



To All Persons Concerned

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Background to Dai Nippon Printing Co., Ltd.'s Tender Offer for Intelligent Wave Inc. Shares and Future Business Policy

As announced on April 3, 2010, Dai Nippon Printing Co., Ltd. (code: 7912) will become Intelligent Wave Inc.'s parent company as a result of its tender offer for shares of the company and, in light of the many inquiries we received during the period, we would like to present the following information as a follow-up explanation to ensure understanding among all investors.

1. Background to the tender offer

Intelligent Wave Inc. and Dai Nippon Printing Co., Ltd. have since June 2009 studied the idea of a capital tie-up and other ways of forging a closer partnership and, as a consequence of having developed a certain level of capital ties between two companies and with due consideration given to ensure that the interests of Intelligent Wave shareholders were not harmed, it was determined that a tender offer would be the best means to this end. This decision was subsequently implemented.

No upper or lower limit was set on the number of shares to be purchased to ensure that all shares offered up by Intelligent Wave shareholders could be purchased in line with the wishes of the shareholders accepting this tender offer. In proceeding with the tender offer, both Intelligent Wave Inc. and Dai Nippon Printing Co., Ltd. also decided that Intelligent Wave Inc. would remain listed on JASDAQ to allow shareholders choosing not to accept the offer and instead holding on to their Intelligent Wave shares to benefit from future increases in the company's corporate value.

The end result is that Dai Nippon Printing Co., Ltd. will become our parent company and largest shareholder (133,307 shares representing 50.61% of voting rights) as of April 9, 2010. In accordance with our initial policy, Intelligent Wave Inc. will remain listed on JASDAQ.

2. Future business policy

Our policy for the future is to pursue collaborative ventures with Dai Nippon Printing Co., Ltd. by cultivating ever more frequent communications and interaction via personnel exchanges.

Both companies have already engaged in personnel exchange to reinforce our cooperation in the security business, with such collaboration including joint sales of the Intelligent Wave product "EUCSecure."

Dai Nippon Printing Co., Ltd. has an impressive record of developing integrated security environments using

the SSFC format in which office equipment such as copy machines, file cabinets, shredders, and personal computers as well as surveillance cameras and room access control systems can be administered in an integrated fashion and, in combination with Intelligent Wave's "CWAT" Information Security Management System has created office environment solutions offering both convenience and security. Dai Nippon Printing Co., Ltd. has also established world-class robust security environments within its own offices, where various operations are undertaken on behalf of client companies.

We intend to pursue closer collaboration with Dai Nippon Printing Co., Ltd. in the security business, first and foremost in the creation and further evolution of services focused on improving the operational efficiency of credit card companies, financial institutions and other clients.

We are convinced that such an approach will contribute greatly to improving the corporate value of our company and that of our parent corporate group, thereby meeting the expectations of both Intelligent Wave and Dai Nippon Printing shareholders.

We are committed to timely and appropriate disclosure of general information on our collaborative business efforts, and we ask your continued understanding and support.