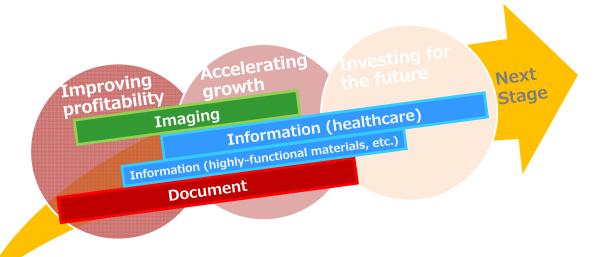


# The Growth Strategy of FUJIFILM Through the Acquisition of Leading Companies in Cell Culture Media

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

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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

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

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

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## **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

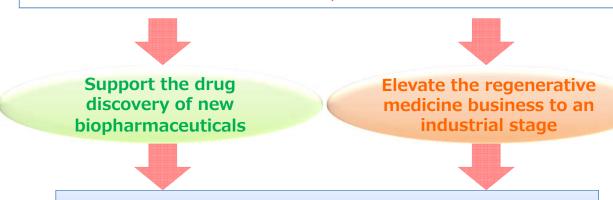
#### Bio CDMO Regenerative Medicine **Contract Development and** iPS Cells Contract Manufacturing of the Production Process **Cellular Dynamics International (CDI) FUJIFILM Diosynth Biotechnologies (FDB) Cell Culture Media Somatic Stem Cells** Wako Pure Chemical Japan Tissue **Engineering Industries** (J-TEC) (Wako Pure Chemical)

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## 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



## **Resolution of social issues**

Such as fulfilling unmet medical needs

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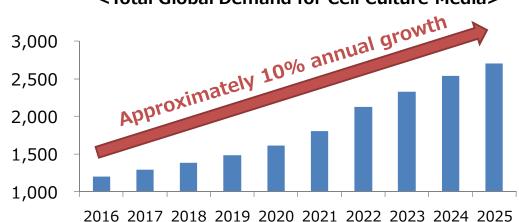
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## Regarding the Acquisition of ISUS and ISJ

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

## **Market Trends in Culture Media**





(Company survey)

#### 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.



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## Overview of ISUS and ISJ

	ISUS	ISJ
Company Name	Irvine Scientific Sales Company, Inc.	IS JAPAN CO., LTD.
Location	Santa Ana, California, U.S.A.	Toda, Saitama, Japan
Incorporation	1970	1987
Functions	R&D, Manufacture Sales, Support (mainly in US and Europe)	Sales, Support (mainly in Asia) Manufacture*

#### <Business Activities>

**XISUS'** manufacturing site, operated by ISJ

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

## 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

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## 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 various cells
- Cell culture media additives that promote cell proliferation
- Enhancement of the cell culture media product portfolio
- Strengthen overseas expansion of cell culture media
- Development of highly competitive customized culture media suitable for the culturing various cells
- Strengthen sales of products related to culture media

#### **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

Bio CDMO

Regenerative Medicine

Reagents

**FDB** 

Cell culturing technologies

CDI

iPS cell preparation technologies

J-TEC

Somatic stem cell culturing technologies

Wako Pure Chemical

Reagents product portfolio

Culture media technologies research and development capabilities

> ISUS ISJ

Culture media product portfolio 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.

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