Healthcare Tech in Japan
A Booming Market

Overview

Japan is one of the **10 largest export markets for the Healthcare Tech industry**, with an established history of welcoming imported medical technology **(45% of the medtech market)**. The Japanese population is aging at a fast rate **(30% of pop. above the age of 65 by 2025),** and the specific issues and new needs associated with a super-aging society are especially clear in the healthcare sector, at all levels.

The Government aims at implementing structural and **systemic reforms**. Innovation is encouraged and supported with some major priorities in mind: the **effective use of Big Data** in the area of health; a general drive to improve patient outcomes for cost-saving purposes; the launch of the Personal Health Record.

To reach those goals, **legal changes** allowing the use of smartphones as medical devices or telemedicine in general were **recently implemented**, creating the necessary space for the **launch of innovative solutions**.

TOKYO

OSAKA

Japan

Pop : 126 mio
GDP :$4.841 trillion (3rd)
Population **over 65 years** : **33%**

FUKUOKA

STRENGTHS

- One of the 10 largest export markets for the Healthcare Tech industry
- High standards of living
- Highest adult life expectancy
- Highly developed, technologically advanced infrastructure (3G and 4G systems and high-speed broadband Internet widely available): 81.7% of the population is connected to the Internet
- Spread of smartphone and wearable devices in all segments of the population
- Universal insurance coverage

THREATS

- The Japanese healthcare system is outdated and no longer sustainable. Key customer groups face financial difficulties that can make them reluctant to invest in costly, yet needed, new solutions.
- Current lack of proper cybersecurity measures among healthcare service providers
- Weak national legislation regulating Big Data and privacy concerns arising with the use of new technologies.

WEAKNESSES

- Slow device and reimbursement approval processes
- Complex multi-tier distribution
- Involvement of many government agencies leading to policy fragmentation and overlapping responsibilities
- Poor IT literacy among health professionals and no hospital point-of-contact available for ICT issues
- Fragmentation of hospital networks**:** Healthcare ICT systems developed for individual hospitals

OPPORTUNITIES

- Rapidly aging population with growing needs for healthcare solutions (patients) and lack of manpower (service provider side)
- High utilization of healthcare infrastructure
- Medical facilities eager to increase throughput, services and revenue
- High share of imported medical technology (45 % of the medtech market)
- Recent regulation changes that authorize telemedicine and the use of smartphone as medical devices
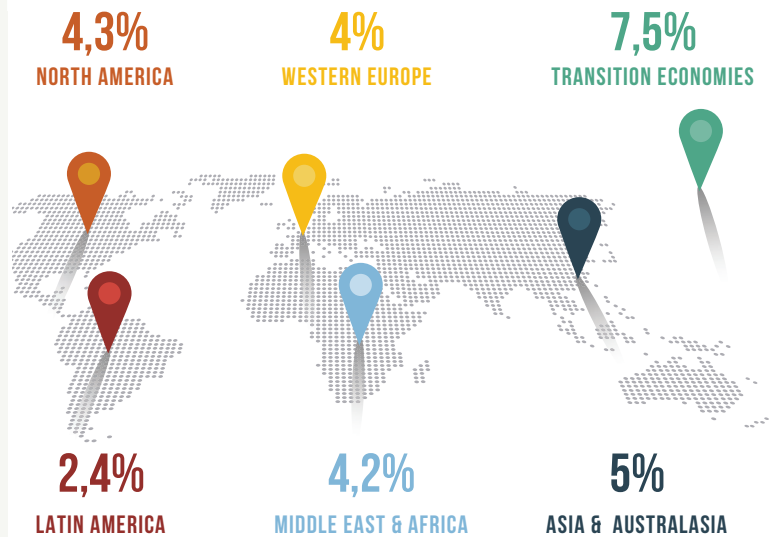
Healthcare Tech in Japan
Market Size and Growth Potential

The total Healthcare Tech market in Japan was valued at **3.9 billion USD in 2014**. Legal changes that allowed the use of smartphone as medical devices, as well as telemedicine, were implemented only recently.
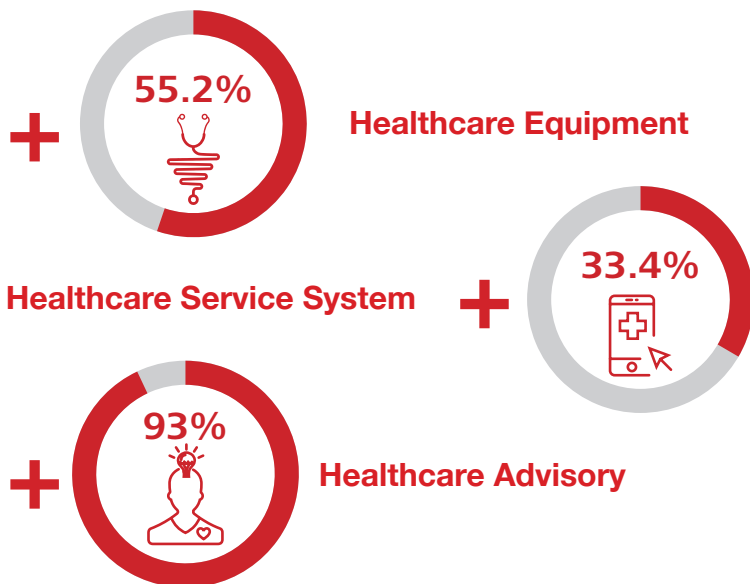
As a result, there is a strong growth potential, even though the market for devices using IoT/AI solutions, for example, is at its infancy.

Analysis project that medium to strong impact of these technologies in terms of use, investment and technical suitability will be effectively felt **in 2020-2025.**

With a domestic healthcare industry market size valued at **332 billion USD in 2030** (2.3 times larger than in 2013), it is expected that the share of IT products and services in this sector will follow a similar curve, or even see a sharper increase.

4,3%
NORTH AMERICA

4%
WESTERN EUROPE

7,5%
TRANSITION ECONOMIES

2,4%
LATIN AMERICA

4,2%
MIDDLE EAST & AFRICA

5%
ASIA & AUSTRALASIA

Health care growth rates through 2020

55.2%
Healthcare Equipment

Healthcare Service System
33.4%

93%
Healthcare Advisory

In more specific areas where IT will play a key role, the market for **healthcare equipment is expected to grow by 55.2%** (1.66 billion USD) and the **healthcare service system is expected to grow by 34.4%** (4.41 billion USD) by 2020, compared to 2015.

In the field of **healthcare advisory**, where data analysis will be of paramount importance, a **growth of 93%** is forecast, from 88 million USD to 170 million USD during the same period.

Market Features

- A booming healthcare market that will continue to grow in the coming decade
- A medical market that already is open to foreign devices and solutions
- A core sector identified by the government to boost domestic economy
- An industry with an urgent need for new tech solutions (security, Big Data analysis, cost control, efficiency, speed, lack of skilled human resources, etc.)
- A fragmented market where smaller actors can create their own niche
- Japan as a gateway to other Asian markets: Chinese customers see Japan-made medical technology as reliable and safe, and Western firms partner up with Japanese partners to create "made-in-Japan" products

Main actors and service breakdown

While collaborating with other companies beyond original industry boundaries is common in the US, this practice is still limited in Japan (**5-14%** rate, depending on the type of products/services).

The majority of actors in the Healthcare Tech sector are **big non-life science players** (electronics, telecom, etc.) **(32-63%).**

Next are companies that are the result of venture projects **(12%-39%)**, and finally, traditional life science players **(1%-24%)**.

Some major domestic players in the Healthcare Tech sector: Fujitsu, NEC, Hitachi, Canon, NTT DoCoMo, Sanei Medicis, Terumo, Panasonic, Japan IBM, Nipro, Itochu.

Japanese Healthcare Tech Companies

Genetic testing
- Gene Quest https://genequest.jp/
- MyCODE https://mycode.jp/

Medical Care Platform and Medical Apps and Platforms

- Embrace Japan http://www.embrace.co.jp/index.html (medical app development)
- Galapagos https://www.glpgs.com/
- AI/Deep learning company developing apps and AI-related products in various business sectors

Health data analysis and business strategy
- Mina Care http://www.minacare.co.jp/ Medical data analysis
- Medley http://www.medley.jp/ (healthcare worker job search platform)

Hospital Management
- Esstim Hospital management service apps (fee settlement, waiting time reduction service...) http://esstim.co.jp/
- SKYMEC IT equipment management system for medical institutions http://www.skymec.net/
- J-RC http://www.jrce.co.jp/company/index.html

 IT consulting for medical institutions · Developer of electronic medical record
- SECOM Medical http://medical.secom.co.jp/it/

Electronic medical chart service, remote diagnostic imaging service, hospital management information analysis system

- Fuji Film Inc. Group Medical IT section http://www.fujifilmholdings.com/ja/sustainability/activityreport/collaboration/medicalit/index.html

Solutions for remote medical treatment and regional medical care, business efficiency at hospitals and management support
- Infocom Inc http://www.infocom.co.jp/healthcare/ IT solution for medical institutions

Opportunities for Swiss Companies

Market Needs

- Wearable devices and technologies in the areas of chronic diseases and prevention as well as the sports and fitness-related markets
- Healthcare literacy services through the use of apps
- Lifelogs/Biosensors
- Creation of a single electronic medicine notebook replacing various existing health record books such as the 'okusuri-techo', a personal prescription history notebook widely common in Japan.
- Solutions for telemedicine, remote image diagnosis, sensor, telepathology, telemedicine
- Big Data to improve care management, predictive analysis, genomics
- Cloud computing solutions (Cloud PACS, Cloud Electronic Medical Record)

- Wireless medical prescriptions
- Self-managed healthcare equipment, medication management
- Watch service market for the elderly
- Patient data security/privacy during information sharing, storage and use
- Big Data and analytics in cloud computing environments for data management, warehousing, transition
- Data exchange and collaborative tools technologies
- Integration of intra-hospital systems to improve coordination between departments
- Mobile hospital applications
- Management of administrative claims, payroll, workers shifts, etc.
- Training programs to increase IT literacy

Swiss Solutions

- Tracking and monitoring of patients (apps and devices)
- Patient-healthcare provider communication and collaboration
- Big Data and associated data-driven insights
- Chronical care (apps and devices)

- Healthcare provider decision support
- AI solutions
- Robotics
- Information and data security

Want to Know More?
Contact us!

Together with experienced industry specialists, the Swiss Business Hub Japan will help Swiss and Liechtenstein companies explore and develop their chances based upon customized and in-depth analysis.

The Swiss Business Hub in Tokyo can open doors to the Japanese Healthcare Tech sector and your potential partners.

Our team in Switzerland and Japan will help you decide on a suitable market strategy for Japan. We will prepare a service package based on your specific requirements and business priorities. We work with a wide network of local partners and industry experts.

Swiss Business Hub Japan
c/o Embassy of Switzerland
5-9-12 Minami Azabu, Minato-ku
106-8589 Tokyo Japan
tok.sbhjapan@eda.admin.ch

+ SWITZERLAND GLOBAL ENTERPRISE
enabling new business