

Consolidated financial results - year-on-year comparison

for the three month ended June 30, 2018

Net sales : 335M (rental income +11M, revenue from sale of product -18M)

**From Oct.1 2018 to Mar.31 2019, following factors will drive the revenue:
Sales outside Japan, HAL Lumbar, Cleaning Robot and Cyin**

【Consolidated statement of profit and loss for the three months ended June 30, 2018】 (IFRS) Unit : Millions of yen

Line item	FY2017 (Apr.1- Jun. 30)	FY2018 (Apr.1- Jun. 30)	+/-	+/- (%)	Comments
Revenue	354	335	(19)	(5.3)%	<ul style="list-style-type: none"> Rental income + 11M (Medical HAL、 HAL Lumbar) Revenue from sale of product -18M due to absence of one time sales in three months period in the previous fiscal year
Cost of sales	112	103	(8)	(7.5)%	
Gross profit	242	232	(10)	(4.3)%	Gross margin improvement (68.4% → 69.2%)
Research and development expenses	199	217	18	9.2%	
Other SG&A expenses	292	295	3	1.1%	
Other income/expenses	52	74	23	44.4%	Consigned research income +44M, foreign exchange loss -13M (mainly trade and other receivables denominated in Euros)
Operating profit (loss)	(198)	(207)	(9)	(4.6)%	
Finance income/costs	2	11	9	405.4%	Foreign exchange gain + 5 M (investment securities denominated in US Dollars)
Share of profit (loss) of investments accounted for using equity method	0	(3)	(3)	-	
Profit (loss)	(194)	(197)	(3)	(1.3)%	