Kidswell Bio

Biotech Striving for Value Creation

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

Security Code : 4584

Financial Results for FY2026 Q1

August 13, 2026

Kidswell Bio Corporation

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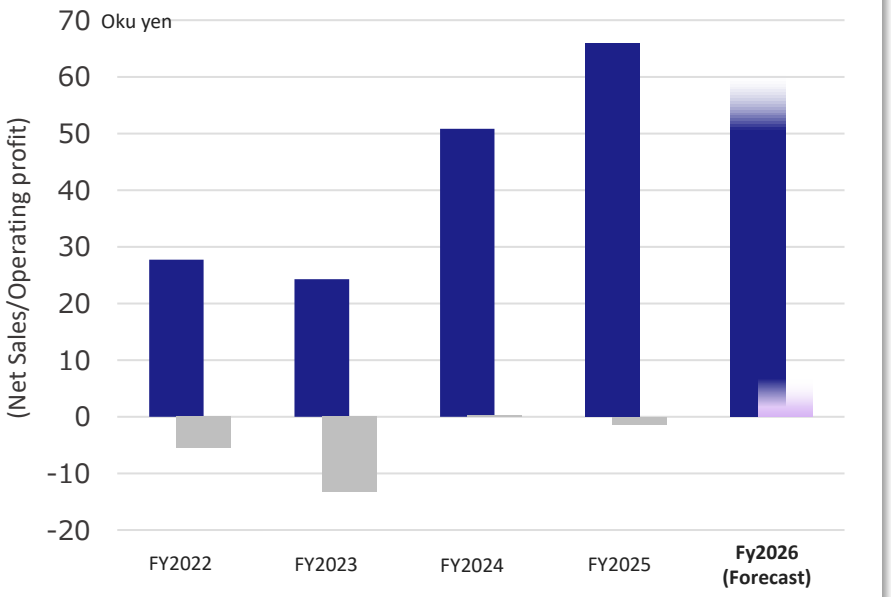
Executive Summary

FY2026 Q1 (consolidated)

(unit：thousand)	FY 2026 Q1 (4-6月)	YtoY (%)	FY2026 Forecast
Net sales	**1,269,509**	**74%**	5,000,000 ～ 6,000,000
Gross profit	**431,389**	**73%**	--
Operating Income	**216,506**	**117%**	100,000 ～ 600,000

Financial Performance Trends



Financial・Business Highlights

Net sales/ Gross profit	• Manufacture and delivery of biosimilars progressed as planned, however revenue decreased year on year due to a decline in delivery volumes for certain biosimilars • Despite the impact of higher manufacturing costs caused by the further depreciation of the yen and changes in the product mix, a certain level of gross profit was maintained, supported by improved gross profit resulting from supply price revisions and the transition to products with lower manufacturing costs.
Operating profit	• Operating profit and net income for the quarter exceeded the levels recorded in the same period of the previous year.

Biosimilar Business

- Improved margins for certain biosimilar products through supply price revisions and the transition to lower-cost products. In addition, initiatives have been launched to add manufacturing sites and expand production capacity for certain biosimilar drug substances, with the aim of improving profitability and supply stability.

Cell Therapy Business

- Cerebral palsy: One-year post-treatment follow-up period was completed for all three patients in a Nagoya University clinical research (May 2026).
- Congenital Isolated Hypoganglionosis: Kyushu University was selected for AMED grant to conduct a clinical research (April 2026).

Future Outlook

- While the launch of aflibercept AG/BS since January 2026 has had a certain impact on sales/profit of GBS-007, multiple measurements to improve profit have been completed since Q3 FY2024, and profitability is expected to be achieved in FY2026 as planned.

Initiatives for Medium- to Long-Term Growth

Biosimilar Business (Stable Earnings and Growth Platform)

- Continue initiatives to optimize profit margins and ensure sustainable profitability of biosimilar products.
- Capture expanding market opportunities through the global rollout of new biosimilars and entry into the biopharmaceutical CDMO business, driving sustainable growth.

Cell Therapy Business (High-Growth Platform)

- Positioning cerebral palsy, for which no effective treatment has been established, as the highest-priority indication, initiatives toward early commercialization are being advanced in collaboration with partners in Japan and overseas.

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Agenda

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

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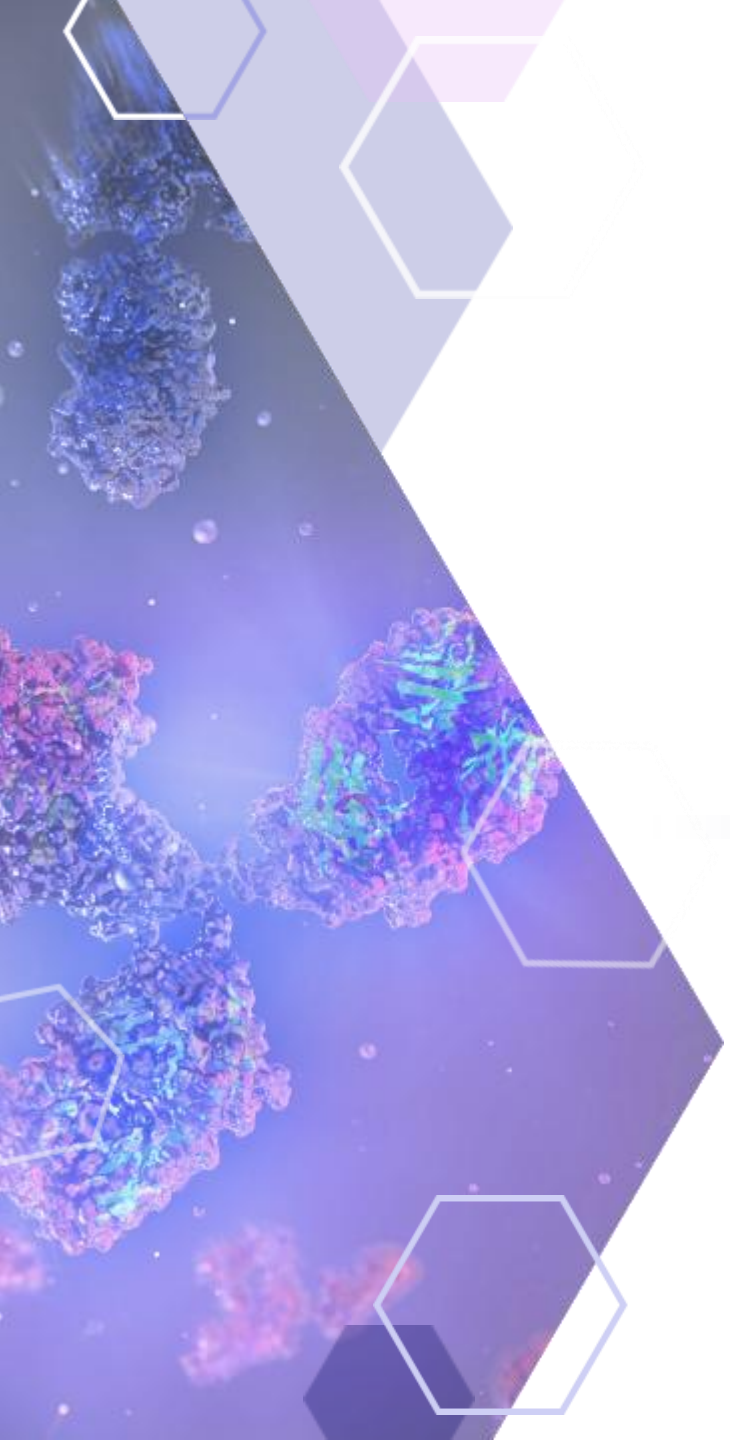

Financial Highlights

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Income statement

(Unit：thousand yen)	FY2025 / Q1 (fiscal year ended Mar 31, 2026) Actual (consolidated)	**FY2026 / Q1 (fiscal year ending Mar 31, 2027) Actual (consolidated)**	**YtoY**	**FY2026 / Q1 (fiscal year ending Mar 31, 2027) Actual (non-consolidated)**
Net sales	**1,720,632**	**1,269,509**	***74%***	**1,264,266**
Cost of goods	1,123,406	838,120	*75%*	838,120
Gross profit	**597,226**	**431,389**	***73%***	**426,146**
Selling, general and administrative expenses	412,573	214,883	*52%*	221,448
R&D expenses	**212,084**	**32,659**	***15%***	**60,530**
Other expenses	**200,489**	**182,223**	***91%***	**160,918**
Operating income (loss)	**184,652**	**216,506**	***117%***	**204,697**
Ordinary income (loss)	175,617	203,670	*116%*	220,627
Net income (loss)	**157,126**	**197,902**	***126%***	**194,835**

Net sales / Gross profit	• Although the manufacture and delivery of biosimilars progressed as planned, revenue decreased year on year due to a decline in delivery volumes for certain biosimilars • Despite the impact of higher manufacturing costs caused by the further depreciation of the yen and changes in the product mix, a certain level of gross profit was maintained, supported by improved gross profit resulting from supply price revisions and the transition to products with lower manufacturing costs.
R&D / SG&A	• Although R&D expenses decreased year on year in the current quarter, the majority of such expenses are expected to be recognized from the second quarter onward. Initiatives toward achieving key milestones remain on track. • Other SG&A expenses decreased year on year, reflecting organizational adjustments in line with business progress and continued improvements in operational efficiency.
Profit	• As a result, operating profit and net income for the quarter exceeded the levels recorded in the same period of the previous year. • Continued focus on balancing R&D investment for future growth with profit generation.

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Balance Sheet

	FY2025 full-year（consolidated）	FY2026 1Q (consolidated)
Current assets	**5,840,335**	**5,894,648**
（Cash and cash equivalents）	**3,294,916**	**3,233,532**
（Account receivables）	731,132	685,942
（Work in process）	363,560	414,442
（Advance payment）	1,114,493	1,342,360
（Others）	336,231	218,370
Fixed assets	248,061	236,115
Total assets	6,088,396	6,130,763
Current liabilities	**2,149,707**	**2,161,413**
Fixed liabilities	2,284,771	2,131,902
Total liabilities	4,434,479	4,293,316
Total net assets	**1,653,916**	**1,837,447**
Total liabilities and net assets	6,088,396	6,130,763

Cash/equivalent	• A stable financial foundation has been secured to support future growth investments. • Business activities and R&D investment continue while maintaining sufficient cash and cash equivalents.
Current assets/ Current liabilities	• Business activities related to the manufacture and delivery of biosimilars progressed as planned. Related accounts receivable, work in process, and advance payments changed in line with business progress.
Net assets	• Net assets increased due to the recognition of net income for the first quarter, further strengthening the financial foundation.

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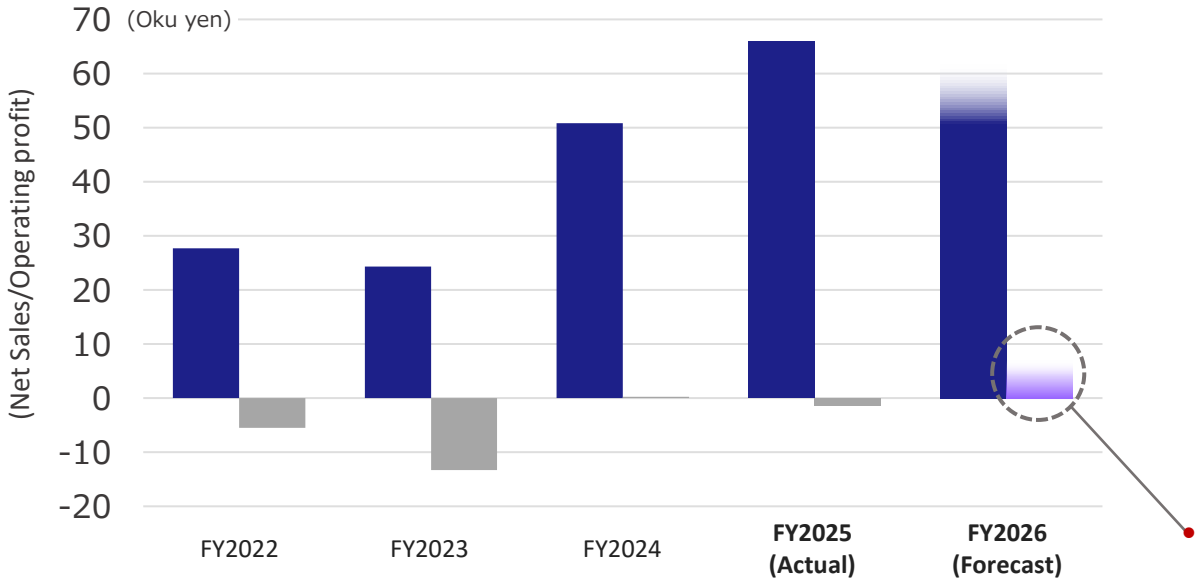
Future Outlook

- **The potential impact on the financial performance from FY2026 onward, particularly on GBS-007, with the launch of EYLEA AG[*1] (aflibercept) and EYLEA biosimilars since January 2026 remains under review with the partner pharmaceutical company**
  - ➢ More refined forecast will be disclosed promptly as greater clarity emerges regarding adjustments to the manufacturing and delivery schedules for biosimilars, progress in R&D activities across both businesses, and ongoing discussions and coordination with pharmaceutical partners and other relevant parties
- **Following the revisions to the supply prices of certain biosimilars from the third quarters of FY2024 and FY2025, as well as profit improvements resulting from the transition to lower-cost products from the fourth quarter of FY2025, operating profitability in FY2026 is expected to be achieved as planned.**



(unit：thousand)

	FY2026（Forecast）
Net sales	5,000,000 ～ 6,000,000
Gross profit	—
Operating income	100,000 ～ 600,000

※Exchange rate：JPY 160/USD

Expected to achieve the target of operating profitability in FY2026.

※AG：Authorized generic

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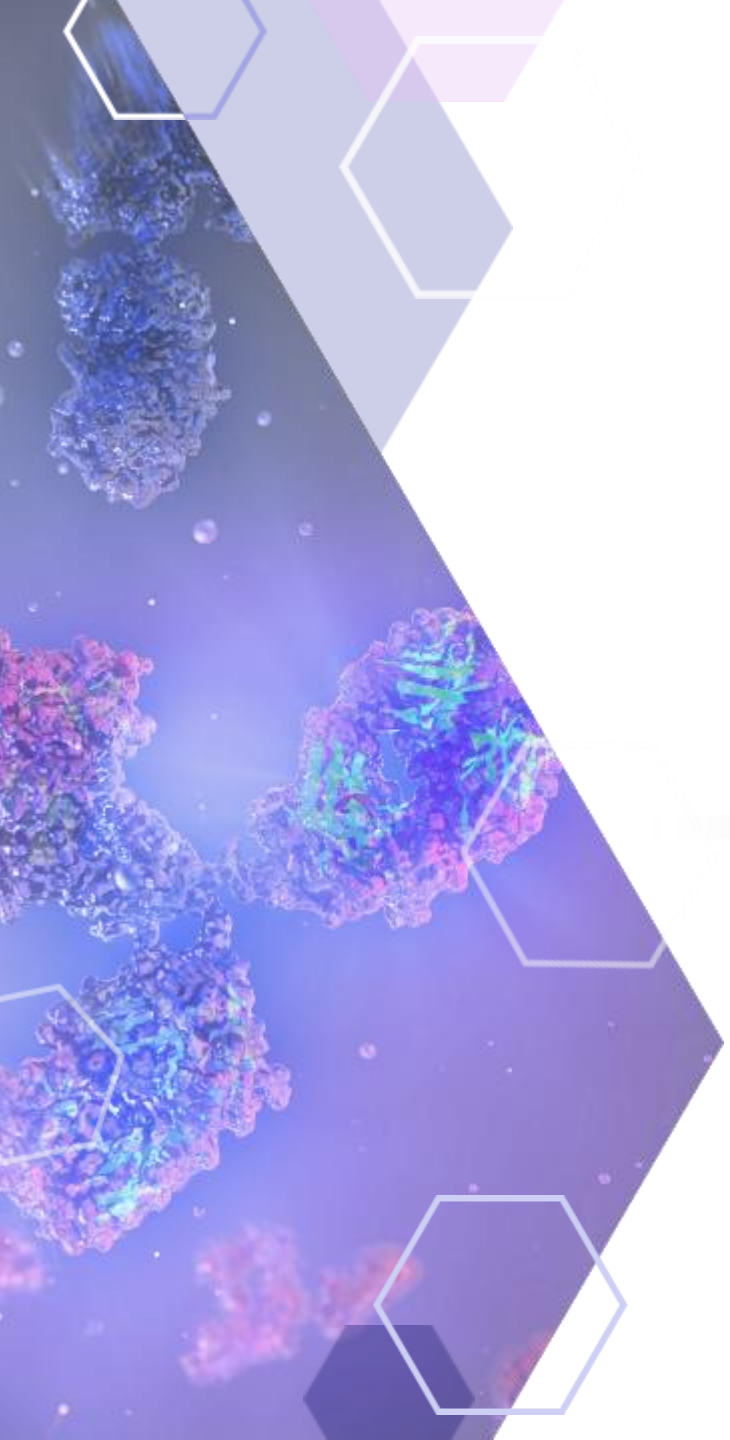

Business Highlights

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Biosimilars Business

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Key initiatives and progress : Biosimilars (KWB)

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	Initiatives	Key achievements and progress to date（✓: Completed as of the current date）	Recent key achievements	Next expected event
Optimization of profit levels for marketed products	Review of supply prices and payment terms in response to changes in external factors, including foreign exchange rates and inflation	✓ Reduced working capital requirements and improved cash flow through revisions to payment terms（FY2024 and FY2025）	**Improved capital efficiency through a shorter CCC[*1]**	–
		✓ Completed supply price revisions for certain biosimilars（FY2024 and FY2025）	**Improved profit through supply price revisions**	–
	Measures to reduce manufacturing costs while maintaining an appropriate balance between production volume and manufacturing costs and improving profitability	✓ Obtained regulatory approval for the addition of a new contract manufacturing organization aimed at reducing manufacturing costs for certain biosimilar (March 2025) ✓ Began transition to lower-cost product（March 2026）	**Improved profit through the transition to lower-cost product**	–
		• **Initiatives are underway to add manufacturing sites and expand production capacity for certain biosimilar, with the aim of improving profitability and supply stability, separately from the initiative implemented to date**	**Initiated activities to add the manufacturing site**	**Regulatory approval for the addition of manufacturing site**
Initiatives for growth	Discussions with prospective pharmaceutical partners and other parties	• **Ongoing discussions with multiple pharmaceutical companies in Japan and overseas on potential products, territories, roles and responsibilities, commercial terms, and other key considerations**	**Commenced detailed discussions with prospective partners**	**Partner finalization and execution of agreements**
	Development of new biosimilars	• Development of multiple new biosimilars at Mycenax Biotech Inc. is progressing smoothly under joint development agreements with Chiome Bioscience Inc. and Alfresa Holdings • Evaluation of additional new biosimilar development opportunities is underway	**Development commenced**	(Details not disclosed[*2])
	Development of domestic biosimilar manufacturing facility (Joint Project)	✓ **Selected for a MHLW support program for the development of domestic manufacturing facilities aimed at ensuring a stable supply of biosimilars (May 2025)** ✓ Executed an agreement relating to the establishment of Alfenax Biologics, a joint venture（November 2025） • Construction of drug substance and drug product manufacturing facilities is progressing as planned	**Commencement of construction**	**Completion of facility construction**

*1 Cash Conversion Cycle (CCC) . *2 Detailed progress on the development of new biosimilars is not disclosed for strategic reasons,

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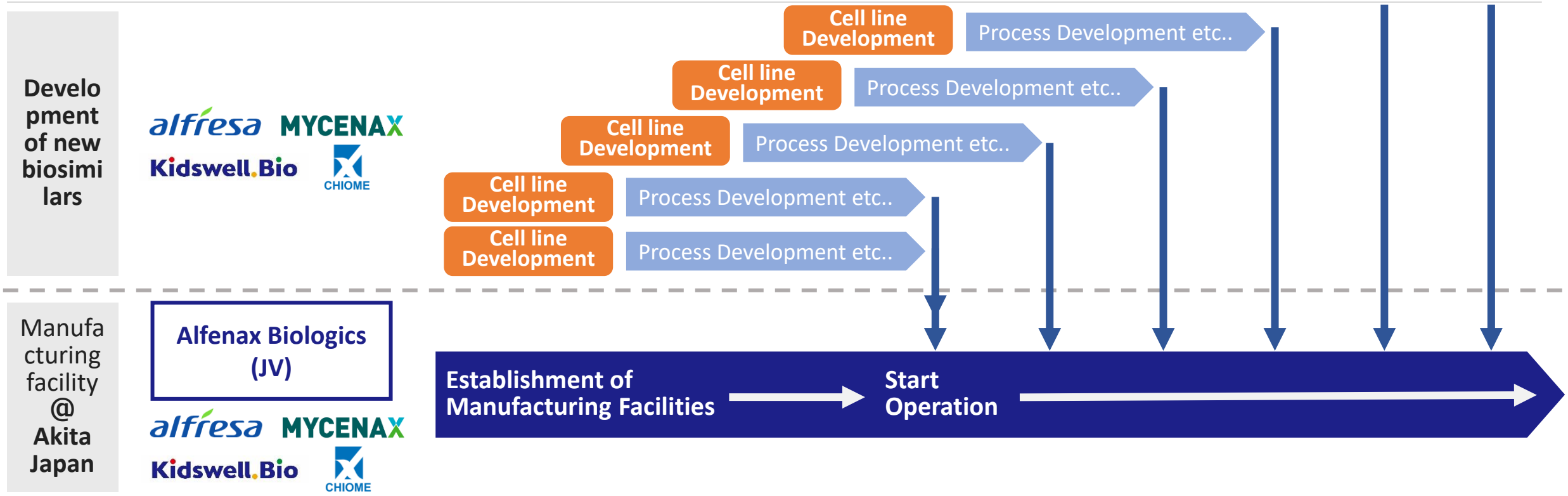
Initiatives for further growth of the biosimilar business

- To further drive growth in the biosimilar business, Kidswell is jointly advancing the development of new biosimilars with Alfresa Holdings and Chiome Bioscience.
- In addition, a project was selected for the Ministry of Health, Labour and Welfare's Subsidy Program for Domestic Manufacturing Facility Development of Biosimilars. Kidswell, Alfresa HD, Chiome Bioscience, and Mycenax are collaborating to advance this project (Construction commenced)
- Through Alphenax Biologics, a joint venture established to enable commercial manufacturing at the domestic facility, the company aims to develop a biopharmaceutical CDMO business, including the commercial production of newly developed biosimilars.



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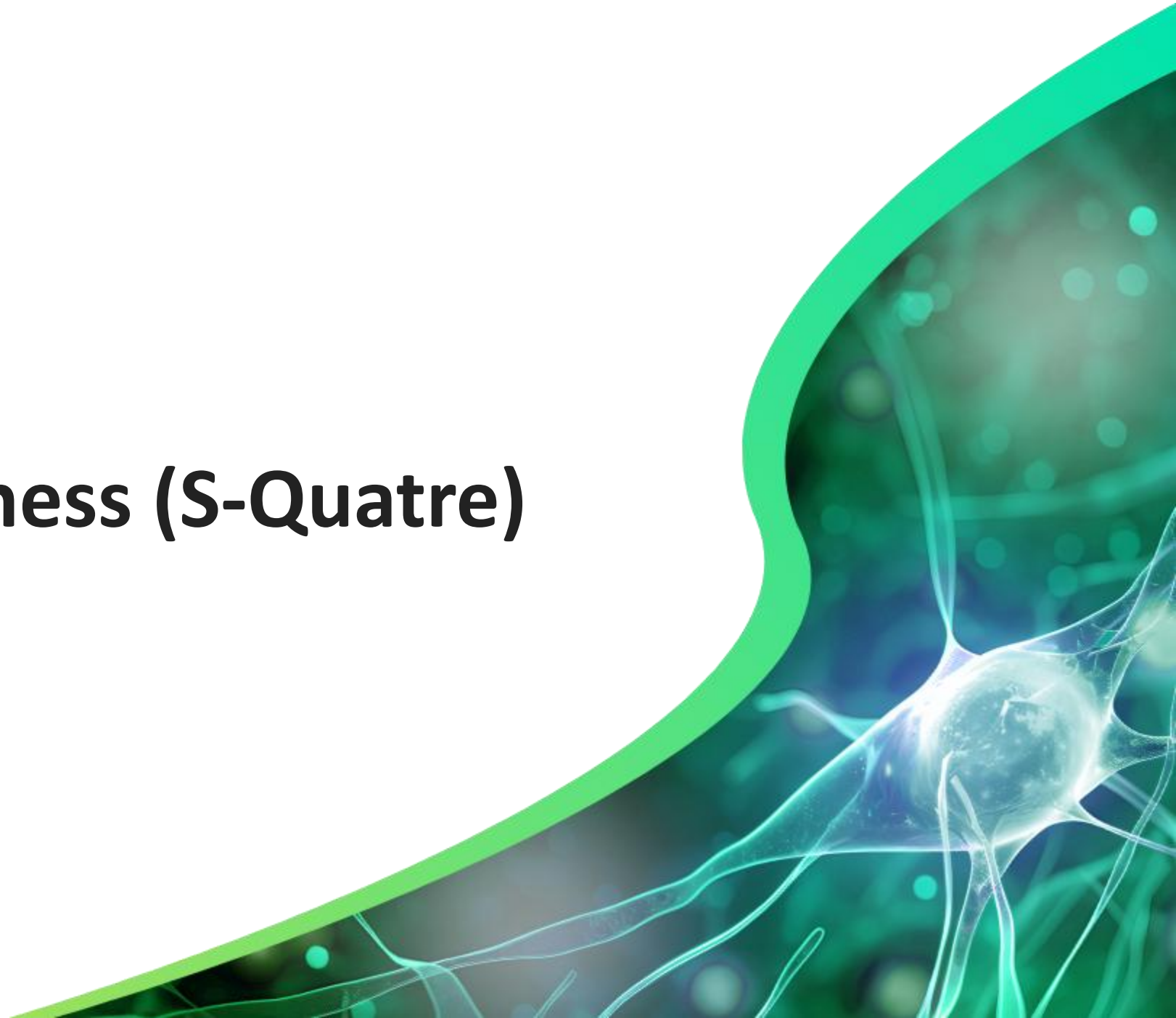
S-Quatre

Power of child's stem cells to fight incurable diseases

Cell Therapy Business (S-Quatre)



S-Quatre Corporation

Kidswell Bio Group

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Key initiatives and progress : Cell therapy (S-Quatre)

		Initiative	Key achievements and progress to date（✓: Completed as of the current date）	Recent key achievements	Next expected event
Clinical development	Cerebral palsy	Supporting clinical research at Nagoya University	✓ No safety issue observed and efficacy suggested in the interim analysis ✓ Completed the one-year observation period following administration in all three patients（May 2026） • **Final analyses of all three patients are underway**	**No safety issue confirmed across all patients throughout the full observation period**	**Publication of final analysis results by Nagoya University**
		Advancement of clinical development	Clinical trial (Japan) : • Preparations for a clinical trial application are underway in collaboration with Mochida Pharmaceutical	**Agreement executed with Mochida Pharmaceutical**	**Filing of a clinical trial application by Mochida Pharmaceutical**
			Clinical trial (Overseas) : ✓ **Conducted a Pre-IND meeting with the U.S. FDA and obtained alignment and advice on clinical trial material manufacturing, nonclinical studies, and the clinical trial plan（December 2025）** • In collaboration with Treehill Partners, a UK-based strategic and financial advisory firm specializing in healthcare, preparations are underway for discussions on the overseas development strategy, establishment of a U.S. subsidiary, and financing	**Pre-IND meeting completed and alignment/advice obtained** **Basic agreement reached with Treehill Partners**	**IND submission**
	Congenital isolated hypogangli onosis	Supporting clinical research at Kyushu University	✓ Selected for AMED's grant to conduct clinical research（April 2026） • Preparations are underway in collaboration with Kyushu University for the initiation of clinical research	**Selected for AMED grant funding**	**Approval of the clinical trial plan by IRB of Kyushu University**
Manufacturing Process Development	Investigational product for early-stage clinical trials		• Preparations for GMP manufacturing are underway	**Completion of pilot manufacturing**	**Completion of GMP manufacturing of investigational product for early-stage clinical trials**
	Investigational product for late-stage clinical trials / commercial product		• Development of a large-scale manufacturing process is underway in collaboration with Nipro and Corning	**Commencement of large-scale manufacturing process development toward commercialization**	**Establishment of the commercial manufacturing process**

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Initiatives for growth of the cell therapy business

- **Establish partnership structures with co-commercialization partners in Japan and overseas to advance clinical development, with cerebral palsy as the initial indication, and pursue further growth through future expansion into additional indications**

Allogeneic SQ-SHED (GCT-103) - Clinical trial in Japan

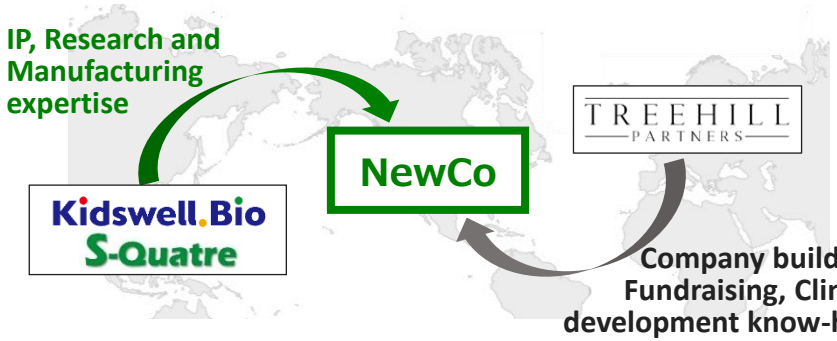
Preparations are underway in collaboration with Mochida Pharmaceutical

- **Non-clinical studies: GLP-tox completed, other studies ongoing**
- **Investigational drug: Pilot manufacturing completed; Preparation of GMP manufacturing in progress**

The clinical trial application will be submitted to PMDA once all studies and preparations are completed.

Allogeneic SQ-SHED (GCT-103) - Clinical trial in the US

- **Agreed to jointly establish a NewCo in the US with Treehill Partners (UK), a healthcare-focused strategy and financial advisory firm**
- **Accelerate efforts to raise funds overseas and advance global clinical development targeting cerebral palsy, with the aim of obtaining regulatory approvals outside Japan and delivering treatment to patients in the world.**



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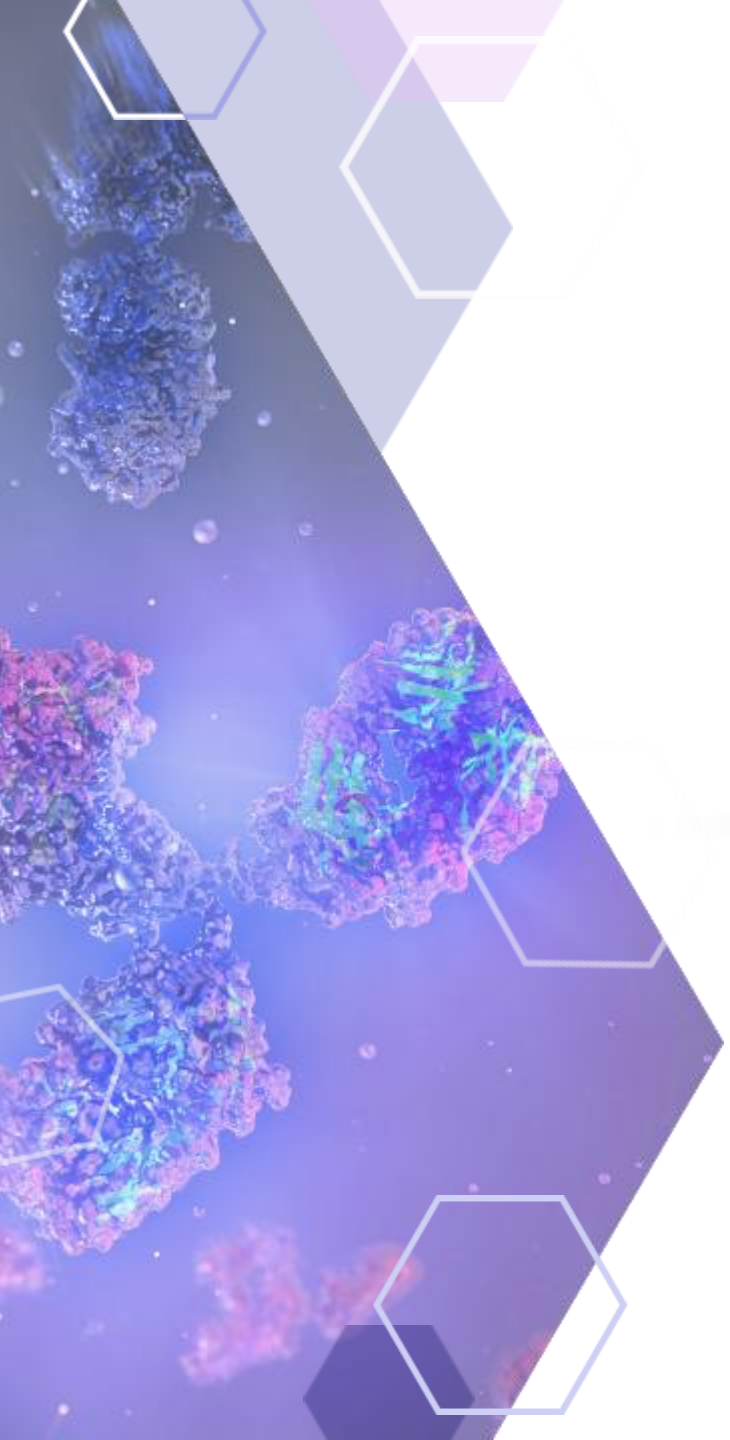

Corporate Strategy and IR Activities

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Key initiatives and progress : Corporate

	Initiatives	Key achievements and progress to date（✓: Completed as of the current date）
Efficient utilization of managerial resources	Restruction of corporate culture and systems	✓ Reviewed organizational structure in line with business expansion, promoted organizational reforms to enhance resource utilization and cross-functional collaboration (May 2026) • Optimizing human resources, including performance evaluation systems and recruitment processes
	Maximizing the use of management resources through operational efficiency improvements	• Strengthen collaboration among businesses and divisions and develop IT infrastructure
Optimization of financing options	Financing scheme aligned with the nature and stage of the business	Moving toward completion of equity market financing; ✓ **Entered into a syndicated loan agreement led by Mizuho Bank and multiple financial institutions, securing JPY 2.5 billion to support further business growth (November 2025)** ✓ Executed refinancing in Dec 2024 to reduce dilution and to complete fundraising ✓ Completed the conversion of the 4th CB (July 2026)
	Securing funds through partnerships with partner companies	• Engaging in confidential discussions with financial institutions, corporate entities, and VCs
Visualization of business value	Improving the quality of information provided to stakeholders	• Continued discussions with biotech IR consultants and reflected insights in IR communications
	Active engagement with institutional investors both in Japan and global	✓ Conducted meetings and continued proactive outreach to expand engagement opportunities with institutional investors (increased opportunities in FY2025 compared to FY2024) • Continued participation in domestic and international events to strengthen investor engagement
	Increasing media exposure through proactive outreach	• Strengthened media outreach to enhance corporate and business awareness ✓ Secured media coverage of our business, including an article in Nikkei, while strengthening relationships with a broader range of media outlets

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Status of Financing Activities

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

- Significant progress has been made in equity market financing since the refinancing completed in December 2024, with the full exercise of the 24th Series of Stock Acquisition Rights followed by the full conversion of the 4th Series of Convertible Bonds in July 2026 (total shares outstanding: 50,582,988*)

Strengthened the financing base for further business growth through a syndicated loan arranged by Mizuho Bank in Nov 2025

	4th Series of Convertible Bonds	23rd series of Stock Acquisition Rights	24th series of Stock Acquisition Rights	**Syndicated Loan**
Shares outstanding	40 units (3,787,878 shares)	13,746 units (1,374,600 shares)	60,000 units (6,000,000 shares)	Agreement date: November Total borrowing JPY 2,500M Term: 5 years
Conversion / Exercise Price	JPY 132	JPY 104	–	
Amount of Fund Raised※	(JPY 500M was raised at issuance)	–	JPY 610M	Participating financial institutions ・Mizuho Bank (Arranger) ・Resona Bank ・Shoko Chukin Bank ・Japan Finance Corporation ・The Kiyo Bank ・The Iyo Bank
Maturity Date /Exercise period	August, 2026	January, 2028	September, 2025	
Status	**Completed full conversion**	1,374,600 shares (Equity dilution: 2.64%)	Fully Exercised (Financing Completed)	

※: As of July 2026

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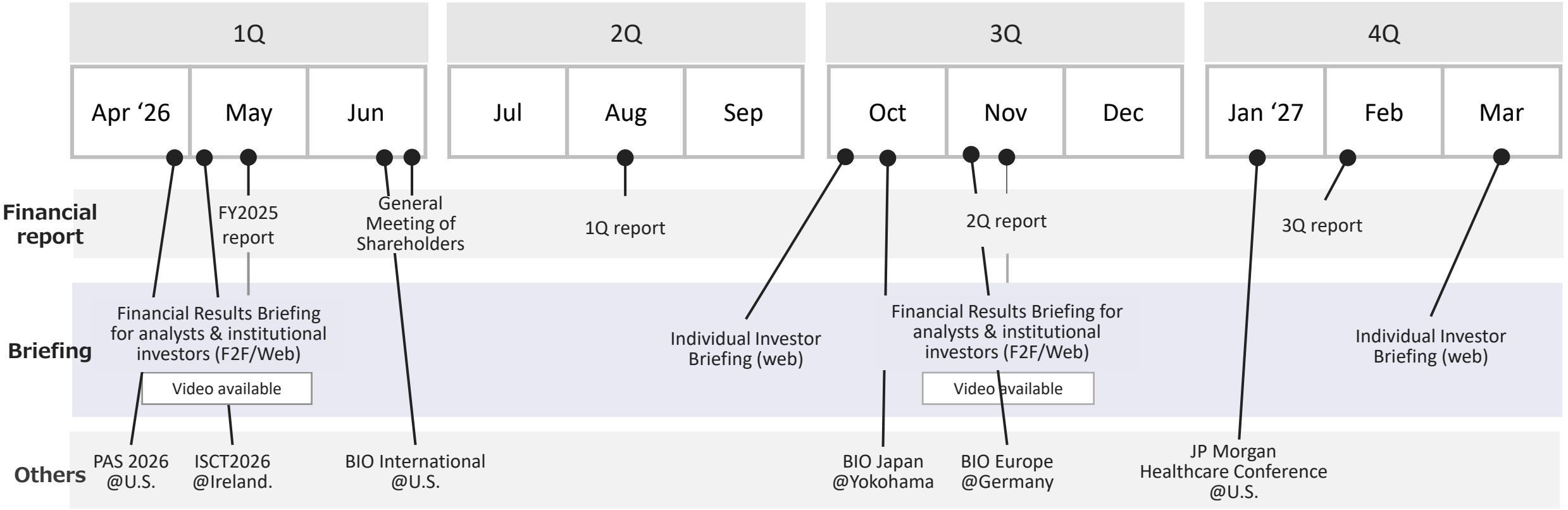
IR Schedule for FY2026

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.

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