Press Release 2016/10/06

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CYBERDYNE, INC.'s view on the research report released by Citron Research (Part 3)

On October 5, 2016, Citron Research published a report (the "10/5 Report") outlining their additional viewpoints regarding CYBERDYNE, INC. (the "Company"). The Company believes that the 10/5 Report is based on Citron Research's individual analysis that included several inadequate statements and a focus on selective information that ignores the overall context. Similarly to the research report released by Citron Research on August 15, 2016 (the "8/15 Report") and on August 25, 2016 (the "8/25 Report"), the Company is providing important information for shareholders and investors to consider and to prevent unnecessary confusion.

I. The clinical trial information for slowly progressive rare neuromuscular diseases has already been released

In the 10/5 Report, Citron Research claims that the Company is hiding important documents related to the clinical trial for HAL® for Medical Use (Lower Limb Type) ("Medical HAL®"), from investors, analysts or the public. However, the Company has released "Progress Report to the Center for Clinical Trials, Japan Medical Association" and "Attached Documents (HAL® for Medical Use Lower Limb Type)" on its website as described below, and the claim by Citron Research is simply not true.

"Progress Report to the Center for Clinical Trials, Japan Medical Association"
(Cited as reference information in the August 15, 2014 news release that announced the completion of testing for all subjects in the clinical trial)
http://www.cyberdyne.jp/english/company/PressReleases_detail.html?id=1102

"Attached Documents (HAL® for Medical Use Lower Limb Type)"
(Published on the product introduction page of the Company website)
http://www.cyberdyne.jp/products/pdf/HT010910A-U01_R1.pdf (In Japanese only)

II. Through an appropriate and official clinical trial protocol, the Pharmaceutical and Medical Devices Agency ("PMDA") has recognized the efficacy and safety of Medical HAL®

In the 10/5 Report, Citron Research made several statements that the clinical trial for slowly progressive rare neuromuscular diseases (the "Rare Neuromuscular Disease Clinical Trial") showed only small effects, had questionable protocol, and had serious issues with the safety of Medical HAL®. The Company believes that the perspective of the 10/5 Report is a result of a focus on selective information that ignores the overall context and that it is inaccurate for the following reasons.

- **An ambulatory function improvement effect for slowly progressive rare neuromuscular disease patients has been recognized, despite there being no treatment method available in modern medicine.**

  While patients with slowly progressive rare neuromuscular diseases gradually lose their physical functions, this Rare Neuromuscular Disease Clinical Trial saw results that improved physical function, and the efficacy of Medical HAL® was recognized in regulatory approval deliberations. Furthermore, as a result, the remuneration price by general public health insurance for treatment using Medical HAL® was decided on April 2016. Coverage of treatment using Medical HAL® by public health insurance means that the clinical data collected by the Company was medically and statistically recognized as medical evidence, and was also approved from a financial stand point.

- **This Rare Neuromuscular Disease Clinical Trial was conducted using protocol that was approved by the PMDA, and the efficacy was recognized from a medical and statistical perspective.**

  In the 10/5 Report, the protocol (clinical trial design and sample size) of this Rare Neuromuscular Disease Clinical Trial was pointed out, but this protocol was approved by the PMDA, and the efficacy was medically and statistically recognized.

- **There were no serious adverse events, and the PMDA has recognized the safety of Medical HAL®**

  The "Attached Documents (HAL® for Medical Use Lower Limb Type)" cited by Citron Research clearly states that "there were no recognized serious malfunctions or serious adverse events" for Medical HAL®. Furthermore, the adverse events listed by Citron Research are all "mild", and it is also clearly stated that these mild events includes events which "occurred due to reasons stemming from the walking program that include being able to walk lengthy distances, supporting the body with the upper limbs, and using muscles that are not typically used."

III. Communications with the FDA have been discussed

In the response titled "CYBERDYNE, INC.'s view on the research report released by Citron Research" that was released on August 19, 2016, the Company disclosed its progress with the FDA

application and the fact that it is in communications with the FDA. The statement in the 10/5 Report that "Cyberdyne has not disclosed any communication with the FDA" is not true.

The following was taken from "CYBERDYNE, INC.'s view on the research report released by Citron Research"
"Currently, the Company is deliberating ways for the differences between HAL® and the other existing devices to be recognized for the Company's future expansion into the US market, and is discussing details with the FDA."
http://www.cyberdyne.jp/company/download/20160819_tekijikaiji_en.pdf

IV. Accurate information related to stroke has been released in a timely fashion

On the points in the 10/5 Report related to stroke for Medical HAL®, the Company believes that Citron Research's perspective is a result of a focus on selective information that ignores the overall context, and that it is inaccurate for the following reasons

- **In Germany, treatment of brain/nerve diseases including stroke has been in the stage of practical use since 2013.**

  Using the results of research studies on stroke, spinal cord injury, and other diseases, Medical HAL® received medical device certification in the EU in August 2013 as a robotic treatment device. At the same time, treatment to improve physical functions using Medical HAL® began in Germany, covered by public worker's compensation insurance. Therefore, there is no issue with the statement that Medical HAL® "entered the stage of practical use for the treatment of stroke patients" in the report by a Nomura analyst on April 30, 2014.
  http://www.cyberdyne.jp/company/download/20130813_v1.0.pdf (In Japanese only)

  *The analyst report by Nomura Securities that is referred by Citron Research was cited in error as the report was released on April 30, 2014 instead of September 30, 2014.

- **In Japan, an investigator-initiated clinical trial for stroke patients using Medical HAL® Single-Leg Model has begun.**

  The 9/30 Release "Commencement of investigator-initiated clinical trial of stroke patients using HAL® for Medical Use (Single-Leg Model)" is related to an investigator-initiated clinical trial for stroke patients conducted in Japan, and involves a new project using the Medical HAL® Single-Leg Model.

The Company takes its dialogue with its shareholders and investors seriously, and it will not spare any effort to clarify any misunderstandings. However, the Company will firmly address any activities that deliberately announce unreasonable information.

The Company assumes its shareholders and investors exercise care when making investment decisions.