



**Consolidated Financial Results (Tanshin)**  
for the Three Months Ended June 30, 2023 (Based on IFRS)

August 14, 2023

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Growth Section of TSE
Stock code	:7779	URL	: <a href="https://www.cyberdyne.jp/english">https://www.cyberdyne.jp/english</a>
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
Contact (title)	:CFO	Name	:Shinji Uga                      Tel. +81-29-869-9981
Scheduled date for release of three-month report	:August 14, 2023	Scheduled start of dividend payment	:—
Additional materials for the financial results	:None		
Information meeting for the financial results	:None		

(Millions of yen: Rounded to the nearest one million yen)

I. Consolidated financial results for the three months ended June 30, 2023 (April 1, 2023-June 30, 2023)

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

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Apr.1-June 30, 2023	1,045	39.1	(308)	—	767	106.2	330	36.9
Apr.1-June 30, 2022	751	97.6	(178)	—	372	—	241	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-June 30, 2023	1.56	1.56
Apr.1-June 30, 2022	1.12	1.12

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2023	50,282	42,370	42,513	81.3
As of March 31, 2023	50,187	41,983	42,101	83.9

II. Dividends

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
Fiscal year ended March 31, 2023	Yen —	Yen 0.00	Yen —	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2024	—	—	—	—	—

Notes:

- (i) Changes from the latest released dividend forecasts: none
- (ii) The table of “Dividends” indicates dividend payments on Common Shares. Dividends on Class Share (non-listed) for which the number of share units differs from Common Shares are shown below as “Dividends on Class Shares”.

### III. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (April 1, 2023-March 31, 2024)

As the business of CYBERDYNE Inc. and its group companies (collectively referred to as the "Group") is based on a new market with innovative technologies, there are many uncertain factors that could have an impact on its performance and make it difficult for CYBERDYNE Inc. (the "Company") to provide a forecast with accurate figures. As such the Company will not announce the forecast of consolidated financial results.

#### Notes:

1. Changes in key subsidiaries during the consolidated three month period (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

(i) Changes in accounting policies required by IFRS : yes

(ii) Changes in accounting policies due to reasons other than (i) : none

(iii) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

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

As of June 30, 2023	215,145,809 shares	As of March 31, 2023	215,145,809 shares
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(ii) Total number of treasury shares at the end of each period

As of June 30, 2023	4,014,573 shares	As of March 31, 2023	4,011,673 shares
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(iii) Average number of shares during each three month period

Apr.1-June 30, 2023	215,131,236 shares	Apr.1-June 30, 2022	215,134,138 shares
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Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares with regard to dividends of surplus and distribution of residual assets. Therefore the total number of issued shares at each end of period and the average number of shares during each period include Class B Shares as Common Shares.

\*This quarterly consolidated financial report is not subject to the quarterly review procedure by the scope of audit.

Dividends on Class Shares

Details of dividends on the Company's class shares for which the number of share units differs from its Common Shares are as below.

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2024	—				

Note:

The Company issued Class B Shares which were accorded the same rights as its Common Shares with regard to dividends and distribution of residual assets, but for which share units differ from Common Shares.

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## 1. Qualitative information regarding the settlement of accounts for the three months ended June 30, 2021

### (1) Explanation of operating result

All forward-looking statements included in this explanation were determined reasonable by CYBERDYNE Inc. (the “Company”) and its group companies (collectively referred to as the “Group”) based on currently available information for the consolidated three months ended June 30, 2023, and certain assumptions made by the Group.

To solve various issues facing society, the Group will make full use of “Cybernetics” (a new field that integrates and combines human, robot, AI, and information systems) and handle HCPS (Human-Cyber-Physical Space) in a unified manner. Furthermore, through Cybernetics, the Group promotes the realization of “Techno Peer Support” and future development by creating the “Cybernetics Industry,” a new industry that will follow the robotics and IT industries.

#### Techno Peer Support Society

The Group defines “Techno Peer Support Society” as a society in which people and technology coexist and mutually support each other, enabling people to maintain and manage their health even in old age and to exercise their long-cultivated abilities to the fullest. A society where people can maintain a high degree of independence and lead a life with a higher degree of freedom, even if their physical condition declines due to disease, accident, aging, or disability. To realize such a society and create a new industry based on Cybernetics, the Group is developing various Cybernetics Technologies that improve, regenerate, expand, and support the wearer’s physical functions.

#### Status of business operation

<<Business operation around the medical application>>

The Group continues its efforts to disseminate Cybernetic Treatment, a treatment program using Medical HAL systems that aims to induce improvement and regeneration of the functions of the brain, nerves, and muscles into a global standard of treatment.

#### (Japan)

The Group continues its efforts to disseminate Cybernetics Treatment, a treatment program using Medical HAL. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases, for which no effective treatment methods are available in the medical world yet. Although there was some delay in the installation of Medical HAL due to the effects of COVID-19, as the pandemic is gradually settling down, new installation orders are increasing in the new fiscal year, which started in April 2023.

Regarding spinal cord-related diseases, the Japanese Minister of Health, Labour, and Welfare approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL on October 2022. Accordingly, the Company applied for public health insurance coverage on July 2023. Regarding traumatic spinal cord injuries, the Company is consulting with the regulators on the necessary steps to obtain medical device approvals.

Regarding stroke, the Company discussed the clinical significance and clinical significance of the investigator-initiated clinical trial using the Medical HAL Lower Limb Type single-leg model (HIT2016 trial). Considering the practice conditions surrounding acute stroke treatment and recovery rehabilitation, the Company is considering conducting additional studies (clinical trials).

In addition, the University of Tsukuba Hospital started clinical trials to investigate the effect of HAL on improving the physical functions of children affected by cerebral palsy in January 2022. The clinical trial is

currently in progress. The Company has also developed a small Medical HAL Lower Limb Type model equivalent to the device used in the clinical trial for cerebral palsy. The Company submitted paperwork to obtain approvals from the PMDA (Pharmaceuticals and Medical Devices Agency) in June 2023 for the same group of patients as the larger size of Medical HAL Lower Limb Type.

(USA)

As a medical service platform for individual users, RISE Healthcare Group (RHG), the Company's subsidiary, is gradually expanding the number of facilities in Southern California. On February 2023, RISE opened its first center in northern California. As of June 30, 2023, RHG operates 27 centers (an increase of 11 centers since the M&A by CYBERDYNE). HAL technology of CYBERDYNE is currently available in 4 locations, and RHG is expanding its official service with HAL to more centers starting from January 2023.

(EMEA: Mainly Europe and the Middle East)

The Group continued to promote Cybernics Treatment in significant countries. For example, a center that offers Cybernics Treatment commenced in Türkiye. In addition, the Company exported 25 units of HAL to an Italian Social Company, Coopselios, on May 2023.

In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has announced to conduct a clinical trial for spinal cord injury based on public health insurance coverage. As of June 2023, related parties are preparing the trial protocol.

(APAC: Asia Pacific)

In February 2022, the Group established CYBERDYNE MALAYSIA Sdn. Bhd. in Malaysia as a business promotion base in APAC, and this establishment contributed to an acceleration of Cybernics Treatment in India, Australia, and Taiwan.

The Group continues strengthening its partnership with Malaysia's government-affiliated Social Security Organization (SOCSO). The collaboration resulted in increased access for Malaysian patients under the SOCSO coverage. Construction of National Center for Neuro-Robotics and Cybernics, the largest medical complex in Southeast Asia, is scheduled for completion by the end of 2024.

<<Business operation around applications to support caregivers and care receivers>>

The Group has developed various types of HAL for seniors to improve their physical function, prevent illness and frailty, and reduce the requirement for care. These types include the HAL Lower Limb Type for enhancing the ability to walk; HAL Single Joint Type to train elbow, knee, and ankle movements; and HAL Lumbar Type to train the trunk and lower limb function.

(Service at facilities for individuals)

The Group continues to offer Neuro HALFIT, a program that induces improvement of the brain-nerve and musculoskeletal system through utilizing HAL. The program is currently available at 17 Robocare Centers operated by business partners. The Group plans to open additional Robocare Centers.

(Neuro HALFIT at Home as a service towards individuals)

The Group offers Neuro HALFIT at Home as a contactless service to enable individuals to work out at home using HAL. The Group is working with home visiting service providers to promote in-person support, from equipment setup to program implementation at home.

#### <<Prevention/early detection>>

The Group is preparing for the commercialization of the Cyvis series, an ultra-small size vital sensor designed to manage the risk of arrhythmia and atrial fibrillation and prevent myocardial infarction and stroke by accumulating, analyzing, and AI- processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO2, and daily activities. The Company submitted a medical device approval application for its next-generation model Cyvis 2, on April 2023.

#### <<Business operation around applications for the workplace and daily life>>

##### (Well-being)

Since 2021, the Group has been working closely with Hampshire County, England, on using HAL Lumbar Type for Well-being in care facilities. In addition, the Group will coordinate with Hampshire County to use this as a model example to disseminate the technology in other areas of the UK and other European nations.

##### (Labor Support, Disinfection, and Cleaning)

Regarding the next-generation Cleaning Robot CL02, which uses cutting-edge SLAM technology to achieve high-speed autonomous driving, the Group works with major construction companies with its ability to ride on elevators automatically and connect with cloud systems; the companies are developing this technology as a solution to make building management smarter and reduce management costs. Furthermore, the company is expanding its mobility part as a transportation robot inside the factory.

#### Status of Research and Development

The Group develops “Acoustic X,” a patented photoacoustic imaging system based on the LED light source method that realizes real-time, high-resolution 3D imaging of blood vessels and blood in the peripheral organs without needing contrast agents. The technology is being developed as a next-generation medical image diagnosis device. In addition, research is underway at prominent medical institutions and research facilities overseas towards the development of various applications for this technology.

Other research projects of the Group include cloth-type HAL for people with disabilities and seniors that maintain and improve the wearers’ walking ability. The Group is also developing a communication robot, which obtains vital and environmental information while communicating with users to maintain and improve their ADL. A personal mobility robot is also under development to help those who have difficulty walking.

In addition, Cybernics Medical Innovation Base A building in the national strategic zone of Kawasaki City, Japan, is completed. Now the companies that the Group is working with for the development of technologies for Cybernics Treatment such as HAL, regenerative medicine, and drug discovery are moving into the facility in January 2023.

#### Numbers of operating units

As of the end of June 2023, 444 Medical HAL Lower Limb Type units were operating worldwide, including those used for clinical research. Eighty-six of those units were used in Japanese hospitals for treatment. In addition, there were 598 units of HAL Single Joint Type, mainly from the increase of products for medical use. A total of 351 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 1,148 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 407 units of HAL Lumbar Type for Labor Support and 164 units of Cleaning Robots and Transportation Robots.

Due to the situation mentioned above, in the consolidated three months that ended June 30, 2023, the increase of medical service in the US and rental in the EU contributed to the revenue recorded at ¥1,045 million (39.1% increase year on year). In addition, the Group recorded a gross profit of ¥566 million (15.4% increase year on year).

The Group recorded research and development expenses at ¥174 million (a 15.6% decrease year on year), mainly due to developing new products at the Company's own cost, clinical research, and consigned research projects. In addition, the Group recorded other selling, general, and administrative expenses at ¥766 million (34.8% increase year on year) due to an increase following the M&A in the previous fiscal year.

Other income was recorded at ¥67 million (31.8% increase year on year), mainly from a consigned research project, resulting in an operating loss of ¥308 million (73.0% increase year on year).

The Group recorded a finance income of ¥369 million, mainly due to gains from the valuation difference of investment securities and exchange gain. In addition, the Group recorded gains related to CEJ Fund at ¥712 million and income tax expense at ¥482 million from deferred tax expenses, resulting in the posting of profit attributable to owners of the parent at ¥330 million (36.9% increase year on year).

The Company forms business and capital alliances with various startup companies that develop unique technologies. The Company calculates the fair value of unlisted stocks of such companies using the IFRS 9 Financial Instruments. As a result, during the consolidated three months ended June 30, 2023, The Group recorded ¥1,392 million in the gain on valuation difference of investments securities as finance income and gains related to CEJ Fund. Furthermore, the Group posted ¥477 million from deferred tax expense associated with this valuation as an income tax expense and reclassified ¥519 million to third-party interest in CEJ Fund. As a result, the impact of calculating the fair value towards the quarterly profit was ¥396 million.

## (2) Explanation of financial position

### ① Assets

For the consolidated three months ended June 30, 2023, assets increased ¥2,095 million to ¥52,282 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥48 million in other current assets, partially offset by an increase of ¥1,562 million in other financial assets (non-current) and ¥284 million in cash and cash equivalents.

### ② Liabilities

For the consolidated three months ended June 30, 2023, liabilities increased ¥1,708 million to ¥9,912 million compared to the end of the previous fiscal year. The changes were mainly due to a decrease of ¥60 million in trade and other payables, partially offset by an increase of ¥1,297 million in contributions to CEJ Fund from third-party investors and ¥506 million in deferred tax liabilities.

### ③ Equity

For the consolidated three months ended June 30, 2023, equity increased ¥387 million to ¥42,370 million compared to the end of the previous fiscal year. Changes were mainly due to an increase in retained earnings following the posting of profit attributable to the owners of the parents.

### (3) Status of cashflow

For the consolidated three months ended June 30, 2023, cash and cash equivalents increased ¥284 million to ¥8,086 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated three months ended June 30, 2023, are stated below.

#### (Cash flows from operating activities)

For the consolidated three months ended June 30, 2023, net cash provided by operating activities recorded an outflow of 395 million (outflow of ¥67 million in the consolidated three months of the previous fiscal year). Changes were mainly due to profit before tax posted at ¥767 million, depreciation and amortization recorded at ¥160 million, partially offset by a gain related to CEJ Fund recorded at ¥712 million and finance income recorded at ¥369 million.

#### (Cash flows from investment activities)

For the consolidated three months ended June 30, 2023, net cash provided by investing activities recorded an outflow of ¥30 million (an inflow of ¥194 million in the consolidated three months of the previous fiscal year). The changes were mainly due to the proceeds of redemption of investments posted at ¥5,000 million, proceeds from the sale of investment securities posted at ¥465 million, partially offset by the purchase of investment posted at ¥5,000 million, purchase of investment securities posted at ¥450 million, and purchase of property, plant, and equipment posted at ¥40 million.

#### (Cash flows from financing activities)

For the consolidated three months ended June 30, 2023, net cash used in financing activities recorded an inflow of ¥639 million (an inflow of ¥649 million in the consolidated three months of the previous fiscal year). The changes were mainly due to the inflow of ¥680 million from contributions to CEJ Fund from third-party investors.

2. Condensed quarterly consolidated financial statement

(1) Condensed quarterly consolidated statement of financial position (Unaudited)

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	7,801	8,086
Trade and other receivables	540	611
Other financial assets	9,507	9,507
Inventories	991	1,054
Other current assets	308	259
Total current assets	19,147	19,518
Non-current assets		
Operating lease assets	430	400
Property, plant and equipment	13,406	13,378
Right of use assets	546	545
Goodwill	2,531	2,694
Intangible assets	80	76
Investments accounted for using equity method	240	240
Other financial assets	13,641	15,203
Other non-current assets	166	229
Total non-current assets	31,040	32,764
Total assets	50,187	52,282

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	690	630
Bonds and borrowings	89	93
Lease liabilities	147	154
Other current liabilities	365	320
Total current liabilities	1,291	1,197
Non-current liabilities		
Bonds and borrowings	21	26
Third-party interests in CEJ Fund	4,792	6,089
Lease liabilities	412	407
Provisions	96	96
Deferred tax liabilities	1,577	2,083
Other non-current liabilities	14	14
Total non-current liabilities	6,913	8,715
Total liabilities	8,204	9,912
Equity		
Share capital	10	10
Capital surplus	42,877	42,806
Treasury shares	(1,188)	(1,188)
Other components of equity	(979)	(826)
Retained earnings	1,381	1,712
Total equity attributable to owners of the parent	42,101	42,513
Non-controlling interests	(118)	(143)
Total equity	41,983	42,370
Total liabilities and equity	50,187	52,282

(2) Condensed quarterly consolidated statement of profit or loss and condensed quarterly consolidated statement of comprehensive income (Unaudited)

Condensed year to quarter end consolidated statement of profit or loss

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Revenue	751	1,045
Cost of sales	(261)	(480)
Gross profit	490	566
Selling, general and administrative expenses		
Research and development expenses	(151)	(174)
Other selling, general and administrative expenses	(568)	(766)
Total selling, general and administrative expenses	(719)	(941)
Other income	51	67
Other expenses	(0)	(1)
Operating profit (loss)	(178)	(308)
Finance income	545	369
Finance costs	(3)	(6)
Gains related to CEJ Fund	14	712
Share of profit (loss) of investments accounted for using equity method	(6)	0
Profit (loss) before tax	372	767
Income tax expense	(140)	(482)
Profit (loss)	232	285
Profit (loss) attributable to		
Owners of parent	241	330
Non-controlling interests	(9)	(45)
Profit (loss)	232	285
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	1.12	1.56
Diluted earnings (loss) per share (yen)	1.12	1.56

Condensed year to quarter end consolidated statement of comprehensive income

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Profit (loss)	232	285
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(21)	(14)
Total of items that will not be reclassified to profit or loss	(21)	(14)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	175	155
Total of items that may be reclassified to profit or loss	175	155
Total other comprehensive income, net of tax	154	141
Comprehensive income	386	427
Comprehensive income attributable to		
Owners of parent	392	483
Non-controlling interests	(6)	(56)
Comprehensive income	386	427

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)  
Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2022	10	42,869	(0)	(1,306)	142	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(21)	172	—
Total comprehensive income	—	—	—	(21)	172	—
Share-based payment transactions	—	2	—	—	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	2	—	—	—	—
June 30, 2022	10	42,871	(0)	(1,327)	314	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2022	(1,145)	1,679	43,413	38	43,450
Profit (loss)	—	241	241	(9)	232
Other comprehensive income	151	—	151	3	154
Total comprehensive income	151	241	392	(6)	386
Share-based payment transactions	—	—	2	—	2
Equity transaction with non-controlling interest	—	—	—	4	4
Other	—	—	—	2	2
Total transactions with owners	—	—	2	6	8
June 30, 2022	(994)	1,920	43,807	37	43,844

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2023	10	42,877	(1,188)	(1,270)	272	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(14)	166	—
Total comprehensive income	—	—	—	(14)	166	—
Share-based payment transactions	—	2	—	—	—	—
Equity transaction with non-controlling interest	—	(73)	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	(71)	—	—	—	—
June 30, 2023	10	42,806	(1,188)	(1,284)	438	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2023	(979)	1,381	42,101	(118)	41,983
Profit (loss)	—	330	330	(45)	285
Other comprehensive income	152	—	152	(11)	141
Total comprehensive income	152	330	483	(56)	427
Share-based payment transactions	—	—	2	—	2
Equity transaction with non-controlling interest	—	—	(73)	31	(42)
Other	—	—	—	—	—
Total transactions with owners	—	—	(71)	31	(40)
June 30, 2023	(826)	1,712	42,513	(143)	42,370

## (4) Condensed quarterly consolidated statement of cash flows (Unaudited)

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	372	767
Depreciation and amortization	151	160
Finance income	(545)	(369)
Finance costs	3	6
Loss (gains) on CEJ Fund	(14)	(712)
Share of loss (profit) of investments accounted for using equity method	6	(0)
Decrease (increase) in inventories	(29)	(64)
Decrease (increase) in trade and other receivables	60	(71)
Increase (decrease) in trade and other payables	(41)	(60)
Other	(35)	(64)
Subtotal	(72)	(406)
Interest received	5	11
Interest paid	(0)	(0)
Net cash provided by (used in) operating activities	(67)	(395)
Cash flows from investing activities		
Purchase of investments	(3,000)	(5,000)
Proceeds from redemption of investments	4,000	5,000
Proceeds from withdrawal of time deposits	1,000	—
Purchase of property, plant and equipment	(97)	(40)
Purchase of intangible assets	—	(8)
Purchase of investment securities	(1,643)	(450)
Proceeds from sale of investment securities	—	465
Payments for loans receivable	(66)	(1)
Collection of loans receivable	1	3
Other	(0)	(0)
Net cash provided by (used in) investing activities	194	(30)
Cash flows from financing activities		
Repayments of long-term borrowings	(3)	(3)
Repayments of lease obligation	(31)	(42)
Contributions into CEJ Fund from third-party investors	680	680
Other	3	4
Net cash provided by (used in) financing activities	649	639
Effect of exchange rate changes on cash and cash equivalents	99	70
Net increase (decrease) in cash and cash equivalents	876	284
Cash and cash equivalents at beginning of fiscal year	5,677	7,801
Cash and cash equivalents at end of year	6,554	8,086

(5) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Changes in accounting policy)

Significant accounting policies applied to the condensed consolidated financial statements for the consolidated three months ended June 30, 2023 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2023, with the following exceptions.

The income tax expense for the consolidated three months ended June 30, 2023 has been calculated based on the estimated annual effective income tax rate.

	IFRSs	Nature of the new standards amendments
IAS 12	Income Taxes	Revised clarification of deferred tax accounting for leases and decommissioning obligations

The effect of applying these accounting standards on the Group's condensed consolidated financial statements is not material.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Three months ended June 30, 2022	Three months ended June 30, 2023
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	406	590
Asset transferred at a point of time	42	31
Service transferred at a point of time	304	425
Total	<u>751</u>	<u>1,045</u>

(Note) Since the Group operates under a single segment of business, segment information on revenue is omitted.

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract and maintenance income based on the maintenance contract in relation to finance lease income where the Group acts as a lessor of right-of-use asset.

The Group recognizes rental income as income generated throughout the rental period after the customer acceptance of the relevant product, by either of the following method. Pay-per-use model based on times of product usage in the relevant month and base fee model based on fixed monthly price.

The Group recognizes maintenance income as performance obligation satisfied over time. The Company records this revenue during this contract period based on average amount during the period.

Asset transferred at a point of time

Asset transferred at a point of time includes revenue from sales of commodities and products based on sales contract. The Group mainly determines that performance obligation of sales of commodities as well as products are satisfied at the point of customer acceptance the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. With regards to transaction price, there is no significance in the amount of sales revenue that includes variable consideration. Furthermore, there are no significant financial components in the amount of promised consideration.

Furthermore, if the Group acts as a lessor of right-of-use of its devices such as HAL, the Group classifies the relevant lease as finance lease. Finance lease income is processed in the same way as cases where the Group acts as a lessor of manufacturer or distributor of sales of goods. The Group determines that performance obligation is satisfied at the point of customer acceptance and the revenue is recognized at a point of time.

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernics Treatment and training service at Cybernic Treatment Center and Robocare Centers, to end users (such as patients). It also includes revenue received in return of providing outcomes of consigned research projects.

The Group determines that performance obligation of Cybernics Treatment as well as training services are satisfied at the point of completion of such services. The Group determines that performance obligation of providing outcomes of consigned research projects are satisfied at the point when the customer inspects and accepts the outcome.