



ASIA: JAPAN

What is making news in Japan when it comes to spa and wellness?

Seeking to overhaul a long-stagnant economy, Shinzo Abe, prime-minister of Japan, has implemented a special economic growth strategy called “Abenomics” which consists of a radical expansion of the money supply, aggressive fiscal policy, and structural reform, or deregulation. The health and longevity industry is identified as one of the strategic sectors in this plan. It includes policies for developing industries related to the extending of healthy life expectancy, and the pharmaceutical and medical industry, as well as measures for capitalizing on the vitality of the private sector. It should offer a great opportunity for spa and wellness industries to create innovation and generate new markets.

What is happening in Japan when it comes to wellness/medical tourism?

The number of foreign visitors to Japan in the first half of 2013 reached a record high of 4.95 million, up 22.8 percent from a year earlier, helped by the yen’s weakness and the popularity of low-cost carriers. It seems that the negative effects on tourism following the March 2011 earthquake, tsunami and nuclear disaster have been overcome. The government aims to increase the annual number of foreign tourists from about 8.37 million in 2012 to 10 million in 2013. To reach this target, some medical and wellness tourism projects are supported by the government.

Please give us one sentence to describe the latest developments in Japan:

What is happening with hotel spas?

Some luxury hotel spas located near major business cities have started to provide reasonably priced treatment menus with traditional techniques of oriental treatment employing acupressure and massage. (Evian Spa Tokyo, ESPA at Peninsula Tokyo, among others). The demand from business people is not only for relaxation but also to improve their physical condition. Thus, these spas gain business guests constantly.

What is happening with destination spas?

While the concept of “destination spa” is unfamiliar to much of the nation, some advanced destination spas were opened here in Japan, including HIS and the Hoshino Resort. HIS, a popular travel agent, launched a holistic wellness center named “The Soara” inside a large European style theme park in Nagasaki. They provide a variety of wellness programs with signature thermotherapy supervised by medical doctors and an emeritus from Tokyo University. Meanwhile, Hoshino Resort, a leading luxury resort group implemented Japanese-style destination spa programs at their modernized Ryokans (traditional Japanese inns) in Kyoto, Nagano, Okinawa. In these programs, the oriental medicine doctor coaches guests in diet, movement, breathing and meditation. They provide shiatsu, acupuncture and moxibustion. In Kyoto, the guests can experience Zen meditation ascetic practices in a genuine traditional temple.

What is happening with hot springs spas?

Odakyu group, a major railroad company, launched the unique public Onsen facility which consists of 19 chartered open-air hot springs baths in respective Japanese style private rooms: day-hot springs. Normally, public hot springs facilities such as Super Sento have large open-air baths or jacuzzis for all customers. Private bath tubs were provided in the luxury hotels only. But at Hakone-Yuryo, the casual day-hot springs facility allows us to use these cozy private rooms at a reasonable price (JPY3800-5800). Meanwhile, some of Super Sentos public hot spring bath facilities have been

established in Shanghai, Bangkok, and other Asian cities. Even though Super Sentos are for casual use in Japan, many wealthy customers in Bangkok are coming to Super Sentos.

What has been the general attitude about investing in the spa/wellness arena?

Generally speaking, real-estate (including spa/wellness related) is one of the more promising investment opportunities because of the low interest rate and weak Japanese yen. According to Deutsche Bank Group, the amount of fund raising by J-REITs (Real Estate Investment Trust in Japan) approached its highest level in five years. Meanwhile, Hoshino Resorts REIT Inc., the world's first Ryokan REIT, will invest in Hoshino's three hotel brands, including spa resorts, after raising 10.2 billion yen in an initial public offering. The REIT will buy six hotels for 15 billion yen from the company. Shifting ownership of the hotels to the REIT would allow them to focus on managing the properties, as the company expands including opening hotels overseas.

Looking back at the past four decades of spa and wellness, what would you consider "a defining moment?"

Forty years ago, nobody knew about spa in Japan although there were traditional customs of hot-spring cure. After 2000, many world-class spas entered the Japanese market, spa was popularized and a boom ensued. That was the first defining moment. Currently, some leading spas are trying to create new value through co-innovation with other industries. That kind of trial should bring the next defining moment for our industry.

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