

Press Release

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European Federation of Pharmaceutical Industries and Associations (EFPIA Japan)

EFPIA Day 2026 Press Event

EFPIA President Stefan Oelrich

Balancing Innovation and Patient Access through Policy Implementation in a Pharmaceutical Market Reshaped by MFN

From Policy to Action: Leading Global Innovation through the EU-Japan Partnership

EFPIA Japan Vice Chair Kanako Kikuchi

Pharmaceutical Innovation as a Driver of Japan's Growth: The Need for Swift Policy Reform to Support Patient Access and Investment

The European Federation of Pharmaceutical Industries and Associations (EFPIA), headquartered in Brussels, Belgium, and EFPIA Japan today welcomed the Japanese government's policy of positioning drug discovery as a pillar of its growth strategy at the EFPIA Day 2026 press event held on Wednesday, 14 October. The two organisations stressed that fundamental policy reforms, including internationally competitive launch prices and predictable pricing throughout the patent period, will be essential to address persistent challenges related to drug lag and drug loss – an issue which may be further exacerbated by the impact of the Most-Favored-Nation (MFN) pricing policy.

They also emphasized the importance of deepening the partnership between Europe and Japan and strengthening both regions' ability to lead pharmaceutical innovation through three priorities: attracting investment, accelerating development, and improving patient access.

■Balancing Innovation and Patient Access through Policy Implementation in a Pharmaceutical Market Reshaped by MFN - From Policy to Action: Leading Global Innovation through the EU-Japan Partnership **Stefan Oelrich, President of EFPIA**

As global competition in pharmaceutical development intensifies, it is increasingly important for Japan and Europe to work together to strengthen pharmaceutical innovation and improve patient access to innovative medicines. Pharmaceutical markets have become part of an interdependent global ecosystem and the way countries value innovation and attract investment matters more than ever.

Japan's policy of positioning pharmaceutical innovation and advanced healthcare as pillars of its growth strategy is a welcome step. Continued alignment between these strategic objectives and the practical implementation of policy measures will be critical to strengthening confidence among global innovators and investors. At the same time, amid growing global competition for investment and talent, Japan must continue to strengthen its competitiveness. For Japan to lead in pharmaceutical innovation, it is essential to translate policy direction into tangible outcomes with speed, consistency, and predictability. This requires creating a predictable, innovation-friendly policy environment that attracts investment and talent in research and development, clinical trials, and advanced manufacturing. Ensuring scientific advances can be translated into healthcare more quickly through efficient development and regulatory pathways, while establishing a competitive pricing and

reimbursement system that appropriately recognizes and sustains the value of innovation will be important. Together, these measures can help provide timely patient access to new medicines.

As China and the United States accelerate investment in the life sciences, strengthening innovation ecosystems is critical for Japan and Europe if they are to maintain competitiveness. Japan now has an opportunity to translate the direction set out in its Basic Policy and Growth Strategy into policies and action that consistently support innovation, investment, and patient access. To support this effort, EFPIA again proposed three priorities through its “3As” framework:

- **Attract:** Create a predictable, innovation-friendly environment that attracts R&D investment, skilled talent, expertise, and advanced manufacturing capabilities.
- **Accelerate:** Translate scientific advances into healthcare solutions more quickly through efficient clinical development and regulatory processes.
- **Access:** Accelerate patient access to innovative medicines, leading to better health outcomes, greater healthcare-system efficiency, and economic growth.

■ Pharmaceutical Innovation as a Driver of Japan’s Growth:
The Need for Swift Policy Reform to Support Patient Access and Investment
Kanako Kikuchi, Vice Chair of EFPIA Japan

Pharmaceutical companies play an important role in improving patients’ access to treatment and contributing to social and economic development through the development of innovative medicines. Investment in pharmaceutical innovation generates substantial economic benefits. Under a growth scenario for Japan’s pharmaceutical industry, approximately JPY 13 trillion in added value and more than one million jobs are expected to be created by 2040.¹

However, more than 140 medicines approved in Europe or the United States remain unapproved in Japan.² Continued drug price reductions, declining policy predictability, and the impact of the U.S. Most-Favored-Nation (MFN) pricing policy are again increasing the risk that the introduction of new medicines into Japan will be delayed or forgone altogether.

In EFPIA Japan’s Survey on Drug Discovery-Related Investment, conducted from July to August 2026, approximately 80% of member companies responded that future drug-pricing reforms would have a major impact on their investment decisions in Japan.³ Creating the conditions for Japan to become a leading destination for global R&D and manufacturing investment is therefore an urgent priority.

To restore the international competitiveness of the Japanese market, EFPIA Japan advocates four policies: (1) growth in the patented medicines market comparable to the 9.6% average annual growth of G7 countries excluding Japan; (2) internationally competitive launch prices that reflect the value of innovative medicines; (3) predictable price maintenance throughout the patent period; and (4) reinvestment in innovation of resources generated through efficiencies in social security reform.

EFPIA Japan welcomes the direction set out by the government in the Basic Policy on Economic and Fiscal Management and Reform 2026 (Honebuto) and the Growth Strategy to strengthen Japan’s drug-discovery capabilities. Further deepening of public-private consultation is essential to realize reforms consistent with this direction and steadily promote the investment set out in the Growth Strategy.

Fundamental reforms must be translated into effective measures, including a review of the methodology for the Foreign Price Adjustment and a freeze on Market Expansion Repricing, which results in price reductions during the patent period.

The current cost-effectiveness assessment system raises concerns not only about technical issues, but also about the operation of the system, including the transparency of analyses. Alongside addressing these issues, and to ensure alignment with the government's policy of promoting pharmaceutical innovation, we believe it is necessary to re-examine the framework for price adjustments based on cost-effectiveness assessments and, until such a review is completed, consider a temporary freeze on price adjustments, while reviewing the system with a view to enhancing its transparency and predictability.

Through dialogue aimed at realizing these reforms, EFPIA Japan will promote investment in pharmaceutical innovation and attract domestic and international R&D and manufacturing investment, thereby contributing to Japan's sustainable economic growth and the faster delivery of innovative medicines to patients.

■ Patient Forum 2026

On the same day as the press conference, EFPIA Japan held Patient Forum 2026: "Building a Future for Japan without Drug Lag and Drug Loss Together with Patients: Ensuring Japan Is Not Left Behind by Global Innovation."

The forum brought together representatives of patient organizations across a range of disease areas, including cancer, chronic diseases, and rare diseases, as well as Masahiro Mori, Deputy Director-General, Minister's Secretariat, Ministry of Health, Labour and Welfare and Keisuke Kotani, Director of EFPIA Japan. Participants discussed how patients, government, and industry can work together to ensure timely access to innovative medicines in Japan.

The discussion highlighted that drug lag and drug loss not only prevent access to new treatment options but can also result in lost opportunities to participate in clinical trials and benefit from future treatments. Participants shared the view that, to prevent future drug lag and drug loss, Japan must remain an attractive destination for R&D investment, international clinical trials, and new medicine launches. They also confirmed the need to appropriately reflect patient voices in R&D and policymaking and to work together across stakeholders to achieve sustainable innovation and improve patient access.

■ **About EFPIA Japan**

Established in April 2002, EFPIA Japan represents 23 European research-based pharmaceutical companies operating in Japan. In 2025, member companies accounted for approximately 32.4% of pharmaceutical market sales in Japan. EFPIA Japan's mission is to contribute to healthcare and patients in Japan through the early introduction of innovative medicines and vaccines. EFPIA Japan seeks to strengthen dialogue with policymakers to improve healthcare in Japan. <https://efpia.jp/>

■ **About EFPIA, the European Federation of Pharmaceutical Industries and Associations**

EFPIA represents the biopharmaceutical industry operating in Europe. Its membership includes 36 national industry associations, 40 leading pharmaceutical companies operating in Europe, and many direct members that are small and medium-sized enterprises. EFPIA's mission is to create an environment that enables the discovery, research and development, innovation, and supply of new medicines and vaccines, while contributing to the European economy. <https://www.efpia.eu/>

■ **Sources**

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3. EFPIA Japan 2026 Survey on Drug Discovery-Related Investment: https://www.efpia.jp/link/Pressrelease_JPNInvestment_J_Fin.pdf

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