



Japanese Employment Law Update



Major Updates to Japanese Labor Laws in 2026

June 25, 2026

This newsletter introduces two significant amendments to Japan's labor laws taking effect in 2026 that are particularly relevant to business entities operating in Japan.

1. Employers' Mandatory Measures against Customer Harassment
 2. Expansion of Gender Pay Gap and Female Managers Disclosure Obligations
1. Employers' Mandatory Measures against Customer Harassment (To Come into Effect on October 1, 2026)

(1) Overview

Japan is strengthening its legal framework on customer harassment (known in Japanese as "*kasu-hara*"), reflecting increasing concerns about abusive customer conduct and its impact on employee well-being. Customer harassment has become a serious workplace issue, leading to mental stress, employee turnover, and operational risks for companies.

The issue is now being formally addressed through legislative reform, shifting from voluntary corporate initiatives to mandatory compliance obligations.

(2) Key Legal Development

Amendments to Japan's labor-related laws will take effect on October 1, 2026, requiring companies to implement specific measures to prevent customer harassment.

Previously, such measures were considered best practices or efforts encouraged by guidelines. The new legal framework elevates them to enforceable obligations, significantly increasing the compliance burden on employers.

(3) Definition of Customer Harassment

Customer harassment is defined as conduct by customers or business partners (including customers, business partners, facility users, and other persons connected with the business conducted by the relevant business operator) that:

- Occurs in relation to business activities,
- Exceeds socially acceptable standards, and
- Causes harm to employees' working environment.

Importantly, not all complaints fall under this definition. Legitimate complaints are distinguished from harassment based on whether the conduct exceeds socially acceptable standards. According to the relevant guidelines, conduct exceeding socially acceptable standards may include the following:

- Demands that exceed socially acceptable standards:
 - (i) Demands that are entirely without justification or no relation whatsoever to the goods or services
 - (ii) Demands that significantly exceed the scope of services envisaged in a contract
 - (iii) Demands that are extremely difficult or impossible to accommodate
 - (iv) Unjustified claims for damages
- Manners or methods that exceed socially acceptable standards:
 - (i) Physical assault (assault, injury)
 - (ii) Psychological attacks (threats, slander, defamation, insults, verbal abuse, forcing someone to kneel in supplication)
 - (iii) Intimidating behavior
 - (iv) Continuous, persistent behavior
 - (v) Restrictive behavior (refusal to leave, occupying premises, confinement)

(4) Mandatory Measures

Under the new legal requirements, employers must establish comprehensive measures, including:

- (i) Policy Development and Communication
Employers must clearly define a policy of taking a firm stance against customer harassment and protecting employees and ensure that such policies are communicated internally.
- (ii) Reporting and Consultation Systems
Employers must establish internal reporting or consultation channels and ensure that responsible personnel are properly trained to handle such cases.
- (iii) Incident Response
Employers are required to:
 - Conduct prompt and accurate fact-finding
 - Provide necessary care and support to affected employees
 - Implement measures to prevent recurrence.
- (iv) Ensuring Effectiveness

Employers must also adopt measures to ensure the effectiveness of their response systems, including preparing escalation processes such as involving law enforcement in severe cases.

(v) **Additional Safeguards**

This includes protecting employee privacy and ensuring that employees are not treated unfavorably for reporting incidents.

(5) Practical Measures for Implementation

To comply with the new framework and ensure practical effectiveness, employers are encouraged to adopt the following measures:

- Develop internal manuals outlining definitions, response procedures, and escalation processes
- Conduct regular employee training, including role-playing and case studies
- Maintain proper documentation and reporting systems
- Provide mental health support and ensure that employees are not required to handle incidents alone.

(6) Legal Risks

Failure to implement adequate measures may result in legal liability, particularly for breach of the employer's duty to ensure employee safety.

Court precedents indicate that employers may be held liable if they fail to establish sufficient preventive systems. Conversely, employers that have implemented appropriate response frameworks may avoid liability (Tokyo High Court Decision of November 22, 2022).

2. Expansion of Gender Pay Gap and Female Managers Disclosure Obligations
(Already in Effect as of April 1, 2026)

(1) Overview

Japan has introduced significant amendments to the Act on the Promotion of Women's Active Engagement in Professional Life, aiming to strengthen corporate transparency and accountability regarding gender equality. The reform extends the scope of mandatory disclosures and emphasizes data-driven evaluation of employers' efforts to promote women's career advancement.

This regulatory update reflects broader social and economic priorities in Japan, including improving workforce diversity, supporting sustainable labor participation, and enhancing employers' attractiveness to talent and investors.

(2) Key Changes

The most notable development is the expansion of disclosure obligations related to gender pay gap and female managers.

Previously, mandatory disclosure of gender pay gap data applied only to employers with 301 or more employees. Under the revised framework, this requirement is extended to employers with 101 or more employees, significantly broadening its scope.

In addition, employers are now required to disclose the ratio of women in managerial positions, which is a newly added core reporting item.

(3) Disclosure Requirements by Company Size

Employers with 301 or more employees must disclose at least four categories of information:

- (i) Gender pay gap
- (ii) Ratio of female managers
- (iii) At least one metric from the following seven items relating to career opportunities for women:
 - Percentage of women among newly hired employees
 - Gender breakdown of applicant-to-hire ratios (competition ratios)
 - Percentage of women in the total workforce
 - Percentage of women in section manager level positions
 - Percentage of female board members
 - Records of job category or employment status changes by gender
 - Records of re-employment and mid-career hiring by gender
- (iv) At least one metric from the following seven items relating to work-life balance or workplace environment:
 - Difference in average length of service between men and women
 - Retention rate by gender for employees hired 10 fiscal years earlier (and in surrounding fiscal years)
 - Childcare leave take-up rate by gender
 - Average monthly overtime hours per employee
 - Average monthly overtime hours per employee, by employment category
 - Paid annual leave take-up rate
 - Paid annual leave take-up rate, by employment category

Employers with 101–300 employees must disclose at least three categories:

- (i) Gender pay gap
- (ii) Ratio of female managers
- (iii) One additional metric selected from the above fourteen metrics

This framework ensures that even mid-sized employers are required to disclose key diversity indicators.

(4) Definition and Calculation of Key Indicators

The gender pay gap must be presented as the percentage of women's average wages compared to men's average wages. Employers are required to disclose this data across three categories:

- All employees
- Full-time employees
- Non-regular employees

This multi-layered approach enables stakeholders to identify structural disparities across employment types.

The female manager ratio refers to the percentage of women among managerial-level employees, typically defined as section manager level and above (excluding board members).

(5) Timing and Method of Disclosure

The first disclosure must be made based on results from the first fiscal year ending after the law comes into force. Employers are required to publish the data within approximately three months after the start of the following fiscal year. For example, if an employer’s fiscal year ends on December 31, 2026, the disclosure would be required by around the end of March 2027. Thereafter, disclosures must be updated at least once annually.

Disclosure platforms include the government-operated “Database of Companies Promoting Women’s Participation” as well as corporate websites.

(6) Practical Impact on Companies

Employers—particularly those newly subject to the requirements—will need to prepare by:

- Establishing systems to collect and analyze workforce and compensation data
- Clarifying definitions of managerial roles
- Reviewing internal diversity policies and initiatives
- Developing narratives to explain disclosed figures and outline improvement plans

For many mid-sized companies, this marks the first time they face structured and externally visible disclosure obligations, increasing both operational and reputational considerations.

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