Translation

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Non-consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2027 (Under Japanese GAAP)

August 12, 2026

Company name:	Tsubota Laboratory Incorporated
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	4890
URL:	https://tsubota-lab.com/
Representative:	Kazuo Tsubota, Representative Director and President
Contact:	Keisuke Mitsuoka, Executive Officer, Head of the Corporate Planning and Administration Division
TEL:	+81-3-6384-2866
Scheduled date for dividend payment:	-
Supplementary materials for financial summaries:	None
Financial results briefing:	None

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

1. Non-consolidated Financial Results for the Three Months of the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to June 30, 2026)

(1) Operating results (cumulative) (Percentage indicate YoY changes)

	Revenue		Operating profit		Ordinary profit		Net income	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
June 30, 2026	215	766.7	(170)	-	(133)	-	(134)	-
June 30, 2025	24	(2.6)	(217)	-	(202)	-	(202)	-

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(5.20)	-
June 30, 2025	(7.89)	-

(Note) With respect to Diluted earnings per share, although potentially dilutive shares exist, quarterly net loss per share is reported. Therefore, it is not stated.

(2) Financial positions

	Total assets	Equity	Equity to total assets ratio
As of	Million yen	Million yen	%
June 30, 2026	1,312	733	55.6
March 31, 2026	1,318	863	65.5

(Reference) Owner's equity First quarter of fiscal year ending March 2027 729 million yen Fiscal year ended March 2026 863 million yen

2. Cash dividends

	Annual dividends per share				
	End of the first quarter	End of the second quarter	End of the third quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	0.00	0.00

(Note) Whether there is any revision to the most recently announced dividend forecast: None

3. Non-consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to March 31, 2027)

(Percentage 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, 2027	1,100~1,500	449.9~649.9	5~50	-	45~90	-	45~90	-	1.74~3.49

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

※ Notes

(1) Application of accounting treatments specific to the preparation of quarterly 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) : 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 June 30, 2026	25,794,300 shares
As of March 31, 2026	25,794,300 shares

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

As of June 30, 2026	- shares
As of March 31, 2026	- shares

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

Three months ended June 30, 2026	25,794,300 shares
Three months ended June 30, 2025	25,654,135 shares

※ Review of the accompanying quarterly financial statements by a certified public accountant or audit corporation: None

※ Explanation regarding the appropriate use of Forecasts and other special notes

(Cautionary Note Regarding Forward-Looking Statements)

The forward-looking statements regarding business performance forecasts, etc. contained in this document are based on information currently available to the Company and certain assumptions that the Company considers reasonable, and are not intended to mean that the Company guarantees their achievement. In addition, actual business performance, etc. may differ significantly due to various factors.

○Table of Contents of Attached Materials

1.Qualitative Information Regarding Current Quarterly Financial Results

(1) Explanation of Operating Results

For the three months ended June 30, 2026, in the pharmaceutical and medical device industries, demand for innovative treatments and healthcare solutions addressing unmet medical needs continued to increase, while prolonged research and development periods, rising development costs, and uncertainty in the financing environment persisted. In addition, with respect to partnerships and investments aimed at commercializing research and development results, the trend of carefully assessing technological differentiation, scientific evidence, and the feasibility of commercialization continued.

Under these circumstances, as a venture company originating from the School of Medicine of Keio University, we have promoted research and development of pharmaceuticals and medical devices, as well as partnership activities with domestic and overseas operating companies, in areas with high unmet medical needs, including myopia, dry eye, presbyopia, and brain diseases, under our purpose of “Brightening the future through VISIONary INNOVATION.”

We have adopted a business model in which we out-license the results of research and development to domestic and overseas operating companies and earn upfront payments upon execution of contracts, milestone income based on development progress after out-licensing, and royalty income after the launch of Consumer products, among other sources of revenue. Accordingly, our business results for each quarter and fiscal year are characterized by significant fluctuations depending on the timing of contract execution and development progress at the licensees. By continuously creating and advancing multiple research and development pipelines, we aim to accumulate milestone income and royalty income over the medium to long term.

During the Current first-quarter cumulative period, we steadily advanced our existing research and development pipeline while also pursuing the creation of new research themes, the commercialization of research results, and initiatives aimed at expanding and diversifying our future revenue base.

License Agreements and Pharmaceutical Development Pipeline

Regarding the pharmaceutical pipeline, under the license agreement with an overseas pharmaceutical company concerning nonclinical study data and certain clinical trial results announced on October 15, 2024, the submission of the final data pursuant to the agreement and acceptance thereof by the licensee have been completed, and the final milestone has been achieved. Accordingly, revenue related to the milestone was recognized in the current first-quarter cumulative period.. The name of the licensee, the terms of the agreement, the amount received, and other information have not been disclosed pursuant to the confidentiality obligations under the agreement.

Regarding the ophthalmic drug “TLM-001” for meibomian gland dysfunction, which has been licensed out to Maruho Co., Ltd., the final observation of the last patient was completed on June 25, 2026, in the Phase 2a trial conducted by the company, achieving LPO (Last Patient Out). Going forward, clinical trial data lock and analysis are scheduled to proceed. In addition, regarding the ophthalmic drug “TLM-003” aimed at suppressing myopia progression, which has been licensed out to Rohto Pharmaceutical Co., Ltd., the domestic Phase 2 trial conducted by the company is ongoing.

Regarding the pharmaceutical pipeline “TLM-017” for ocular Graft-versus-Host Disease (ocular Graft-versus-Host Disease, hereinafter “ocular GVHD”), we continued the specified clinical research in which FPI (First Patient In) was achieved at the end of the Previous fiscal year. This pipeline is an ophthalmic drug candidate for severe dry eye and keratoconjunctival disorders associated with ocular GVHD, and we are proceeding with the evaluation of its safety and preliminary efficacy.

In addition, we continued research and development on the pharmaceutical pipeline "TLM-023," which has a novel mechanism of action aimed at suppressing myopia progression, "TLG-001," which is under development as a medical device, and other existing and new research and development themes, while also proceeding with technical evaluations and discussions toward commercialization with potential business partners in Japan and overseas.

Regarding the medical device pipeline “TLG-021” for irregular menstruation, we proceeded with preparations for writing a paper and submitting it to an academic journal concerning the results of an exploratory clinical study investigating the relationship between violet light and the menstrual cycle in patients with irregular menstruation, which was conducted as a subsidized project under the Tokyo Metropolitan Small and Medium Enterprise Promotion Corporation’s “FY2023 Femtech Development Support and Dissemination Promotion Project for Women’s Advancement.” No serious adverse events were observed in this study, suggesting that violet light irradiation may cause changes in the menstrual cycle.

Research and development infrastructure

In strengthening our research and development capabilities, we continued joint research with academic institutions and research organizations in Japan and overseas under our proprietary research and development model, “Co-Creation Core.” In addition, we promoted research and development on photoreception mechanisms in the central nervous system and other areas, and established a joint research base at Keio University Tonomachi Town Campus with the aim of creating new pipelines and accelerating the progress of existing pipelines. At this base, we will promote joint research with research teams from the Keio University Regenerative Medicine Research Center, headed by Professor Hideyuki Okano of Keio University as Center Director, and the RIKEN Center for Brain Science, where Professor Okano serves as Team Director, among others.

Social implementation of violet light technology.

As part of our efforts to implement violet light technology in society, we developed, through joint research with the Graduate School of Engineering, Tohoku University, microLED display technology capable of irradiating violet light without compromising image display quality. At "SID Display Week," held in the United States in May 2026, we gave an invited lecture and conducted a technical exhibition concerning the results of this research, and advanced studies toward commercialization through exchanges of information with many engineers and researchers from companies, mainly in the United States, China, South Korea, and Taiwan.

Financing

Furthermore, at the meeting of the Board of Directors held on June 1, 2026, the Company resolved to issue the 8th through 10th Share acquisition rights through a third-party allotment. The funds raised through this financing will be allocated to the clinical development of promising pipelines, the introduction of external technologies, M&A, and the creation of new businesses utilizing violet light technology, with the aim of enhancing pipeline value and expanding revenue opportunities.

M&A and expansion of the revenue base

To expand our business portfolio and earnings base, at a meeting of the Board of Directors held on June 1, 2026, we resolved to acquire all shares of Mediproduce Co., Ltd., which engages in marketing PR in the medical and healthcare fields, the planning and operation of medical events, and the planning and sale of cosmetics, and make it a subsidiary. We executed the acquisition of the shares on July 1, 2026, after the end of the Current first quarter, and made the company a consolidated subsidiary. Going forward, we will seek to leverage the company's network of medical professionals and its ability to plan and sell Consumer products for consumers, together with our research and development capabilities and overseas business development capabilities, to implement the results of research and development in society, expand into the consumer sector, and expand sales opportunities in Japan and overseas. The company's results are scheduled to be reflected in consolidated results from the second quarter onward.

As a result, Net sales for the Current first-quarter cumulative period amounted to 215,409 thousand yen (the same period of the previous year: 24,853 thousand yen). Net sales increased compared with the same period of the previous year, mainly due to the recognition of final milestone revenue based on a license agreement with an overseas pharmaceutical company. On the other hand, as a result of continuing research and development activities and business development activities, operating loss was 170,632 thousand yen (the same period of the previous year: operating loss of 217,606 thousand yen), ordinary loss was 133,859 thousand yen (the same period of the previous year: ordinary loss of 202,100 thousand yen), and quarterly net loss was 134,154 thousand yen (the same period of the previous year: quarterly net loss of 202,337 thousand yen).

As the Company operates in a single research and development business segment, no disclosures associated with segment information are provided.

(Unit: Thousands of yen)

	Revenue	Operating loss (-)	Ordinary loss (-)	Quarterly net loss (-)	Per share Quarterly net loss (-)
Current first quarter Cumulative period	215,409	(170,632)	(133,859)	(134,154)	5.2 yen
Previous first quarter Cumulative period	24,853	(217,606)	(202,100)	(202,337)	7.89 yen
Increase/Decrease	190,555	46,973	68,240	68,183	2.69 yen

(2) Explanation regarding Financial positions

(Financial Position)

	Previous fiscal year	End of Current First-Quarter Accounting Period	Increase (decrease)
Total Assets (thousand yen)	1,318,780	1,312,401	(6,378)
Total Liabilities (thousand yen)	454,923	578,569	123,646
Total Net assets (thousand yen)	863,856	733,831	(130,025)
Equity to total assets ratio (%)	65.5	55.6	(9.9)
Net assets per share (Yen)	33.49	28.29	(5.20)

(Current assets)

The balance of Current assets at the end of the Current first-quarter accounting period was 1,277,529 thousand yen, a decrease of 3,559 thousand yen compared with the end of the Previous fiscal year. This was mainly attributable to increases of 176,158 thousand yen in Accounts receivable - trade, 64,418 thousand yen in Prepaid expenses, and 26,014 thousand yen in Consumption taxes refund receivable, and decreases of 270,589 thousand yen in Cash and deposits and 880 thousand yen in Merchandise.

(Non-current assets)

The balance of Non-current assets at the end of the Current first-quarter accounting period was 34,872 thousand yen, a decrease of 2,819 thousand yen compared with the end of the Previous fiscal year. This was mainly attributable to decreases of 2,228 thousand yen in Tools, furniture and fixtures and 396 thousand yen in Patent right.

(Current liabilities)

The balance of Current liabilities at the end of the current first-quarter accounting period was 537,210 thousand yen, an increase of 129,217 thousand yen compared with the end of the previous fiscal year. This was mainly due to decreases of 9,351 thousand yen in accounts payable, 2,533 thousand yen in Income taxes payable, 22,247 thousand yen in Contract liabilities and 20,253 thousand yen in contract loss Provisions, and increases of 182,268 thousand yen in Accounts payable - trade and 1,335 thousand yen in Deposits received.

(Non-current liabilities)

The balance of Non-current liabilities as of the end of the Current first-quarter accounting period was 41,359 thousand yen, a decrease of 5,571 thousand yen compared with the end of the Previous fiscal year. This was mainly due to a decrease of 5,571 thousand yen in Long-term borrowings.

(Net assets)

Total Net assets at the end of the Current first-quarter accounting period amounted to 733,831 thousand yen, a decrease of 130,025 thousand yen compared with the end of the Previous fiscal year. This was mainly attributable to the recording of a quarterly net loss of 134,154 thousand yen, despite an increase of 4,129 thousand yen in Share acquisition rights.

(3) Explanation Concerning Forecasts and Other Forward-Looking Information

Performance for the Current first-quarter cumulative period exceeded initial expectations, mainly because milestone revenue under a licensing agreement with an overseas pharmaceutical company was recognized earlier than initially anticipated.

Our business model may result in significant fluctuations in performance for each quarter depending on the timing of recognition of contract upfront payments associated with the out-licensing of our research and development pipeline and milestone income associated with the progress of development programs for which contracts have been executed. Although performance for the Current first-quarter cumulative period exceeded initial expectations, this was primarily due to the timing of revenue recognition being brought forward, and we expect its impact on full-year performance to be limited.

Based on the above, there are no changes at this time to the full-year Forecasts announced on May 14, 2026. If it becomes necessary to revise the Forecasts in the future due to the timing of entering into license agreements, the progress of research and development, or other changes in the business environment, we will promptly make an announcement.

(4) Significant Events Related to the Going Concern Assumption

Our Company has a business structure in which research and development investments precede revenue generation, and recorded an operating loss in the Previous fiscal year and the Current first-quarter cumulative period. These circumstances give rise to events or conditions that may cast significant doubt on the going concern assumption.

In order to resolve or improve the current situation, we are promoting the steady advancement of development and securing revenue opportunities under existing license agreements, as well as partnership and licensing-out activities with domestic and overseas operating companies based on multiple research and development pipelines. In addition, we are working to improve profitability and cash flow by clarifying the priorities of our research and development pipelines and optimizing research and development investments and other expenses in accordance with business progress. During the current fiscal year, we expect to achieve operating profitability by steadily advancing existing contracts and ongoing business development projects while implementing appropriate cost controls.

In terms of funding, as of the end of the Current first-quarter accounting period, in addition to holding Cash and deposits699,259 thousand yen, we have entered into an overdraft agreement with a total limit of 1,000,000 thousand yen. Furthermore, on June 17, 2026, we issued the 8th through 10th Share acquisition rights with Cantor Fitzgerald Europe as the allottee, establishing a framework that enables us to raise additional funds depending on the status of future exercises, among other factors.

As a result of comprehensively considering these measures and the funding plan, we have determined that no material uncertainty regarding the going concern assumption exists, as we expect to be able to secure the funds necessary to operate the business for at least one year from the end of the Current first-quarter accounting period.

2. Quarterly Financial Statements and Major Notes (1) Quarterly Balance sheet

(Unit: Thousands of yen)

	Previous fiscal year (March 31, 2026)	Current first-quarter accounting period (June 30, 2026)
Assets		
Current assets		
Cash and deposit	969,849	699,259
Accounts receivable - trade	14,463	190,622
Merchandise	3,424	2,543
Work in process	185,500	185,500
Prepaid expenses	16,554	80,973
Consumption taxes refund receivable	42,771	68,785
Income taxes refund receivable	41,040	41,040
Other	7,485	8,804
Total current asset	1,281,089	1,277,529
Non-current assets		
Property, plant, and equipment		
Buildings and structures	3,410	3,410
Accumulated depreciation	(380)	(437)
Buildings and structures, net	3,029	2,972
Tools, furniture and fixtures	139,170	139,464
Accumulated depreciation	(115,024)	(117,546)
Tools, furniture and fixtures, net	24,146	21,917
Total property, plant and equipment, net	27,175	24,889
Intangible assets		
Patent right	4,994	4,598
Total intangible assets	4,994	4,598
Investment Other assets		
Long-term prepaid expenses	2,559	2,422
Other	2,960	2,960
Investments Other assets total	5,520	5,383
Total non-current assets	37,691	34,872
Total assets	1,318,780	1,312,401

(Unit: Thousands of yen)

	Previous fiscal year (March 31, 2026)	Current first-quarter accounting period (June 30, 2026)
Liabilities		
Current liabilities		
Trade payables	9,099	191,367
Current portion of long-term borrowings	22,284	22,284
Accounts payable	82,443	73,091
Income taxes payable	4,966	2,433
Contract liabilities	228,305	206,057
Contract loss Provisions	25,308	5,054
Other	35,586	36,922
Total current liabilities	407,993	537,210
Non-current liabilities		
Long-term borrowings	46,930	41,359
Total non-current liabilities	46,930	41,359
Total liabilities	454,923	578,569
Net assets		
Shareholders' equity		
Share capital	844,397	844,397
Capital surplus		
Legal capital surplus	828,397	828,397
Total capital surplus	828,397	828,397
Retained earnings		
Other Retained earnings		
Retained earnings brought forward	(808,937)	(943,091)
Total retained earnings	(808,937)	(943,091)
Total shareholders' equity	863,856	729,702
Share acquisition rights	-	4,129
Total net assets	863,856	733,831
Total Liabilities and net assets	1,318,780	1,312,401

(2) Quarterly Statement of income

(Unit: Thousands of yen)

	Previous first-quarter cumulative period (From April 1, 2025 Through June 30, 2025)	Current first-quarter cumulative period From April 1, 2026 Through June 30, 2026)
Revenue	24,853	215,409
Cost of sales	12,826	173,266
Gross profit	12,026	42,143
Selling, general and administrative expenses	229,633	212,775
Operating loss (-)	(217,606)	(170,632)
Non-operating income		
Interest income	-	373
Recoveries of written off receivables	396	396
Subsidy income	15,339	35,519
Other	316	638
Total non-operating income	16,051	36,928
Non-operating expenses		
Interest expense	193	142
Foreign exchange losses	351	12
Total Non-operating expenses	545	155
Ordinary loss (-)	(202,100)	(133,859)
Loss before income taxes for the quarter (-)	(202,100)	(133,859)
Income taxes	237	294
Quarterly net loss (-)	(202,337)	(134,154)

(3) Notes to the Quarterly Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' equity)

Not applicable.

(Application of accounting treatments specific to the preparation of quarterly financial statements)

Calculation of tax expenses

With respect to income taxes, the effective tax rate after application of tax-effect accounting to pre-tax Net income for the fiscal year including the current first-quarter accounting period is reasonably estimated, and income taxes are calculated by multiplying pre-tax Net income or pre-tax quarterly net loss by such estimated effective tax rate.

However, when calculating tax expenses using the estimated effective tax rate would result in a significantly unreasonable outcome, they are calculated by multiplying the statutory effective tax rate.

(Changes in Accounting Policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Segment information, etc.)

As the Company operates in a single research and development business segment and its importance is immaterial, disclosure of segment information has been omitted.

(Notes on the Statement of Cash Flows)

The quarterly Statement of cash flows for the Current first-quarter cumulative period has not been prepared. In addition, Depreciation (including amortization relating to Intangible assets) for the Current first-quarter cumulative period is as follows.

	Previous first-quarter cumulative period (From April 1, 2025 To June 30, 2025)	Current first-quarter cumulative period (From April 1, 2026 through June 30, 2026)
Depreciation	5,132 thousand yen	2,975 thousand yen

(Significant Subsequent Events)

(Acquisition of a subsidiary)

At a meeting of the Board of Directors held on June 1, 2026, the Company resolved to acquire all shares of Mediproduce Co., Ltd. and make it a subsidiary, entered into a share transfer agreement on July 1, 2026, and acquired all shares on the same date.

1.Overview of Business Combination

(1) Name of the Acquired Company and Description of Its Business

Name of the Acquired Company Mediproduce Co., Ltd.

Business description of acquired company Cosmetics planning and sales, medical and healthcare marketing, event planning business, etc.

(2) Main reasons for conducting the business combination

Mediproduce Co., Ltd. possesses expertise in medical and healthcare marketing, networks of medical academic societies and research groups, as well as the ability to plan and sell consumer-oriented Consumer products.

We determined that acquiring these shares would enable us to expand our business portfolio across the medical, research, and consumer fields, generate sales synergies in the cosmetics business, accelerate the implementation of research and development results in society, and establish a stable earnings base by making the company a subsidiary, and therefore carried out this share acquisition.

(3) Business combination date

July 1, 2026

(4) Legal Form of Business Combination

Acquisition of shares in exchange for cash and the Company's common stock

(5) Name of the Company after the Combination

There are no changes.

(6) Percentage of voting rights acquired

100%

2. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	100,000	thousand yen
Consideration for acquisition	Our common shares	50,000	thousand yen
Acquisition cost		150,000	thousand yen

3. Details and amounts of major acquisition-related expenses

Due diligence expenses, etc. 17,000 thousand yen (estimated amount)

4. Number of shares delivered as consideration for the acquisition

Our common shares 175,438

5. Amount of Goodwill recognized, cause of recognition, amortization method and amortization period

Not determined at this time.

6. Amounts of Assets Accepted and Liabilities Assumed as of the Business Combination Date, and Their Major Components

Not determined as of the present time.

7. Details of Contingent Acquisition Consideration

Under the share transfer agreement, the period from the day following the share transfer execution date through the subsequent five years is designated as the applicable period, and an amount equivalent to 30% of the Operating profit for each fiscal year attributable to Mediproduce Co., Ltd.'s businesses in China and the United States is to be paid for each fiscal year as contingent consideration.

The cumulative amount of contingent acquisition consideration shall be capped at 150,000 thousand yen, and payments for each fiscal year are scheduled to be made through the delivery of shares of common stock of the Company calculated based on the market price of the Company's shares at the relevant time, subject to approval by the Company's Board of Directors.

8. Future Outlook

As a result of the acquisition of these shares, Mediproduce Co., Ltd. became our consolidated subsidiary effective July 1, 2026. Accordingly, we plan to prepare consolidated financial statements and reflect the company's results in our consolidated results from the second quarter of the fiscal year ending March 31, 2027.

The impact of this matter on the consolidated results for the fiscal year ending March 2027 is currently under review. On the other hand, over the medium to long term, we will work to enhance the corporate value of our Group by accelerating the social implementation of our R&D results, expanding the domestic and overseas development of consumer businesses, including the cosmetics business, and diversifying our earnings base through the mutual utilization of the Company's network in the medical and healthcare fields and its ability to plan and sell Consumer products for consumers, as well as our R&D capabilities, business development expertise and domestic and overseas networks.

The allocation of the acquisition cost and the amount of Goodwill, etc. are currently being calculated, and if it is determined that they will have a material impact on business performance, we will promptly disclose such information.