



Labour Update

労組周辺動向 No. 243



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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) Ministry of Finance Sets 2040 Target to Reduce Private Universities by 250; Education Minister Says "Regional and Field Balance More Important Than Mechanical Judgment"

The government is accelerating efforts toward the consolidation and downsizing of private universities. With declining birthrates leaving roughly half of all private universities below enrollment capacity, the Ministry of Finance this month publicly announced numerical targets for the first time, stating that at least 250 universities - representing approximately 140,000 undergraduate enrollment slots - will need to be eliminated by 2040. The Ministry of Education, Culture, Sports, Science and Technology (MEXT) has also indicated that rightsizing is unavoidable, with the focus going forward expected to shift to reviewing the scale of private universities by field and by region.

At the April 23 subcommittee meeting of the Fiscal System Council (an advisory body to the Finance Minister), the Ministry of Finance unveiled its university downsizing proposal. The target of 250 universities represents roughly 40% of the 624 private universities that existed as of 2024. The government provides subsidies to support private university oper-

ations; approximately 300 billion yen was budgeted for this purpose in the current fiscal year.

The 18-year-old population peaked at 2.05 million in 1992 and has since declined, reaching 1.09 million as of 2024. During this period, government deregulation allowed the number of private universities to grow - rising 1.6 times from 384 institutions in 1992. A 2025 survey by the Promotion and Mutual Aid Corporation for Private Schools of Japan found that 53% of private universities are now below enrollment capacity.

MEXT also acknowledges that "downsizing private universities is unavoidable," according to a senior ministry official. MEXT envisions using targeted subsidies - prioritizing institutions that meet demand for talent in growth sectors such as AI (artificial intelligence) and semiconductors, as well as regional workforce needs - as a way to encourage unviable universities to exit the market.

According to projections by the National Institute of Population and Social Security Research, the 18-year-old population is expected to fall below 1 million in 2035, declining further to 740,000 by 2040. Education journalist Reiji Ishiwatari commented: "The Ministry of Finance's '40% reduction' is by no means an absurd figure. At the same time, as the working-age population declines, strengthening universities' capacity for talent development is also essential. This is the last opportunity to seriously think about what private universities should look like in the years ahead."

"Comprehensive Strengthening of National Capacity in a Society with Population Decline"
April 23, 2026 Ministry of Finance, Fiscal System Council, Fiscal System Subcommittee

https://www.mof.go.jp/about_mof/councils/fiscal_system_council/sub-of_fiscal_system/proceedings/material/zaiseia20260423/01.pdf

"Press Conference of Minister of Education, Culture, Sports, Science and Technology
Matsumoto Yohei, April 24, 2026" April 24, 2026 Ministry of Education, Culture, Sports, Science and Technology

https://www.mext.go.jp/b_menu/daijin/detail/mext_00687.html

2. Legal Violations/Disputes

(1) JR Tokai Employee's Suicide Ruled Industrial Accident in Fukuoka - Long Working Hours and Power Harassment Found to Be Cause

The Fukuoka High Court (Presiding Judge Norihiro Matsuda) ruled on April 24 in an appeal hearing that the 2017 suicide of a male JR Tokai employee, then 22 years old, was caused by adjustment disorder arising from his work, attributing it to long working hours and power harassment. The court overturned the ruling of the labor standards inspection office that had denied workers' accident recognition, reversing the first-instance decision that had dismissed the claim and awarding the plaintiff a victory on appeal.

According to the ruling, the employee joined the company in April 2016 and was assigned to electrical work at the Shinkansen Railway Division's Maibara Power Station (Shiga Pre-

lecture), where he died by suicide at home in August 2017. The Hikone Labor Standards Inspection Office had denied bereaved family compensation benefits in 2019.

(2) Long Working Hours Among Teachers: A Middle School Teacher in Yokohama Calls for Improvements After Being Unable to Take Breaks

As long working hours among teachers have become a serious issue, a middle school teacher in Yokohama held a press conference on April 27, calling on the board of education to make improvements after saying it had been consistently difficult to take rest breaks due to classes, committee activities, and other duties.

A 45-year-old male teacher at a Yokohama middle school, who had been unable to take breaks during work hours, filed an appeal with the city's Personnel Commission three years ago requesting improvements.

The Personnel Commission acknowledged the appeal in November last year and issued a recommendation to the board of education to make improvements; however, according to the teacher, no concrete steps have been taken to date.

The teacher has a 45-minute break in the evening within an 8.5-hour workday, but often finds that time consumed by lesson preparation, phone calls, and meetings. During fiscal year 2024, he was unable to take his break on more than half of the approximately 200 days he worked.

3. Situation/Statistics

(1) March Consumer Price Index Up 1.8%, Widening for First Time in Five Months on Rising Oil Prices; FY2025 Average Up 2.7%

The nationwide Consumer Price Index (CPI) for March (base year 2020 = 100), released by the Ministry of Internal Affairs and Communications on April 24, showed the composite index excluding fresh food at 112.1, up 1.8% year-on-year. This marks 55 consecutive months of positive growth. The rate of increase exceeded February's 1.6% figure, widening for the first time in five months, primarily driven by rising gasoline and kerosene prices amid higher crude oil costs linked to deteriorating conditions in the Middle East.

The price-suppressing effect of the elimination of the provisional gasoline tax has largely faded, with the year-on-year decline in gasoline prices narrowing to 5.4% (compared to 14.9% in February). Kerosene prices turned positive, rising 6.3% after falling 3.5% in February. Electricity rates fell 8.0% and city gas rates fell 8.3%, both supported by government subsidies. The overall energy price decline narrowed to 5.7% (compared to 9.1% in February).

The survey period was mid-March, and the gasoline subsidies introduced in response to Middle East conditions are not yet reflected. The Ministry of Internal Affairs and Communications stated (through the Statistics Bureau) that it has not yet been possible to assess the impact of rising crude oil prices on other product categories.

Food excluding fresh food rose 5.2%. The rate of increase has continued to narrow for eight consecutive months as the rise in rice and similar prices has eased.

The comprehensive index including fresh food rose 1.5%, while the index excluding both

fresh food and energy rose 2.4%.

The simultaneously announced nationwide CPI average for all of FY2025 rose 2.7% year-on-year. This marks five consecutive years of positive growth, with the rate of increase holding flat compared to the previous year. Food prices continue to drive up overall inflation, with rice recording a historically high increase of 48.9%.

"Consumer Price Index, Base Year 2020" April 24, 2026 Ministry of Internal Affairs and Communications

<https://www.stat.go.jp/data/cpi/sokuhou/nendo/pdf/zen-nd.pdf>

(2) Halt to Acceptance of Specified Skilled Worker Visa Holders Is "A Matter of Survival," Says Restaurant Industry Leader

The food service industry has been sent into turmoil by developments surrounding the "Specified Skilled Worker (Type 1)" residence status for foreign nationals working in understaffed sectors. The intake quota for this visa category has been reached, leaving companies' foreign worker hiring plans in limbo. Japan Food Service Association President Kyoko Kushimoto spoke to the Asahi Shimbun, expressing a sense of crisis: "This could lead to reduced operating hours and business closures - it is a matter of survival."

- The number of people accepted under Specified Skilled Worker (Type 1) (food service sector) was approaching the cap of 50,000, and the government announced on April 13 that new acceptances would in principle be suspended.

"It came as a shock. The government announced the in-principle suspension on March 27, but we were only notified by the responsible ministry - the Ministry of Agriculture, Forestry and Fisheries - two days before that. As of June last year, the number accepted stood at just over 35,000. We never imagined it would reach 50,000 in about a year. These workers are highly capable and diligent, so it seems hiring by individual companies surged."

- How did you respond?

"Companies tried to file applications before the April 13 deadline, but there were cases where they could not make it in time and were forced to revise their hiring plans. The foreign workers directly affected are in shock. As the head of the industry association, I feel deeply sorry."

- According to the Ministry of Agriculture, Forestry and Fisheries, around 4 million people work in Japan's food service industry, with Specified Skilled Worker (Type 1) holders accounting for just over 1%. Even if new acceptances are halted, would the impact on operations not be limited?

"The 4 million figure includes part-time and casual workers; if we limit it to full-time employees, the number is around 900,000. Specified Skilled Worker (Type 1) holders account for 50,000 of those. The food service industry already faces chronic labor shortages. The in-principle suspension will intensify those shortages further, potentially forcing businesses to shorten operating hours or set regular closing days. If things continue as they are, labor-shortage-driven bankruptcies are a real possibility."

- A prerequisite for hiring Specified Skilled Worker (Type 1) holders is that companies must first make every effort to hire domestic workers.

"Companies are making every possible effort to hire Japanese workers, including through

rehiring former employees, but they have not been able to secure sufficient numbers. During the COVID-19 pandemic, the hardships faced by the food service industry were widely reported, and that image has not been dispelled."

- According to a Ministry of Health, Labour and Welfare survey, wages at restaurants in June last year, including overtime, were approximately 310,000 yen per month - below the cross-industry average of 370,000 yen. Might that be one factor causing the industry to fall behind in the hiring competition?

"Because the ratio of part-time and casual workers is high in food service, the overall average tends to be lower. The wage level for full-time employees is considerably higher."

- Is raising wages further not an option?

"For us as a company to provide employees with a stable working environment, we need to generate proper profits and continue to grow."

- Could labor shortages not be offset with robots and digital technology?

"We are actively introducing them for order-taking, serving, dishwashing, and cleaning, but there are limits. Overautomating things like customer guidance and thoughtful food presentation risks losing the true appeal of dining out."

- What would you ask of the government?

"We would like them to respond more in line with the actual situation on the ground. There are 550,000 food service establishments in Japan, and the cap of 50,000 was simply too low to begin with. We want them to ensure that the expectations of foreign workers who wish to work in Japan's food service industry are not betrayed."

(3) Job-to-Applicant Ratio Falls to 1.18 in March; Unemployment Rate Worsens to 2.7%

Employment-related indicators for March released by the government on April 28 showed the effective job-to-applicant ratio (seasonally adjusted) at 1.18, down 0.01 points from the previous month. Meanwhile, the complete unemployment rate worsened to 2.7%, up 0.1 points from the previous month.

Reuters' advance forecast survey had projected the effective job-to-applicant ratio at 1.18 and the complete unemployment rate at 2.6%.

According to the Ministry of Health, Labour and Welfare, the number of effective job openings (seasonally adjusted) in March fell 1.1% from the previous month. Moves by businesses to revise their job listings were observed, reflecting the impact of rising prices, minimum wage hikes, and labor-saving initiatives.

Meanwhile, the number of effective job seekers (seasonally adjusted) fell 0.7%. Despite the decline, a continued trend of workers seeking to change jobs for better conditions was observed.

The effective job-to-applicant ratio indicates the number of job openings per job seeker. A Ministry of Health, Labour and Welfare official stated that "labor shortages are continuing, and employment conditions have not deteriorated to a significant degree."

The complete unemployment rate released by the Ministry of Internal Affairs and Communications worsened for the first time in two months. The number of employed persons in March stood at 68.15 million (seasonally adjusted), down 120,000 from the previous month. The number of completely unemployed persons (seasonally adjusted) stood at 1.86 million, up 10,000 from the previous month.

"General Employment Placement Situation (March 2026 and FY2025)" April 28, 2026 Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/content/11602000/001695526.pdf>

"Labour Force Survey (Basic Tabulation)" April 28, 2026 Ministry of Internal Affairs and Communications

<https://www.stat.go.jp/data/roudou/sokuhou/tsuki/pdf/gaiyou.pdf>

[Translation note: The source document lists the following item as "(3)" - this appears to be a numbering error, as item (3) above already uses that number. Corrected to (4) here.]

(4) Rising Mental Health Problems Drive Up Sickness and Injury Benefits - Up 1.6 Times in Five Years Under Health Insurance

The amount paid out in "sickness and injury benefits" - payments received when unable to work due to injury or illness - has continued to climb. In fiscal year 2023, the most recent data available, total payments exceeded 600 billion yen, a 1.6-fold increase over five years. The growing incidence of mental health problems is one contributing factor, making the safeguarding of "mental wellbeing" an urgent issue in many workplaces.

Sickness and injury benefits are paid out of health insurance in proportion to the number of days off work. Based on the standard monthly remuneration equivalent to pre-absence wages, benefits can be received for up to a cumulative total of 18 months.

Combined payments from large-company health insurance societies, the Japan Health Insurance Association for small and medium-sized enterprises, and mutual aid associations for public servants totaled approximately 610 billion yen in FY2023 - up 60% from FY2018 (five years prior) and double the figure from ten years ago.

One factor driving the increase is the growing number of people suffering from poor mental health due to relationship difficulties at work and intense stress.

A Japan Health Insurance Association survey (FY2024) categorizing cases by type of illness or injury found that "mental and behavioral disorders," including mental health problems, accounted for the largest share at 39% of total cases (36% for men, 43% for women), a proportion that has been growing year by year. The next most common category was "neoplasms," including cancer.

The average number of benefit days for "mental and behavioral disorders" was 215 days - longer than the 201 days for "neoplasms" and the overall average of 172 days. Recovery and return to work takes longer, resulting in higher payment amounts.

Looking at FY2024 benefit cases by age group, younger generations showed a higher proportion of mental health-related cases. As age increases, other illnesses such as cancer also become more prevalent.

Since case counts can include multiple applications from one individual across different periods, the Hiroshima branch of the Japan Health Insurance Association independently compiled data on a person-count basis - an approach reportedly rare even nationwide. The analysis found that approximately 8% of the 650,000 insured persons at establishments in Hiroshima Prefecture (FY2021) had received medical treatment for mental health condi-

tions.

Among those who lost their health insurance coverage due to resignation or other reasons, approximately 14% had mental health conditions. By age group, both men and women in their 40s and 50s showed higher rates than other age groups, suggesting that resignation following the onset of mental illness is more common among middle-aged workers.

The analysis was also combined with lifestyle disease prevention health examination data. Among those who answered on health questionnaires that they were "not getting adequate rest" from sleep, the risk of developing a mental health condition was 1.25 times higher than for those who said they "are getting adequate rest," indicating a relationship between insufficient sleep and the onset of mental illness.

Workers' accident compensation for mental disorders has also been increasing year by year. According to the Ministry of Health, Labour and Welfare's "Status of Workers' Accident Compensation for Karoshi (Death from Overwork) and Related Conditions," 1,055 cases were approved in FY2024 - the highest number on record. By industry, "healthcare and social welfare" and "manufacturing" together account for 40% of claims filed.

According to the Ministry of Health, Labour and Welfare's "Occupational Safety and Health Survey" (2024), approximately 13% of all establishments had an employee who either resigned or took one or more consecutive months of leave due to mental health problems.

"Status of Workers' Accident Compensation for Mental Disorders Related to Occupational Accidents" June 25, 2025 Ministry of Health, Labour and Welfare

<https://www.mhlw.go.jp/content/11402000/001508121.pdf>