

Diabetes Market in Japan: Key Research Findings 2009

➤ **Research Outline**

Yano Research Institute has conducted a study on the diabetes market in Japan with following conditions.

1. Research period: September to November 2009
2. Research targets: Anti-diabetes product manufacturers in Japan
3. Research methodologies: Face-to-face and telephone interviews, literature research

Definition of Diabetes Market in This Study

The diabetes market in this study consists of Prophylactic Food, Examination & Diagnosis and Therapy. Prophylactic Food includes combination foods for diabetes patients, blood sugar related FOSHU (foods for specified health use) and low calorie sweetener. Examination & Diagnosis include blood glucose meter (incl. diagnostic reagents and blood collection puncture instrument) and urine glucose monitor and test paper. Therapy includes diabetes treatment medication (hypoglycemic agent, insulin preparation) and complications treatment medication (diabetic neuropathy).

➤ **Key Findings**

- ◆ **FY09 diabetes market size is 417,970 million yen, with year-on-year growth of approximately 5.9%**

The fiscal 2009 market size of anti-diabetes products is expected to reach 417,970 million yen based on manufacturer shipment (therapy sector is based on health insurance list price). Due to the increase in the number of diabetes patients, including would-be patients, the market is in an expanding trend. The fiscal 2009 market is anticipated to increase by approximately 5.9 percent from the previous year.

The size of therapy sector is expected to be 323,350 million yen in fiscal 2009, representing more than 70 percent of the diabetes market. Above all, hypoglycemic agent is a market driving force with large sales scale. The size of examination & diagnosis sector is anticipated to be 70,740 million yen and that of prophylactic food sector 23,880 million yen.

The fiscal 2010 diabetes market size is forecast to be 438,580 million yen. The therapy sector would continue to be the major part in the diabetes market and the total market is expected to grow as sales of hypoglycemic agent keep increasing.

- ◆ **New diabetes drugs will be launched soon and new entrants are expected in prophylactic food sector**

For the therapy sector new diabetes treatment medications, including DPP-4 inhibitor and GLP-1 preparation, are expected to be launched soon. The drugs control the rise of blood sugar level and have less risk of hypoglycemia incidence. Their future expansion is paid attention to. In the examination & diagnosis sector, blood glucose meter products are in a fierce competition for market share. In the prophylactic food sector new entrants are expected to come due to the relaxation of regulation regarding combination foods for diabetes patients.

➤ **Report format:**

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➤ Research Summary

1. Market Overview

The fiscal 2009 market size of anti-diabetes products is expected to reach 417,970 million yen based on manufacturer shipment (therapy sector is based on health insurance list price), up approximately 5.9 percent from the previous year. Due to the increase in the number of diabetes patients, including would-be patients, the market is in an expanding trend.

[Classification of Anti-Diabetes Products]

Market Category	Anti-Diabetes Products
Prophylactic Food	Combination food for diabetes patients
	Foods for specified health use (FOSHU) (blood sugar)
	Low calorie sweetener
Examination and Diagnosis	Blood glucose meter (incl. testing reagents and blood collection puncture instruments)
	Urine glucose monitor and test paper
Therapy	Diabetes treatment medication (hypoglycemic agent, insulin preparation)
	Diabetes complications treatment medication (diabetic neuropathy therapy drug)

Estimated by Yano Research Institute Ltd.

2. Market Trends

The fiscal 2009 size of therapy sector is expected to be 323,350 million yen, representing more than 70 percent of the diabetes market. Although there are negative factors for the market size in value, such as the prevalence of generic drugs, insulin resistance improving drugs and alpha glucosidase inhibitors with a large scale of sales has grown and expanded the market.

The fiscal 2009 size of examination & diagnosis sector is anticipated to be 70,740 million yen. Sales of blood glucose meter has risen due to natural increase of patients who use insulin preparations. The demand for urine glucose test paper is also rising as an application to simple check of would-be diabetes patients.

The fiscal 2009 size of prophylactic food sector is expected to be 23,880 million yen. In this sector low calorie sweetener has sold well owing to sales promotion activities by manufacturers. They provide cooking recipes with use of low calorie sweetener on their website and the demands for cooking applications have expanded.

3. Future Perspective

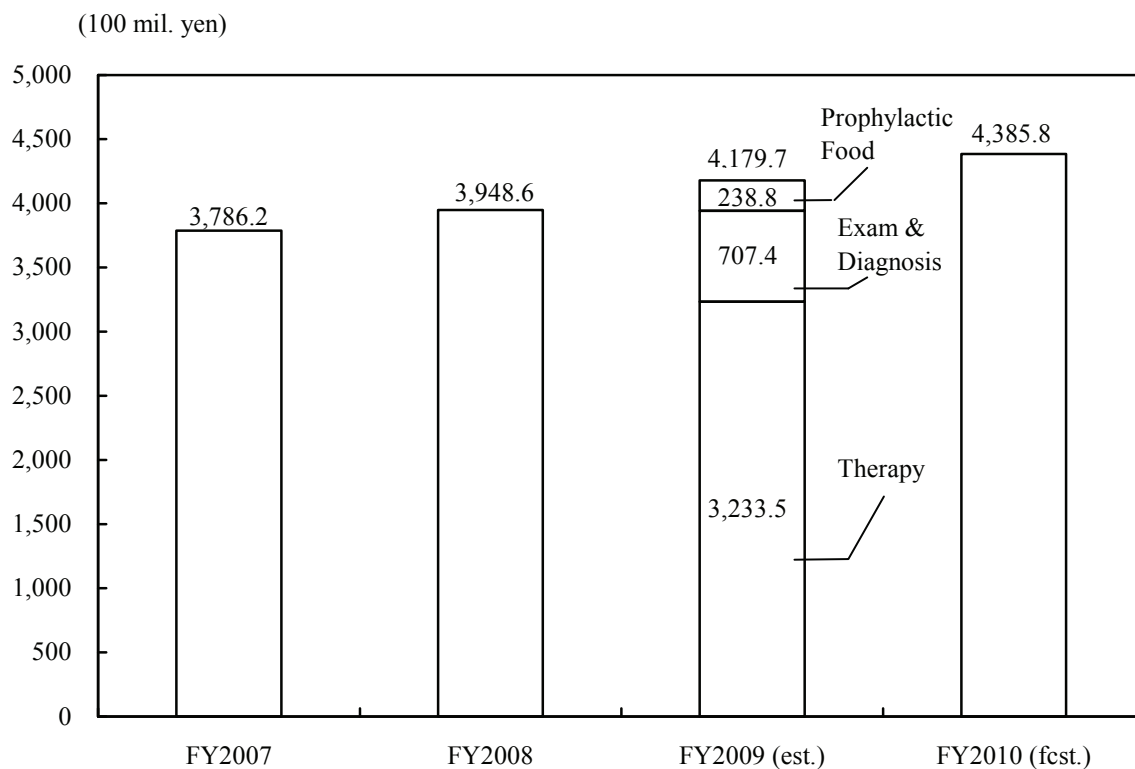
The fiscal 2010 diabetes market size is forecast to be 438,580 million yen.

In the therapy sector, sales of insulin resistance improving drugs would continue to increase and drive the diabetes market. New diabetes treatment medications, including DPP-4 inhibitor and GLP-1 preparation, are expected to be launched in 2010 and after. They can control the rise of blood sugar level and have less risk of hypoglycemia incidence. Their future expansion is paid attention to.

In the examination & diagnosis sector, blood glucose meter products are in a fierce competition for market share. Particularly overseas manufacturers are conducting aggressive sales promotion activities, and market share and ranking may be largely moving.

In the prophylactic food sector, there was a large change that diabetes combination foods were removed from the designation of FOSHU in April 2009. Because of this, such products are not able to display the expression “diabetes food” anymore. Furthermore, the product development and sales framework has shifted from ‘obtaining approval of the Ministry of Health, Labour and Welfare for the sales of diabetes combination food products’ to ‘developing products that follow the Dietary Delivery Food Nutrition Guideline decided by the Ministry.’ Due to this regulation change, new entrants are expected to come to the market, mostly from the food service outlets with central kitchen.

[Market Size History of Anti-Diabetes Products]



Category	FY2007	FY2008	FY2009 (est.)	FY2010 (fcst.)
Total Market of Anti-Diabetes Products	3,786.2	3,948.6	4,179.7	4,385.8

Estimated by Yano Research Institute Ltd.

Note: The figures of “prophylactic food” and “exam & diagnosis” are based on manufacturer shipment. The figures of “therapy” are based on health insurance list price.