

Labor Practices Programs -Workplace Environment that Supports Employee Well-being-

Setting Maximum Working Hours

Under Japanese Labor Standards Act, companies are generally prohibited from requiring employees to work more than 8 hours per day or 40 hours per week. Yokogawa Japan complies with the Labor Standards Act. Our internal work rules stipulate standard working hours of 7 hours and 50 minutes per day for a total of 39 hours and 10 minutes per week. Work exceeding 7 hours and 50 minutes per day is treated as overtime and is automatically eligible for overtime pay.

In addition, the “Agreement on Overtime and Work on Rest Days(Article 36 Agreement),” concluded between the company and the labor union pursuant to the Labor Standards Act, includes a special provision allowing for overtime work in excess of 45 hours per month and 360 hours per year; however, the company has set the upper limits for the first and second halves of the fiscal year at 345 hours each, thereby establishing levels that fall below the statutory maximum working hours.

Prevention and Monitoring of Long Working Hours

Yokogawa accurately monitors and manages the working hours of all employees, including managers and supervisors, and reviews trends in working hours and the use of paid annual leave on a quarterly basis through meetings with leaders from each department.

Employees’ working hours are monitored through our time and attendance management system. We are committed to protecting employee health and ensuring sustainable performance by addressing extended working hours when overtime or late-night work reaches certain thresholds. In such cases, we provide access to consultation with an occupational physician and work collaboratively with labor representatives to support constructive dialogue among workplace managers and employees.

Ensure employees are taking their paid annual leave entitlements

During the Japanese Golden Week period (with May 1 designated as a non-business day), when holidays are scattered, we designate the intervening weekdays as scheduled paid annual leave days to encourage company-wide use of paid leave.

In addition, we designate specific days each year as recommended days for taking paid annual leave and clearly communicate across the company that non-urgent meetings and similar activities should be avoided on those days. Through these initiatives, we promote the use of paid annual leave and support employees in achieving a better work-life balance by fostering a workplace environment that makes it easier to take leave.



Photo: Meeting with company management and labor union representatives

Ensuring Fair and Competitive Compensation

Yokogawa not only pays wages that exceed statutory minimum wage levels but also considers the concept of a living wage, so that employees and their families can maintain a decent standard of living while addressing cost of living considerations.

In addition, the Company offers competitive compensation to support employee motivation and enable employees to fully utilize their abilities and expertise.

Furthermore, we have established a fair and transparent compensation system based on job responsibilities, roles, and performance, promoting the maximization of employee performance and the creation of high value-added outcomes.

When determining compensation levels, the Company continuously collects and analyzes objective external market wage benchmark data. From a living wage perspective, we also consider the results of the “Survey on Actual Living Expenses” conducted annually by the YHQ labor union and adjust as necessary to maintain appropriate compensation levels.

Ensure employees are paid for overtime work

Yokogawa is working to eliminate unpaid overtime work (commonly referred to as “service overtime”) by cross-checking working hours recorded in its time and attendance management system against employees’ computer log-in and log-out data.

If any inconsistencies are identified, the company reviews them carefully to ensure that all working hours are accurately recorded and properly reflected. Where necessary, the company takes corrective actions to ensure that employees are appropriately compensated and that working hours are managed in a fair and compliant manner.

Regularly engage with workers’ representatives on working conditions

Company executives and labor union representatives hold regular monthly meetings based on a spirit of mutual understanding and trust to share and discuss the company’s business environment, performance progress, and management policies. As of April 2026, a cumulative total of 773 meetings have been held.

In addition, committees composed of company-appointed members and labor union representatives discuss the review and improvement of various working conditions, as well as other relevant topics.

Furthermore, at the workplace level, forums are established to address matters specific to each workplace, such as business division policies and initiatives and the status of key projects. These efforts promote ongoing communication between labor and management and contribute to a positive and collaborative work environment.

These initiatives support constructive labor-management relations and contribute to sustainable organizational performance.