

13 November 2025 (No. of pages: 2)

Japanese report: 6 November 2025

Challenges in Hiring Foreign Workers Amid Labor Shortages

Strengthening Japanese language education is essential for balancing the need to secure labor and coexistence with foreign nationals.

Economic Research Dept. **Hirohito Hatanaka**

Summary

- Despite the shrinking working-age population, the number of employed individuals has continued to rise due to increased labor participation by women and older workers. However, the industries benefiting from this trend are unevenly distributed, and the growth in female employment is expected to slow going forward. Taking these factors into account, projections indicate labor shortages will intensify significantly across many industries. Unfilled job openings in manufacturing alone are projected to increase by up to 124,000 by 2030. While boosting productivity through labor-saving investments is essential, the resulting labor shortfall will still need to be supplemented by foreign workers.
- Industries employing large numbers of foreign workers can be divided into two groups: those primarily aiming to alleviate labor shortages, and those seeking knowledge and skills not readily available among Japanese workers. The former group employs more than five times as many foreigners as the latter. The most frequently cited challenge in hiring foreign workers is communication issues stemming from Japanese language proficiency. Over half of the foreign workers in these industries – primarily those under the Specified Skilled Worker and Technical Intern Training programs – possess only beginner-level or lower Japanese language proficiency. If this situation persists, it could not only widen the wage gap between Japanese and foreign workers but also make coexistence between Japanese and foreign residents in Japanese society more difficult.
- There are only two Japanese language education institutions nationwide for foreign workers. With over 30% of Japanese language teachers being part-time and over 50% volunteers, there is a shortage of both educational institutions and personnel to provide adequate Japanese language education. The government must work to

improve the environment for Japanese language education for foreign workers and develop human resources while addressing the uneven regional distribution. In doing so, it should also consider requiring companies – the beneficiaries of improved Japanese language skills among foreign workers – to bear a commensurate share of the burden.
