

Global Labor Lessons from Japan

Japan's response to a shrinking workforce offers valuable global insights, combining innovation and educational reform to address labor shortages and prepare for future demographic challenges. *By Daniel de Bomford and Bernard Thompson*

As fertility rates decline and populations age, Japan stands as a compelling case study in labor transformation and education. With a 2024 fertility rate of 1.37, the country is addressing workforce challenges through digital transformation (DX), inclusive HR strategies, international recruitment and lifelong learning. As DX investment rises to ¥6.9 trillion by 2028, the world is watching to see how Japan navigates its aging demographics and depopulation to build a future-ready labor model.

To fill immediate gaps, dispatch company Entry is filling short-term labor gaps with extremely short lead times. According to President Jun Teramoto, flexibility is key in sectors like logistics and agriculture, where seasonal demands fluctuate the number of staff required to maintain operations. "Our service gives companies the confidence to make minor adjustments on short notice, ensuring they can meet fluctuating labor demands efficiently," he says.

Beyond labor, many organizations are struggling with outdated or inefficient technologies and processes. Business Brain Showa-Ota supports companies' move to focus on direct functions rather than indirect ones. President Kazuhiro Komiya states that the company's business is founded on three core functions: consulting services, system integration and management

"Global perspectives and diversity are becoming increasingly vital in education."

Takaaki Fujii,
president, Zoshinkai Holdings Inc.

services, which include BPO support. Working in harmony, these pillars power the BBS Cycle to deliver comprehensive end-to-end solutions. "This unique approach is our strength, allowing us to address Japan's shrinking workforce and contribute to solving broader social challenges," he says.

To mitigate the population challenges, Japan needs to welcome international organizations onto its shores. This can be especially challenging in the medical and pharmaceutical sectors, where stringent regulatory requirements can deter foreign companies. Through EPS Holdings' Innovative Research Organization (IRO) business, it offers comprehensive support to foreign organizations looking to enter the Japanese market. EPNEXTS Representative Director Tatsuma Nagaoka says there is often a gap in foreign entities' understanding of local requirements. "Our services align well with their needs, especially in areas such as Japanese pharmaceutical affairs, regulatory compliance and legal procedures," he explains.

Education is a key pillar of improving productivity, and Tokyo-based educational publisher Gakken Holdings has over 80 years of experience. The company began with the belief that the postwar reconstruction could be achieved only through education, explains President Hiroaki Miyahara. That ethos has carried the company to help equip Japan with the tools to face its following challenges. "Known as the symbols of Gakken, *learning* and *science* are the foundation of Gakken's emphasis on the three core elements of STEAM education: surprise, joy and discovery," he says.

Zoshinkai Holdings, known as the Z-kai Group, is moving beyond knowledge acquisition to foster critical thinking, decision-making and emotional intelligence. President Takaaki Fujii describes it as a learner-centric approach. "This transition toward individualized instruction is essential for students to acquire diverse and adaptive skill sets," he explains. The company believes that introducing new technologies to support the learning and growth of pupils will increase the efficiency of instruction, freeing up more time to focus on social and emotional skills.

The world is watching Japan; the steps it takes, whether technological or organizational, will become the model by which the rest of the world bases its strategies.

Rapid Workforce Solutions for Japan

Entry is addressing Japan's labor challenges by quickly matching the right people with the right job. *By Daniel de Bomford and Arthur Menkes*



Jun Teramoto, president, Entry Co. Ltd.



ENTRY



<https://entry-inc.jp>

With labor shortages expected to become more acute due to Japan's demographic challenges, businesses are seeking new solutions, particularly in sectors such as agriculture, where the average worker age exceeds 65. Dispatch agency Entry is providing solutions to staffing challenges by delivering rapid, short-term labor solutions with extremely short lead times. President Jun Teramoto states that the company enables its clients to scale their workforces as needed, whether for a few days or several months. "With Entry, com-

panies can request a precise number of workers according to demand and modify that request down to the smallest detail," he says.

This is especially impactful in agriculture, where seasonal factors such as harvests dramatically fluctuate the demand for labor. Teramoto says that Entry's ability to respond to these demands quickly sets them apart. Many of the company's key clients operate logistics and distribution, including major apparel and e-commerce businesses. With the shrinking workforce, Entry is targeting international students to fill vacant positions. To ensure that employees are ready for work in Japan, Entry employs field directors who can help bridge cultural gaps. "Expanding our collaborations into these regions will allow us to further strengthen our pipeline of well-prepared international students," he says.

While Entry's domestic business is primarily B2C, its vision for international expansion centers on a C2C system. Teramoto aims to establish a more equitable economic cycle, ensuring that around 80 percent of earnings go directly to the worker, rather than to a middleman.

With Japanese manufacturers establishing facilities across Southeast Asia, Teramoto wants Entry to be the first company they think of when seeking labor solutions. At home in Japan, he says



Helping with snow removal

Helping the apple farmer



Helping the grape growers



Commemorative photo of welcoming Vietnamese interns

that Entry aims to create an efficient system that connects workers from Southeast Asia to Japan to fill labor shortages. "I want workers in Southeast Asia to develop a positive perception of Japan—one that encourages them to come here, work and contribute to our industries."

"For the Enrichment of All": Gakken Goes Global

A company now approaching its 80th anniversary, Gakken Holdings is determined to strengthen the international reach of its expertise in the education and welfare sectors. *By Cian O'Neill and Arthur Menkes*



"Globalization will become increasingly important for further growth in the future."

Hiroaki Miyahara, president,
Gakken Holdings Co. Ltd.

"For the world, society and our future." That's the mantra at Gakken Holdings. Over the past eight decades, the Tokyo-based educational publisher has blossomed into an international business that complements its cutting-edge learning materials by running world-class educational programs. Concurrently, it has gained renown for a growing range of welfare services that benefit children and senior citizens alike.

As President Hiroaki Miyahara notes: "Gakken has evolved into an organization creating content and services for the enrichment of all people."

Today, the company aims to build on its ongoing success as an enterprise whose revenue continues to grow year on year by widening its global reach.

Surprise, joy and discovery

Echoing the founder's ethos that "postwar reconstruction can be achieved only through education," Gakken played its part in Japan's Golden Era, publishing educational children's

books that sparked a thirst for knowledge. The publications, while embedding science, technology, engineering, the arts and mathematics (STEAM) into its supplementary materials, sought to provide a learning experience based on three fundamental concepts: surprise, joy and discovery. Miyahara speaks to this and how Gakken powered Japan's rise as a global economic leader: "This laid the foundation for Gakken's foray into learning programs, fostering the intellectual curiosity of many children," Miyahara says.

Prominent among such learning programs is Gakken Classroom, which is operated in nearly 20,000 locations globally. Embracing a teaching technique aimed at equipping kids with both cognitive and noncognitive skills, Gakken Classroom promotes youngsters' "power to live," Miyahara says.

"We believe Gakken's method, which emphasizes practical learning rather than mere cramming of knowledge, will attract more and more attention in the future."



STEAM Program at Gakken Classroom

"A great opportunity"

Miyahara sees a "great opportunity" to broaden its learning centers outside Japan, particularly in Southeast Asia, where they are already present in locations such as Singapore and Vietnam.



Gakken's "Play Smart" Series-Workbooks for Young Children

The company's expansion efforts are rooted in a desire to provide equitable access to high-quality education across the globe, ensuring no learner is left behind, regardless of geography or income level.

Indeed, the company aims to increase its overseas student base to 400,000 by 2030, a figure that would surpass its current domestic enrollment.

Miyahara explains that Gakken's educational publishing business will remain at the core of the organization's global expansion.

"Gakken's children's books, learning materials and science-related books are highly popular in China, Taiwan, South Korea and Southeast Asia," he says. Capitalizing on these publishing markets is pivotal to the firm's goals.

Meanwhile, Gakken's welfare business, which includes child-care support, serviced housing for the elderly and group homes for seniors with dementia, also stands to play a key role.

This is particularly true of Gakken's services for seniors. As the global population crisis continues to escalate, the firm has set out targeted international plans for this business.

"Gakken will continue to provide its unique welfare services by aggressively expanding into regions where the population is aging," Miyahara says.

Crucial to this is Gakken's emphasis on building strong local partnerships. The company aims to collaborate with regional experts and Japanese firms to establish a nationwide structure for global development in Japan.



Nursing care facility located in Chengdu, China

"Globalization increasingly important"

While Gakken's designs for furthering the reach of its various business segments are currently focused on home and Asia, future expansion into European and U.S. markets is also in the company's crosshairs, the president says.

"Globalization will become increasingly important for further growth in the future. In the 2030s, we envision a five-to-five ratio of domestic to overseas sales," Miyahara explains.

As in Japan, Gakken will focus on creating lifelong value to ensure learners across generations benefit from a consistent, high-impact educational experience.



The Japanese Bestseller
『なぜ僕らは働くのか』
Now in Traditional Chinese

Gakken

www.gakken.co.jp/en/index.html



Zoshinkai's Global Vision for Future-Ready Students

Zoshinkai Holdings is fostering the next generation of global leaders with its innovative, student-centric educational model.

By Daniel de Bomford, Bernard Thompson and Arthur Menkes

"For more than 90 years, we have provided instruction designed to cultivate essential thinking skills, such as critical thinking."

Takaaki Fujii, President, Zoshinkai Holdings Inc.



Z-KAI Group



www.zkai-gr.co.jp/en

The future is shaped in the classroom. It prepares people for the challenges they will face for the rest of their lives. Beyond rote learning, it teaches us resilience, critical thinking and social skills. In an era beset by complex challenges in an ever more interconnected world, the classroom has become a crucible that, now more than ever, shapes the future of humanity. At the heart of this transformation stands a company that has spent almost a century refining and redefining education in Japan.

For 90 years, Zoshinkai Holdings, operating under the name Z-kai Group, has provided comprehensive education in Japan and, more recently, abroad. The Z-kai Group's philosophy, "Excellence in education for future global leaders," reflects its focus on developing the next generation of leaders in society. President Takaaki Fujii says discussions of educational reform are right to focus on technological changes, such as AI; however, he believes it is equally essential to foster social and emotional skills, including autonomous decision-making and self-expression. The company has evolved from a correspondence provider to a comprehensive education group.

Responding to Japan's shifting educational needs

Z-kai Group offers a comprehensive range

of educational services, including distance education, preparatory schools, cram schools and language schools. Internationally, it partners with foreign programs to provide international student services and exchange. Furthermore, it produces materials, offers placements and provides educational services to institutions. Boasting over 270,000 students and achieving thousands of successful national university admissions to competitive institutions such as the University of Tokyo and Kyoto University, the Z-kai Group is a leading player in Japan's educational sector.



Keio Academy of New York Summer Program

Rethinking what and how students learn

The critical difference of Z-kai Group's approach is its focus on going beyond simple knowledge acquisition. "Fostering critical thinking and autonomous decision-making remains a major challenge,"

the president says. The group is adapting to the times and improving outcomes by transitioning from rigid group instruction to a personalized, learner-centered approach, in conjunction with advancements in technology. Previously in Japan, learning revolved around the teacher, with uniform instruction being given to the students; however, Fujii says that this approach is no longer sufficient. "Educators must teach students how to perceive and respond to ever-changing situations by thinking for themselves," he states.

To meet these challenges, the Z-kai Group has reevaluated the future of education, identifying three key elements: what to teach, how to teach and how to integrate technology into the learning environment. Multiple choice examinations, for example, cannot assess how deeply a student thought through a problem. Thus, the company strongly advocates for written-response questions, especially those with full-length answers. These questions require students to think logically and accurately express their thoughts, allowing their answers to be analyzed and facilitating constructive feedback. "This interactive written instruction method (correction-based instruction) has formed

a core value of our distance learning service since it was introduced by our founder around 90 years ago,” Fujii says. By actively incorporating technologies, such as AI, the company can better support students’ growth and development. Technology is enhancing learning efficiency, allowing the company to devote more time to reinforcing social-emotional skills essential for a rapidly changing society.

Building the next generation of global leaders

“In light of recent social demands, global perspectives and diversity are becoming increasingly vital in education,” Fujii posits. Academic ability alone is no longer sufficient for students to thrive in our interconnected world. The company is actively reshaping its curriculum to foster critical thinking, emotional intelligence, cultural awareness, diversity, proactivity and independent judgment. Z-kai Group is undertaking pilot initiatives to support this goal through alternative assessment models that focus on behavioral observation and self-reflection. As it gathers data and improves statistical reliability for the assessments, it can employ the results to create instructional programs that address individual gaps and guide students towards growth.

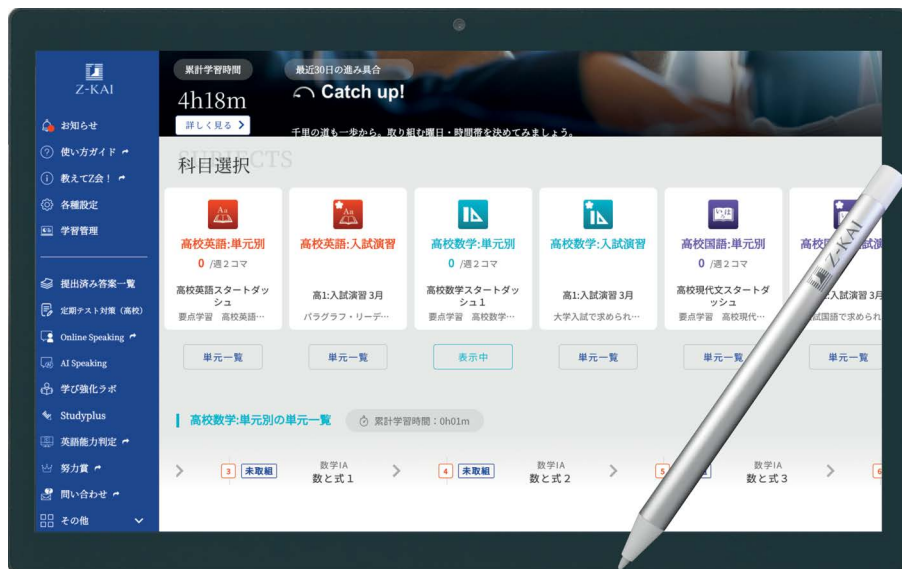
Innovation in action: Z-kai Inventive School

The Z-kai Group recently announced the opening of Z-kai Inventive School at Toyota Woven City, where it is participating as an inventor. Fujii says Toyota and Z-kai Group share a common vision regarding society and education. “We strongly resonate with Toyota Woven City’s purpose of ‘well-being for all’ and its mission of ‘to pave the way toward the next generation of movement on a test course that empowers innovation,’” he explains.



Toyota Woven City, with Z-kai Group participating as an inventor

At Z-kai Inventive School, the company aims to demonstrate, invent and embody excellence in education. The group will bring instructional expertise honed over 90 years and apply it in conjunction with Toyota’s advanced technological integration. Leveraging both groups’ strengths, they aim to realize “new learning environments” and “leveraging data to realize innovative educational methods.”



Z-kai’s Correspondence Education Services help students develop their “thinking processes” by providing assignments of the highest quality

At the Z-kai Inventive School, children will engage in enquiry-based learning such as STEAM (science, technology, engineering, arts and mathematics), fostering intelligence and sensibility through a child-centered approach. “We place particular emphasis on this type of enquiry-based learning as a method to develop independent thinking and self-reliance,” Fujii explains. The school will also foster global citizenship, encouraging students to embrace diversity and inclusion, building a worldview that enables them to function in an interconnected society.

Expanding horizons through global growth

With Japan’s demographic decline, the domestic education market is shrinking. However, Fujii identifies sectors with long-term growth potential, and determining how to allocate key resources to capitalize on promising business opportunities is a key focus for the group. While the B2C sector, which targets individual customers, is affected by the shrinking population, corporate B2B clients continue to grow strongly in specific areas.

Z-kai Group’s B2B business provides services to three primary customer groups: cram school operators, educational institutions and government agencies, including boards of education and the Ministry of Education, Culture, Sports, Science and Technology. Fujii says that all of these customer bases have the potential for business expansion. Being one of the earliest and heaviest investors in IT within the education sector, Z-kai Group operates a shared B2B platform across the group, allowing it to integrate its B2B business more effectively and differentiate itself from its competitors.

The company selects potential overseas markets based on three criteria: sufficient

growth potential, whether its high-quality products will be well-received in the market and whether the target market can create synergies with the Global Study Program run by its group company, International Students Service (ISS). “ISS holds a very high market share in study-abroad arrangements within Japan, and leveraging the local network established by ISS is a crucial strategy for building our business foundation,” Fujii says.

Fujii offers Eikoh North America, the company’s North American subsidiary, as an example. Established in 2018, it has provided educational services in the United States and continued to grow steadily year after year, returning to profitability following the COVID-19 pandemic. One of the keys to its success is strong local support. “Unlike other Japanese education companies in North America that mainly target Japanese expatriate children, we focus not only on returnee students but also on local children—about half of our students are American,” Fujii explains. The company sees significant potential in Asia and is looking forward to developing its business with the right local partners who can create synergies. Fujii explains, “We recognize that strong partnerships with local companies are essential to establishing a meaningful presence in new markets.”

As the world races to meet the demands of a new era, Z-kai Group offers a compelling model rooted in innovation. Beyond traditional instruction, the group’s focus on technology, global citizenship and emotional intelligence makes it a global leader in the new educational paradigm. By looking outward and establishing global partnerships, it is forging the next generation of leaders, intelligent and empathetic global citizens.

Inside BBS's Back-Office Revolution

Powered by the BBS Cycle, Business Brain Showa-OTA transforms traditional back-office functions into agile, tech-driven platforms that enable smarter operations and sustained business growth. *By Arthur Menkes and Daniel de Bomford*



"Our mission is to make the back office invisible and incredibly effective."

Kazuhiro Komiya,
president & CEO,
Business Brain Showa-Ota Inc.

What if the back office, long seen as a cost center, was actually your company's most powerful engine for change?

In Japan's tightening labor market, where 11 million workers are projected to disappear by 2040, the pressure on operations is mounting. For businesses to survive, let alone grow, they must unlock new levels of speed, clarity and adaptability.

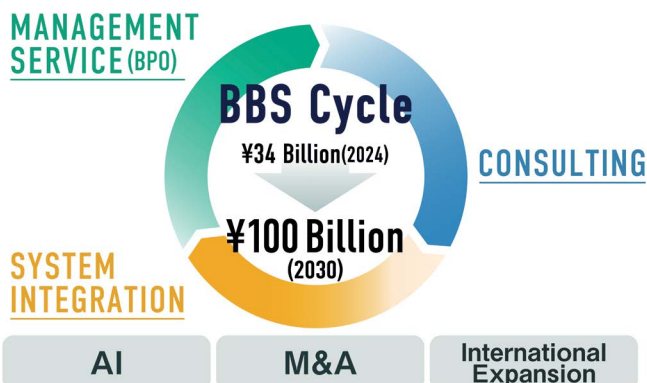
That is where Business Brain Showa-OTA (BBS) comes in. For nearly six decades, BBS has helped companies turn their back offices into engines of efficiency and insight. At the heart of its model

is the BBS Cycle, an integrated framework that combines consulting, system implementation and business process outsourcing (BPO). It is a rare approach in a market still dominated by fragmented solutions.

This comprehensive cycle philosophy has found growing relevance as more Japanese firms shift away from siloed functions. BBS begins by assessing a client's operations through a consulting lens, identifying inefficiencies in areas like journal entry processing or tax filing. Once bottlenecks are identified, BBS works with the client to define the target operating model, then designs the supporting solutions and processes, many cloud-based, to streamline workflows. These are carried through to implementation and, where needed, long-term support via BPO.

For example, BBS supported a major automotive client through the comprehensive BBS Cycle, beginning with consulting to define the target operating model. This led to the implementation of a system incorporating tools like the TOBIRA/AKARI management dashboard to improve decision-making. BBS continued providing operational follow-up after delivery, demonstrating how the BBS Cycle integrates strategy, technology and long-term support into a unified solution.

"This is the BBS Cycle in motion," says President Kazuhiro Komiya. "It is not just about solving problems. It is about building a smarter system that keeps improving."



Core Business Model: "BBS Cycle"

In 2024, Japan's AI sector reached \$6.6 billion, while the cloud market grew to \$23.9 billion, with forecasts nearing \$29 billion in 2025. Yet, as of mid-2024, only 24 percent of Japanese firms had adopted AI, while 35 percent planned to adopt. However, over 40 percent lacked a clear strategy.

BBS is helping to close that gap. Automation is increasingly built into its core solutions, especially in finance workflows like journal entry generation and variance analysis. But Komiya is cautious, "AI is powerful, but it is not yet infallible. Our role is to combine it with oversight, so clients get both speed and accuracy."

Unlike firms that leave after implementation, BBS supports clients through BPO services that evolve with their needs. Its High-Value BPO approach focuses on complex functions such as tax reporting, internal controls and closings where precision is essential.

To maintain standards, BBS has made talent development a pillar. With half its workforce IT engineers, the company fosters a learning culture that runs counter to Japan's often passive norms. Internal AI hackathons encourage staff to create tools like chatbots or invoice categorization engines. Cross-department demos and mentoring reinforce this innovation cycle.

"It is not just about training," Komiya explains. "It is about building a mindset of experimentation and sharing."

That mindset also differentiates BBS from platforms like

Oracle or SAP. While those players offer broad tools, BBS focuses on tailored execution and sustained support. Our teams work closely with clients before, during and after deployment to ensure every system fits not just the business but the people.

Internationally, BBS is scaling with intent. In Thailand, it supports Japanese manufacturers through integration and BPO. In Vietnam, a satellite team verifies call log data and other structured inputs, freeing staff for higher-value work. Each overseas base proves the model can scale with quality.

Looking ahead, BBS has set a target: ¥100 billion in revenue by 2030, with 20 percent from strategic M&A. But for Komiya, it is not about volume. "We are acquiring strength," he says. "The right talent, the right capabilities, the right synergies."

Still, revenue targets are just milestones. The real mission is deeper.

"Our goal," Komiya says, "is to make the back office so intelligent, so seamless and so strategic that it disappears into the background, freeing our clients to focus entirely on growth, innovation and what comes next."

Because when you get the back office right, tailored to your needs and aligned with your goals, it stops being a burden and starts becoming your launchpad.



BBS Tokyo Head Office Reception

BBS
Business Brain Showa-Ota Inc.
www.bbs.co.jp



EPNextS expands horizons to create new value



"With a focus on innovation and efficiency, we are committed to advancing clinical research and improving patient access to unmet medical needs."

Tatsuma Nagaoka,
representative director,
EPNextS Inc.

As the world's first super-aged population, Japan faces challenges that require solutions with no clear roadmap. As the labor pool shrinks and the medical burden increases, Japanese organizations are finding new ways to deliver services and maintain the quality of life for everyone, not just those in their twilight years. As developed countries around the world begin to face similar challenges, EPNextS Group is developing a solution blueprint that leverages sophisticated business acumen, innovative labor solutions and international cooperation.

Utilizing their market-leading position and experience, EPNextS is providing solutions catered to U.S. biotechs looking to enter the Japanese market. *By Daniel de Bomford and Paul Mannion*

A national health care challenge
Japan has one of the most comprehensive universal health care systems in the world. Every citizen has access to affordable, high-quality health care, supported by mandatory public insurance. The country has one of the highest health care utilization rates in the world, and the system emphasizes preventative care and frequent patient visits. As the workforce ages and the labor pool shrinks, it presents challenges in maintaining the quality of care. Furthermore, it hampers medical innovation, with fewer staff to conduct research and fewer suitable patients for clinical trials. However, EPNextS Group Representative Director Tatsuma Nagaoka says the company has found opportunities within the challenges. "For U.S. biotech companies, having clinical trial data involving Japanese patients significantly increases the perceived value of their product—particularly from the perspective of potential Japanese partners or investors," he explains.

A transformative approach
In the wake of this global interest, EPNextS partners with foreign firms, such as the U.S.-based Frontage Laboratories, to strengthen clinical trial management and streamline drug development through collaboration. Collaborations in early-phase clinical trials involving Japanese participants can provide suitable

clinical trials for American biotech firms to expand their next phase of study. The company is actively pursuing collaborations like the one it has with Frontage. "We already have collaborations in place with other CROs that specialize in specific therapeutic areas," Nagaoka says.

Opening Japan to foreign innovators

This international collaboration also extends to Japan. Foreign biotech companies face significant regulatory, procedural and academic challenges when entering the country. To support foreign organizations, EPNextS parent company, EPS Holdings, launched its Innovative Research Organization (IRO) business, which offers comprehensive support, including development planning, licensing strategies and market entry consulting. "Our services align well with their needs, especially in areas such as Japanese pharmaceutical affairs, regulatory compliance and legal procedures," Nagaoka states. The company tailors its approach to clients operating under different business models, depending on the market the partner company is entering. "Our IRO business provides comprehensive support to clients aiming to succeed in Japan, covering everything from fundraising and research infrastructure to business planning and exit strategies," he says. The company is actively

promoting itself to U.S.-based firms with its participation in scientific conferences and exhibitions. Furthermore, as it collaborates across Japan and Asia, it is strengthening its relationships with biotech firms and expanding its market presence in the United States.

To address labor shortages in the domestic market and improve access to medicine, the company's DI Basic Academy is upskilling individuals to provide qualifications in drug information services. Nagaoka describes the labor market as "tight," and hiring highly qualified professionals, such as pharmacists, can be a significant challenge. In response, the company is training and nurturing individuals without medical qualifications and bringing them to a level where they can effectively handle inquiries with the appropriate support in place. "What we aim to do is separate the core tasks, allowing us to focus the expertise of licensed professionals where it's most needed, while training nonqualified staff to a level where they can competently support the operation," he explains.

As Japan adapts to the demographic challenges, leadership from companies like EPNextS is vital to ensure the sustainability of its advanced medical sector. The company continues to strengthen its relationship with other global leaders and will help shape a well-worn path for the future as other nations grapple with similar problems.



**Your Trusted Partner
in Clinical Development
Pioneering CRO, SMO and CSO
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EPNextS, Inc.



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