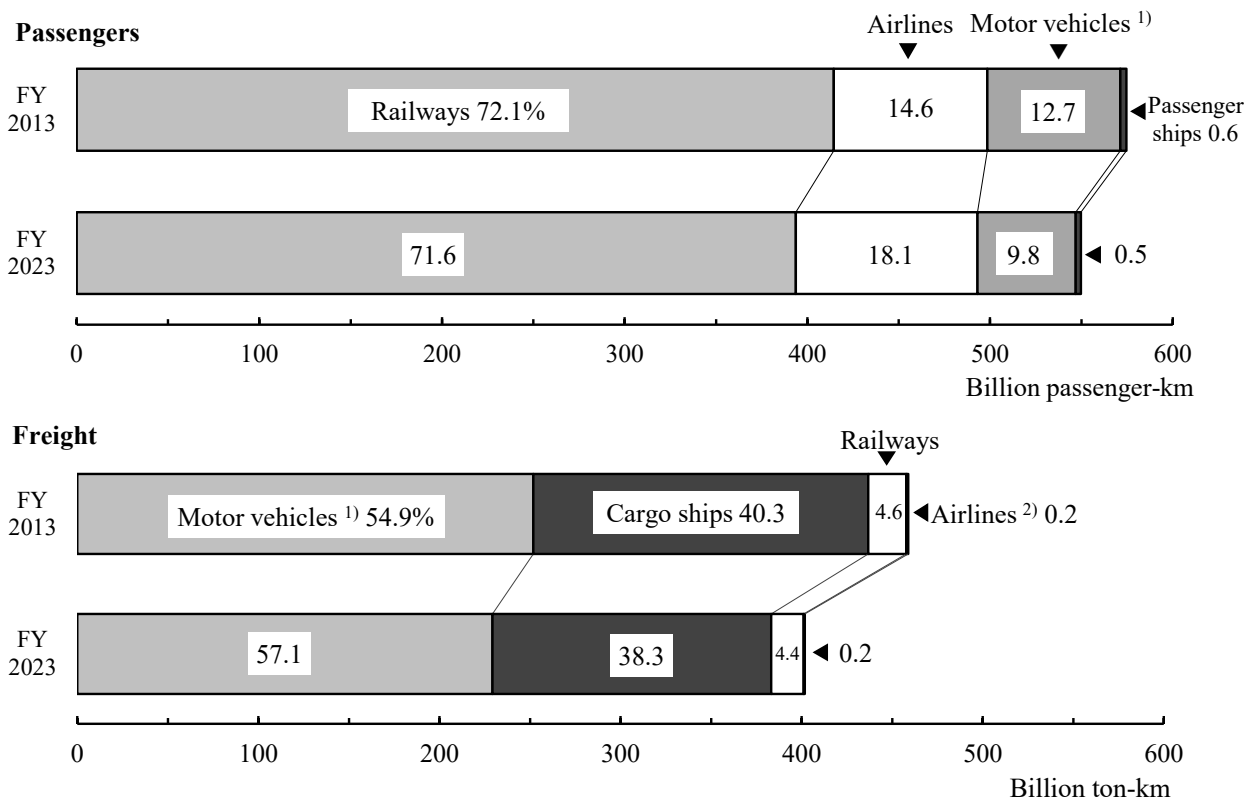


Matsue Suigosai Fireworks, one of Japan's leading fireworks festivals, is held over Lake Shinji in Matsue, Shimane Prefecture. Fireworks launched from the lake create a spectacular display reflected on the water's surface.

1. Domestic Transport

In Japan, various modes of transport are used. Railway accounts for approximately 70% in passenger transport, while motor vehicles and cargo ships occupy more than 90% in freight transport.

Figure 9.1
Composition of Domestic Transport



1) Figures are estimates based on the survey method and aggregation method changed in FY2020.

2) Including overweight baggage and postal mail.

Source: Ministry of Land, Infrastructure, Transport and Tourism.

In fiscal 2013, railways accounted for 72.1%, airlines for 14.6%, motor vehicles for 12.7%, and passenger ships for 0.6% of domestic passenger transport volume (passenger-kilometers). In fiscal 2023, railways accounted for 71.6%, airlines for 18.1%, and motor vehicles for 9.8%, respectively. Of these, the share of airlines set a record high. In terms of domestic freight volume (ton-kilometers), on the other hand, motor vehicles accounted for 57.1% and cargo ships for 38.3% in fiscal 2023, together constituting about 95% of the total. Although ton kilometers decreased, the component ratio shows the same trend as 10 years before.

(1) Domestic Passenger Transport

In fiscal 2023, the number of domestic transport passengers was 27.80 billion (up 7.0% from the previous fiscal year). The total volume of passenger transport was 549.78 billion passenger-kilometers (up 13.1%), a recovery to about 90% of the peak (in fiscal 2018 of 605.96 billion) before the COVID-19 pandemic.

Table 9.1
Domestic Passenger Transport

Item	Passengers carried (millions)		Passenger kilometers (millions)	
	FY2022	FY2023	FY2022	FY2023
Total transport volume	25,991	27,802	486,001	549,779
Railways	21,054	22,614	352,853	393,706
JR (Japan Railways)	7,885	8,433	217,509	248,348
Other than JR	13,169	14,181	135,344	145,358
Motor vehicles	4,783	5,009	44,185	53,835
Buses (Commercial use)	3,815	4,015	40,126	49,366
Taxis and limousine hires	968	994	4,059	4,469
Airlines	91	105	86,382	99,354
Passenger ships	63	74	2,581	2,884

Source: Ministry of Land, Infrastructure, Transport and Tourism.

In fiscal 2023, the Japan Railways (JR) group reported 8.43 billion passengers (up 6.9% from the previous fiscal year) and 248.35 billion passenger-kilometers (up 14.2%). Railways other than JR reported 14.18 billion passengers (up 7.7%) and 145.36 billion passenger-kilometers (up 7.4%).

In fiscal 2023, commercial buses transported 4.02 billion passengers (up 5.2% from the previous fiscal year) and 49.37 billion passenger-kilometers (up 23.0%). However, buses continue to face difficult conditions, with a long-term decrease in demand due to factors such as declining population, low birth rate, and changing lifestyles, and transportation volume has not recovered to its level before the COVID-19 pandemic, leading to a nationwide shortage of bus drivers. Many operators are considering improvements in the work environment for bus drivers, and Digital Transformation (DX) and Green Transformation (GX) initiatives for transportation are being pursued to help improve services and boost

management efficiency.

Domestic airline passengers increased until around fiscal 2002, and after that the trend was roughly flat until fiscal 2007. However, a declining trend continued after the bankruptcy of the major American securities firm Lehman Brothers in 2008, and although there was a recovery after fiscal 2011, domestic air transport fell into a major slump due to the COVID-19 pandemic which occurred in 2020. Fiscal 2022 air transport almost reached the pre-COVID level, and records show that there were 105 million passengers in fiscal 2023 (up 15.6% from the previous fiscal year), and passenger-kilometers amounted to 99.35 billion (up 15.0%).

In fiscal 2023, passenger ships reported 74 million passengers (up 16.4% from the previous fiscal year) and 2.88 billion passenger-kilometers (up 11.7%).

(2) Domestic Freight Transport

In the area of domestic freight, a total of 4.12 billion metric tons (down 1.5% from the previous fiscal year) of freight was transported for a total of 401.71 billion ton-kilometers (down 1.6%) in fiscal 2023. As for transport tonnage volume in fiscal 2023, motor vehicle transport accounted for more than 90% of the total.

Table 9.2
Domestic Freight Transport

Item	Freight tonnage (thousands)		Ton kilometers (millions)	
	FY2022	FY2023	FY2022	FY2023
Total transport volume	4,185,842	4,123,861	408,240	401,708
Railways	38,264	38,294	17,984	17,802
Motor vehicles	3,825,999	3,780,504	226,886	229,180
Commercial use	2,557,548	2,512,059	199,149	202,143
Non-commercial use	1,268,451	1,268,446	27,737	27,037
Cargo ships	320,929	304,404	162,663	154,015
Airlines ¹⁾	650	659	707	712

1) Including overweight baggage and postal mail.

Source: Ministry of Land, Infrastructure, Transport and Tourism.

2. International Transport

(1) International Passenger Transport

The global economic downturn after September 2008, the spread of a new influenza in early 2009, and the effects of the Great East Japan Earthquake in 2011 reduced international air passenger transport on Japanese airlines. In 2012, this trend reversed to an increase, and the increase continued for 8 consecutive years until 2019. However, due to the effects of the COVID-19 pandemic, there was a sharp drop in passengers to 4.36 million in 2020 (down 81.4% from the previous year). In 2022 the trend recovered, increasing to 20.22 million in 2024, up 363.4% compared with 2020.

(2) International Freight Transport

For international freight transport departing from and arriving in Japan, seaborne transport accounted for the majority while air transport accounted for a very small percentage. The volume of seaborne foreign transport in 2024 was 830 million tons, down 7.5% over the previous year. Of this figure, total exports decreased by 1.5% to 63 million tons, and total imports decreased by 12.6% to 404 million tons, and total cross transport decreased by 2.1% to 362 million tons.

Table 9.3
Seaborne Foreign Transport

(Thousand tons)				
Year	Total transport volume	Exports	Imports	Cross transport
2000	739,377	34,960	538,875	165,542
2005	777,869	45,404	529,239	203,225
2010	819,075	44,758	465,898	308,419
2015	1,056,144	60,802	544,702	450,639
2020	889,365	58,411	435,019	395,935
2024*	829,730	63,352	404,003	362,375

Source: Ministry of Land, Infrastructure, Transport and Tourism.

Air-shipped international freight in 2024 totaled 1.51 million tons in terms of volume (up 11.2% from the previous year) and 8.49 billion tons in terms of ton-kilometers (up 7.8%).

3. Tourism

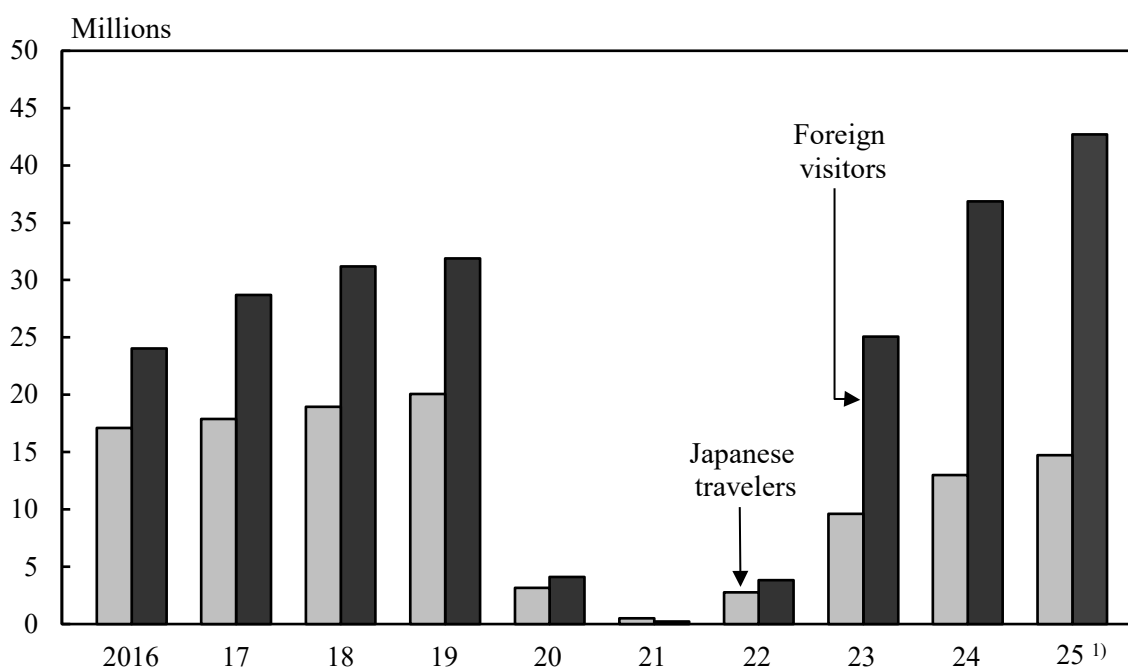
Tourism has become a strategic industry that drives the development of the national and local economies in Japan. Under the Fifth Tourism Nation Promotion Basic Plan approved by the Cabinet in March 2026, tourism is promoted with policy measures aiming to achieve a sustainable development of tourism, increase consumer spending, attract more tourists to rural areas, strengthen collaboration between tourism, transportation, and urban development, and make full use of new technologies.

(1) Trends in Travelers

The total number of Japanese domestic travelers in 2025 was 553.13 million, a 2.4% increase from the previous year, and within that total the number taking day trips was 253.16 million (up 2.6%), indicating recovery, although travel has not reached the pre-COVID level.

Figure 9.2

Number of Japanese Overseas Travelers and Foreign Visitor Arrivals



1) The foreign visitors data for 2025 is provisional.

Source: Immigration Services Agency of Japan; Japan National Tourism Organization.

On the other hand, the number of Japanese overseas travelers in 2025 was 14.73 million, an increase of 13.3% over the previous year. The number of foreign visitor arrivals was 42.68 million, a 33.9% increase from 2019, prior to the effects of the COVID-19 pandemic, and a new all-time high exceeding the previous high of 36.87 million in 2024 by 5.8 million.

Among Japanese overseas travelers in 2022 by destination, the U.S.A. had many Japanese visitors.

Table 9.4
Japanese Overseas Travelers by Destination

Country or area of destination	2020		2021		2022	
	Number of arrivals	Annual change (%)	Number of arrivals	Annual change (%)	Number of arrivals	Annual change (%)
U.S.A. ^{1) 2)}	696,727	-81.4	121,519	-82.6	597,330	391.6
Korea, Rep. of ³⁾	430,742	-86.8	15,265	-96.5	296,867	1,844.8
Viet Nam ⁴⁾	205,274	-78.4	9,300	-95.5	174,720	1,778.7
Germany ⁵⁾	95,782	-84.4	28,001	-70.8	132,213	372.2
Singapore ⁴⁾	125,879	-85.8	5,920	-95.3	132,107	2,131.5
France ⁵⁾	140,881	-82.1	70,482	-50.0	128,910	82.9
Spain ²⁾	112,916	-83.3	29,368	-74.0	124,290	323.2
Italy ⁶⁾	83,839	-77.5	14,350	-82.9	101,422	606.8

1) Including territories and dependencies (Northern Mariana Islands, Guam, American Samoa, Puerto Rico and United States Virgin Islands, etc.). 2) Arrivals of non-resident tourists at national borders, by country of residence. 3) Arrivals of non-resident visitors at national borders, by nationality. 4) Arrivals of non-resident visitors at national borders, by country of residence. 5) Arrivals of non-resident tourists in all types of accommodation establishments, by country of residence. 6) Arrivals of non-resident tourists at national borders, by nationality.

Source: Japan National Tourism Organization.

In 2025, foreign visitors to Japan were 42.68 million, a 15.8% increase from the previous year (36.87 million). By country/region, visitors from Asian countries were the highest, totaling 33.79 million. Among Asian countries, the number of visitors from the Republic of Korea was highest, amounting to 9.46 million, and the figure accounted for 22.2% of the total number of foreign visitors to Japan.

Table 9.5
Foreign Visitors

Region, country or area of origin	2023		2024		2025*	
	Number of arrivals	Percentage distribution	Number of arrivals	Percentage distribution	Number of arrivals	Percentage distribution
Total arrivals ¹⁾	25,066,350	100.0	36,870,148	100.0	42,683,837	100.0
Asia	19,984,902	79.7	29,752,855	80.7	33,793,995	79.2
Korea, Rep. of	6,958,494	27.8	8,817,765	23.9	9,459,711	22.2
China	2,425,157	9.7	6,981,342	18.9	9,096,455	21.3
Taiwan	4,202,434	16.8	6,044,316	16.4	6,763,424	15.8
Hong Kong, SAR ..	2,114,402	8.4	2,683,391	7.3	2,517,402	5.9
Thailand	995,558	4.0	1,148,848	3.1	1,233,103	2.9
Philippines	622,293	2.5	818,659	2.2	885,023	2.1
Europe	1,663,432	6.6	2,390,258	6.5	3,168,344	7.4
U.K.	321,482	1.3	437,230	1.2	535,004	1.3
Africa	38,266	0.2	51,130	0.1	74,023	0.2
North America	2,583,678	10.3	3,478,768	9.4	4,227,928	9.9
U.S.A.	2,045,854	8.2	2,724,594	7.4	3,306,823	7.7
Canada	425,874	1.7	579,445	1.6	688,021	1.6
South America	99,350	0.4	155,625	0.4	216,010	0.5
Oceania	696,251	2.8	1,040,961	2.8	1,202,861	2.8
Australia	613,062	2.4	920,196	2.5	1,058,396	2.5

1) Including stateless people, etc.

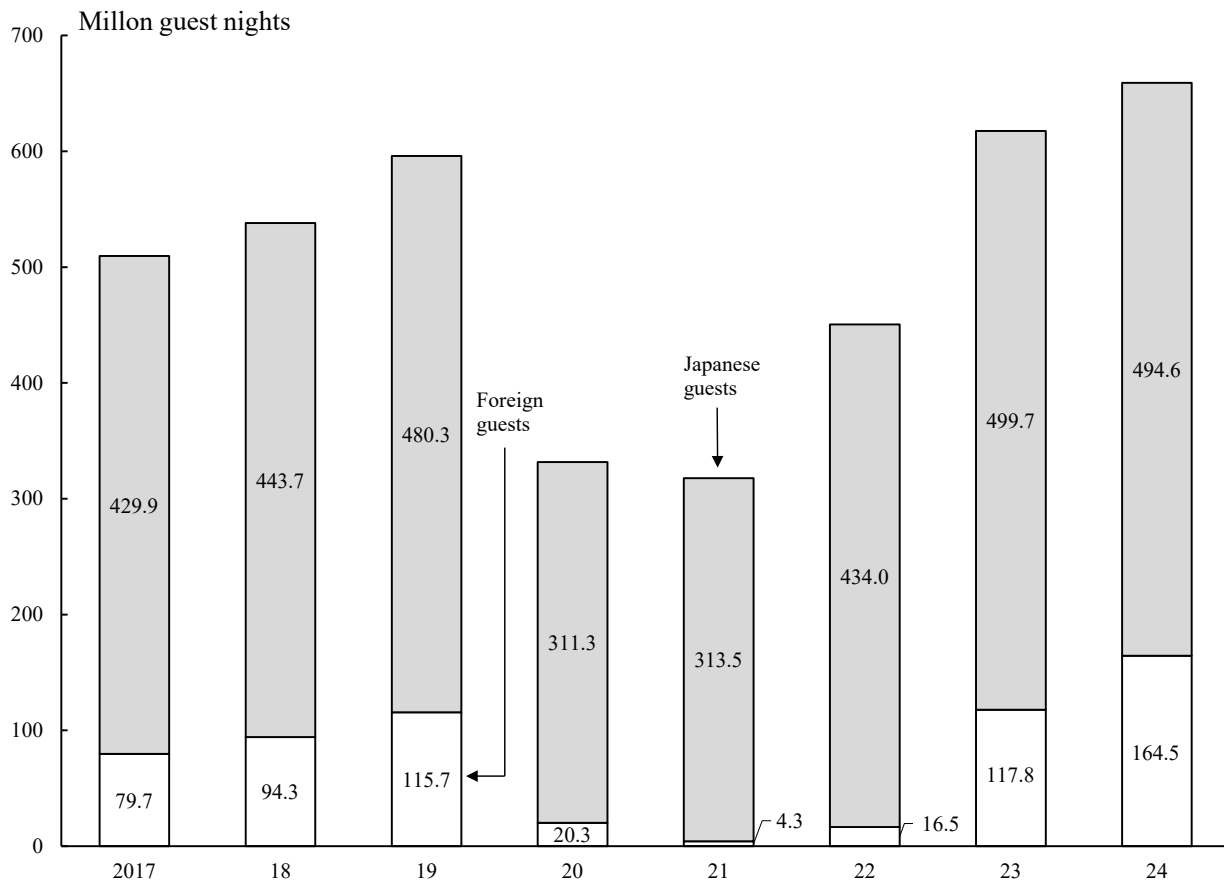
Source: Japan National Tourism Organization.

Of the total number of foreign visitors to Japan in 2025, tourists numbered 38.96 million people, a 15.9% increase from the previous year (33.61 million), or 91.3% of total foreign visitors. By country/region, the highest number of tourists came from the Republic of Korea, with 9.08 million travelers, followed by China, with 8.00 million travelers.

(2) Overnight Accommodation in Japan

In 2024, the total number of overnight guests at hotels, inns, etc. in Japan was 659.1 million, an increase of 6.7% from the previous year. Looking at the breakdown, the total number of Japanese overnight guests was 494.6 million, a decrease of 1.0%, and the total number of foreign overnight guests was 164.5 million, an increase of 39.7%. On a year-on-year basis, the number of foreign guests increased while the number of Japanese guests dropped, suggesting that rising prices for commodities and accommodation are having an impact.

Figure 9.3
Trends in Total Guest Nights



Source: Japan Tourism Agency.

The most common prefecture where Japanese guests stayed in 2024 was Tokyo, followed by Hokkaido, and Osaka. Foreign guests, on the other hand, stayed most frequently in Tokyo, followed by Osaka, Kyoto, and Hokkaido.

Chapter 10

Commerce



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Surrounded by the sea, Japan is blessed with a wide variety of seafood throughout the year and has developed a rich seafood culture. Thanks to advances in distribution and logistics networks, consumers now have access to very fresh seafood.

1. Wholesale and Retail

The "2021 Economic Census for Business Activity" showed that 1.23 million wholesale and retail establishments were in operation in Japan. The number of persons engaged at such establishments became 11.61 million. Sales in the wholesale and retail industries amounted to 480.17 trillion yen, accounting for 28.4% of the total of all industries.

(1) Wholesale Trade

The number of wholesale establishments in operation was 348,889 in 2021. Regarding size in terms of persons engaged, establishments with less than 20 persons accounted for 88.0% of the total. By type of corporate form, 91.5% of them were corporations, while 8.4% were individual proprietorships.

Table 10.1

Establishments and Persons Engaged in the Wholesale and Retail Sector (2021)

Item	Total	Wholesale	Retail
Number of establishments	1,228,920	348,889	880,031
Size of operation (persons engaged)			
1-4 persons	662,206	171,120	491,086
5-9	265,776	85,100	180,676
10-19	173,105	50,733	122,372
20-29	56,551	16,437	40,114
30-49	33,078	12,023	21,055
50-99	19,287	6,651	12,636
100 and over	10,167	3,765	6,402
Loaned or dispatched employees only	8,750	3,060	5,690
Number of persons engaged	11,611,924	3,900,979	7,710,945
Regular employees	10,174,880	3,453,375	6,721,505
Indefinite duration employees	6,790,299	2,951,492	3,838,807
Limited duration employees	3,384,581	501,883	2,882,698
Temporary employees	214,794	44,194	170,600
Loaned or dispatched employees from			
the separately operated establishments	279,040	146,446	132,594
Loaned or dispatched employees to			
the separately operated establishments	97,377	75,678	21,699

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

The number of persons engaged in the wholesale sector was 3.9 million in 2021, 546,077 of whom were limited duration employees and temporary employees, making up 14.0% of the total.

(2) Retail Trade

The number of retail establishments in operation totaled 880,031 in 2021. Regarding size in terms of persons engaged, establishments with less than 10 persons accounted for 76.3% of the total. By type of corporate form, 65.7% of them were corporations, while 34.2% were individual proprietorships. The proportion of individual proprietorships was higher than that in the wholesale sector.

The number of persons engaged in retail was 7.71 million in 2021, 3.05 million of whom were limited duration employees and temporary employees, comprising 39.6% of the total.

Looking at the number of retail establishments operating in 2021 by 3-digit industrial classification, miscellaneous food and beverage stores, which include convenience stores and delicatessen stores, were the largest segment with 119,428 establishments (13.6% of all retail).

Within the category of miscellaneous food and beverage stores, in 2021 the number of convenience stores, primarily for sale of food and beverages (corporations only) was 22,714 establishments, and the number of persons engaged (corporations only, not including temporary employees) was 368,072. Also, annual sales of goods were 4.64 trillion yen, and sales floor space was 3.01 million square meters.

Table 10.2
Convenience Stores (2021)

Item	Retail trade (food and beverage)	Miscellaneous food and beverage stores	Convenience stores, primarily for sale of food and beverages
Number of establishments	258,910	119,428	22,714
Corporations	142,050	67,645	22,714
Individual proprietorships ¹⁾	116,860	51,783	-
Number of persons engaged ²⁾	3,127,884	1,366,941	368,072
Annual sales of goods (million yen) .	39,974,189	12,470,463	4,644,441
Sales floor space (m ²)	41,323,565	12,500,992	3,011,581

1) Including organizations other than corporations.

2) Excluding temporary employees.

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

2. Accommodations

There were 45,072 accommodations establishments in operation and 625,912 persons engaged at them in 2021. Regarding size in terms of persons engaged, establishments with 1-4 persons accounted for 48.9% of the total.

Table 10.3
Accommodations (2021)

Size of operation (persons engaged)	Establishments		Persons engaged	
	Number	Ratio (%)	Number	Ratio (%)
Total	45,072	100.0	625,912	100.0
1-4 persons	22,021	48.9	49,473	7.9
5-9	8,131	18.0	54,261	8.7
10-19	6,898	15.3	93,961	15.0
20-29	2,687	6.0	64,049	10.2
30 and over	4,567	10.1	364,168	58.2
Loaned or dispatched employees only ..	768	1.7	-	-

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

3. Eating and Drinking Places

There were 499,176 eating and drinking places establishments in operation and 3.49 million persons engaged at them in 2021. Regarding size in terms of persons engaged, establishments with 1-4 persons accounted for 61.7% of the total.

Table 10.4
Eating and Drinking Places (2021)

Size of operation (persons engaged)	Establishments		Persons engaged	
	Number	Ratio (%)	Number	Ratio (%)
Total	499,176	100.0	3,489,039	100.0
1-4 persons	308,208	61.7	649,085	18.6
5-9	92,798	18.6	608,955	17.5
10-19	55,144	11.0	746,796	21.4
20-29	25,036	5.0	596,470	17.1
30 and over	17,094	3.4	887,733	25.4
Loaned or dispatched employees only ..	896	0.2	-	-

Source: Statistics Bureau, MIC; Ministry of Economy, Trade and Industry.

Chapter 11

Trade, Balance of Payments, and International Cooperation



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Tea Picking.

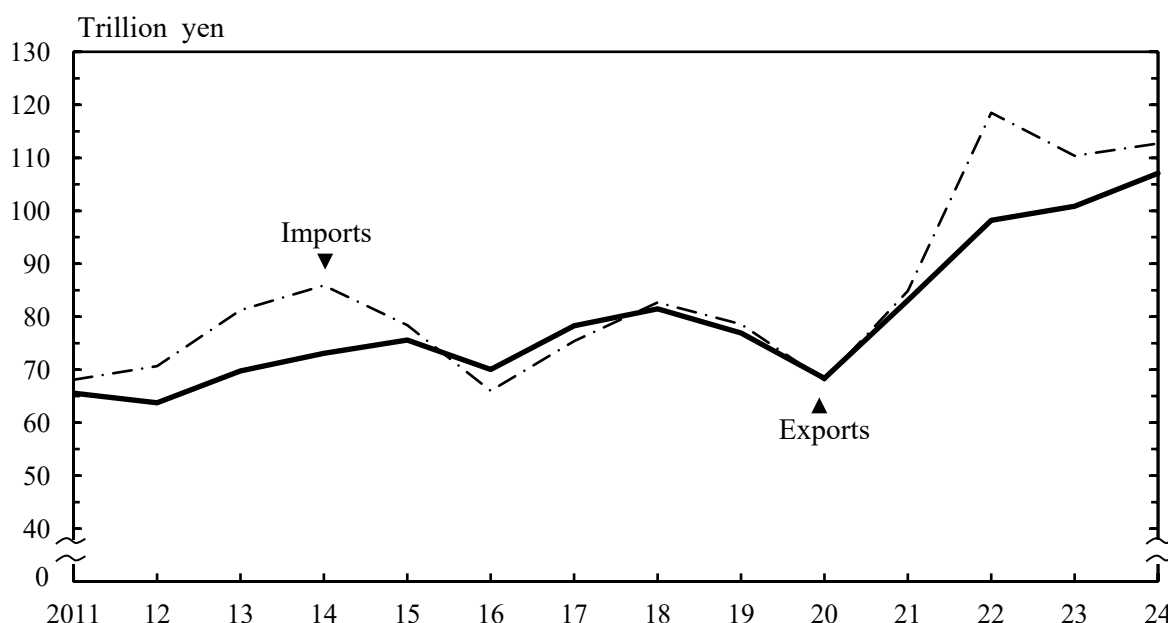
The export value of green tea in 2025 reached 72.1 billion yen. Driven by growing health awareness and increasing interest in Japanese cuisine, demand for powdered green tea, particularly matcha, has grown to a record high.

1. Trade

(1) Overview of Trade

In 2024, Japan's international trade on a customs clearance basis increased, both exports and imports. Exports (in FOB value) amounted to 107.1 trillion yen, which was a 6.2% increase as compared to the previous year, and an increase for the fourth consecutive year. Imports (in CIF value) amounted to 112.7 trillion yen, which was a 2.1% increase as compared to the previous year, and an increase for the first time in 2 years. Trade balance totaled -5.6 trillion yen. This was negative for the fourth consecutive year.

Figure 11.1
Foreign Trade



Source: Ministry of Finance.

Table 11.1
Trends in Foreign Trade and Trade Indices

Year	Value (billion yen)			Trade indices (2020=100)					
	(Customs clearance basis)			Exports			Imports		
	Exports (FOB)	Imports (CIF)	Balance	Value index	Quantum index ¹⁾	Unit value index	Value index	Quantum index ¹⁾	Unit value index
2015	75,614	78,406	-2,792	110.5	109.9	100.6	115.3	102.2	112.8
2016	70,036	66,042	3,994	102.4	110.5	92.7	97.1	100.9	96.2
2017	78,286	75,379	2,907	114.5	116.4	98.4	110.8	105.1	105.4
2018	81,479	82,703	-1,225	119.1	118.3	100.7	121.6	108.1	112.5
2019	76,932	78,600	-1,668	112.5	113.2	99.3	115.6	106.9	108.2
2020	68,399	68,011	388	100.0	100.0	100.0	100.0	100.0	100.0
2021	83,091	84,875	-1,784	121.5	110.7	109.7	124.8	104.8	119.1
2022	98,174	118,503	-20,330	143.5	110.0	130.4	174.2	104.4	166.9
2023	100,873	110,395	-9,522	147.5	105.7	139.5	162.3	99.3	163.4
2024	107,088	112,716	-5,628	156.6	102.9	152.1	165.7	96.8	171.2

1) Quantum index = Value index / Unit value index × 100.

Source: Ministry of Finance.

With regard to unit value index, Japan's 2024 exports increased by 9.0% from the previous year (an increase for the fifth consecutive year), and quantum index decreased by 2.6% from the previous year (a decrease for the third consecutive year).

With regard to Japan's imports in 2024, the unit value index increased by 4.8% from the previous year (the first increase in 2 years), and the quantum index decreased by 2.6% from the previous year (a decrease for the third consecutive year).

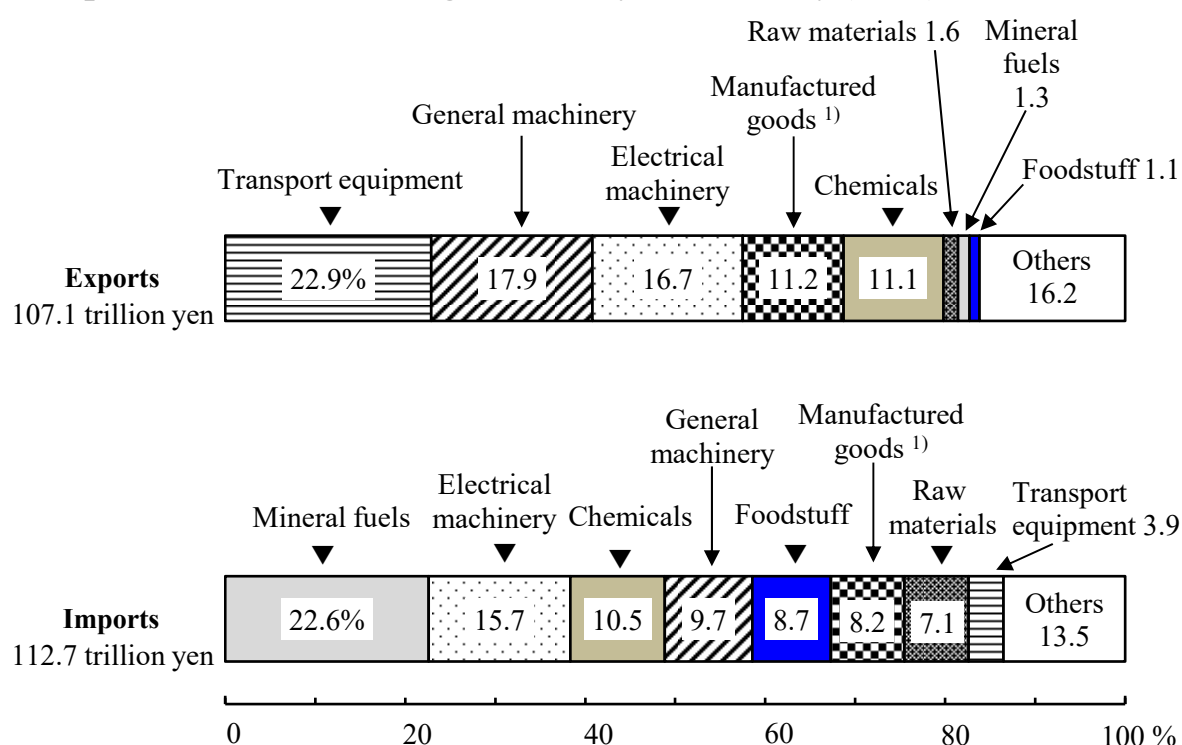
(2) Trade by Commodity

As for Japan's exports in 2024 by commodity, transport equipment accounted for the largest portion of the total export value, 22.9%, followed by general machinery and electrical machinery, making up 17.9% and 16.7%, respectively. Motor vehicles, which are in the transport equipment category, constituted 16.7% of the total export value, down 2.9% in quantity and up 3.7% in value from the previous year. One characteristic of Japan's exports is the large proportion of high value-added products

manufactured with advanced technology, such as motor vehicles, iron and steel products, and semiconductors, etc.

The leading import item category was mineral fuels, which represented 22.6% of the total value imported, followed by electrical machinery and chemicals, at 15.7% and 10.5%, respectively. Petroleum (in the mineral fuels category) constituted 9.6% of the total import value, down 8.0% in quantity and down 4.3% in value from the previous year.

Figure 11.2
Component Ratios of Foreign Trade by Commodity (2024)



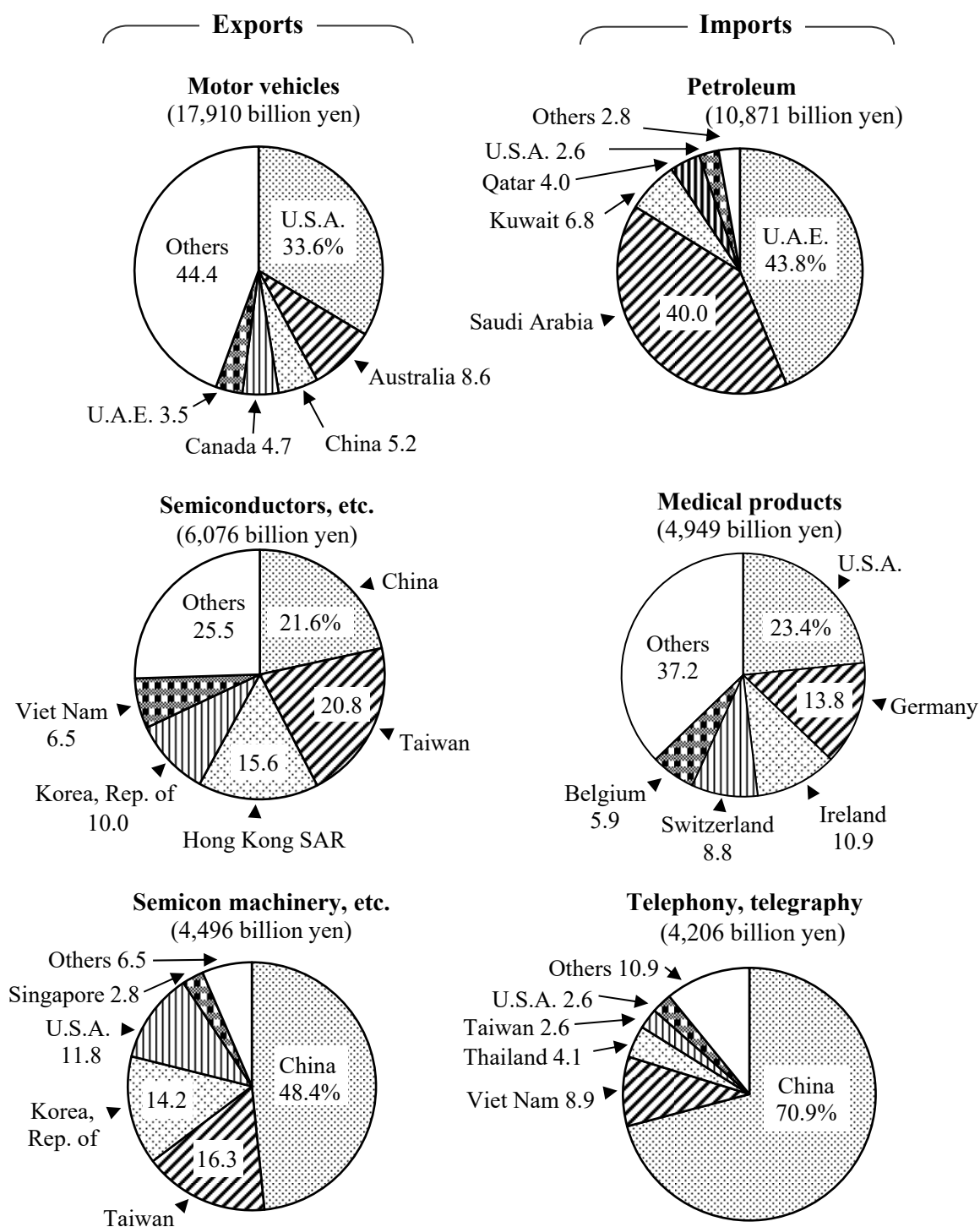
1) Consisting of iron and steel products, nonferrous metals, textile yarn and fabrics, etc.
Source: Ministry of Finance.

Table 11.2
Value of Exports and Imports by Principal Commodity

Item	2022	2023	2024	(Billion yen)
				Annual growth (%)
Exports, total	98,174	100,873	107,088	6.2
Foodstuff	1,137	1,127	1,178	4.5
Raw materials	1,583	1,607	1,762	9.7
Mineral fuels	2,197	1,616	1,340	-17.1
Chemicals	11,794	11,024	11,845	7.4
Plastic materials	3,155	2,954	3,347	13.3
Manufactured goods ¹⁾	11,818	11,545	11,989	3.8
Iron and steel products	4,739	4,502	4,395	-2.4
General machinery	18,909	18,446	19,221	4.2
Semicon machinery, etc.	4,065	3,535	4,496	27.2
Electrical machinery	17,337	16,749	17,923	7.0
Semiconductors, etc.	5,676	5,494	6,076	10.6
Transport equipment	19,057	23,633	24,493	3.6
Motor vehicles	13,012	17,265	17,910	3.7
Others	14,342	15,127	17,336	14.6
Scientific, optical instruments	2,511	2,497	2,717	8.8
Imports, total	118,503	110,395	112,716	2.1
Foodstuff	9,494	9,342	9,857	5.5
Meat and meat preparation	1,925	1,823	2,055	12.7
Raw materials	8,150	7,188	7,987	11.1
Ore of nonferrous	2,537	2,396	2,843	18.7
Mineral fuels	33,699	27,346	25,506	-6.7
Petroleum	13,453	11,364	10,871	-4.3
Chemicals	13,331	11,624	11,816	1.7
Medical products	5,762	4,727	4,949	4.7
Manufactured goods ¹⁾	10,277	9,072	9,294	2.5
Nonferrous metals	3,341	2,475	2,561	3.5
General machinery	9,287	9,598	10,886	13.4
Computers and units	2,709	2,484	3,270	31.6
Electrical machinery	17,286	17,829	17,740	-0.5
Telephony, telegraphy	3,779	3,947	4,206	6.6
Transport equipment	3,389	4,148	4,380	5.6
Motor vehicles	1,512	1,923	1,857	-3.4
Others	13,590	14,249	15,249	7.0
Clothing and accessories	3,501	3,549	3,687	3.9

1) Consisting of iron and steel products, nonferrous metals, textile yarn and fabrics, etc.

Source: Ministry of Finance.

Figure 11.3**Component Ratios of the Value of Major Export and Import Commodities by Country/Region (2024)**

Source: Ministry of Finance.

(3) Trade by Country/Region

Japan has maintained a trade surplus with Asia and the U.S.A., while having a continuous trade deficit with the EU (27 countries), Middle East and Oceania.

Table 11.3
Trends in Value of Exports and Imports by Country/Region (Billion yen)

Year	Total	Asia	China	Korea, Rep. of	Taiwan	U.S.A.	EU ¹⁾	Middle East	Oceania
Exports from Japan									
2020	68,399	39,220	15,082	4,767	4,739	12,611	6,460	1,809	1,688
2021	83,091	48,158	17,984	5,770	5,988	14,832	7,668	2,052	2,194
2022	98,174	55,406	19,004	7,106	6,857	18,255	9,358	2,782	2,816
2023	100,873	52,497	17,764	6,582	6,016	20,260	10,374	3,552	3,019
2024	107,088	56,869	18,862	7,025	6,868	21,295	9,967	4,192	3,054
Imports to Japan									
2020	68,011	34,678	17,508	2,842	2,863	7,454	7,832	5,558	4,359
2021	84,875	41,094	20,382	3,521	3,678	8,916	9,453	8,471	6,434
2022	118,503	53,401	24,850	4,417	5,109	11,759	11,446	15,608	12,693
2023	110,395	52,005	24,424	4,362	5,000	11,555	11,428	13,328	9,979
2024	112,716	53,910	25,313	4,762	4,624	12,685	11,963	12,975	8,921

1) 28 countries: from July 2013 to Jan. 2020, 27 countries: from Feb. 2020 onward.

Source: Ministry of Finance.

(A) Trade with Asia

Japan's 2024 trade balance with Asia resulted in a 3.0 trillion yen surplus (up 501.3% from the previous year), with the surplus increasing for the first time in 3 years. Exports (in FOB value) totaled 56.9 trillion yen (up 8.3%), an increase for the first time in 2 years; this was mainly due to the contributions for the increase in electrical machinery and general machinery. Imports (in CIF value) amounted to 53.9 trillion yen (up 3.7%), an increase for the first time in 2 years; this was mainly contributed to the increase in general machinery and raw materials.

In 2024, Japan's trade with China amounted to 18.9 trillion yen in exports and 25.3 trillion yen in imports. The percentage of the total amount of Japan's imports and exports that is accounted for by imports and exports between Japan and China is approximately 20%, signifying that China is Japan's largest trading counterpart.

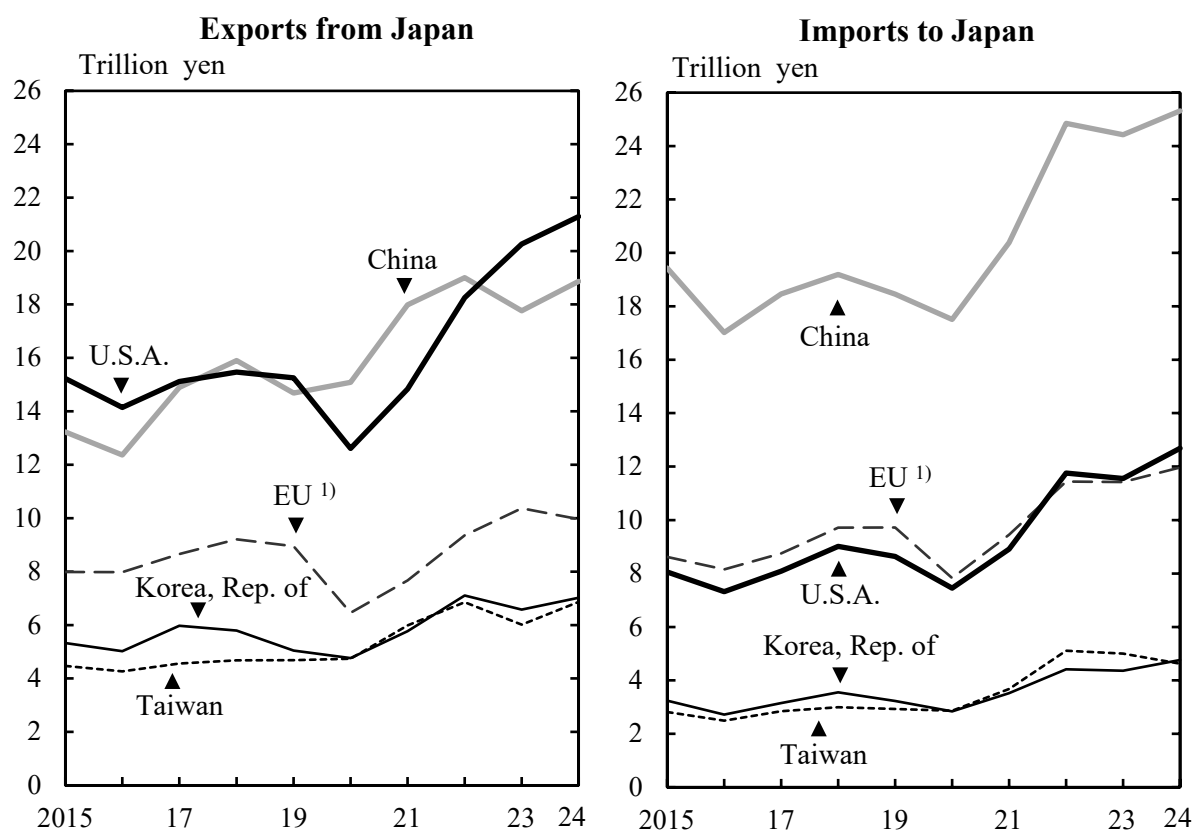
(B) Trade with U.S.A.

Japan's 2024 trade balance with the U.S.A. showed a surplus of 8.6 trillion yen (down 1.1% from the previous year), a decrease for the first time in 4 years. Exports (in FOB value) totaled 21.3 trillion yen (up 5.1%), an increase for the fourth consecutive year. The growth was due mainly to the contributions of transport equipment and electrical machinery. Imports (in CIF value) totaled 12.7 trillion yen (up 9.8%), an increase for the first time in 2 years. The growth was due mainly to the contributions of general machinery and transport equipment.

(C) Trade with EU

Japan's 2024 trade balance with the EU (27 countries) showed a deficit of 2.0 trillion yen (up 89.6% from the previous year), an increase for the first time in 2 years. Exports (in FOB value) totaled 10.0 trillion yen (down 3.9%), a decrease for the first time in 4 years. The growth was due mainly to the contributions of transport equipment and general machinery. Imports (in CIF value) totaled 12.0 trillion yen (up 4.7%), an increase for the first time in 2 years. The growth was due mainly to the contributions of chemicals and general machinery.

Figure 11.4
Trends in Value of Exports and Imports by Country/Region



1) 28 countries: from July 2013 to Jan. 2020, 27 countries: from Feb. 2020 onward.

Source: Ministry of Finance.

2. Balance of Payments

The current account in 2025 totaled 32.2 trillion yen. Also due to the shrinking deficit in the trade balance, the surplus of the current account grew for the third consecutive year. Looking at the breakdown of the current account, goods and services recorded a deficit of -4.0 trillion yen, which is 1.9 trillion yen less than in the previous year but still marks the seventh consecutive year of deficit. Primary income amounted to 41.8 trillion yen, which was a 3.7% increase in its surplus from the previous year.

The financial account amounted to 29.7 trillion yen in 2025, due to an increase in net assets for direct investment, etc.

Table 11.4
Balance of Payments

(Billion yen)				
Item	2022	2023	2024	2025
Current account	11,442.5	22,475.5	29,277.4	32,235.0
Goods and services	-21,066.5	-9,952.1	-5,908.6	-4,010.8
Goods	-15,510.7	-6,611.6	-2,714.5	-567.7
Exports	98,858.2	100,491.4	106,622.7	108,546.5
Imports	114,368.8	107,103.0	109,337.2	109,114.2
Services	-5,555.8	-3,340.6	-3,194.1	-3,443.1
Primary income	35,041.7	36,566.2	40,328.4	41,820.1
Secondary income	-2,532.6	-4,138.5	-5,142.5	-5,574.3
Capital account	-114.4	-390.5	-220.7	-432.1
Financial account ¹⁾	6,419.2	24,531.9	24,964.5	29,683.8
Direct investment	16,816.8	24,963.9	28,537.2	25,706.6
Portfolio investment	-19,199.3	27,464.2	13,954.4	-15,692.3
Financial derivatives (other than reserves) ..	5,085.0	6,496.9	4,683.3	5,620.9
Other investment	10,773.9	-38,637.5	-11,935.1	8,498.5
Reserve assets	-7,057.1	4,244.4	-10,275.2	5,550.0
Net errors and omissions	-4,908.9	2,447.0	-4,092.1	-2,119.1

1) Positive figures (+) show increase in net assets, negative figures (-) show decrease in net assets.

Source: Ministry of Finance.

Japan's external assets (overseas assets held by residents in Japan) as of the end of 2025 amounted to 1,805.6 trillion yen, while its external liabilities (assets held in Japan by nonresidents) were 1,243.9 trillion yen. As a result, Japan's net international investment position (external assets minus external liabilities) were 561.8 trillion yen.

Table 11.5**Trends in Japan's International Investment Position ¹⁾**

(Billion yen)					
Item	2021	2022	2023	2024	2025
External assets	1,257,141	1,339,666	1,489,621	1,664,274	1,805,634
External liabilities	839,232	919,666	1,017,433	1,126,174	1,243,884
Net international investment position	417,908	420,000	472,189	538,101	561,750

1) End of year.

Source: Ministry of Finance.

Japan's reserve assets remained at around 220 billion U.S. dollars during the period from 1996 to 1998. Beginning in 1999, reserve assets increased continuously. A downward trend started at the end of 2012, but at the end of 2017, assets began to increase again, and increased to the end of 2021. Subsequently, they had declined at the end of 2022, risen again at the end of 2023, but then declined at the end of 2024. At the end of 2025, they had risen to 1,369.8 billion U.S. dollars (year-on-year increase of 11.3%), marking the first increase in 2 years.

Table 11.6**Reserve Assets**

(Million U.S. dollars)						
End of year	Total	Foreign currency reserves ¹⁾	IMF reserve position	SDRs	Gold ²⁾	Other reserve assets ³⁾
2021	1,405,750	1,278,925	10,643	62,330	49,505	4,347
2022	1,227,576	1,103,907	10,817	59,275	49,295	4,282
2023	1,294,637	1,159,849	10,597	57,508	56,095	10,588
2024	1,230,715	1,077,137	10,199	57,197	71,013	15,169
2025	1,369,775	1,164,196	11,262	60,840	117,172	16,305

1) Including securities in market value. 2) Market value. 3) Including Asian Bond Fund 2.

Source: Ministry of Finance.

The yen began appreciating sharply in late 2008. From 2011 into 2012, the exchange rate of yen to the U.S. dollar stayed between the higher 70 yen range and the lower 80 yen range. In April 2013, the Bank of Japan introduced Quantitative and Qualitative Monetary Easing (QQME) to put an end to deflation. Based on this, the exchange rate shifted towards yen depreciation. Subsequently, the yen strengthened from early to mid 2016, followed by a leveling off phase from 2017. However, from 2022, factors such as trends in the interest rate difference between the U.S.A. and Japan have led, with some fluctuations, to a weakening yen-dollar exchange rate. As of the end of April 2026, the exchange rate was 160.14 yen per U.S. dollar.

Figure 11.5
Yen Exchange Rate against the U.S. Dollar (End of month)



Source: Bank of Japan.

3. International Cooperation

In Japan, there are diverse international cooperation donors: Official Development Assistance (ODA) by the government, direct investments and export credits by private corporations, grants by private non-profit organizations, assistance activities by NGOs and volunteer citizen groups, etc. With regard to ODA, there are various forms, including bilateral assistance, which assists developing countries and regions directly, and multilateral assistance, which contributes to international organizations, etc.

Table 11.7**Financial Flows to Developing Countries**

(Million U.S. dollars)

Item	Net disbursements ¹⁾		Grant equivalent ²⁾	
	2023	2024	2023	2024
Total value	45,908	34,660	...	...
Official flows	17,123	15,252	...	...
Official Development Assistance (ODA)	18,662	15,246	19,600	16,494
Bilateral official development assistance ³⁾	15,043	12,425	15,982	13,767
Grants ³⁾	6,500	5,789	6,500	5,692
Grant assistance	1,636	859	1,636	859
Technical assistance	2,239	2,130	2,239	2,130
Loans	8,543	6,636	9,482	8,076
Contributions to multilateral institutions	3,619	2,821	3,619	2,726
Other Official Flows (OOF)	-1,539	6	...	...
Export credits (over 1 year)	-1,124	-886	...	...
Direct investment and others	-415	892	...	...
Contributions to multilateral institutions	-	-	-	-
Private Flows (PF)	28,162	18,871	...	...
Export credits (over 1 year)	-1,328	-4,218	...	...
Direct investment	30,314	24,532	...	...
Other bilateral securities and claims	-223	-1,290	...	...
Contributions to multilateral institutions	-602	-153	...	...
Grants by private non-profit organizations	623	537	...	...
ODA as percentage of GNI (%)	0.42	0.36	0.44	0.39
ODA as percentage of GNI (DAC average) (%) ..	...	...	0.37	0.34

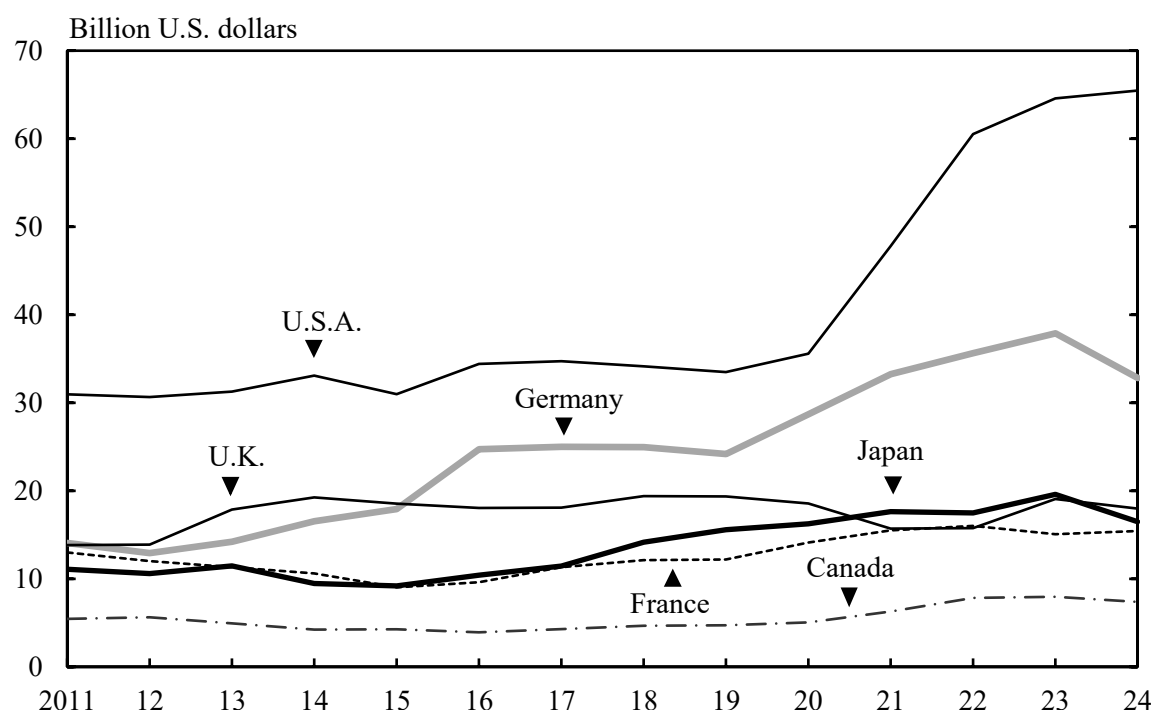
1) Net disbursements at current prices and exchange rate designated by DAC. Negative figures (-) indicate that loan repayments, etc., exceeded the disbursed amount. 2) Grant equivalent at current prices and exchange rate designated by DAC. 3) Including bilateral grants through multilateral institutions.

Source: Ministry of Foreign Affairs; Ministry of Finance; OECD.

In the ODA framework, Japan's spending (on a grant equivalent basis at current prices) in 2024 was decreased by 15.9% over the previous year to 16.5 billion U.S. dollars. Japan contributed to the growth of developing countries as the world's number-one ODA donor for 10 consecutive years up until 2000, but recently Japan's ODA budget has declined to about half its peak level.

With regard to the comparison of the ODA grant equivalents in 2024 of the member countries of the Development Assistance Committee (DAC) of the OECD, Japan was the fourth largest contributor behind the U.S.A., Germany, and the U.K. The ratio of Japan's ODA grant equivalent to Gross National Income (GNI) was 0.39%, or a decrease of 0.05 percentage points compared with that of the previous year.

Figure 11.6
Trends in ODA by Country ¹⁾



1) 2011-2017 data: Net disbursement at current prices and exchange rate designated by DAC.

2018-2024 data: Grant equivalent at current prices and exchange rate designated by DAC.

Source: OECD.

Of the 16.5 billion U.S. dollars in ODA grant equivalent provided by Japan in 2024, 13.8 billion was bilateral ODA (down 13.9% year-on-year), and 2.7 billion was ODA contributed through multilateral institutions (down 24.7%).

Bilateral ODA (grant equivalent at current prices) provided in 2024 consisted of 0.9 billion U.S. dollars of grant assistance, 2.1 billion of technical assistance, and 8.1 billion of loans.

By region, bilateral ODA (net disbursement at current prices, including assistance for the graduated countries designated as "developing areas") was distributed as follows: Asia, 5,654 million U.S. dollars; Middle East and North Africa, 1,985 million U.S. dollars; Sub-Saharan Africa, 1,240 million U.S. dollars; Latin America and the Caribbean, 498 million U.S. dollars; Europe, 437 million U.S. dollars; and Oceania, 107 million U.S. dollars.

Table 11.8

Regional Distribution of Bilateral ODA ¹⁾ (2024)
(Million U.S. dollars)

Region	Net disbursements
Total	12,437
Asia	5,654
ASEAN	895
Middle East and North Africa	1,985
Sub-Saharan Africa	1,240
Latin America and the Caribbean	498
Europe	437
Oceania	107
Multiple regions, etc.	2,515

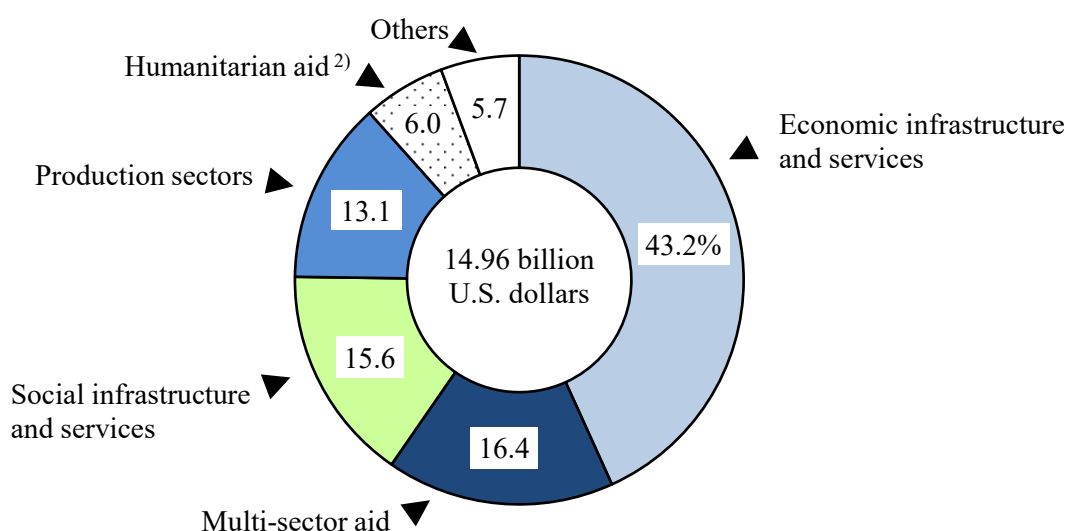
1) Net disbursement at current prices and exchange rate designated by DAC. Including assistance for the graduated countries designated as "developing areas".

Source: Ministry of Foreign Affairs.

Breaking down bilateral ODA in 2024 (including assistance for the graduated countries designated as "developing areas") by purpose (on a commitments basis), the largest share was 43.2% for improving "economic infrastructure and services" (including transport, storage and energy), which capitalizes on Japan's high level technical capability, science, and technology.

Figure 11.7

Distribution of Bilateral ODA by Sector ¹⁾ (2024)



1) Commitments basis. Including assistance for the graduated countries designated as "developing areas".

2) Emergency food assistance, reconstruction, disaster risk reduction, etc.

Source: Ministry of Foreign Affairs.

In addition to the financial assistance described above, Japan has also been active in the areas of human resources development and technology transfer through its ODA activities, both of which are vital to the growth of developing countries.

Table 11.9
Technical Cooperation by Type (FY2024)

Type of cooperation	Number of persons involved ¹⁾
Total	23,210
Trainees received	12,108
Dispatched	
Experts and research team	10,055
Japan Overseas Cooperation Volunteers	956
Other volunteers	91

1) Number of persons newly received/dispatched in the aforementioned fiscal year.

Source: Japan International Cooperation Agency.

Chapter 12

Labour



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Children Who Will Lead the Next Generation of Agriculture.

As the number of farmers continues to decline, it is necessary to develop and secure the next generation of farmers to ensure sustainable agriculture.

1. Labour Force

The population in Japan aged 15 years old and over peaked at 111.18 million people in 2017, and has been in a declining trend in recent years. In 2025, the population reached 109.73 million people.

In the 2000s, the labour force (among the population aged 15 years old and over, the total of employed persons and unemployed persons) had been on a downward trend due to the declining birth rate and aging population, but began to increase in 2013 and continued to increase until 2019. In the 2020s, the figure was flat at first. However, in 2025, it became 70.04 million, marking a year-on-year increase of 0.47 million (0.7%) and an increase for the third consecutive year.

The labour force participation rate (the rate of the labour force to the population aged 15 years old and over) was 63.8% in 2025 (up 0.5 percentage points from the previous year). Observed by gender, the rate was 71.7% for males (up 0.2 percentage points) and 56.4% for females (up 0.8 percentage points).

Table 12.1
Population by Labour Force Status

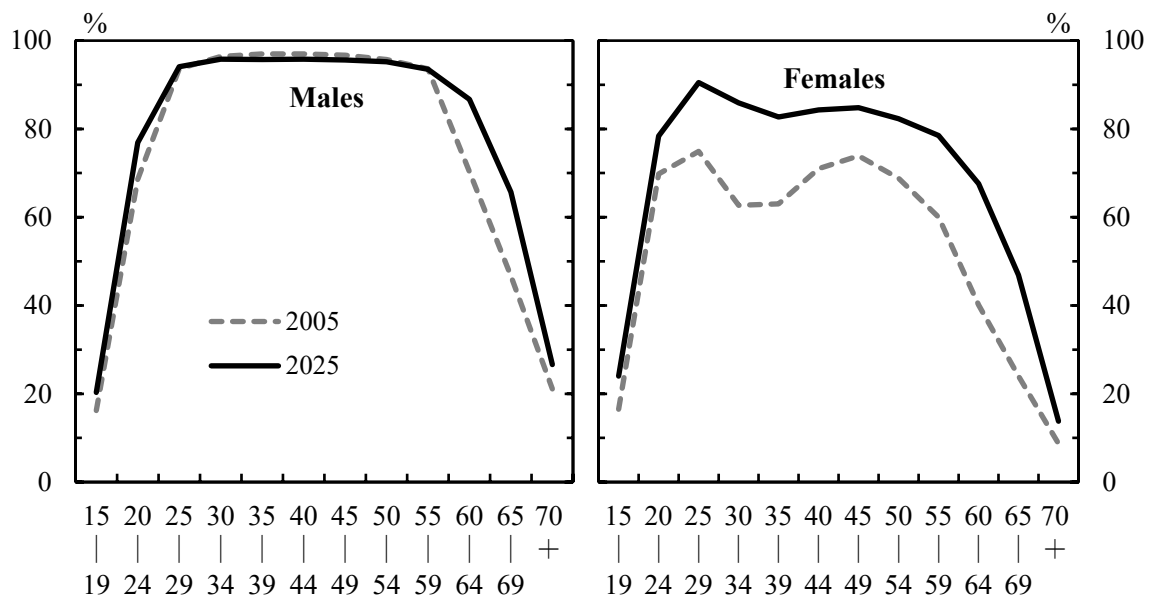
(Thousand persons)						
Year	Population aged 15 years old and over	Labour force			Not in labour force	Unemploy- ment rate (%)
		Total	Employed persons	Unemployed persons		
Total						
2005	110,080	66,510	63,560	2,940	43,460	4.4
2010	111,110	66,320	62,980	3,340	44,730	5.1
2015	111,100	66,250	64,020	2,220	44,790	3.4
2020	111,080	69,020	67,100	1,920	41,970	2.8
2023	110,170	69,250	67,470	1,780	40,840	2.6
2024	109,950	69,570	67,810	1,760	40,310	2.5
2025	109,730	70,040	68,280	1,760	39,620	2.5
Males						
2005	53,230	39,010	37,230	1,780	14,160	4.6
2010	53,650	38,500	36,430	2,070	15,130	5.4
2015	53,650	37,730	36,390	1,350	15,880	3.6
2020	53,640	38,400	37,240	1,150	15,200	3.0
2023	53,210	38,010	36,960	1,050	15,160	2.8
2024	53,130	38,000	36,990	1,010	15,100	2.7
2025	53,040	38,050	37,020	1,020	14,960	2.7
Females						
2005	56,850	27,500	26,330	1,160	29,300	4.2
2010	57,460	27,830	26,560	1,280	29,600	4.6
2015	57,460	28,520	27,640	890	28,910	3.1
2020	57,440	30,630	29,860	760	26,770	2.5
2023	56,960	31,240	30,510	730	25,680	2.3
2024	56,820	31,570	30,820	760	25,210	2.4
2025	56,690	32,000	31,260	740	24,660	2.3

Source: Statistics Bureau, MIC.

The female labour force participation rate by age group forms an M-shaped curve, implying that females leave the labour force when they get married or give birth and then rejoin the labour force after their child has grown. However, in recent years, the dent in the curve has been shrinking, and today, the curve has almost a trapezoid shape. A comparison

with the data from 20 years ago (2005) shows that, in 2025, the 35-39 age group replaced the 30-34 age group to form the bottom of the M-shaped curve. The participation rate rose by 23.2 percentage points in the 30-34 age group and by 19.7 percentage points in the 35-39 age group. While this is thought to be greatly affected by the progression of enhancement of the legal system to balance work and childcare, and the improvement of work environment of companies, there are also effects from the trend of getting married and having children later in life.

Figure 12.1
Labour Force Participation Rate by Gender and Age Group



Source: Statistics Bureau, MIC.

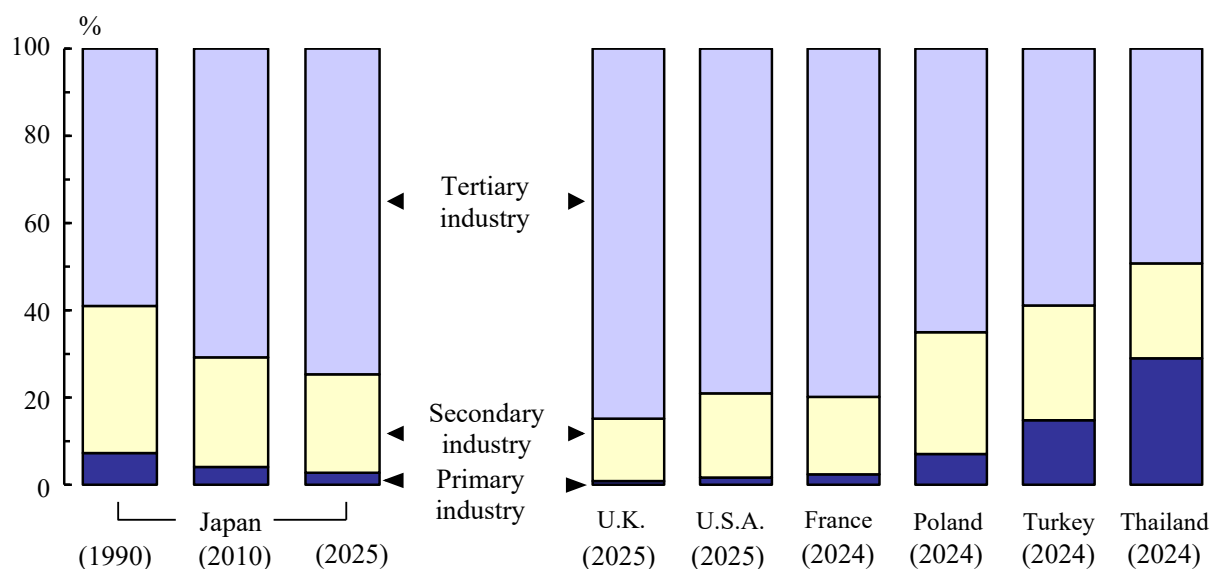
2. Employment

The number of employed persons declined between 2008 and 2012, before increasing between 2013 and 2019. Although there was a decrease for the first time in 8 years in 2020, the number began increasing in 2021, and the increase amounted to 0.47 million in 2025, from 67.81 million (61.7% of the population aged 15 years old and over) in the previous year to 68.28 million (62.2%).

(1) Employment by Industry

In 2025, the primary industry accounted for 2.8% of the total of employed persons; the secondary industry, 22.5%; and the tertiary industry, 74.7%.

Figure 12.2
Structure of Employment by Country ¹⁾



1) The industrial classification for Japan is the Japan Standard Industrial Classification (JSIC). As to the countries other than Japan, the industrial classification is the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC Rev.4).

Source: Statistics Bureau, MIC; International Labour Organization.

Over the long term, the percentage of persons employed in the primary industry and in the secondary industry have been continually falling, while the percentage of persons employed in the tertiary industry has been continually rising. In the tertiary industry, there have been increases in the number employed in areas such as "medical, health care and welfare", "information and communications", and "scientific research, professional and technical services".

Depending on the industrial sector, a difference was seen in the employment tendency between males and females. In 2025, the industry with the highest percentage of male employment was "mining and quarrying of stone and gravel", followed by "electricity, gas, heat supply and water" and "construction". The percentage of female employment was highest in "medical, health care and welfare", followed by "accommodations, eating and drinking services" and "living-related and personal services and amusement services".

Table 12.2
Employment by Industry

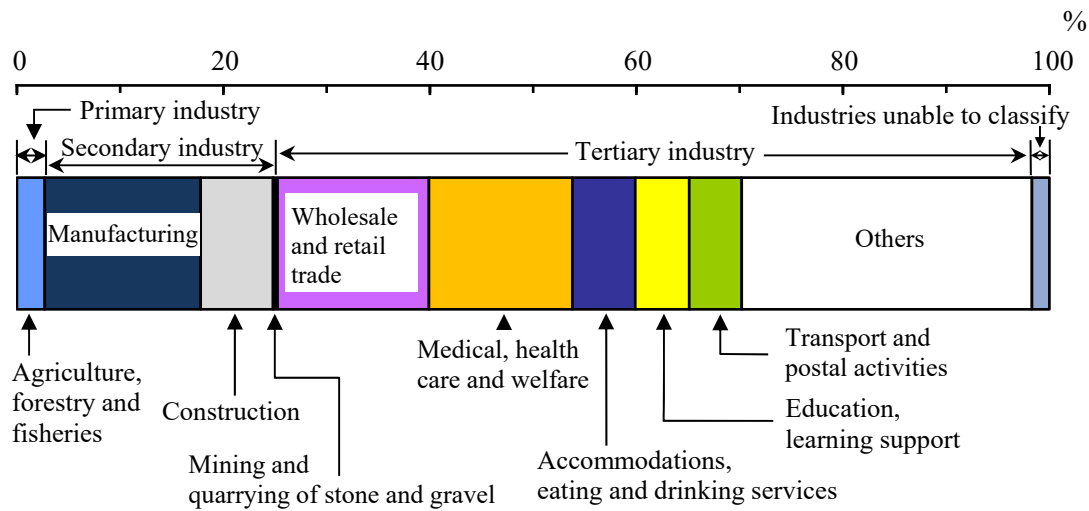
Industries	2022	2023	2024	2025	(Thousand persons)	
					Percentage ¹⁾	
					Males	Females
Total ²⁾	67,230	67,470	67,810	68,280	54.2	45.8
Primary industry	2,050	1,990	1,920	1,870	62.9	37.1
Agriculture and forestry	1,920	1,870	1,800	1,740	61.8	38.2
Fisheries	130	120	120	130	76.9	23.1
Secondary industry	15,250	15,400	15,250	15,130	73.1	26.9
Mining and quarrying of stone and gravel	20	20	20	20	100.0	0.0
Construction	4,790	4,830	4,770	4,780	81.6	18.4
Manufacturing	10,440	10,550	10,460	10,330	69.2	30.8
Tertiary industry	48,810	48,830	49,440	50,130	48.3	51.7
Electricity, gas, heat supply and water	320	300	300	330	82.4	17.6
Information and communications ..	2,720	2,780	2,920	3,020	69.1	30.9
Transport and postal activities	3,510	3,490	3,450	3,450	77.5	22.5
Wholesale and retail trade	10,440	10,410	10,450	10,290	47.2	52.8
Finance and insurance	1,600	1,550	1,550	1,570	44.9	55.1
Real estate and goods rental and leasing	1,410	1,390	1,400	1,450	57.2	42.8
Scientific research, professional and technical services	2,540	2,560	2,630	2,700	60.7	39.3
Accommodations, eating and drinking services	3,810	3,980	4,070	4,160	37.9	62.1
Living-related and personal services and amusement services	2,250	2,250	2,300	2,350	40.2	59.8
Education, learning support	3,490	3,440	3,490	3,560	40.7	59.3
Medical, health care and welfare ...	9,080	9,100	9,220	9,470	25.4	74.6
Compound services	500	470	460	440	56.8	43.2
Services, n.e.c.	4,630	4,580	4,660	4,820	58.3	41.7
Government ³⁾	2,510	2,530	2,540	2,520	66.7	33.3

1) Calculated from figures rounded to thousands. Percentages are males and females as proportions of the total, excluding unknown cases. 2) Including "Industries unable to classify".

3) Excluding elsewhere classified.

Source: Statistics Bureau, MIC.

Figure 12.3
Distribution of Employment by Industry (2025)



Source: Statistics Bureau, MIC.

(2) Employment by Occupation

In terms of occupation, "sales workers", "agricultural, forestry and fishery workers" and the like have been declining since 2010. The number of "manufacturing process workers" was 8.44 million in 2025, down 2.3% from the previous year's 8.64 million. In contrast, "professional and engineering workers", "clerical workers" and the like have been on a rising trend since 2010. The number of "clerical workers" was 14.48 million in 2025, which accounted for 21.2% of total employed persons.

Table 12.3
Employment by Occupation

Occupation	(Thousand persons)					
	2022	2023	2024	2025	Percentage ¹⁾	
					Males	Females
Total ²⁾	67,230	67,470	67,810	68,280	54.2	45.8
Administrative and managerial workers	1,240	1,230	1,230	1,250	85.6	14.4
Professional and engineering workers	12,770	12,860	13,240	13,520	51.6	48.4
Clerical workers	14,010	14,060	14,190	14,480	39.2	60.8
Sales workers	8,260	8,110	8,100	8,060	54.8	45.2
Service workers	8,170	8,350	8,480	8,620	32.1	67.9
Security workers	1,290	1,250	1,220	1,200	91.7	8.3
Agricultural, forestry and fishery workers ...	1,990	1,940	1,870	1,820	65.4	34.6
Manufacturing process workers	8,700	8,780	8,640	8,440	69.3	30.7
Transport and machine operation workers ...	2,160	2,180	2,120	2,140	95.3	4.7
Construction and mining workers	2,760	2,770	2,750	2,730	97.1	2.9
Carrying, cleaning, packaging, and related workers	4,890	4,870	4,930	5,050	54.9	45.1

1) Percentages are males and females as proportions of the total, excluding unknown cases.

2) Including figures unclassifiable or not reported.

Source: Statistics Bureau, MIC.

Further, in 2025, the occupation with the highest percentage of males was "construction and mining workers" (97.1%), followed by "transport and machine operation workers" (95.3%). The occupation with the highest percentage of females was "service workers" (67.9%), followed by "clerical workers" (60.8%).

(3) Employment by Employment Pattern

Looking at trends in the number of employed persons by employment pattern based on the Labour Force Survey (Detailed Tabulation), the number of non-regular staff members such as part-time workers and agency-dispatched workers had been increasing for 10 consecutive years since 2010. However, in 2020, it decreased for the first time in 11 years, and in 2021 it decreased again for the second consecutive year. The number subsequently began increasing in 2022, and in 2025 it rose for the fourth consecutive year. The number of regular staff members was on a slight declining trend in the 2000s and the early 2010s, but began to rise in 2015 and has continued to rise for 11 years in a row.

In 2025, there were 58.28 million employees (excluding company executives), 21.28 million of whom, or 36.5%, were non-regular staff members. The ratio of non-regular staff members among all male employees was 22.3%, while the corresponding ratio for females was 52.0%, revealing a large difference between the genders.

With regard to the percentage of non-regular staff members to the total of regular and non-regular staff members by gender and age group, for males, the percentages of young people aged 15 to 24 years old, and the elderly aged 65 years old and over were high. Among females, non-regular staff members accounted for more than 50% across all age groups, with the exception of females aged 25 to 34 and 35 to 44 years old.

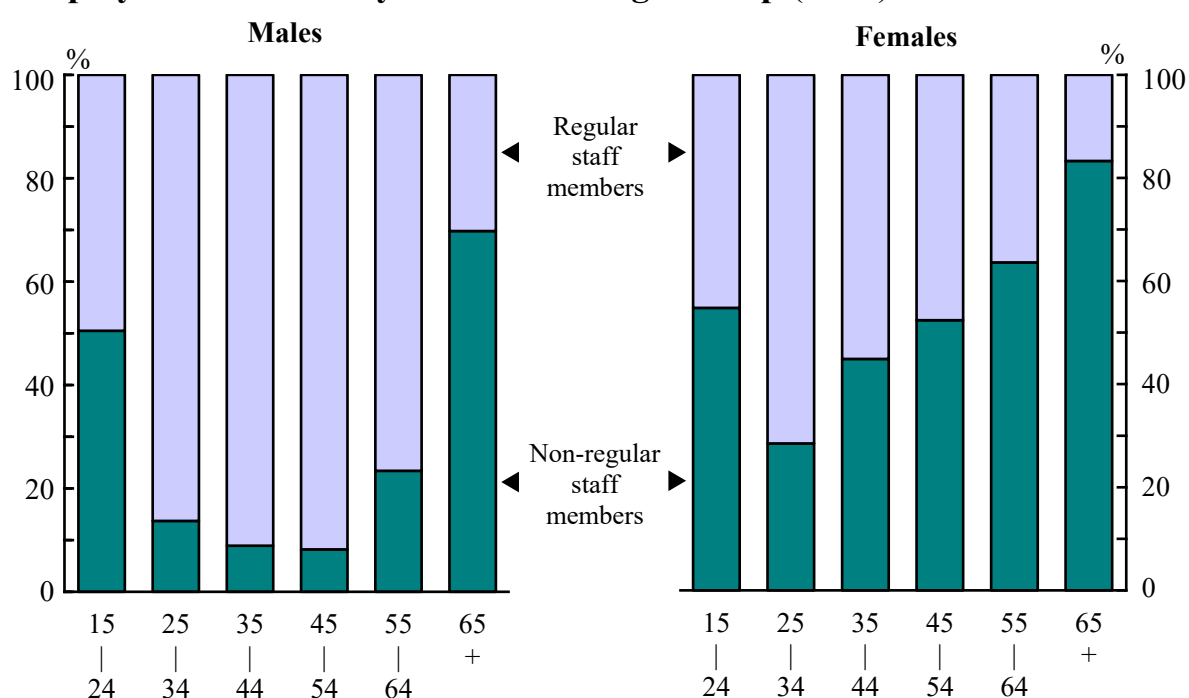
Table 12.4
Employment by Employment Pattern (2025)

(Thousand persons)					
	Employees ¹⁾	Regular staff members		Non-regular staff members	
		Percentage		Percentage	
Total	58,280	37,000	63.5	21,280	36.5
Males	30,380	23,600	77.7	6,780	22.3
Females	27,900	13,410	48.0	14,500	52.0

1) Excluding company executives.

Source: Statistics Bureau, MIC.

Figure 12.4
Employment Pattern by Gender and Age Group (2025)



Source: Statistics Bureau, MIC.

With regard to the main reasons for the current employment patterns of males and females who are non-regular staff members, for males, the reason "For working at convenient times" was the most popular, on average in 2025, with 2.28 million males (35.0%) choosing this reason, up 0.04 million people as compared to the previous year. The most popular reason among females was also "For working at convenient times", with 5.29 million females (37.3%) choosing this reason, up 0.23 million people.

After a decline due to the 2007-2008 Global Financial Crisis, the employment rate for new graduates from high schools, universities, and the like had generally been on an upward trend due to labour shortage and economic expansion, until the COVID-19 pandemic caused the rate to decline temporarily. However, as economic and social activities returned to normal, the employment rate rose again and has remained at a high level since then. The employment rate for new graduates of March 2026 reached 97.9% for high school graduates and 98.0% for college graduates.

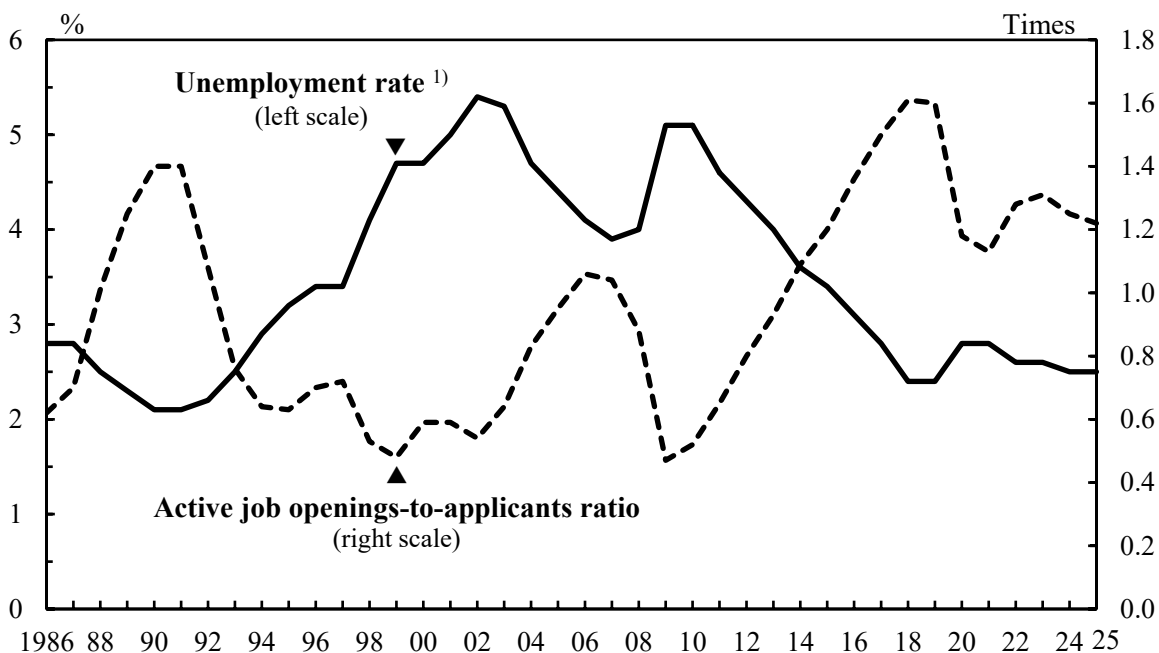
3. Unemployment

In 2025, the number of unemployed persons stood at 1.76 million people, the same as the previous year. The unemployment rate was 2.5%, the same as the previous year.

The active job openings-to-applicants ratio had been on an upward trend from 2009 to 2019. However, as a result of the impact of COVID-19, the active job openings-to-applicants ratio declined in 2020 and 2021. It began increasing again in 2022, but in 2025 it fell to 1.22 times, down 0.03 points from the previous year, and marking the second consecutive year of decrease.

Figure 12.5

Unemployment Rate and Active Job Openings-to-Applicants Ratio



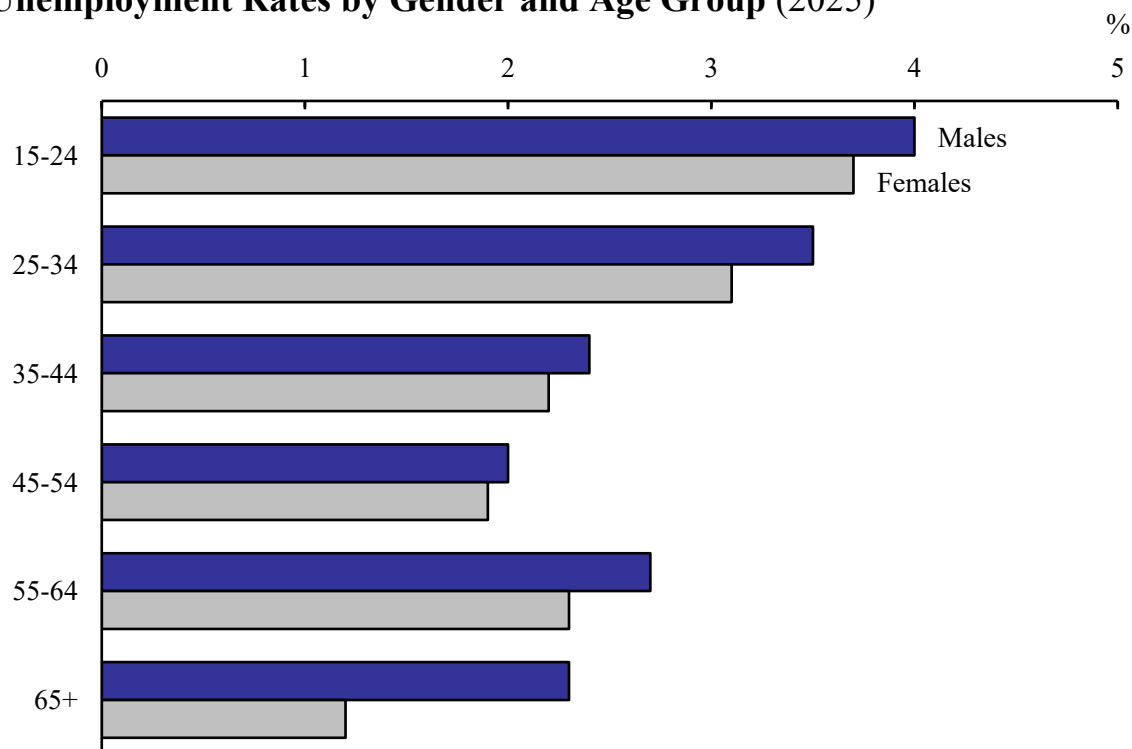
1) The data for 2011 indicates supplementary estimated figure.

Source: Statistics Bureau, MIC; Ministry of Health, Labour and Welfare.

The breakdown by gender shows that the unemployment rate in 2025 was 2.7% among males, and 2.3% among females. The unemployment rate among males has been higher since 1998.

The unemployment rate was higher in younger age groups than in other age groups, in males and females alike.

Figure 12.6
Unemployment Rates by Gender and Age Group (2025)

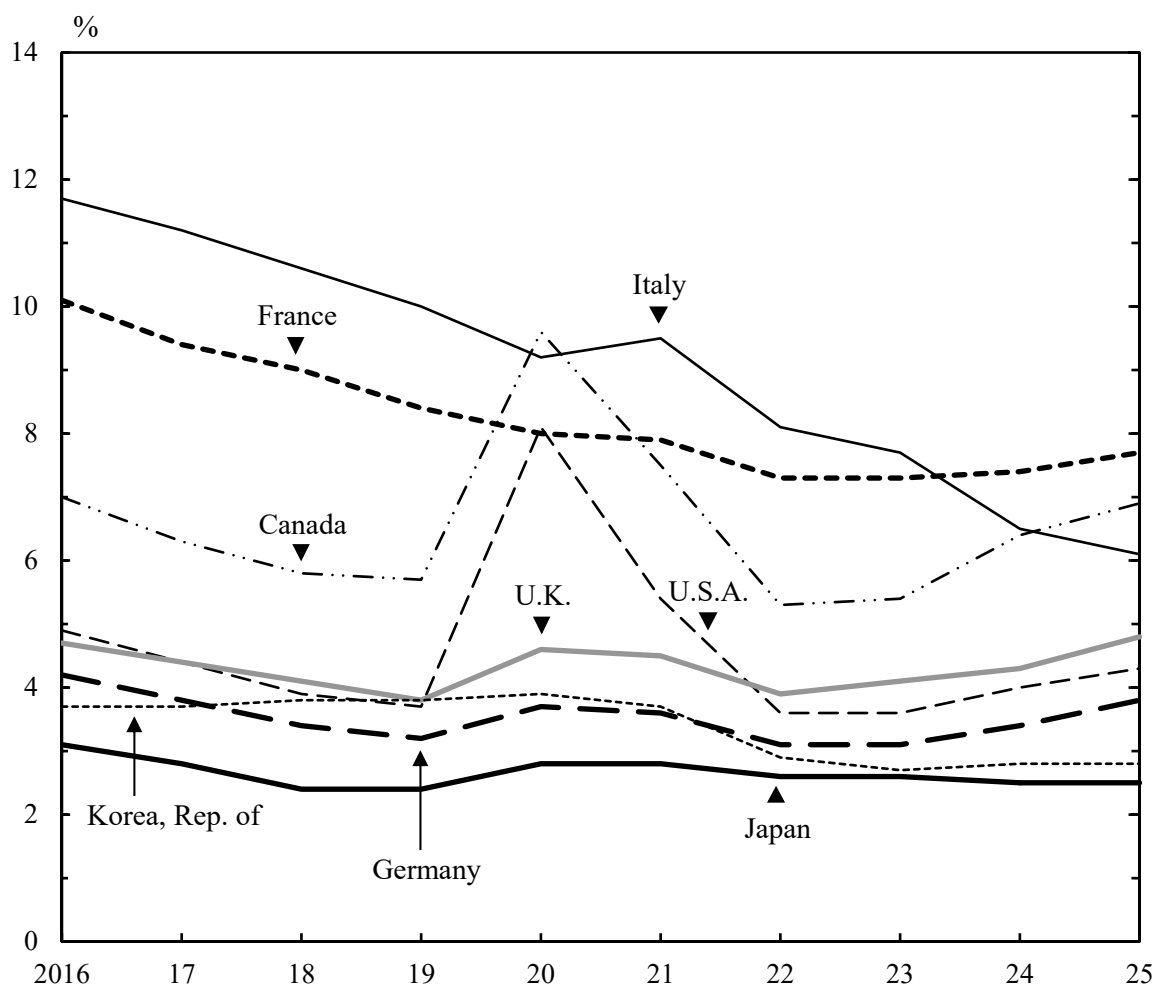


Source: Statistics Bureau, MIC.

With regard to the total number of unemployed persons in 2025, the major reasons for job-seeking were: (i) involuntary separation due to corporate or business circumstances, or reaching the retirement age limit, 0.41 million; (ii) voluntary separation for personal or family reasons, 0.75 million; (iii) new job seekers due to the necessity to earn income, 0.26 million; and (iv) new job seekers just graduated from school, 0.06 million.

In terms of the duration of unemployment, the largest was unemployed for "less than 3 months" (0.70 million persons), followed by "1 year or more" (0.53 million persons).

Figure 12.7
Unemployment Rates by Country



Source: Statistics Bureau, MIC; Cabinet Office.

4. Hours Worked and Cash Earnings

In 2025, the monthly average of total hours worked was 135.1 per regular employee (in establishments with 5 or more regular employees), down 1.4% from the previous year, and the annual average of total hours worked was 1,621 hours.

Of the total monthly hours worked per regular employee, 125.3 were scheduled hours worked, representing a decrease of 1.3% from the previous year. Non-scheduled hours worked such as overtime work were 9.8 hours, representing a decrease of 2.5% from the previous year. Monthly days worked per regular employee were 17.4 days in 2025.

In 2025, the monthly average of total cash earnings per regular employee (in establishments with 5 or more regular employees) was 355,941 yen. This total amount consists of 287,427 yen in "contractual cash earnings" (total for "scheduled cash earnings" and "non-scheduled cash earnings" for working overtime, on holidays and late at night, as well as other allowances), and 68,514 yen in "special cash earnings" (which include summer and year-end bonuses, payments to celebrate employees' marriages, etc.).

Table 12.5**Hours Worked and Cash Earnings** ¹⁾ (Monthly average)

Year	Days worked (days)	Hours Worked (hours)			Cash Earnings (1,000 yen)				
		Total	Scheduled	Non-scheduled	Total	Contractual	Scheduled	Non-scheduled	Special ²⁾
2021	17.7	136.1	126.4	9.7	319	264	246	18	56
2022	17.6	136.1	126.0	10.1	326	267	249	19	58
2023	17.6	136.3	126.3	10.0	330	270	251	19	60
2024	17.7	136.9	126.9	10.0	348	282	262	20	66
2025	17.4	135.1	125.3	9.8	356	287	268	20	69
Indices (2020 average = 100)									
2021	-	100.7	100.4	105.2	100.3	100.5	100.3	-	-
2022	-	100.8	100.1	110.0	102.3	101.9	101.4	-	-
2023	-	100.9	100.3	109.0	103.5	103.0	102.6	-	-
2024	-	101.4	100.8	109.3	109.2	107.5	107.1	-	-
2025	-	100.0	99.5	106.6	111.7	109.6	109.2	-	-

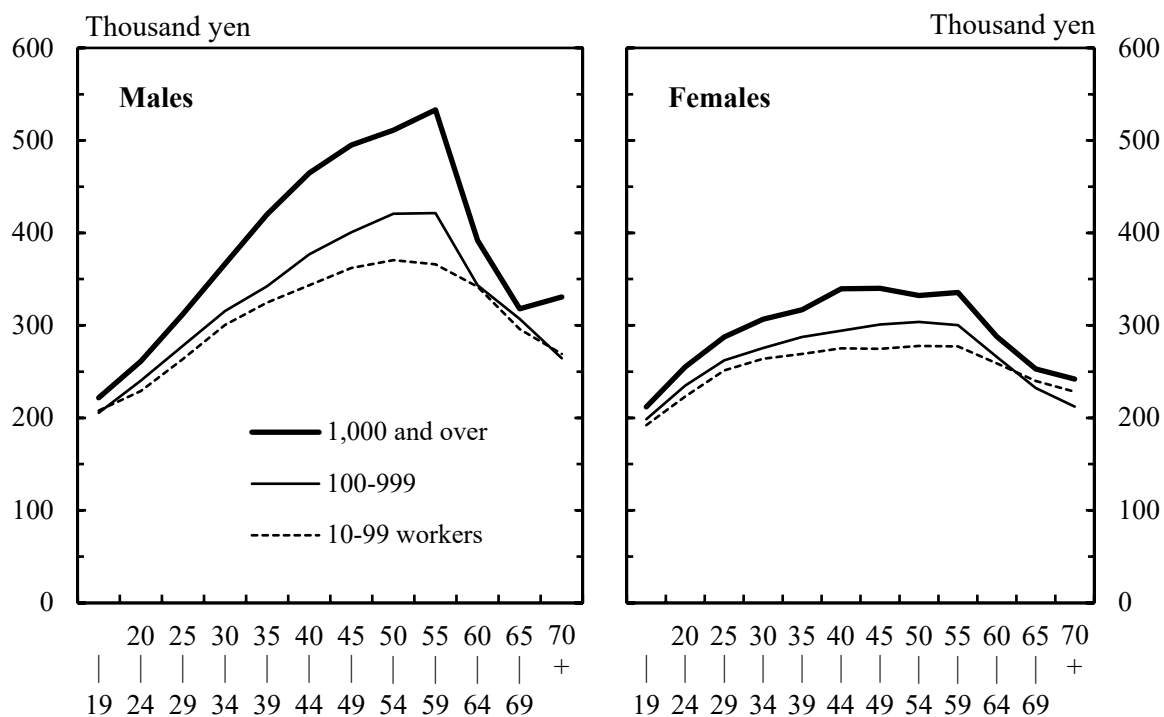
1) Establishments with 5 or more regular employees.

2) Bonuses and other special allowances.

Source: Ministry of Health, Labour and Welfare.

The average earnings (scheduled cash earnings) in Japan increase with age until roughly the 50s and then decline from the 60s. In revising salaries, 41.7% of all companies place importance on "corporate performance". Moreover, in recent years, a rising percentage of companies have been placing the greatest emphasis on "securing and retaining their labour force" in the context of increasing labour shortages.

Figure 12.8
Monthly Scheduled Cash Earnings by Size of Enterprise, Gender,
and Age Group (2025)



Source: Ministry of Health, Labour and Welfare.

Chapter 13

Family Budgets and Prices



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Vegetable crops are highly susceptible to weather conditions, and prices tend to fluctuate significantly in the short term. Retail prices fluctuate depending on the supply trend for each vegetable, which is influenced by factors such as high summer temperatures, heavy rains, and droughts.

1. Family Budgets

In 2020, there were approximately 56 million private households in Japan, of which 62.0% are two-or-more-person households and 38.0% are one-person households. Family budgets vary significantly depending on the employment situation and ages of their members. In this section, family budgets in various types of households are described on the basis of the 2025 results of the "Family Income and Expenditure Survey".

(1) Income and Expenditure

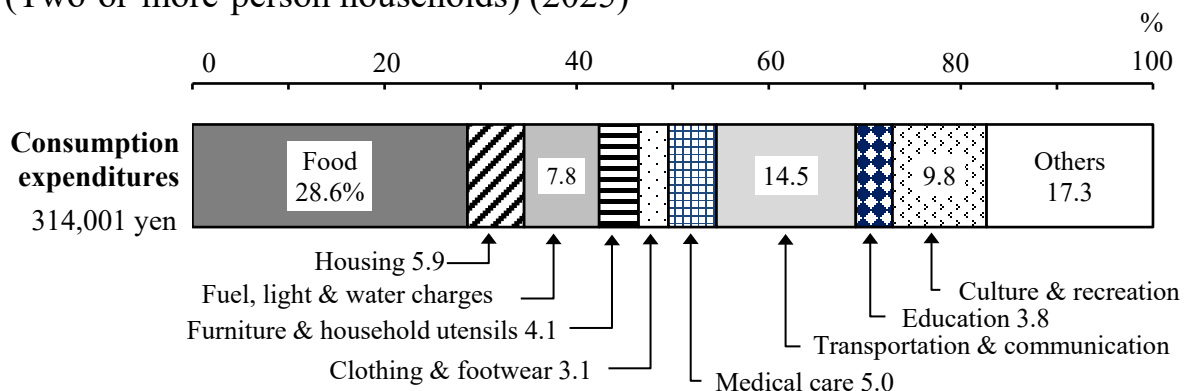
(A) Two-or-more-person Households

The 2025 average monthly consumption expenditures per two-or-more-person household (the average number of household members being 2.87 and the average age of the household head being 60.7 years) were 314,001 yen. Compared to the previous year, it increased by 4.6% in nominal terms and increased by 0.9% in real terms. The share of food expenses to total consumption expenditures (Engel's coefficient) was 28.6%.

In 2025, the real annual change rate in consumption expenditures increased for the first time in three years.

Figure 13.1

Average Monthly Consumption Expenditures per Household ¹⁾
(Two-or-more-person households) (2025)



1) Use Classification.

Source: Statistics Bureau, MIC.

(a) Workers' Households

A workers' household means a household of which the head is employed by a company, public office, school, factory, store, etc. The average income of workers' households (the average number of household members being 3.20 and the average age of the household head being 51.0 years) was 653,901 yen in 2025. With regard to the breakdown of income, regular income by the household head makes up the majority. The ratio of income by spouses has been increasing little by little, however.

Table 13.1**Average Monthly Income and Expenditures per Household (Workers' households ¹⁾)**

(Yen)

Item	2021	2022	2023	2024	2025
Income (A)	605,316	617,654	608,182	636,155	653,901
Wages and salaries	550,973	564,011	554,801	581,108	593,761
Others	54,343	53,643	53,381	55,047	60,140
Disposable income (A-C)	492,681	500,914	494,668	522,569	532,408
Expenditures	422,103	437,368	432,269	438,723	467,790
Consumption expenditures (B)	309,469	320,627	318,755	325,137	346,297
Non-consumption expenditures (C) ²⁾	112,634	116,740	113,514	113,586	121,493
Surplus ((A-C)-B)	183,213	180,286	175,913	197,432	186,111
Net increase in deposits and insurance	168,706	168,218	171,990	189,218	189,811
Average propensity to consume (%) ³⁾	62.8	64.0	64.4	62.2	65.0
Ratio of net increase in deposits and insurance (%) ⁴⁾	34.2	33.6	34.8	36.2	35.7
Engel's coefficient (%)	25.4	25.1	26.5	27.1	27.1
Annual change (real terms) (%)					
Disposable income	-0.9	-1.3	-4.8	2.3	-1.7
Consumption expenditures	1.5	0.6	-4.2	-1.2	2.7

1) Two-or-more-person households. 2) Direct taxes, social insurance contributions, etc. 3) Ratio of consumption expenditures to disposable income. 4) Ratio of net increase in deposits and insurance to disposable income.

Source: Statistics Bureau, MIC.

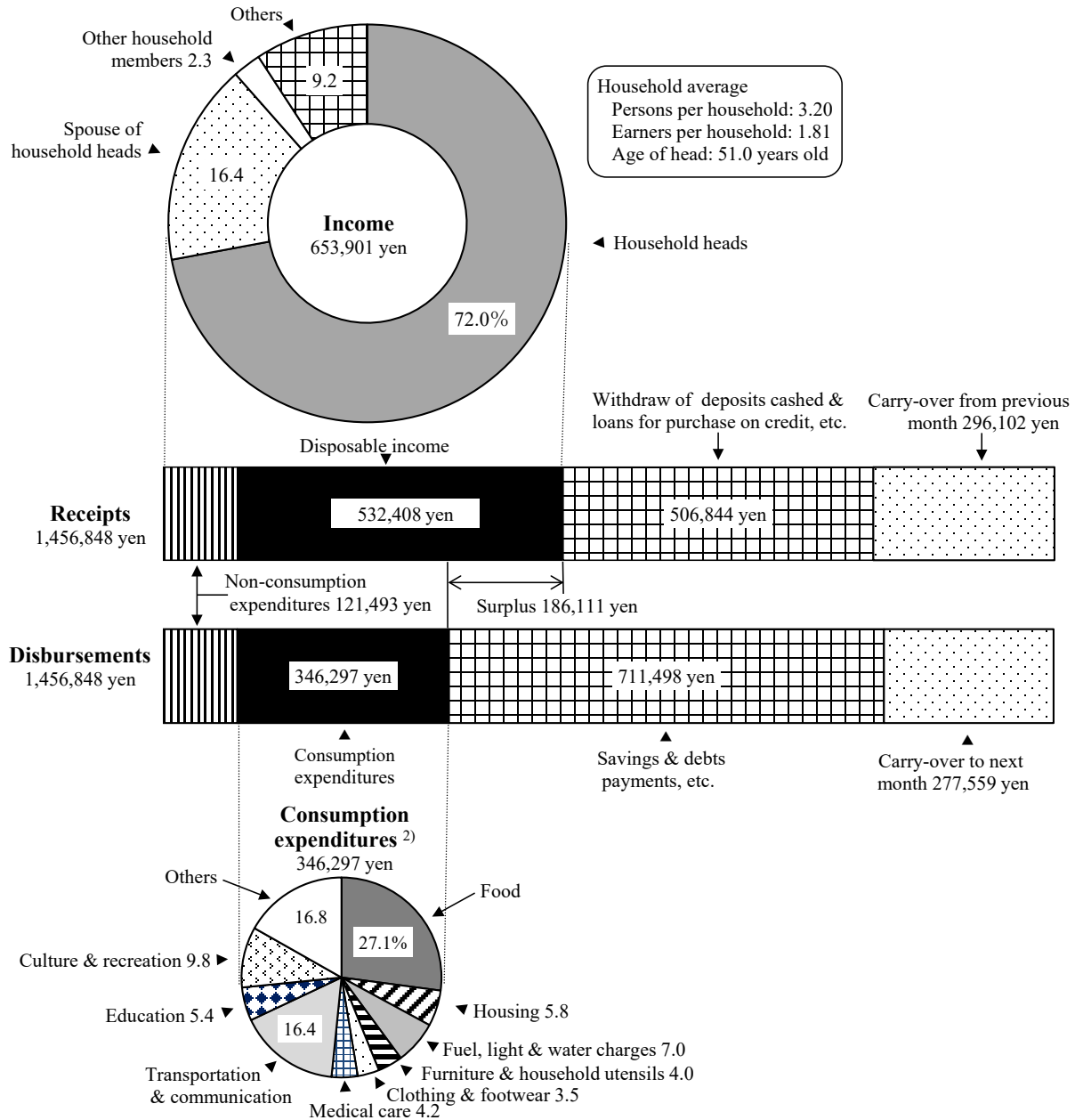
Disposable income, calculated as income minus non-consumption expenditures such as taxes and social insurance contributions, was 532,408 yen. Of this disposable income, 346,297 yen was used for living expenses (consumption expenditures), such as food and housing expenses, while the remainder (surplus), totaling 186,111 yen, was applied to savings, life insurance premiums and repaying debts such as housing loans. The

average propensity to consume (the ratio of consumption expenditures to disposable income) was 65.0%.

Figure 13.2

Balance of Income and Expenditures

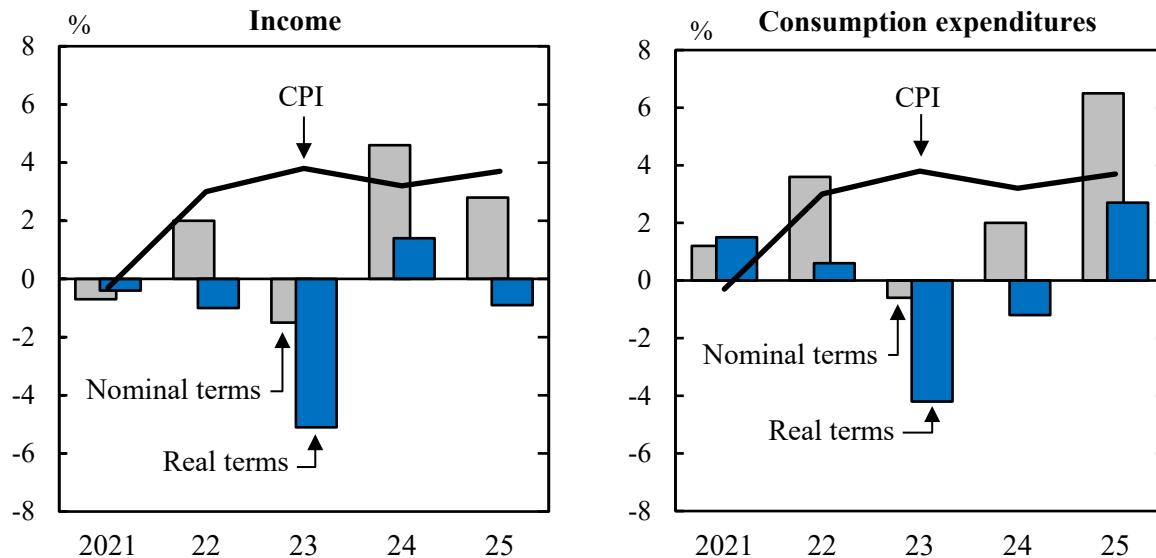
(Monthly average per household, workers' households ¹⁾) (2025)



1) Two-or-more-person households. 2) Use Classification.
 Source: Statistics Bureau, MIC.

Looking at consumption expenditures by category, food accounted for 27.1%, transportation and communication for 16.4%, and culture and recreation for 9.8%.

Figure 13.3
Year-on-Year Change in Average Monthly Income and Consumption
Expenditures per Household (Workers' households ¹⁾)



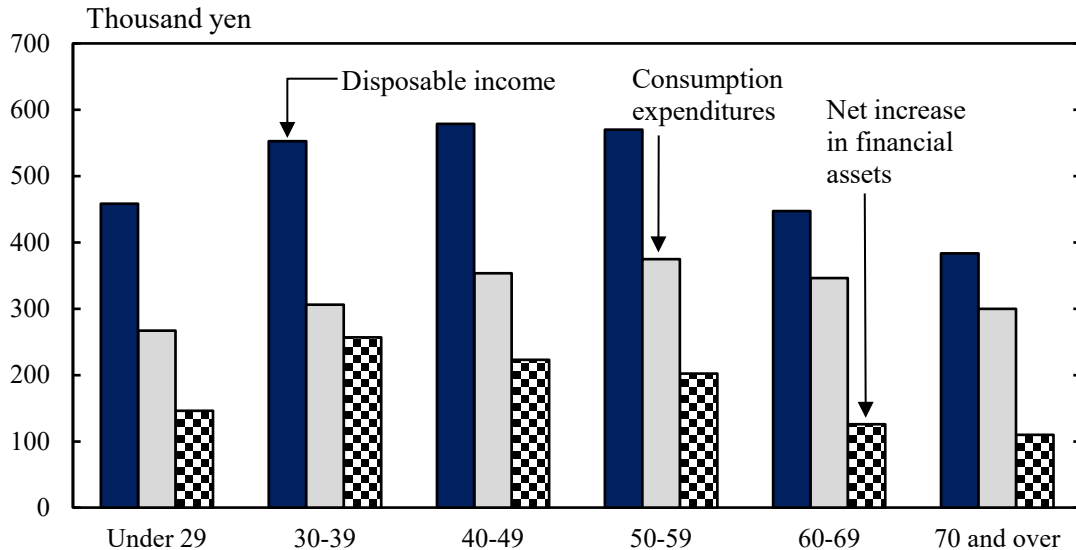
1) Two-or-more-person households.
 Source: Statistics Bureau, MIC.

Family budgets differ among households according to their stages in life. Observed by age group of the household head, the 2025 average monthly disposable income of workers' households was the highest in households in the 40s group (578,733 yen), followed by those in the 50s group (569,865 yen) and the 30s group (552,696 yen).

Observed by age group of the household head, 2025 average propensity to consume (the ratio of consumption expenditures to disposable income) was 58.3% in the under 29 group, 55.4% in the 30s group, 61.1% in the 40s group, 65.8% in the 50s group, 77.4% in the 60s group, and 78.2% in the 70 and over group. The percentage tends to be higher as the age goes up. Meanwhile, a net increase in financial assets (an amount added to savings) was the highest in households in the 30s group, followed by those in the 40s group.

Figure 13.4

Average Monthly Family Income and Consumption Expenditures per Household by Age Group of Household Head
(Workers' households ¹⁾) (2025)



1) Two-or-more-person households.
Source: Statistics Bureau, MIC.

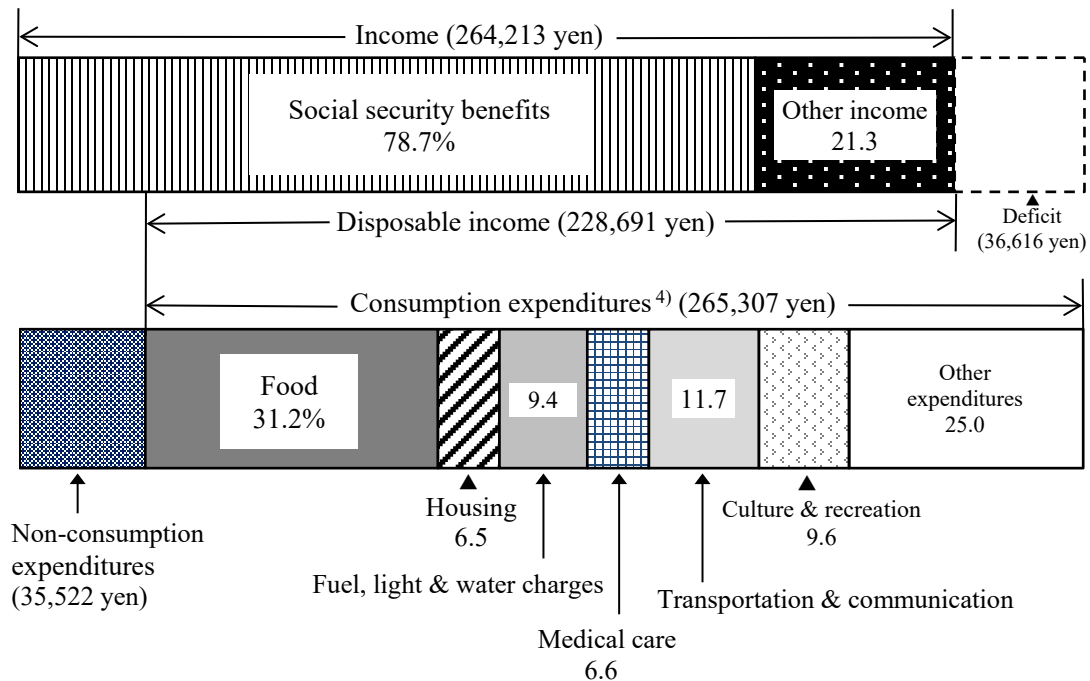
(b) Non-working Elderly Households

According to the average monthly income and expenditures of non-working elderly households (two-or-more-person households where the age of the household head is 60 and over), the average income was 264,213 yen in 2025. Social security benefits amounted to 208,004 yen, thus accounting for 78.7% of income.

Disposable income averaged 228,691 yen, while consumption expenditures averaged 265,307 yen. The average propensity to consume in non-working elderly households was 116.0%, which means consumption expenditures exceeded disposable income. The deficit of disposable income to consumption expenditures (36,616 yen) increased from that of the previous year (30,961 yen). This deficit was financed by withdrawing financial assets such as deposits, etc.

Figure 13.5

Average Monthly Income and Expenditures per Household ^{1) 2)}
 (Non-working elderly households ³⁾) (2025)



- 1) The percentage of "Social security benefits" and "Other income" in the graph is in proportion to the income. 2) The percentage from "Food" to "Other expenditures" in the graph is in proportion to the consumption expenditures. 3) Two-or-more-person households. 4) Use Classification.

Source: Statistics Bureau, MIC.

(B) One-person Households

The average monthly consumption expenditures of one-person households in 2025 were 173,042 yen, up 2.1% in nominal terms and down 1.5% in real terms from the previous year. By age group, the average monthly consumption expenditures were 177,542 yen for the under 34 group, 198,488 yen for the 35-59 group, and 158,546 yen for the 60 and over group. Spending on categories such as "food", "fuel, light and water charges" and "medical care" tended to be larger in older age groups. On the other hand, expenditures on "housing", "clothing and footwear" and "culture and recreation" decreased in each successively older age groups.

Table 13.2
Average Monthly Consumption Expenditures per Household by Age Group
 (One-person households) (2025)

(Yen)

Item	Average		Under 34		35-59		60 and over	
	Actual figures	Ratio (%)	Actual figures	Ratio (%)	Actual figures	Ratio (%)	Actual figures	Ratio (%)
Consumption expenditures ¹⁾ ...	173,042	100.0	177,542	100.0	198,488	100.0	158,546	100.0
Food	44,659	25.8	41,992	23.7	47,405	23.9	44,364	28.0
Housing	21,667	12.5	35,060	19.7	28,041	14.1	13,103	8.3
Fuel, light and water charges	13,333	7.7	8,291	4.7	13,299	6.7	15,380	9.7
Furniture and household utensils	5,945	3.4	5,895	3.3	5,823	2.9	6,026	3.8
Clothing and footwear	4,664	2.7	6,013	3.4	5,496	2.8	3,708	2.3
Medical care	8,690	5.0	6,735	3.8	8,084	4.1	9,780	6.2
Transportation and communication	19,190	11.1	20,640	11.6	23,773	12.0	16,317	10.3
Education	34	0.0	161	0.1	0	0.0	0	0.0
Culture and recreation	20,250	11.7	24,242	13.7	23,453	11.8	17,041	10.7
Others	34,611	20.0	28,513	16.1	43,114	21.7	32,826	20.7
Annual change (real terms) (%)								
Consumption expenditures	-1.5		...		...		...	

1) Use Classification.

Source: Statistics Bureau, MIC.

(2) Savings and Debts

Two-or-more-person households in 2025 showed that the average amount of savings per workers' household was 17.17 million yen, resulting in a ratio to yearly income (8.24 million yen) of 208.4%. The median value of household savings (the current household savings of the household exactly in the middle when all households, excluding those with 0 savings, are listed in order from lowest to highest amount of savings) was 10.15 million yen. On the other hand, the average amount of debts per household was 10.34 million yen, which was 125.5% relative to yearly income. The median value of households holding debts (the current household debts of the household exactly in the middle when all households, excluding those with 0 debts, are listed in order from lowest to highest amount of debts) was 17.35 million yen. The portion of household debts accounted for by "housing and/or land" averaged 9.61 million yen. A total of 45.3% of workers' households held debts for "housing and/or land".

Table 13.3**Average Amount of Savings and Debts (Workers' households ¹⁾)**

(Thousand yen)

Year	Yearly income	Savings	Ratio of savings to yearly income (%)	Debts	Housing and/or land	Ratio of debts to yearly income (%)	Ratio of households holding debts (%)
2021	7,490	14,540	194.1	8,560	7,910	114.3	53.4
2022	7,680	15,080	196.4	8,790	8,130	114.5	53.2
2023	7,690	14,740	191.7	10,090	9,410	131.2	55.7
2024	7,900	15,790	199.9	10,240	9,560	129.6	55.1
2025	8,240	17,170	208.4	10,340	9,610	125.5	53.6

1) Two-or-more-person households.

Source: Statistics Bureau, MIC.

By age group of household head, the average amount of savings was found to be the highest in the 60s group, while debt was the highest in the 30s group.

Table 13.4**Amount of Savings and Debts by Age Group of Household Head**(Workers' households ¹⁾) (2025)

(Million yen)

Item	Average	Under 29	30-39	40-49	50-59	60-69	70 and over
Yearly income	8.24	6.38	7.91	8.73	9.16	7.19	5.99
Savings	17.17	4.41	10.74	13.95	17.04	27.49	21.72
Financial institutions	16.75	4.28	10.55	13.63	16.41	26.98	21.66
Demand deposits	6.41	2.11	5.19	5.95	5.93	8.87	8.27
Time deposits	3.43	0.45	1.11	2.12	3.60	6.48	6.55
Life insurance and non-life insurance	3.21	0.47	1.32	2.47	3.76	4.89	4.63
Securities	3.70	1.26	2.94	3.09	3.12	6.74	2.22
Non-financial institutions	0.41	0.13	0.19	0.33	0.63	0.52	0.05
Debts	10.34	14.96	19.68	15.06	7.30	2.47	1.22
Housing and/or land	9.61	14.27	18.51	14.23	6.63	2.07	0.91
Other than housing and/or land ...	0.50	0.50	0.96	0.58	0.43	0.22	0.17
Monthly and yearly installments .	0.22	0.19	0.22	0.25	0.24	0.18	0.15

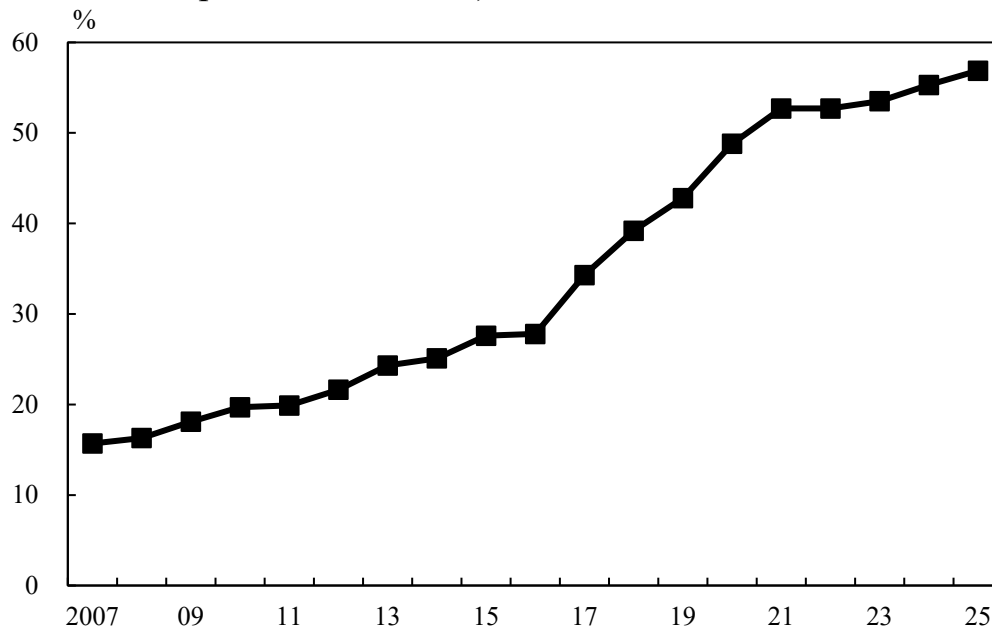
1) Two-or-more-person households.

Source: Statistics Bureau, MIC.

(3) Online Shopping by Households

Users of online shopping have been in an increasing trend due to the spread of computers, smartphones, etc., and the COVID-19 pandemic. According to the "Survey of Household Economy", the percentage of two-or-more-person households that utilize online shopping has continued to increase since 2002, reaching 56.9% in 2025. Total monthly expenditures used on online shopping amounted to an average of 26,928 yen per household.

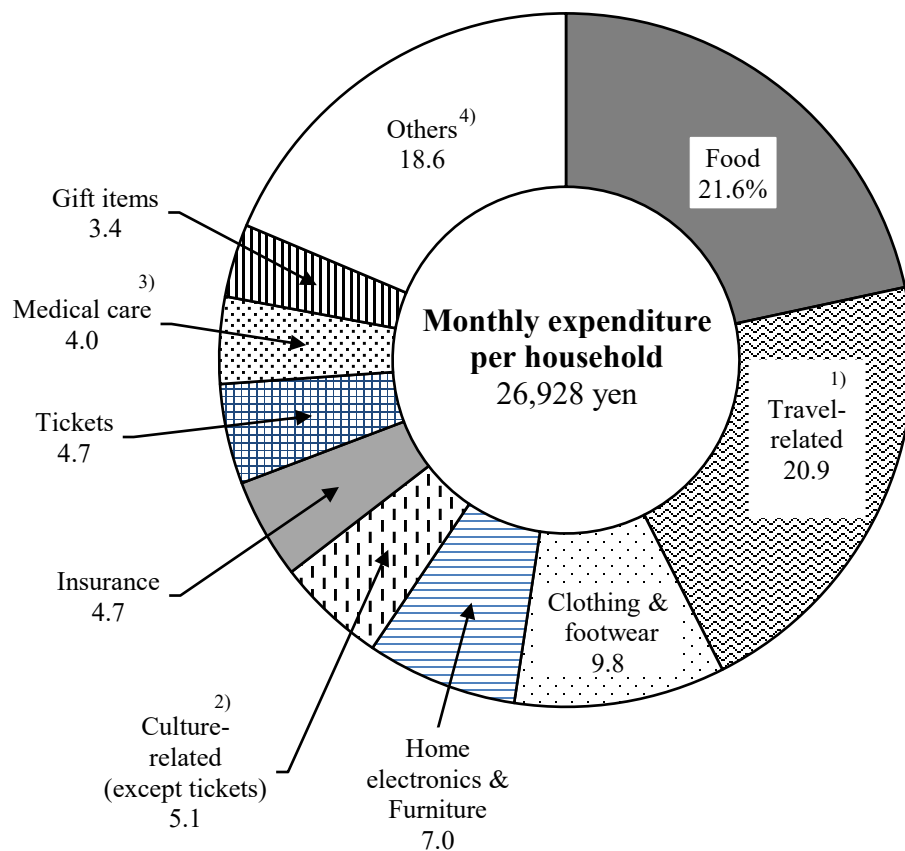
Figure 13.6
Proportion of Households Ordered over the Internet
 (Two-or-more-person households)



Source: Statistics Bureau, MIC.

Looking at the breakdown of total expenditures per two-or-more-person households spent on online shopping, "food" was the highest at 21.6%, followed by "travel-related" at 20.9%, "clothing and footwear" at 9.8%, "home electronics and furniture" at 7.0%, and "culture-related" (such as books and music software) at 5.1%, etc.

Figure 13.7
Ratio of Expenditure on Goods and Services Ordered over the Internet
 (Two-or-more-person households) (2025)



1) Total of accommodation services, fares and package tours. 2) Total of books and other reading materials, software (music, video, personal computer, TV game), digital books, download music, video and applications. 3) Total of medicines and health foods.

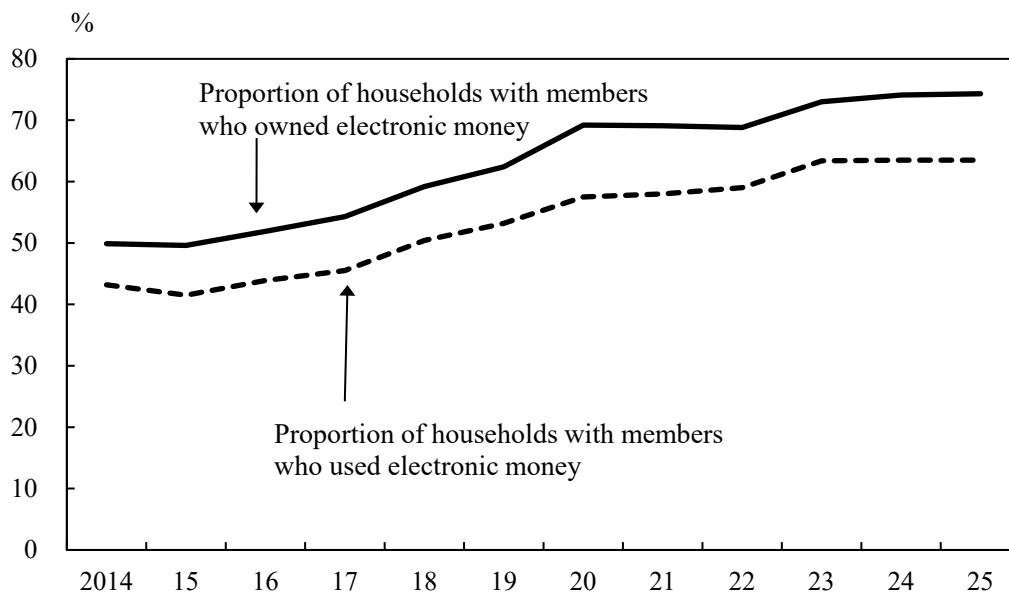
4) Total of cosmetics, private transportation, other goods and services.

Source: Statistics Bureau, MIC.

(4) Electronic Money

Use of electronic money has been increasing, as a means for settling accounts that can be easily used at transportation facilities, convenience stores, supermarkets, etc. Based on two-or-more-person households in the "Survey of Household Economy", the percentage of households with members who owned electronic money and the percentage of households with members who used electronic money have been on an increasing trend starting in 2008. In 2025, the percentage of households with members who owned electronic money was 74.3%, and the percentage of households with members who used electronic money was 63.5%.

Figure 13.8
Trends in Ownership and Utilization of Electronic Money
 (Two-or-more-person households)

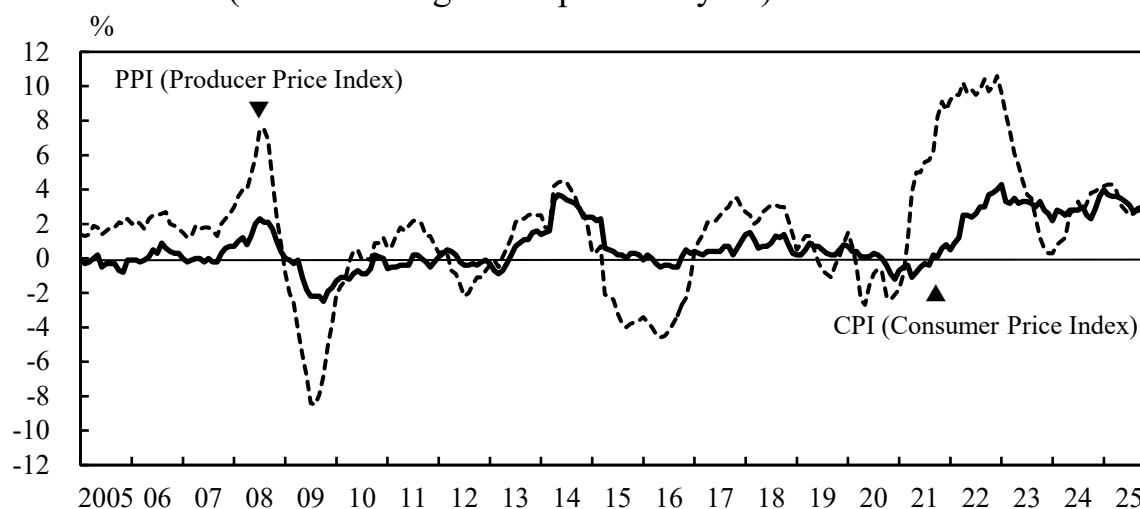


Source: Statistics Bureau, MIC.

2. Prices

Producer prices fell in 2009 due to the fall in global resource prices triggered by the 2007-2008 Global Financial Crisis. In 2014, producer prices rose due to a weak yen, and, from 2015 to 2016, they fell due to the decline in global resource prices and a strong yen. From 2018 to 2019, global resource prices fell due to a global economic slowdown caused by trade frictions between the U.S.A. and China, and the rate of increase in producer prices became smaller. In 2020, producer prices declined with global resource prices due to the COVID-19 pandemic. In 2021, global resource prices increased due to worldwide economic recovery, sparking an increase in producer prices. Since 2022, producer prices have continued to rise due to higher crude oil and natural gas prices resulting from Russia's invasion of Ukraine, the weakening of the yen, and rising domestic labour costs.

Consumer prices began a rising trend in 2008 due to sharp increases in imported raw material prices, but after imported raw material prices fell due to the 2007-2008 Global Financial Crisis, and the trend was generally downwards from 2009 until 2013. Consumer prices rose due to the increase in the consumption tax to 8% in April 2014. After that, from the fourth quarter of 2016, there was an upward trend, due the increase in imported raw material prices brought on by the rise in global resource prices and weaker yen. Due to trade friction between the U.S.A. and China in 2018, the impact of the increase in resource prices decreased while the impact of the increase in food prices increased. The consumption tax rate was raised to 10% in October 2019, but the size of the increase in consumer prices was less than 1%, due to factors such as elimination of fees for preschool education and daycare, lower global resource prices, and lower communications charges. From 2020 to 2021, domestic demand fell due to constraints on consumer behavior caused by the COVID-19 pandemic, resulting in a declining trend in consumer prices. Since 2022, consumer prices have been rising due to factors such as higher energy and food prices caused by the weak yen, rising domestic labour costs, and rising rice prices in 2024.

Figure 13.9**Price Trends (Percent change from previous year)**

Source: Statistics Bureau, MIC; Bank of Japan.

(1) Consumer Price Index (CPI)

The all items index of consumer prices (with base year 2020 = 100) was 111.9 in 2025, up 3.2% from the previous year.

Table 13.5**CPI for Major Categories of Goods and Services**

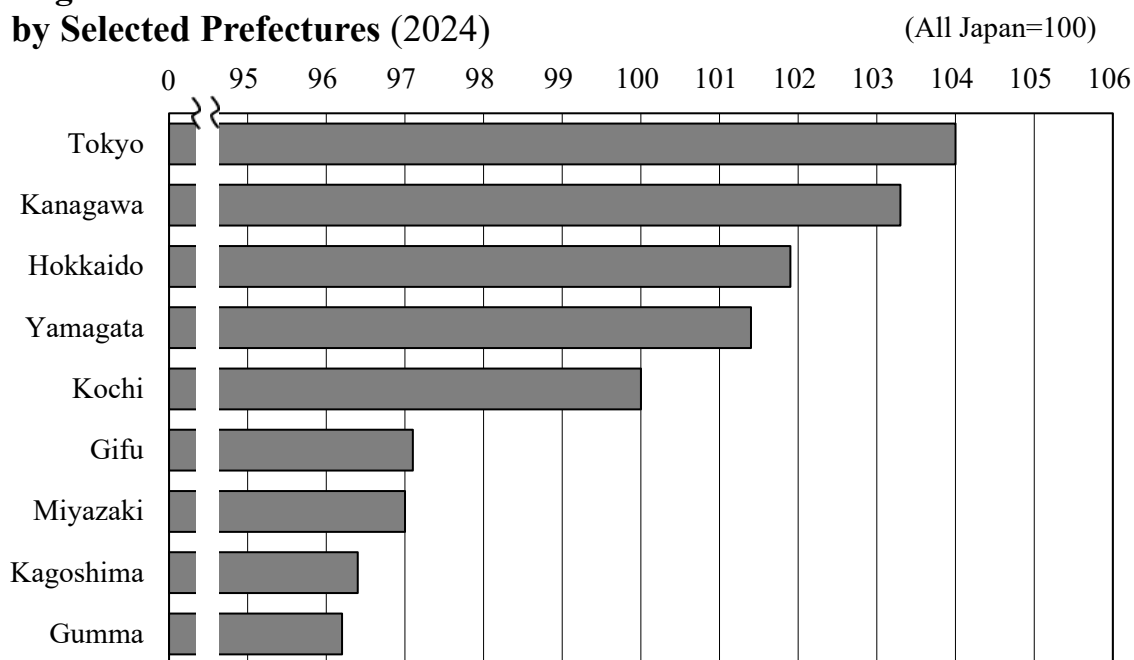
		(CY2020=100)				
Item	Weight	2010	2015	2023	2024	2025
All items	10000	94.8	98.2	105.6	108.5	111.9
All items, less imputed rent	8420	93.5	97.8	106.6	110.0	114.0
Food	2626	88.7	94.6	112.9	117.8	125.8
Housing	2149	100.5	99.6	102.4	103.1	104.0
Fuel, light and water charges	693	87.1	101.2	108.5	112.8	116.9
Furniture and household utensils	387	103.2	97.6	113.8	118.4	121.6
Clothing and footwear	353	92.3	96.4	105.7	108.2	111.1
Medical care	477	96.0	95.8	101.2	102.8	104.3
Transportation and communication ...	1493	97.7	101.2	95.8	97.4	100.0
Education	304	104.9	107.3	102.1	101.6	97.1
Culture and recreation	911	98.1	97.0	107.1	112.9	115.6
Miscellaneous	607	91.8	100.7	103.7	104.8	105.9
Goods	5046	92.4	96.8	111.1	115.2	120.6
Services	4954	97.3	99.6	100.0	101.7	103.1

Source: Statistics Bureau, MIC.

According to the general index (all items, less imputed rent) in the regional difference index of consumer prices, which compares the difference in consumer price levels by prefecture, Tokyo had the highest score in 2024, with a figure of 104.0 against the national average set at 100, followed by Kanagawa, with 103.3. On the other hand, Gumma registered the lowest score, with 96.2, followed by Kagoshima with 96.4.

Figure 13.10

**Regional Difference Index of Consumer Prices
by Selected Prefectures (2024)**



Source: Statistics Bureau, MIC.

(2) Corporate Goods and Services Producer Price Indices

The Corporate Goods Price Index measures price changes of goods traded in the corporate sector. It is comprised of the Producer Price Index (price index of domestically-produced and domestically-traded goods in the corporate sector), the Export Price Index, and the Import Price Index.

In 2025, the Producer Price Index (CY2020 as the base year = 100) was 126.7, up 3.2% from the previous year.

In 2025, the Export Price Index increased to 112.8 on a contract currency basis (up 0.2% from the previous year), and fell to 139.3 on a yen basis (down 0.6% from the previous year). Furthermore, the Import Price Index

fell to 123.0 on a contract currency basis (down 3.4% from the previous year) and to 158.4 on a yen basis (down 4.3% from the previous year).

The Services Producer Price Index measures price changes of services traded between companies. In 2025, the Services Producer Price Index (CY2020 as the base year = 100) was 111.0, up 3.0% from the previous year.

Table 13.6
Corporate Goods and Services Producer Price Indices

		(CY2020=100)					
Item	Weight	2021	2022	2023	2024	2025	
Corporate Goods Price Index							
Producer Price Index	1000.0	104.6	114.9	119.9	122.8	126.7	
Manufacturing industry products	892.3	104.7	113.7	118.9	122.2	124.4	
Export Price Index (yen basis)	1000.0	108.3	125.9	130.9	140.1	139.3	
Import Price Index (yen basis)	1000.0	121.6	169.1	161.2	165.5	158.4	
Services Producer Price Index							
All items	1000.0	100.8	102.3	104.5	107.8	111.0	
Information and communications	230.8	99.6	98.8	100.5	102.5	105.3	
Transportation and postal activities	161.7	101.1	104.5	106.0	108.8	112.0	
Real estate services	89.9	101.6	103.1	104.8	107.1	109.6	
Leasing and rental	57.8	99.9	102.8	106.1	109.3	111.9	

Source: Bank of Japan.

Chapter 14

Environment and Life



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Reeds have traditionally been used for roofing materials and screens. Reed beds perform a wide range of functions, such as providing habitats for fish and birds, preventing lakeshore erosion, and conserving water quality, and thus play a significant role in environmental protection. Today, reeds are also utilized in the production of reed paper and leaf mold compost.

1. Environmental Issues

The list of environmental issues is wide-ranging, from waste management to global warming. Japan is, while pursuing regional development at home, taking the initiative in efforts to prevent global warming and conserve the natural environment to help achieve sustainable growth of the entire world.

The Japanese government has formulated an overall plan, the "Plan for Global Warming Countermeasures", based on the Act on Promotion of Global Warming Countermeasures. The aim is to achieve net zero by 2050. In fiscal 2024, Japan's total emission of greenhouse gases, which are a major cause of global warming, amounted to 1.05 billion tons (calculated after their conversion into carbon dioxide), representing a decrease of 1.9% from the previous fiscal year. Carbon dioxide accounted for 92.8% of these greenhouse gases, with an emission volume of 0.97 billion tons. A breakdown of carbon dioxide emissions by sector revealed that emissions from the industrial sector accounted for 34.4% of the total, followed in order by emissions from the transport sector, the commercial industry sector (office buildings, etc.), the residential sector, and the energy transformation sector (electric power plants, etc.).

Table 14.1

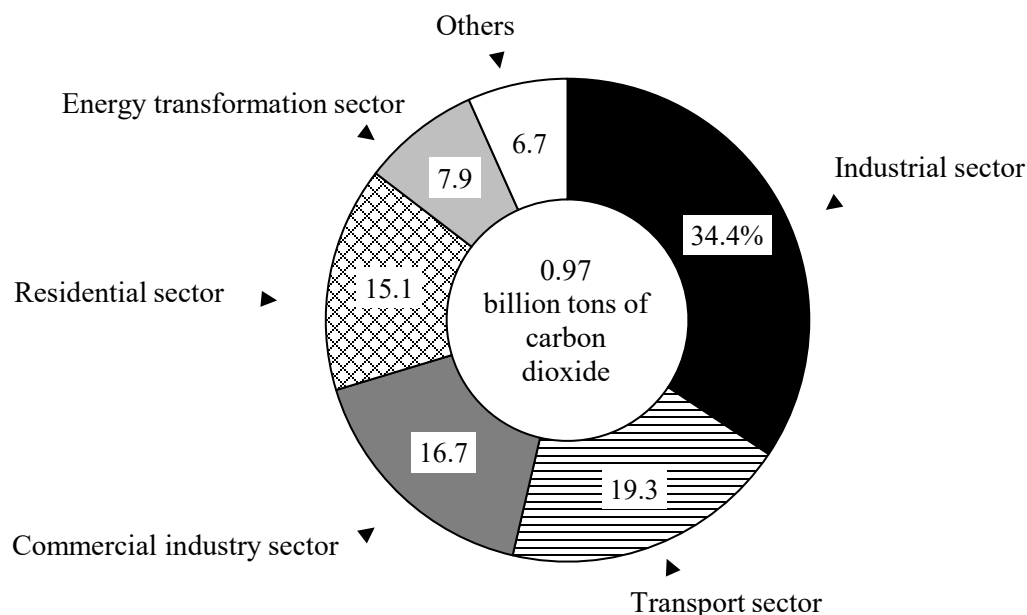
Breakdown of Carbon Dioxide Emissions ^{1) 2)}

	(Million tons)					
Category	FY1990	FY2000	FY2010	FY2020	FY2023	FY2024
Total	1,160	1,263	1,212	1,037	988	971
Industrial sector	505	479	432	356	343	334
Transport sector	208	259	228	183	190	187
Commercial industry sector	132	191	201	182	162	162
Residential sector	126	151	175	167	147	146
Energy transformation sector	97	90	100	80	80	77
Industrial processes						
and product use	65	60	48	43	38	37
Waste (incineration, etc.)	21	27	24	25	26	25
Others	6	5	3	2	2	2

1) Volume of carbon dioxide after reallocation to the end-use sector. 2) Due to the revision of the Electricity Business Act (liberalization of electricity retail sales), the emission intensity of electricity used in each sector has changed since FY2016.

Source: Ministry of the Environment.

Figure 14.1
Sources of Carbon Dioxide Emissions ¹⁾ (FY2024)



1) Volume of carbon dioxide after reallocation to the end-use sector.
 Source: Ministry of the Environment.

The state of waste management in Japan had remained serious due to the shrinking remaining capacity of final disposal sites and increased illegal dumping. This led to the Basic Act on Establishing a Sound Material-Cycle Society (brought into force in January 2001), which defines basic principles for the creation of a sound material-cycle society. This Act has established a legal framework to address issues such as waste disposal and recycling of automobile and electrical appliance. Furthermore, in Japan, the "3Rs" (reduce, reuse and recycle) in waste management including R&D on waste recycling technology and appropriate management of materials of hazards have been promoted, but recently, socio-economic systems have been developed to especially implement the "2Rs" (reduce and reuse) from among the "3Rs".

Of various types of waste generated as a result of business activities, 20 of them, including sludge, waste oil, soot and dust, and imported waste, are designated as "industrial waste". The fiscal 2023 nationwide industrial waste generation totaled 367 million tons. Sludge, animal excreta, and debris, which account for approximately 80% of the total industrial waste, are now increasingly recycled into construction materials, fertilizers, and other materials. Thanks to this development, the volume of final disposal (to be put into landfills) fell from 45 million tons in fiscal 2000 to 9 million tons in fiscal 2023.

Meanwhile, a total of 39 million tons of "nonindustrial waste" (household waste and also shop, office, and restaurant waste) was generated in fiscal 2023. This translates to 851 grams per person per day. The total volume of treated nonindustrial waste was 38 million tons in fiscal 2023. The total volume of recycled waste was 8 million tons, with the recycling rate at 19.5%.

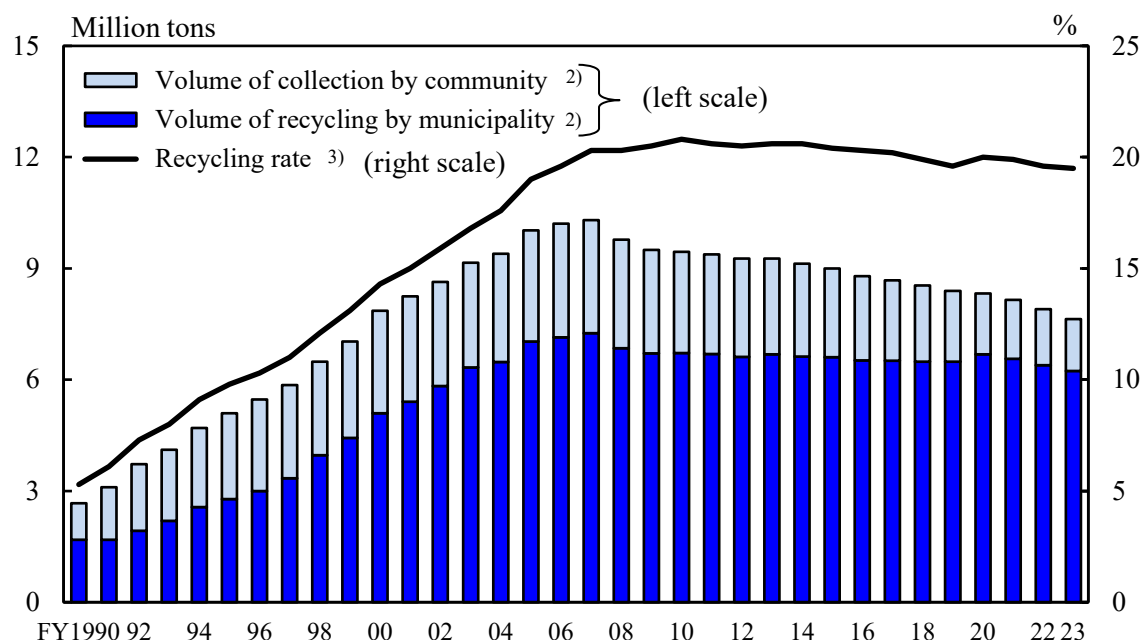
Table 14.2
Waste Generation and Treatment

(Thousand tons)				
Item	FY2000	FY2010	FY2020	FY2023
Industrial waste				
Total volume of waste generation	406,037	385,988	373,818	367,250
Recycling	184,237	204,733	199,022	200,788
Treatment for waste reduction	176,933	167,000	165,708	157,715
Final disposal	44,868	14,255	9,089	8,746
Nonindustrial waste ¹⁾				
Total volume of waste generation	54,834	45,359	41,669	38,974
Municipally scheduled and collected	46,695	38,827	36,160	33,999
Directly brought to waste treatment facilities	5,373	3,803	3,866	3,576
Recyclable waste collected by community	2,765	2,729	1,643	1,400
Waste generated daily per person (in grams)	1,185	976	901	851
Total volume of treated waste	52,090	42,791	40,085	37,676
Direct incineration	40,304	33,799	31,872	30,239
Intermediate treatment for recycling, etc. ...	6,479	6,161	5,923	5,305
Direct recycling	2,224	2,170	1,923	1,819
Direct final disposal	3,084	662	367	312

1) Due to the Great East Japan Earthquake, figures for FY2010 exclude those for Minamisanriku Town, Miyagi Prefecture. Figures after FY2011 exclude disaster waste.

Source: Ministry of the Environment.

Figure 14.2
Recycling of Nonindustrial Waste ¹⁾



1) Due to the Great East Japan Earthquake, figures for FY2010 exclude those for Minamisanriku Town, Miyagi Prefecture. Figures after FY2011 exclude disaster waste.

2) Total volume of recycled waste = Volume of collection by community + Volume of recycling by municipality.

3) Total volume of recycled waste / (Total volume of treated waste + Volume of collection by community) $\times$ 100.

Source: Ministry of the Environment.

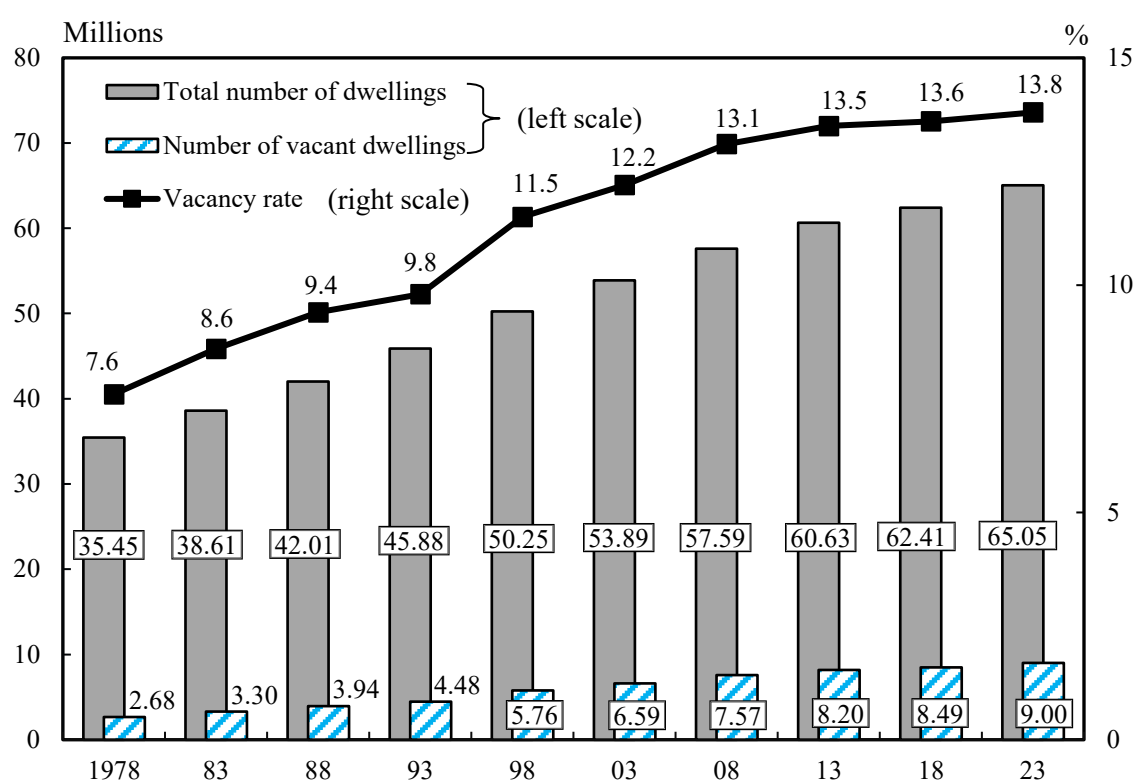
2. Housing

The total number of dwellings (the number of individual units in the case of apartment buildings) in Japan was 65 million in 2023, up by 3 million, 4.2% from 2018. The number of households was 56 million, representing the excess in number of dwellings over households by 9 million. Both the total number of dwellings and the total number of households have consistently increased, and these figures are record highs.

In 2023, the number of occupied dwellings (where people usually live) amounted to 56 million, accounting for 85.6% of the total number of dwellings. Of these, the number of dwellings used exclusively for living totaled 55 million, accounting for 98.6% of the occupied dwellings. Meanwhile, the number of vacant dwellings increased by 0.5 million, 6.0% from 2018, to 9 million. That vacancy rate represented 13.8% of the total number of dwellings, the highest-ever ratio.

Figure 14.3

Trends in Dwellings, Vacant Dwellings, and Vacancy Rate



Source: Statistics Bureau, MIC.

A breakdown of occupied dwellings by category of ownership showed that owned houses totaled 34 million, accounting for 60.9% of the total, which represented a decrease of 0.3 percentage points from the figure of 61.2% in 2018. Rented houses, on the other hand, numbered 19 million, accounting for 35.0% of the total.

Table 14.3
Housing Conditions

Year	Total households (thousand households)	Total dwellings ¹⁾				(Thousand dwellings)	
			Occupied dwellings ²⁾	Ownership		Dwellings used exclusively for living	Floor space per dwelling (m ²)
				Owned houses	Rented houses		
1993	41,159	45,879	40,773	24,376	15,691	38,457	88.4
1998	44,360	50,246	43,922	26,468	16,730	41,744	89.6
2003	47,255	53,891	46,863	28,666	17,166	45,258	92.5
2008	49,973	57,586	49,598	30,316	17,770	48,281	92.4
2013	52,453	60,629	52,102	32,166	18,519	50,982	93.0
2018	54,001	62,407	53,616	32,802	19,065	52,642	92.1
2023	56,215	65,047	55,665	33,876	19,462	54,893	90.9

1) Including dwellings without occupying households.

2) Including ownership of dwelling "Not reported".

Source: Statistics Bureau, MIC.

Occupied dwellings by building type showed that 29 million, or 52.7% were detached houses, and 25 million, or 44.9% were apartments. The proportion of apartments has consistently increased in recent years.

Table 14.4
Number of Occupied Dwellings by Type of Building

Year	Total	Detached houses	Tenement houses	Apartments	Others	(Thousands)
1993	40,773	24,141	2,163	14,267	202	
1998	43,922	25,269	1,828	16,601	224	
2003	46,863	26,491	1,483	18,733	156	
2008	49,598	27,450	1,330	20,684	134	
2013	52,102	28,599	1,289	22,085	130	
2018	53,616	28,759	1,369	23,353	136	
2023	55,665	29,319	1,265	24,968	113	

Source: Statistics Bureau, MIC.

In terms of construction materials, 26 million, or 87.9% of the detached houses were wood-frame houses (including fire-resistant ones). On the other hand, 18 million, or 74.1% of the apartments were steel-framed concrete structures.

The number of principal households with household members aged 65 years old and over was 23.75 million. Of these households, there were 10.80 million households living in houses that are handrail-equipped at 2 or more locations or have a step-free interior (constant barrier-free houses), accounting for 45.4% of households with elderly members. This marked an increase of 3.0 percentage points compared to 2018.

Table 14.5
Ratio of Barrier-Free Houses with Elderly Members

Year	Principal households ¹⁾ with household members aged 65 years old and over					
	Number (1,000)			Ratio (%)		
	Total	Constant barrier-free houses ²⁾	High barrier-free houses ³⁾	Total	Constant barrier-free houses ²⁾	High barrier-free houses ³⁾
2018	22,534	9,556	1,988	100.0	42.4	8.8
2023	23,750	10,795	2,371	100.0	45.4	10.0

1) When a single household lives in 1 house, it is called a "principal household", and if 2 or more households live in 1 house, then the main household from among the multiple households is regarded as the "principal household". 2) Houses that are handrail-equipped at 2 or more locations, or have step-free interiors, as equipment for the elderly etc.

3) Houses that are handrail-equipped at 2 or more locations, and have step-free interiors and wheelchair-accessible hallways, as equipment for the elderly etc.

Source: Statistics Bureau, MIC.

3. Traffic Accidents

In 1970, the annual number of fatalities from traffic accidents hit a record high of 16,765, leading to the enactment of the Basic Act on Traffic Safety Measures in the same year. Based on this, the government has promoted traffic safety measures in a comprehensive and systematic manner. As a result, the number of traffic accident fatalities was 2,610 in 2022, which is the lowest number since 1948 when the current traffic accident statistics were adopted. The number of traffic accident fatalities in 2023 was 2,678, the first increase in 8 years. However, in 2024, fatalities decreased again to 2,663.

In 2024, the number of traffic accident fatalities per 100,000 population was 2.1 persons, while that per 10,000 motor vehicles owned was 0.3 persons.

Table 14.6
Number of Traffic Accidents and Casualties

Year	Traffic accidents	Injuries	Fatalities ¹⁾	per 10,000	per 100,000
				motor vehicles owned	population
1970	718,080	981,096	16,765	9.0	16.2
1980	476,677	598,719	8,760	2.3	7.5
1990	643,097	790,295	11,227	1.9	9.1
2000	931,950	1,155,707	9,073	1.2	7.2
2010	725,924	896,297	4,948	0.6	3.9
2020	309,178	369,476	2,839	0.3	2.3
2022	300,839	356,601	2,610	0.3	2.1
2023	307,930	365,595	2,678	0.3	2.1
2024	290,895	344,395	2,663	0.3	2.1

1) Death within 24 hours of the traffic accident.

Source: Cabinet Office.

4. Crime

The police organization consists of the National Public Safety Commission and the National Police Agency, both of which are state organizations, as well as the Prefectural Public Safety Commission and prefectural police, both of which are organizations under the authority of individual prefectures. As of April 1, 2025, the prefectural police operated police headquarters, police academies, 1,148 police stations, 6,145 police boxes and 5,852 police substations in 47 prefectures.

Community police officers at their respective police boxes/substations are engaged in standing guard over their communities, patrolling, and dealing with criminal cases and accidents to prevent crime and catch criminals.

In 2025, the reported number of penal code offenses was 774,142, an increase of 36,463, or 4.9% compared to the previous year. The proportion of thefts was the highest, accounting for 66.4%, or 513,931 cases (up 2.5% from the previous year).

The number of persons arrested for penal code offenses was 200,663 in 2025, an increase of 8,837, or 4.6% compared to the previous year, making an increase for the third consecutive year.

The ratio of arrests to reported number of offenses marked 19.8% in 2001, the lowest since World War II. From 2002 to 2007, this ratio increased, and levelled off afterwards. It exhibited a rising trend from 2014, and began to

decline from 2022. However, it rose from 2024, and in 2025 it stood at 38.9%, remaining at the same level as the previous year.

Table 14.7
Trends in Crime (Penal code offenses)

Year	Reported offenses (cases)	Resultant arrests (cases)	Persons arrested (persons)	Arrest rate ¹⁾ (%)	Crime rate per 100,000 population
1980	1,357,461	811,189	392,113	59.8	1,159.6
1985	1,607,697	1,032,879	432,250	64.2	1,328.1
1990	1,636,628	692,593	293,264	42.3	1,324.0
1995	1,782,944	753,174	293,252	42.2	1,419.5
2000	2,443,470	576,771	309,649	23.6	1,925.5
2005	2,269,293	649,503	386,955	28.6	1,775.7
2010	1,604,019	497,356	322,620	31.0	1,252.6
2015	1,098,969	357,484	239,355	32.5	864.7
2020	614,231	279,185	182,582	45.5	486.9
2024	737,679	287,273	191,826	38.9	595.9
2025	774,142	301,055	200,663	38.9	-

1) The ratio of arrests to reported number of offenses.

Source: National Police Agency; Ministry of Justice.

Various kinds of computers and computer networks are currently playing an essential role as a social foundation. In line with this, crimes utilizing computer networks are becoming increasingly diversified. The number of arrests for cybercrime (violation of the Unauthorized Computer Access Act, offenses involving computers or electromagnetic records, offenses related to creation of unauthorized commands for electromagnetic records, etc.) in 2025 was 15,108, up 14.8% from the previous year. This represented about a seventeenfold increase from the 913 cases registered in 2000.

Chapter 15

Social Security, Health Care, and Public Hygiene



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Building Vibrant Communities.

The Ministry of Health, Labour and Welfare promotes the Smart Life Project under the slogan "Extend Healthy Life Expectancy", encouraging people to stay healthy and enjoy active lives through their later years.

1. Social Security

In Japan, the birth rate has been falling, while the number of elderly people has been growing. Meanwhile, its social security system is required to address various changes in the socioeconomic environment. All members of the baby boom generation will turn 75 years old or older by 2025, and as Japan faces an era of full-fledged decreasing birth rate and aging and declining population, it will be crucial to build a sustainable social security system where all generations support each other fairly. In light of these circumstances, the "Act Partially Amending the Health Insurance Act and Other Acts in Order to Establish a Sustainable Social Security System That Covers All Generations" came into effect in May 2023, with the aim of controlling the rising burden on the working generation and ensuring that all generations mutually support increasing medical costs according to their ability.

The long-term care insurance system, established in April 2000 to ensure that society as a whole supports care for the elderly, marked its 26th year in 2025. The long-term care insurance system has become steadily anchored in society, and the number of people certified as needing care or needing support has grown by approximately 3.3-fold, from 2.18 million at the end of April 2000 to 7.23 million at the end of April 2025. Looking ahead to around 2040, when all members of the "second baby boom generation" will be 65 years old or older, the population aged 85 or older is expected to surge rapidly, leading to a further increase in elderly people requiring long-term care, while the working-age population is projected to decline sharply. The aim is to deepen and promote a "Community-based Integrated Care System (system where medical care, nursing care, preventive care, and livelihood support are provided integrally in regions where one is used to living)" to cope with these changes in social structure and the needs of the elderly.

The amount of nursing care costs in fiscal 2023 (including allowances for high-cost long-term care service, for high-cost medical care and long-term care service, and for long-term care service to a person admitted to a specified facility), totaled 11.7 trillion yen.

Table 15.1**Trends in Social Security Benefit Expenditures by Functional Category** ^{1) 2) 3) 4) 5)}

(Billion yen)

Item	FY2000	FY2005	FY2010	FY2015	FY2020	FY2023
Total	78,408	88,854	105,366	116,814	132,220	135,493
Old age	36,688	# 44,102	51,335	# 55,339	58,915	59,723
Survivors	5,958	# 6,459	6,795	# 6,670	6,410	6,263
Invalidity benefits	2,151	# 2,397	3,398	# 4,283	5,225	5,817
Employment injury	1,058	984	943	# 919	905	881
Sickness and health	25,578	# 27,491	32,214	# 36,891	41,144	44,098
Family benefits	2,365	# 3,232	5,009	# 7,142	10,268	10,949
Unemployment	2,647	1,453	2,250	1,442	5,024	1,594
Housing	201	# 429	513	617	653	652
Other social policy areas	1,761	# 2,307	2,910	# 3,510	3,677	5,517

1) This table is calculated in accordance with the standards of the ILO's "The Cost of Social Security 19th International Inquiry".

2) Because of retrospective tabulation up to FY2005 of expenditure items data that were added in FY2011, a gap has occurred with FY2004 data.

3) Since FY2011, employees' accident compensation has been added for special national public servants in the House of Representatives, the Senate, the National Diet Library, the courts, the Ministry of Foreign Affairs, and the Ministry of Defense.

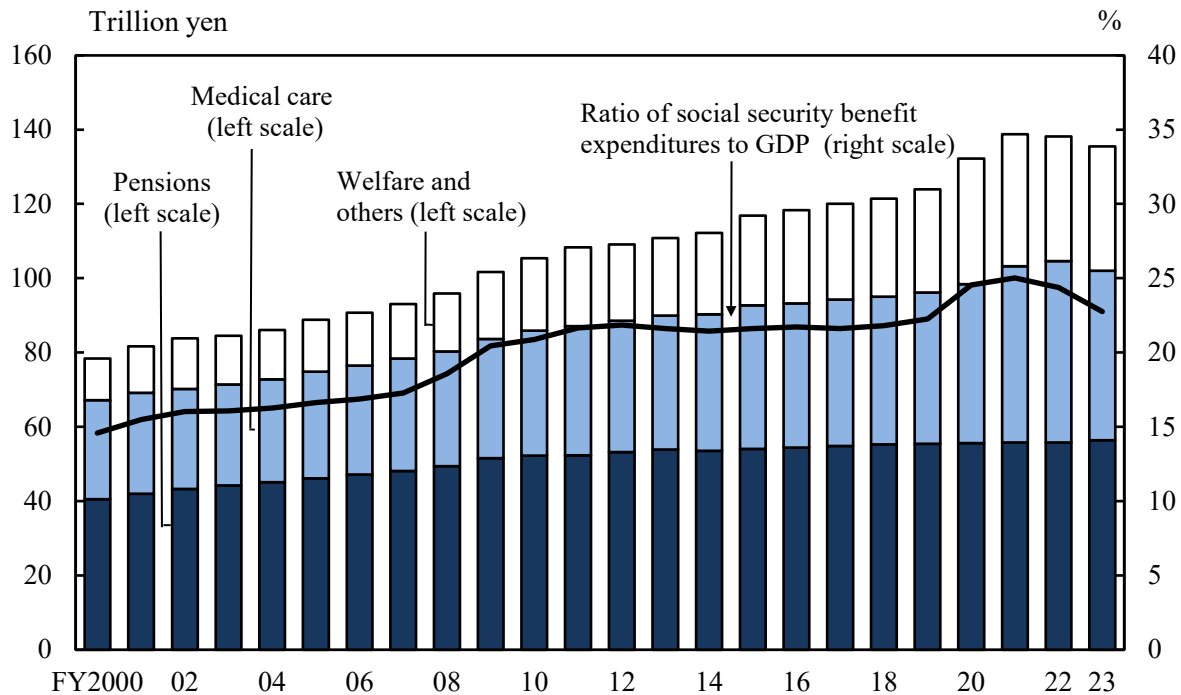
4) In addition to expenses for early childhood care services, expenses for early childhood education are included in total social security benefit expenditures from FY2015.

5) There is a gap between FY2014 and FY2015 because of the change in the scope of the services operated independently by local public entities that were targeted for tabulation in FY2015.

Source: National Institute of Population and Social Security Research.

In fiscal 2023, social security benefit expenditures totaled 135.5 trillion yen (down 1.9% from the previous fiscal year), a figure which amounted to 1.09 million yen per person. The ratio of Japan's social security benefit expenditures to GDP registered 22.8%. Benefits for the aged accounted for 63.5% of total social security benefit expenditures.

Figure 15.1
Trends in Social Security Benefit Expenditures by Sector



1) Because of retrospective tabulation up to FY2005 of expenditure items data that were added in FY2011, a gap has occurred with FY2004 data.

2) Since FY2011, employees' accident compensation has been added for special national public servants in the House of Representatives, the Senate, the National Diet Library, the courts, the Ministry of Foreign Affairs, and the Ministry of Defense.

3) In addition to expenses for early childhood care services, expenses for early childhood education are included in total social security benefit expenditures from FY2015.

4) There is a gap between FY2014 and FY2015 because of the change in the scope of the services operated independently by local public entities that were targeted for tabulation in FY2015.

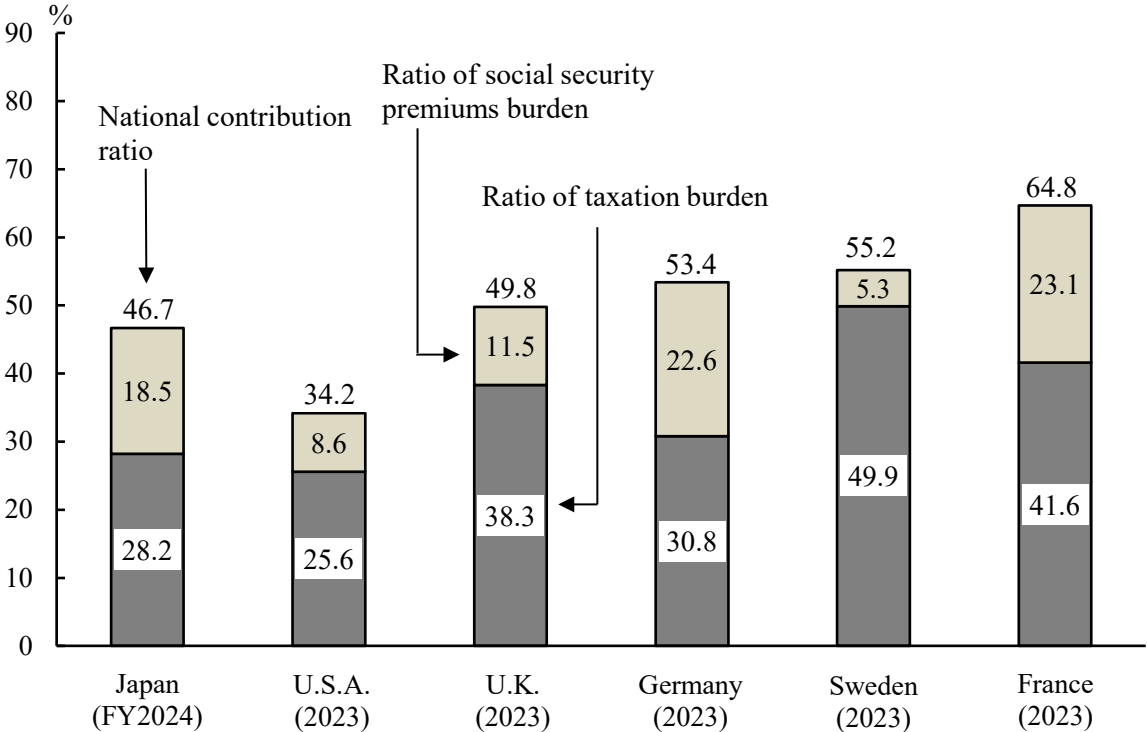
Source: National Institute of Population and Social Security Research.

In fiscal 2023, pensions accounted for 41.6% of total social security benefit expenditures, while medical care accounted for 33.6%, and social welfare and others for 24.7%. Social security benefit expenditures are forecasted to continue growing.

Total funding for social security in fiscal 2023 was 198.0 trillion yen, an increase of 29.3% compared to the previous fiscal year. This can be broken down into 80.1 trillion yen in social insurance contributions (40.5% of the total), 58.0 trillion yen in public contributions (29.3%), and 59.9 trillion yen in other revenue (30.3%).

The national contribution ratio (the combined ratios of taxes and social security costs to national income) was 46.7% in fiscal 2024 (taxation burden: 28.2%; social security premiums burden: 18.5%), up 1.0 percentage points from 45.7% in fiscal 2023 (taxation burden: 27.6%; social security premiums burden: 18.1%). The national contribution ratio in 2023 was 34.2% in the U.S.A., 49.8% in the U.K., 55.2% in Sweden, and 64.8% in France. While the ratio in Japan was higher than that of the U.S.A., it is trending lower than European countries.

Figure 15.2
National Contribution Ratio by Country



Source: Ministry of Finance.

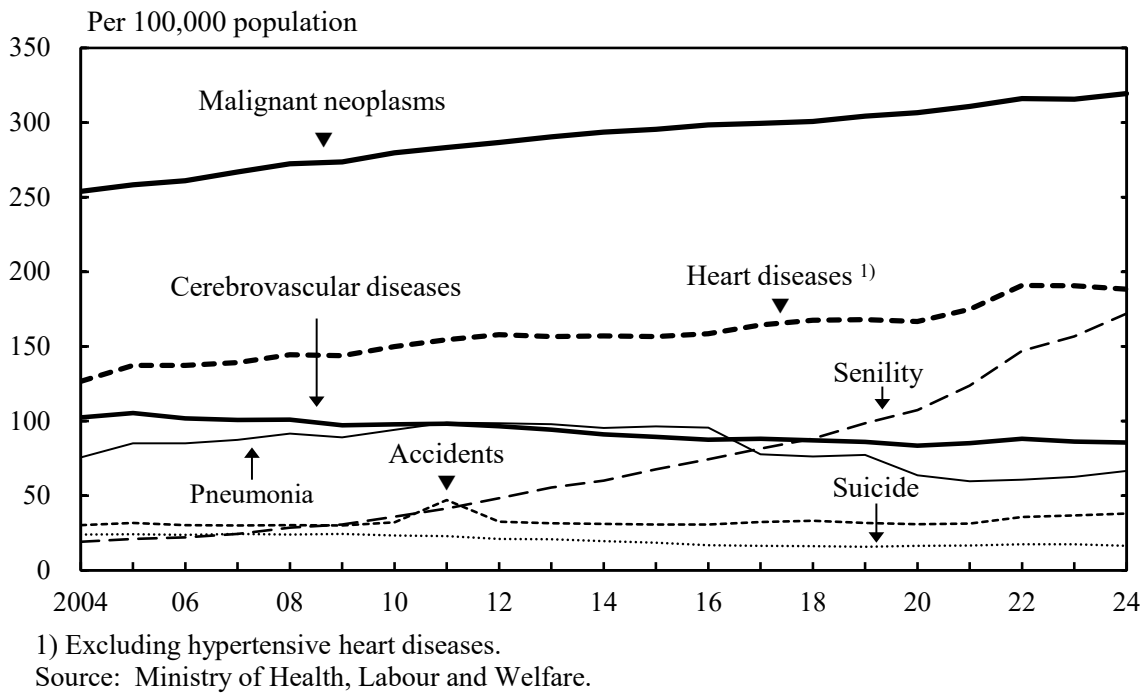
2. Health Care and Public Hygiene

Japan has a universal health insurance regime to ensure that anyone can receive necessary medical treatment. Under this regime, every citizen enters a publicly regulated medical insurance system, such as employees' health insurance, national health insurance or the latter-stage elderly's medical insurance.

Under the universal health insurance regime, Japan's life expectancy at birth and healthcare standards are at the highest level in the world.

Life expectancy at birth was 87.1 years for women and 81.1 years for men in 2024. Japan's life expectancy at birth remains at a high level in the world. Even with regard to healthy life expectancy, which is the "average period without being restricted in daily life", Japan was among the world's highest as of 2022, with 75.5 years for women and 72.6 years for men.

Figure 15.3
Death Rates by Major Cause



The death rate was 1,334.5 per 100,000 population in 2024. The leading cause of death was malignant neoplasms (319.3 per 100,000 population), followed by lifestyle diseases such as heart diseases (188.2; excluding hypertensive heart diseases), in which people's daily diet and behavior are significant factors, and senility (172.0). Compared to the previous year, heart diseases (excluding hypertensive heart diseases) fell by 2.5 percentage points, while senility rose by 15.3 percentage points and malignant neoplasms by 3.7 percentage points.

The number of deaths caused by suicide in Japan hovered at around 30,000 annually in 1998 and onwards. In recent years, the number has remained steady at around 20,000. The number of suicides in 2024 was 19,608. In 2024, suicide was the leading cause of deaths for people aged between 10 and 39.

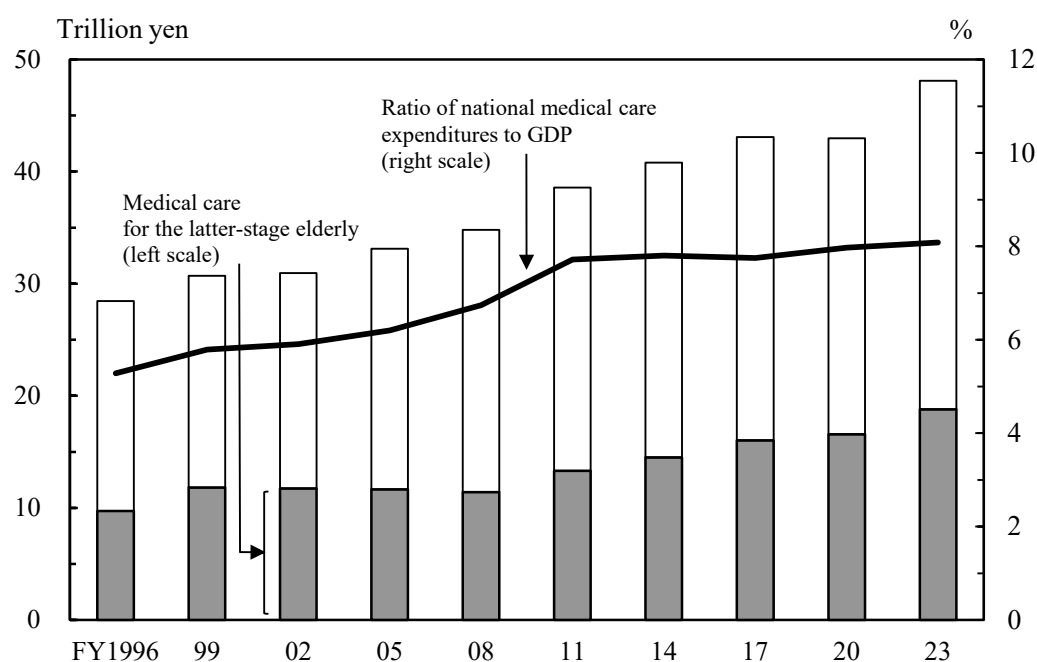
In the past, human beings have faced the threat of various epidemic diseases, including new strains of influenza. In 2020, the outbreak of COVID-19 developed into a pandemic, resulting in increasing numbers of infections and verified deaths. The COVID-19 pandemic placed a major burden on Japan's health and medical care delivery system. Based on the experience of responding to COVID-19 and the establishment of related laws and regulations that took place during that period, the government conducted a fundamental revision of the "National Action Plan for Novel Influenza, etc." in July 2024, ensuring all-out preparation for infectious disease crises during ordinary times while implementing necessary measures swiftly and reliably during emergencies based on the characteristics of infectious diseases and scientific knowledge.

In fiscal 2023, national medical care expenditures totaled 48.1 trillion yen or 8.08% of Japan's GDP. The cost of medical care per person averaged 386,700 yen in fiscal 2023.

To ensure that society as a whole supports medical care for the elderly, Japan has established a medical insurance system which divides the elderly into two categories: 65 to 74 years old (early-stage elderly) and 75 years old and older (latter-stage elderly). The cost of medical care for the latter-stage elderly in fiscal 2023 was 18.8 trillion yen, and accounted for 3.16% of GDP.

The per-capita cost of medical care for the latter-stage elderly averaged 968,102 yen for the year. The percentage of national medical care expenditures accounted for by medical care costs for the latter-stage elderly decreased when the age of persons eligible to receive medical care for the latter-stage elderly was raised in a phased manner over 5 years from 70 years to 75 years old in October 2002, but in recent years, there has been a slight uptrend.

Figure 15.4
Trends in National Medical Care Expenditures



Source: Ministry of Health, Labour and Welfare.

In terms of healthcare provision, Japan had 344,267 physicians engaged in medical care, or 278.1 physicians per 100,000 population, in 2024. While the number of physicians providing healthcare is increasing nationwide, their uneven distribution has become a problem due to the lack of physicians specializing in certain areas of medicine and the lack of physicians operating in regional parts of the country.

Table 15.2
Medical Personnel at Work

Item	2016	2018	2020	2022	2024
Number of personnel					
Physicians	317,162	324,737	336,822	340,273	344,267
Dentists	103,127	103,418	105,798	103,518	101,819
Pharmacists	284,069	294,430	302,504	303,204	308,045
Nurses and assistant nurses	1,472,508	1,523,085	1,565,500	1,566,016	1,596,164
Per 100,000 population					
Physicians	249.7	256.2	267.0	272.3	278.1
Dentists	81.2	81.6	83.9	82.8	82.2
Pharmacists	223.6	232.3	239.8	242.7	248.8
Nurses and assistant nurses	1,159.1	1,201.7	1,241.0	1,253.3	1,289.3

Source: Statistics Bureau, MIC; Ministry of Health, Labour and Welfare.

As of October 1, 2024, the number of hospitals in Japan (excluding medical clinics and dental clinics) totaled 8,060. The number of hospital beds amounted to 1,469,845 (1,187.3 per 100,000 population).

Table 15.3
Number of Medical Care Institutions and Beds

Item	2014	2017	2020	2023	2024
Institutions					
Total	177,546	178,492	178,724	179,834	179,645
Hospitals	8,493	8,412	8,238	8,122	8,060
Medical clinics	100,461	101,471	102,612	104,894	105,207
Dental clinics	68,592	68,609	67,874	66,818	66,378
Per 100,000 population					
Total	139.7	140.9	141.7	144.6	145.1
Hospitals	6.7	6.6	6.5	6.5	6.5
Medical clinics	79.1	80.1	81.3	84.4	85.0
Dental clinics	54.0	54.1	53.8	53.7	53.6
Beds					
Total	1,680,712	1,653,303	1,593,633	1,557,020	1,542,357
Hospitals	1,568,261	1,554,879	1,507,526	1,481,183	1,469,845
Medical clinics	112,364	98,355	86,046	75,780	72,451
Dental clinics	87	69	61	57	61
Per 100,000 population					
Total	1,322.5	1,304.8	1,263.3	1,252.1	1,245.8
Hospitals	1,234.0	1,227.2	1,195.1	1,191.1	1,187.3
Medical clinics	88.4	77.6	68.2	60.9	58.5
Dental clinics	0.1	0.1	0.0	0.0	0.0

Source: Ministry of Health, Labour and Welfare.

Chapter 16

Education and Culture



Ningyo Johruri Bunraku Puppet Theater is one of Japan's representative traditional performing arts. It is a comprehensive art form in which a narrator, shamisen music, and puppets form one entity. Its origins date back to the early Edo period (1603-1868). Initially, it was known as *Ayatsuri Shibai* ("puppet play").

1. School-Based Education

Japan's primary and secondary education is based on a 6-3-3 system: 6 years in elementary school, 3 years in lower secondary school, and 3 years in upper secondary school. The period of compulsory schooling is the 9 years at elementary and lower secondary schools. Higher education institutions are universities, junior colleges, and colleges of technology. Other education establishments include kindergartens and integrated centers for early childhood education and care, which provide pre-school education, and schools for special needs education. There are also specialized training colleges and miscellaneous schools for a wide range of vocational and other practical skills learning. In order to promote diversity of the school education system, unified lower-upper secondary schooling began at some schools in 1999. Furthermore, in 2016, compulsory education schools, where compulsory education for elementary schools to lower secondary schools is carried out consistently, were established. On an additional note, the school year in Japan starts in April and ends in March of the following year.

Table 16.1

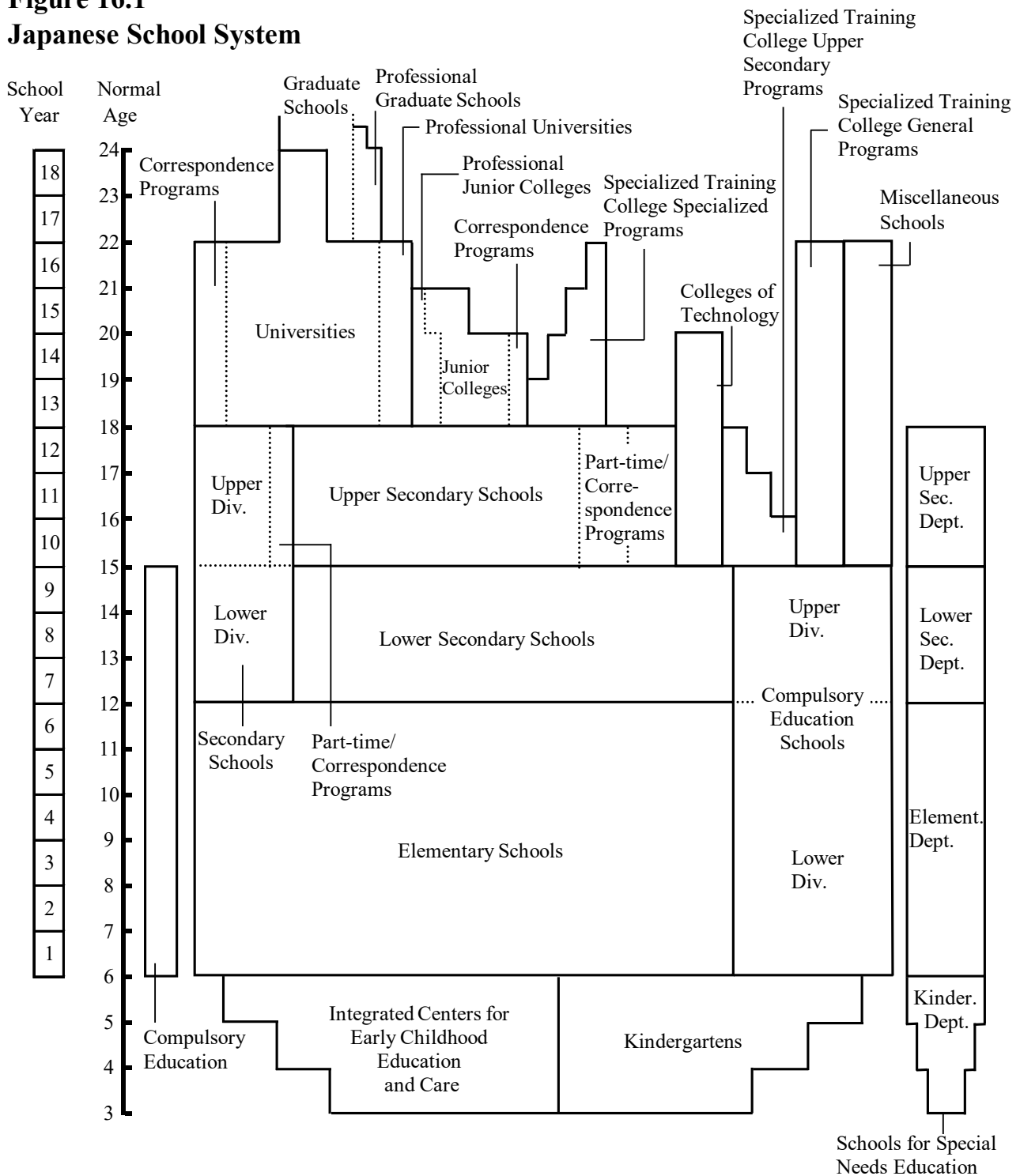
Educational Institutions in Japan (as of May 1, 2025)

Type of institution	Number of schools				Full-time teachers (1,000 persons)	Students (1,000 persons)	
	Total	National	Public	Private		Males	Females
Kindergartens	8,225	47	2354	5824	80	347	342
Integrated centers for early childhood education and care	7,673	1	1067	6605	157	447	429
Elementary schools	18,607	66	18291	250	425	2,970	2,842
Lower secondary schools	9,827	67	8982	778	247	1,587	1,518
Compulsory education schools ..	261	6	254	1	9	45	42
Upper secondary schools	4,761	15	3426	1320	222	1,467	1,407
Secondary schools	58	4	35	19	3	17	18
Schools for special needs education ¹⁾	1,195	45	1134	16	90	107	52
Colleges of technology	58	51	3	4	4	43	14
Junior colleges	292	-	14	278	6	11	60
Universities	812	85	103	624	193	1,636	1,337
Graduate schools	669	85	92	492	109	185	92
Specialized training colleges	2,975	8	176	2791	39	272	350
Miscellaneous schools	974	-	5	969	9	60	52

1) Schools for mentally and/or physically challenged children, inclusive of kindergarten to upper secondary school levels.

Source: Ministry of Education, Culture, Sports, Science and Technology.

Figure 16.1
Japanese School System



Source: Ministry of Education, Culture, Sports, Science and Technology.

Of the March 2025 upper secondary school and upper division of secondary school graduates, 61.4% went straight on to enter a university, junior college, etc. The ratio of graduates of upper secondary school, etc. who entered a university or junior college in 2025 was 61.4% (61.5% of male and 61.2% of female graduates), including graduates from previous years.

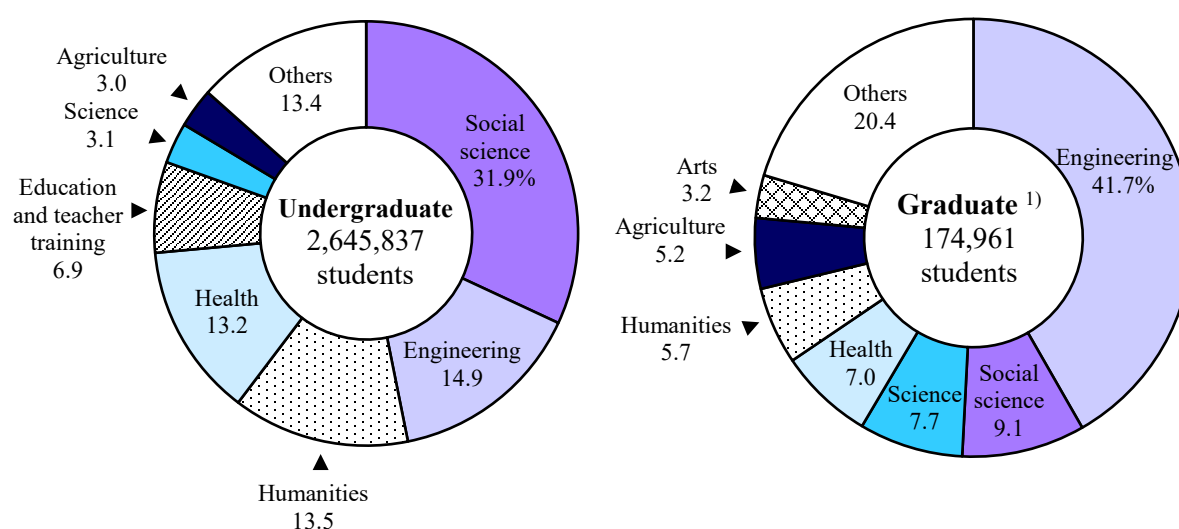
Table 16.2
Number of University Students (as of May 1)

	2015	2020	2023	2024	2025
Total	2,860,210	2,915,605	2,945,599	2,949,795	2,972,412
Undergraduate	2,556,062	2,623,572	2,632,775	2,628,310	2,645,837
Graduate schools	249,474	254,529	265,977	271,639	277,132
Others ¹⁾	54,674	37,504	46,847	49,846	49,443
Females	1,231,868	1,294,320	1,314,354	1,319,971	1,336,758
Undergraduate	1,127,372	1,193,465	1,204,306	1,205,593	1,220,329
Graduate schools	77,831	82,982	87,222	89,772	91,946
Others ¹⁾	26,665	17,873	22,826	24,606	24,483
National	610,802	598,881	600,177	603,967	608,869
Public	148,766	158,579	165,915	168,072	170,373
Private	2,100,642	2,158,145	2,179,507	2,177,756	2,193,170

1) Including advanced students, short-term students, non-degree students, auditing students and research students.

Source: Ministry of Education, Culture, Sports, Science and Technology.

Figure 16.2
University Students by Field of Study (as of May 1, 2025)



1) Master's course.

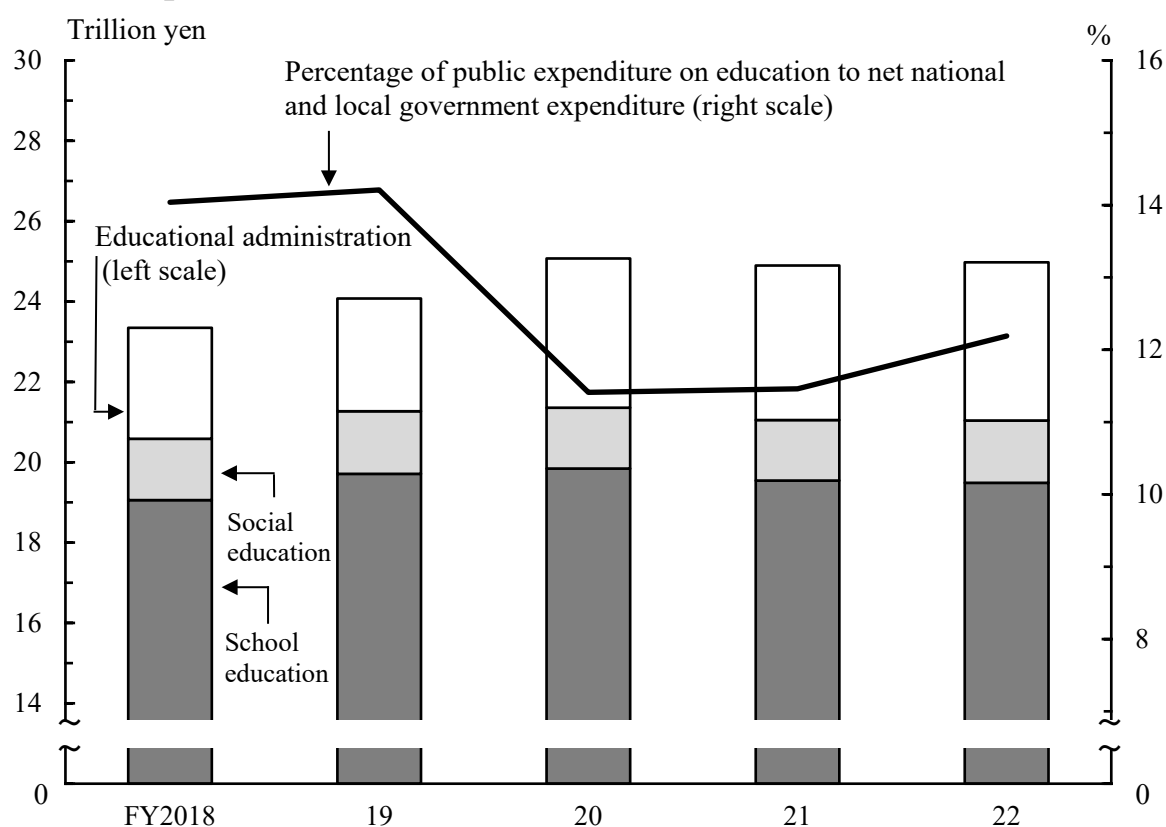
Source: Ministry of Education, Culture, Sports, Science and Technology.

As of May 1, 2025, the total number of students enrolled in universities in Japan was 2,972,412. Meanwhile, 408,069 international students were enrolled in universities (including graduate schools), junior colleges,

colleges of technology, special training colleges (specialized courses of study), educational facilities offering preparatory courses for admission to Japanese universities, and educational institutions for the Japanese language. Of the total foreign students, 93.4% were from Asia, including 131,097 from China, 100,239 from Nepal and 43,366 from Vietnam.

Fiscal 2022 public expenditure on education in Japan was 25 trillion yen, which is equivalent to 12.2% of the net expenditure of national and local governments.

Figure 16.3
Public Expenditures on Education



Source: Ministry of Education, Culture, Sports, Science and Technology.

Fiscal 2023 school expenditure by households with children attending public school averaged 74,336 yen per elementary school pupil, 150,761 yen per lower-secondary school student and 351,523 yen per upper-secondary school student.

2. Lifelong Learning

As society approaches a major turning point in heading towards a "100-year-life", there is increasing importance in realizing a "Lifelong Learning Society" in which people are able to select learning opportunities whenever they want during their life, and their learning outcomes are evaluated appropriately. Therefore, efforts are being made to promote learning again by working adults (recurrent education).

Today, in order to develop a society where people can engage in learning any time they like throughout their lives, efforts are being made to provide learning opportunities such as school education, social education, cultural activities, sports activities, recreational activities, volunteer activities, and corporate in-house education. In providing places and opportunities for such lifelong learning, educational institutions and social education facilities (citizens' public halls, libraries, museums, and sports facilities, etc.) play a vital role.

Table 16.3
Social Education Facilities and Users

Facilities	Number ¹⁾		Users (1,000) ²⁾	
	2021	2024	FY2020	FY2023
Citizens' public halls ³⁾	13,798	13,031	110,203	126,406
Libraries ⁴⁾	3,394	3,400	142,490	166,233
Museums	1,305	1,346	65,047	132,508
General museums	157	161	3,736	9,555
Science museums	100	109	6,087	15,887
Historical museums	476	495	9,572	20,680
Art museums	457	470	17,038	37,069
Outdoor museums	18	17	560	1,590
Zoological gardens	36	35	11,191	18,653
Botanical gardens	11	13	1,162	2,175
Zoological and botanical gardens	7	7	3,147	5,126
Aquariums	43	39	12,553	21,773
Facilities similar to museums	4,466	4,426	74,657	125,107
Centers for children and youths	840	783	7,553	15,046
Women's education centers	358	340	4,302	6,851
Public sports facilities	45,658	45,171	280,631	450,649
Private sports facilities	* 29,821	* 31,701	* 179,328	* 197,866
Theaters, concert halls, etc.	1,832	1,800	...	...
Lifelong learning centers	496	1,079	11,698	32,753

1) As of October 1. 2) Total for fiscal year. 3) Including similar facilities.

4) Including the same type of facilities.

Source: Ministry of Education, Culture, Sports, Science and Technology.

3. Cultural Assets

Throughout its long history, Japan has been endowed with an abundance of valuable cultural assets, including works of art, historic landmarks, and many natural monuments. To pass on this cultural heritage to future generations, the Japanese government has accorded many of the most important assets as national treasures, designated important cultural properties, historic sites, places of scenic beauty, or natural monuments, based on the Act on Protection of Cultural Properties. In addition to preserving cultural assets, measures to utilize such assets are being established, such as expansion of viewing opportunities through exhibitions.

Table 16.4
Cultural Properties Designated by the National Government
 (as of April 1, 2026)

Type of cultural properties	Number	
Important cultural properties	13,557	a) 1,149
Fine arts and crafts	10,952	a) 916
Structures	2,605	a) 233
Historic sites, places of scenic beauty and natural monuments	3,398	b) 177
Historic sites	1,923	b) 66
Places of scenic beauty	433	b) 36
Natural monuments	1,042	b) 75
Important tangible folk cultural properties	229	
Important intangible folk cultural properties	342	
Important intangible cultural properties		
Individual recognition	71	
Performing arts	38	
Craft techniques	33	
Collective recognition	15	
Performing arts	15	
Group recognition	16	
Craft techniques	16	
Traditional building preservation areas	129	

a) National treasures only. b) Specially designated places only.

Source: Agency for Cultural Affairs.

As of April 1, 2026, 13,557 items were designated as important cultural properties, of which 1,149 were classified as national treasures. In addition, the government has provided support for such activities as theatrical performances, music, handicrafts, and other important intangible cultural properties. It also has worked to preserve important folk-cultural properties, such as annual cultural events and folk performing arts, as well as to train people to carry on such traditions.

Japan accepted the UNESCO World Heritage Convention (the Convention Concerning the Protection of the World Cultural and Natural Heritage) in 1992.

In recent years, two sites were registered in the World Heritage List in July 2021: Amami-Oshima Island, Tokunoshima Island, Northern part of Okinawa Island, and Iriomote Island; and Jomon Prehistoric Sites in Northern Japan.

Amami-Oshima Island, Tokunoshima Island, Northern part of Okinawa Island, and Iriomote Island are natural heritage. They have a mild, humid subtropical climate, and are regions inhabited by distinctive land animals, including many endemic species and endangered species.

The Jomon Prehistoric Sites in Northern Japan are cultural heritage consisting of 17 historic sites. These sites present the daily life and spiritual culture of people who lived in the region for more than 10,000 years through hunting, gathering, and fishing.

Subsequently, in July 2024, Sado Island Gold Mines were inscribed on the World Heritage List as the 26th World Heritage Site in Japan. In the 17th century, this complex ranked as the leading gold producer in the world. The site shows a gold production system that evolved traditional craft-based production techniques and production systems suited to those techniques according to the characteristics of each mine, during the 16th to 19th centuries when mechanization was advancing in mines around the world due to Western European expansion.

Table 16.5**List of World Heritage Sites in Japan**¹⁾

Year of inscription	Type of heritage	World heritage	Prefecture
1993	Cultural	Buddhist Monuments in the Horyu-ji Area	Nara
	Cultural	Himeji-jo	Hyogo
	Natural	Shirakami-Sanchi	Aomori, Akita
	Natural	Yakushima	Kagoshima
1994	Cultural	Historic Monuments of Ancient Kyoto	Kyoto, Shiga
1995	Cultural	Historic Villages of Shirakawa-go and Gokayama	Gifu, Toyama
1996	Cultural	Hiroshima Peace Memorial (Genbaku Dome)	Hiroshima
	Cultural	Itsukushima Shinto Shrine	Hiroshima
1998	Cultural	Historic Monuments of Ancient Nara	Nara
1999	Cultural	Shrines and Temples of Nikko	Tochigi
2000	Cultural	Gusuku Sites and Related Properties of the Kingdom of Ryukyu	Okinawa
2004	Cultural	Sacred Sites and Pilgrimage Routes in the Kii Mountain Range	Mie, Nara, Wakayama
2005	Natural	Shiretoko	Hokkaido
2007	Cultural	Iwami Ginzan Silver Mine and its Cultural Landscape	Shimane
2011	Natural	Ogasawara Islands	Tokyo
	Cultural	Hiraizumi-Temples, Gardens and Archaeological Sites Representing the Buddhist Pure Land	Iwate
2013	Cultural	Fujisan, Sacred Place and Source of Artistic Inspiration	Yamanashi, Shizuoka
2014	Cultural	Tomioka Silk Mill and Related Sites	Gumma
2015	Cultural	Sites of Japan's Meiji Industrial Revolution: Iron and Steel, Shipbuilding and Coal Mining	Fukuoka, Saga, Nagasaki, Kumamoto, Kagoshima, Yamaguchi, Iwate, Shizuoka
2016	Cultural	The Architectural Work of Le Corbusier, an Outstanding Contribution to the Modern Movement	Tokyo
2017	Cultural	Sacred Island of Okinoshima and Associated Sites in the Munakata Region	Fukuoka
2018	Cultural	Hidden Christian Sites in the Nagasaki Region	Nagasaki, Kumamoto
2019	Cultural	Mozu-Furuichi Kofun Group: Mounded Tombs of Ancient Japan	Osaka
2021	Natural	Amami-Oshima Island, Tokunoshima Island, Northern part of Okinawa Island, and Iriomote Island	Kagoshima, Okinawa
	Cultural	Jomon Prehistoric Sites in Northern Japan	Hokkaido, Aomori, Iwate, Akita
2024	Cultural	Sado Island Gold Mines	Niigata

1) As of August, 2025.

Source: Agency for Cultural Affairs.

In 2006, the UNESCO Convention for the Safeguarding of the Intangible Cultural Heritage entered into force. As of December 2025, Japan has 23 entries on its list, including: Nogaku Theater, Ningyo Johruri Bunraku Puppet Theater, Kabuki Theater (the kind of Kabuki performed using a traditional method of acting and directing), Washoku (the traditional dietary culture of Japan), and traditional knowledge and skills of sake-making with koji mold in Japan.

4. Publishing and Mass Media

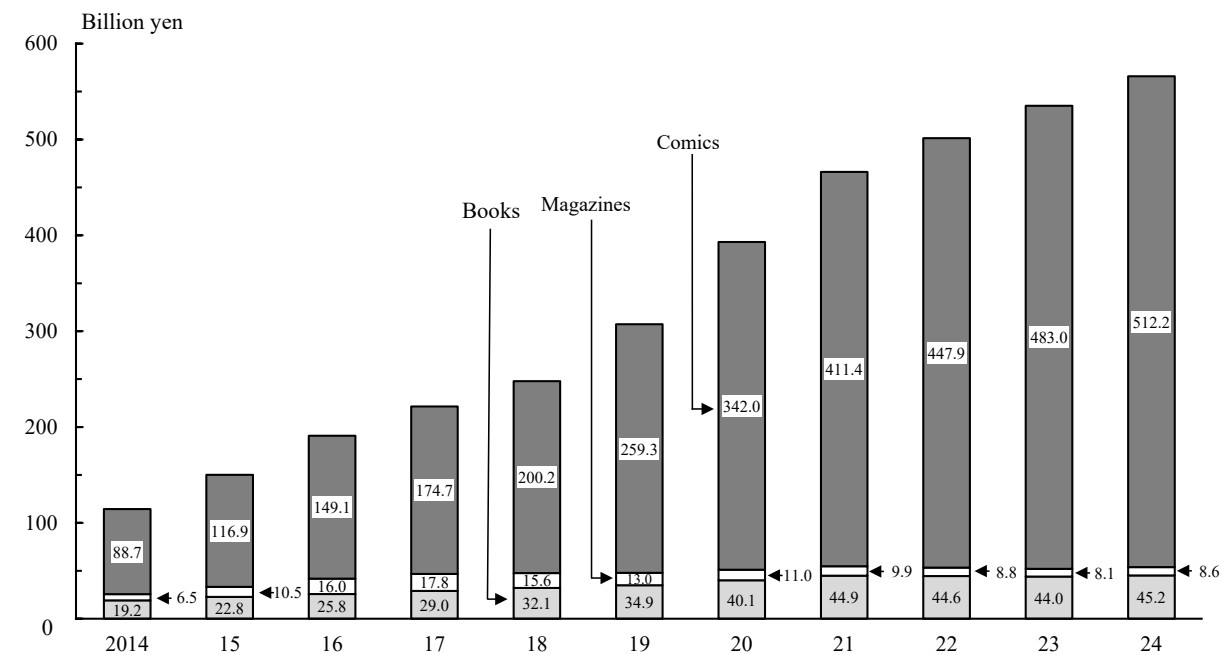
A total of 65,322 new book titles were released in 2024. The number of magazine titles published was 2,341 (including 2,263 monthlies and 78 weeklies). In recent years, a wider range of e-book content has become available, leading to continuing growth of the e-book market.

Table 16.6
Number of New Book Titles Published

Subject	2020	2021	2022	2023	2024
Total	68,608	69,052	66,885	64,905	65,322
General works	805	760	705	701	656
Philosophy	3,507	3,402	3,280	3,048	2,868
History and geography	3,927	3,902	3,339	3,103	3,290
Social sciences	14,068	14,159	13,537	13,411	12,957
Natural sciences	5,117	5,043	4,972	4,689	4,574
Engineering and technology ..	3,608	3,662	3,659	3,402	3,366
Industry and commerce	2,310	2,275	2,177	2,143	1,987
Arts and life	12,068	12,289	12,104	11,695	12,471
Language	1,329	1,332	1,161	1,235	1,221
Literature	12,104	12,071	12,108	11,744	11,756
Children's books	4,295	4,446	4,465	4,508	4,434
Reference books	5,470	5,711	5,378	5,226	5,742

Source: The Research Institute for Publications, The All Japan Magazine and Book Publisher's and Editor's Association.

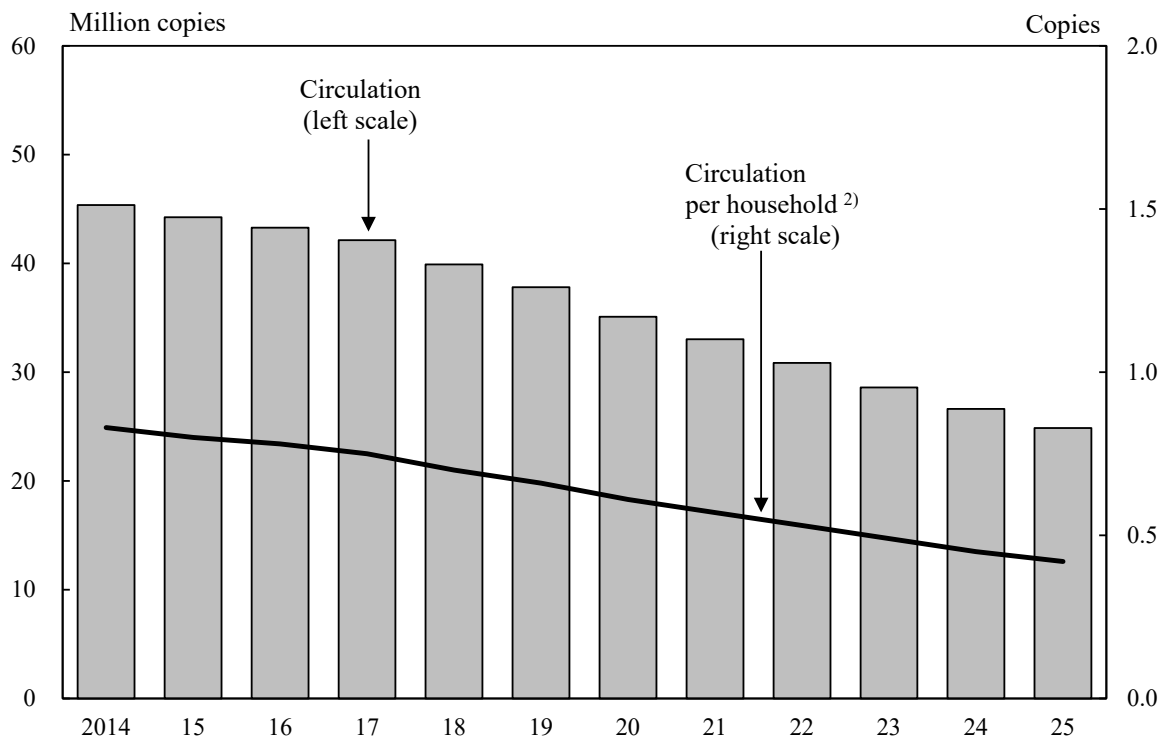
Figure 16.4
Trends in the Size of the E-Book Market



Source: The Research Institute for Publications, The All Japan Magazine and Book Publisher's and Editor's Association.

A total of 104 daily newspapers were in circulation, and the circulation per household was 0.42 as of October 2025.

Figure 16.5
Trends in the Circulation of Newspaper ¹⁾ (as of October)



1) Set paper counted as one copy. 2) Number of households used for calculation are derived from the Basic Resident Registration as of January 1 of each year.

Source: The Japan Newspaper Publishers and Editors Association.

Japan has a public broadcasting network (NHK: Nippon Hoso Kyokai, or Japan Broadcasting Corporation), as well as commercial networks. NHK is the pioneer broadcasting station in Japan, and has been funded through fees paid by subscribers.

Television broadcasting became fully digital at the end of March 2012, and practices like broadcasting of video and data with high-definition image quality have become common. New 4K and 8K satellite broadcasting began in December 2018, and products such as televisions enabling viewing of 4K and 8K broadcasts have been disseminated. Efforts are being made to further improve the appeal of satellite broadcasting, such as improving and broadening 4K programs, and steps are being taken to disseminate and develop 4K and 8K broadcasting.

In 2025, advertising expenditures in traditional media (newspapers, magazines, radio, and television) in Japan were almost unchanged at 2.3 trillion yen. This is 28.5% of the total advertising expenditures of 8.1 trillion yen. In addition, for the first time, Internet advertising expenditures exceeded 4.0 trillion yen, occupying a majority share of 50.2% in the total advertising expenditures.

Table 16.7
Advertising Expenditures by Medium

Year	Total	Traditional media	News-papers	Maga-zines	Radio	Tele-vision	Internet	Promo-tional media
Advertising expenditures (billion yen)								
2015	6,171.0	2,869.9	567.9	244.3	125.4	1,932.3	1,159.4	2,141.7
2020	6,159.4	2,253.6	368.8	122.3	106.6	1,655.9	# 2,229.0	# 1,676.8
2023	7,316.7	2,316.1	351.2	116.3	113.9	1,734.7	3,333.0	1,667.6
2024	7,673.0	2,336.3	341.7	117.9	116.2	1,760.5	3,651.7	1,685.0
2025	8,062.3	2,298.0	313.6	113.5	115.3	1,755.6	4,045.9	1,718.4
Percentage distribution (%)								
2015	100.0	46.5	9.2	4.0	2.0	31.3	18.8	34.7
2020	100.0	36.6	6.0	2.0	1.7	26.9	36.2	27.2
2023	100.0	31.7	4.8	1.6	1.6	23.7	45.5	22.8
2024	100.0	30.4	4.5	1.5	1.5	22.9	47.6	22.0
2025	100.0	28.5	3.9	1.4	1.4	21.8	50.2	21.3

Source: DENTSU INC.

5. Leisure Activities

The results of the "2021 Survey on Time Use and Leisure Activities" conducted on people living in Japan, aged 10 years old and over, show that the amount of free time each person has spent was 6 hours and 16 minutes, which was the time remaining after activities that were physiologically necessary (sleeping, eating, etc.) and societally essential (work, housework, etc.).

Table 16.8

Major Leisure Activities by Sex (Aged 10 years old and over) (2021)

Leisure Activities	Total	Males	Females
Free time per day (hours. minutes)	6.16	6.34	6.00
Participation rate (%) ¹⁾			
Hobbies and amusements	86.3	86.8	85.8
Sports ^{2) 3)}	66.5	69.9	63.3
Travel and excursion	49.5	48.9	50.1
Learning, self-education, and training ^{2) 4)}	39.6	39.8	39.5
Volunteer activities	17.8	18.2	17.5

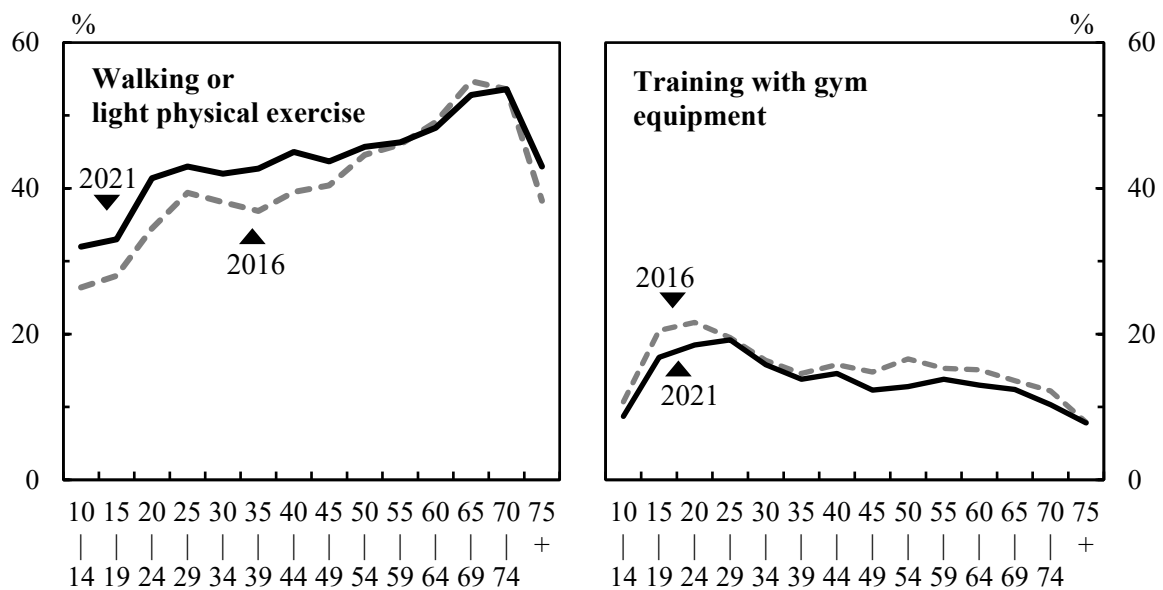
1) Participants in the activity / Population $\times$ 100. 2) Including club activities at school. 3) Excluding sports performed by professional players as their job and by students in PE class. 4) Excluding worker training at the workplace, and study and research activities performed by children, pupils or students as schoolwork, such as study in class, preparation for class and review of lessons.

Source: Statistics Bureau, MIC.

The participation rate for "hobbies and amusements" was 86.3% (percentage of people (aged 10 years old and over) who engaged in the activity within the past 12 months), and by sex, the participation rate for males was 86.8% and that for females was 85.8%. In addition, for participation rates by type of activity, "listening to music by CDs, smartphone, etc." was the highest at 53.5%, followed by "watching movies other than movie theater" at 52.7%, "playing games on a smartphone, home video game consoles, etc." at 42.9%, and so on.

The participation rate for "sports" was 66.5%, and by sex, the participation rate for males was 69.9% and that for females was 63.3%. In addition, for participation rates by type of sport, "walking or light physical exercise" was the highest at 44.3%, followed by "training with gym equipment" at 12.9%, and so on.

Figure 16.6
Participation Rates for Major "Sports" by Age Group



Source: Statistics Bureau, MIC.

Chapter 17

Government System

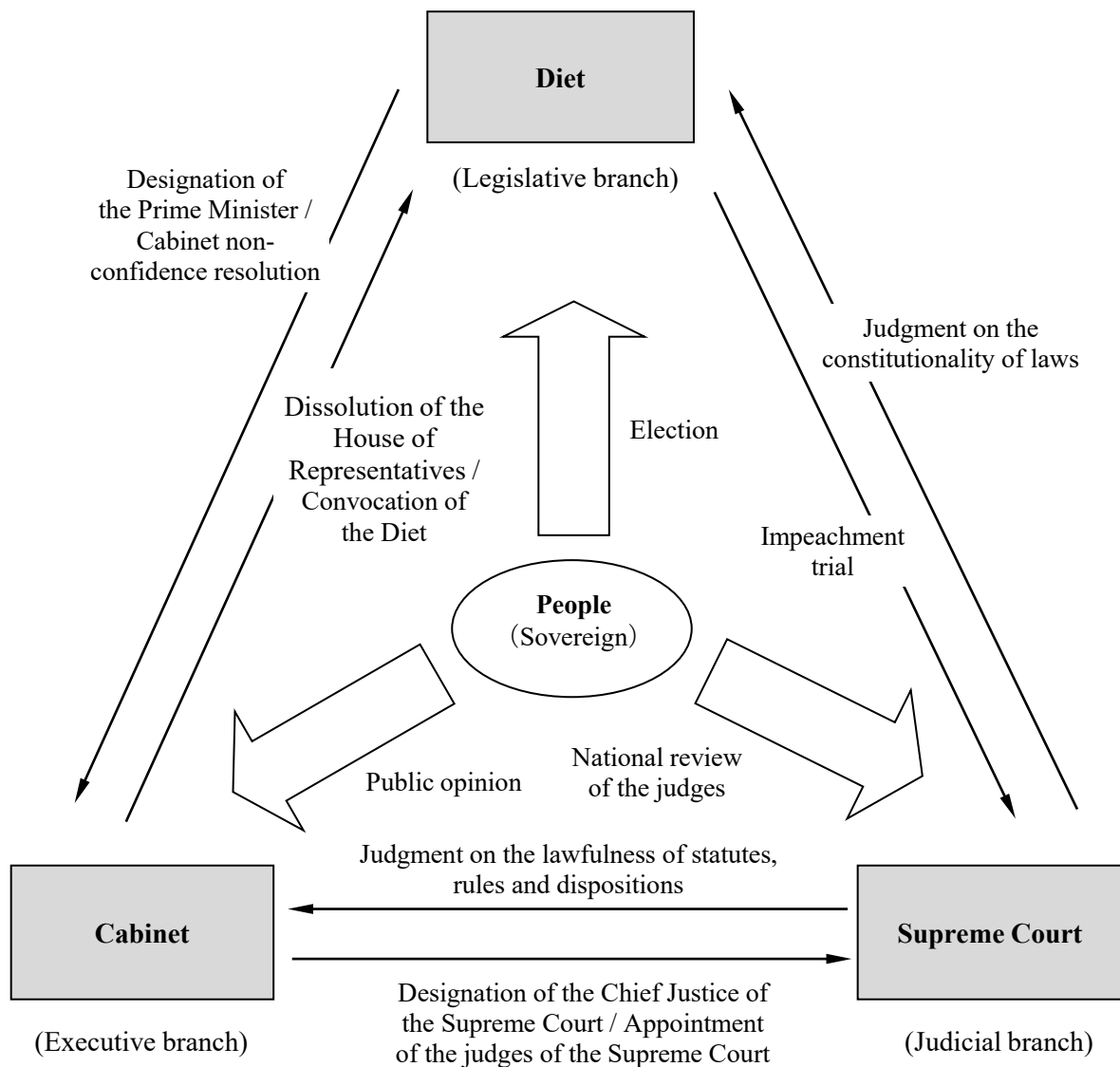


The Futakuchi Kumano Shrine Autumn Grand Festival (Imizu City, Toyama Prefecture): A stack of straw about 2 meters high is set ablaze, and participants run through the flames to burn away impurities and ward off misfortune. Toyama Prefecture is implementing various initiatives to become a leading region for well-being.

1. Separation of Powers

The Constitution of Japan, which went into effect on May 3, 1947, is based on three core principles: sovereignty of the people, respect for fundamental human rights and pacifism. To control governmental power effectively through checks and balances, governmental power is separated into three independent branches: legislative, executive and judicial, and each contains a separate set of agencies and personnel.

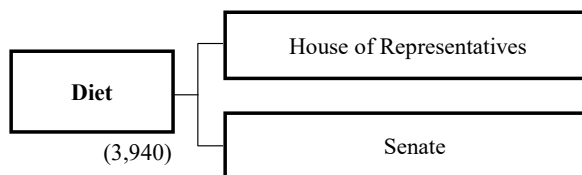
Figure 17.1
Separation of Powers under the Constitution of Japan



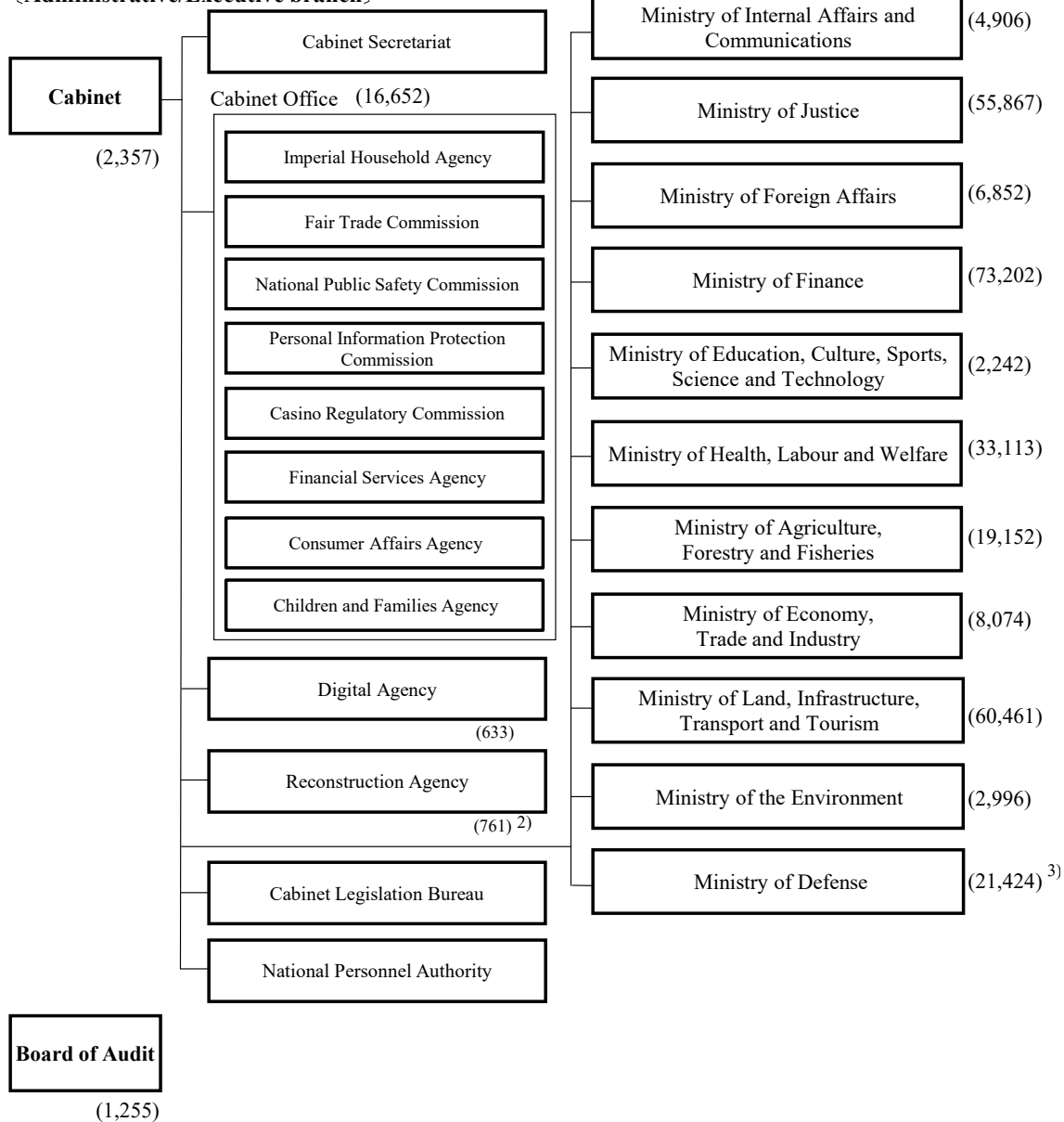
Source: Prime Minister's office of Japan.

Figure 17.2
Government Organization ¹⁾ (FY2026)

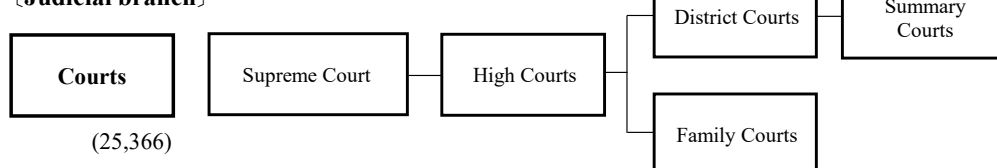
[Legislative branch]



[Administrative/Executive branch]



[Judicial branch]



1) Figures in parentheses refer to budgetary fixed number of national government employees.

2) Of the 761 employees, 219 are from the Reconstruction Agency and 542 are from other ministries.

3) Excluding the number of the personnel of the Self-Defense Forces.

Source: Cabinet Bureau of Personnel Affairs, Cabinet Secretariat; Ministry of Finance.

2. Legislative Branch

The Diet is the highest organ of state power, and is the sole law-making organ of the State. The Diet consists of the House of Representatives and the Senate. Both Houses consist of elected members, representative of all the people.

The most important responsibility of the Diet is to enact legislation. The Diet also has the authority to fulfill a number of additional functions, including the deliberation and passage of the budget and other matters of fiscal importance, the approval of treaties, the designation of the Prime Minister and the initiation of motions to amend the Constitution. Each House may conduct investigations relating to the government, and demand the presence and testimony of witnesses, and the production of records. For the Diet to pass a resolution, the agreement of both Houses of the Diet is necessary. However, when the two Houses differ in their resolutions regarding legislative bills, draft budgets, the approval of treaties or the designation of the Prime Minister, under the terms of the Constitution, the decision of the House of Representatives overrides that of the Senate.

The term of office for Diet members is set by the Constitution. Members of the House of Representatives serve a 4-year term, while senators, 6 years. Elections for the latter are held every 3 years, so that one half of the seats are contested in each election.

The House of Representatives has 465 members. Of these, 289 are elected under a single-seat constituency system, while 176 are elected under a proportional representation system in which the nation is divided into 11 regions. The last general election was held in February 2026. The Senate has 248 members, of whom 100 are elected through proportional representation, and 148 are elected as representatives from 45 electoral districts of the nation, based upon prefectures. The last regular election was held in July 2025.

In June 2015, revisions to the Public Offices Election Law, which consist mainly of lowering the voting age from 20 to 18 years or older, were established and promulgated. The revisions were applied starting with the Senate regular election, which was officially announced in June 2016. Both men and women above the qualifying age are eligible to run in elections. The qualifying age for members of the House of Representatives is 25 years or older, while the qualifying age for senators is 30 years or

older.

Table 17.1
Diet Members by Political Group

House of Representatives (as of February 18, 2026)			Senate (as of May 24, 2026)		
Membership 465, Vacancies 0			Membership 248, Vacancies 1		
Name	Men	Women	Name	Men	Women
Incumbents	397	68	Incumbents	173	74
Liberal Democratic Party	277	39	Liberal Democratic Party and Group		
Centrist Reform Alliance.....	40	8	of Independents	81	20
Nippon Ishin			The Constitutional Democratic Party		
(Japan Innovation Party).....	35	1	of Japan and the Independent.....	20	20
Democratic Party For the People.....	20	8	Democratic Party For the People and		
SANSEITO.....	7	8	The Shin-Ryokufukai.....	17	8
Team Mirai.....	9	2	Komeito.....	19	2
Japanese Communist Party.....	2	2	Nippon Ishin		
			(Japan Innovation Party).....	12	7
			SANSEITO.....	8	7
			Japanese Communist Party.....	4	3
			REIWA SHINSENGUMI.....	3	2
			Conservative Party of Japan.....	2	0
			Okinawa Whirlwind.....	1	1
			Team Mirai and the Independent.....	1	1
			Social Democratic Party.....	1	1
Independents	7	0	Independents	4	2

Source: House of Representatives; Senate.

3. Executive Branch

The Cabinet exercises its executive power on the basis of the laws and budgets adopted by the Diet. The Cabinet, composed of the Prime Minister and other Ministers of State, is collectively responsible to the Diet, regarding the exercise of the executive power. The Prime Minister is elected in the Diet from among its members. The Ministers of State are appointed by the Prime Minister, and the majority of them must be Diet members. Thus, Japan adopts the parliamentary Cabinet system, in which the organization and existence of the Cabinet rest on the confidence in the Diet.

The Cabinet's powers include the following: (i) implementing laws; (ii) engaging in foreign diplomacy; (iii) signing treaties; (iv) overseeing the operational affairs of public officers; (v) formulating a budget and submitting it to the Diet; (vi) enacting Cabinet orders; and (vii) deciding amnesty. In addition, the Cabinet powers also include designating the

Chief Justice of the Supreme Court and appointing other judges. The Cabinet also gives advice and approval to the Emperor in matters of state, and bears the responsibility for this.

Table 17.2
Successive Prime Ministers

Date ¹⁾	Name	Date ¹⁾	Name
Oct. 21, 2025	TAKAICHI Sanae	Sep. 16, 2009	HATOYAMA Yukio
Oct. 1, 2024	ISHIBA Shigeru	Sep. 24, 2008	ASO Taro
Oct. 4, 2021	KISHIDA Fumio	Sep. 26, 2007	FUKUDA Yasuo
Sep. 16, 2020	SUGA Yoshihide	Sep. 26, 2006	ABE Shinzo
Dec. 26, 2012	ABE Shinzo	Apr. 26, 2001	KOIZUMI Junichiro
Sep. 2, 2011	NODA Yoshihiko	Apr. 5, 2000	MORI Yoshiro
Jun. 8, 2010	KAN Naoto	Jul. 30, 1998	OBUCHI Keizo

1) Date of initial cabinet formation.

Source: Prime Minister's Office of Japan.

4. Judicial Branch

Judicial power resides in the courts and is independent from the executive branch and the legislative branch.

The Constitution provides for the establishment of the Supreme Court as the highest court with final judgment, while the Court Act provides for 4 lower-level courts (High Courts, District Courts, Family Courts and Summary Courts). At present, there are 8 High Courts, 50 District Courts, 50 Family Courts, and 438 Summary Courts throughout the nation.

To ensure fair judgments, Japan uses a three-tiered judicial system. The first courts in the court hierarchy are the District Courts, the second are the High Courts, and the highest court is the Supreme Court. The system thus allows a case to be heard and ruled on up to 3 times in principle, should a party involved in the case so desire. The Summary Courts and Family Courts handle simple cases, domestic relations and cases involving juveniles as first courts.

The Supreme Court has the authority to deliver the final judgment on the legitimacy of any law, ordinance, regulation, or disposition. It is chaired by the Chief Justice and 14 judges.

A lay judge system began in May 2009. This is a system under which citizens participate in criminal trials as judges to determine, together with

professional judges, whether the defendant is guilty or not and, if found guilty, what sentence should apply. What is hoped for is that the public's participation in criminal trials will make citizens feel more involved in the justice process and make the trials easier to understand, thus leading to the public's greater trust in the justice system. In 2023, the minimum applicable age was lowered from 20 years old to 18 years old. From the start of the system to December 2025, approximately 140,000 lay judges and alternate lay judges have been appointed.

Table 17.3**Judicial Cases Newly Commenced, Terminated or Pending (All courts)**

(Thousands)

Year	Civil and administrative cases ¹⁾			Criminal cases ²⁾		
	Commenced	Terminated	Pending	Commenced	Terminated	Pending
2010	2,179	2,241	536	1,158	1,161	36
2015	1,432	1,426	409	1,033	1,031	34
2020	1,350	1,324	456	852	851	32
2023	1,478	1,461	435	864	861	34
2024	1,582	1,550	466	886	882	38

Year	Domestic cases ¹⁾			Juvenile cases ²⁾		
	Commenced	Terminated	Pending	Commenced	Terminated	Pending
2010	815	815	106	165	168	25
2015	970	959	133	95	98	13
2020	1,105	1,092	159	53	54	8
2023	1,183	1,179	158	53	52	10
2024	1,217	1,216	160	57	57	10

1) The number of cases. 2) The number of persons.

Source: Supreme Court of Japan.

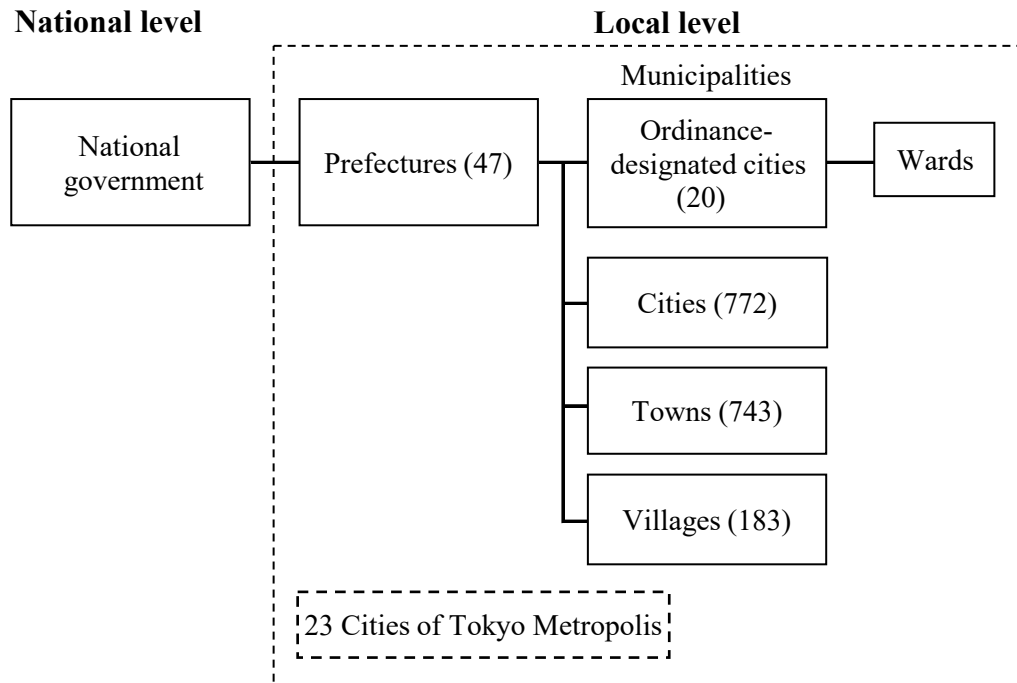
5. Local Governments

The affairs of local governments in Japan are conducted by ordinary local governments (prefectures and municipalities within each prefecture) and by special local governments, such as special wards. Japan has 47 prefectures, within which there are 1,718 municipalities, plus the 23 Cities of Tokyo Metropolis. In order to strengthen the administrative and fiscal foundation of the municipalities, municipal mergers were promoted by law. Consequently, the number of municipalities was reduced by nearly half from the 3,232 existing at the end of March 1999.

Municipalities that satisfy certain population criteria (i.e., 500,000 people or more) are eligible for designation as "Ordinance-designated cities". This

designation gives them administrative and fiscal authority equivalent to those of prefectures. With the addition of Kumamoto City in April 2012, there are presently 20 cities that have earned this designation. See the map on the inside back cover.

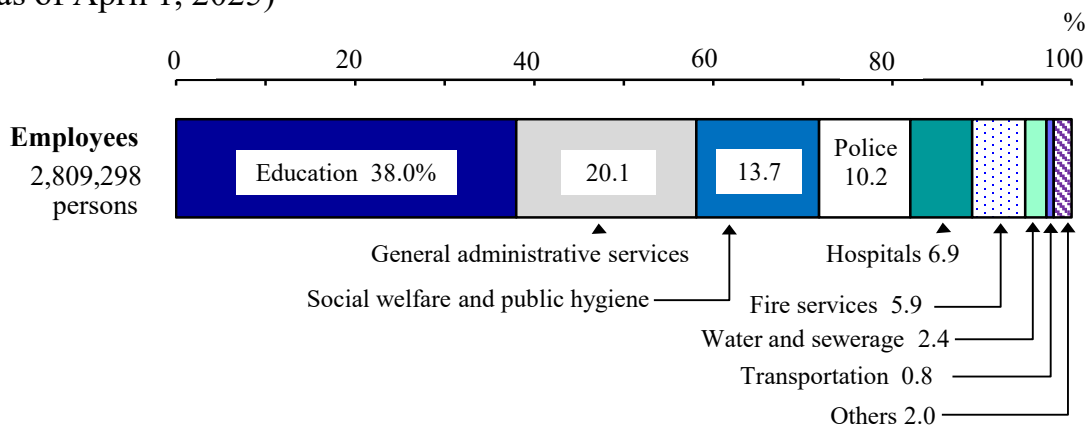
Figure 17.3
Government System by Level ¹⁾



1) Figures in parentheses indicate number.

Source: Ministry of Internal Affairs and Communications.

Figure 17.4
Local Government Employees by Type of Administrative Services
(as of April 1, 2025)



Source: Ministry of Internal Affairs and Communications.

Appendix 1

Population, Surface Area, and Population Density by Prefecture

Prefectures	Prefectural capital cities	Population (1,000)		Surface area (km ²)		Population density (per km ²)	
		2020 ¹⁾	2024 ²⁾	Total area	Inhabitable	Total area	Inhabitable
				2024	2024	2024	2024
Japan		126,146	123,802	377,976	122,950	332	1,007
Hokkaido	Sapporo City	5,225	5,043	83,422	22,691	64	222
Aomori	Aomori City	1,238	1,165	9,645	3,253	121	358
Iwate	Morioka City	1,211	1,145	15,275	3,751	75	305
Miyagi	Sendai City	2,302	2,248	7,282	3,186	309	706
Akita	Akita City	960	897	11,638	3,233	77	277
Yamagata	Yamagata City	1,068	1,011	9,323	2,873	108	352
Fukushima	Fukushima City	1,833	1,743	13,784	4,231	126	412
Ibaraki	Mito City	2,867	2,806	6,098	3,890	460	721
Tochigi	Utsunomiya City	1,933	1,885	6,408	3,005	294	627
Gumma	Maebashi City	1,939	1,890	6,362	2,269	297	833
Saitama	Saitama City	7,345	7,332	3,798	2,603	1,931	2,817
Chiba	Chiba City	6,284	6,251	5,156	3,533	1,212	1,769
Tokyo	23 Cities of Tokyo	14,048	14,178	2,200	1,429	6,445	9,924
Kanagawa	Yokohama City	9,237	9,225	2,417	1,474	3,817	6,257
Niigata	Niigata City	2,201	2,099	12,584	4,550	167	461
Toyama	Toyama City	1,035	997	4,248	1,842	235	541
Ishikawa	Kanazawa City	1,133	1,098	4,186	1,395	262	787
Fukui	Fukui City	767	739	4,191	1,077	176	686
Yamanashi	Kofu City	810	791	4,465	953	177	830
Nagano	Nagano City	2,048	1,987	13,562	3,249	147	612
Gifu	Gifu City	1,979	1,916	10,621	2,211	180	867
Shizuoka	Shizuoka City	3,633	3,527	7,777	2,774	454	1,271
Aichi	Nagoya City	7,542	7,460	5,173	2,996	1,442	2,490
Mie	Tsu City	1,770	1,711	5,774	2,064	296	829
Shiga	Otsu City	1,414	1,402	4,017	1,300	349	1,079
Kyoto	Kyoto City	2,578	2,520	4,612	1,177	546	2,141
Osaka	Osaka City	8,838	8,757	1,905	1,334	4,596	6,564
Hyogo	Kobe City	5,465	5,337	8,401	2,769	635	1,927
Nara	Nara City	1,324	1,285	3,691	854	348	1,505
Wakayama	Wakayama City	923	880	4,725	1,123	186	783
Tottori	Tottori City	553	531	3,507	904	151	587
Shimane	Matsue City	671	642	6,708	1,271	96	505
Okayama	Okayama City	1,888	1,831	7,114	2,228	257	822
Hiroshima	Hiroshima City	2,800	2,714	8,478	2,297	320	1,181
Yamaguchi	Yamaguchi City	1,342	1,281	6,113	1,716	210	747
Tokushima	Tokushima City	720	685	4,147	1,016	165	674
Kagawa	Takamatsu City	950	917	1,877	1,005	489	912
Ehime	Matsuyama City	1,335	1,276	5,676	1,666	225	766
Kochi	Kochi City	692	656	7,102	1,160	92	566
Fukuoka	Fukuoka City	5,135	5,092	4,988	2,765	1,021	1,842
Saga	Saga City	811	788	2,441	1,335	323	591
Nagasaki	Nagasaki City	1,312	1,252	4,131	1,668	303	751
Kumamoto	Kumamoto City	1,738	1,697	7,409	2,747	229	618
Oita	Oita City	1,124	1,085	6,341	1,795	171	604
Miyazaki	Miyazaki City	1,070	1,033	7,734	1,875	134	551
Kagoshima	Kagoshima City	1,588	1,532	9,186	3,287	167	466
Okinawa	Naha City	1,467	1,466	2,282	1,126	642	1,302

1) Population Census. 2) Population Estimates.

Source: Statistics Bureau, MIC; Geospatial Information Authority of Japan.

Appendix 2

Conversion Factors

	Metric units	British Imperial and U.S. equivalents
Length:	1 centimeter (cm)	0.39370 inches
	1 meter (m)	3.28084 feet
	1 kilometer (km)	1.09361 yards
	1 kilometer (km)	0.62137 miles
Area:	1 square meter (m ²)	10.7639 square feet
	1 square kilometer (km ²)	1.19599 square yards
	1 hectare (ha)	0.38610 square miles
	10,000 square meters (m ²) }	2.47105 acres
Volume:	1 cubic meter (m ³)	35.3147 cubic feet
	1 cubic meter (m ³)	1.30795 cubic yards
Weight:	1 kilogram (kg)	35.2740 ounces
	1 kilogram (kg)	2.20462 pounds
	1 ton (t)	0.98421 long tons
	1 ton (t)	1.10231 short tons
Capacity:	1 liter (L)	0.87988 imp. Quarts
	1 liter (L)	1.05669 U.S. liq. Quarts
Temperature:	Celsius (°C)	$5 / 9 \times (\text{Fahrenheit} - 32)$

Appendix 3

Foreign Exchange Rates (Tokyo Market)

(Yen per U.S. dollar)		
Year	End of year ¹⁾	Average ²⁾
2000	114.90	107.77
2001	131.47	121.53
2002	119.37	125.31
2003	106.97	115.93
2004	103.78	108.18
2005	117.48	110.16
2006	118.92	116.31
2007	113.12	117.76
2008	90.28	103.37
2009	92.13	93.54
2010	81.51	87.78
2011	77.57	79.81
2012	86.32	79.81
2013	105.37	97.63
2014	119.80	105.85
2015	120.42	121.03
2016	117.11	108.84
2017	112.65	112.16
2018	110.40	110.39
2019	109.15	109.01
2020	103.33	106.78
2021	115.12	109.80
2022	132.14	131.38
2023	141.40	140.48
2024	157.89	151.48
2025	155.98	149.66

1) Central rates based on offer and bid rates by interbank market participants, etc. (as of 5:00 p.m.)

2) Most traded rate of the day based on the trading volume.

Source: Bank of Japan.

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