

[Translation]

February 10, 2010

To All Persons Concerned

Company Name: Intelligent Wave Inc.
Name of Representative: Yoshiyuki Yamamoto
Representative: President and Representative Director
(Ticker Code: 4847 JASDAQ)
Contact: Yoshihiro Fujisawa
General Manager, Corporate Planning Office
TEL 03-6222-7015

Notice of Supporting the Tender Offer by Dai Nippon Printing Co., Ltd.

Intelligent Wave Inc. (“Intelligent Wave” or the “Company”) hereby announces that it has resolved at the Board of Directors meeting held on February 10, 2010 to represent its opinion supporting the Tender Offer by Dai Nippon Printing Co., Ltd. (Ticker Code: 7912 the First Section of the Tokyo and Osaka Stock Exchange, the “Purchaser”) for the common shares of the Company.

Details

1. Profile of the Purchaser

(As of February 10, 2010)

(1) Company Name	Dai Nippon Printing Co., Ltd.	
(2) Address of Head Office	1-1-1, Ichigaya Kagacho, Shinjuku-ku, Tokyo	
(3) Title and Name of Representative	Yoshitoshi Kitajima, President	
(4) Description of Business	Printing and Beverage operations	
(5) Capital Stock	JPY 114,464 million	
(6) Date of Incorporation	January, 1894	
(7) Main Shareholders and Ownership Ratio (As of September 30, 2009)	The Master Trust Bank of Japan, Ltd. (Trust account)	5.52%
	The Dai-ichi Mutual Life Insurance Company	4.41%
	Japan Trustee Services Bank, Ltd. (Trust account)	4.23%
	The Bank of New York Mellon as Depository Bank for Depository Receipt Holders (Standing Proxy: Sumitomo Mitsui Banking Corporation)	3.04%
	Mizuho Corporate Bank, Ltd.	2.18%
	Nippon Life Insurance Company	2.05%
	Mizuho Bank, Ltd.	1.78%
	Dai Nippon Printing Employee Shareholders Association	1.57%
	State Street Bank and Trust Company 505225 (Standing Proxy: Mizuho Corporate Bank, Ltd.)	1.15%
	Japan Trustee Services Bank, Ltd. (Trust account 9)	1.09%
(8) Relationship with the Company	Capital Relationship	The Purchaser owns one (1) share of the Company as of February 10, 2010.
	Personnel Relationship	An employee of the Purchaser has been a corporate officer of the Company. The Company’s employee has also been dispatched to the Purchaser.

	Business Relationship	The Company and the Purchaser have formed a business alliance in order to supply even more powerful security systems by combining the security technology of the Company, which is used to manage access to information available on network systems, with the security technology of the Purchaser, in which IC cards are used to manage access to devices and equipment. In November 2008, a business alliance agreement was entered into between the Company and the Purchaser and the Company established SSFC Business Promotion Department, which is intended to promote a security format for IC cards available among member companies that the Purchaser advocates. In May 2009, the Purchaser accepted staff from the Company and integrated and strengthened a sales structure of security business jointly conducted by the both companies. In addition, in October 2009, the Purchaser and the Company have commenced joint marketing of “EUCSecure”, a new product developed by the Company to manage access to information (such as office documents) available on networks.
	Applicability of Related Persons	N/A

2. Details of Opinion on the Tender Offer and Basis and Reason for Opinion

(1) Details of Opinion

The Company has resolved at the Board of Directors meeting held on February 10, 2010 to support the Tender Offer by the Purchaser.

(2) Basis and Reason for Opinion

On the basis of the network technologies built up since foundation, the Company has been engaged in creation of various operation systems mainly for financial industry.

Particularly, in the field of network systems for online transactions using credit card, the Company has plenty of achievements based on its high technologies and such technologies are the main elements which forms a technical basis of the Company. Solid technical basis and operating basis in the field of network system is Company’s advantage.

Based on such technical basis and operating basis, the Company is expanding its business to development of systems detecting unauthorized use of credit card and systems preventing leakage of internal information, and is expanding its business area not only to financial industry but to various industries.

The Company’s main businesses are as follows.

Retail Banking Online System

When people complete transactions online or deposit or withdraw cash using credit card, ATM (Automated Teller Machine) or cash card, a credit card company or bank connects to each retail store or ATM and receives various information such as validity of the card or status of the card user.

The Company develops a system which provide with the foregoing network structure, and promises to provide with a constant system which continue to run for 7 days a week by offering maintenance services.

System Solution Business

The Company provides with the following products or services using the basic technologies which make up client server system on LAN.

- Development of trading / dealing systems mainly for securities companies.
- Sales and maintenance of various network middleware products manufactured by the Company and other middleware products from overseas.
- Sales of own products which provide real stores or virtual stores with the functions necessary for credit card settlement at inexpensive price.

In addition, the Company develops and sells its own product “ACE Plus” which analyzes and detects unauthorized use of credit card statistically.

Security System Business

To prevent leakage of internal information, the Company develops and sells its own product “CWAT” which builds up a solid management structure by monitoring and controlling both network and PC.

“CWAT” is highly expected as a tool for enhancing information security on network and promoting enhancement of physical security such as management of room entry/leave and use of office equipments.

In addition, the Company sells various “CWAT”related products for further enhancement of its security functions.

On the other hand, The Purchaser group has been engaged in Printing and Beverage operations. The Printing Operations, which account for 95.5% of consolidated sales, consist of the following three segments: (i) the Information Communication segment, which includes mainly printing publications, commercial printing, and IPS (information processing services)/business forms; (ii) the Lifestyle and Industry Supplies segment, which includes mainly packaging, residential materials, and opto-materials/industrial materials; and (iii) the Electronics segment, which includes mainly semiconductor photo-masks and color filters for LCD displays. As part of its activity in the IPS/business form category of the Information Communication segment, the Purchaser’s group has been among the first to create a broad range of markets for many products and services centered on IC cards. Furthermore, since digital information and sophisticated data systems have become essential components of social infrastructures today and, as a result, there are growing social demands for easy-to-use systems that manage information with greater reliability, the Purchaser’s group has met such demands by providing security products and services that can be used with networks.

The Purchaser and the Company have formed a business alliance in order to supply even more powerful security systems by combining the security technology of the Purchaser, in which IC cards are used to manage access to devices and equipment, with the security technology of the Company, which is used to manage access to information available on network systems. In October 2007, the two companies announced a business alliance for launch of a joint office security service for financial institutions and began jointly conducting sales promotion activities. Due to these activities, the Company and the Purchaser jointly developed an integrated security system for Credit Saison’s Kansai Ubiquitous building; this system was provided to Credit Saison in September 2008.

Furthermore, the Purchaser made a tender offer for the Share certificates, etc. of the Company from August 20, 2008 until September 18, 2008, since in the course of the aforementioned business alliance, the Purchaser and the Company came to the conclusion that, in addition to increasing the benefits of cooperation in the joint provision of products and services, the resources of the Company including information security and system integration technologies might be useful to develop new technologies and to strengthen its product and service lineup, which will contribute to the expansion of security business on which the Purchaser places emphasis. However, since a minimum and maximum was set on the number of Share certificates, etc. to be purchased as a condition of the purchase, which made the shareholders less willing to tender, and the number of Share certificates, etc. tendered did not reach the minimum number of Share certificates, etc. scheduled to be purchased, the Purchaser did not purchase any of the tendered Share certificates, etc. and the Tender Offer was unsuccessful.

Although the capital alliance as a result of this tender offer for the Share certificates, etc. of the Company was not realized, the Purchaser and the Company implemented several measures to enhance the corporate value of each company, such as promoting further business alliances between the Purchaser and the Company. For example, in November 2008, the Company established the SSFC Business Promotion Department, which is intended to promote a security format for IC cards available among member companies that the Purchaser advocates and is also intended to provide operational support services for security logs. In February 2009, the Purchaser dispatched to the Company one of its personnel for the purpose of strengthening the business alliance in security business between the Company and the Purchaser, and such personnel was elected as a corporate officer of the Company as of March 1, 2009. Furthermore, in May 2009, the Purchaser accepted staff from the Company and integrated and strengthened the sales structure of the jointly conducted security business. In addition, since October 2009, the Purchaser and the Company have commenced joint marketing of ‘EUCSecure’, software developed by the Company, which manages access to information available on networks (such as office documents).

Although the business alliance has made some progress, the business environment around both the Purchaser and the Company is still harsh. Sharing the view that there is a need to take measures to further enhance the corporate value of the companies in accordance with the cooperation between them, the Purchaser and the Company again entered discussions in around June 2009 concerning the future business strategy, including the possibility of a capital alliance.

As a result of those discussions, the Purchaser and the Company reached the conclusion that to maximize the corporate value of both companies, it is essential for both companies to establish a stronger relationship, specifically in the form of a capital alliance. The Purchaser and the Company considered several methods of creating a capital alliance, including a third party allotment, and as a result of those deliberations both the Purchaser and the Company decided that a tender offer is the optimal method to avoid the dilution of shareholders value and to create a capital alliance of a certain scale.

For the reasons mentioned above, the Company has resolved at the Board of Directors meeting to support the Tender Offer for the purpose of creating a capital alliance with the Purchaser. Based on the outcome of the former tender offer which ran from August 20, 2008 to September 18, 2008, no maximum or minimum limit on the number of Share certificates, etc. to be purchased in this Tender Offer has been set, and the Purchaser will respect the intention of all shareholders who are willing to tender by purchasing all tendered Share certificates, etc. Furthermore, in order to maximize the opportunity to tender Share certificates, etc., the Company has set a tender offer period of 35 Business Days, which will run from February 12, 2010 to April 2, 2010.

The Purchaser and the Company plans to further refine Company's network and security technologies, and, based on such refinement, plans to explore opportunities for expanding digital security operations, such as user authentication service for credit card settlement in internet transactions and an Application Service Provider Service for detecting illicit acts. Furthermore, by using the Company's technologies developed in the business of providing systems for card information processing and systems for financial institutions, the Company plans to expand its operations to business process outsourcing services, including operations for the back office of financial institutions and operation of contact centers. Moreover, in order to strengthen Purchaser's and its group companies' ability of providing IT infrastructure in the future, the Purchaser and the Company will take full advantage of the Company's system integration abilities and operational capabilities.

In addition, in order to implement the measures mentioned above in a quick and efficient manner, following the completion of this Tender Offer, the Purchaser plans to further its relationship with the Company by sending individuals to serve on the Company's Board.

As of now, the Purchaser is not planning to acquire additional shares of the Company after this Tender Offer.

(i) Basis of Calculation

As reference for reviewing the appropriateness of the offer price for this Tender Offer, the Company's Board of Directors requested Daiwa Institute of Research Ltd., a third party institution independent of the Purchaser and the Company ("Daiwa Institute") to compute the share value of the Company and received a share valuation report ("Valuation Report") from Daiwa Institute as of February 9, 2010 (Please note that the Company does not receive an opinion from Daiwa Institute saying that the Tender Offer price for Company's common share is fair to the Company from financial point of view.). Daiwa Institute taking into account factors such as the financial status of the Company and the trend of the price of the Company's common share used the "Average share price method" and the Discounted Cash-flow Analysis Method ("DCF method") to compute the share value of the Company. According to the Valuation Report, the range of the value per share calculated are 14,186 yen to 15,894 yen under the average share price method, and 24,503 yen to 28,647 yen under the DCF method.

(ii) Process of Calculation

Based on the Valuation Report obtained from Daiwa Institute, the Company received legal advice from SATO & Partners, a legal advisor of the Company independent of the Purchaser and the Company. Considering all the terms of the Tender Offer, including the offer price, the merit of having long-term shareholders, future synergy expected between the Purchaser and the Company after the Tender Offer, etc., the Company has decided that the Tender Offer would maximize the Company's corporate value and shareholders value and on February 10, 2010 unanimously passed a resolution at the Board of Directors meeting expressing the Company's support for the Tender Offer. In addition, as a part of further strengthening of the relationship between the Purchaser and the Company, the Company passed a resolution to tender all of its treasury shares (16,618 shares [6.31 % of all issued shares, rounded to two decimal places] as of February 10, 2010).

(iii) Relation with Calculation Agent [Evaluation Institution]

Daiwa Institute is a third party institution independent of the Company, and not be applicable to any related person of the Company.

(3) Possibility of delisting the Company and reasons therefore

In this Tender Offer, the Purchaser does not set an upper limit on the number of share to purchase. The shares of the Company currently listed on the JASDAQ Securities Exchange may be delisted through the prescribed procedures if they conflict on the delisting standard of JASDAQ Securities Exchange after this Tender Offer (e.g. if the number of shareholders falls under 150 (As of June 30, 2009, the total number of shareholders is 15,336.), or the pricing ratio falls under 20% and cannot reach or surpass 20% within six months.) However, the Company intends to maintain the listing of its shares on JASDAQ Securities Exchange even after this Tender Offer. The Purchaser expects more shareholders of the Company to tender their share certificates in this Tender Offer, but the Purchaser also wants the continuous shareholders of the Company to enjoy the increasing benefit of the shareholders. Therefore, it is understood that the Purchaser and the Company plan to maintain the listing of the shares of the Company and this Tender Offer is not an attempt to delist the shares. In the event the result of this Tender Offer may conflict the delisting standard of JASDAQ

Securities Exchange, the Company will discuss with the Purchaser on any measure to avoid delisting.

(4) Matters on “Two-tier Tender Offer”

As of now, the Purchaser is not planning to acquire additional shares of the Company after this Tender Offer.

(5) Measures to ensure fairness of offer price

The Company has received an explanation from the Purchaser that the Purchaser referred to a share valuation report (“Valuation Report I”) obtained from Mizuho Securities Co., Ltd. (“Mizuho Securities”) and a share valuation report (“Valuation Report II”) obtained from PricewaterhouseCoopers (“PwC”). (Please note that the Purchaser received an opinion from Mizuho Securities and PwC saying that the Tender Offer price for Company’s common share is fair to the Purchaser from financial point of view.)

Mizuho Securities, taking into account factors such as the financial status of the Company and the trend of the price of the Company’s common shares, used the “average share price method”, the “comparable company analysis method” and the “DCF method” to compute the share value. According to Valuation Report I, the ranges of the value per share calculated are 14,186 yen to 15,894 yen under the average share price method, 15,799 yen to 19,430 yen under the comparable company analysis method, and 24,584 yen to 29,848 yen under the DCF method.

Similarly, PwC, also taking into account factors such as the financial status of the Company and the trend of the price of the Company’s common shares, used the “average share price method”, the “comparable company analysis method” and the “DCF method” to compute the share value. According to Valuation Report II, the ranges of the value per share calculated are 14,186 yen to 15,939 yen under the average share price method, 13,396 yen to 15,986 yen under the comparable company analysis method, and 22,449 yen to 30,090 yen under the DCF method.

The Purchaser, while referring to said Valuation Report I and Valuation Report II, considered an offer price within the ranges of the value per share between the minimum price of 14,186 yen calculated in the Valuation Report I and the maximum price of 29,848 yen calculated in the Valuation Report I. Furthermore, taking into consideration the result of the financial due diligence and the legal due diligence on the Company, examples of the premium seen in similar tender offers, the Company’s plan to maintain the Company as a listed company and other factors, and deciding that it is proper to make a tender offer to the existing shareholders with an offer price in which a sufficient premium is added to the market price of the shares of the Company, it was resolved at the Board of Directors meeting held on February 10, 2010 to set the offer price at 26,100 yen per share.

The Tender Offer price represents a premium of approximately 78.10% (rounded to two decimal places) on the simple arithmetic average of 14,655 yen (rounded to the nearest yen) of the closing share price of the Company on the JASDAQ Securities Exchange for the past three month-long periods up to February 10, 2010 and represents a premium of approximately 74.00% (rounded to two decimal places) on 15,000 yen, the closing share price of the Company on the JASDAQ Securities Exchange on February 10, 2010.

In order to ensure transparency and reasonableness in the process leading to the decisions to make this Tender Offer, the Company retained Yanagida & Partners as its legal adviser independent of the Purchaser and the Company, and obtained legal advice regarding the procedures of this Tender Offer.

Although the statutory minimum tender offer period is 20 Business Days, the Purchaser has set a tender offer period of 35 Business Days, which will run from February 12, 2010 to April 2, 2010. By setting a long tender offer period, the Purchaser ensures opportunities for the shareholders of the Company to make appropriate decision on this Tender Offer.

On the other hand, as reference for reviewing the appropriateness of the offer price for this Tender Offer, the Company’s Board of Directors requested Daiwa Institute of Research Ltd., a third party institution independent of the Purchaser and the Company (“Daiwa Institute”) to compute the share value of the Company and received a share valuation report (“Valuation Report”) from Daiwa Institute as of February 9, 2010 (Please note that the Company does not receive an opinion from Daiwa Institute saying that the Tender Offer price for Company’s common share is fair to the Company from financial point of view.). Daiwa Institute, taking into account factors such as the financial status of the Company and the trend of the price of the Company’s common shares, used the “Average share price method” and the Discounted Cash-flow Analysis Method (“DCF method”) to compute the share value of the Company. According to the Valuation Report, the range of the value per share calculated are 14,186 yen to 15,894 yen under the average share price method, and 24,503 yen to 28,647 yen under the DCF method.

And, the Company’s Board of Directors received legal advice from SATO & Partners, a legal advisor of the

Company independent of the Purchaser and the Company. Based on such legal advice and the Valuation Report obtained from Daiwa Institute, considering all the terms of the Tender Offer, including the offer price, the merit of having long-term shareholders, future synergy expected between the Purchaser and the Company after the Tender Offer, etc., the Company has decided that the Tender Offer would maximize the Company's corporate value and shareholders value and on February 10, 2010 unanimously passed a resolution at the Board of Directors meeting expressing the Company's support for the Tender Offer. In addition, as a part of further strengthening of the relationship between the Purchaser and the Company, the Company passed a resolution to tender all of its treasury shares (16,618 shares [6.31 % of all issued shares, rounded to two decimal places] as of February 10, 2010). In order to ensure the fairness of this transaction, Mr. Kazuhiko Adachi, Board Chairman of the Company, did not participate in the discussions and resolution relating to the above because he is a top shareholder of the Company and Mr. Adachi may tender his Share certificates, etc. in this Tender Offer.

(6) Measures to avoid adverse interest

To avoid adverse interest, the Purchaser and the Company respectively requested third party institutes independent of the Purchaser and the Company to compute the share value of the Company, respectively received legal advices from their legal advisors independent of the Purchaser and the Company and referred to such share value report and legal advice to make decisions related to the offer price, supporting this Tender Offer, and tendering all of treasury shares of the Company. In order to ensure the fairness of this transaction, Mr. Kazuhiko Adachi, Board Chairman of the Company, did not participate in the discussions and resolution relating to the opinion on this Tender Offer and tendering all of treasury shares of the Company because he is a top shareholder of the Company and Mr. Adachi may tender his Share certificates, etc. in this Tender Offer.

3. Matters related to agreement between Purchaser and shareholders of Company regarding tender of Share certificates, etc.

The Company has resolved at the Board of Directors meeting held on February 10, 2010 to tender all of its treasury shares (16,618 shares [6.31 % of all issued shares, rounded to two decimal places] as of February 10, 2010).

4. Details of profit sharing by Purchaser or special related persons

N/A

5. Policy to deal with Fundamental Policy on Company Control

N/A

6. Questions to Purchaser

N/A

7. Request of extension of Tender Offer Period

N/A

Expected Impact on future business Performance of Company

This Tender Offer will have little impact on the Company's financial performance.

- End -