

Demographics, Governance and Digital Transformation Push Japanese Companies Toward a New Era

Japan's companies are confronting a shrinking workforce, slow digital adoption and years of low growth with a new urgency. Governance reforms, shareholder pressure and AI are accelerating change, pushing executives to modernize systems, rethink talent and pursue strategies built for volatility. *By Daniel de Bomford and Arthur Menkes*

In the years after the Japanese bubble burst, optimism that the country could ever fully recover was fading. Decades of stagflation, unmoving wages and a cautious approach to technology and business practices painted a picture of an economy whose wheels were spinning in place.

After decades of stop-start optimism, corporate Japan is gathering momentum: the TOPIX finished 2025 at a record 3,408.97, up 23.7 percent, buybacks surged, including ¥3.8 trillion announced in April 2025 alone, and wage negotiations are delivering numbers that would have been unthinkable a few years ago.

Part of this growth is cyclical: as inflation takes hold and wage growth follows, companies can pass on price increases to consumers and post higher revenues. But the more important story is structural. Beneath the market rally, governance reforms, such as the Tokyo Stock Exchange's push for efficiency, are pressuring management teams to streamline portfolios, justify strategies and engage investors more directly.

At the same time, companies are accelerating digital transformation, addressing legacy inefficiencies and seeking growth and resilience in global markets. However, the forces driving change are constrained by entrenched barriers, an aging population, a cautious approach to digitalization and an economy accustomed to slow growth over decades.

"We must accelerate the use of digital transformation, IoT, and robotics to enhance efficiency."

Takashi Hirao,
President,
FUJIARTE CO. LTD.



The Demographic Cliff: Labor Scarcity Becomes a Business Constraint

The labor shortage forecast by a declining birthrate is already a daily operating constraint, especially for manufacturers that still depend on hands-on labor. At Fujiarte, President Takashi Hirao said the company sees the demographic squeeze as an industry-wide challenge and a mandate to redesign how factories and staff run

production. "This means we must accelerate the use of digital transformation, IoT and robotics to enhance efficiency," he said. The goal is measurable productivity, such as maintaining output with fewer workers rather than adding labor.

"Over the past few years, the external environment has been shifting dramatically ... We can no longer make confident ten-year forecasts."

Akira Nakamura,
President & CEO,
MIZUHO LEASING COMPANY LIMITED



Cautious Digitalization: Legacy Mindsets and Slow Adoption

Japan's push for digital transformation is gaining urgency, but many companies are still moving carefully. Legacy systems remain widespread, and older decision-making habits often favor avoiding the failure of testing new tools. Japan's enterprise IT infrastructure has long been outdated, delaying productivity gains and leaving firms tethered to legacy platforms.

Quest Co. President and CEO Satoshi Kamata said that the bigger hurdle is cultural. "Many companies still carry a legacy mentality—one that values stability and risk avoidance over speed and experimentation," he said, adding that Japan must undergo a mental and cultural shift alongside the adoption of new technology.

Stagnant Economy at the Base: The SME Profitability Challenge

Japan's corporate revival rests on a fragile foundation: small and microbusinesses that employ a considerable share of the workforce but often struggle to make a profit. Forval President Masanori Nakajima said Japan has more than 3 million registered businesses, of which 99 percent are small or micro, employing between 22 and 23 million people. Yet, Nakajima noted that approximately 62 percent of these small businesses are operating at a loss. "That's why transformation—whether it's DX (Digital Transformation), GX (Green Transformation) or ESG-led management—is crucial," he said.

Reform Becomes Strategy: Capital Discipline, Restructuring and Governance as a Competitive Tool

Japan's governance shakeup is turning boardroom hygiene into a source of advantage. The current business environment is shaped by three forces: The Tokyo Stock Exchange's stricter enforcement of capital efficiency requirements, revised M&A guidelines from the trade ministry and a new generation of corporate leaders fueling restructuring. In that climate, clients want more than technical compliance and expect "forward-looking, strategic counsel," TMI Associates Partner Masazaki Iwakura said. "When addressing governance, clients want us to anticipate how regulations will evolve and how best to align their structures, policies, and communications with both domestic and global standards."

Mizuho Leasing CEO Akira Nakamura said the reform push is unfolding in a business climate that is getting harder to predict. "The external environment has been shifting dramatically, driven by geopolitical events, technological disruption, and even political instability in Japan," he said. Building organizations that can adapt quickly is a priority in a constantly changing market.

"Digital transformation could no longer be delayed, and companies realized they had to invest in efficiency or risk falling behind."

Hirofumi Hayashi,
President,
INTLOOP Inc.



From "Digitization" to Real DX

In Japan, the term DX is often reduced to simple digitization, moving paper workflows into a system and calling it transformation. TechMatrix President and CEO Takaharu Yai argues that real change starts when companies treat digital as a competitive tool, not an IT project. "True digital transformation goes beyond basic systemization," he said. "It is about internalizing and innovating in the areas that define a company's core business—the parts where differentiation really matters." Two pressures are accelerating this

shift, a shortage of skilled workers, and the COVID-19 pandemic's push towards remote work, which boosted demand for cloud and SaaS.

"To truly accelerate change, we must first reform our way of thinking — our mental approach to innovation itself."

Satoshi Kamata,
President & CEO,
Quest Co., Ltd.



INTLOOP President Hirofumi Hayashi said that COVID-19 forced a rapid shift to remote work and made it clear that "digital transformation could no longer be delayed," prompting companies to invest in efficiency and new operating models. "As Japanese companies became more serious about addressing demographic decline, their willingness to invest in productivity and digital transformation increased significantly," he said.

That urgency is tied to demographics, as Funai Soken Holdings CEO Takayuki Nakatani warned that Japan could lose about 10 million workers, with productivity gains depending on execution. He said Funai's approach is hands-on: "Our consultants

are embedded in the field, working daily with companies," translating strategy into process changes. To extend scarce talent further, firms are also building delivery capacity outside Japan, including overseas development hubs that support DX and software work.

AI as a Catalyst When Core Systems Modernize

Artificial intelligence is accelerating Japan's modernization efforts, but it will not yield results without addressing aging infrastructure. Finatext Holdings CEO Ryota Hayashi said that generative AI is likely to accelerate cloud adoption because companies will need more flexible systems to use the new tools effectively. "AI, combined with modernization, can accelerate system renewal at a pace we could not have imagined a decade ago," he said.

Across corporate Japan, AI is increasingly being used as a practical answer to familiar constraints: fewer workers, heavy administrative workloads and slow-to-change legacy systems. Manufacturers are applying AI to quality inspection and predictive maintenance to keep output steady with fewer hands. Service and finance firms are deploying generative tools to automate documentation, compliance checks and customer support, thereby

reducing overtime and freeing staff for higher-value work as Japan adapts to labor scarcity.

"Our consultants are embedded in the field, working daily with companies to help them navigate these issues in real time."

Takayuki Nakatani, President & CEO,
FUNAI SOKEN HOLDINGS

Japan's corporate future is no longer defined by inertia but is now shaped by a swathe of modern pressures. It's an aging society, a tight labor market and investor demand for clearer returns are creating opportunities as technology and globalization open new paths to growth. In practice, the shift is taking hold: capital discipline is becoming strategy, "DX" is being redefined as competitive transformation and modernization is moving from optional to urgent. The remaining question is how far and how fast it can sustain its evolution and reach beyond headline performers into the broader economy. As other countries begin to face the same demographic and operational challenges, Japan's successes will serve as the template for the next generation of business.

F-Japan Strategy Revitalizes Japan's Local Economies

Forval responds to Japan's shifting demographics by guiding SMEs through essential digital and green transformation while training young "corporate doctors" to strengthen regional economies and build sustainable growth. *By Daniel de Bomford and Bernard Thompson*

Japan's regional economies are confronting shrinking populations, aging workforces and a business landscape where many SMEs still operate with decades-old practices. Forval's F-Japan Strategy was designed to overcome those realities by strengthening local companies and revitalizing the communities that depend on them.

Many firms continue to struggle. As Forval President Masanori Nakajima notes, "approximately 62 percent are operating at a loss," a pattern rooted in outdated business models and limited exposure to changing markets. Forval works directly with these enterprises to help them rebuild toward sustainable profitability.

Modernization is key. DX, GX and ESG-driven management gives the smallest businesses

"We aim to transform loss-making firms into healthy enterprises."

Masanori Nakajima,
President, Forval Corporation



www.forval.co.jp



a path to compete and remain part of broader supply chains. Simple upgrades, such as adopting cashless payments, can create immediate gains and reconnect companies with customers they had been missing.

Forval is also preparing the next generation to support this. Through its "corporate doctor" program, students learn to diagnose business issues, whilst the Kiduna Park platform helps them assess a company's condition and propose realistic first steps. Participation continues to rise, and many students express interest in pursuing the work professionally.

Forval's goal remains steady: build healthier companies, strengthen regional economies and establish new standards for how Japan's future can be shaped.



Fujiarte Supports Japanese Manufacturing by Creating Opportunities for Global Talent

Founded in 1962, Fujiarte has over 60 years of experience in human resource services, connecting Japanese manufacturing with global talent. Amid demographic change, automation driven by the Fourth Industrial Revolution and evolving supply chains, the company supports productivity, resilience and the growth of both people and businesses in alignment with Japan's broader labor and industrial priorities. *By Cian O'Neill, Daniel de Bomford and Arthur Menkes*

In Japanese factories, every production line functions like a cog in a massive national engine. When one cog slips, strain is placed on the entire machine. As demand drives factories to operate at high speed, manufacturers are under increasing pressure to improve quality, boost productivity and compete globally. Securing skilled talent has therefore become one of the most deeply rooted management challenges.

For decades, Fujiarte has contributed to keeping this engine running. Founded in 1962 as a pioneer in the human resource services industry, the company has supported Japanese manufacturing through staffing and manufacturing outsourcing. Today, it partners with major corporations and global brands across sectors such as mobility and electronics, operating nationwide from more than 30 locations with a business model centered on staffing, outsourcing and recruitment.

Beyond Staffing: Outsourcing That Delivers Tangible Results

"Japan is the most rapidly aging society in the world. Every year, the labor force shrinks, and

labor shortages are becoming extremely serious issues, not only for Japanese society as a whole, but also for our industry and our company," says President and CEO Takashi Hirao. "The Japanese government and the human resource services industry are actively addressing these challenges through four key initiatives."

Fujiarte's strategy aligns with national policy priorities: promoting women's participation in manufacturing, creating meaningful employment opportunities for senior citizens, leveraging global talent to offset population decline and continuously improving productivity through AI, IoT and robotics. These pillars shape both the company's services and its approach to client support on manufacturing sites.

Fujiarte's business model directly contributes to solving these societal challenges. "Our business consists of three pillars: staffing, outsourcing and recruitment," Hirao says. "Among them, outsourcing is highly valued by our clients as a high-value-added service." Rather than simply supplying labor, Fujiarte assumes responsibility for entire manufacturing processes, from production management



"Our aim is to be a company where people from many countries can work together, realize happiness and build a better future."

Takashi Hirao,
President & CEO,
Fujiarte Co., Ltd.
<https://fujiarte.co.jp>



and quality control to productivity improvement, delivering clear and measurable results.

These outcomes are not abstract commitments, but are demonstrated through concrete figures and examples. On one personal computer production line, Fujiarte improved efficiency so that the same output could be achieved with 90 workers instead of 100, directly contributing to cost reduction. The company also focuses on improvement initiatives that significantly reduce defect rates through education programs and motivation building efforts. These achievements represent the core strength of Fujiarte's outsourcing model.

Training for Advanced and High-Precision Work

The ability to generate such performance stems from Fujiarte's training infrastructure, which resembles an academy more than a conventional staffing firm. "We operate a comprehensive education and training system called the Fuji Academy," says Hirao.

Employees undergo structured training starting with workplace fundamentals such as safety, discipline, quality awareness and communication, before progressing to industry-specific technical courses for automotive, semiconductors and electronics. Tiered leadership programs, taught by experienced trainers using actual equipment





○ FUTURO se constrói quando VOCÊ se destaca!

ひとが輝く。未来が動く。

on site, develop employees from operators to team leaders and managers.

As factory automation and digital tools advance, investment in human skills is becoming increasingly important. "Even as automation progresses, many processes, especially in industries handling high precision materials and components, still depend heavily on human skill and craftsmanship," Hirao says. To meet these needs, Fujiarte operates training centers offering technical courses and certification support, cultivating the next generation of engineers capable of operating and maintaining advanced manufacturing systems.

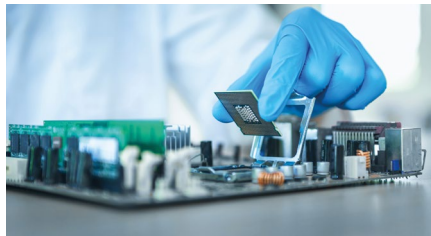
Global Talent as Japan's New Strength

Global talent forms the second pillar of Fujiarte's business model. For more than 30 years, the company has recruited and employed international workers, beginning with the Japanese Brazilian community and later expanding to Vietnam, the Philippines and Myanmar. Young talent in their 20s and 30s offsets the aging domestic workforce and brings new vitality and skills to manufacturing sites across Japan.

Having supported the employment of more than 100,000 global workers, Fujiarte's role extends far beyond job placement. The company provides comprehensive support, including interpretation and translation, housing arrangements, transportation, administrative procedures, medical assistance, educational support for employees' children and day-to-day settlement support. Fujiarte has established a local subsidiary in São Paulo to secure direct recruitment channels and, in Vietnam, has built trusted, community-based recruitment networks through regular visits and local engagement.

This people-first philosophy also influences client selection. Fujiarte intentionally avoids doing business with companies that lack adequate

compliance or safety measures. By ensuring that employees feel secure, respected and fairly evaluated, the company aims to improve the overall image of manufacturing as a career.



Expansion into Semiconductors, AI and Retail

Fujiarte's business extends well beyond manufacturing sites. To strengthen its technological capabilities, the company has welcomed Shincom Co., Ltd., which specializes in semiconductor design and AI engineering, into the group. "Through this M&A, we can create new synergies by combining manufacturing know-how with cutting-edge design capabilities, further advancing Japanese manufacturing," says Hirao.

The group has also added Fix Communications Co., Ltd., which specializes in retail sales promotion outsourcing. By providing tailored solutions such as store layout optimization, inventory management and sales campaign planning, Fix helped one major retailer triple its sales within six months of implementation. By integrating companies with strengths in manufacturing, advanced engineering and retail promotion, Fujiarte delivers high-value-added services through comprehensive consulting on human resource utilization.

A Culture That Supports Broad-Based Growth

Underlying this diversified business expansion is a deeply embedded corporate culture. Fujiarte's management philosophy is "to

pursue the material and spiritual well-being of all employees and contribute to the prosperity of society worldwide." The company believes that corporate growth cannot exist without the happiness of employees, customers and society.

Fujiarte's management philosophy centers on empowering employees to grow and find purpose through their work, while driving social value and contributing constructively to society.



Vision 2030: Growth Driven by Diversity

Fujiarte has established a clear long-term management direction. Under Vision 2030, the company aims to achieve revenue of 100 billion yen (\$639.5 million) and employment for 20,000 people. It already employs approximately 10,000 people and generates around 60 billion yen (\$383.7 million) in revenue.

Looking ahead, Fujiarte will pursue further growth by expanding its domestic sales network, strengthening its presence in engineering fields such as semiconductors and creating more opportunities for diverse global talent to thrive.

"As a global talent company where diverse people can succeed and contribute to societal well-being, we want to continue supporting people of all nationalities and backgrounds so they can work and find happiness in Japan," Hirao says.

Quest Drives Japan's IT Innovation Through Human-Centric Service

Quest drives Japan's digital transformation through advanced IT-OT integration, AI-driven solutions, cloud modernization and the unmatched service philosophy of *omotenashi*. By Daniel de Bomford, Cian O'Neill and Arthur Menkes



"Our defining strength lies in our deep understanding of our clients' businesses."

Satoshi Kamata, President and CEO, Quest Co., Ltd.
www.quest.co.jp



ARIGATOU ITの未来は「ありがとう」の中にある。

A slogan beloved by Quest members

The spirit of *omotenashi* is deeply rooted in Japan's cultural identity. To describe it simply as hospitality is to overlook the depth of service, anticipating needs before they are expressed, serving with sincerity, precision and humility. Today, as Japan confronts the urgent demands of digital transformation, this centuries-old ethos is being reimagined for a new age where data flows instead of tea and the tatami reception room is a well-functioning system.

Despite Japan's reputation for innovative technology, its digital transition has been cautious. As Satoshi Kamata, CEO of Quest, notes, many companies in Japan continue to take a cautious approach, prioritizing stability and risk management over rapid experimentation. It's in this tension that Quest has emerged as a distinctive force.

For 60 years, Quest has established a deep-rooted presence in Japan's industrial heart, supporting semiconductor plants, financial institutions, public infrastructure and cultural content providers with a rare level of sincerity and expertise. "I would call it 'IT x OT x *Omotenashi*,'" Kamata says. "It

means infusing that same spirit of hospitality into the world of IT and operational technology — combining technical excellence with human empathy." The company combines technical mastery with people-first care to offer a model for how Japan might harmonize hospitality and high technology.

Now a ¥14.9 billion (\$94.95 million) company with over 1,000 employees, Quest has accumulated deep expertise from supporting clients across the manufacturing, finance, entertainment and public sectors. Its success can be attributed to its client-oriented philosophy, as it embeds engineers directly onsite, giving an unmatched understanding of client operations. This stands in opposition to large vendors, who are often driven by their own product and service models.

Kamata says that clients trust Quest for both its technical skills and its openness and adaptability. "Several large outsourcing firms create black-box systems that become opaque and costly over time. We ensure our processes remain completely transparent, allowing clients to see exactly where value is created," he says.

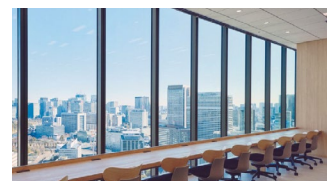
This trust, accountability and expertise give it the edge in Japan's rapidly expanding semiconductor industry, one of the country's most globally competitive sectors. Quest has been involved in the industry for decades and Kamata describes it as a sector that epitomizes the integration of OT and IT.

Modern semiconductor production relies on 300-millimeter wafer lines, which operate almost entirely without human intervention. "Given the massive capital investment required, efficiency must be maximized through data-driven optimization," Kamata says. Collecting and analyzing data to effectively create a digital twin is essential, and Kamata says the company's experience in both factory operations and information systems provides a strong foundation.

Beyond manufacturing, aging populations and labor shortages are looming challenges for both Japan and global industries. Quest sees growing global relevance in the solutions it's developing for Japan's demographic challenge. Recognized by Japan's Ministry for Economy, Trade and Industry with its *Omotenashi* certification, the company combines its technical precision with sincere, transparent service. As Quest refines its global strategy, it sees future potential in overseas markets for its uniquely people-first Japanese service ethos.

As its scalable models reach new markets, Quest is poised to become a Japanese ambassador of IT *omotenashi*, demonstrating how technology can be both advanced and profoundly human.





INTLOOP Growth Loop Connecting Talent and Business

INTLOOP blends consulting, freelance talent and AI-powered solutions to tackle Japan's demographic challenges, accelerating digital transformation, global expansion and sustainable growth for clients worldwide today.

By Daniel de Bomford, Arthur Menkes and Anudari Erdenebulgan

Japan's economy is entering a period of rapid structural change as the workforce shrinks and digital technology advances. INTLOOP, now in its 20th year, has built a consulting model tailored to that reality. "Japan's declining birthrate and aging population are creating a

realization: without continuous growth, people would not rally around the mission or stay with the organization. That insight triggered a fundamental shift toward a proactive, growth-oriented management approach and strategy. Since then, revenue has climbed to

percent annually for over a decade, far above the national average of around 2–3 percent." This people-first culture informs the firm's "introduction x loop" concept and a "pay it forward" mindset that carries lessons from one project to the other.

and 15 billion yen (\$95 million) in operating profit, driven by an expanded portfolio, a stronger platform and new AI-powered solutions. Hayashi expects "the next three to five years will be transformative," as Japanese companies accelerate digital and AI adoption and restructuring gathers pace. At the same time, INTLOOP is pushing outward through buyout funds and overseas acquisitions, helping Japanese manufacturers and technology companies compete globally. "Global expansion is essential. Japan cannot survive without globalization," he says. For all this expansion, Hayashi is clear about the company's foundation: "INTLOOP is, at its core, a consulting company—whatever businesses we engage in, consulting remains the foundation of everything we do."



profound shortage of working-age individuals," says founder and president Hirofumi Hayashi. "Remote work had to be adopted, digital transformation could no longer be delayed, and companies realized they had to invest in efficiency or risk falling behind."

Founded in 2005, INTLOOP began as a consulting-led platform, connecting freelance professionals with client companies. Although scaling the company itself was not his central goal, around 2015 he came to a clear

33.5 billion yen (\$214 million), supported by a network of more than 53,000 professional freelancers.

INTLOOP's vision is to "create a society where the growth of individuals and the growth of companies reinforce one another. Hayashi says that even in the age of AI, businesses will still run on people. "We focus not just on hiring talented employees but on helping them grow," he says. That belief is backed by action: "We have consistently raised salaries at a rate of 7–8

Looking ahead, INTLOOP's Vision 2030 calls for 100 billion yen (\$639 million) in revenue

"Clients are approaching us with concrete requests, and our business has grown rapidly."

Hirofumi Hayashi, President, INTLOOP Inc.

intloop

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Mizuho Leasing Company, Limited: Becoming a platform company that co-creates the future with its customers

The company is transforming its business portfolio and enhancing its management foundation to spur further growth.

By Cian O'Neill and Arthur Menkes



Akira Nakamura,
President and CEO,
Mizuho Leasing

Since its establishment in 1969 under The Industrial Bank of Japan, now Mizuho Financial Group, Mizuho Leasing Company, Limited has steadily expanded its presence in Japan's financial and leasing markets. It has achieved rapid growth, supported by capital investments from Mizuho Financial Group and Marubeni Corporation in March 2019.

That partnership-driven model now underpins the company's ambition to evolve from a traditional leasing business into a platform operator that creates new value alongside customers.

Medium-term Management Plan: Results from the First Two Years

Mizuho Leasing's current medium-term management plan covers the three fiscal years from 2023 through 2025. The period is positioned as a phase of aggressive resource investment in both business and management foundations to accelerate the growth needed to realize the company's long-term

vision. At the same time, the plan emphasizes transforming the business portfolio and strengthening the management base.



Renewable energy investment
in Portugal

The company is already ahead of schedule. It has achieved all financial targets originally set for fiscal 2025, one year early. Net income reached 42.0 billion yen (\$268.6 million) in fiscal 2024, matching the target. Return on assets was 1.8 percent, while return on equity was 12.2 percent.

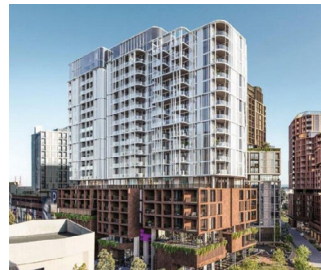
Business Portfolio Transformation President and CEO Akira Nakamura describes Mizuho Leasing's portfolio as structured into three domains—core (Domestic Leasing, Real Estate), growth (Global, Environment & Energy and others) and frontier (such as Circular economy)—each with a different growth horizon and role in supporting the company's future. He sees the advancement of this portfolio transformation as essential.

"Driving the transformation of our business portfolio, centered on our unique alliance strategy with Mizuho Financial Group and Marubeni, is crucial for our next stage of growth," Nakamura says.

The alliance with Mizuho Financial Group is positioned as fundamental to operations. It continues to deliver stable earnings while serving as a powerful platform for

co-creating value with customers across domestic leasing and real estate. As the company seeks to move beyond the traditional leasing company model, it has begun supplying risk capital and reinforcing equity investment activities to capture new opportunities.

The collaboration with Marubeni forms a key pillar of Mizuho Leasing's overseas strategy. After forming a capital and business alliance with Marubeni, the company strengthened its capital base through a third-party share allotment in May 2024 and has since begun realizing results through overseas projects, including a renewable energy investment in Portugal and a Joint Investment in Rental Apartment Complexes in Australia, announced in 2025.



Joint Investment in Rental
Apartment Complexes in Australia

Beyond the collaboration with Marubeni and within Mizuho Financial Group, other cooperative efforts and new initiatives to effectively connect business value chains are progressing smoothly. The company is steadily progressing with its inorganic growth strategy, under which it has increased its stake in its Indian subsidiary, Mizuho RA Leasing, and in Nippon Steel Kowa Real Estate, made GECOSS an affiliate and established ML ITAD Solutions. Nakamura notes that operations in India made a significant contribution to performance in the fiscal year ended March 2024. Mizuho Leasing's global business is steadily growing into a third pillar following its core domestic leasing and real estate businesses.

Strengthening Management Foundation

To support future growth, Mizuho Leasing is actively investing in



Mizuho RA Leasing
(Indian subsidiary)

its management foundation. Priority areas include IT infrastructure development, digital transformation, relocation of the headquarters and enhancements to its human resources strategy and risk management framework.

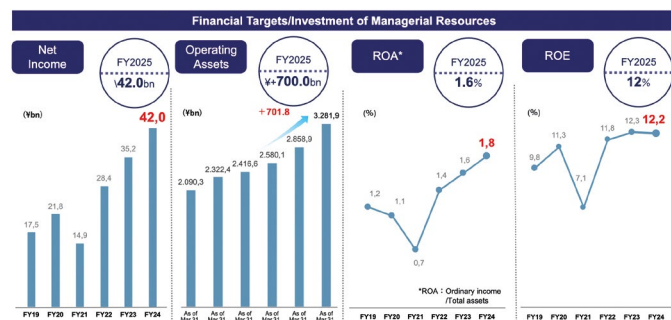
Mizuho Leasing aims to reshape its corporate culture, changing how it operates so employees act autonomously with purpose and a groupwide perspective, take initiative beyond conventional finance and help accelerate the company's growth.

The planned move to a new headquarters in spring 2026 reflects this cultural ambition. The new office will feature a single-floor layout to foster a stronger sense of unity, create a more pleasant work environment, enhance job satisfaction and support recruitment.



The new headquarters

Looking ahead, Mizuho Leasing aims to take a major step forward by evolving beyond its leasing roots into a platform operator that collaboratively creates future value with its customers. By continuing to transform its business portfolio and reinforce its management foundation, the company is positioning itself for the next phase of sustainable growth.



Achieved Financial Targets of Plan 2025

MIZUHO

Mizuho Leasing

www.mizuho-ls.co.jp/en/index.html



Redefining Growth: Funai Soken Group's Bold Shift to Enterprise & Global Solutions



Funai Soken Group has spent over half a century guiding Japan's small and mid-sized companies, now supporting more than 6,600 clients annually with over 300 specialized consulting solutions built for current trends and the needs of owner-led businesses nationwide. *By Daniel de Bomford*



New Osaka Headquarters

For more than half a century, Funai Soken Group has shaped Japan's small- and mid-sized business landscape through advisory services. Now, as Japan faces demographic and productivity pressures, the firm is redefining its role. With Tokyo and Osaka as dual headquarters, it is extending its work beyond SMEs to mid-sized, enterprise, and global growth. The company is advancing into supply chain transformation, workforce strategy, digital and AI development and cross-border market entry at a time when Japan needs new drivers of competitiveness.

"Our consultants are embedded in the field, working daily with companies."

Takayuki Nakatani,
Funai Soken Group CEO

Group CEO Takayuki Nakatani frames the national crossroads bluntly: "Japan is facing the prospect of losing about 10 million people from the workforce," he says. "In such an environment, the role of consulting firms—particularly those supporting small and mid-sized enterprises—will become increasingly important."

With the Osaka headquarters set to move into a major transportation hub in January 2026, the group is poised to operate at a greater scale and with a new vision. Its four strategic pillars show how Funai Soken Group is positioning itself for the next era of Japanese and global commerce.

Rebuilding Supply Chains for a New Era

In January 2026, the group's logistics consulting subsidiary, renowned for its hands-on approach,

adopted a new name: Funai Soken Supply Chain Consulting. As geopolitical tensions, inflation and pandemic-era disruptions reshape corporate risk, Naoyuki Hashimoto, president of Funai Soken Supply Chain Consulting, explains that corporate challenges are moving beyond the scope of logistics and shifting toward the complete re-design of the entire supply chain.



Naoyuki Hashimoto,
President, Supply Chain

Japan's mid-sized companies often depend on procurement patterns and distribution routes that no longer align with global realities. According to Hashimoto, Funai Soken Group brings a unique advantage that foreign firms cannot match: decades of granular knowledge of domestic logistics sites and operators. The company aims to connect overseas sourcing with local execution for clients that need resilience rather than short-term fixes.

Human Capital: A Tech-Driven Approach to People Strategy

Labor shortages are no longer an abstract policy concern; they de-



Yasuko Murata,
President, Human Capital

fine daily business operations. To answer this challenge, the group's HR-related subsidiary adopted a new name in 2026: Funai Soken Human Capital Consulting. Its mission is to help companies increase productivity and retention by integrating AI into workflow design, training and predictive analysis.

"Improved productivity also means higher wages, which in turn makes it possible to attract and retain talent in a sustainable way," says Yasuko Murata, President of Funai Soken Human Capital Consulting. Funai Soken Group does not treat technology as a surface-level addition. It focuses on embedding digital tools into operational routines, from forecasting employee turnover to automating time-consuming tasks.



India Office Opening

Establishing a New Base for Global Strategy in India

The company's most visible leap outward came in November 2025, when it opened Funai Consulting India in Bengaluru. This new base functions as a Global Capability Center for DX, software development and AI-driven solution building. The team partners with global platform provider Zoho to customize and localize systems for Japanese mid-sized and SME clients.

The move addresses a structural limit in Japan's tech ecosystem. "There are limitations to what can be achieved domestically in Japan, so leveraging overseas development capabilities is becoming increasingly relevant," Daisuke Shingai, president of Funai Consulting India, says. "Our India base will play a role in addressing those needs."

Long-term, the firm plans to use India's talent base and English proficiency to expand into Western markets, creating a global R&D and delivery network.



Global Partnership Examples

Opening Japan's Doors to Global Innovators

Japan's SME sector is vast, but distinctively complex for foreign firms to enter. Regulations, sales channels and business customs create barriers that even top-tier multinationals struggle to navigate.

Funai Soken Group serves as a vital bridge between technology and business. Leveraging its extensive nationwide client base and industry-specific expertise,

it provides hands-on implementation support as a certified partner for global solutions such as Google, Indeed, Zoom and Zoho. As a result, the group has consistently earned premium partner awards from each of these companies.

A Distinctive Consulting Model Built on People

What anchors this expansion is a philosophy that has shaped the group since its founding. Nakatani describes it as an operating system: business is about people; change must be met with adaptability; and excellence can be achieved in any niche.

This combination of cultural grounding and technical capability is what Funai Soken Group believes will allow it to serve a broader spectrum of companies, mid-sized, enterprise and global, in the years ahead.



Access here for inquiries regarding Japanese market entry

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