

Financial Results for 1Q/FY2021

(Fiscal Year Ending March 31, 2022)

August 12, 2021

Kidswell Bio Corporation



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 advices.

Kidswell Bio Corporation

Kids + wellness

All for KIDS, KIDS for All

**Biotech Engineering Company,
Striving for Value Creation**

For a comprehensive healthcare system
for children as well as families and society

Made a new start as Kidswell Bio Corporation, or KWB, from July 1, 2021.
Under “Kids Well, All Well”, we will make our goal come true.

Business and Financial Highlights in 1Q/FY2021

Financial Highlights

◆ Financial Highlights in 1Q/FY2021

- ✓ Financial results were in line with the forecast.
- ✓ Included 96 million yen for MCB completion in cost of sales as budgeted (It is a reserve for loss on orders according to the accounting method.)
- ✓ R&D activities are proceeding as scheduled.
- ✓ GBS-007 is in the final preparation for commercial manufacturing toward manufacturing and marketing approval.
- ✓ No impact on business performance due to the COVID-19 pandemic

Business Highlights

New Biotech (Regenerative medicine/ Cell Therapy)

- JRM-001 was designated as the Orphan Drug/Medical Device by Ministry of Health, Labour and Welfare.
- Academic advisor was appointed specializing in research on the practical application of regenerative medicine development.

Others

- For collecting deciduous teeth to build Regenerative Medicine Business Model utilizing SHED, Chivo Net, Children Volunteer Network for Future Medical launched and collaboration with Showa University Dental Hospital started.

Consolidated Financial Results in 1Q/FY2021

Unit : thousands yen

Subject	Results for 1Q/FY2020	Forecasts for FY2021		Highlights
		Results for 1Q/FY2021	Forecasts	
Gross sales	121,294	303,367	1,900,000	<ul style="list-style-type: none"> ✓ Included milestones and other profits in the 1Q of FY2020 ✓ Included profits from GBS-001 and GBS-011. ✓ Included 96 million yen for MCB completion in cost of sales as budgeted (It is a reserve for loss on orders according to the accounting method.)
Cost of goods sold	4,971	121,792	1,020,000	
Gross profit	116,322	181,574	880,000	
Selling, general and administrative expenses	354,080	490,802	2,600,000	<ul style="list-style-type: none"> ✓ Although R&D expense increased from the previous term, it was due to carrying over of R&D expenses into FY2021. The final stage of commercial manufacturing of GBS-007 is smoothly proceeding. ✓ Continuously streamlining Selling, General and Administrative expenses
R&D expense	138,411	296,718	1,800,000	
Other expenses	215,668	194,083	800,000	
Operating profit	△237,757	△309,227	△1,720,000	

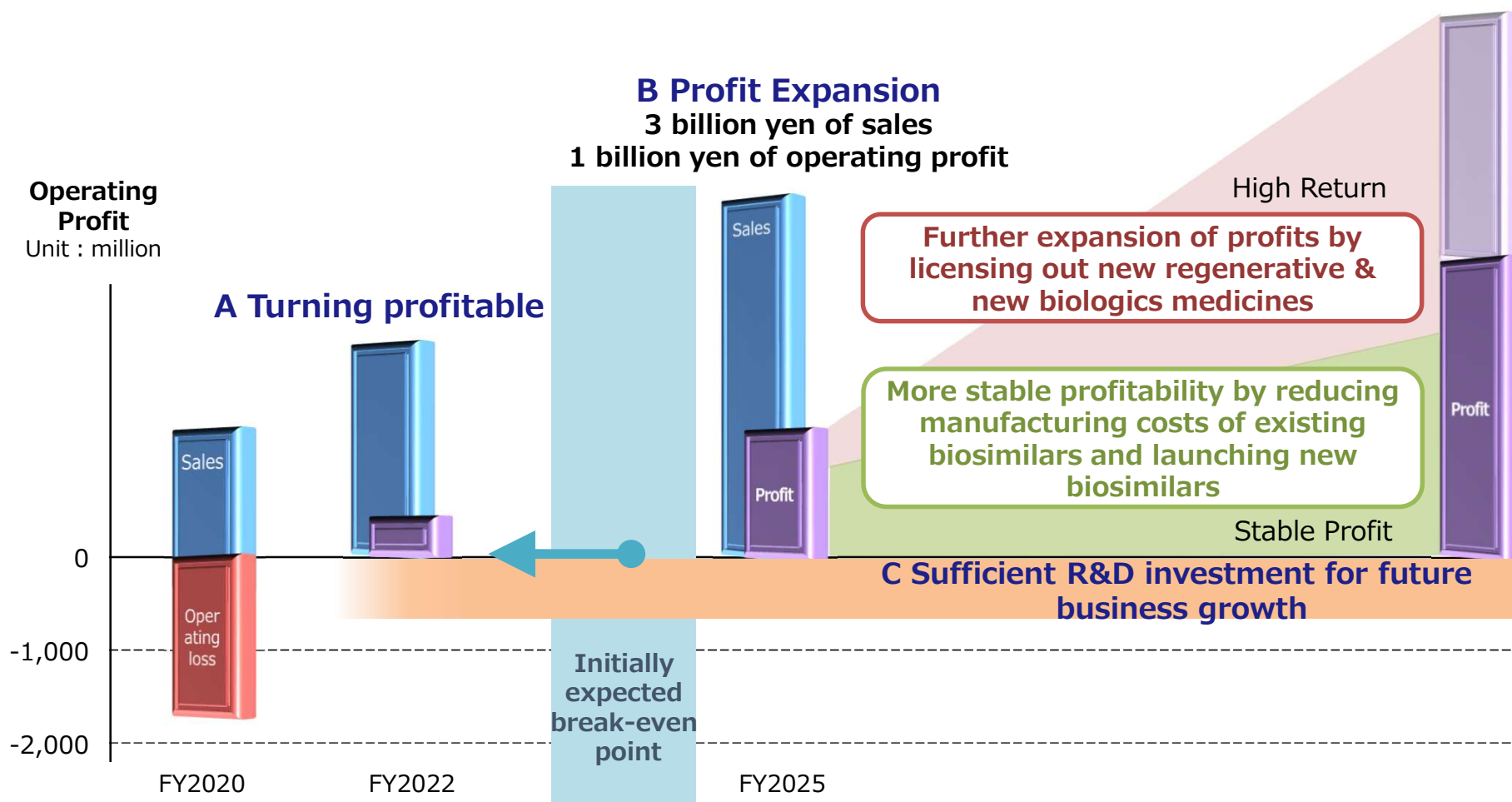


Highlights of Mid-Term Strategic Plan From FY2021 to FY2025

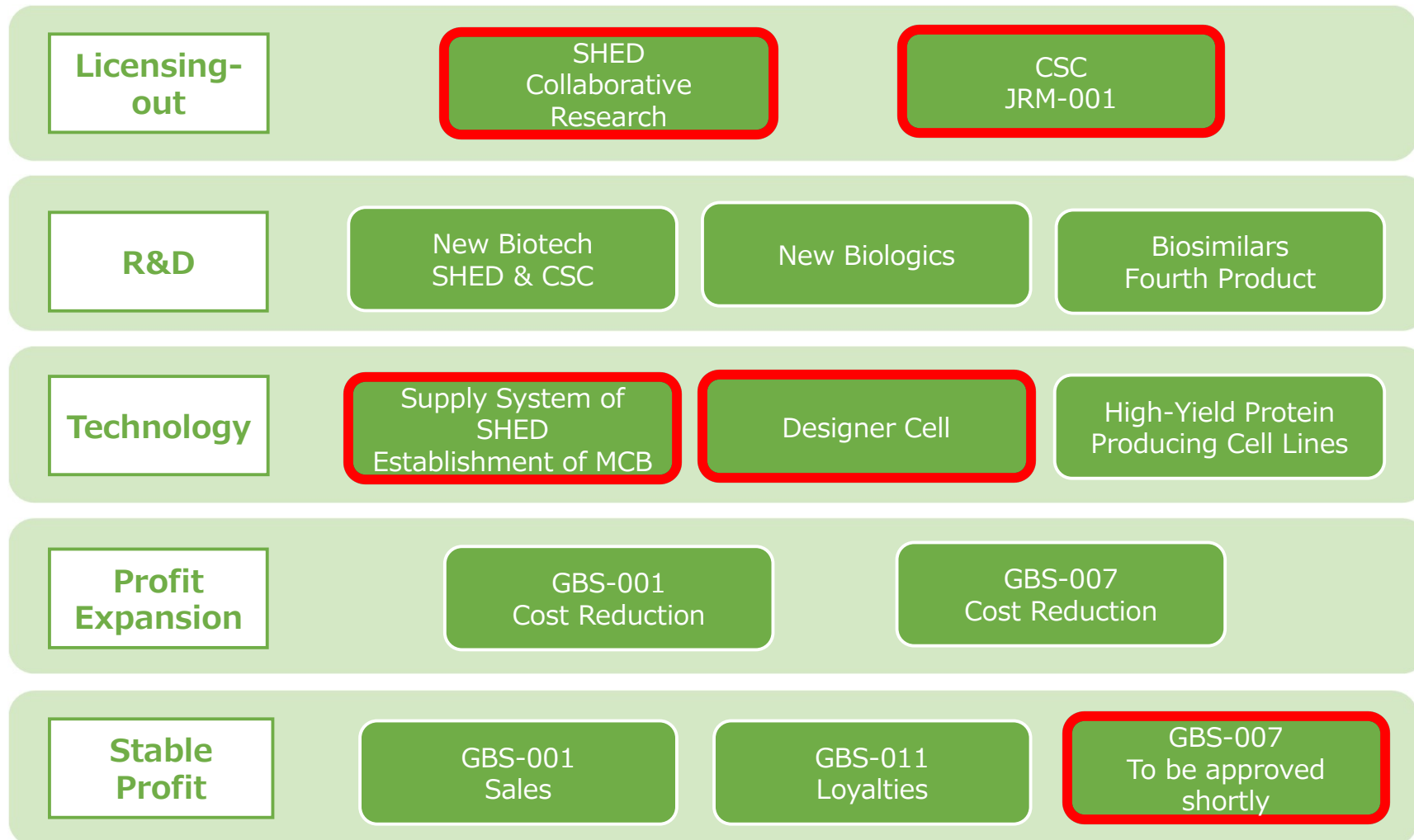
The key to further growth is

to expand partnering for regenerative medicine and new biologics pipeline

- A) Turning profitable in FY2022
- B) 3 billion yen of sales and 1 billion yen of operating profit in FY2025 and huge profit expansion after 2025
- C) Sufficient R&D investment for future business growth



Highlights in 1Q/FY2021



SHED: Boosting licensing-out activities

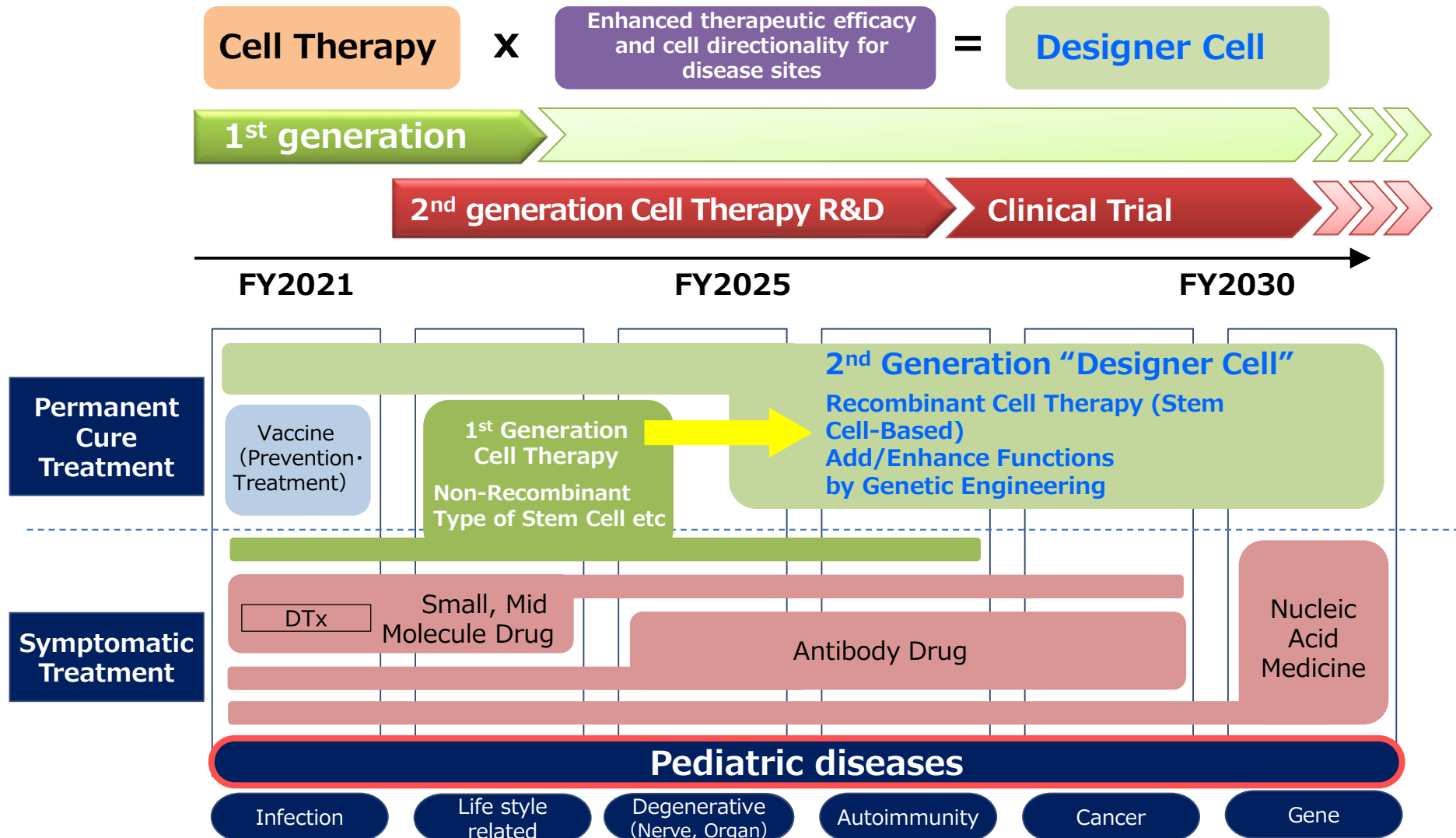
UPDATE

Shown **positive effectiveness** of non-clinical studies (animal studies) in **SHED pipelines**
 Accelerating licensing-out activities to pharmaceutical companies

	Target disease	symptom	Existing Treatment	Therapeutic target	Partners	Number of patients (Domestic)	Number of patients (Global)
Pediatric disease	Cleft lip and palate	Eating and speech disorder	Lip arthroplasty + iliac bone graft	Maxilla bone regeneration	ORTHOREBIRTH	2,000 patients per year	15 out of 10,000 newborns
Pediatric disease	Congenital Isolated Hypoganglionosis	Intestinal obstruction	Enterectomy, colostomy	Ganglion regeneration	Mochida Pharmaceutical	100 patients	–
Pediatric disease	Cerebral palsy	Quadriplegia and Posture disorder	None	Nerve protection, activation and regeneration	Tokyo Metropolitan Institute of Medical Science, Nagoya University, Tokyo Medical and Dental University	2,000 patients per year, 30,000 patients in total	100,000 patients per year, 1.7 millions patients in total
Including Pediatric disease	Spinal cord injury	Loss of motor function and sensation	None	Nerve protection, activation and regeneration	Nagoya University	5,000 patients per year, 100,000 patients in total	25,000 patients per year, 500,000 patients in total (US, EU and Japan)
	Non-union fractures	Chronic pain, gait disturbance	Surgery	Bone regeneration	Hokkaido University and Spinal Injuries Center	100,000 patients per year	–
	Peripheral nerve palsy	Motor function and sensation disorder	Nerve reconstruction (Autologous nerve transplantation)	Peripheral nerve regeneration	Oita University	8,000 surgeries per year	–
※Non-disclosure of details	Bone-related diseases	※	※	※	Showa University School of Medicine	※	※
	Ophthalmologic disease	※	※	※	Gifu Pharmaceutical University	※	※

Designer Cell, Next Generation Cell Therapy Aiming at Global Expansion

Designer Cell can Change Patients' Future : 2nd Generation Cell Therapy



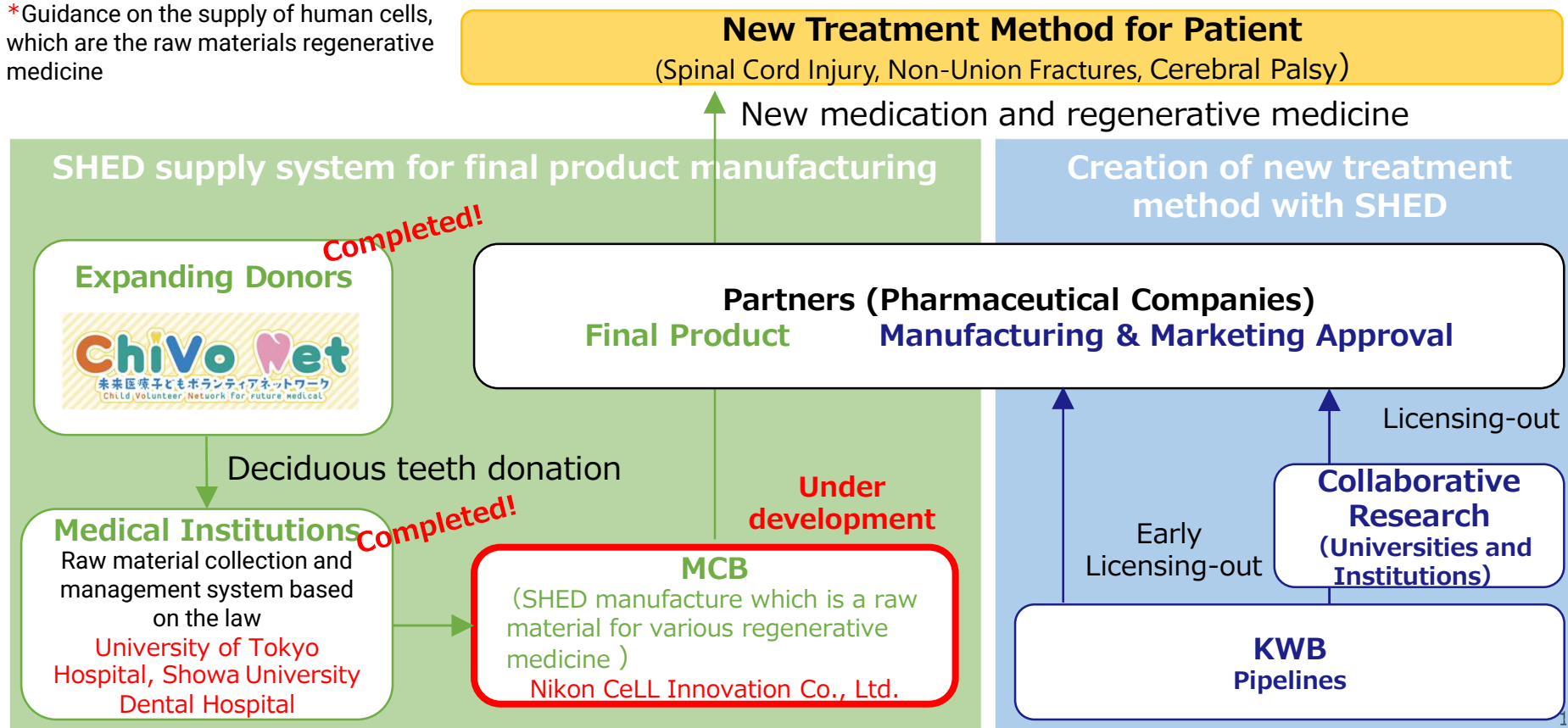
* Created by Kidswell Bio Corporation referring from Strategic Proposal of Designer Cell by Japan Science and Technology Agency.

MCB and Stable Supply System

Highlights

- ① **Infrastructure**
 - Steady progress of Master Cell Bank (MCB), which is a raw material for various regenerative medicine
- ② **Japan's first supply system**
 - Establishment of Japan's first supply system under the guidance* issued by the Ministry of Economy, Trade and Industry
- ③ **Stable supply**
 - Stable supply of deciduous teeth by registered donors (ChiVo Net)
- ④ **Licensing-out**
 - Accelerating licensing-out activities with establishment of MCB and stable supply system

*Guidance on the supply of human cells, which are the raw materials regenerative medicine



IR activities

R&D
Meeting to be
held in Autumn









One-on-One
Meeting with
Institutional
Investors

Online Meeting
with Private
Investors
(Coming soon)

Issuance of
Company Report

Pipelines

Biosimilars

Project	Therapeutic Area	Development Research	Clinical Trial		Application/ Marketing/ Approval/ Launch	Partner
			Phase 1	Phase 3		
GBS-001 Filgrastim	Oncology					Fuji Pharma Co., Ltd. Mochida Pharmaceutical Co., Ltd.
GBS-004 Bevacizumab	Oncology					
GBS-005 Adalimumab	Immunological disease					
GBS-007 Ranibizumab	Ophthalmic disease					Senju Pharmaceutical Co., Ltd. License out to Ocumension Therapeutics (China and Taiwan)
GBS-008 Palivizumab	Infectious disease					
GBS-010 PEG-filgrastim	Oncology					
GBS-011 Darbepoetin alfa	Renal disease					Sanwa Kagaku Kenkyusho Co., Ltd.
GBS-012 Aflibercept	Ophthalmic disease					Kishi Kasei Co., Ltd.

Project	Therapeutic Area	Basic Research	Development Research	Clinical Trial			Application/Marketing/Approval/Launch	Partner
				Phase 1	Phase 2	Phase 3		
GND-004 <i>Anti RAMP2 antibody</i>	Ophthalmic disease, Oncology							Looking for partners
GND-007	Immunological disease							
New Antibody	Oncology							Sapporo Medical University
	Oncology							<u>MabGenesis Co., Ltd.</u>

New Biotech (Regenerative medicine/ Cell Therapy) **Kidswell.Bio**

Project	Basic Research	Non-Clinical	Exploratory Clinical Trial (Ph1 Ph2)	Pivotal trial (Ph 3)	Marketing Authorization	Launch (PMS※)
Cardiac stem cell JRM-001 Hypoplastic Left Heart Syndrome						

※Post Marketing Surveillance

Project	Basic Research	Clinical Trial	Conditional and Time-limited Authorization ※	Marketing (Further confirmation on safety and efficacy)	Marketing Authorization	Marketing Continues	Partner
GCT-101 Cell therapy using SHED for alveolar cleft							Orthorebirth Co., Ltd.
GCT-102 Congenital Isolated Hypoganglionosis							Mochida Pharmaceutical Co., Ltd.
Bone-related Diseases							Showa University School of Medicine
Ophthalmologic Diseases							Gifu Pharmaceutical University
Cerebral palsy							<ul style="list-style-type: none"> • Tokyo Metropolitan Institute of Medical Science • Nagoya University Hospital • Tokyo Medical and Dental University
Peripheral nerve palsy							Oita University
Spinal cord injury							Nagoya University
Fracture non-union							Hokkaido University Spinal Injuries Center

※Expedited approval system for regenerative medicine

Post-marketing safety measures must be taken, including prior informed consent of risk to patients.

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