The purpose of this paper is to describe the current state of Japan’s healthcare system and to analyze future directions of Japan’s healthcare reform under the Abe government. In April 2014, Japan’s consumption tax was raised from 5% to 8% (and eventually to 10% in October 2015). The Japanese government has reiterated that the raised portion of the consumption tax will be earmarked for the improvement of the social security system. The paper will analyze and evaluate the policy directions of healthcare reform under the Abe government as they become clearer and more specific. It will also touch on the effect of Japan’s participation in TPP, which is now being negotiated among the Pacific-rim nations, particularly in the areas of mixed treatment, incorporation of medical facilities, and the sale of various drugs including generics. In conclusion, the author will attempt to point out major issues regarding the direction of future healthcare reform in Japan.