

April 21, 2005

Notice of a Stock Split (Free delivery of shares)

Notice is hereby given that at the Board of Directors meeting of Cybernet Systems Co., Ltd. (“the Company”), held on April 21 2005, it was resolved that the Company would conduct a stock split (Free delivery of the Company’s shares) as described below.

1. Purpose of the stock split

This stock split aims to reduce the per share amount required for investment in the Company’s stock and increase the mobility of the Company’s shares to expand the number of interested investors.

2. Summary of the stock split**(1) Method**

A three-for-one stock split of the Company’s shares shall be conducted for all the shares held by the shareholders recorded in the record of shareholders and the record of beneficiary shareholders as of Tuesday, May 31, 2005.

(2) Number of shares to be increased by this stock split

Current total number of shares issued before the stock split:	108,000 shares
Number of shares to be increased by this stock split:	216,000 shares
Total number of shares issued after the stock split:	324,000 shares
Number of authorized shares after the stock split:	1,296,000 shares

Note: Pursuant to this stock split, the Company shall increase the total number of shares authorized to be issued by 864,000 to 1,296,000 as of Wednesday, July 20, 2005, by amending the current Articles of Incorporation.

3. Effective date

Wednesday, July 20, 2005

4. Starting date of the computation for dividends

Friday, April 1, 2005

5. Any other matters necessary to conduct the stock split shall be determined by the Board of Directors at a future meeting.

[Reference]

(Adjustment of the exercise price)

In line with the stock split, the exercise price of the new stock reservation rights issued by the Company shall be adjusted as follows on and after Wednesday, June 1, 2005.

Stock name	Exercise price after the adjustment	Exercise price before the adjustment
Stock options through the first issue of new stock reservation rights	¥32,039	¥96,117
Stock options through the second issue of new stock reservation rights	¥140,334	¥421,000