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ONE TO WATCH

Shionogi & co

¥1,761	+¥50
Scotsman says	BUY

I'D PAY, good money to avoid a heart attack or, indeed, a stroke. How about you?

Shionogi can help – for a price. And it's a price that an increasing number of people are willing to pay. The West is getting fat: our arteries are narrowing and our cholesterol levels are rising. As a result, preventing heart attacks and strokes is a growth industry. Sales of Crestor, a cholesterol-lowering statin developed by Japanese company Shionogi, are climbing fast.

And, thanks to the results of a recent trial, that growth should continue. Since 2003, Crestor has been marketed primarily as a cholesterol-reduction drug. But a

recent trial indicated that relatively healthy people who take Crestor are 43 per cent less likely to suffer from venous thromboembolism, a type of blood clot that usually develops in the legs.

Each year about 600,000 Americans suffer from these potentially fatal clots, so demand for Crestor should continue to grow; after rising by 15 per cent last year, sales in the US, where Crestor is marketed by AstraZeneca, should increase by 25 and 30 per cent this year. Crestor's success means Shionogi has the strongest top-line growth in the Japanese pharmaceutical sector. But it has other growth drivers too. Like a number of Japanese firms, it has taken advantage of its strong capital position to make a strategic acquisition, buying Sciele, a speciality pharmaceutical company based in Atlanta. Shionogi has several new drugs undergoing clinical trials. Their applications range from the treatment of HIV, through to tackling obesity. Until it bought Sciele, however, it lacked the sales force to sell these potentially lucrative drugs to doctors in the US. With that sales force in place, investors can take heart – the future looks healthy.

- The value of your investment could fall and you may get back less than you invested. You should take professional advice if you have any doubt about the suitability of this company for your portfolio.

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