November 13, 2025

Summary of Consolidated Financial Results for 2Q of the Fiscal Year Ended March 31, 2026 (Extracted from Japanese version)

[Japanese GAAP]

Company name: Kidswell Bio Corporation
Listing: Tokyo Stock Exchange
Stock code: 4584
URL: https://www.kidswellbio.com/en/
Representative: Shinya Kurebayashi, President & CEO
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Preparation of supplementary materials for financial results: Yes
Holding of financial result meeting: No

(All amounts are rounded down to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

(1) Results of operations (Cumulative) (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	3,276	87.2	215	-	76	-	60	-
September 30, 2024	1,749	-	(262)	-	(267)	-	(241)	-

(Note) Comprehensive income
For the three months ended September 30, 2025: 90 million yen (-%), For the six months ended September 30, 2024: (141) million yen (-%)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2025	1.26	1.23
September 30, 2024	(6.09)	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	5,815	2,186	36.7
March 31, 2025	7,008	1,410	19.1

(Reference) Shareholders' equity As of September 30, 2025: 2,135 million yen, As of March 31, 2025: 1,338 million yen

2. Cash Dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced：None

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2026	5,500 ～6,000	8.2 ～18.1	(600) ～(300)	-	-	-	-	-

(Note) For the fiscal year ending March 31, 2026, the Company will disclose its consolidated earnings forecast only for net sales and operating profit in the form of a range. For details, please refer to the attached document, page 5. "Future Outlook."

*** Notes**

(1) Significant changes in the scope of consolidation during the period：None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements：None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

a. Changes in accounting policies due to revisions to accounting standards and other regulations ：None

b. Changes in accounting policies due to other reasons ：None

c. Changes in accounting estimates ：None

d. Restatement ：None

(4) Number of issued shares (common shares)

a. Number of issued and outstanding shares at the period end (including treasury stock)
As of September 30, 2025: 49,566,619 shares
As of March 31, 2025: 38,939,913 shares

b. Number of treasury shares at the end of period
As of September 30, 2025: 94 shares
As of March 31, 2025: 94 shares

c. Average number of shares outstanding during the period
Three months ended September 30, 2025: 47,994,559 shares
Three months ended September 30, 2024: 39,710,114 shares

*This summary report on Kidswell Bio's financial statements is not subject to audit procedures.

*Cautionary statement with respect to forward-looking statements, and other special items

(Notes to information regarding future)
Forecasts regarding future performance in these materials are based on assumptions judged to be valid and the information available to the Company at the time these materials were made. These materials on future performances are not promises by the Company. Actual performance may differ significantly from these forecasts for several reasons. Please refer to "III. Future Outlook" on page 5 for the details.

(How to obtain supplemental financial information)
Materials for the supplemental financial information are available on the Company's website (https://www.kidswellbio.com/en/).

○Table of Contents of the Attachment

I. Business updates and financial results for the current second quarter in FY 2025

Kidswell Bio Corporation Group (the "Group") is engaged in two businesses: the biosimilar business, which involves the development and the supply of biosimilar active pharmaceutical ingredients etc., ("Biosimilars"), and the cell therapy (regenerative medicine) business, in which our wholly owned subsidiary, S-Quatre Corporation ("S-Quatre"), aims to commercialize cell-based therapies utilizing SQ-SHED, proprietarily developed by S-Quatre.
Note: SHED stands for Stem cells from Human Exfoliated Deciduous teeth.

During the cumulative second quarter of the fiscal year, the Group recorded consolidated net sales of 3,276,217 thousand yen, representing a significant increase of 87.2% from 1,749,911 thousand yen in the same period of the previous fiscal year. This growth was driven by steady demand and the delivery of Biosimilars in line with the planned schedule. As a result, operating profit reached 215,337 thousand yen (compared with an operating loss of 262,520 thousand yen in the previous interim period), ordinary profit came to 76,667 thousand yen (compared with an ordinary loss of 267,993 thousand yen), and profit attributable to owners of parent amounted to 60,583 thousand yen (compared with a loss attributable to owners of parent of 241,794 thousand yen in the previous interim period).

For the full-year consolidated earnings forecast for the current fiscal year, the Group has revised the forecast for the fiscal year ending March 2026. This revision reflects the progress in discussions and coordination with relevant parties, which has led to greater clarity in key assumptions underlying the forecast, including adjustments to the manufacturing and delivery schedule for Biosimilars, as well as the investment plans for R&D. Meanwhile, with respect to the fiscal year ending March 2027, discussions and coordination with relevant parties are still ongoing; therefore, no revisions have been made at this time.

For the fiscal year ending March 2026, net sales are forecast to be between 5,500,000 thousand yen and 6,000,000 thousand yen, with an operating loss projected to range from 600,000 thousand yen to 300,000 thousand yen. For the fiscal year ending March 2027, net sales are likewise projected to be between 5,500,000 thousand yen and 6,000,000 thousand yen, while operating profit is expected to range from 100,000 thousand yen to 1,000,000 thousand yen.

The progress of each business segment during the cumulative second quarter is as follows.

1) Biosimilar Business

- Subsidy Program for the Development of Domestic Manufacturing Facilities for Biosimilars
  With the aim of establishing a domestic supply system to ensure a stable supply of biosimilars in Japan, Kidswell Bio Corporation ("Kidswell") is working to build Japan's first integrated supply chain covering development, manufacturing, and distribution. In May 2025, the project was selected under the Ministry of Health, Labour and Welfare's (MHLW) subsidy program for manufacturing facility development ("Subsidy Program for the Development of Domestic Manufacturing Facilities for Biosimilars", the "Program"). Under the Program, Alfresa Holdings Corporation ("Alfresa"), Kidswell, and Chiome Bioscience Inc. ("Chiome"), together with Mycenax Biotech Inc. ("Mycenax"), an important strategic partner in the project, are jointly proceeding with the establishment of manufacturing facilities for biosimilar active pharmaceutical ingredients and drug products in Japan.
  Furthermore, in October 2025, as part of the business development under the Program, the four companies reached a basic agreement regarding the establishment of a joint venture to engage in contract development and manufacturing (CDMO) services for biosimilars and related products, as well as the framework for constructing manufacturing facilities on the premises of Alfresa Fine Chemical Corporation, a subsidiary of Alfresa.

- Joint Development of New Biosimilars
  In May 2025, Kidswell and Chiome entered into a Master Service Agreement for the joint development of new biosimilars and have begun cell line development for multiple biosimilar candidates previously prioritized for selection with Mycenax. Additionally, in October 2025, Alfresa, Kidswell, and Chiome executed a basic agreement for future joint development of new biosimilars, as well as a basic contract to advance joint development for products already undergoing cell line development. As a result, the roles of each company in the development of new biosimilars aimed at future commercialization at the domestic manufacturing facility to be established under the Program have been clearly defined, and full-scale development activities are now underway. In addition, under the basic agreement concluded among the three companies, Kidswell and Chiome will receive remuneration from Alfresa for the cell line development.

2) Cell Therapy Business

- Clinical Research on the Treatment of Cerebral Palsy
  With respect to cerebral palsy, based on the results of joint research conducted with Nagoya University, a clinical research study using autologous SQ-SHED (stem cells derived from the patient's own deciduous teeth) has been underway since June 2023. As of June 2025, administration to the third and final pediatric patient was completed. Subsequently, in October

2025, the Data Safety Monitoring Board (DSMB)—an independent body distinct from the research institution reviewed all three cases and concluded that there were “no safety concerns observed up to four weeks after administration.” In addition, an interim analysis, including an evaluation of efficacy based on data up to 12 weeks after administration in all three patients, is currently underway at the university, and the results are expected to be published within the year.

- Progress Toward Clinical Trial Application for the Treatment of Cerebral Palsy
  Regarding allogeneic SQ-SHED for the treatment of cerebral palsy (development code: GCT-103), preparations for initiating clinical trials in Japan are currently underway following the joint business development agreement executed with Mochida Pharmaceutical Co., Ltd. (“Mochida”) in March 2025. Under this agreement, Mochida will primarily be responsible for clinical development, while S-Quatre will focus on manufacturing and related activities.
  For the overseas clinical trials, S-Quatre held a Pre-IND meeting with the U.S. Food and Drug Administration (FDA) in October 2025.

- Development of the SQ-SHED Manufacturing Technology
  Regarding next-generation large-scale manufacturing technology for future commercial production, S-Quatre has developed a proprietary manufacturing technology optimized for the characteristics of SQ-SHED, in collaboration with Corning Life Sciences (U.S.), a global leader in cell culture equipment. Currently, for the purpose of establishing the manufacturing process for late-stage clinical trials and subsequent commercial production, S-Quatre is promoting with Nipro Corporation under a joint development agreement for CDMO-related activities.

- Other Research and Development Activities
  As a result of our collaborative research with Nagoya University on the treatment of peripheral nerve injury, a research paper describing the therapeutic effects and underlying mechanisms of SQ-SHED in a peripheral nerve injury model was published in August 2025. This achievement has received significant international recognition, including the selection of Nagoya University for an oral presentation at the 75th Congress of Neurological Surgeons (CNS 2025), one of the world’s largest neurosurgical congresses, held in October 2025.
  In addition, in October 2025, S-Quatre initiated joint research with LYMPHOGENiX (UK) with the aim of developing a new treatment for infertility using SQ-SHED. By combining the respective technologies of both parties, S-Quatre seeks to explore a novel cell therapy approach for cases in which conventional treatments yield limited efficacy. This technology is also being explored for potential application in various fibrotic diseases, and related research is progressing in parallel.
  Furthermore, S-Quatre commenced joint research with Tokyo Institute of Science on a novel immune cell therapy that combines SQ-SHED with regulatory T cells (Tregs). Tregs attracted global attention as the subject of the 2025 Nobel Prize in Physiology or Medicine, and this research aims to establish a curative treatment approach for autoimmune diseases and rejection reactions following organ transplantation.
  These research initiatives expand the therapeutic potential of SQ-SHED across multiple disease areas. S-Quatre will continue to strengthen collaborations with leading research institutions and corporate partners in Japan and overseas, as S-Quatre advances efforts to create new value in regenerative medicine.

II. Future Outlook

1. Management Policy

The Group pursues its business activities under the corporate philosophy of “Biotech Engineering Company, Striving for Value Creation – For Comprehensive Healthcare System for Children as well as Families and Society –,” and upholds the management vision of “Empowering children and enabling children to empower others.” Leveraging expertise and know-how in biopharmaceutical research and development accumulated through past business activities, the Group promotes R&D initiatives in two business areas.

In the biosimilars business, the objective is to create an environment in which more patients can receive continuous and reliable treatment. To date, Kidswell has contributed to the launch of four biosimilar products and currently generate revenue through the supply of Biosimilars to our partner pharmaceutical companies, as well as royalty income based on the sales performance of those products by our partners. Going forward, in addition to strengthening the stable supply structure and enhancing profitability of existing products, Kidswell intends to actively pursue the development of new biosimilars to support further revenue growth. In promoting this business, Kidswell maintains a management policy that emphasizes balancing development investments and earnings, with the goal of achieving sustainable profitability on a standalone basis. In the cell therapy business (Regenerative Medicine), the focus is on developing innovative therapies that support patients, particularly those suffering from pediatric or rare diseases, their families, and the healthcare professionals involved in their care. As this business stays in an R&D-intensive stage, the Group formulates medium- to long-term R&D investment plans for each pipeline project and manages progress and milestones as key performance indicators.

By reinvesting the stable earnings generated through the biosimilar business, as well as the biopharmaceutical R&D expertise accumulated over many years, into the development of the high-growth-potential cell therapy business, the Group seeks to maximize synergies between the two business domains and achieve both stability and growth. Through structural reforms,

operational efficiency improvements, and optimized allocation of human resources, we aim to establish and maintain a stable consolidated operating profit.

2. Outlook for Future Performance

In the biosimilar business, the switching rate from reference biologics to biosimilars covering GBS-001, GBS-011, and competing products in the same category has exceeded 80%, while the market share of partner pharmaceutical companies has still been stable. In addition, strong and sustained market demand is expected to continue for GBS-007 and GBS-010, which are key revenue drivers for the Group. Along with these favorable market conditions, MHLW's strengthened initiatives to promote the use of biosimilars are also expected to contribute positively, and the Group expects further expansion in earnings from this business. Based on this outlook, Kidswell continues to adjust manufacturing and supply plans for biosimilars in collaboration with partner pharmaceutical companies and CDMOs, while working to support and reinforce a stable supply system. Furthermore, to improve profitability, Kidswell is engaging in discussions with partner pharmaceutical companies to appropriately review supply prices, considering changes in external factors such as overseas cost inflation and yen depreciation. From a medium- to long-term perspective, Kidswell positions the development, introduction, and commercialization of new biosimilars, as well as the establishment of biosimilar manufacturing facilities in Japan to secure a robust domestic supply system, as priority strategic initiatives, and will continue to advance the biosimilar business accordingly.
In the cell therapy business, clinical development targeting cerebral palsy is progressing in Japan, while also preparations for clinical development in overseas are advancing in collaboration with external organizations. As noted above, research progress has also been confirmed for next generation SHED, showing significant overall advancement in R&D activities. Considering these development, while considering the potential for a temporary increase in R&D expenses in line with the steady advancement of clinical development and the acceleration of research activities, the Group will continue to execute efficient R&D investments.

Based on the progress in these businesses, changes in market demand, and external environmental factors, the Group has conducted periodic reviews of the medium-term management plan announced in 2022, with the aim of maximizing corporate value over the medium to long term. During the interim period, the full-year outlook for the manufacturing and supply plans of biosimilars has become substantially clearer, and the expected impact of supply price adjustments has been assessed. In addition, the Group now expects to receive a part of the consideration related to cell line development for new biosimilars. Reflecting these factors, the Group has revised the forecast range for net sales upward.
Furthermore, in addition to the upward revision to net sales, discussions and coordination with relevant parties have progressed on R&D investments. In particular, certain aspects of the clinical development plan for the cell therapy business—which requires substantial expenditure—have been reviewed from the perspective of operational efficiency. As a result, projected expenses are expected to be lower than originally expected at the beginning of the fiscal year, and accordingly, we have revised the forecast range for operating loss.
Meanwhile, during the interim period, a deviation occurred in part of the manufacturing process for certain biosimilars, resulting in an extraordinary loss on disposal of inventories of 125 million yen recorded as non-operating expenses. The Group has promptly taken measures to prevent recurrence, including reviewing relevant processes in cooperation with our business partners. Although this event has had a certain impact on our financial results and such impact is reflected in this financial report, the Group does not expect any material disruption to future manufacturing plans or the stable supply system.

Based on the above outlook, the assumptions underlying our performance forecast— including adjustments to manufacturing and delivery plans for biosimilars and R&D investments—have become sufficiently clarified. Accordingly, the Group has revised the forecast for the fiscal year ending March 2026 as follows. Meanwhile, as discussions and coordination with relevant parties are still ongoing for the fiscal year ending March 2027, no revisions have been made at this time.

FY2025: Net sales of 5,500,000 - 6,000,000 thousand yen; Operating loss of 600,000 - 300,000 thousand yen
FY2026: Net sales of 5,500,000 - 6,000,000 thousand yen; Operating profit of 100,000 - 1,000,000 thousand yen

Furthermore, regarding the R&D investments for FY2025, the Group will continue to review and evaluate investment plans based on the progress of each initiative and through ongoing discussions and coordination with relevant stakeholders and will make investment decisions accordingly.

1) Biosimilar business
The Group plans to make continued investments to strengthen our manufacturing system and reduce production costs in order to maintain a stable supply of GBS-007 and GBS-010, for which market demand is expected to significantly exceed initial assumptions, and to improve margins by addressing overseas inflation and the impact of yen depreciation. In addition, we will invest in the development of new biosimilars to further enhance our revenue base.
2) Cell therapy business
In addition to the ongoing clinical research for cerebral palsy being conducted at Nagoya University, S-Quatre plans to invest

in preparations for company-sponsored clinical trials of SQ-SHED (GCT-103) in Japan and overseas, with the goal of initiating clinical studies at an early stage. S-Quatre also intends to allocate funds to further develop large-scale manufacturing technology in anticipation of late-stage clinical trials and commercial supply, to expand indications and maximize the value of GCT-103, and to advance next-generation SHED technologies—including process development—toward the development phase.

As the Group outsources all manufacturing of biosimilars to overseas CDMOs and conducts part of its R&D activities in both the biosimilar business and the cell therapy business in collaboration with overseas companies, fluctuations in prices in overseas markets or in foreign exchange rates may result in increases or decreases in cost of sales and R&D expenses, thereby potentially affecting business performance. Should such circumstances arise, the Group will promptly make disclosures after due examination.

3. Initiatives to Enhance Corporate Value

1) Optimization of Financing and Strengthening of the Financial Base

The Group continues to work toward optimizing financing and strengthening its financial base to maximize corporate value and achieve an early recovery and growth of the share price. In the biosimilar business, while maintaining a stable earnings structure for products already on the market, we have revised certain payment terms with partner companies and are continuing negotiations in other areas, in order to respond to increasing working capital needs associated with rising demand for GBS-007 and GBS-010 and higher overseas manufacturing costs. In addition, with respect to equity financing, we conducted a refinancing in December 2024 by repurchasing and canceling existing stock acquisition rights, the exercise of which had been prolonged due to a significant gap between the exercise price and market price, and by issuing the 23rd and 24th series of stock acquisition rights at levels aligned with prevailing market prices. As a result, all the 24th series of stock acquisition rights had been exercised by April 2025. Furthermore, the conversion of the 4th series of unsecured convertible bonds with stock acquisition rights issued in July 2022 advanced significantly from April 2025 onward, resulting in a reduction in overhang concerns regarding the Company's shares and an improvement in supply-demand conditions, thereby contributing to an environment in which business results can be appropriately reflected in the share price.

While the Group is working to stabilize its financial position, it remains necessary to continue investments in R&D to support growth in both the biosimilar and cell therapy businesses. To secure the required funding, we are pursuing diversification and optimization of financing methods, including capital and business alliances with development partners, utilization of various subsidy programs, and borrowing through indirect financing during FY2025. In both business areas, the Group will flexibly reassess priorities based on development progress and commercial potential and will work to execute disciplined R&D investments and reduce risk through early partnering and cost-sharing arrangements. Through these efforts, the Group aims to establish a balanced financial foundation that enables us to achieve both stability and growth without impairing future growth potential.

2) Strengthening Information Disclosure and Enhancing Visibility of Business Value

To enhance the visibility of the business value, the Group is strengthening IR and PR activities by improving the quality and timeliness of disclosures, enhancing the clarity of explanations, expanding opportunities for dialogue with institutional investors, analysts, and the media, and holding briefings for individual investors. Through these initiatives, the Group aims to build trust with the market and deepen understanding of the Group's businesses.

III. Financial statements and notes to financial statements

(A) Consolidated balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	2,995,435	1,541,503
Accounts receivable - trade	1,267,189	1,660,345
Work in process	1,475,092	1,319,944
Advance payments to suppliers	819,857	824,044
Other	142,995	123,623
Total current assets	6,700,570	5,469,461
Non-current assets		
Property, plant and equipment	1,187	1,120
Intangible assets	763	705
Investments and other assets		
Investment securities	283,137	326,193
Other	22,837	17,649
Total investments and other assets	305,974	343,842
Total non-current assets	307,925	345,668
Total assets	7,008,496	5,815,129
Liabilities		
Current liabilities		
Accounts payable - trade	226,977	145,912
Current portion of long-term borrowings	657,040	657,040
Accounts payable - other	295,332	185,216
Income taxes payable	144,245	33,138
Contract liabilities	2,970,000	1,980,000
Other	25,267	37,929
Total current liabilities	4,318,862	3,039,236
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	500,000	125,000
Long-term borrowings	680,920	352,400
Retirement benefit liability	41,373	42,774
Deferred tax liabilities	56,362	69,538
Total non-current liabilities	1,278,655	589,712
Total liabilities	5,597,518	3,628,948
Net assets		
Shareholders' equity		
Share capital	2,317,578	184,986
Capital surplus	11,623,179	2,560,010
Retained earnings	(12,730,223)	(766,649)
Treasury shares	(73)	(73)
Total shareholders' equity	1,210,460	1,978,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	127,829	157,710
Total accumulated other comprehensive income	127,829	157,710
Share acquisition rights	72,687	50,197
Total net assets	1,410,977	2,186,181
Total liabilities and net assets	7,008,496	5,815,129

(B) Consolidated statement of income and comprehensive income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	1,749,911	3,276,217
Cost of sales	1,257,582	2,283,465
Gross profit	492,329	992,751
Selling, general and administrative expenses		
Research and development expenses	340,907	388,361
Other	413,942	389,052
Total selling, general and administrative expenses	754,850	777,414
Operating profit (loss)	(262,520)	215,337
Non-operating income		
Interest income	122	2,533
Gain on sales of materials	1,080	1,550
Compensation income	21,816	-
Foreign exchange gains	-	225
Miscellaneous income	205	533
Total non-operating income	23,224	4,841
Non-operating expenses		
Interest expenses	21,141	16,758
Interest expenses on bonds	1,571	1,029
Loss on abandonment of inventories	-	125,268
Foreign exchange losses	5,630	-
Miscellaneous losses	354	455
Total non-operating expenses	28,697	143,511
Ordinary profit (loss)	(267,993)	76,667
Extraordinary income		
Gain on reversal of share acquisition rights	42,099	10,608
Total extraordinary income	42,099	10,608
Extraordinary losses		
Loss on valuation of investment securities	14,999	-
Total extraordinary losses	14,999	-
Profit (loss) before income taxes	(240,894)	87,276
Income taxes - current	900	26,692
Total income taxes	900	26,692
Profit (loss)	(241,794)	60,583
Profit attributable to		
Profit (loss) attributable to owners of parent	(241,794)	60,583
Other comprehensive income		
Valuation difference on available-for-sale securities	100,196	29,880
Total other comprehensive income	100,196	29,880
Comprehensive income	(141,598)	90,464
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(141,598)	90,464