

CYBERNET SYSTEMS CO., LTD.

Results of Operations for the First Quarter of FY2016

11 May, 2016

CYBERNET SYSTEMS CO., LTD.



Code for periods

| | |
|-----------|--|
| 15.12/1Q | First quarter of the fiscal year ended December 31, 2015 |
| 15.12/1H | First half of the fiscal year ended December 31, 2015 |
| 15.12 | Fiscal year ended December 31, 2015 |
| 16.12/1Q | First quarter of the fiscal year ending December 31, 2016 |
| 16.12E/1H | Estimates for the first half of the fiscal year ending December 31, 2016 |
| 16.12E | Estimates for the fiscal year ending December 31, 2016 |

◆ Business Summary of Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

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Including Non-consolidated Performance and Projection

Business Summary of Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

[Consolidated] Business Summary

CYBERNET SYSTEMS CO.,LTD.

Million yen

| | 16.12/1Q Results | 15.12/1Q Results | YoY Change Amount | YoY Change % | 16.12/1Q Plan | Change Amount from Plan | Change % from Plan |
|--|---------------------|---------------------|-------------------------|--------------------|------------------|-------------------------------|--------------------------|
| Net sales | 4,036 | 3,601 | + 435 | 112.1% | 3,686 | + 350 | 109.5% |
| Operating income | 318 | 91 | + 226 | 347.0% | (54) | + 372 | — |
| Operating income margin | 7.9% | 2.5% | + 5.4P | | — | — | |
| Ordinary income | 329 | 147 | + 182 | 224.1% | (29) | + 358 | — |
| Ordinary income margin | 8.2% | 4.1% | + 4.1P | | — | — | |
| Profit attributable to owners of parent | 155 | 10 | + 144 | — | (96) | + 251 | — |
| Profit attributable to owners of parent margin | 3.9% | 0.3% | + 3.6P | | — | — | |
| Before amortization of goodwill Operating income | 404 | 188 | + 216 | 215.0% | 40 | + 364 | — |
| Before amortization of goodwill Operating income margin | 10.0% | 5.2% | + 4.8P | | 1.1% | + 8.9P | |

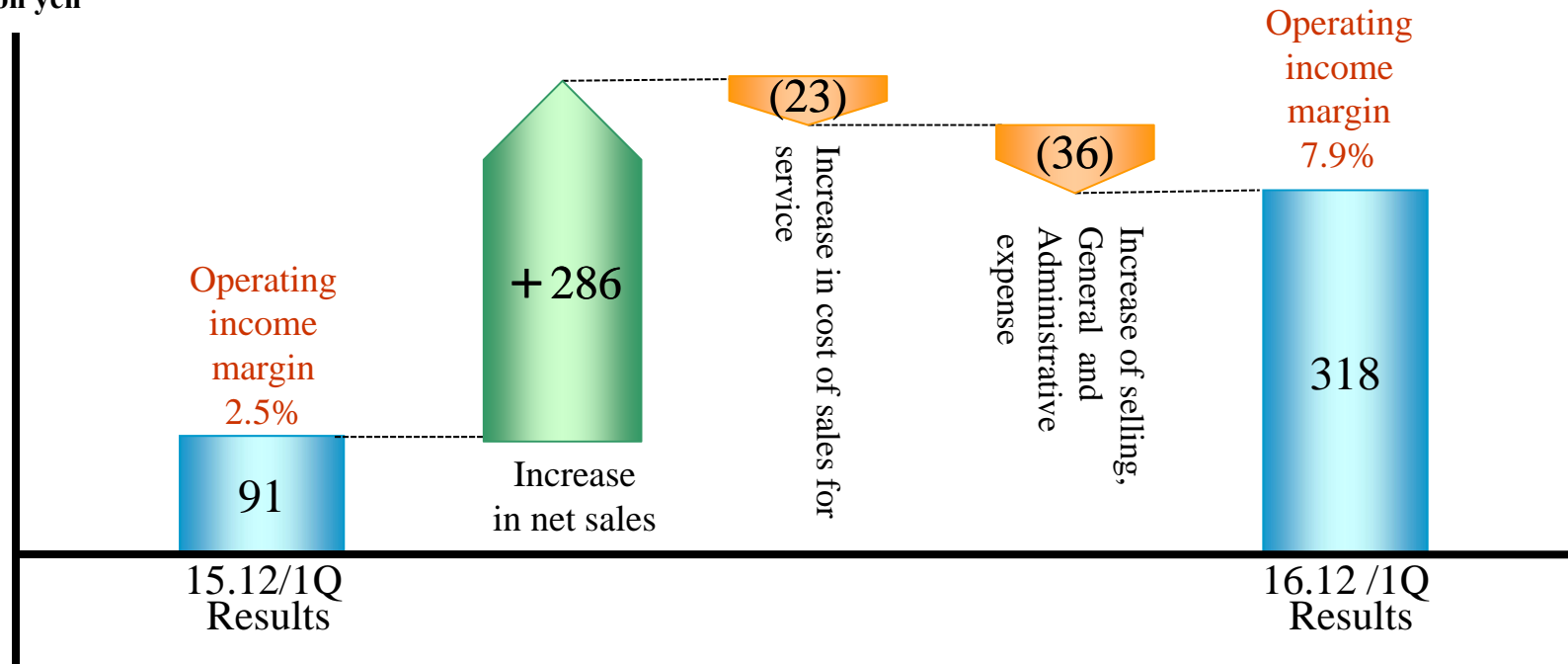
*P: Point

* Net income has been renamed to profit attributable to owners of parent.

[Consolidated] Changes in Operating Income (YoY comparison)

CYBERNET SYSTEMS CO.,LTD.

Million yen



Main Causes of Year-on-Year Changes

○ Product profits

In Japan, the multiphysics analysis tool and model base development engineering services performed strongly. Overseas, development subsidiaries in Canada and the United States performed strongly.

○ Cost of sales for service and selling, general and administrative expenses

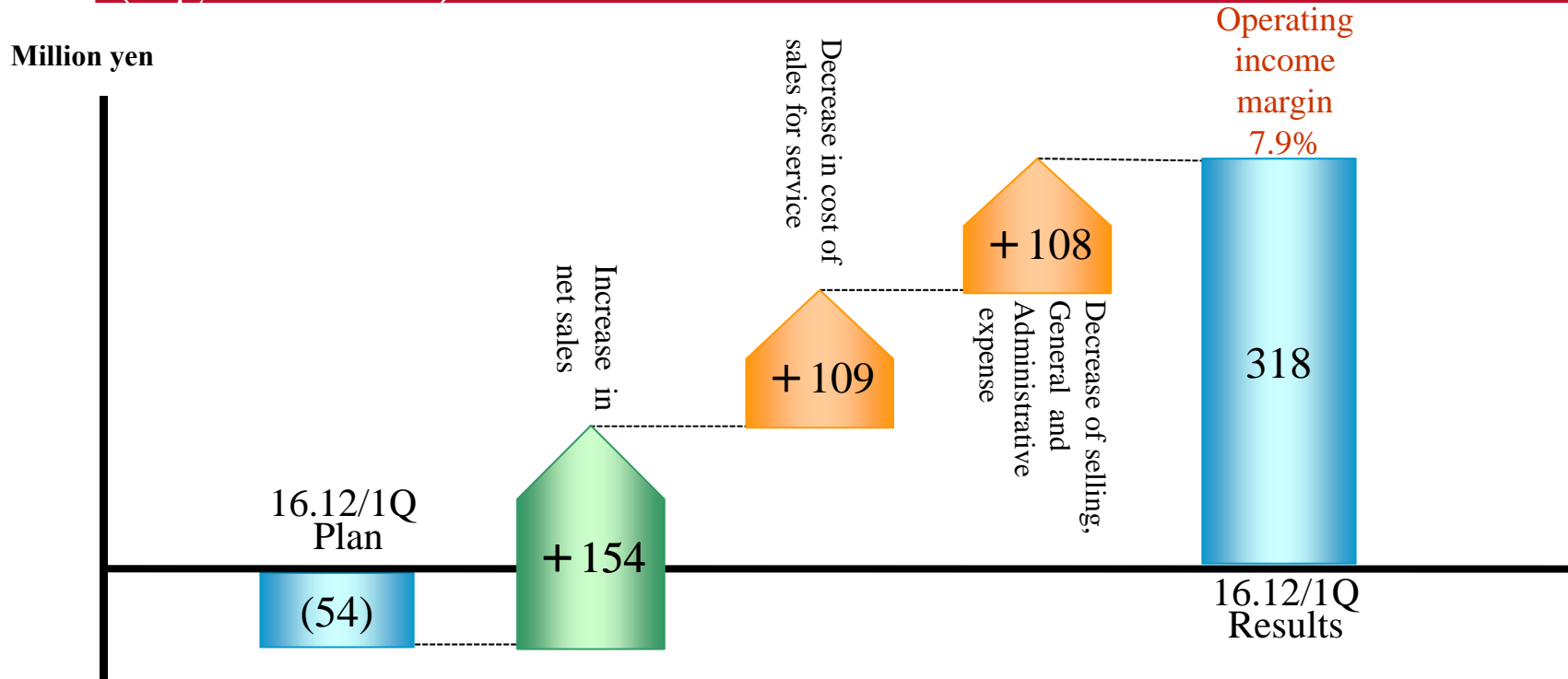
Personnel expenses increased due to increased recruitment.

○ Operating income

Operating income rose, reflecting an increase in product profits as a result of higher sales, offsetting an increase in personnel expenses.

[Consolidated] Changes in Operating Income (Against Plan)

CYBERNET SYSTEMS CO.,LTD.



Main Causes of Changes against Plan

○ Product profits

In Japan, the multiphysics analysis tool and model base development engineering services performed strongly. Overseas, development subsidiaries in Canada and the United States performed strongly.

○ Cost of sales for service and selling, general and administrative expenses

Cost of sales for service and SGA expenses declined, mainly due to foreign currency translation differences, as a result of the appreciation of the yen, and a reduction in expenses.

○ Operating income

Operating income rose, given higher product profits and lower expenses.

[Consolidated] Balance Sheet

CYBERNET SYSTEMS CO.,LTD.

| | Million yen | | |
|---|---------------|---------------|-------------------------|
| | 15.12 | 16.12/1Q | YoY Change Amount |
| Current assets | 14,857 | 15,251 | 394 |
| Cash and deposits | 2,755 | 2,425 | (330) |
| Notes and accounts receivable-trade | 3,701 | 4,229 | 527 |
| Short-term investment securities | 3,800 | 4,100 | 299 |
| Short-term loans receivable | 3,011 | 3,007 | (3) |
| Others | 1,588 | 1,489 | (99) |
| Noncurrent assets | 4,028 | 3,907 | (120) |
| Property, plant and equipment | 320 | 305 | (15) |
| Intangible assets | 2,854 | 2,766 | (88) |
| Investments and other assets | 853 | 836 | (17) |
| Total Assets | 18,885 | 19,159 | 273 |
| Current liabilities | 4,175 | 4,619 | 443 |
| Accounts payable-trade | 1,027 | 1,333 | 305 |
| Income taxes payable | 132 | 106 | (25) |
| Advances received | 1,996 | 2,064 | 67 |
| Provision for bonuses | 282 | 163 | (118) |
| Others | 735 | 950 | 214 |
| Noncurrent liabilities | 1,150 | 1,165 | 15 |
| Provision for retirement benefits | 1,090 | 1,106 | 16 |
| Others | 60 | 59 | (1) |
| Total liabilities | 5,325 | 5,785 | 459 |
| Total net assets | 13,560 | 13,374 | (185) |
| Total liabilities and net assets | 18,885 | 19,159 | 273 |

Main Causes of Changes from the End of the Previous Fiscal Year

- (i) Cash and deposits (down 330 million yen from the end of the previous fiscal year)
 - (ii) Notes and accounts receivable – trade (up 527 million yen from the end of the previous fiscal year)
 - (iii) Goodwill (down 106 million yen from the end of the previous fiscal year)
- The decline mainly reflected an increase of 299 million yen in Short-term investment securities.
- Notes and accounts receivable – trade increased as a result of higher net sales.
- Goodwill decreased due to amortization of 86 million yen and a decrease of 20 million yen in foreign currency translation.

[Consolidated] Cash Flow Statement

CYBERNET SYSTEMS CO.,LTD.

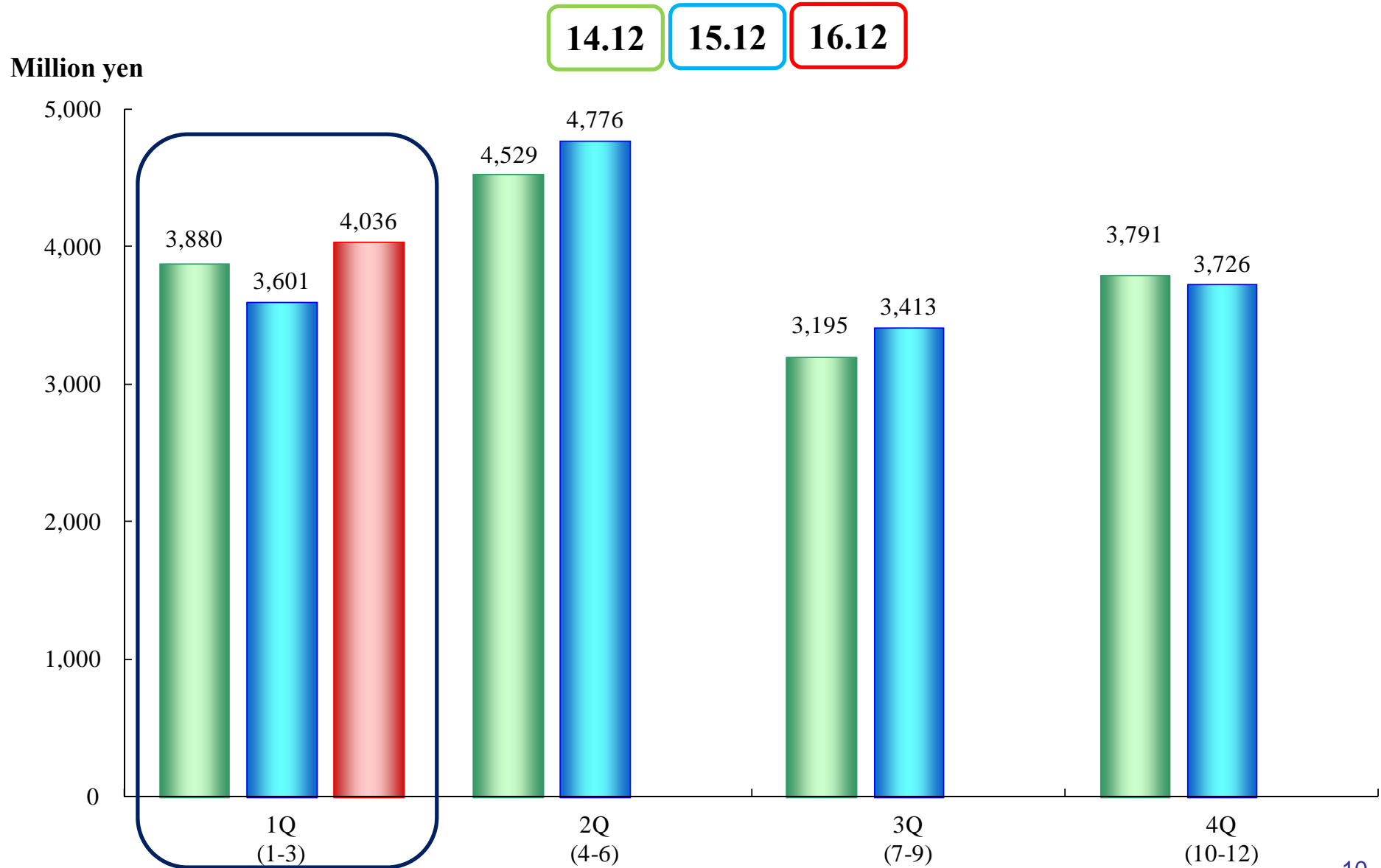
| | Million yen | | |
|---|-------------|----------|-------------------------|
| | 15.12/1Q | 16.12/1Q | YoY Change Amount |
| Net cash provided by operating activities | (246) | 272 | 519 |
| Net cash provided by investing activities | (287) | 132 | 420 |
| Net cash provided by financing activities | (253) | (216) | 37 |
| Effect of exchange rate change on cash and cash equivalents | (35) | (19) | 15 |
| Net increase in cash and cash equivalents | (823) | 169 | 993 |
| Cash and cash equivalents at beginning of period | 4,239 | 5,664 | 1,424 |
| Cash and cash equivalents at end of period | 3,416 | 5,834 | 2,417 |

Main Causes of Changes from the Previous Fiscal Year

- Net cash provided by operating activities
Positive cash flow due mainly to a decline in income taxes paid and an increase in profit before income taxes.
- Net cash provided by investing activities
Positive cash flow mainly due to redemption of securities.
- Net cash provided by financing activities
Positive cash flow due to a decline in dividends paid.

[Consolidated] Quarterly Net Sales

CYBERNET SYSTEMS CO.,LTD.



[Consolidated]
Overview of Results by Segment

CYBERNET SYSTEMS CO.,LTD.

Million yen

| | 15.12/1Q | 16.12/1Q | | |
|-------------------------------|--------------|--------------|-------------------|--------------|
| | Results | Results | YoY Change Amount | YoY Change % |
| Total Net sales | 3,601 | 4,036 | + 435 | 112.1% |
| CAE Solution Services | 2,843 | 3,186 | + 343 | 112.1% |
| IT Solution Services | 763 | 860 | + 97 | 112.7% |
| Elimination | (4) | (10) | (5) | — |
| Total Operating income | 91 | 318 | + 226 | 347.0% |
| CAE Solution Services | 299 | 541 | + 242 | 180.9% |
| IT Solution Services | 135 | 161 | + 26 | 119.2% |
| Elimination | (343) | (385) | (41) | — |

(Note) Adjustment include overhead costs that are not allocated to respective reporting segments, primarily consisting of administrative costs that cannot be conveniently attributed to or identified with any particular reporting segment.

(Note) The figures for CAE Solution Services indicate the total of CAE, development subsidiaries and sales subsidiaries.

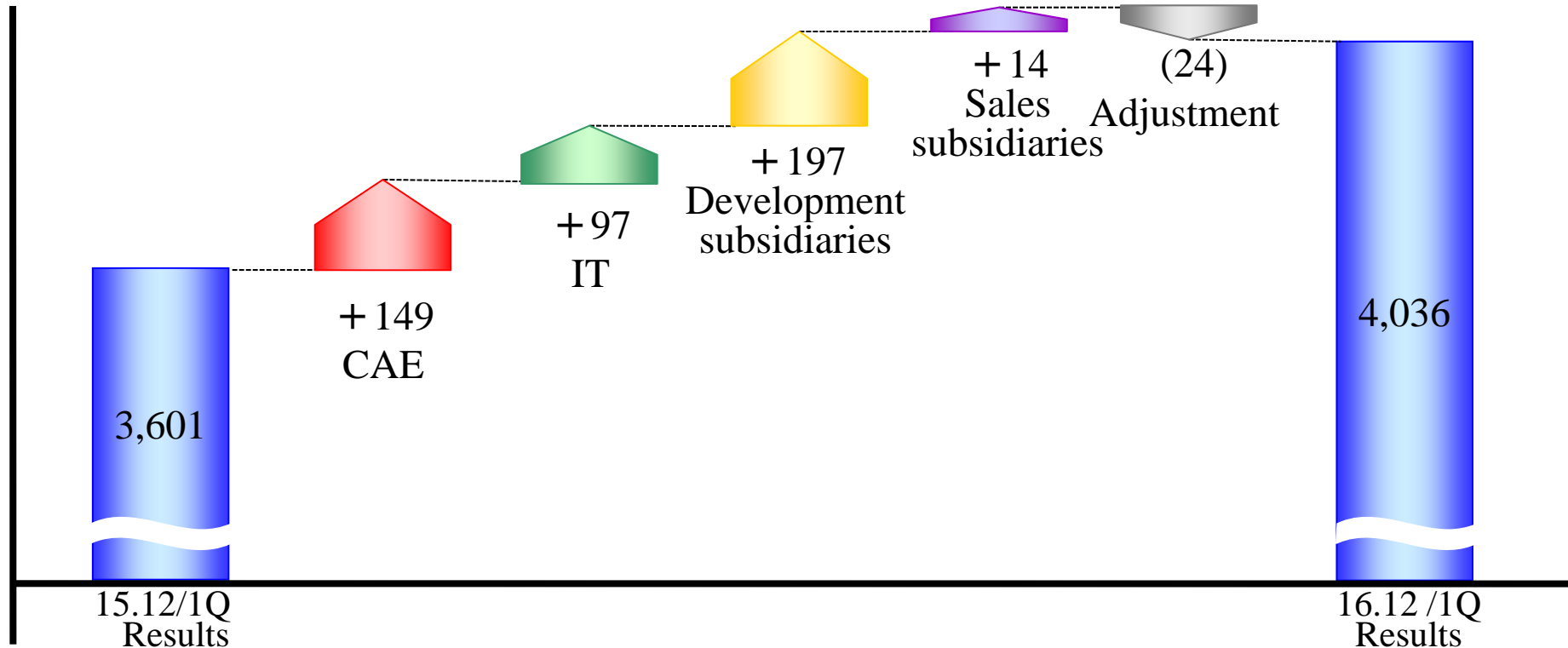
(Note) From the term under review, as a result of its partial reorganization, CAE Solution Services have been changed to IT Solution Services.

Segment information for the same period of the previous fiscal year has been presented based on information prepared in accordance with the classification method after the change.

[Consolidated] Changes in Net Sales by Business (YoY comparison)

CYBERNET SYSTEMS CO.,LTD.

Million yen



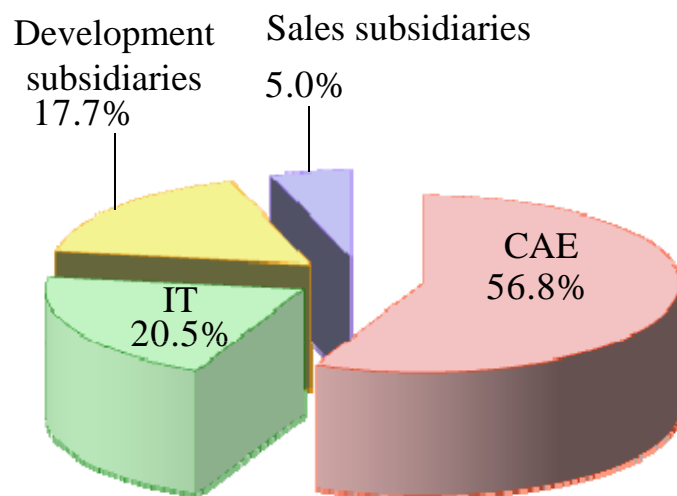
(Note) The following is a description of each business line.

- CAE is CYBERNET SYSTEMS' CAE solution services.
- IT is CYBERNET SYSTEMS' IT solution services.
- Development subsidiaries mean an aggregate of figures for consolidated subsidiaries (three development and sales subsidiaries in Europe and North America).
- Sales subsidiaries mean an aggregate of the figures for two consolidated sales subsidiaries in Asia.
- Adjustment means consolidated adjustment.

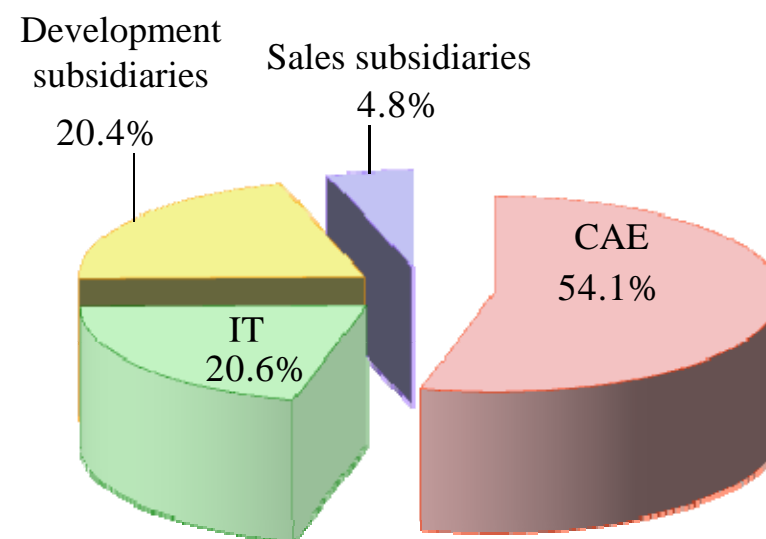
[Consolidated]

Sales Breakdown by Business

CYBERNET SYSTEMS CO.,LTD.



Consolidated Sales
3,601 million yen
15.12 /1Q



Consolidated Sales
4,036 million yen
16.12/1Q

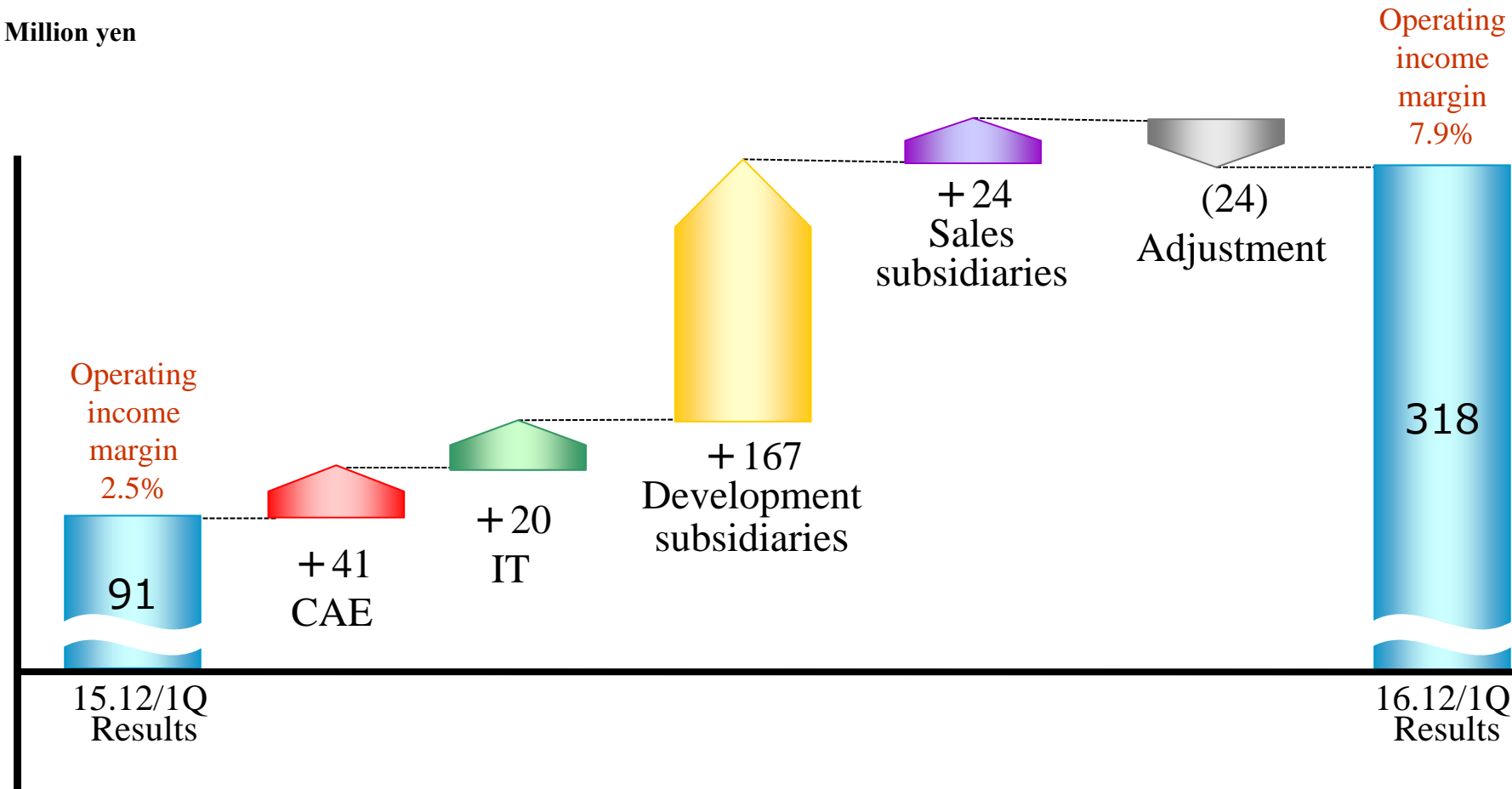
(Note) The figures indicated above represent the percentage breakdown without consolidation adjustment.
The business lines are the same as those on the previous page.

[Consolidated]

CYBERNET SYSTEMS CO.,LTD.

Changes in Operating Income by Business (YoY comparison)

Million yen



(Note) The figures above are changes in operating income by business line from the same period of the previous fiscal year. The business lines are the same as those for the net sales on the previous page. Adjustment includes consolidated adjustments and overhead costs.

Business Summary by Segment

| CAE Solution Services | |
|-------------------------------------|---|
| MCAE field | New license sales for the multiphysics analysis tool were strong, given the effects of the upgrade among existing customers and orders mainly from research institutions and the automotive industry. Maintenance contract renewals also remained steady. Engineering services performed steadily, reflecting strong orders from the automotive industry. |
| Optical design field | New license sales for illumination design and analysis software remained sluggish due to a fall in orders from the electrical industry. Maintenance contract renewals remained firm. Maintenance contract renewals for the optical design evaluation program remained stagnant, but new license sales were strong, reflecting orders mainly from sectors related to the aerospace industry. Maintenance contract renewals for the automotive lighting design software platforms remained steady in the electrical industry. |
| EDA field | Both new contracts and maintenance contract renewals in the electric circuit board design solutions business remained steady. Orders for printed circuit board (PCB) engineering services from existing customers remained almost unchanged. |
| MBD field | Maintenance contract renewals of the 1D CAE tool, one of the Group company's products, remained steady, but new license sales remained sluggish. However, model-based development engineering services remained strong centered on the automotive-related industry, reflecting growing demand for autonomous driving technology, such as ADAS(*) and other advanced modeling. |
| Test & Measurement field | The Company-developed Flat Panel Display (FPD) automated inspection systems and saw orders from electrical manufacturers as planned, but they failed to make up for the absence of the large-scale project for China that was recorded in the same period of the previous fiscal year. |
| Other fields | Sales of the optimized design support tool, one of our Group products, remained steady, reflecting the progress of optimization and simulation environmental development examinations centered on electrical and machine manufacturers. Moreover, engineering services also performed strongly, given large-scale projects from the automotive industry. The 3D tolerance management tool remained strong centered on the automotive and electrical industries. |

(*)ADAS(Advanced Driving Assistant System): The ADAS is an advanced driving assistant system that has been developed to assist, complement and eventually substitute for the driver.

Business Summary by Segment

| IT Solution Services | |
|----------------------------|---|
| IT solution field | <p>New license sales of mainstay security-related solutions for a large software development vendor remained steady. Maintenance contract renewals were favorable, thanks to growth mainly in our monthly billing models and OEM models. New license sales and maintenance contract renewals for our disk encryption software were favorable, helped by market needs for measures against security incidents . Cloud services performed steadily, reflecting increasing needs for the transformation from the on-premise environment to the cloud environment.</p> |
| Data solution field | <p>Innovation supporting solutions performed strongly, thanks to the steady growth of maintenance contract renewals. In the general purpose visualization field, engineering services remained steady. The medical visualization field saw sluggish performance, even with exports of products to China, because they failed to make up for the absence of the projects of engineering services in the previous fiscal year. In the augmented reality (AR) field, our AR services that we launched in the previous fiscal year saw a strong start, and inquiries for contracted service projects of professional-use AR application development also increased.</p> |

(*)As a result of reorganization in fiscal 2016, the big data field and the visualization field has been integrated into the data solution field, and its segment has been changed from CAE solution services to IT solution services.

[Non-consolidated]
Net Sales by Application Area

CYBERNET SYSTEMS CO.,LTD.

[First quarter of the fiscal year]

Million yen

| | 15.12/1Q | | 16.12/1Q | | | |
|----------------------|--------------|-----------------|--------------|-----------------|-------------------|---------------|
| | Results | Component ratio | Results | Component ratio | YoY Change Amount | YoY Change % |
| MCAE | 945 | 32.9% | 1,026 | 32.9% | + 80 | 108.5% |
| Optical Design | 749 | 26.1% | 761 | 24.4% | + 11 | 101.6% |
| EDA | 93 | 3.3% | 95 | 3.1% | + 2 | 102.4% |
| MBD | 188 | 6.6% | 238 | 7.6% | + 49 | 126.3% |
| Test and Measurement | 62 | 2.2% | 48 | 1.5% | (14) | 76.5% |
| Others | 71 | 2.5% | 91 | 2.9% | + 20 | 128.6% |
| CAE Total | 2,111 | 73.4% | 2,261 | 72.4% | + 149 | 107.1% |
| IT Solution | 503 | 17.5% | 593 | 19.0% | + 90 | 117.9% |
| Data Solution | 260 | 9.1% | 268 | 8.6% | + 7 | 102.8% |
| IT Total | 764 | 26.6% | 861 | 27.6% | + 97 | 112.8% |
| Total | 2,875 | 100.0% | 3,123 | 100.0% | + 247 | 108.6% |

[Non-consolidated] Net Sales by Category of Industry

CYBERNET SYSTEMS CO.,LTD.

[First quarter of the fiscal year]

Million yen

| | 15.12/1Q | | 16.12/1Q | | | |
|--|--------------|-----------------|--------------|-----------------|-------------------|---------------|
| | Results | Component ratio | Results | Component ratio | YoY Change Amount | YoY Change % |
| Electrical equipment | 929 | 32.3% | 955 | 30.6% | + 26 | 102.8% |
| Machinery & Precision Machinery | 508 | 17.7% | 529 | 17.0% | + 20 | 104.1% |
| Transportation equipment | 289 | 10.1% | 409 | 13.1% | + 120 | 141.6% |
| Other manufacturing industry | 230 | 8.0% | 347 | 11.1% | + 116 | 150.7% |
| Eductaion institution/government and municipal offices | 347 | 12.1% | 286 | 9.2% | (61) | 82.3% |
| Telecommunication industry | 165 | 5.8% | 217 | 7.0% | + 51 | 131.2% |
| Others | 403 | 14.0% | 376 | 12.1% | (26) | 93.3% |
| Total | 2,875 | 100.0% | 3,123 | 100.0% | + 247 | 108.6% |

[Non-consolidated] Net Sales by Contract

CYBERNET SYSTEMS CO.,LTD.

[First quarter of the fiscal year]

Million yen

| | 15.12/1Q | | 16.12/1Q | | | |
|---------------------------------------|--------------|-----------------|--------------|-----------------|-------------------|---------------|
| | Results | Component ratio | Results | Component ratio | YoY Change Amount | YoY Change % |
| New licenses | 1,001 | 40.4% | 1,101 | 41.3% | + 100 | 110.1% |
| Renewals of the maintenance contracts | 1,476 | 59.6% | 1,563 | 58.7% | + 86 | 105.9% |
| Total | 2,477 | 100.0% | 2,664 | 100.0% | + 187 | 107.6% |

Note: The figures presented above are solely net sales for software, hardware and services whose sales take the form of license contracts.

[Consolidated] Performance at Overseas Subsidiaries (Development subsidiaries)

CYBERNET SYSTEMS CO.,LTD.

| Development subsidiaries | WATERLOO MAPLE INC. | Noesis Solutions NV | Sigmatix, L.L.C. |
|---|---|--|--|
| | Canada | Belgium | United States |
| Year-on-year change in sales (local currency) | 157.6% | 106.1% | 130.5% |
| Year-on-year change in sales (in yen) | 136.0% | 98.4% | 130.1% |
| Performance | Sales in Asia remained strong. Sales in North America remained strong, reflecting the receipt of a large-scale OEM project. | Sales of the optimized design support tools remained strong in Asia and North America. | Sales of 3D tolerance management tools remained strong in mainstay North America and Asia. |

[Consolidated] Performance at Overseas Subsidiaries (Sales subsidiaries)

CYBERNET SYSTEMS CO.,LTD.

| Sales subsidiaries | CYBERNET SYSTEMS (SHANGHAI) CO.,LTD. | CYBERNET SYSTEMS TAIWAN CO.,LTD. |
|---|--|--|
| | China | Taiwan |
| Year-on-year change in sales (local currency) | 125.7% | 102.9% |
| Year-on-year change in sales (in yen) | 119.0% | 97.4% |
| Performance | Sales of mainstay optical system software remained steady while sales of the STEM (*) computing platform, one of our Group company's products, and sales of 3D tolerance management tools also remained strong . | Sales of mainstay optical system software showed stagnant growth, but sales of other products remained strong. |

(*)STEM: A generic acronym that stands for the comprehensive fields of “science, technology, engineering, and mathematics”

Projection for FY2016

[Consolidated] Projection for Current Fiscal Year

CYBERNET SYSTEMS CO., LTD.

Million yen

| | First Half-year | | | | Full year | | | |
|--|-----------------|----------|-------------------------|--------------------|-----------|---------|-------------------------|--------------------|
| | 16.12E/1H | 15.12/1H | YoY Change Amount | YoY Change % | 16.12E | 15.12 | YoY Change Amount | YoY Change % |
| | Plan | Results | | | Plan | Results | | |
| Net sales | 8,842 | 8,378 | + 463 | 105.5% | 16,800 | 15,518 | + 1,281 | 108.3% |
| Operating income | 595 | 628 | (33) | 94.7% | 950 | 851 | + 98 | 111.5% |
| Operating income margin | 6.7% | 7.5% | (0.8P) | | 5.7% | 5.5% | + 0.2P | |
| Ordinary income | 644 | 672 | (28) | 95.7% | 1,048 | 1,003 | + 44 | 104.5% |
| Ordinary income margin | 7.3% | 8.0% | (0.7P) | | 6.2% | 6.5% | (0.3P) | |
| Profit attributable to owners of parent | 300 | 300 | + 0 | 99.8% | 461 | 463 | (2) | 99.5% |
| Profit attributable to owners of parent margin | 3.4% | 3.6% | (0.2P) | | 2.7% | 3.0% | (0.3P) | |
| Before amortization of goodwill Operating income | 783 | 819 | (35) | 95.6% | 1,316 | 1,228 | 87 | 107.1% |
| Before amortization of goodwill Operating income margin | 8.9% | 9.8% | (0.9) | | 7.8% | 7.9% | (0.1) | |

*P: Point

[Consolidated]

CYBERNET SYSTEMS CO., LTD.

Dividend Estimate for Current Fiscal Year

yen

| | 15.12 | 16.12E | | |
|--|--------------|-------------|-----------------|--------------|
| | Total | End of 2Q | Fiscal year-end | Total |
| | Result | Projection | Projection | Projection |
| Dividend per share | 13.80 | 6.50 | 6.50 | 13.00 |
| Net income per share | 14.87 | 9.63 | — | 14.80 |
| Dividend payout target ratio | 92.8% | — | — | 87.8% |
| (Ref.) Dividend on equity ratio | 3.1% | — | — | 3.0% |

Dividends Policy

Starting from the fiscal year ended December 31, 2015, We adopt a higher dividend payout ratio or DOE, whichever produces a higher dividend, and uses it as a benchmark in determining the dividend amount. We also take into consideration the investment funds that will be required to achieve a higher corporate value over the medium and long term to make a comprehensive judgment regarding its ultimate dividend payment.

-Dividend payout target ratio: 50%

-Dividend on equity ratio: 3.0%

Medium-Term Business Plan 2015 to 2020(3years x 2)

CYBERNET SYSTEMS CO.,LTD.

Provide value unique to Cybernet

- 1D CAE + 3D CAE *MDS
- Extended MDS consisting of CAE and test and measurement solutions

Consolidated sales (ratio to consolidated sales)

[2014] ¥12.7 billion (82.7%) ⇒ [2020] ¥25.9 billion (86.4%)

* MDS: Multi-Domain Solution

Focus on automotive field

- Domestic sales (ratio to domestic sales)

[2014] ¥1.5 billion (12%) ⇒ [2020] Approx. ¥5 billion (25%)

Strengthen cooperation with partners

- Establish sales/support structure globally and locally
- Promote OEM offering

Example of Using Our Technologies in Automotive Development

CYBERNET SYSTEMS CO.,LTD.

Automated driving

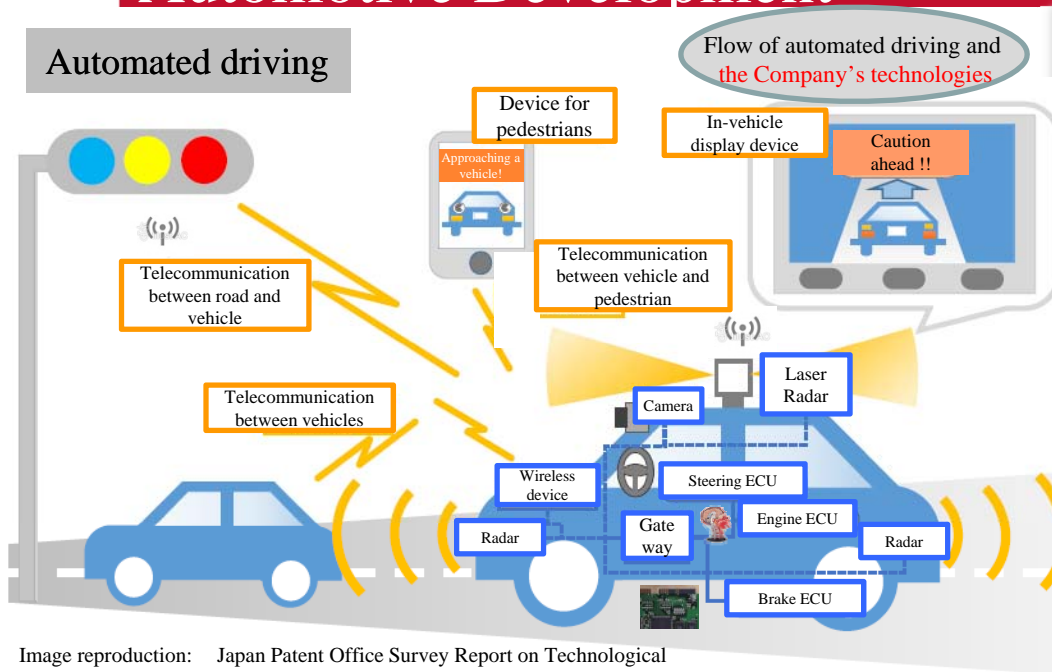


Image reproduction: Japan Patent Office Survey Report on Technological Developments Related to Automatically Driven Vehicles
https://www.jpo.go.jp/shiryou/pdf/gidou-houkoku/25_automatic_driving.pdf

1. Understanding the situation of pedestrians, traffic lights, oncoming vehicles, vehicles driving in front, the surface of roads and other surrounding conditions, and informing the control system and drivers of such conditions

A variety of cameras, sensors, laser, radars and telecommunication systems (IoT)
 -Development of cameras, sensors, radars and other products : **Optical technologies**
 -Design of circuits of telecommunication equipment and design of circuit boards and LSI: **EDA technologies**
 - Safety of telecommunication systems : **Information security technologies (*1)**
 - Displays, etc. : **Optical technologies**



2. Judging situations by using artificial intelligence, etc.
3. Operating steering wheels, brakes, etc.
4. Addressing problems by undertaking hundreds of different simulations for the weather, temperature and surrounding conditions

- Artificial intelligence (AI) development: **Formula manipulation and STEM technologies (*2)**

- Control system (ECU) development: **MBD technologies**
 - In-vehicle LAN and wire harness: **Optical technologies and EDA technologies**
 - Headlamp control: **MBD technologies and optical technologies**

- Several thousand variations of simulation tests: **MBD technologies**
 - Reproduction of realistic situations: **Virtual reality technologies (*3)**
 - Organizing a large amount of data: **Big data analysis technologies (*3)**

Development of safer and more comfortable vehicles



Noise control during driving:
Acoustic, vibration and material analysis technologies based on MCAE
Vehicle behavior analysis technologies by using MBD technologies



Latest illumination during night driving:
Optical technologies

Development of high-quality speakers:
Shape and acoustic analysis technologies based on MCAE
Optimized design technologies(*4)

Safer tires:
Material analysis and structural analysis technologies based on MCAE

Development of fuel-efficient vehicles and EV/HEV vehicles



Optimized design of batteries and engines:
MBD technologies and optimized design technologies

Actuation checking of discharging and charging of batteries, etc.:

MBD technologies
High-strength and light body materials:
Material analysis and structural analysis
Technologies based on MCAE technologies



Thermal countermeasures of various electronics equipment and parts:
MCAE technologies

Experience Our AR technologies (cybARnet)

Cybernet's corporate introduction movie is able to be easily viewed on smartphones.

- (i) Search “cybARnet” through AppStore or Google Play (the red marks as presented below are earmarks).
- (ii) Launch applications and tap the QR code reading button on the right top of the screen.
- (iii) Reading the QR code below
- (iv) Hold your smart device over the red mark as presented below, and the introduction movie will appear in the virtual space.



Reference Materials

Corporate Overview (as of March 31, 2016)

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> | FUJISOFT Bldg. 3 Kandaneribei-cho, Chiyoda-ku, Tokyo 101-0022, Japan |
| <i>Branch Offices :</i> | Nishi-Nihon Branch Office in Osaka, Chubu Branch Office in Nagoya |
| <i>Founding date :</i> | April 17, 1985 |
| <i>Capital :</i> | 995 million yen |
| <i>Number of Employees :</i> | Consolidated / 579, Non-Consolidated / 354 |
| <i>Business :</i> | Providing CAE and IT solutions, as well as professional services including consulting |
| <i>Subsidiaries & affiliates :</i> | Consolidated / WATERLOO MAPLE INC. Noesis Solutions NV CYBERNET SYSTEMS (SHANGHAI) CO., LTD. Sigmetrix, L.L.C. CYBERNET HOLDINGS CANADA, INC. (Special Purpose Company) Cybernet Systems Holdings U.S. Inc. (Special Purpose Company) CYBERNET SYSTEMS TAIWAN CO., LTD. |

CAE stands for “Computer Aided Engineering”

[Non-consolidated] Business Summary

CYBERNET SYSTEMS CO.,LTD.

Million yen

| | 16.12/1Q Results | 15.12/1Q Results | YoY Change | YoY Change | 16.12/1Q Plan | Change Amount | Change % |
|-------------------------|---------------------|---------------------|---------------|---------------|------------------|------------------|-------------|
| Net sales | 3,123 | 2,875 | + 247 | 108.6% | 2,902 | + 221 | 107.6% |
| Operating income | 241 | 215 | + 26 | 112.2% | 105 | + 136 | 229.8% |
| Operating income margin | 7.7% | 7.5% | + 0.2P | | 3.6% | + 4.1P | |
| Ordinary income | 250 | 226 | + 23 | 110.6% | 105 | + 145 | 239.0% |
| Ordinary income margin | 8.0% | 7.9% | + 0.1P | | 3.6% | + 4.4P | |
| Net income | 114 | 92 | + 22 | 123.8% | 16 | + 98 | 714.8% |
| Net income margin | 3.7% | 3.2% | + 0.5P | | 0.6% | + 3.1P | |

*P: Point

[Non-consolidated] Projection for Current Fiscal Year

CYBERNET SYSTEMS CO.,LTD.

Million yen

| | First Half-year | | | | Full year | | | |
|-------------------------|-----------------|----------|-------------------------|--------------------|-----------|---------|-------------------------|--------------------|
| | 16.12E/1H | 15.12/1H | YoY Change Amount | YoY Change % | 16.12E | 15.12 | YoY Change Amount | YoY Change % |
| | Plan | Results | | | Plan | Results | | |
| Net sales | 7,224 | 6,942 | + 281 | 104.1% | 13,155 | 12,331 | + 823 | 106.7% |
| Operating income | 865 | 873 | (8) | 99.0% | 1,197 | 1,163 | + 33 | 102.9% |
| Operating income margin | 12.0% | 12.6% | (0.6P) | | 9.1% | 9.4% | (0.3P) | |
| Ordinary income | 865 | 876 | (11) | 98.7% | 1,197 | 1,197 | + 0 | 99.9% |
| Ordinary income margin | 12.0% | 12.6% | (0.6P) | | 9.1% | 9.7% | (0.6P) | |
| Net income | 494 | 491 | + 2 | 100.4% | 672 | 665 | + 6 | 101.0% |
| Net income margin | 6.8% | 7.1% | (0.3P) | | 5.1% | 5.4% | (0.3P) | |

Results forecast

*P : Point

Exchange rate for beginning of the results forecast for 16.12E is JPY125/USD.

CYBERNET SYSTEMS CO., LTD.

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