



# Labour Update

## 労組周辺動向 No. 235



2026 - 01 - 16

***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) Upper limit for Fostering Employment system to be decided by Cabinet; expert council on foreign human resources concluded

An expert council of the government to discuss the operational policy for the "Fostering Employment" system, a new foreign human resources acceptance system to replace the Technical Intern Training Program, was held on the 7th, and opinions were exchanged on a draft plan to set the acceptance limit at approximately 426,000 people for two years from fiscal year 2027 when the system begins. According to the Immigration Services Agency, there were no major objections, and the 13 meetings held from February 2025 concluded. After hearing opinions from the ruling parties, the government is expected to decide on the operational policy at a Cabinet meeting by the end of this month.

The draft set the upper limit for the existing "Specified Skilled Worker" system, which is expected to accept transfers from Fostering Employment, at approximately 805,000 people until the end of fiscal year 2028. Combined, both systems will be able to accept up to approximately 1,231,000 people. Both aim to supplement labour shortages.

"Estimated Number of Acceptances for the Specified Skilled Worker System and Fostering Employment System (Draft)" January 7, 2026, Immigration Services Agency, 13th Expert Council on the Basic Policy and Field-Specific Operational Policies for the Specified Skilled Worker System and Fostering Employment System

<https://www.moj.go.jp/isa/content/001453331.pdf>

(2) Elimination of gender disparity in survivors' compensation pension; policy to submit amendment to Workers' Accident Compensation Insurance Act

On January 14, a subcommittee of the Labour Policy Council of the Ministry of Health, Labour and Welfare approved a draft report centered on eliminating gender disparity in the requirements for survivors' compensation pensions received by spouses of those who died in work-related accidents, and mandating workers' accident compensation insurance coverage for workers in agriculture, forestry, and fisheries. The Ministry plans to submit an amendment to the Workers' Accident Compensation Insurance Act to the Diet.

According to the Ministry, the age requirement with gender disparity between spouses has not been changed since the workers' accident compensation pension system was established in 1965. Currently, there is no age restriction for widows who have lost their husbands, but husbands must in principle be 55 years or older at the time of their wife's death to be eligible. The background at that time was the belief that it was difficult for women who lost their husbands to support themselves financially.

Considering the rise in women's employment rate and the increase in dual-income households, the draft report stated that "it is appropriate to abolish the eligibility requirements imposed only on husbands."

Due to reasons such as difficulty in identifying businesses, small-scale agriculture, forestry, and fisheries currently have exceptional voluntary participation allowed for workers' accident compensation insurance, which is in principle mandatory.

In light of successive fatal accidents, the draft report recommended mandatory application of the workers' accident compensation insurance system to small-scale agriculture, forestry, and fisheries businesses as well.

"Review of the Workers' Accident Compensation Insurance System (Report) (Draft)" January 14, 2026, Ministry of Health, Labour and Welfare, 127th Labour Policy Council Labour Standards Subcommittee Workers' Accident Compensation Insurance Division

<https://www.mhlw.go.jp/content/11601000/001630670.pdf>

## **2. Legal Violations/Disputes**

(1) Union Lunch, which laid off 140 people, reports "no progress in procedures" at creditors' meeting on unpaid retirement allowance issue; union demands early payment of remaining 20%; Toyama

A second creditors' meeting was held on January 13 at Toyama District Court for Union Lunch, a catering company that began personal bankruptcy proceedings. Former employees voiced successive demands for payment of retirement allowances still unpaid.

Union Lunch, which provided catering and meals to companies and hospitals in Toyama Prefecture, began personal bankruptcy proceedings in April 2025. All approximately 140 employees were dismissed.

While Union Lunch has paid April and May salaries in full to dismissed employees, only about 80% of retirement allowances for regular employees have been paid.

According to attendees, 15 people including employees attended the January 13 creditors' meeting, where the bankruptcy trustee reported that personal bankruptcy procedures were not progressing and there was no prospect for payment of the remaining retirement allowances, and argued there was no legal obligation regarding the purchase of paid leave.

### (2) Google refused collective bargaining with labour union; Tokyo Labour Commission recognizes unfair labour practice, orders company to engage in negotiations

Regarding Google's labour union response in connection with large-scale personnel reductions announced in 2023 by the US company, including the refusal of the Japanese corporation "Google Godo Kaisha" to engage in collective bargaining with the labour union, the Tokyo Metropolitan Labour Relations Commission recognized on January 15 that this constituted an unfair labour practice and ordered the company to engage in negotiations in good faith.

According to the order, US Google announced in January 2023 a personnel reduction of approximately 12,000 people worldwide. The Japanese corporation requested some employees to sign retirement agreement documents and employment contract termination documents in March of that year.

The Japanese corporation subsequently did not sufficiently explain or respond at collective bargaining sessions held on March 22 and May 9 with the labour union "JMITU Alphabet Union Branch," which some employees had joined, regarding the circumstances leading to the personnel reductions, the selection policy for targets of retirement solicitation, and the treatment of those on maternity and childcare leave. Additionally, it did not respond to collective bargaining requested by the union on May 9.

## **3. Situation/Statistics**

### (1) Foreign residents account for 9.5% of people in their 20s; doubled in 10 years, becoming supporters of social security

It became clear on January 3 that the proportion of foreign residents among the population in their 20s in Japan had rapidly increased from 4.1% in 2015 to 9.5% in 2025. As the young Japanese population has significantly decreased due to declining birthrates, foreigners are gaining presence not only as labour but also as supporters of social security. The number of foreign residents in their 20s has doubled in 10 years. Against the backdrop of the establishment of the overseas human resources acceptance system "Fostering

Employment" and other factors, it is highly likely to increase further. Support for Japanese language learning and professional skill acquisition is becoming an issue for settlement in local communities.

Kyodo News analyzed the Basic Resident Register population for 2015 and 2025. While Japanese people in their 20s decreased by 1.03 million to 11.64 million over 10 years, foreigners in their 20s increased by 680,000 to 1.22 million. Outstandingly exceeding 3.0% of the total across all age groups, a society with 10% foreigners among the young is approaching.

The gender ratio among foreigners in their 20s was 10.1% for men and 8.9% for women. By prefecture, Gunma had the highest at 14.1%, followed by Gifu and Ibaraki. Twelve prefectures exceeded 10%.

(2) 70% of companies actively accepting foreigners due to labour shortage, expecting to secure human resources; Japanese language education and other issues; major company survey

In a major company survey conducted by Sankei Shimbun with responses from 109 companies, 70% of companies were positive about accepting foreign workers for securing labour not only in highly technical fields but also in a wide range of fields. While labour shortages are becoming serious due to the progression of declining birthrates and aging population, issues remain such as Japanese language education essential for work and smooth communication with Japanese employees.

Seventy-two percent of respondents said they "should actively accept" foreign workers. Meanwhile, 28% said "acceptance should be judged carefully."

(3) Over 80% say regulation of foreign workers' economic activities necessary, voices calling for stricter residence screening; major company survey

In a major company survey conducted by Sankei Shimbun with responses from 109 companies, when asked about the economic activities of foreign workers in Japan, which have been increasing annually, over 80% answered that "regulation is necessary." The Takaichi Sanae administration is considering stricter requirements for permanent residence permits, the most common residence status among foreigners, and plans to compile the basic policy on foreign policy by the end of the month in the direction of stricter screening of residence status.

"Regulation is necessary" for economic activities in Japan accounted for 84%, greatly exceeding "no particular regulation needed" at 16%.

When companies that answered "regulation is necessary" were asked about the content with multiple answers allowed, "stricter residence screening such as reflecting unpaid social insurance premiums information" was the most common at 61%. The government is expected to implement measures from 2027 to in principle not allow foreigners with unpaid taxes or social insurance premiums to change or renew their residence status.

The second most common was "security measures" at 54%. Companies appear to be wary of public disorder caused by nuisance behavior, such as troubles between Turkish Kurdish nationals living in concentrated areas in Kawaguchi City, Saitama Prefecture, and local residents.

(4) "Opening doors to foreign nationals as before" for staff recruitment; Suzuka and Kuwana city mayors in Mie Prefecture

In response to Mie Prefecture considering reviewing the recruitment of foreign national staff, the mayors of Suzuka City and Kuwana City stated on January 6 at regular press conferences their intention to continue opening doors toward coexistence as before.

Suzuka City, which has been recruiting foreign national staff for general positions excluding firefighters since fiscal year 2001, saw Mayor Suematsu Noriko explain there was no plan to revise recruitment conditions.

(5) November real wages down 2.8%, decline expands; large decrease in bonuses = Monthly Labour Survey

According to the November Monthly Labour Survey (preliminary) released by the Ministry of Health, Labour and Welfare on January 8, real wages, which exclude the impact of price fluctuations from nominal wages, decreased 2.8% year-on-year, with the negative margin expanding from 0.8% decline the previous month. This marked 11 consecutive months of year-on-year decline. The large decrease in bonuses had an impact. The growth in nominal wages was also at the lowest level since December 2021 during the COVID-19 pandemic.

Total cash earnings, which represent average nominal wages per worker, increased 0.5% year-on-year to 310,202 yen. Although it increased for the 47th consecutive month, the growth significantly shrank from 2.5% increase in October.

"Monthly Labour Survey, November 2025 (Reiwa 7) Preliminary Results" January 8, 2026, Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/toukei/itiran/roudou/monthly/r07/2511p/dl/pdf2511p.pdf>

(6) 11% "want to work more"; Zenroren survey amid consideration of deregulation of working hours

On January 14, the national labour union organization "Zenroren" (National Confederation of Trade Unions) announced the results of a survey asking workers about their desired working hours and acceptable overtime hours. Of the workers, 60% answered they "want to reduce working hours from the current level," while those who said "want to increase" amounted to only 10%.

The survey was conducted in response to Prime Minister Takaichi Sanae's instruction to consider deregulation of working hours and requests from the business community for deregulation. It was conducted in November-December last year through member organizations and related groups, with responses from 1,267 people. Of respondents, 86% were regularly employed and 13% were non-regularly employed.

When asked about their desired working hours including overtime, "want to reduce" was the most common at 57%, "want to keep the current level" was 32%, and "want to increase" was 11%. The most common reason among those who answered "want to in-

crease" was "because current income makes life difficult," accounting for 78%. When asked about acceptable overtime hours, 10 hours per month was the most common at 28%, followed by 5 hours at 22% and 30 hours at 21%. Eighty hours or more, considered the karoshi (death from overwork) line, was 5%.

#### (7) Prime Minister Takaichi's dissolution and general election strategy; possibility of headwinds for LDP without election cooperation

Prime Minister Takaichi Sanae is trying to strengthen her political base by winning the general election with her high cabinet approval ratings as a tailwind. However, without election cooperation partners who support the ruling party's vote-gathering, it could become a riskier gamble than anticipated.

An early dissolution and general election could be an excellent opportunity for Takaichi, who is trying to raise Japan's presence again in the economic and security fields, to show she can recover a stable majority in the House of Representatives and take on a long-term administration. Opinion polls show she is maintaining approval ratings at the highest level in over a decade, supporting this view.

If she wins the general election, she will be able to impress as a strong leader heading into the next meeting with US President Trump scheduled for spring. It could also provide an opportunity for China to reconsider its response regarding Takaichi's remarks on a Taiwan contingency.

If the coalition ruling parties are not aligned, Takaichi's bold gamble could backfire. The assumption that opposition parties will be caught off guard by an early dissolution and general election and be unprepared may underestimate that smaller parties have the mobility to capture voter dissatisfaction with the LDP and erode support.

Investors see Takaichi winning and continuing policies emphasizing economic stimulus. While supporting the economy through active fiscal policy, there is also a view that interest rate hikes by the Bank of Japan will remain at a gradual pace.

In the foreign exchange market on January 14, the yen fell to 159.45 yen per dollar, the lowest in 18 months, while in the stock market the Nikkei Stock Average hit a record high. The 30-year government bond yield matched its highest level on the 13th.

While rising interest rates indicate market concerns about long-term fiscal soundness, as long as stock prices continue to rise, generally favorable conditions will continue for Takaichi. However, if foreign exchange intervention is implemented to stop further yen depreciation, such market conditions could change suddenly.

Some reports suggest that without Komeito cooperation in the 2024 House of Representatives election, the LDP's seats won in single-member districts (132 seats) could have been 20% to 40% lower. The Nikkei estimated about 25 fewer seats. JNN suggested potentially up to 32 fewer seats. According to Sankei Shimbun, Komeito supporters cast an average of about 20,000 votes per electoral district.

The LDP may have to fight the general election alone. Although Takaichi's approval rating is high, support for the LDP continues to remain at low levels, and it is unclear to what extent the Prime Minister's popularity will translate into votes for the LDP.

In a public opinion poll conducted by NHK from January 10-12, the Takaichi Cabinet maintained a high approval rating of 62%. Meanwhile, LDP support hovers around 30%. The survey suggests that Takaichi has high support from supporters of the Democratic Party

for the People and Sanseito, suggesting the possibility of bringing such voters back to LDP support.

(8) CDP and Komeito leaders agree to form new party; rallying under "centrist" banner for House of Representatives election

On January 15, Constitutional Democratic Party of Japan leader Noda Yoshihiko and Komeito leader Saito Tetsuo met at the Diet and agreed to form a new party for the next House of Representatives election. Prime Minister Takaichi Sanae has communicated her intention to the ruling parties to dissolve the House of Representatives early in the ordinary Diet session convening on January 23, with a schedule centered on "January 27 announcement - February 8 voting" being considered. As a short-term battle is expected, the two parties claiming to be "centrist" aim to become an opposing force to the ruling parties by rallying together.

Both parties envision a form where House of Representatives members leave their parties and join the new party without dissolving the parties. For the House of Representatives election, a plan has emerged to favor Komeito candidates in higher positions in proportional representation while having Komeito not field candidates in single-member districts and support CDP candidates. This would be a blow to LDP candidates who traditionally received Komeito support in House of Representatives elections.