

**Notification with Respect to the Basic Agreement Between FUJIFILM Holdings Corporation,
Taisho Pharmaceutical Co., Ltd. and Toyama Chemical Co., Ltd. Regarding a Strategic Capital
and Business Alliance**

February 13, 2008

FUJIFILM Holdings Corporation
Taisho Pharmaceutical Co., Ltd.
Toyama Chemical Co., Ltd.

FUJIFILM Holdings Corporation (President: Shigetaka Komori, “FUJIFILM”), Taisho Pharmaceutical Co., Ltd. (President: Akira Uehara, “Taisho Pharmaceutical”) and Toyama Chemical Co., Ltd. (President: Masuji Sugata, “Toyama Chemical”) reached a basic agreement today to enter into a strategic capital and business alliance centering around the strengthening of the Pharmaceutical Business of Toyama Chemical (the “Strategic Alliance”). In connection with such basic agreement, we would like to provide notice of the following.

Pursuant to the basic agreement reached today, first, FUJIFILM and Taisho Pharmaceutical will subscribe to a third party allocation of new shares that will be conducted by Toyama Chemical. Subsequently, FUJIFILM will conduct a tender offer for shares of Toyama Chemical. Using a method by which Toyama Chemical will issue a class of shares to which a provision for acquisition of common stock will be attached (such shares, “Fully Acquirable Class Shares”), FUJIFILM will then transfer part of the shares to Taisho Pharmaceutical, and ultimately FUJIFILM is scheduled to hold 66% and Taisho Pharmaceutical is scheduled to hold 34% of the total number of shares of Toyama Chemical.

The strategic capital and business alliance to which this notification pertains aims to enable Toyama Chemical, which has a strong pipeline in new drugs such as “anti-influenza virus compound” and “agents for the treatment of Alzheimer disease”, and which excels in the creation of new drugs, to make leaps forward as a leading world-class manufacturer of pharmaceuticals for specified ailments (such as infectious diseases, those requiring anti-inflammatory drugs and those involving the central nervous system). At the same time, as a result of the creation of new value through the improvement of the corporate power of Toyama Chemical and the expansion of synergies in research and development and sales between the three companies, FUJIFILM and Taisho Pharmaceutical are aiming to maximize the corporate values of each of the three companies. Furthermore, the companies intend to accelerate efforts to enable the early development and stable supply of the “T-705” influenza medicine currently being developed by Toyama Chemical, and thereby respond to society’s need, in light of possible large-scale human casualties, to prepare against a feared pandemic of a new type of influenza.

Outline of the Business Alliance

FUJIFILM intends to cover all fields of “prevention”, “diagnosis” and “treatment” as a comprehensive healthcare company. As part of such intention, FUJIFILM will also support the improvement of Toyama Chemical’s corporate power, placing Toyama Chemical as a new core business in the “treatment” field and continuing to pursue synergies primarily in the areas of research and development, production and establishing overseas sales networks. Particularly in the technological development sector, while providing medium-term support through a capital infusion to the technology base which

Toyama Chemical currently has, FUJIFILM aims to strengthen the development pipeline of new drugs and shorten clinical trial periods through the creation of new value by combining various technologies, including FUJIFILM's unique FTD (Formulation, Targeting, Delivery) technologies such as nano particulization through FUJIFILM's diffusion technologies, with the excellent drug-creation technology that Toyama Chemical currently owns.

Taisho Pharmaceutical formed a capital and business alliance with Toyama Chemical in 2002, and in addition to establishing and strengthening the operations of Taisho Toyama Pharmaceutical Co., Ltd., the joint subsidiary that is responsible for operations and marketing, Taisho Pharmaceutical has also been continuing to deepen the business alliance in the research and development sector through projects such as jointly developing and promptly releasing "Geninax (T-3811)". This time, by strengthening its capital relationship with Toyama Chemical, and by improving the joint research and development system, Taisho Pharmaceutical is striving to enhance the new drug pipeline.

Furthermore, FUJIFILM and Taisho Pharmaceutical will continue to consider cooperation with respect to research and development and sales centering on the self-medication sector, which will facilitate the expansion of the corporate value of both companies.

A. Significance and Effect of the Strategic Alliance to FUJIFILM

FUJIFILM regards the present time as the period of "Second Foundation", in which it is making radical changes to its business structure through proactive measures based on the basic policies of the medium-term management plan, "VISION75". As a result of implementing large-scale structural reforms in the photography-related business over the last few years, and at the same time concentrating management resources on priority businesses fields, FUJIFILM expects to achieve a record high 2.85 trillion yen in revenues and 210 billion yen in operating income for the fiscal year ending March 31, 2008. FUJIFILM has also set a target of 3.15 trillion yen in revenues and 250 billion yen or more in operating income for the fiscal year ending March 31, 2010, which is the final year of its "VISION75" medium-term management plan. While continuing to pursue its "VISION75" medium-term management plan, FUJIFILM is also discussing the next strategic approach from a medium-to-long-term standpoint that will allow FUJIFILM to further realize enduring growth.

FUJIFILM's Medical Systems/Life Sciences Business, with a strong track record and a broad knowledge base in areas such as medical digital X-ray imaging and diagnostic systems, medical-use picture archiving and communications systems, endoscopes and systems designed for the laboratory testing of blood, has been actively strengthening capital investment and research and development initiatives and promoting M&A among the priority businesses in the above-mentioned medium-term management plan. In the Medical Systems/Life Sciences Business -- in which business development has previously targeted the "diagnostic" area, and whose business region is expanding into the area of "prevention" through entry into the sectors of functional foods, such as various supplements and functional cosmetics, in order to further expand into the area of "treatment" -- FUJIFILM has considered entering into a strategic partnership with an entity that has proven research and development abilities and with whom FUJIFILM can expect technological synergies, and who offers a high potential for growth.

This time, together with existing operating companies -- FUJIFILM RI Pharma Co., Ltd. (which operates the radio-pharmaceuticals business) and FUJIFILM Finechemicals Co., Ltd. (which operates the pharmaceutical intermediaries business) -- FUJIFILM, through this strategic alliance and its full-scale entry into the Medical Pharmaceutical Business as a result of acquiring shares of Toyama Chemical, an established research-and-development company, will promote strategic development through new business domains as a comprehensive healthcare company group covering the areas of "prevention", "diagnosis" and "treatment". As a core business in the "treatment" area of the FUJIFILM Group, Toyama Chemical can improve its profitability and make leaps forward as a leading world-class manufacturer of pharmaceuticals for specified ailments (such as infectious diseases, those requiring anti-inflammatory drugs and those involving the central nervous system) through support in capital,

manufacturing and technology. From the research and development perspective, through the creation of new value as a result of combining various technologies -- including FUJIFILM's unique FTD (Formulation, Targeting, Delivery) technologies such as nano particilization using FUJIFILM's diffusion technologies -- with the excellent technology currently owned by Toyama Chemical, FUJIFILM aims to strengthen the development pipeline of new drugs and shorten clinical trial periods. From the manufacturing perspective, through the effective utilization of FUJIFILM Finechemicals Co., Ltd., among others, FUJIFILM is considering benefits such as streamlining manufacturing systems, including self-manufactured items which are otherwise ordered from outside suppliers, establishing disaster risk diversification systems and joint purchasing of raw materials. From a sales perspective, FUJIFILM plans to establish an overseas sales system using the FUJIFILM Group's overseas sales networks, brand power and name recognition to the maximum extent possible.

With respect to efforts to improve the corporate power of Toyama Chemical, FUJIFILM will, in addition to establishing a solid cooperative structure with Taisho Pharmaceutical, continue to consider cooperation with Taisho Pharmaceutical -- which has a wealth of knowledge and know-how in the self-medication sector as a top over-the-counter company -- centering on research and development, and sales, to the extent such cooperation enhances the corporate value of both companies.

B. Significance and Effect of the Strategic Alliance to Taisho Pharmaceutical

Taisho Pharmaceutical's mission is to contribute to society by creating and offering superior pharmaceuticals and health-related products, as well as healthcare-related information and services in socially responsible ways that enrich people's lives by improving health and beauty. In order to execute this mission and to continuously develop amid international competition, Taisho Pharmaceutical aims to establish a strong business base. Therefore, in 2006, Taisho Pharmaceutical set a new medium-term target for fiscal year 2012, its 100th anniversary, and is working to enhance its corporate value and expand its operations by improving the Self-Medication Business (over-the-counter (OTC) drugs and health-related product business), which is its core business, and strengthening the Pharmaceutical Business (prescription pharmaceuticals and related business). However, the pharmaceutical business environment has become increasingly severe due to National Health Insurance price revisions, a policy of moderation in health care costs such as promoting the use of generic products, and increasing competition with foreign pharmaceutical companies. Taisho Pharmaceutical intends to overcome the severe business environment by increasing its capital ratio in Toyama Chemical and further strengthening their business alliance. Specifically, Taisho Pharmaceutical has been focusing its business on communicable disease, inflammation and immunity since the establishment of Taisho Toyama Pharmaceutical Co., Ltd. Notwithstanding this focus, the "Geninax (T-3811)", a synthetic antibacterial drug which was jointly developed by Taisho Pharmaceutical and Toyama Chemical released in October 2007, has received high evaluations from clinics. Taisho Pharmaceutical aims to further strengthen the joint research and development system of Taisho Pharmaceutical and Toyama Chemical, and become the top Japanese company in the communicable disease, inflammation and immunity fields.

In addition, by adopting FUJIFILM's unique technologies and applying them to health-related products, Taisho Pharmaceutical plans to cooperate with FUJIFILM in the Self-Medication Business.

C. Significance and Effect of the Strategic Alliance to Toyama Chemical

Toyama Chemical considers itself a "company that creates a culture of health" and has been conducting corporate activities under its unique corporate philosophy, "the creation of health culture with live science*". As a research-and-development-oriented company, Toyama Chemical's management goal is "to contribute to the further development of global health care through new drug development". Toyama Chemical is establishing a system which will continuously develop candidate compounds for global-standard new drugs by improving on its strengths, which are its research and development and production technology capabilities. From its background of excellent research and development capabilities in fields such as infectious diseases, Toyama Chemical has, compared to other companies of

the same scale in that industry, promising new drug candidates such as anti-influenza virus compound, agents for the treatment of Alzheimer disease and anti-rheumatoid arthritis agents in the development pipeline, and has achieved many proven results by introducing products which it has developed for global companies.

*“Live science” is a phrase created to express Toyama Chemical’s philosophy that its activities are based not only on research activities in “life science” but also on its aim to offer, first and foremost, a healthy and lively lifestyle to all and to thereby enable everyone to lead a lively working life.

Toyama Chemical will be provided with various unique technologies which FUJIFILM has accumulated over the years through its photography business (such as various diagnostic technologies, analysis technologies, nano-level emulsification and diffusion technologies, thin-film formation technologies, precision synthesis technologies, RI-labeled antibody technologies and collagen technologies), as well as human resources and management resources of the FUJIFILM Group companies, such as manufacturing technologies and development capabilities. Accordingly, Toyama Chemical can expect to strengthen its development pipeline of new drugs and expect clinical trial periods to shorten. Toyama Chemical will also be able to develop new drugs by applying FUJIFILM’s unique FTD (Formulation, Targeting, Delivery) technologies such as nano particilization through FUJIFILM’s diffusion technologies.

Furthermore, by obtaining capital support, manufacturing support and support in establishing overseas sales networks through the business and capital strategic alliance with FUJIFILM and Taisho Pharmaceutical, Toyama Chemical can substantially improve its profitability and expect to make leaps towards becoming a leading pharmaceutical manufacturer for specified ailments.

The following is a summary of the capital alliance as currently planned. For details of the Tender Offer, please refer to the press release “Notification with Respect to Commencement of Tender Offer for Shares of Toyama Chemical Co., Ltd.” dated as of today, by FUJIFILM. Further announcements will be made in the event that an impact on business results is expected as a result of this capital alliance and business alliance.

End of February 2008

Toyama Chemical will allocate new shares through a third party allocation of new shares (the “Third Party Allocation of New Shares”) to FUJIFILM and Taisho Pharmaceutical, in the amount of approximately 19.8 billion yen and 10.2 billion yen, respectively, for an aggregate total of approximately 30 billion yen.

February 19, 2008 through March 18, 2008 (Plan)

FUJIFILM plans to implement the Tender Offer (880 yen per share; provided, however, if the total number of shares tendered at the Tender Offer is less than 73,190,000 shares, none of the tendered shares will be purchased by FUJIFILM). The Tender Offer Period is scheduled from February 19, 2008 to March 18, 2008. The Tender Offer was approved by the Board of Directors of Toyama Chemical at the meeting of the Board of the Directors held today.

Around July 2008

After the Third Party Allocation of New Shares and the Tender Offer, FUJIFILM, together with Taisho Pharmaceutical, will hold two-thirds or more of the issued and outstanding shares of Toyama Chemical.

At an extraordinary meeting of shareholders of Toyama Chemical, Toyama Chemical will resolve to convert all the shares of common stock issued by Toyama Chemical into Fully Acquirable Shares, and in exchange for all the issued and outstanding Fully Acquirable Shares, the shareholders of Toyama Chemical will receive new shares of Toyama Chemical as consideration. In order to become wholly owned by FUJIFILM and Taisho Pharmaceutical, Toyama Chemical will deliver fractional shares constituting less than a whole share to its shareholders other than FUJIFILM and Taisho Pharmaceutical, and the cash amount to be obtained by selling the total number of such fractional shares will be delivered to shareholders other than FUJIFILM and Taisho Pharmaceutical who are entitled to the shares constituting less than a whole share. The cash amount to be paid to the shareholders will be determined based on the purchase price of the Tender Offer, unless special circumstances arise.

If the Tender Offer is successful or upon the acquisition of all the issued shares of Toyama Chemical by FUJIFILM and Taisho Pharmaceutical, the shares of Toyama Chemical may be delisted through specified procedures of the stock exchanges.

As a result of the Third Party Allotment of New Shares and the Tender Offer, Toyama Chemical will become a consolidated subsidiary of FUJIFILM. FUJIFILM plans to enter into a shareholders agreement with Taisho Pharmaceutical with respect to Toyama Chemical, which will become effective upon FUJIFILM transferring some of the shares of Toyama Chemical to Taisho Pharmaceutical, so that FUJIFILM will ultimately hold 66% of the voting rights of Toyama Chemical and Taisho Pharmaceutical will hold 34% of the voting rights of Toyama Chemical.

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