

## <IR> Press Release

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### Flash Report on Financial Results for the Fiscal Year Ended June 30,2002

(English translation of the highlights in Japanese prepared in accordance with accounting principles generally accepted in Japan.)

The Board of Directors of Intelligent Wave Inc.(IWI) approved in its session of August 21, 2002 following business results for the fiscal year ended June 30,2002:

#### 1. Business Results (for the period from July 1,2001 to June 30, 2002)

(1) Results (\* year-on-year change )

|               | Sales         |        | Operating Income |        | Ordinary Income |        | Net Income    |         |
|---------------|---------------|--------|------------------|--------|-----------------|--------|---------------|---------|
|               | millions of ¥ |        | millions of ¥    |        | millions of ¥   |        | millions of ¥ |         |
| June 30, 2002 | 5,505         | 13.6%* | 1,854            | 21.3%* | 1,846           | 24.1%* | 1,003         | 21.9%*  |
| June 30, 2001 | 4,844         | 25.6%* | 1,528            | 83.3%* | 1,487           | 84.8%* | 822           | - 29.0% |

|               | Net Income per Share(EPS) | Diluted Net Income per Share | Ratio of Net Income to Shareholders' Equity | Ratio of Ordinary Income to Total Assets | Ratio of Ordinary Income to Sales |
|---------------|---------------------------|------------------------------|---|--|-----------------------------------|
| June 30, 2002 | ¥18,111.09                | -                            | 25.3%                                       | 35.9%                                    | 33.5%                             |
| June 30, 2001 | 105,604.68                | -                            | 29.9%                                       | 34.3%                                    | 30.7%                             |

Notes: 1.Profit based on the equity-method investment balance : not applicable

1. Average number of shares outstanding during the period:

June, 2002 55,386 June, 2001 7,791

2. There has been no change in the accounting method.

(2) Dividend

|           | Dividend per Share |          | Total Payout for the Year | Dividend Payout Ratio | Ratio of Payout to Shareholders' Equity |
|-----------|--------------------|----------|---------------------------|-----------------------|---|
|           | Interim            | Year-End |                           |                       |   |
| June,2002 | ¥500               | ¥500     | 65                        | 6.6                   | 1.5                                     |
| June,2001 | ¥5,000             | ¥5,000   | 65                        | 8.0                   | 1.9                                     |

(3) Financial Position

|            | Total Assets           | Shareholders' Equity   | Ratio of Shareholders' Equity to Total Assets | Shareholders' Equity per Share |
|------------|------------------------|------------------------|---|--------------------------------|
| June, 2002 | millions of ¥<br>5,754 | millions of ¥<br>4,475 | %<br>77.8                                     | ¥<br>33,981.25                 |
| June, 2001 | 4,533                  | 3,443                  | 76.0  | 261.443.37                     |

Note: Number of shares outstanding at the end of year

June, 2002 - 131,700      June, 2001 - 13,170

(4) Cash Flow Situation

|            | Cash Flows from Operating Activities | Cash Flows from Investing Activities | Cash Flows from Financing Activities | Cash & Cash Equivalent at the end of year |
|------------|--------------------------------------|--------------------------------------|--------------------------------------|---|
| June, 2002 | millions of ¥<br>1,090               | millions of ¥<br>- 1,037             | millions of ¥<br>- 237               | millions of ¥<br>2,813                    |
| June, 2001 | 178                                  | - 268                                | 302                                  | 2,988                                     |

(5) Segment Information

| Business Unit  | Sales           |       |
|--|-----------------|-------|
|  | Amount (¥1,000) | %     |
| Card Business Front Office   | 2,609,039       | 47.4  |
| Dealing, Trading, Production and Sales of Software Package and Technical Support | 1,290,597       | 23.4  |
| Card Business Back Office  | 674,357         | 12.3  |
| Sales of Hardware for System Integration   | 921,922         | 16.7  |
| Security System  | 10,026          | 0.2   |
| Total  | 5,505,944       | 100.0 |

**3. Forecasts for the fiscal year ending June, 2003. (July 1, 2002~June 30, 2003)**

|           | Sales                  | Ordinary<br>Income   | Net<br>Income        | Dividend Payout per Share |          |      |
|-----------|------------------------|----------------------|----------------------|---------------------------|----------|------|
|           |                        |                      |                      | Interim                   | Year-End |      |
| Interim   | millions of ¥<br>2,435 | millions of ¥<br>852 | millions of ¥<br>488 | -                         | -        | -    |
| Full Year | 6,333                  | 2,142                | 1,230                | -                         | ¥ 500    | ¥500 |

Projected net income per share for the period: ¥9,353.32

These forecasts are based on the information and data currently available.

IWI's actual results, performance or financial results could materially differ from the forecasts as a result of uncertainties and other factors such as general economic conditions of Japan and of IWI's principal market situations.