

**Notice of Execution of Tender Offer Application Agreement Pertaining to
Tender Offer for Shares of Subsidiary**

FUJIFILM Holdings Corporation (“the Company”) hereby announces that FUJIFILM Corporation (“Fujifilm”), a wholly owned subsidiary of the Company, has entered into an agreement (“Application Agreement”) with TEIJIN LIMITED (“TEIJIN”) today, under which Fujifilm agrees to tender for a tender offer (“Tender Offer”) to be carried out by TEIJIN for the shares of common stock of Japan Tissue Engineering Co., Ltd. (“J-TEC”) (an indirect subsidiary of the Company). If the Tender Offer is completed, J-TEC will no longer be a consolidated subsidiary of the Company.

1. Purpose and Background for the Execution of the Application Agreement

J-TEC was established in February 1999 in Gamagori-shi, Aichi as a company engaging in regenerative medicine, and has been listed on JASDAQ Stock Exchange NEO (currently Tokyo Stock Exchange JASDAQ Growth) since December 2007. J-TEC has centered its business on R&D, manufacturing and sales of regenerative medicine targeting tissue regeneration of skin, cartilage and such.

In October 2010, Fujifilm became the largest shareholder of J-TEC through the third-party allotment of shares conducted by J-TEC. Subsequently, through Fujifilm’s acquisition of additional shares of common stock in J-TEC, our indirect shareholding ratio of J-TEC exceeded 50% in December 2014, making the Company the parent company of J-TEC.

Fujifilm and J-TEC have worked together on product development and the business expansion in the regenerative medicine field. In an attempt to optimize our business portfolio in the field of biotherapeutics, the Company will proceed with focusing its management resources in the regenerative medicine field on contract development and manufacturing of iPSC cell products and cell culture media for drug discovery support, and cell therapeutics medicines. On the other hand, in order to further accelerate a growth strategy for J-TEC’s business that centers tissue regeneration, the Company has determined that TEIJIN, which has common management policy and business strategy with J-TEC and is expected to create synergy to existing products of both parties in the orthopedics field, is the best partner for J-TEC, and decided to enter into the Application Agreement.

If the Tender Offer is completed, the capital and business alliance between Fujifilm and J-TEC will be terminated. However, Fujifilm and J-TEC will continue a part of business transactions in the regenerative medicine field after the completion of the Tender Offer.

For more detail on the Tender Offer and capital and business alliance between J-TEC and TEIJIN, please refer to “Notice Regarding Commencement of Tender Offer for Shares in, and Execution of Capital and Business Alliance Agreement with, Japan Tissue Engineering Co., Ltd. (Securities Code: 7774)” released by TEIJIN as well as “Announcement of Opinion on the Tender Offer by Teijin Limited for the Stock of J-TEC and of Conclusion of the Capital and Business Alliance Agreement between Teijin and J-TEC” released by J-TEC today.

2. Outline of Fujifilm

1.	Name	FUJIFILM Corporation
2.	Head Office	26-30, Nishiazabu 2-chome, Minato-ku, Tokyo
3.	Representative	President: Kenji Sukeno

4.	Outline of Business	Development, manufacturing, sales and service of Imaging solutions (color paper; color films; digital cameras; service and equipment for photofinishing; instant photo systems and optical devices etc.) Health care and material solutions (Equipment and materials for medical systems; cosmetics and supplements; pharmaceuticals; contract development and manufacturing organization of biopharmaceuticals; regenerative medicine; fine chemicals; equipment and materials for graphic arts; inks and industrial inkjet printheads; display materials; recording media and electronic materials; etc.)	
5.	Capital	40,000 million yen (as of March 31, 2020)	
6.	Established	October 2, 2006	
7.	Major Shareholders and Shareholding Ratios	FUJIFILM Holdings Corporation	100.00%
8.	Relationship between Fujifilm and FUJIFILM Holdings Corporation		
	Capital relationship	The Company owns 100.00% of the total number of shares issued by Fujifilm.	
	Personnel relationship	Some officers of the Company have been appointed officers at Fujifilm.	
	Transaction relationship	Fujifilm borrows funds from the Company. The Company claims Fujifilm for part of office administration fees.	
	Status as related party	Fujifilm is a wholly owned subsidiary of the Company, and is considered a related party to each other.	

3. Outline of J-TEC

1.	Name	Japan Tissue Engineering Co., Ltd.	
2.	Head Office	209-1, Miyakitadori 6-chome, Gamagori-shi, Aichi	
3.	Representative	Representative Director, Chairman and CEO: Kenichiro Hata	
4.	Outline of Business	Regenerative Medicine Business; Custom Development & Manufacturing Business; and R&D Support Business	
5.	Capital	4,958 million yen (as of December 31, 2020)	
6.	Established	February 1, 1999	
7.	Major Shareholders and Shareholding Ratios (as of September 30, 2020) (Note)	FUJIFILM Corporation (a wholly owned company of FUJIFILM Holdings Corporation)	50.13%
		NIDEK CO., LTD.	10.40%
		Yoko Maeda	0.84%
		Daisuke Gomi	0.73%
		Yosuke Ozawa	0.71%
		Takeshi Kuwata	0.71%
		MATSUI SECURITIES CO., LTD.	0.46%
		SALA ENERGY CO., LTD.	0.45%
		J-TEC Employees Shareholding Association	0.45%
		Rakuten Securities, Inc.	0.35%
8.	Relationship between FUJIFILM Holdings Corporation and J-TEC		
	Capital relationship	The Company (indirectly) owns 20,358,400 shares, which accounts for 50.13%, of the total number of common shares (40,610,200 shares) issued by J-TEC as of today.	

Personnel relationship	There is no personnel relationship between the Company and J-TEC that is required to be indicated. Four (4) employees of Fujifilm have been appointed Director at J-TEC. J-TEC accepts assigned employees from Fujifilm, and Fujifilm accepts assigned employees from J-TEC.		
Transactional relationship	There is no transactional relationship between the Company and J-TEC that is required to be indicated. Fujifilm entrusts the development business to J-TEC. Subsidiaries of the Company and J-TEC have business transactions such as sales and purchase of goods.		
Status as related party	J-TEC is a consolidated (indirect) subsidiary of the Company, and is considered a related party to each other.		
9. Business results and financial conditions for the past three years (million yen)			
Fiscal year	March 2018	March 2019	March 2020
Net assets	8,251	7,918	7,631
Total assets	9,023	8,751	8,451
Net assets per share (yen)	203.19	194.98	187.91
Revenue	2,271	2,357	2,309
Operating income	211	(349)	(235)
Ordinary income	213	(339)	(229)
Net income for the year	227	(333)	(287)
Net income for the year per share (yen)	5.61	(8.21)	(7.07)
Dividend per share (yen)	0.00	0.00	0.00

(Note) “Major Shareholders and Shareholding Ratio (as of September 30, 2020)” are based on “Status of Major Shareholders” in the 23rd Second Quarterly Report submitted by J-TEC on November 13, 2020.

4. Outline of TEIJIN

1.	Name	TEIJI LIMITED	
2.	Head Office	2-4, Nakanoshima 3-chome, Osaka-shi, Osaka	
3.	Representative	President and CEO, Representative Director of the Board: Jun Suzuki	
4.	Outline of Business	Manufacturing, processing and sales of synthesized fiber, chemical products, medical care and healthcare, products in fields of distribution and retail.	
5.	Capital	71,833 million yen (as of September 30, 2020)	
6.	Established	June 17, 1918	
7.	Major Shareholders and Shareholding Ratios (as of September 30) (Note)	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.91%
		Custody Bank of Japan, Ltd. (Trust Account)	5.24%
		NIPPON LIFE INSURANCE COMPANY	3.67%
		TEIJIN Employees Shareholding Association	2.87%
		Custody Bank of Japan, Ltd. (Trust Account: 7)	2.13%
		Custody Bank of Japan, Ltd. (Trust Account: 5)	1.73%
		JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	1.61%
		MUFG Bank, Ltd.	1.51%
		STATE STREET BANK WEST CLIENT – TREATY 505234 (Standing proxy: Mizuho Bank, Ltd. Settlement & Clearing Services Department)	1.33%
		JP Morgan Securities Japan Co., Ltd.	1.24%

8. Relationship between FUJIFILM Holdings Corporation and TEIJIN	
Capital relationship	There is no capital relationship between the Company and TEIJIN that is required to be indicated.
Personnel relationship	There is no personnel relationship between the Company and TEIJIN that is required to be indicated.
Transactional relationship	Subsidiaries of the Company and TEIJIN and TEIJIN Group companies have business transactions such as sales and purchase of goods.
Status as related party	TEIJIN is not considered a related party of the Company.

(Note)“Major Shareholders and Shareholding Ratio (as of September 30, 2020)” are based on “Status of Major Shareholders” in the 155th Second Quarterly Report submitted by TEIJIN on November 12, 2020.

5. Number of Shares to be Tendered in the Tender Offer, Transfer Price, and Number of Owned Shares Before and After the Tender Offer

(1)	Number of Owned Shares Before the Tender Offer	20,358,400 shares (including indirect ownership) (Number of voting rights: 203,584) (Ratio of voting rights owned: 50.14%) ⁽¹⁾
(2)	Number of Shares to be Subscribed in the Tender Offer	20,358,400 shares (including shares owned indirectly) (Number of voting rights: 203,584)
(3)	Transfer Price	Approximately JPY16.7bn, 820 yen per share ⁽²⁾
(4)	Number of Owned Shares After the Tender Offer	0 ⁽²⁾ (Number of voting rights: 0) (Ratio of voting rights owned: 0.00%)

Note 1. The ratio of voting rights owned described here is the ratio against the number of voting rights (405,999) held by J-TEC as of September 30, 2020, stated in the 23rd Second Quarterly Report submitted by J-TEC on November 13, 2020.
2. “Transfer Price” and “Number of Owned Shares After the Tender Offer” shows the aggregate transfer price and the number of owned shares when the Tender Offer is completed and all shares of common stock in J-TEC subscribed by Fujifilm are purchased. In the Tender Offer, TEIJIN has set 20,358,400 shares as the minimum number of the shares to be purchased, and if the total number of the share certificates tendered to the Tender Offer (“Tendered Share Certificates”) is less than such minimum number, TEIJIN will not purchase any of the Tendered Share Certificates. Also, in the Tender Offer, TEIJIN has set 26,389,900 shares as the maximum number of shares to be purchased, and if the total number of the Tendered Share Certificates exceeds the maximum number of shares to be purchased, TEIJIN will not purchase such exceeding portion, in its entirety or in part, and will deliver and conduct other settlement relating to the purchase of share certificates in accordance with the pro rata method stipulated in Article 27-13, paragraph (5) of the Financial Instruments and Exchange Act and Article 32 of the Cabinet Office Order on Disclosure Required for Tender Offer for Share Certificates by Persons Other Than Issuers.

6. Schedule of the Tender Offer

(1)	Execution of Application Agreement	January 29, 2021
(2)	Term for the Tender Offer	February 1, 2021 through March 2, 2021, both inclusive
(3)	Announcement of results of the Tender Offer	March 3, 2021
(4)	Commencement date of settlement	March 9, 2021

7. Outlook

If the Tender Offer is completed, through tender for the Tender Offer by Fujifilm in accordance with Application Agreement, J-TEC will no longer be a consolidated subsidiary of the Company. The impact on the Company’s consolidated performance is currently under close examination, and we will announce promptly if any update of the outlook of the Company’s consolidated performance is required.