D.WESTERN THERAPEUTICS INSTITUTE

FY12/25

Financial Results Briefing Materials

February 13, 2026

D. Western Therapeutics Institute, Inc.

Stock Code: 4576

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1. Highlights

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Business Highlights

Operating Results (Consolidated)	**Net sales JPY387mn (17.8% decline YoY) mainly due to the expiration of GLANATEC's royalties** • R&D expenses: JPY669mn (51.0% decline YoY) • Operating loss: deficit of JPY619mn (FY12/24 operating loss: deficit of JPY1,209mn)
Development Pipeline	**Obtained approval: DW-5LBT (Neuropathic pain treatment, U.S.)** • Trade name "Bondlido" currently under negotiation with potential sales partners • Aimimg for launch in the second half of FY2026 **Phase II study: DWR-2206 (Regenerative cell therapy product, Japan)** • Completion of the observation period with no appearance of adverse events and improvement in visual acuity suggested • Commenced preparations for Phase III study
Research Project	**Decision to develop H-1129 (Treatment for keratoconjunctival diseases based on immune disorders) as a pipeline** • Commenced investigational drug manufacturing for the clinical trials (see page 26 for the development plan)

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Achievement of 2025 event calendar

Product		Licensee	Region	Event	Achievement Date
H-1337		—		**Preparation for Phase III and Licensing Activities**	Phase III Preparation Ongoing; Out-licensing Not Yet Achieved
H-1129		—		**Unplanned, development as a new pipeline**	Jul 2025 ✓
DW-5LBT		(Co-development) MEDRx		**Re-application**	Mar 2025 ✓
				→ Approval	Sep 2025 ✓
DWR-2206		(Co-development) ActualEyes		**Completion of observation period**	Nov 2025 ✓
				**Clinical trial initiation**	—
K-321	Ripasudil hydrochloride hydrate	Kowa		**Two global Phase III studies (①②) completed**	①Nov 2025 ✓ ②—
DW-1002	Brilliant Blue G (BBG)	DORC		**Approval**	Feb 2025 ✓
				→ Launch	—
		わかもと製薬株式会社		**Application**	—

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2. FY12/25 Financial Results

January 1 - December 31, 2025

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Consolidated Statement of Income (YoY comparison)

(JPYmn)

	FY12/24	FY12/25			
	FY results	FY results	change		Primary factors
			YOY change	% change	
Net sales	**471**	**387**	**83**	**(17.8%)**	• Strong royalties for DW-1002 and GLA-ALPHA • Revenue decline YoY mainly due to the expiration of GLANATEC's royalties
SG&A expenses	1,634	968	(665)		
R&D expenses	1,367	669	(697)	(51.0%)	• Drug discovery research activities, H-1337 P3 preparation costs, and others • Payment milestone upon DW-5LBT approval • Clinical development costs for H1337 and DWR-2206 included in FY12/24
Other SG&A expenses	266	298	32		• Increase in personnel expenses
Operating loss	**(1,209)**	**(619)**	**589**	**–**	
Ordinary loss	**(1,228)**	**(630)**	**597**	**–**	
Loss attributable to owners of parent	**(1,290)**	**(632)**	**658**	**–**	

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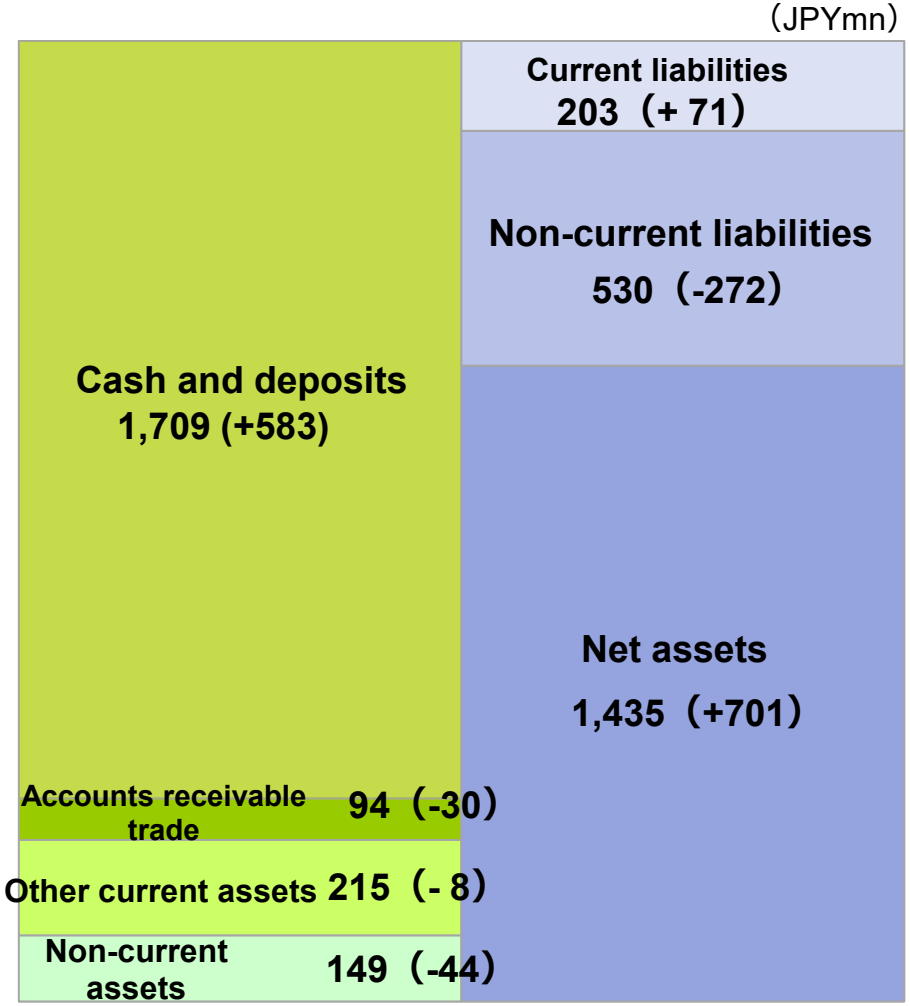
Consolidated Balance Sheet

As of December 31, 2025
(change compared to December 31, 2024)



Cash and deposits

- JPY1,283mn increase due to the exercise of the 12th & 13th series of stock acquisition rights
- Decline due mainly to R&D expenditures

Non-current assets

- JPY41mn in amortization of intangible assets related to the licensing agreement for DW-1002 (Europe)

Current liabilities

- Increase mainly due to borrowings for milestone payments to DW-5LBT

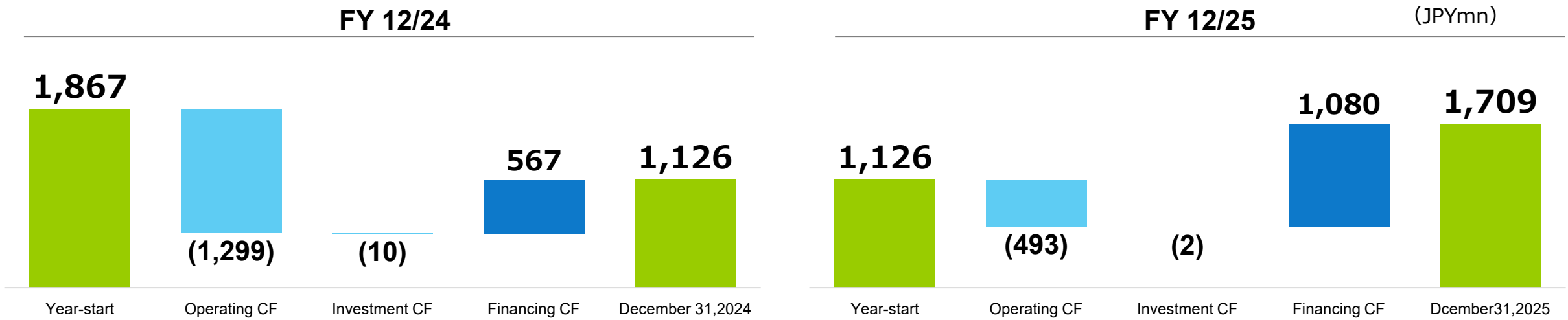
Non-current liabilities

- JPY302mn early redemption of corporate bonds
- JPY29mn increase in long-term borrowings due to loans to fund the development of DWR-2206 etc

Net assets

- JPY632mn loss attributable to owners of parent recorded
- JPY667mn each recorded in capital and capital reserves through stock acquisition rights and others
- Capital reduction without compensation to offset losses; capital: JPY697mn (as of December 31, 2025)

Consolidated Statements of Cash Flows



Cash flow from operating activities

- JPY630mn outflow due to the recording of loss before income taxes
- Key factors behind the YoY decrease : decrease in R&D costs (Clinical development costs for H-1337 and DWR-2206)

Cash flow from investing activities

- JPY2mn outflow from acquisition of property, plant and equipment

Cash flow from financing activities

- JPY1,272mn proceeds the issuance and JPY135mn proceeds from long-term borrowings
- JPY302mn redemption of bonds

On-hand liquidity on Dec 31, 2025 consisted only of JPY1,709mn in cash and deposits (no securities)

【Funds Raised in FY 2025】

JPY1,283mn

(Breakdown)

- Series 12th JPY417mn (Completed)
- Series 13th JPY866mn (85.1%)

＊As of Dec. 31, 2025

3. FY12/25 Business Progress

3-1. Successful launch (commercialization)

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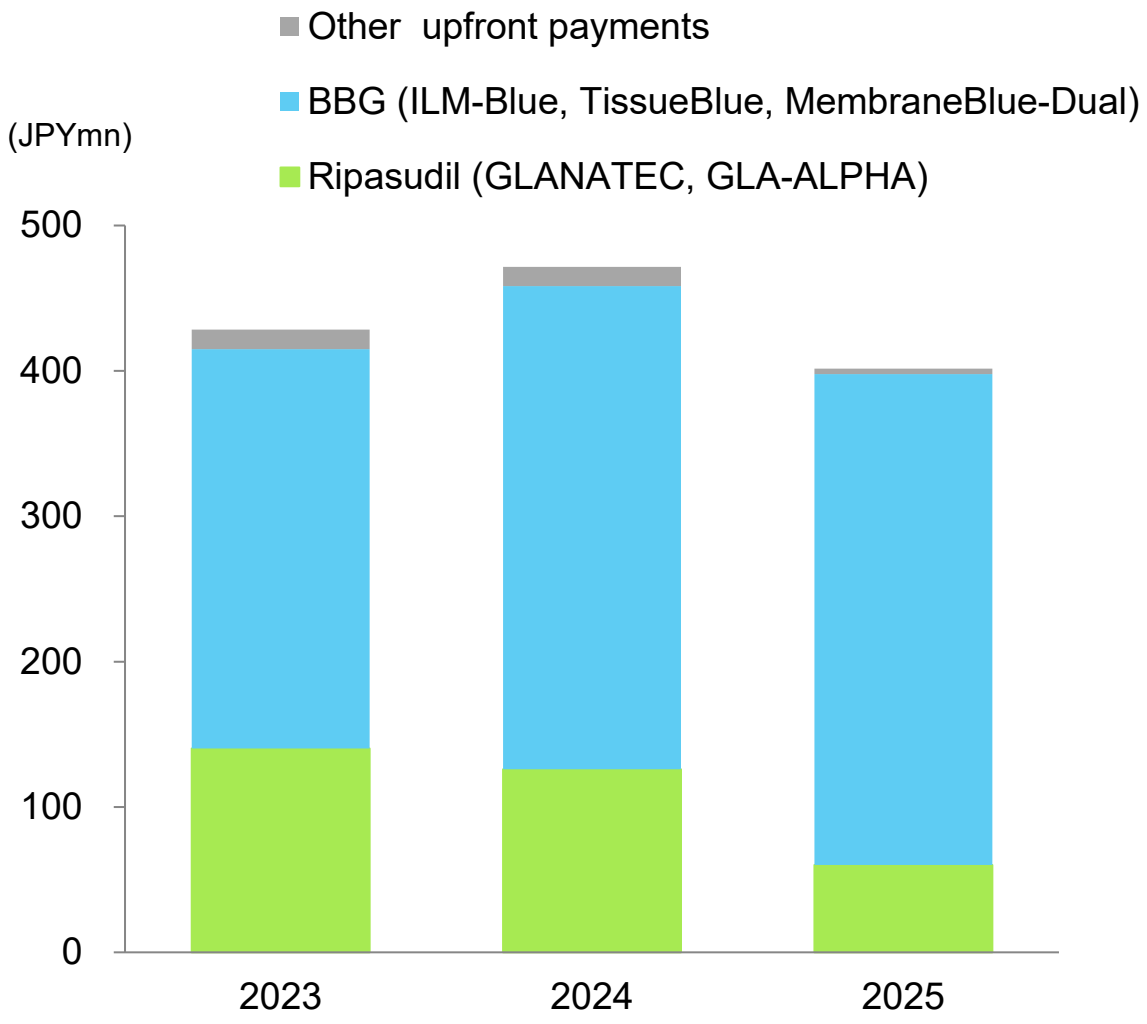
Net Sales Breakdown and Transition Marketed Product (BBG, Ripasudil)

Breakdown of net sales and royalty income



BBG (DW-1002)

- Strong sales mainly due to the impact of a weaker yen
- Royalty ended as patents expired except for the U.S. in December (no impact on Japan due to its different agreement)

Ripasudil

[GLANATEC]

- Ended in September 2024 for Japan and in 2025 for launched overseas countries

[GLA-ALPHA]

- Growth in Japan
- Launch: Thailand in July 2025, Malaysia in December 2025, and Singapore in January 2026

【Future net sales transition】

- Forecast of a sales decline in FY2026 and FY2027 due to the end of marketed products' royalty income
- Planning to launch DW-5LBT in 2026 and DW-1002 (combination drug for Japan and the U.S.) in 2027 with the aim of FY2027 sales more than FY2025

3-2. Development Pipeline

Development Pipeline in 2025

Product	Indication	Region	P1	P2	P3	Application	Approval	Launch	Licensee
H-1337	Glaucoma								—
H-1129	Keratoconjunctival diseases based on immune disorders			Phase II start, PMDA consultation planned					—
DW-5LBT	Neuropathic pain after shingles								(Co-development) MEDRx
DWR-2206	Bullous keratopathy				Clinical trial initiation planned in China				(Co-development) ActualEyes
K-321	Fuchs endothelial corneal dystrophy								Kowa
DW-1002	ILM staining								DORC
	(Ophthalmic Surgical Adjuvant)								わかもと製薬株式会社
DW-1001	Not disclosed								NEVER SAY NEVER ロート製薬

・・・ophthalmology pipeline

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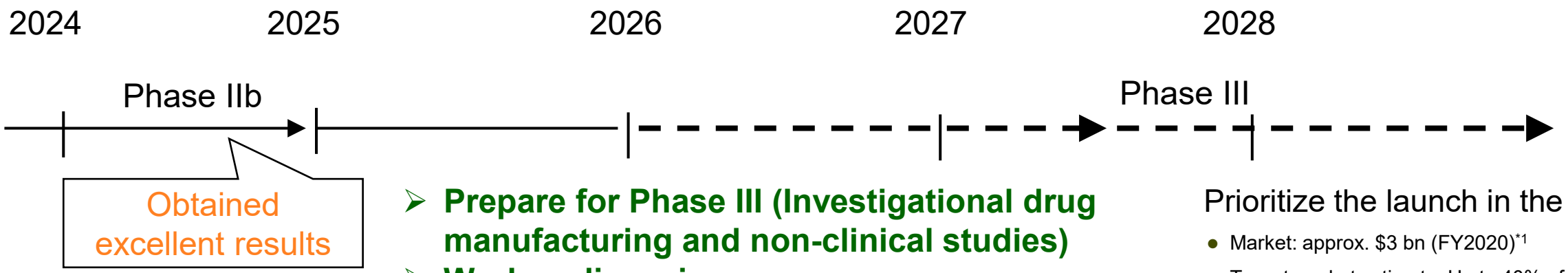
Glaucoma Treatment H-1337 Choice as Second-Line Drug



- **Prepare for Phase III (Investigational drug manufacturing and non-clinical studies)**
- **Work on licensing**

Prioritize the launch in the U.S.

- Market: approx. $3 bn (FY2020)*1
- Target market estimate: Up to 40% of the above
- Aim to achieve sales of ¥30 bn with H-1137 alone

[Outlook]

- Procedure for Phase III study currently under review
  - Held a Type C Meeting with FDA in December
    - Two comparative studies and a long-term study (protocol under consideration)
    - Required non-clinical studies (toxicity testing) to be conducted
    - Investigational drug manufacturing
- Licensing activities

[Other Topics] Ophthalmology Society ARVO; Presentation at AAO; Paper submission to Journal of Ocular Pharmacology and Therapeutics

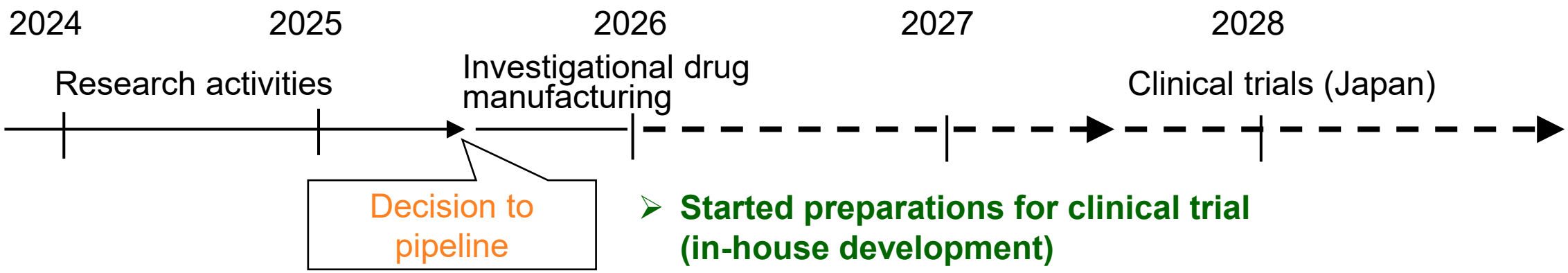
[Competitor Comparison]

	Dosing / decrease in intraocular pressure	Side effects
H-1337 (ROCK inhibitor)	Once daily/ 6~7mmHg	・Conjunctival hyperemia: 43.4% (Phase 2b: ~4 weeks) ・Long-term administration side effects unknown
Netarsudil*2 (ROCK inhibitor)	Once daily/ ~5mmHg	・Conjunctival hyperemia: 53% ・Corneal vortex: approx. 20%

*1 : Classified and compiled by DWTI based on IQVIA MIDAS Dec 2020 MAT Reprinted with permission

*2 : Label of RHOPRESSA®

Keratoconjunctival Disease Treatment H-1129



➢ **Started preparations for clinical trial (in-house development)**

[Outlook]

- Finalization of a clinical trial protocol
  - Consultation with PMDA to start Phase II
  - Application for orphan drug designation
- Investigational drug manufacturing
- Currently raising development funds in the 13th series of stock acquisition rights

➡ **Aiming for efficient development**

[Key Features]

- Internally discovered Rho kinase inhibitor

➢ 2012: Commenced development as a glaucoma treatment

➢ 2019: Development discontinued in Phase III study

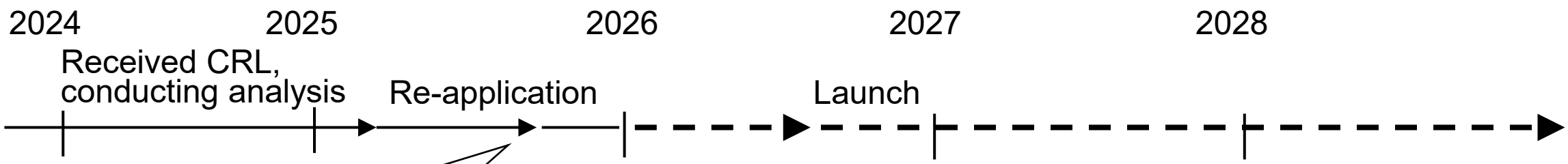
→Explored repositioning

Significant efficiency demonstrated in animal disease models

→Decided to develop a treatment for keratoconjunctival diseases based on immune disorders

(target indication not disclosed for competitive strategy reasons)

Neuropathic Pain Treatment DW-5LBT (Bondlido)



- **Currently under negotiation with potential sales partners**
- **Aiming for launch in the second half of FY2026**

[Outlook]

- Finalization of sales partners
- After going on sale, result distributions from MEDRx

➡ **Expectation for securing an immediate and stable revenue base**

[Product Differentiation]

- Equal effects with smaller dose (near 30%) of lidocaine
- Better usability of patch

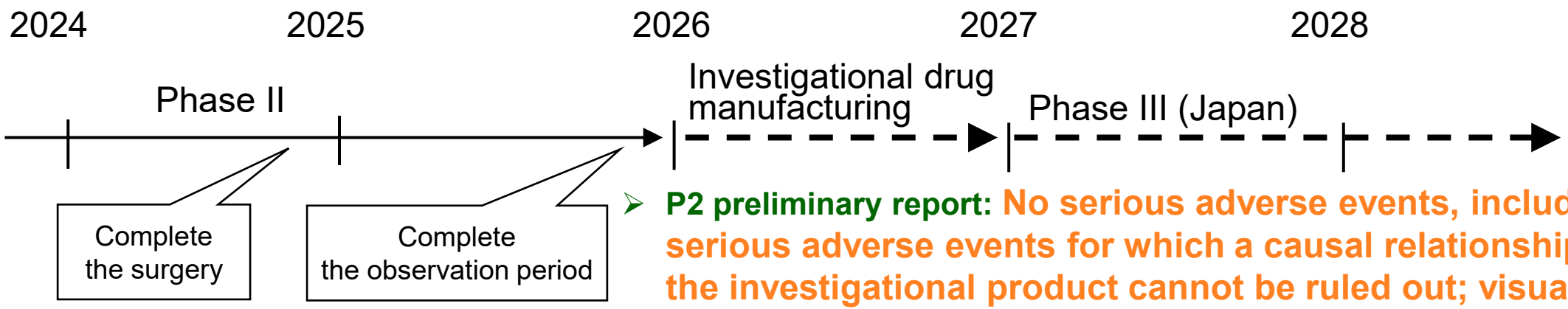
(Low skin irritation and excellent adhesive strength)

[Marketability]

- **Targeting the market of the blockbuster Lidoderm® (lidocaine patch with over $1 billion sales at peak)**
- U.S. lidocaine patch market: $162 million (2024)
- Share of Lidoderm generic products
  : Approx. 90% in volume and approx. 60% in amount
- Similar preceding product Ztlido (launched in 2018)
  : Net Sales $52 million (2024)

*MEDRx's documents

Regenerative Cell Therapy Product (Bullous keratopathy) DWR-2206



➢ **P2 preliminary report: No serious adverse events, including no serious adverse events for which a causal relationship with the investigational product cannot be ruled out; visual acuity improvement was suggested.**

[Outlook]

Japan (Joint development: ActualEyes)

- Preparations for Phase III study
  - Protocol to be considered (consultation with PMDA)
  - Investigational drug manufacturing
- No burden of development expenses on DWTI in Phase III and beyond

China (ActualEyes licensee: arctic VISION)

- Consultation with authorities and aim at early start of clinical trial

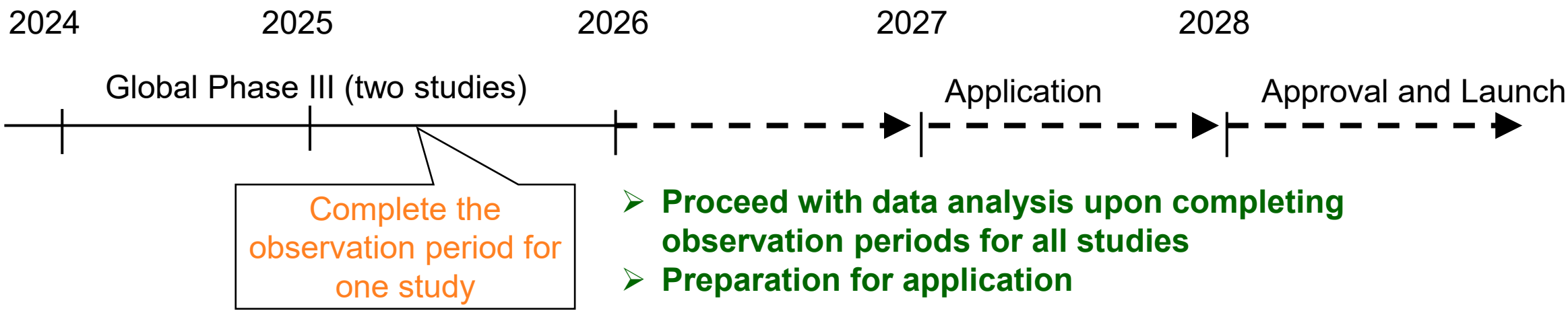
[Key Features of DWR-2206]

- **Frozen Formulation** (Competitive Advantage)
- Manufacture the product for 50 to 80 patients with the cells come from the donor

Competitor Products "Vyznova®" (Aurion Biotech, Inc.)	
Drug price	¥9,464,500
Market size Forecast	・Number of patients using this medical device：160 ・Forecast sales： Approx. ¥1.5 bn (peak: 6th year)

* Source: MHLW

Fuchs Endothelial Corneal Dystrophy K-321 Indication Expansion of Ripasudil



- **Proceed with data analysis upon completing observation periods for all studies**
- **Preparation for application**

[Outlook]

- After completion of Phase III study, initially aiming to launch in the U.S. for patients with Fuchs endothelial corneal dystrophy
- After the U.S. launch, expansion to Europe to be considered
- Development promoted by the licensee Kowa and no burden of responses and funds on DWTI
- After going on sale, to receive royalties until end of data protection period*

*Patent royalty rate differs from GLANATEC, GLA-ALPHA

[Success Probability and Potential to Be a Blockbuster]

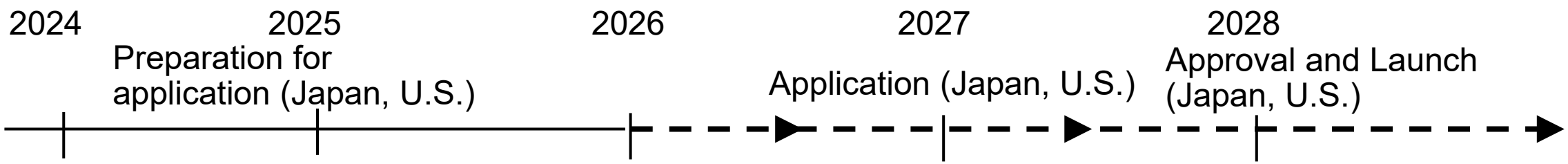
<Clinical report> As a result of administering ripasudil hydrochloride hydrate eye drops after DSO surgery

- 22 of 23 eyes achieved corneal clearance
- Visual function was improved

Sources: Descemet Stripping Only Supplemented With Topical Ripasudil for Fuchs Endothelial Dystrophy12-Month Outcomes of the Sydney Eye Hospital Study; Cornea, 2020

- Suffered by many patients, but no exiting drugs available
  - Europe: Approx. 16 million patients
    U.S.: Approx. 6 million patients

Ophthalmic Surgical Adjuvant DW-1002 BBG



➢ **Woking on preparation toward application for both Japan and the U.S.**

[Outlook]

Japan (Licensee: わかもと製薬株式会社)

- Consultation with PMDA on issues related to standard and quality in the use of U.S. approved data

*Development plans based on our estimates.

U.S. (Licensee: DORC)

- The FDA has instructed us to conduct a small-scale trial, and the trial is in progress

[Marketability]

Japan

- Vitrectomy: 100,000 procedures*1
- Cataract surgery:
  Less than 10%*1 of 1.2mn*2 procedures

(Reference) Unit price per piece

EU/CE-market product	€55
US/Pharmaceutical products	$140

*1: DWTI estimate (based on interviews with related parties, etc.)
*2: June 2019 data of MHLW's Statistics of Medical Care Activities in Public Health Insurance, 2019

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Joint Research Results in 2H of FY2025 (Disclosed)

Jul. 8: Joint research on therapeutic drugs for eye diseases

Chordia Therapeutics

Chordia's kinase inhibitors to be evaluated by DWTI for efficacy in eye diseases

Compounds	Chordia's kinase inhibitors
Indication	Eye diseases

Oct. 30: Exploratory research aimed at creating a dry eye treatment

第一工業製薬

Joint research started in 2024

➡ **Pharmacological effects confirmed in animal dry eye models, additional verification being in execution**

Compounds	Daiichi Kogyo Seiyaku's compound
Indication	Dry eye

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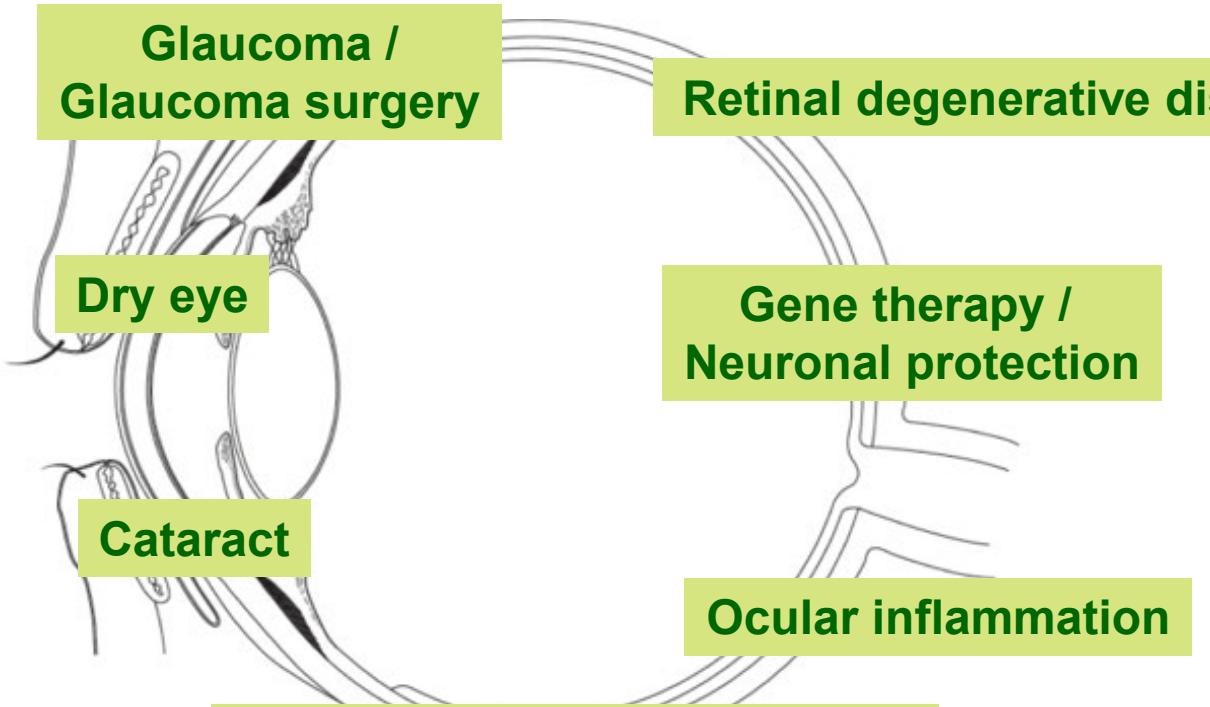
Research Activities for Creation of New Drug Candidates

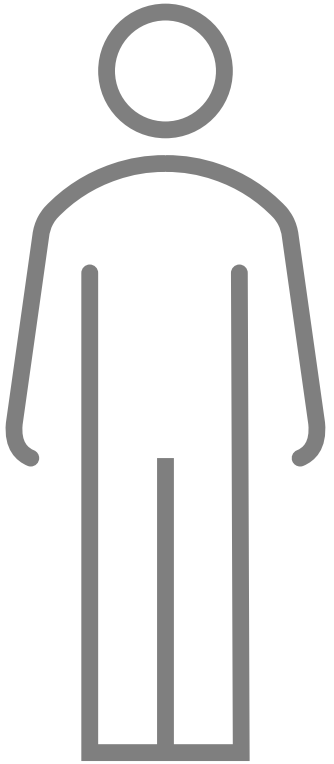
① Ophthalmology field

All anterior eye and posterior eye diseases covered in our researches, utilizing our knowledge of ophthalmic diseases



② Kinase inhibitors

Researches focused on mechanisms of each disease, taking advantage of drug discovery and development know-how for kinase inhibitors



- **Schizophrenia**
- **Oncology**
  *Target undisclosed
- **Lifestyle-related diseases**
  *Target undisclosed
- **Erectile dysfunction**

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4. FY12/26 Forecast

2026 Event Calendar

Product		Licensee	Region	Event
DW-5LBT		（Co-development）MEDRx		**Finalization of sales partners, launch**
DWR-2206		（Co-development）ActualEyes		**Clinical trial initiation**
K-321	Ripasudil hydrochloride hydrate	Kowa		**Completion of observation period of the second global Phase III study**
DW-1002	Brilliant Blue G（BBG）	DORC		**Application**
		わかもと製薬株式会社		**Application**

DWTI

Consolidated Earnings Forecast for FY12/26 (released Feb. 13, 2026)

(JPYmn)

	FY12/25	FY12/26		
	FY results	FY forecast	YoY change	Primary factors
Net sales	387	300	(87)	• Mainly, royalty income from DW-1002 and GLA-ALPHA • Milestone income from DW-1002(Japan) is expected • No sales are included for DW-5LBT, as it is difficult to make a reasonable forecast at this time • A decrease in revenue is expected due to the end of domestic royalties for DW-1002(EU)
Operating loss	(619)	(780)	(161)	• R&D expenses expected to increase (see below) • Other SG&A expenses were generally in line with the previous year
Ordinary loss	(630)	(800)	(170)	
Loss attributable to owners of parent	(632)	(800)	(168)	

R&D expenses	669	780	111	• Main breakdown - Development expenses for the clinical trials of H-1337 and H-1129 (toxicity tests, investigational drug manufacturing, etc.) - Research expenses for new drug development (in-house drug discovery and joint research) increased YoY

Development Pipeline Plan Launch one product every year

Products and Indication		Region	2025	2026	2027	2028
H-1337	Glaucoma and ocular hypertension				P3	
H-1129	Keratoconjunctival diseases based on immune disorders				Clinical Trial	
DW-5LBT	Neuropathic pain after shingles		Re-application Approval		Launch	
DWR-2206	Bullous Keratopathy		P2		P3	
					Clinical Trial	
K-321	Fuchs endothelial corneal dystrophy		P3		Application	Approval Launch
DW-1002	ILM staining ALC staining			Application	Approval	Launch
	ILM staining and ERM staining			Application	Approval	Launch

Note: Development plans are based on development plans of the licensees or our forecast. Hence, actual development progress may differ from that plan.
DW-1001 (ophthalmic therapeutic agent) is not included, as future development plans are under review by our out-licensing partner, Rohto Pharmaceutical.

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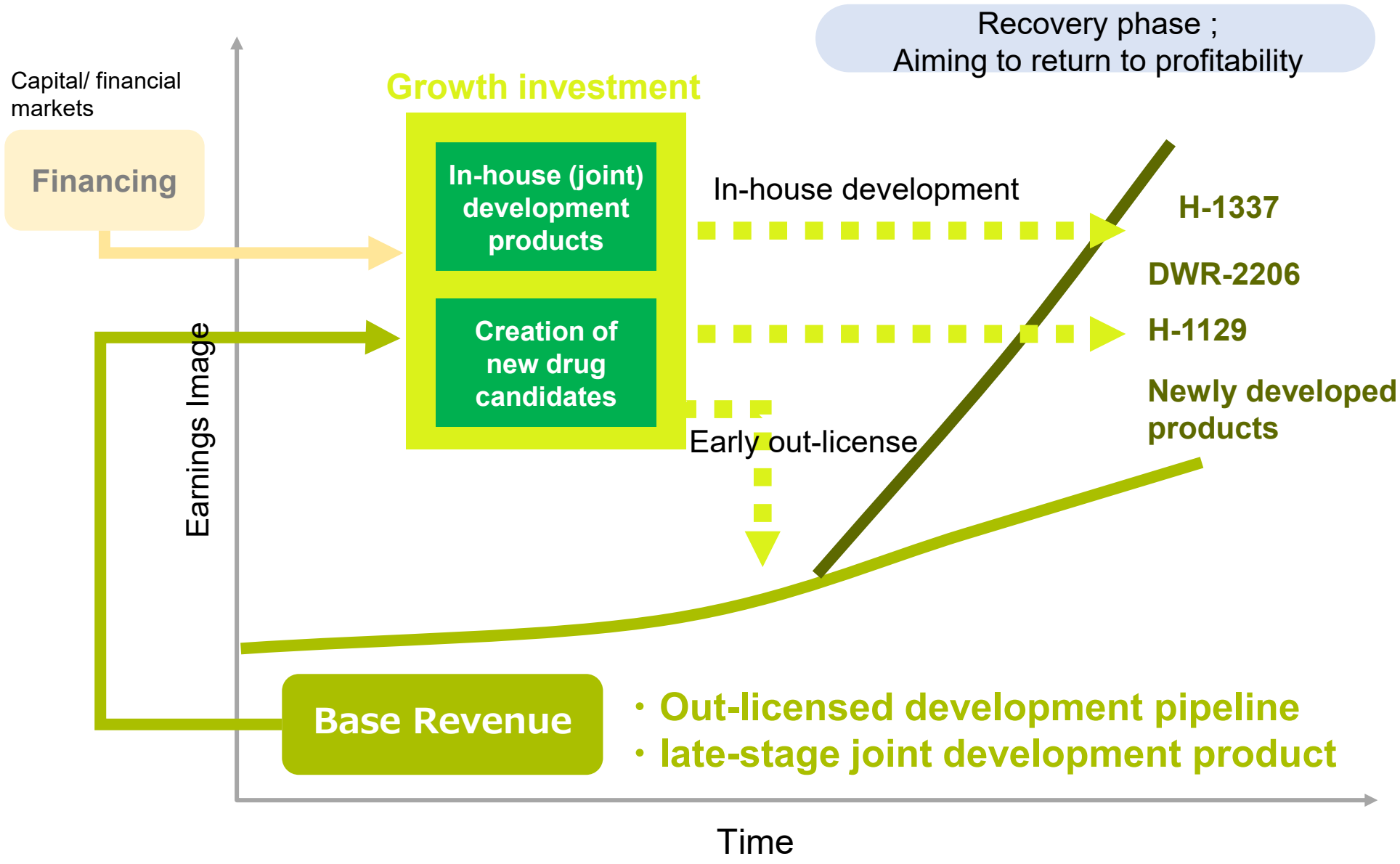
Key Points Going Forward and Initiative Policies

Performance	Net sales: Revenue decline due to the expiration of the marketed product's royalties ➡ **Already started preparing for product development to build the next revenue base, aiming at launch at least one product every year** DW-5LBT in 2026, DW-1002 in 2027, and K-321 in 2028
Development Pipeline	・Promotion of development of H-1337, H-1129, and DWR-2206 ・Development support for the out-licensed pipelines ➡ **Constructed development system, aiming at efficient promotion of development**
Research Project	Decision of next new drug candidates, following H-1129 ➡ **Multiple candidates, requiring strategic selection to create revenue opportunities** ➡ **Starting creation cycle to continuously create new drug candidates**
Funding	Maximum fund-raising in the 13th series of stock acquisition rights, launch support as planned ➡ **Continuous growth investment, determination of future demand for funds**
Market Capitalization 10 billion yen	Market capitalization 5.2 billion yen (at the end of FY2025) ➡ **Expectation to achieve by promoting the above initiatives, looking into business and capital partnerships in addition to pushing in-house business**

Growth Investment and Profit Image



In-house developed products

- Focusing on development of H-1337 and H-1129
- Creation of next new drug candidates

Base revenue products

- Decrease in royalties
- Obtaining approval at least one new drug every year

Market Capitalization 10 billion yen

- Addressing by development of in-house developed products, strengthening base revenue, as well as corporate realignment

DWTI

(Reference) Business Overview

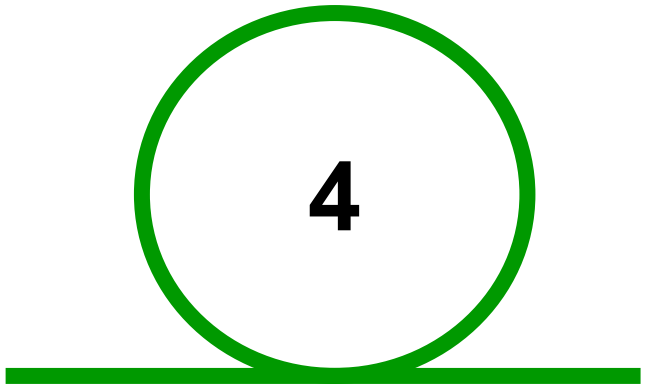
DWTI Overview / History

Name	D. Western Therapeutics Institute, Inc. (DWTI)
Markets	Tokyo Stock Exchange Growth Market (Code : 4576)
Business	New drug discovery, research, and development
Capital	JPY697 mn
Officers and Employees	30 (connection)
Location	Head office : Nagoya-shi, Aichi, Japan R&D laboratory : Tsu-shi, Mie, Japan (Established Institute of Human Research Promotion and Drug Development at Mie University)
Consolidated Subsidiary	Japan Innovative Therapeutics, Inc.

As of December 31, 2025

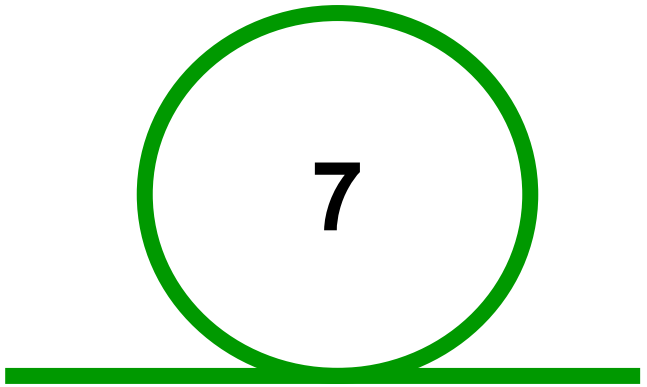
Focus on basic research	1999	Founded of a company
	2006	Established R&D laboratory (Mie University)
	2009	Listed on Tokyo Stock Exchange Growth Market
	2014	Launch in Japan of internally developed products
Expansion of business domain -Undertaking internally development -Collaboration with other companies	2015	Started of In-licensed products developed by other companies
	2018	Started of internally clinical development
	2022	Started of jointly development of regenerative medicine products

Business Highlights



- Four products available on the market
- Five products in late stages of development (Phase III study or later)

- About 1,500 kinase inhibitors included in DWTI's compound library
- A pioneer in the field of kinase inhibitors



- Out-licensed seven products
- Internally developing Three additional products (including joint development)

Our Businesses

Drug Discovery	Internal drug discovery	✓ Create promising kinase inhibitors from our original compound library with efficiency ✓ Create new drug seeds by collaborating with other companies
Drug Development	Clinical development	✓ Internal clinical development (including the evaluation of safety and efficacy in humans)
	Business development	✓ Out-licensing activities for original products and in-licensed products ✓ Consider in-licensing of products in late development stages and repurposed drugs

DWTI

Core Technologies to Create New Drugs

- **DWTI's drug discovery engine is an original core technology that enables us to continuously create new drugs**
- **A kinase is an enzyme that phosphorylates proteins; excessive phosphorylation is a factor that contributes to the onset of various diseases (kinases regulate protein activity)**

Drug discovery engine

Compound library

- ✓ **Superior new drug seeds**
- ✓ **Includes three launched drugs**

Drug design

- ✓ Ability to create new drugs from compounds in our library (experience, data)

Drug-Western Method

- ✓ Tool for exploring mechanisms of action of new drugs
- ✓ Enhance value by estimating mechanisms (estimate safety and elements of therapeutic effects)

Potential uses of kinase inhibitors

Various indications

- ✓ Kinases play a critical role in a variety of diseases
- ✓ Kinase inhibitors are primarily used in anti-cancer agents; development of kinase inhibitors to treat immune, neurodegenerative, and inflammatory diseases is also under consideration

Large market scale

- ✓ Total annual sales of kinase inhibitors exceed JPY2tn

DWTI is a pioneer in the field of kinase inhibitors

- ✓ Launched in 1995, fasudil is the world's first kinase inhibitor (and is included in our compound library)

Innovative New Drugs to the World from Japan

D. Western Therapeutics Institute

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