

CYBERNET SYSTEMS CO., LTD.

Consolidated Financial Results
for the Second Quarter of the Year Ending March 31, 2012



- Overview of Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2012
- Projections for FY2011
- Reference
(Non-Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2012)

Consolidated companies

- CYBERNET SYSTEMS CO., LTD
(From April 1, 2011 to March 31, 2012)
- Sigmatix, L.L.C.
(From January 1, 2011 to December 31, 2011)
- WATERLOO MAPLE INC.
(From January 1, 2011 to December 31, 2011)
- CYBERNET CAE SYSTEMS (Shanghai) CO., LTD.
(From January 1, 2011 to December 31, 2011)
- Noesis Solutions NV .
(From January 1, 2011 to December 31, 2011)

[Consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of Yen

	FY2010 2Q		FY2011 2Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Variance from Plan
Net sales	6,601	—	7,056	—	106.9%	6,940	101.7%
Gross profit	2,656	40.2%	3,031	43.0%	114.1%	2,769	109.5%
Operating income	259	3.9%	614	8.7%	237.0%	278	221.0%
Ordinary income	280	4.3%	599	8.5%	213.4%	311	192.8%
Net income	※372	5.6%	324	4.6%	87.1%	110	295.0%

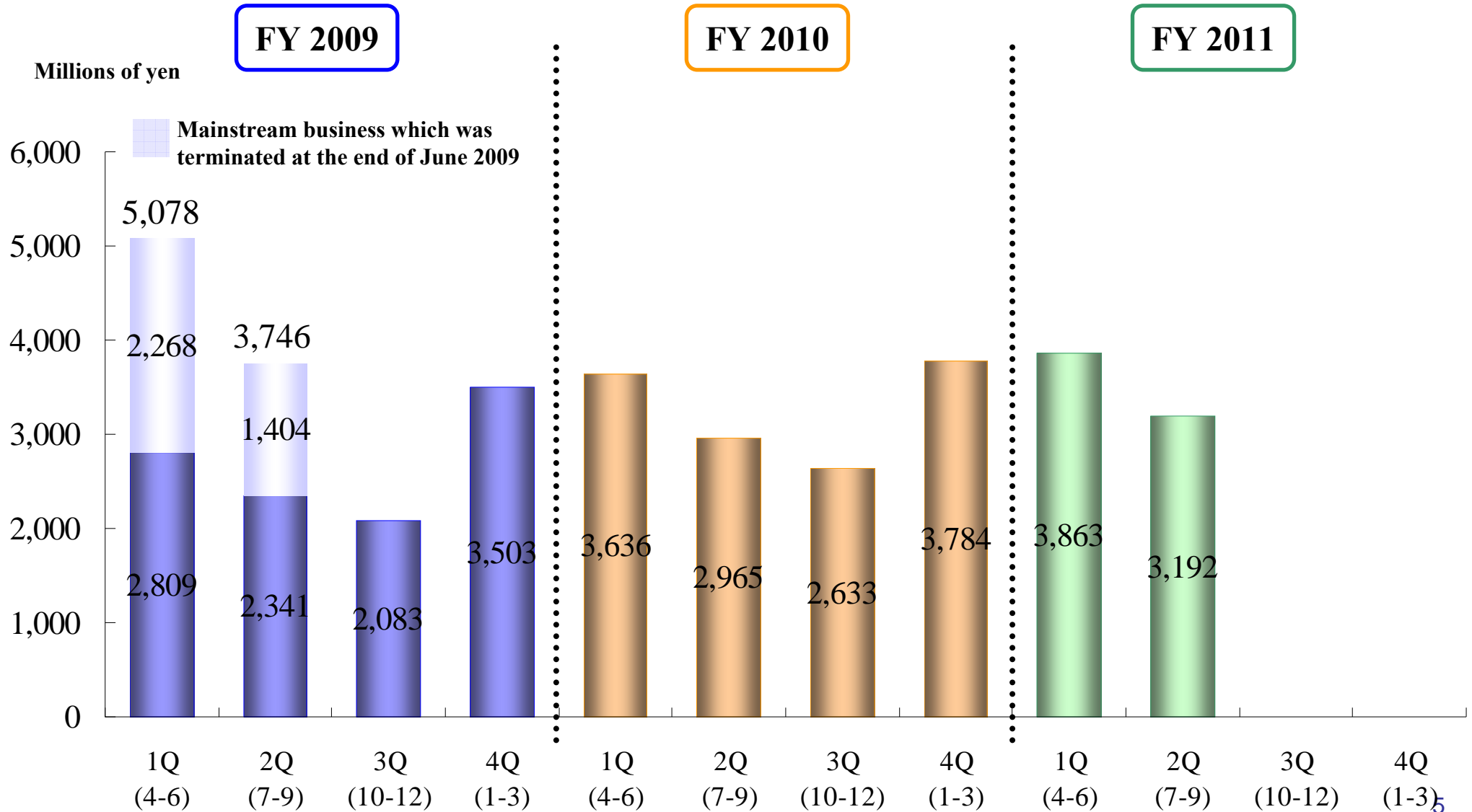
※Tax effect on loss carryover which is caused by the subsidiary merged in 1Q is included

Business summary

- Although there was influence of Higashi-Nihon Earthquake to some business, sales of mainstream CAE software (Mechanical, Optical and Electronics) shows good result.
- IT solution business was affected by a budget review of the IT infrastructure investment of our customers and the price competition.
- New large-scale license agreement in main CAE software contribute the result.
- Increasing backlogs due to the increasing number of inquiry on engineering service.
- Terminal emulator contribute the result.

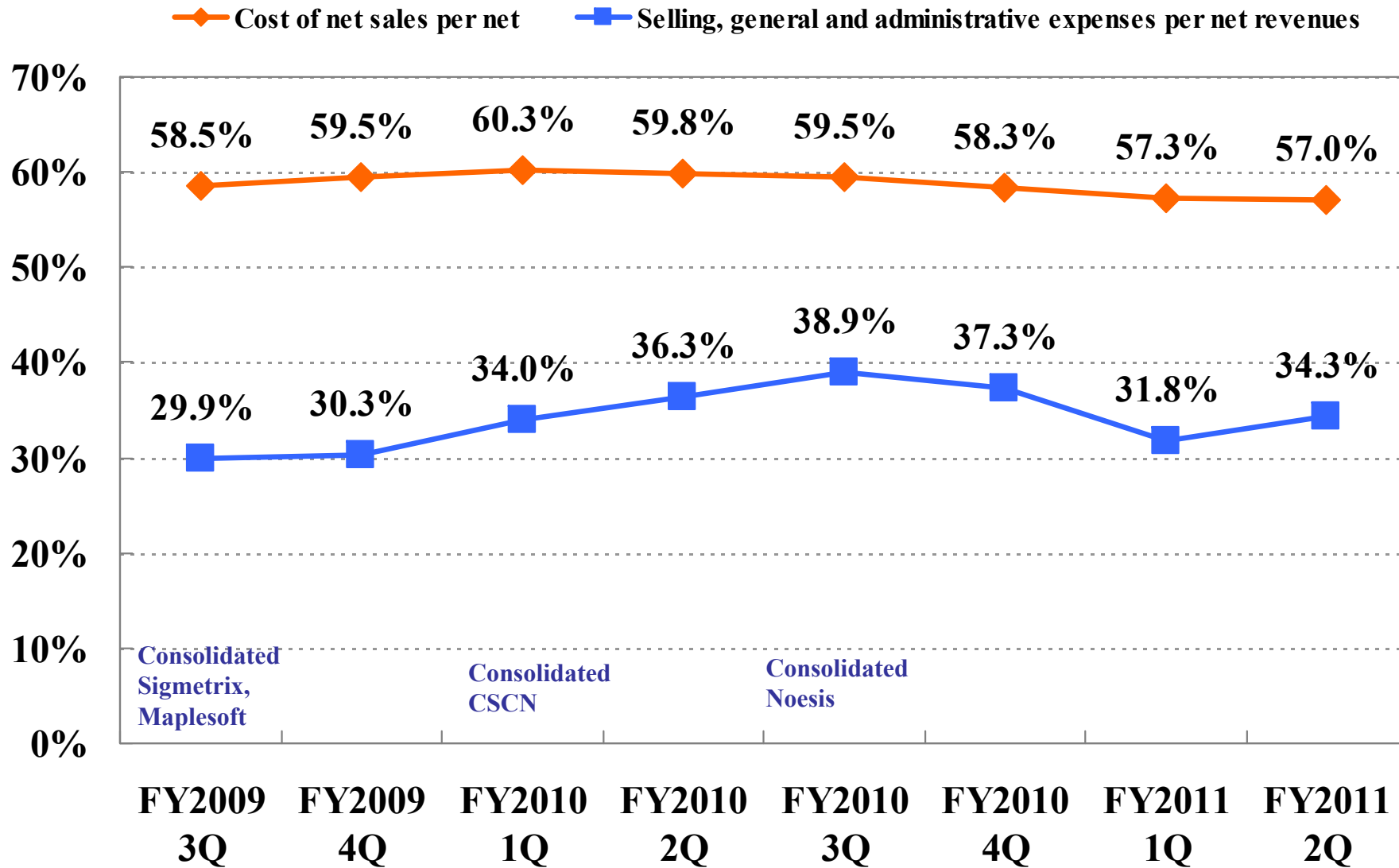
[Consolidated] Quarterly net sales

CYBERNET SYSTEMS CO., LTD.



[Consolidated] Cost of sales per net sales and Selling, general and administrative expenses per net sales (cumulative)

CYBERNET SYSTEMS CO., LTD.



[Consolidated] Cost of service sales

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2010 2Q	FY2011 2Q	Variance	Y-o-Y	Ratio	Details
Materials cost		2	2	-	0.0%	
Personal	817	878	61	107.5%	12.5%	Cybernet +9 Subsidiaries +45
Outsourcing fees	70	45	(24)	64.7%	0.6%	Cybernet(24)
Communication	9	8	(0)	97.3%	0.1%	
Transportation	36	44	7	121.0%	0.6%	
Fixing and Supplies	5	6	0	115.1%	0.1%	
Rents	111	110	(0)	99.1%	1.6%	
Maintenance	9	10	1	117.9%	0.2%	
Depreciation	19	18	(0)	95.5%	0.3%	
Operations Consignment Expenses	19	23	4	122.9%	0.3%	
Commission	9	13	3	141.4%	0.2%	
Others	32	20	(11)	63.3%	0.3%	Research(10)
Total	1,141	1,185	43	103.8%	16.8%	

	FY2010 2Q	FY2011 2Q	Variance
Inventory at beginning of period	0	4	+ 3
Transition from others	168	173	+ 4
Inventory at end of period	9	20	+ 11
Cost of sales for service	964	996	+ 31

[Consolidated] Selling and general administrative expenses

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2010 2Q	FY2011 2Q	Variance	Y-o-Y	Ratio	Details
Personal	1,232	1,260	27	102.2%	17.9%	Subsidiaries +32
Communication	80	77	(2)	96.8%	1.1%	
Transportation	98	95	(3)	96.9%	1.3%	
Fixing and Supplies	12	14	2	116.1%	0.2%	
Recruiting	2	2	(0)	96.8%	0.0%	
Education and Training	3	3	0	116.7%	0.1%	
Rents	169	168	(1)	98.9%	2.4%	
Maintenance	35	36	1	103.3%	0.5%	
Depreciation	92	65	(26)	70.8%	0.9%	Distribution rights write-offs (6) From declining-balance method to straight-line method(21)
Amortization of goodwill	156	155	(1)	99.2%	2.2%	
Advertising	115	116	0	100.6%	1.7%	
Outsourcing	66	73	7	111.3%	1.0%	
Commission	97	102	4	105.0%	1.5%	
Others	234	245	11	104.8%	3.5%	Sales support activities +21
Total	2,397	2,416	19	100.8%	34.3%	

Foreign Exchange Fluctuations and Increases/Decreases in Operating Margin

- Foreign Exchange Fluctuations
 - Average actual booking rate JPY81.00/USD
 - Actual buying rate JPY80.54/USD
 - Budget rate JPY87.00/USD
 - Difference of Y-Y actual booking rate
 - JPY 9.10/USD (FY2010 2Q: JPY90.10/USD)
 - Difference between booking rate and budgeted rate
 - JPY6.00/USD
 - ✂Effect for cost of sales compared to budget + JPY90M
 - Difference between actual funding rate and budgeted rate
 - JPY6.46/USD

- Foreign Currency Transaction Gain and Loss (End of term rate JPY76.65/USD)
 - Gain/loss from revaluation of foreign currency-denominated deposit – JPY31M
 - Gain/loss from revaluation of payables + JPY28M
 - Gain/loss at book-closing – JPY4M
 - Gain/loss from revaluation of foreign exchange forward contracts – JPY44M
 - TOTAL – JPY52M

[Consolidated] Balance Sheets

CYBERNET SYSTEMS CO., LTD.

FY2011 2Q<Total current assets 16,851 +220>

<Comparison for the last fiscal year>

Millions of yen

Current assets	Current liabilities
	3,329 +18
Fixed assets	Long-term liabilities
	652 +66
9,728 +1,515	Net assets
7,122 (1,295)	12,869 +135

Sources of Changes

Current assets

Cash and deposits	(366)
Accounts receivable	(317)
Advances	+ 53
Short-Term Financing	+2,200 (FSI Group Banking)

Fixed assets

Tangible Fixed Assets	(0)
Goodwill	(93)
Investments in securities	(1,206)

Current liabilities

Accounts payable	(165)
Accrued expenses	(67)
Income tax payable	+116

Long-term liabilities

Reserve for retirement benefits	+37
---------------------------------	-----

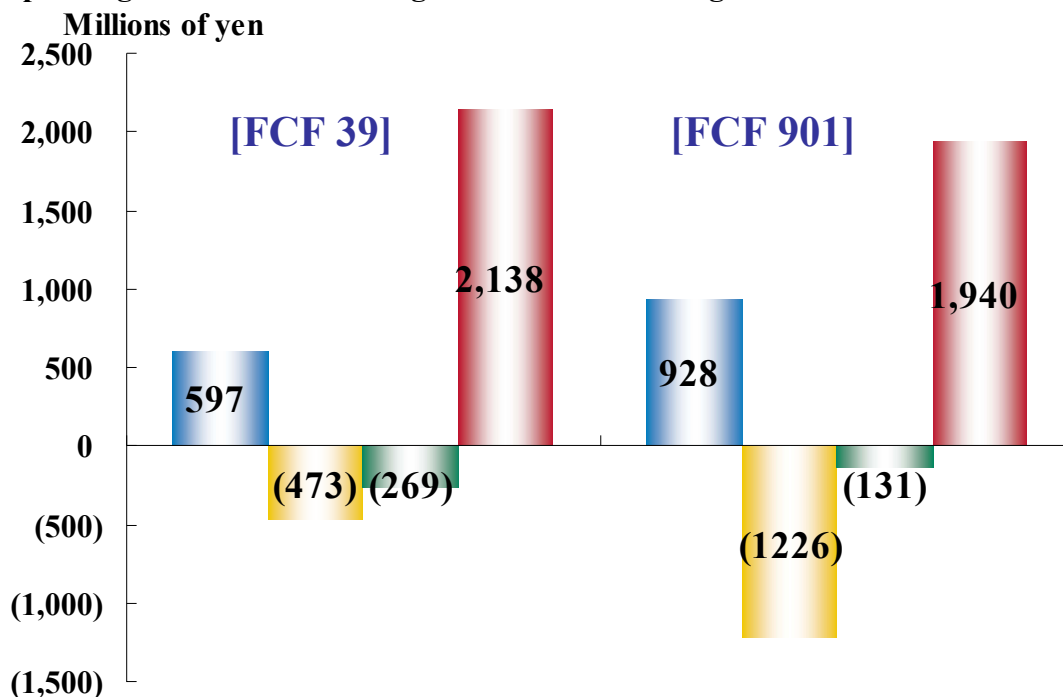
Net assets

Retained earnings	+193
-------------------	------

[Consolidated] Statements of Cash Flows

CYBERNET SYSTEMS CO., LTD.

■ Operating activities ■ Investing activities ■ Financing activities ■ Cash and cash equivalent



Overview

Net cash provided by operating activities

Increase: Income before taxes
 Increase of depreciation
 Increase of amortization of goodwill
 Decrease of notes and account receivable

Decrease: Decrease of account payable
 Income taxes paid

Net cash provided by investing activities

Decrease: Payments of loans receivable

Net cash provided by financing activities

Decrease: Payment for dividends

	FY2010 2Q	FY2011 2Q
Net cash provided by operating activities		
Income before taxes		+ 638
Depreciation		+ 109
Amortization of goodwill		+ 155
Translation losses		+ 34
Notes and account receivable(decrease)		+ 328
Inventory(decrease)		+ 35
Account payable(decrease)		(219)
Accrued expenses(decrease)		(69)
Consumption tax payable(increase)		+ 69
Retirement allowance (increase)		+ 37
Income taxes paid		(220)

Net cash provided by investing activities	
Proceeds from sales of securities	+ 1,025
Proceeds from redemption of securities	+ 84
Payments of loans receivable	(2,199)

Net cash provided by financing activities	
Payment for dividends	(131)

[Consolidated] Business Segment Information

CYBERNET SYSTEMS CO., LTD.

FY2010 2Q

Millions of yen

	CAE Solution Services			IT Solution Services			Elimination	Consolidated	
	Amount	Composition ratio	Ratio	Amount	Composition ratio	Ratio	Amount	Amount	Ratio
Net sales	5,725	86.8%	—	870	13.2%	—	6	6,601	—
Operating expenses	4,768	—	83.3%	832	—	95.6%	741	6,342	96.1%
Operating income	956	—	16.7%	38	—	4.4%	△ 735	259	3.9%

FY2011 2Q

Millions of yen

	CAE Solution Services			IT Solution Services			Elimination	Consolidated	
	Amount	Composition ratio	Ratio	Amount	Composition ratio	Ratio	Amount	Amount	Ratio
Net sales	6,322	89.6%	—	733	10.4%	—	0	7,056	—
Operating expenses	5,116	—	80.9%	677	—	92.3%	647	6,441	91.3%
Operating income	1,206	—	19.1%	56	—	7.7%	△ 647	614	8.7%

CAE solution (Y-o-Y Sales Increase 10.4%)

- (1) Newly software license sales greatly extended.
- (2) Maintenance renewal result was good on mostly mainstream software.
- (3) The large-scale licensing agreement contribute the result.
- (4) Increasing number of inquiry from automotive industries on engineering service.

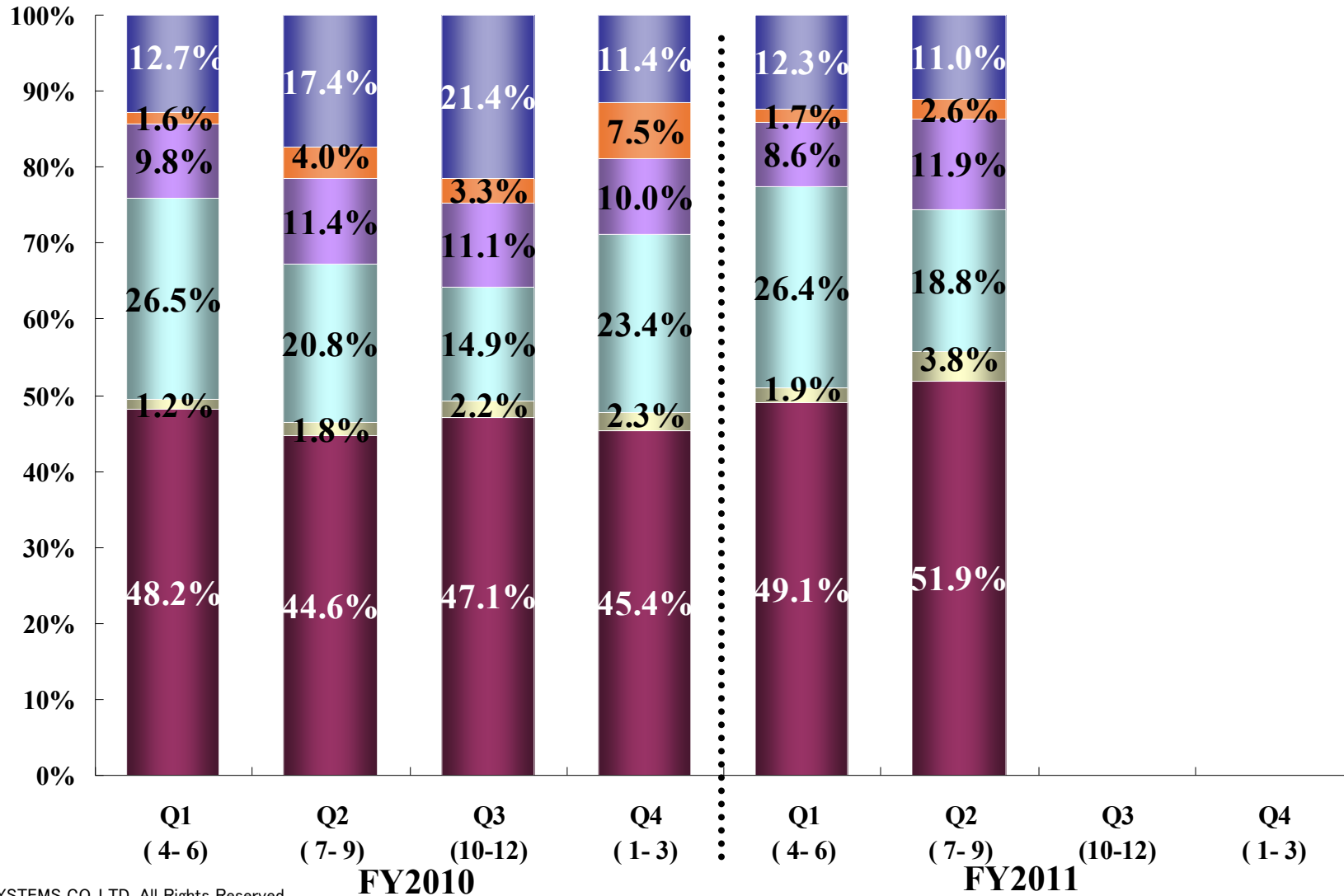
IT Solution (Y-o-Y Sales decrease 15.7%)

- (1) Terminal emulation software is favorable.
- (2) IT asset management and security-related software & services were dull due to a budget review of customer and price competition.

[Non-consolidated] Net Sales by Business Line

CYBERNET SYSTEMS CO., LTD.

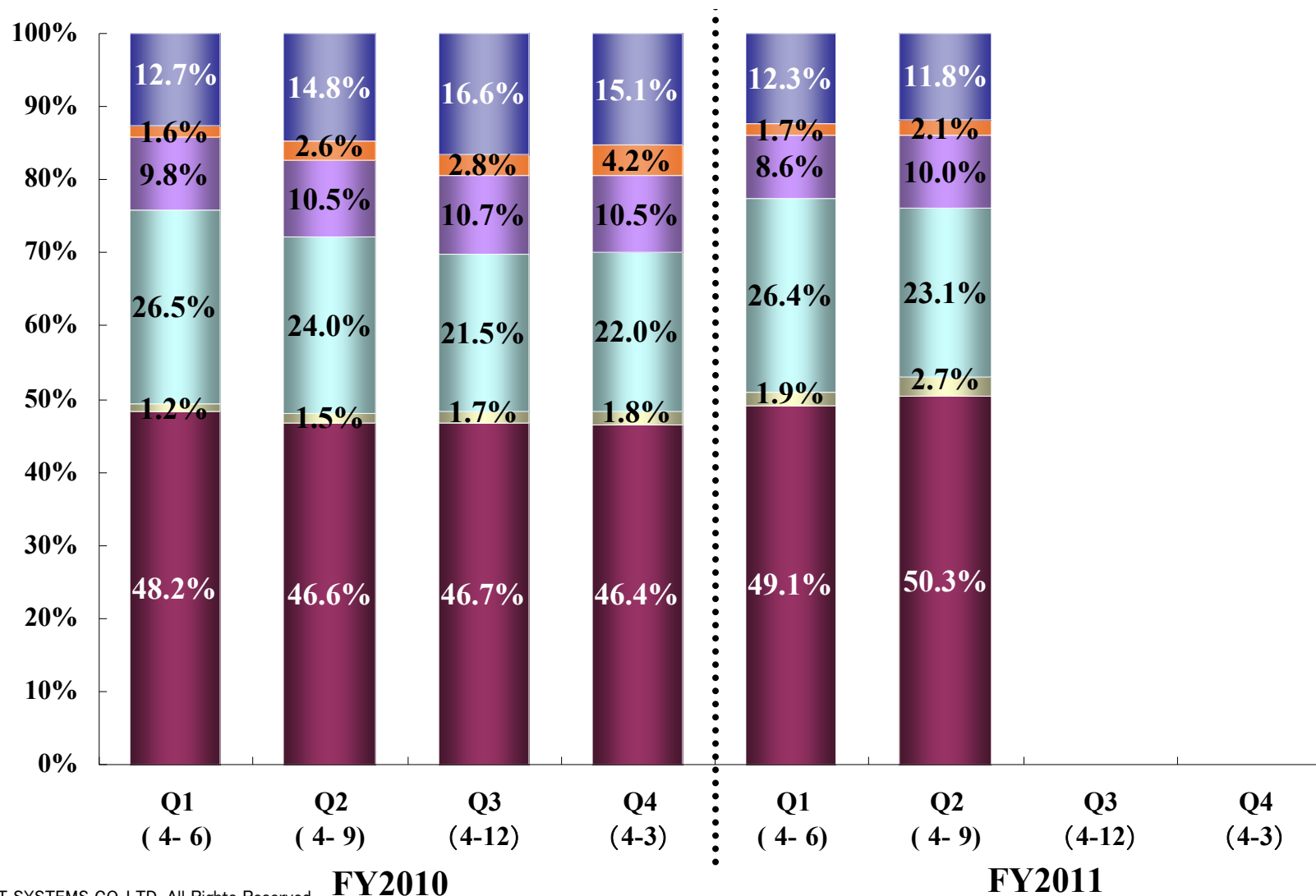
■ Mechanical system
 ■ Numerical and Control
 ■ Optical system
 ■ Circuit design
 ■ Others
 ■ IT solution



[Non-consolidated] (Cumulative) Net Sales by Business Line

CYBERNET SYSTEMS CO., LTD.

■ Mechanical system
 ■ Numerical and Control
 ■ Optical system
 ■ Circuit design
 ■ Others



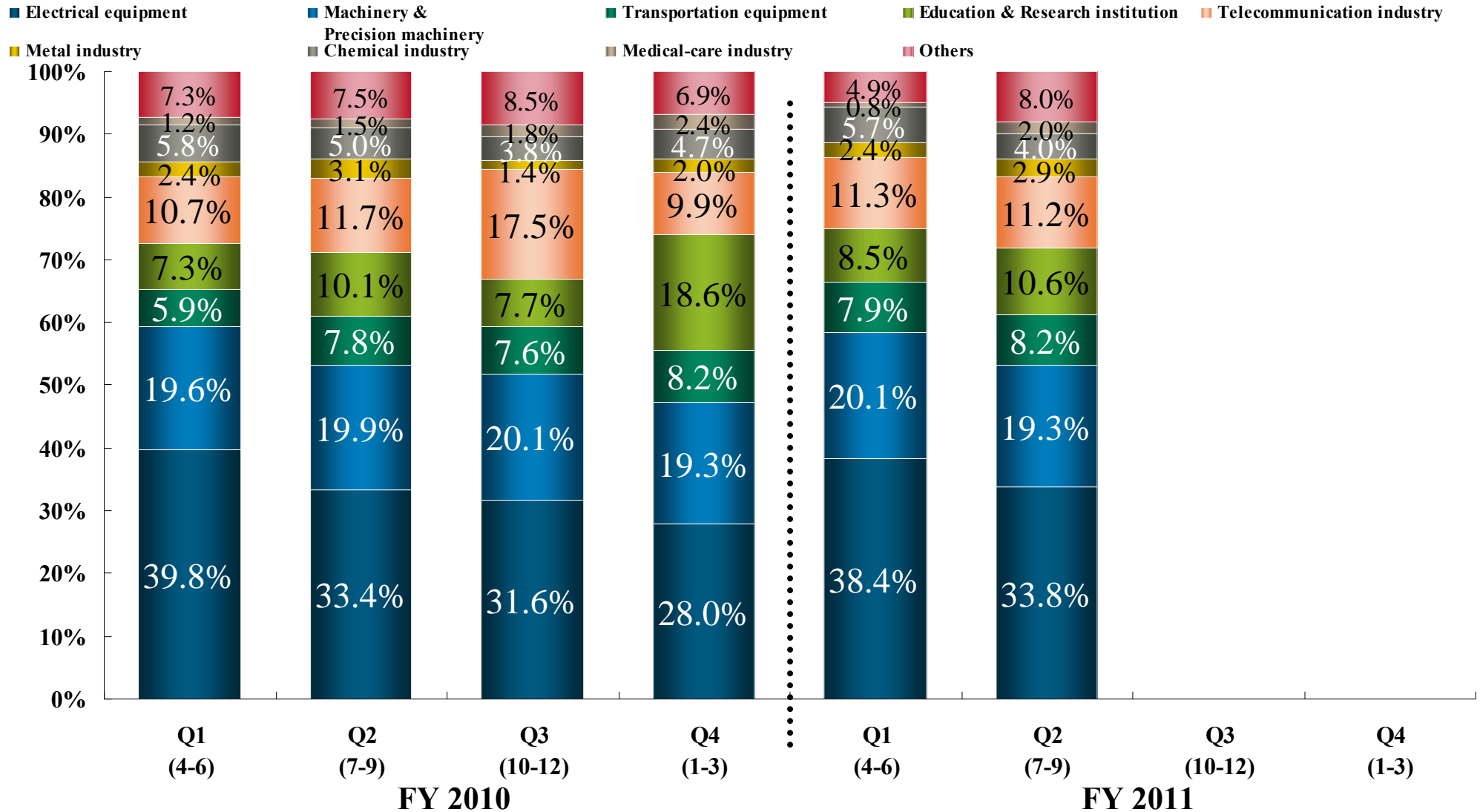
Summary by application area

CYBERNET SYSTEMS CO., LTD.

CAE Solution Services	
M e c h a n i c a l	<p>A few large-scale business deal contribute to the new license sales.</p> <p>Maintenance renewal keeps high renewal rate regardless of industry</p>
O p t i c a l / I l l u m i n a t i o n	<p>Renewal sales of mainstream software solidly continue.</p> <p>New deal of the optical measurements machinery contributes.</p> <p>Increase inquiries of in-house-developed 3D display monitoring system.</p>
E D A	<p>Renewal sales solidly continue.</p> <p>New license sales become strong recovery since this second quarter.</p>
N u m e r i c a l a n d c o n t r o l	<p>Increase new order of multi-physics modeling environment tool from automotive industry .</p> <p>The new version expanded scope of modeling was released in June.</p> <p>Focus on enhancement of group company product</p>
N e w p r o d u c t s a n d o t h e r s	<p>Significantly increasing of new license sales for potential products</p> <p>Upswing trend of inquiry from automotive industry for engineering and development</p>
IT Solution Services	
<p>Terminal emulation software is favorable.</p> <p>IT asset management and security-related software & services were dull due to a budget review of customers and price competition.</p>	

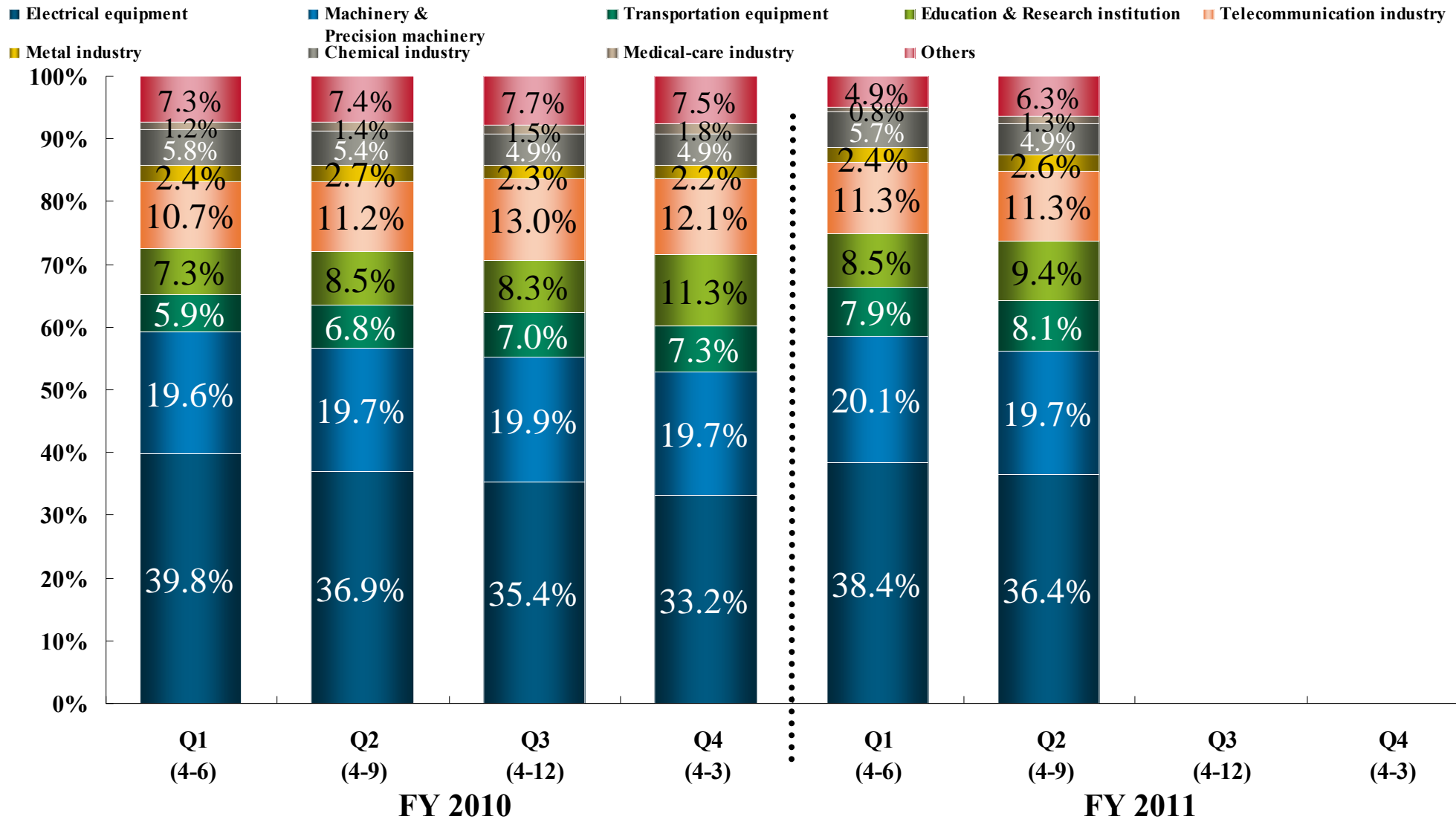
[Non-consolidated] Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



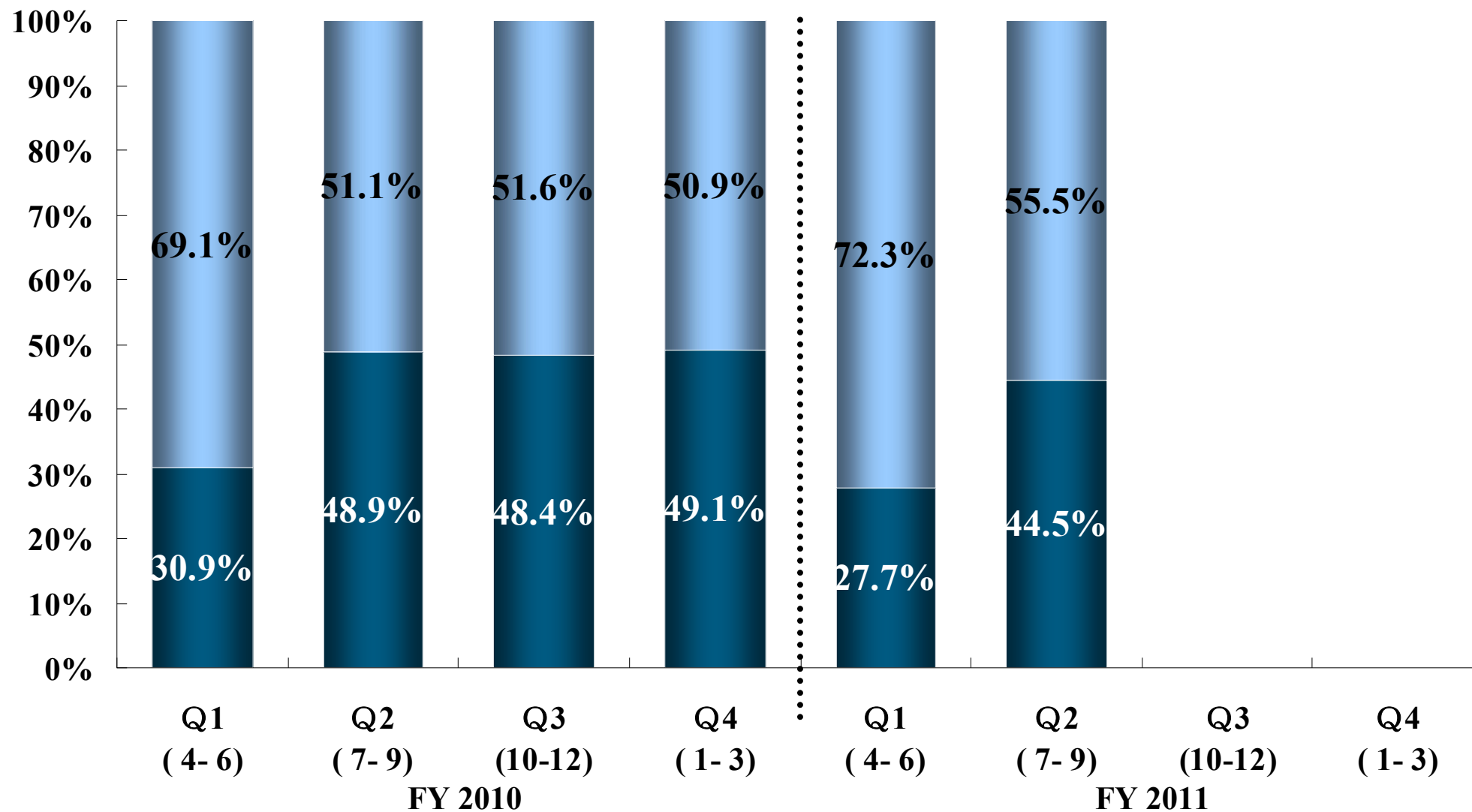
[Non-consolidated] (Cumulative) Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



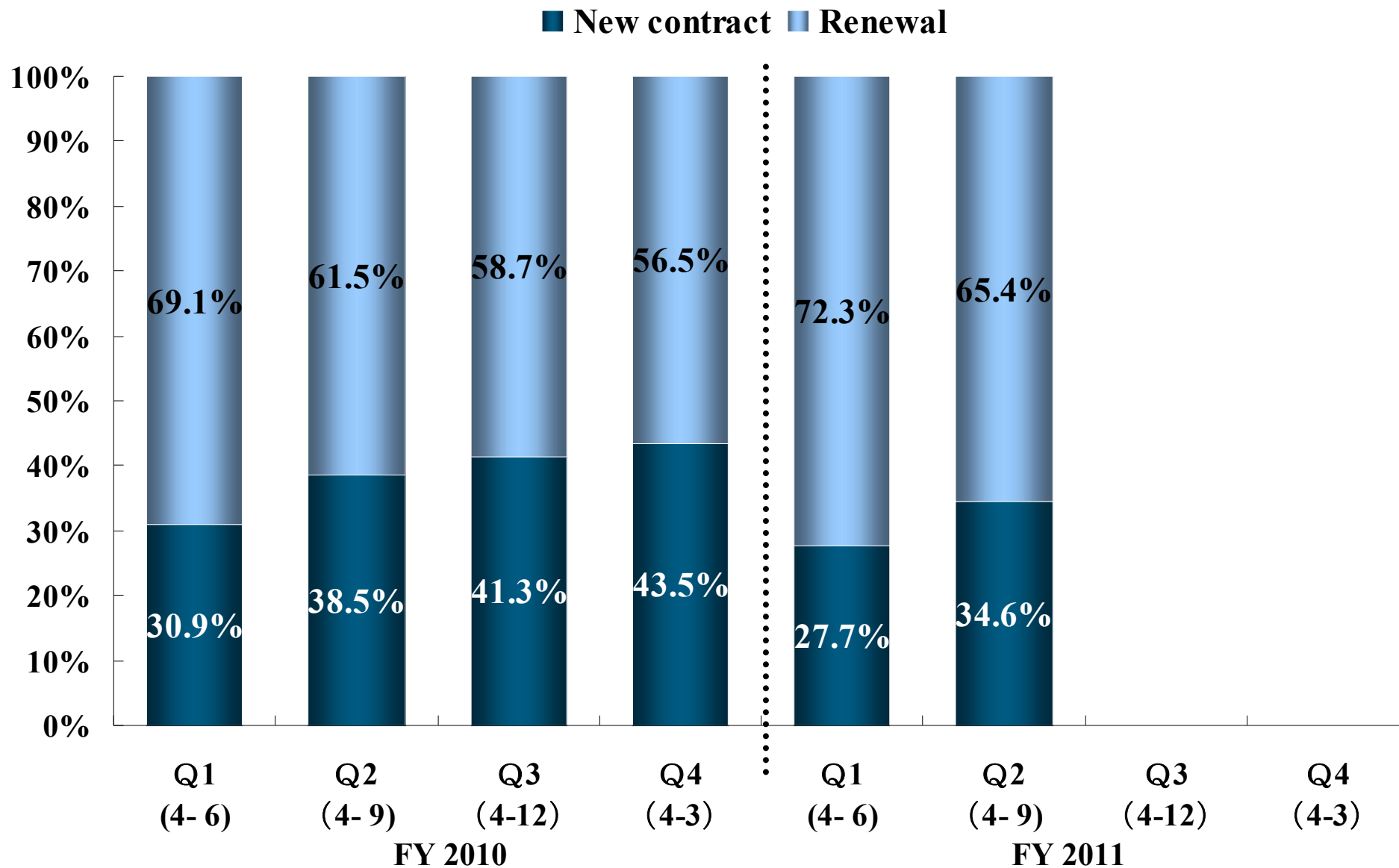
[Consolidated] Net Sales by Contract CYBERNET SYSTEMS CO., LTD.

■ New contract ■ Renewal



[Consolidated]
(Cumulative) Net Sales by Contract

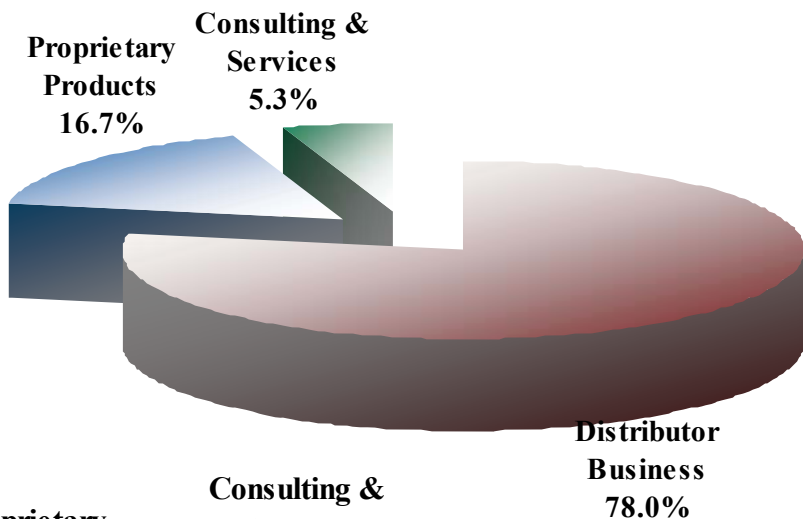
CYBERNET SYSTEMS CO., LTD.



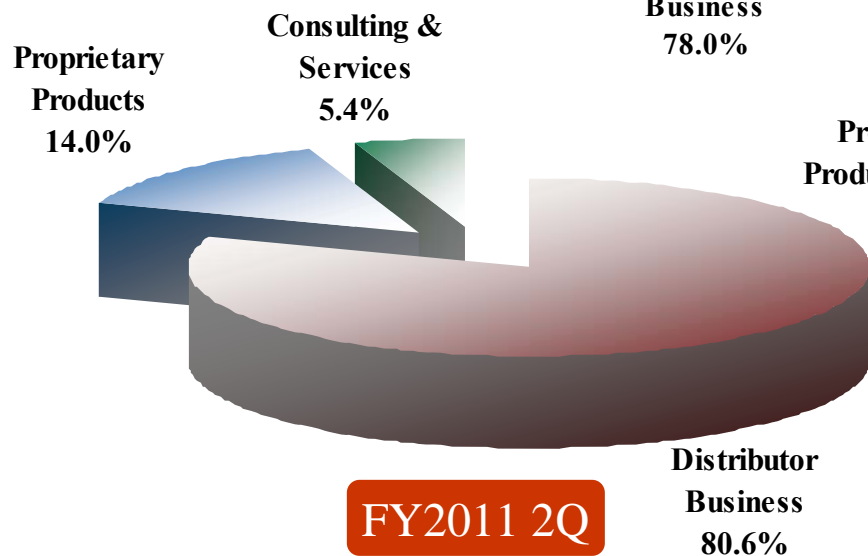
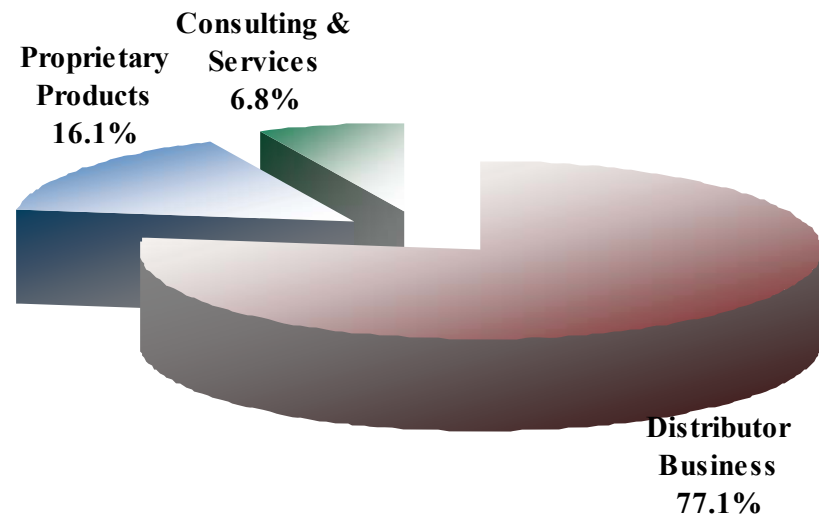
Type of Business Sales

CYBERNET SYSTEMS CO., LTD.

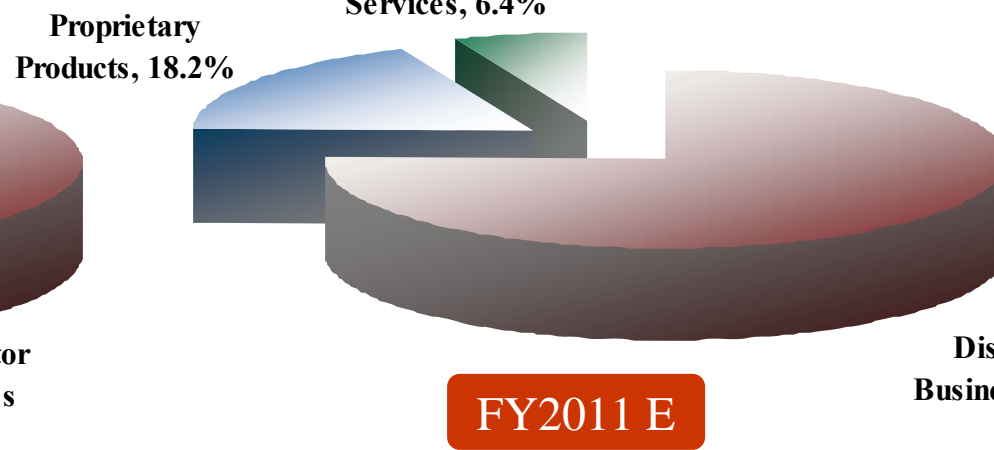
FY2010 2Q



FY2010



FY2011 2Q



FY2011 E

Distributor Business, 75.4%

CYBERNET SYSTEMS CO., LTD.

Projections of Results for FY2011



[Consolidated] FY2011 Forecast

CYBERNET SYSTEMS CO., LTD.

millions of yen

	Full Year			
	※FY2009	FY2010	FY2011F	Y-o-Y
Net sales	10,737	13,019	13,670	105.0%
Gross profit ratio	3,801 35.4%	5,433 41.7%	5,564 40.7%	102.4% (1.0%)
Operating income ratio	(465) (4.3%)	581 4.5%	602 4.4%	103.5% (0.1%)
Ordinary income ratio	(357) (3.3%)	635 4.9%	650 4.8%	102.2% (0.1%)
Income before tax ratio	(464) (4.3%)	626 4.8%	644 4.7%	102.8% (0.1%)
Net income ratio	(343) (3.2%)	569 4.4%	274 2.0%	48.1% (2.4%)

※1. FY2009 Result excluded the business result of products that is terminated its distributor agreement in FY2009.

※2. FY2010 Special factor, tax effect 245 millions yen on loss carryover which is caused by the subsidiary merged in 1Q is included in current net income.

Result forecast

There are no changes in FY2011 business forecast from the one announced on April 28, 2011 due to the uncertainty of domestic and global market outlook, foreign currency fluctuation which effects performance of overseas subsidiaries, concerns about the impact of power shortage.

FY2011 Dividend forecast

CYBERNET SYSTEMS CO., LTD.

Yen

	FY2010	FY2011F		
	Annual dividends	Interim dividends	Year-end dividends	Annual dividends
Dividend per share	550	160	160	320
Net income per share	1,822.08	—	—	879.38
Dividend payout ratio	30.2%	—	—	36.4%

Number of stocks outstanding at fiscal year-end : 324,000

Number of stocks treasury stocks at fiscal year-end : 12,417

- ◆ Current net income per stock on March 2012 is forecasted as above table.
- ◆ Dividend forecast for March 2012 is not reached to stable one, however Cybernet will provide dividend in connection with its result, based on annual dividend payout ratio as 30%.
- ◆ There are no changes in annual dividends forecast from the one announced on April 28, 2011.
- ◆ Start of cash dividend payments: November 28, 2011.

CYBERNET SYSTEMS CO., LTD.

Reference



Corporate Overview

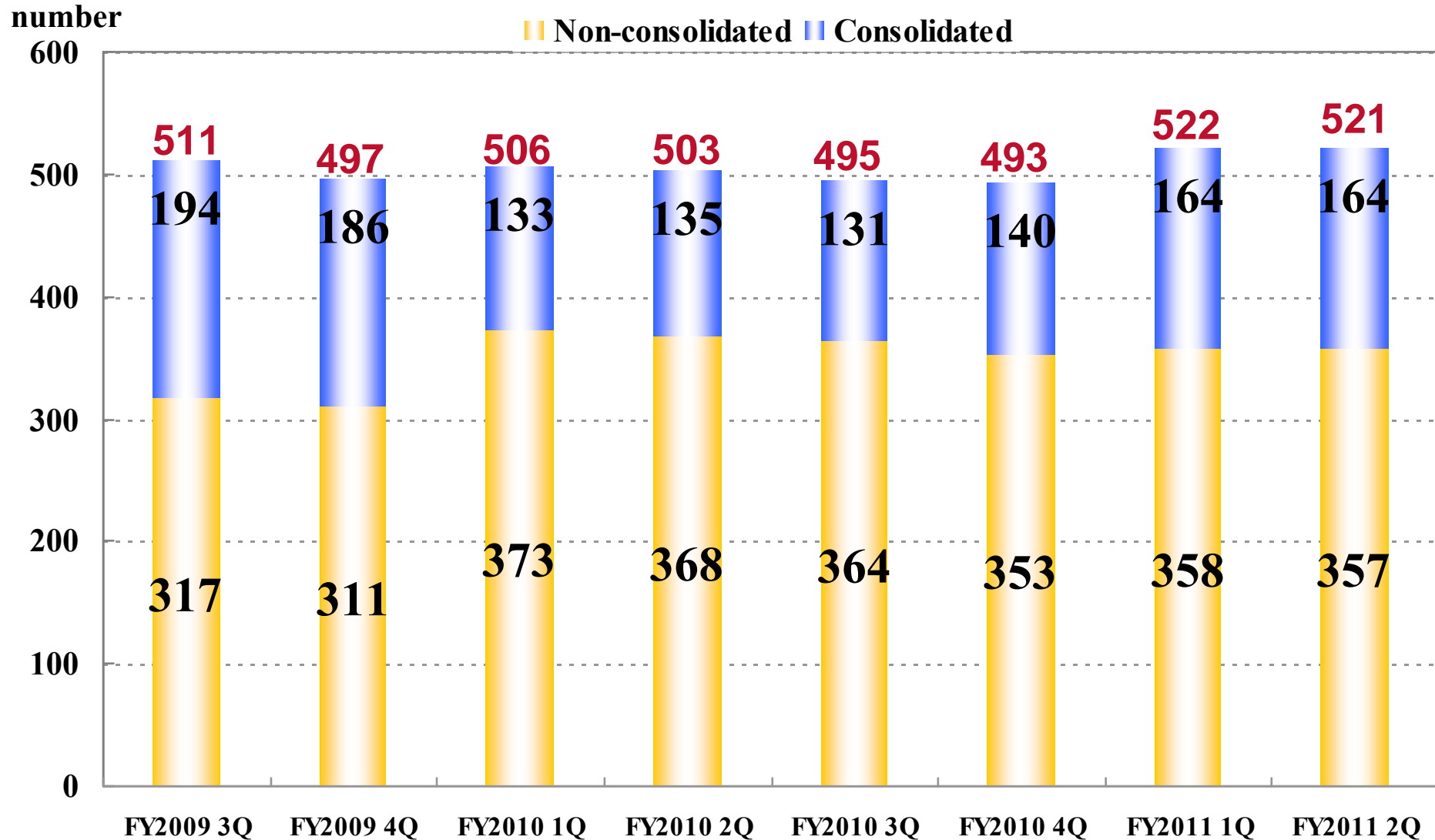
CYBERNET SYSTEMS CO., LTD.

- Company Name :** CYBERNET SYSTEMS CO., LTD.
(Stock code: 4312, the First Section of Tokyo Stock Exchange)
- Head Office :** Fuji Soft Bldg., 3, Kanda Neribeicho, Chiyoda-ku, Tokyo 101-0022
- Branch Offices :** Nishi-Nihon Branch Office in Osaka and Chubu Branch Office in Nagoya
- Founding date :** April 17, 1985
- Capital :** 995 million yen (as of June 30, 2011)
- Number of Employees :** Consolidated / 521, Non-Consolidated / 357 (as of September 30, 2011)
- Subsidiaries & affiliates :**
- Consolidated /
 - CYBERNET CAE SYSTEMS (Shanghai) CO., LTD.
 - Sigmatrrix, L.L.C.
 - Waterloo Maple Inc.
 - Noesis Solutions NV
 - Cybernet Systems Holdings U.S. Inc. (Special Purpose Company)
 - CYBERNET HOLDINGS CANADA, INC. (Special Purpose Company)
 - Non-Consolidated /
 - CYBERNET SYSTEMS TAIWAN CO., LTD.
- Software Vendors :** 20 software companies mostly in the US, including ANSYS, Inc. Synopsys, Inc. and Cadence Design Systems, Inc., and so on.
- Business :** Providing CAE and IT solutions, as well as professional services including consulting

CAE stands for “Computer Aided Engineering”

Transition of the number of employees

CYBERNET SYSTEMS CO., LTD.



CYBERNET SYSTEMS CO., LTD.

Overview of Non-consolidated Financial Results for
the Second Quarter of the Year Ending March 31, 2012



[Non-consolidated]
Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2010 2Q		FY2011 2Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Variance from Plan
Net sales	5,727	—	6,225	—	108.7%	6,051	102.9%
Gross profit	2,298	40.1%	2,648	42.5%	115.2%	2,309	114.7%
Operating income	469	8.2%	858	13.8%	182.7%	460	186.6%
Ordinary income	467	8.2%	823	13.2%	176.3%	466	176.8%
Net income	611	10.7%	513	8.2%	83.9%	271	189.5%

[Non-consolidated] Cost of sales for service

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2010 2Q	FY2011 2Q	Variance	Y-o-Y	Ratio
Materials cost	—	2	2	—	0.0%
Personal	527	559	32	106.1%	9.0%
Outsourcing fees	64	42	(21)	65.7%	0.7%
Communication	5	4	(1)	80.8%	0.1%
Transportation	30	34	3	111.5%	0.5%
Fixing and supplies	3	3	0	121.9%	0.1%
Rent	90	88	(2)	97.1%	1.4%
Maintenance	3	5	2	165.2%	0.1%
Depreciation	9	5	(4)	52.2%	0.1%
Operating consignment	15	21	6	142.4%	0.4%
Commission	5	7	2	153.6%	0.1%
Others	16	13	(3)	81.2%	0.2%
Total	770	788	17	102.2%	12.7%

[Non-consolidated]
Selling and general administrative expenses

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2010 2Q	FY2011 2Q	Variance	Y-o-Y	Ratio
Personal	972	974	1	100.1%	15.6%
Communication	60	56	(3)	94.6%	0.9%
Transportation	77	71	(5)	92.5%	1.1%
Fixing and supplies	8	10	1	118.9%	0.2%
Recruiting	2	1	(0)	78.9%	0.0%
Education and training	2	2	0	112.2%	0.0%
Rent	149	145	(3)	97.7%	2.3%
Maintenance	27	29	1	106.1%	0.5%
Depreciation	84	56	(27)	67.1%	0.9%
Amortization of good-will	23	3	(19)	16.7%	0.1%
advertising	74	72	(2)	97.2%	1.2%
Outsourcing	63	70	6	110.3%	1.1%
Commission	74	77	2	102.8%	1.2%
Others	206	216	9	104.7%	3.5%
Total	1,828	1,789	(39)	97.9%	28.7%

[Non-consolidated] FY2011 Forecast

CYBERNET SYSTEMS CO., LTD.

millions of yen

	Full Year			
	※FY2009	FY2010	FY2011F	Y-o-Y
Net sales	8,450	11,267	11,750	104.3%
Gross profit ratio	3,040 36.0%	4,608 40.9%	4,452 37.9%	96.6% (3.0%)
Operating income ratio	(288) (3.4%)	899 8.0%	788 6.7%	87.7% (1.3%)
Ordinary income ratio	(186) (2.2%)	907 8.1%	800 6.8%	88.2% (1.2%)
Income before tax ratio	(465) (5.5%)	981 8.7%	794 6.8%	80.9% (1.9%)
Net income ratio	(371) (4.4%)	852 7.6%	464 3.9%	54.5% (3.6%)

※1. FY2009 Result excluded the business result of products that is terminated its distributor agreement in FY2009.

※2. FY2010 Special factor, tax effect 245 millions yen on loss carryover which is caused by the subsidiary merged in 1Q is included in current net income.

CYBERNET SYSTEMS CO., LTD.

■ Public Relations Department

Address: Fuji Soft Bldg., 3, Kanda Neribeicho, Chiyoda-ku, Tokyo 101-0022, Japan

TEL.: +81-3-5297-3066

FAX.: +81-3-5297-3609

E-mail: irquery@cybernet.co.jp

URL: <http://www.cybernet.co.jp>

These materials are prepared for the sole purpose of providing information as a reference to investors in making investment decisions, and are not intended as a solicitation for investment.

These materials were created from data obtained through our operations. We make no guarantees, however, with respect to integrity. In addition, the opinions and predictions provided in these materials relate to the Company's outlook at the time the materials were prepared. No guarantees whatsoever extend to any outcomes over the use of such opinions or predictions.

The contents of these materials are subject to change without notice.

Investors are requested to use their own judgment in making any final decisions regarding investments.

