

Tsubota Laboratory, Inc. (the "Company") hereby announces that the Board of Directors of the Company resolved at its meeting held on ●●●, 2022, to enter into a license-out agreement (the "Agreement") for the development, manufacture, and marketing of TLM-003 (*1) with Laboratoires Théa S.A.S (*2) ("THEA").

1. Outline of this Agreement

The Company grants THEA the exclusive right to develop, manufacture and sale TLM-003 for use in ophthalmology, which is the subject of intellectual property rights owned by the Company, in consideration of which the Company shall receive upfront and development and commercial milestones payments for a total amount of up to 41,5M€ from THEA as well as single digit royalties on net sales of Products in the licensed territory covering all the countries of the world except Japan, South Korea, China, Hong Kong, Mongolia, Afghanistan, Pakistan, India, Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka, Laos, Thailand, Cambodia, Malaysia, Vietnam, Indonesia, Singapore, Taiwan, Brunei, Philippines, Papua New Guinea, East Timor and Maldives.

(*1) TLM-003

A new type of myopia-preventing eye drop that prevents the progression of myopia by dropping the drops once or twice a day.

This eye drop inhibits the thinning of the sclera, thereby reducing the stretching of the sclera and myopia.

(*2) Laboratoires Théa

Théa is the leading independent European pharmaceutical group in ophthalmology. Based in Clermont-Ferrand, France, it has thirty-five affiliates & offices in Europe, North and South America, North Africa, and the Middle East. Today, its network includes more than 1,600 employees, and its products are available in 75 countries around the world. In 2021, Théa had global revenues of approximately \$773 million. The independent and family-owned and run group, founded in 1994 from a Research and Development start-up by Henri Chibret, has been chaired since 2008 by Jean-Frédéric Chibret, his nephew. To learn more about Théa, visit <https://www.laboratoires-thea.com/en>

2. Significance of the Agreement

- ① A basic agreement contract had previously been concluded with Thea, but following agreement on the detailed terms and conditions between the company and Thea,

this agreement has been concluded.

- ② With the conclusion of this agreement, the development, manufacture and marketing of TLM-003 is expected to expand into the regions covered by the agreement. The Company will strive to maximize the value of the existing pipeline through the expansion of the geographical coverage.
- ③ Although this agreement will have a negligible impact on sales for the year ending 31 March 2023, the disclosure is made because the total upfront and milestone revenue is expected to amount to EUR 41.5 million (approximate amount of JPY ●● million*) on a cumulative basis after the conclusion of the agreement.

The upfront fees are expected to be recognized as revenue in the third quarter of the financial year ending 31 March 2023.

The amount and timing of payment of milestone fees and royalties will be affected by the timing of approval by the authorities and the progress of sales, which will be disclosed in a timely manner in accordance with the Enforcement Rules for Securities Listing Regulations.

*Calculated by the exchange Rate as of 30 November,2022

1 Euro=●●●.●● JPY