

Future of Ethical Drugs in Japan: Key Research Findings 2017

◆ **Research Outline**

Yano Research Institute has conducted a study on the domestic pharmaceutical market with the following conditions:

1. Research period: From April, 2016 to March, 2017
2. Research targets: pharmaceutical companies and wholesalers, medical institutions, dispensing pharmacies, administrative authorities, persons of learning and experience, and etc.
3. Research methodologies: Face-to-face interviews by the expert researchers, and literature research

◆ **Key Findings**

■ **Production Output of Ethical Drugs in 2024 Estimated as 6,853.0 Billion Yen (Case I)**

The ethical drugs market is calculated based on two patterns, Case I and Case II. The Case I calculation is based on the assumption that the drugs market will significantly be influenced by the medical system reforms and medicine pricing reviews. The advanced countries, including Japan, are likely to continue striving for suppressing medical costs. The Case I calculation presumes the following outcome: The long-term listed items to disappear gradually; generic drugs to increase their volume-based composition ratio; and a special expansion re-pricing rule and some fixed rules are to be applied to those drugs prescribed with expensive prices. As a result, the production output of ethical drugs (including imported drugs) is projected to reach 6,853.0 billion yen by 2024 (according to Case I calculation).

■ **Ethical Drug Demands Expected to Expand due to Rising Sales of Drugs Used by Growing Number of Patients, Trial of Pricing Premium for New Drug Development to Continue, and Series of Attention-Paid New Drugs Being On Market**

The calculation of Case II is based on the supposition that the efforts by pharmaceutical companies will raise the demands of original drugs to exceed what were projected in the medical system reforms and pricing reviews. The Case II calculation, as is the case with the Case I, assumes that consumers switch to generic drugs in the area, for instance, of remedies for lifestyle diseases. In spite of the drug price revision to be take place every year, the Case II calculation presumes the following outcome: Those medicines needed by increasing number of patients in this super aging society to raise the sales steadfastly; the trial of the pricing premium for the promotion of new drug development and the elimination/resolution of off-label use to continue; and new drugs paid attention for anti-cancer or for a therapeutic agent for dementia being on the market one after another. All such factors are expected to subsequently contribute to the entire market. Therefore, the production output of ethical drugs (including imported drugs) in Case II is anticipated to attain 9,504.0 billion yen by 2024.

◆ Report Format:

Published report: “Pharmaceutical Market: 10 Year Forecast 2017”

Issued on: March 29, 2017

Language: Japanese

Format: 224 pages in A4 format

Price: 150,000 yen (The consumption tax shall additionally be charged for the sales in Japan.)

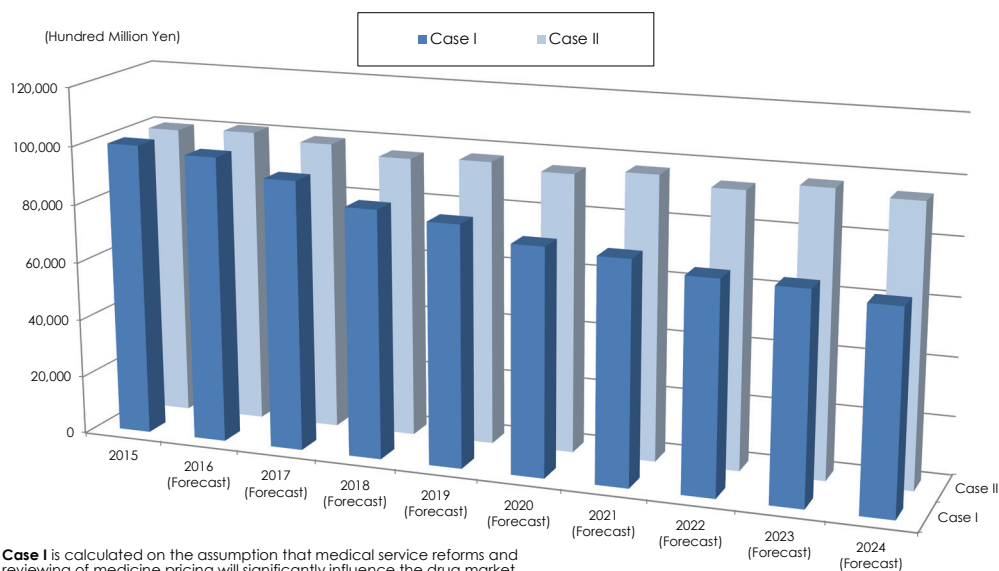
Contacts: Public Relations

Yano Research Institute Ltd. (URL: <http://www.yanoresearch.com>)

Phone: +81-3-5371-6912

E-mail: press@yano.co.jp

■ **Figure 1: Forecast of Production Output of Ethical Drugs (2016 – 2024)**



Case I is calculated on the assumption that medical service reforms and reviewing of medicine pricing will significantly influence the drug market.
Case II is calculated on the assumption that company efforts expand the demand of original drugs, exceeding the reforms and reviewing of medical services and drug pricing.

Calculated by Yano Research Institute

Notes:

1. The market size is calculated based on the definite value of 2015 quoted from “the Statistics of Production by Pharmaceutical Industry in 2015” by Ministry of Health, Labour and Welfare.
2. The values in 2016 and beyond are estimated by Yano Research Institute.
3. The figures include imported products.