

The Boom in Health Care

By Hiroyuki Yamamuro

A variety of words is used to describe it—"sports," "fitness," "athletics" and so on. The so-called health care industry, which is enjoying a quiet boom, is projected soon to have a turnover of some ¥800 billion a year. Out to diversify their lines of business, major real estate firms, liquor producers and supermarkets are already moving into this promising market.

Why is the health care industry catching on so fast? In Shibuya, a fashionable quarter of Tokyo bustling with young people, two membership sports clubs opened for business in late April. They are Tipness, a subsidiary of Suntory Ltd., a noted liquor producer, and Nautilus Club, run by Sumitomo Realty & Development Co., an influential real estate firm.

Since then, membership applications have been pouring into the clubs because they both keep membership fees (¥20,000, or \$133 at the rate of ¥150/\$) and monthly dues (¥10,000, or \$67) low enough for young customers to pay. Elated with this successful startup, managers of the clubs say, "We would like to open a lot more branches if only we could find good locations."

The biggest of the sports clubs now in business is XVX (pronounced egzax), run by Nichii Co., a leading supermarket with a nationwide sales network. Here the membership fee and monthly dues are even cheaper—¥10,000 each. Back in 1983, Nichii opened five XVX clubs in the Kanto and Kansai areas. Riding the health boom, their popularity zoomed. Now there are as many as 57 XVX clubs across the country. It's a mammoth enterprise, with sales soaring to ¥7 billion a year.

Besides health clubs for young people, there are luxury clubs for business executives and wealthy people. Among them is Wellness Center in Shinjuku, operated by another big real estate company, Mitsui Real Estate Development Co. Here membership terms are quite different: The membership fee is ¥500,000, and in addition the member has to pay a deposit of ¥2 million. But the health care service

provided here rewards a great deal. Doctors keep an eye on members, checking they are not training too hard and giving advice on the right kind of diet. The club now has 700 members. Quite a few health clubs charge a membership fee of more than ¥1 million.

The purposes of these health clubs are various. Simply put, for instance, aerobics studios help women reduce their weight. Most clubs are equipped with such facilities as running machines and exercise bicycles. Tennis and golf practice facilities and even saunas distinguish some deluxe clubs.

No accurate statistics are available about this health care industry phenomenon, but there are an estimated 600 health clubs all over the country. How fast such clubs have mushroomed may be evinced by the fact that there were only 150 in 1985 and 180 in 1986. Health care industry sources predict that the number of health clubs will shoot up to between 2,000 and 3,000 in five years' time. People nowadays are so keen on health that the health care business is expected to grow into an ¥800 billion to ¥1 trillion industry in the future.

What, then, are the reasons for the degree of enthusiasm among the public that sustains the health care business boom? First, the average life span of Japanese is becoming longer and longer. Ministry of Health and Welfare statistics show that the life expectancy of Japanese men is 75.13 years, the second highest in the world, and that of women is 80.93 years, the world's highest.

Second, the traditional lifetime employment system is crumbling, with the economy shifting to an era of low growth. The Ministry of Labor last January surveyed how posts are changing hands and how the fixed-age retirement system is changing at 90,000 private corporations. The results show that 1.1% of those companies surveyed had their employees temporarily seconded to affiliates or other firms under their streamlining programs. The percentage rises to 8% for those with more than 5,000 employees. The third reason is



Health clubs are becoming a mammoth ¥800 billion per year industry.

the successive sudden deaths of top business executives, a phenomenon recently making news headlines. They had been thought to be in good health, according to their companies.

Buffeted by the effects of low growth, most companies can no longer be depended on by their employees as before. The long-observed lifetime employment system is actually on the way out. More often than not, senior employees of major companies are seconded to subsidiaries until the extended retirement age of 60, but they are excluded from pay increases.

After retirement, most people can expect to live more than 15 years, and to a large extent they must rely on puny severance allowances. The specter of premature death also haunts those retired people who, for so many years, had to work under conditions of stress. Against such a background, it's no wonder the public desire for good health is bound to rise year after year.

The health care industry is not without problems, however. According to Ministry of Health and Welfare surveys, instructors at these health facilities are generally quite young—in their 20s—and 30% of them are not properly trained. Therefore, whether the current boom in the health care industry will lead to something permanent depends to a great extent on Japan's future economic growth, the policy toward the aged and the quality of health instructors. ●