



Summary of Financial Results for the First Nine Months of the Fiscal Year Ending June 2010
May 12, 2010

Company name: INTELLIGENT WAVE INC.

Listing: JASDAQ

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

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Scheduled submission of quarterly report: May 14, 2010

Scheduled dividend payment date: —

(Rounded down to million yen)

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

(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	%
Nine months ended March 31, 2010	3,314	(15.6)	116	234.7	121	303.9	114	198.1
Nine months ended March 31, 2009	3,928	—	34	—	29	—	38	—

	Net income per share		Diluted net income per share	
	Yen		Yen	
Nine months ended March 31, 2010	465.94		—	
Nine months ended March 31, 2009	156.32		—	

(2) Consolidated financial position

	Total assets	Net assets	Shareholder's equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2010	4,851	4,112	84.8	16,665.44
As of June 30, 2009	5,011	4,117	82.2	16,684.38

Reference: Shareholder's equity:

As of March 31, 2010: 4,112 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
	Yen	Yen	Yen	Yen	Yen
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 May 12, 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 March 31, 2010: 263,400 shares
As of June 30, 2009 : 263,400 shares
- ② Treasury stocks at the end of period:
As of March 31, 2010: 16,618 shares
As of June 30, 2009 : 16,618 shares
- ③ Average number of shares during period (nine months ended March 31, 2010):
Nine months ended March 31, 2010: 246,782 shares
Nine months ended March 31, 2009: 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 during the nine months ended March 31, 2010 continued a mild recovery, with the fear of a “double-dip” recession receding. The fall of corporate capital expenditure, for example, came to a halt.

However, in industries in which we do most of our business, such as the credit card, securities and financial industries, no significant change could be observed in the tendency among companies to hold back on system investments.

In this challenging business environment, the Company focused strong efforts on receiving orders from existing clients. As a result, net sales for the nine months ended March 31, 2010 totaled ¥3,314 million, a 15.6% decrease from the same period of the previous fiscal year, while ordinary income surged 303.9%, to ¥121 million, and net income rose a sharp 198.1%, to ¥114 million.

Although net sales declined year on year, ordinary income and net income considerably exceeded their previous year levels due mainly to our efforts to promote efficient operations in a bid to reduce expenses, including performing stricter management of consigned development projects. No significant growth can be expected in net sales at this point, so there are no revisions to our consolidated full-year business forecasts.

Segment information for the nine-month period ended March 31, 2010 is as follows:

• Retail Banking Online Systems

In the retail banking online systems business, sales and operating income for the nine months under review were ¥1,752 million (down 13.4%, year on year) and ¥646 million (up 6.2%, 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.

Credit card companies have given priority to system investments in response to amendments to the Money Lending Business Act and the Installment Sales Act. Due to this, their system investments related to this business segment have stalled temporarily.

However, as demand 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, although sales were down 3.5% year on year in the nine months under review, to ¥1,252 million, operating income jumped 74.9%, to ¥243 million. This increase was 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, sales were reported for our “ACE Plus” products for detecting fraudulent credit card use and related hardware.

• Security Systems

As for the security systems business, the “CWAT” internal information loss prevention system and related maintenance services and other security products resulted in a 49.0% decrease in sales in the nine months under review from the same period last year, to ¥309 million, and operating loss of ¥370 million (¥224 million in operating loss in the same period last year).

As in the prior quarter, this sector continued to face a difficult business environment. Nevertheless, the Company has been carrying out active sales activities by offering a broad range of proposals for

information security solutions mainly targeting existing clients. Persistent efforts are being focused on winning orders within the current fiscal year.

2. Qualitative information on consolidated financial condition

(1) Condition of assets, liabilities and net assets

(Assets)

Total assets as of the end of the third quarter of the fiscal year under review were ¥4,851 million, a decrease of ¥160 million from the end of the previous fiscal year. Current assets declined by ¥343 million from the end of the previous fiscal year, to ¥2,783 million. This decrease was mainly attributable to a drop in cash and deposits of ¥249 million and a fall in accounts receivable of ¥113 million, though inventories increased by ¥87 million. Noncurrent assets rose by ¥183 million from the end of the previous fiscal year, to ¥2,068 million, due mainly to rises in investment securities and long-term deposits of ¥244 million and ¥100 million, respectively, while deferred tax assets fell by ¥142 million.

(Liabilities)

Total liabilities as of the end of the third quarter decreased by ¥155 million from the end of the previous fiscal year to ¥739 million, due mainly to a ¥161 million drop in trade notes and accounts payable, though provision for bonuses increased by ¥99 million.

(Net assets)

Net assets at the end of the third quarter were ¥4,112 million, a decrease of ¥4 million from the end of the previous fiscal year. This was due mainly to a decrease of ¥8 million in retained earnings.

(2) Cash flows

Cash and cash equivalents at the end of the third quarter were ¥1,434 million, a decrease of ¥249 million from the end of the previous fiscal year. A summary of cash flows and major components is presented below.

(Net cash provided by operating activities)

Net cash generated from operating activities for the nine months ended March 2010 was ¥35 million, compared to net cash inflow of ¥104 million in the same period of the previous fiscal year. This was mainly attributable to ¥251 million in income before income taxes and a drop of ¥161 million in notes and accounts payable.

(Net cash provided by investing activities)

Net cash used in investing activities for the nine months under review was ¥154 million, compared to net cash outflow of ¥64 million in the same period of the previous fiscal year. This was due mainly to ¥100 million in payments for long-term deposits and ¥300 million in payments for purchase of investment securities.

(Net cash provided by financing activities)

Net cash used by financing activities for the nine months under review amounted to ¥123 million, (net cash outflow of ¥122 million in the same period last year). This reflected dividend payments of ¥123 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 fiscal year, as no significant changes were recognized in the loan loss ratio, etc. as of the end of the third quarter of the current fiscal year compared with the loan loss ratio calculated as of the end of the previous fiscal year.

- ii) Method of valuation of inventories

When calculating inventories as of the end of the third quarter, physical inventory count procedures were omitted. Instead, inventories were calculated using a reasonable method on the basis of the inventories physically counted at the end of the second quarter.

- iii) 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 fiscal year proportionately.

- iv) 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 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 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 third quarter, while the complete contract method is applied to other contracts.

This change has no impact on income or loss.

Changes in method of presentation

(Nine-month period consolidated statements of income)

"Loss on insurance cancellation," which was included in "Other" under extraordinary loss in the nine-month period of the previous fiscal year, is presented as an independent item as its amount exceeded 20% of the total amount of extraordinary loss in the nine-month period under review. "Loss on insurance cancellation" included in "Other" under extraordinary loss in the same period of the previous fiscal year was ¥3,239,000.

(Quarterly consolidated statements of cash flows)

"Loss on insurance cancellation," which was included in "Other" under "Net cash provided by operating activities" in the nine-month period of the previous fiscal year, is presented as an independent item for the nine months under review due to its increased weight within the period. "Loss on insurance cancellation" included in "Other" under "Net cash provided by operating activities" in the same period of the previous fiscal year was ¥3,239,000.

5. [Consolidated Financial Statements]

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

(Thousands of yen)

	End of the third quarter of the current fiscal year (As of March 31, 2010)	Summary consolidated balance sheet related to previous fiscal year (As of June 30, 2009)
Assets		
Current assets		
Cash and deposits	1,436,502	1,685,585
Notes and accounts receivable-trade	836,909	894,354
Inventories	297,206	209,226
Other	222,419	348,045
Allowance for doubtful accounts	(9,600)	(10,250)
Total current assets	<u>2,783,438</u>	<u>3,126,962</u>
Noncurrent assets		
Property, plant and equipment	412,170	405,154
Intangible assets	194,857	157,052
Investments and other assets		
Investment securities	773,794	529,672
Others	784,880	891,170
Allowance for doubtful accounts	(97,243)	(98,017)
Total investments and other assets	<u>1,461,431</u>	<u>1,322,825</u>
Total noncurrent assets	<u>2,068,459</u>	<u>1,885,032</u>
Total assets	<u>4,851,897</u>	<u>5,011,995</u>
Liabilities		
Current liabilities		
Notes and accounts payable-trade	128,064	289,820
Provision for bonuses	158,973	59,024
Provision for directors' bonuses	19,244	24,273
Others	224,892	323,918
Total current liabilities	<u>531,174</u>	<u>697,036</u>
Noncurrent liabilities		
Provision for retirement benefits	149,877	143,898
Provision for directors' retirement benefits	56,496	51,970
Other	1,618	1,685
Total noncurrent liabilities	<u>207,992</u>	<u>197,554</u>
Total liabilities	<u>739,166</u>	<u>894,591</u>

Net assets		
Shareholders' equity		
Capital stock	843,750	843,750
Capital surplus	568,778	568,778
Retained earnings	3,991,408	3,999,812
Treasury stock	(1,280,609)	(1,280,609)
Total shareholders' equity	<u>4,123,327</u>	<u>4,131,731</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	45,580	34,913
Foreign currency translation adjustment	(56,177)	(49,241)
Total valuation and translation adjustments	<u>(10,596)</u>	<u>(14,327)</u>
Total net assets	<u>4,112,730</u>	<u>4,117,404</u>
Total liabilities and net assets	<u>4,851,897</u>	<u>5,011,995</u>

(2) [Consolidated Statements of Income]

Nine-month period consolidated statements of income

(Thousands of yen)

	Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009)	Nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)
Net sales	3,928,541	3,314,750
Cost of sales	2,550,309	2,178,069
Gross profit	1,378,231	1,136,681
Selling, general and administrative expenses	1,343,504	1,020,464
Operating income	34,726	116,216
Non-operating income		
Interest income	2,599	751
Dividends income	370	185
Subsidy income	23,332	—
Other	5,565	10,710
Total non-operating income	31,866	11,647
Non-operating expenses		
Interest expense	—	49
Commitment fee	4,171	3,948
Foreign exchange losses	22,147	1,839
Loss on investment partnership	9,333	—
Other	944	870
Total non-operating expenses	36,596	6,708
Ordinary income	29,996	121,155
Extraordinary income		
Reversal of allowance for doubtful accounts	13,810	1,426
Gain on investments in silent partnership	34,267	138,596
Reversal of provision for loss on office closures	38,714	—
Other	2,409	—
Total extraordinary income	89,202	140,023
Extraordinary loss		
Loss on retirement of noncurrent assets	—	3,086
Impairment loss	—	3,185
Office relocation expenses	31,145	—
Retirement benefit expenses for prior periods	13,021	—
Loss on insurance cancellation	—	3,518
Other	13,435	—
Total extraordinary loss	57,603	9,790
Income before income taxes	61,595	251,388
Income taxes-current	383	613
Income taxes-deferred	22,635	135,788
Total income taxes	23,019	136,401
Net income	38,575	114,986

(3) [Quarterly Consolidated Statements of Cash Flows]

(Thousands of yen)

	Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009)	Nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)
Net cash provided by operating activities		
Income before income taxes	61,595	251,388
Depreciation and amortization	69,564	71,382
Increase (decrease) in allowance for doubtful accounts	(36,459)	(1,424)
Increase (decrease) in provision for bonuses	140,697	99,948
Increase (decrease) in provision for loss on orders received	(7,500)	—
Increase (decrease) in provision for directors' bonuses	(1,126)	(5,029)
Increase (decrease) in provision for loss on office closures	(85,790)	—
Increase (decrease) in provision for retirement benefits	52,501	5,979
Increase (decrease) in provision for directors' retirement	3,896	4,526
Interest and dividends income	(2,969)	(936)
Loss (gain) on investment partnership	9,151	(901)
Interest expense	—	49
Commitment fee	4,171	3,948
Loss (gain) on investments in silent partnership	(34,267)	(138,596)
Loss (gain) on sales of investment securities	(2,409)	—
Loss (gain) on valuation of investment securities	2,873	—
Loss on retirement of noncurrent assets	—	3,086
Impairment loss	—	3,185
Loss (gain) on insurance cancellation	—	3,518
Decrease (increase) in notes and accounts	368,967	16,165
Decrease (increase) in inventories	(44,990)	(87,979)
Increase (decrease) in notes and accounts payable-trade	(129,938)	(161,441)
Other, net	(78,924)	(70,158)
Subtotal	<u>289,042</u>	<u>(3,287)</u>
Interest and dividends income received	3,096	1,002
Interest expense paid	—	(49)
Commitment fee paid	(3,275)	(3,834)
Income taxes refund	—	76,709
Income taxes paid	(184,730)	(34,589)
Net cash provided by (used in) operating activities	<u>104,132</u>	<u>35,951</u>

Net cash provided by investing activities		
Payments for time deposits	—	(100,000)
Purchase of investment securities	(138,288)	(300,450)
Proceeds from sales of investment securities	2,409	62,980
Proceeds of distributions from investment partnership	13,225	213,686
Purchase of property, plant and equipment	(35,807)	(7,816)
Purchase of intangible assets	(54,828)	(81,552)
Payments for lease and guarantee deposits	(12,059)	(4,089)
Proceeds from collection of lease and guarantee deposits	32,146	64,609
Purchase of insurance funds	(13,056)	(9,868)
Proceeds from cancellation of insurance funds	9,723	12,523
Other, net	7,315	(4,257)
Net cash provided by (used in) investing activities	<u>(64,221)</u>	<u>(154,233)</u>
Net cash provided by financing activities		
Proceeds from loans payable	—	100,000
Repayments of loans payable	—	(100,000)
Cash dividends paid	(122,196)	(123,138)
Net cash used in financing activities	<u>(122,196)</u>	<u>(123,138)</u>
Effect of exchange rate change on cash and cash equivalents	<u>(24,022)</u>	<u>(7,832)</u>
Net increase (decrease) in cash and cash equivalents	<u>(106,307)</u>	<u>(249,254)</u>
Cash and cash equivalents at beginning of period	1,532,819	1,684,179
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(42,646)	—
Cash and cash equivalents at end of period	<u>1,383,865</u>	<u>1,434,924</u>

(4) Note on the Assumption as a Going Concern

Nine-month period of the current consolidated fiscal year (July 1, 2009, to March 31, 2010):

Not applicable.

(5) Segment Information

a. Earnings Information by Business Category

Nine-month period of the previous consolidated fiscal year (July 1, 2008, to March 31, 2009)

(Thousand yen)

	Retail Banking Online Systems	System Solutions	Security Systems	Total	Eliminations, unallocated	Consolidated
Net sales						
(1) Sales to external customers	2,024,396	1,297,727	606,416	3,928,541	—	3,928,541
(2) Sales within our Group	—	—	—	—	[—]	—
Total	2,024,396	1,297,727	606,416	3,928,541	—	3,928,541
Operating income (loss)	608,278	138,996	(224,212)	523,061	[448,334]	34,726

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

Nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)

(Thousand yen)

	Retail Banking Online Systems	System Solutions	Security Systems	Total	Eliminations, unallocated	Consolidated
Net sales						
(1) Sales to external customers	1,752,590	1,252,588	309,751	3,314,750	—	3,314,750
(2) Sales within our Group	—	—	—	—	[—]	—
Total	1,752,590	1,252,588	309,751	3,314,750	—	3,314,750
Operating income (loss)	646,153	243,068	(370,507)	518,713	[402,496]	116,216

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

Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009) and nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)

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

Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009) and nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)

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

Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009) and nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)

Not applicable.

6. Other Information

Status of Production, Order Receipt and Sales

(1) Production

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

Business category	Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009)		Nine -month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)		Change	
	Output (Thousand yen)	Percentage (%)	Output (Thousand yen)	Percentage (%)	Output (Thousand yen)	Percentage (%)
Retail Banking Online Systems	1,201,146	48.8	1,058,827	52.7	(142,319)	(11.8)
System Solutions	980,715	39.9	870,249	43.3	(110,466)	(11.3)
Security Systems	277,098	11.3	79,699	4.0	(197,399)	(71.2)
Total	2,458,961	100.0	2,008,776	100.0	(450,184)	(18.3)

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 nine-month period of the current consolidated fiscal year are shown below

Business category	Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009)		Nine -month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)		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	1,692,064	734,656	1,387,295	725,141	(304,769)	(9,515)
System Solutions	948,093	541,292	1,084,289	650,115	136,196	108,822
Security Systems	637,690	130,570	328,492	84,079	(309,198)	(46,491)
Total	3,277,848	1,406,520	2,800,077	1,459,336	(477,771)	52,815

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 nine-month period of the current consolidated fiscal year is shown below:

Business category	Nine-month period of the previous consolidated fiscal year (July 1, 2008 to March 31, 2009)		Nine-month period of the current consolidated fiscal year (July 1, 2009 to March 31, 2010)		Change	
	Sales (Thousand yen)	Percentage (%)	Sales (Thousand yen)	Percentage (%)	Sales (Thousand yen)	Percentage (%)
Retail Banking Online Systems	2,024,396	51.5	1,752,590	52.9	(271,806)	(13.4)
System Solutions	1,297,727	33.0	1,252,588	37.8	(45,139)	(3.5)
Security Systems	606,416	15.5	309,571	9.3	(296,845)	(49.0)
Total	3,928,541	100.0	3,314,750	100.0	(613,790)	(15.6)

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	Nine-month period of the current consolidated fiscal year	
	Sales (Thousand yen)	Percentage (%)
Daiwa Institute of Research Holdings Ltd.	359,941	10.9

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