

April 14, 2023

Dear Prime Minister Kishida,

We, the undersigned, are members of the Biopharmaceutical CEO Roundtable (BCR) representing the world's leading biopharmaceutical research companies. We welcome Japan's leadership in shaping the global health agenda, and in support of the G7 Hiroshima Summit we enclose a 'Tokyo Statement from the Biopharmaceutical Industry on Priorities for Progress in Global Health'. In addition, we welcome your recognition of the need to strengthen the biopharmaceutical innovation ecosystem in Japan, and to support this ambition, we respectfully request establishing a public-private Strategic Dialogue to advance early-stage research and development (R&D) efforts, regulatory harmonization and drug pricing reform. As members of the BCR we would like to express our support for the aligned position of the pharmaceutical industry associations.

Japan has long been a global leader in life sciences and is a critically important partner in developing new medicines for patients around the world. The Biopharmaceutical industry has invested ¥14 trillion in R&D in Japan over the last decade, is developing over 1,500 new medicines in Japan, and is directly support over 140,000 jobs in Japan. Over the last several years, however, pricing methods that increasingly do not reflect the value of innovation, frequent revisions to pricing rules and annual price cuts to patented medicines have made the market unpredictable and less supportive of innovation. The result has been a notable decline in biopharmaceutical R&D investment in Japan and a return of a drug lag in which innovative medicines to treat unmet medical needs are not launched in Japan in a timely manner.

As global CEOs of the biopharmaceutical industry, we want to ensure that the innovation ecosystem in Japan thrives, fueling economic growth, security and timely access to new medicines for Japanese patients. We applaud your recent comments on the core importance of the life sciences sector for future economic growth in Japan, as well as the goals of the 2021 Ministry of Health, Labour and Welfare (MHLW) Pharmaceutical Industry Vision. We recognize that an MHLW Expert Panel will soon publish [recently published] recommendations on drug pricing reform for the government to consider this year, and we are eager to engage in these discussions.

We respectfully propose that your government create a public-private Strategic Dialogue to discuss constructive proposals to strengthen Japan's biopharmaceutical innovation ecosystem. To ensure the success of this Strategic Dialogue, we suggest that it begins as soon as possible following the release of the MHLW Expert Panel report and that it aims to reach conclusions, including on drug pricing reform, by the end of 2023. Given the importance of a growth and innovation strategy, it would be helpful if this Strategic Dialogue not solely focus on the drug spending, but on strategies to enable innovation, scientific research and economic growth. As members of the BCR, we would welcome the opportunity to be involved in such a dialogue.

Our industry is on the cusp of some of the greatest medical breakthroughs in decades, discoveries that were unimaginable only a few years ago. Working together, we are confident that we can continue to bring the most innovative medicines to Japanese patients, draw on Japan's extraordinary scientific expertise and ensure that Japan's biopharmaceutical industry remains world-class.

Sincerely,



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President, IFPMA



Thomas Cueni  
Director General, IFPMA



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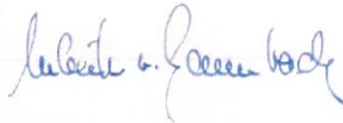
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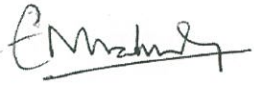
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