


I'rom Holdings seeking strategic alliances in Asia following IDT Australia deal, advisor says

 **Proprietary Intelligence**

I'rom Holdings [2372: JP], a Japanese medical services company, is seeking strategic alliances with clinical research, contract manufacturing and site management organizations (CRO/CMO/SMO) across Asia, Colin Novick from Tokyo-based advisory firm CJ Partners said.

CJ Partners advised I'rom Holdings on its 18.8% stake buy in Australian CRO and CMO **IDT Australia** (IDT:AU), which was announced today. Herbert Smith Freehills provided legal services for I'rom while Daniel Levy of Melbourne-based investment bank Kidder Williams put the deal together for IDT.

Following this deal, I'rom is seeking similar deals in Southeast and East Asian markets like China, South Korea, Indonesia, Malaysia, Philippines, Vietnam, and Singapore, continued Novick who will assist in finding opportunities. They could be business or equity-based partnerships, he added.

Potential partners include local CROs, CMOs, or SMOs with capability in all phases of clinical trials, which would be dictated by the individual markets, Novick said. He explained that, for example, in Malaysia and Indonesia, they would be companies with expertise in Phase II and III clinical trials; in Korea, Phase I to III clinical trials; and in China, predominantly Phase III clinical trials.

Ideally, potential partners will already have relationships with small, mid, or large cap US or European pharmaceutical companies that are looking to enter the Japanese market, which tends to have more stringent requirements than its Southeast and East Asian counterparts, Novick said. I'rom also prefers that potential partners not have established alliances with other large CROs, he added.

A spokesperson from I'rom confirmed that it would continue to look for CRO and SMO business and capital tie-up opportunities throughout Asia, but declined to elaborate.

IDT, with its one-stop shop capability and relationships with customers in the US and Europe, will assist I'rom Holdings in its goal to become an integrated pharmaceutical services provider outside of the Japanese market, by providing it with an early clinical trial gateway to the US and European markets, Kidder Williams' Levy said.

I'rom Holdings, which pioneered the provision of SMOs in Japan, is now looking to pioneer this service offering in the Australian market too, added I'rom Holdings President, Toyotaka Mori. SMOs provide clinical trial site-related services directly to clinical sites, as well as to contract research organizations such as IDT's CMAX, pharmaceutical companies, biotechnology companies and medical device companies.

I'rom Holdings made a share placement in IDT Australia at 20c, representing a premium to both yesterday's closing share price of 19c and IDT's seven-day VWAP (volume-weighted average price) of 19c. IDT's share price closed up 31.6% today (7 May 2013) at 25c with a market cap of AUD 10.8m (USD 11m).

I'rom has a market capitalization of about AUD 157.1m (USD 161m).

by Louise Weihart in Sydney and Tesun Oh in Tokyo