# Mid-Term Strategic Plan KWB 2.0
# Full version

All for Kids, Kids for All

KIDS WELL, ALL WELL

## Kidswell Bio Corporation

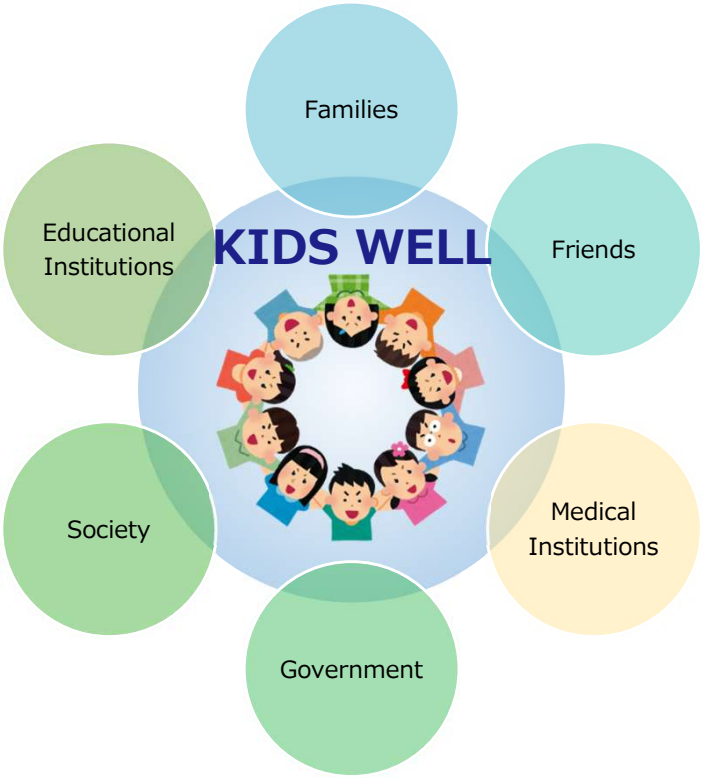
# Our vision

Kidswell.Bio

## All for Kids, Kids for All

# KIDS WELL, ALL WELL

**～ For Comprehensive Healthcare System for Children as well as Families, and Society ～**




**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.**


**Mid-term strategic plan KWB 2.0 to survive in the competitive environment and promptly realize our vision**

# Reasons for launching KWB 2.0

## - Changes in the biosimilar market -

Kidswell Bio

- Launched GBS-007,our third biosimilar product, as the first biosimilar in the ophthalmology field in Dec. 2021.
  - ➢ Sales continue to be better than expected and expecting further growth
- **<u>The entry of biosame (authorized biosimilar (AGS)) into the market is getting impacts to the biosimilar market</u>**

**Competitive Biosame**

| Name of product | Indications | Medicinal effects | Development Company | Approval date | Impact on KWB's products |
|---|---|---|---|---|---|
| Eylea (Aflibercept) | Age-related macular degeneration | Anti-VEGF antibody drugs | Bayer Yakuhin, Ltd. | Feb. 2022 | Competitive product of GBS-007 |
| Nesp (Darbepoetin Alfa) | Renal anemia | Erythropoietin Receptor Activator | Kyowa Kirin Co., Ltd. | Aug. 2018 | Competitive product of GBS-011 |

- ➢ **As the number of biosame entering the market will increase, the competition for market share with biosimilars will intensify (profitability will decline). As a result, potential partners of pharmaceutical companies will hesitate to launch new biosimilar projects.**
- ➢ **Biosimilar projects that secure enough profitability will become less.**

- **Continue to maximize value for existing biosimilar pipelines**
- **Need to change KWB's profit structure that relies solely on biosimilar businesses.**

**Accelerating the creation of new medicines to increase corporate value by SHED (cell therapy) development**

# Reasons for launching KWB 2.0

## –Strategies for an increase in stock prices -

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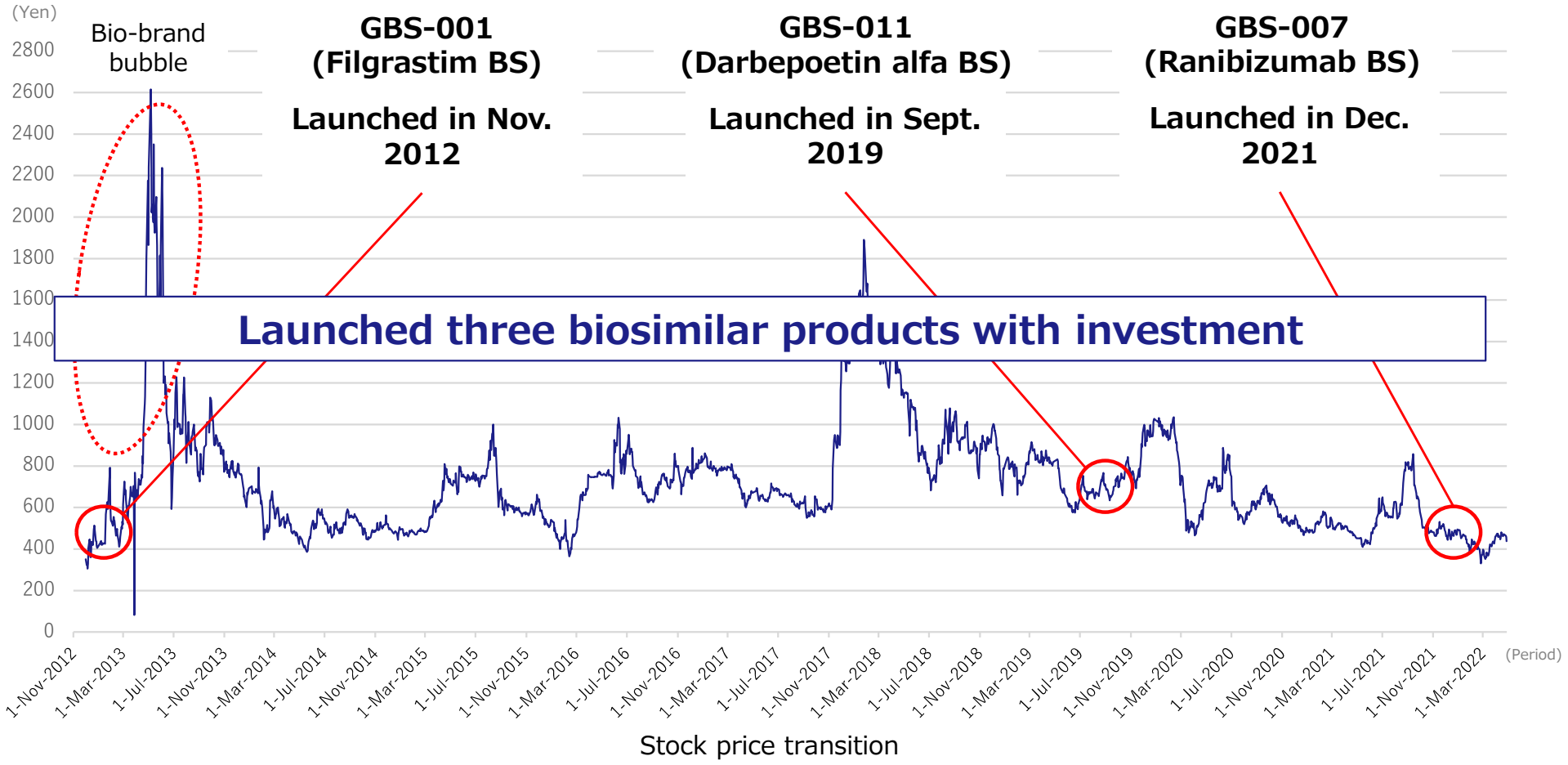
**The stock market didn't evaluate KWB's business expansion by launching biosimilars.**




Stock price transition

- **The launch of biosimilars alone didn't lead to stock price increase.**
- **Sticking to achieving target profitability with the biosimilar business alone won't be reflected in "big" stock price increase.**

# KWB 2.0
## – Investment for breakthrough in SHED development -

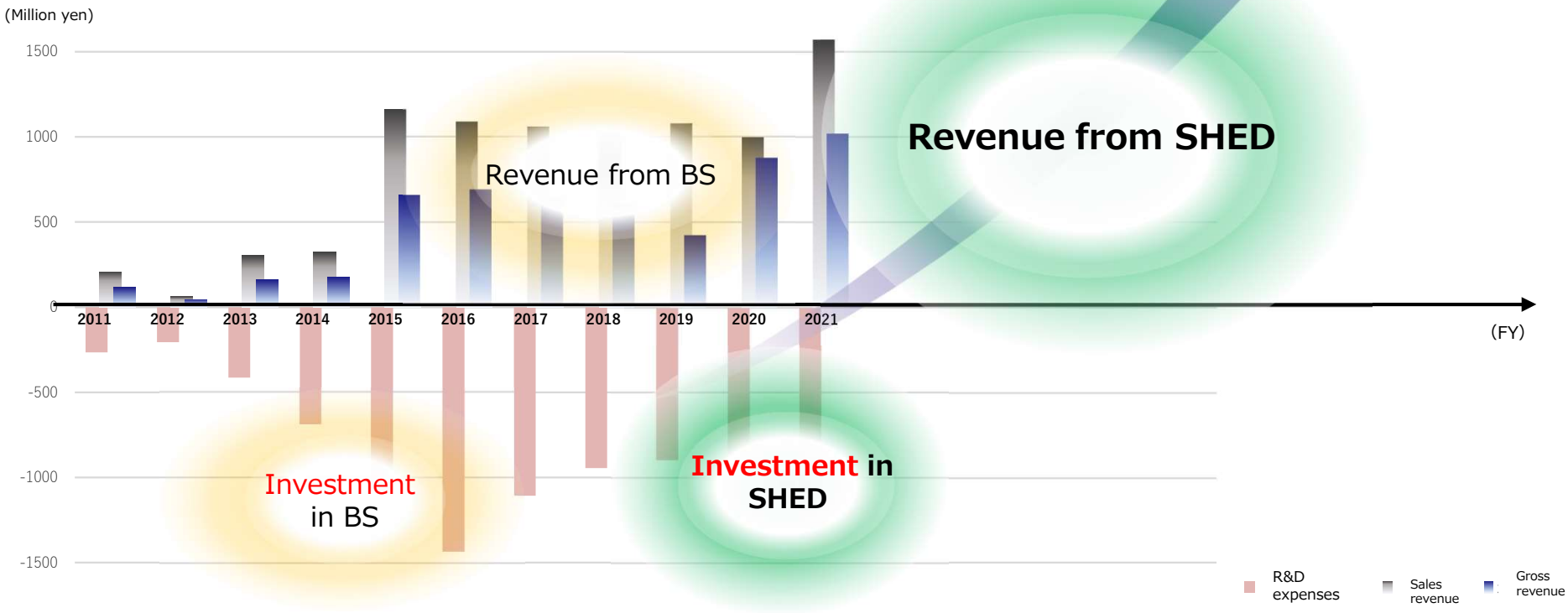
Kidswell Bio

**Active investment in the SHED (Cell Therapy) pipelines to promptly realize our vision**

- Promote global business expansion and R&D of SHED(cell therapy)
- Accelerate development in overseas while continuing business in Japan
- Aiming to launch the world's first SHED medicine/ therapy products by FY 2030
- Continue biosimilar business and new biologics business

**Enhancing corporate value**

**Aiming to be a one-of-a-kind company that creates cell and gene therapy products utilizing SHED**



# Business foundation for KWB 2.0

## Step-ahead strengths among other bio ventures

- **Profit structure** achieving sales of 3 billion yen and operating income of 1 billion yen in FY 2025
- **Well-knowledge and experienced human resources** in biologics development
- **Well-accumulated know-how** in the development of biosimilar products

### Biosimilars Business Foundation

| GBS-001 (Filgrastim BS) | GBS-011 (Darbepoetin alfa BS) | GBS-007 (Ranibizumab BS) | Fourth Product<br>Fifth Product… |
|---|---|---|---|

**Medium- to long-term cash flow + Experts for proceeding biosimilar pipeline + Well-accumulated know-how**

**Expand and strengthen profits through biosimilar products**

# Growth strategies for breakthrough in SHED

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**Commercialization** — **Launching regenerative medicine products of the 1st generation of SHED**

For Launching regenerative medicine products of the 1st generation of SHED

- **Establishment of SHED Supply system**
- **Selection of target diseases** through collaborative researches
- **Establishment of clinical development system**

**Technology** — **Invention in SHED and next generation technology**

For commercialization of the 2nd generation of SHED

- Introduction of next-generation technologies to generate synergies
- Combination with synergistic devices
- Promoting technology adoption through alliances and acquisitions

## Focusing on R&D of SHED pipelines and accelerating R&D in Japan and overseas

**Fund-raising** — **Financing for strategic execution**

- **Financing from overseas market**
- **Large-scale financing to realize SHED commercialization**
- Equity financing specialized for SHED development

**Human resources and organizational structure** — **Strengthening SHED development structure**

- Establishment of **a SHED delivery system to overseas**
- **Establishing office in overseas**
  - **Fostering networks with international medical institutions and academia**
  - **Strengthening cooperation between Japan and overseas**
- **Staff recruiting for global expansion**

# Breakthrough in SHED

## - Prompt commercialization of the first generation of SHED -

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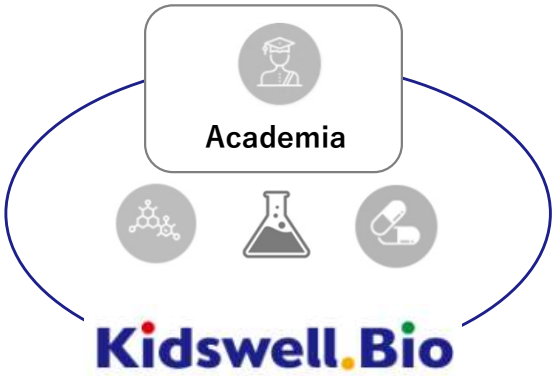
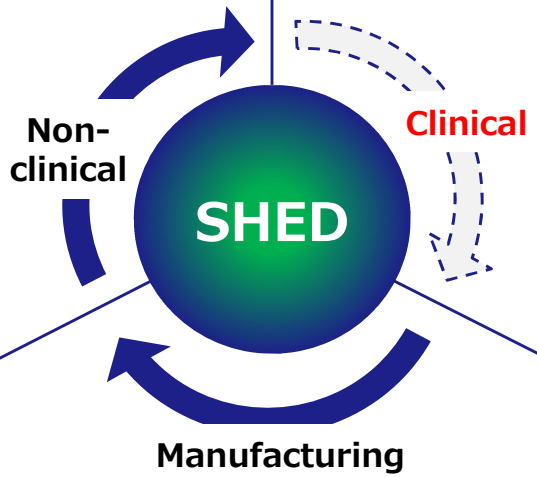
### Selecting target diseases through joint research with academia

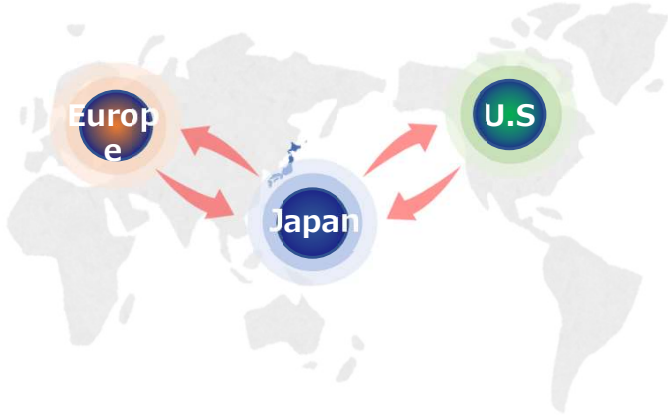
Based on the evidence through our R&D, further joint research will be promoted and maximize SHED potential.

### Accelerating clinical development in Japan and overseas

Through Real World Data (RWD), Virtual Clinical Trials (DCT), aiming for shortened clinical trial period and early commercialization




**S-Quatre**SM

*(SHED Source Supply Service)*

**A one-stop service to providing highly reliable and domestically produced SHED as an intermediate product for regenerative medicine products through business collaboration**

# Breakthrough in SHED - Investment schedule -

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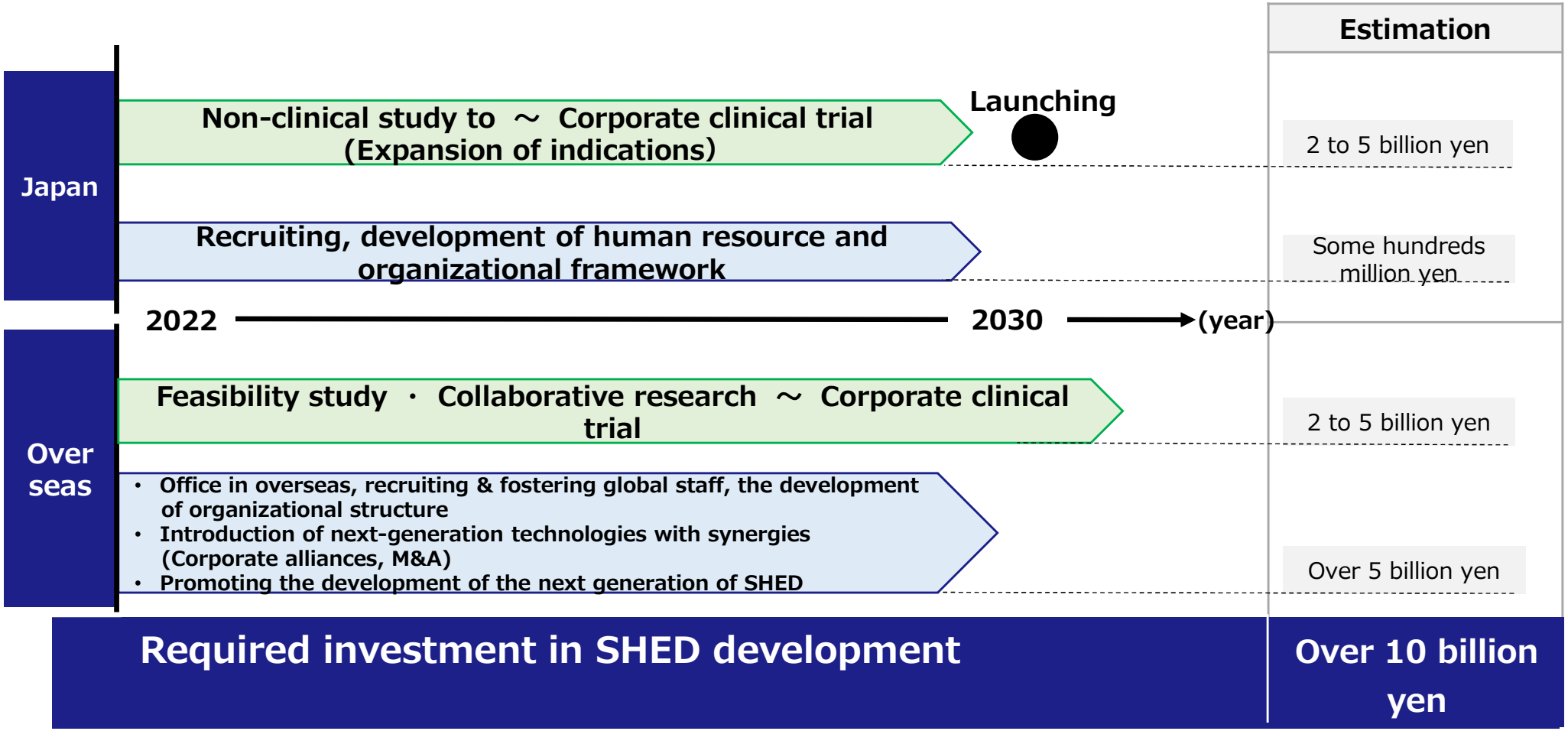
## Focusing on SHED development and accelerating investment for increase in corporate value




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

# Strategic Investment in human resources and organizational structure

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- **Contributing to society by the development of human resources and organizational structure that leads to an increase in KWB's corporate value**
- **Pursuing contributions to society (S in sustainable development goals) through the creation of new medical treatments**

## Experts

- Recruiting human resources with knowledge and experience in the regenerative medicine (cell therapy) field
- Recruiting human resources with knowledge of next-generation modality
- Recruiting global human resources for overseas business activities

## Challenging work environment

- Talent management to realize human resources strategy
- Fostering a corporate culture with diversity (gender, age, nationality, values)
- Flexible and appropriate personnel allocation
- Execution of career development plan (human resources development plan)

## Respect for each employees' work style

- Flexible work system under emergency and pandemic
- Establishing work infrastructure for flexible work styles
- Fostering a corporate culture for understanding each working style

Organizational culture with plenty of creativity and innovation

# Roadmap

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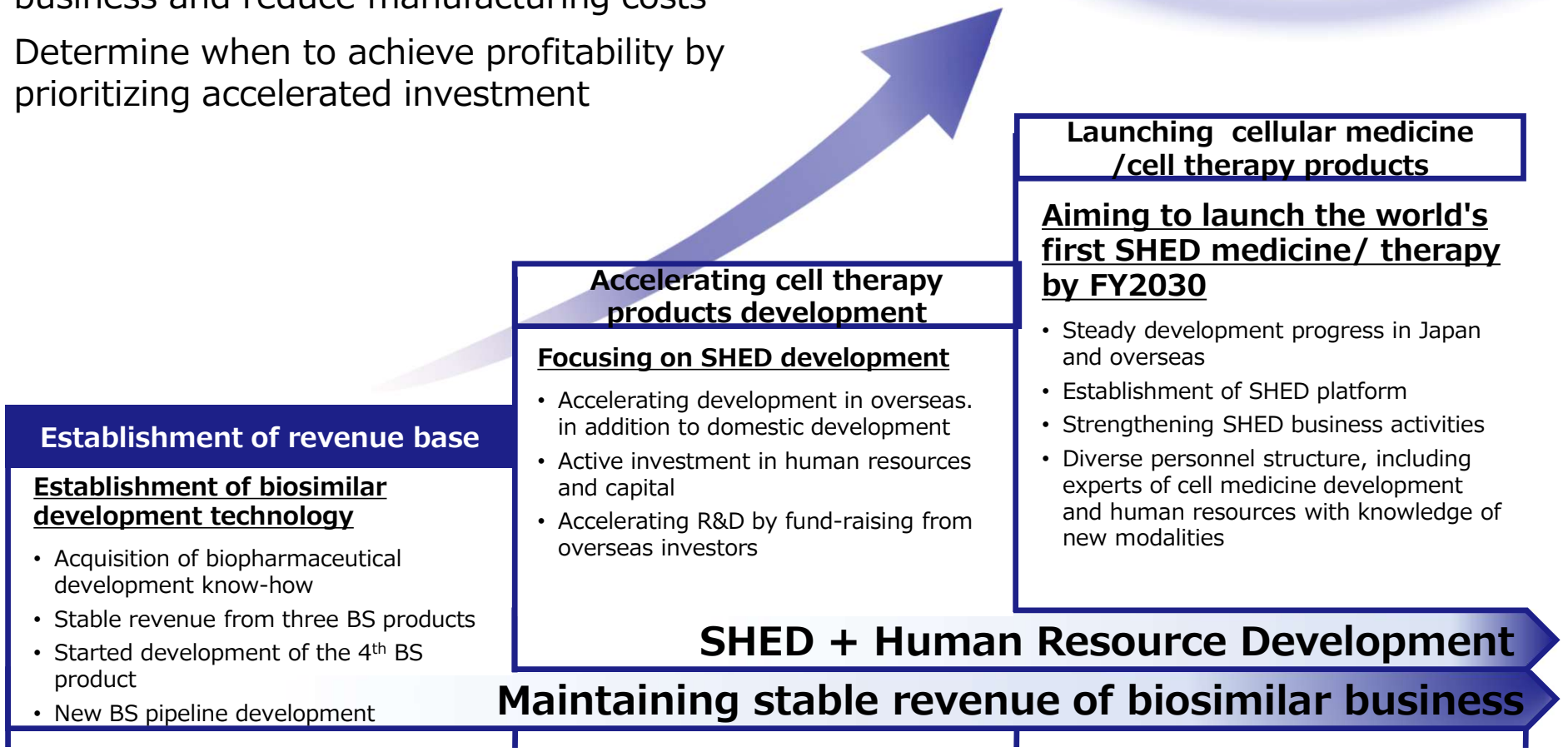
## Accelerating our R&D activities to realize our vision

- Accelerate SHED R&D activities to realize our vision and increase corporate value.
- Continue stable revenue from biosimilar business and reduce manufacturing costs
- Determine when to achieve profitability by prioritizing accelerated investment

**KIDS WELL, ALL WELL**



# Our Role in Society

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## Two Virtuous Cycles through “Kids Centricity”

“

New Medical Treatment

Medical Expenses Reduction & improvement of medial access

Creating regenerative medicine with SHED for all generations

More people will overcome diseases and they will play an active role in our society.

Patent application

Drug discovery

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**Combining individual technologies and know-how for building up efficient development system**

Product manufacturing

Clinical development

## Integrating technologies and know-how in Japan and overseas and building up efficient R&D system

# Cell Therapy Business
## (Regenerative Medicine)

# Market Trends of Drug and Healthcare

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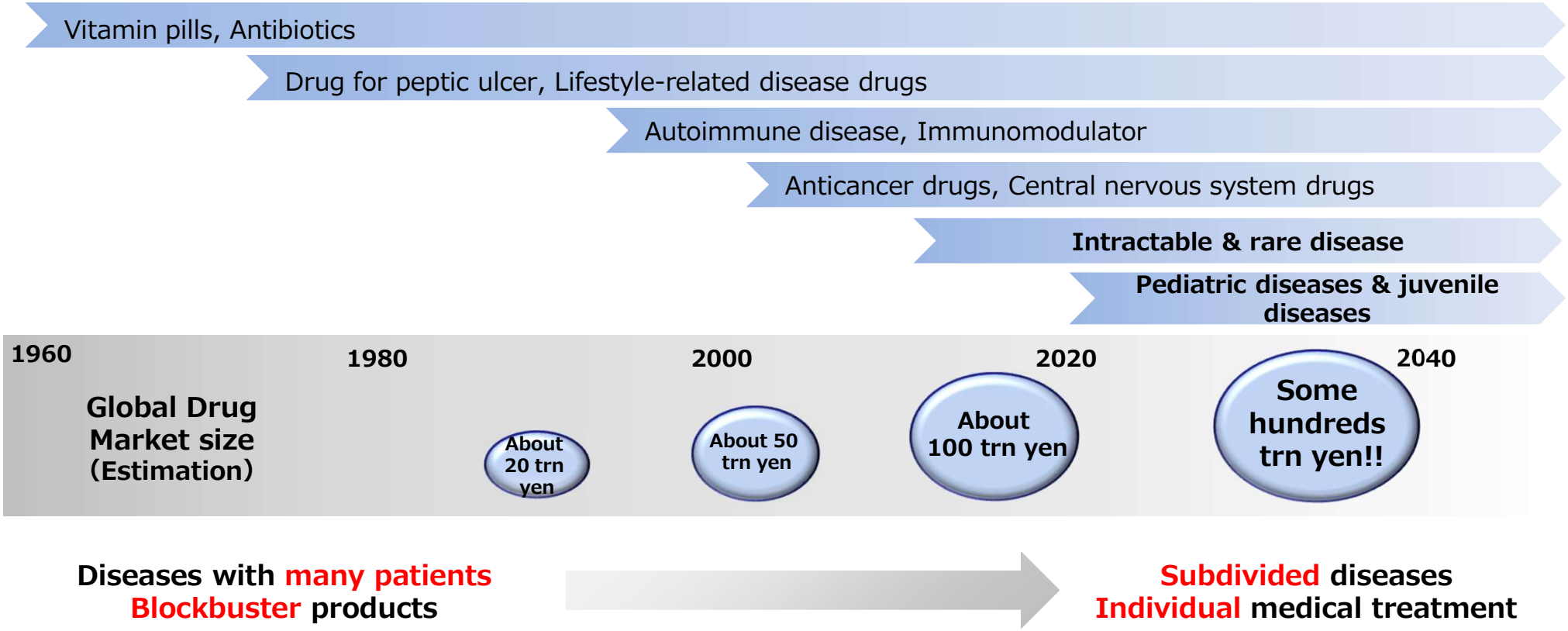
- Trends of diseases have shifted from the number of patients to subdivided diseases.
- From blockbuster products* to individual products
- Global drug market size will exceed 100 trillion yen.

* Products with global annual sales of more than 100 billion yen




- **Increase importance of individual medical care**
- **R&D of intractable, rare and pediatric diseases, which tend to behind, will be more focused.**

# SHED
# (Stem Cells from Human Exfoliated Deciduous teeth)

# What are stem cells? (For regenerative medicines)

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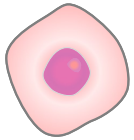
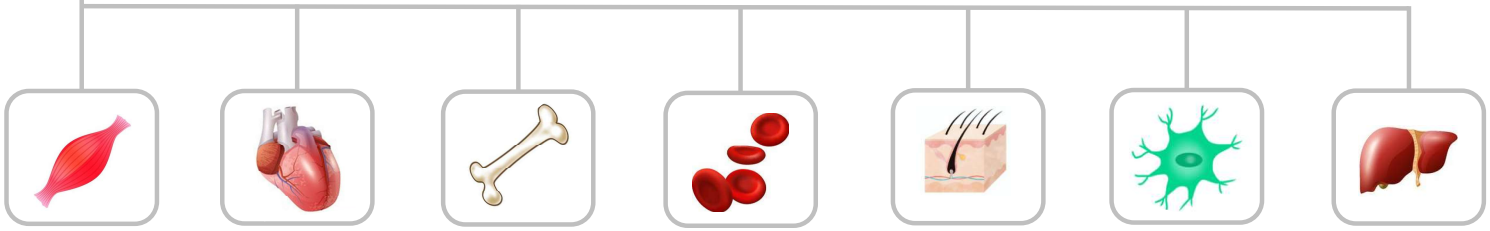
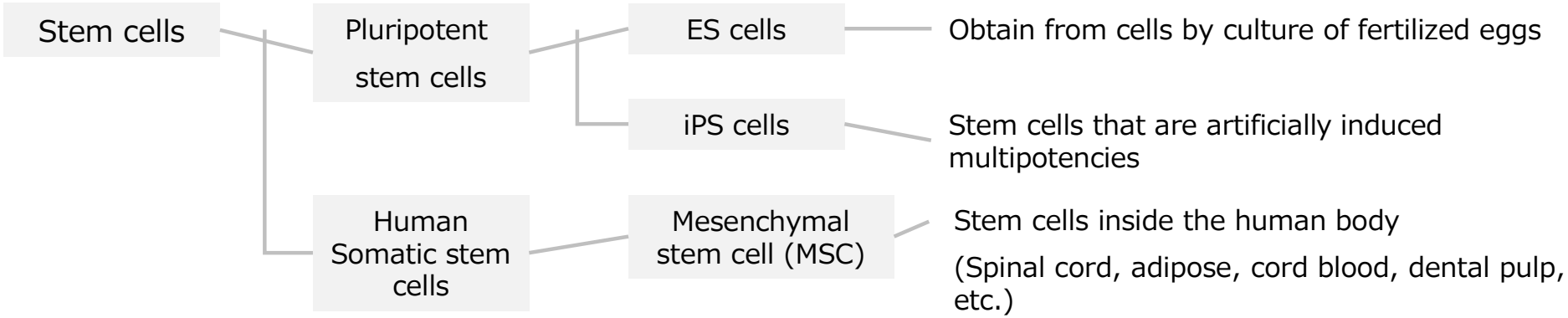


Stem cell

- Muscles, bones, blood, organs, skin, nerves, etc. are all made of cells.
- Stem cells are the source of all cells.
- Stem cells can repair and regenerate cells and tissues that can't perform their original functions due to illness.




Kinds of stem cells




## Focus on stem cells of deciduous teeth

# What's SHED?

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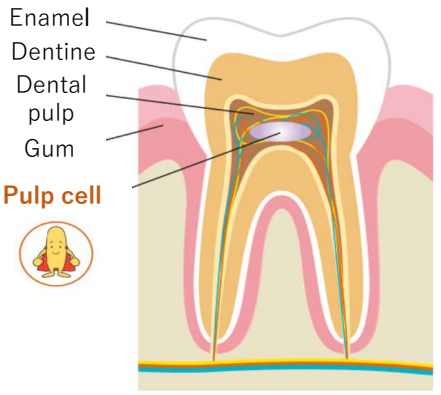
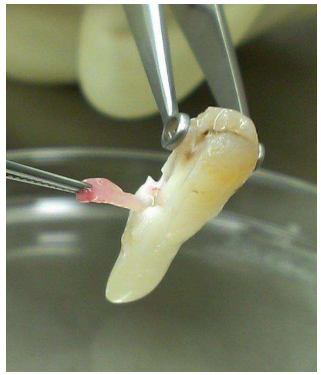
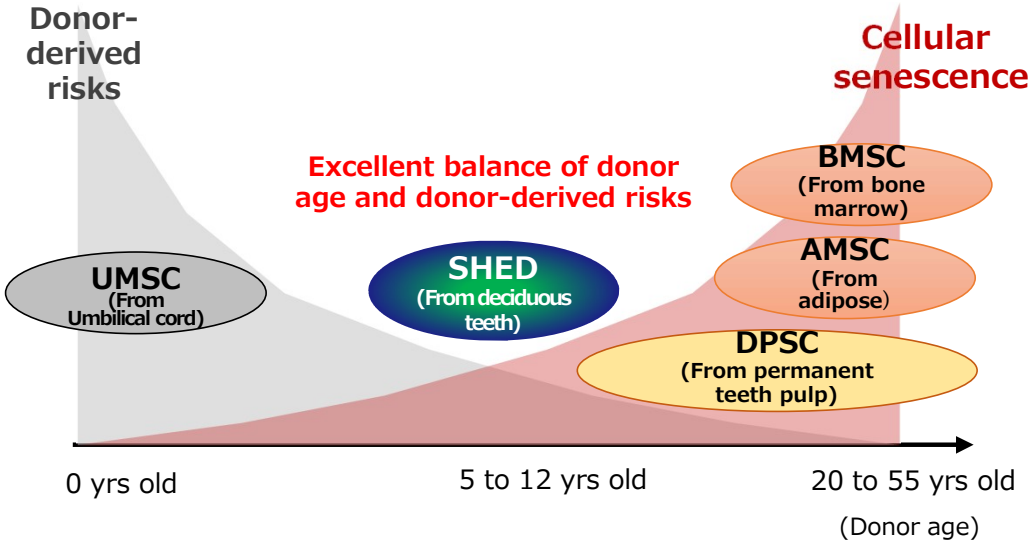
## SHED : Stem cells from Human Exfoliated Deciduous teeth

- One type of dental pulp stem cells that extracts from a dental pulp cavity
- SHEDs have extremely high proliferating ability, repair and regenerative capabilities.
- Possible to extract from the deciduous teeth, which has many sampling timings, and less burden on the donor.
- A new stem cell with a short research history in the world



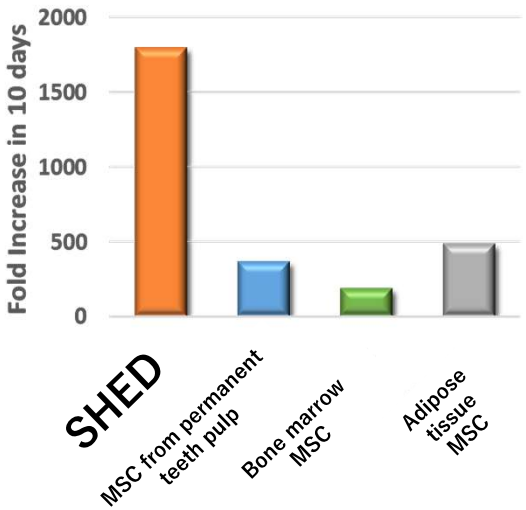





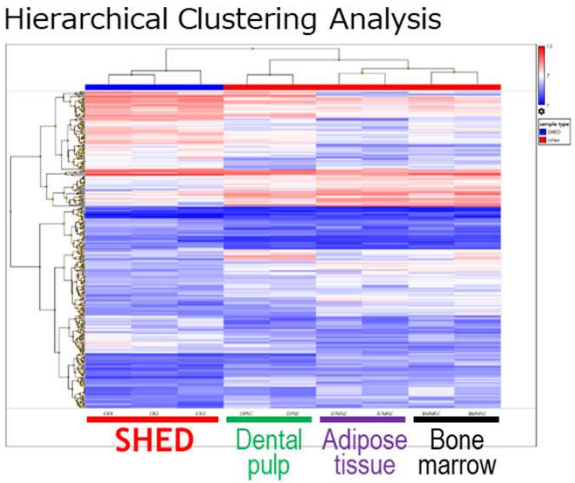

| | Dental Pulp (SHEDs) | Bone Marrow | Adipose | Umbilical cord |
|---|---|---|---|---|
| Type of Bank | **Private** | Public | Private | Public/ Private |
| Age of Donor | **5 to 12 yrs old** | 20 to 55 yrs old | Mostly over 20 yrs old | 0 yr old |
| Timing of Extraction | **Usually 20 times at extraction of deciduous teeth** | When transplant ation | When surgery | Time of birth |
| Burden on Donor | **Low** | High | High | Very low |
| Proliferating Ability | **Very high** | High | High | Research stage |

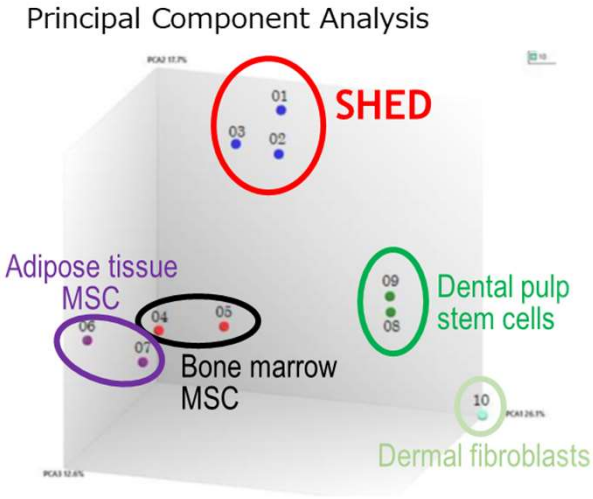
# Features

**Pulp stem cells from neural crests are expected to be particularly applicable to diseases of the nervous and muscle/bone systems.**



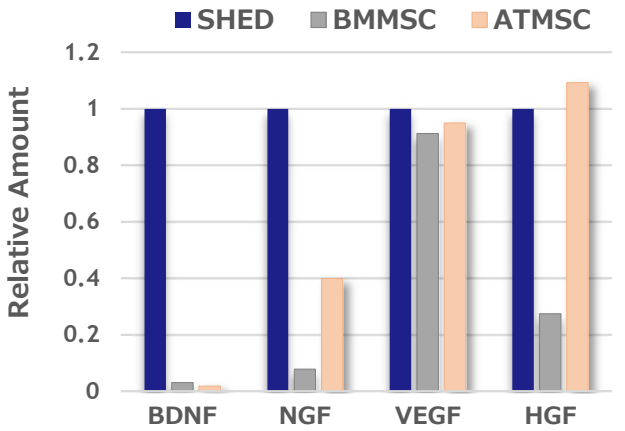

SHED: Young cell and highly proliferative ※




SHED: High gene expression related to neurogenesis, angiogenesis, and cell migration ※

| Features of SHED | Application for regenerative medicine |
|---|---|
| High proliferative ability※1,2 | Sufficient cells in a short period of time |
| Expression of neurogenesis-related genes※1,3, high secretion of nervous system growth factor※1,4 and high nerve regenerative ability※1,5 | Diseases related to nerve regeneration (Ex. Spinal cord injury, brain infarction, cerebral palsy, etc.) |
| High bone regenerative ability※1,6 | Diseases required bone regeneration (Ex. Non-union fracture, osteonecrosis of the femoral head, etc.) |




SHED: High secretion capacity of neurotrophic factor (BDNF, NGF)※

※ *KWB internal data*

# Boosting licensing-out activities

Kidswell Bio

## SHED R&D Projects as our growth driver

※ Details not disclosed

| Development Product | Target disease | Symptom | Existing Treatment | Therapeutic target | Partners | Number of patients (Domestic) | Number of patients (Global) |
|---|---|---|---|---|---|---|---|
| 1st generation SHED | Pediatric disease<br>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<br>Congenital Isolated Hypoganglionosis | Intestinal obstruction | Enterectomy, colostomy | Ganglion regeneration | Mochida Pharmaceutical | 100 patients | – |
| | Pediatric disease<br>**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,<br>30,000 patients in total | 100,000 patients per year, 1.7 millions patients in total |
| | Including Pediatric disease<br>**Spinal cord injury** | Loss of motor function and sensation | None | Nerve protection, activation and regeneration | Nagoya University | 5,000 patients per year,<br>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 | – |
| | Bone-related diseases | ※ | ※ | ※ | Showa University School of Medicine | ※ | ※ |
| | Ophthalmologic disease | ※ | ※ | ※ | Gifu Pharmaceutical University | ※ | ※ |
| 2nd generation SHED | Under consideration | ※ | ※ | ※ | NanoCarrier, BioMimetics Sympathies | ※ | ※ |

# Collaborative Researches with academia

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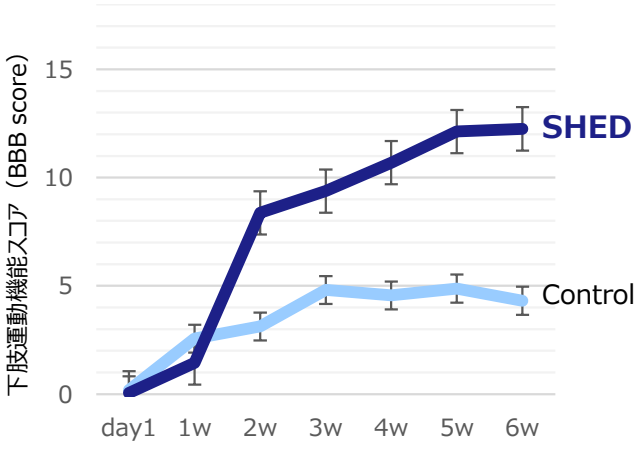
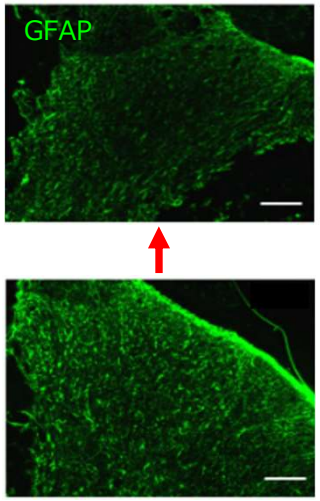
## Progress in collaborative researches with academia for the application of diseases related to the nervous and muscle/bone systems

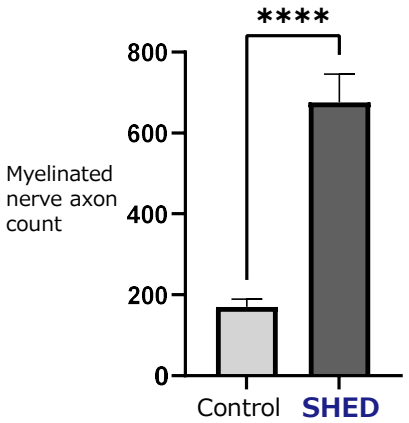
### Spinal Cord Injury

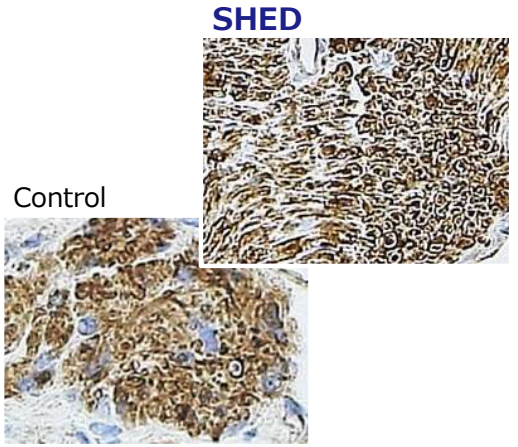



**Improvement of motor function and gliosis with SHED administration**

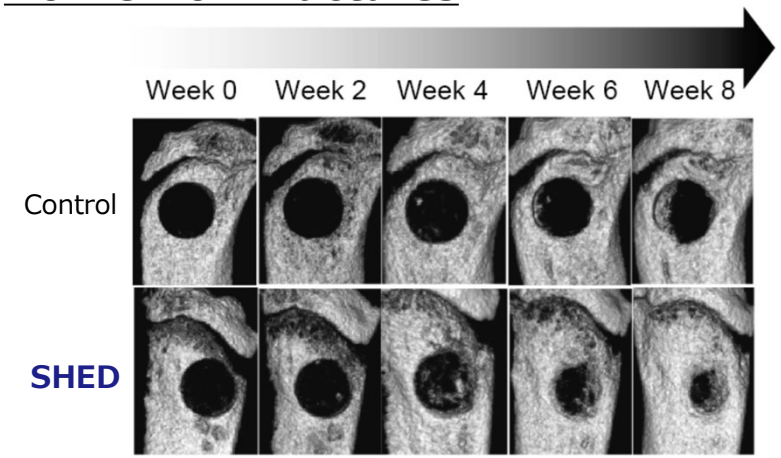
### Peripheral Nerve Palsy




**Missing nerves regeneration with SHED transplantation**

### Non-Union Fractures



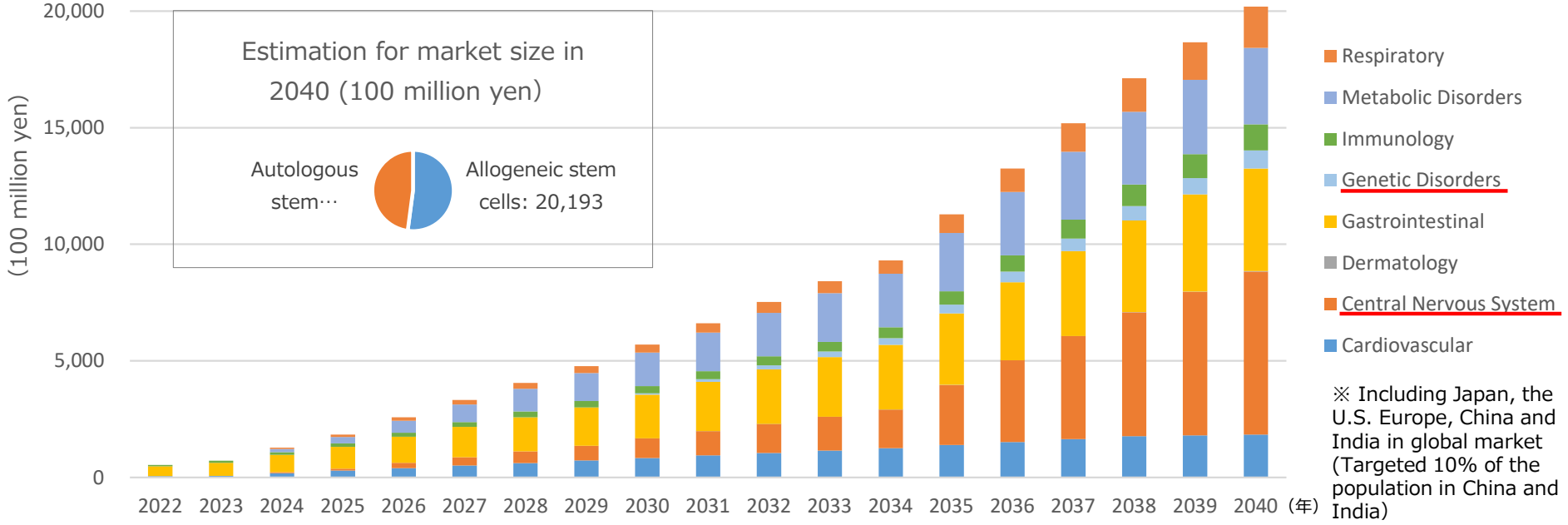

**Defective bone regeneration by SHED transplantation**

# Market potential

| | Cerebral palsy | Spinal Cord Injury | Non-union fractures |
|---|---|---|---|
| Existing treatment | None | None | Noe |
| Number of patients | 10,000 patients per year in U.S. (children) | 12,500 patients per year in U.S. | 100,000 patients per year |

Made by KWB from MyChild at CerebralPalsy.org and OSSGROW FOR NON-UNION FRACTURES, DOI: 10.1177/2151458517696680

## Nervous system and muscle/ bone diseases targeted by SHED will grow from 700 billion to 800 billion yen market by 2040.




## Estimation for market size of allogeneic stem cells

KWB's research based on Regenerative medicine and gene therapy market research in 2019 Final report from the website of Japan Agency for Medical Research and Development, Global Data from epidemiological literature and websites from rare diseases (Orphanet, NORD, Japan Intractable Diseases Information Center, Clinical Development Success Rates 2006-2015, BIO Industry Analysis」and related documents from general meeting of Central Social Insurance Medical Council

# 2nd Generation SHED

# Therapeutic modalities for the society

Kidswell Bio

## Shift to development trends in domestic & overseas : designer cells for radical treatments

**Cell Therapy** × **Enhanced therapeutic effect / Improvement of disease directivity** = **Designer Cells**

| 1900～2000 Small molecule medicine | 2000～2020 Antibody drugs | 2020～ What comes next? | |
|---|---|---|---|
| | | **Designer Cells** Regenerative Medicine | **Modality of Cell therapy** |
| | | Nucleic acid medicine | |
| | Antibody drugs → | Antibody drugs | **Modality of molecule** |
| Protein/Peptide pharmaceutical → | Protein/Peptide pharmaceutical → | Protein/Peptide pharmaceutical | |
| Small molecule medicine → | Small molecule medicine → | Small molecule | |

**Diversification of modalities (types of treatment methods) by increasing the speed of technological innovation**

Created by Kidswell Bio Corporation referring from strategic proposal “Designer Cell” by Japan Science and Technology Agenc

# Designer Cells for Next Generation Cell Therapy

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## Launched development of designer cells as reinforced SHEDs to achieve high medical treatment goals

**Development of new gene transfer methods**
**(Ex: NanoCarrier)**

**Development of new culture methods**
**(Ex: BioMimetics Sympathies Inc.)**

**Verification of the effects of various types of transgenes**
**(Ex: Nagoya Univ., Hamamatsu University School of Medicine )**

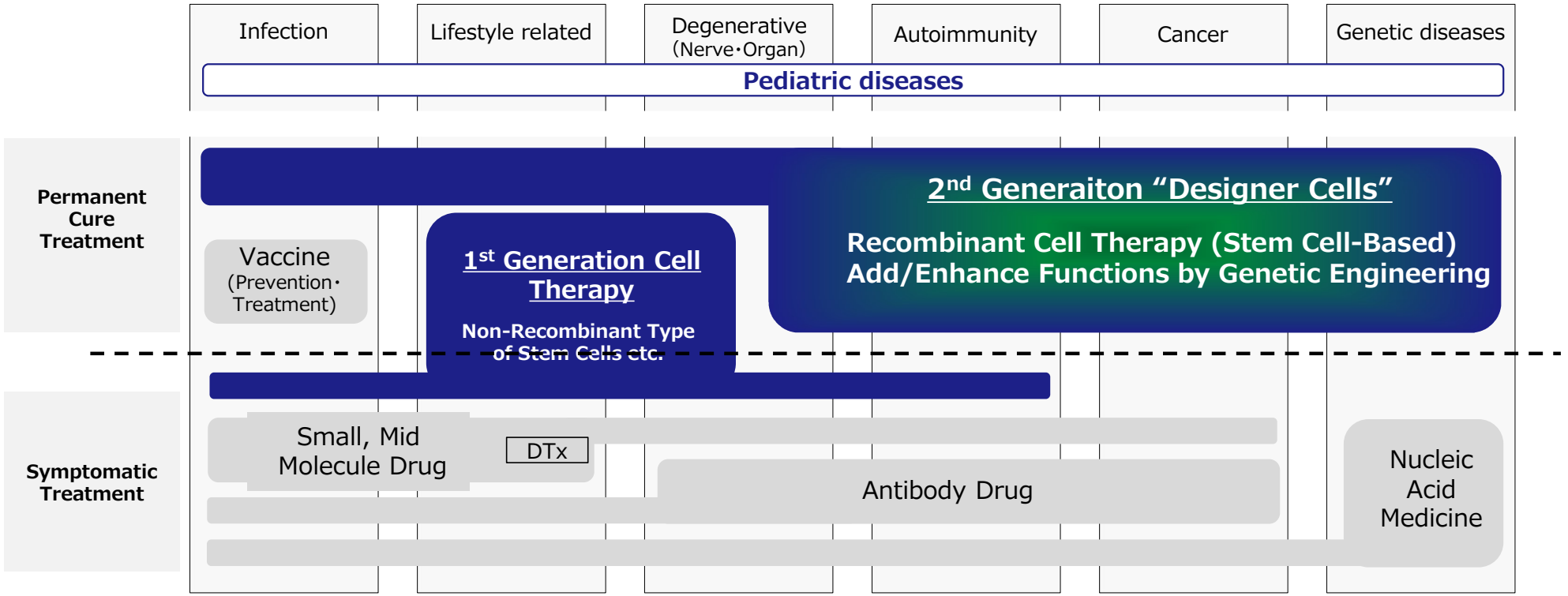
**Reinforced SHED**

Target diseases of development※

Genetic diseases
Degenerative (Nerve)
Cancer, etc.

※ in addition to nervous and muscle/bone diseases in the list of target diseases of 1st generation SHED

**Aim to develop reinforced SHED with enhanced therapeutic efficacy**




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

# S-Quatre: SHED Supply Source Service

# SHED Source Supply Service

Kidswell Bio

## Manufacture SHED MCB in compliance with GMP

### SHED MCB Manufacturing

| Process | Deciduous teeth donation | Tooth extraction | Isolation and Cultivation (MCB) | Development of final products |
|---|---|---|---|---|
| | **Kidswell Bio Corporation** | | | |
| Organization | **ChiVo Net** | **Univ. of Tokyo Hospital<br>Showa Univ. Dental Hospital** | **Nikon CeLL innovation (Cell development･Manufacturing)** | **Development Partners** |
| Role | **Secure stable registration of donor candidates** | **Confirmation of the general condition of the donor and tooth extraction at the dentist and oral surgery** | **Manufacturing MCB in compliance with GMP** | **Supply MCB to development partners to develop final products** |
| | | • Explanation and acquisition of consent<br>• Gather and provide donor information<br>• Donor screening (examination & inspection)<br>• Collection and provision of extracted teeth<br>• Management of information related to research implementation<br>• Management of Personal Information and research IDs | • Receive extracted teeth<br>• Isolate and culture SHED from pulp tissue<br>• Manufacture MCB in compliance with GMP | • Manufacture final products such as cell therapies, ex-vivo gene therapies, and exosome therapeutics with MCB<br>• Possible to consign manufacturing final products. |

S-Quatre℠
(*SHED Source Supply Service*)

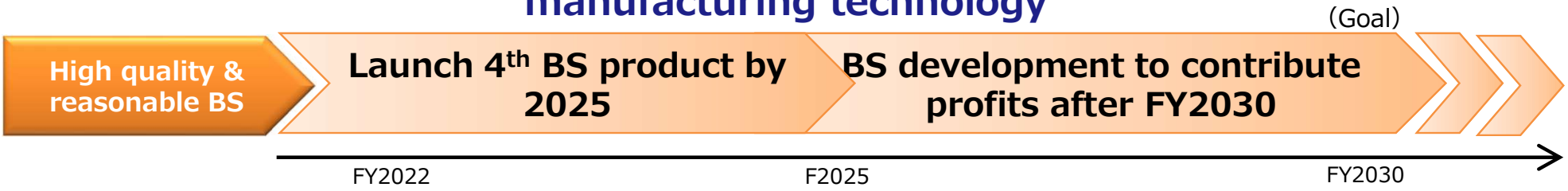
Establishment of SHED intermediate product supply service

# Biosimilar Business

# Outline of Development

Kidswell Bio

## Challenge the development of new biosimilars with our experience of the launch of three BS products and cost competitiveness through highly efficient manufacturing technology




## 【New BS pipelines】

- Promote the development of new biosimilars with high-cost competitiveness, although the environment for the biosimilar market is severe due to the impact of biosame.
- Aiming to create biosimilars that significantly reduce the financial burden on patients against biopharmaceuticals with high annual drug costs.

**【Experience of launch of BS products】**

**Accumulated track record**: Knowledge and experience in the development and the launch of BS products from the start of the biosimilar business in 2007

| Project | GBS-001 (Filgrastim BS) | GBS-011 (Darbepoetin alfa BS) | GBS-007 (Ranibizumab BS) |
|---|---|---|---|
| Outline | G-CSF製剤 (顆粒球コロニー形成刺激因子製剤) | 持続型赤血球造血刺激因子製剤 | Anti-VEGF antibody drug |
| Therapeutic area | Neutropenia | Chronic Kidney Disease, Renal anemia | Age-related macular degeneration |
| Partners | Fuji Pharma Co., Ltd., Mochida Pharmaceutical Co., Ltd. | Sanwa Kagaku Kenkyusho Co., Ltd. | Senju Pharmaceutical Co., Ltd. |

**【High-Yield Protein Producing Technology】**

Promoting collaborative researches with chromocenter (artificial chromosome technology) and SOLA Biosciences (Tapboost® technology*) to dramatically reduce manufacturing costs and ensure cost competitiveness and profitability

(* Technology to correctly arrange the three-dimensional structure of the target protein in the production cell line )

| Chromocenter | SOLA Bioscience |
|---|---|
| **Increase in number of gene copies by artificial chromosome technology = Mass production of mRNAs** | **Increased rewind efficiency by Tapboost® ＝＞Mass production of proteins** |

# Biosimilar pipeline

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| Project | Therapeutic area | Basic research | Clinical trial（Clinical study） | | Application/ Marketing | Approval / Launch | Partners |
|---|---|---|---|---|---|---|---|
| | | | Phase Ⅰ | PhaseⅢ | | | |
| **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. Ocumension Therapeutics |
| **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. |

# New Biologics (antibody) Business

# Outline of Development Plan

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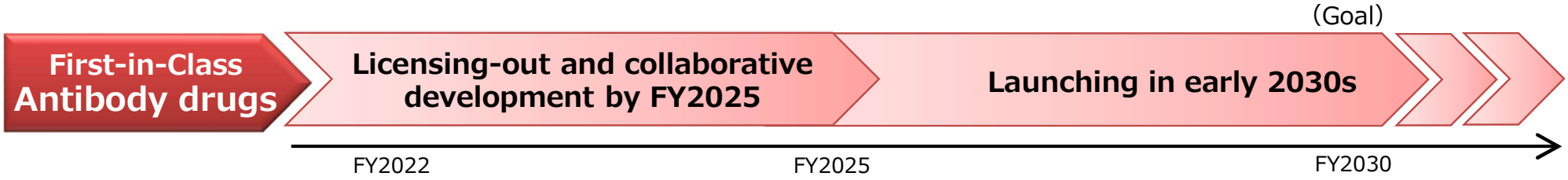
## Challenge to create antibody drugs with completely new mechanisms of action




### ●Oncology

- **Therapeutic antibodies for malignant lymphoma**
  Create therapeutic antibodies with a new mechanism of action that does not depend on the patient's immunity and induces direct cell death

### ●Circulatory diseases

- **Therapeutic antibodies for pulmonary hypertension**
  Create new therapeutic antibodies by production of inhibitory antibodies for substances that are candidate of root-cause substances for pulmonary hypertension
- **Therapeutic antibodies for vasculitis**
  Identify the causative agent that causes excessive inflammation in the vascular wall and create therapeutic antibodies with new mechanisms of action that inhibit the substance

| Project | Therapeutic Area | Basic Research | Non-Clinical Trial | Clinical Trial and Clinical Study | | | Application / Marketing | Approval/ Launch | Partner |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Phase Ⅰ | Phase Ⅱ | Phase Ⅲ | | | |
| GND-004 | Ophthalmic disease, Oncology | | | | | | | | |
| GND-007 | Immunological disease | | | | | | | | |
| New Antibody | Oncology | | | | | | | | Sapporo Medical Univ. |
| | Oncology | | | | | | | | MabGenesis Co., Ltd. |

# Malignant lymphoma

Kidswell Bio

## Create new therapeutic antibodies for malignant lymphoma

### 【Target disease】

**Malignant lymphoma**

- Lymphoma is a part of white blood cells (B cells, T/NK cells) that become blood cancer
- **10% of pediatric cancer**

### 【Challenges of current treatment】

- Less radical cure and high mortality rate for high grade of malignancy
- CAR-T cell therapy has been developed for some B-cell lymphomas, but side effects are strong. The cost of treatment is high (drug price 33.49 million yen), putting pressure on medical finances.

### 【Market overview】

**Existing treatment method: CAR-T therapy**

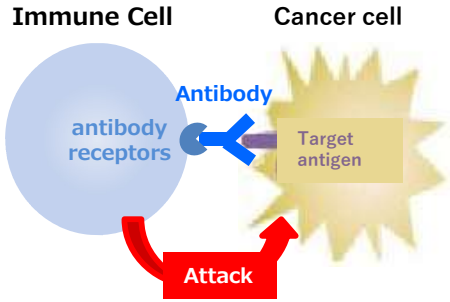
Though worldwide sales of Kymriah, Yescarta, Tecartus (brexucabtagene autoleucel) etc. reached 72 billion yen, expecting **more than 300 billion yen sales around 2026**.

The domestic market for malignant lymphoma of medicines including chemotherapy is about 80 billion yen as of 2021.

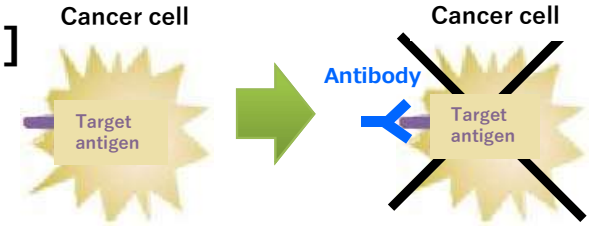
### 【KWB's strategy】

- Aim to create innovative therapeutic antibodies for malignant lymphoma that are highly effective in patients with lowered immunizing power.
- **Developing R&D of antibodies with a completely new mechanism of action that binds to malignant lymphoma cells and directly kills them.**

**[Current]**




**[Future]**




**Inducing direct cancer cell death**

# Vasculitis

Kidswell Bio

## Create new therapeutic antibodies for vasculitis

**【Target disease】**

**Vasculitis（Kawasaki disease and others）**

- An intractable disease in which organ or tissue function is reduced due to inflammation and bleeding in the vascular wall and clots
- Classified by the type of blood vessel in which inflammation occurs, Kawasaki disease is a pediatric vasculitis discovered in 1967 by Dr. Tomisaku Kawasaki
- Kawasaki disease is a serious disease that highly complicates coronary aneurysms in addition to symptoms such as fever and rash due to excessive inflammation in the vascular wall. The cause of disease has not clarified yet.

**【Market overview** (Estimates by KWB)】

**Kawasaki disease**

Number of domestic patients is 15,000 patients per year. The current market size is equivalent to about 4 billion yen.

**Other vasculitis**

Domestic market size will be more than 100 billion yen with the expand indication.

**【Challenges of current treatment】**

- Standard therapy is administration immune globulin. Concerns about safety and radical treatment is urgent issue because effect is not enough for 15 % of patients (children).

**【KWB's strategy】**

- Research on the causes of vasculitis
- **Aim to identify root-cause substances**
- **After identifying the causative substance, aim to create an inhibitory antibody** and create an innovative new therapeutic methods for vasculitis including Kawasaki disease.

Source: 川崎病研究班「診断の手引」より引用

# Pulmonary Hypertension

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## Creating new therapeutic antibodies for Pulmonary Hypertension

**【Target disease】**

**Pulmonary Hypertension**

- Pulmonary hypertension is a group of poorly prognostic progressive diseases that result in high blood pressure in the blood vessels "pulmonary arteries" that send blood from the heart to the lungs and cause dysfunction of the heart and lungs.
- There are multiple causes such as left ventricular dysfunction, pulmonary artery thickening, chronic obstructive pulmonary disease, etc., and 5 years survival in the case of untreated is 50%.

**【Market overview** (Estimates by KWB)】

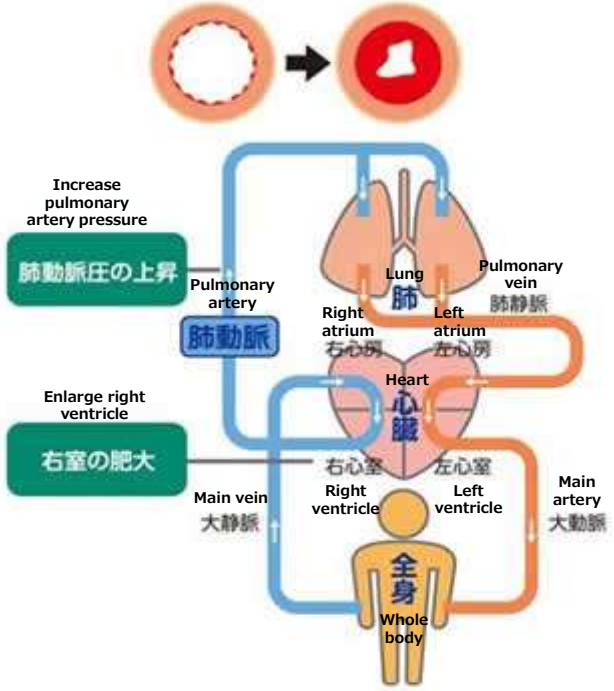
The number of domestic potential patients is estimated about 250,000 patients. If the annual treatment cost was 4 million yen and 25% of the potential patients received treatment, it would be a market size equivalent to about 250 billion yen.

**【Challenges of current treatment】**

- There is a treatment with vasodilator, but the therapeutic effect is limited for patients with advanced disease states.
- The effect has not been confirmed for a large number of pulmonary hypertension to the left heart dysfunction and chronic obstructive pulmonary disease.

**【KWB's strategy】**

- **Create inhibitory antibodies for substances that are potential root-cause of pulmonary hypertension**
- Verify the mechanism of action and its effectiveness in animal models and aim to create a completely new therapeutic methods for pulmonary hypertension.




Source from website of Cardiovascular Medicine, University Hospital Kyoto Prefectural University of Medicine

# Cautionary Statement

Kidswell Bio

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.

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# KIDS WELL, ALL WELL

Kidswell Bio Corporation