



MEMBERSHIP

2018/07/12

Company: CYBERDYNE, INC.
Name of Representative: Yoshiyuki Sankai, President and CEO
Code: 7779 (Mothers Section of the Tokyo Stock Exchange)
Contact: Shinji Uga, Director and CFO (Tel. +81-29-869-9981)

Announcement on establishment of Cybernic Excellence Japan Fund (“CEJ Fund”) and changes in subsidiary

CYBERDYNE, INC. (the “Company”) and its consolidated subsidiary, CEJ Capital, Inc. (“CEJ Capital”) have determined to establish “Cybernic Excellence Japan Fund 1 Investment Limited Partnership” (“CEJ Fund”) today in order to support and nurture venture companies aiming at solving social issues and creating new Cybernic Industry. Six companies including the Company have made a commitment to participate in the initial establishment of CEJ Fund as limited partners.

1. Background

In Japan, aging population and declining birthrate are progressing so rapidly that shrinking labor, increasing heavy and long-term care and growing social welfare expenditures such as medical expenses are becoming more and more serious. The Company and its President and CEO, Yoshiyuki Sankai (a program manager of ImPACT hosted by the Cabinet Office of Japan as well as a professor at Information and Systems in University of Tsukuba) created innovative Cybernic Technologies* and tackled those combined “social problems”.

2. Purpose of establishment of CEJ Fund

In order to speed up solution of social problems and creation of Cybernic Industry further in larger scale, the Company, Global Brain Corporation and Mizuho Capital Co. Ltd., a subsidiary of Mizuho Bank, Ltd., established CEJ Capital and, this time, have determined to establish CEJ Fund that supports innovation and business promotion and provides finance to venture companies. CEJ Fund will act as a new industrial turntable to create new industries and facilitate positive spiral of innovation by gathering human resources and companies, who challenge development of Cybernic Industry and business promotion in one place and to facilitate the entire process of development of innovative technologies or devices to its social implementation in a global scale.

3. Outline of CEJ Fund

(1) Name	Cybernic Excellence Japan Fund 1 Investment Limited Partnership Common name: CEJ Fund
(2) Location	10-11 Sakuragaoka-cho, Shibuya, Tokyo
(3) Basis of establishment	Establishment of the investment limited partnership is based on the “Limited Partnership Act for Investment”.
(4) Established date	July 12, 2018
(5) Period of fund management	Ten years (maximum of 2 years can be extended)

(6) Unlimited liability partner	CEJ Capital, Inc. (a consolidated subsidiary of the Company) *Jointly established by the Company, Global Brain Corporation and Mizuho Bank, Ltd. CEJ Capital, Inc. conducts operation of CEJ Fund.
(7) Limited liability partner* (Initial partners in arbitrary order)	CYBERDYNE, INC. (the Company) Daiwa House Industry Co., Ltd. Sompo Japan Nipponkoa Insurance Inc. Daido Life Insurance Company Mizuho Bank, Ltd. Mizuho Capital Co., Ltd.
(8) Total amount of fund (Initial amount)	9.2 billion Japanese yen (The subscription period can be extended for one more year after the establishment of the fund.)
(9) Investees	Venture companies engaged in “human assistive technology” such as medical/healthcare, robotics, AI, Big Data, IoH/IoT (Internet of Humans/ Internet of Things) etc., which relate to fields of Cybermic Technology

*According to the intention of limited liability partners, an amount of committed investment from each partner is not disclosed.

4. Outline of changes in the subsidiary (CEJ Capital, Inc.)

(1) Name	CEJ Capital, Inc.	
(2) Location	2-2-1, Gakuen-minami, Tsukuba, Ibaraki	
(3) Position and name of the representatives	President and CEO: Shinji Uga (Member of the Board of Directors of the Company) *If Yoshiyuki Sankai (President and CEO and Member of the Board of Directors of the Company) obtains side business approval from University of Tsukuba, he is scheduled to presume the role as President and CEO of CEJ Capital, Inc.	
(4) Business line	Creation of, and development support to, Cybermic Industry Asset management and administration of the investment partnership.	
(5) Share capital	5 million Japanese yen Increase of the capital is scheduled, following the establishment of CEJ Fund.	
(6) Established date	December 28, 2017	
(7) Major shareholder and shareholding ratio	CYBERDYNE, INC. 60%	
(8) Relationships between CEJ Capital, Inc. and the Company (the listed company)	Capital relationship	60% of CEJ Capital’s shares are held by the Company.
	Personnel relationship	Member(s) of the Board of Director of the Company/ employee(s) of the Company also work as Member(s) of the Board of Director of CEJ Capital. An Audit and Supervisory Board Member of the Company also work as an Audit and Supervisory Board Member of CEJ Capital.
	Business relationship	CEJ Capital schedules to enter into a consigned business agreement with the Company.

5. Schedule

CEJ Fund is anticipated to be included in the Company’s scope of consolidation. As such, operating results, assets and liabilities

of CEJ Fund will be reflected in the Companies' consolidated financial statements. Remuneration and expenses related to operation of CEJ Capital, the unlimited liability partner of CEJ Fund, will be posted in finance income and finance cost on the Companies' consolidated financial statements. Impacted amount shall be disclosed where necessary.

* Cybernics: A new academic field that is centered around human, robots and information systems. Targeting medicine, welfare and living support fields (including labor support) as its main industries, it fuses and combines the functions of humans, robots and information systems, realizing interactions between physical-information-vital systems. Cybernics is championed by Dr. Yoshiyuki Sankai, a professor at the University of Tsukuba (he is also the President and CEO of CYBERDYNE) and the technology is thought to be one of the core technical domain that drives the movements to realize "Society 5.0/5.1", which is the fusion of "human" and "cyber/physical space"