The following information was originally prepared and published by GNI Group Ltd. in Japanese as 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 FY2025 (IFRS)

February 13, 2026

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		
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Annual General Shareholder Meeting Date	March 26, 2026
Annual financial report (Yuho) disclosure date:	March 27, 2026
Supplementary materials prepared for financial results:	Yes
Financial result briefing meeting:	Yes (For institutional investors and analysts)

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

1. Consolidated Financial Results for FY2025 (January to December)

(1) 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	%
FY2025	26,840	13.7	(3,483)	-	(4,646)	-	(7,318)	-	(4,411)	-	(6,494)	-
FY2024	23,611	(9.2)	1,402	(89.3)	238	(98.1)	(9)	-	1,098	(86.4)	2,309	(78.3)

	Basic earnings per share	Diluted earnings per share	Ratio of profit for the year to equity attributable to owners of parent	Ratio of pre-tax profit to total assets	Ratio of operating profit to revenue
	Yen	Yen	%	%	%
FY2025	(84.09)	(84.09)	(10.2)	(6.0)	(13.0)
FY2024	21.96	21.15	3.1	0.4	5.9

(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
FY2025	83,791	51,675	50,152	59.9	900.92
FY2024	71,942	39,713	36,446	50.7	726.67

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2025	(2,408)	(536)	13,738	21,101
FY2024	(3,164)	(10,361)	694	10,115

2. Dividends

	Dividends per share					Total amount of dividends	Dividend payout ratio (consolidated)	Ratio of dividend to total equity attributable to owners of parent (consolidated)
	Q1	Q2	Q3	Year-End	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024	-	-	-	0.00	0.00	-	-	-
FY2025	-	-	-	0.00	0.00	-	-	-
FY2026 (Forecast)	-	-	-	0.00	0.00		-	

3. Consolidated Earnings Forecasts for FY2026 (January to December)

The consolidated earnings forecast for the fiscal year ending December 2026 has not been disclosed because it is difficult to reasonably estimate performance at this time, particularly in the pharmaceutical and drug discovery Segments, please refer to the attached document “1. Analysis of Operating Results and Financial Position (5) Outlook for the Fiscal Year Ending December 31,2026”

Notes:

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: ZOO LABO, Inc.
Excluded: Governance Partners Asia Limited Partnership

(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)	FY2025	55,682,069 shares	FY2024	50,168,243 shares
② Number of treasury shares as of the end of the period	FY2025	13,643 shares	FY2024	13,550 shares
③ Average number of shares for the period	FY2025	52,464,827 shares	FY2024	50,007,923 shares

* This consolidated financial report is not subject to review by certified public accountants or an auditing firm.

* 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, 2026”.

(Change in Unit of Amounts Presented)
Amounts for line items and other matters presented in the Company’s consolidated financial statements were previously stated in thousands of yen; however, beginning with the current consolidated fiscal year, they are presented in millions of yen. For ease of comparison, figures for the previous consolidated fiscal year have also been reclassified and presented in millions of yen.

* Please note that "-" is used if YoY change ratio for the current period and the previous period is negative, or if the change ratio is above 1,000%.

Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

In 2025, the global economy saw heightened uncertainty regarding the outlook, driven by the impact of U.S. tariff policies on the trade environment and rising geopolitical risks stemming from prolonged conflicts. In Japan, amid continued inflation, the economy showed a moderate recovery supported by wage growth and a rebound in tourism demand. However, reducing household financial burdens and achieving sustainable economic growth remain ongoing challenges. In the biotechnology sector and the Tokyo Stock Exchange Growth Market, market conditions remained weak due to factors such as increases in Japan's policy interest rates. Under these circumstances, the business performance of GNI Group Co., Ltd. ("the Company" or "we") and its affiliated companies (collectively, "the Group") was as follows.

In the pharmaceutical and drug discovery Segments, Gyre Pharmaceuticals Co., Ltd. (Beijing Continent Pharmaceuticals Co., Ltd. "Gyre Pharmaceuticals"), completed in the PRC in October 2024 the Phase 3 clinical trial of F351 for hepatitis B virus–related liver fibrosis, a leading candidate for the Company's next product, and announced the results of the Phase 3 trial in May 2025. Regarding the new drug application (NDA), Gyre Pharmaceuticals has completed a pre-NDA meeting with the Center for Drug Evaluation (CDE) of the National Medical Products Administration (NMPA) of the PRC and plan to submit an NDA in the first half of 2026 under the conditional approval pathway.
Furthermore, Gyre Therapeutics, Inc. ("GYRE"), a U.S. subsidiary of the Company listed on the Nasdaq market, plans to submit an IND application in 2026 to initiate the Phase 2 clinical trial of F351 in the U.S. for MASH (metabolic dysfunction–associated steatohepatitis)-associated liver fibrosis, based on translations and regulatory-grade quality reviews of the Phase 2 and Phase 3 clinical data generated in the PRC, as well as a hepatic impairment study to be conducted.
In the pharmaceutical business, although sales in the current consolidated fiscal year were affected by the delayed launch of Etorel® (Nintedanib Esilate Soft Capsules) and the impact of centralized procurement, sales of ETUARY® reached a record high, surpassing the previous consolidated fiscal year to ¥17,314 million (up 9.3% YoY).

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 and enrollment into the dose expansion portions is anticipated to begin in the first quarter of 2026. The Phase 1 clinical trial targeting acute and chronic pain as additional indications was completed in Australia in December 2025. Cullgen plans to initiate the Phase 2 clinical trial in the U.S. in the first half of 2026 for acute pain associated with bunionectomy. In April 2025, it initiated the Phase 1 clinical trial of CG009301(development code), a treatment candidate for hematologic malignancies (leukemia), following regulatory approval in both the PRC and the U.S.. Research and development activities are also underway for several other programs with the aim of initiating clinical trials.

In the Medtech business (Medical Device Segment), our U.S. subsidiary, centered on Berkeley Advanced Biomaterials LLC ("BAB") and Berkeley Biologics LLC ("BB"), BB engaged in the development of skin-derived products such as Accelloderm and bone-derived products such as D-fiber, while also achieving large-volume orders for placenta-derived products. As a result, consolidated revenue for the current fiscal year reached ¥ 7,584 million (up 46.2% YoY), and operating profit reached ¥ 1,288 million (up 36.7% YoY), exceeding budget and marking record highs.
In addition, the Company announced the acquisition of ZOO LABO, Inc. ("ZOO LABO") in December 2025, and from fiscal year 2026, ZOO LABO will be incorporated into the Medtech business as part of the Company's operations in Japan.

① Operating Results by Segment

Pharmaceutical Segment

Sales revenue and segment loss of the Pharmaceutical segment for the consolidated fiscal year amounted to ¥ 19,158 million up 4.7% YoY, and ¥4,014 million, compared with segment profit of ¥ 371 million in the previous consolidated fiscal year, respectively. The increase in sales revenue in the Pharmaceutical segment was mainly attributable to strong sales growth of ETUARY®, the flagship product of GYRE Pharmaceuticals, in the Chinese market. Meanwhile, the significant deterioration in segment profit was due to an increase in share-based compensation expenses and increased R&D costs associated with the progress of clinical trials, as well as primarily the absence of the ¥1,262 million gain recorded in the previous consolidated fiscal year from the reclassification of cumulative foreign currency translation differences upon the settlement of long-term loans to affiliated companies, as described below.

Medical Device Segment

Sales revenue and segment profit of the Medical Devices segment amounted to ¥ 7,681 million, up 44.7% YoY, and the segment profit was ¥ 530 million, down 48.5% YoY, respectively. The improvement of segment revenue was due to strong sales performance of BB. The significant deterioration in the Medical Devices segment profit was due to primarily the absence of gain recorded in the previous consolidated fiscal year from the reclassification of cumulative foreign currency translation differences upon the settlement of long-term loans to affiliated companies, as described below. Excluding the impact of this allocation, the segment profit of the Medical Device segment itself showed steady growth.

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

	FY2024	FY2025	Difference
Selling, general and administrative expenses	(15,771)	(19,002)	(3,230)
Personnel expenses	(5,074)	(7,693)	(2,618)
Research and development expenses	(2,811)	(3,298)	(486)

Selling, general and administrative (SG&A) expenses for FY2025 were ¥ 19,002 million, up 20.5% YoY. This expense was mainly attributable to an increase in share-based compensation expenses.

Research and development (R&D) expenses for FY2025 were ¥ 3,298 million, up 17.3% 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

	FY2024	FY2025	Difference
Finance income	707	578	(128)
Finance costs	(1,880)	(1,750)	129

Finance income

Finance income for FY2025 was ¥ 578 million, down 18.2% YoY. This decrease of Finance Income was mainly due to decreased interest received.

Finance costs

Finance costs for FY2025 was ¥ 1,750 million, down 6.9% YoY. This decreased was mainly due to decreased foreign exchange losses.

(2) Analysis of Financial Position

Summary of Consolidated Financial Position

Million yen

	As of December 31, 2024	As of December 31, 2025	Difference
Total assets	71,942	83,791	11,848
Total liabilities	32,229	32,116	(112)
Total equity	39,713	51,675	11,961

Total assets

As of FY 2025 year-end, total assets stood at 83,791 million, up 16.5% compared to the previous fiscal year end. This increase in assets was mainly attributable to an increase in cash and cash equivalents resulting.

Total liabilities

As of FY 2025 year-end, total liabilities stood at 32,116 million, down 0.3% compared to the previous fiscal year end. This decrease in liabilities was mainly attributable to a decrease in short-term borrowings.

Total equity

As of FY 2025 year-end, total equity stood at 51,675 million, up 30.1% compared to the previous fiscal year end. This increase in equity was mainly attributable to increases in capital stock and capital surplus resulting.

(3) Analysis of Cash Flows

Summary of Consolidated Cash Flows

Million yen

	FY2024	FY2025	Difference
Cash flows from operating activities	(3,164)	(2,408)	756
Cash flows from investing activities	(10,361)	(536)	9,824
Cash flows from financing activities	694	13,738	13,043

Cash flows from operating activities

The cash flow from operating activities was 2,408 million (cash outflow) in FY2025 (it was 3,164 million cash outflow in FY2024). This was mainly attributable to a decrease in payments of corporate income taxes.

Cash flows from investing activities

The cash flow from investing activities was 536 million (cash outflow) in FY2025 (it was 10,361 million cash outflow in FY2024). This was mainly attributable to a decrease in purchases of securities.

Cash flows from financing activities

The cash flow from financing activities was 13,738 million (cash inflow) in FY2025 (it was 694 million cash inflow in FY2024). This was mainly attributable to proceeds from the issuance of shares.

(4) Research and Dvelopment Ativities

[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)] - Gyre Pharmaceuticals

Gyre Pharmaceuticals is conducting clinical trials to expand the indications of ETUARY® to the following diseases:

・Diabetic nephropathy (DKD): Phase 1 clinical trials completed, discussing further steps with Chinese authorities
・ Connective Tissue Diseases Associated Interstitial Lung Disease (“CTD-ILD: SSc-ILD” and “DM-ILD”): Phase 3 clinical trials ongoing
・Pneumoconiosis treatment drug (Pneumoconiosis, PD): Phase 3 clinical trials 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 design in the first half of 2026.

■ F351 (Generic name: Hydronidone) - 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. In the company view, F351 is a promising drug candidate expected to become a blockbuster, which generally refers to a pharmaceutical product with annual sales exceeding $ 1 billion. Gyre Pharmaceuticals completed the Phase 3 clinical trial in patients with liver fibrosis caused by chronic hepatitis B in the PRC in October 2024 and plans to submit an A New Drug Application (NDA) in the first half of 2026 and conduct a confirmatory clinical trial to support full approval in the PRC.

GYRE plans to submit an IND in 2026 to initiate a Phase 2 clinical trial in the U.S. for F351 targeting MASH (Metabolic dysfunctionassociated steatohepatitis)-associated 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)] - Gyre Pharmaceuticals

Gyre Pharmaceuticals is conducting the Phase 2 clinical trial of F573 as a treatment for ALF/ACLF.

■ F230 [for Pulmonary Arterial Hypertension (PAH)] - 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)] - 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) - 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, and enrollment into the dose expansion portions is anticipated to begin in the first quarter of 2026. In addition, the Phase 1 clinical trial targeting acute and chronic pain was completed in Australia in December 2025, and Cullgen plans to initiate the Phase 2 clinical trial in the U.S. in the first half of 2026 for acute pain associated with bunionectomy.

■ CG009301 (malignant hematologic tumor (leukemia) treatment) – 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, 2026

For fiscal year 2026, we expect steady growth in both revenue and profit in our pharmaceutical and medical device businesses. In the pharmaceutical and drug discovery segment, research and development activities at Cullgen are expected to continue progressing smoothly. In the Medtech business (medical device segment), BAB plans to launch new products, and both revenue and profit are expected to increase. In addition, following the acquisition of ZOO LABO announced in December 2025, the company's performance is expected to contribute to consolidated results starting in fiscal year 2026.

Earnings forecasts may fluctuate significantly due to factors beyond the Group's control, including the timing of NDA approval and product launch of F351 in the pharmaceutical segment, the anticipated drug price, the progress of research and development at Cullgen as well as the timing of milestone revenue recognition and a potential listing. Accordingly, it has been determined that it is difficult to reasonably estimate the impact on financial performance at this time, and therefore earnings forecasts are not disclosed.

2. Basic Policy on the Selection of Accounting Standards

GNI Group applies International Financial Reporting Standards [IFRS].

3. Consolidated Financial Statements and Notes

(1) Consolidated Statements of Financial Position

Million yen

	FY2024 (As of Dec 31, 2024)	FY2025 (As of Dec 31, 2025)
Assets		
Non-current assets		
Property, plant and equipment	5,696	5,717
Right-of-use assets	1,559	1,784
Goodwill	15,994	16,648
Intangible assets	11,026	12,347
Investments accounted for using the equity method	386	391
Deferred tax assets	2,234	348
Other financial assets	5,764	5,738
Other non-current assets	56	81
Total non-current assets	42,720	43,057
Current assets		
Inventories	2,529	3,752
Trade and other receivables	6,236	8,056
Other financial assets	9,291	6,898
Other current assets	1,050	924
Cash and cash equivalents	10,115	21,101
Total current assets	29,222	40,734
Total assets	71,942	83,791
Liabilities and equity		
Non-current liabilities		
Loans Payable	1,200	2,020
Lease liabilities	735	992
Deferred tax liabilities	2,171	2,033
Other financial liabilities	15,454	16,825
Other non-current liabilities	203	481
Total non-current liabilities	19,764	22,354
Current liabilities		
Trade and other payables	2,263	1,600
Borrowings	4,575	1,325
Current portion of long-term borrowings	400	686
Lease liabilities	295	342
Current tax payable	2,611	3,093
Other financial liabilities	0	4
Other current liabilities	2,318	2,709
Total current liabilities	12,464	9,762
Total liabilities	32,229	32,116

(1) Consolidated Statements of Financial Position

Million yen

	FY2024 (As of Dec 31, 2024)	FY2025 (As of Dec 31, 2025)
Equity		
Share capital	13,276	19,676
Capital surplus	6,626	15,773
Treasury shares	(15)	(15)
Retained earnings	9,888	5,477
Other components of equity	6,669	9,240
Total equity attributable to owners of parent	36,446	50,152
Non-controlling interests	3,267	1,522
Total equity	39,713	51,675
Total equity and liabilities	71,942	83,791

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

Consolidated Statements of Income

Million yen

	FY2024 (Jan 1, 2024 to Dec 31, 2024)	FY2025 (Jan 1, 2025 to Dec 31, 2025)
Revenue	23,611	26,840
Cost of sales	(5,574)	(6,847)
Gross profit	18,037	19,993
Selling, general and administrative expenses	(15,771)	(19,002)
Research and development expenses	(2,811)	(3,298)
Other income	2,434	527
Other expenses	(485)	(1,704)
Operating profit (loss)	1,402	(3,483)
Finance income	707	578
Finance costs	(1,880)	(1,750)
Equity Losses of Affiliated Companies	8	9
Profit (loss) before tax	238	(4,646)
Income tax expense	(247)	(2,671)
Profit (loss) for the year	(9)	(7,318)
Profit (loss) attributable to:		
Owners of parent	1,098	(4,411)
Non-controlling interests	(1,107)	(2,906)
Earnings per share		
Basic earnings per share (loss) (Yen)	21.96	(84.09)
Diluted earnings per share (loss) (Yen)	21.15	(84.09)

Consolidated Statements of Comprehensive Income

Million yen

	FY2024 (Jan 1, 2024 to Dec 31, 2024)	FY2025 (Jan 1, 2025 to Dec 31, 2025)
Profit (loss) for the year	(9)	(7,318)
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax		
Exchange differences on translation of foreign operations	2,286	810
Share in Other Comprehensive Income for Equity Method Investees	31	13
Total other comprehensive income	2,318	823
Total comprehensive income for the year	2,309	(6,494)
Total comprehensive income for the year attributable to:		
Owners of the parent	3,140	(3,958)
Non-controlling interests	(831)	(2,536)

(3) Consolidated Statements of Changes in Equity

Million yen

	Attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Treasury shares	Retained earnings	Subscription rights to shares	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) for the year	-	-	-	1,098	-	-	-
Other comprehensive income	-	-	-	-	-	2,042	2,042
Total comprehensive income	-	-	-	1,098	-	2,042	2,042
Change in scope of consolidation	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	(996)	-	-	-	(55)	(55)
Issuance of new shares	227	227	-	-	-	-	-
Stock issue costs	(3)	(3)	-	-	-	-	-
Share-based payment transactions	-	-	-	-	239	-	239
Issuance of share acquisition rights	-	-	-	-	0	-	0
Issuance cost of share acquisition rights	-	-	-	-	(4)	-	(4)
Exercise of share acquisition rights	-	-	-	-	(121)	-	(121)
Purchase of treasury shares	-	-	(0)	-	-	-	-
Total amount of transactions with owners	224	(771)	(0)	-	113	(55)	57
Balance as of Dec 31, 2024	13,276	6,626	(15)	9,888	1,616	5,052	6,669

	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) for the year	1,098	(1,107)	(9)
Other comprehensive income	2,042	276	2,318
Total comprehensive income	3,140	(831)	2,309
Change in scope of consolidation	-	91	91
Changes in ownership interest in subsidiaries	(1,051)	1,298	246
Issuance of new shares	455	-	455
Stock issue costs	(6)	-	(6)
Share-based payment transactions	239	-	239
Issuance of share acquisition rights	0	-	0
Issuance cost of share acquisition right	(4)	-	(4)
Exercise of share acquisition rights	(121)	-	(121)
Purchase of treasury shares	(0)	-	(0)
Total amount of transactions with owners	(489)	1,389	900
Balance as of Dec 31 2024	36,446	3,267	39,713

Million yen

	Attributable to owners of parent						
					Other components of equity		
	Share capital	Capital surplus	Treasury shares	Retained earnings	Subscription rights to shares	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) for the year	-	-	-	(4,411)	-	-	-
Other comprehensive income	-	-	-	-	-	452	452
Total comprehensive income	-	-	-	(4,411)	-	452	452
Change in scope of consolidation	-	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	2,696	-	-	-	-	-
Issuance of new shares	6,558	6,558	-	-	-	-	-
Stock issue costs	(159)	(159)	-	-	9	-	9
Share-based payment transactions	-	-	-	-	2,247	-	2,247
Issuance of share acquisition rights	-	-	-	-	10	-	10
Issuance cost of share acquisition rights	-	-	-	-	(4)	-	(4)
Exercise of share acquisition rights	-	-	-	-	(70)	-	(70)
Forfeiture of share acquisition rights	-	51	-	-	(74)	-	(74)
Purchase of treasury shares	-	-	(0)	-	-	-	-
Total amount of transactions with owners	6,399	9,147	(0)	-	2,118	-	2,118
Balance as of Dec 31, 2025	19,676	15,773	(15)	5,477	3,735	5,505	9,240

	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) for the year	(4,411)	(2,906)	(7,318)
Other comprehensive income	452	370	823
Total comprehensive income	(3,958)	(2,536)	(6,494)
Change in scope of consolidation	-	(80)	(80)
Changes in ownership interest in subsidiaries	2,696	871	3,567
Issuance of new shares	13,117	-	13,117
Stock issue costs	(308)	-	(308)
Share-based payment transactions	2,247	-	2,247
Issuance of share acquisition rights	10	-	10
Issuance cost of share acquisition right	(4)	-	(4)
Exercise of share acquisition rights	(70)	-	(70)
Forfeiture of share acquisition rights	(22)	-	(22)
Purchase of treasury shares	(0)	-	(0)
Total amount of transactions with owners	17,665	790	18,456
Balance as of Dec 31 2025	50,152	1,522	51,675

(4) Consolidated Statements of Cash Flows

Million yen

	FY2024 (Jan 1, 2024 to Dec 31, 2024)	FY2025 (Jan 1, 2025 to Dec 31, 2025)
Cash flows from operating activities		
Profit before tax	238	(4,646)
Depreciation	983	1,137
Decrease (increase) in trade and other receivables	(1,865)	(1,370)
Increase (decrease) in trade and other payables	(3)	(911)
Decrease (increase) in inventories	(90)	(994)
Bonus allowance	17	(23)
Finance income and finance costs	752	1,169
Loss (gain) on Valuation in securities	(41)	490
Share-based payment expenses	239	2,212
Other	(1,600)	1,047
Subtotal	(1,370)	(1,889)
Interest received	503	392
Interest paid	(103)	(148)
Income taxes paid	(2,194)	(763)
Net cash provided by (used in) operating activities	(3,164)	(2,408)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(1,199)	682
Purchase of securities	(4,066)	(83)
Proceeds from sale of securities	-	83
Purchases of property, plant and equipment	(522)	(334)
Proceeds from sales of property, plant and equipment	1	0
Purchase of intangible assets	(1,013)	(1,223)
Increase of leasehold and guarantee deposits	(2,066)	(6)
Decrease of leasehold and guarantee deposits	18	1,540
Collection of loans receivable	-	6
Purchase of investment securities	(1,703)	-
Proceeds from sale of investment securities	190	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,201)
Net cash provided by (used in) investing activities	(10,361)	(536)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,275	(3,250)
Proceeds from long-term borrowings	-	1,456
Repayments of long-term borrowings	(400)	(400)
Proceeds from issuance of shares	-	12,592
Proceeds from exercise of share acquisition rights	727	849
Proceeds from issuance of share acquisition rights	0	10
Capital contribution from non-controlling interests	741	3,270
Payments for acquisition of interests in subsidiaries from non-controlling interests	(3,269)	-
Payment of stock issue costs	-	(453)
Purchase of treasury shares	(0)	(0)
Repayment of lease liabilities	(381)	(336)
Net cash provided by (used in) financing activities	694	13,738
Effect of exchange rate changes on cash and cash equivalents	1,313	193
Net increase (decrease) in cash and cash equivalents	(11,517)	10,986
Cash and cash equivalents at beginning of the period	21,633	10,115
Cash and cash equivalents at the end of the period	10,115	21,101

(5) Notes to the Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Basis of Preparation)

(1) Matters relating to IFRS

The Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board.

Meeting the criteria of a "specified company" as defined under Article 1-2 of the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28, 1976), GNI Group's consolidated financial statements are prepared in accordance with Article 312 of the same.

(2) Functional currency and presentation currency

The Group's consolidated financial statements are presented in Japanese yen, the Company's functional currency. Figures of less than one million yen are rounded down.

(Segment Information)

(1) Reportable segments

The reportable segments of the Group are components of the Group for which discrete financial information is available and which are regularly reviewed by the Board of Directors to make decisions about the allocation of management resources and to assess performance.

The Group operates in the Pharmaceutical Business, which includes drug discovery and manufacturing and marketing activities, and the Medical Devices Business. In the Pharmaceutical Business, the Group engages in the research and development, manufacturing, sales of pharmaceuticals, and contract research services. In the Medical Devices Business, the Group engages in the research and development, manufacturing, and sales of medical devices, including biomaterials.

The major products in each reportable segment are as follows.

Reportable segment	Main product and service
Pharmaceutical	ETUARY®, Etorel®, Contiva®, drug discovery and development, reagents etc.
Medical Device	Biomaterials, Designated Marketing Authorization Holder (DMAH) and in-country caretaker (ICC) service

(2) Reportable segment revenue and profit

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

FY2024 (Jan 1, 2024 to Dec 31, 2024)

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Revenue				
Revenue to outside customers	18,303	5,307	23,611	23,611
Total	18,303	5,307	23,611	23,611
Segment profit	371	1,031	1,402	1,402
			Finance income	707
			Finance costs	(1,880)
			Share of profit (loss) of investments accounted for using equity method	8
			Profit before tax	238

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

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Depreciation	637	346	983	983

FY2025 (Jan 1, 2025 to Dec 31, 2025)

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Revenue				
Revenue to outside customers	19,158	7,681	26,840	26,840
Total	19,158	7,681	26,840	26,840
Segment profit (loss)	(4,014)	530	(3,483)	(3,483)
			Finance income	578
			Finance costs	(1,750)
			Share of profit (loss) of investments accounted for using equity method	9
			Profit (loss) before tax	(4,646)

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

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Depreciation	816	321	1,137	1,137

(3) Information related to products and services

Sales of products and services to outside customers are as follows.

Million yen

	FY2024 (Jan 1, 2024 to Dec 31, 2024)	FY2025 (Jan 1, 2025 to Dec 31, 2025)
ETUARY®	15,738	15,792
Biomaterial	5,169	7,568
Other	2,704	3,478
Total	23,611	26,840

(4) Geographic information

FY2024 (Jan 1, 2024 to Dec 31, 2024)

Million yen

	Japan	China	U.S.	Consolidated
Sales to outside customers (see note 1)	1,462	17,098	5,049	23,611
Non-current assets (see note 2)	423	9,432	24,477	34,334

Notes: 1. Sales amounts are based on customer location.

2. Other financial assets, Deferred income tax assets and Investments accounted for using the equity method are not included.

FY2025 (Jan 1, 2025 to Dec 31, 2025)

Million yen

	Japan	China	U.S.	Consolidated
Sales to outside customers (see note 1)	808	18,504	7,527	26,840
Non-current assets (see note 2)	1,398	10,663	24,517	36,579

Notes: 1. Sales amounts are based on customer location.

2. Other financial assets, Deferred income tax assets and Investments accounted for using the equity method are not included.

(5) Information related to major customers

FY2024 (Jan 1, 2024 to Dec 31, 2024)

Million yen

Customer name	Sales	Related segment
Sinopharm	5,105	Pharmaceutical
China Resources Pharmaceutical	1,616	Pharmaceutical
Astellas Pharma Inc.	1,438	Pharmaceutical
Stryker Spine	819	Medical Device
Huadong Medicine Co., Ltd.	747	Pharmaceutical

FY2025 (Jan 1, 2025 to Dec 31, 2025)

Million yen

Customer name	Sales	Related segment
Sinopharm	6,744	Pharmaceutical
New Horizon Medical	3,319	Medical Device
China Resources Pharmaceutical	1,697	Pharmaceutical
Shanghai Pharma	870	Pharmaceutical
Astellas Pharma Inc.	787	Pharmaceutical

(Earnings Per Share)

Basic earnings per share and Diluted earnings per share and the basis for its calculation are as follows.

(1) Basic earnings per share

	FY2024 (Jan 1, 2024 to Dec 31, 2024)	FY2025 (Jan 1, 2025 to Dec 31, 2025)
Profit (loss) attributable to owners of parent (million yen)	1,098	(4,411)
Average number of ordinary shares outstanding during the fiscal year (shares)	50,007,923	52,464,827
Basic earnings per share (loss) (yen)	21.96	(84.09)

(2) Diluted earnings per share

	FY2024 (Jan 1, 2024, to Dec 31, 2024)	FY2025 (Jan 1, 2025, to Dec 31, 2025)
Profit (loss) attributable to owners of parent (million yen)	1,098	(4,411)
Average number of ordinary shares outstanding during the fiscal year (shares)	50,007,923	52,464,827
Adjustment of dilution effect:		
Stock option (shares)	1,914,392	-
Diluted average number of ordinary shares outstanding (shares)	51,922,315	52,464,827
Diluted earnings per share (loss) (yen)	21.15	(84.09)

Note: For diluted earnings per share (loss) for the current consolidated period, there were 1,927,353 potential shares arising from the exercise of stock options; however, these were excluded from the calculation of diluted earnings per share (loss) as they would have an anti-dilutive effect.

(Important Subsequent Events)

No Important Subsequent Event