



CYBERDYNE

**Consolidated Financial Result Briefing for
the Six Months Ended September 30, 2019**

**CYBERDYNE, INC.
November 14, 2019**

Consolidated Financial Results

Consolidated financial results- year-on-year comparison for the top half of the fiscal year (Q1+Q2)



Revenue +9.5%

Profit Improved ¥124M

(Millions of yen)

	Top half of FY2018 (Apr.1-Sep.30)	Top half of FY2019 (Apr.1-Sep.30)	+/-	+/- (%)
Revenue	752	823	+71	+9.5%
(Gross profit)	(530)	(593)	(+63)	(+12.0%)
Operating profit	-268	-380	-112	—
Profit attributable to owner of the parent	-236	-112	+124	—

Medical HAL + 68M
Gross profit margin 72.1% (+1.6%)

Other income (Consigned research etc.) -203M

Revenue related to investment securities +213 M
(Detail)
Gain on valuation + 440M
Loss on valuation - 87M
Deferred tax expenses - 140M

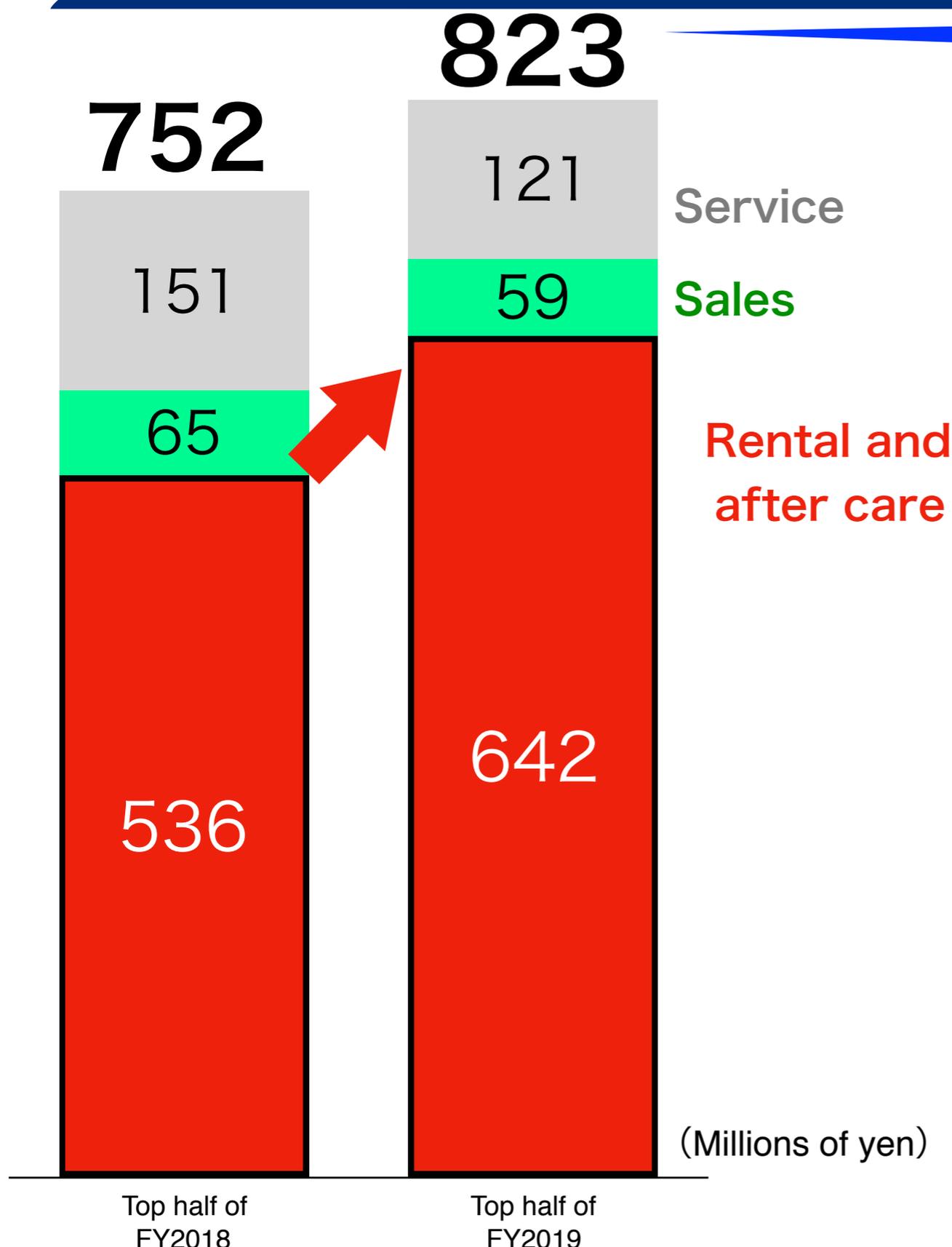
(Ref) Significant improvement of comprehensive income (+532M) mainly due to valuation difference on available for-sale-securities in other comprehensive income

Profit before tax	-242	6	+248	—
Comprehensive income	-455	77	+532	—

Income tax expense 123M

Valuation difference on available for-sale-securities + 184 M

Consolidated financial results- year-on-year comparison by type of transaction



FY2019 Prospect
1,750~2,250 M

*The prospect is based on existing products and approved diseases. Undetermined factors such as the expansion of new products and diseases are not factored in, and are not considered in the prospect

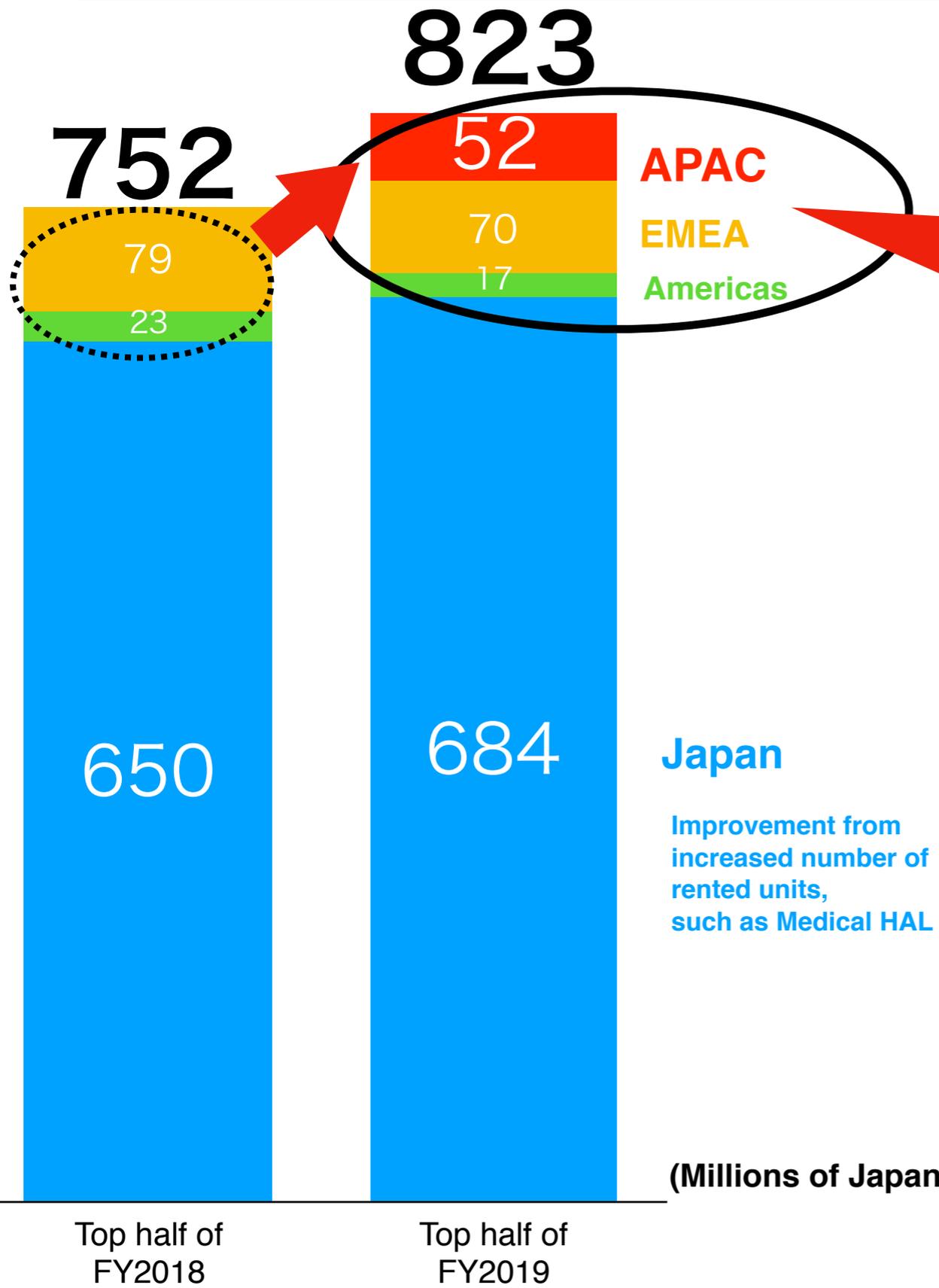
Rental and after care + 20%

(Detail)

Medical HAL	+68M
Lumbar Type Labor	+9M
Cleaning and Transport	+12M

- Rental and after care : Service transferred over time
- Sales : Asset transferred at a point of time
- Service : Service transferred at a point of time

Consolidated financial results- year-on-year comparison by geographical regions



Revenue from overseas operation + 36%

Significant growth from Asia Pacific

Challenges to expand Medical HAL to global level

- Japan : Conducting obligatory performance testing for neuromuscular disease and completing clinical trials to expand target diseases
- Asia: obtaining medical device clearance
- EU : Continuing discussion to obtain public health insurance coverage and obtaining medical device clearance for other HAL models
- U.S. : Forming a relationship with medical society and top class hospitals and obtaining medical device clearance for other HAL models

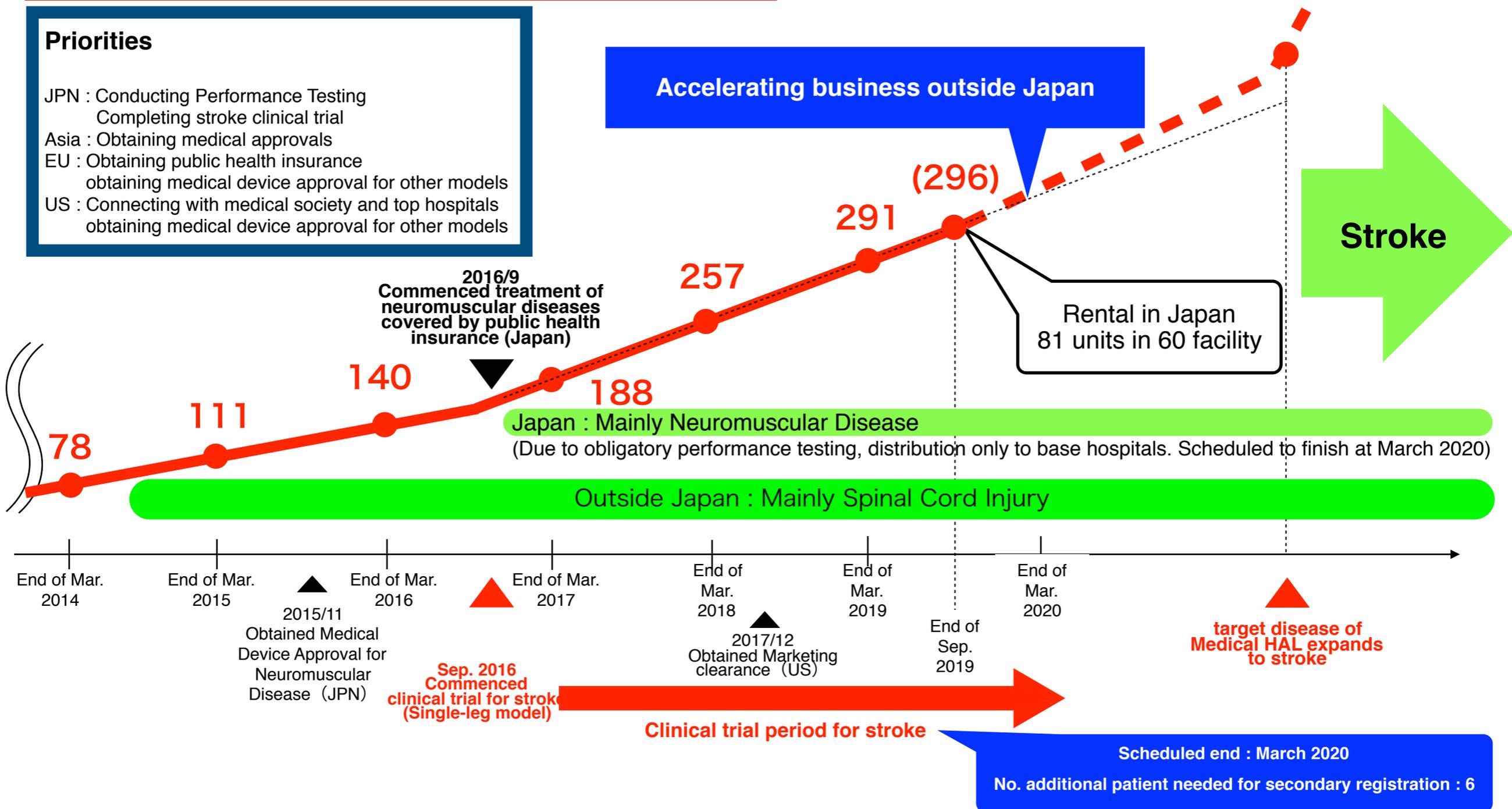
(Millions of Japanese Yen)

Operating numbers of Medical HAL

Further acceleration of oversea operation is expected for bottom half of FY2019
Clinical trial of stroke is scheduled to finish around end of March 2020

Priorities

- JPN : Conducting Performance Testing
Completing stroke clinical trial
- Asia : Obtaining medical approvals
- EU : Obtaining public health insurance
obtaining medical device approval for other models
- US : Connecting with medical society and top hospitals
obtaining medical device approval for other models



Business strategy

Global strategy to realize industrial and social revolution

Forming a spiral where all the “seeds” of innovation around the world gather in Japan

Realizing a good cycle!

Forming a spiral of innovation

- Coordinating with various research institutes, universities and companies
- Coordinating with the government
 - projects to promote social implementation of future tech
 - Smart City project by MLIT
- Other involvements
 - WEF Center for fourth industrial revolution
 - Consortium for cutting-edge medicine

Practical implementation into Society!

Techno Peer support between humans and technology

Medical/Health Care

Offering various innovative medical devices around the world, promoting research & development and creation of new industry in an integrated manner

Gathering the seeds from around the globe

Integrated promotion of 1) research and development of innovative devices, 2) consultation for certification of conformity with international standards, 3) clinical research, 4) practical application of innovation in society and 5) development of human resources

Creation of Cybernic Industry

CEJ Business, C-Start Up Support start-ups, business alliances

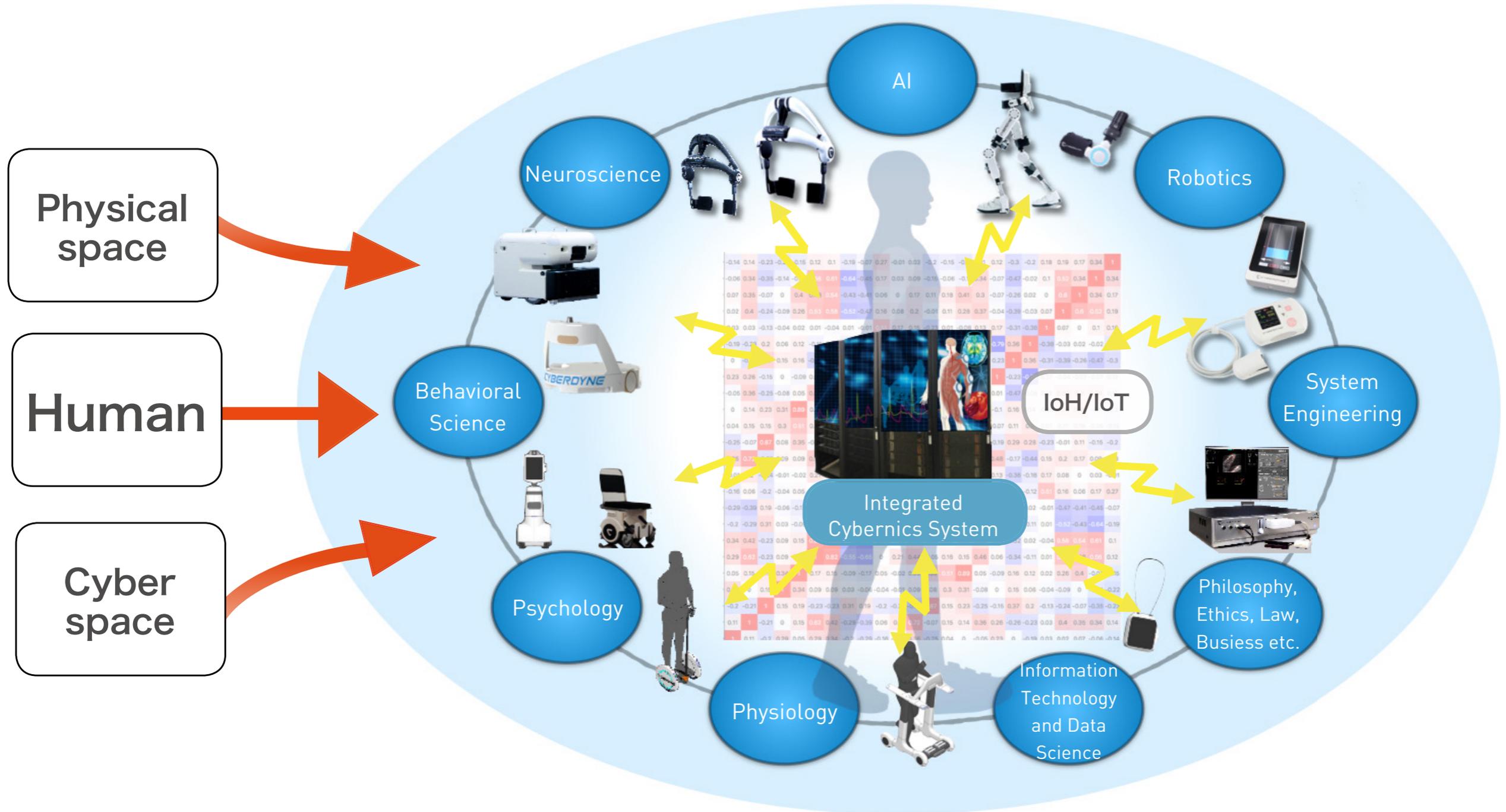
- Gathering seeds and personnel from across the globe
- Promote coordination schemes

Support to conform to international standards
- Eg. ISO13482, 13485

Robocare Center Group

Neuro HALFIT

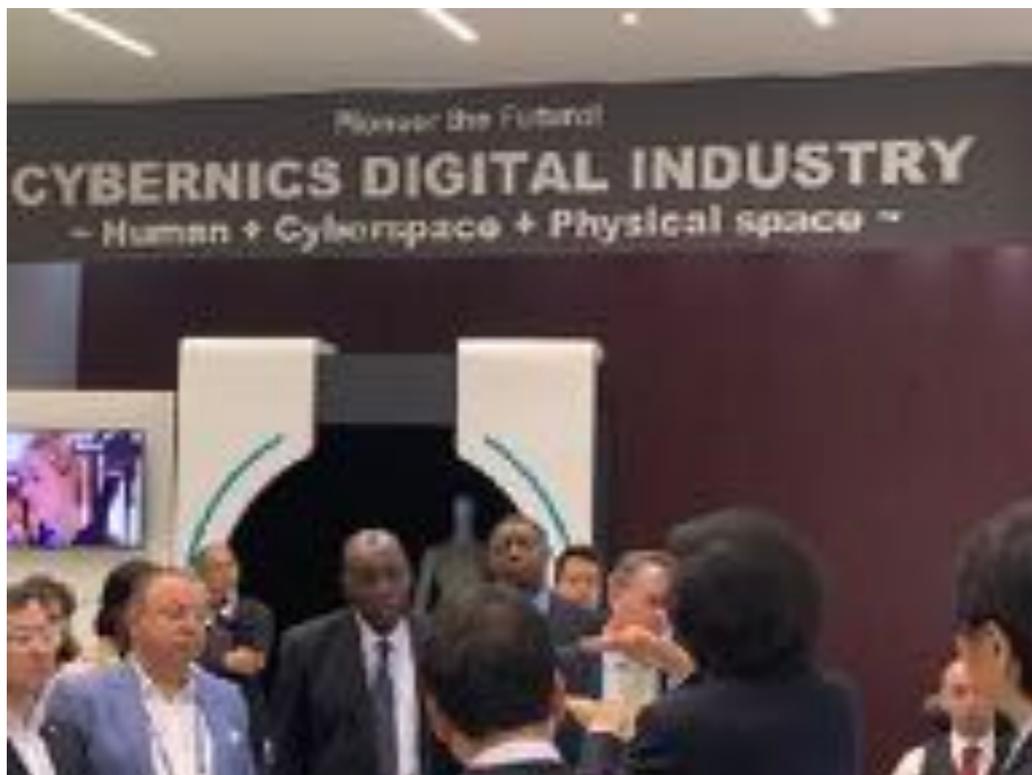
Fusion of 『Human』 + 『Cyber/Physical Space』 := Creation of a new industry "Cybernetics Industry"



Realizing fusion of 『Human』 + 『Cyber/Physical Space』 with IoH/IoT Cybernetics Technology

CYBERNICS DIGITAL INDUSTRY
= 『Human』 + 『Cyberspace』 + 『Physical space』

G20 Digital Economy and Trade Ministers @CYBERDYNE
Cybernics Industry as a new industry after Robot and IT



Delegates of G20 Digital Economy and trade ministers visited Cyberdyne Headquarters
June 8, June 9

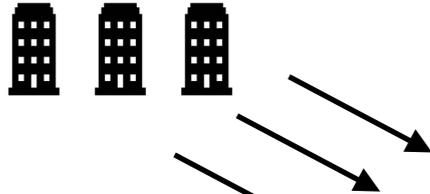
C - Start Up

C- Start Up : Innovation Ecosystem to create 【Cybernetics Industry】

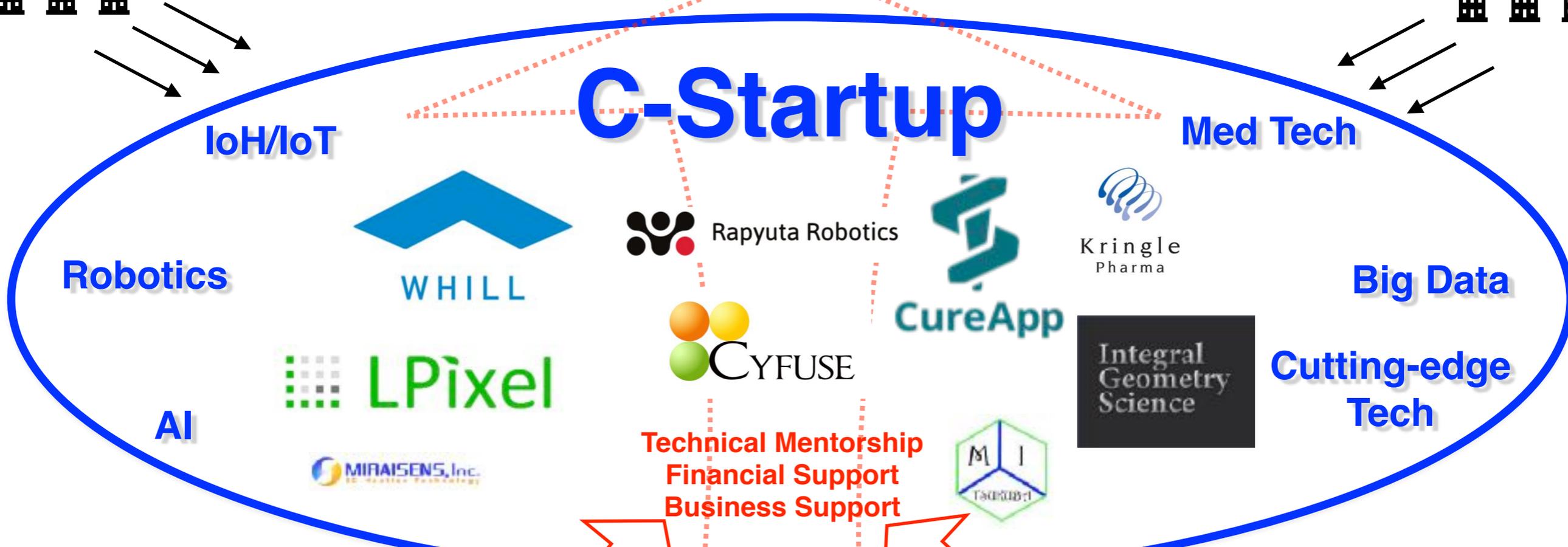


Cybernetics Industry

Japanese and Foreign
University and Research Institutes



Start Ups
Entrepreneurs



CYBERDYNE

Clients

Collaborators
(Industry, Government, Academia)

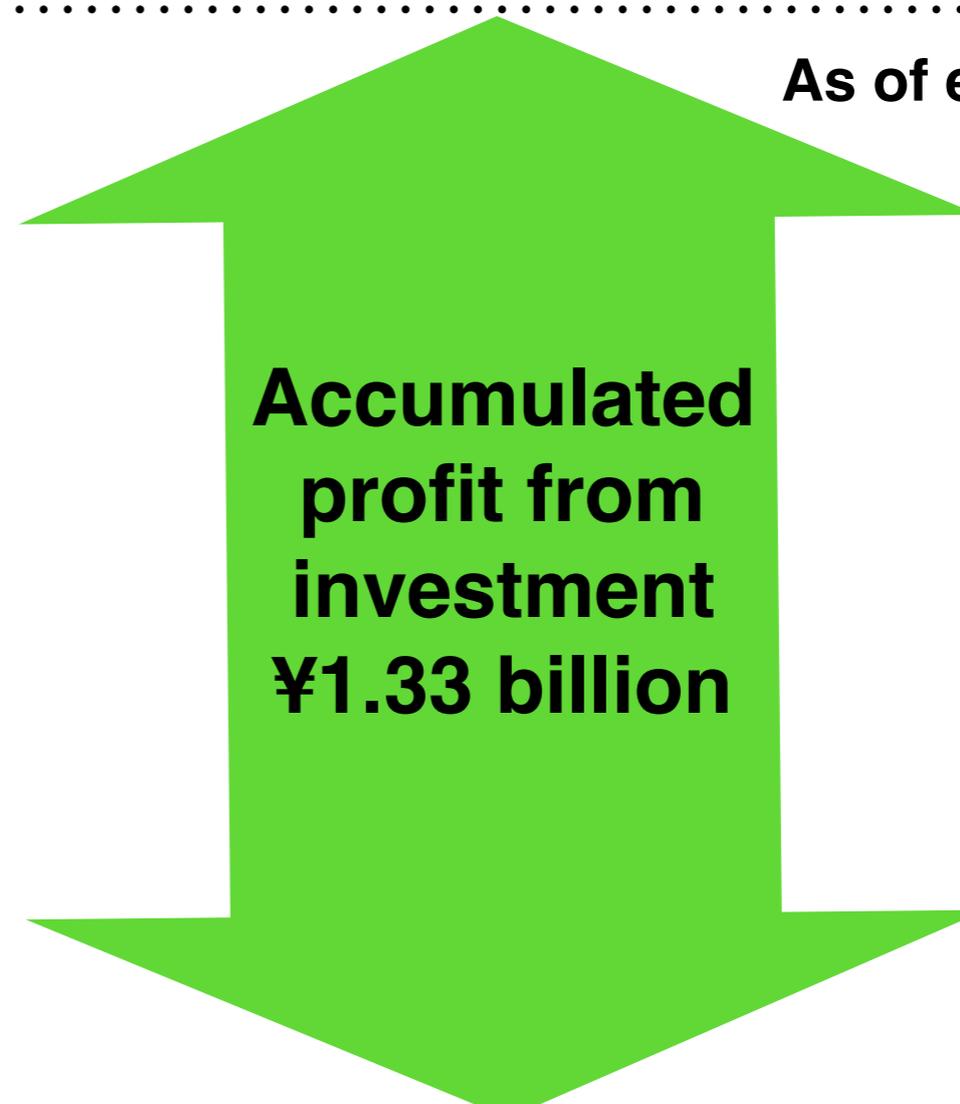
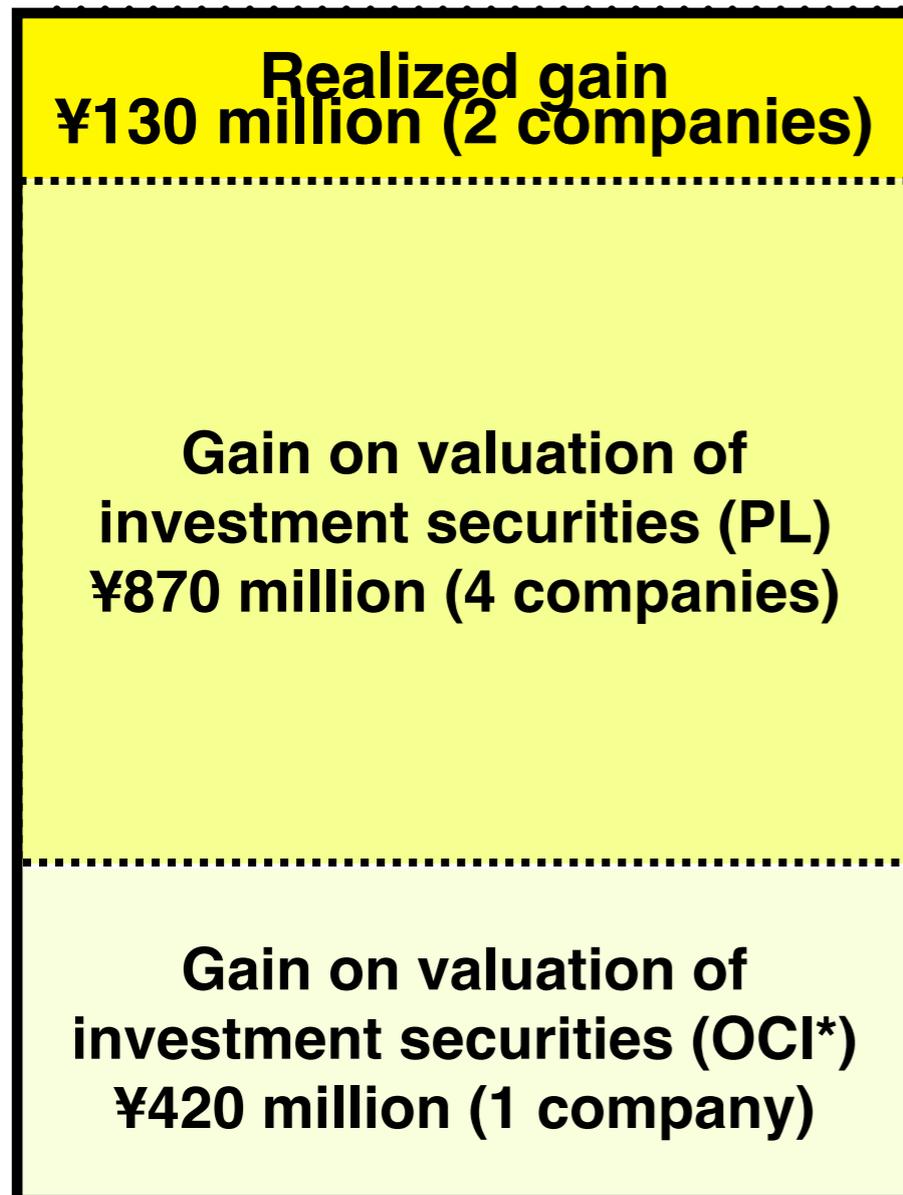
CYBERDYNE

CEJ Fund

(Ref) Investment towards C-Startup

Result of strategical investment towards C - Start up based on business alliance

As of end of Sep. 2019



Loss on valuation of investment securities (PL) 1 company

Valuation increase (+¥1.42 billion)

Valuation decrease (-¥90 million)

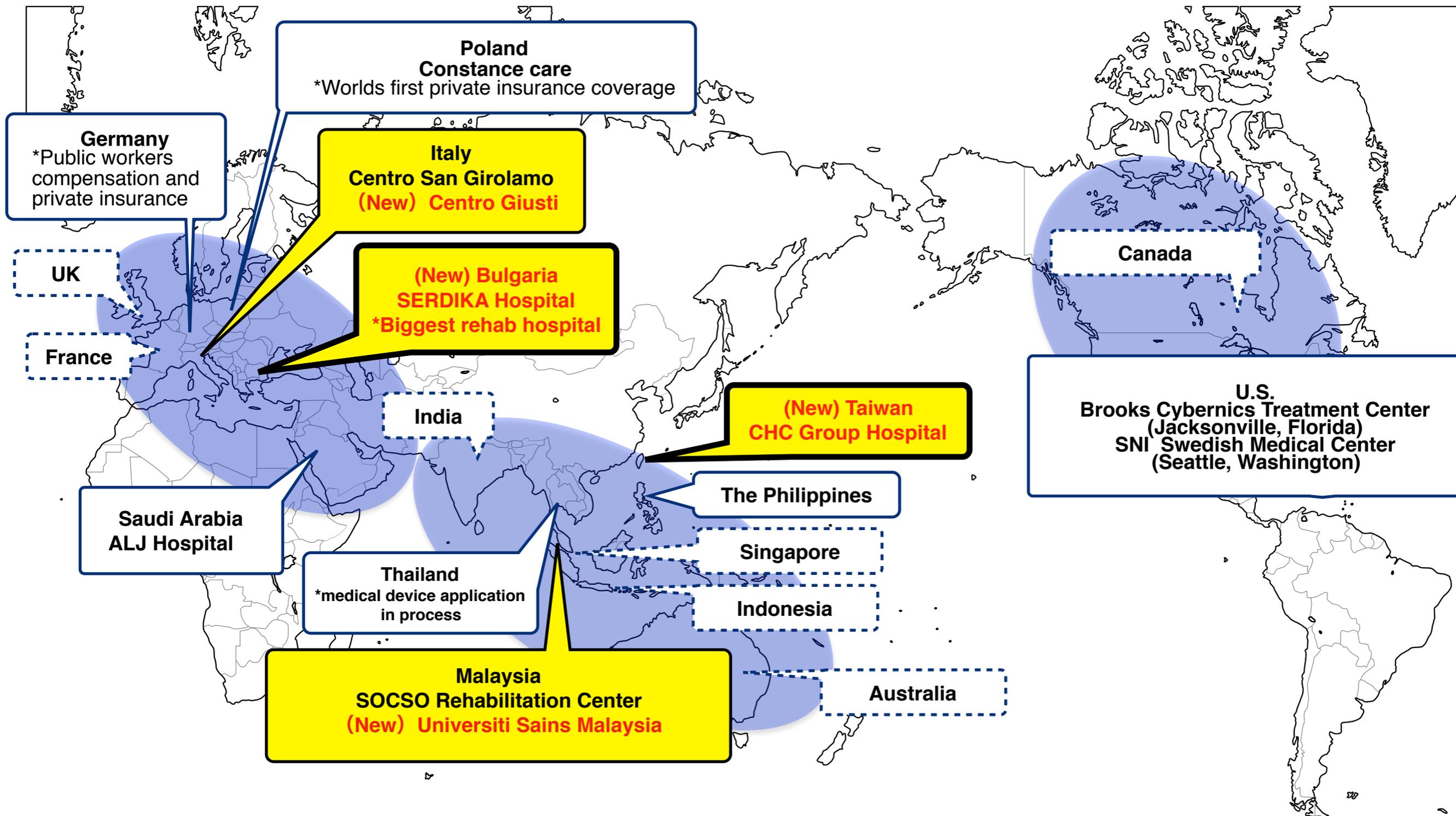
* OCI : Profit posted in other comprehensive income instead of net income (PL)

(Ref) Investment with no valuation difference at this point: CYBERDYNE : 4 companies, CEJ Fund 2 companies

Medical field

Operation outside of Japan

Spreading in Asia and EU



Guillain- Barre Syndrome (Diagnosed April 2018)

Unable to walk on her own

Normally the patient can leave the hospital at this point

Continue treatment

Can walk by her self (1.9km/h)

Can run (6.4km/h)



Before treatment



Oct. 2018 (Session 1)



Jan. 2019 (Session 30)



Mar. 2019 (Session 55)

Forming relationship with Mayo Clinic to strengthen connection with the medical society and related industry



Mayo Clinic :

The number 1 hospital in the U.S. (U.S. News & World Report 2019)
Has one of best teams in the U.S. for integrated research and education
Ex-presidents of the U.S. and important persons outside of U.S.
received treatment at Mayo



Keynote presentation by CEO Sankai "Neuroscience Convergence 2019" November 8, 2019

Expansion of private insurance coverage towards Cybernics Treatment

Name	Target	Overview
WARTA	Spinal Cord Injury	Major Insurer of Poland (Coverage from July 2017)
PZU	Spinal Cord Injury	Largest Insurer of Poland (Agreed on June 2018)
Nurnberger	Spinal Cord Injury	Main insurance group in Germany (Agreed on June 2019)

**Covered price of all of insurers above are same as
German Public Workers Compensation Insurance
(Approx. 500 Euro times 60 sessions) Approximately 30,000 Euro per patient**

*Nurnberger insurance are allied with Daigo Life Insurance, whom CYBERDYNE forms partnership with. Daigo Life Insurance played a major role upon formation of alliance with Nurnberger

Italian medical leaders gathered to spread HAL in Italy

1) International Forum on Medical HAL in Italy (Oct. 2019)

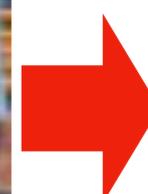


- Hosted with Don Carlo Gnocchi foundation
- Top researchers and medical professionals such as Prof. Dr. Maria Chiara Carrozza gathered for this event
- Presentation and discussions on Cybernetics Treatment and other science technology as future of regenerative medicine

2) Second facility in Italy with HAL (Oct. 2019)

Centro Giusti :

Rehabilitation Center in Florence. Specializes on tailor made intensive rehabilitation for spinal cord injury, (paraplegia, quadriplegia), cerebral palsy, craniocerebral injury patients



Introduced in largest rehab center of Bulgaria (July 2019)

SERDIKA Hospital :

Private hospital in central district of Sofia, Bulgaria, which was established on 2011. It is the nations largest rehab hospital with new facility and specialist with the best skills to offer quality services

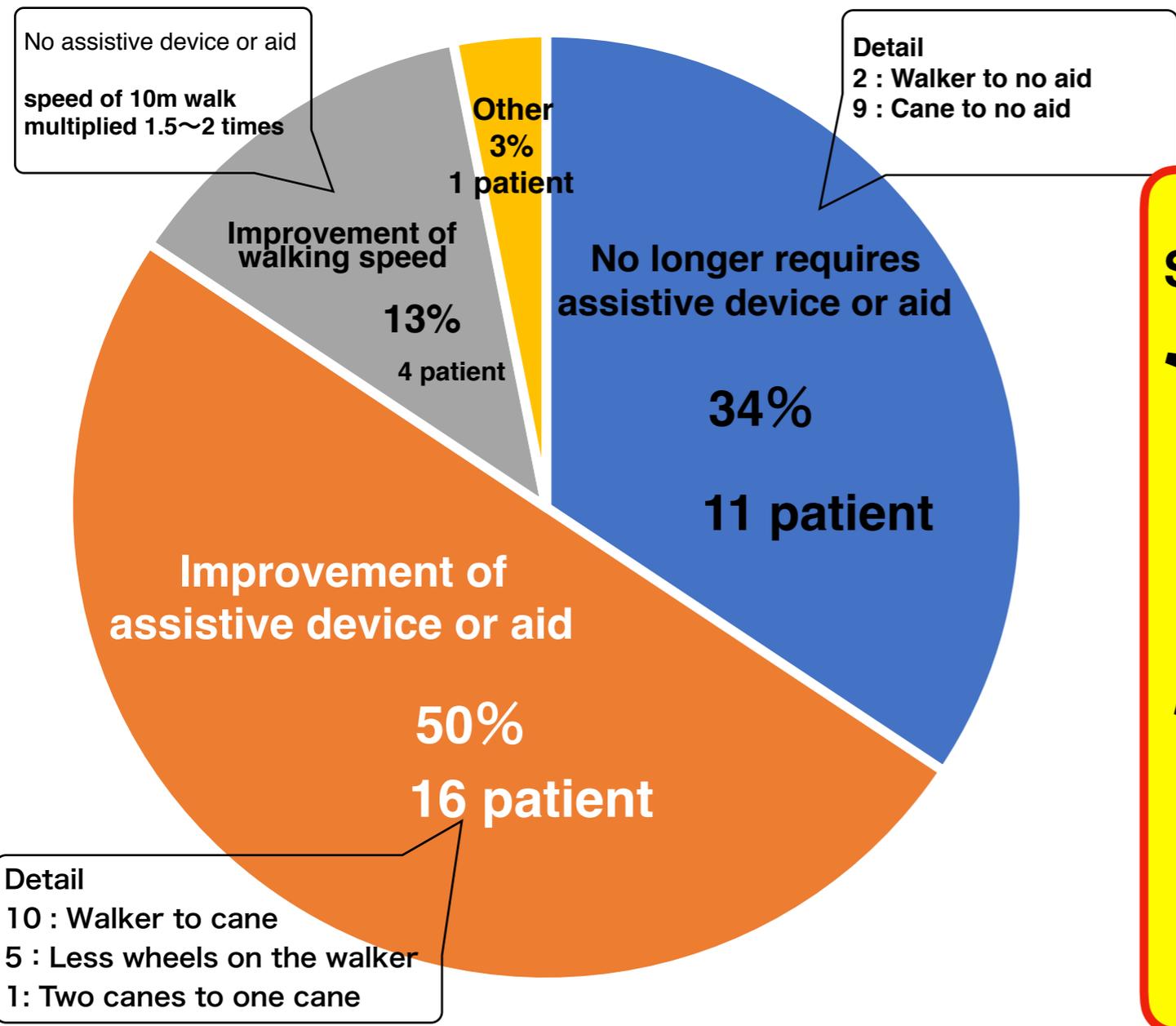


Treated : Multiple Sclerosis, Stroke. Parkinson Disease. Cerebral Palsy, Spinal Cord Injury



Trial with 32 patient ended with a success!

Final trial of 8 patient at 2 public hospital under the Ministry of Health was also successful



Comments from the best hospitals in Saudi Arabia involved in the clinical trial

The technology can be applied towards various patients (SCI, traumatic head injury, stroke, etc.)

The technology should be available in public hospitals to reduce treatment time as well as burden of both therapist and patients

Data originally provided by ALJ Hospital
(Hospital operated by CYBERDYNE's business partner ALJ)

MOU with ALJ to spread Cybernics Treatment to the Gulf

1) **ALJ Investment : Distributors Agreement**

(Exclusive for Saudi Arabia, Non-exclusive for other Gulf countries)

2) **ALJ Hospital : To become the base hospital for the Gulf**

(Training doctors and therapists in the Gulf countries to become HAL operators)



Photo :

MOU signing ceremony between CEO Sankai and President Jameel, witnessed by Minister Sugawara (METI) and Minister Qasabi (Commerce and Investment)

13 contracts and Memorandums were exchanged between Japan and Saudi Arabia in the fields of Medical, Healthcare, Education, Energy, Mobility,

CYBERDYNE for Medical and Healthcare

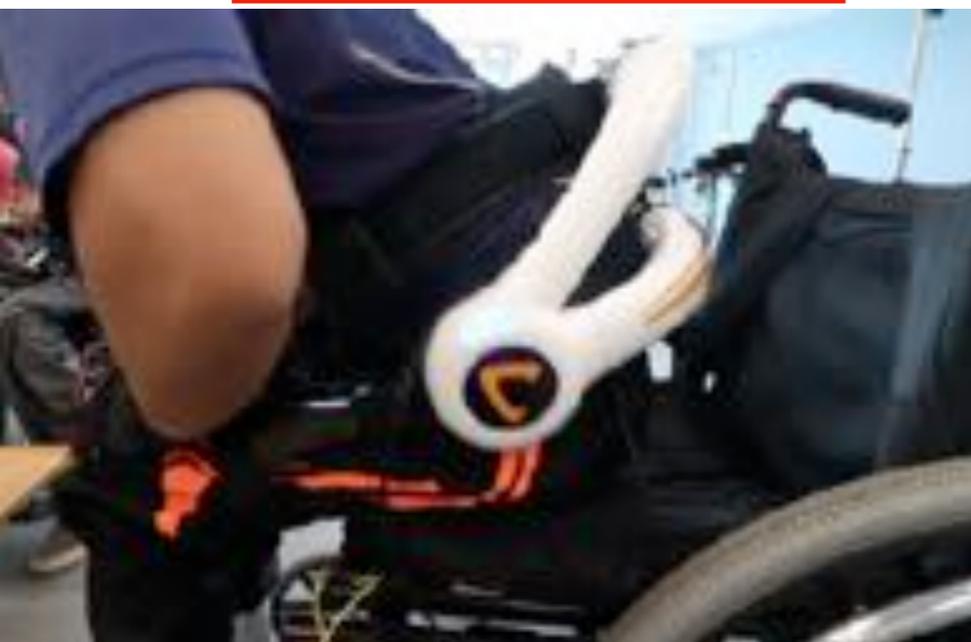
@Saudi- Japan Vision 2030 Business Forum

(October 23, 2019)

Neuro-Robotics Rehabilitation and Cybernetics Center



HAL Lumbar 8 units



HAL Single Joint 8 Units



HAL Lower Limb 8 units



Becoming the base hospital for the South East Asia (May 2019)

Support from the Malaysian Government

1) Minister Segaran announced his support for Cybernics Treatment



Malaysia will help promote Cybernics Treatment at a national level

(The speech by Minister Segaran : Ministry of Human Resources)

2) Signing of the Distributors Agreement with the Malaysian Social Security Organization witnessed by the Minister



Target area : Middle East, South Asia, South East Asia

(From the left side of the back row, Professor Akira Matsumura University of Tsukuba Department of Neurosurgery, Professor Masashi Yamazaki University of Tsukuba Department of Orthopedic Surgery, Muhd Khair Razman Deputy Secretary General of Operation Ministry of Human Resources of Malaysia, Minister M. Kula Segaran Ministry of Human Resources of Malaysia, Ambassador Kennedy Jawan Embassy of Malaysia in Japan, Dr. Mohammed Azman CEO of Social Security Organization of Malaysia. From the left side of the front row, Yoshiyuki Sankai Professor at University of Tsukuba and President and CEO of CYBERDYNE, Dr. Hafez bin Hussain CEO of SOCSO Tun Razak Rehabilitation Center and CEO of PERKESO BHD.)

1) **Obtained Medical Device Approval (Oct. 2019)** **(Expanding HAL to other regions of Malaysia)**

Coordinated with SOCSO to obtain medical device approval towards wide variety of diseases

2) **Introduced to top class University Hospital (Oct. 2019)** **(strong influence towards other hospitals in Malaysia)**

One of the top university in the nation, Hospital Universiti Sains Malaysia announced to adopt 3 HAL Lower Limb, 2 HAL Single Joint and 1 HAL Lumbar



Alliance with CHC to explore Taiwan market

CHC Healthcare Group :

the Group is known to be the largest medical device dealer in Taiwan, offering various solutions such as Radiation oncology, neurology, medical imaging and nuclear medicine, and dental, ophthalmic, and equipment. Also conducts maintenances, rental services, sells parts, sells consumables and related consultation services.

- 1) Introduction of HAL to Yee Zen General Hospital (CHC Group)**
 - Starts to offer 4 units of HAL Lumbar for Well-being (Nov. 2019)
 - After medical device approval, Cybernics Treatment Center will be established in the hospital
- 2) Distributor Agreement with Chiu Ho Medical System Company (CHC Group)**



Signing ceremony, October 27, 2019



Yee Zen General Hospital

Largest medical device market in South East Asia
Approval expected within the Fiscal Year Ending March 31, 2020

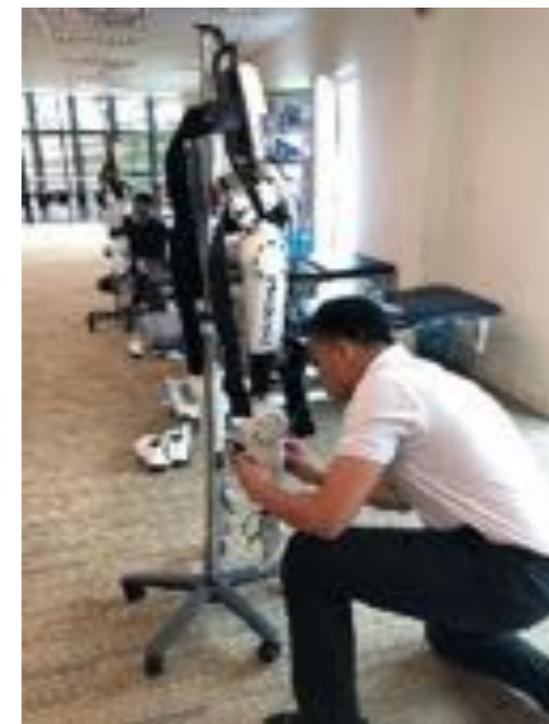
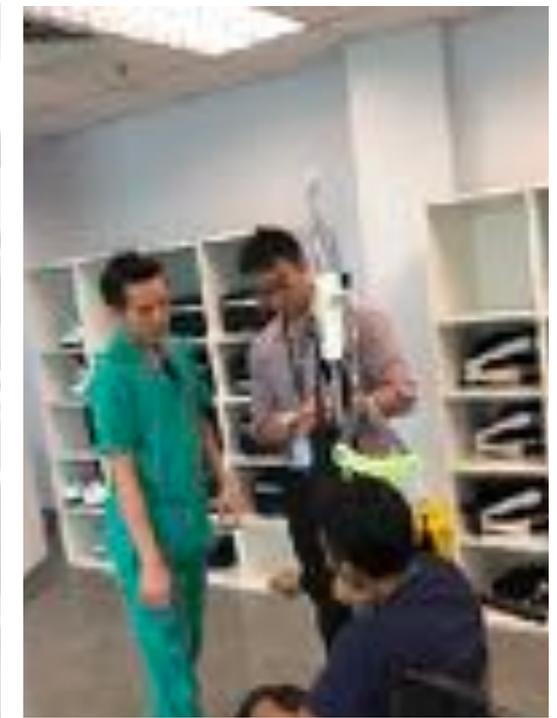
Several hospital promised to adopt HAL

Already started operation training of HAL

Participants : staff of private hospital in Thailand
scheduling to adopt HAL

Place: Cybernics Treatment Center Malaysia

Duration : End of August to Beginning of September



- 1) Obtained CE Marking for Europe (Oct. 2019)
- 2) Expansion for Ankle Joint (Jul. 2019)



Elbow Joint



Knee Joint



Ankle Joint



Feature

- Light weight and compact design
- Intensive treatment of different joints
- Suited for patient with various condition (can treat while laying, seated or standing)
- Can make early intervention when patient still has to stay on bed

Preparing for medical device clearance in U.S. and Asia

for care givers and care receivers

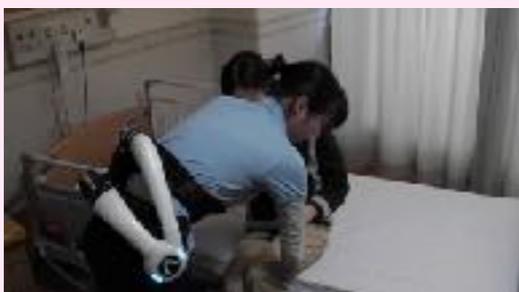
Can be used for both care givers and care receivers

August 2019

Care givers

Reduces stress applied on the lower back

Lifting



Transfer



Bathing



Transfer (in bath)



Oizumi home

Supports elderly workers, solves lack of personnels, encourages employing senior age staffs

care receivers

1 month



1 month later



Before HAL (24 seconds)

After HAL (24 seconds)

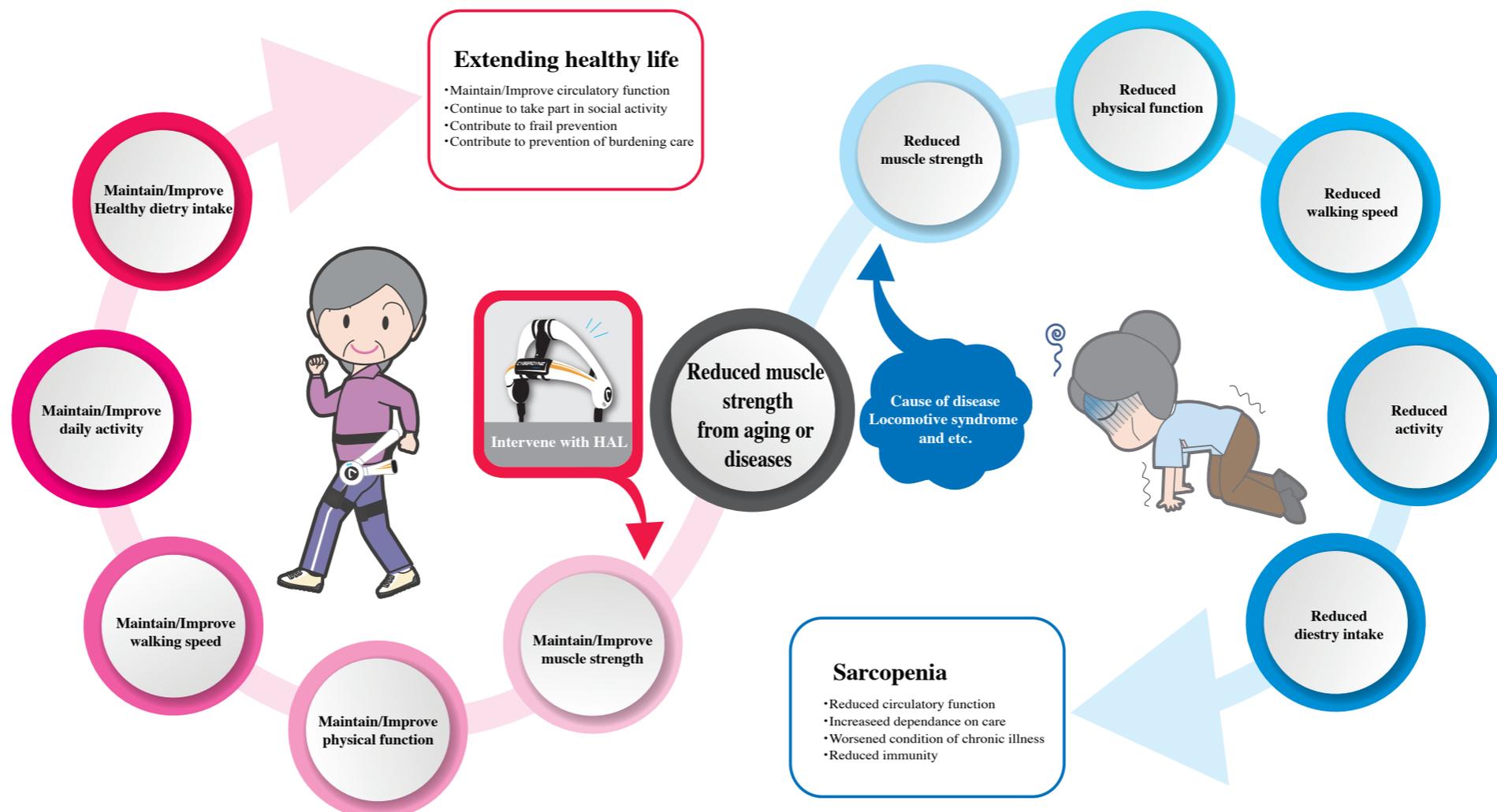
Extending healthy life with HAL Lumbar

Frailty prevention program
(program to promote health)



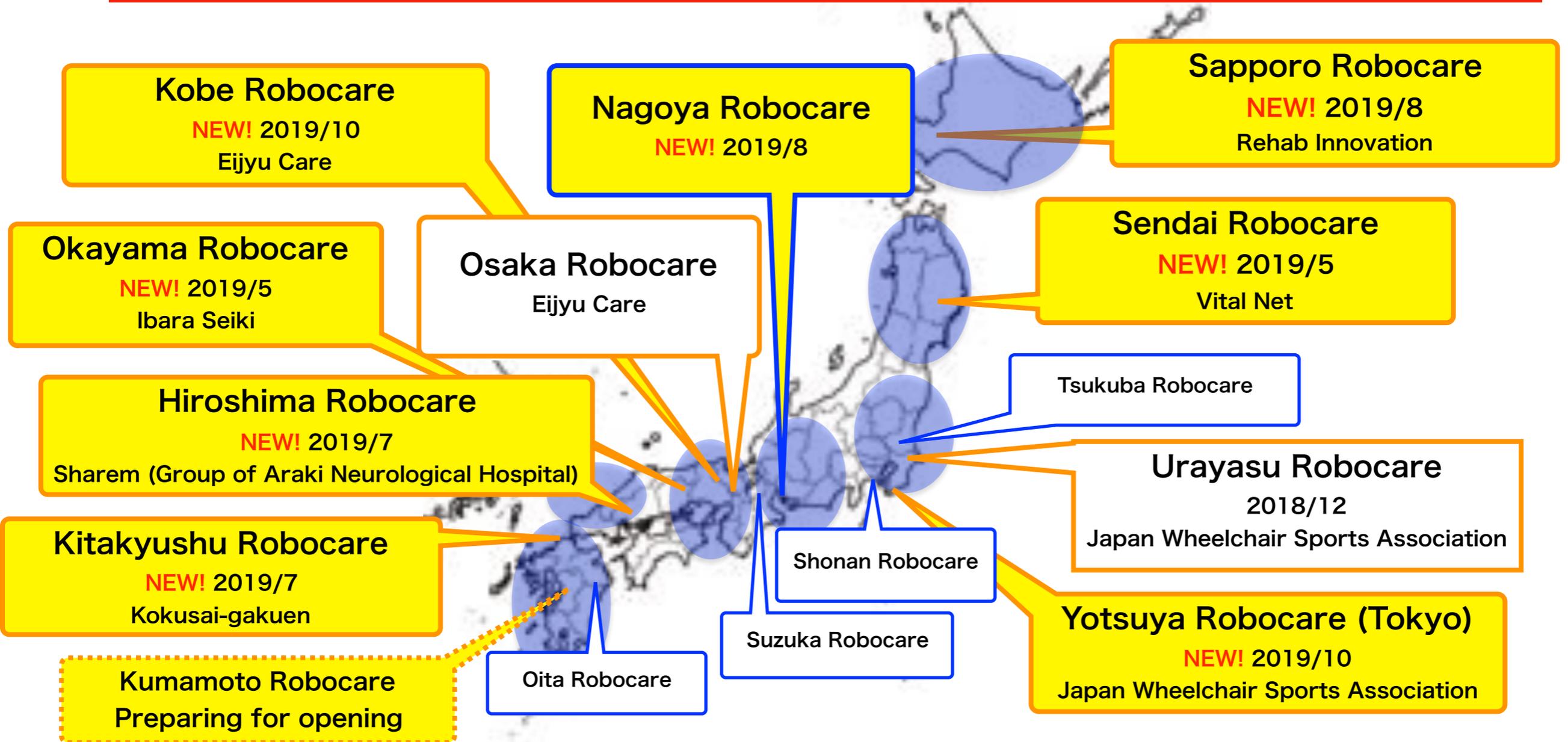
Cycle to prevent frailty

Frailty cycle



Expansion of Neuro HALFIT

Offering Neuro HALFIT at multiple sites



AIG General Insurance Auto Insurance from January 2019
Sompo Japan Nippon Koa Auto Insurance from January 2019
Cyberdyne Shareholder Benefit from June 2019

Household and Workplaces

Improvement of work environment and prevents injury



Daiwa House

Example of tasks

Lifting and handling weight

Swapping materials

Repetitive tasks

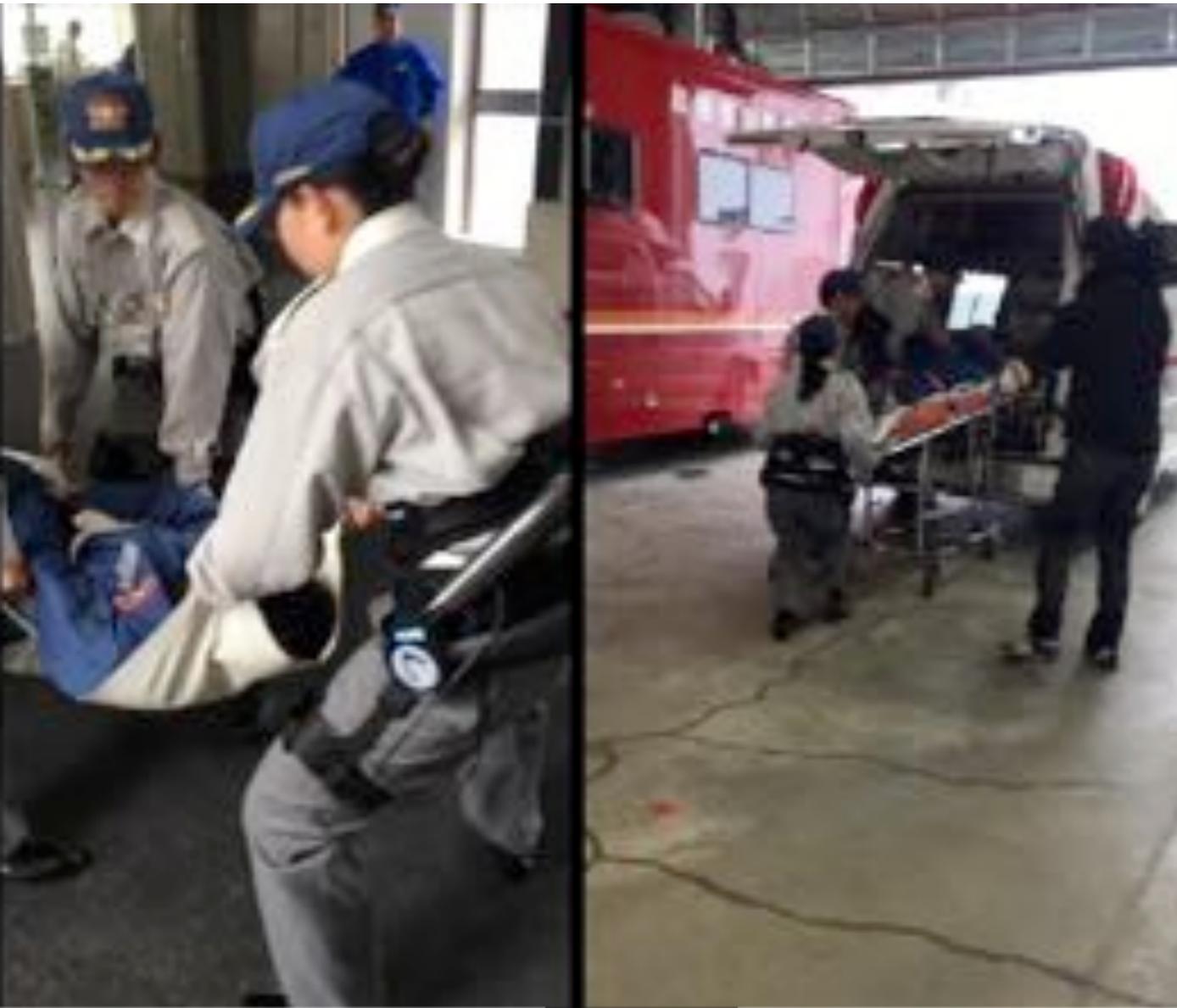
Crouching tasks

Sorting and unloading

The plates in the video weights 15kg. These tasks demands the worker to be constantly in the crouching posture. HAL Lumbar reduces the stress applied to the lower back.

HAL is starting to be implemented for rescue team

Adopted by Tsukuba City (Ibaraki) and Ebina City (Kanagawa)



Tsukuba Firefighting HQ



Demonstration at Yokohama Firefighting HQ

Supports recovery effort from disaster (dust/water proof)

Supported recovery efforts from flooding and landslides in Saga, Ibaraki and Kanagawa (Sep to Nov 2019)



automation of cleaning at airport

Autonomous navigation with SLAM at the highest level

Covers wide area at the max speed of 4km/h
Capacity : Max 3,000m² in two hours

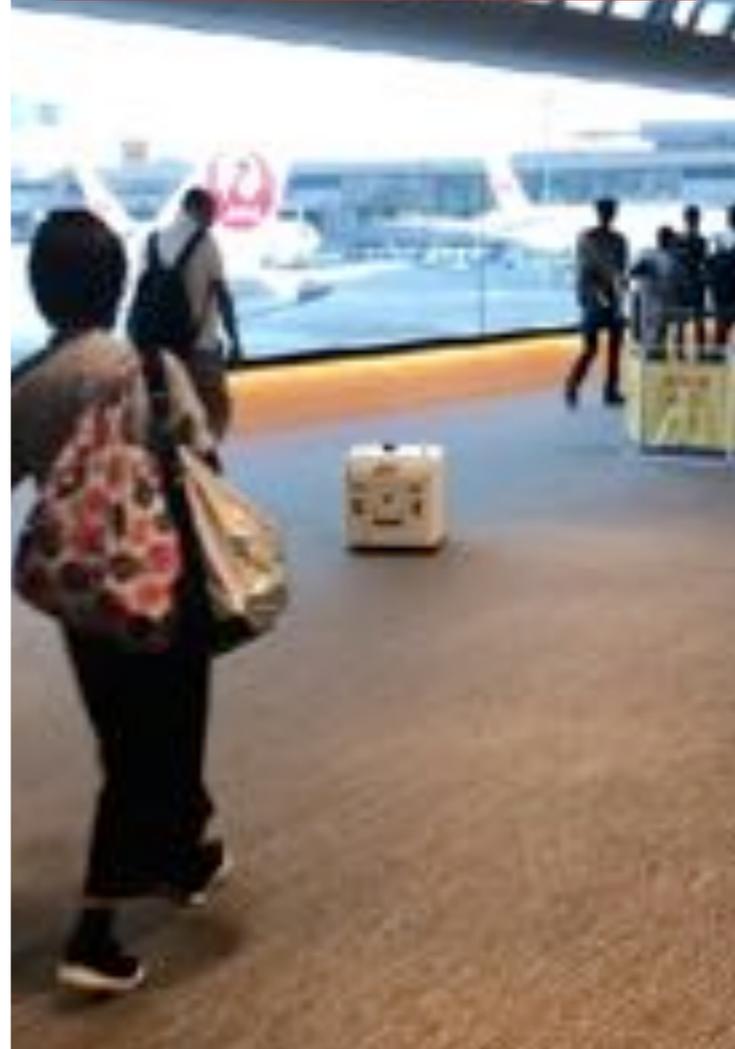


Haneda Airport
Terminal 2



Narita Airport
International Terminal

Navigates safely around
passengers



37 Narita Airport
International terminal

Avoids obstacles



Haneda Airport
Terminal 2

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