



2019/02/18

| | |
|-------------------------|--|
| 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) |

Notice on the issuance of shares with transfer restriction

At the Board of Directors meeting held today, CYBERDYNE, INC. (the “Company”) has resolved to issue shares with transfer restriction under the subscription terms and conditions determined as below.

1. Outline of the shares with transfer restriction to be issued

| | |
|--|--|
| (1) Date of payment | March 5, 2019 |
| (2) Types and numbers of shares to be issued | Total of 98,200 Common Shares of the Company |
| (3) Amount to be paid in | ¥704 per share |
| (4) Total amount to be paid in | ¥69,132,800 |
| (5) Allottee | 21 employees of the Company |
| (6) Other | Under the Financial Instruments and Exchange Act of Japan, the Company submitted the securities notice |

2. Background and objective of the issuance

The Company resolved to issue the shares with transfer restriction at the Meeting of the Board of Directors held on December 21, 2018 as incentive for 21 employees of the Company (the “Employee”) to encourage active contribution on raising the stock price and the corporate value of the Company by preparing a scheme where the Employee can share the benefits and risks related to changes in the stock price with the Company shareholders.

The Company resolved to grant the acquisition of shares free of charge to the Employees at the total of ¥69,132,800 as their monetary reward for their contribution from March 5, 2019 to March 4, 2024, which can be claimed in the form of total of 98,200 Common Shares of the Company with under-mentioned transfer restriction. The amount of monetary reward for each Allottee is considered based on his/her performance etc. to this date. Each Allottee must enter into Shares Allocation Agreement with Transfer Restriction (the “Agreement”) with the Company in order to become an eligible Allottee for the stock option.

3. Outline of the Agreement

a. Period of transfer restriction

March 5, 2019 to March 4, 2024 (the "Period")

During the Period, Allottee may not transfer, set right of pledge, set mortgage, set advancement, set devise, or divest their allocated restricted stock in any form.

b. Acquisition of shares with transfer restriction

In the event that the Allottee resigns or retires from the position of Director, Officer, or Employee of the Company before the expiration of the Period, unless there is a reason deemed justifiable by the Meeting of the Board of Directors, the Company shall acquire the Allotted Shares owned by the Allottee at no charge at the time of such resignation or retirement.

In addition, if at the time of the expiration of the Period, there are any Allotted Shares that have not been released from the transfer restriction based on the provision of grounds for release from the transfer restriction described in "c," below, the Company shall acquire these Allotted Shares at no charge at the time right after the expiration of the Period.

c. Release from the Transfer Restriction

In the condition that the Allottee has continued to hold the position of Director, Officer, or Employee of the Company for the duration of the Period, the Company shall release the transfer restriction of all of the Allotted Shares owned by the Allottee at the time of the expiration of the Period.

However, in the event that the Allottee resigns or retires from the position of Director, Officer or Employee of the Company before the expiration of the Period for reasons deemed justifiable by the Meeting of the Board of Directors, a portion of the Allotted Shares owned by the Allottee equal to number of months from March 2019 to the month including the date of resignation or retirement from the position of Director, Officer, or Employee of the Company divided by 60 multiplied by the number of Allotted Shares owned by the Allottee at that time (provided, however, that if fractions less than one share result from this calculation, this shall be discarded) shall be released from the transfer restriction at the time right after the Allottee's resignation or retirement.

d. Provision on the management of Shares

The Allottee shall open an account with SMBC Nikko Securities Co., Ltd. in a manner specified by the Company for the statement and recording of the Allotted Shares, and shall retain and maintain this account until the Allotted Shares are released from the transfer restriction.

e. Handling in Situations such as an Organizational Restructuring

In the event a proposal for the Company to enter into a merger agreement where the Company is extinguished, or a proposal for the Company to enter into a share exchange agreement in which the Company becomes a wholly owned subsidiary, or a proposal concerning a relocation plan or other organizational restructuring is approved by the General Meeting of Shareholders of the Company (or, if such organizational restructuring does not require approval by the General Meeting of Shareholders of the Company, by the Meeting of the Board of Directors of the Company) during the Period, a portion of the Allotted Shares owned by the Allottee equal to number of months from March 2019 to the month including the date of this approval divided by 60 multiplied by the number of Allotted Shares owned by the

Allottee (provided, however, that if fractions less than one share result from this calculation, this shall be discarded) at the time of this approval shall be released from the transfer restriction at the time right before the business day prior to the effective date of such organizational restructuring, etc.

In this case, the Company shall acquire free of charge all of the Allotted Shares that have not been released from the transfer restriction on the same date based on the above-mentioned provision at the time right before the business day prior to the effective date of such organizational restructuring, etc.

4. Basis of calculation on the amount to be paid

Amount to be paid for the transfer restricted stock was chosen to be ¥704 per share, which was the stock price of the Company on February 15, 2019, which was the closest business day before the Meeting of the Board of Directors. This was chosen in order to eliminate arbitrariness. The Company considers the basis of calculation for the amount to be reasonable and does not especially favor the Allottee.