

June 24, 2026

PhRMA Welcomes Takaichi Administration Public-Private Investment Roadmap and Calls for Policy Reforms to Restore Growth in the Patented Medicines Market

The Pharmaceutical Research and Manufacturers of America (PhRMA) represents the world's leading biopharmaceutical research companies operating in Japan. We support an innovation ecosystem that encourages the discovery of medicines that transform lives, and where we work as trusted partners with the Japanese government so that patients can access the treatments they need.

PhRMA welcomes the goal of the Takaichi Administration Public-Private Investment Roadmap for Drug Discovery and Advanced Medical Care to restore Japan's patented medicines market to 9.6% annual growth, a rate comparable with leading markets. This represents a potential turning point for Japan's innovation ecosystem, which is experiencing declining investment and patient access following repeated price cuts to patented medicines. The Roadmap can chart a path to improve health, economic growth and security through biopharmaceutical innovation.

To realize this goal, the direction set out in the Roadmap should be reflected clearly in the Basic Policy for Economic and Fiscal Management and Reform (*Honebuto*) and the Growth Strategy, and advanced through drug pricing rule reforms that ensure a fair contribution to the global costs of biopharmaceutical innovation.

- First, Japan should improve how it sets initial prices for patented medicines by aligning with U.S. price levels after adjusting for GDP.
- Second, Japan should suspend rules that prevent the maintenance of prices during the patent period, including market price revisions, market expansion repricing and related policies (e.g., huge-seller repricing) and cost-effectiveness assessments.

In addition, the Public-Private Council for Enhancing Drug Discovery Capability and its working groups should promptly advance policy reform recommendations through transparent discussion of these issues. As the global environment for drug discovery and patient access – including U.S. Most Favored Nation policies – undergoes major changes and intensifies global competition for investment, Japan should act with urgency to advance reforms and restore its leadership in life sciences.

PhRMA is confident that building a shared understanding between the government and industry through the Council, etc., and advancing recommendations based on the Roadmap, will promote domestic and global investment that drive Japan's economic growth, resolve drug lag and loss, and ultimately advance the health of Japanese patients. We welcome this decision by the Government of Japan and look forward to contributing as a partner to achieve our shared goals.