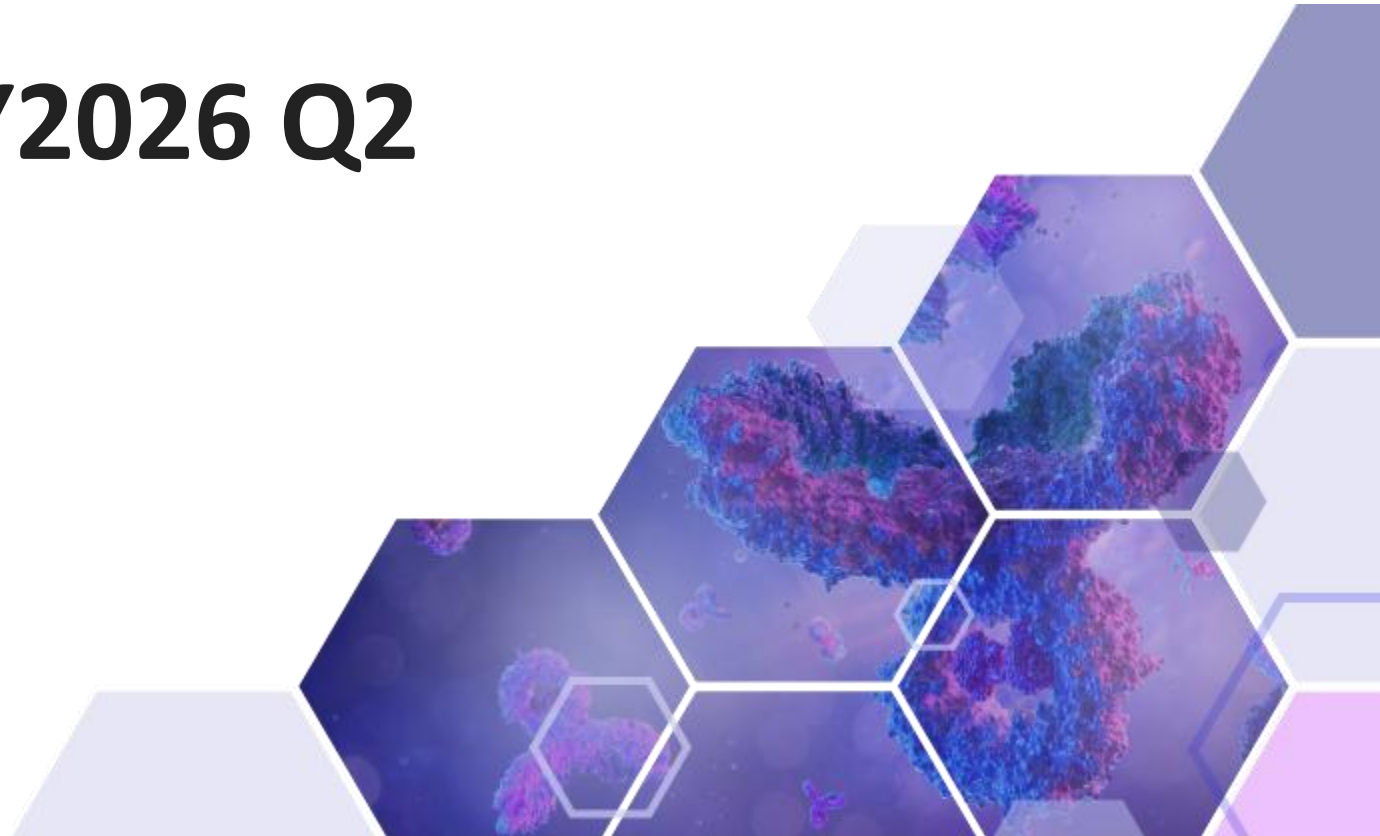
Kidswell Bio

Biotech Striving for Value Creation

- For a Comprehensive Healthcare System for Children, Families, and Society -

Security Code : 4584

Financial Results for FY2026 Q2



November 12, 2026
Kidswell Bio Corporation

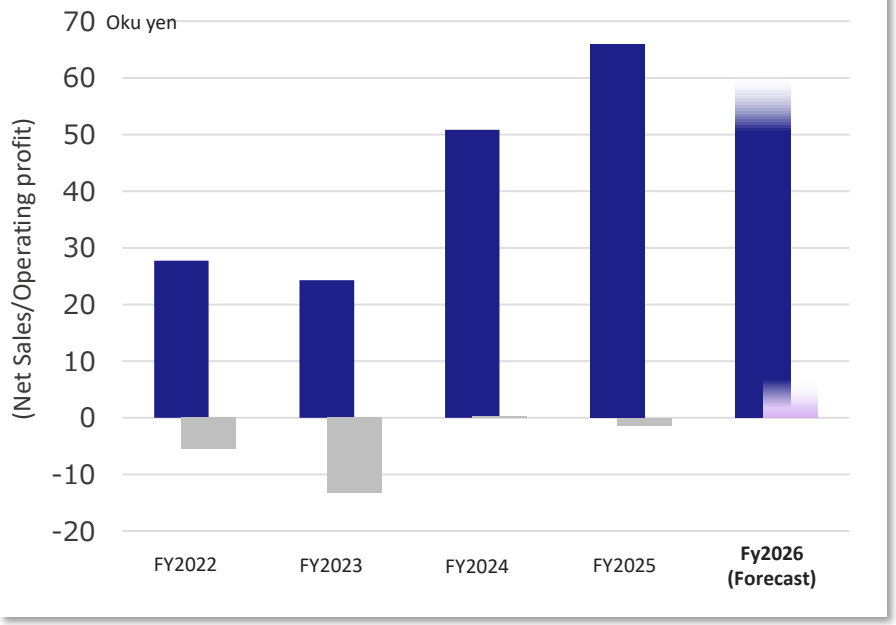
© 2026 Kidswell Bio Corporation.

Executive Summary

FY2026 Q2 (consolidated)

(unit：thousand)	FY 2026 Q2 (April - September)	YtoY (%)	FY2026 Forecast
Net sales	**2,475,235**	**76%**	5,000,000 ～ **5,500,000**
Gross profit	**945,243**	**95%**	--
Operating Income	**486,486**	**226%**	100,000 ～ **500,000**

Financial Performance Trends



Financial・Business Highlights

Net sales/ Gross profit	• Manufacture and delivery of biosimilars progressed as planned, however revenue decreased year on due to changes in market demand for GBS-007 • Despite the impact of higher manufacturing costs caused by the further depreciation of the yen and changes in the product mix, a certain level of gross profit was maintained, supported by improved gross profit resulting from supply price revisions and the transition to products with lower manufacturing costs.
Operating profit	• Operating profit and ordinary profit increased year on year, and the net profit rose significantly supported by an extraordinary gain on the sale of investment securities.

Biosimilar Business
- Advancing initiatives, including the addition of manufacturing sites, to improve profitability and supply stability for certain biosimilar drug substances and related products
- Entered into a share subscription agreement for the establishment of Alfenax Biologics (November 2026).

Cell Therapy Business
- Nagoya University reported the final analysis results of the clinical research as a preprint, reporting a favorable safety profile and sustained trends toward improvement in motor function over one year following SHED administration (November 2026).

Future Outlook

- Revised the FY2026 net sales and operating profit forecast ranges following a reassessment of the impact of market entry by Eylea biosimilars and an authorized generic (AG) launched since January 2026, as well as the outlook for GBS-007.
- **On track to achieve profitability in FY2026 as planned**, supported by a series of profitability improvement initiatives implemented since Q3 FY2024.

Initiatives for Medium- to Long-Term Growth

Biosimilar Business (Stable Earnings and Growth Platform)
- Continue initiatives to optimize profit margins and ensure sustainable profitability of biosimilar products.
- Capture expanding market opportunities through the global rollout of new biosimilars and entry into the biopharmaceutical CDMO business, driving sustainable growth.

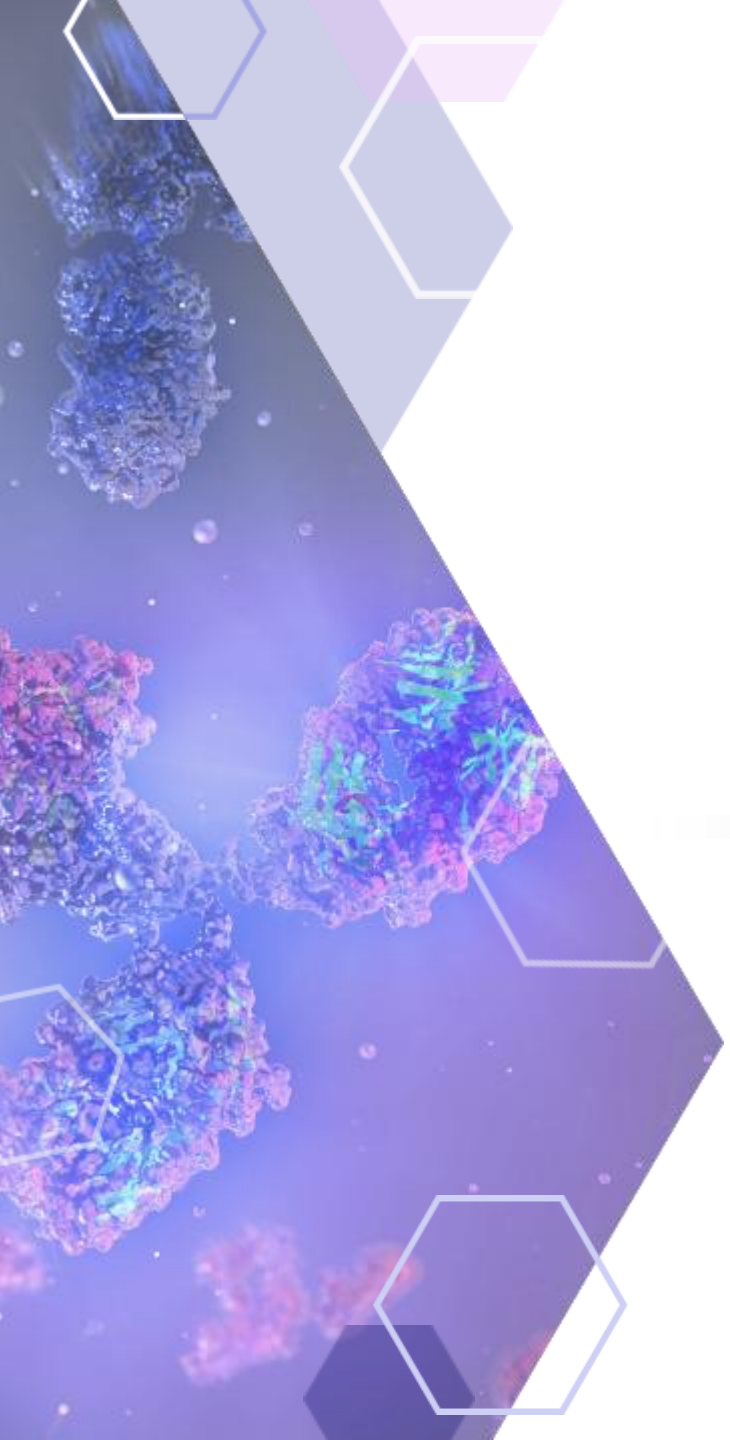
Cell Therapy Business (High-Growth Platform)
- Positioning cerebral palsy, for which no effective treatment has been established, as the highest-priority indication, initiatives toward early commercialization are being advanced in collaboration with partners in Japan and overseas.

© 2026 Kidswell Bio Corporation.

Agenda

- Financial Highlights
- Business Highlights
  - Biosimilars Business
  - Cell Therapy Business (S-Quatre)
- Corporate Strategy and IR Activities

© 2026 Kidswell Bio Corporation.



Financial Highlights

© 2026 Kidswell Bio Corporation.

Income statement

Kidswell.Bio

(Unit：thousand yen)	FY2025 / Q2 (fiscal year ended Mar 31, 2026) Actual (consolidated)	FY2026 / Q2 (fiscal year ending Mar 31, 2027) Actual (consolidated)	YtoY	FY2026 / Q2 (fiscal year ending Mar 31, 2027) Actual (non-consolidated)
Net sales	**3,276,217**	**2,475,235**	***76%***	**2,469,809**
Cost of goods	2,283,465	1,529,991	*67%*	1,529,991
Gross profit	**992,751**	**945,243**	***95%***	**939,818**
Selling, general and administrative expenses	777,414	458,757	*59%*	420,186
R&D expenses	**388,361**	**111,016**	***29%***	**114,856**
Other expenses	**389,052**	**347,741**	***89%***	**305,330**
Operating income (loss)	**215,337**	**486,486**	***226%***	**519,631**
Ordinary income (loss)	76,667	463,257	*604%*	550,735
Net income (loss)	**60,583**	**593,868**	***980%***	**642,815**

Net sales / Gross profit	• Manufacture and delivery of biosimilars progressed as planned, however revenue decreased year on due to changes in market demand for GBS-007 • Despite the impact of higher manufacturing costs caused by the further depreciation of the yen and changes in the product mix, a certain level of gross profit was maintained, supported by improved gross profit resulting from supply price revisions and the transition to products with lower manufacturing costs.
R&D / SG&A	• Although R&D expenses decreased year on year in the current quarter, the majority of such expenses are expected to be recognized from the third quarter onward. Initiatives toward achieving key milestones remain on track. • Other SG&A expenses decreased year on year, reflecting organizational adjustments in line with business progress and continued improvements in operational efficiency.
Profit	• As a result, operating profit and ordinary profit increased year on year, and the net profit rose significantly supported by an extraordinary gain on the sale of investment securities. • Continued focus on balancing R&D investment for future growth with profit generation.

© 2026 Kidswell Bio Corporation.

Balance Sheet

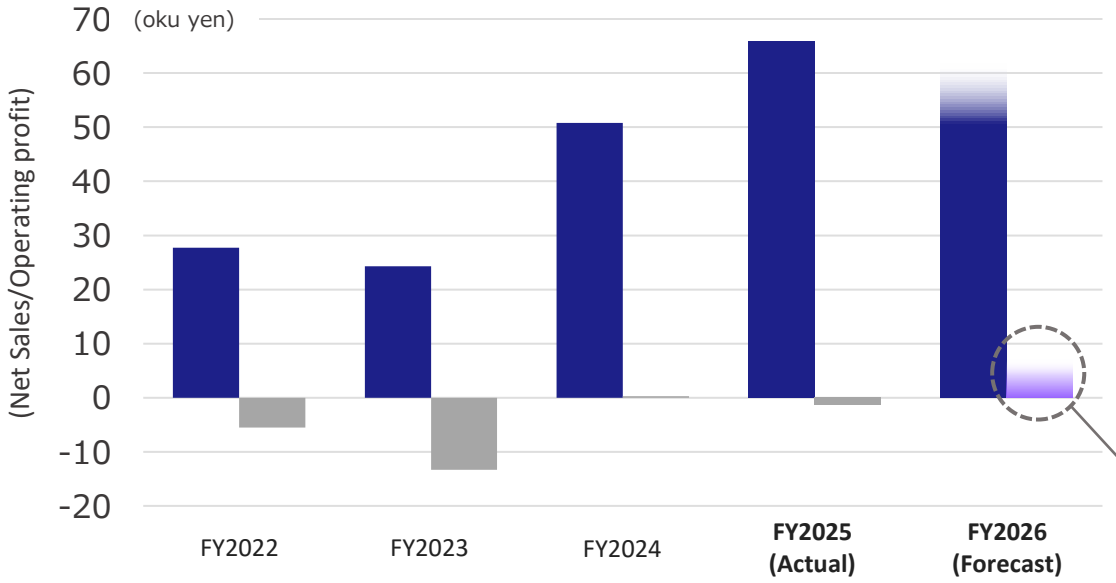
	FY2025 full-year（consolidated）	**FY2026 2Q (consolidated)**
Current assets	**5,840,335**	**6,385,942**
（Cash and cash equivalents）	**3,294,916**	**3,441,643**
（Account receivables）	731,132	918,159
（Work in process）	363,560	560,499
（Advance payment）	1,114,493	1,387,823
（Others）	336,231	77,816
Fixed assets	248,061	36,585
Total assets	6,088,396	6,422,528
Current liabilities	**2,149,707**	**2,312,074**
Fixed liabilities	2,284,771	1,831,348
Total liabilities	4,434,479	4,143,422
Total net assets	**1,653,916**	**2,279,106**
Total liabilities and net assets	6,088,396	6,422,528

Cash/equivalent	• A stable financial foundation has been secured to support future growth investments. • Business activities and R&D investment continue while maintaining sufficient cash and cash equivalents.
Current assets/ Current liabilities	• Business activities related to the manufacture and delivery of biosimilars progressed as planned. Related accounts receivable, work in process, and advance payments changed in line with business progress.
Net assets	• Net assets increased due to the recognition of net income for the second quarter, further strengthening the financial foundation.

© 2026 Kidswell Bio Corporation.

Future Outlook

- **Revised the FY2026 net sales and operating profit forecast ranges following a reassessment of changes in the competitive landscape and market dynamics resulting from the entry of Eylea (aflibercept) biosimilars and a biologic authorized generic (AG)* launched since January 2026, as well as the resulting business outlook for GBS-007.**
  - More refined forecast will be disclosed promptly as greater clarity emerges regarding adjustments to the manufacturing and delivery schedules for biosimilars, progress in R&D activities across both businesses, and ongoing discussions and coordination with pharmaceutical partners and other relevant parties
  - The impact of the lifting of shipment restrictions on GBS-010, as announced by Mochida Pharmaceutical on November 2, 2026, has already been reflected in the financial forecasts.
- **Following the revisions to the supply prices of certain biosimilars from the third quarters of FY2024 and FY2025, as well as profit improvements resulting from the transition to lower-cost products from the fourth quarter of FY2025, operating profitability in FY2026 is expected to be achieved as planned.**



(unit：thousand)

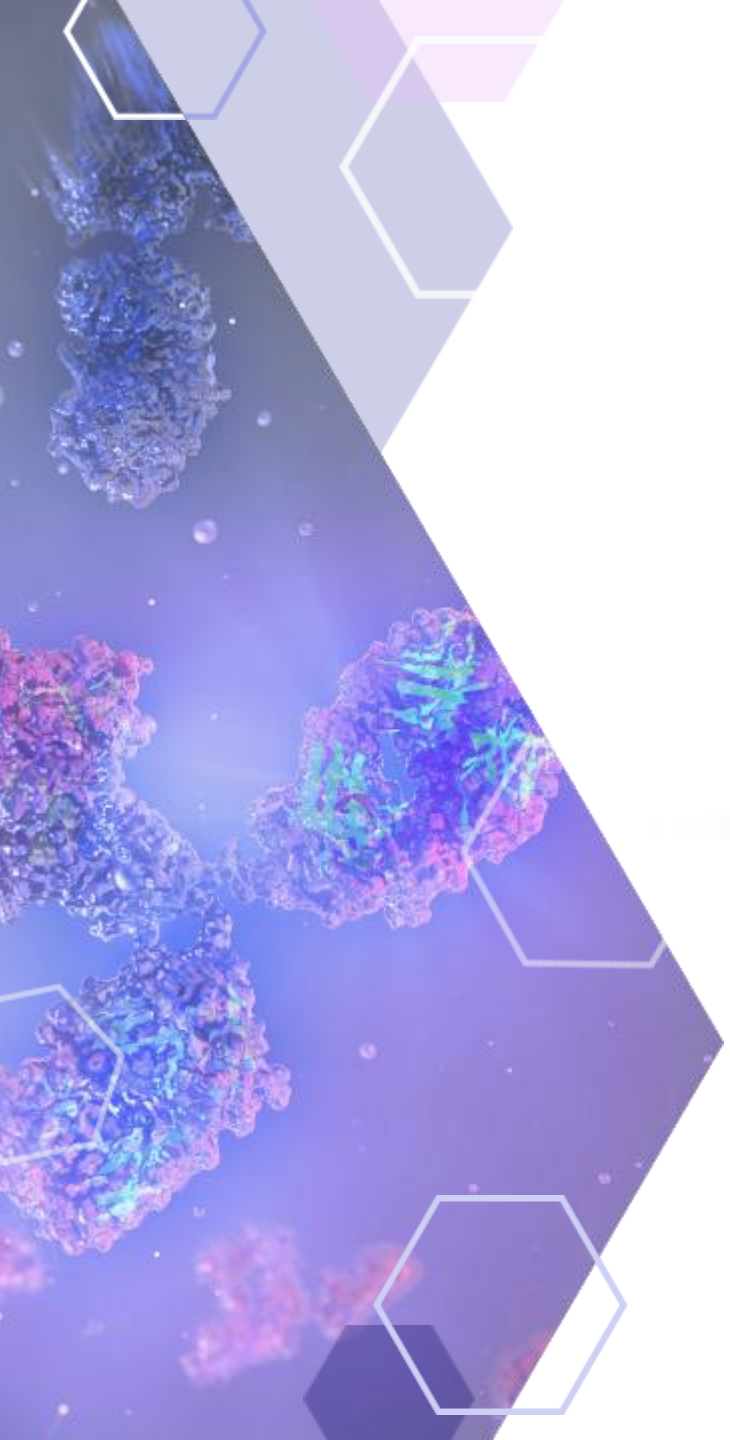
	FY2026（Forecast）
Net sales	**5,000,000 ～ 5,500,000**
Gross profit	—
Operating income	**100,000 ～ 500,000**

※Exchange rate：JPY 160/USD

Expected to achieve the target of operating profitability in FY2026.

※AG：Authorized generic

© 2026 Kidswell Bio Corporation.



Business Highlights

© 2026 Kidswell Bio Corporation.

Biosimilars Business

© 2026 Kidswell Bio Corporation.

Key initiatives and progress : Biosimilars (KWB)

Kidswell.Bio

	Initiatives	Key achievements and progress to date（✓: Completed as of the current date）	Recent key achievements	Next expected event
Optimization of profit levels for marketed products	Review of supply prices and payment terms in response to changes in external factors, including foreign exchange rates and inflation	✓ Reduced working capital requirements and improved cash flow through revisions to payment terms（FY2024 and FY2025）	**Improved capital efficiency through a shorter CCC[*1]**	–
		✓ Completed supply price revisions for certain biosimilars（FY2024 and FY2025）	**Improved profit through supply price revisions**	–
	Measures to reduce manufacturing costs while maintaining an appropriate balance between production volume and manufacturing costs and improving profitability	✓ Obtained regulatory approval for the addition of a new contract manufacturing organization aimed at reducing manufacturing costs for certain biosimilar (March 2025) ✓ Began transition to lower-cost product（March 2026）	**Improved profit through the transition to lower-cost product**	–
		• **Initiatives are underway to add manufacturing sites and expand production capacity for certain biosimilar, with the aim of improving profitability and supply stability, separately from the initiative implemented to date**	**Initiated activities to add the manufacturing site**	**Regulatory approval for the addition of manufacturing site**
Initiatives for growth	Discussions with prospective pharmaceutical partners and other parties	• **Ongoing discussions with multiple pharmaceutical companies in Japan and overseas on potential products, territories, roles and responsibilities, commercial terms, and other key considerations**	**Commenced detailed discussions with prospective partners**	**Partner finalization and execution of agreements**
	Development of new biosimilars	• Development of multiple new biosimilars at Mycenax Biotech Inc. is progressing smoothly under joint development agreements with Chiome Bioscience Inc. and Alfresa Holdings • Evaluation of additional new biosimilar development opportunities is underway	**Development commenced**	(Details not disclosed[*2])
	Development of domestic biosimilar manufacturing facility (Joint Project)	✓ **Selected for a MHLW support program for the development of domestic manufacturing facilities aimed at ensuring a stable supply of biosimilars (May 2025)** ✓ Executed an agreement relating to the establishment of Alfenax Biologics, a joint venture (November 2025), **Share subscription agreement executed (November 2026)** • Construction of drug substance and drug product manufacturing facilities is progressing as planned	**Commencement of construction**	**Completion of facility construction**

*1 Cash Conversion Cycle (CCC) . *2 Detailed progress on the development of new biosimilars is not disclosed for strategic reasons,

© 2026 Kidswell Bio Corporation.

Initiatives for further growth of the biosimilar business

- To further drive growth in the biosimilar business, Kidswell is jointly advancing the development of new biosimilars with Alfresa Holdings and Chiome Bioscience.
- In addition, a project was selected for the Ministry of Health, Labour and Welfare's Subsidy Program for Domestic Manufacturing Facility Development of Biosimilars. Kidswell, Alfresa HD, Chiome Bioscience, and Mycenax are collaborating to advance this project (Construction commenced)
- Through Alphenax Biologics, a joint venture established to enable commercial manufacturing at the domestic facility, the company aims to develop a biopharmaceutical CDMO business, including the commercial production of newly developed biosimilars.



Rendering of the Planned Biopharmaceutical Manufacturing Facility

Development of new biosimilars

alfresa
MYCENAX
Kidswell.Bio
CHIOME

- Cell line Development → Process Development etc..
- Cell line Development → Process Development etc..
- Cell line Development → Process Development etc..
- Cell line Development → Process Development etc..

Manufacturing facility @ Akita Japan

Alfenax Biologics
CDMO business
In biologics

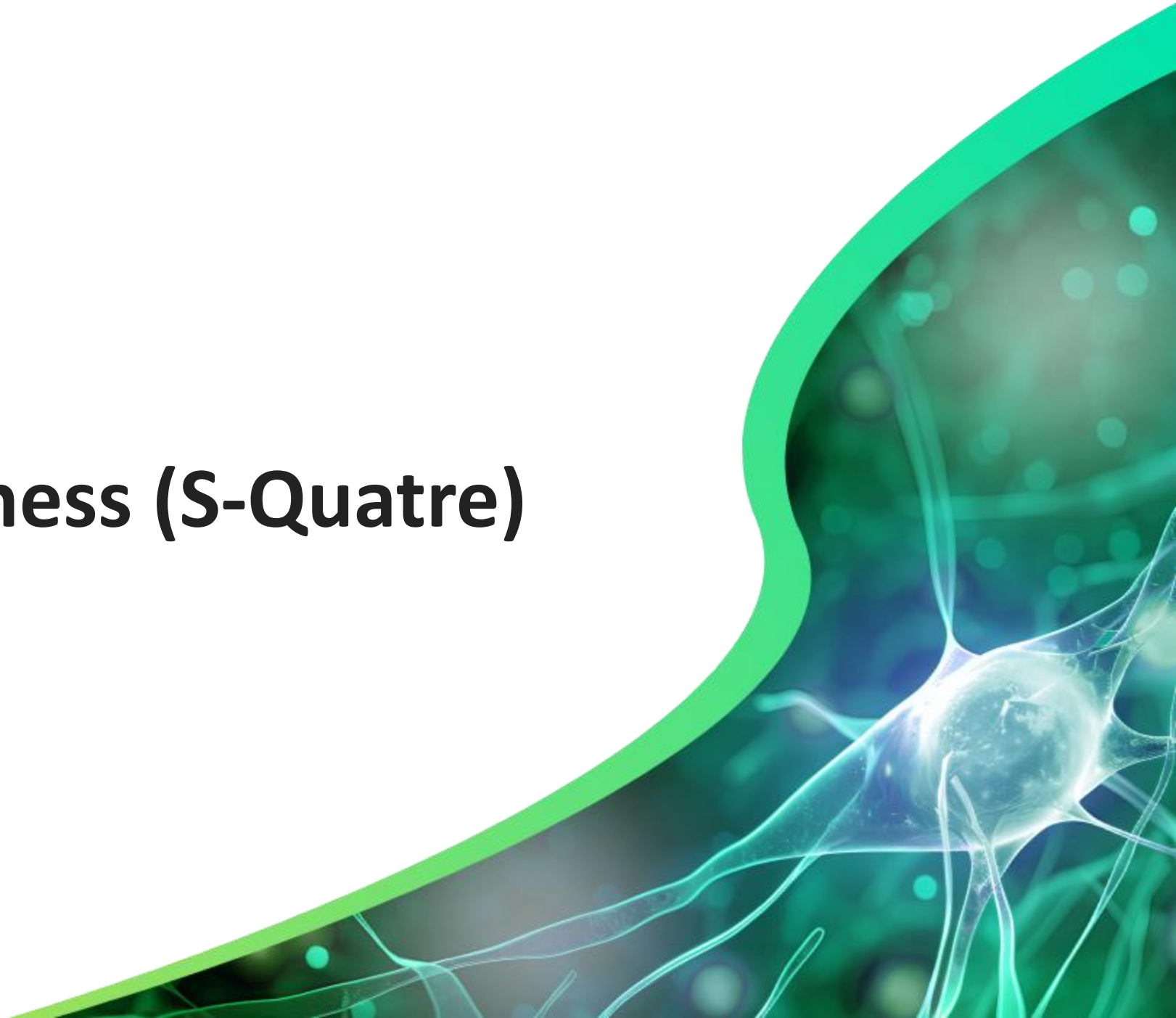
Establishment of Manufacturing Facilities → Start Operation

© 2026 Kidswell Bio Corporation.

S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)



S-Quatre Corporation

Kidswell Bio Group

© 2026 S-Quatre Corporation.

Key initiatives and progress : Cell therapy (S-Quatre)

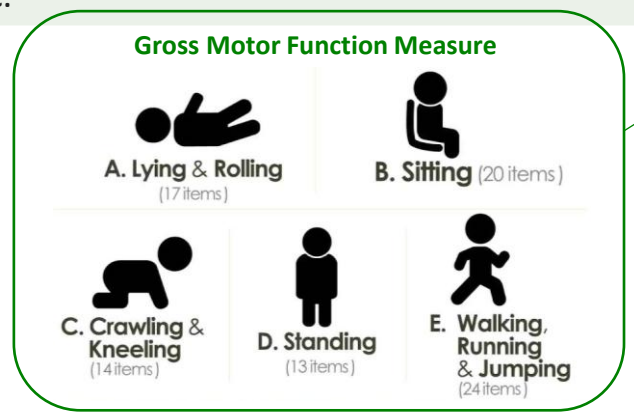
		Initiative	Key achievements and progress to date（✓: Completed as of the current date）	Recent key achievements	Next expected event
Clinical development	Cerebral palsy	Supporting clinical research at Nagoya University	✓ No safety issue observed and efficacy suggested in the interim analysis ✓ Completed the one-year observation period following administration in all three patients（May 2026） ✓ **Nagoya University reported the final analysis results as a preprint, reporting confirmed safety and sustained trends toward improvement in motor function over one year following SHED administration (November 2026).Final analyses of all three patients are underway**	**Announcement of Final Results from the One-Year Follow-Up Analysis Following SHED Administration**	**Publication of final analysis results by Nagoya University**
		Advancement of clinical development	Clinical trial (Japan) : • Preparations for a clinical trial application are underway in collaboration with Mochida Pharmaceutical	**Agreement executed with Mochida Pharmaceutical**	**Filing of a clinical trial application by Mochida Pharmaceutical**
			Clinical trial (Overseas) : ✓ **Conducted a Pre-IND meeting with the U.S. FDA and obtained alignment and advice on clinical trial material manufacturing, nonclinical studies, and the clinical trial plan（December 2025）** • In collaboration with Treehill Partners, a UK-based strategic and financial advisory firm specializing in healthcare, preparations are underway for discussions on the overseas development strategy, establishment of a U.S. subsidiary, and financing	**Pre-IND meeting completed and alignment/advice obtained** **Basic agreement reached with Treehill Partners**	**IND submission**
	Congenital isolated hypoganglionosis	Supporting clinical research at Kyushu University	✓ Selected for AMED's grant to conduct clinical research（April 2026） • Preparations are underway in collaboration with Kyushu University for the initiation of clinical research	**Selected for AMED grant funding**	**Approval of the clinical trial plan by IRB of Kyushu University**
Manufacturing Process Development	Investigational product for early-stage clinical trials		• Preparations for GMP manufacturing are underway	**Completion of pilot manufacturing**	**Completion of GMP manufacturing of investigational product for early-stage clinical trials**
	Investigational product for late-stage clinical trials / commercial product		• Development of a large-scale manufacturing process is underway in collaboration with Nipro and Corning	**Commencement of large-scale manufacturing process development toward commercialization**	**Establishment of the commercial manufacturing process**

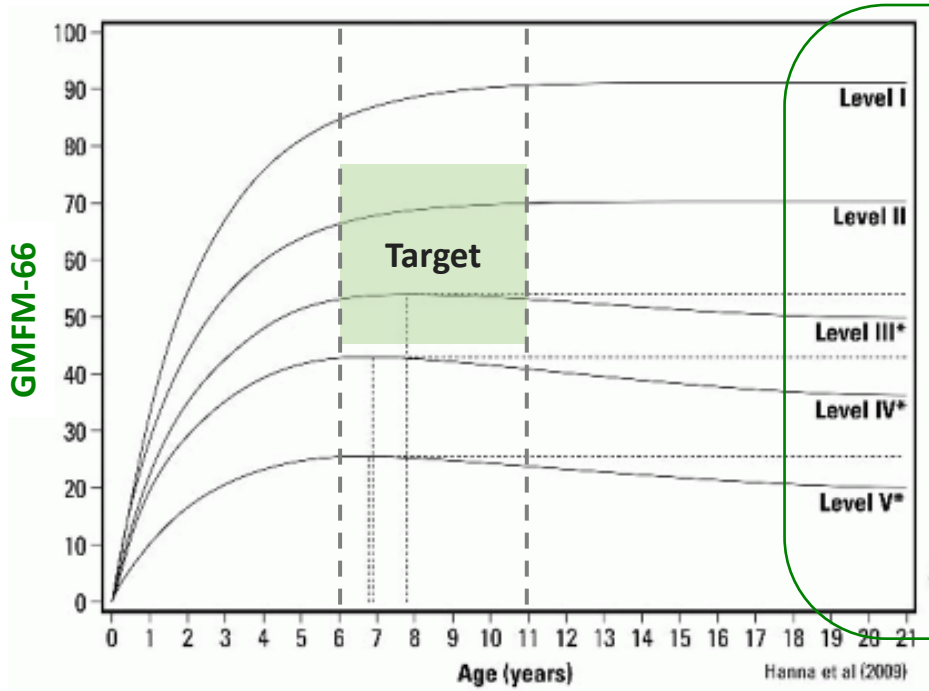
© 2026 S-Quatre Corporation.

Overview of Clinical Research for Cerebral Palsy at Nagoya University

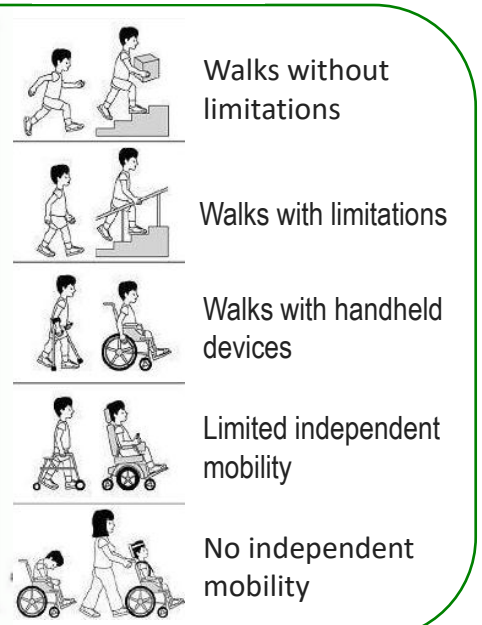
S-Quatre

Study Title	A Clinical Trial to Evaluate the Safety and Tolerability of Autologous SHED in Children with Cerebral Palsy
Study Site	Nagoya University, Japan (Investigator-Initiated Trial)
Sample Size	3 (single arm, open)
Regimen	3 x 10^6 cells/kg, single dose, intravenous
Inclusion Criteria	- Patients aged 6 to 11 who were diagnosed with cerebral palsy - Patients diagnosed with HIE - Patients with GMFCS[1] level II or III - Patients with deciduous teeth that are slightly mobile
Primary Outcome	Adverse events at 1 day, 3 days, 2 weeks, and 4 weeks after administration
Secondary Outcomes	Safety and efficacy at 12, 24, and 52 weeks after administration - GMFM-66[2] - MAS[3] etc.





GMFCS level



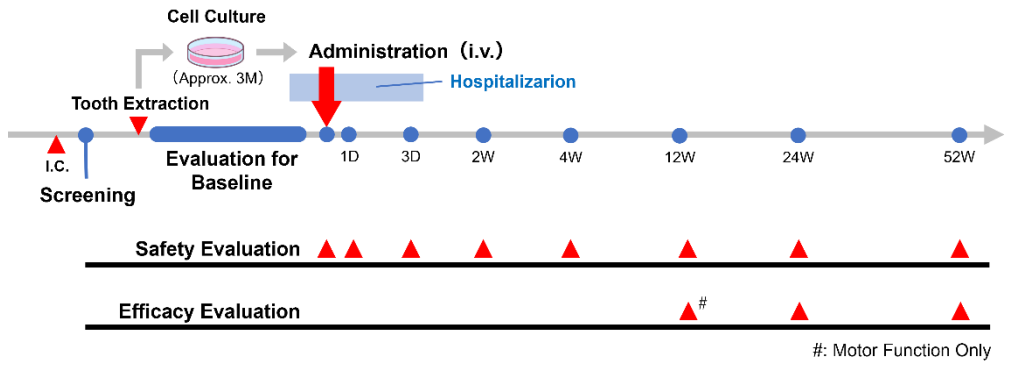
1) Gross Motor Function Classification System
2) Gross Motor Function Measure-66
3) Modified Ashworth Scale

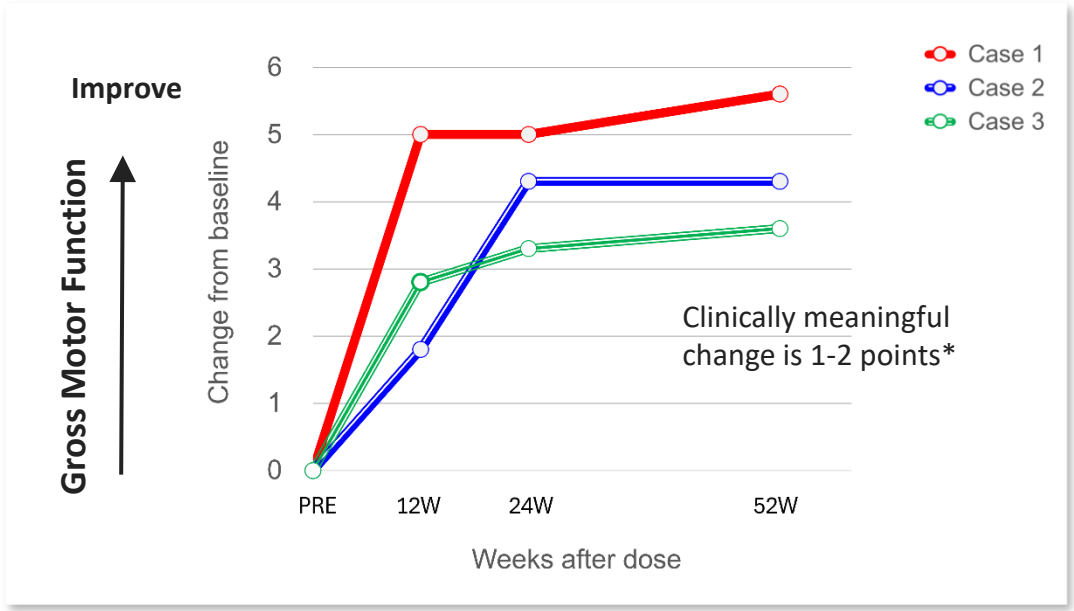
© 2026 S-Quatre Corporation.

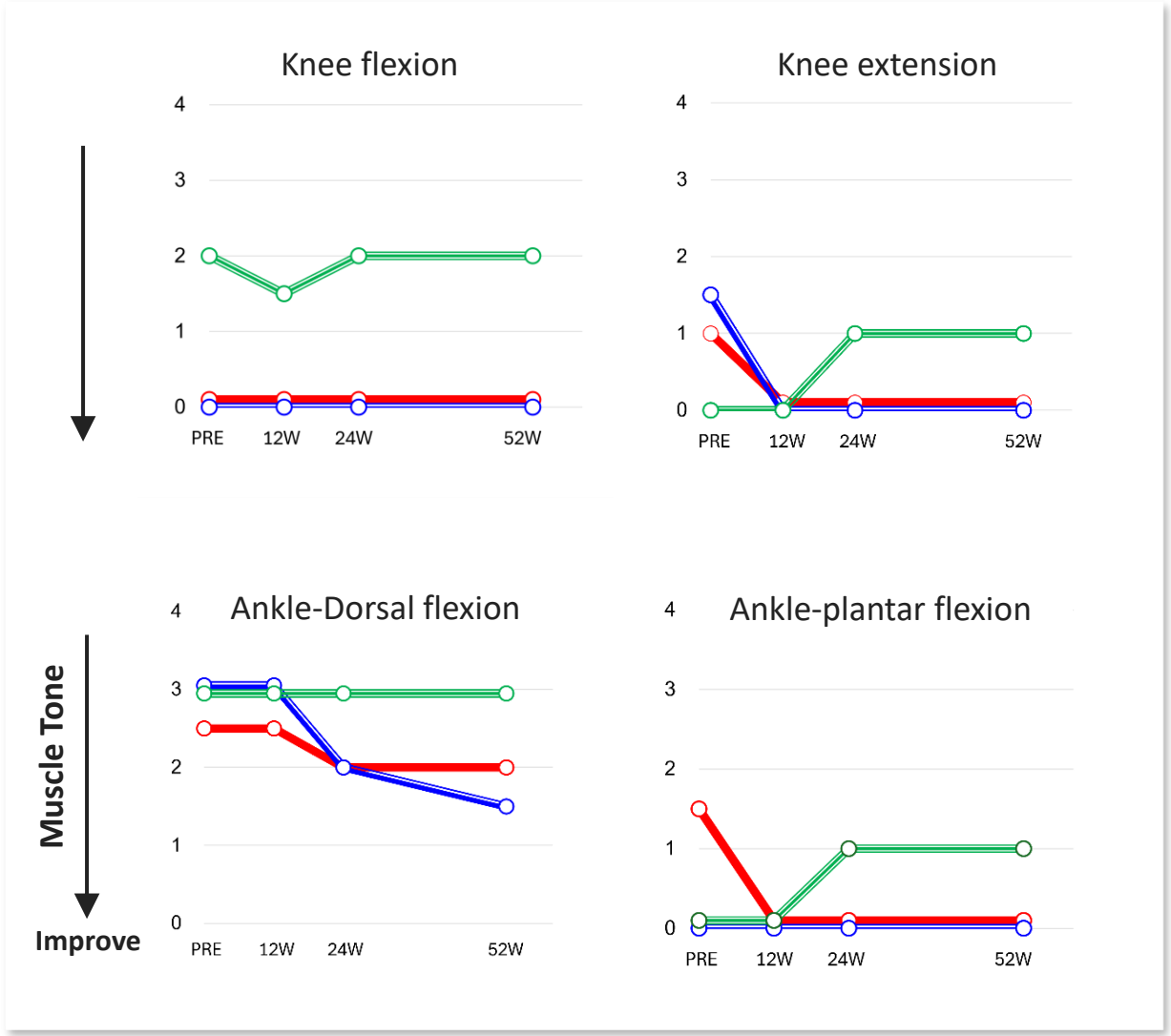
Final Analysis Results of the Cerebral Palsy Clinical Research (for 52 weeks)

- **The FIH study of SHED demonstrated safety over the one-year follow-up period, along with improvements in motor function and certain aspects of muscle tone.**

Research design







Oeffinger D, et al. *Dev Med Child Neurol*. 2008

© 2026 S-Quatre Corporation.

Testimonials from Physicians, Physical Therapists, and Families (52 weeks)

S-Quatre

Doctor’s Comments



- Overall improvement in motor function
- Improved trunk stability, and coordination of movements
- Able to stand up from a chair independently
- Improved walking pattern, from walking on the top of the foot to landing heel-first.

- Improved flexibility in wrists and ankles
- Improved finger dexterity, enabling the child to turn book pages

- Increased range of motion
- Improved walking ability
- Able to take five sideways and backward steps

Child's Own Comments

- " I’m happy that I can move around freely with a walker."
- “ I’m happy that I can use YouTube and play MARIOKART on my own."

Family’s Comments

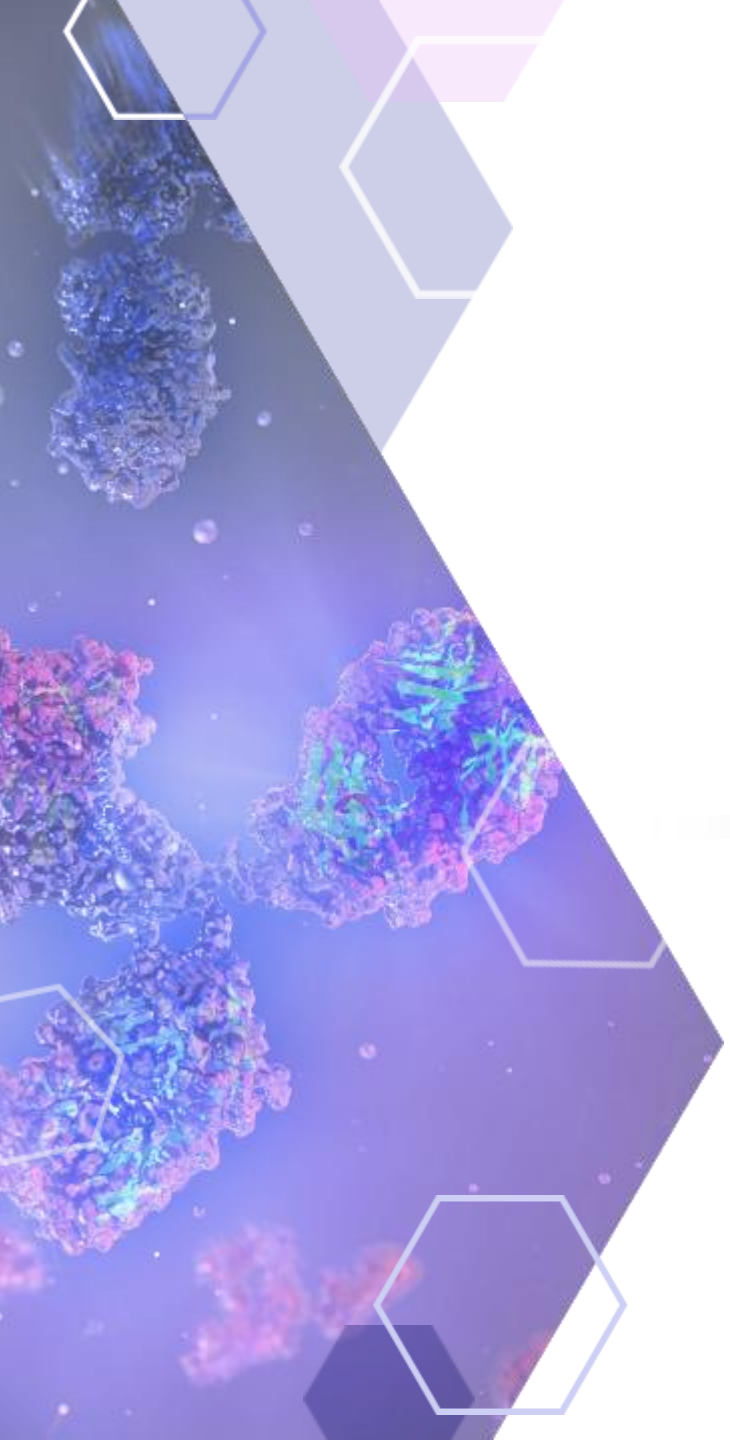
- Able to move the wheelchair independently, including making turns
- Able to slide down a slide alone without falling, showing improved trunk stability
- Able to move independently between car seats
- Increased from running two laps to six laps, surprising the teacher at school
- More expressive and affectionate

- Moves around more quickly
- Improved ability to turn book pages
- Uses hands more frequently, which was previously difficult
- Started speaking
- Smiles more often, shows greater affection, and has become friendlier
- Never felt that the treatment's effects had worn off

- Improved finger dexterity, enabling the child to pick up fruit
- Able to hold a spoon properly without gripping it tightly
- Able to walk independently with a cane
- Started repeating words spoken by others
- Significantly improved comprehension
- Able to say "Itadakimasu" and "Gochisousama" before and after meals
- Expanded vocabulary and improved ability to connect words more quickly



© 2026 S-Quatre Corporation.



Corporate Strategy and IR Activities

© 2026 Kidswell Bio Corporation.

Key initiatives and progress : Corporate

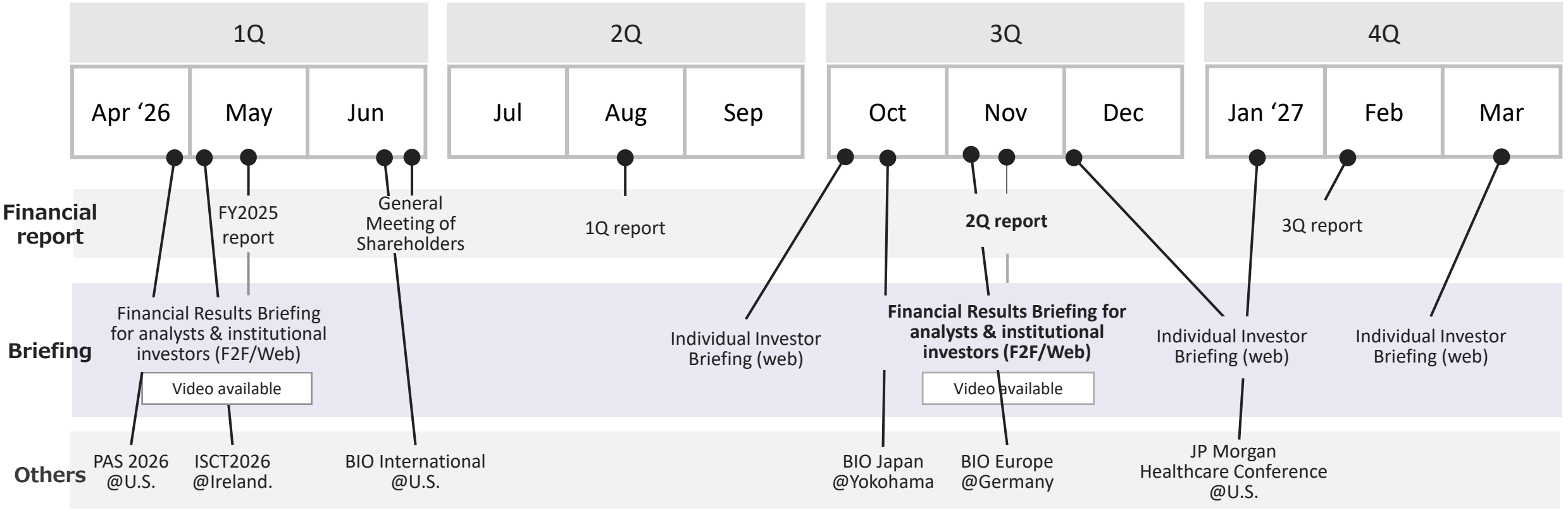
	Initiatives	Key achievements and progress to date（✓: Completed as of the current date）
Efficient utilization of managerial resources	Restruction of corporate culture and systems	✓ Reviewed organizational structure in line with business expansion, promoted organizational reforms to enhance resource utilization and cross-functional collaboration (May 2026) • Optimizing human resources, including performance evaluation systems and recruitment processes
	Maximizing the use of management resources through operational efficiency improvements	• Strengthen collaboration among businesses and divisions and develop IT infrastructure
Optimization of financing options	Financing scheme aligned with the nature and stage of the business	Moving toward completion of equity market financing; ✓ **Entered into a syndicated loan agreement led by Mizuho Bank and multiple financial institutions, securing JPY 2.5 billion to support further business growth (November 2025)** ✓ Executed refinancing in Dec 2024 to reduce dilution and to complete fundraising ✓ Completed the conversion of the 4th CB (July 2026)
	Securing funds through partnerships with partner companies	• Engaging in confidential discussions with financial institutions, corporate entities, and VCs
Visualization of business value	Improving the quality of information provided to stakeholders	• Continued discussions with biotech IR consultants and reflected insights in IR communications
	Active engagement with institutional investors both in Japan and global	✓ Conducted meetings and continued proactive outreach to expand engagement opportunities with institutional investors (increased opportunities in FY2025 compared to FY2024) • Continued participation in domestic and international events to strengthen investor engagement
	Increasing media exposure through proactive outreach	• Strengthened media outreach to enhance corporate and business awareness ✓ Secured media coverage of our business, including an article in Nikkei, while strengthening relationships with a broader range of media outlets

© 2026 Kidswell Bio Corporation.

IR Schedule for FY2026

IR Basic Policy

- **Aiming to build trust and a strong relationship with the stock market, foster a better understanding of the company's business among shareholders and investors, and achieve proper valuation through proactive communication, with an emphasis on the quality and transparency of information.**



*The above schedule is the current schedule and is subject to change based on research and development progress, etc.

© 2026 Kidswell Bio Corporation.



© 2026 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 advice.