

## Japan's Most Admired Pharma Companies in 2007

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International Alliances Limited (IAL) has conducted annual surveys since 1999 to determine Japan's most admired pharma companies. The latest (our 9th) was conducted in November/December of 2007. The full report, available from IAL for ¥30,000, analyses responses by each category of responders, overall responses, and trends over time. To order, contact IAL as follows:

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### Methodology

Thirty companies, 15 Japanese, and 15 foreign affiliates were evaluated. They included:

Japanese	Foreign
Astellas	Abbott
Daiichi-Sankyo	AstraZeneca
Dainippon Sumitomo	Banyu
Eisai	Baxter
Kirin	Bayer + Schering
Kowa	Bristol Myers
Kyowa Hakko	Chugai
Mitsubishi Tanabe	Eli Lilly
Ono	GlaxoSmithKline
Otsuka	Janssen
Santen	Novartis
Shionogi	Pfizer
Takeda	sanofi-aventis
Taiho	Schering-Plough + Organon
Teijin Pharma	UCB

Each company was evaluated on eight categories of performance: **Quality of Management; Quality of Products; Potential for Growth; New Drug Discovery Potential; Quality of Development; Quality of MRs; Profitability in the Future; Overall Opinion.**

It is important to note this survey solicits the opinions of people working in or with the pharma industry. They include employees of pharma companies, wholesaler personnel, and service providers. We believe these industry insiders are best positioned to objectively evaluate the eight categories of performance mentioned above. How these three groups of responders rank companies is an important aspect of the full report.

Also important is the trend over time in individual company rankings. Nine years is a good measure of improving or deteriorating performance.

### Summary

Takeda continues to be Japan's most admired pharma company, and it ranked number one in all eight categories of performance. Nevertheless, its overall opinion

score is eroding, albeit gradually, year by year. Its highest scores were in the categories of Quality of Management and Quality of MRs. Its lowest scores were in Potential for Growth and New Drug Discovery Potential.

Eisai and Astellas were the runner up to Takeda, similar to their position in 2006. The only other Japanese company in the top 10 was Daiichi-Sankyo. Chugai and Novartis were in a tie for the most admired foreign company. GlaxoSmithKline, sanofi-aventis, AstraZeneca, and Pfizer complete the list of foreign companies in the top 10. From 2000 through 2004 Pfizer was a strong number two, but its ranking has since declined. In 2007 it was ranked number 10. Banyu, a top 10 company from 1999 through 2006 fell to number 11.

The newly merged companies are of interest. Mitsubishi Tanabe was ranked average which is slightly below Mitsubishi alone in 2006 and slightly above Tanabe's score in 2006. The Bayer Schering combination ranked higher than their individual scores in the past. Schering Plough's score declined when combined with Organon, but the companies were not fully integrated in 2007. Kowa was the lowest ranked company in the survey, an indication that their acquisition of Nikken did not impress our responders. Dainippon Sumitomo's score eroded slightly from 2006.

In terms of Quality of MRs, five of the top 10 were foreign companies. This is the only category where Shionogi ranked in the top 10.

In New Drug Discovery Potential foreign companies dominated the top 10 list. This probably represents a perception that pipelines are drying up in the leading Japanese companies.

In the Potential for Growth category Chugai and Novartis were very close to the leader Takeda whose score declined from 2006. Baxter, UCB and Kowa were ranked lowest in this category.

In the Quality of Management category sanofi-aventis and AstraZeneca improved their scores over 2006 while Pfizer and Banyu declined. Eisai and Astellas were number two and three behind Takeda. Below the top 10 Bayer Schering improved its score over 2006, while Dainippon Sumitomo declined.

This brief summary does not do justice to the wealth of information embodied in the complete report since it reflects the Overall Opinion scores rather than the evaluations by different classes of responders. However, it does reconfirm our previous observation that the image of a company is not static. It does improve or decline over time, and the latter deserves management attention.

We are grateful for the many people who took time to respond our survey. Thank you.