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AKARI 明かり



Katsushika Hokusai's cherry tree (1760–1849) vintage Japanese woodblock print. Original public domain image from The Art Institute of Chicago.



भारतीय प्रबंध संस्थान बेंगलूर
INDIAN INSTITUTE OF MANAGEMENT
BANGALORE

MIJSC

Mizuho India Japan Study Centre

Chairperson's Message

Dear Friends,

I am happy to report that MIJSC's exchanges and interactions with partners in Japan have been growing. In recent months, we were happy to conclude cohorts of two of our flagship programs – the Japanese Language, Conversation and Culture (JLCC) study program and the Lean Manufacturing Program (LMP). It is encouraging to see a rising number of students taking the Japanese Language Proficiency Test (JLPT), reflecting growing enthusiasm for learning Japanese. New batches have joined these programs, which are growing.

We were also pleased to host students from Waseda and Meiji University for Business and Cultural Immersion Programs. These exchanges have greatly enriched our engagement with Japanese institutions and strengthened our ongoing cultural connections.

In November, I visited Nagoya University, an institution renowned for producing six Nobel laureates. It has a beautiful, safe campus and good student accommodation. During my visit, the university's President expressed a strong desire to welcome more Indian students to their English-language programs, which span a wide range of disciplines. While Nagoya University hosts approximately 1,600 international students, only around 20 of them are from India. This highlights a clear opportunity for our students to expand their academic horizons in Japan.

While Western universities have traditionally been the preferred choice for Indian students, changing visa policies are impacting admissions. Japan's world-class institutions present an excellent alternative, offering academic excellence and unique cultural experiences.

As we look ahead, MIJSC remains committed to bringing Japanese management practices to India and equipping Indian students and professionals to seize opportunities in Japan through dedicated courses and workshops. We have good and growing engagement with a number of universities in Japan and this year we hope to expand our outreach efforts to universities in other regions of Japan, including Kyushu and Kansai.

As we embark on this exciting journey, I invite all of you who share an interest in Japan to engage with us.

Warm Regards,

Prof. Jaideep Sarkar
Chairperson,
Mizuho India Japan Study Centre
Indian Institute of Management Bangalore

Editor's Note

Dear Readers,

As we unveil our latest newsletter, we are inspired by the sakura blossoms gracing our cover—a symbol of life's fleeting beauty and renewal. In Japanese culture, these delicate flowers embody the transient nature of life, reminding us to cherish each moment.

Reflecting on the past six months, we've been privileged to host many Japanese delegation for fostering deeper cross-cultural understanding. Our Lean Manufacturing Practices (LMP) initiative has started taking deep roots with each group having greater number of participants from engineering colleges across India. In addition, our Japanese Language and Culture Workshop, which provides participants with valuable exposure to Japanese business and cultural nuances has also taken root with greater number of participation from working professionals to students.

In this edition, we invite you to relive these moments with us as you'll find:

- **What's New.?:** Announcements of our new look...[Pg.1](#)
- **Enhancing Collaborative Research:** Updates on our research projects...[Pg.2](#)
- **Academic Initiatives:** Details on our educational programs, including the Lean Manufacturing Practices Program and new elective courses...[Pg.3](#)
- **Societal Bonds:** Stories from our immersion programs and the Japanese Language and Culture Workshop and learnings from our webinars...[Pg.5](#)
- **Book Recommendations:** Curated reads to expand your horizons...[Pg.12](#)
- **Japan Inc. Monitor:** A dedicated space that explores trends in Japan's economy and society, spotlighting emerging risks and opportunities for India-Japan partnerships...[Pg. 13](#)

As you navigate through this newsletter, we hope the stories inspire you, the facts intrigue you, and the shared experiences resonate with you.

Warm Regards,

Saideep Rathnam
Chief Operating Officer,
Mizuho India-Japan Study Centre
Indian Institute of Management Bangalore

What's New.?

We've got a new look.

We're excited to unveil our brand-new **MIJSC website**, designed with you in mind! Enjoy an enhanced user experience through intuitive navigation, a responsive design, and streamlined access to a wealth of resources. Our refreshed platform ensures you can find the information you need quickly and easily.

[Click here](#) or
Scan the QR to
visit the Website



Mizuho India Japan Study Centre
みずほインド日本研究センター

Promote understanding of Japan in India and India in Japan
through research, teaching and policy outreach efforts.

Established In 2017

Launch of the Lean Manufacturing Practices Website



We are thrilled to announce the launch of our new website dedicated to the Lean Manufacturing Practices (LMP) initiative.

We are doing so much in this initiative that it needed a website of its own.

This platform is tailored to deliver Japanese lean management education to faculties and engineering colleges across India.

Stay informed with the latest updates on the LMP initiative, discover our engagements with engineering institutions across India, and explore immersive industry experiences designed to transform manufacturing practices.

[Click here](#) or
Scan the QR to
visit the Website



Milestones in Motion & Key Objectives in Action

1. Enhancing Collaborative Research

MIJSC and KEIO University Forge Collaborative Pathways



We were happy to welcome Professor Fumiko Takeda from Keio Business School as part of our Distinguished Visitors Program. Her visit marked the beginning of an exciting collaborative journey with our own Prof. Padmini Srinivasan, Chairperson of the Centre for Corporate Governance and Sustainability at IIM Bangalore.

Together, Professors Takeda and Srinivasan are embarking on a research initiative to explore the effects of foreign institutional investments on firm behavior across diverse institutional settings. This partnership aims to deepen our understanding of how such investments influence corporate actions in varying environments, potentially guiding future strategies for both investors and companies. Prof. Takeda was also part of a panel discussion where she delivered a talk on Japan's corporate governance and stakeholder activism. ([Read more about this in Page:10](#))

This collaboration not only strengthens the bond between our institutions but also underscores our commitment to advancing knowledge in how the new Japan Inc. will be. We eagerly anticipate the insights this research will bring and the positive impact it will have on the global business community.

2. Strengthening Academic Initiatives

Shaping Lean Minds: LMP Faculty Conclave 2024 for Batch 2

In September 2024, as part of our Visionary Learning Community Initiative, we at MIJSC launched the Lean Manufacturing Practices (LMP) Program for Batch 2—a dynamic journey to empower engineering faculties across India with the art of lean management. In November, we organised a conclave for over three immersive days, where our Batch 2 participants dove into the key elements of LMP: honing observation skills, mastering label writing, and crafting detailed flow maps



We began with two informative lectures from IIMB professors. Prof. Hema Krishnamurthy set the tone by unraveling the "Financial Principles for Managing a Business," while Prof. Bringi Dev captivated us with his session on "Communication Skills." Their insights laid a strong foundation for the practical experiences that followed.



Soon after, one group headed to the BOSH Hosur plant, where they witnessed both horizontal and vertical manufacturing of spark plugs. Meanwhile, another team visited the world-class Sanera Engineering Aerospace Plant. Here, they observed first-rate lean management in action, with seamless project coordination and precision from

both machines and people. **The real challenge?** Drawing an accurate flow map from our observations and notes—a true test of our newfound skills. This experience laid the groundwork for their next task: analyzing manufacturing processes in tier 2 industries to recommend upgrades toward tier-1 standards.



Later that evening, they had a creative twist at the campus through Tamaala Art Merchandise, where hands-on workshops in woodturning, block printing, and pottery allowed them to channel their inner artisans—adding an artistic flair to their technical learn-

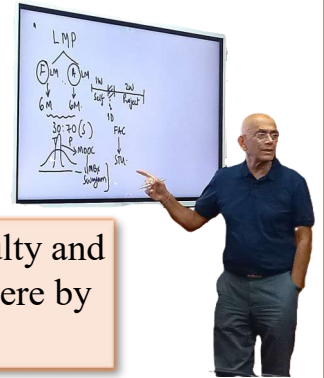


On November 16th, they visited tier 2 industries with expert guidance, uncovering key insights into process and material flow. The next day, they shared their observations and flow maps, wrapping up the conclave with a heartfelt vote of thanks.



Driving Lean: MIJSC's Roadshow to Transform Engineering Education

In January and February 2025, the engineering colleges for Batch 3 of our LMP Initiative Project Team led by LMP Program. Our dynamic team visited vibrant cities including Pune, Nashik, Trivandrum, Kollam, Mysore, Smt. Prabha Narayana and Mr. Tumakuru, and Chikkaballapur. Akshay Rao at MIJSC went on roadshow across India to connect with en-



The mission was clear: to introduce our LMP Program to faculty and inspire them to become Lean Experts and Lean Consultants there by igniting a ripple effect of industry-ready engineers.



The success of these visits was evident as approximately 70 faculty members from 16 engineering, polytechnic, and pharmacy colleges joined Batch 3.

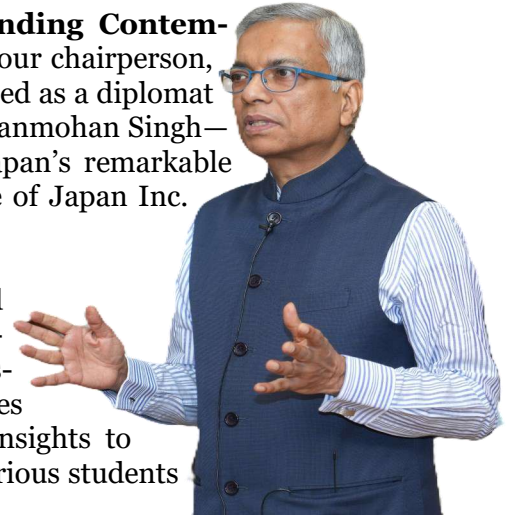
Our carefully planned itinerary featured visits to institutions such as MIT Academy of Engineering in Alandi, Amrutvahini College of Engineering in Sangamner, and K B Jain College of Engineering in Chandwad, among others, culminating in productive discussions at colleges in Pune, Mysore, and beyond.

This set the stage for a transformative impact on engineering education— one that resonates with the excellence of Japanese management principles. We are proud to lead this ripple effect of innovation and expertise in lean manufacturing

An Elective Course offered to PGP Students: Understanding Contemporary Japan

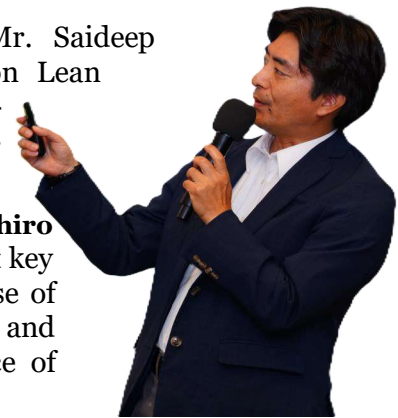
In December 2024, we launched an elective course, "**Understanding Contemporary Japan – A Nation in Transition**," instructed by our chairperson, Prof. Jaideep Sarkar. A seasoned career diplomat—formerly posted as a diplomat to Japan and East Asia Vision of MEA and as Secretary to PM Manmohan Singh—Prof. Sarkar guided our second-year PGP students through Japan's remarkable journey from the setbacks of the lost decades to the emergence of Japan Inc. 2.0.

Beyond analyzing case studies and market trends, he introduced some unconventional yet vital soft skills: the dark arts of deception, obfuscation, and misdirection—tools he believes are indispensable at the high tables of leadership. His personal anecdotes from a distinguished government career brought real-world insights to every discussion, often sparking post-class discussions where curious students delved deeper into his experiences and skills.



Adding another layer of insight, our COO, Mr. Saideep Rathnam, contributed two impactful lectures on Lean Leadership and Culture Risks, drawing on his extensive experience dealing with Japanese delegations and international teams.

A standout moment was a guest lecture by **Tatsuhiko Otake**, CEO of Mizuho Bank in India, who shared eight key messages from his career. He stressed, "If you have a strong sense of ownership of important matters, you can pay full attention to them and take a lead among your colleagues," emphasizing the importance of owning up to mistakes rather than concealing them.



Our students actively engaged with these discussions, questioning Japan's demographic trends and market risks. Their curiosity culminated in insightful presentations on the future of Japanese enterprises, aligning with the transformative themes of Japan Inc. 2.0 and Society 5.0



With this we reaffirm our mission to inspire cross-cultural understanding and develop the next generation of global leaders.



3. Promoting Societal Bonds

Meiji University Students Immerse in Indian Business & Culture with MIJSC

At MIJSC, our immersion programs invite participants to dive into the fishbowl — stepping beyond the glass to experience India's culture, business practices, and social dynamics firsthand.

From November 4th to 8th, 2024, we welcomed an enthusiastic group of seven Meiji University students who eagerly dove into the fishbowl — immersing themselves in India's dynamic blend of business, culture, and history on a week-long journey of discovery. The week unfolded like a story — each day offering new experiences that built upon the last.



Day one kicked off with an orientation session where students were introduced to the core objectives of the program: mastering observation skills and learning the art of label writing and scrubbing. Lessons on India's demography and market trends were introduced where students quickly learned that what works in Japan may need a tweak in India. Supply chain insights followed, showing them

how tradition blends with technology to keep India's markets buzzing. Armed with observation tips from Mr. Saideep Rathnam, they visited MAK Foods Supermarket, tasked with spotting product placements and quality.



Midweek, we took them to NSRCEL, incubator hub of IIMB and shared how they tackle social challenges and build entrepreneurs rather than businesses.



GIEOM Business Solutions added another layer, with CEO John Santhosh revealing how small firms can punch above their weight by embracing adversity. He demonstrated his niche REGtech proprietary model for banks.

The following day, a craftsmanship workshop with Tamaala introduced students to sustainable rural entrepreneurship. They actively participated in turning and block printing exercises, gaining insights into integrating traditional skills with modern business models. Later, at Sansera Engineering's Aerospace Division, they witnessed precision manufacturing processes where attention to detail was critical for quality control.



The week concluded with a visit to the historic temples of Belur and Halebidu, where students reflected on the intersection of artistry, heritage, and craftsmanship—reinforcing the importance of precision and patience in achieving excellence.



Waseda University B-School Explores India's Digital Infrastructure and Knowledge Centre's at IIMB

Over two days, MIJSC had the pleasure of hosting 43 students from Waseda University's Graduate School of Business, offering them a glimpse into India's thriving digital economy, innovation landscape, and rich culture.

The journey began with India's fintech revolution in action. Students witnessed firsthand the power of the UPI showcasing India's remarkable shift towards cashless transactions. Prof. Jaideep Sarkar followed with an engaging session on India's Digital Public Infrastructure, sparking thoughtful discussions on how open digital ecosystems can drive global financial inclusion.



Next, we visited MITTI Café in-Campus, an inspiring social enterprise empowering individuals with disabilities. Founder Ms. Alina Alam shared her resilience and demonstrated that impactful innovation is not just about technology but transforming lives.

Building on this, Prof. Sarkar introduced the concept of Frugal Innovation, illustrating how companies do more with less through clearer definition of customer's stated and unstated needs.



Corporate insights unfolded at Toshiba Software India Pvt. Ltd. (TSIPL) and GE John Welsh Global Research Centre where industry leaders discussed India's growing role as Global Capability Centers. Conversations around digital transformation, talent growth, and global competitiveness painted a compelling picture of India's rising influence in tech.



The visit wrapped up not just with insights, but with ideas sparked, connections forged, and a fresh appreciation for India's inventive spirit .

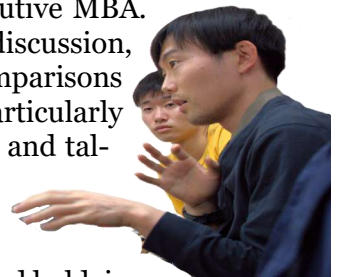


Fostering Global Entrepreneurship: TONGALI Group's Inspiring Visit to IIMB

On February 28, 2025, we had the privilege of hosting the TONGALI Group from Nagoya University's entrepreneurship cell. The energy was palpable as these young, ambitious entrepreneurs stepped onto our campus, eager to explore India's dynamic business landscape.



Mr. Saideep Rathnam, set the stage with an insightful session, walking our guests through India's management evolution—from Nehru's industrial vision to the rise of 20 IIMs and the emergence of specialized programs like the Executive MBA. His talk sparked a lively discussion, with students drawing comparisons between Japan and India, particularly in terms of market potential and talent pools.



The highlight of the day? **The startup pitch session.** Five teams showcased bold, innovative ideas spanning elder care, women's sanitation, biotech breakthroughs, spiritual wellness, and AI for speech-impaired individuals. Their pitches were met with keen insights from industry stalwarts like Mr. Arul Kumar Palani, Advisor to MIJSC, and Dr. Aditya Gupta, Head of the Centre for Supply Chain Management at IIMB. Their feedback? Practical, thought-provoking, and sure to shape these budding ventures.



After a refreshing tea break, we took our guests on a tour of our beautiful campus, wrapping up a day of learning, exchange, and inspiration.

This visit wasn't just about knowledge-sharing—it was a celebration of the entrepreneurial spirit that connects us across borders.



The Final JLCC Workshop on Language and Culture

On October 26, 2024, we hosted the final workshop of our Japanese Language Conversation and Culture Study (JLCC) Program. This event was designed to immerse participants in both the Japanese language and its business culture.

Our Chairperson, Prof. Jaideep Sarkar, opened the session by introducing the concept of Wabi Sabi, highlighting the beauty found in imperfection. We were honored by the presence of Aoki Sensei from the Japan Foundation, who offered valuable tips for the Japanese Language Proficiency Test (JLPT).



Participants, having dedicated ten months to their studies, delivered group presentations on topics like Japanese festivals and martial arts. Their fluency and teamwork were commendable, reflecting their dedication to learning and the patient guidance of their mentors.

The workshop concluded with positive feedback from participants, many expressing their appreciation both verbally and in writing. The event set a high standard for our future batches at MIJSC, reinforcing our commitment to fostering deeper India-Japan cultural and professional ties.



3. A glimpse of our Webinars and Seminar

In the spirit of continuous learning, our webinar series brought together thought leaders, industry experts, and curious minds to exchange ideas, spark conversations, and explore emerging trends. Each session served as a bridge, connecting knowledge with real-world insights to empower our community.

Corporate Governance in Transition: India and Japan Experiences

On 3rd October 2024, we at MIJSC, in collaboration with the Centre for Corporate Governance & Sustainability at IIMB, hosted an inspiring seminar—"**Corporate Governance in Transition: India and Japan Experiences.**" We gathered a distinguished panel to explore the evolving governance landscapes in our two dynamic nations.

The seminar opened with Prof. Fumiko Takeda from Keio Business School, Japan, who offered a comprehensive look into Japan's stakeholder governance system. She traced two distinct waves of shareholder activism—one between 2000 and 2008, and a resurgence post-2013 following the Japan Revitalization



Prof. Fumiko Takeda



Prof. Padmini Srinivasan from CCGS moderated the discussion and also offered a deep dive into India's governance evolution. Her insights spanned from landmark legal frameworks to modern mandates, highlighting how regulatory changes and a push for gender diversity are reshaping Indian corporate practices. Her analysis reminded us of the continuous balancing act between safeguarding shareholder interests and innovation.

Prof. Padmini Srinivasan

Adding another layer to the discussion, Ms. Krupa Hegde a young corporate practitioner, illuminated the unique challenges faced by family-dominated companies in India. She illustrated, through case studies like Aavas Financiers, Siemens, and Vedanta's delisting episode, how increasing shareholder vigilance is gradually reshaping corporate decision-making in India.



Ms. Krupa Hegde

Demystifying Leadership Dynamics: Lessons from Japanese Corporate Resurgence

On January 20, 2025, we hosted a trend-catching webinar featuring **Prof. Jusuke Ikegami, Dean of Waseda Business School** on global leadership paradigms.

Prof. Ikegami captivated us as he compared Japan's traditional consensus-driven model (Model TJ) with the emergent "Resolute Japanese" style (Model RJ), while drawing parallels with leadership approaches from India, China, and the US. He stressed the importance of balancing short-term agility with a long-term vision, advocating for open, multi-layer communication that keeps every team member aligned with the company's goals.

A highlight was when he shared his recent experience with consulting an IT company to on-board Indian CEO—showcasing how Japanese IT firms are increasingly trusting Indian talent by appointing Indian executives to senior roles. This engaging webinar left us with takeaways for industries and consultants. We look forward to more opportunities to share such enriching experiences and insights with our community.



The Good Life Debate: Pursuit of Ikigai or Life of Wonder and Adventure

In our continuing series on well-being and good life—following previous webinars on Ikigai and Happiness—our latest webinar on **25th February** featured **Prof. Lorraine Besser**, who argued that happiness and purpose alone aren't enough. She introduced the idea that a truly good life rests on a third leg: psychological richness.



Lorraine explained that our lives become vibrant when we invite complexity, challenge, and novelty into our daily experiences. “The good life is really a three-legged stool, so it includes happiness, meaning and psychological richness,” she stated, highlighting that deep engagement transforms routine moments into memorable adventures.

The discussion, moderated by Saideep Rathnam, raised thoughtful questions about balancing novelty with stability, dealing with trauma and complex emotions. Lorraine’s insights reminded us that embracing a spectrum of emotions—both joyful and painful—is essential for a well-rounded, fulfilling life.

In essence, Lorraine’s message was clear, she stated: “Different areas of life will be rewarding in different ways, and recognizing this can truly change how we live.” To truly live well, we must be open to life’s surprises, engage deeply with our experiences, and cultivate a balance between happiness, meaning, and that elusive third element—psychological richness.

4. Social Event: A Movie Matinee

On December 21, 2024, we collaborated with the Consulate General of Japan in Bangalore, and had the pleasure of hosting a special cinematic event at IIM Bangalore. We screened the Japanese film "Mondays: See You 'This' Week!"—a delightful comedy that explores the quirks of office life through a time-loop narrative. The film humorously delves into themes of routine, ambition, and the importance of pursuing one's true passions.

Beyond entertainment, representatives from the Consulate General shared insights into academic opportunities in Japan. They highlighted the country's high-quality education system, and the availability of generous scholarships for Int. students. They also emphasized the cultural richness and unique experiences that come with studying in Japan. This was an opportunity to strengthen cultural ties and inspire attendees to consider the enriching possibilities of studying in Japan. We are grateful to all who joined us for this memorable experience.



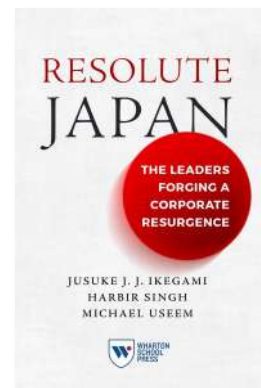
5. Book Recommendations

Resolute Japan – A Blueprint for Indian CEOs

Japan, once a colossus faced decades of stagnation—only to make a remarkable comeback. In *Resolute Japan: The Leaders Forging a Corporate Resurgence*, Waseda University’s Jusuke J. J. Ikegami and Wharton’s Harbir Singh and Michael Useem unravel this resurgence through insights from over 100 top executives.

Japan’s new leadership model blends long-term vision with short-term execution, stability with agility, and stakeholder value over pure shareholder gains. It’s a masterclass in corporate reinvention.

For Indian CEOs, this book offers a strategic playbook. While Indian companies have expanded westward, Japan and East Asia remain untapped frontiers. By embracing Japan’s leadership principles—ambidextrous management, talent mastery, and decisive governance—Indian businesses can solidify their presence in the East.



For India’s business leaders, this isn’t just a case study—it’s a roadmap. If you’re a CEO, strategist, or future leader, *Resolute Japan* is essential reading. It offers lessons not just on surviving disruption but leading through it—exactly what’s needed for India’s next corporate leap.

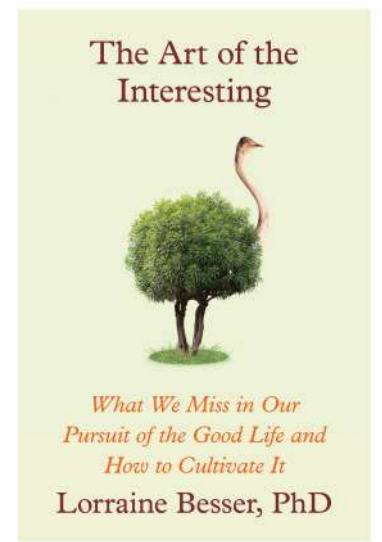
The Art of the Interesting – The Missing Piece of the Good Life

For centuries, the pursuit of a “good life” has rested on two pillars: **happiness and meaning**. The Japanese philosophy of *ikigai* captures this balance beautifully, helping individuals lead purposeful, fulfilling lives. But what if something crucial has been missing all along?

In *The Art of the Interesting*, Professor Lorraine Besser challenges this long-held belief, introducing a **third, often-overlooked dimension**—one that makes life richer, deeper, and more adventurous. She calls it “**The Interesting**”—a dynamic force that captivates our minds, sparks curiosity, and transforms the mundane into the extraordinary.

This book is a wake-up call for anyone who has checked all the boxes—chased happiness, sought meaning—yet still feels something is missing. Through fascinating research and engaging stories, Besser reveals how cultivating **psychological richness**—by embracing novelty, seeking new perspectives, and turning obstacles into adventures—can lead to a truly fulfilling life.

If you’ve ever wondered why a “good life” sometimes still feels incomplete, *The Art of the Interesting* is the missing piece you’ve been searching for. Prepare to shift your perspective and rediscover the thrill of **keeping life interesting**.



6. Japan Inc. Monitor

A quick take on key business news from Japan, with a twist. We highlight what matters and why it could be interesting for entrepreneurs, investors, and researchers. No fluff, just insights worth thinking about.

Japan Bets on Nuclear Energy—But Who Will Run the Reactors?

Japan has taken a decisive step toward a secure energy future. The government has restarted [two reactors](#) at the Onagawa plant—one of which is the nuclear power facility closest to the 2011 earthquake epicenter in 2024. This move comes on the heels of Japan's new [Energy Policy](#), which aims to boost nuclear power's contribution to the nation's electricity mix and support decarbonization efforts.



Photo: VCG

However, the revival faces a serious challenge: [a severe shortage of experienced workers](#). Many new hires have only trained on simulators and lack on-site reactor operation experience, which raises safety concerns. Despite these hurdles, there is a [growing acceptance of nuclear power](#), with 70% of Japanese supporting restarts due to lower electricity costs in areas with operational plants.

Business implications include opportunities in workforce training, advanced reactor technology, and safety system development. Companies that can address these workforce gaps and innovate in nuclear technologies stand to benefit as Japan modernizes its energy sector and secures a stable power supply for future growth.

Japan Gears Up: Private Sector Innovation Meets Military Might

Japan is embracing private sector innovation to strengthen its defense capabilities through [dual-use technologies](#). Traditionally known for consumer applications, companies like MitsuFuji are now developing advanced materials for military use, such as shielding fibers for aircraft. This shift highlights Japan's strategic move to integrate commercial expertise into its defense industry.



Photo: REUTERS

International collaboration is also a key focus. Japan is working with the UK and Italy on the [Global Combat Air Program \(GCAP\)](#) to develop next-generation fighter jets by 2035. Major industry players like Mitsubishi Heavy Industries, BAE Systems, and Leonardo are leading this ambitious project, ensuring Japan remains competitive in aerospace defense.

In response to rising security threats from China, North Korea, and Russia, Japan is significantly increasing its [defense budget](#). The government has allocated 8.7 trillion yen (\$55.1 billion) for 2025, including 314.8 billion yen (\$2 billion) for three next-generation destroyers.

Business Implications: This shift presents lucrative opportunities for firms specializing in AI, automation, cybersecurity, and advanced materials. Companies that can develop innovative dual-use technologies may secure government contracts and expand into international defense markets, reinforcing Japan's position as a leader in military innovation.

Bankruptcy Boom: Japan's Labor Shortage and Weak Yen Shake Businesses

Japan faced a surge in [corporate bankruptcies in 2024](#), reaching 10,006 cases—the highest in over a decade and a 15.1% increase from the previous year. The services sector, including restaurants, was hit hardest, with a 13.2% rise in bankruptcies, while construction and transport saw increases of 13.6% and 9.8%, respectively.



Labor shortages played a significant role, with bankruptcies due to workforce issues rising 80% to a record 289 cases. Additionally, the weakening yen led to higher import costs, and the end of pandemic-related financial support further strained small and medium-sized enterprises. Despite the rising number of bankruptcies, total liabilities fell slightly to 2.34 trillion yen (\$14.9 billion).

Business Implications: The rise in bankruptcies highlights vulnerabilities in Japan's economy, particularly in labor-intensive sectors. While domestic firms must focus on automation and workforce retention, international players like India have opportunities to provide skilled labor, technology solutions, and investment in struggling sectors. Companies in IT, construction, and logistics could expand into Japan, leveraging its need for efficiency and cost reduction. However, risks include navigating Japan's regulatory environment and cultural business practices.

Japan's Boardroom Battles: M&As and Activist Investors on the Rise

Japan saw a surge in corporate takeovers and shareholder activism in 2024, signaling a shift in corporate governance. Mergers and acquisitions (M&A) activity rose sharply, driven by market reforms and investor confidence. Notable deals included JMDC's acquisition of Cancerscan and Nidec's takeover of Takisawa Machine Tool. Unsolicited bids, such as Nidec's move on Makino Milling Machine, became more common, spurred by new government guidelines.



Shareholder activism also intensified, with Japan recording 38 activist campaigns in the first half of the year, the second highest globally. Shareholders pushed for improved governance, capital efficiency, and higher returns, leading to increased scrutiny of board decisions.

Business Implications: These developments are reshaping Japan's corporate landscape, making companies more competitive. For international players like India, this presents opportunities in cross-border M&A, investment in Japanese firms, and advisory services.

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