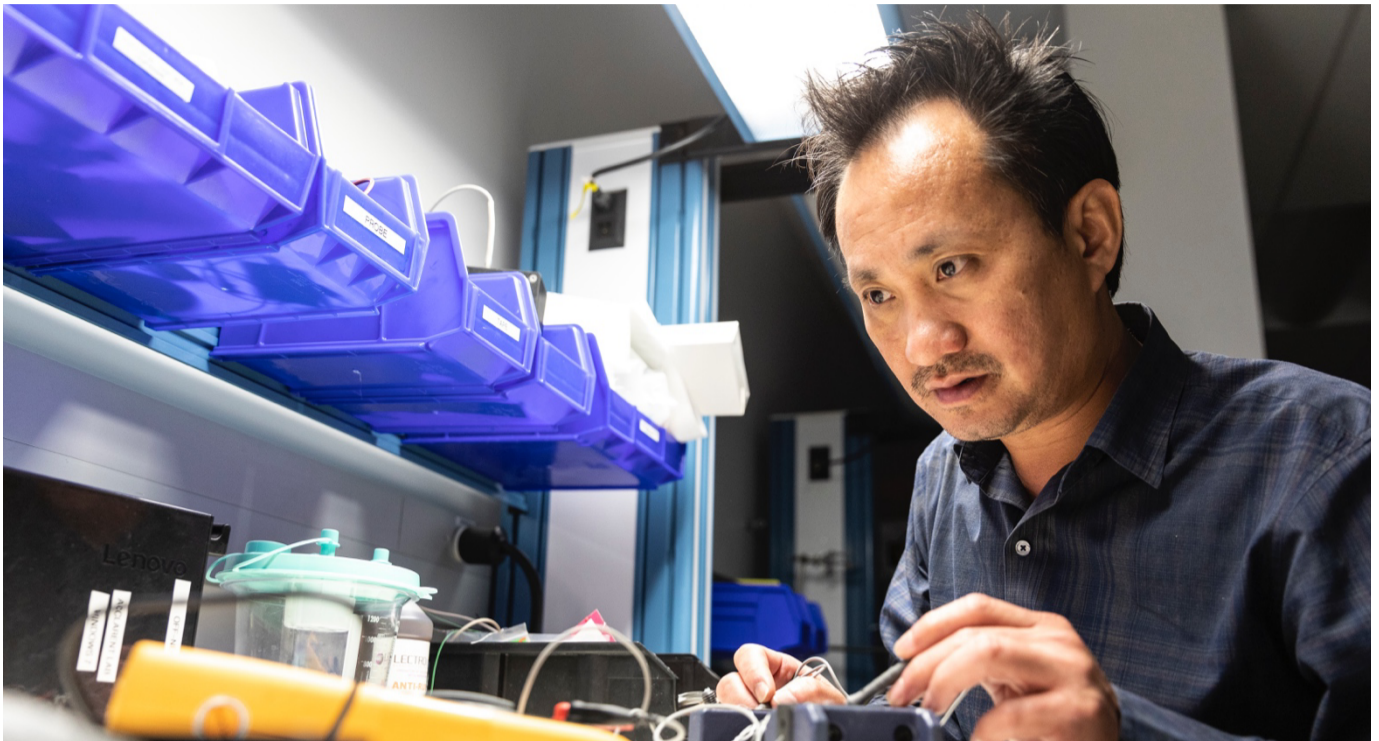


# Realizing Opportunities in Ageing Societies Ageing as a Source of Innovation and Growth



Our fifth edition of the Ageing Business Roundtable Dialogue series took a closer look at ageing as a catalyst for innovation and new business opportunities. It brought together leaders from government, corporates and NGOs with a shared interest and knowledge of initiatives and programs relating to ageing. Attendees explored innovation in ageing and how to elevate the value proposition of an ageing society as a source of innovation and growth for business.

## Pioneers on the ageing frontier

This edition focuses on Japan, which was one of the first developed economies, in the 1980s, to recognize the dual challenges of an ageing and shrinking population. In 2006, Japan became the first “super aged” country with 20% of its population aged 65 and older. In a world where more and more countries are facing the demographic impact of increased life expectancy and reduced birthrates, Japan’s experiences may be useful for other countries in Asia Pacific tackling this issue.



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## Japan at a glance

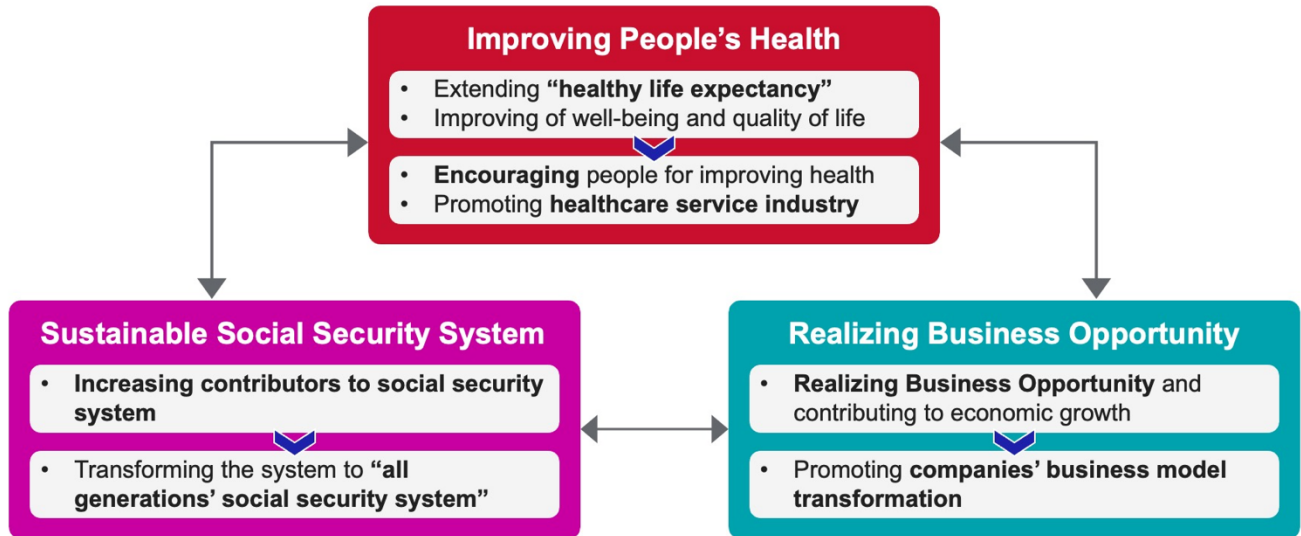
	2020	2050
<b>Population</b>	125 million	102 million
<b>Ageing population</b>	28.9%	37.7%
<b>Working age population</b>	74.1 million (59%)	52.8 million (52%)
<b>Average life expectancy</b>		
Male	80.9 years	83.6 years
Female	87.7 years	90.3 years

• 1st super-aged country: since 2006 more than 20% of population is over 65

- More than 80% of Japan's over 70s would prefer to work and contribute to society
- Average period of time spent without limitation in daily activities (healthy life expectancy at birth) was 72.14 years for males and 74.79 years for females in 2016
- Value of products and services for over 60s expected to be USD12.8 trillion+ in 2030, which is about half the consumer market

Sources: Hiroshi Ishikawa, Ministry of Economy, Trade and Industry (METI), Japan Government Cabinet Office's Annual Report on the Ageing Society

## Policy Perspective



Source: Hiroshi Ishikawa based on METI's slide

## Establishing an ecosystem to support the ageing society

The government of Japan is implementing various measures to create an "age-free society in which people of all ages can make use of their motivation and abilities depending on their hopes." It recognizes it is essential to not only extend life expectancy but also to extend the number of years people can live healthily and independently.

Today there is a greater focus on health promotion and encouraging or "nudging" people towards preventative measures. Innovation may develop through data utilization that could inform and encourage private health-related services to support "healthy longevity" proactive measures to support longer, healthier lifespans.

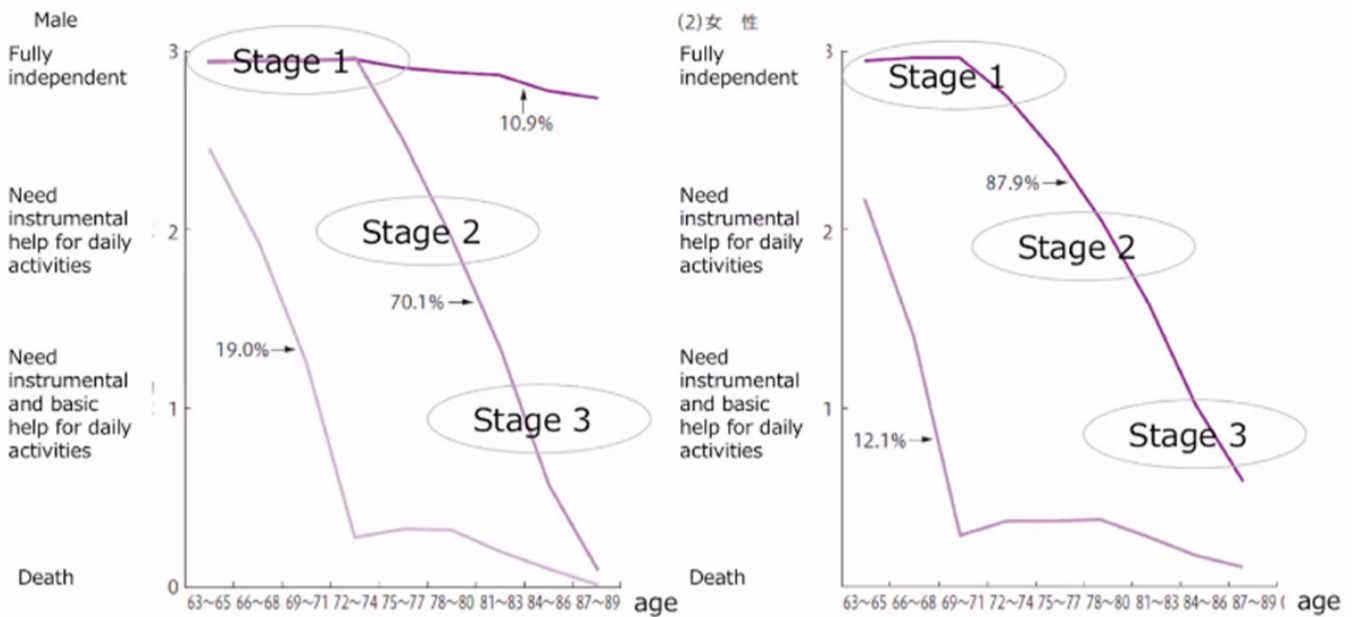
Japan is creating opportunities for innovation in healthcare services by establishing a system promoting data utilization, where personal healthcare data links to an individual's national ID. This public healthcare-related data infrastructure will help people connect with reliable services. While the healthcare database is under development, the government is developing guidelines for using personal data. It is establishing a new industry organization comprising various companies that could operate in this sector to create a framework that will enable more enterprises to realize business opportunities related to the ageing population.

## 3 stages of ageing: challenges and business opportunities

Realizing business opportunities and how older citizens can contribute to economic growth has become central to Japanese economic policy, recognizing that a new business model will require large-scale societal transformation. Rather than grouping all older citizens in sweeping decade-wide age bands, Japan has found it helpful to think about seniors in terms of levels of independence, regardless of age.

It is important to understand **pattern of elder people's transition of the degree of independence.**

図-6 高齢者の生活自立度の変化パターン



(Source) Hiroshi Ishikawa based on "Gerontology Literacy Test Official Text", Institute of Gerontology, The University of Tokyo

### Stage One

People over 60 are fully independent and may continue to work and actively contribute to society. At this stage, preventative health becomes more critical, as well as services that enable older people to remain at this stage as long as possible and keep working and volunteering if they want to.

Business opportunities include solutions to maintain health that delay frailty and even dementia, such as specialist fitness, nutrition and screening services. In the workplace, robotic innovations could help with manual or heavier tasks. Further business opportunities include specialist recruitment firms, new insurance models and investing in ageing-related startups.

### Stage Two

People may need assistance in their daily life, particularly in relation to mobility, but the focus remains on supporting independent living. Areas where innovation is already transforming senior lifestyles in Japan include food and housekeeping services, medical and smart home equipment, and self-driving and personal mobility vehicles.

For example, Toyota is rethinking itself as a "mobility company", extending its business beyond building and selling cars to develop mobility solutions for people currently underserved by conventional transportation and personal mobility solutions.

Japan's strength in manufacturing and remarkable innovations in robotics, sensor technology and automation could also be the source of new technological inventions in areas yet to be fully explored.

### Stage Three

People transition from needing some assistance with daily life to full-time care.

Innovation is required around finding new ways to support individuals in their own homes.

Some Japanese robotics companies are developing robots to help caregivers with daily nursing tasks.

New services to support elderly people "ageing in place" could include training and supporting families caring for relatives, as well as new housing and care facilities.

## Rethinking what "old" means in an ageing workforce

As we rethink ideas about ageing and older people, studies shows that although the population's average age is increasing, many older people are healthier than previous generations. Research into healthy longevity from Japan<sup>1</sup> suggests average physical abilities of people in their late 70s now match the skills of people in their late 60s just 10 years ago. According to the Cabinet Office's Annual Report<sup>2</sup> on the Ageing Society, in 2021, 41.3% of Japanese men and 24.7% of women aged 70 to 74 are employed.

Within workforces, we need to develop multigenerational awareness and growth mindsets so that training is geared to individual workers' needs rather than their age and not presume older workers no longer want or need training. Future jobs may require constant retraining and reskilling for all ages and roles.

## How companies can take action

Strengthening intergenerational inclusion in the workforce will require companies to recognize traditional promotion paths and career journeys may have to evolve. There is also a need to communicate openly about the strengths and roles of older people to challenge bias and reframe ageing as an opportunity. Drawing insights and learnings from traditional DEI best practices about inclusion initiatives and programs such as onboarding employees after parental care breaks,

generationally focused Employee Resource Groups (ERGs), total health and employee wellness benefits, and skills-based volunteering opportunities may also be relevant for developing new strategies aimed at retaining and recruiting senior employees.

## Expanding talent development to include caregiving

Caregiving is recognized as one of the challenges of an ageing population, but fully exploring the complexity of this area could also lead to the most significant opportunities for innovation. Carers may be looking after children, friends, partners, parents or other family members and may benefit from practical training about the physical, emotional and financial needs relating to caring, managing responsibilities and taking care of themselves.

Opportunities for developing new employee services and programs would require an effort to tackle stigmas around perceptions of caregiving in the workforce. As well as offering more flexible working practices, companies could reframe caregiving support not as a standalone benefit but as part of their investment in talent development. Support for caregivers could also come from ERGs where employees can share knowledge of community resources and practical advice.

## Reimagining opportunities and repurposing technological solutions

Many technology companies have identified tremendous opportunities in the "senior living" market. They are already developing solutions to disrupt senior care ideas, including wearable technology, movement-tracking monitors, sensor technologies, mental and physical fitness and therapy, and innovative respite services.

When considering solutions and services, seeking the perspectives of carers and those receiving care is essential. More consultation is needed with older people, caregivers and care recipients to ensure we create human-centered design that balances technology and our human need for connection and community. Ultimately, creating an innovative solution for older people in society may help with developing universal designs that cater to additional groups in need of support.



## Continuing the ageing dialogue

Back in late 2021, when J&J in collaboration with SUSS, launched the Ageing Business Roundtable Series, we embarked on a journey to learn more about this issue, drive awareness, and consider how corporate business can respond.

In collaboration with: Singapore's Ministry of Health; the Singapore University of Social Sciences, the Ministry of Economy, Trade and Industry, Japan; Prudential; and the Tsao Foundation, we held five Ageing Business Roundtables and published three white papers.

Over 125 people from 50 companies and organizations in 17 markets have joined us and participated in meaningful dialogues in Asia. We have discussed the need to clearly define the value proposition of a multigenerational workforce and frame the global phenomena of ageing populations as new market and talent opportunities. Throughout the sessions, we have learned more about the untapped opportunities for investment in the 'silver economy'.

Through learning about Singapore's national blueprint to enable citizens to age actively and confidently, we explored the opportunities for public and private partnerships. We have also shared corporate best practices and talent development and learned more about the potential for collaborations with NGOs and the philanthropic sector. And in our final roundtable of 2022, we have benefitted from insights from Japan, the nation that has been at the frontier of addressing ageing population challenges and solutions.

Through learning about Singapore's national blueprint to enable citizens to age actively and confidently, we explored the opportunities for public and private partnerships. We have also shared corporate best practices and talent development, and contemplated whether a retirement age is an outdated concept. We learned more about the potential for collaborations with NGOs and the philanthropic sector, with a focus on ways the private sector can cooperate with community organizations, to better support ageing inclusive policies and cultivate an age-friendly ecosystem for the "longevity economy". And in our final roundtable of 2022, we have benefitted from insights from Japan, the nation that has been at the frontier of addressing ageing population challenges and solutions.

Apart from the interest and enthusiasm of participants during roundtable sessions, our most recent post-event survey showed nine out of 10 participants wanted to continue the dialogue, and reiterated requests for more case studies, for more sharing of relevant learnings from other countries and organizations in 2023.

We also look forward to sharing the results of the J&J Innovation Japan Smart Healthy Aging QuickFire Challenge, which invited innovators worldwide to submit promising science or technologies that aim to potentially increase healthy life expectancy to help people live longer, happier lives. With focus on the areas of preventing, intercepting, and curing complex disease to deliver a truly holistic approach to healthy Ageing. The winning innovators will receive awards including grant funding from a total pool of US\$300,000 and virtual access to Johnson & Johnson Innovation – JLABS Asia Pacific community.

## Thank you to all the organizations that joined the J&J Ageing Business Roundtable Dialogue series in 2022

Access Health • AIC • AIG • American Chamber of Commerce Singapore • AstraZeneca • Avanade • Bloomberg • Danaher • Dell Technologies • Dentsu • DLA Piper • Dow • Econ Healthcare • Estée Lauder • EY • Fidelity • FleishmanHillard • GCMA • HSBC • INSEAD • Intel • JLL • KPMG • Lloyd's Register • Luüna Naturals • Mayer Brown • Mercer • Ministry of Economy, Trade and Industry (METI) Japan • Ministry of Health Singapore • NTUC Health • Oliver Wyman • PayU • Prudential • Ren Ci • Shared Value Initiative Hong Kong • Singapore University of Social Sciences • Singtel • Standard Chartered • Swire Shipping • Takeda • Toyo Seikan Group • Tsao Foundation • Twitter • VF Corporation • Visa • Warner Music • World Economic Forum • Zendesk

1. Source: METI

2. Cabinet Office, Annual Report on the Ageing Society, <https://www8.cao.go.jp/kourei/english/annualreport/2021/pdf/2021.pdf>

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