Fujifilm’s Initiatives in Regenerative Medicine

Shigetaka Komori
Chairman and CEO
FUJIFILM Holdings Corporation
March 30, 2015
Priority Business: Healthcare

Expand business with focus on six core business areas

- Graphic Arts Systems
- Optical Devices
- Digital Imaging
- Highly Functional Materials
- Document Solutions
Comprehensive Healthcare Company

Prevention
- Functional Cosmetics
- Supplements
- HairCare

Diagnostics
- X-Ray Imaging (FCR/DR/Film)
- Endoscopes
- Radio Diagnostic Medicines
- Ultrasound
- Influenza Detection

Treatment
- Low Molecular Drugs
- Biopharmaceuticals
  - Perseus Proteomics
  - Fujifilm Diosynth Biotechnologies
  - Kalon

Regenerative Medicine
- Autologous cultured epidermis
- Autologous cultured cartilage

Business Expansion
Therapeutic Initiatives

- **2006** Fujifilm Fine Chemicals Co., Ltd. became a wholly owned subsidiary
- **2006** Investment in Perseus Proteomics Inc.
  - **2009** Became a Fujifilm subsidiary
- **2006** Aquired FUJIFILM RI Pharma Co., Ltd.
  - **2008** Acquired Toyama Chemical Co.

**Entry into the Pharma Industry**
- **2009** Pharmaceutical Research Laboratories established

**Fields**
- Low-molecular drugs field
- Biopharmaceuticals field
- Regenerative medicine field

**2010** Pharmaceutical Products Division Established
- **2010** Acquired Fujifilm Diosynth Biotechnologies
  - **2014** Acquired Kalon*
- **2010** Invested in Japan Tissue Engineering Co., Ltd.
  - **2014** Became consolidated subsidiary

**2010** FUJIFILM Pharma Co., Ltd. established
- **2011** Established Fujifilm Kyowa Kirin Biologics

**2013** Established Regenerative Medicine Business Development office
- **2013** Established Regenerative Medicine Laboratories

*1 : Now FUJIFILM Diosynth Biotechnologies, LLC in Texas
Significance of Efforts in Regenerative Medicine

Unmet Medical Needs
- Age-related macular degeneration
- Severe heart failure
- Strokes
- Spinal Cord Injuries
- Diabetes

Regenerative Medicine

Legal Reform

iPS Cell

Technical Advancements

Drug Discovery
Fujifilm’s Regenerative Medicine Initiatives

Regenerative Medicine

Utilizing somatic cells and stem cells

Using iPS cells

3D cell structure technology

Technology application

• Isolator
• Incubator
• Automated Culture Apparatus
• Cell sorters, etc.

Devices

Scaffolding material (RCP)

Consumables

• Contract Cell Culture
• Cell Banking
• Cell Transport
• Contract Quality Control

Services

iPS cells

Drug discovery

Early commercialization

Related fields

RCP : Recombinant peptide
Acquisition of U.S.-based Cellular Dynamics International, Inc.,
a leading developer and manufacturer of iPS cells

Towards a new stage in the regenerative medicine business
Acquisition of Cellular Dynamics International, Inc. (USA), a leading developer and manufacturer of iPS cells

Yuzo Toda
Director, Senior Vice President
FUJIFILM Corporation

March 30, 2015
<table>
<thead>
<tr>
<th>Name:</th>
<th><strong>Cellular Dynamics International, Inc. (&quot;CDI&quot;)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Founded:</td>
<td>2004</td>
</tr>
<tr>
<td>Founded by world-renowned researcher, Dr. James Thomson of University of Wisconsin-Madison, the first in the world to generate ES cells.</td>
<td></td>
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<tr>
<td>IPO:</td>
<td>July 30, 2013, listed on NASDAQ</td>
</tr>
<tr>
<td>Location:</td>
<td>Madison, Wisconsin, USA</td>
</tr>
<tr>
<td>Chairman and CEO:</td>
<td>Robert J. Palay</td>
</tr>
<tr>
<td>Core product:</td>
<td>Human iPSC derived cells from a single genetic background, e.g. cardiomyocytes, neurons, hepatocytes, etc. (iCell® products), Human iPSC’s and iPSC derived cells from custom genetic backgrounds (MyCell® products)</td>
</tr>
<tr>
<td>Sales:</td>
<td>$ U.S.16.7 million (FY 2014/12)</td>
</tr>
<tr>
<td>Number of employees:</td>
<td>155 (as of Dec. 31, 2014)</td>
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Drug Discovery Innovation through Human iPS Cells

New Drug Development Process Thus Far

Drug Discovery Research (R)
- Identify/Confirm Target Molecules
- Search/ Optimize Leads
- Narrow down development products, Preclinical

Clinical Developments (D)
- Phase I (Clinical pharmacology)
- Phase II (Search/ Verify)
- Phase III (Verify)

- Pharmacology/Dynamic Toxicity/GLP Safety
- Pharmacokinetic Safety
- Effective Dosage and Administration
- Effectiveness Safety

- Human Trials (Healthy Subjects)
- Human Trials (Patients)
- Human Trials (Patients)

Replacement
- Build evaluation system. Evaluate target.
- Searching in vitro/in vivo
- Animal Testing /Animal Testing
- Animal Testing
- Human Cell Testing Animal Testing
- Animal Cell Testing

New Drug Development Process of the Future

- Normal human iPSC derived cells
- Disease-specific human iPSC derived cells

- iCell® Products
- MyCell® Products

- hERG Testing
- Human QT Extension Testing
- Effective Patient Screening

- Shorter period for new drug development.
- Reduction in new drug development costs.
- Improved probability of new drug development.

Innovation
**Strengths and Features of CDI**

- **Merging University of Wisconsin-Madison's iPS cell technology with CDI's unique iPS cell culturing technology**
  - Patent portfolio includes over 800 entities (includes licences and pending patents)
  - Awarded US patent covering automated production of iPSC’s

- **Rich product line from iPS cell-derived differentiated cells**
  - Ready made iCell®: 12 types (incl. prototypes) such as cardiomyocytes, neurons, endothelial cells, dopaminergic neurons, hepatocytes
  - Custom made MyCell®: reprogramming, genetic engineering, and cell differentiation

- **Pioneer in iPS cell banking**
  - Currently contracted to establish and bank iPS cells from over 3000 people via CIRM (USA)*1
  - 2 cGMP HLA superdonor iPSC lines established

- **Applying iPS cells to Cell Therapy**
  - 12 types of iPS cell-derived differentiated cells can be used to treat over 50 diseases
  - Providing US NEI*2 with retinal pigmented cells for preclinical studies in the treatment of age-related macular degeneration

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*1: California Institute for Regenerative Medicine  *2: National Eye Institute
Fujifilm’ Core Technologies

Materials to make colors
- Coupler
- Color-fade inhibitor

Materials to capture light

Electron micrograph (Before development)
Optical micrograph (After development)

Highly Functional Materials

Fusion

Engineering

Revolutionary Value

Development into New Business
(Functional cosmetics, Supplements, Pharmaceuticals, Regenerative medicine)
Strengths and Characteristics of Fujifilm Group

Three main pillars of regenerative medicine

1. Scaffold (extracellular matrix)
2. Cells
3. Cytokines (intercellular signaling compound)

Created first regenerative medicine products in Japan

- Autologous cultured epidermis
- Autologous cultured cartilage

Quality Management System supported by experience

- R&D, Clinical Trials
- GLP, GCP
- Manufacture Inspection
- GCTP, GQP
- Sales
- Use
- GVP, GQP, GPSP
- Application for Drug approval
- Post-marketing care
- Feedback

Realization of non-animal derived scaffolding material

- Highly Functional Material Technology
- Engineering Technology
- Lyophilized RCP
- Yeast
- Cultivate, Refine
- Microscopic Petaloid Pieces
- Combine with Cells

Petaloid: meaning “petal-like”

High Added Value

- 3D Cell Structure “Cellsaic”
Anticipated Technology Synergy

1. **FUJIFILM & CDI**: Expand drug discovery support

   Combined with FUJIFILM’s extracellular matrix (Recombinant Peptide: RCP) enhanced performance materials can be used to create 3D structures, expanding drug discovery opportunities.

2. **J-TEC & CDI**: Development of contract cell culturing

   Together with quality management systems (GCTP/GQP, etc.) nurtured through J-TEC’s regenerative products, iPS cell banking and contract cell culturing for use in cell therapy.

3. **FUJIFILM & CDI & J-TEC**: Organ regeneration R&D

   Combine technology from these 3 companies and develop organ regenerative treatments enabling transplantation of a 3D cell structured organ mimic.

   → technologies developed during drug discovery support will flow back to regenerative medicine.
Fujifilm Group Goals in Regenerative Medicine

<table>
<thead>
<tr>
<th>Simulated Bioorganism</th>
<th>Acts on a bioorganism</th>
<th>Use natural healing properties of bioorganisms</th>
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<tbody>
<tr>
<td>Low Molecule Drugs</td>
<td>Biopharmaceuticals</td>
<td>Cell Therapy / Tissue Regeneration Therapy</td>
</tr>
<tr>
<td>Organs comprising various cell types:</td>
<td></td>
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<tr>
<td>Liver, Pancreas, Kidneys</td>
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Curative Therapy

Symptomatic Treatment

Low molecule compound

First Wall

Second Wall

Candesartan
(angiotensin II receptor antagonist)

MW: <1,000
Size: ≤ 3-4 nm

Insulin, Antibody

Size: 1 to 10 nm

Cell

Size: 3-4 μm to 3-4 cm

Extracellular matrix

Organ

Size: ≥ 3-4 cm

MW: order of 10^3 to 10^5

Biopolymer

Insulin, Antibody
## Overview of the Acquisition

| Method: | Tender offer for common stock of CDI by a special purpose company formed as a wholly-owned subsidiary of Fujifilm’s U.S. holding company (If necessary, following the tender offer, exercise of top-up option to acquire new shares), followed by a short-form merger |
| Price: | USD 16.5 per share  
Represents a 108% premium over the USD 7.94 closing price on March 27. |
| Total value | Approximately 307 million USD (fully-diluted basis) |
| Offer period: | Commences within 5 business days after March 30, 2015  
Ends 20 business days from commencement (subject to extension) |
CAUTIONARY STATEMENT ABOUT FORWARD-LOOKING STATEMENTS
This presentation contains certain statements which constitute "forward-looking statements". These forward-looking statements may be identified by words such as ‘believes’, ‘expects’, ‘anticipates’, ‘projects’, ‘intends’, ‘should’, ‘seeks’, ‘estimates’, ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. The forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond Fujifilm's and CDI's abilities to control or estimate precisely, such as future market conditions, the behaviors of other market participants, the effects of the transaction making it more difficult to maintain existing relationships with employees, customers or business partners, and other business effects, including the effects of industry, economic or political conditions, and therefore undue reliance should not be placed on such statements. Examples of forward-looking statements in this press release include, but are not limited to, statements regarding the proposed acquisition of CDI by Fujifilm, such as: the timing of the tender offer and the merger; results of the review of the transaction by regulatory agencies, and any conditions imposed in connection with consummation of the transaction; and satisfaction of various other conditions to the closing of the transaction. Actual results may differ materially from those in the forward-looking statements. For information regarding other related risks, please see the "Risk Factors" section of CDI's filings with the Securities and Exchange Commission (the "SEC"), including its most recent filings on Form 10-K and Form 10-Q. CDI and Fujifilm assume no obligation to update these forward-looking statements, except as required pursuant to applicable law.

NOTE TO INVESTORS
The tender offer to purchase shares of CDI common stock referenced in this press release has not yet commenced, and this press release is neither an offer to purchase, nor a solicitation of an offer to sell, any securities. The tender offer to purchase shares of CDI common stock will be made only pursuant to a Tender Offer Statement on Schedule TO containing an offer to purchase, forms of letters of transmittal and other documents relating to the tender offer (the "Tender Offer Statement"), which Fujifilm will file with the SEC and mail to CDI stockholders. At the time the tender offer is commenced, CDI will file a Solicitation / Recommendation Statement on Schedule 14D-9 with respect to the tender offer (the "Recommendation Statement"). Investors and security holders of CDI are advised to read the Tender Offer Statement and Recommendation Statement carefully when they become available, before making any investment decision with respect to the tender offer because they will contain important information about the tender offer. Investors and security holders of CDI also are advised that they may obtain free copies of the Tender Offer Statement and other documents filed by Fujifilm with the SEC (when these documents become available) and the Recommendation Statement and other documents filed by CDI (when these documents become available) on the SEC's website at http://www.sec.gov. In addition, free copies of the Tender Offer Statement and related materials may be obtained (when these documents become available) from Fujifilm's website at http://www.fujifilmholdings.com/en/investors/index.html; and free copies of the Recommendation Statement and related materials may be obtained (when these documents become available) from CDI's website at www.cellulardynamics.com.