Notice of 21st Ordinary General Meeting of Shareholders
(Matters Not Included in the Document to be Delivered)

Matters excluded from the delivered document upon request according to the law, regulations, and the Articles of Incorporation, which is included in the electronically provided document

- ●Audit report by Audit and Supervisory Board Members · · · 35

According to laws, regulations, and Article 22-2 of the Company's Articles of Incorporation, the above information is omitted from the document delivered to the shareholders upon request

CYBERDYNE, INC.
Stock code: 7779

Business Report

• Matters related to current status of CYBERDYNE Group

1. Main offices and factories (as of March 31, 2025)

Division		Name	Location
The Company		Head Quarters	Tsukuba, Ibaraki, Japan
		Tsukuba Robocare Center	Tsukuba, Ibaraki, Japan
		CYBERNICS MEDICAL INNOVATION BASE-A	Kawasaki, Kanagawa, Japan
		Next-generation multipurpose robotized production facility (Fukushima Office)	Koriyama, Fukushima, Japan
Subsidiaries	(Outside Japan)	Cyberdyne Care Robotics GmbH	North Rhine-Westphalia, Germany
		CYBERDYNE USA INC.	California, USA
		RISE Healthcare Group, Inc.	California, USA
		CYBERDYNE MALAYSIA SDN. BHD.	Kuala Lumpur, Malaysia
	(Within Japan)	Shonan RoboCare Center Co., Ltd.	Fujisawa, Kanagawa, Japan
		Nagoya RoboCare Center Hisaya	Nagoya, Aichi, Japan
		Suzuka RoboCare Center Co., Ltd.	Suzuka, Mie, Japan
		Oita RoboCare Center Co., Ltd.	Beppu, Oita, Japan
		C2, Inc.	Bunkyo-ku, Tokyo, Japan
		CEJ Capital, Inc.	Tsukuba, Ibaraki, Japan
		Cybernic Excellence Japan Fund 1 Investment Limited Partnership	Shibuya, Tokyo, Japan

2. Status of employees (as of March 31, 2025)

① Status of employees in the Group

Number of employees	Change from previous fiscal year
211 members (56 members)	Decrease of 16 members (Increase of 2 members)

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

② Status of employees in the Company

Number of employees	Change from previous fiscal year	Average age	Average years of service
83 members (38 members)	No change (Increase of 2 members)	45.3 years old	8.4 years

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

• Matters regarding the Company shares

1. Status of shares (as of March 31, 2025)

Class	Total number of authorized shares	Total number of shares issued	Number of shareholders
Common Share	618,300,000 shares	137,445,809 shares	67,840 shareholders
Class B Share	77,700,000 shares	77,700,000 shares	3 shareholders

2. Major shareholders (as of March 31, 2025)

Name of shareholder	Number of shares held (shares)		Shareholding ratio (%)
Yoshiyuki Sankai	Common Share Class B Share	3,042,000 77,696,000	38.24
Daiwa House Industries Co., Ltd.	Common Share	26,000,000	12.31
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	Common Share	1,690,000	0.80
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	Common Share	1,489,534	0.70
BBH CO FOR ARCUS JAPAN VALUE FUND	Common Share	1,181,000	0.55
BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS MILM FE	Common Share	1,000,455	0.47
Nomura Securities Co.,Ltd.	Common Share	952,752	0.45
Mikio Yano	Common Share	817,600	0.38
CENTRAL TANSHI CO., LTD.	Common Share	749,300	0.35
BNYMSANV RE GCLB RE JP RD LMGC	Common Share	671,005	0.31

(Notes) 1. The Company holds 4,014,753 shares as treasury share (Common Shares). These shares was excluded from the calculation of the shareholding ratio.
2. For the calculation of the shareholding ratio, treasury share held by the Company is excluded

• Matters related to the Stock Acquisition rights

(1) Status of the Stock Acquisition Rights issued to the CYBERDYNE's officers as remuneration in exchange for their business execution during the fiscal year under review

No items to report

(2) Status of the Stock Acquisition Rights issued to the CYBERDYNE's employees in exchange for their business execution during the fiscal year under review

No items to report

(3) Other important matters regarding the Stock Acquisition Rights

2015 1st Series Stock Options of CYBERDYNE, INC. / 2016 1st Series Stock Options of CYBERDYNE, INC./ 2017 1st Series Stock option of CYBERDYNE ,INC.

Name (Date of resolution)	2015 1st Series Stock Option of CYBERDYNE, INC. (Resolved on July 28, 2015)	2016 1st Series Stock Option of CYBERDYNE, INC. (Resolved on May 24, 2016)	2017 1st Series Stock Option of CYBERDYNE, INC. (Resolved on July 25, 2017)
Number of Stock Acquisition Rights	78 units	46 units	105 units
Class and number of shares covered	Common Share (1 share unit is 100 Common Shares) 7,800 shares	Common Share (1 share unit is 100 Common Shares) 4,600 shares	Common Share (1 share unit is 100 Common Shares) 10,500 shares
Amount to be paid in	Gratis	Gratis	Gratis
Amount to be paid in upon exercise of rights	¥180,600 per unit (¥1,806 per share)	¥306,000 per unit (¥3,060 per share)	¥178,800 per unit (¥1,788 per share)
Exercise period	From July 29, 2017 to July 28, 2025	From May 25, 2018 to May 24, 2026	From July 26, 2019 to July 25, 2027
Issue price and amount paid into capital when shares are issued upon exercise of stock acquisition rights	Issue price per share ¥1,806 Increase of stated capital per share ¥903	Issue price per share ¥3,060 Increase of stated capital per share ¥1,530	Issue price per share ¥1,788 Increase of stated capital per share ¥894
Conditions to exercise the right	(Refer to the note below)	(Refer to the note below)	(Refer to the note below)
Allottee	1 external consultant	1 external consultant	1 external consultant

(Note) For the stock acquisition rights described above, if the Allottee forfeits its stock acquisition rights, the Allottee will also lose its right to exercise it.

• Matters related to the Company Board Members

1. Outline of the contract to limit the liability

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

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

2. Outline of the liability insurance policy for the officers

The Company has entered into a liability insurance contract with an insurance company for Directors and Audit and Supervisory Board Members as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The contracts cover Directors and Audit and Supervisory Board Members of the Company and its subsidiaries. The insured does not bear any insurance premiums. The insurance policy covers damages (defense costs, compensation for damages, and settlement money) incurred by the insured due to claims (including shareholder representative lawsuits) filed during the insurance period against the insured concerning their executed duties. However, to ensure that the insured's performance is not impaired, the policy does not cover damages caused by intentional acts or acts committed with the knowledge that such acts violate laws and regulations.

3. Activities of Outside Officers during the fiscal year under review

Title	Name	Attendance, remarks, and summary of duties performed concerning the roles expected of Outside Officers
Director	Akira Matsumura	Matsumura attended all eight meetings of the Board of Directors held during the fiscal year under review. Drawing on his professional experience as a physician, university professor, and hospital administrator, he actively contributed his opinions, particularly from the perspectives of medical needs, healthcare management, and the medical insurance system. He fulfilled an appropriate role in ensuring the validity and soundness of decision-making by providing proactive input, suggestions, and advice.
	Kenji Suzuki	Suzuki attended all eight meetings of the Board of Directors held during the fiscal year under review. At the Board meetings, he actively contributed his views based on his expertise in cybernics research and his experience as a representative in smart city/super city initiatives. He fulfilled an appropriate role in ensuring the validity and soundness of decision-making by providing oversight and advice from a professional standpoint, particularly regarding the development of Cybernics research and the advancement of related business initiatives.
	Hanako Muto	Muto attended all eight meetings of the Board of Directors held during the fiscal year under review. At the Board meetings, she actively contributed her views based on her expertise in corporate communications, investor relations, and consulting in human resource strategy and organizational transformation, as well as her experience as a partner. She fulfilled an appropriate role in ensuring the validity and soundness of decision-making by providing oversight and advice from a professional standpoint, particularly in the areas of risk management and strengthening corporate governance.
	Isamu Takahara	Since his appointment on June 21, 2024, Takahara attended all seven meetings of the Board of Directors held during the fiscal year under review. At the Board meetings, he fulfilled an appropriate role in ensuring the validity and soundness of decision-making by providing oversight and advice from a professional standpoint, particularly regarding business development both in Japan and overseas, as well as the promotion of innovation.
Audit and Supervisory Board Member	Kazuaki Tanaka	Tanaka attended all eight meetings of the Board of Directors and all thirteen meetings of the Audit & Supervisory Board held during the fiscal year under review. Drawing on his extensive experience as an executive at a major general trading company, he provided input to ensure the soundness of decision-making at the Board of Directors. He also made appropriate and timely contributions at the meetings of the Audit & Supervisory Board.
	Yutaka Fujitani	Fujitani attended seven out of the eight meetings of the Board of Directors and twelve out of the thirteen meetings of the Audit & Supervisory Board held during the fiscal year under review. Drawing on his extensive experience at financial institutions and audit firms, he provided input to ensure the soundness of decision-making at the Board of Directors. He also made appropriate and timely contributions at the meetings of the Audit & Supervisory Board.
	Cees Vellekoop	Vellekoop attended all eight meetings of the Board of Directors and all thirteen meetings of the Audit & Supervisory Board held during the fiscal year under review. Drawing on his expertise as a legal professional, he provided input to ensure the soundness of decision-making at the Board of Directors. He also made appropriate and timely contributions at the meetings of the Audit & Supervisory Board.
	Kenichiro Okamura	Okamura attended seven out of the eight meetings of the Board of Directors and twelve out of the thirteen meetings of the Audit & Supervisory Board held during the fiscal year under review. Drawing on his expertise as a certified public accountant, he provided input to ensure the soundness of decision-making at the Board of Directors. He also made appropriate and timely contributions at the meetings of the Audit & Supervisory Board.

• Matters related to the Accounting Auditor

1. Name of the Accounting Auditor

Deloitte Touche Tohmatsu LLC

2. Fee for the Accounting Auditor

Items	Amount of remuneration
Amount of remuneration for accounting audit within this fiscal year	¥42 Million
Total amount of money and property benefits to be paid to the Accounting Auditors by the Company and its subsidiaries	¥49 Million

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

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

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

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

Suppose the Accounting Auditor falls under any grounds outlined in Article 340, Paragraph 1 of the Companies Act. In this case, the Audit and Supervisory Board Member shall dismiss the Accounting Auditor subject to unanimous consent. If they determine the dismissal, a member selected by the Audit and Supervisory Board shall report the dismissal and its reasons at the first General Meeting of Shareholders to be convened after the event.
The Audit and Supervisory Board shall consider the status of the Accounting Auditor's performance, the quality of the audit, and other factors in a comprehensive manner. The Board of Directors can propose the dismissal or non-reappointment of the Accounting Auditor to the General Meeting of Shareholders based on such determination.

• System to ensure appropriate business execution and status of its operation

(1) System to ensure appropriate business execution

CYBERDYNE's Board of Directors has resolved the following proposal regarding the system to ensure appropriate business execution of Directors that complies with the law and the Articles of Incorporation.

① **Systems to ensure appropriate business execution of Directors and employees of CYBERDYNE, INC. (the "Company") and its subsidiaries (collectively referred to as the "Group") that complies with the law and the Articles of Incorporation**

The Company shall establish regulations concerning the compliance system, including the Corporate Code of Conduct. This regulation shall be established to ensure business execution by the Directors and employees of the Group that comply with laws, Articles of Incorporation, and internal rules. The Company shall assign one of its Directors to supervise the Group's initiatives for compliance across the board. The Company shall establish, develop, and maintain the compliance system. The Company shall also conduct seminars, audits, and crisis management to ensure that all Directors and employees of the Group are fully aware of compliance. This will enable all Group members to identify and resolve any problems to compliance as necessary.

The Company shall establish an Affiliated Company Management Policy to ensure the appropriate business execution of its subsidiaries. According to this policy, the Company shall appoint directors (and auditors, if necessary) of major subsidiaries. The Company shall also approve important matters subsidiaries and take charge of some of their administrative work at the headquarters to ensure the appropriate business execution.

The Company shall establish an Internal Audit Office under the direct control of the President and CEO. The Internal Audit Office shall conduct internal audits according to the Internal Audit Policy and the Affiliated Company Management Policy. The office shall conduct an audit to verify whether the Group complies with the law, Article of Incorporation, and internal regulations. The Internal Audit Office will also conduct an audit concerning risk management. The result shall be reported to the President and CEO, the Audit and Supervisory Board, and the Board of Directors.

The Company shall establish the Hotline System Policy and operate it as a means for Group employees to directly provide information on legally questionable activities. Information provided orally, via e-mail, chat, opinion box, etc., shall also be subject to the Hotline System Policy.

② **System to store and manage information related to the business execution of Directors**

The Company shall stipulate the method of storing and managing information related to business execution in the Document Management Policy. According to the law and the policy mentioned above, Group members shall record and store such information in documents or electromagnetic media.

Directors and Audit and Supervisory Board Members shall have access to such information at all times.

③ **System to store and manage information related to the business execution of Directors**

To strengthen the Group's risk management system, the designated Director shall determine a department responsible for each risk category. Each department shall confirm the risk scope and risk profile and establish self-assessment rules and guidelines. The Director in charge of finance shall monitor cross-organizational risks and take company-wide measures. The President and CEO shall promptly appoint a Director or head of department to handle any new risks.

④ **Systems to ensure efficient business execution of the Groups Directors**

As a system to ensure efficient business execution of the Groups Directors, the Board of Directors shall hold a regular meeting according to annual schedule. It shall also hold extraordinary meetings when necessary.

Status of business execution related to the resolution at the Board of Directors shall be reported at the Board of Directors by the assigned Director or the department head regularly. The Audit and Supervisory Board Members shall audit the reports made.

The Company shall make a mid-term management plan reflecting the changes in the business environment as necessary and report its progress to the Board of Directors as appropriate.

To ensure business execution of the Directors of subsidiaries is performed efficiently, the Company shall establish an Affiliated Company Management Policy to operate the subsidiaries under the control of the department responsible.

⑤ **System to enable subsidiaries to report matters related to the business execution of their directors to the Company**

The Company shall establish an Affiliated Company Management Policy, and subsidiaries shall report the status of business execution as necessary to the department responsible in the Company according to the policy.

⑥ **Matters concerning employees who are to assist the duties of Audit and Supervisory Board Members**

Suppose the Audit and Supervisory Board requests the assignment of employees to assist in the performance of its duties. In that case, the Board of Directors may, after consultation with the Audit and Supervisory Board, assign appropriate assistant employees or ask employees to serve concurrently with their existing tasks.

The Audit and Supervisory Board shall have the command over such employees, and the employee shall not be subject to the order of the Directors. The Company shall obtain the consent of the Board of Audit and Supervisory Board Members concerning the performance evaluation and transfer of such employees.

⑦ **Systems for Directors and employees of the Group, and a person communicating with them to make a report to Audit and Supervisory Board Members**

The Directors and employees of the Group shall promptly report the Audit and Supervisory Board Member about violation of legal matters, misconduct, or facts that may cause significant damage to the Company. According to the regulations and the established Auditing Standards and the auditing standards of Corporate Auditors, when an Audit and Supervisory Board Member asks for reports, the Directors and employees of the Group shall promptly comply. To make comprehensive feedback, the Directors and employees of the Group shall gather information to the best of their ability, including the utilization of the hotline system and hearing from the Accounting Auditors.

According to the Hotline System Policy, the Director in charge of compliance shall share what was reported through the Hotline System to the Board of Directors. The Company shall communicate the details of the report and the results of the investigation with the full-time Audit and Supervisory Board Member.

The Company's Internal Audit Office shall report their work to the Audit and Supervisory Board Members. In addition, the Director in charge of compliance shall report the status of compliance in the Group to the Audit and Supervisory Board Members as necessary.

⑧ **System to ensure that those who report to Audit and Supervisory Board Members are not treated disadvantageously**

The Company shall not give any disadvantageous treatment to any person who has reported to the Audit and Supervisory Board Members because of such report.

⑨ **Policy on the treatment of audit fees**

Suppose an Audit and Supervisory Board Member asks for advance payment or reimbursement of expenses. In that case, the Company shall promptly comply unless it is clear that the claim is unrelated to the business execution of the relevant Audit and Supervisory Board Member.

⑩ **Other systems to ensure effective audits of the Audit and Supervisory Board Members**

The Directors and employees of the Group shall be available for interviews, on-site inspections, and other investigations by the Audit and Supervisory Board Members when necessary.

The Company shall grant sufficient opportunities to Audit and Supervisory Board Members to enable an exchange of opinions with Directors, Accounting Auditors, and other persons necessary for the proper performance of their duties.

The Company shall allow the Audit and Supervisory Board Members to coordinate with the counterparts of the subsidiaries and collect information from the employees of subsidiaries if requested.

(2) Status of the systems to ensure the appropriate business execution

The Group established the system and is working to implement it. The following are main initiatives implemented during the fiscal year under review considered essential for internal control.

① **Systems concerning compliance**

All Group members strive to comply with the law according to its policies concerning compliance. To detect/prevent compliance violations, the Group operates a hotline system. The Group informs all affiliated parties to use the system as necessary.

② **Systems concerning risk management**

The Director in charge designates a department responsible for each risk category to monitor and respond to the risk situation. The implementation status is subject to internal audits and audits by the Audit and Supervisory Board.

③ **Systems concerning effective business execution of Directors**

The Company holds meetings of the Board of Directors according to annual schedule and holds additional meetings as necessary. At the meeting, the status of business execution (including the business of subsidiaries) is reported to track the progress of business performance for the fiscal year.

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

Consolidated financial statements

Consolidated statements of changes in shareholders' equity (from April 1, 2024 to March 31, 2025)

Unit : Millions of yen

	Equity attributable to owners of parent					
				Other components of equity		
	Share capital	Capital surplus	Treasury shares	Financial assets measured at fair value through other comprehensive income	Foreign currency translation adjustments of foreign operations	Stock acquisition rights
April 1, 2024	10	42,811	-1,188	-1,329	523	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	68	19	—
Total comprehensive income	—	—	—	68	19	—
Acquisition of treasury shares	—	—	-0	—	—	—
Equity transaction with non-controlling interest	—	-514	—	—	—	—
Other	—	—	—	—	-43	—
Total transaction with owners	—	-514	-0	—	-43	—
March 31, 2025	10	42,297	-1,188	-1,261	499	19

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity				
	Total	Retained earnings	Total		
April 1, 2024	-787	-95	40,752	-275	40,477
Profit (loss)	—	-577	-577	-129	-706
Other comprehensive income	87	—	87	10	97
Total comprehensive income	87	-577	-490	-120	-609
Acquisition of treasury shares	—	—	-0	—	-0
Equity transaction with non-controlling interest	—	-114	-628	185	-443
Other	-43	-16	-59	228	169
Total transaction with owners	-43	-130	-687	413	-274
March 31, 2025	-743	-801	39,575	18	39,593

(Rounded off to the closest millions of yen)

Notes to consolidated financial statements

(Important items that form the basis for preparing the Consolidated Financial Statements)

(1) Basis of preparation of consolidated financial statements

The consolidated financial statements of CYBERDYNE, INC. (the "Company") and its group companies (collectively referred to as the "Group") have been prepared by International Accounting Standards ("IFRS") according to Article 120, Paragraph 1 of the Ordinance on Accounting of Companies. Certain items of the consolidated financial statements required by IFRS are omitted following other descriptions in Paragraph 1 of the ordinance mentioned above.

(2) Scope of consolidation

Status of consolidated subsidiaries

Number of consolidated subsidiaries: 13 companies

Names of major consolidated subsidiaries:

Suzuka Robo Care Center Co., Ltd., Shonan Robo Care Center Co., Ltd., Oita Robo Care Center Co., Ltd., Cyberdyne Care Robotics GmbH, CYBERDYNE USA INC., CEJ Capital Inc., Cybernics Excellence Japan Fund 1 Investment Limited Partnership, C2, Inc, RISE Healthcare Group, Inc.

Change of scope of consolidation

During the fiscal year under review, the Company transferred all shares of LeyLine GmbH. Following this event, LeyLine was excluded from the scope of consolidation.

(3) Scope of equity method

Status of affiliated companies included in the scope of the equity method

Number of affiliated companies included in the scope of the equity method: 1 company

Names of affiliated companies included in the scope of equity method:

Shisei Datum Ltd.

Status of jointly controlled companies included in the scope of the equity method

Number of jointly controlled companies included in the scope of the equity method: 1 company

Names of jointly controlled companies included in the scope of equity method:

CYBERDYNE Omni Networks, INC.

(4) Accounting policy

① **Valuation standards and methods for financial assets**

(i) Initial recognition and measurement

The Group classifies its financial assets into financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and financial assets measured at amortized cost.

The Group recognizes and derecognizes all purchases and sales of financial assets in the ordinary course of business on a settlement date basis. A purchase or sale in the ordinary course of business is a purchase or sale of a financial asset that requires delivery of the assets within a period that is generally accepted by market rules or practices.

All financial assets are measured at fair value plus transaction costs, except for financial assets measured at fair value through profit or loss.

A financial asset is classified as a financial asset measured at amortized cost if it meets both of the following requirements.

- If the assets are held according to a business model where the objective is to keep it to collect contractual cash flows

- If the contractual terms of the financial asset result in cash flows that are solely payments of interest on the principal and principal balance.

Financial assets other than financial assets measured at amortized cost are classified as financial assets measured at fair value.

For equity instruments measured at fair value, the Group designates whether if it should be measured at fair value through profit or loss or fair value through other comprehensive income. The Group shall maintain the measurement method for each financial instrument once it is determined. An exception applies to the financial instruments held for trading, which shall be measured at fair value through profit or loss.

(ii) After the initial recognition, the financial assets are measured according to their classification as follows

(a) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method

(b) Financial assets measured at fair value

Changes in the fair value of financial assets measured at fair value are recognized in net income. However, for fair values of equity instruments designated for measurement through other comprehensive income, changes in fair value are recognized in other comprehensive income. Dividends from such financial assets are recognized as profit or loss for the relevant fiscal year as part of financial income.

(iii) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flow from the asset expire or when the Group substantially transfers all of the risks and rewards of ownership of the financial asset. Suppose the Group retains control over the transferred financial asset. In that case, the Group will recognize liability concerning the asset to the extent of the Group's continuing involvement.

(iv) Impairment of financial assets

The Group recognizes an allowance for doubtful accounts for expected credit losses for financial assets measured at amortized cost.

At the end of each period, the Group assesses whether the credit risk associated with each financial asset has increased significantly from the date of initial recognition.

Suppose the credit risk associated with a financial instrument has not increased significantly since initial recognition. In that case, the allowance for doubtful accounts will be measured at an amount equal to the expected credit loss over 12-months. Suppose the credit risk increased significantly since initial recognition. In that case, the allowance for doubtful accounts will be measured at an amount equal to the expected credit loss for the entire period.

The Company judges whether there is a significant increase in credit risk based on changes in the risk of default. The risk of default is considered from factors such as downgrades in internal credit ratings, deterioration in the business performance of counterparties, and past-due information.

Suppose the credit risk associated with a financial asset is deemed low at the end of each period. In that case, the Company assesses that the credit risk has not significantly increased since initial recognition.

The Group estimates expected credit losses on financial assets in a manner that reflects the following.

- An unbiased, probability-weighted amount calculated by evaluating a range of possible outcomes
- The time value of the money
- Reasonable and supportable information about past events, current conditions, and projections of future economic conditions available at the reporting date without undue cost or effort

The amount related to such measurement is recognized in profit or loss.

Suppose an event occurs after the recognition that causes impairment loss. In that case, the decrease in the impairment loss will be reversed in profit or loss.

② **Valuation standards and methods for inventories**

Inventories are measured at whichever is lower between the acquisition cost and net realizable value. Acquisition cost is determined by the specific identification method for finished products and work in process. Acquisition cost is determined by the moving average method for merchandise and raw materials. The cost of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

③ **Depreciation methods of property, plant and equipment**

The cost of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes costs directly relating to the acquisition of assets, dismantling and removing the assets, and restoration costs.

Depreciation expense for assets except for land and construction in progress is recognized mainly by the straight-line method over the respective estimated useful lives. The estimated useful lives of major asset items are as follows

Buildings and structures ··························· 3 to 50 years

Operating lease assets ······························ 5 years

Tools, furnitures and fixtures ····················· 2 to 20 years

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year. Any changes will be applied prospectively as changes in accounting estimates.

④ **Leases**

The Group judges whether the contract is a lease or contain a lease when entering into a contract.

The Group will regard a contract as a lease or contract containing a lease if it transfers the right to control the use of a specified asset in exchange for consideration over a specified period.

<u>Leases as lessee</u>

The Company recognizes a right-of-use asset and lease liability at the start date of the lease.

Right-of-use assets are initially measured at the initial measurement of the lease liability, lease payments made before the start date, and adjustment of direct costs incurred at that time.

After initial recognition, right-of-use assets are depreciated on a straight-line basis over the shorter of the useful life or the lease term. The lease term is measured as the period that includes a non-cancelable term of the lease, the period covered by the option to extend the lease if it is reasonably certain that the option will be exercised, and the period covered by the option to terminate the lease if it is reasonably certain that the option will not be exercised.

Lease liabilities are initially measured at the present value of the total lease payments, discounted at the calculated interest rate of the lease, or at the rate of additional borrowing by the lessee.

Lease payments are allocated to finance costs and repayments of lease liabilities based on the interest method, with finance costs recognized in the consolidated statement of profit or loss.

For short-term leases with a lease term of 12 months or less and leases with a small underlying asset, the Company does not recognize a right-of-use asset or lease liability. Instead, the Company will recognize the lease payment as expenses on a straight-line basis over the lease term or on some other regular basis.

Leases as lessor

The Group classifies each lease as a finance lease or an operating lease when entering the lease contracts.

In classifying each lease, the Group comprehensively evaluates whether or not all of the risks and economic values associated with ownership of the underlying asset are substantially transferred. The Company classifies leases as finance leases if they are transferred and operating leases if they are not. As part of this evaluation, the Company considers specific indicators, such as whether the lease term, based on the non-cancelable term, represents a significant portion of the underlying asset's economic life. Products and devices such as HAL, which are leased under operating leases, are presented as operating lease assets in the consolidated statements of financial position.

In finance leases, the Company recognizes revenue, cost of sales, and gain or loss on sales following the policy on sales for which IFRS 15 applies, at the start date when the Company leases as a manufacturer or distributor.

⑤ **Goodwill**

Goodwill arising from a business combination is initially measured at the excess of the purchase price, measured at the acquisition date, over the fair value of the identifiable assets and liabilities of the acquiree, and is not amortized. Goodwill is stated at cost less accumulated impairment losses in the consolidated statements of financial position.

⑥ **Depreciation methods of intangible assets**

Individually acquired intangible assets are measured at cost upon initial recognition.

Intangible assets are amortized on a straight-line basis over their respective estimated useful lives after initial recognition, except for intangible assets with indefinite useful lives. The amount is presented at cost less accumulated amortization and accumulated impairment losses.

All expenditures are recorded as expenses in the period in which they are incurred, except for development costs that qualify for capitalization for internally generated intangible assets.

The estimated useful lives of major intangible assets are as follows. There are no intangible assets with indefinite useful lives.

Software ·· 5 years

Patents ··· 8 years

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year. Any changes are applied prospectively as a change in accounting estimates.

⑦ **Impairment of non-financial assets**

For non-financial assets other than inventories, the Company assesses indication that suggests impairment of the asset or cash-generating unit at the end of each reporting period. If any sign is found, the Company shall perform an impairment test to assess its recoverability.

A cash-generating unit is the smallest unit of an asset group generating cash inflows largely independent from other assets or asset groups.

When assessing recoverability, the higher of fair value after deducting the disposal cost or value in use is used to calculate the amount that can be recovered. Suppose the recoverable amount is less than the carrying amount. In that case, the carrying amount is reduced to the recoverable amount. The amount is recognized as an impairment loss in profit or loss. When testing goodwill for impairment, the cash-generating units to which the goodwill is allocated are combined so that the impairment test reflects the smallest unit related to the goodwill. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination. Any impairment loss recognized concerning a cash-generating unit is allocated first to reduce the carrying amount. The carrying amount of other assets within a cash-generating unit is proportionately reduced by the amount of asset. The value in use is the present value of future cash flows expected to be generated by an asset or cash-generating unit.

Impairment losses related to goodwill have not been reversed. For reversals of impairment losses on other assets or cash-generating units, the Group conducts an assessment at the end of each reporting period. This is to assess the indication of elimination or reduction of impairment in the assets or cash-generating units recognized with impairment losses in prior periods. Suppose the recoverable amount exceeds the carrying amount of the asset or cash-generating unit. In that case, the impairment loss is reversed up to the carrying amount of impairment loss if it was not recognized in prior periods, less any necessary amortization or depreciation.

⑧ **Provisions**

Provisions are recognized when the Group has a present legal or constructive obligation due to past events, an outflow of economic resources will likely be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Suppose the time value of money is significant. In that case, the estimated future cash flows are discounted to their present value using a pre-tax interest rate that reflects the time value of money and the risks inherent in the liability. Any rebate of the discounted amount over time is recognized as a finance cost.

⑨ **Employee Benefits**

Short-term employee benefits are not discounted but are charged to expense when the related services are rendered. Bonuses are recognized as a liability when the Company has a present legal or constructive obligation to pay them and when the amount can be estimated reliably. The amount estimated to be paid under the benefits mentioned above is recognized as a liability.

The cost of paid vacations is recognized as a liability when the employee provides service that increases the right to paid vacation in the future.

⑩ **Standards for recording revenue**

The Group recognizes revenue for contracts with customers, excluding interest and dividend income, following IFRS 9 Financial Instruments by applying the following steps.

Step 1: Identify the contract with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when the entity satisfies a performance obligation

For details, please refer to "(Notes to consolidated statements of profit or loss) (Revenue)."

⑪ **Foreign currency transaction**

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of each company in the Group at the exchange rate prevailing on the transaction date or at a rate that approximates such rate.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the balance sheet date.

Translation differences arising from translation or settlement are recognized in profit or loss. However, financial assets measured through other comprehensive income are recognized in other comprehensive income.

(ii) Financial statements of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the end of each period. Income and expenses are translated into Japanese yen using the average exchange rate for the period unless there were significant exchange rate fluctuations. Translation differences arising from the translation of foreign operations' financial statements are recognized in other comprehensive income. Translation differences arising from the translation of foreign operations are recognized in profit or loss in the period in which the foreign operations are disposed of.

⑫ **Significant accounting policy related to Cybernic Excellence Japan Fund 1 Investment Limited Partnership**

(i) Consolidation of Cybernic Excellence Japan Fund 1 Investment Limited Partnership by the Company

The Company consolidates Cybernic Excellence Japan Fund 1 Investment Limited Partnership due to the following reasons.

The Company is practically making the decision for CEJ Fund through the Companies consolidated subsidiary CEJ Capital, Inc. (GP/unlimited liability partner of CEJ Fund). This falls under the definition of "control" described in IFRS 10 Consolidated Financial Statements.

Management fees and contingency paid from CEJ Fund to CEJ Capital, Inc., that acts as the GP, are eliminated in consolidation as inter-company transactions.

(ii) Investment by CEJ Fund

For equity instruments at fair value, the Company designates whether to measure each equity instrument at fair value through profit or loss or fair value through other comprehensive income. This does not apply to equity instruments held for trading, as it must be measured at fair value through profit or loss. Once the equity instruments are designated, the Company maintains the designation on an ongoing basis.

(iii) Equity interest of limited partners (LP's) in the CEJ Fund

The CEJ Fund will make a capital contribution request ("Capital Call") to each LP that invests in the fund.

(a) Equity interests of LP other than the Company

The CEJ Fund has a predetermined term (up to 12 years from the effective date) in the limited liability investment partnership agreement. After the predetermined period, the interests in the CEJ Fund held by LPs other than the Company that invests in the CEJ Fund ("External Investors") will be distributed and refunded. As such, it is recorded as a liability in the consolidated statement of financial position as third-party interest in CEJ Fund and classified as financial liabilities measured at amortized cost. The carrying amount of the liability represents the amount of equity attributable to the External Investors under the limited partnership agreement, assuming CEJ Fund is liquidated at the end of each quarter.

The third-party interest in CEJ Fund fluctuates depending on payments from external investors based on capital calls, distributions and withdrawals to external investors, and the performance of the CEJ Fund. The change due to performance of the CEJ Funds is included in Gains (losses) related to CEJ Funds in the consolidated statements of profit or loss. In addition, gains (losses) related to CEJ Fund includes the costs of establishing and managing the CEJ Fund.

(b) Equity interest of the Company

The Company’s equity investment in the CEJ Fund as an LP will be eliminated on consolidation.

(Notes on accounting estimates)

The following is a list of items that were recorded in the consolidated financial statements for the fiscal year under review that may have a material impact on the next fiscal year

1. Valuation of property, plant and equipment

(1) Amount recorded in the consolidated financial statements for the fiscal year under review

Operating lease assets	¥353 million
Property, plant and equipment	¥4,200 million
Right-of-use asset	¥96 million
Intangible asset	¥18 million

(2) Information that contributes to understanding the content of accounting estimates

As described in Important items that form the basis for preparing the Consolidated Financial Statements, (4) Accounting policies, ⑦ Impairment of non-financial assets, for non-financial assets listed in (1) above, the Company searches for an indication that the assets or cash-generating units may be impaired as of the end of each reporting period. If so, the Company conducts an impairment test to assess the recoverability.

As the Group's operating results are still in the negatives, the Group has identified indications of impairment in the cash-generating units to which the assets in (1) above belong. In performing the impairment test, the recoverable amount of the cash-generating units is measured by the higher amount between the fair value after deducting the cost of disposal and value in use. The value in use is calculated as the discounted present value of the estimated future cash flows. The future cash flows are based on the business plan approved by the management. To calculate the future cash flow after the period covered by the business plan, the Group calculates its growth rate, taking into account future uncertainties.

The key assumptions used in estimating the value in use are the estimated future cash flows in the business plan and the discount rate. This is calculated based on the weighted average cost of capital.

The projections mentioned above are subject to a high degree of uncertainty. As such, the predictions may significantly impact estimates of value in use.

(3) Impairment loss

During the consolidated fiscal year under review, the Company assessed the future recoverability of goodwill related to its consolidated subsidiary, LeyLine GmbH (“LeyLine”), and recorded an impairment loss of ¥175 million under “Other expenses” in the consolidated statement of income.

As the profitability initially expected at the time of acquisition is no longer anticipated, the book value of goodwill related to LeyLine was reduced to its recoverable amount.

2. Valuation of fair value of financial instruments

(1) Amount recorded in the consolidated financial statement for the fiscal year under review

Financial instruments classified as level 3 of other financial assets (unlisted stocks, etc.): ¥14,823 million

(2) Information that contributes to understanding the content of accounting estimates

It is described in Important items that form the basis for preparing the Consolidated Financial Statements, (4) Accounting policies, ① Valuation standards and methods for financial assets and for non-financial assets and Notes on financial instruments Status of financial instrument (3) Fair value of financial instruments.

(Notes to consolidated statement of financial position)

(1) Allowance of doubtful accounts deducted directly from the assets

Trade and other receivables	¥18 million

(2) Accumulated depreciation and impairment loss on property, plant and equipment ¥4,681 million

(3) Accumulated depreciation and impairment loss on right-of-use asset ¥568 million

(4) Amount of reduction entry deducted from acquisition cost due to government subsidies, etc.

Buildings	¥631 million
Machinery and equipment	¥145 million
Tools, furniture & fixtures	¥211 million
Land	¥96 million
Software	¥5 million

(5) Overdraft agreement

The Group has concluded overdraft agreements with banks for the efficient procurement of working capital. The balance of unused lines of credit related to overdraft agreements at the end of the consolidated fiscal year under review is as follows.

Maximum limit of total line of credit	¥800 million
Balance of used line of credit	¥ – million
Balance of unused line of credit	¥800 million

(Notes to consolidated statement of profit or loss)

(Revenue)

Detail of aggregation of revenue are set forth below

Timing of revenue recognition	
Service transferred over time	¥2,178 million
Asset transferred at a point of time	¥411 million
Service transferred at a point of time	¥1,795 million
Total	¥4,384 million

(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 of finance lease income where the Group acts as a lessor of the 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 is based on times of product usage each month, and the base fee model is based on the fixed monthly price.

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

The Group recognizes usage fee revenue from the provision and operation of smartphone applications over time, as services are provided through the applications over a fixed period.

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 the performance obligation of sales of commodities and when the customer accepts the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. Regarding the 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, it 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 Group recognizes the revenue simultaneously.

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernic Treatment and training services at Cybernics Treatment Center and Robocare Centers to end-users (such as patients). It also has payment received for providing outcomes of consigned research projects.

The Group determines the performance obligation of Cybernics Treatment, as well as training services when the provision of such services is completed. The Group determines the performance obligation of providing outcomes of consigned research projects when the customer inspects and accepts the result.

The basis for recognizing revenues is stated in the "(4) Accounting policy ⑩ Standards for recording revenue" in the Important items that form the basis for preparing the Consolidated Financial Statements section.

(3) Information to understand the amount of revenue

① Change in contract balance

Receivables and contract liabilities arising from contracts with customers are broken down as follows

	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year
Receivables arising from contracts with customers		
Accounts receivable-trade	¥663 Million	¥622 Million
Contract liability		
Advances received	¥280 Million	¥274 Million

(Note) The revenue recognized from the beginning balance of advances received is 174 million yen.
The amount recognized from performance obligations satisfied in prior periods was not material in the current period.

② Timing of satisfaction of performance obligation

The periods in which sales revenue is expected to be recognized for maintenance contracts that are incidental to the sale of goods are as follows.

Within a year	¥41 Million
Year to five year	¥46 Million
Total	¥87 Million

(Notes to consolidated statement of changes in equity)

1. Total number and class of the issued shares within the consolidated fiscal year ended March 31, 2025

	Number of shares issued as of April 1, 2024 (shares)	Increase (shares)	Decrease (shares)	Number of shares issued as of March 31, 2025 (shares)
Number of shares issued				
Common Shares	137,445,809	—	—	137,445,809
Class B Shares	77,700,000	—	—	77,700,000
Total	215,145,809	—	—	215,145,809

2. Type and number of shares to be issued upon exercise of stock acquisition rights at March 31, 2025 (excluding those for which the first day of the exercise period has not yet arrived)

Common Share 22,900 shares

(Notes to financial instruments)

(1) Capital Management

As an R&D-oriented company, the Group manages its capital to achieve sustainable growth and maximize corporate value by promoting the research and development of innovative products, clinical and demonstration research, and the acquisition of various certifications, and by securing profits through the launch of these products and the development of services.

There are no significant capital controls to which the Group is subject.

(2) Financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, market risk, etc.) in its business activities. The Group limits fund management to highly secure financial assets to reduce such risks. It also only finances by borrowing from financial institutions and issuing bonds.

The Group also has a policy of not engaging in speculative derivative transactions.

① Credit risk management

Credit risk is the risk that the counterparties of the financial assets held by the Group will default on their contractual obligations, causing financial loss to the Group.

(i) Trade and other receivables

Accounts receivable-trade, which are operating receivables, are exposed to the credit risk of customers. Concerning this risk, the Group ensures that customers' credit status is subject to internal deliberation and approval processes at the time of new transactions. In addition, following the Credit Management Policy, the Company manages due dates and balances for each client and strives to reduce concerns about collection due to deterioration in financial conditions.

Accounts receivable-other is exposed to the credit risk of customers. However, most of them are settled in a short period.

(ii) Short-term investments

Short-term investments included in cash and cash equivalents and other financial assets are highly secure and liquid financial instruments such as negotiable certificates of deposit.

The carrying amount of financial assets shown in the consolidated statement of financial position after impairment is the maximum exposure to the credit risk of the Group's financial assets. There are no significant credit risk exposures for specific counter-parties and no excessive concentrations of credit risk with special controls.

The Group measures expected future credit losses on financial assets measured at amortized cost, mainly trade receivables, taking into account collectability and significant increases in credit risk, and records an allowance for doubtful accounts. The Group judges whether there is a significant increase in credit risk based on changes in the risk of default. Upon the judgment, factors such as deterioration of business performance by the counter-party and information on the maturity date will be considered.

The allowance for doubtful accounts for accounts receivable, which is an essential financial asset for the Group, is measured by the aggregate expected credit loss for the entire period, but the expected credit loss is calculated for each individual receivable as a credit-impaired financial asset if any of the following events occur that adversely affect the expected future cash flows.

- Serious financial difficulties of the counter-party
- Inability to collect receivables or delays in the collection in response to repeated reminders
- Increased likelihood that counter-party will enter bankruptcy or other situations requiring financial restructuring

In cases where the Group does not have a reasonable expectation of collecting the whole or part of the accounts receivable, the carrying amount is directly written down, following an internal discussion and approval process.

The Group does not have an excessive concentration of credit risk for any single counterparty or the group to which such counterparty belongs. Since the Group's counterparty are companies with high trust, credit risk is limited. Therefore, the Group has almost no receivables that are past due, and the impact on the impairment of accounts receivable and allowance for doubtful accounts is minimal.

The Group always sets an allowance for doubtful accounts for trade receivables that do not have a significant financial component, in an amount equal to the expected credit loss for the entire period.

② Liquidity Risk Management

Liquidity risk is a risk where the Group cannot make payments on due dates to fulfill its obligations to repay financial liabilities that have become due.

The Company manages liquidity risk by having the Corporate Department update the cash flow plan as necessary and maintaining a certain amount of liquidity on hand.

The Group manages liquidity risk by preparing appropriate funds for repayment, securing lines of credit available from financial institutions from time to time, and continuously monitoring cash flow plans and results.

③ Exchange rate risk management

As the Group conducts business activities overseas, it is exposed to the risk of exchange rate fluctuations arising from transactions undertaken in currencies other than the Group's functional currency.

As the impact of exchange rate fluctuations on the Group's profit and loss is minimal, this information has been omitted.

In addition, although the translation of the financial statements of the Group's foreign operations results in changes in other comprehensive income, the effect of these changes is not expected to be material to the Group.

(3) Fair value of financial instruments

Fair value in the consolidated financial statements as of March 31, 2025 are as follows.

Unit : Millions of yen

	Amount on consolidated financial statements	Fair value
(Financial assets)		
Financial assets measured at fair value through amortized costs		
Leasehold and guarantee deposits	89	90
Financial assets measured at fair value through profit or loss		
Shares	11,999	11,999
Convertible bonds	1,853	1,853
Other	11	11
Financial assets measured at fair value through other comprehensive income		
Shares	1,164	1,164
(Financial liabilities)		
Financial liabilities measured at fair value through amortized costs		
Third-party interests in CEJ Fund	5,165	5,165
Bonds and borrowings	38	38

Note: The fair value of security deposits and guarantees is classified as Level 2.

The Group adopts the following measurement methods for the main financial instruments measured at fair value:

(Cash and cash equivalents, trade and other receivables, other financial assets (current), trade and other payables)

Carrying amounts approximate fair values because these are settled in the short-term. Therefore, these are omitted from the previous table.

(Other financial assets (non-current))

Fair value of listed shares are measured at the published market price.

The fair value of unlisted stocks and other securities is determined using the most appropriate valuation technique, such as the most recently available market price, comparable companies' method, equity in net assets method based on the most recently available information, or discounted present value of future cash flows method.

Lease and guarantee deposits are calculated based on the present value of the estimated redemption schedule, discounted at the yield of long-term, highly secure bonds.

(Third-party interests in CEJ Fund)

The carrying amount of the external investor's interest in the CEJ Fund is the amount that would be attributable to the external investor if the fund were liquidated at the end of each quarter, as the fair value of the external investor's interest approximates the carrying amount.

(Bonds and borrowing)

Bonds are calculated based on market prices or prices provided by correspondent financial institutions.

The carrying amount of short-term borrowings approximates their fair value because of their short maturities.

The carrying amount approximates long-term loans with floating interest rates, as their fair values approximate them because market interest rates are reflected in the short-term interest rates.

Long-term loans payable with fixed interest rates are calculated based on the present value of future cash flows discounted at the interest rate applicable if a new similar contract were executed.

(4) Breakdown of the fair value of financial instruments by appropriate classification, etc.

The Group classifies the financial instruments measured at fair value into Level 1 through Level 3 based on the observability of inputs used for the measurement and their materiality.

Level 1: Quoted prices in active markets for identical assets or liabilities (unadjusted)

Level 2: Fair value determined using observable prices other than Level 1 for the assets or liability directly or indirectly

Level 3: Fair value determined using the valuation technique, including unobservable inputs for the asset or liability

When the Group uses multiple inputs that significantly impact the market value calculation, it classifies market values into the lowest priority level to which those inputs belong.

	Carrying amount	Fair value			
		level 1	Level 2	Level 3	Total
Assets:	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Financial assets measured at fair value through profit or loss					
Other financial assets	13,863	29	—	13,834	13,863
Financial assets measured at fair value through other comprehensive income					
Other financial assets	1,164	175	—	990	1,164

The following is a description of the Group's main financial instruments and the inputs used to determine their fair value.

(Other financial assets (non-current))

The Group measures the fair value of listed shares based on the observable market price. Since listed stocks are traded in active markets, the Group classifies their fair value under Level 1.

The Group determines the fair value of unlisted shares using the most appropriate valuation technique from the last traded price, comparable companies method, equity in net assets method based on the latest available information, or discounted present value of future cash flows. The Group classified their fair value under Level 3.

(Notes to per-share data)

1. Owner's equity per share……………………………………………………………………………………¥187.35

(Note) Owners equity per share are calculated based on the following

Total amount of owner's equity per share	¥39,575 million
Amount deducted from total amount of owner's equity per share	¥19 million
Owner's equity per share at end of year pertaining to Common Shares and share equivalent to Common Shares	¥39,556 million
Number of Common Shares and shares equivalent to Common Shares that is used in calculation of owner's equity per share	211,131,056 shares

2. Basic loss per share………………………………………………………………………………………¥2.73

(Note) Basic loss per share are calculated based on the following

Loss attributable to CYBERDYNE	¥577 million
Amount not available for Common Shareholders and Shareholders equivalent to Common Shareholders	¥– million
Loss attributable to Common Shares and shares equivalent to Common Shares of CYBERDYNE	¥577 million
Average number of Common Shares and shares equivalent to Common Shares during the period	211,131,120 shares

(Notes on premise of going concern)

There are no items to report

Non-consolidated financial statements

Non-consolidated statements of changes in net assets (from April 1, 2024 to March 31, 2025)

Unit : Millions of yen

	Shareholders' equity				
	Share capital	Capital surplus			Retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings
April 1, 2024	10	26,714	16,413	43,128	0
Changes during the period					
Net profit (loss)	—	—	—	—	—
Acquisition of treasury shares	—	—	—	—	—
Net changes in item other than shareholders' equity	—	—	—	—	—
Total change of item during year	—	—	—	—	—
March 31, 2025	10	26,714	16,413	43,128	0

	Shareholders' equity			
	Retained earnings		Treasury shares	Total shareholders' equity
	Other retained earnings	Total retainied earnings		
	Retained earnings brought forward			
April 1, 2024	-3,159	-3,159	-1,188	38,790
Changes during the period				
Net profit (loss)	-827	-827	—	-827
Acquisition of treasury shares	—	—	-0	-0
Net changes in item other than shareholders' equity	—	—	—	—
Total change of item during year	-827	-827	-0	-827
March 31, 2025	-3,986	-3,986	-1,188	37,964

	Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
April 1, 2024	65	65	19	38,874
Changes during the period				
Net loss	—	—	—	-827
Acquisition of treasury shares	—	—	—	-0
Net changes in item other than shareholders' equity	10	10	—	10
Total change of item during year	10	10	—	-816
March 31, 2025	75	75	19	38,058

(Rounded off to the closest millions of yen)

Notes to non-consolidated financial statements

(Important items that form the basis for preparing "non-consolidated financial statements")

1. Evaluation standards and method for important assets

(1) Valuation standards and methods for securities

Bonds held to maturity……………………………………………Amortized cost method (straight-line method)
Other securities

Securities with market value……………………………………Market value method

Securities without market value…………………………………Moving average cost method

Shares or investment in subsidiaries and associates ………….Moving average cost method

(2) Valuation standards and methods for inventories

Finished goods, work in process…………………………………Specific cost method

Raw materials and merchandises…………………………………Moving average cost method

Supplies……………………………………………………………Last purchase price method

Inventories with reduced profitability were devalued.

2. Depreciation methods of non-current assets

(1) Property, plant and equipment

The declining-balance method is adopted. However, the straight-line method is applied to buildings (excluding attached facilities), building fixtures and structures acquired on or after April 1, 2016, assets for lease, and specific tools, furniture, and fixtures.
The useful lives for major assets are as follows.

Buildings…………………………………………………………3 to 50 years

Structure…………………………………………………………10 to 20 years

Machinery and equipment…………………………………………5 to 7 years

Vehicles……………………………………………………………2 to 6 years

Tools, furniture and fixtures………………………………………2 to 20 years

Assets for rent………………………………………………………5 years

(2) Intangible assets

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

Software……………………………………………………………5 years

Patent rights…………………………………………………………8 years

(3) Long-term prepaid expenses

Depreciated in equal amounts.

3. Basis for recording allowances

Allowance for doubtful accounts

To prepare for potential credit losses on receivables, the Group records an estimated amount that CYBERDYNE can't collect through calculating the historical rate of credit losses for standard receivables and the amount determined in consideration of the collectability of individual receivables for doubtful accounts and certain other receivables.

4. Basis for recording revenue

The Group recognizes revenue by applying the following steps.

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Calculate the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when the entity satisfies a performance obligation

Further details are stated in "notes on revenue recognition"

5. Other material information regarding the preparation of financial statements

(1) Basis for translating foreign-currency-denominated assets and liabilities into Japanese yen

The Group translates foreign-currency-denominated assets and liabilities based on spot exchange rate at the date of announcement of financial statements. The Group processes translated differences as profit and losses.

Furthermore, Foreign-currency-denominated securities (other securities) are converted into Japanese yen at the spot exchange rates and the valuation difference is included in the net assets as valuation difference on available-for-sale securities.

(2) Processing deferred assets

Share issuance cost The entire amount is processed as expenditure at the timing of the issuance

(Notes to accounting estimates)

The following is a list of items recorded in the financial statements for the fiscal year under review that may have a material impact on the next fiscal year.

Valuation of property, plant and equipment

(1) Amount recorded in the financial statements for the current fiscal year

Property, plant and equipment	¥13,443 million
Intangible assets	¥18 million

(2) Information that contributes to understanding the content of accounting estimates

For property, plant and equipment listed in (1), the Company searches for an indication that the assets or asset group may be impaired as of the end of each reporting period. If so, the Company determines whether to recognize an impairment loss on the asset or asset group by comparing the carrying amount of the asset or asset group with the total undiscounted future cash flows from the asset or asset group.

As the Group's operating results are still in the negatives, the Group has identified signs of impairment in assets listed in (1). To determine whether an impairment loss should be recognized, the Company estimates the total undiscounted future cash flows based on the business plan approved by the management.

The business plan used as the basis for estimating the total undiscounted future cash flows incorporates key assumptions, including the timing and likelihood of obtaining medical device approval and insurance reimbursement, the projected number of adopting facilities, and the expected unit selling price.

The projections are subject to a high degree of uncertainty. Because of such nature, it may significantly impact estimates of total undiscounted future cash flow.

(Notes to the non-consolidated balance sheet)

1. Accumulated depreciation deducted directly from the assets

Property, plant and equipment	¥4,605 million
Amount stated above includes accumulated impairment losses	

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

Buildings	¥631 million
Machinery & equipment	¥145 million
Tools, furniture & fixtures	¥211 million
Land	¥96 million
Software	¥5 million

3. Overdraft agreement

The Company has concluded overdraft agreements with banks for the efficient procurement of working capital. The balance of unused lines of credit related to overdraft agreements at the end of the fiscal year under review is as follows.

Maximum limit of total line of credit	¥800 million
Balance of used line of credit	¥ – million
Balance of unused line of credit	¥800 million

4. Money claims and liabilities toward subsidiaries

Short-term money claims	¥270 million
Long-term money claims	¥1,199 million
Short-term money liabilities	¥127 million

(Notes to non-consolidated statement of financial position)

1. Business transactions with subsidiaries and associates

Business turnover from operating transactions

Net sales	¥59 million
Other operating transaction	¥329 million
Transaction amount other than business transactions	¥153 million

2. Loss on valuation of stocks of subsidiaries and affiliates and provision for doubtful accounts of subsidiaries and affiliates

This item represents valuation loss on stocks of subsidiaries and affiliates and provision of allowance for doubtful accounts for subsidiaries and affiliates related to C2 Inc., a consolidated subsidiary of the Company.

(Notes to statement of changes in shareholders' equity)

Number of treasury shares as of the end of fiscal year ended March 31, 2025

Common Share	4,014,753 shares

(Notes to tax effect accounting)

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

(Notes to revenue recognition)

The primary factors contributing to the recognition of deferred tax liabilities are net unrealized gains on other securities and asset retirement obligations.

(Note) Change in Corporate Tax Rate After the Fiscal Year-End
The "Act Partially Amending the Income Tax Act, etc." was enacted by the National Diet in March 2025, introducing the Defence Special Corporate Tax starting from fiscal years beginning on or after April 1, 2026.
As a result, the statutory effective tax rate used in the calculation of deferred tax assets and liabilities is expected to change from 34.3% to 35.1% for temporary differences expected to be resolved in fiscal years beginning on or after February 21, 2027.
The impact of this tax rate change is immaterial.

(Notes on income recognition)

Information that acts as a base to understand the income

Service transferred over time

Service transferred over time includes rental income based on the individual rental contract, maintenance income based on the maintenance contract of finance lease income where the Company acts as a lessor of the right-of-use asset.

The Company 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 is based on times of product usage each month, and the base fee model is based on the fixed monthly price.

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

Asset transferred at a point of time

The Company 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 is based on times of product usage each month, and the base fee model is based on the fixed monthly price.

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

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 Company mainly determines the performance obligation of sales of commodities and when the customer accepts the relevant product. The Company receives most of the payment within one month from the point of satisfying the performance obligation. Regarding the 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 Company acts as a lessor of right-of-use of its devices such as HAL, it classifies the relevant lease as a finance lease. Finance lease income is processed in the same way as cases where the Company acts as a lessor of manufacturer or distributor of sales of goods. The Company determines that performance obligation is satisfied at the point of customer acceptance, and the Company recognizes the revenue simultaneously.

Service transferred at a point of time

Service transferred at a point of time includes revenue from offering Cybernic Treatment and training services at Cybernics Treatment Center and Robocare Centers to end-users (such as patients).

The Company determines the performance obligation of Cybernics Treatment, as well as training services when the provision of such services is completed.

The basis for recognizing revenues is stated in the "4. Standards for recording revenue" in the Important items that form the basis for preparing the financial statements section.

(Notes on transactions with related parties)

Subsidiaries and affiliates

Type	Name	Ownership ratio of voting rights[*1]	Relationship with the related party	Description of transaction	Transaction amount (millions of yen)	Items	Year end balance (millions of yen)
Subsidiary	RISE Healthcare Group, Inc.	Direct ownership of 100% (100%)	Loan of funds	Loan of funds[*2]	-	Investment and other assets (Other)	1,040
				Receipt of interests[*2]	52	Accounts receivable	95

(Note) 1. The brackets in the ownership ratio of voting rights indicate the percentage of indirect ownership
2. Loans of funds, interest rates are reasonably determined by taking market interest rates into consideration

(Notes to per-share data)

1. Net assets per share……… ¥180.17

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

Total net assets	¥38,058 million
Amount deducted from total net assets	¥19 million
Net assets at end of year pertaining to Common Shares and shares equivalent to Common Shares	¥38,038 million
Number of Common Shares and shares equivalent to Common Shares that is used in calculation of net assets per share	211,131,056 shares

2. Net loss per share……… ¥3.91

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

Net loss	¥827 million
Amount not available for Common Shareholders and shareholders equivalent to Common Shareholders	¥ – million
Net loss attributable to common shares and shares equivalent to Common Shares	¥827 million
Average number of Common Shares and shares equivalent to Common Shares during the period	211,131,120 shares

Although there were dilutive shares, diluted net income per share is not disclosed because the Company posted a net loss per share.

(Notes on significant subsequent events)

There are no items to report.

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

Audit report by Audit and Supervisory Board

Audit Report

The Audit and Supervisory Board Members reported the method of audit and the result concerning the performance of Directors during the 21th business year (from April 1, 2024, to March 31, 2025). The board prepared this Audit Report after deliberation.

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

(1) The Audit and Supervisory Board established the audit policies and determined its assignment of duties. Each Audit and Supervisory Board Member then reported its status and audit results. The Audit and Supervisory Board also received reports from Directors and Accounting Auditors regarding their business execution and requested an explanation as necessary.

(2) Based on the Auditing Standards established by the Audit and Supervisory Board, audit policies, and assignment of duties, each Audit and Supervisory Board Members gathered information and prepared a necessary environment for their work. This was done by communicating with Directors, the Internal Audit Office, and other employees directly or via the internet. The Audit and Supervisory conducted audits using the following methods.

① The Audit and Supervisory Board Members attended the Meeting of the Board of Directors and other important meetings to receive reports on the status of their business execution and requested an explanation as necessary. The Audit and Supervisory Board Members also examined essential documents that were approved to inspected the situation of the corporate affairs and assets at the headquarters. Audit and Supervisory Board Members also communicated with Directors of the subsidiaries to exchange information and received reports as necessary.

② The Audit and Supervisory Board Members received reports from the Directors, employees on the progress of the internal control system and its operation status and requests for explanations as necessary. The internal control system is essential to ensure that Directors' business execution complies with the law and the Articles of Incorporation of the Company. The need to develop such a system is stipulated in Enforcement Regulations of the Companies Act Article 100, Paragraphs 1 and 3.

③ The Audit and Supervisory Board monitored and verified whether an Accounting Auditor maintained its independence from the Company and conducted its audit appropriately. The members also received a report from the Accounting Auditor on their business execution and requested explanations as necessary. The Audit and Supervisory Board was notified of the system structured by the Accounting Auditor to ensure that their duty is conducted appropriately (as listed in Article 131 of the Company Accounting Regulations). The Accounting Auditor designed the system according to the Quality Control Standards for Audits (Business Accounting Council, October 28, 2005). The Audit and Supervisory Board Members requested explanations as necessary.

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

a) The business report and its annexed specifications.

b) The consolidated financial statements (the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statements of changes in equity, and the related notes).

c) The non-consolidated financial statements (the non-consolidated balance sheet, the non-consolidated statement of profit or loss, the non-consolidated statement of changes in equity, and the related notes)

2. Results of audit

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

① We acknowledge that the business report and the annexed specifications fairly present the Company's status and comply with the applicable laws and regulations and the Company's Articles of Incorporation.

② We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found concerning business execution of the Directors.

③ We acknowledge that the Board of Directors' resolutions concerning the internal control systems were appropriate. We did not find a need to correct the descriptions of the internal control statement in the business report or the Directors' business execution.

(2) Results of audit on consolidated financial statements

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

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

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

May 22, 2025

CYBERDYNE Inc. Audit and Supervisory Board

Full-time Outside Audit and Supervisory Board Member **Kazuaki Tanaka** Seal

Outside Audit and Supervisory Board Member **Yutaka Fujitani** Seal

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

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