

The Implementation of the Training and Employment System: Impact and Response Strategies for Foreign Worker Acceptance Practices

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One Asia Lawyers Group
Asia-Global Mobility Practice Team

1. Introduction

Pursuant to the “Act to Amend the Immigration Control and Refugee Recognition Act and the Act on the Proper Implementation of Technical Intern Training for Foreign Nationals and the Protection of Technical Intern Trainees” (Act No. 60 of 2024), enacted in June 2024, the existing Technical Intern Training Program (TITP) will be developmentally dissolved, and the new Training and Employment system will come into full effect on April 1, 2027.

This amendment will have a significant impact on business operators that already accept foreign workers or are considering doing so. This newsletter explains, with respect to the acceptance of foreign workers, the differences from the current system, the impact on host companies, and the measures that should be initiated now.

2. Overview of the System

(1) Background of the Amendment and the Shift in Purpose

The former Technical Intern Training Program was designed with the purpose of international contribution through the transfer of skills. By contrast, the newly established Training and Employment system expressly sets out “securing human resources” and “developing human resources” in fields facing domestic labor shortages as its clear objectives. It aims to address Japan's serious labor shortage while building an easy-to-understand system that allows foreign nationals to advance their careers while working in Japan, thereby securing the human resources needed to support domestic industry over the long term.

(2) Comparison of the Technical Intern Training, Training and Employment, and Specified Skilled Worker Systems

The main differences among the Technical Intern Training Program, its successor the Training and Employment system, and the Specified Skilled Worker system (in effect since April 1, 2019), are set out below.

	① Technical Intern Training (former system)	② Training and Employment (new system / entry point)	③ Specified Skilled Worker [Type 1] (continuation / main track)
Purpose of the system	International contribution / transfer of skills	Stage for developing human resources toward Specified Skilled Worker (Type 1)	Work as an immediately productive workforce
Period of stay	Maximum 5 years (typically divided into 3-year terms)	In principle, 3 years	Maximum 5 years (unlimited once Type 2 is obtained)
Covered fields	94 job types / 171 work operations, mainly as recognized by the competent ministries	In principle, aligned with the "specified industrial fields" of Specified Skilled Worker (fields unsuited to domestic development are excluded)	17 Training and Employment fields plus 2 additional fields

Japanese language requirement	In principle, none at entry (excluding the nursing care category)	Equivalent to A1 (N5) or higher, or completion of an equivalent Japanese course (at commencement of employment)	Equivalent to A2 (N4) or higher required
Voluntary job transfer (change of employer)	In principle, not permitted (except for unavoidable circumstances)	Permitted under certain conditions (after 1–2 years' employment at the same company, plus requisite skill and Japanese proficiency)	Free (within the same industrial field)
Interrelation between systems	Upon completion (3 years, Type 2), transition to Specified Skilled Worker (Type 1) is possible, though job categories may not always align	Upon completion, transition to Specified Skilled Worker (Type 1) (passing skill and Japanese language tests is mandatory); fields are aligned	Transition from Training and Employment; further transition to Specified Skilled Worker (Type 2) possible upon passing examination
Supervision/support for host companies	Supervising Organization: non-profit corporations only. Provides guidance on preparing training plans, post-entry training, audits, and support for interns' daily lives.	Supervisory Support Organization: non-profit corporations only. Supervises/guides host companies and supports foreign workers. Mandatory external auditor; licensing requirements (financial base, staffing standards, etc.) stricter than for Supervising Organizations.	Registered Support Organization: for-profit corporations may register. Provides support for foreign workers' daily life and employment, outsourced by the host company.

(3) Other Amendments Accompanying the Creation of the Training and Employment System

a. New Fee Regulation for Sending Organizations

Under the Training and Employment system, the amount that sending organizations may collect from foreign nationals seeking to participate in the Training and Employment program is capped at up to two months' salary. Under the former technical intern system, many trainees arrived in Japan already carrying debt due to substantial fees and security deposits paid to sending organizations in their home countries, which placed a heavy burden on them. Under the Training and Employment system, any costs exceeding the cap must be borne by the Training and Employment implementing organization (the host company) or the Supervisory Support Organization.

b. Stricter Penalties for Aiding and Abetting Illegal Employment

To eliminate malicious brokers and protect foreign workers, penalties for the crime of aiding and abetting illegal employment have been made stricter in conjunction with the launch of the Training and Employment system (Article 73-2 of the Immigration Control and Refugee Recognition Act). The penalty, previously “imprisonment for not more than 3 years or a fine of not more than 3 million yen, or both,” will become “imprisonment for not more than 5 years or a fine of not more than 5 million yen, or both” once the amendment takes effect in April 2027.

3. Impact on Host Companies

(1) Benefits / Positive Impacts

- **Appropriate Hiring Objectives and Prevention of Mismatches**

Because “securing labor” is now officially recognized as a legitimate purpose, job postings and career paths can be presented more clearly.

In addition, since a certain level of Japanese proficiency (equivalent to N5) is assured at the start of employment, the burden of initial on-site instruction and daily life guidance is expected to be reduced.

- **Smooth Transition to Specified Skilled Worker and Potential for Long-Term Employment**

Because the route for transitioning to Specified Skilled Worker (Type 1) after a three-year development period is now standardized, long-term employment of up to eight years (three years of Training and Employment plus five years of Specified Skilled Worker) becomes possible, and indefinite employment becomes possible if Specified Skilled Worker (Type 2) is obtained. Whereas the Technical Intern Training Program was premised on the transfer of skills to workers' home countries and their eventual return, the Training and Employment system is premised on transition to Specified Skilled Worker status. This allows companies to improve retention through investment in training and to present talented foreign workers with a long-term career vision, contributing to more stable workforce security.

(2) Drawbacks / Risks (Burdens on Host Companies)

- **Risk of Talent Outflow (Job Transfers)**

Under the Technical Intern Training Program, job transfers were in principle prohibited, allowing companies to anticipate retention of three to five years. Under the Training and Employment system, however, voluntary job transfers are permitted where certain conditions are met, meaning that, depending on working conditions, workers may transfer (resign) after only one to two years even where training costs have already been incurred. There is a heightened risk that workers will be drawn to urban areas or competitors due to factors such as wages at the regional minimum-wage level, poor working environments, or interpersonal difficulties.

It should also be noted that, during the transition period between the Technical Intern Training Program and the Training and Employment system discussed below, companies may have both “technical intern trainees who cannot transfer” and “Training and Employment workers who may transfer under certain conditions” coexisting within the same workplace, creating practical complexities such as labor management rules and dissatisfaction arising from differences in working conditions between the two groups — a point that should be kept in mind.

- **Rising Recruitment and Training Costs**

To secure high-quality foreign talent, costs such as local recruitment and training expenses and fees paid to sending organizations and Supervisory Support Organizations may increase. In addition, because the cost of Japanese language education for Training and Employment workers must in principle be borne by the host company or the Supervisory Support Organization, and because, when accepting a transferring worker, the company must pay the original employer a portion of the initial costs it incurred in accepting that worker, cost increases can be expected on both the recruitment and the training fronts.

- **Mandatory Japanese Language Education and Career Support**

Because the goal is transition to Specified Skilled Worker (Type 1) within three years, companies will be obligated to provide planned on-the-job training and support for Japanese language learning (raising proficiency to the equivalent of N4/A2).

Specifically, companies are obligated to have workers who have not obtained A1-level proficiency undertake at least 100 hours of “A1-equivalent training” under a curriculum provided by an accredited Japanese language education institution during post-entry orientation, and are also obligated to provide

workers with the opportunity to undertake A2-level training.

4. Transition Schedule

The current timeline toward the April 1, 2027 enforcement date, together with the status of transitional measures, is as follows.

[April 15, 2026]

- Applications for licensing of “Supervisory Support Organizations” under the new system begin to be accepted ahead of the enforcement date

[September 1, 2026]

- Applications for certification of Training and Employment Plans begin to be accepted ahead of the enforcement date

[April 1, 2027] Enforcement of the Training and Employment System

- Certification of “Training and Employment Plans” and acceptance of workers under the new system begins
- Acceptance of new technical intern trainees is, in principle, suspended

[Transitional Period (expected to last approximately 3 years after enforcement)]

- Transition period: the Technical Intern Training Program and the Training and Employment system will coexist
- Foreign nationals who entered Japan as technical intern trainees prior to enforcement may, in principle, continue to reside as technical intern trainees until the end of their training period (up to 3 or 5 years)

5. Actions Host Companies Should Take

(1) Short-Term Actions

• Confirming Policy with the Current Supervising Organization

If you currently work with a Supervising Organization, please confirm whether it satisfies the requirements to become a “Supervisory Support Organization” under the new system (such as appointing an external auditor) and whether it intends to transition. If your current organization does not meet the new criteria, you will need to identify a new Supervisory Support Organization.

• Reviewing Working Conditions and Wage Structures

Because Training and Employment workers will be permitted to transfer, it is necessary to review the wage levels and working environments offered by competitors and in other regions (particularly urban areas). Reassessing whether current treatment remains adequate is essential to maintaining competitiveness on an ongoing basis.

(2) Medium- to Long-Term Actions

• Developing an Internal Acceptance Environment and Clarifying Career Paths

Companies need to clearly formulate a Training and Employment Plan addressing how workers will acquire skills over three years and transition to Specified Skilled Worker (Type 1) (applications for certification of Training and Employment Plans will begin to be accepted from September 2026). In addition, presenting foreign workers with “the benefits of remaining with the company long-term” can serve as the most effective measure to prevent job transfers.

Furthermore, satisfying the requirements to be designated an “excellent host organization” under the Training and Employment system can provide incentives such as an expanded quota for accepted workers.

• Systematizing Japanese Language Learning Support and Securing External Providers

Transition to Specified Skilled Worker (Type 1) requires passing an examination equivalent to N4 (A2) or higher, as well as a skills examination. Companies need to build a support system for learning, such

as introducing e-learning and securing dedicated time for Japanese language study in the workplace.

6. Summary

The essence of the Training and Employment system lies in a shift from “the complete end of using foreign nationals as cheap labor” toward “developing and retaining workers as partners.” For companies that improve their working environments and sincerely commit to developing their workforce, this shift represents a strong tailwind, as it establishes a “long-term employment route” encompassing the Specified Skilled Worker system. Companies should closely monitor forthcoming ministerial ordinances (in particular, field-specific operational guidelines) and proactively begin improving their labor environment in line with the new requirements. Because practical responses may raise difficult judgment calls in individual cases, please do not hesitate to consult with us as needed.

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