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Mitsubishi Tanabe Pharma to buy Neuroderm for $1.1 B

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Japan's Mitsubishi Tanabe Pharma is acquiring Israeli drug maker Neuroderm for $1.1 billion in cash as part of a strategy to grow its business in the U.S.

The Japanese drugmaker would leverage Neuroderm's Parkinson's disease drug product that has commenced clinical trials in the U.S. and Europe and is expected to launch in financial year 2019.

The acquisition is intended to help the company achieve its U.S. sales target of 80 billion yen by FY2020.

The deal will be one of the largest ever purchases of an Israeli firm by a Japanese company, surpassing internet retailer Rakuten's $900 million acquisition of chat app Viber in 2014.

Mitsubishi Tanabe Pharma will pay $39 dollars for each Neuroderm share, a premium of about 17 per cent. The deal is expected to close in the fourth quarter of 2017.

Neuroderm is developing drug-device combinations for central nervous system disorders and its lead product is ND0612 for the treatment of Parkinson's disease. Neuroderm’s goal is to submit regulatory applications for ND0612 in Europe by the end of 2018.