

Fujifilm Holdings to acquire Cellular Dynamics

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FUJIFILM Holdings and Cellular Dynamics International (CDI) have announced that the two companies have entered into a definitive agreement. Fujifilm will acquire CDI via an all-cash tender offer to be followed by a second step merger.

Fujifilm aims to acquire all issued and outstanding shares of CDI's common stock for \$16.5 per share or approximately \$307 million (on a fully diluted basis). The offer represents a premium of 108 percent to CDI's closing price on March 27.

Upon completion of the transaction, CDI will continue to run its operations in Madison, Wisconsin and Novato, California as a consolidated subsidiary of Fujifilm. The announced transaction was unanimously approved by the Boards of Directors of both companies.

Under the terms of the agreement, Fujifilm will commence an all-cash tender offer no later than April 6, 2015. The transaction is conditioned on the tender achieving the minimum acceptance threshold, regulatory approvals and other customary conditions. Fujifilm will finance the transaction from the cash on its balance sheet and the completion of the acquisition is not subject to any financing conditions. It is anticipated that the tender offer will close during the second calendar quarter of 2015.

CDI's technology platform enables the production of high-quality fully functioning human cells, including induced pluripotent stem cells (iPSCs), on an industrial scale.

Commenting on the transaction, Mr Shigetaka Komori, chairman and CEO of Fujifilm, said, "We are delighted to be able to pursue the business from drug discovery to regenerative medicine with CDI, which develops and manufactures iPS cells. We have optimal scaffolding material, 'recombinant peptides', for cell generation and technologies useful for regenerative medicines such as material science and engineering. Our group company, Japan Tissue Engineering, markets regenerative

medicine products in Japan. By welcoming CDI to the Fujifilm Group and by combining the technologies and knowhow of both companies, we will seek synergies and efficiencies to be more competitive in the field of drug discovery and regenerative medicine."

"CDI and Fujifilm share a common strategic vision for achieving leadership in the field of regenerative medicine. The combination of CDI's technology with Fujifilm's technologies, know-how, and resources brings us ever closer to realizing the promise of discovering better, safer medicines and developing new cell therapies based on iPSCs," said Mr Robert J Palay, chairman and CEO, CDI.

Goldman Sachs is acting as the financial advisor to Fujifilm and Morrison & Foerster is acting as its legal counsel. JP Morgan is acting as financial advisor to CDI and Sidley Austin is acting as the legal counsel.