

**Tsubota Laboratory (4890 TSE Growth) ----- June 24 ,2022**

**Engages in research and development of medicines, medical devices, etc. related to treatments of myopia, dry eyes, presbyopia, etc.**

This report is an English translation of part of the report issued on June 24, 2022.  
For inquiries concerning the report, please contact [info@stock-r.org](mailto:info@stock-r.org)

**[4890 Tsubota Laboratory Sector : Pharmaceutical]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Mar.2021	687	55.8	250	17.9x	255	15.9x	201	67.0x	9.0	26.1	0.0
Mar. 2022	640	-6.8	136	-45.6	202	-20.8	153	-23.9	6.8	32.9	0.0
Mar. 2023 f	1,278	99.7	262	92.6	262	29.7	181	18.3	7.4	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.  
It conducted 1-to-100 stock split on July 15, 2021. Per share indices are adjusted retroactively.

### **Develops Medicines and Medical Devices Utilizing Research in Ophthalmology Field**

Tsubota Laboratory is a venture company out of Keio University aiming to develop new medicines and medical devices in the field of ophthalmology concerning myopia, dry eyes and presbyopia.

In 2017, when Kazuo Tsubota, president, was a professor at Keio University, he discovered that violet light (visible light with a wavelength of 360nm to 400nm) was effective in preventing myopia. Furthermore, he unraveled the mechanism of violet light suppressing the progression of myopia by increasing blood flow in the eyes, and turned the treatment methods based on a series of discoveries into intellectual properties by acquiring patents, etc. These intellectual properties serve as the company's technology base, leading to the development of medicines and medical devices to suppress the progression of myopia among children, on which it currently focuses.

### **Business Model**

The company's business model is a B2B business model in which the company turns research and development achievements into intellectual properties by acquiring patents, etc., enters into joint research and development agreements for development of medicines and medical devices and patent license agreements with the partner companies, and then receives upfront payments, license fees and milestone income.

After product commercialization, the partner companies conduct sales and the company receives royalty income from the royalty agreements. Furthermore, the company invests the income received from the partner companies into deepening ongoing research as well as in new research fields to create new value.

### **Pipeline of Medicines and Medical Devices and Commodity Products Currently Sold**

The company currently has six pipelines in medicines and medical devices (or eight pipelines in adaptive fields). In addition, with commodity products which are already being sold by the partner companies, the company earns royalty income.

**Tsubota Laboratory (4890 TSE Growth) - - - - - June 24 ,2022****Financial Statements**

Statement of income	Fiscal Year	Mar.2020		Mar.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		441	100.0	687	100.0	640	100.0
Cost of sales		164	37.2	80	11.6	83	13.0
Gross profit		276	62.6	606	88.2	557	87.0
Selling, general and administrative expenses		262	59.4	356	51.8	420	65.6
Operating profit		14	3.2	250	36.4	136	21.3
Non-operating income		2	-	6	-	67	-
Non-operating expenses		0	-	1	-	1	-
Ordinary profit		16	3.6	255	37.1	202	31.6
Profit before income taxes		3	0.7	255	37.1	202	31.6
Net profit		3	0.7	201	29.3	153	23.9

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Mar. 2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		505	95.3	1,003	93.0	1,515	93.7
Cash and deposits		380	71.7	610	56.6	1,174	72.6
Accounts receivable-trade		6	1.1	148	13.7	4	0.2
Inventories		111	20.9	223	20.7	308	19.0
Non-current assets		25	4.7	74	6.9	102	6.3
Property, plant and equipment		18	3.4	46	4.3	70	4.3
Intangible assets		3	0.6	13	1.2	15	0.9
Investments and other assets		3	0.6	15	1.4	16	1.0
Total assets		530	100.0	1,078	100.0	1,617	100.0
Current liabilities		150	28.3	263	24.4	674	41.7
Accounts payable - trade		27	5.1	34	3.2	17	1.1
Current portion of long-term borrowings		11	2.1	18	1.7	24	1.5
Non-current liabilities		49	9.2	223	20.7	199	12.3
Long-term borrowings		49	9.2	223	20.7	199	12.3
Net assets		330	62.3	591	54.8	744	46.0
Owners' equity		330	62.3	591	54.8	744	46.0

Statement of cash flows	Fiscal Year	Mar.2020	Mar.2021	Mar. 2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		262	36	654
Depreciation		3	14	37
Cash flows from investing activities		-4	-43	-72
Cash flows from financing activities		18	236	-18
Dividends paid		-	-	-
Net increase in cash and cash equivalents		277	230	564
Cash and cash equivalents		380	610	1,174

Note:Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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