

NEWS RELEASE



PhRMA Board Chair Daniel O'Day Urges Ishiba Administration To Restore Japan's Leadership in Drug Discovery and Not Expand Off-Year Price Revision

(Tokyo, November 27, 2024) — This week, Daniel O'Day, Chair and CEO of Gilead Sciences and Chair of the Pharmaceutical Research and Manufacturers of America's (PhRMA) Board of Directors, held meetings in Tokyo with senior government officials and other key industry leaders as part of PhRMA's annual "PhRMA Days" activities. O'Day, alongside PhRMA President and CEO Stephen J. Ubl, underscored the industry's commitment to partner with the Japanese government to restore its biopharmaceutical innovation ecosystem and ensure that patients benefit from medical innovation.

"Our mission as an industry is to develop new medicines and find solutions to help patients access and afford treatments they need. Japan is an important partner in this endeavor, and we appreciate the positive first steps the Kishida Administration took to address drug loss and improve Japan's drug discovery capabilities," said O'Day. "We hope the Ishiba administration will accelerate the work towards reestablishing Japan as a leader in drug discovery."

During his meetings, O'Day shared with policymakers that years of price cuts have put Japan at a competitive disadvantage, resulting in decreased R&D investment and a growing drug loss, meaning Japanese patients are missing out on innovative medicines available in other countries. To reverse these trends, he noted the need for deeper policy reforms and called on the government to: (1) establish a cross-ministerial body to develop and execute a bold life sciences strategy in partnership with academia and industry; (2) convene the Public-Private Council with participation from all stakeholders involved in drug discovery; and (3) stay the course on reforming the NHI drug pricing system to incentivize innovation and patient access and not backslide by expanding off-year drug price revisions this December.

At the Gate Opening Summit for Innovative Drug Discovery in July, the Japanese government announced strategic goals and plans to address drug loss and improve Japan's drug discovery capabilities such as doubling the amount of private investment in drug discovery startups by 2028, improving clinical trial systems, nurturing drug discovery seeds and supporting drug discovery startups. Going forward, collaboration among various stakeholders involved in drug discovery both domestically and internationally will be crucial in achieving these goals.

"Japan is at an inflection point. We hope the government seizes the opportunity in December to send a positive signal about their commitment to restoring the biopharmaceutical innovation ecosystem and not expand the off-year price revision," added O'Day. "PhRMA and its members stand ready to work with the government and other stakeholders for the patients in Japan and around the world who are counting on us to succeed."

About PhRMA

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the world's leading innovative biopharmaceutical research companies, which are laser focused on developing innovative medicines that transform lives and create a healthier world. Together, we are fighting for solutions to ensure patients can access and afford medicines that prevent, treat and cure disease. Over the last decade, PhRMA member companies have invested more than \$800 billion in the search for new treatments and cures.

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