



# GNI Group Ltd.

## Financial Results for Q3 FY2025

The background features a complex, light blue technical drawing or architectural plan. It includes various circular diagrams, some with concentric rings and radial lines, and others with internal structures. There are also dashed lines and small circles scattered throughout. The overall aesthetic is clean and professional, suggesting a focus on technology or engineering.

# ***We Bring New Hope to Life***

# Agenda

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**1. Company Overview**

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**2. Q3 FY2025 Segment Results**

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**3. Q3 FY2025 Financial Highlights**

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**4. Financial Forecast for FY2025**

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# 1. Company Overview

# Company Overview

## ■ Head Office

3rd Floor, Nihonbashi Honcho YS Building,  
2-2-2, Nihonbashi-Honcho  
Chuo-ku, Tokyo 103-0023

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## ■ Incorporation

November 2001

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## ■ Paid Capital

19,638 million yen  
(as of September 30, 2025)

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## ■ Listing

TSE Growth Market  
Listed in August 2007  
Securities code: 2160

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## ■ Main Business

Global pharmaceutical R&D,  
manufacturing and distribution,  
and biomaterials business

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## ■ Director, Representative Executive Officer, President, and CEO

Ying Luo Ph.D.

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## ■ Number of Employees (group-wide)

937 (as of September 30, 2025)

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## ■ Operating Countries

Japan, The People's Republic of China, USA,  
and Australia

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**Director, Representative Executive Officer,  
President, and CEO**

**Ying Luo Ph.D.**

To develop new treatments for unmet medical needs, He is leveraging the unique strengths of the pharmaceutical industries in Japan, the U.S., and the PRC, and pioneering a new, highly profitable business model.

He obtained a Ph.D. in Molecular Biology/Biomedical Sciences from the University of Connecticut Health Center in 1991. He has co-authored over 35 research studies and publications and is an inventor on over 16 patents during his 30+ years of biotech career.

Developed our Group's flagship product, Etuary® (Pirfenidone), a treatment for pulmonary fibrosis, which was the drug to be approved in the PRC as a Class 1.1 new drug. Additionally, F351 (Hydronidone), a potential treatment for liver fibrosis, was designated by the CDE as a Breakthrough Therapy, underscoring our leadership in the research and development of innovative pharmaceuticals.

He was selected as one of the "Forbes China 100 most influential Chinese 2024".

# Major Pharmaceutical & Drug Discovery (Candidate)

## [Pharma]

**ETUARY®** (Generic name : Pirfenidone) Chinese : 艾思瑞®

- Treatment for idiopathic pulmonary fibrosis (IPF)
- The Group's flagship product



**Contiva®** (Generic Name: Avatrombopag Maleate Hydrochloride) Chinese Name: 康曲欣®

- Launched in March 2025
- A liver disease–related therapeutic, establishing sales channels in preparation for F351's launch. (for thrombocytopenia caused by chronic liver disease and chronic idiopathic thrombocytopenia).

**Etorel®** (Generic Name: Nintedanib Esylate) Chinese Name: 伊妥瑞®

- Launched in June 2025
- Indicated for SSc-ILD and PF-ILD

## [Drug Discovery]

**F351** (Generic name : Hydronidone)

- A potential blockbuster drug candidate for liver fibrosis, for which no treatments currently exist#  
**(May 23, 2025: Positive topline data from the Phase 3 clinical trial announced)**
- Recognized as a '**Breakthrough Therapy**' by the China National Medical Products Administration in 2021



**F528**

- A next-generation potential blockbuster drug candidate for chronic obstructive pulmonary disease (COPD)#
- An estimated 100 million patients in the PRC, yet no curative treatments currently exist



## Targeted Protein Degradation

- **Three Phase 1 clinical trials are currently underway: two in the PRC and one in Australia**
- Aiming to create new drugs by leveraging its proprietary targeted protein degradation platform, uSMITE™
- Gaining recognition from major pharmaceutical companies, including investment and board/advisor appointments from AstraZeneca, and licensing agreement with Astellas Pharma, highlighting the platform's high potential



# based on GNI's own view

# Making the leap to a global pharmaceutical company through subsidiary listing strategy

Promoting the establishment to recruit high talents for a global management structure to achieve sustainable growth and maximize shareholder value, while mitigating key-person risk centered on the CEO



Pharma

Promote the Group's value to Global investors



Biotech

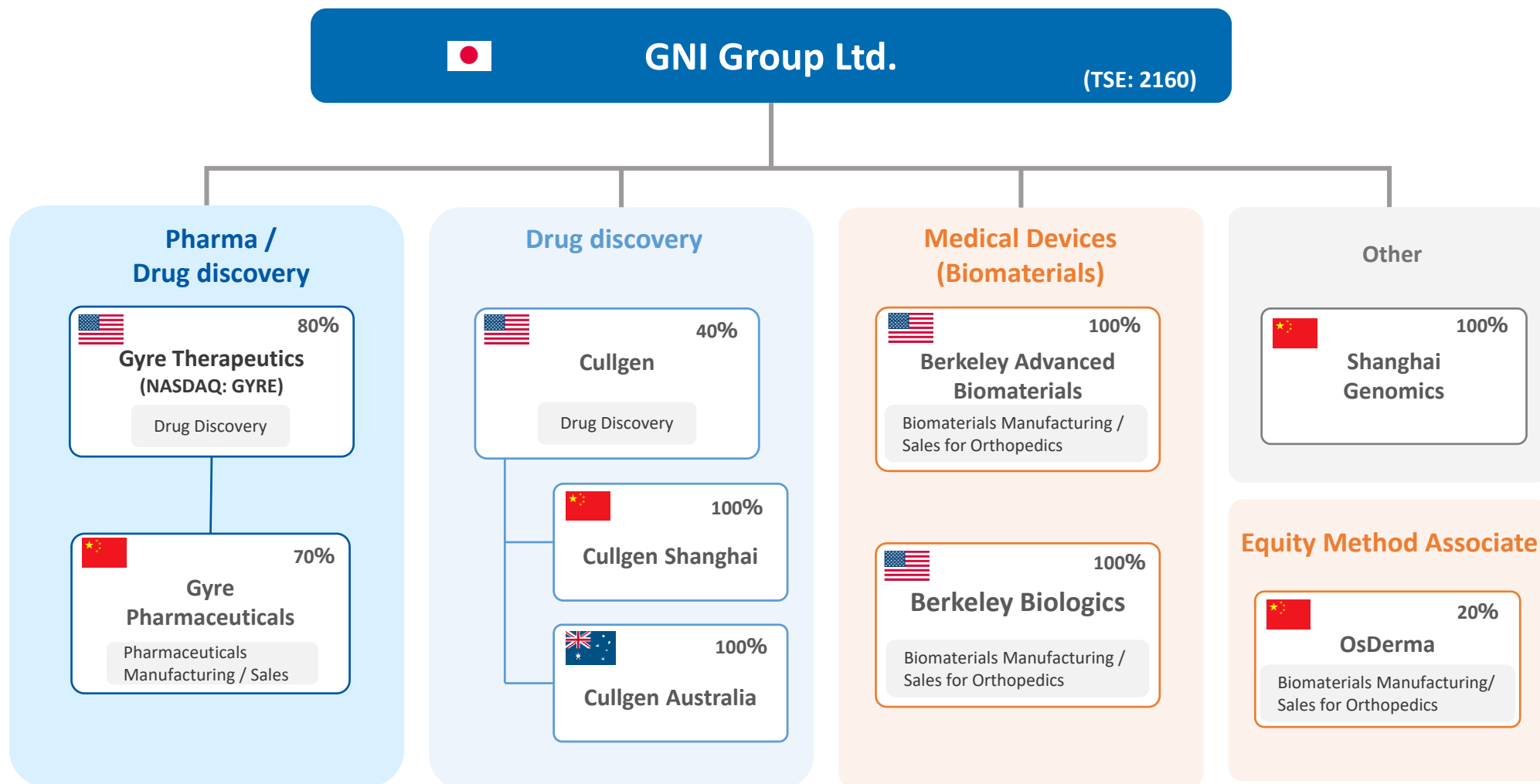
Accelerating the recruitment of talent and the global expansion of R&D initiatives in drug discovery



Medtech

Establishing a new revenue base through the expansion of private brands

# Main Group Structure



Note: Ownership ratios are rounded, and may differ from the actual figures. For ease of reference for shareholders, the group structure chart has been simplified. Certain group companies may not be included in the chart; this does not indicate priority for these companies has lowered.

## 2. Q3 FY2025 Segment Results

# Pharma

## Financial Results

Millions of yen	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	2024 (Quarterly)			FY2025 (Quarterly)			Q3 (Cumulative)			FY2025 Forecast
					Q1	Q2	Q3	Q1	Q2	Q3	2024	2025	Inc. / (Dec.)	
Revenue	9,868	13,346	15,742	15,847	3,982	3,862	3,778	3,315	3,856	4,488	11,622	11,659	0.3%	20,202
Operating profit	2,501	3,735	4,054	4,003	1,501	898	1,095	810	813	1,501	3,495	3,123	(10.6%)	4,640
Operating profit margin	25.3%	28.0%	25.8%	25.3%	37.7%	23.3%	29.0%	24.4%	21.1%	33.4%	30.1%	26.8%		

## Financial Summary

**Etuary<sup>®</sup> sales grew significantly, reaching a record high in September on a monthly basis.**

### Sales

- Cumulative sales recovered to the prior-year level.

### Profit

- Promotional expenses for new products and sales promotion measures to reinforce Etuary<sup>®</sup>'s value proposition in response to the inclusion of Etorel<sup>®</sup> (Nintedanib) in the centralized procurement program resulted in an 11% YoY decline in operating profit.

### Outlook

- In addition to the delay in Etorel<sup>®</sup>'s market launch, uncertainty in the market environment following its inclusion in the centralized procurement program led Gyre Therapeutics to revise its full-year sales forecast to USD 115–118 million (from the initial USD 118–128 million).
- Full-year revenue for 2025 is expected to reach a record high.

## Etuary® sales showed strong growth, recording the highest-ever monthly sales

Since its launch in 2014, sales in September reached an all-time high.

On a quarterly basis, sales in FY2024 Q3 were the third highest since 2023, when there was a temporary surge in demand, maintaining a solid growth trend.

FY2025 Q4 sales, both quarterly and cumulative, are expected to exceed the same period of the previous year.#

#Source: [Gyre Therapeutics, Inc. Form 8-K dated November 7, 2025.](#)

# Inclusion of Etorel<sup>®</sup> in Volume-Based Procurement Program

## Overview of the VBP System

The VBP system is a government-led centralized procurement scheme in the PRC aimed at lowering drug prices and reducing patients’ medical burden through large-scale purchases and competitive bidding. Not only generic drugs but also originator drugs may be subject to this program.



Overview	Details
<b>Implementing Agency</b>	National Healthcare Security Administration (NHSA)
<b>Implementing Units</b>	Each provincial authority
<b>Objective</b>	To suppress drug price inflation and optimize medical expenses
<b>Eligible Products</b>	Generic drugs with the same active ingredient and specification as originators (some branded drugs may also be included)
<b>Selection Criteria</b>	Lowest price with quality compliance
<b>Duration</b>	Typically 2–3 years per contract

Although the drug price will decline, winning the bid would ensure market exclusivity and stable purchase volume. The expected rise in demand following the price cut should help stabilize sales over the medium to long term.

Note: The information is based on GNI Group’s research as of November 2025, and the details of the system are subject to change without notice.

# [Pharma] Progress of Main Products

While the short-term impact of policy factors on generic drug sales revenue remains uncertain, the development of new drugs and the expansion of existing product indications key pillars of medium to long-term growth are steadily advancing.

## Pirfenidone (Etuary®)

Etuary® remains one of our key product  
Aim to expand its indications

Present

**Indicated only for  
idiopathic pulmonary fibrosis (IPF)**



Future

**Expansion into multiple indications**

### Pneumoconiosis

Patient enrollment for the 52-week Phase 3 clinical trial was completed in the third quarter of 2025.

### Radiation-Induced Lung Injury With or Without Immune-Related Pneumonitis

The adaptive Phase 2/3 clinical trial for radiation-induced lung injury is scheduled to begin in the PRC in the fourth quarter of 2025.

## F351

NDA application process is ongoing

### PRC – CHB-Associated Liver Fibrosis

- Based on the favorable Phase 3 trial results, Gyre Pharmaceuticals is working with the National Medical Products Administration (NMPA) to confirm F351's eligibility for priority review under the New Drug Application (NDA).
- Regulatory submission preparations are progressing smoothly, and Gyre Pharmaceuticals plans to proceed with the NDA filing once ongoing communications with the authorities and the resolution of outstanding requirements are completed.

### US – Advanced Liver Fibrosis

- IND submission schedule for F351 (Hydronidone) is being adjusted with the progress in obtaining Phase 3 clinical data in the PRC.
- The Phase 2 and Phase 3 data constitute the safety package for the U.S. program, and translation and regulatory-quality review are currently underway.

## Hepatitis is the second most common cause of death from infectious disease in the world

### World Hepatitis Summit 9 April 2024

Estimated deaths from viral hepatitis will increase from 1.1 million to 1.3 million by 2022 (2019) 83% of which are hepatitis B

### Second most common cause of death from infectious diseases in the world

Tied with tuberculosis as leading cause of death from infectious diseases 13% of those with chronic hepatitis B infection have been diagnosed (as of the end of 2022)  
About 3% are on CHB therapy

### WHO: Global hepatitis report 2024

- People infected with hepatitis B virus  
Global: 254 million  
China: 79.7 million
- Western Pacific Area (including China)  
Number of infected: 96.8 million  
Annual deaths: 518,000  
Chronic hepatitis B diagnosis rate: 25.5%  
Treatment rate after diagnosis: 23.2%  
Treatment rate for all hepatitis B infected: 5.9%

Source: [WHO sounds alarm on viral hepatitis infections claiming 3500 lives each day](#)  
[WHO: Global hepatitis report 2024](#)

## An estimated 60-79.7 million people in China are infected with hepatitis B virus

Stage	Description
1. HBV Infection	Infection with the hepatitis B virus. If the acute hepatitis does not resolve and becomes chronic, it is referred to as a persistent infection (HBV carrier). Infants are more prone to becoming carriers when infected.
2. Chronic Hepatitis B (CHB)	A condition in which the virus persists, causing ongoing inflammation in the liver. Liver function fluctuates depending on the virus's activity.
3. Liver Fibrosis	A condition in which the liver tissue becomes hard and <b>fibrotic</b> due to chronic inflammation. There are often no subjective symptoms in the early stages.
4. Liver Cirrhosis	Progression of <b>fibrosis</b> results in the loss of normal liver structure. Liver function declines significantly, and various complications may arise.
5. Hepatocellular Carcinoma (HCC)	It often occurs against a background of cirrhosis, but can also occur in conditions of chronic hepatitis and <b>liver fibrosis</b> . Regular screening is crucial for early detection.
6. Liver Transplant (if necessary)	One of the treatment options when liver function cannot be maintained due to end-stage cirrhosis or liver cancer progression.
(Note)	Not all individuals progress through this sequence. Some may remain in the asymptomatic carrier state for an extended period. Disease progression can be delayed with existing CHB therapies and other treatments.

Note: 60 million from GYRE Therapeutics estimated low range. 75 million from 2024 published national serological survey HBsAG 5.86% (n=91869), 79.7 million from 2024 WHO report on CHB

## F351: Bring New Hope to Life, Powering a Brighter Future for CHB Patients.

### Estimated Peak Patient Population for F351: approximately 3.0 to 7.5 million# (based on GNI's own view)

#### 1. Number of Hepatitis B Patients

Terms	Number of people	proportion
Population of China	1,411,100,000	-
Total number of HBV-positive persons	82,690,460	5.86%
Number of HBV-positive persons (exempted age deductions)	75,000,000	-9.30%

#### 2. Hepatitis B patients with or without awareness of infection

Terms	Number of people	proportion
No awareness of infection	30,915,000	41.22%
Aware of infection	44,085,000	58.78%

F351, an anti-fibrotic agent, is planned to be used in combination with existing therapies

#### 3. Number of patients under treatment with known infection

Terms	Number of people	proportion
Off-label for CHB therapies	2,645,100	6.0%
Indicated for CHB therapies, not receiving treatment	22,672,615	51.4%
Indicated for CHB therapies, under treatment	18,767,285	42.6%

F351 for patients with F2 or higher

#### 4. Patients on treatment with an Ishak score of 2 or higher

Terms	Number of people	proportion
Ishak Less than 2	11,260,371	60.0%
Ishak 2 or higher*	7,506,914	40.0%

#### Survey results: published in 2024

- Positive rate of recognized HBs antigen of infection estimated at **5.86%**
- Only about **58.78%** of participants aged 15 years and older recognized their infection status
- Of those who were aware of their own HBV infection status,
  - 38.25%** are indicated for CHB therapy
  - 17.33%** actually received CHB treatment

#### Tailwind from National Policy : 18 December 2022

The Chinese Society of Hepatology (CSH) and the Chinese Society of Infectious Diseases (CSID) have revised the *Guidelines for the Prevention and Treatment of Chronic Hepatitis B*, significantly lowering the threshold for initiating antiviral therapy to a detectable HBV DNA level (above 10–20 IU/mL). As a result of this revision, an estimated 94% of patients with chronic hepatitis B now meet the treatment eligibility criteria.

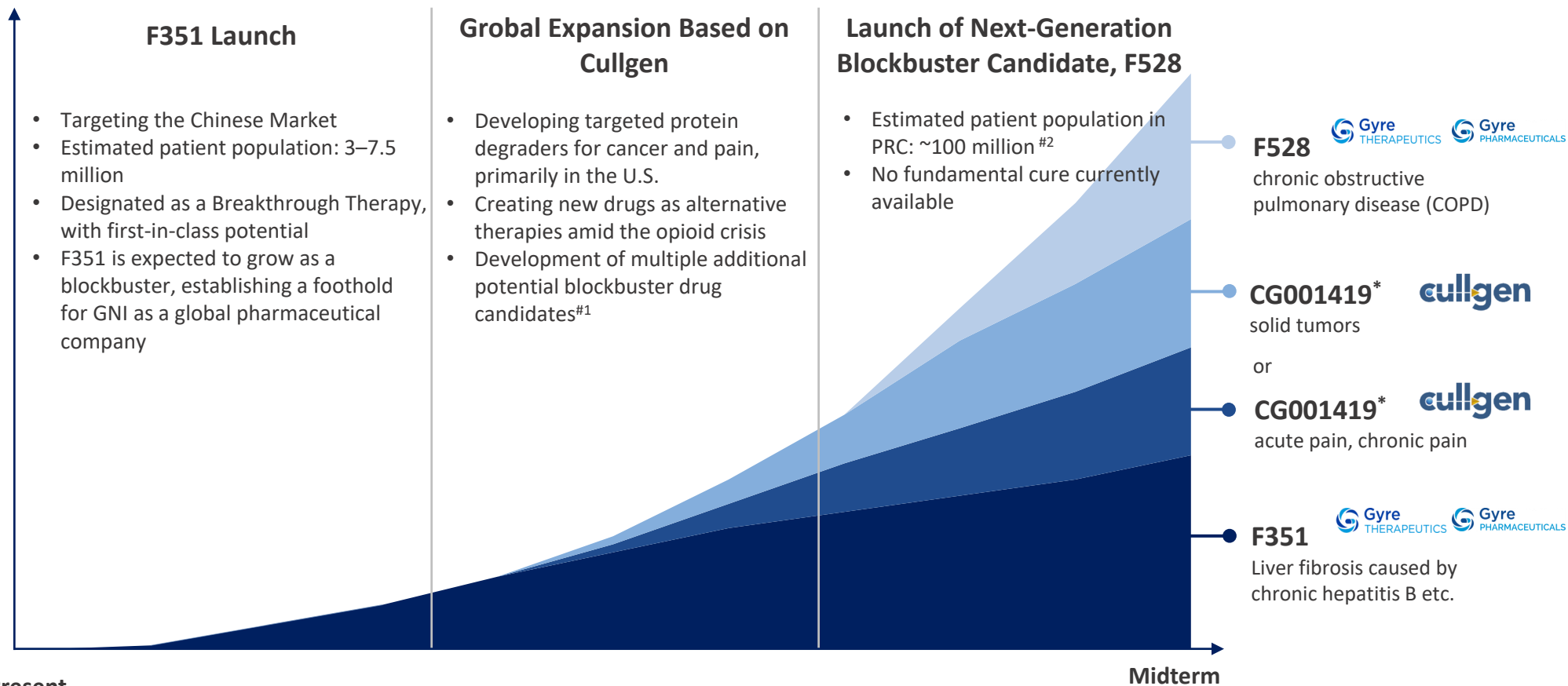
Note: The estimated patient population was calculated by GNI Group (August 2025). This forecast is subject to change depending on variations in the underlying assumptions used in the estimation.

#Source : [Prevalence of hepatic steatosis, fibrosis and associated factors in chronic hepatitis B](#) Journal of Clinical and Translational Hepatology, "Hydronidone treatment for liver fibrosis associated with CHB"

# GNI Group Growth Vision through In-House Pipeline

**Sustainable Growth Through the Development of Multiple Blockbuster Candidates** (based on GNI's own view)

Drug Value



<sup>#1</sup> based on GNI's own view <sup>#2</sup> WHO Feature Story (2023)

This illustration conceptually represents the potential drug value of products developed within our group and does not indicate the order or timing of development progress.

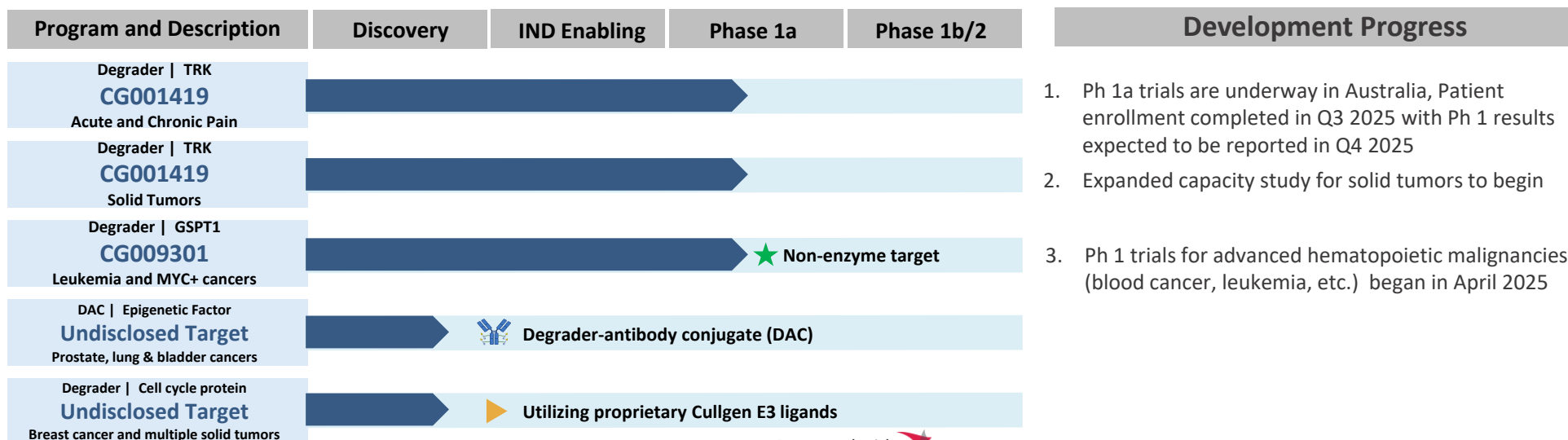


# Biotech

Millions of yen	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2024 (Quarterly)			FY2025 (Quarterly)			Q3 (Cumulative)			FY2025 Forecast
					Q1	Q2	Q3	Q1	Q2	Q3	2024	2025	Inc. / (Dec.)	
Revenue	0	0	5,805	1,439	401	353	332	353	127	273	1,086	753	(30.7)%	955
Operating profit	(1,920)	(2,794)	2,374	(3,371)	(744)	(743)	(702)	(1,138)	(1,136)	(1,169)	(2,189)	(3,443)	—	3,982

## Outlook for this fiscal year (based on GNI's own view)

- Listing-related and development expenses associated with Cullgen's listing process continue to be consolidated. After the listing, Cullgen will be reclassified from a consolidated subsidiary to an equity-method affiliate.
- Operating profit is expected to turn positive as unpaid interest under the preferred share agreement related to the listing will be recognized as income.



Partnered with astellas

# [Biotech] Reverse Merger Transaction

## ■ The listing procedures for the Nasdaq market are currently awaiting approval<sup>#</sup>

- One of the listing conditions, the approval of the proposal at Pulmatrix’s shareholders’ meeting, was secured on June 16, 2025, completing the reverse merger transaction.
- The remaining condition, approval of the transaction by the CSRC (China Securities Regulatory Commission), is still under review.
- From the quarter following the listing, the company will reclassify Cullgen from a consolidated subsidiary into an equity-method affiliate.

## ■ Assumed listing gain at the end of the transaction

### 1. Accrued interest (one-time earnings accrued at listing)

Accrued interest expense of 10% per annum under the preferred stock agreement is recorded every period. The due amount will be pardon upon listing. Previously booked interest expenses will be reverted back as operating income under IFRS rules.

• **At the time of the FY2025 forecast disclosure** **JPY 4,960 million**

• **As of the end of September 2025** **JPY 5,348 million**

### 2. Listing valuation gains

#### (one-time gains accrued at the time of listing)

Gain on valuation of shares arising from conversion of preferred shares to common shares and valuation at market value. Recorded as other income (within operating income) at the time of listing. → Included in “Other segment”

• **At the time of the FY2025 forecast disclosure** **JPY 17,894 million**

• **As of the end of September 2025** **JPY 20,647 million**

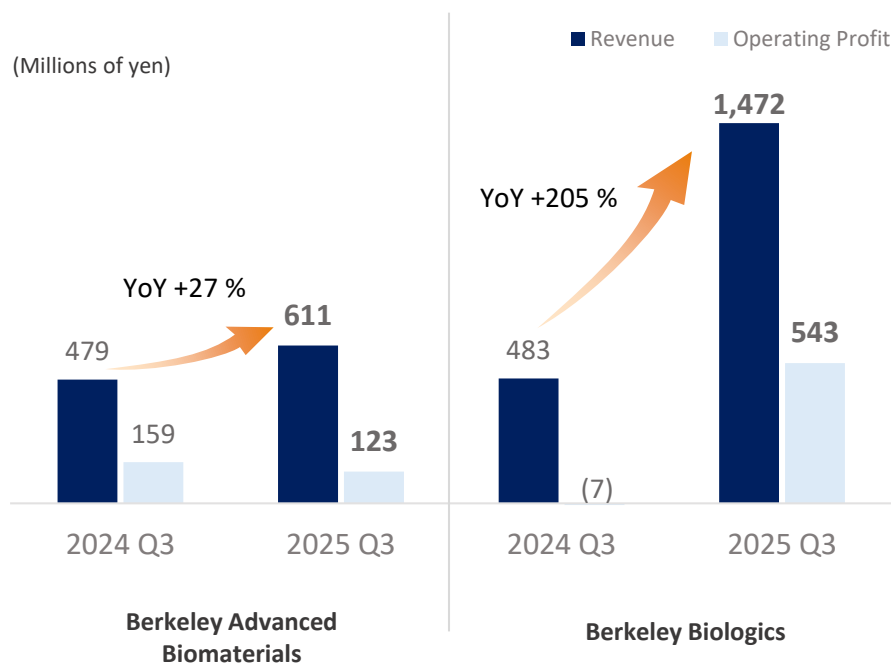
<sup>#</sup> based on GNI’s own view

# Medtech

Millions of yen	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2024 (Quarterly)			FY2025 (Quarterly)			Q3 (Cumulative)			FY2025 Forecast
					Q1	Q2	Q3	Q1	Q2	Q3	2024	2025	Inc. / (Dec.)	
Revenue	1,795	2,428	2,841	5,189	1,290	1,220	961	1,370	2,621	2,083	3,471	6,075	75.0%	6,159
Operating profit	844	1,110	1,133	942	283	424	152	245	528	666	859	1,439	67.6%	1,269

## Outlook for this fiscal year

Revenue and profit reached record highs, and full-year revenue is also expected to hit a new record



- Revenues increased by approximately 30% YoY, driven by new customer orders, and remained stable on a cumulative basis compared to the prior year.
- Operating profit declined YoY due to investments aimed at establishing a framework for transitioning from OEM production to proprietary brand (PB) products.



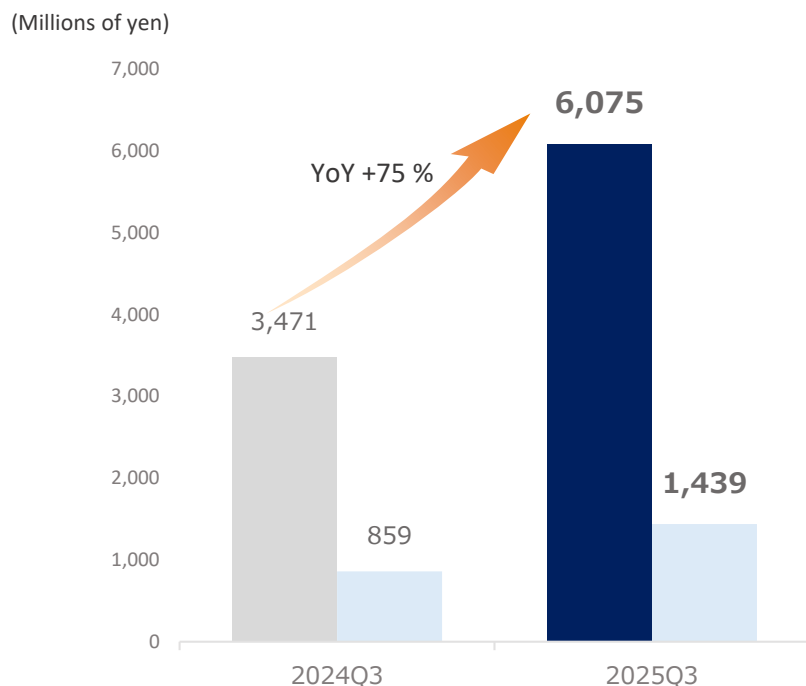
- Although revenue declined QoQ as the additional orders from a newly acquired major customer were completed, it increased to approximately 3 times the level recorded in the same period last year.
- Some customers are expected to adjust their purchasing policies following the recent Medicare system reform.

# Medtech

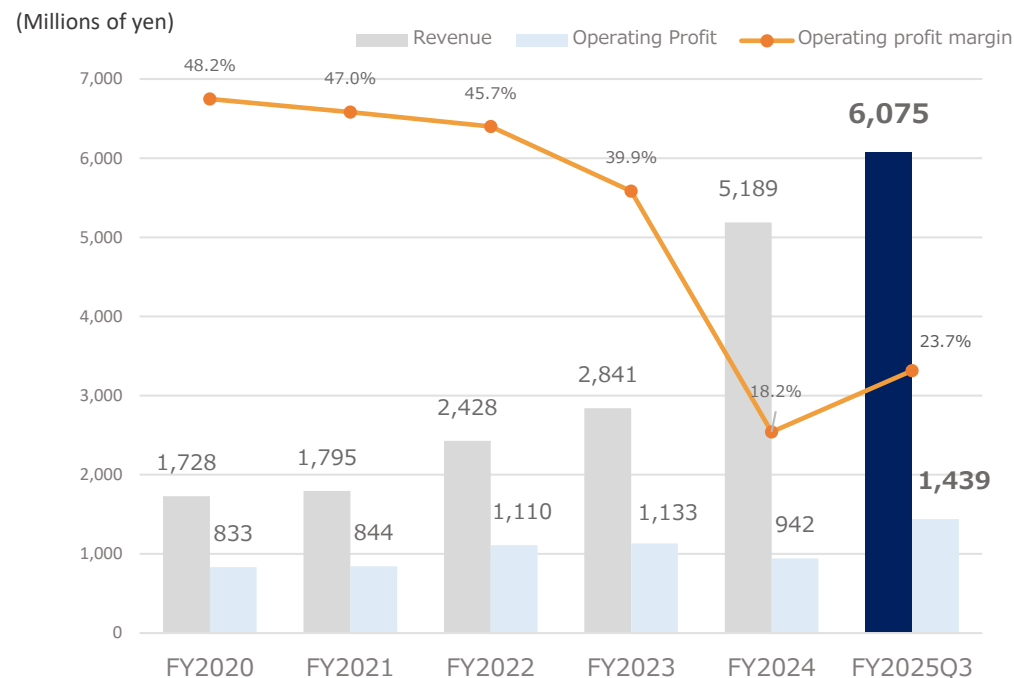
## Following Q2, cumulative results reached a new record high

- Cumulative Q3 sales achieved 96.8% of the budget, and full-year sales are expected to exceed the budget.
- Due to the November 2023 acquisition of the Orthobiologics business and the establishment of BB the operating margin has temporarily declined. However, the Medtech Group seeks to restore the record-high operating margin of 48.2% level achieved in 2020 over the long term.

### YoY Q3 (BAB + BB)



### Revenue Trend (BAB + BB)

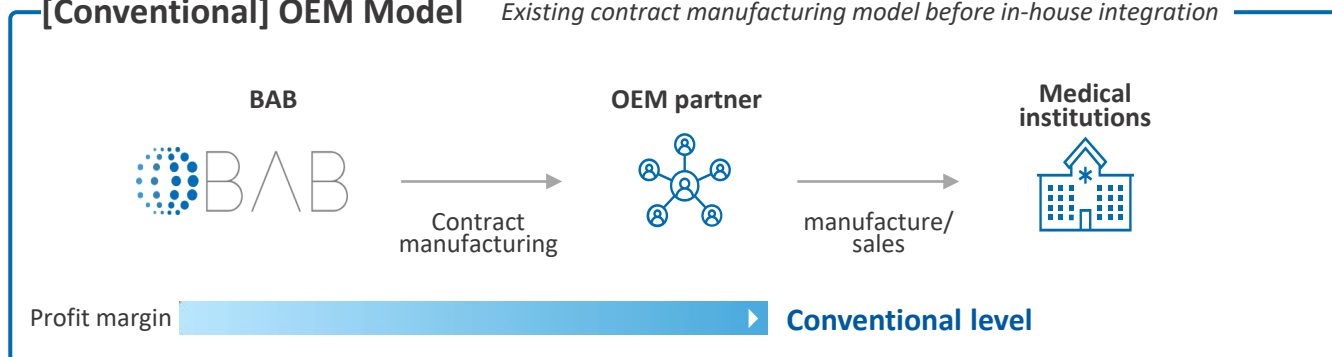


# The Medtech Group's First Proprietary Brand Strategic Product

Sales of private-brand (PB) products based on the Group's aim to establish an in-house manufacturing and sales framework

- The strategic products that BAB plans to sell are highly biocompatible and effective for various types of damage, including surgical injuries and burns.
- BAB has already secured pre-orders from healthcare institutions, and broader adoption is anticipated following FDA clearance.

## [Conventional] OEM Model *Existing contract manufacturing model before in-house integration*

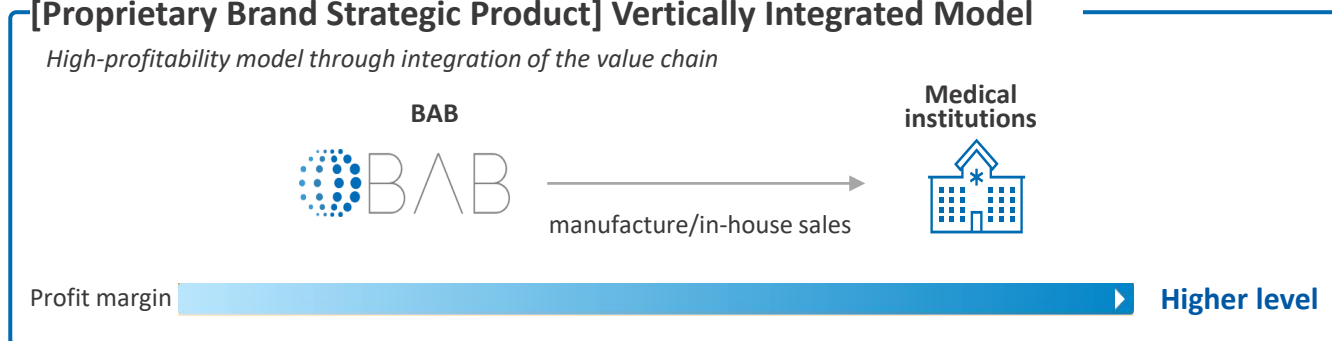


### Significant Profitability Improvement:

Eliminating intermediary margins and capturing value across the entire value chain enables higher profitability.

## [Proprietary Brand Strategic Product] Vertically Integrated Model

*High-profitability model through integration of the value chain*



### Establishment of Sustainable Competitive Advantage:

By developing a proprietary brand, the Company aims to secure unique product value and pricing competitiveness independent of OEM contracts.

# U.S. Medicare System Reform and Its Impact

## What is the Medicare System?

A public health insurance program in the U.S. covering more than 60 million elderly and certain disabled individuals under specific conditions.

### Basic Framework

- Targets individuals aged 65 and older, or those with disabilities or end-stage renal disease (ESRD).
- Unlike Japan's universal health insurance system, participation is limited to those who meet age or disability requirements.

### Key Differences from Japan's Public Health Insurance

- In Japan, the public health insurance system covers most medical procedures and prescription drugs in principle.
- In the U.S., Medicare coverage is limited in scope, and reimbursement rules can vary by product or treatment.
- **As a result of the revision, certain medical products or procedures may become non-covered, and reimbursement rules may be modified, which could influence product selection by healthcare providers.**

Source: [Centers for Medicare & Medicaid Services \(CMS\)](#) | [Original Medicare \(Part A and B\) Eligibility and Enrollment](#)  
[Medicare.gov](#) | [What Original Medicare Covers](#)

## Status and Details of the System Reform

- On October 31, 2025, the U.S. government announced the revised Medicare payment rules for eligible products, with the changes taking effect in January 2026.
- The changes include new reimbursement rules for wound care skin substitutes (including BB's product for diabetic ulcers).
- Under the new system, hospitals will receive a flat reimbursement per case, regardless of product type or quality.

## Impact on BB's Business and Outlook

Some customers may review or adjust their purchasing policies as a result of the reform.

For the next year, BB is preparing a conservative earnings forecast that reflects the impact of the policy changes.

As a countermeasure, BB plans to expand into new applications such as skin and soft tissue reconstruction.

By expanding PB sales at BAB, the Medtech Group seeks to establish a stable profit base for growth beyond the impact of the reform.

# [Medtech] Expansion into OsDerma and Medical Aesthetics Market



## GNI Group's Business Platform Synergies to be Realized

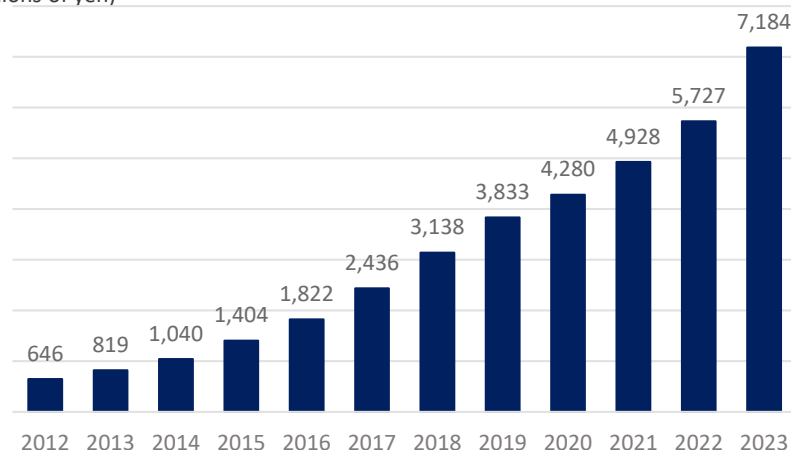
### Expand market share in the high-end cosmetic medicine market and establish a brand

OsDerma's DermiraCa®

- Highly biocompatible and biodegradable product containing hydroxyapatite (HAp), a major component of bones and teeth
- Promotes tissue repair and collagen regeneration, with proven safety and efficacy in clinical trials
- Both immediate and sustained regenerative effects

### Medical Aesthetics Market Size in the PRC 2012-2023#

(Billions of yen)



### Competitive advantage over peers

Tighter regulations on off-label use in the cosmetic surgery field is a tailwind for the company.

#### 1. Synergies with Medtech Group

- Proof of competitive functional materials
- Integrated production from raw materials to manufacturing, including in-house development of manufacturing facilities, enables high profit margins

#### 2. Synergies with Drug Discovery Group business

- While other companies in the industry have limited experience in clinical trials, we have extensive experience
- Authoritative investigators and hospitals Established network

#### 3. Capital strength of the group

- Other companies need to raise funds for clinical trials

### State of Progress

#### November 2025

A total of 163 subjects have been enrolled in the multicenter clinical trial led by Professor Luo Shengkang, a renowned domestic plastic surgery expert, in collaboration with six prestigious medical institutions including Peking Union Medical College Hospital. The trial is expected to complete around December 2026, and a marketing application will be submitted to the NMPA upon confirmation of efficacy and safety.

Note: OsDerma Medical, Inc. is accounted for under the equity method, with our company holding a 20% ownership interest.

# Source: iResearch (converted to JPY by GNI Group)

# Other Segment

Millions of yen	Pharma		Biotech		Medtech		Others	
	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025
Revenue	11,622	<b>11,659</b>	1,086	<b>753</b>	3,471	<b>6,075</b>	1,018	<b>889</b>
Operating profit	3,495	<b>3,123</b>	(2,189)	<b>(3,443)</b>	859	<b>1,439</b>	2,827	<b>(2,223)</b>



## Details of the “Other” Segment (for information on the three main business segments, see “2. Q3 FY2025 Segment Results”)

Segment	Number of companies included in the segment	Company	Explanation
Others	14	<ul style="list-style-type: none"> <li>GNI Group (Japan)</li> <li>Gyre Therapeutics (U.S.)</li> <li>Reef (PRC)</li> <li>Micren (Japan) etc..</li> </ul>	This segment comprises our company and the U.S. listed biopharmaceutical company Gyre Therapeutics, representing a portfolio of businesses engaged in strategic investments that support the foundation for future growth.

### Factors Affecting Operating Profit in Q3 2024

- The recording of approximately JPY 6.0 billion in reversal gains of allowance for doubtful accounts in Q1 arising from the loan repayment using Gyre shares received by GNI Group from GNI USA contributed to maintaining operating profit. As this is an intra-group transaction, the full amount (excluding foreign exchange translation differences) is eliminated in the consolidated financial statements.

### Factors Contributing to Operating Loss in Q3 2025

- Continued upfront investment expenses, such as R&D costs at Gyre Therapeutics, a U.S. listed subsidiary.
- Operating loss of JPY 630 million on equity forward contracts.

Note: Any discrepancies between the summed values of each segment and the figures in the consolidated financial statements are due to consolidation adjustments.

## 3. Q3 FY2025 Financial Highlights

# Consolidated Income Statement

Existing businesses delivered stable revenue, returning to profitability in Q3, with cumulative losses narrowing.

Millions of yen	Q3 2024	Q3 2025	Inc. / (Dec.)	Factors for increase/decrease
<b>Revenue</b>	<b>17,192</b>	<b>19,357</b>	<b>2,165</b>	• Existing Pharma and MedTech businesses drove revenue growth
<b>Gross profit</b>	<b>13,676</b>	<b>14,374</b>	<b>698</b>	
SG&A	10,872	11,949	1,077	
R&D	1,927	2,446	519	
<b>Operating profit</b>	<b>2,342</b>	<b>(497)</b>	<b>(2,839)</b>	• Decrease due to the absence of a one-time loan repayment gain (JPY 1.6 billion) recorded in the previous year. • Increased costs associated with Cullgen listing procedures • Includes a loss of JPY 630 million from a forward contract on the Company's own shares recorded in Q1
Income before income taxes	1,806	(1,084)	(2,890)	
<b>Net profit</b>	<b>607</b>	<b>(2,076)</b>	<b>(2,683)</b>	
<b>Profit attributable to owners of the parent</b>	<b>1,305</b>	<b>(495)</b>	<b>(1,800)</b>	

## Segment

Millions of yen	Pharma		Biotech		Medtech		Others	
	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025	Q3 2024	Q3 2025
<b>Revenue</b>	11,622	<b>11,659</b>	1,086	<b>753</b>	3,471	<b>6,075</b>	1,018	<b>889</b>
<b>Operating profit</b>	3,495	<b>3,123</b>	(2,189)	<b>(3,443)</b>	859	<b>1,439</b>	2,827	<b>(2,223)</b>

Note: The performance of Gyre Therapeutics, Inc. is included in "Others."

The difference between the sum of each segment and the consolidated financial statements is due to consolidation adjustments.

# Consolidated Balance Sheet

Significant increase in cash and cash equivalents as well as capital stock due to the public offering

Millions of yen	Q4 FY2023	Q4 FY2024	Q3 FY2025	Inc. / (Dec.)
<b>Total non-current Assets</b>	<b>33,475</b>	<b>42,720</b>	<b>41,442</b>	<b>(1,278)</b>
Goodwill	14,246	15,994	15,071	(923)
Intangible assets	8,852	11,026	11,694	668
<b>Total Current Assets</b>	<b>30,793</b>	<b>29,222</b>	<b>41,155</b>	<b>11,933</b>
Trade accounts receivable	3,973	6,236	6,061	(175)
Inventories	2,217	2,529	3,811	1,282
<b>Total Liabilities</b>	<b>27,764</b>	<b>32,229</b>	<b>30,066</b>	<b>(2,163)</b>
Total non-current Liabilities	19,571	19,764	20,032	268
Total current Liabilities	8,193	12,464	10,033	(2,431)
<b>Total Equity</b>	<b>36,504</b>	<b>39,713</b>	<b>52,531</b>	<b>12,818</b>
Capital and Other Components of Equity	20,434	19,887	35,282	15,395
Retained earnings	8,790	9,888	9,393	(495)
Other Components of Equity	4,569	6,669	5,374	(1,295)
Equity attributable to owners of the parent company to total assets	33,794	36,446	50,050	13,604
Non-controlling Interests	2,710	3,267	2,481	(786)

# Consolidated Balance Sheet/ Goodwill and Intangible Assets

Millions of yen	Major Breakdown	Q4 FY2023	Q4 FY2024	Q3 FY2025	Inc. / (Dec.)	Variance Factors
Goodwill		14,246	15,995	15,071	(924)	All changes in goodwill are due to exchange rate fluctuations.
	Gyre Pharmaceuticals	173	188	181	(7)	
	Gyre Therapeutics	7,080	7,616	7,165	(451)	
	Berkeley Advanced Biomaterials	6,701	6,653	6,261	(392)	
	Berkeley Biologics	1,175	1,230	1,158	(72)	
	Micren	271	271	271	0	
	GNI Hong Kong	31	35	32	(3)	
Intangible assets		8,852	11,026	11,694	668	
	Patent rights	0	202	179	(23)	
	Customer base	2,362	2,468	2,214	(254)	BB's customer base (through partial acquisition of Orthobiologics business in 2023)
	Brand (PPA)	67	69	61	(8)	
	Capitalized development costs	6,383	8,038	8,341	303	
	Gyre Therapeutics	4,254	4,745	4,466	(279)	Rights to F351 held by Gyre Therapeutics (does not include actual development costs)
	Gyre Pharmaceuticals	2,128	3,293	3,874	581	R&D expenses for the phase 3 clinical trial (to be amortized over 10 years after launch of F351 in the PRC)

# Cash Flow

Millions of yen	Q3 FY2024	Q3 FY2025	Note
<b>Cash Flow from Operating Activities</b>	(2,057)	(707)	<ul style="list-style-type: none"> <li>Although the pre-tax loss of JPY 1.08 billion had a significant impact, the deficit in cash flow narrowed due to factors such as a reduction in corporate tax expenses.</li> </ul>
<b>Cash Flow from Investment Activities</b>	(6,436)	293	<ul style="list-style-type: none"> <li>Increase in expenditures mainly related to the acquisition of intangible assets (Etoresol®: Nintedanib).</li> <li>Meanwhile, JPY 1.54 billion of guarantee deposits was returned in connection with the settlement of a share price forward contract, resulting in positive cash flow from investing activities overall.</li> </ul>
<b>Cash Flow from Financial Activities</b>	603	13,392	<ul style="list-style-type: none"> <li>Raised JPY12.59 billion through the public offering in July 2025.</li> </ul>
<b>Net effect of exchange rates changes</b>	306	(316)	
<b>Net (decrease)/ Increase in cash and cash equivalents</b>	(7,583)	12,662	
<b>Cash and cash equivalent at beginning of year</b>	21,633	10,115	
<b>Cash and cash equivalents at end of year</b>	14,049	22,777	

## R&D expense

- Increase in R&D expenses related to Cullgen's development progress (up JPY 508 million YoY)
- The capitalization of F351's Phase 3 clinical trial has been accounted for in accordance with accounting standards and tax regulations in the PRC.
- Capitalized development costs increased due to progress in Etuary®'s indication expansion program, but decreased on a consolidated basis YoY due to foreign exchange effects.

Millions of yen	FY2022 Actual	FY2023 Actual	FY2024 Actual	Q3 2024	Q3 2025	Inc. / (Dec.)
<b>Consolidated R&amp;D expenses</b>	2,545	2,557	2,811	1,927	2,446	519
<b>Capitalized development costs</b>	606	940	1,165	618	303	(315)
<b>Total</b>	3,151	3,497	3,976	2,545	2,749	204

# Forex sensitivity

## Exchange rate

	FY2023 Actual	FY2024 Actual	FY 2025	
			Forecast	Q3 Actual
USD/JPY	140.67	151.69	145.00	148.08
CNY/JPY	19.82	21.04	20.50	20.50

## Forex sensitivity

Foreign exchange fluctuations affect yen-converted figures, with only a limited impact on profit margins.

	Revenue	Operating profit
USD/JPY $\pm$ 1 JPY	$\pm$ 60 million yen	$\pm$ 149 million yen
CNY/JPY $\pm$ 0.2 CNY	$\pm$ 197 million yen	$\pm$ 45 million yen

## 4. Financial Forecasts for FY2025

# Financial Forecasts for FY2025

## Consolidated Results

No change in the forecast

Millions of yen	FY2024 Actual	FY2025 Forecast
Revenue	23,611	28,733
Gross profit	18,037	22,954
Operating profit	1,402	23,217
Income before income taxes	238	22,541
Net profit	(9)	15,868
Profit attributable to owners of the parent	1,098	12,058

## Segment

No change in the forecast

Millions of yen	Pharma	Biotech	Medtech	Others
Revenue	20,202	955	6,159	1,525
Operating profit	4,640	3,982	1,269	16,314

Note: The results of Gyre Therapeutics, Inc. are included in Others.

The discrepancy between the sum of each segment and the company's forecast for FY 2025 is attributable to consolidation adjustments.

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