European Federation of Pharmaceutical Industries and Associations

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Press Release

European Federation of Pharmaceutical Industries and Associations (EFPIA) Japan

EFPIA Japan Welcomes the "Basic Policy on Economic and Fiscal Management and Reform 2026"
— Recognizing Constructive and Meaningful Policy Progress Toward
Strengthening the Drug Discovery Ecosystem —

The European Federation of Pharmaceutical Industries and Associations (EFPIA) Japan (Chairman John Paul Pullicino) announced today that EFPIA Japan welcomes the fact that the recently published "Basic Policy on Economic and Fiscal Management and Reform 2026" (the "Basic Policy") sets out a clear direction for strengthening the drug discovery ecosystem, and we extend our sincere respect to the officials of the relevant ministries and agencies for their dedicated efforts.

EFPIA Japan highly values, as a significant step forward, the fact that the Basic Policy positions the direction set out in the Growth Strategy Roadmap within the government's highest-level policy document, explicitly acknowledges in its main text the structural changes in the international drug pricing environment—including the U.S. Most Favored Nation (MFN) drug pricing policy—and demonstrates the government's commitment to securing the stable supply of necessary pharmaceuticals even under such influences.

In addition, we welcome: (i) the positioning of expanded public-private investment in drug discovery and advanced medicine as a matter of "health and medical security"; (ii) the avoidance of drug lag and drug loss through the development of an environment that ensures the reliable market launch of necessary pharmaceuticals; and (iii) the enhancement of market attractiveness through the further evaluation of innovation for novel drugs.

We also regard it as constructive that the three core issues long advocated by EFPIA Japan—namely, "initial pricing on par with other advanced economies", "the treatment of drug pricing during the patent term," and "objective verification of the cost-effectiveness evaluation system"—have all been incorporated as items for consideration. We take this as a reflection of the government's shared recognition of the challenges facing our industry.
At the same time, experiences with initiatives such as the cost-effectiveness assessment system have highlighted the importance of careful policy design based on objective evaluation and evidence. We hope that constructive dialogue among all stakeholders will lead to the development of concrete and effective policy frameworks going forward.

EFPIA Japan believes that realizing this Basic Policy requires the development and implementation of concrete measures. In particular, as responding to changes in the international drug pricing environment, including MFN, will hinge on how these measures are further developed and implemented, rapid and constructive dialogue among stakeholders, including the government and the pharmaceutical industry, will be essential. In this regard, it will be important to establish a predictable policy framework and foster a market environment to attract global R&D investment and strengthen Japan's competitiveness as a destination for pharmaceutical and life sciences innovation.

Furthermore, at the Public-Private Council (PPC) held on July 10, 2026, Prime Minister Sanae Takaichi reaffirmed the direction set out in the Basic Policy and the Growth Strategy, which position the pharmaceutical industry as a key growth sector, including the promotion of growth in Japan's patented medicines market and the further strengthening of the evaluation of innovation for novel medicines. She also expressed her intention to advance concrete discussions under the framework of the Council in order to further develop Japan's pharmaceutical industry through close public-private collaboration. EFPIA Japan welcomes these commitments and is also encouraged by the Prime Minister's commitment to ensuring that innovative medicines are delivered rapidly and reliably to patients and citizens in Japan.

Through continued discussions at the PPC and Chuikyo, we will further deepen the discussion and continue to work proactively with the government so that the pharmaceutical industry can contribute to the health of the public and to Japan's economic growth.

About EFPIA Japan
Established in April 2002, EFPIA Japan represents 23 R&D-based European pharmaceutical companies operating in Japan. In 2025, combined sales from the member companies accounted for approximately 32.4% of the pharmaceutical market in Japan. The mission of EFPIA Japan is to "Contribute to healthcare and patients in Japan through the early introduction of innovative medicines and vaccines." EFPIA Japan aims to strengthen dialogue with decision-makers in order to improve Japanese healthcare for all. http://efpia.jp/

About EFPIA (The European Federation of Pharmaceutical Industries and Associations)
The European Federation of Pharmaceutical Industries and Associations (EFPIA) represents the biopharmaceutical industry operating in Europe. Through its direct membership of 36 national associations, 40 leading pharmaceutical companies, and growing number of small and medium sized enterprises (SMEs), EFPIA's mission is to create a collaborative environment that enables our members to innovate, discover, develop, and deliver new therapies and vaccines for people across Europe, as well as contribute to the European economy. http://www.efpia.eu

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