

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 Nine Months Ended December 31, 2008

January 29, 2009

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
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Scheduled date of submission of Quarterly Securities Report: February 12, 2009

1. Consolidated Financial and Operating Results for the Nine Months ended December 31, 2008 (April 1, 2008 to December 31, 2008)

Note: Amounts less than one million yen omitted.

(1) Consolidated Operating Results (cumulative)

Figures shown in percentages are rates of change from the nine months ended December 31, 2007.

	Net sales		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2008	14,058	—	1,680	—	1,696	—
Nine months ended December 31, 2007	14,642	11.7	1,378	5.5	1,529	(0.7)

	Net income		Net income per share - basic	Net income per share - diluted
	Millions of yen	%	Yen	Yen
Nine months ended December 31, 2008	875	—	2,795.93	2,794.86
Nine months ended December 31, 2007	846	0.1	2,669.42	2,660.47

(2) Consolidated Financial Position

	Total assets	Net assets	Capital ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Nine months ended December 31, 2008	14,563	10,828	74.4	34,530.90
Year ended March 31, 2008	16,660	10,966	65.8	35,108.46

Ref.: Capital

Nine months ended December 31, 2008: 10,828 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
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2008	-	700	-	1,100	1,800
Year ending March 31, 2009	-	900	-	-	-
Year ending March 31, 2009 (forecast)	-	-	-	1,000	1,900

Note: Revision to the dividend forecast: 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	18,800	(10.2)	2,390	(18.3)	2,320	(24.8)	1,190	(34.3)	3,799.11

Note: Revision to the consolidated forecast: Yes

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: None
- 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):
 Nine months ended December 31, 2008: 324,000 Year ended March 31, 2008: 324,000
 - ii) Number of treasury stocks at period end:
 Nine months ended December 31, 2008: 10,417 Year ended March 31, 2008: 11,632
 - iii) Average number of stocks during period:
 Nine months ended December 31, 2008: 313,231 Nine months ended December 31, 2007: 317,100

* 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 Reporting" (ASBJ Statement No. 12) and the "Guidance on Accounting Standard for Quarterly Financial Reporting" (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 Nine Months ended December 31, 2008

(1) Consolidated Balance Sheets

(Thousands of yen)

	December 31, 2008	March 31, 2008 (Summary)
Assets		
Current assets		
Cash and deposits	1,932,878	2,522,309
Notes receivable - trade and accounts receivable	2,892,465	4,549,155
Marketable securities	1,570,829	1,780,556
Products	291,074	161,657
Work in process	29,966	557
Supplies	6,611	4,586
Short-term loans	1,500,000	1,000,000
Other current assets	1,051,552	1,245,320
Allowance for doubtful accounts	(2,964)	(4,753)
Total current assets	9,272,412	11,259,390
Fixed assets		
Tangible fixed assets	470,788	524,331
Intangible fixed assets		
Goodwill	146,109	198,999
Other intangible fixed assets	458,893	455,398
Total intangible fixed assets	605,003	654,398
Investments and other assets		
Investment securities	3,387,919	3,693,179
Others	830,353	531,897
Allowance for doubtful accounts	(3,160)	(2,610)
Total investments and other assets	4,215,112	4,222,466
Total fixed assets	5,290,903	5,401,195
Total assets	14,563,316	16,660,585

(Thousands of yen)

	December 31, 2008	March 31, 2008 (Summary)
Liabilities		
Current liabilities		
Accounts payable - trade	1,317,242	2,325,382
Income taxes payable	142,016	501,393
Reserve for bonuses	202,866	386,444
Reserve for bonuses to directors	-	63,217
Other current liabilities	1,519,100	1,907,419
Total current liabilities	3,181,225	5,183,857
Fixed liabilities		
Reserve for retirement benefits	502,514	453,141
Reserve for directors' retirement benefits	14,498	56,826
Other fixed liabilities	36,777	-
Total fixed liabilities	553,789	509,967
Total liabilities	3,735,014	5,693,825
Net assets		
Shareholders' equity		
Capital stock	995,000	995,000
Capital surplus	909,000	909,000
Retained earnings	10,333,003	10,129,625
Treasury stock	(732,967)	(818,458)
Total shareholders' equity	11,504,036	11,215,167
Unrealized gains and exchange differences		
Unrealized gains on marketable securities	(610,671)	(125,242)
Deferred hedge gains and losses	(65,063)	(123,163)
Total unrealized gains and exchange differences	(675,734)	(248,406)
Total net assets	10,828,301	10,966,760
Total liabilities and net assets	14,563,316	16,660,585

(2) Consolidated Statements of Income

Nine Months ended December 31, 2008

(Thousands of yen)

	Nine Months ended December 31, 2008 (April 1, 2008 to December 31, 2008)
Net sales	14,058,559
Cost of sales	8,124,433
Gross profit	5,934,126
Selling, general and administrative expenses	4,253,426
Operating income	1,680,700
Non-operating income	
Interest income	35,707
Dividend income	40,734
Subsidy income	11,811
Other	11,260
Total non-operating income	99,513
Non-operating expenses	
Sales discount	132
Exchange loss	81,734
Other	1,983
Total non-operating expenses	83,850
Ordinary income	1,696,363
Extraordinary gain	
Gain on sales of fixed assets	1
Total extraordinary gain	1
Extraordinary losses	
Loss on disposal of fixed assets	3,821
Total extraordinary losses	3,821
Income before income taxes	1,692,543
Corporate, inhabitant and enterprise taxes	691,672
Deferred income taxes	125,099
Total income taxes	816,771
Net income	875,771

Three Months ended December 31, 2008

(Thousands of yen)

	Three Months ended December 31, 2008 (October 1, 2008 to December 31, 2008)
Net sales	3,548,685
Cost of sales	2,151,281
Gross profit	1,397,403
Selling, general and administrative expenses	1,555,473
Operating losses	(158,069)
Non-operating income	
Interest income	12,212
Subsidy income	120
Other	5,127
Total non-operating income	17,459
Non-operating expenses	
Sales discount	16
Exchange loss	55,655
Other	38
Total non-operating expenses	55,710
Ordinary losses	(196,319)
Extraordinary gain	
Gain on reversal of reserve for bonuses to directors	32,543
Gain on reversal of reserve for bonuses	232,299
Total extraordinary gain	264,842
Extraordinary losses	
Loss on disposal of fixed assets	25
Total extraordinary losses	25
Income before income taxes	68,496
Corporate, inhabitant and enterprise taxes	(92,831)
Deferred income taxes	152,456
Total income taxes	59,624
Net income	8,872

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Nine Months ended December 31, 2008 (April 1, 2008 to September 30, 2008)
Cash flows from operating activities	
Income before income taxes	1,692,543
Depreciation and amortization	322,039
Amortization of goodwill	52,889
Interest income and dividend income	(76,441)
Foreign exchange loss (gain)	14,921
Gain on sales of fixed assets	(1)
Loss on disposal of fixed assets	3,821
(Increase) decrease in trade receivables	1,437,793
(Increase) decrease in inventories	(160,850)
Increase (decrease) in payables	(987,134)
Increase (decrease) in accrued expenses	(5,254)
Increase (decrease) in accrued consumption tax and others	(93,651)
Increase (decrease) in allowance for doubtful accounts	(1,238)
Increase (decrease) in reserve for bonuses	(183,578)
Increase (decrease) in reserve for bonuses to directors	(63,217)
Increase (decrease) in reserve for retirement benefits	49,373
Increase (decrease) in reserve for directors' retirement benefits	(42,328)
Others	113,692
Subtotal	<u>2,073,377</u>
Interest and dividends received	71,504
Income taxes paid	<u>(1,040,649)</u>
Net cash provided by operating activities	<u>1,104,232</u>
Cash flows from investing activities	
Payment for acquisition of tangible fixed assets	(95,778)
Proceeds from sales of tangible fixed assets	83
Payment for acquisition of intangible fixed assets	(213,771)
Payment for acquisition of marketable securities	(2,296,722)
Proceeds from redemption of marketable securities	2,495,583
Payment for acquisition of investment securities	(581,722)
Proceeds from redemption of investment securities	83,270
Payment for loans	(2,500,000)
Proceeds from collection of loans	2,000,000
Payment for insurance reserve fund	(902)
Proceeds from cancellation of insurance reserve fund	11,570
Others	3,479
Net cash used in investing activities	<u>(1,094,911)</u>
Cash flows from financing activities	
Proceeds from exercise of stock option rights	38,927
Payment for dividends	<u>(622,758)</u>
Net cash used in financing activities	<u>(583,831)</u>
Effect of exchange rate changes in cash and cash equivalents	<u>(14,921)</u>
Net increase (decrease) in cash and cash equivalents	<u>(589,431)</u>
Cash and cash equivalents at beginning of period	<u>2,522,309</u>
Cash and cash equivalents at end of period	<u>1,932,878</u>