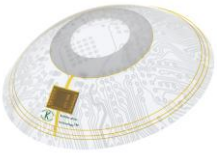
Press Release

Kubota Vision Introduces Electronic Eyeglasses to Stop Myopia in Children

Positive Clinical Results from Myopia Control Tests of Newly Developed "Kubota Glasses Technology"

SEATTLE (May 17, 2020) — Kubota Vision Inc. ("Kubota Vision"), a clinical-stage ophthalmology company and wholly-owned subsidiary of Kubota Pharmaceutical Holdings Co., Ltd. (Tokyo 4596), today announced positive clinical results from myopia control tests in humans. Utilizing electronic tabletop optical projection devices that embody Kubota Glasses technology, myopically defocused images were projected on the peripheral retina of subjects to study if progression of myopia might be prevented by this method. Based on these positive clinical results, Kubota Vision will accelerate this program to develop wearable devices to prevent myopia in children and improve their health and quality of life without glasses.



*Design prototype image

Myopia, or nearsightedness, is a refractive vision disorder which causes blurred sight at a distance. Myopia currently affects 2.56 billion people worldwide and is projected to affect 3.4 billion people by 2030, if current trends remain unchanged[*1]. Myopia increases the risk of developing sight-threatening diseases such as myopic maculopathy, retinal detachment, and glaucoma – making a measurable impact on society[*2]. Today children in East Asia, including Japan, China, Hong Kong, Taiwan, South Korea, Singapore, develop myopia at a high rate; for example, 96.5% of 19-year-old males suffer from myopia in Seoul[*3]. Myopia also affects over 40% of individuals over the age of 12 years in the U.S.[*4].

In this study, Kubota Vision monitored the effect of the application of a myopically-defocused stimulus on the retina on axial length in 12 subjects of aged 21 to 32 years (7 Asian, 4 White, and 1 Hispanic subjects; 9 males and 3 females) with spherical refractive error of -3.5D～0.0D. Results of this clinical study demonstrated that axial length decreases with the application of projected myopically-defocused images in the test eye compared to the control eye, which has not been reported in the literature. Based on these results, Kubota Glasses technology could potentially lead to a wearable device for myopia control, either as a spectacle lens or a soft contact lens. The company is planning to submit the full data for scientific publication.

Kubota Vision is planning to use the Kubota Glasses technology to develop smart glasses and smart contact lens for myopia prevention. A clinical study with a prototype design of the smart glasses is scheduled to be completed in the latter half of 2020, and a wearable prototype is expected to be available by December 2020. The development plan for a smart contact lens with Kubota Glasses technology will be disclosed as the project progresses. The company envisions applications of Kubota Glasses technology in augmented reality (AR) devices and virtual reality (VR) devices to protect children's vision through myopia prevention.

Ryo Kubota, MD, PhD, Chairman, President and CEO of Kubota Vision Inc., stated, "These positive clinical results have brought about a great amount of excitement for the potential treatment of myopia. With Kubota Glasses providing us with the optimism of

being able to prevent any associated eye disease causing blindness, we have taken that significant step forward in our mission of reaching a 'World without Blindness.'"

Arkady Selenow, O.D., F.A.A.O., Senior Research Director of Manhattan Vision Associates / Institute for Vision Research, New York in the U.S.[*5], stated, "We are both excited and encouraged by the initial clinical trial results of this novel form of vision based light therapy, which has the potential to control myopia-related disease progression."

[*1] Report of the Joint World Health Organization–Brien Holden Vision Institute, University of New South Wales, Sydney, Australia. The impact of myopia and high myopia. 16–18 March 2015. https://www.who.int/blindness/causes/MyopiaReportforWeb.pdf.

[*2] Flitcroft DI. The complex interactions of retinal, optical and environmental factors in myopia aetiology. Prog Retin Eye Res. 2012 Nov;31(6):622-60

[*3] Dolin E. The myopia boom. Nature 2015 Mar 19;519(7543):276-8

[*4] Prevalence. International Myopia Institute. https://www.myopiainstitute.org/prevalence.html. Accessed May 15, 2020.

[*5] Manhattan Vision Associates is a vision care institute in New York, where our clinical studies are conducted.

About Kubota Vision Inc.

Kubota Vision Inc., doing business as Acucela Inc., is a wholly-owned subsidiary of Kubota Pharmaceutical Holdings Co., Ltd. (Tokyo 4596) committed to translating innovation into a diverse portfolio of drugs and devices to preserve and restore vision for millions of people worldwide. Kubota Pharmaceutical group's development pipeline include drug candidates for the treatment of diabetic retinopathy, Stargardt disease, and optogenetics-based gene therapy for the treatment of retinitis pigmentosa. The company is also developing a handheld OCT device for the monitoring of neovascular retinal diseases, to be used directly by patients. https://www.kubotavision.com/; https://www.kubotaholdings.co.jp/en/

Cautionary Statements

Certain statements contained in this press release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. Any statements contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. These forward-looking statements include statements regarding our expectations related to our development plans and ability to successfully develop and commercialize our product candidates and the potential efficacy, future development plans and commercial potential of our product candidates. These statements are based on current assumptions that involve risks, uncertainties and other factors that could cause the actual results, events or developments to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties, many of which are beyond our control, include, but are not limited to: our investigational product candidates may not demonstrate the expected safety and efficacy; our pre-clinical development efforts may not yield additional product candidates; any of our or our collaborators' product candidates may fail in development, may not receive

required regulatory approvals, or may be delayed to a point where they are not commercially viable; our clinical trials could be delayed; new developments in the intensely competitive ophthalmic pharmaceutical market may require changes in our clinical trial plans or limit the potential benefits of our investigational product candidates; the impact of expanded product development and clinical activities on operating expenses; adverse conditions in the general domestic and global economic markets; as well as the other risks identified in our filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof and we assume no obligation to update these forward-looking statements, and readers are cautioned not to place undue reliance on such forward-looking statements. For a detailed discussion of the foregoing risks and other risk factors, please refer to our filings with the Securities and Exchange Commission, which are available on Kubota Pharmaceutical Holdings (Kubota Vision's parent company) investor relations website (https://www.kubotaholdings.co.jp/en/ir/) and on the SEC's website (http://www.sec.gov).

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