



To whom it may concern:

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Notice of Upward Revisions to Business Forecasts and Posting of Deferred Tax Assets

Based on the recent business trend, INTELLIGENT WAVE INC. (hereinafter, “the Company”) hereby announces the revisions to the business forecasts published on August 10, 2011 as follows:

Revisions to consolidated forecasts for the 1st half of FY 2012 (July 1, 2011 to December 31, 2011)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	2,400	10	12	5	18.98
Revised Forecast (B)	2,528	29	33	174	664.38
Change (B – A)	128	19	21	169	
Change (%)	5.3%	190.0%	175.0%	3,380.0%	
(Reference) Results for the 1st half of the previous fiscal year ended June 2011	2,070	(61)	(61)	(67)	(257.26)

Revisions to consolidated forecasts for FY 2012 (July 1, 2011 to June 30, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	5,300	400	410	220	835.23
Revised Forecast (B)	5,300	400	410	393	1,492.03
Change (B – A)	—	—	—	173	
Change (%)	—	—	—	78.6%	
(Reference) Results for previous fiscal year ended June 2011	4,762	321	341	129	491.53

Revisions to non-consolidated forecasts for the 1st half of FY 2012 (July 1, 2011 to December 31, 2011)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	2,400	15	17	8	30.37
Revised Forecast (B)	2,528	33	40	197	750.96
Change (B – A)	128	18	23	189	
Change (%)	5.3%	120.0%	135.3%	2,362.5%	
(Reference) Results for the 1st half of the previous fiscal year ended June 2011	2,069	(55)	(54)	(61)	(234.56)

Revisions to non-consolidated forecasts for FY 2012 (July 1, 2011 to June 30, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
	(Million yen)	(Million yen)	(Million yen)	(Million yen)	(Yen)
Previous Forecast (A)	5,300	410	420	226	858.01
Revised Forecast (B)	5,300	410	420	414	1,571.75
Change (B – A)	—	—	—	188	
Change (%)	—	—	—	83.1%	
(Reference) Results for previous fiscal year ended June 2011	4,761	335	353	126	480.76

Reasons for the revisions:

(1) Principal reasons

The forecasts are revised mainly thanks to the growth of sales in the system solution business, exceeding the initial business plan as a result of an increase in orders received for system development for the group companies of Dai Nippon Printing Co., Ltd., our parent company. Also, as a result of highly efficient activities for software development for the Retail Banking Online Systems and System Solution businesses, net sales, operating income and ordinary income for the first half of the fiscal year ending June 2012 are likely to exceed expectations both on a consolidated and non-consolidated basis.

(2) Posting of deferred tax assets

On January 25, 2012, the Board of Directors of the Company resolved to dissolve and liquidate its subsidiary, Intelligent Wave USA, Inc. (hereinafter, “the Subsidiary”), which will be completed in June 2012. As a result, the timing for including in expenses the unrealized loss in the Subsidiary’s shares amounting to 497 million yen, which had been recorded in previous years, has become clear for tax purposes. Consequently, the Company has decided that deferred tax assets can be accrued, and will record 173 million yen as deferred tax assets and income taxes deferred in the first half of the current consolidated fiscal year. This will boost net income significantly over the initial forecasts, so we revise upward the business forecasts both on a non-consolidated and consolidated basis.

Note: The above forecasts are based on information available at the time of preparation of this document, and may contain various uncertainties. Actual results may differ from the figures provided above depending on the changes in business environment.