



Consolidated Financial Results (Tanshin)
for the Three Months Ended June 30, 2024 (Based on IFRS)

August 14, 2024

Name of the listed company	:CYBERDYNE, INC.	Stock exchange listing	:Growth Section of TSE
Stock code	:7779	URL	: https://www.cyberdyne.jp/english
Representative (title)	:President and CEO	Name	:Yoshiyuki Sankai
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the scheduled date for release of three-month report	:August 14, 2024	Scheduled start of dividend payment	:—
Additional materials for the financial results	:None		
Information meeting for the financial results	:None		

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

I. Consolidated financial results for the three months ended June 30, 2024 (April 1, 2024-June 30, 2024)

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	
	Yen	%	Yen	%	Yen	%	Yen	%
Apr.1-June 30, 2024	1,155	10.5	(154)	—	△7	—	11	△96.6
Apr.1-June 30, 2023	1,045	39.1	(308)	—	767	106.2	330	36.9

	Basic earnings (loss) per share	Diluted earnings (loss) per share
	Yen	Yen
Apr.1-June 30, 2024	0.05	0.05
Apr.1-June 30, 2023	1.56	1.56

2. Consolidated financial position

	Total assets	Total equity	Total equity attributable to owners of the parent	The ratio of equity attributable to owners of the parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	50,115	40,628	40,948	81.7
As of March 31, 2024	49,999	40,477	40,752	81.5

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
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—				

Notes:

- (i) Changes from the latest released dividend forecasts: none
- (ii) The table of “Dividends” indicates dividend payments on Common Shares. Dividends on Class Shares (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, 2025 (April 1, 2024-March 31, 2025)

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

Notes:

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

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

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

(i) Changes in accounting policies required by IFRS : none

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

(iii) Changes in accounting estimates: none

3. Total number of issued shares (Common Shares)

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

As of June 30, 2024	215,145,809 shares	As of March 31, 2024	215,145,809 shares
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(ii) Total number of treasury shares at the end of each period

As of June 30, 2024	4,014,574 shares	As of March 31, 2024	4,014,574 shares
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(iii) Average number of shares during each three-month period

Apr.1-June 30, 2024	211,131,235 shares	Apr.1-June 30, 2023	211,131,236 shares
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Note: Class B Shares are ranked the same as Common Shares and are paid the same amount as Common Shares concerning dividends of surplus and distribution of residual assets. Therefore, the total number of issued shares at each end of the 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 B Class Shares for which the number of share units differs from its Common Shares are as follows.

	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, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—				

Note:

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

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1. Qualitative information regarding the settlement of accounts for the three months ended June 30, 2024

(1) Explanation of operating result

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 March 31, 2024, and certain assumptions made by the Group.

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

The Group defines “Techno Peer Support Society” as a safe and secure society where people and technology coexist, cooperate and mutually support each other to enhance the independence and freedom of people of all generations and solve various problems in their lives both mentally and physically. To realize Techno Peer Support Society and Cybernetics Industry, the Group is developing various Cybernetics Technologies that improve, regenerate, expand, and support the wearer’s physical functions.

Status of business operation

<<Business operation around the medical application>>

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

(Japan)

The Group continues its efforts to disseminate Cybernetics Treatment, a treatment program using Medical HAL. Post-marketing surveillance on the Medical HAL Lower Limb Type Double-leg Model suggested a high efficacy and safety towards progressive neuromuscular diseases, for which no effective treatment methods are available in the medical world yet. Based on the extremely high efficacy and safety results obtained in post-market surveillance, Medical HAL Lower Limb Type was given increased points in the 2022 revision of medical treatment fees as “a remarkable functional improvement effect unprecedented in patients with progressive neuromuscular diseases for which no other effective treatment methods have been established, including already approved drugs” (excerpt from the medical technology evaluation proposal by the Japanese Society for Neurological Therapeutics).

Regarding spinal cord-related diseases, the Japanese Minister of Health, Labor, and Welfare approved additional indications of HTLV-1-associated myelopathy (HAM) and hereditary spastic paraplegia for HAL on October 2022. Regarding traumatic spinal cord injuries, the Company is consulting with the regulators on the necessary steps to obtain medical device approvals.

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

In addition, the University of Tsukuba Hospital started clinical trials to investigate the effect of HAL on improving the physical functions of children affected by cerebral palsy in January 2022. The clinical trial is currently in progress. The Company has also developed a small Medical HAL Lower Limb Type model equivalent to the device used in the clinical trial for cerebral palsy. The Company submitted paperwork to

obtain approvals from the PMDA (Pharmaceuticals and Medical Devices Agency) in June 2023 for the same group of patients as the larger size of Medical HAL Lower Limb Type.

(USA)

As a medical service platform for individual users, RISE Healthcare Group (RHG), the Company's subsidiary, is developing its business mainly in the Southern part of California. Four RHG facilities offer Cybernics Treatment using HAL. Since January 2023, the business of RHG has gradually shifted to paid service, and the number of treatment sessions is increasing steadily.

The Company also obtained marketing clearance for a smaller Medical HAL Lower Limb Type model and an additional indication of cerebral palsy (above 12 years old) from the U.S. FDA in May 2024. With the approval of the smaller model as a medical device, patients between 100 cm and 150 cm in height can now be treated with Medical HAL. In addition, the company also received approval to expand the indications for the treatment of HTLV-1-related myelopathy (HAM) and hereditary spastic paraplegia, which were already approved in Japan.

Based on the accumulated experience of Cybernics Treatment in the U.S., the approval of a smaller model of Medical HAL, and the expansion of approved diseases, the Company will continue to expand the business in this region.

(EMEA: Mainly Europe and the Middle East)

The Group continues to promote Cybernics Treatment in the region. For example, following large-scale installation of HAL in Türkiye, 25 units of HAL was shipped out to an Italian Social Company, Coopselios, in May 2023. The Company is planning to ship out additional units.

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

(APAC: Asia Pacific)

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

The Group continues to strengthen its partnership with Malaysia's government-affiliated Social Security Organization (SOCSO) to increase access for Malaysian patients under the SOCSO coverage. In May 2024, the Company conducted top-level meetings with the Malaysian government, including its Minister of Human Resources at CYBERDYNE Headquarters, to disseminate Cybernics Treatment further in Malaysia. At the high-level meeting, the Minister expressed their intention to install 50 sets (65 units) of HAL in Malaysia's National Neuro-Robotics and Cybernics Rehabilitation Centre. This facility is scheduled to commence operation at the end of year 2024.

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

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

(Service at facilities for individuals)

The Group continues to offer Neuro HALFIT, a program that induces improvement of the brain-nerve and musculoskeletal system through utilizing HAL. The program is currently available at 18 Robocare Centers

operated by business partners. The Group plans to open additional Robocare Centers.

(Neuro HALFIT at Home as a service towards individuals)

Neuro HALFIT at Home is a home-based program where individuals rent HAL and engage in HAL-assisted workouts at Home. The HAL Monitor, linked to Cyberdyne's cloud, visualizes bio-electrical signals that command body movements and posture information and enables the wearer to obtain visual feedback. In addition to providing online support by therapists, trainers, and other professional staff, the Company also works with home-based service providers to promote in-person support, from setting up equipment at home to implementing programs.

<<Prevention/early detection>>

The Group is preparing for the commercialization of the Cyvis series, an ultra-small size vital sensor designed to manage the risk of arrhythmia and atrial fibrillation and prevent myocardial infarction, and stroke by accumulating, analyzing, and processing various healthcare data such as cardiac activity, brain activity, body temperature, SpO₂, and daily activities using its AI system. Cyvis also has an optional feature to measure breathing conditions while sleeping, enabling easy yet highly accurate screening of risks of sleep apnea syndrome. In addition, together with “JUKUSUI Alarm,” a healthcare application that visualizes sleep, developed and operated by group company C2, the Group is strengthening its healthcare business as a whole. The Company submitted a medical device approval application for its next-generation model, Cyvis 2, on April 2023.

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

(Well-being)

Since 2021, the Company has been operating the HAL Lumbar Type in nursing care facilities in Hampshire, U.K., as a model case to spread its usage to other areas in the U.K. and other European countries.

(Labor Support, Disinfection, and Cleaning)

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

Status of Research and Development

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

Furthermore, the proposal of the Group was selected for the next Cross-ministerial Strategic Innovation Promotion Program (SIP) Third Phase: Development of Fundamental Technologies, the Establishment of Common Systems, Rules, and Regulations for the Expansion of Human Collaborative Robotics, Theme 6: Development of Social Implementation Technologies for HCPS* Integrated Human Collaborative Robotics to Solve Social Issues” that is led by the Council for Science, Technology, and Innovation (the Cabinet Office of Japan). Under this program, the Group continues to (i) develop an application for various living spaces such as residences, facilities, and workplaces, (ii) utilize HCPS-integrated Cybernics master remote control

technology that works together with human information (physiological, physical, behavioral, cognitive, psychological, etc.), (iii) acquire and utilize human information obtained through non-invasive HCPS-integrated human-collaborative robotics, and (iv) Establish links with other related technologies of the R&D theme to improve the independence and freedom of seniors and people with limited access to transportation.

At the Tonomachi International Strategic Zone (King Sky Front) in Kawasaki City, Cybernics Medical Innovation Base Building A functions to promote the systematization of Cybernics Treatment by combining HAL with regenerative medicine and drugs and the development of technologies that integrate medical and bio-related technologies with AI, robotics and information systems. The Company will continue coordinating with its C-Startup partners in regenerative medicine and drug creation.

Number of operating units

As of the end of June 2024, 481 Medical HAL Lower Limb Type units were operating worldwide, including those used for clinical research. Ninety-six of those units were used in Japanese hospitals for treatment. In addition, there were 634 units of HAL Single Joint Type, mainly from the increase of products for medical use. Three hundred sixty-seven units of HAL for Well-being Lower Limb Type and HAL for Living Support Lower Limb Type (older model) were in operation. Furthermore, 998 units of HAL Lumbar Type for Well-being were in operation. In addition, there were 398 units of HAL Lumbar Type for Labor Support and 175 units of Cleaning Robots and Transportation Robots.

In the consolidated three months that ended June 30, 2024, a significant increase in medical service in the US and Europe contributed to the revenue recorded at ¥1,155 million (10.5% increase year on year). In addition, the Group recorded a gross profit of ¥602 million (6.5% increase year on year).

The Group recorded research and development expenses at ¥205 million (a 17.7% increase year on year), mainly due to developing new products at the Company's own cost, clinical research, and consigned research projects. In addition, the Group recorded other selling, general, and administrative expenses at ¥681 million (11.1% decrease year on year) due to a decrease in advertising expenses and purchases of consumables.

Other income was recorded at ¥131 million (95.2% increase year on year), mainly from a consigned research project, resulting in an operating loss of ¥153 million (50.2% decrease year on year).

The Group recorded a finance income of ¥139 million, mainly due to gains from the valuation difference of investment securities and exchange gain. In addition, the Group recorded gains related to CEJ Fund at ¥22 million and income tax expense at ¥2 million from deferred tax expenses, resulting in the posting of profit attributable to owners of the parent at ¥11 million (96.6% decrease year on year).

(2) Explanation of financial position

① Assets

For the consolidated three months ended June 30, 2024, assets increased ¥115 million to ¥50,115 million compared to the end of the previous fiscal year. Changes were mainly due to a decrease of ¥117 million in other current assets and ¥113 million in cash and cash equivalent, partially offset by an increase of ¥282 million in other financial assets (non-current) and ¥127 million in goodwill.

② Liabilities

For the consolidated three months ended June 30, 2024, liabilities increased ¥36 million to ¥9,486 million compared to the end of the previous fiscal year. The changes were mainly due to an increase of ¥42 million in deferred tax liabilities, partially offset by a decrease of ¥42 million in trade and other payables and ¥28 million in Lease liabilities (non-current).

③ Equity

For the consolidated three months ended June 30, 2024, equity increased ¥152 million to ¥40,628 million compared to the end of the previous fiscal year. Changes were mainly due to the recognition of foreign currency translation adjustments on foreign operations.

(3) Status of cashflow

For the consolidated three months ended June 30, 2024, cash and cash equivalents decreased ¥113 million to ¥5,042 million compared to the end of the previous fiscal year. The main influence factors for the cash flow status within the consolidated three months ended June 30, 2024, are stated below.

(Cash flows from operating activities)

For the consolidated three months ended June 30, 2024, net cash provided by operating activities recorded an inflow of ¥54 million (an outflow of ¥395 million in the previous consolidated three months). Changes were mainly due to finance income posted at ¥139 million, an increase (decrease) in trade and other payables posted at ¥42 million, partially offset by Depreciation and amortization at ¥154 million, and a Decrease (increase) in trade and other receivables recorded at ¥117 million.

(Cash flows from investment activities)

For the consolidated three months ended June 30, 2024, net cash provided by investing activities recorded an outflow of ¥179 million (an outflow of ¥30 million in the consolidated three months of the previous fiscal year). The changes were mainly due to the proceeds of redemption of investments posted at ¥8,000 million, partially offset by the purchase of investments posted at ¥8,000 million and the purchase of investment securities posted at ¥110 million.

(Cash flows from financing activities)

For the consolidated three months ended June 30, 2024, net cash used in financing activities recorded an outflow of ¥47 million (an inflow of ¥639 million in the consolidated three months of the previous fiscal year). The changes were mainly due to the outflow of ¥45 million from Lease liabilities paid.

2. Condensed quarterly consolidated financial statement

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

	As of March 31, 2024	As of June 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	5,155	5,042
Trade and other receivables	674	557
Other financial assets	11,504	11,503
Inventories	997	938
Other current assets	139	202
Total current assets	18,469	18,242
Non-current assets		
Operating lease assets	359	342
Property, plant and equipment	13,237	13,216
Right of use assets	482	457
Goodwill	2,134	2,262
Intangible assets	48	47
Investments accounted for using equity method	261	250
Other financial assets	14,814	15,095
Other non-current assets	196	203
Total non-current assets	31,530	31,873
Total assets	49,999	50,115

	As of March 31, 2024	As of June 30, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	606	564
Bonds and borrowings	84	91
Lease liabilities	160	165
Other current liabilities	386	364
Total current liabilities	<u>1,236</u>	<u>1,184</u>
Non-current liabilities		
Bonds and borrowings	22	21
Third-party interests in CEJ Fund	5,733	5,735
Lease liabilities	366	337
Provisions	96	96
Deferred tax liabilities	2,040	2,082
Other non-current liabilities	30	30
Total non-current liabilities	<u>8,286</u>	<u>8,302</u>
Total liabilities	<u>9,523</u>	<u>9,486</u>
Equity		
Share capital	10	10
Capital surplus	42,811	42,811
Treasury shares	(1,188)	(1,188)
Other components of equity	(787)	(601)
Retained earnings	(95)	(84)
Total equity attributable to owners of the parent	<u>40,752</u>	<u>40,948</u>
Non-controlling interests	<u>(275)</u>	<u>(320)</u>
Total equity	<u>40,477</u>	<u>40,628</u>
Total liabilities and equity	<u><u>49,999</u></u>	<u><u>50,115</u></u>

(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

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Revenue	1,045	1,155
Cost of sales	(480)	(553)
Gross profit	566	602
Selling, general and administrative expenses		
Research and development expenses	(174)	(205)
Other selling, general and administrative expenses	(766)	(681)
Total selling, general and administrative expenses	(941)	(887)
Other income	67	131
Other expenses	(1)	(0)
Operating profit (loss)	(308)	(154)
Finance income	369	139
Finance costs	(6)	(4)
Gains related to CEJ Fund	712	22
Share of profit (loss) of investments accounted for using equity method	0	(10)
Profit (loss) before tax	767	(7)
Income tax expense	(482)	(2)
Profit (loss)	285	(8)
Profit (loss) attributable to		
Owners of parent	330	11
Non-controlling interests	(45)	(20)
Profit (loss)	285	(8)
Earnings (loss) per share		
Basic earnings (loss) per share (yen)	1.56	0.05
Diluted earnings (loss) per share (yen)	1.56	0.05

Condensed year to quarter end consolidated statement of comprehensive income

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Profit (loss)	285	(8)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Financial assets measured at fair value through other comprehensive income	(14)	83
Total of items that will not be reclassified to profit or loss	(14)	83
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	155	77
Total of items that may be reclassified to profit or loss	155	77
Total other comprehensive income, net of tax	141	160
Comprehensive income	427	152
Comprehensive income attributable to		
Owners of parent	483	197
Non-controlling interests	(56)	(45)
Comprehensive income	427	152

(3) Condensed quarterly consolidated statement of changes in equity (Unaudited)
Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Stock acquisition rights
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2023	10	42,877	(1,188)	(1,270)	272	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	(14)	166	—
Total comprehensive income	—	—	—	(14)	166	—
Share-based payment transactions	—	2	—	—	—	—
Equity transaction with non-controlling interest	—	(73)	—	—	—	—
Total transactions with owners	—	(71)	—	—	—	—
June 30, 2023	10	42,806	(1,188)	(1,284)	438	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, 2023	(979)	1,381	42,101	(118)	41,983
Profit (loss)	—	330	330	(45)	285
Other comprehensive income	152	—	152	(11)	141
Total comprehensive income	152	330	483	(56)	427
Share-based payment transactions	—	—	2	—	2
Equity transaction with non-controlling interest	—	—	(73)	31	(42)
Total transactions with owners	—	—	(71)	31	(40)
June 30, 2023	(826)	1,712	42,513	(143)	42,370

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

	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, 2024	10	42,811	(1,188)	(1,329)	523	19
Profit (loss)	—	—	—	—	—	—
Other comprehensive income	—	—	—	83	102	—
Total comprehensive income	—	—	—	83	102	—
Share-based payment transactions	—	—	—	—	—	—
Equity transaction with non-controlling interest	—	—	—	—	—	—
Total transactions with owners	—	—	—	—	—	—
June 30, 2024	10	42,811	(1,188)	(1,245)	625	19

	Equity attributable to owners of parent				
	Other components of equity	Retained earnings	Total	Non-controlling interests	Total equity
	Total				
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
April 1, 2024	(787)	(95)	40,752	(275)	40,477
Profit (loss)	—	11	11	(20)	(8)
Other comprehensive income	186	—	186	(25)	160
Total comprehensive income	186	11	197	(45)	152
Share-based payment transactions	—	—	—	—	—
Equity transaction with non-controlling interest	—	—	—	—	—
Total transactions with owners	—	—	—	—	—
June 30, 2024	(601)	(84)	40,948	(320)	40,628

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

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit (loss) before tax	767	(7)
Depreciation and amortization	160	154
Finance income	(369)	(139)
Finance costs	6	4
Loss (gains) on CEJ Fund	(712)	(22)
Share of loss (profit) of investments accounted for using equity method	(0)	10
Decrease (increase) in inventories	(64)	59
Decrease (increase) in trade and other receivables	(71)	117
Increase (decrease) in trade and other payables	(60)	(42)
Other	(64)	(82)
Subtotal	(406)	53
Interest received	11	2
Interest paid	(0)	(0)
Income tax paid	—	(1)
Income taxes refund	—	0
Net cash provided by (used in) operating activities	(395)	54
Cash flows from investing activities		
Purchase of investments	(5,000)	(8,000)
Proceeds from redemption of investments	5,000	8,000
Purchase of property, plant and equipment	(40)	(69)
Purchase of intangible assets	(8)	—
Purchase of investment securities	(450)	(110)
Proceeds from sale of investment securities	465	—
Payments for loans receivable	(1)	—
Collection of loans receivable	3	—
Other	(0)	(0)
Net cash provided by (used in) investing activities	(30)	(179)
Cash flows from financing activities		
Repayments of long-term borrowings	(3)	(1)
Repayments of lease obligation	(42)	(45)
Contributions into CEJ Fund from third-party investors	680	—
Other	4	(1)
Net cash provided by (used in) financing activities	639	(47)
Effect of exchange rate changes on cash and cash equivalents	70	58
Net increase (decrease) in cash and cash equivalents	284	(113)
Cash and cash equivalents at beginning of fiscal year	7,801	5,155
Cash and cash equivalents at end of year	8,086	5,042

(5) Notes to condensed quarterly consolidated financial statements

(Notes on the premise of going concern)

There are no items to report.

(Segment information)

(1) Service transferred over time

The Group's reportable segments are the components of the Group for which discrete financial information is available and which are regularly reviewed by the Board of Directors in deciding how to allocate resources and assess their performance. Since the Group operates under a single segment of business related to robotics, segment information is omitted.

(2) Revenue and results of reportable segments

Since the Group operates under a single segment, segment information is omitted.

(3) Information about Products and Services

Please refer to the Note "Revenue" for information related to products and services.

(Revenue)

Disaggregation of revenue

Details of the disaggregation of revenue are set forth below.

	Three months ended June 30, 2023	Three months ended June 30, 2024
	Millions of yen	Millions of yen
Timing of revenue recognition		
Service transferred over time	590	562
Asset transferred at a point of time	31	33
Service transferred at a point of time	425	560
Total	1,045	1,155

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

Service transferred over time

Services transferred over time include rental revenue based on individual rental contracts, maintenance revenues based on maintenance contracts related to revenue from finance leases where the Group is a lessor of the right-of-use asset, subscription income from the provision and operation of smartphone applications, and sponsorship income.

The Group recognizes rental revenue as revenue generated throughout the rental period after the customer accepts the relevant product using the following methods. The pay-per-use model is based on times of product usage in the relevant month, and the base fee model is based on fixed monthly prices.

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

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

The Group recognizes sponsorship revenue by providing the right to indicate sponsorship through a title sponsorship contract over a fixed time.

Asset transferred at a point of time

Assets transferred at a point of time include revenues from selling commodities and products under sales contracts and revenues related to finance leases.

The Group mainly determines that the performance obligation of sales of commodities and products is satisfied at the point of customer acceptance of the relevant product. The Group receives most of the payment within one month from the point of satisfying the performance obligation. Concerning transaction price, there is no significance in the amount of sales revenue that includes variable consideration. Furthermore, there are no significant financial components in the amount of promised consideration.

Furthermore, if the Group acts as a lessor of right-of-use of its devices, such as HAL, the Group classifies the relevant lease as a finance lease. Finance lease income is processed in the same way as cases where the Group acts as a lessor of manufacturer or distributor of sales of goods. The Group determines that performance obligation is satisfied at the point of customer acceptance and the revenue is recognized at a point of time.

Service transferred at a point of time

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

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