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November 5, 2025

Non-consolidated Financial Results for the Three Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: INTELLIGENT WAVE INC.
 Listing: Tokyo Stock Exchange, Prime Market
 Securities code: 4847
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 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended September 30, 2026 (from July 1, 2025 to September 30, 2025)

(1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended September 30, 2025	3,746	5.7	205	(32.4)	204	(32.7)	139	(32.9)
September 30, 2024	3,542	12.2	304	15.3	304	17.1	208	18.8

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2025	5.34	—
September 30, 2024	7.96	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	17,278	9,122	52.80
June 30, 2025	18,690	9,475	50.70

Reference: Equity
 As of September 30, 2025: ¥9,122 million
 As of June 30, 2025: ¥9,475 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2025	—	15.00	—	20.00	35.00
Fiscal year ending June 30, 2026	—				
Fiscal year ending June 30, 2026 (Forecast)		17.00	—	20.00	37.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast for the fiscal year ending June 30, 2026 (July 1, 2025 to June 30, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net profit		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	8,000	6.1	950	10.8	970	9.3	670	9.7	25.49
Full year	17,400	11.6	2,400	29.8	2,440	29.1	1,690	25.2	64.31

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	26,340,000 shares
As of June 30, 2025	26,340,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	158,342 shares
As of June 30, 2025	158,342 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2025	26,181,658 shares
Three months ended September 30, 2024	26,181,674 shares

Note: The Company has implemented a stock compensation system called the "Board Benefit Trust (BBT)." The number of treasury shares at the end of the period includes the shares of the Company held by the trust (98,200 shares as of September 30, 2025, 98,200 shares as of June 30, 2025). Furthermore, the shares of the Company held by the trust are included in the treasury shares deducted in the calculation of the average number of shares during the period (98,200 shares as of September 30, 2025, 98,200 shares as of September 30, 2024).

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

Forward-looking statements contained in these materials are based on currently available information and include uncertainties. Actual results may differ from forecast figures due to changes in business conditions. Please refer to " 1. Business Results (3) Business and Other Forecasts " on page 3 of the accompanying materials for the assumptions underlying the performance and notes to the use of earnings forecasts. The company intends to hold a financial results briefing for institutional investors and securities analysts on November 7, 2025. The materials for this presentation will be uploaded to the Company's website soon after the event.

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1. Business Results

(1) Overview of Operating Results

The Company has formulated a three-year medium-term management plan covering the period from the fiscal year ended June 30, 2025, to the fiscal year ending June 30, 2027. In this plan, the Company has set the theme of “Transformation for the Future,” focusing on business diversification and building a foundation for sustainable growth with a view to the 2030s. To achieve these goals, the Company will focus on three key areas of transformation: “business,” “technology,” and “human resources.”

In formulating the medium-term management plan, the Company reorganized its business domain into three categories based on function: “payment,” “security,” and “data communication and analysis infrastructure (new domain),” promoting measures for growth in each of these domains.

In the core payment domain, with the increasing use of cashless payments, the Company’s major business partners in the payment industry have been considering system modernization and open systems initiatives. The Company is enhancing the value of its proprietary solutions, which are its strength, and expanding its business into the acquiring area in addition to the FEP* and fraud detection areas. Furthermore, with the increase in card fraud across the domestic card industry, the Company is working to enhance the value it provides to the industry through initiatives such as the launch of a new cross-industry fraud prevention solution.

In the security domain, the Company is working to enhance the value of its highly profitable proprietary products and strengthen sales, while also focusing on expanding into overseas markets, particularly in Southeast Asia. In addition, the Company is participating in the DNP Group’s all-in-one security services, which range from consulting to operation and education, working to expand its customer base and business areas.

In the data communication and analysis infrastructure domain, the Company is exploring the application of its core technologies—high-speed, large-capacity data communication/analysis processing—to other industries, and is challenging itself to expand into new markets.

Net sales for the three months ended September 30, 2025, were ¥3,746 million (up 5.7% year on year), operating profit was ¥205 million (down 32.4%), ordinary profit was ¥204 million (down 32.7%), and net profit was ¥139 million (down 32.9%).

(Reference) Sales by business domain

(Millions of yen)

	Three months ended September 30, 2024	Three months ended September 30, 2025	Change (YoY)
Net Sales	3,542	3,746	105.7%
Payment	2,930	3,068	104.7%
Cloud Services	718	1,014	141.2%
Security	407	499	122.8%
Data Communication and Analysis Infrastructure	204	177	86.8%

Net sales increased with a firm increase in investment demand in the payment domain, particularly from credit card companies. The fraud detection area increased its sales, primarily in cloud services, along with an increase in fraudulent card use. In the security domain, product introduction for a major client contributed to sales.

Operating profit decreased due to a declined overall gross profit margin in the payment domain, affected by the quality enhancement measures provided to a certain client using cloud services, as well as a decrease in the gross profit margin resulting from changes in product composition in the security domain, and an increase in selling, general and administrative expenses resulting from increased personnel expenses, etc.

Orders were ¥3,673 million (down 34.3%), and the order backlog was ¥20,238 million (up 8.6%). The decrease in the order was due to multi-year contract projects in the security domain and cloud services being recorded in the previous fiscal year.

The Company will strengthen its proposal activities for the second half of the current fiscal year to meet clients’ system update needs and expand its business in the payment domain. In the security domain, the Company

is also enhancing the marketability of in-house products to improve competitiveness, and refining product lineup and sales strategies to meet market demand and drive sales expansion.

* Front-end processor (FEP) system: Hardware and software with network connectivity, card usage authentication, and other functions required for credit card payment processing

(2) Overview of Financial Position

(Assets)

Total assets were ¥17,278 million as of September 30, 2025, down ¥1,412 million from the end of the previous fiscal year. Among the assets, current assets decreased to ¥9,165 million, down ¥1,295 million from the end of the previous fiscal year. This was mainly due to a decrease in cash and deposits of ¥1,297 million despite an increase of ¥293 million in inventories.

Non-current assets were ¥8,112 million, down ¥116 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥191 million in intangible assets, despite an increase of ¥61 million in property, plant and equipment.

(Liabilities)

Total liabilities were ¥8,155 million as of September 30, 2025, down ¥1,060 million from the end of the previous fiscal year. This was mainly due to an increase of ¥368 million in notes and accounts payable – trade, and ¥238 million in provision for bonuses, despite a decrease of ¥692 million in income taxes payable, ¥450 million in advances received, as well as a decrease in other liabilities including ¥227 million in accrued consumption taxes, ¥98 million in accounts payable – other, and ¥91 million in deposits received.

(Net Assets)

Net assets were ¥9,122 million as of September 30, 2025, down ¥352 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥385 million in retained earnings.

(3) Business and Other Forecasts

There is no revision to the business forecast announced on August 6, 2025, “Summary of Non-consolidated Financial Results for the Fiscal Year Ended June 2025”.

2. Financial Statement

(1) Balance Sheet

Thousands of yen

	Previous term end (as of June 30, 2025)	Current term end (as of September 30, 2025)
Assets		
Current assets		
Cash and deposits	6,431,303	5,134,086
Notes and accounts receivable - trade, and contract assets	1,685,113	1,713,385
Inventories	143,321	437,310
Other	2,201,204	1,880,459
Total current assets	10,460,943	9,165,241
Non-current assets		
Property, plant and equipment	1,336,246	1,397,698
Intangible assets		
Software	3,843,663	3,862,415
Other	310,529	100,681
Total intangible assets	4,154,192	3,963,097
Investments and other assets		
Investment securities	1,260,056	1,309,847
Other	1,479,166	1,442,179
Total investments and other assets	2,739,223	2,752,027
Total non-current assets	8,229,661	8,112,823
Total assets	18,690,605	17,278,065
Liabilities		
Current liabilities		
Notes and accounts payable - trade	417,402	786,105
Income taxes payable	759,366	66,823
Advances received	5,734,274	5,283,432
Provision for bonuses	305,586	543,661
Provision for bonuses for directors	34,470	4,049
Other	1,166,475	661,866
Total current liabilities	8,417,575	7,345,938
Non-current liabilities		
Provision for retirement benefits	614,155	623,534
Provision for share awards	10,165	11,690
Provision for share awards for directors	24,473	28,666
Asset retirement obligations	128,749	128,865
Other	20,102	16,432
Total non-current liabilities	797,647	809,189
Total liabilities	9,215,222	8,155,128
Net assets		
Shareholders' equity		
Share capital	843,750	843,750
Capital surplus	573,099	573,099
Retained earnings	7,717,853	7,332,143
Treasury shares	(126,634)	(126,634)
Total shareholders' equity	9,008,068	8,622,358
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	467,314	500,578
Total valuation and translation adjustments	467,314	500,578
Total net assets	9,475,383	9,122,936
Total liabilities and net assets	18,690,605	17,278,065

(2) Income Statement

Thousands of yen

	Previous term (from July 1, 2024 to September 30, 2024)	Current term (from July 1, 2025 to September 30, 2025)
Net sales	3,542,593	3,746,278
Cost of sales	2,563,272	2,812,765
Gross profit	979,321	933,513
Selling, general and administrative expenses	675,171	727,806
Operating profit	304,150	205,707
Non-operating income		
Interest income	1,060	5,160
Dividend income	1,169	2,742
Other	941	569
Total non-operating income	3,171	8,472
Non-operating expenses		
Commitment fees	1,323	1,323
Foreign exchange losses	1,730	137
Compensation expenses	-	4,193
Loss on retirement of non-current assets	-	3,728
Other	-	31
Total non-operating expenses	3,053	9,413
Ordinary profit	304,268	204,766
Profit before income taxes	304,268	204,766
Income taxes - current	123,568	54,871
Income taxes - deferred	(27,796)	10,008
Total income taxes	95,771	64,879
Profit	208,496	139,887

(3) Notes on the Financial Statements
(Notes on the Going Concern Assumption)
Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)
For three months ended September 30, 2025 (July 1, 2025, to September 30, 2025),
Not applicable.

(Adoption of Accounting Treatment Specific to the Preparation of Quarterly Non-Consolidated Financial Statements)
For three months ended September 30, 2025 (July 1, 2025, to September 30, 2025),
Not applicable.

(Business Segment)
Business segment information is omitted because the Company has a single reportable segment.

(Notes on Cash Flow Statement)
The Company has not prepared quarterly statements of cash flows for three months ended September 30, 2025.
Depreciation (including amortization related to intangible assets) for the three months were as follows.

Thousands of yen

	Three months ended September 30, 2024	Three months ended September 30, 2025
Depreciation	300,825	399,813