



2021/11/8

Company: CYBERDYNE Inc.
 Name of Representative: Yoshiyuki Sankai, President and CEO
 Code: 7779 (Mothers Section of the Tokyo Stock Exchange)
 Contact: Shinji Uga, Director and CFO (Tel. +81-29-869-9981)

Notice regarding the acquisition of RISE, a U.S. Rehabilitation Medical Institution

CYBERDYNE USA Inc. (from now on referred to as the “US Subsidiary”) exchanged the basic agreement with RISE Physical Therapy, Inc. (“RISE”) to purchase their business (The “Acquisition Agreement”). RISE is a rehabilitation medical institution that runs 16 outpatient rehabilitation clinics in California, USA. Following the Acquisition Agreement, RISE will become a consolidated subsidiary of CYBERDYNE Inc. (The Company).

1. Purpose of the acquisition

The Company obtained clearance from the U.S. FDA in October 2020 for its Medical HAL Lower Limb Type as a clinically safe and effective medical device to treat stroke and progressive neuromuscular disease as well as spinal cord injury. Furthermore, its Medical HAL Single Joint Type was also listed on the U.S. FDA as a Class I medical device for various cerebral nervous system diseases and movement disorders due to orthopedic conditions. Following these events, the Company is preparing to offer Cybernics Treatment utilizing HAL to all areas of the USA, the largest market in the world.

As the first step, the Company has been discussing terms of acquisition with RISE, a rehabilitation group that was quickly growing in the southern region of California. The Company will add Cybernics Treatment to the current service lineup of RISE so that patients can get easier access to this new treatment technology. The Company will speed up the dissemination of innovative Cybernics Treatment in this world’s largest market by offering this service through RISE.

2. Outline of the acquisition

After signing the acquisition contract, the US Subsidiary will set up a new company, “NewCo,” and hold 80% of issued shares. Because NewCo will be assigned to supervise and manage the business of RISE, RISE will become a consolidated subsidiary of CYBERDYNE Inc.

3. Outline of NewCo (Scheduled)

| | | |
|-----|----------------------|--|
| (1) | Name | Undecided |
| (2) | Location | California, USA |
| (3) | Representative | CEO • Navid Hannanvash |
| (4) | Business description | Supervision and management of RISE |
| (5) | Capital | Undecided |
| (6) | Founded | November 2021 |
| (7) | Shareholding ratio | CYBERDYNE USA Inc. (80%) Navid Hannanvash (20%) |

4. Outline of changes in subsidiaries

| | | | | |
|------------------|---|--|-------------------------------------|-------------------------------------|
| (1) | Name | RISE Physical Therapy, Inc. | | |
| (2) | Location | California, USA | | |
| (3) | Representative | CEO • Navid Hannanvash | | |
| (4) | Business description | Medical institution (management of outpatient physical therapy clinic) | | |
| (5) | Capital | 1 Thousand USD | | |
| (6) | Founded | 2014 | | |
| (7) | Shareholding ratio | Navid Hannanvash (100%) | | |
| (8) | Relationship between the Company and RISE | Capital | No item to report | |
| | | Personal | No item to report | |
| | | Business | No item to report | |
| (9) | Financial position and operating results of the relevant company for the past three years | | | |
| Fiscal year | | The fiscal year ended December 2018 | The fiscal year ended December 2019 | The fiscal year ended December 2020 |
| Net assets | | -90 thousand USD | 0 thousand USD | 610 thousand USD |
| Total assets | | 134 thousand USD | 152 thousand USD | 721 thousand USD |
| Net sales | | 1,708 thousand USD | 2,714 thousand USD | 2,833 thousand USD |
| Operating income | | 429 thousand USD | 931 thousand USD | 664 thousand USD |
| Net income | | 292 thousand USD | 579 thousand USD | 859 thousand USD |

The auditing firm did not audit the above figures. The figures are presented based on tax returns.

5. Outline of the counterparty of the acquisition

| | | |
|-----|--|-------------------|
| (1) | Name | Navid Hannanvash |
| (2) | Location | California USA |
| (3) | Relationship between the Company and the relevant individual | No item to report |

6. Number of shares to be acquired, acquisition price and status of shares held before and after the acquisition

| | | |
|-----|--|---|
| (1) | Number of shares held before the acquisition | - |
| (2) | Number of shares acquired | Undecided (Ratio of voting rights held: 80 %) |
| (3) | Acquisition cost | The information is not disclosed due to the intention of the counterparty. To ensure fairness and appropriateness, the Company determined the acquisition cost consideration the calculated share value by a third-party appraiser. |
| (4) | Number of shares held after the acquisition | Undecided (Ratio of voting rights held: 80 %) |

7. Schedule

| | | |
|-----|---|---------------------------------|
| (1) | Signed date of the basic agreement | November 8, 2021 |
| (2) | Signed date of the acquisition contract | End of November 2021 (Schedule) |
| (3) | Date of share transition | End of November 2021 (Schedule) |

Please note that the schedule is subject to change

8. Prospect

As a result of this acquisition, NewCo and RISE will become a company's consolidated subsidiary from the nine months ending December 31, 2021. The impact of this acquisition on the Company's consolidated business performance towards the fiscal year ending March 31, 2022, is currently under scrutiny and will be disclosed as soon as there is a need to do so.