

## **Inaugural message from the JPWA Chairman Shuichi Watanabe (May 23, 2019)**

### **Enhancing the public understanding and trust**

It is an immense honor for me to have been elected the JPWA Chairman by those at the board meeting and the general meeting earlier today. I would like to express my sincerest appreciation to Mr. Suzuki, my predecessor, for his service to JPWA over the last six years for three terms. JPWA has a proud 78 year history. It owes a great deal to the extraordinary efforts of Mr. Suzuki and the former leaders of JPWA that we today go on performing the most important roles expected of us by society. As I begin to consider this grand tradition, I am literally overwhelmed by the weight of the position of being JPWA chairman and the amount of responsibility it entails. Although in my own humble way, I will do my best to tread the path that Mr. Suzuki has led to this date and will continue to address any challenges earnestly and firmly.

At this juncture in time, I would like to focus on four points that I believe JPWA should be working on in particular.

First, I will ensure that there is a fuller conformance of the industry in relation to the Guidelines for Improvement of Commercial Transaction Practices of Ethical Drugs, with a view to achieving an ideal level of performance in pharmaceuticals distribution. Last year, JPWA member companies made aggressive efforts to enhance conformance with the Guidelines, with a clear understanding about the importance of improving the commercial transaction practices. As a result of this and with support and guidance from related parties, a good level of improvement was accomplished, including a shift from bundled transactions to unit price-based transactions and the increased discipline in price discounts. The industry's trade practices must be improved, because, to put it simply, the transactions ought to be easily seen by the general public. In this sense, we still have some ways to go, and we are determined to continue these efforts this year and in the years ahead.

Second, we will not lose sight of the principal roles that we, *Oroschi* (wholesalers in the pharmaceuticals supply chain), have to play under the National Health Insurance System and the NHI Price System. We must play our role so as not to betray the trust that the general public places on us under the national healthcare scheme. In October this year, an extraordinary NHI price revision is planned in connection with the scheduled increase of the consumption tax rate. 2020 will be a year of periodical NHI price revision, and in 2021 there will be a newly-introduced "mid-term NHI price revision". We must move in accordance with such an unprecedented time schedule. In

the course of this very tight schedule, JPWA needs to advocate its position on various issues, always bearing in mind that the most fundamental mission of *Oroshi* is to make the most required pharmaceuticals available safely and stably. We will address the challenges proactively and will do so in close coordination with related parties, so as to prevent any disruptions or confusions at the front line of healthcare.

Third, we will strengthen our stable supply abilities as *Oroshi* and keep on building sound and solid distribution systems which are backed by full compliance. The imperial era of Heisei that has just ended, experienced a number of strong earthquakes, typhoons, heavy rain and other natural disasters. During emergency situations, we maintained a high spirit and strong sense of mission in ensuring a prompt and stable supply of items required and fulfilled our responsibility as *Oroshi* successfully. I believe that the dedicated efforts we made in all of these emergency cases gained general acclaim, highlighting that *Oroshi* is indeed an industry which is indispensable, especially in this society. However, it is doubtful whether the same degree of public understanding exists about the significance of *Oroshi* during peaceful times. In fact, it is *Oroshi* who pays the utmost attention to temperature control, storage and handling, enabling them to deliver special, ethical drugs, of a high quality, into the hands of healthcare providers, for the treatment of intractable diseases. In this way, we help support many lives. We would like to reach out to the public, so that the investment we make consistently to stay an important element of public infrastructure and the roles we play every day to ensure safe and reliable delivery of healthcare products will be widely recognized in society.

Lastly, I would like to have the functions of *Oroshi* in Japan better understood in a global context. The immediate task is to lead the IFPW General Membership Meeting scheduled for October 2020 in Tokyo to be a success and to enhance international cooperation. The main theme of the 2020 Tokyo Meeting will be “Partners in the Evolution of Healthcare Delivery”. Preparations are currently underway under the leadership of Mr. Suzuki, the IFPW Chairman. It will be the first meeting in Japan for many years ago. We are making plans for the international participants to have an opportunity to truly appreciate Japan, through the meeting itself and through the atmosphere created.

Keeping these four points in focus, I would like to serve JPWA so as to help people lead a healthy life through our safe and secure distribution of ethical drugs.

The Japanese population is declining and aging at a pace which is hardly matched by any other country. Some argue, pessimistically, that a country of declining population would never be able to achieve positive economic growth. However, ours is a very

rewarding industry with high hopes, because our job is to stand side by side with the people who wish to regain health or remain healthy. Our services range from disease prevention, diagnosis, therapy and health management. For that reason, people look to us with much hope and keen attention. For us to become an industry truly trusted by the public and to keep growing as a proud business, it is very important that we change our mindset about the way we think and act, moving away from the mindset of being one of the industry's insider legacies to one which is easily visible and understandable by everyone outside the industry.

In the Reiwa era, which has just begun, people will become more strongly interested in health, and significant changes will be seen in their awareness about healthy lifestyles and daily behavior. We must revisit and update our concepts about the business and services of *Oroshi* so that we will not be left behind in these rapidly changing times. However, no change will occur in relation to the important tenderly attitude toward people in need, and the earnest wish to deliver and become connected, especially in these ever changing times. Going forward, I would like to discuss thoroughly with my fellow JPWA members about how best we can make positive contributions to the people of Japan and gain in national stature as an open and dependable industry. I look forward to working closely with fellow members of the Association for our common cause. Thank you.