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Singapore: The Japanese drug maker Otsuka Pharmaceuticals announced the acquisition of Avanir pharmaceuticals for $3.5 bn. The California-based Avanir markets Nuedexta, a treatment for a condition known as pseudobulbar affect that causes sudden and involuntary outbursts in patients with neurological diseases such as amyotrophic lateral sclerosis.

The deal gives Otsuka access to more treatments for central-nervous-system diseases and helps expand its market overseas. Otsuka manufactures and markets the schizophrenia and depression drug Abilify. The deal is considered to be the largest purchase of Otsuka pharmaceuticals.

As the Japanese market for pharmaceuticals is experiencing a slow-down, local players are looking to expand their operations abroad. Mr Tatsuo Higuchi, president, Otsuka pharmaceuticals, said, "Avanir's strengths in neurological diseases would complement Otsuka's experience in the area of mental illnesses."

In a written statement, Avanir CEO, Mr Keith Katkin stated, "Together, our organizations will be able to more rapidly develop and commercialize the needed medications. Avanir, which was founded in 1988 as Lidak Pharmaceuticals, is conducting trials of medicines for depression, migraine headaches and other neurological diseases."