

WORKSTYLE REFORM

ITEM	LAW	UPDATES	EFFECTIVE DATE
Working hours reduction	Employment Measures Act	•Obligated to prepare work environment that accommodates work and life balance, individual needs and abilities	July 6, 2018
Cap for overtime work	Labor Standards Act	<ul style="list-style-type: none"> •Principle: 45 hours/ month, 360 hours/ year is to be statutorily obliged (currently: standard) •Special provision: 720 hours/ year (excluding work on statutory holidays) <ul style="list-style-type: none"> ✓ Less than 100 hours/ month (Overtime work + Statutory holiday work) ✓ Monthly average overtime hours for 2-6 months: 80 hours or less (Ditto) ✓ Number of the month with 45 hours of overtime work are 6 or less in a year •Clarification for the items to be filled in 36 Agreement : Secure health and welfare treatment is added for the case when OT is over the cap set as principle •Penalty: 6 months or less imprisonment or fine (JPY 300K or less) for the case with 1 month 100 or more hours of overtime or 2-6 months with the average of 80 hours of overtime during the period) found. •Exception: R&D for new technology/ product etc., medical practitioner, construction and transportation business 	April 1, 2019 (April 1, 2020 for small and medium-sized business)

Annual holiday management – planned assignment for better utilization	Ditto	• 5 days per year must be planned to be taken for those who are provided with 10 or more annual holidays	April 1, 2019
Review “Flextime System”	Labor Standards Act	• Period for adjustment: 1 month -> 3 months • Labor-management agreement for flex-time system is obliged to be submitted (when period for adjustment is more than one month.)	April 1, 2019
Introduction of “Highly-professional Workers”	Ditto	• Highly-professional workers (with Annual Income of JPY10.75M or above) are exempt for allowance for overtime work, holiday work and late-night work.	April 1, 2019
Working hour management	Industrial Safety and Health Act	• Make sure to obtain working hours of each employee to be aligned with ordinance of Ministry of Health, Labor and Welfare (excluding for highly-professional workers)	April 1, 2019
Industrial physician and industrial health function enhancement	Ditto	• Obligated to provide industrial physician with appropriate information	April 1, 2019
Interval between work	Law concerning improvement of setting work hours and others	• To provide certain break period between the time work finished and the time to be started in the following day (Effort obliged)	April 1, 2019
Abolishment of the grace period for allowance payment (percentage) for overtime work beyond 60 hours per month	Labor Standards Act	• Targeted entities: small and medium-sized business are added and will be obliged to pay 50 percent or more for more than 60 hours overtime work per month	April 1, 2023

ITEM	LAW	UPDATES	EFFECTIVE DATE
Review of laws for equal treatment for workers – prohibition of discriminative treatment	Part-Time Employment Act, Labor Contract Act, Worker Dispatch Law	<ul style="list-style-type: none"> • Targeted workers: part-time workers only -> full-time workers with limited term as well • Regulations for full-time workers with limited term are to be transferred to Part-Time Employment Act from Labor Contract Act 	April 1, 2020 (April 1, 2021 for small and medium-sized business)
Accountability for employment conditions	Ditto	<ul style="list-style-type: none"> • Targeted workers: part-time workers only -> full-time workers with limited term as well 	April 1, 2020