



Consolidated Financial Results (Tanshin) for the Six Months Ended September 30, 2022 (Based on IFRS)

November 14, 2022

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Mothers Section of TSE
Stock code	:7779	URL	: https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
Contact (title)	:Director and CFO	Name	:Shinji Uga Tel. +81-29-869-9981
Scheduled date for release of six-month report	:November 14, 2022	Scheduled start of dividend payment	:—
Additional materials for the financial results	:yes		
Information meeting for the financial results	:yes (only for institutional investors)		

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

I. Consolidated financial results for the six months ended September 30, 2022 (April 1, 2022-September 30, 2022)

1. Consolidated result of operations

(percentages denote year-on-year change)

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Apr.1-Sep. 30, 2022	1,542	86.9	(442)	—	373	—	268	—
Apr.1-Sep. 30, 2021	825	3.9	(481)	—	(389)	—	(428)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Sep. 30, 2022	1.25	1.25
Apr.1-Sep. 30, 2021	(1.99)	(1.99)

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of Sep. 30, 2022	51,407	43,929	43,906	85.4
As of March 31, 2022	49,467	43,450	43,413	87.8

II. Dividends

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2023	—	0.00			

Notes:

(i) Changes from the latest released dividend forecasts: none

(ii) The table of “Dividends” indicates dividend payments on Common Shares. Dividends on Class Share (non-listed) for which the number of share units differs from Common Shares are shown below as “Dividends on Class Shares”.

III. Forecast of consolidated financial results for the fiscal year ending March 31, 2023 (April 1, 2022-March 31, 2023)

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

Notes:

1. Changes in key subsidiaries during the consolidated three month period (changes in specific subsidiaries resulting in changes of consolidation scope): none

new: — (company name: —), excluded: — (company name: —)

2. Changes in accounting policies, accounting estimates, and restatement of error corrections

(i) Changes in accounting policies required by IFRS : none

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

(iii) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

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

As of September 30, 2022	215,145,809 shares	As of March 31, 2022	215,145,809 shares
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(ii) Total number of treasury shares at the end of each period

As of September 30, 2022	11,672 shares	As of March 31, 2022	11,671 shares
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(iii) Average number of shares during each three month period

Apr.1-September 30, 2022	215,134,138 shares	Apr.1-September 30, 2021	215,135,581 shares
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Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares with regard to dividends of surplus and distribution of residual assets. Therefore the total number of issued shares at each end of period and the average number of shares during each period include Class B Shares as Common Shares.

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

Dividends on Class Shares

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

	Dividend payments for each term and the year				
	End of 1st quarter (June.30)	End of 2nd quarter (September.30)	End of 3rd quarter (December.31)	Fiscal year end (March.31)	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2023	—	0.00			

Note:

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

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1. Qualitative information regarding settlement of accounts for the six months ended September 30, 2022

(1) Explanation of operating results

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 six months ended September 30, 2022, and certain assumptions made by the Group.

The Group aims to transform society and industry by creating a Cybernics Industry. This new industry will follow the robotics and IT industries by realizing a "Techno-peer Support Society" where human and technology works together and supports each other by innovation that leaves no one behind. To be precise, the Group will make full use of Cybernics (fusion of Human, Robots, AI, and Information Systems), a new field that integrates "Human" and "Cyber/Physical Space."

Healthy Future Society using Cybernics

The Group is developing various Cybernics Technologies that accumulate, analyze, and AI processes Human Big Data (human-related physiological, psychological, lifestyle, behavioral, and environmental information) with its IoH/IoT (Internet of Humans and Things) system. The technology can also improve, regenerate, expand, and support the wearer's physical functions. Furthermore, the Group equips communication functions to all Cybernics Technologies. They are seamlessly connected to hospitals, nursing homes, homes, and workplaces through IoH/IoT by linking data and services via cloud systems. Using Cybernics Technologies, the Group will challenge cultivating a "healthy future society" where people can participate in society with a high level of independence and health, even if they experience multiple disuses, disease, or disability. The Group will promote Society 5.0/5.1 as a healthy and sustainable society through this challenge.

Status of business operation

<<Business operation around the medical application>>

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

(Japan)

The Group continues its efforts to establish Cybernic Treatment, a treatment program using Medical HAL systems that aims to induce improvement and regeneration of the functions of the brain, nerves, and muscles into a global standard of treatment. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases. As a result of the proposal, the revision of insurance pricing for 2022 allows hospitals that use the DPC system (80% of base hospitals treating intractable diseases in Japan) to calculate insurance for treatment with HAL for hospitalized patients. Also, insurance reimbursement pricing associated with the treatment was increased, encouraging the Group to spread the technology in the country. The Group will also utilize the result of post-marketing surveillance to list Cybernics Treatment for insurance worldwide to establish this new treatment technology as a global standard for progressive neuromuscular disease, as there were no effective treatment methods globally for these diseases before HAL.

On October 27, 2022, the additional indications of HTLV-1 associated myelopathy (HAM) and hereditary spastic paraplegia were approved by the Japanese Minister of Health Labour and Welfare in addition to the eight progressive neuromuscular diseases that is already treated. The Company will proceed with the procedures related to reimbursement insurance coverage.

Furthermore, regarding the investigator-initiated clinical trial for stroke patients in Japan, the primary

endpoints' clinical significance and statistical significance, which are considered the most crucial evaluation points of this clinical trial, are being discussed with the authorities and investigators, and statistical experts. The Group also considers the result as compelling data for medical insurance for stroke worldwide.

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

(USA)

RISE Healthcare Group (RHG), the Company's subsidiary offering medical service, is further expanding from its current 21 locations (an increase of 5 locations since the beginning of the year) and is conducting trials of combined services with the innovative medical HAL technology of CYBERDYNE. The site of the trial has expanded to 4 facilities covering Los Angeles in addition to San Diego from September 2022.

(EMEA: Mainly Europe and the Middle East)

Following the previous year, the Group is promoting Cybernics Treatment in major countries. The treatment started in Turkey this fiscal year. In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has decided to conduct a clinical trial for spinal cord injury based on public health insurance coverage and is preparing the protocol framework.

(APAC: Asia Pacific)

In February 2022, the Group established CYBERDYNE MALAYSIA Sdn. Bhd. in Malaysia as a business promotion base in APAC to further accelerate the spread of Cybernics Treatment.

In Malaysia, Cybernics Treatment continues to expand through the public social security coverage provided by the government-affiliated Social Security Organization (SOCSO). As of end of September 2022, there were 98 units rented to 10 facilities in Malaysia. In June 2022, SOCSO announced the construction of the National Center for Neuro-Robotics and Cybernics, the largest medical complex in Southeast Asia, which is scheduled for completion by the end of 2024. Cybernics Treatment has also started at Singapore General Hospital, the country's largest general hospital.

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

The Group has developed various types of HAL to improve older adults' need for nursing care, preventing their illness, preventing frailty, and maintaining their independence from care. For example, HAL Lower Limb Type for improving ambulatory functions; HAL Single Joint Type to train elbow, knee, and ankle movements; and HAL Lumbar Type for inducing improvement of the trunk and lower limb function. Based on the positive results of a pilot study of a care prevention program utilizing the HAL Lumbar Type for the elderly in 2019, Kanagawa Prefecture will proceed with a randomized controlled trial starting in 2020. In October 2022, the Company started joint research with Kanagawa Prefecture, Kanagawa University of Health and Welfare, and Keio University to implement the program in nursing care settings. Ina City in Nagano Prefecture has also started a health promotion project to improve the health and quality of life (QOL) of elderly people in the community by improving their physical functions and motivation. The Company will continue to promote cooperation with local governments.

(Service at facilities for individuals)

The Group continues to offer Neuro HALFIT, a program that induces improvement of the brain-nerve and musculoskeletal system through utilization of HAL. The program is currently available at 18 Robocare Centers operated by business partners. The Group plans to open additional Robocare Centers.

(Neuro HALFIT at Home as a service towards individuals)

The Group offers Neuro HALFIT at Home to enable individuals to work out at home using HAL. By connecting HAL with Cyberdyne Cloud, users can see their bio-electrical signals, postures, and many more on the connected tablets. In addition, the tablet monitor allows users to obtain visual feedback on their training and receive feedback from their therapists and trainers remotely. The Group also work with home visiting providers to promote in-person support, from equipment setup to program implementation at home.

<<Prevention/early detection) >>

The Group is preparing for the commercialization of the Cyvis series, an ultra-small size vital sensor designed to manage the risk of arrhythmia and atrial fibrillation and prevent myocardial infarction and stroke by accumulating, analyzing, and AI- processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO2, and daily activities. Furthermore, Cyvis will also be equipped with an optional feature to measure breathing conditions during sleep, enabling easy and precise screening for the risk of SAS (Sleep Apnea Syndrome). In addition, in August 2021, the Group added C2 into a consolidated subsidiary, a company that develops and operates the "Sound Sleep Alarm" healthcare application that visualizes sleep, to strengthen the Group's healthcare business. The Group applied for Cyvis-1 in April 2022 to register it as a medical device and started trial marketing of the product to users in May 2022.

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

(Well-being)

The Group started to export HAL Lumbar Type for Well-being to care facilities in Hampshire County, UK, in October 2021. The Group will coordinate with Hampshire County to use this as a model example to disseminate the technology in other areas of the UK and other European nations.

(Labor Support)

HAL Lumbar Type for Labor Support with dustproof and waterproof features is introduced to large users such as the construction industry, where the workload is especially demanding. In addition, the Group is working to develop a practical application for production management that integrates labor management and work efficiency by visualizing workers' workload and physical condition.

(Disinfection / Cleaning)

Next-generation Cleaning Robot CL02 uses the cutting-edge SLAM technology to achieve high-speed autonomous driving is being introduced in office buildings and large commercial facilities to make buildings smarter and reduce management costs by automatically elevating and lowering elevators and linking to cloud computing.

Status of Research and Development

The "Acoustic X" is a photoacoustic imaging system based on the LED light source method (patented by our company) that realizes real-time, high-resolution 3D imaging of blood vessels and blood in the peripheral organs without the need for contrast media. The "Acoustic X" photoacoustic imaging system is undergoing research and development under the "Medical Innovation Promotion Project (Development and Commercialization Project)" of the Japan Agency for Medical Research and Development (AMED). In addition, research is underway at prominent medical institutions and research facilities overseas for various applications.

Furthermore, the Group is developing a cloth-type HAL to maintain and improve ambulatory functions, a communication robot to preserve and enhance activities of daily living with its conversation functions while

acquiring vital and environmental information, and a personal mobility robot for users who have difficulty walking.

In addition, the construction of the Cybernics Medical Innovation Base A building, which will promote bio-related research such as regenerative medicine and drug discovery in addition to clinical research on HAL and other products, was completed in March 2022. The Group is now conducting additional interior work, and the building is scheduled to be operational by the end of this fiscal year. The companies will start occupancy to the facility from January 2023.

Numbers of operating units

As of the end of September 2022, 384 units of Medical HAL Lower Limb Type were operating worldwide, including those used for clinical research. Out of the number mentioned above, 86 were rented out in Japan for treatment. 542 units of HAL Single Joint Type were in operation, mainly from the increase of medical products. There was a total of 346 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) put together in operation as of the end of September 2022. 1,179 units of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support put together were in operation. As of the end of September 2022, 419 units of HAL Lumbar Type for Labor Support were in operation. 154 units of Cleaning Robot, as well as Transportation Robot, were in operation.

In the consolidated six months ended September 30, 2022, the medical service in the US and significant increase of rental in Asia and Europe contributed to the revenue recorded at ¥1,542 million (86.9% increase year on year). In addition, the Group recorded gross profit at ¥989 million (59.8% increase year on year). Research and development expenses were recorded at ¥333 million (4.9% decrease year on year), mainly due to the development of new products at the Company's own cost, clinical research and consigned research projects. In addition, the Group recorded other selling, general and administrative expenses at ¥1,162 million (48.7% increase year on year) due to an increase following the M&A in the previous fiscal year.

Other income was recorded at ¥65 million (103.7% increase year on year), mainly from exchange differences on translation of foreign operations and a consigned research project, resulting in an operating loss of ¥442 million (8.1% decrease year on year).

Finance income was recorded at ¥681 million, mainly due to gain from valuation difference of investment securities and translation of foreign operations. The Group recorded gains related to CEJ Fund at ¥154 million and income tax expense at ¥135 million from deferred tax expenses, resulting in the posting of profit attributable to owners of the parent at ¥268 million (loss of ¥428 million in the Q1 of the previous fiscal 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, the gain on valuation difference of investments securities ¥750 million was recorded as finance income. Furthermore, as the Group recorded deferred tax expense associated with this valuation of ¥134 million as an income tax expense and ¥105 million as third-party interest in CEJ Fund, the impact of calculation of the fair value towards the quarterly profit was ¥511 million.

(2) Explanation of financial position

① Assets

For the consolidated six months ended September 30, 2022, assets increased ¥1,941 million to ¥51,407 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥1,941 million in other financial assets (current), partially offset by an increase of ¥3,182 million in other financial assets (non-current) and ¥708 million in cash and cash equivalents.

② Liabilities

For the consolidated six months ended September 30, 2022, liabilities increased ¥1,461 million to ¥7,477 million compared to the end of the previous fiscal year. The changes were mainly due to a decrease of ¥76 million in trade and other payables, partially offset by an increase of ¥1,354 million in contributions into CEJ Fund from third-party investors and ¥130 million in deferred tax liabilities.

③ Equity

For the consolidated six months ended September 30, 2022, equity decreased ¥480 million to ¥43,929 million compared to the end of the previous fiscal year. Changes were mainly due to an increase of retained earnings resulting from the recording of a profit attributable to owners of the parent.

(3) Status of cashflow

For the consolidated six months ended September 30, 2022, cash and cash equivalents increased ¥708 million to ¥6,385 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated six months ended September 30, 2022, are stated below.

(Cash flows from operating activities)

For the consolidated six months ended September 30, 2022, net cash provided by operating activities recorded an inflow of 83 million (outflow of ¥151 million in the previous fiscal year). Changes were mainly due to a finance income recorded at ¥681 million, partially offset by profit before tax recorded at ¥373 million, depreciation and amortization posted at ¥292 million.

(Cash flows from investment activities)

For the consolidated six months ended September 30, 2022, net cash provided by investing activities recorded an outflow of ¥845 million (outflow of ¥1,649 million in the previous fiscal year). The changes were mainly due to proceeds of redemption of investment posted at ¥12,500 million, proceeds from withdrawal of time deposits posted at ¥2,500 million, partially offset by the payment of ¥11,000 million from the purchase of investments, and ¥3,009 million from the purchase of investment securities.

(Cash flows from financing activities)

For the consolidated six months ended September 30, 2022, net cash used in financing activities recorded an inflow of ¥1,311 million (inflow of ¥605 million in the previous fiscal year). The changes were mainly due to the inflow of ¥1,380 million from contributions into CEJ Fund from third-party investors.

2. Condensed quarterly consolidated financial statement

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

	As of March 31, 2022	As of September 30, 2022
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	5,677	6,385
Trade and other receivables	493	443
Other financial assets	15,151	13,210
Inventories	1,089	1,071
Other current assets	455	225
Total current assets	22,865	21,334
Non-current assets		
Operating lease assets	430	417
Property, plant and equipment	13,416	13,424
Right of use assets	499	534
Goodwill	2,070	2,344
Intangible assets	76	59
Investments accounted for using equity method	435	421
Other financial assets	9,571	12,753
Other non-current assets	105	119
Total non-current assets	26,602	30,073
Total assets	49,467	51,407

	As of March 31, 2022	As of September 30, 2022
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	418	342
Bonds and borrowings	34	34
Lease liabilities	118	142
Other current liabilities	259	274
Total current liabilities	828	791
Non-current liabilities		
Bonds and borrowings	34	27
Third-party interests in CEJ Fund	3,629	4,983
Lease liabilities	389	410
Provisions	96	96
Deferred tax liabilities	1,040	1,170
Total non-current liabilities	5,189	6,686
Total liabilities	6,017	7,477
Equity		
Share capital	10	10
Capital surplus	42,869	42,873
Treasury shares	(0)	(0)
Other components of equity	(1,145)	(923)
Retained earnings	1,679	1,947
Total equity attributable to owners of the parent	43,413	43,906
Non-controlling interests	38	23
Total equity	43,450	43,929
Total liabilities and equity	49,467	51,407

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

Condensed year to quarter end consolidated statement of profit or loss

	Six months ended September 30, 2021	Six months ended September 30, 2022
	Millions of yen	Millions of yen
Revenue	825	1,542
Cost of sales	(206)	(553)
Gross profit	619	989
Selling, general and administrative expenses		
Research and development expenses	(350)	(333)
Other selling, general and administrative expenses	(781)	(1,162)
Total selling, general and administrative expenses	(1,131)	(1,495)
Other income	32	65
Other expenses	(1)	(1)
Operating profit (loss)	(481)	(442)
Finance income	27	681
Finance costs	(1)	(6)
Gains related to CEJ Fund	82	154
Share of profit (loss) of investments accounted for using equity method	(16)	(14)
Profit (loss) before tax	(389)	373
Income tax expense	(50)	(135)
Profit (loss)	(440)	239
Profit (loss) attributable to		
Owners of parent	(428)	268
Non-controlling interests	(12)	(29)
Profit (loss)	(440)	239
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(1.99)	1.25
Diluted earnings (loss) per share (yen)	(1.99)	1.25

Condensed quarter period consolidated statement of profit or loss

	Three months ended September 30, 2021	Three months ended September 30, 2022
	Millions of yen	Millions of yen
Revenue	445	791
Cost of sales	(103)	(292)
Gross profit	342	499
Selling, general and administrative expenses		
Research and development expenses	(162)	(182)
Other selling, general and administrative expenses	(390)	(594)
Total selling, general and administrative expenses	(552)	(775)
Other income	13	14
Other expenses	(1)	(1)
Operating profit (loss)	(198)	(264)
Finance income	22	136
Finance costs	(1)	(3)
Gains related to CEJ Fund	59	140
Share of profit (loss) of investments accounted for using equity method	(6)	(8)
Profit (loss) before tax	(124)	1
Income tax expense	(33)	5
Profit (loss)	(157)	6
Profit (loss) attributable to		
Owners of parent	(152)	27
Non-controlling interests	(6)	(20)
Profit (loss)	(157)	6
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(0.70)	0.12
Diluted earnings (loss) per share (yen)	(0.70)	0.12

Condensed year to quarter end consolidated statement of comprehensive income

	Six months ended September 30, 2021	Six months ended September 30, 2022
	Millions of yen	Millions of yen
Profit (loss)	(440)	239
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(21)	(48)
Total of items that will not be reclassified to profit or loss	(21)	(48)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	20	274
Total of items that may be reclassified to profit or loss	20	274
Total other comprehensive income, net of tax	(1)	225
Comprehensive income	(441)	464
Comprehensive income attributable to		
Owners of parent	(429)	490
Non-controlling interests	(12)	(26)
Comprehensive income	(441)	464

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)
Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2021	10	42,861	(0)	(1,286)	(6)	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(21)	20	—
Total comprehensive income	—	—	—	(21)	20	—
Share-based payment transactions	—	4	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Total transactions with owners	—	4	—	—	—	—
September 30, 2021	10	42,865	(0)	(1,306)	14	19

Equity attributable to owners of parent					
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total				
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2021	(1,272)	2,177	43,776	10	43,786
Profit (loss)	—	(428)	(428)	(12)	(440)
Other comprehensive income	(1)	—	(1)	—	(1)
Total comprehensive income	(1)	(428)	(429)	(12)	(441)
Share-based payment transactions	—	—	4	—	4
Equity transaction non-controlling	—	—	—	4	4
Total transactions with owners	—	—	4	4	8
September 30, 2021	(1,273)	1,749	43,351	3	43,354

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

Equity attributable to owners of parent

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2022	10	42,869	(0)	(1,306)	142	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(48)	270	—
Total comprehensive income	—	—	—	(48)	270	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	—	4	—	—	—	—
Equity transaction non-controlling interest	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	4	(0)	—	—	—
September 30, 2022	10	42,873	(0)	(1,354)	412	19

Equity attributable to owners of parent

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2022	(1,145)	1,679	43,413	38	43,450
Profit (loss)	—	268	268	(29)	239
Other comprehensive income	222	—	222	4	225
Total comprehensive income	222	268	490	(26)	464
Acquisition of treasury shares	—	—	(0)	—	(0)
Share-based payment transactions	—	—	4	—	4
Equity transaction non-controlling interest	—	—	—	9	9
Other	—	—	—	2	2
Total transactions with owners	—	—	4	11	15
September 30, 2022	(923)	1,947	43,906	23	43,929

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

	Six months ended September 30, 2021	Six months ended September 30, 2022
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	(389)	373
Depreciation and amortization	233	292
Finance income	(27)	(681)
Finance costs	1	6
Loss (gains) on CEJ Fund	(82)	(154)
Share of loss (profit) of investments accounted for using equity method	16	14
Decrease (increase) in inventories	(182)	17
Decrease (increase) in trade and other receivables	129	50
Increase (decrease) in trade and other payables	74	(76)
Other	19	230
Subtotal	(209)	71
Interest received	6	9
Interest paid	(1)	(0)
Income taxes refund	53	2
Net cash provided by (used in) operating activities	(151)	83
Cash flows from investing activities		
Purchase of investments	(8,999)	(11,000)
Proceeds of redemption of investments	11,000	12,500
Payment into time deposit	(1,000)	(2,000)
Proceeds from withdrawal of time deposits	–	2,500
Purchase of property, plant and equipment	(810)	(197)
Purchase of intangible assets	(3)	–
Purchase of investment securities	(1,250)	(3,009)
Proceeds from sale of investment securities	–	428
Purchase of stock of subsidiaries with change of scope of consolidation	(561)	–
Payments for loans receivable	–	(67)
Collection of loans receivable	–	1
Other	(26)	(0)
Net cash provided by (used in) investing activities	(1,649)	(845)
Cash flows from financing activities		
Repayments of long-term borrowings	(41)	(6)
Repayments of lease obligation	(33)	(63)
Contributions into CEJ Fund from third-party investors	680	1,380
Other	(1)	(1)
Net cash provided by (used in) financing activities	605	1,311
Effect of exchange rate changes on cash and cash equivalents	35	159
Net increase (decrease) in cash and cash equivalents	(1,160)	708
Cash and cash equivalents at beginning of fiscal year	6,704	5,677
Cash and cash equivalents at end of year	5,544	6,385

(5) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Changes in accounting policy)

Significant accounting policies applied to the condensed consolidated financial statements for the consolidated six months ended September 30, 2022 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2022

The income tax expense for the consolidated six months ended September 30, 2022 has been calculated based on the estimated annual effective income tax rate.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Six months ended September 30, 2021	Six months ended September 30, 2022
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	672	820
Asset transferred at a point of time	34	83
Service transferred at a point of time	119	639
Total	825	1,542

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

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract, maintenance income based on the maintenance contract concerning finance lease income where the Group acts as a lessor of right-of-use asset and subscription fees from the provision and operation of smartphone applications.

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

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

The Group recognizes subscription fees for the provision and operation of smartphone applications as service provided through an application over time. The Company records this revenue over time.

Asset transferred at a point of time

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

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

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernic Treatment and training service at Cybernic Treatment Center and Robocare Centers to end-users (such as patients). In addition, the Company also includes revenue received in return for providing outcomes of consigned research projects in this category.

The Group determines that the performance obligation of Cybernic Treatment and training services are satisfied at the point of completion of such services. Furthermore, the Group determines that the performance obligation of providing outcomes of consigned research projects is satisfied when the customer inspects and accepts the work.