Kidswell Bio

Biotech Striving for Value Creation

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

Security Code : 4584

Financial Results for FY2025 Q1

August 13, 2025

Kidswell Bio Corporation

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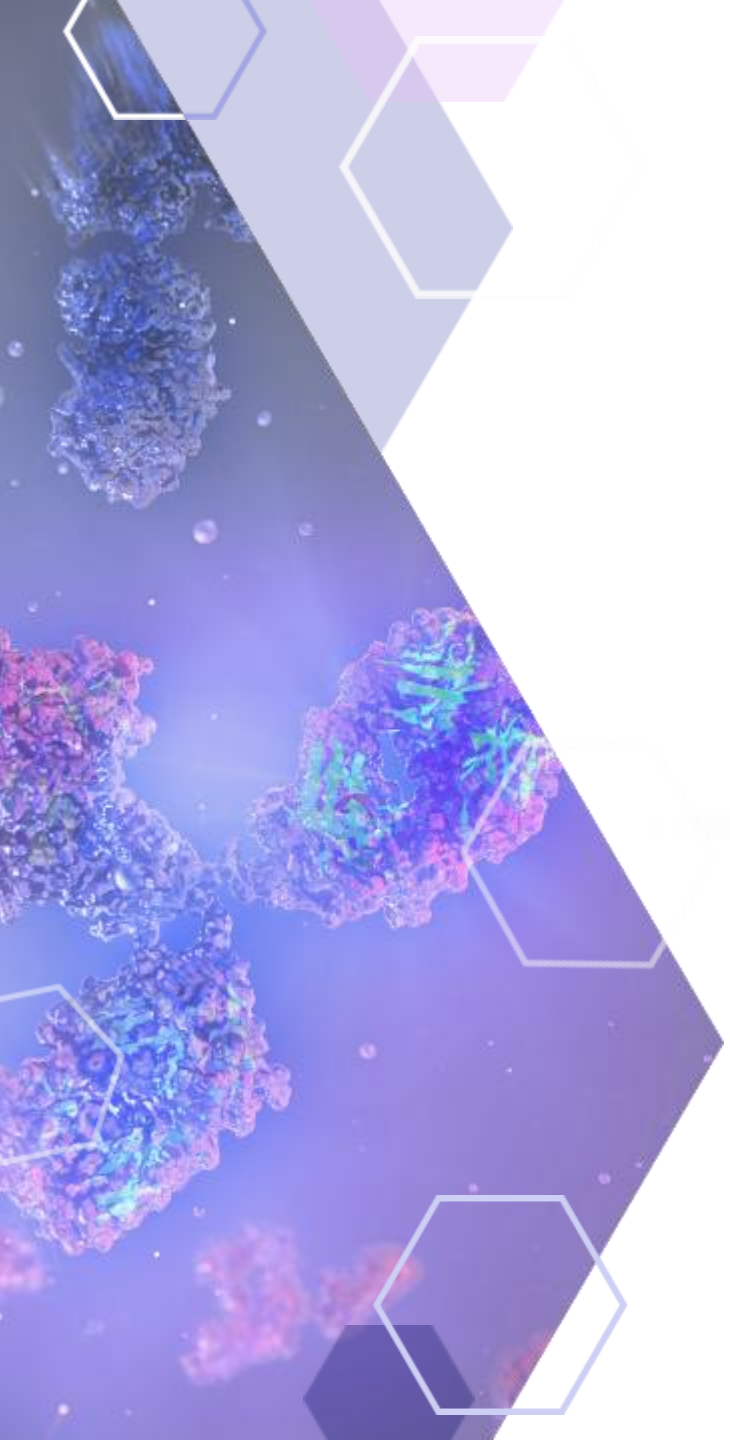
- Business Highlights
  - Biosimilars Business
  - Cell Therapy Business (S-Quatre)
- Corporate Strategy and IR Activities



Financial Highlights

Income statement

(Unit：thousand yen)	FY2024 / 1Q (fiscal year ended Mar 31, 2025) Actual (consolidated)	**FY2025 / 1Q (fiscal year ending Mar 31, 2026) Actual (consolidated)**	**YtoY**	**FY2025 / 1Q (fiscal year ending Mar 31, 2026) Actual (non-consolidated)**
Net Sales	**482,957**	**1,720,632**	**356%**	**1,718,232**
Cost of goods	259,332	1,123,406	433%	1,123,406
Gross profit	**223,625**	**597,226**	**267%**	**594,826**
Selling, general and administrative expenses	382,568	412,573	108%	283,659
R&D expenses	176,648	212,084	120%	124,051
Other expenses	205,919	200,489	97%	159,608
Operating income (loss)	**△158,943**	**184,652**	--	**311,166**
Ordinary income (loss)	**△176,289**	**175,617**	--	**338,583**
Net income (loss)	**△176,694**	**157,126**	--	**320,138**

Net sales / Gross Profit	• Amid continued strong demand for biosimilars, particularly GBS-007 and GBS-010, manufacturing and delivery were completed as planned. In parallel, progress was made in adjusting supply prices with partner pharmaceutical companies, contributing to a **significant year-on-year increase of 356% in net sales and 267% in gross profit.**
R&D /SG&A	• While maintaining investment in R&D activities aimed at further growth, SG&A expenses remained at the same level as the previous year through operational efficiency improvements.
Profit	• As a result, both operating profit and net income for the first quarter were positive on a consolidated and non-consolidated basis.

Balance Sheet

(Unit：thousand yen)	FY2024 (consolidated) Full-year	**FY2025 (consolidated) 1Q**
Current assets	6,700,570	6,218,959
(Cash and cash equivalents)	2,995,435	2,840,073
(Account receivables)	1,267,189	818,028
(Work in process)	1,475,092	985,312
(Advance payment)	819,857	1,386,088
(Others)	142,994	189,456
Fixed assets	307,925	360,177
Total assets	**7,008,496**	**6,579,136**
Current liabilities	4,318,862	3,520,680
Fixed liabilities	1,278,655	1,010,457
Total liabilities	5,597,518	4,531,137
Total net assets	1,410,977	2,047,998
Total liabilities and net assets	**7,008,496**	**6,579,136**

Cash /equivalent	• Remained at a consistently high level, ensuring stable cash flow.
Working capital	• Advance payments increased due to additional production of biosimilars based on higher demand forecasts, while work-in-progress and accounts receivable decreased as deliveries to partner pharmaceutical companies progressed smoothly. • As a result of changes in payment terms agreed with certain partner pharmaceutical companies in prior year, working capital remained at a healthy level.
Net assets	• **Shareholders' equity increased due to the completion of the exercise of the 24th series of stock acquisition rights, the partial conversion of the 4th series of convertible bonds, and strong performance in the biosimilar business.**

Future Business Outlook and Key Initiatives

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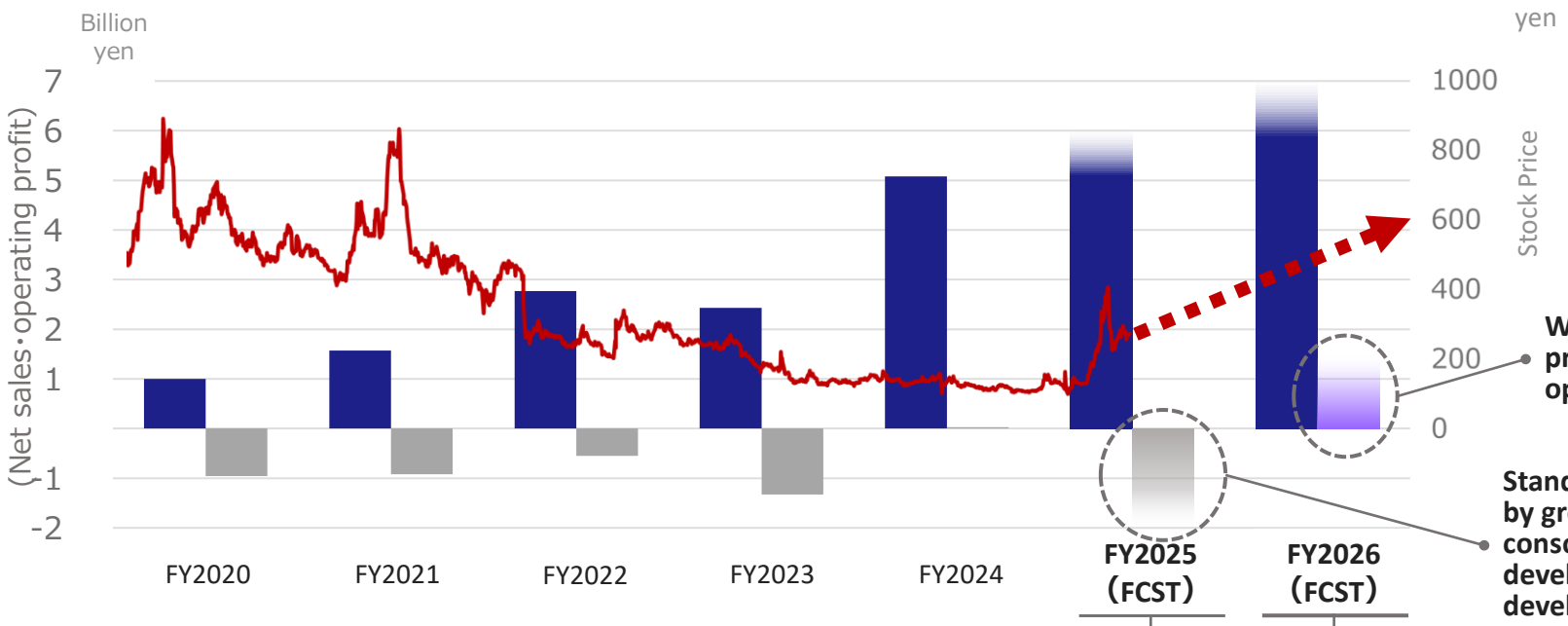
The forecast for net sales and operating income is provided as a range, with the full-year projection for FY2025 remaining under assessment until greater clarity is obtained on the following strategic items:

- **Biosimilar production and delivery schedule**
- **Development Plan for New Biosimilars**
- **Clinical development roadmap for cerebral palsy (Japan and overseas)**



(Unit：thousand yen)

	FY2025	FY2026
Net sales	**5,000,000 ～5,500,000**	**5,500,000 ～6,000,000**
Operating profit	**△1,000,000 ～△1,700,000**	**100,000 ～1,000,000**

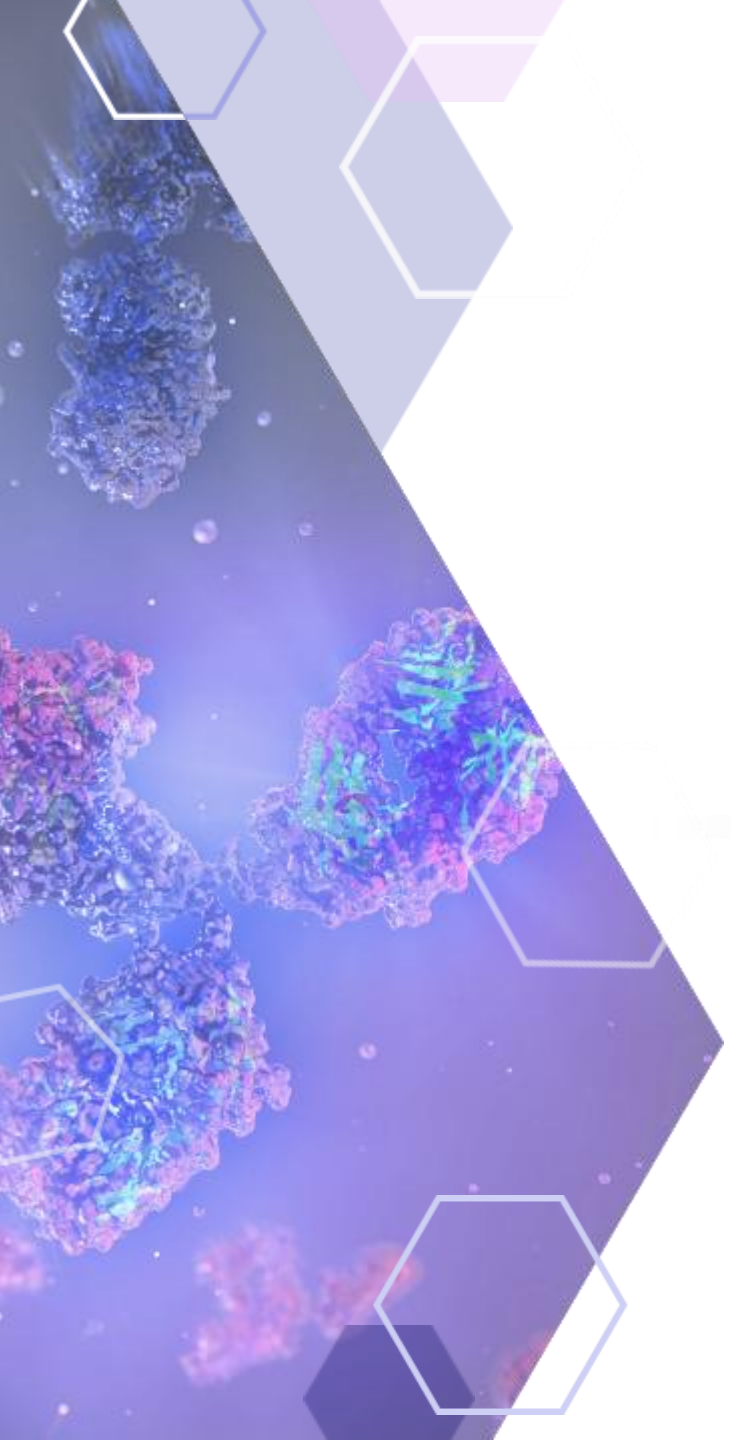
※Exchange rate：160 ～150yen/USD

With the addition of new CDMO, production costs for certain products are expected to decline from FY2026, leading to operating profitability.

Standalone profitability is expected from increased sales driven by growing demand for biosimilar products; however, a consolidated operating loss is anticipated due to expanded development investment, including advancement of clinical development in the cell therapy business.

- **Execution of agreements for new biosimilars (Sep 2015)**
- **Interim analysis results from SHED clinical research (Dec 2025)**
- **Commencement of construction of Domestic Biosimilar Manufacturing Facility (End of March 2026)**

- **Establishment of new biosimilar cell line (by Mar 2027)**
- **Achievement of operating profitability (in FY2026)**



Business Highlights

Biosimilars Business

Planned Key Initiatives: Biosimilars (KWB)

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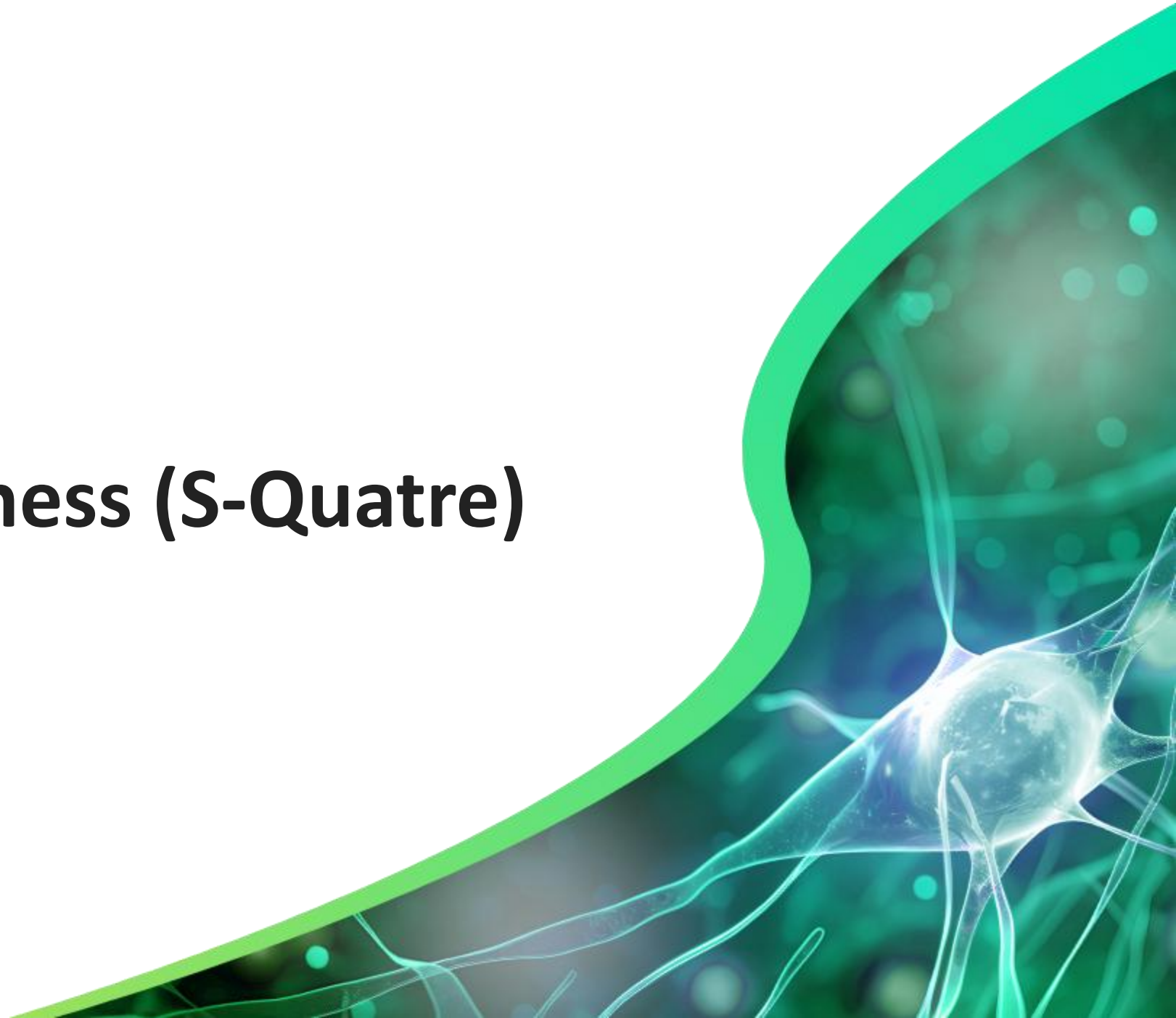
	Initiatives	FY2025	FY2026	Progress (✓ : April 2025 to date)
Marketed BS	Maintaining stable supply through adjustments to the manufacturing schedule and addressing deviations			• Deliveries completed as scheduled
	Manufacturing cost reduction measures aimed at improving profitability			✓ PMDA approval obtained for the addition of a new CDMO • **Cost reduction effects are expected to significantly improve profit margins from FY2026, leading to operating profitability**
	Discussions with partner pharmaceutical companies for changes of payment terms, including CCC* improvements and supply price adjustments.			• In FY2025 as well, negotiations on terms continue in response to changes in the external environment, aiming to improve profit margins
New BS	Negotiations with potential partner pharmaceutical companies			• Discussions with multiple pharmaceutical companies, including overseas firms, are ongoing, with the aim of concluding agreements by the end of September 2025.
	Development of New Biosimilars			✓ Concluded Master Service Agreement with Chiome Bioscience and Mycenax Biotech Inc. • **Initiated cell line development for multiple new biosimilars.**
	Development of Domestic Biosimilar Manufacturing Facility (Joint Project)			✓ Selected for the MHLW's subsidy program for the development of domestic manufacturing facilities aimed at ensuring a stable supply of biosimilars. • Construction of the manufacturing facility is scheduled to commence by the end of March 2026.

※キャッシュコンバージョンサイクル（CCC）：支出から収入までの時間・期間

S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)



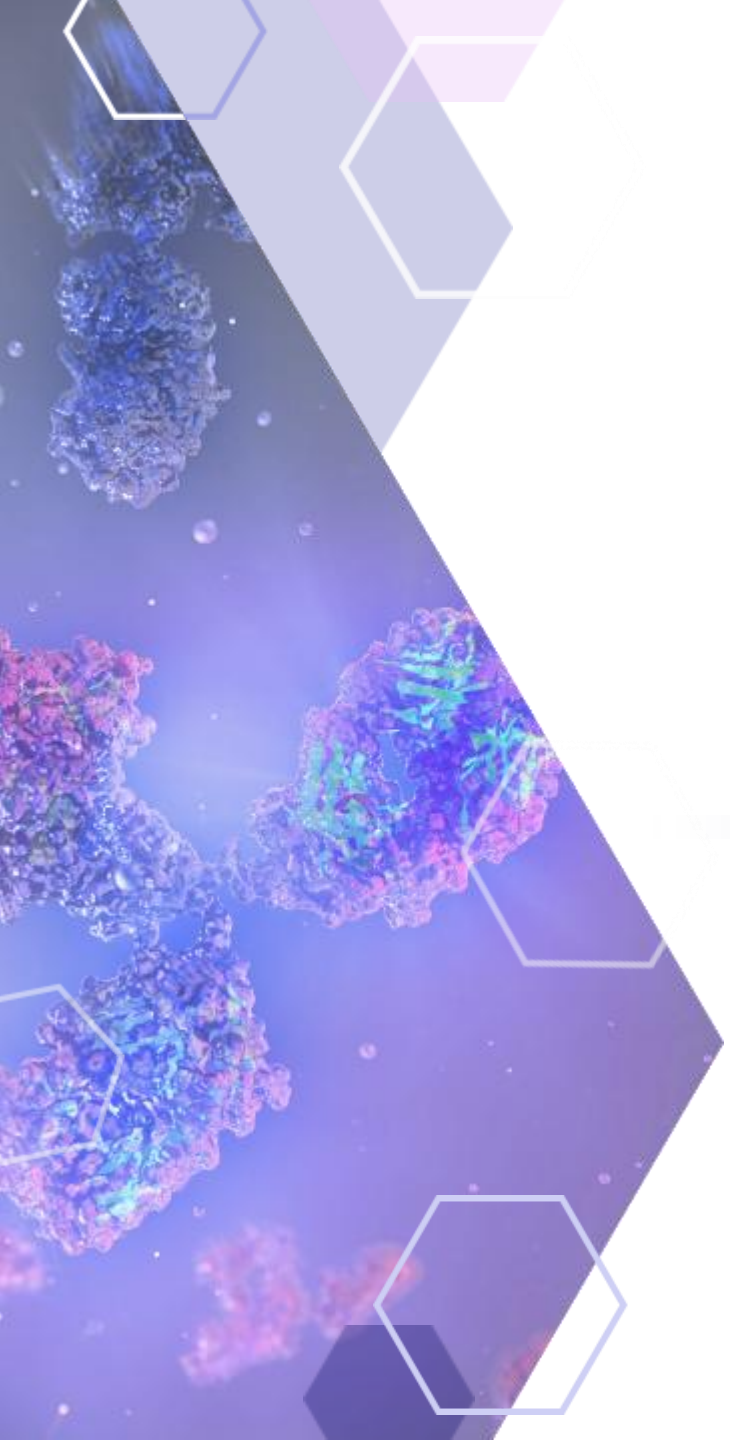
S-Quatre Corporation

Kidswell Bio Group

Planned key initiatives: Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
1st generation	Supporting clinical research at Nagoya University for cerebral palsy	Clinical	✓ **Administration for the third and final patient completed; one-year post-administration efficacy evaluation for the first patient concluded.** • Interim analysis results expected to be announced by the end of 2025, following the 12-week efficacy evaluation of the third patient (scheduled for September).
	Preparing clinical trial application for cerebral palsy	Clinical	• Clinical trial(Japan): Preparation accelerated in collaboration with Mochida Pharmaceutical • Clinical trial(Overseas) : **Initiated FDA pre-IND meeting preparation, solely by SQ with overseas CRO, progressing smoothly**
	Manufacturing Process Development	Process Development	• Investigational drug for early clinical trial: **Pilot manufacturing of investigational drug from the master cell bank was completed as planned.** • Process development for manufacturing of drug products for late clinical stage and commercial stage: ✓ Successfully established a proprietary large-scale manufacturing method, and presented at ISCT in May 2025 in cooperation with Corning • Technology transfer to Nipro Corporation, the joint development partner for the formulation process, has been completed, and process development is progressing smoothly.
	R&D and manufacturing process development for other diseases	Preclinical	✓ Congenital isolated hypoganglionosis : Selected for AMED's "Comprehensive Research Project for Overcoming Childhood Diseases" (Kyushu University). • Bone diseases : Joint research on bone diseases with Dokkyo Medical University and Hoya Technosurgical is progressing.
2nd generation	Research on genetically modified SHED and development for manufacturing process for clinical application	Preclinical	• Joint research and development with CDMO to establish a formulation process is progressing smoothly • Joint research on 2nd generation SHED with Nagoya University was presented at Neurospinal Society of Japan, and with Hamamatsu University School of Medicine at the Japan Society of Gene and Cell Therapy.
	Research on utilizing master cell bank to maximize the value of 2nd generation SHED research and S-Quatre®	Research	• Research progressing well on multiple projects
Business Structure	External alliances and fund raising as S-Quatre	Business Development	• In discussions with companies and VCs including overseas under CDA

※ 並行して、研究データと外部環境に応じた開発品の優先順位付けを行い、必要に応じて一部開発品の研究開発活動を中断



Corporate Strategy and IR Activities

Planned key initiatives: Corporate

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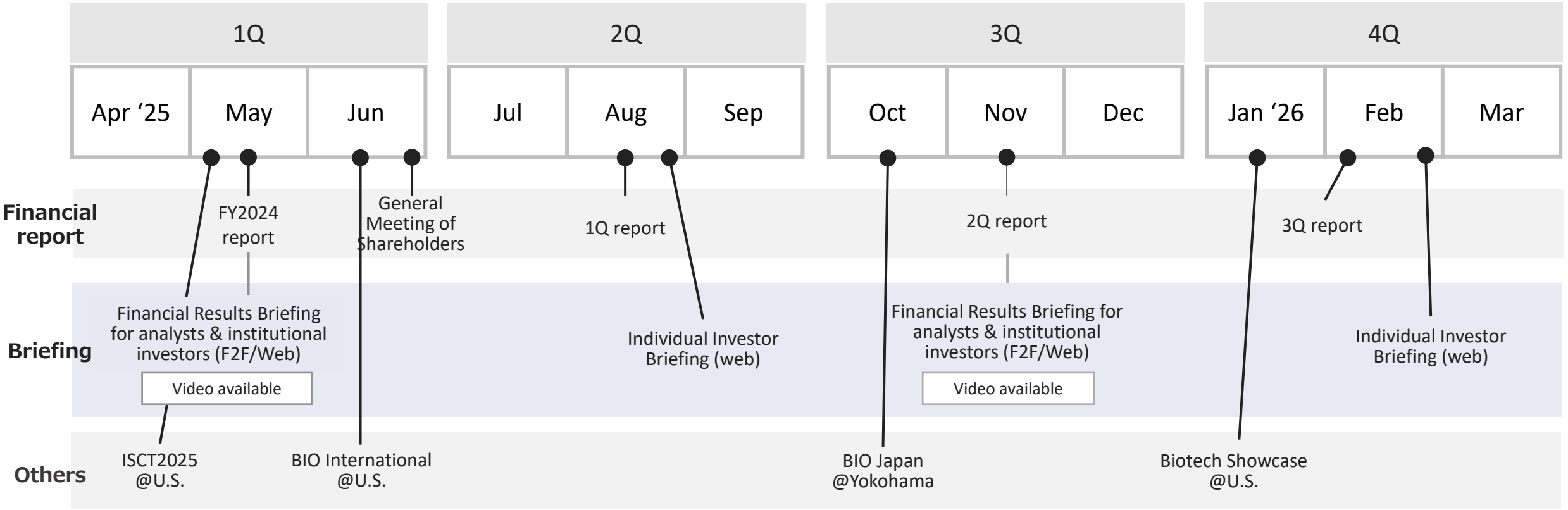
	Initiative	FY2024	FY2025	Progress (✓ : April 2025 to date)
Efficient utilization of managerial resources	Restruction of corporate culture and systems			✓ Reviewing evaluation system in alignment with FY2023 organizational restructuring • Promote the recruitment of human resources and optimized resource allocation
	Maximizing the use of management resources through operational efficiency improvements			• Strengthen collaboration among businesses and divisions and develop IT infrastructure
Optimize financing options	Financing scheme aligned with the nature and stage of the business			Moving toward completion of equity market financing; • **Promoting discussions for debt financing** • Executed refinancing to reduce dilution and expedite fundraising. Completed financing from 6,000,000 shares under 24th stock acquisition rights (of total planned 7,374,600 shares) Further progress in conversion of 4th convertible bonds (2,367k shares unissued / 3,787k shares planned), easing overhang concerns
	Securing funds through partnerships with partner companies			• Engaging in confidential discussions with financial institutions, corporate entities, and VCs
Visualize business value	Improving the quality of information provided to stakeholders			• Established consulting agreements with professionals experienced in IR activities within biotech ventures
	Active engagement with international institutional investors			• Enhancing engagement by participating in domestic and international events
	Increasing media exposure through proactive outreach to news outlets			• Strengthening communication with the media, resulting in increased feature articles and press release publications

IR Schedule for FY2025

IR Basic Policy

- Aiming to build trust and a strong relationship with the stock market, foster a better understanding of the company's business among shareholders and investors, and achieve proper valuation through proactive communication, with an emphasis on the quality and transparency of information.



*The above schedule is the current schedule and is subject to change based on research and development progress, etc.

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KIDS WELL, ALL WELL

All for Kids, Kids for All

Cautionary Statement

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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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