



Consolidated Financial Results (Tanshin)
for the Fiscal Year Ended March 31, 2023 (Based on IFRS)

May 15, 2023

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
Contact (title)	: Director and CFO	Name	: Shinji Uga
			Tel. +81-29-869-9981
Scheduled date of Ordinary General Meeting of Shareholders	: June 22, 2023	Scheduled start of dividend payment	: —
Scheduled date for submission of the Securities Report	: June 23, 2023		
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, 2023 (April 1, 2022 –March 31, 2023)

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, 2023	3,289	52.9	(1,145)	—	53	—	(298)	—
Fiscal year ended March 31, 2022	2,150	14.7	(878)	—	(389)	—	(498)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Fiscal year ended March 31, 2023	(1.39)	(1.39)
Fiscal year ended March 31, 2022	(2.32)	(2.32)

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, 2023	50,187	41,983	42,101	83.9	199.32
As of March 31, 2022	49,467	43,450	43,413	87.8	201.71

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, 2023	(143)	2,173	14	7,801
As of March 31, 2022	(564)	(1,788)	1,248	5,677

II. Dividends

	Dividends per share				
	End of 1st quarter (Jun.30, 2022)	End of 2nd quarter (Sep.30, 2022)	End of 3rd quarter (Dec.31, 2022)	Fiscal year end (Mar.31, 2023)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00
Fiscal year ended March 31, 2023	—	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, 2023 (April 1, 2022 – March 31, 2023)

The business of CYBERDYNE, INC. (the "Company") and its group companies (with the Company, collectively referred to as “the Group”) are based on a new market with innovative technologies. Many uncertain factors could impact its performance and make it difficult for the Company to forecast 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): yes
new: 1 (company name: Leyline GmbH), excluded: — (company name: —)
2. Changes in accounting policies, accounting estimates and restatement of error corrections
 - (i) Changes in accounting policies required by IFRSs: none
 - (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 the period (including treasury shares)

As of March 31, 2023	215,145,809 shares	As of March 31, 2022	215,145,809 shares
----------------------	--------------------	----------------------	--------------------

(ii) Total number of treasury shares at the end of the period

As of March 31, 2023	4,011,673 shares	As of March 31, 2022	11,671 shares
----------------------	------------------	----------------------	---------------

(iii) Average number of shares during the period

Apr.1-March 31, 2023	214,706,740 shares	Apr.1-March 31, 2022	215,134,862 shares
----------------------	--------------------	----------------------	--------------------

Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares concerning dividends of surplus and distribution of residual assets. Therefore, the total number of issued shares in each 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 stated below.

	Dividends per share				
	End of 1st quarter (Jun.30, 2022)	End of 2nd quarter (Sep.30, 2022)	End of 3rd quarter (Dec.31, 2022)	Fiscal year end (Mar.31, 2023)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00

Note:

The company issued Class B Shares that have the same rights as Common Shares concerning dividends of surplus and distribution of residual property. However, the Class B Share has different share units from Common Shares.

○Contents of the Attached Material

1. Qualitative information regarding settlement of accounts for the fiscal year ended March 31, 2023	2
(1) Explanation of operating results	2
(2) Explanation of financial position	5
(3) Status of cash flow	5
(4) Explanation related to the forecast of consolidated financial results and other forward-looking statements ••	5
2. Accounting standards	6
3. Consolidated Financial Statements and Notes to consolidated financial statements	7
(1) Consolidated statement of financial position	7
(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income	9
Consolidated statement of profit or loss.....	9
Consolidated statement of comprehensive income.....	10
(3) Consolidated statement of changes in equity	11
(4) Consolidated statement of cash flows	13
(5) Notes to consolidated financial statements	14
(Notes on premise of going concern).....	14
(Segment information).....	14
(Revenue).....	15
(Earnings per share).....	16

1. Qualitative information regarding settlement of accounts for the fiscal year ended March 31, 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, 2023, 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.

Techno Peer Support Society

The Group defines "Techno Peer Support Society" as a society in which people and technology coexist and mutually support each other, enabling people to maintain and manage their health even in old age and to exercise their long-cultivated abilities to the fullest. A society where people can maintain a high degree of independence and lead a life with a higher degree of freedom, even if their physical condition declines due to disease, accident, aging, or disability. To realize such a society and create a new industry based on Cybernetics, 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 Cybernetic 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 its efforts to disseminate Cybernetics Treatment, a treatment program using Medical HAL. 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 established yet. The revision of insurance pricing for 2022 allows hospitals that use the DPC system (80% of base hospitals treating intractable diseases in Japan) to calculate insurance for treatment with HAL on a pay-per-use basis for hospitalized patients. Also, insurance reimbursement pricing associated with the treatment was increased. Although there was some delay in the installation of Medical HAL due to the effects of COVID-19, following the pandemic's convergence, new installation orders are increasing steadily in the new fiscal year.

Regarding spinal cord-related diseases, the Japanese Minister of Health, Labour, and Welfare approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL on October 27, 2022. Accordingly, the Company is preparing for reimbursement insurance coverage procedures, and the Company is consulting with the regulators on the necessary steps to apply.

Regarding stroke, Compared to 2014-2015, when the HIT2016 study was planned for Medical HAL Lower Limb Type, the practice conditions surrounding acute stroke treatment and recovery rehabilitation changed significantly. To capture the latest patient profile and clinical needs, additional studies (clinical trials) are being considered. Based on discussions with the authorities regarding the clinical significance of the HIT2016 study and the statistical significance of the primary endpoints, the Group is considering combining the results of additional studies upon application for medical device approval. The results are believed to be compelling data for medical insurance for stroke worldwide.

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 trial is currently in progress.

(USA)

As a medical service platform for individual users, RISE Healthcare Group (RHG), the Company's subsidiary, is gradually expanding the number of facilities in Southern California. On February 2023, RISE opened its first center in 27 locations (an increase of 11 sites since the acquisition). In addition, RHG plans to open new centers in northern areas of California soon. HAL technology of CYBERDYNE is currently being used in 4 locations, and official service with HAL is being started gradually from January 2023.

(EMEA: Mainly Europe and the Middle East)

Following the fiscal year 2021, the Group continued to promote Cybernics Treatment in significant countries. For example, the HAL series was installed in Türkiye. In addition, total of 25 units of HAL was exported to an Italian Social Company, Coopselios. Coopselios specializes in medical and care services. The revenue from the exportation to Italy is planned to be recorded as revenue for 1st quarter of fiscal year ended March 31, 2024.

In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has announced to conduct a clinical trial for spinal cord injury based on public health insurance coverage. As of March 2023, related parties are preparing the trial protocol.

(APAC: Asia Pacific)

In February 2022, the Group established CYBERDYNE MALAYSIA Sdn. Bhd. in Malaysia as a business promotion base in APAC, and this establishment contributed to an acceleration of Cybernics Treatment in India, Australia, and Taiwan. In addition, during the fiscal year under review, Cybernics Treatment commenced in Singapore's largest hospital, Singapore General Hospital.

The Group continues strengthening its partnership with Malaysia's government-affiliated Social Security Organization (SOCSO). The collaboration resulted in increased access for Malaysian patients under the SOCSO coverage (as of March 2023, 104 units of HAL are rented to 10 facilities). Also, the announcement of the construction of the National Center for Neuro-Robotics and Cybernics, the largest medical complex in Southeast Asia, is scheduled for completion by the end of 2024.

Furthermore, the Group has already received approvals from Malaysia, Thailand, and Australian regulators in this region for Medical HAL Single Joint Type. The Group also obtained approvals from the regulator of Taiwan within this fiscal year.

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

The Group has developed various types of HAL to improve seniors' need for nursing care, preventing illness and frailty, and maintaining their independence from care. For example, the HAL Lower Limb Type for improving ambulatory functions; HAL Single Joint Type to train elbow, knee, and ankle movements; and HAL Lumbar Type to train the trunk and lower limb function. Based on the positive results of a pilot study of a care prevention program utilizing the HAL Lumbar Type for seniors in 2019, Kanagawa Prefecture will proceed with a randomized controlled trial starting in 2020. Furthermore, in October 2022, the Company began joint research with Kanagawa Prefecture, Kanagawa University of Health and Welfare, and Keio University to implement the program in nursing care settings.

(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 17 Robocare Centers operated by business partners. The Group plans to open additional Robocare Centers.

(Neuro HALFIT at Home as a service towards individuals)

The Group offers Neuro HALFIT at Home as a contactless service to enable individuals to work out at home using HAL. The Group is working with home visiting service providers to promote in-person support, from equipment setup to program implementation at home.

<<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 AI-processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO2, and daily activities. Furthermore, Cyvis will also be equipped with an optional feature to measure breathing conditions during sleep, enabling easy and precise screening for the risk of SAS (Sleep Apnea Syndrome). In addition, in August 2021, the Group added C2 into a consolidated subsidiary to strengthen the Group's healthcare business. C2 is best known for developing and operating the "Sound Sleep Alarm" healthcare application that visualizes sleep. The Group applied for Cyvis-1 in April 2022 to register it as a medical device and started trial marketing the product to users in May 2022. Also, for the next-generation model Cyvis 2, the company applied for a medical device certificate on April 2023.

<<Business operation around applications for the workplace and daily life>>

(Well-being)

Since October 2021, the Group has been working closely with Hampshire County, England, on using HAL Lumbar Type for Well-being in care facilities. In addition, the Group will coordinate with Hampshire County to use this as a model example to disseminate the technology in other areas of the UK and other European nations.

(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 “Medical Innovation Promotion Project (Development and Commercialization Project)” of the Japan Agency for Medical Research and Development (AMED) is used to accelerate the development of this product. In addition, research is underway at prominent medical institutions and research facilities overseas for various applications.

Other research projects of the Group include cloth-type HAL for people with disabilities and seniors. This device is developed to maintain and improve the wearers’ walking ability. The Group is also developing a communication robot, which obtains vital and environmental information while communicating with users to maintain and improve their ADL. A personal mobility robot is also under development to help those who have difficulty walking.

In addition, Cybernics Medical Innovation Base A building in the national strategic zone of Kawasaki City, Japan, is completed, and companies that the Group is working with are moving into the facility in January 2023.

Numbers of operating units

As of the end of March 2023, 442 Medical HAL Lower Limb Type units were operating worldwide, including those used for clinical research. Out of those units, 84 are used in Japan for treatment. In addition, there were 584 units of HAL Single Joint Type, mainly from the increase of products used in hospitals. A total of 351 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 1,138 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 419 units of HAL Lumbar Type for Labor Support and 164 units of Cleaning Robots and Transportation Robots.

In the consolidated fiscal year that ended March 31, 2023, the increase of HAL rented outside of Japan, recovery from COVID-19, and medical service base in the US contributed to the revenue recorded at ¥3,289 million (52.9% increase year on year). In addition, the Group recorded a gross profit of ¥1,791 million (22.5% increase year on year).

Research and development expenses were recorded at ¥735 million (3.1% 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 ¥2,406 million (33.9% increase year on year) due to an increase following the M&A in the previous fiscal year.

Other income was recorded at ¥212 million (21.0% increase year on year), mainly from a consigned research project. On the other hand, other expenses were recorded at ¥8 million (38.5% increase year on year), resulting in an operating loss of ¥1,145 million (30.5% increase year on year).

The Group recorded a finance income of ¥1,312 million, mainly due to gains from the valuation difference of investment securities. In addition, the Group recorded gains related to CEJ Fund at ¥274 million and income tax expense at ¥446 million from deferred tax expenses, resulting in the posting of loss attributable to owners of the parent at ¥298 million (40.2% increase 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 fiscal year ended March 31, 2023, the gain on valuation difference of investments securities ¥1,871 million was recorded as finance income and gains related to CEJ Fund. Furthermore, as the Group recorded a loss on the valuation difference of investment securities, ¥624 million was recorded as finance expense and gains related to CEJ Fund. Furthermore, deferred tax expense associated with this valuation of ¥641 million was posted as an income tax expense and ¥23 million as third-party interest in CEJ Fund, the impact of the calculation of the fair value towards the quarterly profit was ¥630 million.

(2) Explanation of financial position

① Assets:

For the consolidated fiscal year ended March 31, 2023, assets increased ¥720 million to ¥50,187 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥5,644 million in other financial assets (current), investment accounted for using equity method recorded at ¥195 million, and other current assets recorded at ¥148 million, partially offset by an increase of ¥4,070 million in other financial assets (non-current), ¥2,124 million in cash and cash equivalents and ¥461 million in goodwill.

② Liabilities:

For the consolidated fiscal year ended March 31, 2023, liabilities increased ¥2,188 million to ¥8,204 million compared to the end of the previous fiscal year. The changes were mainly due to an increase of ¥1,163 million in contributions into CEJ Fund from third-party investors, ¥537 million in deferred tax liabilities, and ¥273 million in trade and other payables.

③ Equity:

For the consolidated fiscal year ended March 31, 2023, equity decreased ¥1,467 million to ¥41,983 million compared to the end of the previous fiscal year. Changes were mainly due to an increase of ¥1,188 million in treasury shares.

(3) Status of cash flow

For the consolidated fiscal year ended March 31, 2023, cash and cash equivalents increased ¥2,124 million to ¥7,801 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated fiscal ended March 31, 2023, are stated below.

(Cash flows from operating activities)

For the consolidated fiscal year ended March 31, 2023, net cash provided by operating activities recorded an outflow of 143 million (outflow of ¥564 million in the previous fiscal year). Changes were mainly due to depreciation and amortization recorded at ¥627 million, partially offset by finance income recorded at ¥1,312 million, an increase in trade and other receivables recorded an outflow of ¥275 million, and a gain related to CEJ Fund recorded at ¥274 million.

(Cash flows from investment activities)

For the consolidated fiscal year ended March 31, 2023, net cash provided by investing activities recorded an inflow of ¥2,173 million (an outflow of ¥1,788 million in the previous fiscal year). The changes were mainly due to the purchase of investment recorded at ¥15,000 million, payment into time deposit recorded at ¥2,000 million, purchase of investment securities recorded at ¥3,309 million, partially offset by proceeds of redemption of investments recorded at ¥18,000 million, and proceeds from the withdrawal of time deposits recorded at ¥4,500 million.

(Cash flows from financing activities)

For the consolidated fiscal year that ended March 31, 2023, net cash used in financing activities recorded an inflow of ¥14 million (an inflow of ¥1,248 million in the previous fiscal year). The changes were mainly due to the acquisition of treasury stock recorded at ¥1,188 million and the inflow of ¥1,380 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.

2. 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, 2018, 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.

3. Consolidated financial statements and Notes to consolidated financial statements

(1) Consolidated statement of financial position

	As of March 31, 2022	As of March 31, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	5,677	7,801
Trade and other receivables	493	540
Other financial assets	15,151	9,507
Inventories	1,089	991
Other current assets	455	308
Total current assets	22,865	19,147
Non-current assets		
Operating lease assets	430	430
Property, plant and equipment	13,416	13,406
Right of use assets	499	546
Goodwill	2,070	2,531
Intangible assets	76	80
Investments accounted for using equity method	435	240
Other financial assets	9,571	13,641
Other non-current assets	105	166
Total non-current assets	26,602	31,040
Total assets	49,467	50,187

	As of March 31, 2022	As of March 31, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	418	690
Bonds and borrowings	34	89
Lease liabilities	118	147
Other current liabilities	259	365
Total current liabilities	<u>828</u>	<u>1,291</u>
Non-current liabilities		
Bonds and borrowings	34	21
Third-party interests in CEJ Fund	3,629	4,792
Lease liabilities	389	412
Provisions	96	96
Deferred tax liabilities	1,040	1,577
Other non-current liabilities	—	14
Total non-current liabilities	<u>5,189</u>	<u>6,913</u>
Total liabilities	<u>6,017</u>	<u>8,204</u>
Equity		
Share capital	10	10
Capital surplus	42,869	42,877
Treasury shares	(0)	(1,188)
Other components of equity	(1,145)	(979)
Retained earnings	1,679	1,381
Total equity attributable to owners of the parent	<u>43,413</u>	<u>42,101</u>
Non-controlling interests	38	(118)
Total equity	<u>43,450</u>	<u>41,983</u>
Total liabilities and equity	<u><u>49,467</u></u>	<u><u>50,187</u></u>

(2) Consolidated statement of profit or loss and consolidated statement of comprehensive income

(Consolidated statement of profit or loss)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Revenue	2,150	3,289
Cost of sales	(688)	(1,498)
Gross profit	1,462	1,791
Selling, general and administrative expenses		
Research and development expenses	(713)	(735)
Other selling, general and administrative expenses	(1,797)	(2,406)
Total selling, general and administrative expenses	(2,509)	(3,140)
Other income	175	212
Other expenses	(6)	(8)
Operating profit (loss)	(878)	(1,145)
Finance income	398	1,312
Finance costs	(4)	(193)
Gains related to CEJ Fund	115	274
Share of profit (loss) of investments accounted for using equity method	(19)	(195)
Profit (loss) before tax	(389)	53
Income tax expense	(133)	(446)
Profit (loss)	(522)	(393)
Profit (loss) attributable to		
Owners of parent	(498)	(298)
Non-controlling interests	(24)	(95)
Profit (loss)	(522)	(393)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(2.32)	(1.39)
Diluted earnings (loss) per share (yen)	(2.32)	(1.39)

(Consolidated statement of comprehensive income)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Profit (loss)	(522)	(393)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(20)	36
Total of items that will not be reclassified to profit or loss	(20)	36
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	149	134
Total of items that may be reclassified to profit or loss	149	134
Total other comprehensive income, net of tax	129	170
Comprehensive income	(393)	(223)
Comprehensive income attributable to		
Owners of parent	(371)	(131)
Non-controlling interests	(22)	(91)
Comprehensive income	(393)	(223)

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2023

Equity attributable to owners of parent

	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, 2021	10	42,861	(0)	(1,286)	(6)	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(20)	147	—
Total comprehensive income	—	—	—	(20)	147	—
Share-based payment transactions	—	8	—	—	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Total transactions with owners	—	8	—	—	—	—
March 31, 2022	10	42,869	(0)	(1,306)	142	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	36	130	—
Total comprehensive income	—	—	—	36	130	—
Share-based payment transactions	—	8	—	—	—	—
Acquisition of treasury shares	—	—	(1,188)	—	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	8	(1,188)	—	—	—
March 31, 2023	10	42,877	(1,188)	(1,270)	272	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, 2021	(1,272)	2,177	43,776	10	43,786
Profit (loss)	—	(498)	(498)	(24)	(522)
Other comprehensive income	127	—	127	2	129
Total comprehensive income	127	(498)	(371)	(22)	(393)
Share-based payment transactions	—	—	8	—	8
Equity transaction with non-controlling interest	—	—	—	8	8
Increase (decrease) by business combination	—	—	—	41	41
Total transactions with owners	—	—	8	49	58
March 31, 2022	(1,145)	1,679	43,413	38	43,450
Profit (loss)	—	(298)	(298)	(95)	(393)
Other comprehensive income	166	—	166	4	170
Total comprehensive income	166	(298)	(131)	(91)	(223)
Share-based payment transactions	—	—	8	—	8
Acquisition of treasury shares	—	—	(1,188)	—	(1,188)
Equity transaction with non-controlling interest	—	—	—	9	9
Increase (decrease) by business combination	—	—	—	(75)	(75)
Other	—	—	—	2	2
Total transactions with owners	—	—	(1,180)	(65)	(1,244)
March 31, 2023	(979)	1,381	42,101	(118)	41,983

(4) Consolidated statement of cash flows

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	(389)	53
Depreciation and amortization	482	627
Finance income	(398)	(1,312)
Finance costs	4	193
Gains on CEJ Fund	(115)	(274)
Share of loss (profit) of investments accounted for using equity method	19	195
Decrease (increase) in inventories	(281)	98
Decrease (increase) in trade and other receivables	29	(275)
Increase (decrease) in trade and other payables	(61)	379
Other	187	261
Subtotal	(521)	(55)
Interest and dividends received	16	20
Interest paid	(2)	(0)
Income taxes refund	53	2
Payments for administrative expenses etc. related to CEJ Fund	(110)	(110)
Net cash provided by (used in) operating activities	(564)	(143)
Cash flows from investing activities		
Purchase of investments	(19,499)	(15,000)
Proceeds of redemption of investments	26,000	18,000
Payments into time deposits	(2,500)	(2,000)
Proceeds from withdrawal of time deposits	—	4,500
Purchase of property, plant and equipment	(1,770)	(451)
Purchase of intangible assets	(6)	(58)
Purchase of investment securities	(1,848)	(3,309)
Proceeds from sale of investment securities	—	556
Purchase of stock of subsidiaries with change of scope of consolidation	(2,008)	(23)
Payments for loan receivables	(139)	(69)
Collection of loans receivable	—	13
Other	(18)	14
Net cash provided by (used in) investing activities	(1,788)	2,173
Cash flows from financing activities		
Repayments of long-term borrowings	(47)	(12)
Purchase of treasury shares	—	(1,188)
Lease liabilities paid	(68)	(153)
Contributions into CEJ Fund from third-party investors	1,360	1,380
Other	3	(13)
Net cash provided by (used in) financing activities	1,248	14
Effect of exchange rate changes on cash and cash equivalents	77	80
Net increase (decrease) in cash and cash equivalents	(1,027)	2,124
Cash and cash equivalents at beginning of fiscal year	6,704	5,677
Cash and cash equivalents at end of year	5,677	7,801

(5) Notes to consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Segment information)

Segment information:

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

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

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

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.

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	1,457	1,666
Asset transferred at a point of time	169	202
Service transferred at a point of time	524	1,421
Total	2,150	3,289

(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 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.

The Group recognizes usage fee revenue from the provision and operation of applications for smartphones as revenue over time, as services are provided through the applications over a fixed period of time.

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). 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.

(Earnings per share)

1. The basis for calculating basic earnings per share

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss attributable to owners of parent (Millions of yen)	(498)	(298)
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)	(498)	(298)
Average number of common shares and shares equivalent to common shares during the period (Shares)	215,134,862	214,706,740
Basic earnings (loss) per share (Yen)	(2.32)	(1.39)

2. The basis for calculating diluted earnings per share

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Loss used to calculate basic earnings per share (Millions of yen)	(498)	(298)
Adjustments to loss (Millions of yen)	—	—
Loss used to calculate diluted earnings per share (Millions of yen)	(498)	(298)
Average number of common shares and shares equivalent to common shares during the period (Shares)	215,134,862	214,706,740
Adjustment *Note	—	—
Average number of diluted common shares and shares equivalent to common shares during the period (Shares)	215,134,862	214,706,740
Diluted earnings (loss) per share (Yen)	(2.32)	(1.39)

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

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
	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