

# 17th Ordinary General Meeting of Shareholders

## Date

**11 am (Reception starts from 10:15 am)  
Thursday, June 24, 2021**

## Venue

**NOVA HALL, LARGE HALL  
1-10-1 Azuma, Tsukuba, Ibaraki, Japan**  
(Please refer to the map on the end page)

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**CYBERDYNE Inc.**

Security Code: 7779 (Mothers Section of the Tokyo Stock Exchange)

This document has been translated from the Japanese original for reference purposes only.  
If there is any discrepancy between this translated document and the Japanese source, the original shall prevail.  
The Japanese original was audited by Deloitte Touche Tohmatsu LLC.

To our shareholders

June 9, 2021  
2-2-1 Gakuen-minami, Tsukuba, Ibaraki, Japan  
President and CEO Yoshiyuki Sankai  
CYBERDYNE Inc.

## Notice of 17th Ordinary Meeting of Shareholders

We would like to take this opportunity to thank you for your support towards our endeavors.

You are cordially invited to the 17th Ordinary General Meeting of CYBERDYNE Inc. (the “Company”), which will be held as detailed below.

In order to comply with the Companies Act, the General Meeting of Shareholders will be conducted at the venue stated below. As an initiative to prevent COVID-19 from spreading further, we kindly ask you to refrain from attending this Meeting of Shareholders if possible, regardless of your health condition. Instead, please consider submitting your voting rights in writing or via the Internet no later than 6:00 p.m. on Wednesday, June 23, 2021, based on the Reference Documents on page 5.

Date

**11 am** (Reception starts from 10: 15am) **June 24 2021** (Thursday)

Venue

**NOVA HALL, LARGE HALL, 1-10-1, Azuma, Tsukuba, Ibaraki**

(Please refer to the map on the end page)

\*Please note that the venue changed from the extraordinary general meeting of shareholders held in March 2021. Please be careful not to make any mistakes.

\*There is a possibility that the venue may not be available due to the impact of COVID-19.

The Company will announce the change of venue on the Company’s website

The Company’s website: <https://cyberdyne.jp/english>

Agenda

<Matters to be reported>

- 1. The Business report for the 17th fiscal year ended March 31 2021, consolidated financial statements and audit reports on the consolidated financial statements by the Accounting Auditors and the Audit and Supervisory Board.**
- 2. Non-consolidated financial statements for the 17th fiscal year ended March 31 2021.**

<Matters to be resolved>

**Agenda 1: Election of Eight (8) Members of the Board of Directors**

**Agenda 2: Election of Four (4) Audit and Supervisory Board Member**

## 【Cautions \*Please be sure to read carefully】

- Depending on the situation of COVID-19, the number of available seats, venues, start time, etc., may be changed. In such cases, the information will be posted on the Company's website. The Company's website: <https://cyberdyne.jp/english>
- To reduce the meeting time, we will limit the Q&A sessions to questions related to the agendas of the 17th Ordinary General Meeting of Shareholders.
- Please wear a mask and disinfect your hands when entering the building.
- A staff member will examine your temperature near the entrance. We may refuse admission and ask you to leave if you have a fever, if you seem to be feeling unwell or if you entered Japan within 14 days before June 24, 2021. If you entered Japan within 14 days before June 24, please tell one of our staff members at the reception.
- There will be no display of company products and distribution of souvenirs at the 17th Ordinary Meeting of Shareholders.
- To reduce the risk of infection and ensure continuity of the company business, some of our Directors and Audit and Supervisory Board Members may be absent or attend the meeting through online tools.

## 【Disclosure via internet】

- According to the provisions of laws, regulations, and Article 22 of the Company's Article of Incorporation, the following items related to the 17th Ordinary General Meeting of Shareholders are posted on a separate document posted on the Company's website. Therefore, they are not included in this document.
  - (1) Following items in the Business Report
    - Items concerning stock acquisition rights
    - System to ensure the properness of the business and its status of the operation
  - (2) Consolidated statement of changes in equity and related notes for the consolidated financial statements
  - (3) Statements of changes in equity and related notes for the non-consolidated financial statementsThe Audit and Supervisory Members of the Company audited the document (1)~(3) stated above and documents included in this notice. The Accounting Auditors of the Company audited documents (2) and (3) stated above in addition to documents included in this notice.
- The Company will announce on its website if any incidents that require the revision of the enclosed documents occur after this notice is mailed out.

# Exercise of voting rights

Please exercise your voting rights on two items to be resolved in the meeting stated on this document. You can exercise your voting rights in the following ways.

If you vote in both writing and by the Internet, vote by the Internet will be treated as a valid vote. If you vote more than once on the Internet using a computer or a smartphone, only the last vote will be treated as a valid vote.

## Vote by mail



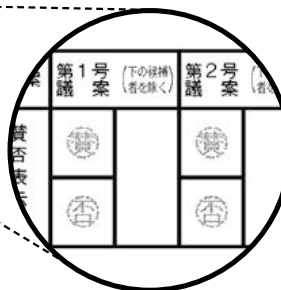
Please indicate your approval or disapproval on the enclosed voting form and return it to us. If you submit the form without indication, we will treat it as an approval vote.

**Exercise period | The form must arrive before June 23, 2021 (Wed)**

\*The voting form is a postcard with a postage-paid fee, and it will take longer for the post office to process it than ordinary mail. As such, please mail early, so the mail reaches our office before June 23.

### ■ Example of voting on the form

Please circle yes (賛) or no (否) for each item proposed for resolution



## Vote by internet



Please exercise your voting rights in either of the following ways.

- ① "Smart Exercise" by scanning the QR code
- ② Entering code and password to exercise your voting rights

**Exercise period | June 23, 2021 (Wed) 6 pm**

Please check the following page for further detail

## Vote at the venue



Please submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting. Please also bring this document with you as reference material for the agenda discussed at the meeting. Please note that non-shareholders, such as proxies and accompanying persons who are not shareholders, cannot attend the General Meeting of Shareholders. As a proxy, the person who can participate in the meeting must be one (1) other shareholders with voting rights. In such a case, they must submit a document certifying the proxy's authority.

# Instructions on the voting by Internet

**1**

## "Smart Exercise" by scanning the QR code

With this method, you can login the website to exercise your voting rights without entering the code and password

- 1 Please scan the QR code printed on the bottom right of the Form to Exercise the Voting Right.



- 2 Please indicate your intention based on the questionnaires displayed on the page.

### You can only vote once by QR code

If you intend to change your vote after voting with a QR scan, please log in from the PC site. Please enter the code and password stated on the Form to Exercise the Voting Right and change your vote.

\*If you re-scan the QR code on the enclosed paper, it will display the PC site



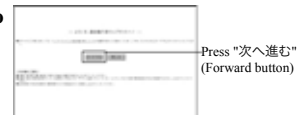
\*The pages is only available in Japanese

**2**

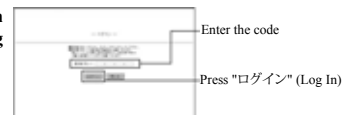
## Entering code and password to exercise your voting rights

Access the URL: <https://www.web54.net>

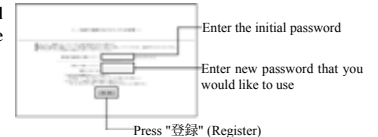
- 1 Please access the website to exercise the voting rights



- 2 Please enter the code written on the Form to Exercise Voting Right



- 3 Please enter the password written on the Form to Exercise Voting Right



- 4 Please indicate your intention based on the questionnaires displayed on the page.

If you vote in both writing and by the Internet, vote by the Internet will be treated as a valid vote. If you vote more than once on the Internet using a computer or a smartphone, only the last vote will be treated as a valid vote.

Please note that you may not access the website depending on your computer, smartphone, or your Internet environment.

### For inquiries on exercising your voting rights via the Internet

Direct line to Sumitomo Mitsui Trust Bank, Limited  
Transfer Agent Web Support Division  
TEL: +81120652031 (available from 9 am to 9 pm JST)

# Reference documents

## Agenda 1. Election of Eight (8) Members of the Board of Directors

The elected term of all seven (7) Directors will expire after this General Meeting of Shareholders. To strengthen the management system, the Company proposes to increase the number of Directors by one (1) and elect eight (8) Directors. The candidates for Directors are as follows.

|                     |   |                                   |             |                      |
|---------------------|---|-----------------------------------|-------------|----------------------|
| Candidate<br>Number | 1 | <b>Yoshiyuki Sankai</b>           | Reappointed | Ph.D. in Engineering |
|                     |   | Born June 24, 1958 (62 years old) |             |                      |

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|  |   |
|--|---|
| 2003/7 Professor of Functional Engineering, University of Tsukuba<br>2004/4 Professor of Engineering, Information and Systems University of Tsukuba (present)<br>2004/6 Director at incorporation of CYBERDYNE<br>2006/2 President and CEO of CYBERDYNE (present)<br>2010/3 Core Researcher of FIRST program hosted by the Cabinet Office of Japan<br>2011/10 Director of the Center for Cybermic Research, University of Tsukuba<br>2013/8 Director of Cyberdyne Care Robotics GmbH (present)<br>2014/11 Program manager of ImpACT Program (ImpACT) hosted by the Cabinet Office of Japan | 2016/8 Director of CYBERDYNE USA Inc. (present)<br>2017/10 Executive Research Director of the Center for Cybermic Research, University of Tsukuba (present)<br>2020/6 Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba (present) |
|--|---|

(Important positions held outside CYBERDYNE)

Professor of Engineering, Information and Systems University of Tsukuba  
 Executive Research Director of the Center for Cybermic Research, University of Tsukuba  
 Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba  
 Director of CYBERDYNE USA Inc.  
 Director of Cyberdyne Care Robotics GmbH

### Reason for the nomination as candidate for Director

Sankai established the academic field of Cybermics as a professor of Tsukuba University. He has gained extensive experience in management through his service as the Company's founder. The Company regards him to be a qualified candidate of Director who can take leadership on management and corporate governance of CYBERDYNE Group.

Years in service as Director  
**17 years**

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 Common 3,042,000 Shares  
 Class B 77,696,000 Shares

|                     |   |                                       |             |                                    |
|---------------------|---|---------------------------------------|-------------|------------------------------------|
| Candidate<br>Number | 2 | <b>Shinji Uga</b>                     | Reappointed | Certified Public Accountant<br>MBA |
|                     |   | Born February 15, 1970 (51 years old) |             |                                    |

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|  |   |
|--|---|
| 1994/4 Joined Tomen Corporation (Now known as Toyoda Tsusho)<br>2001/10 Joined Chuo Aoyama Audit Corporation (Now known as Pricewaterhouse Coopers)<br>2005/10 Assigned to PricewaterhouseCoopers Shanghai office<br>2007/6 Joined Ridgeway Capital Partners Ltd.<br>2008/9 Joined CYBERDYNE | 2009/2 Director (present) and head of Financial Affairs and Accounting Department of CYBERDYNE<br>2013/8 Director of Cyberdyne Care Robotics GmbH (present)<br>2013/12 Manager of Corporate Department of CYBERDYNE (present)<br>2017/12 President and CEO of CEJ Capital, Inc. (present) |
|--|---|

(Important positions held outside CYBERDYNE)

Director of Cyberdyne Care Robotics GmbH  
 President and CEO of CEJ Capital, Inc.

### Reason for the nomination as candidate for Director

Uga has extensive knowledge in the fields related to management and accounting as a certified public accountant. The Company regards him to be a qualified candidate of Director who can take leadership on management and operations of CYBERDYNE Group.

Years in service as Director  
**12 years**

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 Common 60,000 Shares

Candidate Number **3** **Yoshihiro Yasunaga**  
 Born November 14, 1974 (46 years old)

Reappointed

Certified Public Accountant (U.S.)  
 Masters in academics

**Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE**

|         |   |         |   |
|---------|---|---------|---|
| 1997/4  | Joined Takefuji Corporation   | 2017/11 | Outside Director of SUMS, Inc. (present)                              |
| 2002/7  | Joined Tyco Healthcare Japan Inc                                      | 2018/4  | Representative Director of Shonan RoboCare Center Co., Ltd. (present) |
| 2006/10 | Joined ON Semiconductor Japan Ltd.                                    | 2019/2  | Outside Director of Okayama RoboCare Center Co., Ltd. (present)       |
| 2008/4  | Joined CYBERDYNE as Head of Business Management                       | 2019/6  | Director of CYBERDYNE (present)                                       |
| 2013/1  | Manager of the Sales Department (present)                             | 2019/8  | Director of CYBERDYNE USA Inc.  |
| 2013/4  | Representative Director of Suzuka RoboCare Center Co., Ltd. (present) | 2020/4  | Director of MOVETEX Kabushiki Kaisha                                  |
| 2013/9  | Representative Director of Oita RoboCare Center Co., Ltd. (present)   |         |   |

(Important positions held outside CYBERDYNE)

Outside Director of SUMS, Inc.  
 Director of CYBERDYNE USA Inc.  
 Director of MOVETEX Kabushiki Kaisha

**Reason for the nomination as candidate for Director**

Yasunaga has extensive experience and knowledge gained through his work in the Business Management Department and Sales Department since joining CYBERDYNE in 2013. He also serves as the Representative Director of the Company's subsidiaries. The Company regards him to be a qualified candidate of Director who can take leadership on sales of CYBERDYNE Group.

Years in service as Director  
**2 years**

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 Common 8,000 Shares

Candidate Number **4** **Hiroaki Kawamoto**  
 Born August 25, 1974 (46 years old)

Reappointed

Ph.D. in Engineering

**Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE**

|        |  |        |  |
|--------|--|--------|--|
| 2004/6 | Director at incorporation of CYBERDYNE                                   | 2015/4 | Associate Professor of Engineering, Information and Systems, University of Tsukuba (present) |
| 2005/8 | Researcher at Japan Association for the Advancement of Medical Equipment |        |  |
| 2006/2 | Director of CYBERDYNE (present)  |        |  |

(Important positions held outside CYBERDYNE)

Associate Professor of Engineering, Information and Systems, University of Tsukuba

**Reason for the nomination as candidate for Director**

Kawamoto has extensive knowledge as a Ph.D. in engineering and experience gained through his service as one of the management of CYBERDYNE since its establishment. The Company regards him to be a qualified candidate of Director, who can take leadership on its business.

Years in service as Director  
**17 years**

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 Common 14,000 Shares

Candidate Number **5** Hikari Imai

Born July 23, 1949 (71 years old)

Reappointed

Outside Director

Independent Officer

MBA

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|         |  |         |  |
|---------|--|---------|--|
| 1974/4  | Joined Yamaichi Securities Co., Ltd.                             | 2019/1  | Outside Director of GPSS Holdings Inc. (present)   |
| 1986/1  | Joined Morgan Stanley Securities Co., Ltd.                       | 2019/1  | Chairman of the Keiaikai Medical Foundation (present)                                    |
| 1993/4  | Joined Merrill Lynch Securities Company                          | 2019/11 | Outside Director of SHIMACHU CO., LTD (audit and supervisory committee member) (present) |
| 1999/1  | Vice Chairman of Merrill Lynch Japan Securities Company, Limited |         |  |
| 2007/11 | Director, Vice President of RECOF Corporation                    |         | (Important positions held outside CYBERDYNE)   |
| 2008/4  | President and CEO of RECOF Corporation                           |         | Outside Director of PACIFIC METALS CO., LTD.   |
| 2012/4  | Outside Director of Olympus Corporation                          |         | Chairman of 3DOM Inc.  |
| 2015/6  | Outside Director of CYBERDYNE (present)                          |         | Outside Director of GPSS Holdings Inc.   |
| 2016/6  | Outside Director of PACIFIC METALS CO., LTD. (present)           |         | Chairman of the Keiaikai Medical Foundation  |
| 2016/11 | Chairman of 3DOM Inc. (present)                                  |         | Outside Director of SHIMACHU CO., LTD (audit and supervisory committee member)           |

### Reason for the nomination as candidate for Director

Imai has extensive experience and a wide range of insight gained through his career as a CEO of a financial institution and as an Outside Director of a company engaged in the medical business. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contributions to corporate governance, such as responses to capital markets, investment decisions in M&A, and strengthening of risk management.

Years in service as Director

6 years

Special interest in CYBERDYNE

None

Number of company shares owned

—

Candidate Number **6** Yuzo Toda

Born July 21, 1946 (74 years old)

Newly appointed

Outside Director

Independent Officer

Ph.D. in Engineering

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|        |   |        |   |
|--------|---|--------|---|
| 1973/4 | Joined Fuji Photo Film Co., Ltd. (Now known as Toyoda Tsusho) | 2016/6 | Director and CTO of FUJIFILM Holdings Corporation                         |
| 2004/6 | Executive officer of FUJIFILM Corporation                     | 2016/6 | Director, Senior Executive Vice President and CTO of FUJIFILM Corporation |
|        | General Manager of FUJIFILM Life Science Research Lab         | 2017/6 | Outside Director of Anicom Holdings, Inc.                                 |
| 2008/6 | Director of FUJIFILM Corporation                              |        |   |
| 2009/6 | Director of FUJIFILM Holdings Corporation                     |        | (Important positions held outside CYBERDYNE)                              |
| 2009/6 | Director and Corporate Vice President of FUJIFILM Corporation |        | —   |
| 2015/6 | Director and Executive Vice President of FUJIFILM Corporation |        |   |

### Reason for the nomination as candidate for Director

Toda has extensive experience and a wide range of insight gained by playing a central role in the FUJIFILM Group's advancement into the healthcare business. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective.

The Company especially expects his contributions to developing the global medical business and advancing new business fields.

Years in service as Director

—

Special interest in CYBERDYNE

None

Number of company shares owned

Common —



Candidate Number **7** Akira Matsumura

Born October 25, 1954 (66 years old) Ph.D. in Medicine

Newly appointed

Outside Director

Independent Officer

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|         |  |        |   |
|---------|--|--------|---|
| 2004/3  | Professor of Clinical Medicine, University of Tsukuba                                      | 2020/4 | Advisor of Telix Pharmaceuticals (Japan) Ltd  |
| 2007/4  | Vice Director of University of Tsukuba Hospital  | 2021/4 | Committee member of Ibaraki Prefecture Council for Cardiovascular Countermeasures (present) |
| 2011/4  | Director of Clinical Trial and Research Center, University of Tsukuba Hospital             |        |   |
| 2011/4  | Director of University of Tsukuba Europe Office (Bonn/Germany)                             |        |   |
| 2014/4  | Vice President of University of Tsukuba and Director of University Hospital                |        | (Important positions held outside CYBERDYNE)  |
| 2016/3  | Co-Representative Director of Artron (present)   |        | Hospital Board Trustee of Kennan Hospital   |
| 2016/4  | Hospital Board Trustee of Kennan Hospital (present)  |        | President of Ibaraki Prefectural University of Health Sciences                              |
| 2018/6  | Committee Chairman of Medical Education Committee at Association of Japan Medical Colleges |        | Co-Representative Director of Artron  |
|         |  |        | Advisor of Telix Pharmaceuticals  |
| 2018/10 | Vice President, International Society for Neutron Capture Therapy (present)                |        | Committee member of Ibaraki Prefecture Council for Cardiovascular Countermeasures           |
| 2020/4  | President of Ibaraki Prefectural University of Health Sciences (present)                   |        | Vice President, International Society for Neutron Capture Therapy                           |

### Reason for the nomination as candidate for Director

Matsumura has extensive experience and a wide range of insight gained through his career as a medical doctor and hospital manager. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contribution to medical care and clinical practice.

Years in service as Director

—

Special interest in CYBERDYNE

None

Number of company shares owned  
Common 5,000 Shares

Candidate Number **8** Kenji Suzuki

Born January 17, 1975 (46 years old) Ph.D. in Engineering

Newly appointed

Outside Director

Independent Officer

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|         |   |  |   |
|---------|---|--|---|
| 2016/4  | Professor of Engineering, Information and Systems University of Tsukuba (present) |  | (Important positions held outside CYBERDYNE)                            |
| 2017/10 | Director of Center for Cybernetics Research, University of Tsukuba (present)      |  | Professor of Engineering, Information and Systems University of Tsukuba |
| 2018/4  | President and CEO of PLIMES Inc.  |  | Director of Center for Cybernetics Research, University of Tsukuba      |
| 2021/2  | Advisor of Tsukuba City on Smart City/Super City (present)                        |  | President and CEO of PLIMES Inc.  |
|         |   |  | Advisor of Tsukuba City on Smart City/Super City                        |

### Reason for the nomination as candidate for Director

Suzuki has a wide range of insight gained through his Ph.D. in Engineering. He also has extensive experience gained through his career as a CEO of a venture company and advisor for Tsukuba City on Smart City/ Super City. The Company regards him to be a qualified candidate for Outside Director, who can supervise and advise on the execution of operations from a professional perspective. The Company especially expects his contributions to Cybernetics Research and Smart City/Super City.

Years in service as Director

—

Special interest in CYBERDYNE

None

Number of company shares owned

—

(Note) 1. According to Article 427, Paragraph 1 of the Companies Act, the Company signed contracts with Hiroaki Kawamoto and Hikaru Imai to limit their liability for damages as provided in Article 423, Paragraph 1 of the same act. The maximum liability for damages under the said contract is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. The said contract will be continued if their reappointments are approved at this General Meeting of Shareholders. The Company also plans to enter into the same liability limitation contract with Yuzo Toda, Akira Matsumura, and Kenji Suzuki if their election is approved.

2. The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages (defence costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured, including the Company's Directors, concerning their executed duties. If each candidate is elected and assumes office as a Director, they will be insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

【For your reference】

### Skills matrix of the Board of Director

| Candidate Number | Name               | Role   | Industry specific skill |                        |        | Common skill             |                          |                          |
|------------------|--------------------|--|-------------------------|------------------------|--------|--------------------------|--------------------------|--------------------------|
|                  |                    |  | Medical/clinical        | Research & Development | Global | Experience in management | Finance/Accounting/Legal | Business development/M&A |
| 1                | Yoshiyuki Sankai   | Inside<br>(Representative/<br>R&D)           | ●                       | ●                      | ●      | ●                        |                          | ●                        |
| 2                | Shinji Uga         | Inside<br>(Corporate)                        |                         |                        | ●      |                          | ●                        | ●                        |
| 3                | Yoshihiro Yasunaga | Inside<br>(Sales)                            | ●                       |                        | ●      |                          |                          | ●                        |
| 4                | Hiroaki Kawamoto   | Inside<br>(Clinical Research)                | ●                       | ●                      |        |                          |                          |                          |
| 5                | Hikaru Imai        | Outside/<br>Independent                      |                         |                        | ●      | ●                        | ●                        | ●                        |
| 6                | Yuzo Toda          | Outside/<br>Independent<br>(Newly appointed) | ●                       | ●                      | ●      | ●                        |                          | ●                        |
| 7                | Akira Matsumura    | Outside/<br>Independent<br>(Newly appointed) | ●                       | ●                      |        | ●                        |                          |                          |
| 8                | Kenji Suzuki       | Outside/<br>Independent<br>(Newly appointed) | ●                       | ●                      |        | ●                        |                          | ●                        |

## Agenda 2. Election of four (4) Audit and Supervisory Board Member

The elected term of Yutaka Fujitani, Cees Vellekoop, Kenichiro Okamura will expire after this General Meeting of Shareholders, and Kazuro Kawamata will resign. The Company proposes to elect four (4) Audit and Supervisory Board Members.

The Audit and Supervisory Board has given its consent to this agenda.

The candidates for Audit and Supervisory Board Members are as follows

|                  |   |                |                                   |                 |                     |
|------------------|---|----------------|-----------------------------------|-----------------|---------------------|
| Candidate Number | 1 | Kazuaki Tanaka | Newly appointed                   | Outside Auditor | Independent Officer |
|                  |   |                | Born April 3, 1957 (64 years old) | Full-time       |                     |

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|        |  |  |  |
|--------|--|--|--|
| 1980/4 | Joined Marubeni Corporation  | 2016/6                                       | Chairman of the Board of MX Mobiling Co., Ltd. |
| 2008/4 | Executive Officer of Marubeni                                      | 2020/6                                       | Advisor of MX Mobiling Co., Ltd. (present)     |
| 2011/4 | Managing Executive Officer of Marubeni                             | (Important positions held outside CYBERDYNE) |  |
| 2013/6 | Representative Director and Managing Executive Officer of Marubeni | Advisor of MX Mobiling Co., Ltd.             |  |
| 2015/4 | Managing Executive Officer of Marubeni                             |  |  |

### Reason for the nomination as candidate for Audit and Supervisory Board Member

Tanaka has extensive experience developing new projects and global sales gained through his career in managing a major general trading company. The Company regards him to be a qualified candidate for Outside Audit and Supervisory Board Member who can audit Directors' duties from an objective and fair standpoint.

Years in service as  
Audit and Supervisory Board Member  
—

Special interest in CYBERDYNE  
None

Number of company shares owned  
—

|                  |   |                 |                                   |                 |                     |
|------------------|---|-----------------|-----------------------------------|-----------------|---------------------|
| Candidate Number | 2 | Yutaka Fujitani | Reappointed                       | Outside Auditor | Independent Officer |
|                  |   |                 | Born April 1, 1953 (68 years old) |                 |                     |

### Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE

|        |   |  |  |
|--------|---|--|--|
| 1975/4 | Joined The Mitsubishi Bank, Ltd.                                  | (Important positions held outside CYBERDYNE) |  |
| 2005/1 | Joined KPMG AZSA LLC.   | —  |  |
| 2011/6 | Outside Audit and Supervisory Board Member of CYBERDYNE (present) |  |  |

### Reason for the nomination as candidate for Audit and Supervisory Board Member

Fujitani has extensive experience in domestic and overseas operations at a major bank and experience in establishing internal control systems at an auditing firm. The Company regards him to be a qualified candidate for Outside Audit and Supervisory Board Member who can audit Directors' duties from an objective and fair standpoint. Fujitani has never been involved in business management other than as an outside officer. However, the Company judges that he can sufficiently fulfill his duties as an Outside Audit and Supervisory Board Member of CYBERDYNE.

Years in service as  
Audit and Supervisory Board Member  
10 years

Special interest in CYBERDYNE  
None

Number of company shares owned  
—

Candidate Number **3** **Cees Vellekoop**  
 Born May 4, 1956 (65 years old)

Reappointed

Outside Auditor

**Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE**

|        |  |         |   |
|--------|--|---------|---|
| 1981/5 | Registered as attorney-at-law at Court of Rotterdam District and Court of Amsterdam District | 2005/10 | Obtained solicitor's practising certificate for England and Wales |
| 1992/5 | Registered as foreign legal consultant in Japan  | 2007/6  | Audit and Supervisory Board Member of CYBERDYNE (present)         |
| 2003/5 | Joined Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho                                   | —       | (Important positions held outside CYBERDYNE)                      |

**Reason for the nomination as candidate for Audit and Supervisory Board Member**

Vellekoop has extensive experience gained through his career as a lawyer in England, Wales, and the Netherlands and foreign legal consultant at Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho. Although he has forfeited his license as a lawyer, the Company regards him to be a qualified candidate for Outside Audit and Supervisory Board Member who can audit Directors' duties from an objective and fair standpoint. Vellekoop has never been involved in business management other than as an outside officer. However, the Company judges that he can sufficiently fulfill his duties as an Outside Audit and Supervisory Board Member of CYBERDYNE.

Years in service as  
 Audit and Supervisory Board Member  
 14 years

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 —

Candidate Number **4** **Kenichiro Okamura**  
 Born August 18, 1971 (49 years old)

Reappointed

Outside Auditor

Independent Officer

**Description of the positions, personal history, assignments and other important positions held outside CYBERDYNE**

|        |   |        |   |
|--------|---|--------|---|
| 1994/4 | Joined Chuo Audit Corporation   | 2019/9 | Auditor of United Urban Investment Corporation (present)            |
| 2007/2 | Representative Director of Kabushiki Kaisha BizNext (now known as Kaede Accounting Advisory Inc.) (present) | —      | (Important positions held outside CYBERDYNE)                        |
| 2011/6 | Senior Partner of Akasaka Sogo Accounting Firm Co., Ltd. (now known as Kaede Tax Corporation) (present)     | —      | Representative Director of Kaede Accounting Advisory Inc.           |
| 2011/6 | Outside Auditor of CYBERDYNE (present)  | —      | Outside Auditor of SG Holdings Co., Ltd.                            |
| 2015/6 | Outside Auditor of SG Holdings Co., Ltd. (present)  | —      | Outside Director of Kanematsu Sustech Corporation (Audit Committee) |
| 2016/6 | Outside Director of Kanematsu Sustech Corporation (Audit Committee) (present)                               | —      | Auditor of United Urban Investment Corporation                      |

**Reason for the nomination as candidate for Audit and Supervisory Board Member**

Okamura has extensive experience gained through his career as a Certified Public Accountant in both Japan and U.S., and as a company owner who established and grown his own business. The Company regards him to be a qualified candidate for Outside Audit and Supervisory Board Member who can audit Directors' duties from an objective and fair standpoint.

Years in service as  
 Audit and Supervisory Board Member  
 10 years

Special interest in CYBERDYNE  
**None**

Number of company shares owned  
 —

(Note) 1. According to Article 427, Paragraph 1 of the Companies Act, the Company signed contracts with Yutaka Fujitani, Cees Vellekoop and Kenichiro Okamura to limit their liability for damages as provided in Article 423, Paragraph 1 of the same act. The maximum liability for damages under the said contract is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act. The said contract will be continued if their reappointments are approved at this General Meeting of Shareholders. The Company also plans to enter into the same liability limitation contract with Kazuaki Tanaka if his election is approved.

2. The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The insurance policy covers damages (defense costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured, including the Company's Audit and Supervisory Board Members, concerning their executed duties. If each candidate is elected and assumes office as an Audit and Supervisory Board Members, they will be insured under the relevant insurance policy. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

【For your reference】

### Skills matrix of the Audit and Supervisory Board Members

| Candidate Number | Name              | Type                           | Business management | Risk management | Legal | Finance/Accounting | Auditing experience | Global |
|------------------|-------------------|--------------------------------|---------------------|-----------------|-------|--------------------|---------------------|--------|
| 1                | Kazuaki Tanaka    | Full time<br>(Newly appointed) | ●                   | ●               |       |                    |                     | ●      |
| 2                | Yutaka Fujitani   | Part time                      |                     | ●               |       | ●                  | ●                   | ●      |
| 3                | Cees Vellekoop    | Part time                      | ●                   | ●               | ●     |                    |                     | ●      |
| 4                | Kenichiro Okamura | Part time                      | ●                   | ●               |       | ●                  | ●                   | ●      |

# Business Report (from April 1, 2020 to March 31, 2021)

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 fiscal year ended March 31, 2021 and certain assumptions made by the Group.

## 1 Current status of the Group

### 1. Process and outcome of the business

The Group aims to realize Society 5.0/5.1, a new vision of society based on Techno-Peer Support. To realize this society, the Group works to create an industry based on innovative Cybernics Technology capable of fusing “humans” and cyberspace (virtual world)/physical space (real world).

#### Endeavor to create Cybernics Industry

The foundation of Cybernics Technology is the Internet of Humans/Internet of Things (“IoH/IoT”), Robots, and AI. The technology connects various fields such as medicine, nursing-care, production, and other workplaces with households. The Group aims to create a new industry based on this technology to solve various problems that exist in our society today. The Group’s business has a unique advantage in its ability to access and integrate information inside the human body (such as Brain-nerve and vital systems) and information outside the human body (such as behavioral, life, and environmental). The information obtained will be sent to a supercomputer for analysis and AI Processing to discover innovative solutions to social problems. The Group simultaneously works on research and development, business development, and business alliances to establish such a system that could realize the future society of Society 5.0/5.1.

#### Major business lines of the Group (As of March 31, 2021)

The major business lines of the Group are as follows.

- Research, development, manufacturing and sales of Cybernics Systems for medical and long-term care field
- Research, development, manufacturing and sales of Cybernics Systems for households and workplaces
- Cybernics Treatment Service using Cybernics
- Training Service using Cybernics

#### Status of business operation

##### <<Effects of COVID-19 >>

As of the end of the consolidated fiscal year ended March 31, 2021, the Group continues to experience short term impact on the revenue due to temporary suspension of on-site service in Robocare Center in Japan and treatment service in Germany, delays for new opportunities, contracts, and shipments, especially towards medical institutions as well as reduction of the rented units of HAL Lumbar Type for Labor Support towards aviation industry.

On the other hand, the Group regards the changes in social structure due to the pandemic of COVID-19 to be an opportunity for further acceleration of Cybernics Industries. Under the keywords of Remote, Home, and Digital, the Group will conduct initiatives to realize the fusion of Human + Cyber/Physical Space.

For example, while many are remaining home to prevent COVID-19 infection, some are suffering from a reduced opportunity to move their body that could ultimately lead to frailty. In April 2020, the Group launched Neuro HALFIT at Home as a contact-less service that the users can practice at home. In November 2020, the Group added a feature that synchronizes data obtained from HAL to Cloud to visualize the wearers' information of bio-electrical signals and postural information. The data can also be sent to trainers in real-time, enabling trainers to provide timely feedback and advice on workout sessions where necessary.

The Group also develops attachments for the next-generation Cleaning Robot CL02, such as disinfection sprayers and UV disinfection unit. Since their installment to Haneda Airport in March 2020, the CL02 is now operating in Narita Airport, public facilities, and office buildings.

### **<<Business operation around the medical application >>**

The Group continues to establish Cybernics Treatment as the global standard of treatment, a treatment program using Medical Cybernics Systems such as HAL to induce improvement and regeneration of the functions of the brain, nerves, and muscles.

For Medical HAL Lower Limb Type, the Group completed a performance test for progressive neuromuscular disease patients in Japan in November 2020. Twenty hospitals took part in the test, delivering a total of 6,486 treatment sessions to 218 patients. The result of the test suggests very high efficacy and safety in a clinical setting as well. Regarding the investigator-initiated clinical trial for stroke patients in Japan finished in December 2020, the result is currently analyzed. In Europe, the Company installed HAL in three new countries, namely Spain, Switzerland, and Serbia. In the U.S., in October 2020, the U.S. Food and Drug Administration ("U.S. FDA") acknowledged HAL's clinical efficacy and safety for stroke and neuromuscular diseases. U.S. FDA cleared HAL for those two diseases in addition to existing clearance for spinal cord injury.

The Group continues to work on the approval processes in the Asia Pacific Region ("APAC"). Following the approval in Malaysia, the Group also received approvals in Thailand, Indonesia, Singapore, Taiwan (spinal cord injury only), and Australia for a wide range of diseases such as stroke, spinal cord injury, and neuromuscular disease.

HAL Single Joint Type was certified as a medical device for the EU in October 2019 and Japan in July 2020. In Japan, the product was covered by public health insurance in August 2020 as equipment for increasing exercise load. The Group is now preparing to apply for medical device approval in the U.S. and APAC countries such as Thailand, Indonesia, Taiwan, Australia, and many more.

### **<<Business operation around applications to support care givers and care receivers>>**

The Group has developed various types of HAL, mainly for elderly users, to improve their physical conditions, preventing frailty, and maintain independence from care.

(Business on service offered at a facility)

The Group operates 16 Robocare Centers around Japan, run by the Company subsidiaries and business partners in each region. At Robocare Centers, Neuro HALFIT is offered as a service to induce improvement of the brain-nerve and musculoskeletal system through HAL. To improve accessibility to Neuro HALFIT, the Group allied with Y's, Inc., a company known to be the leader in the field of chronic stage self-paid rehabilitation. Following the alliance, the service using the Group's products is now available at facilities operated by Y's Inc.

(Neuro HALFIT at Home for individual users)

The Group launched Neuro HALFIT at Home in April as a new service that enables individuals to work out at home using HAL. The Group then developed Cyberdyne Cloud and HAL Monitor in November 2020. The development allows users to obtain visual feedback on their training and receive feedback from their therapists and trainers remotely. Furthermore, the Group started CYBERDYNE STORE for Neuro HALFIT at Home as an online store to improve the accessibility of the users looking to use the service. As of the end of March 2021, there was an accumulation of 134 contracts. The Group continues various initiatives to gain recognition and adoption by a wider public.

### **<<Business operation around applications to support care givers and care receivers >>**

(HAL Lumbar Type for Labor Support)

The Group develops HAL Lumbar Type for Labor Support to support workers involved with heavy lifting. This waterproof/dust-proof product reduces the stress applied on the lumbar region upon lifting. The Group rents this type of HAL to companies in aviation, construction, and the logistics industry. Furthermore, the Group offers the product to support people involved with recovery efforts from natural disasters. In July 2020, it was deployed to Kumamoto and Oita prefecture free of charge to support recovery efforts from devastating rain. It was deployed to a subsidiary of NEXCO East Group in December 2020 to support snow removal work at Kan-Etsu Expressway. The Group plans to continue its contribution in this field.

(Autonomous navigated robots)

The Group rents next-generation Cleaning Robot CL02 equipped with cutting-edge SLAM technology to commercial facilities, office buildings, and international airports. The Group also launched an expansion feature, mounting disinfection functions to prevent the infection of COVID-19. The Group rents CL02 with expansion to Haneda Airport, Narita Airport, public facilities, and office buildings. The Group commenced a business alliance with NIPPON SIGNAL CO., LTD. in May 2020 to install CL02 to station and station buildings. The Group also developed an Interface Unit that enables CL02 to ride elevators automatically and started joint verification with TOKYU COMMUNITY CORP to test the Interface Unit from August 2020.

### **Status of research and development**

The Group develops a palm-sized small vital sensor designed to detect arteriosclerosis and arrhythmia at an early stage. Additional functions are being developed for this sensor to improve usability. The Group also works on other sensing technology such as a small sensor to check electrocardiograms and photoacoustic imaging devices to image micro-vessels in real-time.

Furthermore, the Group works on various technologies to promote independence for the elderly and disabled people. For example, the Group develops cloth-type HAL to maintain and improve ambulatory functions and guardian/communication robot to retain and enhance ADL (activities of daily living) by interacting with people while acquiring vital and environmental information. The Group also develops a personal mobility robot for users who have difficulty walking. The Group has been working on an Integrated Cybernics System to accumulate, analyze, and AI process IoH/IoT Big Data from various Cybernics Devices. As the first step, the Group launched Cyberdyne Cloud in November 2020.



The Group plans to construct a base for the innovative medical industry in Kingsky Front, Tonomachi, Kawasaki. The Group commenced construction in December 2020 and schedules to complete construction in February 2022.

### **Numbers of operating units**

As of the end of March 2021, 351 units of Medical HAL Lower Limb Type were in operation worldwide, including those used for clinical research. Out of the 351 HALs, 81 were rent to Japanese hospitals for Cybernics Treatment. The number of Medical HAL Lower Limb Type increased mainly due to increased rented units towards hospitals in the APAC region. 391 HAL Single Joint Type were in operation. The number of HAL Single Joint Type increased mainly from the medical models. There were also eight units rented to individual users.

As of the end of March 2021, adding the numbers of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model), 342 were in operation. Adding the numbers of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support, 1,074 were in operation. Despite the decrease in the number of operating units because of the disposal of older models that met its service life, the total numbers increased as the contract towards individual users grew. Out of 1,074 HAL Lumbar Types, 58 were rented to individual users for Neuro HALFIT at Home.

As of the end of March 31, 459 HAL Lumbar Type for Labor Support were in operation. The numbers declined from the previous quarter mainly due to reduction of units rented to airports. Adding the numbers of Cleaning Robot and Transportation Robot, 141 were in operation.

### **Results**

In the consolidated fiscal year ended March 31, 2021, while the revenue from rental and sales of products increased, revenue from training and treatment services decreased due to COVID-19, resulting in the revenue recorded at ¥1,875 million (4.6% increase year on year). The Group recorded gross profit at ¥1,283 million (1.3% decrease year on year).

Research and development expenses were recorded at ¥689 million (15.1% decrease year on year), mainly due to new products at the Company's own cost and consigned research projects. The Group recorded other selling, general and administrative expenses at ¥1,471 million (10.7% decrease year on year).

Other income was recorded at ¥181 million (30.6% increase year on year), mainly from a consigned research project, partially offset by other expenses recorded at ¥4 million (75.4% decrease year on year), resulting in the operating loss of ¥700 million (32.6% decrease year on year).

The Group recorded finance income at ¥770 million mainly due to gain from valuation difference of investment securities. Furthermore, as the Group recorded gains related to CEJ Fund at ¥359 million and income tax expense at ¥479 million from deferred tax expenses, the Group posted loss attributable to owners of the parent at ¥59 million (61.4% decrease 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, gain on valuation difference of investments securities ¥1,465 million was recorded as finance income and gains related to CEJ Fund. Furthermore, as the Group recorded deferred tax expense associated with this valuation ¥502 million as an income tax expense and reclassified third-party interest in CEJ Fund at ¥325 million, the impact of calculation of the fair value towards the quarterly profit was ¥638 million.

## **2. Status of capital investments**

Capital investments made in the consolidated fiscal year under review were ¥1,071 million in total. This mostly came from the construction costs of Cybernics Innovation Base Building A at the Tonomachi International Strategic Center (King Sky Front) in Kawasaki City, Kanagawa Prefecture.

## **3. Status of financing**

During the consolidated fiscal year under review, there was no “financing,” “transfer of business, absorption-type demerger or incorporation-type demerger,” “acquisition of the business of another company,” or “succession of rights and obligations related to the business of another corporation through absorption-type merger or absorption-type demerger.”

## **4. Acquisition/disposal of other companies' equity**

There was no relevant item to report

## **5. Issues to be addressed**

The Group works to create a new industry called the Cybernics Industry, which fuses Human, Robot, and Information Systems. This industry aims to solve social problems by connecting medical fields, elderly care, workplaces, production, and daily life with Cybernics Technology based on IoH/IoT (Internet of Humans and Things), robots, and AI. To accelerate the creation of this industry, the Group is simultaneously conducting research, product development, business promotion, and business collaboration. The Group considers the following matters as the issues to be addressed.

### **Initiatives towards COVID-19**

COVID-19 caused paradigm-shifting changes in people's behaviors and lifestyles. In these times, the Group's Cybernics Technology helps solve social issues related to COVID-19, and the Group is already providing various solutions. For example, the Group introduced Cybernics Devices to remotely support medical facilities currently faced with a high risk of infection. The Group also started a service for individuals that enables them to use HAL at home. The service is helping people to prevent frailty and locomotion in these difficult times where people are forced to stay at home to avoid the infection. The Group also developed a robot that sterilizes and disinfects on its own.

The robot equipped with the world's most advanced autonomous driving technology is now operating in transportation infrastructures such as airports and train stations. The COVID-19 is expected to be contained eventually. But regardless of the pandemic situation, the Group will continue to utilize its Cybernics Technologies to accelerate the realization of Society 5.0/5.1, in which “Human” and “Cyber-Physical Space” are fused together.

### **R&D activities to create innovative technologies and new industries**

The Group continues to research and develop Cybernics Technologies based on IoH/IoT (Internet of Humans and Things), robotics, and AI towards creating a new Cybernics Industry based on such technology.

The Group's business has a unique advantage in its ability to access and integrate information inside the human body (such as Brain-nerve and vital systems) and information outside the human body (such as behavioral, life, and environmental). The information obtained is connected to a supercomputer for analysis and AI Processing. The Group will continue to conduct research and development of Cybernics Systems through collaboration with domestic and overseas universities, research institutes, medical institutions, government agencies, and companies. The Group will also continue to architect an integrated Cybernics System to accumulate, analyze, and AI process IoH/IoT Big Data obtained from Cybernics Systems.

### **Promoting clinical trials related to Cybernics Treatment**

The Group works to evaluate the efficacy and safety of Cybernics Treatment, which is a treatment that promotes functional improvement and regeneration of the brain, nerve, and muscular systems using HAL. Through this endeavor, the Group is promoting this new treatment as a global standard treatment. In Japan, HAL for Medical Use Lower Limb Type was approved as a new medical device for eight neuromuscular diseases in November 2015. High efficacy and safety towards those diseases were confirmed in post-marketing performance tests completed in November 2020. As for stroke, the investigator-led clinical trial for Medical HAL that started in September 2016 was completed in December 2020, and data analysis work is in progress. The Group will continue to conduct various clinical trials working closely with major medical institutions in Japan and overseas to expand the range of applicable diseases and obtain medical device approvals for other types of HAL such as HAL Single Joint Type and HAL Lumbar Type.

### **Obtaining medical devices approval from each countries and region**

The Group must obtain approvals and clearance from regulators in each country to promote HAL on a global scale.

The Group received 510k clearance on HAL for Medical Use Lower Limb Type from the U.S. FDA. This enables HAL to treat stroke and neuromuscular diseases in addition to spinal cord injuries that were cleared in 2017. The Group is investing its resources to promote the technology in the Asia Pacific. The Group received medical device approval for a wide range of diseases in Malaysia, Thailand, Indonesia, Singapore, and Australia since October 2019 and for spinal cord injury in Taiwan. In Japan, the investigator-initiated clinical trial for stroke was completed in December 2020. If the results are promising after the analysis, the Group plans to submit an application for medical device approval. Also, in Japan, the Group is preparing for an investigator-led clinical trial to treat spinal cord injury with HAL.

HAL for Medical Use Single Joint Type was also certified as a medical device in October 2019 for EU by TÜV Rheinland, a third-party certification organization. The Group is now preparing to obtain medical device approvals in the United States and APAC countries for this device. The Group also received the Japanese medical device clearance for this product in July 2020.

### **Obtaining insurance coverage for Cybernics Treatment in each countries**

The Group must work to obtain public and private insurance to promote HAL on a global scale. In Japan, public health insurance started to cover 8 neuromuscular diseases treatment with HAL for Medical Use Lower Limb Type in September 2016. The stroke clinical trial is complete, and the spinal cord injury trial is under preparation. At the same time, the Group coordinates with private insurance companies such as Daido Life Insurance, AIG Insurance, and Sompo Japan. The Group works to include the service with HAL in their medical insurance, long-term care insurance (Daido Life), and non-life insurance policies by collaborating with such partners. In the U.S., the Group collaborates with partner medical institutions in clinical research such as the Mayo Clinic to obtain private insurance coverage. In Germany, the treatment of HAL is listed in the public workers' compensation insurance and the entire treatment cost in applicable cases. The Group is working on getting it listed in the public health insurance as well. Furthermore, few major European private insurers cover the HAL treatment towards spinal cord injury patients in Germany and Poland. The Group continues to hold discussions with private insurance companies to expand this endeavor.

### **Strengthen services for individuals to support their independence**

Japan is considered to be a hyper-aging society. According to the numbers on October 1, 2019, approximately 3,589 million people aged 65 and over (28.4% of the total population)\*<sup>1</sup>. Also, according to the figures at the end of the fiscal year 2017, approximately 628.2 million people requiring nursing care\*<sup>1</sup>. Both of the figures mentioned above are increasing every year. The Group develops various products to reduce the level of care needed by the elderly and preventing frailty caused by the decline in physical functions due to aging. Examples include HAL Lower Limb Type to promote the improvement of walking function. HAL Single Joint Type for intensive training of joint movements. And HAL Lumbar Type to boost the capability of the body trunk and lower limb.

Such products are utilized at Robocare Centers for Neuro HALFIT Program designed to improve the function of the brain-nerve-muscular system. The Group is increasing the number of centers available to improve accessibility. The Group also launched Neuro HALFIT at Home in April 2020. The Group will continue to enhance its services to enhance the elder's degree of independence and prevent their need for nursing care.

## Reinforcing the structure to accelerate the business and fostering personnels

The Group needs to strengthen its management, sales, R&D, and production systems to promote the creation of a Cybernics Industry and develop human resources that will drive the Group's business in the future. The Group requires its employees to have the ability to think in an exit-oriented manner, adaptability, and flexibility without being limited to their own area of responsibility. The Group also requires its employees to become experts in a different field if necessary to achieve the goal. To prepare for the next phase of business, the Group will work to maintain and reinforce a strong team by accumulating human resources of diverse expertise. The Group works to structure its organization so that employees can actively participate in the entire process from R&D to social implementation on a global basis from a cross-functional, company-wide perspective.

### Sources

\*1. The Cabinet Office of Japan, "Year 2020 White Paper on Aging Society"

## 6. Status of assets and income

### ① Status of assets and income of the Group (Japanese-GAAP)

| Division                                 | Fiscal Year 2017<br>(April 1, 2017 to March 31, 2018) | Fiscal Year 2018<br>(April 1, 2018 to March 31, 2019) | Fiscal Year 2019<br>(April 1, 2019 to March 31, 2020) | Fiscal Year 2020<br>(April 1, 2020 to March 31, 2021) |
|--|---|---|---|---|
| Net sales                                | (Millions of Yen) 1,726                               | –   | –   | –   |
| Ordinary loss*                           | (Millions of Yen) (688)                               | –   | –   | –   |
| Net loss attributable to CYBERDYNE, Inc. | (Millions of Yen) (591)                               | –   | –   | –   |
| Net loss per share                       | (Yen) (2.75)  | –   | –   | –   |
| Total assets                             | (Millions of Yen) 46,338                              | –   | –   | –   |
| Net assets                               | (Millions of Yen) 45,630                              | –   | –   | –   |
| Net assets per share                     | (Yen) 212.04  | –   | –   | –   |

\*Income/loss before income tax without extraordinary income/loss, also called “pre-tax income” or “ordinary profit”

### ② Status of assets and income of the Group (International Financial Reporting Standards : IFRS)

| Division  | Fiscal Year 2017<br>(April 1, 2017 to March 31, 2018) | Fiscal Year 2018<br>(April 1, 2018 to March 31, 2019) | Fiscal Year 2019<br>(April 1, 2019 to March 31, 2020) | Fiscal Year 2020<br>(April 1, 2020 to March 31, 2021) |
|---|---|---|---|---|
| Revenue   | (Millions of Yen) 1,728                               | 1,709   | 1,792   | 1,875   |
| Operating loss                                    | (Millions of Yen) (659)                               | (830)   | (1,039)   | (700)   |
| Loss attributable to owners of parent             | (Millions of Yen) (673)                               | (632)   | (152)   | (59)  |
| Net loss per share                                | (Yen) (3.13)  | (2.94)  | (0.71)  | (0.27)  |
| Total assets                                      | (Millions of Yen) 46,598                              | 45,746  | 47,808  | 48,119  |
| Equity attributable to owners of parent           | (Millions of Yen) 45,698                              | 44,217  | 44,268  | 43,776  |
| Equity attributable to owners of parent per share | (Yen) 212.53  | 205.50  | 205.71  | 203.39  |

(Note)

The Group adopts International Financial Reporting Standard (IFRS) from the consolidated financial statements and the Annual Securities Report for the fiscal year ended March 31, 2018.

### ③ Status of assets and income of the Company

| Division             | Fiscal Year 2017<br>(April 1, 2017 to March 31, 2018) | Fiscal Year 2018<br>(April 1, 2018 to March 31, 2019) | Fiscal Year 2019<br>(April 1, 2019 to March 31, 2020) | Fiscal Year 2020<br>(April 1, 2020 to March 31, 2021) |
|----------------------|---|---|---|---|
| Net sales            | (Millions of Yen) 1,542                               | 1,530   | 1,595   | 1,663   |
| Ordinary loss*       | (Millions of Yen) (624)                               | (734)   | (615)   | (521)   |
| Net loss             | (Millions of Yen) (529)                               | (1,906)   | (849)   | (527)   |
| Net loss per share   | (Yen) (2.46)  | (8.86)  | (3.95)  | (2.45)  |
| Total assets         | (Millions of Yen) 46,458                              | 44,740  | 43,899  | 43,295  |
| Net assets           | (Millions of Yen) 45,843                              | 44,020  | 43,167  | 42,708  |
| Net assets per share | (Yen) 213.09  | 204.52  | 200.56  | 198.43  |

\*Income/loss before income tax without extraordinary income/loss, also called “pre-tax income” or “ordinary profit”

## 7. Status of the parent and notable subsidiaries (as of March 31, 2021)

### ① Parent

There are no items to report.

### ② Subsidiaries

| Name  | Capital        | Ownership of voting rights (%) | Major business lines   |
|---|----------------|--------------------------------|--|
| (Outside of Japan)  |                |                                |  |
| Cyberdyne Care Robotics GmbH                                    | €25,000        | 100.0%                         | Business related to Cybernics Treatment services with HAL                                    |
| CYBERDYNE USA Inc.  | US\$ 1,100,000 | 100.0%                         | Management and acceleration of the Company's business in the U.S.                            |
| (Within Japan)  |                |                                |  |
| Suzuka RoboCare Center Co., Ltd.                                | ¥3 Million     | 100.0%                         | Training service with HAL  |
| Shonan RoboCare Center Co., Ltd.                                | ¥3 Million     | 100.0%                         | Training service with HAL  |
| Oita RoboCare Center Co., Ltd.                                  | ¥3 Million     | 100.0%                         | Training service with HAL  |
| CEJ Capital, Inc.   | ¥25 Million    | 60.0%                          | Management and operation of Cybernics Excellence Japan Fund 1 Investment Limited Partnership |
| Cybernic Excellence Japan Fund 1 Investment Limited Partnership | ¥3,960 Million | 60.0%*                         | Investment fund-related businesses aimed at creating the Cybernics Industry                  |

\*Including shares held indirectly

## 8. Major business lines (as of March 31, 2021)

Please refer to section 1 “Process and Outcome of the business”.

## 9. Main offices and factories (as of March 31, 2021)

| Division                     | Name  | Location                                |
|------------------------------|---|---|
| The Company                  | Head Quarters   | Tsukuba, Ibaraki, Japan                 |
|                              | Tsukuba Robocare Center   | Tsukuba, Ibaraki, Japan                 |
|                              | Next-generation multipurpose robotized production facility (Fukushima Office) | Koriyama, Fukushima, Japan              |
| Subsidiaries (Outside Japan) | Cyberdyne Care Robotics GmbH  | Bochum, North Rhine-Westphalia, Germany |
|                              | CYBERDYNE USA Inc.  | California, USA                         |
|                              | (Within Japan)  |   |
|                              | Shonan RoboCare Center Co., Ltd.  | Fujisawa, Kanagawa, Japan               |
|                              | Nagoya RoboCare Center Co., Ltd.100.0%  | Nagoya, Aichi, Japan                    |
|                              | Suzuka RoboCare Center Co., Ltd.  | Suzuka, Mie, Japan                      |
|                              | Oita RoboCare Center Co., Ltd.  | Beppu, Oita, Japan                      |
|                              | CEJ Capital, Inc.   | Tsukuba, Ibaraki, Japan                 |
|                              | Cybernic Excellence Japan Fund 1 Investment Limited Partnership               | Shibuya, Tokyo, Japan                   |

## 10. Status of employees (as of March 31, 2021)

### ① Status of employees in the Group (as of March 31, 2021)

| Number of employees        | Change from previous fiscal year                 |
|----------------------------|--|
| 96 members<br>(44 members) | Increase of 1 member<br>(Decrease of 12 members) |

- (Notes) 1. The number of employees includes full-time employees and members on temporary transfer assignments. It does not include the number of Members of the Board of Directors that also hold positions as Company employees or dispatch workers sent from a temp agency.
2. The number of contract employees is stated in the brackets (). This number includes part-time workers but excludes those who work in the Group as second jobs.
3. Since the Group is involved in a single segment of business related to robots. As such, information on employees in each segment is omitted.

### ② Status of employees in the Company (as of March 31, 2021)

| Number of employees        | Change from previous fiscal year                | Average age    | Change from previous fiscal year |
|----------------------------|---|----------------|----------------------------------|
| 81 members<br>(39 members) | Increase of 3 member<br>(Decrease of 8 members) | 43.5 years old | 6.3 years                        |

- (Notes) 1. The number of employees includes full-time employees and members on temporary transfer assignments. It does not include the number of Members of the Board of Directors that also hold positions as Company employees or dispatch workers sent from a temp agency.
2. The number of contract employees is stated in the brackets (). This number includes part-time workers but excludes those who work in the Group as second jobs.



## 2 Matters regarding the Company shares

### 1. Status of shares (as of March 31, 2021)

| Class         | Total number of authorized shares | Total number of shares issued | Number of shareholders |
|---------------|-----------------------------------|-------------------------------|------------------------|
| Common Share  | 618,300,000 shares                | 137,445,809 shares            | 82,646 shareholders    |
| Class B Share | 77,700,000 shares                 | 77,700,000 shares             | 3 shareholders         |

### 2. Major shareholders (as of March 31, 2021)

| Name of shareholder   | Number of shares held (shares) |            | Shareholding ratio (%) |
|---|--------------------------------|------------|------------------------|
| Yoshiyuki Sankai  | Common Share                   | 3,042,000  | 37.52                  |
|   | Class B Share                  | 77,696,000 |                        |
| Daiwa House Industries Co., Ltd.                                | Common Share                   | 30,000,000 | 13.94                  |
| RBC IST 15 PCT LENDING ACCOUNT-CLIENT ACCOUNT                   | Common Share                   | 6,749,600  | 3.13                   |
| GCAS BANA LONDON US CLIENTries (Outside Japan)                  | Common Share                   | 3,730,647  | 1.73                   |
| THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT                 | Common Share                   | 2,609,350  | 1.21                   |
| The Nomura Trust & Banking Co., Ltd. (Investment Trust Account) | Common Share                   | 2,200,600  | 1.02                   |
| The Master Trust Bank of Japan. Ltd. (Trust Account)            | Common Share                   | 1,170,400  | 0.54                   |
| SBI SECURITIES Co., Ltd.  | Common Share                   | 1,148,396  | 0.53                   |
| BBH FOR GLOBAL X ROBOTICS AND ARTIFICIAL INTELLIGENCE ETF       | Common Share                   | 791,635    | 0.36                   |
| Matsui Securities Co., Ltd.                                     | Common Share                   | 690,200    | 0.32                   |

(Notes) The treasury stock (8,771 Common Shares) was excluded from the calculation of the shareholding ratio.

### 3. Matters regarding stock acquisition rights

Information regarding stock acquisition rights is posted on the Company's website pursuant to the related law, regulations and Article 22 of the Company's Articles of Incorporation.

<https://www.cyberdyne.jp/english/company/IR.html>

### 3 Members of the Board of Directors and Members of the Board of Members of the Audit and Supervisory Board

#### 1. Status of Directors and Audit and Supervisory Board Members (as of March 31, 2021)

| Title   | Name               | Role at CYBERDYNE and other important positions held outside the Company   |
|---|--------------------|--|
| President and CEO                               | Yoshiyuki Sankai   | Head of Research and Development Department at CYBERDYNE<br>Professor of Engineering, Information and Systems, University of Tsukuba<br>Executive Research Director of the Center for Cybernetic Research, University of Tsukuba<br>Director of R&D Center for Frontiers of MIRAI in Policy and Technology, University of Tsukuba<br>Director of CYBERDYNE USA Inc.<br><u>Director of Cyberdyne Care Robotics GmbH</u> |
| Director  | Shinji Uga         | Head of Corporate Department at CYBERDYNE<br>Director of Cyberdyne Care Robotics GmbH<br><u>President and CEO of CEJ Capital, Inc.</u>   |
| Director  | Yoshihiro Yasunaga | Head of Sales Department at CYBERDYNE<br>Director of CYBERDYNE USA Inc.<br><u>Director of MOVETEX Kabushiki Kaisha</u>   |
| Director  | Hiroaki Kawamoto   | Associate Professor of Engineering, Information and Systems, University of Tsukuba   |
| Director  | Kinichi Nakata     | Lecturer at Nihon University School of Medicine  |
| Director  | Kazumasa Yoshida   | Outside Director of Onkyo Corporation<br>Outside Director of Freebit Co., Ltd.<br><u>Outside Director of Mynavi Corporation</u>  |
| Director  | Hikari Imai        | Outside Director of PACIFIC METALS CO., LTD.<br>Director and Chairman of 3DM Inc.<br>Outside Director of GPSS Holdings Inc.<br>Chairman of the Keiaikai Medical Foundation<br><u>Outside Director of the SHIMACHU Co., Ltd.</u>  |
| Full-time<br>Audit and Supervisory Board Member | Yutaka Fujitani    | —  |
| Audit and Supervisory Board Member              | Cees Vellekoop     | —  |
| Audit and Supervisory Board Member              | Kenichiro Okamura  | Representative Director of Kaede Accounting Advisory Inc.<br>Outside Auditor of SG Holdings Co., Ltd.<br>Outside Director of Kanematsu Sustech Corporation (Audit Committee)<br><u>Auditor of United Urban Investment Corporation</u>  |
| Audit and Supervisory Board Member              | Kazuro Kawamata    | —  |

(Note) 1. Kinichi Nakata, Kazumasa Yoshida, and Hikaru Imai are Outside Directors.

2. Yutaka Fujitani, Cees Vellekoop, Kenichiro Okamura, and Kazuro Kawamata are Outside Audit and Supervisory Board Members.

3. Yutaka Fujitani and Kazuro Kawamata have many years of business experience in financial institutions. The Company regards them to have considerable knowledge of finance and accounting.

4. Cees Vellekoop was a lawyer in England, Wales, Netherlands and was also registered as a foreign legal consultant at Allen & Overy Gaikokuho Kyodo Jigyo Horitsu Jimusho. Although he has forfeited all of the licenses mentioned above, the Company regards him to have considerable knowledge of legal matters.

5. Kenichiro Okamura is a certified public accountant in both Japan and in the U.S. The Company regards him to have considerable knowledge of finance and accounting.

6. According to the Tokyo Stock Exchange regulations, the Company has designated Kinichi Nakata, Kazumasa Yoshida, Hikaru Imai, Yutaka Fujitani, Kenichiro Okamura, and Kazuro Kawamata as independent officers. The Company has notified the Exchange of the designation mentioned above.

7. Important positions of the officers held outside of the Company are stated in the table above. There is no special relationship between the Company and the companies where they hold concurrent positions.

## 2. Outline of the contract to limit the liability

According to Article 427, Paragraph 1 of the Companies Act, the Company signed contracts with Directors (excluding Directors in charge of business execution) and each Audit and Supervisory Board Members to limit their liability for damages as provided in Article 423, Paragraph 1 of the same act.

The maximum amount of liability for damages under this contract is the minimum liability amount stipulated in law and regulations.

## 3. Outline of the liability insurance policy for the officers

The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contracts cover Directors and Audit and Supervisory Board Members of the Company and its subsidiaries. The insured does not bear any insurance premiums. The insurance policy covers damages (defense costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured concerning their executed duties. The insurance policy is scheduled to be renewed with the same terms and conditions at the next renewal.

## 4. Remuneration for Directors and Audit and Supervisory Board Members

### ① Total amount of remuneration for the fiscal year under review

| Position                                      | Total amount of remuneration<br>(Millions of yen) | Total amount by each types of remuneration (Millions of yen) |                                   |                              | Number of eligible<br>officers (person) |
|---|---|--|-----------------------------------|------------------------------|---|
|   |   | Basic<br>Remuneration  | Performance based<br>Remuneration | Non-monetary<br>Remuneration |   |
| Directors                                     | 51  | 51   | —                                 | —                            | 7                                       |
| (Outside Directors)                           | (7)   | (7)  | (—)                               | (—)                          | (3)                                     |
| Audit and Supervisory Board Members           | 13  | 13   | —                                 | —                            | 4                                       |
| (Outside Audit and Supervisory Board Members) | (13)  | (13)   | (—)                               | (—)                          | (4)                                     |
| Total Remuneration                            | 64  | 64   | —                                 | —                            | 11                                      |
| (Remuneration for Outside Officers)           | (20)  | (20)   | (—)                               | (—)                          | (7)                                     |

### ② Resolutions at the General Meeting of Shareholders regarding the remuneration of Officers

The maximum monetary remuneration for Directors was resolved to be ¥100 million per year at the 2nd Ordinary General Meeting of Shareholders held on May 31, 2006. The number of Directors at the time was five, and none of them were Outside Directors.

The maximum remuneration for Audit and Supervisory Board Members was resolved to be Corporate Auditors is ¥50 million per year at the 3rd Ordinary General Meeting of Shareholders held on June 28, 2007. The number of Audit and Supervisory Board Members at the time was three, and all of them were Outside Audit and Supervisory Board Members.

③ Policy for determining the remuneration for Directors and Audit and Supervisory Board Members

The Company's Board of Directors resolved on a policy concerning determining the remuneration of each Director at a meeting held on July 23, 2019. The Company consulted with the Remuneration Committee regarding the proposal before the resolution.

The Board of Directors also confirmed that operation concerning remuneration was carried out according to the resolution at the Board Meeting and correctly reflected the opinions from the Remuneration Committee.

The policy on the remuneration for each individual Director was resolved as follows.

The Directors, excluding Outside Directors, will receive a fixed amount of basic remuneration, taking into consideration the scale and responsibility of the duties of each Director. At this point, the Company has not reached a decision on performance-linked remuneration or non-monetary remuneration. However, the Company will consider those options if the Company turns profitable or according to the achievement of medium- to long-term performance. Outside Directors are paid only a fixed amount of basic remuneration due to the nature of their role and independence.

## 5. Activities of Outside Officers during the fiscal year under review

| Title                              | Name              | Attendance, remarks, and summary of duties performed concerning the roles expected of Outside Officers  |
|------------------------------------|-------------------|---|
| Directors                          | Kinichi Nakata    | Nakata attended 8 out of 12 Meetings of the Board of Directors held during the fiscal year under review. He proactively expressed his opinions from his perspective as a Doctor at the Meeting of the Board of Directors. He fulfilled his duty to ensure appropriate and sound <u>decision-making by providing supervision and advice, especially on healthcare.</u>                                       |
|                                    | Kazumasa Yoshida  | Yoshida attended all 12 Meetings of the Board of Directors held during the fiscal year under review. He proactively expressed his opinions based on his career in corporate management at the Meeting of the Board of Directors. He fulfilled his duty to ensure appropriate and sound decision-making by providing supervision and advice, especially on <u>global management strategies and planning.</u> |
|                                    | Hikari Imai       | Imai attended all 12 Meetings of the Board of Directors held during the fiscal year under review. He proactively expressed his opinions based on his career in corporate management at the Meeting of the Board of Directors. He fulfilled his duty to ensure appropriate and sound decision-making by providing supervision and advice, especially on capital markets <u>and M&amp;A.</u>                  |
| Audit and Supervisory Board Member | Yutaka Fujitani   | Fujitani attended all 12 Meetings of the Board of Directors and all 14 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained at financial institutions and audit corporations. He also made necessary statements at the Meetings of <u>the Audit and Supervisory Board.</u>     |
|                                    | Cees Vellekoop    | Vellekoop attended all 12 Meetings of the Board of Directors and all 14 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained through his career as a lawyer. He also made necessary statements at the Meetings of the Audit and Supervisory <u>Board.</u>                      |
|                                    | Kenichiro Okamura | Okamura attended all 12 meetings of the Board of Directors and all 14 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained through his career as a certified public accountant. He also made necessary statements at the Meetings of <u>the Audit and Supervisory Board.</u>   |
|                                    | Kazuro Kawamata   | Kawamata attended all 12 Meetings of the Board of Directors and all 14 Meetings of the Audit and Supervisory Board held during the fiscal year under review. He made statements to ensure the appropriate decision-making based on his experience gained at financial institutions. He also made necessary statements at the Meetings of the Audit and <u>Supervisory Board.</u>                            |

## 4 Matters related to Accounting Auditor

### 1. Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

### 2. Fee for the Accounting Auditor

| Items   | Amount of remuneration |
|---|------------------------|
| Amount of remuneration for accounting audit within this fiscal year   | ¥30 Million            |
| Total amount of money and property benefits to be paid to the Accounting Auditors by the Company and its subsidiaries | ¥34 Million            |

(Note) In the audit contract between the Company and the Accounting Auditor, remuneration for audits based on the Companies Act and on the Financial Instruments and Exchange Act are not separated, nor can they be effectively separated. As such, the total amount of remuneration is stated in the table above.

### 3. Reasons for the Audit and Supervisory Board to accept the fee for the Accounting Auditor

The Audit and Supervisory Board agreed with the fee for the Accounting Auditor in accordance to the Companies Act Article 399-1, after examining the appropriateness of its audit plan and number of audit hours and its performance in the previous fiscal year in line with the “Practical Guidelines Regarding Cooperation with Accounting Auditors” published by the Japan Audit & Supervisory Board Members Associations.

### 4. Policy regarding decisions to dismiss or not to reappoint the Accounting Auditor

Suppose the Accounting Auditor falls under any grounds outlined in Article 340, Paragraph 1 of the Companies Act. In this case, the Audit and Supervisory Board Member shall dismiss the Accounting Auditor subject to unanimous consent. If they determine the dismissal, a member selected by the Audit and Supervisory Board shall report the dismissal and its reasons at the first General Meeting of Shareholders to be convened after the event.

The Audit and Supervisory Board shall consider the status of the Accounting Auditor’s performance, the quality of the audit, and other factors in a comprehensive manner. The Board of Directors can propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders based on such determination.

## **5 Systems to ensure the appropriateness of the business operations and implementation status of the systems**

Based on relevant laws and Article 22 of the Company's Article of Incorporation, systems to ensure the appropriateness of the business operation and implementation status of the system are posted on the Company website.  
<https://www.cyberdyne.jp/english/company/IR.html>

# Consolidated financial statements

Consolidated statement of financial position (as of March 31, 2021)

Unit : Millions of yen

| Items   | Amount        | Items  | Amount        |
|---|---------------|--|---------------|
| Assets  |               | Liabilities  |               |
| <b>Current assets</b>                         |               | <b>Current liabilities</b>                               |               |
| Cash and cash equivalents                     | 6,704         | Trade and other payables                                 | 268           |
| Trade and other receivables                   | 352           | Bonds and borrowings                                     | 31            |
| Other financial assets                        | 19,007        | Lease liabilities  | 61            |
| Inventories                                   | 808           | Other current liabilities                                | 276           |
| Other current assets                          | 350           | Total current liabilities                                | 635           |
| Total current assets                          | 27,220        | <b>Non-current liabilities</b>                           |               |
| <b>Non-current assets</b>                     |               | Bonds and borrowings                                     | 49            |
| Operating lease assets                        | 475           | Third-party interests in CEJ Fund                        | 2,429         |
| Property, plant and equipment                 | 12,206        | Lease liabilities  | 280           |
| Right of use asset                            | 337           | Provisions   | 93            |
| Goodwill                                      | 57            | Deferred tax liabilities                                 | 847           |
| Intangible assets                             | 38            | Total non-current liabilities                            | 3,697         |
| Investments accounted for using equity method | 454           | <b>Total liabilities</b>                                 | <b>4,332</b>  |
| Other financial assets                        | 7,271         | Equity   |               |
| Other non-current assets                      | 61            | Share capital  | 10            |
| Total non-current assets                      | 20,898        | Capital surplus  | 42,861        |
| <b>Total assets</b>                           | <b>48,119</b> | Treasury shares  | (0)           |
|   |               | Other components of equity                               | (1,272)       |
|   |               | Retained earnings  | 2,177         |
|   |               | <b>Total equity attributable to owners of the parent</b> | <b>43,776</b> |
|   |               | <b>Non-controlling interests</b>                         | <b>10</b>     |
|   |               | <b>Total equity</b>                                      | <b>43,786</b> |
|   |               | <b>Total liabilities and equity</b>                      | <b>48,119</b> |

Rounded down to the closest millions of yen

**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 statement of profit or loss** (as of March 31, 2021)

Unit : Millions of yen

| Items   | Amount         |
|---|----------------|
| Revenue   | 1,875          |
| Cost of sales   | (591)          |
| <b>Gross profit</b>   | <b>1,283</b>   |
| Selling, general and administrative expenses                            |                |
| Research and development expenses                                       | (689)          |
| Other selling, general and administrative expenses                      | (1,471)        |
| <b>Total selling, general and administrative expenses</b>               | <b>(2,160)</b> |
| Other income  | 181            |
| Other expenses  | (4)            |
| <b>Operating profit (loss)</b>  | <b>(700)</b>   |
| Finance income  | 770            |
| Finance costs   | (2)            |
| Gains related to CEJ Fund   | 359            |
| Share of profit (loss) of investments accounted for using equity method | (18)           |
| <b>Profit (loss) before tax</b>   | <b>408</b>     |
| Income tax expense  | (479)          |
| <b>Profit (loss)</b>  | <b>(71)</b>    |
| Profit (loss) attributable to   |                |
| Owners of parent  | (59)           |
| Non-controlling interests   | (12)           |
| <b>Profit (loss)</b>  | <b>(71)</b>    |

Rounded down to the closest millions of yen

**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.**

# Non-consolidated financial statements

Non-consolidated balance sheet (as of March 31, 2021)

Unit : Millions of yen

| Items  | Amount        | Items  | Amount        |
|--|---------------|--|---------------|
| Assets   |               | Liabilities  |               |
| <b>I Current assets</b>                                |               | <b>I Current liabilities</b>                           |               |
| Cash and cash equivalents                              | 4,435         |  |               |
| Accounts receivable-trade                              | 400           | Accounts payable- trade                                | 69            |
| Securities   | 19,999        | Accounts payable - other                               | 172           |
| Merchandise and finished goods                         | 206           | Accured expenses                                       | 10            |
| Work in process  | 30            | Unearned revenue                                       | 122           |
| Raw materials  | 569           | Income taxes payable                                   | 5             |
| Accounts receivable-other                              | 6             | Other  | 82            |
| Other  | 299           | Total current liabilities                              | 460           |
| Allowances for doubtful accounts                       | (3)           |  |               |
| Total current assets                                   | 25,941        | <b>II Non-current liabilities</b>                      |               |
| <b>II Non-current assets</b>                           |               | Deferred tax liaibilites                               | 47            |
| <b>Property, plant and equipment</b>                   |               | Asset retirement obligations                           | 79            |
| Buildings, net   | 676           | Total non-current liabilities                          | 127           |
| Structures, net  | 20            |  |               |
| Machinery & equipment, net                             | 2             | <b>Total liabilities</b>                               | <b>587</b>    |
| Vehicles & delivery equipment, net                     | 2             | Net assets   |               |
| Tools, furniture & fixtures, net                       | 214           | <b>I Shareholders' equity</b>                          |               |
| Rental assets, net                                     | 469           | <b>Capital stock</b>                                   | <b>10</b>     |
| Land   | 9,872         | <b>Capital surplus</b>                                 |               |
| Construction in progress                               | 1,254         | Capital reserve  | 26,714        |
| Total property, plant and equipment                    | 12,510        | Other capital surplus                                  | 16,413        |
| <b>Intangible assets</b>                               |               | Total capital surplus                                  | 43,128        |
| Patents  | 2             | <b>Retained earnings</b>                               |               |
| Software   | 27            | Legal retained earnings                                | 0             |
| Other  | 7             | Other retained earnings                                |               |
| Total intangible assets                                | 36            | Retained earnings brought forward                      | (527)         |
| <b>Investments and other assets</b>                    |               | Total Retained earnings                                | (526)         |
| Bonds of affiliated companies                          | 53            | <b>Treasury shares</b>                                 | <b>(0)</b>    |
| Investment securities                                  | 2,888         | <b>Total shareholders' equity</b>                      | <b>42,611</b> |
| Shares of affiliated companies                         | 766           | <b>II Valuation &amp; Translation Adjustments</b>      |               |
| Investments in capitals of subsidiaries and associates | 931           | Valuation differences on available-for-sale securities | 78            |
| Long-term prepaid expenses                             | 80            | Total valuation & translation adjustments              | 78            |
| Other  | 180           |  |               |
| Allowance for doubtful accounts                        | (91)          | <b>III Stock Acquisition Rights</b>                    | <b>19</b>     |
| Total investments and other assets                     | 4,807         |  |               |
| Total non-current assets                               | 17,353        | <b>Total net assets</b>                                | <b>42,708</b> |
| <b>Total assets</b>                                    | <b>43,295</b> | <b>Total liabilities and equity</b>                    | <b>43,295</b> |

Rounded down to the closest millions of yen

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.

**Non-consolidated statement of profit or loss** (as of March 31, 2021)

Unit : Millions of yen

| Items   | Amount       |
|---|--------------|
| Net sales   | 1,663        |
| Cost of sales                                       | 483          |
| <b>Gross profit</b>                                 | <b>1,180</b> |
| Selling, general and administrative expenses        | 1,957        |
| <b>Operating profit (loss)</b>                      | <b>(777)</b> |
| Non-operating income                                |              |
| Interest income                                     | 21           |
| Subsidy income                                      | 6            |
| Consigned research income                           | 96           |
| Outsourcing service fee                             | 153          |
| Other   | 59           |
| Total non-operating income                          | 337          |
| Non-operating expenses                              |              |
| Loss on investments in capital                      | 76           |
| Other   | 4            |
| Total non-operating expenses                        | 81           |
| <b>Ordinary profit (loss)*</b>                      | <b>(521)</b> |
| <b>Profit (loss) before provision of income tax</b> | <b>(521)</b> |
| Income taxes - current                              | 5            |
| Income taxes - deferred                             | (0)          |
| Total income taxes                                  | 5            |
| <b>Net profit (loss)</b>                            | <b>(527)</b> |

Rounded down to the closest millions of yen

# Audit report by Audit and Supervisory Board

## Audit Report

The Audit and Supervisory Board Members reported the method of audit and the result concerning the performance of Directors during the 17th business year (from April 1, 2020, to March 31, 2021). The board prepared this Audit Report after deliberation.

### **1. Method of audits by the Audit and Supervisory Board and each of its members and its scope**

- (1) The Audit and Supervisory Board established the audit policies and determined its assignment of duties. Each Audit and Supervisory Board Member then reported its status and audit results. The Audit and Supervisory Board also received reports from Directors and Accounting Auditors regarding their business execution and requested an explanation as necessary.
- (2) Based on the Auditing Standards established by the Audit and Supervisory Board, audit policies, and assignment of duties, each Audit and Supervisory Board Members gathered information and prepared a necessary environment for their work. This was done by communicating with Directors, the Internal Audit Office, and other employees directly or via the internet. The Audit and Supervisory conducted audits using the following methods.
  - ① The Audit and Supervisory Board Members attended the Meeting of the Board of Directors and other important meetings to receive reports on the status of their business execution and requested an explanation as necessary. The Audit and Supervisory Board Members also examined essential documents that were approved to inspected the situation of the corporate affairs and assets at the headquarters. Audit and Supervisory Board Members also communicated with Directors of the subsidiaries to exchange information and received reports as necessary.
  - ② The Audit and Supervisory Board Members received reports from the Directors, employees on the progress of the internal control system and its operation status and requests for explanations as necessary. The internal control system is essential to ensure that Directors' business execution complies with the law and the Articles of Incorporation of the Company. The need to develop such a system is stipulated in Enforcement Regulations of the Companies Act Article 100, Paragraphs 1 and 3.
  - ③ The Audit and Supervisory Board monitored and verified whether an Accounting Auditor maintained its independence from the Company and conducted its audit appropriately. The members also received a report from the Accounting Auditor on their business execution and requested explanations as necessary. The Audit and Supervisory Board was notified of the system structured by the Accounting Auditor to ensure that their duty is conducted appropriately (as listed in Article 131 of the Company Accounting Regulations). The Accounting Auditor designed the system according to the Quality Control Standards for Audits (Business Accounting Council, October 28, 2005). The Audit and Supervisory Board Members requested explanations as necessary.

Based on the methods described above, Members of the Audit and Supervisory Board examined the following documents related to the fiscal year under review:

- a) The business report and its annexed specifications.
- b) The consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statements of changes in equity, and the related notes).
- c) The non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of profit or loss, the non-consolidated statement of changes in equity, and the related notes)

## 2. Results of audit

(1) Results of audit on business report, etc.

- ① We acknowledge that the business report and the annexed specifications fairly present the Company's status and comply with the applicable laws and regulations and the Company's Articles of Incorporation.
- ② We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found concerning business execution of the Directors.
- ③ We acknowledge that the Board of Directors' resolutions concerning the internal control systems were appropriate. We did not find a need to correct the descriptions of the internal control statement in the business report or the Directors' business execution.

(2) Results of audit on consolidated financial statements

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, were appropriate.

(3) Results of audit on non-consolidated financial statements and the annexed specifications

We acknowledge that the methods and results of the audit performed by the Accounting Auditor, Deloitte Touche Tohmatsu LLC, were appropriate.

May 25, 2021

CYBERDYNE Inc. Audit and Supervisory Board

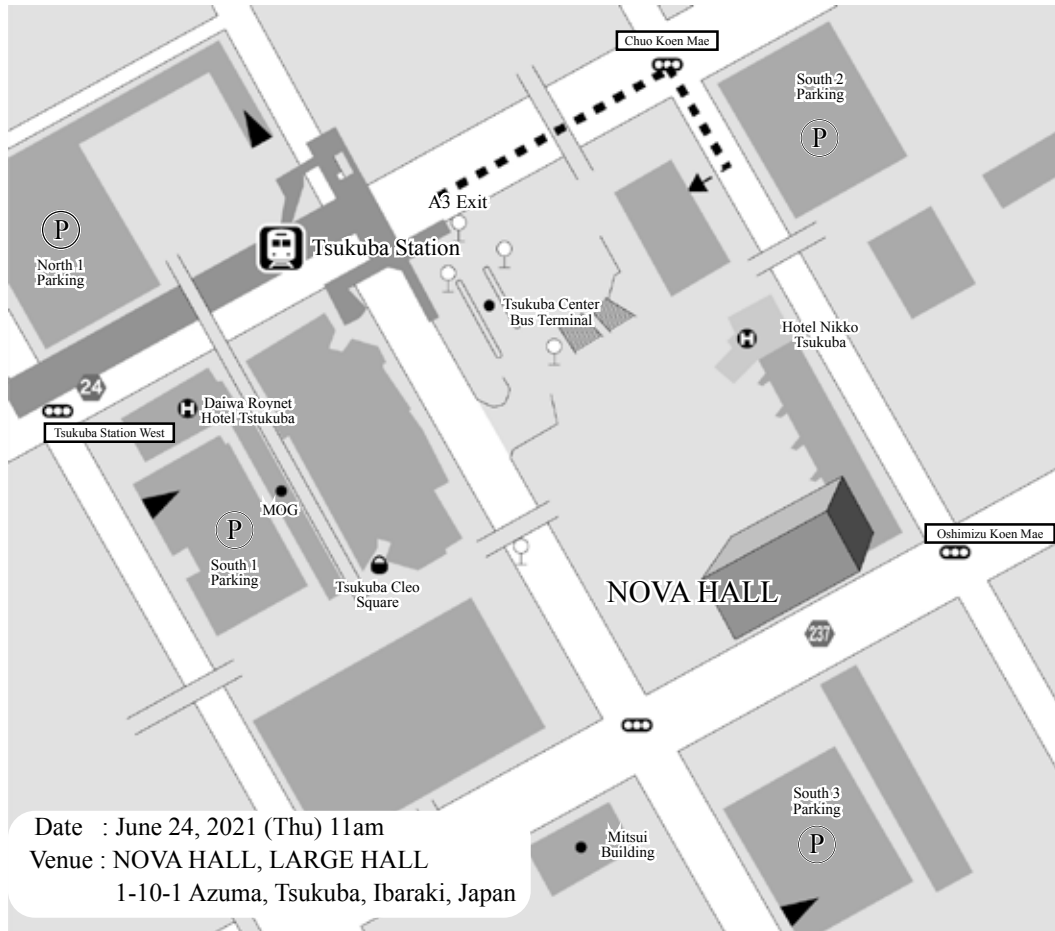
Full-time Outside Audit and Supervisory Board Member **Yutaka Fujitani** (Seal)

Outside Audit and Supervisory Board Member **Cornelis Vellekoop** (Seal)

Outside Audit and Supervisory Board Member **Kenichiro Okamura** (Seal)

Outside Audit and Supervisory Board Member **Kazuro Kawamata** (Seal)

# Guide map to the venue of the Ordinary General Meeting of Shareholders



Date : June 24, 2021 (Thu) 11am  
Venue : NOVA HALL, LARGE HALL  
1-10-1 Azuma, Tsukuba, Ibaraki, Japan

## Access



By train

Tsukuba Express (Tsukuba Station)  
walk 3 min from the A3 Exit



By Highway Bus

"Tsukuba Go Bus" Yaesu South exit [Tokyo Station]  
walk 3 min from [Tsukuba Center Station]



By car

1. Exit at Sakura Tsuchiura Interchange of Joban expressway and head towards Sakura/Tsukuba Science City
2. Turn right at the second crossing with a footbridge (Sasagi) and head north along Higashi-Odori for 3km
3. After the two-lane road turns to a three-lane road, take the 3rd crossing (Gakuen-Higashi) to the left
4. The building you will see on the far right at the 2nd crossing point (Oshimizu Koen Mae) is the NOVA HALL



Front entrance of NOVA HALL  
when approaching from A3 Exit

\*Please use the pay parking nearby (CYBERDYNE is unable to provide any discount for the parking)