



Summary of Financial Results for the First Six Months of the Fiscal Year ending June 2010  
February 10, 2010

Company name: INTELLIGENT WAVE INC.

Listing: JASDAQ

Code: 4847 URL: <http://www.iwi.co.jp>

Representative: Yoshiyuki Yamamoto, President and Representative Director

Contact: Yoshihiro Fujisawa, General Manager, Corporate Planning Office Tel. +81-3-6222-7015

Scheduled submission of quarterly report: February 12, 2010

Scheduled dividend payment date: —

(Rounded down to million yen)

**1. Consolidated financial results for the first six months of the fiscal year ending June 30, 2010 (July 1, 2009 to December 31, 2009)**

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Dec. 2009	2,177	(21.4)	(4)	—	(1)	—	55	41.1
Six months ended Dec. 2008	2,770	—	32	—	19	—	38	—

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Dec. 2009	222.90	—
Six months ended Dec. 2008	157.94	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2009	4,840	4,043	83.5	16,385.06
As of June 30, 2009	5,011	4,117	82.2	16,684.38

Reference: Shareholder's equity:

As of December 31, 2009: 4,043 million yen

As of June 30, 2009: 4,117 million yen

**2. Dividends**

(Record date)	Dividend per share				
	Q1-end	Q2-end	Q3-end	Year-end	Annual
Year ended Jun. 30, 2009	—	0.00	—	500.00	500.00
Year ending Jun. 30, 2010	—	0.00	—	—	—
Year ending Jun. 30, 2010 (forecast)	—	—	—	500.00	500.00

Note: Revisions to dividend forecast for the current quarter: None

**3. Forecast of consolidated financial results for the year ending June 30, 2010**

(July 1, 2009 to June 30, 2010)

(% change from the previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Jun. 30, 2010	5,003	(9.5)	150	(34.4)	163	(30.7)	176	(6.3)	713.18

Note: There are no revisions to the consolidated full-year business forecasts announced on February 3, 2010.

#### 4. Others

- (1) Changes in significant subsidiary during the period  
(changes in specified subsidiary with changes in the scope of consolidation): None  
Addition of subsidiaries: None                      Exclusion of subsidiaries: None
- (2) Application of simplified accounting method and accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting principles, procedures and presentation methods concerning the preparation of quarterly consolidated financial statements (Changes to be stated in the important items that form basis for quarterly consolidated financial statements)  
(i) Changes due to revision of accounting standards: Yes  
(ii) Changes for reasons other than those stated in (i) above: None
- (4) Shares outstanding (common shares)
- ① Number of shares outstanding at the end of period (treasury stocks included):  
As of December 31, 2009: 263,400 shares  
As of June 30, 2009 : 263,400 shares
  - ② Treasury stocks at the end of period:  
As of December 31, 2009: 16,618 shares  
As of June 30, 2009 : 16,618 shares
  - ③ Average number of shares during period (quarterly consolidated cumulative period):  
Six months ended December 31, 2009: 246,782 shares  
Six months ended December 31, 2008: 246,782 shares

#### \*Explanation regarding appropriate use of business forecasts and other special instructions

Above forecasts regarding future performance are based on information available at the time this report has been made. Forecasts embody uncertainties. Actual results may differ from the forecasts due to business conditions and other factors. For details of the above-mentioned forecasts, please refer to “3. Qualitative information on consolidated business forecasts” under “Qualitative information on consolidated financial condition” on page 4.

[Qualitative information and results of operations]

1. Qualitative information on the results of consolidated operations

The Intelligent Wave Group is made up of Intelligent Wave Inc. (hereinafter, the “Company”) and two subsidiaries. The main businesses of these companies are development, sale and maintenance of software, and hardware sales.

The Japanese economy in the six-month period under current consolidated review showed signs of having started to pick up. On the other hand, corporate capital expenditure fell significantly amid concerns over a prolonged deflationary trend as shown in the corporate goods price index and others, together with sluggish private consumption.

Furthermore, within industries with which we do most of our business, such as the credit card, securities and financial industries, no significant deviations from the trend for curbing system investments, etc. were observed, reflecting the tough business climate.

Under such difficult conditions, the Company aggressively promoted its business mainly by focusing on orders received from existing clients. This contributed to our achieving operating results that exceeded our forecasts made at the beginning of the term. Also, the Company concentrated its efforts to enhance efficiency by reinforcing the management of consigned development projects while cutting costs, etc. As a result, net sales for the first six-month period of the current consolidated fiscal year were ¥2,177 million (a 21.4% decrease, year on year), while ordinary loss was ¥1 million (ordinary income was ¥19 million in the same period last year), and net income was ¥55 million (a 41.1% increase, year on year).

These operating results significantly exceeded the forecasts announced on August 12, 2009, which is principally attributable to the fact that several projects were completed earlier than we had planned for sales in the third quarter and thereafter. Sales from new orders being relatively small, it is not anticipated that the forecasted sales for the full year will increase significantly. We therefore make no revisions to the full-year earnings forecasts.

Amid the tough business conditions, the Company established sales headquarters on January 1, 2010 in an attempt to strengthen relationships with existing clients and enhance profitability by further promoting aggressive sales efforts in new areas. The Company continues its intensive efforts toward creating new opportunities for growth while aiming to meet the full-year forecast.

Segment information for the six months of the current consolidated fiscal year is as follows:

• Retail Banking Online Systems

In the retail banking online systems business, sales and operating income for the six months were ¥1,196 million (down 26.6%, year on year) and ¥421 million (down 20.3%, year on year), respectively. Sales consist of system development and system maintenance consigned by credit card companies, our principal clients, “NET+1” package solutions sales and hardware sales, etc.

Amid the severe economic conditions, system investments in general by credit card companies tended to decrease with the priority on the implementation of system investments in response to the amendment of the Money Lending Business Act and the Installment Sales Act. This has heavily affected revenues from the retail banking online systems business.

However, as demands for system investment in response to the amendments to the aforementioned Acts creates business opportunities for the Company, we have been aggressively promoting sales activities aimed at winning orders for new development projects.

• System Solutions

In the system solutions business, both sales and operating income for the six-month period increased 0.9% and 216.1% on a year-on-year basis to ¥792 million and ¥122 million, respectively, which were attributable to our system development consigned by securities firms, our main clients, and system maintenance, and sales of our products, etc.

In particular, sales of “RIX,” the Company’s proprietary product, steadily grew following the launch of “arrowhead,” the next-generation trading system adopted by the Tokyo Stock Exchange. In addition, the Company received orders from credit card companies and sold hardware products.

- Security Systems

As to the security systems business, sale and maintenance of the “CWAT” internal information leakage prevention system and sale of other security products resulted in a 46.7% decrease in sales compared with the same period last year, to ¥188 million, and operating loss of ¥280 million (compared with ¥196 million in operating loss in the same period last year).

As indicated by the above figures, the security systems business faced difficulties as corporate capital expenditure generally decreased. Despite these circumstances, the Company has been focusing sales activities on broad proposals for information security solutions mainly targeting existing clients. Consistent efforts are being focused on obtaining orders after April, when the new fiscal year begins for many of our clients.

## 2. Qualitative information on consolidated financial condition

### (1) Condition of assets, liabilities and net assets

#### (Assets)

Total assets as of the end of the second quarter of the fiscal year under consolidated review were ¥4,840 million, a decrease of ¥171 million from the end of the previous consolidated fiscal year. Current assets increased by ¥85 million from the end of the previous consolidated fiscal year, to ¥3,212 million. This increase was mainly attributable to an added ¥180 million and ¥77 million in accounts and notes receivable and inventories, respectively, while cash and deposits dropped ¥102 million. Noncurrent assets shrank by ¥257 million from the end of the previous consolidated fiscal year, to ¥1,627 million, due mainly to a fall of ¥61 million in investment securities, ¥132 million in deferred tax assets and ¥60 million in lease and guarantee deposits.

#### (Liabilities)

Total liabilities as of the end of the second quarter of the current consolidated fiscal year decreased by ¥97 million from the end of the previous consolidated fiscal year to ¥796 million, due mainly to decreases of ¥46 million in notes and accounts payable-trade and ¥41 million in accrued expenses.

#### (Net assets)

Net assets at the end of the second quarter were ¥4,043 million, a decrease of ¥73 million from the end of the previous consolidated fiscal year. This was due mainly to a decrease of ¥68 million in retained earnings.

### (2) Cash flows

Cash and cash equivalents at the end of the second quarter were ¥1,581 million, a decrease of ¥103 million from the end of the previous consolidated fiscal year. A summary of cash flows and major components is presented below.

#### (Net cash provided by operating activities)

Net cash used in operating activities for the six-month period of the current consolidated fiscal year was ¥248 million, in contrast to the same period last year with net cash inflow of ¥79 million. This was mainly attributable to an increase of ¥212 million in notes and accounts receivable-trade, despite ¥128 million in income before income taxes.

#### (Net cash provided by investing activities)

Net cash generated from investing activities for the six-month period under review was ¥279 million in contrast to the same period last year, with net cash outflow of ¥68 million. This was mainly attributable to ¥210 million in proceeds from withdrawal of investments in silent partnerships and ¥63 million in proceeds from collection of lease and guarantee deposits.

(Net cash provided by financing activities)

Net cash used by financing activities for the six-month period amounted to ¥122 million, (net cash outflow of ¥121 million in the same period last year). This was mainly the result of paying dividends of ¥122 million.

### 3. Qualitative Information on consolidated business forecasts

There are no revisions to business forecasts announced on February 3, 2010.

\* Above forecasts regarding future performance are based on information available at the time this report was prepared. Forecasts embody uncertainties. Therefore, actual results may differ from these forecasts due to changes in business conditions and other factors.

### 4. Others

- (1) Changes in significant subsidiary during the period (changes in specified subsidiary due to changes in the scope of consolidation):

Not applicable.

- (2) Application of simplified accounting procedures and accounting treatments specific to the preparation of quarterly consolidated financial statements.

- i) Calculation method of estimated loss from doubtful accounts among general credits

Estimated loss from bad debts was calculated using the loan loss ratio as of the end of the previous consolidated fiscal year, as no significant changes were recognized in the loan loss ratio, etc. as of the end of the second quarter of the current consolidated fiscal year compared with the loan loss ratio calculated as of the end of the previous consolidated fiscal year.

- ii) Calculation method of depreciation and amortization of noncurrent assets

Depreciation and amortization of the assets to which a declining balance method is applied are computed by dividing the amount relevant to the consolidated fiscal year proportionately.

- iii) Calculation method of deferred tax assets and deferred tax liabilities

Our judgment on the recoverability of deferred tax assets is based on the forecasts for the future operations and tax planning, as no material changes are recognized in the business environment subsequent to the end of the previous consolidated fiscal year and the status of occurrence of temporary differences.

- (3) Changes in accounting principles, procedures and method of presentation, etc. for preparation of the quarterly consolidated financial statements

Changes in the recognition standard for revenue and expenses relating to the consigned software development

Recognition of revenues and expenses relating to consigned software development was formerly based on the completed contract method. Since the first quarter of the current consolidated fiscal year, we have applied the "Accounting Standard for Construction Contracts" (Accounting Standard No. 15, December 27, 2007) and "Application Guidance for the Accounting Standard for Construction Contracts" (Application Guidance for Accounting Standard No. 18, December 27, 2007). In accordance with these, of the contracts for consigned software development launched during the first quarter, the percentage of completion method (the progress of work is estimated by the cost allocation method) is applied to contracts for which reliable results can be produced by the end of the second quarter, while the complete contract method is applied to other contracts.

This change has no impact on income or loss.

## 5. [Consolidated Financial Statements]

(1) Balance Sheets as of the End of the Second Quarter

(Thousands of yen)

	End of the second quarter of the current fiscal year (As of December 31, 2009)	Summary consolidated balance sheet related to previous fiscal year (As of June 30, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	1,582,629	1,685,585
Notes and accounts receivable-trade	1,075,155	894,354
Inventories	287,042	209,226
Other	279,891	348,045
Allowance for doubtful accounts	(12,320)	(10,250)
Total current assets	<u>3,212,399</u>	<u>3,126,962</u>
Noncurrent assets		
Property, plant and equipment	387,018	405,154
Intangible assets	177,546	157,052
Investments and other assets		
Investment securities	—	529,672
Others	1,160,504	891,170
Allowance for doubtful accounts	(97,243)	(98,017)
Total investments and other assets	<u>1,063,261</u>	<u>1,322,825</u>
Total noncurrent assets	<u>1,627,825</u>	<u>1,885,032</u>
Total assets	<u>4,840,225</u>	<u>5,011,995</u>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	243,582	289,820
Income taxes payable	18,609	—
Provision for bonuses	49,865	59,024
Provision for directors' bonuses	10,444	24,273
Others	263,589	323,918
Total current liabilities	<u>586,091</u>	<u>697,036</u>
Noncurrent liabilities		
Provision for retirement benefits	154,050	143,898
Provision for directors' retirement benefits	54,947	51,970
Other	1,597	1,685
Total noncurrent liabilities	<u>210,595</u>	<u>197,554</u>
Total liabilities	<u>796,687</u>	<u>894,591</u>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	843,750	843,750
Capital surplus	568,778	568,778
Retained earnings	3,931,429	3,999,812
Treasury stock	(1,280,609)	(1,280,609)
Total shareholders' equity	<u>4,063,347</u>	<u>4,131,731</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	41,318	34,913
Foreign currency translation adjustment	(61,128)	(49,241)
Total valuation and translation adjustments	<u>(19,809)</u>	<u>(14,327)</u>
Total net assets	<u>4,043,537</u>	<u>4,117,404</u>
Total liabilities and net assets	<u>4,840,225</u>	<u>5,011,995</u>

## (2) [Consolidated Statements of Income]

Six-month period consolidated statements of income

(Thousands of yen)

	Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008)	Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)
Net sales	2,770,619	2,177,858
Cost of sales	1,801,697	1,503,149
Gross profit	968,921	674,709
Selling, general and administrative expenses	936,784	679,492
Operating income (loss)	32,137	(4,783)
Non-operating income		
Interest income	1,861	548
Dividends income	370	185
Interest on refund of income tax payments and Other	— 3,914	2,139 6,178
Total non-operating income	6,145	9,051
Non-operating expenses		
Commitment fee	2,738	2,731
Foreign exchange losses	15,546	2,103
Other	652	585
Total non-operating expenses	18,936	5,420
Ordinary income (loss)	19,345	(1,151)
Extraordinary income		
Reversal of allowance for doubtful accounts	9,950	—
Gain on investments in silent partnership	16,337	138,596
Reversal of provision for loss on office closures	42,610	—
Total extraordinary income	68,898	138,596
Extraordinary loss		
Loss on retirement of noncurrent assets	—	3,016
Impairment loss	—	2,343
Loss on insurance cancellation	—	3,518
Retirement benefit expenses for prior periods	13,021	—
Other	6,117	—
Total extraordinary loss	19,139	8,877
Income before income taxes	69,104	128,567
Income taxes-current	381	335
Income taxes-deferred	29,746	73,224
Total income taxes	30,128	73,560
Net income	38,976	55,007

## (3) [Quarterly Consolidated Statements of Cash Flows]

(Thousands of yen)

	Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008)	Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)
Net cash provided by operating activities		
Income before income taxes	69,104	128,567
Depreciation and amortization	43,926	45,801
Increase (decrease) in allowance for doubtful accounts	(31,518)	1,295
Increase (decrease) in provision for bonuses	2,807	(9,159)
Increase (decrease) in provision for loss on orders received	(7,500)	—
Increase (decrease) in provision for directors' bonuses	(1,255)	(13,828)
Increase (decrease) in provision for loss on office closures	(85,790)	—
Increase (decrease) in provision for retirement benefits	54,976	10,152
Increase (decrease) in provision for directors' retirement	2,440	2,977
Loss on retirement of noncurrent assets	—	3,016
Impairment loss	—	2,343
Loss (gain) on insurance cancellation	—	3,518
Interest and dividends income	(2,231)	(733)
Commitment fee	2,738	2,731
Loss (gain) on investments in silent partnership	(16,337)	(138,596)
Loss (gain) on valuation of investment securities	3,718	—
Decrease (increase) in notes and accounts	216,185	(212,413)
Decrease (increase) in inventories	(25,423)	(77,815)
Increase (decrease) in notes and accounts payable-trade	(41,760)	(45,966)
Other, net	(36,727)	(16,502)
Subtotal	147,352	(314,612)
Interest and dividends income received	1,781	822
Commitment fee paid	(2,193)	(2,765)
Income taxes refund	—	76,702
Income taxes paid	(67,065)	(8,604)
Net cash provided by (used in) operating activities	79,874	(248,456)
Net cash provided by investing activities		
Purchase of investment securities	(10,730)	(299)
Proceeds from sales of investment securities	—	62,980
Proceeds from withdrawal of investments in silent	—	210,802
Purchase of property, plant and equipment	(34,407)	(5,873)
Purchase of intangible assets	(40,619)	(50,053)
Payments for lease and guarantee deposits	(12,718)	(3,825)
Proceeds from collection of lease and guarantee deposits	32,146	63,965
Purchase of insurance funds	(9,032)	(6,721)
Proceeds from cancellation of insurance funds	—	12,523
Payments of loans receivable	—	(3,900)
Other, net	6,980	—
Net cash provided by (used in) investing activities	(68,381)	279,597
Net cash provided by financing activities		
Cash dividends paid	(121,340)	(122,189)
Net cash used in financing activities	(121,340)	(122,189)
Effect of exchange rate change on cash and cash equivalents	2,974	(12,031)
Net increase (decrease) in cash and cash equivalents	(106,873)	(103,079)
Cash and cash equivalents at beginning of period	1,532,819	1,684,179
Cash and cash equivalents at end of period	1,425,946	1,581,099

## (4) Note on the Assumption as a Going Concern

Six-month period of the current consolidated fiscal year (July 1, 2009, to December 31, 2009):

Not applicable.

## (5) Segment Information

## a. Earnings Information by Business Category

Six-month period of the previous consolidated fiscal year (July 1, 2008, to December 31, 2008)

(Thousand yen)

	Retail Banking Online Systems	System Solutions	Security Systems	Total	Eliminations, unallocated	Consolidated
Net sales						
(1) Sales to external customers	1,630,412	785,998	354,208	2,770,619	—	2,770,619
(2) Sales within our Group	—	—	—	—	[ — ]	—
Total	1,630,412	785,998	354,208	2,770,619	—	2,770,619
Operating income (loss)	529,243	38,642	(196,788)	371,097	[338,960]	32,137

Notes: 1. Business segments are based on the categories adopted for internal purposes.

2. Major products and services in each segment:

## (1) Retail Banking Online Systems

Provision of credit network systems and centralized distribution systems by our in-house developed "NET+1" credit system package solutions.

## (2) System Solutions

Sales of "ACE Plus," a fraudulent credit card use detection system, sales of market information distribution systems for banks and securities firms, and sales and technical support of our in-house developed "RIX," a telecommunications middleware and overseas package solutions.

## (3) Security Systems

Sales of "CWAT," an internal information leakage prevention system

Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)

(Thousand yen)

	Retail Banking Online Systems	System Solutions	Security Systems	Total	Eliminations, unallocated	Consolidated
Net sales						
(1) Sales to external customers	1,196,155	792,780	188,922	2,177,858	—	2,177,858
(2) Sales within our Group	—	—	—	—	[ — ]	—
Total	1,196,155	792,780	188,922	2,177,858	—	2,177,858
Operating income (loss)	421,757	122,131	(280,850)	263,038	[267,821]	(4,783)

Notes: 1. Business segments are based on the categories adopted for internal purposes.

2. Major products and services in each segment:

(1) Retail Banking Online Systems

Provision of credit network systems and centralized distribution systems by our in-house developed "NET+1" credit system package solutions.

(2) System Solutions

Sales of "ACE-Plus," a fraudulent credit card use detection system, sales of market information distribution system for banks and securities companies, and sales and technical support of the in-house developed "RIX," a telecommunication middleware and overseas packaged solutions

(3) Security System

Sales of "CWAT," an internal information leakage prevention system and sales of "EUCSecure," document encryption software.

## b. Segment Information by Region

Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008) and six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)

Net sales and assets in Japan account for over 90% of the amount of total net sales and total assets in all the business categories. Therefore, the segment information by region is omitted herein.

## c. Overseas sales

Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008) and six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)

Overseas sales in each business category account for less than 10% of consolidated net sales.

Therefore, overseas sales are omitted herein.

## (6) Notes in the case where a significant change occurred in the amount of shareholders' equity

Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008) and six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)

Not applicable.

**6. Other Information**

## Status of Production, Order Receipt and Sales

## (1) Production

Production by business category in the six-month period of the current consolidated fiscal year is shown below:

Business category	Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008)		Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)		Change	
	Output (Thousand yen)	Percentage (%)	Output (Thousand yen)	Percentage (%)	Output (Thousand yen)	Percentage (%)
Retail Banking Online Systems	946,185	55.6	646,787	53.4	(299,398)	(31.6)
System Solutions	575,937	33.9	511,832	42.3	(64,105)	(11.1)
Security Systems	179,298	10.5	51,753	4.3	(127,544)	(71.1)
Total	1,701,421	100.0	1,210,373	100.0	(491,048)	(28.9)

Notes: 1. Transactions between the business categories are offset and eliminated.

2. Output is based on the selling price.

3. Consumption taxes are not included in the above figures.

## (2) Orders receipt

Orders received by business category in the six-month period of the current consolidated fiscal year are shown below

Business category	Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008)		Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)		Change	
	Amount of orders received (Thousand yen)	Order backlog (Thousand yen)	Amount of orders received (Thousand yen)	Order backlog (Thousand yen)	Amount of orders received (Thousand yen)	Order backlog (Thousand yen)
Retail Banking Online Systems	1,300,542	737,119	870,939	765,221	(429,603)	28,102
System Solutions	633,055	737,984	629,396	655,030	(3,659)	(82,954)
Security Systems	398,448	144,675	185,094	61,329	(213,354)	(83,346)
Total	2,332,047	1,619,779	1,685,430	1,481,581	(646,616)	(138,198)

Notes: 1. Transactions between the business categories are offset and eliminated.

2. Consumption taxes are not included in the above figures.

## (3) Sales

Sales by business category in the six-month period of the current consolidated fiscal year is shown below:

Business category	Six-month period of the previous consolidated fiscal year (July 1, 2008 to December 31, 2008)		Six-month period of the current consolidated fiscal year (July 1, 2009 to December 31, 2009)		Change	
	Sales (Thousand yen)	Percentage (%)	Sales (Thousand yen)	Percentage (%)	Sales (Thousand yen)	Percentage (%)
Retail Banking Online Systems	1,630,412	58.8	1,196,155	54.9	(434,257)	(26.6)
System Solutions	785,998	28.4	792,780	36.4	6,782	0.9
Security Systems	354,208	12.8	188,922	8.7	(165,285)	(46.7)
Total	2,770,619	100.0	2,177,858	100.0	(592,760)	(21.4)

Notes: 1. Transactions between the business categories are offset and eliminated.

2. Sales and percentage to the total amount of sales to major clients:

Name of client	Six-month period of the current consolidated fiscal year	
	Sales (Thousand yen)	Percentage (%)
Rakuten KC Co.Ltd.	266,498	12.2
Daiwa Institute of Research Holdings Ltd.	224,702	10.3

3. Consumption taxes are not included in the above figures.