



19th Ordinary General Meeting of Shareholders

Date

13:00 (Reception starts from 12:30)
Thursday, June 22, 2023

Venue

Leo Esaki Main Hall, Tsukuba International Congress Center
2-20-3 Takezono, Tsukuba, Ibaraki, Japan

(Please refer to the map on the end page)

Agenda

Election of five (5) directors

CYBERDYNE Inc.

Security Code: 7779 (Growth Section of the Tokyo Stock Exchange)

This document has been translated from the Japanese original for reference purposes only.
If there is any discrepancy between this translated document and the Japanese source, the original shall prevail.
The Japanese original was audited by Deloitte Touche Tohmatsu LLC.

To our shareholders

Stock code: 7779

June 7, 2023

(Start of electronic provisioning measures: June 1, 2023)

2-2-1 Gakuen-minami, Tsukuba, Ibaraki, Japan
President and CEO Yoshiyuki Sankai
CYBERDYNE Inc.

Notice of 19th Ordinary Meeting of Shareholders

We want to thank you for your support of our endeavors.

CYBERDYNE Inc. (the “Company”) invites all shareholders to participate in the 19th Ordinary General Meeting of Shareholders. You can find detailed information about the event below this section.

In convening this Ordinary Meeting of Shareholders, the Company has adopted a policy of electronically providing the information contained in the reference documents for the meeting. The electrical copy is available on the Company’s website under “Notice of 19th Ordinary General Meeting of Shareholders.”

【The Company website】

<https://www.cyberdyne.jp/english/company/IR.html>



The information on the electronic provision of data is also available on the website of the Tokyo Stock Exchange (TSE), which can be accessed by entering “CYBERDYNE” in “Issue name (company name)” or “7779” in “Code” and then selecting “Basic information” and then “Documents for public inspection/PR information.”

【website of Tokyo Stock Exchange(Listed Company Search)】

<https://www.jpx.co.jp/english/listing/co-search/index.html>



Instead of attending the in person, you may exercise your voting rights via the Internet or in writing. Please exercise your voting rights by 18:00 on Wednesday, June 21, 2023, after reviewing the reference documents for the General Meeting of Shareholders.

Date

13:00 (Reception starts from 12:30)

June 22 2023 (Thursday)

Venue

Leo Esaki Main Hall, 2-20-3, Takezono, Tsukuba, Ibaraki

(Previously known as the “Large Hall”)

Agenda

<Matters to be reported>

- 1. The Business report for the 19th fiscal year ended March 31 2023, consolidated financial statements and audit reports on the consolidated financial statements by the Accounting Auditors and the Audit and Supervisory Board.**
- 2. Non-consolidated financial statements for the 19th fiscal year ended March 31 2023.**

<Matters to be resolved>

Agenda 1: Election of five (5) directors

- The following items are not included in the documents to be delivered to shareholders who have requested delivery of documents, pursuant to the provisions of laws and ordinances and Article 22, Paragraph 2 of the Articles of Incorporation of the Company.

Therefore, the documents to be delivered to the shareholders who requested the delivery of the documents are a part of the documents audited by the accounting auditor in preparing the accounting audit report and by the Audit and Supervisory Board Members in preparing their audit report.

Business report : Items concerning Stock Acquisition Rights, items concerning accounting auditors, system to ensure the properness of the business and its status of the operation

Consolidated financial statement : Consolidated statement of changes in equity and related notes

Non-consolidated financial statement: non- consolidated statement of changes in net assets

- In the event of any modification to the electronic provision measures, a notice to that effect, the matters before and after the modification will be posted on each of the aforementioned websites.

Exercise of voting rights

Please exercise your voting rights based on the information stated on this document, according to the instructions stated below. Please note that if you vote in both writings and by the Internet, the Company will select the vote by the Internet as the valid vote. If you vote more than once on the Internet or vote with both a computer and a smartphone, the Company will only select the last vote as the valid vote.

Vote by mail



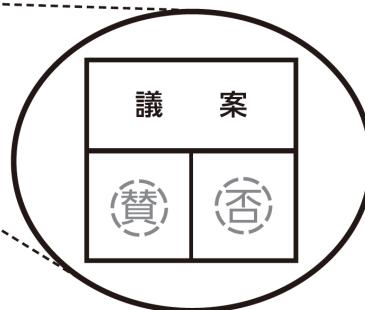
Please circle approve (賛) or disapprove (否) on the enclosed voting form and return it to us via mail. The Company will treat the form without circles as an approval vote.

Exercise period | The form must arrive before June 21, 2023 (Wed)

*The postage fee for the voting form is not required. However, because this type of mail takes longer for the post office to process than regular mail, please post the voting form in advance to ensure delivery to the Company before the end of the exercise period.

■ Sample image of the voting form

Please circle yes (賛) or no (否) for each item proposed for resolution



Vote by internet



Please exercise your voting rights in either of the following ways.

- ① "Smart Exercise" by scanning the QR code
- ② Entering code and password to exercise your voting rights

Exercise period | June 21, 2023 (Wed) 6 pm

Please check the following page for further detail

Vote at the venue



Please submit the enclosed form to the receptionist at the meeting. We advise you to bring this document as a reference document of the meeting. Please note that proxies and accompanying persons who are not shareholders cannot participate the General Meeting of Shareholders. One proxy can participate the meeting if they also hold the Company's voting right and submits a document certifying the proxy's authority.

Instructions on voting by the Internet

1 "Smart Exercise" by scanning the QR code

With this method, you can login the website to exercise your voting rights without entering the code and password

- 1 Please scan the QR code printed on the bottom right of the Form to Exercise the Voting Right.

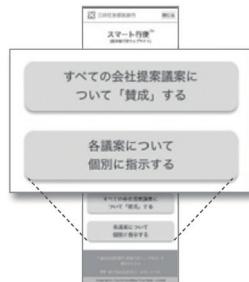


- 2 Please indicate your intention based on the questionnaires displayed on the page.

You can only vote once by QR code

*If you wish to change your vote after exercising your voting rights, please log in to the website for PCs, enter the QR code, the "Voting Right Exercise Code" and "Password" indicated on the Voting Form, and exercise your voting rights again.

*Please read the QR code again to go to the PC site.



*The pages is only available in Japanese

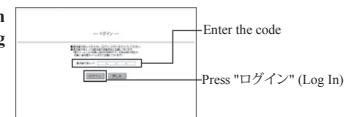
2 Entering code and password to exercise your voting rights

Access the URL: <https://www.web54.net>

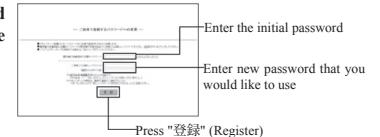
- 1 Please access the website to exercise the voting rights



- 2 Please enter the code written on the Form to Exercise Voting Right



- 3 Please enter the password written on the Form to Exercise Voting Right



- 4 Please select approve or disapprove for each agenda displayed on the page.

Please note that if you vote in both writings and by the Internet, the Company will select the vote by the Internet as the valid vote.

Furthermore, if you vote more than once on the Internet or vote with both a computer and a smartphone, the Company will only select the last vote as the valid vote.

Depending on your internet environment, you may experience difficulty seeing the website on your computer or your smartphone.

For inquiries on exercising your voting rights via the Internet

Direct line to Sumitomo Mitsui Trust Bank, Limited
Transfer Agent Web Support Division
TEL: +8120652031 (available from 9 am to 9 pm JST)

Reference documents

Agenda 1. Election of five (5) Members of the Board of Directors

The elected term of all seven (7) Directors will expire after this General Meeting of Shareholders. The Company proposes to elect five (5) Directors.

The candidates for Directors are as follows.

Candidate Number	1	Yoshiyuki Sankai	Reappointed	Ph.D. in Engineering
		Born June 24, 1958		

Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

2003/7 Professor of Functional Engineering, University of Tsukuba 2004/4 Professor of Faculty of Engineering, Information and Systems University of Tsukuba (present) 2004/6 Director at incorporation of CYBERDYNE 2006/2 President and CEO of CYBERDYNE (present) Head of Research and Development Department (present) 2010/3 Core Researcher of FIRST program hosted by the Cabinet Office of Japan 2011/10 Director of the Center for Cybernic Research, University of Tsukuba 2013/8 Director of Cyberdyne Care Robotics GmbH (present) 2014/11 Program manager of ImPACT Program (ImPACT) hosted by the Cabinet Office of Japan 2016/8 Director of CYBERDYNE USA Inc. (present) 2017/10 Executive Research Director of the Center for Cybernic Research, University of Tsukuba (present)	2020/6 Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba (present) 2023/4 Director of CYBERDYNE MALAYSIA SDN. BHD (present) 2023/4 Program Director of Cross-ministerial Strategic Innovation Promotion Program (present)
	(Important positions held outside CYBERDYNE) Professor of Faculty of Engineering, Information and Systems University of Tsukuba Executive Research Director of the Center for Cybernic Research, University of Tsukuba Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba Director of CYBERDYNE USA Inc. Director of Cyberdyne Care Robotics GmbH Director of CYBERDYNE MALAYSIA SDN. BHD Program Director of Cross-ministerial Strategic Innovation Promotion Program

Reason for the nomination as candidate for Director

Sankai established the academic field of Cybernics as a professor of Tsukuba University. He has gained extensive experience in management through his service as the Company's founder. The Company regards him to be a qualified candidate of Director who can take leadership on management and corporate governance of CYBERDYNE Group.

Years in service as Director 19 years

Special interest in CYBERDYNE None

Number of company shares owned	
Common	3,042,000 Shares
Class B	77,696,000 Shares

Candidate Number **2** **Akira Matsumura**
Born October 25, 1954

Reappointed

Outside Director

Independent Officer

Ph.D. in Medicine

Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

2004/3	Professor of Clinical Medicine (Neurosurgery), University of Tsukuba	2020/4	President of Ibaraki Prefectural University of Health Sciences (present)
2007/4	Vice Director of University of Tsukuba Hospital	2021/4	Director of CYBERDYNE Inc. (present)
2011/4	Director of Clinical Trial and Research Center, University of Tsukuba Hospital		
2011/4	Director of University of Tsukuba Europe Office (Bonn/Germany)		
2014/4	Vice President of University of Tsukuba and Director of University Hospital		(Important positions held outside CYBERDYNE)
2016/3	Co-Representative Director of Artron (present)		President of Ibaraki Prefectural University of Health Sciences
2016/4	Hospital Board Trustee of Kennan Hospital (present)		Hospital Board Trustee of Kennan Hospital
2018/6	Committee Chairman of Medical Education Committee at Association of Japan Medical Colleges		Co-Representative Director of Artron
2018/10	Vice President, International Society for Neutron Capture Therapy (present)		Vice President, International Society for Neutron Capture Therapy

Reason for the nomination as candidate for Director

Matsumura has extensive experience and a wide range of insight gained through his career as a medical doctor and hospital manager. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contribution to medical care and clinical practice.

Years in service as Director
2 years

Special interest in CYBERDYNE
None

Number of company shares owned
Common **5,000 Shares**

Candidate Number **3** **Kenji Suzuki**
Born January 17, 1975

Reappointed

Outside Director

Independent Officer

Ph.D. in Engineering

Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

2016/4	Professor of Faculty of Engineering, Information and Systems University of Tsukuba (present)		(Important positions held outside CYBERDYNE)
2017/10	Director of Center for Cybernics Research, University of Tsukuba (present)		Professor of Engineering, Information and Systems University of Tsukuba
2018/4	President and CEO of PLIMES Inc. (present)		Director of Center for Cybernics Research, University of Tsukuba
2021/2	Advisor of Tsukuba City on Smart City/ Super City (present)		President and CEO of PLIMES Inc.
2021/6	Director of CYBERDYNE Inc. (present)		Advisor of Tsukuba City on Smart City/ Super City

Reason for the nomination as candidate for Director

Suzuki has a wide range of insight gained through his Ph.D. in Engineering. He also has extensive experience gained through his career as a CEO of a venture company and advisor for Tsukuba City on Smart City/ Super City. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contributions to Cybernics Research and Smart City/ Super City.

Years in service as Director
2 years

Special interest in CYBERDYNE
None

Number of company shares owned
—

Candidate Number **4** **Shinji Honda**
Born May 26, 1958

Newly appointed

Outside Director

Independent Officer

Master in Business Administration

Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

1981/4	Joined Takeda Pharmaceutical Company Ltd.	2018/1	Executive Officer of Business Planning Division at NISSIN FOOD HOLDINGS CO., LTD.
2001/1	Executive Vice President of TAP Pharmaceutical Products, Inc.	2018/2	Executive Officer and Corporate Strategy Officer (CSO) at NISSIN FOOD HOLDINGS CO., LTD.
2005/10	General Manager of U.S. business at Takeda Pharmaceutical Company Ltd.	2018/3	Outside Director of Premier Foods PLC (England)
2008/6	Head of Overseas Business Promotion Department at Takeda Pharmaceutical Company Ltd.	2018/6	Managing Executive Officer and Corporate Strategy Officer (CSO) at NISSIN FOOD HOLDINGS CO., LTD.
2009/4	President and Chief Executive Officer of Takeda Pharmaceuticals North America, Inc.	2021/7	Executive Advisor at NISSIN FOOD HOLDINGS CO., LTD. (present)
2011/6	Corporate Officer of Takeda Pharmaceutical Company, Inc.	2022/6	Outside Director at USS Co., Ltd. (present)
2011/6	Chief Integration Officer at Takeda Pharmaceuticals International, Inc.		
2012/4	Corporate Officer and Head of Planning and Management Department at Takeda Pharmaceuticals Company Ltd.		
2014/6	Senior Management Director and Head of Planning and Management Department at Takeda Pharmaceuticals Company Ltd.		(Important positions held outside CYBERDYNE) Executive Advisor at NISSIN FOOD HOLDINGS CO., LTD. Outside Director at USS Co., Ltd.
2014/10	Senior Management Director and CSO of Takeda Pharmaceuticals Company Ltd.		

Reason for the nomination as candidate for Director

Honda has extensive experience and a wide range of insight into overseas business development, group management, and corporate planning in the medical industry. The Company considers him a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contribution to the business formulation, progress of business strategies, and management plans.

Years in service as Director

—

Special interest in CYBERDYNE

None

Number of company shares owned

—

Candidate Number **5** **Hanako Muto**
Born April 16, 1965

Newly appointed

Outside Director

Independent Officer

MBA

Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

1986/8	Joined the Mitsui Bank, Ltd.	2018/11	Joined General Incorporated Association Japan Industrial and Medical Gases Association (JIMGA)
1999/10	Joined Sony Corporation	2022/7	Partner at Korn Ferry Japan (present)
2008/5	Joined Mitsubishi Corp. - UBS Realty Inc.		
2012/4	Joined NEXON Co., Ltd.		
2013/5	Joined McKinsey & Company Japan		(Important positions held outside CYBERDYNE) Partner at Korn Ferry Japan (present)
2018/11	Joined Air Liquide Japan G.K. (formerly K.K.)		

Reason for the nomination as candidate for Director

Muto has extensive experience and insight into capital markets (analyst/IR and other investor relations), corporate public relations, human resources, and organizational consulting. The Company regards her to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective, especially on capital markets (analyst/IR and other investor relations)

Years in service as Director

—

Special interest in CYBERDYNE

None

Number of company shares owned

—

- (Note) 1. Shinji Honda and Hanako Muto are candidates for newly elected Directors. Akira Matsumura, Kenji Suzuki, Shinji Honda, and Hanako Muto are candidates for Outside Director
2. According to Article 427, Paragraph 1 of the Companies Act, the Company signed contracts with Akira Matsumura and Kenji Suzuki to limit their liability for damages as provided in Article 423, Paragraph 1. The maximum penalty for damages under the contract is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. The agreement will continue if their reappointments are approved at this General Meeting of Shareholders. In addition, the Company plans to enter the same liability limitation contract with Shinji Honda and Hanako Muto if their election is approved.
3. The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages (defense costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured, including the Company's Directors, concerning their executed duties. If each candidate is elected and assumes office as a Director, they will be insured under the relevant insurance policy. The insurance policy will be renewed with the same terms and conditions at the next renewal.
4. The Company has registered Akira Matsumura and Kenji Suzuki as independent directors stipulated by the Tokyo Stock Exchange. In addition, Shinji Honda and Hanako Muto meet the requirements for Independent Directors as defined by the Tokyo Stock Exchange. The Company plans to submit applications to the Tokyo Stock Exchange to register the newly elected candidates as Independent Directors.

【For your reference】

Skills matrix of the Board of Director

Candidate Number	Name	Role	Medical/clinical	Research & Development	Global	Experience in management	Finance/Accounting/Legal	Business development	Finance/M&A
1	Yoshiyuki Sankai	Inside (Representative/ R&D)	○	○	○	○		○	
2	Akira Matsumura	Outside/ Independent	○	○		○			
3	Kenji Suzuki	Outside/ Independent	○	○		○		○	
4	Shinji Honda	Outside/ Independent (Newly appointed)	○		○	○		○	○
5	Hanako Muto	Outside/ Independent (Newly appointed)			○	○	○		○

1 Current status of the Group

1. Process and outcome of the business

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 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.

Major business lines of the Group (As of March 31, 2023)

The major business lines of the Group are as follows.

- Research, development, manufacturing and sales of Cybernetics Systems for medical and long-term care field
- Research, development, manufacturing and sales of Cybernetics Systems for households and workplaces
- Cybernetics Treatment Service using Cybernetics
- Training Service using Cybernetics

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. Postmarketing 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 “thin” 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.

Results

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. Status of capital investments

Capital investments made in the consolidated fiscal year under review were ¥451 million in total. This mostly came from the construction costs of Cybernics Innovation Base Building A at the Tonomachi International Strategic Center (King Sky Front) in Kawasaki City, Kanagawa Prefecture.

3. Status of financing

During the consolidated fiscal year under review, there was no particular items to report on “financing,” “transfer of business, absorption-type demerger or incorporation-type demerger,” “acquisition of the business of another company,” or “succession of rights and obligations related to the business of another corporation through absorption-type merger or absorption-type demerger.”

4. Acquisition/disposal of other companies’ equity

In March 2023, the Group acquired shares of Lyline GmbH and made it a consolidated subsidiary.

5. Issues to be addressed

To accelerate the creation of the “Cybernetics Industry”, the Group is simultaneously conducting research, product development, business promotion, and business collaboration. The Group considers the following matters as the issues to be addressed.

Initiatives towards post COVID era

In midst of paradigm-shifting changes in people’s behaviors and lifestyles from the effect of COVID, the Group considers its Cybernetics Technology to be a helpful solution for social issues in the post-COVID era. For example, the Group introduced Cybernetics Devices to remotely support medical facilities currently faced with a high risk of infection. The Group also started a service for individuals that enables them to use HAL at home. The service is helping people to prevent frailty and locomotion in these difficult times where people are forced to stay at home to avoid the infection. The Group also developed a robot equipped with the world’s most advanced autonomous driving technology to sterilize and disinfects airports, rail stations and other important transportation infrastructure on its own. The Group will continue to utilize its Cybernetics Technologies to accelerate the realization of Society 5.0/5.1, in which “Human” and “Cyber-Physical Space” are fused together.

R&D activities to create innovative technologies and new industries

The Group continues to research and develop various Cybernetics Technologies based on IoH/IoT (Internet of Humans and Things), AI Robot, AI information and fusion of HCPS.

The Group's business has a unique advantage in its ability to access and integrate information inside the human body (such as Brain-nerve and vital systems) and information outside the human body (such as behavioral, life, and environmental). The information obtained is connected to a supercomputer for analysis and AI Processing. The Group will continue to conduct research and development of Cybernetics Systems through collaboration with domestic and overseas universities, research institutes, medical institutions, government agencies, and companies. The Group will also continue to architect an integrated Cybernetics System to accumulate, analyze, and AI process IoH/IoT Big Data obtained from Cybernetics Systems.

Promoting clinical trials related to Cybernetics Treatment

The Group works to establish Cybernetics Treatment, which is a treatment that promotes the functional improvement and regeneration of the brain, nerve, and muscular systems using HAL, as a global standard treatment through various clinical trials to evaluate the efficacy and safety. In Japan, HAL for Medical Use Lower Limb Type was approved as a new medical device for eight neuromuscular diseases in November 2015. High efficacy and safety towards those diseases were confirmed in post-marketing performance tests which lasted for 5 years until November 2020. Furthermore, based on the results of an investigator-initiated clinical trial for HTLV-1-related myelopathy (HAM) and other spastic paraplegia, authorities expanded the approval to those diseases. 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. In addition investigator initiated clinical trial for cerebral palsy started on January 2022. The Group will continue to conduct various clinical trials working closely with major medical institutions in Japan and overseas to expand the range of applicable diseases and obtain medical device approvals for other types of HAL such as HAL Single Joint Type and HAL Lumbar Type.

Obtaining medical devices approval from each countries and region

The Group must obtain approvals and clearance from regulators in each country to promote HAL on a global scale. The Group received 510k clearance on HAL for Medical Use Lower Limb Type from the U.S. FDA. Now HAL can be used for treatment of stroke and neuromuscular diseases in addition to spinal cord injuries that were cleared in 2017. The Group is making progress on the medical application in the Asia Pacific. The Group received medical device approval for a wide range of diseases in Malaysia, Thailand, Indonesia, Singapore, and Australia since October 2019 and for spinal cord injury in Taiwan. HAL for Medical Use Single Joint Type was also certified as a medical device in October 2019 for EU by TÜV Rheinland, a third-party certification organization, followed by approvals in the United States and APAC countries (Thailand, Indonesia, Australia, etc.) for this device. To deliver innovative Cybernetics Treatment to those in need, the Group will continue to utilize promote global development while leveraging its clinical achievements which led to successful registration in Japan, the U.S., and Europe, which are the world leaders in regulatory frameworks.

Obtaining insurance coverage for Cybernics Treatment in each countries

The Group must work to obtain public and private insurance to promote HAL on a global scale. In Japan, public health insurance started to cover eight neuromuscular diseases treatment with HAL for Medical Use Lower Limb Type in September 2016. In the April 2022 revision of medical fees, following a proposal from a related medical society (the Japanese Society of Neurotherapeutics) to evaluate medical technology, hospitals subject to the DPC payment system can now claim their insurance points when HAL is used, and the granted insurance points were increased as a result of the proposal. At the same time, the Group coordinates with private insurance companies such as Daido Life Insurance, AIG Insurance, and Sompo Japan. In the U.S., the Group collaborates with partner medical institutions to obtain insurance coverages from private insurers. In Germany, the treatment of HAL is listed in the public workers' compensation insurance and the entire treatment cost in applicable cases. The Group is working on getting it listed in the public health insurance in major countries. In Germany, the public health insurance authority has announced to conduct a clinical trial for spinal cord injury based on public health insurance coverage, and currently preparation towards this trial is underway. Furthermore, couple of major European private insurers cover the HAL treatment towards spinal cord injury patients in Germany and Poland. The Group continues to hold discussions with private insurance companies to expand the coverage to other diseases.

Strengthen services for individuals to support their independence

Japan is considered to be a hyper-aging society. According to the numbers on October 1, 2021, approximately 3,621 million people are over 65 years old (28.9% of the total population)*¹. Also, according to the figures at the end of the fiscal year 2019, approximately 655.8 million people requires nursing care*¹. Both of the figures mentioned above are increasing every year. The Group develops various products to reduce the level of care needed by the elderly and preventing frailty caused by the decline in physical functions due to aging. Examples include HAL Lower Limb Type to promote the improvement of walking function. HAL Single Joint Type for intensive training of joint movements. And HAL Lumbar Type to boost the capability of the body trunk and lower limb. Such products are utilized at Robocare Centers for Neuro HALFIT Program designed to improve the function of the brain-nerve-muscular system. The Group is increasing the number of centers available to improve accessibility. The Group also launched Neuro HALFIT at Home in April 2020. The Group will continue to enhance both services to enhance the individual customers degree of independence and prevent their need for nursing care.

Reinforcing the structure to accelerate the business and fostering personnels

The Group needs to strengthen its management, sales, R&D, and production systems to promote the creation of a Cybernics Industry and develop human resources that will drive the Group's business in the future. The Group requires its employees to have the ability to think in an exit-oriented manner, adaptability, and flexibility without being limited to their own area of responsibility. The Group also requires its employees to become experts in a different field if necessary to achieve the goal. To prepare for the next phase of business, the Group will work to maintain and reinforce a strong team by accumulating human resources of diverse expertise. The Group works to structure its organization so that employees can actively participate in the entire process from R&D to social implementation on a global basis from a cross-functional, company-wide perspective.

Sources

*1. The Cabinet Office of Japan, "Year 2022 White Paper on Aging Society"

6. Status of assets and income

Status of assets and income of the Group (International Financial Reporting Standards : IFRS)

Division		Fiscal Year 2019 (April 1, 2019 to March 31, 2020)	Fiscal Year 2020 (April 1, 2020 to March 31, 2021)	Fiscal Year 2021 (April 1, 2021 to March 31, 2022)	Fiscal Year 2022 (April 1, 2022 to March 31, 2023)
Revenue	(Millions of Yen)	1,792	1,875	2,150	3,289
Loss attributable to owners of parent	(Millions of Yen)	(152)	(59)	(492)	(298)
Net loss per share	(Yen)	(0.71)	(0.27)	(2.29)	(1.39)
Total assets	(Millions of Yen)	47,808	48,119	49,459	50,187
Equity attributable to owners of parent	(Millions of Yen)	44,268	43,776	43,419	42,101
Equity attributable to owners of parent per share	(Yen)	205.71	203.39	201.74	199.32

7. Status of the parent and notable subsidiaries (as of March 31, 2023)

① Parent

There are no items to report.

② Subsidiaries

Name	Capital	Ownership of voting rights (%)	Major business lines
(Outside of Japan)			
Cyberdyne Care Robotics GmbH	€25,000	100.0%	Management and acceleration of business development effort in Europe, and business related to Cybernics Treatment services with HAL
CYBERDYNE USA Inc.	US\$ 14,100,000	100.0%	Management and acceleration of the Company's business in the U.S.
RISE Healthcare Group, Inc.	US\$ 990,748	80.0%*	Supervision and management of medical institution (outpatient PT clinic)
CYBERDYNE Malaysia SDN. BHD.	MYR 1,000,000	100.0%	Acceleration of the Company business in the Asia Pacific
LeyLine GmbH	€56,250	63.6%	Management, development, manufacturing, human resource training related to PETRONAS MIE Racing Honda Team
(Within Japan)			
Suzuka RoboCare Center Co., Ltd.	¥3 Million	100.0%	Training service with HAL
Shonan RoboCare Center Co., Ltd.	¥3 Million	100.0%	Training service with HAL
Oita RoboCare Center Co., Ltd.	¥3 Million	100.0%	Training service with HAL
C2, Inc.	¥10 Million	100.0%	Development/management of smartphone app "JUKUSUI"
CEJ Capital, Inc.	¥45 Million	60.0%	Management and operation of Cybernics Excellence Japan Fund 1 Investment Limited Partnership
Cybernic Excellence Japan Fund 1 Investment Limited Partnership	¥7,920 Million	60.0%*	Investment fund-related businesses aimed at creating the Cybernics Industry

(Note) 1. Figures marked with an asterisk (*) in the ownership of voting rights include indirect holdings

8. Main offices and factories (as of March 31, 2023)

Division	Name	Location
The Company	Head Quarters	Tsukuba, Ibaraki, Japan
	Tsukuba Robocare Center	Tsukuba, Ibaraki, Japan
	CYBERNICS MEDICAL INNOVATION BASE-A	Kawasaki, Kanagawa, Japan
	Next-generation multipurpose robotized production facility (Fukushima Office)	Koriyama, Fukushima, Japan
Subsidiaries (Outside Japan) (Within Japan)	Cyberdyne Care Robotics GmbH	Bochum, North Rhine-Westphalia, Germany
	CYBERDYNE USA Inc.	California, USA
	RISE Healthcare Group, Inc.	California, USA
	CYBERDYNE MALAYSIA SDN. BHD.	Kuala Lumpur, Malaysia
	Shonan RoboCare Center Co., Ltd.	Fujisawa, Kanagawa, Japan
	Nagoya RoboCare Center Hisaya	Nagoya, Aichi, Japan
	Suzuka RoboCare Center Co., Ltd.	Suzuka, Mie, Japan
	Oita RoboCare Center Co., Ltd.	Beppu, Oita, Japan
	C2, Inc.	Bunkyo-ku, Tokyo, Japan
	CEJ Capital, Inc.	Tsukuba, Ibaraki, Japan
	Cybernic Excellence Japan Fund 1 Investment Limited Partnership	Shibuya, Tokyo, Japan

9. Status of employees

① Status of employees in the Group (as of March 31, 2023)

Number of employees	Change from previous fiscal year
257 members	Increase of 56 member
(55 members)	(Increase of 8 members)

- (Notes) 1. The number of employees includes full-time employees and members on temporary transfer assignments. It does not include the number of Members of the Board of Directors that also hold positions as Company employees or dispatch workers sent from a temp agency.
2. The number of contract employees is stated in the brackets (). This number includes part-time workers but excludes those who work in the Group as second jobs.
3. Since the Group is involved in a single segment of business related to robots. As such, information on employees in each segment is omitted.

② Status of employees in the Company

Number of employees	Change from previous fiscal year	Average age	Change from previous fiscal year
82 members	Decrease of 2 member	43.7 years old	7.6 years
(37 members)	(Decrease of 3 members)		

- (Notes) 1. The number of employees includes full-time employees and members on temporary transfer assignments. It does not include the number of Members of the Board of Directors that also hold positions as Company employees or dispatch workers sent from a temp agency.
2. The number of contract employees is stated in the brackets (). This number includes part-time workers but excludes those who work in the Group as second jobs.

2 Matters regarding the Company shares

1. Status of shares (as of March 31, 2023)

Class	Total number of authorized shares	Total number of shares issued	Number of shareholders
Common Share	618,300,000 shares	137,445,809 shares	79,421 shareholders
Class B Share	77,700,000 shares	77,700,000 shares	3 shareholders

2. Major shareholders (as of March 31, 2023)

Name of shareholder	Number of shares held (shares)		Shareholding ratio (%)
Yoshiyuki Sankai	Common Share	3,042,000	38.24
	Class B Share	77,696,000	
Daiwa House Industries Co., Ltd.	Common Share	26,000,000	12.31
THE BANK OF NEW YORK MELLON SA/NV 10	Common Share	1,826,400	0.86
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	Common Share	1,690,000	0.80
The Master Trust Bank of Japan. Ltd. (Trust Account)	Common Share	1,531,600	0.72
Ueda Yagi Securities Co., Ltd.	Common Share	913,400	0.43
Mikio Yano	Common Share	740,100	0.35
Custody Bank of Japan, Ltd. (Investment Trust Account)	Common Share	678,500	0.32
Daido Life Insurance Company	Common Share	500,000	0.23
Hidenori Ishii	Common Share	459,300	0.21

(Notes) 1. The Company owns 4,011,673 Common Shares as treasury stock. However, this was excluded from the list of Major Shareholders

2. The treasury stock was excluded from the calculation of the shareholding ratio

3 Members of the Board of Directors and Members of the Board of Members of the Audit and Supervisory Board

1. Status of Directors and Audit and Supervisory Board Members (as of March 31, 2023)

Title	Name	Role at CYBERDYNE and other important positions held outside the Company
President and CEO	Yoshiyuki Sankai	Head of Research and Development Department at CYBERDYNE Professor of Faculty of Engineering, Information and Systems University of Tsukuba Executive Research Director of the Center for Cybernic Research, University of Tsukuba Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba Director of CYBERDYNE USA Inc. Director of Cyberdyne Care Robotics GmbH
Director	Shinji Uga	Head of Corporate Department at CYBERDYNE Director of Cyberdyne Care Robotics GmbH President and CEO of CEJ Capital, Inc. Director of CYBERDYNE MALAYSIA SDN. BHD.
Director	Yoshihiro Yasunaga	Head of Sales Department at CYBERDYNE Director of CYBERDYNE USA Inc. Director of CYBERDYNE MALAYSIA SDN. BHD.
Director	Hikari Imai	Outside Director of PACIFIC METALS CO., LTD. Outside Director of GPSS Holdings Inc. Chairman of the Keiikai Medical Foundation Outside Director of the FUJISOFT INCORPORATE
Director	Akira Matsumura	President of Ibaraki Prefectural University of Health Sciences Hospital Board Trustee of Kennan Hospital Co-Representative Director of Artron Vice President, International Society for Neutron Capture Therapy
Director	Kenji Suzuki	Professor of Faculty of Engineering, Information and Systems University of Tsukuba Director of Center for Cybernics Research, University of Tsukuba President and CEO of PLIMES Inc. Advisor of Tsukuba City on Smart City/Super City
Full-time Audit and Supervisory Board Member	Kazuaki Tanaka	—
Audit and Supervisory Board Member	Yutaka Fujitani	—
Audit and Supervisory Board Member	Cees Vellekoop	Outside Director of Ashibiya Honpo K.K.
Audit and Supervisory Board Member	Kenichiro Okamura	Representative Director of Kaede Accounting Advisory Inc. Kaede Tax Corporation Representative Partner Outside Auditor of SG Holdings Co., Ltd. Outside Director of Kanematsu Sustech Corporation (Audit Committee) Auditor of United Urban Investment Corporation

(Note) 1. Hikari Imai, Akira Matsumura and Kenji Suzuki are Outside Directors.

2. Kazuaki Tanaka, Yutaka Fujitani, Cees Vellekoop, and Kenichiro Okamura are Outside Audit and Supervisory Board Members.

3. Yutaka Fujitani have many years of business experience in financial institutions. The Company regards them to have considerable knowledge of finance and accounting.

4. Kenichiro Okamura is a certified public accountant in both Japan and in the U.S. The Company regards him to have considerable knowledge of finance and accounting.

5. According to the Tokyo Stock Exchange regulations, the Company has designated Hikari Imai, Akira Matsumura, Kenji Suzuki, Kazuaki Tanaka, Yutaka Fujitani, and Kenichiro Okamura as independent officers. The Company has notified the Exchange of the designation mentioned above.

6. Important positions of the officers held outside of the Company are stated in the table above. There is no special relationship between the Company and the companies where they hold concurrent positions.

7. Yuzo Toda past away on December 27th, 2022 and resigned from the position of Outside Director

2. Outline of the contract to limit the liability

According to Article 427, Paragraph 1 of the Companies Act, the Company signed contracts with Directors (excluding Directors in charge of business execution) and each Audit and Supervisory Board Members to limit their liability for damages as provided in Article 423, Paragraph 1 of the same act.

The maximum amount of liability for damages under this contract is the minimum liability amount stipulated in law and regulations.

3. Outline of the liability insurance policy for the officers

The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contracts cover Directors and Audit and Supervisory Board Members of the Company and its subsidiaries. The insured does not bear any insurance premiums. The insurance policy covers damages (defense costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured concerning their executed duties. However, to ensure that the insured's performance is not impaired, the policy does not cover damages caused by intentional acts or acts committed with the knowledge that such acts violate laws and regulations.

4. Remuneration for Directors and Audit and Supervisory Board Members

① Total amount of remuneration for the fiscal year under review

Position	Total amount of remuneration (Millions of yen)	Total amount by each types of remuneration (Millions of yen)			Number of eligible officers (person)
		Basic Remuneration	Performance based Remuneration	Non-monetary Remuneration	
Directors	53	53	—	—	8
(Outside Directors)	(9)	(9)	(—)	(—)	(4)
Audit and Supervisory Board Members	16	16	—	—	4
(Outside Audit and Supervisory Board Members)	(16)	(16)	(—)	(—)	(4)
Total Remuneration	69	69	—	—	12
(Remuneration for Outside Officers)	(25)	(25)	(—)	(—)	(8)

② Resolutions at the General Meeting of Shareholders regarding the remuneration of Officers

The maximum monetary remuneration for Directors was resolved to be ¥100 million per year at the 2nd Ordinary General Meeting of Shareholders held on May 31, 2006. The number of Directors at the time was five, and none of them were Outside Directors.

The maximum remuneration for Audit and Supervisory Board Members was resolved to be Corporate Auditors is ¥50 million per year at the 3rd Ordinary General Meeting of Shareholders held on June 28, 2007. The number of Audit and Supervisory Board Members at the time was three, and all of them were Outside Audit and Supervisory Board Members.

③ Policy for determining the remuneration for Directors and Audit and Supervisory Board Members

The Company's Board of Directors resolved on a policy concerning determining the remuneration of each Director at a meeting held on July 24, 2021. The Company consulted with the Remuneration Committee regarding the proposal before the resolution.

The Board of Directors also confirmed that operation concerning remuneration was carried out according to the resolution at the Board Meeting and correctly reflected the opinions from the Remuneration Committee.

The policy on the remuneration for each individual Director was resolved as follows.

a. Policy regarding basic remuneration

The Directors, excluding Outside Directors, will receive a fixed amount of basic remuneration, taking into consideration the scale and responsibility of the duties of each Director.

b. Policy regarding performance-linked remuneration

The Group introduced performance-linked remuneration for its executive directors with the aim of continuously increasing corporate value by motivating them to improve their performance. However this system will only come into effect if the company become profitable. Also, from the viewpoint of their role and independence, outside Directors shall only receive basic remuneration. The consolidated profit or the consolidated operated profit will be used as the index for performance-linked remuneration. If the Group records consolidated profit, 20% of the basic remuneration will be added. Likewise, if the Group records consolidated operating profit, 50% will be added on.

5. Activities of Outside Officers during the fiscal year under review

Title	Name	Attendance, remarks, and summary of duties performed concerning the roles expected of Outside Officers
	Hikari Imai	Imai attended all 12 Meetings of the Board of Directors held during the fiscal year under review. He proactively expressed his opinions based on his career in corporate management at the Board of Directors Meeting. He fulfilled his duty to ensure appropriate and sound decision-making by providing supervision and advice, especially on capital markets and <u>M&A.</u>
	Yuzo Toda	During the fiscal year under review Toda attended all 7 out of 9 Meetings of the Board of Directors held before he past away on December 27th, 2022. He proactively expressed his opinions based on his career in healthcare business at the Board of Directors Meeting. He fulfilled his duty to ensure appropriate and sound decision-making by providing supervision <u>and advice, especially on development of global health business and new businesses.</u>
	Akira Matsumura	Matsumura attended all 12 Meetings of the Board of Directors during the fiscal year under review. He proactively expressed his opinions based on his career as a doctor at the Board of Directors Meeting. He fulfilled his duty to ensure appropriate and sound decision-making by providing supervision and advice, especially on management strategy and investment <u>judgment in the medical business.</u>
	Kenji Suzuki	Suzuki attended all 12 Meetings of the Board of Directors during the fiscal year under review. He proactively expressed his opinions based on his career as a professional in the research of Cybernics and person in charge of smart cities/super cities at the Board of Directors Meeting. He fulfilled his duty to ensure appropriate and sound decision-making by <u>providing supervision and advice, especially on global dissemination of Cybernics.</u>
Audit and Supervisory Board Member	Kazuaki Tanaka	Tanaka attended all 12 Meetings of the Board of Directors and all 15 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained through his service as the management of major general trading company. He also made necessary statements <u>at the Meetings of the Audit and Supervisory Board.</u>
	Yutaka Fujitani	Fujitani attended all 12 Meetings of the Board of Directors and all 15 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained at financial institutions and audit corporations. He also made necessary statements at the Meetings of <u>the Audit and Supervisory Board.</u>
	Cees Vellekoop	Vellekoop attended all 12 Meetings of the Board of Directors and all 15 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained through his career as a lawyer. He also made necessary statements at the Meetings of the Audit and Supervisory <u>Board.</u>
	Kenichiro Okamura	Okamura attended all 12 meetings of the Board of Directors and all 15 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained through his career as a certified public accountant. He also made necessary statements at the Meetings of the Audit and Supervisory Board.

Consolidated financial statements

Consolidated statement of financial position (as of March 31, 2023)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
Current assets		Current liabilities	
Cash and cash equivalents	7,801	Trade and other payables	690
Trade and other receivables	540	Bonds and borrowings	89
Other financial assets	9,507	Lease liabilities	147
Inventories	991	Other current liabilities	365
Other current assets	308	Total current liabilities	1,291
Total current assets	19,147	Non-current liabilities	
Non-current assets		Bonds and borrowings	21
Operating lease assets	430	Third-party interests in CEJ Fund	4,792
Property, plant and equipment	13,406	Lease liabilities	412
Right of use asset	546	Provisions	96
Goodwill	2,531	Deferred tax liabilities	1,577
Intangible assets	80	Other non-current liabilities	14
Investments accounted for using equity method	240	Total non-current liabilities	6,913
Other financial assets	13,641	Total liabilities	8,204
Other non-current assets	166	Equity	
Total non-current assets	31,040	Share capital	10
Total assets	50,187	Capital surplus	42,877
		Treasury shares	(1,188)
		Other components of equity	(979)
		Retained earnings	1,381
		Total equity attributable to owners of the parent	42,101
		Non-controlling interests	(118)
		Total equity	41,983
		Total liabilities and equity	50,187

Rounded down to the closest millions of yen

This is an English translation of financial statements as well as notes to financial statements, originally in Japanese.
Japanese original were audited by Deloitte Touche Tohmatsu LLC.

Consolidated statement of profit or loss (from April 1, 2022 to March 31, 2023)

Unit : Millions of yen

Items	Amount
Revenue	3,289
Cost of sales	(1,498)
Gross profit	1,791
Selling, general and administrative expenses	
Research and development expenses	(735)
Other selling, general and administrative expenses	(2,406)
Total selling, general and administrative expenses	(3,140)
Other income	212
Other expenses	(8)
Operating profit (loss)	(1,145)
Finance income	1,312
Finance costs	(193)
Gains related to CEJ Fund	274
Share of profit (loss) of investments accounted for using equity method	(195)
Profit (loss) before tax	53
Income tax expense	(446)
Profit (loss)	(393)
Profit (loss) attributable to	
Owners of parent	(298)
Non-controlling interests	(95)
Profit (loss)	(393)

Rounded down to the closest millions of yen

Non-consolidated financial statements

Non-consolidated balance sheet (as of March 31, 2023)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
I Current assets		I Current liabilities	
Cash and cash equivalents	6,419		
Accounts receivable-trade	387	Accounts payable- trade	26
Securities	9,500	Accounts payable - other	421
Merchandise and finished goods	224	Accrued expenses	14
Work in process	20	Unearned revenue	80
Raw materials	738	Income taxes payable	5
Accounts receivable-other	54	Other	347
Other	140	Total current liabilities	893
Allowances for doubtful accounts	(4)		
Total current assets	17,478	II Non-current liabilities	
II Non-current assets		Deferred tax liabilities	106
Property, plant and equipment		Asset retirement obligations	83
Buildings, net	2,624	Other	14
Structures, net	65	Total non-current liabilities	203
Machinery & equipment, net	1	Total liabilities	1,096
Vehicles & delivery equipment, net	4	Net assets	
Tools, furniture & fixtures, net	217	I Shareholders' equity	
Rental assets, net	426	Capital stock	10
Land	9,872	Capital surplus	
Construction in progress	460	Capital reserve	26,714
Total property, plant and equipment	13,670	Other capital surplus	16,413
Intangible assets		Total capital surplus	43,128
Patents	0	Retained earnings	
Software	16	Legal retained earnings	0
Other	5	Other retained earnings	
Total intangible assets	21	Retained earnings brought forward	(1,728)
Investments and other assets		Total Retained earnings	(1,728)
Bonds of affiliated companies	53	Treasury shares	(1,188)
Investment securities	4,298	Total shareholders' equity	40,222
Shares of affiliated companies	3,167	II Valuation & Translation Adjustments	
Investments in capitals of subsidiaries and associates	1,947	Valuation differences on available-for-sale securities	195
Long-term prepaid expenses	47	Total valuation & translation adjustments	195
Other	939	III Stock Acquisition Rights	19
Allowance for doubtful accounts	(91)		
Total investments and other assets	10,362	Total net assets	40,435
Total non-current assets	24,053	Total liabilities and equity	41,531
Total assets	41,531		

Rounded down to the closest millions of yen

This is an English translation of financial statements as well as notes to financial statements, originally in Japanese. Japanese original were audited by Deloitte Touche Tohmatsu LLC.

Non-consolidated statement of profit or loss (from April 1, 2022 to March 31, 2023) Unit : Millions of yen

Items	Amount
Net sales	1,715
Cost of sales	465
Gross profit	1,250
Selling, general and administrative expenses	2,076
Operating profit (loss)	(826)
Non-operating income	
Interest income	31
Subsidy income	9
Consigned research income	45
Outsourcing service fee	166
Other	108
Total non-operating income	359
Non-operating expenses	
Loss on investments in capital	72
Other	6
Total non-operating expenses	79
Ordinary profit (loss)*	(545)
Extraordinary income	
Proceeds from sale of investment securities	371
Total extraordinary Income	371
Extraordinary loss	
Loss on valuation of investment securities	165
Loss on valuation of share and investments in capital of subsidiaries and affiliates	252
Total extraordinary loss	416
Profit (loss) before provision of income tax	(591)
Income taxes - current	5
Income taxes - deferred	(1)
Total income taxes	4
Net profit (loss)	(595)

Rounded down to the closest millions of yen

Audit report by Audit and Supervisory Board

Audit Report

The Audit and Supervisory Board Members reported the method of audit and the result concerning the performance of Directors during the 19th business year (from April 1, 2022, to March 31, 2023). The board prepared this Audit Report after deliberation.

1. Method of audits by the Audit and Supervisory Board and each of its members and its scope

- (1) The Audit and Supervisory Board established the audit policies and determined its assignment of duties. Each Audit and Supervisory Board Member then reported its status and audit results. The Audit and Supervisory Board also received reports from Directors and Accounting Auditors regarding their business execution and requested an explanation as necessary.
- (2) Based on the Auditing Standards established by the Audit and Supervisory Board, audit policies, and assignment of duties, each Audit and Supervisory Board Members gathered information and prepared a necessary environment for their work. This was done by communicating with Directors, the Internal Audit Office, and other employees directly or via the internet. The Audit and Supervisory conducted audits using the following methods.
 - ① The Audit and Supervisory Board Members attended the Meeting of the Board of Directors and other important meetings to receive reports on the status of their business execution and requested an explanation as necessary. The Audit and Supervisory Board Members also examined essential documents that were approved to inspected the situation of the corporate affairs and assets at the headquarters. Audit and Supervisory Board Members also communicated with Directors of the subsidiaries to exchange information and received reports as necessary.
 - ② The Audit and Supervisory Board Members received reports from the Directors, employees on the progress of the internal control system and its operation status and requests for explanations as necessary. The internal control system is essential to ensure that Directors' business execution complies with the law and the Articles of Incorporation of the Company. The need to develop such a system is stipulated in Enforcement Regulations of the Companies Act Article 100, Paragraphs 1 and 3.
 - ③ The Audit and Supervisory Board monitored and verified whether an Accounting Auditor maintained its independence from the Company and conducted its audit appropriately. The members also received a report from the Accounting Auditor on their business execution and requested explanations as necessary. The Audit and Supervisory Board was notified of the system structured by the Accounting Auditor to ensure that their duty is conducted appropriately (as listed in Article 131 of the Company Accounting Regulations). The Accounting Auditor designed the system according to the Quality Control Standards for Audits (Business Accounting Council, October 28, 2005). The Audit and Supervisory Board Members requested explanations as necessary.

Based on the methods described above, Members of the Audit and Supervisory Board examined the following documents related to the fiscal year under review:

- a) The business report and its annexed specifications.
- b) The consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statements of changes in equity, and the related notes).
- c) The non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of profit or loss, the non-consolidated statement of changes in equity, and the related notes)

2. Results of audit

(1) Results of audit on business report, etc.

- ① We acknowledge that the business report and the annexed specifications fairly present the Company's status and comply with the applicable laws and regulations and the Company's Articles of Incorporation.
- ② We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found concerning business execution of the Directors.
- ③ We acknowledge that the Board of Directors' resolutions concerning the internal control systems were appropriate. We did not find a need to correct the descriptions of the internal control statement in the business report or the Directors' business execution.

(2) Results of audit on consolidated financial statements

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, were appropriate.

(3) Results of audit on non-consolidated financial statements and the annexed specifications

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, were appropriate.

May 24, 2023

CYBERDYNE Inc. Audit and Supervisory Board

Full-time Outside Audit and Supervisory Board Member	Kazuaki Tanaka	
Outside Audit and Supervisory Board Member	Yutaka Fujitani	
Outside Audit and Supervisory Board Member	Cornelis Vellekoop	
Outside Audit and Supervisory Board Member	Kenichiro Okamura	

