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# Japan's Otsuka Pharma buys Transcend Therapeutics for $1.2 B

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**Expands Otsuka portfolio in psychiatric and neurological fields**

Japan-based Otsuka Pharmaceutical and US-based startup Transcend Therapeutics have entered into an agreement, under which Otsuka, through its wholly owned subsidiary Otsuka America, Inc., will fully acquire Transcend. The acquisition is expected to be completed in the second quarter of 2026, subject to the fulfillment of customary closing conditions and required procedures.

Under the terms of the agreement, Otsuka will pay $700 million to Transcend shareholders upon closing of the acquisition, and up to $525 million in additional contingent consideration based on future sales milestones related to assets in development, for a total potential consideration of $1.225 billion.

Transcend, founded in 2021, is a clinical stage biotechnology company developing rapid-acting treatments for neuropsychiatric diseases. TSND-201 (methylone), which the company is developing, is a rapid-acting neuroplastogen—an agent that induces rapid and durable neural plasticity in the brain—and is being advanced as a potential treatment for post-traumatic stress disorder (PTSD) and other psychiatric conditions.

In the United States, more than 13 million individuals are estimated to be affected by PTSD each year, yet no new treatments have been approved for 25 years, underscoring the significant unmet medical need.

Transcend is also conducting research and development on novel prodrugs—classified as new chemical entities—to further improve the balance of efficacy, safety, and tolerability of TSNDâ??201. The company has selected a development candidate and is currently performing nonâ??clinical studies in preparation for an Investigational New Drug application to the US Food and Drug Administration (FDA).

By acquiring TSNDâ??201, a novel investigational asset with a mechanism of action distinct from Otsuka's existing medicines and development programmes, the company will further accelerate the expansion of its portfolio in the psychiatric and neurological fields