

April 27, 2006

Notice of Changes to Articles of Incorporation

We hereby give notice that the Board of Directors of Cybernet Systems decided on April 25, 2006 to submit changes to a certain items in the Company's Articles of Incorporation, as described below, for approval at the 21st Annual General Shareholders' Meeting to be convened on June 23, 2006.

Details

1. Reason for the changes to the Articles of Incorporation

The following changes will be made pursuant to the enforcement of the new Company Law (Law 86 of 2005) as of May 1, 2006.

2. Summary of changes to the Articles of Incorporation

1. As stipulated under the Company Law, new items to be established in the Articles of Incorporation are Proposed Change Article 4 (establishment of organizations), Proposed Change Article 7 (issuance of stock certificates), and Proposed Change Chapter 6 (accounting auditors). In addition, with the abolishment of the odd-lot share system, Article 8 (stock handling regulations) and Article 9 (stock transfer agents) of the current Articles of Incorporation are to be revised.
2. Proposed Change Article 13 (place for convening shareholders' meetings) is to be established to facilitate the holding of the General Meeting of Shareholders in a stable manner.
3. Proposed Change Article 15 (Internet disclosures and deemed provision of reference materials, etc., for use at General Meeting of Shareholders) is to be established to enhance the convenience of shareholders in viewing notifications when the General Meeting of Shareholders is convened.
4. Proposed Change Article 18 (number of directors) is to be established in order to allow an increase in the number of directors. This reflects a need to maintain smooth business execution as in recent years Cybernet Systems has continued to expand into a large number of diverse corporate activities.
5. Regarding items that have heretofore not been established in the Articles of Incorporation, Proposed Change Article 23 (parties with the right to convene at the Board of Directors meetings and the chairperson) is to be established.

6. Proposed Change Article 25 (abridgement of approval by the Board of Directors) is to be established to enable more dynamic management of Board of Directors meetings.
7. Proposed Change Article 29 (limitation of directors' responsibilities) and Proposed Change Article 37 (limitation of corporate auditors' responsibilities) are to be established in order to retain talented professionals from wide-ranging areas to serve as external directors and corporate auditors and to enable these professionals to fulfill the duties expected of them.
8. Proposed Change Article 42 (distribution of retained earnings) is to be established to allow the execution of a dynamic dividend policy that will meet the expectation of our shareholders. This change reflects the ability, following revisions to the Company Law, for the distribution of retained earnings to be implemented upon the decision of the Board of Directors, once certain conditions are met. In accordance with this change, the regulations on interim dividends in Articles of Incorporation are to be abolished.
9. In addition to the items mentioned above there are changes to be made throughout of the Articles of Incorporation that reflect necessary additions and deletions, corrections, and relocations of regulations within the document.

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