D.WESTERN THERAPEUTICS INSTITUTE

Q2 FY12/26

Financial Results Briefing Materials

August 13, 2026

D. Western Therapeutics Institute, Inc.

Stock Code: 4576

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DWTI

1. Highlights

DWTI

Business Highlights

Operating Results (Consolidated)

Net sales JPY33mn (80.9% decline YoY)
Royalty income decreased by approximately 45% due to the expiration of patents for DW-1002 (Europe)
- Discussions are underway regarding a contract extension for the U.S., where the patents remain in force
- R&D expenses: JPY217mn (31.7% decline YoY)
- Operating loss: deficit of JPY312mn (1H FY2025 operating loss: deficit of JPY309mn)

Development Pipeline

DW-5LBT (Neuropathic pain treatment, U.S.)
- Reached an agreement on key terms with Terrain (U.S.); discussions are underway toward a definitive agreement
- Targeting Q4 FY2026 launch

K-321 (Fuchs endothelial corneal dystrophy)
- Observation periods completed for the two global Phase III studies; data analysis underway

H-1337 (Glaucoma)
Capital and business alliance with Senju Pharmaceutical: execution of an option agreement for Japan and Asia; investment of approximately JPY200mn
➡Shifted policy from prioritizing development in the U.S. to prioritizing development in Japan

2. Q2 FY12/26 Financial Results

January 1 - June 30, 2026

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

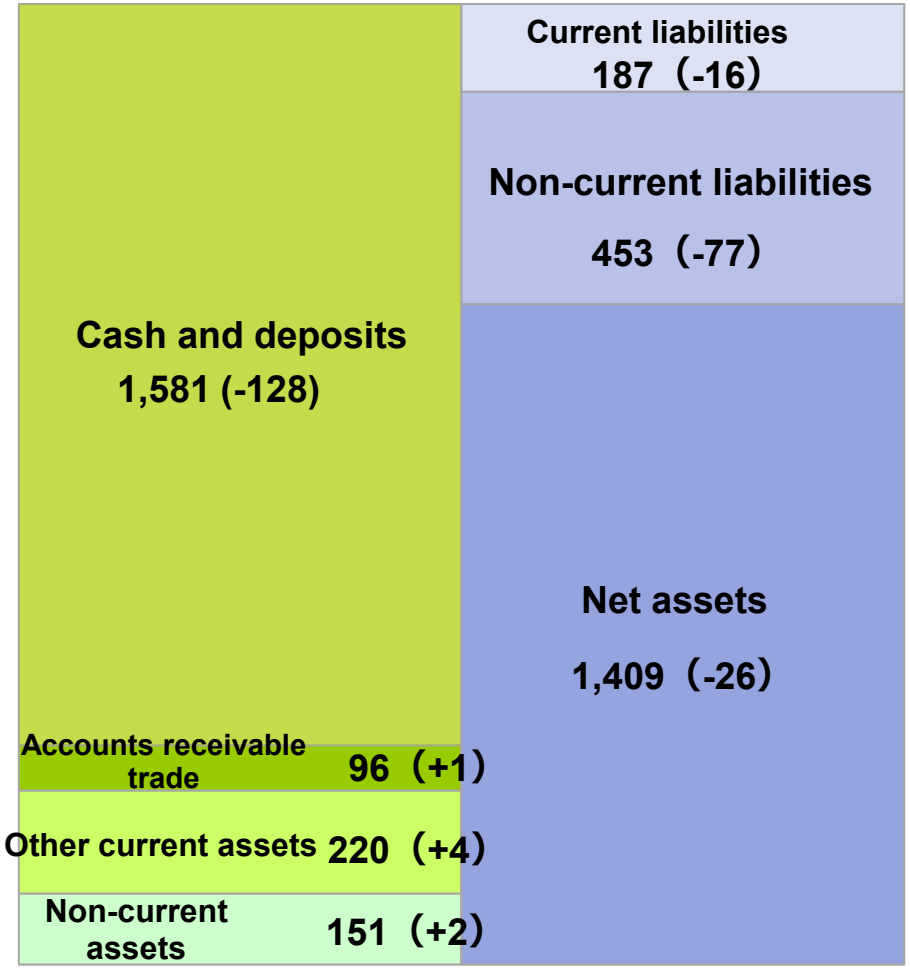
(JPYmn)

	FY 12/24		FY 12/25				
	1H results	FY results	1H results	YOY change	FY forecast (out Feb.10)	Progress	Primary factors
Net sales	**173**	**387**	**33**	**(140)**	**300**	**11.0%**	• Decrease in royalty income due to the expiration of patents for DW-1002 (outside the U.S.) • No U.S. royalties recorded for January-June Expected to be recorded in a lump sum upon execution of the agreement
SG&A expenses	464	968	346	(118)			
R&D expenses	318	669	217	(101)	780	27.9%	• Largely as planned
Other SG&A expenses	146	298	128	(17)			
Operating loss	**(309)**	**(619)**	**(312)**	**(3)**	**(780)**	**–**	
Ordinary loss	**(316)**	**(630)**	**(322)**	**(6)**	**(800)**	**–**	
Loss attributable to owners of parent for the interim period	**(316)**	**(632)**	**(323)**	**(6)**	**(800)**	**–**	

Consolidated Balance Sheet

As of June 30, 2026
(change compared to December 31, 2025)

（JPYmn）



Cash and deposits

- Decline due mainly to R&D expenditures

Non-current assets

- Increase in supplies (related to H-1337), etc.

Current liabilities

- JPY50mn decrease in accounts payable - other, etc.
- JPY55mn increase in the current portion of long-term borrowings

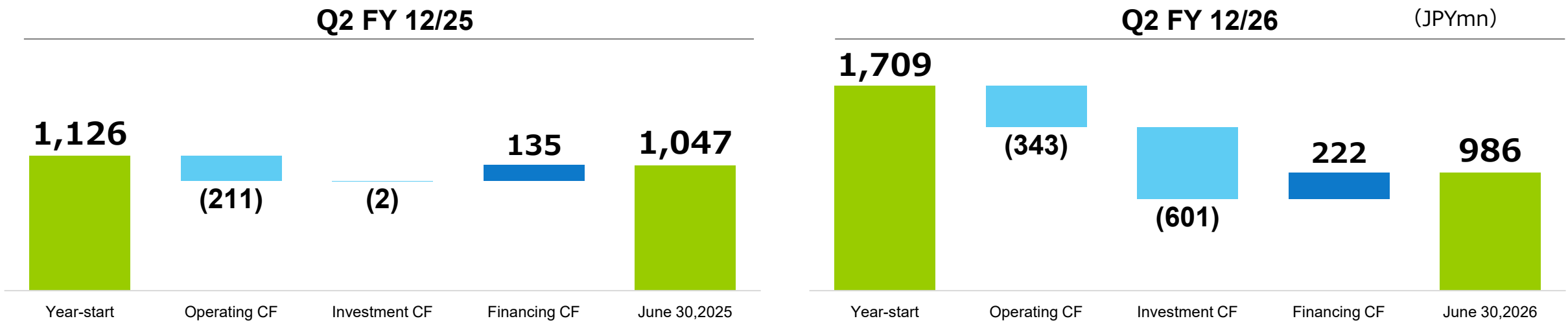
Non-current liabilities

- JPY77mn decrease in long-term borrowings

Net assets

- JPY323mn loss attributable to owners of parent recorded
- JPY148mn each recorded in capital and capital reserves through the issuance of new shares by third-party allotment, the exercise of stock acquisition rights, etc.

Consolidated Statements of Cash Flows



Cash flow from operating activities

- JPY323mn outflow due to the recording of loss before income taxes
- Key factors behind the YoY increase: increase in inventories (related to H-1337) and decrease in accounts payable - other

Cash flow from investing activities

- JPY595mn increase in restricted deposits, JPY6mn outflow from acquisition of property, plant and equipment

13th series of stock acquisition rights (January-June)
Funds raised: JPY49mn
(Progress rate: 90.9%)

Cash flow from financing activities

- JPY194mn proceeds from issuance of shares and JPY49mn proceeds from the exercise of stock acquisition rights
- JPY22mn outflow due to repayments of long-term borrowings

On-hand liquidity on June 30, 2026 consisted only of JPY986mn in cash and deposits (no securities)

3. Q2 FY12/26 Business Progress

3-1. Successful launch (commercialization)

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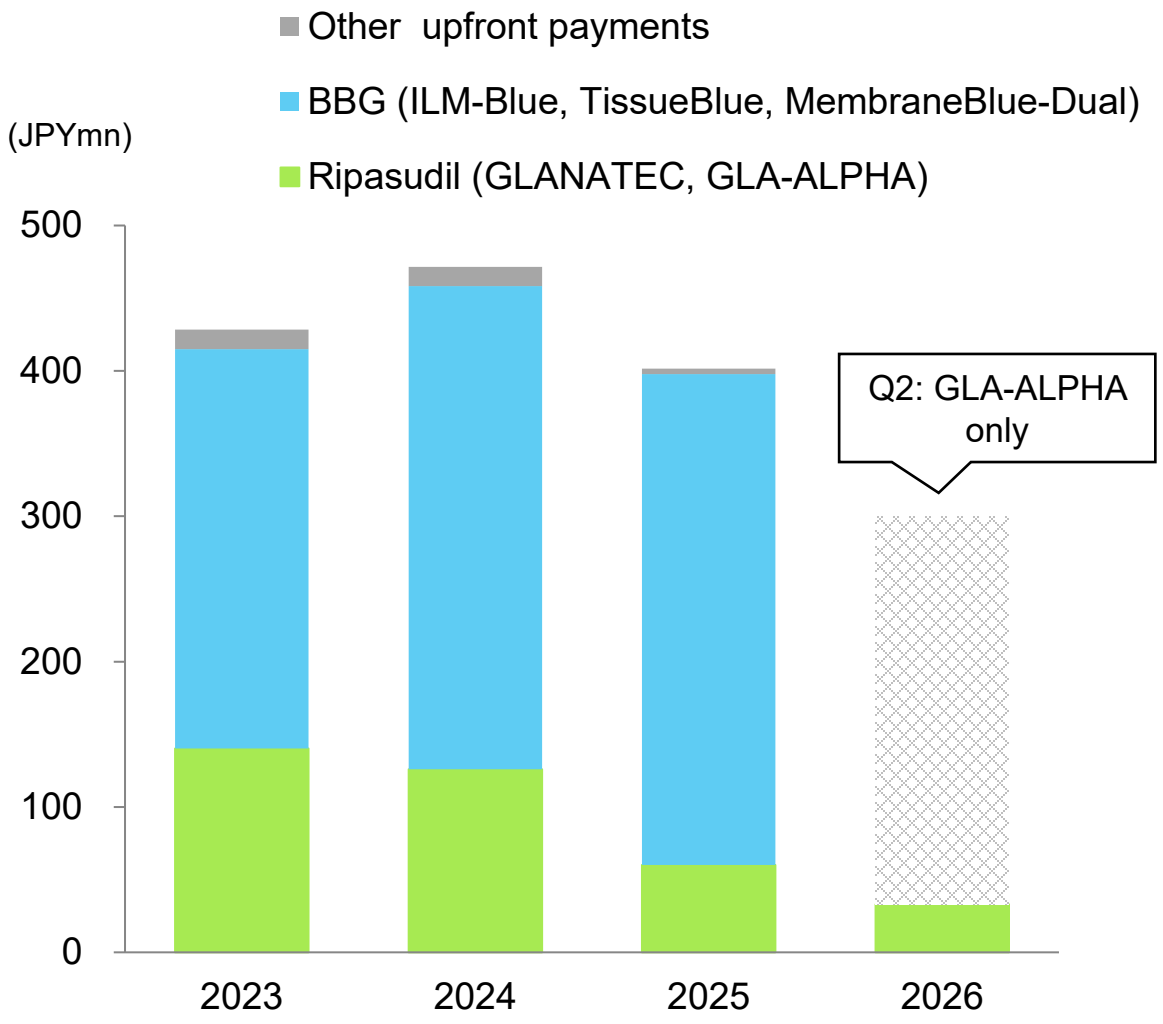
Net Sales Breakdown and Transition Marketed Product (BBG, Ripasudil)

Breakdown of net sales and royalty income



BBG (DW-1002)

- Discussions underway regarding a contract extension for regions where patents remain in force
  - ✓ Discussions underway regarding detailed terms
- U.S. royalties for January-June 2026 are expected to be recorded in a lump sum upon contract extension

Ripasudil

[GLANATEC]

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

[GLA-ALPHA]

- Growth in Japan, Asia
- 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 2026

Product	Indication	Region	P1	P2	P3	Application	Approval	Launch	Licensee
H-1337	Glaucoma				Clinical trial preparation prioritized in Japan				(Japan and Other Territories Option) SENJU
H-1129	Keratoconjunctival diseases based on immune disorders								—
DW-5LBT (Bondlido)	Neuropathic pain after shingles								(Co-development) MEDRx
DWR-2206	Bullous keratopathy								(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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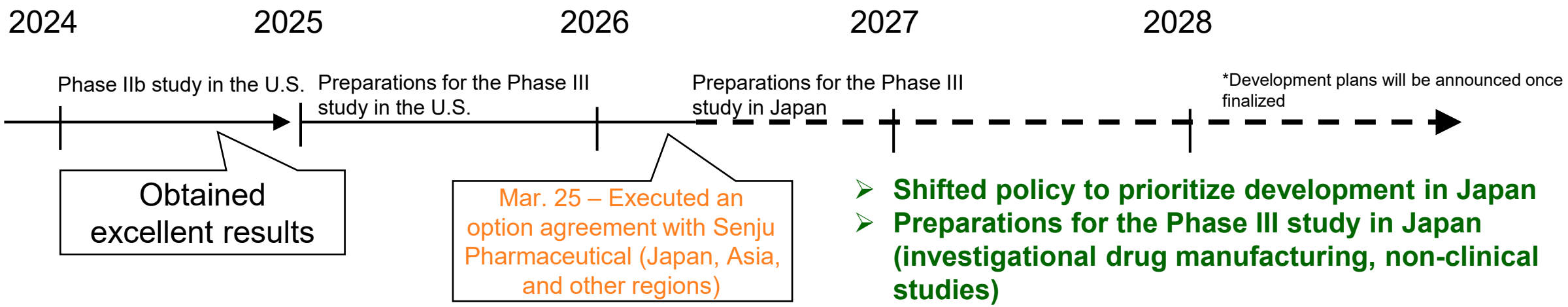
Glaucoma Treatment H-1337 Choice as Second-Line Drug



- **Shifted policy to prioritize development in Japan**
- **Preparations for the Phase III study in Japan (investigational drug manufacturing, non-clinical studies)**

[Outlook]

- Consider the approach to conducting the Phase III study in Japan together with Senju Pharmaceutical
  - Confirmation of the possibility of using U.S. data, and promotion of various studies compliant with Japanese regulatory requirements and establishment of a framework

<Overview of the Option Agreement>

Territory	Japan, China (including Hong Kong, Macau, and Taiwan), South Korea, ASEAN member states, and certain other regions
Rights	Right to transition to a license agreement for H-1337
Right of first refusal	Senju Pharmaceutical is granted a right of first refusal for countries outside the territory
Roles	DWTI: Conduct of the Phase III study in Japan Senju Pharmaceutical: Support for clinical trials

[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®

H-1337 Outlook up to Initiation of Clinical Trials in Japan

Currently underway

Non-clinical studies

- Conduct non-clinical studies required for the Phase III clinical trial

Investigational drug manufacturing

- Manufacturing and quality confirmation

◎ **Decision to Develop in Japan (with support from Senju Pharmaceutical)**

Study plan

- Preparation of a draft application data package for the clinical trial
- Preparation of a draft study design

Face-to-face PMDA consultation

Clinical trial preparation

- Finalization of the application data package for the clinical trial

Start of clinical trial

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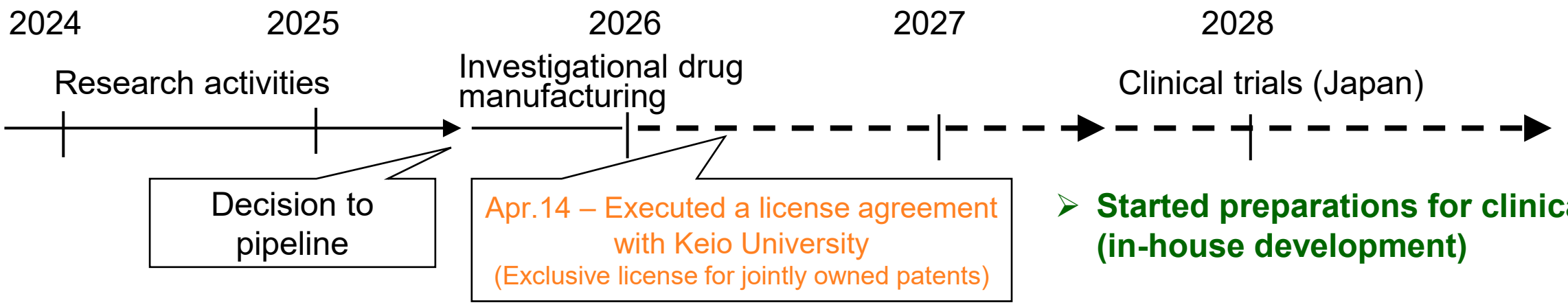
Keratoconjunctival Disease Treatment H-1129



➢ **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

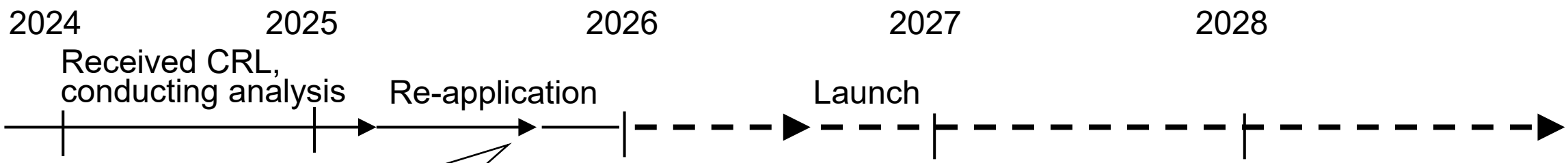
→Explored repositioning

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)



- **May 15 – Reached agreement on key terms with Terrain (U.S.)**
- **Targeting Q4 2026 launch**

[Outlook]

- Exclusive distribution agreement targeted for August

➡ **Agreement terms being revised based on stronger sales outlook**

- After going on sale, result distributions from MEDRx

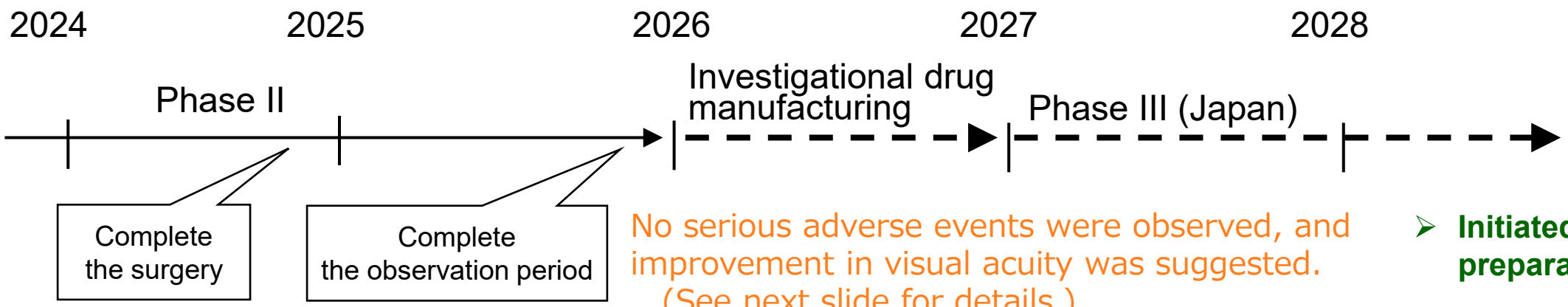
➡ **Expectation for securing an immediate and stable revenue base**

[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



No serious adverse events were observed, and improvement in visual acuity was suggested.
(See next slide for details.)

➢ **Initiated Phase 3 preparations**

[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

DWR-2206　Phase 2 Clinical Trial Results

➔Achieved the primary endpoint (safety); proceed to efficacy evaluation in the Phase III study

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

Results:

[Primary Endpoint]

- No adverse events that cannot be ruled out as related to the investigational product.
- No events presenting noteworthy problems occurred throughout the clinical trial period. In addition, no significant adverse events occurred, and no product defects occurred.

[Secondary Endpoints]

- Safety
  - ✓ No noteworthy safety issues were observed.
- Efficacy
  - ✓ As improvement trends were observed in best corrected visual acuity and corneal thickness, the efficacy of the investigational product is considered to have been confirmed.

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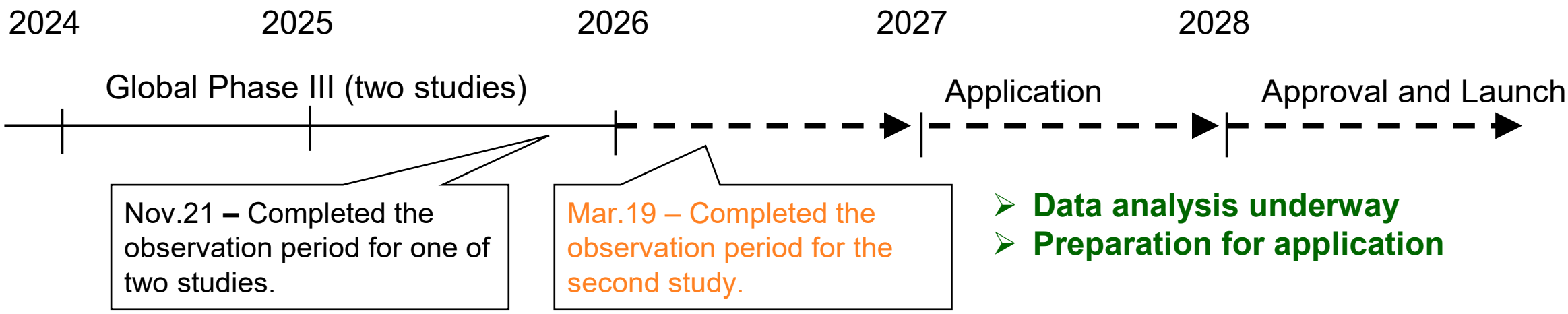
Fuchs Endothelial Corneal Dystrophy K-321 Indication Expansion of Ripasudil



- **Data analysis underway**
- **Preparation for application**

[Outlook]

- 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]

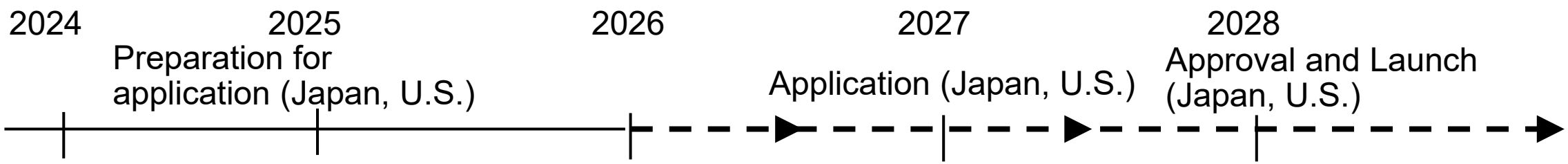
<Clinical report> As a result of administering ripasudil hydrochloride hydrate eye drops after DSO surgery

- 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 disclosed in 1H FY2026

Apr.1: Joint research on developing ophthalmic therapeutics using lactic acid bacteria-derived Evs

Evaluation of the efficacy of LAB Biotech's lactic acid bacteria-derived EVs for ophthalmic diseases.

Compounds	LAB Biotech's Lactobacillus EVs
Indication	Eye diseases

Research Activities for Creation of New Drug Candidates

① Ophthalmology field

Covering both anterior and posterior eye diseases by leveraging our ophthalmic expertise.

Ocular inflammation　Gene therapy / Neuronal protection

Dry eye　Cataract　etc

② Kinase inhibitors

Leveraging our strengths in kinase inhibitor discovery and development, with a focus on disease mechanisms.

Schizophrenia　Lifestyle-related diseases

Oncology　Erectile dysfunction　etc

4. FY12/26 Forecast

2026 Event Calendar

Product		Licensee	Region	Event
DW-5LBT (Bondlido)		(Co-development) MEDRx		**Finalization of sales partners, launch** Agreement on key terms with Terrain (U.S.) (May 2026)
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** ✓ Achieved (March 2026)
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

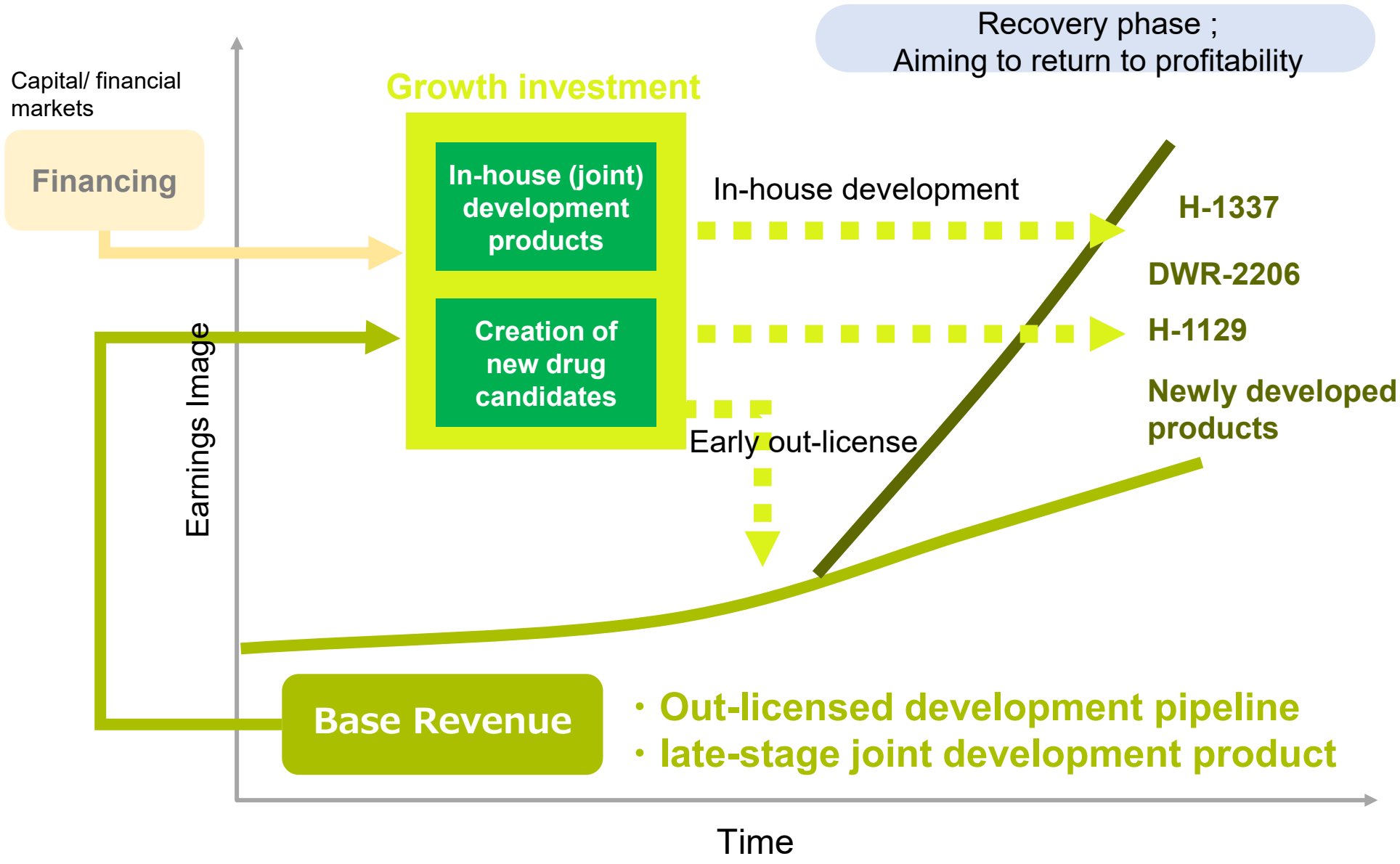
Products and Indication		Region	2025	2026	2027	2028
H-1337	Glaucoma and ocular hypertension		Development plans will be announced once finalized.			
H-1129	Keratoconjunctival diseases based on immune disorders				Clinical Trial	
DW-5LBT	Neuropathic pain after shingles		Re-application → Approval		Launch	
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.
H-1337 completed the U.S. Phase 2b trial with favorable results; development will be prioritized in Japan.

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 ➡ **Drive efficient development while maximizing the value of our key pipeline assets**
Research Project	Selection of the next drug candidate and establishment of a sustainable drug discovery pipeline ➡ **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 ➡ **Focus on H-1337 (continued growth investment) and assess future funding needs**
Market Capitalization 10 billion yen	Market capitalization 4.2 billion yen (as of the end of June 2026) ➡ **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

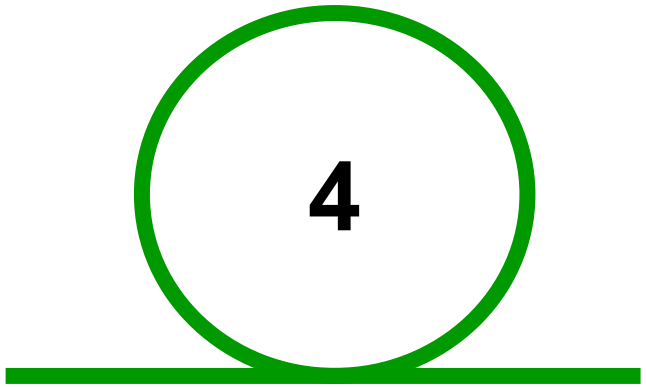
DWTI Overview / History

Name	D. Western Therapeutics Institute, Inc. (DWTI)
Markets	Tokyo Stock Exchange Growth Market (Code : 4576)
Business	New drug discovery, research, and development
Capital	JPY845 mn
Officers and Employees	29 (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 June 30, 2026

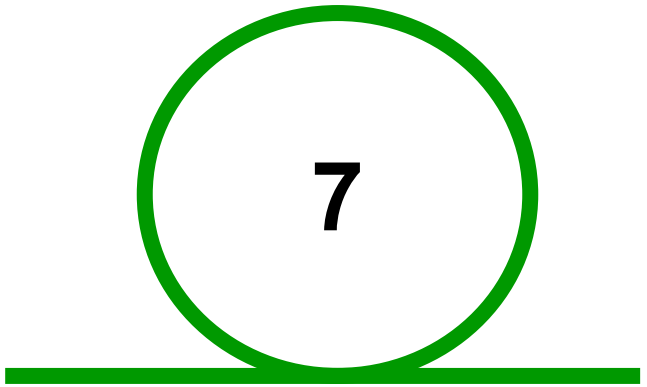
Focus on basic research	1999	Founded of a company
	2006	Established R&D laboratory (Mie University)
	2009	Listed on Tokyo Stock Exchange Growth Market
	2014	Launch in Japan of internally developed products
Expansion of business domain -Undertaking internally development -Collaboration with other companies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



- Commercialization Track Record: 4 Products
- Late-Stage Pipeline Assets (Phase 3 and Beyond): 5

- 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

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