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Non-consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)

November 11, 2025

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 Stock exchange listings: Tokyo Stock Exchange
 Stock code: 4890
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 Scheduled date for submission of interim report: November 12, 2025
 Supplementary materials for financial summaries: Yes
 Financial results briefing: Yes

(Amounts of less than one million yen are rounded down.)

1. Non-consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to September 30, 2025)

(1) Operating results (Cumulative)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	102	(78.9)	(351)	-	(333)	-	(333)	-
September 30, 2024	486	887.0	69	-	65	-	44	-
	Basic earnings per share		Diluted earnings per share					
Six months ended	Yen		Yen					
September 30, 2025	(12.98)		-					
September 30, 2024	1.75		1.73					

(Note) For the six months ending March 2026, diluted earnings per share is not stated because, although there are potential shares, there is a net loss per share for the interim period.

(2) Financial positions

	Total assets	Equity	Equity to total assets ratio
As of	Million yen	Million yen	%
September 30, 2025	1,888	1,291	68.4
March 31, 2025	2,503	1,587	63.4

(Reference) Owner's equity 1,291 million yen for the six months ending March 2026; 1,587 million yen for the fiscal year ended March 2025

2. Cash dividends

	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2026	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)			-	0.00	0.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Fiscal year ending March 31, 2026	1,400	3.2	200	(15.1)	220	(21.9)	150	(27.1)	5.85

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

(1) Applying of specific accounting of the semi-annual financial statements : Yes

(2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement

(i) Changes in accounting policies based on revisions of accounting standard : None

(ii) Changes in accounting policies other than (i) above : None

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(3) Number of shares issued (common stock)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	25,794,300 shares
As of March 31, 2025	25,639,300 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	- shares
As of March 31, 2025	- shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	25,717,715 shares
Six months ended September 30, 2024	25,577,500 shares

* The second quarter (interim) financial results report is not subject to review by certified public accountants or audit firms.

* Notes regarding the appropriate use of forecasts and other special items

(Cautionary Statement Regarding Forward-Looking Statements) The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable. They are not intended as a guarantee of achievement. Actual results may differ significantly due to various factors.

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1. Qualitative information regarding the quarterly financial results

(1) Explanation of operating results

During the interim period (April 1, 2025 to September 30, 2025), the Japanese economy continued its moderate recovery trend from the previous period. Real GDP was revised upward on an annualized basis, confirming a rebound in consumption and resilient exports. Domestically, the ongoing trend of corporate wage increases, recovery in inbound demand, and rising demand for services continued, serving as positive factors for the business environment. On the other hand, concerns over a global economic slowdown, the ongoing depreciation of the yen, persistently high geopolitical risks such as the situation in Russia and Ukraine, and uncertainty regarding US-China trade and commercial policies, mean that structural and external uncertainties still remain.

Under such an economic environment, as an advanced R&D company originating from Keio University School of Medicine, we are working to accelerate the creation and commercialization of innovative, scientifically-based solutions in areas with high unmet medical needs, such as myopia, dry eye, presbyopia, and neurological diseases, under our purpose of 'delighting the future with visionary innovation,' thereby aiming to achieve sustainable enhancement of corporate value.

In research and development, we focused on basic research aimed at creating new intellectual property and expanding our pipeline, while continuously strengthening and promoting collaborative research and development frameworks with domestic and international partners.

In the field of myopia, the Phase II clinical trial of the eye drop "TLM-003" under a long-term development agreement with Rohto Pharmaceutical Co., Ltd. is progressing smoothly. In addition, preparations for the Phase II trial overseas are also steadily advancing. Furthermore, the confirmatory clinical trial of the medical device "TLG-001," aimed at suppressing myopia progression, is proceeding smoothly, and observation of the last patient (Last Patient Out: LPO) was completed on September 27.

Regarding the ophthalmic ointment "TLM-001" targeting meibomian gland dysfunction in the dry eye field, Maruho Co., Ltd. has completed a Phase I clinical trial and made significant progress toward a Phase II clinical trial. We have received milestone income based on this long-term contract.

In other ophthalmology fields, preparations for the specified clinical trial of the medical device "TLG-020" for retinitis pigmentosa are continuing.

Regarding clinical research in the field of women's diseases, the clinical study of the menstrual irregularity treatment device "TLG-021," which utilizes violet light technology, achieved LPO on September 18. We aim to establish a new therapeutic approach for menstrual irregularities through circadian rhythm adjustment.

In business development activities based on these research and development activities, we are continuing licensing negotiations with multiple domestic and overseas companies for the medical device "TLG-005," which applies violet light technology in the field of brain diseases, as well as for "TLG-021" in the field of women's diseases. For the myopia progression suppression medical device "TLG-001," we are also continuing global license negotiations with several overseas business companies, with an eye on the European and American markets. In addition, discussions are underway with potential international partners regarding new pharmaceutical pipelines "TLM-017" and "TLM-023."

Based on the cosmetics manufacturing and sales license acquired as part of our efforts to expand our business portfolio by leveraging our strengths, we are currently promoting specific activities aimed at creating new revenue opportunities.

As a result of these initiatives, our business during the six months under review progressed steadily in line with our initial expectations, and the foundation for further sustainable growth and enhancement of corporate value has been strengthened.

As the Company operates a single segment in the research and development business, segment information is not provided.

(Unit: Thousands of yen)

	Revenue	Operating profit (loss)	Ordinary profit (loss)	Net income or interim net loss (-)	Basic earnings per share or net loss per share for the interim period (-)
For the six months	102,788	(351,387)	(333,104)	(333,811)	(12.98)
Previous interim period	486,712	69,295	65,085	44,844	1.75 yen
increase/decrease	(383,924)	(420,683)	(398,190)	(378,655)	14.73 yen

(2) Explanation regarding financial positions

(i) Financial Position

	Previous fiscal year	As of the end of the interim period	Increase/decrease
Total assets (thousand yen)	2,503,123	1,888,497	(614,625)
Total liabilities (thousand yen)	915,850	596,636	(319,214)
Total net assets (thousand yen)	1,587,272	1,291,861	(295,411)
Equity to total assets ratio (%)	63.4	68.4	5.0
Net assets per share (Yen)	61.91	50.08	(11.83)

(Current assets)

The balance of current assets at the end of the interim accounting period was 1,840,497 thousand yen, a decrease of 604,811 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase in prepaid expenses by 75,495 thousand yen, and decreases in cash and deposits by 150,786 thousand yen, accounts receivable - trade by 489,633 thousand yen, and consumption tax receivable by 41,028 thousand yen.

(Non-current assets)

The balance of non-current assets at the end of the interim accounting period was 48,000 thousand yen, a decrease of 9,814 thousand yen compared to the end of the previous fiscal year. This was mainly due to decreases of 114 thousand yen in buildings and structures, 7,536 thousand yen in tools, furniture and fixtures, and 962 thousand yen in patent right.

(Current liabilities)

The balance of current liabilities at the end of the interim accounting period was 538,564 thousand yen, a decrease of 308,072 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 1,118 thousand yen in the current portion of long-term borrowings, and decreases of 117,729 thousand yen in accounts payable - trade, 12,589 thousand yen in accounts payable, 81,255 thousand yen in income taxes payable, 42,698 thousand yen in contract liabilities, and 81,876 thousand yen in contract loss provisions.

(Non-current liabilities)

The balance of non-current liabilities at the end of the interim period was 58,072 thousand yen, a decrease of 11,142 thousand yen compared to the end of the previous fiscal year. This was due to a decrease in long-term borrowings by 11,142 thousand yen.

(Net assets)

At the end of the interim period, total net assets amounted to 1,291,861 thousand yen, a decrease of 295,411 thousand yen compared to the end of the previous fiscal year. This was due to the recording of an interim net loss of 333,811 thousand yen.

(ii) Cash flows

The balance of cash and cash equivalents (hereinafter referred to as "funds") at the end of the interim period was 1,388,066 thousand yen.

The cash flows for the six months ended September 30, 2024 and their factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 171,818 thousand yen (compared to an outflow of 505,804 thousand yen in the same period of the previous year). This was mainly due to increases such as depreciation of 10,323 thousand yen, an increase in trade receivables of 489,633 thousand yen, an increase in consumption taxes refund receivable of 41,028 thousand yen, and an increase in other liabilities of 26,959 thousand yen. On the other hand, there were decreases due to a loss before income taxes of 333,104 thousand yen, a decrease in contract loss provisions of 81,876 thousand yen, an increase in trade payables of 117,729 thousand yen, a decrease in accounts payable of 6,863 thousand yen, a decrease in contract liabilities of 42,698 thousand yen, an increase in other assets of 76,562 thousand yen, and income taxes paid of 75,367 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities was 7,344 thousand yen (compared to an outflow of 4,382 thousand yen in the same period of the previous year). This was mainly due to proceeds from sale of property, plant and equipment of 82 thousand yen, while there was a purchase of property, plant and equipment of 7,437 thousand yen.

(Cash flows from financing activities)

Funds provided by financing activities amounted to 28,376 thousand yen (compared to an outflow of 14,280 thousand yen in the same

period of the previous year). This was mainly due to proceeds from issuance of shares of 38,400 thousand yen, while there were repayments of long-term borrowings of 10,024 thousand yen.

(3) Explanation regarding forecasts and other forward-looking statements

The performance for the interim period is generally progressing as initially planned. As for the full-year forecasts announced on May 12, 2025, there are currently no changes.

2. Interim Financial Statements and Main Notes

(1) Interim Balance Sheet

(Unit: Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposit	1,538,853	1,388,066
Accounts receivable - trade	545,979	56,345
Work in process	285,500	285,500
Prepaid expenses	6,653	82,149
Consumption taxes refund receivable	62,187	21,159
Other	6,134	7,276
Total current asset	2,445,308	1,840,497
Non-current assets		
Property, plant, and equipment		
Buildings and structures	3,410	3,410
Accumulated depreciation	(152)	(266)
Buildings and structures, net	3,257	3,143
Tools, furniture and fixtures	143,476	140,300
Accumulated depreciation	(102,756)	(107,116)
Tools, furniture and fixtures, net	40,719	33,183
Total property, plant and equipment, net	43,977	36,326
Intangible assets		
Patent right	6,831	5,869
Total intangible assets	6,831	5,869
Investment Other assets		
Long-term prepaid expenses	3,107	2,833
Other	3,898	2,970
Total investment and other assets	7,005	5,804
Total non-current assets	57,814	48,000
Total assets	2,503,123	1,888,497

(Unit: Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Trade payables	135,663	17,934
Current portion of long-term borrowings	21,166	22,284
Accounts payable	72,493	59,904
Income taxes payable	86,122	4,866
Contract liabilities	315,498	272,800
Contract loss provisions	206,392	124,516
Other	9,299	36,258
Total current liabilities	846,636	538,564
Non-current liabilities		
Long-term borrowings	69,214	58,072
Total non-current liabilities	69,214	58,072
Total liabilities	915,850	596,636
Net assets		
Shareholders' equity		
Share capital	825,197	844,397
Capital surplus		
Legal capital surplus	809,197	828,397
Total capital surplus	809,197	828,397
Retained earnings		
Other retained earnings	(47,121)	(380,932)
Retained earnings brought forward	(47,121)	(380,932)
Total retained earnings	(47,121)	(380,932)
Total shareholders' equity	1,587,272	1,291,861
Total net assets	1,587,272	1,291,861
Total liabilities and net assets	2,503,123	1,888,497

(2) Interim Statement of Income

(Unit: Thousands of yen)

	Previous interim period (from April 1, 2024 to September 30, 2024)	For the six months ended September 30, 2025
Revenue	486,712	102,788
Cost of sales	1,533	13,324
Gross profit	485,179	89,463
Selling, general and administrative expenses	415,883	440,851
Operating profit (loss)	69,295	(351,387)
Non-operating income		
Interest income	155	1,514
Recoveries of written off receivables	792	792
Subsidy income	79	15,339
Other	757	1,375
Total non-operating income	1,784	19,020
Non-operating expenses		
Interest expense	621	376
Foreign exchange losses	5,372	360
Total non-operating expenses	5,994	737
Ordinary profit (loss)	65,085	(333,104)
Extraordinary losses		
Loss on sale of non-current assets	449	-
Total extraordinary losses	449	-
Net income before income taxes or net interim loss before income taxes (-)	64,636	(333,104)
Income taxes	19,791	706
Net income or interim net loss (-)	44,844	(333,811)

(3) Interim Statement of Cash Flows

(Unit: Thousands of yen)

	Previous interim period (from April 1, 2024 to September 30, 2024)	For the six months ended September 30, 2025
Cash flows from operating activities		
Net income before income taxes or net interim loss before income taxes (-)	64,636	(333,104)
Depreciation	15,238	10,323
Interest income	(155)	(1,514)
Interest expense	621	376
Subsidy income	(79)	(15,339)
Loss (gain) on sale of property, plant and equipment	449	-
Increase (decrease) in contract loss provisions (- indicates decrease)	(84,304)	(81,876)
Decrease (increase) in trade receivables	(411,781)	489,633
Increase (decrease) in trade payables	(7,000)	(117,729)
Increase (decrease) in accounts payable (negative indicates decrease)	9,820	(6,863)
Increase (decrease) in contract liabilities	(41,891)	(42,698)
Increase (decrease) in accrued consumption taxes	(4,771)	-
Decrease (increase) in consumption taxes refund receivable	(23,724)	41,028
Increase (decrease) in other assets (- indicates increase)	(57,443)	(76,562)
Increase (decrease) in other liabilities (- indicates decrease)	1,599	26,959
Others	9,287	(5,561)
Subtotal	(529,498)	(112,927)
Interest received	155	1,514
Interest paid	(633)	(376)
Subsidies received	79	15,339
Income taxes paid	(4,904)	(75,367)
Income taxes refund	28,998	-
Cash flows from operating activities	(505,804)	(171,818)
Cash flows from investing activities		
Purchase of property and equipment	(759)	(7,437)
Proceeds from sales of property and equipment	1,100	82
Payments of leasehold and guarantee deposits	(4,723)	-
Proceeds from refund of leasehold and guarantee deposits	-	10
Cash flows from investing activities	(4,382)	(7,344)
Cash flows from financing activities		
Repayment of long-term borrowings	(14,280)	(10,024)
Proceeds from issuance of shares	-	38,400
Cash flows from financing activities	(14,280)	28,376
Increase (decrease) in cash and cash equivalents	(524,466)	(150,786)
Cash and cash equivalents at the beginning of the period	1,883,400	1,538,853
Cash and cash equivalents at the end of the interim period	1,358,933	1,388,066

(4) Notes to the interim financial statements

(Notes regarding the assumption of a going concern)

There are no applicable items.

(Notes in case of significant changes in the amount of shareholders' equity)

There are no applicable items.

(Applying of specific accounting of the semi-annual financial statements)

Calculation of tax expenses

With regard to income tax expenses, the effective tax rate after applying tax effect accounting to the pre-tax net income for the fiscal year including the current interim period is reasonably estimated, and the estimated effective tax rate is applied to the pre-tax net income to calculate the tax expenses.

However, if calculating tax expenses using the estimated effective tax rate results in a significantly unreasonable outcome, the statutory effective tax rate is applied to the interim income before income taxes after adjusting for significant differences that do not correspond to temporary differences.

(Changes in accounting policies)

There are no applicable items.

(Changes in accounting estimates)

There are no applicable items.

(Segment Information, etc.)

As the Company operates a single segment in the research and development business and its significance is immaterial, segment information is omitted.

(Significant Subsequent Events)

There are no applicable items.