

18th Ordinary General Meeting of Shareholders

Date

**11 am (Reception starts from 10:15 am)
Thursday, June 30, 2022**

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)

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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

June 14, 2022

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

President and CEO Yoshiyuki Sankai

CYBERDYNE Inc.

Notice of 18th Ordinary Meeting of Shareholders

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

CYBERDYNE Inc. (the “Company”) invites all shareholders to participate in the 18th Ordinary General Meeting of Shareholders. You can find detailed information about the event below this section.

Please exercise your voting rights by attending the meeting in person, posting a mail, or through an online site. Please refer to page 3 of this document for further instructions on each voting method. Please note that the Company will only accept votes exercised before 6:00 pm on Wednesday, June 29, 2022.

Best regards

Date

11 am (Reception starts from 10: 15am)

June 30 2022 (Thursday)

Venue

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

(Please refer to the map on the end page)

*Please note that the venue changed from the extraordinary general meeting of shareholders held in June 2021. Please be careful not to make any mistakes.

Agenda

<Matters to be reported>

- 1. The Business report for the 18th fiscal year ended March 31 2022, 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 18th fiscal year ended March 31 2022.**

<Matters to be resolved>

Agenda 1: Partial amendment to the Articles of Incorporation

【Cautions *Please be sure to read carefully】

- Depending on the situation of COVID-19, the number of available seats, venues, start time, etc., may be changed. In such cases, the information will be posted on the Company's website. The Company's website: **<https://cyberdyne.jp/english>**
- A staff member will examine your temperature near the entrance. We may refuse admission and ask you to leave if you have a fever.
- Please wear a mask and disinfect your hands when entering the building.
- There will be no display of company products and distribution of souvenirs at the 18th Ordinary Meeting of Shareholders.

【Disclosure via internet】

- This Notice of the General Meeting of Shareholders includes information that will serve as the reference document on the day. It also provides information audited by the Audit and Supervisory Board Members and the Accounting Auditor for their audit reports, such as the business report, the consolidated financial statements, and the non-consolidated financial statements.
According to related laws, regulations, and the Articles of Incorporation, the following information is not included in this document. Instead, the Company posts the information below in a separate document on its website.

(1) Following items in the 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

(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 Company will announce on the website if any incident that requires the revision of the reference document, business report, the consolidated financial statements, and the non-consolidated financial statements.

The Company's website: **<https://www.cyberdyne.jp/english/company/IR.html>**

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



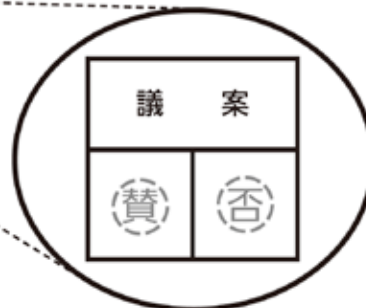
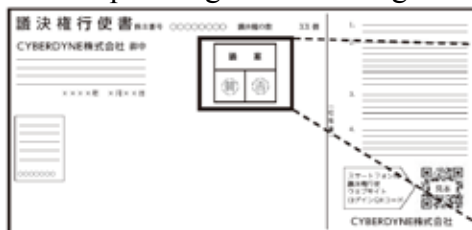
Please circle approve (賛) or disapprove (否) on the enclosed voting form and return it to us via mail. The Company will treat the form without circles as an approval vote.

Exercise period | The form must arrive before June 29, 2022 (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 Exercize" by scanning the QR code
- ② Entering code and password to exercise your voting rights

Exercise period | June 29, 2022 (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

To change your vote, please log in from the PC site. Enter the code and password stated on the Form and change your vote.

*If you re-scan the QR code on the enclosed paper, it will display the PC site

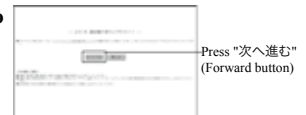


*The pages is only available in Japanese

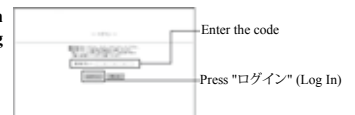
2 Entering code and password to exercise your voting rights

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

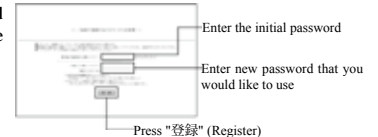
- 1 Please access the website to exercise the voting rights



- 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: +81120652031 (available from 9 am to 9 pm JST)

(Reference document for the Shareholders' meeting)

Agenda: Partial amendment to the Articles of Incorporation

1. Background of the proposal

The Company proposes to amend its Articles of Incorporation to prepare for the electronic provision of materials for the General Meeting of Shareholders following the revision of the Supplementary Provision of the "Law Partially Amending the Corporation Law" (Law No. 70 of 2022), which will come into effect on September 1, 2022.

- (1) Article 22, Paragraph 1 of the Proposed Amendment provides that the Company shall take measures to provide information included in the Reference Documents, etc., electronically.
- (2) Article 22, Paragraph 2 of the Proposed Amendment would establish a provision to limit the scope of matters that the Company must include in the paper-based document mailed to shareholders who request the delivery.
- (3) The Company proposes to delete the provision for internet disclosure of reference documents for the General Meeting of Shareholders, etc. (Article 22 of the current Articles of Incorporation) as it is no longer necessary.
- (4) Following the establishment and deletion described above, the Company proposes to add supplementary provisions regarding the effective date, etc.

2. Outline of changes

Current Articles of Incorporation	Proposed changes
<p><u>(Internet disclosure of the reference documents)</u> <u>Artic 22</u> <u>Upon gathering the Shareholders' Meeting, the Company can disclose information designated by the ordinance of the Ministry of Justice, such as some information in the reference documents, business report, financial statements, and consolidated financial statements, via the internet.</u> (Newly established)</p> <p>(Newly established) (Newly established)</p>	<p>(Deletion)</p> <p><u>(Electronic provisions)</u> <u>Article 22</u> <u>Upon gathering the Shareholders' Meeting, the Company can provide information related to the Meeting electronically.</u> <u>2</u> <u>The Company is not required to state all or part of the information provided electronically following the related ordinance of the Ministry of Justice in a paper-based document that the Company sends to shareholders who request it.</u></p> <p><u>(Supplementary provisions)</u> <u>(Transitional measures regarding electronic provisions of materials for the Shareholders' Meeting)</u> <u>Article 1</u> <u>The deletion of Article 22 of the Articles of Incorporation before the amendments and the establishment of the new Article 22 shall take effect on September 1, 2022.</u> <u>2</u> <u>Article 22 of the Articles of Incorporation before the amendments shall still have effect for the Shareholders' Meeting that will be held within 6 months from September 1, 2022.</u> <u>3</u> <u>This Article shall be deleted after the later of the date elapsing six months from September 1, 2022, or the date elapsing three months from the date of the General Meeting of Shareholders outlined in the preceding paragraph.</u></p>

(Attached material) **Business Report** (from April 1, 2021 to March 31, 2022)

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, 2022 and certain assumptions made by the Group.

1 Current status of the Group

1. Process and outcome of the business

The Group aims to transform society and industry by creating a Cybernics Industry. This new industry will follow the robotics and IT industries by realizing a “Techno-peer Support Society” where human and technology works together and supports each other by innovation that leaves no one behind. To be precise, the Group will make full use of Cybernics (fusion of Human, Robots, AI, and Information Systems), a new field that integrates “Human” and “Cyber/Physical Space.

Healthy Future Society using Cybernics

The Group is developing various Cybernics Technologies that accumulate, analyze, and AI processes Human Big Data (human-related physiological, psychological, lifestyle, behavioral, and environmental information) with its IoH/IoT (Internet of Humans and Things) system. The technology can also improve, regenerate, expand, and support the wearer’s physical functions. The Group also works on bio-, neuro-, physiological - systems and cyborgs, robots, mobility, healthy city OS, and disaster evacuation response to accelerate the evolution of humanity. Furthermore, the Group equips communication functions to all Cybernics Technologies. They are seamlessly connected to hospitals, nursing homes, homes, and workplaces through IoH/IoT by linking data and services via cloud systems. Using Cybernics Technologies, the Group will challenge cultivating a “healthy future society” where people can participate in society with a high level of independence and health, even if they experience multiple disuses, disease, or disability. The Group will promote Society 5.0/5.1 as a healthy and sustainable society through this challenge.

Major business lines of the Group (As of March 31, 2022)

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 Cybernic 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. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases.

The Japanese Society of Neurological Therapeutics submitted a proposal to the Central Social Insurance Medical Council based on this result. The report claimed that “the medical technology produced significant improvement of physical function towards slowly progressive neuromuscular disease, which are intractable diseases with no effective treatment methods (excerpts from the proposal submitted by the Japanese Society of Neurological Therapeutics, translated by CYBERDYNE).” As a result of the proposal, the revision of insurance pricing for 2022 to allow hospitals that use the DPC system (80% of base hospitals treating intractable diseases in Japan) to calculate insurance for treatment with HAL for hospitalized patients. Also, it increased insurance reimbursement pricing associated with the treatment. The Group will utilize the result of post-marketing surveillance to list Cybernics Treatment for insurance worldwide to establish this new treatment technology as a global standard for progressive neuromuscular disease, as there were no effective treatment methods globally for these diseases before HAL.

Furthermore, regarding the investigator-initiated clinical trial for stroke patients in Japan, the primary endpoints’ clinical significance and statistical significance, which are considered the most crucial evaluation points of this clinical trial, are being discussed with the authorities and investigators, and statistical experts. The Group also considers the result as 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 EMEA (Europe and the Middle East), in addition to the new installations such as Spain and France, the Group continues to disseminate Cybernics Treatment in other countries in this region. In the U.S., the Group acquired RISE Physical Therapy, Inc, which operates 19 facilities in southern California to promote medical service business with its innovative medical technology in the U.S. The Group also established RISE Healthcare Group (RHG) to control the business, expand its operations bases, and deploy combined services with our innovative medical technology.

In APAC (Asia Pacific Region), the Group established CYBERDYNE Malaysia to accelerate the business in the region. The Group will continue to disseminate the technology further in the area.

<<Business operation around the medical application>>

The Group has developed various types of HAL to improve older adults’ need for nursing care, preventing their illness, preventing frailty, and maintaining their independence from care. For example, HAL Lower Limb Type for improving ambulatory functions; HAL Single Joint Type to train elbow, knee, and ankle movements; and HAL Lumbar Type for inducing improvement of the trunk and lower limb function

(Service at facilities for individuals)

The Group continues to offer Neuro HALFIT, a program that induces improvement of the brain-nerve and musculoskeletal system through utilization of HAL. The program is currently available at 16 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 to enable individuals to work out at home using HAL. By connecting HAL with Cyberdyne Cloud, users can see their bio-electrical signals, postures, and many more on the connected tablets. In addition, the tablet monitor allows users to obtain visual feedback on their training and receive feedback from their therapists and trainers remotely.

<<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 acquired C2, a company that develops and operates the “Sound Sleep Alarm” healthcare application that visualizes sleep, to strengthen the Group’s healthcare business. The Group applied for Cyvis-1 in April 2022 to register it as a medical device and started trial marketing of the product to users in May 2022.

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

(Well-being)

The Group started to export HAL Lumbar Type for Well-being to care facilities in Hampshire County, UK, in October 2022. 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)

HAL Lumbar Type for Labor Support with dustproof and waterproof features is introduced to large users such as airports, construction, and logistics. In addition, the Group is working to develop a practical application for production management that integrates labor management and work efficiency by visualizing workers’ workload and physical condition.

(Disinfection / Cleaning)

Next-generation Cleaning Robot CL02 uses the cutting-edge SLAM technology to achieve high-speed autonomous driving, introduced in airports, public facilities, office buildings, and other locations. In addition, in response to preventing the spread of COVID-19, the Group realized non-contact and non-face-to-face disinfection work with disinfection spray, UV irradiation functions, and a multi-vendor elevator interface unit enables CL02 to travel between floors without the need for human intervention. The Group is working to develop next-generation technology suited for the post-COVID society.

Status of Research and Development

The Group completed the development of the ultra-small-sized vital sensor “Cyvis” designed to detect arteriosclerosis and arrhythmia early, and now the Group is preparing to commercialize the product. The Group also develops photoacoustic imaging technology for real-time analysis of microvascular information, which was adopted by the AMED Medical Engineering Innovation Promotion Project (Development Commercialization). The Group will continue to develop the technology as a new imaging modality medical device.

Furthermore, the Group is developing a cloth-type HAL to maintain and improve ambulatory functions, a communication robot to preserve and enhance activities of daily living with its conversation functions while acquiring vital and environmental information, and a personal mobility robot for users who have difficulty walking.

In addition, the construction of the Cybernics Medical Innovation Base A building, which will promote bio-related research such as regenerative medicine and drug discovery in addition to clinical research on HAL and other products, was completed in March 2022. The Group is now conducting additional interior work, and the building is scheduled to be operational by the end of this fiscal year.

Numbers of operating units

As of the end of March 2022, 368 units of Medical HAL Lower Limb Type were operating worldwide, including those used for clinical research. Out of the number mentioned above, 86 were rented out in Japan for treatment. 492 units of HAL Single Joint Type were in operation, mainly from the increase of medical products. Out of the number mentioned above, 6 were rented to individual users in Japan. There was a total of 341 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 the end of March 2022. The number decreased due to the disposal of the units that met its service life. 1,143 units of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support put together were in operation. Out of the number mentioned above, 39 were rented to individual users in Japan. While the Group is disposing of the units that have exceeded product life, the number of units is increasing as the number of rentals towards individuals increases. As of the end of March 2022, 417 units of HAL Lumbar Type for Labor Support were in operation. The number of units declined mainly due to the reduced number of units rented to airports. 147 units of Cleaning Robot, as well as Transportation Robot, were in operation.

Results

In the consolidated fiscal year ended March 31, 2022, revenue from the increase of overseas sales, recovery from the impact of COVID-19, and acquisition of a business base in US/increase of service revenue from it, the revenue was recorded at ¥2,150 million (14.7% increase year on year). In addition, the Group recorded gross profit at ¥1,462 million (13.9% increase year on year).

Research and development expenses were recorded at ¥713 million (3.4% increase year on year), mainly due to the development of new products at the Company's own cost and consigned research projects. In addition, the Group recorded other selling, general and administrative expenses at ¥1,787 million (21.5% increase year on year) due to effect of M&A. Other income was recorded at ¥175 million (3.0% decrease year on year), mainly from a consigned research project, resulting in the operating loss of ¥868 million (23.9% increase year on year).

Finance income was recorded at ¥398 million, mainly due to gain from valuation difference of investment securities. The Group recorded gains related to CEJ Fund at ¥115 million and income tax expense at ¥136 million from deferred tax expenses, resulting in the posting of loss attributable to owners of the parent at ¥492 million (739.1% 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, gain on valuation difference of investments securities ¥469 million was recorded as finance income and gains related to CEJ Fund. Furthermore, as the Group recorded deferred tax expense associated with this valuation ¥161 million as an income tax expense and reclassified third-party interest in CEJ Fund at ¥41 million, the impact of calculation of the fair value towards the quarterly profit was ¥267 million.

2. Status of capital investments

Capital investments made in the consolidated fiscal year under review were ¥1,770 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 “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 August 2021, the Group acquired shares of C2, Inc and made it a consolidated subsidiary. The Group also established RISE Healthcare Group, Inc. in the U.S. in November 2021 and CYBERDYNE MALAYSIA SDN.BHD. in Malaysia in February 2022, making them consolidated subsidiaries of Cyberdyne.

5. Issues to be addressed

The Group works to create a new industry called the Cybernics Industry, which fuses Human, Robot, and Information Systems. This industry aims to solve social problems by connecting medical fields, elderly care, workplaces, production, and daily life with Cybernics Technology based on IoH/IoT (Internet of Humans and Things), robots, and AI. To accelerate the creation of this 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 COVID-19

COVID-19 caused paradigm-shifting changes in people’s behaviors and lifestyles. In these times, the Group’s Cybernics Technology helps solve social issues related to COVID-19, and the Group is already providing various solutions. For example, the Group introduced Cybernics 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 that sterilizes and disinfects airports, rail stations and other important transportation infrastructure on its own. The robot equipped with the world’s most advanced autonomous driving technology is now operating in transportation infrastructures such as airports and train stations. The COVID-19 is expected to be contained eventually. But regardless of the pandemic situation, the Group will continue to utilize its Cybernics 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 Cybernics Technologies based on IoH/IoT (Internet of Humans and Things), robotics, and AI towards creating a new Cybernics Industry based on such technology.

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 Cybernics 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 Cybernics System to accumulate, analyze, and AI process IoH/IoT Big Data obtained from Cybernics Systems.

Promoting clinical trials related to Cybernics Treatment

The Group works to evaluate the efficacy and safety of Cybernics Treatment, which is a treatment that promotes functional improvement and regeneration of the brain, nerve, and muscular systems using HAL. Through this endeavor, the Group is promoting this new treatment as a global standard treatment. 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 completed in November 2020. Furthermore, Based on the results of an investigator-initiated clinical trial for HTLV-1-related myelopathy (HAM) and other spastic paraplegia, an approval review is underway to expand the range of applicable diseases. As for stroke, the investigator-led clinical trial for Medical HAL that started in September 2016 was completed in December 2020, and the Group is discussing with the regulator to get it approved as a medical device for stroke. 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 Cybernics Treatment to those in need, the Group will continue to promote global development while leveraging its track record of clinical outcomes in Japan, the U.S., and Europe, which are the world leaders in regulatory frameworks related to approval and licensing, where the Group achieved medical device commercialization.

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 8 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 as well. Furthermore, few 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, 2020, approximately 3,619 million people aged 65 and over (28.8% of the total population)*¹. Also, according to the figures at the end of the fiscal year 2018, approximately 645.3 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 2021 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 2018 (April 1, 2018 to March 31, 2019)	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, 2020 to March 31, 2021)
Revenue	(Millions of Yen)	1,709	1,792	1,875	2,150
Loss attributable to owners of parent	(Millions of Yen)	(632)	(152)	(59)	(492)
Net loss per share	(Yen)	(2.94)	(0.71)	(0.27)	(2.29)
Total assets	(Millions of Yen)	45,746	47,808	48,119	49,459
Equity attributable to owners of parent	(Millions of Yen)	44,217	44,268	43,776	43,419
Equity attributable to owners of parent per share	(Yen)	205.50	205.71	203.39	201.74

7. Status of the parent and notable subsidiaries (as of March 31, 2021)

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%	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\$ 1,008,821	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
(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.	¥25 Million	60.0%	Management and operation of Cybernics Excellence Japan Fund 1 Investment Limited Partnership
Cybernic Excellence Japan Fund 1 Investment Limited Partnership	¥3,960 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

2. RISE Healthcare Group, Inc. was established in November 2021.

3. CYBERDYNE MALAYSIA SDN.BHD. was established in February 2022.

4. The Company acquired all shares of C2 Corporation, making it a consolidated subsidiary in August 2021.

8. Main offices and factories (as of March 31, 2022)

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 Co., Ltd.	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, 2022)

Number of employees	Change from previous fiscal year
201 members	Increase of 105 member
(47 members)	(Increase 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.
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 (as of March 31, 2022)

Number of employees	Change from previous fiscal year	Average age	Change from previous fiscal year
84 members	Increase of 3 member	43.2 years old	6.7 years
(40 members)	(Increase of 1 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, 2022)

Class	Total number of authorized shares	Total number of shares issued	Number of shareholders
Common Share	618,300,000 shares	137,445,809 shares	82,285 shareholders
Class B Share	77,700,000 shares	77,700,000 shares	3 shareholders

2. Major shareholders (as of March 31, 2022)

Name of shareholder	Number of shares held (shares)	Shareholding ratio (%)
Yoshiyuki Sankai	Common Share	3,042,000
	Class B Share	77,696,000
		37.52
Daiwa House Industries Co., Ltd.	Common Share	30,000,000
		13.94
THE BANK OF NEW YORK MELLON SA/NV 10	Common Share	2,500,000
		1.16
The Master Trust Bank of Japan. Ltd. (Trust Account)	Common Share	2,160,200
		1.00
BBH (LUX) FOR FIDELITY FUNDS PACIFIC FUND	Common Share	1,806,100
		0.83
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	Common Share	1,500,000
		0.69
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	Common Share	941,740
		0.43
Custody Bank of Japan, Ltd. (Investment Trust Account)	Common Share	895,800
		0.41
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT M ILM FE	Common Share	794,599
		0.36
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC)	Common Share	664,117
		0.30

(Notes) The treasury stock (11,671 Common Shares) was excluded from the calculation of the shareholding ratio.

4 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, 2022)

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 Engineering, Information and Systems, University of Tsukuba Executive Research Director of the Center for Cybernetic 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. <u>Director of Cyberdyne Care Robotics GmbH</u>
Director	Shinji Uga	Head of Corporate Department at CYBERDYNE Director of Cyberdyne Care Robotics GmbH <u>President and CEO of CEJ Capital, Inc.</u>
Director	Yoshihiro Yasunaga	Head of Sales Department at CYBERDYNE <u>Director of CYBERDYNE USA Inc.</u>
Director	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 <u>Outside Director of the SHIMACHU Co., Ltd.</u>
Director	Yuzo Toda	—
Director	Akira Matsumura	Hospital Board Trustee of Kennan Hospital President of Ibaraki Prefectural University of Health Sciences Co-Representative Director of Artron Committee member of Ibaraki Prefecture Council for Cardiovascular Countermeasures <u>Vice President, International Society for Neutron Capture Therapy</u>
Director	Kenji Suzuki	Professor of Engineering, Information and Systems University of Tsukuba Director of Center for Cybernetics Research, University of Tsukuba President and CEO of PLIMES Inc. <u>Advisor of Tsukuba City on Smart City/Super City</u>
Full-time Audit and Supervisory Board Member	Kazuaki Tanaka	—
Audit and Supervisory Board Member	Yutaka Fujitani	—
Audit and Supervisory Board Member	Cees Vellekoop	—
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) <u>Auditor of United Urban Investment Corporation</u>

(Note) 1. Hikari Imai, Yuzo Toda, 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, Yuzo Toda, 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. Kazuro Kawamata resigned from the position of Audit and Supervisory Board Member at the conclusion of the 17th Ordinary General Meeting of Shareholders held on June 24, 2021.

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. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

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	—	—	10
(Outside Directors)	(9)	(9)	(—)	(—)	(6)
Audit and Supervisory Board Members	15	15	—	—	5
(Outside Audit and Supervisory Board Members)	(15)	(15)	(—)	(—)	(5)
Total Remuneration	68	68	—	—	15
(Remuneration for Outside Officers)	(24)	(24)	(—)	(—)	(11)

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 out of 13 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 <u>capital markets and M&A.</u>
	Yuzo Toda	Toda attended all 10 out of 11 Meetings of the Board of Directors held after his appointment during the fiscal year under review. 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 and advice, especially on <u>development of global health business and new businesses.</u>
	Akira Matsumura	Matsumura attended all 11 Meetings of the Board of Directors held after his appointment 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 <u>management strategy and investment judgment in the medical business.</u>
	Kenji Suzuki	Suzuki attended all 11 Meetings of the Board of Directors held after his appointment 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 providing supervision and advice, especially on <u>global dissemination of Cybernics.</u>
Audit and Supervisory Board Member	Kazuaki Tanaka	Tanaka attended all 11 Meetings of the Board of Directors and all 10 Meetings of the Audit and Supervisory Board held after his appointment 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 <u>necessary statements at the Meetings of the Audit and Supervisory Board.</u>
	Yutaka Fujitani	Fujitani attended all 13 Meetings of the Board of Directors and all 16 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 <u>Meetings of the Audit and Supervisory Board.</u>
	Cees Vellekoop	Vellekoop attended all 13 Meetings of the Board of Directors and all 16 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 <u>Meetings of the Audit and Supervisory Board.</u>
	Kenichiro Okamura	Okamura attended all 13 meetings of the Board of Directors and all 16 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 <u>Meetings of the Audit and Supervisory Board.</u>

Consolidated financial statements

Consolidated statement of financial position (as of March 31, 2022)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
Current assets		Current liabilities	
Cash and cash equivalents	5,677	Trade and other payables	300
Trade and other receivables	493	Bonds and borrowings	34
Other financial assets	15,151	Lease liabilities	118
Inventories	1,089	Other current liabilities	376
Other current assets	455	Total current liabilities	828
Total current assets	22,865	Non-current liabilities	
Non-current assets		Bonds and borrowings	34
Operating lease assets	430	Third-party interests in CEJ Fund	3,629
Property, plant and equipment	13,416	Lease liabilities	389
Right of use asset	499	Provisions	96
Goodwill	2,104	Deferred tax liabilities	1,026
Intangible assets	35	Total non-current liabilities	5,175
Investments accounted for using equity method	435	Total liabilities	6,002
Other financial assets	9,571	Equity	
Other non-current assets	105	Share capital	10
Total non-current assets	26,594	Capital surplus	42,869
Total assets	49,459	Treasury shares	(0)
		Other components of equity	(1,145)
		Retained earnings	1,685
		Total equity attributable to owners of the parent	43,419
		Non-controlling interests	38
		Total equity	43,457
		Total liabilities and equity	49,459

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, 2021 to March 31, 2022)

Unit : Millions of yen

Items	Amount
Revenue	2,150
Cost of sales	(688)
Gross profit	1,462
Selling, general and administrative expenses	
Research and development expenses	(713)
Other selling, general and administrative expenses	(1,787)
Total selling, general and administrative expenses	(2,500)
Other income	175
Other expenses	(6)
Operating profit (loss)	(868)
Finance income	398
Finance costs	(4)
Gains related to CEJ Fund	115
Share of profit (loss) of investments accounted for using equity method	(19)
Profit (loss) before tax	(379)
Income tax expense	(136)
Profit (loss)	(515)
Profit (loss) attributable to	
Owners of parent	(492)
Non-controlling interests	(24)
Profit (loss)	(515)

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, 2022)

Unit : Millions of yen

Items	Amount	Items	Amount
Assets		Liabilities	
I Current assets		I Current liabilities	
Cash and cash equivalents	6,596		
Accounts receivable-trade	357	Accounts payable- trade	26
Securities	12,500	Accounts payable - other	185
Merchandise and finished goods	320	Accrued expenses	11
Work in process	26	Unearned revenue	122
Raw materials	741	Income taxes payable	5
Accounts receivable-other	20	Other	117
Other	703	Total current liabilities	467
Allowances for doubtful accounts	(3)		
Total current assets	21,260		
II Non-current assets		II Non-current liabilities	
Property, plant and equipment		Deferred tax liabilities	36
Buildings, net	1,901	Asset retirement obligations	81
Structures, net	34	Total non-current liabilities	116
Machinery & equipment, net	1	Total liabilities	583
Vehicles & delivery equipment, net	4	Net assets	
Tools, furniture & fixtures, net	180	I Shareholders' equity	
Rental assets, net	423	Capital stock	10
Land	9,872	Capital surplus	
Construction in progress	1,248	Capital reserve	26,714
Total property, plant and equipment	13,662	Other capital surplus	16,413
Intangible assets		Total capital surplus	43,128
Patents	1	Retained earnings	
Software	24	Legal retained earnings	0
Other	5	Other retained earnings	
Total intangible assets	29	Retained earnings brought forward	(1,133)
Investments and other assets		Total Retained earnings	(1,133)
Bonds of affiliated companies	53	Treasury shares	(0)
Investment securities	3,077	Total shareholders' equity	42,004
Shares of affiliated companies	2,989	II Valuation & Translation Adjustments	
Investments in capitals of subsidiaries and associates	1,427	Valuation differences on available-for-sale securities	57
Long-term prepaid expenses	66	Total valuation & translation adjustments	57
Other	190		
Allowance for doubtful accounts	(91)	III Stock Acquisition Rights	19
Total investments and other assets	7,712		
Total non-current assets	21,403	Total net assets	42,080
Total assets	42,663	Total liabilities and equity	42,663

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, 2021 to March 31, 2022) Unit : Millions of yen

Items	Amount
Net sales	1,564
Cost of sales	396
Gross profit	1,168
Selling, general and administrative expenses	2,023
Operating profit (loss)	(856)
Non-operating income	
Interest income	19
Subsidy income	11
Consigned research income	36
Outsourcing service fee	180
Other	106
Total non-operating income	353
Non-operating expenses	
Loss on investments in capital	93
Other	7
Total non-operating expenses	100
Ordinary profit (loss)*	(602)
Profit (loss) before provision of income tax	(602)
Income taxes - current	5
Income taxes - deferred	(1)
Total income taxes	4
Net profit (loss)	(607)

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.

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 18th business year (from April 1, 2021, to March 31, 2022). 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 27, 2022

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	

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



Access



By train

Tsukuba Express (Tsukuba Station)
walk 10 min from the A3 Exit



By Highway Bus

"Tsukuba Go Bus" Yaesu South exit [Tokyo Station]
walk 10 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
3. Turn left at the crossing (Minami Odori Higashi)
4. Turn right at the second street light. The building you will see on the right is the Tsukuba International Congress Center

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