Security Code:
4584

Financial Results for 1Q FY 2023
(Fiscal Year Ending March 31, 2024)

Aug 07, 2023

Biotech Striving for Value Creation
－For a Comprehensive Healthcare System for Children, Families, and Society －

Kidswell Bio Corporation

Agenda

- Financial Highlights in the 1Q FY2023
- Business Highlights
- IR Strategies

Financial Highlights in 1Q FY2023

Financial Results in 1Q FY 2023 (PL): Income Statement

Unit：thousands yen

Subject	Results for 1Q FY2022	FY2023 ending March 31, 2024			
		Results for 1Q	Year-on-year ratio	Forecast	Progress rate
Gross sales	**610,878**	**45,979**	**8%**	**3,500,000**	**1%**
Cost of goods sold	292,703	**853**	0%		
(Cost of sales ratio)	--	--			
Gross profit	**318,175**	**45,126**	**14%**		
Selling, general and administrative expenses	356,167	**500,175**	140%		
(Cost of sales ratio)	--	--			
R&D expenses	105,490	**312,535**	296%	1,600,000	20%
(Cost of sales ratio)	--	--		--	
Other expenses	250,676	**187,640**	75%		
Operating loss	**-37,991**	**-455,049**	**--**	**-1,500,000**	**--**
Net loss	-80,652	-470,326	--	-1,550,000	--
Net loss for the quarter	**-80,954**	**-470,629**	**--**	**-1,550,000**	**--**

- **Progressing as planned for the forecast of FY2023.**
- **Contributions to sales from BS products, including the strong sales of GBS-007, are expected in the second half of the year.**
- **R&D activities in the cell therapy business including SHED goes well.**

Financial Results in 1Q FY 2023: Balance Sheet

Unit：thousands yen

Subject	4Q FY2022	1Q FY2023
Current assets	3,697,155	2,846,479
(Cash and cash equivalents)	1,067,162	623,787
(Trade receivables)	1,088,766	170,945
(Products)	213,007	258,596
(In-process inventory)	422,308	868,494
(Advance payments)	821,536	821,533
(Long-term debts to be repaid within one year from a subsidiary)	--	--
(Other current assets)	84,373	103,122
(Allowance for doubtful accounts)	--	--
Non-current assets	197,609	197,303
Total assets	**3,894,765**	**3,043,782**
Current liabilities	1,055,839	767,221
Non-current liabilities	1,605,420	1,508,375
Total liabilities	2,661,259	2,275,596
Total shareholders' equity	1,233,505	768,186
Total liabilities and shareholders' equity	**3,894,765**	**3,043,782**

- **Started equity financing in July 2023 ⇒ Expected to improve cash balance and total shareholders' equity after 2Q FY2023.**

Business Highlights

KWB2.0 Roadmap

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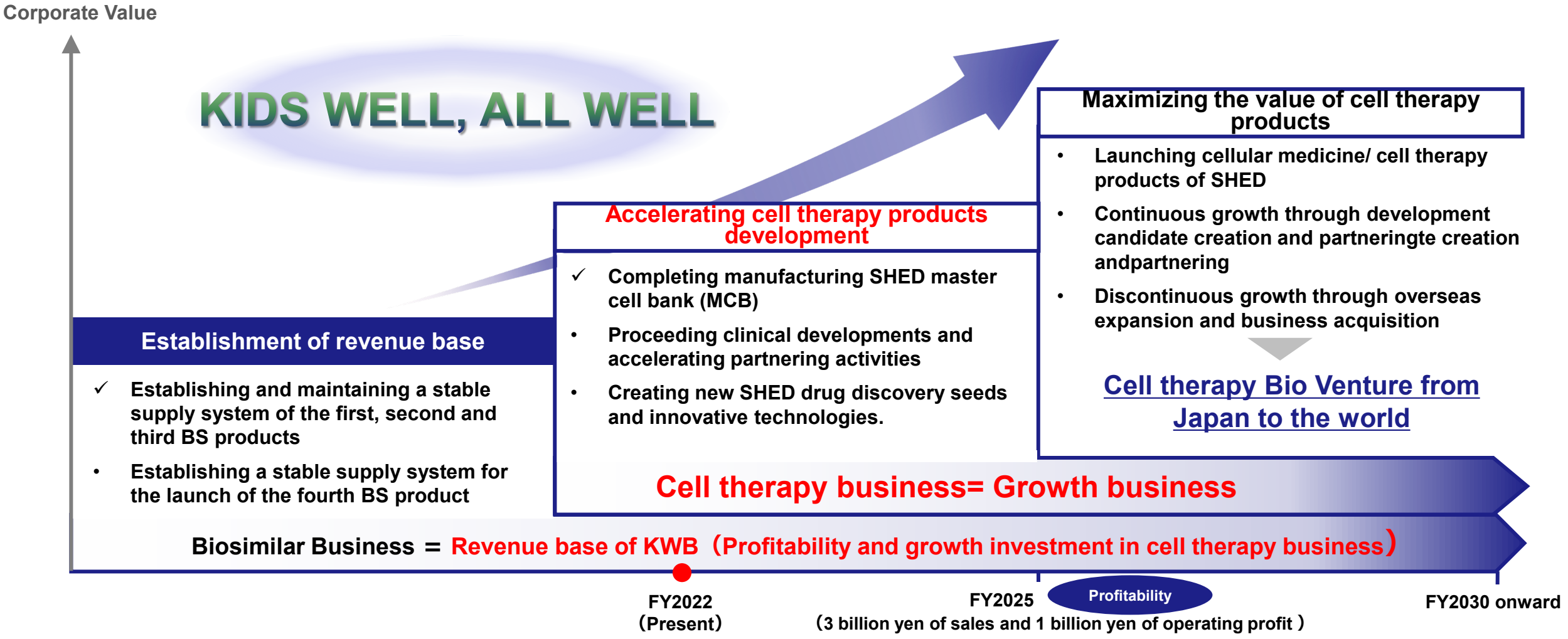
To increase shareholders' value, KWB will strengthen "visualize the improvement of business value".

- **The goal of establishing a revenue base from the biosimilar business is in sight.**
- **KWB will implement clinical development of SHED and proceed partnering activities according to SHED pipeline progress.**



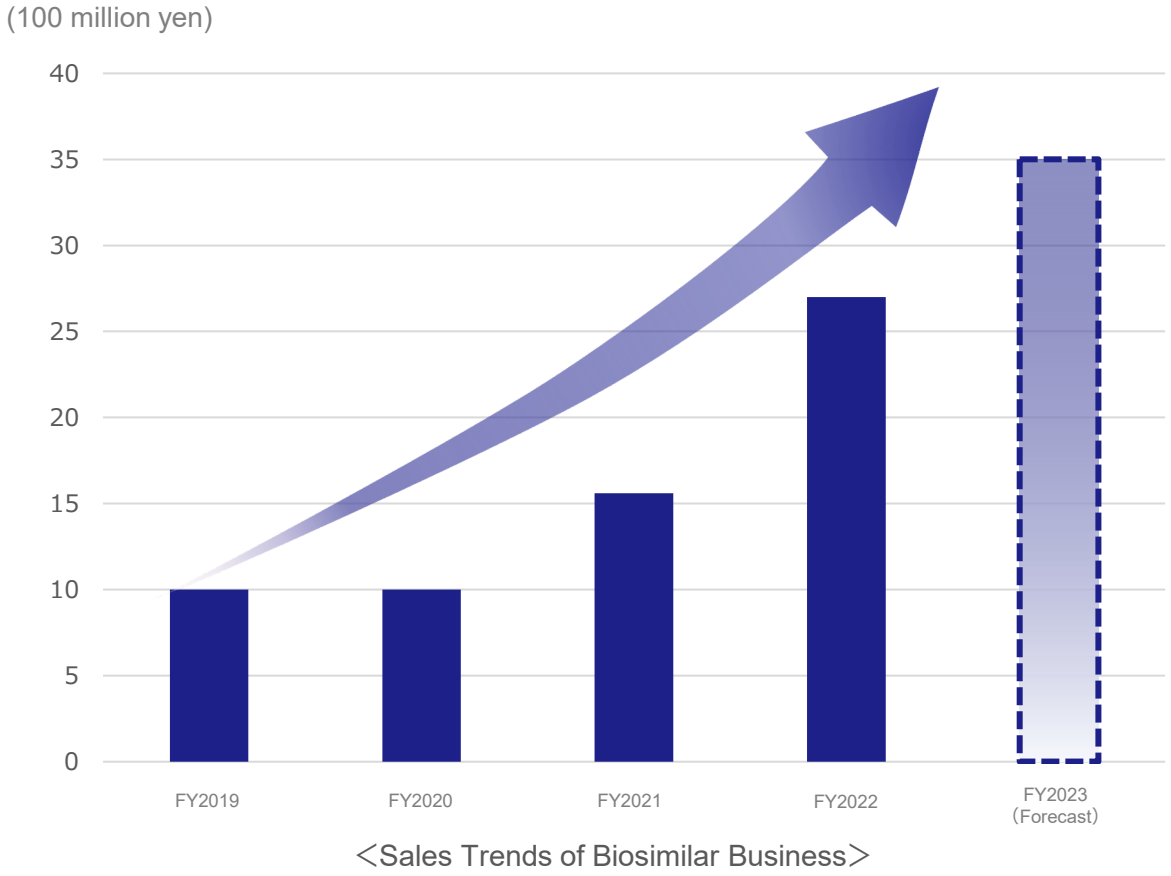
Business Topics

① 【Biosimilar Business】
Progress of the development of the fourth BS product

② 【Cell Therapy Business】
Progress of preparation for the clinical research led by Nagoya Univ. and expecting to be administrated to patients by the end of the calendar year of 2023

① Development Progress of the Fourth BS

Increasing the sales due to positive demand for GBS-007 and the launch of the fourth BS by the end of this year

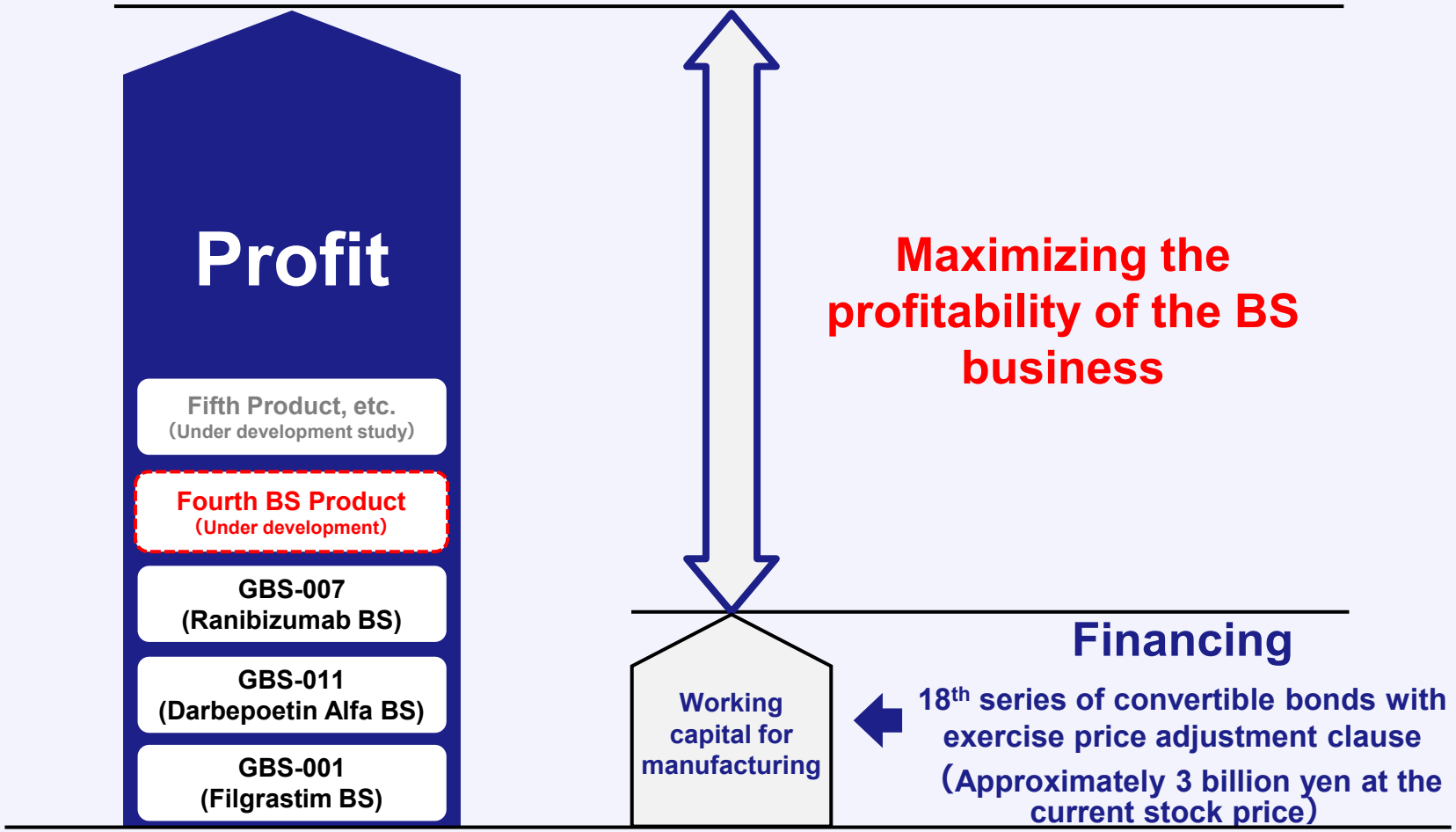


<Sales Trends of Biosimilar Business>

Name of BS Product	Approval Period	Partners
GBS-001 (Filgrastim BS)	Nov. 2012	Fuji Pharma Co., Ltd.
GBS-011 (Darbepoetin Alfa BS)	Sept. 2019	Sanwa Kagaku Kenkyusho Co., Ltd.
GBS-007 (Ranibizumab BS)	Sept. 2021	Senju Pharmaceutical Co., Ltd.
Fourth BS Product	**By the end of the calendar year of 2023**	**Undisclosed**

Maximizing the profitability of the BS Business with Financing

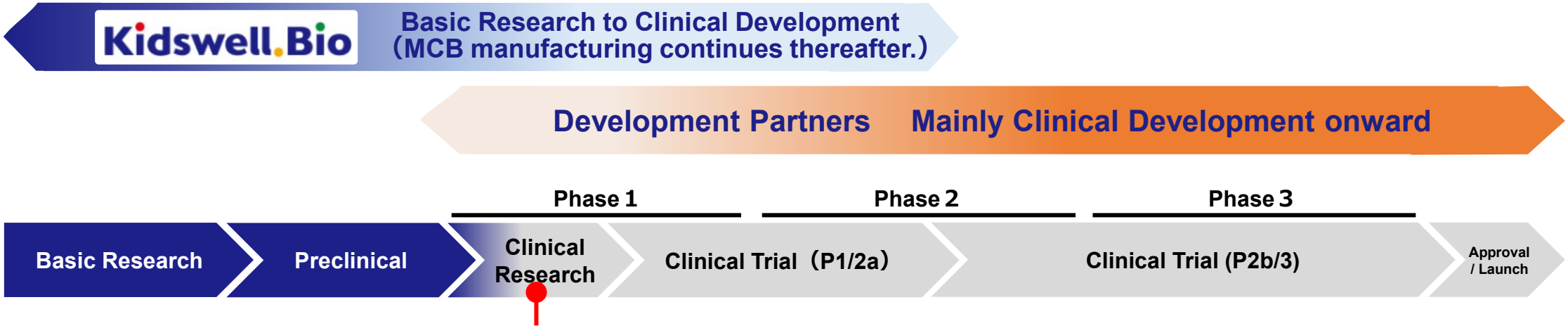
Using working capital to increase manufacturing volume associated with the growth of the biosimilar business and maximize future profit



② For the launch of clinical development of SHED

Significant progress in SHED's basic research and the completion of Master Cell Bank (MCB).
"Clinical development" scheduled to start in 2023

The probability of concluding a contract with a potential development partners that has been discussed has increased.



【Highlights of 1Q FY2023】Preparations for the launch of clinical research for participants with cerebral palsy led by Nagoya University are progressing.

Image of Growth Investment of SHED

Reshown

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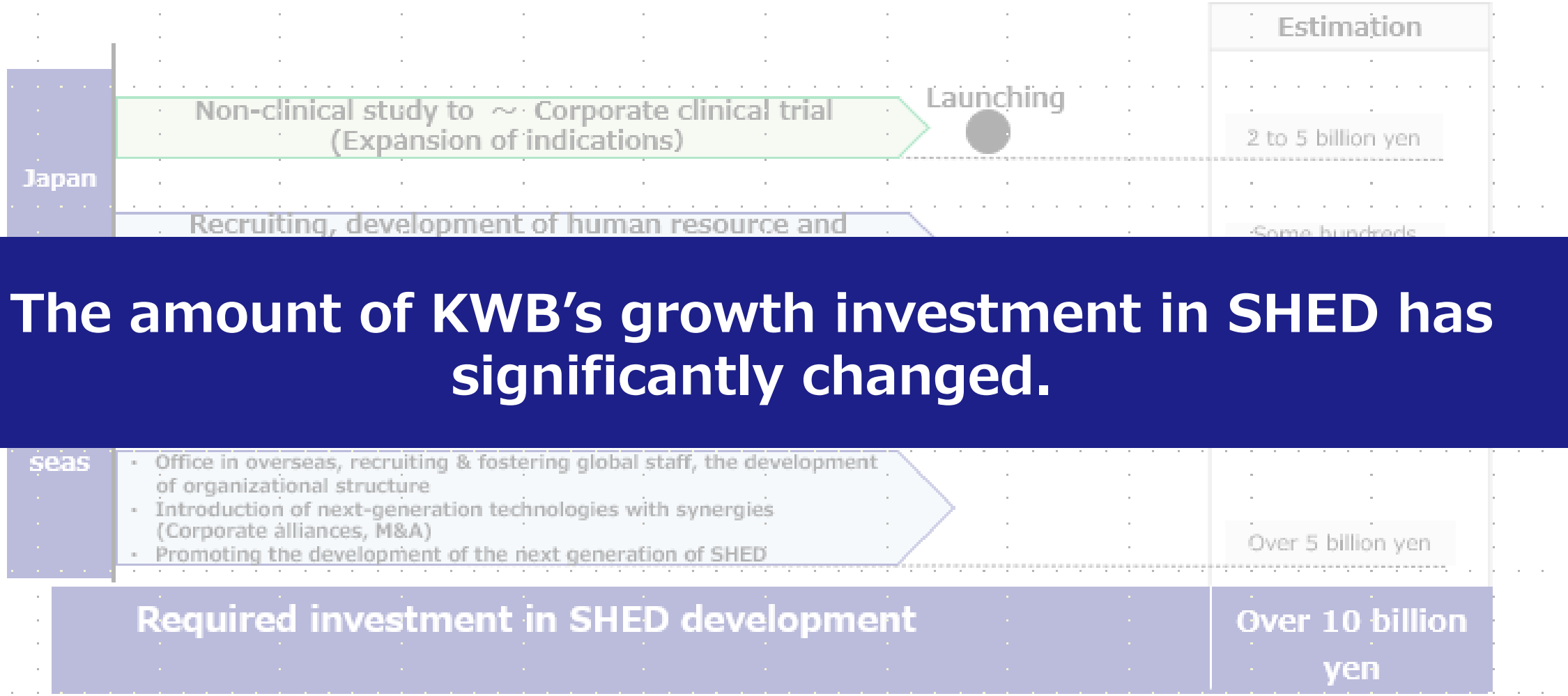
Focusing on SHED development and accelerating investment for increase in corporate value



The amount of KWB's growth investment in SHED has significantly changed.

Making investments for launching SHED regenerative medicine/ cell therapy products with equity financing

Image of Growth Investment of SHED【Updated version】

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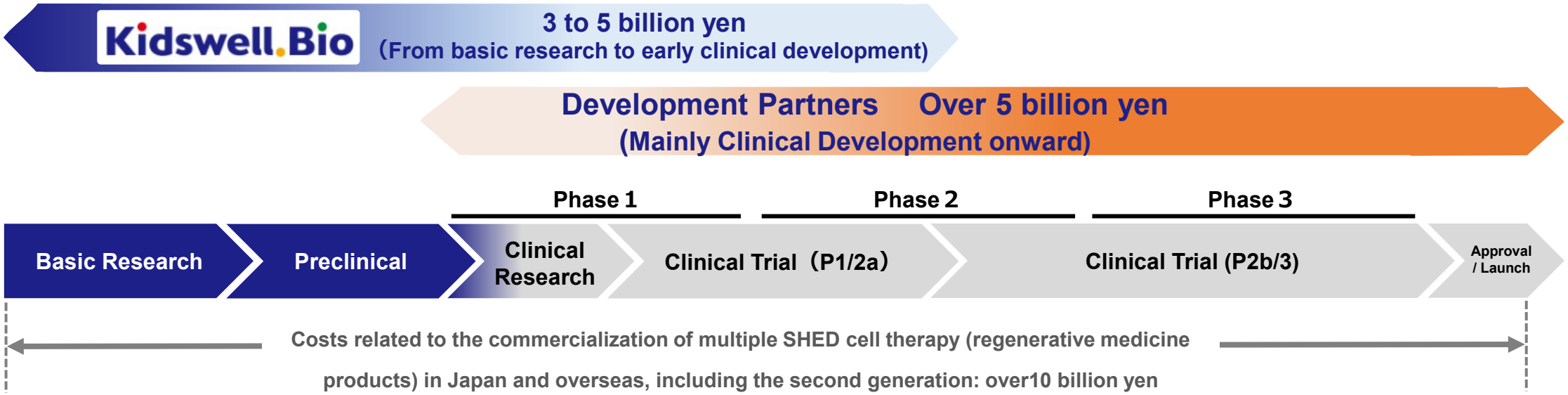
Due to the increasing probability of collaborating with development partners, the main scenario for commercializing SHED has shifted to promote commercialization with development partners from KWB alone.

In addition to significantly reducing the KWB's financial burden, the main sources of funding for growth investment in SHED are expected as follows.

①Revenue from Biosimilar Business

②Lum-sum contract payments from development partners, development milestone income, etc.

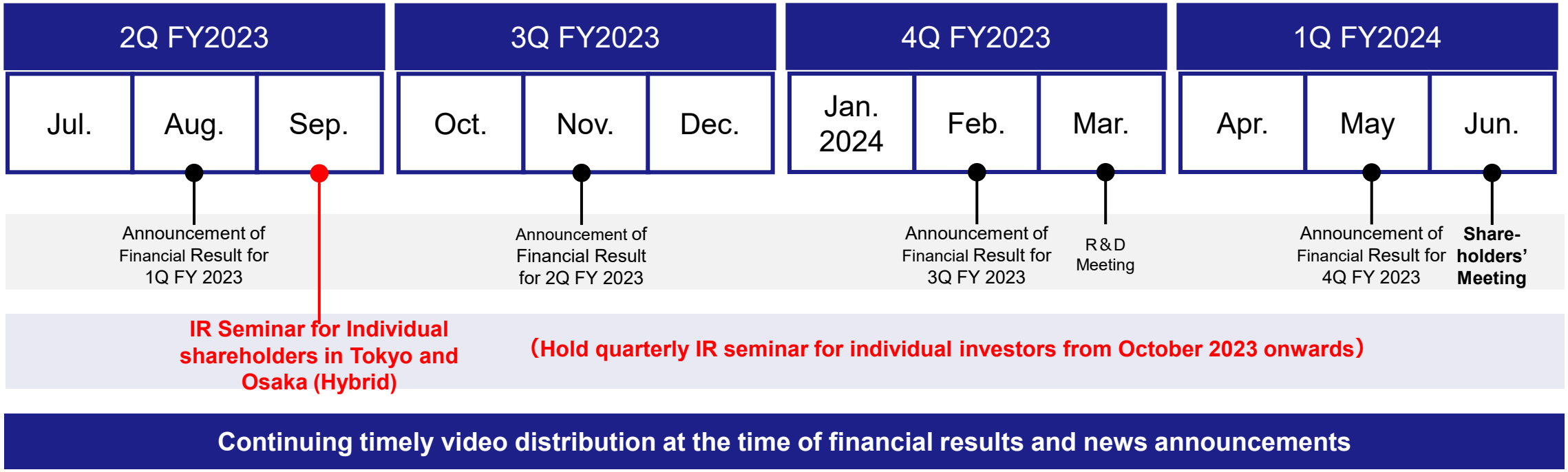


IR Strategies

IR seminars

Basic IR Policy：Increase opportunities for dialogue with the stock market and investors

<Annual IR Schedule>



Continuing timely video distribution at the time of financial results and news announcements

Kidswell.Bio

KIDS WELL, ALL WELL

All for Kids, Kids for All

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Cautionary Statement

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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.

Appendix

Pipeline Highlight of Cell Therapy (Regenerative Medicine)

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Development Product	Target disease	Development Stage*1				Partners	Number of Patients*2	
		Research Target	Research	Preclinical	Clinical		Domestic	Global
First Generation SHED	**Cerebral palsy**					**Nagoya University, Tokyo Medical and Dental University**	**2,000 patients per year, (30,000 patients in total)**	**125,000 participants (under 10 years old)**
	Congenital Isolated Hypoganglionosis					Mochida Pharmaceutical	100 participants	—
	Spinal cord injury					Nagoya University	5,000 patients per year, (100,000 patients in total)	13,000 cases per year
	Ophthalmologic disease, etc.					Gifu Pharmaceutical University	*3	*3
	Non-union fractures					Hokkaido University	100,000 patients per year	—
	Cleft lip and palate					ORTHOREBIRTH	2,000 patients per year	15 out of 10,000 newborns
Second Generation SHED	**Brain cancer**					Hamamatsu University School of Medicine	20,000 patients per year	27,000 parents per year
	Spinal cord injury					Nagoya University	5,000 patients per year, (100,000 patients in total)	13,000 cases per year
	Neurodegenerative disease, etc.							
Other Modalities	Autoallergic disease, etc.							
	Exosomes and mitochondria, etc.							

*1【Our development stage definitions: Preclinical indicates pharmaceutical development and preliminary toxicity studies for clinical trials, Research indicates acquired animal POC, Research Target indicates before acquisition of animal POC, *2 Internal research based on Global Data, Global Cancer Observatory, *3 Details not disclosed*

Promote SHED R&D activities to improve business value

Kidswell Bio

For launching the world's first SHED cell & gene therapy

SHED Drug Discovery platform

S-Quatre®

GMP-compliant SHED MCB

SHED: 1st generation

Strive to establish SHED business

Target diseases:
Diseases related to nervous, muscular and bone system

Market potential:
Expect to grow 700 to 800 billion yen market size by 2040*1
(Global)

SHED: 2nd generation

Designer cells

Target diseases:
Genetic disease, neurodegenerative disease and cancer

Market potential:
Expect to grow over 1 trillion yen market size by 2028*2
(e.g. CAR-T cell therapy: over 13.5 billion dollars in the world)

Other modalities and synergies

For other modalities

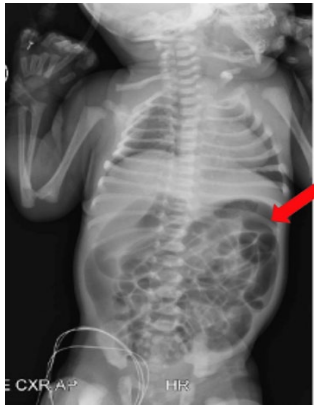
- **Products utilizing SHED-derived cell organs and extracellular vesicles (exosome and mitochondria, etc.)**
- **Drug Delivery System utilizing SHED**

Market potential:
Expect hundreds of billions yen market size*3

*1: KWB's research *2 & 3: Estimated by KWB based on public information from various related institutions and organizations

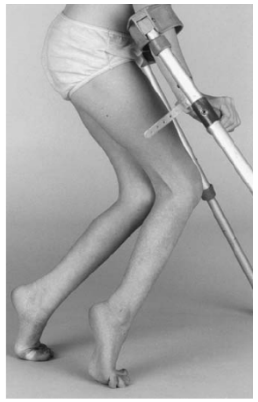
Delivering SHED regenerative medicine products for diseases for which effective treatment methods have not yet been established

Congenital Isolated Hypoganglionosis



(DOI: 10.7759/cureus.33680)

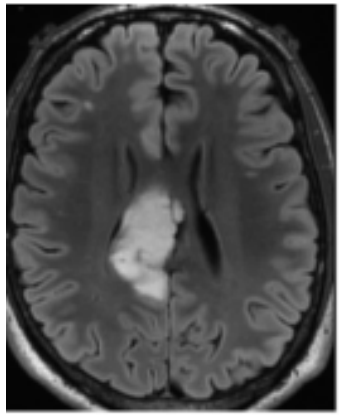
Cerebral palsy



(DOI:10.1302/0301-620X.85B2.14066)

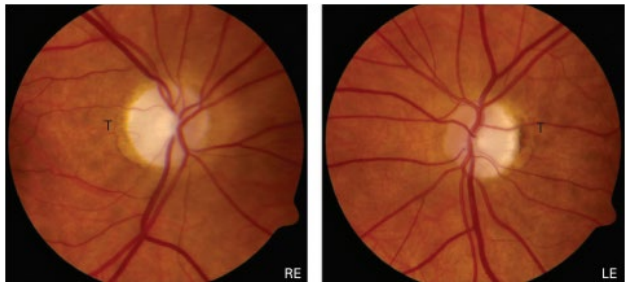
(FOUNDATION PARALYSIE CEREBRALE "White Paper on cerebral palsy")

Brain Cancer



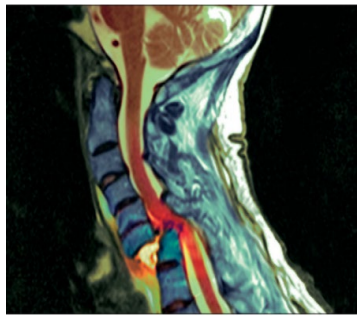
(DOI: 10.3390/cancers11010111)

Ophthalmologic disease



(doi:10.1136/jmg.2007.054270)

Spinal cord injury



(DOI:https://doi.org/10.1016/S1474-4422(09)70162-0)