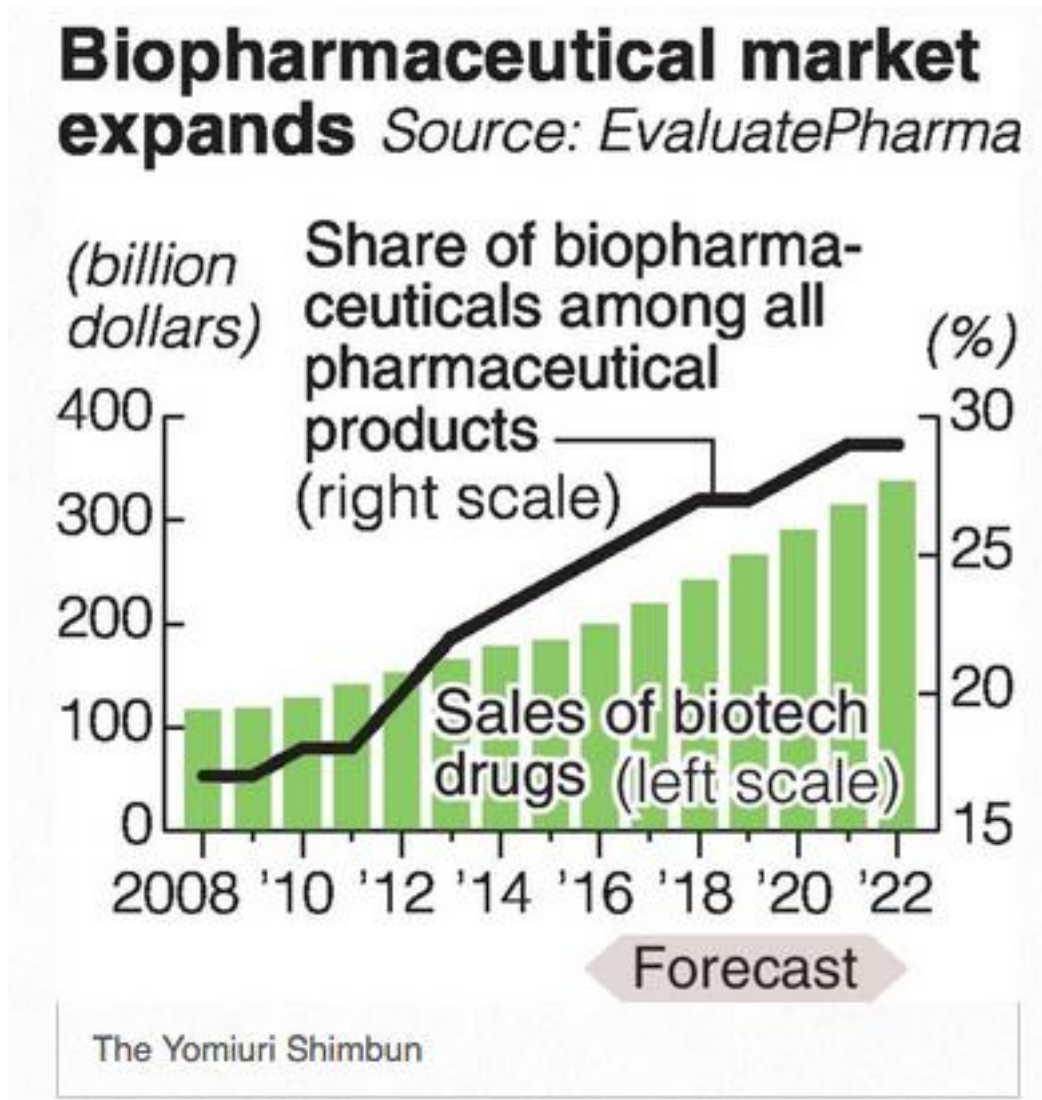


## Firms inject funds into biopharmaceuticals



By Kie Noguchi / Yomiuri Shimbun Staff Writer

Pharmaceutical companies around the world are pouring money into the development of biopharmaceuticals (see below) that take full advantage of the human immune system.

The market for biopharmaceuticals is growing rapidly, and the pharmaceutical industry hopes it will be a strong, new revenue source.

Japanese drugmakers, smaller in scale than the big pharma giants of Europe and the United States, need to adopt strategies of pursuing research and development on a select range of promising targets.

New revenue prospects

The raw materials used to make biopharmaceuticals are substances derived from living organisms, such as animal cells.

They can be effective in the treatment of diseases that are difficult to cure with conventional drugs made from synthesized compounds. They are regarded as causing fewer side effects.

For example, conventional anticancer drugs also affect healthy cells, often causing nausea, fatigue and other side effects. Some biopharmaceuticals contain substances that suppress these side effects.

The British research firm EvaluatePharma estimates that the global market for biopharmaceuticals will reach \$200 billion in 2016, about 1.4 times larger than five years ago.

For drug companies that have been struggling due to the expiration of drug patents, creating biopharmaceuticals could be a rich, untapped source of revenue.

Devoting resources

Daiichi Sankyo Co. is planning a maximum of ¥40 billion in capital investment on biopharmaceuticals by fiscal 2020.

In a recent interview with The Yomiuri Shimbun, Sunao Manabe, who became Daiichi Sankyo company president this month, discussed candidate drugs for treating diseases such as breast and stomach cancer that the company expects to perform well in the future.

“We are focusing most heavily on the field of cancer and things are going in a positive direction,” he said.

Takeda Pharmaceutical Co. is installing production equipment in its factory in Hikari, Yamaguchi Prefecture, where it plans to produce biopharmaceuticals to treat ulcerative colitis.

Takeda has also acquired a facility to manufacture biopharmaceuticals in the United States.

Non-pharmaceutical companies are also getting involved in the expanding biopharmaceutical industry.

Fujifilm Corp. in March created a biopharmaceuticals department, aiming to achieve ¥100 billion in related sales by fiscal 2023.

Asahi Glass Co. paid ¥60 billion to acquire a Danish company that is known for its strength in research and development using animal cells, and is advancing into the European market.

Yet Japanese firms are lagging behind European and American competitors. Six of the 10 top-selling drugs worldwide are biopharmaceuticals — none of the six are produced by Japanese companies.

“Japanese manufacturers each have areas of specialty where they are competitive internationally,” said Kazuaki Hashiguchi, an analyst at Daiwa Securities Co. “It’s important that they target their [biopharmaceutical] investment in these areas.”

#### ■ Biopharmaceuticals

Drugs derived from mammalian cells, bacteria and other organic substances are termed biopharmaceuticals. They are composed of proteins that also exist in humans, so are less of a burden on the body. A drug to produce human insulin to treat diabetes is a typical example of a biopharmaceutical. However, biopharmaceuticals are considered more difficult to develop and manufacture compared to pharmaceuticals made from chemical compounds. [Speech](#)

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