



2021/11/8

Company: CYBERDYNE Inc.
 Name of Representative: Yoshiyuki Sankai, President and CEO
 Code: 7779 (Mothers Section of the Tokyo Stock Exchange)
 Contact: Shinji Uga, Director and CFO (Tel. +81-29-869-9981)

Notice regarding the acquisition of RISE, a U.S. Rehabilitation Medical Institution

CYBERDYNE USA Inc. (from now on referred to as the “US Subsidiary”) exchanged the basic agreement with RISE Physical Therapy, Inc. (“RISE”) to purchase their business (The “Acquisition Agreement”). RISE is a rehabilitation medical institution that runs 16 outpatient rehabilitation clinics in California, USA. Following the Acquisition Agreement, RISE will become a consolidated subsidiary of CYBERDYNE Inc. (The Company).

1. Purpose of the acquisition

The Company obtained clearance from the U.S. FDA in October 2020 for its Medical HAL Lower Limb Type as a clinically safe and effective medical device to treat stroke and progressive neuromuscular disease as well as spinal cord injury. Furthermore, its Medical HAL Single Joint Type was also listed on the U.S. FDA as a Class I medical device for various cerebral nervous system diseases and movement disorders due to orthopedic conditions. Following these events, the Company is preparing to offer Cybernics Treatment utilizing HAL to all areas of the USA, the largest market in the world.

As the first step, the Company has been discussing terms of acquisition with RISE, a rehabilitation group that was quickly growing in the southern region of California. The Company will add Cybernics Treatment to the current service lineup of RISE so that patients can get easier access to this new treatment technology. The Company will speed up the dissemination of innovative Cybernics Treatment in this world’s largest market by offering this service through RISE.

2. Outline of the acquisition

After signing the acquisition contract, the US Subsidiary will set up a new company, “NewCo,” and hold 80% of issued shares. Because NewCo will be assigned to supervise and manage the business of RISE, RISE will become a consolidated subsidiary of CYBERDYNE Inc.

3. Outline of NewCo (Scheduled)

(1)	Name	Undecided
(2)	Location	California, USA
(3)	Representative	CEO • Navid Hannanvash
(4)	Business description	Supervision and management of RISE
(5)	Capital	Undecided
(6)	Founded	November 2021
(7)	Shareholding ratio	CYBERDYNE USA Inc. (80%) Navid Hannanvash (20%)

4. Outline of changes in subsidiaries

(1)	Name	RISE Physical Therapy, Inc.		
(2)	Location	California, USA		
(3)	Representative	CEO • Navid Hannanvash		
(4)	Business description	Medical institution (management of outpatient physical therapy clinic)		
(5)	Capital	1 Thousand USD		
(6)	Founded	2014		
(7)	Shareholding ratio	Navid Hannanvash (100%)		
(8)	Relationship between the Company and RISE	Capital	No item to report	
		Personal	No item to report	
		Business	No item to report	
(9)	Financial position and operating results of the relevant company for the past three years			
Fiscal year		The fiscal year ended December 2018	The fiscal year ended December 2019	The fiscal year ended December 2020
Net assets		-90 thousand USD	0 thousand USD	610 thousand USD
Total assets		134 thousand USD	152 thousand USD	721 thousand USD
Net sales		1,708 thousand USD	2,714 thousand USD	2,833 thousand USD
Operating income		429 thousand USD	931 thousand USD	664 thousand USD
Net income		292 thousand USD	579 thousand USD	859 thousand USD

The auditing firm did not audit the above figures. The figures are presented based on tax returns.

5. Outline of the counterparty of the acquisition

(1)	Name	Navid Hannanvash
(2)	Location	California USA
(3)	Relationship between the Company and the relevant individual	No item to report

6. Number of shares to be acquired, acquisition price and status of shares held before and after the acquisition

(1)	Number of shares held before the acquisition	-
(2)	Number of shares acquired	Undecided (Ratio of voting rights held: 80 %)
(3)	Acquisition cost	The information is not disclosed due to the intention of the counterparty. To ensure fairness and appropriateness, the Company determined the acquisition cost consideration the calculated share value by a third-party appraiser.
(4)	Number of shares held after the acquisition	Undecided (Ratio of voting rights held: 80 %)

7. Schedule

(1)	Signed date of the basic agreement	November 8, 2021
(2)	Signed date of the acquisition contract	End of November 2021 (Schedule)
(3)	Date of share transition	End of November 2021 (Schedule)

Please note that the schedule is subject to change

8. Prospect

As a result of this acquisition, NewCo and RISE will become a company's consolidated subsidiary from the nine months ending December 31, 2021. The impact of this acquisition on the Company's consolidated business performance towards the fiscal year ending March 31, 2022, is currently under scrutiny and will be disclosed as soon as there is a need to do so.