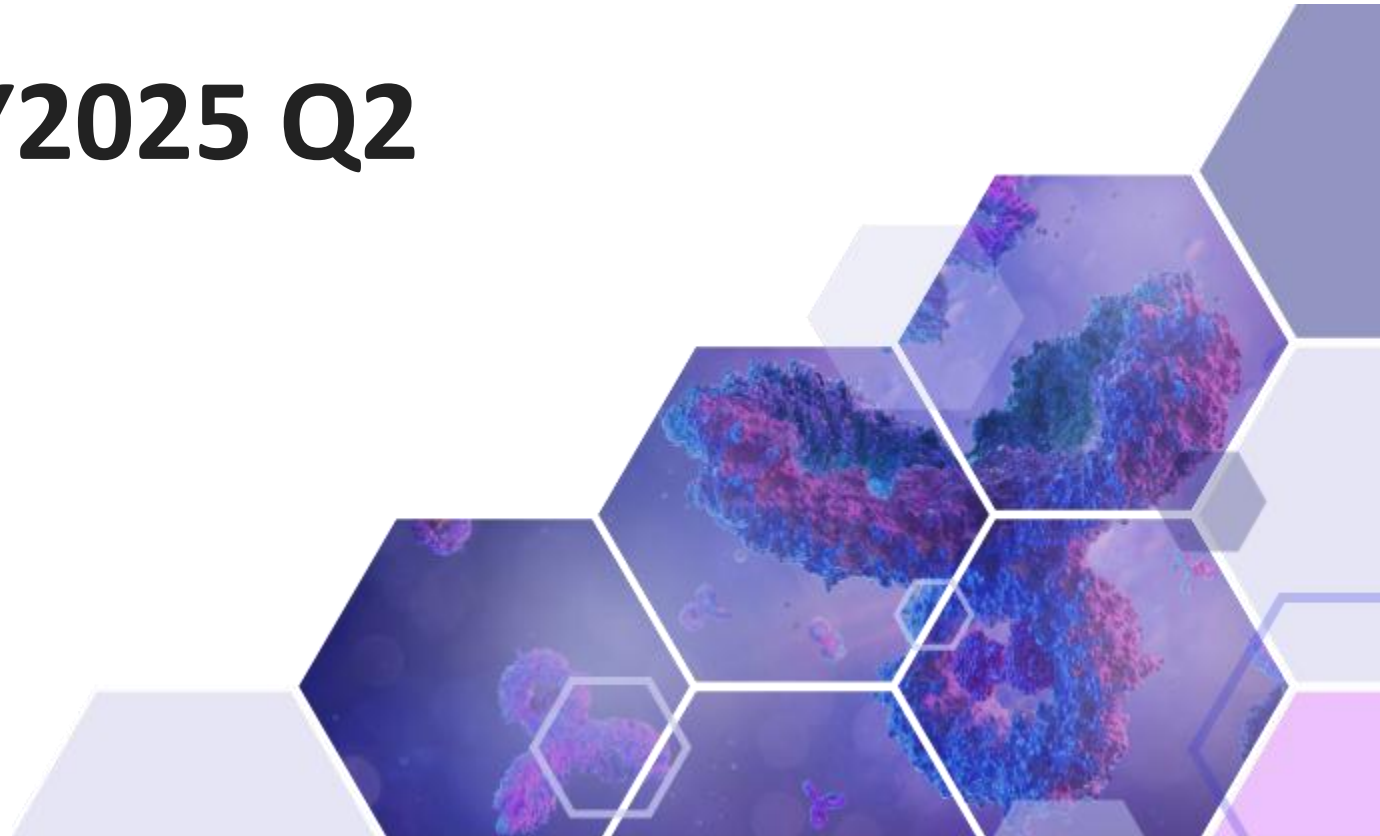
Kidswell Bio

Biotech Striving for Value Creation

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

Security Code : 4584

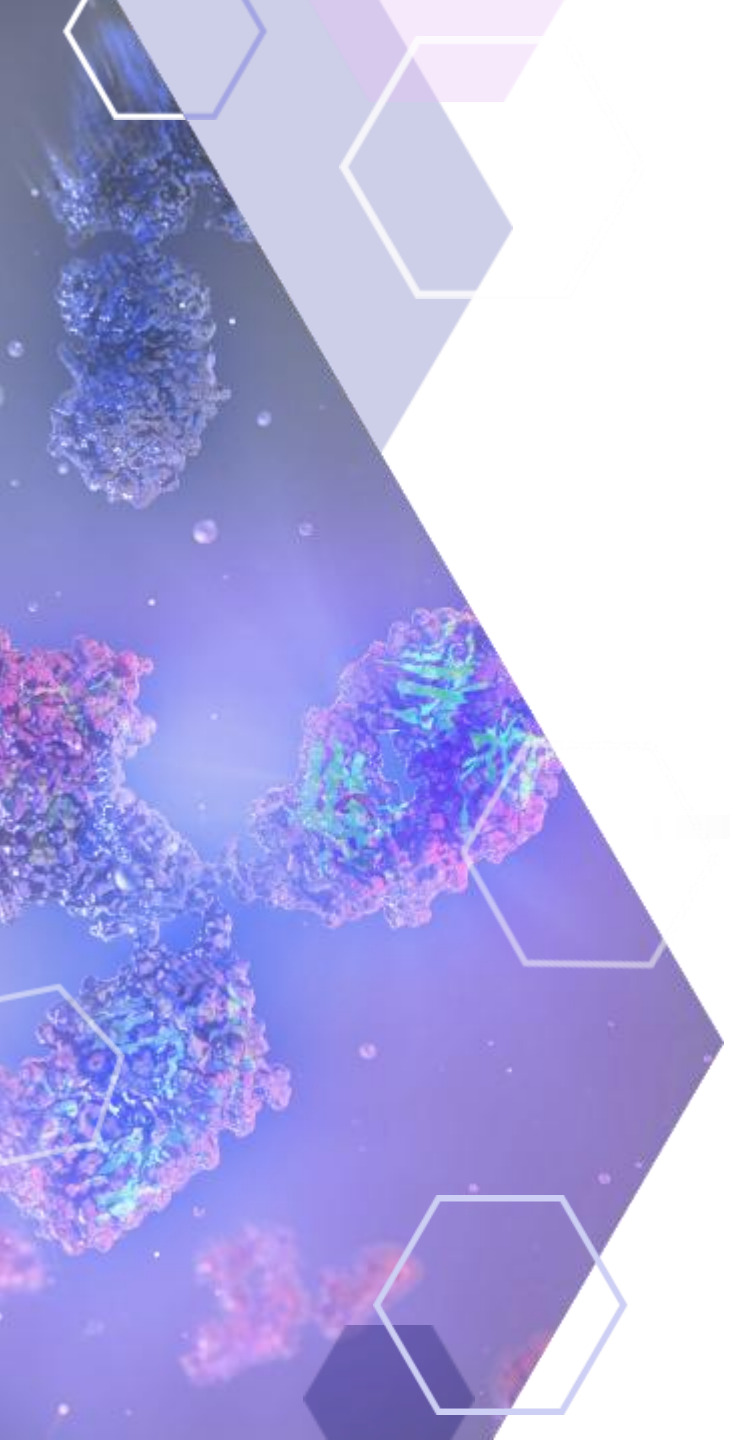
Financial Results for FY2025 Q2



November 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)	FY2024 / 2Q (fiscal year ended Mar 31, 2025) Actual (consolidated)	**FY2025 / 2Q (fiscal year ending Mar 31, 2026) Actual (consolidated)**	**YtoY**	**FY2025 / 2Q (fiscal year ending Mar 31, 2026) Actual (non-consolidated)**
Net Sales	**1,749,911**	**3,276,217**	**187%**	**3,273,648**
Cost of goods	1,257,582	2,283,465	182%	2,283,465
Gross profit	**492,329**	**992,751**	**202%**	**990,183**
Selling, general and administrative expenses	754,850	777,414	103%	560,740
R&D expenses	340,907	388,361	114%	243,851
Other expenses	413,942	389,052	94 %	316,888
Operating income (loss)	**△ 262,520**	**215,337**	--	**429,442**
Ordinary income (loss)	△ 267,993	76,667	--	363,672
Net income (loss)	**△ 241,794**	**60,583**	--	**287,992**

Net sales / Gross Profit	• Manufacturing and delivery of biosimilars were completed as scheduled. In addition to the increase in the volume, progress was made in adjusting supply prices with partner pharmaceutical companies, contributing to a **significant year-on-year increase of 87% in net sales and 102% in gross profit.**
R&D /SG&A	• As a result of reviewing R&D investments in line with the progress and changes in the business environment, SGA were remained at the same level as the previous year.
Profit	• Operating profit and net income for 2Q remained in profitable on both a consolidated and non-consolidated basis, continuing the positive trend from the first quarter.

Balance Sheet

(Unit：thousand yen)	FY2024 (consolidated) Full-year	FY2025 (consolidated) 1Q
Current assets	6,700,570	5,469,461
(Cash and cash equivalents)	2,995,435	1,541,503
(Account receivables)	1,267,189	1,660,345
(Work in process)	1,475,092	1,319,944
(Advance payment)	819,857	824,044
(Others)	142,994	123,623
Fixed assets	307,925	345,668
Total assets	**7,008,496**	**5,815,129**
Current liabilities	4,318,862	3,039,236
Fixed liabilities	1,278,655	589,712
Total liabilities	5,597,518	3,628,948
Total net assets	1,410,977	2,186,181
Total liabilities and net assets	**7,008,496**	**5,815,129**

Cash /equivalent	• Cash and cash equivalents decreased in line with the progress of manufacturing activities of biosimilars and R&D investments, while remaining at an appropriate level.
Working capital	• Accounts receivable increased due to the progress in the manufacturing and delivery of biosimilars to partner pharmaceutical companies. Contract liabilities (current liabilities), which had temporarily increased as a result of changes in payment terms agreed with certain partner pharmaceutical companies in FY2024, decreased during the current interim period in line with steady delivery progress.
Net assets	• **Partial conversion of the 4th convertible bonds, combined with the strong performance of the biosimilar business, resulted in an increase in shareholders' equity (and an improvement in the equity ratio).**

Future Business Outlook and Key Initiatives

Updated

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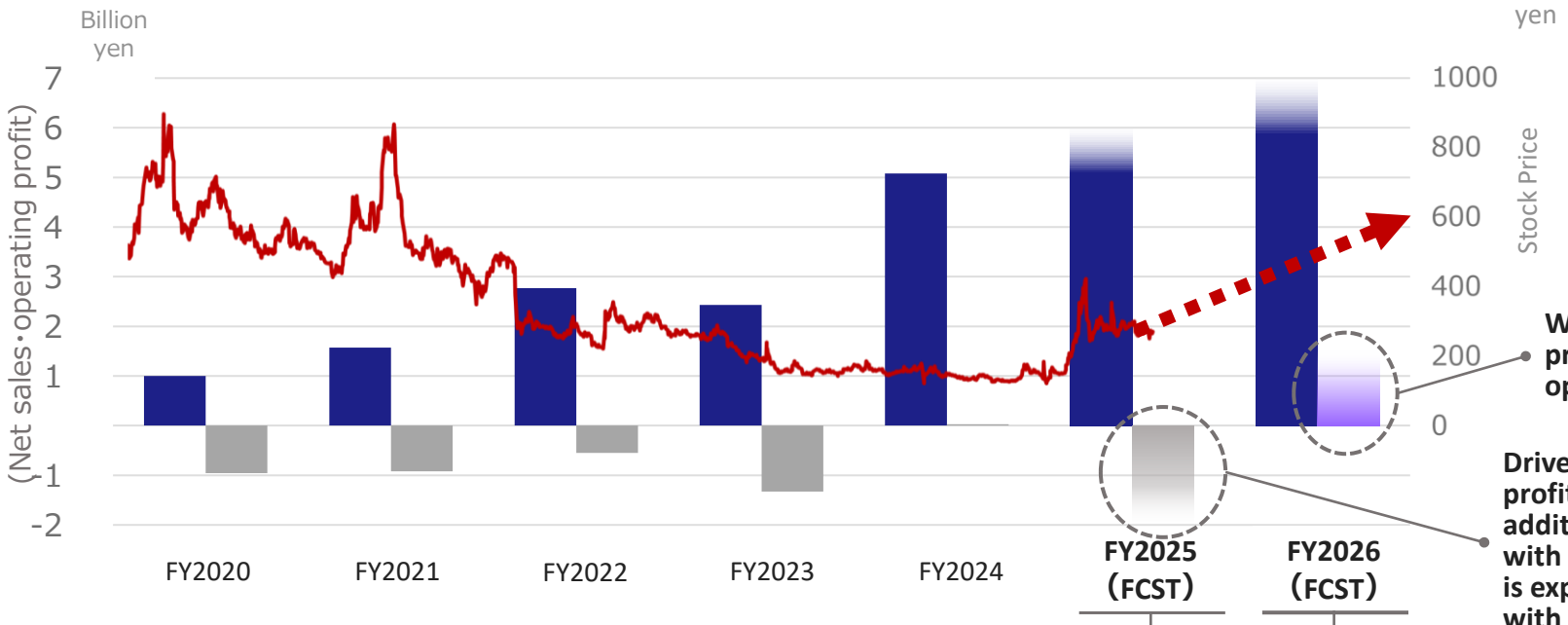
As progress was made in alignment on the following matters, the outlook for net sales and operating profit for FY2025 was revised upward. Further refinements to the performance forecast will be disclosed promptly as these efforts advance.

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



(Unit：thousand yen)

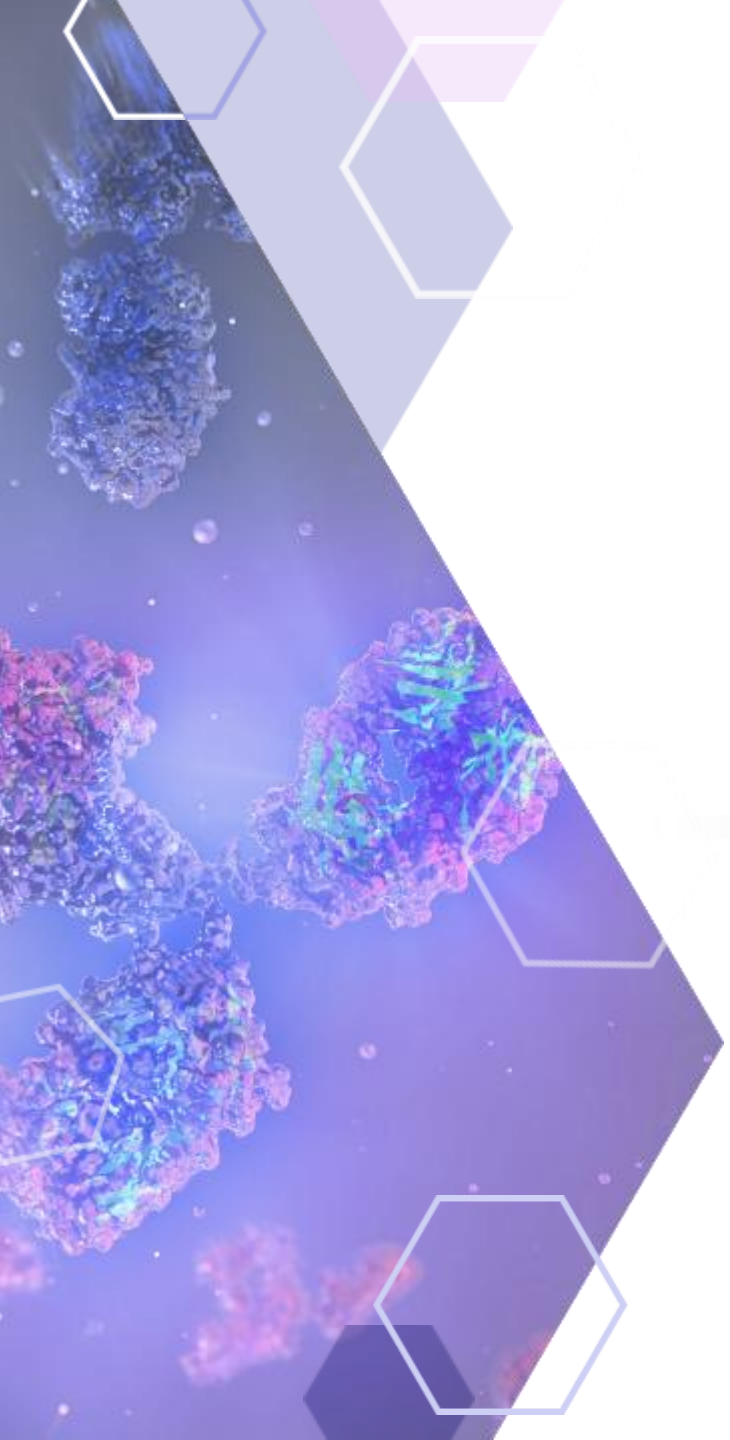
	FY2025 Updated	FY2026
Net sales	5,500,000 ～ 6,000,000	5,500,000 ～ 6,000,000
Operating profit	△600,000 ～ △300,000	100,000 ～ 1,000,000

With the addition of new CDMO, production costs for certain products are expected to decline from FY2026, leading to operating profitability.

Driven by increased demand for biosimilar products, standalone profitability is expected to be achieved as net sales grow. In addition, a partial review of development investments associated with advancing clinical development in the cell therapy business is expected to reduce the consolidated operating loss compared with the outlook at the end of the first quarter.

- Execution of agreements for new biosimilars (Sep 2015)
- Interim analysis results from SHED clinical research (Dec 2025)
- Commencement of construction of Domestic Biosimilar Manufacturing Facility (End of March 2026)

- Establishment of new biosimilar cell line (by Mar 2027)
- Achievement of operating profitability (in FY2026)



Business Highlights

Biosimilars Business

Planned Key Initiatives: Biosimilars (KWB)

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	Initiatives	FY2025	FY2026	Progress (✓ : April 2025 to date)
Marketed BS	Maintaining stable supply through adjustments to the manufacturing schedule and addressing deviations			• Deliveries completed in line with the planned schedule
	Manufacturing cost reduction measures aimed at improving profitability	★	☆	✓ PMDA approval obtained for the addition of a new CDMO • Cost reduction effects are expected to significantly improve profit margins from FY2026, leading to operating profitability
	Discussions with partner pharmaceutical companies for changes of payment terms, including CCC* improvements and supply price adjustments.			• **Price negotiations aimed at improving profitability through the optimization of supply prices for certain products are currently underway.**
New BS	Negotiations with potential partner pharmaceutical companies	★		✓ **Signed a basic agreement with Alfresa and Chiome for the joint development of a new biosimilar (Oct, 2025). (P10)** • Discussions ongoing with multiple pharmaceutical companies
	Development of New Biosimilars		☆	✓ **Alfresa HD has joined the joint development of several new biosimilars previously being advanced with Chiome and Mycenax** • Initiated cell line development for multiple new biosimilars.
	Development of Domestic Biosimilar Manufacturing Facility (Joint Project)			✓ Selected for the MHLW's subsidy program for the development of domestic manufacturing facilities aimed at ensuring a stable supply of biosimilars. ✓ **Signed basic agreement of establishment of JV (Oct. 2025) (P10)** • Construction of the manufacturing facility is scheduled to commence by the end of March 2026.

※キャッシュコンバージョンサイクル（CCC）：支出から収入までの時間・期間

Initiatives for further growth of the biosimilar business

Updated

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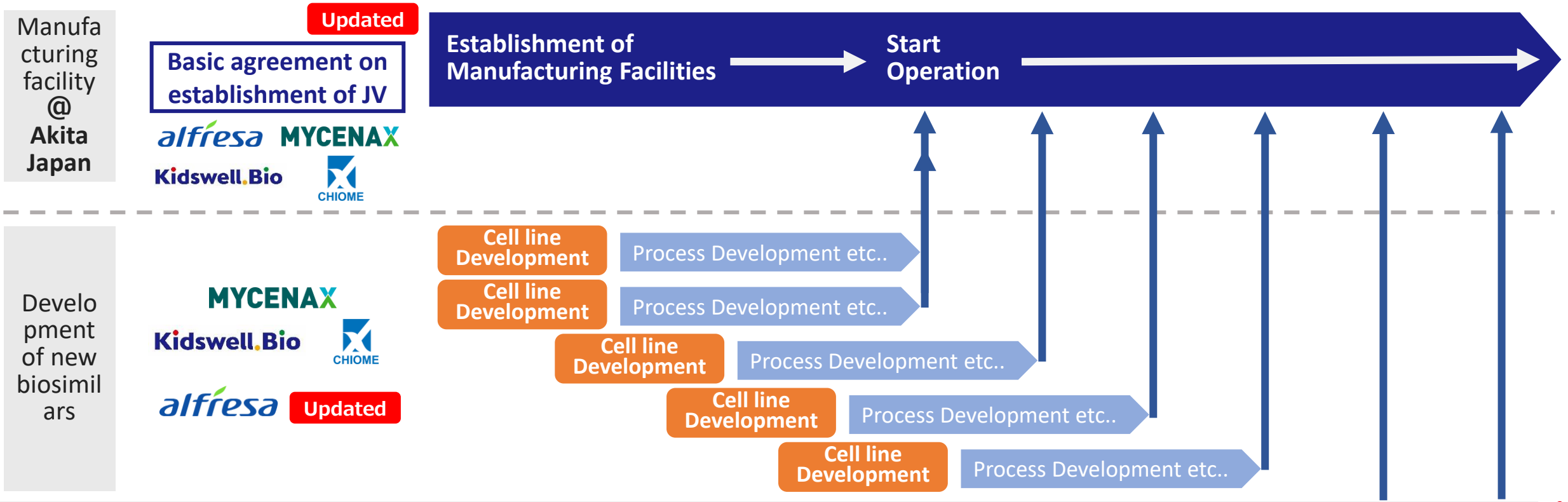
Advance the development of biosimilar manufacturing facilities in Japan under MHLW's subsidy program, and will promote biopharmaceutical CDMO business through the joint venture to be established.

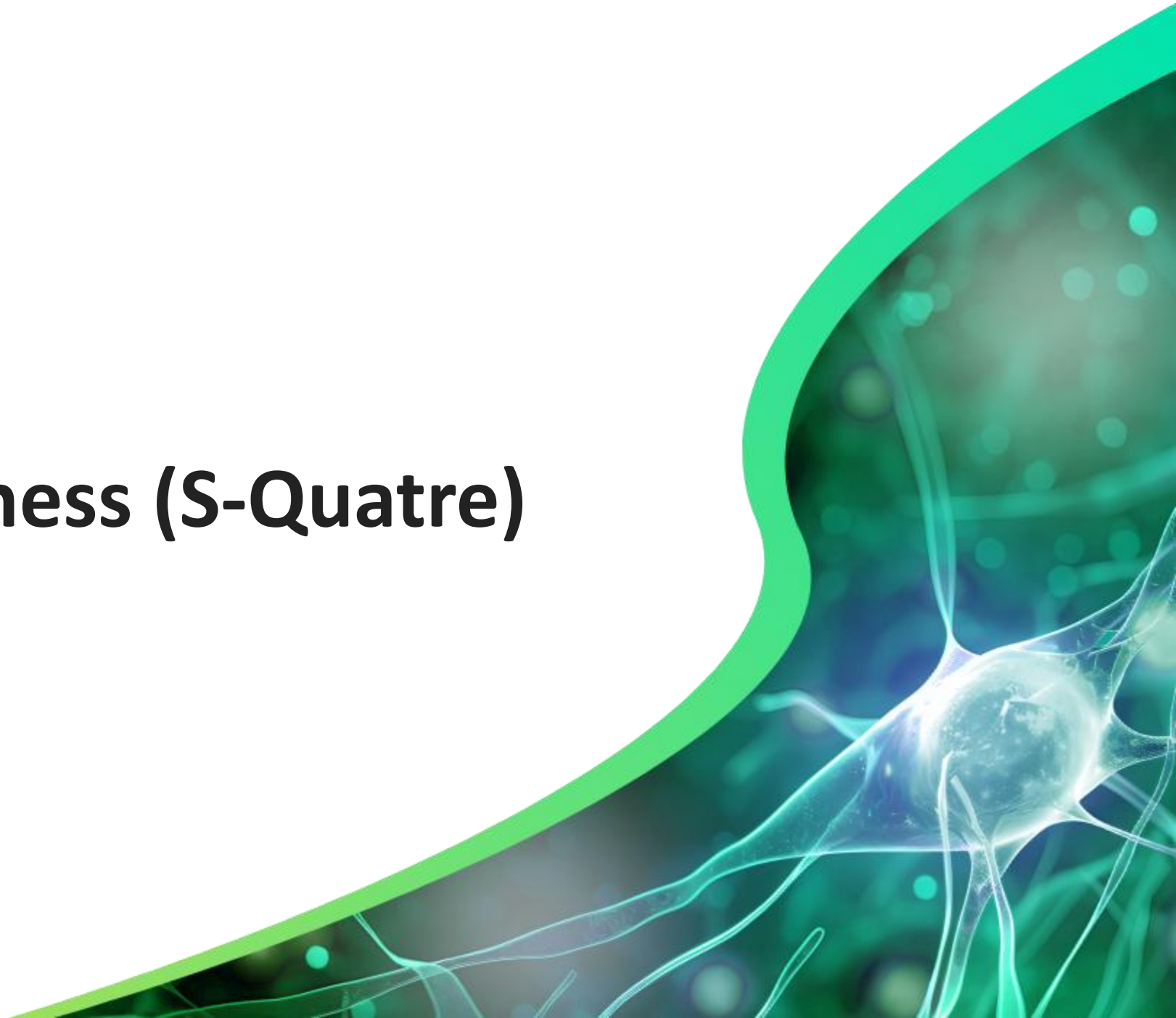
- Under subsidy program of MHLW, Alfresa, Kidswell, Chiome, and Mycenax have reached a basic agreement to establish a joint venture that will serve as the foundation for promoting this initiative and will manufacture biosimilars (October 2025)
- In addition, for the development of new biosimilars intended for commercial manufacturing at facilities in Japan, a basic agreement was concluded among Alfresa, Chiome, and Kidswell regarding joint development (October 2025) .



S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)



S-Quatre Corporation

Kidswell Bio Group

Planned key initiatives: Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
1st generation	Supporting clinical research at Nagoya University for cerebral palsy	Clinical	✓ **Completed 4-week safety evaluation for all three patients; no safety issues observed → Primary endpoint met** ✓ **1-year follow-up completed for 1st/2nd patient, 3rd patient evaluated through Week 12** • The interim analysis results summarizing the 12-week evaluations of all three patients are scheduled to be published by Nagoya University within this year.
	Preparing clinical trial application for cerebral palsy	Clinical	• Clinical trial(Japan): Preparation accelerated in collaboration with Mochida Pharmaceutical ✓ **Clinical trial(Overseas) : Conducted a pre-IND meeting solely by S-Quatre**
	Manufacturing Process Development	Process Development	• Investigational drug for early clinical trial: Pilot manufacturing was completed • Process development for manufacturing of drug products for late clinical stage and commercial stage: ✓ Following the presentation at the International Society for Cell & Gene Therapy (ISCT), contributed also to a white paper published by Corning (U.S.). • Process development with Nipro is progressing smoothly
	R&D and manufacturing process development for other diseases	Preclinical	• Congenital isolated hypoganglionosis Planning for the clinical study is underway under the AMED grant (Kyushu University) • Bone diseases : Joint research on bone diseases with Dokkyo Medical University and Hoya Technosurgical is progressing.

Planned key initiatives: Cell therapy (S-Quatre)

	Initiatives	Stage/Category	Progress (✓ : April 2025 to date)
2nd generation	Research on genetically modified SHED and development for manufacturing process for clinical application	Preclinical	• Joint research and development with CDMO to establish a formulation process is progressing smoothly ✓ Collaborative research with Nagoya University **: Presented at the Congress of Neurological Surgeons (CNS) in the U.S,** following its presentation at the Neurospinal Society of Japan. ✓ Collaborative research with Hamamatsu University School of Medicine : Presented at the Japan Society of Gene and Cell Therapy
2nd generation	Research on utilizing master cell bank to maximize the value of 2nd generation SHED research and S-Quatre®	Research	• Research progressing well on multiple projects ✓ **Initiated a collaborative research with Institute of Science Tokyo for Treg × SHED targeting autoimmune diseases** ✓ **Initiated a collaborative research with Lymphogenix (UK)'s, combining SHED with lymphatic regeneration technology, targeting infertility and various fibrotic diseases.**
Business Structure	External alliances and fund raising as S-Quatre	Business Development	• In discussions with companies and VCs including overseas under CDA

※ 並行して、研究データと外部環境に応じた開発品の優先順位付けを行い、必要に応じて一部開発品の研究開発活動を中断

Collaborative Research to Maximize the Potential of SQ-SHED

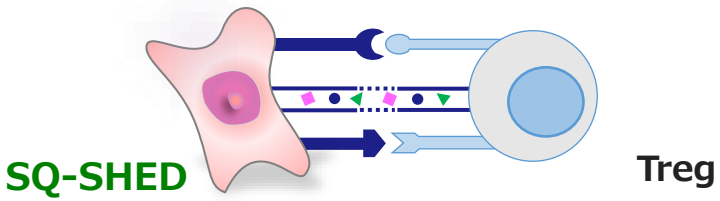
Aim to maximize the value of SQ-SHED through collaborations with leading biotech companies and academic institutions in Japan and overseas.

Treg* × SQ-SHED

Collaborative research with Institute of Science Tokyo

- Aim to establish treatment approaches for autoimmune diseases and transplant rejection.
- Combining Treg from Institute of Science Tokyo's expertise in immune cell biology and cumulative research about the potential of SQ-SHED

Advancing Toward the Clinical Application of Treg Cell Therapy



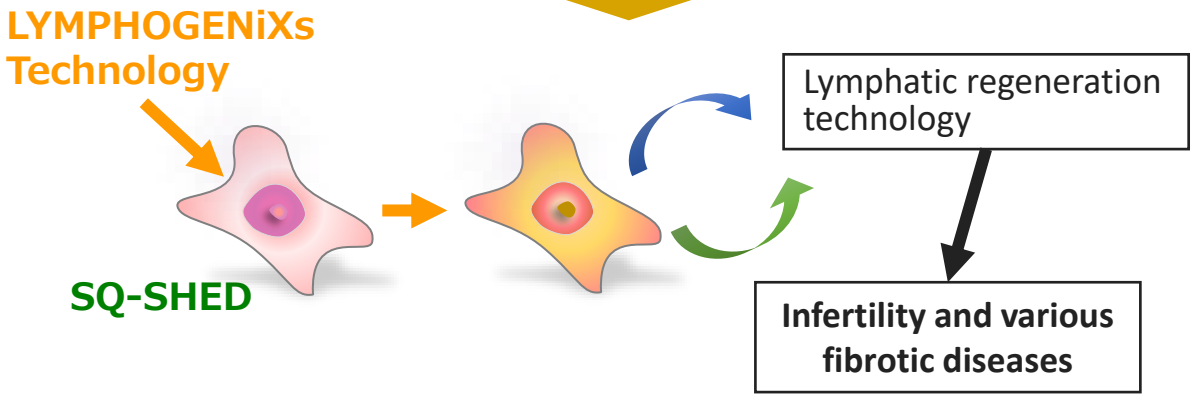
Institute of Science Tokyo, Department of Molecular Microbiology

- Specializes in research on immune cell therapies for leukemia, as well as studies to elucidate immune cell functions in the pathogenesis of autoimmune diseases and related conditions.

Lymphatic regeneration technology × SQ-SHED

Collaborative research with LYMPHOGENiX (UK)

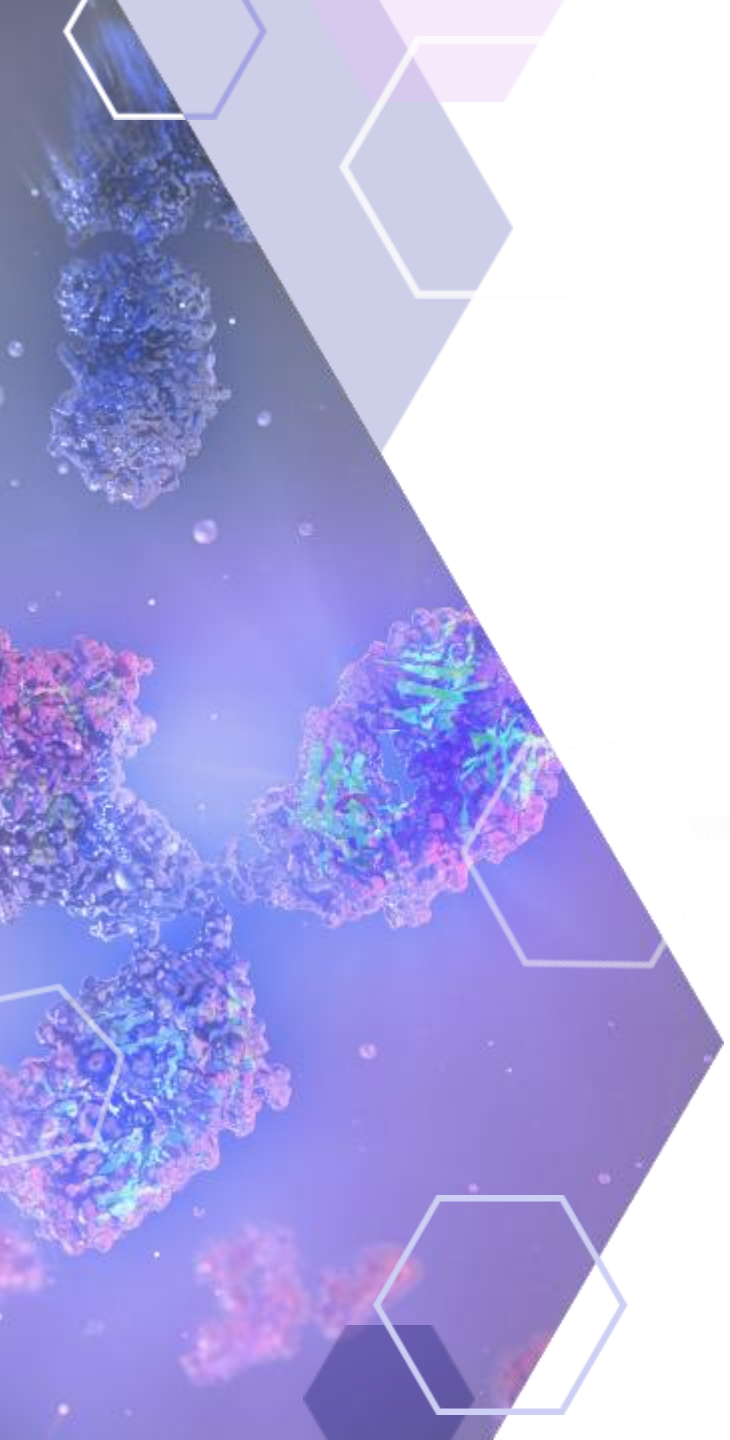
- Aim to develop innovative therapeutic approaches for infertility and various fibrotic diseases.
- This collaboration integrates LYMPHOGENiX's lymphatic regeneration technology with SQ-SHED.



LYMPHOGENiX：

- Biotech company developing a regenerative medicine platform based on its proprietary lymphangiogenesis technology, aiming for applications across a broad range of disease areas, including reproductive medicine.

※ **Treg (Regulatory T cells):** Immune cells that play a critical role as a "brake" to suppress excessive immune responses, including those observed in autoimmune diseases. The discovery and subsequent research on Treg cells have been recognized with the Nobel Prize in Physiology or Medicine, to be awarded in 2025



Corporate Strategy and IR Activities

Planned key initiatives: Corporate

	Initiative	FY2024	FY2025	Progress (✓ : April 2025 to date)
Efficient utilization of managerial resources	Restruction of corporate culture and systems			✓ 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			• Strengthen collaboration among businesses and divisions and develop IT infrastructure
Optimize financing options	Financing scheme aligned with the nature and stage of the business			Moving toward completion of equity market financing; • Promoting discussions for debt financing • Executed refinancing to reduce dilution and expedite fundraising. **Steady progress in financing has reduced overhang concerns, supported by the additional conversion of the 4th Convertible Bond in September.**
	Securing funds through partnerships with partner companies			• Engaging in confidential discussions with financial institutions, corporate entities, and VCs
Visualize business value	Improving the quality of information provided to stakeholders			• Established consulting agreements with professionals experienced in IR activities within biotech ventures
	Active engagement with international institutional investors			• **Conducted multiple meetings with institutional investors to enhance understanding through ongoing dialogue and relationship-building.** • Enhancing engagement by participating in domestic and international events
	Increasing media exposure through proactive outreach to news outlets			• **Strengthening communication with the media, resulting in increased feature articles and press release publications**

Status of Financing Activities

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The refinancing executed in FY2024 has contributed to steady progress in financing, helping to reduce overhang concerns.

- Since January 2025, the full exercise of the 24th Share Acquisition Rights and the partial conversion of the 4th Convertible Bonds have been completed, enabling earlier completion of equity-based financing.
- For future growth funding, promoting discussions with financial institutions to shift toward indirect financing (bank loans, etc.).

	4th Series of Convertible Bonds	23rd series of Stock Acquisition Rights	24th series of Stock Acquisition Rights
Shares outstanding	40 units (3,787,878 shares)	13,746 units (1,374,600 shares)	60,000 units （6,000,000 shares）
Conversion / Exercise Price	JPY 132	JPY 104	–
Amount of Fund Raised※	（JPY 500M was raised at issuance）	–	JPY 610M
Maturity Date/Exercise period	August, 2026	January, 2028	September, 2025
Status Remaining as of Dec 2024	**3,787,878 shares**	1,374,600 shares	**6,000,000 shares**
Remaining as of Oct 2025	**946,969 shares**	1,374,600 shares	**Fully Exercised (Financing Completed)**

※: As of October 05

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KIDS WELL, ALL WELL

All for Kids, Kids for All

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.