



Labour Update

労組周辺動向 No. 209



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This bulletin contains information on law changes that have either passed, or are being discussed, in parliament, court decisions, and other labor issues in Japan that are of interest to activists.

1. Law/Policy

(1) Expanding "Overtime Exemption" and "Nursing Care Leave"... How Will Working Parents' Rights Change with the "Child Care and Family Care Leave Law" Amendment?

From April 1 this year, the "Amended Child Care and Family Care Leave Law" will be enforced.

The main points of this legal amendment are:

- ①The age of children eligible for nursing care leave has been raised to "third grade of elementary school"
- ②"Class closures" and "entrance ceremonies" have been added to the reasons eligible for nursing care leave
- ③Workers "less than six months after joining the company" can now take nursing care leave
- ④Restrictions on non-scheduled working hours (overtime exemption) have been raised to "before elementary school enrollment"

With the legal amendment, companies are obligated to modify their work rules and notify employees.

Therefore, even if work rules haven't been changed, workers can request nursing care leave from their company based on this legal amendment.

"Guide to Amendment Points of Child Care and Family Care Leave Law to be Enforced Gradually from April 1, Reiwa 7 (2025)" Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/content/11900000/001259367.pdf>

(2) "Labor Standards Related Laws Study Group Report" January 8, 2025 Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/content/11402000/001370269.pdf>

2. Legal Violations/Disputes

(1) Takarazuka Revue to Incorporate in July, Employment Contracts with Performers, Majority of Board Members from Outside - Strengthening Governance Following Actress's Sudden Death

Hankyu Hanshin Holdings (HD) announced on January 14 that the Takarazuka Revue (Takarazuka City), previously a division of Hankyu Railway, will be incorporated as a 100% subsidiary around July. Following the sudden death of a female performer in 2023, this move aims to enhance transparency and strengthen governance.

Performers in their sixth year and beyond, who were previously under business consignment contracts, will also enter into employment contracts from March, similar to those in their fifth year or less. These will primarily be one-year renewable fixed-term contracts. Additionally, mandatory self-practice sessions will be treated as working hours under certain management, and assistant directors and assistant producers without discretionary authority will be excluded from the discretionary work system.

(2) Japan Post Imposes "Penalties" on Yu-Pack Contractors - Several Ten Thousands of Yen per Mis delivery or Complaint

It was revealed that post offices in the Kanto region had been unfairly receiving high "penalties" from contractors delivering Yu-Pack parcels for customer complaints and other issues. The Japan Fair Trade Commission recognized this as a violation of the Subcontract Act (unfair request for economic benefits) by Japan Post in June last year. The penalty system was established by Japan Post in contracts with contractors nationwide, and the Fair Trade Commission issued administrative guidance to correct the penalty system.

3. Situation/Statistics

(1) Welfare Applications in October Last Year: 21,561 Cases, Exceeding the Previous Year for Fourth Consecutive Month

According to the Ministry of Health, Labour and Welfare, the number of welfare applications nationwide in October last year was 21,561, an increase of 661 cases or 3.2% compared to the same month the previous year.

This marks the fourth consecutive month that welfare applications have exceeded the previous year's figures.

Meanwhile, 19,807 households newly began receiving welfare benefits in October last year, an increase of 977 households or 5.2% compared to the same month the previous year.

As of October last year, the total number of recipient households nationwide was 1,652,414, an increase of 269 households or 0.02% compared to the same month the previous year.

"Results of the Survey on Welfare Recipients (Preliminary Figures for October Reiwa 6) Are Published" January 8, 2025 Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/toukei/saikin/hw/hihogosya/m2024/dl/10-01.pdf>

(2) Real Wages Decline for Fourth Consecutive Month in November as Price Increases Outpace = Monthly Labor Survey

According to the Monthly Labor Survey (preliminary report) for November released by the Ministry of Health, Labour and Welfare on January 9, real wages decreased by 0.3% year-on-year, marking the fourth consecutive month of decline. Despite wage increases and the start of winter bonus payments in some sectors pushing up nominal wages, price increases outpaced them due to factors such as the end of electricity and gas subsidies.

The total cash earnings, which indicate average nominal wages per worker, increased by 3.0% year-on-year to 305,832 yen. The pace accelerated from October's 2.2% increase, marking the 35th consecutive month of increase.

Reflecting wage increases agreed upon in this year's spring labor negotiations, scheduled earnings increased by 2.7% year-on-year to 265,082 yen, the highest rate of increase in 32 years. Special payments including bonuses increased by 7.9% to 20,091 yen. Non-scheduled earnings increased by 1.6% to 20,659 yen, extending from October's 0.7% increase.

However, the Consumer Price Index (excluding imputed rent) accelerated from October's 2.6% increase to 3.4% in November, pushing down real wages.

"Monthly Labour Survey Results for November Reiwa 6 (Preliminary Report)" January 9, 2025 Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r06/2411p/dl/pdf2411p.pdf>

(3) 41% of Global Companies Intend to Reduce Workforce by 2030 Due to AI Automation

It has been revealed that 41% of major global companies are considering workforce reductions due to the automation of specific tasks by artificial intelligence (AI). The World Economic Forum (WEF) released a report on January 8.

According to the report, 77% of the hundreds of major global companies surveyed plan to retrain and upskill existing employees between 2025 and 2030 to strengthen collaboration with AI. However, unlike the report released in 2023, this year's report does not state that most technologies, including AI, will be a "net positive" for employment.

Post office clerks, executive secretaries, and payroll clerks are among the positions that employers expect to see the fastest decline in headcount over the next few years, regardless of AI adoption and other trends.

According to the report, the fact that both graphic designers and legal secretaries are near the top 10 fastest-declining occupations is an unprecedented prediction not seen in previous reports, possibly suggesting the increasing capability of generative AI to perform intellectual work.

In contrast, demand for AI-related technology skills is growing. About 70% of companies plan to hire new talent with the ability to design AI tools and extensions, and 62% intend to hire more personnel with skills to strengthen collaboration with AI.

"Future of Job 2025 - Insight Report" 8 January 2025 World Economic Forum

https://reports.weforum.org/docs/WEF_Future_of_Jobs_Report_2025.pdf

(4) Household Consumption Decreases 0.4%, Fourth Consecutive Month Below Previous Year

According to the household survey released by the Ministry of Internal Affairs and Communications on January 10, households with two or more people spent an average of 295,518 yen in November last year, a 0.4% decrease in real terms compared to the same month the previous year after excluding the effects of price fluctuations. This marks the fourth consecutive month of decline. Common food items with noticeable price increases have become targets for cost-cutting, showing continued weak consumption under high prices.

This is also attributed to stagnant wage growth. According to the Monthly Labor Survey by

the Ministry of Health, Labour and Welfare, real wages (preliminary figures) in November last year decreased by 0.3% compared to the same month the previous year, marking the fourth consecutive month of decline. The high-level wage increases seen in large companies have not sufficiently spread to smaller companies, and the government's goal of "wage increases exceeding price increases" has not yet taken hold.

"Household Survey (Two-or-more-person Households) November 2024" January 10, 2025
Statistics Bureau, Ministry of Internal Affairs and Communications

<https://www.stat.go.jp/data/kakei/sokuhou/tsuki/index.html>

(5) Corporate Bankruptcies Exceed 10,000 for First Time in 11 Years, Labor Shortage Strains Small Business Management

According to Tokyo Shoko Research's announcement on January 14, corporate bankruptcies in 2024 increased by 15.1% year-on-year to 10,016 cases, exceeding 10,000 for the first time since 2013, marking the third consecutive year of increase. Of these, 14,000 were small and medium-sized enterprises, with cost increases due to the weak yen and labor shortages straining management. The end of special measures that had deferred social insurance premiums and tax payments during the COVID-19 pandemic also became a burden, leading to a sharp increase in bankruptcy cases. Total liabilities decreased by 2.4% to 2.3435 trillion yen.

By region, all nine districts from Hokkaido to Kyushu exceeded the previous year's figures for the second consecutive year.

Bankruptcies due to labor shortages increased by approximately 80% to 289 cases, the highest since 2013 when comparable data became available. Bankruptcies due to lack of successors also reached a record high of 462 cases.

"10,006 Nationwide Corporate Bankruptcies in 2024 (Reiwa 6)" January 14, 2025 Tokyo Shoko Research

https://www.tsr-net.co.jp/news/status/detail/1200857_1610.html

(6) About 660,000 Non-Regular Local Government Employees with "One-Year Terms"... Over 32,000 Teachers and Lecturers with Average Hourly Wage Below 1,700 Yen

A government survey has revealed that there are 660,000 non-regular local government employees (fiscal year appointed staff) with one-year terms, and about three-quarters of them are women. It has been pointed out that even those in specialized positions have their wages suppressed due to annual appointments, contributing to the gender wage gap. It was also revealed for the first time that there are 32,000 teachers and lecturers among these one-year term non-regular public employees, with their average hourly wage remaining at 1,697 yen.

According to survey results released on January 14 at a council examining the background of gender wage gaps, as of April 1 last year, among all local government employees, 661,368 were "fiscal year appointed staff" with one-year terms, with approximately 76% women and 24% men. According to Ministry of Internal Affairs and Communications statistics, local government employees total about 3.5 million including both regular and non-regular workers, so by simple calculation, "fiscal year appointed staff" account for nearly 20% of the total.

By occupation, "general office workers" were the most numerous at 32.6%, followed by "skilled labor workers" (including school lunch cooks) at 13.8%, "nursery school teachers" at 8.5%, and teachers/lecturers at 4.9%. In the first national survey of hourly wages for fiscal year appointed staff, "clerical assistant staff" averaged 1,118 yen, "nursery school teachers" averaged 1,269 yen, and "teachers/lecturers (compulsory education)" averaged 1,697 yen.

Fiscal year appointed staff, who work in local government offices and as school teachers, nursery teachers, librarians, after-school childcare workers, nurses, and other specialized positions, may not be reappointed in the next fiscal year, making their positions unstable. It has been noted as problematic that even when they are repeatedly appointed to the same position for years, gaining experience and taking on responsibilities that can hardly be called "temporary" or "assistant," they lack the promotion and pay raise systems available to regular public employees.

The national survey also revealed that about 60% of prefectures responded that "some departments and occupations do not consider factors such as work experience" when determining wages for reappointment, showing how fiscal year appointed staff wages tend to be suppressed as local governments are forced to reduce personnel costs.

"Survey Results on the Implementation Status of the Fiscal Year Appointed Staff System for Reiwa 6" January 14, 2025 Ministry of Internal Affairs and Communications

https://www.soumu.go.jp/main_content/000985059.pdf

(7) Expert Group Issues Statement Protesting Legal Amendment Without "Harassment Prohibition"

An expert group has issued a protest statement regarding the Ministry of Health, Labour and Welfare's policy on legal amendments related to workplace harassment countermeasures.

While there has been progress in obligating companies to take measures against customer harassment and sexual harassment of job seekers, the issue remains that harassment acts themselves are not "prohibited."

The statement was issued by the board of directors of the Gender Law Society.

In December 2024, the Labor Policy Council, an advisory body to the Minister of Health, Labour and Welfare, compiled recommendations for strengthening measures to promote women's advancement and prevent workplace harassment. The recommendations include newly obligating companies to prevent sexual harassment of job seekers, and a legal amendment based on these recommendations is expected to be deliberated in the ordinary Diet session beginning in January 2025.

The society's board of directors takes issue with the fact that "prohibition of harassment," "support and relief for victims," and "law enforcement system" for these purposes were not included in the recommendations and weren't even points of discussion.

In the previous legal amendment (2019), the House of Representatives' supplementary resolution included "considering the necessity of legislation including provisions that prohibit harassment acts themselves as grounds for damage claims."

The board of directors of the Gender Law Society urged that "laws should prohibit various forms of harassment, including sexual harassment and harassment related to gender and other attributes, and a system to appropriately support and relieve victims should be introduced as soon as possible."

"Board of Directors Statement Demanding Provisions Prohibiting Harassment in the World of Work" January 10, 2025 Board of Directors, Gender Law Society

<https://jagl.jp/?p=1552>