The Growth Strategy of FUJIFILM Through the Acquisition of Leading Companies in Cell Culture Media

FUJIFILM Holdings Corporation
Chairman and CEO
Shigetaka Komori
March 29, 2018

Promotion of the Medium-Term Management Plan “VISION2019”

Accelerate the growth of the healthcare area through enhancement of the pharmaceutical / regenerative medicine business
Healthcare Business Initiatives

- Expand the businesses in the prevention / diagnosis / treatment areas with the aim to become a comprehensive healthcare company
- Actively invest in the biomedical area such as bio CDMO and regenerative medicine

<table>
<thead>
<tr>
<th>Prevention</th>
<th>Life Science</th>
<th>Cosmetics, supplements, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnosis</td>
<td>Medical Systems</td>
<td>Medical devices, medical IT, etc.</td>
</tr>
<tr>
<td>Treatment</td>
<td>Pharmaceuticals</td>
<td>Development / manufacturing / sales of pharmaceutical products</td>
</tr>
<tr>
<td></td>
<td>Bio CDMO*</td>
<td>Contract development / manufacturing of small-molecule pharmaceuticals</td>
</tr>
<tr>
<td></td>
<td>Regenerative medicine</td>
<td>Contract development / manufacturing of biopharmaceuticals</td>
</tr>
<tr>
<td></td>
<td>Biomedical</td>
<td>Autologous cultured epidermis / cartilage, iPS cells for drug discovery, etc.</td>
</tr>
</tbody>
</table>

*Contract Development & Manufacturing Organization refers to a company or organization that conducts contract development and contract manufacturing of the production process.

Bio-medical Category Initiatives

- **Enhanced production facilities** for the expansion of bio CDMO production capabilities
- Made a leading company in the development and manufacturing of iPS cells a wholly owned subsidiary
- Acquired Wako Pure Chemical Industries and enter the cell culture media business

Bio CDMO

- Contract Development and Contract Manufacturing of the Production Process
- FUJIFILM Diosynth Biotechnologies (FDB)

Regenerative Medicine

- iPS Cells
- Cellular Dynamics International (CDI)

Cell Culture Media

- Wako Pure Chemical Industries (Wako Pure Chemical)

Somatic Stem Cells

- Japan Tissue Engineering (J-TEC)
Significance of Acquiring leading Companies in Cell Culture Media

Acquire Irvine Scientific Sales Company, Inc. (ISUS) and IS JAPAN CO.,LTD. (ISJ), leading companies in the culture media market, for about US$800 million

- Support the drug discovery of new biopharmaceuticals
- Elevate the regenerative medicine business to an industrial stage

Resolution of social issues
Such as fulfilling unmet medical needs

Regarding the Acquisition of ISUS and ISJ

FUJIFILM Holdings Corporation
President and COO
Kenji Sukeno
March 29, 2018
Cell Culture Media

Culture media contain the nutrients required for the growth and proliferation of cells. They are in liquid or powder form and indispensable for cell culturing in the research and development and manufacturing of biopharmaceuticals and regenerative medicine products.

Market Trends in Culture Media

<Total Global Demand for Cell Culture Media>

Approximately 10% annual growth

Overview of ISUS and ISJ

<table>
<thead>
<tr>
<th></th>
<th>ISUS</th>
<th>ISJ</th>
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</thead>
<tbody>
<tr>
<td>Company Name</td>
<td>Irvine Scientific Sales Company, Inc.</td>
<td>IS JAPAN CO., LTD.</td>
</tr>
<tr>
<td>Location</td>
<td>Santa Ana, California, U.S.A.</td>
<td>Toda, Saitama, Japan</td>
</tr>
<tr>
<td>Incorporation</td>
<td>1970</td>
<td>1987</td>
</tr>
<tr>
<td>Functions</td>
<td>R&amp;D, Manufacture Sales, Support (mainly in US and Europe)</td>
<td>Sales, Support (mainly in Asia) Manufacture*</td>
</tr>
</tbody>
</table>

<Business Activities>

Development, manufacturing, and sale of cell culture media (biopharmaceuticals, in vitro fertilization, and cell therapy)

<Strengths>

1. A broad product portfolio from biopharmaceuticals to in vitro fertilization as well as for cutting-edge cell therapy
2. Ability to develop the optimal customized cell culture media to meet customers’ needs by utilizing its extensive capabilities in quality control, R&D, and a proven track record and know-how accumulated over many years
3. The cell culture media are manufactured at sites (Japan / U.S.) that are in compliance with cGMP standards to supply high-quality products in a timely manner

※ISUS’ manufacturing site, operated by ISJ
Synergies from this Acquisition

(1) Acceleration of the growth of the cell culture media business

(2) Maximization of synergies in the bio CDMO, regenerative medicine, and reagent businesses

Aim of Acquisition (1): Acceleration of the growth of the culture media business

Fujifilm
FDB / CDI / J-TEC

- Chemical synthesis and design capabilities cultivated in the photographic film business
- Preparation and culturing technologies for various cells such as iPS cells and somatic stem cells

Wako Pure Chemical

- Cell culture media suitable for the culturing of various cells
- Cell culture media additives that promote cell proliferation

ISUS
ISJ

- Cell culture media research and development capabilities, quality control capabilities, track record, know-how
- Global distribution network
### Aim of Acquisition (2): Maximization of Group Synergies

<table>
<thead>
<tr>
<th>Bio CDMO</th>
<th>Regenerative Medicine</th>
<th>Reagents</th>
</tr>
</thead>
<tbody>
<tr>
<td>FDB</td>
<td>CDI</td>
<td>Wako Pure Chemical</td>
</tr>
<tr>
<td>Cell culturing technologies</td>
<td>IPS cell preparation technologies</td>
<td>Reagents product portfolio</td>
</tr>
</tbody>
</table>

**Further expansion of the bio CDMO business**
- Increased production efficiency
  - Supply high-quality biopharmaceuticals in a timely manner

**Acceleration of research and development in the area of regenerative medicine**
- Efficient preparation of high-quality therapeutic cells
  - Application to regenerative medicine products of J-TEC and CDI
- Increased production efficiency
  - Strengthen the J-TEC and CDI contract business

**Further expansion of the reagent business**
- Addition of the cell culture media of ISUS and ISJ to the reagent product portfolio of Wako Pure Chemical
  - Capable of meeting detailed requirements of the life science research at companies and academia.

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### Establishment of a New US Marketing Site

Establishment of a new marketing site for products and services that support the research and development / manufacturing of new drugs by clients

- **Location:** Boston, U.S.A
- **Opening:** First half of fiscal year ending March 2019
- **Business activities:** Contract development and contract manufacturing services of biopharmaceutical medicine, marketing of iPS cells for drug discovery, culture media, etc.

By utilizing this site, the company will use the combined strengths of the FUJIFILM Group to respond to the evolving needs of pharmaceutical manufacturers, bioventures, academia, etc.
Overview of this Acquisition

1. Acquisition Amount: About US$800 million

2. Schedule:
   March 29: Sign stock purchase agreement

   Expected in May-June: Acquire all shares of ISUS and ISJ

* This will not impact the fiscal year ending March 2018 consolidated performance. With regards to the impact this will have on the fiscal year ending March 2019 (next fiscal year) consolidated performance, the company will give notice as soon as the details have been finalized.