Kidswell Bio

Biotech Striving for Value Creation

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

JPX GROWTH TOKYO

Security Code: 4584

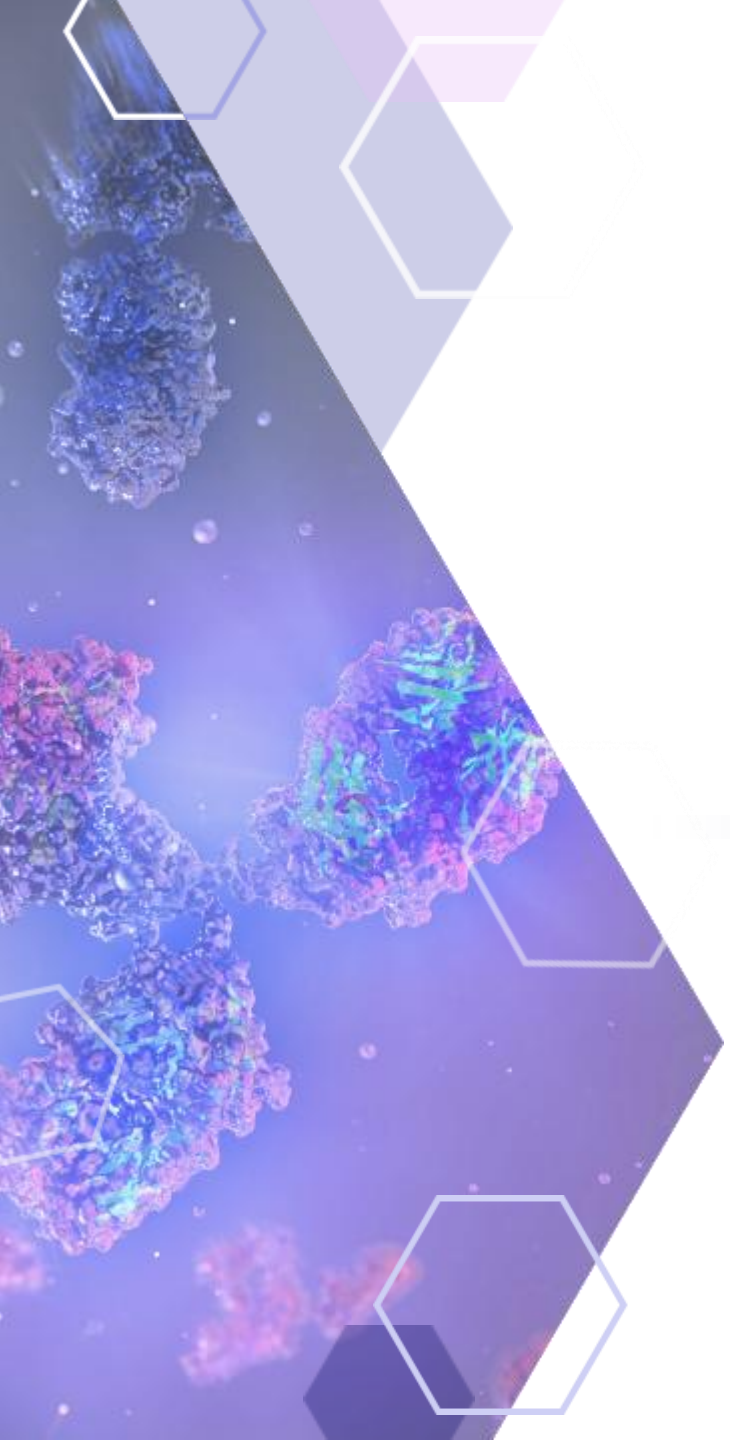
Financial Results for FY2025

May 14, 2026

Kidswell Bio Corporation

Agenda

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



Financial Highlights

Income statement

(Unit：thousand yen)	FY2024 (fiscal year ended Mar 31, 2025) Actual (consolidated)	**FY2025 (fiscal year ending Mar 31, 2026) Actual (consolidated)**	**YtoY**	**FY2025 (fiscal year ending Mar 31, 2026) Actual (non-consolidated)**
Net Sales	**5,082,053**	**6,589,923**	**130%**	**6,585,275**
Cost of goods	3,441,934	4,842,527	141%	4,842,527
Gross profit	**1,640,119**	**1,747,396**	**107%**	**1,742,747**
Selling, general and administrative expenses	1,612,236	1,885,907	117%	1,308,585
R&D expenses	767,877	1,119,977	146%	576,117
Other expenses	844,358	765,929	91%	732,467
Operating income (loss)	**27,882**	**△138,510**	--	**434,161**
Ordinary income (loss)	5,187	△374,914	--	352,375
Net income (loss)	**△21,140**	**△413,994**	--	**287,653**

Net sales / Gross Profit	• **Revenue increased significantly**, driven by higher volumes, supply price revisions for certain biosimilar since Q3 FY2024 and Q3 FY2025, and the pull-forward of one lot delivery from FY2026 to FY2025, **resulting in approximately 30% year-on-year revenue growth** • Gross profit increased from FY2024 due to higher volumes; however, overall gross margin declined due to significantly higher manufacturing costs under a weaker yen environment and slightly lower-than-expected supply volumes for certain biosimilar resulting from disposal-related losses.
R&D /SG&A	• R&D expenses increased funding was strategically allocated to key projects in line with development progress, despite optimization efforts through reprioritization of R&D investments. Meanwhile, other SG&A expenses (fixed costs) were reduced through continued operational efficiency improvements.
Profit	• As a result, FY2025 recorded an operating loss on a consolidated basis and a net loss due to the impact of non-operating expenses and extraordinary losses. Meanwhile, on a non-consolidated basis, the biosimilar business remained profitable with stable earnings generation.

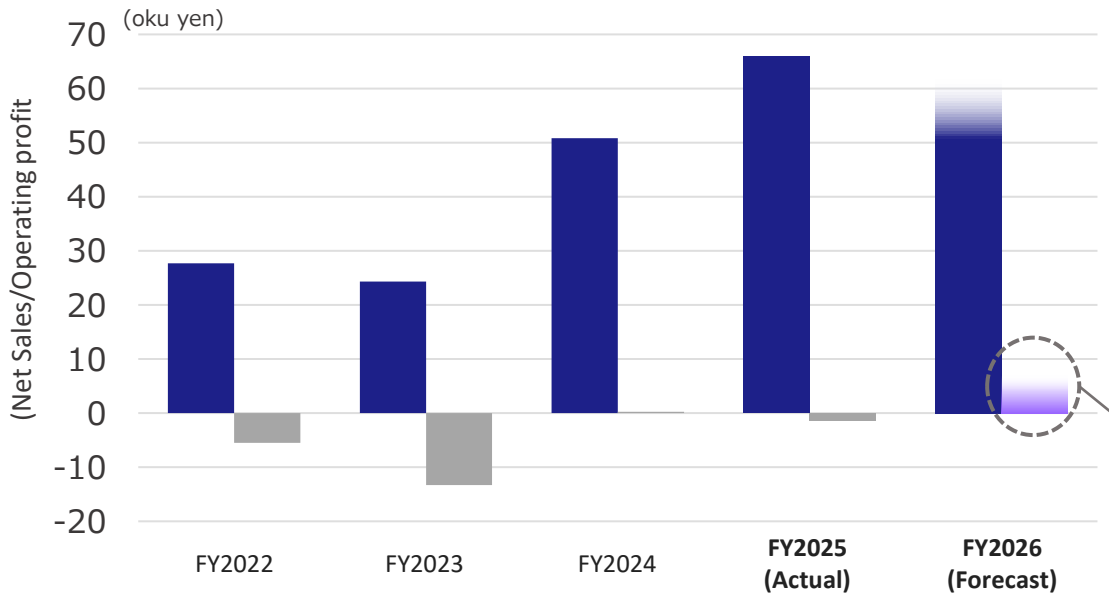
Balance Sheet

	FY2024 (consolidated)	**FY2025 (consolidated)**
Current assets	6,700,570	5,840,335
(Cash and cash equivalents)	2,995,435	3,294,916
(Account receivables)	1,267,189	731,132
(Work in process)	1,475,092	363,560
(Advance payment)	819,857	1,114,493
(Others)	142,995	336,231
Fixed assets	307,925	248,061
Total assets	**7,008,496**	**6,088,396**
Current liabilities	4,318,862	2,149,707
Fixed liabilities	1,278,655	2,284,771
Total liabilities	5,597,518	4,434,479
Total net assets	1,410,977	1,653,916
Total liabilities and net assets	**7,008,496**	**6,088,396**

Cash/equivalent	• Through the shortening of manufacturing, delivery, and receivables collection cycles for biosimilar drug substances, together with the execution of a syndicated loan, a certain level of cash and deposits was secured as of the end of FY2025, maintaining the financial foundation to support business operations and R&D investments for future growth.
Working capital	• Accounts receivable and work-in-process inventory decreased as manufacturing, delivery, and receivables collection for biosimilar drug substances progressed as planned. • Contract liabilities (current liabilities), which had temporarily increased due to revised payment terms agreed with certain partner pharmaceutical companies in FY2024, decreased in line with delivery progress, while non-current liabilities increased following the execution of a syndicated loan.
Net assets	• Although a net loss was recorded for the fiscal year, net assets increased compared with the end of the previous fiscal year through the execution of capital measures, including the completion of the exercise of the 24th stock acquisition rights and partial conversion of the 4th convertible bonds. Net assets and the equity ratio continued to remain at stable levels.

Future Outlook

- **Following an assessment with partner pharmaceutical company regarding the market impact of EYLEA AG※1 (aflibercept) and EYLEA biosimilars launched after January 2026, determined its FY2026 performance outlook for GBS-007 could be affected, and accordingly revised its revenue and operating profit forecasts.**
- **Meanwhile, improvements in profit margins driven by supply price revisions for certain biosimilars and the transition to lower-cost manufacturing products, both of which progressed from the second half of FY2025, are expected to support the achievement of operating profitability in FY2026 as planned.**
  - ➢ Going forward, plan to promptly disclose more refined earnings forecasts in line with adjustments to manufacturing and delivery schedules for biosimilar drug substances, progress in R&D activities across both business segments, and ongoing discussions and coordination with partner pharmaceutical companies.



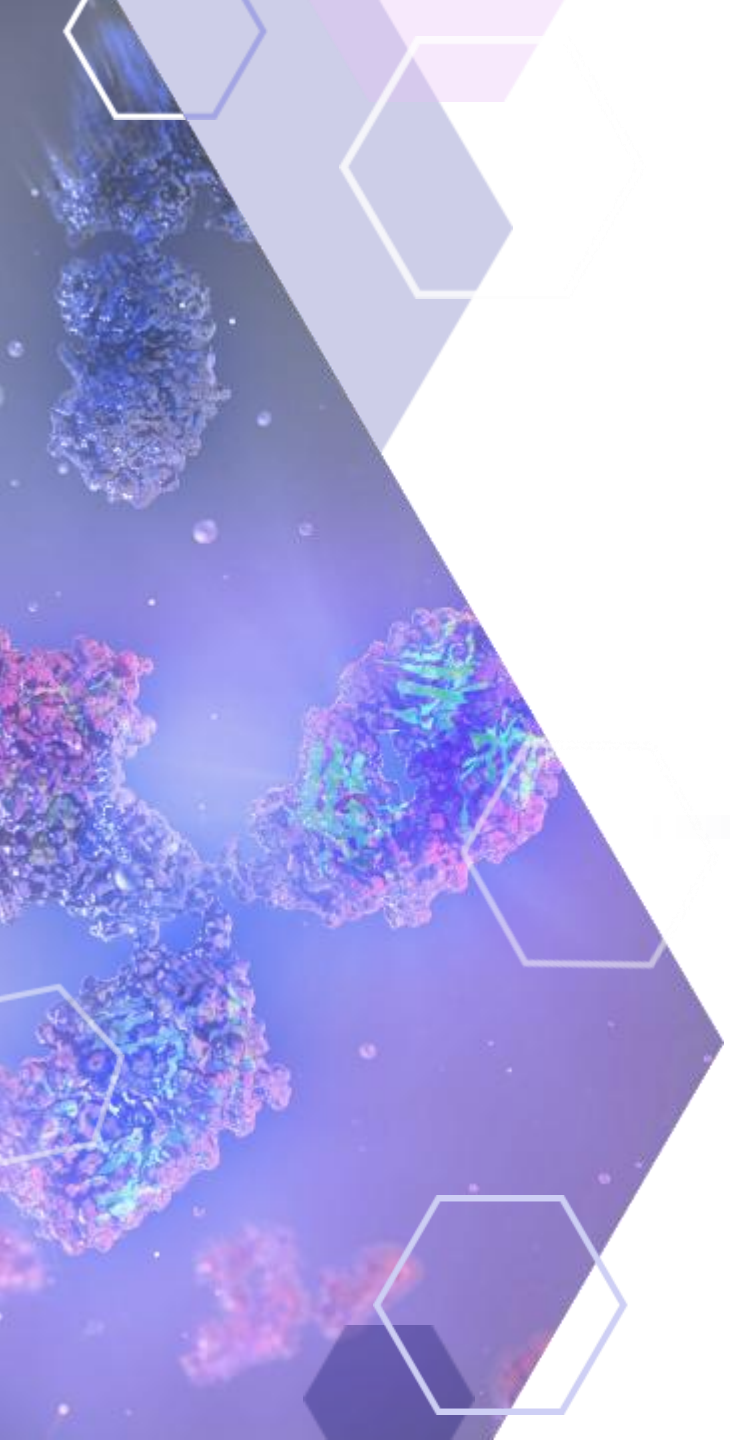
(unit：thousand)

	FY2025 (Actual)	FY2026 (Forecast)
Net sales	6,589,923	5,000,000 ～ 6,000,000
Gross profit	1,747,396	—
Operating income	△138,510	100,000 ～ 600,000

※Exchange rate：JPY 160/USD

- **Expected to achieve the target of operating profitability in FY2026.**

※AG：Authorized generic



Business Highlights

Biosimilars Business

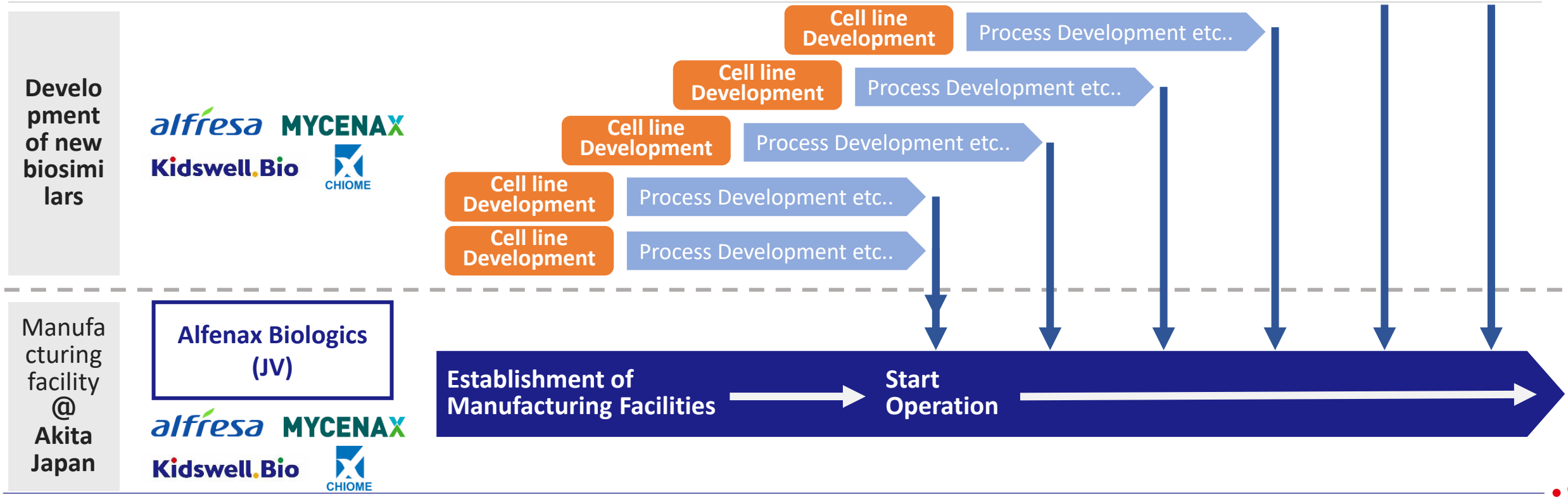
Key Initiatives and Progress : Biosimilars (KWB)

Kidswell.Bio

	Initiatives	FY2025	FY2026	Progress (✓ : April 2025 to date)
Marketed BS	Maintaining stable supply through adjustments to the manufacturing schedule and addressing deviations			✓ **Deliveries completed in line with the planned schedule** • Continued efforts to maintain stable supply based on manufacturing and delivery schedules coordinated with partner pharmaceutical companies beyond FY2026.
	Manufacturing cost reduction measures aimed at improving profitability			✓ PMDA approval obtained for the addition of a new CDMO • **Deliveries of part of cost-reduced biosimilars begin from FY2025 Q4, supporting margin improvement thereafter.**
	Discussions with partner pharmaceutical companies for changes of payment terms, including CCC improvements and supply price adjustments.			✓ Revision of supply price agreed for certain biosimilars, improving margins from FY2025 H2 deliveries, **contributing to profit margin improvement beyond FY2026.**
New BS	Negotiations with potential partner pharmaceutical companies			✓ Signed a basic agreement with Alfresa and Chiome for the joint development of a new biosimilar(Oct, 2025). • Discussions ongoing with multiple pharmaceutical companies
	Development of New Biosimilars			• Multiple new biosimilar development programs being advanced by Mycenax under the joint development agreement with Chiome and Alfresa are progressing steadily. • Consideration of additional new biosimilar development is being advanced.
	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. ✓ Signed basic agreement of establishment of JV(Nov. 2025) ✓ **Commenced construction of the manufacturing facility**

Initiatives for further growth of the biosimilar business

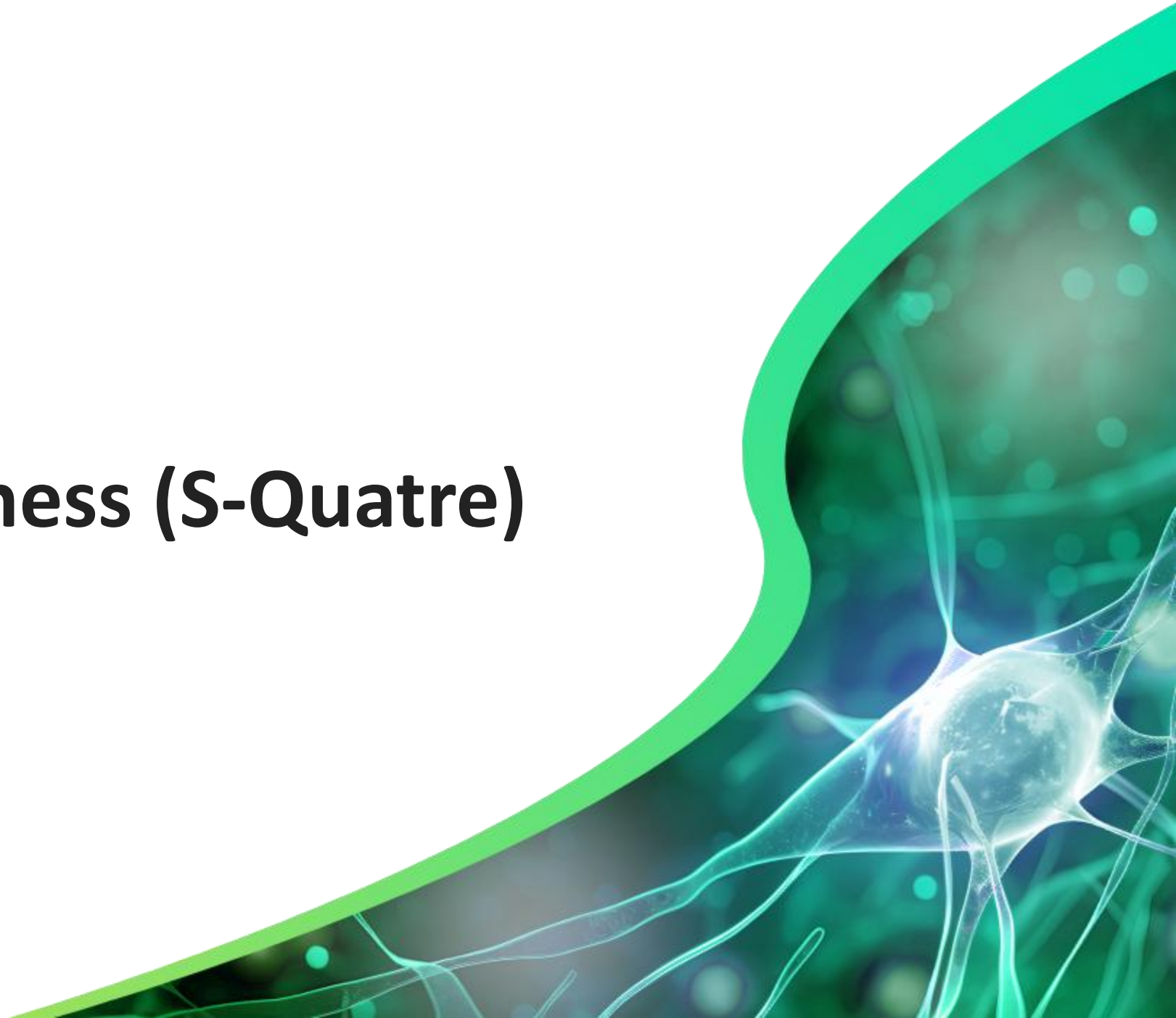
- To further drive growth in the biosimilar business, Kidswell is jointly advancing the development of new biosimilars with Alfresa Holdings and Chiome Bioscience.
- In addition, a project was selected for the Ministry of Health, Labour and Welfare's Subsidy Program for Domestic Manufacturing Facility Development of Biosimilars. Kidswell, Alfresa HD, Chiome Bioscience, and Mycenax are collaborating to advance this project (Construction commenced) **Updated**
- Through Alphenax Biologics, a joint venture established to enable commercial manufacturing at the domestic facility, the company aims to develop a biopharmaceutical CDMO business, including the commercial production of newly developed biosimilars.



S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)



S-Quatre Corporation

Kidswell Bio Group

Key initiatives and Progress : Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
1st generation	Supporting clinical research at Nagoya University for cerebral palsy	Clinical	✓ Completed 4-week safety evaluation for all three patients; no safety issues observed → Primary endpoint met ✓ 1-year follow-up completed for 1st/2nd patient, 3rd patient evaluated through Week 24 (One-year follow-up evaluation after dosing of the third patient is scheduled for June this year.) ✓ **The interim analysis results summarizing the 12-week evaluations of all three patients were published, which suggested the efficacy.** ✓ **The results of a collaborative basic research study with Nagoya University were published in Stem Cell Research & Therapy, constituting foundational scientific evidence that supports the interim results of a clinical study**
	Preparing clinical trial application for cerebral palsy	Clinical	• Clinical trial(Japan): Preparation accelerated in collaboration with Mochida Pharmaceutical ✓ Clinical trial(Overseas) : Conducted a pre-IND meeting solely by S-Quatre, FDA indicated overall alignment with the key elements and provided constructive guidance. • In collaboration with Treehill Partners (UK), a strategic and financial advisory firm specialized in the healthcare sector, preparations for the IND filing are currently underway.
	Manufacturing Process Development	Process Development	• Investigational drug for early clinical trial: Pilot manufacturing was completed • Process development for manufacturing of drug products for late clinical stage and commercial stage: ✓ Otimized large-scale manufacturing method was presented at the International Society for Cell & Gene Therapy (ISCT) and 25th Annual Meeting of the Japanese Society for Regenerative Medicine(JSRM). ・ Process development with Nipro is progressing smoothly

Key initiatives and Progress : Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
1st generation	R&D and manufacturing process development for other diseases	Preclinical	• Congenital isolated hypoganglionosis Under an AMED grant adopted in the previous fiscal year, the clinical study protocol was completed in collaboration with Kyushu University. ✓ Selected for an AMED grant this fiscal year with Kyushu University, and preparations for clinical study initiation are underway. • 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 ✓ 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. ✓ Collaborative research with Hamamatsu University School of Medicine : Presented 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 • Initiated a collaborative research with Institute of Science Tokyo for Treg × SHED targeting autoimmune diseases • Collaborative research with Lymphogenix (UK)'s, combining SHED with lymphatic regeneration technology, targeting infertility and various fibrotic diseases.
Business Structure	External alliances and fund raising as S-Quatre	Business Development	• In discussions with companies and VCs including overseas under CDA ✓ Reached a basic agreement in February 2026 with Treehill Partners (UK) to jointly establish a new U.S. company focused on clinical development for cerebral palsy and other indications. ✓ In collaboration with Treehill Partners, preparations are underway for the establishment and fundraising activities of the new U.S. company.
	Reorganization of the R&D structure to optimize allocation of management resources toward priority areas.	R&D Structure	✓ Based on progress in global SQ-SHED development and regulatory interactions, cerebral palsy was redefined as the highest-priority indication, and the R&D structure was reorganized in March 2026 to focus resources on CP development.

Progress in Cerebral Palsy Development Program

IIT of Autologous SQ-SHED in Japan (w/ Nagoya University)

Case 1: Observation period completed (safety and efficacy evaluated through final 52 weeks)
Case 2: Observation period completed (safety and efficacy evaluated through final 52 weeks)
Case 3: Safety and efficacy evaluated up to 24 weeks

Evaluation of Case 3 through the final 52 weeks is scheduled for June 2026. After completion, data analysis will be conducted, with results expected to be announced by Nagoya University within 2026.

Phase 1/2 of Allogeneic SQ-SHED in Japan (w/ Mochida Pharm.)

Preparations are underway in collaboration with Mochida Pharmaceutical

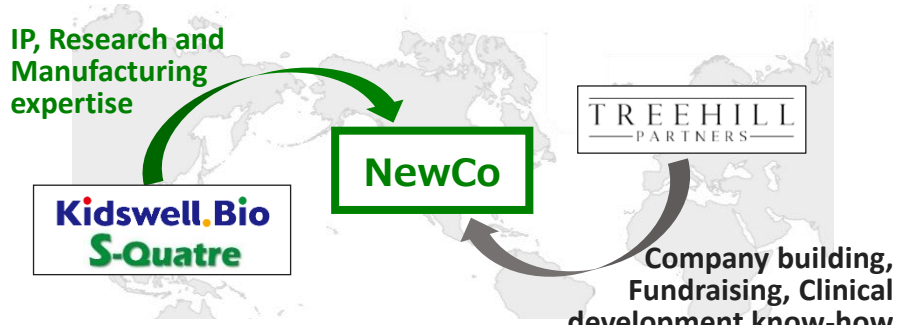
- Non-clinical studies: GLP-tox completed, other studies ongoing
- Investigational drug: Pilot manufacturing completed; Preparation of GMP manufacturing in progress

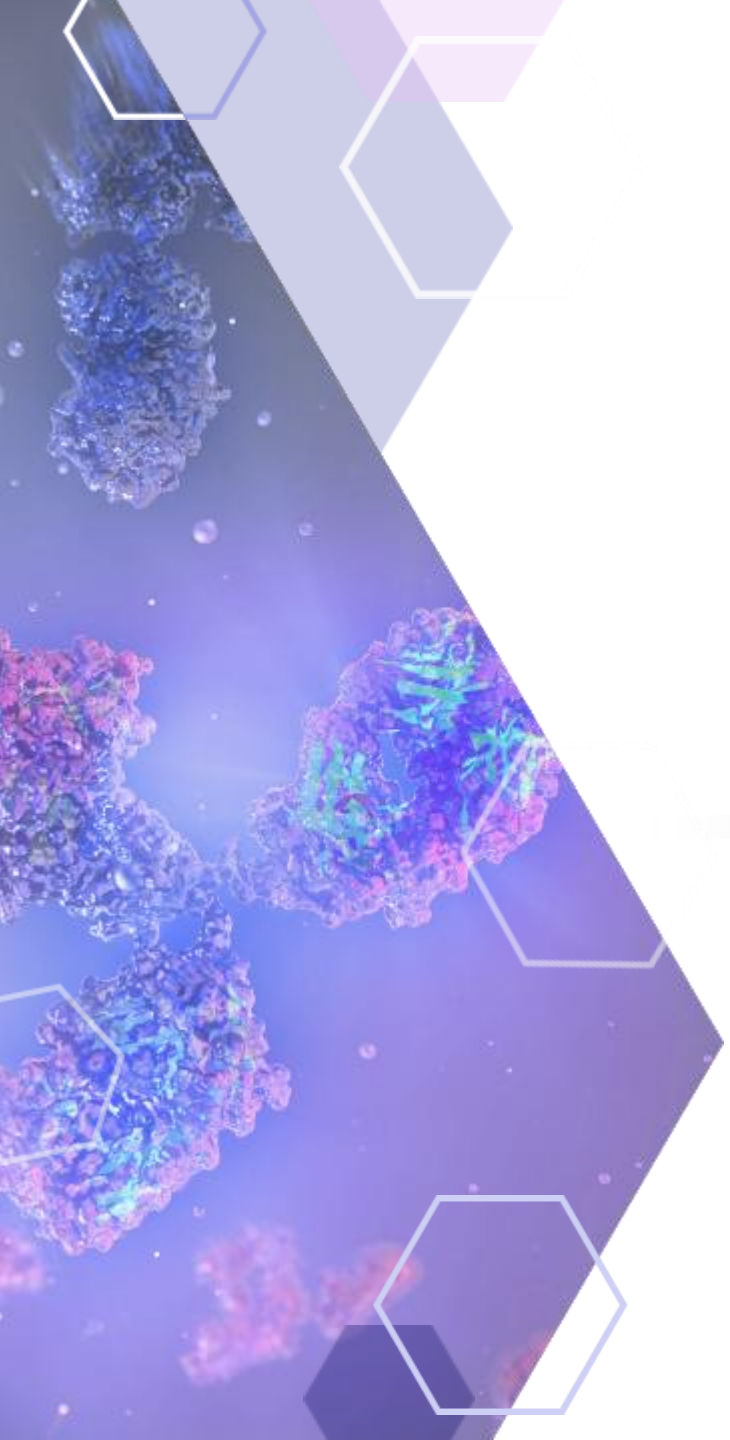
The clinical trial application will be submitted to PMDA once all studies and preparations are completed.

Phase 1 of Allogeneic SQ-SHED in the US (w/ Treehill Partners)

Agreed to jointly establish a NewCo in the US with Treehill Partners (UK), a healthcare-focused strategy and financial advisory firm

Accelerate efforts to raise funds overseas and advance global clinical development targeting cerebral palsy, with the aim of obtaining regulatory approvals outside Japan and delivering treatment to patients in the world.





Corporate Strategy and IR Activities

Key initiatives and progress : Corporate

	Initiative	FY2025	FY2026	Progress (✓ : April 2025 to date)
Efficient utilization of managerial resources	Restruction of corporate culture and systems			• Reviewing organizational structure in line with business expansion, promoting organizational reforms to enhance resource utilization and cross-functional collaboration. • Optimizing human resources, including performance evaluation systems and recruitment processes
	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; ✓**Entered into a syndicated loan agreement led by Mizuho Bank and multiple financial institutions, securing JPY 2.5 billion to support further business growth (Nov 2025)** • Executed refinancing in Dec 2024 to reduce dilution and to complete fundraising. Progress in the conversion of the 4th CB has alleviated overhang concerns (Apr, Aug, Sep 2025)
	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			• Continued discussions with biotech IR consultants and reflected insights in IR communications
	Active engagement with international institutional investors			• Conducted meetings and continued proactive outreach to expand engagement opportunities with institutional investors • Continued participation in domestic and international events to strengthen investor engagement
	Increasing media exposure through proactive outreach to news outlets			• Strengthened media outreach to enhance corporate and business awareness

Status of Financing Activities

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 (Total shares outstanding: 49,623,419 shares※)

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).

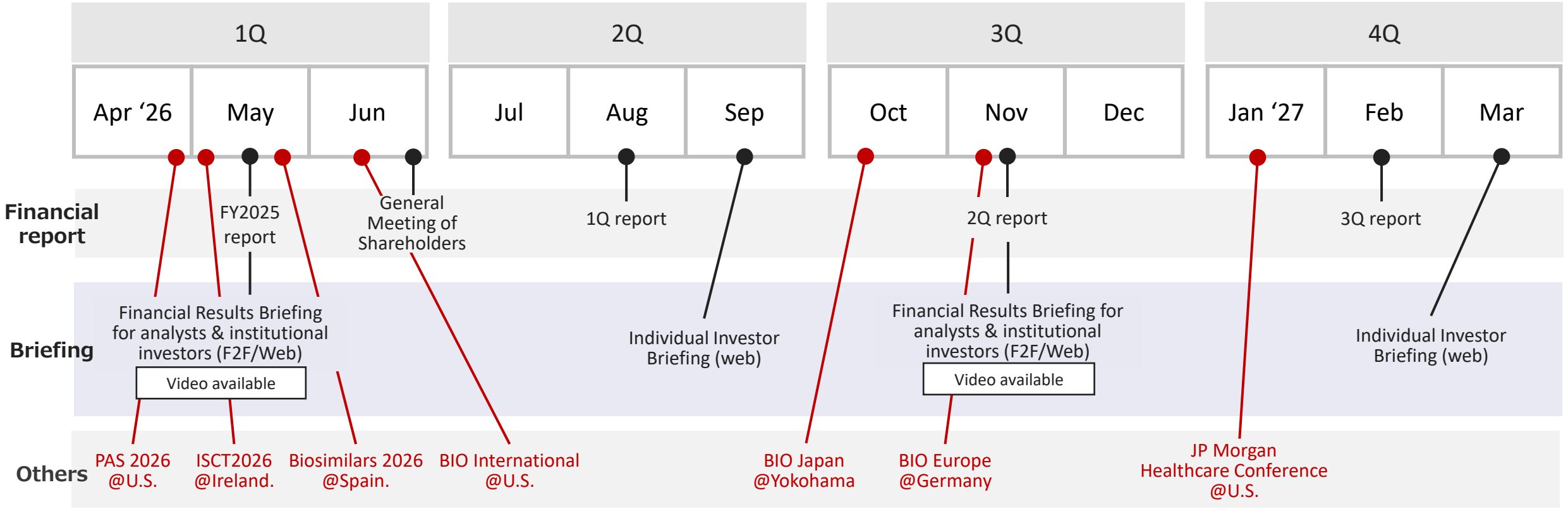
	4th Series of Convertible Bonds	23rd series of Stock Acquisition Rights	24th series of Stock Acquisition Rights	**Syndicated Loan**
Shares outstanding	40 units (3,787,878 shares)	13,746 units (1,374,600 shares)	60,000 units (6,000,000 shares)	Agreement date: November
Conversion / Exercise Price	JPY 132	JPY 104	–	Total borrowing JPY 2,500M
Amount of Fund Raised※	(JPY 500M was raised at issuance)	–	JPY 610M	Term: 5 years
Maturity Date /Exercise period	August, 2026	January, 2028	September, 2025	Participating financial institutions ・Mizuho Bank (Arranger) ・Resona Bank ・Shoko Chukin Bank ・Japan Finance Corporation ・The Kiyo Bank ・The Iyo Bank
Status	946,969 shares (Equity dilution: 1.82%)	1,374,600 shares (Equity dilution: 2.65%)	Fully Exercised (Financing Completed)	

※: As of April 2026

IR Schedule for FY2026

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.

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.

This material includes information on pharmaceutical products and regenerative medicine (or related products), etc., which is being developed or launched. However, this is not intended to promote our products or provide medical advice.