

May 6, 2021

INTELLIGENT WAVE INC.
(Code : 4847 TSE First Section)

Notice regarding establishment of Declaration of Health and productivity management.

The company notify that we established today the "Declaration of Health and productivity management" to promote our health and productivity management and realize its policy.

"Health and productivity management" is defined as the strategic implementation of health and productivity management, H&PM, for employees from a management perspective, and is expected to contribute to the enhancement of enterprise value and business sustainability.

As a System Integrator that is responsible for the important social infrastructure of credit card payments, our employees are our most important resource for business, and promoting their health is extremely beneficial to the realization of our mid-term management goals and management philosophy.

Here we disclose the Declaration of Health and productivity management with the aim of sharing this basic approach with employees and all stakeholders of ours.

The company's Sustainability Committee reviewed the draft declaration, and the Board of Directors decided to disclose it today.

We will continue to make specific efforts to contribute to the improvement of the health of our employees in accordance with the declaration. We will continue to disclose the details and status of our initiatives as needed.

Note

Declaration of Health and productivity management

We will promote initiatives for our employees to remain healthy both physically and mentally.

(Reference)

Notice regarding establishment of Sustainability Committee, March 24,2021

Sustainability Report 2020

Inquiries:

Investor Relations,

INTELLIGENT WAVE INC.

e-mail : ir_info@iwi.co.jp

Notice regarding establishment of Sustainability Committee

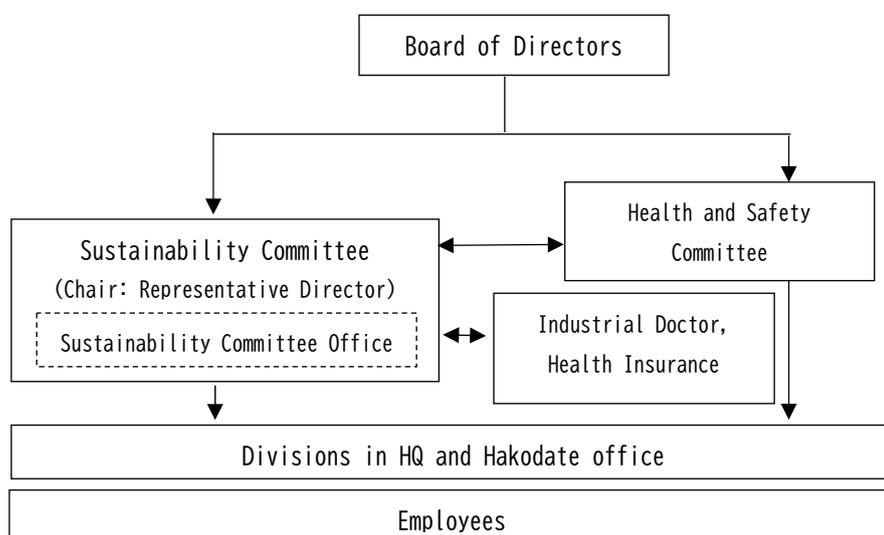
The company announces that we have established the Sustainability Committee to promote company-wide activities through specific measures, based on the premise of increasing the sustainability of our business while contributing to the sustainable development of society.

April 1, 2021, the company set up a committee with Kunimitsu Sato, Chief Executive Officer, Representative Director as the chairman and as members with Tsukasa Iseki, Chairman, Representative Director, Keiji Ohyama, Director, Senior Executive officer and Taisuke Goto, Director, Executive Officer.

We believe that the outcomes of efforts to solve ESG issues would enhance the sustainability and value of our company. Especially, we have focused on the activities for improving human capital targeted at our employees.

Sustainability Committee will start to expand and evolve existing activities as the core organization to set policies to realize basis "Contribution to Society", "Establishing a Good Corporate Climate", "Prohibition of Discrimination", "Consideration for the Global Environment" and others declared in our "Code of Business Conduct" and to secure the continuity of the promotion of our company-wide activities.

(Reference) Organizational chart



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Sustainability Report 2020

Introduction

We have produced this material for introducing our activities for solving ESG issues.

ESG is the acronym of Environment, Social, and Governance. ESG issues indicate a broad range of issues related to the environment, society, and governance.

We believe that the outcomes of efforts to solve ESG issues would enhance the sustainability and value of our company. Especially, the activities for improving human capital targeted at our employees are essential in our business model of system development, and can be expected to significantly contribute to improve the quality of our products and services beyond the scope of business risk control.

This sustainability report comprehensively and concisely summarizes our activities that cannot be reported sufficiently by our regular reports and documents we disclose, such as securities reports, corporate governance reports, brief financial reports, and reference material for briefing financial results.

I hope that this report will help investors and shareholders evaluation of our company.

September 2020,
Tsukasa Iseki, Chairman, Representative Director

Regarding the background and materiality

Our company aims to grow in the long term, by expanding our business from the domain of undertaking the development of business operation systems for large companies to the new industrial domains, including cloud-based services.

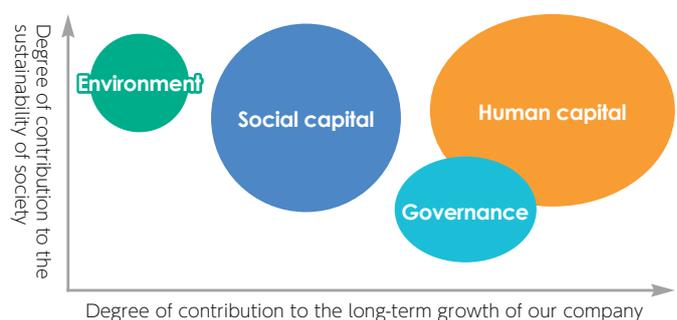
Our products and services are part of IT infrastructure that has indispensable functions for society.

Especially, we strive to improve human capital for not only to raise the quality of our products and services and guarantee the stable operation of IT infrastructure, but also recognizing that they are essential for the continuous growth of our business and we implement various measures to accomplish that.

In addition, the ESG issues related to social capital, which include issues regarding information management and data security, are important elements for our business continuity in the context of relationships with markets and clients.

From this viewpoint, this report describes our activities while focusing on the strengthening of our human capital and social capital.

According to the categorization by Sustainability Accounting Standards Board (SASB), the ESG issues that are more important among enterprises like our company in the software and IT service industries are the ones related to human capital, social capital, governance, and the environment. Governance-related issues are reported in our securities reports and corporate governance reports.



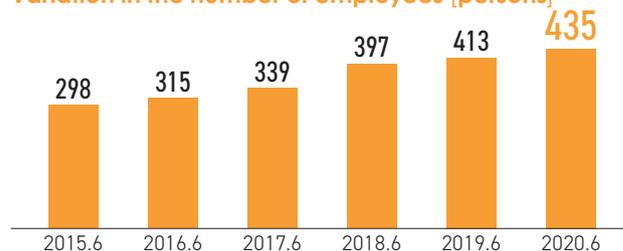


To strengthen human capital

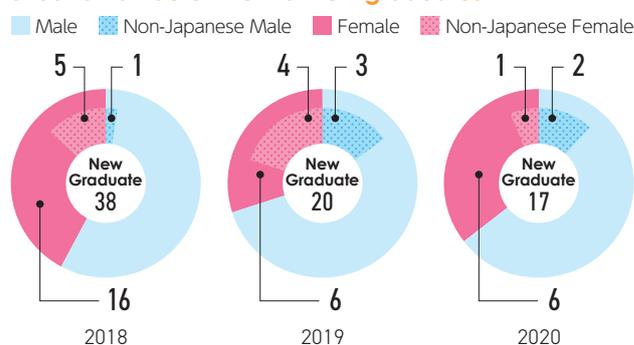
1. Diversity - Utilization of Diversity

Our main task is to develop systems for financial institutions, and about 75% of our employees engage in the development. In order to offer high-quality systems and services to clients, it is important to manage the working hours of employees meticulously, and develop a comfortable working environment and system. As our business scale has expanded, the number of employees has increased about 1.5 times from 5 years ago. Under our recruitment policy of employing personnel who possess diverse values regardless of gender or nationality, the ratios of female employees and non-Japanese employees have recently increased. For mid/long-term growth, it is essential to develop a working environment and systems suited for such diversifying employees.

Variation in the number of employees [persons]



Situation of recruitment of new graduates



Reform of workstyles

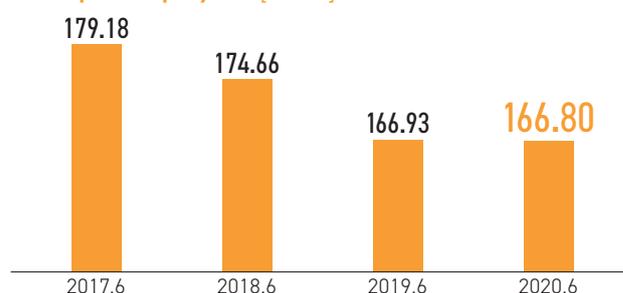
Our company aims to secure excellent personnel and improve our mid/long-term business performance by reducing the total working hours of employees and improving their work-life balance through the reform of workstyles. To do so, we have intensified the monitoring of employees' working hours and provided employees with various options for workstyles. Employees can reform their ways of working, by flexibly choosing from diverse workstyles according to their personal circumstances. In our company, the CEO himself is leading the reform of workstyles in an enthusiastic manner. To spread the reform of workstyles throughout the company, he repeatedly mentions "the importance of reducing overtime work and creating non-business time" at companywide conferences, such as the "Conference for Creating Time."

Conference for Creating Time

It is a monthly meeting organized by the CEO, involving all managers. The superiors of employees whose working hours were prolonged in the previous month give a presentation about improvement measures, and the CEO checks the measures and provides guidance if necessary. This conference can be characterized by the involvement of the top executive himself in the correction of prolonged work. Since the inauguration of the conference in February 2017, working hours have surely decreased companywide. The monthly average of working hours has dropped by about 7% between 2017 and 2020. Under the recognition that the reduction of working hours is the fruit of employees' efforts, our company pays "Allowance for Creating Time" to employees

according to how much they have reduced working hours. We will keep managing working hours and developing an environment that helps employees increase their productivity.

Variation in monthly average working hours per employees [hours]



Our activities regarding human capital and social capital

A variety of working options for employees

■ Telework

We adopted a telework system in October 2018, for employees who have a compelling reason, such as childcare and nursing care. In 2019, 18 employees used this system. As the COVID-19 spread, in April 2020, we eliminated the requirements for telework and allowed all employees to work from home.

■ Shortening of core time

To have a working environment comfortable for employees, our company had a system for staggered work shifts in which employees can adjust the start and end of their working hours by up to 3 hours, but in March 2020, we upgraded the system so that employees can adjust the start and end of their working hours each by up to 5 hours.



■ Breakfast service for encouraging the early-bird shift

Our company serves breakfast to our company's employees and affiliated companies' employees who work full-time in our company between 8:00 am to 9:30 am on weekdays. We started serving in June 2019, for the purpose of liberating employees from



prolonged work and the night-owl shift and improving their productivity through health enhancement, and about 60% of employees have used this service.

Empowerment of female employees

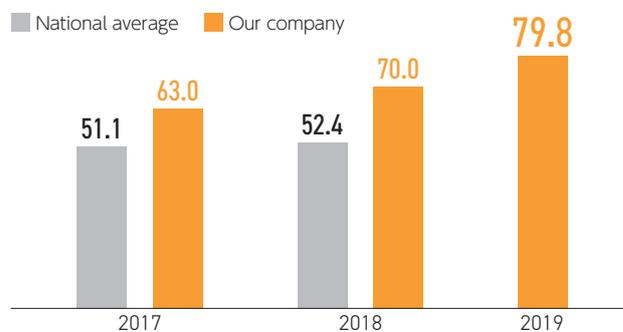
Our company is enhancing measures for empowering female employees. In our "Action Plan for Empowering Women" submitted to the Ministry of Health, Labour and Welfare, based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we set a goal of doubling the ratio of female managers and staff with expertise in the development section from 3.5% in December 2019 to 7% in 2022. Considering that in order to achieve the goal, it is necessary to develop an environment where female employees can consult with one another about their career-paths, life plans, etc., we established "Intelligent Women's Wave" as a working group. In this system, female employees can mentor one another, and as of the end of June 2020,

■ Encouraging employees to take a leave

In 2018, we established a system in which employees can take an annual paid leave in units of hours (hereinafter called "a paid leave"), and have been promoting employees to take a paid leave in a planned manner, considering the law regarding the reform of workstyles, which was enforced in April 2019 in staged enforcement approach. So that all employees will take 6 days of paid leave per year, composed of 5 days of paid leave set forth in the law regarding the reform of workstyles and 1 paid leave added in our original system, we check whether employees have taken a paid leave, and if they have not taken a paid leave enough, we notify and educate them to promote them to take a paid leave. In 2019, all employees took 5 days of paid leave and 96.0% took 6 days of paid leave, following our original system. The overall rate of taking a paid leave was 70.0% in 2018 and 79.8% in 2019, much above the national average: 52.4%*. In 2020, we will proceed with the development of an environment where employees can easily take a paid leave and in-company educational activities, with the aim of increasing the ratio of employees taking a paid leave so that all employees will take 8 days of paid leave per year.

* Source: "General Survey on Working Conditions 2019" by the Ministry of Health, Labour and Welfare

Variation in the rate of taking a paid leave [%]



39 out of 94 female employees (41.4%) were using this system. We have also strengthened measures for caring for the safety of female employees during commuting.

Ratio of female workers to all employed workers



Ratio of female workers to all workers



Ratio of female workers in the management level



Number of participants in Intelligent Women's Wave



(41.4% of female employees)

As of June 30, 2020

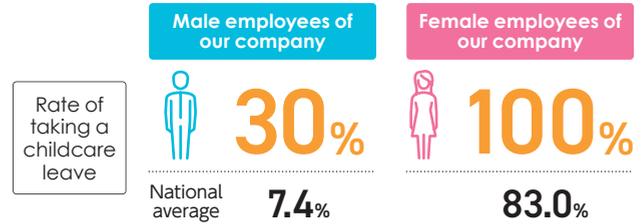
Our activities regarding human capital and social capital

Support for a good balance between work and childcare

We have established systems for supporting life events, such as childbirth and childcare. The Child Care and Family Care Leave Law obligates each company to adopt a system for reducing working hours to 6 hours per day for childcare for employees raising a child aged less than 3 years. Our company extended the application period of this system until a child enters junior high school, for the purpose of providing an environment where employees can achieve a good balance between work and childcare. As for childcare leave, 100% of female employees and

30% of male employees took it in 2019. These ratios both exceed the national averages.

In-company atmosphere where employees can take a childcare leave casually



* As for our company, the information in fiscal 2019 is indicated. As for the national averages, the information in fiscal 2018 is indicated. Source: "Basic Survey of Gender Equality in Employment Management in FY2019" by the Ministry of Health, Labour and Welfare

Further employment and empowerment of non-Japanese employees

As non-Japanese employees are increasing, our company is developing an environment where employees can respect the culture, way of thinking, and customs in the country of each employee regardless of nationality. So that non-Japanese

employees can get accustomed to Japanese lifestyles and workstyles, recruitment staff and the sections employing them collaboratively support them in improving their Japanese proficiency. In 2019, prayer room was established inside our company.

2. Improvement in Engagement

Believing that human resources are the most important managerial resources, our company is striving to develop systems and environments in which employees who possess specialized and technical abilities and knowledge can exert their capabilities to the maximum degree. We monitor the situation of employees' engagement and have conducted a satisfaction survey since 2017, for the purpose of using the survey results as reference material for improving our organizational climate. With reference to the opinions of employees given through the satisfaction survey, we have established various systems for enhancing the engagement of employees as described later.

Satisfaction survey

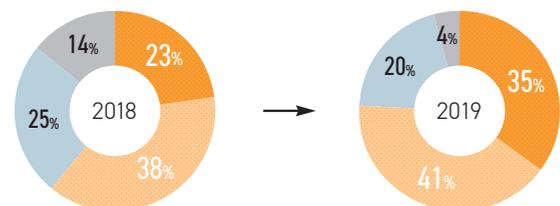
Since 2017, we have carried out employees' satisfaction survey on an annual basis. With reference to the voices of employees collected through the questionnaire survey, we design and systematize new measures. The results of our discussions are reported to all employees via an electronic bulletin board as answers from the company. The average response rate of the past 3 surveys is as high as 87%. With this system, we promoted employees to take a paid leave and improved the system for training managers. In 2018, we upgraded the working environment so that employees can work comfortably while feeling their jobs are worthwhile, for example, by adopting telework, paying an allowance according to the reduction of overtime work, partially adopting flex time, holding a business idea contest and adopting Fika, which will be described later. As a result, employees' engagement improved significantly, due to their

comfortable working environment and worthwhile jobs. We will keep improving the working environment while listening to the voice of each employee through the survey.

Regarding the improvement of the corporate climate

(Do you think your job is more worthwhile and your working environment is more comfortable than before?)

- I think so
- I somewhat think so
- I hardly think so
- I do not think so



Taken from the results of the satisfaction survey in 2018

Various measures for making jobs more worthwhile

■ FA system

Since 2017, our company has applied the free agent (FA) system annually. In the FA system, employees who have engaged in the same duty for a long period of time can apply for transfer to another department. This was systematized as one of methods for motivating employees and creating growth opportunities for them. Up until now, a total of 9 employees applied for the FA system, and after coordination among departments, 6 employees were transferred to their desirable departments to expand their domains.

■ Regular interview

For the purpose of improving the communication between superiors and subordinates, we hold a regular interview between "department chief and section chief" and "section chief and general staff" once a quarter. This regular interview is utilized not only for identifying goals and results, but also talking in a friendly manner to know each other, and it contributes to foster trusting relationships among business sections.

■ Fika

Fika is a Swedish custom of taking a short break with friends or colleagues while enjoying tea. Our company holds Fika regularly, for the purpose of enriching communication throughout the company. Fika is held in our refreshing space, where confectionery and beverages are provided to employees. Participating employees spend their time in their own way such like refreshing themselves in the relaxing atmosphere with music, having a chance to communicate with employees from the same department or other divisions, and so on. It contributes to improve their engagement.

* At present, we refrain from holding Fika, to prevent the spread of the COVID-19.



■ Projects Commendation

We commend projects annually that have produced a remarkable achievement, contributing significantly to the improvement of our business results, in the fiscal year. Commendable projects are selected according to their "contribution to business performance, business domain expansion, novelty, overcoming a challenging topic, contribution to cost reduction, stable operation, improvement in corporate value, and contribution to business," and cash awards according to the degree of contribution are paid equally to the members of commended projects. This commendation contributes to foster a sense of accomplishment and unity in each team.

■ Mentoring system

In November 2016, our company adopted a system for interviews between employees who will lead the next age (mentees) and the executives of other sections and department heads (mentors).

With this system, mentees are given the opportunity to consult freely about their worries in business and their career-paths with mentors in other sections who possess plenty of experience and knowledge. Mentors give advice to mentees according to their issues, and conduct necessary support activities, including directly approaching the mentees' superiors. This contributes to the lowering of employee turnover rate, by improving the mentees' engagement.

The mentees in this system are replaced on a regular basis. Up until now, mentors have met with a total of 88 mentees regularly once a quarter.

■ Encouraging employees to obtain public qualifications

Our company encourages employees to obtain qualifications, by commending or offering rewards to the employees who have obtained qualifications. Qualifications include information processing, project management, and TOEIC, but we especially recommend the qualifications related to our main business, credit card business. A total of 128 employees (18.0%) have passed the test to certificate qualification for credit card business.

■ Business idea contest

Since 2019, we have held a business idea contest with the aim of enhancing employees' awareness of issues annually. In 2019, 26 submitted ideas were deliberated by the selecting council, and 6 ideas were selected for commendation. We offered rewards to the employees who came up with those ideas. We discuss research and development for commercializing the commended business ideas and determine directions. In the medium term, this contest is expected to not only enhance employees' engagement, but also create businesses that would support the growth of our company.

To strengthen social capital



Protection of personal information (PrivacyMark System/JIS Q 15001:2017)

The PrivacyMark indicates that our company is audited by an evaluation organization regularly and has a system for taking appropriate measures for protecting personal information. Our company appropriately handles personal information, including specific personal information, in system development and marketing, which use personal information, including credit card data.



PCI DSS (Version 3.2) (Payment Card Industry Data Security Standard)

PCI DSS is a security standard in the credit card industry, which was established for the purpose of handling the data of credit card users in a safe manner. Our company offers cloud systems for network connection for credit card settlement, fraud detection, and acquiring processes. We operate our business safely by obtaining the standard.

Corporate Profile

Corporate name	Intelligent Wave Inc.
Date of establishment	December 1984
Location	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo 104-0033
Capital	843.75 million yen
Representatives	Tsukasa Iseki, Chairman & Representative Director Kunimitsu Sato, President & Representative Director
Stock exchange	The First Section of Tokyo Stock Exchange
Securities code	4847
Total number of outstanding shares	26,340,000
Parent company Affiliated company	Dai Nippon Printing Co., Ltd. ODN Solution
URL	https://www.iwi.co.jp