

## **Pharmaceutical Pricing and Distribution in Japan: The keys to success in the world's second largest market**

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No serious multinational can afford to ignore Japan, but it remains a tough and highly competitive market to crack, with the environment for developing and marketing medicines dominated by price. Virtually no new prescription brand can be introduced without a *yakka* (reimbursement price) set by the government. Innovative new drugs receive price premiums while others are capped at the price of older entrants. Discounting to the trade is inescapable, but is punished by downward price revisions on a scale and frequency unseen elsewhere. Big selling brands and now others in the same class are subject to special price cuts. Distribution is inherently linked to the pricing process and is particularly opaque to outsiders.

Whether the challenge is entering the Japanese market for the first time, moving up the all-important ranking there by market share, or negotiating with a local in-licensing partner, this report is designed to help.

- New drug pricing and price revision processes explained
- Written by an acknowledged expert on the Japanese market with 20 years' experience
- Fully researched through field interviews conducted in Tokyo and Osaka with industry leaders, government officials and others during March 2008
- Incorporates all pricing rule changes that came into effect from April 2008
- Pro-generic measures critically appraised
- Key role of wholesalers and how they are paid clarified
- Prospects for future reform to the P&R processes discussed

Donald Macarthur's 'Pharmaceutical Pricing, Sales and Distribution in Japan', published by *Scrip Reports* in 2000, received strongly favourable reviews:

"Mr Macarthur has written a *tour de force* on the Japanese pharmaceutical market that should be required reading for every person who is contemplating doing business in Japan. In fact, it is a useful refresher course for people who think they know the Japanese market."

P Reed Maurer, President, Nippon Pharma Promotion

"He is known for his knowledge of the Japanese pharmaceutical regulatory system and industry"

Book review, *Pharma Japan*, 19 June 2000

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