

## 1. Overview of Diagnostics Market in Japan

### 1-1) Summary of Japanese Market

1) The Japanese market for in-vitro diagnostic drugs is 200 billion yen or slightly less (manufacturer shipping costs) and approximately 200 companies have entered this market. Of these, 162 companies are members of the Japan Association of Reagents for Clinical Laboratory Tests (corporation financed by individual companies; the association was formed for the sound development of the industry and for connections between each industry and to open a window of communication with the Ministry of Health and Welfare).

2) There are five main entry fields in terms of their business conditions.

A) special manufacturers: companies that started from industrial reagents and have expanded to the field of clinical test reagents, company that entered the same field from the start, etc.

Examples: Wako Pure Chemical, Eiken Chemical, Sanko Junyaku, etc.

B) Drug manufacturers: diagnostic drug industry was developed as a business related to drugs.

Examples: Sankyo, Shionogi, Chugai Pharmaceutical, etc.

C) Industrial manufacturers: participants from different fields, such as chemistry, food, analytical instrument etc.

Examples: Tosoh, Fuji Film, Toyobo, Hitachi Chemical, etc.

D) Foreign manufacturers: participants from foreign countries, mergers with Japanese company, etc.

Examples: Dainabot, Dupont Japan, Nippon Roche, Hoechst Japan, BMY, Pharmacia, etc.

E) Others: business developments from commercial laboratories to manufacturing and, companies not previously listed

Examples: S. R. L., BM. Laboratory, Otsuka Assay Research Laboratory, etc.

Of the aforementioned, the trend in the last several years has been activity from entry of participants from different fields and foreign companies. In particular, there will be a demand for high technical and development capability with the sudden progress made in diagnostic technology in recent years and participants from companies that are backed by a large amount of capital will play a role.