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Singapore: If sources are to be believed, Japan's Fujifilm Holdings is all set to buy pharma giant Takeda Pharmaceutical's 70 percent stake in Wako Pure Chemical Industries for about 200 billion yen (\$1.94 billion). The deal if materializes will help Fujifilm bolster its drug development business.

A basic agreement is expected to be inked as soon as this month and Fujifilm plans to complete the deal by end of March, said a leading financial daily. Osaka-based Wako Pure makes laboratory chemicals and clinical diagnostic reagents, and reported sales of 75.7 billion yen last year.

Fujifilm's medical operations not only cover medical equipment, such as X-ray diagnostic imaging systems and endoscopes, but also drugs and regenerative medicine. The company is eager to acquire businesses because it plans to more than double its annual health care business sales to ¥1 trillion in fiscal 2018 from ¥423.5 billion in fiscal 2015.

Last month, Fujifilm made a successful bid for Wako Pure Chemical Industries Ltd., Japan's top reagent maker, the sources said, noting the contract is expected to be concluded later this month. Takeda owns roughly 70 percent stake in Wako Pure Chemical, is already in talks with Canada's Valeant Pharmaceuticals International Inc. to take over its stomach drug business.

In line with its focus of developing drugs for cancer and digestive system diseases, Takeda is planning to channelize the resources in acquiring Valeant Pharmaceuticals International. The Takeda subsidiary drew other bidders, such as Hitachi Chemical Co. Takeda chose Fujifilm over its rivals because it offered the highest price, according to the sources.