



Labour Update

労組周辺動向 No. 238



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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) Minimum Wage: Discussion on Correcting Application Delays - Ministry of Health, Labour and Welfare Advisory Council

The Central Minimum Wage Council under the Ministry of Health, Labour and Welfare (MHLW) has decided to begin discussions next week on the timing of when revised minimum wage amounts take effect. Sources disclosed this on February 18. Because the FY2025 increase was substantial and many local governments - out of consideration for businesses - delayed implementation beyond the usual October date, the Council hopes to correct this in FY2026. A report is expected as early as next month. Although it carries no legal binding force, it is likely to influence the summer regional council deliberations.

Minimum wage revisions work as follows: the Central Council sets a benchmark increase amount, and prefectural regional councils then determine the actual figures around summer. In FY2025, 39 prefectures exceeded the national benchmark (63-64 yen). The national average minimum wage reached a record high of 1,121 yen per hour, and the year-

on-year increase of 66 yen was also the largest on record.

(2) "Policy Speech by Prime Minister Takaichi at the 221st Session of the National Diet" - February 20, 2026, Prime Minister's Office

<https://www.kantei.go.jp/jp/105/statement/2026/0220kaiken.html>

(3) MHLW to Relax Dependent Status Requirements Regarding the "1.3 Million Yen Wall" from April Onward

Regarding the so-called "1.3 million yen wall" - where individuals whose annual income reaches 1.3 million yen lose dependent status and become liable for social insurance premiums - the MHLW will relax the dependent status requirements from April onward. For those with salary income only, the ministry will change the method of calculating annual income to exclude overtime pay and similar allowances. The aim is to allow workers to retain dependent status even if their income exceeds 1.3 million yen due to overtime or holiday work, thereby reducing work-hour restraint behavior.

The so-called "1.3 million yen wall" refers to the situation where people working at companies not covered by the Employees' Pension Insurance lose dependent status and become liable for social insurance premiums once their annual income reaches 1.3 million yen or more.

2. Legal Violations/Disputes

(1) 190 Organizations Submit Written Opinion to Mie Prefecture Over Planned Exclusion of Foreign Nationals from Hiring

Following reports that Mie Prefecture is considering halting the recruitment of prefectural employees who are foreign nationals, the "Network Calling for Withdrawal of the Revival of Nationality Clauses for Mie Prefecture Employees" - comprising various organizations - submitted a joint written opinion to the prefecture on February 16, urging it not to pursue the reinstatement of nationality requirements. A total of 190 organizations from within and outside the prefecture signed the document, including human rights groups, labor unions, and chambers of commerce.

The joint opinion criticized the prefecture's stance, stating that it "sends the wrong message to residents that discriminatory treatment on the basis of nationality is acceptable," and condemned the review as "exclusionary nationalism."

Nobuko Usuki, chairperson of the Mie Prefectural Research Association for the Education of Foreign Residents in Japan, who held a press conference after the submission, said: "Having received this level of support gives us strength. We will continue to seek further endorsements."

Additionally, 414 researchers including university professors from within and outside the prefecture submitted a similar written opinion to the prefecture on the same day.

(2) Argentina's Largest Labor Union to Hold General Strike in Protest of Labor Reform Bill

The General Confederation of Labor (CGT), Argentina's largest labor union, announced on February 16 that it will hold a nationwide 24-hour strike to protest the labor reform proposed by President Milei.

According to the CGT, the strike will begin as soon as the Chamber of Deputies starts deliberating on the labor reform bill. Deliberations are scheduled to take place by the end of February.

The bill includes provisions such as restrictions on the right to strike, caps on severance pay, stricter conditions for chronic illness allowances, limitations on the right to claim damages in dismissal cases, permission to split annual leave, and an extension of the maximum working day from the current 8 hours to 12 hours.

(3) Transfer after Parental Leave Return Ruled "Invalid" - Male Employee Wins Lawsuit against Employer, Tokyo District Court

On February 18, the Tokyo District Court (Judge Tatsuya Yazaki) issued a ruling in a lawsuit brought by a male employee against his employer, Panasonic Living (Tokyo), who claimed that being transferred from an outside sales position to an in-house administrative role after returning from parental leave was unjust. The court ruled the transfer order invalid and ordered the company to pay 200,000 yen in consolation damages as well as approximately 150,000 yen in unpaid allowances.

(4) Death of Private Elementary School Teacher Recognized as Industrial Accident - Reversal of Initial Decision, Near-Zero Break Time Acknowledged

It has come to light that the death by suicide in 2018 of a male teacher (then 39) at Tamagawa Gakuen Elementary School, a private school in Machida, Tokyo, has been recognized as an industrial accident. The recognition was based on the finding that his death was caused by long working hours, including virtually no rest breaks during the school day and overtime work reaching 98 hours per month. The government acknowledged that break time on school days was nearly zero, recognizing the actual working conditions of teachers who are unable to take breaks due to duties such as supervising children.

The recognition is dated October 28, 2025. According to the bereaved family, the teacher was hired in 2001 as a teacher at the school's kindergarten division, transferred to the elementary school division in 2017, and was serving as a first-grade homeroom teacher when he went missing in July 2018 after a parents' meeting. His remains were found the following year.

The Machida Branch of the Hachioji Labor Standards Inspection Office initially calculated his overtime in the period just before his death at 61 hours per month and did not recognize it as an industrial accident. The bereaved family filed a lawsuit against the government in May 2024 seeking industrial accident recognition.

The key issue in the proceedings was whether the teacher had effectively been working before the official start of the school day and during break times.

In October of last year, the government voluntarily revised its own determination without waiting for a court ruling, recognizing the case as an industrial accident. In the re-

investigation, nearly all hours from the start to the end of the school day were recognized as working hours. Overtime exceeded 98 hours per month. Attorney Yasuyuki Shinohara, representing the bereaved family, noted: "It is extremely rare for break time to be recognized as effectively zero." The branch office stated it "cannot comment on individual cases."

(5) Pay Disparity for Re-employed Workers Ruled Unreasonable - "Same Nature as Regular Employees' Basic Salary" - Remanded Appeal, Nagoya High Court, Driving School Case

On February 26, the Nagoya High Court (Presiding Judge Nobuhiro Katada) ruled in the remanded appeal concerning the basic salary of a former contract employee re-employed after retirement age at a driving school, who had sought payment of the wage differential with regular employees, claiming the disparity was unjust. The court found the disparity unreasonable, stating that "regular employees' basic salary is largely job-based in nature and thus the same as that of contract employees." It overturned the first-instance Nagoya District Court ruling and ordered the company to pay part of the wage differential.

Both the first instance and the pre-remand second instance had found the disparity unreasonable for the portion where the difference in basic salary fell below 60%, but the Supreme Court remanded the case with the instruction that the matter should be examined "in light of the nature and purpose of the basic salary." The high court's determination in this equal-pay-for-equal-work case involving basic salary drew attention. However, the high court found the portion below 55-57% to be unreasonable. The payment amount ordered was less than in the first instance, and the plaintiff intends to appeal to the Supreme Court.

(6) Japan Arm of Microsoft Subjected to Surprise Inspection by Fair Trade Commission on Suspicion of Antitrust Violations

According to sources, the Fair Trade Commission (FTC) conducted a surprise inspection on the 25th at the Tokyo headquarters of Microsoft Japan on suspicion that the company violated the Antimonopoly Act by refusing to allow its software to be used on competing cloud services or by setting excessively high prices for such use.

It is suspected that Microsoft had been refusing to allow software it provides to be used on competing cloud services - such as those operated by Amazon and Google - that compete with Microsoft's own cloud service "Azure," or had been setting excessively high prices for such use.

3. Situation/Statistics

(1) Gender Pay Gap Improvement Stalls - Female Managers Not Increasing

An analysis by Kyodo News released on February 14 found that in 2024, full-time female workers earned 75.8 compared to a male baseline of 100 in terms of monthly wages, with the gap having narrowed by only 1.5 points over the past five years. The momentum of women's wages catching up with men's has weakened in recent years. The slow growth in

the proportion of women in managerial positions is cited as a background factor. A breakdown by prefecture showed that the gender pay gap was particularly pronounced in the Tokai and Northern Kanto regions.

April marks the 40th anniversary of the enforcement of the Equal Employment Opportunity Act in 1986. In 2024, men's monthly wages were 363,100 yen while women's were 275,300 yen, a difference of nearly 90,000 yen. There is also a persistent problem of women leaving rural areas for major metropolitan areas due to entrenched gender role divisions. Gender equality is an urgent issue requiring immediate action.

(2) Ibaraki Prefecture to Create Reward System for Reporting Illegal Employment of Foreigners - Concerns About Fueling Discrimination

Ibaraki Prefecture will introduce a "tip reward system" in the new fiscal year, soliciting information on the illegal employment of foreign nationals and paying rewards when tips lead to police crackdowns. While the Immigration Services Agency (ISA) operates a similar reporting system, the prefecture says such a system is rare at the prefectural level, and experts have raised concerns that it "may fuel discrimination."

The costs of the related program were included in the initial budget proposal for the new fiscal year, announced on February 18.

The background is that Ibaraki Prefecture has a high number of illegally employed foreign workers, particularly in the agricultural sector. According to the ISA, of the approximately 14,000 foreign nationals certified as illegally employed in 2024, 3,452 were working in Ibaraki Prefecture - the highest number for any prefecture for three consecutive years.

According to the prefecture's Office for Promotion of Proper Employment of Foreign Nationals, staff have previously conducted campaigns by visiting businesses directly to urge them not to hire illegal workers. In the new fiscal year, the prefecture plans to introduce an internet-based information submission system and establish the reward program, while also strengthening information gathering by industry associations and municipalities.

Under the reward system, staff will investigate tips received, and if illegal employment is suspected, the police will be notified. The reward is envisaged to be in the range of tens of thousands of yen.

The ISA operates a similar system. When a tip leads to the issuance of a deportation order, the tipster can receive a "reward" of up to 50,000 yen. According to the ISA, this system has existed since the enactment of the Immigration Control Order (now the Immigration Control Act) in 1951; since 2003, rewards have been paid in only 7 cases, and zero cases were recorded between 2021 and 2025.

(3) Aeon Retail and Skylark Both Grant Full Demands on Part-Time Wage Increases

On February 19, Aeon Retail, a major supermarket operator, reached a labor-management agreement to raise part-time hourly wages by 101.8 yen (8.38%), including scheduled pay increases. The increase for full-time employees was 19,637 yen per month (5.89%). Both figures represented full concession to the union's demands.

The announcement was made by UA Zensen, the industrial federation comprising unions in the retail, food service, textile, and related industries.

Labor-management negotiations at the Skylark Group, a major restaurant chain operator,

were also concluded. Part-time hourly wages will be raised by 71.3 yen (6.39%) including scheduled increases, and full-time employee wages will rise by 20,173 yen per month (5.28%). Both were full concessions to union demands.

(4) January Consumer Prices Rise 2.0% - Second Consecutive Month of Narrowing Growth, Driven by Gasoline Tax Cuts

The Consumer Price Index (CPI, base year 2020 = 100) for January, released by the Ministry of Internal Affairs and Communications on February 20, showed the core index excluding fresh food at 112.0, up 2.0% year-on-year. The rate of increase narrowed for the second consecutive month, reaching its lowest level since January 2024. Energy prices have fallen following the abolition of the provisional gasoline tax rate at the end of 2025.

Food prices excluding fresh food rose 6.2%, with the rate of increase contracting for six consecutive months. Rice and rice products, whose prices had been rising since around summer 2024, were up 27.9% - still a high rate of increase, but showing signs of stabilizing.

The overall index including fresh food rose 1.5% - the first time it fell below 2% since March 2022, in 3 years and 10 months. Fresh vegetables fell by 14.0% in total, dragging down the overall figure, partly due to a 63.5% decline in cabbage, which had surged in price the previous year.

"Consumer Price Index (Base Year 2020) - January 2026 (Reiwa 8)" - February 20, 2026, Ministry of Internal Affairs and Communications

<https://www.stat.go.jp/data/cpi/sokuhou/tsuki/pdf/zenkoku.pdf>

(5) U.S. Supreme Court Rules Trump Tariffs "Illegal" - Some to Lapse, Refund Demands May Cause Confusion

In litigation challenging the legality of the Trump administration's tariff policies, the U.S. Supreme Court ruled on February 20 that the "reciprocal tariffs" imposed last April and other measures are illegal, according to Western media reports. Some of the high-tariff measures that have significantly disrupted the global economy will lapse. The ruling represents the judiciary saying "no" to one of the administration's flagship policies. According to Reuters, more than 175 billion dollars (approximately 27 trillion yen) collected by the U.S. government is estimated to be subject to the ruling, and approximately 1,000 domestic and foreign companies are seeking refunds from the government, raising the possibility of widespread confusion.

The U.S. Constitution grants Congress the power to impose tariffs. However, the Trump administration interpreted the International Emergency Economic Powers Act (IEEPA) - which allows the president to declare a national emergency and "regulate" imports and exports when the nation faces an "unusual and extraordinary threat" - as encompassing tariff measures within the scope of import/export regulation. On that basis, the administration declared a national emergency and, without going through Congress, imposed reciprocal tariffs consisting of a uniform 10% on most imports from all countries and regions plus "additional amounts" targeting specific countries, as well as punitive tariffs on

China, Canada, and Mexico citing the influx of fentanyl and illegal immigrants. However, the U.S. Court of International Trade (first instance) ruled in May of last year that presidential authority does not extend to tariffs even in an emergency, and issued an injunction against the reciprocal tariffs and other measures. The Federal Circuit Court of Appeals upheld the first-instance ruling in August of last year. The Supreme Court's ruling explicitly stated that IEEPA "does not grant the president the authority to impose tariffs."

(6) Global Debt Hits Record 5 Quadrillion Yen - Defense Spending and AI Investment to Drive Further Increases

The Institute of International Finance (IIF), a global financial industry association, announced on February 25 that total global government and private debt at end-2025 reached 348.3 trillion dollars (approximately 5.4 quadrillion yen), up approximately 29 trillion dollars from the previous year-end, setting a new record high.

The IIF noted that "the increase in global debt was at the fastest pace since the COVID-19 pandemic." Looking ahead, it projected that debt growth would be driven by defense spending expansion across countries, as well as investment in AI-related data centers, energy security, and resilient infrastructure.

(7) Ministry of Land, Infrastructure, Transport and Tourism Requests All Local Governments to Record Nationality of New Foreign Residents in Public Housing

By February 15, the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) had notified local governments to ascertain the nationality and residence status of foreign nationals newly entering public housing, so that living rules and other information can be explained to them in their native languages. The measure is intended to curb violations of housing rules and to facilitate evacuation guidance in the event of disasters. While some local governments already record this information, the government has requested all local governments to implement the measure as part of its foreign national policy.

Confirmation will be made by requiring applicants to submit a copy of their residence certificate stating their nationality and residence status at the time of application. The notification indicated that emergency contacts should ideally be persons capable of smooth communication in Japanese. Local governments were also requested to introduce residents' support organizations for foreign national residents who cannot secure such contacts on their own.

Changes to ordinances and bylaws will be necessary to implement nationality recording, and the timing of commencement will vary by local government.