

# Market Opportunity

## Japan



HEALTHCARE  
& MEDICAL  
TECHNOLOGIES

- Japan has the world's largest ageing population and second highest longevity rate among OECD countries. Over 34 million seniors are above 65 and this demographic will continue to grow. The medical and healthcare market will need to keep pace.
- Healthcare spending on GDP will reach €400 billion by 2025, with 50% of Japan's medical care expenditure going to the 65 and above demographic.
- Medical equipment accounts for 75% of the market, excluding pharma. Japan imports 40% medical devices and 50% high-end therapeutic devices. 20% of Japan's medical imports come from Europe.
- European companies exporting medical devices and pharmaceuticals are key beneficiaries to the EU-Japan Economic Partnership Agreement, which will remove obstacles to EU exports through, e.g. increased transparency and better conditions for SMEs, including in public procurement.
- Updated regulations will lead to an increase in digital solutions to improve patient experience and cost-to-operations efficiency. Healthcare tech and smart solutions in the medical sector are predicted to grow 230% over the next two decades.

World's 2<sup>nd</sup>  
largest market

For healthcare  
& medical  
technologies



More than  
1/3 of  
Japan's  
population  
will be over  
65 by 2030.

### Top business opportunities for EU companies

1.	Products, solutions and technologies related to elderly and nursing assistive care technologies and home healthcare
2.	Products and solutions in wearables and other mobile technologies for healthcare
3.	Remote health technologies and telemedicine
4.	Advanced surgical equipment and innovative dental technologies, products and solutions
5.	Development, manufacturing, operations & maintenance of medical and dental equipment and products
6.	Elderly and nursing assistive care technologies, health IT-related technologies and home healthcare
7.	Self-care and prevention care medical devices and products
8.	Devices or technologies used for diagnosing dementia and cancer

Sources:

- PwC analysis
- Ministry of Health, Labour and Welfare
- OECD data
- Japan External Trade Organisation (JETRO)

### Sector characteristics

#### Medical equipment

- Government is focusing on diagnostics. Key areas are imaging diagnosis and minimally invasive treatment.
- Market for ophthalmological (eye care) devices grew significantly in 2018.
- New legal changes now allow the use of smart phones as medical devices. IT will play a key role in the development of healthcare equipment, service systems and healthcare advisory services.
- The demand for healthcare IT (AI/HIoT) and smart wearables such as wrist bands, electronic medicine notepads/notebooks, data monitoring and cybersecurity will grow significantly over the next decade.

#### Elderly and nursing assistive care technologies, home healthcare

- Future growth areas in Robotics: nursing care/patient welfare robots, and communication robots for the elderly.
- Shoes for the elderly is a promising growth area.
- Electric powered beds currently have the biggest share in equipment, and disposable diapers have the biggest share in expendables.

#### Remote health and telemedicine technologies

- Deregulation will significantly increase remote insurance treatment.

#### Nanotechnology for healthcare

- Considered an early technology with high expectations but limited applications, opportunities exist for early-arrivals to establish presence in the market.
- Scope for this sub-sector includes structural analysis technology at the molecular level of biomolecules, nano drug delivery system, gene therapy technology, etc

# MARKET OPPORTUNITY

## Japan

### Drivers

- Super ageing population
- National healthcare system generally supports higher-than-average reimbursement. The insured tend to pay 30% of medical expenses and 10% of nursing care expenses.
- Japan is a fast adopter of new technologies
- Japan imports more medical devices & technologies than it exports.

### Barriers

- Increasing pricing restrictions
- Strict approval process (high quality standards)
- Entrenched players in some mature markets
- Consumer tendency to favour familiar brands for conventional devices. Switch to new brands will depend on product innovation, strong local partnerships, cost-to-operations efficiency and changes to standards or regulations.

Name	Subsector Definition	Market size (M €)		Trend	Main players
		2015	2020		
Medical equipment	Diagnostic, therapeutic and household medical equipment	18,991	21,278	<ul style="list-style-type: none"> <li>■ Continued steady growth to satisfy advanced diagnostic and therapeutic needs</li> </ul>	
Elderly and nursing assistive care technologies, home healthcare	Equipment, tools and supplies used for nursing care, rehabilitation, care prevention, independence support, etc.	3,381	4,081	<ul style="list-style-type: none"> <li>■ Increasing demand for nursing care equipment, utensils and supplies due to ageing population and high turnover rate of nursing care staff</li> <li>■ Government support for nursing robots</li> </ul>	
Dental products	Dental machinery, preventive dental products, dental materials, chemicals and implants	2,161	2,169	<ul style="list-style-type: none"> <li>■ Reduction of dental medical expenses due to prevention, early diagnosis, short-term hospital flow</li> <li>■ Increase in dental illness of elderly</li> </ul>	
Wearable / mobile technologies for healthcare	Smart devices for healthcare, including smart phones and apps	689	1,806	<ul style="list-style-type: none"> <li>■ Monitoring and wearable device needs have been growing due to (i) health consciousness raised by the upcoming Olympics and awareness of lifestyle diseases; (ii) early diagnosis and emphasis on prevention for reduction of medical expenses (iii), need for advanced treatment</li> </ul>	
Remote health and telemedicine technologies	Remote treatment with and without insurance (by medical institution), remote medical services, remote health consultation services (by private enterprise)	52	154	<ul style="list-style-type: none"> <li>■ Needs related to remote medical care that is community-based or at home is increasing compared to hospital-centred medical care (expected completion by 2025)</li> </ul>	
Nanotechnology for healthcare	Nano material in biotechnology	84	125	<ul style="list-style-type: none"> <li>■ Strong expectation for minimally invasive diagnoses and targeted treatment systems using nanotechnology</li> </ul>	-