



**Consolidated Financial Results (Tanshin)**  
for the Nine Months Ended December 31, 2020 (Based on IFRS)

February 12, 2021

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Mothers Section of TSE
Stock code	:7779	URL	:https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
Contact (title)	:Director and CFO	Name	:Shinji Uga                      Tel. +81-29-869-9981
Scheduled date for release of nine-month report	:February 12, 2021	Scheduled start of dividend payment	:—
Additional materials for the financial results	:none		
Information meeting for the financial results	:none		

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

I . Consolidated financial results for the nine months ended December 31, 2020 (April 1, 2020-December 31, 2020)

1. Consolidated result of operations (percentages denote year-on-year change)

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Apr.1-Dec. 31, 2020	1,247	(1.4)	(498)	—	389	78.7	81	—
Apr.1-Dec. 31, 2019	1,265	2.5	(540)	—	218	—	(13)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Dec. 31, 2020	0.38	0.38
Apr.1-Dec. 31, 2019	(0.06)	(0.06)

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of Dec. 31, 2020	48,076	43,952	43,977	91.5
As of March 31, 2020	47,808	44,259	44,268	92.6

II . Dividends

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2021	—	0.00	—		

Notes:

- ( i ) Changes from the latest released dividend forecasts: none
- ( ii ) The table of “Dividends” indicates dividend payments on Common Shares. Dividends on Class Share (non-listed) for which the number of share units differs from Common Shares are shown below as “Dividends on Class Shares”.

III. Forecast of consolidated financial results for the fiscal year ending March 31, 2021 (April 1, 2020-March 31, 2021)

As the business of CYBERDYNE Inc. and its group companies (collectively referred to as the "Group") is based on a new market with innovative technologies, there are many uncertain factors that could have an impact on its performance and make it difficult for CYBERDYNE Inc. (the "Company") to provide a forecast with accurate figures. As such the Company will not announce the forecast of consolidated financial results.

Notes:

1. Changes in key subsidiaries during the consolidated three month period (changes in specific subsidiaries resulting in changes of consolidation scope): none

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

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

( i ) Changes in accounting policies required by IFRS : yes

( ii ) Changes in accounting policies due to reasons other than ( i ) : none

( iii ) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

( i ) Total number of issued shares at the end of each period (including treasury shares)

As of December 31, 2020	215,145,809 shares	As of March 31, 2020	215,145,809 shares
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( ii ) Total number of treasury shares at the end of each period

As of December 31, 2020	8,771 shares	As of March 31, 2020	4,451 shares
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( iii ) Average number of shares during each three month period

Apr.1-December 31, 2020	215,137,271 shares	Apr.1-December 31, 2019	215,141,371 shares
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Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares with regard to dividends of surplus and distribution of residual assets. Therefore the total number of issued shares at each end of period and the average number of shares during each period include Class B Shares as Common Shares.

\*This quarterly consolidated financial report is not subject to the quarterly review procedure by the scope of audit.

Dividends on Class Shares

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

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2020	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2021	—	0.00	—		

Note:

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

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## 1. Qualitative information regarding the settlement of accounts for the nine months ended December 31, 2020

### (1) Explanation of operating results

All forward-looking statements included in this explanation were determined reasonable by CYBERDYNE Inc. (the "Company") and its group companies (collectively referred to as the "Group") based on currently available information for the consolidated nine months ended December 31, 2020, and certain assumptions made by the Group.

### (1) Status of financial position and operating results

The Group aims to realize Society 5.0/5.1, a new vision of society based on Techno-Peer Support. To realize this society, the Group works to create an industry based on innovative Cybernics Technology capable of fusing "humans" and cyberspace (virtual world)/physical space (real world).

#### Endeavor to create Cybernics Industry

The foundation of Cybernics Technology is the Internet of Humans/Internet of Things ("IoH/IoT"), Robots, and AI. The technology connects various fields such as medicine, nursing-care, production, and other workplaces with households. The Group aims to create a new industry based on this technology to solve various problems that exist in our society today. 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 will be sent to a supercomputer for analysis and AI Processing to discover innovative solutions to social problems. The Group simultaneously works on research and development, business development, and business alliances to establish such a system that could realize the future society of Society 5.0/5.1.

#### Status of business operation

<<Effects of COVID-19 >>

As of the end of consolidated nine months ended December 31, 2020, the Group continues to experience short term impact on the revenue due to temporary suspension of onsite service in Robocare Center and treatment service in Germany, delays for new opportunities, contracts, and shipments, especially towards medical institutions as well as reduction of the rented units of HAL Lumbar Type for Labor Support towards aviation industry.

On the other hand, the Group regards the changes in social structure due to the pandemic of COVID-19 to be an opportunity for further acceleration of Cybernics Industries. Under the keywords of Remote, Home, and Digital, the Group will conduct initiatives to realize the fusion of Human + Cyber/Physical Space. For example, while many are remaining home to prevent COVID-19 infection, some are suffering from a reduced opportunity to move their body that could ultimately lead to frailty. In April 2020, the Group launched Neuro HALFIT at Home as a contactless service that the users can practice at home. In November 2020, the Group added a feature that synchronizes data obtained from HAL to Cloud to visualize the wearers' information of bio-electrical signals and postural information. The data can also be sent to trainers in real-time, enabling trainers to provide timely feedback and advice on workout sessions where necessary.

The Group also develops next-generation Cleaning Robot CL02 with disinfection sprayers and UV disinfection unit attachments. Since their installment to Haneda Airport in March 2020, the CL02 is now operating in Narita Airport, public facilities, and office buildings.

<<Business operation around the medical application>>

The Group continues to establish Cybernics Treatment as the global standard of treatment, a treatment program using Medical Cybernics Systems such as HAL to induce improvement and regeneration of the functions of the brain, nerves, and muscles.

For Medical HAL Lower Limb Type, the Group completed an investigator-initiated clinical trial for stroke patients in Japan in December 2020. Furthermore, after obtaining 510k marketing clearance from the U.S. Food and Drug Administration ("U.S. FDA") in December 2017 for spinal cord injury, the Group worked to accelerate the approval processes in the Asia Pacific Region ("APAC"). Following the approval in Malaysia, Thailand, and Indonesia, Medical HAL Lower Limb Type obtained medical device approval in Taiwan (spinal cord injury only), Australia, and Singapore for a wide range of diseases such as stroke, spinal cord injury, and neuromuscular disease. In another region, the Group has obtained the same kind of approval in Turkey. In the U.S., U.S. FDA expanded the target disease of Medical HAL to stroke and neuromuscular disease, in addition to spinal cord injury cleared in 2017.

HAL Single Joint Type was certified as a medical device for the EU in October 2019 and Japan in July 2020. In Japan, the product was covered by public health insurance in August 2020 as equipment for increasing exercise load. The Group is now preparing to apply for medical device approval in the U.S. and APAC countries such as Thailand, Indonesia, Taiwan, Australia, and many more.

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

The Group has developed various types of HAL, mainly for elderly users, to improve their physical conditions, preventing frailty, and maintain independence from care. For example, the Group develops HAL Lower Limb Type to induce improvement of ambulatory functions, HAL Single Joint Type to train elbow, knee, ankle movements, and HAL Lumbar Type to induce improvement of the trunk and lower limb function.

(Business on service offered at a facility)

The Group operates 16 Robocare Centers around Japan, run by the Company subsidiaries and business partners in each region. At Robocare Centers, Neuro HALFIT is offered as a service to induce improvement of the brain-nerve and musculoskeletal system through HAL. To improve accessibility to Neuro HALFIT, the Group allied with Y's, Inc., a company known to be the leader in the field of chronic stage self-paid rehabilitation. Following the alliance, the service using the Group's products is now available at facilities operated by Y's Inc.

(Start of service for home)

The Group launched Neuro HALFIT at Home in April as a new service that enables individuals to work out at home using HAL. The Group then developed Cyberdyne Cloud and HAL Monitor in November 2020. The development allows users to obtain visual feedback on their training and receive feedback from their therapists and trainers remotely. Furthermore, the Group started CYBERDYNE STORE for Neuro HALFIT at Home as an online store to improve the accessibility of the users looking to use the service. As of the end of December 2020, there was an accumulation of 65 contracts. The Group also commenced a television advertisement for the Kanto region from February 2021 to gain recognition and adoption by a wider public.

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

(HAL Lumbar Type for Labor Support)

The Group develops HAL Lumbar Type for Labor Support to support workers involved with heavy lifting. This waterproof/dustproof product reduces the stress applied on the lumbar region upon lifting. The Group rents this type of HAL to companies in aviation, construction, and the logistics industry. Furthermore, the Group offers the product to support people involved with recovery efforts from natural disasters. In July 2020, it was deployed to Kumamoto and Oita prefecture free of charge to support recovery efforts from devastating rain. It was deployed to a subsidiary of NEXCO East Group in December 2020 to support snow removal work at Kan-Etsu Expressway. The Group plans to continue its contribution in this field.

(Autonomous navigation robots)

The Group rents next-generation Cleaning Robot CL02 equipped with cutting-edge SLAM technology to commercial facilities, office buildings, and international airports (10 CL02 in Narita Airport; 8 CL02 in Haneda Airport). The Group also launched an expansion feature, mounting disinfection functions to prevent the infection of COVID-19. The Group rents CL02 with expansion to Haneda Airport, Narita Airport, public facilities, and office buildings. The Group commenced a business alliance with NIPPON SIGNAL CO., LTD. in May 2020 to install CL02 to station and station buildings. The Group also developed an Interface Unit that enables CL02 to ride elevators automatically and started joint verification with TOKYU COMMUNITY CORP to test the Interface Unit from August 2020.

<<Status of Research and Development>>

The Group develops a palm-sized small vital sensor designed to detect arteriosclerosis and arrhythmia at an early stage. Additional functions are being developed for this sensor to improve usability. The Group also works on other sensing technology such as a small sensor to check electrocardiograms and photoacoustic imaging device to image micro-vessels in real-time.

Furthermore, the Group works on various technologies to promote independence for the elderly and disabled people. For example, the Group develops cloth-type HAL to maintain and improve ambulatory functions and guardian/communication robot to retain and enhance ADL (activities of daily living) by interacting with people while acquiring vital and environmental information. The Group also develops a personal mobility robot for users who have difficulty walking. The Group has been working on an Integrated Cybernics System to accumulate, analyze, and AI process IoH/IoT Big Data from various Cybernics Devices. As the first step, the Group launched Cyberdyne Cloud in November 2020.

The Group plans to construct a base for the innovative medical industry in Kingsky Front, Tonomachi, Kawasaki. The Group commenced construction in December 2020 and schedules to complete construction in February 2022.

### Numbers of operating units

As of the end of December 2020, 340 units of Medical HAL Lower Limb Type were in operation worldwide, including those used for clinical research. Out of the 340 HALs, 81 were rent to Japanese hospitals for Cybbernic Treatment. The number of Medical HAL Lower Limb Type increased mainly due to increased rented units towards hospitals in the APAC region. 363 HAL Single Joint Type were in operation. The number of HAL Single Joint Type increased mainly from the medical models.

As of the end of December 2020, adding the numbers of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model), 342 were in operation. Despite the decrease in the number of operating units because of the disposal of older models that met its service life, the total numbers increased as the contract towards individual users grew. Adding the numbers of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support, 1,005 were in operation. Out of 1,005 HAL Lumbar Types, 31 was rented to individual users for Neuro HALFIT at Home.

As of the end of December 2020, 515 HAL Lumbar Type for Labor Support were in operation. The numbers declined from the previous quarter mainly due to converting the units to HAL Lumbar Type for Well-being following reduction of units rented to airports. Adding the numbers of Cleaning Robot and Transportation Robot, 97 were in operation.

In the consolidated nine months ended December 31, 2020, the Group recorded revenue of ¥1,247 million (1.4% decrease year on year), mainly due to decreased revenue from training and treatment services affected by the spread of COVID-19. The Group recorded gross profit at ¥858 million (6.8% decrease year on year).

Research and development expenses were recorded at ¥510 million (9.4% decrease year on year), mainly due to new products at the Company's own cost and consigned research projects. The Group recorded other selling, general and administrative expenses at ¥958 million (0.2% decrease year on year).

Other income was recorded at ¥116 million (66.1% increase year on year), mainly from a consigned research project, partially offset by other expenses recorded at ¥3 million (56.0% decrease year on year), resulting in the operating loss of ¥498 million (7.8% decrease year on year).

The Group recorded finance income at ¥565 million mainly due to gain from valuation difference of investment securities. Furthermore, as the Group recorded gains related to CEJ Fund at ¥334 million and income tax expense at ¥328 million from deferred tax expenses, the Group posted profit attributable to owners of the parent at ¥81 million.

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 ¥302 million was recorded as finance income and gains related to CEJ Fund. Furthermore, as the Group recorded deferred tax expense associated with this valuation ¥92 million as an income tax expense and reclassified third-party interest in CEJ Fund at ¥145 million, the impact of calculation of the fair value towards the quarterly profit was ¥65 million.



## (2) Explanation of financial position

### ① Assets

For the consolidated nine months ended December 31, 2020, assets increased ¥268 million to ¥48,076 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥1,454 million in cash and cash equivalents, ¥57 million in right of use asset, and ¥49 million in trade and other receivables, partially offset by an increase of ¥1,781 million in other financial assets (non-current).

### ② Liabilities

For the consolidated nine months ended December 31, 2020, liabilities increased ¥575 million to ¥4,124 million compared to the end of the previous fiscal year. The changes were mainly due to a decrease of ¥67 million in lease liabilities (non-current), ¥62 million in trade and other payables, and ¥246 million in other current liabilities, partially offset by an increase of ¥792 million in third-party interest in CEJ Fund and ¥166 million in deferred tax liability.

### ③ Equity

For the consolidated nine months ended December 31, 2020, equity decreased ¥307 million to ¥43,952 million compared to the end of the previous fiscal year. Changes were mainly due to an increase of ¥86 million in retained earnings following the posting of a profit attributable to owners of the parent, partially offset by a decrease of ¥383 million in other components of equity.

## (3) Status of cashflow

For the consolidated nine months ended December 31, 2020, cash and cash equivalents decreased ¥1,454 million to ¥8,182 million compared to the end of the previous fiscal year. Main influence factors for the status of cash flow within the consolidated nine months ended December 31, 2020, are stated below.

### (Cash flows from operating activities)

For the consolidated nine months ended December 31, 2020, net cash provided by operating activities recorded an outflow of ¥588 million (outflow of ¥322 million in the previous fiscal year). Changes were mainly due to profit before tax posted at ¥389 million, depreciation and amortization posted at ¥346 million and inflow from a decrease of trade and other receivables posted at ¥49 million, partially offset by finance income posted at ¥565 million, gains related to CEJ Fund posted at ¥334 million, the outflow from a decrease of trade and other payables posted at ¥38 million and outflow from payment of size based business tax (capital base) as well as fixed assets tax for the previous fiscal year.

### (Cash flows from investment activities)

For the consolidated nine months ended December 31, 2020, net cash provided by investing activities recorded an outflow of ¥1,495 million (inflow of ¥296 million in the previous fiscal year). The changes were mainly due to payment of ¥1,215 million from the purchase of investment securities.

### (Cash flows from financing activities)

For the consolidated nine months ended December 31, 2020, net cash used in financing activities recorded an inflow of ¥640 million (inflow of ¥1,319 million in the previous fiscal year). The changes were mainly due to the inflow of ¥640 million from third-party interests in the CEJ Fund.

2. Condensed quarterly consolidated financial statement

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

	As of March 31, 2020	As of December 31, 2020
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	9,636	8,182
Trade and other receivables	263	214
Other financial assets	19,004	19,008
Inventories	832	823
Other current assets	156	273
Total current assets	29,891	28,500
Non-current assets		
Operating lease assets	481	446
Property, plant and equipment	11,553	11,548
Right of use assets	361	304
Goodwill	57	57
Intangible assets	53	42
Investments accounted for using equity method	472	463
Other financial assets	4,872	6,653
Other non-current assets	68	63
Total non-current assets	17,917	19,576
Total assets	47,808	48,076

	As of March 31, 2020	As of December 31, 2020
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	247	185
Bonds and borrowings	37	31
Lease liabilities	61	59
Other current liabilities	464	218
Total current liabilities	810	493
Non-current liabilities		
Bonds and borrowings	51	52
Third-party interests in CEJ Fund	1,714	2,506
Lease liabilities	313	246
Provisions	93	93
Deferred tax liabilities	568	734
Total non-current liabilities	2,739	3,631
Total liabilities	3,549	4,124
Equity		
Share capital	26,753	26,759
Capital surplus	26,494	26,494
Treasury shares	(0)	(0)
Other components of equity	(854)	(1,237)
Retained earnings	(8,124)	(8,038)
Total equity attributable to owners of the parent	44,268	43,977
Non-controlling interests	(9)	(26)
Total equity	44,259	43,952
Total liabilities and equity	47,808	48,076

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

Condensed year to quarter end consolidated statement of profit or loss

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
	Millions of yen	Millions of yen
Revenue	1,265	1,247
Cost of sales	(344)	(389)
Gross profit	921	858
Selling, general and administrative expenses		
Research and development expenses	(563)	(510)
Other selling, general and administrative expenses	(959)	(958)
Total selling, general and administrative expenses	(1,522)	(1,468)
Other income	70	116
Other expenses	(8)	(3)
Operating loss	(540)	(498)
Finance income	826	565
Finance costs	(99)	(2)
Gains related to CEJ Fund	52	334
Share of profit (loss) of investments accounted for using equity method	(21)	(10)
Profit before tax	218	389
Income tax expense	(237)	(328)
Profit (loss)	(19)	62
Profit (loss) attributable to		
Owners of parent	(13)	81
Non-controlling interests	(6)	(19)
Profit (loss)	(19)	62
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(0.06)	0.38
Diluted earnings (loss) per share (yen)	(0.06)	0.38

Condensed quarter period consolidated statement of profit or loss

	Three months ended December 31, 2019	Three months ended December 31, 2020
	Millions of yen	Millions of yen
Revenue	442	453
Cost of sales	(115)	(147)
Gross profit	<u>327</u>	<u>305</u>
Selling, general and administrative expenses		
Research and development expenses	(191)	(165)
Other selling, general and administrative expenses	(329)	(307)
Total selling, general and administrative expenses	<u>(521)</u>	<u>(472)</u>
Other income	23	32
Other expenses	11	(2)
Operating loss	<u>(159)</u>	<u>(136)</u>
Finance income	368	5
Finance costs	(11)	(1)
Gains related to CEJ Fund	20	83
Share of profit (loss) of investments accounted for using equity method	(6)	(4)
Profit (loss) before tax	<u>212</u>	<u>(52)</u>
Income tax expense	(114)	(40)
Profit (loss)	<u><u>98</u></u>	<u><u>(92)</u></u>
Profit (loss) attributable to		
Owners of parent	99	(86)
Non-controlling interests	(1)	(6)
Profit (loss)	<u><u>98</u></u>	<u><u>(92)</u></u>
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	0.46	(0.40)
Diluted earnings (loss) per share (yen)	0.46	(0.40)

Condensed year to quarter end consolidated statement of comprehensive income

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
	Millions of yen	Millions of yen
Profit (loss)	(19)	62
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	187	(369)
Total of items that will not be reclassified to profit or loss	187	(369)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	3	(17)
Total of items that may be reclassified to profit or loss	3	(17)
Total other comprehensive income, net of tax	189	(386)
Comprehensive income	170	(325)
Comprehensive income attributable to		
Owners of parent	176	(304)
Non-controlling interests	(6)	(21)
Comprehensive income	170	(325)

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)  
 Nine months ended December 31, 2019 (from April 1, 2019 to December 31, 2019)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2019	26,745	26,494	(0)	(1,071)	3	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	187	2	—
Total comprehensive income	—	—	—	187	2	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	6	—	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Total transactions with owners	6	—	(0)	—	—	—
December 31, 2019	26,751	26,494	(0)	(884)	5	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2019	(1,048)	(7,972)	44,217	(15)	44,203
Profit (loss)	—	(13)	(13)	(6)	(19)
Other comprehensive income	189	—	189	1	189
Total comprehensive income	189	(13)	176	(6)	170
Acquisition of treasury shares	—	—	(0)	—	(0)
Share-based payment transactions	—	—	6	—	6
Equity transaction non-controlling	—	—	—	8	8
Total transactions with owners	—	—	6	8	14
December 31, 2019	(860)	(7,986)	44,399	(12)	44,387

Nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2020	26,753	26,494	(0)	(880)	6	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(369)	(16)	—
Total comprehensive income	—	—	—	(369)	(16)	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	6	—	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Disposal of subsidiaries	—	—	—	—	2	—
Total transactions with owners	6	—	(0)	—	2	—
December 31, 2020	26,759	26,494	(0)	(1,249)	(7)	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2020	(854)	(8,124)	44,268	(9)	44,259
Profit (loss)	—	81	81	(19)	62
Other comprehensive income	(385)	—	(385)	(2)	(386)
Total comprehensive income	(385)	81	(304)	(21)	(325)
Acquisition of treasury shares	—	—	(0)	—	(0)
Share-based payment transactions	—	—	6	—	6
Equity transaction non-controlling	—	—	—	4	4
Disposal of subsidiaries	2	5	8	—	8
Total transactions with owners	2	5	13	4	17
December 31, 2020	(1,237)	(8,038)	43,977	(26)	43,952



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

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	218	389
Depreciation and amortization	373	346
Finance income	(826)	(565)
Finance costs	99	2
Loss (gains) on CEJ Fund	(52)	(334)
Share of loss (profit) of investments accounted for using equity method	21	10
Decrease (increase) in inventories	83	9
Decrease (increase) in trade and other receivables	20	49
Increase (decrease) in trade and other payables	(102)	(38)
Other	(173)	(471)
Subtotal	(339)	(601)
Interest received	17	15
Interest paid	—	(1)
Income taxes paid	(1)	(0)
Payments for administrative expenses etc. related to CEJ Fund	1	—
Net cash provided by (used in) operating activities	(322)	(588)
Cash flows from investing activities		
Purchase of investments	(19,000)	(16,000)
Proceeds of redemption of investments	18,000	16,000
Proceeds from withdrawal of time deposit	2,500	—
Purchase of property, plant and equipment	(342)	(273)
Purchase of intangible assets	(5)	(5)
Purchase of investment securities	(1,014)	(1,215)
Proceeds from sale of investment securities	205	—
Purchase of investments accounted for using equity method	(46)	—
Other	(1)	(3)
Net cash provided by (used in) investing activities	296	(1,495)
Cash flows from financing activities		
Repayments of short-term borrowings	—	0
Proceeds from long-term borrowings	—	20
Repayments of long-term borrowings	—	(26)
Repayments of lease obligation	(39)	(34)
Contributions into CEJ Fund from third-party investors	1,360	680
Other	(2)	(1)
Net cash provided by (used in) financing activities	1,319	640
Effect of exchange rate changes on cash and cash equivalents	(0)	(11)
Net increase (decrease) in cash and cash equivalents	1,292	(1,454)
Cash and cash equivalents at beginning of fiscal year	8,796	9,636
Cash and cash equivalents at end of year	10,088	8,182

(5) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Changes in accounting policy)

Significant accounting policies applied to the condensed consolidated financial statements for the consolidated nine months ended December 31, 2020 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2020

The income tax expense for the consolidated nine months ended December 31, 2020 has been calculated based on the estimated annual effective income tax rate.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	990	941
Asset transferred at a point of time	99	153
Service transferred at a point of time	176	153
Total	1,265	1,247

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

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract and maintenance income based on the maintenance contract in relation to finance lease income where the Group acts as a lessor of right-of-use asset.

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

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

Asset transferred at a point of time

Asset transferred at a point of time includes revenue from sales of commodities and products based on sales contract. The Group mainly determines that performance obligation of sales of commodities as well as products are satisfied at the point of customer acceptance the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. With regards to transaction price, there is no significance in the amount of sales revenue that includes variable consideration. Furthermore, there are no significant financial components in the amount of promised consideration.

Furthermore, if the Group acts as a lessor of right-of-use of its devices such as HAL, the Group classifies the relevant lease as finance lease. Finance lease income is processed in the same way as cases where the Group acts as a lessor of manufacturer or distributor of sales of goods. The Group determines that performance obligation is satisfied at the point of customer acceptance and the revenue is recognized at a point of time.

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernic Treatment and training service at Cybernic Treatment Center and Robocare Centers, to end users (such as patients). It also includes revenue received in return of providing outcomes of consigned research projects.

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