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(Stock Exchange Code 4312)

February 20, 2019

To Shareholders with Voting Rights:

Kuniaki Tanaka
President & CEO
Cybernet Systems Co., Ltd.
3 Kanda-neribeicho, Chiyoda-ku, Tokyo

NOTICE OF THE 34TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 34th Annual General Meeting of Shareholders of Cybernet Systems Co., Ltd. (the “Company”). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Thursday, March 7, 2019 Japan time.

- 1. Date and Time:** Friday, March 8, 2019 at 2:00 p.m. Japan time (reception desk opens at 1:00 p.m.)
2. Place: AKIBA HALL, 5F AKIBA PLAZA, FUJISOFT Building located at
3 Kanda-neribeicho, Chiyoda-ku, Tokyo

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 34th Fiscal Year (January 1, 2018 – December 31, 2018) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company’s 34th Fiscal Year (January 1, 2018 – December 31, 2018)

Proposals to be resolved:

Proposal 1: Election of seven (7) Members of the Board

Proposal 2: Election of one (1) Audit & Supervisory Board Member

- * Of the documents to be included in this Notice, “6. The system to ensure that the performance of duties by Directors is in conformity with laws and regulations and the Articles of Incorporation, and the system to ensure that the Company’s business operations are appropriate, and the state of its operations” in the Business Report, “Consolidated Statement of Changes in Net Assets” and “Notes to Consolidated Financial Statements” in the Consolidated Financial Statements, “Statement of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” in the Non-consolidated Financial Statements are posted in “Matters disclosed on the internet regarding the Notice of the 34th Annual General Meeting of Shareholders” on the Company’s website ([http:// www.cybernet.jp/](http://www.cybernet.jp/)) pursuant to the applicable laws and regulations as well as Article 16 of the Company’s Articles of Incorporation, and thus not included in the Attachment of this Notice. For this reason, the Attachment of this Notice is part of the relevant financial statements audited by the Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing an audit report. For this reason, the Attachment of this Notice is part of the relevant financial statements audited by the Audit & Supervisory Board Members and Accounting Auditor for the purpose of preparing an audit report.
- * Revisions in the Reference Documents for the General Meeting of Shareholders, Business Report, Non-consolidated Financial Statements, and/or Consolidated Financial Statements, shall be posted on the Company’s website ([http:// www.cybernet.jp/](http://www.cybernet.jp/)).

Proposal 1: Election of seven (7) Members of the Board

The terms of office of all nine (9) Members of the Board will expire at the conclusion of this Annual General Meeting of Shareholders. In order to establish a system where management strategies can be achieved expeditiously, we propose that the number of Directors be decreased by two (2) and that seven (7) Members of the Board in total be elected.

The candidates are as follows.


As for the selection of Member of the Board candidates, they are decided by the Board of Directors of the Company with emphasis on balance of expertise, experience and ability, and diversity regardless of sex, age, nationality, etc., of the Board of Directors as a whole, based on the size of the Company, and upon adequate discussions by the Nomination/Compensation Committee, which are composed of external officers and the Representative Director.


No.		Name	Current positions	Attendance at Board of Directors meetings
1	Reappointment	Reiko Yasue	Executive Vice President and Member of the Board	14/14
2	Reappointment	Tomoya Kotani	Member of the Board, Senior Managing Executive Officer	16/17
3	Reappointment	Toshiyuki Takahashi	Member of the Board, Executive Officer, Chief Financial Officer (CFO)	17/17
4	New appointment	Emiko Nishigohri	Managing Executive Officer	— / —
5	New appointment	Arnie Cheng		— / —
6	Reappointment External Independent	Hajimu Kishi	Member of the Board	16/17
7	New appointment External	Makoto Ohnishi		— / —


(Note) As for Ms. Reiko Yasue, the total number of the Board of Directors meetings differs because he was newly appointed as a Member of the Board at the Annual General Meeting of Shareholders in the previous year (held on March 9, 2018).


The companies on the right listed in the past experience, etc. of each candidate are the Company's subsidiaries:


CYBERNET HOLDINGS CANADA, INC., WATERLOO MAPLE INC., CYBERNET SYSTEMS (SHANGHAI) CO., LTD., Noesis Solutions NV, CYFEM Inc. and CYBERNET SYSTEMS TAIWAN CO., LTD.


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
1	 <p><u>Reappointment</u></p> <p>Reiko Yasue (January 26, 1968) (51 years old)</p> <p>Years served as Member of the Board: 1 year and 0 months</p> <p>Attendance at the Board of Directors meetings: 14/14(100%)</p>	<p>April 1991 Joined Nagoya Research Institute, Panasonic Information Systems Co., Ltd. (currently Panasonic Advanced Technology Development Co., Ltd.)</p> <p>April 1994 Joined Unwired Planet</p> <p>December 1999 Joined Motorola, Inc.</p> <p>June 2004 Joined SevenNetworks, Inc</p> <p>September 2005 Joined Qualcomm Inc.</p> <p>July 2009 Joined FUJISOFT Inc. Manager, System Development Business Division, MS Business Mobile Planning Department</p> <p>April 2012 Executive Operating Officer, General Manager, Global Business Division</p> <p>April 2015 Managing Executive Officer, General Manager, Global Business Division</p> <p>January 2018 Joined the Company Executive Vice President</p> <p>March 2018 Executive Vice President, Member of the Board (Current Position)</p> <p>[Significant concurrent positions] Director, CYBERNET HOLDINGS CANADA, INC.</p>	2,800
<p>Reasons for the appointment</p> <p>Ms. Reiko Yasue has been selected as a candidate for Member of the Board, as she is expected to not only offer effective supervision of the Company's management in general based on her expertise and broad personal connections gained from her international business experience over many years and her contribution to the continuous improvement of corporate value and the Group's growth, but also play an important role in the reinforcement of the coordination with FUJISOFT Group.</p>			


No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
2	 <div>Reappointment</div> <p>Tomoya Kotani (July 2, 1973) (45 years old)</p> <p>Years served as Member of the Board: 5 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 16/17(94%)</p>	<p>April 1996 Joined FUJISOFT, Inc.</p> <p>October 2008 Manager, System Development Business Division, ET 2nd Business Department</p> <p>October 2009 Manager, System Development Business Group, Communication Control Unit</p> <p>April 2011 Deputy Group Manager, System Development Business Group</p> <p>April 2012 Executive Operating Officer, Deputy Division Manager, Solution Business Division</p> <p>March 2014 Seconded to the Company Member of the Board, the Company</p> <p>March 2014 Executive Operating Officer, FUJISOFT, Inc.</p> <p>April 2014 Seconded to the Company Member of the Board, Managing Executive Officer, the Company</p> <p>April 2015 Member of the Board, Managing Executive Officer</p> <p>January 2017 Member of the Board, Senior Managing Executive Officer (Current Position)</p> <p>[Significant concurrent positions] —</p>	14,100
	<p>Reasons for the appointment</p> <p>Mr. Tomoya Kotani has been selected as a candidate for Member of the Board, as he is expected to offer supervision based on his contribution to the growth of the Company's business through the invigoration of the Company's business activities not only in IT but also through his effort toward active collaboration with the field of CAE and supervision of strategic sales activities, as well as to play an important role in the coordination with FUJISOFT Group.</p>		

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
3	 <p>Reappointment</p> <p>Toshiyuki Takahashi (April 2, 1968) (50 years old)</p> <p>Years served as Member of the Board: 4 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 17/17(100%)</p>	<p>September 2003 Joined the Company, Corporate Planning Department</p> <p>April 2005 Seconded to KGT, Inc. (Currently acquired by the Company)</p> <p> Manager, Corporate Planning Office</p> <p>April 2007 Manager, General Administration Division, the Company</p> <p>October 2008 Manager, Accounting Division</p> <p>April 2011 Deputy Manager, Corporate Adminstrating Division</p> <p>April 2012 Manager, General Adminstrating Division</p> <p>April 2013 Executive Officer, Manager, General Adminstrating Division, Chief Financial Officer</p> <p>March 2015 Member of the Board, Executive Officer, Chief Financial Officer (Current Position)</p> <p>[Significant concurrent positions]</p> <p>Director, WATERLOO MAPLE INC.</p> <p>Director, Noesis Solutions NV</p> <p>Auditor, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>Auditor, CYBERNET SYSTEMS TAIWAN CO., LTD.,</p>	14,700
<p>Reasons for the appointment</p> <p>Mr. Toshiyuki Takahashi has been selected as a candidate for Member of the Board, as he is expected to contribute to establishing an optimum corporate governance system for the Company, in addition to supervision from the administrative perspective based on his familiarity in administrative operations in general, including accounting and finance as a CFO.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
4	 <p>New appointment</p> <p>Emiko Nishigohri October 13, 1968 (50 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>April 1991 Joined the Company, Applied Software Department</p> <p>April 2004 Manager, Optical Solutions Department, Applied Systems Second Division</p> <p>April 2010 Deputy General Manager, Optical Business Department</p> <p>April 2012 General Manager, Optical Business Department</p> <p>April 2013 Executive Officer, General Manager, Optical Business Department</p> <p>January 2018 Managing Executive Officer, General Manager, Optical Business Department</p> <p>January 2019 Managing Executive Officer, Deputy General Manager, CAE Division and General Manager, Optical Business Department (Current Position)</p> <p>[Significant concurrent positions] Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD. Director, CYBERNET SYSTEMS TAIWAN CO., LTD., Representative Director and Chair, CYFEM Inc.</p>	6,300
<p>Reasons for the appointment Ms. Emiko Nishigohri has been selected as a candidate for Member of the Board, as she is expected to offer supervision based on not only her contribution to the growth of the Company's CAE Solution Service business acting as a promoter of the business mainly in the field of optical design over many years but also her experience in business expansion into overseas markets.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
5	 <p>New appointment</p> <p>Arnie Cheng February 10, 1966 (53 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>October 1990 Joined Industrial Technology Research Institute</p> <p>January 2001 Director, TeraSoft Inc.</p> <p>August 2008 Director, CYBERNET SYSTEMS TAIWAN CO., LTD.</p> <p>June 2014 Director and General Manager</p> <p>January 2015 Director, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.,</p> <p>January 2016 Director, CEO and General Manager</p> <p>September 2017 President, CEO and General Manager (Current Position)</p> <p>October 2017 President and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD. (Current Position)</p> <p>[Significant concurrent positions]</p> <p>President, CEO and General Manager, CYBERNET SYSTEMS (SHANGHAI) CO., LTD.</p> <p>President and General Manager, CYBERNET SYSTEMS TAIWAN CO., LTD.</p>	—
<p>Reasons for the appointment</p> <p>Mr. Arnie Cheng has been selected as a candidate for Member of the Board, as he is expected to offer supervision and coordination with our Group companies based on not only his contribution to the growth of CAE Solution Service business in China and Taiwan over many years but also his business experience in the ASEAN region.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
6	 <p> <u>Reappointment</u> <u>External</u> <u>Independent</u> </p> <p>Hajimu Kishi (July 9, 1941) (77 years old)</p> <p>Years served as Member of the Board: 2 years and 0 months</p> <p>Attendance at the Board of Directors meetings: 16/17(94%)</p>	<p> April 1965 Joined Oki Electric Industry Co., Ltd. April 1972 Manager, Numerical Control Group September 1979 Joined FANUC CORPORATION September 1984 Deputy Manager, Product Development Laboratory June 1985 Director June 1989 Managing Director, Manager, East Sales Division April 2005 Senior Managing Director, Manager, FA Domestic Sales Administration Division June 2007 Resigned from Senior Managing Director, became Advisor June 2010 Managing Director November 2011 Resigned from Managing Director, became Advisor (Current Position) April 2012 Auditor, the University of Electro-Communications March 2016 External Auditor & Supervisory Board Member, the Company April 2016 Special Adviser to the President, the University of Electro-Communications (Current Position) March 2017 External Member of the Board, the Company (Current Position) [Significant concurrent positions] Advisor, FANUC CORPORATION Special Adviser to the President, the University of Electro-Communications </p>	—
<p>Reasons for the appointment</p> <p>Mr. Hajimu Kishi has been selected as a candidate for external Member of the Board, as he is expected to contribute to the development of the Company's CAE solution services business by capitalizing on his wealth of knowledge and experience in the area of numerical control technology, as well as his broad personal connections in the FA industry. In addition, he is also expected to provide supervision over the Company's management in general, as well as invaluable opinions regarding manufacturing operations, based on his long-standing management experience as a director of a business corporation and superior insight into the industry. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board.</p>			

No.	Name (Date of birth)	Past experience, positions, and responsibilities	Number of shares of the Company held
7	 <p>New appointment External</p> <p>Makoto Ohnishi (January 18, 1958) (61 years old)</p> <p>Years served as Member of the Board: —</p> <p>Attendance at the Board of Directors meetings: —</p>	<p>April 1981 Joined Nichii Co., Ltd. (Currently AEON RETAIL Co.,Ltd.)</p> <p>February 1991 Seconded to Mycal Systems Inc. (Currently VINX CORP.)</p> <p>September 1992 Transferred to VINX CORP.</p> <p>November 1995 Manager, Open System Department</p> <p>August 1998 General Manager, Business System Department</p> <p>December 1999 Manager, ITS Promotion Department</p> <p>March 2000 Manager, Store System Department</p> <p>April 2002 Director, Vinculum Japan Corporation (Currently VINX CORP.)</p> <p>January 2009 President and General Manager, Vinx China Co.,Ltd.</p> <p>June 2009 Managing Director, Vinculum Japan Corporation (Currently VINX CORP.)</p> <p>January 2012 President and Managing Director, Vinx China Co.,Ltd.</p> <p>April 2013 Director, Managing Executive Officer, VINX CORP.</p> <p>June 2016 Director, Senior Managing Executive Officer</p> <p>April 2017 Director, Senior Managing Executive Officer in charge of Outsourcing Business, Sales for New Specified Domestic Customers and Overseas Alliance</p> <p>April 2018 Director, Senior Managing Executive Officer in charge of Outsourcing Business</p> <p>June 2018 Advisor (Current Position)</p> <p>[Significant concurrent positions] Advisor, VINX CORP.</p>	—
<p>Reasons for the appointment</p> <p>Mr. Makoto Ohnishi has been selected as a candidate for external Member of the Board, as he is expected to provide supervision over the Company's management in general and practical and objective opinions regarding business development in overseas markets based on his corporate management experience and knowledge having served as a director for business corporations in and outside of Japan. For these reasons, he is believed to be capable of carrying out his duties appropriately as an external Member of the Board.</p>			

(Notes)

- There are no special interests between each candidate for Member of the Board and the Company.
- Mr. Hajimu Kishi and Mr. Makoto Ohnishi are candidates for external Members of the Board. The Company has registered Mr. Hajimu Kishi as an Independent Officer as prescribed by the Tokyo Stock Exchange, and he is to continue his duties as an Independent Officer upon the approval of his election. The Company will also register Mr. Makoto Ohnishi as an Independent Officer with the Tokyo Stock Exchange in June 2019 when he will satisfy the Independence Criteria for Independent External Members of the Board set forth below.
- The positions and responsibilities of respective candidates who are currently serving as Members of the Board of the Company, are as stated in "4. (1) Names, etc., of Members of the Board and Audit & Supervisory Board Members" in the Business Report (See page 29 to page 31 of the Japanese original document).
- The positions and responsibilities of respective candidates at present as well as in the past five (5) years as a business executive at the parent, subsidiaries of the parent company or subsidiaries of the Company are as stated in "Past experience, positions, and responsibilities." FUJISOFT, Inc. and its subsidiaries are the specified related business operators, as defined under Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act.
- Mr. Hajimu Kishi will have served as an external Member of the Board of the Company for two (2) years at the conclusion of this Annual General Meeting of Shareholders.
- The Company has entered into liability limitation agreements with Mr. Hajimu Kishi for the purpose of restricting his liability for damages as prescribed under Article 423, Paragraph 1 of the Companies Act, to the minimum amount of liability prescribed in Article 425, Paragraph 1 of the Companies Act. These liability limitation agreements are to be continued and executed upon the approval of this proposal and the reelection of Mr. Hajimu Kishi and the election of Mr. Makoto Ohnishi.
- The number of shares of the Company held by each candidate for Member of the Board reflects the situation as of December 31, 2018.
- Mr. Arnie Cheng's name in the family register is Minghong Tei.

(Reference) Independence Criteria and Qualitative Requirements for Independent External Members of the Board

In the selection of candidates for independent external Members of the Board, the Company determines that any candidate who falls under any of the following categories to lack independence. As such, the Company pays attention to retain persons who do not fall under any of the following categories, have no concern of conflict of interest with general shareholders, and are able to secure substantial

independence.

- (1) Any person who has executed business of the Company or its subsidiaries or who has been a second degree or closer relative of such a person in the past ten (10) years
- (2) Any person who has fallen under any of the following categories or who has been a second degree or closer relative of such a person in the past year
 - 1) Any person who executes business of a company that has a material business relationship with the Company, or that of the parent company or material subsidiary of such a company
 - 2) An attorney or consultant of the Company or of its subsidiaries, who receives large amounts of compensation or other forms of economic benefit, other than compensation for Members of the Board of the Company
If the person is a corporation or other organization, this means a person who executes business of such corporation or organization
 - 3) Any person who executes business of the parent company of the Company
 - 4) Any person who executes business of a company that belongs to the Group of the Company's parent company
- (3) Any other person who have concerns of constant substantial conflicts of interest with general shareholders of the Company, due to circumstances other than those in (1) and (2) above

Proposal 2: Election of one (1) Audit & Supervisory Board Member


Audit & Supervisory Board Members Hiroshi Takahashi and Shingo Shimura will resign from their office at the conclusion of this Annual General Meeting of Shareholders. Therefore, we propose that one (1) Audit & Supervisory Board Member be elected.

Since Mr. Satoru Kimoto will be elected as a substitute for Mr. Shingo Shimura, the term of office of Mr. Satoru Kimoto will expire at the expiration of the term of the resigning Audit & Supervisory Board Member as prescribed in the Articles of Incorporation of the Company.

The Audit & Supervisory Board has given its approval to this proposal.

The candidate is as follows.

As for the selection of Audit & Supervisory Board Member candidates, they are decided by the Board of Directors of the Company with emphasis on balance of expertise, experience and ability of the Audit & Supervisory Board as a whole, based on the assumption that more than one (1) person with appropriate knowledge on finance and accounting will be elected, and upon adequate discussions by the Nomination/Compensation Committee, which are composed of external officers and the Representative Director.

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
 <p>New appointment</p> <p>Satoru Kimoto (October 2, 1962) (56 years old)</p> <p>Years served as Audit & Supervisory Board Member: —</p> <p>Attendance at the Board of Directors meetings: —</p> <p>Attendance at the Audit & Supervisory Board meetings: —</p>	<p>April 1987 Joined Fuji Software Co., Ltd. (currently FUJISOFT, Inc.)</p> <p>October 1995 Head, Corporate Planning Office</p> <p>April 2000 Manager, Corporate Planning Department</p> <p>April 2002 Manager, Corporate Planning Department, Administrative Division</p> <p>April 2006 Deputy General Manager, Administrative Division and Manager, Corporate Planning Department</p> <p>June 2007 Audit & Supervisory Board Member, the Company</p> <p>December 2007 Deputy General Manager, Administrative Division, FUJISOFT, Inc.</p> <p>April 2008 Seconded to FUJISOFT DIS Co., Ltd. (currently VINX CORP.), Director</p> <p>October 2009 Transferred to FUJISOFT DIS Co., Ltd., Director</p> <p>April 2012 Managing Director</p> <p>April 2013 Director, Executive Officer</p> <p>June 2013 Director, Managing Executive Officer</p> <p>April 2017 Director, Managing Executive Officer in charge of Administration (Current Position)</p> <p>[Significant concurrent positions] Director, VINX CORP.</p>	—
<p>Reasons for the appointment</p> <p>Mr. Satoru Kimoto has been selected as a candidate for Audit & Supervisory Board Member, as he is expected to not only provide proper supervision over the Company's management in general based on his long-term experience in an administrative division mainly in the area of corporate planning, but also give invaluable opinions for the enhancement of the Company's internal control system.</p>		

Name (Date of birth)	Past experience and positions	Number of shares of the Company held
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(Notes)

1. There are no special interests between the candidate for Audit & Supervisory Board Member and the Company.
2. The number of shares of the Company held by the candidate for Audit & Supervisory Board Member reflects the situation as of December 31, 2018.
3. The candidate will resign from the office of Director of VINX CORP., a subsidiary of the Company's parent company, at the conclusion of the annual general meeting of shareholders of VINX CORP. to be held on March 14, 2019.
4. The positions and responsibilities of respective candidates at present as well as in the past five (5) years as a business executive at the parent, subsidiaries of the parent company or subsidiaries of the Company are as stated in "Past experience, positions, and responsibilities." FUJISOFT, Inc. and its subsidiaries are the specified related business operators, as defined under Article 2, Paragraph 3, Item 19 of the Ordinance for Enforcement of the Companies Act.