



# Financial Results for FY06/25

(July 1, 2024 to June 30, 2025)  
[Non-Consolidated]

Intelligent Wave Inc.  
Announced on August 8, 2025

# Financial Results for FY06/25

**Forecast for FY06/26**

**Progress of the Medium-Term Management Plan**

**Reference**

# Overview

- Net sales increased due to firm sales in the mainstay payment domain and the introduction of products to a major customer in the security domain.
- Profit was lower than in the previous year due to the impact of quality enhancement measures for a certain project, product composition in the security domain, and lump-sum depreciation of some of our own products.
- Order backlogs increased due to recurring revenue projects for cloud services, security products, and infrastructure operation services.

Million yen

	FY06/24		FY06/25		Change (YoY)		Initial forecast
	Results	Sales composition ratio	Results	Sales composition ratio			
Net sales	14,518	-	15,596	-	+1,077	+7.4%	16,000
Gross profit	4,707	32.4%	4,666	29.9%	(41)	(0.9%)	-
SG&A expenses	2,677	18.4%	2,818	18.1%	+141	+5.3%	-
Operating income	2,030	14.0%	1,848	11.9%	(182)	(9.0%)	2,250
Ordinary income	2,072	14.3%	1,890	12.1%	(182)	(8.8%)	2,290
Net income	1,420	9.8%	1,349	8.7%	(70)	(5.0%)	1,590
Amount of orders	20,128	-	19,322	-	(805)	(4.0%)	
Orders on hand	16,584	-	20,311	-	+3,726	+22.5%	

# Sales by Business Domain

- In the payment domain, sales increased due to steady investment demand centered on credit card companies.  
Sales in the acquiring area declined due to a large project for a credit card company that was shifted to the system development phase.  
Sales in others area decreased due to a dip in the number of projects for existing customers.
- In the security domain, sales increased as a result of product deployment at a major customer.
- In the data communication and analysis infrastructure domain, sales increased mainly due to system development for securities companies.

Million yen

	FY06/24	FY06/25	Change(YoY)	
Net sales	14,518	15,596	+1,077	+7.4%
Payment	12,151	12,755	+603	+5.0%
FEP *	5,370	5,525	+155	+2.9%
Fraud detection	1,697	2,604	+907	+53.5%
Acquiring	3,059	2,851	(207)	(6.8%)
Others	2,024	1,772	(251)	(12.4%)
Security	1,558	2,022	+464	+29.8%
Data communication and Analysis infrastructure	808	817	+9	+1.1%
Reference) Cloud services	2,504	3,479	+975	+38.9%

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

# Top Five Clients by Sales

- For DNP, security-related sales increased due to the introduction of new security products.
- Sales to “System Integrator” clients 2. and 3. declined due to a large project for a credit card company that was shifted to the system development phase.
- Sales to “Credit card company” 4. increased in new areas of the payment domain.

Million yen

	FY06/24	FY06/25	Change (YoY)	Main projects
1. DNP	1,675	1,895	+219	TSP development (smartphone payment) System operation (24/365) Cryptographic key management system Security product introduction
2. System Integrator	1,670	1,050	(619)	System development for credit card company
3. System Integrator	756	891	+134	System development for credit card company
4. Credit card company	622	874	+251	System development in the FEP, Fraud detection, Payment DX area
5. Credit card company	980	853	(126)	System development in the FEP, Fraud detection, Payment DX area

# Sales by Category

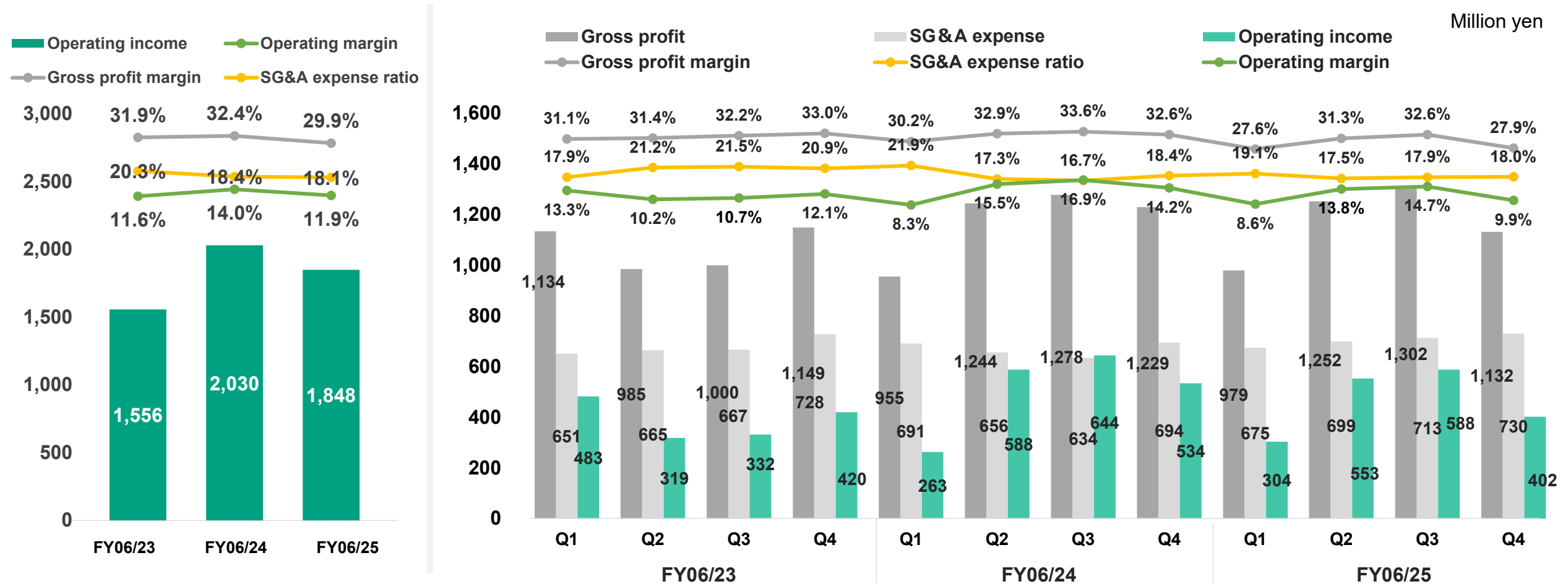
- System development sales decreased significantly due to the shift of development phases for a large project.  
Sales of other projects rose, but total sales decreased.
- Sales of in-house products and services increased due to the launch of infrastructure operation services.
- Cloud services sales increased due to a rise in the number of users and addition of functions for existing users.
- Sales in the security domain increased, mainly due to product deployments at a major customer.

Million yen

	FY06/24	FY06/25	Change(YoY)	
Net sales	14,518	15,596	+1,077	+7.4%
System development	7,009	6,838	(170)	(2.4%)
Maintenance	1,630	1,619	(11)	(0.7%)
In-house products and services	386	548	+161	+41.7%
Third-party products and services (hardware, etc.)	1,428	1,087	(341)	(23.9%)
Cloud services	2,504	3,479	+975	+38.9%
Security	1,558	2,022	+464	+29.8%

# Operating income

- Gross margins for system development and maintenance improved, but overall profitability declined, due to the impact of quality enhancement measures for a certain project, changes in the product mix in the security domain, and lump-sum depreciation of some of our own products.
- Selling, general and administrative (SG&A) expenses increased due to higher personnel expenses, but SG&A expenses declined as a percentage of sales.



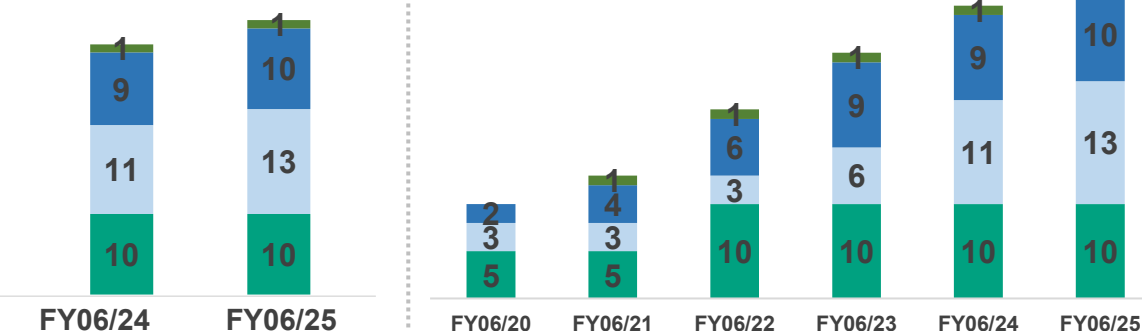
- Net sales increased due to an increase in the number of users of fraud detection service, additional functions for existing users, and the launch of a large-scale project.
- Gross profit declined due to the impact of quality enhancement measures for a certain project. Although infrastructure costs are increasing, we are working to improve gross profit margins by reducing infrastructure and operating costs and revising pricing to better reflect the value provided.

Million yen

	FY06/24				FY06/25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Amount of orders	614	969	890	2,761	1,618	1,932	466	885
Net sales	592	587	618	705	718	809	981	970
Orders on hand	6,717	7,098	7,371	9,426	10,326	11,449	10,935	10,850
Gross profit	96	84	94	75	(20)	128	178	123

## ■ Number of customers

■ IOASIS    ■ IFINDS  
■ IGATES    ■ IPRETS



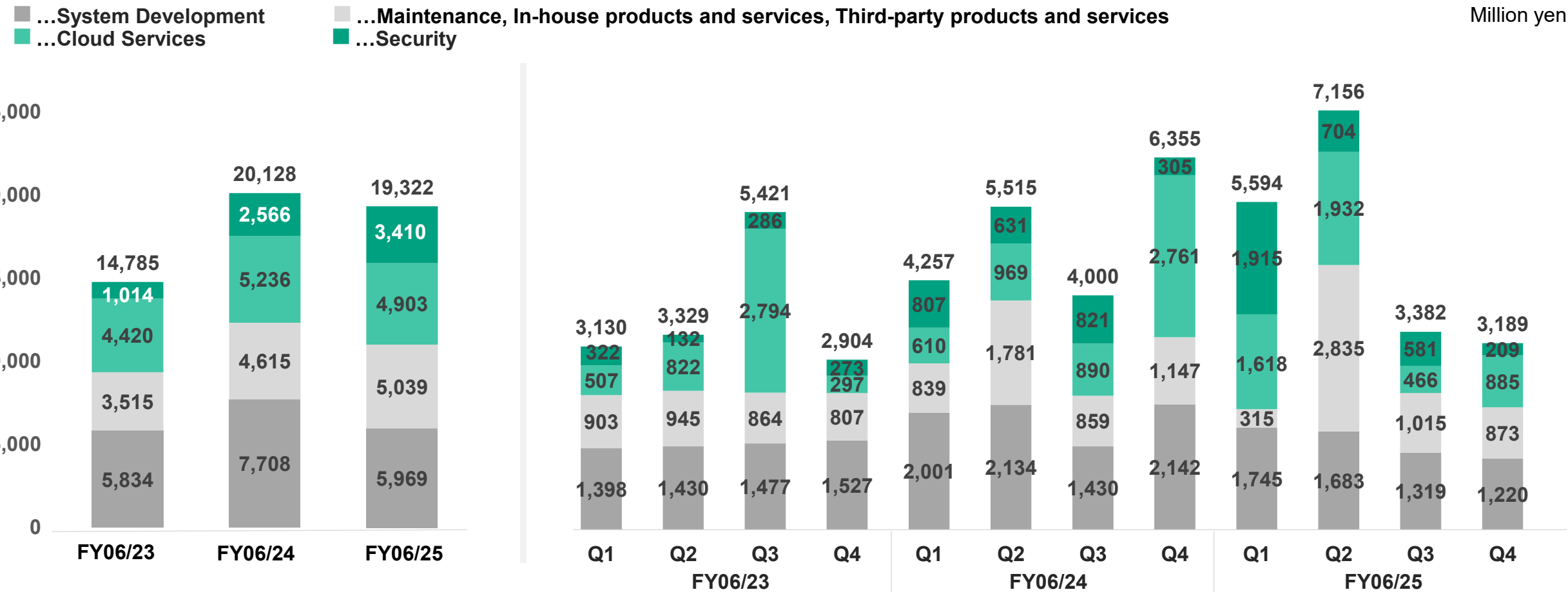
## ■ Overview

Service	Overview
■ IOASIS	Demand grew from existing customers for additional functionality and expansion in response to increased transaction volumes.
■ IFINDS	A growing number of companies are adopting “FARIS Shared Scoring Service Powered by PKSHA Security,” which enables issuers to share AI-based fraud analysis data to prevent fraud. New services are being progressively rolled out as part of our next-generation fraud prevention project “FARIS.”
■ IGATES	A large-scale project to develop a cross-industry multi-user platform for was released in January 2025.



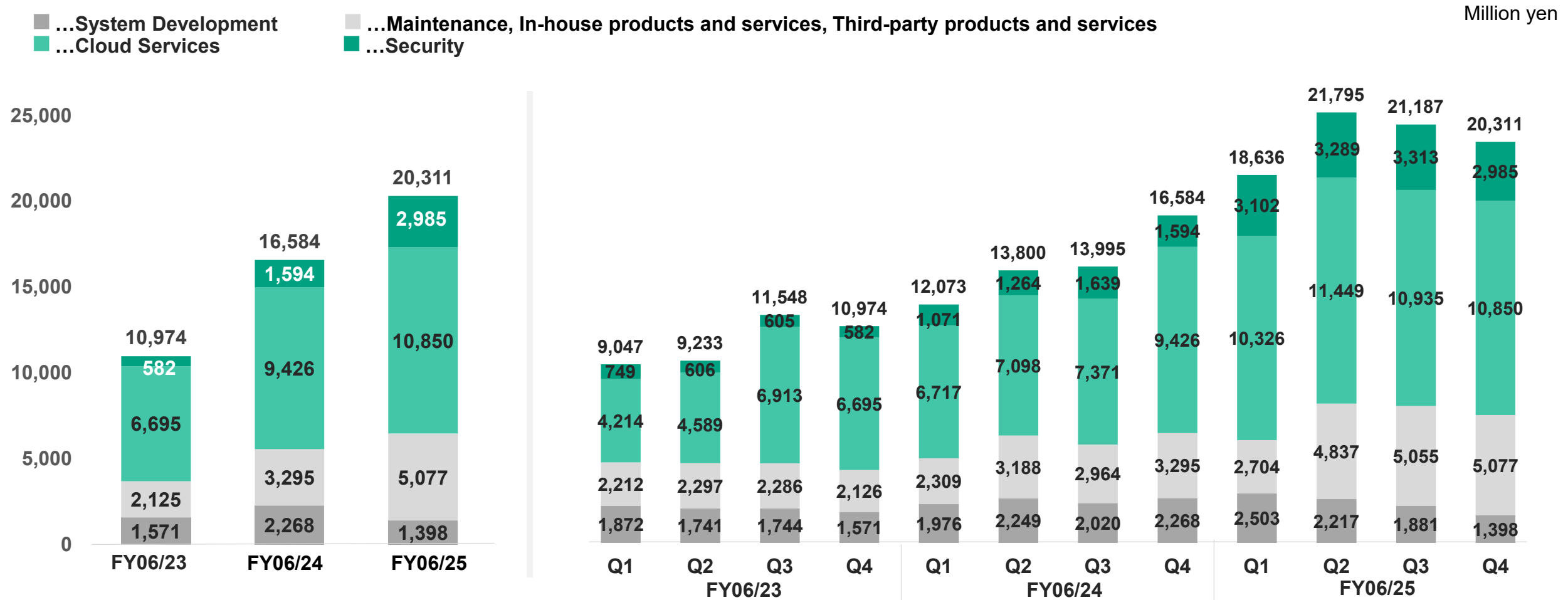
# Amount of orders (by Category)

- Orders for system development decreased due to the shift in development phases for a large project and temporary investment restraints by existing customers. Looking ahead to the next fiscal year, we are promoting proposals in anticipation of multiple system renewal projects from major credit card companies.
- In cloud services, the needs of new entrants have stabilized, and going forward, we will focus on securing orders for system modernization needs from credit card companies.



# Orders on Hand (by Category)

The orders backlog increased due to recurring revenue projects for cloud services, security, and infrastructure operation services for financial institutions.

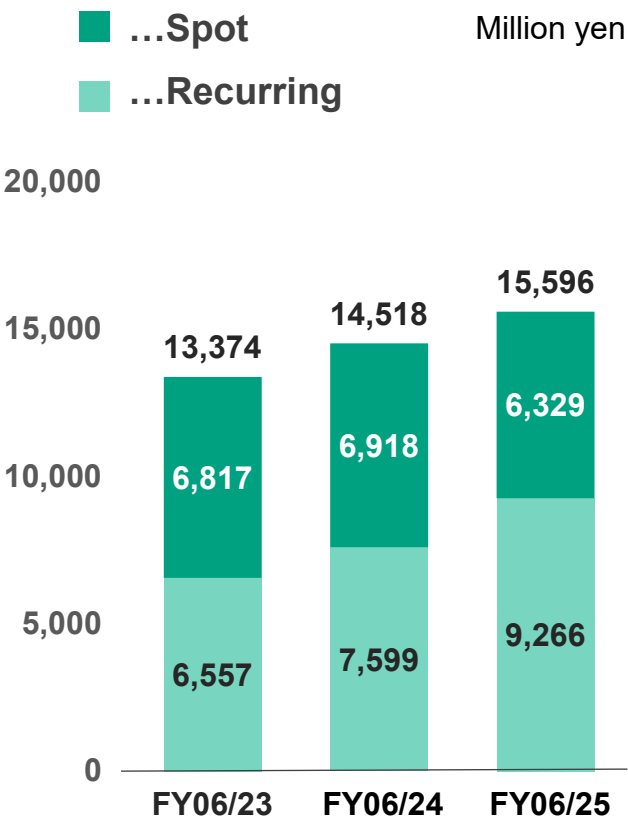


# Reference) Recurring and Spot

■ Sales by Type  
(Recurring and Spot)

■ ...Spot  
■ ...Recurring

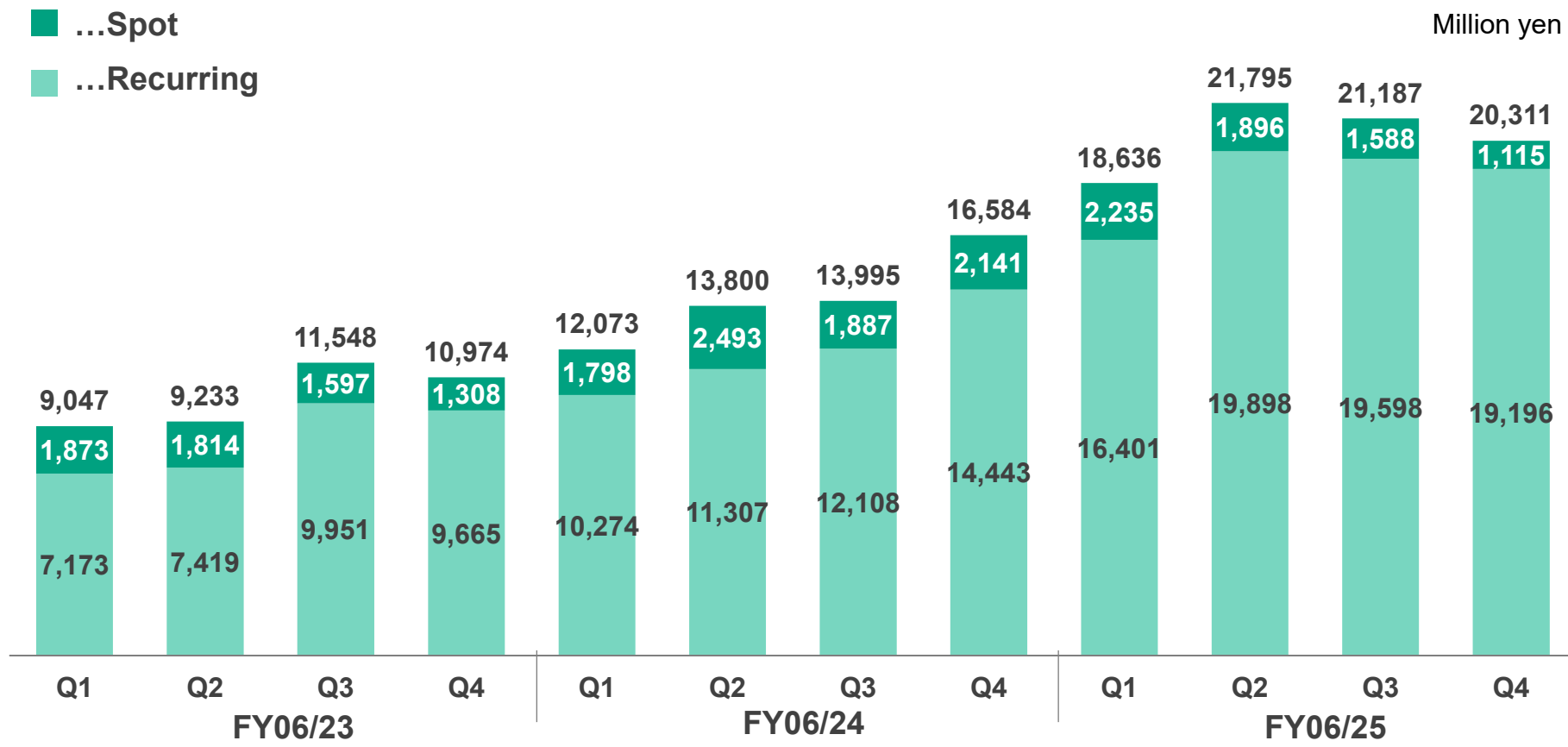
Million yen



■ Orders on Hand (Recurring and Spot)

■ ...Spot  
■ ...Recurring

Million yen



Recurring: Categories with contracts that allow us to record sales of a fixed amount on a regular basis  
Spot: Categories with contracts that are not fixed in terms of amount or timing

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# FY06/26 Full-year Forecasts

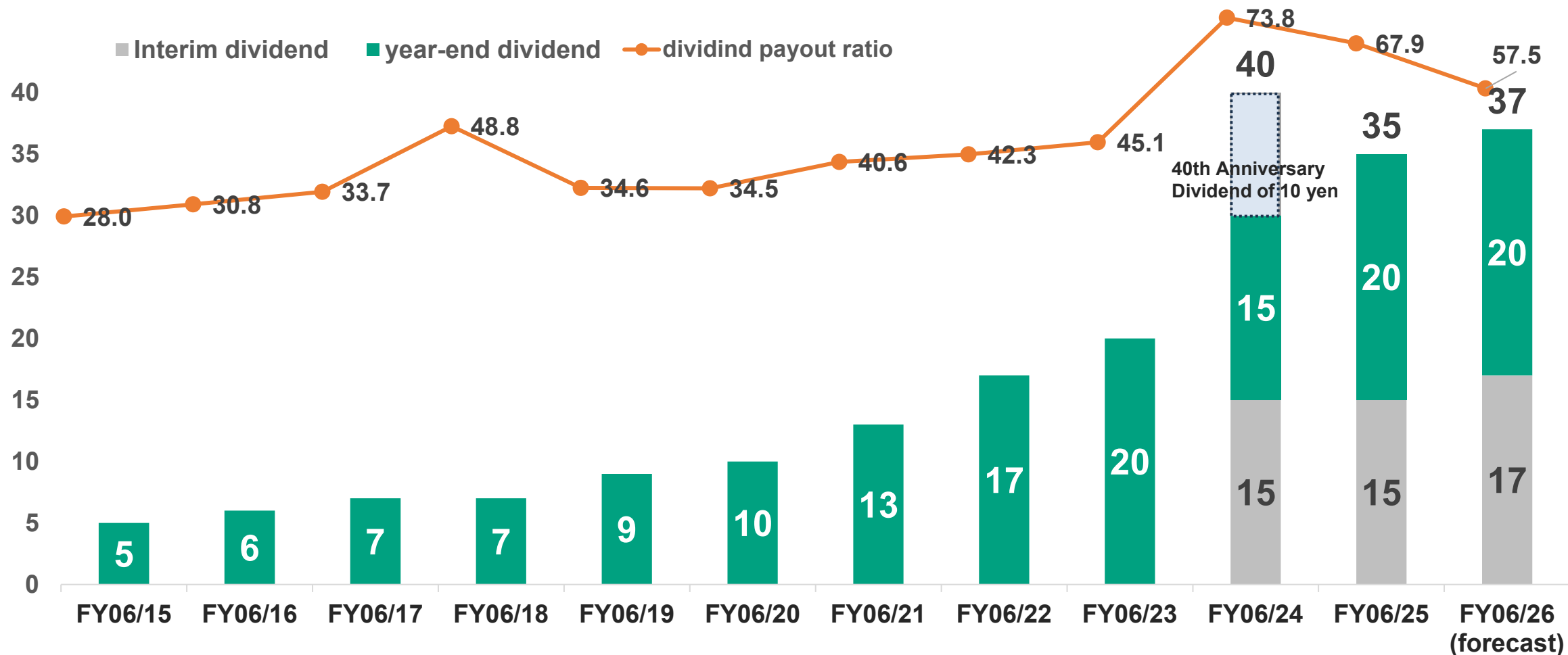
- Sales were higher than initial forecast in the medium-term management plan due to demand for system renewal from major credit card companies.
- Profits will continue to be affected by the product mix in the security domain, but we will strive to improve profitability by enhancing productivity through standardization and quality enhancement in system development, maintenance, infrastructure, and operations.

Million yen

	FY06/25 Actual			FY06/26 Forecast			Change [YoY]
	1H	2H	Full year	1H	2H	Full year	
Net sales	7,540	8,055	15,596	8,000	9,400	17,400	+11.6%
Payment	6,166	6,589	12,755	6,540	7,560	14,100	+10.5%
Security	923	1,098	2,022	1,040	1,210	2,250	+11.2%
Data communication and Analysis infrastructure	449	367	817	420	630	1,050	+28.4%
Operating income [OM]	857 [11.4%]	991 [12.3%]	1,848 [11.9%]	950 [11.9%]	1,450 [15.4%]	2,400 [13.8%]	+ 29.8%
Ordinary income [OM]	887 [11.8%]	1,002 [12.4%]	1,890 [12.1%]	970 [12.1%]	1,470 [5.6%]	2,440 [14.0%]	+ 29.1%
Net income [NM]	610 [8.1%]	738 [9.2%]	1,349 [8.7%]	670 [8.4%]	1,020 [10.9%]	1,690 [9.7%]	+ 25.2%

# Shareholder Returns

- Our basic dividend policy is to maintain stable dividends with a target payout ratio of 50%.
- The year-end dividend for FY2025 will be 20 yen per, as forecast at the beginning of the year.
- We expect to award annual dividends for FY2026 of 37 yen per share, consisting of an interim dividend of 17 yen per share and a year-end dividend of 20 yen per share.



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# Medium-Term Management Plan(2025–2027)

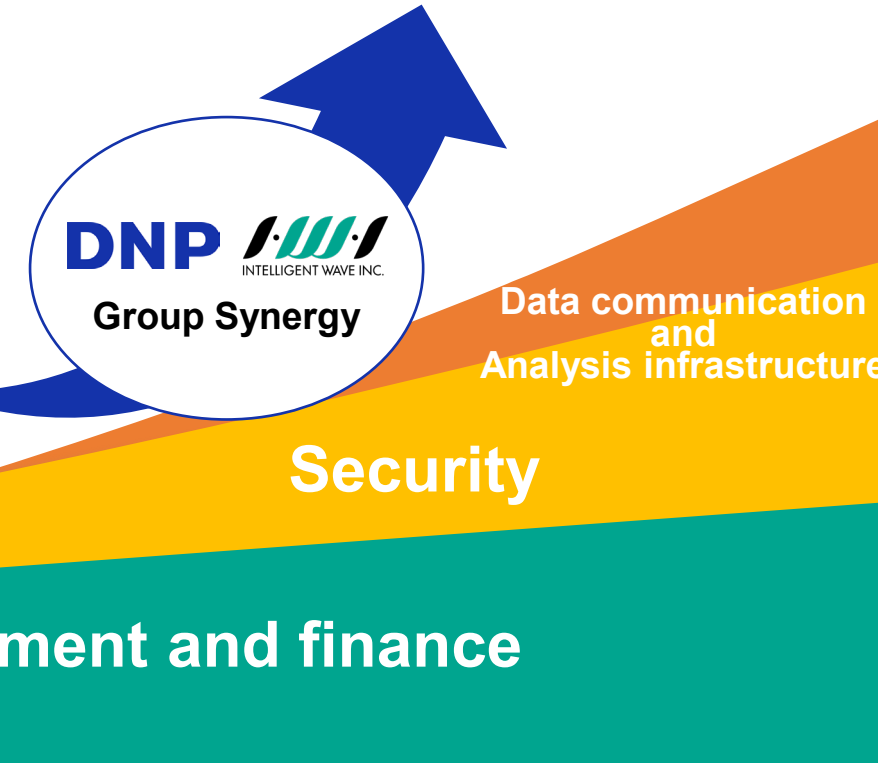
**We will aim to diversify our business and establish a foundation for sustainable growth, looking ahead to the 2030s. We will also develop our business in various fields, particularly in the payment, security, and technology domains, to bring value to people's lives and build enhanced trust.**

[ 1 ] In the payment domain, we will pursue sustainable growth by further expanding our business areas and leveraging our unique products and advantageous position in the payment industry.

[ 2 ] We will develop the security domain into a second pillar of our business.

[ 3 ] In the data communication and analysis infrastructure domain (a new area of business), we will utilize our core technologies to expand into growth markets and create a third business pillar, following payment and security.

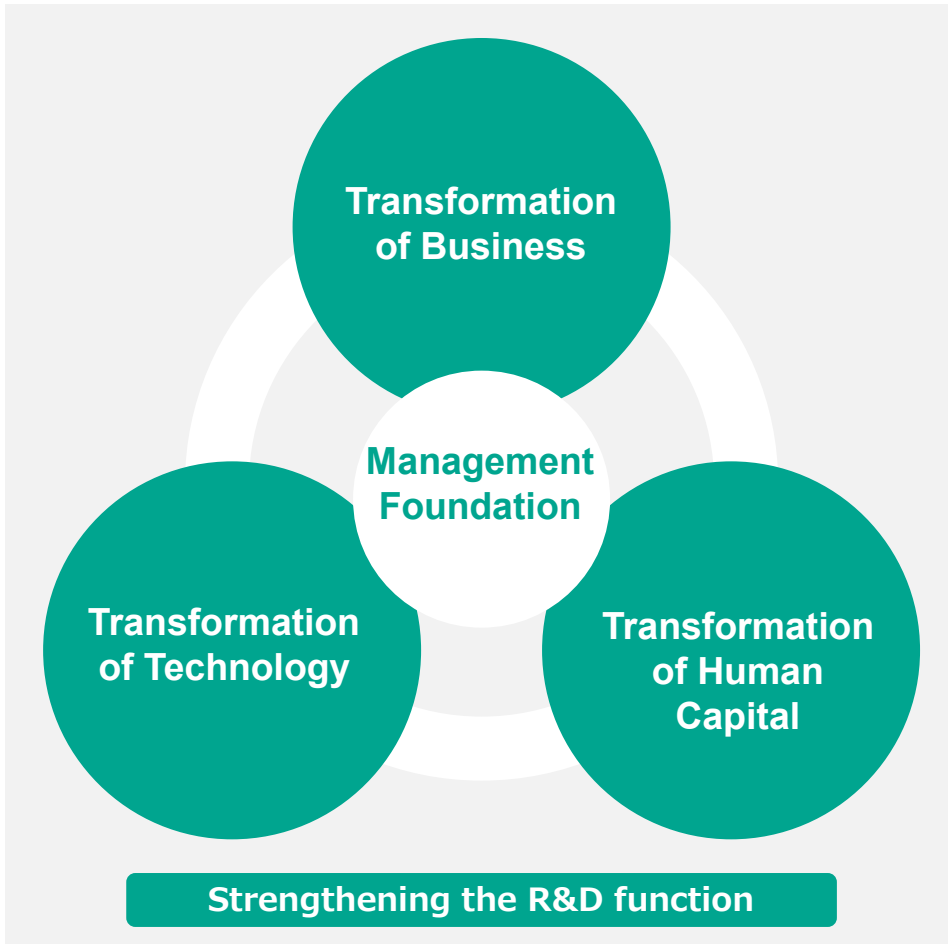
[ 4 ] By deepening our collaboration with the DNP Group and leveraging both customer bases, we will enhance our competitiveness and create synergies across the group.



**Our core technologies: High-speed, large-capacity data communication/analysis processing**



To prepare for the market environment of the 2030s, we will focus on three key areas of transformation: "business," "technology," and "human resources," to continue developing products and services that create new levels of reliability.



## 01 Transformation of Business

- ① Maximize the value of existing and new businesses and the value of our proprietary solutions
- ② Expand business from the payment domain into new domain
- ③ Improving profitability through a review of the profit structure. Return to product orientation.

## 02 Transformation of Technology

- ① Ensure superiority, maximize value, and create value by combining core technologies with cutting-edge technologies and DX
- ② Rationalization of development, maintenance and operations

## 03 Transformation of Human Capital

- ① Development of business planning personnel ,Strengthening our consulting functions
- ② Strengthening the R&D function
- ③ Promoting the mobilization of talent in line with our business strategies

# Progress of Medium-Term Management Plan

In the first year of the medium-term plan, profits fell short of targets due to the impact of quality enhancement measures for a certain project, and lump-sum depreciation of some of our own products. From next fiscal year onwards, we will aim to achieve the targets set for the final year of the medium-term plan.

Million yen

Numerical Targets	FY06/24(Actual)	FY06/25(Actual)	FY06/27(Plan)	FY06/25 (vs. forecast)
Net sales	14,518	15,596	19,000	97.5%
Operating income	2,030	1,848	2,850	82.1%
Operating margin	14.0%	11.9%	15.0%	(2.2pt)
ROE	15.8%	14.4%	17.0% or more	Difference from the final plan (2.6%)

# Business Domain Initiatives

Business Domain	Main Initiatives		Key Issues
Payment	Enhancing the added value of our proprietary payment solutions and expanding our business areas	<ul style="list-style-type: none"> <li>• Transition to new versions of flagship products in the FEP area and streamlining of development</li> <li>• Diversification of fraud detection solutions and planning of cross-industry solutions</li> <li>• Expansion of projects in the acquiring area utilizing our own solutions</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion of channels among key customers</li> <li>• Strengthening consulting functions to expand business areas</li> </ul>
	Enhancing quality and improving productivity	<ul style="list-style-type: none"> <li>• Standardization, commonization, and automation of system development processes</li> <li>• Consolidation and standardization of infrastructure and operations</li> </ul>	<ul style="list-style-type: none"> <li>• Reorganization of development and operation systems in line with business expansion</li> </ul>
Security	Enhancing added value in the security industry and strengthening sales systems	<ul style="list-style-type: none"> <li>• Increasing added value by adding features to our own product</li> <li>• Reorganization of development and operation systems in line with business expansion</li> <li>• Utilization of the DNP Group's customer base</li> </ul>	<ul style="list-style-type: none"> <li>• Expanding customer base</li> <li>• Improving responsiveness to customer needs</li> </ul>
Data communication and Analysis infrastructure	Establishing new businesses utilizing core technologies	<ul style="list-style-type: none"> <li>• Expansion of securities and market-related businesses</li> <li>• Development of core technology applications</li> </ul>	<ul style="list-style-type: none"> <li>• Creating resources for new businesses</li> <li>• Utilization of core technologies in other industries</li> </ul>

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# Cost of manufacturing

Million yen

	FY06/24				FY06/25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Materials cost	10	7	9	5	17	5	6	11
Labor cost	745	744	737	718	770	747	751	742
Expenses	569	667	661	780	819	814	790	1,003
Subcontracting cost	1,085	1,124	1,163	1,151	1,064	1,032	969	901
Total manufacturing cost	2,411	2,544	2,571	2,656	2,672	2,600	2,518	2,659
Work in progress [beginning of period]	216	269	227	275	206	383	243	282
Work in progress [end of period]	269	227	275	206	383	243	282	128
Transfer to other accounts	434	532	539	503	385	429	271	377
Cost of sales	1,923	2,054	1,984	2,221	2,109	2,311	2,207	2,436

# SG&A expenses

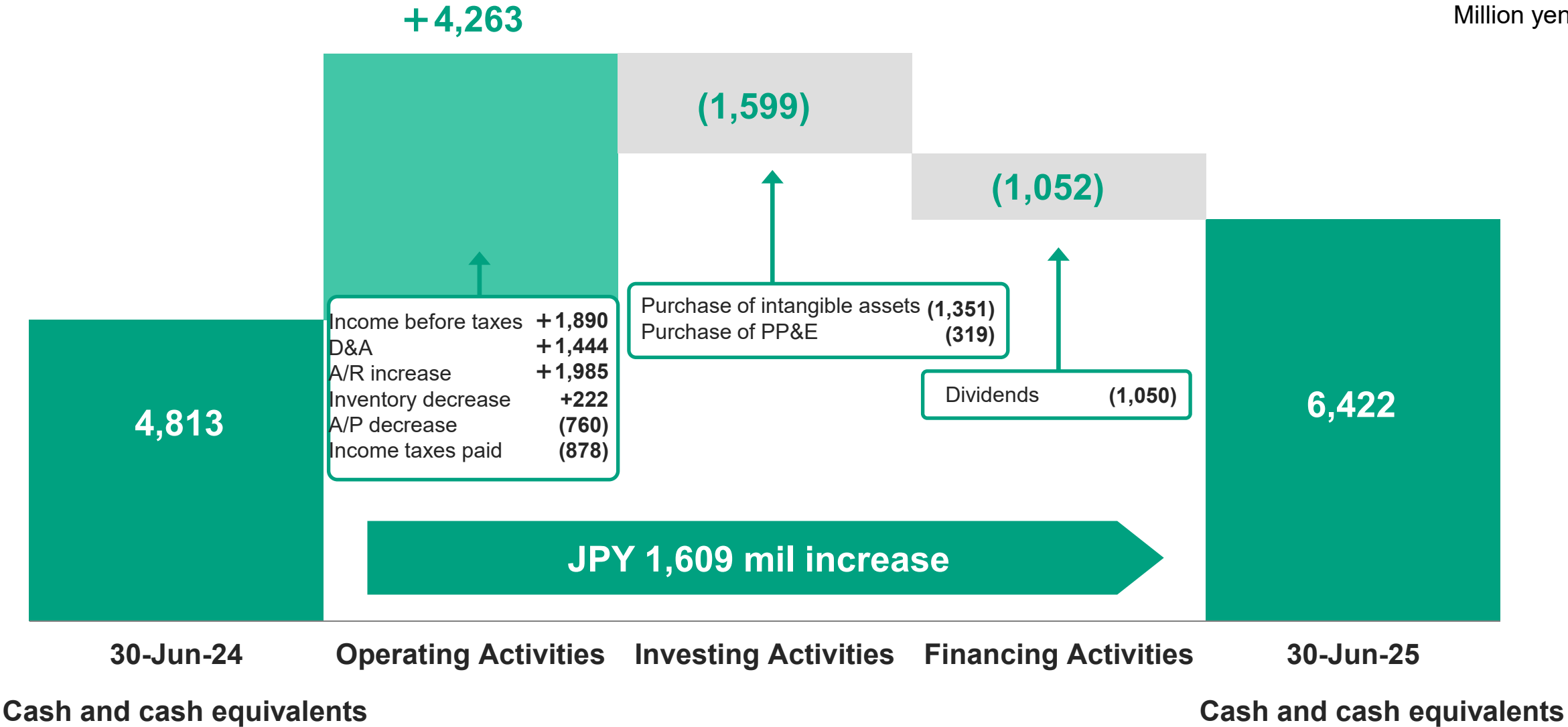
Million yen

	FY06/24				FY06/25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Salaries	387	382	381	405	407	428	416	431
Training and recruiting	24	12	9	35	18	12	12	40
Equipment and maintenance, etc.	127	108	113	111	108	112	110	115
Advertising	14	17	16	15	13	14	26	12
Others	137	137	115	128	127	131	146	129
Total	691	656	634	694	675	699	713	730

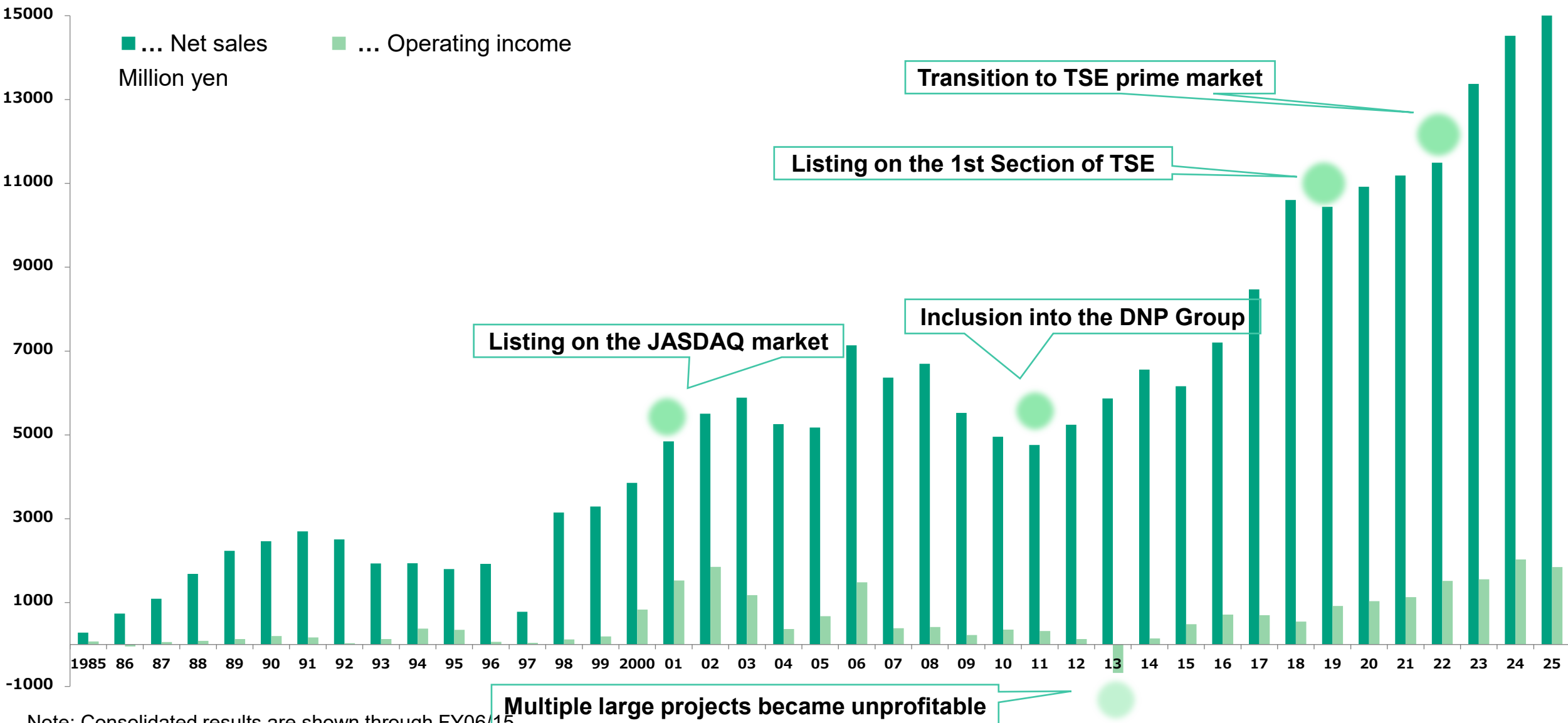
	FY06/24	FY06/25	Change
SG&A	2,677	2,818	+141
		Salaries	+128
		Training and recruiting	+3
		Equipment and maintenance, etc.	(15)
		Advertising	+2
		Others	+22

# Cash Flows

Million yen



# Historical performance



Note: Consolidated results are shown through FY06/15.

Note: The results for 1997 are for six months due to a change in the fiscal year.



# Reference) FY06/26 Forecasts by Category

Million yen

	FY06/25 Actual			FY06/26 Forecast			Change (YoY)
	1H	2H	Full year	1H	2H	Full year	
Net sales	7,540	8,055	15,596	8,000	9,400	17,400	+11.6%
System development	3,479	3,359	6,838	2,670	3,760	6,430	(6.0%)
Maintenance	796	822	1,619	820	830	1,650	+1.9%
In-house products and services	165	383	548	380	510	890	+62.4%
Third-party products and services (hardware, etc.)	647	440	1,087	900	820	1,720	+58.2%
Cloud services	1,527	1,952	3,479	2,190	2,270	4,460	+28.2%
Security	923	1,098	2,022	1,040	1,210	2,250	+11.2%
Net income [NM]	857 [11.4%]	991 [12.3%]	1,848 [11.9%]	950 [11.9%]	1,450 [15.4%]	2,400 [13.8%]	+29.8%

# Company overview

As of June 30,2025

Established	December 27, 1984		
Location	Kayabacho Tower, 1-21-2 Shinkawa, Chuo-ku, Tokyo		
Employees	519		
Parent company	Dai Nippon Printing Co., Ltd. [50.73%]		
Capital stock	JPY843.75k		
Shares outstanding	26,340,000	Shareholders	11,536

Ownership [%]		% of shareholders	
Individuals, others	<b>35.60%</b>	Individuals, others	<b>98.43%</b>
Japanese financial institutions	<b>3.39%</b>	Japanese financial institutions	<b>0.05%</b>
Other Japanese corporations	<b>51.30%</b>	Other Japanese corporations	<b>0.45%</b>
Foreign corporations	<b>7.23%</b>	Foreign corporations	<b>0.82%</b>
Japanese securities firms	<b>2.25%</b>	Japanese securities firms	<b>0.23%</b>
Treasury stock	<b>0.23%</b>	Treasury stock	<b>0.01%</b>



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