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 Q1 FY2023 (IFRS)

May 15, 2023

Company Name:	GNI Group Ltd.	Tokyo Stock Exchange	
Stock Code:	2160	URL https://www.gnipharma.com	
Representative:	Ying Luo, Director, Representative Executive Officer, President, and CEO		
Inquiries:	Kanichiro Suzuki, Director, Executive Officer, CFO		TEL: +81-3-6214-3600
Scheduled date of quarterly report filing: May 15, 2023		Scheduled dividend payment commencement date:-	
Supplementary materials prepared for financial results:		Yes	
Holding of a 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 Q1 FY2023 (January to March)

(1) Q1 FY2023 Consolidated Operating Results

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

	Revenue		Operating income		Pre-tax profit		Quarterly profit		Quarterly profit attributable to owners of the parent		Quarterly comprehensive income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Q1 FY2023	4,206	6.9	397	(17.0)	(64)	-	(341)	-	(2)	-	(57)	-
Q1 FY2022	3,933	1.6	478	(38.1)	347	(48.6)	72	(83.4)	351	(18.8)	1,101	(9.2)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Q1 FY2023	(0.06)	(0.06)
Q1 FY2022	7.40	7.36

(2) Consolidated financial position

	Total assets	Total capital	Total equity attributable to owners of the parent	Ratio of Total equity attributable to owners of the parent	Total equity attributable to owners of the parent per share
	Million yen	Million yen	Million yen	%	Yen
Q1 FY2023	34,070	19,786	21,205	62.2	446.56
FY2022	33,906	19,810	20,969	61.8	441.59

2. Dividends

	Dividends per share				
	Q1	Q2	Q3	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	-	-	0.00	0.00
FY2023	-				
FY2023 (Forecast)		-	-	0.00	0.00

Note: Amendment from the forecast most recently published: No

3. Consolidated Earnings Forecasts for FY2023 (January to December)

(Percentages are shown as year on year changes)

	Revenue		Operating income		Pre-tax profit		Profit for the year		Profit attributable to owners of the parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
FY2023	17,100～20,900	(1.8)～20.0	700～1,400	(49.2)～1.6	(100)～200	(113.0)～(74.0)	(500)～0	-	1,100～1,400	182.9～260.1	22.30～33.41

Note: Amendment from the forecast most recently published: No

Notes:

(1) Changes in Significant Subsidiaries during the Period under Review
(Changes in specified subsidiaries resulting in a change in the scope of consolidation): No
New: － Excluded: －

(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 (Common Stock)

① Number of shares issued as of the end of the period (including treasury stock)	Q1 FY2023	47,487,843 shares	FY2022	47,487,843 shares
② Number of treasury stock as of the end of the period	Q1 FY2023	1,391 shares	FY2022	1,391 shares
③ Average number of shares for the period	Q1 FY2023	47,486,452 shares	Q1 FY2022	47,461,630 shares

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

* Explanation Concerning the Proper Use of Financial Results Forecasts and Other Relevant Specific Items
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.(4) Outlook for the fiscal year ending December 31, 2023. "
The Group is planning to conduct a corporate presentation meeting for institutional investors and analysts on May 18, 2023.
Briefing materials used at that session will be posted on the Group's website as soon as practicable after the meeting.

Contents

1. Analysis of Operating Results and Financial Position

(1) Analysis of operating results

Despite various challenges in FY2023 including the sudden lifting of the COVID-19 lockdown in China and the subsequent surge in infections, high global inflation, and volatility of capital markets, GNI Group Co., Ltd. ("the Company" or “we”) and its affiliates (collectively "the Group") were still able to achieve revenue YoY growth, partially benefiting from a weakened yen, in our core businesses of pharmaceuticals centered on ETUARY® in China and medical devices (biomaterials) in the US. However, the increase in R&D expenses due to increased clinical development activities, investments in sales and marketing in China, as well as the rise in raw material prices due to inflation resulted in a decrease in YoY operating income. In addition, the Company continues to face pressure on its profits due to the increase in financial expenses related to the funding of its US subsidiary. However, the Company has secured sufficient liquidity in all three operating regions; Japan, the US, and China, and is maintaining a sound financial position for future growth.

Beijing Continent Pharmaceuticals Co., Ltd ("Continent"), a major subsidiary of our group, was unable to avoid the impact of the outbreak of COVID-19 in China from the end of 2022 to the beginning of 2023. Nonetheless, the revenue of the first quarter grew YoY even in terms of the local currency. Moreover, the sales of Continent’s primary product, ETUARY®, continued to be robust. The clinical trials of F351 in China faced a delay of approximately three months from the initial schedule due to the outbreak of COVID-19 there, but the current infection situation has stabilized. We are implementing measures, such as adding more clinical trial locations, to catch up with the original schedule.

In December 2022, **Catalyst Biosciences, Inc. (“CBIO”)**, listed on the US Nasdaq market, completed the first transaction to transfer the rights of F351 excluding China. Currently, CBIO is preparing for the second transaction where our group will merge Continent into CBIO, for which GNI USA, Inc. will receive CBIO shares as consideration. (For details on this transaction, please refer to the timely disclosures on December 27, 2022, and the Q&A disclosures on December 30, 2022, and January 18, 2023).

Berkeley Advanced Biomaterials LLC (“BAB”), which is involved in the biological materials business in the US, is also performing well, with its first quarter revenue in local currency roughly at par YoY. OsDerma Medical Inc., a joint venture in China in which we invested in November 2022, is preparing for business expansion in Asia. In addition, Micren Healthcare Co., Ltd., in which we invested in December 2022, is also making steady progress in its business.

Cullgen Inc. (“Cullgen”), which is focused on R&D in the US and China, are continuing to develop drugs using their proprietary targeted protein degradation technology platform, uSMITE™. Cullgen is preparing to register subjects for clinical trials of an oncology drug candidate using its first TRK degrader in China. At the same time, Cullgen is also developing several other programs targeting IND’s (Investigational New Drug Application).

① Operating results by segment

Pharmaceutical Segment

Despite COVID-19 lockdown in China, the revenue from Continent achieved growth of drug product ETUARY® in China on a local currency basis. In JPY terms, the Pharmaceutical Segment had ¥3,606 million in revenue, up 6.0% YoY. The segment profit was ¥149 million, down 33.3% YoY. The decrease in profit was mainly due to increased sales and marketing expenses in China and R&D expenses in the US.

Medical Device Segment

In JPY terms, the Medical Device Segment had ¥599 million, up 12.8% YoY. The segment profit was ¥248 million, down 2.7% YoY.

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

Thousand yen

	Q1 FY2022	Q1 FY2023	Difference
Selling, general and administrative expenses	(2,458,324)	(2,646,363)	(188,039)
Personnel expenses	(964,787)	(965,876)	(1,089)
Research and development expenses	(468,870)	(635,649)	(166,778)

Selling, general and administrative (SG&A) expenses for Q1 FY2023 were ¥2,646 million, up 7.6% YoY. The increase in SG&A expenses reflects the increase in human resources and marketing expenses in the Pharmaceutical Segment.

Research and Development expenses for Q1 FY2023 were ¥635 million, up 35.6% YoY. The increase in R&D expenses reflects our commitment to investments in strengthening R&D activities in the Pharmaceutical Segment.

③ Finance Income and Finance Costs

Thousand yen

	Q1 FY2022	Q1 FY2023	Difference
Finance income	54,672	49,329	(5,343)
Finance costs	(186,173)	(239,599)	(53,426)

Finance income

In Q1 FY2023, the Group recorded finance income of ¥49 million, down 9.8% YoY, mainly due to decrease in foreign exchange profit.

Finance costs

In Q1 FY2023, the Group recorded finance costs of ¥239 million, up 28.7% YoY, mainly due to non-cash accrual of interest expenses related to Cullgen's funding.

(2) Analysis of financial position

Summary of Consolidated Financial Position

Thousand yen

	As of Dec 31, 2022	As of Mar 31, 2023	Difference
Total assets	33,906,981	34,070,943	163,961
Total liabilities	14,096,013	14,284,812	188,798
Total equity	19,810,968	19,786,131	(24,837)

Total assets

As of March 31, 2023, the total assets stood at ¥34,070 million, up 0.5% compared to the previous fiscal year end.

Total liabilities

As of March 31, 2023, the total liabilities stood at ¥14,284 million, up 1.3% compared to the previous fiscal year end, mainly due to additional non-cash accrual of interest expenses related to Cullgen's funding.

Total equity

As of March 31, 2023, the total equity stood at ¥19,786 million, down 0.1% compared to the previous fiscal year end.

Summary of Consolidated Cash Flows

Thousand yen

	Q1 FY2022	Q1 FY2023	Difference
Cash flows from operating activities	425,628	709,959	284,330
Cash flows from investing activities	(298,202)	(1,239,778)	(941,575)
Cash flows from financing activities	(331,129)	(51,798)	279,331

Cash flows from operating activities

The cash flow from operating activities was ¥709 million (cash inflow) in Q1 FY2023 (it was ¥425 million cash inflow in Q1 FY2022), mainly due to decrease in accounts receivables in China.

Cash flows from investing activities

The cash flow from investing activities was negative ¥1,239 million (cash outflow) in Q1 FY2023, (it was ¥298 million cash outflow in Q1 FY2022), mainly due to purchase of long-term deposits and acquisition of fixed assets in China.

Cash flows from financing activities

The cash flow from financing activities was negative ¥51 million (cash outflow) in Q1 FY2023 (it was ¥331 million cash outflow in Q1 FY2022), mainly due to repayment of lease liabilities in China.

(3) Research and development activities

[Research Activities]

The Group's drug discovery activities are led by Cullgen, with the objective of developing innovative new chemical entities (NCEs) for the novel treatment of diseases. Cullgen continues to make steady progress with its therapeutic protein degrader pipeline, with multiple new degradation agents including enzyme and non-enzyme protein that target cancer, pain, and autoimmune indications.

[Development activities]

■ ETUARY® **[Chinese: 艾思瑞® , (Generic name: Pirfenidone)] by Continent**

Diabetic Kidney Disease (DKD)

The Phase I clinical trial to expand the indication of ETUARY® to DKD has been completed, and an application for a Class 2 meeting (a technical meeting on clinical trials) has been submitted to the Center for Drug Evaluation (CDE) in China to determine the regulatory direction for the next phase of the clinical trial, and to discuss how to proceed.

Connective Tissue Diseases Associated Interstitial Lung Disease (SSc-ILD and DM-ILD)

Clinical trials for Phase III are ongoing to expand the indications of ETUARY® to two connective tissue disorders, systemic sclerosis (SSc-ILD) and dermatomyositis (DM-ILD). However, at present, priority is given to the clinical trials of pneumoconiosis, F351 and F573.

Pneumoconiosis (PD)

Clinical trials are underway to expand the indications of ETUARY® in PD which entered Phase III in June 2022. Although the spread of COVID-19 in China at the end of 2022 to early 2023 had some impact, subject enrollment has resumed.

■ F351 (for liver fibrosis) (Generic Name: Hydronidone) by Continent

F351 (Generic name: Hydronidone), a therapeutic drug for the treatment of liver fibrosis, is a key candidate in Continent's drug portfolio and a significant part of its strategy to expand its clinical development activities into other major global pharmaceutical markets. F351 is an NCE derivative of ETUARY®, which inhibits hepatic stellate cell proliferation and the TGF-β signaling pathway, both of which play major roles in the fibrosis of internal organs.

Following discussions with the CDE in China, F351 was designated by the NMPA in March 2021 as a breakthrough therapeutic drug for liver fibrosis. This has given us priority in our discussions with the CDE regarding F351 and has allowed us to proceed with clinical trials based on the results of those discussions. Subsequently, on July 29, 2021, an application for a Phase III clinical trial was approved in China, and a Phase III clinical trial was initiated in January 2022. The F351 clinical trial was also affected by the spread of the COVID-19 in China in late 2022 and early 2023, but at this point, subject enrollment has resumed. Continent is taking measures such as adding additional clinical trial sites in order to catch up with the original schedule.

While Continent retains the rights to F351 in China, the ex-China rights to F351 including Japan, Australia, Canada, the US and European countries have been transferred to CBIO (for details of this transaction, please refer to the timely disclosure of December 27, 2022, and the Q&A disclosed on December 30, 2022, and January 18, 2023).

Continent holds the rights for F351 in China, and the ex-China rights for F351 were sold to CBIO on December 26, 2022. CBIO anticipates filing an investigational new drug ("IND") application for the treatment of nonalcoholic steatohepatitis ("NASH") in the US in late 2023. NASH is a severe form of nonalcoholic fatty liver disease ("NAFLD"), characterized by inflammation and fibrosis in the liver that can progress to cirrhosis, liver failure, hepatocellular carcinoma ("HCC") and death. There are currently no approved products for the treatment of NASH in the US, Europe, or Japan. CBIO plans to initiate the clinical development of Hydronidone in NASH fibrosis in a randomized, double-blind, placebo-controlled, parallel group, Phase 2a, Proof-of-Concept ("PoC") clinical study evaluating the safety, tolerability, population pharmacokinetics ("PK"), and Pharmacodynamics ("PD") of Hydronidone capsules administered daily at an oral dose of 360 mg (given as 120 mg thrice daily ("TID")) for 24 weeks to adult subjects with advanced liver fibrosis associated with noncirrhotic NASH. The main goal of the proposed Phase 2a study is to obtain early PoC for Hydronidone in subjects with NASH fibrosis as a basis of expansion into a more comprehensive Phase 2/3 clinical program, provided that the drug is successful. The study will include a small sample size (total of 60 evaluable subjects) who will receive in a 2:1 ratio Hydronidone or Placebo. The study will evaluate changes from baseline in a set of noninvasive biochemical and imaging biomarkers relevant to assessment of NASH fibrosis in the context of drug exposure, as well as the mechanism of anti-fibrotic action of Hydronidone. The study will employ PK blood sampling and assessment of the initial PK and PK/PD relationship to inform Hydronidone treatment in future clinical studies in NASH fibrosis. In addition, this trial will include a disease-specific patient-reported outcomes ("PROs"), a validated composite Chronic Liver Disease Questionnaire ("CLDQ") – NASH, to collect patient-reported data about the impact of Hydronidone treatment on quality of life of subjects with advanced NASH fibrosis.

■ F573 (for Acute liver failure [ALF] and Acute on chronic liver failure [ACLF]) by Continent

Continent's third major new drug candidate following F351 is F573, a di-peptide compound that has the potential to inhibit caspases. It is an important compound that is related to apoptosis and inflammation frequently related to Acute Liver Failure (ALF) and Acute on-Chronic Liver Failure (ACLF).

As we disclosed on March 28th, 2023, Continent initiated a Phase II clinical trial for F573.

■CG001419 (TRK degrading agent) by Cullgen

The Group disclosed on August 9th, 2022, that "China NMPA has approved GNI Group's Subsidiary Cullgen's IND for TRK Degrader Clinical Trial". Cullgen received an IND approval from China's NMPA (National Medical Products Administration) for CG001419, a tropomyosin receptor kinase (TRK) degrader for the treatment of solid tumors. CG001419 is a first-in-class, selective, potent oral targeted protein degrader for the treatment of advanced cancers with neurotrophic tyrosine receptor kinase (NTRK) gene / TRK protein aberrations, which have been identified in numerous solid tumors including non-small cell lung, breast, and pancreatic cancers.

Cullgen is working closely with doctors and hospitals preparing for its Phase I clinical trial in China, although the launch of the trial has been delayed due to the spread of COVID-19 in China at the end of 2022 and the beginning of 2023. Clearance by Human Genetic Resources Administration of China (HGRAC) was received on April 26, 2023. On the US side, Cullgen is continuing pre-clinical trial discussions with US FDA (Food and Drug Administration).

(4) Outlook for the fiscal year ending December 31, 2023

The Group anticipates robust performance from our core businesses (the pharmaceutical business in China centered around ETUARY® and the biomaterial business in the US) during this fiscal year. However, we will closely monitor macroeconomic conditions and market dynamics as the resurgence of COVID-19, heightened inflation, and market instability could significantly affect our group's performance and R&D activities.

Although Continent, our subsidiary core, was affected by the rapid spread of COVID-19 in China at the end of 2022 and the beginning of 2023, which impacted both sales / marketing and clinical development activities, the situation at the moment is returning to normal. We expect our existing Pharmaceutical Segment (particularly Continent's ETUARY®) to continue to perform strongly and clinical development activities to return to a normal pace.

In the Medical Device Segment, we expect our core business in the biomaterials business by BAB in the US to continue to grow and bring healthy cash flows to the group. We look to continue to grow OsDerma's business in conjunction with BAB's biomaterial technology in the Asian aesthetics market.

Cullgen is pushing ahead with R&D activities, aiming for IND's in multiple programs following TRK degraders, which have already obtained IND approval in China.

2. Summary of Quarterly Consolidated Financial Statements and Main Notes

(1) Summary of quarterly consolidated statements of financial position

Thousand yen

	FY2022 (As of Dec31, 2022)	Q1 FY2023 (As of Mar 31, 2023)
Assets		
Non-current assets		
Property, plant and equipment	3,951,217	4,207,317
Right-of-use assets	755,167	716,186
Goodwill	6,047,721	6,086,379
Intangible assets	2,928,800	3,125,693
Investments accounted for using the equity method	622,476	352,436
Deferred income tax assets	184,171	183,572
Other financial assets	2,270,162	3,051,915
Total non-current assets	16,759,717	17,723,503
Current assets		
Inventories	1,693,412	1,708,463
Trade and other receivables	3,122,463	2,543,264
Other financial assets	196,543	198,805
Other current assets	1,085,535	1,300,056
Cash and cash equivalents	11,049,310	10,596,849
Total current assets	17,147,264	16,347,440
Total assets	33,906,981	34,070,943
Liabilities and equity		
Non-current liabilities		
Lease liabilities	157,744	118,980
Deferred income tax liabilities	546,790	582,730
Other financial liabilities	9,706,958	9,990,873
Other non-current liabilities	181,027	143,228
Total non-current liabilities	10,592,520	10,835,812
Current liabilities		
Trade and other payables	949,612	609,280
Borrowings	200,000	200,000
Lease liabilities	179,611	175,131
Current tax payable	1,179,254	1,105,435
Other financial liabilities	7,225	7,420
Other current liabilities	987,788	1,351,730
Total current liabilities	3,503,492	3,448,999
Total liabilities	14,096,013	14,284,812
Equity		
Capital stock	10,893,070	10,894,908
Capital surplus	6,233,386	6,235,224
Treasury stock	(756)	(756)
Retained earnings	696,360	693,486
Other components of equity	3,147,631	3,382,697
Total equity attributable to owners of the parent	20,969,692	21,205,560
Non-controlling interests	(1,158,724)	(1,419,429)
Total equity	19,810,968	19,786,131
Total equity and liabilities	33,906,981	34,070,943

(2) Summary of quarterly consolidated statements of income and summary of quarterly consolidated statements of comprehensive income

Summary of quarterly consolidated statements of income

Thousand yen

	Q1 FY2022 (Jan 1, 2022 to Mar 31, 2022)	Q1 FY2023 (Jan 1, 2023 to Mar 31, 2023)
Revenue	3,933,490	4,206,135
Cost of sales	(549,441)	(573,357)
Gross profit	3,384,048	3,632,777
Selling, general and administrative expenses	(2,458,324)	(2,646,363)
Research and development expenses	(468,870)	(635,649)
Other income	39,628	132,214
Other expenses	(17,555)	(85,381)
Operating profit	478,926	397,598
Finance income	54,672	49,329
Finance costs	(186,173)	(239,599)
Share of loss of entities accounted for using equity method	-	(272,262)
Quarterly profit before tax (loss)	347,425	(64,934)
Income tax expense	(275,136)	(276,810)
Quarterly profit (loss)	72,289	(341,745)
Quarterly profit (loss) attributable to:		
Owners of the parent	351,014	(2,874)
Non-controlling interests	(278,725)	(338,870)
Quarterly earnings (loss) per share		
Basic quarterly earnings (loss) per share (Yen)	7.40	(0.06)
Diluted quarterly earnings (loss) per share (Yen)	7.36	(0.06)

Summary of quarterly consolidated statements of comprehensive income

Thousand yen

	Q1 FY2022 (Jan 1, 2022 to Mar 31, 2022)	Q1 FY2023 (Jan 1, 2023 to Mar 31, 2023)
Quarterly profit (loss)	72,289	(341,745)
Other comprehensive income		
Items that may be reclassified to profit or loss, net of tax		
Exchange differences on translation of foreign operations	1,029,148	282,489
Share of other comprehensive income of entities accounted for using equity method	-	2,222
Total other comprehensive income	1,029,148	284,712
Total comprehensive income for the quarter	1,101,437	(57,033)
Total comprehensive income for the quarter attributable to:		
Owners of the parent	1,355,849	203,671
Non-controlling interests	(254,412)	(260,704)

(3) Summary of quarterly consolidated statements of changes in equity

Previous 1st quarter: consolidated cumulative period (from Jan 1, 2022 to Mar 31, 2022)

Thousand yen

	Attributable to owners of the parent						
					Other components of equity		
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Subscription rights to shares	Exch. diff on translation of foreign operations	Total
Balance as of Jan 1, 2022	10,884,332	6,224,649	(645)	307,535	543,445	900,992	1,444,437
Quarterly profit	-	-	-	351,014	-	-	-
Other comprehensive income	-	-	-	-	-	1,004,835	1,004,835
Total comprehensive income	-	-	-	351,014	-	1,004,835	1,004,835
Stock-based compensation transactions	-	-	-	-	105,700	-	105,700
Total amount of transactions with owners	-	-	-	-	105,700	-	105,700
Balance as of Mar 31, 2022	10,884,332	6,224,649	(645)	658,549	649,145	1,905,827	2,554,972

	Attributable to owners of the parent	Non-controlling interests	Total equity
	Total		
Balance as of Jan 1, 2022	18,860,309	405,936	19,266,246
Quarterly profit	351,014	(278,725)	72,289
Other comprehensive income	1,004,835	24,313	1,029,148
Total comprehensive income	1,355,849	(254,412)	1,101,437
Stock-based compensation transactions	105,700	-	105,700
Total amount of transactions with owners	105,700	-	105,700
Balance as of Mar 31, 2022	20,321,859	151,524	20,473,384

Current quarter: Q1 FY2023 (Jan 1, 2023 to Mar 31, 2023)

Thousand yen

	Attributable to owners of the parent						
					Other components of equity		
	Capital stock	Capital surplus	Treasury stock	Retained earnings	Subscription rights to shares	Exch. diff on translation of foreign operations	Total
Balance as of Jan 1, 2023	10,893,070	6,233,386	(756)	696,360	824,192	2,323,439	3,147,631
Quarterly profit (loss)	-	-	-	(2,874)	-	-	-
Other comprehensive income	-	-	-	-	-	206,546	206,546
Total comprehensive income	-	-	-	(2,874)	-	206,546	206,546
Issuance of new shares	1,837	1,837	-	-	-	-	-
Forfeiture of share acquisition rights	-	-	-	-	(21,725)	-	(21,725)
Stock-based compensation transactions	-	-	-	-	50,245	-	50,245
Total amount of transactions with owners	1,837	1,837	-	-	28,520	-	28,520
Balance as of Mar 31, 2023	10,894,908	6,235,224	(756)	693,486	852,712	2,529,985	3,382,697

	Attributable to owners of the parent	Non-controlling interests	Total equity
	Total		
Balance as of Jan 1, 2023	20,969,692	(1,158,724)	19,810,968
Quarterly profit (loss)	(2,874)	(338,870)	(341,745)
Other comprehensive income	206,546	78,166	284,712
Total comprehensive income	203,671	(260,704)	(57,033)
Issuance of new shares	3,675	-	3,675
Forfeiture of share acquisition rights	(21,725)	-	(21,725)
Stock-based compensation transactions	50,245	-	50,245
Total amount of transactions with owners	32,195	-	32,195
Balance as of Mar 31, 2023	21,205,560	(1,419,429)	19,786,131

(4) Summary of quarterly consolidated statements of cash flows

Thousand yen

	Q1 FY2022 (Jan 1, 2022 to Mar 31, 2022)	Q1 FY2023 (Jan 1, 2023 to Mar 31, 2023)
Cash flows from operating activities		
Profit before tax (loss)	347,425	(64,934)
Depreciation and amortization	115,034	136,501
Decrease (increase) in accounts receivables	(390,520)	634,319
Increase (decrease) in accounts payables	(5,778)	(355,840)
Decrease (increase) in inventories	(47,536)	14,720
Increase (decrease) in bonus allowance	2,127	6,167
Finance income and finance costs	174,349	190,440
Others	335,441	420,397
Subtotal	530,542	981,771
Interest received	12,351	22,066
Interest paid	(7,169)	(5,516)
Income tax paid	(110,096)	(288,361)
Net cash provided by (used in) operating activities	425,628	709,959
Cash flows from investing activities		
Increase (decrease) in time deposits	-	(771,072)
Purchases of property, plant and equipment	(71,314)	(267,660)
Purchases of other intangible assets	(228,248)	(198,631)
Increase in lease and guarantee deposits	(253)	(3,599)
Decrease in lease and guarantee deposits	428	-
Proceeds from loans receivable	1,185	1,185
Net cash provided by (used in) investing activities	(298,202)	(1,239,778)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(300,000)	-
Repayment of lease liabilities	(25,274)	(51,798)
Others	(5,855)	-
Net cash provided by (used in) financing activities	(331,129)	(51,798)
Impact of exchange rate fluctuations	639,300	129,156
Increase (decrease) in cash and cash equivalents	435,597	(452,460)
Cash and cash equivalents as of the beginning of the period	14,352,133	11,049,310
Cash and cash equivalents as of the end of the period	14,787,730	10,596,849

(5) Notes to the summary of quarterly consolidated financial statements

(Notes related to going concern assumptions)

Not applicable.

(Basis of preparation)

(1) Matters relating to IFRS

The Group's quarterly consolidated financial statements are prepared in accordance with International Financial Reporting Standards No. 34 "Interim Financial Reporting".

The Group meets the requirements of "Designated International Accounting Standards Specified Company" listed in Article 1-2 of "Rules for Terminology, Format and Preparation Method of Quarterly Consolidated Financial Statements" (2007 Cabinet Office Ordinance No. 64). Therefore, the provisions of Article 93 of the same are applied.

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 year ended December 31, 2022.

(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 thousand yen are rounded down.

(Segment information)

(1) Reportable segments

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

The Group has two business 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.

The major products in each reportable segment are as follows.

Reportable segment	Company name	Main product
Pharmaceutical	GNI Group Ltd.; Beijing Continent Pharmaceutical Co., Ltd; Shanghai Genomics, Inc.; Shanghai Genomics Technology, Ltd.; GNI Hong Kong Limited; GNI USA, Inc. Cullgen Inc.; Cullgen (Shanghai), Inc.; SHANGHAI RUI FU INTERNATIONAL TRADE CO., LTD.	ETUARY®, drug discovery and development, reagents etc.
Medical Device	Berkeley Advanced Biomaterials LLC, Micren Healthcare Co., Ltd.	Orthobiologics material, Designated Marketing Authorization Holder (DMAH) and in-country caretaker service

(2) Reportable segment revenue and profit

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

Previous 1st quarter: Q1 FY2022 (Jan 1, 2022 to Mar 31, 2022)

Thousand yen

	Reportable segment			Adjustments	Consolidated
	Pharmaceutical	Medical Device	Total		
Revenue					
(1) Revenue to outside customers	3,401,937	531,552	3,933,490	-	3,933,490
(2) Intra-segment revenue and transfers	-	-	-	-	-
Total	3,401,937	531,552	3,933,490	-	3,933,490
Segment profit	223,638	255,288	478,926	-	478,926
				Finance income	54,672
				Finance costs	(186,173)
				Profit before tax	347,425

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

Current quarter: Q1 FY2023 (Jan 1, 2023 to Mar 31, 2023)

Thousand yen

	Reportable segment			Adjustments	Consolidated
	Pharmaceutical	Medical Device	Total		
Revenue					
(1) Revenue to outside customers	3,606,336	599,799	4,206,135	-	4,206,135
(2) Intra-segment revenue and transfers	-	22,896	22,896	(22,896)	-
Total	3,606,336	622,695	4,229,032	(22,896)	4,206,135
Segment profit	149,207	248,390	397,598	-	397,598
				Finance income	49,329
				Finance costs	(239,599)
				Share of loss of entities accounted for using equity method	(272,262)
				Profit before tax (loss)	(64,934)

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

(Important subsequent events)

Not applicable.