



Consolidated Financial Results (Tanshin) for the Six Months Ended September 30, 2024 (Based on IFRS)

November 14, 2024

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Growth Section of TSE
Stock code	:7779	URL	: https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
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Scheduled date for release of six-month report	:November 14, 2024	Scheduled start of dividend payment	:—
Additional materials for the financial results	:yes		
Information meeting for the financial results	:yes (only for institutional investors)		

(Millions of yen: Rounded to the nearest one million yen)

I. Consolidated financial results for the six months ended September 30, 2024 (April 1, 2024–September 30, 2024)

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	
		%		%		%		%
Apr.1-Sep. 30, 2024	2,143	1.9	(497)	—	(215)	—	(305)	—
Apr.1-Sep. 30, 2023	2,104	36.4	(1,317)	—	(180)	—	(603)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Sep. 30, 2024	(1.45)	(1.45)
Apr.1-Sep. 30, 2023	(2.85)	(2.85)

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
	Millions of yen	Millions of yen	Millions of yen	%
As of Sep. 30, 2024	49,675	40,067	40,420	81.4
As of Mar 31, 2024	49,999	40,477	40,752	81.5

II. Dividends

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—	0.00			

Notes:

- (i) Changes from the latest released dividend forecasts: none
- (ii) The table of “Dividends” indicates dividend payments on Common Shares. Dividends on Class Share (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 fiscal year ending March 31, 2025 (April 1, 2024-March 31, 2025)

As the business of CYBERDYNE Inc. and its group companies (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 CYBERDYNE Inc. (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 consolidated three month period (changes in specific subsidiaries resulting in changes of consolidation scope): none

new: — (company name: —), excluded: — (company name: —)

2. Changes in accounting policies, accounting estimates, and restatement of error corrections

(i) Changes in accounting policies required by IFRS : none

(ii) Changes in accounting policies due to reasons other than (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 each period (including treasury shares)

As of September 30, 2024	215,145,809 shares	As of March 31, 2024	215,145,809 shares
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(ii) Total number of treasury shares at the end of each period

As of September 30, 2024	4,014,723 shares	As of March 31, 2024	4,014,574 shares
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(iii) Average number of shares during each three month period

Apr.1-September 30, 2024	211,131,168 shares	Apr.1-September 30, 2023	211,131,236 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 quarterly consolidated financial report is not subject to the quarterly review procedure by the scope of audit.

Dividends on Class Shares

Details of dividends on the Company's class shares for which the number of share units differs from its Common Shares are as below.

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—	0.00			

Note:

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

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1. Qualitative information regarding settlement of accounts for the six months ended September 30, 2023

(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 March 31, 2024, and certain assumptions made by the Group.

To solve various issues facing society, the Group will make full use of “Cybernetics” (a new field that integrates and combines human, robot, AI, and information systems) and handle HCPS (Human-Cyber-Physical Space) in a unified manner. Furthermore, through Cybernetics, the Group promotes the realization of “Techno Peer Support” and future development by creating the “Cybernetics Industry,” a new industry that will follow the robotics and IT industries.

The Group defines “Techno Peer Support Society” as a safe and secure society where people and technology coexist, cooperate and mutually support each other to enhance the independence and freedom of people of all generations and solve various problems in their lives both mentally and physically. To realize Techno Peer Support Society and Cybernetics Industry, the Group is developing various Cybernetics Technologies that improve, regenerate, expand, and support the wearer’s physical functions.

Status of business operation

<<Business operation around the medical application>>

The Group continues its efforts to disseminate Cybernetics 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.

(Japan)

The Group continues to develop Cybernetics Treatment for progressive neuromuscular disease patient where there is no established treatment method. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases, for which no effective treatment methods are available in the medical world yet. Based on the extremely high efficacy and safety results obtained in post-market surveillance, Medical HAL Lower Limb Type was given increased points in the 2022 revision of medical treatment fees as “a remarkable functional improvement effect unprecedented in patients with progressive neuromuscular diseases for which no other effective treatment methods have been established, including already approved drugs” (excerpt from the medical technology evaluation proposal by the Japanese Society for Neurological Therapeutics).

Regarding spinal cord-related diseases, the Japanese Minister of Health, Labor, and Welfare (“MHLW”) approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL on October 2022. MHLW announced insurance listing on October 2023. Regarding traumatic spinal cord injuries, the Company is consulting with the regulators on the necessary steps to obtain medical device approvals.

Regarding stroke, the Company discussed the result of the investigator-initiated clinical trial using the Medical HAL Lower Limb Type single-leg model (HIT2016 trial). Considering the practice conditions surrounding acute stroke treatment and recovery rehabilitation, the Company is preparing additional studies (clinical trials) while consulting with the regulator.

In addition, the University of Tsukuba Hospital started clinical trials to investigate the effect of HAL on improving the physical functions of children affected by cerebral palsy in January 2022. The clinical trial is currently in progress. The Company has also developed a small Medical HAL Lower Limb Type model

equivalent to the device used in the clinical trial for cerebral palsy. The Company submitted paperwork to obtain approvals from the PMDA (Pharmaceuticals and Medical Devices Agency) in June 2023 for the same group of patients as the larger size of Medical HAL Lower Limb Type

(USA)

As a medical service platform for individual users, RISE Healthcare Group (RHG), the Company's subsidiary, is developing its business mainly in the Southern part of California. Four RHG facilities offer Cybernics Treatment using HAL. Since January 2023, the business of RHG has gradually shifted to paid service, and the number of treatment sessions is increasing steadily.

The Company also obtained marketing clearance for a smaller Medical HAL Lower Limb Type model and an additional indication of cerebral palsy (above 12 years old) from the U.S. FDA in May 2024. With the approval of the smaller model as a medical device, patients between 100 cm and 150 cm in height can now be treated with Medical HAL. In addition, the company also received approval to expand the indications for the treatment of HTLV-1-related myelopathy (HAM) and hereditary spastic paraplegia, which were already approved in Japan.

Based on the accumulated experience of Cybernics Treatment in the U.S., the approval of a smaller model of Medical HAL, and the expansion of approved diseases, the Company will continue to expand the business in this region.

(EMEA: Mainly Europe and the Middle East)

The Group continues to promote Cybernics Treatment in the region. For example, following large-scale installation of HAL in Türkiye, 25 units of HAL was shipped out to an Italian Social Company, Coopselios, in May 2023. The Company shipped out an additional ten units in July 2024 and is planning to ship out additional units. "Cybernicx Future" was held in Istanbul, Türkiye, to strengthen international collaboration in Cybernics. In Türkiye, interest in Cybernics Technology has been growing rapidly alongside the development of medical tourism, and there are currently 40 HAL devices in operation across four facilities in this country.

In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has announced that it will conduct a clinical trial for spinal cord injury based on public health insurance coverage. Related parties are preparing for the trial by selecting the CRO.

(APAC: Asia Pacific)

CYBERDYNE MALAYSIA Sdn. Bhd. is working to disseminate Cybernics Treatment in a wide area of South East Asia, India, Australia, and Taiwan.

The Group continues to strengthen its partnership with Malaysia's government-affiliated Social Security Organization (SOCSO) to increase access for Malaysian patients under the SOCSO coverage. In May 2024, the Company conducted top-level meetings with the Malaysian government, including its Minister of Human Resources at CYBERDYNE Headquarters, to disseminate Cybernics Treatment further in Malaysia. At the high-level meeting, the Minister expressed their intention to install 50 sets (65 units) of HAL in Malaysia's National Neuro-Robotics and Cybernics Rehabilitation Centre, which is scheduled to commence operation at the end of year 2024. The Company is currently finalizing the contract.

<<Business operation around applications to support caregivers and care receivers>>

The Group has developed various types of HAL for seniors to improve their physical function, prevent illness and frailty, and reduce the requirement for care. These include the HAL Lower Limb Type for enhancing the ability to walk, the HAL Single Joint Type to train elbow, knee, and ankle movements, and the HAL Lumbar Type to train the trunk and lower limb function.

(Service at facilities for individuals)

The Group continues to offer Neuro HALFIT, a program that induces improvement of the brain-nerve and musculoskeletal system through utilizing HAL. The program is currently available at 18 Robocare Centers operated by business partners. The Group plans to open additional Robocare Centers.

(Neuro HALFIT at Home as a service towards individuals)

Neuro HALFIT at Home is a home-based program where individuals rent HAL and engage in HAL-assisted workouts at Home. The HAL Monitor, linked to Cyberdyne's cloud, visualizes bio-electrical signals that command body movements and posture information and enables the wearer to obtain visual feedback. In addition to providing online support by therapists, trainers, and other professional staff, the Company also works with home-based service providers to promote in-person support, from setting up equipment at home to implementing programs.

<<Prevention/early detection>>

The Group is preparing for the commercialization of the Cyvis series, an ultra-small size vital sensor designed to manage the risk of arrhythmia and atrial fibrillation and prevent myocardial infarction, and stroke by accumulating, analyzing, and processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO2, and daily activities using its AI system. Cyvis also has an optional feature to measure breathing conditions while sleeping, enabling easy yet highly accurate screening of risks of sleep apnea syndrome. In addition, together with “JUKUSUI Alarm,” a healthcare application that visualizes sleep, developed and operated by group company C2, the Group is strengthening its healthcare business as a whole. The Company submitted a medical device approval application for its next-generation model, Cyvis 2, on April 2023.

<<Business operation around applications to support caregivers and carereceivers>>

(Well-being)

Since 2021, the Company has been operating the HAL Lumbar Type in nursing care facilities in Hampshire, U.K., as a model case to spread its usage to other areas in the U.K. and other European countries.

(Labor Support, Disinfection, and Cleaning)

Regarding the next-generation Cleaning Robot CL02, which uses cutting-edge SLAM technology to achieve high-speed autonomous driving, the Group works with major construction companies with its ability to ride on elevators automatically and connect with cloud systems; the companies are developing this technology as a solution to make building management smarter and reduce management costs. Furthermore, the company is expanding its mobility part as a transportation robot inside the factory.

Status of Research and Development

The Group develops “Acoustic X,” a patented photoacoustic imaging system based on the LED light source method that realizes real-time, high-resolution 3D imaging of blood vessels and blood in the peripheral organs without needing contrast agents. The Group develops this technology as a next-generation medical image diagnosis device. In addition, research is underway at prominent medical institutions and research facilities around the globe to create various applications for this technology.

Furthermore, the proposal of the Group was selected for the next Cross-ministerial Strategic Innovation Promotion Program (SIP) Third Phase: Development of Fundamental Technologies, the Establishment of Common Systems, Rules, and Regulations for the Expansion of Human Collaborative Robotics, Theme 6:

Development of Social Implementation Technologies for HCPS* Integrated Human Collaborative Robotics to Solve Social Issues” that is led by the Council for Science, Technology, and Innovation (the Cabinet Office of Japan). Under this program, the Group continues to (i) develop an application for various living spaces such as residences, facilities, and workplaces, (ii) utilize HCPS-integrated Cybernics master remote control technology that works together with human information (physiological, physical, behavioral, cognitive, psychological, etc.), (iii) acquire and utilize human information obtained through non-invasive HCPS-integrated human-collaborative robotics, and (iv) Establish links with other related technologies of the R&D theme to improve the independence and freedom of seniors and people with limited access to transportation.

At the Tonomachi International Strategic Zone (King Sky Front) in Kawasaki City, Cybernics Medical Innovation Base Building A functions to promote the systematization of Cybernics Treatment by combining HAL with regenerative medicine and drugs and the development of technologies that integrate medical and bio-related technologies with AI, robotics and information systems. The Company will continue coordinating with its C-Startup partners in regenerative medicine and drug creation.

Numbers of operating units

As of the end of September 2024, 494 Medical HAL Lower Limb Type units were operating worldwide, including those used for clinical research. Ninety-eight of those units were used in Japanese hospitals for treatment. In addition, there were 633 units of HAL Single Joint Type, mainly from the increase of products for medical use. Three hundred sixty-three units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 1,006 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 403 units of HAL Lumbar Type for Labor Support and 175 units of Cleaning Robots and Transportation Robots.

In the consolidated six months that ended September 30, 2024, a significant increase in medical service in the US and Europe contributed to the revenue recorded at ¥2,143 million (1.9% increase year on year). In addition, the Group recorded a gross profit of ¥1,062 million (7.2% decrease year on year).

The Group recorded research and development expenses at ¥408 million (15.3% increase year on year), mainly due to developing new products at the Company’s own cost, clinical research, and consigned research projects. In addition, the Group recorded other selling, general, and administrative expenses at ¥1,365 million (10.3% decrease year on year) due to a decrease in advertising expenses and purchases of consumables.

Other income was recorded at ¥220 million (109.4% increase year on year), mainly from a consigned research project, resulting in an operating loss of ¥497 million (62.2% decrease year on year).

The Group recorded a finance income of ¥340 million, mainly due to gains from the valuation difference of investment securities, financial expenses of ¥173 million, mainly due to foreign exchange losses. In addition, the Group recorded gains related to CEJ Fund at ¥127 million and income tax expense at ¥171 million from deferred tax expenses, resulting in the posting of loss attributable to owners of the parent at ¥305 million (49.3% decrease year on year).

The Company forms business and capital alliances with various startup companies that develop unique technologies. The Company calculates the fair value of unlisted stocks of such companies using the IFRS 9 Financial Instruments. As a result, during the consolidated six months ended September 30, 2024, The Group recorded ¥507 million in the gain on valuation difference of investments securities as finance income and gains related to CEJ Fund. Furthermore, the Group posted ¥174 million from deferred tax expense associated with this valuation as an income tax expense and reclassified ¥83 million to third-party interest in CEJ Fund. As a result, the impact of calculating the fair value towards the quarterly loss was ¥250 million.

(2) Explanation of financial position

① Assets

For the consolidated six months ended September 30, 2024, assets decreased ¥324 million to ¥49,675 million compared to the end of the previous fiscal year. Changes were mainly due to a increase of ¥1,175 million in other financial assets (non-current), partially offset by an decrease of ¥1,032 million in cash and cash equivalent and ¥159 million in operating assets and other current assets.

② Liabilities

For the consolidated six months ended September 30, 2024, liabilities increased ¥85 million to ¥9,608 million compared to the end of the previous fiscal year. The changes were mainly due to an decrease of ¥83 million in Lease liabilities (non-current), partially offset by a increase of ¥179 million in deferred tax liabilities .

③ Equity

For the consolidated six months ended September 30, 2024, equity decreased ¥410 million to ¥40,067 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease in retained earnings following the posting of loss attributable to the owners of the parents.

(3) Status of cashflow

For the consolidated six months ended September 30, 2024, cash and cash equivalents decreased ¥1,032 million to ¥4,123 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated six months ended September 30, 2024, are stated below.

(Cash flows from operating activities)

For the consolidated six months ended September 30, 2024, net cash provided by operating activities recorded an outflow of ¥72 million (an outflow of ¥496 million in the previous consolidated six months). Changes were mainly due to Depreciation and amortization at ¥298 million, an increase (decrease) in trade and other payables posted at ¥159 million, partially offset by finance income posted at ¥340 million, and gains on CEJ Fund recorded at ¥127 million.

(Cash flows from investment activities)

For the consolidated six months ended September 30, 2024, net cash provided by investing activities recorded an outflow of ¥791 million (an outflow of ¥918 million in the consolidated six months of the previous fiscal year). The changes were mainly due to the proceeds of redemption of investments posted at ¥11,500 million, partially offset by the purchase of investments posted at ¥11,500 million and the purchase of investment securities posted at ¥615 million.

(Cash flows from financing activities)

For the consolidated six months ended September 30, 2024, net cash used in financing activities recorded an outflow of ¥95 million (an inflow of ¥266 million in the consolidated six months of the previous fiscal year). The changes were mainly due to the outflow of ¥89 million from Lease liabilities paid.

2. Condensed quarterly consolidated financial statement

(1) Condensed quarterly consolidated statement of financial position (Unaudited)

	As of March 31, 2024	As of September 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	5,155	4,123
Trade and other receivables	674	515
Other financial assets	11,504	11,507
Inventories	997	881
Other current assets	139	207
Total current assets	18,469	17,233
Non-current assets		
Operating lease assets	359	380
Property, plant and equipment	13,237	13,183
Right of use assets	482	391
Goodwill	2,134	2,025
Intangible assets	48	42
Investments accounted for using equity method	261	249
Other financial assets	14,814	15,988
Other non-current assets	196	183
Total non-current assets	31,530	32,441
Total assets	49,999	49,675

	As of March 31, 2024	As of September 30, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	606	537
Bonds and borrowings	84	86
Lease liabilities	160	147
Other current liabilities	386	398
Total current liabilities	1,236	1,168
Non-current liabilities		
Bonds and borrowings	22	20
Third-party interests in CEJ Fund	5,733	5,781
Lease liabilities	366	283
Provisions	96	96
Deferred tax liabilities	2,040	2,219
Other non-current liabilities	30	40
Total non-current liabilities	8,286	8,440
Total liabilities	9,523	9,608
Equity		
Share capital	10	10
Capital surplus	42,811	42,811
Treasury shares	(1,188)	(1,188)
Other components of equity	(787)	(813)
Retained earnings	(95)	(400)
Total equity attributable to owners of the parent	40,752	40,420
Non-controlling interests	(275)	(353)
Total equity	40,477	40,067
Total liabilities and equity	49,999	49,675

(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income (Unaudited)

Condensed year to quarter end consolidated statement of profit or loss

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of yen	Millions of yen
Revenue	2,104	2,143
Cost of sales	(959)	(1,081)
Gross profit	1,144	1,062
Selling, general and administrative expenses		
Research and development expenses	(354)	(408)
Other selling, general and administrative expenses	(1,523)	(1,365)
Total selling, general and administrative expenses	(1,877)	(1,774)
Other income	105	220
Other expenses	(689)	(5)
Operating profit (loss)	(1,317)	(497)
Finance income	408	340
Finance costs	(57)	(173)
Gains related to CEJ Fund	785	127
Share of profit (loss) of investments accounted for using equity method	0	(11)
Profit (loss) before tax	(180)	(215)
Income tax expense	(513)	(171)
Profit (loss)	(693)	(385)
Profit (loss) attributable to		
Owners of parent	(603)	(305)
Non-controlling interests	(91)	(80)
Profit (loss)	(693)	(385)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(2.85)	(1.45)
Diluted earnings (loss) per share (yen)	(2.85)	(1.45)

Condensed year to quarter end consolidated statement of comprehensive income

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of yen	Millions of yen
Profit (loss)	(693)	(385)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(17)	32
Total of items that will not be reclassified to profit or loss	(17)	32
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	219	(56)
Total of items that may be reclassified to profit or loss	219	(56)
Total other comprehensive income, net of tax	203	(24)
Comprehensive income	(491)	(410)
Comprehensive income attributable to		
Owners of parent	(385)	(331)
Non-controlling interests	(106)	(78)
Comprehensive income	(491)	(410)

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)
Six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

	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	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2023	10	42,877	(1,188)	(1,270)	272	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(17)	235	—
Total comprehensive income	—	—	—	(17)	235	—
Share-based payment transactions	—	4	—	—	—	—
Acquisition of treasury shares	—	—	—	—	—	—
Equity transaction non-controlling	—	(73)	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	(69)	—	—	—	—
September 30, 2023	10	42,808	(1,188)	(1,287)	506	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
April 1, 2023	(979)	1,381	42,101	(118)	41,983
Profit (loss)	—	(603)	(603)	(91)	(693)
Other comprehensive income	218	—	218	(15)	203
Total comprehensive income	218	(603)	(385)	(106)	(491)
Share-based payment transactions	—	—	4	—	4
Acquisition of treasury shares	—	—	—	—	—
Equity transaction non-controlling	—	—	(73)	31	(42)
Other	—	—	—	5	5
Total transactions with owners	—	—	(69)	36	(34)
September 30, 2023	(761)	779	41,647	(188)	41,459

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

	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	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2024	10	42,811	(1,188)	(1,329)	523	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	32	(58)	—
Total comprehensive income	—	—	—	32	(58)	—
Share-based payment transactions	—	—	—	—	—	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Equity transaction non-controlling interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	—	(0)	—	—	—
September 30, 2024	10	42,811	(1,188)	(1,297)	465	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
April 1, 2024	(787)	(95)	40,752	(275)	40,477
Profit (loss)	—	(305)	(305)	(80)	(385)
Other comprehensive income	(26)	—	(26)	2	(24)
Total comprehensive income	(26)	(305)	(331)	(78)	(410)
Share-based payment transactions	—	—	—	—	—
Acquisition of treasury shares	—	—	(0)	—	(0)
Equity transaction non-controlling interest	—	—	—	—	—
Other	—	—	—	—	—
Total transactions with owners	—	—	(0)	—	(0)
September 30, 2024	(813)	(400)	40,420	(353)	40,067

(4) Condensed quarterly consolidated statement of cash flows (Unaudited)

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	(180)	(215)
Depreciation and amortization	324	298
Impairment loss	660	—
Finance income	(408)	(340)
Finance costs	57	173
Loss (gains) on CEJ Fund	(785)	(127)
Share of loss (profit) of investments accounted for using equity method	(0)	11
Decrease (increase) in inventories	(1)	116
Decrease (increase) in trade and other receivables	(79)	159
Increase (decrease) in trade and other payables	(183)	(69)
Other	78	(90)
Subtotal	(517)	(84)
Interest received	21	14
Interest paid	(0)	(0)
Income taxes paid	—	(2)
Income taxes refund	0	0
Net cash provided by (used in) operating activities	(496)	(72)
Cash flows from investing activities		
Purchase of investments	(8,500)	(11,500)
Proceeds of redemption of investments	9,500	11,500
Purchase of property, plant and equipment	(104)	(185)
Purchase of intangible assets	(8)	—
Purchase of investment securities	(450)	(615)
Proceeds from sale of investment securities	465	—
Payments for loans receivable	(2)	(2)
Collection of loans receivable	3	—
Other	15	10
Net cash provided by (used in) investing activities	918	(791)
Cash flows from financing activities		
Repayments of long-term borrowings	(6)	(1)
Repayments of lease obligation	(85)	(89)
Contributions into CEJ Fund from third-party investors	680	—
Distributions and redemptions from CEJ Fund into third-party investors	(320)	—
Other	(4)	(5)
Net cash provided by (used in) financing activities	266	(95)
Effect of exchange rate changes on cash and cash equivalents	100	(74)
Net increase (decrease) in cash and cash equivalents	788	(1,032)
Cash and cash equivalents at beginning of fiscal year	7,801	5,155
Cash and cash equivalents at end of year	8,590	4,123

(5) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Segment information)

(1) Service transferred over time

The Group's reportable segments are the components of the Group for which discrete financial information is available and which are regularly reviewed by the Board of Directors in deciding how to allocate resources and assess their performance. Since the Group operates under a single segment of business related to robotics, segment information is omitted.

(2) Revenue and results of reportable segments

Since the Group operates under a single segment, segment information is omitted.

(3) Information about Products and Services

Please refer to the Note "Revenue" for information related to products and services.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Six months ended September 30, 2023	Six months ended September 30, 2024
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	1,087	1,086
Asset transferred at a point of time	128	54
Service transferred at a point of time	889	1,002
Total	2,104	2,143

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

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract, maintenance income based on the maintenance contract concerning finance lease income where the Group acts as a lessor of right-of-use asset and subscription fees from the provision and operation of smartphone applications.

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

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

The Group recognizes subscription fees for the provision and operation of smartphone applications as service provided through an application over time. The Company records this revenue over time.

The Group recognizes sponsorship revenue by providing the right to indicate sponsorship through a title sponsorship contract over a fixed time.

Asset transferred at a point of time

The asset transferred at a point of time includes revenue from sales of commodities and products based on the sales contract. The Group mainly determines that performance obligation of sales of commodities and products are satisfied at the point of customer acceptance of the relevant product. Therefore, the Group receives most of the payment within one month from the point of fulfilling the performance obligation. Regarding 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 a 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). In addition, the Company also includes revenue received in return for providing outcomes of consigned research projects in this category.

The Group determines that the performance obligation of Cybernic Treatment and training services are satisfied at the point of completion of such services. Furthermore, the Group determines that the performance obligation of providing outcomes of consigned research projects is satisfied when the customer inspects and accepts the work.