

Japan's Health Care Innovation: Practical Answers for Aging, Labor Shortages and Rising Costs

Japan is confronting the world's toughest health care equation: more older patients, fewer workers, tighter budgets. In response, it is building practical innovations that scale. *By Daniel de Bomford and Anudari Erdenebulgan*

Japan is stepping through the door first on health care pressures that many countries are only beginning to confront. The "2025 problem," when the largest postwar generation moves into the 75-and-older bracket, sets a clear timeline for rising long-term care needs. By 2035, about half of people in their mid-80s are expected to require care. Combined medical and long-term care costs are projected to reach 67 trillion yen (\$432 billion) in 2025 and could approach 100 trillion yen (\$645 billion) by 2040.

Consequently, Japan faces a second challenge: staffing shortages and a system shaped by detailed regulation. In Japan, innovation emerges through engineering, operations and disciplined execution, with solutions designed to work within constraints. Japan turns a tough health care equation: more demand, fewer workers and strict rules, into an opportunity to lead by making care delivery more efficient, extending clinical insight into the home, and reinforcing trust. The result is a set of approaches rooted in local needs and increasingly relevant worldwide.

"Our focus has always been on ensuring our instruments feel right."

Masaya Watanabe,
President and
Representative Executive
Officer, MANI Inc.



Redesigning Care Delivery

Central Medience Communications operates in a corner of the system that often determines

whether communities retain access to care: the viability of regional hospitals. It argues that the crisis is structural, as smaller hospitals are being asked to maintain complex operations without the required staff. "Across the country, there are roughly 300 smaller hospitals that lack the operational and administrative support they need to sustain themselves," said Ryutaro Nakagawa, president and CEO. "Our mission has been to help those institutions by providing the systems, management tools and logistical backing required for stable, efficient operations within their communities." Its model integrates nonclinical functions so hospitals can focus on patients, while still planning for demographic change.

Kanamic Network targets a different choke point: administrative burden in long-term care and community health. As demand climbs and the workforce shrinks, the company frames productivity as the system's only viable release valve. "The number of people who support society is steadily declining, while the number of people who need support continues to increase," said Takuma Yamamoto, president and representative director. Kanamic's cloud platform cuts paperwork and reconnects time to patient-facing work. "When it comes to reducing administrative work, the Kanamic Cloud Service offers significant advantages and highly practical solutions," Yamamoto said.

MRT Inc. approaches the constraint from the standpoint of talent allocation, including across borders. The company's pitch is that digital transformation should connect fragmented actors like clinics, hospitals and public services, so scarce clinicians can be deployed

more intelligently. "Japan will be the first to experience a super-aged society at this scale," said Dr. Tomonari Ogawa, president. "The central social challenge, therefore, is how to allocate these scarce medical resources in the most optimal way." MRT's focus, he said, is practical: "Our goal is to create an environment where physicians can deliver care more efficiently." The company sees Japan's constraints as a blueprint for markets facing similar pressures.

"The only viable solution is to significantly increase productivity per person."

Takuma Yamamoto,
President and Representative
Director,
Kanamic Network.



Precision Devices and Connected Home Care
OMRON Healthcare has built its strategy around a basic premise: prevention becomes actionable when measurement moves out of the clinic and into daily life, without sacrificing medical-grade credibility. For decades, the company has designed devices for home use, then tied those readings to digital tools shared with clinicians. "Our goal is to provide users and health care professionals with a more seamless and connected experience," said Ayumu Okada, president and CEO. As it expands remote monitoring and app-based care pathways, OMRON is positioning home data as a bridge between patients and providers, particularly in aging societies where early detection can prevent complications. ▶

When Clinical Feel Becomes Measured Precision

In Japan's ophthalmic field, precision is not an abstraction, but a daily clinical requirement shaped by ophthalmologists, patients and real-world constraints.

By Daniel de Bomford and Bernard Thompson

For decades, Japan's medical device industry has earned global trust for precision, durability and an exacting approach to quality. In ophthalmology, those values remain essential as clinical demands grow more complex and minimally invasive procedures become the norm.

Inami has built its work around a simple premise: innovation begins at the moment ophthalmolo-

gists encounter a challenge. Rather than designing products in isolation, the company translates ophthalmologists' tactile experience into reliable, reproducible instruments. "For ophthalmic surgical instruments, precision to the 0.01-millimeter level is a fundamental requirement," CEO Takayuki Inami said.

Custom-made instruments sit at the center of this approach, with hundreds developed annually in response to individual ophthalmologists' needs. The TMH series, created through close collaboration with glaucoma specialists, reflects this philosophy in practice.

Inami's focus is on scale for continuity, supporting clinicians by turning nuanced clinical insight into tools that perform consistently where it matters most.



"We have long focused on quality control, durability, low defect rates and achieving extremely high precision."

Takayuki Inami,
CEO, Inami & Co., Ltd.

Inami
<https://inami.co.jp/en>

TMH hook
surgery video



An innovative solution for glaucoma surgery

▶ Inami & Co., Ltd. operates at the opposite end of the spectrum: the surgical instrument, where small design differences can shape outcomes. The company's approach begins with the clinician's hands and turns tactile experience into repeatable engineering. "We have long focused on quality control, durability, low defect rates and achieving extremely high precision," said Takayuki Inami, CEO. Inami's emphasis on custom instruments, which are developed in response to specific clinical needs, reflects a broader Japanese pattern: innovation as iteration, close to the point of use.

MANI frames its work in similar terms, but with a global scaling challenge: how to preserve craftsmanship while increasing output, expanding procedures and strengthening supply. "Throughout that history, we have consistently aimed to provide the best quality in the world, to the world," said Masaya Watanabe, president. For MANI, quality is not only defect reduction. "Our focus has always been on ensuring that our instruments feel right in the hands of surgeons so that they are highly usable, intuitive and precise in actual clinical settings," he said. The company's bet is that consistent usability, backed by resilient manufacturing, can help hospitals do more with less.

Trust, Trials and Therapeutics in a Data-Driven Era

TOA Pharmaceuticals operates in a market where reliability is often as prized as novelty.

Japan's universal insurance system and tight oversight reward stability, and TOA has built its role as an OEM partner around long-term relationships and technical problem-solving.

"Our goal is to create an environment where physicians deliver care efficiently."

Dr. Tomonari Ogawa,
President,
MRT Inc.



"If people trust us, rely on us and value what we create, that will be our true success," said Jun Nakai, president. In an OEM business, trust is a practical requirement, the basis for taking on complex formulations and seeing them through development, regulatory work and manufacturing. "Our role is to help our clients realize their vision — to make their ideas tangible," he said. The company's work in dry powder inhalers is one example of specialization shaped by both patient access and manufacturability.

ALLM Inc. is working to address growing structural pressures on health care systems through digital collaboration tools. The Japanese company develops telemedicine platforms designed to connect doctors, hospitals and regional networks, helping specialists support patients even when they are not physically present. Its flagship platform,

Join, allows clinicians to securely share medical images, communicate in real time and coordinate care across institutions. As President Takaaki Otani explained, the aim is to strengthen cooperation across the health care system. "Our goal is to contribute to a regional health care ecosystem built on telemedicine," he said, reflecting the company's broader vision for more connected and accessible care.

FRONTEO is betting that Japan's advantage in software will come from codifying what experts know but rarely write down. Founder and CEO Masahiro Morimoto argues that Western-style digitization often misses the way Japanese workplaces solve problems, especially in technical fields where decisions rely on experience and intuition. "Japan needs a form of DX that leverages this 'tacit knowledge,' making it usable and sharable within digital systems," Morimoto said. In health care and drug discovery, FRONTEO applies that approach to scientific literature, using natural language processing to extract causal relationships from papers and generate hypotheses faster than traditional correlation-driven methods.

Japan's health care future is arriving early. These companies show how constraint can drive usable innovation: simpler workflows, smarter clinician allocation, dependable devices and trusted development. What works in Japan's hardest conditions may travel well.

Connecting Talent and Technology Across ASEAN

Drawing on Japan's experience, MRT is building a regional DX platform in ASEAN, linking hubs, training and talent to strengthen health care systems across the region. *By Daniel de Bomford and Cian O'Neill*



"Our goal is to create an environment where physicians can deliver care more efficiently."

Dr. Tomonari Ogawa, President, MRT Inc.

Across Southeast Asia, health care providers face a shared dilemma: demand for trained professionals is rising faster even as infrastructure remains uneven. MRT has spent over two decades addressing it in Japan, one of the world's most rapidly aging populations.

"Japan will be the first to experience a super-aged society at this scale," Dr. Tomonari Ogawa, president of MRT said. "The central social challenge, therefore, is how to allocate these scarce medical resources

in the most optimal way." Those same lessons now inform MRT's work in ASEAN, where similar challenges are emerging, albeit at different speeds.

Rather than exporting standalone technology, MRT is building a unique DX platform tailored to the health care ecosystem. The aim is integration. "One of the biggest issues in Japan's health care system is fragmentation," Ogawa said. "When these divisions disappear, and a seamless network is created, medical resources can be allocated far more efficiently."



Meeting with Docquity CEO

Training is a critical part of that approach. MRT does not treat digital tools as plug-and-play solutions. "We still face significant hurdles," Ogawa said, and pointed to a shortage of personnel who can manage new



Signing ceremony with Hoan My in Vietnam systems. For the medical industry, building digital infrastructure without developing people to run it creates another bottleneck.

The company's expansion in markets such as Vietnam and Singapore reflects a longer view of ASEAN as a connected health care zone. MRT does not frame its mission as Japan versus the rest of the world. "Japan is simply one country within Asia," Ogawa said. "If the solutions we have developed in Japan can help other Asian countries, then it is our responsibility to share them."



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"When it comes to reducing administrative work, the Kanamic Cloud Service offers significant advantages and highly practical solutions."

Takuma Yamamoto,
President and
Representative Director,
Kanamic Network



Japan's Aging Crisis Drives Kanamic Innovation

As Japan confronts the world's fastest-aging population, Tokyo Prime-listed Kanamic Network is deploying cloud-based health care technology at home and exporting its digital transformation model to Singapore and ASEAN markets. *By Daniel de Bomford, Kyann Edouard and Arthur Menkes*

Japan is entering what many policymakers describe as uncharted territory. As the world's fastest-aging society, it faces a demographic imbalance that will test the limits of its health care and long-term care systems. For Takuma Yamamoto, president and representative director of Kanamic Network, the challenge is stark.

"The single biggest challenge Japan faces is, without question, its aging population," Yamamoto said. "The number of people who support society is steadily declining, while the number of people who need support continues to increase."

The so-called "2025 problem," when Japan's largest generation enters the 75-and-over category, marks a turning point. Certification rates for long-term care rise sharply after 75. By 2035, roughly half of those in their mid-80s are expected to require care.

At the same time, national spending continues to climb. Combined medical and long-term care costs are projected to reach 67 trillion yen (\$432 billion) in 2025 and could approach 100 trillion yen (\$645 billion) by 2040. "Even if demand

continues to grow, it does not mean services can automatically be provided," Yamamoto said. "The number of doctors, nurses, care managers, and caregivers is expected to decrease."

Kanamic's answer is digital infrastructure. Through its cloud-based platform, the company targets one of the system's most persistent inefficiencies: administrative workload. Internal time studies show that nurses and care managers spend significant portions of their working hours on paperwork rather than patient-facing tasks.

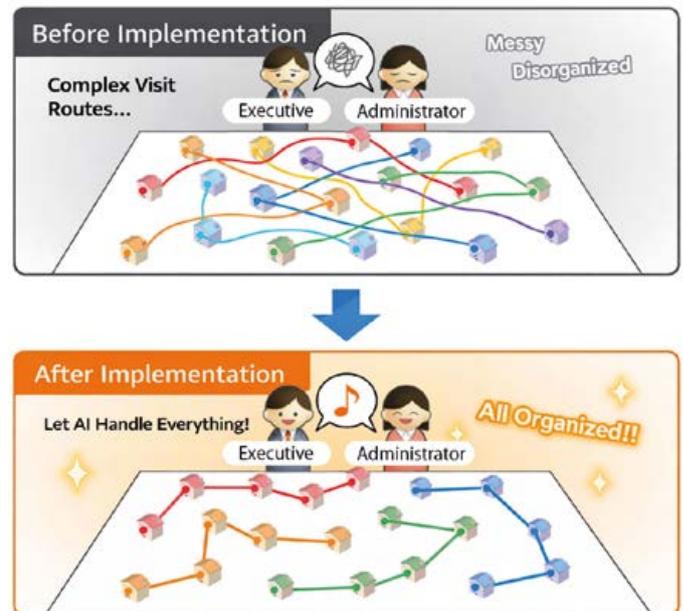
"By reducing this administrative burden, that time can be redirected to direct medical and caregiving work," Yamamoto said. "If someone who previously supported 10 people can now support 12 or 13, then even as the elderly population grows, the system can absorb the increase." The goal is measurable productivity gains of 1.2 to 1.5 times per professional.

Kanamic Network, listed on the Tokyo Stock Exchange Prime Market, views Japan as the proving ground. "If Japan can successfully overcome this challenge, the

solutions developed here can be applied globally," Yamamoto said.

That export phase has begun. The company is rolling out Japan's medical and long-term care digital transformation solutions in Singapore and across ASEAN,

positioning its platform as a response not only to Japan's aging wave, but to the region's emerging demographic shift. Kanamic is betting that Japan's toughest challenge may also become its most valuable export.



Kanamic AI Kanamic AI Automatically Generates the Most Efficient Routes!



Hanaoka Factory in Tochigi Prefecture, Japan

Centennial Medtech Strategy for Growth

Under surgical lights, precision becomes trust. MANI is scaling Japanese craftsmanship into global solutions, partnering with KOL doctors, expanding sales networks and building the Smart Factory for resilient worldwide production. *By Daniel de Bomford*



"Throughout that history, we have consistently aimed to provide the best quality in the world, to the world."

Masaya Watanabe, President, MANI Inc.



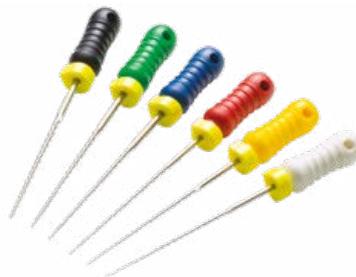
www.mani.co.jp/en/index.html

In the operating theatre, the world narrows to a few inches. The surgeon's gloved hands make microadjustments visible only to those present in the room, adjustments that will change a patient's life. In that moment, absolute confidence in the quality of the instruments is paramount.

That's the standard MANI has chased for decades. "By 'quality,' we do not mean simply minimizing defects," President Masaya Watanabe said. "Our focus has always been on ensuring that our instruments feel right in the hands of surgeons so that they are highly usable, intuitive and precise in actual clinical settings."

But craftsmanship is just one part of the story. "Having the best quality is not enough; we must also ensure that this quality reaches medical professionals around the world," he said. For MANI, becoming a centennial com-

pany means scaling trust globally without compromising the standards that created it.



Files for endodontic root canal treatment

The strategy starts with expanding value from products to procedures. "Rather than simply supplying individual high-quality instruments, we aim to support complete clinical workflows," Watanabe said. In endodontics, Watanabe said the company holds a 30 percent global market share in files and is expanding its product offerings to cover the entire workflow, from shaping to irrigation and filling. That workflow mindset is increasingly clinician-led: MANI collaborates with key opinion leaders (KOLs) to validate techniques, refine product design and disseminate best-practice protocols through education and training.

The same philosophy underpins MANI's global commercialization. The company is enhancing its international sales network as a part of patient access: deepening relationships with distributors,

including a minority investment in its German distributor, and forming a strategic alliance with a U.S. manufacturer to broaden coverage and accelerate entry. In parallel, Watanabe said that the company has allocated over ¥20 billion (\$129 million) for M&A to accelerate growth, including go-to-market expansion aimed at strengthening sales channels in the United States, Europe, India and other priority regions.

Manufacturing is also being built for longevity. "We relocated major production to Vietnam in the 2000's, where we now have approximately 3,300 employees working in labor-intensive processes," Watanabe said. At the Hanaoka Factory, the company is implementing AI, robotics and digital-twin technologies, targeting a workforce size that is only a fraction of the labor required in Vietnam, especially for inspections. Additionally, the company plans to establish a local factory in China and begin operations in 2028, extending a rapid roll-out of advanced production lines pioneered at the Hanaoka Factory as global production expands.

In ophthalmology, MANI is pursuing further growth by raising its global share of cataract surgical knives from 35 percent to 50 percent. It's why MANI targets surgical efficiency, helping hospitals do more procedures and letting surgeons focus on patients. "Today, we stand at the threshold of becoming a company that endures for 100 years," Watanabe said. "I may not witness the final outcome myself, but I am committed to laying the foundation for it."

For clinicians worldwide, MANI's promise is simple: dependable supply and consistent performance, wherever they practice.



Ophthalmic knives for cataract surgery



MANI's corporate policy "The Best Quality in the World, to the World"

Rethinking Regional Hospitals in Aging Japan

As demographics shift, Central Medience Communications helps small hospitals stay viable by unifying operations, data, staffing and long-term planning nationwide. *By Daniel de Bomford and Anudari Erdenebulgan*



"This model enables hospitals to focus on patient care while we manage and streamline the administrative and logistical side."

Ryutaro Nakagawa, President & CEO,
Central Medience Communications

Japan's regional hospitals are under growing strain. An aging population,

tightening regulations and persistent staffing shortages have left many smaller institutions struggling to remain viable. For Central Medience Communications, the challenge is not simply medical, but structural.

"Across the country, there are roughly 300 smaller hospitals that lack the operational and administrative support they need to sustain themselves," said Ryutaro Nakagawa, the company's president and CEO. "Our mission has been to help those institutions by providing the systems, management tools, and logistical backing required for stable, efficient operations within their communities."

That work has become more urgent as Japan's health care rules have tightened. Hospitals can no longer expand bed capacity freely, while reimbursement rates continue to narrow. "For medium-sized hospitals—typically those around 300 beds or fewer—this shift made it increasingly difficult to remain profitable," Nakagawa said.

Central Medience approaches the problem through what Nakagawa calls a

"medical integrator," consolidating non-core hospital functions such as staffing coordination, procurement and workflow management. "Hospitals today simply don't have the personnel to manage all of these tasks," he said. "This model enables hospitals, especially small and medium-sized ones, to focus on patient care while we manage and streamline the administrative and logistical side."

Data plays a central role. The company analyzes regional demographics, disease patterns and population trends to determine what kind of care each community needs.

Looking ahead, Central Medience is developing digital platforms to improve staff mobility and patient transfers between hospitals. "Japan's health care system tends to take a uniform approach," Nakagawa said, "but differentiation and specialization at the local level are now essential for survival."

 Central Medience

<https://centralmedience.com>



TOA Advances Japan's Pharmaceuticals

Japan's pharmaceutical industry values reliability as much as innovation. TOA Pharmaceuticals has built its reputation by combining trusted generics with focused technological specialization. *By Daniel de Bomford*

In Japan's pharmaceutical sector, reliability is king. While global rankings tend to favor companies built around blockbuster drugs, Japan's system places equal weight on stable supply and quality. Within that framework, TOA Pharmaceuticals has built its reputation as a behind-the-scenes partner supplying essential medicines while pushing into specialized areas of innovation.

As a drug developer and manufacturer, TOA operates in a market shaped by universal health insurance and strict regulatory oversight. These conditions reward consistency and trust over speed, and they have influenced how the company approaches its role. Rather than focusing solely on volume, TOA positions itself as a full-service OEM partner, supporting clients from formulation development through manufacturing, regulatory applications and commercialization.



R&D Building

That integrated approach has made TOA a go-to manufacturer for companies with complex or unproven concepts. "Our role is to help our clients realize their vision—to make their ideas tangible," Jun Nakai, president of TOA, said. Clients often arrive with ideas that require technical refinement, and TOA's development teams work to translate those concepts into viable products. The emphasis is on long-term collaboration, with manufacturing treated as a service built on shared problem-solving.

One area where that philosophy has taken shape is dry powder inhaler technology. TOA was the first com-

pany in Japan to develop and manufacture generic DPI formulations, entering a field that remains small but largely uncontested domestically. Unlike injections or liquid medicines, DPI products are water-free, noninvasive and easy to administer, attributes that make them useful in both developed and resource-limited settings. "It's not just a delivery method; it's a new frontier in accessibility and safety," Nakai said.

While inhalers are commonly associated with respiratory treatments, TOA sees broader potential for the delivery method, including everyday medications and humanitarian applications.

As it looks toward its centennial, TOA is focusing on remaining a trusted manufacturer with products that patients and partners continue to rely on.

"If people trust us, rely on us, and value what we create, that will be our true success."

Jun Nakai, President,
TOA Pharmaceuticals



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