

CYBERNET SYSTEMS CO., LTD.

Consolidated Financial Results
for the Second Quarter of the Year Ending March 31, 2013



- Overview of Consolidated Financial Results for the Second Quarter of the Year Ending March 31, 2013
- Projection of Results for FY2012
- Reference

Consolidated companies

- **CYBERNET SYSTEMS CO., LTD**
(From April 1, 2012 to March 31, 2013)
- **WATERLOO MAPLE INC.**
(From January 1, 2012 to December 31, 2012)
- **Noesis Solutions NV .**
(From January 1, 2012 to December 31, 2012)
- **CYBERNET CAE SYSTEMS (Shanghai) CO., LTD.**
(From January 1, 2012 to December 31, 2012)
- **Sigmatix, L.L.C.**
(From January 1, 2012 to December 31, 2012)

[Consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of Yen

	FY2011 2Q		FY2012 2Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	7,056	—	7,183	—	101.8%	7,100	101.2%
Gross profit	3,031	43.0%	3,015	42.0%	99.5%	2,743	109.9%
Operating income	614	8.7%	381	5.3%	62.1%	260	146.7%
Ordinary income	599	8.5%	412	5.7%	68.8%	285	144.7%
Net income	324	4.6%	194	2.7%	59.8%	152	127.6%

◆ Business Summary

- In the First Quarter of FY2012, Sales had steadily growth due mainly to keep high renewal sales rate for the mainstream CAE software and order receipt from large-scale projects.
- In the Second Quarter of FY2012, the Business confidence in the Japanese major customers and industries have plunged, it resulted overall tough business activities to us. Fortunately, we could generally keep good progress and business performance has been relatively satisfactory with regard to our focus accounts, projects in new segment, and accepted orders from large-scale project in Information Security area.
- Declining of “Operating income ” year-on-year was due mainly for the following reasons;
 - Under the circumstances, the impact of “The Great East Japan Earthquake” given to our business performance, our budget-use was in a careful manner in FY2011, however resumed it to normal condition in FY2012.
 - Pursuing “the new midterm business plan for the period between fiscal 2012 and 2014” has increased expenses in the first half of the fiscal year .

* Please refer to Page# 20 for summary by application area.

[Consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

FY2012(4-6)

Millions of Yen

	FY2011 1Q(4-6)		FY2012 1Q(4-6)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	3,863	—	4,141	—	107.2%	3,924	105.6%
Gross profit	1,648	42.7%	1,688	40.8%	102.4%	1,511	111.7%
Operating income	419	10.9%	359	8.7%	85.7%	228	157.7%
Ordinary income	432	11.2%	375	9.1%	86.9%	240	156.6%
Net income	251	6.5%	196	4.7%	78.0%	129	151.6%

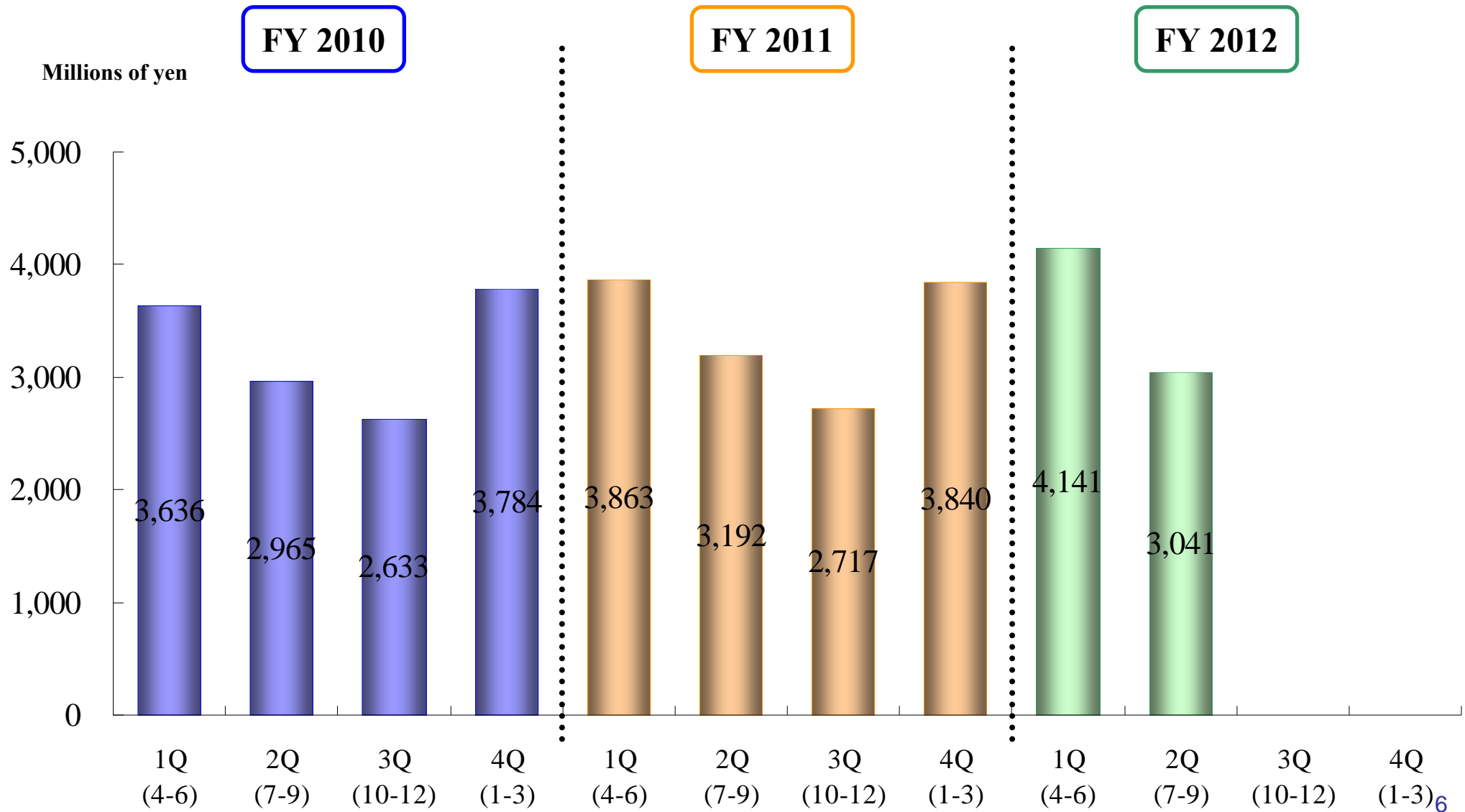
FY2012(7-9)

Millions of Yen

	FY2011 2Q(7-9)		FY2012 2Q(7-9)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	3,192	—	3,041	—	95.3%	3,176	95.8%
Gross profit	1,383	43.3%	1,326	43.6%	95.9%	1,232	107.7%
Operating income	194	6.1%	21	0.7%	11.2%	32	68.1%
Ordinary income	166	5.2%	36	1.2%	21.8%	45	81.0%
Net income	72	2.3%	(2)	—	(75)	22	(24)

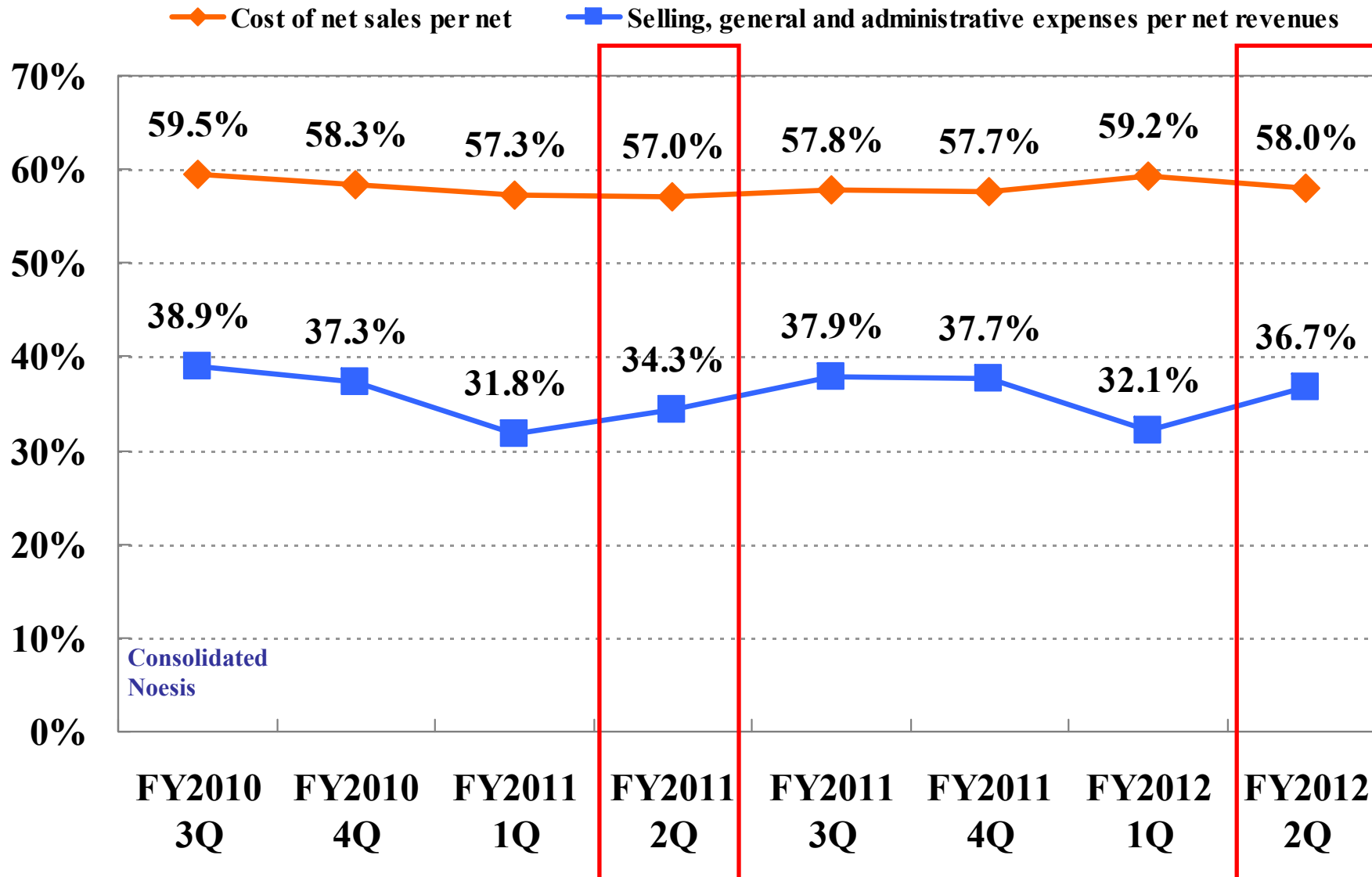
[Consolidated] Quarterly net sales

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 sales for service

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 2Q	FY2012 2Q	Difference	Y-o-Y	Ratio	Details
Materials cost	2	0	(2)	—	—	
Labor cost	878	920	+41	104.7%	12.8%	Cybernet +23
Outsourcing fees	45	31	(14)	68.2%	0.4%	
Communication	8	12	+3	135.6%	0.2%	
Traveling and Transportation	44	50	+6	114.7%	0.7%	Cybernet +5
Office Supplies	6	9	+2	144.9%	0.1%	
Rents	110	110	(0)	99.9%	1.5%	
Maintenance	10	46	+35	432.0%	0.6%	Cybernet +34
Depreciation	18	20	+1	107.5%	0.3%	
Outsourcing	23	48	+24	200.9%	0.7%	Cybernet +24
Commission	13	11	(2)	83.0%	0.2%	
Others	20	26	+5	127.7%	0.4%	
Total	1,185	1,286	+100	108.5%	17.9%	
Inventory at beginning of period	4	17	+12	369.3%	0.2%	Cybernet +12
Transfer to other account	173	214	+41	124.0%	3.0%	Research and Development expnese+25 Sales support activities +19
Inventory at end of period	20	22	+2	110.9%	0.3%	
Cost of sales for service	996	1,065	+69	107.0%	14.8%	

[Consolidated] Selling and general administrative expenses

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 2Q	FY2012 2Q	Difference	Y-o-Y	Ratio	Details
Personal	1,260	1,388	+128	110.2%	19.3%	Cybernet + 93
Communication	77	80	+2	103.5%	1.1%	
Traveling and Transportation	95	105	+10	110.9%	1.5%	Cybernet+ 7
Office Supplies	14	15	+0	103.6%	0.2%	
Recruiting	2	10	+8	449.1%	0.1%	Cybernet +8
Education and Training	3	7	+3	199.4%	0.1%	
Rents	168	167	(0)	99.5%	2.3%	
Maintenance	36	31	(4)	87.4%	0.4%	Cybernet (4)
Depreciation	65	49	(15)	75.9%	0.7%	Depreciation of Distribution rights (8)
Amortization of goodwill	155	142	(12)	91.8%	2.0%	Foreign Exchange Fluctuations (8)
Advertising	116	143	+27	123.3%	2.0%	Cybernet+ 20
Outsourcing	73	98	+24	133.5%	1.4%	Cybernet+ 24
Commission	102	94	(7)	92.6%	1.3%	Cybernet(8)
Others	245	297	+52	121.3%	4.1%	Research study expenses + 33 Sales support activities + 19
Total	2,416	2,633	+216	109.0%	36.7%	

Foreign Exchange Fluctuations and Increases/Decreases in Operating Margin

- Foreign Exchange Fluctuations
 - Average actual booking rate JPY80.80/USD
 - Actual buying rate JPY79.42/USD
 - Budget rate JPY84.00/USD
 - Difference of Y-Y actual booking rate
 — JPY 0.20/USD (FY2011 2Q: JPY81.00/USD)
 - Difference between booking rate and budget rate
 — JPY3.20/USD
 - ✂Effect for gross profit compared to budget + JPY47M
 - Difference between actual buying rate and budget rate
 — JPY4.58/USD

- Foreign Currency Transaction Gain and Loss (End of term rate JPY77.57/USD)
 - Gain/loss from revaluation of foreign currency-denominated deposit — JPY7M
 - Gain/loss from revaluation of payables + JPY28M
 - Gain/loss at book-closing + JPY3M
 - Gain/loss from revaluation of foreign exchange forward contracts — JPY27M
 - TOTAL — JPY2M

[Consolidated] Balance Sheets

CYBERNET SYSTEMS CO., LTD.

FY2012 Q2 <Total current assets 16,634 (582)>

<Comparison for the last fiscal year>

Millions of yen

Current assets	Current liabilities
	3,256 (609)
10,288 (320)	Long-term liabilities
	699 +42
Fixed assets	Net assets
	12,679 (15)
6,345 (261)	

Sources of Changes

Current assets

Cash and deposits	+ 900
Accounts receivable	(262)
Short-Term Financing	(1,000) (FSI Group Banking)

Fixed assets

Goodwill	(125)
<Foreign exchange conversion	+ 16>
Investments in securities	(101)

Current liabilities

Accounts payable-trade	(281)
Income tax payable	(253)
Accrued bonuses	(67)

Long-term liabilities

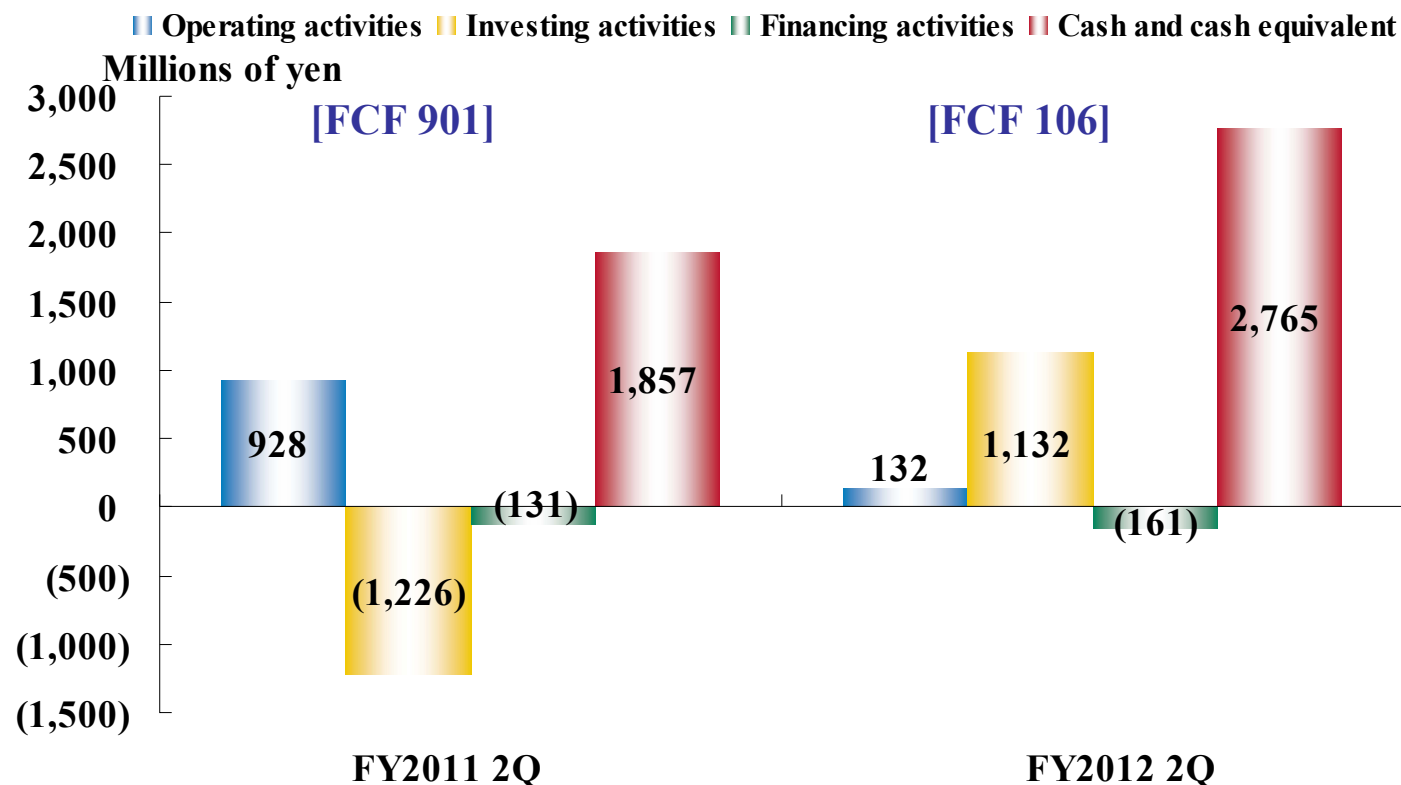
Reserve for retirement benefits	+ 42
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Net assets

Retained earnings	+ 31
Accumulated other comprehensive income	(47)

[Consolidated] Statements of Cash Flows

CYBERNET SYSTEMS CO., LTD.



FY2011 2Q		
Net cash provided by operating activities		
Income before taxes	▶	+416
Depreciation	▶	+88
Amortization of goodwill	▶	+142
Notes and account receivable(decrease)	▶	+290
Account payable(decrease)		(279)
Accrued expenses(decrease)		(82)
Accrued consumption taxes(increase)	▶	+28
Provision for bonuses		(67)
Provision for retirement benefits (increase)	▶	+42
Income taxes paid		(487)

FY2012 2Q		
Net cash provided by investing activities		
Proceeds from withdrawal of time deposits	▶	+100
Proceeds from redemption of investment securities		+84
Collection of loans receivable		+1,000
Net cash provided by financing activities		
Payment for dividends		(161)

[Consolidated] Business Segment Information

CYBERNET SYSTEMS CO., LTD.

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%	—	—	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%

FY2012 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	6,241	86.9%	—	941	13.1%	—	—	7,183	—
Operating expenses	5,224	—	83.7%	830	—	88.2%	747	6,801	94.7%
Operating income	1,017	—	16.3%	111	—	11.8%	(747)	381	5.3%

1. CAE solution services

(Y-o-Y Net Sales **1.3%decrease**)
(Y-o-Y Operating income **15.6%decrease**)

2. IT Solution services

(Y-o-Y Net Sales **28.4%increase**)
(Y-o-Y Operating income **97.9%increase**)

[Non-consolidated]
Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 2Q		FY2012 2Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	6,225	—	6,315	—	101.4%	6,281	100.5%
Gross profit	2,648	42.5%	2,606	41.3%	98.4%	2,357	110.6%
Operating income	858	13.8%	628	10.0%	73.3%	541	116.1%
Ordinary income	823	13.2%	642	10.2%	78.0%	541	118.6%
Net income	513	8.2%	391	6.2%	76.2%	333	117.2%

*The content of “Business Summary” is the same as the “Summary of consolidated Financial Results ” in the page #4.

[Non-consolidated]
Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of yen

FY2012(4-6)

	FY2011 1Q(4-6)		FY2012 1Q(4-6)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	3,507	—	3,768	—	107.4%	3,539	106.5%
Gross profit	1,492	42.6%	1,537	40.8%	103.0%	1,337	114.9%
Operating income	565	16.1%	520	13.8%	92.0%	383	135.7%
Ordinary income	564	16.1%	530	14.1%	93.9%	383	138.3%
Net income	367	10.5%	321	8.5%	87.3%	237	135.1%

Millions of yen

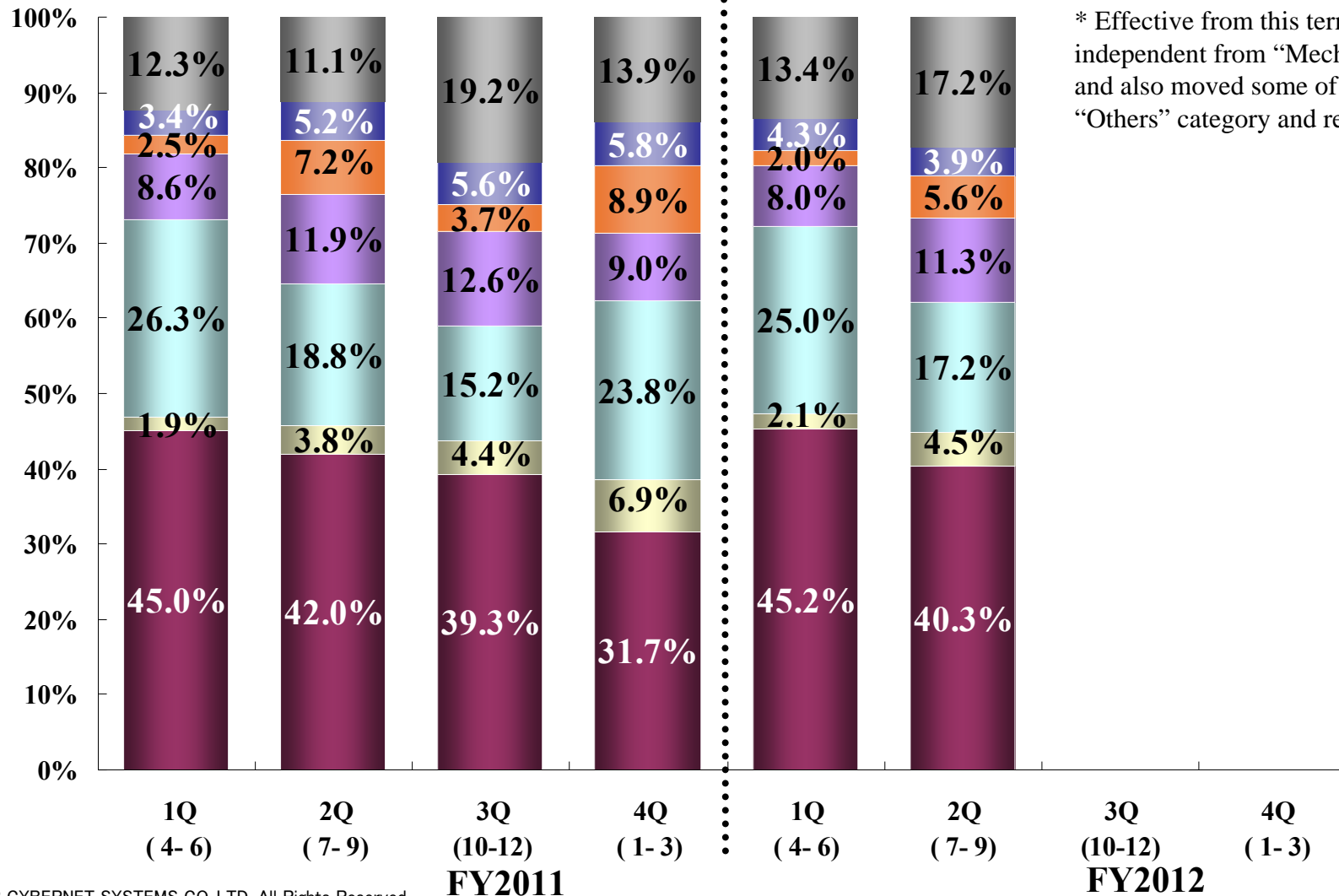
FY2012(7-9)

	FY2011 2Q(7-9)		FY2012 2Q(7-9)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	2,718	—	2,547	—	93.7%	2,742	92.9%
Gross profit	1,155	42.5%	1,069	42.0%	92.6%	1,020	104.9%
Operating income	292	10.8%	108	4.2%	37.0%	157	68.5%
Ordinary income	259	9.5%	111	4.4%	43.1%	157	70.7%
Net income	145	5.4%	69	2.7%	48.1%	96	72.8%

[Non-consolidated] Net Sales by Business Line

CYBERNET SYSTEMS CO., LTD.

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

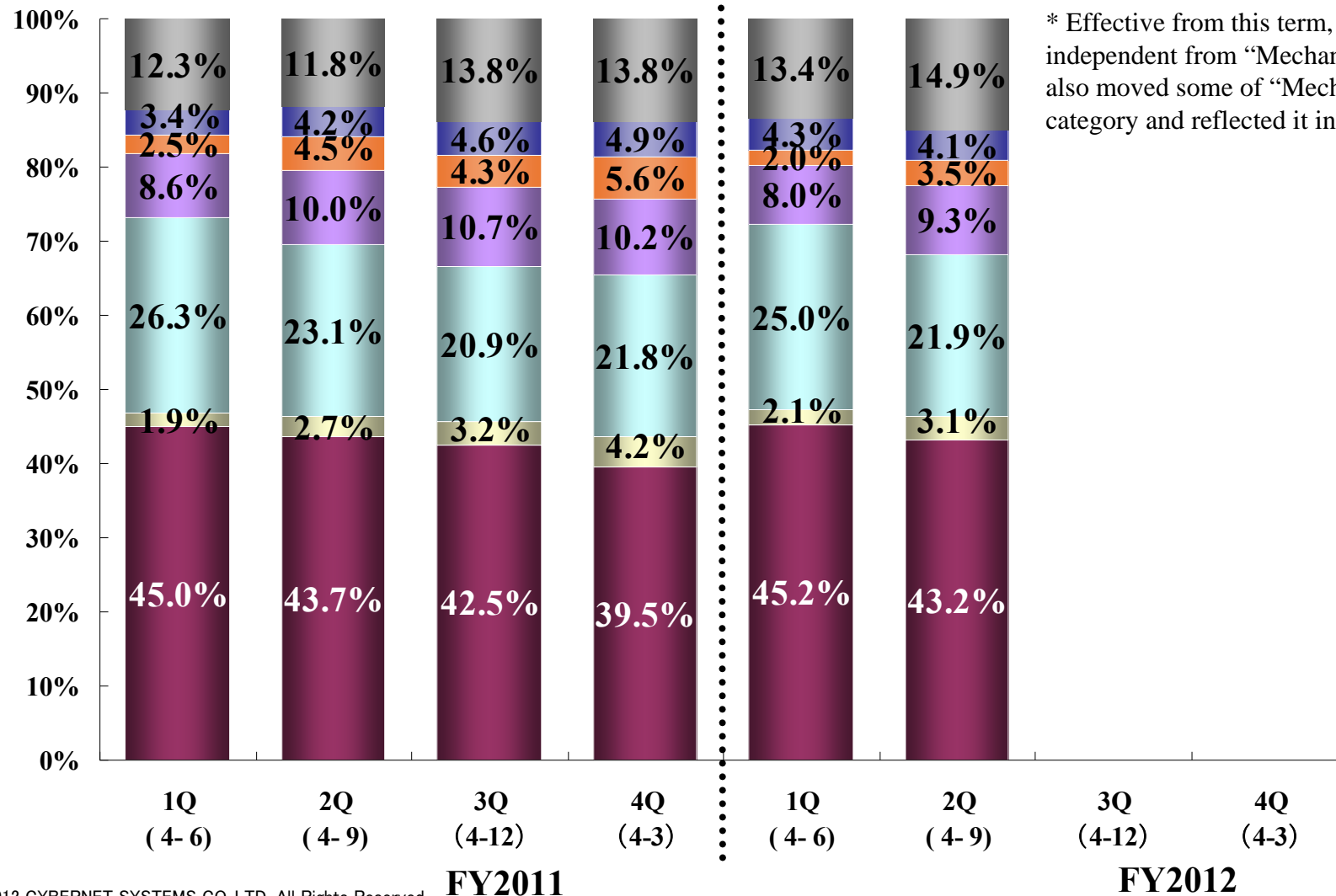


* Effective from this term, we made “Visualization” independent from “Mechanical system” category and also moved some of “Mechanical system” to “Others” category and reflected it in this report.

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

CYBERNET SYSTEMS CO., LTD.

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



* Effective from this term, we made “Visualization” independent from “Mechanical system” category and also moved some of “Mechanical system” to “Others” category and reflected it in this report.

Summary by application area

CYBERNET SYSTEMS CO., LTD.

CAE Solution Services

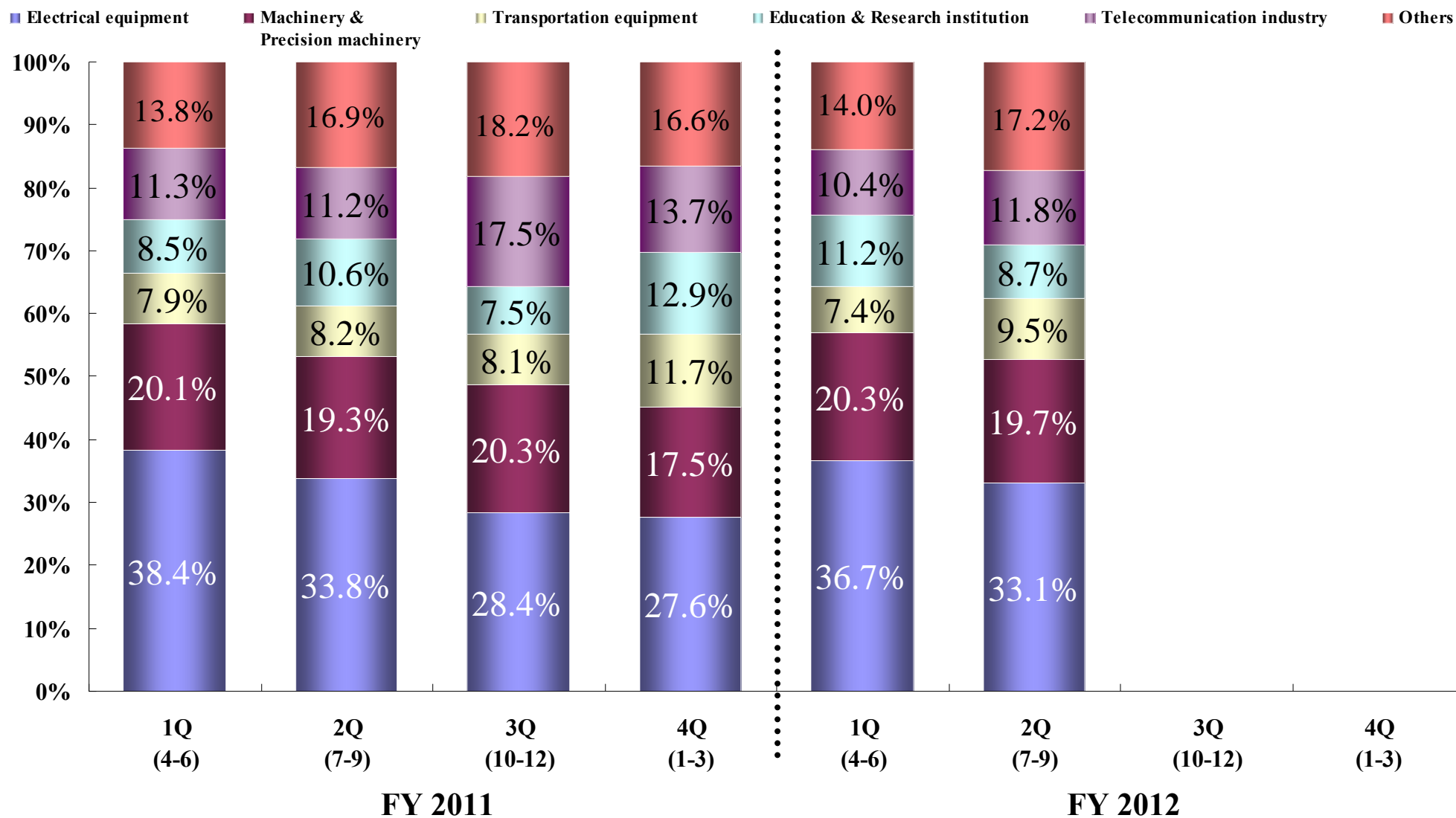
M e c h a n i c a l	Sales of new license kept good performance to our focus accounts, though overall fell slightly short of target. Renewal sales and business deployment of Engineering Services preserved similar performance with the same period of last year.
O p t i c a l / I l l u m i n a t i o n	Sales of new license for Illumination design and analysis Software was slightly declined. Business inquiry was increased for the Optical design and analysis Software due to rising in demand on design and analysis for high grade Digital-Camera.
E D A	Sales of new license kept strong growth rate. Good progress in a solution deployment such as a multi-year contract of “System LSI” software for the Upstream Design and Validation.
N u m e r i c a l a n d c o n t r o l	Sales of new license kept strong growth rate. Good progress in a solution deployment such as a multi-year contract of “System LSI” software for the Upstream Design and Validation.
N e w p r o d u c t s a n d o t h e r s	Sales of new license of the focus products (and packages) had significantly increased, however for sales of new license of products produced by Cybernet group companies were fell short than expectation level.
V i s u a l i z a t i o n	Increasing in high demand on Visualization solution of analytical data for urban environmental engineering, civil engineering, and meteorological. Development toolkit of AR (Augmented Reality) application was highlighted and received numerous inquiries in the Second Quarter of FY2012.
O v e r s e a s B u s i n e s s	Established wholly-owned overseas subsidiary in Korea and one sales subsidiary in North America of a group company-Noesis to boost group company product and solution business, Opened Beijing branch office of CYBERNET SYSTEMS (Shanghai) in PRC to strengthening sales force.

IT Solution Services

Had significantly sales growth in IT Asset Management solution and Full-disk encryption software. Made a great contribution to the operating achievement as the result of won a big bid of Security Threat Protection solution from a large institutional customers and also accepted orders from a major Equipment manufacturer for PC Scan Engine/Remote Control solution.

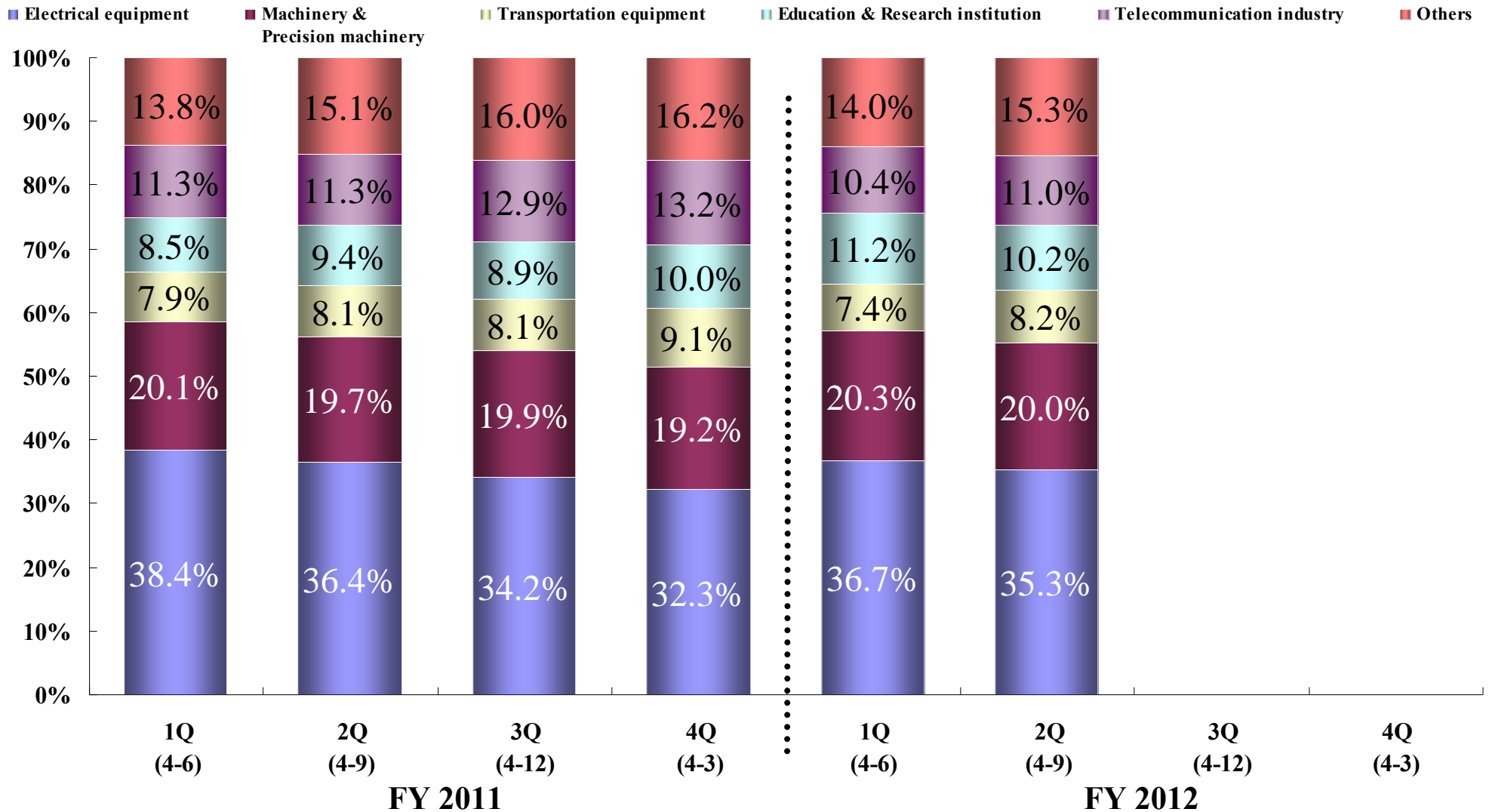
[Non-consolidated] Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



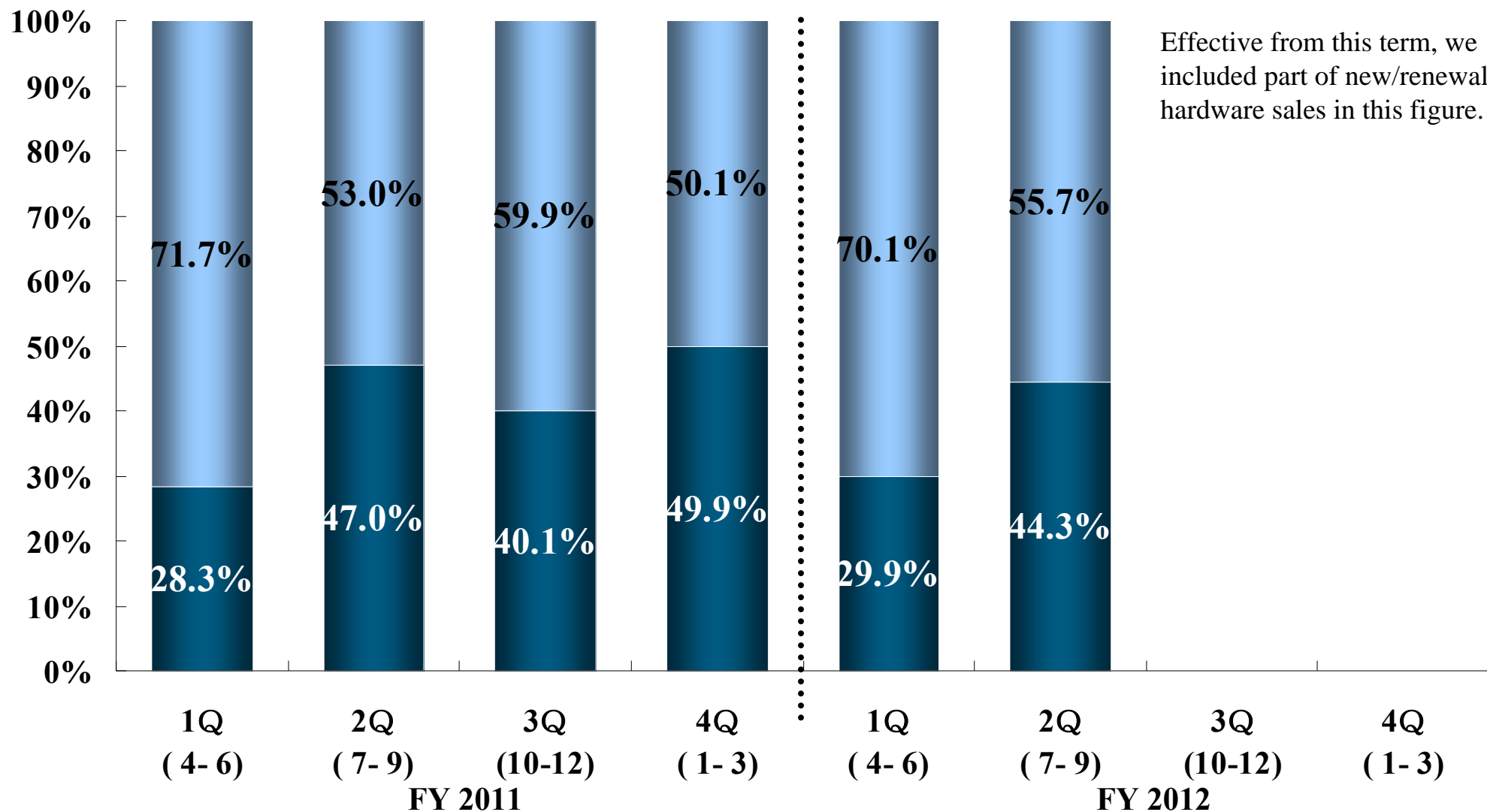
[Non-consolidated] (Cumulative) Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



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

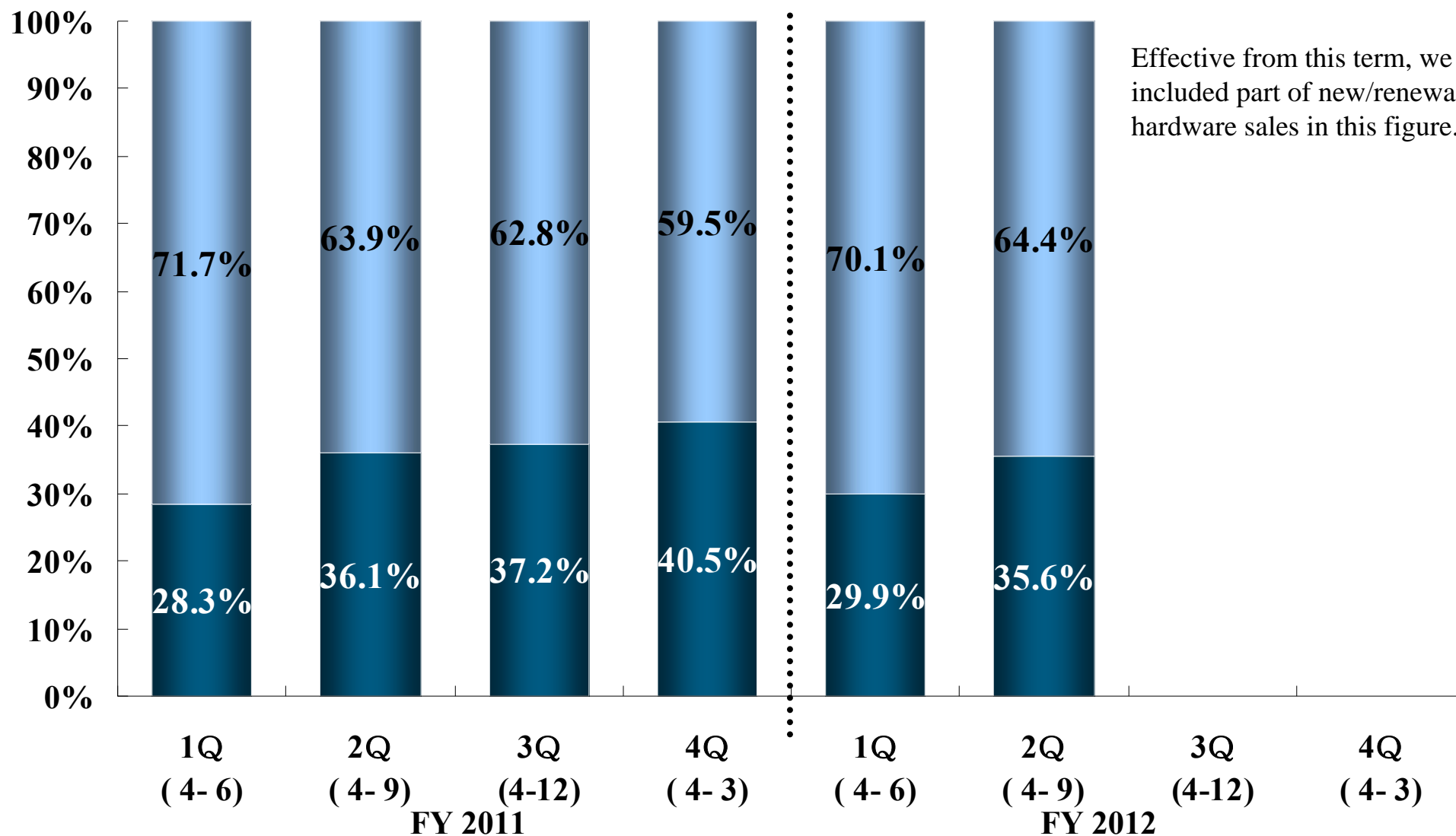
■ New contract ■ Renewal



[Consolidated]
(Cumulative) Net Sales by Contract

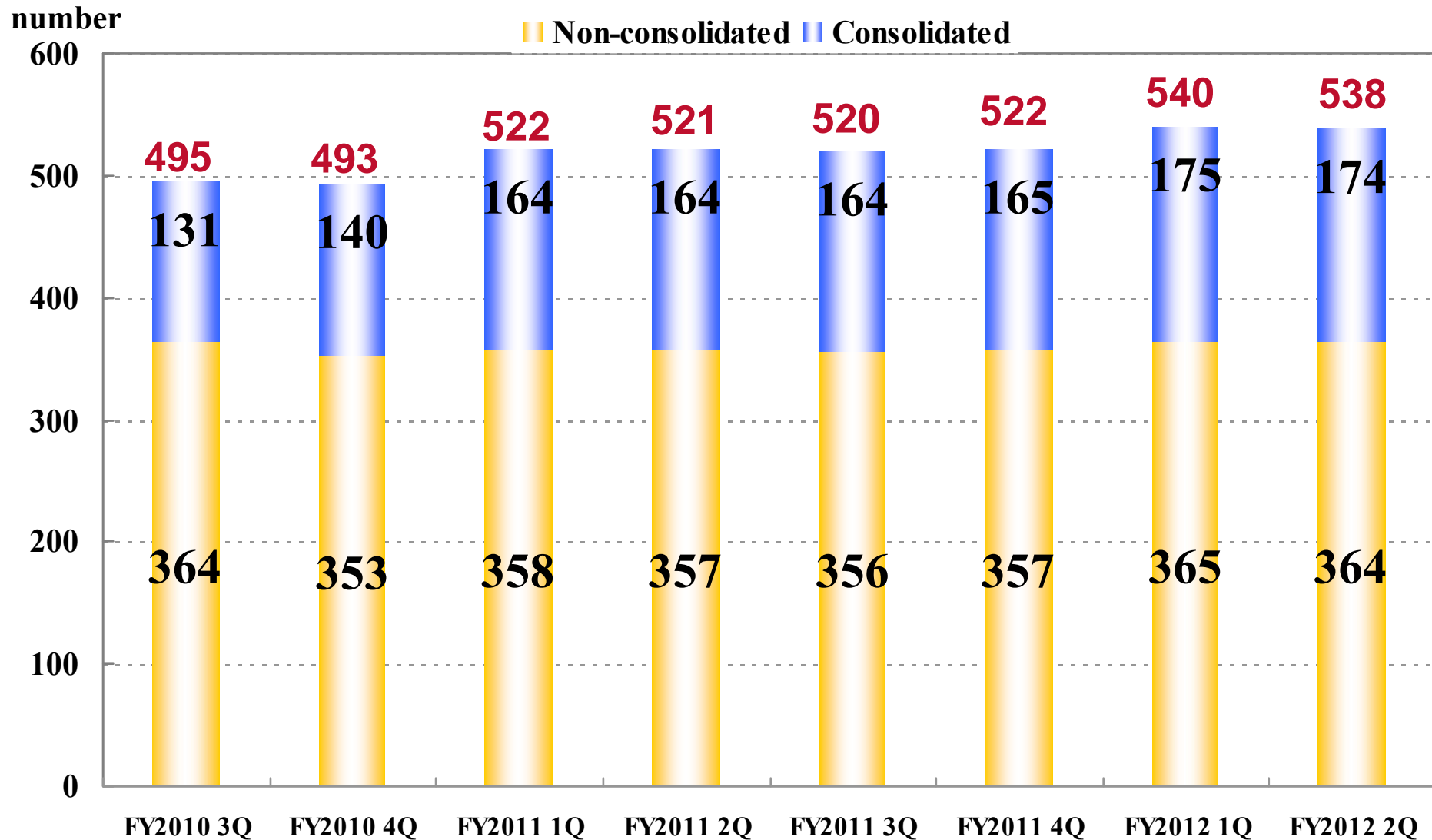
CYBERNET SYSTEMS CO., LTD.

■ New contract ■ Renewal



Transition of the number of employees

CYBERNET SYSTEMS CO., LTD.



Projection of Results for FY2012

[Consolidated] FY2012 Forecast

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	First Half-Year			Full Year		
	FY2011	FY2012	Y-o-Y difference	FY2011	FY2012F	Y-o-Y difference
Net sales	7,056	7,183	101.8%	13,613	14,000	102.8%
Gross profit ratio	3,031 43.0%	3,015 42.0%	99.5% (1.0P)	5,762 42.3%	5,634 40.2%	97.8% (2.1P)
Operating income ratio	614 8.7%	381 5.3%	62.1% (3.4P)	631 4.6%	697 5.0%	110.3% + 0.3P
Ordinary income ratio	599 8.5%	412 5.7%	68.8% (2.8P)	698 5.1%	750 5.4%	107.3% + 0.2P
Income before tax ratio	638 9.1%	416 5.8%	65.2% (3.3P)	736 5.4%	714 5.1%	96.9% (0.3P)
Net income ratio	324 4.6%	194 2.7%	59.8% (1.9P)	300 2.2%	385 2.8%	128.2% + 0.5P

Result forecast

- (1) FY2012 Exchange rate for beginning of term result forecast is JPY84.0 per USD.
- (2) FY2012 currency hedge status: 83% of product cost that is in foreign currency are reserved approximately JPY78/USD average.

Forecasted Dividends for FY2012

CYBERNET SYSTEMS CO., LTD.

Yen

	FY2011	FY2012(Forecast)		
	Annual dividends	Interim dividends	Year-end dividends	Annual dividends
Dividend per share	680	520	520	1,040
Net income per share	963.95	—	—	1,235.63
Dividend payout ratio	70.5%	—	—	84.2%

[Reference]

Number of shares outstanding at end of period (including treasury stock) : 324,000

Number of treasury stock at end of period : 12,417

[Non-consolidated] FY2012 Forecast

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	First Half-Year			Full Year		
	FY2011	FY2012F	Y-o-Y difference	FY2011	FY2012F	Y-o-Y difference
Net sales	6,225	6,315	101.4%	11,904	12,200	102.5%
Gross profit	2,648	2,606	98.4%	4,900	4,589	93.6%
ratio	42.5%	41.3%	(1.2P)	41.2%	37.6%	(3.5P)
Operating income	858	628	73.3%	1,044	940	90.0%
ratio	13.8%	10.0%	(3.8P)	8.8%	7.7%	(1.1P)
Ordinary income	823	642	78.0%	1,068	940	88.0%
ratio	13.2%	10.2%	(3.0P)	9.0%	7.7%	(1.3P)
Income before tax	863	646	74.9%	1,106	904	81.7%
ratio	13.9%	10.2%	(3.7P)	9.3%	7.4%	(1.9P)
Net income	513	391	76.2%	586	560	95.5%
ratio	8.2%	6.2%	(2.0P)	4.9%	4.6%	(0.3P)

Result forecast

(1) FY2012 Exchange rate for beginning of term result forecast is JPY84.0 per USD.

(2) FY2012 currency hedge status: 83% of product cost that is in foreign currency are reserved approximately JPY78/USD average.

CYBERNET SYSTEMS CO., LTD.

Reference



Corporate Overview

CYBERNET SYSTEMS CO., LTD.

<i>Company Name :</i>	CYBERNET SYSTEMS CO., LTD. (Stock code: 4312, the First Section of Tokyo Stock Exchange)
<i>Head Office :</i>	Fuji Soft Bldg., 3, Kanda Neribeicho, Chiyoda-ku, Tokyo 101-0022
<i>Branch Offices :</i>	Nishi-Nihon Branch Office in Osaka and Chubu Branch Office in Nagoya
<i>Founding date :</i>	April 17, 1985
<i>Capital :</i>	995 million yen (as of September 30, 2012)
<i>Number of Employees :</i>	Consolidated / 538, Non-Consolidated / 364
<i>Subsidiaries & affiliates :</i>	Consolidated / Waterloo Maple Inc. Noesis Solutions NV CYBERNET CAE SYSTEMS (Shanghai) CO., LTD. Sigmatix, L.L.C. CYBERNET HOLDINGS CANADA, INC. (Special Purpose Company) Cybernet Systems Holdings U.S. Inc. (Special Purpose Company) Non-Consolidated / CYBERNET SYSTEMS TAIWAN CO., LTD. Cybernet Systems Korea Co., LTD.
<i>Software Vendors :</i>	20 software companies mostly in the US, including ANSYS, Inc. Synopsys, Inc. and Cadence Design Systems, Inc., and so on.
<i>Business :</i>	Providing CAE and IT solutions, as well as professional services including consulting

CAE stands for “Computer Aided Engineering”

Cybernet Group

CYBERNET SYSTEMS CO., LTD.

Market

Cybernet Group

FUJISOFT Group

ユビキタス&クラウドインテグレーター


Cooperate in control, IT field



Japan



つくる情熱を、支える情熱。
CYBERNET CAE solution
 IT Solution

Asia



CYBERNET Sales Subsidiaries

CYBERNET China	CAE Solution
CYBERNET Taiwan	CAE Solution
CYBERNET Korea	CAE Solution

CAE Development Subsidiaries



Mathematics • Modeling • Simulation
 Direct sales locations: NA, German, France



Direct sales location: NA



Direct sales locations: Belgium, NA, France

Europe and NA



Direct sales and sales through WW distributors (partners)

CYBERNET SYSTEMS CO., LTD.

■ Public Relations Department

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