



JILPT REPORT

No. 4
2007

**2005 Survey Results of Labor-Management Relations,
Human Resource Management and Working
Conditions in Foreign Affiliated Companies in Japan**

The Japan Institute for Labour Policy and Training

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Preface

In the early 1990s, direct investment in Japan by foreign companies was mostly flat; in the latter half of FY1997, it suddenly accelerated. According to a survey by the Ministry of Finance, direct investments by foreign companies soared in FY1997 and FY1998, so that in FY1999 their value had increased more than tenfold over the figure for FY1996, to ¥1,882.2 billion. After this peak the figures subsided somewhat, finding levels between ¥500 billion and ¥1 trillion each year. A look at this figure by investing country and region reveals that 30–50% comes from Europe each year, 30% on an average from North America, and a further 20% from tax havens such as the Cayman Islands and the Bermudas. By industry, 30% goes into manufacturing, while the remaining 70% is invested in non-manufacturing sectors. The lion's share of investment in Japanese manufacturing is in machinery and chemicals, which together account for 80–90% of investment in manufacturing. In non-manufacturing investment, communications, commerce and trading, finance, insurance and services are especially prominent.

Behind the strong increase in direct foreign investment in Japan since the latter half of FY1997, is the advancement of deregulation, particularly in the financial markets, so-called the Japanese version of the Big Bang. From FY1998 through FY2001, many direct foreign investments took the form of M&A and capitalizations, followed by the entry of 100% foreign-owned subsidiaries into the Japanese market. According to the Survey of Trends in Business Activities of Foreign Affiliates conducted by the Ministry of Economy, Trade and Industry (METI), the number of foreign-affiliated companies in Japan rose from 3,185 in FY1997 to 4,465 in FY2004 (those in which foreign capital exceeds one-third of the total capital, excluding financial, insurance and real estate corporations). This trend appears certain to continue over the medium term.

This report summarizes the mail survey results on foreign-affiliated companies in Japan as of the end of 2005, for the purpose of clarifying labor-management relations, personnel management, working conditions, and thereby assisting them to formulate labor-management policies and contributing to smooth development of their business activities. The survey, begun by the Ministry of Health, Labour and Welfare (“Ministry of Labour” at the time) in 1973 and conducted roughly once every four years until 1999, has been taken over by the Japan Institute for Labour Policy and Training (JILPT). This survey was the ninth such survey and the second conducted by JILPT. In principle the issues surveyed and survey methods mirror those of previous surveys, to enable comparison of the present survey results with those of past surveys.

Taking this opportunity, I would like to express my profound gratitude to the many foreign-affiliated companies that graciously responded to our survey.

March 2007

Akira Ono
President
Japan Institute for Labour Policy and Training

**Working Group for the 2005 Survey of Labor-Management Relations, Human Resource
Management and Working Conditions in Foreign Affiliated Companies in Japan**

Sumio Sakai Deputy Director, International Research Department
 Japan Institute for Labour Policy and Training

Minawa Ebisui International Affairs Department
 Japan Institute for Labour Policy and Training (at time of survey)

* Sakai is the author of this report.

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I Outline of the Survey

I Outline of the Survey

1. Objective of the Survey

The objective of this survey is to clarify the current status of labor-management relations and working conditions at foreign-affiliated companies in Japan; to publish this information widely to contribute to the formation of labor policy; and to support the smooth operation of foreign-affiliated companies in Japan. The present survey is the latest in a series of surveys begun in 1973 and conducted roughly every four years by the Labor Ministry. After 1973, subsequent surveys were carried out in 1977, 1983, 1987, 1991, 1995 and 1999. For the eighth survey, in 2003, the task was transferred to the Japan Institute for Labour Policy and Training. The present survey is the second conducted by the Institute and the ninth of the series.

2. Scope of the Survey

(1) Regions

All regions of Japan.

(2) Industries

The survey covered the following industries, based on Japan Standard Industrial Classifications: Agriculture, forestry and fisheries; Mining; Construction; Manufacturing; Wholesale and retail trade; Eating and drinking places, accommodations; Finance and insurance; Real estate; Transport; Information and communications; Education and learning support; Services

(3) Companies

The survey was conducted using a sample of 1,929 companies active in Japan, selected by uniform methods among companies that were 1) Japanese corporations with more than one-third foreign capitalization and 2) Japanese branches or outposts of foreign companies.

3. Times and Periods Covered by the Survey

The data were as of December 31, 2005. However, some of the questions were asked over a two-year period (January 1, 2004 to December 31, 2005), while others were asked over a one-year period (January 1 to December 31, 2005).

4. Period in Which the Survey was Conducted

From March 1, 2006 to March 31, 2006.

5. Survey and Tabulation Methods

The survey was conducted and the results tabulated using the questionnaire attached. Respondents completed the questionnaire and sent it by mail to the Japan Institute for Labour Policy and Training.

6. Response Rate

The number of companies responding was 272, yielding an effective response rate of 14.1%.

II Summary of the Results of the Survey

II Summary of the Results of the Survey

1. Introduction

This section provides an overview of the results of the survey and compares it with past survey results, primarily those of the last survey (FY2003). The survey results will also be compared with those of a number of studies by the Ministry of Health, Labour and Welfare on domestic companies in Japan (mostly on Japanese companies), on matters such as personnel and labor management and labor-management relations. Through these comparisons, this section seeks to clarify the key characteristics of personnel and labor management and labor-management relations at foreign-affiliated companies. The term “this survey” refers to the survey collated and prepared in March 2006 on the basis of data collected in FY2005; “the last survey” refers to the survey collated and prepared in 2003; and the survey before that, in 1999, is referred to as “the last survey but one.” Also, as explained in I, “Outline of the Survey,” this survey was collated in March 2006 and is deemed accurate as of December 2005. Accordingly, “the past year” refers to the period January 1 to December 31, 2005, while the term “the past two years” refers to the period January 1, 2004 to December 31, 2005.

2. Overall Situation of Companies and Workers

(1) Distribution by Industry, Size of Company, Percentage of Foreign Capital, Nationality of Foreign Investors and Date of Establishment

- (i) In the distribution of industries among the 272 responding companies, 35.3% were wholesale and retail trade, while 29.4% were manufacturing, 8.5% in services and 6.6% in information & communications. Of those in manufacturing, the large shares were those of precision machinery (18.8%), chemicals (15.0%) and transportation equipment (10.0%). Manufacturing industries from which no companies replied were textiles and apparel; petroleum and coal products; and rubber and leather. In non-manufacturing industries, non-replying industries were agriculture, forestry and fisheries; mining; and eating and drinking places, accommodations. **(Figures 1 and 2)**

Figure 1 Breakdown of respondent companies by industry

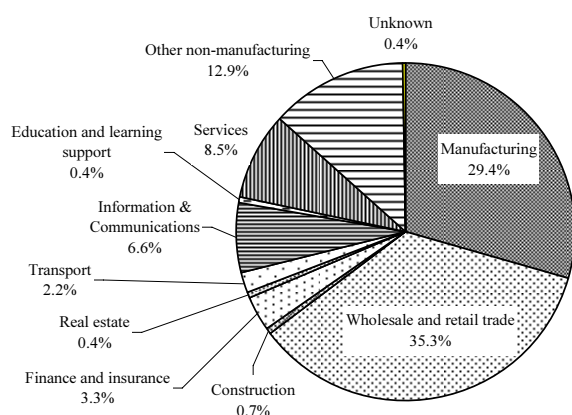
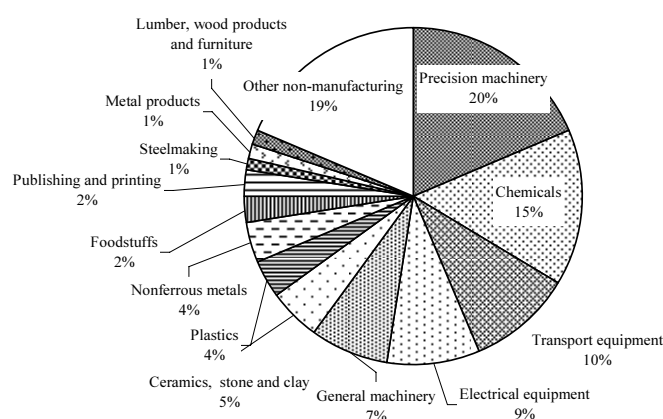
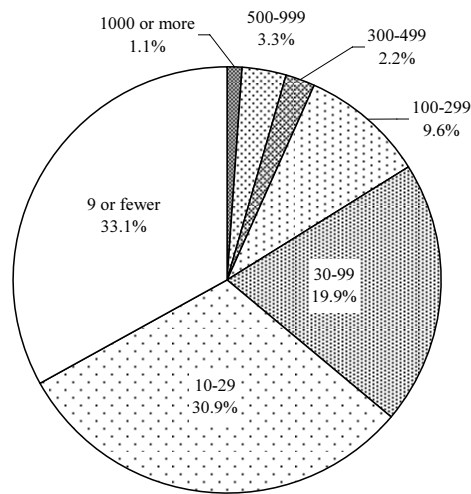


Figure 2 Breakdown of respondent companies in manufacturing



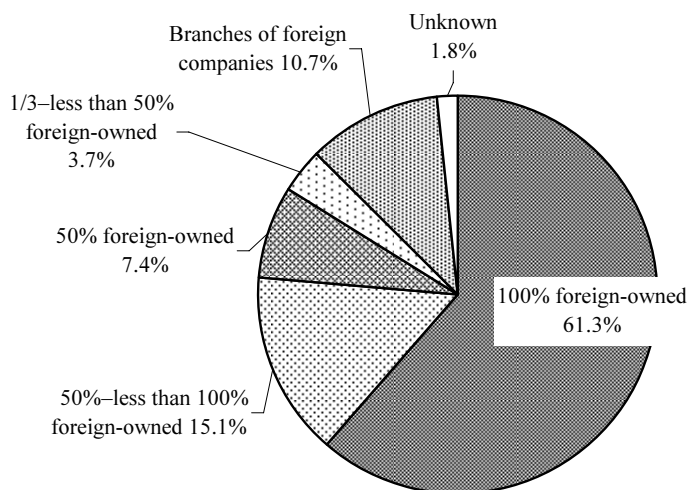
- (ii) In terms of the sizes of responding companies, the largest group was companies with nine regular employees or fewer (33.1%). These were followed by companies with 10–29 regular employees (30.9%) and those with 30–99 regular employees (19.9%). In all some 80% of the companies had less than 100 regular employees. **(Figure 3)**

Figure 3 Breakdown of respondent companies by number of employees



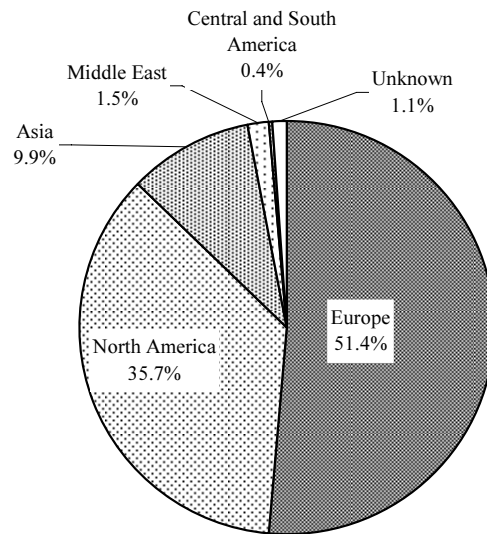
(iii) When classified by foreign equity ratio – such as 100% foreign-owned, 50%~less than 100% foreign-owned, 50% foreign-owned, 1/3~less than 50% foreign-owned and branches of foreign companies, it was found that 61.3% were 100% foreign-owned, 15.1% were 50%~less than 100% foreign-owned, 10.7% were branches of foreign companies, 7.4% were 50% foreign-owned (that is, mergers on equal footing), and 3.7% were 1/3~less than 50% foreign-owned. (Figure 4)

Figure 4 Breakdown of respondent companies by foreign-equity ratio



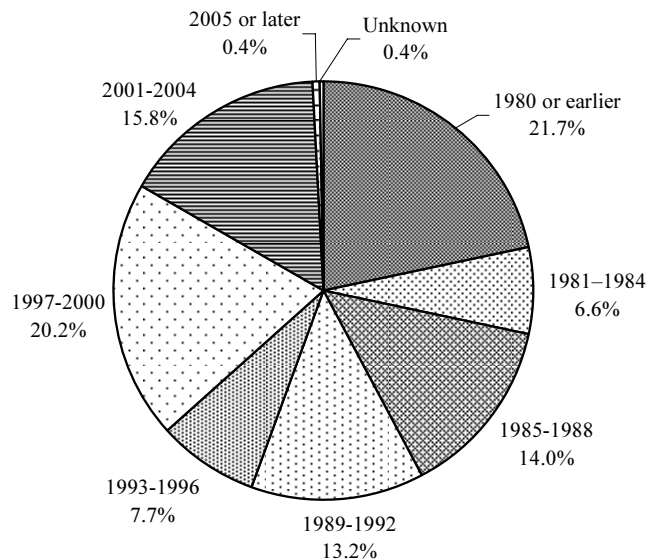
(iv) Regarding country of origin of the capital investing in foreign-affiliated companies, the United States represented the greatest percentage of 33.8%, followed by Germany at 17.3%, Britain and Switzerland 6.3% each, Holland 4.4% and France 4.0%. In regional terms, 51.4% of investors were European, 35.7% were North American and 9.9% Asian. (Figure 5)

Figure 5 Distribution of respondent companies by origin of foreign investment



(v) The most common periods in which the companies were established (or accepted foreign investment) were 1980 or earlier (21.7%), 1997~2000 (20.2%), 2001~2004 (15.8%), and 1985~88 (14.0%). Regarding the number of companies opened per year, most of the companies were established in or after 1997, the year the Japanese government significantly loosened regulations on foreign investment in Japan. **(Figure 6)**

Figure 6 Distribution of respondent companies by year of establishment



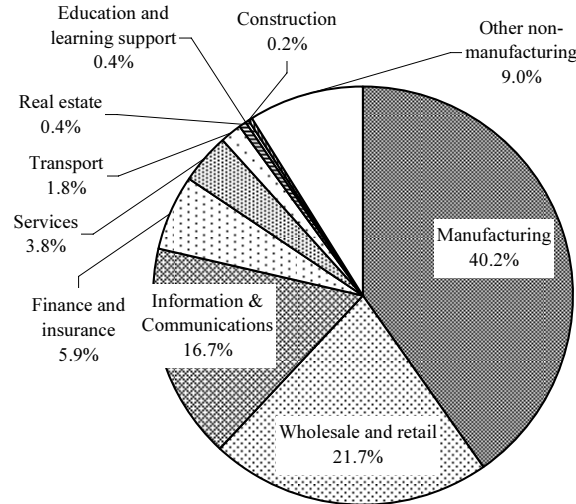
(2) Number of Workers and Percentage of Foreigners, etc.

(i) A total of 26,714 regular employees worked at the 272 respondent companies. Total employees, including 1,660 temporary employees, part-time workers and others, numbered 28,374. By gender, the number of male regular employees outnumbered female regular employees, 19,665 to 7,049.

The breakdown of number of regular employees by industry shows that the largest numbers were in

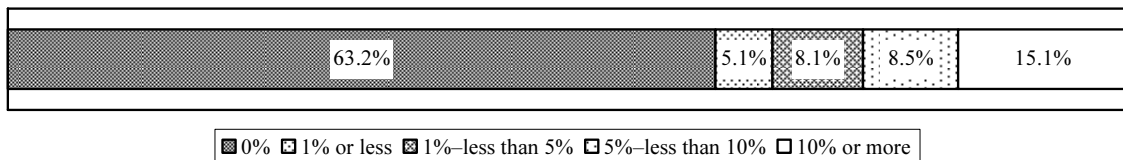
manufacturing with 10,737 (40.2%), wholesaling and retail trade with 5,798 (21.7%), information & communications 4,450 (16.7%) and finance and insurance 1580 (5.9%). Among those in manufacturing, the largest numbers of regular employees were in chemicals (6,312 people), ceramic, stone and clay (967) and nonferrous metals (888). (Figure 7)

Figure 7 Average number of regular employees by industry



(ii) The proportion of regular employees who were foreign nationals averaged 4.7% per company. Some 63.2% of respondent companies had no foreign regular employees at all. (Figure 8)

Figure 8 Distribution of respondent companies by percentage of foreign employees



By industry type, foreign nationals as a proportion of total regular employees averaged 3.3% in manufacturing and 5.4% per company in non-manufacturing industries. Of non-manufacturing industries, the highest averages were 21.2% for finance and insurance, 14.0% for services and 8.3% for information & communications.

By national origin of capital, foreign nationals as a proportion of total regular employees in US-affiliated companies averaged 3.3%, while the figure for companies of European origin was 3.5%. This contrasts with a figure of 14.1% of total regular employees for Asian affiliated companies—a share four times the average for the Western companies. This large proportion of foreign nationals as regular employees in Asian companies is similar to the results in the last, 2003 survey, in which the figures were 4.4% for US-affiliated companies, 4.2% for European companies and 26.4% for Asian companies. This is a noteworthy feature of foreign-affiliated companies in Japan.

In the proportion of workers who are foreign nationals, by foreign equity ratio, on average 10.9% of workers at branches of foreign companies were foreign nationals. This was followed by companies 1/3~less than 50% foreign-owned (6.2%) and those 50%~less than 100% foreign-owned (5.4%). The

high average for branches of foreign companies (more than double the average) is not surprising given the form of business. In the last survey, the figure for branches of foreign affiliated companies was 12.3%, about double the average (6.2%).

- (iii) The average percentage of managers who are women is 7.7% per company. Over two thirds (67.3%) of respondent companies had no female managers at all, while companies in which 20% or more of managers were women comprised 15.8% of companies.

To compare these figures with Japanese companies, we referred to the Ministry of Health, Labour and Welfare's 2003 Basic Survey on Employment Management of Female Workers, which targeted private-sector companies with 30 or more regular employees. That survey found that, on average, just 5.8% of managers at a level equivalent to assistant manager (*kakaricho*) or higher were women. Although the definition for "manager" used in that survey is different from the one used here, it is fair to conclude that a higher proportion of managers are women in foreign-affiliated companies than in Japanese companies. However in the 2003 Basic Survey on Employment Management of Female Workers, the number of companies with at least one manager at a level equivalent to team-leader or higher was 62.5%, far outstripping foreign-affiliated companies.

When the proportion of women in managerial positions is compared by foreign equity ratio, the level is highest at branches of foreign companies (average 12.0% per company), followed by companies 1/3~less than 50% foreign-owned (9.2%). However, the figures do not support a correlation between proportion of women in managerial positions and foreign equity ratio. By country or region of origin of the capital, the proportion was 8.4% for North American-affiliated companies, 7.3% for those affiliated with Europe, and 8.9% for Asian-affiliated companies. These figures are not markedly different from the overall average.

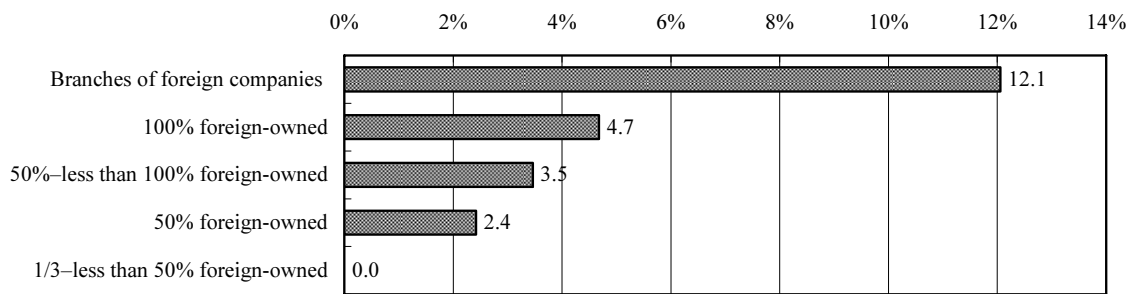
- (iv) The average proportion of managers who were foreign nationals was 4.9% per company. Overall a large majority of respondent companies, 79.4%, had no foreign managers at all. Conversely, 7.4% of companies had foreigners as 20% or more of their entire management team.

When companies were rated for proportion of foreign nationals in management by foreign equity ratio, branches of foreign companies had an average of 12.1% foreign nationals in management per company, 100% foreign-owned companies had an average of 4.7%, 1/3~less than 50% foreign-owned had 3.5% and 50% foreign-owned companies 2.4%. The greater the foreign equity ratio, the greater was the proportion of managers who were foreign nationals. As with the proportion of regular employees who were foreign nationals, discussed earlier, although the correlation is not perfect, companies with high foreign equity ratio demonstrate a high level of commitment to Japan on the part of the overseas parent company, so naturally assign more managers to the Japanese affiliate.

The trend correlating high foreign equity ratio with high proportion of foreign nationals in management was also demonstrated in the last (2003) survey. The 2003 survey found that 18.1% of managers at branches of foreign companies were foreign nationals, while 6.2% for 100% foreign-owned companies, 3.2% for 50%~less than 100% foreign-owned companies and just 1.2% for 50% foreign-owned companies.

Next, the survey compared the proportion of foreign nationals in management by origin of capital. The average was 5.1% for European-affiliated companies and 3.1% for North American-affiliated companies. The figures for Asian-affiliated companies, 9.1%, were double or triple the level for European- and North American-affiliated companies. This trend appears to be linked to the similar correlation between percentage of regular employees who are foreign nationals and origin of capital: The percentages of both regular employees and managers who are foreign nationals is two or three times higher for Asian-affiliated companies than for Western-affiliated ones. These levels indicate the degree of participation in management by the parent company. **(Figure 9)**

Figure 9 Proportion of foreign managers by foreign-equity ratio (Average per company)

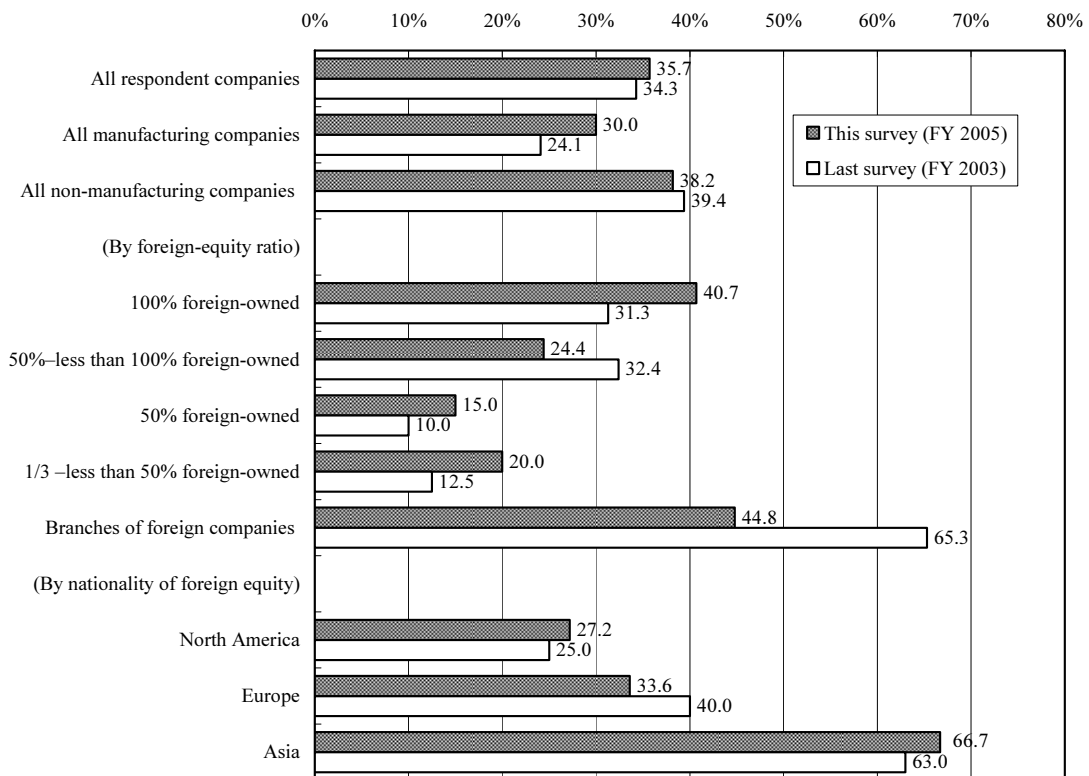


(v) In the study of the nationality of the company's president, 35.7% of respondent companies indicated that the president was a foreign national.

Breaking this figure down by industry, the respondent companies that most commonly had a foreign national as president were in finance and insurance (66.7%), transportation (66.7%) and services (60.9%). A foreign national was president in 30.0% of manufacturing companies, compared with a somewhat greater figure of 38.2% for non-manufacturing companies.

In terms of origin of capital, as in the above discussion of foreign nationals as managers, Asian-affiliated companies were twice as likely (66.7%) as North American- (27.2%) and European-affiliated (33.6%) companies to have a foreign national as president. Once again Asian investor companies are found to participate more strongly than other investor companies in the management of their Japanese affiliates. The figures from the last survey, 63.0% for Asian-affiliated companies as against 25.0% and 33.3% for North American- and European affiliated companies respectively, mirrored this result, suggesting no change in trend over the intervening four years. (Figure 10)

Figure 10 Proportion of companies in which the president is a foreign national



(3) Hiring and Leaving

- (i) The respondent companies hired 2,970 workers during the past year (January 1 to December 31, 2005). The average was 11.0 hires per company.

The majority (70.5%) of hired workers were mid-career hires (this category covers all hires other than new graduates), as they were in the last survey.

Examination of the proportion of mid-career workers by industry shows that 59.7% of hires in manufacturing were mid-career hires, compared with a markedly higher 75.4% for non-manufacturing industries. By level of foreign investment, branches of foreign companies (76.8%) and 100% foreign-owned companies (70.7%) had the highest percentages of mid-career hires. The higher the foreign equity ratio, the greater the proportion of mid-career hires tended to be.

When the percentage of mid-career hires was examined by size of the company, less than half (44.7%) of hires at companies with 1,000 employees or more were mid-career hires, while the number was higher than 50% at companies with fewer than 1,000 employees. This result reflects the relative rarity of mid-career hires in manufacturing, where companies tend to have large number of employees. **(Table 1)**

Table 1 Number of workers hired in the past year

	Number of workers hired		Of which: Mid-career hires		Mid-career hire rate (%)
		Average per company		Average per company	
(Number of people)					
By industry					
Total manufacturing	639	8.0	445	5.6	59.7
Total non-manufacturing	2,331	12.3	2,176	11.5	75.4
Wholesale and retail trade	790	8.3	778	8.2	75.3
Construction	5	2.5	5	2.5	100.0
Finance and insurance	254	28.2	213	23.7	64.1
Real estate	23	23.0	23	23.0	100.0
Transport	50	8.3	41	6.8	66.7
Information & Communications	548	30.4	497	27.6	88.4
Education and learning support	22	22.0	19	19.0	86.4
Services	261	11.3	260	11.3	69.5
Other non-manufacturing	378	10.8	340	9.7	74.6
By foreign-equity ratio					
100% foreign-owned	1,578	9.4	1,370	8.2	70.7
50%-less than 100% foreign-owned	746	18.2	624	15.2	67.1
50% foreign-owned	78	3.9	68	3.4	63.3
1/3-less than 50% foreign-owned	73	7.3	71	7.1	63.3
Branches of foreign companies	213	7.6	209	7.5	76.8
Unknown	282	56.4	279	55.8	99.2
Total	2,970	11.0	2,621	9.7	70.5

Note: Mid-career hire rate = Number of mid-career hires / Number of hires × 100

- (ii) Regarding the number of people who left their job during the recent one-year period (January 1 to December 31, 2005), 2,415 people quit the respondent companies, averaging 8.9 people per company. Of these, 515, or 21.3% of workers, left at the request of the company. When the number of workers who left at the company's request is viewed by industry, the average was 2.6 per company in manufacturing and somewhat lower in non-manufacturing companies at 1.6 per company. The proportion of those who left at the company's request was 21.3% overall as stated above, 27.3% in manufacturing and 18.5% in non-manufacturing industries. Roughly speaking, one in four leavers in manufacturing left at the company's request versus one in five for non-manufacturing companies. Put the other way, employees were more likely to leave for their own reasons in non-manufacturing than in manufacturing. **(Table 2)**

Table 2 Number of workers leaving in the past year

	(Number of people)			
	Number of workers leaving		Of which: Number of workers leaving at the company's request	
			Average per company	Average per company
By industry				
Total manufacturing	756	9.5	208	2.6
Total non-manufacturing	1,659	8.7	307	1.6
Wholesale and retail trade	682	7.2	228	2.4
Construction	8	4.0	0	0.0
Finance and insurance	123	13.7	15	1.7
Real estate	40	40.0	1	1.0
Transport	41	6.8	1	0.2
Information & Communications	361	20.1	21	1.2
Education and learning support	18	18.0	2	2.0
Services	160	7.0	18	0.8
Other non-manufacturing	226	6.5	21	0.6
By foreign-equity ratio				
100% foreign-owned	1,493	8.9	403	2.4
50%–less than 100% foreign-owned	464	11.3	51	1.2
50% foreign-owned	74	3.7	7	0.4
1/3–less than 50% foreign-owned	70	7.0	1	0.1
Branches of foreign companies	156	5.6	41	1.5
Unknown	158	31.6	12	2.4
Total	2,415	8.9	515	1.9

3. Labor-Management Relations

(1) Labor Unions and Other Employee Organizations

- (i) Some 8.5% of respondent companies had labor unions. This percentage is little changed from the level in the last survey (8.2%).

On an industry basis, 13.8% of companies in manufacturing were unionized, compared with about half as many (6.3%) of non-manufacturing companies. The former figure of 13.8% hides great variation, however, as unionization rates were much higher for companies in general machinery (33.3%), nonferrous metals (33.3%), ceramics, stone and clay (25.0%), transportation equipment (25.0%) and chemicals (25.0%).

Rates of unionization were much lower among non-manufacturing companies. Although the figure was as high as 16.7% for those in the transport industry, the unionization rate was especially low in information & communications (5.6%) and services (4.3%).

In terms of foreign equity ratio, unionization was highest among 50% foreign-owned companies (25.0%), and much lower for 50%–less than 100% foreign-owned (14.6%), branches of foreign companies (6.9%) and 100% foreign-owned (5.4%). Among respondent companies 1/3–less than 50% foreign-owned, not one company reported the existence of a union.

When unionization levels were examined in terms of the company size, a majority (66.7%) of companies with 1,000 employees had unions, compared with 33.3% of companies with 500–999 employees, 16.7% for companies with 300–499 employees and 34.6% of companies having 100–299 employees. The figure dropped considerably for companies with fewer than 100 employees, to 9.3% for those with 30–99 employees, 2.4% for those with 10–29 employees and just 1.1% for companies employing nine or fewer workers. Clearly, the company size was strongly correlated with the probability of union membership.

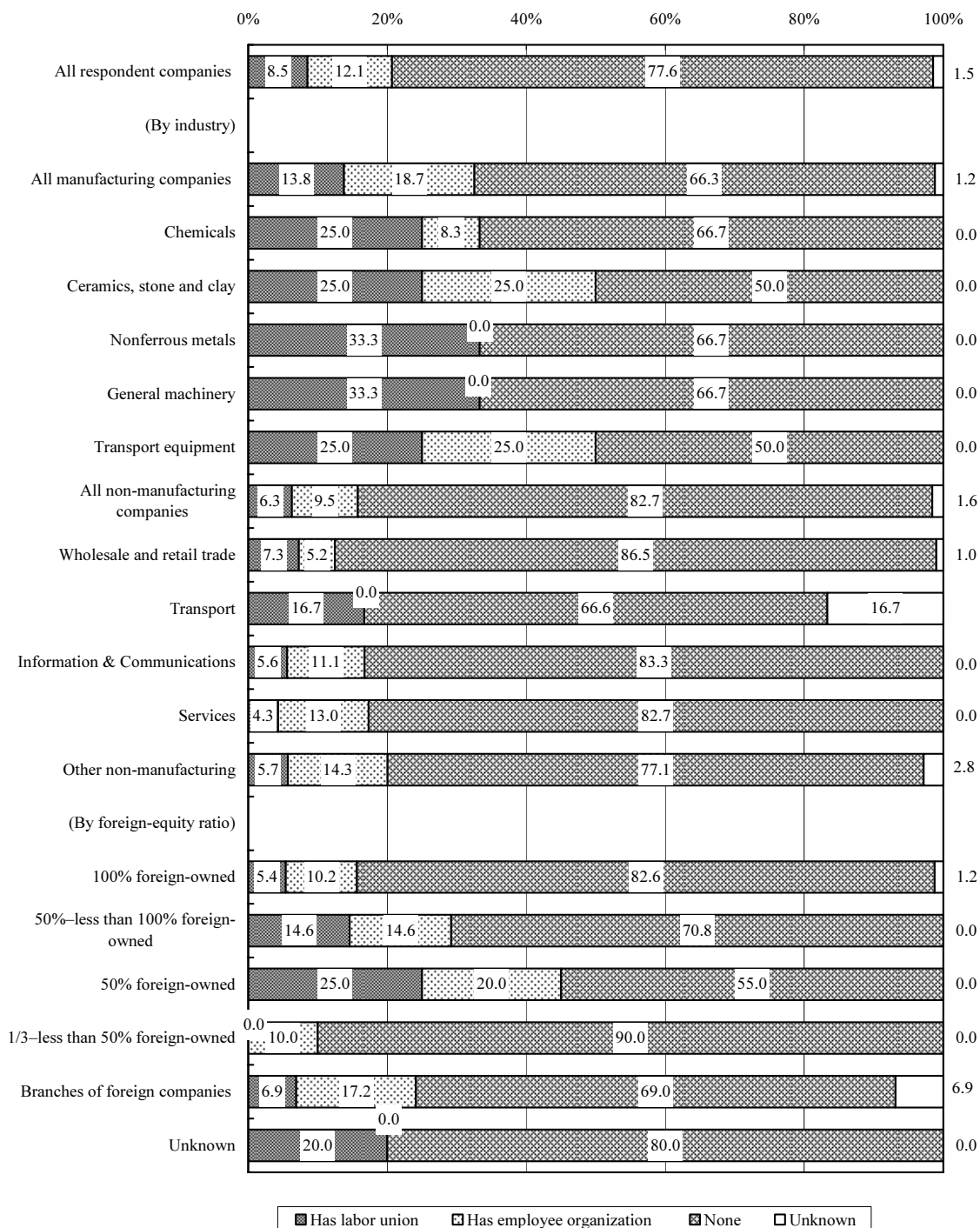
Among companies that had labor unions, a mere 0.4% reported having more than one union. Most

companies reported the pattern of “one company, one union” common in Japan.

Some 12.1% of companies that did not have a union had some form of employee organization. Combining this figure with the figure for companies having unions, we find that 20.6% of respondent companies had some form of organization for employees.

On an industry-category basis, 21.7% of manufacturing companies had unions, whereas only 10.1% of non-manufacturing companies had unions. The percentage was clearly higher in manufacturing than in non-manufacturing companies. (Figure 11)

Figure 11 Percentage of Companies with labor unions and other employee organizations by industry and foreign-equity ratio

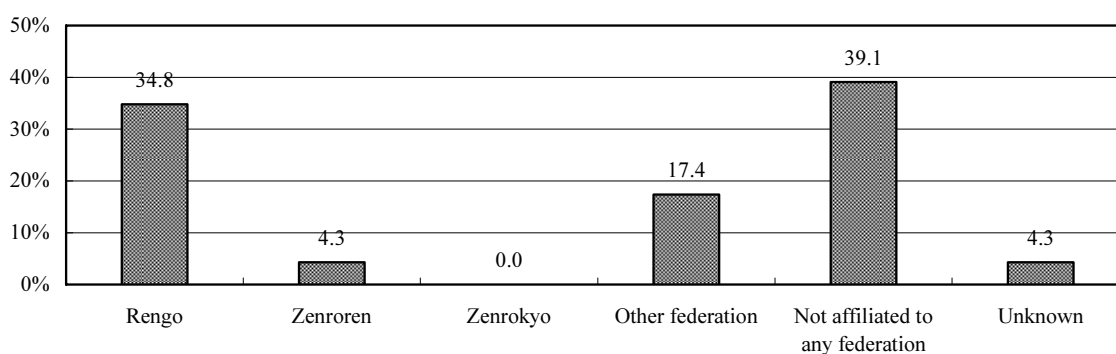


- (ii) The average unionization rate (total number of union members divided by total number of regular employees in all respondent companies) was 31.2%. This high figure arises because, although only 23 companies had unions, the largest companies tended to be unionized.

The average unionization rate at the companies where there is a labor union was 60.3%, roughly in line with the figure of 61.9% from the last survey.

- (iii) At 56.5% of unionized companies, the labor unions were affiliated with a federation. This figure is significantly lower than the figure of 77.7% obtained in the last survey. A breakdown of the numbers for federation membership shows that 34.8% of the unions belonged to the Japanese Trade Union Confederation (Rengo), while 4.3% were members of the National Confederation of Trade Unions (Zenroren) and 17.4% belonged to other federations. The unions which mentioned “other federations” are considered to be affiliated with conferences such as industry-specific union federations or federations of unions for foreign-affiliated companies instead of joining any national centers such as Rengo or Zenroren. **(Figure 12)**

Figure 12 Membership of labor unions in umbrella organizations



(2) Collective Agreements and Collective Bargaining

- (i) Of the companies that had unions, 82.6% had some form of collective agreement between the company and the union. According to the Ministry of Health, Labour and Welfare’s Survey on Collective Agreements, etc. (2001), however, 91.5% of unionized companies with 30 employees or more had a collective agreement, suggesting that foreign-affiliated companies are less likely than Japanese companies to have a collective agreement.
- (ii) When asked if they had conducted collective bargaining in the past two years, 78.3% of the respondent companies that had unions replied in the affirmative. By comparison, according to the Ministry of Health, Labour and Welfare’s Survey on Collective Bargaining and Labor Disputes (2002), 64.6% of the unions of Japanese companies with 30 employees or more had conducted collective bargaining in the previous three years (July 1, 1999 to June 30, 2002). Remarkably, this comparison suggests that collective bargaining is more common among the unions of foreign-affiliated companies than among Japanese companies as a whole.

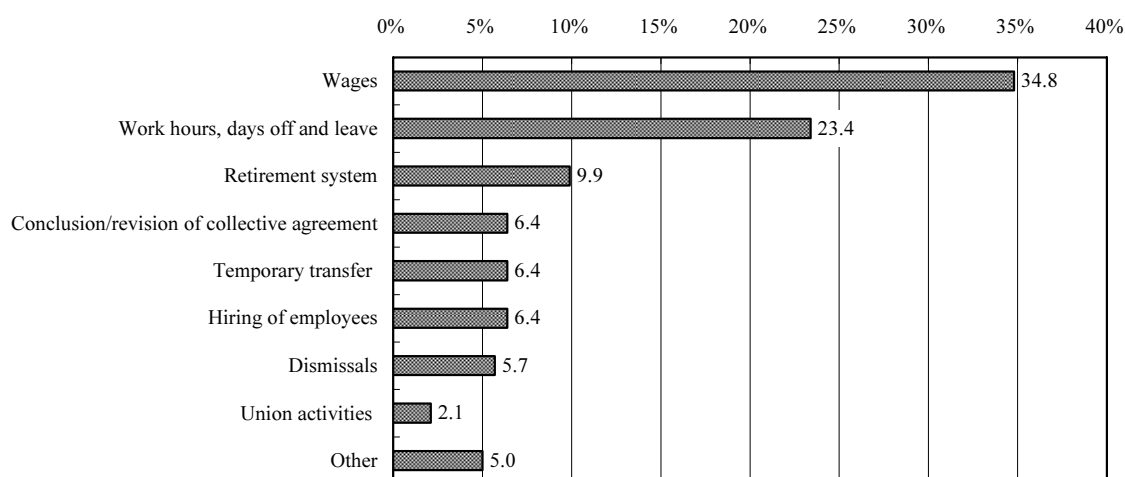
(3) Matters Demanded by Workers and Labor Disputes

- (i) Some 27.2% of respondent companies reported hearing some sort of demand from workers within the past two years. In contrast, 70.2% of respondent companies stated that no such demands had been made in this period.

Among the companies where workers had presented demands, the most common matters (multiple answers were accepted) were about wages (34.8%) and changes in working hours, holidays and leaves (23.4%). Demands about hiring measures such as the hiring (6.4%) and dismissal (5.7%) of employees

were relatively few, while only 2.1% of such companies reported demands regarding union activities. **(Figure 13)**

Figure 13 Labor demands/grievances (M.A.)



(ii) Of the 272 respondent companies, only three (1.1%) indicated suffering any sort of labor dispute during the past two years, and only three such incidents had occurred. All three incidents occurred in companies that had no labor union. A breakdown of the grievances that led to these disputes shows that two involved wages while one concerned dismissals. All of the findings in this survey indicate that labor relations are extremely stable at foreign-affiliated companies. **(Table 3)**

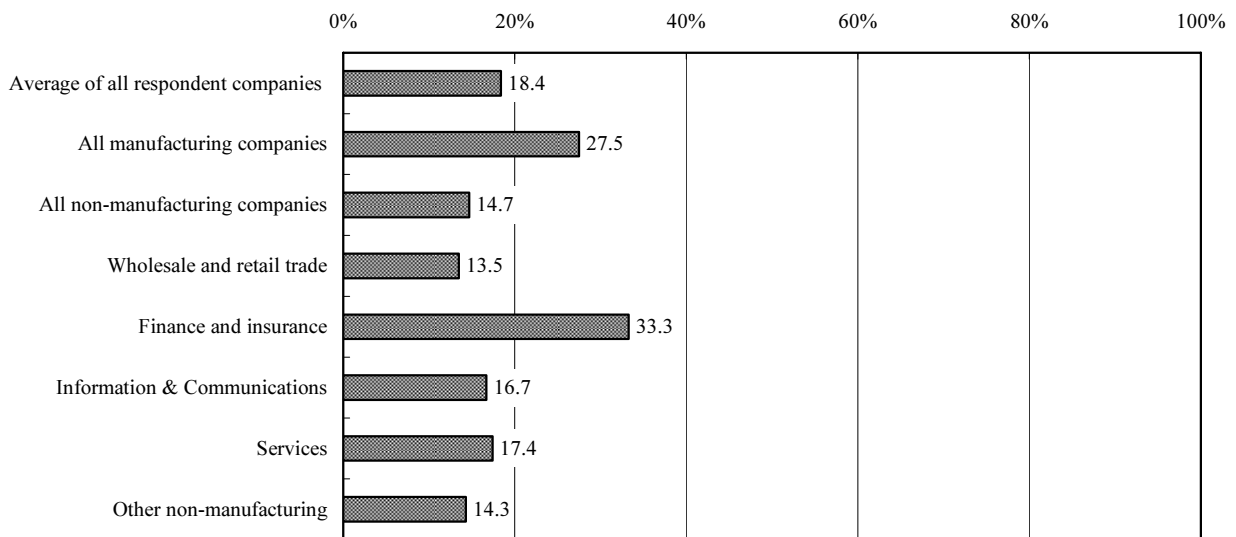
Table 3 Proportion of companies in which labor disputes led to strikes or other actions

	(Number of companies, %)						
	Total number of companies responded (A)	Number of companies with labor unions (B)	Number of companies with labor disputes (C)	Ratio to all respondents (C/A)	Total number of labor disputes (D)	Average number of labor disputes per company (D/C)	
FY 2005 survey (this survey)	272	23	3	1.1 %	3	1.0	
FY 2003 survey (previous survey)	329	27	5	1.5	6	1.2	
FY 1999 survey	529	73	14	2.6	101	7.2	
FY 1995 survey	732	93	10	1.4	108	10.8	
FY 1991 survey	873	101	14	1.6	91	6.5	
FY 1987 survey	990	156	27	2.7	54	2.0	
FY 1983 survey	1,051	222	52	4.9	123	2.4	
FY 1977 survey	550	247	106	19.3	255	2.4	

(4) Labor-Management Communications (Consultations, etc.)

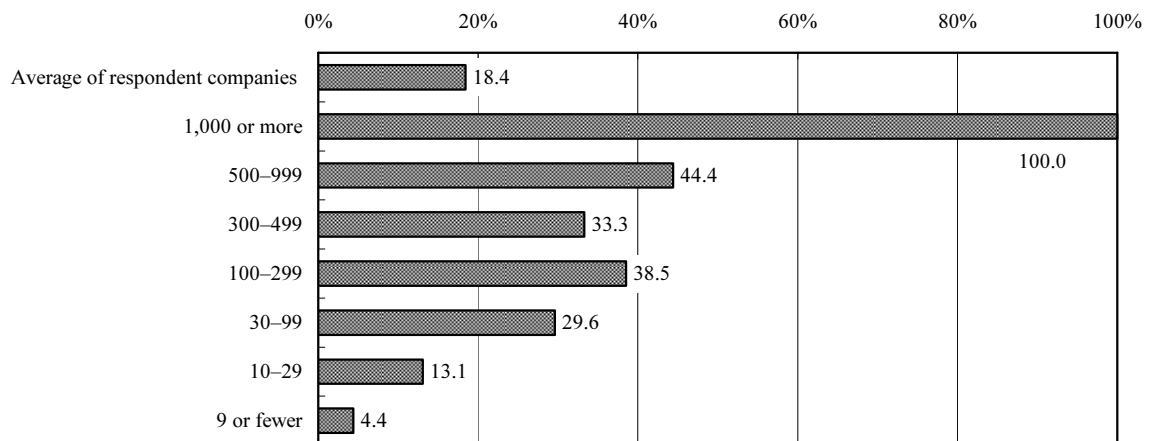
(i) Some 18.4% of companies had some sort of labor-management consultation body, down somewhat from 22.5% as reported in the last survey. By industry, the figure was 27.5% in manufacturing companies and roughly half that many (14.7%) at non-manufacturing companies. According to the Ministry of Health, Labour and Welfare's most recent Survey of Labor-Management Communication (2004), more than a third (37.3%) of Japanese companies private-sector enterprises with 30 or more regular employees had a labor-management consultation body. On this basis, only half as many foreign-affiliated companies use such bodies compared with Japanese companies as a whole. **(Figure 14)**

Figure 14 Share of companies establishing labor-management consultative bodies, by industry



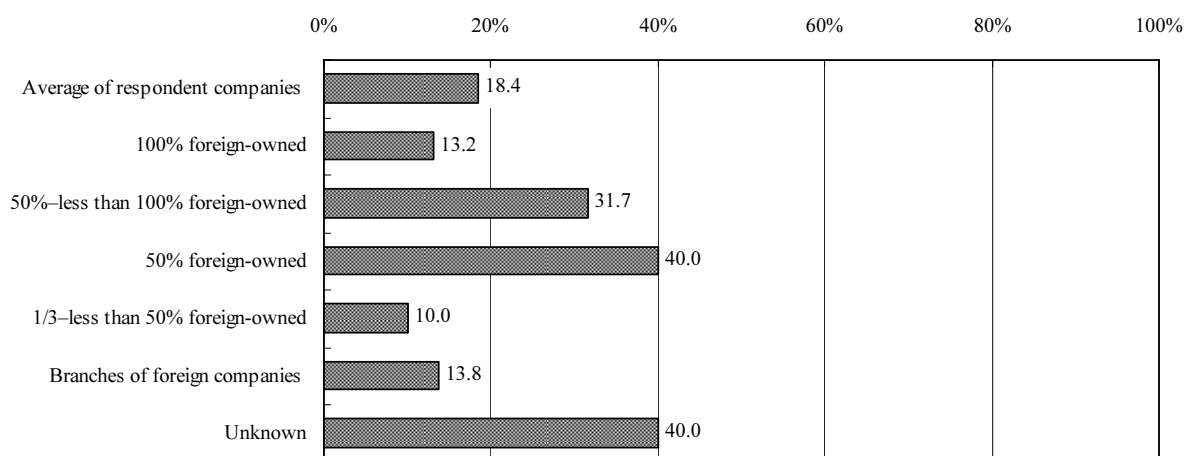
As with the companies that have labor unions, the presence of labor-management consultation bodies was highly correlated with the company size. Only 4.4% of companies with nine employees or fewer used such mechanisms, while 13.1% of those with 10~29 employees, 44.4% of companies with 500~999 employees and all respondent companies with 1,000 employees or more had some form of labor-management consultation body. This trend matches the findings of the last survey. **(Figure 15)**

Figure 15 Share of companies establishing labor-management consultative bodies, by number of employees



By foreign equity ratio, 100% foreign-owned companies (40.0%) and companies 50%~less than 100% foreign-owned (31.7%) were most likely to have a labor-management consultation body. However, these figures were not sufficient to reveal any special feature. **(Figure 16)**

Figure 16 Share of companies establishing labor-management consultative bodies, by foreign-equity ratio



(ii) On average, respondent companies that had a labor-management consultation body held labor-management consultation meetings 6.9 times per company in the past year, or a little more than once every two months. Moreover, about one in four (24.0%) companies with labor-management consultation bodies held consultation meetings 11 times or more in the past year, while none reported holding no labor-management consultations at all during the same period. In the last survey, these companies reported an average of 5.0 meetings in the preceding year, suggesting an increase in frequency between the last survey and this survey.

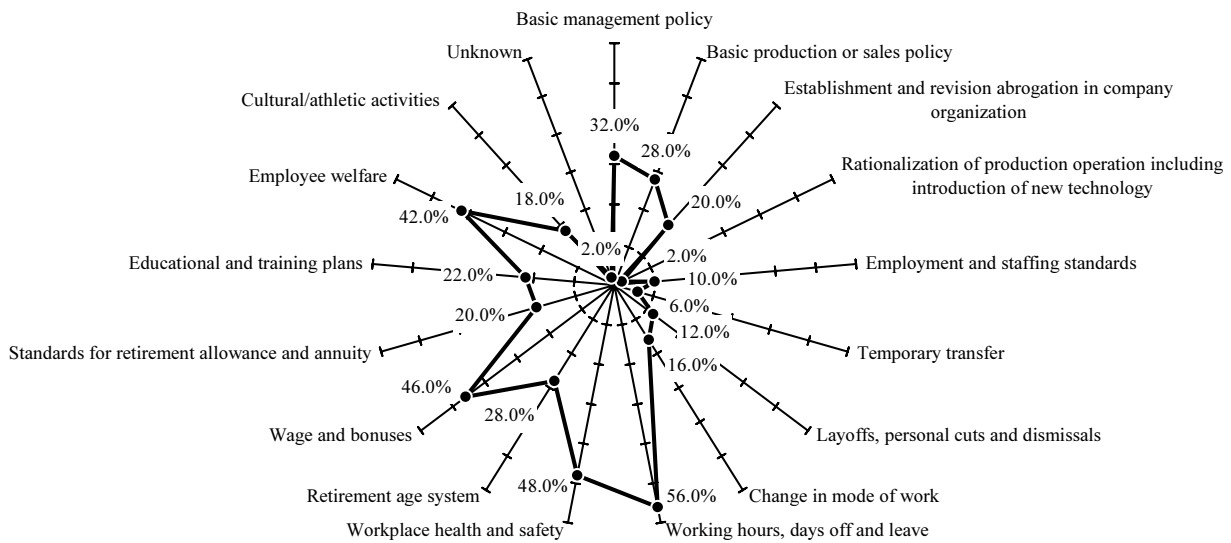
(iii) In terms of the issues discussed through labor-management consultation bodies, working hours, holidays and leaves together were mentioned by over half (56.0%) of the companies in question. The next highest shares were taken by workplace health and safety (48.0%), wages and bonuses (46.0%), welfare (42.0%) and basic management policy (32.0%).

Conversely, the least-discussed issues were rationalization of production operation including introduction of new technologies and equipment (6.0%), employee reassignment or temporary transfers (12.0%), layoffs, personnel cuts and dismissals (12.0%), changes in modes of work (16.0%) and cultural and educational activities (18.0%). (multiple answers were accepted.)

A comparison of issues discussed between the applicable foreign-affiliated companies with 30 or more employees, based on this survey, and private-sector Japanese companies with 30 or more employees, based on the Ministry of Health, Labour and Welfare's Survey on Labor-Management Communication (2004) discussed above, reveals that several topics were much less discussed between labor and management in foreign-affiliated companies than in Japanese companies in general (**Figure 17**):

- Working hours, holidays and leaves: Foreign-affiliated 54.3%, Japanese 92.6%
- Workplace health and safety: Foreign-affiliated 47.8%, Japanese 88.2%
- Wages and bonuses: Foreign-affiliated 43.5%, Japanese 86.3%
- Employee welfare: Foreign-affiliated 41.3%, Japanese 87.4%
- Basic management policy: Foreign-affiliated 32.6%, Japanese 71.0%

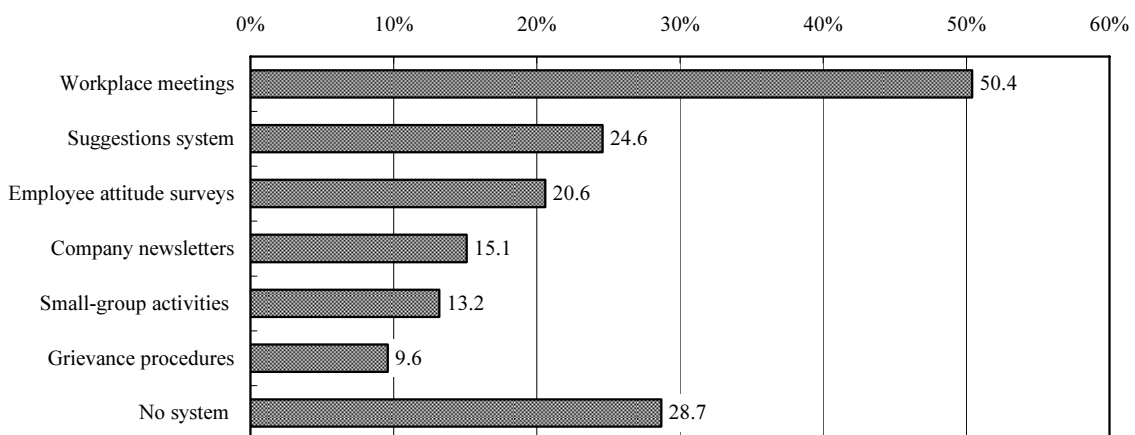
Figure 17 Issues discussed through labor-management consultative bodies (M.A.)



(iv) Systems of communication other than labor-management consultation bodies included workplace social meetings (50.4%), suggestions systems (24.6%), employee attitude surveys (20.6%) and publication of company newsletters (15.1%).

Here again, a comparison of systems of communication other than labor-management consultation bodies between foreign-affiliated companies with 30 or more employees, based on this survey, and private-sector Japanese companies with 30 or more employees, based on the Ministry of Health, Labour and Welfare's Survey on Labor-Management Communication (2004) discussed above, is instructive. The two groups of companies were similar in use of workplace social meetings (foreign-affiliated companies 45.9%, Japanese companies 49.8%), but differed somewhat in use of employee attitude surveys (foreign-affiliated companies 36.7%, Japanese companies 21.1%) and company newsletters (foreign-affiliated companies 28.6%, Japanese companies 44.4%). In general the variety of labor-management communication methods other than labor-management consultation bodies indicates a broad similarity between foreign-affiliated companies and Japanese companies. (Figure 18)

Figure 18 Systems of communication other than labor-management consultative bodies (M.A.)

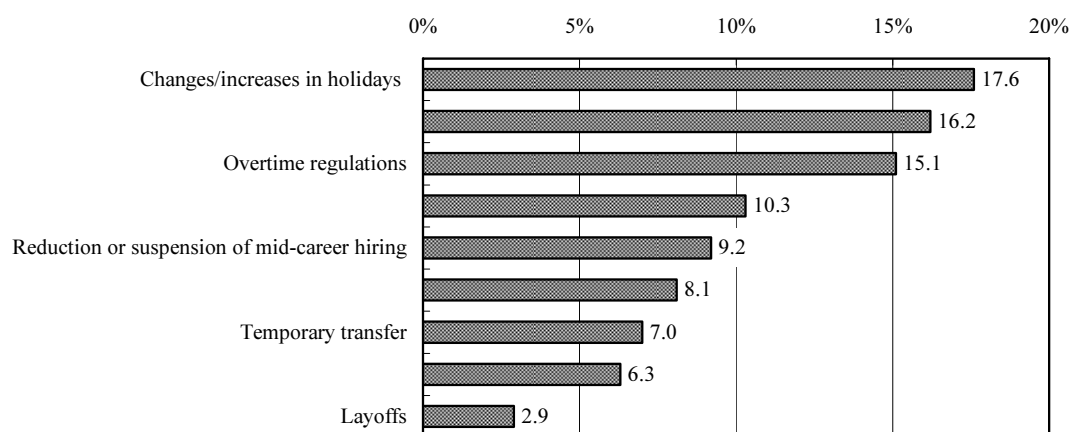


(5) Involvement of Labor Unions and Labor Representatives in Employment Adjustment

(i) In employment-adjustment actions taking place in the past two years, the most commonly reported items were changes/increases in holidays (17.6%), reassignment (16.2%), changes to overtime regulations (15.1%) and encouraging early retirement (10.3%). All of the four items above were reported by over 10% of respondent companies (multiple answers were accepted). Overall these four items were more frequently reported in the last survey, and their order of frequency was somewhat different (changes/increases in holidays 16.1%, reassignment 21.3%, changes to overtime regulations 17.6%, encouraging early retirement 16.4%), but the trends were broadly unchanged. However, the lower rate of implementation of all of these measures reflects a more positive employment picture resulting from the ongoing economic recovery.

A comparison with the Ministry of Health, Labour and Welfare’s discussion of relative levels of implementation of various employment-adjustment measures in the Survey on Labor Economic Trends (January to December 2004) is instructive, though differences in data tabulation methods mean that the two studies are not directly comparable. The four measures discussed above—changes/increases in holidays, reassignment, changes to overtime regulations and encouraging early retirement—were also common among Japanese companies in general. From this information we can conclude that foreign-affiliated companies are broadly similar to other Japanese companies in their methods of employment adjustment. **(Figure 19)**

Figure 19 Implementation of various employment-adjustment measures in the past two years (M.A.)



(ii) Based on the above findings regarding employment adjustment, the proportion of companies implementing employment adjustment who reach agreement, consult with or listen to the opinions of labor unions or other worker representatives, by type of employment adjustment, we find that the most common methods were changes/increases in holidays (64.6%), changes to overtime regulations (61.0%) and layoffs (50.0%). Each of these methods was reported by a majority of these companies. Reaching agreement, which by definition is the approach that most requires the workers’ consent, was used most in cases of layoffs (37.5%) and changes/increases in holidays (33.3%).

In contrast, items for which the respondent companies most commonly reported that labor unions or other worker representatives did not participate at all in the employment-adjustment process were reduction/suspension of hiring of new graduates (64.7%), reduction/suspension of mid-career hiring (60.0%), suspension of contracts/dismissal of temporary, seasonal or part-time workers (59.1%) and temporary transfers (52.6%). These measures appeared to be the most trouble-free to implement. **(Table 4)**

Table 4 Level of involvement of labor unions (or other employee representatives) in employment adjustment (in companies with labor unions or other employee organizations)

	Agreement	Discussion	Opinions asked for	Prior notification	Notification after the fact	No participation
Changes/increases in holidays	33.3	14.6	16.7	16.7	2.1	16.7
Reassignment	18.2	2.3	6.8	18.2	6.8	47.7
Overtime regulations	26.8	17.1	17.1	12.2	4.9	22.0
Encouraging early retirement	17.9	10.7	10.7	14.3	14.3	32.1
Reduction or suspension of mid-career hiring	16.0	4.0	4.0	4.0	12.0	60.0
Suspension or cancellation of contracts with part-time or temporary employees	18.2	4.5	4.5	9.1	4.5	59.1
Temporary transfer	15.8	10.5	5.3	15.8	-	52.6
Reduction or suspension of new hires	17.6	-	5.9	11.8	-	64.7
Layoffs	37.5	-	12.5	-	12.5	37.5

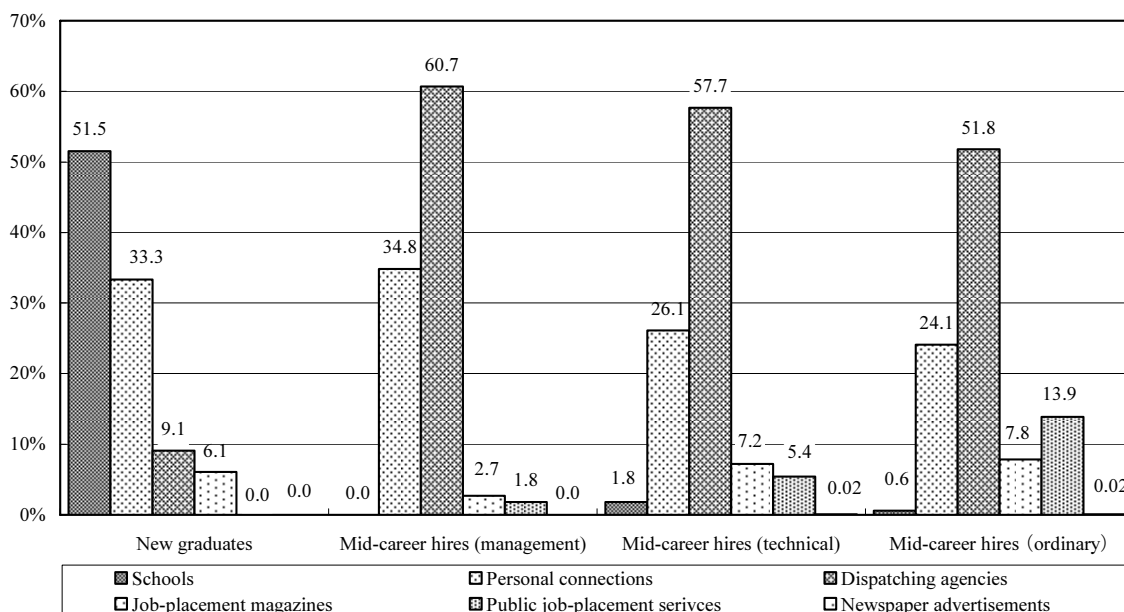
4. Business, Personnel and Labor Management

(1) Hiring

(i) Regarding channels used to hire new graduates, the most common channel among respondent companies was schools (51.5%), followed by personal connections (33.3%) and worker dispatching agencies (9.1%). (Multiple answers were accepted.) By comparison, the three most common channels in the last survey were schools (55.6%), job-placement magazines (37.8%) and personal connections (15.6%). In this survey, the proportion of respondent companies that used job-placement magazines collapsed to 6.1%. This appears to represent a switch to worker dispatching agencies, which accounted for only 4.1% in the last survey.

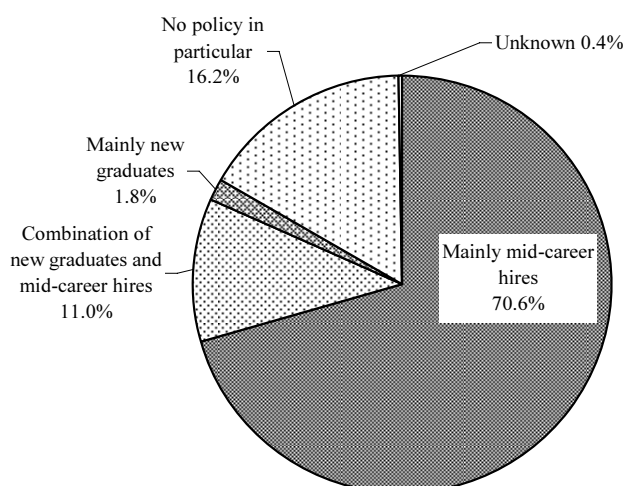
In terms of mid-career hires, the highest proportion (50%) of respondent companies hired mid-career employees through human resource banks, regardless of whether they were recruiting for managers, engineers or general employees. The second most common method was through personal connections, exceeding one in four companies. This result mirrored that of the last survey. (Figure 20)

Figure 20 Channels used to hire workers (proportion of hiring companies; M.A.)



(ii) Turning to policy on future hiring of workers, 70.6% of respondent companies indicated a focus on mid-career hires, while 11.0% sought both and only 1.8% focused on hiring of new graduates. A further 16.2% had no policy. Compared with the last survey (focus on mid-career hires: 66.9%, both new graduates and mid-career hires: 10.6%, focus on new graduates: 1.2%), the trend was the same but the figure for mid-career hires had risen while that for new graduates had declined. A shift in favor of mid-career hires appears to be under way. **(Figure 21)**

Figure 21 Future hiring policies, workers



When asked for the reasons behind their hiring policies (multiple replies were accepted), 100.0% of companies that focused on new graduates stated that hiring new graduates only was the way they could secure the personnel they needed. From those that hired both new graduates and mid-career workers, a relatively high proportion (30.0%) stated that they needed “personnel who could be immediately useful”, while another 30.0% stated that they only hired when they lost employees. Among companies that mainly hired mid-career workers, a high ratio of 89.6% said they need personnel who can be of immediate use, which is the reason for hiring such workers. **(Table 5)**

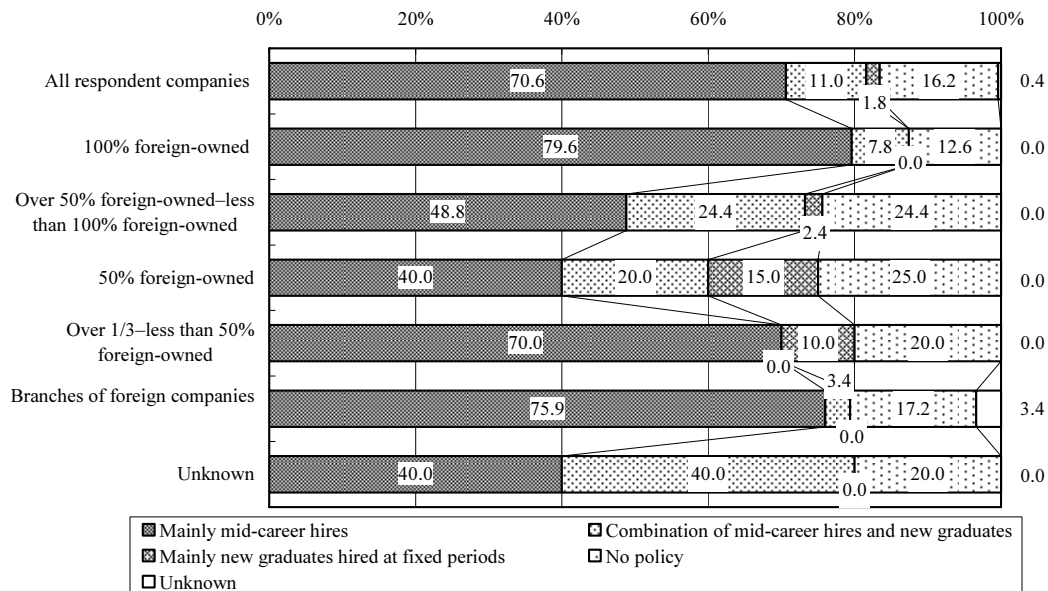
Table 5 Reasons for hiring policies (M.A.)

	(%)		
	Mainly new graduates	Combination of new graduates and mid-careers	Mainly mid-career hires
Required personnel can be secured by employing new graduates alone	100.0	-	-
The route of recruitment is more or less established	-	6.7	1.6
Excellent persons cannot be employed by mid-career recruitment alone	-	20.0	30.7
Only persons who can be useful immediately are employed	-	30.0	89.6
Recruited only to fill vacancies	-	30.0	33.9
Excellent persons cannot be recruited by employment of new graduates	-	3.3	4.2
Excellent persons cannot be employed by mid-career recruitment alone	-	16.7	-
Much cost is required to train new graduates	-	13.3	21.9
Have no know-how to recruit new graduates	-	3.3	6.3
In the past, attempted to employ new graduates, but this does not work out well	-	-	2.1

Viewing hiring policy by foreign equity ratio, focus on mid-career hires was favored by 79.6% of 100% foreign-owned companies and 75.9% of branches of foreign companies. No companies in these categories indicated a preference for new graduates. **(Figure 22)**

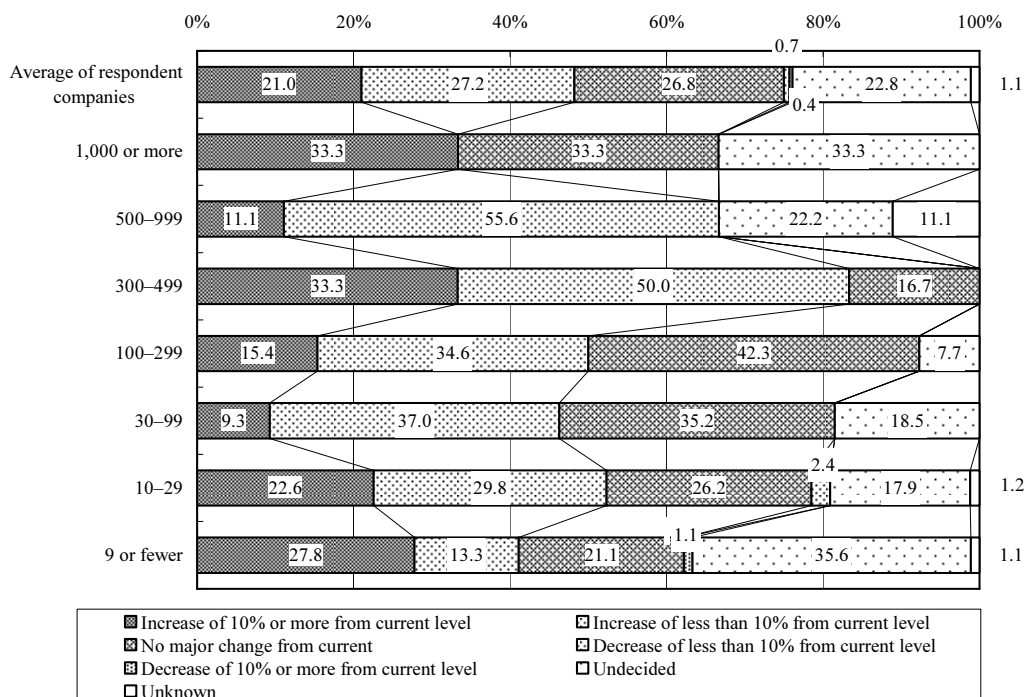
From the above results it is clear that a characteristic of the majority of foreign-affiliated companies is a policy of securing personnel through mid-career hires for immediate use..

Figure 22 Policies on hiring of workers at foreign-affiliated companies



(iii) On the topic of personnel plans and hiring policies for the coming three-year period (starting from December 31, 2005, the survey date), 22.8% of respondent companies replied that they had made no such plan or policy. Nearly half (48.2%) stated that they intended to increase their payrolls (27.2% planned to increase personnel by less than 10%, while 21.0% envisioned an increase of 10% or more). This figure is a marked increase on the 38.0% indicating plans to increase personnel levels in the last survey, reflecting ongoing economic recovery. (Figure 23)

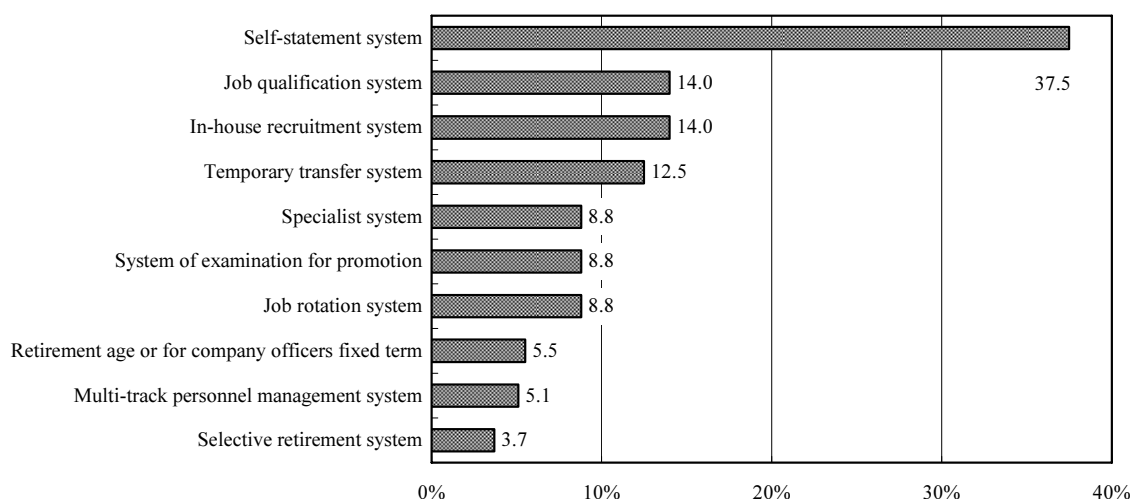
Figure 23 Personnel and hiring plans, next three years, by number of employees



(2) Personnel and Labor Management

- (i) The most commonly reported personnel administration system was self-statement promotion system (37.5%). This response was by far the most common among respondent companies, though the figure is only a little higher than one third. Next most common were job qualification system (14.0%), followed by in-house recruitment system (14.0%) and temporary transfer system (12.5%). (Multiple responses were accepted.) (Figure 24)

Figure 24 Status of adoption of personnel management systems (multiple replies accepted)



- (ii) When asked about lifetime employment as a basic hiring and personnel administration policies, a majority (54.4%) stated that they did not adhere to it. Only 14.0% of respondents identified the lifetime-employment system as their core approach.

Among key points examined in hiring and personnel administration, over a third (38.2%) of respondent companies replied that they considered one's ability to perform one's duties as most important. Only 4.4% replied that they judged the overall character and quality of candidates. However, a majority (53.7%) indicated that they favored a balance of both these approaches.

Regarding organizational management, a high percentage—60.7%—of respondent companies said they have a clear division of labour among their employees. A much smaller 16.9% of respondents indicated that they did not.

On wages, a 56.3% majority stated that they focus strongly on capability, against only 2.6% which indicated that they considered the living situation of employees important. Some 35.7% of respondent companies preferred a balance between the two.

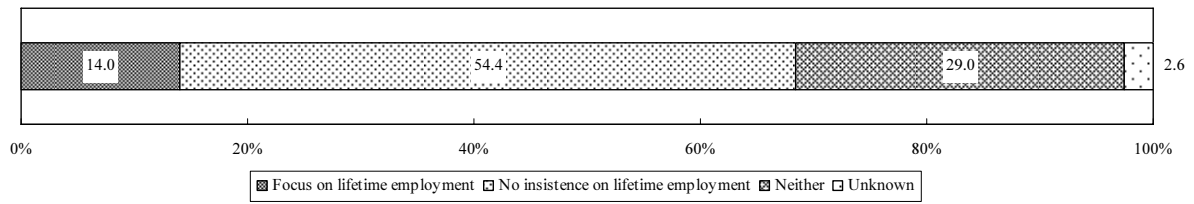
On employee performance ratings and rewards and punishments, 51.5% of respondent companies indicated that they had clear standards and applied them actively. Conversely, 13.2% replied that they did not use clear standards but attached more importance to human relations.

Companies that based their personnel and labor administration regimes on performance were the majority of 58.5% of respondent companies. Just 2.2% of respondents favored seniority by length of service, though 33.5% adopted a mixture of both approaches.

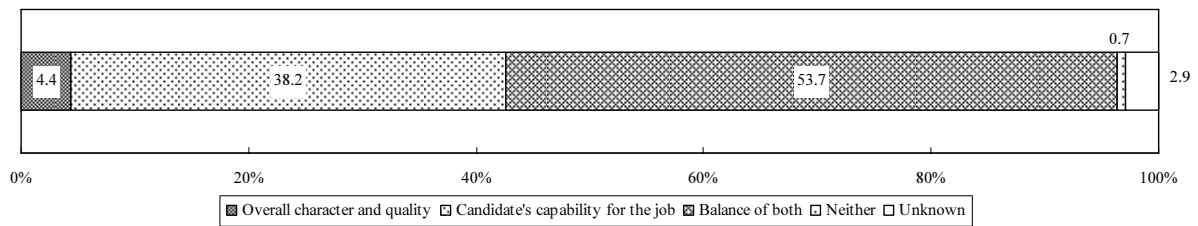
A comparison of the above results with those of the last survey suggests that the major trends are unchanged, despite some differences in the proportions of each item. Moreover, the same broad trends can be identified in the Ministry of Health, Labour and Welfare's Survey on Employment Management 2003 of Japanese companies with 30 regular employees or more (see "Reference: Comparison of Foreign-affiliated Companies with Japanese Companies" in this report). (Figure 25)

Figure 25 Approaches to personnel and labor management

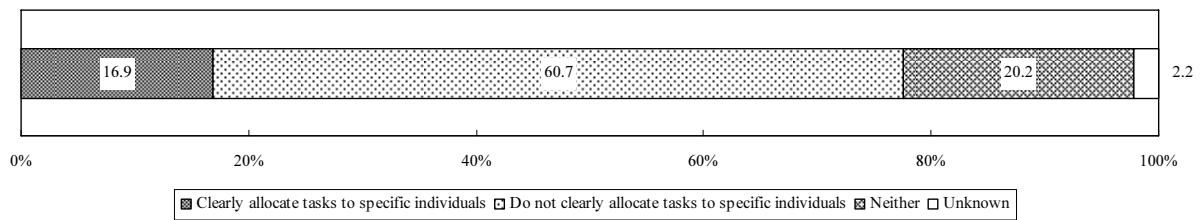
1. Hiring and Personal Management (Basic Policies)



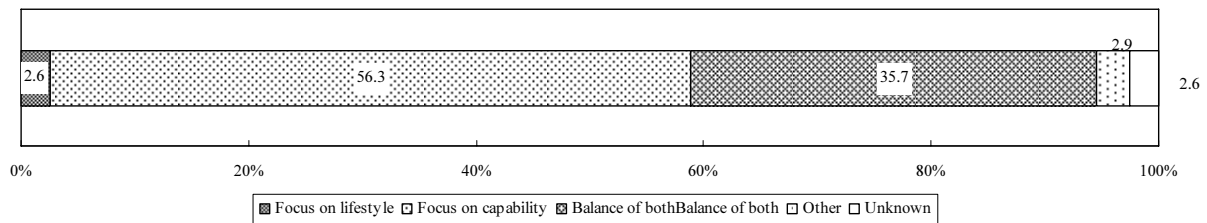
2. Hiring and Personnel Management (Priorities)



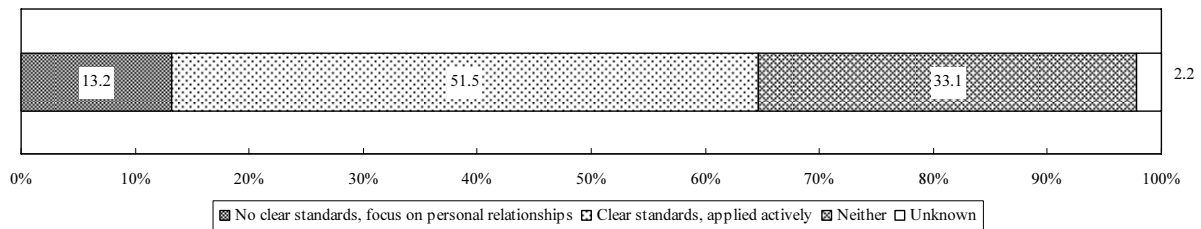
3. Organization Management



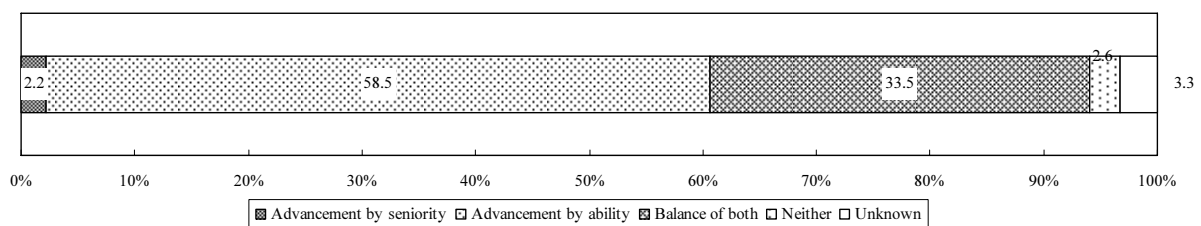
4. Wages



5. Performance Rating and Rewards and Punishment



6. Basic Policy for personnel and labor management



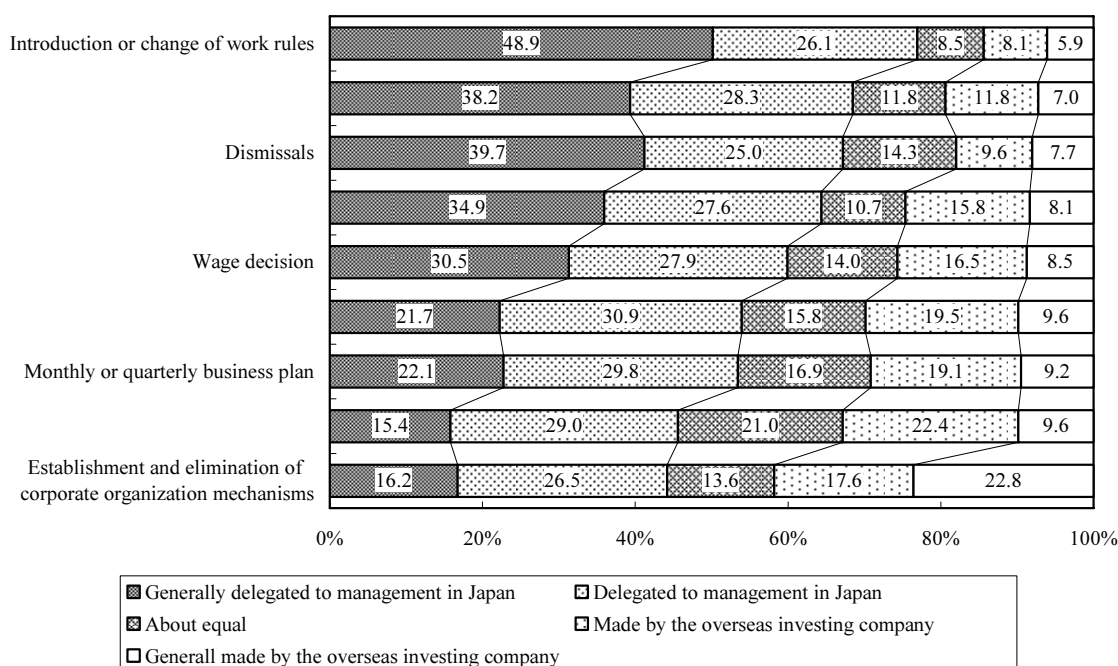
(3) Business and Personnel Management

(i) When we examined the question of who holds the power of final decision about management and personal administration, we found that almost half of respondent companies (48.9%) indicated that decisions on the enactment of work rules and the like were “generally” delegated to management in Japan, rather than being decided by the overseas investing company (foreign equity). On decisions about restructuring of the company organization, however, in 22.8% of respondent companies the final say “generally” belonged to the overseas investing company, while only 16.2% entrusted the decision to management in Japan. On the other hand, respondents who reported that restructuring of the company organizations were “delegated to management in Japan” or “generally delegated to management in Japan” (42.7%) slightly outnumbered those reporting that such decisions were “made by the overseas investing company” or “generally made by the overseas investing company” (40.4%).

In other areas of management, except for annual business planning, the share of respondent companies where decisions were “delegated to management in Japan” or “generally delegated to management in Japan” was a majority. Even for annual business planning, this share was 44.4%, easily outstripping the percentage of companies where such decisions were “generally made by the overseas investing company” or “made by the overseas investing company” (32.0%).

These results indicate that a large majority of foreign-affiliated companies delegate the initiative on business and personnel management issues in general to management in Japan. In personnel and labor matters in particular, such as enactment of work rules and changes to wage structures, the initiative was delegated to management in Japan at a majority of companies. (Figure 26)

Figure 26 Power of final decision in business and personnel management matters



Looked at in terms of foreign equity ratio, the lower the foreign equity ratio was, the greater was the share of companies where authority was “generally delegated to management in Japan” and the lower was the share of companies where decisions were “generally made by the overseas investing company.” However, in personnel and labor matters such as enactment of work rules, the share of companies where authority was “generally delegated to management in Japan” was relatively high, whereas core, important issues such as restructuring of the company organization and annual business planning were

much less likely to be “generally delegated to management in Japan.” Looking more closely at restructuring of the company organization, at 34.5% of branches of foreign companies decisions were “generally made by the overseas investing company,” compared with a mere 3.4% reporting that authority was “generally delegated to management in Japan.” In 100% foreign-owned companies, the figures were 28.7% and 12.0% respectively.

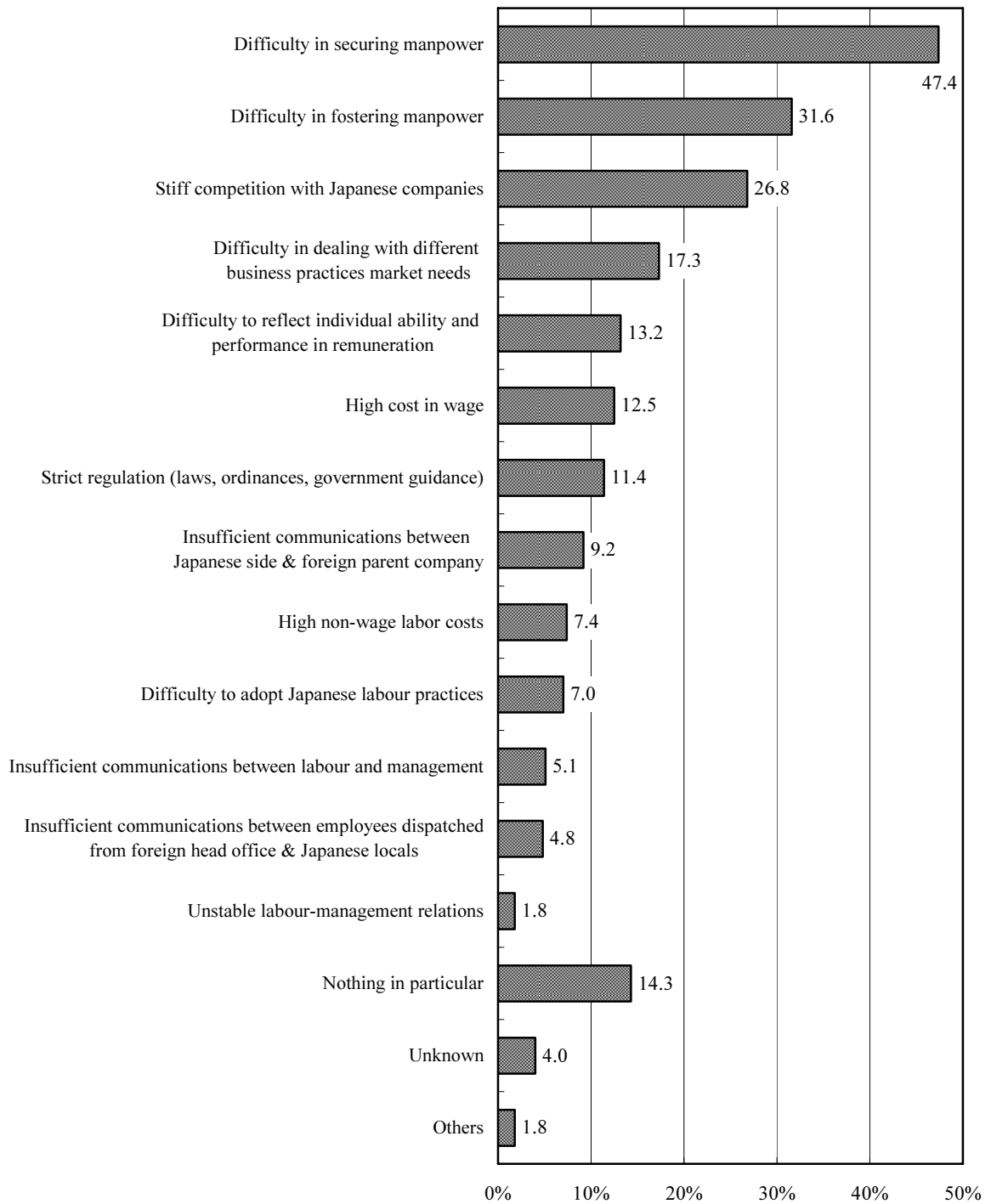
In terms of the locus of power of final decision by national origin of foreign equity (North America, Europe, Asia), North American, European and Asian companies all tended to delegate authority on personnel and labor administration to management in Japan while retaining authority over important issues of core corporate management. However, the share of European investor companies that delegated not only personnel and labor-administration decisions but also core management decisions to management in Japan was higher than for North American and Asian investor companies. This characteristic can be considered a distinguishing feature of European investor companies.

- (ii) This survey also asked foreign-affiliated companies to identify the problems they face in management and personnel administration (multiple answers were accepted). By far the greatest percentage of respondents (47.4%) mentioned the difficulty of securing capable people. The next most commonly mentioned item was the difficulty of fostering the growth of employees (31.6%). Clearly, foreign-affiliated companies’ most important problems in personnel administration are the securing capable personnel and personnel training. These two concerns also topped the list in the last survey (difficulty of securing manpower: 28.9%; difficulty of fostering manpower: 29.5%). Even when the results were broken down by industry, foreign-equity ratio, size of the company and country of origin of capital, securing capable personnel and personnel training were consistently cited as the respondent companies’ most pressing issues. No noteworthy differences between categories were found in this respect.

In issues other than securing capable personnel and personnel training, a relatively large proportion of respondent companies mentioned problems of special concern to foreign-affiliated companies, such as stiff competition with Japanese companies (26.8%) and the difficulty in dealing with different business practices (17.3%).

Other problems identified included the difficulty of reflecting individual ability and performance in remuneration (13.2%) and high cost in wages (12.5%). However, only an extremely low proportion (1.8%) of respondents complained of unstable labor-management relations. As discussed in the section on labor-management relations above, labor disputes were exceptionally rare among the respondent companies, thanks to stable labor-management relations. Fully 14.3% of respondent companies indicated that they had no business or personnel management problems to report. **(Figure 27)**

Figure 27 Problems faced in administration and personnel management (M.A.)



5. Working Conditions

(1) Wages

- (i) The average monthly starting wage in clerical work for new college/university graduates in April 2005 was ¥222,293 for men and ¥214,256 for women. Both figures represented a rise from the last survey's ¥213,236 for men and ¥208,649 for women. By industry, wages in the finance, insurance and information & communications industries were higher than in other industries. By foreign-equity ratio, branches of foreign companies offered relatively high wages.
- (ii) The average standard fixed wage for a 30-year-old employee who joined the company as a new college graduate was ¥344,179 for men and ¥313,189 for women. These figures represented a decline for men (last survey's figures: ¥434,771 for men and ¥319,759 for women). By industry, like starting wages for new graduates, wages in the finance and insurance industry were higher than those in other industries. By foreign-equity ratio, branches of foreign companies paid the best wages. The average monthly wage at such companies was ¥388,657 for men and ¥356,230 for women.
- (iii) The average special wages, such as bonuses and end-of-term allowances, for the past year, was about ¥1.2 million for men and ¥1.09 million for women. By industry, as with the starting wages of new graduates and with average standard fixed wage for 30-year-old employees, finance and insurance pay the highest special wages for both genders, followed by transportation. In information & communications, unlike for the average standard fixed wage for a 30-year-old employee, average special wages were not particularly high in comparison to other industries. (Table 6)

Table 6 Starting wage for new college graduates and standard wage for a 30-year-old employee, 2005

	(Yen)							
	Starting wage for new college graduates		Standard wage for a 30-year-old worker who joined as a new graduate				Special wages including bonus/allowances per year	
			Fixed wage		(Of which) Overtime pay			
	Men	Women	Men	Women	Men	Women	Men	Women
Total manufacturing	215,657	205,017	339,175	315,116	20,097	19,291	115	110
Total non-manufacturing	225,612	218,216	345,930	312,453	21,358	20,415	121	109
Wholesale and retail trade	201,288	203,605	313,831	279,549	15,931	15,630	119	115
Construction	-	-	280,000	280,000	30,000	30,000	114	114
Finance and insurance	305,300	262,000	401,811	394,032	42,667	85,369	206	161
Transport	211,500	196,500	335,040	273,890	57,291	27,180	177	157
Information & communications	294,400	294,400	397,771	379,645	19,854	16,576	131	84
Education and learning support	210,000	210,000	350,000	350,000	-	-	140	140
Services	273,125	246,250	429,436	371,455	13,538	13,727	104	73
Other non-manufacturing	222,171	204,400	360,001	340,111	29,910	25,401	107	97
By foreign-equity ratio								
100% foreign-owned	220,454	211,603	341,256	311,061	14,263	13,745	124	110
50%–less than 100% foreign-owned	220,321	211,179	336,537	316,048	34,569	30,148	111	110
50% foreign-owned	199,675	199,675	339,956	271,384	16,526	15,097	120	109
1/3–less than 50% foreign-owned	210,000	240,000	336,667	283,333	15,000	15,000	93	76
Branches of foreign companies	271,875	255,250	388,657	356,230	32,985	41,628	130	112
Unknown	195,800	190,000	301,667	253,000	27,167	18,000	105	133
Average	222,293	214,256	344,179	313,187	21,072	20,149	120	109

(2) Scheduled Working Hours Per Week

- (i) In terms of scheduled working hours per week, 62.1% of respondent companies prescribed less than 40 hours per week, while 32.0% prescribed 40 hours per week. A breakdown by industry for this category showed that 100% of companies in construction and real estate, 70.9% in wholesale and retail

trade, 66.7% in information & communications, 62.6% in manufacturing and 50.0% in transportation prescribed less than 40 hours per week, representing 50% or more in each of the above industries. Whereas in the last survey, 50% or more of companies in every industry reported prescribing less than 40 hours per week, in this survey that was the case for only the six industries listed above.

By company size, companies where the scheduled working hours per week numbered less than 40 hours represented 100% of companies with 1,000 employees or more, 83.4% of the companies with 300~499 employees, 69.2% of those with 100~299 employees, 68.5% of the companies with 30~99 employees, 66.8% of the companies with 10~29 employees and 48.8% with nine or fewer employees. Company size was clearly and markedly correlated with prescribing less than 40 work hours per week. **(Table 7)**

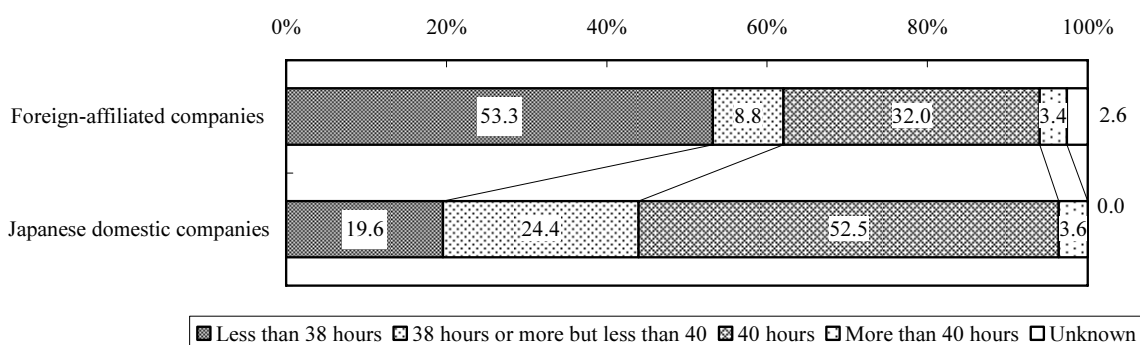
Table 7 Proportion of companies at each level of weekly scheduled working hours

	(%)					
	Less than 38 hours	38~less than 40	40 hours	More than 40 hours and less than 42	42 hours or more	Don't know
Total manufacturing	51.3	11.3	33.8	-	1.3	2.5
Total non-manufacturing	54.4	7.8	31.4	0.5	3.6	2.1
Wholesale and retail trade	62.5	8.4	21.9	1.0	5.1	1.0
Construction	100.0	-	-	-	-	-
Finance and insurance	33.3	-	55.6	-	-	11.1
Real estate	-	100.0	-	-	-	-
Transport	50.0	-	50.0	-	-	-
Information & Communications	50.0	16.7	33.3	-	-	-
Education and learning support	-	-	100.0	-	-	-
Services	39.1	4.3	56.5	-	-	-
Other non-manufacturing	51.5	5.7	31.4	-	5.7	5.7
By foreign-equity ratio	33.3	66.6	-	-	-	-
100% foreign-owned	55.5	11.1	33.3	-	-	-
50%~less than 100% foreign-owned	83.4	-	16.7	-	-	-
50% foreign-owned	50.0	19.2	30.8	-	-	-
1/3~less than 50% foreign-owned	53.7	14.8	24.1	-	5.7	1.9
Branches of foreign companies	59.6	7.2	28.6	-	2.4	2.4
Average	46.6	2.2	42.2	1.1	3.3	4.4
Total manufacturing	53.3	8.8	32.0	0.4	3.0	2.6

(ii) By foreign equity ratio, 70.0% of the companies whose foreign equity ratio was 50% scheduled less than 40 working hours per week; For 100% foreign-owned companies, the figure was 68.3%; 62.0% for branches of foreign companies; 50.0% for respondent companies with 1/3~less than 50% foreign equity, and 36.5% for 50%~less than 100% foreign-owned companies.

(iii) A comparison between working conditions at foreign-affiliated companies with 30 or more regular employees with the results of the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2005 shows that 53.3% of the foreign-affiliated companies scheduled less than 38 working hours per week, and that 40.8% of such companies had working hours of 38 hours or more but less than 40. On the other hand, only 19.6% of domestic Japanese companies in general had working hours of less than 38 per week, while 76.9% reported weekly prescribed working hours between 38 and 40. As these surveys demonstrate, working hours are relatively short at foreign-affiliated companies compared with Japanese domestic companies. Moreover, when the last survey is compared with the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2003, the same trend of shorter working hours at foreign-affiliated companies was found. **(Figure 28)**

Figure 28 Ratio of companies by level of scheduled working hours



Note 1: Figures for Japanese companies are from the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2005.

(3) Days Off and Leaves

(i) The percentage of respondent companies that scheduled 110 or more days off annually was 93.8%, with 80.2% of companies scheduling a minimum of 120 days off. These results compare with figures of 89.7% prescribing 110 days off or more and 71.5% prescribing 120 days off or more obtained in the last survey. Overall the number of scheduled days off increased from the last survey.

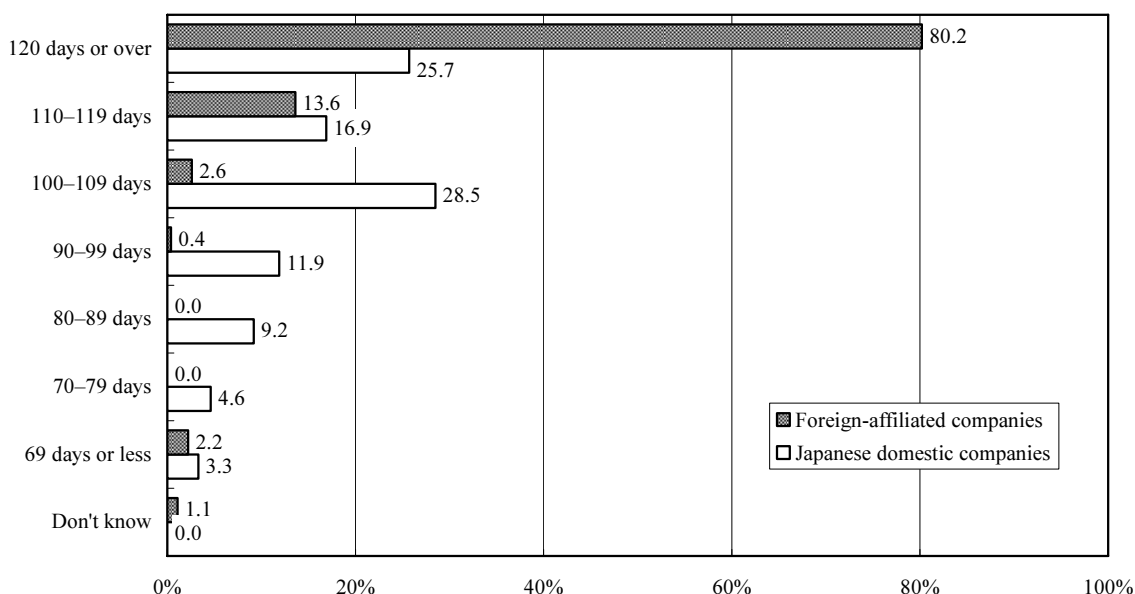
When the total number of days off per year is viewed in 10-day increments, 70.6% of respondent companies prescribed 120–129 days off. The overall average was 121.2 days per year. (Table 8)

Table 8 Total number of days off by company size

	69 days or less	70–79 days	80–89 days	90–99 days	100–109 days	110–119 days	120–129 days	130–139 days	140 days or over	Don't know	Average (number of days)
1,000 or more	-	-	-	-	-	-	100.0	-	-	-	122.0
500–999	-	-	-	-	-	11.1	88.9	-	-	-	121.6
300–499	-	-	-	-	16.7	16.7	66.7	-	-	-	120.3
100–299	-	-	-	-	-	3.8	84.6	11.5	-	-	124.3
30–99	1.9	-	-	-	3.7	9.3	74.1	7.4	1.9	1.9	121.1
10–29	2.4	-	-	-	3.6	15.5	69.0	4.8	4.8	-	121.5
9 or fewer	3.3	-	-	1.1	1.1	17.8	63.3	8.9	2.2	2.2	120.0
Average	2.2	-	-	0.4	2.6	13.6	70.6	7.0	2.6	1.1	121.2

A comparison between foreign-affiliated companies with 30 or more regular employees and Japanese companies with same scales (from the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2003) shows that 80.2% of the foreign-affiliated companies scheduled 120 days or more off, whereas only 25.7% of Japanese companies did so. These results point to a major difference in the practices of foreign-affiliated companies and Japanese companies. (Figure 29)

Figure 29 Proportion of companies by number of scheduled days off (comparison with Japanese domestic companies)



Note 1: Figures for Japanese companies are from the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2005.

- (ii) On average, workers are granted 17.6 paid days off per year, while the average number of such days taken is 10.2, which is 58.8% of the days off to which they are entitled.

Viewed by industry, the average number of paid days off was 17.9 days per year in manufacturing and 17.4 days per year in non-manufacturing industries. The average number of days off taken was 10.0 and 10.3 respectively, which equals 56.9% of the days off entitled at manufacturing companies and 59.9% at non-manufacturing companies. In this respect, the patterns at manufacturing and non-manufacturing companies were broadly similar.

By foreign-equity ratio, the average scheduled number of paid days off was 18.6 days at 50% foreign-owned companies, 17.8 days at 100% foreign-owned companies, 17.5 days at companies 50%~less than 100% foreign-owned, 16.7 days at branches of foreign companies and 14.8 days at companies 1/3~less than 50% foreign-owned. The average number of days off taken was 11.1 days at 50% foreign-owned companies, 10.3 days at 100% foreign-owned companies, 10.2 days at companies 50%~less than 100% foreign-owned, 10.1 days at branches of foreign companies and 8.9 days at companies 1/3~less than 50% foreign-owned. When the number of days taken is expressed as a percentage of the total days to which employees are entitled, the figures are 61.6% for branches of foreign companies, 60.9% for 50%~less than 100% foreign-owned companies, 59.5% for 50% foreign-owned companies, 59.4% for 1/3~less than 50% foreign-owned companies and 57.8% for 100% foreign-owned companies. **(Table 9)**

Table 9 Average annual paid leave, average number of days taken and average rate of days taken, by foreign-equity ratio

	(Number of days)		
	Average grant days	Days taken	Rate of days taken
Manufacturing	17.9	10.0	56.6
Non-manufacturing	17.4	10.0	59.9
100% foreign-owned	17.8	10.3	57.8
50%–less than 100% foreign-owned	17.5	10.2	60.9
50% foreign-owned	18.6	11.1	59.5
1/3–less than 50% foreign-owned	14.8	8.9	59.4
Branches of foreign companies	16.7	10.1	61.6
Unknown	16.5	8.1	54.0
Average	17.6	10.2	58.8

A comparison between foreign-affiliated companies with 30 or more regular employees and their counterparts (from the Ministry of Health, Labour and Welfare's Survey on Working Conditions 2005) shows that at foreign-affiliated companies in this survey the average number of paid days off is 17.6, slightly below the 18.0 figure for Japanese companies. The average number of days taken is 10.2 days for foreign-affiliated companies and 8.4 days for Japanese firms, and the average percentage of days taken is 58.8% and 46.6% respectively. Both the number and rate of days taken is higher for foreign-affiliated companies than for Japanese companies in general. **(Table 10)**

Table 10 Comparison between foreign-affiliated and Japanese companies regarding average annual paid leave, average number of days taken and average rate of days taken

		(Number of days)		
		Average grant days	Average days taken	Average rate of days taken (%)
Foreign-affiliated companies	FY 2005 survey	17.6	10.2	58.8
	FY 2003 survey	18.1	10.5	58.5
Japanese companies	FY 2005 survey	18.0	8.4	46.6
	FY 2003 survey	17.5	9.1	50.5

Note 1: Figures for Japanese companies are from the Ministry of Health, Labour and Welfare's General Surveys on Working Conditions 2003 and 2005.

Note 2: Only companies, both foreign-affiliated and Japanese, with 30 or more regular employees are covered

- (iii) The breakdown of special leaves by type is, in order of frequency: 88.6% for leaves due to the death of a family member; 85.3% to get married; 62.9% due to illness; 60.7% for spouse's childbirth; 30.1% to nurse a sick family member; 16.2% for personal maintenance; 12.1% to obtain education/training; and 8.5% for volunteer activities. Comparison with the last survey shows little change in most respects, but the proportion of employees taking leave to care for family members almost doubled, from 17.3% to 30.1%. This is thought to reflect a 2004 amendment to the Law on Childcare and Family Care Leave that required companies to provide childcare leave. **(Figure 30)**

A comparison between foreign-affiliated companies with 30 employees or more with the Japanese counterparts (from the Ministry of Health, Labour and Welfare's Survey on Working Conditions (2005), regarding leave due to illness, personal-maintenance leave, leave for education/training and leave for volunteer activities, shows that leave due to illness represented 61.2% of all leave at foreign-affiliated companies versus 22.1% at Japanese companies. Similar patterns emerged for personal maintenance leave (24.5% at foreign-affiliated companies, 13.9% at Japanese companies); leave to attend an education and training session (10.2% at foreign-affiliated companies, 4.8% at Japanese companies); and leave to

participate in volunteer activities (10.2% at foreign-affiliated companies, 2.6% at Japanese companies). Thus, foreign-affiliated companies seem to be more advanced than Japanese companies in terms of granting leaves. (Figure 31)

Figure 30 Proportion of companies providing special leave, by type of leave

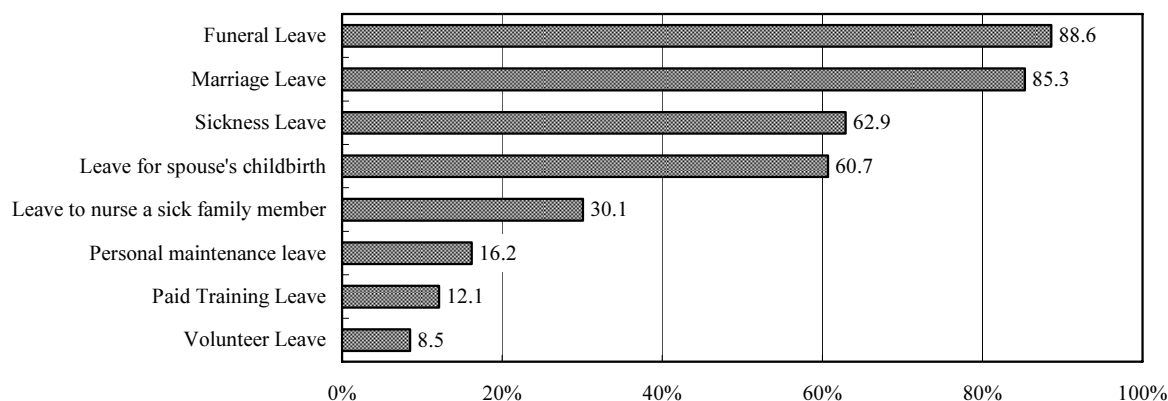
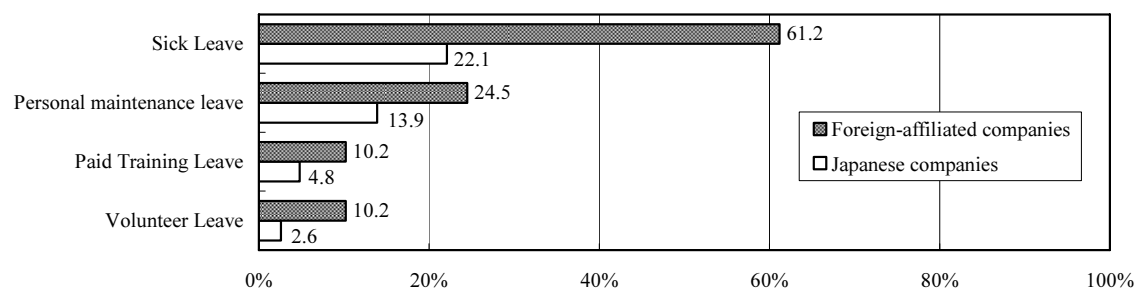


Figure 31 Proportion of companies providing special leave, by type of leave (Comparison with Japanese companies)



Note 1: Figures for Japanese companies are from the Ministry of Health, Labour and Welfare's General Survey on Working Conditions 2005.

Note 2: Companies with 30 or more regular employees.

6. Conclusion

This section summarizes the key features of foreign-affiliated companies in terms of personnel and labor management as well as labor-management relations, as discussed in detail above in this survey.

(1) Overall Situation of Companies and Workers

The distribution of respondent companies in this survey is 30% in manufacturing and 70% in non-manufacturing industries. Over 80% of the respondent companies were enterprises with fewer than 100 regular employees, while 15.1% were companies with 100~999 employees and just 1.1% had 1,000 regular employees or more. In terms of foreign-equity ratio, a 61.3% majority of respondent companies were 100% foreign-owned companies and 10.7% were branches of foreign companies, so over 70% of respondent companies were established using foreign capital only. By region, 51.4% of respondent companies were established with equity from Europe, 35.7% from North America and 9.9% from Asia.

A total of 26,714 regular employees worked at the 272 respondent companies. Total employees, including 1,660 temporary and part-time workers, numbered 28,374. By industry, 10,737 employees (40.2% of the total) were engaged in manufacturing, while the remaining 15,977 (59.8%) worked in

non-manufacturing industries.

Foreign nationals as a proportion of total regular employees averaged 4.7% per company. Of non-manufacturing industries, the highest averages were 21.2% for the finance and insurance sectors. Conversely, some 63.2% of respondent companies employed no foreign nationals as regular employees. By national origin, foreign nationals as a proportion of total regular employees in American companies averaged 3.3%, while the figure for European companies was 3.5%. This contrasts with a figure of 14.1% of total regular employees for Asian companies—a share four times the average for the Western companies. This large proportion of foreign nationals as regular employees in Asian companies is a noteworthy feature of foreign-affiliated companies in Japan.

The average proportion of managers who were foreign nationals was 4.9% per company. This proportion was highly correlated with foreign-equity ratio. Compared with Western-affiliated companies, the proportion of employees and managers who were foreign nationals was two to three times higher in Asian-affiliated companies. Similarly, foreign-affiliated companies whose president was a foreign national comprised 35.7% of the total, but the proportion of foreign nationals in managerial positions was twice as high in Asian-affiliated companies (66.7%) as in North American-affiliated (27.2%) and European-affiliated companies (33.6%).

The respondent companies hired an average of 11.0 workers per company in the past year, while 8.9 people per company left on average. The majority (70.5%) of hired workers were mid-career hires, and 21.3% of those who left the respondent companies did so at the request of the company.

(2) Labor-Management Relations

Some 8.5% of respondent companies had labor unions. On an industry basis, 13.8% of companies in manufacturing were unionized, compared with about half as many (6.3%) of non-manufacturing companies. A majority (66.7%) of companies with 1,000 employees had unions, but the figure drops considerably for companies with fewer than 100 employees, and just 1.1% of companies employing nine or fewer employees were unionized. Some 12.1% of companies that did not have a union had some form of employee organization. Combining this figure with the figure for unionized companies, we find that 20.6% of respondent companies had some form of organization for employees. Of the companies with a labor union, some 34.8% of the unions belonged to Rengo, while 4.3% were members of Zenroren and 17.4% belonged to other federations.

Of the companies that had unions, 82.6% had some form of collective agreement between the company and the union. Compared to Japanese companies from the Ministry of Health, Labour and Welfare survey, collective agreements were slightly less common among foreign-affiliated companies. Some 78.3% of companies with unions had conducted collective bargaining in the past two years.

The ratio of the companies where workers had presented demands in the past two years was 27.5% and the most common demands were related with working conditions, such as higher wages (34.8%) and changes in working hours, holidays and leaves, (23.4%). Only 1.1% of respondent companies indicated suffering any sort of labor dispute during the past two years. All of the findings in this survey indicate that labor relations are extremely stable at foreign-affiliated companies.

Some 18.4% of respondent companies had some sort of labor-management consultation body. By industry, the figure was 27.5% in manufacturing companies and roughly half that many (14.7%) at non-manufacturing companies. According to the Ministry of Health, Labour and Welfare's most recent survey, only half as many foreign-affiliated companies use such bodies compared with Japanese companies as a whole. The presence of labor-management consultation bodies was highly correlated with company size. On average, respondent companies that had a labor-management consultation body held labor-management consultations 6.9 times per company in the past year, or a little more than once every two months, suggesting an increase in frequency from the last survey. In terms of the issues discussed in labor-management consultation bodies, working hours, holidays and leaves together were mentioned by

over half (56.0%) of the companies in question, followed by workplace health and safety (48.0%), wages and bonuses (46.0%), employee welfare (42.0%) and basic management policy (32.0%).

In employment-adjustment actions taking place in the past two years, the most commonly reported types of events were changes/increases in holidays (17.6%), reassignment (16.2%), changes to overtime regulations (15.1%) and encouraging early retirement (10.3%). All of the four items above were reported by over 10% of respondent companies. Trends in these actions were not greatly changed against the last survey, but the proportion of respondent companies implementing them was shown to decrease somewhat, which seemed to reflect improvement of employment situation due to ongoing economic recovery. Moreover, a comparison between foreign-affiliated companies and Japanese companies, drawing on a Ministry of Health, Labour and Welfare survey, suggests that foreign-affiliated companies generally use the same methods of employment adjustment as Japanese companies do.

(3) Business, Personnel and Labor Management

The most common channel used to hire new graduates was schools (51.5%), followed by personal connections (33.3%). By comparison, the two most common channels in the last survey were schools and job-placement magazines. In this survey, the proportion of respondent companies that used job-placement magazines shrank significantly, apparently due to a switch to worker dispatching agencies, which rose to over 50% in this survey. On future hiring policy, 70.6% of respondent companies indicated a focus on mid-career hires, while 11.0% sought both and only 1.8% focused on hiring of new graduates. Comparison with the last survey suggests that a shift in favor of mid-career hires is under way. The most commonly given reason (89.6%) for preferring mid-career hires was a need to secure manpower who would be immediately useful. This policy of securing manpower through mid-career hires is a notable characteristic of foreign-affiliated companies.

- (ii) A majority (54.4%) of respondent companies stated that they did not adhere to lifetime employment as a basic policy of hiring and personnel management. Only 14.0% of respondents adhered to it. In hiring and personnel management, over a third (38.2%) of respondent companies focused on employee's ability to get suitable results. Only 4.4% replied that they judged the employee's entire personality. Regarding company organization, a high percentage—60.7%—of respondent companies selected tight or clear job classification. A much smaller 16.9% of respondents selected loose or unclear job classification. On wages, a 56.3% majority focused strongly on employee's ability, against only 2.6% that indicated a focus on employee's personal and family situation. Turning to employee performance ratings, rewards and punishment, 51.5% of respondent companies indicated that they had specific standards and carried them out aggressively. Companies that based their personnel and labor management regimes on performance were the majority (58.5%) of respondent companies. Just 2.2% of respondents favored seniority by length of service, though 33.5% adopted combination of the two. A comparison of the above results with those of the last survey, as well as a survey by the Ministry of Health, Labour and Welfare, indicates that major trends in these areas are unchanged.

When we examined the question of who holds the power of final decision-making authority in business and personnel management matters, most respondent companies indicated that such decisions were usually left to the Japanese side. In particular, decisions on the enactment of work rules and wage systems tended to be delegated to management in Japan. In terms of the locus of power of final decision by national origin of foreign equity (North America, Europe, Asia), North American, European and Asian companies all tended to delegate authority on personnel and labor administration to management in Japan while retaining authority over important issues of core corporate management. However, the share of European investor companies that delegated not only personnel and labor-administration decisions but also core managerial decisions to the Japanese side was higher than for North American and Asian investor companies.

In terms of problems respondent companies faced in business and personnel management, the greatest percentage of respondents (47.4%) mentioned the difficulty in securing manpower. The next most commonly mentioned item was the difficulty in fostering manpower (31.6%). Clearly, foreign-affiliated companies' most important problems in personnel management are the retention of good personnel and personnel training. Only an extremely low proportion (1.8%) of respondents complained of unstable labor-management relations, testifying to the harmony in labor-management relations of respondent companies enjoy.

(4) Working Conditions

The average monthly starting wage in clerical work for new college graduates in April 2005 was ¥222,293 for men and ¥214,256 for women. Both figures represented a rise since the last survey. The average standard fixed wage for a 30-year-old employee who joined the company as a new college graduate was ¥344,179 for men and ¥313,189 for women, representing a decline for both men and women. By industry, the average monthly starting wage for new college graduates was highest in finance, insurance and communications.

In terms of scheduled working hours per week, 62.1% of respondent companies prescribed less than 40 hours per week, while 32.0% prescribed more than 40 hours. Company size was clearly and markedly correlated with prescribing less than 40 work hours per week. A comparison with the results of a Ministry of Health, Labour and Welfare survey shows that working hours are relatively short at foreign-affiliated companies compared with Japanese companies.

The percentage of respondent companies that scheduled 110 or more days off annually was 93.8%, with 80.2% of companies scheduling a minimum of 120 days off, indicating an increase from the last survey. A comparison between foreign-affiliated companies in this survey and Japanese companies from a Ministry of Health, Labour and Welfare survey shows that foreign-affiliated companies schedule more days off than do Japanese companies. On average, workers at respondent companies are granted 17.6 paid leave per year, while the average number of such days taken is 10.2, which is 58.8% of the days off to which they are entitled. When compared with Ministry of Health, Labour and Welfare survey results, the average number of days off taken as well as its percentage is higher for foreign-affiliated companies than for Japanese companies in general.

Reference: Comparison of Foreign-affiliated Companies with Japanese Companies

As a reference, this section provides a comparison of information from the results of survey, which focuses only on foreign-affiliated companies,(hereafter referred to as The Survey) and the results of a survey covering all companies operating in Japan, both domestic and foreign-affiliated. The information in the left column, marked “foreign-affiliated companies,” obtained from The Survey; that on the right, marked “domestic Japanese companies,” contains data compiled by the Ministry of Health, Labour and Welfare on companies operating in Japan. Note that these surveys differ in many ways, including survey method, selection of subjects and the period when they were conducted. Accordingly, please note that a simple comparison of the numerical data would be often misleading.

To compare companies of similar sizes as far as possible, the data in the surveys were re-tabulated for comparison below.

Foreign-affiliated companies	Domestic Japanese Companies		
1. Hiring and leaving of workers			
<ul style="list-style-type: none"> • <i>The Survey</i> (All companies surveyed) 	<ul style="list-style-type: none"> • <i>Survey on Employment Trends, 2004</i> (Firms with 5 or more regular employees) 		
Number of employees	2,970	Number of employees	6,734,500
Number of mid-career workers hired	2,621	Mid-career workers hired	4,340,000
Ratio of mid-career workers hired	70.5%	Ratio of mid-career workers hired	64.4%
Number of people who quit	2,415	Number of people who quit	3,839,500
2. Labor-management relations			
(1) Labor-union organization rate			
<ul style="list-style-type: none"> • <i>The Survey</i> 	<ul style="list-style-type: none"> • <i>Basic Survey on Labor Unions, 2005</i> 		
	31.2%		18.7%
(The high ration is due to large share of firms with 1,000 employees or more in the group of companies having labor unions.)			
(2) Collective agreement			
<ul style="list-style-type: none"> • <i>The Survey</i> 	<ul style="list-style-type: none"> • <i>Survey on Collective Agreement, etc., 2001</i> 		
(All companies surveyed)	(Labor unions with 30 members or more)		
Exists	82.6%	Exists	91.5%
Doesn't exist	17.4%	Doesn't exist	8.5%
(3) Collective bargaining			
<ul style="list-style-type: none"> • <i>The Survey</i> 	<ul style="list-style-type: none"> • <i>Survey on Collective Bargaining and Labor Disputes, 2002</i> 		
(All companies surveyed)	(Labor unions with 30 members or more)		
Exists	78.3%	Exists	64.6%
Doesn't exist	21.7%	Doesn't exist	35.4%
(4) Labor-management consultation committee and communications			
a. Existence of labor-management consultation committee			

<ul style="list-style-type: none"> • <i>The Survey</i> (Firms with 30 or more regular employees) 		<ul style="list-style-type: none"> • <i>Survey on Labor-Management Communication, 2004</i> (Labor unions with 30 members or more) 	
Exists	35.7%	Exists	37.3%
Doesn't exist	64.3%	Doesn't exist	62.7%
b. Affairs referred to a consultative body			
<ul style="list-style-type: none"> • <i>The Survey</i> (Firms with 30 or more regular employees) 		<ul style="list-style-type: none"> • <i>Survey on Labor-Management Communication, 2004</i> (Labor unions with 30 members or more) 	
Basic management policy	25.7%	Basic management policy	71.1%
Establishment or abrogation in company organization	17.1%	Establishment or abrogation in company organization	66.0%
Employment and staffing standards	5.7%	Employment and staffing standards	59.8%
Reshuffling or temporary transfers	2.9%	Reshuffling or temporary transfers	69.5%
Layoffs, personnel cut, dismissals	11.4%	layoffs, personnel cut dismissals	72.7%
Change in mode of work	20.0%	Changes in mode of work	88.3%
Workplace safety and health	54.3%	Workplace safety and health	88.2%
Cultural and athletic activities	14.3%	Cultural and athletic leisure activities	69.9%
c. Labor-management communication			
<ul style="list-style-type: none"> • <i>The Survey</i> (Firms with 30 or more regular employees) 		<ul style="list-style-type: none"> • <i>Survey on Labor-management Communications, 1999</i> (Labor unions with 30 members or more) 	
Workplace meetings	45.9%	Workplace meetings	49.8%
Employee organizations	21.4%	Employee organizations	36.0%
Small group activities	17.3%	Small group activities	30.9%
Grievance procedure	19.4%	Grievance procedure	23.2%
Employee surveys	36.7%	Employee surveys	21.1%
Company newsletters	28.6%	Company newsletters	44.4%
Suggestions system	41.8%		

3 Management and Personnel & Labor administration

(1) Hiring

Hiring channels

<ul style="list-style-type: none"> • <i>The Survey</i> (All companies surveyed) 		<ul style="list-style-type: none"> • <i>Survey on Employment Trends, 2004</i> (Companies with 5 or more regular employees) 	
New school graduates		New school graduates	
Schools	51.1%	Schools	40.4%
Job magazine	6.1%	Advertisement	25.6%
Public employment Security Office	0.0%	Public Employment Security Office (Hello Work)	15.9%
Personal connections	33.3%	Personal connections	8.4%
Personnel service companies	9.1%		

(2) Personnel and labor administration

a. Various personnel administration systems used (M.A.)

<ul style="list-style-type: none"> • <i>The Survey</i> (Firms with 30 or more regular employees) 		<ul style="list-style-type: none"> • <i>Survey on Employment Management, 2002</i> (Firms with 30 or more regular employees) 	
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Multi-track personnel management	9.2%
Self-statement system	44.9%
In-house recruiting system	30.6%
Retirement age or for company officers fixed term	6.1%
Specialist systems	13.3%
Job rotation system	14.3%
System of examination for promotion	12.2%
Temporary transfer system	17.3%
Job qualification systems	20.4%
Selective retirement age system	8.2%

Multi-track personnel management	11.8%
Self-statement system	16.2%
In-house recruiting system	3.4%
Restricted term system for exes	5.3%
Specialist system	19.9%
Selective area system	11.6%
Temporary exemption from transfers	3.0%

b. Future personnel and labor-management policy

• *The Survey*

(Firms with 30 or more regular employees)

Basic policy on hiring and personnel	
Attach importance to the practice of lifetime employment	14.3%
Not adhere to lifetime employment	55.1%
Cannot say either	29.6%
Unknown	1.0%

Basic personnel and labor management policy	
Reliance on Seniority	0.7%
Reliance on ability	67.2%
Combination of the two	26.1%
Other	5.2%
Unknown	0.7%

• *Survey on Employment Management 2002*

(Firms with 30 or more regular employees)

Basic policy on hiring and personnel	
Attach importance to the practice of lifetime employment	8.5%
Not adhere to lifetime employment	48.6%
Cannot say either	39.9%
Unknown	3.0%

Basic personnel and labor management policy	
Based on Seniority	0.8%
Reliance on ability	55.9%
Combination of the two	28.3%
Cannot say either	12.5%
Unknown	2.6%

4. Working conditions

(1) Wages

• *The Survey*

Starting wages of college graduates (clerical)	
Male	¥222,300
Female	¥214,300

• *Basic Survey on Wage Structure, 2005*

Starting wages of college new graduates (clerical)	
Male	¥196,300
Female	¥187,300

(2) Scheduled working hours per week

• *The Survey*

(Firms with 30 or more regular employees)

-35:59	21.4%
36:00-36:59	3.1%
37:00-37:59	29.6%
38:00-38:59	12.2%
39:00-39:59	4.1%
40:00	25.1%
40:01-42:00	0.0%
42:01-44:00	1.0%
44:01-	3.1%
Unknown	1.0%

• *General Survey on Work Conditions, 2005*

(Private firms with 30 or more regular employees)

-35:59	7.2%
36:00-36:59	6.5%
37:00-37:59	15.4%
38:00-38:59	17.6%
39:00-39:59	11.6%
40:00	40.3%
40:01-42:00	0.6%
42:01-44:00	0.4%
44:01-	0.5%

(3) Holidays and leaves

• *The Survey*

(Firms with 30 or more regular employees)

• *General Survey on Work Conditions, 2005*

(Private firms with 30 or more regular employees)

Number of holidays in a year

- 69 days	1.0%
70- 79 days	0.0%
80- 89 days	0.0%
90- 99 days	0.0%
100-109 days	3.1%
110-119 days	8.2%
120 days-	86.7%

Average number of holidays in a year
per company

122.0 days

Number of holidays in a year

- 69 days	3.3%
70- 79 days	4.6%
80- 89 days	9.2%
90- 99 days	11.9%
100-109 days	28.5%
110-119 days	16.9%
120 days-	25.7%

Average number of holidays in a year per company
105.3 days

III Questionnaire of the Survey

Reference				
Number				

The 9th Questionnaire Survey on Labour-Management Relations in Foreign-Affiliated Companies in Japan

The Japan Institute for Labour Policy and Training
February 2006

<Notes on completing the questionnaire sheets>

1. All responses to this survey will be used for statistical processing and analysis only. They will not be used for other purposes, and the information concerning your company will not be published as such. Thus, be advised to answer the questions honestly.
2. Please report the status as of 31 December 2005, unless otherwise indicated.
3. Answers should apply to your entire company. In cases of branches or branch offices of a non-Japanese corporation, your answers should cover all the branches or branch offices in Japan. If statuses vary considerably among individual factories or branches, please choose one that is representative from the viewpoint of sales or production, and answer the questions about it.
4. Enter answers in the spaces enclosed in bold lines in accordance with the following instructions:
 - (1) Where numbers are given, circle the appropriate one(s), unless otherwise indicated;
 - (2) Fill in the blanks with numbers, letters, or otherwise in accordance with the instructions given;
 - (3) If you choose the response 'Others,' provide specific explanations within the parentheses given.
5. Serial numbers (Note 1) – (Note 17) attached to some questions are notes to be paid attention to in answering, see the attachment. Read the correspondingly numbered entries in the 'How to Fill in the Questionnaire' before answering.
6. The English version of the questionnaire sheets and the supplementary notes are enclosed, together with the Japanese, for your convenience. The contents of both versions are identical; please fill in and return either of them.
7. Return the completed questionnaire sheets in the enclosed return envelope on or before 31 March 2006.
8. Once compiled, the survey results will be released on our website:
<http://www.jil.go.jp/english/index.html>
9. If you have any questions or inquiries concerning this Questionnaire Survey, please contact us at the following address:
Ms Ebisui or Ms Honda, International Affairs Department, The Japan Institute for Labour Policy and Training
Tel.03-5903-6325; Fax.03-3594-1113; Email: slmr@jil.go.jp

I Outline of the company

Q 1 (1) Please give the details of your company.

Date of establishment or investment of foreign capital	Year		Origin of foreign capital (Note 1)	
Type of corporation	Japanese corporation	1	Ratio of foreign capital	%
	Branch or subsidiary of a foreign corporation	2		

Way of establishment of the corporation	Newly-established	1
	M & A	2
	Capital participation	3
	Others ()	4

Nationality of president (the representative of subsidiary or branch in case of foreign corporation)	Japanese	1
	Non-Japanese	2

Classification	Total No. (Note 2)			
			No. of foreign employees	
	Males	Females	Males	Females
No. of full-time directors				
No. of regular employees (Note 3)				
No. of employees in managerial posts				
Temporary and part-time employees (Note 4)				

(If there is no corresponding person, enter '0')

(2) Please choose and enter the number of the industrial code among those listed below to which the company belongs.

< Industrial codes >

< Manufacturing industries >		< Non-manufacturing industries >	
1. Food	11. Ceramic, stone and clay products	19. Agriculture, forestry and fisheries	
2. Textile and apparel	12. Non-ferrous metals and products	20. Mining	
3. Lumber, wood product and furniture	13. Fabricated metal products	21. Wholesale and retail trade	
4. Pulp and paper	14. General machinery	22. Eating and drinking places, and accommodations	
5. Publishers except newspaper and printing	15. Electrical machinery, equipment and supplies	23. Construction	
6. Chemical products	16. Transportation equipment	24. Finance and insurance	
7. Petroleum and coal products	17. Precision instruments and machinery	25. Real estate	
8. Plastic products	18. Miscellaneous manufacturing	26. Transport	
9. Rubber and leather products		27. Information and communications	
10. Iron and steel		28. Education and learning support	
		29. Services	
		30. Miscellaneous non-manufacturing	

(3) Please state the specific type of industry if you have chosen "Miscellaneous manufacturing" or "Miscellaneous non-manufacturing."

Miscellaneous manufacturing	
Miscellaneous non-manufacturing	

II Labour-management relations

Q 2 (1) Does your company have a labour union?

Yes	One Union	1
	Two or more	2
No		3

→ (2) What is the unionization rate? (Note 5)

	%
--	---

→ (3) Which labour federation is the union affiliated to? (Note 6)

Rengo	1
Zenroren	2
Zenrokyo	3
Others ()	4
Not an affiliate of any federations	5

→ (4) Has your company concluded a collective agreement?

Yes	1
No	2

→ (5) Has your company bargained collectively with employees in the last two years (from 1 January 2004 to 31 December 2005)?

Yes	1
No	2

→ (6) Does your company have an employee's organization substituting for a labour union?

Yes	1
No	2

Q 3

(1) On what kind of matters did employees make requests in the past two years (from 1 January 2004 to 31 December 2005)?

Labour union activities	1
Employee hiring	2
Wages	3
Working hours, days-off or leave	4
Personnel relocation or temporary transfer	5
Dismissals	6
Mandatory retirement	7
Conclusion or revision of a collective agreement	8
Others ()	9
No request	10

(2) How many cases of labour disputes involving actual actions occurred in the past two years (from 1 January 2004 to 31 December 2005)?

No. of cases

→ • What were the issues in dispute? Choose the major three or less out of the matters listed for Q 3 (1), and enter the number(s).

--	--	--

→ • What kind of dispute actions were taken? (Circle all applicable numbers.)

Strike for half a day or more	1
Strike for less than half day	2
Slowdown	3
Lockout	4
Others ()	5

*For detailed descriptions of the terms, see (Note 7).

Q 4 (1) Dose your company have a permanent body for the employer to discuss issues with the labour union or representatives of employees?

Yes	1
No	2

→ (2) How many times were such discussions held in the past one year (from 1 January 2005 to 31 December 2005)?

times

→ (3) What issues among the following were on the agenda? (Circle all applicable numbers.)

Basic management policy	1
Basic production or sales policy	2
Establishment, revision or closure of corporate organization	3
Streamlining of production operation or office work through, for example, adoption of devices using new technology	4
Criteria for hiring and personnel allocation	5
Personnel relocation and temporary transfers	6
Layoffs, workforce reduction and dismissals	7
Change in working mode	8
Working hours, days-off, and leave	9
Health and safety in workplace	10
Mandatory retirement system	11
Wages and lump-sum payments	12
Criteria for retirement allowances and pension payments	13
Educational and training programs	14
Welfare and benefits	15
Cultural and sports activities	16

Q 5 What method has your company adopted for facilitating labour-management communication? (Circle all applicable numbers.) (Note 8)

Workplace meeting	1
Small groups activities	2
Suggestions system	3
Grievance procedures	4
Employee attitude surveys	5
Company newsletters and other inter-company publications	6

Q 6 Did your company take any of the employment adjustment measures shown below in the past two years (from 1 January 2004 to 31 December 2005)? And to what extent was the labour union or representative(s) of the employees involved in implementation of the measures?

Has employment adjustment been carried out or not? Degree of involvement of labour unions/representatives of the employees	Yes						No
	Agreed	Consulted	Opinions listened to	Advance notification	Ex post facto notification	Not involved	
Restraints on overtime	1	2	3	4	5	6	7
Making up for holiday work, and increase in the number of summer and other days-off and leave	1	2	3	4	5	6	7
Discontinuation of contracts and dismissal of temporary, seasonal and part-time employees	1	2	3	4	5	6	7
Reduction in number and cessation of hiring of mid-career workers	1	2	3	4	5	6	7
Reduction in number and cessation of hiring of the newly graduated	1	2	3	4	5	6	7
Personnel reallocation	1	2	3	4	5	6	7
Temporary transfer	1	2	3	4	5	6	7
Temporary business closure (layoff)	1	2	3	4	5	6	7
Calling for early retirement/dismissals	1	2	3	4	5	6	7

III Management and personnel affairs (Answer to refer to regular employees unless otherwise advised.)

Q 7 How many employees did your company hire and how many left your company in the past one year (from 1 January to 31 December 2005?) (If there is no corresponding person, enter "0") (Note 10)

Category	No. of hired workers		
		of which, number of new graduates	of which, number of mid-career entrants
Males			
Females			

Category	No. of employees who left the company	
		of which number of those who left the company due to reasons on the company's side
Males		
Females		

Q 8 What channels did your company use for recruitment in the past one year (from 1 January to 31 December 2005)? (Please circle the numbers for a maximum of 3 main items.)

Category		Newspaper advertisements	Jobs magazines	Public Employment Security Offices	Manpower company	School	Personal connections	None
New graduates		1	2	3	4	5	6	7
Mid-career entrants	Managerial post	1	2	3	4	5	6	7
	Technical Posts	1	2	3	4	5	6	7
	General posts	1	2	3	4	5	6	7

Q 9 What is your company's recruitment policy in the future?

Focusing on regular hiring of new graduates	1
Combining regular hiring of new graduates and hiring of mid-careers	2
Focusing on hiring of mid-careers	3
No particular policy	4

→ **What is the reason for your company's recruitment policy as shown above? (Circle the numbers of all applicable items.)**

Hiring new graduates sufficiently secures necessary personnel.	1
Recruitment routes already more or less established.	2
Difficult to acquire competitive personnel via mid-career recruitment.	3
Mid-career recruitment sufficiently secures necessary personnel.	4
Hiring only workers able to contribute immediately to company business.	5
Hiring workers only when vacancies turn up.	6
Difficult to acquire competitive personnel via recruitment of new graduates.	7
Costly to train newly graduated employees hired on a regular basis.	8
The company has no know-how concerning hiring of new graduates on a regular basis.	9
The company has in the past attempted regular hiring of new graduates but failed to obtain good results.	10

Q 10 Which of the following best describes your manpower planning and employment policy in the next three years?

Increase by 10% or more over the present level	1
Increase by less than 10% over the present level	2
The present level to be maintained	3
Reduction by less than 10% from the present level	4
Reduction by 10% or more from the present level	5
Not decided	6

Q 11 Which of the personnel management measures indicated below are currently under way in your company? (Circle all applicable numbers.) (Note 11)

Temporary transfer system	1
Self-statement system	2
Job rotation system	3
In-house open recruitment system	4
Examination system for promotion for higher posts and grades	5
Multiple-track personnel management	6
Job qualification system	7
Specialist system	8
Mandatory retirement system for managerial posts, and fixed-term system for managerial posts	9
Optional retirement age system (incentives for early retirement)	10

Q 12 What is your company's personnel and labour management policy for the future? (Circle the appropriate number for each item.)

(1) Recruitment and Personnel management

① Basic policy

Emphasis to be placed on lifelong employment	1
No overemphasis on lifetime employment	2
Cannot say	3

② Qualities to be emphasized

Employee's entire personality	1
Employee's ability in performance of duties	2
Combination of the two above	3
Others ()	4

(2) Organization management

Responsibilities for duties among individuals will	not be clearly defined.	1
	be clearly defined.	2
Cannot say		3

(3) Wages determination

Emphasis to be placed on circumstances of employees	1
Emphasis to be placed on ability of employees	2
Combination of the two above	3
Others ()	4

(4) Personnel ratings, and rewards and punishment

Not carried out very specifically: consideration is given rather to personal relations	1
Specific; carried out positively	2
Cannot say	3

(5) Basic policy for personnel and labour management

Reliance on seniority	1
Reliance on evaluation of employees' ability	2
Combination of the two above	3
Others ()	4

Q 13 Who has the final-decision-making authority for the following matters? (Note 12)

Category	Totally left to the decisions of the Japanese side.	Decided by mutual consent of both sides			Totally left to the decisions of the foreign parent company.
		The Japanese side takes the initiative, but the opinions of foreign parent company are respected.	Opinions of the Japanese side and the foreign parent company are equally reflected.	The foreign parent company takes the initiative, but the opinions of the Japanese side are respected.	
Establishment, revision or closure of corporate organization	1	2	3	4	5
Annual business plan	1	2	3	4	5
Monthly and quarterly business plans	1	2	3	4	5
Personnel planning	1	2	3	4	5
Wage determination	1	2	3	4	5
Changes in wage system, working hours, etc.	1	2	3	4	5
Formulation and revision of work rules	1	2	3	4	5
Personnel management related to promotion to managerial posts	1	2	3	4	5
Dismissals	1	2	3	4	5

Q 14 What do you think are the current problems inherent in corporate and personnel management in your company? (Please circle all applicable items.)

Difficulty in dealing with different business practices and needs in the market	1
Stiff competition with Japanese companies	2
Strict regulations laid down under laws, ordinances, and government guidance	3
Insufficient communication between Japanese side and the foreign parent company (headquarters)	4
Difficulty in securing manpower	5
Difficulty in personnel training	6
Difficulty in adopting Japanese labour practices	7
Difficulty in reflecting individual ability and performance in remuneration	8
High cost of wage payments	9
High costs of labour (other than wage payments)	10
Unstable labour-management relations	11
Lack of smooth communication between labour and management	12
Lack of smooth communication between employees dispatched from foreign headquarters and Japanese employees	13
Others ()	14
Nothing in particular	15

IV Labour conditions

Q 15 (1) What average starting salary (net) was paid to college or university graduates (administrative workers) in 2005? (Note 13)

Males	yen
Females	yen

(2) Please state the standard cash earning (salary) of an employee who joined the company immediately after graduation from university and has worked for the company for eight years (that is, the employees is 30 years or so of age). (If there is no employee of the kind described, please answer by referring to the salaries of other, closely similar types of employees.) (Note 14)

Category	Males	Females
(1) Contractual cash earnings (for June 2005)	yen	yen
(2) of (1), overtime payment	yen	yen
(3) Term-end, year-end and other bonus payments in the past one year (from 1 January to 31 December, 2005)	yen	yen

Q 16 Please state the weekly scheduled working hours. (If they vary among different types of employees, please enter the number of hours applying to the majority of employees in your company.) (Note 15)

<div style="border-bottom: 1px dashed black; width: 100%;"></div>	hours	<div style="border-bottom: 1px dashed black; width: 100%;"></div>	minutes
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Q 17 (1) State the total number of annual days-off in the past one year (from 1 January to 31 December 2005). Also state the number of special holidays during the year-end and New Year period and special summer holidays, (If they vary among different types of employees, please enter number of days-off and special holidays applied to the majority of employees in your company).

Total number of annual days-off	days
Of which, special holidays during the year-end and New Year period (excluding 1 January)	days
Of which, special summer holidays	days

(2) State the number of annual paid holidays per regular employee in the past one year (from 1 January to 31 December 2005), excluding paid holidays granted one year earlier or before and carried over to last year. Also state the average number of paid-holidays actually taken. (Please compute up to the first decimal place.)

No. of annual paid holidays	_____ . _____	days
Of which, number of days actually taken	_____ . _____	days

Q 18 Do you have schemes for special leave such as listed below? If any, circle the relevant number for "wage payments" applicable when leave is taken. Also concerning the statutory Child-Care and Family-Care Leaves, circle the relevant number of wage payments applicable when leave is taken.) (Note 17)

Type of Leave Schemes	Availability		Wage Payments		
	No	Yes	Full paid	Reduced	Not paid
Sickness leave	1	2	1	2	3
Marriage leave	1	2	1	2	3
Bereavement leave	1	2	1	2	3
Paid training leave	1	2	1	2	—
Maternity leave for spouse	1	2	1	2	3
Statutory Child-Care Leave	—	—	1	2	3
Statutory Family-Care Leave	—	—	1	2	3
Family-care leave	1	2	1	2	3
Refreshment leave	1	2	1	2	3
Volunteer leave	1	2	1	2	3

● **Thank you for your cooperation.**

Please give the name and address of the person who filled out the questionnaire, which will be used in sending the summary of the survey results. The name, address and other personal information will not be used for purposes other than inquiries to be made, if necessary, concerning the answers given herein.

Company name			
Address			
Person filling out the questionnaire	Division and Section	Name	Phone:
			Fax.:
			E-mail:
● We will be happy to provide following materials free. Please circle the appropriate numbers, if any.			
1	- Labour Situation in Japan with an Analysis 2005/2006		
2	- Japanese Working Life Profile 2005/2006 - Labour Statistics		
3	- Japanese Labour Laws (English translation): Labour Standards Law, Trade Union Law, Labour Relations Adjustment Law		
4	- Other Labour-related laws (English translation)		
	(Name of Laws: _____)		

How to Fill in the Questionnaire on Labour-Management Relations in Foreign-Affiliated Companies in Japan

I Outline of the company

(Note 1)

- In case foreign investment in your firm comes from two or more countries, please enter the name of the country with the largest share of investment.

(Note 2)

- For the number of "full-time directors," "regular employees," and "temporary or part-time employees," please enter the number for your entire company in Japan (including the number of full-time directors, regular employees, and temporary/part-time employees at branches or other offices within Japan.)

(Note 3)

- "Regular employee" means a worker falling in any of the following categories:
 - 1) An employee whose employment period is not fixed;
 - 2) An employee whose fixed employment period exceeds one month;
 - 3) An employee whose employment period is within one month, or a day worker who was employed for 18 days or more in both November and December 2005.
- In principle, directors and executives are not included as regular employees. Employees seconded on a temporary basis from other companies are included as regular employees. "Part-time employees" falling under any of the three categories listed above are included as "regular employees." "Dispatched employees" are not included either as "regular employees" or as "temporary or part-time employees."

(Note 4)

- "Temporary or part-time employees" means employees other than regular employees.

II Labour-management relations

(Note 5)

- "Unionization rate" means the ratio of employees who belong to a union to regular employees as a whole. If there is more than one union, calculate the ratio of the total number of employees belonging to unions to the total number of regular workers.

(Note 6)

- Concerning "affiliation with a labour federation," if there is more than one union, please circle all relevant numbers.

(Note 7)

- "Strike for less than half a day" means a work stoppage which an organization of employees observes in order to press a demand, and which lasts for a period of less than half the fixed working hours for one day.
- "Strike for half a day or more" means a work stoppage which an organization of employees observes in order to press a demand, and which lasts for a period of half or more of the fixed working hours for one day.
- "Slowdown" means a labour action whereby an organization of employees intentionally lowers its work

efficiency in terms of quality and/or quantity as a means of pressing a demand. It includes both ordinary work slowdowns and labour actions whereby employees stick over-rigidly to work rules and regulations.

- "Lockout" means a countermeasure taken by the company against any labour action by the union, whereby the company itself declares and carries out cessation of its production activity.
- "Others" mean any labour actions unclassifiable into any of the above categories. For example, actions in which workers, in defiance of company orders, take over company facilities and carry out production or administrative activities on their own.

(Note 8)

- "Workplace meeting" means a discussion held within the workplace between employees and managers on ways of carrying out work, the working environment and other issues related to the workplace.
- "Small group activities" mean activities undertaken by small groups formed in the workplace to set voluntarily targets, and draw up and implement plans.
- "Suggestion system" is a system whereby employees make suggestions or proposals on improving their work.
- "Grievance procedures" are a system whereby representatives of labour and management to meet to deal with individual employees' grievances about wages, transfers, daily working conditions, etc.
- "An employee attitude survey" is an interview or questionnaire survey carried out to find out employees' opinions concerning their company, jobs, workplaces, superiors, wages and other treatment, etc.
- "Company newsletter" is a publication (newspaper or magazine) which a company publishes for its employees (including, in some cases, employees' family members).

III Management and personnel affairs

(Note 9)

- In giving the "number of newly employed" and the "number of employees who have left the company," please state the number of regular employees for your entire company (including branches and other offices in Japan. "Part-time employees" falling under "regular employees" as specified in Note 3 are also to be included.)

(Note 10)

- Please do not include employees who leave the company due to the termination of contract periods among those who leave the company "due to reasons on the company's side."

(Note 11)

- "Self-statement system" means a system that allows employees to report their wishes concerning their own career development, job transfers, etc.
- "Job rotation system" means a system that gives employees opportunities to experience various duties, rather than a single duty, by rotating them on a regular, systematic fashion.
- "Multiple-track personnel management system" means a system whereby a number of job categories (including career, general, clerical, specialized and other tracks) are set up, so that employees in different tracks are managed in different ways concerning, for example, wages and promotion. The system also means a "personnel management by individual track."
- "Job qualification system" means a personnel management system whereby job skills and qualifications are categorized in terms of the degrees of difficulty and responsibility, and criteria for each category are set

up to show explicitly the types and levels of job execution abilities required for each category.

- "Specialist system" means positions for specialists, also including full-time posts other than posts for production lines, and managerial posts such as posts for personnel management, etc.
- "Mandatory retirement system for managerial posts, and fixed-term system for managerial posts" are systems to have workers quit managerial posts at a certain age, and to set certain periods of tenure for such managerial posts.
- "Optional retirement age system (incentives for early retirement)" means a system whereby an employee retiring before the fixed retirement age is entitled to favorable treatment concerning retirement allowances provided he or she satisfies certain conditions.

(Note 12)

- "Final decision-making authority" shall be interpreted in the following ways:
 - 1) "Totally left to the decision of the Japanese side" means that the representative of the Japanese side, such as the head of the Japanese corporation or branch, including his or her proxy can make a final decision.
 - 2) "Totally left to the decision of the foreign shareholding company" means that the non-Japanese shareholding corporation or the parent company in a foreign country has the right to final decision-making and the approval of the non-Japanese side is required in such decision-making.
 - 3) "Decided by mutual consent of both sides" means a final decision is in principle made through consultation between the non-Japanese shareholding company or the parent company in a foreign country and the representatives of the Japanese side.

IV Labour conditions

(Note 13)

- For the items relating to wage systems, please answer for regular employees whose employment contract periods are indefinite. (Part-time employees, seamen, and regular employees whose employment contract periods are definite are excluded.)
- "Part-time employee" means either of the following:
 - 1) An employee whose scheduled working hours per day are shorter than those of a regular employee in the company;
 - 2) An employee whose scheduled working days per week are less than those of a regular employee in the company even though his or her regular working hours per day are the same as the latter.

(Note 14)

- "Cash earnings" does not mean take-home pay but the amount of money earned before deductions for income tax, social insurance contributions, etc.
- "Contractual cash earnings" is the amount of earnings paid more or less in the same amount every month, and determined in advance in accordance with payment conditions and calculation methods set forth in labour contracts, collective agreements, wage regulations of the establishment, or others. The earnings include basic wages, age-indexed allowance, allowance for service length, regional allowance, efficiency payments, commutation allowance, diligent and perfect attendance allowance, family allowance, position allowance, assignment allowance, allowance for special task, and allowance for price increases, together with overtime payment (including overtime pay, night pay, holiday pay, and night-watch and day-watch pay). Bonus payments, year-end allowances, and the like are not included.

- "Overtime payment" is the sum of the following:
 - 1) Overtime pay (pay for work done during non-scheduled working hours in scheduled working days)
 - 2) Night pay (pay for work done late at night)
 - 3) Holiday pay (pay for work done on scheduled holidays)
- "Annual bonuses, year-end allowances and other special cash earnings paid during the last year" means the sum of 1), 2) and 3) below, paid from 1 January to 31 December last year (and excluding contractual monthly cash earnings).
 - 1) Term-end, year-end and other bonus payments
 - 2) Wages paid for a period of more than three months, payment conditions and calculation methods being set forth in advance in accordance with collective agreements or wage regulations
 - 3) Wages paid for a temporary or unexpected reason, payment conditions and calculation methods not being based on predetermined collective agreements or wage regulations
- Enter "0," in cases where no payment falling under any of the three categories shown above was made.

(Note 15)

- For items related to working hours, please answer only for regular employees whose employment contract periods are indefinite. (Part-time employees, seamen, and regular employees whose employment contract periods are definite are excluded.)

(Note 16)

- "The total number of annual days-off" means the total number of weekly days-off and days-off other than weekly days-off (national holidays, special holidays during the end-year and New Year period, special summer holidays, anniversary of the corporate foundation, special holidays during the long holiday ("Golden Week") between late April and early May, and other days-off designated by the company). The number does not include annual paid leave, temporary closing for the purpose of employment adjustment or other reasons. (e.g.: the total number of annual days-off for a company which sets Saturdays and Sundays as weekly days-off is: 53 Saturdays + 52 Sundays + 16 national holidays (including New Year's Day and March 20 as Spring Equinox Day) + other days-off.)

(Note 17)

- "Sick leave" is a scheme for leave which an employee is allowed to take when he or she is unable to work due to injury or disease not suffered or contracted in the course of employment.
- "Family-Care Leave" is a scheme for leave which an employee is allowed to take on a daily (or half-day or hourly) basis when he or she needs to care of family members or others suffering from injury or disease.
- "Refreshment Leave" is a scheme for leave given to employees with certain periods of service (e.g., 10 days-off for employees with 20 years of service, 20 days-off for those with 30 years of service, and so on) to provide them with opportunities for mental and physical refreshment.
- "Volunteer Leave" is a scheme for leave given to employees who participate in volunteer activities contributing to society (other than political and religious activities) through, for example, the Japan Overseas Cooperation Volunteers or other social welfare organizations which assist social, or regional activities at home or abroad.

The Japan Institute for Labour Policy and Training