

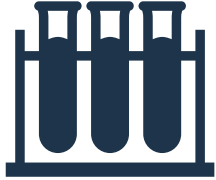


Working Together To Reestablish Japan as a Leader in Drug Discovery

Daniel O'Day
Chair, PhRMA Board of Directors
Chair and Chief Executive Officer, Gilead Sciences

November 27, 2024

Japan Is an Important Partner in Developing New Medicines



8,000+

Medicines in development
worldwide
(800+ in Japan)

74%

Potential first-in-class
treatments



81%

Cancer patients
returning to work within
a year of diagnosis



140,000+

Direct biopharmaceutical
sector jobs in Japan

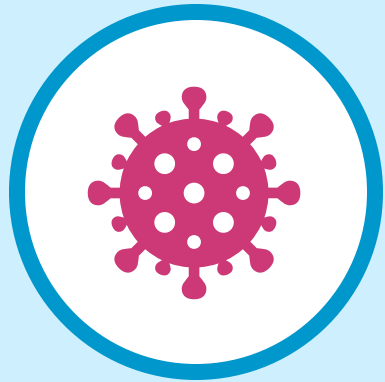
\$2 trillion

Global R&D investment in
the last decade
(¥13 trillion in Japan)

Gilead's Contribution to Japan

Sixteen innovative products delivered to Japanese patients since 2012 for viral hepatitis, COVID-19, oncology, HIV and inflammatory diseases – and our work continues

Hepatitis C



Launched first curative treatment for Hepatitis C in 2014

COVID-19



Delivered first approved antiviral medicine to treat COVID-19 in 2020

Oncology



Entered CAR T market in 2023 and launched TNBC treatment in 2024

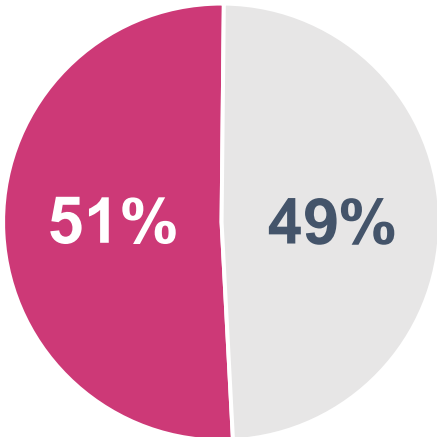
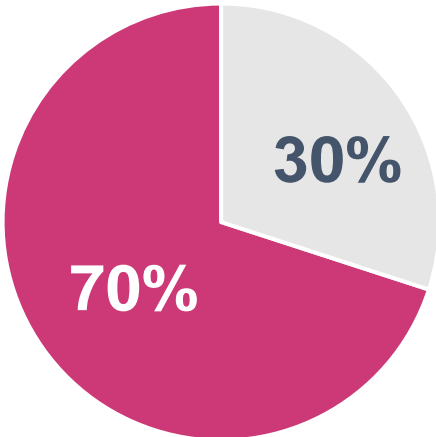
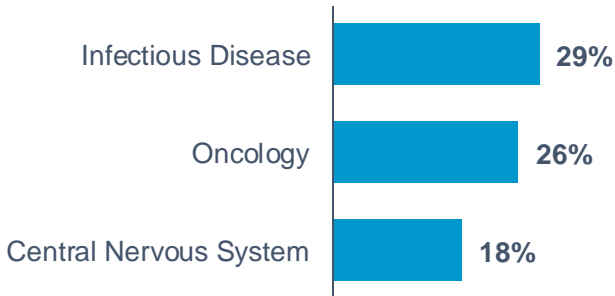
HIV



Received first indication for PrEP for HIV infection in 2024

Japan's Drug Loss Will Worsen Without Deeper Policy Reforms

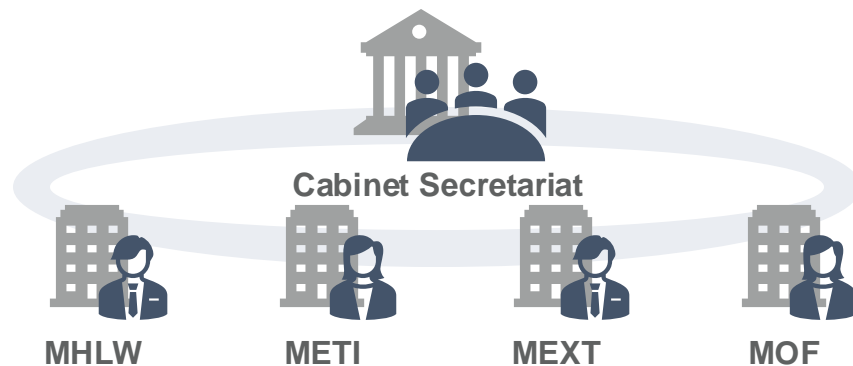
70% of new medicines in late-stage clinical development in the United States or Europe have not yet begun development in Japan

Current Drug Loss	Future Drug Loss											
<div><div>!</div><div>245 new medicines launched in the United States or Europe but not Japan between 2014 and the end of 2023</div></div>	<div><div>!</div><div>601 future new medicines are currently in Phase 3 clinical trials in the United States or Europe</div></div>	<div><div>!</div><div>404 future new medicines not in development in Japan target major areas of unmet medical need</div></div>										
<div>124 (51%) of these new medicines have not begun development in Japan</div> <div><table><tr><td>51%</td><td>49%</td></tr></table></div>	51%	49%	<div>404 (70%) of these future new medicines have not begun development in Japan</div> <div><table><tr><td>70%</td><td>30%</td></tr></table></div>	70%	30%	<div>Top 3 therapy areas of new medicines not in development in Japan</div> <div><table><tr><td>Infectious Disease</td><td>29%</td></tr><tr><td>Oncology</td><td>26%</td></tr><tr><td>Central Nervous System</td><td>18%</td></tr></table></div>	Infectious Disease	29%	Oncology	26%	Central Nervous System	18%
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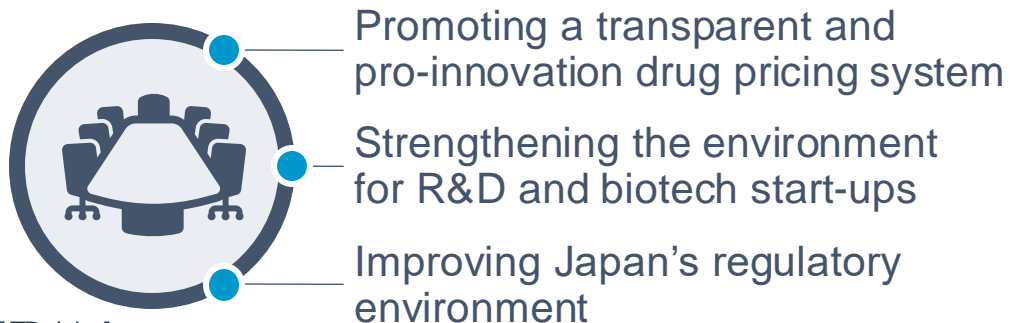
Japan Needs a Bold New Life Sciences Strategy

A permanent cross-ministerial structure should develop the strategy with regular and substantive input from the global biopharmaceutical industry

Permanent Cross-Ministerial Body



Public-Private Council Focus



Required Actions



Direct relevant ministries to formulate national strategy with goals, policies and KPIs



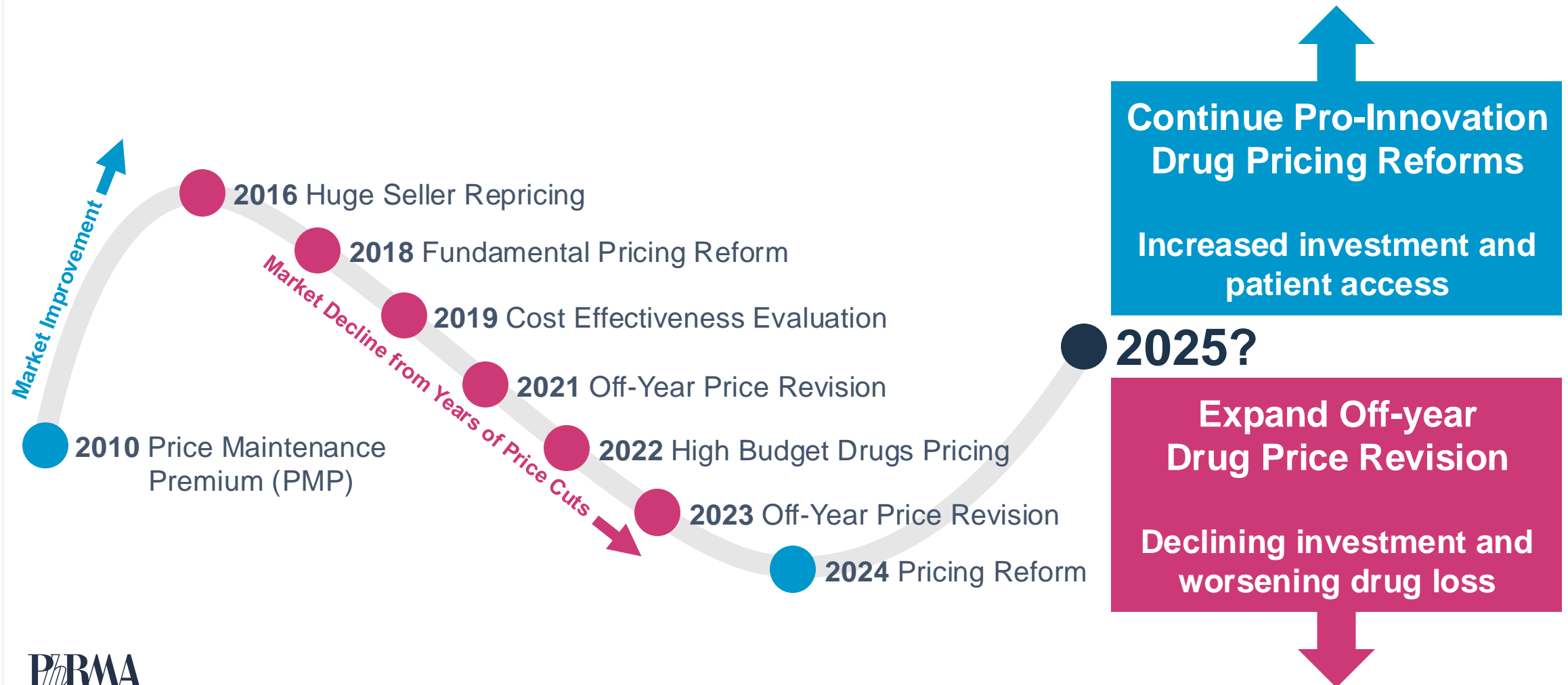
Actively monitor KPIs and take measures to ensure progress on goals



Establish channels for regular input from multinational biopharmaceutical companies

The Choice Ahead: Stay the Course or Backslide?

Japan must stop expansion of the FY2025 off-year drug price revision, which would reverse the positive FY2024 reform and undermine efforts to restore the ecosystem



Gilead's Story: The Power of an Enabling Policy Environment

Growing from a small biotech to an innovation powerhouse that brings life-saving medicines to people across the world

7 employees
California



1987

Founding



1992 - 2012

IPO and
Growth in Virology



2012 - 2016

Leadership in
HIV and HCV

18,000+ employees
in 40+ countries

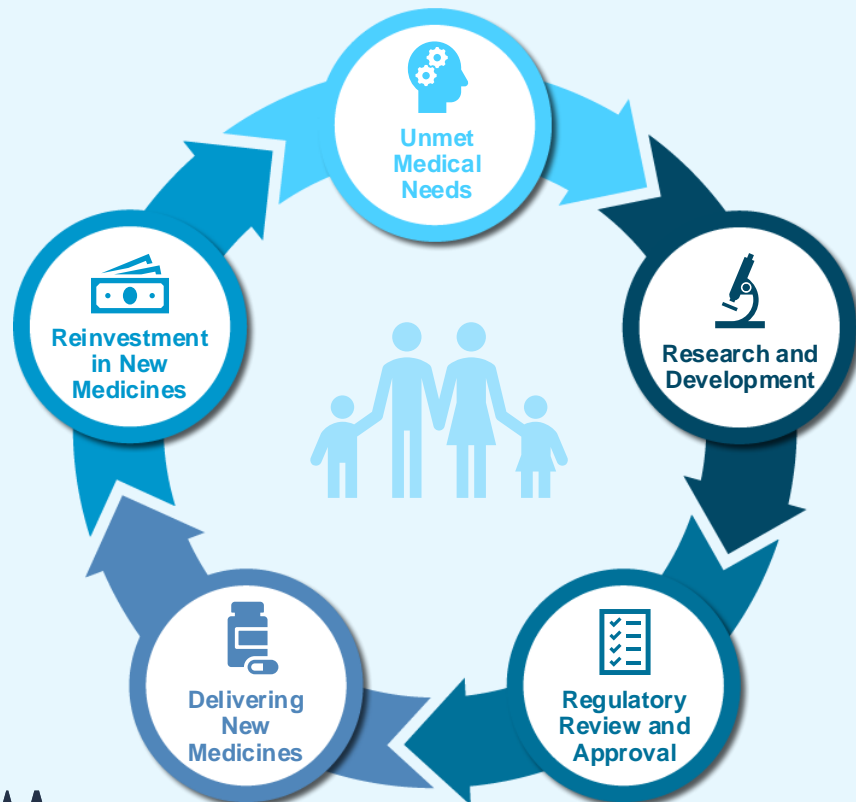


2017 - Present

Building a Diversified
Portfolio

A Restored Biopharmaceutical Innovation Ecosystem Will Bring Significant Benefits to Japan

Biopharmaceutical Innovation Ecosystem



Benefits to Japan



Drug discovery and faster patient access to the latest medicines



A more effective and sustainable health care system



Increased investment, jobs and economic growth

The Path Forward

With the right policies and plans, Japan can regain its leadership in the life sciences



Develop a life sciences strategy in partnership with academia, industry



Convene the Public-Private Council with all stakeholders



Reform the drug pricing system to incentivize innovation and access

Working Together To Reestablish Japan as a Leader in Drug Discovery

For the millions of patients
in Japan and around the world
who are counting on us to succeed



