Japan’s labor crunch is no longer just a domestic staffing problem; it is becoming a strategy problem, and Indian engineering campuses are now part of the answer. What makes this shift notable is not only that Japanese firms are hiring abroad, but that they are reshaping recruiting itself to meet talent where it already is.

Recently at SRM University-AP, India, about 100 engineering students turned up for Duplo Seiko’s first overseas information session, asking not only about salaries and visas but also what kind of people Japanese companies want and whether they can do meaningful research. SRM University-AP’s “Destination Japan” program is designed to meet Japan’s growing demand for skilled professionals by preparing both engineering and non-engineering students. The program focuses on building industry-ready talent by providing training in the Japanese language, culture, and work practices from the first year. It also creates direct recruitment opportunities by inviting reputed Japanese companies to hire graduates, especially from core engineering fields.

Japanese employers are also learning to sell themselves in a market where students still have options, even if jobs are scarcer than they should be.

The broader context is the mismatch on both sides of the Bay of Bengal. Forum Engineering estimates that only about 40% of new graduates in India find jobs, while Japanese companies are struggling to fill science and engineering roles at home. In Japan, the job-hunting system is also under strain: Career-tasu says 24.1% of firms plan to hire foreign graduates from overseas universities in fiscal 2026, up 3.5 points from the prior year, and Mynavi found that only 74.6% of offered positions for science and engineering students were filled for the 2026 graduating class.

Why India fits

India is attractive to Japanese employers for the same reason it is hard to ignore in every global talent discussion: scale, skill, and speed. At Duplo Seiko, management said it was impressed by how motivated the students were and by India’s large pool of highly skilled, experienced people. Meidensha had roughly 240 applicants for four openings, a ratio that would look unbelievable in many Japanese hiring markets,

and it is recruiting Indian graduates to design transformers and improve operational efficiency at its Shizuoka plant.

This is not charitable outreach; it is industrial necessity. Japanese firms are facing rising demand tied to renewable-energy transmission grids and substations near data centers, which is keeping equipment plants at full capacity. In that sense, Indian graduates are not a “backup” labor supply. They are becoming a way for Japanese companies to keep pace with the technologies and infrastructure transitions that their domestic workforce alone may not sustain.

What stands out is not simply that Japanese firms are hiring Indians, but how they are doing it. In India, campus hiring often moves fast, with structured offers, defined roles, and internships that prepare students before graduation. Japanese companies entering this market are adapting by showing up on campus directly rather than relying only on agents, and that matters because trust is built face to face, not through a generic recruiting funnel.

The Tokyo Energy & Systems example shows the point clearly. A joint venture hired two Indian graduates for electrical design roles in Japan, required some Japanese language proficiency, and gave them the same treatment and promotion opportunities as Japanese employees. That is more than a hiring decision; it is a signal about whether foreign talent is being integrated or merely imported.

What could go wrong

There is a temptation to romanticize this as a win-win corridor of opportunity. It is, but only if both countries treat it as a long-term human-capital partnership rather than a short-term labor patch. Japanese firms are effectively selecting from a pool shaped by underemployment, not necessarily by long-term career fit. If companies ignore retention, language support, and real advancement paths, they will burn through goodwill quickly.

Japan also has to confront a harder truth: recruiting abroad is not a substitute for reforming domestic hiring and productivity. The country’s labor squeeze is structural, and the pressure is visible even in sectors that should be able to

compete for talent. The fact that only 74.6% of science and engineering offers were filled for the 2026 graduating class suggests that Japanese firms are still not making themselves attractive enough to the talent they already have. Overseas recruitment can widen the funnel, but it cannot fix weak compensation, rigid career structures, or a work culture that many young professionals view skeptically.

A better bargain

The strongest version of this new pipeline would benefit everyone. Indian students gain access to higher pay, advanced research, and global career paths; Japanese firms gain engineers they cannot easily find at home; and both countries deepen ties in fields that will matter for decades, from manufacturing to clean energy. The article's most striking detail may be the growth at SRM University-AP, where a Japanese job-support program launched in 2023 now has about 300 participants, and the number of students finding work in Japan rose from two in fiscal 2021 to 60 in fiscal 2024. That is how a trend becomes an ecosystem.

But the real test will be whether this is a bridge or a drain. If Japan merely absorbs the best of India's underused engineering talent without investing in reciprocal training, language support, and career mobility, the arrangement will look efficient but feel extractive. If instead Japanese companies treat Indian campuses as partners in innovation, not just labor markets, they may discover that the answer to a domestic shortage is not only recruiting harder, but recruiting smarter.