CYBERNET SYSTEMS CO., LTD.

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

Contents

CYBERNET SYSTEMS CO., LTD.

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

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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)
- Sigmetrix, L.L.C.

  (From January 1,2012 to December 31, 2012)

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[Consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of Yen

	FY2011 3Q		FY2012 3Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	9,773	—	9,960	—	101.9%	10,020	99.4%
Gross profit	4,120	42.2%	4,148	41.7%	100.7%	3,871	107.2%
Operating income	413	4.2%	204	2.1%	49.5%	156	130.9%
Ordinary income	436	4.5%	303	3.0%	69.5%	195	155.4%
Net income	177	1.8%	91	0.9%	51.5%	87	104.4%

Business Summary

- Sales had steady growth due mainly to keep high renewal sales rate for the mainstream CAE software and order receipt of large-scale projects from focused customers and from new segment activities.
- Since budget execution by Electrical Industry - one of our principal customer segment - has been frozen or postponed, it resulted receipt of forecasted new orders were fell short than expectation level
- Declining of “Operating income” , “Ordinary income”, “Quarterly net income” compare with the same period of the previous was due mainly for the following reason;
  - Under the circumstances, the impact of “The Great East Japan Earthquake” given to our business performance, our budget execution was in a careful manner in FY2011 thus significant expenditure reduction was carried out, however it was resumed to normal business operation in FY2012.
  - Pursuing “the new midterm business plan for the period between fiscal 2012 and 2014” has increased expenses in the current fiscal year.

* Please refer to Page# 19 for summary by application area.

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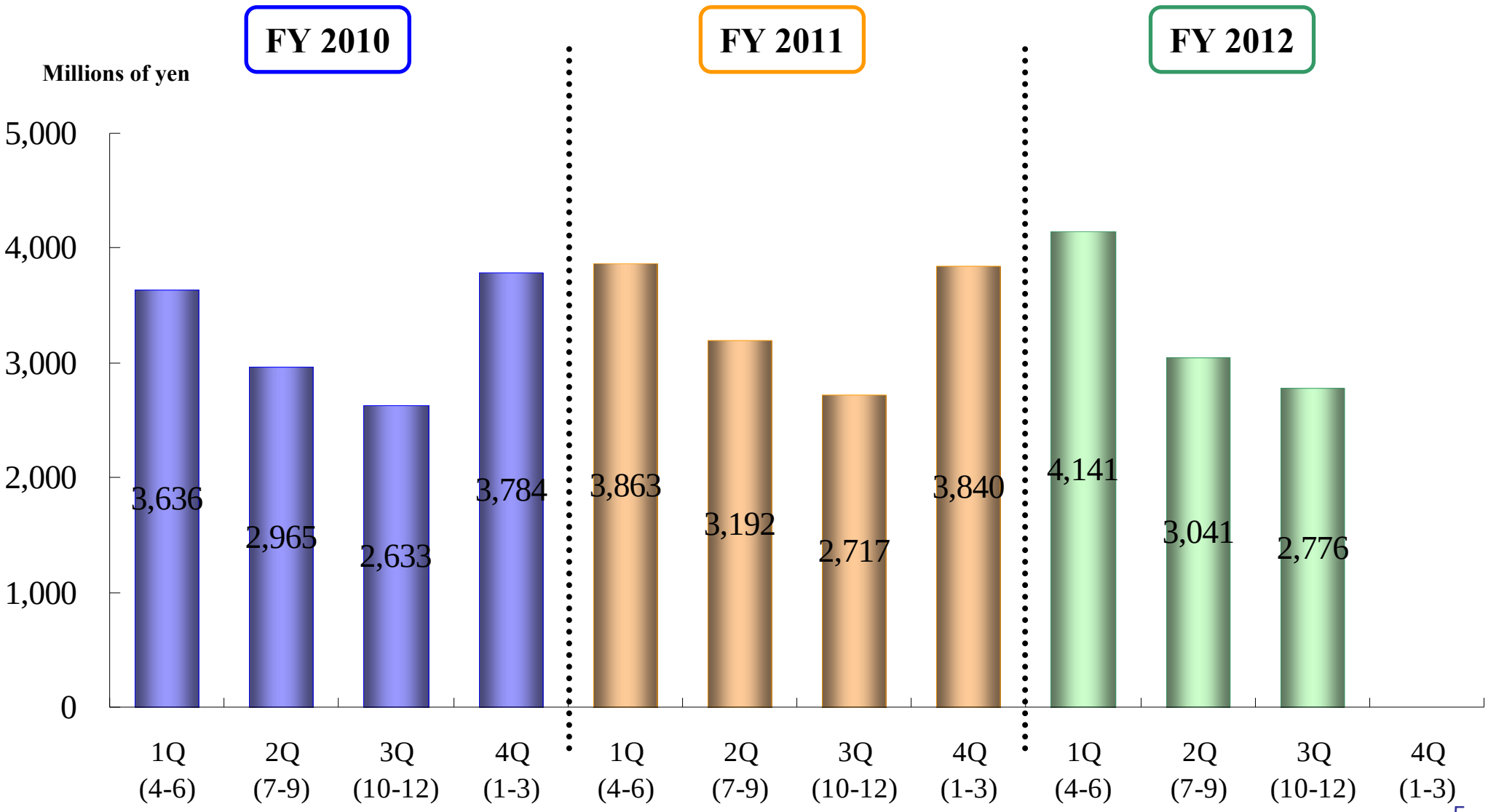
[Consolidated] Quarterly net sales

CYBERNET SYSTEMS CO., LTD.



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[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)

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[Consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

FY2012(10-12)

Millions of Yen

	FY2011 3Q(10-12)		FY2012 3Q(10-12)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	2,717	—	2,776	—	102.2%	2,920	95.1%
Gross profit	1,089	40.1%	1,133	40.8%	104.0%	1,128	100.5%
Operating income	(201)	—	(176)	—	24	(103)	(73)
Ordinary income	(163)	—	(109)	—	53	(89)	(19)
Net income	(147)	—	(102)	—	44	(64)	(38)

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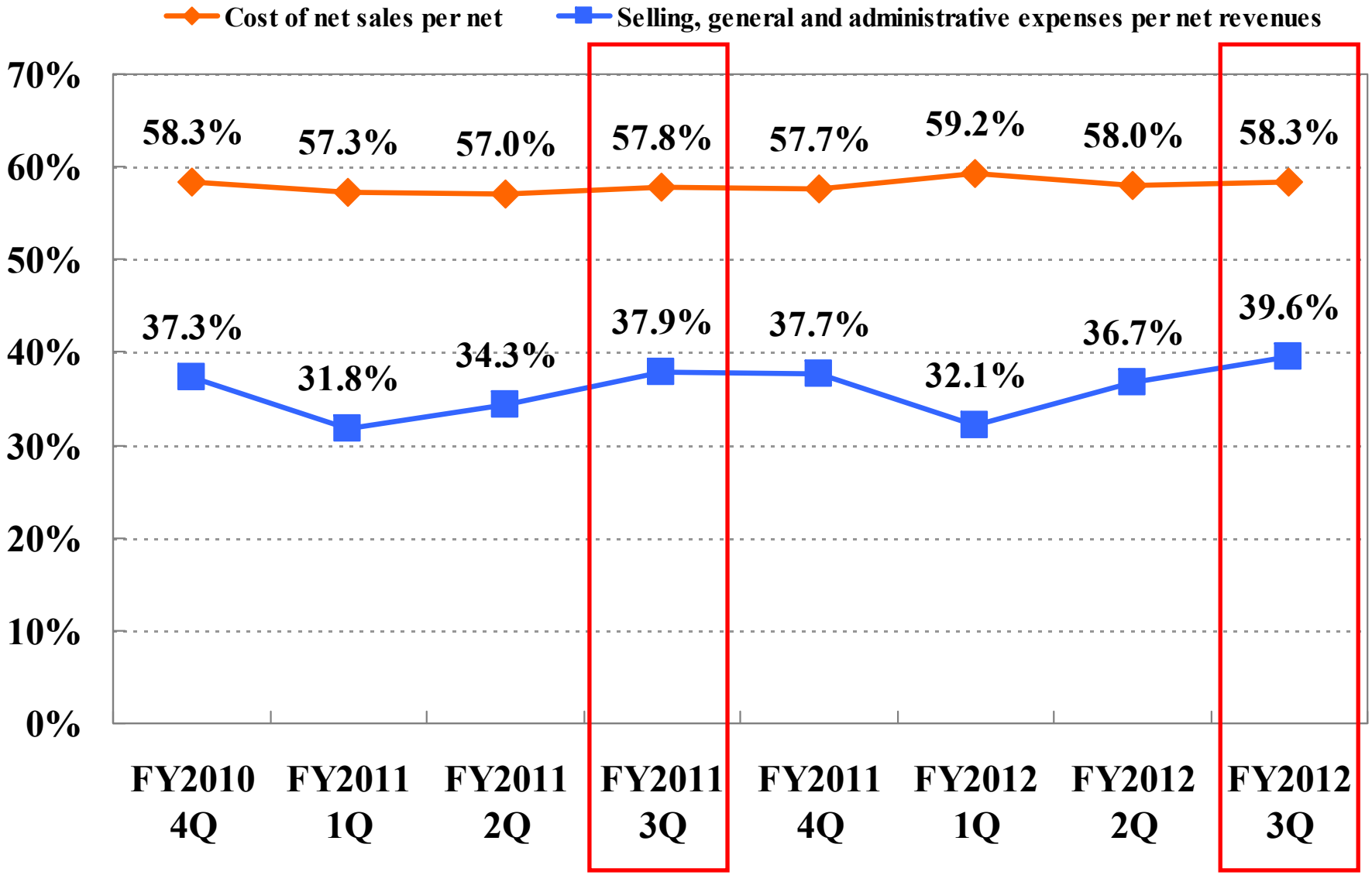
[Consolidated]Cost of sales per net sales and Selling, general and administrative expenses per net sales (cumulative)

CYBERNET SYSTEMS CO., LTD.



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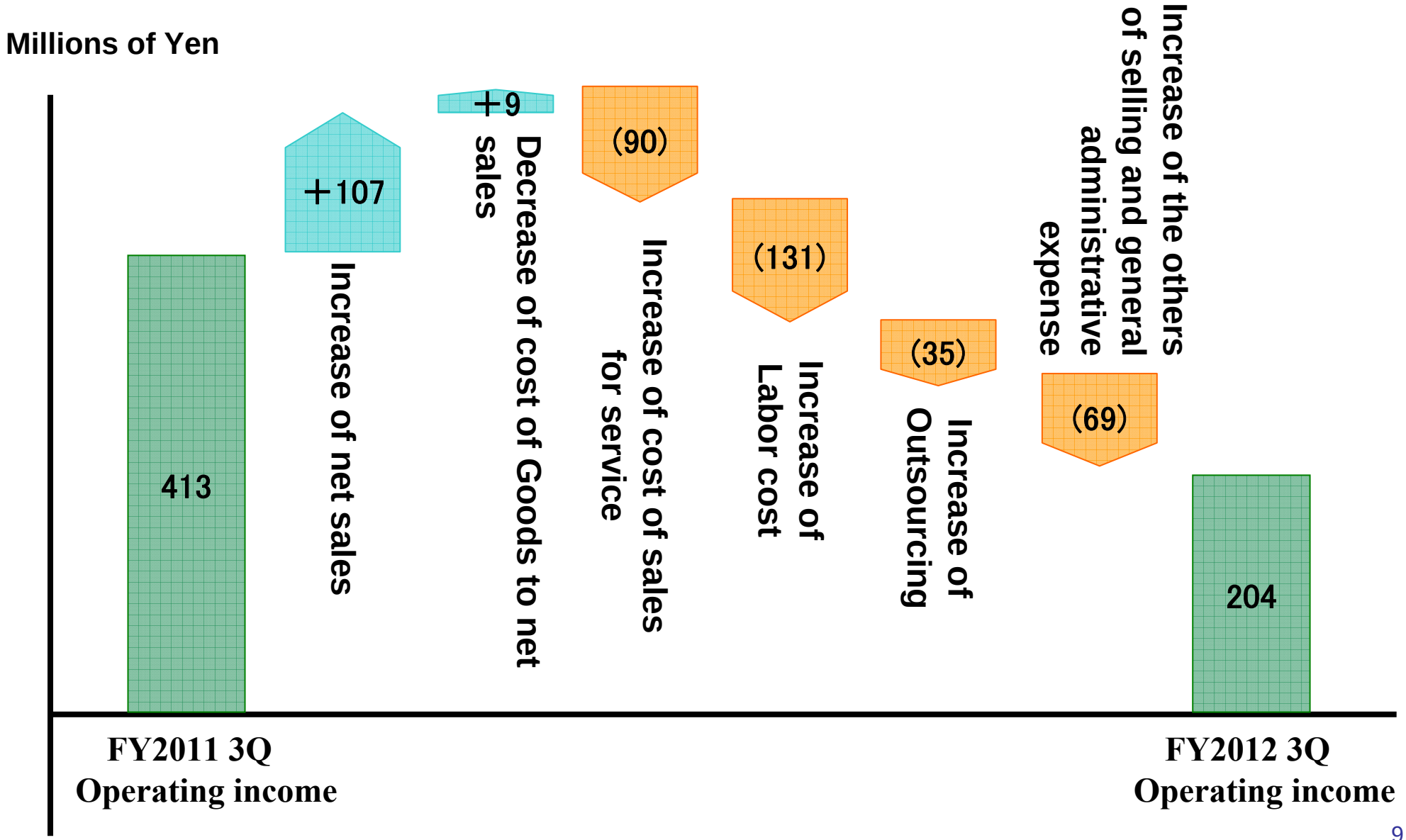
[Consolidated]
Increase and Decrease in Operating Income Changes

CYBERNET SYSTEMS CO., LTD.



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[Consolidated] Cost of sales for service

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 3Q	FY2012 3Q	Difference	Y-o-Y	Ratio	Details
Materials cost	2	3	+1	146.4%	0.0%	
Labor cost	1,343	1,396	+52	103.9%	14.0%	Cybernet +17
Outsourcing fees	75	53	(22)	70.2%	0.5%	Cybernet (22)
Communication	14	18	+4	128.6%	0.2%	
Traveling and Transportation	68	81	+13	119.0%	0.8%	Cybernet +10
Office Supplies	8	12	+3	142.8%	0.1%	
Rents	165	166	+ 0	100.2%	1.7%	
Maintenance	14	49	+35	342.4%	0.5%	Cybernet +34
Depreciation	27	30	+3	112.1%	0.3%	
Outsourcing	36	76	+39	210.6%	0.8%	Cybernet +36
Commission	23	16	(6)	71.1%	0.2%	
Others	33	36	+3	110.2%	0.4%	
Total	1,814	1,942	+127	107.0%	19.5%	
Inventory at beginning of period	4	17	+12	369.3%	0.2%	Cybernet +12
Transfer to other account	271	335	+63	123.5%	3.4%	Research and Development expnese+43 Sales support activities +28
Inventory at end of period	38	24	(13)	64.8%	0.2%	
Cost of sales for service	1,509	1,600	+90	106.0%	16.1%	

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[Consolidated] Selling and general administrative expenses

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 3Q	FY2012 3Q	Difference	Y-o-Y	Ratio	Details
Personal	1,945	2,076	+131	106.7%	20.9%	Cybernet + 101
Communication	117	121	+4	103.9%	1.2%	
Traveling and Transportation	147	164	+17	111.6%	1.7%	Cybernet+ 11
Office Supplies	24	20	(3)	84.9%	0.2%	
Recruiting	10	20	+10	207.7%	0.2%	Cybernet +10
Education and Training	10	8	(1)	84.0%	0.1%	
Rents	252	250	(2)	99.1%	2.5%	
Maintenance	48	46	(2)	95.1%	0.5%	
Depreciation	97	71	(26)	72.7%	0.7%	Depreciation of Distribution rights (25)
Amortization of goodwill	228	212	(16)	92.8%	2.1%	Foreign Exchange Fluctuations (12)
Advertising	192	193	+0	100.4%	1.9%	
Outsourcing	114	149	+35	131.0%	1.5%	Cybernet+ 35
Commission	145	146	+0	100.5%	1.5%	
Others	371	460	+88	123.9%	4.6%	Research study expenses + 54 Sales support activities + 28
Total	3,707	3,944	+236	106.4%	39.6%	

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(Non-Consolidated)

CYBERNET SYSTEMS CO., LTD.

Foreign Exchange Fluctuations and Increases/Decreases in Operating Margin

- Foreign Exchange Fluctuations
  - Average actual booking rate JPY80.92/USD
  - Actual buying rate JPY79.28/USD
  - Budget rate JPY84.00/USD
  - Difference of Y-Y actual booking rate
    ＋ JPY 0.53/USD（FY2011 3Q: JPY80.39/USD）
  - Difference between booking rate and budget rate
    － JPY3.08/USD
    ※Effect for gross profit compared to budget ＋ JPY63M
  - Difference between actual buying rate and budget rate
    － JPY4.72/USD
- Foreign Currency Transaction Gain and Loss (End of term rate JPY86.56/USD)
  - Gain/loss from revaluation of foreign currency-denominated deposit ＋ JPY5M
  - Gain/loss from revaluation of payables ＋ JPY10M
  - Gain/loss at book-closing ＋ JPY11M
  - Gain/loss from revaluation of foreign exchange forward contracts ＋ JPY6M

    TOTAL ＋ JPY34M

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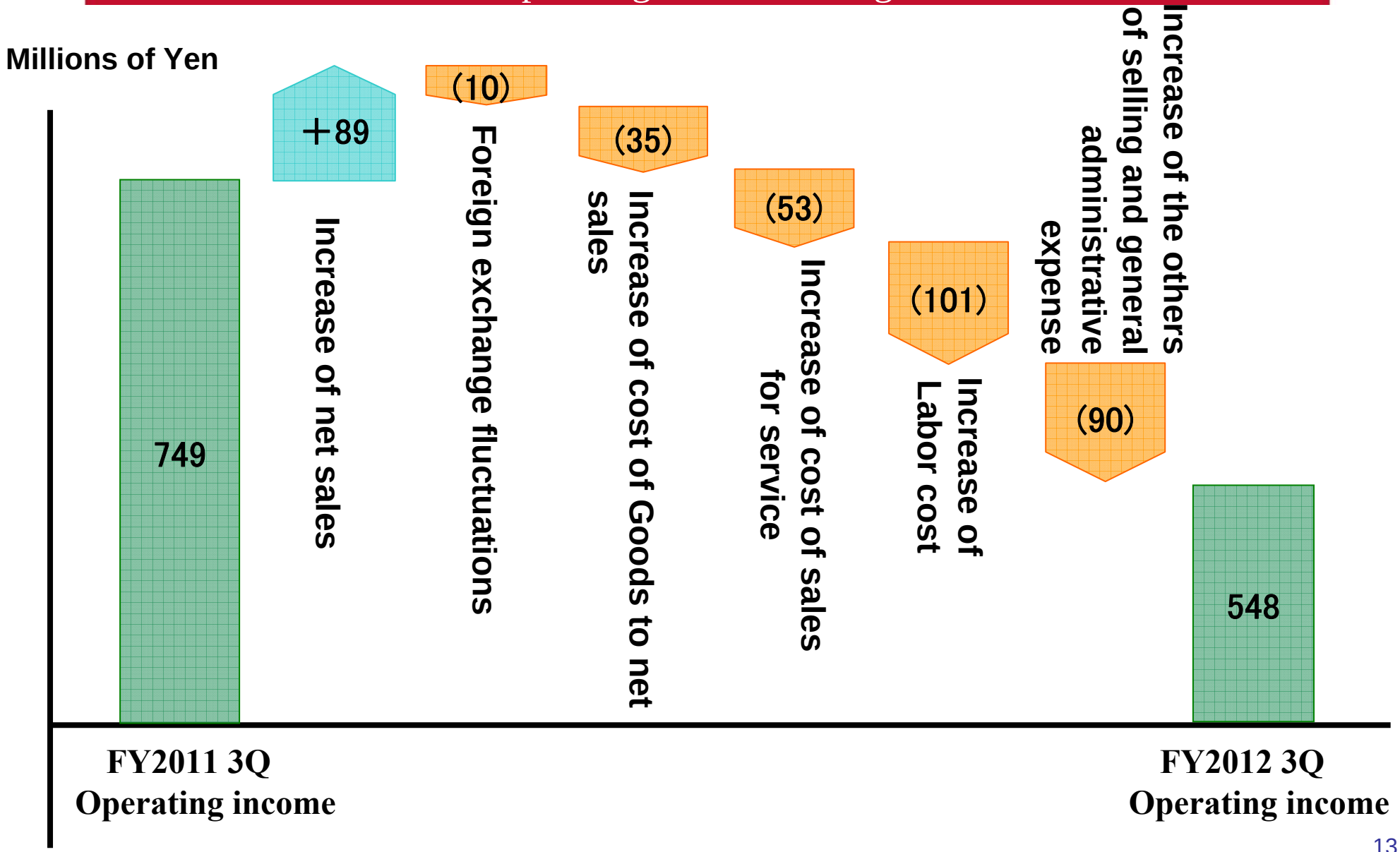
[Non-Consolidated]
Increase and decrease in Operating Income Changes

CYBERNET SYSTEMS CO., LTD.



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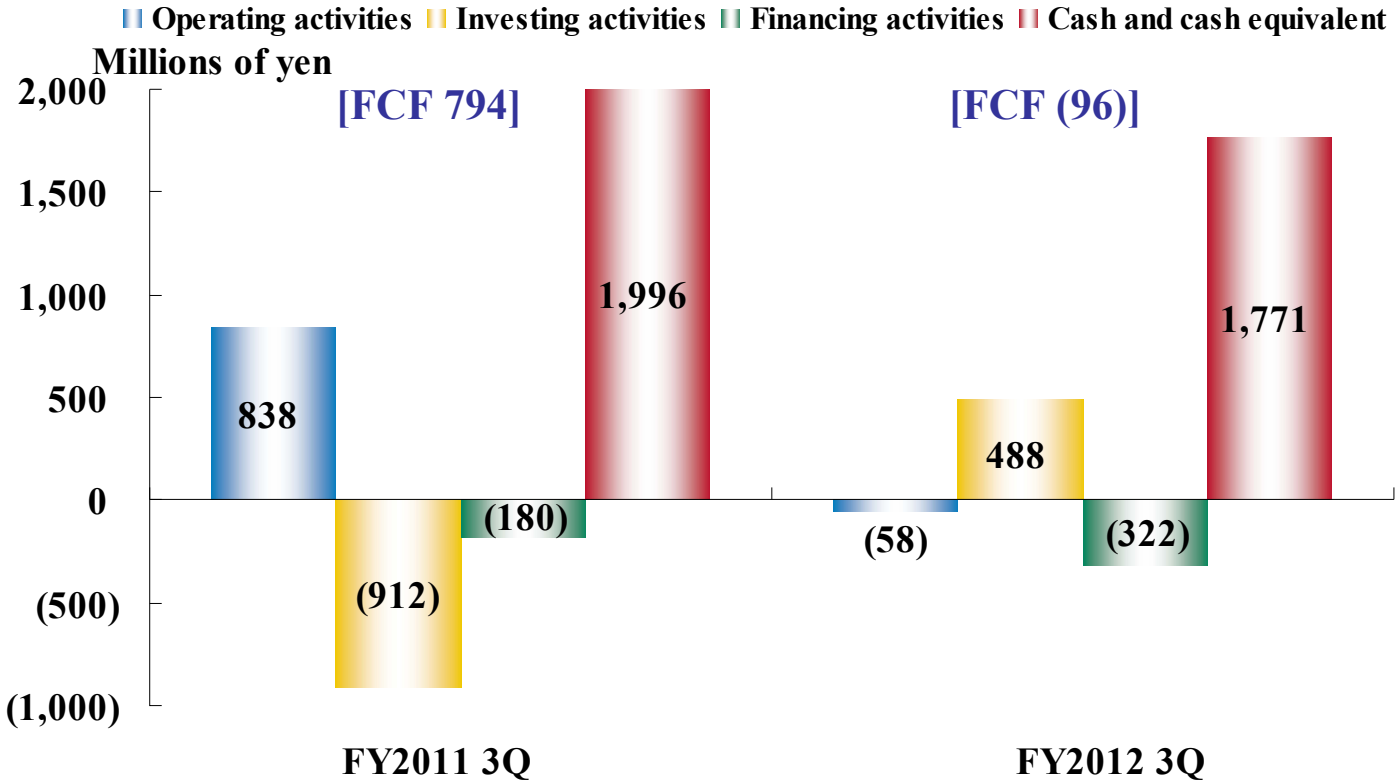
[Consolidated] Statements of Cash Flows

CYBERNET SYSTEMS CO., LTD.



Net cash provided by operating activities	
Income before taxes	＋305
Depreciation	＋128
Amortization of goodwill	＋212
Notes and account receivable(decrease)	＋707
Account payable(decrease)	(434)
Accrued expenses	(92)
Provision for bonuses	(223)
Provision for retirement benefits（increase）	＋65
Income taxes paid	(793)

Net cash provided by investing activities	
Proceeds from withdrawal of time deposits	＋100
Purchase of shor-term investment securities	(999)
Decrease in investment securities	＋1,686
Increase in loans receivable	(212)

Net cash provided by financing activities	
Payment for dividends	(322)

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[Consolidated] Business Segment Information

CYBERNET SYSTEMS CO., LTD.

FY2011 3Q

Millions of yen

	CAE Solution Services			IT Solution Services			Elimination	Consolidated	
	Amount	Composition ratio	Ratio	Amount	Composition ratio	Ratio	Amount	Amount	Ratio
Net sales	8,597	88.0%	—	1,175	12.0%	—	0	9,773	—
Operating expenses	7,240	—	84.2%	1,119	—	95.2%	1,000	9,359	95.8%
Operating income	1,357	—	15.8%	56	—	4.8%	(1,000)	413	4.2%

FY2012 3Q

Millions of yen

	CAE Solution Services			IT Solution Services			Elimination	Consolidated	
	Amount	Composition ratio	Ratio	Amount	Composition ratio	Ratio	Amount	Amount	Ratio
Net sales	8,609	86.4%	—	1,350	13.6%	—	—	9,960	—
Operating expenses	7,506	—	87.2%	1,197	—	88.6%	1,051	9,755	97.9%
Operating income	1,102	—	12.8%	153	—	11.4%	(1,051)	204	2.1%

1. CAE solution services

(Y-o-Y Net Sales 0.1% increase)
(Y-o-Y Operating income 18.8% decrease)

2. IT Solution services

(Y-o-Y Net Sales 14.9% increase)
(Y-o-Y Operating income 171.3% increase)

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[Non-consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	FY2011 3Q		FY2012 3Q				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	8,529	—	8,702	—	102.0%	8,721	99.8%
Gross profit	3,515	41.2%	3,506	40.3%	99.7%	3,217	109.0%
Operating income	749	8.8%	548	6.3%	73.1%	471	116.3%
Ordinary income	727	8.5%	612	7.0%	84.2%	471	130.0%
Net income	407	4.8%	362	4.2%	88.9%	271	133.3%

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

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[Non-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	3,507	—	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%

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	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%

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[Non-consolidated] Performance Summary

CYBERNET SYSTEMS CO., LTD.

Millions of yen

FY2012(10-12)

	FY2011 3Q(10-12)		FY2012 3Q(10-12)				
	Amount	Ratio	Amount	Ratio	Y-o-Y	Estimates	Difference from Plan
Net sales	2,304	—	2,386	—	103.6%	2,440	97.8%
Gross profit	867	37.7%	899	37.7%	103.7%	860	104.5%
Operating income	(108)	—	(80)	—	28	(70)	(10)
Ordinary income	(96)	—	(29)	—	66	(70)	40
Net income	(105)	—	(28)	—	76	(62)	33

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Summary by application area

CYBERNET SYSTEMS CO., LTD.

CAE Solution Services	
Mechanical	Overall sales of new license has led to sluggish, though renewal sales and business deployment of Engineering Services preserved similar performance with the same period of last year.
Optical/Illumination	Sales of new license for Illumination design and analysis Software was slightly declined, though renewal sales for the main software had steady growth.
EDA	Overall sales of new license has led to sluggish, though renewal sales is back on course for recovery. Expect more sales from Strategic products such as Upstream process design and Validation software for "System LSI" which received a multi-year contract.
Numerical and control	Sales of new license of products produced by Cybernet group companies showed a substantial increase until the Second Quarter of FY2013, however could not preserve similar performance with the same period of last year in the Third Quarter. Sales and deployment of "Engineering services" had steady growth.
New products and others	Sales of new license of the focus products (and packages) had substantially increased, however for sales of new license of products produced by Cybernet group companies were fell short than expectation level.
Visualization	Increasing demand for analytical data visualization for urban environmental engineering, civil engineering and meteorological has led to steady growth. Demanding for "Image diagnostic management" is being increased in the medical field, however sales could not preserve similar performance with the same period of last year.
Overseas Business	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 substantial sales growth in IT Asset Management solution and Full-disk encryption software and other IT infrastructure products.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.

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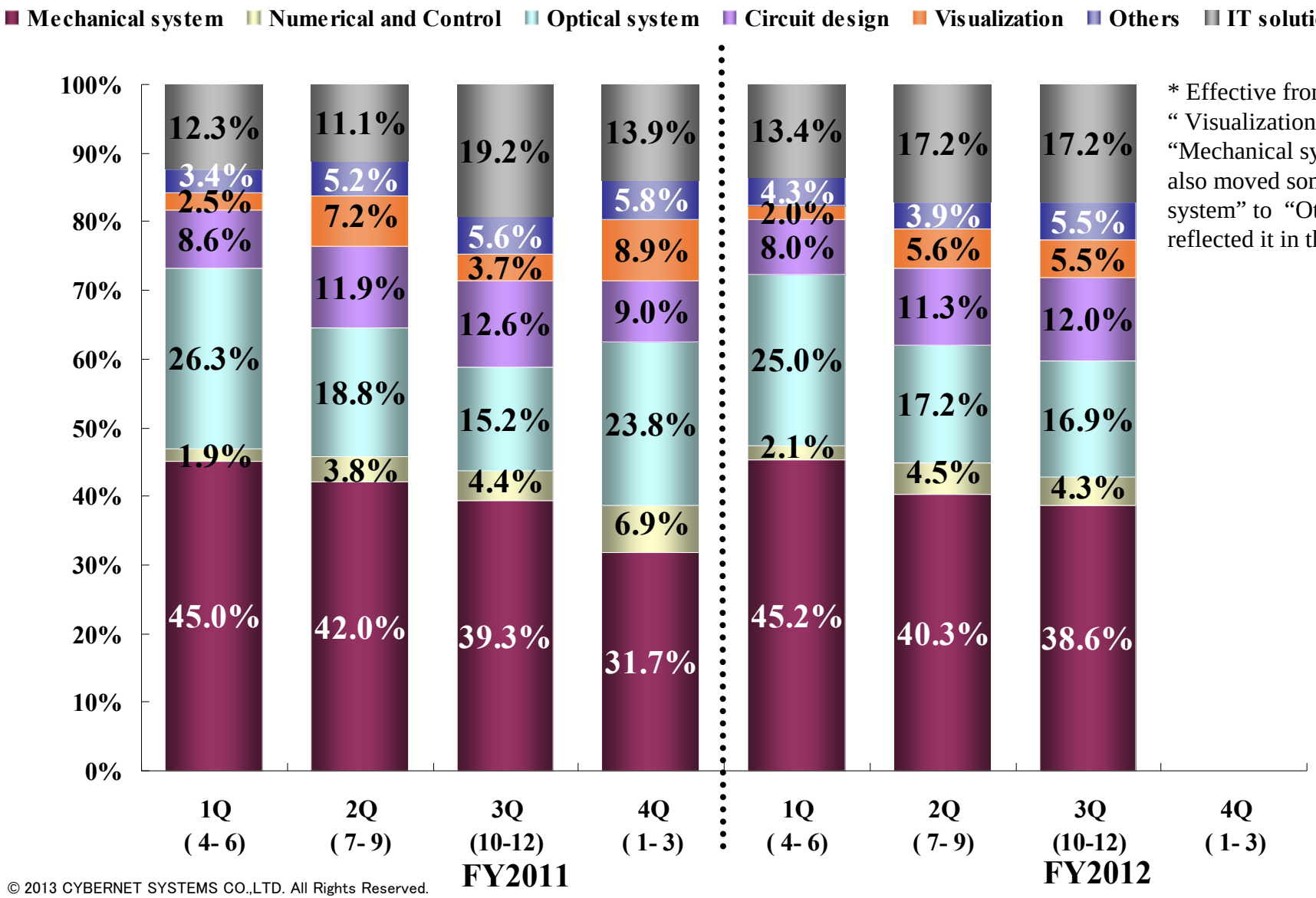
[Non-consolidated] Net Sales by Business Line

CYBERNET SYSTEMS CO., LTD.



* 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.

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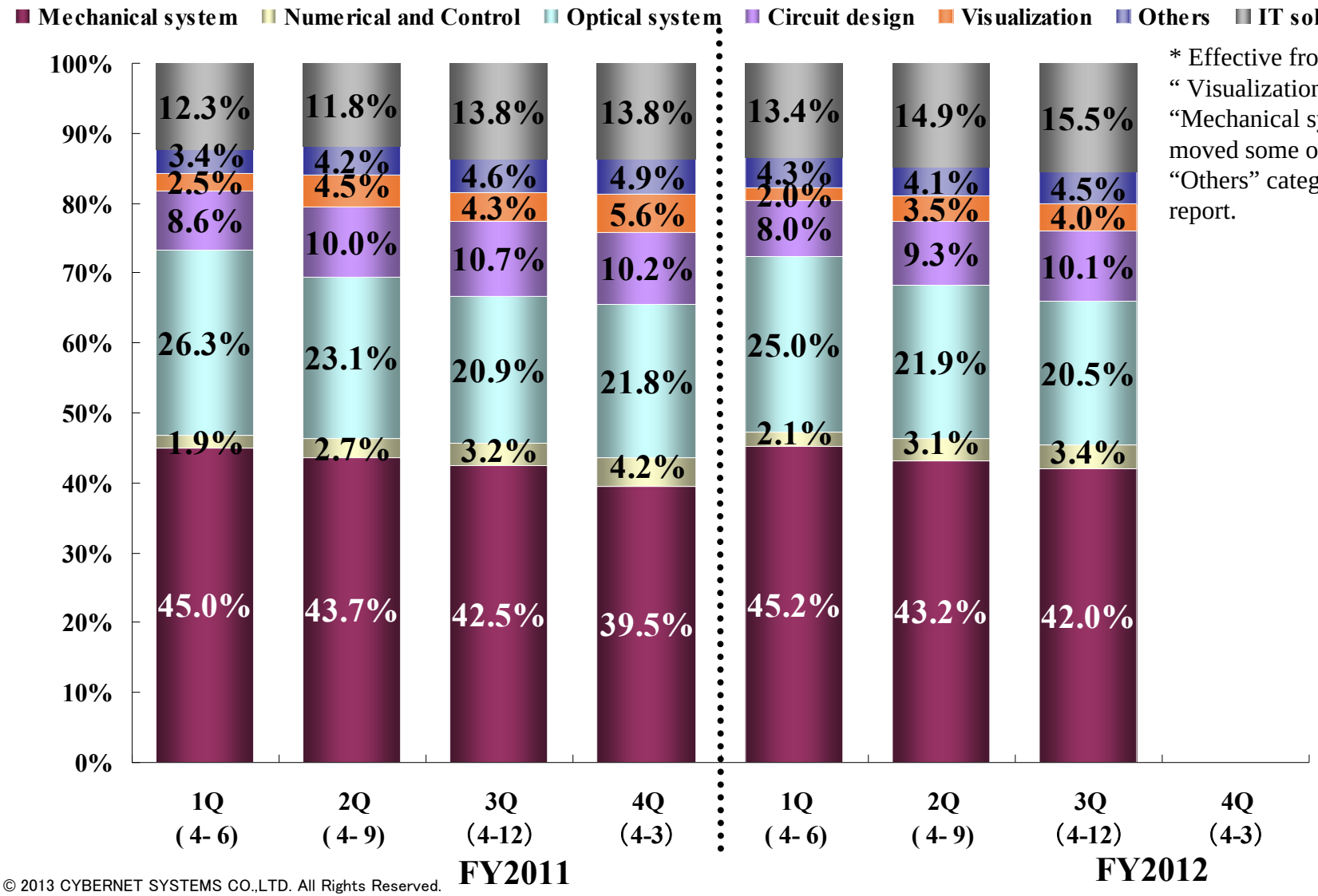
[Non-consolidated]
(Cumulative) Net Sales by Business Line

CYBERNET SYSTEMS CO., LTD.



* 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.

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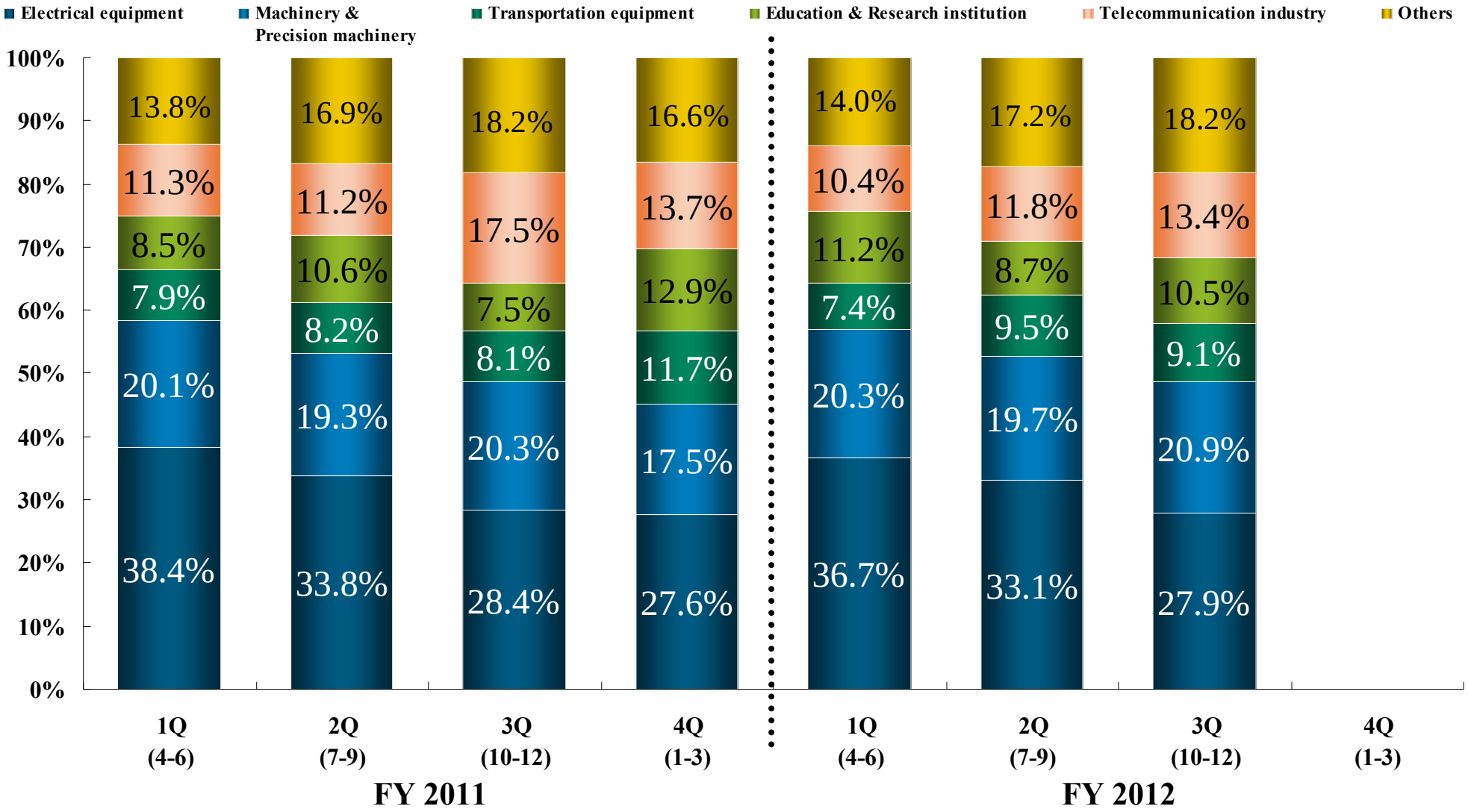
[Non-consolidated] Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



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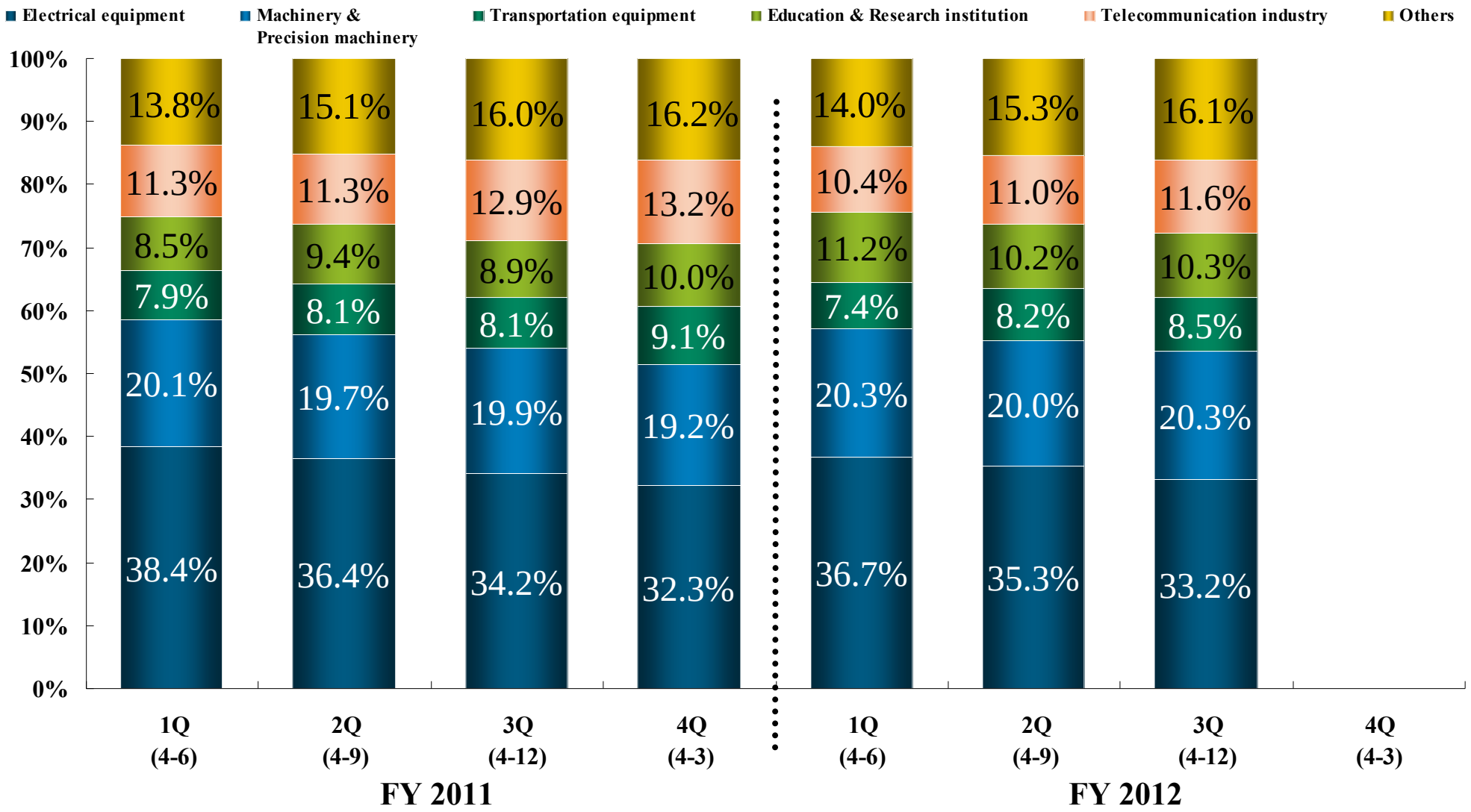
[Non-consolidated]
(Cumulative) Net Sales by Category of Industry

CYBERNET SYSTEMS CO., LTD.



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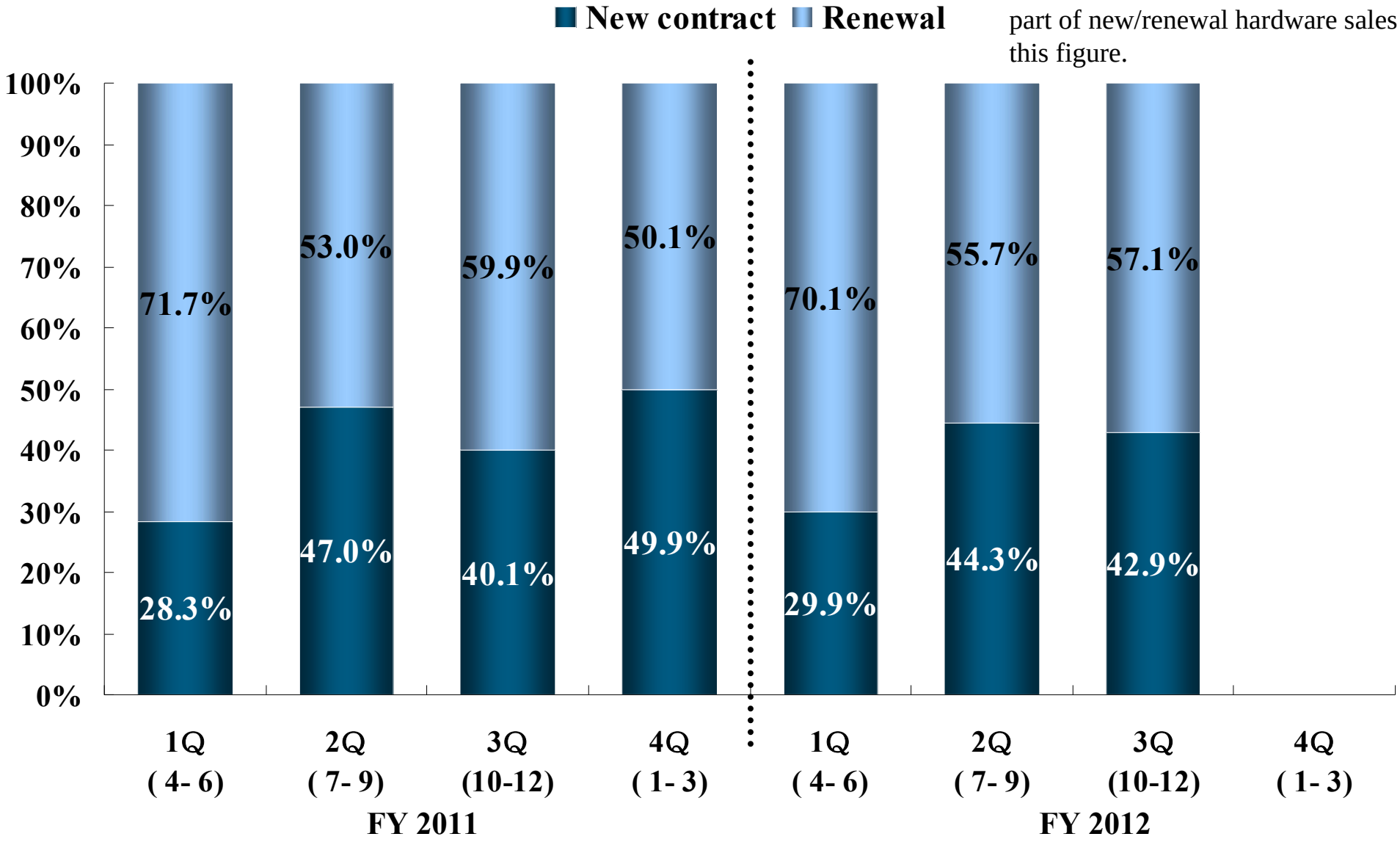
[Consolidated]Net Sales by Contract

CYBERNET SYSTEMS CO., LTD.

Effective from this term, we included part of new/renewal hardware sales in this figure.



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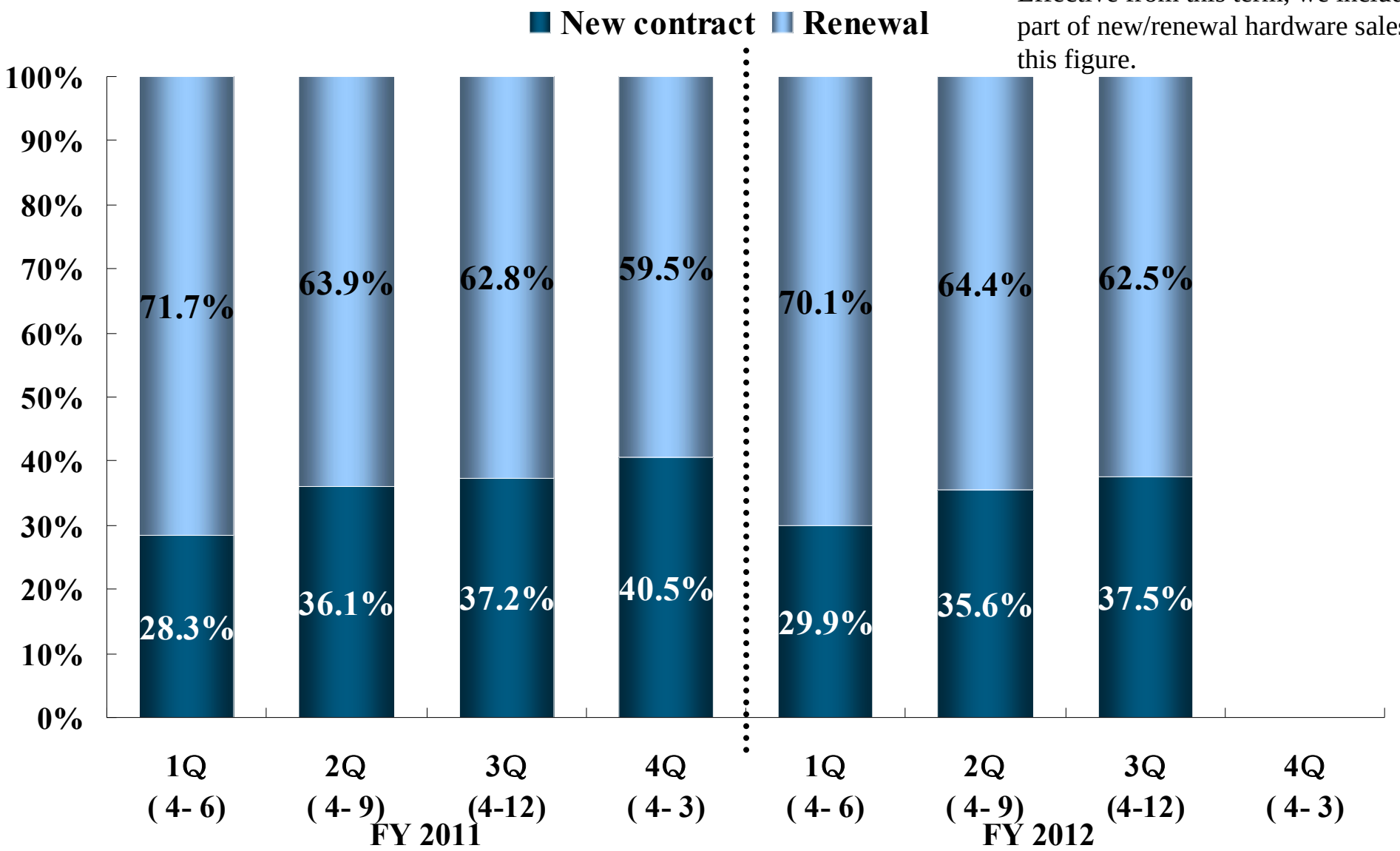
[Consolidated]
(Cumulative) Net Sales by Contract

CYBERNET SYSTEMS CO., LTD.

Effective from this term, we included part of new/renewal hardware sales in this figure.



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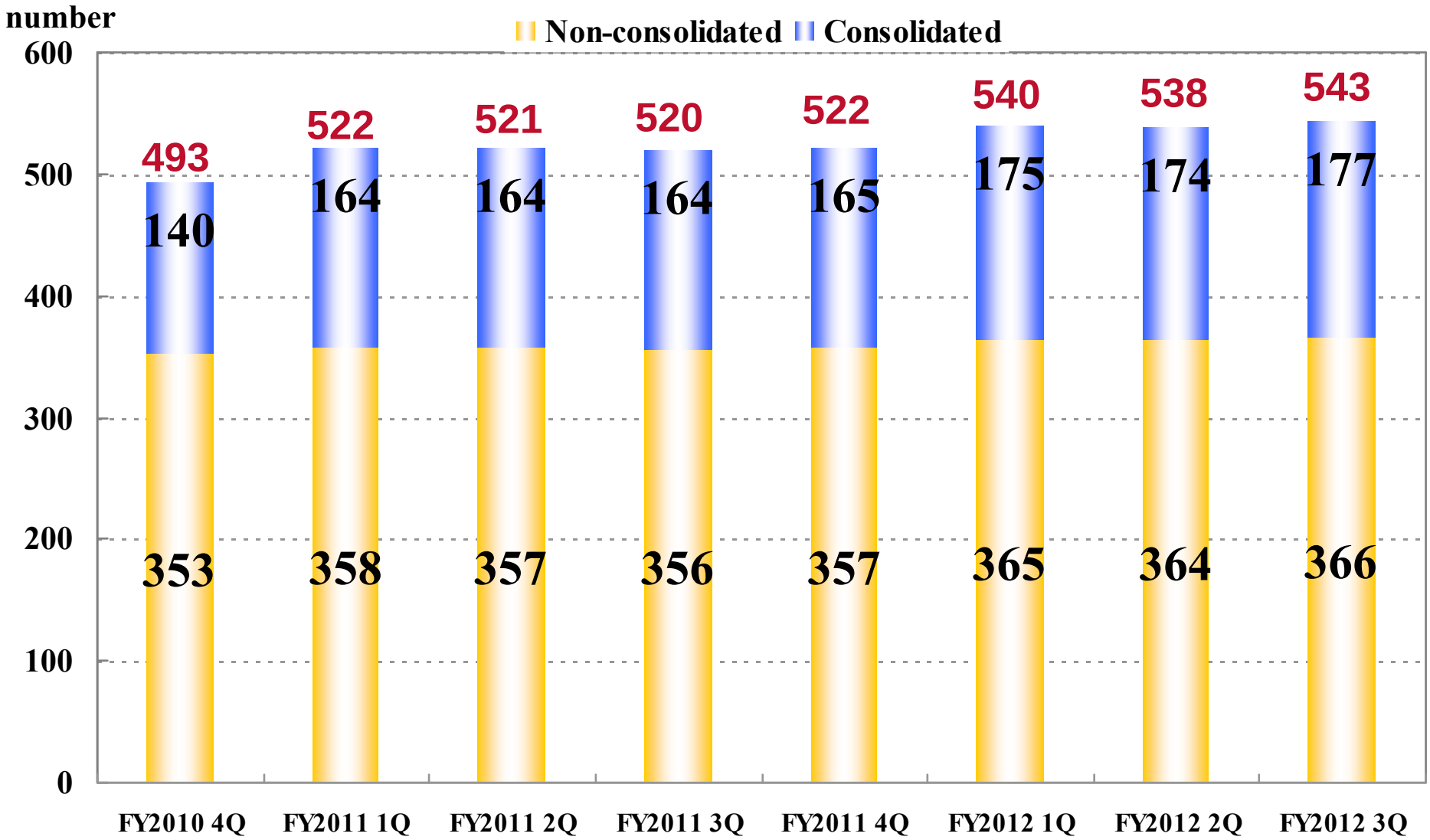
Transition of the number of employees

CYBERNET SYSTEMS CO., LTD.



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Projection of Results for FY2012

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[Consolidated] FY2012 Forecast

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	Full Year		
	FY2011	FY2012F	Y-o-Y difference
Net sales	13,613	14,000	102.8%
Gross profit	5,762	5,634	97.8%
ratio	42.3%	40.2%	(2.1P)
Operating income	631	697	110.3%
ratio	4.6%	5.0%	＋ 0.3P
Ordinary income	698	750	107.3%
rato	5.1%	5.4%	＋ 0.2P
Income before tax	736	714	96.9%
ratio	5.4%	5.1%	(0.3P)
Net income	300	385	128.2%
ratio	2.2%	2.8%	＋ 0.5P

Result forecast

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

(2)FY2012 currency hedge status: 84% of product cost that is in foreign currency are reserved approximately JPY78/USD average.

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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
Equity 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

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[Non-consolidated] FY2012 Forecast

CYBERNET SYSTEMS CO., LTD.

Millions of yen

	Full Year		
	FY2011	FY2012F	Y-o-Y difference
Net sales	11,904	12,200	102.5%
Gross profit	4,900	4,589	93.6%
ratio	41.2%	37.6%	(3.5P)
Operating income	1,044	940	90.0%
ratio	8.8%	7.7%	(1.1P)
Ordinary income	1,068	940	88.0%
rato	9.0%	7.7%	(1.3P)
Income before tax	1,106	904	81.7%
ratio	9.3%	7.4%	(1.9P)
Net income	586	560	95.5%
ratio	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: 84% of product cost that is in foreign currency are reserved approximately JPY78/USD average.

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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 Neribei-cho, 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 December 31, 2012)**
Number of Employees **:**	**Consolidated / 543, Non-Consolidated / 366**
Subsidiaries & affiliates **:**	

Consolidated /

Waterloo Maple Inc.
Noesis Solutions NV
CYBERNET CAE SYSTEMS (Shanghai) CO., LTD.
Sigmetrix, 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.

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”

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Cybernet Group

CYBERNET SYSTEMS CO., LTD.

Market

Japan

Asia

Europe and NA

Cybernet Group

つくる情熱を、支える情熱。
CYBERNET

CAE solution
IT Solution

CYBERNET Sales Subsidiaries

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

Direct sales and sales through WW distributors (partners)

FUJISOFT Group

ユビキタス＆クラウドインテグレーター
FUJISOFT

Cooperate in control, IT field

CAE Development Subsidiaries

Maplesoft
Mathematics • Modeling • Simulation

Direct sales locations: NA, German, France

Sigmetrix

Direct sales location: NA

noesis

Direct sales locations: Belgium, NA, France

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Public Relations Department

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