

Hospital Groups in Japan: Key Research Findings 2017

◆ **Research Outline**

Yano Research Institute has conducted a study on the domestic hospital groups with the following conditions:

1. Research period: April 2016 to September 2017
2. Research targets: Medical institutions, wholesalers of drugs, administrative authorities, experienced people from academic circles, people in the related industries
3. Research methodologies: Face-to-face interviews by the expert researchers, surveys via email/telephone, literature research (public information of Regional Bureau Health and Welfare, information acquired by requesting disclosure to local governments and by using the database at Yano Research Institute)

What are hospital groups?

This research defines a “hospital group” as an organization or a body that possesses more than three hospitals. As of September 2017, the number of the domestic organizations specified as hospital group is 180 (which possess 522 corporations altogether, out of which 399 are medical corporations.) Note that a medical corporation is a corporate status given to a private or other medical institution qualified based on the Medical Care Act. A hospital indicates a medical institution equipped with twenty sick beds or more.

◆ **Key Findings**

■ **Domestic Number of Hospitals Operated by 180 Hospital Groups is 1,184, Occupying 14.0% of Total Number of Domestic Hospitals**

When an organization that possesses three or more hospitals is defined as a hospital group, there are 180 of hospital groups domestically, as of September, 2017. These hospital groups possess total 1,184 of hospitals, occupying 14.0% of the entire number of hospitals in Japan, i.e., 8,448 (according to the public information by Regional Bureau Health and Welfare as of April, 2017.)

On the other hand, the total number of beds permitted under the Medical Care Law, possessed by hospital groups is 241,882 which account for 15.9% of 1,525,201 beds, the entire number of beds permitted in Japan (according to the public information by Regional Bureau Health and Welfare as of April, 2017.)

■ **Domestic Hospitals Possessed by 180 Hospital Groups Concentrate in Spheres of Tokyo Metropolis or Other Large Cities**

1,184 hospitals that belong to 180 hospital groups tend to be located in the sphere of Tokyo Metropolis or other large cities where the population is on the rise or where suffering from lack of hospitals in spite of the population having been kept at a certain level. As for the number by prefecture, Tokyo has the largest number, 153 of hospitals belonging to hospital groups, followed by 105 hospitals in Osaka, 88 in Kanagawa, 82 in Hokkaido, 74 in Saitama, and 70 in Fukuoka.

■ **Medical Corporations Possessed by Hospital Groups and Ranked as Top 100 in Sales Performance Increased in Revenue but Decreased in Profit in FY2015**

Total operating revenues of medical corporations that had ranked as Top 100 in sales performance in FY2015 out of 399 medical corporations that belong to the domestic 180 hospital groups, was 2,130,149 million yen, 105.0% of the size of the previous fiscal year, which exceeded the FY2014 results, though only marginally. On the other hand, total ordinary profits of 98 medical corporations (which had disclosed their ordinary profits) in FY2015 was 96.8% of those of the previous fiscal year. It indicates that the performance of representative medical corporations in FY2015 resulted as increase in revenue and decrease in profit.

◆ **Report Format:**

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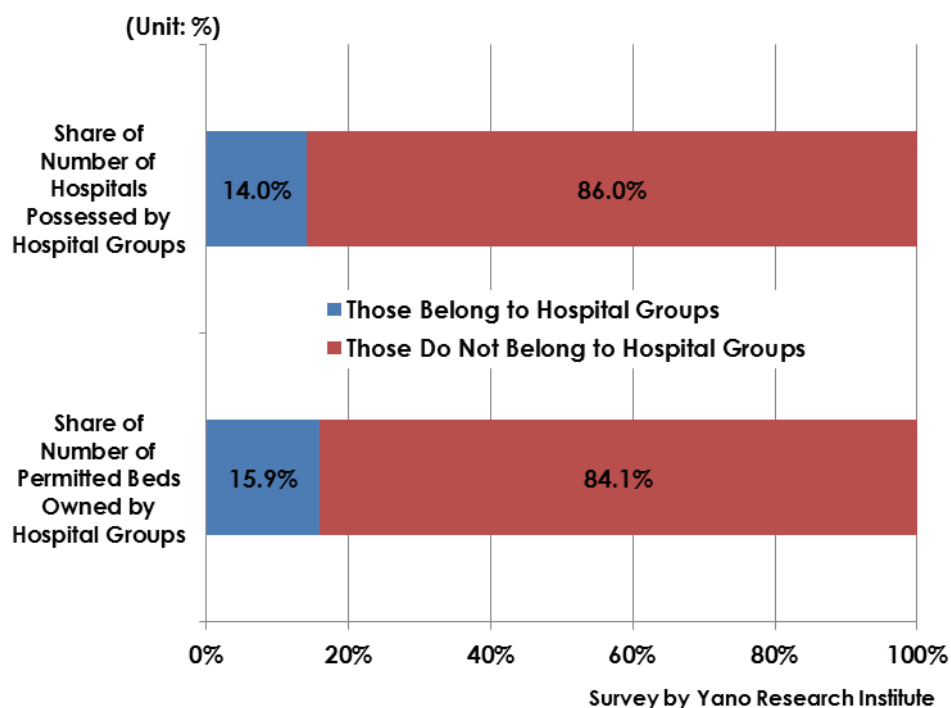
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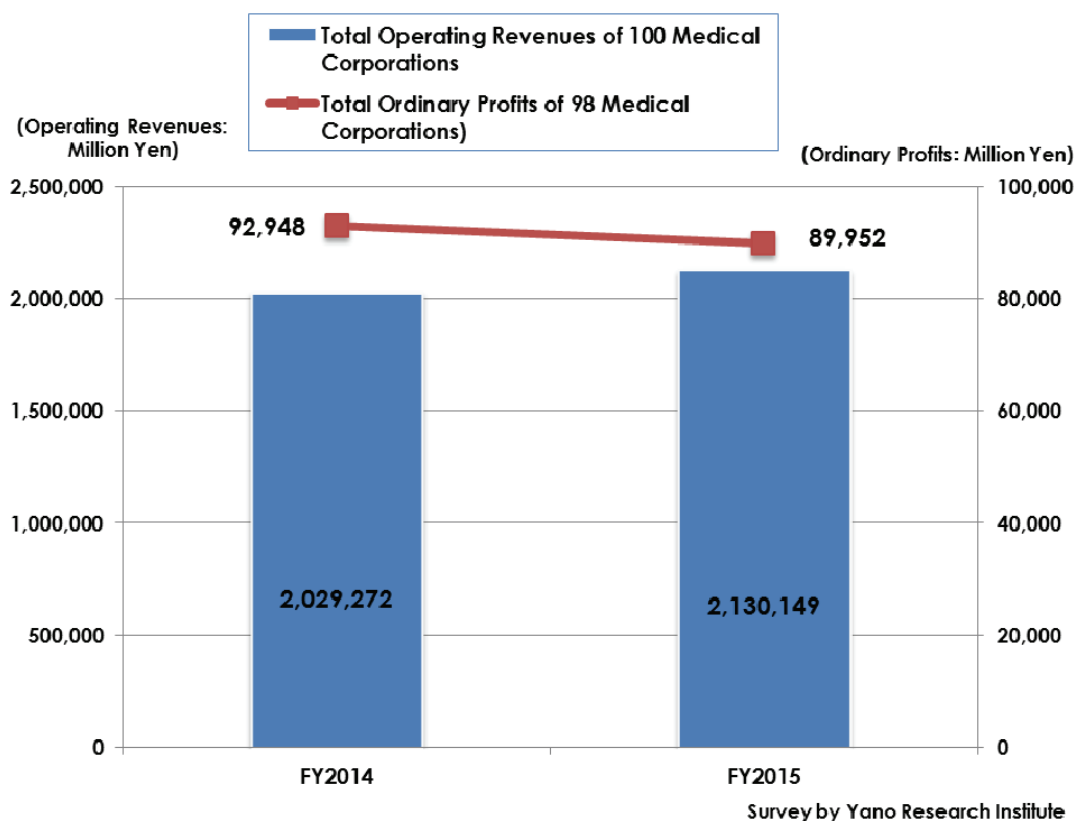
■ **Figure 1. Share of Total Number of Hospitals/Permitted Beds Belonging to Hospital Groups**



Notes:

1. Research Period: September, 2017; Target Audience: Total 8,448 hospitals nationwide and total 1,525,201 beds permitted under the Medical Care Law according to the public information by Regional Bureau Health and Welfare as of April, 2017; Survey Methodology: figures are calculated based on literature search and the DB at Yano Research Institute.
2. The share is calculated by dividing 1,184 hospitals belonging to domestic 180 hospital groups by the total number of hospitals nationwide, and also by dividing 241,882 permitted beds by the total number of permitted beds nationwide.

■ **Figure 2. Transition of Operating Revenues and Ordinary Profits of Top 100 Medical Corporations**



Notes:

3. Research Period: September, 2017; Target Audience: 399 medical corporations belonging to domestic 180 hospital groups; Survey Methodology: calculated based on literature search and the DB at Yano Research Institute.
4. The operating revenues above are the total operating revenues attained in FY2014 and FY2015 respectively by the top 100 medical corporations of FY2015. The ordinary profits are the total ordinary profits in FY2014 and FY2015 regarding 98 medical corporations that had disclosed their ordinary profits.