

VLT Legal Update

January 2026

Looking Ahead: Key Amendments Coming into Effect in 2026

The Japanese regulatory landscape in 2026 is shifting toward greater inclusivity and stronger protections for those in vulnerable positions. This Legal Update highlights the key amendments set to take effect this year that employers should look out for.

Employment of Disabled Workers

Under the Act to Facilitate the Employment of Persons with Disabilities, employers of a certain size are required to employ enough disabled workers to meet the statutory quota.

Effective July 1, 2026, this statutory quota will be raised from 2.5% to 2.7%, effectively expanding the hiring obligation to employers who employ 37.5 or more employees (previously 40 or more employees). Employers failing to meet the statutory quota could receive administrative guidance from labor authorities and stronger measures like having their names publicized if the employer fails to comply with the guidance.

As before, employers who are eligible for this hiring obligation will also be required to submit a “Disability Employment Status Report” to the Public Employment Security Office by July 15th of every year. A failure to submit the report could result in a criminal fine of up to JPY 300,000.

Also, employers with more than 100 employees who fail to meet the statutory quota will continue to be subject to a “disability employment levy” of JPY 50,000/month for each person below the statutory quota. Note that payment of the levy will not exempt the employer from its obligation to meet the statutory quota.

Promotion of Women's Participation in the Workplace

The Act on the Promotion of Women's Active Engagement in Professional Life requires employers to publish certain types of information regarding their employment of women. This requirement will be expanded in April of this year.

Under the Act, there are four types of information that may be published:

- (1) wage gap between men and women;
- (2) ratio of women among the employer's managerial staff;
- (3) track record of providing career-related opportunities to women (for example, the proportion of female workers among all employees, the record of re-employment or mid-career hiring by gender, or other types of information stipulated in the MHLW ordinance); and
- (4) track record of creating an employment environment that enables employees to balance work and family life (for example, the rate that each gender chooses to utilize childcare leave, the average monthly overtime hours of all employees, and other types of information which are stipulated in MHLW ordinance)

Currently, employers with at least 301 employees are required to publish

- a) "(1) wage gap between men and women", as well as
- b) two other types of information from the list above.

Employers with at least 101 employees are currently required to choose just one type of information to publish from the list above.

Starting April 1, 2026, employers with at least 301 employees will be required to publish

- a) "(1) wage gap between men and women"
- b) "(2) ratio of women among the employer's managerial staff", as well as
- c) two other types of information from the list above.

Employers with at least 101 employees will be required to publish

- a) "(1) wage gap between men and women"
- b) "(2) ratio of women among the employer's managerial staff", as well as
- c) one other type of information from the list above.

Employers in violation of the publishing requirements could receive administrative guidance from labor authorities, and stronger measures like publication if the employer fails to comply with the guidance.

Whistleblower Protection

Various enhancements to the Whistleblower Protection Act will be made effective December 1, 2026, including the expansion of the protection to "freelancers", a prohibition on attempting to identify the whistleblower or discouraging the whistleblower from making a report, and a new presumption rule where any dismissal or disciplinary action against the whistleblower within one year of a report is presumed to be retaliatory in civil cases.

For detailed information on the changes to the Whistleblower Protection Act, please refer to our June 2025 newsletter.