

Key Upcoming Changes to Japan's Whistleblower Protection Act: Enhanced Protections, Stricter Penalties

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I Introduction

On 4 June 2025 Japan passed a bill to amend the Whistleblower Protection Act.¹ The changes will have a significant impact on employers and increase noncompliance risks, including through criminalization of retaliatory behavior and intensified enforcement powers. The changes signal a new era of heightened regulatory scrutiny for whistleblower practices in Japan, and will require employers to review their obligations and systems and operationalize the changes.

II Japan's Whistleblowing Regime

1. The Whistleblower Protection Act and context for the recent changes

Whistleblowers are protected by the Whistleblower Protection Act (as amended, "Act"), which was initially enacted in 2004 and substantially reformed in 2020.²

The 2020 amendments, which became effective in 2022, greatly expanded the whistleblower protections, for example, by broadening the scope of who qualifies for protection³ and the nature of the matters eligible for reports,⁴ requiring larger companies to establish systems to handle whistleblower reports appropriately (including designating personnel to handle reports),⁵ adding express confidentiality obligations,⁶ facilitating external reporting to administrative and news organizations,⁷ and adding protection against damages claims.⁸

¹ Bill to Partially Amend the Whistleblower Protection Act (Act No 62. Of 2025): [公益通報者保護法の一部を改正する法律](#).

² Act Partially Amending the Whistleblower Protection Act (Act No 51. of 2020). See: [Partially Amending the Whistleblower Protection Act \(Act No. 51 of 2020\)](#).

³ Act, Article 2, paragraph (1) *et seq.*

⁴ Act, Article 2, paragraph (3).

⁵ Act, Article 11.

⁶ Act, Article 12.

⁷ Act, Article 3, items (ii) and (iii).

⁸ Act, Article 7.

Despite the 2020 changes, in early 2024 the Consumer Affairs Agency (“CAA”), the body responsible for implementing Japan’s whistleblowing framework, published a survey that revealed persistent issues with the Act and its practical application. Issues included workers’ lack of awareness of internal reporting systems and the protections available to whistleblowers, limited use of hotlines, and obstacles to the effectiveness of whistleblowing systems, such as lack of proper investigative and remedial measures.⁹

A Whistleblower Protection System Review Committee was tasked with recommending changes to refine and strengthen Japan’s framework; in September 2024 it proposed additional reforms to enhance the effectiveness of internal reporting systems, broaden the protections, and address deterrents to reporting wrongdoing, prompting the 2025 changes (“Amended Act”).¹⁰

2. Refresher: disclosures protected by the Act

Only disclosures that meet the following criteria qualify for the statutory protections in the Act.¹¹

First, the disclosure must be made by a “prescribed person” (which includes a broad range of workers and officers),¹² without a wrongful purpose (such as intending to acquire a wrongful gain or cause damage to others).

Second, the disclosure must disclose a “reportable fact” that has occurred, is occurring, or is about to occur, concerning the relevant business enterprise, its officers, or other persons engaged in the business. Reportable facts concern a broad range of misconduct that may impact the public interest, including acts that are subject to criminal punishment and administrative penalties, as listed in an appended table to the Act; these include the protection of individual life, well-being, property, consumer interests, environmental conservation, fair competition, and other citizens’ interests.¹³

Third, the disclosure must be made to one of the following recipients, and meet the required level of belief:¹⁴

- (1) A business entity, through internal reporting to a hotline, compliance department, superior, or other designated personnel within the organization. The whistleblower must consider that a reportable fact has occurred, is occurring, or is about to occur.
- (2) To an administrative organ with the power to take measures regarding the report. The whistleblower must have reasonable grounds to believe that a reportable fact has occurred, is occurring, or is about to occur, or must consider a violation has occurred, and must submit the requisite documentation and details about the breach.

⁹ 概要版_内部通報制度に関する意識調査（就労者1万人アンケート調査_英訳.

¹⁰ 公益通報者保護制度検討会_中間論点整理 (2).

¹¹ Act, Article 2 *et seq.*

¹² Includes “workers” as defined in the Labor Standards Act, dispatched workers, and certain former workers. Includes public service employees as specified in Article 9.

¹³ Including without limitation the Food Sanitation Act, Financial Instruments and Exchange Act, Air Pollution Act, Waste Management and Public Cleaning Act, and Act on the Protection of Personal Information.

¹⁴ Criteria set out in Article 3, cross referenced in other provisions establishing other statutory protections (e.g., Act, Articles 4, 5, 6, 7).

- (3) To the person to whom reporting is necessary to prevent the occurrence or spread of damage.¹⁵ The whistleblower must have reasonable grounds to believe that a reportable fact has occurred, is occurring, or is about to occur, and either: (a) reasonably believe he or she (i.e., the whistleblower) will be subject to dismissal or disadvantageous treatment if the matter was reported internally or to an administrative authority, (b) reasonably believe evidence might be concealed, counterfeited, or altered if the matter was reported internally, (c) reasonably believe the recipient would divulge the information without cause, (d) has been requested not to make a disclosure without cause, (e) made an internal report, but the report has not been investigated within 20 days, without cause for the delay, or the whistleblower was not notified of an investigation, or (f) the reportable fact concerns actual or imminent harm to life or body, or substantial property damage to a significant number of individuals.

3. Refresher: core protections available to whistleblowers who qualify for protection

Whistleblowers are protected in various ways.¹⁶ Personnel who handle reports and investigations must maintain the confidentiality of information that could identify the whistleblower, with violations carrying a potential fine of up to JPY 300,000.¹⁷ The attempted dismissal of a worker, or cancellation of a worker dispatch contract, due to a protected disclosure is void,¹⁸ and officers dismissed for this reason may bring a claim for damages.¹⁹ Subjecting a whistleblower to “disadvantageous treatment” due to a disclosure, including demotions, salary reductions, or other unfavorable treatment, is prohibited.²⁰

Whistleblowers are also granted immunity from damages claims, which prevents companies successfully suing whistleblowers for losses incurred as the result of whistleblowing disclosures (provided that a desire to cause harm did not motivate the report, because protected disclosures must be made without a wrongful purpose).²¹

4. Refresher: employers’ other core obligations under the Act

Companies’ other obligations under the Act include, without limitation, requirements to: establish a system to properly respond to internal whistleblower reports,²² including appointment of a “Designated Whistleblower Response Officer” to receive reports, maintaining strict confidentiality, educating and training necessary personnel, taking corrective or remedial actions, and taking other measures set out in the CAA guidelines.²³

The CAA can give advice and recommendations to companies to improve their systems and can publicly “name and shame” companies whose internal systems remain noncompliant.²⁴

¹⁵ This could include the media, NGOs and other public entities. It includes persons who have been or are likely to be damaged by the reportable fact, but excludes those who are likely to cause harm to the competitive position or other legitimate interests of the recipient of services.

¹⁶ [Summary of Whistleblower Protection Act in Japan ENG.](#)

¹⁷ Act, Article 12, Article 21.

¹⁸ Act, Articles 3 and 4.

¹⁹ Act, Article 6.

²⁰ Act, Article 5.

²¹ Act, Article 7.

²² Act, Article 11 (compliance is mandatory for companies with 300 employees or more, encouraged for smaller companies).

²³ See “Guidelines necessary for businesses to take measures based on the provisions of Article 11, Paragraphs 1 and 2 of the Japanese Whistleblower Protection Act, in order to ensure their appropriate and effective implementation” (公益通報者保護法第 11 条第 1 項及び第 2 項の規定に基づき事業者がとるべき措置に関して、その適切かつ有効な実施を図るために必要な指針.)

²⁴ Act, Article 15, Article 16.

III New legislation – Key Changes Relevant to Employers

1. Key changes

(1) Criminal penalties for retaliation against whistleblowers

Companies who dismiss or discipline whistleblowers²⁵ for making reports will face fines of up to 30 million yen, and individuals who discipline whistleblowers in retaliation for reporting will face fines of up to 300,000 yen or up to 6 months imprisonment.²⁶

(2) Presumption of retaliation

In civil litigation, any dismissal or disciplinary action taken against a whistleblower within one year of a report will be considered retaliatory on its face.²⁷ This effectively shifts the burden of proof in litigation concerning unfair dismissal or discipline cases, forcing companies to demonstrate that the reason for dismissal or discipline of an employee whistleblower was not related to the whistleblower's report. In practice, it can be difficult for companies to meet this burden of proof, particularly if managers and HR personnel involved in implementing dismissals or taking disciplinary action are not properly trained. The reversed burden of proof may also incentivize litigation by whistleblowers.

(3) Expanded scope of protection, to include freelancers

The amendments will extend the protection against disadvantageous treatment to freelancers and former freelancers (within one year of contract end), that is, self-employed contractors engaged via service agreements.²⁸ For example, this will guard against suspending transactions or payments due to the contractor becoming a whistleblower.

(4) Administrative and enforcement measures

The amendments also enhance the CAA's authority, by elevating the CAA from an advisory body to an enforcement agency with the authority to ensure compliance. The CAA will be able to demand reports and conduct on-site inspections into the handling of whistleblowing,²⁹ issue warnings and corrective orders,³⁰ and impose criminal penalties for noncompliance with corrective orders, including situations in which a company fails to designate personnel responsible for handling reports, or obstructs an inspection.³¹

(5) Duty to publicize internal systems

Companies will be obligated to publicize their whistleblowing systems internally, to employees and other relevant persons.³² Failure to do so may be regarded as a violation of the existing requirement to maintain an

²⁵ Other forms of disadvantageous treatment may be prohibited by civil law.

²⁶ Act, new Article 21.1, Article 23.1.1.

²⁷ Act, Article 3.3.

²⁸ Act, Article 2.1.3.

²⁹ Act, Article 16.

³⁰ Act, Article 15-2.

³¹ Act, Article 21.2, Article 23.1.2.

³² Act, Article 11.2.

effective system.

(6) Bans on “whistleblower hunting”

The amendments expressly ban attempts to discover a whistleblower’s identity unless legitimate grounds exist to do so,³³ and void any agreements, promises, or requirements placed on whistleblowers to prevent them from making an external report, as an “act of obstruction”.³⁴

2. Effective Date of the Changes

The amended Act will come into force on a date to be specified by Cabinet Order, within 18 months of its promulgation on June 11, 2025; it is expected to take effect sometime in 2026.

3. How to Prepare for the Changes

Companies should review and update their internal whistleblowing systems to ensure compliance with the upcoming changes, including:

- i. reviewing existing whistleblowing policies, codes of conduct, and employee handbooks to identify any gaps or noncompliance that need to be rectified
- ii. examine and update existing systems (for example, to ensure appointment of designated personnel, implementation of security measures to adequately preserve confidentiality, and that investigative processes and disciplinary procedures ensure documentation of clear, justifiable reasons for discipline and other actions)
- iii. educating designated personnel, managers, and supporting staff on the changes, their obligations, the consequences of noncompliance, confidentiality protocols, and how to prevent retaliatory actions
- iv. training employees and other stakeholders on the internal whistleblowing system and how to make a report.

IV Conclusion


The recent changes represent a significant shift in Japan’s whistleblowing framework, and a movement toward greater corporate transparency and accountability, through enhanced support for and protection of whistleblowers, increased penalties, and additional burdens on companies. In particular, the introduction of criminal sanctions, and the CAA’s new enforcement powers, indicate the Japanese government’s serious commitment to improve the corporate culture surrounding whistleblowing, and its willingness to punish and make examples of those who harm whistleblowers or ignore the law.

Companies must review their systems to implement the changes and minimize compliance risks.

Nishimura & Asahi regularly assists clients with designing and maintaining whistleblowing systems, provides support for investigations, crisis management and litigation, ongoing compliance and monitoring audits, and

³³ Act, Article 11-3.

³⁴ Act, Article 11-2.



key person training for internal recipients of whistleblowing reports and decision makers. Please feel free to reach out to us.

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