Press Release 2016/12/14

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CYBERDYNE, INC.'s view on the research report released by Citron Research (Part 4)

On December 14, 2016, Citron Research published a report (the "Dec. 14 Report" also referred to as "their Report") outlining their additional viewpoints regarding CYBERDYNE, INC. (the "Company"). The Company believes that their Report is based on their individual analysis that included several inadequate statements and a focus on selective information that ignores the overall context. Similarly to the research reports released by Citron Research on August 15, 2016, August 25, 2016 and on October 5, the Company considers that the Dec. 14 Report causes unnecessary confusion among investors. The Company's explanation is as below.

I. The article of the Company included in the "Nature Outlook: regenerative medicine" section is clearly a sponsor feature

The Dec.14 Report states that the Company's "press release" announcing that "the company's regenerative treatment technology had been featured in Nature Magazine as a medical breakthrough" is hiding the fact that the article is a paid advertisement especially for the Japanese language website. However the contents of the links included in the relevant announcement clearly shows the Company logos being represented as the sponsor of the section and the word "SPONSOR FEATURE" is clearly printed on the article itself. As such, the statement made by Citron Research is clearly against the facts. Also the relevant announcement was made in the "media news" section of the company website rather than the "press release section".

Nature outlook, section for regenerative medicine
http://www.nature.com/nature/outlook/regenerative-medicine/index.html

Sponsor feature article by CYBERDYNE (December 8, 2016)
http://www.nature.com/nature/outlook/regenerative-medicine/pdf/CYBERDYNE.pdf

Ⅱ. Revenue for the first half of the fiscal year ending March 31, 2017 increased on a year-on-year basis and a significant increase is anticipated on the second half.

The Dec.14 Report states that the revenue of the second quarter ended September 30, 2016 as well as operating number of HAL for Living Support (Lower Limb Type) as of the date decreased on an year-on-year basis. The Company believes that the perspective of the Dec. 14 Report is a result of a focus on selective information that ignores the overall context and that it is inaccurate for the following reasons.

As there was a non-recurring sales of products in the second quarter ended September 30, 2015, revenue of the second quarter ended September 30, 2016 appears to be decreasing on a year-on-year comparison. However, revenue generated from its rented units increased significantly, according to the increase in operating number of units. As its result, the revenue of the six months ended September 30, 2016 steadily increased on a year-on-year basis (increase of 8.3%).

Furthermore, a significant increase of revenue is anticipated on the second half of the fiscal year 2016 (third quarter ending December 31, 2016 and fourth quarter ending March 31, 2017), due to increasing number of HAL for Medical Use (Lower Limb Type), according to the start of its treatment service covered by public health insurance, and increasing number of HAL for Care Support (Lumbar Type), according to the subsidy program by the Ministry of Health, Labor and Welfare to support the installation of robotic devices in care facilities.

Excluding HAL for Living Support (Lower Limb Type) that is recording a small decrease due to the disposal of the old models that reached its service life, overall number of operating units of CYBERDYNE's products is increasing steadily.

Ⅲ. CYBERDYNE's application progress and its communications with the FDA were explained multiple times

The Dec.14 Report quotes CYBERDYNE's annual report published on 2015, and points out that "Language regarding the FDA has changed once again and is in direct contradiction to what management has said before." However the Company disclosed its progress with the FDA application and the fact that it is in communications with the FDA as set forth below, and the news release on November 7, 2016 does not contradict the explanation provided by the Company.

- Excerpts from the IR News on August 19, 2016
  "Currently, the Company is deliberating ways for the differences between HAL and the other existing devices to be recognized for the Company's future expansion into the US market, and is discussing details with the FDA."
  http://www.cyberdyne.jp/company/download/20160819_tekijikaiji_en.pdf

- News release on November 7, 2016
  [News] HAL for Medical Use's Pre-Submission as a medical device that provides the unique innovative Cybernic treatment submitted to the US FDA ~ Continued discussions with the FDA has led to a deeper understanding of the HAL for Medical Use, and the process toward medical device approval of this innovative treatment device that is unlike any other has begun ~

http://www.cyberdyne.jp/english/company/PressReleases_detail.html?id=5026

The Company takes its dialogue with its shareholders and investors seriously, and it will not spare any effort to clarify any misunderstandings. However, the Company will firmly address any activities that deliberately announce unreasonable information.

The Company assumes its shareholders and investors exercise care when making investment decisions.