

Japan's Takeda buying US cancer drugmaker for \$5.2bn (Update)

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Japan's top pharmaceutical company Takeda said it is buying a US cancer drugmaker for \$5.2 billion, as its top executive left the door open to more overseas acquisitions.

Takeda is paying \$24 a share for Ariad Pharmaceuticals, a premium of about 75 percent over Ariad's closing price on Friday, the companies said in a joint statement on Monday.

Ariad specialises in developing therapies for patients with rare forms of chronic and acute blood cancer leukaemia, lung cancer and other rare cancers.

The deal will give the Japanese buyer Ariad's drug brigatinib, an experimental therapy being tested in lung cancer, and already-on-the-market Iclusig, which is used to treat leukaemia.

Ariad has submitted brigatinib to US drug regulators for review with the firms saying the treatment could draw annual sales of more than \$1.0 billion if approved for sale.

Takeda has been looking to refill its drug pipeline after patents have expired on some of its biggest medicines.

Japanese drugmakers are facing pressure in their home market as the government tries to cut prices of many branded medicines and put a greater focus on cheaper generics to rein in its health spending.

Takeda, led by Frenchman Christophe Weber, has been actively looking overseas, including its 2011 takeover of Swiss rival Nycomed for 9.6 billion euros (then \$13.6 billion).

Canada's Valeant Pharmaceuticals had been in talks to sell its Salix gastrointestinal drugs business to Takeda for about \$10 billion, although the talks broke down last year reportedly because of disagreements over the price.

Takeda's Weber said "potentially" there could be more deals ahead.

"(But) we are very strategic and very disciplined buyers," he told Bloomberg News in an interview.

"We are not scared to walk away if we feel all the conditions are not there."

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