

Keeping Value Creation Close to Home

Regional revitalization is becoming measurable: stronger local job pipelines, smarter finance, and infrastructure that keeps value creation close to home, even as Japan's demographics tighten. *By Daniel de Bomford and Anudari Erdenebulgan*

Tokyo is the brightest streetlight in Japan's economic night, and for decades, it has drawn in the majority of the nation's economic growth. But beyond that glow, the rest of the country is not standing still. New wiring is being laid, capital rerouted, skills trained, and local systems modernized, so opportunity does not depend on one city. Even as Tokyo posted a net inflow of 65,219 residents in 2025, fresh currents of demand and investment are beginning to move through regions that are rebuilding their own engines of growth.

The New Case for Regional Revitalization

What matters now is whether regions can convert these tailwinds into durable local cycles of spending, skills and capital. The government has signaled that shift through targets and infrastructure: tourism consumption reached about ¥8.1 trillion (\$51.68 billion) in 2024, and national policy aims to make high-speed connectivity nearly universal, with fiber coverage targeted at 99.9 percent of households by FY2027. Meanwhile, Japan's international student population rose to 336,708 as of May 1, 2024, up 20.6 percent year over year, an indicator that education ecosystems outside the biggest metros can play a role in replenishing regional workforces. The question for institutions on the ground is how to turn these macro signals into practical pathways for businesses, families and young workers to stay and build locally.

"But our mission isn't about short-term efficiency—it's about the long-term vitality of the region."

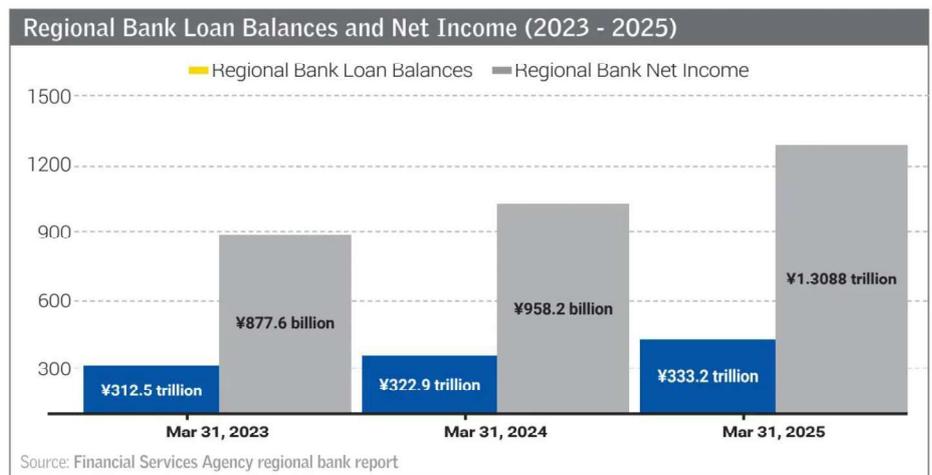
Shogo Ikeda,
President and CEO,
NSG Group



Where Capital and Skills Stay Local

In Niigata, NSG Group's approach starts with the premise that revitalization has to be taught, practiced and placed into real jobs. "From the beginning, the mission was clear: to promote Niigata's comprehensive development through education, entrepreneurship and innovation," President Shogo Ikeda said. NSG positions education as the region's growth infrastructure, linking schools with local employers and emerging industries. Its outcomes-based model is designed to keep talent in the prefecture by connecting training to livelihoods; NSG reports a 99 percent job placement rate, including international students, pointing to a pipeline that can support both local companies and a more diverse future workforce.

In Shiga, Shiga Bank is betting that regional competitiveness depends on whether local finance can reduce leakage and fund the transition to the next industrial base. Through its



energy initiatives, the bank frames decarbonization as an economic circulation strategy, arguing that money spent on imported power should be redirected into local generation, services and jobs. "This should not be volunteer work. It must be a 'valuable business' that supports the region's sustainability," says President Shigeyuki Koyama. By treating energy and transition finance as core banking work—credit, project structuring and long-term regional planning—the bank is trying to strengthen resilience while creating investable projects that anchor employment and procurement inside Shiga.

The Institutions Turning Strategy Into Jobs

In Okinawa, Bank of the Ryukyus is taking a platform view of revitalization: make everyday economic activity easier, then pair it with capital that helps local firms scale. "Our broader goal is to make Okinawa a 'Cashless Island,'" President Ken Shimabukuro says, tying payments modernization to visitor spending, labor efficiency and better data for small businesses. The bank's influence is broad and serves roughly 950,000 individual customers and more than 60,000 business entities, and it is pairing digital infrastructure with targeted investment, including a ¥2 billion (\$12.76 million) BOR Venture Fund 3 to back startups. The aim is to strengthen an island economy that relies on tourism and services, while building new sources of growth that can keep younger workers from feeling they must leave to find opportunity.

Musashino Bank treats regional revitalization as a practical exercise in keeping capital, talent and innovation close to home. "Approximately 80 percent of the deposits we receive are loaned out to local businesses," President Kazumasa Nagahori said. The bank backs productivity gains through DX support, invests via an innovation fund, and convenes partnerships such as "Shibusawa Mix," positioning finance as an on-the-ground engine for local jobs and renewal.

Gunma Bank frames revitalization as productivity and succession work, not slogans. "As the population decline progresses, improving productivity is essential," President Akihiko Fukai says. The bank pairs lending with consulting, acting as a bridge to DX and AI vendors and helping clients tap government subsidies. It also uses regional funds to support business succession and industry roll-ups, aiming to keep jobs, know-how and investment rooted in Gunma for decades ahead.

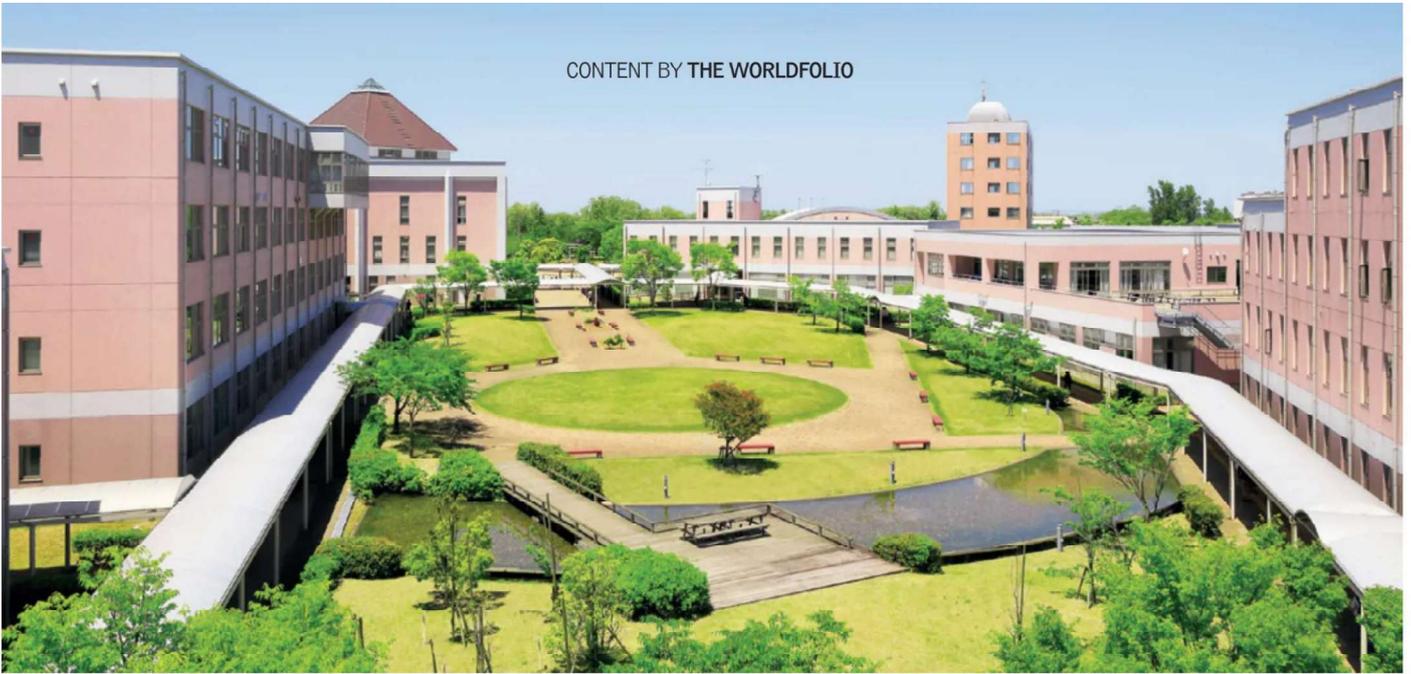
"Regardless of whether the domestic market shrinks, further globalization is unstoppable."

Shigeyuki Koyama
President,
Shiga Bank



Procrea Holdings, formed through the merger of Aomori Bank and Michinoku Bank, frames regional revitalization as a prerequisite for its own sustainability. Vice President Keitaro Ishikawa put it plainly: "Without regional economic development, the sustainability of a regional bank is impossible." The group is building fee-based consulting capacity through Aomori Sosei Partners, with hands-on support for succession, M&A, restructuring and DX, aiming to strengthen SMEs while widening Aomori's links to overseas markets.

Regional revitalization will show up in the mechanics of daily life: whether money circulates locally rather than leaking out, whether education reliably becomes employment, and whether capital is available for companies that can grow without relocating. With tourism spending rising, digital adoption accelerating, and institutions building practical systems around skills, transition finance and local platforms, Japan's regions have a clearer chance to define the next decade on their own terms.



NSG Group Builds Careers for International Students in Niigata

As Japan confronts population decline, NSG Group builds opportunity in Niigata, linking education, employment and community-driven regional revitalization. *By Daniel de Bomford, Anudari Erdenebulgan and Arthur Menkes*



International student studying Animation production

As Japan faces demographic decline and widening regional gaps, NSG Group has built one of the country's largest education-based ecosystems in Niigata, linking professional training, innovation and community engagement. The model creates practical skills and clear career paths for local and international students seeking to study and work in Japan.

The group operates 4 universities and graduate schools, 35 specialized colleges, and 3 high schools, granting hands-on industry-relevant experience in fields such as business, IT and computer science, animation, manga, sports, healthcare and welfare.

NSG Group's most compelling strength is the tangible outcome it delivers: employment. Including international students, NSG Group achieves a 99 percent job placement rate through its practical education model and deep connections with employers and local industries.

This strong record has helped make NSG not only a leading institution for Japanese



International student experiencing Japanese culture (tea ceremony)

students but also an increasingly attractive destination for overseas students determined to build their future in Japan.

Typically, graduates gravitate to major urban areas for employment. A core part of NSG's mission is to "Stop the Tokyo Concentration," facilitate local job creation and contribute to regional revitalization.

"Even if we provided quality education, if there were no local employment opportunities for graduates, young people would still leave for Tokyo or other major cities," President Shogo Ikeda said. Ikeda's father founded NSG with the belief that revitalization starts at home and high-quality education provided locally is the first step to ensuring that young people stay, grow and contribute to the region.

For international students, studying in Japan involves daily life as much as academics. Niigata offers experience beyond major metropolitan centers while still providing professional opportunities. Living costs, including rent and food, are significantly lower than in Tokyo, making it easier to focus on school. With a safe environment and strong local support, Niigata provides a practical setting to build skills and begin a career in Japan.

NSG's expansion beyond the classroom reflects a practical understanding of regional economics. As Ikeda said, education alone



Regional revitalization through sports, supporting a professional soccer team

cannot anchor young people if meaningful employment does not follow. In response, the group broadened its footprint into healthcare, elderly care and welfare services, helping support Niigata's aging population while creating stable career paths for graduates.

It also fostered entrepreneurship, sports and entertainment ventures designed to bring energy and opportunity to the region. The result is an integrated ecosystem that develops talent and sustains it, reinforcing NSG's long-term commitment to local revitalization.

Central to that strategy is NSG's "Only One" philosophy. Rather than replicate generic business or IT schools in Tokyo, the group has built nationally distinctive programs in animation, manga and soccer, among other fields. By offering specialized education tied to Japan's creative industries, NSG attracts students from across the country to Niigata, positioning the city as a destination for ambitious young talent.

NSG Group was founded to support Niigata's development through education, entrepreneurship and innovation. Over five decades, it has built a model that links education with employment and regional growth. For international students seeking practical skills and career opportunities in Japan, NSG Group offers a clear path to study, work and contribute to Niigata's future.

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