

February 23, 2010

Cybernet Systems Co., Ltd.
TSE 1st Section: Code No.4312

**Cybernet Systems absorbed (simplified, short-form amalgamation)
its subsidiary, KGT Inc.**

February 23, 2010 – Cybernet Systems Co., Ltd. (hereinafter “Cybernet”) announced today that absorption of its fully owned subsidiaries, KGT Inc. (hereinafter “KGT”) with resolution of Cybernet’s executive board meeting held on February 23, 2010.

The contents and details of disclosure in this release have been partially abbreviated since the objects of the absorption are fully owned subsidiaries of Cybernet.

1. Aim of the consolidation

KGT is offering development, sales, and operation of visualization software for the scientific computation field, image processing software for medical use and network security software. Cybernet decided to absorb KGT at this opportunity, in order to challenge improving the efficiency of the concentration of resources on business of the group and management.

2. Details of the consolidation

(1) Consolidation schedule

Board meeting to determine consolidation contract	February23, 2010
Singing of consolidation contract	February23, 2010
Consolidation schedule(effective date)	May1,2010

Note: In accordance with regulations governing simplified mergers in Item 3, Article 796, and governing short-form mergers in Item 1,Article 784 of Japanese corporate law, this consolidation can be conducted without seeking the approval at the general shareholders meeting of the consolidation contract between Cybernet and KGT.

(2) Method of consolidation

Using the amalgamation by absorption method, Cybernet will become the surviving company and KGT will be dissolved.

(3) Consolidation ratio

Cybernet owns all of the shares of KGT.

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This merger does not result in the issuance of new shares or an increase in capital.

- (4) Expired company's share warrants and corporate bonds with share warrants
KGT has not issued share warrants or corporate bonds with share warrants.

3. Details of companies involved in the consolidation (As of the end of March 2009)

	Surviving company	Expired company
(1) Name	Cybernet Systems Co., Ltd.	KGT Inc.
(2) Business type	Sales and technical support of CAE software. Providing engineering services including software implementation, consulting and contracted analysis, and also sales and technical support of IT software relating to the building of a robust IT infrastructure.	Development, sale and operation of visualization software for the scientific computation field, image processing software for medical use and network security software
(3) Established	April 17, 1985	November 1, 1994
(4) Head office location	3,Kanda Neribei-cho,Chiyoda-ku, Tokyo,Japan	8-8,Shinjyuku2-chome,Shinjyuku-ku, Tokyo,Japan
(5) Representative	Kuniaki Tanaka	Hiroshi Kato
(6) Paid in capital	¥995 million	¥100 million
(7) Outstanding shares	324,000	2,000
(8) Net assets	¥11,545million (March 31,2009)	¥232million (March 31,2009)
(9) Total assets	¥15,301million (March 31,2009)	¥702million (March 31,2009)
(10) Net sales	¥16,765million (March 31,2009)	¥1,701million (March 31,2009)
(11) Ordinary income	¥2,823million (March 31,2009)	¥ (112)million (March 31,2009)
(12) Net income	¥1,645million (March 31,2009)	¥ (224)million (March 31,2009)
(13) Fiscal year	March 31	March 31
(14) Major shareholders and	FUJI SOFT INCORPORATED 51.88%	Cybernet Systems Co., Ltd. 100%

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Shareholding ratio (As of the end of September 2009)	BBH FOR FIDELITY LOWPRICED STOCK FUND	6.33%
	MELLON BANK,NA TREATY CLINENT OMNIBUS	2.47%
	Shigehisa Inoue	1.34%
	Japan Trustee Services Bank, Ltd. (Account in Trust)	1.26%

4. Situation after amalgamation

(1)	Name	Cybernet Systems Co., Ltd.
(2)	Business type	Sales and technical support of CAE software. Providing engineering services including software implementation, consulting and contracted analysis, and also sales and technical support of IT software relating to the building of a robust IT infrastructure.
(3)	Head office location	3,Kanda Neribei-cho, Chiyoda-ku, Tokyo, Japan
(4)	Representative	Kuniaki Tanaka
(5)	Capital	¥995 million
(6)	Fiscal year	Year ended March 31

5. Future outlook

The impact of this consolidation on Cybernet's business performance is expected to be minimal and consequently no changes will be made to Cybernet's currently published business estimates.

For further information in English please contact:

Public Relations and Investor Relations Department

Email: irquery@cybernet.co.jp