



March 25, 2024
Kidswell Bio Corporation
Code: 4584 (Growth Market, TSE)
Shinya Kurebayashi, President & CEO

Announcement of revisions to FY2023 financial guidance

Kidswell Bio Corporation (KWB) announces the following revisions to the financial guidance for the fiscal year ending March 31, 2024 (FY2023) that KWB announced on May 12, 2023.

1. Revised financial guidance for the fiscal year ending March 2024 (April 1, 2023 to March 31, 2024)

(In millions of yen, unless otherwise stated)	Net sales	Operating income	Ordinary income	Net income	Net income per share (yen)
Previous FY2023 Guidance (A)	3,500	-1,500	-1,550	-1,550	-43.87
Updated FY2023 Guidance (B)	2,650	-1,200	-1,250	-1,300	-37.91
Difference: Updated FY2023 - Previous FY2023 (B-A)	-850	300	300	250	
% Change: Updated FY2023/Previous FY2023 (1-B/A)	-24.3%				
Note: FY2022 Results	2,776	-550	-624	-657	-20.77

2. Reasons for the revision

Net sales in FY2023 were previously expected to increase compared to FY2022 due to increased demand for GBS-007 (Ranibizumab BS) and the supply of active pharmaceutical ingredient (API) following the launch of GBS-010 (Pegfilgrastim BS). However, net sales in FY2023 are expected to become lower than the previous guidance due to adjustments in the manufacturing schedule of the contract manufacturer, which will delay the delivery of some BS products scheduled for FY2023 to FY2024, and the change in payment terms under which the partner pharmaceutical company will temporarily pay the manufacturing cost of some BS products directly to the contract manufacturer. Nevertheless, operating income is expected to be higher than the previous guidance, mainly due to an improved gross margin resulting from a change in the sales mix of biosimilar products and an increase in royalty income.

Net sales for FY2024 are expected to exceed the previous guidance for FY2023 (3,500 million yen) as demand for each BS product remains strong and the impact of temporary changes in payment terms will decrease in the second half of FY2024.

In addition, R&D expenses in FY2023 are expected to be 1,350 million yen (previously announced forecast: 1,600 million yen) as some of the R&D investments will be postponed to FY2024.

Note: The above projections are based on information currently available to KWB and certain assumptions that KWB believes are reasonable, and KWB does not guarantee that these projections will be achieved. Actual results may differ from these projections due to various factors.