

# Information Provision and Consulting Business

Japan Medical Research Institute Co., Ltd.

We established Japan Medical Research Institute in 2012 as an information service and consulting company, to capitalize on the valuable information resources of the Nihon Chouzai Group in contributing to the medical and pharmaceutical industries and to society at large.

Based on information resources cultivated among Nihon Chouzai Group companies, we contribute to the sound development and growth of the pharmaceutical industry and provide valuable information services to help improve the lives of people in Japan.



## Message from the Business Manager

### Looking Back on FY2023

As a member of the Nihon Chouzai Group, we have leveraged our strengths as a group of data scientists with medical expertise to develop information services with a commitment to swiftly delivering high-quality, up-to-date information.

In recent years, along with the increase in anticancer drugs, drugs to treat rare diseases, and other highly specialized drugs, the information pharmacies can offer has grown in importance. To address this trend, we have augmented our hybrid information services, combining pharmacy-based promotional services with prescription data analysis. We provide these services to companies in the healthcare field.



Atsuhiko Hashizume  
President and CEO  
Japan Medical Research  
Institute Co., Ltd.

Moreover, the Japanese government's 4th Healthcare Cost Optimization Plan, launched in 2024, calls for the creation of formularies and the establishment of biosimilar targets. In response, we developed a new analysis service that draws on formulary information held by the Group, and have started offering this service to insurers.

### Initiatives for FY2024, Mid-Term Issues and Initiatives with a View to the Long-Term Vision

We will work to enhance the value of our prescription data by utilizing the various analytical technologies that have evolved in recent years, including machine learning, deep learning, and natural language processing. This will make it possible to analyze qualitative information, such as medical histories, that was previously technically difficult to handle. We will gain new knowledge by combining this with quantitative information on prescription drugs, which will position us to provide more appropriate information to patients and more useful data to companies in the healthcare field.

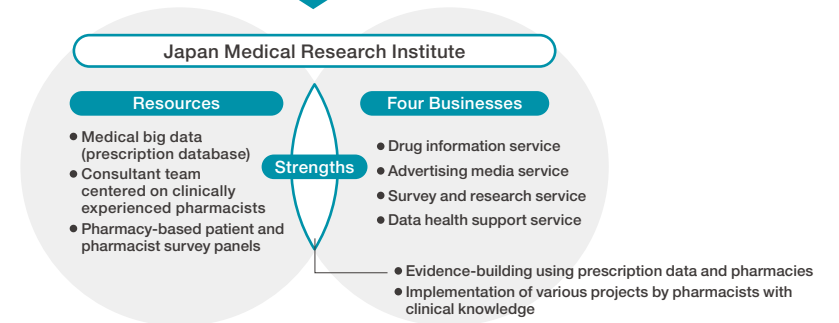
In addition, the data health environment for insurers is changing dramatically in Japan, due in part to the introduction of health insurance cards linked to a national identification system. We are developing a new data health support business to address these changes.

We will continue to focus on human capital management and health and productivity management, cultivating personnel that can straddle the roles of medical professionals and data scientists. We will also move forward in building a framework that will allow us to provide comprehensive services, ranging from highly accurate analysis to problem solving, and shore up the foundation for making our long-term vision a reality.

## The Process of Value Provided

### Demand from Society

- Government** Optimizing medical expenses, differentiating functions, optimizing medical consultation behaviors
- Medical and healthcare companies** Containing new drug development costs, gathering prescription data, identifying and supporting proper drug use, disease awareness, product sampling and surveys
- Insurers** Ensuring appropriate medical expenses, preventing damage to health, health promotion, disease prevention and prevention of progression



### The Value We Provide to Society and Stakeholders

- Providing empirical data on drug use**  
Offering anonymized and statistically processed prescription data held by Nihon Chouzai
- Providing a point of contact between patients and healthcare companies**  
Providing various advertising media, surveys, and other promotional opportunities at Nihon Chouzai pharmacies
- Optimizing medical expenses**  
Visualizing medical data such as trends in duplicate medications and overprescribing and in generic drug use; proposing effective response measures

### Services Contributing to ongoing healthcare optimization through four services

- 1 Drug information service**  
Analyzes the wealth of prescription information of Nihon Chouzai pharmacies throughout Japan to address issues of customers in the pharmaceutical sector.
- 2 Advertising media service**  
By offering an array of advertising media throughout the patient flow from entering to leaving a Nihon Chouzai pharmacy, generates points of contact between pharmacy visitors and the pharmaceutical and healthcare sectors.
- 3 Survey and research service**  
Addresses a wide range of issues through questionnaires and other outreach to patients visiting Nihon Chouzai pharmacies, pharmacists, and registered dietitians at pharmacies.
- 4 Data Health Support Service**  
Pharmacists with extensive clinical and data analysis experience support high-level data health projects, such as addressing problems related to medication, preventing progression, and supporting health awareness.

## Case Study Interview

Pharmaceutical Affairs Division, Medical Affairs Bureau,  
Health and Medical Affairs Department, Ibaraki PrefectureEstimating the Effect of Introducing Regional  
Formularies in Ibaraki Prefecture, Analyzing  
Impact of Biosimilar Substitutions

Commissioned by Ibaraki Prefecture, we conducted an estimate and analysis of the current use of generic drugs and biosimilars in the prefecture and the impact, in terms of lowering drug costs, of introducing regional formularies. The results of our analysis offer basic information to help the prefecture promote the use of generic drugs. Our analysis of the regional formularies targeted proton pump inhibitors (PPI-P/CAB) and angiotensin receptor blockers (ARB)—the use of alternatives for both of these drugs holds the promise of lowering drug costs significantly. We conducted the analysis assuming the replacement of these drugs with the drugs of choice recommended in the standard formulary (FINDAT) currently used for the regional formularies of the Koga and Sashima districts in the prefecture.

**Q Tell us what led you to estimate the effect of introducing the regional formularies and analyze the impact of biosimilar substitutions.**

A significant factor was the national trend toward promoting the use of biosimilars (biological drugs highly similar to already approved biological drugs), accompanied by moves to set value-based targets in addition to the existing volume-based targets. On September 30, 2024, the Ministry of Health, Labour and Welfare (MHLW) formulated a Roadmap for the Proper Use of Generic Drugs Based on Ensuring a Stable Supply. The roadmap sets out several targets by the end of FY2029: 1. increasing the share of generic drugs to 80% or more by volume in all prefectures while maintaining a stable drug supply; 2. ensuring that the number of active ingredients consisting 80% or more of biosimilars accounts for 60% or more of all active ingredients; and 3. increasing the share of generic drugs to 65% or more by value.

MHLW's 4th Healthcare Cost Optimization Plan, revised on July 20, 2023, also clearly calls for effective initiatives on the part of prefectures to optimize healthcare costs. It points to two steps in particular: supporting efforts to notify patients of drug price differences by grasping and analyzing data on the proportion of drugs used, categorized by efficacy; and publicizing the use of formularies.

Ibaraki Prefecture carried out a questionnaire on public awareness of biosimilars on the FY2023 Ibaraki Net Monitor online platform. The survey found that, while over 90% of people knew of or had used generic drugs, around 90% did not know about biosimilars. Even among people who are using biodrugs, the percentage of those who knew about biosimilars was only around 40%. It was clear that, although awareness of generic drugs among residents of the prefecture is high, awareness of biosimilars remains low.

Given this situation, while continuing to educate prefectural residents, we felt it was also necessary to raise awareness among healthcare professionals about formularies and the promotion of biosimilar use. This was the thinking behind our request for an analysis to accurately gauge the current situation in the prefecture and explore effective approaches.

**Q We understand that you explained this initiative to the relevant organizations ahead of time.**

We gathered together experts to form working groups on promoting the use of generic drugs in Ibaraki Prefecture. After proposing the survey to the working groups, we decided to commission Japan Medical Research Institute in FY2023 to compile statistics on the promotion of generic drug use\*.



Pharmaceutical Affairs Division, Medical Affairs Bureau, Health and Medical Affairs Department, Ibaraki Prefecture

Population of Ibaraki Prefecture: 2,812,901  
(As of April 1, 2024)

In terms of "promoting the efficient provision of healthcare", we will strive to optimize healthcare costs through the use of generic drugs and biosimilars, ensure proper medical consultations and drug prescriptions, and take other steps to efficiently provide healthcare. To this end, we will work to raise awareness among residents and medical professionals in the prefecture to gain a better understanding of the issues.

Excerpt from the 4th Ibaraki Prefecture Healthcare Cost Optimization Plan

**Q Having estimated the effect of introducing the regional formularies and analyzing the impact of biosimilar substitutions, did you detect any impact from either initiative?**

We found that, if we introduced regional formularies and completely replaced existing drugs with the drugs of choice in the standard formulary, in terms of value, the share of generic drugs would rise from 53.9% to 65.3%—a difference of 11.4%—even if we only replaced the two therapeutic classes mentioned earlier. So, we estimated that we could reach our target of 65% or more. We realized that the spread of initiatives to introduce regional formularies in the prefecture would contribute markedly to increasing the share of generic drugs in terms of value. We were reminded of the significance of such formularies. We also estimated that the switch to formulary drugs could yield a cost savings of up to 1,393.3 million yen (over a 12 month period). The analysis of the impact of biosimilar substitutions provided us with basic information in considering how to approach the issue of active ingredients in drugs that have not yet met their targets, allowing us to gauge current usage of each ingredient.

**Q Current social trends will necessitate various actions to gradually promote formularies and replace existing drugs with biosimilars. To gain public buy-in, what steps do you plan to take going forward to better raise awareness of these issues among relevant organizations and medical institutions?**

In addition to sharing the results of the analysis with relevant organizations, we plan to carry out a survey, mainly among core hospitals in the prefecture, to find out where they stand with regard to introducing formularies and what kind of support they would like to see from the prefecture. We are also considering holding lectures by experts to showcase examples of the various initiatives taken by individual medical institutions based on analytical data, as well as case studies of the introduction of regional formularies. We will explore ways of putting these initiatives in place through ongoing discussions by two committees in the prefecture—the Working Group on Promoting the Use of Generic Drugs and the Generic Drug Use Promotion Review Committee—both of which are made up of people recommended by relevant organizations, insurer associations, and other groups.

\*Details on the FY2023 Compilation of Statistical Information on the Promotion of Generic Drug Use

**Commission Analysis of prefecture as a whole, by secondary medical area, and by medical institution**

- (1) Estimate of healthcare cost reduction effect from introduction of regional formularies and trends in share of generic drugs
- (2) Analysis of the healthcare cost reduction effect of switch to biosimilars, survey of current situation