

Employment Field (Objectives and perspectives of regulatory reform)

1. Expanding diverse employment styles

- ◇ Reviewing regulations on working hours
 - Introducing a new working hour system to boost productivity and facilitate lifestyles that workers want*
- ◇ Developing employment rules for "job-type" full time workers**
 - Facilitating diverse working styles including professionals and workers accommodating parenting and long-term care

2. Developing a system supporting smooth labor mobility

- ◇ Rebuilding regulations on fee-charging job agencies
 - Embracing IT to cater to new services and business models, transcending the boundaries of industry-segmented regulations
- ◇ Exploring amicable ways of employment termination for both labor and management
 - Preventing disputes and enhancing dispute-resolution systems to settle disputes in a way beneficial for both labor and management



- ◆ Enabling diverse and flexible working approaches that cater to various lifestyles and values
- ◆ Building an environment in which workers can smoothly find workplaces suitable for their ability

*The Regulatory Reform Council is to continue examining the matter.

**Usually job description for Japanese full-time workers is not clear and they are often transferred. A "job-type" worker is a different category which limits duties, work location, or working hours.

Review of Regulations on Working Hours

[Objectives of the reform]

To ensure the health of all people in a diverse range of employment styles to establish a flexible working environment that facilitates creativity and high productivity, thereby boosting workforce vitality and corporate competitiveness, achieving strong economic growth and creating new job opportunities

Triple set reform on working hour regulations!!

~Creating a new system that allows exemption from working hour regulations in an approach that satisfies both labor and management~

1. Setting quantitative upper limit for working hours

2. Creating a mechanism to force workers to claim their holiday entitlements

3. Creating a working hour system for workers not suitable for uniform working hour management



Concentrate on work and go home at the end of business hours!



For example, western-style extended vacation!

Creating a new exemption system that suits the working style not suitable for uniform working hours management while ensuring the health of such workers at the same time!

(Creating a mechanism that determines wage based on work responsibilities and achievements regardless of the number of hours worked)

[Focus 1] Creating a new system that is easy to understand and matches the reality of workforce

[Focus 2] Allowing labor and management representatives to determine who should come under the new system (*with certain guidelines presented by the government)

[Focus 3] Allowing the labor and management representatives of each company to choose health assurance initiatives to be introduced in combination with the exemption system, according to the company's industrial and working style characteristics

[Focus 4] Setting a trial period for the new system and limiting its application to companies that have a union with majority membership

*Securing employment conditions suitable for the new working style

[Initiatives to be introduced as standalone actions or combination of multiple actions in combination with the exemption system]

1. Setting quantitative upper limits for working hours

- Defining the maximum working hours over a set period of time
- Defining the minimum resting period between the end of work and the start of work on the following day so as to ensure workers' health and safety

2. Creating a mechanism to force workers to claim their holiday entitlements

- Forcing workers to claim 104 days off per year (equivalent to 5-day working week) at a set pace each month defined in a labor-management agreement
- Providing annual leave flexibly and systematically based on the labor-management agreement (Fully considering workers' wishes and circumstances while giving the right to specify the timing of annual leave to employers)
- Obligating workers to take an extended consecutive leave

Developing Employment Rules for Job-type Full Time workers*

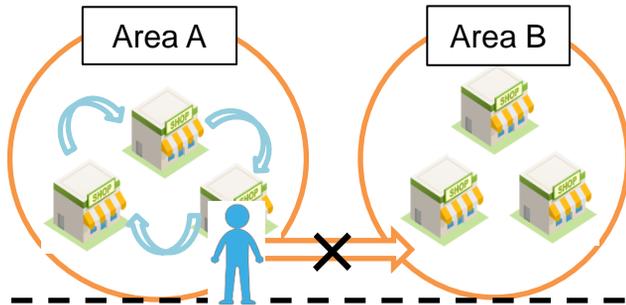
*Usually job description for Japanese full-time workers is not clear and they are often transferred. A "job-type" worker is a different category which limits duties, work location, or working hours.

Current status

- While many companies have already embraced such an employment style, neither employment agreement nor employment rules explicitly define the provisions of their employment. For this reason, companies often fail to appropriately handle job-type full time workers according to their characteristics.

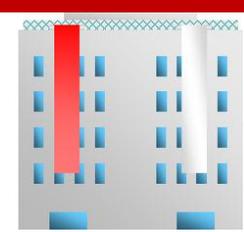
(Reference) Examples of job-type full time workers ***Individual working conditions are determined in an agreement between such employees and their employers**

◆ Specific location: Limiting workplace transfer to a nearby area



◆ Specific work duties: Limiting work duties in charge

Department store

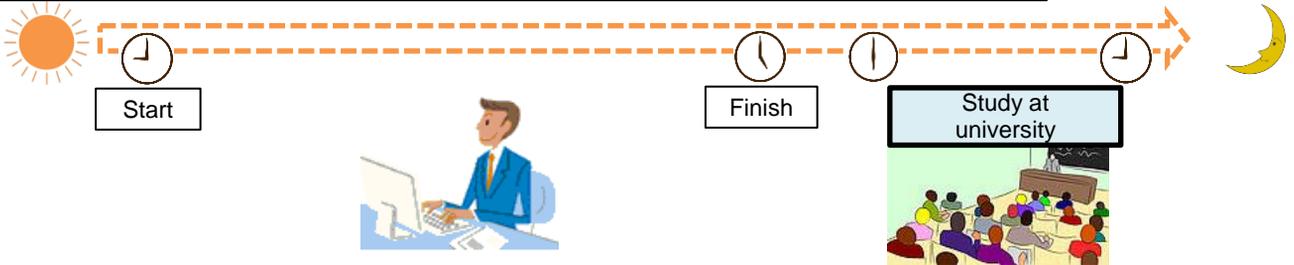


Employee A:
Sales staff



Employee B:
Merchandising

◆ Specific working hours: Limiting working hours (e.g. only from 9:00 to 17:00)



Regulatory reform content

[Promotion]
Summarizing and circulating key issues on HR management, etc.*

[Clear interpretation]
Notifying the fact that the provisions of the Labor Contract Act* apply to job-type full time workers as well

[Policy support]
Exploring support measures for job-type full time workers

Promotion and establishment of the job-type employment style

*With respect to 1; presentation of working conditions at the time of signing / renewing a labor contract, and 2; mutual conversion with usual full time employees and balanced employment conditions

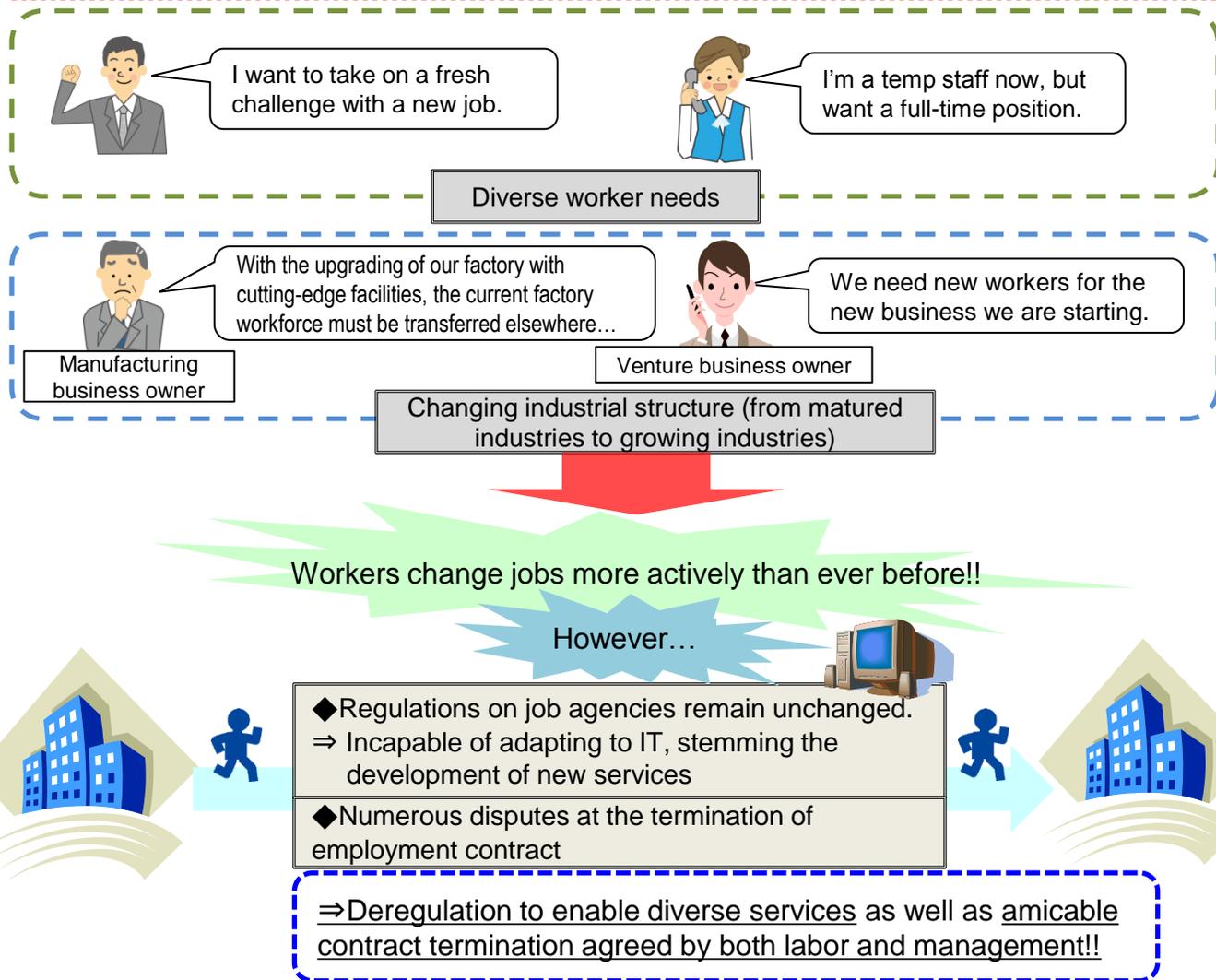
Anticipated effect

- The reform will broadly spread and establish diverse working styles including the style of specializing in professional expertise and the style of accommodating parenting or long-term care.

Developing a System Supporting Smooth Labor Mobility

Current status

- Changing worker needs and industrial structures
- Lack of environment that allows workers to smoothly find suitable workplaces for their ability



Regulatory reform content

- Examining the rebuilding of regulations on fee-charging job agencies <to start in FY2014> (Building a system that caters to new services)
- Exploring amicable ways of employment termination for both labor and management <to start in FY2014> (Building a system for preventing disputes and offering enhanced support for workers)

Anticipated effect

- Developing job-matching services that meet today's needs
- Achieving smooth labor mobility based on fair employment termination and support for job changes