May 22, 2025

Kidswell Bio Corporation (TSE:4584)

Timely Disclosure

Selected for the MHLW's Subsidy Program Supporting the Development of Domestic Manufacturing Facilities for Biosimilars

Three-Company Consortium Commences Collaboration for Facility Development

Kidswell Bio Corporation ("Kidswell") is pleased to announce that, together with Alfresa Holdings Corporation ("Alfresa") and Chiome Bioscience Inc. ("Chiome"), it has been selected under the Ministry of Health, Labour and Welfare (MHLW)'s subsidy program titled Subsidy Program for the Development of Domestic Biosimilar Manufacturing Facilities for Biosimilars ("the Program"). The three companies jointly submitted an application and received official notice of approval.

Moving forward, the three companies will work in collaboration with Mycenax Biotech Inc. ("MBI"), a contract development and manufacturing organization (CDMO) based in Taiwan. Together, the four parties aim to establish and operate a domestic facility for the production of active pharmaceutical ingredients (APIs) and drug products for biosimilars in Japan.

Kidswell has been dedicated to the development and commercialization of biosimilars that offer equivalent quality, safety, and efficacy to their reference biologics, aiming to reduce financial burden on patients, support continuity of treatment, and contribute to the sustainability of national health insurance systems.

With many new biologics being launched worldwide, the expiration of patents and data exclusivity periods is expected to open up significant opportunities in the biosimilar market. In addition, the MHLW has set ambitious targets for biosimilar adoption and introduced reimbursement incentives to further promote their use, contributing to the market's continued growth.

In addition, policy measures introduced by the MHLW—including the establishment of biosimilar adoption targets and the implementation of new reimbursement incentives to encourage their use—are expected to help optimize healthcare expenditures and further stimulate market growth.

However, despite these efforts, Japan's domestic manufacturing capacity for biologics remains limited. A significant portion of biosimilars currently marketed in Japan rely on imported drug substances and finished products manufactured at overseas facilities. In light of this situation, there is a growing need to build a stable domestic supply system for biosimilars, not only from the perspective of public health, but also in terms of economic security.

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To date, Kidswell has contributed to the development of four of the 19 biosimilars approved, all of which were the first biosimilars in Japan. The company also supports the stable supply of three of these products. In June 2024, Kidswell entered into a strategic partnership with Chiome to jointly develop new biosimilars. In anticipation of growing market demand and the need for a stable long-term supply, the company also initiated discussions with Alfresa and Chiome to explore the establishment of a robust domestic production infrastructure. In parallel, it also engaged in discussions with MBI, a CDMO with extensive experience and recent facility expansion in Taiwan, regarding potential collaboration.

Building on these initiatives, and following the approval of a ¥6.5 billion supplementary budget in December 2024 under the MHLW's Subsidy Program, Kidswell, Alfresa, Chiome, and MBI reached a basic agreement to jointly establish and operate a biosimilar manufacturing facility in Japan. A joint application was submitted in March 2025, resulting in the current subsidy approval. By integrating the development of this facility with the ongoing joint development of new biosimilars by Chiome and Kidswell, the four companies aim to ensure the stable operation of the facility and achieve the successful launch and reliable supply of additional biosimilar products.

Through these initiatives, Kidswell is also committed to contributing to the development of highly skilled professionals in biopharmaceutical development and manufacturing, as well as to the broader advancement of the biopharmaceutical industry in Japan.

The potential impact of this matter on the Company's consolidated financial results for the fiscal year ending March 31, 2026, is currently under review. Should any matters that require disclosure, we will make timely announcements in accordance with applicable regulations.

May 22, 2025

Alfresa Holdings Corporation
Kidswell Bio Corporation
Chiome Bioscience Inc.

Selected for the MHLW's Subsidy Program Supporting the Development of Domestic Manufacturing Facilities for Biosimilars
Three-Company Consortium Commences Collaboration for Facility Development

Alfresa Holdings Corporation ("Alfresa"), Kidswell Bio Corporation ("Kidswell"), and Chiome Bioscience Inc. ("Chiome") are pleased to announce that our joint application has been selected under the Ministry of Health, Labour and Welfare (MHLW)'s "Medical Facility Development Subsidy Program (Subsidy Program for the Development of Domestic Manufacturing Facilities for Biosimilars)" (hereinafter "the Program").

This subsidy program aims to establish a stable domestic supply system for biosimilars in Japan. Through this initiative, the three companies will work together to develop domestic biosimilar manufacturing infrastructure with the support of MHLW. Mycenax Biotech Inc. ("MBI"), a Taiwan-based contract development and manufacturing organization (CDMO), will also participate as a key partner in the program. MBI brings a proven track record in the development and manufacturing of biopharmaceuticals—including biosimilars—and has extensive experience operating GMP-certified facilities equipped with leading-edge production technologies and globally compliant quality management systems.

Biosimilars offer comparable quality, safety, and efficacy to reference biologics but are priced more affordably under NHI drug pricing system in Japan. The widespread use of biosimilars contributes to enhancing patient access to diverse treatment options and promoting more sustainable health insurance systems. Recognizing this, the MHLW has actively promoted biosimilar use in recent years and set a measurable target to encourage broader adoption across eligible biosimilar products in the coming years (Note 1). While the number of approved biosimilars in Japan is gradually increasing, usage rates still vary significantly depending on the product. In addition, Japan currently relies heavily on imports of drug substances and formulations produced overseas, posing a supply risk in the face of future pandemics or geopolitical instability.

Following the approval of this grant program, the four companies—Alfresa, which operates a licensed pharmaceutical manufacturing business and maintains a nationwide distribution network for prescription drugs; Kidswell, which has experience in the development and stable supply of multiple biosimilars; Chiome, with a long track record in the research and development of antibody therapeutics; and MBI, which offers comprehensive biomanufacturing expertise encompassing facility design, operational excellence, and workforce development —will collaborate by leveraging their respective strengths to establish an integrated value chain spanning the entire biosimilar supply

process, from development and manufacturing to distribution.

Note 1: “Policy for Promoting the Use of Biosimilars” (MHLW)
https://www.mhlw.go.jp/content/10807000/001310038.pdf
*The above referenced documents are available only in Japanese.

■ About Alfresa Holdings Corporation

Alfresa Holdings Corporation operates a comprehensive healthcare business that spans pharmaceutical development and manufacturing, distribution, and the operation of dispensing pharmacies. With consolidated net sales exceeding ¥2.9 trillion, the Alfresa Group is Japan’s largest pharmaceutical wholesaler in terms of prescription drug distribution.

Guided by its corporate philosophy, “We create and deliver a fresh life for all” the Group plays a critical role in supporting Japan’s healthcare infrastructure by maintaining a robust pharmaceutical supply chain and addressing a wide range of medical needs throughout the country.

For more information, please visit: https://www.alfresa.com/eng/

■ About Kidswell Bio Corporation

Kidswell Bio Corporation is guided by the mission “Biotech Engineering Company, Striving for Value Creation － For Comprehensive Healthcare System for Children as well as Families and Society ”. The company has already launched four biosimilar products with partner pharmaceutical companies and established a stable revenue base, while also advancing its cell therapy business, expected to drive future growth. Through its R&D efforts, Kidswell aims to deliver innovative treatments and contribute to a society where patients can live healthier and fulfilled lives.

For more information, please visit: https://www.kidswellbio.com/en/

■ About Chiome Bioscience Inc.

Chiome Bioscience Inc. is a biotechnology company dedicated to the discovery and development of antibody therapeutics targeting diseases with high unmet medical needs. Leveraging its proprietary ADLib® system and multi-specific antibody generation technologies such as Tribody™, Chiome actively generates promising antibody drug candidates.

In addition to its Drug Discovery Business, which focuses on in-house antibody drug development, and its Drug Discovery Support Business, which provides high-quality technical services to pharmaceutical companies, Chiome is also promoting collaborations with pharmaceutical companies and startups under an Integrated Drug Discovery (IDD) model, aiming to expand its biosimilar business and contribute to the development of Japan’s drug discovery ecosystem.

For more information, please visit: https://www.chiome.co.jp/?id=en

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■ **About Mycenax Biotech Inc.**

Mycenax Biotech Inc. is a pioneer in the development and manufacturing of biopharmaceuticals in Taiwan. The company provides an integrated value chain encompassing cell line development, process and analytical development, formulation, commercial manufacturing, and aseptic filling. Headquartered in Taiwan, Mycenax offers comprehensive CDMO services to global clients across the biopharmaceutical value chain.
For more information, please visit: https://mycenax.com/?lang=en