

Current State of Working Hours and “Work Style Reform” in Japan

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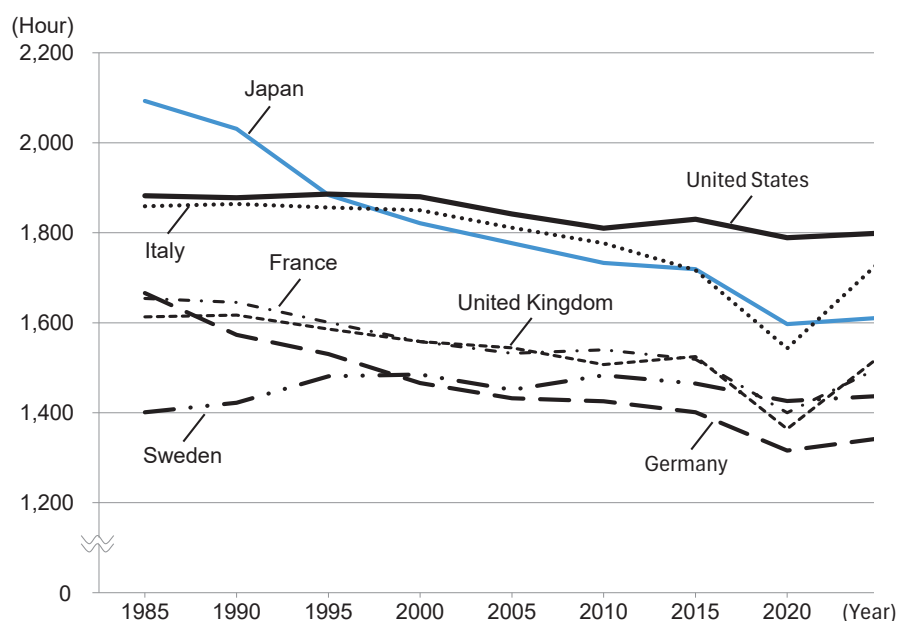
I. Long-Term Trends in Working Hours

This article reviews recent trends in working hours in Japan, with a particular focus on the impact of Work Style Reform Act enacted in 2018 regarding the overtime regulation, as well as future issues to be addressed.

To begin, we overview the long-term trend of working hours in Japan in an international comparison. Figure 1 shows the trends in average annual hours actually worked per worker in major industrialized countries. In the long term, working hours are on the decrease in most developed

countries. This long-term reduction in working hours can be attributed to factors such as productivity improvement, labor union movements, and working hour regulations.

What are the characteristics of working hours in Japan compared to other countries? First of all, up until the 1980s, we can see that they were extremely long when compared with those of other developed countries. During this period, Japanese workers became the target of criticism from Europe and the US for “overworking” in ways that undermined fair international competition. Japan’s vast trade surplus (particularly the trade imbalance between Japan and



Source: OECD Data, “Hours worked,” <https://data.oecd.org/emp/hours-worked.htm>. Created based on Japan Institute for Labour Policy and Training (JILPT), *Databook of International Labour Statistics 2025* (Tokyo: JILPT, 2025), figure 6-1, 203.

Figure 1. International comparison of long-term trends in annual actual hours worked per worker

the US), coupled with the appreciation of the yen became a political issue at that time. In this context, long working hours and low-cost production by Japanese firms were criticized by their trading partners as “social dumping,” which constitutes unfair trade practices. Just around the same period, Japanese people themselves began questioning the traditional work culture that allowed little leisure time. This led to a growing momentum to reconsider their work styles.

In the context of these backgrounds, the reduction of working hours became a major policy issue, aiming at 1,800 working hours per year, the level of other developed countries. The statutory working hours were in fact reduced from 48 to 40 hours per week with the 1987 amendment to the Labor Standards Act and have been set at a 40-hour workweek and 8-hour workday since then. As a result of further amendments to the act, the system of a “5-day workweek” was quickly adopted by an increasing number of employers in the 1990s.

The reduction in working hours in Japan from the end of the 1980s was, thus, largely due to the effect of legal policies. Following a significant decrease in the period from the end of the 1980s to the early 1990s, working hours in Japan have consistently been on the decrease. Recent figures show that working hours in Japan are no longer conspicuously long compared to other major industrialized countries.

However, there are some points to keep in mind when interpreting this statistic. Average working hours have been on a downward trend during this period, but the working hours of regular employees have seen little decrease since the 2000s.¹ This is because the recent reduction in average working hours can be significantly attributed to the increase in the number of part-time, non-regular workers. Among full-time regular employees, a certain percentage still work long hours, even in recent years. In 2023, the proportion of long working hours—defined as working 49 hours or more per week—was 15.2% in Japan, which is higher than in the United States (11.8%), the United Kingdom (8.9%), Italy (8.5%), France (8.3%), Sweden (5.6%),

and Germany (4.6%).² Among Japanese men specifically, the percentage of long working hours in Japan rises to 21.8%.

II. Japan’s Work Hour Regulations and Work Style Reform Act

Why have many Japanese regular employees worked long hours? Will it remain the same in the future? To consider these questions, it is necessary to take a closer look at Japan’s work hour regulations.

The Labor Standards Act stipulates a 40-hour workweek and an 8-hour workday as the upper limits on working hours (“statutory working hours”)(Art. 32-1). Employers are obliged to establish the start and end time of work (“prescribed working hours”) to ensure that workers do not work beyond the statutory working hours.

However, overtime work beyond the statutory working hours is permitted, provided that the necessary procedures are followed. Under Article 36 of the Act, when an employer concludes a labor-management agreement with a labor union organized by the majority of the workers in the establishment or with a person representing the majority of the workers—known as an “Article 36 Agreement” (*saburoku kyotei*)—and submits it to their local Labor Standards Inspection Office, the employer is not subject to sanctions even if they allow workers to work beyond the statutory working hours or on days off.

Prior to the Work Style Reform Act (Act on the Arrangement of Relevant Acts on Promoting Work Style Reform) enacted in 2018, it was often suggested that these regulations on overtime in Japan had little practical effect on the restriction of overtime work, because there was formerly no binding limitation on the extension of working hours that could be negotiated under an Article 36 Agreement. While in 1998 the government stipulated a limitation on overtime recognized under an Article 36 Agreement, this was merely a non-legally binding administrative guidance. This lack of legal provisions to place a cap on overtime and impose penalties for violations has continued to be pointed out by critics of the legal

system as insufficient to prevent overtime work.

Since the Work Style Reform Act was enacted in 2018 (and put into effect in stages beginning in 2019), considerable public attention has been given to the potential changes in working hours. The key feature of this new act includes its provision of definite upper limits on overtime hours—namely, 45 hours per month and 360 hours per year. Though it is permitted to conclude a labor-management agreement for working hours beyond this limit in extraordinary, special circumstances, it is required to set limits of no more than 720 hours per year, less than 100 hours in a single month (including holiday work), and an average of no more than 80 hours over multiple months (including holiday work). Employers that violate these limits will now be punished. In 2024, the upper limit regulation on overtime work was extended to include previously exempted industries and occupations—such as the construction industry, drivers, and physicians—prompting a broader societal push to reform working styles.

Why has “work style reform” become a pressing issue in recent years? There are various social factors behind the promotion of work style reform. Foremost is the persistent issue of *karoshi* (death from overwork), which underscores the urgent need to curtail excessive working hours and prevent the overburdening of workers. Additionally, labor shortages caused by a shrinking working-age population have highlighted the need to foster inclusive employment practices and adapt work arrangements to accommodate a more diverse workforce. Closely related to this demographic challenge is the imperative to improve work-life balance, particularly given concern about the declining birthrate. Furthermore, the low productivity of white-collar workers in Japan compared to international standards has been identified as a critical issue requiring comprehensive reform.

III. Effects and Challenges of Work Style Reform

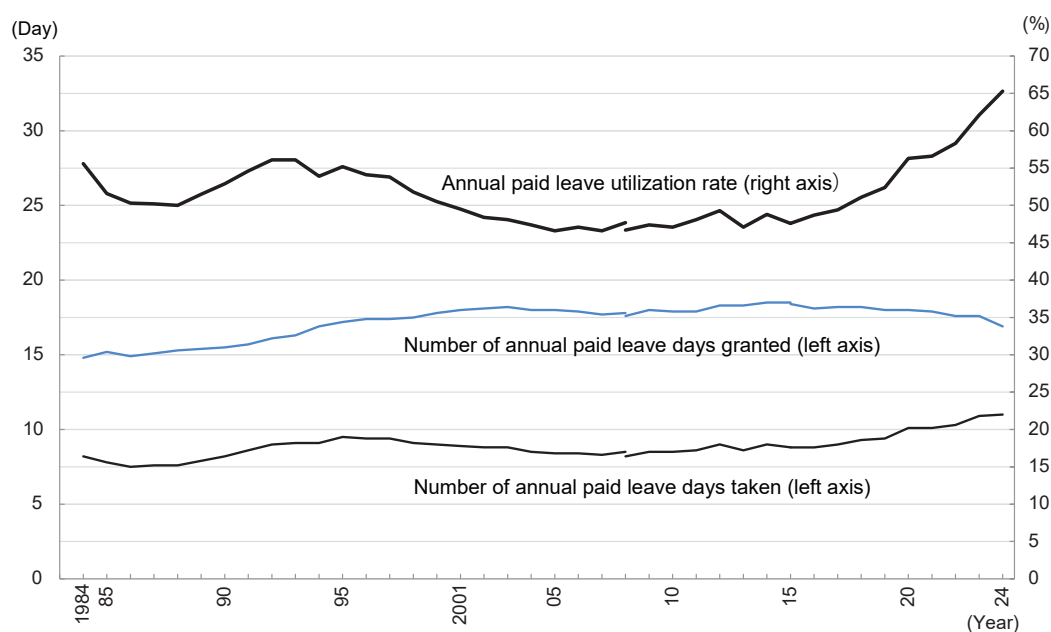
Did the work style reform lead to a reduction in working hours? Looking again at Figure 1, it is

evident that working hours in Japan have been on a further declining trend in recent years. Though it is important to note that this reduction cannot be entirely separated from the significant slowdown in economic activity caused by the COVID-19 pandemic starting in 2020,³ it is likely that stricter labor regulations have encouraged companies to reduce overtime among non-managerial employees. According to a survey by JILPT, companies have been implementing measures such as strictly enforcing “no-overtime days,” monitoring and alerting employees to long overtime hours, and ensuring that employees leave the office on time through measures such as enforcing lights-out in the office (JILPT 2022). At the same time, efforts have been made to improve work efficiency through reducing paperwork, streamlining meetings, promoting telework, and evening out the distribution of workloads.

Another noteworthy effect of the Work Style Reform Act is the improvement in the rate of annual paid leave utilization (Figure 2). In Japan, various factors, such as the workplace culture and staffing levels, previously hindered employees from taking their paid leave. However, under the Work Style Reform Act, employers are now legally required to ensure that employees take at least five days of paid leave per year. As a result, the utilization rate of annual paid leave has increased significantly. Even so, the current utilization rate remains at around 65%, and further improvement is expected in the future.

What challenges lie ahead? One major issue is the increasing burden on middle managers. According to a JILPT survey, as work style reform has progressed in companies, middle managers have experienced a heavier management workload due to stricter monitoring of their subordinates’ overtime hours (JILPT 2022). Additionally, middle managers in Japanese companies are generally “playing managers” who not only supervise but also perform their own tasks; therefore, some middle managers have had to take on the work of subordinates who are unable to work overtime because of overtime caps, further increasing their burden.

What direction should work style reform take in



Source: “Ministry of Health, Labour and Welfare, Comprehensive Survey on Working Conditions and Comprehensive Survey on Wage and Working Hour Systems (until 1999).” Quoted in Japan Institute for Labour Policy and Training (JILPT), “A Visual Guide to Long-Term Labor Statistics” (hayawakari gurafu de miru chouki roudou toukei) <https://www.jil.go.jp/kokunai/statistics/timeseries/html/g0504.html>.

Figure 2. Trends in the number of annual paid leave days granted and taken, and the utilization rate

the future? While some argue that uniform working hour regulations hinder flexible work styles and call for their relaxation, the continued existence of issues, primarily death from overwork, underscores the importance of maintaining these regulations. It is important to note that companies must go beyond simply strengthening overtime monitoring. It will be essential to address the underlying causes of long working hours—such as excessive workloads, tight deadlines, workplace culture, and industry customs. In addition, beyond the regulation of overtime work, it is important to create a work environment that supports employee well-being from the perspective of ensuring adequate rest periods. Under the Work Style Reform Act, companies are encouraged to adopt a work interval system (a system to ensure a minimum rest period between shifts). Promoting the wider implementation of this system remains a key challenge.

Notes

1. See MHLW (2023).

2. See JILPT (2025) table 6-3, 209–211.

3. During the COVID-19 pandemic, many Japanese companies responded to the economic downturn not through layoffs, but by reducing overtime and implementing temporary leave measures for employees. See JILPT (2020). Worker data also shows that many individuals experienced a decline in working hours during this period, although the extent varied depending on the feasibility of remote work across occupations. See Takami and Yamamoto (2024).

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