Security Code:
4584

Financial Results for 2Q FY 2023
(Fiscal Year Ending March 31, 2024)

Nov. 8, 2023

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

Kidswell Bio Corporation

Agenda

- **Financial Highlights in the 2Q FY2023**
- **Business Highlights**
  - **Biosimilar Business**
  - **Cell Therapy Business (Regenerative Medicine)**
- **Growth Strategies**
  - **IR Seminars**

Financial Highlights in 2Q FY2023

Financial Results in 2Q FY 2023 (PL): Income Statement

Unit：thousands yen

Subject	Results for 2Q FY2022	FY2023 ending March 31, 2024			
		Results for 2Q	Year-on-year ratio	Forecast	Progress rate
Gross sales	**1,116,111**	**581,870**	**52%**	**3,500,000**	**17%**
Cost of goods sold	420,954	**351,901**	84%		
Gross profit	**695,156**	**229,968**	**33%**		
Selling, general and administrative expenses	684,018	**949,627**	139%		
R&D expenses	251,787	**546,693**	217%	1,600,000	34%
Other expenses	432,230	**402,933**	93%		
Operating loss	**11,137**	**-719,658**	**--**	**-1,500,000**	**--**
Net loss	-42,082	-744,646	--	-1,550,000	--
Net loss for the quarter	**-42,687**	**-780,251**	**--**	**-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 after the second half of the year.**
- **Gross profit declined in this quarter due to the depreciation of the yen and overseas inflation, in addition to the elimination of the impact on sales of temporary income from the completion of master cell bank (MCB), which was recorded in the same quarter of the previous year.**

Financial Results in 2Q FY 2023: Balance Sheet

Unit：thousands yen

Subject	4Q FY2022	2Q FY2023
Current assets	3,697,155	3,031,859
（Cash and cash equivalents）	1,067,162	622,231
（Trade receivables）	1,088,766	578,193
（Products）	213,007	258,596
((In-process inventory)	422,308	671,905
（Advance payments）	821,536	816,463
（Other current assets）	84,373	84,468
Non-current assets	197,609	161,978
Total assets	**3,894,765**	**3,193,837**
Current liabilities	1,055,839	731,434
Non-current liabilities	1,605,420	1,387,290
Total liabilities	2,661,259	2,118,724
Total shareholders' equity	1,233,505	1,075,113
Total liabilities and shareholders' equity	**3,894,765**	**3,193,837**

- **With the funds acquired through equity financing, (1) manufacturing in the biosimilar business proceeded as planned, and (2) cash and deposit balances and stock capital improved.**
- **The company expects to improve capital efficiency by shortening the recovery period for manufacturing costs through the cooperation and support of partner companies.**

Business Highlights

① 【Biosimilar Business】
・Received Manufacturing and Sales Approval for GBS-010（Pegfilgrastim biosimilar）

② 【Cell Therapy Business (Regenerative Medicine)】
・Enrolled the first case of clinical research for children with cerebral palsy under the initiative of Nagoya Univ.
・Completed a part of PMDA consultation for entry into a corporate clinical trial for children with cerebral palsy.

Biosimilar Business

Received Manufacturing and Sales Approval for GBS-010 （Pegfilgrastim biosimilar）

Received Manufacturing and Sales Approval for GBS-010（Pegfilgrastim biosimilar）

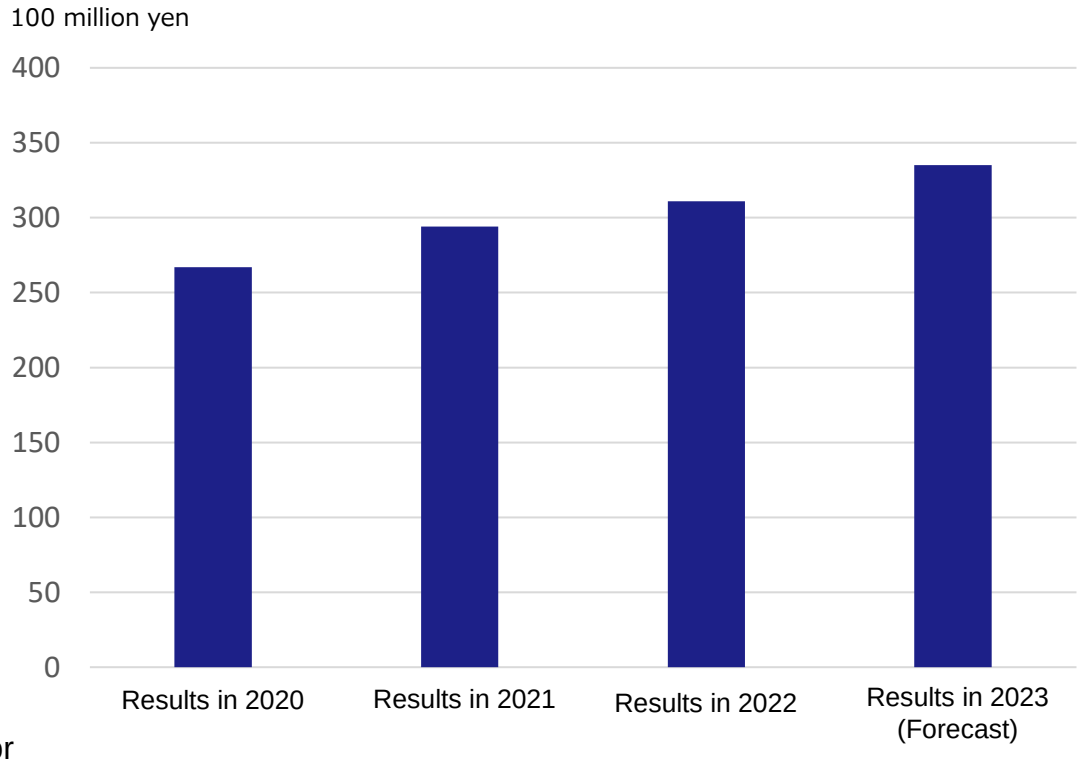
- **Received manufacturing and sales approval for GBS-010 in Sept. 2023**
- **Launched the fourth BS product**

Outline of GBS-010

Development Partner	**Mochida Pharmaceutical Co., Ltd.**
Generic name	**Pegfilgrastim biosimilar**
Indication	**Suppression of the onset of febrile neutropenia*1 by cancer chemotherapy**
Competitors	• Biosimilar of sustained G-CSF preparation pegfilgrastim • **Approved as the first biosimilar for its originator, G-Lasta (Pegfilgrastim)** **(Sales starting by the end of 2023)**

*1:Febrile neutropenia is a condition with fever in which neutrophils, which are responsible for eliminating pathogens that cause infection, decrease due to side effects of drugs for cancer.

Pegfilgrastim market (including originators and biosimilars) is expected to continue to expand on a volume basis.



＜Sales trend in G-Lasta (Pegfilgrastim) *2＞

*2Created by KWB based on Kyowa Kirin's financial results materials

Core business for stable revenue

- **While many domestic pharmaceutical companies are promoting small molecule drug business, KWB has been accumulating experience, know-how, and human resource development in biopharmaceuticals, on which global pharmaceutical companies focus.**
- **Four biosimilars clinically developed with partner companies have been launched.**

GBS-001
Filgrastim BS
（Approved in Nov. 2012）

Fuji Pharma Co., Ltd.

富士製薬工業

- Biosimilar of G-CSF preparation filgrastim for neutropenia, etc. Alfa Biosimilar

GBS-011
Darbepoetin alfa BS
（Approved in Sept. 2019）

Sanwa Kagaku Kenkysho Co., Ltd.

SKK 株式会社 三和化学研究所

- Biosimilar of continuous Erythropoiesis Stimulating Factor Preparation Darbepoetin alfa

GBS-007
Ranibizumab BS
（Approved in Sept. 2021）

Senju Pharmaceutical Co., Ltd.

SENJU “見える”の向こうにあるものを。 千寿製薬株式会社

- Biosimilar of anti-VEGF antibody drug ranibizumab
- Strong sales and more orders than expected
- Received an approval of partial modification of pharmaceutical manufacturing approval for macular edema associated with retinal vein occlusion as additional indication of Ranibizumab BS in Sept. 2023

GBS-010
Pegfilgrastim BS
（Approved in Sept. 2023）

Mochida Pharmaceutical Co., Ltd.

MOCHIDA 持田製薬株式会社

- Biosimilar of sustained G-CSF preparation pegfilgrastim
- No biosimilars have been approved by competitors as of Sept. 2023.

Market Environment for Launched Biosimilars

- **Eighteen biosimilars approved in Japan**
- **Replacement rate (BS share) of GBS-001 and GBS-011 developed by KWB is more than 80% on a volume basis. (BS share includes other companies' biosimilars)**
- **GBS-007 and GBS-010 have not been approved as competitors at this time, and their market share is expected to increase.**

	Biosimilars（BS）	Originators	Approval
1	Ustekinumab BS	Stelara Subcutaneous Injection	Sept. 2023
2	**Pegfilgrastim BS（GBS-010）**	G-LASTA Subcutaneous Injection	**Sept. 2023**
3	**Ranibizumab BS（GBS-007）**	LUCENTIS kit for intravitreal injection	**Sept. 2021**
⋮	⋮	⋮	⋮
7	Teriparatide BS	Forteo Subcutaneous injection	Sept. 2019
8	**Darbepoetin alfa BS（GBS-011）**	NESP INJECTION PLASTIC SYRINGE	**Sept. 2019**
⋮	⋮	⋮	⋮
15	Infliximab BS	REMICADE for I.V.Infusion	July 2014
16	**Filgrastim BS（GBS-001）**	GRAN INJECTION	**Nov. 2012**
17	Epoetin Alfa BS	ESPO INJECTION	Jan. 2010
18	Somatropin BS	Genotropin	Jun. 2009

No competitors

No competitors

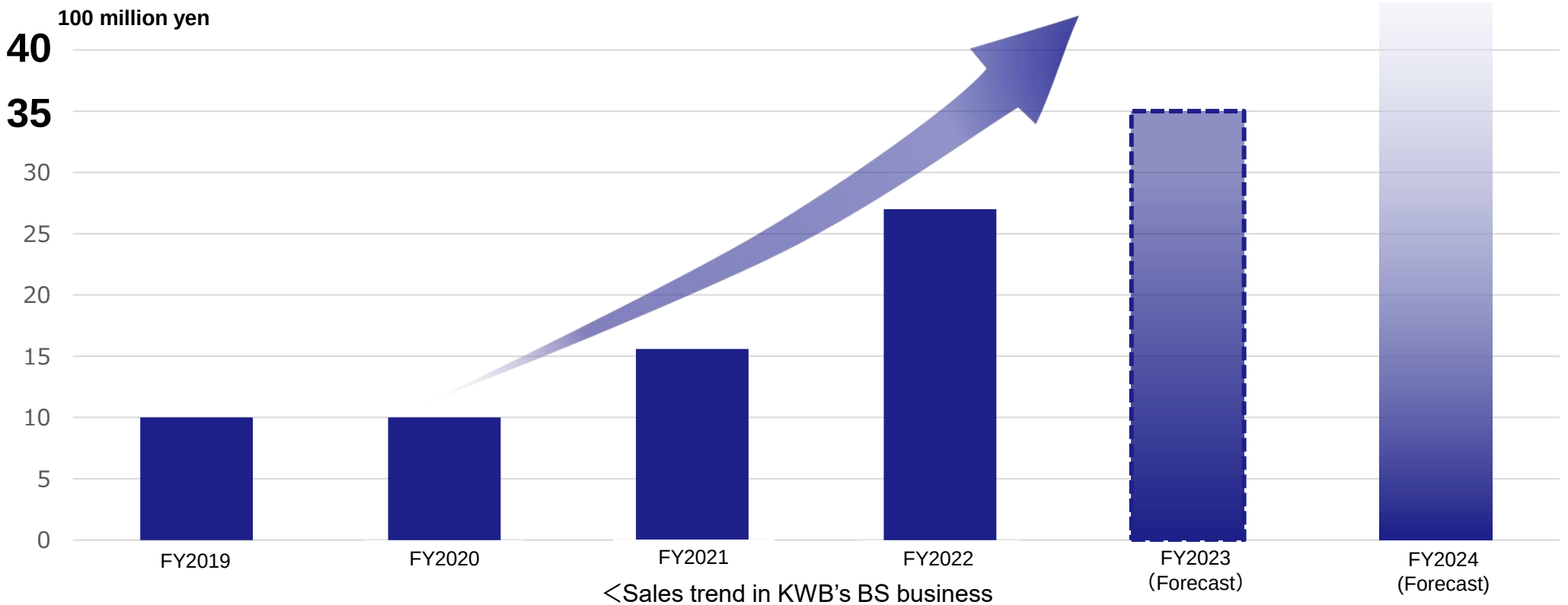
Over 80% of BS share

Over 80% of BS share

Source: Created by KWB based on Answers News

Revenue outlook from biosimilars business

- **Launch of GBS-010 and approval of additional indications for GBS-007 are expected to lead to steady earnings growth in the biosimilars business.**
- **Based on medium-term demand forecasts from partner companies, KWB plans to manufacture and deliver BS products for stable supply.**
- **Drug substance and others, which are scheduled to be recorded in sales for the current fiscal year, may be recorded in the next fiscal year due to adjusting the timing of manufacturing and delivery.**



＜Sales trend in KWB's BS business＞

Profitability of the biosimilars business with change of the environment

Recognize the risk of a decline in profitability in the biosimilar business due to the external environment changes

Promote to expand profitability by reducing cost and other measures

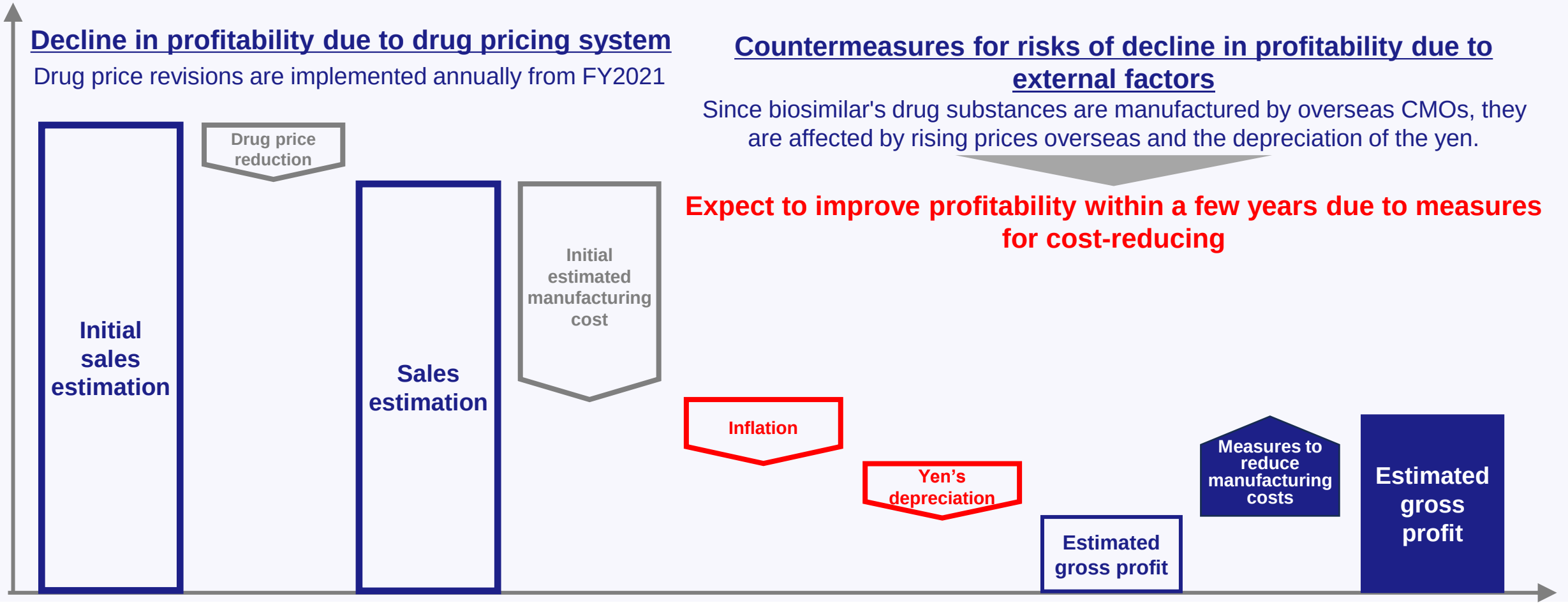
Decline in profitability due to drug pricing system

Drug price revisions are implemented annually from FY2021

Countermeasures for risks of decline in profitability due to external factors

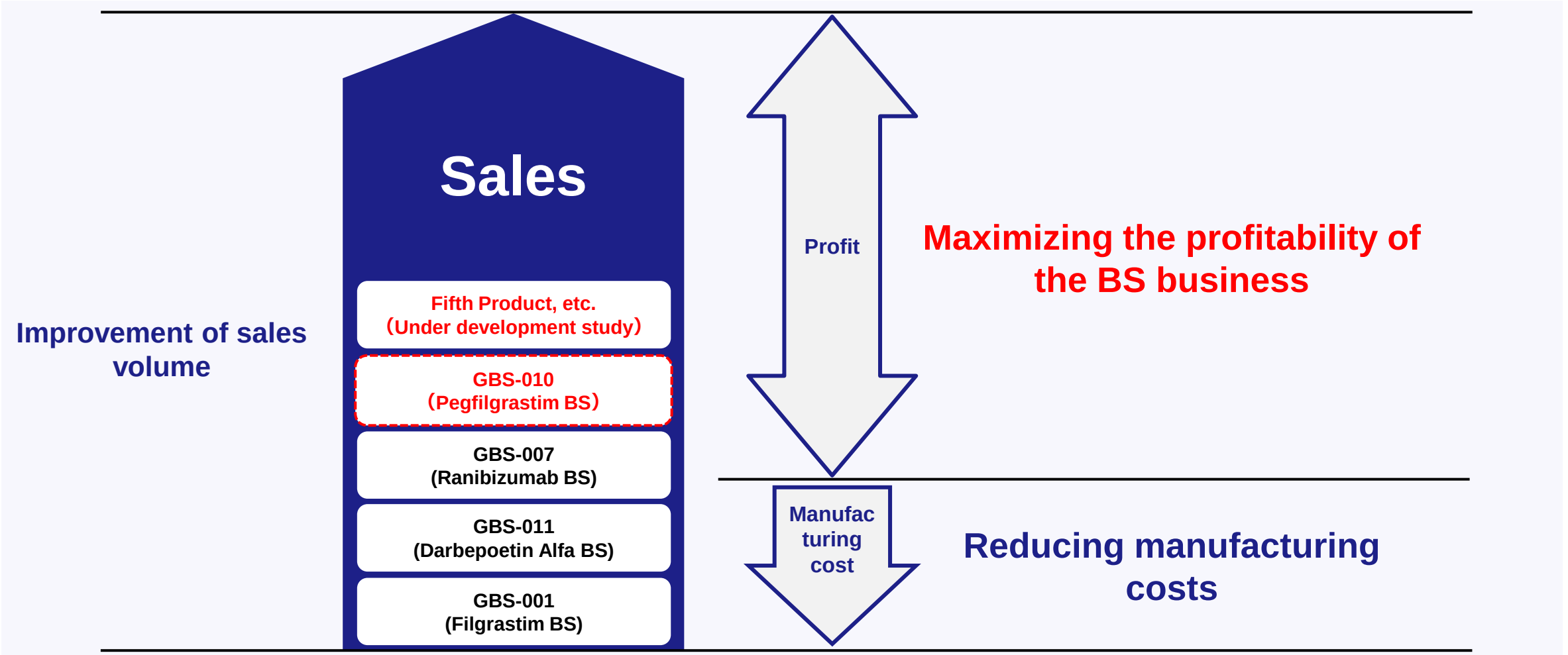
Since biosimilar's drug substances are manufactured by overseas CMOs, they are affected by rising prices overseas and the depreciation of the yen.

Expect to improve profitability within a few years due to measures for cost-reducing



Maximizing profits in the biosimilars business to fund growth investments

Maximize profits from biosimilars business and secure funds of growth investments by maximizing sales of BS launched, implementing measures to improve profitability, and launching new BS pipeline.



*BS：Biosimilar

Cell Therapy Business（Regenerative Medicine）

- **Enrolled the first case of clinical research for children with cerebral palsy under the initiative of Nagoya Univ.**
- **Completed a part of PMDA consultation for entry into a corporate clinical trial for children with cerebral palsy.**

Progress in SHED Clinical Development

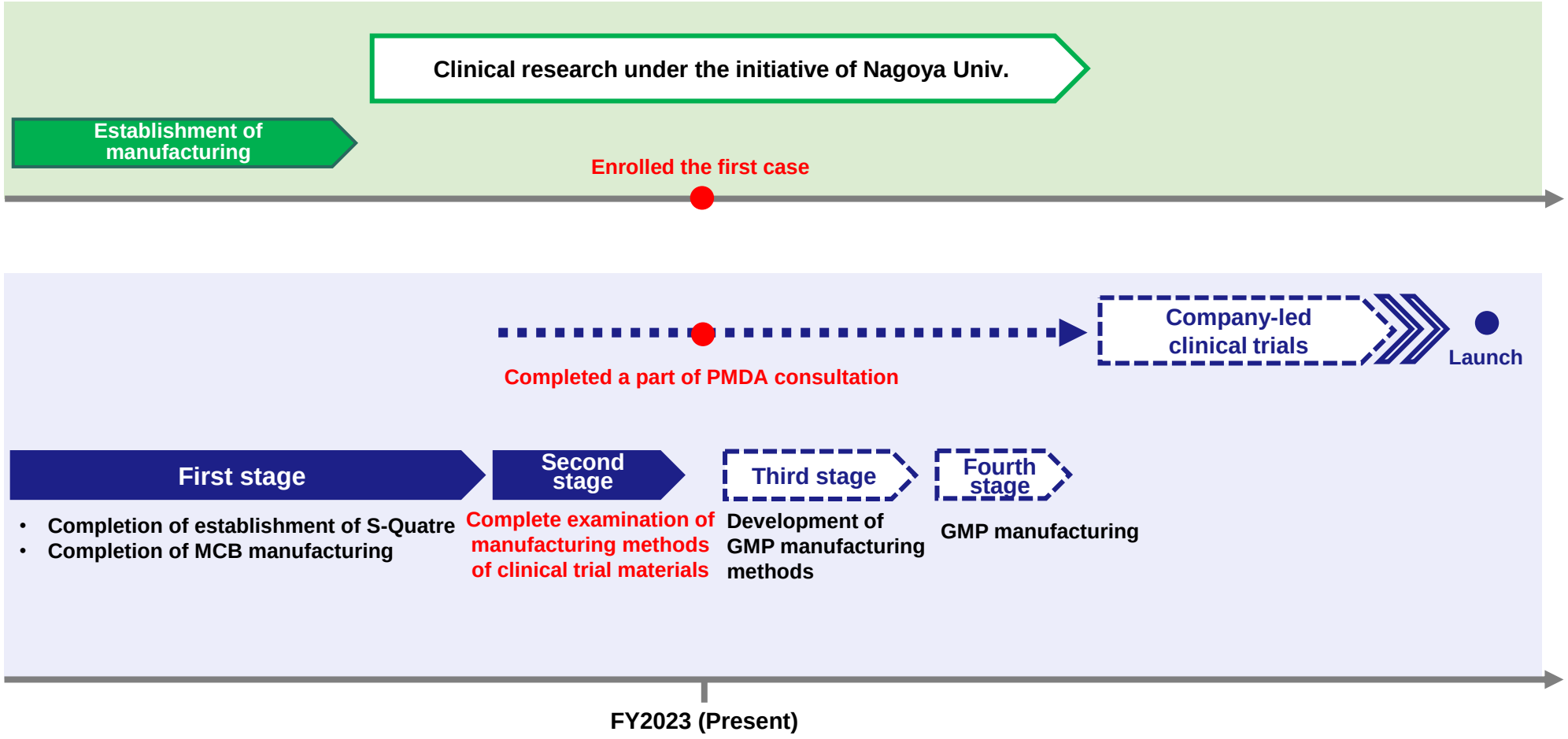
Started enrolling the first case of clinical research under the initiative of Nagoya Univ.
Proceed preparation for corporate clinical trials under the initiative of KWB

Autologous cells

- Mainly confirm safety using the patient's SHED
- Can be administered to the patient self

Allogenic cells

- Confirm the effectiveness and safety using SHED (allogeneic SHED) from healthy donors
- Can be administrated to many patients

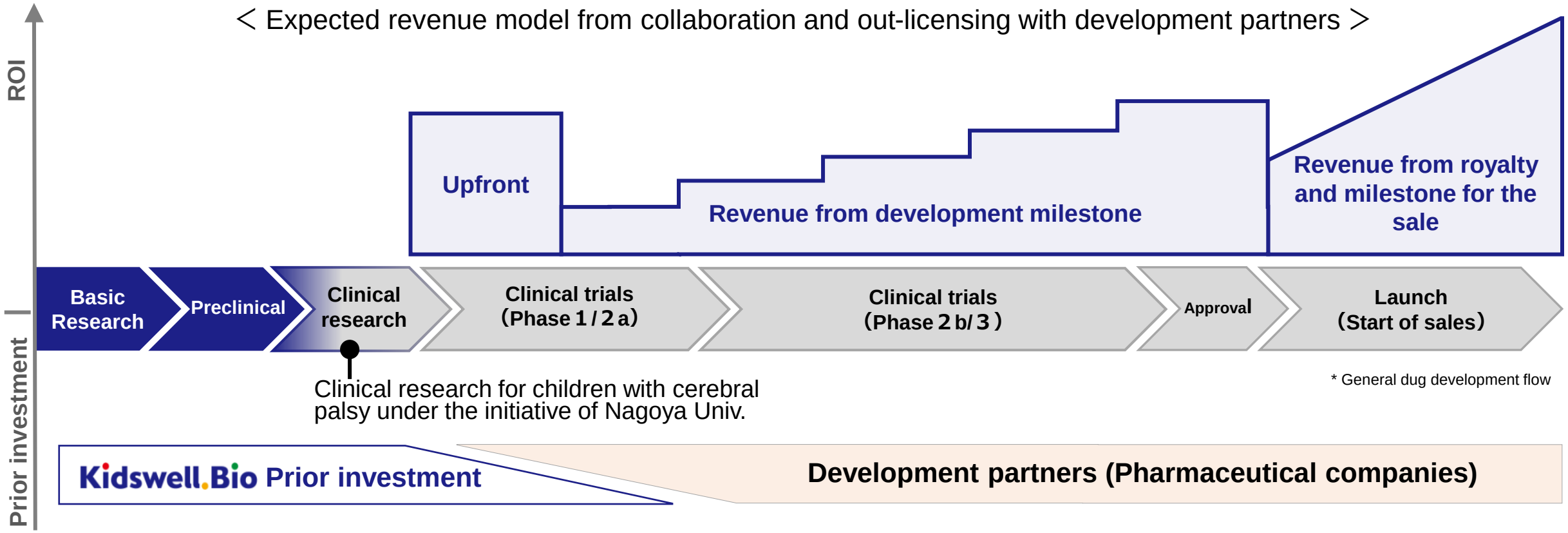


Positive negotiation of alliances and out-licensing with development partners

With the progress of the clinical development of SHED, active discussions with development partners for conducting agreements has been started.

Expect to secure revenue from the cell therapy business following the conclusion of the agreements.

＜Expected revenue model from collaboration and out-licensing with development partners＞



* General dug development flow

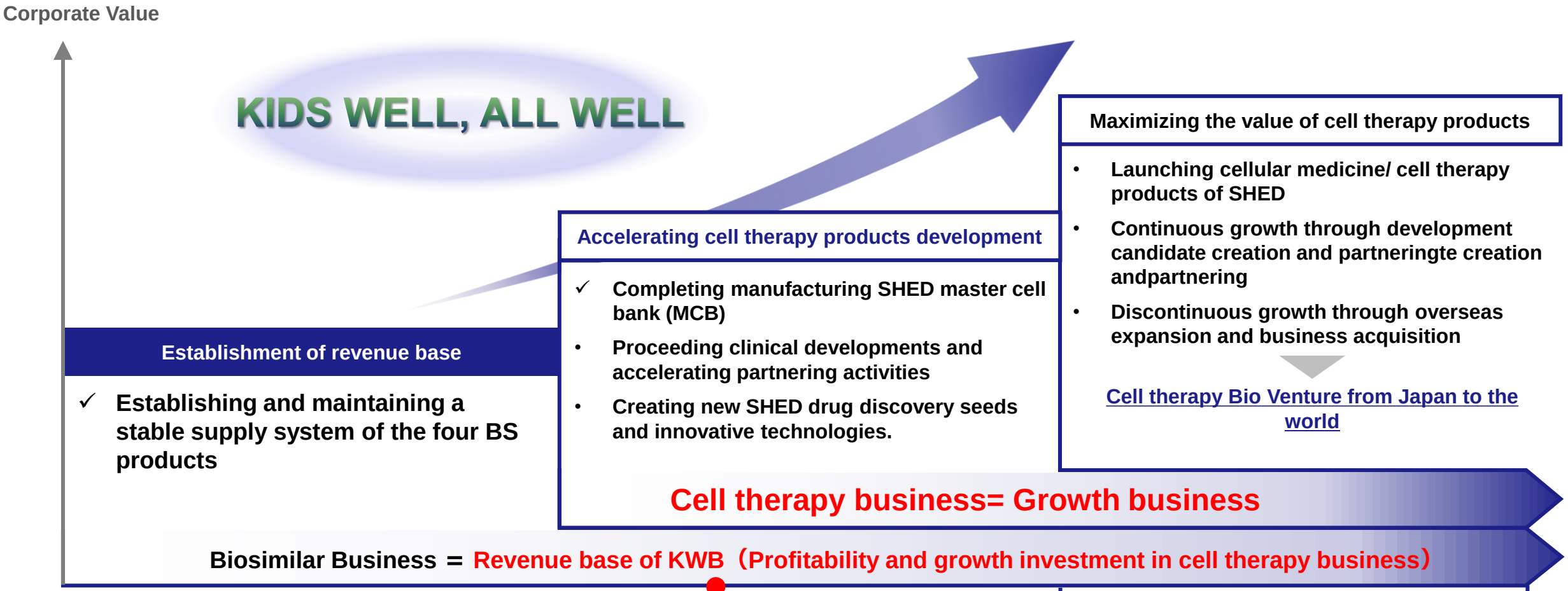
Growth Strategies

KWB2.0 Roadmap

Kidswell Bio

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.**

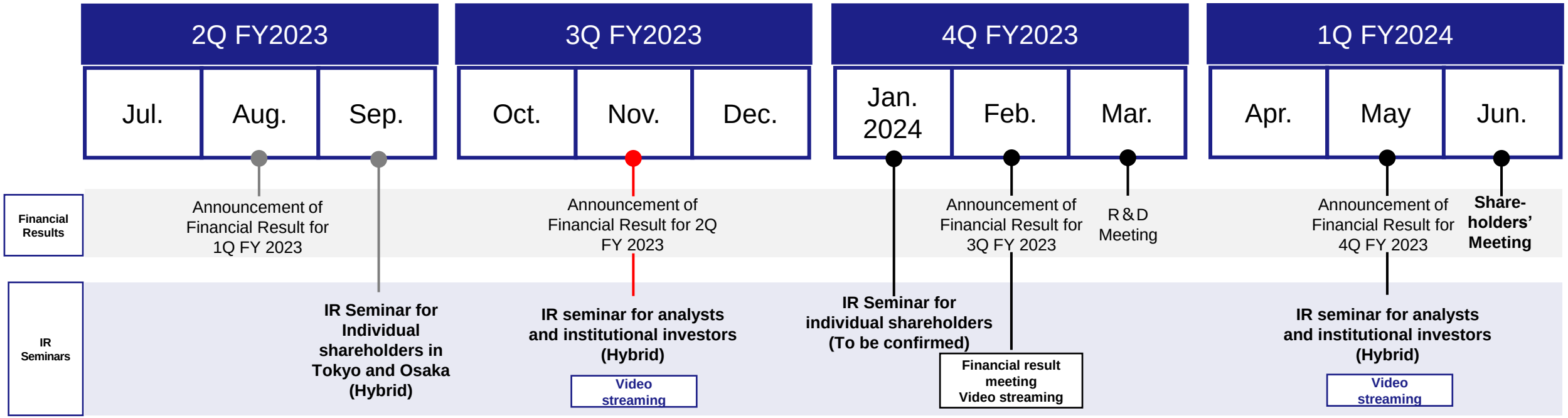


IR Strategies

IR seminars

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

＜Annual IR Schedule＞



Actively join IR events for company briefing

Continuing timely video distribution at the time of financial results and press releases

Kidswell.Bio

KIDS WELL, ALL WELL

All for Kids, Kids for All

Kidswell.Bio

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.

Appendix

All for Kids, Kids for All

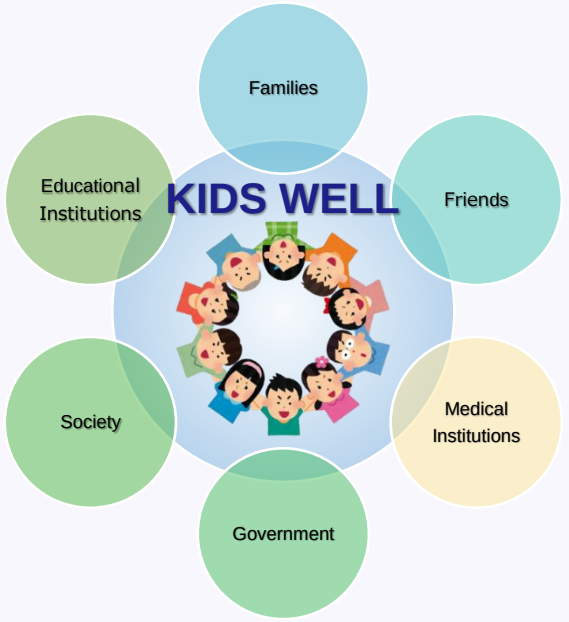
KIDS WELL, ALL WELL

Focus areas

Pediatric diseases including juvenile diseases, intractable & rare disease

Business Direction

Targeting diseases which has less accessibility for sufficient medical treatment



All for Kids, Kids for All

- Under the declining birthrate and aging population, reducing the burden on children is a major social issue.

- Provide new pharmaceuticals and therapeutics to patients suffering from diseases and contribute to the realization of a society where children and adults who support children live happily and brightly.

Management Member（From June 29, 2023）

Shinya Kurebayashi
President & CEO

Jun. 2004	Massachusetts Institute of Technology, MSc, Physics
Apr.2004	Joined Goldman Sachs Japan. Worked in Investment Banking Div. at Goldman Sachs Japan and involved in M&A, IPOs.
Aug. 2009	Joined Morgan Stanley (Mitsubishi UFJ Morgan Stanley Securities) and involved in investing banking
Oct. 2014	Jointed ImPACT of Cabinet Office
Sept. 2015	Joined Advanced Cell Technology and Engineering LTD (ACTE) as Business Administration Officer
Mar. 2019	Joined Kidswell Bio Corporation (f/k/a Gene Techno Science Co., Ltd.) as Corporate Officer, Chief Business Officer
Jun. 2023	Appointed as President & CEO

Directors	President & CEO	Shinya Kurebayashi	Formerly worked at Goldman Sachs Japan, Morgan Stanley and Advanced Cell Technology and Engineering Ltd.
	Board Director	Masayuki Kawakami	Formerly worked at FUJIFILM Corp. and FUJIFILM Pharmaceuticals USA
	Outside Director	Norikazu Eiki	Former Chairman of Bayer Japan
Corporate Officers	Chief Communication Officer (CCO)	Shinya Kurebayashi	
	Chief Operating Officer (COO) Chief Development Officer (CDO)	Masayuki Kawakami	
	Chief Scientific Officer（CSO）	Yasuyuki Mitani	Formerly worked at Astellas Pharma Inc.
	Chief Manufacturing Officer（CMfO）	Munechika Sakabe	Formerly worked at FUJIFILM Corp.
	Chief Administration Officer (CAO)	Yasuo Sakae	Formerly worked at Astellas Pharma Inc.

Business Structure: Growth Potential & Stability

KWB is a unique bio-venture that established stable business foundation by biosimilar business and promote investment in R&D activities for further growth

Stability

Biosimilar Business

Stable Business Foundation

Income from launched four BS products (Received Manufacturing and Sales Approval for GBS-010)

Growth Potential

Cell Therapy Business (Regenerative Medicine)

Remarkable Growth Foundation

Accelerating development of cell therapy products with SHED

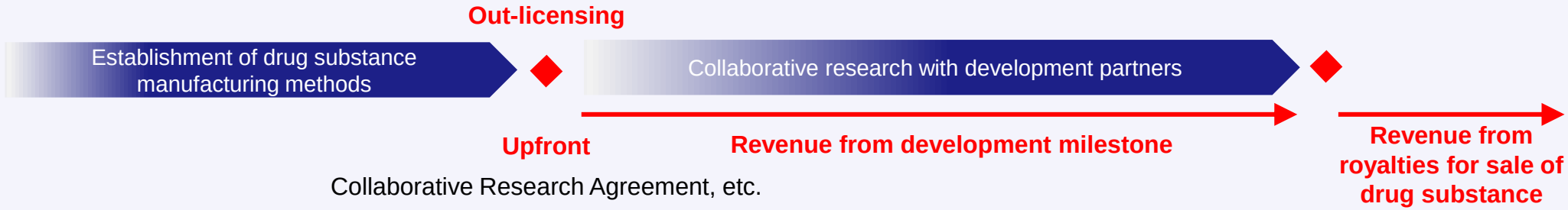
(Start clinical research for cerebral palsy)

Revenue model depending on development progress (1)

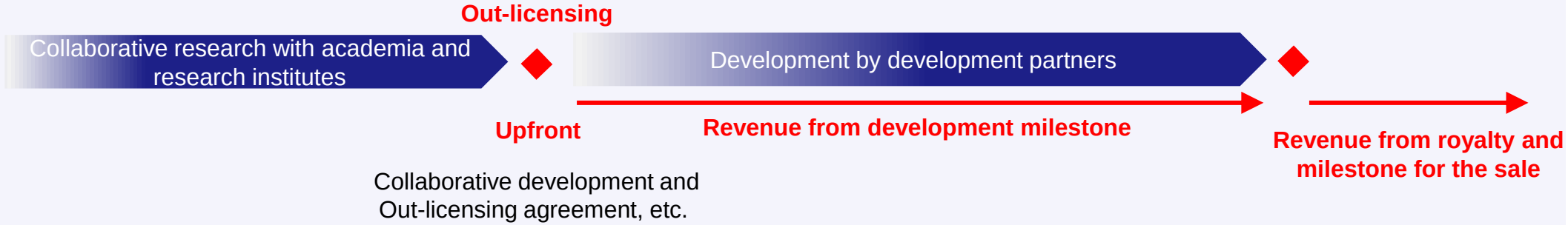
Aiming for collaboration with development partners (pharmaceutical companies, etc.), from efficient development investment to revenue

* General dug development flow

Biosimilar Business



Cell Therapy Business



Note) The above figure is an image of revenue model. KWB will proceed an appropriate development structure according to development pipeline.

Revenue model depending on development progress (2)

Cell Therapy Business: High-risk high return revenue model
Biosimilar Business: Low-risk middle return revenue model