



**CYBERDYNE INC. (7779) Consolidated Financial Results (Tanshin)  
for the Fiscal Year Ended March 31, 2019 (Based on IFRS)**

May 15, 2019

Name of listed company	: CYBERDYNE, INC.	Stock exchange listing	: Mothers Section of TSE
Stock code	: 7779	URL	: <a href="https://www.cyberdyne.jp/english">https://www.cyberdyne.jp/english</a>
Representative (title)	: President and CEO	Name	: Yoshiyuki Sankai
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Scheduled date of Ordinary General Meeting of Shareholders	: June 21, 2019	Scheduled start of dividend payment	: —
Scheduled date for submission of the Securities Report	: June 24, 2019		
Additional materials for the financial results	: yes		
Information meeting for the financial results	: yes (for institutional investors)		

(Millions of yen: Rounded to less than one million yen)

I. Consolidated financial results for the fiscal year ended March 31, 2019 (April 1, 2018 –March 31, 2019)

1. Consolidated result of operations (percentages denote year-on-year change)

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Fiscal year ended March 31, 2019	1,709	(1.1)	(830)	—	(569)	—	(632)	—
Fiscal year ended March 31, 2018	1,728	4.1	(659)	—	(672)	—	(673)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Fiscal year ended March 31, 2019	(2.94)	(2.94)
Fiscal year ended March 31, 2018	(3.13)	(3.13)

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Net assets per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2019	45,746	44,203	44,217	96.7	205.50
As of March 31, 2018	46,598	45,674	45,698	98.1	212.53

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 year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2019	(775)	(1,917)	670	8,796
As of March 31, 2018	(53)	(2,484)	(23)	10,820

## II . Dividends

	Dividends per share				
	End of 1st quarter (Jun.30, 2018)	End of 2nd quarter (Sep.30, 2018)	End of 3rd quarter (Dec.31, 2018)	Fiscal year end (Mar.31, 2019)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	0.00	—	0.00	0.00
Fiscal year ended March 31, 2019	—	0.00	—	0.00	0.00

Note: The table of “Dividends” indicates dividend payments on Common Shares. Dividend payments on Class Shares (non-listed) for which the number of share units differs from Common Shares are shown below as “Dividends on Class Shares”.

## III. Forecast of consolidated financial results for the year ended March 31, 2020 (April 1, 2019 – March 31, 2020)

As the business of CYBERDYNE, INC. (the "Company") and its group companies (with the Company, collectively referred to as “the Group”) is based on a new market with innovative technologies, there are many uncertain factors that could have an impact on its performance and make it difficult for the Company to provide a forecast with accurate figures. As such the Company will not announce the forecast of consolidated financial results.

Notes:

1. Changes in key subsidiaries during the fiscal year under review (changes in specific subsidiaries resulting in changes of consolidation scope): none

2. Changes in accounting policies and accounting estimates

- (i) Changes in accounting policies required by IFRSs: yes
- (ii) Changes in accounting policies other than those in (i): none
- (iii) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

(i) Total number of issued shares at the end of period (including treasury shares)

As of March 31, 2019	215,145,809 shares	As of March 31, 2018	215,047,609 shares
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(ii) Total number of treasury shares at the end of period

As of March 31, 2019	138 shares	As of March 31, 2018	138 shares
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(iii) Average number of shares during the period

Apr. 1-March 31, 2019	215,054,735 shares	Apr. 1-March 31, 2018	215,047,471 shares
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Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares with regard to dividends of surplus and distribution of residual assets. Therefore the total number of issued shares at each end of period and the average number of shares during each period include Class B Shares as Common Shares.

\*This Consolidated Financial Results (Tanshin) is outside the scope of audit procedures by certified public accountants or audit firms.

(Reference) Dividends on Class Shares

Details of dividends on the Company's Class Shares which differ in shareholder's rights from its Common Shares are as below.

	Dividends per share				
	End of 1st quarter (Jun.30, 2018)	End of 2nd quarter (Sep.30, 2018)	End of 3rd quarter (Dec.31, 2018)	Fiscal year end (Mar.31, 2019)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	0.00	—	0.00	0.00
Fiscal year ended March 31, 2019	—	0.00	—	0.00	0.00

Note:

The company issued Class B Shares which were accorded the same rights as its Common Shares with regard to dividends of surplus and distribution of residual property, but for which share units differ from Common Shares.

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## **I. Qualitative information regarding settlement of accounts for the fiscal year ended March 31, 2019**

### **1. Explanation of operating results**

All forward-looking statements included in this explanation were determined reasonable by CYBERDYNE, INC. (the “Company”) and its group companies (collectively referred to as the “Group”) based on currently available information for the consolidated fiscal year ended March 31, 2019 and certain assumptions made by the Group.

The Group aims to establish Society 5.1, a new vision of society where the “humans” are combined with the cyberspace (virtual world) and physical space (real world) of Society 5.0, by utilizing innovative Cybernic Technology. The Group continues to drive the movement to revision society and industry to realize Society 5.0/5.1 as a future “Techno-Peer Support Society” where humans and technology support each other.

The Group’s business is to implement Cybernic Technology powered by Internet of Humans/Internet of Things (“IoH/IoT”), Robots, and AI, to create a Cybernic Industry that will connect medicine, nursing-care, production, household, and work place in order to solve the various problems that a hyper-aging society must tackle. The Group’s business has a unique advantage in its ability to access and integrate information within the human body (e.g. Brain-nerve and vital systems) in addition to information outside the human body (behavior, life and environmental information) and applying them to different fields such as medicine, nursing care, production, household, and work places. All of the Group’s devices and interfaces are compatible with Internet of Humans/Internet of Things (“IoH/IoT”), and through these products, information of the brain-nerve, vital, physiological, behavioral, life and environmental systems can be integrated and connected to a super computer. The Group aims to realize a system where Big Data of the aforementioned information are accumulated, analyzed and processed with AI. The Group simultaneously works on research and development, business development and formation of business alliances to further accelerate the emergence of a Cybernic Industry that will solve the problems facing society.

During the consolidated fiscal year ended March 31, 2019, the Group carried out the following activities.

#### Status of research and development

While the Group is best known for research and development of HAL, it is working on various other products as well.

For example, the Group developed "Cyin", which applies the highly sophisticated sensing technology of HAL to process and analyze various types of vital information. Cyin for Living Support has been made commercially available on September 2018 as a communication device that supports users who have difficulty speaking or moving due to severely disabling disorders. Cyin for Living Support was designated to be a tax-free device on April 2019. The Group also plans to offer this technology to support other types of research in the future. The Group is working on projects to prevent or diagnose diseases in the cardiovascular system, and has developed a palm-sized device "VS-AS01 for Electrocardiogram and Pulse Wave Examination" that seeks to detect early symptoms of arteriosclerosis and arrhythmias that are major causes of stroke and heart disease. The Group obtained medical device clearance for this device from the Japanese Ministry of Health, Labour and Welfare on December 2018, and also obtained public health insurance coverage for the examination of arterial stiffness using this device in medical facilities on January 2019. The Group is currently preparing an external application of "VS-AS01 for Electrocardiogram and Pulse Wave Examination" that will improve its usability for public consumption. In addition, the Group continues to work on further development of photoacoustic imaging technology that analyzes data of microcapillary vessels in real time and other sensing devices for various types of vital information.

Furthermore, the Group has commercialized a next-generation Cleaning Robot CL02, which is equipped with the highest quality autonomous navigation and environmental recognition technology. The Group began selling this new model in March 2018. The Group plans to convert and apply this state-of-the-art mobility technology for other application such as the Transportation Robot, a robot to improve mobility for the elderly, a robot to support transfers from a wheel chair, a robot to support bathroom use for the disabled, and a guardian robot to watch over an elderly person.

Other projects that the Group is working on are a Clothing Type HAL to promote maintenance and improvement of walking function for the wearer, a robot that communicates and watches over an elderly user while monitoring vital and environmental information to ensure their safety during activities of daily living, and a robot that can dock to toilets to support bathroom use for users who have difficulty walking on their own.

#### Status of business operation

(Business operation around the medical application)

The Group continues its efforts to establish Cybernic Treatment, a treatment program using Medical HAL systems that aims to induce improvement and regeneration of the functions of the brain, nerves and muscles, into a global standard of treatment.

In order to expand the target patient population of each market clearance to include stroke, which is a disease with over eight million patients in Japan and U.S. combined, an investigator-initiated multicenter clinical trial using the HAL for Medical Use Lower Limb Type Single-Leg model is in progress at 15 different medical institutions. This clinical trial is scheduled to be complete within the fiscal year ending March 31, 2020. Furthermore, the Group has developed a 2S size product of the Medical HAL system, and is in discussion with the Japanese Pharmaceuticals and Medical Device Agency to receive clearance for a reduction of the minimum height requirement to use HAL for patients with neuromuscular disease. In addition, an investigator-initiated clinical trial led by Kyoto University Hospital for the HAL for Well-being Single Joint Type, a lightweight and compact device that can be applied on the knee or the elbow, is being prepared as a treatment for stroke in the acute stage.

With regards to market development outside Japan, the market clearance decision from the U.S. Food and Drugs Administration on December 2017 that specifically describes therapeutic effects to improve gait function in its Indication for Use sprung the Group's efforts to market the medical application to the Asia Pacific region in addition to Europe and the U.S. The Group is also making preparations to obtain market clearance for products other than Medical HAL on a global scale.

In the U.S., the Company set up a joint venture, CYBERDYNE & BROOKS, Inc., with Brooks Rehabilitation Hospital, which is known as one of the busiest rehabilitation hospital groups in the U.S. The Brooks Cybernic Treatment Center opened in Jacksonville, Florida on March 2018, and has been educating and spreading the concept of Cybernic Treatment across the medical community through conferences and exhibits, while accumulating clinical experience and results. Meanwhile, the Group is making preparations to speed up business development in the U.S by reinforcing its sales force.

In Europe, the Group has been providing its medical treatment service with the device covered by public workers compensation insurance in Germany, and it is taking procedures necessary to obtain public health insurance coverage as well. In terms of sales activities, HAL is already being used in a hospital in Poland, and in addition, Italy became the third European country to adopt HAL following the announcement made by an advanced rehabilitation research center specializing in neurological diseases (San Girolamo Center) in November 2018.

Outside of Europe, the Group started to offer HAL to Saudi Arabia in 2017. A pilot trial of HAL to treat spinal cord injury patients was launched on March 2019 under the leadership of the Saudi Arabian Ministry of Health. It is currently taking place in multiple medical institutions owned by the public sector. The Group also started offering HAL to medical facilities in the Asia Pacific Region. On November 2018, SOCSO Rehabilitation Center, a medical institution owned by the Malaysian Social Security Organization (a government organization), adopted a total of 24 units of Medical HAL and other HAL systems (Single Joint Type and Lumbar Type), making them the operator of the largest number of HAL units in one site. In April 2019, the A. Zarate General Hospital in the Philippines also adopted 12 units of HAL Lower Limb Type. The Group is currently in a process to obtain medical device clearance from the Thai FDA so that the Group can spread HAL to Thailand, which is known to be the largest medical device market in South East Asia.

(Business operation around applications to support caregivers and care receivers)

For devices that support patients and elderly persons outside of medical institutions, the Group mainly promotes two devices aimed at improving their independence and quality of life. HAL for Well-being Lower Limb Type is designed for receivers of care with disabled or weakened lower limb function. HAL Lumbar Type for Well-being is also designed for receivers of care but with weakened function in the body's core and lower limbs. The Group is preparing a new model of HAL Lumbar Type for Well-being that will integrate the algorithms used in functions to support the caregivers, allowing adopting facilities gain greater utilization and efficiency with the device.

There is also a potential for change in the field of well-being and support for independence. In the Council on the Investments for the Future that was held in October 2018, the Japanese government stated that in the next revision of their nursing care compensation rates, they intend to reinforce the incentives that reward healthcare providers who successfully improve the independence of care receivers. As such the Group will continue to develop new products that enable greater results for this goal.

The Group is also coordinating with leading facilities in each region of Japan to reinforce the HAL FIT fitness training service. The Company coordinated with Eijyu, a Designated Non-profit Organization, to establish the Osaka Robocare Center in October 2018. The Company also coordinated with the General Incorporated Association Japan Wheelchair Sports Association to establish the Urayasu Robocare Center in December 2018. The Company also established Tsukuba Robocare Center on March 2018 inside the Group's facility "Cyberdyne Studio". Additional centers in Okayama and Sendai are scheduled to open in May 2019 and the Group plans to continue establishing additional centers in other major cities of Japan.

(Business operation around applications in household and workplace)

In its effort to improve the workplace environment, the Group continues to implement HAL Lumbar Type for Labor Support to large clients in aviation, construction, logistics, etc. The latest model of this device is installed with dust proof and

waterproof functions. The next-generation Cleaning Robot CL02 is being utilized in major Japanese airports, commercial facilities operated by Mitsui Fudosan Co., Ltd., such as Diversity Tokyo Plaza, Lalaport Toyosu, etc., and office buildings operated by Sumitomo Corporation such as the Sumitomo Corporation Osaka Building, Sumitomo Corporation Nagoya Gate Tower, etc.

(Status of business alliance)

The Group continues to advance business alliances with insurance companies in order to improve the system for implementation of its technology into society. With its business ally, AIG Japan Holdings Kabushiki Kaisha, the Group has been offering a training program to improve walking function using HAL to 50 school students under the age of 18 with disabilities in the lower limb since October 2017. This campaign was expanded in March 2019, enabling more people to receive the benefit of the program at more facilities. AIG General Insurance announced an additional program on January 2019, which offers its insured persons under automobile insurance and accident insurance, access to the "HAL FIT" program for free (initially starting at 10 sessions) at training centers such as the Robocare Centers. Sompo Japan Nipponkoa Insurance Inc. also made an announcement on January 2019, to cover the expenses of training with HAL that is prescribed by doctors for its insured persons under automobile insurance.

The Group also formed a number of alliances with venture companies with unique technologies. To accelerate the emergence of the Cybernic Industry, the Group established the Cybernic Excellence Japan Fund 1 Investment Limited Partnership ("CEJ Fund") in July 2018. CEJ Fund will support and nurture venture companies and it has already commenced its operation by taking part in an investment towards a promising startup.

(Numbers of operating units)

As of the end of March 2019, 291 units of Medical HAL were in operation worldwide including those used for clinical research. Out of the aforementioned number, 77 were rented out in Japan for treatment. 252 units of HAL for Well-being Single Joint Type were in operation and most of the units were used by hospitals in Japan for clinical research.

There were a total of 357 units combined of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) in operation as of end of March 2019. While the number of HAL for Well-being is increasing following adoptions by care facilities in hospitals in Japan, the older model HAL for Living Support Lower Limb Type is starting to meet its service life and the Group is decommissioning the units that have exceeded it. As of the end of March 2019, 919 units of HAL Lumbar Type for Well-being and Care Support were in operation.

As of end of March 2019, 572 units of HAL Lumbar Type for Labor Support were in operation. Operating units are steadily increasing due to implementation in airports, factories and warehouses. As of March 2019, 44 units of Cleaning Robot and Transportation Robots were in operation.

As the result of the aforementioned, in the fiscal year ended March 31, 2019, the Group recorded revenue of ¥1,709 million (1.1% decrease year on year) mainly due to the increase in rental income from products such as Medical HAL while income from selling the HAL Lumbar Type for Care Support decreased. Gross profit ratio improved 2.1 points to 71.8% year on year, resulting in the gross profit of ¥1,227 million (1.9% increase year on year).

Research and development expenses were recorded at ¥998 million (19.8% increase year on year), mainly due to development of new products at the Company's own expense and consigned research projects. In addition other selling, general and administrative expenses increased to ¥1,454 million (4.6% increase year on year).

Other income was recorded at ¥406 million (11.5% increase year on year), mainly due to income from consigned research projects, while other expenses were recorded at ¥11 million (179.4% increase year on year). Operating loss was recorded at ¥830 million (26.0% increase year on year).

Furthermore, finance income was recorded at ¥239 million due to financial assets measured at fair value through profit or loss, profit related to CEJ Fund were recorded at ¥61 million, and income tax expenses were recorded at ¥74 million mainly due to deferred tax expenses. As a result, the Group improved by ¥41 million and recorded ¥632 million (6.1% decrease year on year) in the loss attributable to owners of the parent.

The Company forms business and capital alliances with various startup companies that develop unique technologies. The Company calculates the fair value of such companies that are not listed on the market using the IFRS 9 "Financial Instruments". As a result the financial assets measured at fair value through profit or loss ¥213 million was posted as "finance income" for the fiscal year ended March 31, 2019. Furthermore, the deferred tax expense in relation to this valuation was calculated at ¥68 million and posted as "income tax expenses". As such, the impact on the calculation of the profit was ¥146 million.



## 2. Explanation of financial position

### (i) Assets:

For the fiscal year ended March 31, 2019, assets decreased ¥853 million to ¥45,746 million in comparison to the end of the previous fiscal year. This was mainly due to increases of ¥336 million in inventories, ¥501 million in other financial assets (current), ¥136 million in other current assets, ¥285 million in property, plant and equipment ¥25 million in other financial assets (non-current), partly offset by decreases of ¥2,025 million in cash and cash equivalents and ¥128 million in trade and other receivables.

### (ii) Liabilities:

For the fiscal year ended March 31, 2019, liabilities increased ¥618 million to ¥1,543 million in comparison to the end of the previous fiscal year. This was mainly due to increases of ¥544 million in third-party interests in CEJ Fund and ¥109 million in deferred tax liabilities.

### (iii) Equity:

For the fiscal year ended March 31, 2019, equity decreased ¥1,471 million to ¥44,203 million in comparison to the end of the previous fiscal year. This was mainly due to decreases of ¥984 million in other components of equity and ¥496 million in retained earnings following the posting of loss.

## 3. Status of cash flow

For the fiscal year ended March 31, 2019, cash and cash equivalents decreased ¥2,025 million to ¥8,796 million in comparison to the end of the previous fiscal year. The status of each cash flow within the fiscal year ended March 31, 2019 and its main influencing factors are stated below.

### (Net cash provided by operating activities)

For the fiscal year ended March 31, 2019, net cash provided by operating activities recorded outflow of ¥775 million (outflow of ¥53 million in the previous fiscal year). This is mainly attributed to depreciation and amortization posted at ¥436 million as well as inflow of ¥128 million due to decrease in trade and other receivables, partly offset with loss before tax recorded at ¥569 million, finance income recorded at ¥239 million and inflow of ¥336 million due to an increase in inventories.

### (Net cash provided by investment activities)

For the fiscal year ended March 31, 2019, net cash provided by investing activities recorded outflow of ¥1,917 million (outflow of ¥2,484 million in the previous fiscal year). This is mainly attributed to proceeds of redemption of investments posted at ¥30,000 million, partly offset with purchase of investments posted at ¥28,000 million, payments into time deposits posted at ¥2,500 million, purchase of investment securities posted at ¥618 million and purchase of property, plant and equipment posted at ¥789 million.

### (Net cash provided by financing activities)

For the fiscal year ended March 31, 2019, net cash used in financing activities recorded inflow of ¥670 million (outflow of ¥23 million in the previous fiscal year). This is mainly attributed to proceeds of ¥680 million from contributions into CEJ Fund from third-party investors.

## 4. Explanation related to the forecast of consolidated financial results and other forward-looking statements

As the business of the Company and the Group is based on a new market with innovative technologies, there are many uncertain factors that could have an impact on its performance and make it difficult for the Company to provide a forecast with accurate figures. As such the Company will not announce the forecast of consolidated financial results.

## **II. Accounting standards**

The Group adopts International Financial Reporting Standard (IFRS) from the consolidated financial statements and the Annual Securities Report for the fiscal year ended March 31, 2019, with the aim of improving the international comparability of the Groups' financial information in the capital markets and strengthening the Groups' business foundations by unifying accounting standards throughout the Group.

### III. Consolidated financial statements and Notes to consolidated financial statements

#### 1. Consolidated statement of financial position

As of March 31, 2019

	2018	2019
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	10,820	8,796
Trade and other receivables	385	257
Other financial assets	20,004	20,505
Inventories	565	901
Other current assets	32	169
Total current assets	31,807	30,627
Non-current assets		
Operating lease assets	401	463
Property, plant and equipment	11,339	11,624
Intangible assets	90	70
Investments accounted for using equity method	474	456
Other financial assets	2,406	2,431
Other non-current assets	81	74
Total non-current assets	14,791	15,118
Total assets	46,598	45,746

	2018	2019
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	274	284
Other current liabilities	386	370
Total current liabilities	659	654
Non-current liabilities		
Third-party interests in CEJ Fund	—	544
Provisions	91	91
Deferred tax liabilities	145	254
Other non-current liabilities	29	—
Total non-current liabilities	265	889
Total liabilities	925	1,543
Equity		
Share capital	26,744	26,745
Capital surplus	26,495	26,494
Treasury shares	(0)	(0)
Other components of equity	(65)	(1,048)
Retained earnings	(7,476)	(7,972)
Total equity attributable to owners of the parent	45,698	44,217
Non-controlling interests	(24)	(15)
Total equity	45,674	44,203
Total liabilities and equity	46,598	45,746

## 2. Consolidated statement of profit or loss and consolidated statement of comprehensive income

(Consolidated statement of profit or loss)

Year ended March 31, 2019

	2018	2019
	Millions of yen	Millions of yen
Revenue	1,728	1,709
Cost of sales	(523)	(481)
Gross profit	1,204	1,227
Selling, general and administrative expenses		
Research and development expenses	(834)	(998)
Other selling, general and administrative expenses	(1,390)	(1,454)
Total selling, general and administrative expenses	(2,223)	(2,453)
Other income	364	406
Other expenses	(4)	(11)
Operating profit (loss)	(659)	(830)
Finance income	13	239
Finance costs	(6)	(15)
Gains related to CEJ Fund	—	61
Share of profit (loss) of investments accounted for using equity method	(21)	(24)
Profit (loss) before tax	(672)	(569)
Income tax expense	(6)	(74)
Profit (loss)	(678)	(643)
Profit (loss) attributable to		
Owners of parent	(673)	(632)
Non-controlling interests	(5)	(11)
Profit (loss)	(678)	(643)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(3.13)	(2.94)
Diluted earnings (loss) per share (yen)	(3.13)	(2.94)

(Consolidated statement of comprehensive income)

Year ended March 31, 2019

	2018	2019
	Millions of yen	Millions of yen
Profit (loss)	(678)	(643)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(394)	(858)
Total of items that will not be reclassified to profit or loss	(394)	(858)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(12)	14
Total of items that may be reclassified to profit or loss	(12)	14
Total other comprehensive income, net of tax	(406)	(845)
Comprehensive income	(1,084)	(1,487)
Comprehensive income attributable to		
Owners of parent	(1,076)	(1,480)
Non-controlling interests	(8)	(7)
Comprehensive income	(1,084)	(1,487)

### 3. Consolidated statement of changes in equity

Year ended March 31, 2019

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Share acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2017	26,744	26,495	(0)	417	2	12
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(394)	(9)	—
Total comprehensive income	—	—	—	(394)	(9)	—
Share-based payment transactions	—	—	—	—	—	7
Transfer from other components of equity to retained earnings	—	—	—	(100)	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Total transactions with owners	—	—	—	—	—	7
March 31, 2018	26,744	26,495	(0)	(77)	(7)	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(858)	10	—
Total comprehensive income	—	—	—	(858)	10	—
Issuance of new share	1	(2)	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	(135)	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Total transactions with owners	1	(2)	—	(135)	—	—
March 31, 2019	26,745	26,494	(0)	(1,071)	3	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2017	432	(6,903)	46,768	(31)	46,737
Profit (loss)	—	(673)	(673)	(5)	(678)
Other comprehensive income	(403)	—	(403)	(3)	(406)
Total comprehensive income	(403)	(673)	(1,076)	(8)	(1,084)
Share-based payment transactions	7	—	7	—	7
Transfer from other components of equity to retained earnings	(100)	100	—	—	—
Equity transaction with non-controlling interest	—	—	—	15	15
Total transactions with owners	(93)	100	7	15	21
March 31, 2018	(65)	(7,476)	45,698	(24)	45,674
Profit (loss)	—	(632)	(632)	(11)	(643)
Other comprehensive income	(848)	—	(848)	4	(845)
Total comprehensive income	(848)	(632)	(1,480)	(7)	(1,487)
Issuance of new shares	—	—	(1)	—	(1)
Transfer from other components of equity to retained earnings	(135)	135	—	—	—
Equity transaction with non-controlling interest	—	—	—	17	17
Total transactions with owners	(135)	135	(1)	17	16
March 31, 2019	(1,048)	(7,972)	44,217	(15)	44,203



#### 4. Consolidated statement of cash flows

Year ended March 31, 2019

	2018	2019
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	(672)	(569)
Depreciation and amortization	399	436
Finance income	(13)	(239)
Finance costs	6	15
Gains on CEJ Fund	—	(61)
Share of loss (profit) of investments accounted for using equity method	21	24
Decrease (increase) in inventories	(38)	(336)
Decrease (increase) in trade and other receivables	(6)	128
Increase (decrease) in trade and other payables	85	24
Other	157	(138)
Subtotal	(62)	(716)
Interest received	10	17
Interest paid	(1)	(0)
Income taxes paid	—	—
Payments for administrative expenses etc. related to CEJ Fund	—	(76)
Net cash provided by (used in) operating activities	(53)	(775)
Cash flows from investing activities		
Purchase of investments	(43,000)	(28,000)
Proceeds of redemption of investments	43,000	30,000
Payments into time deposits	—	(2,500)
Purchase of property, plant and equipment	(1,077)	(789)
Purchase of intangible assets	(48)	(7)
Purchase of investment securities	(1,563)	(618)
Proceeds from sale of investment securities	700	—
Purchase of investments accounted for using equity method	(495)	(5)
Other	0	2
Net cash provided by (used in) investing activities	(2,484)	(1,917)
Cash flows from financing activities		
Contributions into CEJ Fund from third-party investors	—	680
Proceeds from stock issuance to non-controlling interests	—	4
Other	(23)	(14)
Net cash provided by (used in) financing activities	(23)	670
Net increase (decrease) in cash and cash equivalents	(2,558)	(2,025)
Cash and cash equivalents at beginning of fiscal year	13,378	10,820
Effect of exchange rate changes on cash and cash equivalents	2	(3)
Cash and cash equivalents at end of year	10,820	8,796

## 5. Notes to consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Changes in accounting policy)

Significant accounting policies applied to the condensed consolidated financial statements for the fiscal year ended March 31, 2019 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2018, with the following exceptions.

The Group has applied the following accounting standards from the beginning of the fiscal year ending March 31, 2019. The effect of applying these accounting standards on the Group's condensed consolidated financial statements is not material.

	IFRSs	Nature of the new standards or amendments
IAS 28	Investments in Associates and Joint Ventures	Revised accounting process upon holding any investment through venture capitals towards affiliates or jointly controlled entity
IFRS 2	Share-based Payment	Revised classification and measurement of share-based payment transactions

(Segment information)

Segment information:

Fiscal year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)

Since the company group had a single segment, segment information was omitted.

Fiscal year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)

Since the company group had a single segment, segment information was omitted.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

Year ended March 31, 2019

	2018	2019
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	1,061	1,167
Asset transferred at a point of time	354	214
Service transferred at a point of time	312	328
Total	<u>1,728</u>	<u>1,709</u>

(Note) Since the Group operates under a single segment of business related to robotics, segment information on revenue is omitted.

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract and maintenance income based on the maintenance contract in relation to finance lease income where the Group acts as a lessor of right-of-use asset.

The Group recognizes rental income as income generated throughout the rental period after the customer acceptance of the relevant product, by either of the following method. Pay-per-use model based on times of product usage in the relevant month and base fee model based on fixed monthly price.

The Group recognizes maintenance income as performance obligation satisfied over time. The Company records this revenue during this contract period based on average amount during the period.

Asset transferred at a point of time

Asset transferred at a point of time includes revenue from sales of commodities and products based on sales contract.

The Group mainly determines that performance obligation of sales of commodities as well as products are satisfied at the point of customer acceptance the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. With regards to transaction price, there is no significance in the amount of sales revenue that includes variable consideration. Furthermore, there are no significant financial components in the amount of promised consideration.

Furthermore, if the Group acts as a lessor of right-of-use of its devices such as HAL, the Group classifies the relevant lease as finance lease. Finance lease income is processed in the same way as cases where the Group acts as a lessor of manufacturer or distributor of sales of goods. The Group determines that performance obligation is satisfied at the point of customer acceptance and the revenue is recognized at a point of time.

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernic Treatment and training service at Cybernic Treatment Center and Robocare Centers, to end users (such as patients).

The Group determines that performance obligation of Cybernic Treatment as well as training services are satisfied at the point of completion of such services.

(Earnings per share)

1. The basis for calculating basic earnings per share

	2018	2019
Loss attributable to owners of parent (Millions of yen)	(673)	(632)
Amount not available for common shareholders and shareholders equivalent to common shareholders (Millions of yen)	—	—
Loss used to calculate basic earnings per share (Millions of yen)	(673)	(632)
Average number of common shares and shares equivalent to common shares during the period (Shares)	215,047,471	215,054,735
Basic earnings (loss) per share (Yen)	(3.13)	(2.94)

2. The basis for calculating diluted earnings per share

	2018	2019
Loss used to calculated basic earnings per share (Millions of yen)	(673)	(632)
Adjustments to loss (Millions of yen)	—	—
Loss used to calculated diluted earnings per share (Millions of yen)	(673)	(632)
Average number of common shares and shares equivalent to common shares during the period (Shares)	215,047,471	215,054,735
Adjustment *Note	—	—
Average number of diluted common shares and shares equivalent to common shares during the period (Shares)	215,047,471	215,054,735
Diluted earnings (loss) per share (Yen)	(3.13)	(2.94)

(Note) Summary of potential shares not included in the calculation of diluted earnings per share as it does not have dilutive effects

	2018	2019
	Shares	Shares
2015 1st Series Stock Option of CYBERDYNE, INC.	(Common share) 7,800	(Common share) 7,800
2016 1st Series Stock Option of CYBERDYNE, INC.	(Common share) 4,600	(Common share) 4,600
2017 1st Series Stock Option of CYBERDYNE, INC.	(Common share) 10,500	(Common share) 10,500