

Covid-19, which has caused a worldwide pandemic, has also had an impact on the veterinary pharmaceutical industry. The activities that we had previously taken for granted have been restricted, and as a result, we are now tasked with generating new ideas for the continuation of our business. At this year's Animal Health Innovation Asia, we look forward to exchanging ideas for the continuation of day-to-day activities, in order to overcome not only Covid-19, but various other factors as well. Each time we attend, this event provides us with new information and realizations.

How did Zenoaq adapt to lockdown restrictions?

While legally enforced "lockdown" measures are not being taken in Japan as in Western countries, a nationwide state of emergency, which included requests to stay

at home, was issued for April and May. Usage restrictions for schools, shops, and various facilities were therefore adopted. In order to protect the health of our employees and their families, Zenoaq also responded early on. In January of this year, a code of conduct regarding the then-unknown virus, which at that time was related to international travel, was released to our employees through our company's Risk Assessment Committee (RA Committee). After that, we expanded the contents of the code of conduct to include implementing telework, staggering work hours, and refraining from visiting clients. Recently, our sales personnel have increased the use of telephone and web

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communication tools such as Microsoft Teams and Skype to correspond with clients. In addition, seminars intended for veterinary hospitals have been held online, in response to requests from veterinary hospitals. Even in such times, communication with our clients continued without interruption. Fortunately, since taking infection prevention measures, our factories have continued operations as usual without requiring any special shifts in our labor system.

We also operate direct sales domestically, and have distribution centers stationed nationwide to deliver orders to veterinary hospitals and farmers. We have built an extensive delivery network, and have been able to continue deliveries without interruption.

Veterinary Care Under Covid-19

Recently, the number of pet owners visiting veterinary hospitals has lessened. Measures such as switching to appointment-only medical care and prohibiting pet owners from entering the room have been taken at pet clinics. While there has not been a significant effect on the sales of veterinary pharmaceuticals overall, it appears that there is a difference in management, depending on the medical services that are being developed. Medical care for large animals has continued without much issue, but we have heard that the consulting services that need to be onsite had difficulties for a time. In addition, as in other countries, there has been a trend of expensive protein sources sales, such as beef, dropping due to business restrictions on restaurants, but in Japan, the government has carried out proactive initiatives, for example, the “Go to Eat” campaign, in order to help restaurants and curb the decline in

shipments by farmers.

Continuation of Business Operations in the Future

It is likely that the changes that have occurred due to Covid-19 will continue from this point on. When we look at the food industry, where sales have shrunk, many shops are offering new value through takeout, ‘ghost restaurants’ (specialty delivery shops with no physical restaurant), and fancier-than-usual home cooking kits. We must adapt too.

The discussion around the development of telemedicine in Japan has been accelerated by Covid-19, particularly in the field of human medicine although the field of veterinary medicine has fallen behind. However, support for online healthcare has been increasing, even in the veterinary field. Chances to provide new value should emerge as this discussion continues. We must continue business operations, even if new threats occur, and we recognize that we are required to maintain accurate awareness of the needs of the market, continuously adapting to any changes that may occur. At the same time, we will respond flexibly to diverse work styles and will keep moving forward with all our strengths, and also expand

our organization to increase our ability to answer to new market needs.

Mr Fukui will be speaking at Animal Health Innovation Asia which is taking place online on 24-26 November.



Business Partnerships, Product Regulation and Market Access in Asia-Pacific

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