



CYBERDYNE

**Consolidated Financial Result for the
Fiscal Year Ended March 31, 2020**

**CYBERDYNE Inc.
May 15, 2020**

Consolidated Financial Results

Impact of the COVID-19 towards the company business



1) Short term impact on the revenue

- **Temporary delays for new opportunities, contracts, and shipments (especially towards medical institutions)**
- **Temporary suspension in the existing business (especially onsite service in Robocare Center)**

2) Resistance to recession

- **Stable revenue structure: stock business focusing on rental and maintenance**
- **Sound financial position: Sufficient cash on hand (¥28.6 billion) and capital adequacy ratio (92.6%)**

3) Opportunity for new business

- **Chance to advance the fusion of 『Human』 + 『Cyber/Physical Space』**
- **Changes in social structure after COVID-19: “remote” “home” “digital” (fields that the Company’s strength can be applied to)**

Consolidated financial results - year-on-year comparison for the fiscal year ended March 31, 2020



Consolidated revenue: ¥1,792 million (+4.8%)
Profit before tax: ¥91 million (surplus)
Profit: -¥152 million (improved by ¥480 million)

(Millions of yen)

	FY2018 (Apr. 1- Mar. 31)	FY2019 (Apr. 1-Mar. 31)	+/-	+/- %	
Revenue (Gross profit)	1,709 (1,227)	1,792 (1,300)	+83 (+73)	+4.8% (+5.9%)	Rental of Medical HAL +87M Gross profit 72.5% (improved 0.7pt)
Operating profit	-830	-1,039	-209	—	Other income -267M (Consigned research income etc.)
Profit before tax	-569	91	+660	—	Revenue related to investment securities 800M (Detail) Gain on valuation +853M (finance income) Dividends received +304M (finance income) Loss on valuation -97M (finance cost)
Profit attributable to owner of the parent	-632	-152	+480	—	Deferred tax -260M (Income tax expenses)

Comprehensive income 46M (Valuation difference on investment securities 191M(=gain on valuation 275M - deferred tax expenses 84M) etc. were recognized as “other comprehensive income” outside the statement of profit or loss

Consolidated financial results over the fiscal year



【Consolidated financial statement ended March 2020】

(Millions of yen)

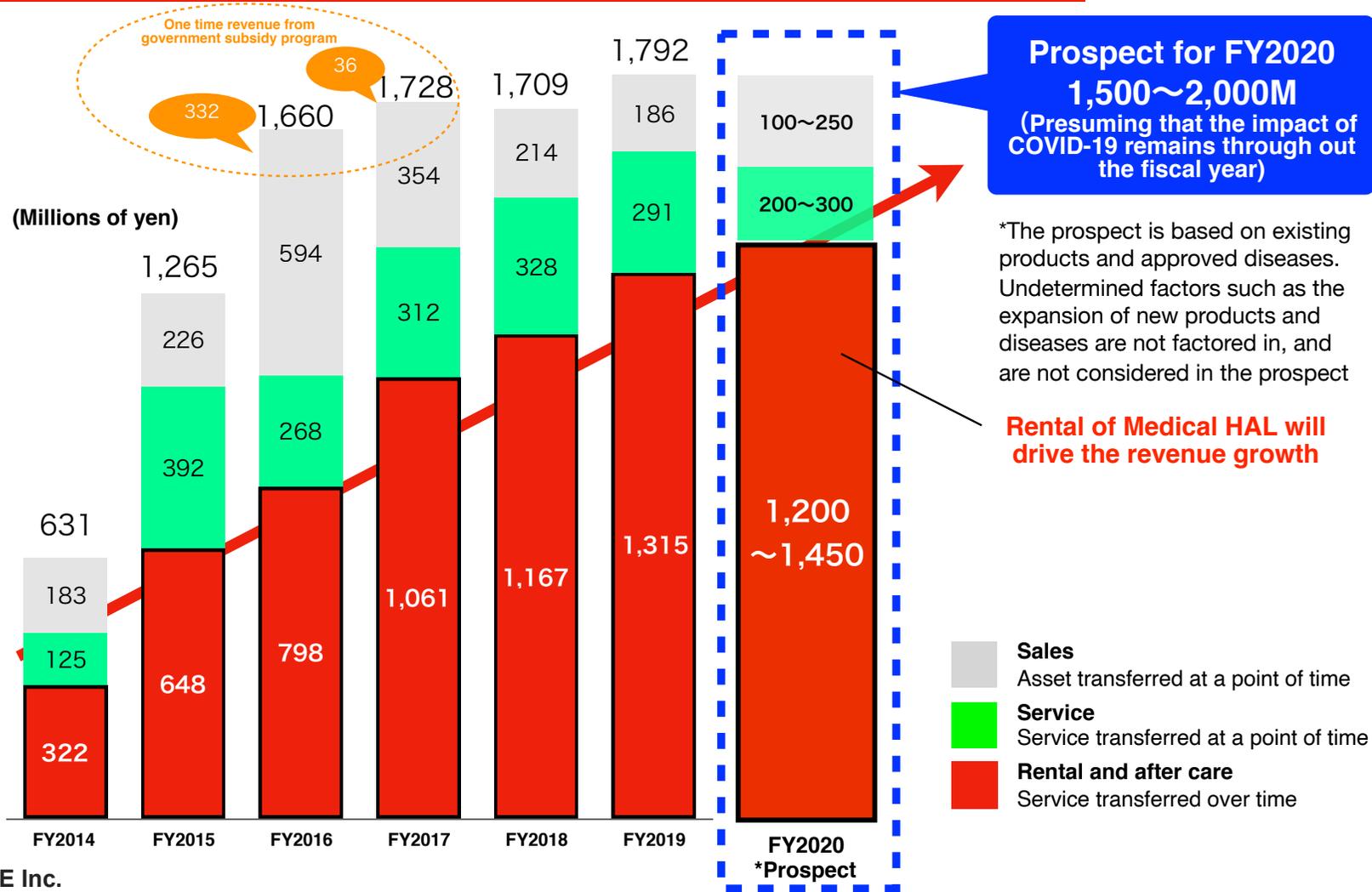
	FY2018 (Apr. 1 - Mar. 31)	FY2019					FY2019 (Apr. 1 - Mar. 31)	+/- (year on year)	+/- % (year on year)
		Q1 (Apr. 1 - Jun. 30)	Q2 (Jul. 1 - Sep. 30)	Q3 (Oct. 1 - Dec. 31)	Q4 (Jan. 1 - Mar. 31)				
Revenue	1,709	393	430	442	526	1,792	+83	+4.8%	
Cost of sales	481	108	122	115	148	492	+11	+2.2%	
Gross profit	1,227	286	308	327	379	1,300	+73	+5.9%	
Research and development	998	162	210	191	249	812	-186	-18.7%	
Other SG&A	1,454	307	323	329	687	1,646	+193	+13.2%	
Other income/expenses	395	10	18	34	59	120	-275	-69.5%	
Operating profit	-830	-173	-208	-159	-499	-1,039	-209	—	
Finance income/cost	224	444	-75	357	357	1,084	+860	+383%	
Other	37	8	10	14	14	46	+9	+22.9%	
Profit before tax	-569	279	-273	212	-127	91	+660	—	
Profit attributable to owner of the parent	-632	156	-268	99	-140	-152	+480	—	

¥357 million from size-based business tax (capital base) as well as fixed asset tax were recognized at once in Q4 as “Other SG&A” due to IFRS adjustments

Consolidated financial results - year-on-year comparison by type of transaction



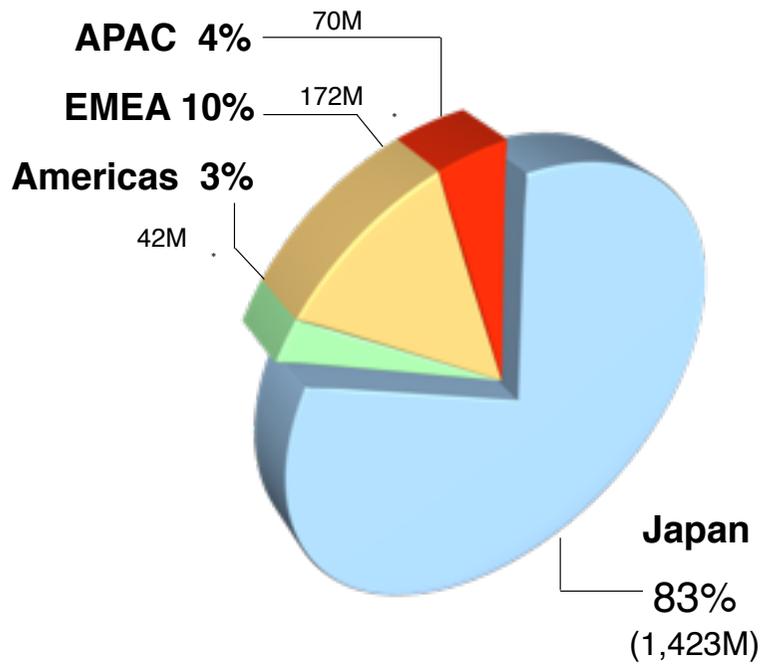
Steady growth in main business line: Rental and after care



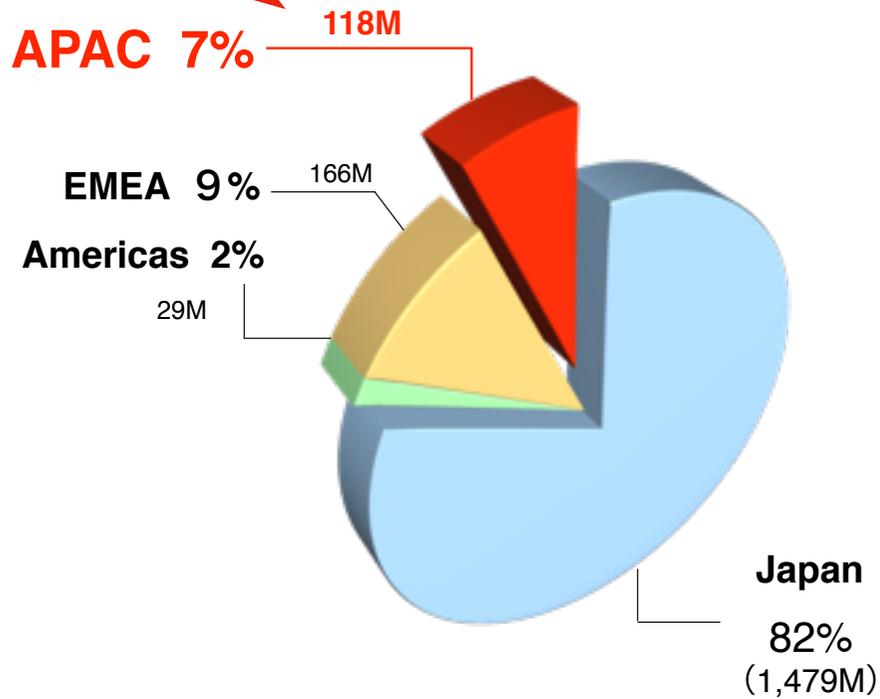
Consolidated financial results - year-on-year comparison by geographical regions



**APAC (South East Asia)
Increased 69%**



*One time sales of a prototype product for research on FY2019

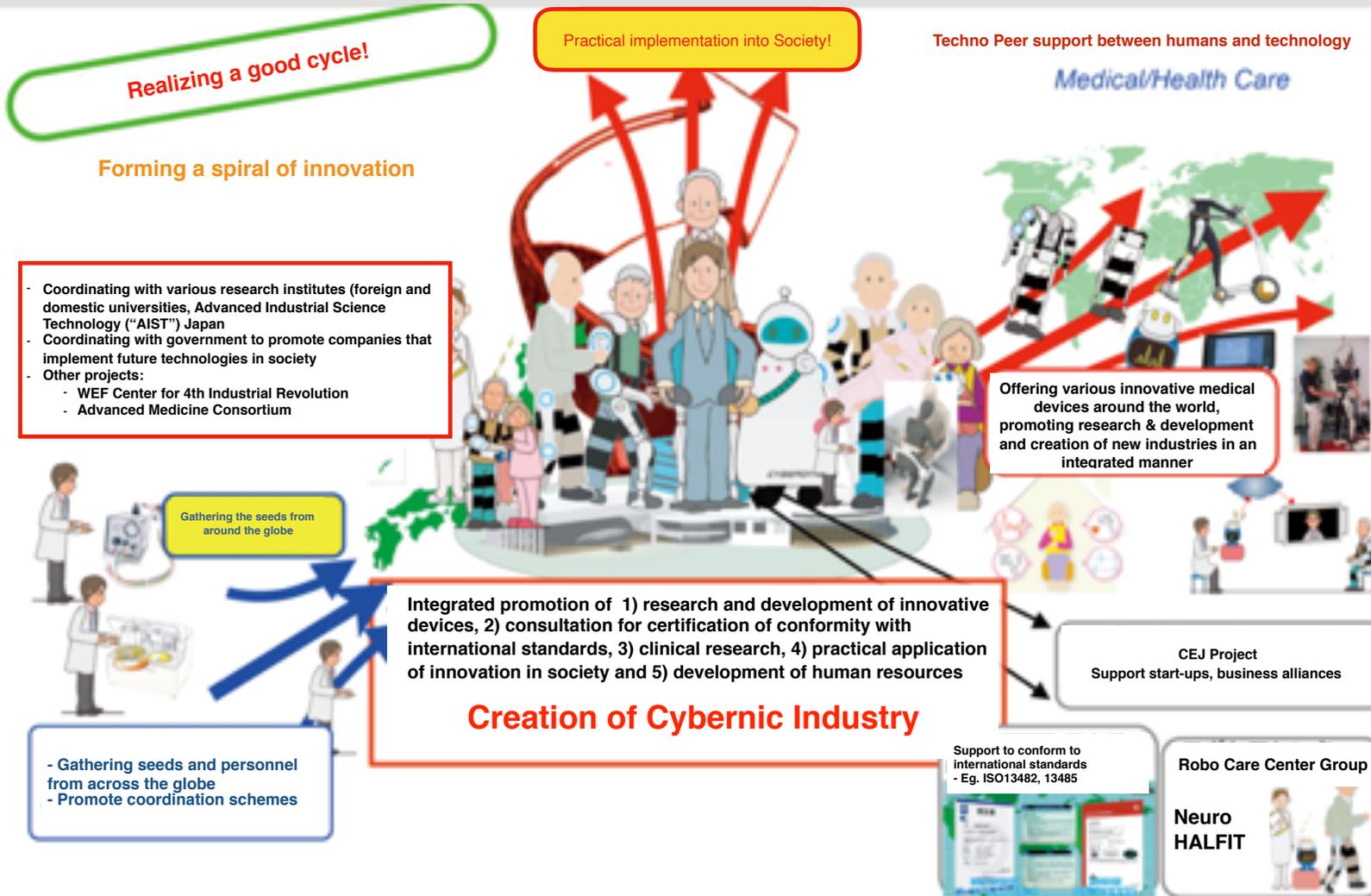


Americas : North America, Central America and South America
 EMEA : Europe, the Middle East and Africa
 APAC : Asia-Pacific *Excluding Japan

Business strategy

Global strategy to realize industrial and social revolution

Forming a spiral where all the “seeds” of innovation around the world gather in Japan



Starting “Cybernetics Industry”



CYBERNETICS DIGITAL INDUSTRY
= Fusion of 『Human』 + 『Cyberspace』 + 『Physical space』

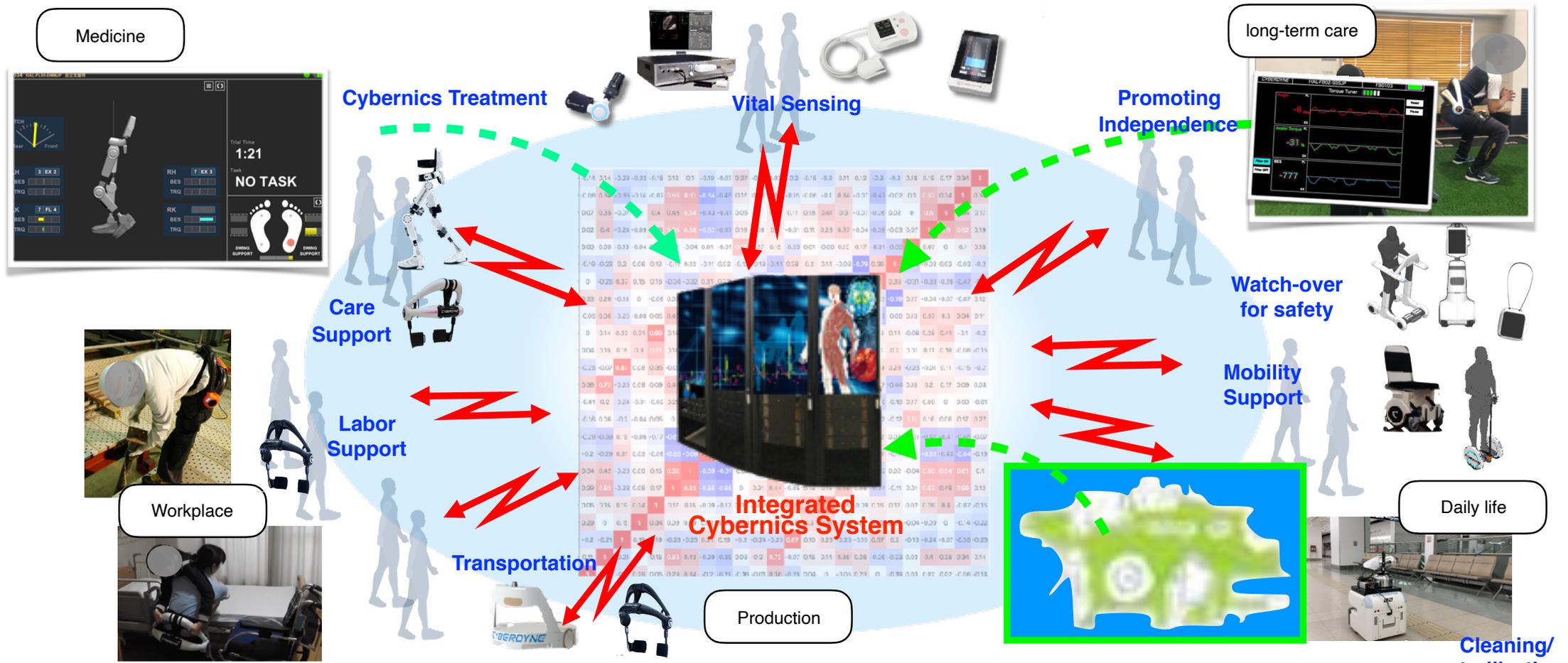
G20 Digital Economy and Trade Ministers @CYBERDYNE
Cybernetics Industry as a new industry after Robot and IT



Delegates of G20 Digital Economy and trade ministers visited Cyberdyne HQ (June 8&9, 2019)

CYBERNICS DIGITAL INDUSTRY

= Fusion of 『Human』 + 『Cyberspace』 + 『Physical space』



Starting to accumulate data from IoH/IoT equipped Cybernics Devices
Formulating Integrated Cybernics System

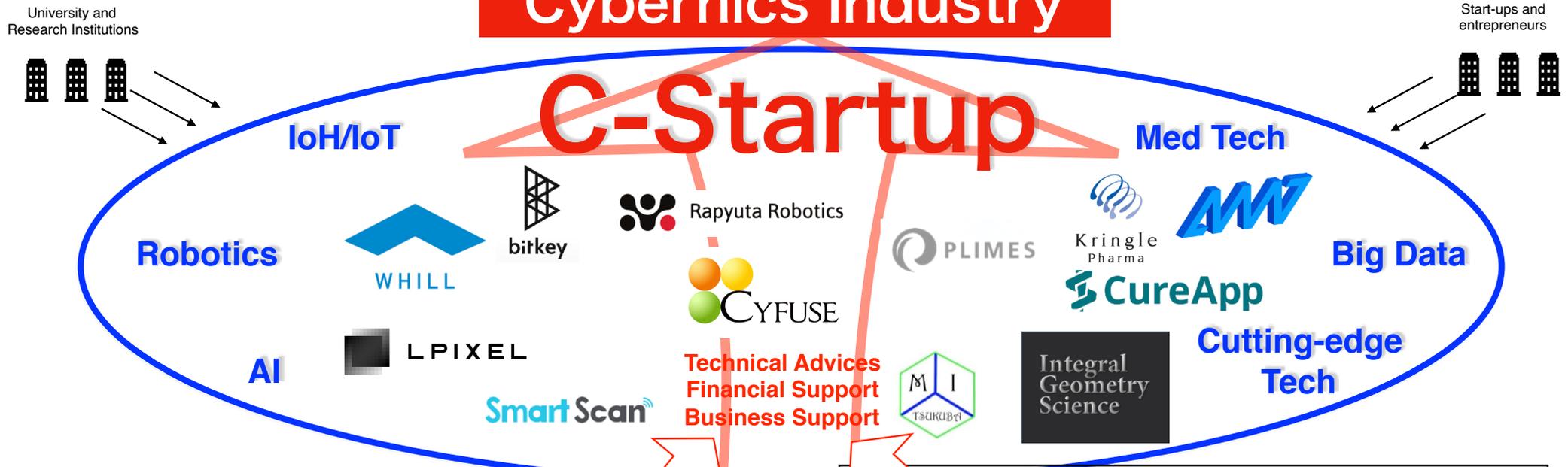
C - Startup

C-Startup

Innovation ecosystem to create Cybernics Industry



Cybernics Industry



CYBERDYNE

Clients

Collaborators
(industry, government, academia)

CYBERDYNE

CEJ Fund (scale of ¥10 billion)

大和ハウス工業株式会社

損保ジャパン

大同生命

みずほ銀行

みずほキャピタル

筑波銀行

global brain

CYBERDYNE Inc.

GP : CEJ Capital (JV created by CYBERDYNE, Global Brain and Mizuho Capital)

「超聴診器」VBに出資

サイバーダインは、た。装着型ロボット 早期発見や予防を
心疾患の診断をアシス 「HAL」をはじめと できる長寿社会を自
トする「超聴診器」の するサイバニクス・ア ます。
開発を進めているベン ラットフォームと、A AMIへの出資は
チャー企業、AMI Mの超聴診器をつな 子会社のCビジネス
(熊本市)に出資し げると、心疾患の タルが適用する「サ

サイバーダインは、
心疾患の診断をアシス
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開発を進めているベン
チャー企業、AMI
(熊本市)に出資し

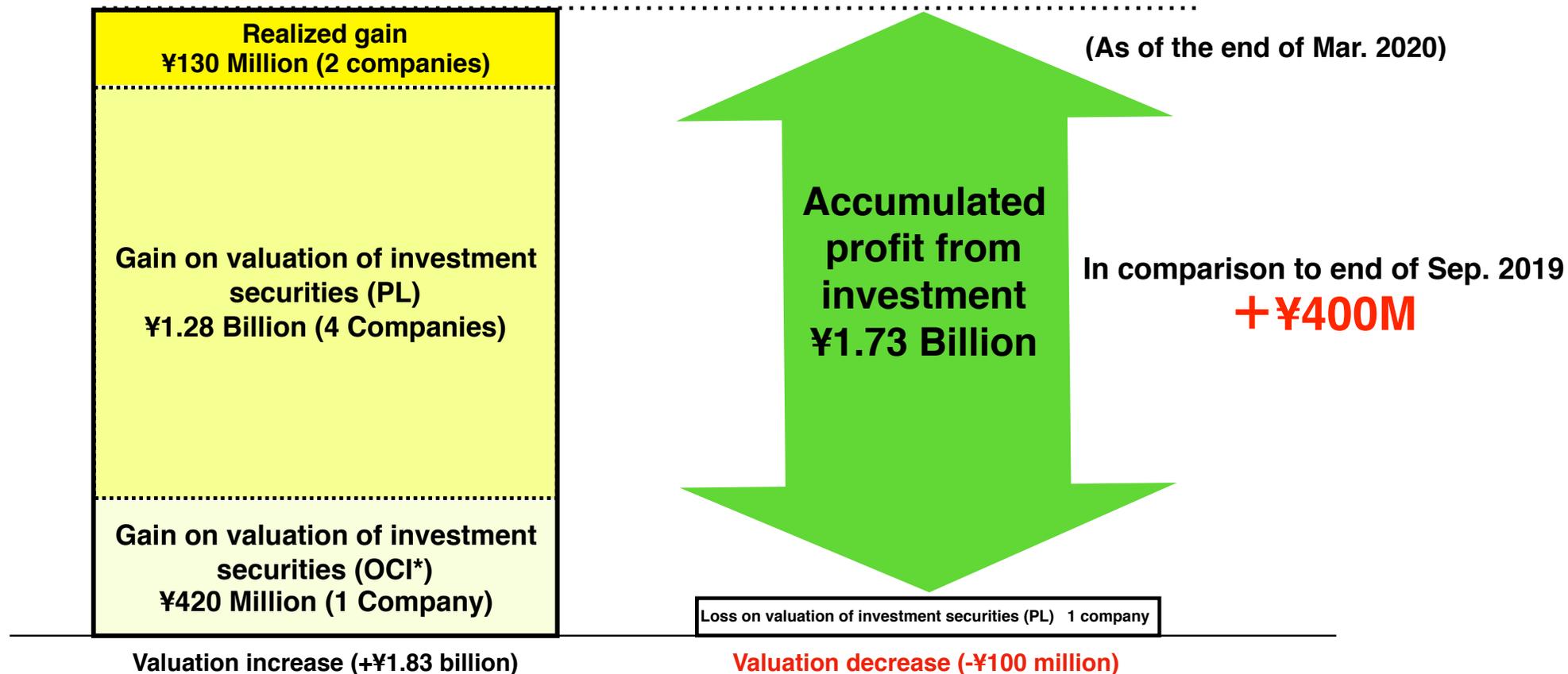
「超聴診器」VBに出資

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チャー企業、AMI
(熊本市)に出資し



AMI was awarded with the grand prize for C-Startup Pitch 2019, which was held as part of Cybernics EXPO 2019

Result of strategical investment towards C - Start up based on business alliance



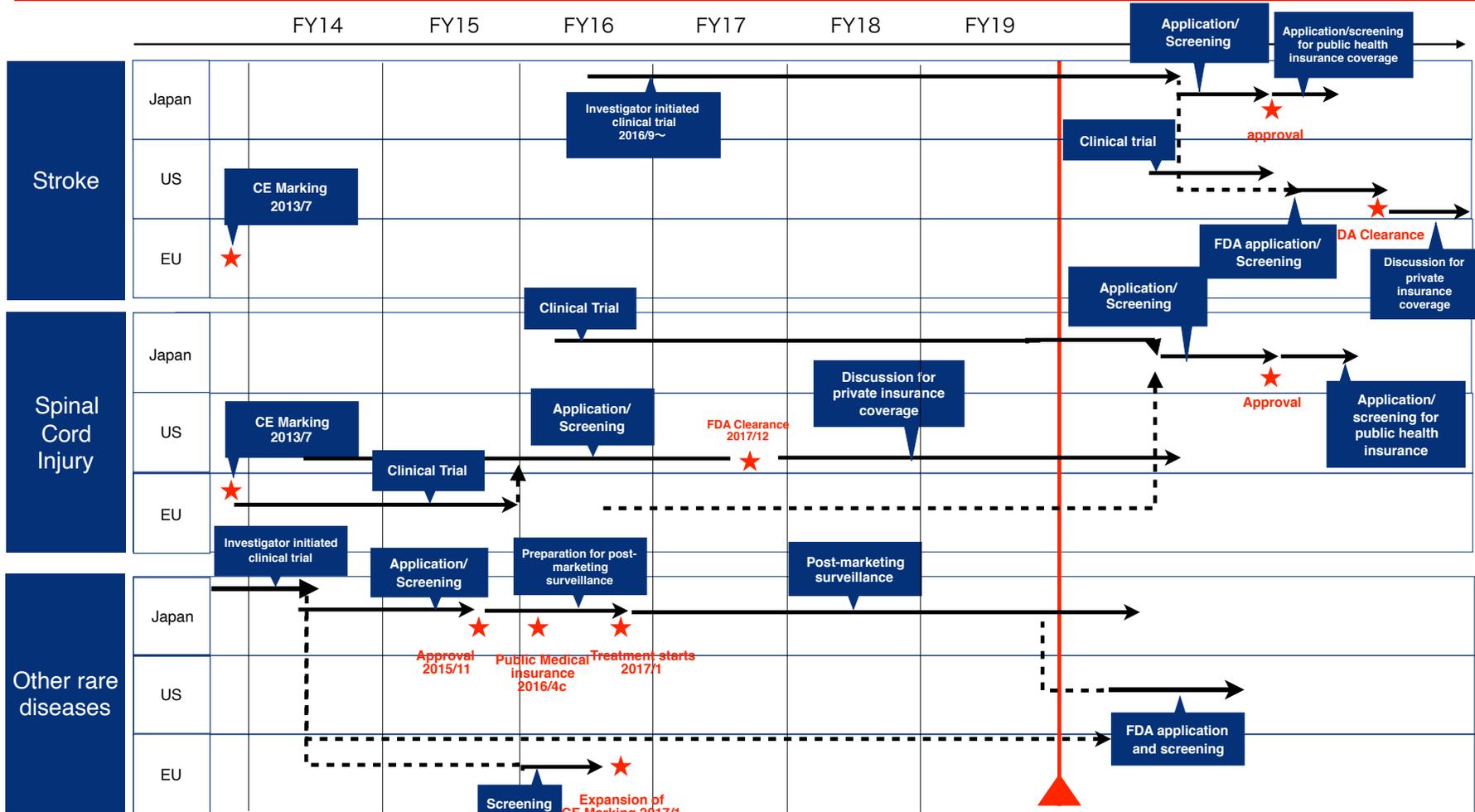
* OCI : Profit posted in other comprehensive income instead of net income (PL)
 (Ref) Investment with no valuation difference at this point: CYBERDYNE : 7 companies, CEJ Fund 6 companies

Medical Field

Roadmap on regulatory process (Medical HAL)



Clinical trial for stroke treatment in Japan is scheduled to finish between December 2019 and March 2020



Status of approvals by diseases and countries



Obtained approvals in APAC (especially South East Asia) towards wide range of diseases

【HAL for Medical Use Lower Limb Type】

As of March 15, 2020

		Stroke	Spinal Cord Injury	Neuromuscular Disease
Japan		(Trial in process) Scheduled to finish at end of December 2020	(Discussing with the regulator)	Approved <small>*For 8 types (ALS, Spinal Muscular Atrophy, Spinobulbar Muscular Atrophy, Amyotrophic Lateral Sclerosis, Charcot-Marie-Tooth Disease, Distal Myopathy, Inclusion Body Myositis, Congenital Myopathy, Muscular Dystrophy)</small> *Preparing application to expand target
USA		(Preparing application)	Approved	(Preparing application)
EMEA	EU	Approved	Approved	Approved
	Saudi Arabia	Approved	Approved	Approved
	Turkey	(applied)	(applied)	(applied)
APAC	Malaysia	Approved	Approved	Approved
	Indonesia	Approved	Approved	Approved
	Thailand	Approved	Approved	Approved
	Taiwan	(applied)	(applied)	(applied)
	Singapore	(applied)	(applied)	(applied)

*Red letters represents changes since May 2019

Performance testing of Medical HAL (Intermediate result)



Result suggests high effect and safety for patients with progressive intractable neuromuscular disease

Post-marketing surveillance conducted during the four years following medical device approval (November 2015)
(Number of effective cases: 179 as of the end of November, 2019)

8 Target diseases

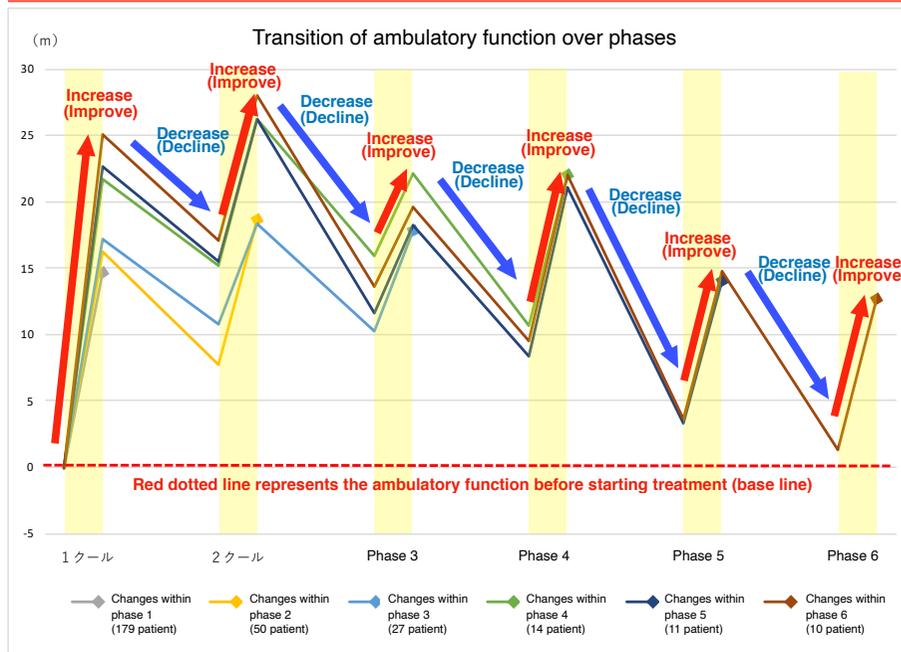
(Neurogenic)

- Amyotrophic Lateral Sclerosis (ALS)
- Spinal Muscular Atrophy (SMA)
- Spinobulbar Muscular Atrophy (SBMA)
- Charcot-Marie-Tooth disease (CMT)

(Myogenic)

- Muscular Dystrophy
- Distal Myopathy
- Congenital Myopathy
- Inclusion Body Myositis (IBM)

Maintained/improved the motor function over approximately 20 months since the beginning of the treatment



Muscle tissue destruction from overload are controlled during treatment with HAL



* CK (Creatine Kinase) is an enzyme that is found in large amounts in skeletal muscle etc. Generally speaking traditional training method tends to damage the muscle tissue, leading to an increase of the CK value

Distance walked during 2 minutes at the beginning of the treatment (red dotted line) and changes from there (m)

- Yellow belt (HAL Treatment period) Improvement of ambulatory function
*1 phase is 28 days on average approximately 9 treatment is conducted during this period
- White belt (Period where HAL is not used) Decline of ambulatory function
*On average there were approximately 84 days between each phases where treatment where not conducted

Changes in CK value (average 20 patients)

- Yellow belt (HAL Treatment period) muscle tissue destruction are improved
*Decline in CK value
- White belt (Period where HAL is not used) Progress of muscle tissue destruction
*Increase in CK value

Operating numbers of medical HAL

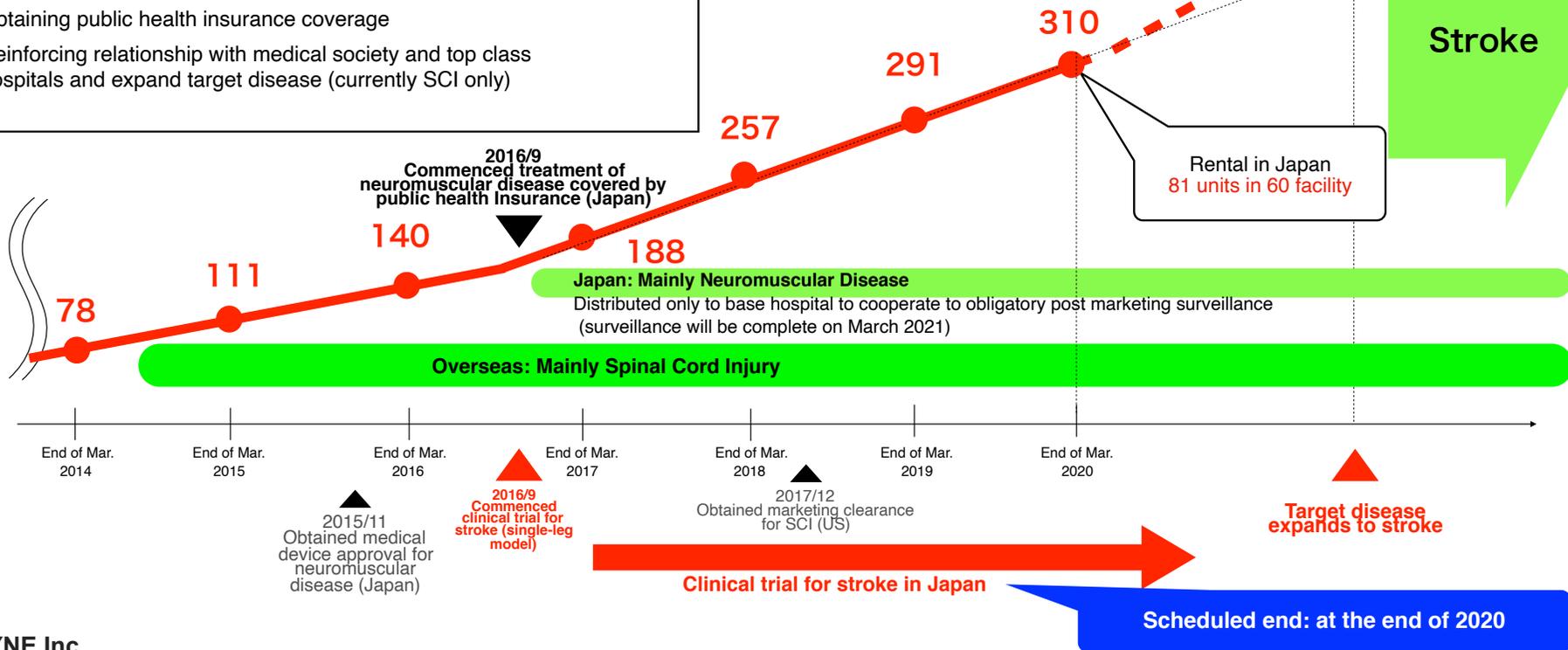


**Oversea operation will start again after the COVID-19 situation improves
Clinical trial of stroke is scheduled to finish around end of March 2020**

Developing a business foundation for global expansion as a medical device

- Japan : Conducting obligatory post marketing surveillance for neuromuscular disease and going through necessary steps to expand target disease (eg. investigator initiated trial on stroke)
- Asia : Obtaining medical device clearance
- EU : Obtaining public health insurance coverage
- U.S. : Reinforcing relationship with medical society and top class hospitals and expand target disease (currently SCI only)

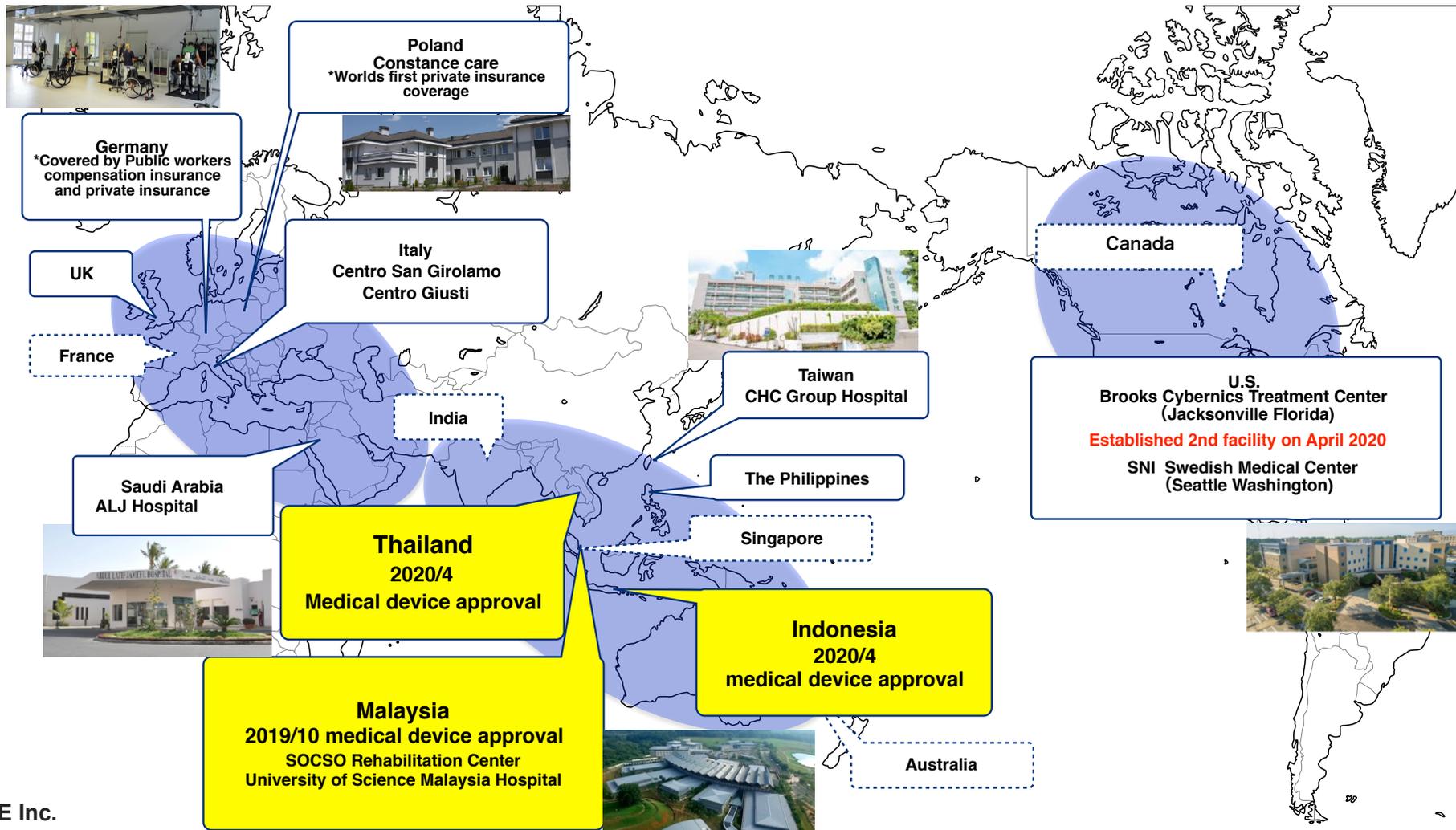
Recommencing overseas operation once the COVID-19 situation is settled



Overseas expansion of HAL



Expecting rapid growth in APAC (specially in South East Asia)



Guillain- Barre Syndrome (Diagnosed April 2018)

Normally the patient can leave the hospital at this point

Continue treatment

Unable to walk on her own

Can walk by her self (1.9km/h)

Can run (6.4km/h)

Before treatment

Oct. 2018 (Session 1)

Jan. 2019 (Session 30)

Mar. 2019 (Session 55)

To accelerate business in U.S.



Forming relationship with Mayo Clinic to strengthen connection with the medical society and related industry



Mayo Clinic :
The number 1 hospital in the U.S. (U.S. News & World Report 2019)
Has one of best teams in the U.S. for integrated research and education
Ex-presidents of the U.S. and important persons outside of U.S. received treatment at Mayo



CYBERDYNE Inc.

Keynote presentation by CEO Sankai "Neuroscience Convergence 2019" (November 8, 2019)



The Guillan-Barre Syndrome patient visited to convergence to present her experience

Expansion of private insurance coverage towards Cybernics Treatment in Europe

Name	Target	Overview
WARTA	Spinal Cord Injury	Major Insurer of Poland (Coverage from July 2017)
PZU	Spinal Cord Injury	Largest Insurer of Poland (Agreed on June 2018)
Nurnberger	Spinal Cord Injury	Main insurance group in Germany (Agreed on June 2019)

**Covered price of all of insurers above are same as German Public Workers Compensation Insurance
(Approx. 500 Euro times 60 sessions) Approximately 30,000 Euro per patient**

*Nurnberger insurance are allied with Daido Life Insurance, whom CYBERDYNE formed partnership as well. Daido Life Insurance played a major role upon formation of alliance with Nurnberger

Single Joint Updates



- 1) Obtained CE Marking for Europe (Oct. 2019)
→ Preparing for application in the US and in Asia
- 2) Expansion for Ankle Joint (Jul. 2019)



Feature

- Light weight and compact design
- Intensive treatment of different joints
- Suited for patient with various condition (can treat while laying, seated or standing)
- Can make early intervention when patient still has to stay on bed

Alliance formed with Public Social Security Organization (SOCSO)

Facility of the hospital owned by SOCSO
Pusat Rehabilitasi PERKESO Tun Abdul Razak



Yoshiyuki Sankai and Human Resource Minister M. Kulasegaran

M. Kulasegaran, the Malaysian Minister of Human Resources said that **“having the patient go through efficient rehabilitation program which involves high quality treatment immediately after their diseases or injuries is important for the recovery of the patient’s function”** (omit) Since the introduction of Medical HAL in November, 2018, 100 patients have gone or are going through the program with HAL. **However due to its excessive popularity, the current wait time of HAL treatment is around 3 months.**



First Cybernics Treatment Center in APAC

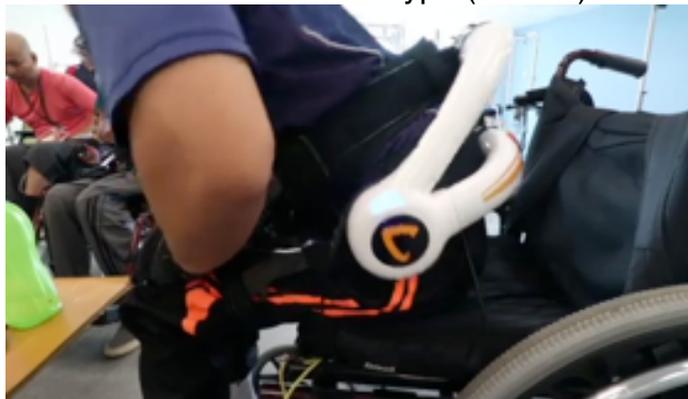
Established inside SOCSO rehabilitation Center



Utilized as a base to train HAL professionals in the ASEAN region



HAL Lumbar Type (8 Units)



HAL Single Joint Type (8 Units)



HAL Lower Limb Type (8 Units)



Support from the Malaysian Government on promoting HAL in Asia



- 1) Minister of Human Resources announced his support to promote Cybernics Treatment
- 2) Signing with SOCSO on business alliance and distribution agreement



(The speech by Minister Segaran : Ministry of Human Resources)



(From the left side of the back row, Professor Akira Matsumura University of Tsukuba Department of Neurosurgery, Professor Masashi Yamazaki University of Tsukuba Department of Orthopedic Surgery, Muhd Khair Razman Deputy Secretary General of Operation Ministry of Human Resources of Malaysia, Minister M. Kula Segaran Ministry of Human Resources of Malaysia, Ambassador Kennedy Jawan Embassy of Malaysia in Japan, Dr. Mohammed Azman CEO of Social Security Organization of Malaysia. From the left side of the front row, Yoshiyuki Sankai Professor at University of Tsukuba and President and CEO of CYBERDYNE, Dr. Hafez bin Hussain CEO of SOCSO Tun Razak Rehabilitation Center and CEO of PERKESO BHD.)

Obtained medical device approval for HAL Lower Limb Type (Oct. 2019)
- Installed to one of the top university in Malaysia



Hospital University Sains Malaysia (HUSM)

Decision made to install HAL to several SOCSO rehab center in FY20

Devices will be exported as soon as restriction due to COVID-19 is lifted

Thailand: big medical device market in Southeast Asia



Obtained medical device approval for HAL Lower Limb Type (2020/4)



HAL operation training towards Thai hospital staff (Cybernetics Treatment Center Malaysia)

**Reached informal decision to install HAL towards several hospitals
Training of operating staff is already completed in Malaysia**

Devices will be exported as soon as restriction due to COVID-19 is lifted

Alliance with CHC to explore Taiwan market

1) Introduction of HAL to Yee Zen General Hospital (CHC Group)

- Obtained medical device approval and installed 4 units of HAL Lumbar for Well-being (Nov. 2019)
- Cybernics Treatment Center is scheduled to be established once Lower Limb Type and Single Joint Type receives medical device approval

2) Distributor Agreement with Chiu Ho Medical System Company (CHC Group)



Signing ceremony, October 27, 2019



Yee Zen General Hospital

Applying for approval of Lower Limb and Single Joint Type

for care givers and care receivers

New model that can be used for both care givers and care receivers

August 2019

Care givers

Reduces stress applied on the lower back

Lifting



Transfer



Bathing



Transfer (in bath)



Oizumi home

Supports elderly workers, solves lack of personnels, encourages employing senior age staffs

care receivers

Maintains/improves physical function to promote independence

1 month



Before HAL (24 seconds)



After HAL (11 seconds)

1 month later

Lumbar Type: To prevent frailty

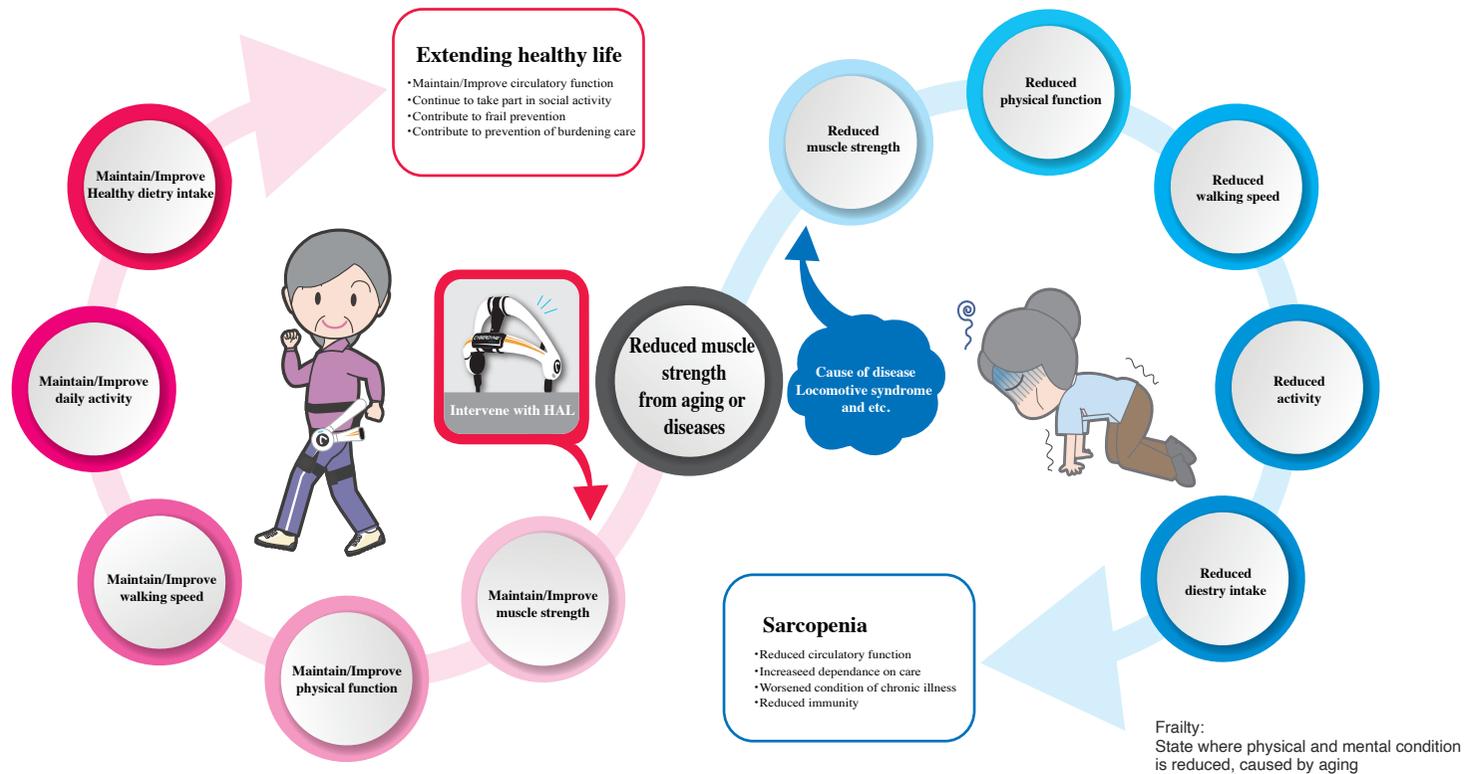
Extending healthy life with HAL Lumbar



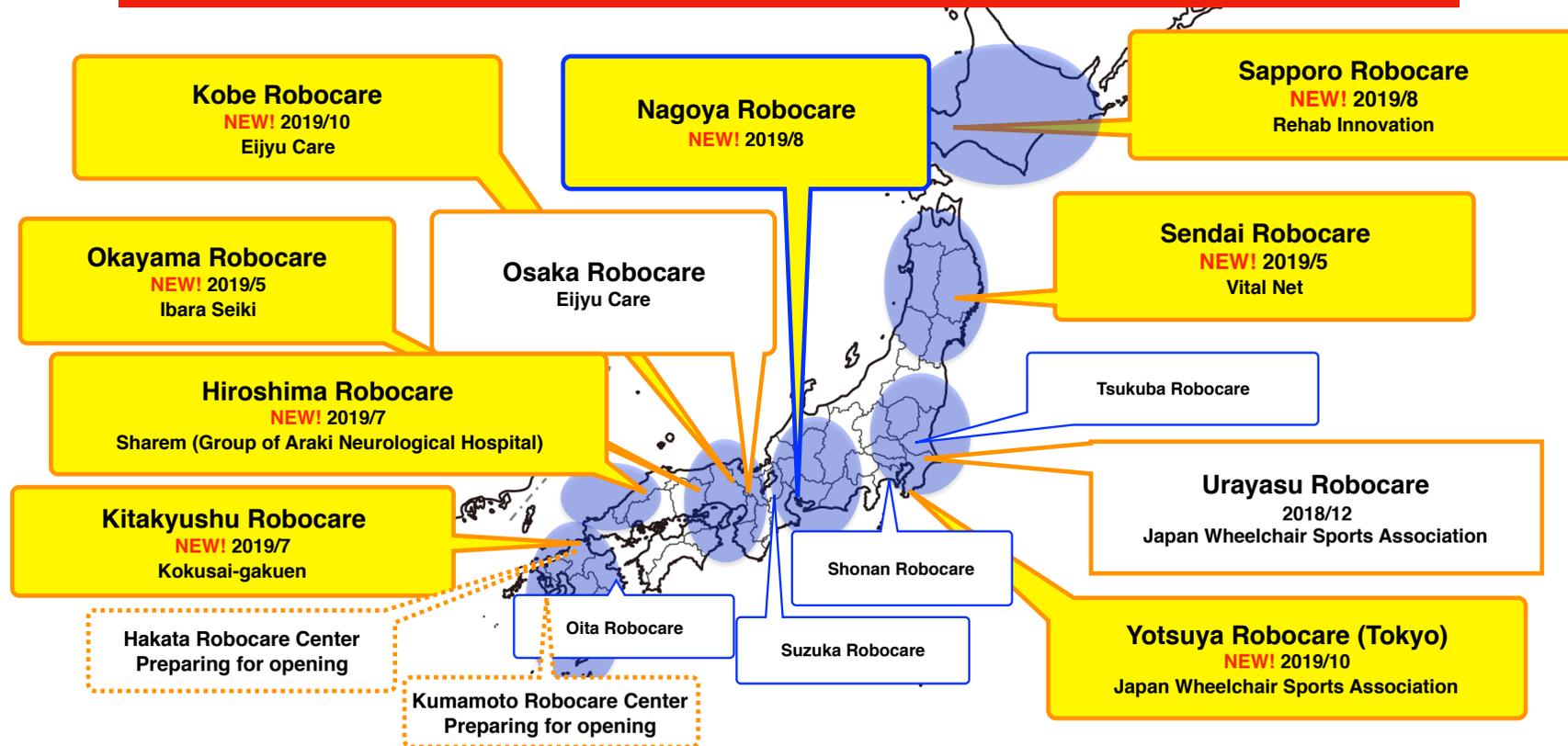
Frailty prevention program (program to promote health)

Cycle to prevent frailty

Frailty cycle



Offering Neuro HALFIT at multiple sites



AIG General Insurance Auto Insurance from January 2019
Sompo Japan Nippon Koa Auto Insurance from January 2019
Cyberdyne Shareholder Benefit from June 2019
Daido Life long-term care insurance from April 2020

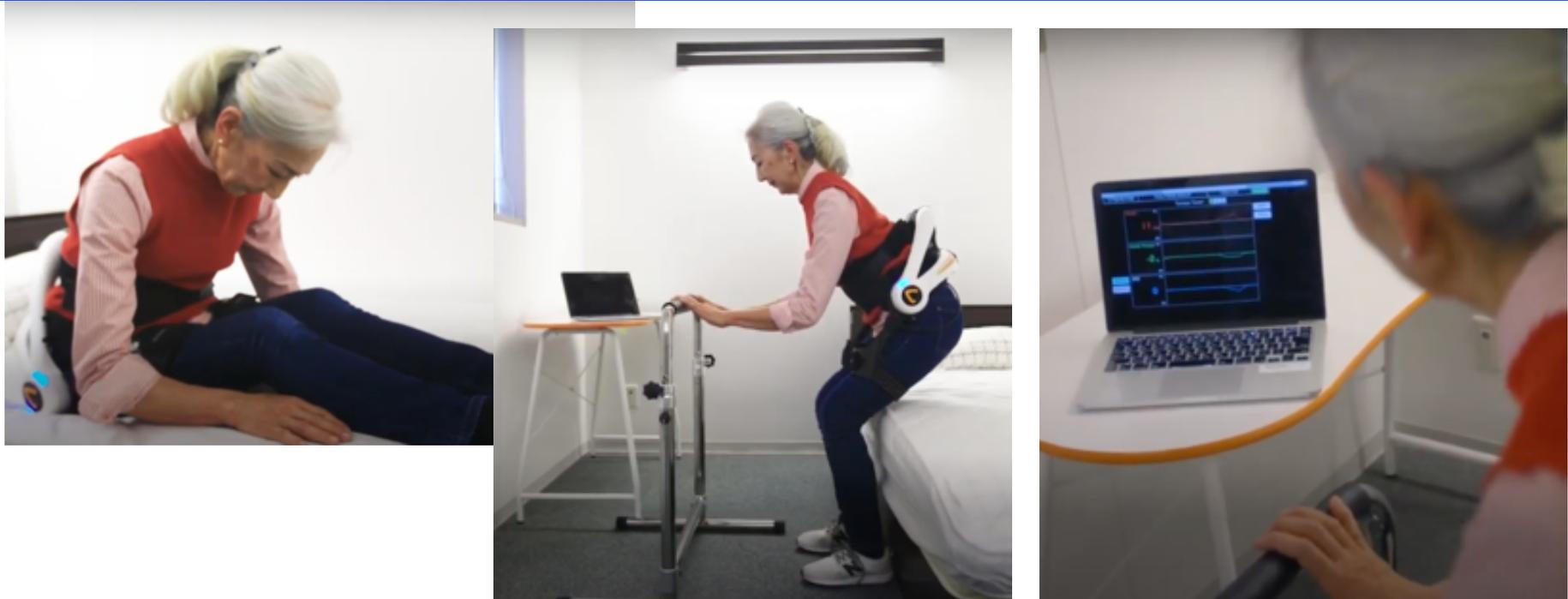
Collaboration with insurance companies



First add-on service in relation to private insurance coverage started on April 2020 (Daido Life Insurance)

Company	Name of plan (When it started)	Insured person	Coverage
	<ul style="list-style-type: none"> Comprehensive Medical Insurance (July 2017) 	Policy holder who were diagnosed with 8 specific types of neuromuscular disease, and received treatment with HAL Lower Limb Type	HAL Plus Rider (one time payment of ¥1 million)
	<ul style="list-style-type: none"> Long-term care insurance (April 2020) 	Contractor, policy holder and its family member who were certified under the public long-term care insurance system “supporting needs 1 to nursing care needs 2”	Actual cost of 3 Neuro HALFIT sessions at Robocare Centers
	<ul style="list-style-type: none"> Automobile Workers compensation Basic accident (January 2019) 	Policy holder who became paralyzed due to <u>Spinal Cord Injury</u> and etc.	Actual cost of 10 Neuro HALFIT sessions at Robocare Center
	<ul style="list-style-type: none"> Automobile (January 2019) 	Policy holder who became paralyzed due to <u>Spinal Cord Injury</u> and etc.	Actual cost of treatment with HAL ordered by a physician

“Neuro HALFIT” at home Starting with HAL Lumbar Type for Well-being



Induce the improvement of brain-nerve-musculoskeletal function on more daily basis to promote independence and reduce the need of care

Workplace and daily life

Improvement of work environment and prevents injury



Daiwa House

Example of tasks

Lifting and handling weight

Swapping materials

Repetitive tasks

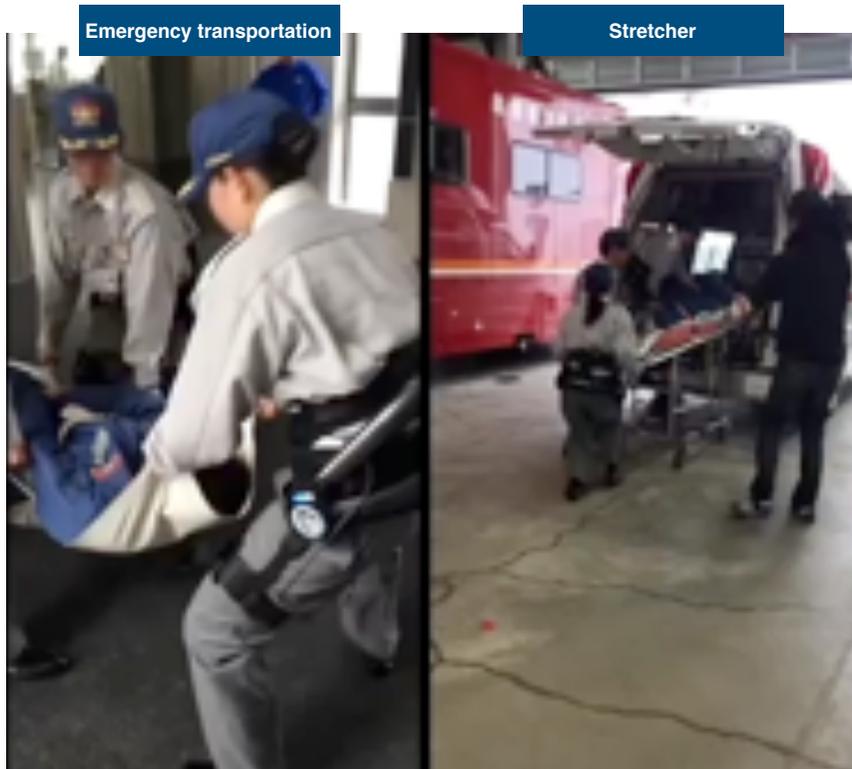
Crouching tasks

Sorting and unloading

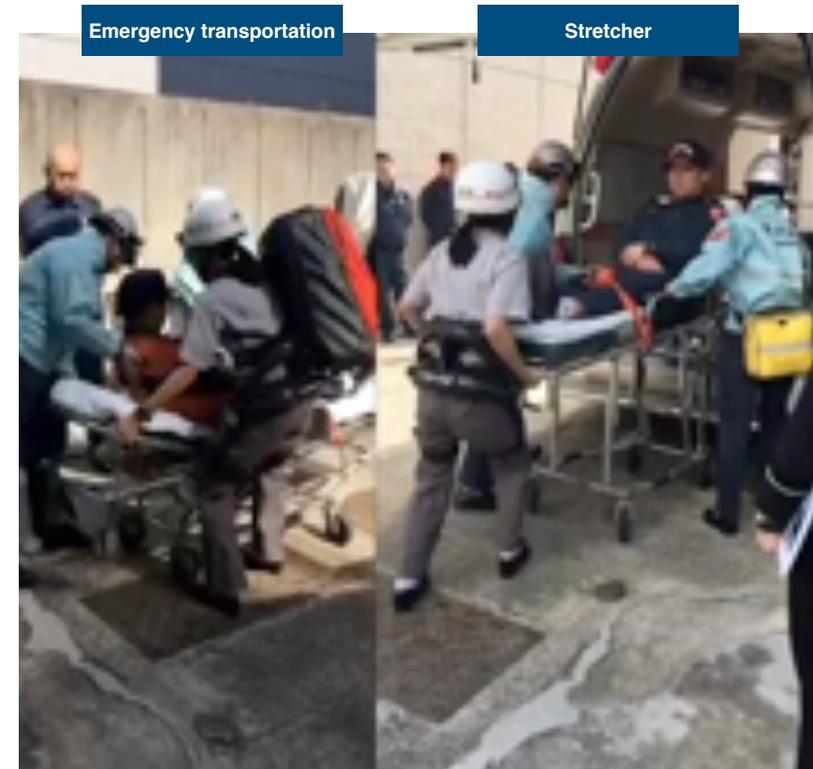
The plates in the video weights 15kg. These tasks demands the worker to be constantly in the crouching posture. HAL Lumbar reduces the stress applied to the lower back.

HAL is starting to be implemented for rescue team

Adopted by Tsukuba City (Ibaraki) and Ebina City (Kanagawa)



Tsukuba Firefighting HQ



Demonstration at Yokohama Firefighting HQ



Can wear under 8 seconds

救急活動の流れ



Supports recovery effort from disaster (dust/water proof)

Supported recovery efforts from flooding and landslides in Saga, Ibaraki and Kanagawa (Sep to Nov 2019)

mud scraping work with a shovel



cleaning operation using a high-pressure washer



Removal of mud from houses (underfloor)



transportation of relief supplies



Cleaning Robot : Practical installation in airports (8 in Haneda, 10 in Narita)



Automates cleaning at airport

Autonomous navigation with SLAM* at the highest level

*SLAM stands for Simultaneous Localization and Mapping

Covers wide area at the max speed of 4km/h
Capacity : Max 3,000m² in two hours

Navigates safely around
passengers

Avoids obstacles



Haneda Airport
Terminal 2



Narita Airport
International Terminal



Narita Airport
International terminal



Haneda Airport
Terminal 2

Functional expansion: sprays antiseptic solution as virus countermeasure



Installed in Haneda Airport on April 1, 2020



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