

# Kidswell.Bio

*Biotech Striving for Value Creation*

*- For a Comprehensive Healthcare System for Children, Families, and Society -*



**Security Code :  
4584**

# Financial Results for FY2025 Q3

**February 12, 2026**  
**Kidswell Bio Corporation**

# Agenda

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- ◆ **Financial Highlights**
- ◆ **Business Highlights**
  - Biosimilars Business
  - Cell Therapy Business (S-Quatre)
- ◆ **Corporate Strategy and IR Activities**

# Financial Highlights

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# Income statement

(Unit : thousand yen)	FY2024 / 3Q (fiscal year ended Mar 31, 2025)	FY2025 / 3Q (fiscal year ending Mar 31, 2026)		FY2025 / 3Q (fiscal year ending Mar 31, 2026)
	Actual (consolidated)	Actual (consolidated)	YtoY	Actual (non-consolidated)
Net Sales	3,036,304	5,018,817	165%	5,014,168
Cost of goods	2,005,685	3,688,830	184%	3,688,830
Gross profit	1,030,619	1,329,986	129%	1,325,338
Selling, general and administrative expenses	1,168,523	1,245,909	107%	866,140
R&D expenses	541,604	671,003	124%	398,859
Other expenses	626,918	574,906	92%	467,281
Operating income (loss)	△137,904	84,076	--	459,197
Ordinary income (loss)	△161,196	△134,922	--	350,750
Net income (loss)	△187,773	△142,801	--	268,562

Net sales / Gross Profit	• Manufacturing and delivery of biosimilars were completed as scheduled, and revisions of supply prices for certain biosimilars was conducted, <b>the net sales increased by 65% year on year and gross profit rose by 29%, maintaining a high growth trajectory</b>
R&D /SG&A	• Through the review of R&D investments prioritization, allocation adjustments aligned with R&D progress and outcomes, and ongoing operational efficiency initiatives, SG&A expenses remained at a level comparable to the same period of the previous fiscal year.
Profit	• As a result, on a consolidated basis, operating profit was secured for the third quarter. However, due to an increase in non-operating expenses, the quarter ended with a net loss. On a non-consolidated basis, profitability continued to be maintained.

(Unit : thousand yen)	FY2024 (consolidated)	FY2025 (consolidated)
	Full-year	3Q
Current assets	6,700,570	6,063,425
(Cash and cash equivalents)	2,995,435	3,784,874
(Account receivables)	1,267,189	473,326
(Work in process)	1,475,092	616,681
(Advance payment)	819,857	1,014,639
(Others)	142,995	173,902
Fixed assets	307,925	256,299
<b>Total assets</b>	<b>7,008,496</b>	<b>6,319,725</b>
Current liabilities	4,318,862	1,976,891
Fixed liabilities	1,278,655	2,416,760
<b>Total liabilities</b>	<b>5,597,518</b>	<b>4,393,651</b>
Total net assets	1,410,977	1,926,073
<b>Total liabilities and net assets</b>	<b>7,008,496</b>	<b>6,319,725</b>

Cash/equivalent	<ul style="list-style-type: none"><li>Stable liquidity was secured through the steady delivery of biosimilars, together with the execution of the syndicated loan.</li></ul>
Working capital	<ul style="list-style-type: none"><li>As the cycle of manufacturing biosimilars, delivery to partner pharmaceutical companies, and collection of accounts receivable progressed smoothly and in line with planned schedule, accounts receivable and work in process decreased in the current quarter.</li><li>Contract liabilities (current liabilities), which had temporarily increased due to changes in payment terms agreed with certain partner pharmaceutical companies in fiscal year 2024, also declined in the third quarter in line with the steady progress of deliveries.</li></ul>
Net assets	<ul style="list-style-type: none"><li>Although a net loss was recorded for the third quarter, net assets and the equity ratio continued to be maintained at appropriate levels.</li></ul>

- The forecasts for net sales and operating profit for fiscal year 2025 have been revised upward.
- The forecasts for net sales and operating profit for fiscal year 2026 remain under careful review and unchanged.
- More refined earnings forecasts will be promptly disclosed in accordance with adjustments to the manufacturing and delivery schedules of biosimilars, progress in R&D across both business segments, and developments in discussions and coordination with partner pharmaceutical companies.

(unit : thousand)

	FY2025 Updated	FY2026 (under review)
Net sales	6,000,000 ~ 6,500,000	5,500,000 ~ 6,000,000
Gross profit	1,800,000 ~ 2,000,000	—
Operating income	△ 100,000 ~ 100,000	100,000 ~ 1,000,000

※Exchange rate : JPY 160~150/USD

## FY2025

- From the third quarter of FY2025 onward, in addition to revisions to the supply prices of certain biosimilars, a transition beginning in the fourth quarter to lower-cost products manufactured by new CDMO for certain other biosimilar drug substances is expected to result in standalone profitability.
- Furthermore, a partial review of R&D investments in the cell therapy business and related measures are expected to further reduce the consolidated operating loss compared with the level anticipated as of the second quarter.

## FY2026

- The launch of EYLEA AG (aflibercept) and the market entry of EYLEA biosimilars are expected to have a certain impact on GBS-007 sales and profits; the magnitude of this impact is currently under review.
- **Operating profitability is projected** to be achieved, driven by margin improvements resulting from supply price revisions for certain biosimilars and a transition to lower-cost manufactured products.








# Business Highlights

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# Biosimilars Business



# Planned Key Initiatives: Biosimilars (KWB)

	Initiatives	FY2025	FY2026	Progress (✓ : April 2025 to date)
Marketed BS	Maintaining stable supply through adjustments to the manufacturing schedule and addressing deviations			<ul style="list-style-type: none"> <li>Deliveries completed in line with the planned schedule</li> </ul>
	Manufacturing cost reduction measures aimed at improving profitability			<ul style="list-style-type: none"> <li>✓ PMDA approval obtained for the addition of a new CDMO</li> <li><b>Deliveries of part of cost-reduced biosimilars begin from FY2025 Q4, supporting margin improvement thereafter.</b></li> </ul>
	Discussions with partner pharmaceutical companies for changes of payment terms, including CCC* improvements and supply price adjustments.			<ul style="list-style-type: none"> <li><b>Revision of supply price agreed for certain biosimilars, improving margins from FY2025 H2 deliveries.</b></li> </ul>
New BS	Negotiations with potential partner pharmaceutical companies			<ul style="list-style-type: none"> <li>✓ Signed a basic agreement with Alfresa and Chiome for the joint development of a new biosimilar(Oct, 2025).</li> <li>Discussions ongoing with multiple pharmaceutical companies</li> </ul>
	Development of New Biosimilars			<ul style="list-style-type: none"> <li>✓ <b>Multiple new biosimilar development programs being advanced by Mycenax under the joint development agreement with Chiome and Alfresa are progressing steadily.</b></li> <li>Consideration of additional new biosimilar development is being advanced.</li> </ul>
	Development of Domestic Biosimilar Manufacturing Facility (Joint Project)			<ul style="list-style-type: none"> <li>✓ Selected for the MHLW's subsidy program for the development of domestic manufacturing facilities aimed at ensuring a stable supply of biosimilars.</li> <li>✓ Signed basic agreement of establishment of JV(Nov. 2025)</li> <li>Construction of the manufacturing facility is scheduled to commence by the end of March 2026.</li> </ul>

# S-Quatre

*Power of child's stem cells to fight incurable diseases*

## Cell Therapy Business (S-Quatre)

**S-Quatre Corporation**

**Kidswell Bio Group**

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# Planned key initiatives: Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
1 <sup>st</sup> generation	Supporting clinical research at Nagoya University for cerebral palsy	Clinical	<ul style="list-style-type: none"> <li>✓ Completed 4-week safety evaluation for all three patients; no safety issues observed → Primary endpoint met</li> <li>✓ 1-year follow-up completed for 1<sup>st</sup>/2<sup>nd</sup> patient, 3<sup>rd</sup> patient evaluated through Week 24</li> <li>✓ <b>The interim analysis results summarizing the 12-week evaluations of all three patients were published, which suggested the efficacy.</b></li> <li>✓ <b>The results of a collaborative basic research study with Nagoya University were published in Stem Cell Research &amp; Therapy, constituting foundational scientific evidence that supports the interim results of a clinical study</b></li> </ul>
	Preparing clinical trial application for cerebral palsy	Clinical	<ul style="list-style-type: none"> <li>• Clinical trial(Japan): Preparation accelerated in collaboration with Mochida Pharmaceutical</li> <li>✓ Clinical trial(Overseas) : Conducted a pre-IND meeting solely by S-Quatre, FDA indicated overall alignment with the key elements and provided constructive guidance.</li> </ul>
	Manufacturing Process Development	Process Development	<ul style="list-style-type: none"> <li>• Investigational drug for early clinical trial: Pilot manufacturing was completed</li> <li>• Process development for manufacturing of drug products for late clinical stage and commercial stage: <ul style="list-style-type: none"> <li>✓ Optimized large-scale manufacturing method was presented at the International Society for Cell &amp; Gene Therapy (ISCT). <ul style="list-style-type: none"> <li>▪ <b>Also scheduled to be featured at a Corning-sponsored luncheon seminar during the 25th Annual Meeting of the JSRM (March 2026).</b></li> <li>▪ Process development with Nipro is progressing smoothly</li> </ul> </li> </ul> </li> </ul>
	R&D and manufacturing process development for other diseases	Preclinical	<ul style="list-style-type: none"> <li>• Congenital isolated hypoganglionosis Planning for the clinical study is underway under the AMED grant (Kyushu University)</li> <li>• Bone diseases : Joint research on bone diseases with Dokkyo Medical University and Hoya Technosurgical is progressing.</li> </ul>

# Planned key initiatives: Cell therapy (S-Quatre)



	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
2 <sup>nd</sup> generation	Research on genetically modified SHED and development for manufacturing process for clinical application	Preclinical	<ul style="list-style-type: none"><li>• Joint research and development with CDMO to establish a formulation process is progressing smoothly</li><li>✓ Collaborative research with Nagoya University : Presented at the Congress of Neurological Surgeons (CNS) in the U.S, following its presentation at the Neurospinal Society of Japan.</li><li>✓ Collaborative research with Hamamatsu University School of Medicine : Presented at the Japan Society of Gene and Cell Therapy</li></ul>
	Research on utilizing master cell bank to maximize the value of 2 <sup>nd</sup> generation SHED research and S-Quatre®	Research	<ul style="list-style-type: none"><li>• Research progressing well on multiple projects</li><li>✓ Initiated a collaborative research with Institute of Science Tokyo for Treg × SHED targeting autoimmune diseases</li><li>✓ Initiated a collaborative research with Lymphogenix (UK)'s, combining SHED with lymphatic regeneration technology, targeting infertility and various fibrotic diseases.</li></ul>
Business Structure	External alliances and fund raising as S-Quatre	Business Development	<ul style="list-style-type: none"><li>• In discussions with companies and VCs including overseas under CDA</li></ul>

# Corporate Strategy and IR Activities

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# Planned key initiatives: Corporate

	Initiative	FY2024	FY2025	Progress (✓ : April 2025 to date)
Efficient utilization of managerial resources	Restruction of corporate culture and systems	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> <li>✓ Reviewing evaluation system in alignment with FY2023 organizational restructuring</li> <li>• Promote the recruitment of human resources and optimized resource allocation</li> </ul>
	Maximizing the use of management resources through operational efficiency improvements	<div><div></div></div>		<ul style="list-style-type: none"> <li>• Strengthen collaboration among businesses and divisions and develop IT infrastructure</li> </ul>
Optimize financing options	Financing scheme aligned with the nature and stage of the business	<div><div></div></div>		Moving toward completion of equity market financing; <ul style="list-style-type: none"> <li>• Promoting discussions for debt financing</li> <li>• Executed refinancing to reduce dilution and expedite fundraising. Steady progress in financing has reduced overhang concerns, supported by the additional conversion of the 4th Convertible Bond in September.</li> </ul>
	Securing funds through partnerships with partner companies	<div><div></div></div>		<ul style="list-style-type: none"> <li>• Engaging in confidential discussions with financial institutions, corporate entities, and VCs</li> </ul>
Visualize business value	Improving the quality of information provided to stakeholders	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> <li>• Established consulting agreements with professionals experienced in IR activities within biotech ventures</li> </ul>
	Active engagement with international institutional investors	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> <li>• Conducted multiple meetings with institutional investors to enhance understanding through ongoing dialogue and relationship-building.</li> <li>• Enhancing engagement by participating in domestic and international events</li> </ul>
	Increasing media exposure through proactive outreach to news outlets	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> <li>• Strengthening communication with the media, resulting in increased feature articles and press release publications</li> </ul>



The refinancing executed in FY2024 has contributed to steady progress in financing, helping to reduce overhang concerns.

- Since January 2025, the full exercise of the 24th Share Acquisition Rights and the partial conversion of the 4th Convertible Bonds have been completed, enabling earlier completion of equity-based financing. As a result, the Company is steadily advancing toward early profitability.

Mizuho Bank (Arranger) has executed a syndicate loan agreement. Through borrowings totaling JPY 2.5 billion, including funds for repayment of existing debt, secured additional capital to support future business growth (November 2025).

	4th Series of Convertible Bonds	23 <sup>rd</sup> series of Stock Acquisition Rights	24 <sup>th</sup> series of Stock Acquisition Rights	Syndicated Loan
Shares outstanding	40 units (3,787,878 shares)	13,746 units (1,374,600 shares)	60,000 units (6,000,000 shares)	Agreement date: November
Conversion / Exercise Price	JPY 132	JPY 104	—	—
Amount of Fund Raised※	(JPY 500M was raised at issuance)	—	JPY 610M	Total borrowing JPY 2,500M
Maturity Date /Exercise period	August, 2026	January, 2028	September, 2025	Term: 5 years
Status				Participating financial institutions
Remaining as of Dec 2024	3,787,878 shares	1,374,600 shares	6,000,000 shares	• Mizuho Bank (Arranger)
Remaining as of Oct 2025	946,969 shares	1,374,600 shares	Fully Exercised (Financing Completed)	• Resona Bank
				• Shoko Chukin Bank
				• Japan Finance Corporation
				• The Kiyo Bank
				• The Iyo Bank

※: As of January 2026

# **KIDS WELL, ALL WELL**

**All for Kids, Kids for All**



# Cautionary Statement

This information material is provided for understanding Kidswell Bio Corporation (“KWB”), not for soliciting investment in KWB shares.

Information provided in this material may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts, and assumptions that are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Risks and uncertainties include success rate of R&D projects, new regulations and rules, relations with partners in the future, etc.

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