



Consolidated Financial Results (Tanshin)
for the Nine Months Ended December 31, 2023 (Based on IFRS)

February 14, 2024

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Growth Market of TSE
Stock code	:7779	URL	: https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
Contact (title)	:Director and COO	Name	:Shinji Honda Tel. +81-29-869-9981
Scheduled date for release of nine-month report	:February 14, 2024	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, 2023 (April 1, 2023-December 31, 2023)

1. Consolidated result of operations

(percentages denote year-on-year change)

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Apr.1-Dec. 31, 2023	3,219	35.6	(1,603)	—	(566)	—	(951)	—
Apr.1-Dec. 31, 2022	2,374	76.3	(749)	—	112	—	68	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Dec. 31, 2023	(4.51)	(4.51)
Apr.1-Dec. 31, 2022	0.32	0.32

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, 2023	50,340	40,997	41,209	81.9
As of March 31, 2023	50,187	41,983	42,101	83.9

II. Dividends

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

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

Notes:

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

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

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

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

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

(iii) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

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

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

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

Apr.1-December 31, 2023	211,131,236 shares	Apr.1-December 31, 2022	215,134,138 shares
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Note: Class B Shares are ranked the same as Common Shares and paid the same amount as Common Shares with regard to dividends of surplus and distribution of residual assets. Therefore the total number of issued shares at each end of period and the average number of shares during each period include Class B Shares as Common Shares.

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

Dividends on Class Shares

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

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

(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, 2023, and certain assumptions made by the Group.

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

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

Status of business operation

<<Business operation around the medical application>>

The Group continues its efforts to disseminate 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.

(Japan)

The Group continues its efforts to disseminate Cybernetics Treatment, a treatment program using Medical HAL. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases, for which no effective treatment methods are available in the medical world yet.

Regarding spinal cord-related diseases, the Japanese Minister of Health, Labor, and Welfare approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL on October 2022. A letter of announcement was published on the MHLW website stating the approval of insurance coverage for treating those two diseases using Medical HAL on October 1, 2023. Regarding traumatic spinal cord injuries, the Company is consulting with the regulators on the necessary steps to obtain medical device approvals.

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

In addition, the University of Tsukuba Hospital started clinical trials to investigate the effect of HAL on improving the physical functions of children affected by cerebral palsy in January 2022. The clinical trial is currently in progress. The Company has also developed a small Medical HAL Lower Limb Type model equivalent to the device used in the clinical trial for cerebral palsy. The Company submitted paperwork to obtain approvals from the PMDA (Pharmaceuticals and Medical Devices Agency) in June 2023 for the same group of patients as the larger size of Medical HAL Lower Limb Type.

(USA)

As a medical service platform for individual users, RISE Healthcare Group (RHG), the Company's subsidiary, is gradually expanding the number of facilities in Southern California. In February 2023, RISE opened its first center in northern California. As of December 31, 2023, RHG operates 28 centers (an increase of 12 centers since the M&A by CYBERDYNE). HAL technology of CYBERDYNE is currently available in 4 locations, and RHG is expanding its official service with HAL to more centers starting from January 2023.

(EMEA: Mainly Europe and the Middle East)

The Group continues to promote Cybernics Treatment in the region. For example, a center that offers Cybernics Treatment commenced in Türkiye. In addition, the Company exported 25 units of HAL to an Italian Social Company, Coopselios, in May 2023. The Company is planning to ship out additional units.

In Germany, the G-BA (German Federal Joint Committee), the public health insurance authority, has announced that it will conduct a clinical trial for spinal cord injury based on public health insurance coverage. Related parties are making preparation for the trial.

(APAC: Asia Pacific)

CYBERDYNE MALAYSIA Sdn. Bhd. is working to disseminate Cybernics Treatment in a wide area of South East Asia, India, Australia, and Taiwan.

The Group continues to strengthen its partnership with Malaysia's government-affiliated Social Security Organization (SOCSO). The collaboration resulted in increased access for Malaysian patients under the SOCSO coverage, and the treatment is currently offered in eleven facilities through 109 income-generating rental units as of the end of December 2023. Construction of the National Center for Neuro-Robotics and Cybernics, the largest medical complex in Southeast Asia, is scheduled for completion by the end of 2024. The Group expects to install significant numbers of HAL in this center.

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

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

(Service at facilities for individuals)

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

(Neuro HALFIT at Home as a service towards individuals)

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

<<Prevention/early detection)>>

The Group is preparing for the commercialization of the Cyvis series, an ultra-small size vital sensor designed to manage the risk of arrhythmia and atrial fibrillation and prevent myocardial infarction, and stroke by accumulating, analyzing, and processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO2, and daily activities using its AI system. Cyvis also has an optional feature to measure breathing conditions while sleeping, enabling easy yet highly accurate screening of risks of sleep apnea syndrome. The Company submitted a medical device approval application for its next-generation model, Cyvis 2, on April 2023.

<<Business operation around applications to support caregivers and carereceivers>>

(Well-being)

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

(Labor Support, Disinfection, and Cleaning)

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

Status of Research and Development

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

The proposal of the Group was selected for the next Cross-ministerial Strategic Innovation Promotion Program (SIP) Third Phase: Development of Fundamental Technologies, the Establishment of Common Systems, Rules, and Regulation for the Expansion of Human Collaborative Robotics, Theme 6: Development of Social Implementation Technologies for HCPS* Integrated Human Collaborative Robotics to Solve Social Issues” that is led by the Council for Science, Technology, and Innovation (the Cabinet Office of Japan). Under this program, the Group will (i) develop an application for various living spaces such as residences, facilities, and workplaces, (ii) utilize HCPS-integrated Cybernetics master remote control technology that works together with human information (physiological, physical, behavioral, cognitive, psychological, etc.), (iii) acquire and utilize human information obtained through non-invasive HCPS-integrated human-collaborative robotics, and (iv) Establish links with other related technologies of the R&D theme to improve the independence and freedom of seniors and people with limited access to transportation.

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

In addition, Cybernics Medical Innovation Base A building in the national strategic zone of Kawasaki City, Japan, is completed. Starting in January 2023, partners in life science, such as regenerative medicine and drug discovery, are moving into the facility. The Company will gradually continue to pick its partners based on business synergies.

Numbers of operating units

As of the end of December 2023, 465 Medical HAL Lower Limb Type units were operating worldwide, including those used for clinical research. ninety of those units were used in Japanese hospitals for treatment. In addition, there were 618 units of HAL Single Joint Type, mainly from the increase of products for medical use. A total of 364 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 1,062 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 396 units of HAL Lumbar Type for Labor Support and 171 units of Cleaning Robots and Transportation Robots.

Due to the abovementioned situation, in the consolidated nine months that ended December 31, 2023, the increase of medical service in the US and rental in the EU contributed to the revenue recorded at ¥3,219 million (35.6% increase year on year). In addition, the Group recorded a gross profit of ¥1,742 million (17.6% increase year on year).

The Group recorded research and development expenses at ¥517 million (4.7% increase year on year), mainly due to developing new products at the Company's own cost, clinical research, and consigned research projects. In addition, the Group recorded other selling, general, and administrative expenses at ¥2,293 million (26.4% increase year on year) due to an increase following the M&A in the previous fiscal year. Other income was recorded at ¥169 million (116.9% increase year on year), mainly from an exchange gain and consigned research project. Other expenses were recorded at ¥704 million (¥1 million in the same quarter of the previous fiscal year), mainly due to the posting of impairment losses on goodwill related to a domestic subsidiary, C2, Inc. As a result, the Group recorded an operating loss of ¥1,603 million (113.9% increase year on year).

The Group recorded a finance income of ¥319 million, mainly due to gains from the valuation difference of investment securities and exchange gain. In addition, the Group recorded gains related to CEJ Fund at ¥790 million and income tax expense at ¥506 million from deferred tax expenses, resulting in the posting of loss attributable to owners of the parent at ¥951 million (profit of ¥68 million in the same quarter of the previous fiscal year).

(2) Explanation of financial position

① Assets

For the consolidated nine months ended December 31, 2023, assets increased ¥153 million to ¥50,340 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥2,567 million in cash and cash equivalent, ¥519 million in goodwill, and ¥216 million in other current assets, partially offset by an increase of ¥1,997 million in other financial assets (current) and ¥1,633 million in other financial assets (non-current).

② Liabilities

For the consolidated nine months ended December 31, 2023, liabilities increased ¥1,139 million to ¥9,344 million compared to the end of the previous fiscal year. The changes were mainly due to a decrease of ¥197 million in trade and other payables, partially offset by an increase of ¥974 million in contributions to CEJ Fund from third-party investors and ¥481 million in deferred tax liabilities.

③ Equity

For the consolidated nine months ended December 31, 2023, equity decreased ¥986 million to ¥40,997 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease in retained earnings following the posting of a loss attributable to the owners of the parents.

(3) Status of cashflow

For the consolidated nine months ended December 31, 2023, cash and cash equivalents increased ¥2,567 million to ¥5,234 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, 2023, are stated below.

(Cash flows from operating activities)

For the consolidated nine months ended December 31, 2023, net cash provided by operating activities recorded an outflow of 711 million (inflow of ¥122 million in the consolidated nine months of the previous fiscal year). Changes were mainly due to impairment loss posted at ¥660 million, depreciation and amortization posted at ¥485 million, partially offset by a gain related to CEJ Fund recorded at ¥790 million, loss before tax recorded at ¥566 million, and finance income recorded at ¥319 million.

(Cash flows from investment activities)

For the consolidated nine months ended December 31, 2023, net cash provided by investing activities recorded an outflow of 2,129 million (an outflow of ¥800 million in the consolidated nine months of the previous fiscal year). The changes were mainly due to the proceeds of redemption of investments posted at ¥14,500 million, proceeds from the sale of investment securities posted at ¥465 million, partially offset by the acquisition of investments posted at ¥16,500 million, purchase of investment securities posted at ¥455 million and the purchase of property, plant, and equipment posted at ¥147 million.

(Cash flows from financing activities)

For the consolidated nine months ended December 31, 2023, net cash used in financing activities recorded an inflow of ¥213 million (an inflow of ¥1,265 million in the consolidated nine months of the previous fiscal year). The changes were mainly due to distribution and redemption from CEJ Fund into third-party investors posted at ¥320 million, partially offset by the inflow of ¥680 million from contributions to CEJ Fund from third-party investors.

2. Condensed quarterly consolidated financial statement

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

	As of March 31, 2023	As of December 31, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	7,801	5,234
Trade and other receivables	540	528
Other financial assets	9,507	11,504
Inventories	991	1,071
Other current assets	308	92
Total current assets	19,147	18,428
Non-current assets		
Operating lease assets	430	372
Property, plant and equipment	13,406	13,279
Right of use assets	546	499
Goodwill	2,531	2,012
Intangible assets	80	48
Investments accounted for using equity method	240	243
Other financial assets	13,641	15,273
Other non-current assets	166	186
Total non-current assets	31,040	31,912
Total assets	50,187	50,340

	As of March 31, 2023	As of December 31, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	690	493
Bonds and borrowings	89	84
Lease liabilities	147	148
Other current liabilities	365	279
Total current liabilities	1,291	1,004
Non-current liabilities		
Bonds and borrowings	21	25
Third-party interests in CEJ Fund	4,792	5,766
Lease liabilities	412	369
Provisions	96	96
Deferred tax liabilities	1,577	2,058
Other non-current liabilities	14	25
Total non-current liabilities	6,913	8,339
Total liabilities	8,204	9,344
Equity		
Share capital	10	10
Capital surplus	42,877	42,810
Treasury shares	(1,188)	(1,188)
Other components of equity	(979)	(852)
Retained earnings	1,381	430
Total equity attributable to owners of the parent	42,101	41,209
Non-controlling interests	(118)	(212)
Total equity	41,983	40,997
Total liabilities and equity	50,187	50,340

(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, 2022	Nine months ended December 31, 2023
	Millions of yen	Millions of yen
Revenue	2,374	3,219
Cost of sales	(892)	(1,477)
Gross profit	1,482	1,742
Selling, general and administrative expenses		
Research and development expenses	(494)	(517)
Other selling, general and administrative expenses	(1,814)	(2,293)
Total selling, general and administrative expenses	(2,308)	(2,810)
Other income	78	169
Other expenses	(1)	(704)
Operating profit (loss)	(749)	(1,603)
Finance income	694	319
Finance costs	(9)	(75)
Gains related to CEJ Fund	199	790
Share of profit (loss) of investments accounted for using equity method	(23)	3
Profit (loss) before tax	112	(566)
Income tax expense	(106)	(506)
Profit (loss)	6	(1,072)
Profit (loss) attributable to		
Owners of parent	68	(951)
Non-controlling interests	(63)	(121)
Profit (loss)	6	(1,072)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	0.32	(4.51)
Diluted earnings (loss) per share (yen)	0.32	(4.51)

Condensed quarter period consolidated statement of profit or loss

	Three months ended December 31, 2022	Three months ended December 31, 2023
	Millions of yen	Millions of yen
Revenue	831	1,115
Cost of sales	(339)	(517)
Gross profit	492	598
Selling, general and administrative expenses		
Research and development expenses	(161)	(163)
Other selling, general and administrative expenses	(652)	(771)
Total selling, general and administrative expenses	(813)	(934)
Other income	13	64
Other expenses	(0)	(15)
Operating profit (loss)	(307)	(287)
Finance income	13	(89)
Finance costs	(3)	(17)
Gains related to CEJ Fund	45	4
Share of profit (loss) of investments accounted for using equity method	(9)	2
Profit (loss) before tax	(261)	(386)
Income tax expense	28	7
Profit (loss)	(233)	(379)
Profit (loss) attributable to		
Owners of parent	(200)	(349)
Non-controlling interests	(34)	(30)
Profit (loss)	(233)	(379)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(0.93)	(1.65)
Diluted earnings (loss) per share (yen)	(0.93)	(1.65)

Condensed year to quarter end consolidated statement of comprehensive income

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	<u>Millions of yen</u>	<u>Millions of yen</u>
Profit (loss)	6	(1,072)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(13)	(29)
Total of items that will not be reclassified to profit or loss	<u>(13)</u>	<u>(29)</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	130	147
Total of items that may be reclassified to profit or loss	<u>130</u>	<u>147</u>
Total other comprehensive income, net of tax	<u>117</u>	<u>118</u>
Comprehensive income	<u>123</u>	<u>(954)</u>
Comprehensive income attributable to		
Owners of parent	181	(825)
Non-controlling interests	(58)	(130)
Comprehensive income	<u>123</u>	<u>(954)</u>

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)
 Nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2022	10	42,869	(0)	(1,306)	142	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(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					
	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

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

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, 2023	10	42,877	(1,188)	(1,270)	272	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(29)	156	—
Total comprehensive income	—	—	—	(29)	156	—
Acquisition of treasury shares	—	—	(0)	—	—	—
Share-based payment transactions	—	6	—	—	—	—
Equity transaction non-controlling	—	(72)	—	—	—	—
Other	—	—	—	—	—	—
Total transactions with owners	—	(68)	(0)	—	—	—
December 31, 2023	10	42,810	(1,188)	(1,299)	428	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, 2023	(979)	1,381	42,101	(118)	41,983
Profit (loss)	—	(951)	(951)	(121)	(1,072)
Other comprehensive income	127	—	127	(9)	118
Total comprehensive income	127	(951)	(825)	(130)	(954)
Acquisition of treasury shares	—	—	(0)	—	(0)
Share-based payment transactions	—	—	6	—	6
Equity transaction non-controlling	—	—	(73)	31	(42)
Other	—	—	—	5	5
Total transactions with owners	—	—	(68)	36	(32)
December 31, 2023	(852)	430	41,209	(212)	40,997

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

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	112	(566)
Depreciation and amortization	431	485
Impairment loss	—	660
Finance income	(694)	(319)
Finance costs	9	75
Loss (gains) on CEJ Fund	(199)	(790)
Share of loss (profit) of investments accounted for using equity method	23	(3)
Decrease (increase) in inventories	17	(80)
Decrease (increase) in trade and other receivables	107	23
Increase (decrease) in trade and other payables	19	(197)
Other	284	(22)
Subtotal	110	(735)
Interest received	10	24
Interest paid	(0)	(0)
Income tax refund	2	0
Net cash provided by (used in) operating activities	122	(711)
Cash flows from investing activities		
Purchase of investments	(15,000)	(16,500)
Proceeds of redemption of investments	14,500	14,500
Payment into time deposit	(2,000)	—
Proceeds from withdrawal of time deposits	4,500	—
Purchase of property, plant and equipment	(301)	(147)
Purchase of intangible assets	—	(8)
Purchase of investment securities	(3,009)	(455)
Proceeds from sale of investment securities	556	465
Payments for loans receivable	(66)	(3)
Collection of loans receivable	10	4
Other	10	15
Net cash provided by (used in) investing activities	(800)	(2,129)
Cash flows from financing activities		
Repayments of long-term borrowings	(9)	(10)
Repayments of lease obligation	(97)	(129)
Contributions into CEJ Fund from third-party investors	1,380	680
Distributions and redemptions from CEJ Fund into third-party investors	—	(320)
Other	(9)	(8)
Net cash provided by (used in) financing activities	1,265	213
Effect of exchange rate changes on cash and cash equivalents	70	59
Net increase (decrease) in cash and cash equivalents	656	(2,567)
Cash and cash equivalents at beginning of fiscal year	5,677	7,801
Cash and cash equivalents at end of year	6,334	5,234

(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, 2023 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2023, with the following exceptions.

The income tax expense for the consolidated nine months ended December 31, 2023 has been calculated based on the estimated annual effective income tax rate.

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

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

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	1,248	1,715
Asset transferred at a point of time	140	171
Service transferred at a point of time	986	1,332
Total	2,374	3,219

(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.