

16th Ordinary General Meeting of Shareholders

Date

**11 am (Reception starts from 10am)
Wednesday, June 24, 2020**

Venue

**NOVA HALL, LARGE HALL
1-10-1 Azuma, Tsukuba, Ibaraki, Japan**

(Please refer to the map on the end page)

Table of contents

Notice of the 16th Ordinary General Meeting of Shareholders	1
Business report	8
Consolidated financial statements	25
Non-consolidated financial statements.....	27
Audit report	29

[Request to Refrain from Attending]

The infection of COVID-19 is continuing. **There is a risk of mass infection at the General Meeting of Shareholders where many shareholders gather.** Please consider to refrain from attending the meeting on the day, to avoid infection.

CYBERDYNE Inc.

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

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Japanese original were audited by Deloitte Touche Tohmatsu LLC.

To our shareholders

June 6, 2020

2-2-1 Gakuen-minami, Tsukuba, Ibaraki, Japan

President and CEO Yoshiyuki Sankai

CYBERDYNE Inc.

Notice of 16th Ordinary Meeting of Shareholders

We would like to take this opportunity to thank you for your support towards our endeavors.

You are cordially invited to the 16th Ordinary General Meeting of CYBERDYNE Inc. (the “Company”), which will be held as detailed below.

In order to comply with the Companies Act, the General Meeting of Shareholders will be conducted at the venue stated below. However, the venue of the meeting will be significantly limited compared to other years, in order to prevent the spread of COVID-19. We would like to ask all of our shareholders to thoroughly review the precautions in this document and make a careful decision on whether or not to participate in the meeting.

Date

11 am (Reception starts from 10am) Wednesday, June 24 2020

Venue

NOVA HALL, LARGE HALL, 1-10-1, Azuma, Tsukuba, Ibaraki

Please refer to the map on the end page)

In order to prevent the spreading of the infection, the number of seats available will be greatly reduced this year. Therefore, we may be forced to refuse admission even if you attend on the day. We kindly ask for your understanding in advance.

Furthermore, if the venue becomes unavailable, it will be informed on the company website. We strongly advise our shareholders who intend to attend the General Meeting of Shareholders to check the company website (<https://cyberdyne.jp>) in advance on the day before the General Meeting of Shareholders.

Agenda

<Matters to be reported>

- 1. The Business report for the 16th fiscal year ended March 31 2020, 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 16th fiscal year ended March 31 2020.**

Cautions *Please be sure to read carefully

- The start time or venue of the shareholders meeting may be changed depending on the situation of the spreading of infection. Any changes with regards to the meeting shall be posted on the company website stated below. For our shareholders intending to attend the shareholders meeting, please be sure to check the company website before attending.

The Company website <https://www.cyberdyne.jp/english/>



- For our shareholders who intends to attend the meeting, please bring and wear a mask.
- A staff member will examine your temperature near the entrance. We may refuse admission and ask you to leave if you have a fever, if you seem to be feeling unwell or if you entered Japan within 14 days prior to June 24, 2020. If you entered Japan within 14 days prior to June 24, please tell one of our staff members at the reception.
- Inside the hall, please sit apart from other attendees and make sure to maintain enough distance. Please follow instructions from the operating staffs.
- There will be no display of company products and distribution of souvenirs at the 16th Ordinary Meeting of Shareholders
- In order to prevent the spread of the COVID-19, detailed explanation of "the matters to be reported" (including Audit Report" will be omitted for the purpose of shortening the meeting time. Please read through the "Notice of the 16th Ordinary Meeting of Shareholders" before the meeting.
- From the perspective of reducing risk of infection and ensuring continuity of the company business, some of our Directors as well as Audit and Supervisory Board Members may be absent or may attend the meeting through online tools.

Disclosure via the Internet

I. Among the documents and matters to be included in this Notice of the 16th Ordinary General Meeting of Shareholders (“this Notice” or “the Notice”), the following matters and documents are posted on “Internet disclosure related to the Notice of the 16th Ordinary General Meeting of Shareholders” of the Company’s website (see below), pursuant to the provisions of laws, regulations and Article 22 of the Company’s Article of Incorporation. Therefore, they are not included in the documents provided in this Notice.

1. Business report items

- Items concerning stock acquisition rights
- System to ensure the properness of the business and its status of operation

2. Consolidated statement of changes in equity and related notes for the consolidated financial statements

3. Statements of changes in equity and related notes for the non-consolidated financial statements

The Audit and Supervisory Members of the Company audited the business report, consolidated financial statements and non-consolidated financial statement, which is included in the Notice, in addition to items 1., 2., and 3. stated above which is presented separately on the Company website as “Internet Disclosure related to the Notice of the 15th Ordinary General Meeting of Shareholders”.

Furthermore, the Accounting Auditors of the Company audited each of the documents included in the Notice, in addition to items 2. and 3. stated above which is presented separately on the Company website as “Internet Disclosure related to the Notice of the 16th Ordinary General Meeting of Shareholders”.

II. If any incidents that require the revision of the enclosed documents occur after these documents are mailed out, they will be announced on the Company’s website.

Website of CYBERDYNE Inc. **<https://www.cyberdyne.jp/english/company/IR.html>**

To the shareholders attending the meeting

Please bring the enclosed attendance form and submit it at the reception of the meeting.

Please also bring this invitation to serve as the program for the meeting.

Business Report (from April 1, 2019 to March 31, 2020)

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 fiscal year ended March 31, 2020 and certain assumptions made by the Group.

I Current status of the Group

1. Process and outcome of the business

The Group aims to establish Society 5.1, a new vision of society where the “humans” are combined with the cyberspace (virtual world) and physical space (real world) of Society 5.0, by utilizing innovative Cybernics Technology. The Group continues to drive the movement to revision society and industry to realize Society 5.0/5.1 as a future “Techno-Peer Support Society” where humans and technology support each other.

Endeavor to create Cybernics Industry

The Group’s business is to implement Cybernics Technology powered by Internet of Humans/Internet of Things (“IoH/IoT”), Robots, and AI, to create a Cybernics Industry that will connect medicine, nursing-care, production, work place and daily life in order to solve the various problems that is becoming apparent in hyper-aging society. The Group’s business has a unique advantage in its ability to access and integrate information within the human body (e.g. Brain-nerve and vital systems) in addition to information outside the human body (behavior, life and environmental information) and applying them to different fields such as medicine, nursing care, production work places and daily life. All of the Group’s devices and interfaces are compatible with Internet of Humans/Internet of Things (“IoH/IoT”), and through these products, information of the brain-nerve, vital, physiological, behavioral, life and environmental systems can be integrated and connected to a super computer. The Group aims to realize a system where Big Data of the aforementioned information are accumulated, analyzed and processed with AI. In June 2019, the Company presented the concept of “Cybernics Industry” as the new industry after robotics and IT industry towards digital economy and trade ministers of G20 visited the Company Headquarters. In December of the same year, the Company hosted the first ever “Cybernics Expo” under the theme of “Start of Cybernics Industry”, sharing the future of people and society as they should be. The Group will continue to work simultaneously on research and development, business development and formation of business alliances to further accelerate the emergence of a Cybernics Industry that will solve the problems facing society.

Major business lines of the Group (As of March 31, 2020)

The major business lines of the Group are as follows.

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

Status of business operation

<<Business operation around the medical application>>

The Group continues its efforts to establish Cybernics 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.

(Status of medical device approvals by each types of HAL)

For Medical HAL Lower Limb Type, in order to expand the scope of medical device approval to include stroke, which is a disease with over eight million patients in Japan and U.S. combined, an investigator-initiated multi-center clinical trial using the Single-Leg model is in progress and it is scheduled to be complete around the end of year 2020. Since obtaining 510k marketing clearance from the U.S. Food and Drug Administration ("U.S. FDA") in December 2017, the Company worked to accelerate the approval processes in the Asia Pacific Region ("APAC"). The Group obtained medical approval in Malaysia in October 2019, Thailand and Indonesia in April 2020 (as in the EU, approved for wide range of diseases like stroke, spinal cord injury, and neuromuscular disease). Approval process is underway in Taiwan, Singapore, Turkey, and other countries.

For HAL Single Joint Type, the Group obtained medical device certificate (certification of compliance with the European Medical Device Directive) from TUV Rheinland, a third-party certification organization. Following this event, the Group is preparing to apply for medical device approval in the U.S., and in some countries in APAC (Thailand, Malaysia, Indonesia, Taiwan and etc.)

For HAL Lumbar Type, the Group completed the medical device registration with the Food and Drug Administration of Taiwan ("TFDA"). The Group is now preparing to apply for medical device approval in the U.S., EU and in some countries in APAC (Thailand, Malaysia, Indonesia, and etc).

(Business development by each region)

In the U.S., in order to obtain insurance coverage towards Cybernics Treatment, the Group continues to strengthen the coordination with partner medical institutions in the field of clinical research. For example, CEO Sankai gave a keynote speech at the Neuroscience Convergence 2019, held by the Mayo Clinic (Ranked No.1 in "excellent hospital across the U.S.") in November 2019. The Group also continues to accumulate experience of Cybernics Treatment at Brooks Cybernic Treatment Center, while conducting marketing and sales activity for HAL.

In Europe, the Group works on entering into contracts with various private insurance countries in parallel with the treatment service in Germany which centers on Public Workers Compensation Insurance. In July 2019, the German subsidiary Cyberdyne Care Robotics GmbH reached an agreement with Nuremberger,

a leading insurance group in Germany, to provide coverage for Cybernics Treatment. In Poland, the Company's partner Constance Care has signed an agreement with WARTA and PZU, two major private insurer in Poland, to cover the cost of Cybernics Treatment. The Group continues to work on introducing HAL to other countries in Europe, and held the first "International HAL Forum" in Italy in October 2019.

In the Middle East, a clinical trial led by the Ministry of Health of Saudi Arabia has been completed with clinical results that greatly improved ambulatory function of the patients. In October 2019, the Group signed a contract with the ALJ group to promote Cybernics Treatment and are preparing to expand sales channels in the Middle East.

In APAC, total of 24 units, composed from 3 different types of HAL are operating in Neuro-Robotics-Rehabilitation and Cybernics Center, located inside SOCSO Rehabilitation Malaysia, making the facility largest operator of HAL in the region. In August 2019, we entered into distributor agreement with PUSAT REHABILITASI PERKESO SDN. BHD, a subsidiary of SOCSO (Areas covered: Middle East, South Asia and Southeast Asia). In October 2019, following the approval of medical devices in Malaysia, 3 different types of HAL were introduced to University of Science in Malaysia (USM), which is known to be one of Malaysia's leading University. In Thailand and Indonesia, two large South Asian medical device markets equivalent to Malaysia, the Group has received a formal and informal decision from several hospitals to install HAL in their facilities. As the Group obtained the medical device approval for those market in April 2020, HAL will be exported to Thailand and Indonesia as soon as the restriction due to COVID-19 pandemic are lifted on the local side. In Taiwan, a tie-up with CHC Healthcare Group, a major medical equipment trading company, led to installment of HAL Lumbar Type at Yee Zen General Hospital, a group hospital of CHC Healthcare Group, in October 2019. Once HAL Lower Limb Type and HAL Single Joint Type are approved, those types are also scheduled be installed.

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

The Group has developed various types of HAL with the aim of improving elderly people's level of need of nursing care, preventing severity of their illness, preventing frailty and maintaining their independence from care. For example, HAL Lower Limb Type for inducing improvement of ambulatory functions, HAL Single Joint Type that can be used to train elbow and knee movements and HAL Lumbar Type for inducing improvement of trunk and lower limb function.

(Implementation of products)

As part of the "Single Joint Type", the Group began selling "Ankle Joint Attachment" to improve the voluntary movement of the ankle joint and gait patterns in July 2019.

As part of the "Lumbar Type", the Group began selling "HAL Lumbar Type for Well-being (BB04)" as a new model that could support both caregivers and care receivers with a single unit.

The new model is installed with a new control mode that can be used without attaching a sensor. It can be strapped on as little as 10 seconds to improve usability. Also, since January 2020, the Group announced a feature where users can implement more effective exercise by visualizing the information of their physical functions (bio-electrical signals from their brain-nerve-musculoskeletal system and the angle of inclination of the trunk) on a real-time monitor display.

(Business of Robocare Center)

The Group continues to reinforce “Neuro HALFIT” at Robocare Centers, as a program that induces improvement of the brain-nerve and musculoskeletal system through utilization of HAL. By coordinating with business partners in each region. Since April 2019, the centers have been opened in Okayama and Sendai (May), Kitakyushu and Hiroshima (July), Nagoya and Sapporo (August), and Kobe and Tokyo Yotsuya (October), bringing the total to 14 centers nationwide.

Daido Life, a business partner of the Group, became the first company to offer long-term care insurance on the “Neuro HALFIT” program in April 2020. As a result, those who are certified under the public long-term care insurance system “Support Need Level 1 to Long-Term Care Need Level 2” can use the Neuro HALFIT free of charge.

Furthermore, in January 2020, the Group announced “IWA Neuro HAL Plus” as an innovative program for athletes to strengthen and adjust the brain-nerve systems. The Group plan to develop programs for athletes and the general public in addition to programs for elderly and people with disability.

(Start of service for home)

In April 2020, the Group launched a new service for individuals that allows them to work on Neuro HALFIT program at home. In response to the risk of decline in physical functions due to the loss of exercise opportunities from the effect of COVID-19, the Group have made it possible for individual customers to use HAL Lumbar Type for Well-being for supporting independence from the need of care.

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

(HAL Lumbar Type for Labor Support)

HAL Lumbar Type for Labor Support (LB03), which is dust-proof and waterproof is being introduced not only to major users in airports, construction and logistics, but also to fire departments in Tsukuba City, Ibaraki Prefecture and Ebina City, Kanagawa Prefecture as fire defense equipment for emergency personnel. In Daigo-machi, Ibaraki Prefecture, and Sagami-hara City, Kanagawa Prefecture, both of which were severely damaged by Typhoon No. 19, HAL Lumbar Type was rented for disaster recovery.

(Autonomous navigated robots)

In addition to commercial facilities run by Mitsui Fudosan Co., Ltd. And office buildings owned by Sumitomo Corporation and NTT East, 10 units of next-generation Cleaning Robot CL02 (“CL02”) were introduced at Narita International Airport and 4 units (5 including ones that was already introduced) in November 2019 and are now in full-scale operation. In March 2020, as one of potential solution to prevent infection from COVID-19, the Group announced an expansion of functionality for CL02 by mounting on disinfectant sprayer on the robot and installed this to Haneda Airport. CL02 achieve high-speed autonomous navigation using the world’s most advanced SLAM technology.

Status of research and development

A palm-sized small vital sensor “VS-AS01” designed to detect arteriosclerosis and arrhythmia at an early stage is being prepared for external applications and new functions to improve usability. The Group are also researching and developing photoacoustic imaging for real-time analysis of microvascular information and small sensing devices for various types of vital information

As technologies to promote independence for elderly and disabled person, the Group is developing a cloth-type HAL to maintain and improve ambulatory functions, a watchful communication robot to maintain and improve ADL (activities of daily living) with its conversation functions while acquiring vital and environmental information, and a toilet docking type excretion support robot for people who have difficulty walking.

Numbers of operating units

As of the end of March 2020, 310 units of Medical HAL Lower Limb Type were in operation worldwide including those used for clinical research. Out of the aforementioned number, 81 were rented out in Japan for treatment. 300 units of HAL for Well-being Single Joint Type were in operation and most of the units were used by hospital in Japan for clinical research.

There was a total of 357 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) put together in operation as of end of March 2020. While the number of HAL for Well-being Lower Limb Type is increasing following adoption by care facilities and hospitals in Japan, the old mode is starting to meet its service life and the Group is disposing the units that have exceeded it. 951 units of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support put together in operation. While the number of HAL Lumbar Type for Well-being is increasing, the old model of HAL Lumbar Type for Care Support is starting to meet its service life and the Group is disposing the units that have exceeded it.

As of the end of March 2020, 624 units of HAL Lumbar Type for Labor Support were in operation. 75 units of Cleaning Robot as well as Transportation Robot were in operation.

Results

As the result of the aforementioned, in the fiscal year ended March 31, 2020, the Group recorded revenue of ¥1,792 million (4.8% increase year on year) mainly due to increase of rental income from Medical HAL. Gross profit ratio improved 0.7 points to 72.5% year on year, resulting in the gross profit of ¥1,300 million (5.9% increase year on year).

Research and development expenses were recorded at ¥812 million (18.7% decrease year on year), mainly due to development of new products at the Company's own expense and consigned research projects. In addition, other selling, general and administrative expenses increased to ¥1,646 million (13.2% increase year on year).

Other income was recorded at ¥138 million (65.9% decrease year on year), mainly due to income from consigned research project, while other expenses were recorded at ¥18 million (62.8% increase year on year), resulting in the operating loss of ¥1,039 million (25.1% increase year on year).

Finance income was recorded at ¥1,184 million, finance costs were recorded at ¥100 million, mainly due to valuate difference of investment and gains related to CEJ Fund were recorded at ¥75 million, leading to improvement of ¥660 million in the profit before tax to ¥91 million. Income tax expense was recorded at ¥240 million, mainly due to deferred tax expense. As a result, the Group improved ¥480 million to ¥152 million (75.9% decrease year on year) in the loss attributable to owners of the parent.

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, gain on investments in securities was recorded at ¥853 million as "finance income" and the deferred tax expense related to this valuation was recorded at ¥260 million as "income tax expense". Also, loss on investments in securities was recorded at ¥97 million as "finance costs". Therefore, the result of calculation of fair value, impact towards quarterly profit was ¥496 million.

2. Status of capital investments

Capital investments made in the consolidated fiscal year ended March 31, 2020 were ¥399 million in total. This mostly came from partial payment of the amount related to the purchase of land in Tsukuba city, Ibaraki prefecture.

3. Status of financing

There was no “financing activities”, “transfer, absorption-type split or incorporation-type split of the business”, “business transferred from other companies” or “acquisition of rights and obligations related to the business of other corporations from absorption-type splits or absorption-type mergers” that took place during this fiscal year.

4. Acquisition/disposal of other companies’ equity

There was no relevant item to report

5. Issues to be addressed

The Group’s business is to implement Cybernics Technology powered by Internet of Humans/Internet of Things (“IoH/IoT”), Robots, and AI, to create a Cybernics Industry that will connect medicine, nursing-care, production, work place and daily life in order to solve the various problems that is becoming apparent in hyper-aging society.

While the Group is aiming to accelerate the creation of “Cybernics Industry” through researching, developing products, promoting its business and forming alliance with others simultaneously, the Group considers to address the following issues.

Initiatives towards COVID-19

The impact of the COVID-19 has brought about a paradigm shift in people’s awareness and social structure, and the society is in need of a solution towards emerging social problems. The Group regards these circumstances as a new business opportunity and a chance to further proceed the endeavor to create Cybernics Industry. The Group is developing new Cybernics Devices that can support those in the medical environment, a place with high risk of infection, remotely. In other business fields, the Group also started a new program for individual customers so that can prevent frailty and locomotive syndrome despite being restricted from going outside their houses. The Group also started to offer its robots installed with cutting-edge autonomous navigation technology for disinfection work at airports, train station and infrastructure

of transportation. The Group will continue to accelerate its endeavor to realize “Society 5.0/5.1”, a future society where “Human” + “Cyber/Physical Space” are fused together through utilization of innovative Cybernics Technology even after the situation surrounding COVID-19 settles down.

R&D activities to create innovative technologies and new industries

In order to create “Cybernics Industry”, research and development of Cybernics Technology that incorporates IoH/IoT (Internet of Humans/Internet of Things), Robot and AI to solve various problems that the society encounters. The Group’s has a unique advantage in its ability to access and integrate information within the human body (e.g. Brain-nerve and vital systems) in addition to information outside the human body (behavior, life) and environmental information, and connecting such information to a super computer.

The Group will continue to coordinate with universities, research institutions, medical institutions, government offices and companies on R&D of Cybernics Systems (Cybernics Devices, Cybernics Interfaces and etc) that utilizes cutting-edge Cybernics Technologies and also on formulation of Integrated Cybernics System for accumulating, analyzing and AI processing of IoH/IoT Big Data gathered through Cybernics System.

Promoting clinical trials related to Cybernics Treatment

The Group is required to confirm the efficacy and safety of HAL through various clinical trials in order to establish Cybernics Treatment, a treatment program using Medical HAL systems that aims to induce improvement and regeneration of the functions of the brain, nerves and muscles, as a global standard of treatment. HAL for Medical Use Lower Limb Type was approved as a new medical device towards 8 types of neuromuscular disease in Japan in November 2015, and since its launch post-marketing surveillance is being conducted. This surveillance is scheduled to be complete within the fiscal year ending March 31, 2021. For stroke, investigator initiated clinical trial is underway since September 2016 and it is scheduled to be complete by December 2020. The Group will strengthen cooperation with major medical institutions in Japan and overseas to promote various clinical trials of HAL to expand the range of applicable diseases and to obtain medical device approval for each types of HAL.

Global approval as a medical device

To promote HAL in a global scale, medical device approval is required for each countries. In December 2017, the Group obtained marketing clearance for HAL Lower Limb Type from the US FDA, which opened up doors for medical device approval in other regions, especially in the Asia Pacific region. Since October 2019, the Group obtained approvals in Malaysia, Thailand and Indonesia, and currently

applying for approval in Taiwan, Singapore and Turkey. Furthermore, in October 2019, the Group received certification for compliance with the European Medical Device Directive from TUV Rheinland, a third-party certification organization, for HAL Single Joint Type. The Group are now preparing to commercialize this model for the U.S. and major countries in APAC. In addition, in November 2019, the Group completed registration of HAL Lumbar Type for Taiwan as a medical device. The Group is now making preparation to obtain approvals for HAL Lumbar in the US, Europe and major countries in APAC.

Obtaining insurance coverage for Cybernics Treatment in each countries

Another important aspect to promote HAL in a global scale is insurance coverage from both public and private sector. In Japan, treatment with HAL for Medical Use Lower Limb Type towards patients with 8 types of neuromuscular diseases are covered by public health insurance since September 2016. The Group is working to expand the insurance coverage to other diseases as well by obtaining approval to treat other diseases. The Group coordinates with number of private insurers, such as Daido Life Insurance (medical and care insurance) and accident insurance (AIG, Sampo Japan) to cover the cost of treatment and training with HAL. In the U.S., the Group is working with partners in clinical research such as Mayo Clinic in order to apply private insurance on HAL. In Germany, the largest medical device market in the EU, the full amount of treatment costs by HAL is listed in the public workers compensation insurance. The Group is proceeding various procedures with the aim of listing to public medical insurance as well. In Germany and Poland, major private insurers have started to cover spinal cord injury patients, and the Group will continue to consult with private insurers in other countries.

Promoting the business of robots in long-term care field

Japan has become a super-aging society, with the number of senior citizens aged 65 or older stood at about 35.6 million (28.1% of the total population) as of October, 2018. The number of people requiring long-term care and persons requiring support under the public nursing care insurance system stood at about 6.2 million*¹, as of the end of December, 2016. These trends are expected to continue year by year. For the purpose of helping elderly to grow more independent, stop their condition from worsening, prevent frailty and etc., the Group offers various types of HAL for different body parts and needs. In addition to its effort to increase the number of Robocare Center, which offers Neuro HALFIT as a new program to induce improvement of functions of the brain-nerves-musculoskeletal system, the Group also announced a new service on April 2020 to rent HAL towards individuals so they can work on Neuro HALFIT in their own houses. By continuing to improve the service towards individuals, the Group aims to support improvement of physical functions on more day-to-day basis, improving their independence and preventing situations where one must depend on the hand of the care giver.

Sources

*1. Cabinet Office, “Fiscal Year 2019 White Paper on Aging Society”

Reinforcement of structure to accelerate the business and fostering personnels

The Group must reinforce the structure of business, sales, research and development and production to accelerate the creation of “Cybernetics Industry” and foster next generation personnels who could drive this endeavor. As a banner-man of creating Cybernetics Industry, the employees of the Group are expected to come up with ideas by thinking from the goals and also to have prominent capabilities to research, develop and acquire know-how so that they could become experts and take a leadership in those fields, in which they have not necessarily had expertise before. The Group assembles various personnel, who are highly talented and knowledgeable in wide variety of fields so that the Group could structure an organization that could do everything from R&D to social implementation on global basis, and foster personnel such personnels.

6. Status of assets and income

(i) Status of assets and income of the Group (Japanese-GAAP)

Division	Fiscal year 2016 (April 1, 2016 to March 31, 2017)	Fiscal year 2017 (April 1, 2017 to March 31, 2018)	Fiscal year 2018 (April 1, 2018 to March 31, 2019)	Fiscal year 2019 (April 1, 2019 to March 31, 2020)
Net sales (Millions of Yen)	1,649	1,726	–	–
Ordinary loss* (Millions of Yen)	(782)	(688)	–	–
Net loss attributable to CYBERDYNE, Inc. (Millions of Yen)	(789)	(591)	–	–
Net loss per share (Yen)	(3.69)	(2.75)	–	–
Total assets (Millions of Yen)	46,848	46,338	–	–
Net assets (Millions of Yen)	46,226	45,630	–	–
Net assets per share (Yen)	214.90	212.04	–	–

*Income/loss before income tax without extraordinary income/loss, also called “pre-tax income” or “ordinary profit”

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

Division	Fiscal year 2016 (April 1, 2016 to March 31, 2017)	Fiscal year 2017 (April 1, 2017 to March 31, 2018)	Fiscal year 2018 (April 1, 2018 to March 31, 2019)	Fiscal year 2019 (April 1, 2019 to March 31, 2020)
Revenue (Millions of Yen)	1,660	1,728	1,709	1,792
Operating loss (Millions of Yen)	(697)	(659)	(830)	(1,039)
Loss attributable to owners of parent (Millions of Yen)	(676)	(673)	(632)	(152)
Net loss per share (Yen)	(3.16)	(3.13)	(2.94)	(0.71)
Total assets (Millions of Yen)	47,712	46,598	45,746	47,808
Equity attributable to owners of parent (Millions of Yen)	46,768	45,698	44,217	44,268
Equity attributable to owners of parent per share (Yen)	217.56	212.53	205.50	205.71

(Note)

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.

(i) Status of assets and income of the Company

Division	Fiscal year 2016 <small>(April 1, 2016 to March 31, 2017)</small>	Fiscal year 2017 <small>(April 1, 2017 to March 31, 2018)</small>	Fiscal year 2018 <small>(April 1, 2018 to March 31, 2019)</small>	Fiscal year 2019 <small>(April 1, 2019 to March 31, 2020)</small>
Net sales	(Millions of Yen) 1,453	1,542	1,530	1,595
Ordinary loss*	(Millions of Yen) (701)	(624)	(734)	(706)
Net loss	(Millions of Yen) (707)	(529)	(1,906)	(849)
Net loss per share	(Yen) (3.31)	(2.46)	(8.86)	(3.95)
Total assets	(Millions of Yen) 46,921	46,458	44,740	43,899
Net assets	(Millions of Yen) 46,374	45,843	44,020	43,167
Net assets per share	(Yen) 215.59	213.09	204.52	200.56

*Income/loss before income tax without extraordinary income/loss, also called “pre-tax income” or “ordinary profit”

7. Status of the parent and notable subsidiaries (as of March 31, 2020)

(i) Parent

There are no items to report.

(ii) Subsidiaries

Name	Capital	Ownership of voting rights (%)	Major business lines
(Outside of Japan)			
Cyberdyne Care Robotics GmbH	€25,000	75.1%	Functional improvement/regeneration treatment service with HAL and sales of HAL
CYBERDYNE USA Inc.	US\$ 1,100,000	100.0%	Management and acceleration of the Company's business in the U.S.
CYBERDYNE & BROOKS, Inc.	US\$ 300,000	66.7%	Functional improvement/regeneration treatment service with HAL and sales of HAL
(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
CEJ Capital, Inc.	¥20 Million	60.0%	Management and operation of Cybernic Excellence Japan Fund 1 Investment Limited Partnership
Cybernic Excellence Japan Fund 1 Investment Limited Partnership	¥990 Million	30.9%*	Investment fund-related businesses aimed at creating the new Cybernic Industry

*Including shares held indirectly

8. Major business lines (as of March 31, 2020)

Please refer to section 1 “process and outcome of the business”.

9. Main offices and factories (as of March 31, 2020)

Division	Name	Location
The Company	Head Quarters	Tsukuba, Ibaraki, Japan
	Next-generation multipurpose robotized production facility (Fukushima Office)	Koriyama, Fukushima, Japan
	Cyberdyne Care Robotics GmbH	Bochum, North Rhine-Westphalia, Germany
Subsidiaries (Outside Japan)	CYBERDYNE USA Inc.	California, USA
	CYBERDYNE & BROOKS, Inc.	Florida, USA
Subsidiaries (Within Japan)	Suzuka RoboCare Center Co., Ltd.	Suzuka, Mie, Japan
	Shonan RoboCare Center Co., Ltd.	Fujisawa, Kanagawa, Japan
	Oita RoboCare Center Co., Ltd.	Beppu, Oita, Japan
	CEJ Capital, Inc.	Tsukuba, Ibaraki, Japan
	Cybernic Excellence Japan Fund 1 Investment Limited Partnership	Shibuya, Tokyo, Japan

10. Status of employees (as of March 31, 2020)

(i) Status of employees in the Group (as of March 31, 2020)

Number of employees	Change from previous fiscal year
95 members (56 members)	Increase of 11 members (Increase of 9 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 who also hold positions as Company employees or dispatch workers sent from a temp agencies.
- (2) The number of contract employees are 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, information of employees for each segment is omitted.

(ii) Status of employees in the Company (as of March 31, 2020)

Number of employees	Change from previous fiscal year	Average age	Average years of continuous service
78 members (47 members)	Increase of 13 members (Increase of 6 members)	41.7 years old	5.0 years

(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 who also hold positions as Company employees or dispatch workers sent from a temp agencies.
- (2) The number of contract employees are stated in the brackets (). This number includes part-time workers but excludes those who work in the Group as second jobs.

II Matters regarding the Company shares

1. Status of shares (as of March 31, 2020)

Class	Total number of authorized shares	Total number of shares issued	Number of shareholders
Common Share	618,300,000 shares	137,445,809 shares	86,387 shareholders
Class B Share	77,700,000 shares	77,700,000 shares	3 shareholders

2. Major shareholders (as of March 31, 2020)

Name of shareholder	Number of shares held (shares)		Shareholding ratio (%)
Yoshiyuki Sankai	Common Share	3,042,000	37.52
	Class B Share	77,696,000	
Daiwa House Industries Co., Ltd.	Common Share	30,000,000	13.94
GCAS BANA LONDON US CLIENT	Common Share	3,730,783	1.73
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	Common Share	2,506,800	1.16
THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	Common Share	2,405,750	1.11
The Master Trust Bank of Japan. Ltd. (Trust Account)	Common Share	1,431,100	0.66
RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT	Common Share	1,115,700	0.51
SBI SECURITIES Co., Ltd.	Common Share	955,700	0.44
Kimiaki Ogumi	Common Share	715,500	0.33
MSIP CLIENT SECURITIES	Common Share	704,100	0.32

(Notes)

The treasury stock (138 Common Shares) was excluded from the calculation of the shareholding ratio.

3. Matters regarding stock acquisition rights

Information regarding stock acquisition rights is posted on the Company's website pursuant to the related law, regulations and Article 22 of the Company's Articles of Incorporation.

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

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

Position	Name	Status of the position and other important positions held outside CYBERDYNE
President and CEO Member of the Board of Directors	Yoshiyuki Sankai	Professor of Information & Systems, University of Tsukuba Executive Research Director at the Center for Cybernics Research, University of Tsukuba
Member of the Board of Directors	Shinji Uga	Head of Corporate Department of CYBERDYNE
Member of the Board of Directors	Yoshihiro Yasunaga	Head of Sales Department of CYBERDYNE
Member of the Board of Directors	Hiroaki Kawamoto	Associate Professor of Systems & Information Engineering, University of Tsukuba
Outside Member of the Board of Directors (Independent Officer)	Kinichi Nakata	Lecturer at Nihon University School of Medicine Special interest in CYBERDYNE No relevant items Main activities Provided appropriate opinions upon discussions of Company business from the stand point of a Doctor. Situation of attendance at the meeting of the Board of Directors 17 out of 20 times
Outside Member of the Board of Directors (Independent Officer)	Kazumasa Yoshida	Outside Director of Onkyo Corporation Outside Director of TDK Corporation Outside Director of Mamezou Holdings Co., Ltd. Outside Director of FreeBit Co., Ltd. Outside Director of Mynavi Corporation Special interest in CYBERDYNE No relevant items Main activities Provided appropriate opinions in all aspects of corporate management based on his rich experience and knowledge of global corporate management. Situation of attendance at the meeting of the Board of Directors 20 out of 20 times
Outside Member of the Board of Directors (Independent Officer)	Hikari Imai	Outside Director of PACIFIC METALS CO., LTD. Director and Chairman of 3DM Inc. Outside Director of GPSS Holdings Inc. Chairman of the Keiaikai Medical Foundation Outside Director of the SHIMACHU Co., Ltd. Special interest in CYBERDYNE No relevant items Main activities Provided appropriate opinions in all aspects of corporate management based on his rich experience and knowledge of global corporate management. Situation of attendance at the meeting of the Board of Directors 20 out of 20 times

Position	Name	Status of the position and other important positions held outside CYBERDYNE
Outside Audit and Supervisory Board Member (Independent Officer)	Yutaka Fujitani	<p>Full-time</p> <p>Special interest in CYBERDYNE No relevant items</p> <p>Main activities Provided opinions on corporate management whenever necessary, based on his extensive experiences earned through his background of financial institution and audit firm.</p> <p>Situation of attendance at the meeting of the Board of Directors Situation of attendance at the meeting of the Audit and Supervisory Board 20 out of 20 times 12 out of 12 times</p>
Outside Audit and Supervisory Board Member	Cees Vellekoop	<p>-</p> <p>Special interest in CYBERDYNE No relevant items</p> <p>Main activities Provided opinions whenever necessary, based on his professional knowledge of law</p> <p>Situation of attendance at the meeting of the Board of Directors Situation of attendance at the meeting of the Audit and Supervisory Board 19 out of 20 times 11 out of 12 times</p>
Outside Audit and Supervisory Board Member (Independent Officer)	Kenichiro Okamura	<p>President and CEO of Kaede Audit Corporation External Member of Board of Auditors of SG Holdings Co., Ltd Outside Director of Kanematsu Sustech Corporation (Audit and Supervisory Committee) Audit and Supervisory Board Member of United Urban Investment Corporation</p> <p>Special interest in CYBERDYNE No relevant items</p> <p>Main activities Provided opinions whenever necessary, based on his professional knowledge of financing and accounting as a certified public accountant.</p> <p>Situation of attendance at the meeting of the Board of Directors Situation of attendance at the meeting of the Audit and Supervisory Board 20 out of 20 times 11 out of 12 times</p>
Outside Audit and Supervisory Board Member	Kazuro Kawamata	<p>-</p> <p>Special interest in CYBERDYNE No relevant items</p> <p>Main activities Provided opinions whenever necessary, based on his professional knowledge of Corporate Management</p> <p>Situation of attendance at the meeting of the Board of Directors Situation of attendance at the meeting of the Audit and Supervisory Board 14 out of 14 times 10 out of 10 times</p>

(Notes)

- (1) Three of the Members of the Board of Directors, Kinichi Nakata, Kazumasa Yoshida and Hikari Imai are Outside Members of the Board of Directors. The Company registered them as the Independent officers at the Tokyo Stock Exchange, Inc. pursuant to their Securities Listing Regulation, Article 436-2.
- (2) Four Audit and Supervisory Board Members, Yutaka Fujitani, Cees Vellekoop, Kenichiro Okamura and Kazuro Kawamata are Outside Audit and Supervisory Board Members. The Company registered Yutaka Fujitani and Kenichiro Okamura as the Independent Officers at the Tokyo Stock Exchange, Inc. pursuant to their Securities Listing Regulation Article 436-2.
- (3) Audit and Supervisory Board Member, Yutaka Fujitani has extensive experience in both domestic and international environment, through his work at a major bank as well as from advisory service to financial institute at KPMG AZSA LLC in structuring internal control system. As such Yutaka Fujitani is deemed to have sufficient knowledge and experience related to business auditing and internal control.
- (4) Audit and Supervisory Board Member, Cees Vellekoop was a qualified lawyer in Britain as well as the Netherlands and worked for Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho as an attorney for foreign law (all three certificate have since been relinquished). As such, Cees Vellekoop is deemed to have sufficient knowledge and experience in the field of law.
- (5) Audit and Supervisory Board Member, Kenichiro Okamura is a certified public accountant. Through his work in auditing firm, he has experience in both domestic and international auditing. He also has a record of working as an advisor on Sarbanes-Oxley Act (“SOX”), an act related to control, International Financial Reporting Standards (IFRS) and in management of subsidiaries located overseas. As such, Kenichiro Okamura is deemed to have sufficient knowledge and experience in finance, accounting and internal control.
- (6) Audit and Supervisory Board Member, Kazuro Kawamata has extensive experience and broad insight in corporate management gained through his service as General Manager of the Audit Department, Audit and Supervisory Board Member, Director and Management of the Human Resources Department of the bank. As such, Kazuro Kawamata is deemed to have sufficient knowledge and experience in the field of corporate management.

IV Outline of the limited liability agreement

The Company entered into a limited liability agreement with Hiroaki Kawamoto, each of Outside Member of the Board of Director and Outside Audit and Supervisory Board Members in accordance with Article 423-1 of the Companies Act. Liability for the damages caused shall be limited to the sum of amount specified in each items of Article 425-1 of the Companies Act.

V Total amount of remuneration, etc. for Members of the Board of Directors and Audit and Supervisory Board Members

Position	Number of recipients	Amount of payment	Description
Member of the Board of Directors	7	¥47 Million	¥6 Million for the three Members of the Outside Board of Directors
Audit and Supervisory Board Members	4	¥12 Million	¥12 Million for the three Members of the Outside Audit and Supervisory Board Members
Total	11	¥59 Million	

(Notes)

- (1) The upper limit of remuneration for Member of the Board of Directors was set at ¥100 Million per year by the resolution at the 2nd Ordinary General Meeting of Shareholders on May 31, 2006. The upper limit of remuneration for Audit and Supervisory Board Members was set at ¥50 Million per year by the resolution at the 3rd Ordinary General Meeting of the Shareholders on June 28, 2007.
- (2) The amount of payment stated above includes remuneration for Outside Member of the Board of Directors and Outside Audit and Supervisory Board Members.
- (3) The payment for Member of the Board of Directors does not include the payment of standard payroll for Member of the Board of Directors who also hold a positions as the Company employees.
- (4) As of the end of March 31, 2020, there are seven Member of the Board of Directors and four Audit and Supervisory Board Members.

VI Accounting Auditor

1. Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

2. Fee for the Accounting Auditor

Items	Amount paid
Fee for accounting audit within this fiscal year	¥28 Million
Total amount of money and property benefits to be paid to the Accounting Auditors by the Company and its subsidiaries	¥31 Million

(Note)

In the audit contract between the Company and the Accounting Auditor, there is no distinction between the fee for the audit based on the Companies Act as Accounting Auditors and the fee for the audit based on the Financial Instruments Exchange Act, as it is not practically possible to distinguish them. The aggregated amount of those fees is depicted in the table above.

3. Reasons for the Audit and Supervisory Board to accept the fee for the Accounting Auditor

The Audit and Supervisory Board agreed with the fee for the Accounting Auditor in accordance to the Companies Act Article 399-1, after examining the appropriateness of its audit plan and number of audit hours and its performance in the previous fiscal year in line with the “Practical Guidelines Regarding Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Associations.

4. Policy regarding decisions to dismiss or not to reappoint the Accounting Auditor

The Company’s policy states that, if an Accounting Auditor is found to meet the definition of one of the items stated in Article 340-1 of the Companies Act, subject to the unanimous consent of the Audit and Supervisory Board Members, Audit and Supervisory Board shall dismiss the Accounting Auditor. Upon such dismissal, a selected member of the Audit and Supervisory Board shall report the said dismissal and the reasons thereof at the first General Meeting of shareholders convened for the first time after such dismissal.

In addition to the case stated above, the Audit and Supervisory Board may determine the details of the proposal to dismiss or not to reappoint the Accounting Auditor based on its comprehensive judgment concerning deterioration of the Accounting Auditor’s performance and quality of auditing work. The Board of Directors submits such proposal for resolution to the General Meeting of Shareholders.

VII Systems to ensure the appropriateness of the business operations and implementation status of the systems

Based on relevant laws and Article 22 of the Company’s Article of Incorporation, systems to ensure the appropriateness of the business operation and implementation status of system are posted on the Company website. <https://www.cyberdyne.jp/english/company/IR.html>

Consolidated financial statements

Consolidated statement of financial position (as of March 31, 2020)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
Current Assets		Current liabilities	
Cash and cash equivalents	9,636	Trade and other payables	247
Trade and other receivables	263	Bonds and borrowings	37
Other financial assets	19,004	Lease liabilities	61
Inventories	832	Other current liabilities	464
Other current assets	156	Total current liabilities	810
Total current assets	29,891	Non-current liabilities	
Non-current assets		Bonds and borrowings	51
Operating lease assets	481	Third-party interests in CEJ Fund	1,714
Property, plant and equipment	11,553	Lease liabilities	313
Right of use asset	361	Provisions	93
Goodwill	57	Deferred tax liabilities	568
Intangible assets	53	Total non-current liabilities	2,739
Investments accounted for using equity method	472	Total liabilities	3,549
Other financial assets	4,872	Equity	
Other non-current assets	68	Share capital	26,753
Total non-current assets	17,917	Capital surplus	26,494
Total assets	47,808	Treasury shares	(0)
		Other components of equity	(854)
		Retained earnings	(8,124)
		Total equity attributable to owners of the parent	44,268
		Non-controlling interests	(9)
		Total equity	44,259
		Total liabilities and equity	47,808

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, 2019 to March 31, 2020)

Unit : Millions of yen

Items	Amount
Revenue	1,792
Cost of sales	(492)
Gross profit	1,300
Selling, general and administrative expenses	
Research and development expenses	(812)
Other selling, general and administrative expenses	(1,646)
Total selling, general and administrative expenses	(2,459)
Other income	138
Other expenses	(18)
Operating profit (loss)	(1,039)
Finance income	1,184
Finance costs	(100)
Gains related to CEJ Fund	75
Share of profit (loss) of investments accounted for using equity method	(29)
Profit (loss) before tax	91
Income tax expense	(240)
Profit (loss)	(149)
Profit (loss attributable to)	
Owners of parent	(152)
Non-controlling interests	(3)
Profit (loss)	(149)

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 financial statements

Non-consolidated balance sheet (as of March 31, 2020)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
I Current Assets		I Current liabilities	
Cash and cash equivalents	5,909	Accounts payable - trade	33
Accounts receivable - trade	281	Accounts payable - other	179
Securities	21,499	Accrued expenses	12
Merchandise and finished goods	219	Unearned revenue	122
Work in process	17	Income taxes payable	152
Raw materials	594	Other	144
Accounts receivable	14	Total current liabilities	642
Other	219	II Non - current liabilities	
Allowance for doubtful accounts	(92)	Deferred tax liabilities	12
Total current assets	28,660	Asset retirement obligations	78
II Non-current assets		Total non-current liabilities	89
Property, plant and equipment		Total liabilities	731
Buildings, net	747	Net assets	
Structures, net	1	I Shareholders' equity	
Machinery & equipment, net	4	Capital stock	26,778
Vehicles & delivery equipment, net	6	Capital surplus	
Tools, furniture & fixtures, net	203	Legal capital surplus	26,714
Rental assets, net	480	Total capital surplus	26,714
Land	9,872	Retained earnings	
Construction in progress	508	Legal retained earnings	0
Total property, plant and equipment	11,822	Other retained earnings	
Intangible assets		Retained earnings brought forward	(10,355)
Patents	4	Total retained earnings	(10,355)
Software	40	Treasury shares	(0)
Other	7	Total shareholders' equity	43,138
Total intangible assets	50	II Valuation & Translation adjustments	
Investments and other assets		Valuation difference on available-for-sale securities	11
Bonds of affiliated companies	53	Total Valuation & Translation adjustments	11
Investment securities	1,670	III Stock Acquisition Rights	19
Shares of affiliated companies	760	Total net assets	43,167
Investments in capitals of subsidiaries and associates	715	Total liabilities and net assets	43,899
Long-term prepaid expenses	100		
Other	69		
Total investments and other assets	3,367		
Total non-current assets	15,239		
Total assets	43,899		

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, 2019 to March 31, 2020)

Unit : Millions of yen

Items	Amount
Net sales	1,595
Cost of sales	380
Gross profit	1,214
Selling, general and administrative expenses	2,397
Operating profit (loss)	(1,183)
Non-operating income	
Interest income	20
Dividends received	304
Subsidy income	16
Consigned research income	107
Outsourcing service fee	147
Other	25
Total non-operating income	619
Non-operating expenses	
Share issuance cost	0
Loss on investments in capital	122
Other	21
Total non-operating expenses	142
Ordinary profit (loss)*	(706)
Extraordinary income	
Proceeds from sale of investment securities	41
Other extraordinary income	0
Total extraordinary income	42
Extraordinary loss	
Loss on valuation of investment securities	97
Loss on valuation of share and investments in capital of subsidiaries and affiliates	84
Other extraordinary loss	1
Total extraordinary loss	181
Profit (loss) before provision of income tax	(845)
Income taxes - current	5
Income taxes - deferred	(1)
Total income taxes	4
Net profit (loss)	(849)

Rounded down to the closest millions of yen

* Income/loss before income tax without extraordinary income/loss, also called “pre-tax income” or “ordinary profit”

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.

Audit report by Audit and Supervisory Board

Audit Report

With respect to the performance of duties by Members of the Board of Directors during the 16th business year (from April 1, 2019 to March 31, 2020), the Audit and Supervisory Board has prepared this Audit Report based on methods and results of audits reported by each of Audit and Supervisory Board Members, and hereby reports as follows:

I. Method and contents of audits by the Audit and Supervisory Board and each of its members

1. The Audit and Supervisory Board established the audit policies, assignment of duties, etc. and received reports from each of the Audit and Supervisory Board Members regarding the status of implementation of their audits and results thereof. In addition, Audit and Supervisory Board received reports from the Members of the Board of Directors, etc. and the Accounting Auditor regarding the status of performance of their duties, and requested explanation as necessary.
2. In conformity with the Auditing Standards established by Audit and Supervisory Board, and in accordance with the audit policies and assignment of duties, etc., each of the Audit and Supervisory Board Members endeavored to facilitate a mutual understanding with the Directors, the Internal Audit Office and other employees, etc., endeavored to collect information and maintain and improve the audit environment, and performed audits in the following manners:
 - i) Attended the Meeting of the Board of Directors and other important meetings, received reports on the status of performance of duties from Members of the Board of Directors and other employees, requested explanations as necessary, examined important approval/decision documents, inspected the status of the corporate affairs and assets at the head office and other principal business locations, and, with respect to subsidiaries, Audit and Supervisory Board Members endeavored to facilitate a mutual understanding and exchanged information with their Members of the Board of Directors and Audit and Supervisory Board Members, etc. and received reports on their respective business as necessary.
 - ii) Received reports from the Members of the Board of Directors, employees and so on and requested their explanations as necessary concerning the descriptions on the business report with regard to the design and operation of (a) the contents of Board of Directors' resolutions on the development and maintenance of the system to ensure that Directors' performance of their duties complied with all laws, regulations and the Articles of Incorporation of the Company and other systems that are set forth in Article 100, paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act of Japan as being necessary for ensuring the appropriateness of the corporate affairs of a company group that consists of a joint stock company and its subsidiaries, and (b) the systems (internal control systems) based on such resolutions. With respect to the subsidiaries, Audit and Supervisory Board Member endeavored to facilitate a mutual understanding and exchanged information with their Members of the Board of Directors and audit and Supervisory Board Members, etc. and received subsidiaries' reports on respective business as necessary.
 - iii) Monitored and verified whether an Accounting Auditor maintained its independence and properly conducted its audit, received a report from the Accounting Auditor on the status of its performance of duties, and requested explanations as necessary. The Audit and Supervisory Board was notified by the Accounting Auditor that it had established a system to ensure that the performance of the duties of the Accounting Auditor was properly conducted (the matters listed in each item of Article 131 of the Company Accounting Regulations) in accordance with the Quality Control Standards for Audits (Business Accounting Council on October 28, 2005), etc., and requested explanations as necessary.

Based on the above-described methods, each member of the Audit and Supervisory Board examined the business report and its annexed specifications thereto, the non-consolidated financial statements (the balance sheet, the income statement, the statements of changes in net assets, and the related notes) and the accompanying supplemental schedules thereto, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated income statement, the consolidated statement of changes in net assets and the related notes), for the business year under consideration.

II. Results of audit

1. Results of audit on business report, etc.

i) We acknowledge that the business report and the annexed specifications thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

ii) 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 with respect to performance of duties by the Members of the Board of Directors.

iii) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the descriptions in business report and performance of their duties by the Members of the Board of Directors concerning the internal control systems.

2. Results of audit on non-consolidated financial statements and the accompanying supplemental schedules

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

3. Results of audit on consolidated financial statements

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

May 27, 2020

CYBERDYNE Inc. Audit and Supervisory Board

Full-time Outside Audit and Supervisory Board Member

Yutaka Fujitani (Seal)

Outside Audit and Supervisory Board Member

Cornelis Vellekoop (Seal)

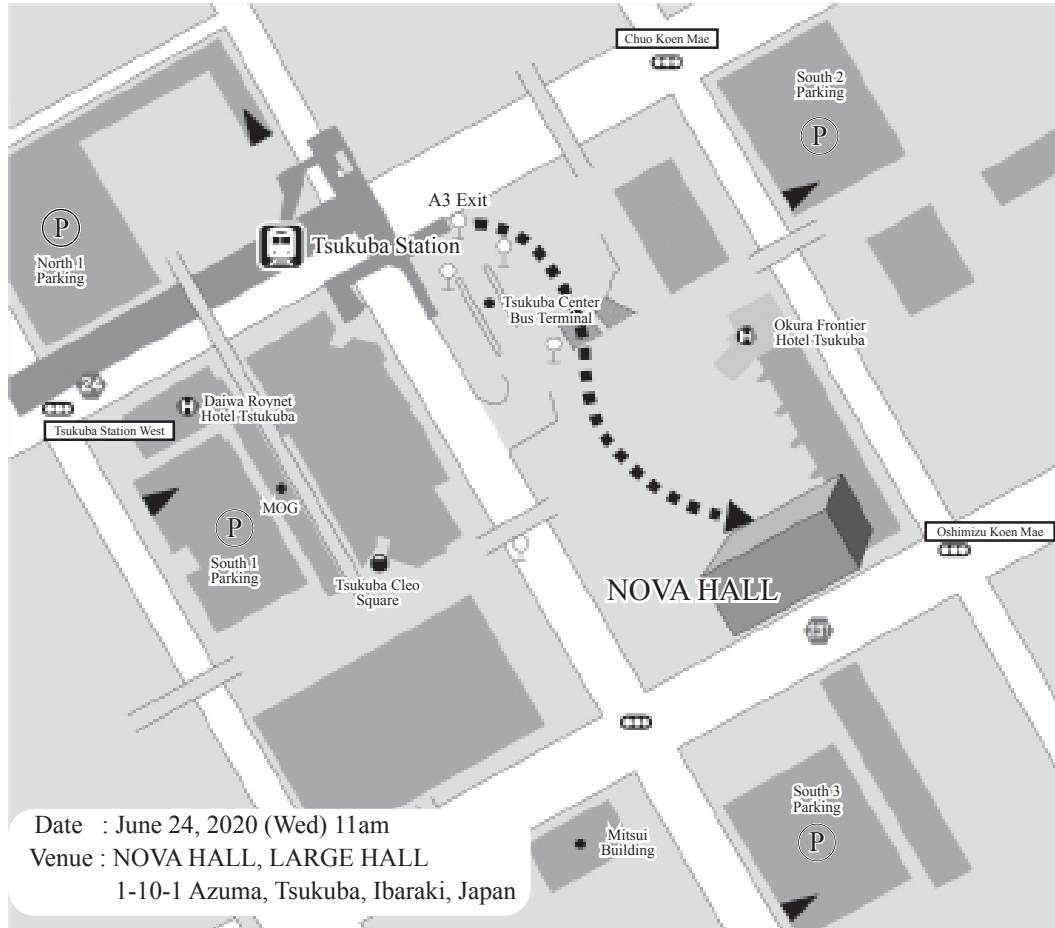
Outside Audit and Supervisory Board Member

Kenichiro Okamura (Seal)

Outside Audit and Supervisory Board Member

Kazuro Kawamata (Seal)

Guide map to the venue of the Ordinary General Meeting of Shareholders



Date : June 24, 2020 (Wed) 11am
Venue : NOVA HALL, LARGE HALL
1-10-1 Azuma, Tsukuba, Ibaraki, Japan

Access



By train

Tsukuba Express (Tsukuba Station)
walk 3 min from the A3 Exit



By Highway Bus

"Tsukuba Go Bus" Yaesu South exit [Tokyo Station]
walk 3 min from [Tsukuba Center Station]



By car

1. Exit at Sakura Tsuchiura Interchange of Joban expressway and head towards Sakura/Tsukuba Science City
2. Turn right at the second crossing with a footbridge (Sasagi) and head north along Higashi-odori for 3km
3. After the two-lane road turns to a three-lane road, take the 3rd crossing (Gakuen-Higashi) to the left
4. The building you will see on the far right at the 2nd crossing point (Oshimizu Koen Mae) is the NOVA HALL



Front entrance of NOVA HALL
when approaching from A3 Exit

*Please use the pay parking nearby (CYBERDYNE is unable to provide any discount for the parking)