



CMDHIRE INTELLIGENCE BRIEF

Japan Recruitment Intelligence 2026

The agency advantage in a candidate-scarce market

A practical market brief for recruitment agency leaders, operators, and technology teams

September 2026 | cmdhire.com

Japan is not short of recruiters. It is short of connected recruiting action.

Japan's recruiting market combines persistent labor scarcity, a large and fragmented licensed-agency footprint, rising placement economics, and record foreign-worker participation. The opportunity is not another database. It is a faster way to turn the candidate already on screen into an evidence-backed next move.

31,486

**Licensed fee-charging
placement establishments**

At 31 March 2025

1.22

**Active job openings per
applicant**

2025 annual average

¥983.5bn

Fee revenue

FY2024 reported operations

What leaders should take away

Scarcity is structural

A 2.5% unemployment rate and shrinking working-age share keep quality candidates scarce.

The market is fragmented

Thousands of licensed offices compete, while candidate knowledge remains split across profiles, ATS records, files, and individual memory.

Trust is becoming measurable

2025 rules increased fee and contract transparency, rewarding disciplined, explainable operations.

The CmdHire thesis

Your ATS stores candidates. **CmdHire moves them.** CmdHire works alongside existing systems, reads the candidate context a recruiter is reviewing, ranks active jobs, explains the evidence and gaps, and prepares the next action.

Sources: MHLW licensed-establishment list (31 Mar 2025); MHLW Employment Referrals for General Workers (2025); MHLW FY2024 employment-placement business report.

How many recruitment agencies are in Japan?

31,486

licensed fee-charging employment-placement establishments

This is the most defensible current national count: MHLW's licensed-establishment register as of 31 March 2025. It counts licensed establishments or offices, **not unique corporate groups**. A multi-office agency can therefore appear more than once.

Where the market clusters

Tokyo	10,859	34.5%
Osaka	3,505	11.1%
Aichi	2,305	7.3%
All other prefectures	14,817	47.1%

A second MHLW lens

For FY2024 operations, 30,561 fee-charging establishments filed reports, while 13,946 recorded at least one placement. These datasets answer different questions: the register measures licensed footprint; the annual report measures reported operations.

45.6%**of reporting establishments recorded a placement**

13,946 / 30,561

Interpret carefully

No recorded placement does not prove a business is inactive or unsuccessful; it does show a wide gap between licensed footprint and establishments reporting completed placements.

Implication

Japan is a dense, highly competitive agency market. Differentiation comes from recruiter throughput, rediscovery of existing talent, quality of evidence, and speed from profile review to client-ready action.

Source: MHLW, Licensed Fee-Charging Employment Placement Establishments (31 Mar 2025); FY2024 Status of Employment Placement Businesses.

Placement value is rising faster than placement volume

MHLW's FY2024 report shows a market where the economics of successful placement strengthened even as operational competition remained intense.

888,993

Permanent placements

+5.3% year on year

¥913.6bn

Fees from permanent placements

+16.8% year on year

¥1.03m

Average fee per permanent placement

+10.9% year on year

The operating equation

More opportunity

16.81 million regular job openings flowed through fee-charging businesses, up 41.8%.

More candidate activity

55.25 million new job-seeker registrations were reported, up 43.1%. Individuals may register with multiple providers.

More value per win

Fee growth outpaced placement growth, increasing the cost of missed matches and slow follow-up.

For an agency, the strategic question is not simply how many profiles it can access. It is how reliably each recruiter can identify the right live role, explain the fit, surface uncertainties, and act before the opportunity decays.

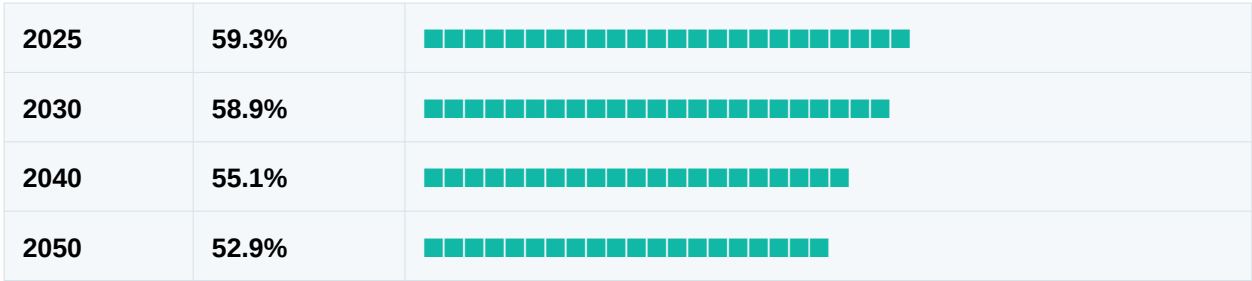
Counting note: job-seeker registrations and openings can be duplicated across providers; they should not be read as unique people or unique vacancies.

Source: MHLW, FY2024 Status of Employment Placement Businesses (released 31 Mar 2026).

A tight market is becoming a demographic operating condition



Working-age population share



Recruiting consequence

When supply stays constrained, the agency advantage shifts from database size toward **speed, memory, and judgment**: finding people already known to the desk, comparing them across every active role, and making defensible recommendations without rereading the same material.

Sources: MHLW Employment Referrals for General Workers, 2025 annual average; Statistics Bureau Labour Force Survey, 2025; IPSS Population Projections for Japan (2023 revision, medium fertility and mortality).

Foreign talent is no longer an edge case

2.57m**Foreign workers in Japan**

+11.7% at Oct 2025

371,215**Workplaces employing
foreign workers**

+8.5%

865,588**Professional and technical
workers**

+20.4%

The operational challenge

JETRO research finds that firms hiring foreign personnel frequently encounter language barriers, limited recruitment know-how, and difficulty creating clear career paths. Foreign-affiliated firms report particular difficulty hiring sales, marketing, IT, and technical talent.

Normalize evidence

Turn multilingual profiles and varied career histories into a consistent, reviewable brief.

Keep uncertainty visible

Distinguish demonstrated experience from items that need confirmation, such as language level or location constraints.

Support bilingual desks

Make the same candidate and job evidence usable across English- and Japanese-speaking stakeholders.

International hiring increases the value of structured context. It also increases the cost of confident-sounding guesses. The winning workflow is fast, multilingual, and explicit about what is known versus what must be confirmed.

Sources: MHLW, Foreign Employment Status, October 2025; JETRO Survey on Business Operations of Foreign-affiliated Companies in Japan 2024; JETRO Survey on International Operations of Japanese Firms 2024.

Japan is raising the bar for transparent recruitment operations

Rules effective 1 April 2025 strengthened disclosure obligations around placement fees and contract penalty clauses. The direction is clear: agencies are expected to make commercial terms easier to inspect and harder to misunderstand.

Fee transparency

Placement agencies must publish actual fee-rate information through the MHLW system.

Contract clarity

Penalty clauses must be clearly disclosed to employer clients before agreement.

Responsible acquisition

Rules restrict incentives intended to induce job-seeker applications and require clearer provider practices.

Product implications

Recruiting technology should reinforce the same operating posture: defined data purposes, controlled retention, inspectable source context, human review, and outputs that explain evidence rather than merely assert a score.

A percentage alone is not an explanation

A trustworthy match system should show what drove the ranking, which requirements are supported, where evidence is absent, and what a recruiter should verify next. That is more useful to a desk and more defensible to a client than opaque automation.

Design principle

Automation should shorten the path to a human decision, not conceal how the decision was reached.

Sources: MHLW amendments effective 1 Apr 2025; Personal Information Protection Commission guidance. This paper is market analysis, not legal advice.

Where CmdHire fits

CmdHire is **not an ATS**. It works alongside Greenhouse, Lever, exports, local resumes, and the systems an agency already uses. Its job is to turn the current candidate context into a clear next action.

1	Capture the candidate in context	Use the profile a recruiter is already reviewing, without forcing a second manual intake workflow.
2	Rank against active jobs	Compare the candidate across live roles and surface the strongest evidence-backed opportunities.
3	Explain fit and gaps	Show matching signals, missing evidence, and the questions that should be confirmed next.
4	Move the desk forward	Save, rediscover, screen, draft outreach, or prepare a client-ready candidate brief.

Why this matters in Japan

The market rewards the agency that can make scarce talent visible across every relevant role, preserve desk knowledge, and communicate fit clearly across language and organizational boundaries. CmdHire is designed around that exact moment of work.

YOUR ATS STORES CANDIDATES.

CmdHire moves them.

Prove value at one sourcing desk

A focused pilot should test whether connected candidate context improves recruiter speed and placement quality without disrupting the ATS.

Days 1–15: Baseline

Select one desk, 3–5 recruiters, and a defined set of active jobs. Measure current review, rediscovery, and outreach preparation time.

Days 16–60: Operate

Use CmdHire for profile capture, job ranking, evidence review, candidate saving, and recruiter-directed next actions.

Days 61–90: Decide

Compare speed, coverage, and quality against baseline. Review recruiter adoption and client-facing output quality.

Recommended success measures

Metric	What it reveals
Profile-to-shortlist time	Whether the desk reaches viable roles faster
Relevant jobs considered per profile	Whether strong opportunities are being missed
Candidate rediscovery rate	Whether existing database value is being recovered
Outreach preparation time	Whether repetitive drafting work is reduced
Evidence completeness	Whether recommendations clearly separate proof from assumptions
Recruiter weekly active use	Whether the workflow fits real desk behavior

The goal is not more AI output. It is more candidates moved toward the right job, with less desk friction and clearer evidence.



THE RECRUITING ACTION ENGINE

Stop reviewing profiles. Start seeing placements.

CmdHire instantly matches the candidate on screen with your active jobs, explains why they fit, and prepares the next move.

See every viable role

Rank the profile against the desk's active jobs instead of relying on memory or a single search.

Know why the match works

Review supporting evidence, potential gaps, and the questions worth confirming.

Act while interest is fresh

Move directly into saving, screening, outreach, rediscovery, or a client-ready brief.

NOT AN ATS

CmdHire works alongside Greenhouse, Lever, and the systems your agency already uses. No migration required.

Put CmdHire on one sourcing desk.

Measure the time your team gets back and the candidates it stops missing.

REQUEST AN AGENCY PILOT
→

cmdhire.com | Private agency pilots now opening

Primary-source research

This brief prioritizes Japanese government statistics and primary industry research. Figures use the latest nationwide releases available as of September 2026. Percentages derived by CmdHire are rounded to one decimal place.

Definition note

Japan's official count is expressed as licensed fee-charging employment-placement **establishments**. It should not be represented as a count of unique agency companies. Labor-market registrations and openings may include duplicate people or roles across multiple providers.

MHLW — Licensed fee-charging employment-placement establishments, 31 Mar 2025

<https://www.mhlw.go.jp/content/11650000/001617784.pdf>

MHLW — FY2024 Status of Employment Placement Businesses, 31 Mar 2026

<https://www.mhlw.go.jp/content/11600000/001683019.pdf>

MHLW — Employment Referrals for General Workers, 2025

https://www.mhlw.go.jp/stf/newpage_69302.html

Statistics Bureau — Labour Force Survey, 2025

<https://www.stat.go.jp/data/roudou/sokuhou/tsuki/index.html>

IPSS — Population Projections for Japan, 2023 revision

https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/pp_zenkoku2023.asp

MHLW — Foreign Employment Status, October 2025

https://www.mhlw.go.jp/stf/newpage_68794.html

JETRO — Survey on Business Operations of Foreign-affiliated Companies in Japan 2024

<https://www.jetro.go.jp/en/news/releases/2025/a8a7c17859b15a3e.html>

JETRO — Survey on International Operations of Japanese Firms 2024

https://www.jetro.go.jp/ext_images/en/reports/survey/pdf/jafirms2024.pdf

MHLW — Employment placement rule changes effective 1 Apr 2025

https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/koyou_roudou/koyou/haken-shoukai/r0604anteisokukaisei1_00002.html

Personal Information Protection Commission — FAQ on specifying purposes of use

https://www.ppc.go.jp/all_faq_index/faq1-q2-2/



CmdHire
The recruiting action engine