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 FY2026 YTD (IFRS)

November 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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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 FY2026 YTD (January to September)

(1) Q3 FY2026 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 FY2026 YTD	29,731	53.6	73	-	(1,247)	-	(2,446)	-	(4,038)	-	(1,350)	-
Q3 FY2025 YTD	19,357	12.6	(497)	-	(1,084)	-	(2,076)	-	(495)	-	(3,978)	-

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q3 FY2026 YTD	(68.29)	(68.29)
Q3 FY2025 YTD	(9.65)	(9.65)

(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 FY2026	204,199	90,245	64,208	31.4	975.26
FY2025	83,791	51,842	50,320	60.1	903.93

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2025	-	-	-	0.00	0.00
FY2026	-	-	-		
FY2026 (Forecast)				0.00	0.00

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

3. Consolidated Earnings Forecasts for FY2026 (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
FY2026	47,327	76.3	–	–	–	–	–	–	–	–	–

Note: Amendment from the forecast most recently published: No

Notes:

(1) Significant Changes in the Scope of Consolidation during the Period: Yes
Newly included: Two companies (AYUMI Pharmaceutical Holdings KK, AYUMI Pharmaceutical Corporation)
Excluded: no

(2) Changes in Accounting Policies and Changes in Accounting Estimates
① Changes in accounting policies that are required under IFRS: Yes
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 FY2026	65,851,103 shares	FY2025	55,682,069 shares
② Number of treasury shares as of the end of the period	Q3 FY2026	13,643 shares	FY2025	13,643 shares
③ Average number of shares for the period	Q3 FY2026	59,145,614 shares	Q3 FY2025	51,397,391 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, 2026.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

During the nine months ended September 30, 2026, GNI Group Ltd. (the “Company”) and its subsidiaries and affiliates (collectively, the “Group”) recorded revenue of JPY 29,731 million, reflecting the consolidation of the financial results of AYUMI Pharmaceutical Holdings KK (“AYUMI Pharmaceutical Holdings”), which became a wholly owned subsidiary of the Company on July 1, 2026.
The consolidation of AYUMI Pharmaceutical Holdings has significantly expanded the Group’s business foundation in Japan, marking a new phase of growth toward its transformation into a global biopharmaceutical company.

In the Pharmaceutical Business, in Japan, AYUMI Pharmaceutical Holdings achieved year-on-year revenue growth of approximately 16%, driven by steady sales of its flagship product, Calonal, an antipyretic analgesic, as well as the launch of Ostabalo, a treatment for osteoporosis, in July 2026, following the acquisition of its marketing rights from Teijin Pharma Limited.
In addition to its established strengths in antirheumatic drugs and antipyretic analgesics, AYUMI Pharmaceutical Holdings is expanding its focus into the osteoporosis treatment market, which is closely related to the field of rheumatology and is expected to see growing treatment demand due in part to the aging population. By leveraging its existing sales infrastructure, the company aims to further expand its product portfolio.
In China, sales of ETUARY™, our flagship treatment for idiopathic pulmonary fibrosis (IPF), continued to perform steadily. As a result, revenue from the Pharmaceutical Business in China increased year-on-year during the third quarter of the current fiscal year.

Gyre Pharmaceuticals Co., Ltd. (Beijing Continent) (“Gyre Pharmaceuticals”), a major subsidiary of the Group, submitted a New Drug Application (NDA) for F351, its next major product candidate for the treatment of chronic hepatitis B (CHB)-induced liver fibrosis, to the Center for Drug Evaluation (CDE) under China’s National Medical Products Administration (NMPA) in March 2026 and received formal acceptance of the application in May 2026. The NDA is currently undergoing priority review, and on-site inspections of the manufacturing facilities and clinical trial sites conducted as part of the review process have been completed. The Group believes that the NMPA could reach a decision on the F351 NDA by the end of 2026 or in the first quarter of 2027. If approved, the Group anticipates commencing commercial sales of F351 in the first half of 2027.

F351 received Breakthrough Therapy designation in 2021, and positive results from its Phase 3 clinical trial were announced in May 2025. Following pre-NDA consultations with the CDE, F351 was granted priority review status in March 2026, highlighting its potential to address significant unmet medical needs. Beyond China, F351 also holds potential for global development. Gyre Therapeutics, Inc. (Nasdaq: GYRE, “Gyre”), the Group’s subsidiary listed on the Nasdaq Stock Market in the United States, is preparing to initiate a Phase 2 clinical trial in the United States for F351 in the treatment of metabolic dysfunction-associated steatohepatitis (MASH)-associated liver fibrosis.

Following Gyre’s acquisition of 100% ownership of Cullgen Inc. (“Cullgen”), the Group has continued to optimize its research and development resources and review the priorities and timelines of its development programs. While these adjustments are ongoing, the Group’s development programs, including CG001419, a TRK-targeting drug candidate for cancer treatment and pain management, and CG009301, a drug candidate for the treatment of hematologic malignancies, have continued to progress well overall.

In the Medtech segment, revenue declined due to changes in the business environment resulting from revisions to the U.S. Medicare program biomaterials business, as well as the ongoing transition toward a business structure focused on higher-profitability segments. Although ZOO LABO Co., Ltd. ("ZOO LABO"), which became a consolidated subsidiary in December 2025, contributed to revenue growth, this contribution was insufficient to offset the decline in revenue from the U.S. operations. As a result, overall revenue in the Medtech Business decreased year-on-year.

In response to these changes in the business environment, the Group is reviewing the existing business structure of its U.S. biomaterials operations. As part of these efforts, the founder of Berkeley Advanced Biomaterials LLC has returned as CEO and is working to restructure business operations and improve profitability.

Furthermore, following the consolidation of Ayumi Pharmaceutical Holdings, the Group is pursuing the optimization of its overall business portfolio. As part of this initiative, the Group intends to shift the primary focus of its Medtech Business toward a "global niche" strategy, centered on the manufacturing and sale of private-label products and aesthetic surgery materials, and will consider business restructuring measures to support this strategic transition.

① Operating Results by Segment

Pharmaceutical Segment

During the current quarterly consolidated accounting period, segment revenue and segment profit for the Pharmaceutical Segment were the ¥25,326 million, up91.7% YoY and ¥3,256 million, (segment loss ¥1,552 million in the previous quarterly consolidated accounting period), respectively.

Regarding revenue, following the completion of the acquisition of all shares of AYUMI Pharmaceutical Holdings on July 1, 2026, the

company realized a revenue increase of 10,836 million yen due to the consolidation of that company's financials. In addition, sales of Gyre Pharmaceuticals' flagship product, ETUARY™, remained robust in the Chinese market, resulting in a 14.8% YoY increase in the company's revenue to ¥13,385 million. Consequently, revenue for the Pharmaceutical Segment as a whole rose 91.7% YoY to ¥25,326 million.

Segment profit increased due to the profit contribution resulting from making AYUMI Pharmaceutical Holdings a wholly-owned subsidiary and the revenue growth at Gyre Pharmaceuticals, as well as the recognition on the reversal of accrued interest related to Cullgen's redeemable preferred stock, following the elimination of the obligation to pay that interest.
On the other hand, advisory fees associated with the acquisition of AYUMI Pharmaceutical Holdings, one-time expenses related to Gyre's acquisition of Cullgen as a wholly owned subsidiary, and research and development expenses weighed on profits. As a result, segment profit increased by 4,809 million yen compared to the same period of the previous year.

Major factors contributing to the increase in segment profit:

(a) Increase in revenue and segment profit resulting from the acquisition of AYUMI Pharmaceutical Holdings as a wholly-owned subsidiary

(b) Revenue and profit growth at Gyre by increased sales of its flagship product

(c) Recognition of a gain on the reversal of accrued interest following the extinguishment of the obligation to pay accrued interest on Cullgen's redeemable preferred shares.

Major factors contributing to the decrease in segment profit:

(a) the incurrence of one-time related expenses, including advisory fees, in connection with making AYUMI Pharmaceutical Holdings a wholly-owned subsidiary.

(b) the incurrence of one-off integration-related expenses associated with Gyre's acquisition of all remaining shares of Cullgen.

(c) higher initial preparation costs, including promotional expenses, for the commercialization of F351.

(d) higher R&D expenses associated with the U.S. IND application for F351.

(e) the increase in stock-based compensation expense at Gyre Pharmaceuticals and Gyre due to progress in service periods for stock options granted in prior years

(f) the incurrence of one-off expenses for optimizing the organizational structure associated with the implementation of business restructuring and management infrastructure strengthening initiatives at Gyre

Medical Device Segment

During the current quarterly consolidated accounting period, segment revenue and segment loss for the Medical Device Segment were ¥4,404 million, down 28.3% YoY and ¥3,182 million, (segment profit of ¥1,054 million in the previous quarterly consolidated accounting period), respectively. The decline in revenue and segment profit in the Medical Devices segment was due to increased costs associated with implementing changes in sales operating strategy and advancing a structural shift toward high-margin business areas—resulting from a reduction in the portfolio of major customers in the biomaterials business following revisions to the U.S. Medicare program—despite the positive impact on revenue and profit from ZOO LABO.

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

Million yen

	Q3 FY2025 YTD	Q3 FY2026 YTD	Difference
Selling, general and administrative expenses	(11,949)	(20,601)	(8,651)
Personnel expenses	(4,497)	(7,242)	(2,745)
Research and development expenses	(2,446)	(2,954)	(508)

Selling, general and administrative (SG&A) expenses for the current quarterly consolidated accounting period were ¥20,601 million, up 72.4% YoY.
This was mainly due to an increase in personnel expenses resulting from the acquisition of AYUMI Pharmaceutical Holdings and ZOO LABO as wholly-owned subsidiaries, an increase in amortization of intangible assets related to manufacturing and marketing rights, and an increase in domestic logistics-related expenses, as well as the recognition of one-time related expenses, such as advisory fees,

associated with the acquisition of AYUMI Pharmaceutical Holdings and Cullgen as wholly-owned subsidiaries.
Personnel expenses for the current quarterly consolidated accounting period totaled 7,242 million yen (up 61.0% YoY). This was mainly due to an increase in headcount resulting from the acquisition of AYUMI Pharmaceutical Holdings and ZOO LABO as wholly-owned subsidiaries, as well as an increase in stock-based compensation expenses related to stock options granted in prior years to Gyre Pharmaceuticals and Gyre, which rose as employees progressed through their vesting periods.
R&D expenses for the current quarterly consolidated accounting period were ¥2,954 million, up 20.8% YoY. This is mainly due to an increase in development costs related to the new IND application for F528 (a treatment for chronic obstructive pulmonary disease) at Gyre Pharmaceuticals; progress in the Phase 2/3 clinical trial aimed at expanding the indications for ETUARY™ to include radiation-induced lung injury; and an increase in nonclinical trial costs related to Gyre's U.S. IND application for F351.

③ Finance Income and Finance Costs

Million yen

	Q3 FY2025 YTD	Q3 FY2026 YTD	Difference
Finance income	613	378	(235)
Finance costs	(1,198)	(1,707)	(509)

Finance income

Finance income for the current quarterly consolidated accounting period was ¥378 million, down 38.3% YoY. This decrease was mainly due to decreased foreign exchange gains.

Finance costs

Finance costs for the current quarterly consolidated accounting period was ¥1,707 million, up 42.5% YoY. This increase was mainly due to increased in interest expenses.

(2) Analysis of Financial Position

Summary of Consolidated Financial Position

Million yen

	Q4 FY2025 YTD	Q3 FY2026 YTD	Difference
Total assets	83,791	204,199	120,408
Total liabilities	31,948	113,954	82,005
Total equity	51,842	90,245	38,402

Total assets

The total assets stood at ¥204,199 million, up 143.7% compared to the previous fiscal year end. This increase in total assets was mainly due to the inclusion of AYUMI Pharmaceutical Holdings in the scope of consolidation.

Total liabilities

The total liabilities stood at ¥113,954 million, up 256.7% compared to the previous fiscal year end. This increase in total liabilities was mainly due to an increase in loans.

Total equity

The total equity stood at ¥90,245 million, up 74.1% compared to the previous fiscal year end. This increase in total equity was mainly attributable to an increase in paid-in equity resulting from the issuance of new shares in connection with the acquisition of shares in AYUMI Pharmaceutical Holdings, as well as an increase in non-controlling interests.

(3) Analysis of Cash Flows

Summary of Consolidated Cash Flows

Million yen

	Q3 FY2025 YTD	Q3 FY2026 YTD	Difference
Cash flows from operating activities	(707)	(7,456)	(6,749)
Cash flows from investing activities	293	(12,019)	(12,313)
Cash flows from financing activities	13,392	19,365	5,972

Cash flows from operating activities

The cash flow from operating activities was ¥7,456 million (cash outflow) for the current quarterly consolidated accounting period, (it was ¥707 million cash outflow for the same period in the previous year), mainly due to a decrease in trade and other payables.

Cash flows from investing activities

The cash flow from investing activities was ¥12,019 million (cash outflow) for the current quarterly consolidated accounting period, (it was ¥293 million cash inflow for the same in the previous year), mainly due to purchase of shares of subsidiaries resulting in change in scope of consolidation.

Cash flows from financing activities

The cash flow from financing activities was ¥19,365 million (cash inflow) for the current quarterly consolidated accounting period, (it was ¥13,392 million cash inflow for the same period in the previous year), mainly due to proceeds from short-term borrowings.

(4) Research and Development Activities

[Drug Discovery Research Activities]

In the Group's drug discovery research, we aim to develop innovative new chemical entities (NCEs), primarily through Gyre. Gyre is conducting research and development to expand its drug discovery pipeline, which includes multiple novel compounds targeting enzymatic and non-enzymatic proteins for the treatment of cancer, pain, and autoimmune diseases.

[Development Activities]

■ ETUARY™ [Chinese: 艾思瑞® , (Generic name: Pirfenidone)]

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 (The potential for additional patient enrollment is currently being evaluated to replace patients that have dropped out of the study).
● Radiation-Induced Lung Injury (RILI), An adaptive Phase 2/3 clinical trial was initiated in April 2026, and the first patient has been enrolled.

■F351 (Generic Name: Hydronidone)

F351 is a potential treatment for liver fibrosis and an important new drug candidate in the Group's pharmaceutical portfolio. It represents a key component of the Group's strategy to enter major pharmaceutical markets worldwide. In the Company's own view, F351 has the potential to become a blockbuster drug, generally defined as a pharmaceutical product with annual sales exceeding USD 1 billion.

In May 2025, Gyre Pharmaceuticals announced positive results from its Phase 3 clinical trial in China involving patients with chronic hepatitis B (CHB)-induced liver fibrosis. The New Drug Application (NDA) submitted to the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA) was accepted in May 2026. The application is undergoing priority review, and on-site inspections of the manufacturing facilities and clinical trial sites conducted by the NMPA as part of the review process have been completed. The Group believes that a decision from the NMPA could occur by the end of 2026 or in the first quarter of 2027. If approved, the Group anticipates launching F351 in the first half of 2027.

In addition, Gyre continues to engage with the U.S. Food and Drug Administration (FDA) regarding Investigational New Drug (IND) requirements for initiating a Phase 2 clinical trial in the United States for F351 in the treatment of metabolic dysfunction-associated steatohepatitis (MASH)-associated liver fibrosis.

■CG001419 (TRK Degrader for Pain and Solid Tumors)

CG001419 is an oral, selective TRK protein degrader being developed as a potential first-in-class non-opioid treatment for cancer-related pain and, separately, for solid tumors.

A Phase 1 clinical trial evaluating the safety, tolerability, and pharmacokinetics of CG001419 in 78 healthy volunteers was completed in Australia in December 2025. All doses were well tolerated, with no drug-related serious adverse events observed.

Gyre plans to initiate a Phase 2 clinical trial in China in the first half of 2027 to further evaluate CG001419 in cancer-induced bone pain (CIBP) or other metastatic cancer pain syndromes.

Separately, CG001419 continues to be evaluated in a Phase 1 clinical trial in China for the treatment of solid tumors.

■ CG009301 (GSPT1 Degrader for Hematologic Malignancies)

CG009301 is a GSPT1 protein degrader being developed for the treatment of acute myeloid leukemia (AML). A Phase 1 dose-escalation clinical trial in patients with high-risk hematologic malignancies is ongoing in China. Gyre anticipates that Phase 1 dose-escalation data will be available in the second half of 2027.

■ CG923308 (CDK2-Cyclin E Dual Degrader for Solid Tumors)

CG923308 is a next-generation targeted protein degrader designed to potently and selectively degrade both cyclin-dependent kinase 2 (CDK2) and Cyclin E proteins.

CG923308 is in preclinical development for the treatment of hormone receptor-positive (HR+)/human epidermal growth factor receptor 2-negative (HER2-) advanced breast cancer resistant to existing therapies and solid tumors with CCNE1 amplification. Preclinical studies demonstrated precise target degradation, inhibition of cancer cell proliferation, and durable tumor growth suppression. CG923308 also exhibited a favorable pharmacokinetic (PK) and safety profile.

Gyre plans to submit an IND application for CG923308 in the United States and/or China the first quarter of 2027.

■ CG620953 (TYK2-JAK1 Dual Degrader for Autoimmune Diseases)

CG620953 is a next-generation targeted protein degrader designed to potently and selectively degrade both tyrosine kinase 2 (TYK2) and Janus kinase 1 (JAK1), while sparing JAK2 and JAK3.

CG620953 is in preclinical development for autoimmune diseases, including systemic lupus erythematosus (SLE) and rheumatoid arthritis (RA). In preclinical studies, CG620953 demonstrated selective target degradation and reduced disease activity, outperforming commercialized selective TYK2 inhibitors. The candidate also exhibited a favorable pharmacokinetic (PK) and safety profile.

Gyre plans to submit an IND application for CG620953 in the United States and/or China around mid-2027.

■ Degrader-Antibody Conjugates (DACs)

DACs are considered the next generation of antibody-drug conjugates (ADCs), combining distinct protein degraders with tumor-specific antibodies.

Gyre is currently conducting screening activities to identify promising DAC candidates targeting solid tumors and hematologic

malignancies. The company aims to provide further details on its first IND-ready DAC candidate(s) in 2027.

■ F230 (Pulmonary Arterial Hypertension (PAH))
F230 is a product candidate being developed for the treatment of pulmonary arterial hypertension (PAH). Gyre Pharmaceuticals received IND approval in China in May 2024 and initiated a Phase 1 clinical trial in June 2025.

■ F528 (Chronic Obstructive Pulmonary Disease (COPD))
F528 is a novel anti-inflammatory small-molecule compound designed to inhibit multiple inflammatory cytokines and potentially modify disease progression in chronic obstructive pulmonary disease (COPD). Gyre Pharmaceuticals anticipates submitting an IND application to the NMPA for F528 in 2026.

(5) Outlook for the Fiscal Year Ending December 31, 2026

Following the acquisition of 100% ownership of AYUMI Pharmaceutical Holdings on July 1, 2026, the financial results of AYUMI Pharmaceutical Holdings and its subsidiaries have been included in the Group's consolidated financial results from the third quarter of 2026. The Group's full-year revenue forecast reflects the expected contribution from AYUMI Pharmaceutical Holdings and its subsidiaries during the second half of 2026.

Meanwhile, following Gyre's acquisition of 100% ownership of Cullgen Inc. ("Cullgen"), the Group is working to optimize its post-integration research and development strategy, development timelines, program priorities, and resource allocation. In addition, following the acceptance of the New Drug Application (NDA) for F351 by the Center for Drug Evaluation (CDE) of China's National Medical Products Administration (NMPA) in May 2026, the Group is proceeding with preparations for potential regulatory approval and commercialization.

The Group intends to make flexible decisions regarding research and development expenditures and upfront investments associated with these growth opportunities, taking into account the progress of development and regulatory reviews, as well as market conditions. At present, there remains uncertainty regarding the timing and scale of these investments.

Accordingly, while the Group has disclosed its full-year revenue forecast reflecting the expected consolidation impact of AYUMI Pharmaceutical Holdings during the second half of 2026, it has determined that it is currently difficult to reasonably estimate financial results other than revenue. Therefore, the Group has refrained from disclosing forecasts for financial measures other than revenue at this time.

2. Summary of Quarterly Consolidated Financial Statements and Major Notes

(1) Summary of Quarterly Consolidated Statements of Financial Position

Million yen

	FY2025 (As of Dec 31, 2025)	Q3 FY2026 (As of Sep 30, 2026)
Assets		
Non-current assets		
Property, plant and equipment	5,717	11,196
Right-of-use assets	1,784	2,522
Goodwill	16,648	63,339
Intangible assets	12,347	56,631
Investments accounted for using the equity method	391	441
Deferred tax assets	348	413
Other financial assets	5,738	6,518
Other non-current assets	81	104
Total non-current assets	43,057	141,167
Current assets		
Inventories	3,752	16,557
Trade and other receivables	8,056	17,260
Other financial assets	6,898	5,287
Other current assets	924	2,739
Cash and cash equivalents	21,101	21,187
Total current assets	40,734	63,032
Total assets	83,791	204,199
Liabilities and equity		
Non-current liabilities		
Borrowings	2,020	57,390
Lease liabilities	992	1,583
Deferred tax liabilities	2,033	13,370
Other financial liabilities	16,825	-
Other non-current liabilities	481	606
Total non-current liabilities	22,354	72,950
Current liabilities		
Trade and other payables	1,600	9,616
Borrowings	1,325	21,197
Current portion of long-term borrowings	686	2,976
Lease liabilities	342	737
Current tax payable	2,947	3,025
Other financial liabilities	4	9
Other current liabilities	2,688	3,440
Total current liabilities	9,594	41,003
Total liabilities	31,948	113,954

	FY2025 (As of Dec 31, 2025)	Q3 FY2026 (As of Sep 30, 2026)
Equity		
Share capital	19,676	33,146
Capital surplus	15,773	17,604
Treasury shares	(15)	(15)
Retained earnings	5,644	1,605
Other components of equity	9,240	11,867
Total equity attributable to owners of parent	50,320	64,208
Non-controlling interests	1,522	26,036
Total equity	51,842	90,245
Total equity and liabilities	83,791	204,199

(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 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)	Q3 FY2026 YTD (Jan 1, 2026 to Sep 30, 2026)
Revenue	19,357	29,731
Cost of sales	(4,982)	(11,807)
Gross profit	14,374	17,923
Selling, general and administrative expenses	(11,949)	(20,601)
Research and development expenses	(2,446)	(2,954)
Other income	330	6,960
Other expenses	(806)	(1,254)
Operating profit (loss)	(497)	73
Finance income	613	378
Finance costs	(1,198)	(1,707)
Share of profit (loss) of investments accounted for using equity method	(1)	8
Profit (loss) before tax	(1,084)	(1,247)
Income tax expense	(991)	(1,199)
Profit (loss)	(2,076)	(2,446)
Profit (loss) attributable to:		
Owners of parent	(495)	(4,038)
Non-controlling interests	(1,580)	1,592
Earnings per share		
Basic earnings per share (loss) (Yen)	(9.65)	(68.29)
Diluted earnings per share (loss) (Yen)	(9.65)	(68.29)

Summary of Quarterly Consolidated Statements of Comprehensive Income

Million yen

	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)	Q3 FY2026 YTD (Jan 1, 2026 to Sep 30, 2026)
Profit (loss)	(2,076)	(2,446)
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax		
Exchange differences on translation of foreign operations	(1,888)	1,076
Share of other comprehensive income of investments accounted for using equity method	(14)	19
Total other comprehensive income	(1,902)	1,096
Comprehensive income	(3,978)	(1,350)
Comprehensive income attributable to:		
Owners of parent	(2,345)	(3,211)
Non-controlling interests	(1,633)	1,861

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

Previous 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

Current Quarter: Q3 FY2026 (Jan 1, 2026 to Sep 30, 2026)

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, 2026	19,676	15,773	(15)	5,644	3,735	5,505	9,240
Profit (loss)	-	-	-	(4,038)	-	-	-
Other comprehensive income	-	-	-	-	-	827	827
Total comprehensive income	-	-	-	(4,038)	-	827	827
Changes in ownership interest in subsidiaries	-	(11,715)	-	-	-	-	-
Issuance of new shares	13,527	13,527	-	-	-	-	-
Share issue costs	(57)	(57)	-	-	(4)	-	(4)
Share-based payment transactions	-	-	-	-	1,880	-	1,880
Exercise of share acquisition rights	-	-	-	-	(0)	-	(0)
Issuance cost of share acquisition rights	-	-	-	-	(0)	-	(0)
Forfeiture of share acquisition rights	-	75	-	-	(75)	-	(75)
Total amount of transactions with owners	13,470	1,830	-	-	1,799	-	1,799
Balance as of Sep 30, 2026	33,146	17,604	(15)	1,605	5,534	6,332	11,867

	Equity attributable to owners of parent	Non-controlling interests	Total equity
	Total		
Balance as of Jan 1, 2026	50,320	1,522	51,842
Profit (loss)	(4,038)	1,592	(2,446)
Other comprehensive income	827	269	1,096
Total comprehensive income	(3,211)	1,861	(1,350)
Changes in ownership interest in subsidiaries	(11,715)	22,653	10,937
Issuance of new shares	27,055	-	27,055
Share issue costs	(119)	-	(119)
Share-based payment transactions	1,880	-	1,880
Exercise of share acquisition rights	(0)	-	(0)
Issuance cost of share acquisition rights	(0)	-	(0)
Forfeiture of share acquisition rights	-	-	-
Total amount of transactions with owners	17,100	22,653	39,753
Balance as of Sep 30, 2026	64,208	26,036	90,245

(4) Summary of Quarterly Consolidated Statements of Cash Flows

Million yen

	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)	Q3 FY2026 YTD (Jan 1, 2026 to Sep 30, 2026)
Cash flows from operating activities		
Profit (loss) before tax	(1,084)	(1,247)
Depreciation and amortization	830	1,960
Decrease (increase) in trade and other receivables	(85)	17
Increase (decrease) in trade and other payables	(307)	(1,603)
Decrease (increase) in inventories	(1,389)	(1,450)
Increase (decrease) bonus allowance	(14)	172
Finance income and finance costs	754	1,182
Loss (gain) on valuation in securities	598	239
Gain on reversal of accrued interest on redeemable preferred shares	-	(6,596)
Share-based compensation expenses	610	1,461
Other	(194)	24
Subtotal	(280)	(5,838)
Interest received	274	338
Interest paid	(114)	(846)
Income taxes paid	(586)	(1,109)
Net cash provided by (used in) operating activities	(707)	(7,456)
Cash flows from investing activities		
Net decrease (increase) in time deposits	31	(697)
Purchase of securities	(82)	-
Proceeds from sale and redemption of securities	-	1,983
Purchase of property, plant and equipment	(284)	(967)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(900)	(2,954)
Purchase of investment securities	(13)	-
Increase of leasehold and guarantee deposits	(4)	(0)
Decrease of leasehold and guarantee deposits	1,540	2
Collection of lease receivable	-	11
Collection of loans receivable	6	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(9,396)
Net cash provided by (used in) investing activities	293	(12,019)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(2,225)	19,822
Proceeds from long-term borrowings	-	58,195
Repayments of long-term borrowings	(300)	(58,535)
Proceeds from issuance of shares	12,592	-
Proceeds from issuance of share acquisition rights	10	-
Capital contribution from non-controlling interests	3,280	3
Payments of share issuance costs	(438)	(119)
Proceeds from exercise of share acquisition rights	732	377
Repayments of lease liabilities	(258)	(377)
Purchase of treasury shares	(0)	-
Net cash provided by (used in) financing activities	13,392	19,365

	Q3 FY2025 YTD (Jan 1, 2025 to Sep 30, 2025)	Q3 FY2026 YTD (Jan 1, 2026 to Sep 30, 2026)
Effect of exchange rate changes on cash and cash equivalents	(316)	197
Net increase (decrease) in cash and cash equivalents	12,662	86
Cash and cash equivalents at beginning of period	10,115	21,101
Cash and cash equivalents at end of period	22,777	21,187

(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 summary of 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 Quarterly Financial Statements, applying the omitted disclosures as set forth in Article 5, Paragraph 5 of the Standards for the Preparation of Quarterly 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, 2025.

(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.

(Changes in Accounting Policies)

The Group has adopted the following standard from the current third quartely consolidated accounting period. Except for this standard, the accounting policies applied are consistent with those applied in the consolidated financial statements for the previous fiscal year. The adoption of this standard has no material impact on the Group's quartely consolidated financial statements.

Standard	Title	Mandatory Effective Date (Fiscal Years Beginning on or after)	Fiscal Year of Adoption by the Group	Outline of New or Amended Standards
IFRS 9 IFRS 7	Financial Instruments Financial Instruments: Disclosures	1 January 2026	FY2026	Clarification of the Classification and Measurement of Financial Instruments and Disclosure Requirements for Investments in Equity Instruments

(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™, Calonal, antirheumatic drugs, osteoporosis treatments, contract drug development, other pharmaceuticals, reagents, etc.
Medical Device	Biomaterials, Designated Marketing Authorization Holder and in-country caretaker service, Manufacture of dental prosthetics, and CAD/CAM-based dental laboratory operations

(2) Revenue and Profit by Reportable Segments

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

Previous 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.

Current Quarter: Q3 FY2026 YTD (Jan 1, 2026 to Sep 30, 2026)

Million yen

	Reportable segments			Consolidated
	Pharmaceutical	Medical Device	Total	
Revenue				
Revenue to outside customers	25,326	4,404	29,731	29,731
Total	25,326	4,404	29,731	29,731
Segment profit (loss)	3,256	(3,182)	73	73
			Finance income	378
			Finance costs	(1,707)
			Share of profit (loss) of investments accounted for using equity method	8
			Profit (loss) before tax	(1,247)

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

(Significant Subsequent Events)

Not applicable.