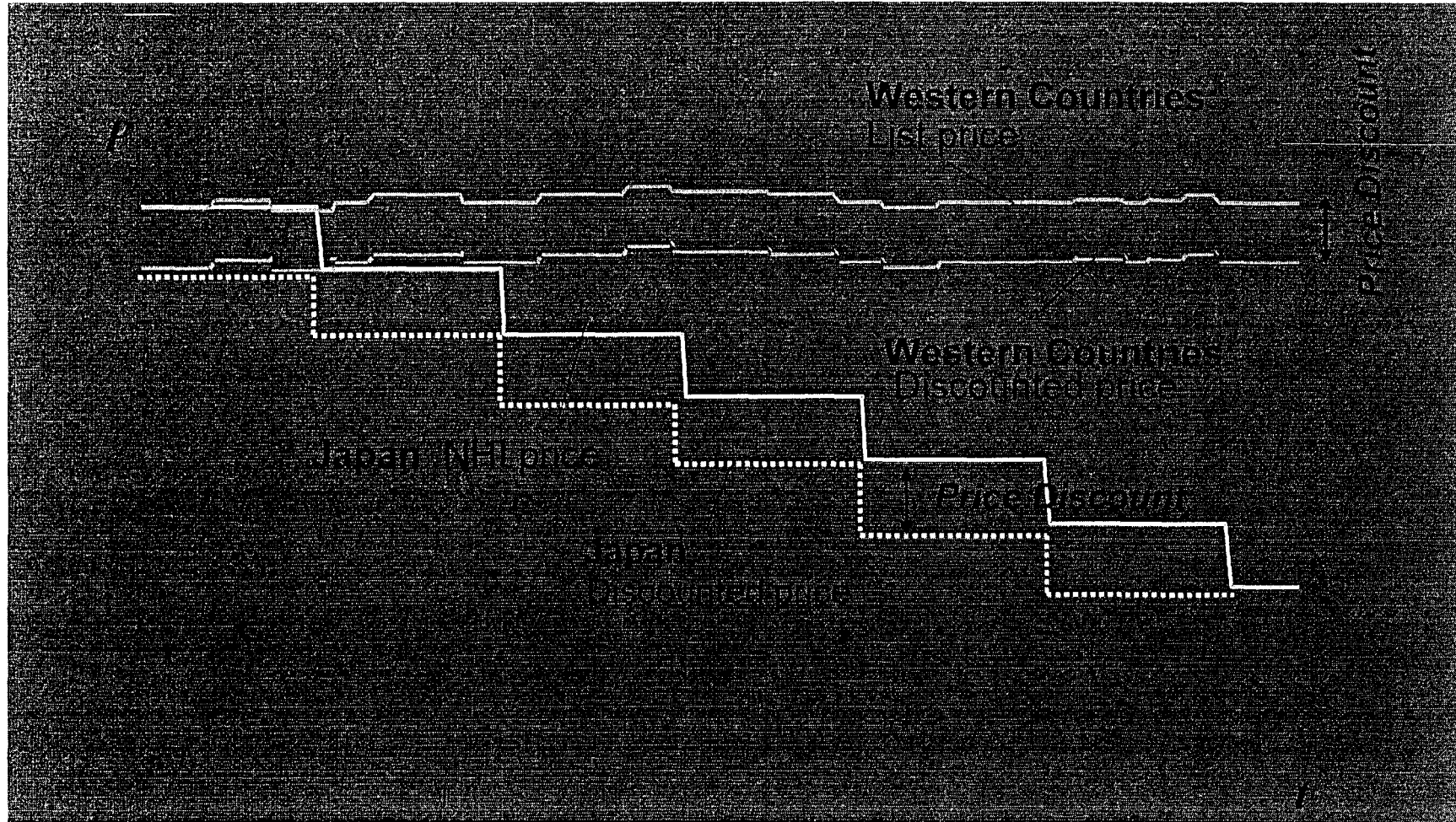


# **SUPPORTING DATA**

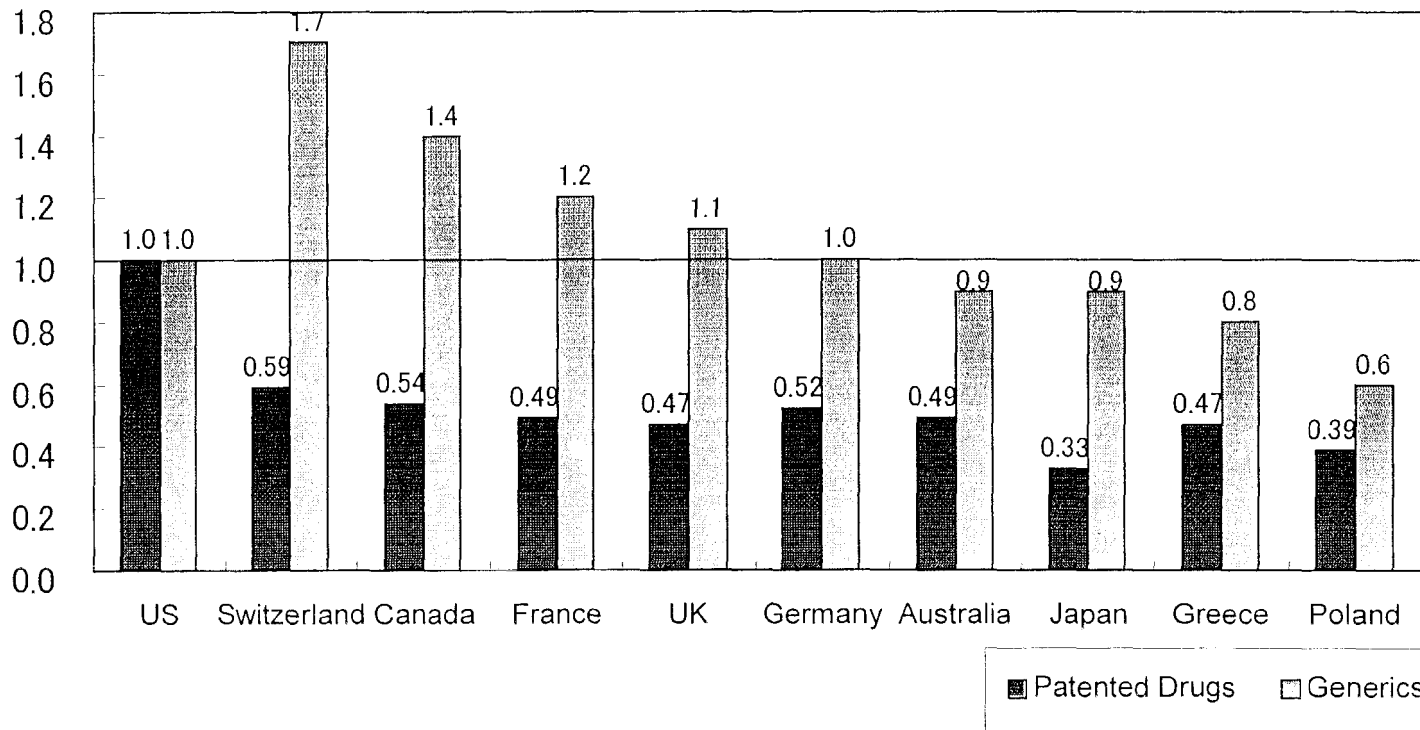
# Destroying Japan's Research-Based Pharmaceutical Industry: Discounting System Prices Far Below True Market-Based Prices



# Japan's Drug Prices Are Low Relative to other OECD Countries

Drug Prices in 2003  
(Comparison based on Standard Units)

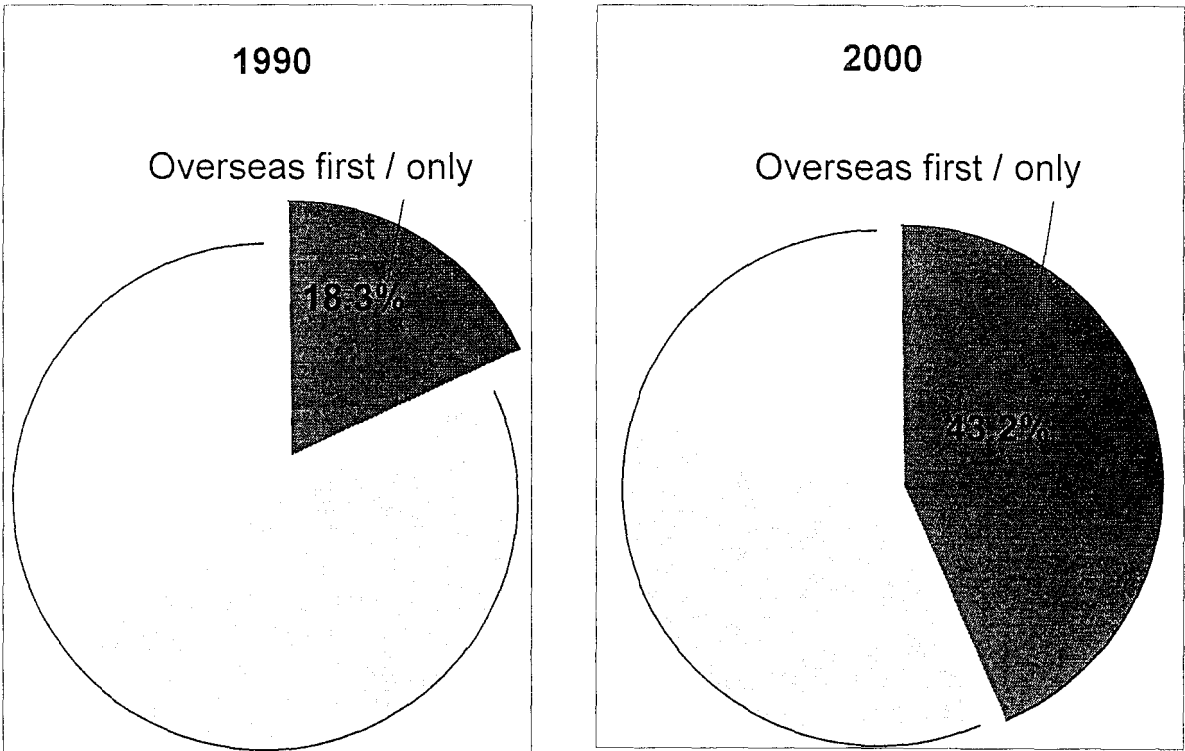
(Index : US price = 1.0)



\*Price Index: Fisher price indices are used, which is the geometric mean of Laspeyres and Paasche indices  
Source: "Pharmaceutical Price Controls in OECD Countries", U.S. Department of Commerce, 2004

# New Drug Development is Shifting Overseas

## Clinical Trials by Geographic Region (JPMA member companies)

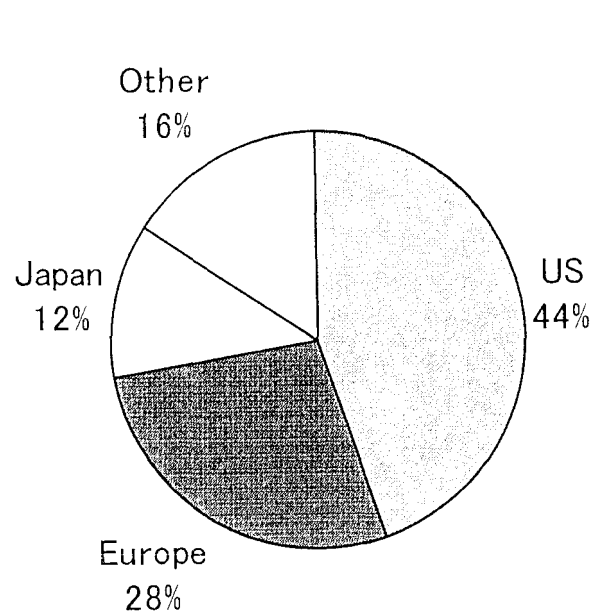


Source: Dec, 2000 JPMA

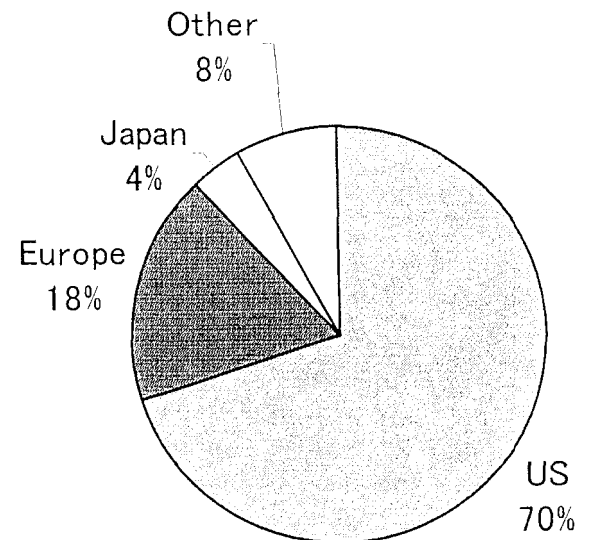
- Concurrent development
- Domestic first/only

# Global Pharmaceutical Market Shares

*Market Share of  
Total Pharmaceutical Sales*

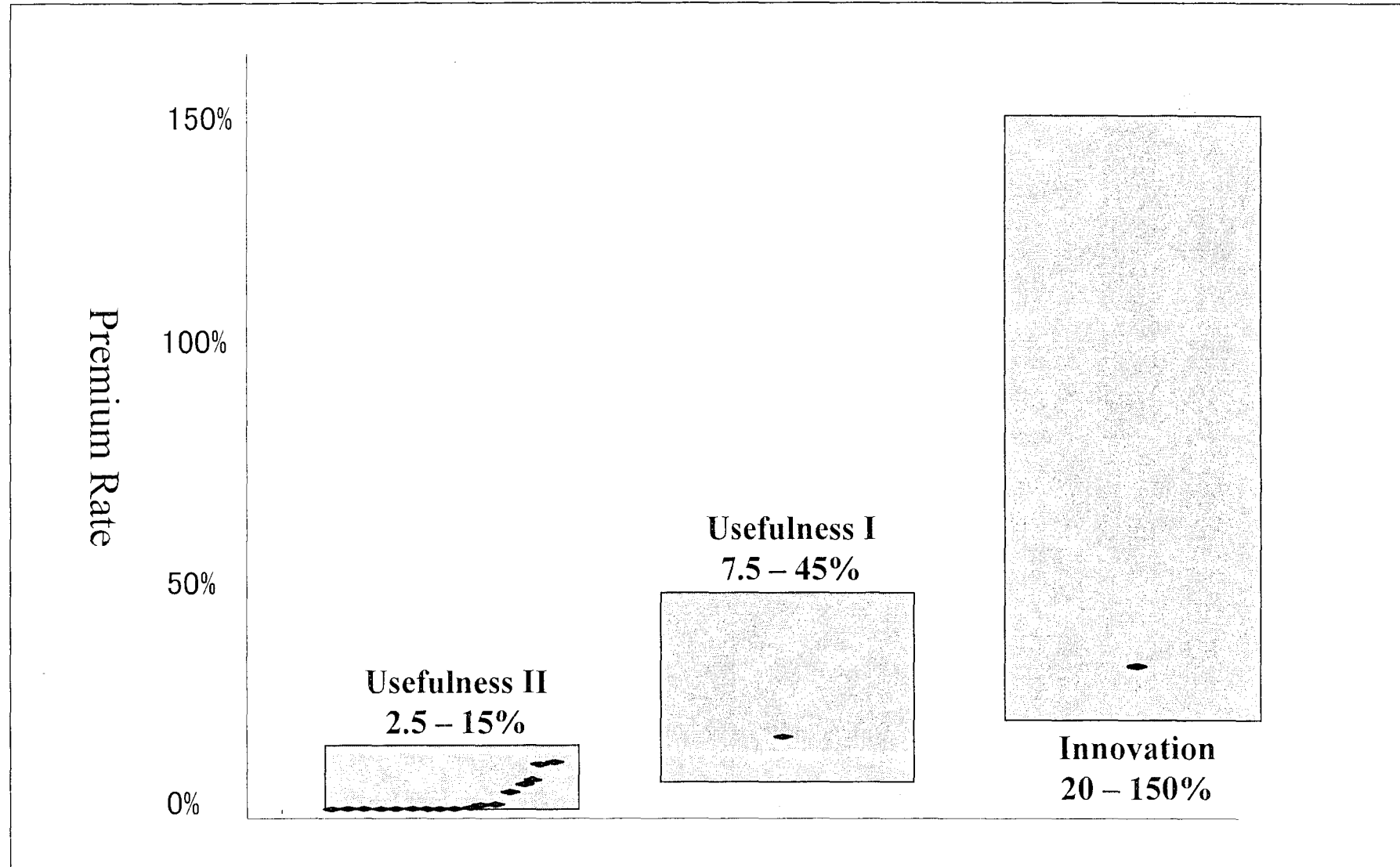


*Market Share of New Drugs  
(launched in 1998-2002)*



Source: PhRMA, OPIR Research Paper No.23 2004.10

# Pricing Premium Range Rates & Distribution of Actual Premiums Awarded



# Many New Drugs Are Priced Lower Than Foreign Average Price

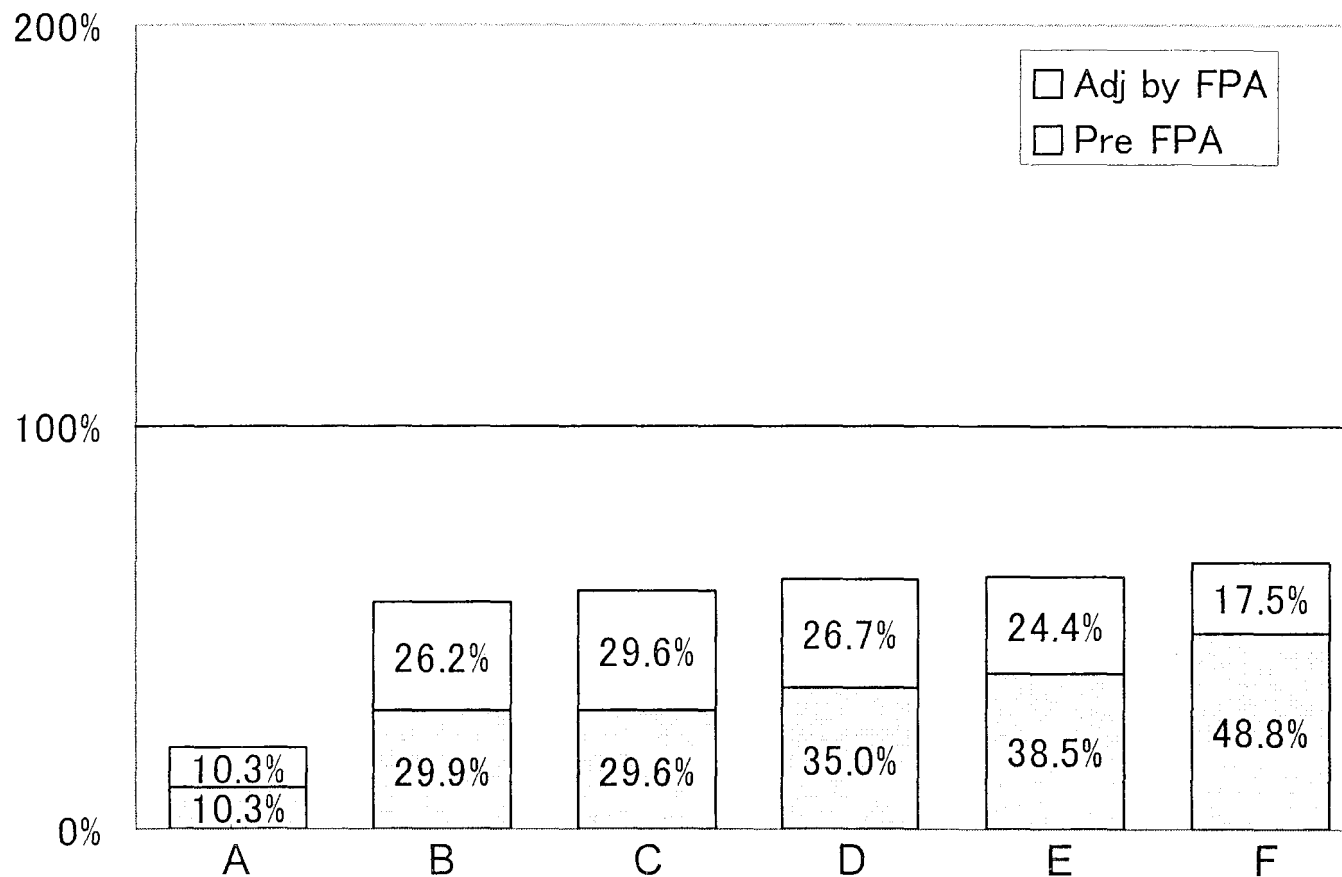
## *Japan Price before FPA / Foreign Average Price (all new drugs w/ foreign prices)*

Calculated Price (before adjustment)	Before DPO (1997.6–2002.4)		After DPO (2002.6–2005.4)	
	# of drugs	(%)	# of drugs	(%)
~ 0.75	25	(21%)	16	(38%)
0.75 ~ 1.5	59	(50%)	21	(50%)
1.5 ~	34	(29%)	5	(12%)
Total	118	(100%)	42	(100%)

# Inadequate Upward Price Adjustments

Source: PhRMA Analysis based on Chuikyo public data

Percentage of Foreign Average Price  
*All new drugs of which the pre FPA price is less than  
50% of foreign average price, launched since 2002.4*

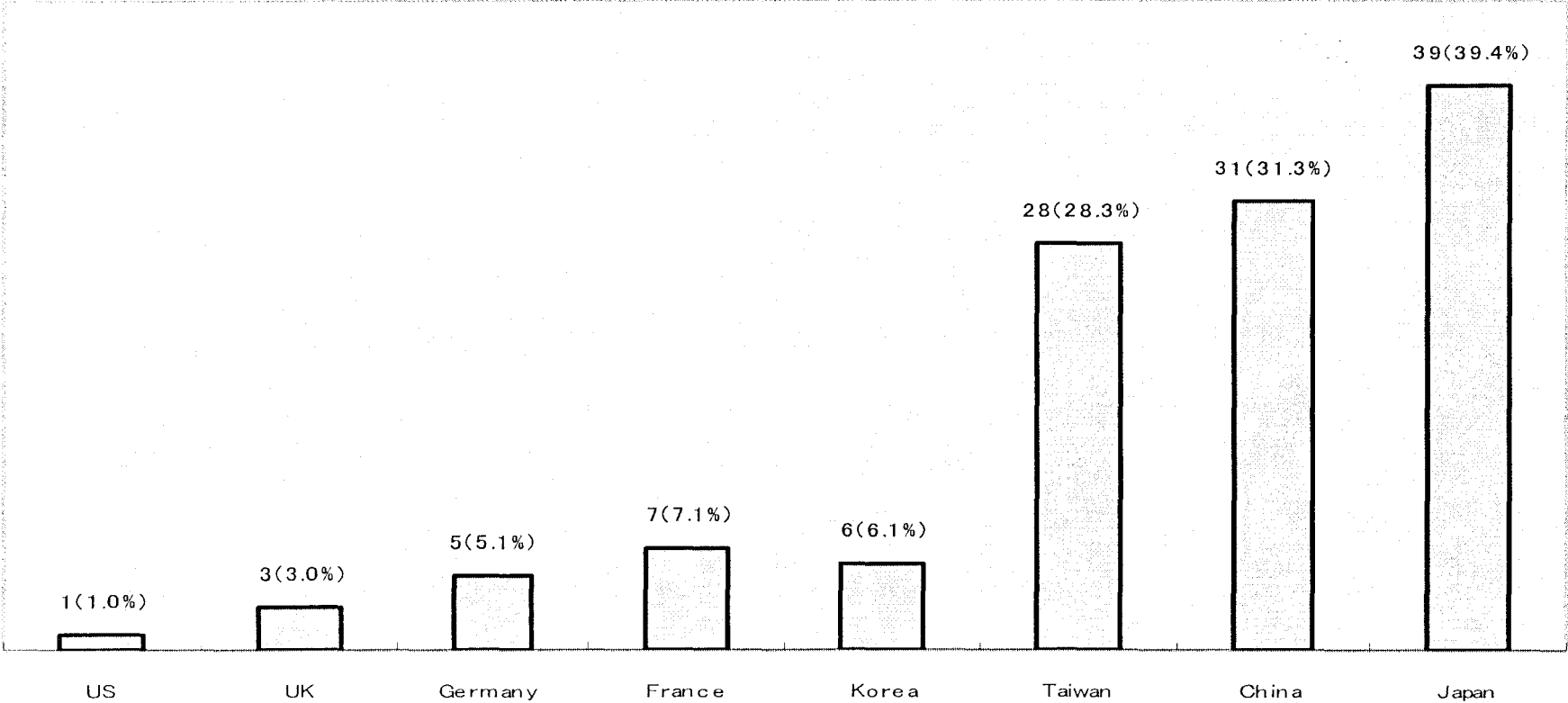




# Japan Is Lagged From Other Asian Countries in approving Global Leading Drugs

No. of Unapproved Drugs

Leading 99 Products at Global Sales Ranking

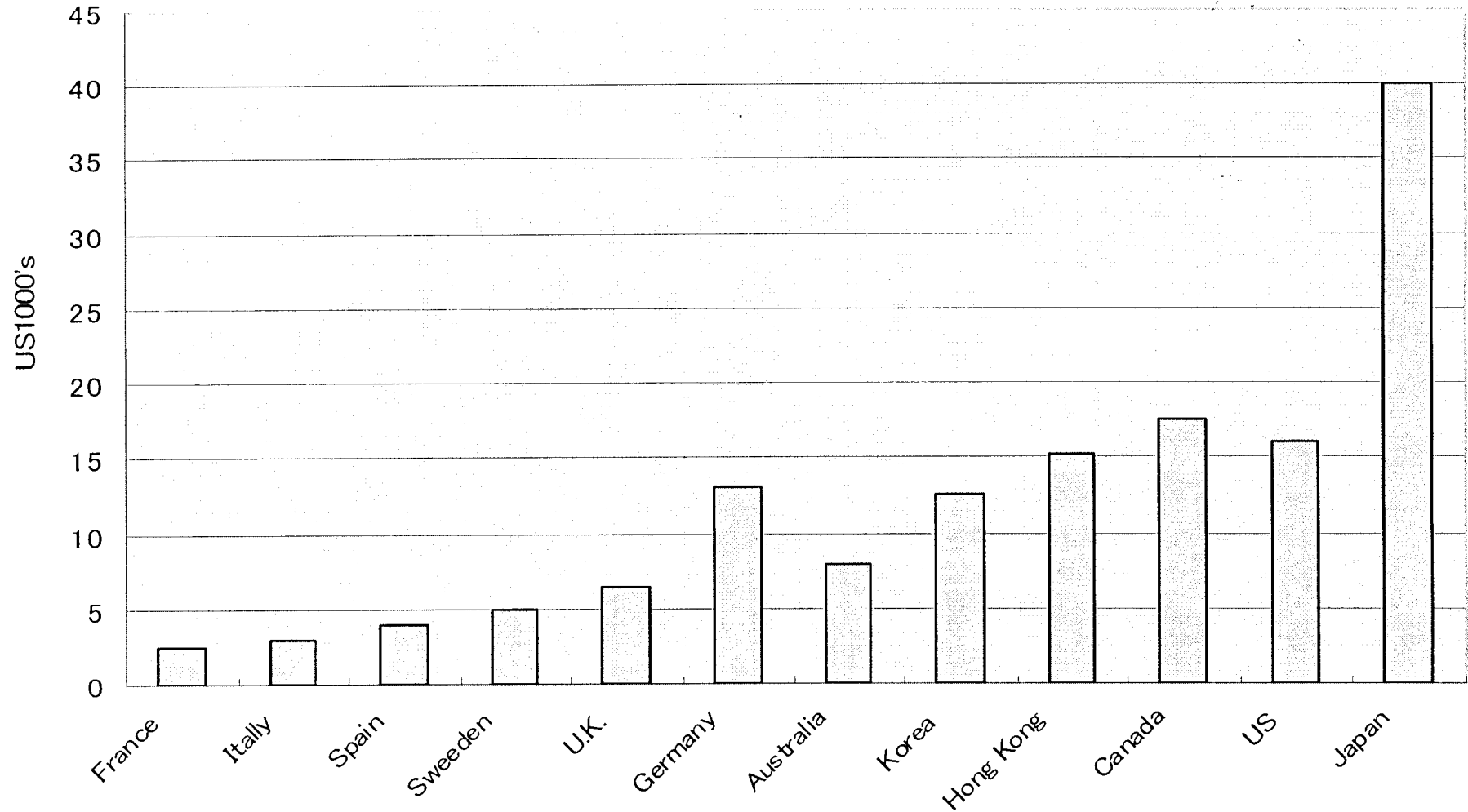


The data of 99 products are used out of 103 products at global sales/ranking (invalid data of 4 products are deducted)  
The data is as of Sep. 2004.

Source: the graph is compiled base on the pharmaprojects data

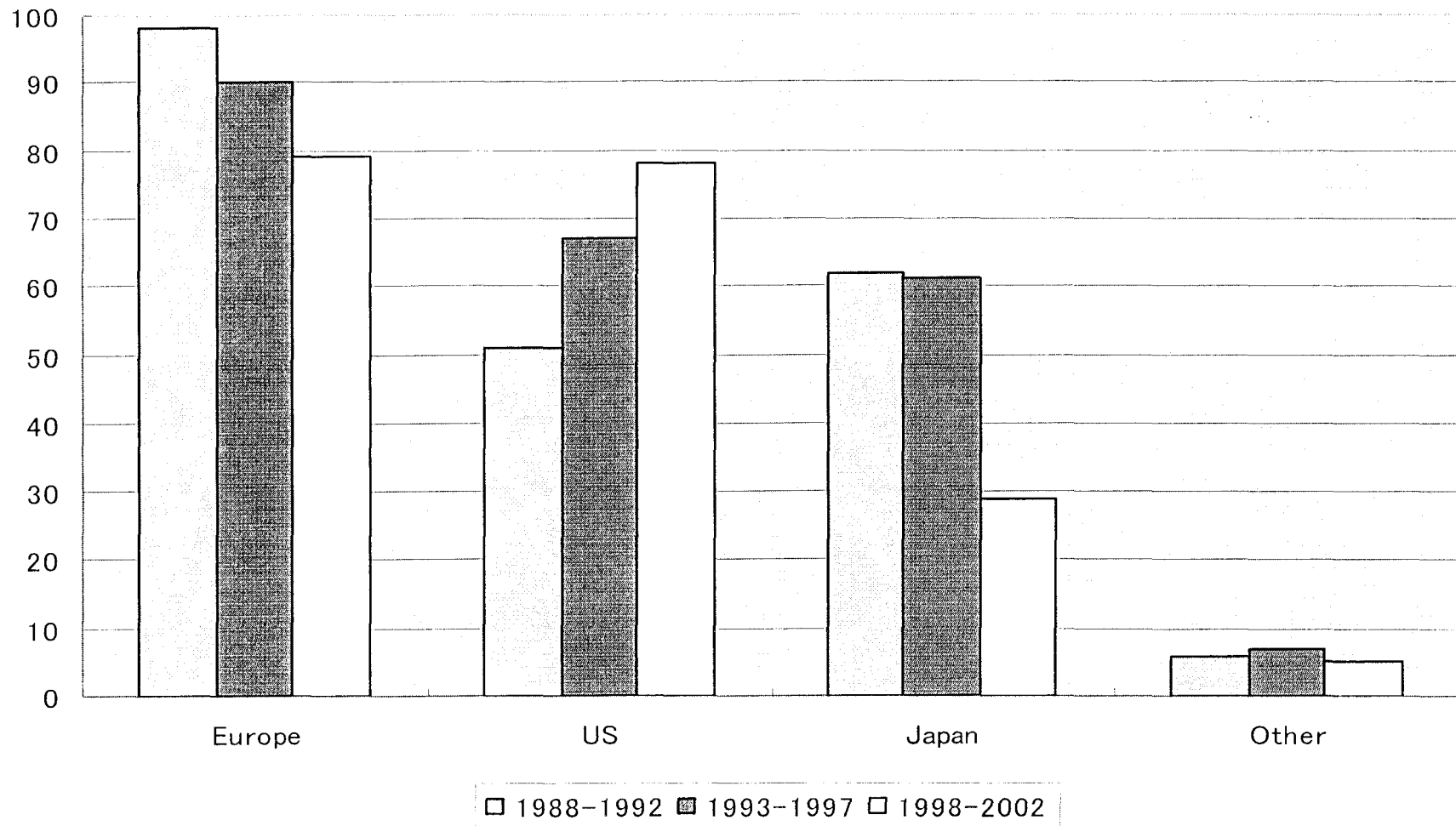
## Cost of a Clinical Trial Is More Than Double in Japan

### Total Clinical and Advertisement Costs Per Patient in ICH Region



Source : the 4th Kitazato university-Harvard School of Public health Symposium

# Number of new chemical or biological entities by nationality of mother company 1988-2002



Source: SCRIIP-EFPI Calculations (according to nationality of mother company)<sup>28</sup>