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What's fueling Fujifilm's \$3 billion, 1,300-job investment Carolina



Image: Fujifilm Diosynth Biotechno

Fujifilm Diosynth Biotechnologies is investing \$3.2 billion in a manufacturing facility in Holly Springs.

FUJIFILM DIOSYNTH BIOTECHNOLOGIES



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To further draw upon a strong local workforce and its existing operations, Fujifilm Diosynth Biotechnologies has chosen North Carolina for a \$1.2 billion expansion.

Needing additional capacity to meet the needs of the large pharmaceutical companies it works with, Fujifilm Diosynth in 2023 began a worldwide site selection process for a massive expansion. Ultimately, the company decided to **invest in expanding a facility** that's under construction in Holly Springs.

The company, which is part of Japan's Fujifilm Corp. last year narrowed down its options to various sites in Singapore or near existing facilities in Denmark, California and Holly Springs. Fujifilm Diosynth on Thursday announced it had selected North Carolina.

It wasn't a difficult decision to make, said CEO Lars Petersen.

State project documents cite a proximity to skilled labor markets, local educational institutions and the ability for "the location's ability to enhance the company's market reach, proximity to patients and supply chain resilience." Local and state incentives also played a role, as did the company's ability to leverage its existing facilities.

Fujifilm Diosynth in 2021 began building out a \$2 billion manufacturing facility in Holly Springs that is on track to be operational next year. By expanding this site, rather than building a new one elsewhere, the company is able to utilize the same construction operations and other resources. Most of the heavy groundwork for this initial facility is complete, enabling the company to immediately begin work on expansion.

"We ended up finding this is the best fit for our business right now," Petersen said. "We would not be able to put up this type of capacity (elsewhere) without building a new site."



Aerial view of the Fujifilm Diosynth Biotechnologies facility in Holly Springs.

FUJIFILM DIOSYNTH BIOTECHNOLOGIES

Fujifilm Diosynth operates as a contract development and manufacturing organization or CDMO, working with pharma and biotech companies to produce biologics, vaccines and other advanced therapies.

In November, the company announced that Janssen Supply Group, a division of Johnson & Johnson (NYSE: JNJ), as the **first tenant for the facility**. Since then, most of the rest of the site's capacity has been reserved, Petersen said. This demand meant the company needed to begin work on this expansion to avoid having a gap in its capacity to serve clients.

This expansion will add about 425,000 square feet to the company's Holly Springs facility, bringing the total size of the site when fully builtout to around 1.3 million square feet. The company is also adding eight 20,000 liter bioreactors to an already planned eight bioreactors for the site. The capacity makes it one of the largest cell culture

biopharmaceutical facilities in North America.

The first phase of this facility is set to be operational in 2025, with the expansion coming online in the first quarter 2028. Beyond what is already planned, Fujifilm Diosynth has room for further growth at the site. Petersen said the company has the space to add an additional 16 bioreactors if needed.

Fujifilm Diosynth is seeing demand grow across all therapeutic areas, Petersen said. Based on its analysis, Fujifilm Diosynth has seen heavy growth in the life sciences industry that seems on track to continue – despite recent funding challenges that have affected some areas, such as smaller biotech companies.

The company is also seeing innovative drug developers build less internal capacity, instead relying more on sites like the facility in Holly Springs. Given its capacity, the facility is a global site where Fujifilm Diosynth can work with the world's largest pharma and biotech companies.

"We have seen over the last four years that there's a lack of capacity in the entire industry," Petersen said.

Fujifilm Diosynth as of November had about 200 employees working at the facility. Following this expansion, the company expects that number to reach about 1,400 by 2031. These jobs have a minimum average wage of \$109,923.

The company is on a steep hiring curve, and the process is going well, Petersen said. Given its presence in the area, Fujifilm Diosynth is working with institutions like N.C. State and Wake Tech to support its workforce needs. But it is a lot of positions to fill in a competitive region for biomanufacturing jobs where other companies are similarly working to hire hundreds of new employees.

Nonetheless, Petersen said the company prefers to operate in an area where there is a lot of expertise, which is what made North Carolina an attractive option for this expansion.

State and local incentives also played a role in the company's site selection. According to project documents, Fujifilm Diosynth is eligible for a 12-year job development investment grant from the state worth about \$15 million. Total state incentives, including other sources, total about \$18 million.

Meanwhile, the company is eligible for about \$30.6 million in incentives from Wake County and another \$23.7 million in incentives from the Town of Holly Springs.

These sorts of incentives are tied to requirements around hiring and financial investments from the company. The state incentives package approved Thursday requires the company to retain 1,389 jobs in Wake County in 2028 and beyond.