

This is a translation of the original financial report (*Kessan Tanshin*) in Japanese. In the event of any discrepancy, the original report in Japanese shall prevail.

Member of the Financial Accounting  
Standards Foundation



## Financial Results for the Six Months Ended September 30, 2008

October 30, 2008

Listed Company: Cybernet Systems Co., Ltd.  
 Stock Listing: the First Section of Tokyo Stock Exchange  
 Code Number: 4312  
 (URL <http://www.cybernet.co.jp/>)  
 Representative: Kuniaki Tanaka, Representative Director and President  
 Contact: Hiroshi Takahashi, Managing Director  
 Tel: (TOKYO) +81-3-5297-3010  
 Scheduled date of submission of quarterly financial statements: November 12, 2008  
 Scheduled date of starting of dividend payment: November 17, 2008

### 1. Consolidated Financial and Operating Results for the Six Months ended September 30, 2008 (April 1, 2008 to September 30, 2008)

Note: Amounts less than one million yen omitted.

#### (1) Consolidated Operating Results (cumulative)

Figures shown in percentages are rates of change from the six months ended September 30, 2007.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2008	10,509	-	1,573	-	1,627	-
Six months ended September 30, 2007	10,232	9.9	1,061	(2.6)	1,189	(5.4)

	Net income		Net income per share - basic	Net income per share - diluted
	Millions of yen	%	Yen	Yen
Six months ended September 30, 2008	866	-	2,768.94	2,767.34
Six months ended September 30, 2007	646	(6.9)	2,040.63	2,033.58

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended September 30, 2008	16,365	11,472	70.1	36,584.99
Year ended March 31, 2008	16,660	10,966	65.8	35,108.46

Ref.: Capital

Six months ended September 30, 2008: 11,472 million yen

Year ended March 31, 2008: 10,966 million yen

## 2. Dividend Status

Date of Record	Dividend per Share				
	End of First Quarter	End of Second Quarter	End of Third Quarter	End of Period	Annually
Year ended March 31, 2008	Yen -	Yen 700	Yen -	Yen 1,100	Yen 1,800
Year ending March 31, 2009	-	900	-	-	-
Year ending March 31, 2009 (forecast)	-	-	-	1,000	1,900

Note: Revision to the dividend forecast in the six months ended September 30, 2008: None

## 3. Consolidated Forecast for the Year Ending March 31, 2009 (April 1, 2008 to March 31, 2009)

Figures shown in percentages are rates of change from the previous year

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending March 31, 2009	23,000	9.8	3,160	8.0	3,270	6.0	1,970	8.8	6,292.32

Note: Revision to the consolidated forecast in the six months ended September 30, 2008: None

## 4. Others

- 1) Important changes involving subsidiaries during the period (Changes in special subsidiaries involving the change in the scope of consolidation): None
- 2) Adoption of simplified accounting methods and special accounting treatment for preparing quarterly consolidated financial statements: Yes
- 3) Changes in the principles and procedures of accounting method or method of presentation, etc. with regard to preparation of quarterly consolidated financial statements (Changes in items that are listed as changes in important matters that form the basis for preparing quarterly consolidated financial statements.)
  - i) Changes following the revision of accounting standards: Yes
  - ii) Changes for reasons other than those listed in above in i): None
- 4) Number of stocks outstanding (common stock)
  - i) Number of stocks outstanding at period end (including treasury stocks):  
Six months ended September 30, 2008: 324,000      Year ended March 2008: 324,000
  - ii) Number of treasury stocks at period end:  
Six months ended September 30, 2008: 10,417      Year ended March 2008: 11,632
  - iii) Average number of stocks during period:  
Six months ended September 30, 2008: 313,080      Six months ended September 30, 2007: 317,045

### \* Regarding the business forecast and other notes

- The above forecast figures are projections based on currently available information, and contain uncertainties in many respects. Actual result may differ from the forecast figures depending on changes in business conditions.
- Effective April 1, 2008, the "Accounting Standard for Quarterly Financial Statements" (ASBJ Statement No. 12) and the "Implementation Guidance for Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14) have been adopted. The quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

## 5. Consolidated Financial Statements for the Six Months ended September 30, 2008

### (1) Consolidated Balance Sheets

(Thousands of yen)

	September 30, 2008	March 31, 2008 (Summary)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,803,255	2,522,309
Notes receivable - trade and accounts receivable	3,812,271	4,549,155
Marketable securities	1,587,277	1,780,556
Products	220,195	161,657
Work in process	17,273	557
Supplies	5,286	4,586
Short-term loans	1,000,000	1,000,000
Other current assets	1,263,260	1,245,320
Allowance for doubtful accounts	(3,948)	(4,753)
<b>Total current assets</b>	<b>10,704,871</b>	<b>11,259,390</b>
<b>Fixed assets</b>		
Tangible fixed assets	500,607	524,331
<b>Intangible fixed assets</b>		
Goodwill	163,739	198,999
Other intangible fixed assets	413,627	455,398
<b>Total intangible fixed assets</b>	<b>577,366</b>	<b>654,398</b>
<b>Investments and other assets</b>		
Investment securities	3,970,900	3,693,179
Others	615,182	531,897
Allowance for doubtful accounts	(3,160)	(2,610)
<b>Total investments and other assets</b>	<b>4,582,923</b>	<b>4,222,466</b>
<b>Total fixed assets</b>	<b>5,660,897</b>	<b>5,401,195</b>
<b>Total assets</b>	<b>16,365,769</b>	<b>16,660,585</b>

(Thousands of yen)

	September 30, 2008	March 31, 2008 (Summary)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,737,879	2,325,382
Income taxes payable	795,018	501,393
Reserve for bonuses	439,013	386,444
Reserve for bonuses to directors	30,775	63,217
Other current liabilities	1,354,406	1,907,419
Total current liabilities	<u>4,357,093</u>	<u>5,183,857</u>
Fixed liabilities		
Reserve for retirement benefits	486,372	453,141
Reserve for directors' retirement benefits	13,095	56,826
Other fixed liabilities	36,777	-
Total fixed liabilities	<u>536,244</u>	<u>509,967</u>
Total liabilities	<u>4,893,338</u>	<u>5,693,825</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	995,000	995,000
Capital surplus	909,000	909,000
Retained earnings	10,606,356	10,129,625
Treasury stock	(732,967)	(818,458)
Total shareholders' equity	<u>11,777,389</u>	<u>11,215,167</u>
Unrealized gains and exchange differences		
Unrealized gains on marketable securities	(277,908)	(125,242)
Deferred hedge gains and losses	(27,048)	(123,163)
Total unrealized gains and exchange differences	<u>(304,957)</u>	<u>(248,406)</u>
Total net assets	<u>11,472,431</u>	<u>10,966,760</u>
Total liabilities and net assets	<u>16,365,769</u>	<u>16,660,585</u>

(2) Consolidated Statements of Income

Six Months ended September 30, 2008

	(Thousands of yen)
	Six months ended September 30, 2008 (April 1, 2008 to September 30, 2008)
Net sales	10,509,874
Cost of sales	6,056,644
Gross profit	4,453,230
Selling, general and administrative expenses	2,879,303
Operating income	1,573,927
Non-operating income	
Interest income	23,494
Dividend income	40,734
Subsidy income	11,690
Other	6,133
Total non-operating income	82,053
Non-operating expenses	
Sales discount	115
Exchange loss	26,079
Other	1,945
Total non-operating expenses	28,140
Ordinary income	1,627,840
Extraordinary gain	
Gain on sales of fixed assets	1
Total extraordinary gain	1
Extraordinary losses	
Loss on disposal of fixed assets	3,795
Total extraordinary losses	3,795
Income before income taxes	1,624,046
Corporate, inhabitant and enterprise taxes	784,504
Deferred income taxes	(27,357)
Total income taxes	757,146
Net income	866,899

## (3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six Months ended September 30, 2008 (April 1, 2008 to September 30, 2008)
Cash flows from operating activities	
Income before income taxes	1,624,046
Depreciation and amortization	244,241
Amortization of goodwill	35,259
Interest income and dividend income	(64,228)
Foreign exchange loss (gain)	6,098
Gain on sales of fixed assets	(1)
Loss on disposal of fixed assets	3,795
(Increase) decrease in trade receivables	565,495
(Increase) decrease in inventories	(75,954)
Increase (decrease) in payables	(584,023)
Increase (decrease) in accrued expenses	(71,985)
Increase (decrease) in accrued consumption tax and others	(28,530)
Increase (decrease) in allowance for doubtful accounts	(254)
Increase (decrease) in accrued bonuses	52,568
Increase (decrease) in accrued bonuses to directors	(32,442)
Increase (decrease) in reserve for retirement benefits	33,231
Increase (decrease) in reserve for directors' retirement benefits	(43,731)
Others	(122,042)
Subtotal	1,541,543
Interest and dividends received	60,759
Income taxes paid	(491,962)
Net cash provided by operating activities	1,110,339
Cash flows from investing activities	
Payment for acquisition of tangible fixed assets	(60,483)
Proceeds from sales of tangible fixed assets	83
Payment for acquisition of intangible fixed assets	(132,010)
Payment for acquisition of marketable securities	(2,296,722)
Proceeds from redemption of marketable securities	2,495,583
Payment for acquisition of investment securities	(498,201)
Proceeds from redemption of investment securities	42,020
Payment for acquisition of stocks of subsidiaries and affiliates	(83,520)
Payment for loans	(1,000,000)
Proceeds from collection of loans	1,000,000
Payment for insurance reserve fund	(902)
Proceeds from cancellation of insurance reserve fund	11,570
Others	3,241
Net cash used in investing activities	(519,344)
Cash flows from financing activities	
Proceeds from exercise of stock option rights	38,927
Payment for dividends	(342,878)
Net cash used in financing activities	(303,951)
Effect of exchange rate changes in cash and cash equivalents	(6,098)
Net increase (decrease) in cash and cash equivalents	280,946
Cash and cash equivalents at beginning of period	2,522,309
Cash and cash equivalents at end of period	2,803,255