

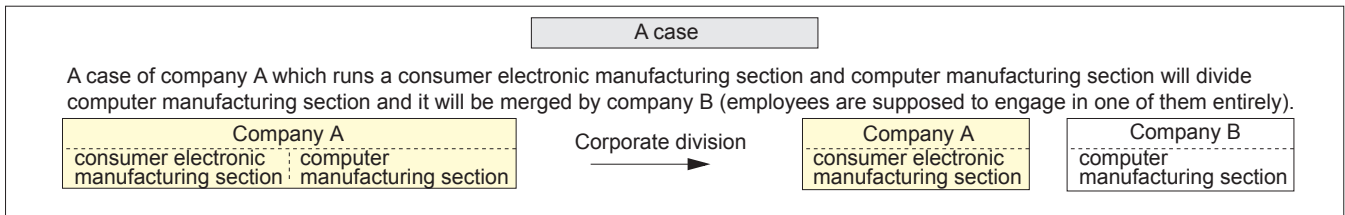
Effort to labour problems attendant on reorganization of cooperate organization

○ Overview

Under the social affairs where international competition of companies has been getting harder, review of related law has been conducted on purpose to maintain the legal system for reorganization of cooperate organization, so that organizations can reorganize flexibly. Specifically, opening of pure holding companies by the revision of Antimonopoly Act in 1997, the measure of stock transaction, and introduction of share transfer system by revision of Commercial Code was planned in 1999. Besides, corporate division system was formulated in 2000 by the revision of Commercial Code.

For the corporate division system among of above, since it was different from business transfer which needed each agreement of individual worker, from the perspective of the labour protection, “the law on succession of labour contract attendant on division of corporations” (the 103rd item of the law in 2000) was promulgated on the basis of the fact that new companies succeeds rights and obligations of the companies which would be divided, by corporate divisions, and to counter arising of workers who would not be able to hold their work in which they had engaged because of companies’ will.

○ Labour protection at concrete procedure for corporate division (in case of Absorption-type Company Split)



As the company A conducts corporate division, it concludes a split agreement with the company B. The split agreement is provided so as to specify names of all workers, who are succeeded to the company B from the company A, and the labour contract which provides wage and working hours are succeeded to the company B in the same condition when they worked at the company A by that the split agreement has been approved by a general meeting of stockholders.

The workers who engaged in the computer manufacturing section before the corporate division is informed within definite period from the company A about which company they will belong to and rules of the split agreement after the company has been divided.

The workers who were informed to stay in the company A and to be cut off from the work in the computer manufacturing section which they had engaged in can be succeeded to the company B by expressing dissent against the company A within definite period, and can continue work in the computer manufacturing section (referring to the gray-shaded part on the below)

