

Business Strategies by Process

Marketing

Providing high value-added information through consulting and solutions

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Basic policy

The pharmaceutical market in Japan continues to face a tough environment due to drastic reform of the drug price system. Furthermore, with the introduction of "Sales Information Provision Activity Guidelines," regulations concerning MR activities have been tightened. Under these market conditions, the Sales & Marketing Division will prop up the Company's growth foundation with the goal of maintaining revenue of ¥300.0 billion in Japan.

In fiscal 2019, we will take area marketing and digital marketing to new levels and strengthen prescription proposal capabilities, which were priority policies in fiscal 2018. We will also maximize our presence in existing areas and prepare to launch new drugs.

Fiscal 2018 summary and fiscal 2019 initiatives

One of our achievements in fiscal 2018 was to raise our market share through area marketing. Area marketing planners (AMPs), who are deployed in all sales offices, played a central role to boost the market share of Canaglu, Tenelia, and Canalia for diabetes and kidney diseases by drawing up and executing strategies for each area. In digital marketing, in response to the growing number of multichannel customers, doctor assessments have

dramatically boosted our ranking¹ from No. 20 last year to No. 8 this year thanks to our healthcare professional website Medical View Point and MR activities that effectively used digital marketing tools. Finally, with regard to strengthening our prescription proposal capabilities, in the area of immuno-inflammation, Remicade, Simponi, and Stelara maintained the No. 1 market share² and MR activity evaluations boosted the Company from No. 7 last year to No. 6 this year in the area of diabetes³.

In light of the impact of the Sales Information Provision Activity Guidelines and Promotion of Working Style Reforms for Healthcare Professionals, in fiscal 2019, we recognize the need to provide appropriate high value-added information in a shorter timeframe than before. In the area of immuno-inflammation, in May of this year, we launched a new Simponi autoinjector formulation that improves patient safety and effectiveness and we are working hard to achieve its rapid market penetration. In the areas of diabetes and kidney disease, the CREDENCE study, which is the global evidence for Canaglu presented at international conferences, is being appropriately disseminated to healthcare professionals. We expect this preparatory marketing effort to facilitate sales of the HIF-PH inhibitor Vadadustat (MT-6548), which is scheduled for release in fiscal 2020.

We will also expand our points of contact in digital

marketing to ensure that these information provision activities are carried out. In order to seamlessly respond to diversifying needs, we will evolve to omnichannel, which merges digital and real world data (face-to-face information provision), and perform our industry-leading digital marketing. Further, by increasing the expertise of each MR, we will further boost our MR activities. This will be done in two ways, by accelerating consulting sales, which recommend the optimal treatment taking into account the disease's progression, and solution sales, which meet the needs of each region through the creation of regional networks such as medical facilities and nursing homes.

1. MCI Multimedia Whitepaper 2016 Winter Edition, 2018 Summer Edition.
2. IQVIA Data
3. Macromill CareNet fiscal 2018 Survey.

Medium- to long-term perspective

The greatest mission of this division from a medium- to long-term perspective is to develop growth and revenue strategies for sustainable growth.

With regard to our growth strategy, we will further increase our presence in priority areas in anticipation of the development pipeline.

Our revenue strategy will be to help secure funds for growth investments by promoting reforms to achieve an optimal organizational structure and advancing operational productivity reforms that actively utilize robotic process automation (RPA) to reform working styles and strengthen competitiveness.

Message to shareholders and investors

The business environment has changed dramatically in recent years and risks related to sales activities include drastic reform of the drug price system, promotion of generic drug and biosimilar use, and stricter regulations on visits and sales promotions to medical institutions. To deal with this sudden change, we need to create an organization in which employees have a clear awareness of goals and can quickly take on the necessary challenges. I also believe that creating this organizational culture is an important function. We want to continue to contribute to the health of as many patients as possible and to be a company trusted by society by promoting "the appropriate use of products," a material issue, strengthening our presence in priority areas, one of our strengths, and promoting information provision activities that meet market needs.



Mio Sogo

Product Marketing Department,
Sales & Marketing Division
Pediatrics West Japan
Promotion Group Team Leader

Creating a system that provides up-to-date information that matches the needs of pediatricians

Since joining the Company, I have been involved in information provision activities as an MR. After that, I was assigned to a corporate division where I examined sales policies for vaccines and created sales promotion materials. Leveraging this experience, I'm now affiliated with an MR Group specializing in pediatrics that was established in October 2018. In addition to visiting pediatricians, as a leader of a team with six members including myself, I also support these members.

Our mission is to establish an overwhelming presence in the pediatrics field by gaining the trust of not only pediatricians, but also healthcare professionals and patients. In the pediatrics field, the latest information is most important, so it is necessary to constantly raise one's expertise. Various efforts are made when providing information, so we constantly work with feelings of tension, responsibility, and good faith.

Many female employees balance work with childcare, and working style reforms are also an important mission of our team leaders. In addition to existing sales styles, we are actively pursuing efforts to establish efficient and effective approaches. One of these was the introduction of ZEUS, an email system that sends information to doctors. This system enables information to be customized to suit each pediatrician that's in charge and provide more needed information. We are also taking steps to streamline communication by leveraging IT tools to hold meetings with team members working remotely in their respective areas of responsibility.

Supporting the health of children is also about creating Japan's future. Moreover, the vaccine business that we are rolling out in the field of pediatrics contributes to society by controlling medical costs from the standpoint of disease prevention, and I am proud and satisfied to be able to play a part in this socially significant business.