



**Consolidated Financial Results (Tanshin)**  
for the Six Months Ended September 30, 2020 (Based on IFRS)

November 13, 2020

Name of listed company	:CYBERDYNE, INC.	Stock exchange listing	:Mothers Section of TSE
Stock code	:7779	URL	:https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
Contact (title)	:Director and CFO	Name	:Shinji Uga                      Tel. +81-29-869-9981
Scheduled date for release of six-month report	:November 13, 2020	Scheduled start of dividend payment	:—
Additional materials for the financial results	:yes		
Information meeting for the financial results	:yes (only for institutional investors)		

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

I . Consolidated financial results for the six months ended September 30, 2020 (April 1, 2020-September 30, 2020)

1. Consolidated result of operations (percentages denote year-on-year change)

	Revenue		Operating profit (loss)		Profit (loss) before tax		Profit (loss) attributable to owners of parent	
		%		%		%		%
Apr.1-Sep. 30, 2020	794	(3.5)	(362)	—	442	6,933	167	—
Apr.1-Sep. 30, 2019	823	9.5	(380)	—	6	—	(112)	—

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-Sep. 30, 2020	0.78	0.78
Apr.1-Sep. 30, 2019	(0.52)	(0.52)

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of Sep. 30, 2020	47,986	44,413	44,436	92.6
As of March 31, 2020	47,808	44,259	44,268	92.6

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, 2020	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2021	—	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, 2021 (April 1, 2020-March 31, 2021)

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 September 30, 2020	215,145,809 shares	As of March 31, 2020	215,145,809 shares
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( ii ) Total number of treasury shares at the end of each period

As of September 30, 2020	8,751 shares	As of March 31, 2020	4,451 shares
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( iii ) Average number of shares during each three month period

Apr.1-September 30, 2020	215,137,387 shares	Apr.1-September 30, 2019	215,141,371 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, 2020	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2021	—	0.00			

Note:

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

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## 1. Qualitative information regarding settlement of accounts for the six months ended September 30, 2020

### (1) Explanation of operating results

All forward-looking statements included in this explanation were determined reasonable by CYBERDYNE Inc. (the “Company”) and its group companies (collectively referred to as the “Group”) based on currently available information for the consolidated six months ended September 30, 2020 and certain assumptions made by the Group.

### (1) Status of financial position and operating results

The Group aims to establish Society 5.1, a new vision of society where the “humans” are combined with the cyberspace (virtual world) and physical space (real world) of Society 5.0, by utilizing innovative Cybernic Technology. The Group continues to drive the movement to revision society and industry to realize Society 5.0/5.1 as a future “Techno-Peer Support Society” where humans and technology support each other.

#### Endeavor to create "Cybernic Industry"

The Group’s business is to implement Cybernic Technology powered by Internet of Humans/Internet of Things (“IoH/IoT”), Robots, AI and etc., to create a Cybernic Industry that will connect medicine, nursing-care, production, work place and daily life in order to solve the various problems that is becoming apparent in hyper-aging society. The Group’s business has a unique advantage in its ability to access and integrate information within the human body (e.g. Brain-nerve and vital systems) in addition to information outside the human body (behavior, life and environmental information) and applying them to different fields such as medicine, nursing care, production workplaces and daily life. All of the Group’s devices and interfaces are compatible with Internet of Humans/Internet of Things (“IoH/IoT”), and through these products, information of the brain- nerve, vital, physiological, behavioral, life and environmental systems can be integrated and connected to a supercomputer. The Group aims to realize a system where Big Data of the aforementioned information are accumulated, analyzed and processed with AI. The Group will continue to work simultaneously on research and development, business development and formation of business alliances to further accelerate the emergence of a Cybernic Industry that will solve the problems facing society.

#### Status of business operation

<<Effects of COVID-19 >>

During the consolidated three months ended June 30, 2020, there was a short term impact on the revenue due to temporary suspension of onsite service in Robocare Center and treatment service in Germany, temporary delays for new opportunities, contracts, and shipments, especially towards medical institutions as well as reduction of the rented units of HAL Lumbar Type for Labor Support towards aviation industry. On the other hand, while COVID-19 is growing into a major social problem, the Group regards it to be an opportunity to contribute through its Cybernic Technology. The Changes in social structure after COVID-19 is seen as an opportunity for further acceleration of “Cybernic Industries” and the Group is promoting initiatives to fuse “Human” + “Cyber/Physical Space” under the keywords of “remote” “home” and “digital”. On March 2020, the Group started to mount disinfection units on the next generation Cleaning Robot CL02, which is installed with leading Simultaneous Localization and Mapping Technology (SLAM) to automate disinfection, and these robots are used for disinfection at Haneda International Airport, Narita International Airport and other public facilities around Japan. The sale from Cleaning Robot CL02 contributed to the revenue for first half of the fiscal year. Furthermore, on April 2020, the Group started to rent HAL Lumbar Type for Well-being (FB02) to individual users so that they can conduct Neuro HALFIT at the user’s own houses. The devices were connected to Cyberdyne Cloud in November 2020, enabling therapists and trainers to provide support to the users from remote. Sales from this service is expected to contribute on the second half of the fiscal year.

While the spreading of new coronavirus is leading to concerns of reduction of physical activities and opportunities to workout, the service that will enable individuals to workout at home will induce improvement of brain-nerve and physical functions on more frequent basis, helping each individual to grow independent from care.

<<Business operation around the medical application>>

The Group continues its efforts to establish Cybernic Treatment, a treatment program using Medical HAL systems that aims to induce improvement and regeneration of the functions of the brain, nerves and muscles, into a global standard of treatment. (Status of medical device approvals by each types of HAL)

For Medical HAL Lower Limb Type, the Company is working to expand the scope of medical device approval to stroke, which is a disease with over eight million patients in Japan and U.S. combined. The investigator-initiated multicenter clinical trial using the Single-Leg model is in progress and as it already reached the target number of patients, it is scheduled to be complete by December 2020. Since obtaining 510k marketing clearance from the U.S. Food and Drug Administration ("U.S. FDA") in December 2017 for spinal cord injury, the Company worked to accelerate the approval processes in the Asia Pacific Region ("APAC"). Following the approval in Malaysia, Thailand and Indonesia, the Group obtained medical approval in Taiwan (spinal cord injury only) and Australia for wide range of diseases like stroke, spinal cord injury, and neuromuscular disease. The Approval process is underway in Singapore, Turkey, and in other countries. Furthermore, in October 2020, the clearance by U.S. FDA for Medical HAL Lower Limb Type expanded to include stroke and neuromuscular diseases.

For HAL Single Joint Type, the Group obtained medical device certificate (certification of compliance with the European Medical Device Directive) from TUV Rheinland, a third-party certification organization, in October 2019. In July 2020, the Group also acquired certification for medical devices in Japan, followed by public health insurance coverage in August as an equipment for increasing exercise load. The Group is now preparing to apply for medical device approval in the U.S., and in some countries in APAC (Thailand, Malaysia, Indonesia, Taiwan, Australia and etc.)

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

The Group has developed various types of HAL with the aim of improving elderly people's level of need of nursing care, preventing severity of their illness, preventing frailty and maintaining their independence from care. For example, HAL Lower Limb Type for inducing improvement of ambulatory functions, HAL Single Joint Type that can be used to train elbow, knee and ankle movements and HAL Lumbar Type for inducing improvement of trunk and lower limb function.

(Business of Robocare Center)

The Group continues to reinforce "Neuro HALFIT" at Robocare Centers, as a program that induces improvement of the brain-nerve and musculoskeletal system through utilization of HAL. By coordinating with business partners in each region, currently there are 16 Robocare Centers in Japan due to recent establishment of Fukuoka and Kumamoto Robocare Center. The Group recently announced to form alliance with Y's, Inc., a group company of m3 to offer HAL programs in Y's Rehab Centers, the biggest player in the field of self-paid rehabilitation for chronic stage person.

(Start of service for home)

The Group started a new service for individual customers that enables Neuro HALFIT at home. As an endeavor to promote the service further, the Group coordinated the data obtained through various Cybernics Devices offered in the service to Cyberdyne Cloud System. This enables the users to not only obtain visual feedbacks on their training but also receive feedback from their therapists and trainers remotely. At the same time, the Group launched an online shop for the service "CYBERDYNE STORE" to improve accessibility of the users looking to use the service.

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

(HAL Lumbar Type for Labor Support)

HAL Lumbar Type for Labor Support (LB03), which is dust-proof and waterproof is being introduced to major users in airports, construction and logistics. Furthermore, the Group rented HAL Lumbar Type for Labor Support free of charge to Kumamoto prefecture and Oita prefecture, which took a severe damage from the heavy rain in July 2020. The products were used to reduce the burden of the volunteer staffs working on the recovery effort and the Group plans to continue its contribution in this field.

(Autonomous navigated robots)

The next-generation Cleaning Robot CL02 is being used in commercial facilities, office buildings and international airports (10 units in Narita Airport and 8 units in Haneda Airport). The Group also started to install CL02 mounted with disinfection units to prevent the infection of COVID-19 and the units are now being used in Haneda Airport, Narita Airport and in public facilities. The Group formed a business alliance with NIPPON SIGNAL CO., LTD. to install CL02 to station and station buildings. The Group also developed an Interface Unit that enables CL02 to ride on elevators on its own and started joint verification with TOKYU COMMUNITY CORP from August 2020.

#### Status of Research and Development

With regard to the palm-sized small vital sensor designed to detect arteriosclerosis and arrhythmia at an early stage, the Group is working to add new functions to improve usability. The Group are also researching and developing small sensing device that could accumulate various vital information such as electrocardiogram and photoacoustic imaging for real-time analysis of microvascular information and small sensing devices for various types of vital information

Furthermore, as technologies to promote independence for elderly and disabled person, the Group is developing a cloth-type HAL to maintain and improve ambulatory functions, a watchful communication robot to maintain and improve ADL (activities of daily living) with its conversation functions while acquiring vital and environmental information, and a personal mobility robot for users who have difficulty walking. The Group is researching and developing integrated Cybernics System to accumulate, analyze and AI process IoH/IoT Big Data from various Cybernics Devices, and the Group launched Cyberdyne Cloud on November 2020.

As for the plan to construct a base to accelerate the creation of innovative medical industry in Kingsky Front, Tonomachi, Kawasaki, the Group schedules to complete the construction at the end of Fiscal Year 2021.

### Numbers of operating units

As of the end of September 2020, 330 units of Medical HAL Lower Limb Type were in operation worldwide including those used for clinical research. Out of the aforementioned number, 82 were rented out in Japan for treatment. 329 units of HAL Single Joint Type were in operation, including the medical model and well-being model that is used for clinical research.

There was a total of 352 units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) put together in operation as of end of September 2020. 964 units of HAL Lumbar Type for Well-being and HAL Lumbar Type for Care Support put together in operation. While the number of HAL Lumbar Type for Well-being is increasing, the old model of HAL Lumbar Type for Care Support is starting to meet its service life and the Group is disposing the units that have exceeded it.

As of the end of September 2020, 556 units of HAL Lumbar Type for Labor Support were in operation. The number of units declined mainly due to reduced number of units rented to airports. 93 units of Cleaning Robot as well as Transportation Robot were in operation.

As the result of the aforementioned, in the consolidated six months ended September 30, 2020, the Group recorded revenue of ¥794 million (3.5% decrease year on year), mainly due to the increase in the sales of products, while the revenue from training and treatment services decrease due to effect of COVID-19. Gross profit was recorded at ¥553 million (6.8% decrease year on year).

Research and development expenses were recorded at ¥345 million (7.2% decrease year on year), mainly due to development of new products at the Company's own expense and consigned research projects. In addition, other selling, general and administrative expenses increased to ¥651 million (3.4% increase year on year).

Other income was recorded at ¥83 million (78.0% increase year on year), mainly due to income from consigned research project, while other expenses were recorded at ¥2 million (91.5% decrease year on year), resulting in the operating loss of ¥362 million (5.0% decrease year on year).

Finance income was recorded at ¥559 million, mainly due to gains related to CEJ Fund recorded at ¥251 million, income tax expense recorded at ¥288 million from deferred tax expenses. As a result, the Group recorded ¥167 million in the profit attributable to owners of the parent.

The Company forms business and capital alliances with various startup companies that develop unique technologies. The Company calculates the fair value of unlisted stocks of such companies using the IFRS 9 "Financial Instruments". As a result, gain on valuation difference of investments securities ¥716 million was recorded as "finance income" and "gains related to CEJ Fund". Deferred tax expense related to this valuation was recorded at ¥218 million as "income tax expense" and ¥104 millions was reclassified to third-party interest in CEJ-Fund. Therefore, the impact towards quarterly profit was ¥394 million.



## (2) Explanation of financial position

### ① Assets

For the consolidated six months ended September 30, 2020, assets increased ¥178 million to ¥47,986 million in comparison to the end of the previous fiscal year. This was mainly due to decrease of ¥1,676 million in cash and cash equivalents and ¥86 million in trade and other receivables, partly offset by increase of ¥2,174 million in other financial assets (non-current).

### ② Liabilities

For the consolidated six months ended September 30, 2020, liabilities increased ¥24 million to ¥3,573 million in comparison to the end of the previous fiscal year. This was mainly due to decrease of ¥90 million in trade and other payables and ¥222 million in other current liabilities, partly offset by increase of ¥289 million in deferred tax liability, ¥105 million in third-party interest in CEJ Fund.

### ③ Equity

For the consolidated six months ended September 30, 2020, equity increased ¥154 million to ¥44,413 million in comparison to the end of the previous fiscal year. This was mainly due to increase of retained earnings following the posting of a profit attributable to owners of the parent.

## (3) Status of cashflow

For the consolidated six months ended September 30, 2020, cash and cash equivalents decreased ¥1,676 million to ¥7,960 million in comparison to the end of the previous fiscal year. Status of each cash flow within the consolidated six months period ended September 30, 2020 and its main influencing factors are stated below.

### (Cash flows from operating activities)

For the consolidated six months ended September 30, 2020, net cash provided by operating activities recorded outflow of ¥306 million (outflow of ¥302 million in the previous fiscal year). This is mainly attributed to profit before tax posted at ¥442 million, depreciation and amortization posted at ¥235 million and inflow from decrease of operating liabilities and other liabilities posted at ¥86 million, partly offset by finance income posted at ¥559 million, gains related to CEJ Fund posted at ¥251 million, outflow from decrease of trade and other payables posted at ¥65 million and outflow from payment of size based business tax (capital base) as well as fix assets tax for the previous fiscal year.

### (Cash flows from investment activities)

For the consolidated six months ended September 30, 2020, net cash provided by investing activities recorded outflow of ¥1,339 million (inflow of ¥886 million in the previous fiscal year). This is mainly attributed to outflow of ¥1,200 million for the purchase of investment securities.

### (Cash flows from financing activities)

For the consolidated six months ended September 30, 2020, net cash used in financing activities recorded outflow of ¥26 million (inflow of ¥652 million in the previous fiscal year).

2. Condensed quarterly consolidated financial statement

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

	As of March 31, 2020	As of September 30, 2020
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	9,636	7,960
Trade and other receivables	263	177
Other financial assets	19,004	19,012
Inventories	832	802
Other current assets	156	92
Total current assets	29,891	28,043
Non-current assets		
Operating lease assets	481	444
Property, plant and equipment	11,553	11,502
Right of use assets	361	318
Goodwill	57	57
Intangible assets	53	45
Investments accounted for using equity method	472	467
Other financial assets	4,872	7,046
Other non-current assets	68	65
Total non-current assets	17,917	19,943
Total assets	47,808	47,986

	As of March 31, 2020	As of September 30, 2020
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	247	157
Bonds and borrowings	37	31
Lease liabilities	61	59
Other current liabilities	464	242
Total current liabilities	810	489
Non-current liabilities		
Bonds and borrowings	51	55
Third-party interests in CEJ Fund	1,714	1,819
Lease liabilities	313	260
Provisions	93	93
Deferred tax liabilities	568	857
Total non-current liabilities	2,739	3,084
Total liabilities	3,549	3,573
Equity		
Share capital	26,753	26,757
Capital surplus	26,494	26,494
Treasury shares	(0)	(0)
Other components of equity	(854)	(863)
Retained earnings	(8,124)	(7,952)
Total equity attributable to owners of the parent	44,268	44,436
Non-controlling interests	(9)	(23)
Total equity	44,259	44,413
Total liabilities and equity	47,808	47,986

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

Condensed year to quarter end consolidated statement of profit or loss

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Revenue	823	794
Cost of sales	(230)	(241)
Gross profit	593	553
Selling, general and administrative expenses		
Research and development expenses	(372)	(345)
Other selling, general and administrative expenses	(630)	(651)
Total selling, general and administrative expenses	(1,002)	(996)
Other income	47	83
Other expenses	(19)	(2)
Operating profit (loss)	(380)	(362)
Finance income	458	559
Finance costs	(88)	(1)
Gains related to CEJ Fund	32	251
Share of profit (loss) of investments accounted for using equity method	(15)	(5)
Profit (loss) before tax	6	442
Income tax expense	(123)	(288)
Profit (loss)	(117)	154
Profit (loss) attributable to		
Owners of parent	(112)	167
Non-controlling interests	(5)	(14)
Profit (loss)	(117)	154
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(0.52)	0.78
Diluted earnings (loss) per share (yen)	(0.52)	0.78

Condensed quarter period consolidated statement of profit or loss

	Three months ended September 30, 2019	Three months ended September 30, 2020
	Millions of yen	Millions of yen
Revenue	430	435
Cost of sales	(122)	(134)
Gross profit	308	301
Selling, general and administrative expenses		
Research and development expenses	(210)	(165)
Other selling, general and administrative expenses	(323)	(304)
Total selling, general and administrative expenses	(533)	(469)
Other income	25	36
Other expenses	(7)	0
Operating profit (loss)	(208)	(132)
Finance income	12	505
Finance costs	(87)	(1)
Gains related to CEJ Fund	16	130
Share of profit (loss) of investments accounted for using equity method	(7)	5
Profit (loss) before tax	(273)	508
Income tax expense	2	(214)
Profit (loss)	(271)	294
Profit (loss) attributable to		
Owners of parent	(268)	296
Non-controlling interests	(3)	(3)
Profit (loss)	(271)	294
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	(1.25)	1.38
Diluted earnings (loss) per share (yen)	(1.25)	1.38

Condensed year to quarter end consolidated statement of comprehensive income

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Profit (loss)	(117)	154
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	184	2
Total of items that will not be reclassified to profit or loss	184	2
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	6	(14)
Total of items that may be reclassified to profit or loss	6	(14)
Total other comprehensive income, net of tax	190	(12)
Comprehensive income	73	142
Comprehensive income attributable to		
Owners of parent	77	157
Non-controlling interests	(4)	(15)
Comprehensive income	73	142

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)  
Six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

	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, 2019	26,745	26,494	(0)	(1,071)	3	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	184	4	—
Total comprehensive income	—	—	—	184	4	—
Share-based payment transactions	4	—	—	—	—	—
Equity transaction non-controlling	—	—	—	—	—	—
Total transactions with owners	4	—	—	—	—	—
September 30, 2019	26,749	26,494	(0)	(886)	8	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen
April 1, 2019	(1,048)	(7,972)	44,217	(15)	44,203
Profit (loss)	—	(112)	(112)	(5)	(117)
Other comprehensive income	189	—	189	1	190
Total comprehensive income	189	(112)	77	(4)	73
Share-based payment transactions	—	—	4	—	4
Equity transaction non-controlling	—	—	—	4	4
Total transactions with owners	—	—	4	4	8
September 30, 2019	(860)	(8,084)	44,298	(14)	44,284

Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

	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, 2020	26,753	26,494	(0)	(880)	6	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	2	(13)	—
Total comprehensive income	—	—	—	2	(13)	—
Share-based payment transactions	4	—	—	—	—	—
Disposal of subsidiaries	—	—	—	—	2	—
Total transactions with owners	4	—	—	—	2	—
September 30, 2020	26,757	26,494	(0)	(878)	(4)	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
April 1, 2020	(854)	(8,124)	44,268	(9)	44,259
Profit (loss)	—	167	167	(14)	154
Other comprehensive income	(11)	—	(11)	(1)	(12)
Total comprehensive income	(11)	167	157	(15)	142
Share-based payment transactions	—	—	4	—	4
Disposal of subsidiaries	2	5	8	—	8
Total transactions with owners	2	5	11	—	11
September 30, 2020	(863)	(7,952)	44,436	(23)	44,413



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

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	6	442
Depreciation and amortization	249	235
Finance income	(458)	(559)
Finance costs	88	1
Loss (gains) on CEJ Fund	(32)	(251)
Share of loss (profit) of investments accounted for using equity method	15	5
Decrease (increase) in inventories	49	30
Decrease (increase) in trade and other receivables	28	86
Increase (decrease) in trade and other payables	(137)	(65)
Other	(114)	(235)
Subtotal	(305)	(311)
Interest received	4	6
Interest paid	—	(1)
Income taxes paid	(1)	(0)
Net cash provided by (used in) operating activities	(302)	(306)
Cash flows from investing activities		
Purchase of investments	(11,000)	(8,000)
Proceeds of redemption of investments	10,000	7,999
Proceeds from withdrawal of time deposit	2,500	—
Purchase of property, plant and equipment	(162)	(132)
Purchase of intangible assets	(4)	(3)
Purchase of investment securities	(605)	(1,200)
Proceeds from sale of investment securities	205	—
Purchase of investments accounted for using equity method	(46)	—
Other	(1)	(2)
Net cash provided by (used in) investing activities	886	(1,339)
Cash flows from financing activities		
Repayments of short-term borrowings	—	(6)
Proceeds from long-term borrowings	—	20
Repayments of long-term borrowings	—	(17)
Repayments of lease obligation	(26)	(23)
Contributions into CEJ Fund from third-party investors	680	—
Other	(2)	(1)
Net cash provided by (used in) financing activities	652	(26)
Effect of exchange rate changes on cash and cash equivalents	(7)	(6)
Net increase (decrease) in cash and cash equivalents	1,229	(1,676)
Cash and cash equivalents at beginning of fiscal year	8,796	9,636
Cash and cash equivalents at end of year	10,024	7,960

(5) Notes to condensed quarterly consolidated financial statements

(Notes on premise of going concern)

There are no items to report.

(Changes in accounting policy)

Significant accounting policies applied to the condensed consolidated financial statements for the consolidated six months ended September 30, 2020 are the same as those applied to the consolidated financial statements for the fiscal year ended March 31, 2020

The income tax expense for the consolidated six months ended September 30, 2020 has been calculated based on the estimated annual effective income tax rate.

(Revenue)

Disaggregation of revenue

Details of disaggregation of revenue are set forth below.

	Six months ended September 30, 2019	Six months ended September 30, 2020
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	642	616
Asset transferred at a point of time	59	90
Service transferred at a point of time	121	88
Total	823	794

(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 and maintenance income based on the maintenance contract in relation to finance lease income where the Group acts as a lessor of right-of-use asset.

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

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

Asset transferred at a point of time

Asset transferred at a point of time includes revenue from sales of commodities and products based on sales contract. The Group mainly determines that performance obligation of sales of commodities as well as products are satisfied at the point of customer acceptance the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. With regards to 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 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). It also includes revenue received in return of providing outcomes of consigned research projects.

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