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Company Name:	INTELLIGENT WAVE INC.
Stock Code:	4847 (TSE Prime Market)
Name of Representative:	Kunimitsu Sato Chief Executive Officer, Representative Director
Direct queries to:	Nobuhiro Kato, General Manager, Business Administration Division

Notice Regarding Medium-Term Management Plan (2025–2027)

Intelligent Wave Inc. (the Company) hereby announces that it has formulated a three-year medium-term management plan covering the period from the fiscal year ending June 30, 2025 to the fiscal year ending June 30, 2027.

1. Basic Policies of the Medium-Term Management Plan

In this medium-term management plan, the Company has set forth the theme of "Transformation for the Future," aiming to diversify business and build a foundation for sustainable growth, with an eye towards the 2030s. We will develop our business in various fields, particularly in the payment, security, and technology domains, to bring value to people's lives and create new trust.

In the payment domain, our core business, we aim to achieve sustainable growth by further expanding our business areas, leveraging our unique products and our position in the payment industry. We will also grow the security domain into the second pillar of our business. In the data communication and analysis infrastructure domain (a new area of business), we will utilize our technological strengths to expand into growing markets and enhance our initiatives in SX (Sustainability Transformation) and GX (Green Transformation).

To achieve these goals, we will focus on three key transformations: "business," "technology," and "human resources." Additionally, we will strengthen our competitiveness by further enhancing cooperation with the DNP Group, utilizing our respective customer bases. We have positioned these three years as a period to fortify our earnings base for business diversification, and will implement various measures to achieve stable growth over the medium to long term.

(1) Transformation of Business

The Company will work to expand business areas by utilizing its own products and services, which are its greatest strength, and to maximize the value of these proprietary solutions by reviewing the profit structure.

- Payment domain: We will expand the business area by leveraging our unique products and advantageous position in the payment industry. We will contribute to the industry's digital transformation and lead the development of a cross-industry fraudulent use countermeasure scheme.
- Security domain: We will focus on enhancing sales of our highly profitable proprietary products and expand our security business with a focus on IoT security. In addition, through co-creation with other companies, we will build a new security ecosystem from construction to operation by accumulating SOC (Security Operation Center) know-how, establishing it as our unique strength.
- Data communication and analytical infrastructure domain: We will explore new business opportunities by expanding into growing markets using our core "high-speed, large-capacity, and analysis" technologies. Our goal is to establish a unique market position by utilizing our proprietary products.

(2) Transformation of Technology

To accelerate the transformation of business, the Company will ensure competitive advantages by integrating its core technologies with cutting-edge technologies and digital transformation (DX), aiming for value maximization and new value creation. Furthermore, to strengthen the R&D function, dedicated personnel will be appointed, and concurrent personnel will be assigned to each business division to identify needs from existing businesses and work on expanding new businesses by leveraging the Company's technological strengths.

(3) Transformation of Human Capital

We will work on the transformation of human resources in direct connection with the transformation of business and technology. This involves promoting the mobilization and development of talent in line with our business strategies, as well as enhancing the development of business planning personnel and strengthening our consulting functions. In addition, we will review the expected roles and evaluation criteria for each grade in our personnel system, aiming to achieve fair evaluations by linking assessment, remuneration, and grade.

(4) Non-financial domain

We will realize the creation of IWI's unique value by maximizing human potential and co-creating with all stakeholders. We will actively work on the development of human resources responsible for creating new businesses and pioneer the creation of IT solutions to solve social issues such as SX, GX, etc. We will also continue to enhance our efforts toward employee well-being, such as improving the work environment and mental and physical health. For external stakeholders, we will also work to cultivate future talent and contribute to local communities in Hakodate and Okinawa.

3. Numerical Targets

(Million yen)

	FY06/2024 (Actual)	FY06/2025 (Forecast)	FY06/2026 (Plan)	FY06/2027 (Plan)
Net sales	14,518	16,000	17,000	19,000
Operating income (Operating margin)	2,030 (14.0%)	2,250 (14.1%)	2,400 (14.1%)	2,850 (15.0%)
ROE	15.8%	FY06/2027 : 17.0% or more		

※Details of this medium-term management plan will be explained at the financial results briefing for the fiscal year ended June 30, 2024, to be held on August 9, 2024. The presentation materials will be posted on the Company's website after the financial results briefing.

Inquiries:

Investor Relations,

INTELLIGENT WAVE INC.

E-mail : ir_info@iwi.co.jp