

Medium-term Business Plan (FY06/23 to FY06/25)

We play a key role in critical social infrastructure such as payments, finance, and security. As an IT services company that supports *Business Reliability*, we aim to contribute to a sustainable society by continuing to enhance the reliability of our business and that of our clients' businesses.

Realization of “Business Reliability”

The reliability of
our business



The reliability of our
clients' businesses

Provide a high-speed, safe, high-quality, and user-friendly IT infrastructure

Our Strengths in Support of “Business Reliability”



With our strength in product development, we provide valuable solutions and services that meet the needs of a diverse customer.



Progress of Medium-Term Business Plan “15ALL”

we will reinforce and expand our business foundation by reforming our business structure and expanding our business domain. We will also establish the foundations for human resources and co-creation for our sustainable growth.

Results for FY2022

1. Our Business Foundation

- Reform our business structure
- Expand our business domain
- Further improvement of quality and productivity
- Reinforcement of development base structure

- Expand orders and turn profitable in the cloud service business
- Improve profitability of system development and maintenance
- Reorganization of the organizational structure in line with the reform of the business structure
- Establishment of “Business Development Office” and “Global Business Promotion Office”

2. Foundation for Human Resources

- Securing and Developing Human Resources to Support Growth
- Reforme the personnel system

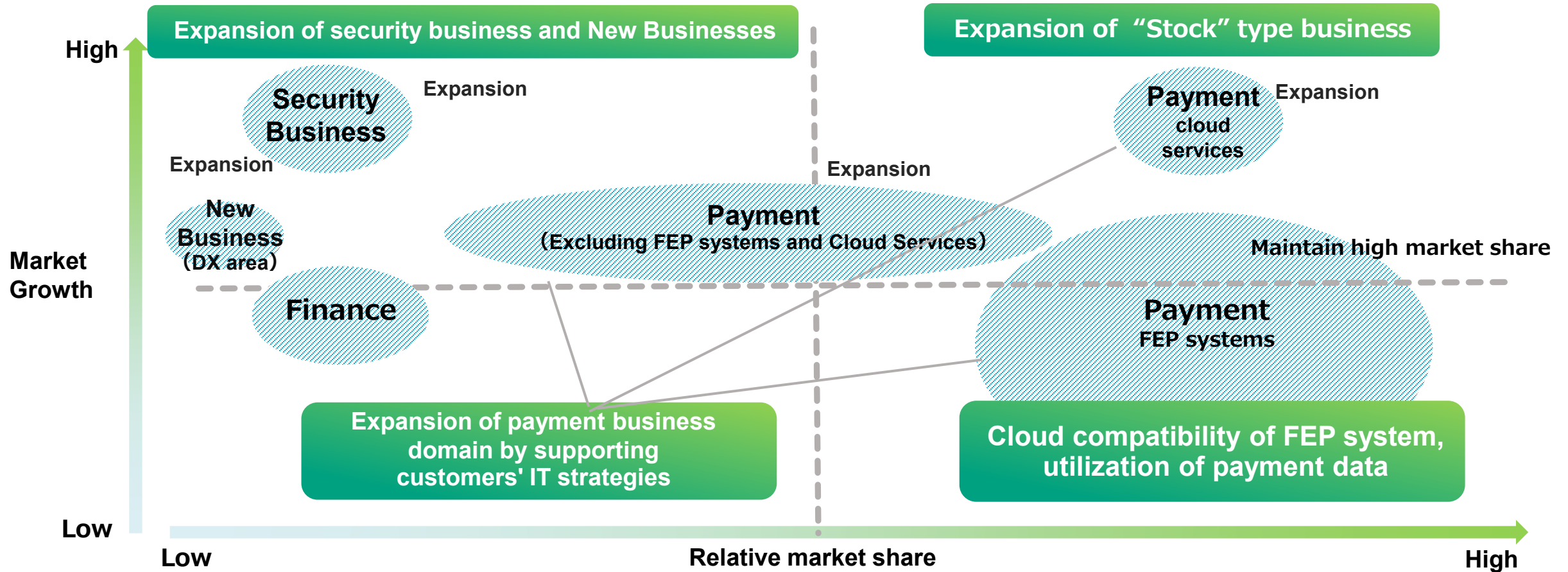
- Establishment of a new system to certify highly specialized professionals.
- Flattening of the organization
- Starting “New work-style of IWI project”

3. Foundation for Co-Creation

- Enhancement of organization through dialogue across departments
- Conversion of offices to free-address offices
- Full-fledged efforts to deal with ESG issues

Reform our Business Structure

- Expansion of “stock*” type business centered on cloud services
- Cloud compatibility of FEP system, utilization of payment data
- Expansion of payment business domain by supporting customers' IT strategies
- Expansion of security business and New Businesses



* “Stock” type: projects and contracts that can generate a certain amount of sales on a regular basis

Payment & Finance

- Cloud compatibility of FEP system
- Shared use of payment data, data analysis and utilization
- Expansion of payment area by supporting customers' IT strategies
- Support business for fraud detection (BPO)

Cloud Services

- Expansion of the number of companies using the system
- Improvement of the infrastructure environment and operation system for increased number of users
- Development of fraud detection systems in Southeast Asia

Security

- Shift from product sales model to security service provision
- Strengthen business promotion in collaboration with DNP

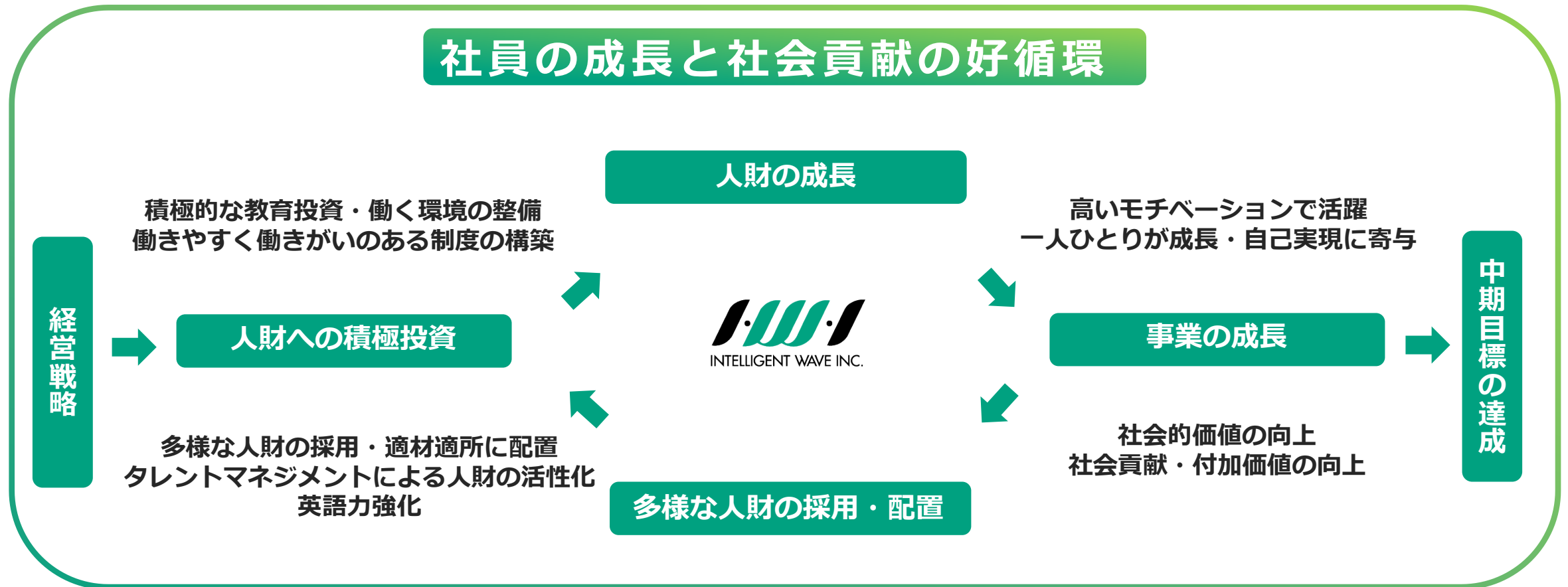
New Business (DX area)

- Expansion of social infrastructure (broadcasting, transportation, electricity, OT environment) beyond payments
- Utilization of FPGA technology for acceleration/analysis services and product development

Securing and Developing Human Resources to Support Growth

Promoting human resource development measures, we nurture a diverse human resources with advanced skills and expertise as well as flexibility in thinking.

We will also create a virtuous cycle of employee growth and social contribution by developing our business along with the growth of our human resources.



Corporate reform centered on co-creation

Promote organizational collaboration through stimulating dialogue among employees. In addition, we will engage in ESG initiatives to address a variety of social issues.



Performance target

we have revised the numerical goals for the three-year period beginning in the fiscal year ending June 30, 2023 as a rolling plan, at the time of announcement of the results for the fiscal year ending June 30, 2022. We aim for sustainable growth while making necessary investments to ensure quality.

Million yen

(Revised plan)	FY06/22 (actual)	FY06/23 (Forecast)	FY06/24 (target)	FY06/25 (target)
Net sales	11,493	13,500	15,000	16,500
Operating income [OM]	1,519 (13.2%)	1,800 (13.3%)	2,250 (15.0%)	2,500 (15.2%)
(Previous plan)	FY06/21 (actual)	FY06/22 (Forecast)	FY06/23 (target)	FY06/24 (target)
Net sales	11,187	12,000	13,500	15,000
Operating income [OM]	1,130 (10.1%)	1,320 (11.0%)	1,750 (13.0%)	2,250 (15.0%)

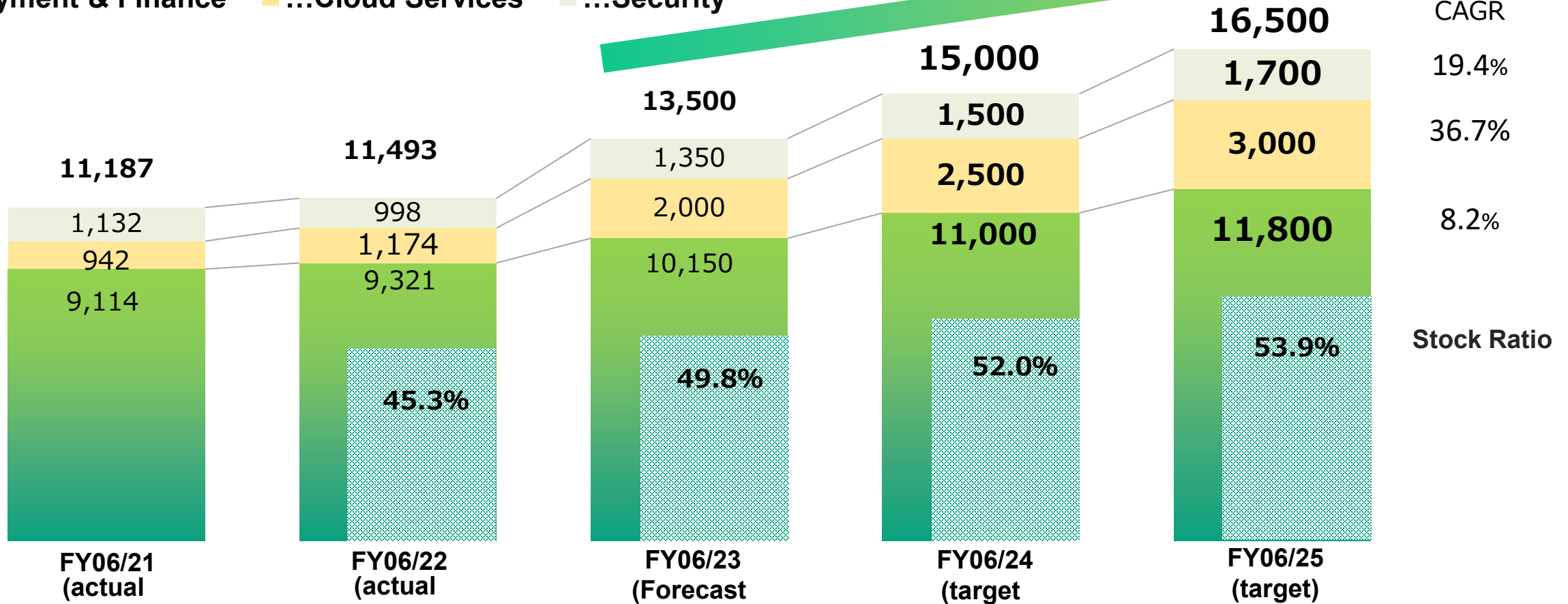
Roadmap to Achieve Goals

Plans for growth through expansion of Cloud Service business and Payment & Finance area, as well as increase in stock ratio.

Million yen

■ ...Payment & Finance ■ ...Cloud Services ■ ...Security

CAGR **12.8%**



Financial Results FY06/22

Progress of medium-term business plan

Forecast for FY06/23

Reference

FY06/23 Full-year Forecasts

Million yen

	FY06/22 actual			FY06/23 forecast			Change (full year)
	1H	2H	Full year	1H	2H	Full year	
Net sales	4,887	6,606	11,493	6,800	6,700	13,500	+ 17.5%
Payment & Finance	3,956	5,366	9,322	5,320	4,830	10,150	+ 8.9%
Cloud Services	493	680	1,173	880	1,120	2,000	+ 70.5%
Security	438	560	998	600	750	1,350	+ 35.3%
Operating income [OM]	478 (9.8%)	1,041 (15.8%)	1,519 (13.2%)	900 (13.2%)	900 (13.4%)	1,800 (13.3%)	+ 18.5%
Ordinary income [OM]	499 (10.2%)	1,056 (16.0%)	1,556 (13.5%)	920 (13.5%)	920 (13.7%)	1,840 (13.6%)	+ 18.3%
Net income [NM]	337 (6.9%)	717 (10.9%)	1,055 (9.2%)	640 (9.4%)	640 (9.6%)	1,280 (9.5%)	+ 21.3%

FY06/23 Cloud Services Plan



While continuing to improve the infrastructure environment and operational structure in anticipation of an increase in the number of users in the first half, the plan aims for a 70% increase in sales for the full year.

Million yen

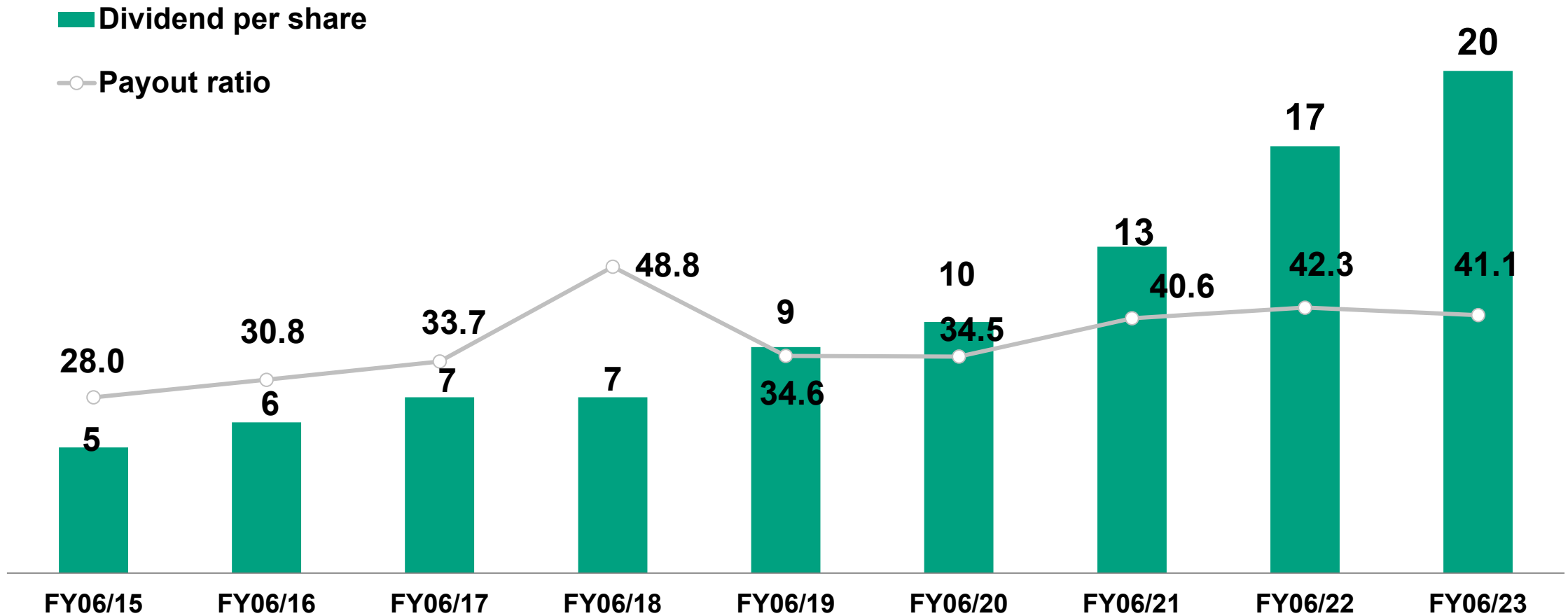
		FY06/22 actual					FY06/23 forecast				
		Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year
Net sales	Plan						430	450	470	650	2,000
	Actual	243	250	299	380	1,173					
Gross profit	Plan						33	67	62	138	300
	Actual	△19	31	84	25	120					

No. of customers by service lines (Actual)

	Q1	Q2	Q3	Q4	Full year	Q1	Q2	Q3	Q4	Full year	YoY
■ IOASIS	5	6	7	10	10	10	10	10	11	11	+1
■ IFINDS	3	3	3	3	3	4	5	5	8	8	+5
■ IGATES	4	4	5	6	6	6	6	7	9	9	+3
■ IPRETS	1	1	1	1	1	1	1	1	1	1	0

Dividend Trends

For the fiscal year ending June 30, 2022, we plan to raise the annual dividend by 3 yen from the initial forecast to 17 yen. For the fiscal year ending June 30, 2023, we plan to raise the annual dividend to 20 yen per share.



Financial Results FY06/22

Progress of medium-term business plan

Forecast for FY06/23

Reference

Cost of manufacturing

Thousand yen

	FY06/21				FY06/22			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Materials cost	4,890	6,337	8,255	8,940	7,194	8,162	11,264	10,943
Labor cost	708,202	739,778	712,358	732,866	718,848	734,397	714,332	724,102
Expenses	363,448	353,011	368,936	399,624	431,898	413,397	403,356	501,360
Subcontracting cost	581,894	546,583	565,629	555,601	603,162	668,363	757,872	831,229
Total manufacturing cost	1,658,435	1,645,711	1,655,180	1,697,032	1,761,105	1,824,322	1,886,826	2,067,636
Work in progress (beginning of period)	381,557	515,004	503,982	534,449	209,668	283,587	279,908	324,040
Work in progress (end of period)	515,004	503,982	534,449	355,789	283,587	279,908	324,040	257,338
Transfer to other accounts	100,020	87,206	124,252	182,951	247,200	344,251	396,910	376,174
Cost of sales	1,424,967	1,569,526	1,500,459	1,692,741	1,439,985	1,483,749	1,445,783	1,758,164

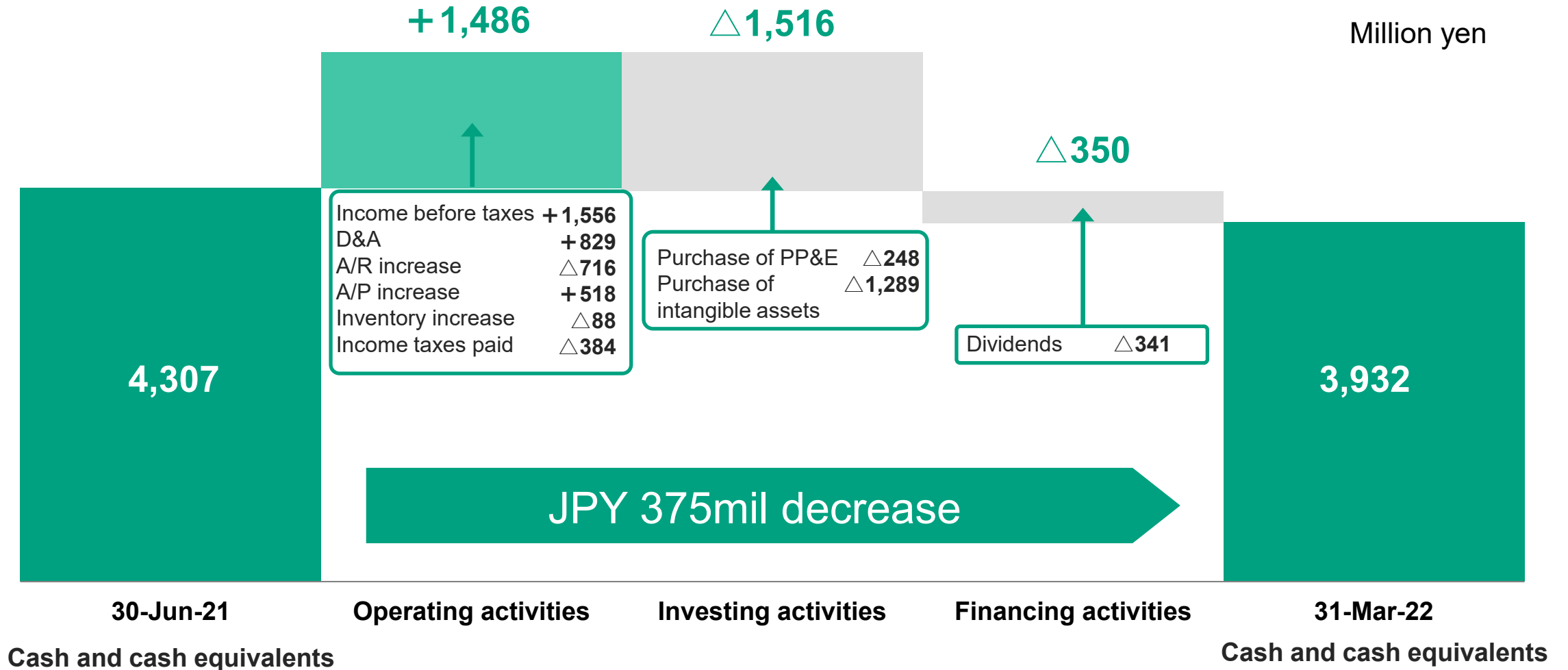
SG&A expenses

Thousand yen

	FY06/21				FY06/21			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Salaries	287,425	323,927	312,972	339,842	290,810	310,527	335,648	361,087
Training and recruiting	5,321	17,463	13,352	16,789	10,332	13,989	24,046	24,878
Rent	17,621	17,615	17,918	18,164	18,793	18,328	16,822	17,320
Advertising	1,586	4,239	3,228	7,145	12,691	11,432	12,179	9,110
R&D	8,723	22,254	19,250	30,232	9,301	5,513	1,855	0
Depreciation and amortization	9,457	9,952	10,291	10,674	9,570	9,705	10,193	11,260

	FY06/21	FY06/22	Change	Million yen
SG&A	2,026	2,179	+ 153	
(breakdown)		salaries	+ 33	
		Training and recruiting	+ 20	
		Advertising	+ 29	
		Research and development	△ 63	
		Others	+ 134	

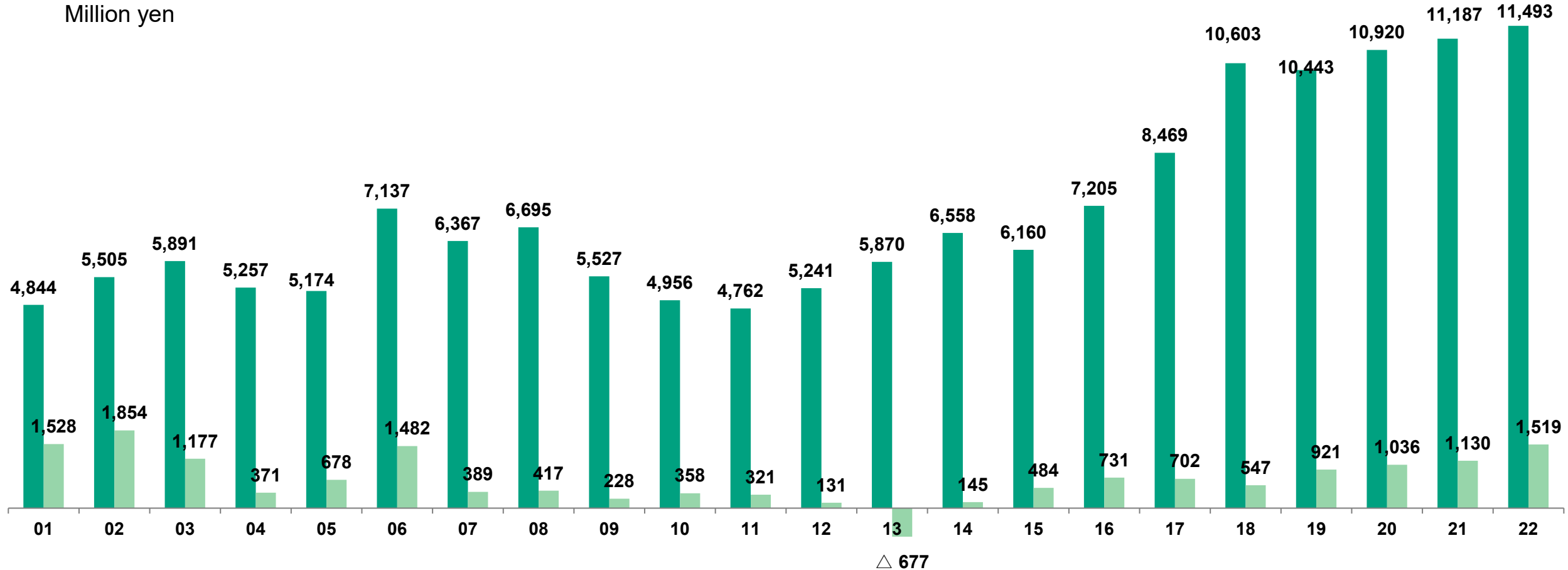
Cash Flows



Historical performance

■ Net sales ■ Operating income

Million yen



Note: Consolidated results are shown through FY06/15.

Company overview



As of June 30,2022

Established	December 27, 1984		
Location	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo		
Employees	449		
Parent company	Dai Nippon Printing Co., Ltd. (50.71%)		
Capital stock	JPY843.75k		
Shares outstanding	26,340,000	Shareholders	8,939

	Ownership (%)		% of shareholders
Individuals, others	35.16%	Individuals, others	98.38%
Japanese financial institutions	6.58%	Japanese financial institutions	0.10%
Other Japanese corporations	51.06%	Other Japanese corporations	0.44%
Foreign corporations	6.08%	Foreign corporations	0.81%
Japanese securities firms	0.90%	Japanese securities firms	0.27%
Treasury stock	0.22%	Treasury stock	0.01%



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