D.WESTERN THERAPEUTICS INSTITUTE

FY12/24

Financial Results Briefing Materials

February 10, 2025

D. Western Therapeutics Institute, Inc.

Stock Code: 4576

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DWTI

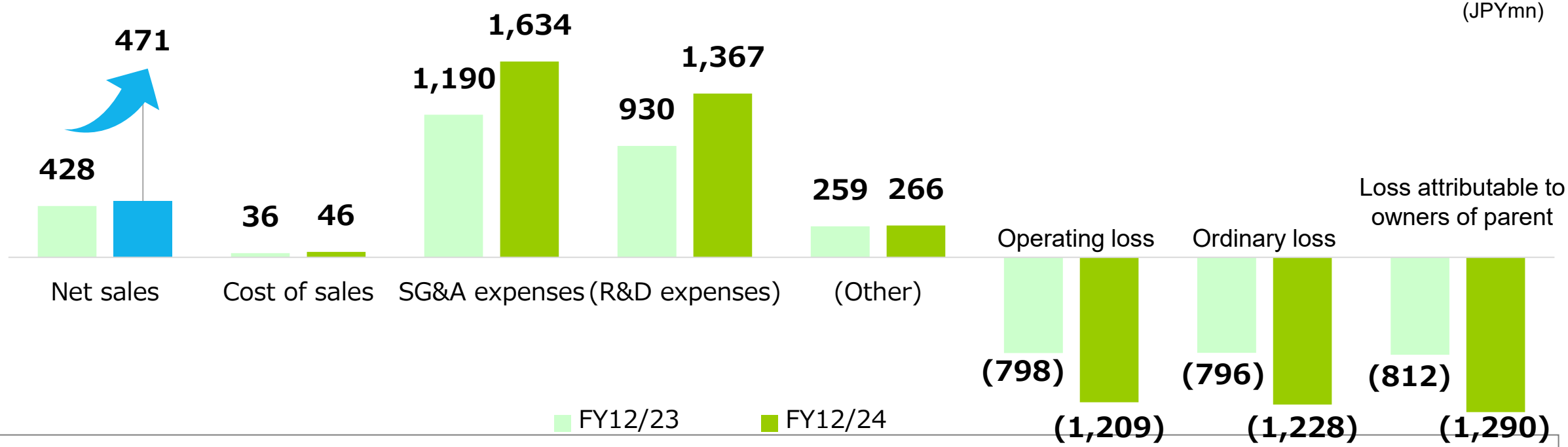
1. FY12/24 Financial Results

January 1–December 31, 2024

DWTI

Consolidated Statement of Income (YoY comparison)

(JPYmn)



Net sales

- Despite the loss of domestic royalty income from GLANATEC in September, sales increased 10.1% YoY, reaching the highest level in the last five years due to growth in DW-1002 sales.
- On a standalone basis, DW-1002 sales increased 21.0% YoY due to an increase in volume and the impact of a weaker yen. GLA-ALPHA also grew steadily, increasing 74.9% YoY.

R&D expenses

- R&D expenses rose 47.0% YoY due to increased spending on development of H-1337 (Phase IIb study in the US) and DWR-2206.

Consolidated Statement of Income (vs. full-year forecast)

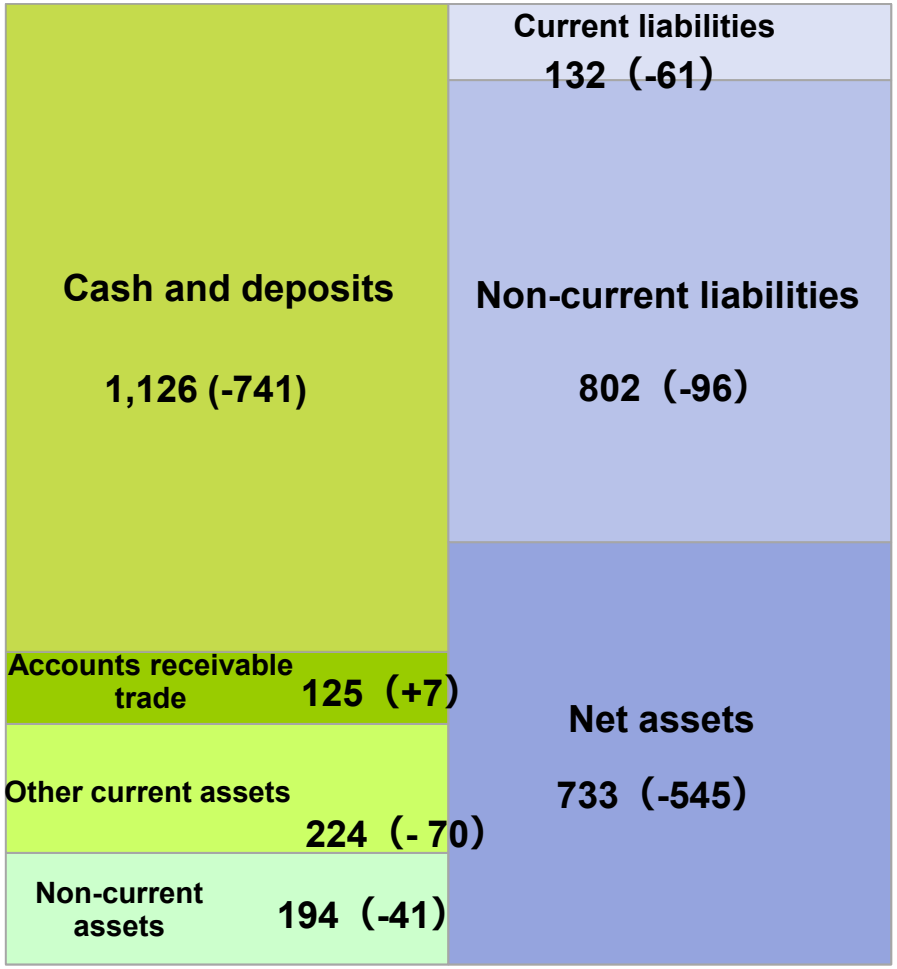
(JPYmn)

	FY12/23	FY12/24			
	FY results	FY forecast (out Feb.9)	FY results	% of initial forecast	Primary factors
Net sales	**428**	**400**	**471**	**17.9%**	• Strong royalties for DW-1002 and GLA-ALPHA • GLANATEC (Japan) ended royalty income in September, but the impact of the combination drug was minimal, and revenue was substantial
SG&A expenses	1,190		1,634		
R&D expenses	930	1,600	1,367	△14.5%	• No payment milestone for DW-5LBT • Development expenses for H-1337 was less than expected.
Other SG&A expenses	259		266		• As planned
Operating loss	**△798**	**△1,500**	**△1,209**	**–**	
Ordinary loss	**△796**	**△1,510**	**△1,228**	**–**	
Loss attributable to owners of parent	**△812**	**△1,510**	**△1,290**	**–**	• Loss on redemption of convertible bonds of JPY60mn in extraordinary losses

Consolidated Statement of Income

As of December 31, 2024
(change compared to December 31, 2023)

(JPYmn)



Cash and deposits

- Declined due mainly to R&D expenditures
- Increase due to the exercise of the 12th series of stock acquisition rights

Supplies

- Increase in advances paid for the development of H-1337 and DWR-2206, increase in uncollected consumption tax

Non-current assets

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

Current liabilities

- JPY76mn decline in accounts payable due to H-1337 and DWR-2206 development costs JPY9mn increase in current portion of long-term borrowings

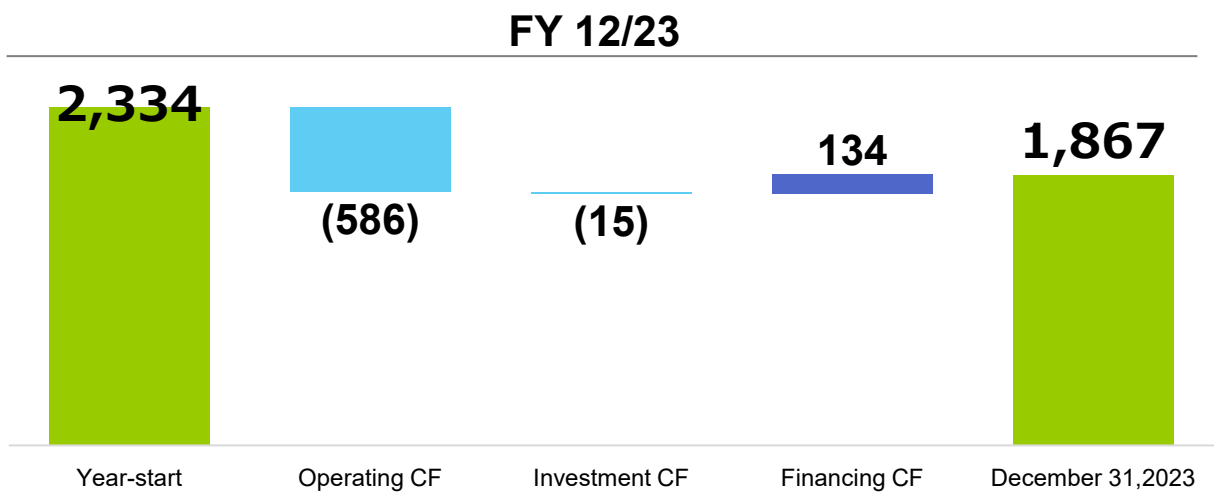
Non-current liabilities

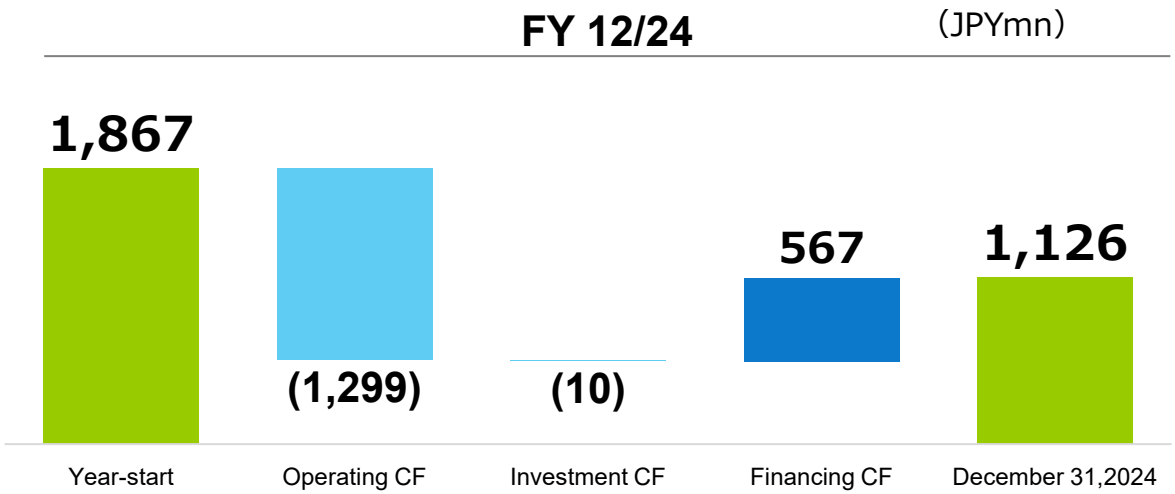
- Redemption of convertible bonds of JPY606mn from the issuance of corporate bonds of JPY660mn and redemption of corporate bonds of JPY357mn through the exercise of stock acquisition rights
- JPY206mn increase in long-term borrowings due to loans to fund the development of DWR-2206

Net assets

- Recorded a loss attributable to owners of parent of JPY1.2bn
- Recorded JPY371mn each in capital and capital reserves due to exercise of stock acquisition rights

Consolidated Cash Flow Statement





Cash flow from operating activities

- JPY1.2bn outflow due to the recording of loss before income taxes

Cash flow from investing activities

- JPY9mn outflow from acquisition of property, plant and equipment

Cash flow from financing activities

- JPY710mn proceeds from the exercise of stock acquisition rights, JPY660mn proceeds from issuance of bonds, JPY226mn proceeds from long-term borrowings
- JPY666mn redemption of convertible bonds, JPY357mn redemption of bonds,

On-hand liquidity on December 31, 2024 consisted only of JPY1.1bn in cash and deposits (no securities)

【Exercise status of Series 12 Stock Acquisition Rights】

- ✓ Number of shares exercised 9,350,000（71.9%）
- ✓ Total amount raised JPY727mn

(As of Dec. 31, 2024)

*The exercise was completed on February 7, 2025 (see page 35).

2. Progress of Business in FY12/24

Development Pipeline in FY12/24

products on market	Region	Current state
GLANATEC® (Single drug)	Japan, Asia	Royalty ended in September in Japan
GLA-ALPHA® (Combination drug)	Japan, Asia	Growth in royalites in Japan, approved in Thailand
DW-1002 (Single drug)	Europe, U.S.	Strong due to yen depreciation and volume increase
DW-1002 (Combination drug)	Europe, etc.	Strong due to yen depreciation and volume increase

Products		Region	Current state
K-321		U.S., etc.	Global Phase III ongoing
DW-1002	Combination	U.S.	
	Single	China	Regulatory review underway
		Japan	Negotiations with the regulatory authority and examination underway for application filing
DW-1001		Japan	
H-1337		U.S.	Completion of dosing in the Phase IIb study in August, topline data released in November
DW-5LBT		U.S.	Reapplied in January 2024, received CRL in July,
DWR-2206		Japan	Submitted a Clinical Trial plan Notification for Phase II in March, Completion of dosing in December

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Achievement of 2024 event calendar

H-1337	Publish top-line data of Phase IIb study in US	✓ **achieved** Good results
DW-5LBT	U.S. reapplication ～ Approval, Launch	✕ **delay** Received CRL, Preparing for reapplication
DWR-2206	Start of Phase II study in Japan	✓ **achieved** Dosing completed for subject
DW-1002	Application, approval and Launch in China, Application in Japan	✕ **delay**
New projects	Research progress (including new collaborations) ⇒Multiple joint research projects are underway	

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2-1. Successful launch (commercialization)

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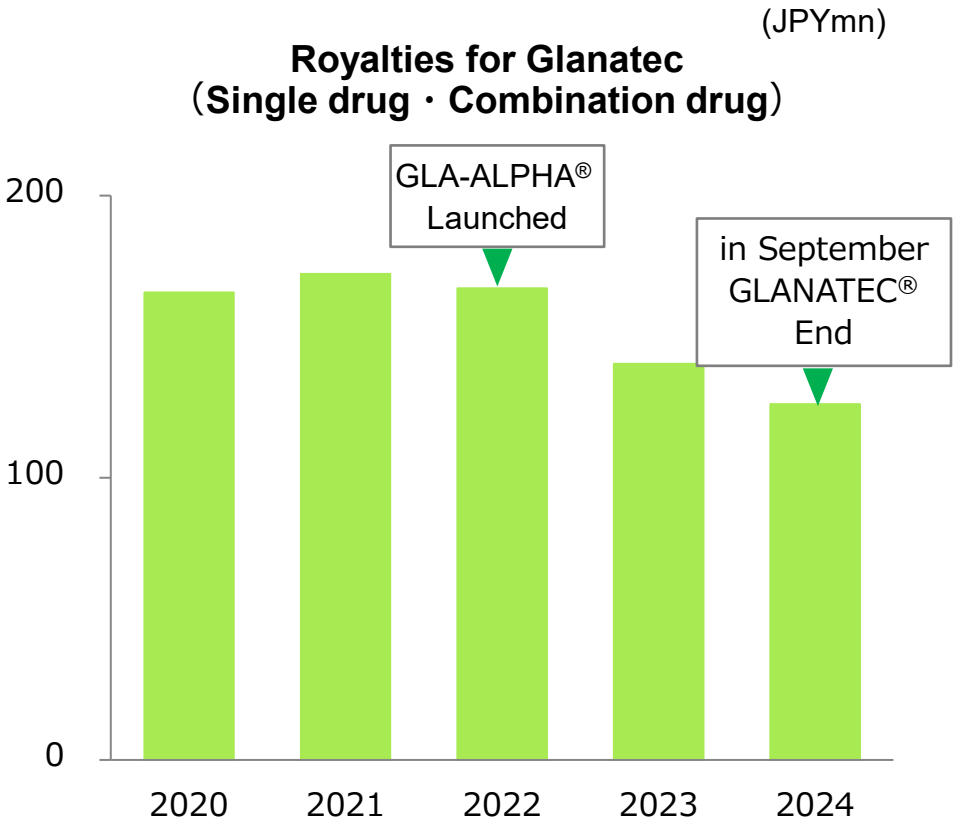
Glaucoma Treatment Ripasudil hydrochloride hydrate



GLANATEC® Ophthalmic Solution 0.4%

- ✓ In Japan, royalty income ended in September 2024
- ✓ To receive royalties a little overseas

GLA-ALPHA® Combination ophthalmic solution

Combination drug with ripasudil hydrochloride hydrate and brimonidine tartrate

- ✓ Significant YoY increase
- ✓ Overseas expansion(Approval : Thailand in December 2024, Application : Singapore in February 2024 and Malaysia in April 2024, Applications for other Asian countries are in preparation)
- ✓ Japan: Sales projected to peak at JPY8.1bn (Kowa Co., Ltd. sales) (Ten years following launch; 230,000 patients)

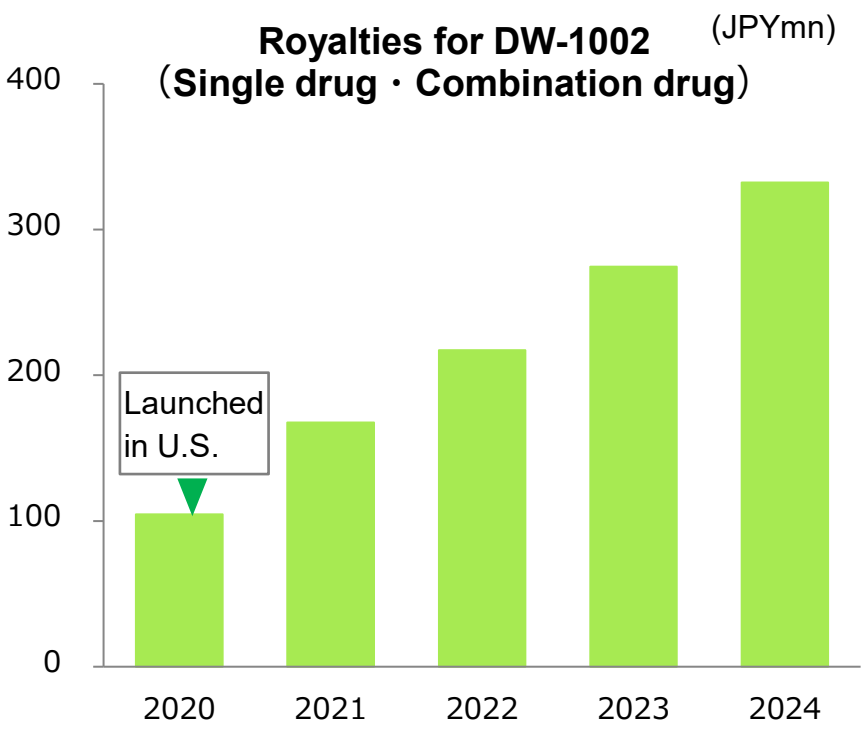
- ✓ GLA-ALPHA® : Growth in royalties in Japan
  December 2024, approval in Thailand
- ✓ GLANATEC® : In Japan, royalty income ended in September 2024.
  ⇒Overall royalties are on the decline

Japanese Market

- FY2022: about 91.5 billion yen *
- Use of combination drug is on the rise

Source: Calculated by DWTI based on the 9th NDB Open Data released by Japan's Ministry of Health, Labour and Welfare

Ophthalmic Surgical Adjuvant DW-1002 (Brilliant Blue G)



Characte ristics

Characteri stics

ILM-Blue®, TissueBlue™

Ophthalmic surgical adjuvant with Brilliant Blue G, a dye with excellent staining ability, as the active ingredient

- Enables visualization of the internal limiting membrane (thinness: approx. 0.003mm)
- Used in vitrectomy for the treatment of diabetic retinopathy, macular hole, etc.

MembraneBlue-Dual®

Combination of Brilliant Blue G and Trypan Blue

- Stains internal limiting membrane, epiretinal membrane, and proliferative membrane in proliferative vitreoretinopathy
- Used during vitrectomy, such as proliferative vitreoretinopathy, etc.

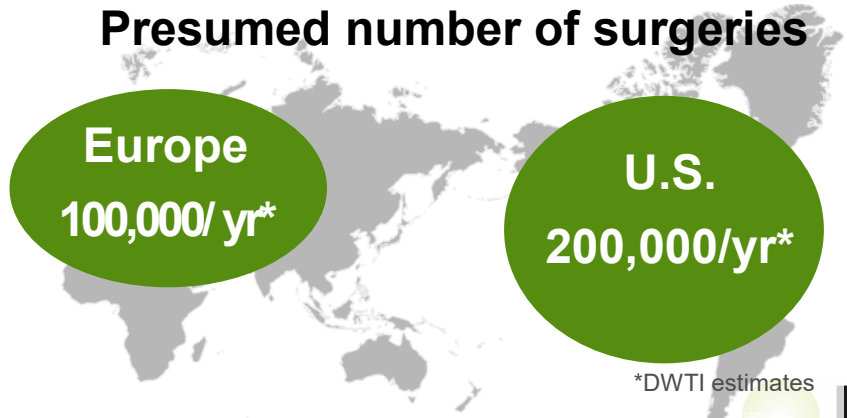
✓ **Strong sales, +21.0% YoY increase due to volume increase and yen depreciation**

- Plan to launch Single drug in China and Japan, Combination drug in the U.S.

✓ Patents in major countries will expire in December 2025, and US patents have already been extended (until March 2031). After 2026, we expect a decrease in royalties due to the expiration of patents

✓ There will be no impact in Japan due to the product supply agreement with exclusive know-how licensing provisions

Presumed number of surgeries



*DWTI estimates

2-2. Development Pipeline

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Development Pipeline

Products		Clinical indication	Region	Non-clinical	P-I	P-II	P-III	Application	Approval	Launch	Licensee
K-321	Ripasudil hydrochloride hydrate	Fuchs endothelial corneal dystrophy	U.S., etc.								Kowa
DW-1002	Brilliant Blue G (BBG)	ILM staining	China								DORC
			Japan								Wakamoto Pharmaceutical
		ALC staining	Japan								
	BBG/ Trypan blue	ILM staining and ERM staining	U.S.								DORC
DW-1001		Ophthalmic treatment agent (undisclosed)	Japan								ROHTO Pharmaceutical
H-1337		Glaucoma and ocular hypertension	U.S.								Developed internally
DW-5LBT		Neuropathic pain after shingles	U.S.								Jointly developed with MEDRx
DWR-2206		Bullous keratopathy	Japan								Joint development with ActualEyes

・・・ophthalmology pipeline

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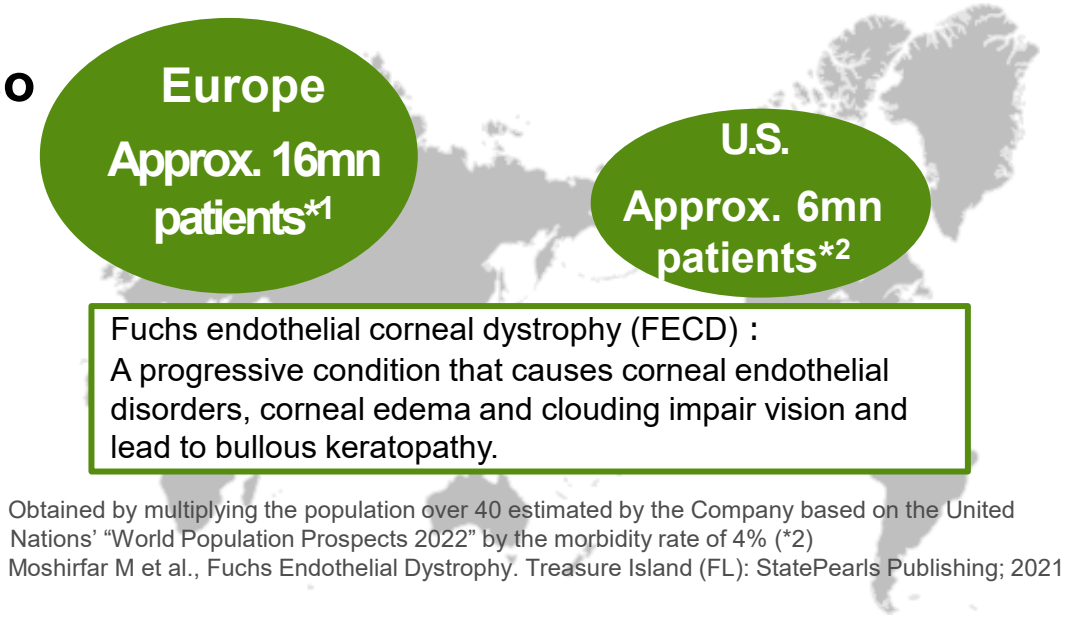
Fuchs Endothelial Corneal Dystrophy　K-321

➔**Global Phase III ongoing**
Patient registration is taking longer than expected, so the end date has been changed to December 2025
The application is expected to be submitted at the end of 2026 or in 2027 (our forecast)



Fuchs endothelial corneal dystrophy (FECD) :
A progressive condition that causes corneal endothelial disorders, corneal edema and clouding impair vision and lead to bullous keratopathy.

*1: Obtained by multiplying the population over 40 estimated by the Company based on the United Nations' "World Population Prospects 2022" by the morbidity rate of 4% (*2)
*2: Moshirfar M et al., Fuchs Endothelial Dystrophy. Treasure Island (FL): StatePearls Publishing; 2021

Expansion of indications

Ripasudil hydrochloride hydrate

- ✓ Global Phase III studies commenced in March and April 2023
- ✓ After going on sale, to receive royalties until end of data protection period*

*Patent royalty rate differs from that of single agent

Phase III study

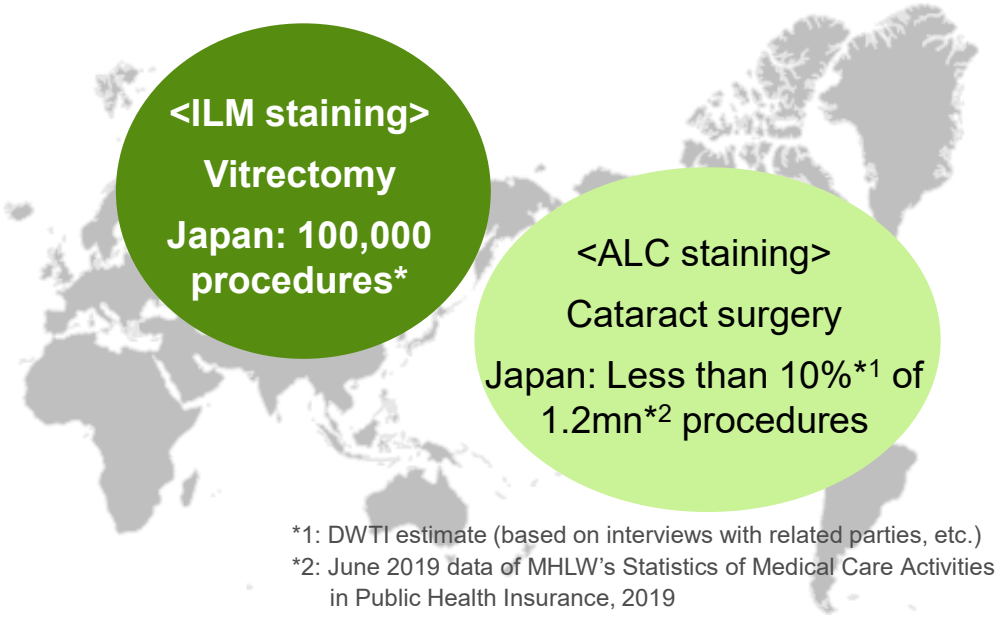
Identifier*	NCT05528172 **study completed**	NCT05795699	NCT05826353
Summary	Administration to patients after cataract surgery	Administration to patients with FECD after descemetorhexis	Administration to patients with FECD after simultaneous cataract surgery and descemetorhexis
No. of patients	331	100	100
Study period	August 2022–June 2023	March 2023–**December 2025**	April 2023–**October 2025**
Development region	U.S.	U.S., Europe, etc.	U.S., Europe, etc.

*ClinicalTrials.gov Identifier from https://www.clinicaltrials.gov

Ophthalmic Surgical Adjuvant DW-1002

➔We continue to work towards approval in China, Japan, and the United States

- ✓ China: Marketing application filed in May 2023, treated as a medical device
- ✓ **Japan: Issues related to standards and quality in the use of U.S. approved data**
- ✓ **United States: The FDA has instructed us to conduct a small-scale trial**



*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

Development plan

Clinical indication	Region	Licensee	P-III	Application	Approval	Launch
ILM staining	**China**	DORC			**2025**	
ILM staining, ALC staining	**Japan**	Wakamoto Pharmaceutical(*)		**2025**	**2026**	**2027**
ILM staining and ERM staining	**U.S.**	DORC		**2026**	**2027**	

*Based on our forecast

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Glaucoma Treatment H-1337 First Choice as Second-Line Drug

➔**The top-line data from the Phase IIb study were favorable, and it was decided to proceed to the Phase III study**

- ✓ Patient administration started in August
- ✓ **August 2024: Administration completed**

→November: Top-line data results announced

Internally developed products

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Charact eristics

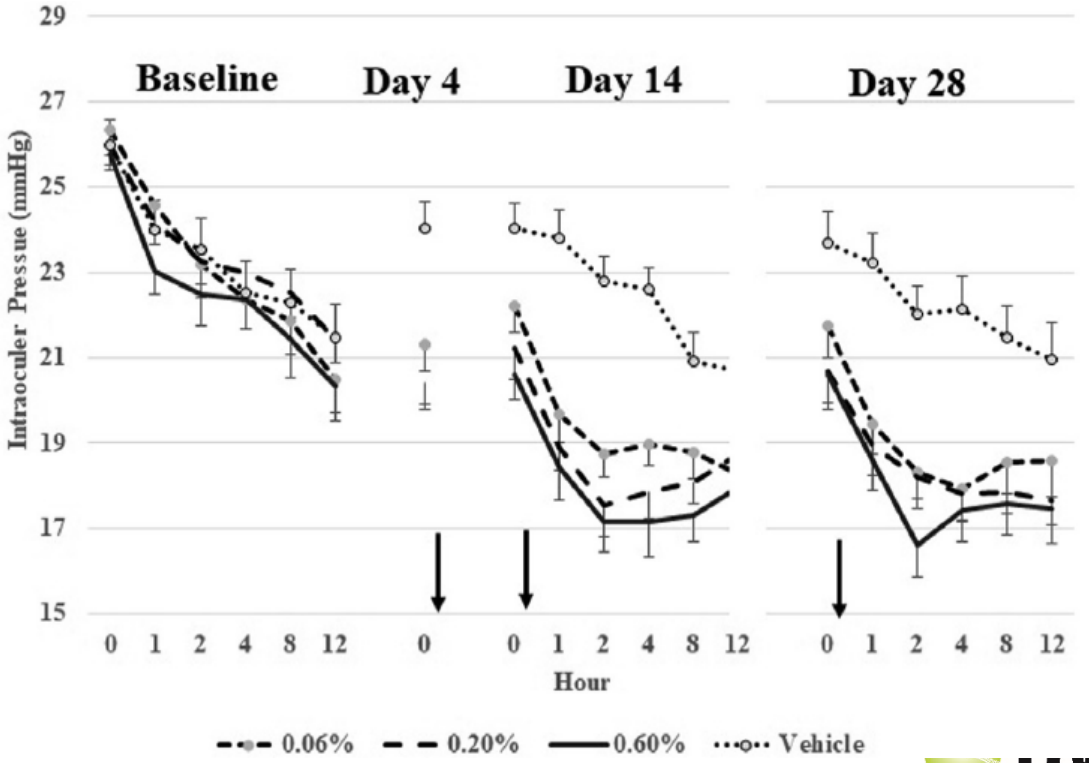
- Confirmed safety and efficacy in Phase I/IIa studies (clinical POC obtained, $p < 0.0001$)
- Facilitates drainage of aqueous humor through the trabecular meshwork and Schlemm's canal
- Multikinase inhibitor effective on various types of protein kinases

US PI/PIIa results (study period: Mar.-Sep. 2018, 87 cases)

Efficacy There was a decrease in intraocular pressure in the three groups (0.06%, 0.2%, 0.6%) compared to placebo

Safety There was sufficient tolerance despite the presence of mild erythema

IOP : Mean (± s.e.m)(intent-to-treat population, mmHg).



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H-1337: Outline of the U.S. Phase IIb Study

- ✓ The business strategy for this study is as follows
  - The maximum intraocular pressure lowering effect of increasing the concentration
  - The intraocular pressure lowering effect of once-daily instillation
  - The safety of increasing the concentration

Overview	**Multi-center, randomized, double-blind, active-controlled, dose-finding study to determine** efficacy and safety of H-1337 as a treatment for patients with glaucoma and ocular hypertension				
Dosage and administration	H-1337 (0.6%), H-1337 (1.0%), Timolol: Eye drops administered twice daily H-1337 (1.0%): Eye drops administered once daily				
Number of patients	201	Dosing period	28 days	Mean unmedicated IOP	26mmHg
Primary endpoints	Compare intraocular pressure reduction effect of H-1337 versus Timolol				
Secondary endpoints	Evaluation of ocular and systemic safety				

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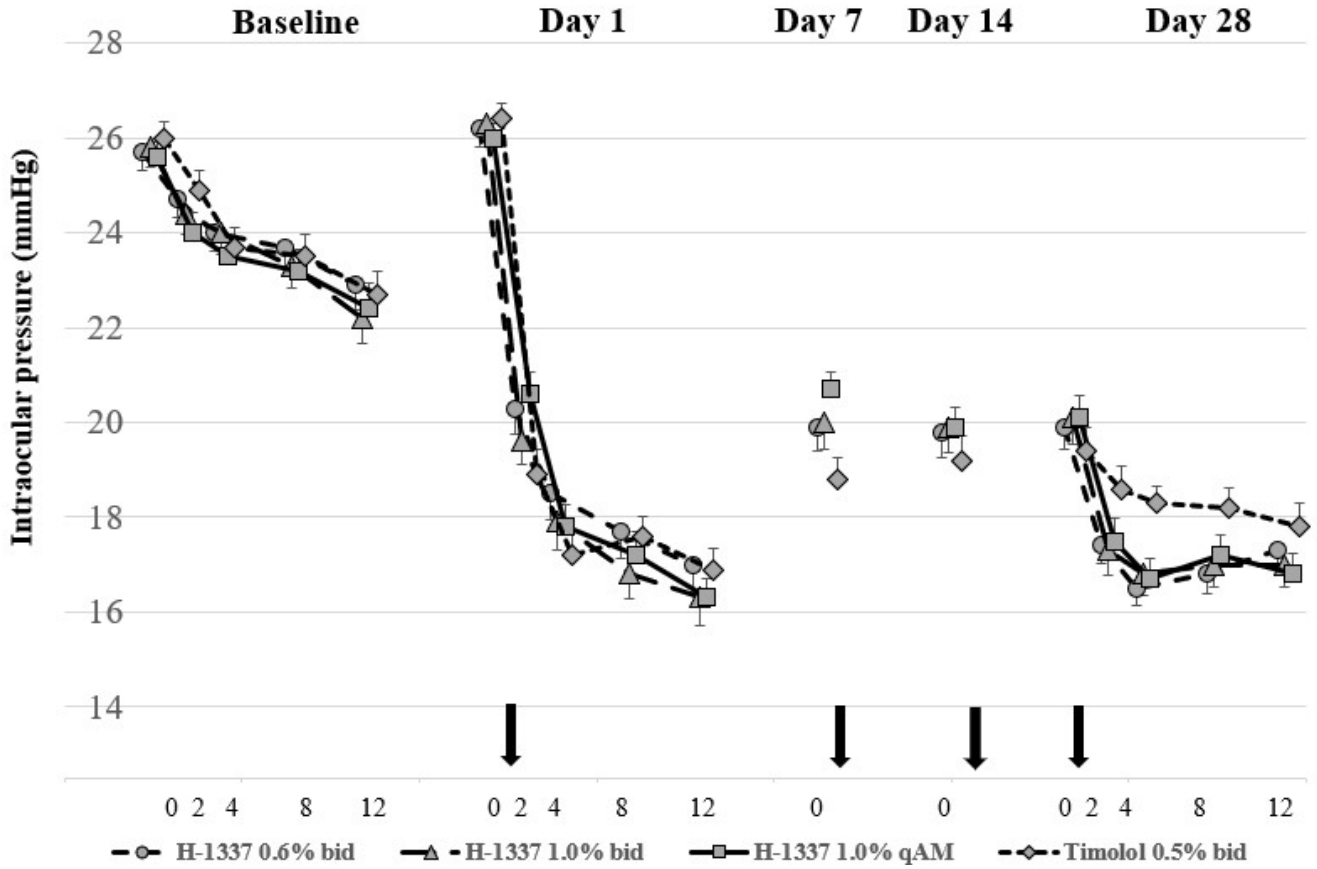
Topline Data Results - Announced November 18, 2024

- ✓ Efficacy: All three groups of H-1337 significantly reduced intraocular pressure by up to 30% ($p<0.001$)
- ✓ Safety: Conjunctival hyperemia occurred, but most cases were mild and did not lead to discontinuation of treatment

Mean (± s.e.m) IOP at Baseline and Clinic Visits over 28 days (mmHg)



Efficacy	・The range of effects in all three groups was comparable to that of timolol ・The results were comparable to those of the PI/IIa study ・H-1337 1.0% b.i.d. met statistical non-inferiority for all the post-dose time points on Day 28.
Safety	・Conjunctival hyperemia in about half of cases (temporary effect, characteristic of ROCK inhibitors) ・Most cases are mild

*Detailed results, etc., are scheduled to be announced at academic conferences and in papers etc. in 2025

Safety and Toxicity Studies

✓ Safety endpoints for the eyes and the whole body were evaluated when H-1337 (1.0%) was administered (September to October 2024)

【Purpose】

- To confirm systemic exposure to H-1337M1, because the active metabolite H-1337M1 was detected
- To confirm systemic exposure in humans at 1.0%, as the highest dose in P2b was 1.0%

Overview	Safety of the eyes and the whole body is being verified in healthy people		
Dosage and administration	H-1337（1.0%）：Eye drops administered twice daily		
Number of patients	17	Dosing period	7 days

✓ Some of the toxicity tests (non-clinical studies) required at the start of Phase III and before application are currently being conducted

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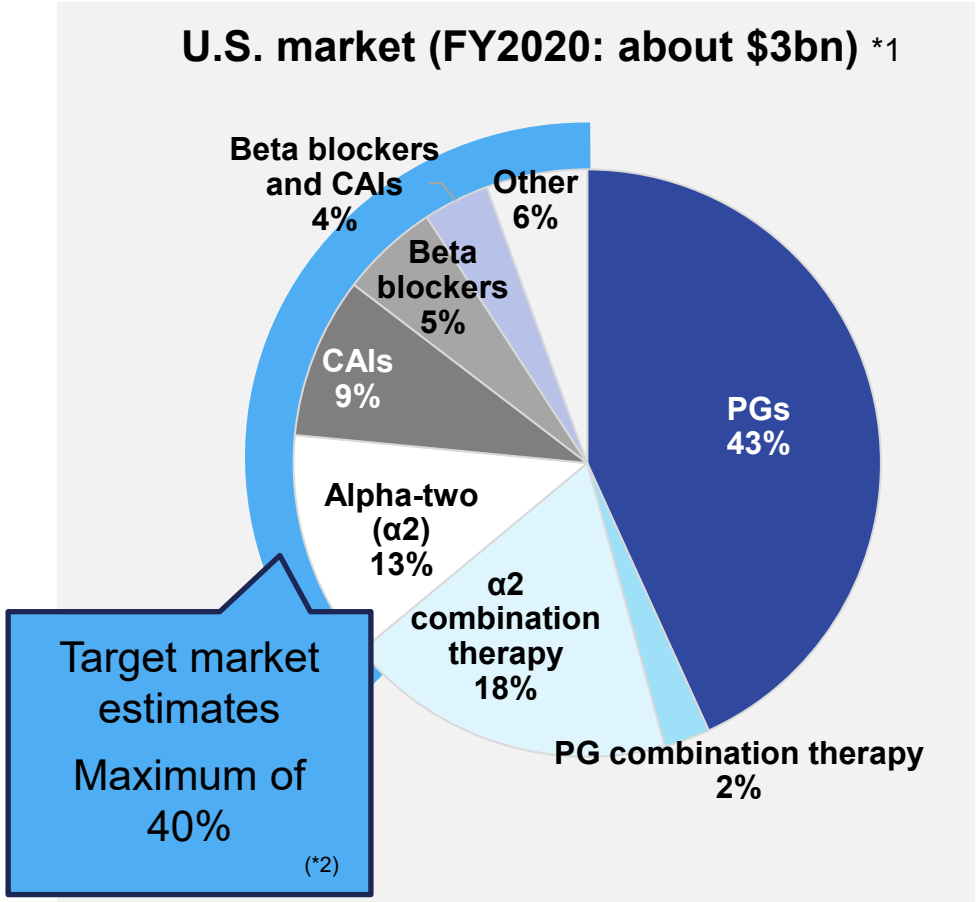
H-1337 Marketability and Competition



*1 :Classified and compiled by DWTI based on IQVIA MIDAS Dec 2020 MAT Reprinted with permission
*2 : Calculated by DWTI based on Journal of Managed Care & Specialty Pharmacy, Vol. 25, No. 9 September 2019, 1001-1014

【Evaluation as a second-line drug】

	Number of times eye drops are instilled / decrease in intraocular pressure	Side effect
H-1337 (ROCK inhibitor)	Once daily/ 6~7mmHg	・Conjunctival hyperemia: 43.4% (Phase 2b: ~4 weeks) ・Long-term administration side effects unknown
Ripasudil※3 (ROCK inhibitor)	Twice daily/ ~4mmHg	・Conjunctival hyperemia: 69% ・Long-term administration tends to increase the incidence of allergic conjunctivitis and blepharitis
Netarsudil※4 (ROCK inhibitor)	Once daily/ ~5mmHg	・Conjunctival hyperemia: 53% ・Corneal vortex: approx. 20%
Brimonidine※5 (α2)	3 times daily/ 2~6mmHg	・Allergic conjunctivitis, conjunctival hyperemia, eye itching: 10~20%
Brinzolamide ※6 (CAI)	3 times daily/ 4~5mmHg	・Blurred vision, bitter taste, sour taste: 5~10%
Timolol (β-blocker)	Twice daily/ 4~5mmHg※7,8	・Contraindicated for patients with bronchial asthma, systemic side effects (cardiovascular and respiratory systems) ※9
【FYI：first-line drugs】 Latanoprost※10 (PG)	Once daily/ 6~8mmHg	・Pigmentation of the iris and periorbital tissues (eyelids), changes in eyelashes ・Hyperemia: 8%

※3: Label of GLANATEC®
※4: Label of RHOPRESSA®
※5: Label of ALPHAGAN®
※6: Label of AZOPT®
※7: Ophthalmology 103 : 138-147, 1996.
※8: Arch Ophthalmol 114 : 929-932, 1996.
※9: Label of TIMOPTIC®
※10: Label of XALATAN®

Outlook, Development

【Future considerations】

- ✓ Phase III study: Group composition, dosage and administration
  - Confirmation of timolol non-inferiority
  - Confirmation of long-term safety
- ✓ Consultation with the FDA, preparation for Phase III study (toxicity study)
- ✓ In-house development (fundraising), active licensing out activities

➡Detailed development plan to be announced as soon as it is finalized

【Drug development scenario】

- ✓ Priority on launching in the US market
  - Market: approx. 3 billion dollars (FY2020)
  - Market estimate: up to 40% of the above
  - Aiming for 30 billion yen in sales of the single-agent
- ✓ Pursuit of patient QOL
  - Development of once-daily eye drops
  - Priority on medication compliance
- ✓ Larger-scale products
  - Search for appropriate partners
  - Consideration of product launches in each country and combination products

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Regenerative Cell Therapy DWR-2206

➔Transplantation completed for test subjects, undergoing follow-up observation

- ✓ Mar. 2024: Submission of a clinical trial plan for a domestic Phase II trial
- ✓ Jul. 2024: The first transplant was performed, and progress is going smoothly

→Dec.: Transplantation completed for test subjects (6 cases)

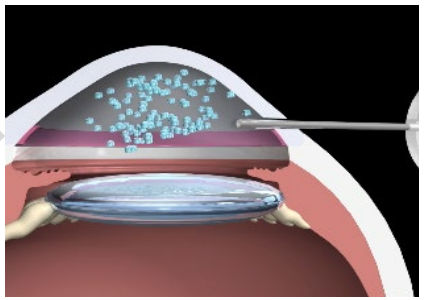
Scheduled to complete evaluation and observation by the end of Dec. 2025

Joint development product ActualEyes

Targeting bullous keratopathy, cultured human corneal endothelial cells and a suspension are injected into the anterior chamber of the eye to regenerate corneal endothelium

Frozen corneal endothelial cell preparation

Warmed to thaw, and injected



Cultured corneal endothelial cells ＋ROCK inhibitor

Phase II trial design Published on jRCT on June 11, 2024 (jRCT2043240040)

Overview:

- Multi-center, open-label, uncontrolled study to determine the safety and efficacy of DWR-2206 in patients with bullous keratopathy

Target number of patients	6
Evaluation and monitoring period	48 weeks after transplantation of the investigational product
Primary endpoints	Number of cases and incidence rate (%) of adverse events and adverse events that cannot be ruled out as related to the investigational product
Secondary endpoints	・Monitoring and evaluation of safety endpoints ・Number and incidence rate (%) of significant adverse events ・Improvement in visual acuity at 24 weeks after transplantation of the investigational product ・Change in best corrected visual acuity over time ・Change in corneal thickness over time ・Change in corneal endothelial cell density over time

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DWR-2206 Marketability and Development Plan

Japan

Number of bullous keratopathy patients estimated 7,000-10,000※1

Patients on waiting list 10,000-20,000※2

Bullous keratopathy：
The terminal stage of various corneal endothelial disorders, including Fuchs corneal endothelial dystrophy. It can also occur due to damage after cataract and glaucoma surgery.

※1：source: MHLW ※2：source: DWTI

(Reference) Major Competitors of DWR-2206

	Vyznova®
Cell transplantation	Cultured human corneal endothelial cells
Developed by	Aurion Biotech
Development stage	JP: Launch【**Drug Price：JPY9,464,500**】 US: P Ⅰ/P Ⅱ

Market Size Forecast（peak：6th year） *by Japan's Ministry of Health, Labour and Welfare
- Number of patients using this medical device：160
- Forecast sales： Approx. JPY1.5bn

Development Plan

	Non-clinical	P-II		P-III	Application
Japan		**2024**	**2025**	**2026**	**2027**

✓ In Japan, we will conduct clinical trials as usual (without using the early approval system)

	Clinical Study		
China	**2025**	**2026**	**2027**

✓ In China, we plan to begin clinical trials in 2025

✓ The leading developer is the Chinese company ArcticVision (a bio-venture)

✓ We receive a portion of the revenue (such as milestone revenue) that Actuarize receives

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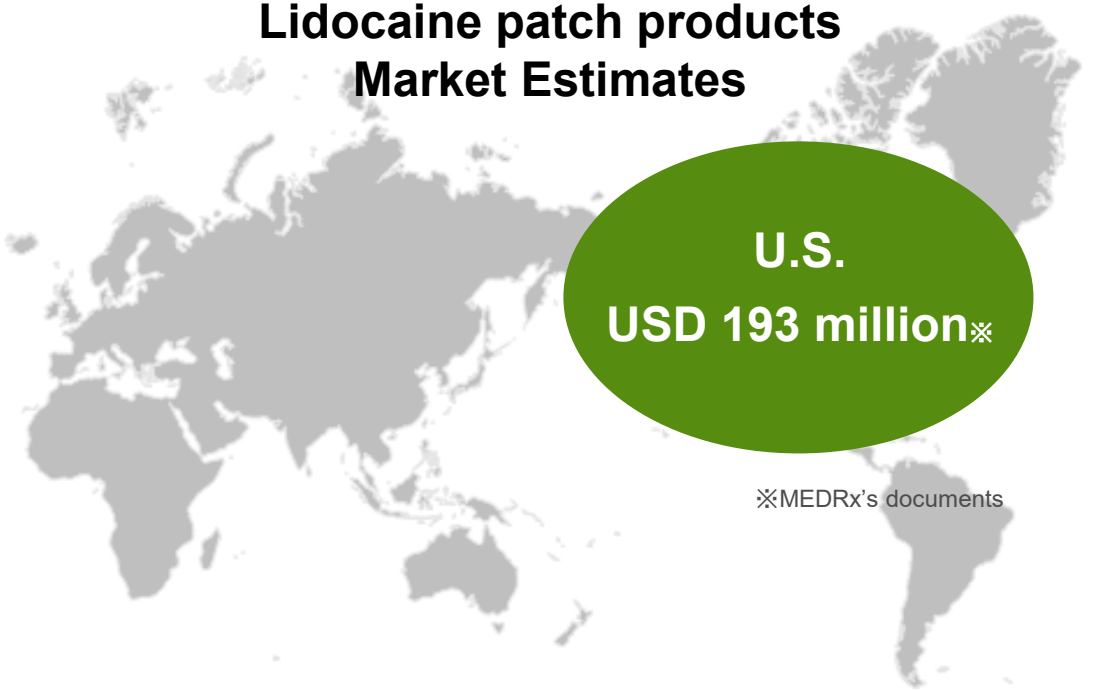
Neuropathic Pain Treatment DW-5LBT

➔Received CRL, analyzing the data for reapplication.

- ✓ Reapplied in January 2024
- ✓ Received Complete Response Letter (CRL) in July 2024.
  →Plan to conduct additional analysis and reapply for reapplication.

Lidocaine patch products Market Estimates



※MEDRx's documents

Jointly Developed

MEDRx

Lidocaine patch products for a treatment for neuropathic pain after shingles

Characteristics

- Confirmatory comparative (bioequivalence) clinical trial comparing DW-5LBT with innovator product Lidoderm® generated favorable results
- Low dermal irritation
- Excellent adhesive strength
- Capable of maintaining adhesive strength during exercise

【Development Plan】

	Reapply	Approval	Launch
U.S.	2025		2026

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Joint research results for FY2024 (disclosed)

東京大学 THE UNIVERSITY OF TOKYO	10/17: Development of a new, innovative eye drop for glaucoma surgery Glaucoma surgery can lead to complications after surgery and functional failure over time	Other company	Ophthalmology
NC 名古屋市立大学 NAGOYA CITY UNIVERSITY	11/26: Development of an ED treatment using our company's compounds The joint research was extended due to the positive results obtained in animal models	In-house	non-ophthalmology
第一工業製薬	12/16: Exploratory research aimed at creating a dry eye treatment Evaluation of the potential of dry eye treatment drugs using Daiichi Kogyo Seiyaku's compound library	Other company	Ophthalmology
TMiMS 公益財団法人 東京都医学総合研究所 Tokyo Metropolitan Institute of Medical Science	12/25: Joint research on gene therapy drugs for eye diseases Evaluation of gene therapy that can be expected to improve visual function in glaucoma	Other company	Ophthalmology
KITA SATO UNIV. 北里大学 KITASATO UNIVERSITY	12/27: Joint research on cancer treatment drugs using our compounds Focusing on new therapeutic target factors, evaluation of efficiency endpoints for cancer	In-house	non-ophthalmology
九州大学 KYUSHU UNIVERSITY	2025/1/28: Joint research on treatment drugs for eye diseases Evaluate the efficiency endpoints of our compounds for retinal degenerative diseases and ocular inflammatory diseases	In-house	Ophthalmology

DWTI

3. FY12/25 Forecast

Medium-term Management Plan (2020-2024)

Management themes

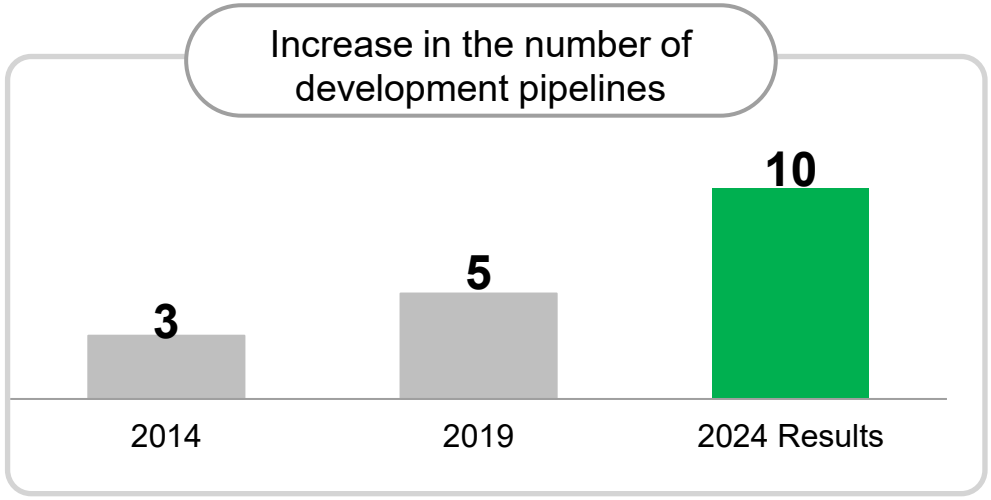
Enhancement of development pipeline and
Expansion of business domain

Medium-term management plan (2020–2024)

Increase number of pipeline products and undertake later-stage clinical development

indicator

Increase in the number of units in the development pipeline ：10 by the end of 2024



Results over the past five years

Enhancement of development pipeline

- ◎Increase in products launched and products co-developed
- ◎Upgrading of products already licensed out

Expansion of business domain

- ◎Promotion of in-house development of H-1337 for Phase IIb study in the US
- ◎Implementation of joint development of DWR-2206 and DW-5LBT

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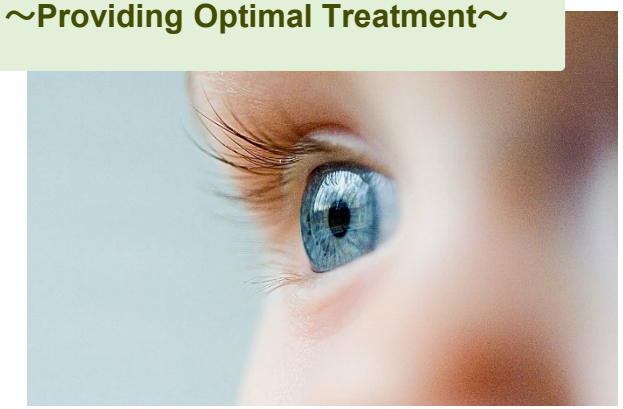
Future Initiatives: Our Vision and Three Growth Drivers

Innovative New Drugs to the World from Japan

POINT 01

Ophthalmic diseases

～Providing Optimal Treatment～



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POINT 02

Core Technologies

～Deepening and Expanding～

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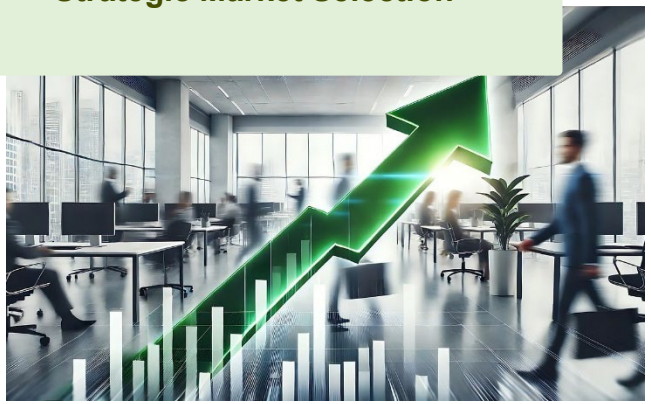
POINT 03

Marketability

～Strategic Market Selection～



Promoting Collaborative Research to Achieve Our Vision

Research projects aimed at creating new drugs

＜Policy for initiatives＞

- Maximize the value of our know-how by leveraging our three growth drivers
  - Provide optimal therapeutic modalities (incorporate new modalities)
  - Utilization of core technologies
  - Ophthalmology unmet medical needs

	Ophthalmology	Non-ophthalmological
Kinase inhibitors or products using in-house technology	UBIENCE 九州大学 KYUSHU UNIVERSITY	名古屋市立大学 NAGOYA CITY UNIVERSITY 北里大学 KITASATO UNIVERSITY
New modality or other company's product	RaQualia innovators for life 東京大学 THE UNIVERSITY OF TOKYO 第一工業製薬 TMiMS 公益財団法人 東京都医学総合研究所 Tokyo Metropolitan Institute of Medical Science	*Multiple other joint research projects are underway

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Consolidated Earnings Forecast for FY12/25 (released February 10, 2025)

(JPYmn)

	FY12/24	FY12/25		
	FY results	FY forecast	YoY change	Primary factors
Net sales	471	400	(71)	• Mainly, royalty income from DW-1002 and GLA-ALPHA • Milestone income from DW-1002(Japan) is expected • A decrease in revenue is expected due to the end of domestic royalties for GLANATEC
Operating loss	(1,209)	(670)	539	• Research and development expenses decreased due to the completion of administration of H-1337 and DWR-2206 • Other SG&A expenses were generally in line with the previous year
Ordinary loss	(1,228)	(680)	548	
Loss attributable to owners of parent	(1,290)	(680)	610	
R&D expenses	1,367	760	(607)	• Main breakdown - Development expenses for H-1337 Phase III study (toxicity tests, investigational drug manufacturing, etc.) - Research expenses for new drug development (in-house drug discovery and joint research) increased YoY

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Development Pipeline Plan

Products and Clinical indication		Region	2024	2025	2026	2027
H-1337	Glaucoma and ocular hypertension	U.S.	P2b	P3 Preparation and licensing out activities		
K-321	Fuchs endothelial corneal dystrophy	U.S.	P3		Application *2026 or later	
DW-5LBT	Neuropathic pain after shingles	U.S.		Re-application / Approval	Launch	
DW-1001	Ophthalmic treatment agent	Japan		To be determined	*Due to the policy of the licensing out company, Rohto Pharmaceutical, we are currently considering future development plans	
DW-1002	ILM staining	China	Application	Approval	Launch	
	ILM staining ALC staining	Japan		Application	Approval	Launch
	ILM staining and ERM staining	U.S.	Application preparation		Application	Approval / Launch
DWR-2206	Bullous Keratopathy	Japan	Nonclinical	P2	P3	Application
		China			Clinical trial planned for 2025	

Note: Development plans are based on development plans of the licensees or our forecast. Hence, actual development progress may differ from that plan.

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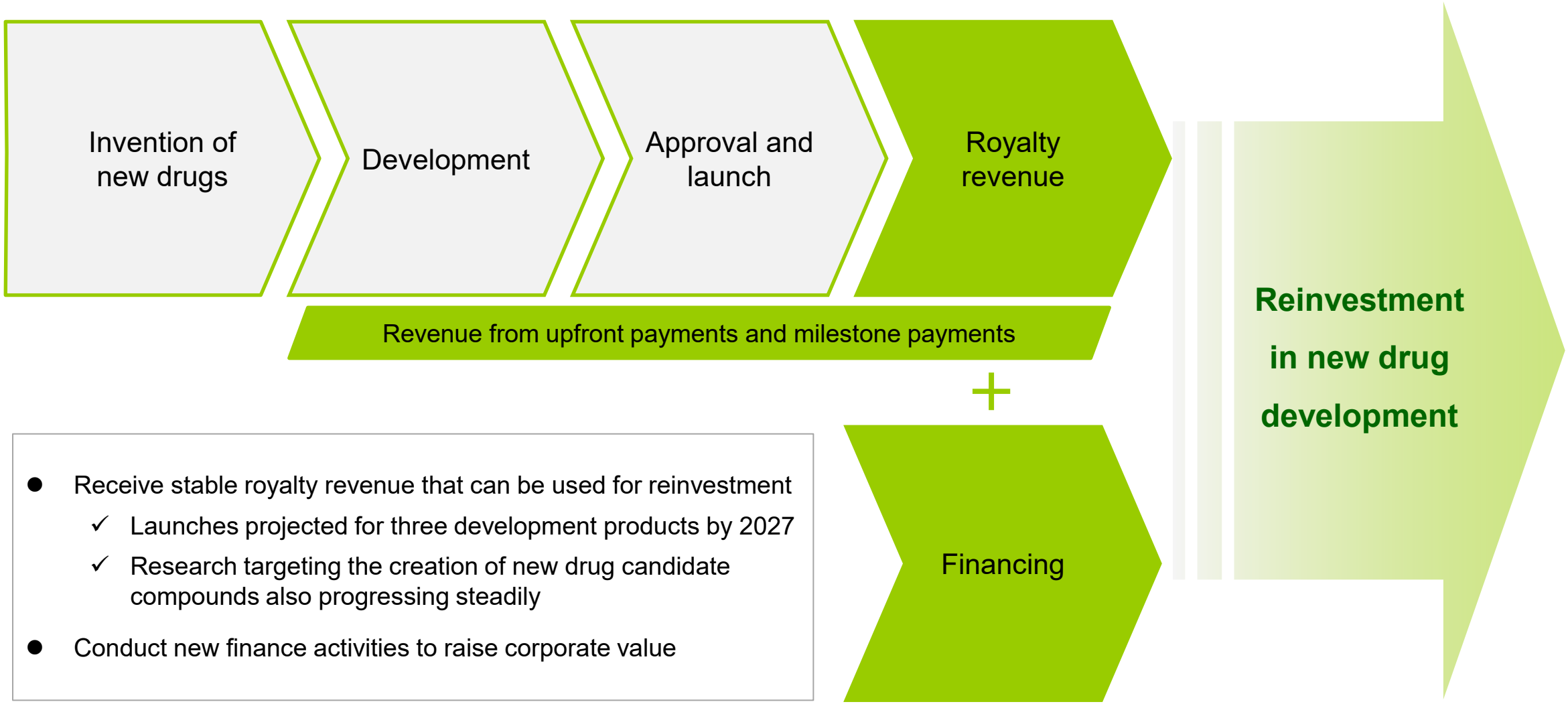
Our Ongoing Growth Cycle



- Receive stable royalty revenue that can be used for reinvestment
  - ✓ Launches projected for three development products by 2027
  - ✓ Research targeting the creation of new drug candidate compounds also progressing steadily
- Conduct new finance activities to raise corporate value

Borrowings and Financing Status

Borrowings

Balance (as of Dec. 31, 2024)	Credit limit	Use of funds	Type
JPY90mn	JPY200mn	Funds for the milestone payment for neuropathic pain treatment DW-5LBT	Term loan contract with commitment period
JPY405mn	JPY440mn	Funds for the development of regenerative cell therapy DWR-2206	Term loan contract with commitment period

✓ Completion of repayment of DW-1002 funds

Other financing

Total amount (Exercise completed on February 7, 2025)	Use of funds	Type
JPY1,145mn	• Development funds for “H-1337” • Expenses related to drug discovery research activities (including joint research) and the acquisition and development of new pipelines • Funds for the redemption of corporate bonds (first unsecured convertible corporate bonds with stock acquisition rights) • Working capital	Series 12 Stock Acquisition Rights

Future funding needs

✓ Funds for the next stage of development for H-1337
✓ Funds for the development of newly discovered and/or acquired pipeline products

(Reference) Business Overview

DWTI

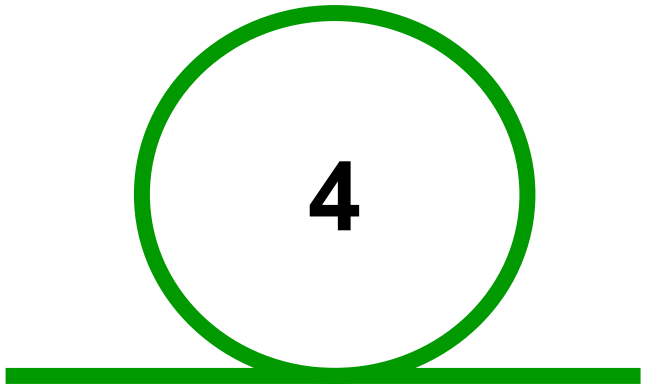
DWTI Overview / History

Name	D. Western Therapeutics Institute, Inc. (DWTI)
Markets	Tokyo Stock Exchange Growth Market (Code : 4576)
Business	New drug discovery, research, and development
Capital	JPY1.2bn
Officers and Employees	32 (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, 2024

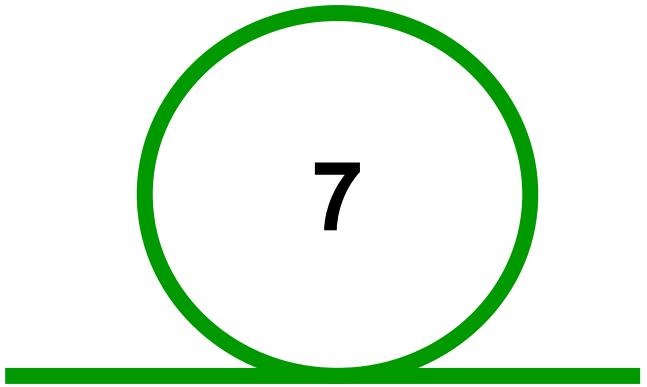
Focus on basic research	1999	Founded of a company
	2006	Established R&D laboratory (Mie University)
	2009	Listed on Tokyo Stock Exchange Growth Market
	2014	Launch in Japan of internally developed products
Expansion of business domain -Undertaking internally development -Collaboration with other companies	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

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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

DWTI

- These materials have been created with the goal of facilitating understanding regarding the company and were not produced for the purpose of soliciting investment in the company.

- Earnings forecasts and projections regarding future events included within these materials are based on determinations made by the company using information that was available at the time at which these materials were produced and are therefore subject to impact from potential risks and uncertainties. Consequently, actual results may differ significantly from these forecasts and projections due to a variety of factors, including changes in business environment.

- Information related to other companies included in these materials has been taken from publicly available information and other sources. The company has not verified the accuracy or suitability of this information and therefore provides no corresponding guarantees.

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