

Q. To what extent did the first quarter results exceed the plan?

At the planning stage, it was assumed that the coronavirus vaccine-related business would continue to have a certain volume from the previous year until the first quarter, so the overall level is almost in line with the plan, but the Healthcare Revolution business is up by about 500 million to 1 billion on a profit basis.

Q. While pharmaceutical companies are rationalizing their number of MRs, what is the outlook on the growth rate of MR dispatch services in the future?

The MR dispatching business has been growing steadily, and we expect it to continue to grow in the upper single-digit percentage. Currently, there is a need for COVID-related MR dispatching, but after a certain period of time, this is expected to settle down somewhat. On the other hand, there is a high need for outsourcing as pharmaceutical companies are rationalizing the number of MRs by pharmaceutical companies, so we expect steady growth on the whole.

Q. What is the status of leads/business inquiries for clinical trials using DCT? As a CRO, what does it take to promote the use of DCT in the future?

Although there have been many inquiries from pharmaceutical companies regarding DCT and we have established a support system, including partnerships with overseas companies, we have not received any orders for a full-package DCT project thus far. At the current stage, there are some institutional issues and some are cautious about new initiatives, but we believe that the partial shift to DCT will progress in the future. For our part, we will provide solutions tailored to the needs of our clients and their projects.

Q. Why is Healthcare Solutions performing well in the face of declining vaccination rates for the novel coronavirus vaccine?

In FY22, vaccination support services accounted for a large proportion of the total, but the current strong performance is due to the expansion of services beyond vaccination support, such as distribution of antigen/antibody test kits to local governments and call centers for follow-up of COVID infected patients.

Q. Do you have sustainable pillars in your business leading to continued growth in the post-COVID era?

Our vaccination support services have given us the opportunity to work with various local governments in Japan. We are now providing consultation services with regard to local residents' health and disease prevention, and are in the process of integrating internal and external IT tools and health information to build various mechanisms that equip us with better ability to provide solutions.

Q. Does the order backlog for Healthcare solutions include anything other than COVID-related support services?

Of the 20.6 billion order backlog, about half sits in our SMO business.

Q. What is the operation ratio for the CRO business? What are the future plans for human resources as DCT and other initiatives to boost productivity in clinical trials prevail?

Resources are tight at the moment, and CROs are eager to hire new staff, but while DCTs and other initiatives continue to enhance the productivity in clinical trials, development projects are becoming smaller in scale and increasingly complex. As such, we believe it will be necessary to expand our workforce for the time being to meet client needs.

Q. In the CDMO business, have orders for generic drugs increased due to quality issues? What is the operating status of the injection drug manufacturing building at the Ashikaga Plant?

Due to the ongoing shortage in the supply of pharmaceuticals, both brand-name and generic, the volume of contract manufacturing in Japan is expanding, and we continued to receive new orders for contract manufacturing projects from new customers. The Ashikaga Plant's injection drug manufacturing building has been undergoing validation of large-scale products for more than a year, and now that commercial production has finally started, the facility's operation ratio is increasing. Moving forward, we foresee that its operation will be close to full capacity.