

August 12, 2021

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022

[Japanese GAAP]

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Listing: Tokyo Stock Exchange  
 URL: <https://www.kidswellbio.com/en/>

Scheduled date of filing of Quarterly Securities Report: August 13, 2021  
 Scheduled date of payment of dividend: -  
 Preparation of supplementary materials for financial results: Yes  
 Briefing of the quarterly financial results: None

(All amounts are rounded down to the nearest million yen)

### 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 – June 30, 2021)

(1) Results of operations (cumulative) (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First quarter of the fiscal year ending Mar. 31, 2022	303	150.1	-309	-	-313	-	-314	-
First quarter of the fiscal year ended Mar. 31, 2021	121	-57.3	-237	-	-244	-	-244	-

(Note) Comprehensive income

First quarter of the fiscal year ending Mar. 31, 2022: -216 million yen (-%)

First quarter of the fiscal year ended Mar. 31, 2021: -164 million yen (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter of the fiscal year ending Mar. 31, 2022	-10.50	-
First quarter of the fiscal year ended Mar. 31, 2021	-8.72	-

(Note) Even though there is a calculation of dilutive shares available, there is no reporting on quarterly net income per share after an adjustment of dilutive shares as the company recorded net loss.

## (2) Financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of June 30, 2022	3,521	1,648	43.0
As of Mar. 31, 2021	3,933	1,610	38.0

(Reference) Shareholders' equity

First quarter of the fiscal year ending Mar. 31, 2022: 1,513 million yen,

Fiscal year ended Mar. 31, 2021: 1,494 million yen

## 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2021	-	0.00	-	0.00	0.00
Fiscal year ending Mar. 31, 2022	-				
Fiscal year ending Mar. 31, 2022 (forecasts)		0.00	-	0.00	0.00

(Note) Changes to the most recent forecasted dividend amount: None

**3. Consolidated Business Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)**

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	1,900	90.7	-1,720	-	-1,740	-	-1,741	-	-57.50

(Note) Changes to the most recent forecasted dividend amount: None

Full-year performance forecast is shown because the company mainly manages annual performance.

**\* Notes**

1. Changes in significant subsidiaries during the period (change in specified subsidiaries which accompanies a change in the range of consolidation): None
2. Special accounting treatments used in preparation of financial statements of the quarter: None
3. Changes in accounting policies and accounting-based estimates, and restatements
  - a. Changes in accounting policies due to revisions in accounting standards, others: Yes
  - b. Changes in accounting policies other than a) above: None
  - c. Changes in accounting-based estimates: None
  - d. Restatements: None
3. Number of outstanding shares (common stock)
  - a. Number of shares outstanding at the end of period (including treasury shares)
    - At the end of the first quarter of the fiscal year ending Mar. 31, 2022: 30,174,047 shares
    - At the end of the fiscal year ended Mar. 31, 2021: 29,622,847 shares
  - b. Number of treasury shares at the end of period
    - At the end of the first quarter of the fiscal year ending Mar. 31, 2022: 92 shares
    - At the end of the fiscal year ended Mar. 31, 2021: 92 shares
  - c. Average number of shares outstanding during the period (Quarter-to-date)
    - At the end of the first quarter of the fiscal year ending Mar. 31, 2022: 29,912,862 shares
    - At the end of the first quarter of the fiscal year ended Mar. 31, 2021: 28,079,213 shares

\*This summary report on Kidswell Bio Corporation's financial statements is not subject to audit procedures.

Cautionary statement with respect to forward-looking statements, and other special items

(Notes to information regarding future)

The statement regarding the future such as business forecasts in this summary is based on assumptions judged to be valid and the information available to Kidswell Bio at the time this summary was made and is not promised by the Company.

(How to obtain supplemental financial information)

Materials for the supplemental financial information is available on the Company's website (<https://www.kidswellbio.com/en/>).

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## I. Financial statements and notes to financial statements

## (A) Quarterly consolidated balance sheet

(In thousand yen)

	As of the end of the previous fiscal year (March 31, 2021)	As of the end of the current fiscal quarter (June 30, 2021)
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,461,158	874,398
Trade receivables	816,737	578,941
Products	70,712	117,564
In-process inventory	380,039	583,506
Advance payments	431,718	486,386
Other current assets	185,943	153,348
<b>Total current assets</b>	<b>3,346,310</b>	<b>2,794,146</b>
Non-current assets		
Tangible fixed assets	3,223	2,824
Intangible fixed assets	2,622	2,450
Investments and other assets		
Investment securities	563,159	703,726
Other assets	18,636	18,531
Total investments and other assets	581,795	722,258
<b>Total non-current assets</b>	<b>587,641</b>	<b>727,532</b>
<b>Total assets</b>	<b>3,933,952</b>	<b>3,521,678</b>
<b>Liabilities</b>		
Current liabilities		
Trade payables	109,739	14,573
Income taxes payable	28,461	15,608
Reserve for loss on orders	379,243	475,243
Other current liabilities	596,875	317,517
<b>Total current liabilities</b>	<b>1,114,319</b>	<b>822,941</b>
Non-current liabilities		
Convertible bonds	500,000	300,000
Long-term debts	600,000	600,000
Allowance for retirement benefits	19,755	18,045
Other non-current liabilities	89,491	132,505
<b>Total non-current liabilities</b>	<b>1,209,246</b>	<b>1,050,550</b>
<b>Total liabilities</b>	<b>2,323,566</b>	<b>1,873,492</b>
<b>Shareholders' equity</b>		
Shareholders' capital		
Common stock	1,032,179	1,150,275
Capital surplus	10,337,779	10,455,876
Retained earnings	-10,078,706	-10,392,728
Treasury stock	-73	-73
<b>Total shareholders capital</b>	<b>1,291,179</b>	<b>1,213,350</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	202,965	300,519
<b>Total accumulated other comprehensive income</b>	<b>202,965</b>	<b>300,519</b>
Equity warrants	116,240	134,317
<b>Total shareholders' equity</b>	<b>1,610,385</b>	<b>1,648,186</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,933,952</b>	<b>3,521,678</b>

(B) Statement of consolidated income and comprehensive income  
 (Statement of consolidated income)  
 (Quarterly consolidated cumulative period)

(In thousand yen)

	As of the end of the previous fiscal quarter (April 1 to June 30, 2020)	As of the end of the current fiscal quarter (April 1 to June 30, 2021)
Gross sales	121,294	303,367
Cost of goods sold	4,971	121,792
Gross profit	116,322	181,574
Selling, general and administrative expenses		
Research and development expenses	138,411	296,718
Other expenses	215,668	194,083
Total selling, general and administrative expenses	354,080	490,802
Operating loss	-237,757	-309,227
Non-operating income		
Interest income	24	2
Foreign exchange gain	152	—
Income from sale of materials	—	1,500
Miscellaneous income	213	27
Total non-operating income	391	1,530
Non-operating expenses		
Interest expense	4,052	3,882
Stock issuance expenses	2,417	1,308
Foreign exchange loss	—	758
Miscellaneous loss	505	—
Total non-operating expenses	6,975	5,949
Ordinary loss	-244,341	-313,646
Extraordinary loss		
Loss on retirement of fixed assets	0	—
Total extraordinary loss	0	—
Net loss for the quarter before taxes adjustments	-244,341	-313,646
Corporate, residential and enterprise taxes	515	375
Total corporate and other taxes	515	375
Net loss for the quarter	-244,857	-314,021
Net loss attributable to owners of the parents	-244,857	-314,021

(Statement of consolidated comprehensive income)  
(Quarterly consolidated cumulative period)

(In thousand yen)

	As of the end of the previous fiscal quarter (April 1 to June 30, 2020)	As of the end of the current fiscal quarter (April 1 to June 30, 2021)
Net loss for the quarter	-244,857	-314,021
Other comprehensive income		
Valuation difference on available-for-sale securities	80,311	97,553
Total other comprehensive income	80,311	97,553
Comprehensive income for the quarter	-164,545	-216,467
(Breakdown)		
Comprehensive income attributable to owners of the parent	-164,545	-216,467
Comprehensive income attributable to non-controlling interests	—	—