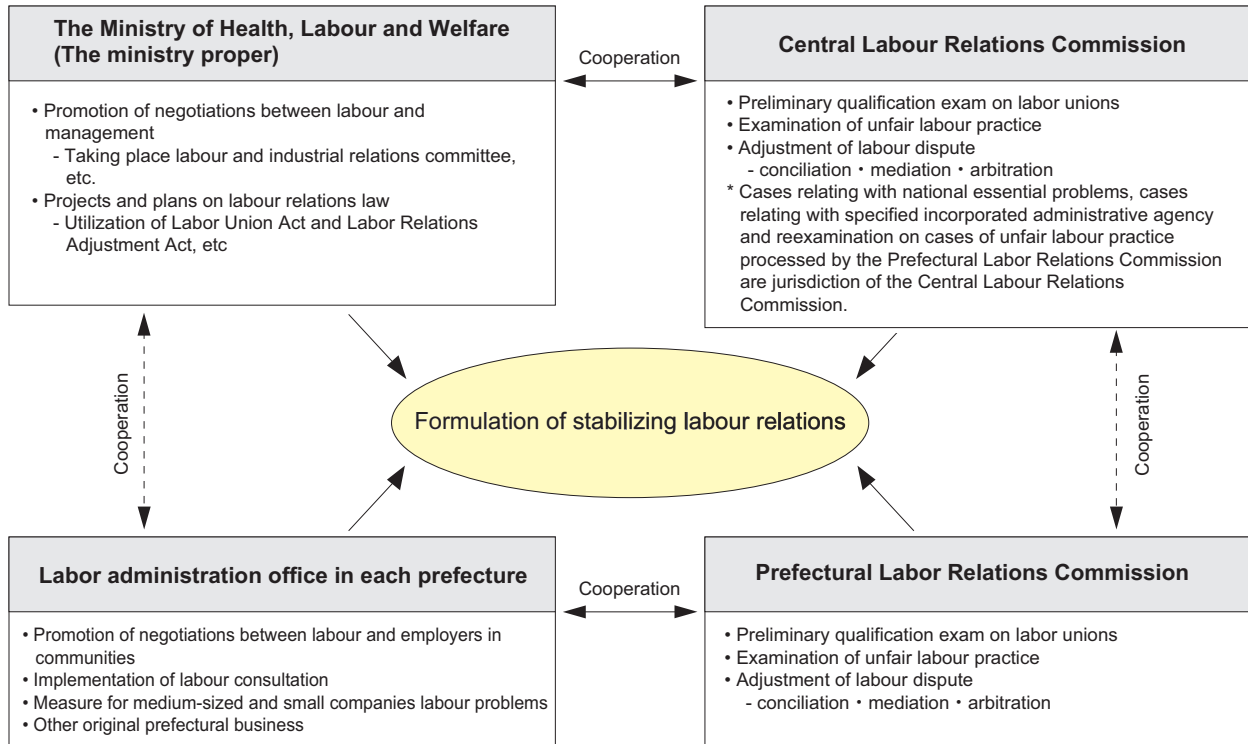


(2) Labour Relations

Stable Labour-Management Relations

Overview The system of the labour relations plan



Detailed Information 1 The Adjustment of the Labour Committee system and labour dispute

○ What is the Central Labour Relations Commission?

The Central Labour Relations Commission is one of administrative organ's committees described in paragraph 2 of Article 3 of the National Government Organization Act, established in 1946 on the basis of the Labor Union Act, and it is the center organ to deal with labour-management dispute. The Central Labor Relations Commission is composed of total 45 members (15 members from each committee), such as those who are representative of the public interests (public members), those who are representative of labour (the labour members) and those who are representative of employers (Employer members).

Also, for labour-management dispute handling organs in local areas, Prefectural Labor Relations Commission of 47 exists in the same constitution composed of three members of public labour-employers like the Central Labor Relations Commission as administrative committees in each prefecture.

The Central Labour Relations Commission shall have the right to handle following matters in chief like labour-employers dispute and others in accordance with the law on labour relations, such as the Labor Union Act, the Labor Relations Adjustment Act and the Act Concerning the Labor Relations of National Enterprises and Specified Incorporated Administrative Agency.

[1] Examination into cases of unfair labour practice

Procedure of the unfair labour practice examination applies two-tiered system in principle and the Central Labour Relations Committee reexamines into objections raised by parties against judgment of the first hearing of Prefectural Labour Relations Commission (relief order). Besides, it provides the first trial (in this case, it refers to the first trial system) on national important cases and the cases of unfair labour practice relating to the specified incorporated administrative agency and the National Forestry Business.

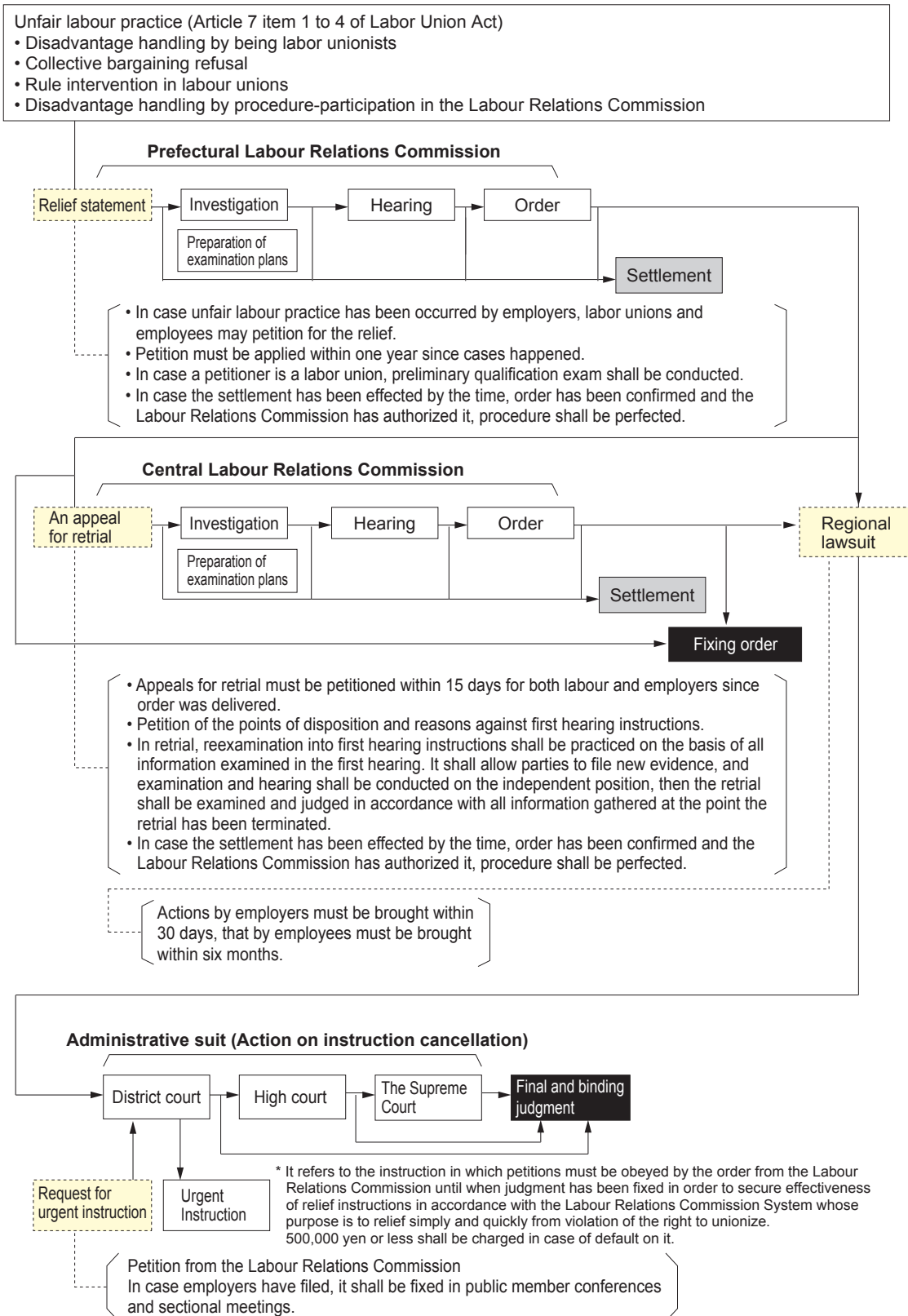
Further, parties can bring withdrawal against the order of the Labour Relations Commission.

[2] Conciliation, mediation and arbitration of labour disturbance

According to the Labour Relations Adjustment Act, in case labour dispute has happened between parties relating to labour matters, it plans to resolve that.

Prefectural Labor Relations Commission handle cases relating to only a single prefecture. However, the Central Labour Relations Commission handle cases relating to 2 prefectures or more, cases included in national important problems and cases relating to the specified incorporated administrative agency and the National Forestry Business.

○ Overview of procedures of unfair labour practice



○ What is adjustment of labour dispute

In adjustment of labour dispute handled by the Labour Relations Commission, there are conciliation, mediation and arbitration. Among of them, "conciliation" is the adjustment measure used most. These adjustments shall be begun by applications of parties in principle. The basis of adjustment conducted by the Labour Relations Commission shall plan to resolve it by giving advice as a fair third party and voluntary promoting compromise between labour and employers. Although there might be cases that solutions are presented to parties of labour and employers while the Labour Relations Commission is advancing its adjustment, they shall not compel to accept it. However, for arbitration, once rulings have been fixed, the parties are regarded to conclude collective agreement including the ruling's content. Therefore, they shall be bound by the rulings.

Features of conciliation, mediation and arbitration

	Conciliation	Mediation	Arbitration
Grounds for beginning	<ul style="list-style-type: none"> • One-way application • Mutual application • Authority 	<ul style="list-style-type: none"> • Mutual application • One-way application in accordance with collective agreement • All of following items relate to public utilities <ul style="list-style-type: none"> • One-way application • Authority • Request from ministers and governors 	<ul style="list-style-type: none"> • Mutual application • One-way application in accordance with collective agreement <p>*1</p>
Adjustment subjects of the Labour Relations Commission	Conciliation members	Mediation Committee (Composed of three commissions from public, labour and management)	Arbitration committee (Composed of three public members *2)
Presentation of solution	There are cases presenting them.	Presentation in principle	Presentation in principle
Acceptance of solution	Voluntary	Voluntary	To bind parties by the same effect with collective agreement

*1 - As to industrial disputes in the specified incorporated administrative agencies, national forestry businesses and local public enterprises, there are provisions of the unilateral application 2 months after conciliation or mediation started, industrial cases (cases which are being conciliated or mediated), start of arbitration ordered by the competent minister.
 *2 - For the specified incorporated administrative agency etc, total (5 people) or 3 people.

Detailed Information 2 Effort to labour problems attendant on reorganization of cooperate organization

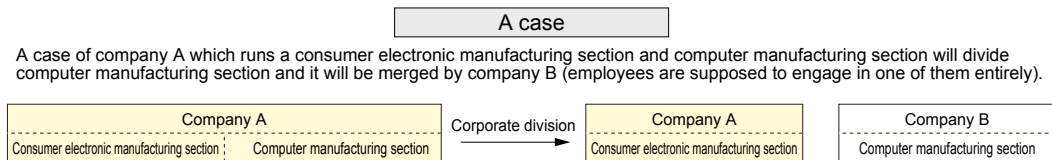
○ Outline

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 flexible. Specifically, opening of pure holding companies by the revision of Antimonopoly Law in 1997, the measure of stock transaction, and that of 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 labour, 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 succeeded rights and obligations of the companies, which would be divided in, by corporate divisions of them, and to assumption of labour's birth who would not be able to hold their work in which they had engaged because of companies' will.

Besides, the related ministerial ordinance and the guidance was formulated to enforce the same law (with establishment of the Corporate Law in 2005, the law name was revised to "the law on succession of labour contract attendant on corporate division" and a part of term was also revised).

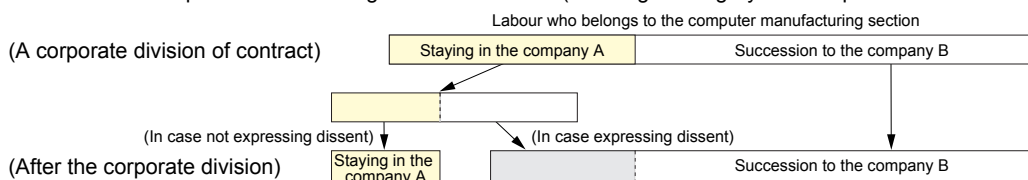
○ Labour protection at concrete procedure for corporate division (in case of sink decomposition)



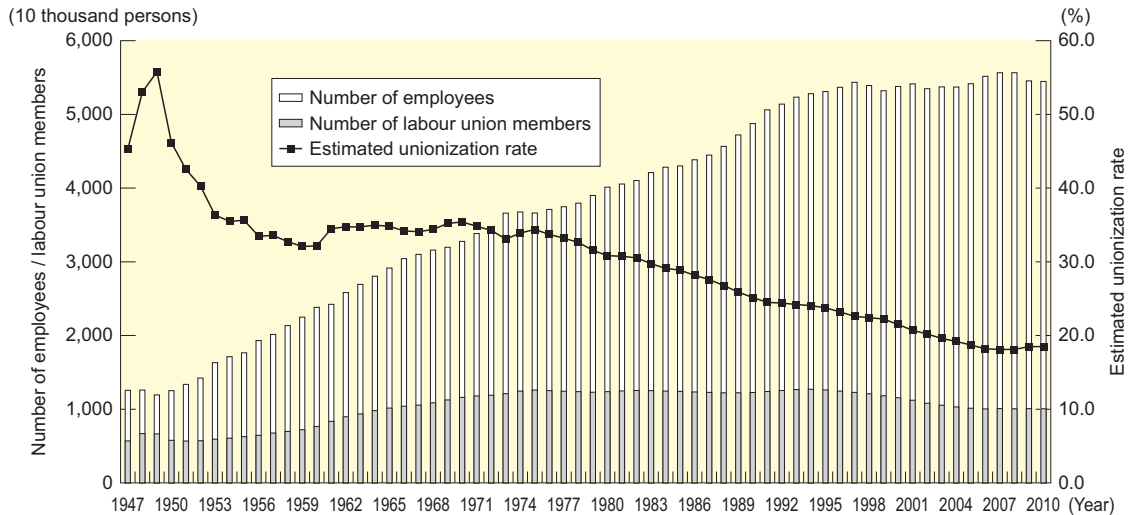
As the company A conducts corporate division, it concludes a split agreement with the company B. The split agreement is provided so as to specify names of all labour, who are succeeded to the company B from the company A, and the labour contract which provides wage and working hours are succeeded to 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 labour 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 labour 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 work in the computer manufacturing section on and on (referring to the gray-shaded part on the below chart).

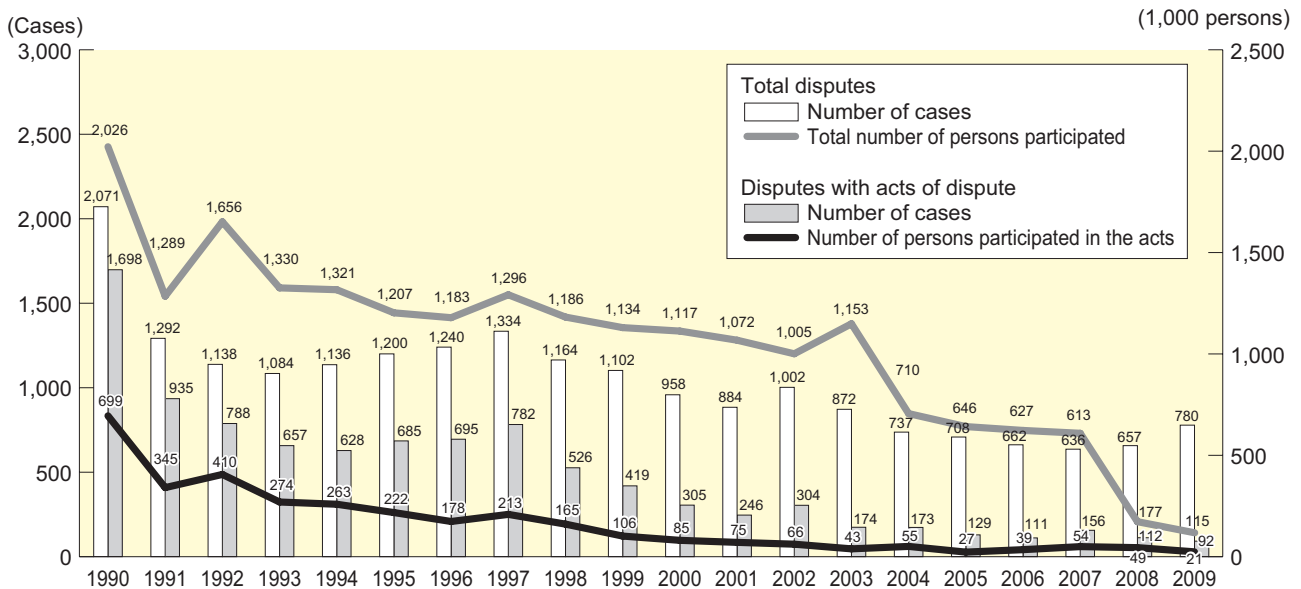


Detailed Data 1 Current State of Labour Unions



Source: "Basic Survey on Labour Unions", Statistics and Information Department, Minister's Secretariat, MHLW
 "Labour Force Survey", Statistics Bureau, Ministry of Internal Affairs and Communications

Detailed Data 2 Change in Number of Disputes, etc.



Source: "Survey on Labour Disputes", Statistics and Information Department, Minister's Secretariat, MHLW

- (Note) 1. "Total disputes" indicates the total of the number of disputes that had acts of dispute, and disputes that had no acts of dispute but had an involvement of a third party such as Labour Relations Commissions, etc.
 2. "Total number of persons participated" indicates the maximum number of members of unions or dispute parties during the duration of the labour dispute regardless of whether the person participated in an act of dispute or not.
 3. "Acts of dispute" indicates the act or counteract hampering the normal business operation performed by the parties concerned with labor relations with the purpose of attaining their respective claims (strike for half a day or more, lock-out, strike for less than half a day, slowdown, or operation management, etc.).
 4. "Number of persons participated in the acts" indicates the number of persons that actually performed the acts of dispute.