Pharma Firm Buys Partner

A Japanese drugmaker plans to buy US-based Avanir Pharmaceuticals to help expand its neurological drug offerings (Fortune, December 2).

Otsuka Holdings agreed to the deal for about $3.5 billion, largely because the patent for one of its most profitable drugs, Abilify, will expire in 2015. Abilify brought in $5 billion in revenues in 2013, about 40 percent of total sales.

Avanir develops drugs that treat central nervous system conditions, making the firm a good fit for Otsuka and its future ambitions. The Japanese company currently specializes in drugs to treat mental illnesses.