

Consolidated Financial Results (Tanshin) for the Three Months Ended June 30, 2014  
(Based on Japanese GAAP)



August 14, 2014

Name of listed company : CYBERDYNE, INC. Stock exchange listing : Mothers Section of TSE  
 Stock code : 7779 URL : <http://www.cyberdyne.jp/>  
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Scheduled date for release of three-month report : August 14, 2014 Scheduled start of dividend payment : —  
 Explanatory materials to three-month financial results : none  
 Information meeting for three-month results : none

(rounded down to the nearest JPY 1 million)

1. Consolidated financial results for the three months ended June 30, 2014 (April 1, 2014 – June 30, 2014)

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

	Sales		Operating profit		Current profit*		Net profit	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Three months ended June 30, 2014	97	—	-319	—	-186	—	-188	—
Three months ended June 30, 2013	—	—	—	—	—	—	—	—

\*Profit before income tax without extraordinary profit/loss, also called “Pretax profit” or “Ordinary profit”

Note: Comprehensive income for the three months ended June 30, 2014: JPY -188million (-%)  
 for the three months ended June 30, 2013: JPY—million (-%)

	Earnings per share	Net profit per share-diluted
	JPY	JPY
Three months ended June 30, 2014	-2.00	—
Three months ended June 30, 2013	—	—

Note:

- As the company's first consolidated financial results were prepared for the nine month-period ended December 31, 2013, the figures for the three months ended June 30, 2013 and the year on year changes in monetary and percentage terms are not indicated.
- The company implemented a stock split of 1 to 5 for each ordinary share and Class B share on August 1, 2014. Earnings (loss) per share for the three month period ended June 30, 2014 are calculated, assuming that the stock split was executed at the beginning of the fiscal year (April 1, 2014).

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	JPY million	JPY million	%
As of June 30, 2014	7,255	6,842	94.3
As of March 31, 2014	6,434	5,995	93.2

Reference: shareholders' equity JPY 6,842 million (as of June 30, 2014 June 30, 2014 June 30, 2014)  
 JPY 5,995 million (as of the fiscal year ended March 31, 2014)

## 2. Dividends

	1st quarter	2nd quarter	3rd quarter	Full year	Total
	JPY	JPY	JPY	JPY	JPY
Year ended March 31, 2014	—	—	—	—	—
Year ending March 31, 2015	—	—	—	—	—
Year ending March 31, 2015 (estimated)	—	—	—	—	—

Note

Changes from the latest released dividend forecasts: none

## 3. Forecast of consolidated financial results for the year ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(percentages indicate changes from previous year)

	Sales		Operating profit		Current profit*		Net profit		Earnings per share
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	(JPY)
Full year	902	97.7	—	—	—303	—	—377	—	—3.99

\*Profit before income tax without extraordinary profit/loss, also called “Pretax profit” or “Ordinary profit”

Note:

Changes from the latest released dividend forecasts: none

Earnings per share in the “Forecast of consolidated financial results for the year ending March 31, 2015” above are calculated taking the stock split of 1 to 5 for each ordinary share and Class B share on August 1, 2014 into consideration.

The company often carries out research and development (hereinafter R&D) projects based on subsidies from administrative bodies which are equivalent to expenses for the R&D projects. In such cases, the R&D expenses (sales and administrative costs) and the corresponding subsidy incomes (non-operating profits) are posted at the same time. Due to this accounting operation, operating profit/loss estimates might fluctuate drastically, depending on the existence of sizable R&D projects. Therefore, in order to avoid misunderstanding, operating profit/loss estimates are not disclosed.

### \*Notes

(1) Changes in key subsidiaries during the three month period under review (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

1) Changes in accounting policies due to revisions of accounting standards, and other regulations: none

2) Changes in accounting policies due to reasons other than 1): none

3) Changes in accounting estimates: none

4) Restatement of prior period financial statements after error corrections: none

(3) Total number of issued shares (ordinary shares)

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

As of June 30, 2014	94,638,000 shares
As of March 31, 2014	93,117,000 shares

2) Total number of treasury shares at the end of the period

As of June 30, 2014	0 shares
As of March 31, 2014	0 shares

3) Average number of shares during the period

As of June 30, 2014	94,270,286 shares
As of March 31, 2014	-- shares

Note:

The total number of issued shares at the end of the period and the average number of shares during the period include Class B shares as ordinary shares. and Class B shares are ranked the same and paid at the same amount with regard to dividends of surplus and distribution of residual property.

The company implemented a stock split of 1 to 5 with regard to both ordinary shares and Class B shares as of August 1, 2014. Therefore the total number of issued shares at the end of the period are calculated, assuming that the stock split was executed at the beginning of the fiscal year (April 1, 2014).

### \*Indication regarding execution of quarterly review procedures

Though this quarterly (three-month) financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Law, at the time of

disclosure of this quarterly (three-month) financial results report, the quarterly review procedures for the quarterly (three-month) consolidated financial statements have been completed.

\*Proper use of the financial results forecast, and other special matters

1. Financial results forecast

Descriptions about the future of the company in this document, such as the financial results forecast, are based on information currently available to the company and on certain assumptions deemed to be reasonable. Nevertheless, materialization of them cannot be assured by the company. Actual business and other results might differ substantially from the forecast due to various factors.

2. Stock split

In accordance with the board resolution dated May 22, 2014, the company implemented a stock split of 1 to 5 for each ordinary share and Class B share effective as of August 1, 2014. With regard to the financial results forecast as of the financial year ending March 31, 2015 concerning the stock split, see “3. Forecast of consolidated financial results for the year ending March 31, 2015 (April 1, 2014 –March 31, 2015)”.

cf. Dividends on class shares

Details of dividends on the company’s class shares of which number of share trading units differ from its ordinary shares are as below.

Class B shares	Dividends per share				
	1st quarter	2nd quarter	3rd quarter	Full year	Total
	JPY	JPY	JPY	JPY	JPY
Year ended March 31, 2014	—	—	—	—	—
Year ending March 31, 2015	—				
Year ending March 31, 2015 (estimation)		—	—	—	—

Note:

The company issued class B shares which are entitled the same rights as its ordinary shares with regard to dividend of surplus and distribution of residual property, but of which share trading units differ from the ordinary shares.

○ Contents of the Attached Material

1. Qualitative information regarding settlement of accounts for the three months.....	2
(1) Explanation of results of operation.....	2
(2) Explanation of financial position.....	2
(3) Explanation of forecast of consolidated financial results and other forward-looking statements.....	3
2. Matters regarding summary information (Notes) .....	3
(1) Changes in key subsidiaries during the three month under review .....	3
(2) Application of special accounting for preparing quarterly consolidated financial statements .....	3
(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections .....	3
3. Quarterly consolidated financial statements .....	4
(1) Quarterly consolidated balance sheets.....	4
(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income.....	5
(3) Notes to consolidated financial statements.....	7
(Notes on premise of going concern) .....	7
(Notes on significant changes in the amount of shareholder's equity) .....	7
(Segment Information and so on).....	7

## **1. Qualitative information regarding settlement of accounts for the three months**

### (1) Explanation of results of operation

Descriptions about the future of the company in this document are based on information currently available to the company and on certain assumptions deemed to be reasonable as of June 30, 2014. As the company did not prepare the consolidated financial results for the three months ended June 30, 2013, a year on year comparison of the three months ended June 30, 2014 and the corresponding period in the previous year was not done.

In terms of the Japanese economy during the three month period from April 1 to June 30, 2014, due to the effect of drastic monetary easing and expeditious financial policy in line with Prime Minister Abe's economic policy (Abenomics), an economic upturn was observed. On the other hand, in order to solve an underlying problem, that is, the rapidly-aging society which Japan faces ahead of other countries, continuous growth of the above-mentioned new industry for establishment of a "longevity society" which is a centerpiece of the growth strategy is expected.

The fields of robot medical devices, medical services with robots and care-service robots, in which the company group is active, are designated as important fields in terms of the national growth strategy, and further research and development and launch promotion will be carried out. Especially the human support robot industry, which is represented by the Robot Suit HAL, the main product of the company group, is expected to grow remarkably with the actual utilization of robotic technologies in medical and care fields.

In this business environment, the company group promoted product development in the medical device field and provision of services. "HAL for Medical Use" which obtained a medical device quality certification in EC's Medical Device Directive, started functional improvement therapy using Robot Suit HAL for patients with cerebral, nervous and muscle impairment in the company's subsidiary, Cyberdyne Care Robotics GmbH. Those therapeutic treatments are covered by Germany's public labor insurance. As of June 30, 2014, five institutions use HAL for Medical Use in Europe. In Japan, HAL for Medical Use are used in clinical tests. Totally 86 units of HAL for Medical Use were in use.

With regard to the welfare and care-service device field, the "Robot Suit HAL for Welfare Use", a total of 356 units in 155 facilities were in use as of June 30, 2014.

As the result of the above, for the three months ended June 30, 2014, sales were JPY97,922 thousand, while subsidy income JPY 115,075 thousand, grants for research received JPY 17,638 thousand, both of which were adopted in the previous fiscal year, other non-operating profit JPY6,366 thousand which included income of CYBERDYNE STUDIO JPY5,479 thousand, and stock delivery fee JPY4,666 thousand related to the new stock issuance by the third party allotment were posted. Consequently, current loss (pre-tax loss) was JPY186,908 thousand, and net loss was JPY188,160 thousand.

### (2) Explanation of financial position

i) Assets:

Compared with the previous financial year end, total assets as of the first quarter end, June 30, 2014 increased JPY820,945 thousand to JPY7,255,714 thousand. This was primarily due to an increase of cash and deposit JPY1,209,552 resulting from a third-party allocation.

ii) Liabilities:

Compared with the previous financial year end, total liabilities as of the first quarter end, June 30, 2014 decreased JPY26,092 thousand to JPY412,847 thousand. This was primarily due to a decrease of income tax payable JPY18,105 resulting from tax payment.

iii) Net assets:

Compared with the previous financial year end, net assets as of the first quarter end, June 30, 2014 increased JPY847,037 thousand to JPY6,842,866 thousand. This was primarily due to an increase of capital stock JPY517,748 and capital surplus JPY517,748 thousand resulting from the third-party allocation.

(3) Explanation of forecast of consolidated financial results and other forward-looking statements

No revisions of “Forecast of consolidated financial results” announced on May 15, 2014 were made.

**2. Matters regarding summary information (Notes)**

(1) Changes in key subsidiaries during the three month under review

No items to report.

(2) Application of special accounting for preparing quarterly consolidated financial statements

No items to report.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

No items to report.

### 3. Quarterly consolidated financial statements

#### (1) Quarterly consolidated balance sheets

	(unit JPY thousand)	
	As of March 31, 2014	As of June 30, 2014
<b>Assets</b>		
Current assets		
Cash and deposits	4,341,264	5,550,817
Accounts receivable - trade	66,126	33,271
Merchandise and finished goods	19,669	16,636
Work in process	9,932	13,231
Raw materials and supplies	170,054	182,946
Other	459,085	134,982
Provision allowance for doubtful accounts	-362	-164
Total current assets	5,065,769	5,931,721
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	838,231	818,748
Assets for rent, net	110,127	112,199
Other, net	176,988	171,753
Total property, plant and equipment	1,125,347	1,102,700
Intangible asset	50,754	35,601
Investments and other assets, gross	192,896	185,690
Total non-current assets	1,368,999	1,323,992
Total assets	6,434,768	7,255,714
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	26,210	24,061
Income taxes payable	26,469	8,363
Other	222,277	221,670
Total current liabilities	274,956	254,095
Non-current liabilities		
Asset retirement obligations	68,762	69,110
Other	95,221	89,642
Total non-current liabilities	163,983	158,752
Total liabilities	438,938	412,847
<b>Net assets</b>		
Shareholders' equity		
Capital stock	5,428,919	5,946,667
Capital surplus	5,364,919	5,882,667
Retained earnings	-4,799,064	-4,987,224
Total shareholders' equity	5,994,773	6,842,110
Other comprehensive income		
Foreign currency translation adjustment	1,055	756
Total other comprehensive income	1,055	756
Total net assets	5,995,828	6,842,866
Total liabilities and net assets	6,434,768	7,255,714

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income (cumulative)

	(unit JPY thousand)
	Three months ended June 30, 2014
Net sales	97,922
Costs of sales	73,482
Gross profit	24,439
Selling, general and administrative expenses	
Research and development expenses	123,085
Other	221,114
Total selling, general and administrative expenses	344,199
Operating loss	-319,759
Non-operating profit	
Interest income	1
Subsidy income	115,075
Grants for research received	17,638
Other	6,366
Total non-operating profit	139,083
Non-operating expenses	
Interest expense	904
Share issuance cost	4,666
Other	661
Total non-operating expenses	6,231
Ordinary loss(*)	-186,908
Net loss before provision for income taxes	-186,908
Income taxes-current	1,658
Income taxes-deferred	-406
Total income taxes	1,251
Net loss before minority interests	-188,160
Net loss	-188,160

\* Profit before income tax without extraordinary profit/loss, also called “Pretax profit” or “Ordinary profit”



Quarterly consolidated statements of comprehensive income (cumulative)

(unit JPY thousand)	
Three months ended June 30, 2014	
Net loss before minority interests	-188,160
Other comprehensive income	
Foreign currency translation adjustment	-298
Total other comprehensive income	-298
Comprehensive income	-188,458
(Comprehensive income attributable to)	
Comprehensive income attributable to owners of the parent	-188,458
Comprehensive income attributable to minority interests	-

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Notes on significant changes in the amount of shareholder's equity)

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

i) Dividends paid

There are no items to report.

ii) Among dividends for which the record date falls within the period under review, the dividends for which the effective date of payment is after the last date of the period under review

There are no items to report.

iii) Significant changes in the amount of shareholder's equity

On April 23, 2014, the company received paid amount of a third-party allocation, related secondary offering through over allotment, from SMBC Nikko Securities Inc. As a result, capital stock increased JPY517,748 thousand to 5,946,667 thousand and capital surplus increased JPY517,748 thousand to JPY5,882,667 thousand as of the end of three month period June 30, 2014.

(Segment Information and so on)

Segment information :

Three months ended June 30, 2014 (From April 1, 2014 to June 30, 2014)

Since the company group has a single segment of Robot Suit and related items, segment information is omitted.