Kidswell Bio (TYO: 4584)

In FY2023/3, sales of GBS-007 were strong, increasing by about 80%. In FY2024/3, the company forecasts sales of 3.5 billion yen.

4Q results update

Healthcare

As of May 19, 2023

Share price(5/18)	**¥229**
52 weeks high/low	¥388/200
Avg Vol (3 month)	112.8 thou shrs
Market Cap	¥7.3 bn
Enterprise Value	¥8.2 bn
PER (24/3 CE)	– X
PBR (23/3 act)	7.08 X
Dividend Yield (24/3 CE)	– %
ROE (23/3)	-51.4 %
Operating margin (23/3)	-19.8 %
Beta (5Y Monthly)	1.12
Shares Outstanding	32.059 mn shrs
Listed market	TSE Growth

◇Summary of FY2023/3 results

Kidwell Bio's full-year results for FY2023/3 recorded a 76.9% increase in sales YoY, to 2.77 billion yen, thanks to solid biosimilar (BS) GBS-007 sales. In addition to strong BS sales, the operating loss was much smaller than initially forecast due to the curbing of SG&A expenses, including a reduction in research and development costs.

Following the completion of the MCB (Master Cell Bank) for SHED (Stem cells from Human Exfoliated Deciduous teeth) in October 2022, many collaborative studies with academia are progressing toward practical implementation, so the SHED pipeline is steadily progressing. The company also plans to invest aggressively in second-generation SHED to develop them overseas.

For FY2024/3, sales are forecast to increase by 26.1% to 3.5 billion yen, with an operating loss of 1.5 billion yen and a net loss of 1.55 billion yen. The company expects BS sales to continue to expand, with sales expected to reach 3 billion yen ahead of schedule to achieve it in FY2026/3 in the medium-term strategic plan (KWB2.0). On the other hand, losses are expected to increase due to continued investment in development, particularly in SHED.

◇Stock price

The company's share price has adjusted since May 2022, ranging between 200 and 300 yen. Currently, PBR is 7.08x, below the three-year average (LTM) of 8.72x. In its medium-term strategic plan (KWB 2.0), the company plans to achieve operating profitability in FY2025 by revenue from its BS business. At the same time, the company has stated its intention to accelerate business development with an eye on the global market by continuing investment in SHED. As mentioned above, the company is on track to achieve the sales targets set out in KWB2.0 two years ahead of schedule in FY2024/3, while some of its first-generation SHED has entered the clinical preparation stage. Further concrete progress is expected in the current fiscal year, and we are interested to see if the share price will be revalued.

◇Full-year results for FY2023/3: significant growth in sales of BS GBS-007.

The company's full-year results for FY2023/3 showed **sales of 2,776 million yen, up 76.9% YoY, an operating loss of 550 million yen, and a net loss of 657 million yen.**

Regarding sales, the BS business performed well, including GBS-007 (ranibizumab), the third BS product launched in December 2021. Sales fell slightly short of the full-year forecast (2.9 billion yen) due to timing delays in shipments of some products but were broadly in line with plans. In 2Q, sales associated with the completion of MCB and milestone revenue from the fourth BS product were recorded.

Share price performance

% of	1 mo.	3 mo.	12 mo.
Share prices	-9.8%	-23.4%	-15.8%
Relative share price	-14.7%	-29.0%	-27.4%

Points of interest

A drug discovery venture company originated from Hokkaido University. Leading and successful in biosimilars. Focuses on cell therapy (regenerative medicine) using Stem cell from Human Exfoliated Deciduous teeth (SHED) and the development of new biologics.

JPY, mn, %	Net sales	YoY %	Oper. profit	YoY %	Ord. profit	YoY %	Profit ATOP	YoY %	EPS (¥)
2019/3	1,021	-3.6	-805	–	-816	–	-856	–	-43.84
2020/3	1,077	–	-1,161	–	-1,187	–	-7,316	–	-264.65
2021/3	996	-7.5	-969	–	-991	–	-1,001	–	-34.79
2022/3	1,569	62.3	-651	–	-968	–	-535	–	-17.86
2023/3*	2,776	76.9	-550	–	-624	–	-657	–	-20.77
2024/3 (CE)	3,500	26.1	-1,500	–	-1,550	–	-1,550	–	-48.97

* FY2020/3 to FY2021/3 are consolidated results. FY2022/3 and onwards are on a non-consolidated basis. Therefore, figures for the same period of the previous year and YoY comparisons are not given.

Results for FY2023/3 (PL)

(Unit：thousands yen)

Subject	Results for 4Q FY2021 Consolidated	FY2022 ended March 31, 2023 (Non-consolidated) Results for 4Q	Year-on-year ratio	Highlights	Forecast	Progress rate
Gross sales	**1,569,233**	**2,776,241**	**177%**	• Expanded the biosimilar sales led by sales growth of GBS-007. • Recorded the sales related to completion of GMP-compliant SHED MCB. • Although there was a delay of shipment of some products, the sales were generally in line with the original plan.	**2,900,000**	**96%**
Cost of goods sold	550,357	**1,250,553**	227%		1,700,000	74%
(Cost of sales ratio)	35%	45%			59%	
Gross profit	**1,018,875**	**1,525,688**	**150%**	• Gross profit expansion due to strong sales in biosimilar business.	**1,200,000**	**127%**
Selling, general and administrative expenses	1,937,994	**2,076,617**	107%	R&D expenses • Less R&D expenses of GBS-007 and JRM-001 due to stock transfer. • More investment in cell therapy business.	2,180,000	95%
(Cost of sales ratio)	123%	75%			75%	
R&D expenses	1,150,210	**1,216,349**	106%		1,400,000	87%
(Cost of sales ratio)	73%	44%		Other selling, general and administrative expenses • Increased payment of royalty due to strong sales in biosimilar business. • Continuously streamlining expenses.	48%	
Other expenses	787,784	**860,268**	109%		780,000	110%
Operating loss	**-919,119**	**-550,929**	**--**	• Despite increased payment of royalty due to strong sales in biosimilar business, operating loss decreased through prioritizing investments and continuous cost reduction. • Full-year forecast also significantly decreased losses.	**-980,000**	**--**
Net loss	-952,640	-624,769	--		-999,000	--
Net loss for the year	**-535,259**	**-657,434**	**--**	• This fiscal year's net income (loss) increased due to recording the income from sale of investment securities as extraordinary income in the FY 2021 but is expected to improve significantly compared with the full-year forecast.	**-1,000,000**	**--**

Source: Company materials

As per profit, however, gross profit increased due to higher sales of the BS business. Although R&D expenditure in the cell therapy business continued, the launch of GBS-007 and the transfer of JRM-001 have halted the growth of R&D expenses. Other SG&A expenses are also under control, and overall SG&A expenses to sales fell significantly from 123.5% in FY2022/3 to 74.8% in FY2023/3. As a result, the operating loss came in at 550 million yen, a significant improvement from the previous year.

As previously reported, a bank loan of 1 billion yen was taken out at the end of June 2022 to secure working capital for the increased sales of GBS-007. Interest paid (32 million yen) and commission paid (31 million yen) were recorded as non-operating expenses, resulting in an ordinary loss of 624 million yen.

In the BS (balance sheet), cash and deposits at the end of the year amounted to 1,067 million yen due to the above-mentioned bank borrowings and the issue of the 4th unsecured convertible bond with stock acquisition rights. On the other hand, the corresponding non-current liabilities increased to 1,605 million yen. As a result, total assets at the end of March 2023 amounted to 3,894 million yen, rising by 424 million yen from the end of FY2022/3.

❖Cell therapy business (regenerative medicine): SHED MCB completed, and R&D structure to be strengthened.

*Establishment of an R&D structure aiming to maximise the value of SHED: Established a new Tokyo Laboratory.

Tokyo Laboratory

The company has been accelerating the development of SHED following the completion of the MCB and has announced the strengthening of its research structure, intending to maximise the value of SHED. The Tokyo Laboratory was established to accelerate research on second-generation SHED and to create new modalities and technologies using SHED as a raw material. It aims to advance new science exploration by utilising the latest technologies and further developing external joint research and other activities. On the other hand, the existing Sapporo Laboratory will continue to carry out basic and developmental research (including studies of manufacturing methods) on SHED as in the past. The two laboratories in Sapporo and East Tokyo aim to accelerate further research and development for the practical application of SHED in Japan and the USA.

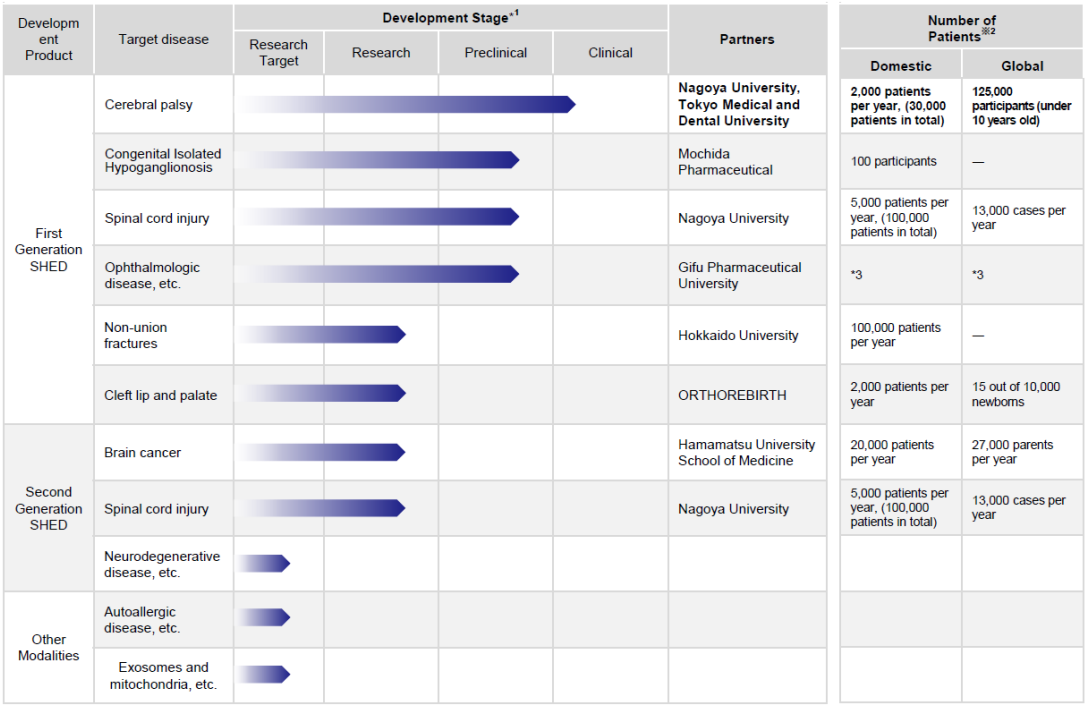
*Cell therapy business pipeline: some have progressed to the pre-clinical stage

See the diagram above on the next page for the company's cell therapy business pipeline status.

Collaboration with Nagoya University and other academia is making progress in first-generation SHED. After filing a patent application, the company's joint research with Nagoya University on the treatment of cerebral palsy was approved by the university's Specially Certified Committee for Regenerative Medicine and has progressed to the point just before the start of clinical trials. In addition, three other projects have advanced to the pre-clinical stage.

In addition, the development of second-generation SHED remains an important issue, although they are still in the research and exploratory stage. Second-generation SHED is positioned as a key to the company's overseas expansion, and the company intends to focus more on it going forward.

Pipeline Highlights: Cell therapy business (Regenerative medicine)



Development Product	Target disease	Development Stage※1				Partners	Number of Patients※2	
		Research Target	Research	Preclinical	Clinical		Domestic	Global
First Generation SHED	Cerebral palsy					Nagoya University, Tokyo Medical and Dental University	2,000 patients per year, (30,000 patients in total)	125,000 participants (under 10 years old)
	Congenital Isolated Hypoganglionosis					Mochida Pharmaceutical	100 participants	—
	Spinal cord injury					Nagoya University	5,000 patients per year, (100,000 patients in total)	13,000 cases per year
	Ophthalmologic disease, etc.					Gifu Pharmaceutical University	*3	*3
	Non-union fractures					Hokkaido University	100,000 patients per year	—
	Cleft lip and palate					ORTHOREBIRTH	2,000 patients per year	15 out of 10,000 newborns
Second Generation SHED	Brain cancer					Hamamatsu University School of Medicine	20,000 patients per year	27,000 parents per year
	Spinal cord injury					Nagoya University	5,000 patients per year, (100,000 patients in total)	13,000 cases per year
	Neurodegenerative disease, etc.							
Other Modalities	Autoallergic disease, etc.							
	Exosomes and mitochondria, etc.							

※1: Definition of the company's development stage; preclinical: formulation development and preliminary toxicity testing started for treatment, research: animal POC obtained, exploratory: before animal POC obtained.
※2: Prepared by the company based on Global Data, Global Cancer Observatory, etc. ※3: Details not disclosed.

Source: Company materials

Recent topics related to SHED

Month/Year	Topics
May 2023	Presentation at the 26th American Society for Gene and Cell Therapy (ASGCT) on basic research results on SHED.
Feb 2023	The clinical research plan "Clinical study to investigate the safety and tolerability of a single administration of autologous deciduous dental pulp stem cells to children with cerebral palsy" at Nagoya University was approved by the Nagoya University Specially Certified Committee for Regenerative Medicine.
Nov 2022	Presentation of research results on the therapeutic effects of SHED on a model of chronic-phase cerebral palsy at the 66th Academy Assembly of Japan Society of Neonatal Health and Development.
Nov 2022	Publication of a paper on basic research on the novel treatment of brain tumours using next-generation SHED, which was carried out in collaboration with the Department of Neurosurgery, Hamamatsu University School of Medicine.
Oct 2022	Joint patent application with Tokai National Higher Education and Research System for the treatment of cerebral palsy using SHED.

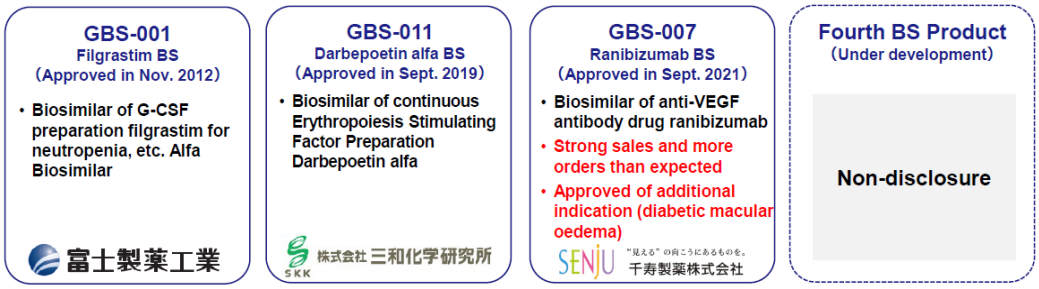
❖Biosimilars business: Strong sales of GBS-007 and approval for additional indications

***Ranibizumab (GBS-007):** The third product in the BS business, Ranibizumab BS, an anti-VEGF antibody drug for the treatment of age-related macular degeneration, was launched by development partner Senju Pharmaceutical on 9 December 2021. As the BS is the first in the ophthalmology field, it has attracted much attention, sales have been strong, and orders exceeded initial forecasts. Furthermore, on 13 January 2023, the company announced the approval of an additional indication for GBS-007, adding 'diabetic macular oedema' to the existing indications of 'age-related macular degeneration with subcentral choroidal neovascularisation' and 'choroidal neovascularisation in pathological myopia'. It is expected to broaden the drug treatment options for these diseases and reduce the economic burden on patients. The approval of the additional indications is due to the patent expiry for the existing drugs. It is expected to affect the company's performance little, but strengthening the BS business is positive for its corporate value.

***Filgrastim (GBS-001):** BS, GBS-001, which the partner has already launched, has also taken cost-cutting measures and is making a significant contribution to profits.

***BS pipeline:** The company is developing a BS to follow GBS-007, and the fourth product has been included in the company's R&D expenditure for FY2023/3. Details are undisclosed, but it is likely to be launched in the not-too-distant future and is expected to contribute to earnings as early as FY2024/3. For the fifth and subsequent products, the company has already identified development candidates and announced that it has started selecting partner companies.

BS business line-up



Source: Company materials

❖New biologics business: Promoting efforts to create antibody drugs with new mechanisms

***Anti-RAMP2 antibody to address unmet needs in retinopathy of prematurity:** In its new biologics business, the company collaborates with several academics to create antibody drugs with new mechanisms. One example is the patent approval for an anti-RAMP2 antibody (GND-004). The anti-RAMP2 antibody is a novel antibody created through joint research with Professor Takayuki Shindo's research group at Shinshu University School of Medicine. It is being developed under the company's development code GND-004. The patent application states that the anti-RAMP2 antibody binds to the RAMP2 (Receptor Activity-Modifying Protein 2)/CRLR (Calcitonin Receptor-Like Receptor) complex. This inhibits the promotion of pathological angiogenesis. As a result, it is expected to be clinically applicable for retinopathy of prematurity. Anti-VEGF drugs are already known as angiogenesis inhibitors, but the anti-RAMP2 antibody acts via a different pathway to anti-VEGF. The company intends to promote licensing activities for anti-RAMP2 antibodies while differentiating them from existing drugs.

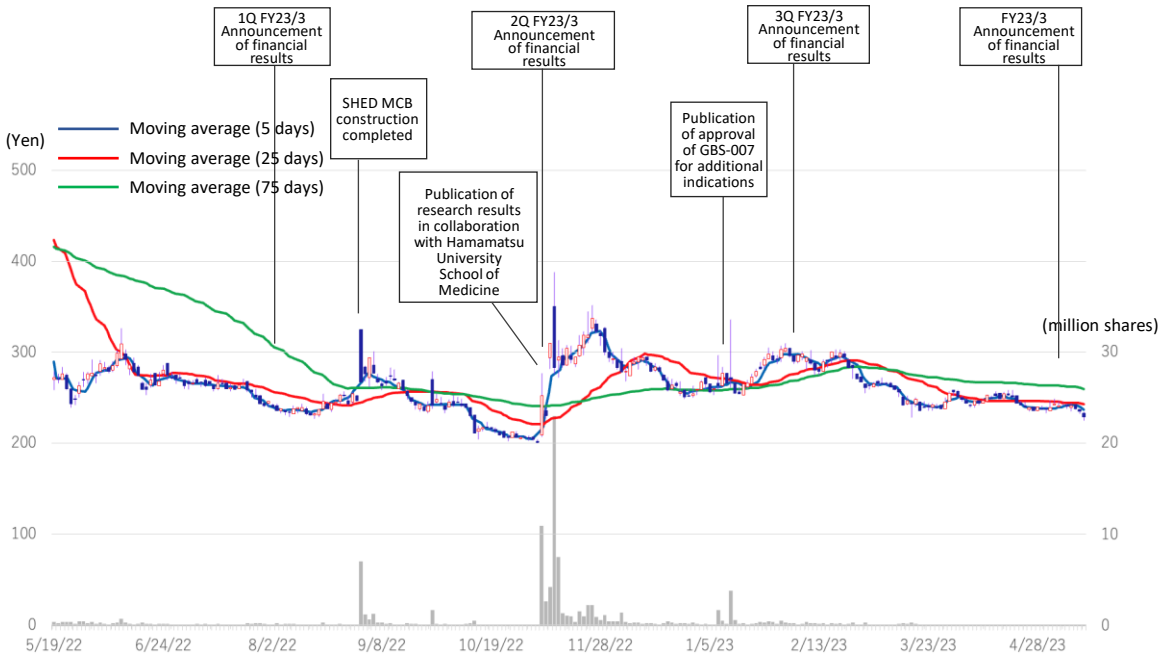
◇FY2024/3 forecast: Sales of 3.5 billion yen planned. Achieving the sales target of the medium-term strategic plan two years ahead of schedule.

The company has announced FY2024/3 forecasts of sales of 3.5 billion yen, an operating loss of 1.5 billion yen and a net loss of 1.55 billion yen. The company expects to achieve the sales target set out in its medium-term strategic plan two years ahead of schedule. It expects GBS-007 to grow and a fourth biosimilar to contribute to revenues. GBS-007 orders have exceeded expectations, and with the approval of an additional indication, sales are expected to increase further. On the other hand, R&D expenditure is expected to increase to 1.6 billion yen per year from 1.2 billion yen in the previous year, as the company plans to retain its investment focus on the cell therapy business, including SHED. In addition to the increase in R&D costs, the deficit is expected to widen due to a worsening COGS because of the change in the product mix of BS, resulting in an operating loss of 1.5 billion yen.

◇Stock price: Is more concrete progress of SHED a key?

In its medium-term strategic plan (KWB 2.0), the company plans to achieve profitability in operating profit in FY2025 (1 billion yen) by generating solid earnings from the BS business. At the same time, the company has stated its intention to accelerate business development with an eye on the global market through continuous investment in SHED. These plans are intended to move away from business development that has until now been focused almost exclusively on the domestic market and to expand overseas in one fell swoop, with SHED as a pillar. To achieve this, the company expects to invest an order of magnitude more than in the past and to raise funds, so the hurdles it must clear in the future are high. These numerous uncertainties are also considered a drag on the share price. On the other hand, BS sales are growing faster than expected, and the SHED project is making steady progress. With further concrete progress expected during the current fiscal year, we are interested to see if the shares are revalued.

Kidswell Bio (4584) Share price and events over the past year



Stock price transition (last 6 years)

Historical PBR (4584, last three years, LTM)

Financial data

FY (¥mn)	2020/3				2021/3				2022/3				2023/3			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
[Statements of income]																
Net sales	**284**	**30**	**419**	**345**	**121**	**53**	**547**	**276**	**303**	**438**	**642**	**186**	**610**	**505**	**610**	**1,049**
Cost of sales	77	8	359	209	5	35	46	34	122	154	183	91	292	128	233	597
Gross profit	207	22	60	136	116	19	500	242	182	283	460	94	318	377	377	453
SG&A expenses	417	423	381	365	354	463	465	565	491	425	442	580	356	328	524	869
R&D expenses	235	249	201	213	138	265	198	363	297	236	237	380	105	147	327	637
Operating profit (loss)	**-210**	**-401**	**-321**	**-229**	**-238**	**-445**	**36**	**-323**	**-309**	**-142**	**18**	**-486**	**-37**	**49**	**-146**	**-415**
Non-operating income	0	0	1	0	0	1	1	1	2	0	0	1	0	2	0	1
Non-operating expenses	2	1	20	4	7	5	4	8	6	8	15	7	43	13	5	17
Ordinary profit (loss)	-212	-402	-340	-233	-244	-450	33	-330	-314	-150	4	-493	-80	39	-151	-431
Extraordinary income	4	0	0	2							418	0	–	–	–	–
Extraordinary expenses	5,939	0	0	194	0	1	8	0					–	–	–	–
Profit (loss) before income taxes	-6,147	-402	-340	-425	-244	-451	26	-331	-314	-148	421	-493	-80	39	-151	-462
Total income taxes	1	0	3	-2	1	0	0	1	0	1	52	-51	0	1	0	0
Net profit (loss)	**-6,147**	**-403**	**-342**	**-424**	**-245**	**-451**	**25**	**-330**	**-314**	**-149**	**369**	**-441**	**-80**	**38**	**-152**	**-462**
[Balance Sheets]																
Current assets	**2,761**	**2,390**	**3,238**	**3,322**	**3,573**	**3,218**	**3,329**	**3,346**	**2,794**	**3,203**	**3,722**	**3,326**	**4,079**	**4,035**	**3,948**	**3,,697**
Cash equivalents and short-term securities	1,654	1,602	2,482	2,033	2,658	2,502	1,830	1,461	874	974	1,253	1,187	1,532	1,874	1,499	1,067
Non-current assets	330	427	418	270	379	393	340	588	728	656	178	177	225	224	224	197
Tangible assets	2	2	2	2	2	2	2	3	3	2	2	2	1	1	1	1
Investments and other assets	328	425	416	268	374	389	336	582	722	651	173	173	220	220	220	193
Total assets	**3,091**	**2,817**	**3,656**	**3,592**	**3,952**	**3,611**	**3,670**	**3,934**	**3,522**	**3,859**	**3,901**	**3,503**	**4,304**	**4,259**	**4,173**	**3,894**
Current liabilities	421	550	529	881	772	858	925	1,114	823	1,034	1,045	1,129	1,175	651	780	1,055
Short-term borrowings	25	25	25	25	25											
Long-term debts to be repaid within one year												75	250	300	400	375
Non-current liabilities	25	24	1,224	1,224	1,384	1,287	1,231	1,209	1,051	826	718	656	1,485	1,908	1,704	1,605
Long-term debt			1,200	1,200	1,340	1,240	1,200	1,100	900	700	700	625	1,450	1,875	2,275	1,575
Long-term borrowing			600	600	600	600	600	600	600	600	600	525	1,350	1,275	1,175	1,075
Convertible bonds			600	600	740	640	600	500	300	100	100	100	100			
Total liabilities	**446**	**573**	**1,752**	**2,105**	**2,156**	**2,145**	**2,156**	**2,324**	**1,873**	**1,860**	**1,763**	**1,785**	**2,661**	**2,560**	**2,485**	**2,661**
Total net assets	**2,644**	**2,244**	**1,904**	**1,487**	**1,796**	**1,466**	**1,514**	**1,610**	**1,648**	**1,999**	**2,138**	**1,719**	**1,643**	**1,699**	**1,688**	**1,233**
Total shareholders' equity	2,644	2,244	1,904	1,487	1,796	1,466	1,514	1,610	1,648	1,999	2,138	1,719	1,444	1,500	1,490	1,037
Capital	612	612	612	612	842	892	912	1,032	1,150	1,420	1,420	1,421	1,424	1,433	1,504	1,509
Legal capital reserve	9,917	9,917	9,917	9,917	10,147	10,197	10,217	10,338	10,456	10,725	10,726	10,727	10,730	10,739	10,810	10,815
Retained earnings	-7,908	-8,311	-8,653	-9,077	-9,322	-9,773	-9,748	-10,079	-10,393	-10,542	-10,173	-10,614	-10,710	-10,672	-1,0824	-11,287
Stock acquisition right	38	43	51	57	70	82	101	116	134	145	165	185	199	199	197	195
Total liabilities and net assets	**3,091**	**2,817**	**3,656**	**3,592**	**3,952**	**3,611**	**3,670**	**3,934**	**3,522**	**3,859**	**3,901**	**3,503**	**4,304**	**4,259**	**4,173**	**3.894**
[Statements of cash flows]																
Cash flow from operating activities		-604		-1,325		-104		-1,267		-857		-1,169		-709		-1,421
Loss before income taxes		-6,548		-7,314		-695		-999		-462		-533		-42		-656
Cash flow from investing activities		-106		-137		-5		-22		–		526		-23		-28
Expenditure on acquisition of intangiblefixed assets		–		–		-3		-3		–		-1		–		–
Purchase of investment securities		-100		-100		–		–		–		–		-50		-50
Sales of investment securities		–		–		–		–		–		526		–		–
Cash flow from financing activities		40		1,221		579		718		370		369		1,446		1,356
Income from the issuance of convertible bond-type bonds with stock acquisition rights														970		970
Income from issuance of shares by exercising stock acquisition rights		–		599		599		599		–		–		499		499
Income from issuance of stock acquisition rights		40		40		–		138		370		369		–		34
Proceeds from issuance of new shares		–		3		4		4		–		–		–		1
Net increase in cash and cash equiv.		-670		-240		468		-571		-486		-273		713		-93
Cash and cash equiv. at beginning of period		2,009		2,009		2,032		2,032		1,461		1,462		1,160		1,160
Cash and cash equiv. at end of period		**1,602**		**2,032**		**2,501**		**1,461**		**974**		**1,187**		**1,874**		**1,067**

Note: Consolidated basis until FY2022/3; non-consolidated basis from 1Q FY2023/3. For the statement of cash flows, the figures for 2Q are the cumulative figures for the period from 1Q to 2Q, and the figures for 4Q are the cumulative figures for the period from 1Q to 4Q. Therefore, the opening balance is also the balance at the beginning of each quarter.

Source: Omega Investment from company materials

Financial data

	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3
[Statements of income]											
Net sales	**60**	**301**	**321**	**1,160**	**1,089**	**1,059**	**1,021**	**1,077**	**996**	**1,569**	**2,776**
Cost of sales	15	141	147	500	397	422	412	653	119	550	1,250
Gross profit	45	159	174	660	692	637	609	424	876	1,018	1,525
SG&A expenses	403	671	998	1,480	1,876	1,550	1,414	1,585	1,846	1,937	2,076
R&D expenses	206	412	689	1,075	1,433	1,107	945	898	963	1,150	1,216
Operating loss	**-358**	**-512**	**-824**	**-820**	**-1,184**	**-913**	**-806**	**-1,161**	**-969**	**-919**	**-550**
Non-operating income	0	0	34	50	35	11	3	1	2	2	3
Non-operating expenses	16	5	0	15	27	0	14	27	24	36	77
Ordinary loss	-373	-516	-790	-785	-1,176	-903	-816	-1,187	-991	-952	-624
Extraordinary income						0	7	5		418	-
Extraordinary expenses			0		45		45	6,132	8		31
Loss before income taxes	-373	-517	-790	-785	-1,222	-902	-854	-7,314	-999	-533	-656
Total income taxes	3	2	1	1	2	1	1	2	1	1	1
Net loss	**-377**	**-519**	**-792**	**-787**	**-1,224**	**-904**	**-856**	**-7,316**	**-1,001**	**-535**	**-657**
[Balance Sheets]											
Current assets	919	1,881	1,092	1,520	3,421	2,692	2,821	3,322	3,346	3,325	3,697
Cash and cash equivalents	887	1,610	599	817	2,379	1,891	2,009	2,032	1,461	1,187	1,067
Non-current assets	3	4	54	173	284	332	329	269	587	177	197
Tangible assets	1	0	0	2	1	1	1	1	3	1	1
Investments and other assets	2	3	53	171	282	330	328	267	581	172	193
Total assets	**922**	**1,886**	**1,146**	**1,694**	**3,706**	**3,025**	**3,151**	**3,592**	**3,933**	**3,503**	**3,894**
Current liabilities	24	50	92	1,279	189	404	400	880	1,114	1,128	1,055
Short-term borrowings				810				25		75	375
Non-current liabilities	9	783	783	11	16	16	19	1,223	1,209	656	1,605
Total liabilities	**34**	**833**	**876**	**1,290**	**205**	**421**	**420**	**2,104**	**2,323**	**1,784**	**2,661**
Total net assets	**888**	**1,052**	**270**	**403**	**3,500**	**2,604**	**2,731**	**1,487**	**1,610**	**1,718**	**1,233**
Total shareholders' equity	888	1,031	249	383	3,472	2,568	2,695	1,451	1,291	1,533	1,037
Capital stock	1,239	1,571	1,576	2,037	4,194	100	591	611	1,032	1,421	1,509
Legal capital reserve	1,143	1,474	1,479	1,940	4,097	3,372	3,864	9,917	10,337	10,726	10,815
Retained earnings	-1,495	-2,014	-2,806	-3,594	-4,818	-904	-1,760	-9,077	-10,078	-10,613	-11,287
Evaluation/conversion difference				-0	3	2	1	-21	202		
Subscription rights to shares		21	21	21	23	32	34	57	116	184	195
Total liabilities and net assets	**922**	**1,886**	**1,146**	**1,694**	**3,706**	**3,025**	**3,151**	**3,592**	**3,933**	**3,503**	**3,894**
[Statements of cash flows]											
Cash flow from operating activities	-304	-729	-970	-607	-1,759	-438	-860	-1,325	-1,267	-1,169	-1,421
Loss before income taxes	-373	-517	-790	-785	-1,222	-902	-854	-7,314	-999	-533	-656
Cash flow from investing activities	-0	-1	-49	-121	-149	-50	-0	-137	-22	526	-28
Purchase of investment securities			-49	-116	-149			-100			-50
Cash flow from financing activities	907	1,454	9	946	3,471		978	1,221	718	369	1,356
Proceeds from issuance of common shares	917	234	9	486	3,932		973	40	138	369	34
Net increase in cash and cash equiv.	601	722	-1,010	217	1,562	-488	118	-240	-571	-273	-93
Cash and cash equiv. at beginning of period	285	887	1,610	599	817	2,379	1,891	2,009	2,032	1,461	1,160
Cash and cash equiv. at end of period	**887**	**1,610**	**599**	**817**	**2,379**	**1,891**	**2,009**	**2,032**	**1,461**	**1,187**	**1,067**
FCF	**-305**	**-732**	**-1,021**	**-729**	**-1,909**	**-488**	**-860**	**-1,462**	**-1,289**	**-643**	**-1,450**

Note: Consolidated basis until FY2022/3; non-consolidated basis from FY2023/3.
Source: Omega Investment from company materials

General disclaimer and copyright

This report was created and displayed based on interviews with the company concerned and financial statements, but we do not guarantee the accuracy, completeness, or credibility of the content and data. This report is for informational purposes only and is not intended to solicit or recommend investment. Omega Investment is not responsible for the consequences of using this report.

This report is informed by the target company through interviews with the target company, but the hypotheses, conclusions and all other content contained in this report are based on research by Omega Investment.

Omega Investment Co. Ltd.
E-mail: info@omegainv.com
KS Floor, Risona kudan building 5F, 1-5-6, kudan-minami, chiyoda-ku,
Tokyo, Japan