

Toward a society where people can expect a healthy life expectancy

The potential of healthcare is ever-expanding!

Japan's annual national medical care expenditure now exceeds 38 trillion yen, one third of which covers lifestyle-related diseases.

What if the stupendous cost of medical care can be shifted to an investment in preventive health control?

This approach to reaching the potential of healthcare is already starting.

Health advancement program

→ Fujikura Ltd. P.03

The goal is to "provide the environment where employees are able to work and live with vigor." Fujikura established a department exclusively dedicated to promoting health in the workplace. The company distributes pedometers with an IC-authentication function to all employees free of charge, and promotes other measures based on exceptional ideas. The company also aims to set an index for an investment effect.

"Expanding healthy life expectancy" is the key phrase for reducing medical care expenditure and creating new industries. Healthy life expectancy refers to the period in which a person can live without the health problems. Expanding the healthy life expectancy rate not only reduces medical care expenditure, but also promotes national health and helps promote growth in related industries. METI inaugurated the Next-Generation Healthcare Industry Council in December 2013. As a part of the Japan Revitalization Strategy, the conference aims to create and foster an "industry that expands the healthy life expectancy rate" in collaboration with the private sector. How should the demand for preventive health control, which cannot be covered by public health insurance, be fulfilled? How should the new industries be fostered? Heated debate among experts took place in the working groups (WGs) for three areas: business environment, health investment, and quality evaluation.

Action plan that leads to fuller lives

The interim report for the Next-Generation Healthcare Industry Council was compiled this June. Specific action plans are being set, with the Business Environment WG promoting the "revitalization of regional economies through the removal of gray zones and the creation of industry for expanding

the healthy life expectancy rate," with the Health Investment WG focusing on the "importance of health management," and the Quality Evaluation WG upholding the theme "visualization of quality."

The area for new healthcare services had already expanded thanks to the "system to remove gray zone areas" under the Industrial Competitiveness Enhancement Act which came into effect in January 2014. There is also an increasing number of unique approaches by companies and health insurance associations in the area of health investment. Further, in terms of quality evaluation, which is essential for expanding new industry, a third-party certification system is currently being established.

Think in terms of "illness prevention rather than treatment after getting sick."

This shift in mindset should contribute to fuller lives, and eventually in the growth of Japan. We will now take a look at various case examples that show sufficient potential in an area of healthcare that is ever expanding.

Jibun Karada Club™

→ Healthy Life Compass Corporation P.05

Check your own health by taking a speck of blood from your fingertip! With Jibun Karada Club™, 13 items, including blood sugar level and liver function, can be measured at once. This simplified health checkup service can now be provided in more regions thanks to the system to remove gray zones. The service is available in more than 130 stores, including major drug store franchises, throughout Japan.

Health Management Standardization Consortium

→ Japanese Standards Association P.06

Even people who do not like to exercise can still be physically active. This new concept for a healthcare and exercise service, referred to as "active leisure," is expected to grow. The Japanese Standards Association embarked on establishing a highly reliable certification system. The approach will broaden the base of the healthcare industry, and promote the diversification of service.



Check your own health every day. Employees' good health will support the company's growth.

Fujikura Ltd. started its Health Program in January 2013.

Why is the company aiming for "health management"?

What advantages are there?

Here, we will report the input from the actual operation scenes.



From left to right, Mr. Masaki Sugiyama (Fujikura Labor Union), Ms. Mari Okura (Planning Department, Electronics Business Company), and Mr. Kenichiro Asano (Deputy Director of Healthy Management Promotion Office). Ms. Okura and Mr. Sugiyama are members of the Health Promotion Supporter Conference.

"The most popular activity in the Health Program? That's the walking rally," says Mr. Kenichiro Asano of the Healthy Management Promotion Office. The first rally, held last year, was "Visiting Tourist Spots in Italy." The second rally, held this year, was "53 Stations of Tokaido." The third, held this summer, was "Let's Walk around Hawaii." Fairly gorgeous! But wait! The campaign poster mentions the word "virtual"... "That's right. We don't actually go to Hawaii," laughs Mr. Asano. "The actual distance is converted into steps, and participants compete with the length of their walk, while virtually experiencing the joys of travel. The record is determined with a pedometer with an IC-authentication function. Theme-related prizes are provided to participants who achieved the goal. For instance, wines and spaghetti were provided for the Italy rally." Ms. Okura of the Planning Department, who has been participating in the

activity from the very beginning, says, "My awareness of health management surged once I took part in the walk rally. Now we have frequent conversations around the office like, 'How many steps did you take today?'" Going up and down the stairs is now part of my daily routine." On the other hand, Mr. Masaki Sugiyama, a member of the labor union, says, "I was walking at least twice as much as I do now when I was in the previous business base. Since transferring to the Headquarters last year, I tend to walk less, but now I drink more. Thanks to the pedometer that the company distributed, my awareness of exercise increased, which I really appreciate."

Providing services in four tiers of risk

Naturally, activities by the Health Program are not limited to the walk rallies. "It's important to understand the

healthcare risk of employees," emphasizes Mr. Asano. Thus, based on information such as the results of health checkups, all employees are categorized into four tiers of high-, medium-, and low-risk and healthy. Various kinds of support are offered for each tier. In addition, in order to turn people's attention more toward their daily physical changes, a total of 20 multi-functional body composition meters have been installed at the business bases. Individual vital data, including the figures from blood pressure meters, electrocardiographic monitors and sphygmographs are securely accumulated and managed. Ms. Okura is a frequent user of the Health Measurement Room located on the second floor of the Headquarters. "I check every day. When I had health problems, I was able to detect changes at a very early stage because I saw that something was wrong with the figures." Mr. Sugiyama utilizes the genetic testing. He seems to be satisfied with the service, saying, "With this, I'm now aware of my constitutional predisposition in terms of lifestyle-related diseases. I use the information to plan routines for muscle training and walking."

Mr. Asano sees significant, favorable responses in these voices. "The health checkup data and measurement are visualized and monitored on a continuous basis. As a result, there are cases where employees' disease risks have been dramatically improved."

Appreciated by customers and highly valued in society

Nineteen months have passed since the Health Program first started, and its participation level has risen significantly. However, it was five years ago when the seeds of healthy management were sown in Fujikura. It was Mirai Project, which was started mainly by young employees to which the consideration of the company's Mid-Term Business Plan (2011-2015). A report based on the project served as the foundation to derive the current result.



Health Advancement Program

The content can be roughly divided into three areas: "collection of health data," "dividing into risk tiers," and "measures for each tier." The program is also promoted in collaboration with specialist physicians, healthcare staff and specialized institutions. A page for individual users is set up on the web to check out one's health condition via PC and smartphone. The mechanism promotes proactive usage.

"Innovative changes are indispensable in order to survive the severe condition of the market. It requires great power. So I appealed that both people and organization must be 'healthy' to realize it," affirms Mr. Asano, who was one of the members back then. The company announced the "Fujikura Group Health Management Declaration" on January 1, 2014. The declaration states, "We aim to become a company group that is appreciated by customers and highly valued in society, and has employees who are working vigorously." This shows the belief that the link chain "working vigorously – appreciated by customers – highly valued in society" will strongly develop the company. As for the effect of such investment, the work of setting the index (such as labor productivity and medical analysis) is being carried out in cooperation with

universities. "As expected, prevention is better than addressing the problem after becoming ill in terms of cost-effectiveness. A vast amount of data is gathered centrally to read the trend and forecast the future." In addition, "How can individual behavior be changed with individually customized healthcare services? That is one of the greatest themes of health management, together with the development of an environment thereof." (Mr. Asano) When such know-how is shared beyond the borders of companies and throughout society, a new, strong growth model should definitely be set.

CLICK! Fujikura Ltd.

Healthy Life Compass Corporation

We're still at the stage of setting the track. We want to make it a "standard" service someday.

Ken-Ichi Saito Ph.D., CEO



"I was too busy and forgot to get a checkup." "I am a bit worried because of my recent disordered lifestyle." One healthcare service that is attracting the attention of people like this is the Jibun Karada Club™, a simplified blood test provided by Healthy Life Compass. "There are people who cannot find the time to get health checkups even if they wanted to. I wanted to do something for them, which was the first place to start," says CEO Ken-Ichi Saito, looking back.

Jibun Karada Club™ is a service available in drugstores. No appointment is necessary. Although it takes only 15 to 20 minutes, you can measure 13 items, similar to those in



An exclusive testing kit is used to self-collect blood. It takes about a week to get results, which can be received at the store. Registered members can also check results online on the Jibun Karada Club™ website.

general health checkups, including cholesterol level and blood sugar level. The largest characteristic of the service is that it is based on self-collected blood. Even people without experience can easily collect blood because a pharmacist is in attendance. A pilot service started in 2012 in the Hokkaido area, and "I came to have fresh confidence that there are many potential needs for the service" (Mr. Saito). In April 2013, the full scale business started.

Inquiries took a sudden jump!

However, an unexpected obstacle occurred. "The positioning of this business differed largely by municipalities. In regions where it is interpreted that the self-collection of blood and advice on results may conflict with the Medical Practitioners' Act, we were obliged to postpone implementation of the service," explains Mr. Saito. Because it was an unprecedented service, the judgment standard was still unclear. The situation hindered the expansion of an idea with high potential.

"However, with the removal of gray zones, it became clear that transmitting test results and recommending further detailed tests do not conflict with laws. Then, inquiries took a sudden jump, including those from drugstores that were interested in the service from the beginning," says Mr. Saito. For the stores implementing the service, proposals on lifestyle improvement and introduction of related products may lead to improvement of services provided to users and an increase in revenue. Mr. Saito says that there are many things that he can and wants to do in the future, based on this business. "We're still at the stage of setting the track. I believe the business has social significance. I hope that someday people see this service as something that is perfectly standard." For this fiscal year, the business envisages implementing the service in more than 500 stores. The company is all set to start running at full throttle.



Japanese Standards Association

You can keep doing something you enjoy. What is the new concept "active leisure?"

Yoshiyuki Kato, Advisor

Mr. Yoshiyuki Kato of the Japanese Standards Association presented an interesting episode: "We did a demonstration experiment in Okinawa. Hija means goat in the Okinawan dialect, and when people take a walk with a hija, they end up walking an unexpectedly long distance because hija tend to wander about and roam around. The result is similar to walking for exercise. That is, you can keep on doing something you enjoy." Physical exercise is good for your health. That is something everyone understands, but it is difficult to continue once you try. There must be a lot of people with bitter experiences. Thus, the Japanese Standards Association, promoting the "visualization of quality" of healthcare and exercise service, incorporated a new perspective referred to as "active leisure" for the establishment of a certification scheme. The concept covers an extensive area, including "walking with a hija" as mentioned above, "farming experiences," "dancing," and even "karaoke." "Many people are willing to pay some for their hobby or something they enjoy. On the other hand, if people feel

reluctant to exercise, they will not be willing to do it no matter how low cost it is. In that case, what we can do is to expand the concept of 'exercise.' We can do something to place physical exercise within the scope of their enjoyment. This is the idea of active leisure, which is the target of the certification system we have embarked on establishing."

A tool for learning one's advantages and disadvantages

Based on this idea, the center of the quality of active leisure is to propose an exercise menu that enables the users to exercise continually, safely and effectively. It is important that the active leisure has these three elements," explains Mr. Kato. Now, what kind of effect can be expected with the start of a certification system? Users can more easily select a service that is appropriate for them, and the hurdle of making physical exercise into a habit will be lowered. On the other hand, business operators of active leisure will be able to realize sustainable business by letting the users use the service for the long term.

Excavating the motivation of "want to try proactively" is the requirement for active leisure business operators. The important point is "how well it can hide the fact that it is a physical exercise."



As the framework of the system has already been finalized, such operators will enter the phase of considering actual certification. The Japanese Standards Association and business operators of active leisure throughout Japan cooperate in fine-tuning while actually providing the service. "The certification system is not for competing over the mastery of service. I would like the business operators of active leisure to use the system cleverly as a tool, such as for understanding their service's advantages and disadvantages," says Mr. Kato.



"Active leisure" presented here indicates the concept of a service aimed for the prevention of diseases and care and the maintenance/advancement of health, where users are actively engaged in physical exercises according to their hobby, liking and lifestyle, and with which (i) safety, (ii) effectiveness and (iii) continuation are guaranteed.

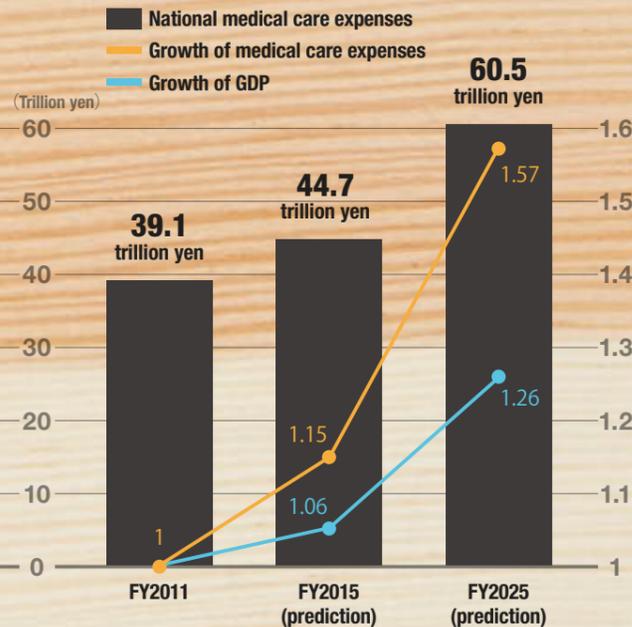
The direction is now set!

How to raise Japan's "strength of healthiness"

Envisaging the creation and activation of the healthcare industry, the Next-Generation Healthcare Industry Council had an intense discussion from three perspectives: the business environment, health investment, and quality evaluation. In June 2014, the details of the discussions in each working group (WG) were published as the Interim Summary. To which direction is the approaches for expanding of healthy life expectancy heading? We will explain the issues Japan must overcome and the images of resolutions thereof.

Forecast of national medical care expenses

The national medical care expenses of Japan are increasing every year. It is predicted to increase at a pace that exceeds that of GDP growth, and is calculated to reach 60 trillion yen by 2025.



*1: Prepared from the background data of the future plan published as reference material for the Council for Intensive Discussion on Social Security Reform held on June 2, 2011.

*2: The source of medical care expenses and GDP compares to those in FY2011. Source: material prepared by the Ministry of Health, Labour and Welfare.

Next-Generation Healthcare Industry Conference

For the "soil" that generates various services and products

Business Environment WG

These are the issues:

Even if you think up a new idea, you cannot turn it into a business, because how it is positioned under the law is unclear... In order to diversify and diffuse services and products, the removal of "gray zones," wherein the applicable scope of the existing law is ambiguous, is an important issue. It is also true that secure business models have yet to be established in these areas. In addition, because the revenue forecast is unclear, these kinds of businesses tend to have financing hardships or have trouble securing sufficient human resources.

Actions in the future:

Promotion of the system to remove gray zones

The operation of the system to remove gray zones has already started. This system allows an inquiry to be answered in advance on the legal interpretation of the content of business. The system will be revised as needed, for instance the reinforcement of the Guidelines that compiled the information highly demanded from business owners.

Financial assistance for the healthcare industry

The creation of a fund for the healthcare industry will be promoted. This fund not only provides operating funds but also actively supports management, such as through the dispatch of human resources with abundant business experience. It is expected that the fund will serve the role of triggering and encouraging entry by private financial institutions. It is also considered to establish a low-interest loan system in liaison with government-affiliated financial institutions.

Promotion of the collaboration between medical and agricultural, commercial and industrial areas

For instance, utilizing locally produced vegetables in foods served at hospitals, or serving meals at inns and hotels based on advice from practitioners; for developing regional healthcare industries into a competitive business model, collaboration with personnel in the medical care industry will be the key, in addition to tourism resources and agricultural/forestry/fisheries resources of the region. Demonstration services and business matching will be implemented in order to promote collaboration between the medical area and agricultural, commercial, and industrial areas.

Approach companies and individuals to back up health advancement

Health Investment WG

These are the issues:

While an increasing number of companies are now considering the health advancement of employees to be a necessary cost and are actively being engaged in such efforts, there are also companies considering the cost to be an unnecessary expenditure. The Health Investment WG points out that the background of such a gap in awareness is the fact that it is unclear whether there is a specific advantage for companies promoting health, and efforts to do so tend to be less evaluated from society. Therefore, measures for making the advantages of health advancement activities by companies and health insurance associations more visible are considered.

Actions in the future:

Establishment of a more objective evaluation index

In order to promote companies' health investment in their employees, there must be an objective evaluation index with which internal and external personnel can understand the achievement in common view. The index will be streamlined and developed from three perspectives: the "outcome evaluation," which includes the improvement rate of metabolic syndrome and moderation in medical care cost, the "process management evaluation," which evaluates continuous efforts by the management, and the "output evaluation," which sees whether the effort results in changes of employees' behavior.

Incentive for health management

A data collection was started for evaluating companies that are taking a positive stance towards healthy management as "health management issues (tentative name)." Favorable effects are expected, such as improved evaluation in the stock market and the improvement of corporate brand, and the availability of excellent human resources.

Transmission of best practices

Even if the company is interested in promoting good health, it may not know how to go about it. Therefore, case examples of companies and health insurance associations who are successfully implementing health investment and health management are collected. A manual is formulated based on these case examples, and is published and shared through occasions such as the regional version of the Healthcare Industry Conference.

Set a course towards the visualization of quality

Quality Evaluation WG

These are the issues:

Is information necessary for checking the quality of healthcare-related services and products sufficiently being provided to consumers who consider purchasing such a service/product? At the current stage, the answer is not always "yes." While laws and regulations and official systems are sufficiently developed in the area of medical care, the consideration on such development was still insufficient in the area of healthcare. The visualization of quality, which allows consumers to judge the reliability, security, and safety of the service or product, is essential for the growth of the healthcare industry.

Actions in the future:

Development of a quality evaluation model scheme

The development of a model scheme for quality evaluation in areas of healthcare and exercise services with strong needs will start in near future. Unlike the conventional qualifications for human resources (healthcare and exercise instructors, etc.) and facilities certification (health advancement facilities, etc.), the Japanese Standards Association is taking initiative to establish the visualization of quality, so as to evaluate the quality of the service itself.

Promotion of the utilization of services

In order to promote the use of quality-evaluated services and to further raise the quality, the needs of companies and health insurance associations, who are the users, are collected for public relations and diffusion activities for certified healthcare and exercise services.

CLICK! [Interim Summary by the Next-Generation Healthcare Industry Conference](#)

There are as many types of methods as there are achievements.

The latest information on the healthcare industry

Innovative healthcare services are being generated in various regions throughout Japan. Some cases gather the attractive elements of the region, and other cases fully utilize the strength of a particular company. See what the frontline of the healthcare industry is like from the following three case examples.

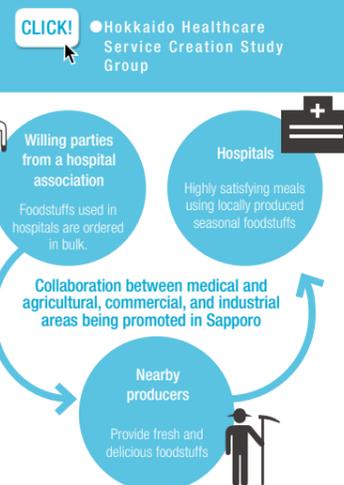
Spreading the Hokkaido Model throughout Japan in the future

Wakkanai Model and Sapporo Model, by the Hokkaido Healthcare Service Creation Study Group

The population-aging rate in Hokkaido is expected to surge from the current 25.7% (2012) to 40.7% (2040). Based on such regional characteristics, the creation of various healthcare services has been considered. The key phrase derived was "a space for azumashii (which means another place for oneself)" and "collaboration between medical and agricultural, commercial, and industrial areas." Model projects already started in Wakkanai and Sapporo.

In Wakkanai, "azumashii locations," where different generations can gather and interact, are set by making use of vacant stores in a shopping mall. Using these locations as a base, the project aims to provide a

compound healthcare service by stimulating the willingness of senior citizens to go out and also by securing collaboration with roadside stations, physical exercise facilities, and medical/care institutions. In Sapporo, willing parties from a hospital association invented a mechanism to procure very fresh vegetables from nearby producers in order to improve the quality of food catering service in hospitals. Collaboration between medical and agricultural, commercial, and industrial areas is actively put into practice here. The efforts in two regions are considered to be a pilot case and are viewing development in other regions in Japan.

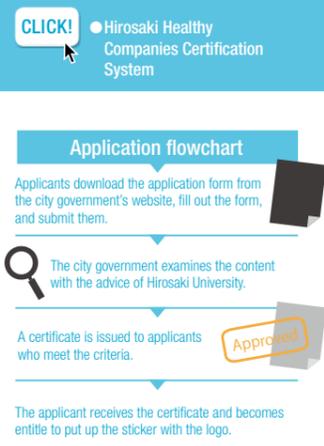


Preferential interest rates are also available for certified companies

Hirosaki Healthy Companies Certification System by Hirosaki City, Aomori Prefecture

Hirosaki City, Aomori Prefecture, established a system to certify "companies and groups that are preparing a working environment wherein employees can stay healthy and work comfortably." The city also "proactively engaged in health promotion in order to elongate the healthy life expectancy rate" as "Hirosaki Healthy Companies." Organizations that fulfill the required items (5 items) and optional items (3 items or more) are certified. The first company was certified in June 2014. Utilization of the system not only contributes to improving the image of the company, but also has a practical advantage. Aomori Bank started a financing system, "Nagaiki Yell," in April 2014. This offers a preferential

interest rate to companies engaged in health promotion efforts. For companies that meet the criteria set by the bank, the interest rate is lowered by a maximum of 0.5%. Hirosaki Healthy Companies falls under the category. A loan of up to 20 million yen is offered to companies for operating funds and equipment funds. For individuals working at certified companies, there is also preferential treatment in terms of car financing and educational loans. The average life expectancy in Aomori Prefecture is the lowest among all prefectures, and this system is attracting a great deal of attention as a measure to contribute to the improvement of such state and the development of the regional economy.



Activities are expanded as the "health station of the Neighborhood"

Health Action Plan by LAWSON, Inc.

LAWSON declared that it would become the "health station of the Neighborhood" in October 2013. The concept included a "meal solution," which involves the development of products that are both delicious and healthful, and "self-medication support," which serves as a base for safety and confidence, such as for pharmaceutical sales. Before the announcement, the company started its Health Action Plan targeting its employees in 2012. It supported lifestyle improvements in terms of diet and exercise for employees with a high risk of obesity, high blood sugar levels, and high blood pressure. As a result of efforts such as recording the number of steps walked via "Loppi," the storefront

terminal, or the distribution of originally developed applications, 72 people, which account for about 27% of the targeted employees, managed to get out of the "high risk" group during the next fiscal year (including 23 people who started medical treatment). In 2013, the target of the effort was also expanded to the owners of the franchise store. The company is now seeking to establish this business model through efforts such as concluding a Health Agreement with Amagasaki City (Hyogo Prefecture), Matsumoto City (Nagano Prefecture), and Saga City (Saga Prefecture) and to provide "visited health checkups to Lawson stores neighbors" as an experimental service.

CLICK! ● LAWSON Health Station of the Neighborhood

Originally developed application "Health Action Support"

This application has many features for long-term enjoyment of health improvement efforts, such as monthly evaluations and advice, and a "reward coupon" for achieving a certain goal.

