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Sun Pharma acquires Japan's Pola Pharma

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Sun Pharmaceutical, recently announced that it has entered into a definitive agreement to acquire Pola Pharma Inc. (“Pola Pharma”), a Japanese pharmaceutical company engaged in research and development, manufacture, sale and distribution of branded and generic products in Japan.

The portfolio of Pola Pharma primarily comprises dermatology products. Pola Pharma, part of POLA ORBIS Group, has two manufacturing facilities in Saitama with capabilities to manufacture topical products and injectables. It also has R&D capabilities to develop new technologies and formulations.

Kirti Ganorkar, Executive Vice President, Sun Pharma said, “This acquisition is in line with our strategy to strengthen our global dermatology presence. Pola Pharma is a leading dermatology company and it will help us to launch our speciality and generic dermatology products in the Japanese market in future. We also get access to local manufacturing capability enabling us to serve the Japanese pharmaceutical market more effectively.”

Junichi Nakamichi, Country Head of Japan, Sun Pharma said, “By combining Sun Pharma’s global strengths with Pola Pharma’s local expertise, we will have a great opportunity to further strengthen our presence in Japan, especially in the area of dermatology.”

Pola Pharma had annual revenues of approximately US$ 108 million and net loss of US$ 7 million for 12 months ended Dec 2017 on consolidated basis. The equity consideration, on debt free and cash free basis, for the 100% stake in Pola Pharma is approximately US$ 1 million.

The transaction is expected to close on or before Jan 31, 2019, subject to completion of closing conditions. Sun Pharma forayed into the Japanese prescription market in 2016 with the acquisition of 14 established prescription brands from Novartis. The size of the Japanese pharmaceutical market is estimated at US$ 84.8 billion, accounting for approximately 7.5% of the US$ 1.13 trillion global pharmaceutical market (as per IQVIA Market Prognosis, September 2017).