

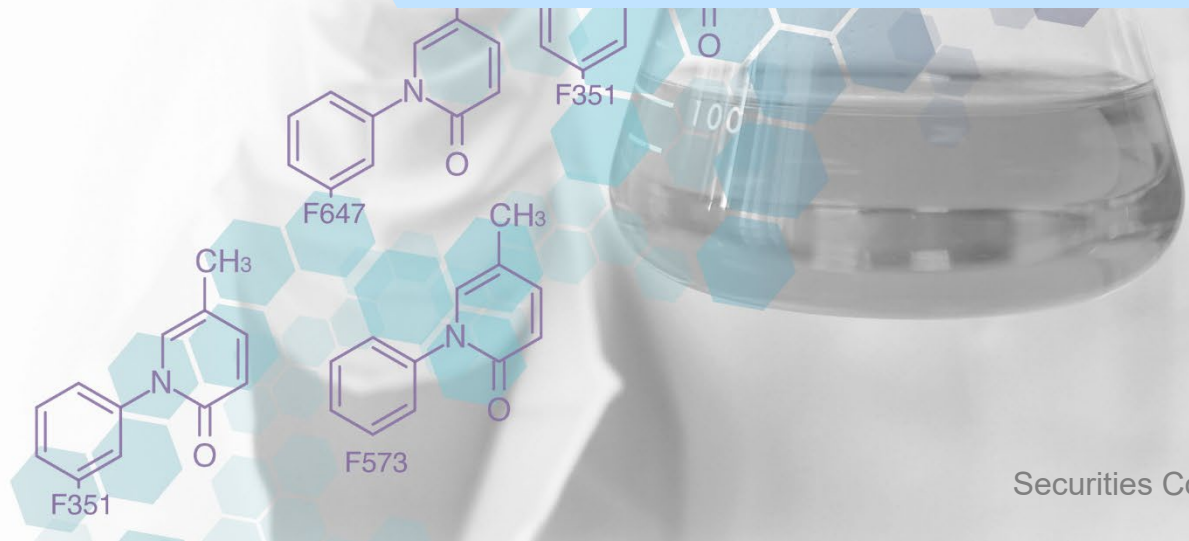


GNI Group Ltd.

**FY2022 Q1 Financial Results
Corporate Presentation**

May 19th, 2022

We Bring New Hope to Patients



Securities Code: 2160

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Note: In places, pro forma figures in the pages which follow may be rounded to underscore direction of the business.

Agenda

Strategic Overview

Ying Luo (罗楹), PhD

President and Chief Executive Officer

Financial Overview

Joseph Francis Meyer

Chief Financial Officer

Questions and Answers

Ying Luo

Joseph Francis Meyer

Akihiro Nakano (IR)

2022Q1: Maintaining Growth and Strategic Initiatives

- ✓ Consolidated revenue hit quarterly record high JPY 3.9 billion, growing 1.6% compared to the historically best quarter in 2021Q1 amid industry-wide headwinds
- ✓ R&D making steady progress
- ✓ Beijing Continent (BC below) IPO application - on track
- ✓ Cash on hand of JPY 14.7 billion exceeds the average of 2020 and 2021 total SG&A (inc. R&D) of JPY 8.2 billion
- ✓ Expansion of biomaterial and general healthcare businesses

Solid Growth

- 1.6% revenue growth under COVID-19 disruption
- On schedule for the full-year budget

Robust Financial Position

- BC under IPO application
- Cash on Hand robust

Steady R&D Progress

- F351 Ph3 trial
- Protein degrader IND

Business Expansion

- Biomaterial business to China
- Healthcare trading business

R&D: Drug Development Pipeline (1/2)

Steady progress on clinical trials in China by BC

Beijing Continent

Product		Indication	Pre-clinical	Phase I	Phase II	Phase III	NDA	Marketed	Upcoming Milestone	Expecting approval date	Commercial Rights	
Pulmonary Diseases	Fibrosis-associated	ETUARY® (Pirfenidone)	Idiopathic Pulmonary Fibrosis (IPF) ★	[Progress bar from Pre-clinical to Phase III]						Commercialized		
			Dermatomyositis Interstitial Lung disease (DM-ILD) ★	[Progress bar from Pre-clinical to Phase II]						NDA in 2025	2025	
			Systemic Sclerosis-associated Interstitial Lung Disease (SSc-ILD) ★	[Progress bar from Pre-clinical to Phase II]						NDA in 2027	2027	
			Pneumoconiosis	[Progress bar from Pre-clinical to Phase II]						Phase III initiation in 2022 Q2	2025	
	Others	F528	Chronic Obstructive Pulmonary Disease (COPD)	[Progress bar from Pre-clinical to Phase I]					IND in 2022 Q4	2028		
	F230	Pulmonary Arterial Hypertension (PAH)	[Progress bar from Pre-clinical to Phase I]					IND in 2023 Q3	2028			
Liver Diseases	Fibr osis	F351 (Hydronidone)	Chronic Hepatitis B Liver Fibrosis	[Progress bar from Pre-clinical to Phase II]						NDA in 2024 Q2	2024	
	Other	F573	Acute Liver Failure (ALF) / Acute-on-Chronic Liver Failure (ACLF) ★	[Progress bar from Pre-clinical to Phase I]					Phase II initiation in 2022 Q4	2025		
Kidney Disease	Fibrosis-Associated	ETUARY® (Pirfenidone)	Diabetic Kidney Disease (DKD)	[Progress bar from Pre-clinical to Phase I]					Phase III initiation in 2022 Q4	2027		

★ Rare Disease ● China Rights Global Rights Global First Right

R&D: Drug Development Pipeline (2/2)


Promising drug pipeline in the US – more IND's to come

Cullgen

Product - Indication	Origin	Phase I	Phase II	Phase III	Latest Status as of 2022 May
PROTAC (China)					
Cancer	Proprietary				Filed IND with NMPA for cancer Phase 1 trial

More IND (Investigational New Drug) applications expected from Cullgen going forward

GNI USA

Product - Indication	Origin	Phase I	Phase II	Phase III	Latest Status as of 2022 May
F351 (US)					
Liver Fibrosis (NASH)	Proprietary				Continuing pre-IND discussion with FDA for NASH Phase II trial in US

Key Strategic Growth Initiatives

	Trends	Opportunities	Growth Potential	Progress
ETUARY®	<ul style="list-style-type: none"> ✓ Increasing competition in fibrosis treatment in China ✓ Rising awareness of the pathology and its treatment 	<ul style="list-style-type: none"> ✓ Strong sales force across China 	<ul style="list-style-type: none"> ✓ Expansion of indications 	<ul style="list-style-type: none"> ✓ Clinical trials for indication expansion
Drug Discovery	<ul style="list-style-type: none"> ✓ Increasing competition in drug discovery space globally 	<ul style="list-style-type: none"> ✓ More large Healthcare companies are forming alliances with biotech ventures for new drugs 	<ul style="list-style-type: none"> ✓ Cullgen's strong drug discovery platform ✓ Cost-efficient testing capacity in China 	<ul style="list-style-type: none"> ✓ BC's F351 in Ph3 clinical trial in China ✓ Cullgen's protein degradation pipeline
Biomaterial	<ul style="list-style-type: none"> ✓ Back-to-normal after COVID-19 lockdown ✓ Increasing surgeries 	<ul style="list-style-type: none"> ✓ New application to aesthetics / cosmetics area 	<ul style="list-style-type: none"> ✓ Berkeley Advanced Biomaterials (BAB below) is a highly-regarded brand in the industry 	<ul style="list-style-type: none"> ✓ BAB is engaging a partner in China for marketing their products ✓ Exploring Japan market
Healthcare	<ul style="list-style-type: none"> ✓ Faster spread of healthcare product information in social network platforms globally ✓ E-commerce platforms maturing internationally 	<ul style="list-style-type: none"> ✓ Cross-border healthcare products sales and marketing 	<ul style="list-style-type: none"> ✓ GNI's business presence that spans the US, Japan, and China 	<ul style="list-style-type: none"> ✓ The healthcare product wholesale business by Rui Fu (aka REEF) in China growing rapidly
Strategic Investments	<ul style="list-style-type: none"> ✓ Higher inflation ✓ From risk-on to risk-off ✓ Recent downturn in biotech equities – favorable valuations 	<ul style="list-style-type: none"> ✓ Recent downturn in biotech industry investments leaving many good businesses at reasonable valuation ✓ GNI's track record in both R&D and commercialization 	<ul style="list-style-type: none"> ✓ GNI's deep knowledge, experiences, and relationships in healthcare industry 	<ul style="list-style-type: none"> ✓ Steady dialogues with key opinion leaders and M&A professionals to seek opportunities

Biomaterial Business

Developing plans to expand internationally

BAB bucked industry trends –
strong Q1'22



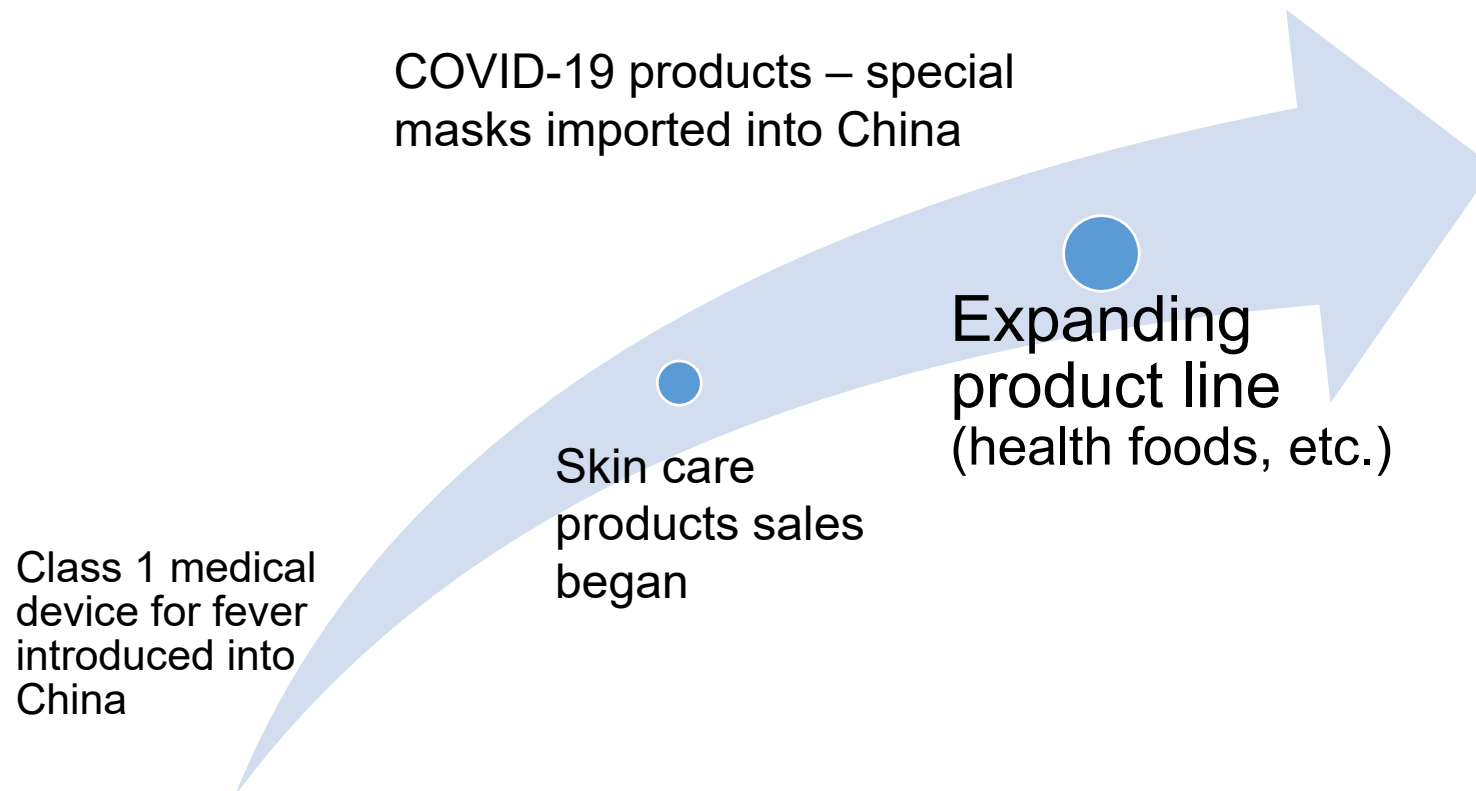
Have identified a partner to
expand product sales into in
China



Invest into new aesthetics
business using available
biomaterial

Healthcare Business Update (Rui Fu aka Reef)

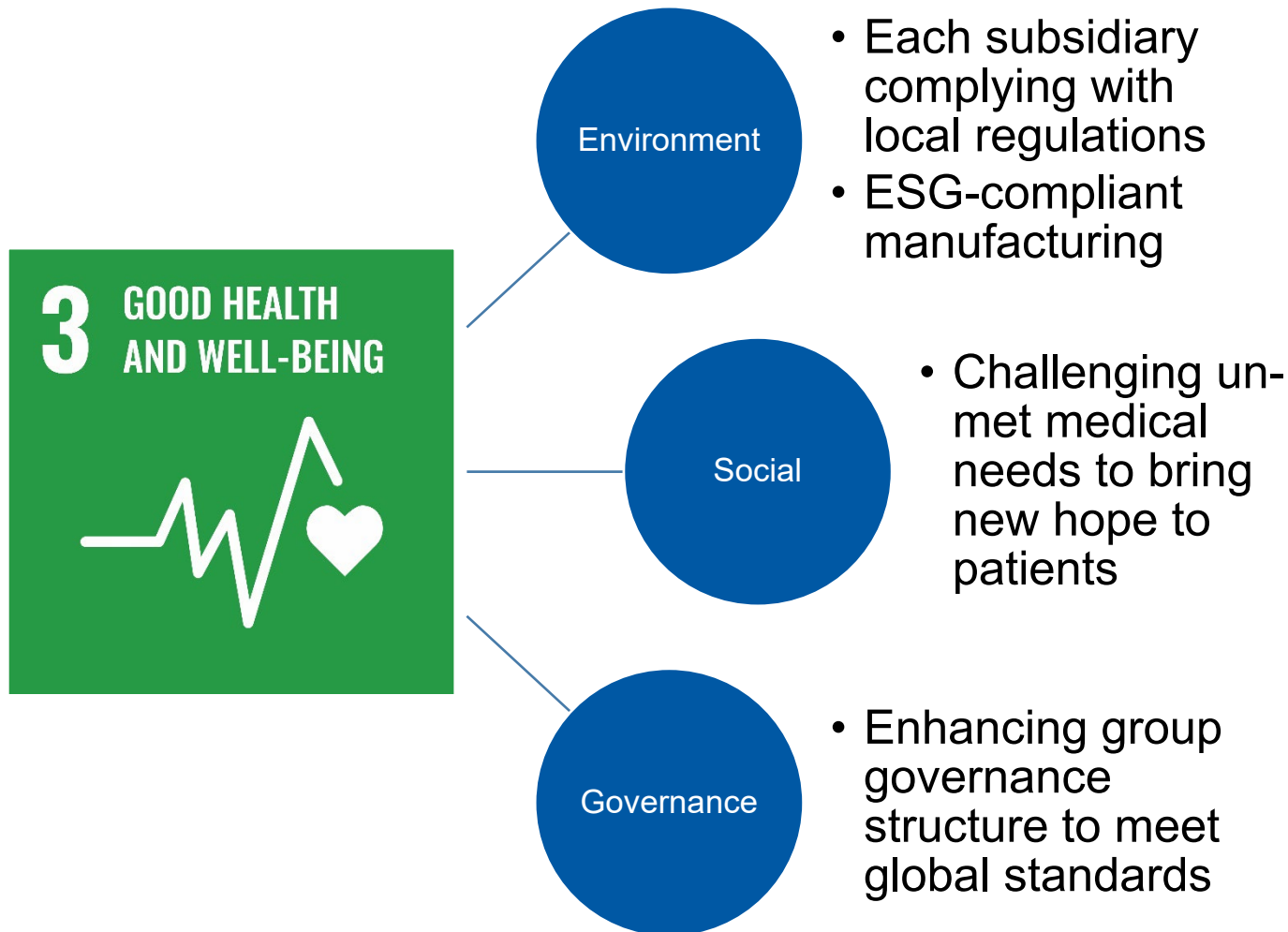
Mission: Bring high diversity of healthcare products of Japan to the biggest consumer markets in China



Healthcare business enables GNI Group to explore future healthcare opportunities in linking Japan with China and also pave the path for the future launch of certain biomaterial products being developed.

GNI Group's Efforts in ESG

UN's Sustainable Development Goal #3: Good Health and Well-Being



Financial Overview

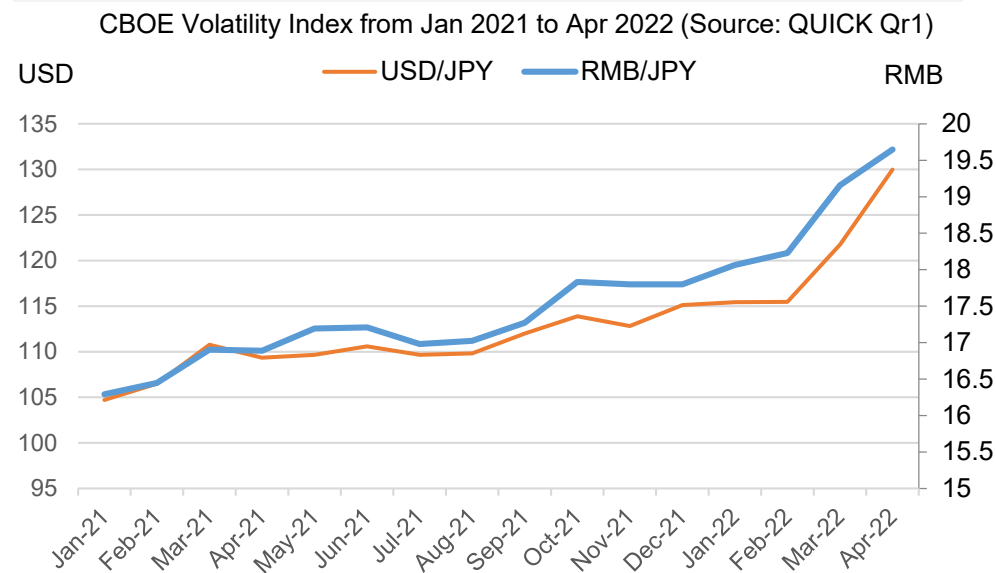
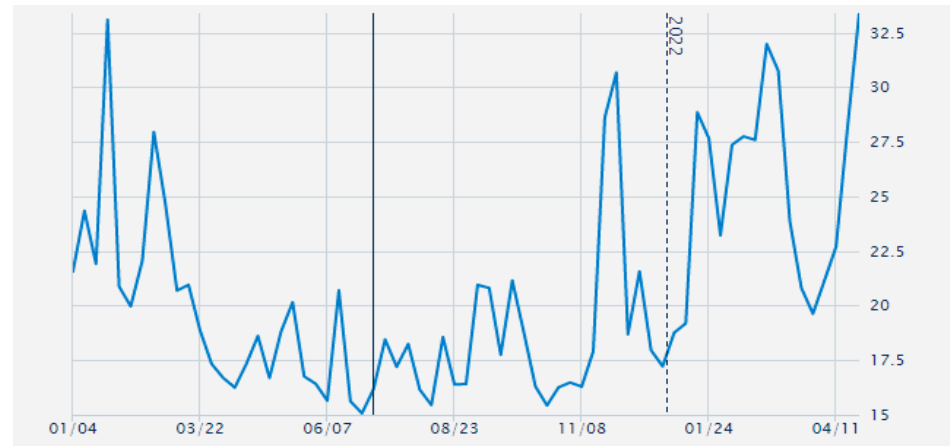
Joseph Francis Meyer

Chief Financial Officer

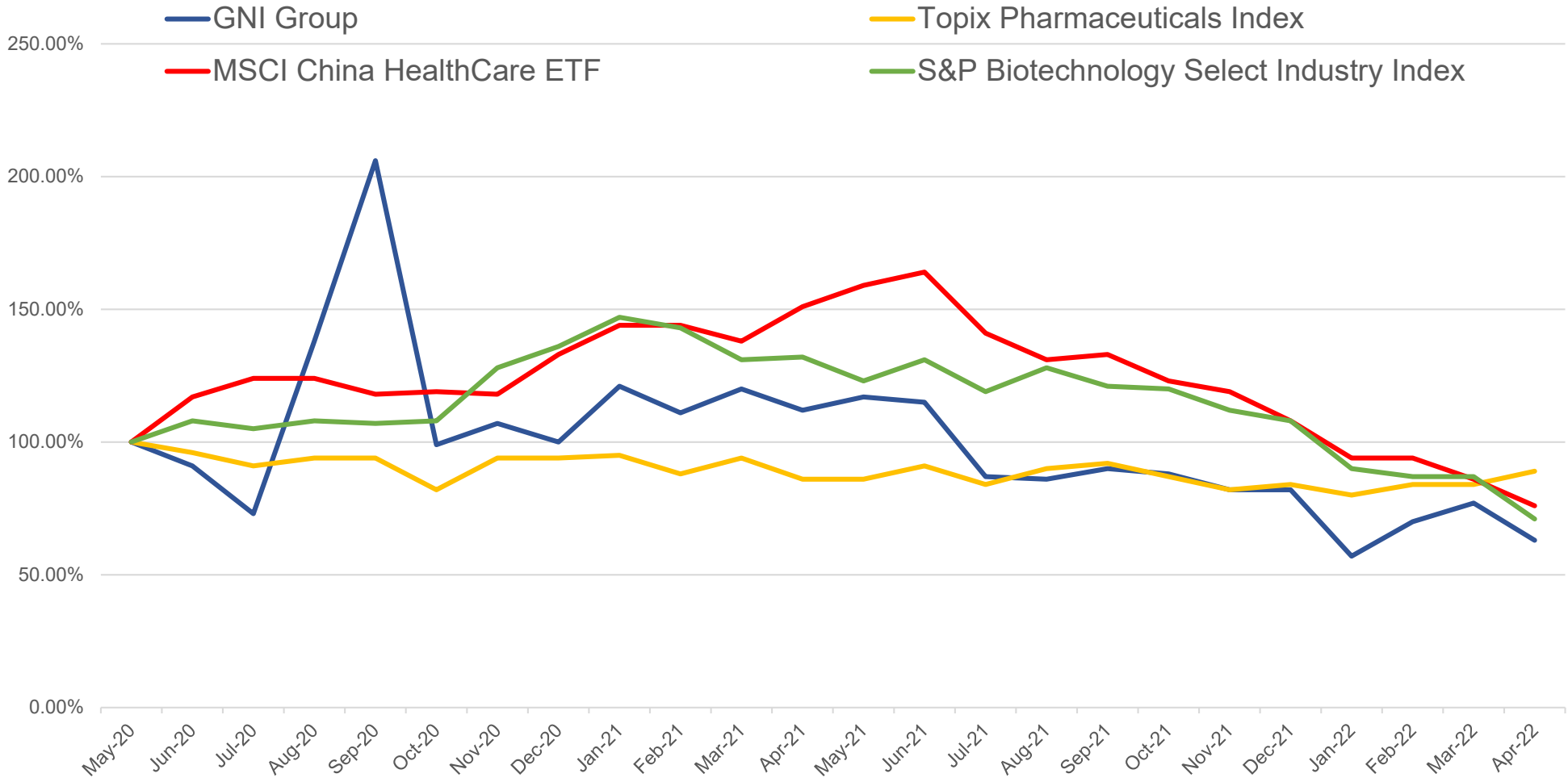


2022Q1: Macro Environment

- ✓ Unprecedented volatility in the world's stock markets
- ✓ Tailwind from depreciating JPY at consolidated level
 - JPY Depreciation (Jan 2021 - Apr 2022)
 - USD/JPY 25%
 - RMB/JPY 20%
 - Ongoing challenges from COVID-19 and supply chain constraints
 - Yet to see material impacts, but carefully monitoring



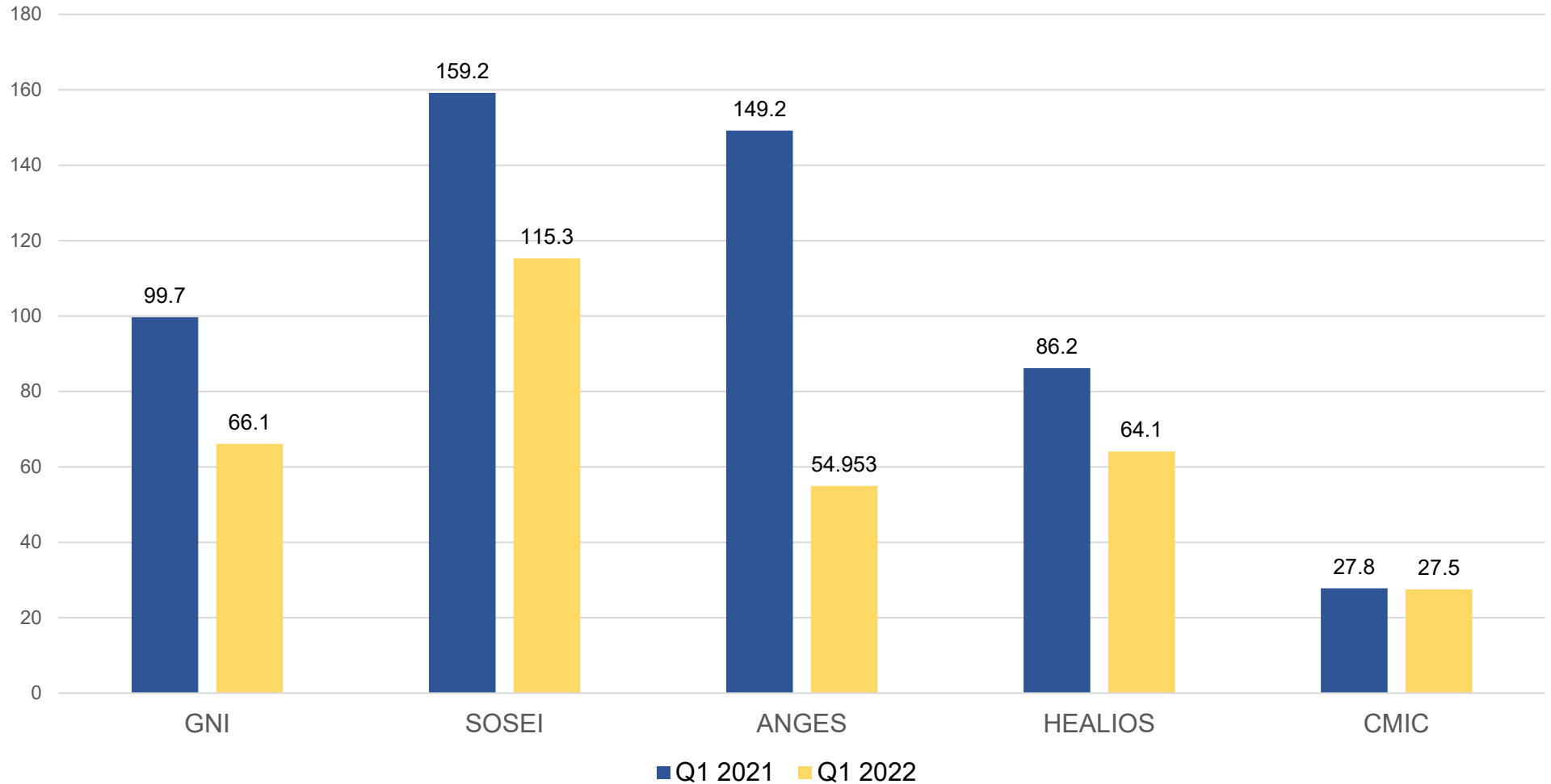
Global Biotech Equity Market Trend 2020 - 2022



(Source: YCharts)

Japanese Selected Biotech Firms Market Cap 2021Q1 vs 2022Q1

(Billion JPY)

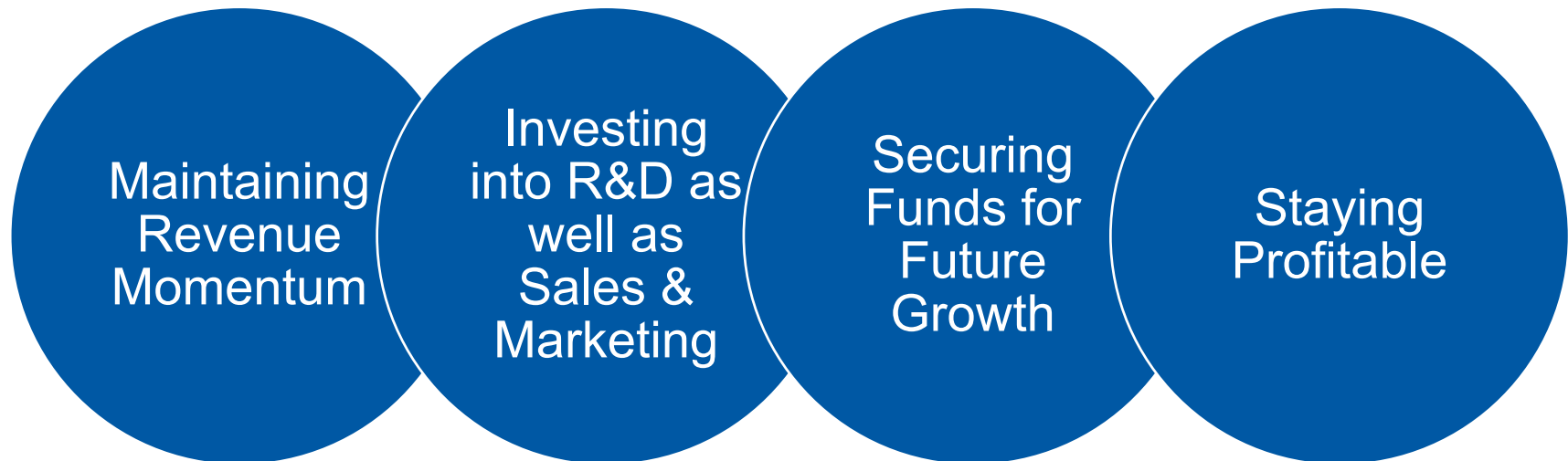


(Source: Finbox)

2022Q1 Micro: Maintaining Profitability

- ✓ Subsidiary performance in local currency terms:
 - BC: 22Q1 revenue down from 21Q1, but profits improved; overall on track for full-year budget
 - BAB: profits up by 23% from 21Q1 thanks to increasing surgeries; ahead of fully-year budget
 - Cullgen: making steady progress in R&D while staying within budget
- ✓ Opportunistic investment partnerships and fund-raising discussions continue

BC: Beijing Continent Pharmaceutical Co., Ltd BAB: Berkeley Advanced Biomaterials LLC

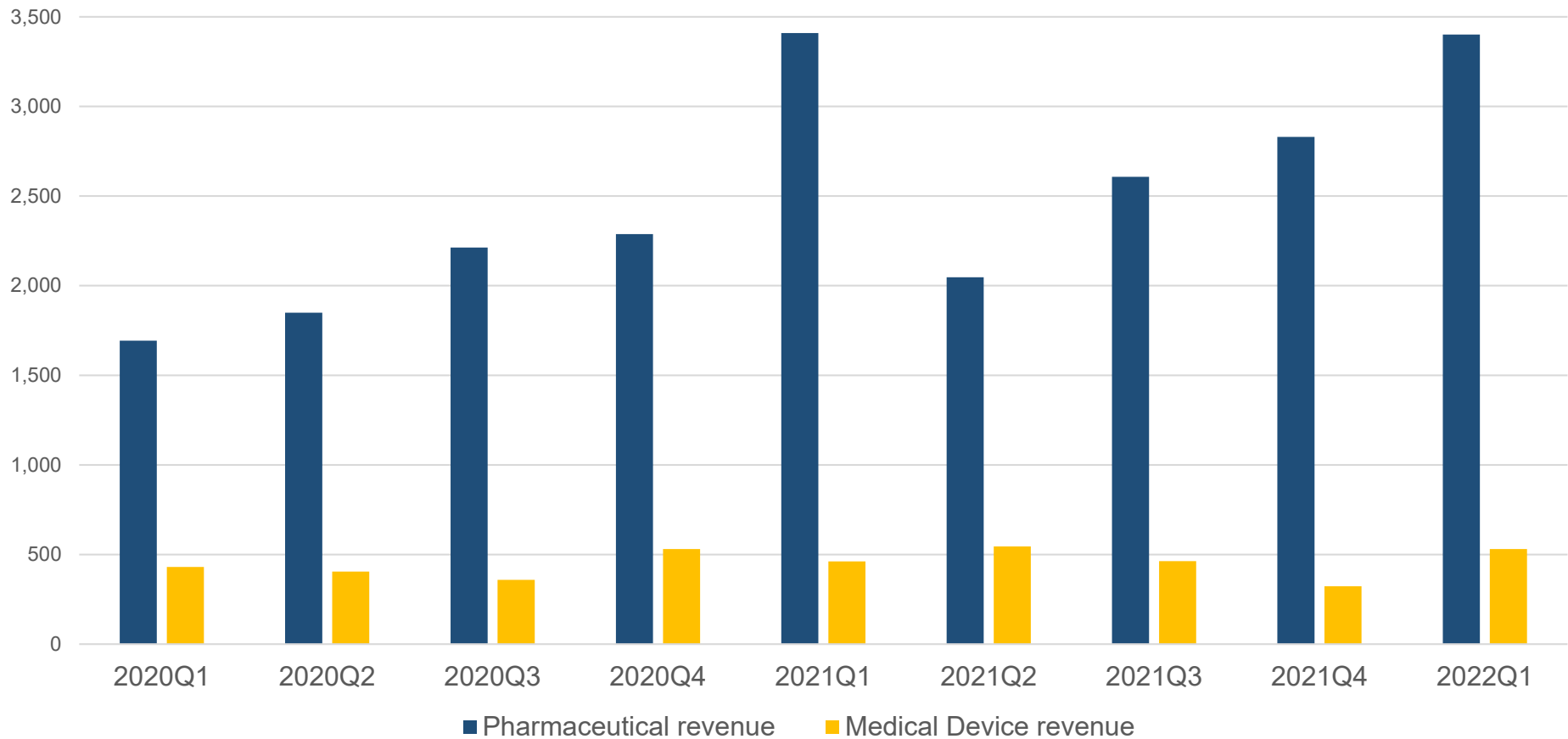


Segment Revenue Progress

Trending steady growth path

(Million JPY)

Quarterly Revenue by Segment from 2020 to Date

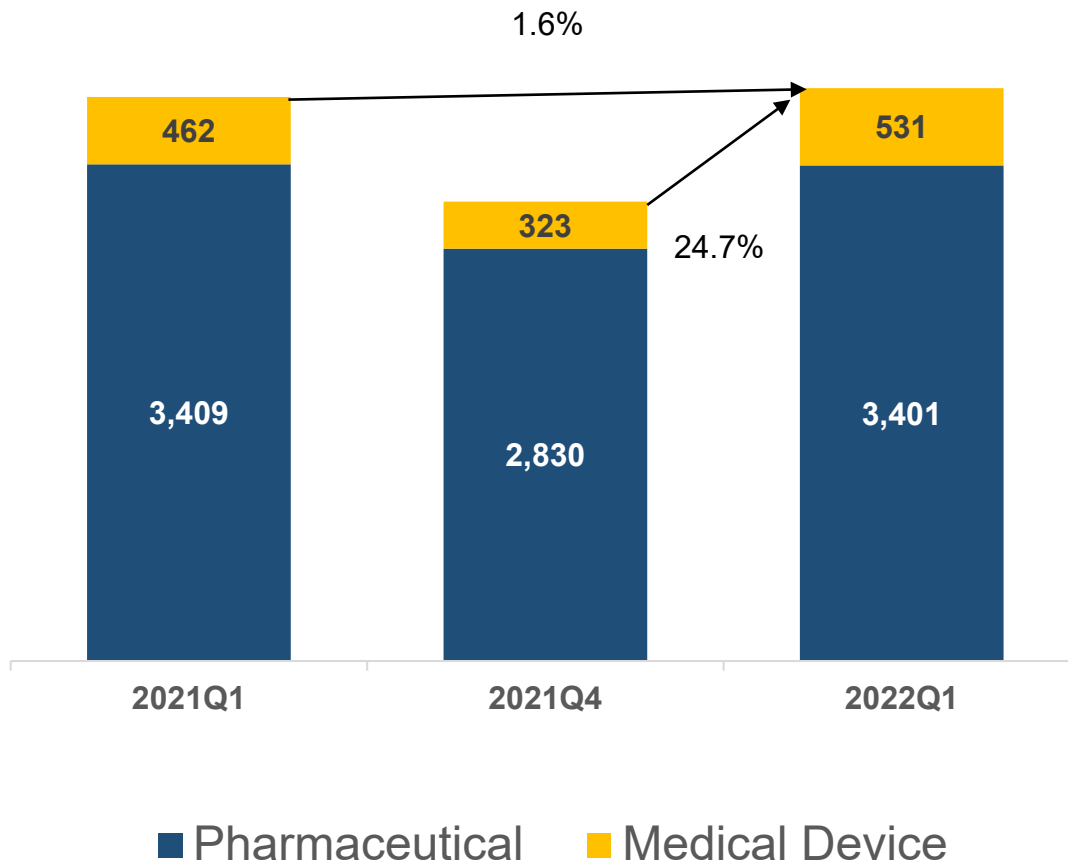


Excluding revenue from group companies

Revenue by Segment and Key Points

Key Points

(Million JPY)



Medical Device

- ✓ Recovery of surgeries back-to-normal in the US
- ✓ Highly-regarded brand in the industry

Pharmaceutical

- ✓ Well-established sales force across major regions in China
- ✓ Drug-discovery efforts continue in both China and the US, good dialogue with regulators
- ✓ Growing healthcare product business

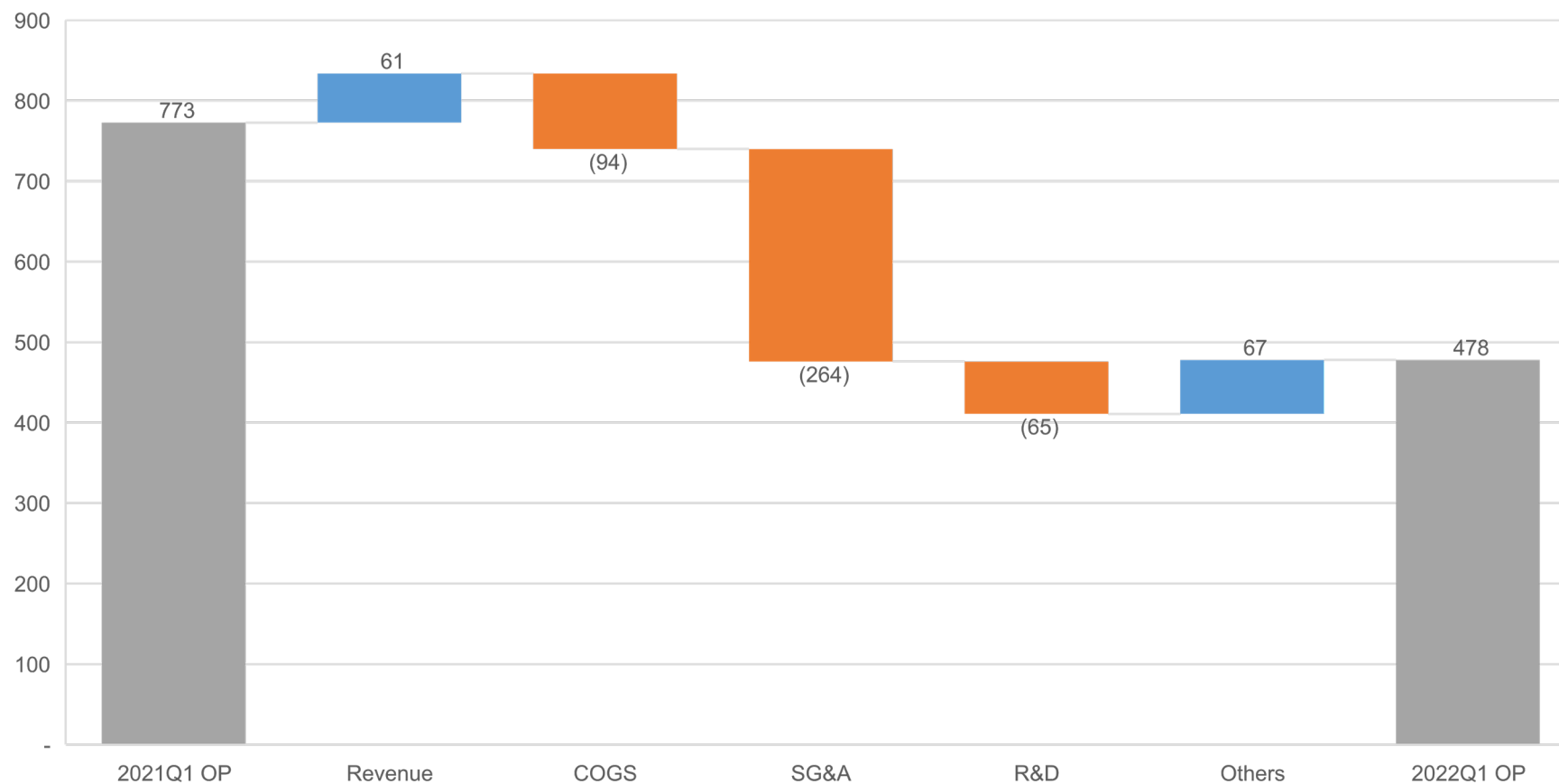
Excluding revenue and profit from group companies

Consolidated Operating Profit Breakdown

(Million JPY)

■ Increase ■ Decrease

2021Q1 vs 2022Q1 Operating Profit Breakdown



Others: Other Income and Other Expenses

FY2022Q1 Consolidated Financial Results

Growing while maintaining profitability

Million Yen

Consolidated P/L	FY2021Q1	FY2022Q1	Change
Revenue	3,872	3,933	1.6%
Gross profit	3,416	3,384	-1.0%
SG&A	2,194	2,458	12.0%
R&D	403	468	16.2%
Operating profit	773	478	-38.1%
Finance income	28	54	93.7%
Finance costs	125	186	48.1%
Profit before tax	676	347	-48.6%
Income tax expenses	240	275	14.5%
Profit after tax	435	72	-83.4%
Owner's Profit	432	351	-18.8%

- Highest quarter revenue ever recorded
- Continued hiring (esp. R&D) in BC and Cullgen; IPO expenses in BC
- Ongoing investment in R&D expanding clinical trial operations in China & US
- Non-cash accruals for interest expenses from Cullgen's financing under IFRS
- Maintaining profitability while continuing high level of investments into R&D, sales force, and IPO preparation

	FY2021 End	FY2022Q1	Change
Cash and cash equivalents	13,360	14,787	10.7%

Contact Information

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