Internet Disclosure related to the

Notice of the 12th Ordinary General Meeting of Shareholders

June 8, 2016

CYBERDYNE, INC.

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The matters mentioned above are deemed to have been provided to all shareholders through disclosure via the internet on the Company website (http://www.cyberdyne.jp/company/IR.html) pursuant to the provisions of laws and regulations and Article 22 of the Company's Articles of Incorporation.

Business Report

3. Matters concerning stock acquisition rights, etc.

(1) Status of stock acquisition rights issued to the Company's directors as compensation for the performance of their duties

There are no items to report.

(2) Status of stock acquisition rights issued to the Company's employees as compensation for the performance of their duties

There are no items to report.

(3) Other important matters concerning stock acquisition rights

1) Stock acquisition rights attached to the Euro Yen Zero Coupon Convertible Bonds due 2017

See "(Notes to significant subsequent events)" on page 8 and 12.

2) 2015 1st Series Stock Option of CYBERDYNE, INC.

Name (Date of resolution)	Allottee	Number of stock option	Class and number of shares entitled	Issue price	Issue price/unit	Exercise period
2015 1st Series Stock Option of CYBERDYNE, INC.(July 28, 2015)	1 person	78 units	Common Share 7,800 shares	gratis	JPY 180,600	From July 29, 2017 to July 28, 2025

This is an English translation of financial statements as well as notes to financial statements, originally in Japanese. Japanese original were audited by Deloitte Touche Tohmatsu LLC.

Consolidated Financial Statements

Consolidated statements of changes in net assets (from April 1, 2015 to March 31, 2016)

(JPY thousand)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of year	16,511,767	16,447,767	-5,714,957	-	27,244,576
Changes of items during year					
Net loss attributable to owners of the parent			-718,057		-718,057
Acquisition of treasury shares				-204	-204
Net changes of items other than shareholders' equity					
Total changes of items during year	-	-	-718,057	-204	-718,262
Balance at end of year	16,511,767	16,447,767	-6,433,015	-204	26,526,314

	Other comprehensive income		Stock acquisition rights	Minority interests	Total net assets
	Foreign currency translation adjustment	Total other comprehensive income			
Balance at beginning of year	-442	-442	530,529	2,634	27,777,298
Changes of items during year					
Net loss attributable to owners of the parent					-718,057
Acquisition of treasury shares					-204
Net changes of items other than shareholders' equity	1,214	1,214	6,318	-2,634	4,898
Total changes of items during year	1,214	1,214	6,318	-2,634	-713,363
Balance at end of year	772	772	536,847	-	27,063,934

For these figures, amount less than JPY one thousand has been omitted.

Notes to consolidated financial statements

(Important items that form the basis for preparing "Consolidated financial statements")

1. Scope of consolidation

(1) Number of consolidated subsidiaries and names of major consolidated subsidiaries:
Number of consolidated subsidiaries: 4
Major consolidated subsidiaries are as follows:
Suzuka Robo Care Center Co., Ltd., Shonan Robo Care Center Co., Ltd., Oita Robo Care Center Co., Ltd., and Cyberdyne Care Robotics GmbH

(2) Major non-consolidated subsidiaries and others:
Major non-consolidated subsidiaries are as follows:
Niigata Robo Care Center Co., Ltd., Cyberdyne EU B.V., CYBERDYNE DENMARK ApS, Cyberdyne Sweden AB, CYBERDYNE (Europe) GmbH

Reasons for exclusion from the scope of consolidation:
The five non-consolidated subsidiaries are all small and immaterial when measured in impact of total amounts of assets, net sales, net income (based on the Company's ownership percentage), and retained earnings (based on the Company's ownership percentage) of those companies on consolidated financial statements. They have therefore been excluded from the scope of consolidation.

2. Account processing standards

(1) Evaluation standards and methods for assets

1) Securities
   i. bonds held to maturity: amortized cost method (straight-line method)
   ii. other securities (non-marketable securities): moving average cost method
2) Inventories
   i. finished goods, work in process : specific cost method
   ii. raw materials and merchandises : moving average cost method
   iii. supplies : last purchase price method
   The book values of inventories whose profitability has declined are recorded accordingly.

(2) Depreciation methods of non-current assets

1) Property, plant and equipment

The declining-balance method is adopted. Exceptionally, the straight-line method is adopted for part of buildings (except accessories), assets for rent, part of tools, furniture and fixtures.
The useful lives for major assets are as follows:

Buildings and structures	3 – 20 years
Assets for rent	5 years
Machinery and equipment	7 years
Vehicles	2 – 6 years
Tools, furniture and fixtures	2 – 20 years

2) Intangible assets

The straight-line method is adopted. Software for internal use is amortized using the straight-line method over the estimated useful lives (within five years).

Software	3 – 5 years
Patent rights	8 years

(3) Basis for recording provision and allowance for doubtful receivables

Allowance for doubtful accounts:

To provide for losses incurred through bad debts, the amount of potential loss is calculated by using the historical loss ratio in case of non-classified loans/receivables. Potential losses for classified loans/receivables are individually assessed.

(4) Other material information concerning the preparation of consolidated financial statements

1) Basis for evaluating foreign-currency-denominated assets and liabilities in Japanese yen

Foreign-currency-denominated money claims and liabilities are converted into Japanese yen at the spot exchange rates in effect at the consolidated balance sheet date, and the exchange differences are scored as profits/losses. Assets and liabilities of subsidiaries outside of Japan are translated into Japanese yen at the spot exchange rates in effect on the balance sheet date; their earnings and expenses are translated into Japanese yen at the average rate during the period; and the exchange differences are included in foreign currency translation adjustment under net assets.

2) Accounting treatment of consumption taxes, etc.

Consumption taxes and local consumption taxes are excluded from the transaction accounts.

3) Deferred assets

New share issuance costs are recognized as expenses when disbursed.

(Changes in accounting policy)

The Group applied the “Accounting Standard for Business Combination” (ASBJ Statement No. 21, September 13, 2013), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013) and the “Accounting Standard for Business Divestiture” (ASBJ Statement No. 7, September 13, 2013) from the fiscal year ended March 31 2016 and changed the manner in which net loss was presented, and changed “minority interests” to “non-controlling interests.”

(Changes in presentation)

Consolidated balance sheet

Due to the increase of its significance "construction in progress" which was included in "other, net" in the previous fiscal year (JPY 37,221 thousand) are separately listed on the balance sheet for this fiscal year.

(Notes to consolidated balance sheets)

1. Accumulated depreciation deducted directly from the assets

Total property, plant and equipment	JPY 1,798,994 thousand

Amount stated above includes accumulated impairment losses.

2. Reduction entry deducted from the acquisition cost due to government subsidy, etc.

Machinery and equipment	JPY 144,555 thousand
Furniture and fixtures	JPY 174,904 thousand
Software	JPY 14,174 thousand

3. Overdraft agreement

The Company has entered overdraft agreements with three banks, in order to efficiently fund ongoing operations. Balance of unexecuted loans of the overdraft agreements as of the end of this consolidated fiscal year is written below.

Maximum limit of overdraft account	JPY 900,000 thousand
Balance of unexecuted loans	-
Balance	JPY 900,000 thousand

(Notes to consolidated statements of changes in net assets)

1. Total numbers of issued shares and its class for the consolidated fiscal year ended March 31, 2016

	Numbers of shares at the beginning of the fiscal year ended March 31, 2016	Increase	Decrease	Numbers of shares at the end of the fiscal year ended March 31, 2016
Issued shares				
Common shares	62,788,000	62,788,000	-	125,576,000
Class B shares	38,850,000	38,850,000	-	77,700,000
Total	101,638,000	101,638,000	-	203,276,000

(Major cause of changes)

Reason of increased numbers of issued common shares is stated below.

Increase due to stock split 62,788,000 shares

Reason of increased numbers of issued class B shares is stated below.

Increase due to stock split 38,850,000 shares

2. Class and numbers of shares to be issued upon exercise of stock acquisition rights as of the fiscal year ended March 31, 2016 (excluding stock acquisition rights of which the first date of exercise period had not come.)

Common shares 11,779,430 shares

(Notes to financial instruments)

1. Status of financial instruments

(1) Company policy for financial instruments
The Group finances funds by borrowing from banks or other financial institutions such as issuance of bonds based on its capital financing plan. Cash surpluses, if any, are invested only in low risk financial assets. The Company does not intend to engage in speculative derivative transaction.

(2) Nature and extent of risks arising from financial instruments
Receivables, such as trade accounts and other, are exposed to customer credit risk. Payment terms of payables, such as trade accounts, are less than a month. Marketable and investment securities, which mainly consist of stocks, held-to-maturity bonds and money trust, are exposed to credit risk of the issuers.

(3) Risk management for financial instruments
The Company manages its credit risks from receivables on the basis of Credit Exposure Management Policy, which include management of payment terms and balances of each customer in order to identify the default risk of customers at an early stage.
With regard to marketable securities and investment securities, the Group regularly monitors the financial conditions and other parameters of the issuers of these securities.

(4) Fair values of financial instruments
Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, another rational valuation technique is used instead. Because such assessment is based on variable factors, using different assumptions may lead to different values.

2. Fair values of financial instruments

Amounts recorded on the consolidated balance sheet as of March 31, 2016, fair values and their difference are as follows

(JPY thousand)

	Consolidated balance sheet amounts	Fair value	Difference
(1) Cash and bank balances	14,458,798	14,458,798	-
(2) Accounts receivable- trade	217,347	217,347	-
(3) Securities	25,500,386	25,500,386	-
(4) Accounts receivable	349,259	349,259	-
Total	40,525,790	40,525,790	-
(1) Accounts payables- trade	48,120	48,120	-
(2) Convertible bond with stock acquisition rights planned to be redeemed within one year	19,927,483	19,927,483	-
(3) Income taxes payable	63,804	63,804	-
Total	20,039,408	20,039,408	-

(Note 1) Valuation method for financial instruments

Asset
(1) Cash and bank balances, (2) Accounts receivable- trade, (3) Securities, (4) Accounts receivable
The four items stated above approximate fair value because of their short maturities.

Liabilities

(1) Accounts payables-trade, (2) Convertible bond with stock acquisition rights planned to be redeemed within one year,

(3) Income taxes payable

The three items stated above approximate fair value because of their short maturities.

(Note 2) Financial instruments whose fair values cannot be reliably determined

Accounts	Consolidated balance sheet amounts (JPY thousand)
Securities of subsidiaries and associated companies	11,555
Investments in subsidiaries and associated companies	2,957
Investment securities (unlisted stock)	914,830

These items are not included in Assets [(1)(2)(3)(4)] above because it is extremely difficult to determine their fair values due to the absence of market prices.

(Notes to per-share data)

1. Net assets per share ………………………………………………… JPY 130.50

(Note) Net assets per share are calculated based on the following.

Total net assets	JPY 27,063,934 thousand
Amount deducted from total net assets	JPY 536,847 thousand
Net assets at end of year pertaining to common shares and shares equivalent to common shares	JPY 26,527,087 thousand
Number of common shares and shares equivalent to common shares that is used in calculation of net assets per share	203,275,862 shares

2. Net loss per share ………………………………………………… JPY 3.53

(Note 1) Net loss per share are calculated based on the following.

Net loss attributable to owner of the parent	JPY 718,057 thousand
Amount not attributable to common shareholders and shareholders equivalent to common shareholders	-
Net loss attributable to common shares and shares equivalent to common shares	JPY 718,057 thousand
Average number of common shares and shares equivalent to common shares during the period	203,275,911 shares

Diluted net income per share is not stated because even though there are dilutive shares, net loss per share was posted.

(Note 2) The Company implemented stock splits of 1 to 2 for each common share and class B share on August 1, 2015. Net loss per share is calculated, assuming that the stock splits were executed at the beginning of the relevant fiscal year.

(Notes to significant subsequent events)

1. Early redemption of Convertible Bonds

On April 22, 2016, the Company announced its decision to exercise its option to redeem early the entire outstanding amount of Convertible Bonds due 2017 (bonds with stock acquisition rights) (the "Bonds") at 100% of their principal amount, acknowledging the fulfillment of 120% call option articles contained in the Terms and Conditions of the Bonds as follows:

(1) Bonds to be redeemed: CYBERDYNE, INC. Euro Yen Zero Coupon Convertible Bonds due 2017

(2) Amount for redemption: All of the outstanding Bonds

*Outstanding amount as of April 30, 2016: JPY 13,980,000 thousand (par value)

(3) Redemption date: June 6, 2016

(4) Redemption amount: JPY 100 per par value of JPY 100

2. Exercise of stock acquisition rights included in Convertible Bonds

There was exercise of stock acquisition rights included in the Convertible Bonds due 2017, after the end of this fiscal year.
Outline of the exercise of stock acquisition rights from April 1, 2016 to April 30, 2016 was as below.

(1) Increase of capital stock: JPY 3,079,476 thousand

(2) Increase of capital surplus: JPY 3,079,476 thousand

(3) Class and number of stocks: Common Shares 3,543,254 shares

The Company announced that the conversion of the Bonds due 2017 was completed in full by June 1, 2016.

Financial Statements

Statements of changes in net assets (from April 1, 2015 to March 31, 2016)

(JPY thousand)

	Shareholders' equity				
	Capital stock	Capital surplus		Retained earnings	
		Capital reserve	Total capital surplus	Legal retained earnings	Other retained earnings – Retained earnings brought forward
Balance at beginning of year	16,511,767	16,447,767	16,447,767	30	-5,674,219
Changes of items during year					
Net loss					-689,004
Acquisition of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during year	-	-	-	-	-689,004
Balance at end of year	16,511,767	16,447,767	16,447,767	30	-6,363,224

	Shareholders' equity			Stock acquisition rights	Total net assets
	Retained earnings – Total retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of year	-5,674,189	-	27,285,344	530,529	27,815,874
Changes of items during year					
Net loss	-689,004		-689,004		-689,004
Acquisition of treasury shares		-204	-204		-204
Net changes of items other than shareholders' equity				6,318	6,318
Total changes of items during year	-689,004	-204	-689,209	6,318	-682,891
Balance at end of year	-6,363,194	-204	26,596,135	536,847	27,132,982

For these figures, numbers below JPY one thousand have been omitted.

Notes to financial statements

(Notes to matters concerning important accounting policies)

1. Matters concerning account processing standards

   (1) Evaluation standards and methods for assets

   1) Securities
      i. bonds held to maturity: amortized cost method (straight-line method)
      ii. other securities (non-marketable securities): moving average cost method
      iii. subsidiaries' stocks and investments in subsidiaries: moving average cost method

   2) Inventories
      i. finished goods, work in process : specific cost method
      ii. raw materials and merchandises : moving average cost method
      iii. supplies : last purchase price method

      The book values of inventories whose profitability has declined are recorded accordingly.

2. Depreciation methods of non-current assets

   (1) Property, plant and equipment

   The declining-balance method is adopted. Exceptionally, the straight-line method is adopted for part of buildings (except accessories), assets for rent, tools, furniture and fixtures.
   The useful lives for major assets are as follows:

Buildings	3 – 20 years
Structures	10 – 20 years
Machinery and equipment	7 years
Vehicles	2 – 6 years
Tools, furniture and fixtures	2 – 20 years
Assets for rent	5 years

   (2) Intangible assets

   The straight-line method is adopted. Software for internal use is amortized using the straight-line method over the estimated useful lives (within five years).

Software	3 – 5 years
Patent rights	8 years

   (3) Long-term prepaid expenses

   The straight-line method is adopted.

3. Basis for recording provision and allowance for doubtful receivables

Allowance for doubtful accounts:

To provide for losses incurred through bad debts, the amount of potential loss is calculated by using the historical loss ratio in case of non-classified loans/receivables. Potential losses for classified loans/receivables are individually assessed.

4. Other material information concerning the preparation of financial statements

(1) Basis for evaluating foreign-currency-denominated assets and liabilities in Japanese yen

Foreign-currency-denominated money claims and liabilities are converted into Japanese yen at the spot exchange rates in effect at the balance sheet date, and the exchange differences are scored as profits/losses.

(2) Accounting treatment of consumption taxes, etc.

Consumption taxes and local consumption taxes are excluded from the transaction accounts.

(3) Deferred assets

New share issuance costs are recognized as expenses when disbursed.

(Notes to balance sheets)

1. Accumulated depreciation deducted directly from the assets

Total property, plant and equipment	JPY 1,794,177 thousand

Amount stated above includes accumulated impairment losses.

2. Reduction entry deducted from the acquisition cost due to government subsidy, etc.

Machinery and equipment	JPY 144,555 thousand
Tools, furniture and fixtures	JPY 174,904 thousand
Software	JPY 14,174 thousand

3. Overdraft agreement

The Company has entered overdraft agreements with three banks, in order to efficiently fund ongoing operations.
Balance of unexecuted loans of the overdraft agreements as of the end of this fiscal year is written below.

Maximum limit of overdraft account	JPY 900,000 thousand
Balance of unexecuted loans	-
Balance	JPY 900,000 thousand

4. Money claims and liabilities toward subsidiaries

Short-term money claims	JPY 179,960 thousand
Short-term money liabilities	JPY 7,350 thousand

(Notes to statements of income)

Business transactions with subsidiaries

Business turnover from operating transactions	
Sales	JPY 142,570 thousand
Other operating transactions	JPY 34,120 thousand
Transaction amount other than business transaction	JPY 10,714 thousand

(Notes to statements of changes in net assets)

Numbers of treasury shares as of the end of the fiscal year ended March 31, 2016

Common shares 138 shares

(Notes to tax effect accounting)

The deferred tax liabilities are mainly due to retirement costs for asset retirement obligations.

(Notes to per-share data)

1. Net assets per share ……………………………………………… JPY 130.84

(Note) Net assets per share are calculated based on the following.

Total net assets	JPY 27,132,982 thousand
Amount deducted from total net assets	JPY 536,847 thousand
Net assets at end of year pertaining to common shares and shares equivalent to common shares	JPY 26,596,135 thousand
Number of common shares and shares equivalent to common shares that is used in calculation of net assets per share	203,275,862 shares

2. Net loss per share ……………………………………………………… JPY 3.39

(Note 1) Net loss per share are calculated based on the following.

Net loss for the fiscal year ended March 31, 2016	JPY 689,004 thousand
Amount not attributable to common shareholders and shareholders equivalent to common shareholders	
Net loss attributable to common shares and shares equivalent to common shares	JPY 689,004 thousand
Average number of common shares and shares equivalent to common shares during the period	203,275,911 shares

Diluted net income per share is not stated because net loss per share was posted in spite that there are potential shares.

(Note 2) The Company implemented stock splits of 1 to 2 for each common share and class B share on August 1, 2015. Net loss per share is calculated, assuming that the stock split were executed at the beginning of the relevant fiscal year.

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(1) Bonds to be redeemed: CYBERDYNE, INC. Euro Yen Zero Coupon Convertible Bonds due 2017
(2) Amount for redemption: All of the outstanding Bonds
*Outstanding amount as of April 30, 2016: JPY 13,980,000 thousand (par value)
(3) Redemption date: June 6, 2016
(4) Redemption amount: JPY 100 per par value of JPY 100

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