



Biotech Striving for Value Creation

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



**Security Code :
4584**

Financial Results for FY 2024

May 13, 2025

Kidswell Bio Corporation



Agenda

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

Financial Highlights

Income statement

(Unit : thousand yen)	Fiscal year 2023 (ending Mar 31, 2024)	Fiscal year 2024 (ending Mar 31, 2025)				Fiscal year 2024
	Actual (non-consolidated)	Actual (consolidated)	YoY	Revised forecast (consolidated)	Achievement	Actual (non-consolidated)
Net Sales	2,431,236	5,082,053	209%	4,900,000	104%	4,930,345
Cost of goods	1,391,853	3,441,934	247%	-		3,441,934
Gross profit	1,039,383	1,640,119	158%	-		1,488,411
Selling, general and administrative expenses	2,374,980	1,612,236	68%	-		1,027,355
R&D expenses	1,453,349	767,877	53%	800,000	96%	224,382
Other expenses	921,631	844,358	92%	-		802,973
Operating income (loss)	(1,335,597)	27,882	--	(150,000)		461,056
Ordinary income (loss)	(1,389,601)	5,187	--	(200,000)		583,882
Net income (loss)	(1,422,078)	(21,140)	--	(200,000)		557,734

Net sales	<ul style="list-style-type: none"> Amid continued strong demand for biosimilars—particularly GBS-007 and GBS-010—API manufacturing and delivery were completed as planned. In parallel, progress was made in adjusting supply prices with partner pharmaceutical companies, contributing to a 209% YoY increase in net sales. In addition, an upfront payment was received following the execution of a joint business development and commercialization agreement between Mochida and S-Quatre.
R&D /SG&A	<ul style="list-style-type: none"> SG&A expenses decreased to 68% of the prior-year level, due to the optimization of expenditures through a reassessment of R&D activities and the deferral of certain expenses to the next fiscal year.
Profit	<ul style="list-style-type: none"> As a result, Kidswell Bio achieved positive consolidated operating and ordinary income for the first time since its public listing.

Balance Sheet

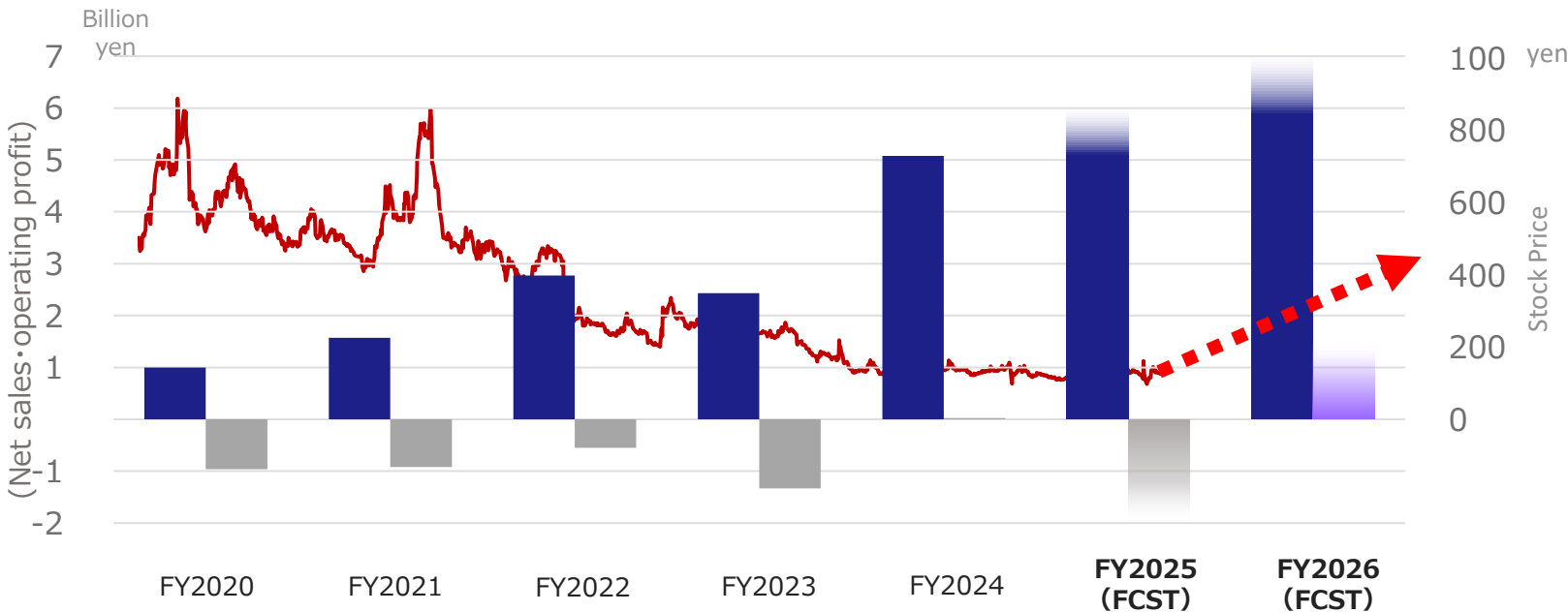
(Unit : thousand yen)	Fiscal year 2023 (non-consolidated)	Fiscal year 2024 (consolidated)
Current assets	4,924,221	6,700,570
(Cash and cash equivalents)	2,231,411	2,995,435
(Account receivables)	881,407	1,267,189
(Work in process)	875,654	1,475,092
(Advance payment)	739,567	819,857
(Prepaid expense)	--	16,564
(Consumption tax refund receivable)	--	50,045
(Others)	196,181	76,385
Fixed assets	161,329	307,925
Total assets	5,085,550	7,008,496
Current liabilities	2,375,227	4,318,862
Fixed liabilities	1,878,850	1,278,655
Total liabilities	4,254,077	5,597,518
Total net assets	831,473	1,410,977
Total liabilities and net assets	5,085,550	7,008,496

Cash /equivalent	• Cash and cash equivalents remained at a high level, supported by steady sales collection as API deliveries progressed as planned.
Working capital	• While trade receivables increased in line with revenue growth, working capital decreased due to adjustments in payment terms with partner pharmaceutical companies
Net assets	• Steady execution of equity financing contributed to an increase in shareholders’ equity.

※Cash Conversion Cycle (CCC) refers to the number of days it takes for a company to convert its investments in inventory and other resources into cash flows from sales.

The forecast for net sales and operating income is presented in the form of a range, as a full-year projections for FY2025 remain under assessment pending greater clarity on the following strategic items:

- Biosimilar production and delivery schedule
- Clinical development roadmap for cerebral palsy (Japan and overseas)



(Unit : thousand yen)

	FY2025	FY2026
Net sales	5,000,000 ~5,500,000	5,500,000 ~6,000,000
Operating profit	(1,000,000) ~(1,700,000)	100,000 ~1,000,000

※Exchange rate : 160 ~150yen/USD

- Execution of agreements for new biosimilars (Sep 2015)
 - Interim analysis results from SHED clinical research (Dec 2025)
- Establishment of new biosimilar cell line (by Mar 2027)
 - Achievement of operating profitability (in FY2026)

Business Highlights

Biosimilars Business

Planned Key Initiatives: Biosimilars (KWB)

		Initiatives	FY2024	FY2025	Progress
Biosimilars Business	Marketed BS	Maintaining stable supply through adjustments to the manufacturing schedule and addressing deviations	<div></div>	<div></div>	<ul style="list-style-type: none">Deliveries completed as scheduled
		Manufacturing cost reduction measures aimed at improving profitability	<div></div>	<div></div>	<ul style="list-style-type: none">Margin improvements from FY2026 due to revised timeline for PMDA approval of manufacturing cost reduction initiative
		Discussions with partner pharmaceutical companies for changes of payment terms, including CCC* improvements and supply price adjustments.	<div></div>	<div></div>	<ul style="list-style-type: none">Finalized discussions and adjustments for most productsWill continue to negotiate terms based on external conditions to improve profitability
	New BS	Negotiations with potential partner pharmaceutical companies	<div></div>	<div></div> <div></div>	<ul style="list-style-type: none">Ongoing discussions with multiple pharmaceutical companies, aiming to conclude agreements by the end of Sep 2025
		Discussions with Chiome Bioscience	<div></div>	<div></div>	<ul style="list-style-type: none">Advancing efforts to develop cell lines for new biosimilars
		Transformation toward a business model capable of sustainable growth	<div></div>	<div></div>	<ul style="list-style-type: none">Facilitating discussions with multiple companies based on a new business model

※Cash Conversion Cycle (CCC) refers to the number of days it takes for a company to convert its investments in inventory and other resources into cash flows from sales.

S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)

S-Quatre Corporation

Kidswell Bio Group

© 2025 S-Quatre Corporation.



Planned key initiatives: Cell therapy (S-Quatre)

		Initiative	FY2024	FY2025	Progress
Cell Therapy Business	1 st generation	Supporting clinical research at Nagoya University for cerebral palsy	<div><div></div></div>	<div><div></div></div> ★	<ul style="list-style-type: none"> Status remained favorable at 24 weeks post-dosing (1st & 2nd case) Drug product manufacturing is underway for administration (3rd case) An interim analysis is scheduled to be released by the end of this year.
		Preparing clinical trial application for cerebral palsy	<div><div>★</div></div>	<div><div></div></div> ★	<ul style="list-style-type: none"> Agreement was signed with Mochida on March 2025 as development partner in Japan. As a preparations for overseas clinical trials, gap analysis (data sufficiency assessment) was conducted by a leading global CRO. The analysis confirmed that the acquisition of the required data is progressing smoothly.
		R&D and manufacturing process development for other diseases	<div><div></div></div>	<div><div></div></div> ★	<ul style="list-style-type: none"> Investigational Drug for early clinical trial: progressing smoothly Process development for manufacturing of drug products for late clinical stage and commercial stage: Successfully established a proprietary large-scale manufacturing process, and presented at ISCT** in May 2025/Corning hosted webinar in June. Initiated joint development with Nipro to establish a formulation process, and the technology transfer successfully completed. Joint research on bone diseases with DMU*** and HOTS**** is progressing.
	*2 nd generation	Research on genetically modified SHED and development for manufacturing process for clinical application	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> Successfully optimized a non-viral gene transfer method. Signed a joint research and development agreement with a CDMO to establish a formulation process, and progressing smoothly
		Research on utilizing master cell bank to maximize the value of 2 nd generation SHED research and S-Quatre®	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> Research progressing well on multiple projects
	Business Structure	External alliances and fund raising as S-Quatre	<div><div></div></div>	<div><div></div></div>	<ul style="list-style-type: none"> In discussions with companies and VCs including overseas under CDA

*Prioritize development products based on research data and external conditions. Terminate R&D activities for certain products as needed.
 ** ISCT: International Society of Cell Therapy
 DMU: Dokkyo Medical University, *HOTS: HOYA Technosurgical Corporation

- Business development and commercialization agreement was signed with Mochida Pharmaceutical for SQ-SHED, proprietary stem cells derived from human exfoliated deciduous teeth, targeting pediatric cerebral palsy and traumatic brain injury in Japan.
- For cerebral palsy, S-Quatre aims to submit a clinical trial notification to the regulatory authority in Japan (PMDA) at the earliest opportunity.
- For traumatic brain injury, joint research and development will be advanced with the aim of initiating clinical studies at the earliest possible stage.



	Indication	Stage			Partner
		Discovery	Pre-Clinical	Clinical	
SQ-SHED	Pediatric Cerebral Palcy (GCT-103)	<div></div>			Nagoya Univ. Institute of SCIENCE TOKYO <div> MOCHIDA PHARMACEUTICAL CO., LTD.</div>
	Congenital Intestinal Hypoganglionosis (GCT-102)	<div></div>			MOCHIDA PHARMACEUTICAL CO., LTD.
	Bone Disease	<div></div>			Dokkyo Medical University HOYA TECHNOSURGICAL
Gene-engineered SQ-SHED	Spinal Code Injury (Gene X)	<div></div>			Nagoya Univ.
	Brain Cancer (modified Thymidine Kinase)	<div></div>			Hamamatsu University School of Medicine

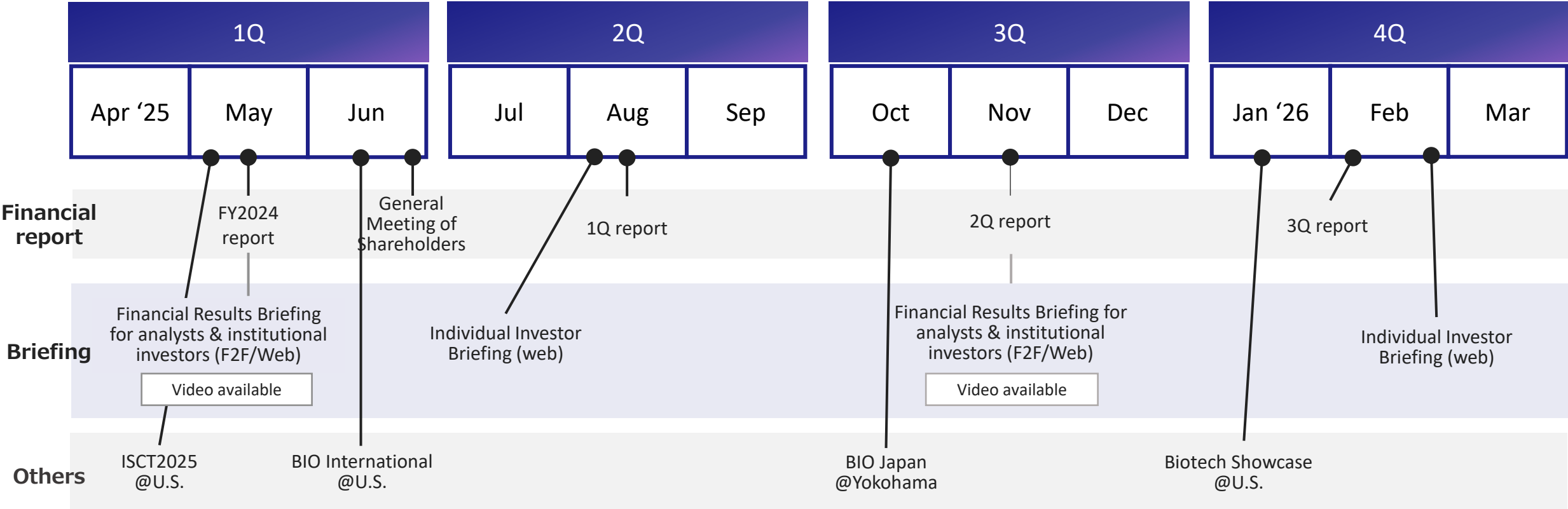
Corporate Strategy and IR Activities

Planned key initiatives: Corporate

		Initiative	FY2024	FY2025	Progress
Corporate Strategy	Efficient utilization of managerial resources	Restruction of corporate culture and systems	<div></div>	<div></div>	<ul style="list-style-type: none">• Reviewing evaluation system in alignment with FY2023 organizational restructuring• Promote the recruitment of human resources and optimized resource allocation
		Maximizing the use of management resources through operational efficiency improvements	<div></div>	<div></div>	<ul style="list-style-type: none">• Strengthen collaboration among businesses and divisions and develop IT infrastructure
	Optimize financing options	Financing scheme aligned with the nature and stage of the business	<div></div>	<div></div>	<p>Aiming at ending fundraising from the stock market</p> <ul style="list-style-type: none">• Significantly reduced working capital, reducing the funds required by approx. 1.9 billion yen• Conducted refinance to reduce dilution and complete fundraising, Of the planned total issuance of 7,374,600 shares, funding through the 24th series of stock acquisition rights (covering 6,000,000 shares) has been completed. Partial conversion of the 4th series of convertible bonds is also underway, helping to ease concerns regarding overhang.
		Securing funds through partnerships with partner companies	<div></div>	<div></div>	<ul style="list-style-type: none">• Engaging in confidential discussions with financial institutions, corporate entities, and VCs
	Visualize business value	Improving the quality of information provided to stakeholders	<div></div>	<div></div>	<ul style="list-style-type: none">• Established consulting agreements with professionals experienced in IR activities within biotech ventures
		Active engagement with international institutional investors	<div></div>	<div></div>	<ul style="list-style-type: none">• Enhancing engagement by participating in domestic and international events
		Increasing media exposure through proactive outreach to news outlets	<div></div>	<div></div>	<ul style="list-style-type: none">• Strengthening communication with the media, resulting in increased feature articles and press release publications

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.

KIDS WELL, ALL WELL

All for Kids, Kids for All

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.