

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

**Notice of the revision of mid-term business plan**

The company announces that it revised the existing medium-term business plan ( Previous plan ), which was released on August 5, 2020, and drew up the new plan, Fiscal Year ending June 2022 to Fiscal Year ending June 2024, (Revised plan).

(Revised plan)		(Million yen)		
	FY06/2021 (Actual)	FY06/2022 (Forecast)	FY06/2023 (Plan)	FY06/2024 (Plan)
Net sales	11,187	12,000	13,500	15,000
Operating income (Operating margin)	1,130 (10.1%)	1,320 (11.0%)	1,750 (13.0%)	2,250 (15.0%)

(Previous plan)		(Million yen)		
	FY06/2020 (Actual)	FY06/2021 (Forecast)	FY06/2022 (Plan)	FY06/2023 (Plan)
Net sales	10,920	11,000	12,000	13,500
Operating income (Operating margin)	1,036 (9.5%)	1,150 (10.5%)	1,250 (10.4%)	1,500 (11.1%)

**Revision of the plan**

The company achieved almost the same results for the fiscal year ended June 30, 2021 as forecasted in the (Previous plan).

With the aim of further expanding the scale of our business and strengthening our profitability, we have reviewed our medium-term business plan (Previous plan) with the comprehensive examination for the business environment, and resolved (Revised plan) at the Board of Directors meeting held today.

There has been no negative impact from the new coronavirus infection, and no significant impact on the continuity of our system development and operation jobs. At present, our production activities are going smoothly.

We are in the process of transforming our business structure that we can offer cloud-based services in addition to existing on-premise contract for system development services.

Conventional on-premise contract development is categorized as a "flow-type" business, as the size of the contract and the timing of revenue booking are varied from project to project. On the other hand, cloud-computing service is classified as "stock-type" business, as it is expected to generate stable revenue-line within an ongoing contract period.

We are working to expand our stable revenue by adding "stock-type" businesses that can be expected to generate sustainable profitability, in addition to the existing "flow-type" revenue structure.

Enterprises outside the financial industry are providing new payment and financial services to their customers in order to expand their business domains. And our clients try to launch new businesses rapidly with introducing cloud-computing services.

Now we are transforming to our cloud service from systems that were previously provided on-premise, such as systems for acquiring business (merchant contract management), which is one of the operations of credit cards, as well as systems for credit card fraud detection.

Starting business with our cloud service, customers can quickly launch their own services without a large initial investment. As a result, we are encouraging business companies outside the financial industry and financial companies that have not previously been operating in the card business to enter the card business.

The cloud service business has grown to be an important part of us to acquire new customers and expand our business scale.

This business is expected to grow substantially in medium-term, following the expected return to be profitable in the fiscal year ending June 30 2022, and is expected to grow as a major source of revenue for the company by the fiscal year ending June 30, 2024.

We are also taking on the challenge of developing new products for new clients outside the financial industry and cultivating new markets with the knowledge and experience we have gained through our development works in the financial industry. With our technology, which is based on real-time, high-speed processing of large amounts of data, to discover and solve potential problems in the operations of different industries but financials, we will develop and cultivate new markets as new pillars of revenue.

We plan to achieve net sales of 15,000 million yen and operating income of 2,250 million yen (operating margin of 15%) in the fiscal year ending June 30, 2024 in the (Revised plan).

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