



**Consolidated Financial Results (Tanshin)**  
for the Nine Months Ended December 31, 2022 (Based on IFRS)

February 14, 2023

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

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

I. Consolidated financial results for the nine months ended December 31, 2022 (April 1, 2022-December 31, 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-Dec. 31, 2022	2,374	76.3	(749)	—	112	—	68	—
Apr.1-Dec. 31, 2021	1,347	8.0	(656)	—	(554)	—	(590)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Dec. 31, 2022	0.32	0.32
Apr.1-Dec. 31, 2021	(2.74)	(2.74)

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 Dec. 31, 2022	51,166	43,590	43,600	85.2
As of March 31, 2022	49,467	43,450	43,419	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 December 31, 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 December 31, 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-December 31, 2022	215,134,138 shares	Apr.1-December 31, 2021	215,135,098 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 the settlement of accounts for the nine months ended December 31, 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 nine months ended December 31, 2022, and certain assumptions made by the Group.

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

#### Techno Peer Support Society

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

#### Status of business operation

<<Business operation around the medical application>>

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

#### (Japan)

The Group continues its efforts to establish Cybernetics 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. Furthermore, the Group will utilize such results to list this treatment methodology for insurance worldwide, establishing it as a global standard for progressive neuromuscular disease for which no effective treatment method existed.

On October 27, 2022, the Japanese Minister of Health, Labour, and Welfare approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL. Accordingly, the Company is making preparations for 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 are being discussed with the authorities, investigators, and statistical experts. The Group also considers the result 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 in January 2022. The trial is currently in progress.

(USA)

RISE Healthcare Group (RHG), the Company's subsidiary, currently offers medical service in 26 locations (an increase of 10 sites since the acquisition), mainly in the Southern regions of California. In addition, RHG plans to open new centers in northern areas of California soon. RHG is also conducting trials of combined services with the innovative medical HAL technology of CYBERDYNE in 4 locations, and official service with HAL is being started gradually from January 2023.

(EMEA: Mainly Europe and the Middle East)

Following the previous year, the Group is promoting Cybernics Treatment in major countries of the region, such as Türkiye, which implemented the technology this fiscal year.

In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has announced the protocol framework for a clinical trial for spinal cord injury based on public health insurance coverage. The trial is currently under preparation.

(APAC: Asia Pacific)

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

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

Furthermore, for Medical HAL Single Joint Type, the Group has already received approvals from Malaysia, Thailand, and Australian regulators in this region. The Group also obtained approvals from the regulator of Taiwan within this fiscal year.

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

The Group has developed various types of HAL to improve seniors' need for nursing care, preventing illness and frailty, and maintaining their independence from care. For example, the HAL Lower Limb Type for improving ambulatory functions; HAL Single Joint Type to train elbow, knee, and ankle movements; and HAL Lumbar Type to train 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 began 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 seniors' health and quality of life (QOL) by enhancing 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 utilizing 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. In this service, the user utilizes HAL Monitor to visualize their bio-electrical signals, postures, and many more, receiving visual feedback. Also, by linking the data with Cyberdyne Cloud, the users can receive advice from their trainers remotely. The Group is also working 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 to strengthen the Group's healthcare business. C2 is best known for developing and operating the "Sound Sleep Alarm" healthcare application that visualizes sleep. The Group applied for Cyvis-1 in April 2022 to register it as a medical device and started trial marketing 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.

(Cleaning)

The Group works with a major construction company for its next-generation Cleaning Robot CL02, which uses cutting-edge SLAM technology to achieve high-speed autonomous driving. Because CL02 can ride on elevators automatically and connect with cloud systems, the companies are developing this technology as a solution to make building management smarter and reduce management costs.

### Status of Research and Development

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

Other research projects of the Group include cloth-type HAL, a communication robot, and a personal mobility robot.

In addition, Cybernics Medical Innovation Base A building in the national strategic zone of Kawasaki City, Japan, is completed, and companies that the Group is working with are starting to move into the facility from January 2023.

### Numbers of operating units

As of the end of December 2022, 404 units of Medical HAL Lower Limb Type were operating worldwide, including those used for clinical research. Out of those units, 82 units are used in Japan for treatment. In addition, there were 557 units of HAL Single Joint Type, mainly from the increase of products used by hospitals. A total of 347 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 1,181 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 419 units of HAL Lumbar Type for Labor Support and 154 units of Cleaning Robots and Transportation Robots.

In the consolidated nine months ended December 31, 2022, the significant increase from medical services in the US and rental in Asia and Europe contributed to the revenue recorded at ¥2,374 million (76.3% increase year on year). In addition, the Group recorded a gross profit of ¥1,482 million (a 50.5% increase year on year).

Research and development expenses were recorded at ¥494 million (a 5.5% 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 ¥1,814 million (53.3% increase year on year) due to an increase following the M&A in the previous fiscal year.

Other income was recorded at ¥78 million (18.9% increase year on year), mainly from a consigned research project, resulting in an operating loss of ¥749 million (14.2% increase year on year).

The Group recorded finance income at ¥694 million, mainly due to gains from the valuation difference of investment securities and translation of foreign operations. In addition, the Group recorded gains related to CEJ Fund at ¥199 million and income tax expense at ¥106 million from deferred tax expenses, resulting in the posting of profit attributable to owners of the parent at ¥68 million (loss of ¥590 million in the same period 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, during the consolidated nine months period ended December 31, 2022, the gain on valuation difference of investments securities ¥867 million was recorded as finance income. Furthermore, as the Group recorded deferred tax expense associated with this valuation of ¥151 million as an income tax expense and ¥127 million as third-party interest in CEJ Fund, the impact of the calculation of the fair value towards the quarterly profit was ¥589 million.



## (2) Explanation of financial position

### ① Assets

For the consolidated nine months ended December 31, 2022, assets increased ¥1,700 million to ¥51,166 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥1,940 million in other financial assets (current), partially offset by an increase of ¥3,264 million in other financial assets (non-current) and ¥656 million in cash and cash equivalents.

### ② Liabilities

For the consolidated nine months ended December 31, 2022, liabilities increased ¥1,560 million to ¥7,576 million compared to the end of the previous fiscal year. The changes were mainly due to an increase of ¥1,330 million in contributions into CEJ Fund from third-party investors and ¥160 million in deferred tax liabilities.

### ③ Equity

For the consolidated nine months ended December 31, 2022, equity decreased ¥188 million to ¥43,590 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease in other components of equity.

## (3) Status of cashflow

For the consolidated nine months ended December 31, 2022, cash and cash equivalents increased ¥656 million to ¥6,334 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated nine months ended December 31, 2022, are stated below.

### (Cash flows from operating activities)

For the consolidated nine months ended December 31, 2022, net cash provided by operating activities recorded an inflow of 122 million (outflow of ¥208 million in the previous fiscal year). Changes were mainly due to finance income recorded at ¥694 million, partially offset by profit before tax recorded at ¥112 million, depreciation and amortization posted at ¥431 million.

### (Cash flows from investment activities)

For the consolidated nine months ended December 31, 2022, net cash provided by investing activities recorded an outflow of ¥800 million (outflow of ¥725 million in the previous fiscal year). The changes were mainly due to proceeds of redemption of investment posted at ¥14,500 million, proceeds from withdrawal of time deposits posted at ¥4,500 million, partially offset by the payment of ¥15,000 million from the purchase of investments, and ¥3,009 million from the purchase of investment securities.

### (Cash flows from financing activities)

For the consolidated nine months ended December 31, 2022, net cash used in financing activities recorded an inflow of ¥1,265 million (inflow of ¥1,268 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 December 31, 2022
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	5,677	6,334
Trade and other receivables	493	386
Other financial assets	15,151	13,211
Inventories	1,089	1,071
Other current assets	455	189
Total current assets	22,865	21,191
Non-current assets		
Operating lease assets	430	397
Property, plant and equipment	13,416	13,441
Right of use assets	499	474
Goodwill	2,070	2,207
Intangible assets	76	52
Investments accounted for using equity method	435	412
Other financial assets	9,571	12,835
Other non-current assets	105	157
Total non-current assets	26,602	29,975
Total assets	49,467	51,166

	As of March 31, 2022	As of December 31, 2022
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	418	437
Bonds and borrowings	34	29
Lease liabilities	118	126
Other current liabilities	259	334
Total current liabilities	828	926
Non-current liabilities		
Bonds and borrowings	34	24
Third-party interests in CEJ Fund	3,629	4,960
Lease liabilities	389	359
Provisions	96	96
Deferred tax liabilities	1,040	1,200
Other non-current liabilities	—	11
Total non-current liabilities	5,189	6,650
Total liabilities	6,017	7,576
Equity		
Share capital	10	10
Capital surplus	42,869	42,875
Treasury shares	(0)	(0)
Other components of equity	(1,145)	(1,032)
Retained earnings	1,679	1,747
Total equity attributable to owners of the parent	43,413	43,600
Non-controlling interests	38	(10)
Total equity	43,450	43,590
Total liabilities and equity	49,467	51,166

(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

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Revenue	1,347	2,374
Cost of sales	(362)	(892)
Gross profit	984	1,482
Selling, general and administrative expenses		
Research and development expenses	(523)	(494)
Other selling, general and administrative expenses	(1,183)	(1,814)
Total selling, general and administrative expenses	(1,705)	(2,308)
Other income	66	78
Other expenses	(0)	(1)
Operating loss	(656)	(749)
Finance income	30	694
Finance costs	(2)	(9)
Gains related to CEJ Fund	95	199
Share of profit (loss) of investments accounted for using equity method	(21)	(23)
Profit before tax	(554)	112
Income tax expense	(53)	(106)
Profit (loss)	(607)	6
Profit (loss) attributable to		
Owners of parent	(590)	68
Non-controlling interests	(17)	(63)
Profit (loss)	(607)	6
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(2.74)	0.32
Diluted earnings (loss) per share (yen)	(2.74)	0.32

Condensed quarter period consolidated statement of profit or loss

	Three months ended December 31, 2021	Three months ended December 31, 2022
	Millions of yen	Millions of yen
Revenue	521	831
Cost of sales	(156)	(339)
Gross profit	365	492
Selling, general and administrative expenses		
Research and development expenses	(173)	(161)
Other selling, general and administrative expenses	(401)	(652)
Total selling, general and administrative expenses	(574)	(813)
Other income	34	13
Other expenses	(0)	(0)
Operating loss	(175)	(307)
Finance income	3	13
Finance costs	(0)	(3)
Gains related to CEJ Fund	13	45
Share of profit (loss) of investments accounted for using equity method	(5)	(9)
Profit (loss) before tax	(164)	(261)
Income tax expense	(3)	28
Profit (loss)	(167)	(233)
Profit (loss) attributable to		
Owners of parent	(162)	(200)
Non-controlling interests	(5)	(34)
Profit (loss)	(167)	(233)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(0.75)	(0.93)
Diluted earnings (loss) per share (yen)	(0.75)	(0.93)

Condensed year to quarter end consolidated statement of comprehensive income

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	<u>Millions of yen</u>	<u>Millions of yen</u>
Profit (loss)	(607)	6
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(50)	(13)
Total of items that will not be reclassified to profit or loss	<u>(50)</u>	<u>(13)</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	60	130
Total of items that may be reclassified to profit or loss	<u>60</u>	<u>130</u>
Total other comprehensive income, net of tax	<u>9</u>	<u>117</u>
Comprehensive income	<u>(598)</u>	<u>123</u>
Comprehensive income attributable to		
Owners of parent	(581)	181
Non-controlling interests	(17)	(58)
Comprehensive income	<u>(598)</u>	<u>123</u>

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)  
 Nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	—	—	—	(50)	60	—
Total comprehensive income	—	—	—	(50)	60	—
Share-based payment transactions	—	6	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Increase (decrease) by business combination	—	—	—	—	—	—
Total transactions with owners	—	6	—	—	—	—
December 31, 2021	10	42,867	(0)	(1,336)	54	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)	—	(590)	(590)	(17)	(607)
Other comprehensive income	9	—	9	—	9
Total comprehensive income	9	(590)	(581)	(17)	(598)
Share-based payment transactions	—	—	6	—	6
Equity transaction non-controlling	—	—	—	8	8
Increase (decrease) by business combination	—	—	—	67	67
Total transactions with owners	—	—	6	75	81
December 31, 2021	(1,263)	1,587	43,201	69	43,270

Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	—	—	—	(13)	126	—
Total comprehensive income	—	—	—	(13)	126	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	—	6	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	6	(0)	—	—	—
December 31, 2022	10	42,875	(0)	(1,320)	268	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	Millions of yen	
April 1, 2022	(1,145)	1,679	43,413	38	43,450
Profit (loss)	—	68	68	(63)	6
Other comprehensive income	113	—	113	4	117
Total comprehensive income	113	68	181	(58)	123
Acquisition of treasury shares	—	—	(0)	—	(0)
Share-based payment transactions	—	—	6	—	6
Equity transaction non-controlling	—	—	—	9	9
Other	—	—	—	2	2
Total transactions with owners	—	—	6	11	17
December 31, 2022	(1,032)	1,747	43,600	(10)	43,590



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

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	(554)	112
Depreciation and amortization	347	431
Finance income	(30)	(694)
Finance costs	2	9
Loss (gains) on CEJ Fund	(95)	(199)
Share of loss (profit) of investments accounted for using equity method	21	23
Decrease (increase) in inventories	(281)	17
Decrease (increase) in trade and other receivables	139	107
Increase (decrease) in trade and other payables	121	19
Other	58	284
Subtotal	(270)	110
Interest received	11	10
Interest paid	(2)	(0)
Income tax refund	53	2
Net cash provided by (used in) operating activities	(208)	122
Cash flows from investing activities		
Purchase of investments	(10,999)	(15,000)
Proceeds of redemption of investments	16,000	14,500
Payment into time deposit	(1,000)	(2,000)
Proceeds from withdrawal of time deposits	—	4,500
Purchase of property, plant and equipment	(853)	(301)
Purchase of intangible assets	(6)	—
Purchase of investment securities	(1,848)	(3,009)
Proceeds from sale of investment securities	—	556
Purchase of stock of subsidiaries with change of scope of consolidation	(1,908)	—
Payments for loans receivable	(93)	(66)
Collection of loans receivable	—	10
Other	(18)	10
Net cash provided by (used in) investing activities	(725)	(800)
Cash flows from financing activities		
Repayments of long-term borrowings	(44)	(9)
Repayments of lease obligation	(47)	(97)
Contributions into CEJ Fund from third-party investors	1,360	1,380
Other	(1)	(9)
Net cash provided by (used in) financing activities	1,268	1,265
Effect of exchange rate changes on cash and cash equivalents	25	70
Net increase (decrease) in cash and cash equivalents	360	656
Cash and cash equivalents at beginning of fiscal year	6,704	5,677
Cash and cash equivalents at end of year	7,064	6,334

(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 nine months ended December 31, 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 nine months ended December 31, 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.

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	1,057	1,248
Asset transferred at a point of time	85	140
Service transferred at a point of time	204	986
Total	<u>1,347</u>	<u>2,374</u>

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

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract, 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

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.