



One year on The competitiveness of the UK as a location for global investment by the Japanese biopharmaceutical industry

Survey of Members of the JPMA
International Affairs Committee

October 2025



About this survey

- We present a snapshot of attitudes to the UK environment in Japan, repeating the qualitative survey we conducted one year ago
- Our goal with the survey is to provide the Government with useful insights for ongoing policy action
- A total of eight companies responded to the survey this year versus seven last: two companies dropped out of the survey from last year but were replaced by two others
- Overall, these companies represent a good mix of medium and large global companies with varying footprints in the UK. Three have no commercial presence as yet
- Last year's survey pre-dated the launch of the Life Sciences Sector Plan. We added questions on the impact of this.
- More detailed results are available

Japanese company attitudes to the UK are shaped by two major shocks, with MFN in the USA a new confounding factor



Brexit – this is still an issue that impacts Japanese confidence in the UK



VPAG – has challenged the reputation of the UK for relative stability and predictability



Trump's Most Favoured Nation policy is a new and unhelpful influence compared to one year ago.

Prospects for investment

Verbatim comments

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Favorable R&D tax schemes such as the Patent Box can be utilised, which is why investment appetite in the **pre-clinical** field remains high

The United Kingdom is home to many world-class universities and research institutions, attracting outstanding scientists and researchers.

The country offers an environment well-suited for advancing **clinical research**, supported by the MHRA's flexible and efficient review system

Early **clinical research** in the UK is still prized but continued challenges with recruitment, more expensive costs and separate regulatory processes from UK do cause it to be deprioritized.

Potential of NHS data will mean higher value results (in **clinical research**) if investment proceeds

New and large-scale investments in the **manufacturing** sector tend to be considered cautiously. While the UK remains attractive in terms of infrastructure and technology, uncertainties in supply chains and costs following Brexit pose risk factors.

UK's position as a **manufacturing** leader has declined in recent years

Challenges in the transparency and predictability of its pricing and reimbursement systems, often leads to more cautious **commercial** investment decisions compared to other countries

UK is a less attractive **commercial** market now...threshold, restrictive reimbursement environment and VPAG rate is difficult to accept

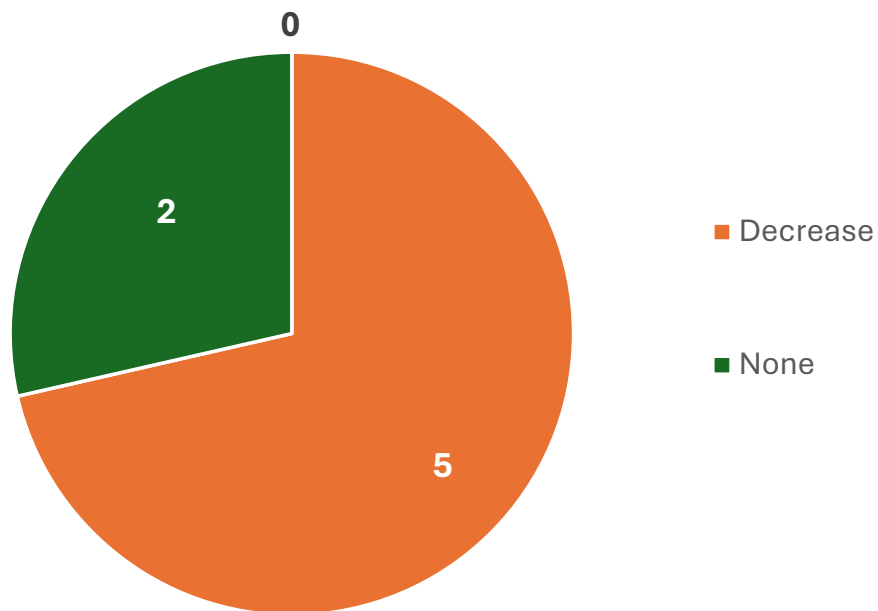
We have some products to launch in Europe in the future – though the UK is significant in market size, burden of VPAG and extremely low NICE thresholds will determine what happens as our products are mainly expensive, innovative orphan drugs with a high cost of production.

“

Trump – a bitter pill?

What potential impact could these U.S. policies have on pharmaceutical R&D and investment plans in other countries, including the UK?









Impact of Trump on UK pharma investment



The MFN strategy adopted in the US and increased tariffs makes the low prices in the UK a barrier to launching new products in the UK without NICE reform and amendments to the VPAG Scheme

There is a risk that new investments in research, development, and manufacturing bases will become concentrated in the United States, as the country actively promotes policies to attract investment. This may lead to a relative decline in investment in other countries, including the UK

Factors influencing Japanese investment

1	Pricing and reimbursement systems that are transparent, predictable and value		(3) (rank last year)
2	Efficient and transparent regulatory regime		(5)
3	Financial incentives such as tax relief, grants and R&D funding*		(1)
4	Current and future market size*		(2)
5	Pool of appropriately skilled workers – scientists, researchers, technicians		(4)
6	Existing footprint		(8)
7	Policy that drives improvement in clinical research		(6)
8	Data Infrastructure		(7)

We have compared scores for each of these factors to the results from last year – pricing and reimbursement is now given as the most important influence on investment

What action will improve UK competitiveness?

We asked companies for suggestions to put to Government to improve the UK's competitiveness for Japanese investment

Pre-clinical

- Enhance investment incentives via R&D tax policy and expanding grants
- Strengthen collaborations between academia and industry

Clinical

- Further accelerate review and approval processes
- Create tax advantages for companies conducting trials in the UK
- Increase openness to innovative trial design – push the envelope beyond EU
- Expand clinical trial capacity through the new Commercial Research Delivery Centres

Manufacturing

- Create a suite of investment incentives that are competitive versus other markets and accessible for Japanese companies
- Support supply chain stabilisation in post Brexit environment
- Invest in sustainable pharmaceutical manufacturing innovation

Commercial

- Improve the reimbursement system by ensuring predictability and appropriate reward for innovation
- Improve NICE CE threshold
- Reset the VPAG rate in line with comparable markets

Can the LSSP achieve its goals?

Can the UK be the leading
life sciences economy in
Europe by 2030 and
globally behind only US and
China by 2015



■ No ■ Yes but highly challenging

In free text responses, all but one company said the most important action that the UK needs to make progress is the commercial environment, notably reforms to NICE and VPAG.

JPMA Company interest in key LSSP actions

2 proposals with highest scores

Co.	Health Data Research Service	Reducing trial set up <150 days	£520m manu. fund	Parallel approvals NICE/MHRA	Greater use international reliance	Support for NHS use of approved products	Indication Specific Pricing
A	H	H	H	H	H	H	H
B	M	M	M	M	M	M	M
C	M	M	M	H	H	H	L
D	H	M	M	H	M	M	H
E	M	H	H	M	M	H	H
F	M	M	L	H	M	H	H
G	M	H	M	H	H	H	M
H in total	2	3	2	5	3	5	4

High Medium Low

Launch sequence – drug lag and drug loss in the UK

We asked companies whether the UK's standing in terms of new product launch sequencing, changed over the last year

Unchanged (from 1st to 3rd) for all but two companies:

'UK is becoming less attractive compared to other major EU markets'

'UK now sits behind US, Japan, China, Germany, Austria, France and Spain'.

Early access schemes in Spain, Italy and France are likely to lead to the UK dropping further.

USA, Japan and Germany enable rapid access at time of regulatory approval for full licensed population.

Emerging issue of private only products – a new inequality for UK patients?

In the last year 2 major JPSA company drugs have been rejected by NICE.

Four steps to better patient access

A quicker path to a market access decision has limited value if it is not accompanied by plans to ensure a higher likelihood of NHS access for the evaluated therapies

1

- Reform NICE threshold and severity modifier
- Expedite MHRA regulatory approvals

2

- Early access programmes and adaptive pathways
- Access at launch with retrospective price correction, post HTA

3

- VPAG rebate easement

4

- Flexible pricing options – ISP and combination pricing
- Enhanced use of real-world data

based on spontaneous responses from companies

What can we learn from Japan?

It may be instructive to develop an ecosystem involving industry, academia, government, startups, and venture capital, incorporating support for pharmaceutical startups as well as regulatory frameworks and subsidies.

In terms of innovation creation, the government established the “Public-Private Council for Enhancing Drug Discovery Capabilities” in 2025 to build a drug discovery ecosystem, with JPMA participating in the initiative.

Japan’s efforts to reform drug pricing systems and approval processes to create an environment that enables the early implementation of innovative drugs and advanced modalities may also serve as a useful reference.

In Japan, repeated implementation of drug price reduction measures has led to the emergence of drug lag and drug loss. In response, the 2024 revision of the drug pricing system marked a shift toward valuing innovation.

Japan has long ensured excellent access to medicines by listing new drugs within 60 to 90 days after regulatory approval. It is important for the UK to consider adopting similar policies.

Amid increasing financial burdens on social security systems worldwide, Japan is drawing on life science strategies from countries such as the United Kingdom, the European Union, the United States, and China to enhance sustainability, promote innovation, and ensure access to medicines.

For more information

Japan’s “Third Healthcare and Medical Strategy” (第3期健康・医療戦略) was formally adopted in February 2025 builds on the previous two strategies and sets national priorities for innovation, access, and international collaboration through 2029.

Published in June 2025, JPMA’s Industry Vision 2035 to deliver pharmaceutical innovation both domestically and globally.

ありがとうございます
Thank you!

