The following information was originally prepared and published by GNI Group Ltd. in Japanese and it contains timely disclosure materials to be submitted to the Tokyo Stock Exchange. This English summary translation is for reference purposes only. To the extent there is any discrepancy between this English translation and the original Japanese version, please refer to the Japanese version. The following information was prepared in accordance with International Financial Reporting Standards ("IFRS").

Consolidated Financial Results for Q3 FY2025 YTD (IFRS)

November 14, 2025

Company Name:	GNI Group Ltd.	Tokyo Stock Exchange	
Stock Code:	2160	URL https://www.gnipharma.com	
Representative:	Ying Luo, Director, Representative Executive Officer, President, and CEO		
Inquiries:	Ryosuke Matsui, Director, Executive Officer,Vice President, COO and CFO		TEL: +81-3-6214-3600
Scheduled dividend payment commencement date:	-		
Supplementary materials prepared for financial results:	Yes		
Holding of a financial results briefing meeting:	No		

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

1. Consolidated Financial Results for Q3 FY2025 YTD (January to September)

(1) Q3 FY2025 YTD Consolidated Operating Results

(Percentages are shown as year-on-year changes)

	Revenue		Operating profit		Pre-tax profit		Profit		Profit attributable to owners of parent		Comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q3 FY2025 YTD	19,357	12.6	(497)	-	(1,084)	-	(2,076)	-	(495)	-	(3,978)	-
Q3 FY2024 YTD	17,192	(16.3)	2,342	(65.6)	1,806	(71.7)	607	(87.3)	1,305	(41.0)	(423)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY2025 YTD	(9.65)	(9.65)
Q3 FY2024 YTD	26.12	25.20

(2) Consolidated Financial Position

	Total assets	Total equity	Total equity attributable to owners of parent	Ratio of total equity attributable to owners of parent	Total equity attributable to owners of parent per share
	Million yen	Million yen	Million yen	%	Yen
Q3 FY2025	82,597	52,531	50,050	60.6	900.26
FY2024	71,942	39,713	36,446	50.7	726.67

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	-	-	0.00	0.00
FY2025	-	-	-		
FY2025 (Forecast)				0.00	0.00

Note: Amendment from the forecast most recently published on dividends payment: No

3. Consolidated Earnings Forecasts for FY2025 (January to December)

(Percentages are shown as year-on-year changes)

	Revenue		Operating profit		Pre-tax profit		Profit for the year		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2025	28,733	21.7	23,217	-	22,541	-	15,868	-	12,058	997.9	240.42

Note: Amendment from the forecast most recently published: No

Notes:

(1) Significant Changes in the Scope of Consolidation during the Period: No

(2) Changes in Accounting Policies and Changes in Accounting Estimates
- ① Changes in accounting policies that are required under IFRS: No
- ② Changes in accounting policies other than ①: No
- ③ Changes in accounting estimates: No

(3) Number of Shares Issued (Ordinary Shares)

① Number of shares issued as of the end of the period (including treasury shares)	Q3 FY2025	55,608,833 shares	FY2024	50,168,243 shares
② Number of treasury shares as of the end of the period	Q3 FY2025	13,643 shares	FY2024	13,550 shares
③ Average number of shares for the period	Q3 FY2025	51,397,391 shares	Q3 FY2024	49,970,288 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Explanation Concerning the Proper Use of Financial Results Forecasts and Other Relevant Specific Items

(Caution Regarding Forward-Looking Statements)

Forward-looking statements, including earnings forecasts contained in this report are based on currently available information and management's assumptions and beliefs regarding uncertainties that may impact future earnings forecasts. The Company cautions readers that actual results may differ materially from forecasts due to a variety of factors. For the assumptions that underpin financial results forecasts as well as other related items, please refer to "1. (5) Outlook for the fiscal year ending December 31, 2025.

(Change in Unit of Amounts Presented)

Amounts in the condensed quarterly consolidated financial statements were previously presented in thousands of yen.
Effective from the current third quarter consolidated accounting period and the consolidated cumulative third quarter, amounts are presented in millions of yen.
For ease of comparison, figures for the previous fiscal year and the consolidated cumulative third quarter have been reclassified into millions of yen.

Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

During the third quarter of the fiscal year, the global economy remained generally resilient despite heightened uncertainty stemming from factors such as the deterioration of the situation in the Middle East and growing concerns over the economic outlook due to U.S. tariff policies. In Japan, while uncertainty remained regarding future prospects partly due to the impact of tariff policies, personal consumption maintained a certain level of strength despite rising prices, and corporate earnings generally continued to show stable growth. In the biotechnology sector and the growth market of the Tokyo Stock Exchange, to which the Company belongs, investor interest shifted toward a limited number of large-cap stocks, resulting in a generally weak performance across the Growth Market. Amid such an environment, GNI Group Ltd. ("the Company" or "we") and its affiliated companies (collectively, "the Group") achieved steady sales in both the pharmaceutical segment and medical device segment and reduced operating losses.

In the Pharmaceutical and Drug Discovery Segment, Beijing Continent Pharmaceutical Co., Ltd. (doing business as Gyre Pharmaceuticals Co., Ltd., “Gyre Pharmaceuticals”), has completed patient enrollment in the Phase 3 clinical trial of ETUARY® for pneumoconiosis, a new indication under investigation. In addition, in October 2024, Gyre Pharmaceuticals completed the Phase 3 clinical trial in the PRC for F351, a leading candidate for the treatment of hepatitis B-induced liver fibrosis, and announced the results of the Phase 3 trial in May 2025. A New Drug Application (NDA) is currently under discussion with regulatory authorities regarding Priority Review, and submission is planned once these regulatory interactions are completed.
Furthermore, Gyre Therapeutics, Inc. (“GYRE”), a subsidiary listed on the NASDAQ, plans to submit an IND in 2026 to initiate a Phase 2 clinical trial in the U.S. for F351 targeting MASH (Metabolic dysfunction-associated steatohepatitis)-associated liver fibrosis. This submission will be based on the translation and regulatory-quality review of the Phase 2 and the Phase 3 clinical trial data conducted in the PRC, as well as an upcoming hepatic impairment study.
GYRE has revised its full-year 2025 revenue guidance from $118–128 million (approximately ¥17,110–18,560 million) to $115–118 million (approximately ¥16,675–17,110 million), assuming a full-year exchange rate of $1 = ¥145, reflecting the delayed launch of Etorel® (“nintedanib, ethanesulfonate soft capsules”) and its inclusion in government centralized procurement. On the other hand, sales of the flagship product ETUARY® remained strong, totaling ¥4.0 billion in the third quarter (up 7.9% YoY), and reached a record high in September 2025.

In November 2024, Cullgen Inc. (“Cullgen”), a U.S. subsidiary that conducts research and development of innovative new drugs mainly in the U.S. and the PRC, announced that it will become a listed company on the Nasdaq market in the U.S. through a reverse merger. If successfully listed, it will be the second public company after GYRE. Cullgen continues to advance drug discovery using its proprietary uSMITE™ (ubiquitin-mediated, small molecule induced target elimination) targeted protein degradation inducer technology platform. Cullgen has signed a joint research and option agreement with Astellas Pharma Inc. ("Astellas Pharma") to create innovative protein degradation inducers, and the joint research with Astellas Pharma in this strategic alliance is progressing.
Cullgen is currently conducting clinical trials in the PRC for CG001419 (development code) as the Company's first TRK degrader anticancer drug candidate, and has begun Phase 1/2 clinical trials. The Phase 1 clinical trial targeting acute and chronic pain as additional indications was initiated in Australia in January 2025, with patient enrollment completed. The company plans to submit an Investigational New Drug (IND) application to the U.S. FDA around early 2026. Moreover, the Phase 1 clinical trial for CG009301 (development code), a treatment candidate for hematologic malignancies (leukemia) under development in both the PRC and the U.S., wasinitiated in April 2025. Research and development are also underway for several other programs with the aim of starting clinical trials.

In the Medical Device Segment, our U.S. subsidiary, Berkeley Biologics LLC ("BB") and Berkeley Advanced Biomaterials LLC ("BAB") continue to play a central role. BB is engaged in the development of products such as Accelloderm, derived from skin, and Dfiber, derived from bone. At the same time, BB has secured a large-scale order for a placenta derived product. As a result, both revenue and profit continue to perform strongly.

① Operating Results by Segment

Pharmaceutical Segment

During the current quarterly consolidated accounting period, segment revenue and segment loss for the Pharmaceutical Segment were the ¥13,212 million, down 2.9% YoY and ¥1,552 million (compared to the segment profit of ¥1,419 million in the previous quarterly consolidated accounting period), respectively. The segment revenue was almost same YoY, due to the recovery of the revenue of the main product of Gyre Pharmaceuticals, ETUARY® in the Chinese market. The significant decline in segment profit compared with the previous quarterly consolidated accounting period was due to the increased costs related to Cullgen’s reverse merger, increased R&D expenses associated with clinical trial progress. In addition, a lack of an allocation of one time extra-ordinary gain by reversal of accumulated foreign exchange translation comprehensive income of ¥1,262 million in connection with intercompany long term loan settlement with GNI-USA recorded in the previous quarterly consolidated accounting period had impacted significantly.

Medical Device Segment

During the current quarterly consolidated accounting period, segment revenue and segment profit for the Medical Device Segment were ¥6,144 million, up 71.5% YoY and ¥1,054 million, up 14.3% YoY respectively, due to strong sales of BB. Excluding allocation of one time extra-ordinary gain by reversal of accumulated foreign exchange translation comprehensive income ¥360 million in connection with intercompany long term loan settlement with GNI-USA recorded in the previous quarterly consolidated accounting period, segment profit increased significantly.

Recording of one time extra ordinary gain in related to settlement of intercompany long term loan with GNI USA in the previous quarterly consolidated accounting period.

A reversal of foreign exchange translation comprehensive income of ¥1,622 million was recorded as one time extra ordinary gain in connection with the settlement of long-term intercompany loans with GNI USA (as publicly disclosed on January 18, 2024, through TSE).
This gain was allocated to the Pharmaceutical and Medical Device segments based on their respective segement revenues in the previous quarterly consolidated accounting period as follows:

Pharmaceutical Segment: ¥1,262 million

Medical Device Segment: ¥360 million
Total : ¥1,622 million

② Selling, General and Administrative Expenses; Research and Development Expenses

Million yen

	Q3 FY2024 YTD	Q3 FY2025 YTD	Difference
Selling, general and administrative expenses	(10,872)	(11,949)	(1,077)
Personnel expenses	(4,067)	(4,497)	(429)
Research and development expenses	(1,927)	(2,446)	(518)

Selling, general and administrative (SG&A) expenses for the current quarterly consolidated accounting period were ¥11,949 million, up 9.9% YoY. This increase in SG&A expenses reflects the costs related to Cullgen's listing.

Research and development (R&D) expenses for the current quarterly consolidated accounting period were ¥2,446 million, up 26.9% YoY. The increase in R&D expenses was mainly due to the progress of preclinical and clinical trials at Cullgen.

③ Finance Income and Finance Costs

Million yen

	Q3 FY2024 YTD	Q3 FY2025 YTD	Difference
Finance income	563	613	49
Finance costs	(1,122)	(1,198)	(76)

Finance income

Finance income for the current quarterly consolidated accounting period was ¥613 million, up 8.8% YoY. This increase was mainly due to increased foreign exchange gains.

Finance costs

Finance costs for the current quarterly consolidated accounting period was ¥1,198 million, up 6.8% YoY. This increase was mainly due to increased non-cash interest expenses related to Cullgen financing.

(2) Analysis of Financial Position

Summary of Consolidated Financial Position

Million yen

	As of December 31, 2024	As of September 30, 2025	Difference
Total assets	71,942	82,597	10,654
Total liabilities	32,229	30,066	(2,162)
Total equity	39,713	52,531	12,817

Total assets

As of September 30, 2025, the total assets stood at ¥82,597 million, up 14.8% compared to the previous fiscal year end. This increase in total assets was mainly due to an increase in cash and cash equivalents through overseas offering.

Total liabilities

As of September 30, 2025, the total liabilities stood at ¥30,066 million, down 6.7% compared to the previous fiscal year end. This decrease in total liabilities was mainly due to a decrease in short-term borrowings.

Total equity

As of September 30, 2025, the total equity stood at ¥52,531 million, up 32.3% compared to the previous fiscal year end. This increase in total equity was mainly due to an increase in share capital and capital surplus through overseas offering.

(3) Analysis of Cash Flows

Summary of Consolidated Cash Flows

Million yen

	Q3 FY2024 YTD	Q3 FY2025 YTD	Difference
Cash flows from operating activities	(2,057)	(707)	1,350
Cash flows from investing activities	(6,436)	293	6,729
Cash flows from financing activities	603	13,392	12,788

Cash flows from operating activities

The cash flow from operating activities was ¥707 million (cash outflow) for the current quarterly consolidated accounting period, (it was ¥2,057 million for the same period in 2024), mainly due to a decrease in income taxes paid.

Cash flows from investing activities

The cash flow from investing activities was ¥293 million (cash inflow) for the current quarterly consolidated accounting period, (it was ¥6,436 million cash outflow for the same period in 2024), mainly due to a collection of leasehold and guarantee deposits.

Cash flows from financing activities

The cash flow from financing activities was ¥13,392 million (cash inflow) for the current quarterly consolidated accounting period, (it was ¥603 million cash inflow for the same period in 2024), mainly due to proceeds from issuance of shares through overseas offering.

(4) Research and Development Activities

[Drug Discovery Research Activities]

The Group's drug discovery research aims to develop innovative new candidate compounds (NCEs) centered around Cullgen. Cullgen is conducting research and development to expand its drug discovery pipeline, which includes multiple novel compounds targeting enzyme and non-enzyme proteins for cancer, pain, and autoimmune diseases. In June 2023, Cullgen entered into a collaboration and exclusive option agreement with Astellas Pharma to create innovative protein degradation inducers. In this strategic alliance, the two companies will combine Cullgen's proprietary technology platform uSMITE™ utilizing novel E3 ligands with Astellas Pharma's drug discovery and commercialization capabilities to create multiple targeted protein degradation inducers. Cullgen and Astellas Pharma will collaborate to discover compounds for clinical development, and Astellas Pharma will be responsible for the development and commercialization of the discovered degraders. Collaborative research with Astellas Pharma, including candidate degraders for cell cycle proteins, which are lead programs identified by Astellas Pharma for breast cancer and other solid cancers, is progressing.

[Development Activities]

■ ETUARY® [Chinese: 艾思瑞® , (Generic name: Pirfenidone)] by Gyre Pharmaceuticals
Gyre Pharmaceuticals is conducting clinical trials to expand the indications of ETUARY® to the following diseases:

- Diabetic Kidney Disease (“DKD”): Phase 1 clinical trial completed, discussing further steps with Chinese authorities.
- Connective Tissue Diseases Associated Interstitial Lung Disease (“CTD-ILD: SSc-ILD” and “DM-ILD”): Phase 3 clinical trial ongoing.
- Pneumoconiosis (“PD”): Phase 3 clinical trial ongoing (Patient enrollment completed).
- Radiation-Induced Lung Injury (RILI), including cases complicated by checkpoint inhibitor-related pneumonitis (CIP): An adaptive Phase 2/3 trial plan to begin.

■F351 (Generic Name: Hydronidone) by Gyre Pharmaceuticals and Gyre Therapeutics
F351 is a potential treatment for liver fibrosis and an important new drug candidate in our pharmaceutical portfolio, which will be a key part of our strategy to enter major pharmaceutical markets around the world. F351 is a promising drug candidate expected to become a blockbuster, which generally refers to a pharmaceutical product with annual sales exceeding $ 1 billion.
In October 2024, Gyre Pharmaceuticals completed the Phase 3 clinical trial in the PRC for F351, a leading candidate for the treatment of hepatitis B-induced liver fibrosis, and announced the results of the Phase 3 trial in May 2025. A New Drug Application (NDA) is currently under discussion with regulatory authorities regarding Priority Review, and submission is planned once these regulatory interactions are completed.
GYRE plans to submit an IND in 2026 to initiate a Phase 2 clinical trial in the U.S. for F351 targeting MASH (Metabolic dysfunction-associated steatohepatitis)-associated liver fibrosis. This submission will be based on the translation and regulatory-quality review of the Phase 2 and Phase 3 clinical trial data conducted in the PRC, as well as an upcoming hepatic impairment study.

■ F573 [for Acute Liver Failure (“ALF”) and Acute on Chronic Liver Failure (“ACLF”)] by Gyre Pharmaceuticals
Gyre Pharmaceuticals is conducting the Phase 2 clinical trial of F573 in the PRC as a treatment for ALF/ACLF.

■F230 [for Pulmonary Arterial Hypertension (“PAH”)] by Gyre Pharmaceuticals
F230 is a drug in collaboration with Eisai for the treatment of PAH, and Gyre Pharmaceuticals received IND (Investigational New Drug) approval in the PRC in May 2024, and the Phase 1 clinical trial was initiated in June 2025.

■F528 [for Chronic Obstructive Pulmonary Disease (“COPD”)] by Gyre Pharmaceuticals
F528 is a novel anti-inflammatory agent that suppresses multiple inflammatory cytokines, and Gyre Pharmaceuticals is conducting research and development of it as a new drug candidate that may reduce the progression of COPD. IND application is planned for 2026 in the PRC.

■CG001419 (TRK degrader) by Cullgen
CG001419 is an oral drug utilizing the industry’s first selective and potent targeted protein degrader. In July 2023, Cullgen initiated its first clinical trial (Phase 1/2) for the TRK degrader in the PRC. In addition, A phase 1 clinical trial targeting acute and chronic pain was initiated in Australia in January 2025, and patient enrollment was completed in September 2025.

■CG009301 (TRK degrader) by Cullgen
CG009301 is a novel degrader targeting the GSPT1 protein, and the National Medical Products Administration (NMPA) approved the IND in October 2024, and the first clinical trial was initiated in April 2025.

(5) Outlook for the Fiscal Year Ending December 31, 2025

Outlook for the full year has not been revised since the release of the “Consolidated Financial Results for FY2024 (IFRS)” on February 14, 2025.

2. Summary of Quarterly Consolidated Financial Statements and Major Notes

(1) Summary of Quarterly Consolidated Statements of Financial Position

Million yen

	FY2024 (As of Dec 31, 2024)	Q3 FY2025 (As of Sep 30, 2025)
Assets		
Non-current assets		
Property, plant and equipment	5,696	5,346
Right-of-use assets	1,559	1,810
Goodwill	15,994	15,071
Intangible assets	11,026	11,694
Investments accounted for using the equity method	386	350
Deferred tax assets	2,234	2,138
Other financial assets	5,764	4,957
Other non-current assets	56	73
Total non-current assets	42,720	41,442
Current assets		
Inventories	2,529	3,811
Trade and other receivables	6,236	6,061
Other financial assets	9,291	7,662
Other current assets	1,050	842
Cash and cash equivalents	10,115	22,777
Total current assets	29,222	41,155
Total assets	71,942	82,597
Liabilities and equity		
Non-current liabilities		
Borrowings	1,200	900
Lease liabilities	735	975
Deferred tax liabilities	2,171	2,141
Other financial liabilities	15,454	15,620
Other non-current liabilities	203	395
Total non-current liabilities	19,764	20,032
Current liabilities		
Trade and other payables	2,263	1,982
Borrowings	4,575	2,350
Current portion of long-term borrowings	400	400
Lease liabilities	295	348
Current tax payable	2,611	2,734
Other financial liabilities	0	2
Other current liabilities	2,318	2,215
Total current liabilities	12,464	10,033
Total liabilities	32,229	30,066

	FY2024 (As of Dec 31, 2024)	Q3 FY2025 (As of Sep 30, 2025)
Equity		
Share capital	13,276	19,638
Capital surplus	6,626	15,659
Treasury shares	(15)	(15)
Retained earnings	9,888	9,393
Other components of equity	6,669	5,374
Total equity attributable to owners of parent	36,446	50,050
Non-controlling interests	3,267	2,481
Total equity	39,713	52,531
Total equity and liabilities	71,942	82,597

(2) Summary of Quarterly Consolidated Statements of Income and Summary of Quarterly Consolidated Statements of Comprehensive Income

Summary of Quarterly Consolidated Statements of Income

Million yen

	Q3 FY2024 YTD (Jan 1, 2024 to Sep 30, 2024)	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)
Revenue	17,192	19,357
Cost of sales	(3,515)	(4,982)
Gross profit	13,676	14,374
Selling, general and administrative expenses	(10,872)	(11,949)
Research and development expenses	(1,927)	(2,446)
Other income	2,241	330
Other expenses	(775)	(806)
Operating profit (loss)	2,342	(497)
Finance income	563	613
Finance costs	(1,122)	(1,198)
Share of profit (loss) of investments accounted for using equity method	22	(1)
Profit (loss) before tax	1,806	(1,084)
Income tax expense	(1,199)	(991)
Profit (loss)	607	(2,076)
Profit (loss) attributable to:		
Owners of parent	1,305	(495)
Non-controlling interests	(697)	(1,580)
Earnings per share		
Basic earnings per share (loss) (Yen)	26.12	(9.65)
Diluted earnings per share (loss) (Yen)	25.20	(9.65)

Summary of Quarterly Consolidated Statements of Comprehensive Income

Million yen

	Q3 FY2024 YTD (Jan 1, 2024 to Sep 30, 2024)	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)
Profit (loss)	607	(2,076)
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax		
Exchange differences on translation of foreign operations	(1,040)	(1,888)
Share of other comprehensive income of investments accounted for using equity method	9	(14)
Total other comprehensive income	(1,031)	(1,902)
Comprehensive income	(423)	(3,978)
Comprehensive income attributable to:		
Owners of parent	67	(2,345)
Non-controlling interests	(490)	(1,633)

(3) Summary of Quarterly Consolidated Statements of Changes in Equity

Previous Quarter: Q3 FY2024 (Jan 1, 2024 to Sep 30, 2024)

Million yen

	Attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Exch. diff on translation of foreign operations	Total
Balance as of Jan 1, 2024	13,052	7,397	(15)	8,790	1,503	3,065	4,569
Profit (loss)	-	-	-	1,305	-	-	-
Other comprehensive income	-	-	-	-	-	(1,237)	(1,237)
Total comprehensive income	-	-	-	1,305	-	(1,237)	(1,237)
Change in scope of consolidation	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(1,040)	-	-	-	(55)	(55)
Issuance of new shares	171	171	-	-	-	-	-
Share-based payment transactions	-	-	-	-	86	-	86
Issuance of share acquisition rights	-	-	-	-	0	-	0
Exercise of share acquisition rights	-	-	-	-	(96)	-	(96)
Issuance cost of share acquisition rights	-	-	-	-	(4)	-	(4)
Total amount of transactions with owners	171	(868)	-	-	(14)	(55)	(69)
Balance as of Sep 30, 2024	13,223	6,529	(15)	10,095	1,488	1,772	3,261

	Equity attributable to owners of parent	Non-controlling interests	Total equity
	Total		
Balance as of Jan 1, 2024	33,794	2,710	36,504
Profit (loss)	1,305	(697)	607
Other comprehensive income	(1,237)	206	(1,031)
Total comprehensive income	67	(490)	(423)
Change in scope of consolidation	-	91	91
Changes in ownership interest in subsidiaries	(1,095)	1,024	(71)
Issuance of new shares	343	-	343
Share-based payment transactions	86	-	86
Issuance of share acquisition rights	0	-	0
Exercise of share acquisition rights	(96)	-	(96)
Issuance cost of share acquisition rights	(4)	-	(4)
Total amount of transactions with owners	(767)	1,115	348
Balance as of Sep 30, 2024	33,094	3,335	36,429

Current Quarter: Q3 FY2025 (Jan 1, 2025 to Sep 30, 2025)

Million yen

	Attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Treasury shares	Retained earnings	Share acquisition rights	Exch. diff on translation of foreign operations	Total
Balance as of Jan 1, 2025	13,276	6,626	(15)	9,888	1,616	5,052	6,669
Profit (loss)	-	-	-	(495)	-	-	-
Other comprehensive income	-	-	-	-	-	(1,849)	(1,849)
Total comprehensive income	-	-	-	(495)	-	(1,849)	(1,849)
Changes in ownership interest in subsidiaries	-	2,671	-	-	-	-	-
Issuance of new shares	6,514	6,514	-	-	-	-	-
Share issue costs	(152)	(152)	-	-	2	-	2
Share-based payment transactions	-	-	-	-	613	-	613
Issuance of share acquisition rights	-	-	-	-	10	-	10
Exercise of share acquisition rights	-	-	-	-	(68)	-	(68)
Issuance cost of share acquisition rights	-	-	-	-	(4)	-	(4)
Forfeiture of share acquisition rights	-	0	-	-	(0)	-	(0)
Purchase of treasury shares	-	-	(0)	-	-	-	-
Total amount of transactions with owners	6,362	9,033	(0)	-	554	-	554
Balance as of Sep 30, 2025	19,638	15,659	(15)	9,393	2,171	3,203	5,374

	Equity attributable to owners of parent	Non-controlling interests	Total equity
	Total		
Balance as of Jan 1, 2025	36,446	3,267	39,713
Profit (loss)	(495)	(1,580)	(2,076)
Other comprehensive income	(1,849)	(53)	(1,902)
Total comprehensive income	(2,345)	(1,633)	(3,978)
Changes in ownership interest in subsidiaries	2,671	846	3,518
Issuance of new shares	13,028	-	13,028
Share issue costs	(301)	-	(301)
Share-based payment transactions	613	-	613
Issuance of share acquisition rights	10	-	10
Exercise of share acquisition rights	(68)	-	(68)
Issuance cost of share acquisition rights	(4)	-	(4)
Forfeiture of share acquisition rights	-	-	-
Purchase of treasury shares	(0)	-	(0)
Total amount of transactions with owners	15,949	846	16,796
Balance as of Sep 30, 2025	50,050	2,481	52,531

Note: Provisional accounting treatments for business acquisition were finalized in the prior consolidated fiscal year. Accordingly, the balances as of Jan 1, 2024 have been retrospectively adjusted.

(4) Summary of Quarterly Consolidated Statements of Cash Flows

Million yen

	Q3 FY2024 YTD (Jan 1, 2024 to Sep 30, 2024)	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)
Cash flows from operating activities		
Profit (loss) before tax	1,806	(1,084)
Depreciation	662	830
Decrease (increase) in trade and other receivables	(719)	(85)
Increase (decrease) in trade and other payables	(511)	(307)
Decrease (increase) in inventories	(243)	(1,389)
Increase (decrease) bonus allowance	(54)	(14)
Finance income and finance costs	504	754
Loss (gain) on valuation in securities	520	598
Other	(1,724)	416
Subtotal	(280)	(280)
Interest received	322	274
Interest paid	(67)	(114)
Income taxes paid	(2,031)	(586)
Net cash provided by (used in) operating activities	(2,057)	(707)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(290)	31
Purchase of securities	-	(82)
Purchase of property, plant and equipment	(465)	(284)
Proceeds from sale of property, plant and equipment	-	0
Purchase of intangible assets	(722)	(900)
Purchase of investment securities	(1,701)	(13)
Proceeds from sale of investment securities	190	-
Increase of leasehold and guarantee deposits	(3,464)	(4)
Decrease of leasehold and guarantee deposits	18	1,540
Collection of loans receivable	-	6
Net cash provided by (used in) investing activities	(6,436)	293
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,300	(2,225)
Repayments of long-term borrowings	(300)	(300)
Proceeds from issuance of shares	-	12,592
Proceeds from issuance of share acquisition rights	0	10
Capital contribution from non-controlling interests	625	3,280
Payments of share issuance costs	-	(438)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(3,269)	-
Proceeds from exercise of share acquisition rights	528	732
Repayments of lease liabilities	(281)	(258)
Purchase of treasury shares	-	(0)
Net cash provided by (used in) financing activities	603	13,392
Effect of exchange rate changes on cash and cash equivalents	306	(316)
Net increase (decrease) in cash and cash equivalents	(7,583)	12,662
Cash and cash equivalents at beginning of period	21,633	10,115
Cash and cash equivalents at end of period	14,049	22,777

(5) Notes to the Summary of Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Basis of Preparation)

(1) Framework of Financial Report

The Group's quarterly consolidated financial statements are prepared in accordance with Article 5, Paragraph 2 of the Tokyo Stock Exchange, Inc.'s Standards for the Preparation of Interim Financial Statements, applying the omitted disclosures as set forth in Article 5, Paragraph 5 of the Standards for the Preparation of Interim Financial Statements.

The Group’s quarterly consolidated financial statements do not include all the information required by the annual consolidated financial statements and should be used in conjunction with the Group’s consolidated financial statements for the fiscal year ended December 31, 2024.

(2) Functional Currency and Presentation Currency

The Group’s quarterly consolidated financial statements are presented in Japanese yen, its functional currency. Figures of less than one million yen are rounded down.

(Segment Information)

(1) Reportable Segments

Of its business structure, the Group’s reportable segments, from which separate financial data can be obtained, are subject to periodic review by the Board of Directors for the purpose of deciding the allocation of resources and assessing performance.

The Group has two reportable segments: the Pharmaceutical Segment consisting of drug development, manufacturing, and sales activities as well as contracted research operations; and the Medical Device Segment consisting of development, manufacturing and sales activities of medical devices, including biomaterials.

The major products and services in each reportable segment are as follows.

Reportable segments	Main product and services
Pharmaceuticals	ETUARY®, Etorel®, Contiva®, drug discovery and development, reagents, etc.
Medical Device	Biomaterials, Designated Marketing Authorization Holder and in-country caretaker service

(2) Revenue and Profit by Reportable Segments

Information about the Group's reportable segments is as follows.

Previous Quarter: Q3 FY2024 YTD (Jan 1, 2024 to Sep 30, 2024)

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Revenue				
Revenue to outside customers	13,609	3,582	17,192	17,192
Total	13,609	3,582	17,192	17,192
Segment profit	1,419	922	2,342	2,342
			Finance income	563
			Finance costs	(1,122)
			Share of profit (loss) of investments accounted for using equity method	22
			Profit before tax	1,806

Notes: The segment profit reflects the operating profit in summary of quarterly consolidated statements of income.

Current Quarter: Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Revenue				
Revenue to outside customers	13,212	6,144	19,357	19,357
Total	13,212	6,144	19,357	19,357
Segment profit (loss)	(1,552)	1,054	(497)	(497)
			Finance income	613
			Finance costs	(1,198)
			Share of profit (loss) of investments accounted for using equity method	(1)
			Profit (loss) before tax	(1,084)

Notes: The segment profit (loss) reflects the operating profit (loss) in summary of quarterly consolidated statements of income.

(Important Subsequent Events)

Not applicable.