

Key Points of Labor- Related Laws

October 2025



For People, Life,
and the Future

Employment Consultation Center

Introduction

Under the National Strategic Special Zone Act (Act No. 107 of December 13, 2013), the government is supposed to provide information, consultation, advice and other forms of assistance to foreign companies and other business operators that establish a place of business and newly hire workers in a national strategic special zone. The purpose of this measure is to allow smooth implementation of businesses to enhance Japan's international industrial competitiveness or create centers of international economic activities in national strategic special zones by preventing individual labor-related disputes and taking other actions. The Act is accompanied by an additional resolution of the Diet stipulating that "the government shall provide workers with sufficient information on this Act while providing business operators with assistance for preventing individual labor-related disputes under this Act."

The Employment Consultation Center was established to provide such necessary information and assistance. The Center is expected to make it easier for newly created enterprises, global companies and others to do business without individual labor-related disputes by helping them accurately understand the employment rules of Japan and improve foreseeability. The Center is also expected to help increase the motivation and ability of workers by restricting long working hours, preventing industrial accidents and ensuring stable employment.

This booklet, which summarizes the key points of Japan's labor-related laws, including the Labor Standards Act and the Labor Contracts Act, is intended for use at the Employment Consultation Center for the purpose of giving business operators and workers advice on employment management and labor contracts.

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1 Definitions of Worker and Employer

(Articles 9 and 10 of the Labor Standards Act and Article 2 of the Labor Contracts Act)

■ Worker

A worker to which the Labor Standards Act applies (Article 9 of the same Act) is "a person who, is employed at a business office and receives wages therefrom, regardless of the type of occupation."

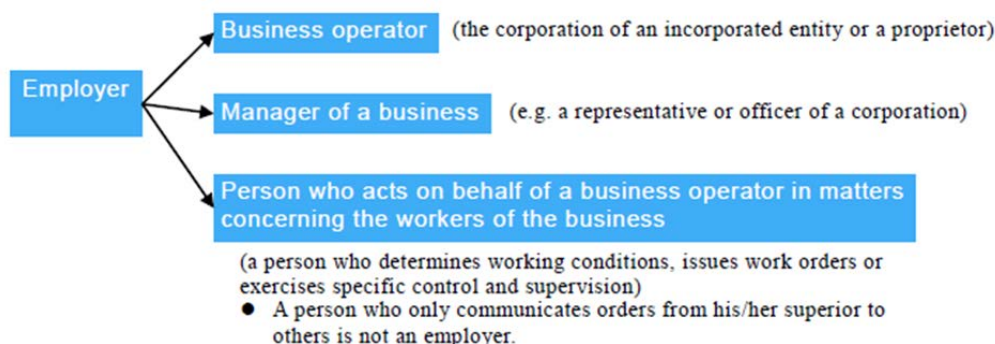
On the other hand, a worker under the Labor Contracts Act (Article 2, paragraph (1) of the same Act) is "a person who works by being employed by an employer and to whom wages are paid." Whether a person falls under this category is to be considered comprehensively taking into account the form of providing labor, the compensatory nature of wages, and other relevant elements, and be judged based on whether the person's employment dependency is found or not.

This is based on the same idea as that described in the definition of a "worker" in Article 9 of the Labor Standards Act.

■ Employer

An employer under the Labor Standards Act (Article 10 of the same Act) is

- [i] a business operator,
- [ii] the manager of a business, and
- [iii] any other person who acts on behalf of a business operator in matters concerning workers in the business.



On the other hand, an employee under the Labor Contracts Act (Article 2, paragraph (2) of the same Act) is a person who is a party to a labor contract concluded with a worker and who pays wages to a worker he/she employs.

Therefore, in the case of a personal business, the owner thereof is the employer, and in the case of a company or other incorporated organization, the corporation itself is the employer.

This corresponds to a "business operator" referred to in Article 10 of the Labor Standards Act, whose coverage is narrower than that of an "employer" referred to in the same Article.

2 Labor Contracts

[1] Principles of Labor Contracts

(1) Basic principles of a labor contract (Article 3 of the Labor Contracts Act)

- Principle of labor-management equality (paragraph (1))
=> A labor contract is to be concluded or changed between a worker and an employer by agreement on an equal basis.
- Principle of consideration of the balance of treatment (paragraph (2))
=> A labor contract is to be concluded or changed between a worker and an employer while giving consideration to the balance of treatment according to the actual conditions of work.
- Principle of consideration of the balance between work and private life (paragraph (3))
=> A labor contract is to be concluded or changed between a worker and an employer while giving consideration to work-life balance.
- Principle of good faith (paragraph (4))
=> A worker and an employer must comply with the labor contract, and must exercise their rights and perform their obligations in good faith.
- Principle of no abuse of rights (paragraph (5))
=> When exercising their rights under a labor contract, a worker and an employer must not abuse such right.

(2) Promotion of understanding of the contents of a labor contract (Article 4 of the Labor Contracts Act)

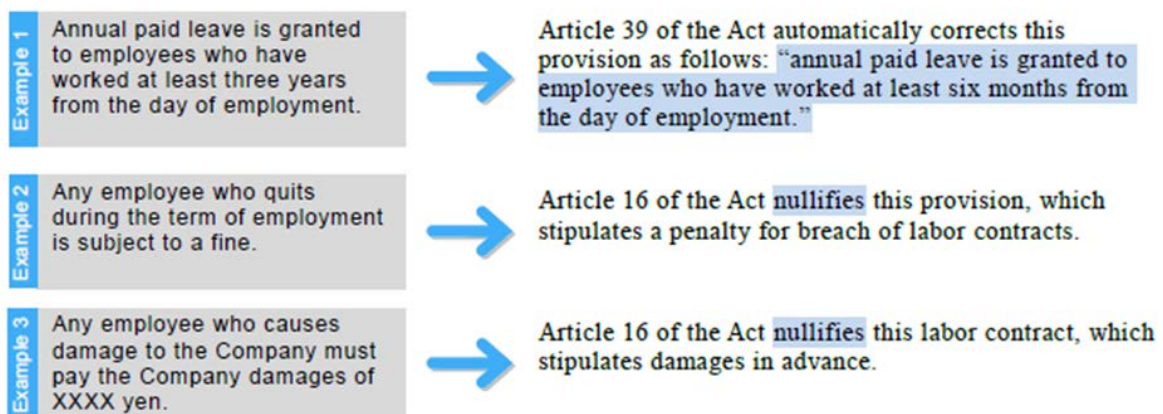
An employer is required to ensure that a worker gains an in-depth understanding of the working conditions and contents of the labor contract presented to the worker. A worker and an employer are required to confirm the contents of the labor contract, whenever possible, in writing.

(3) Consideration of the safety of a worker (Article 5 of the Labor Contracts Act)

An employer is required to give necessary consideration so that a worker can work with the safety of life and body secured. Laws related to industrial safety and health, including the Industrial Safety and Health Act, provide for specific measures that employers must take, and these provisions must be complied with.

(4) Labor contracts violating the Labor Standards Act (Article 13 of the Labor Standards Act)

Since the Labor Standards Act is a mandatory law setting forth the minimum working conditions, labor contracts are invalid with respect to the portions setting forth working conditions which do not meet the standards of this Act. The portions which have thus become invalid are to be governed by replacing them with the standards of this Act.

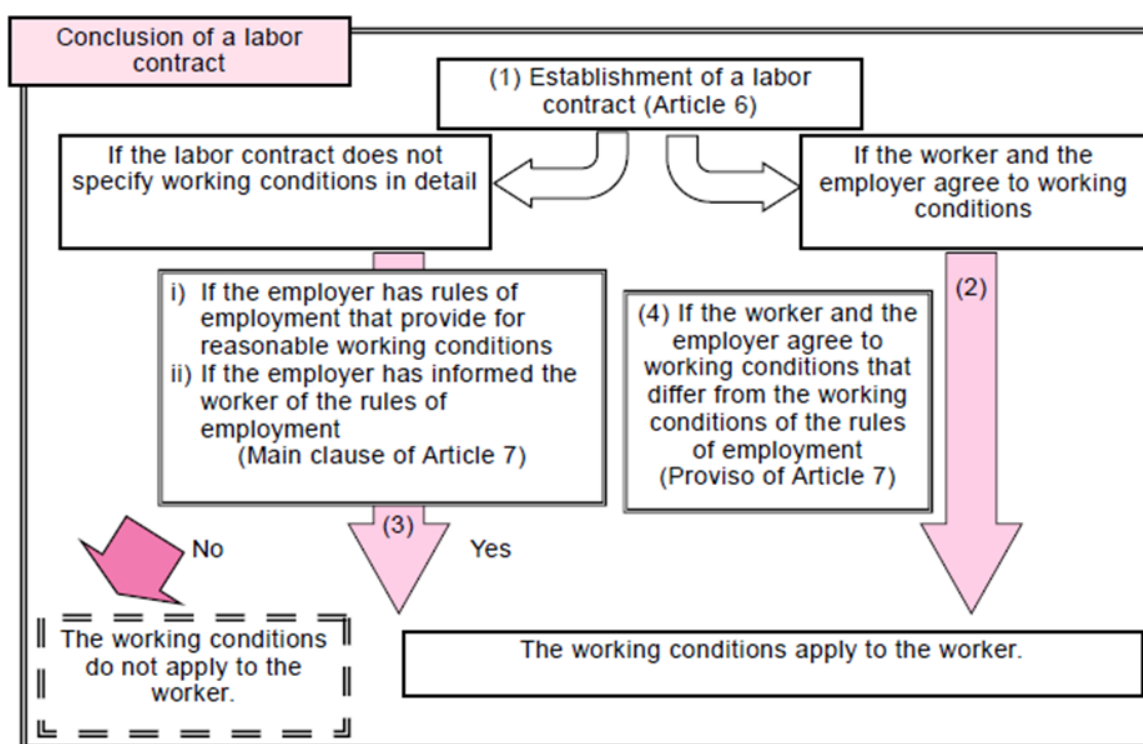


[2] Establishment and Change of Labor Contracts

(1) Establishment (Articles 6 and 7 of the Labor Contracts Act)

1. Establishment (Articles 6 and 7 of the Labor Contracts Act)

- A labor contract is established by agreement between a worker and an employer on the basis that "the worker works by being employed by the employer" and "the employer pays wages for such work."
- An employer does not necessarily have to deliver a document stipulating the contents of the labor contract to a worker in order to make the contract effective. Even if both parties do not agree to the details of the working conditions, the labor contract itself can become effective.
- If an employer has "rules of employment that provide for reasonable working conditions" and "has informed the worker of those rules of employment," then "the contents of the labor contract shall be based on the working conditions provided by the rules of employment" because the working conditions of the rules of employment supplement the labor contract.

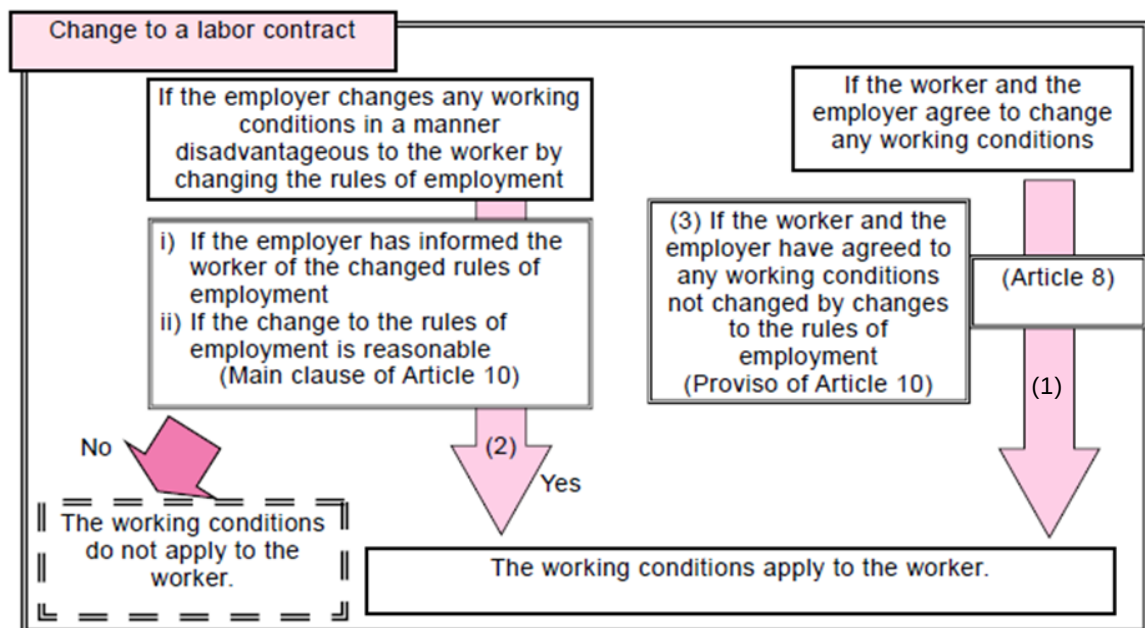


- (1) A labor contract is established if a worker and an employer agree that "the worker works by being employed by the employer" and "the employer pays wages for such work."
- (2) The working conditions of the worker are determined by agreement between the worker and the employer.
- (3) If the worker is employed by the employer without detailed working conditions being provided for in the labor contract, as long as the employer has "rules of employment that provide for reasonable working conditions" and "has informed the worker of the rules of employment," then the worker shall be subject to the working conditions of the rules of employment.
- (4) However, if the worker and the employer "agree on working conditions that are different from the contents of the rules of employment," the agreement takes precedence over the working conditions of the rules of employment (unless the agreed working conditions fail to meet the standards of the rules of employment).

(2) Change (Articles 8, 9 and 10 of the Labor Contracts Act)

- "A worker and an employer" may, "by agreement," "change any working conditions that constitute the contents of a labor contract."

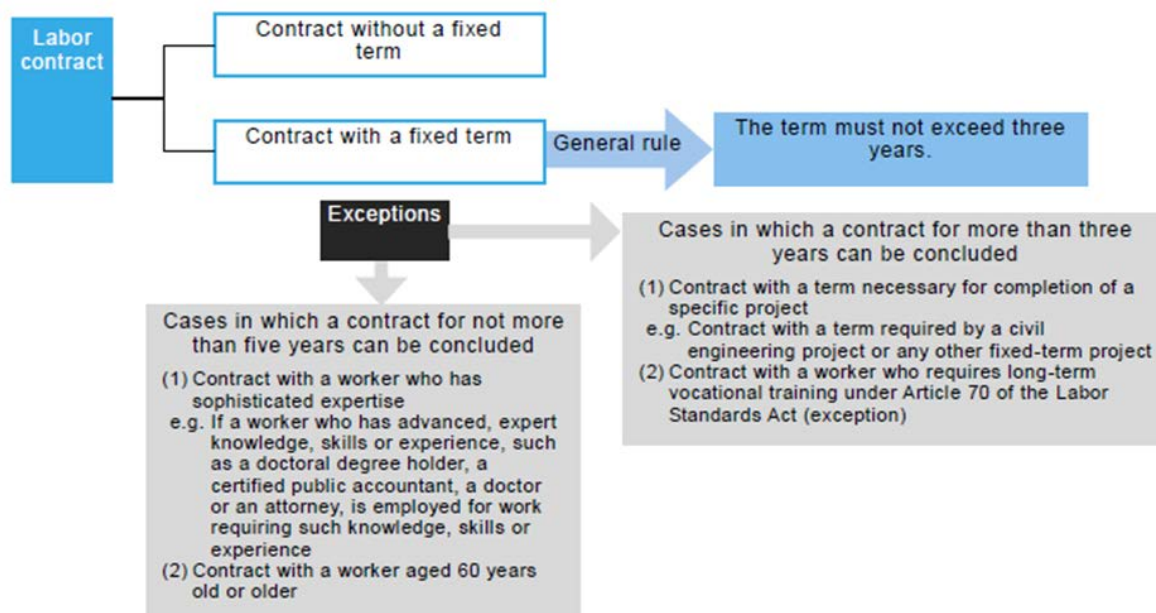
- Making a change to a labor contract does not necessarily require the delivery of a document describing the change to the worker.
- An employer may not, unless an agreement has been reached with a worker, change any of the working conditions that constitute the contents of a labor contract in a manner disadvantageous to the worker by changing the rules of employment.
- However, if "the employer has informed the worker of the changed rules of employment" and if "the change to the rules of employment is reasonable," "the working conditions that constitute the contents of a labor contract are to be in accordance with the changed rules of employment," as an exception to the principle of agreement.



- (1) A worker and an employer may, by agreement, change any working conditions.
- (2) When changing any working conditions by changing the rules of employment, as a general rule, the employer is not allowed to change the working conditions in a manner disadvantageous to the worker. However, if the employer "has informed the worker of the changed rules of employment" and if "the change to the rules of employment is reasonable," the working conditions shall be in accordance with the changed rules of employment.
- (3) However, regarding "any portion of the labor contract which the worker and the employer have agreed on as being the working conditions that are not to be changed by any change to the rules of employment," the agreement takes precedence over the changed rules of employment (unless the agreed working conditions fail to meet the standards established by the rules of employment).

[3] Contracts with a Fixed Term (Fixed-Term Labor Contracts)

As a fixed-term labor contract binds the worker and the employer for the relevant term, neither party is allowed to terminate the labor contract only for its own reasons without special circumstances. The Labor Standards Act limits the terms of fixed-term labor contracts as follows (Article 14 of the Labor Standards Act):



The Ministry of Health, Labour and Welfare provides standards of measures that employers should take to prevent labor-management troubles at the time of conclusion and expiration of fixed-term labor contracts.

Standards for Conclusion, Renewal, Non-Renewal, etc. of Fixed-Term Labor Contracts

(Public Notice No.357 of the Ministry of Health, Labour and Welfare of October 22, 2003)
(Public Notice No.12 of the Ministry of Health, Labour and Welfare of January 23, 2008)
(Public Notice No.551 of the Ministry of Health, Labour and Welfare of October 26, 2012)
(Public Notice No.114 of the Ministry of Health, Labour and Welfare of March 30, 2023)

(Explanation about Reasons for Fixing an Upper Limit for Renewal in Revising a Fixed-Term Labor Contract)

Article 1 If, after the execution of a labor contract with a fixed term (hereinafter referred to as a “Fixed-term Labor Contract”), an employer fixes or reduces an upper limit of the total contract term (which refers to the total contract term set forth in Article 18, paragraph (1) of the Labor Contracts Act) or the times of renewal of a Fixed-term Labor Contract) in amending or renewing the Fixed-term Labor Contract, the employer must explain the reasons to the relevant worker.

(Advance Notice of Non-Renewal of Employment)

Article 2 If an employer does not renew a Fixed-term Labor Contract with a worker (limited to a worker who has had the fixed-term labor contract renewed at least three times or has continuously worked for the employer for more than one year from the date of employment, but excluding a contract of which non-renewal is clearly specified in advance; the same applies in paragraph (2) of the following Article), the employer must give provide at least 30 days’ advance notice.

(Clarification of Reasons for Non-Renewal of Employment)

Article 3 (1) In the case referred to in the preceding Article, if the worker requests a certificate of the reasons for non-renewal, the employer must deliver such a certificate to the worker without delay.

(2) In the event that a Fixed-term Labor Contract is not renewed, if the worker requests a certificate of the reasons for non-renewal, the employer must deliver such a certificate to the worker without delay.

(Consideration Regarding Contract Terms)

Article 4 If an employer renews a Fixed-term Labor Contract with a worker (limited to a worker who has had the fixed-term labor contract renewed at least once and has continuously worked for the employer for more than one year from the date of employment), the employer must endeavor to extend the contract term as long as possible according to the actual conditions of the contract and the request of the worker.

(Explanation about Working Conditions after Conversion to a Fixed-term Contract)

Article 5 If an employer clearly indicates the particulars prescribed in Article 5, paragraph (5) of the Ordinance for Enforcement of the Labor Standards Act to a worker pursuant to the provisions of Article 15, paragraph (1) of the Labor Standards Act, the employer must endeavor to explain the particulars to which consideration is given to the balance based on to the actual working conditions of employment, taking into account the purpose of the provisions of Article 3, paragraph (2) of the Labor Contracts Act to the relevant worker.

- The Labor Contracts Act contains the following three rules on fixed-term labor contracts to ensure proper use of these contracts.

I. Dismissal during the Contract Term (Article 17, paragraph (1) of the Labor Contracts Act)

During the term of a fixed-term labor contract, an employer may not dismiss a worker unless there are unavoidable circumstances. Whether an employer has unavoidable circumstances to dismiss a worker should be determined on a case-by-case basis. However, since a contract term is determined by agreement between a worker and an employer and should be complied with, cases in which an employer is considered to have "unavoidable circumstances" are to be limited more narrowly than cases other than those in which dismissal "lacks objectively reasonable grounds and is not considered to be appropriate in general social terms" in accordance with the open-ended labor contract.

Even if a worker and an employer have agreed that the employer is allowed to dismiss the worker for a certain reason during the contract term, such reason is not immediately considered to constitute "unavoidable circumstances." Whether an employer has "unavoidable circumstances" for actual dismissal is determined on a case-by-case basis.

If an employer dismisses a worker during the term of a fixed-term labor contract, such dismissal can be justified by Article 628 of the Civil Code. An employer bears the burden of proving facts showing that there are "unavoidable circumstances."

II. Conversion to an open-ended labor contract (Article 18 of the Labor Contracts Act)

If a fixed-term labor contract is repeatedly renewed over a period exceeding five years, this fixed-term labor contract can be converted into an open-ended labor contract if the worker makes a request. (*)

* Special provisions are provided respectively for fixed-term workers, such as researchers and teachers, etc. of universities or research and development agencies or those with advanced expert knowledge engaged in work scheduled to be completed in a certain period of time exceeding five years, and for fixed-term workers who are continuously employed after reaching the retirement age.

III. Legal principle of non-renewal of employment (Article 19 of the Labor Contracts Act)

The Act has incorporated the doctrine concerning non-renewal of employment established by a judgment of the Supreme Court. If an employer's non-renewal of a fixed-term labor contract objectively lacks reasonable grounds and is not found to be appropriate in general social terms, such non-renewal is not allowed. In such a case, the employer is deemed to have accepted the worker's offer for renewal or conclusion of a fixed-term labor contract with the same working conditions as those of the previous fixed-term labor contract, and a new fixed-term labor contract comes into effect with the same working conditions.

[4] Clear Indication of Working Conditions (Article 15 of the Labor Standards Act)

When an employer employs a worker, the employer is required to clearly indicate wages, working hours and other working conditions to the worker by delivering a document or by other similar means.

In the event that the clearly indicated working conditions are different from the actual working conditions, the worker may immediately cancel the labor contract.

Under Article 5 of the Regulation for Enforcement of the Labor Standards Act (Order of the Ministry of Health and Welfare No.23 of 1947), the method of clearly indicating working conditions is defined to be through the delivery of a document, in principle, but if a worker requests either of the following methods, that method may be employed.

- [i] A method of sending a document using facsimile
- [ii] A method of transmission by electronic mail or other telecommunication (which means the telecommunication prescribed in Article 2, item (i) of the Telecommunications Business Act (Act No. 86 of 1984) used to communicate information to a specified recipient; hereinafter referred to as an "electronic mail or other telecommunication") (limited, however, to any method that allows the relevant worker to prepare a document by outputting what is recorded in such email or other telecommunication).

<Working conditions that must be clearly indicated>

Working conditions that must be clearly indicated without exception	Matters to be clarified through the delivery of a document, etc. (excluding matters related to wage raises mentioned in (5)) (1) Term of Labor Contracts (2) Standards for renewing a fixed-term labor contract (including upper limit, if there is a provision concerning upper limit on the total contract term or times of renewal of a fixed-term labor contract) (3) Place of work and assigned work (including the scope of changes in the place of work and assigned work) (4) Starting and finishing times, whether work exceeding prescribed working hours (such as early attendance and overtime work) is required, rest periods, days off, leave, and changes in shifts in cases where workers work in two or more shifts (5) Methods of determining, calculating and paying wages and the dates for closing accounts for wages and for payment of wages, and wage raises (6) Retirement (including grounds for dismissal) (7) Matters relating to an application for conversion to an open-ended contract(*) * At each timing of concluding a contract that allows a worker to apply for conversion to an open-ended contract, it is required to clearly indicate the fact that an application for conversion may be filed and specify what the working conditions will be after conversion.
Working conditions that must be clearly indicated if the employer requires	(8) Scope of workers to whom the provisions concerning retirement allowances apply, methods of determining, calculating and paying retirement allowances and dates for payment of retirement allowances (9) Extraordinary wages, bonuses, etc. and minimum wages (10) Meal expenses, work supply expenses and other expenses to be borne by the worker (11) Safety and health (12) Vocational training (13) Accident compensation and support for off-the-job injuries and diseases (14) Commendations and sanctions (15) Administrative leave

- Working conditions to be clearly indicated in writing under the Act on Improvement, etc. of Employment Management for Part-Time and Fixed-Term Workers (Part-Time and Fixed-Term Workers Act)
(Article 6 of the Part-Time and Fixed-Term Workers Act* and Article 2 of the Regulation for Enforcement of the Part-Time and Fixed-Term Workers Act)

When an employer employs a part-time or fixed-term worker, the employer is required to clearly indicate the working conditions listed below to the part-time worker promptly by delivering a document to the worker or by other similar means, in addition to the working conditions listed above:

- Whether wages are increased or not within the term of the labor contract
- Whether retirement allowances are paid or not
- Whether bonuses are granted or not
- Consultation service related to improvement, etc. of employment management of part-time and fixed-term workers

(For Ordinary Workers Continuously Employed for a Fixed Term)
Notice of Working Conditions

Mr./Ms. _____		Date: _____	
		Name and Address of the Workplace Name of the Employer	
Contract Term	Not fixed/Fixed (From _____ to _____) * Fill in the section below if the contract term is "Fixed." 1 Renewal of the contract [Automatically renewed; Can be renewed; Not renewed; Other ()] 2 Factors for deciding whether to renew the contract (• Workload at the expiration of the contract term • Work performance and attitude) (• Competency • Business condition of the company • Progress of the assigned work) (• Others ()) 3 Renewal of upper limit (Not renewed; Renewed (up to _____ times/total contract term: Up to _____ years)) [When a worker whose total contract term of a fixed-term labor contract concluded with the same employer specified in the Labor Contracts Act exceeds five years] When a worker applies for conclusion of a labor contract without a fixed term (open-ended labor contract) to the employer during the contract term, the relevant labor contract can be converted to an open-ended labor starting from the day following the end of the term of the original labor contract (date). In this case, changes of the working conditions from the original labor contract (Not changed; Changed (see attached)) [For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills] Period without the right to apply for conversion to an open-ended labor contract: I: (advanced expert); II: (elderly person after retirement) I Period from the commencement to the completion of specified fixed-term operations (years and months (up to ten years)) II Period of being employed continuously after retirement		
Place of Work	(Immediately after employment) (Scope of changes) (Immediately after employment) (Scope of changes)		
Assigned Work	[For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills] • Specified Fixed-term Operations (: From to)		
Starting and Finishing Times, Rest Period and Change in Shift Work(circle the applicable number from (1) to (5)), and Overtime Work	1 Starting and finishing times (1) Starting time () Finishing time () (If any of the following systems applies to the worker) (2) Variable working hours system, etc.: Variable working hours system or work shift system on a () basis with a combination of the following working hours (Starting time () Finishing time () (Applicable days:) (Starting time () Finishing time () (Applicable days:) (Starting time () Finishing time () (Applicable days:) (3) Flextime: Starting and finishing times left to the worker's discretion (Exception: Flexible time (Starting time) From to (Finishing time) From to) Core time From to) (4) Deemed working hours outside the workplace: Starting time () Finishing time () (5) Discretionary work system: Starting and finishing times left to the worker's discretion with a basic starting time at () and a basic finishing time at () ○ For more details, refer to Articles to , Articles to and Articles to of the Rules of Employment. 2 Rest period: () minutes 3 Overtime work (Required/Not required)		
Days Off	• Regular days off: Every () (day of the week), public holidays and others () • Irregular days off: days per week or month and others () • In case of a one-year variable working hours system: days per year ○ For more details, refer to Articles to and Articles to of the Rules of Employment.		
Leave	1 Annual paid leave: Working continuously for at least six months days Annual paid leave for working continuously for less than six months (Available/Not available) --> days if the worker has worked at least months Annual paid leave on an hourly basis (Available/Not available) 2 Substitute leave (Available/Not available) 3 Other leave: Paid () Unpaid () ○ For more details, refer to Articles to and Articles to of the Rules of Employment.		

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Wages	1 Basic wage (a) Monthly wage (yen) (b) Daily wage (yen) (c) Hourly wage (yen) (d) Piecework wage (Basic wage: yen Guaranteed wage: yen) (e) Other wages (yen) (f) Wage classification and other wage-related matters stipulated in the Rules of Employment 2 Amounts or calculation formulas of allowances (a) (allowance yen / Calculation formula:) (b) (allowance yen / Calculation formula:) (c) (allowance yen / Calculation formula:) (d) (allowance yen / Calculation formula:) 3 Increased wage rates for overtime work, work on days off and night work (a) Overtime work: Exceeding the statutory working hours Within 60 hours per month () % Over 60 hours per month () % Exceeding the predetermined working hours () % (b) Work on a day off: Statutory holiday () % Non-statutory holiday () % (c) Night work: () % 4 Cutoff day: (): th day of every month (): th day of every month 5 Pay day : (): th day of every month (): th day of every month 6 Payment method: () 7 Wage deduction under a labor-management agreement (Not applicable/Applicable ()) 8 Wage increase (Available (Time, amount and other details:)/Not available) 9 Bonus (Available (Time, amount and other details:)/Not available) 10 Retirement allowance (Available (Time, amount and other details:)/Not available)
Retirement	1 Mandatory retirement system (Applicable (years old)/Not applicable) 2 Continued employment system (Applicable (until years old)/Not applicable) 3 <u>Measures for start-up support, etc. (Applicable (until years old for business engagement, social contribution projects)/Not applicable)</u> 4 Procedure for voluntary retirement (notice to be given at least days prior to retirement) 5 Grounds and procedure for dismissal { } ○ For more details, refer to Articles to and Articles to of the Rules of Employment.
Others	• Enrollment in social insurance schemes (employees' pension insurance, health insurance, and other schemes ()) • Applicability of employment insurance (Applicable/Not applicable) • Smaller Enterprise Retirement Allowance Mutual Aid Scheme (Participated/Not participated) (*Only applicable to smaller enterprises) • Corporate pension schemes (Applicable (name of the scheme))/Not applicable) • Consultation service on employment management improvements Department: Name and title of responsible personnel: (contact information:) • Others () * The following is an explanation if the contract term is "fixed." Under Article 18 of the Labor Contracts Act, if the total term of a fixed-term labor contract (which becomes effective on or after April 1, 2013) exceeds five years, the labor contract is converted into a labor contract without a fixed term on the day following the day of expiration of the relevant fixed-term labor contract if the worker makes a request by that expiration date. Notwithstanding the above, if a person is subject to the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills, the right to apply for convert to an open-ended labor contract will arise exceptionally as indicated in [For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills] of "Contract Term" of this Notice.
For other matters, the company's rules of employment apply. Places and methods in which the Rules of Employment can be checked ()	

* Delivery of this Notice also serves as the clear indication of the working conditions under Article 15 of the Labor Standards Act and the delivery of documents under Article 6 of the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers (Part-Time and Fixed-Term Workers Act).

Notice of Working Conditions

Mr./Ms. _____		Date: _____	
		Name and Address of the Workplace Name of the Employer	
Contract Term	Not fixed/Fixed (From _____ to _____) * Fill in the section below if the contract term is "Fixed." 1 Renewal of the contract [Automatically renewed; Can be renewed; Not renewed; Other ()] 2 Factors for deciding whether to renew the contract (• Workload at the expiration of the contract term • Competency • Others () • Work performance and attitude • Business condition of the company)) 3 Renewal of upper limit (Not renewed; Renewed (up to _____ times/total contract term: Up to _____ years))		
	[Conclusion of a fixed-term labor contract prescribed in the Labor Contracts Act of which total contract term with the same employer exceeds five years] When a worker applies to the company for conversion to a labor contract without a fixed term (an open-ended labor contract) during the term of the labor contract, the labor contract can be converted to an open-ended labor contract starting from the day following the end of the term of the original contract (date). In this case, whether or not the working conditions are changed from the original labor contract (Not changed; Changed (see attached))		
	[For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills Period without the right to apply for conversion to an open-ended labor contract: I: (advanced expert); II: (elderly person after retirement) I Period from the commencement to the completion of specified fixed-term operations (_____ years and _____ months (up to ten years)) II Period of being employed continuously after retirement		
Place of Work	(Immediately after employment) _____ (Scope of changes) _____		
Assigned Work	(Immediately after employment) _____ (Scope of changes) _____ [For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills] • Specified Fixed-term Operations (_____ : From _____ to _____)		
Starting and Finishing Times, Rest Period and Change in Shift Work(circle the applicable number from (1) to (5)), and Overtime Work	1 Starting and finishing times (1) Starting time (_____) Finishing time (_____) (If any of the following systems applies to the worker) (2) Variable working hours system, etc.: Variable working hours system or work shift system on a (_____) basis with a combination of the following working hours ☐ Starting time (_____) Finishing time (_____) (Applicable days: _____) ☐ Starting time (_____) Finishing time (_____) (Applicable days: _____) ☐ Starting time (_____) Finishing time (_____) (Applicable days: _____) (3) Flexitime: Starting and finishing times left to the worker's discretion (Exception: Flexible time (Starting time) _____ From _____ to _____ (Finishing time) _____ From _____ to _____ Core time _____ From _____ to _____) (4) Deemed working hours outside the workplace: Starting time (_____) Finishing time (_____) (5) Discretionary work system: Starting and finishing times left to the worker's discretion with a basic starting time at (_____) and a basic finishing time at (_____) ○ For more details, refer to Articles _____ to _____, Articles _____ to _____ and Articles _____ to _____ of the Rules of Employment. 2 Rest period: (_____) minutes 3 Overtime work (Required (_____ hours/week, _____ hours/month, _____ hours/year)/Not required) 4 Work on days off (Required (_____ days/month, _____ days/year)/Not required)		
Days off and Working Days	• Regular days off: Every (_____) (day of the week), public holidays and others (_____) • Irregular days off: _____ days per week or month and others (_____) • In case of a one-year variable working hours system: _____ days per year (Working days): Every week (_____), Other (_____) ○ For more details, refer to Articles _____ to _____ and Articles _____ to _____ of the Rules of Employment.		

(Continued on the next page)

	1 Annual paid leave: Working continuously for at least six months ☐ days Annual paid leave for working continuously for less than six months (Available/Not available) --> days if the worker has worked at least months Annual paid leave on an hourly basis (Available/Not available) 2 Substitute leave (Available/Not available) 3 Other leave: Paid () Unpaid () ○ For more details, refer to Articles to and Articles to of the Rules of Employment.
Leave	1 Basic wage (a) Monthly wage (yen) (b) Daily wage (yen) (c) Hourly wage (yen) (d) Piecework wage (Basic wage: yen Guaranteed wage: yen) (e) Other wages (yen) (f) Wage classification and other wage-related matters stipulated in the Rules of Employment 2 Amounts or calculation formulas of allowances (a) (allowance yen / Calculation formula:) (b) (allowance yen / Calculation formula:) (c) (allowance yen / Calculation formula:) (d) (allowance yen / Calculation formula:) 3 Increased wage rates for overtime work, work on days off and night work (a) Overtime work: Exceeding the statutory working hours Within 60 hours per month () % Over 60 hours per month () % Exceeding the predetermined working hours () % (b) Work on a day off: Statutory holiday () % Non-statutory holiday () % (c) Night work: () % 4 Cutoff day: (): th day of every month (): th day of every month 5 Pay day: (): th day of every month (): th day of every month 6 Payment method: () 7 Wage deduction under a labor-management agreement (Not applicable/Applicable ()) 8 Wage increase (Available (Time and other details:)/Not available) 9 Bonus (Available (Time, amount and other details:)/Not available) 10 Retirement allowance (Available (Time, amount and other details:)/Not available)
Retirement	1 Mandatory retirement system (Applicable (years old)/Not applicable) 2 Continued employment system (Applicable (until years old)/Not applicable) 3 Measures for start-up support, etc. (Applicable (until years old for business engagement, social contribution projects)/Not applicable) 4 Procedure for voluntary retirement (notice to be given at least days prior to retirement) 5 Grounds and procedure for dismissal { ○ For more details, refer to Articles to and Articles to of the Rules of Employment. }
Others	• Enrollment in social insurance schemes (employees' pension insurance, health insurance, and other schemes ()) • Applicability of employment insurance (Applicable/Not applicable) • Smaller Enterprise Retirement Allowance Mutual Aid Scheme (Participated/Not participated) (*Only applicable to smaller enterprises) • Corporate pension schemes (Applicable (name of the scheme))/Not applicable) • Consultation service on employment management improvements Department: Name and title of responsible personnel: (contact information:) • Others () • Specific title of applicable rules of employment () * The following is an explanation if the contract term is "fixed." Under Article 18 of the Labor Contracts Act, if the total term of a fixed-term labor contract (which becomes effective on or after April 1, 2013) exceeds five years, the labor contract is converted into a labor contract without a fixed term on the day following the day of expiration of the relevant fixed-term labor contract if the worker makes a request by that expiration date. Notwithstanding the above, if a person is subject to the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills, the right to apply for convert to an open-ended labor contract will arise exceptionally as indicated in [For a person eligible for the special provisions under the Act on Special Measures Concerning Fixed-term Employees with Expert Knowledge and Skills] of "Contract Term" of this Notice.
For other matters, the company's rules of employment apply. Places and methods in which the Rules of Employment can be checked ()	

* Delivery of this Notice also serves as the clear indication of the working conditions under Article 15 of the Labor

Standards Act and the delivery of documents under Article 6 of the Act on Improvement of Personnel Management and Conversion of Employment Status for Part-Time Workers and Fixed-Term Workers (Part-Time and Fixed-Term Workers Act).

* A Notice of Working Conditions should preferably be preserved to prevent future labor-management disputes.

- Reference - Side Work and Extra Work

As a matter of fact, an increasing number of workers wanted to do side work or extra work in diverse forms for various reasons, while many companies did not permit employees' side work or extra work.

In the Action Plan for the Realization of Work Style Reform (decided by the Council for the Realization of Work Style Reform on March 28, 2017) that reflected these circumstances, it was decided to diffuse and promote side work and extra work by setting a direction, in principle, to allow side works and extra work, while paying attention to ensuring the health of workers. Given this, the Ministry of Health, Labor and Welfare established the "Guidelines on the Promotion of Side Work and Extra Work" summarizing the points to note regarding working hours and measures to ensure the health of workers in January 2018, and simultaneously revised the model rules of employment to allow side work and extra work in principle. In September 2020, a revision was made to clarify rules, such as indicating concrete methods for ascertaining workers' working hours at places for side work or extra work based on self-report, etc. and simple methods for managing workers' working hours. In July 2022, from the perspective of promoting workers' diverse career development, the ministry revised the Guidelines to encourage companies to disclose information on the status of their measures promoting side work and extra work.

This Section outlines the current systems concerning side work and extra work and summarizes the Guidelines.

[1] Systems concerning Side Work and Extra Work

(1) Labor insurance (industrial accident insurance and employment insurance) and social insurance (social pension insurance and health insurance)

Labor insurance (industrial accident insurance and employment insurance) and social insurance (social pension insurance and health insurance) apply to workers doing side work or extra work as shown in the following table.

	Insurance type	Application
Labor insurance	Industrial accident compensation insurance	Applied at all places of employment, in principle, and insurance benefits are provided based on the amount totaling all wages paid at all places of employment.
	Employment insurance	Procedures for employment insurance are undertaken for any worker who will be the insured irrespective of whether he/she does side work or extra work. However, when a worker is employed by multiple employers at the same time and satisfies the requirements for employment insurance respectively under those employment relationships, employment insurance is only applicable to the employment relationship under which the worker earns major wages necessary for maintaining a livelihood. *On January 1, 2022, a new system was commenced under which workers aged 65 or older who work at multiple workplaces and satisfy the requirements for employment insurance when adding up all working hours at any two of those multiple workplaces may become the insured by filing an application by themselves.
Social insurance	Social pension insurance	a. When a worker does not satisfy the requirements at any workplaces Social pension insurance is not applicable. b. When a worker satisfies the requirements at multiple workplaces Social insurance applies to the worker at each of the multiple workplaces. The worker selects any of those workplaces and the pension office (or medical insurer) that has jurisdiction over the selected workplace calculates and determines the worker's standard monthly remuneration amount and collects the insurance premium from the worker.
	Health insurance	

(2) Working hours and measures to ensure workers' good health

Article 38, paragraph (1) of the Labor Standards Act provides that "As far as application of the provisions on working hours is concerned, total hours worked shall be aggregated, even if the hours worked were at different workplaces." The case where the hours worked were at different workplaces includes the case where a worker worked under different employers (Kihatsu No. 769 of May 14, 1948). The Guidelines on the Promotion of Side Work and Extra Work present a principle method and a simple method of aggregating working hours based on the provisions of the same paragraph (hereinafter the simple method is referred to as the "management model"), and companies are expected to adopt a method that is easy to introduce for themselves for each of the workers doing side work or extra work (for the details of the methods of aggregating working hours and provisions on working hours that are applied by aggregating working hours under the Labor Standards Act and those that are not applied by aggregating working hours, see the Guidelines on the Promotion of Side Work and Extra Work).

Additionally, general medical examinations (Article 66 of the Industrial Safety and Health Act) and stress checks (Article 66-10 of the same Act) need to also be conducted for workers doing side work or extra work. For these measures to ensure workers' good health, it is not necessary to aggregate those workers' regular working hours at multiple workplaces, and the need for taking relevant measures is to be judged independently based on workers' regular working hours at each workplace.

However, for workers doing side work or extra work, health management in consideration of their side work or extra work is preferable, in addition to taking statutory measures to ensure workers' good health.

[2] Checklists for Responses by Companies and Workers Regarding Side Work and Extra Work

(1) Responses by companies

Considering judicial precedents, it would be appropriate for companies to consider permitting employees' side work or extra work, in principle. When permitting employees to do side work or extra work, companies need to take measures for the following matters.

A. Development of rules of employment, etc.

- ☒ Companies that prohibit employees' side work and extra work or that adopt a unified permission system should preferably review their rules of employment toward permitting employees' side work or extra work.
- ☒ In order to perform proper labor management in relation to employees' side work and extra work, it is preferable to put in place a mechanism, such as a self-report system, to confirm whether employees do side work or extra work and the content thereof.

B. Confirmation of employees' side work and extra work

- ☒ Employers, who naturally cannot know about employees' side work and extra work, are expected to confirm whether employees do side work or extra work and the content thereof based on their self-report.
- ☒ Preferably, employers should confirm the content of employees' side work and extra work from the perspective of whether relevant work would not cause damage to employees' safety and good health and whether relevant work does not fall under prohibited or restricted work under their rules.

C. (A) Aggregation of working hours in excess of regular working hours (primary method of managing working hours)

- ☒ Based on the content of employees' side work or extra work confirmed as mentioned in B. above, each company should aggregate its employees' regular working hours at the company and those at places of side work or extra work individually and confirm whether there is any part falling under overtime work.
- ☒ As a result of the aggregation, if there is any part that exceeds the statutory working hours under the company's working hour system, that part in excess falls under overtime work. A company that has later concluded a labor contract is deemed to have the relevant worker do that overtime work as specified by its own agreement under Article 36 (see "Chapter 7 Overtime Work and Work on Days Off" for details).

(B) Introduction of the management model (simple method of managing working hours)

- ☒ It is supposed that each company requests employees doing side work or extra work follow the management model and the management model is to be introduced based on consent of employees and

workplaces for side work and extra work through those employees.

- ☒ Each company should set the upper limit of working hours for respective workplaces within the range in which the number of hours totaling the non-statutory monthly working hours at the company and the number of monthly working hours at workplaces for side work or extra work (regular working hours and non-regular working hours) is less than 100 hours per month and 80 hours or less on average for multiple months.

D. (A) Aggregation of working hours in excess of regular working hours (primary method of managing working hours)

- ☒ After employees commence side work or extra work, each company should aggregate the number of working hours in excess of regular working hours for respective employees in the order of those actually worked at the company and at workplaces for side work or extra work.
- ☒ As a result of the aggregation, if there is any part that exceeds the statutory working hours under the company's working hour system, that part in excess falls under overtime work. The company needs to limit the number of hours to have employees do overtime work within the upper limit for extension under its agreement under Article 36 and pay premium wages therefor.

(B) Implementation of the management model

- ☒ Each company should have its employees work within the upper limit of working hours that it has set as mentioned in C. (B) above.
- ☒ Employer A must pay premium wages for non-statutory working hours during which employees worked for Employer A, and Employer B must pay premium wages for working hours during which employees worked for Employer B.

E. Implementation of health management

- ☒ Companies should have good communication with employees to check whether employees' overwork due to side work or extra work causes any health problems or hindrance to their original duties.
- ☒ It is important for employers to take required measures to ensure employees' good health through labor-management negotiations, etc.
- ☒ When an employer gives instructions and has employees do side work or extra work, the employer should ascertain and aggregate their working hours through information exchange with respective employers of the side work or extra work and take measures to ensure employees' good health.

F. Disclosure of information concerning side work and extra work

- ☒ From the perspective of promoting workers' diverse career development, it is preferable for companies to publicize information such as whether they permit their workers' side work or extra work and conditions for permission, if any, on their websites, etc. to help workers' career choice.

(2) Responses by workers

When intending to do side work or extra work, workers need to note the following matters.

A. Reports, etc. concerning side work or extra work

- ☒ A worker who intends to do side work or extra work first needs to confirm rules concerning side work and extra work of the company where he/she works.
- ☒ A worker who intends to do side work or extra work should then select appropriate work in terms of the content of duties and work hours in light of rules of the company where he/she works, while utilizing information on side work and extra work disclosed by the company on its website and Hello Work as needed.
- ☒ When a workplace for side work or extra is determined, a worker should report the content of the work to the company in line with the method specified in the rules of employment, etc.

B. Implementation of health management

- ☒ Upon doing side work or extra work, a worker needs to manage his/her workload including that at a workplace for side work or extra work, and the progress of and required hours for side work or extra work, as well as his/her own health conditions.
- ☒ From the perspective of making employers' measures to ensure employees' good health truly effective, workers should report their workloads at workplaces for side work or extra work and their own health conditions to companies.

3 Working Hours

■ Statutory working hours (Article 32 of the Labor Standards Act)

No employer is allowed to require workers to work more than eight hours a day and more than 40 hours a week, excluding rest periods (statutory working hours). For workplaces subject to special measures (workplaces with fewer than 10 workers in commerce, film and theatrical performance business [excluding the film-making business], health and hygiene business or entertainment business), an employer is allowed to require workers to work up to eight hours a day and up to 44 hours a week. Daily and weekly working hours must be determined within the limit of these statutory working hours (regular working hours).

■ One-month variable working hours system (Article 32-2 of the Labor Standards Act)

Under this system, an employer is allowed to require workers to work more than the statutory daily and weekly working hours on a certain day or in a certain week as long as the average weekly working hours for a certain period of not more than one month do not exceed 40 hours (or 44 hours for workplaces subject to special measures). To adopt this system, an employer must determine the following matters under the rules of employment or a labor-management agreement. The labor-management agreement must be submitted to the Director-General of the competent Labour Standards Inspection Office.

[i] Average weekly working hours for the period of variable working hours not exceeding the statutory working hours

If a period of variable working hours is one month

If the number of calendar days of the month is	31 days	177.1 hours
$40 \text{ hours} \times \text{Calendar days of the period of variable working hours} / 7$	30 days	171.4 hours
(or 44 hours for workplaces subject to special measures)	29 days	165.7 hours
	28 days	160.0 hours

[ii] Daily and weekly working hours for the period of variable working hours

[iii] Starting day of the period of variable working hours

(e.g.) If a one-month work shift is set for a month with 31 calendar days

(Combination of 8 working hours per day and 10 working hours per day)							
Sun	Mon	Tue	Wed	Thu	Fri	Sat	
×	○	○	○	○	×	×	32 hours
×	○	○	○	×	○	×	32 hours
●	○	×	○	○	○	○	50 hours
×	×	○	○	○	○	●	42 hours
●	○	×					18 hours
Total of 174 hours							
○ = Working day (8 working hours) ● = Working day (10 working hours) × = Day off							
Total working hours during this one month:							
$8 \text{ hours} \times 18 \text{ days} + 10 \text{ hours} \times 3 \text{ days} = 174 \text{ hours}$							

For a month with 31 calendar days, the total monthly working hours must not exceed 177.1 hours. In this case, the total monthly working hours are 174 hours, so this is legal.

■ Flextime system (Article 32-3 of the Labor Standards Act)

Under this system, an employer predetermines total working hours for a certain period not exceeding three months, and workers work within the limit of the total working hours by deciding the starting and finishing times for each working day at their own initiative.

- Requirements of the flextime system -

[i] The rules of employment or other similar rules must provide that workers may decide their own starting and finishing times.

[ii] A labor-management agreement must decide the scope of workers working on the flextime system, a settlement period, total working hours for the settlement period and standard daily working hours.

When an employer establishes flexible time or core time system, the employer needs to determine the starting and closing times of their respective lengths of working hours in a labor-management agreement.

* When the settlement period exceeds one month, a notification needs to be submitted to the Director-General of the competent Labour Standards Inspection Office that has jurisdiction over the labor-management agreement.

Settlement Period	A period not exceeding three months for which hours worked by flextime workers must be determined under their labor contracts
Total working hours for the settlement period	Working hours that flextime workers are required to work for the settlement period under their labor contracts (regular working hours)
* The total working hours for the settlement period must meet the condition below: Total working hours for the settlement period $\leq$ (days of the settlement period / 7) $\times$ Statutory working hours per week	
Standard daily working hours	The length of working hours that serves as the basis for calculating wages paid when annual paid leave is taken
Flexible time (*) Optional	Hours during which workers can choose when they start the day and when they finish the day (Establishing a flexible time system is not necessarily mandatory.)
Core time (*) Optional	Hours during which all workers are expected to be at work (core time is not mandatory)

■ One-year variable working hours system (Article 32-4 of the Labor Standards Act)

Under this system, an employer is allowed to require workers to work more than the statutory daily or weekly working hours on a certain day or in a certain week as long as the average weekly working hours for a certain period exceeding one month, but not exceeding one year, do not exceed 40 hours.

- Requirements of the one-year variable working hours system -

- [i] The applicable period must exceed one month but must not exceed one year.
- [ii] The average weekly working hours for the applicable period must not exceed 40 hours.
(The average weekly working hours for the applicable period must also not exceed 40 hours for workplaces subject to special measures.)
- [iii] Maximum working hours must be 10 hours per day and 52 hours per week.
- [iv] The working days during the applicable period must not exceed 280 days per year.
(If the applicable period does not exceed three months, there is no limitation on the number of working days.)
- [v] As a general rule, workers must not work more than six consecutive days.
- [vi] Premium wages must be paid for actual working hours in excess of the statutory working hours if regular daily and weekly working hours are shorter than the statutory working hours or for actual working hours in excess of regular daily and weekly working hours if the regular daily and weekly hours are longer than the statutory working hours.
- [vii] A labor-management agreement must be concluded on the scope of target workers, the applicable period, the starting day of the applicable period, working days, working hours for each working day, the effective period and the specified period (if determined) and must be submitted to the Director-General of the competent Labour Standards Inspection Office.
- [viii] For workplaces continuously employing at least 10 workers, the rules of employment must contain a provision that a one-year variable working hours system is adopted and submitted to the Director-General of the competent Labour Standards Inspection Office.

4 Rest Periods

(Article 34 of the Labor Standards Act)

- An employer is required to provide workers with:
 - [i] a rest period of at least 45 minutes if working hours exceed six hours; or
 - [ii] a rest period of at least one hour if working hours exceed eight hours;
 in the middle of working hours.
- A rest period must be made available at the worker's discretion and, as a general rule, to all workers at the same time.

Exceptions to rest at the same time

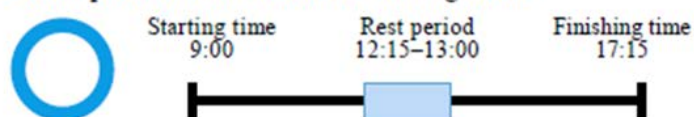
- [i] Transport business, commerce, health and hygiene business, entertainment business and other similar business
- [ii] Conclusion of a labor-management agreement required for a business not listed above

Example:

	Starting time	Rest period	Finishing time	
○	9:00	12:00–13:00	18:00	Work for 8 hours and rest for 60 minutes
	9:00	12:00–12:45	17:45	Work for 8 hours and rest for 45 minutes
	9:00	12:00–12:45 17:45–18:00	18:30	Work for 8 hours and 30 minutes and rest for 60 minutes

	Starting time	Rest period	Finishing time	
✗	9:00	12:00–12:45	18:00	Work for 8 hours and 15 minutes and rest for 45 minutes
	9:00	12:00–12:45	18:30	Work for 8 hours and 45 minutes and rest for 45 minutes

○ Rest period in the middle of working hours



If a rest period is provided at the end of working hours, workers must work 7 hours and 30 minutes without rest. There is no specific rule on when a rest period should be provided, but a rest period should be provided so that workers are able to have a meaningful rest.

○ Rest period at the end of working hours



* As a general rule, workers can use their rest period at their discretion. Employers should allow workers to go out without restriction during rest periods.

5 Days Off

(Article 35 of the Labor Standards Act)

A day off is a day upon which a worker is not obligated to work under his/her labor contract.

Under the Labor Standards Act, a worker must be provided with at least one day off each week or at least four days off every four weeks. Four days off every four weeks is an exception. If this is the case, the starting day of the four-week period must be clarified in the rules of employment or other similar rules.

[1] Example of one day off each week

One week							One week							One week						
Sat	Fri	Thu	Wed	Tue	Mon	Sun	Sat	Fri	Thu	Wed	Tue	Mon	Sun	Sat	Fri	Thu	Wed	Tue	Mon	Sun
Day off							Day off							Day off						

[2] Four days every four weeks

Four weeks							Four weeks							Four weeks							Four weeks						
Sat	Fri	Thu	Wed	Tue	Mon	Sun	Sat	Fri	Thu	Wed	Tue	Mon	Sun	Sat	Fri	Thu	Wed	Tue	Mon	Sun	Sat	Fri	Thu	Wed	Tue	Mon	Sun
							Day off	Day off						Day off	Day off						Day off	Day off					

Differences between transfer of a day off and provision of a compensatory day off

Transfer of a day off means, for example, exchanging a worker's day off with his/her working day in advance (if a worker is required to work on Sunday, his/her day off, for example, he/she may exchange this day off with Wednesday, for example, in advance).

A compensatory day off is a day off provided as a substitute if a worker works on his/her day off without transferring it in advance.

Differences between transfer of a day off and provision of a compensatory day off

	Transfer of a day off	Provision of a compensatory day off
When it takes place	When an employer needs to have a worker work on his/her day off or wants to have a worker work on another regular day off, while ensuring the days off on a weekly basis, in cases where a labor-management agreement under Article 36 of the Labor Standards Act is not concluded	When an employer provides a worker with a day off as compensation for his/her work on another day off
Requirements	[i] The rules of employment must have a clause for transfer of days off. [ii] A substitute day off must be specified. [iii] The substitute day off should be as close as possible to the day on which an employer had a worker work on his/her day off. [iv] Transfer of a day off must be communicated to the worker by the day before.	The rules of employment must have a clause for provision of compensatory days off. * Employers can provide compensatory days off at their discretion. * Provision of a compensatory day off for work on a statutory holiday requires a labor-management agreement under Article 36 of the Act.
Designation as a substitute or compensatory day off	An employer designates a substitute day off in advance.	An employer designates a compensatory day off at his/her discretion or in line with the worker's request.
Wages	If an employer provides a substitute day off in the same week as the original day off, the employer only needs to pay normal wages for the original day off and does not need to pay wages for the substitute day off.* *If the weekly working hours, including the day worked as a substitution of day off, exceed the weekly statutory working hours, the excess hours will be considered as overtime work for which premium wages must be paid.	Premium wages must be paid for work on a day off.

6 Exclusion from Application of Provisions on Working Hours, Rest Periods and Days Off

(Article 41 and Article 41-2 of the Labor Standards Act)

The provisions of the Labor Standards Act that relate to working hours, rest periods and days off do not apply to the following workers (who are subject to the provisions relating to night work and annual paid leave):

- [i] Workers engaged in agricultural or fishery business
- [ii] Managers, supervisors and workers handling confidential matters
- [iii] Workers engaged in monitoring or intermittent labor
- [iv] Workers on day or night duty

The provisions of the Labor Standards Act that relate to working hours, rest periods, days off and premium wages for work at night do not apply to workers covered under the high-level professional system (who are subject to the provisions relating to annual paid leave).

Criteria for managers and supervisors

1. Managers and supervisors generally refer to department/division, plant, and other managers who are in a position equivalent to management in terms of decisions on working conditions and other labor management, and should be judged based on the actual situation, regardless of the designation.
2. The exemption from the application of the provisions on working hours, etc. is approved only for workers with official positions whose important duties and responsibilities make it impractical to apply the regulations on actual working hours to their actual work.
3. When deciding the scope of managers and supervisors, it is necessary to focus on the details of workers' duties, responsibilities and authorities, and working modes, irrespective of the titles of their qualifications and positions.
 - [i] Whether the worker is appropriately treated with regular pay, including basic pay and position allowances
 - [ii] Whether the worker is treated more favorably than ordinary workers who do not hold special positions in terms of the rate of lump sum payment, such as bonuses, and basic wages used for the calculation of lump sum payment
4. For staff members who are assigned to a department related to the planning of important management issues, it is considered appropriate to treat certain range of staff members as those equivalent to managers and supervisors, depending on the level of treatment.

(Notice No.17 of the Director-General of the Labour Standards Bureau of September 13, 1947 and Notice No.150 of the Director-General of the Labour Standards Bureau of March 14, 1988)

Workers engaged in monitoring or intermittent labor and workers on day or night duty are exempt from the whole or part of the regulations on working hours, rest periods and days off if permitted by the Director-General of the competent Labour Standards Inspection Office.

- Monitoring labor means labor in which a worker is basically supposed to perform monitoring duties at a department and normally has little physical or mental strain.

- Intermittent labor means labor in which a worker is basically supposed to work intermittently and has longer waiting time and shorter working time than ordinary labor.
- Day or night duty means duty in which a worker normally has little need to work during hours from the end of work on a working day to the start of work on the following working day or on a holiday. A worker on day or night duty is supposed to stand by at an office to answer phone calls, patrol for prevention of fires and other disasters or respond to emergencies, including emergency contact.
- A worker handling confidential matters means a worker who always works alongside executives, shares information with them, communicates information to them and handles important secrets about management policies or negotiations on alliances or acquisitions and has to work beyond the scope of strict working hours management to work alongside them, such as an executive secretary to a director. Workers who only perform routine clerical duties, such as serving tea and sweets to visitors, informing executives of their daily schedules and checking internal and external appointments are not included among workers handling confidential matters.

7 Overtime Work and Work on Days Off

(Article 36 of the Labor Standards Act)

- Overtime work is to be required only for extraordinary or emergency purposes and should be limited to the minimum necessary. If an employer unavoidably orders workers to work overtime beyond the statutory working hours or on a statutory holiday, the employer must conclude a labor-management agreement (agreement under Article 36 of the Act) in advance and submit it to the Director-General of the competent Labour Standards Inspection Office.
- The agreement under Article 36 of the Act is concluded between an employer and a representative of workers, and the representative of workers must be elected as in the case of a representative of workers who gives opinions about the rules of employment.
- An agreement under Article 36 must specify overtime working hours for each of the following three periods:
 - [i] For one day
 - [ii] For one month
 - [iii] For one year.

Extended working hours for the periods [ii] and [iii] must be within 45 hours per month and 360 hours per year (for workers working under a one-year variable working hours system for a period exceeding three months, within 42 hours per month and 320 hours per year).

■ Upper limits for overtime work

If there are temporary special circumstances for which an employer unavoidably orders a worker to work overtime beyond the extension limits, the employer can provide a special clause in an agreement under Article 36 in advance.

Even in such case, the following must be observed:

- Annual total hours of overtime work do not exceed 720 hours.
- Monthly total hours of overtime work and work on days off are less than 100 hours.
- Monthly averages of the total hours of overtime work and work on days off for the periods of 2 months, 3 months, 4 months, 5 months, and 6 months all do not exceed 80 hours.
- Monthly total hours of overtime work may exceed 45 hours for up to six months per year.

* Businesses and services of construction, driving of automobiles, and physicians, which had been exempted from the application of the upper limits for overtime work for a certain period of time, have also become subject to the upper limits with special provisions since April 2024. Research and development of new technologies and new products are exempted from the application of the upper limits.

○ Examples of special circumstances

- Budget and settlement affairs
- Busy times during bonus shopping seasons
- When there are tight delivery deadlines
- Responses to large-scale complaints
- Responses to mechanical troubles

○ Examples of circumstances not considered to be special circumstances

- Circumstances where specific reasons such as those due to operational necessity, busy times and an employer's needs cannot be presented
- Circumstances that obviously arise throughout the year

○ Example of a special clause included in an agreement under Article 36

The working hours that can be extended for a certain period are 45 hours per month and 360 hours per year. However, working hours can be further extended through labor-management consultation up to six times up to 60 hours per month and up to 420 hours per year if an influx of orders significantly exceeding regular output makes delivery deadlines significantly tight. The rate for premium wages is 30 percent for hours worked in excess of 45 hours per month and 35 percent for hours worked in excess of 360 hours per year.

■ Overtime work by workers engaged in dangerous and injurious work

The maximum hours of overtime work by workers engaged in any of the types of dangerous and injurious work specified by laws and regulations (nine types of work) are two hours per day (Article 18 of the Regulation for Enforcement of the Labor Standards Act).

○ Examples of dangerous and injurious work

- Work for which workers handle a large quantity of cold materials, and work in an extremely cold place
(e.g. work inside a freezer storage)
- Hard work such as work for which workers handle heavy materials
(e.g. manually lifting, carrying and putting down items weighing approximately 30 kg or more)

▪ Restrictions on Overtime Work and Work in Excess of Regular Working Hours under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Child Care and Family Care Leave Act)

-->Refer to 14. Child Care and Family Care Leave Act.

[Form 9 (Re. Article 16, paragraph (1) of the Ordinance for Enforcement of the Labor Standards Act)]

◆ Transcribe the details of the concluded agreement under Article 36 in this form and submit it.

◆ You can conclude an agreement under Article 36 with this form. In that case, the signature with or without the seal of a person representing the workers are required. Any form is accepted if only indispensable matters are all entered.

◆ A notification of an agreement under Article 36 may also be filed online. ◆ Columns with the indication "at will" may be left blank.

30

Example of a Written Notification of an Agreement under Article 36 in Case of Exceeding the Maximum Hours of Overtime Work(Special Provisions)

[Form 9-2 (Re. Article 16, paragraph (1) of the Ordinance for Enforcement of the Labor Standards Act)]

The overtime work hours must not exceed the maximum hours of overtime work (45 hours or 42 hours per month/360 hours or 320 hours per year), except in temporary and extraordinary circumstances. Even when it is necessary for an employer to have employees work in excess of the maximum hours of overtime work, the employer should make every effort to keep overtime hours as close to the maximum hours of overtime work.

- ◆ When an employer temporarily has employees work in excess of the maximum hours of overtime work, submission of an agreement in Form 9-2 is required.
- ◆ For Form 9-2, entries in the following two sheets are required: ✓Written Notification of Overtime Work within the Maximum Hours of Overtime Work (1st sheet), and ✓Notification of Overtime Work in Excess of the Maximum Hours of Overtime Work (2nd sheet).
- ◆ For entries of the 1st sheet, refer to the Example on the previous page.

2nd Sheet
(Top side)

Notification of Agreement on Overtime Work/Work on Days Off

Form 9-2 (Re. Article 16, paragraph (1))

When an employer is allowed to have employees work in excess of the maximum hours of overtime work	Type of work	Number of workers (aged 18 or older)	1 day (at will)		1 month (The number of hours aggregating overtime work and work on days off hours is limited to no more than 100 hours.)				1 year (The number of overtime work hours alone is limited to no more than 720 hours.)		
			Extendable number of hours		Number of times in which an employer is allowed to have employees work in excess of the maximum hours of overtime work (up to six times)	Extendable number of hours and number of hours of work on days off		Premium wage rates for work in excess of the maximum hours of overtime work	Extendable number of hours		Premium wage rates for work in excess of the maximum hours of overtime work
			Hours exceeding the statutory working hours	Hours exceeding the regular working hours (at will)		Number of hours aggregating the number of hours in excess of the statutory working hours and the number of hours of work on days off	Number of hours aggregating the number of hours in excess of the regular working hours and the number of hours of work on days off		Hours exceeding the statutory working hours	Hours exceeding the regular working hours (at will)	
Sudden specification changes	Designing	10	6 hours	6.5 hours	4 times	60 hours	70 hours	35%	550 hours	670 hours	35%
Response to product troubles and large-scale complaints	Inspection	10	6 hours	6.5 hours	3 times	60 hours	70 hours	35%	500 hours	620 hours	35%
Response to machine troubles	Assembly	20	6 hours	6.5 hours	3 times	55 hours	65 hours	35%	450 hours	570 hours	35%
Procedures for an employer to take to have workers work in excess of the maximum hours of overtime work			Advance request to a representative of workers								
Measures to secure health and welfare of workers whom an employer has work in excess of the maximum hours of overtime work			(Applicable number)	(Concrete details)							
			(1), (3), (10)	Provision of face-to-face guidance by a physician to relevant workers, provision of an work-hour interval of 11 hours to relevant workers, and holding a conference on measures for reducing working hours at workplace							

Enter the starting date for the calculation of the upper limit for annual working hours. The starting date must be the same day for the relevant one year irrespective of the effective term of the agreement.

Decide premium wage rates for overtime work in excess of the maximum hours of overtime work. In that case, make every effort to set premium wage rates exceeding the statutory wage rate (25%).

Monthly total hours of overtime work and work on days off must be less than 100 hours and monthly averages for the periods of two months to six months must not exceed 80 hours. Confirm this principle between labor and management and be sure to check the box. If the box is not checked, the written notification is not effective.

Decide the procedures to be taken by an employer who has employees work in excess of the maximum hours of overtime work.

Reasons for overtime work must be limited to those for which an employer must temporarily or suddenly have workers work overtime, and also must be defined as much as concretely. Reasons that may lead to consistently long working hours, such as "necessary for business reasons" and "unavoidable for business," are unacceptable.

Subdivide the scope of work and define it clearly.

Decide the monthly number of overtime work exceeding the monthly maximum hours of overtime work (45 hours or 42 hours per month). The upper limit is up to six times.

Decide the monthly **total number of hours of overtime work and work on days off** in excess of the maximum hours of overtime work (45 hours or 42 hours per month). The upper limit is **no more than 100 hours per month**. Even if this number of hours is met, it must not exceed **an average of 80 hours for the periods of two months to six months**.

Decide premium wage rates for overtime work in excess of the maximum hours of overtime work. In that case, make every effort to set premium wage rates in excess of the statutory wage rate (25%).

Decide the annual **number of overtime work hours (not including work on days off)** in excess of the maximum hours of overtime work (360 hours or 320 hours per year). The upper limit is **no more than 720 hours per year**.

Decide that any measures prescribed in 1(9)(i) through (x) of Guidelines for Entries overleaf should be taken to secure health of employees for workers who have worked in excess of the maximum hours of overtime work (multiple answers allowed). Advisable to select at least one from among (i) through (ix). Enter the applicable number and add concrete details on the right space.

Irrespective of the numbers of hours agreed as above, monthly total hours of overtime work and work on days off must be less than 100 hours.

Effective date of the agreement: **March 12, 0000**

Name of the labor union (labor union consisting of a majority of the workers of the workplace) or name and title of a person representing a majority of the workers

Title: **Inspection Division Chief**

Name: **Yamada Hanako**

Method of selecting the party to the agreement (in the case of a person representing a majority of the workers) (**by vote**)

The labor union, which is the party to the agreement as stated above, is a labor union consisting of a majority of the workers in the workplace, or the person representing a majority of the workers, who is the party to the agreement as stated above, represents a majority of the workers.

The person representing a majority of the workers is not in a supervisory or management position prescribed in Article 41, item (ii) of the Labor Standards Act and has been chosen not based on the intention of the employer but in accordance with the procedures, such as vote or a show of hands, after being clearly informed that a person who concludes agreements as prescribed in the same Act is to be chosen.

March 15, 0000

(Check the box.)

A supervisor cannot be a representative of the workers.

(Check the box.)

When intending to have the written notification also function as the written agreement, the signature with or without the seal of a person representing the workers is required.

The person representing a majority of the workers, who is the party to the agreement as stated above, represents a majority of the workers, who is the party to the agreement as stated above, represents a majority of the workers.

(Check the box.)

Employer Title: **Plant Manager**
Name: **Tanaka Taro**

If there is no labor union consisting of a majority of the workers, make it clear that the party to the agreement under Article 36 is to be selected. Then, select a person representing a majority of the workers by vote, a show of hands or any other method, and enter that method. Appointment by the employer and selection based on the employer's intention are not allowed. If the box is not checked, the written notification is not effective.

To the Director-General of the 00 Labour Standards Inspection Office

8 Calculation of Working Hours

As the Labor Standards Act contains regulations on working hours, days off and night work, employers are responsible for properly managing working hours, including accurately monitoring working hours.

However, the Act has an exception to these regulations: a provision for work deemed to have been conducted outside workplaces.

This provision applies if employers find it difficult to calculate the working hours of workers, such as field sales people. The Act also allows a discretionary work system even for work in workplaces if the means of executing work and the allocation of time need to be left largely to the discretion of workers due to the nature of the work. Under this system, employers can deem workers to have worked for the hours as determined in a labor-management agreement without directly managing their working hours.

- Work deemed to have been conducted outside workplaces (Article 38-2 of the Labor Standards Act)

In cases where a worker engages in work outside of the workplace during all or part of his/her working hours, and it is difficult to calculate actual working hours, the worker is deemed to have worked for the regular working hours.

When a worker must work outside the workplace in excess of the regular working hours, the worker is deemed to have worked for hours considered normally necessary to perform the work or for hours as determined in a labor-management agreement.

However, the provision for work deemed to have been conducted outside workplaces is not applicable when a group of workers work outside the workplace and a worker in charge of managing their working hours is included in that group or when a worker works outside the workplace in accordance with concrete work instructions and then returns to the workplace.

■ Discretionary work system for professional work (Article 38-3 of the Labor Standards Act)

Discretionary work system for management-related work (Article 38-4 of the Labor Standards Act)

Under a discretionary work system, an employer does not give concrete instructions about the means of executing work or the allocation of time due to the nature of the work and deems workers to have worked for the working hours as agreed to between labor and management, irrespective of actual working hours.

◇ Discretionary work system for professional work

(Items with an asterisk (*) took effect on April 1, 2024)

Covered services	
(1) Research and development of new products or technologies or research in cultural or natural sciences	(11) Development of financial products based on knowledge of financial engineering
(2) Analysis or design of information processing systems	(12) Teaching and research at universities (limited to those who engage primarily in research)
(3) News gathering or editing for articles in the newspaper, publication or broadcasting business and production of broadcasting programs	(13) Work of M&A advisors*
(4) Development of new designs for apparel, interior decoration, industrial products, advertisements, etc.	(14) Work of certified public accountants
(5) Work of producers or directors in the business of making broadcast programs, films, etc.	(15) Work of attorneys
(6) Work of copywriters	(16) Work of architects (first-class registered architects, second-class registered architects and registered architects for wooden buildings)
(7) Work of system consultants	(17) Work of real estate appraisers
(8) Work of interior coordinators	(18) Work of patent attorneys
(9) Creation of game software	(19) Work of tax accountants
(10) Work of financial analysts	(20) Work of small and medium enterprise management consultants
Contained in a labor-management agreement	
(1) Work covered by the discretionary work system	(6) Obtain a worker's consent to the application of the system(*)
(2) Daily hours that workers are deemed to have been worked	(7) Must not treat a worker who did not give his or her consent disadvantageously*
(3) Absence of the employer's concrete instructions to workers subject to the system about the means of executing the covered work and decisions of the allocation of time	(8) Procedures for withdrawal of consent to the application of the system*
(4) Concrete measures to secure the health and welfare of workers engaged in the covered work	(9) The effective term of the agreement (Advisable to designate it as no more than three years)
(5) Concrete details of measures to handle complaints from workers subject to the system	(10) Retention of individual records for each worker subject to the system regarding the working hours status, the status of implementation of (4) and (5), and consent and withdrawal of consent (*) (during the effective term of the labor-management agreement and for three years thereafter)

◇ Discretionary work system for management-related work

(Items with an asterisk (*) took effect on April 1, 2024)

- Under this system, workers are deemed to work for the predetermined working hours as long as they meet certain requirements.
- Work covered by this system is planning, researching and analyzing matters regarding business operation.
- The introduction of this system requires the establishment of a labor-management committee.
- A labor-management committee must be composed of equal numbers of members from labor and management and must make a resolution on the following matters by a four-fifths majority vote of the members:
 - (1) Work covered by the discretionary work system
 - (2) The scope of workers engaged in the covered work
 - (3) Daily hours that workers are deemed to have been worked
 - (4) Concrete details to secure the health and welfare of workers engaged in the covered work
 - (5) Concrete details of measures to handle complaints from workers engaged in the covered work
 - (6) Obtain a worker's consent to the application of the system
 - (7) Must not treat a worker who did not give his or her consent disadvantageously
 - (8) Procedures for withdrawal of consent to the application of the system*
 - (9) Explain to a labor-management committee changes of the wage and assessment systems applicable to workers engaged in the covered work*
 - (10) The effective term of the labor-management committee's resolution (advisable to designate it as no more than three years)
 - (11) Retention of individual records for each worker engaged in the covered work regarding the working hours status, the status of implementation of (4) and (5), and consent and withdrawal of consent (*)
(during the effective period of the resolution and for three years thereafter)
- This resolution must be submitted to the Director-General of the competent Labour Standards Inspection Office. The working hours status, the status of implementation of the measures stated in (4), and the status of consent and withdrawal of consent must be reported to the Director-General of the competent Labour Standards Inspection Office in the designated form initially every six months starting from the beginning of the effective period of the resolution, and thereafter once every one-year period or less.

9 Annual Paid Leave

(Article 39 of the Labor Standards Act)

- An employer is required to grant annual paid leave of 10 working days to workers who have been employed continuously for six months from the day of employment and who have reported to work on at least 80 percent of the total working days. For each additional year of continuous service after the aforementioned six months, an employer must grant workers annual paid leave of the number of days corresponding to the years of continuous service given in the table below.

*The same rule applies to part-time workers, including temporary workers, and managers and supervisors.

Annual paid leave to be granted

(For workers who are required to work at least five days or at least 30 hours per week)

Years of service	0.5 years	1.5 years	2.5 years	3.5 years	4.5 years	5.5 years	6.5 years or longer
Days granted	10 days	11 days	12 days	14 days	16 days	18 days	20 days

(e.g.) A worker employed on April 5 is granted 10 days of annual paid leave on October 5 of the same year. After that, the worker is granted the applicable number of days given in the table above as annual paid leave on October 5 of each year. The length of service is calculated from the day of employment, irrespective of payroll cutoff dates and work shift periods.

Annual paid leave for part-time workers

(For workers who are required to work not more than four days and less than 30 hours per week)

Regular weekly working days	Regular yearly working days	Years of service						
		0.5 years	1.5 years	2.5 years	3.5 years	4.5 years	5.5 years	6.5 years or longer
4 days	169-216 days	7 days	8 days	9 days	10 days	12 days	13 days	15 days
3 days	121-168 days	5 days	6 days		8 days	9 days	10 days	11 days
2 days	73-120 days	3 days	4 days		5 days	6 days		7 days
1 day	48-72 days	1 day	2 days			3 days		

* The number of days of annual paid leave to be granted is determined on the basis of "regular weekly working days" if regular working days are set on a weekly basis. In other cases, the number of days granted as annual paid leave is determined on the basis of "regular yearly working days."

* The number of days of annual paid leave is calculated on the basis of the number of regular working days as of the day of granting annual paid leave even if there is a change in the contract concerning the number of working days in the middle of the year.

- For each day of annual paid leave, an employer is required to pay the worker:
 - [i] the average wage,
 - [ii] the wage normally paid for regular working hours, or
 - [iii] a wage equal to the daily amount for standard remuneration under the Health Insurance Act (if specified in a labor-management agreement).

■ Carryover

Annual paid leave expires two years after the day upon which it is granted. Any days of annual paid leave not used within one year from such day are carried over to the following year and added to the number of days newly granted as annual paid leave for the following year. However, if the unused days of annual paid leave are not used in the following year either, they expire.

Number of days granted as annual paid leave, number of days carried over, and their expiration



○An employer has no right to refuse a worker's request for annual paid leave.

Annual paid leave is not characterized as something that a "worker can take with the approval of the company (employer)" and is rather a right that naturally accrues to the worker by satisfying legal requirements. Annual paid leave must be granted on such day as desired by a worker. The employer, however, has the right to ask the worker to take paid leave on a different day if the worker's leave on the desired day may obstruct normal business operation (right to request change of the day of paid leave). However, employers can exercise this right only in limited situations; they cannot exercise the right for insignificant reasons such as being busy or unavailability of substitute workers.

- ▶ An employer cannot specify how workers should spend their annual paid leave.
- ▶ An employer can allow workers to carry over their annual paid leave beyond the expiration date in their favor.

■ Other rules on annual paid leave

○An employer is not allowed to give workers who have taken annual paid leave disadvantageous treatment such as wage reduction (or to give better treatment to workers who do not take annual paid leave than those who have taken paid leave).

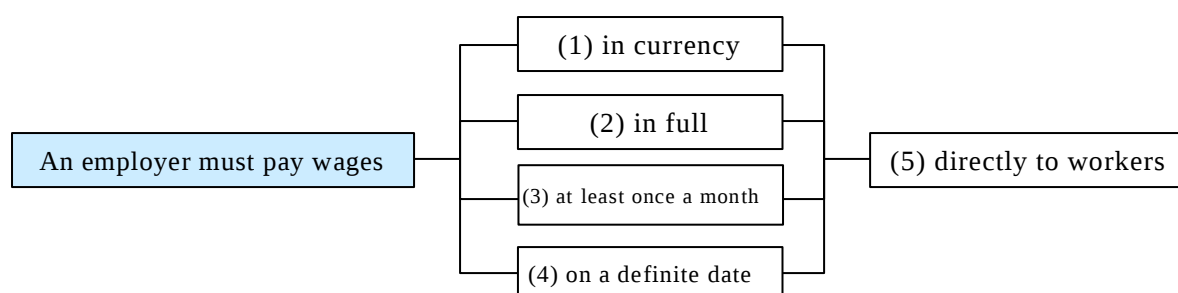
○If a labor-management agreement contains a provision concerning annual paid leave schedules, labor and management can make prior adjustments for dates upon which workers can take annual paid leave while reserving five days of annual paid leave for their discretionary use (in this case, if reserved annual paid leave for some workers are less than five days, the employer must take actions, including granting them additional annual paid leave to make up for the shortage).

- A labor-management agreement may specify the provision to allow workers to take up to five days of annual paid leave on an hourly basis. If such agreement is reached at a workplace, the workers can decide whether to take their annual paid leave on a daily or hourly basis at their discretion.
- An employer must have each worker take annual paid leave for five days within one year from the day of granting him/her annual paid leave (the base date) by designating the timings to take leave (the number of days of annual paid leave that each worker requests and takes discretionally and the number of days of annual paid leave granted to him/her by designating dates in a planned manner under a labor-management agreement can be deducted from these five days per year which an employer is obliged to grant to each worker by designating the timings).
- An employer must prepare a book to manage annual paid leave for each worker and preserve it for three years.

10 Wages

Under the Labor Standards Act, the expression "wages" refers to all payments made by an employer to a worker as remuneration for his/her labor, regardless of the names of such payments. Wages thus include monthly basic pay and allowances as well as bonuses and retirement allowances, whose payment conditions are clarified in advance.

■ Five principles of payment of wages (Article 24 of the Labor Standards Act)



Exceptions

(1) Something other than currency can be paid.	==>	If a law or collective agreement* provides for in-kind wages
(2) Taxes and other expenses can be deducted from wages.	==>	If a law (on taxes and other public charges) or labor-management agreement provides for such deduction
(3) Wages can be paid at least once a month at indefinite dates.	==>	If the wages are extraordinary wages, bonuses or allowances, or efficiency allowances or other allowances whose assessment period exceeds one month
* A collective agreement is a document related to working conditions and other matters to which a labor union and an employer affix their signatures or their names and seals. Any part of a labor contract that contravenes the standards for working conditions and other treatment of workers given in the collective agreement becomes void. In this case, the invalidated part of the labor contract is governed by the standards of the collective agreement (Articles 14 and 16 of the Labor Union Act).		

■ Exceptions from Currency Payment

With the consent of a worker, an employer can pay the worker's wages by money transfer to a deposit/savings account, money transfer to cash management account with securities company, or funds transfer to an account of a funds transfer service provider designated by the Minister of Health, Labour and Welfare as satisfying the certain requirements.

■ Minimum wages (Minimum Wages Act)

- The minimum wage system is a system under which the government sets the least amounts of wage under the Minimum Wages Act, and employers (business operators) must pay their employees wages not less than those minimum wages. The minimum wages apply to all workers, including part-time workers, the youth doing part-time jobs.
- The regional minimum wage applies to all workers working at workplaces and their employers. Additionally, when a "special minimum wage" is specified, that wage is to be applied. When both minimum wages are applicable, an employer must pay wages not less than the higher minimum wage.
- Regarding a company having multiple workplaces in multiple prefectures, the applicable prefectural minimum wage is the minimum wage of the prefecture where each workplace is located, not of the prefecture where the company's head office is located.
- See "Lists of Minimum Wages" (p.[70]) for "regional minimum wage" and "special minimum wage (by industry)".
- The minimum wages are fixed on an hourly basis. The wages on a monthly or daily basis are converted into hourly wages for comparison.

— How to compare wages with the minimum wages —

1. Hourly wage: Hourly wage $\geq$ Minimum wage (hourly)
 2. Daily wage: Daily wage / Average regular working hours per day $\geq$ Minimum wage (hourly)
 3. Weekly or monthly wage: Weekly (monthly) wage / Average working hours per week (month) $\geq$ Minimum wage (hourly)
 4. Commission-based salary: Commission-based salary (total amount calculated for the entirety of the calculation period) / Total working hours for commission-based salary during the calculation period $\geq$ Minimum wage (hourly)
- When converting the minimum wage into an hourly basis, the following allowances or benefits are not included:
 1. Diligent or perfect attendance allowances, commuting allowances and family allowances
 2. Occasional allowances (ex. bonus for a newly married employee)
 3. Wages paid periodically with regular intervals of more than one month (such as bonuses)
 4. Payments for overtime work, work on days off and late-night work

■ Allowance for absence from work (Article 26 of the Labor Standards Act)

For a day upon which a worker is absent from work for the convenience of the company (for reasons attributable to the employer, such as store renovation and production adjustment at plants), the company is required to pay the worker an allowance equal to at least 60 percent of the worker's average wage (allowance for absence from work).

■ Average wages (Article 12 of the Labor Standards Act)

- An average wage is used to calculate the following amounts:
 - (1) Allowance for dismissal without advance notice
 - (2) Allowance for absence from work
 - (3) Wage for annual paid leave
 - (4) Industrial accident compensation, such as compensation for absence from work
 - (5) Maximum pay reduction
- An average wage is calculated on the basis of the total wages paid for a period of three months preceding the latest payroll cutoff date.

Principles

$$\text{Average wage} = \frac{\text{Total wages for the latest three months (total payment)}}{\text{Total number of days of the three months (calendar days)}}$$

Note: A different calculation formula applies in such cases as where a calculation period includes a period of absence from work before and after childbirth.

Minimum average wage (if the wage is determined on a daily, hourly or piecework basis)

$$\frac{\text{Total amount of wages for the calculation period (total wages for the latest three months (total payment))}}{\text{Number of days worked during the calculation period (total number of working days for the latest three months (calendar days))}} \times 0.6$$

Note: A different calculation formula applies in such cases as those where part of the wage is determined on a monthly basis.

■ Guaranteed payment at piece rates (Article 27 of the Labor Standards Act)

For workers employed on a piece-rate or subcontract basis, an employer is required to guarantee a fixed amount of wages proportionate to their working hours so that their earned wages do not decrease unreasonably even in the event that the performed work volume is low.

The amount of guaranteed wages must be enough to guarantee the worker an income not significantly lower than his/her normal earned wages.

- Roster of workers (Article 107 of the Labor Standards Act) and wage ledger (Article 108 of the Labor Standards Act)
 - An employer is required to prepare a roster of workers and a wage ledger for each worker at each workplace, such as the headquarters, the head office and business offices, and enter the following information therein.
 - ◇ Information to be entered in a wage ledger: The records for each worker must be kept for five years (for three years for the time being) from the date of the last entry.
 - (1) Name
 - (2) Gender
 - (3) Wage calculation period
 - (4) Working days
 - (5) Working hours
 - (6) Hours of overtime work, work on days off and night work
 - (7) Amounts of basic wages, allowances and other wages
 - (8) Amount of deduction, if any
 - ◇ Information to be entered in a roster of workers: The records for each worker must be kept for five years (for three years for the time being) from the date of retirement.
 - (1) Name
 - (2) Date of birth
 - (3) Personal history
 - (4) Gender
 - (5) Present address
 - (6) Type of work engaged in (not necessary for workplaces continuously employing fewer than 30 workers)
 - (7) Date of hiring
 - (8) Date of and reason for separation from employment (in the case where the reason for separation from employment is dismissal, the reason must be included)
 - (9) Date and cause of death
 - As long as all necessary information is included, any format may be used. For example, it is permissible to combine a wage ledger with a withholding ledger. An employer is allowed to prepare and keep both the roster of workers and the wage ledger in the form of electronic data, but must be prepared to readily display the two on a computer screen and submit copies thereof whenever requested by a labor standards inspector.

11 Premium Wages

(Article 37 of the Labor Standards Act)

If an employer has a worker work overtime or at night (in principle, from 10 p.m. to 5 a.m.), the employer is required to pay the worker a premium wage at a rate that is not less than 25 percent of his/her hourly wage. If an employer has a worker work on a statutory holiday, the employer is required to pay the worker a premium wage at a rate that is not less than 35 percent of his/her hourly wage.

For more than 60 hours of overtime work per month, the rate of premium wages is not less than 50 percent.

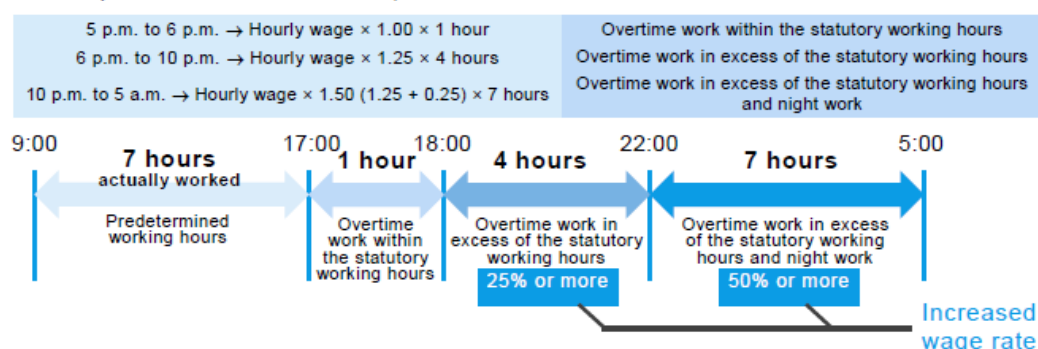
(*) Applicable to smaller enterprises on and from April 1, 2023.

*** Small and medium-size enterprises that are temporarily exempted from application**

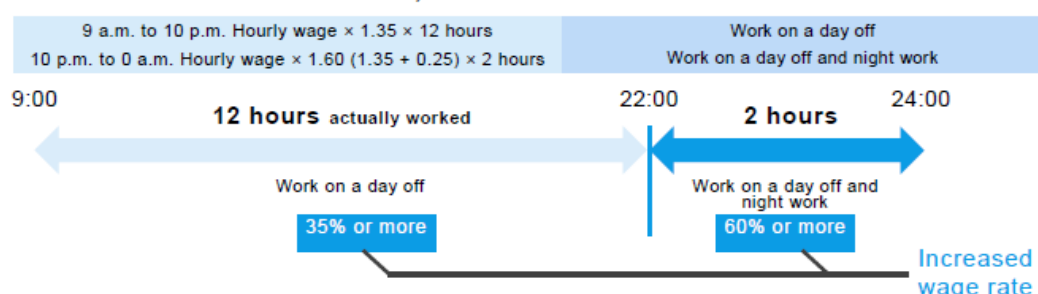
(1) The amount of stated capital or the total investment		(2) The number of workers continuously employed
Retail business: 50 million yen or less	or	Retail business: 50 workers or fewer
Service business: 50 million yen or less		Service business: 100 workers or fewer
Wholesale business: 100 million yen or less		Wholesale business: 100 workers or fewer
Other business: 300 million yen or less		Other business: 300 workers or fewer

Note: The amount of stated capital, the total investment and the number of workers continuously employed are determined not on the basis of the location of a business, but on the basis of an enterprise (corporation or proprietor).

Example 1 Premium wage rate for overtime work (regular working hours from 9 a.m. to 5 p.m. with a one-hour rest)



Example 2 Premium wage rate for work on a statutory holiday (work from 9 a.m. to 0 a.m. with a one-hour rest)



* Wages used for calculating increased wages exclude family allowances, commuting allowances, separation allowances, child education allowances, housing allowances, extraordinary wages and wages paid for each period exceeding one month. Whether these excluded allowances and wages are applicable to allowances and wages is determined on the basis of their nature, rather on the basis of their name.

Example 3 Premium wage per hour for workers paid by the month

$$\frac{\text{Monthly wage}}{\text{Predetermined monthly working hours}} \times 1.25 \text{ (or 1.35)}$$

- * If predetermined monthly working hours differ from month to month, the monthly average of predetermined yearly working hours is used instead.
- * Increased wages for night work must also be paid to managers and supervisors.

■ Substitute leave (Article 37, paragraph (3) of the Labor Standards Act)

- If a labor-management agreement is concluded at a workplace, an employer is allowed to grant paid leave (substitute leave) to workers who have worked overtime for more than 60 hours per month, instead of paying them premium wages at a statutory raised premium wage rate (e.g. 25 percent, the difference between 25 percent and 50 percent).
- Even if workers have taken this paid leave, the employer still must pay them premium wages at a rate that is not less than 25 percent.

■ Obligation to endeavor to raise premium wage rates

- Overtime work beyond the extension limits requires the prior conclusion of a labor-management overtime agreement with a special clause. Under this labor-management agreement, the employer must be committed to
 - [i] setting the premium wage rate for overtime work beyond the extension limits;
 - [ii] endeavoring to raise this rate above the statutory premium wage rate (25%); and
 - [iii] endeavoring to minimize overtime work in excess of 45 hours per month.

■ Annual wage system

- An employer who adopts an annual wage system must also pay premium wages to workers who have worked overtime or on a statutory holiday.
- Under an annual wage system, if annual wages include premium wages for overtime work and work on days off, labor contracts must clarify that annual wages include such premium wages (e.g. for overtime work) so that wages for regular working hours can be clearly separated from such premium wages.

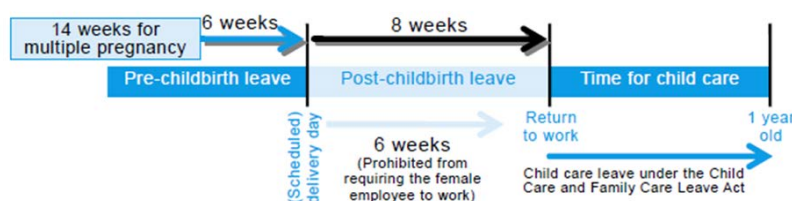
12 Protection of Women

■ Limitation on belowground work (Article 64-2 of the Labor Standards Act)

An employer is prohibited from assigning female workers to any belowground work if they are pregnant or women within one year after childbirth who notify the employer of their intention not to work belowground. An employer is also prohibited from assigning other female workers to belowground excavations or other belowground work specified by Order of the Ministry of Health, Labour and Welfare as work injurious to women (Article 1 of the Rules on Labor Standards for Women).

■ Maternity leave before and after childbirth, etc. (Article 65 of the Labor Standards Act)

- If a female worker who is expected to give birth within six weeks (or 14 weeks in case of multiple pregnancy) requests leave, an employer is not allowed to make her work (the delivery day is included in maternity leave before childbirth).
- In principle, an employer is not allowed to make a female worker work within eight weeks after childbirth. However, if a female worker who gave birth not less than six weeks ago makes a request, an employer is allowed to assign her to work permitted by a doctor.
- In the event that a pregnant woman has so requested, an employer must transfer her to other light activities.



"Delivery" and "giving birth" mean giving birth to a baby after the fourth month of pregnancy, including cases of stillbirth.

■ Limitation on dangerous and injurious work (Article 64-3 of the Labor Standards Act)

An employer is prohibited from assigning expectant or nursing mothers (referring to pregnant women and women within one year after childbirth) to work involving the handling of heavy materials, work in places in which harmful gas is generated and other work injurious to pregnancy, childbirth, nursing and the like. Among these kinds of work, work involving the handling of heavy materials and work in places in which harmful gas is generated is also prohibited for female workers other than expectant or nursing mothers. The scope of injurious work and the scope of female workers prohibited from being assigned to such work are specified by Order of the Ministry of Health, Labour and Welfare (Articles 2 and 3 of the Rules on Labor Standards for Women).

- Limitation on working hours and work on days off, etc. of expectant or nursing mothers (Article 66 of the Labor Standards Act)

An employer is not allowed to assign expectant or nursing mothers to overtime work, work on days off or night work if they request not to be assigned. Even if an employer adopts a variable working hours system (excluding the flextime system), the employer is not allowed to make expectant or nursing mothers work in excess of the statutory working hours.

- Time for child care (Article 67 of the Labor Standards Act)

If a female worker raising an infant under the age of one year makes a request, an employer is required to give the female worker at least 30 minutes as time for child care twice a day, in addition to a rest period.

- Menstrual leave (Article 68 of the Labor Standards Act)

If a female worker for whom work during her menstrual period would be especially difficult requests leave (she can take this leave on a half-day or hourly basis), an employer shall not make the female worker work during her menstrual period.

13 Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment

The Act on Securing, Etc. of Equal Opportunity and Treatment between Men and Women in Employment (hereinafter referred to as the "Equal Employment Opportunity Act") prohibits discrimination on the basis of sex and disadvantageous treatment by reason of marriage, pregnancy, childbirth, etc. Additionally, the Act requires employers to take countermeasures against sexual harassment in the workplace and measures to prevent harassment in relation to pregnancy and childbirth, etc. by superiors and coworkers.

— Outline of the Equal Employment Opportunity Act —

Prohibition of discrimination on the basis of sex (Articles 5 and 6 of the Equal Employment Opportunity Act)

Discrimination on the basis of sex is prohibited in relation to the recruitment, employment, assignment (including allocation of duties and grant of authority), promotion, demotion, and training of workers, as well as regarding fringe benefits within a certain scope, change in job type and employment status, encouragement of retirement, mandatory retirement age, dismissal, and renewal of the labor contract.

Prohibition of indirect discrimination (Article 7 of the Equal Employment Opportunity Act)

Out of criteria upon recruitment and employment by reasons other than gender, applying those specified by Order of the Ministry of Health, Labour and Welfare as being highly likely to constitute substantial discrimination by reason of gender is prohibited if there are no reasonable grounds to apply them.

[Acts prohibited as specified by Order of the Ministry of Health, Labour and Welfare]

- Apply criteria concerning the worker's height, weight or physical strength upon recruitment and employment
- Apply criteria concerning the worker's ability to receive reassignment that results in the relocation of the worker's residence upon recruitment, employment, promotion or change in job type
- Apply criteria concerning the worker's experience of having been reassigned to other workplaces upon promotion

Prohibition of disadvantageous treatment by reason of marriage, pregnancy, childbirth, etc. (Article 9 of the Equal Employment Opportunity Act)

- It is prohibited to establish a provision supposing marriage, pregnancy or childbirth as a reason for separation from employment of female workers.
- It is prohibited to dismiss female workers for marriage.
- It is prohibited to dismiss or give disadvantageous treatment to female workers by reason of pregnancy, childbirth, or for requesting maternity leave, or by other reasons specified by

Order of the Ministry of Health, Labour and Welfare.

- Dismissals of female workers who are pregnant or in the first year after childbirth are to be void unless the employers prove that dismissals are not by reason of pregnancy, etc.

Countermeasures against sexual harassment (Article 11 of the Equal Employment Opportunity Act)

Employers are required to take management measures to prevent problems caused by sexual harassment in the workplace. Dismissal and other discriminatory treatment on grounds such as that a worker has consulted with the employer about sexual harassment are prohibited.

Countermeasures against harassment in relation to pregnancy and childbirth, etc. (Article 11-3 of the Equal Employment Opportunity Act)

Employers are required to take management measures to prevent harassment in relation to pregnancy and childbirth, etc. in the workplace. Dismissal and other discriminatory treatment on grounds such as that a worker has consulted with the employer about harassment in relation to pregnancy and childbirth, etc. are prohibited.

Measures in connection with maternity health care (Articles 12 and 13 of the Equal Employment Opportunity Act)

Employers are required to secure the necessary time off so that female workers who are pregnant or in the first year after childbirth may receive the health guidance and medical examinations and take the necessary measures to enable them to comply with the directions of doctors, etc. based on the results of these health guidance and medical examinations.

Dispute settlement assistance system (Articles 17 and 18 of the Equal Employment Opportunity Act)

When any disputes arise between workers and employers, workers can seek assistance from the directors of Prefectural Labour Bureaus or conciliation by the competent Disputes Adjustment Commission.

14 Child Care and Family Care Leave Act

To help workers balance work and family, employers are expected to improve their employment environments to ensure employment management that complies with the Child Care and Family Care Leave Act.

Employers are also required to take measures to prevent harassment in the workplace by superiors or coworkers in relation to requests for or acquisition of child care or family care leave.

— Outline of the Child Care and Family Care Leave System —

Child Care Leave (Articles 5 and 9-6 of the Child Care and Family Care Leave Act)

- A worker can take child care leave for his/her child until the child reaches one year of age on two occasions by dividing the leave. (If his/her spouse also takes child care leave for the child, the worker can take child care leave for the child for up to one year until the child reaches one year and two months of age. If the worker cannot find a place for the child at a day care center, the worker can take child care leave for the child until the child reaches two years of age.)

Fathers' child care leave (parental leave) (Articles 9-2 and 9-5 of the Child Care and Family Care Leave Act)

- A male worker can request parental leave for his child for up to four weeks, separately from child care leave, within eight weeks after child birth on two occasions by dividing the leave.
- Limited to cases where a worker has concluded a labor-management agreement, the worker may engage in work during the parental leave within the range agreed thereby (there is the upper limit for days available for work).

Family Care Leave (Article 11, of the Child Care and Family Care Leave Act)

- For one subject family member, a worker can take family care leave three times up to 93 days in total.
- The subject family members of a worker include his/her spouse, parents and children, the spouse's parents, and his/her grandparents, brothers, sisters and grandchildren.

Sick/injured child care or other leave (Article 16-2 of the Child Care and Family Care Leave Act)

- A worker can take sick/injured child care leave for up to five days a year if he/she has one child who has not yet completed the third year of elementary school and for up to 10 days a year if he/she has two or more such children.
- A worker can take sick/injured child care leave for the purpose of taking care of his/her sick or injured child, having his/her child get a vaccination or a medical check-up, taking care of child(ren) during class closure, etc., caused by an infectious disease, or otherwise attending kindergarten entrance (or elementary school entrance), graduation, or other ceremony.
- Sick/injured child care leave may be taken on a day or hourly basis.

Nursing leave (Article 16-5 of the Child Care and Family Care Leave Act)

- A worker can take up to five days off for nursing leave a year if he/she has one subject family member and up to 10 days off for nursing leave a year if he/she has two or more subject family members.
- A worker can take days off for nursing leave for the purpose of looking after or taking care of a subject family member in a care-requiring condition.
- Nursing leave may be taken on a day or hourly basis.

Measures to shorten working hours for child care (Article 23, paragraph (1) of the Child Care and Family Care Leave Act)

- Employers must adopt a shortened working hours system for workers who are raising children under three years of age, including a measure to shorten the regular daily working hours to six hours in principle.

Measures to shorten working hours for family care (Article 23, paragraph (3) of the Child Care and Family Care Leave Act)

- Employers must take any of the following measures for workers who take care of their family members at least twice for three or more consecutive years:
Shortened working hours system, flextime system, staggered working hours system, financial assistance for nursing care service used by workers or other similar measures

Limitation on work in excess of regular working hours for child care/family care (Article 16-8 and 16-9 of the Child Care and Family Care Leave Act)

- A worker who takes care of a pre-school child or family member is exempt from work in excess of his/her regular working hours per day if he/she makes a request.

Limitation on overtime work for child care and family care (Articles 17 and 18 of the Child Care and Family Care Leave Act)

- If a worker who takes care of a pre-school child or a family member makes a request, the worker can limit his/her overtime working hours to 24 hours per month and 150 hours per year.

Limitation on night work for child care and family care (Articles 19 and 20 of the Child Care and Family Care Leave Act)

- If a worker who takes care of a pre-school child or a family member makes a request, the worker is exempt from work at night (from 10 p.m. to 5 a.m.).

Provision of information to and confirmation of intention with individual notifiers (Article 21 paragraph (1) of the Child Care and Family Care Leave Act)

- When receiving a notification concerning the pregnancy, childbirth, etc. of a worker or a worker's spouse, an employer must provide the worker with sufficient information on matters concerning the child care leave system (including that for fathers), etc. and confirm whether he/she intends to take leave or not, individually.

Hearing of intentions and giving of due consideration on an individual basis when a worker has filed a notification of pregnancy, childbirth, etc. or before his or her child turns three years of age [Article 21, paragraphs (2) and (3) and Article 23-3, paragraph (6) of the Child Care and Family Care Leave Act]

- When a worker files a notification regarding the worker's own or the worker's spouse's pregnancy, childbirth, etc., and at appropriate times before the worker's child turns three years of age, the employer must hear, on an individual basis, the worker's intentions regarding the matters relating to the balance between work and child care that reflect the child's and each family's circumstances, and must give due consideration to the intentions thus confirmed.

Provision of information to and confirmation of intentions with workers who submit notifications of family care [Article 21, paragraph (4) of the Child Care and Family Care Leave Act]

- When receiving a notification of a worker who is facing the need for family caregiving, the employer must provide the worker with sufficient information on matters concerning the family care leave and the systems supporting the balance between work and family caregiving, and confirm whether he/she intends to use those systems on an individual basis.

Provision of information early before workers face the need for family caregiving [Article 21, paragraph (5) of the Child Care and Family Care Leave Act]

- Employers must provide information on the family care leave system, systems supporting the balance between work and family caregiving, and other relevant systems at an early stage before employees face the need for family caregiving (age 40).

Development of the employment environment for child care leave (Article 22 paragraph (1) of the Child Care and Family Care Leave Act)

- In order to ensure workers' smooth applications for child care leave and father's child care leave, employers must take any of the following measures.

Provision of training concerning child care leave and father's child care leave; development of consultation systems concerning child care leave and parental leave; compilation and provision of concrete examples of their workers' acquisition of child care leave and father's child care leave; dissemination of information regarding their own systems and policies concerning child care leave and father's child care leave internally to workers

Development of the employment environment for family care leave, systems supporting the balance of work and family caregiving, and other relevant systems [Article 22, paragraphs (2) and (4) of the Child Care and Family Care Leave Act]

- In order to ensure workers' smooth applications for family care leave, the systems supporting the balance between work and family caregiving, and other relevant systems, employers must take one of the following measures:

Provision of training programs on family caregiving, systems supporting the balance between work and family caregiving, and other relevant systems; development of consultation systems regarding family caregiving, systems supporting the balance between work and family caregiving, and other relevant systems; collection and provision to workers of actual use cases of family care leave and of systems supporting the balance between work and family caregiving, and other relevant systems; and dissemination of policies to promote the taking of family care leave and the use of systems supporting the balance between work and family caregiving, and other relevant systems.

Measures to achieve flexible work styles [Article 23-3 of the Child Care and Family Care Leave Act]

- After identifying workplace needs, employers must select at least two of the following measures and implement them for workers raising pre-school child(ren) who are three years of age or older.

Workers may select and use one of the measures implemented by their employers:

Change of starting or other time; teleworking, etc.; the establishment, operation, etc. of child care facility; the granting of leave that helps workers raise children while remaining employed (leave supporting the balance between work and child care); and a reduced hours work system.

Consideration for reassignment (Article 26 of the Child Care and Family Care Leave Act)

- If an employer reassigns a worker and thus changes his/her workplace, the employer is required to consider the worker's situation of caring for a child or family member.

Disclosure of the status of workers' acquisition of child care leave (Article 22-2 of the Child Care and Family Care Leave Act)

- Employers who regularly employ over 300 workers must disclose the rate of their male workers' acquisition of child care leave, etc. once a year.

Prohibition of disadvantageous treatment (Articles 10, 16, 16-4, 16-7, 16-10, 18-2, 20-2, Article 21, paragraph (6) and Article 23-2 and 23-3 paragraph (7) of the Child Care and Family Care Leave Act)

- Employers are prohibited from dismissing or otherwise treating workers disadvantageously because they have applied for or used child care or other leave, family care leave, sick/injured child care leave, nursing leave, limitations on work in excess of regular working hours, limitations on overtime work, limitations on night work, measures to shorten regular working hours, or other measures to achieve flexible work styles; because they have filed a notification concerning their own or their spouses' pregnancy, childbirth, etc.; because they have filed a notification that they are facing circumstances requiring caregiving for covered family members; or because they did not report the days on which they were available to work, etc. during father's child care leave, or did not give consent thereto.

Countermeasures against harassment in relation to child care and family care leave (Article 25 of the Child Care and Family Care Leave Act)

- Employers are required to take management measures to prevent harassment in relation to child care and family care leave in the workplace. Dismissal and other discriminatory treatment on grounds such as that a worker has consulted with the employer about harassment in relation to child care and family care leave are prohibited.

Dispute settlement assistance system (Articles 52-4 and 52-5 of the Child Care and Family Care Leave Act)

- To settle labor-management disputes over child care or family care leave or the like, both employers and workers can seek assistance from the directors of Prefectural Labour Bureaus or conciliation by conciliation committee members.

15 Countermeasures against Power Harassment in the Workplace

Countermeasures against power harassment (Article 30-2 of the Labor Policies Comprehensive Promotion Act)

Employers are required to take management measures to prevent power harassment in the workplace. Dismissal and other discriminatory treatment on grounds such as that a worker has consulted with the employer about power harassment in the workplace are prohibited.

Dispute settlement assistance system (Articles 30-5 and 30-6 of the Labor Policies Comprehensive Promotion Act)

When any disputes arise between workers and employers, workers can seek assistance from the directors of Prefectural Labour Bureaus or conciliation by the competent Disputes Adjustment Commission.

16 Protection of Minors (Persons Under 18 Years of Age)

■ Minimum age (Article 56 of the Labor Standards Act)

In principle, an employer is not allowed to employ a child until the first 31st of March that comes on after his/her 15th birthday (the end of the fiscal year in which he/she graduates from junior high school).

With permission from the Director-General of the competent Labour Standards Inspection Office, however, an employer is allowed to engage children aged 13 or older only in light work that is not injurious to their health or welfare in non-industrial business, such as newspaper delivery, outside their school hours. The same rule applies to child actors under 13 years of age in films and theatrical performances.

■ Age certificate (Article 57 of the Labor Standards Act)

An employer of a minor is required to keep a certificate showing the age of the minor at the workplace. A certificate of matters stated on the residence certificate can serve as a substitute for this age certificate. For a child who an employer employs with permission, the employer is required to keep at the workplace a certificate from the head of such child's school stating that the employment does not hinder his/her school attendance and written consent from the person who has parental authority for such child or other person.

■ Working hours and days off of minors (Article 60 of the Labor Standards Act)

As the statutory working hours apply strictly to minors, in principle, an employer is not allowed to have minors engage in overtime work or work on days off. In principle, an employer is also not allowed to have minors work under various variable working hours systems.

■ Night work of minors (Article 61 of the Labor Standards Act)

In principle, an employer is not allowed to have minors engage in work during late night hours (from 10 p.m. to 5 a.m.).

■ Restrictions on dangerous and harmful jobs (Article 62 of the Labor Standards Act) (Articles 7 and 8 of the Rules on Labor Standards for Minors)

An employer is prohibited from having minors engage in dangerous or harmful jobs because minors are still physically and mentally immature.

- (e.g.)
- Handling of heavy materials (weighing 30kg or more)
 - Work in places at least five meters above the ground (places from which minors could fall)
 - Work in places in which harmful gas is generated

■ Labor contracts with minors (Article 58 of the Labor Standards Act)

A labor contract with a minor must be concluded with the minor himself/herself. Neither a person who has parental authority for the minor nor the guardian of the minor is allowed to conclude the labor contract on his/her behalf.

■ Wage claim (Article 59 of the Labor Standards Act)

A minor can claim his/her wages independently. Neither a person who has parental authority for the minor nor a legal guardian of the minor is allowed to receive his/her wages on his/ her behalf.

17 Termination of Labor Relationship, etc.

[1] Termination of Labor Relationship

Termination of a labor relationship means that a worker leaves the company in any form and his/her employment relationship with the company ends. Regarding termination of a labor relationship, employers must pay attention to the following:

Resignation

Resignation is a termination of a labor contract by a worker. Regarding a termination of a labor contract based on a worker's expression of his/her intention to resign, there are no provisions in the Labor Standards Act for labor contracts without term, and therefore, it is governed by the Civil Code. Under the Civil Code, resignation becomes effective in two weeks from the date upon which the worker expresses his/her intention to resign (Article 627, paragraph (1) of the Civil Code).

In the case of labor contracts with a fixed term, a termination of a labor contract by a worker becomes effective promptly only when there are unavoidable circumstances (Article 628 of the Civil Code).

However, this rule does not apply for labor contracts with a fixed term of one year or longer (excluding labor contract for one year or longer concluded with a worker with an advanced level of expertise or with a worker aged 60 years or older), and a worker may resign anytime after the day on which one year has elapsed (Article 137 of the Supplementary Provisions of the Labor Standards Act).

Mandatory retirement

A mandatory retirement system is a system in which a labor contract is automatically terminated when the worker reaches a certain age.

In cases where employers set the retirement age of their workers, such retirement age shall not be lower than 60 (Article 8 of the Act on Stabilization of Employment of Elderly Persons). Additionally, an employer who sets the retirement age below 65 years of age must take measures for securing stable employment for elderly workers until 65 years of age, such as

- (i) raising that retirement age to 65 years of age,
- (ii) introducing a continuous employment system until 65 years of age (including systems of specially related employers (subsidiaries, affiliated companies, etc.)), or
- (iii) abolishing the mandatory retirement age

(Article 9 of the Act on Stabilization of Employment of Elderly Persons).

Furthermore, an employer who sets the retirement age below 70 years of age or who has introduced a continuous employment system up to the age below 70 must make efforts to take the following measures for securing stable employment for elderly workers until 70 years of age:

- (i) raising the mandatory retirement age to 70 years of age,
- (ii) introducing a continuous employment system until 70 years of age (including systems of other employers),
- (iii) abolishing the mandatory retirement age,

- (iv) introducing a system to conclude a continuous business consignment contract with workers until 70 years of age, or
 - (v) introducing a system that will enable workers to continuously engage in social contribution businesses until 70 years of age.
- (Article 10-2 of the Act on Stabilization of Employment of Elderly Persons).

Dismissal

Dismissal is an employer's one-sided termination of a labor contract.

* Grounds for dismissal must be specified in the rules of employment.

< Effect of dismissal >

○ Open-ended labor contract

Article 16 of the Labor Contracts Act provides that a dismissal be treated as an abuse of right and be void if it lacks objectively reasonable grounds and is not considered to be appropriate in general social terms.

○ Fixed-term labor contract with a fixed term

Article 17, paragraph (1) of the Labor Contracts Act provides that an employer may not dismiss a worker working under a fixed-term labor contract until the expiration of the term unless there are unavoidable circumstances.

< Dismissal due to reorganization >

Dismissal due to reorganization is dismissal intended for staff cutbacks by reason of deteriorating business conditions. As court precedents suggest, an employer who dismisses workers due to reorganization should negotiate with labor unions, give explanations to workers and carefully consider the following:

- Whether staff cutbacks are needed
- Whether the employer has made all possible efforts to avoid dismissal
- Whether the employer has selected workers to be dismissed according to objective and reasonable standards
- Whether the process of dismissal is appropriate
- * To avoid staff cutbacks, employers can shorten working hours (work sharing is one of the options).
- * To avoid dismissal, employers can reassign or temporarily transfer workers or offer early retirement to workers.
- * To make the process of dismissal appropriate, employers are required to consult with labor unions or to explain to workers about the dismissal.

< Disciplinary dismissal >

Disciplinary dismissal is dismissal of a worker as disciplinary action against the worker for his/her malicious violation of rules. Employers must specify the kinds, degrees and requirements of disciplinary dismissal in the rules of employment.

< Ordinary dismissal >

Ordinary dismissal is dismissal of a worker who cannot perform his/her duties. Court precedents suggest that ordinary dismissal can apply to the following workers:

- Workers who show significantly poor work performance and are unlikely to improve despite guidance
- Workers who are unlikely to return to work for a long time for health reasons
- Workers who cause work-related difficulties due to a significant lack of cooperative spirit and are unlikely to improve

< Statutory restrictions on dismissal >

Laws prohibit dismissal in the following cases:

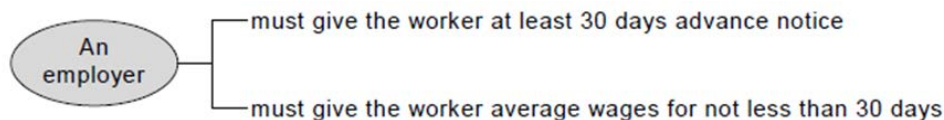
- [i] Dismissal during a period of absence from work for injuries or diseases in the course of business or within 30 days thereafter (Article 19 of the Labor Standards Act)
- [ii] Dismissal during a period of absence from work before and after childbirth or within 30 days thereafter (Article 19 of the Labor Standards Act)
- [iii] Dismissal by reason of the nationality, creed or social status of a worker (Article 3 of the Labor Standards Act)
- [iv] Dismissal by reason of a worker's refusal of the discretionary work system (Article 38-4 of the Labor Standards Act)
- [v] Dismissal of a worker's refusal of the highly skilled professional system [Article 41-2 of the Labor Standards Act]
- [vi] Dismissal by reason of giving a report to a Labour Standards Inspection Office (Article 104, paragraph (2) of the Labor Standards Act, Article 43-2, paragraph (2) of the Pneumoconiosis Act, and Article 14, paragraph (2) of the Act on Ensuring Wage Payment)
- [vii] Dismissal by reason of being a member of a labor union or performing a justifiable act of a labor union or for other similar reasons (Article 7 of the Labor Union Act)
- [viii] Dismissal by reason of being physically disabled (Article 35 of the Act on Employment Promotion etc. of Persons with Disabilities)
- [ix] Dismissal by reason of a worker's request for dispute settlement assistance or conciliation under the Act on Employment Promotion etc. of Persons with Disabilities (Articles 74-6 and 74-7 of the Act on Employment Promotion etc. of Persons with Disabilities)
- [x] Dismissal on the basis of sex (Article 6 of the Equal Employment Opportunity Act)
- [xi] Dismissal by reason of a female worker's marriage, pregnancy, childbirth or absence from work before and after childbirth or for other similar reasons (Article 9 of the Equal Employment Opportunity Act)
- [xii] Dismissal by reason of a worker's request for dispute settlement assistance or conciliation under the Equal Employment Opportunity Act (Articles 17 and 18 of the Equal Employment Opportunity Act)
- [xiii] Dismissal by reason of a worker's request for dispute settlement assistance or conciliation under the Labor Policies Comprehensive Promotion Act (Articles 30-5 and 30-6 of the Labor Policies Comprehensive Promotion Act)
- [xiv] Dismissal by reason of a worker's consultation regarding harassment in the workplace (Articles 11 and 11-3 of the Equal Employment Opportunity Act, Article 30-2 of the Labor Policies Comprehensive Promotion Act, and Article 25 of the Child Care and Family Care Leave Act)
- [xv] Dismissal by reason of a worker's request for confirmation or application of special provisions concerning the insured elderly under the Employment Insurance Act (Article 73 of the Employment Insurance Act)
- [xvi] Dismissal by reason of a worker's report of a violation to the Act for Securing the Proper Operation of Worker Dispatching Undertakings and Improved Working Conditions for Dispatched Workers (hereinafter referred to as the "Worker Dispatching Act") (Article 49-3 of the Worker Dispatching Act)
- [xvii] Dismissal by reason of a worker's report of a violation to the Port Labor Act (Articles 49-3 of the Worker Dispatching Act as applied by replacing the terms pursuant to Article 23 of the Port Labor Act)
- [xviii] Dismissal by reason of a worker's report of a violation to the provision concerning businesses for securing employment opportunities for construction workers under the Act on the Improvement of Employment of Construction Workers (Article 49-3 of the Worker Dispatching Act as applied by replacing the terms pursuant to Article 44 of the Act on the Improvement of Employment of Construction Workers)
- [xix] Dismissal by reason of a worker's request for or acquisition of child care leave or family care leave, etc., a worker's notification of her own or his spouse's pregnancy, childbirth or other event, or a worker's notification of, failure to give consent to, workable days during a father's child care leave, or the like (Articles 10, 16, 16-4, 16-7, 16-10, 18-2, 20-2, Article 21, paragraph (6), and Article 23-2 and 23-3 paragraph (7), of the Child Care and Family Care Leave Act)
- [xx] Dismissal by reason of a worker's request for dispute settlement assistance or conciliation for a dispute under the Child Care and Family Care Leave Act (Articles 52-4 and 52-5 of the Child Care and Family Care Leave Act)

- [xxi] Dismissal of a part-time worker or a fixed-term worker who should be treated in the same manner as ordinary workers by reason of being a part-time worker or a fixed-term worker (Article 9 of the Part-Time and Fixed-Term Workers Act)
- [xxii] Dismissal by reason of a worker's request for explanations concerning the details of the difference in treatment from ordinary workers and the grounds thereof, etc. (Article 14, paragraph (3) of the Part-Time and Fixed-Term Workers Act)
- [xxiii] Dismissal by reason of a worker's request for dispute settlement assistance or conciliation for a dispute under the Part-Time and Fixed-Term Workers Act (Article 24, paragraph (2) and Article 25, paragraph (2) of the Part-Time and Fixed-Term Workers Act)
- [xxiv] Dismissal by reason of a worker's request for assistance and application for mediation to the director of the Prefectural Labour Bureau in resolving an individual labor-related dispute (Article 4, paragraph (3) and Article 5, paragraph (2) of the Act on Promoting the Resolution of Individual Labor-Related Disputes)
- [xxv] Dismissal by reason of whistleblowing (Article 3 of the Whistleblower Protection Act)
- [xxvi] Dismissal by reason of a worker's acquisition of leave to execute the duties of a saiban-in (lay judge) or for other similar reasons (Article 100 of the Act on Criminal Trials with Participation of Saiban-in)

[2] Advance Notice of Dismissal

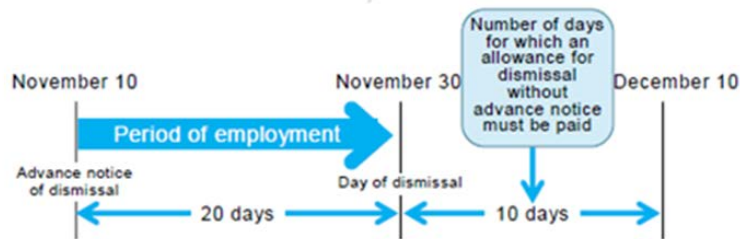
(Article 20 of the Labor Standards Act)

- In order to dismiss a worker:



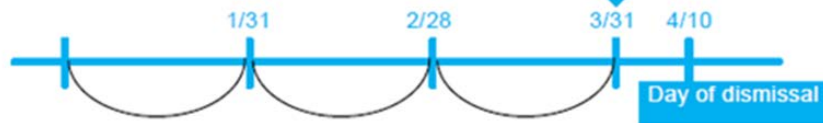
- An employer who cannot give a worker to be dismissed at least 30 days' advance notice must give such worker the average wages for at least the number of days short of 30 days (allowance for dismissal without advance notice).
- If an employer gives advance notice of dismissal and pays an allowance for dismissal without advance notice to a worker, the employer must pay the allowance to the worker no later than the day of dismissal. If an employer dismisses a worker immediately without giving advance notice, the employer must pay the worker an allowance for dismissal without advance notice upon dismissal.

Example On November 10, an employer gives a worker advance notice that the worker will be dismissed as of November 30.



Example Calculation of allowance for dismissal without advance notice

An employer immediately dismisses a worker on April 10. Latest wage cutoff day (If the wage cutoff day is the last day of each month)



Monthly wage	180,000 yen	190,000 yen	210,000 yen	Total of 580,000 yen
Calendar days	31 days	28 days	31 days	Total of 90 days
Working days	18 days	19 days	21 days	Total of 58 days
580,000 yen / 90 days = 6,444.44... yen				
The average wage is 6,444.44 yen.				
(The numbers after the 3rd decimal point are discarded.)				
Allowance for dismissal without advance notice must be the average wage for 30 days.				
6,444.44 yen × 30 days = 193,333.2 yen				
193,333 yen (Fractions of less than one yen are rounded off.)				

[3] Exceptions to Advance Notice of Dismissal

- Advance notice of dismissal is not required in the following cases:

I. Dismissal of workers not requiring advance notice of dismissal (Article 21 of the Labor Standards Act)

- [i] Workers employed on a daily basis.....
- [ii] Workers employed for a fixed period not longer than two months.....
- [iii] Workers employed in seasonal work for a fixed period not longer than four months.....
- [iv] Workers in a probationary period.....

If the worker is employed continuously for longer than one month	The employer must give advance notice or pay an allowance for dismissal without advance notice to the worker.
If the worker is employed continuously for longer than the fixed period	
If the worker is employed continuously for longer than 14 days	

II. Cases approved by the Director-General of the competent Labor Standards Inspection Office (Article 20 of the Labor Standards Act)

- [i] If it becomes impossible to continue business due to a natural disaster or other unavoidable circumstances and the Director-General of the competent Labour Standards Inspection Office approves
- [ii] If the worker is dismissed for causes attributable to the worker and the Director-General of the competent Labour Standards Inspection Office approves

◇ Application for approval for not giving advance notice of dismissal

If an employer applies for approval for not giving advance notice of dismissal to a worker in the case of dismissal for causes attributable to the worker, a Labour Standards Inspection Office determines whether to give approval according to the criteria below, while taking into consideration the years of service, job performance, status and responsibilities of the worker and questioning both the employer and the worker about the circumstances (Kihatsu No.1637 of November 11, 1948; Kihatsu No.111 of March 1, 1956).

- [i] A case where a worker committed any criminal offense, such as theft, embezzlement or injurious assault, within the company
- [ii] A case where a worker negatively influences other workers by gambling or disturbing the morality or discipline of the workplace
- [iii] A case where a worker misrepresented his/her background information, which consists of conditions for his/her hiring
- [iv] A case where a worker changed job to other workplace
- [v] A case where a worker was absent from work without permission and just cause for a period of two weeks or longer and failed to comply with a demand for work
- [vi] A case where a worker failed to improve despite repeated warnings about his/her frequent late arrivals at work and/or absences from work

○ Labor contracts of part-time workers and other fixed-term workers may be considered virtually as open-ended labor contracts even if they have been repeatedly renewed. If an employer is not going to renew the employment of these workers, the employer must give them advance notice of dismissal (see 2.[3] Contracts with a Fixed Term (Fixed-Term Labor Contracts)).

[4] Certificate upon Separation from Employment, etc.

If a worker requests a certificate stating employment-related information as shown below upon separation from employment, an employer is required to deliver such a certificate to the worker without delay (Article 22 of the Labor Standards Act).

[i] the period of employment, [ii] the kind of occupation, [iii] the position in the business, [iv] wages, and [v] the reason for separation from employment (in case of dismissal, including the reason for dismissal)

Retirement Certificate

Mr./Ms. _____

We hereby certify that you have retired as of _____ for the reason stated below.

Date: _____

Name of Business Operator: _____
Name of Employer: _____

(1) Voluntary retirement (excluding case (2))
(2) Retirement upon our encouragement
(3) Mandatory retirement
(4) Retirement upon expiration of employment contract
(5) Retirement by reason of transfer or secondment
(6) Retirement for other reason (more specifically, _____)
(7) Dismissal (for the reason stated in the appendix)

* Circle the applicable number.
* If the worker dismissed does not request a reason for dismissal, cross out (7) "(for the reason stated in the appendix)" with double lines and do not deliver the appendix to the worker.

Appendix

a. Dismissal due to unavoidable circumstances such as natural disasters (more specifically, _____ has made it impossible for us to continue our business operations)

b. Dismissal due to our operational needs such as downsizing (more specifically, we _____)

c. Dismissal due to your serious violation of an operational order (more specifically, you _____)

d. Dismissal due to your misconduct related to work (more specifically, you _____)

e. Dismissal due to your poor work attitude, such as absence from work without permission for a long time (more specifically, you _____)

f. Dismissal for other reason (more specifically, _____)

* Circle the applicable letter and detail the reason in the parentheses.

[5] Return of Money and Goods

In the event of a worker's death or separation from employment, if a right holder requests, an employer is required to, within seven days, pay the wages and return the reserve funds, security deposits, savings, and any other money and goods to which the worker is rightfully entitled, regardless of the name by which such money and goods may be called (Article 23 of the Labor Standards Act)

18 Rules of Employment

(Articles 89 and 90 of the Labor Standards Act)

- An employer who continuously employs 10 or more workers is required to draw up rules of employment. The employer must ask the opinions of a representative of the workers when drawing up the rules of employment and submit the completed rules of employment with a statement of such opinions to the Director-General of the competent Labour Standards Inspection Office. This also applies when the rules of employment are changed. The aforementioned "10 or more workers" include part-time workers.

* Rules of employment help maintain workplace order, stabilize working conditions and business operations, and prevent unnecessary employment-related difficulties. Employers should draw up rules of employment even if they employ fewer than 10 workers.

— Matters Required in Rules of Employment —

Information required (Absolutely required information)

- [i] Matters pertaining to starting and finishing times, rest periods, days off, leave, and shifts in cases in which workers work in two or more shifts (including child care leave and family care leave under the Child Care and Family Care Leave Act)
- [ii] Matters pertaining to methods of determining, calculating and paying wages (excluding special wages), dates for closing accounts for wages and increases in wages
- [iii] Matters pertaining to retirement (including grounds for dismissal)

Matters required if certain provisions are made

- [i] If provisions for retirement allowances are made, matters pertaining to the scope of workers covered, methods of determining, calculating and paying retirement allowances and the dates for payment of retirement allowances
- [ii] If provisions for special wages (excluding retirement allowances) and minimum wages are made, matters pertaining thereto
- [iii] If provisions for meal expenses, work supply expenses and other expenses to be borne by workers are made, matters pertaining thereto
- [iv] If provisions for safety and health are made, matters pertaining thereto
- [v] If provisions for vocational training are made, matters pertaining thereto
- [vi] If provisions for accident compensation and support for off -the-job injuries and diseases are made, matters pertaining thereto
- [vii] If provisions for commendation and sanctions are made, matters pertaining to their kind and degree
- [viii] If other provisions that apply to all the workers of the workplace are

- Rules of employment must not violate applicable laws and regulations, such as the Labor Standards Act, or collective agreements. Portions of a labor contract that do not satisfy the standards of the rules of employment are invalid and will be governed by the standards set forth in the rules of employment. If separate rules of employment are formulated for some workers to provide them with working conditions different from those for other workers, the original

- Hearing of opinions from a representative of workers

The employer is required to give due consideration so that a person representing a majority of the workers can smoothly perform duties concerning an agreement, etc. under law.

The employer must not treat the person disadvantageously on the following grounds.

Grounds

- (1) The person is a representative of a majority of all the workers.
- (2) The person attempted to become a representative of a majority of all the workers.
- (3) The person acted justifiably as a representative of a majority of all the workers.

Statement of Opinions

Date _____

Mr./Ms.

--	--

						This statement sets out our opinions about
						the proposed rules of employment, such opinions having been requested on

Article	Before Revision	After Revision

Labor Insurance Number	Prefecture	City	Junaidistrict	Base No.			Branch No.			Collective Insurance No.		
Name of Workplace												
Address											TEL	
Name of Employer												
Type of Business/Number of Workers							Company as a whole Workplace			people people		
If you have changed the company name, also enter the former name. If you have changed the address, also												

[illegible]

Name of the labor union or the representative of a majority of all the workers	Title
Procedures to elect the representative of a majority of all the workers ()	Name

■ Restrictions on sanction provisions (Article 91 of the Labor Standards Act)

If an employer imposes sanctions, such as admonition, wage reduction, suspension from work or disciplinary dismissal, on workers for their violation of service discipline, the employer must include specific grounds and the types and degrees of sanctions therefor in the rules of employment.

The amount of a wage reduction for a single sanction case must not exceed 50 percent of the daily average wage of such worker. If a worker is subject to sanctions for multiple cases for a single wage payment period, the total amount of wage reduction must not exceed 10 percent of the total wages for the wage payment period.

■ Dissemination of rules of employment and agreement under Article 36, etc. (Article 106 of the Labor Standards Act)

An employer is required to disseminate the rules of employment, an agreement under Article 36 and other labor-management agreements.

Means of dissemination of rules of employment and other labor-management agreements

An employer is required to disseminate the rules of employment and other labor-management agreements by any of the following means:

- [i] Posting or keeping copies of the rules of employment and other labor-management agreements in an easily visible location at each workplace at all times;
- [ii] Delivering written copies of the rules of employment and other labor-management agreements to the workers; and/or
- [iii] Recording the rules of employment and other labor-management agreements on magnetic tapes, magnetic disks, cloud service, or other equivalent forms of media so that the workers have access to them at all times (e.g. in-house LAN).

For the avoidance of doubt, an employer is required to ensure that workers can easily check the rules of employment, when necessary, by showing them the places where the rules of employment are kept or otherwise.

19 Medical Examination and Safety and Health Management System

■ Medical examination at the time of employment

This medical examination is not intended to determine whether or not to hire workers. A worker who received medical examination covering items corresponding to those listed below and for whom three months do not elapse may submit the relevant medical certificate instead of undergoing the medical examination at the time of employment.

Medical Examination Items	Omission Criteria
○ Questions on medical and work histories ○ Examination of subjective and objective symptoms ○ Measurement of height, weight, waist circumference, eyesight and hearing ○ Chest X-ray examination ○ Blood-pressure measurement ○ Anemia test (hemoglobin content and erythrocyte count) ○ Liver function test (GOT, GTP and γ-GTP) ○ Blood lipid level test (LDL cholesterol, HDL cholesterol and triglyceride level in blood serum) ○ Blood sugar test ○ Urine test (test of sugar and protein in urine) ○ Electrocardiography	When a worker submits the results of the medical examination that he/she received within the last three months, only examination items included in the results thus submitted may be omitted.

■ Periodical medical examination

An employer is required to provide regularly employed workers with a periodical medical examination by physicians for the items listed in the table below once during every one year period, individually notify workers of the medical examination results, and keep them in individual medical examination records for at least five years.

Medical Examination Items	Omission Criteria (determined by physicians)
○ Questions on medical and work histories ○ Examination of subjective and objective symptoms	—
○ Measurement of height, weight, waist circumference, eyesight and hearing (*1)	• Height: Workers aged 20 or older • Waist circumference: [i] Workers under 40 years of age (excluding workers aged 35) [ii] Pregnant female workers [iii] Workers with a BMI of less than 20 [iv] Workers who measure their waist circumference by themselves and report the measurement (only for workers with a BMI of less than 22)
○ Chest X-ray examination and sputum examination	• Chest X-ray examination Workers under 40 years of age who are not any of the persons listed below (*2) • Sputum examination Workers who are exempt from a chest X-ray examination Workers with no lesions detected in a chest X-ray examination or who are diagnosed by a chest X-ray examination as being unlikely to develop tuberculosis
○ Blood-pressure measurement	—
○ Anemia test (hemoglobin content and erythrocyte count) ○ Liver function test (GOT, GTP and γ-GTP) ○ Blood lipid level test (LDL cholesterol, HDL cholesterol and triglyceride level in blood serum) ○ Blood sugar test	Workers under 40 years of age (excluding workers aged 35)
○ Urine test (test of sugar and protein in urine)	—
○ Electrocardiography	Workers under 40 years of age (excluding workers aged 35)

(*1) A hearing test is a test of the hearing ability of workers with audiometers using sound levels of 1,000Hz and 4,000Hz. Workers under 45 years of age (excluding workers aged 35 and 40) do not need to take this hearing test if they take another test of hearing ability considered appropriate by a physician (excluding hearing ability for a sound level of 1,000Hz or 4,000Hz).

(*2): [i] Workers aged 20, 25, 30 or 35

[ii] Workers at schools (including specialized training colleges and schools for specialized education and excluding

kindergartens), hospitals, clinics, midwifery homes, long-term care health facilities, integrated facilities for medical and long-term care, or other specified social welfare facilities
 [iii] Workers who are required by the Pneumoconiosis Act to undergo a medical examination for pneumoconiosis once every three years

■ Stress check

From December 2015, employers who regularly employ 50 or more workers are required to conduct a stress check for all workers (*) Under the revised Industrial Safety and Health Act that was promulgated in May 2025, the implementation of stress checks also became mandatory for workplaces with fewer than 50 workers (which previously had only a duty to make efforts to implement them) (this revised Act comes into effect on a day specified by Cabinet Order within a period not exceeding three years from the date of promulgation).

(*) Excluding workers whose contract terms are shorter than one year and part-time workers who work less than three-quarters of regular working hours of ordinary workers

■ General safety and health manager

An employer is required to appoint a general safety and health manager for each workplace if the workplace meets the criteria below:

	Number of workers
(1) Construction, transport, etc.	100 or more
(2) Manufacturing, electricity, etc.	300 or more
(3) Other types of business	1,000 or more

* For more details on business types, see the classification in the "Safety and Health Management Organization" below.

■ Safety officer

An employer is required to appoint a safety officer for each workplace of business type (1) or (2) above if 50 or more workers are continuously employed at such workplace.

■ Health officer

Irrespective of business type, an employer is required to appoint a health officer for each workplace if 50 or more workers are continuously employed at such workplace.

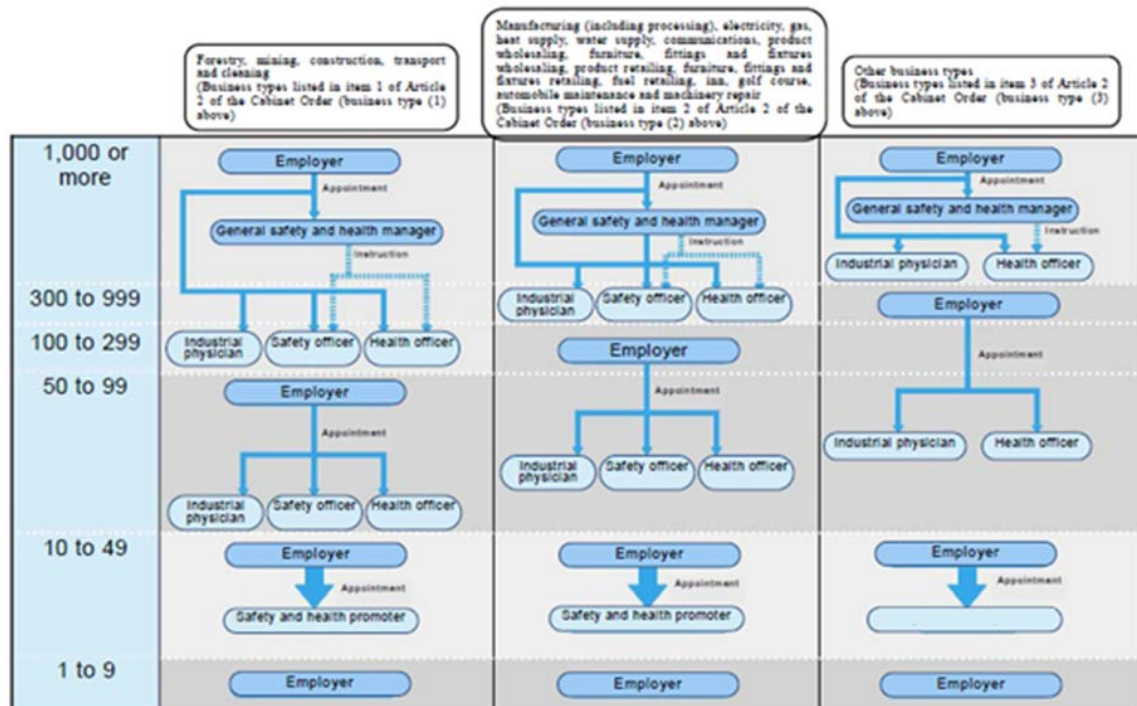
■ Safety and health promoter and health promoter

For each workplace at which 10 to 49 workers are continuously employed, an employer is required to appoint a safety and health promoter if the business type requires the appointment of a safety officer (business types (1) and (2) above), or a health promoter if the business type is any other.

■ Industrial physician

Irrespective of the business type, an employer is required to appoint an industrial physician for each workplace at which 50 or more workers are continuously employed and have the industrial physician perform necessary duties such as making the rounds at such workplace.

■ Safety and health management organization



20 Labor Insurance (Industrial Accident Compensation Insurance and Employment Insurance)

■ Labor insurance

Industrial accident compensation insurance and employment insurance are collectively called labor insurance. As long as an employer employs at least one worker, the business falls under the labor insurance requirement.

An employer who conducts a business covered by labor insurance must submit a notice of establishment of an insurance relationship to the Director-General of the competent Labour Standards Inspection Office or the director of the competent public employment security office within 10 days from the day following the day on which the insurance relationship is established.

If an insurance relationship is established, an employer must pay an estimated insurance premium to the competent Prefectural Labour Bureau, the competent Labour Standards Inspection Office or a financial institution (a bank or postal office) with a declaration of the estimated insurance premium within 50 days from the day following the day on which the insurance relationship is established.

■ Industrial accident compensation insurance

- Any worker, whether working full-time or part-time, is covered by industrial accident compensation insurance. If a worker suffers an injury or a disease or dies due to any accident while performing duties or during travel to or from work, insurance benefits under the industrial accident compensation insurance scheme are provided to the worker or his/her bereaved family. In such a case, even if the employer fails to complete the procedure for establishing an insurance relationship for industrial accident compensation insurance, the worker can still receive insurance benefits, but the employer may be required to bear part of the costs necessary for the insurance benefits.
- When an industrial accident occurs, the employer should promptly assist the victims. If a worker dies or needs to be absent from work for four days or longer because of an industrial accident, the employer must immediately submit a report of worker casualty to the Director-General of the competent Labour Standards Inspection Office. (Accidents that cause workers' absence from work for less than four days must be compiled into a report and be submitted every quarter.) In the event of a fatal accident or other serious disaster wherein three or more workers become victims, the employer must immediately notify the competent Labour Standards Inspection Office of such matter.

■ Employment insurance

- If a worker becomes unemployed or any circumstances arise to make it difficult to continue his/her employment, a worker voluntarily receives vocational education or training, or a worker takes leave or works reduced hours to care for children, employment insurance provides the worker with necessary benefits to stabilize his/her livelihood and employment and also make it easier for the worker to find a job. In addition, employment insurance aims to prevent unemployment, redress the employment situation, increase employment opportunities, and develop and improve the abilities of workers or otherwise promote welfare of workers in order to contribute to the employment security of workers.
- The Employment Insurance Act requires an employer to report a public employment security office (Hello Work) that a worker who meets the requirements has come to be covered by employment insurance, irrespective of the intention of the business operator and the worker. If an employer fails to properly report such fact, workers may suffer disadvantages in benefits when they become unemployed. For the procedures for giving workers employment insurance, an employer should contact the competent public employment security office.
- All general workers are covered by employment insurance. On the other hand, part-time workers are covered by employment insurance if they meet both of the following requirements:
 - [i] They are expected to be continuously employed for at least 31 days; and
 - [ii] They work at least 20 hours a week.

- ◇ The health insurance scheme aims to provide workers and their dependents with insurance benefits for childbirth as well as diseases, injuries and death that do not occur in the course of business in order to help stabilize the lives of the people and improve their welfare.
- ◇ The employees' pension insurance scheme aims to provide insurance benefits for the aging, disability or death of workers in order to help stabilize the lives of workers and their surviving families and improve their welfare.
- ◇ The places of business listed below are obligated by law to join the health insurance scheme and the employees' pension insurance scheme.
 - All places of business of corporations
 - Places of personal business covered by the scheme at which at least five workers are continuously employed, such as companies, plants, stores and offices
- ◇ To join these insurance schemes, an employer needs to submit necessary documents, such as an application for enrollment in the scheme, to the competent branch office of the Japan Pension Service.

List of Consulting Organizations

- This is a list of major consulting organizations for labor-related issues.
- The General Labor Consultation Corner, (<https://www.mhlw.go.jp/general/seido/chihou/kaiketu/soudan.html>) which is established in each Prefectural Labour Bureau and Labour Standards Inspection Office, accepts consultations from workers and employers in all fields of labor issues, such as dismissal, non-renewal of employment and personnel relocation. The Corner also accepts applications for advice and guidance by the directors of Prefectural Labour Bureaus or for conciliation by the competent Disputes Adjustment Commission.

Issue	Consulting Organization
■ Working conditions, including dismissal and non-payment of wages	○ Labour Standards Inspection Office https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/roudoukijun/location.html
■ Working hours	
■ Wages and retirement allowances	
■ Management of workplace safety and health	
■ Industrial accident compensation insurance	
■ Job offering and job seeking	○ Public Employment Security Office (Hello Work) https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/koyou/hellowork.html
■ Employment insurance	
■ Unemployment and other benefits for job seekers	
■ Benefits for child care or other leave, and benefits for family care leave	
■ Subsidies for promotion of employment	
■ Benefits for continued employment of senior citizens	
■ Employment management for elderly, disabled and foreign workers	
■ Equal treatment of men and women in the workplace	○ Employment Environment and Equal Employment Office, Prefectural Labour Bureau https://www.mhlw.go.jp/content/000177581.pdf
■ Sexual harassment in the workplace	
■ Disadvantageous treatment and harassment in relation to pregnancy, childbirth, or acquisition of child care or family care leave, etc. in the workplace	
■ Maternal health management	
■ Child care and family care leave	
■ Part-Time Work Act	
■ Disputes between labor unions and employers	Labor Relations Commission
■ Health insurance and employee s' pension insurance	Japan Pension Service (branch office)
■ Labor tribunal decision	District Court

(Reference) List of Minimum Wages by Prefecture

Regional minimum wages are as shown below. Additionally, special minimum wages are set for some business types. See the dedicated website for detail.

FY2025 List of Minimum Wages of 47 Prefectures

Prefectures	Hourly minimum wage amounts [yen]		Amount of increase (yen)	Increase rate [%]	Effective date
Hokkaido	1,075	(1,010)	65	6.4	Oct. 4, 2025
Aomori	1,029	(953)	76	8.0	Nov. 21, 2025
Iwate	1,031	(952)	79	8.3	Dec. 1, 2025
Miyagi	1,038	(973)	65	6.7	Oct. 4, 2025
Akita	1,031	(951)	80	8.4	Mar. 31, 2026
Yamagata	1,032	(955)	77	8.1	Dec. 23, 2025
Fukushima	1,033	(955)	78	8.2	Jan. 1, 2026
Ibaraki	1,074	(1,005)	69	6.9	Oct. 12, 2025
Tochigi	1,068	(1,004)	64	6.4	Oct. 1, 2025
Gunma	1,063	(985)	78	7.9	Mar. 1, 2026
Saitama	1,141	(1,078)	63	5.8	Nov. 1, 2025
Chiba	1,140	(1,075)	64	5.9	Oct. 3, 2025
Tokyo	1,226	(1,163)	63	5.4	Oct. 3, 2025
Kanagawa	1,225	(1,162)	63	5.4	Oct. 4, 2025
Niigata	1,050	(985)	65	6.6	Oct. 2, 2025
Toyama	1,062	(998)	64	6.4	Oct. 12, 2025
Ishikawa	1,054	(984)	70	7.1	Oct. 8, 2025
Fukui	1,053	(984)	69	7.0	Oct. 8, 2025
Yamanashi	1,052	(988)	64	6.5	Dec. 1, 2025
Nagano	1,061	(998)	63	6.3	Oct. 3, 2025
Gifu	1,065	(1,001)	64	6.4	Oct. 18, 2025
Shizuoka	1,097	(1,034)	63	6.1	Nov. 1, 2025
Aichi	1,140	(1,077)	63	5.8	Oct. 18, 2025
Mie	1,087	(1,023)	64	6.3	Nov. 21, 2025
Shiga	1,080	(1,017)	63	6.2	Oct. 5, 2025
Kyoto	1,122	(1,058)	64	6.0	Nov. 21, 2025
Osaka	1,177	(1,114)	63	5.7	Oct. 16, 2025
Hyogo	1,116	(1,052)	64	6.1	Oct. 4, 2025
Nara	1,051	(986)	65	6.6	Nov. 16, 2025
Wakayama	1,045	(980)	65	6.6	Nov. 1, 2025
Tottori	1,030	(957)	73	7.6	Oct. 4, 2025
Shimane	1,033	(962)	71	7.4	Nov. 17, 2025
Okayama	1,047	(982)	65	6.6	Dec. 1, 2025
Hiroshima	1,085	(1,020)	65	6.4	Nov. 1, 2025
Yamaguchi	1,043	(979)	64	6.5	Oct. 16, 2025
Tokushima	1,046	(980)	66	6.7	Jan. 1, 2026
Kagawa	1,036	(970)	66	6.8	Oct. 18, 2025
Ehime	1,033	(956)	77	8.1	Dec. 1, 2025
Kochi	1,023	(952)	71	7.5	Dec. 1, 2025
Fukuoka	1,057	(992)	65	6.6	Nov. 16, 2025
Saga	1,030	(956)	74	7.7	Nov. 21, 2025
Nagasaki	1,031	(953)	78	8.2	Dec. 1, 2025
Kumamoto	1,034	(952)	82	8.6	Jan. 1, 2026
Oita	1,035	(954)	81	8.5	Jan. 1, 2026
Miyazaki	1,023	(952)	71	7.5	Nov. 16, 2025
Kagoshima	1,026	(953)	73	7.7	Nov. 1, 2025
Okinawa	1,023	(952)	71	7.5	Dec. 1, 2025
National weighted average	1,121	(1,055)	66	6.3	-

*Figures in parentheses represent the minimum wage amounts by prefecture prior to the revision.

< Access the dedicated website for minimum wages from here.>

最低賃金制度

検索



(October 2025)