



Animal Health Innovation Asia 2019
Tokyo, November 6th, 2019

Regulatory Pathways and Market Access in Japan

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AHRMS, INC.

Self Introduction / YUKI UJIMASA, DVM, MS

Family : Wife, 1 Cat, and 3 Dogs

Working Experiences

- 1988-2005 Dainippon Pharmaceutical Co., Ltd.
- 2006-Present President, AHRMS, Inc.
- 2010-Present Director of Boards, EBM Trading Japan, K.K.
- 2013-Present President, Vm3, Inc.

Web-based veterinary media and consultation.
In 2020, wholesale and retail will start.

Japanese No.1
Distributor of Horse
Medicines since 2017

AHRMS, Inc.

Business Menu:

1. Public Affairs

- VICH Pharmacovigilance / VICH Electric Document Transfer
- Japanese Society of Clinical Veterinary Medicine

2. Registration of animal medicines and devices

3. Designated Marketing Authorization Holder (D-MAH)

1st in Japan

4. Marketing Support for industries to vets and pet owners

5. Market Analysis, Prediction, Writing and Lectures

Agenda

1. How to register new animal medicines by JMAFF
2. Further acceleration of evaluation by JMAFF
3. 4 ways to register and distribute new animal medicines
4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan
5. Whether Vets' online shops can be adopted in Japan?
6. How to tackle falsified products

1. How to register new animal medicines by JMAFF

■ Five categories of new animal medicines

- (1) A drug containing a **new active ingredient** in Japan
- (2) A drug with a **new dosage** regimen
- (3) A drug with a new dose and drugs with **new indications**
- (4) A drug with a **new combination** of active ingredients
- (5) A **generic** drug that is identical to the existing VMPs

*VMPs: Veterinary Medicinal Products

1. How to register new animal medicines by JMAFF

■ Data set required for application for VMPs in Japan

	Data Item
A	Origin or development history, usage situation in foreign countries
B	Physico-chemical test data (e.g. physico-chemical property, specifications and assay procedures)
C	Manufacturing processes
D	Stability Test (e.g. long-term storage test, stress test, accelerated test)
E	Toxicity Test (Acute toxicity, Subacute toxicity, Chronic, and Special toxicity)
F	Target Animal Safety Test
G	Pharmacology test (Test as evidence of efficacy, and General pharmacology test)
H	ADME
I	Clinical Test
J	Residue Test

(Source: JMAFF NVAL)

R: Required to be attached, N: Not required, D: Depends on each drug

1. How to register new animal medicines by JMAFF

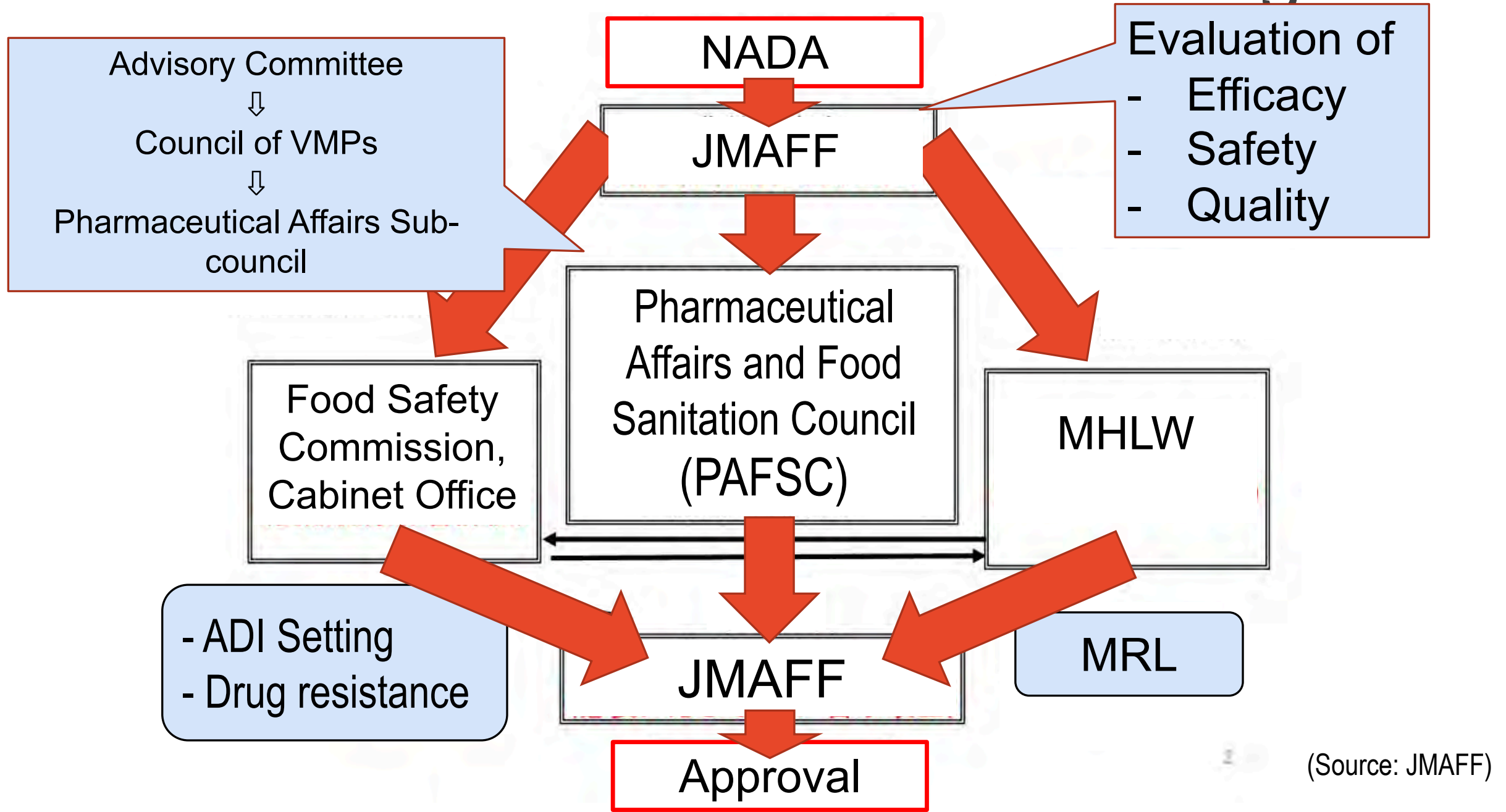
■ Data set required for application for VMPs in Japan

	Data Item	(1) New Ingredient	(2) New Dosage	(3) New Indication	(4) New Combination	(5) Generic
A	Origin or development history, usage situation	R	R	R	R	N
B	Physico-chemical test data (e.g. physico-chemical	R	D	D	R	D
C	Manufacturing processes	R	D	D	D	D
D	Stability Test (e.g. long-term storage test)	R	D	D	R	D
E	Toxicity Test (Acute toxicity, Subacute toxicity)	D	D	N	D	N
F	Target Animal Safety Test	R	R	D	R	D
G	Pharmacology test (Test as evidence of efficacy)	R	D	D	R	N
H	ADME	R	D	D	R	D
I	Clinical Test	R	R	R	R	N
J	Residue Test	R	R	D	R	D

(Source: JMAFF NVAL)

R: Required to be attached, N: Not required, D: Depends on each drug

Evaluation Process of New Drugs



2. Further Acceleration of Evaluation by JMAFF

Results of evaluation periods of drugs approved in 2017

- **Standard processing period: 12 months**
- All approved drugs (208 items)
 - Periods on JMAFF side: 80 percentile value: **11.7** months
 - Whole periods: 80 percentile value: 16.6 months
- Drugs needed to receive consultation by PAFSC (30 items)
 - Periods on JMAFF side: mean value: 16.2 months
 - Whole periods: mean value: 24.6 months
- Drugs **NOT** needed to receive consultation by PAFSC (178 items)
 - Periods on JMAFF side: 80 percentile value : **10.5** months
 - Whole periods: 80 percentile value : 13.9 months

2. Further Acceleration of Evaluation by JMAFF

(Source: JMAFF)

Numerical Target

- All approved drugs:
 - Periods on JMAFF side: 80 percentile value: Less than 12 months
- Drugs needed to receive consultation by PAFSC
 - Periods on JMAFF side: mean value: **Less than 12 months by 2023**
- Drugs NOT needed to receive consultation by PAFSC
 - Periods on JMAFF side: 80 percentile value: Less than 12 months

”In order to receive the approvals as early as possible, we, applicants, have to try to shorten our in-house documentation periods!”

3. Four ways to register and distribute new animal medicines

- Rationale: The Law for Ensuring the Quality, Efficacy, and Safety of Drugs and Medical Devices
- Approval must be granted to a Legal entity in Japan
 - 4 types of Legal Entity who can be MAH
 - *: Marketing Authorization Holder
 - 100% Subsidiary of Foreign Company in Japan
 - Joint Venture with a Japanese company
 - Domestic manufacturer named as your distributor
 - Designated MAH (D-MAH)

Preparation to be applicant or MAH

- Business Licenses:
 - Licenses for manufacturing
 - 4 classes
 - Licenses for marketing
 - Prescription drugs
 - Other general drugs
 - Three key players

	Manufacturing Procedures and Relevant Products
1	All / parts of procedures (1) Biologicals (2) Items needed National Assay (3) Recombinant products
2	All / parts of procedures for Sterile products
3	All / parts of procedures for other than products above
4	Only packaging/labelling/storage

Preparation to be applicant or MAH

■ Business Licenses:

■ Licenses for manufa

- 4 classes

■ Licenses for marketi

- Prescription drugs
- Other general drugs

■ Three key players

Class	Examples
Prescription drugs	<ul style="list-style-type: none">- Antibiotics- Anesthesia drug- Biologicals / Vaccines- Heartworm preventive- Hormone medicines- NSAIDs, etc.
Other drugs	<ul style="list-style-type: none">- Digestive drugs- Eye drops- Flea and tick wormers, etc.

Preparation to be applicant or MAH

- Business Licenses:
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Preparation to be applicant or MAH

■ Business Licenses:

■ Licenses for manufacturing

- 4 classes

■ Licenses for marketing

- Prescription drugs
- Other general drugs

■ Three key players



**Mandatory
Conditions**

MAH System

Foreign Company A

Foreign Manufacturer Accreditation

Export

Contract for product distribution

NADA

Subsidiary / JV/ Distributor

JMAFF

QA, Shipping,
Information
Distribution

Marketing Approval

GQP/GVP/PMS

Japanese Clients

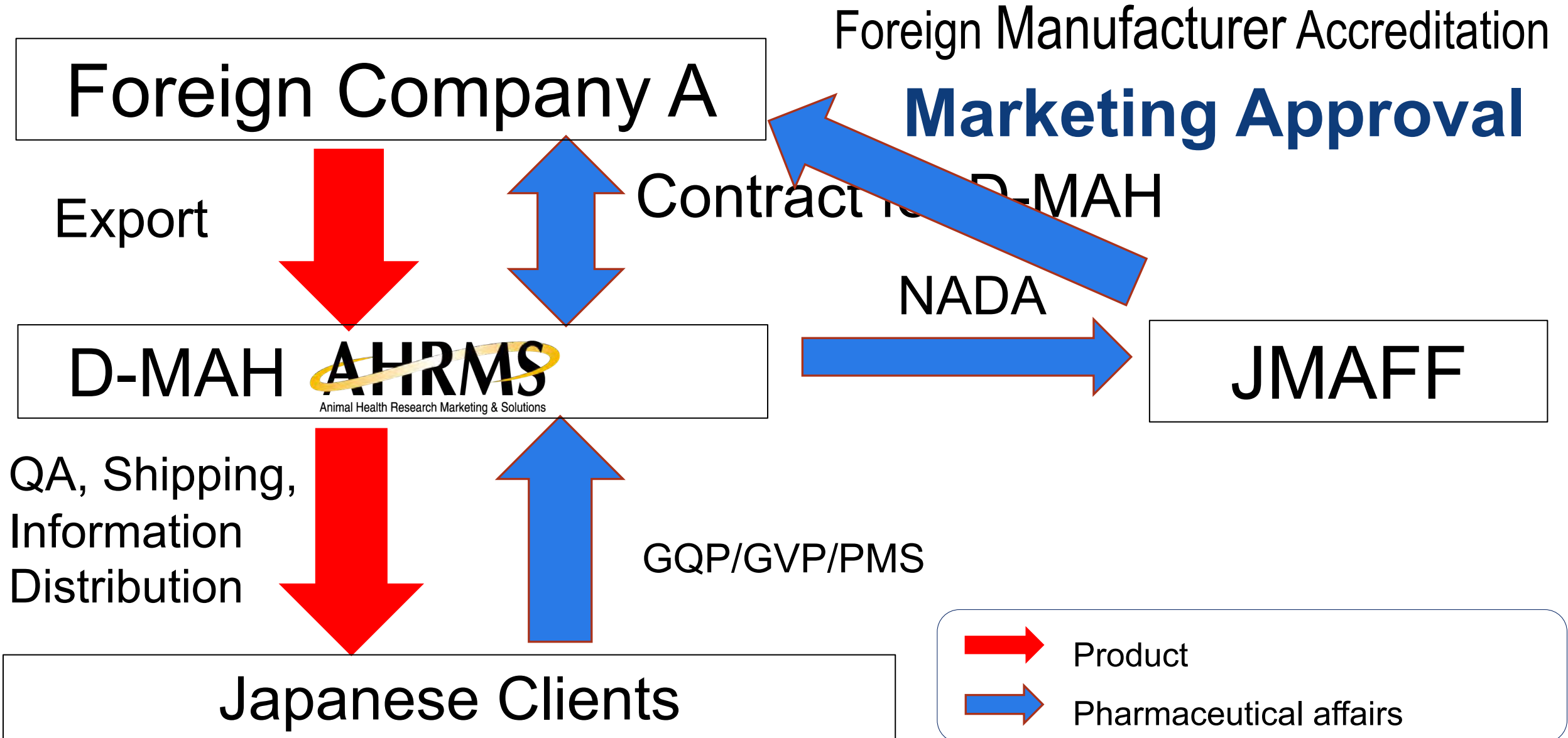


Product

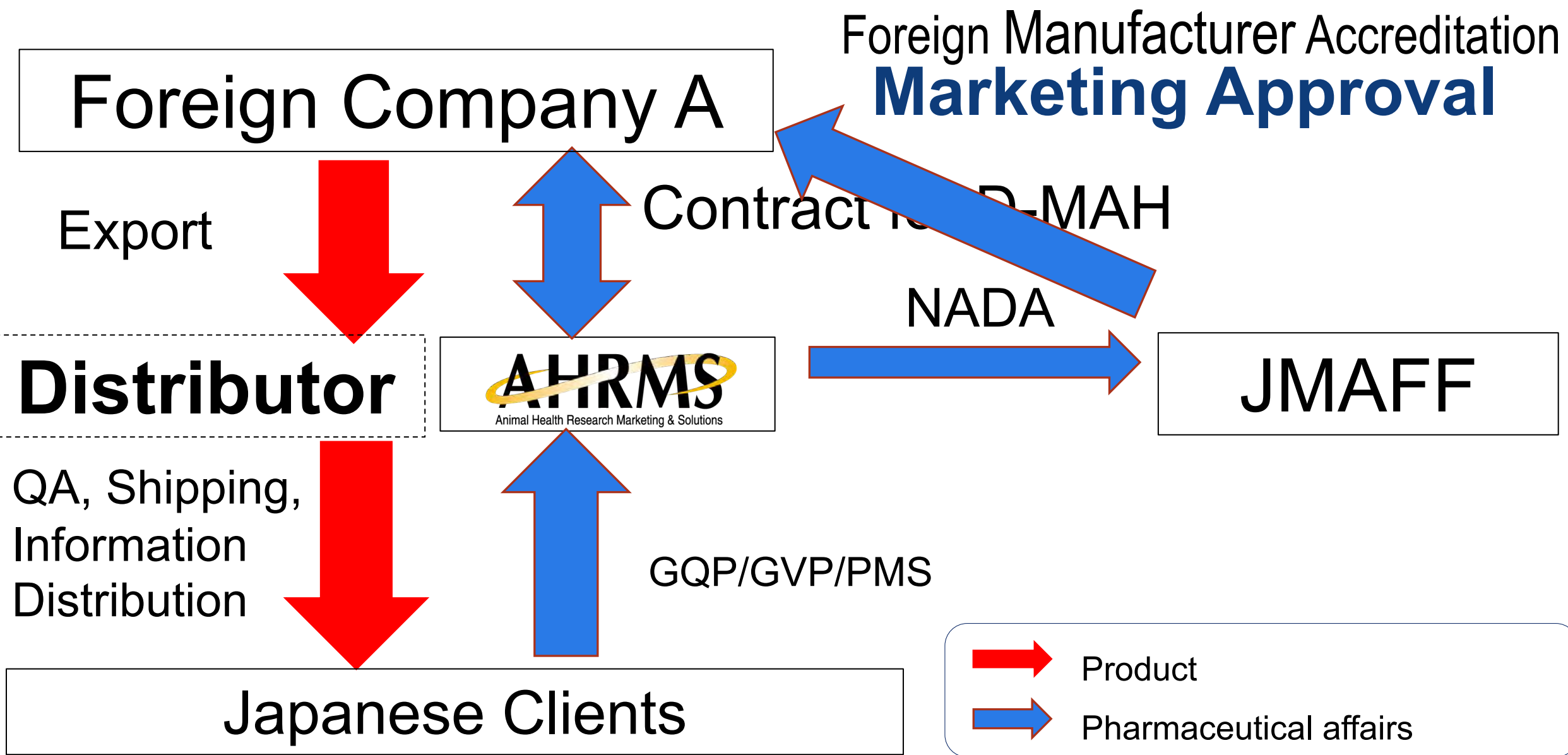


Pharmaceutical affairs

D-MAH System (Designated MAH)



D-MAH System (Designated MAH)



AHRMS can act...

We maintains the following business licenses:

- Licenses for manufacturing of animal medicines and medical devices
- Licenses for import and marketing of animal medicines and medical devices
- License for wholesale of animal medicines and medical devices
- License for retail of animal medicines and medical devices

AHRMS can act...

We maintains the following business licenses:

- Licenses for manufacturing of animal medical devices **as your Manufacturer**
- **as Exporter to yours** marketing of animal medical devices **as your Distributor**
- License for wholesale of animal medicines **as your Wholesaler**
- License for retail of animal medicines and medical devices **as your Retailor / Pharmacy**

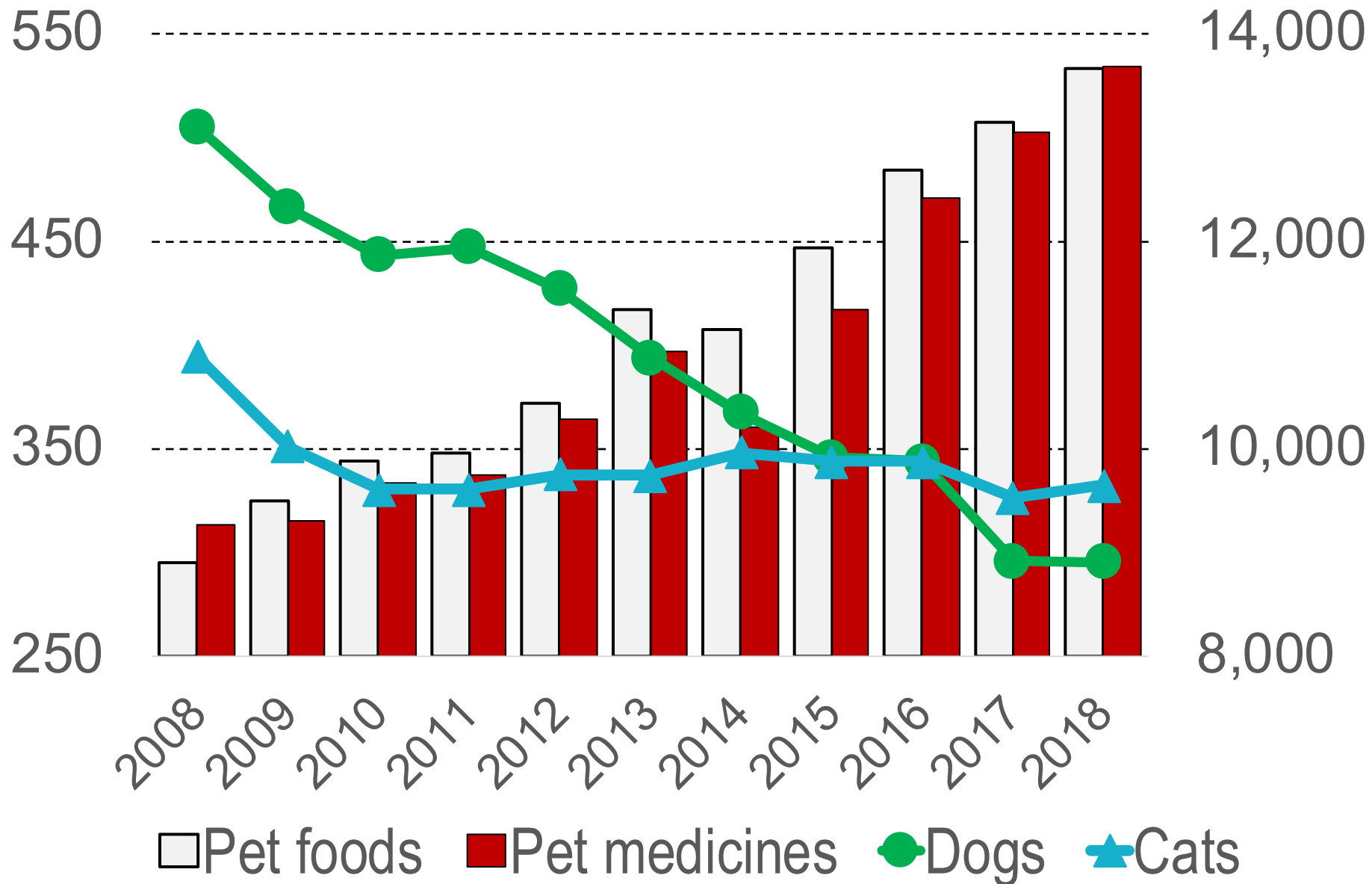
4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan

- At first, I would like to tell you that Japan is worth investing and introducing new products from you.
- We have to think about the issues by dividing animal medicines into 2 categories.
 - Prescription drugs
 - General drugs
- Also, we should think about the distribution channel.

Pet population Decreasing vs. Market Expansion in Japan

(mio USD)

(x 1,000 heads)



Pet population Decreasing vs. Market Expansion in Japan

(from 2008 to 2018)

Dog Population

-31%

Pet foods

+81%

Cat Population

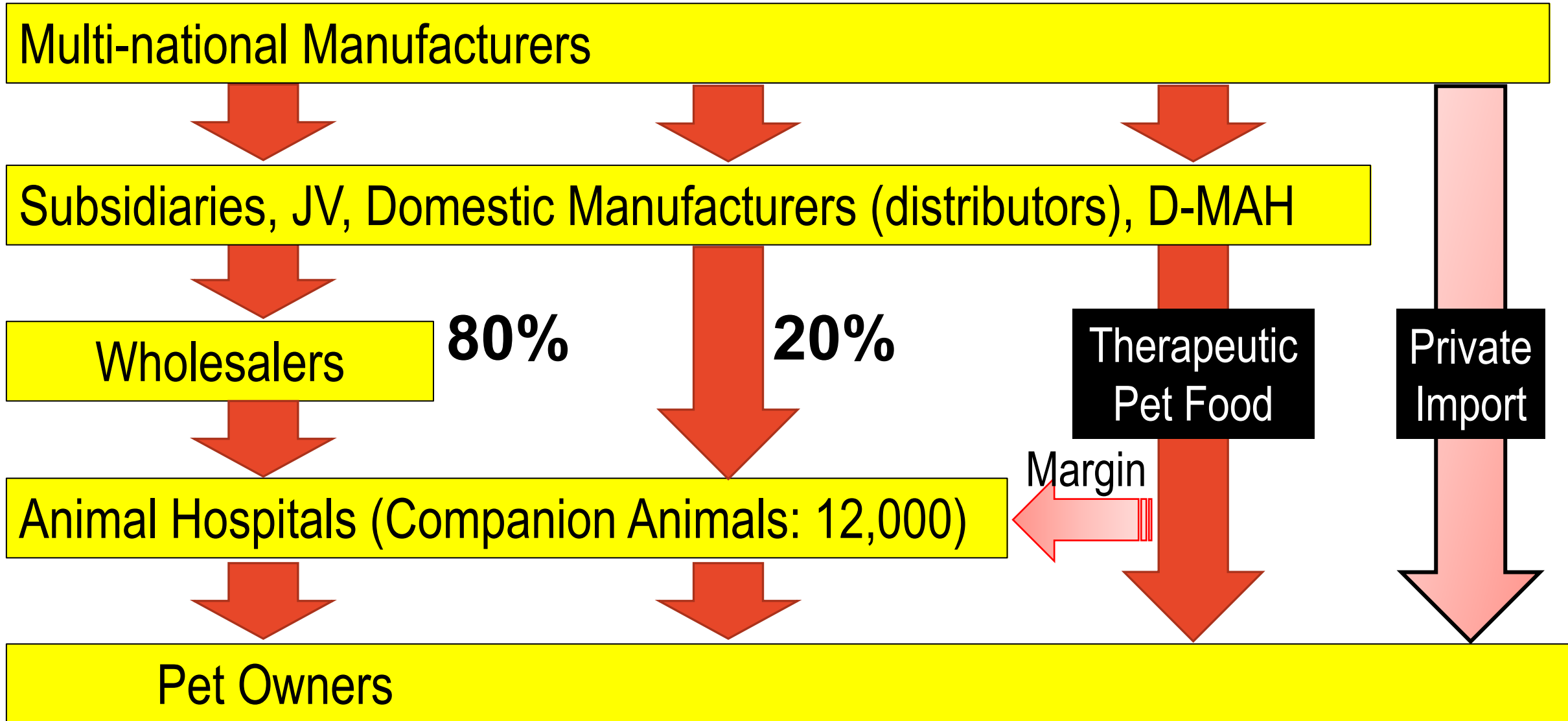
-11%

Pet medicines

+71%

(Source: AHRMS, Inc)

Product Distribution in Japan (Vet Channel)



*Product: Companion Animal Medicines and Pet Food

(Source: AHRMS, Inc. 2018)

4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan

■ Prescription drugs

- Vets trust and prefer to buy animal medicines from local wholesalers.
- When a big earthquake occurred in the past, a web-based wholesalers could not deliver any of the products to vets because a home delivery services did not work. They don't have any distribution staffs there.



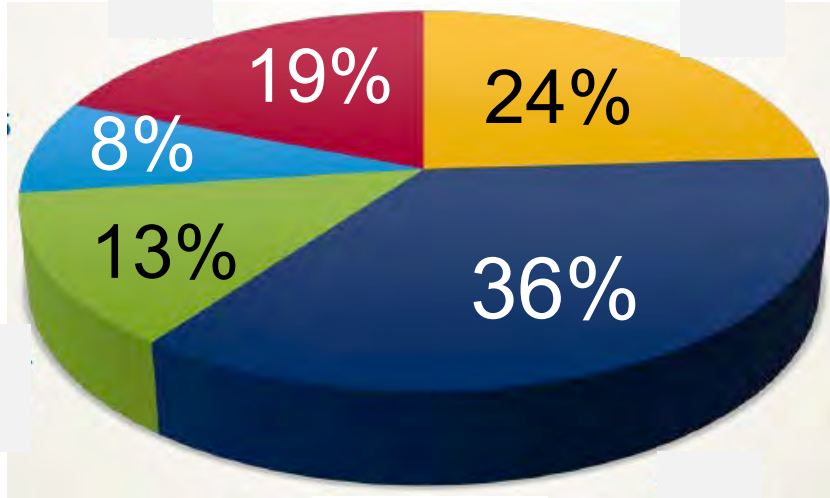
- But local wholesalers could deliver them though they didn't have enough gas for cars, either.
- It led to a strong trust from vets.

4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan

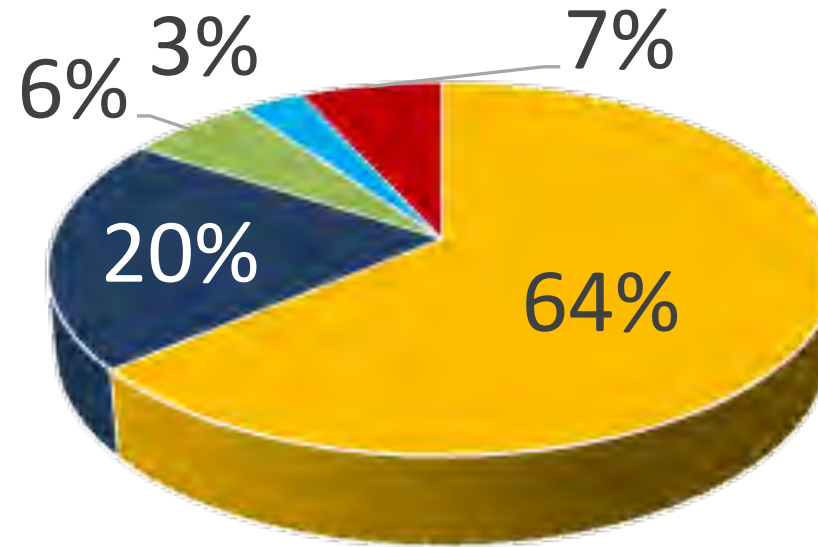
■ Prescription drugs

➤ In Japan, there are 12,000 animal hospitals.

And **64%** of them are run by **only 1 vet**. So, sales reps' regular calls are mostly welcomed except largescale animal hospitals.



USA



Japan



(Source: Brakke Consulting, Inc. and JMAFF)

4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan

■ Prescription drugs

- In Japan, there are 12,000 animal hospitals.
And **64%** of them are run by **only 1 vet**. So, sales reps' regular calls are mostly welcomed except largescale animal hospitals.
- In Japan, **80% of the products** in vet channel are distributed through nationwide and local **wholesalers**.
- It is thought to be due to the uniqueness of animal hospitals in Japan.

4. How to effectively promote and distribute your products to animal hospitals and pet owners in Japan

■ Distribution Channel

➤ In my suggestion, **at present**, a foreign manufacturer who enters into Japanese market for the first time should still promote and distribute her products to animal hospitals **through domestic wholesalers at first**.

➤ Main wholesalers:

- Zenoaq (nationwide, direct-selling model)

- Morikubo Yakuhin (local, one of Strongest wholesalers in Kanto area)

- NPC (nationwide wholesaler)

- MP Agro (nationwide wholesaler)

■ But in the future, telemedicine will dramatically change delivery of services and products!

5. Whether Vets' online shops can be adopted in Japan?

- In the US, Covetrus, Vetsource, and Myvetstore are available.
 - Pet owners can purchase animal medicines, even prescription drugs, and pet foods through vets' online shops for 24 hours.
- In Japan, vets can open online shops but they cannot deal with animal medicines online.
 - Vets can **prescribe** animal medicines **inside animal hospitals**.
 - They **do not** have the right to **sell animal medicines**, even flea & tick wormers.
- When vets want to open online shops that can sell animal medicines, they have to hire a pharmacist and receive a retail license by their prefectural government, respectively.

5. Whether Vets' online shops can be adopted in Japan?



6. How to tackle falsified products

Value of
illegal
products
\$1 - 2 Bn

Veterinary Medicines
Global sales \$30bn

3-7% are counterfeit in value.

6. How to tackle falsified products

Politics

Chinese vaccine maker found to have forged production data for over four years

Changsheng Bio-tech mixed batches of rabies shots with expired products and hadn't correctly recorded dates or batch numbers since 2014, investigators find



Nectar Gan

Published: 8:59pm, 7 Aug, 2018

(Source: South China Morning Post)

6. How to tackle falsified products

Packaging firm CEO pleads guilty to veterinary med counterfeiting

Phil Taylor, 04-Apr-2017



The chief executive of a packaging contractor in the US has admitted selling counterfeit animal health product labels and packaging in a federal court.

(Source: securityindustry.com)

6. How to tackle falsified products

- In Japan, falsified drugs trademarked “HARVONI” for human hepatitis C were distributed from wholesalers to pharmacies in 2017.
- There were no health injury cases because the patient noticed the difference before taking the pills.
- MHLW took countermeasures to prevent from the recurrence by strict records of Lot No., Expiry Date, check of bottles unopened, and so on.



6. How to tackle falsified products

- In veterinary fields in Japan, there are no apparent cases of falsified animal medicines yet. But no one knows.
- In recent years, the amount of private import of unapproved animal medicines is dramatically increasing by veterinarians and pet owners.
 - CA vets: generic cancer drugs from China or India
 - Pet owners: heartworm preventives from Thailand, Philippines, or NZ
 - Equine vets: pentosan for arthritis, omeprazole for gastric ulcer from AUS
- Private import support agents directly deliver the products from abroad in an artful way to slip past the customs. There may be falsified products.
- JMAFF warns the severe risk of private import to both of them.
- Tokyo city and NAR have asked me to give presentations about the risk of private import containing counterfeit.

I believe that our continuous enlightenment to them must be the key.

Thank you for your attention!



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