Q2 FY2026 Results Briefing Material
Kubota Pharmaceutical Holdings Co., Ltd. (TSE Growth Market 4596)

August 18, 2026

Company Introduction

Company Name	Kubota Pharmaceutical Holdings Co., Ltd.
Founded	December 2015
Capital stock	JPY 33M
Head Office	1-15-37 Minami-Aoyama Minato-ku, Tokyo 107-0062 Japan
Representative	Ryo Kubota, MD, PhD - Representative Director, Chairman, President, and Chief Executive Officer
Subsidiary	Kubota Vision Inc., a wholly-owned (100%) subsidiary of Kubota Pharmaceutical Holdings Co., Ltd. 107 Spring Street Seattle, WA 98104 US
Stock exchange	Tokyo Stock Exchange Growth Market (TYO: 4596)
Business Details	Development and sales of pharmaceuticals and medical devices
Pipeline	- Emixustat Hydrochloride - for Stargardt disease (STGD1) and proliferative diabetic retinopathy (PDR) - VAP-1 Inhibitors - for potential treatment of Alzheimer's Disease and Metabolic Dysfunction-Associated Steatohepatitis (MASH) - Retinal monitoring device for home-based and remote ophthalmology eyeMO® - Patient Based Ophthalmology Suite (PBOS) for wet age-related macular degeneration (AMD) and diabetic macular edema (DME) - Swept-Source Optical Coherence Tomography (SS-OCT) for spaceflight-associated neuro-ocular syndrome (SANS)
Product	Wearable myopia care device Kubota Glass®
Alliance	National Aeronautics and Space Administration (NASA), Joslin Diabetes Center, an affiliate of Harvard Medical School, National University Health System (NUHS), China Medical University (CMU), and more
Intellectual property	Patents: 137 (Pharmaceuticals: 59, Medical devices: 78) as of December 2025

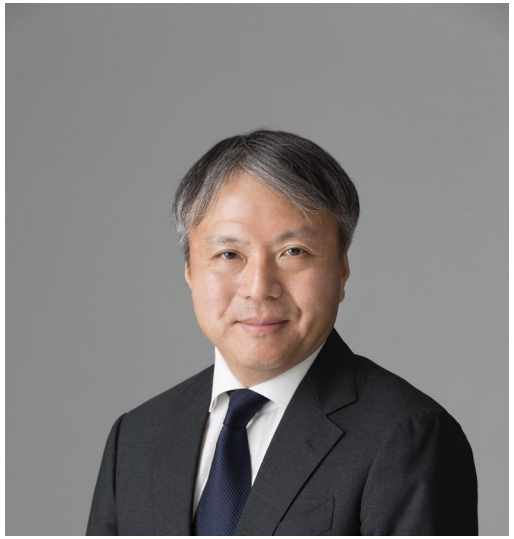
Board of Directors

Representative Director		Ryo Kubota, MD, PhD Representative Director, Chairman, President, and Chief Executive Officer at Kubota Pharmaceutical Holdings Co., Ltd. Director of the Board, Chairman, President, and Chief Executive Officer at Kubota Vision Inc. NASA Human Research Program (HRP) Investigator
Director of the Board (Non-executive Director)		Yuki Nakagawa Outside Director, Audit Committee Member, Kubota Pharmaceutical Holdings Co., Ltd. President and CEO, Criadera Co., Ltd. Director and Executive Vice President, Image Information Inc.
Director of the Board (Non-executive Director)		Masa Fujiwara, D.V.M Outside Director, Audit Committee Member, Kubota Pharmaceutical Holdings Co., Ltd. Director, BiCA Therapeutics Inc. Part-time Lecturer, One Earth Guardians Development Institution, Graduate School of Agricultural and Life Sciences, The University of Tokyo Board Member, One Earth Guardians Office, General Incorporated Association President, CAST Bio Inc.
Director of the Board (Non-executive Director)		Taishi Shibuya Outside Director, Audit Committee Member, Kubota Pharmaceutical Holdings Co., Ltd. President and CEO, Shibuya Capital Group Inc. Director, RIM Line, Inc.

CEO Profile

FINDING CURE FOR BLINDNESS

Director, Chairman, President, and Chief Executive Officer (CEO), Kubota Pharmaceutical Holdings Co., Ltd.
Director, Chairman, President, and Chief Executive Officer, Kubota Vision Inc.



Ryo Kubota,
MD, PhD

1991 Graduated from Keio University School of Medicine, licensed physician
1995 Discovered one of the glaucoma causative genes myocilin (MYOC) on Winter 1995
1996 Board-certified in ophthalmology by Japanese Ophthalmological Society (JOS), Toranomon Hospital
1997 Paper presentation related one of the glaucoma causative genes myocilin (MYOC)
Received the “Suda Award” from the Suda Memorial Fund for Glaucoma Treatment Research
1999 Completed graduate studies at Keio University School of Medicine, receive a PhD
2000 Senior Fellow, Department of Biological Structure, University of Washington School of Medicine
2001 Assistant Professor, Department of Ophthalmology, University of Washington School of Medicine
2002 Founded Acucela Inc. (now Kubota Vision Inc.), Board Director, Chairman, President, and CEO (Present)
2008 Director of the Board of Japan-America Society of the State of Washington (JASSW)
2012 Staff Advisory Council Member of Case Western Reserve University
2013 Advisor of Advisor, Japan Institute for Global Health (JIGH)
2014 Advisor Board Member of G1 INSTITUTE, Visiting Professor, Keio University School of Medicine
Director of the Board of The National Bureau of Asian Research (NBR)
2015 Senior Adviser, Center for Medical Innovation, Institute of Science Tokyo (medU-net)
2016 Director, Chairman, President, and Chief Executive Officer at Kubota Pharmaceutical Holdings Co., Ltd.
2018 NASA Human Research Program (HRP) Investigator; NASA Deep Space Mission (Present)
2020 Received FDA Orphan Products Clinical Trials Grants Program
2023 Representative Director, Chairman, President, and CEO at Kubota Pharmaceutical Holdings Co., Ltd. (Present)

Business Overview: Corporate Philosophy

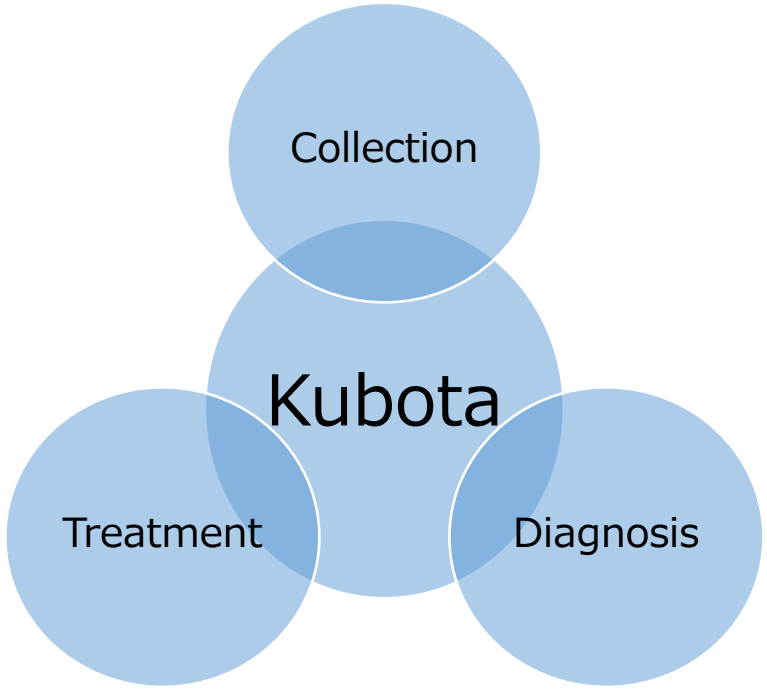
“World without Blindness”

This unwavering determination is where we began.

The Company has been developing a number of innovative therapeutic drugs and medical technologies as a biotech company specializing in ophthalmology in order to promote the digitalization of medicine with the goal of “World without Blindness." We will continue to work vigorously on research, development, and marketing based on our firm belief in bringing hope, peace of mind, joy, and excitement of seeing eyes to those who are anxious about eye diseases as soon as possible.

Our mission

Promote Digital Transformation in Eye Care



Collect and utilize data to build a big data ecosystem in ophthalmology and lead as a big data company

Executive Summary

Executive Summary

Key Business Highlights for the First Half of FY2026

- Operating expenses increased by ¥215 million year-over-year, primarily due to higher manufacturing costs for emixustat hydrochloride.
- Cash reserves (cash and cash equivalents and other financial assets) decreased by ¥339 million, from ¥1,919 million at the beginning of the fiscal year to ¥1,580 million as of June 30, 2026.
- For the wearable myopia care device, Kubota Glass®, the number of users of the Kubota Glass® My Vision Program continued to grow steadily in Japan. In China, the Group continued preparations for regulatory approval in light of local regulatory requirements and is carefully evaluating the timing of future business expansion. A similar approach is being taken in Taiwan.
- For emixustat hydrochloride, a drug candidate for the treatment of Stargardt disease, the Group entered into a supply and license agreement with Laboratoires KÔL of France in March 2026, followed by a supplemental memorandum in June 2026. In July 2026, the Company received the first milestone payment related to API manufacturing.

Outlook and Key Business Developments for the FY2026

- Steady execution of a pediatric clinical study in China to support future business expansion and regulatory approval of Kubota Glass®. In Taiwan, the Group continues to evaluate the optimal approach for expanding its business.
- Promote early revenue generation for emixustat hydrochloride, primarily in France, through a Compassionate Use Program (CUP) for designated patients with Stargardt disease.

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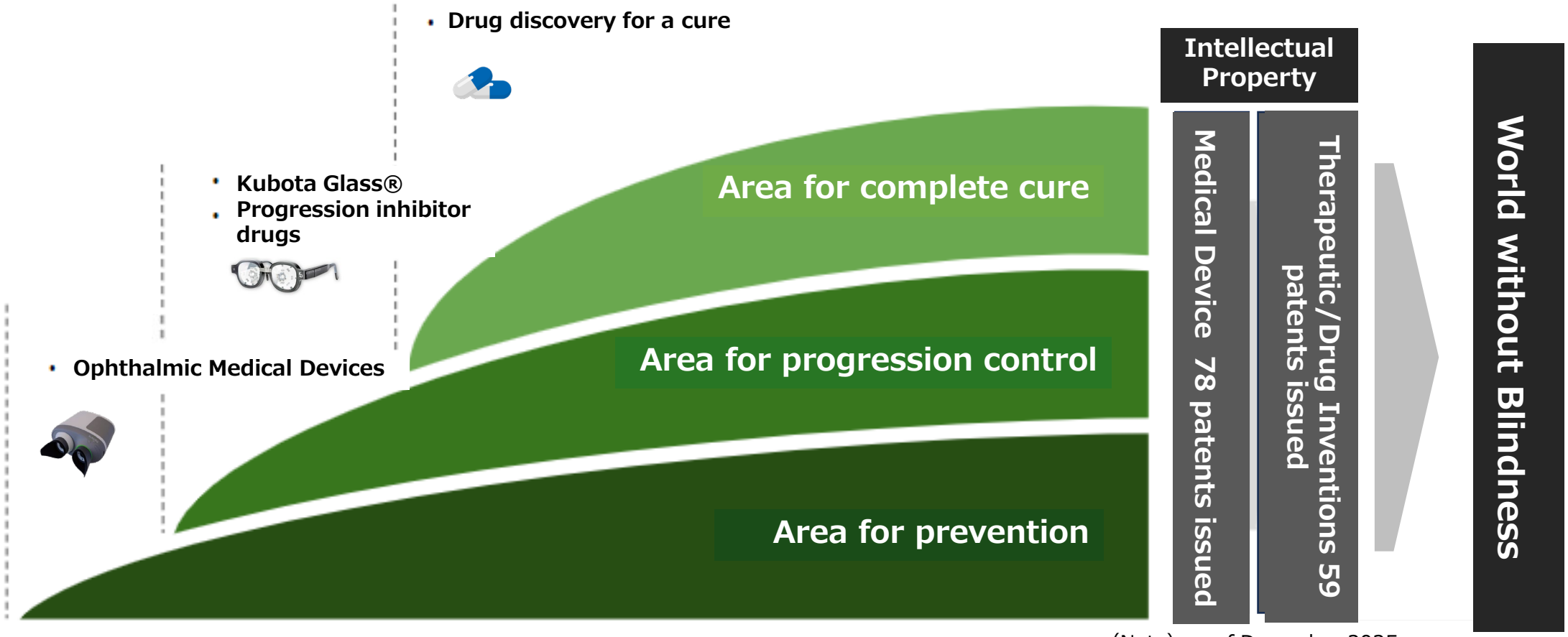
Business Status

Business Model

Utilizing extensive intellectual property across three key areas—disease prevention, progression control, and curative treatment (drug discovery)—a business portfolio is structured with pharmaceuticals and medical devices, which have different risk-return characteristics. This approach aims to enhance operational efficiency, diversify business risks, and increase corporate value.



(Note) as of December 2025

Kubota Pharmaceutical Group Development Pipeline

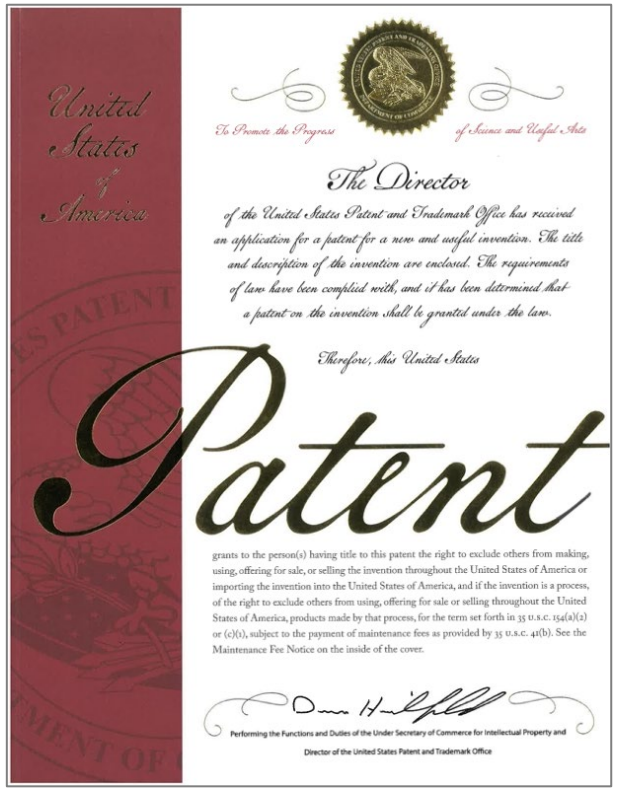
Device	Description	Design & Prototype	Clinical Trial & Product Eng.	Regulatory Approval	support
Remote Retinal Monitoring Device **eyeMO®: Patient Based Ophthalmology Suite (PBOS)** 	**Home-based miniature OCT (optical coherence tomography)**				
	NASA High-Res Version OCT Device				**NASA's Deep Space Missions project**

Compounds	Indications	Pre-clinical	Phase 1	Phase 2	Phase 3	support
Emixustat HCl 	**Stargardt Disease**					**FDA**
	Proliferative Diabetic Retinopathy					

Drugs and medical device projects in the early research stage, including gene therapy, are not included in the Group's pipeline chart, but will be disclosed as soon as appropriate progress is made.

Patent Strategy: Building and Maintaining a Robust Patent Portfolio to Support Technological Innovation

Since our founding, we have pursued a management strategy that places a strong emphasis on intellectual property, aiming to maximize the value of our technologies and enhance corporate value. Our patent strategy focuses on building and maintaining a robust patent portfolio that supports technological innovation.
As of the end of December 2025, we hold 59 patents related to pharmaceuticals and 78 patents related to medical devices and related technologies. These patents form the foundation for the development of innovative drugs and medical technologies.


United States of America

To Promote the Progress of Science and Useful Arts

The Director

of the United States Patent and Trademark Office has received an application for a patent for a new and useful invention. The title and description of the invention are enclosed. The requirements of law have been complied with, and it has been determined that a patent on the invention shall be granted under the law.

Therefore, this United States

Patent

grants to the person(s) having title to this patent the right to exclude others from making, using, offering for sale, or selling the invention throughout the United States of America or importing the invention into the United States of America, and if the invention is a process, of the right to exclude others from using, offering for sale or selling throughout the United States of America, products made by that process, for the term set forth in 35 U.S.C. 154(a)(2) or (c)(1), subject to the payment of maintenance fees as provided by 35 U.S.C. 41(b). See the Maintenance Fee Notice on the inside of the cover.

Performing the Functions and Duties of the Under Secretary of Commerce for Intellectual Property and Director of the United States Patent and Trademark Office

Pharmaceutical for Slowing the Progression of Retinal Diseases by Modulating the Visual Cycle (Emixustat Hydrochloride):
We exclusively hold substance and use patents related to Visual Cycle Modulation (VCM) technology. This technology works by inhibiting RPE65, an enzyme involved in vitamin A metabolism, thereby reducing levels of 11-cis-retinal and decreasing cytotoxic byproducts within the visual cycle. By temporarily maintaining a scotopic (low-light) state, it is expected to reduce metabolic stress on the retina and help preserve visual function.

VAP-1 Inhibitor for Inflammatory and Degenerative Diseases:
This novel drug technology targets enzymes associated with vascular endothelium to suppress inflammatory responses and the progression of tissue degeneration, offering a new mechanism of action.

Eyewear- and Contact Lens-Type Devices for Myopia Management (Kubota Glass Technology®):
This innovative visual stimulation technology aims to improve myopia by projecting specific images onto the retina. We hold patents related to the optical design of both eyewear-type and contact lens-type devices.

eyeMO®: Home and Remote Retinal Monitoring Device:
Using low-cost Optical Coherence Tomography (OCT) technology based on Vertical Cavity Surface Emitting Laser (VCSEL), this device miniaturizes conventional large and expensive OCT systems. The adoption of VCSEL enables the development of compact diagnostic tools for home and telemedicine use in ophthalmology.

External Recognition of Intellectual Property Strategy:

Ranked No. 4 in the Pharmaceutical Industry in Nikkei Business “Patent Value Growth Ranking”

Our intellectual property strategy continues to receive strong recognition from external organizations. In the Patent Value Growth Ranking published in the June 2, 2025, issue of Nikkei Business, the Company received the following rankings:

Overall Ranking

28th

among 3,980 publicly listed companies

Pharmaceutical Industry Ranking

4th

Following Astellas, Daiichi Sankyo, and Takeda

This ranking was calculated using PatentSight+, a patent analytics platform developed by LexisNexis. The evaluation is based on the growth in patent value over the past two years, taking into account factors such as patent portfolio size and citation frequency by third-party patents.The ranking does not simply measure the number of patents held. Rather, it reflects the quality and growth potential of a company's patent portfolio. We believe this recognition demonstrates the strength of our research and development activities and intellectual property strategy focused on the field of ophthalmology.

Top 4 Companies in the Pharmaceutical Industry:

1st: Astellas Pharma Inc.
2nd: Daiichi Sankyo Company, Limited
3rd: Takeda Pharmaceutical Company Limited
4th: Kubota Pharmaceutical Holdings Co., Ltd.

Source: Nikkei Business, June 2, 2025, issue (Coverage: 3,980 publicly listed companies, 2,000 pharmaceutical companies, and 70 major listed companies).

Emixustat Hydrochloride

Target Diseases

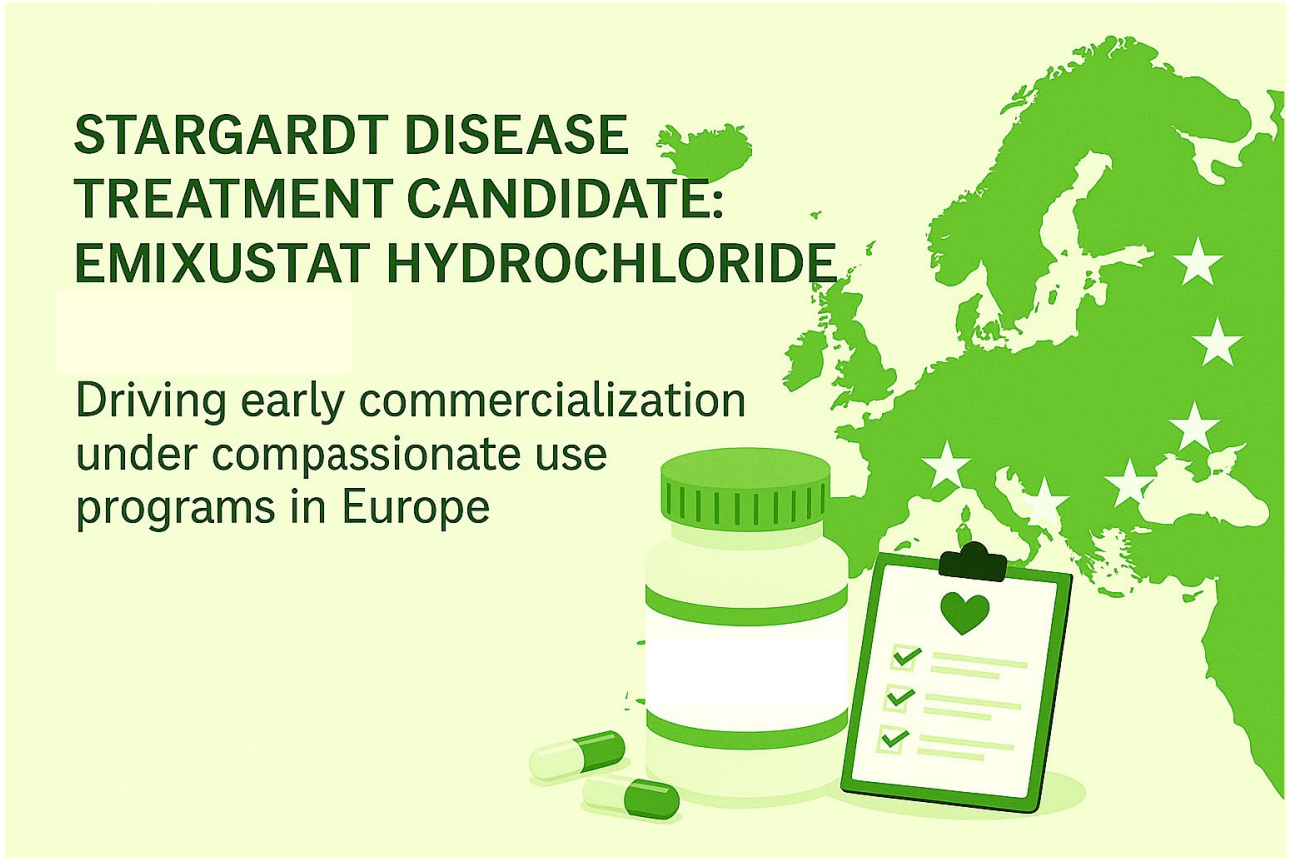
- Stargardt Disease (STGD1)
- Proliferative Diabetic Retinopathy (PDR)

Kubota

Emixustat Hydrochloride: Stargardt Disease (STGD1)

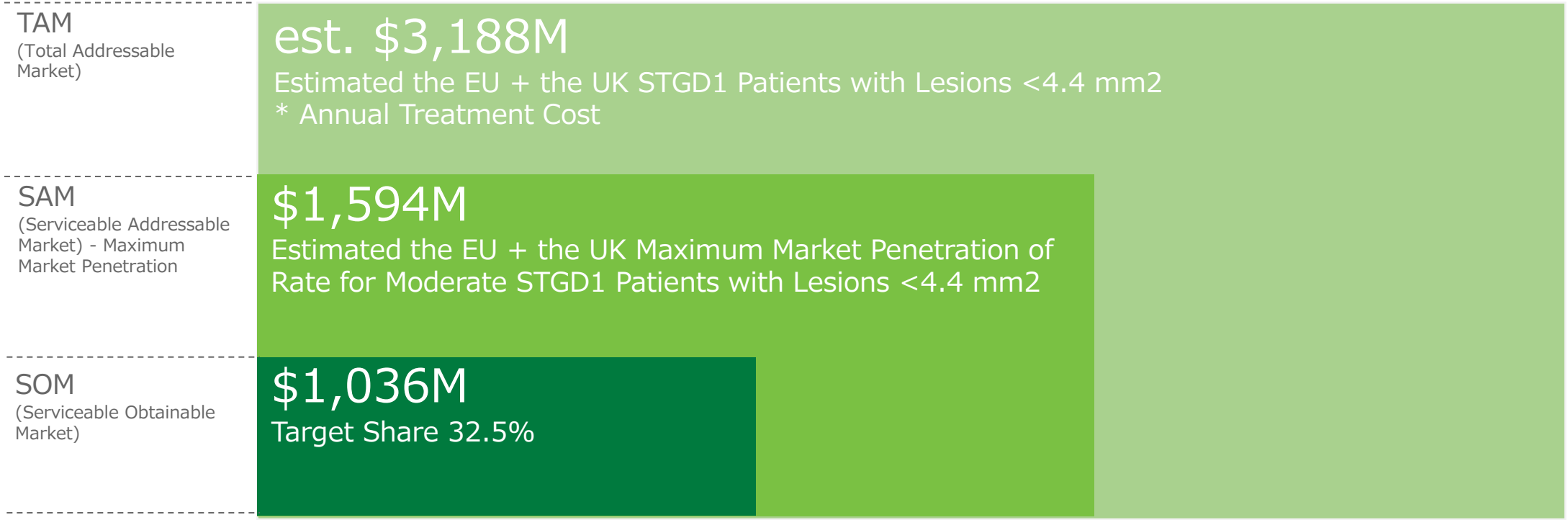
Commercialization through the Compassionate Use Programs in Europe

- As a key commercial initiative for emixustat hydrochloride, a drug candidate for the treatment of Stargardt disease, early commercialization in Europe is being promoted through a Compassionate Use Program based on the results of post–Phase 3 subgroup analyses.
- An initial launch in France, where there is relatively greater flexibility in pricing, is currently under consideration.
- In the medium term, expansion into additional countries is contemplated, leveraging the experience and know-how obtained in France.
- A supply and license agreement for emixustat hydrochloride was entered into with Laboratoires KÔL (Clermont-Ferrand, France; Founder and CEO: Sophie Momège) on March 2, 2026.
- In the United States, confirmation of the one adequate and well-controlled study plus confirmatory study (1:2) pivotal trial requirement and the identification of potential research and development partners continue to be actively pursued.



Potential Market Size in the EU + the UK
- Emixustat Hydrochloride: Stargardt Disease (STGD1)

As of 2023, approximately 45% of the STGD1 therapeutics market is held by the combined markets of France, Germany, Italy, Spain, and the UK.*1
We are working toward the launch of our STGD1 treatment candidate, emixustat hydrochloride in the EU and the UK market, targeting a projected market opportunity of approximately USD 1,036M. *2



*1 Source: Global Information, and Coherent Market Insights
*2 Source: Kubota Vision Inc. Original survey

VAP-1 Inhibitors

Target Diseases

- Alzheimer's Disease (AD)
- Metabolic Dysfunction-Associated Steatohepatitis (MASH)

What are VAP-1 Inhibitors?

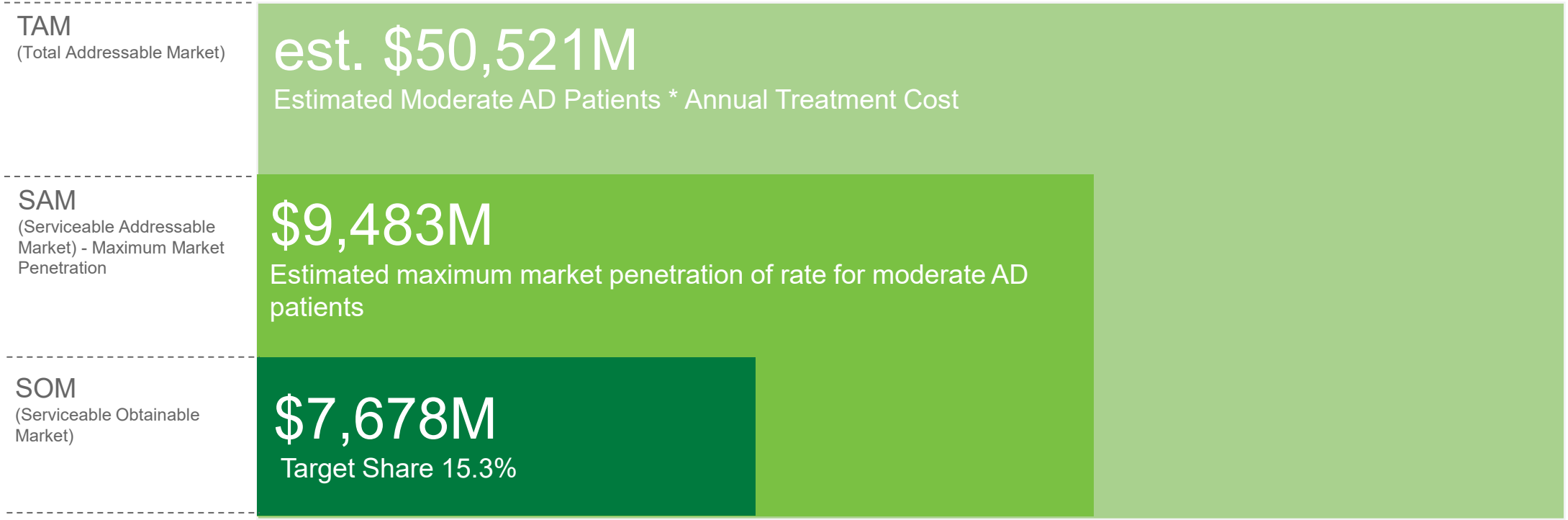
VAP-1 inhibitors, also known as Semicarbazide-Sensitive Amine Oxidase (SSAO) inhibitors, are a promising new class of drugs to treat inflammation-driven diseases. During R&D activities to develop novel therapeutics for eye conditions, such as uveitis, diabetic macular edema, dry eye, and post-operative eye inflammation, Kubota Vision discovered several novel oral VAP-1 inhibitors that are very potent and highly selective compared to other existing VAP-1 inhibitors. While the company initially explored use in inflammatory eye conditions, its focus has also expanded to larger indications with high unmet needs, including neuroinflammation, e.g., Alzheimer's and Parkinson's disease, and liver disease, e.g., nonalcoholic steatohepatitis (NASH) and metabolic dysfunction-associated steatohepatitis (MASH). However, VAP-1 inhibitors can potentially be used for multiple inflammatory conditions, including acute respiratory distress syndrome (ARDS) induced by viral infections, atherosclerosis and cardiovascular disease, psoriasis, atopic dermatitis, diabetic kidney disease, osteoarthritis and chronic pain, metastatic cancers, and several other diseases.

On December 7, 2020, Kubota Vision Inc., a wholly-owned subsidiary of Kubota Pharmaceutical Holdings Co., Ltd., submitted novel Vascular Adhesion Protein-1 (VAP-1) inhibitor compounds discovered by Kubota Vision to the U.S. National Cancer Institute (NCI) Developmental Therapeutics Program (DTP) for screening in the NCI-60 Human Tumor Cell Lines Screen. The NCI DTP evaluated the compounds' anti-tumor activity against 60 human cancer cell lines from nine types of tumors, including leukemia, lung, colon, breast, prostate, brain, kidney, ovarian, and skin cancer. During R&D activities to develop innovative therapeutics for inflammatory eye conditions, Kubota Vision discovered several novel VAP-1 inhibitors that are very potent and highly selective.

The Group is currently in the process of selecting suitable partners to conduct disease model studies for in vivo Proof of Concept (POC) validation for VAP-1 Inhibitors.

Potential Market Size in Major Countries –
VAP-1 Inhibitors: Alzheimer's Disease (AD)

The market for AD therapeutics is expected to grow CAGR of 19.1% in the US, approximately 8-9% in the EU 4 countries + the UK, and 10.25% in Japan by 2033.*1
We are working toward the launch of our AD treatment candidate, VAP-1 Inhibitors, in the US, the EU 4 countries (France, Germany, Italy, Spain) + the UK and Japan, targeting a projected market opportunity of approximately USD 7,678M. *2



*1 Source: Grand View Research, Coherent Market Insights, Mordor Intelligence, TechSci Research
*2 Source: Kubota Vision Inc. Original survey

KUBOTA GLASS

Creating an optimal visual environment

Target Disease： Myopia

Wearable Myopia Care Device

Kubota Glass®: Wearable Myopia Care Device: Q2 FY2026 Business Update

【Japan】

- In April 2026, the Company launched the Kubota Glass® My Vision Program, a subscription-based offering. By establishing an environment that encourages long-term use, the Company has seen a steady increase in the number of users and expects the program to contribute to strengthening its revenue base over time.
- The Company will continue to strengthen its marketing activities in Japan and broaden the delivery of the value offered by Kubota Glass® to a larger audience on an ongoing basis, with the goal of achieving an early expansion of revenue.

【China】

- In light of developments in local medical device regulations, the Group has adopted a policy of prioritizing regulatory compliance and the acquisition of regulatory approval. Accordingly, it is carefully reassessing the timing and approach to commercial expansion. China remains an important market for the Company, and its strategic importance has not changed. The Group will continue to advance its business development at the appropriate timing while closely monitoring regulatory developments.
- The pediatric clinical study in Shanghai aimed at myopia prevention remains ongoing and has progressed steadily to date. Through these efforts, the Group continues to strengthen the scientific evidence supporting Kubota Glass® while building a foundation for future business expansion.

【Taiwan】

- Taking into account the regulatory environment in China, the Company is also carefully evaluating the optimal approach to business expansion in Taiwan. At the same time, the Company continues to maintain and strengthen relationships with existing business partners while advancing initiatives to establish a broader sales network.

Kubota Glass® Business Development and R&D Progress

Clinical Study: Shanghai Eye Disease Prevention & Treatment Center

Objective	Evaluation of the preventive effect on myopia onset in pre-myopic children
Study Site	Shanghai Eye Disease Prevention & Treatment Center / Shanghai Eye Hospital
Study Period	Initiated in mid-November 2025, Observation period: 1 year, Interim analyses: at 3, 6, and 9 months, Final evaluation: at 12 months
Target Enrollment	118 subjects (target number of cases)
Study Population	Age: 6 to 9 years Refractive status: pre-myopic children (emmetropic or low hyperopia)
Study Design	Randomized Controlled Trial (RCT)1:1 allocation ratio, Intervention group: Kubota Glass®, Control group: No-device group
Intervention	Intervention group: Wear Kubota Glass® for at least 2 hours per day Control group: Continue normal daily activities without specific optical intervention
Endpoints	Primary endpoint: Incidence of myopia at 12 months Secondary endpoints: Change in spherical equivalent refractive error, Change in axial length, Comparison of incidence rates at interim analysis time points
Study Positioning	Prospective randomized controlled study to verify primary prevention in pre-myopic children
Principal Investigator	Dr. He Xiangui, Director, Shanghai Children's Myopia Center

Retinal monitoring device for home-based and remote ophthalmology eyeMO®

Target Diseases:

eyeMO® - Wet age-related macular degeneration (AMD), Diabetic macular edema (DME)

SS-OCT - Spaceflight-associated neuro-ocular syndrome (SANS)

Potential Market Size in Major Countries –
Remote Retinal Monitoring Device eyeMO®: Wet AMD and DME

The market for Age-related macular degeneration (AMD) and diabetic macular edema (DME) is expected to grow rapidly, at a CAGR of approximately 30% globally through 2030.*1
We are pursuing the launch of eveMO®, a retinal monitoring device for home-based and remote ophthalmic care targeting AMD and DME, in the United States, Europe, and Japan, aiming to capture a projected market opportunity of USD 306M.*1

*1 Source: Kubota Vision Inc. Original survey

Remote Retinal Monitoring Device:
Collaboration Agreement

Since 2023, we have been conducting collaboration agreement on the eveMO® with multiple medical and research institutions. Going forward, we will continue validating practical models through joint development, while also exploring potential partner companies and paths toward commercialization.

January 2023 ~

Joslin Diabetes Center

Entered into a material transfer and collaboration agreement with Joslin Diabetes Center, an affiliate of Harvard Medical School

Joslin Diabetes Center, an affiliate of Harvard Medical School is conducting two clinical studies to evaluate the ability of PBOS to identify cases of diabetic macular edema that may need treatment compared to a commercially-available OCT device. The studies are being led by Dr. Paolo S. Silva at Joslin Diabetes Center. Dr. Silva is the Co-Chief of Telemedicine at the Beetham Eye Institute of the Joslin Diabetes Center, an affiliate of Harvard Medical School.

Current Status:
- Phase 1: Subject recruitment completed
- Phase 2: Ongoing

Joslin Diabetes Center, an affiliate of Harvard Medical School, is a one-of-a-kind institution on the front lines of the world epidemic of diabetes

August 2023 ~

National University Hospital

Entered into an investigator-initiated clinical study agreement with National University Hospital (NUH)

The study is led by Associate Professor Victor Koh, Head of the Department of Ophthalmology at NUH. With our patients in mind, the Group aims to develop novel and easily accessible models of eye care to monitor chronic eye conditions at NUH through this partnership.

Current Status:
- - Phase 1: Subject recruitment completed
- - Phase 2: Ongoing

National University Hospital (NUH) is the largest general hospital within the National University Health System (NUHS), a medical institution group under MOH Holdings (MOHH), a public health cluster under the Singapore Ministry of Health (MoH).

Financial Status of Q2 FY2026

Consolidated Statement of Profit or Loss (IFRS) Year-over-Year Comparison

Primary Factors for the Increase/(Decrease)

- Revenue : Impact of a change in revenue recognition resulting from the introduction of a subscription-based sales model for the Kubota Glass® wearable myopia care device
- Operating expenses :
  【R&D expenses】Primarily due to an increase in manufacturing costs related to emixustat hydrochloride
  【SG&A expenses】Increases in stock-based compensation expense and patent-related expenses, partially offset by a decrease in personnel expenses

Unit: M JPY	FY2025 Six months ended June 30, 2025	FY2026 Six months ended June 30, 2026	Increase/ (Decrease)	Percentage change
Revenue	13	8	(5)	(39.8%)
Operating expenses	431	646	+215	+49.9%
COGS	5	22	+17	+376.5%
R&D expenses	144	313	+170	+118.2%
SG&A expenses	283	311	+28	+9.9%
Operating profit (Loss)	(450)	(650)	-	-
Profit (loss) attributable to owners of parent	(450)	(649)	-	-
Total comprehensive income	(450)	(653)	-	-

Consolidated Statement of Profit or Loss (IFRS) Quarterly Comparison

- Revenue for the second quarter decreased compared with both the first quarter and the same period of the previous fiscal year.
- Operating loss increased year-over-year, primarily due to higher research and development expenses and selling, general and administrative expenses.

YoY

QoQ

Unit: M JPY	FY2025 Q2	FY2025 Q3	FY2025 Q4	FY2026 Q1	FY2026 Q2	QoQ change	YoY change
Revenue	6	5	3	5	3	(36.1%)	(45.8%)
Operating expenses	191	205	243	307	339	+10.4%	+77.2%
COGS	4	1	19	2	20	-	-
R&D expenses	73	97	72	139	174	+24.8%	+139.8%
SG&A expenses	115	107	153	166	145	(13.0%)	+25.3%
Operating profit (Loss)	(191)	(204)	(241)	(313)	(337)	-	-
Other Income and Expenses	(0)	218	(0)	1	(0)	-	-
Profit (Loss) for the Quarter	(191)	15	(241)	(312)	(337)	-	-

Consolidated Statement of Financial Position (IFRS) Comparison with the End of the Previous Fiscal Year

Primary Factors for the Increase/(Decrease)

- Assets : 【Current assets】Decrease in cash and cash equivalents【Non-current assets】No significant changes
- Liabilities : 【Current liabilities】Increase in accrued liabilities【Non-current liabilities】No significant changes
- Equity : Decrease in retained earnings due to the recognition of net loss for the period, partially offset by increases in share capital and capital surplus resulting from the issuance of new shares

Unit: M JPY	FY2025 Q4	FY2026 Q2	Increase/ (Decrease)	Percentage change
Current assets	1,969	1,766	(203)	(10.3%)
Cash and cash equivalents, Other financial assets	1,919	1,580	(339)	(17.7%)
Non-current assets	10	10	(0)	(0.2%)
Other financial assets	-	-	-	-
Total assets	1,979	1,776	(203)	(10.3%)
Current liabilities	157	173	+16	+10.1%
Non-current liabilities	8	1	(8)	(92.4%)
Total equity	1,814	1,602	(211)	(11.7%)
Total liabilities and equity	1,979	1,776	(203)	(10.3%)
Cash reserves (Cash and cash equivalents + Other financial assets)	1,919	1,580	(339)	(17.7%)
Equity ratio (%)	91.6%	90.2%	-	(1.4pts)

FY2026 Forecast

FY2026 Forecast

Unit: M JPY	Revenue	Operating profit/(loss)	Profit (loss) before tax	Net profit/(loss)	Cash and cash equivalents
FY2026 : Forecast	-	-	-	-	-
FY2025 : Actual	21	(895)	(676)	(676)	1,919

Based on the future progress of the business, we plan to promptly disclose relevant information as soon as a reasonable and supportable calculation becomes feasible.

There has been a delay in the ramp-up of overseas sales of the already commercialized Kubota Glass®, a myopia care device, and operating losses and negative cash flows from operating activities have continued. As a result, the balance of cash and cash equivalents stood at ¥1,580 million as of the end of the second quarter of the fiscal year ending December 31, 2026 and ¥1,919 million as of December 31, 2025, compared with ¥1,455 million as of December 31, 2024, ¥2,768 million as of December 31, 2023, and ¥4,049 million as of December 31, 2022. Accordingly, the Group has recognized that there are conditions that raise significant doubts on the going concern assumption.

In light of this situation, the Group is working on implementing the following measures.

1. Further expanding the adoption of the subscription-based sales program “Kubota Glass My Vision Program” for Kubota Glass®, a myopia care device, in Japan, which was launched in April 2026 and has been performing favorably.
2. Steadily conducting clinical studies aimed at preventing pediatric myopia in China for the future business development of Kubota Glass®, a myopia care device, and the acquisition of approval as a medical device.
3. Continuing efforts to build a sales network in Taiwan by examining how to proceed with business expansion for Kubota Glass®, a myopia care device, and by maintaining relationships with contracted partners.
4. Improving product quality and reducing manufacturing costs through rationalization of the production system for Kubota Glass®, a myopia care device.
5. Achieving early monetization of emixustat hydrochloride primarily in France through the utilization of the Compassionate Use Program for designated patients.
6. Considering and implementing a variety of financing measures aimed at strengthening the financial base.

Through the above measures, the Group will strive to eliminate doubts on the going concern assumption by increasing business revenue, reducing costs, and increasing the possibility of procuring funds. Even when taking into account the uncertainties regarding the outcomes of each measure, the Group holds cash and cash equivalents of ¥1,580 million as of the end of the second quarter of the current fiscal year and has sufficiently secured the funds necessary for its business operations for the foreseeable future. Accordingly, the Group has determined that no material uncertainty exists related to the going concern assumption.

With regard to expenditures, research and development expenses may potentially fluctuate significantly due to the concurrent activities of maintaining and streamlining the production system, improving products, reducing manufacturing costs, and enhancing scientific evidence. In addition, with regard to revenue, as Kubota Glass®, a myopia care device, is an extremely novel product, it is difficult to make an accurate demand forecast at this time.

Disclaimers and Notes on Forecasts and Projections

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