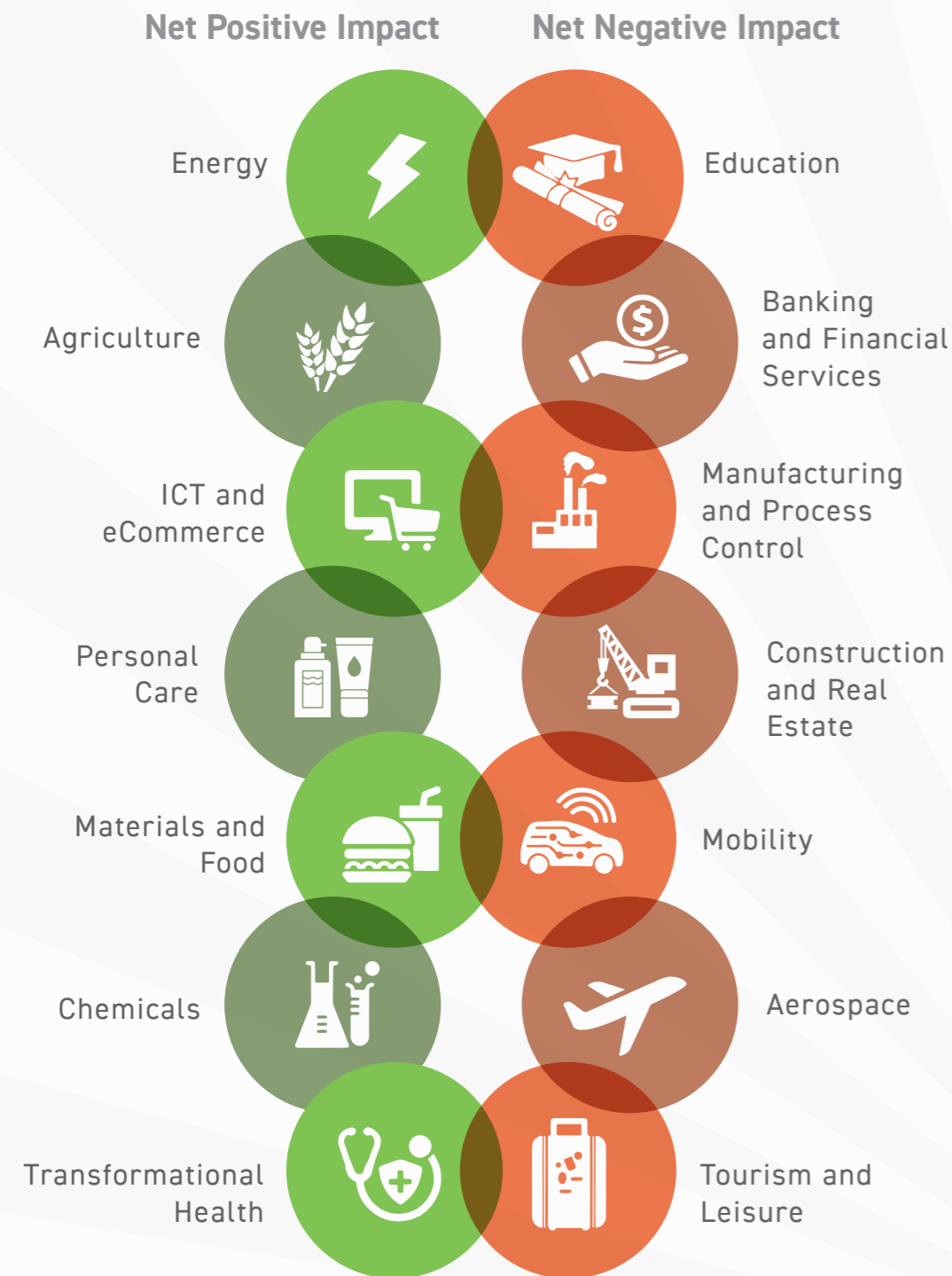


Top 10 Growth Opportunities across Industries Post-COVID-19 in Japan



"Most businesses in Japan have been impacted severely by the COVID-19 State of Emergency. We believe companies that use this time to transform their businesses and leverage technology will emerge more agile and stronger. The Summer Olympics in July 2021 will give Japan another opportunity to revive business sentiment, however, the alternative of a cancellation will only create more pressure on Japanese companies and the government that have spent billions. Overall, the need for Japanese companies to accelerate their global expansion and growth is immediate."

Robin Joffe, Partner & President, Japan



Reshoring of manufacturing locations and supply chain resilience

Japanese companies may relocate some operations from China to either Japan or ASEAN countries to improve supply chain flexibility and reduce their reliance on China. Japan has allocated a \$2.2 billion aid package for Japanese companies to diversify their production facilities,

Increasing shift towards health and wellness alternatives

Surge in demand for preventive healthcare alternatives through functional foods enhancing health and wellness, especially immune boosters. Sales of probiotics and dietary supplements in Japan have spiked in the last 2 months.

Business operations and education will see higher adoption of non-contact applications

Minimization of human contact will spur technology solutions. Contactless, multi-biometric authentication and payment systems, videoconferencing and remote working systems, and e-learning solutions will see higher investment. Recently, NEC installed pilot security gates that do not require people to remove their masks or sunglasses.

Higher adoption of e-commerce platforms

Boost in online shopping across Japan with demand for a wide range of products and services including personal care, home care, health products, food and beverage, clothing, and luxury goods. Growth is likely to exceed pre-pandemic levels and sustain.

Entertainment industry will see a transformation

Dramatic slowdown in pachinko, karaoke, bars, cinemas, and night-life activities amid growth in home entertainment and online alternatives.

Acceleration of DX (digital transformation)

The current pandemic will fast-track digital readiness in Japan. Cybersecurity, cloud, data, AI, 5G, IoT, computing, and 5G are the essential technologies to boost DX and new business growth.

Demand for personal hygiene and personal protection equipment

Rise in investment to secure self-sufficiency in personal hygiene and personal protection equipment (PPE) products. Specific areas include sanitary products, anti-bacterial coatings, high-quality masks and face shields, and high-end PPE for hospitals.

Coming of age of telehealth

Severe pressure on healthcare service providers to increase their ability to provide patient care through telehealth solutions. Ministry of Economy, Trade and Industry Japan launched a free remote health consultation service in response to growing public health concerns as a result of the health crisis.

Investment in drug discovery and vaccines

Reduction of lead times will be a crucial focus area for pharmaceutical and biomedical companies. Japan expects to launch clinical trials of the COVID-19 vaccine in July.

Digital marketing and virtual events will be the new norm

A digital approach, leveraging multiple online tools such as webinars, whitepapers, infographic videos, blogs, and articles to replace physical events. Higher spending on digital marketing to reach customers and influence buying behavior.

