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November4, 2026

Non-consolidated Financial Results for the Three Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: INTELLIGENT WAVE INC.
Listing: Tokyo Stock Exchange, Prime Market
Securities code: 4847
URL: https://www.iwi.co.jp/en/
Representative: Koji Kawakami, Chief Executive Officer, Representative Director
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: No

(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, 2026 to September 30, 2026)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	4,638	23.8	674	227.9	676	230.3	457	226.9
September 30, 2025	3,746	5.7	205	(32.4)	204	(32.7)	139	(32.9)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2026	17.47	—
September 30, 2025	5.34	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	17,190	9,965	58.0
June 30, 2026	17,333	10,065	58.1

Reference: Equity
As of September 30, 2026: ¥9,965 million
As of June 30, 2026: ¥10,065 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2026	—	17.00	—	20.00	37.00
Fiscal year ending June 30, 2027	—				
Fiscal year ending June 30, 2027 (Forecast)		17.00	—	20.00	37.00

Note: Revisions to the dividend forecast most recently announced: None

3. Earnings Forecasts for the Fiscal Year Ending June 30, 2027 (July 1, 2026 to June 30, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	8,800	5.4	1,000	14.2	1,020	13.1	700	15.4	26.64
Full year	17,700	2.6	2,200	6.0	2,240	5.2	1,530	2.9	58.22

Note: Revisions to the earnings forecasts 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, 2026	26,340,000 shares
As of June 30, 2026	26,340,000 shares

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

As of September 30, 2026	155,973 shares
As of June 30, 2026	155,943 shares

(iii) Average number of shares outstanding during the period

Three months ended September 30, 2026	26,184,045 shares
Three months ended September 30, 2025	26,181,658 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 (95,800 shares as of September 30, 2026, 95,800 shares as of June 30, 2026). Furthermore, the shares of the Company held by the trust are included in treasury shares deducted in the calculation of the average number of shares outstanding during the period (95,800 shares for the three months ended September 30, 2026, 98,200 shares for the three months ended September 30, 2025).

* 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

The forecast figures stated above are based on judgments made using information currently available and involve a number of uncertainties. Actual results and other outcomes may differ from these forecast figures due to changes in business conditions and other factors. Please refer to "1. Financial Results and Forecasts (3) Forward-Looking Information, Including Earnings Forecasts" on page 6 of the Attachment for the assumptions underlying the performance and notes to the use of earnings forecasts.

The material for the financial results presentation has been disclosed on TDnet simultaneously with this financial results report and will also be uploaded to the Company's website soon.

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1. Financial Results and Forecasts

(1) Operating Results

The Company has formulated a three-year medium-term management plan beginning in the fiscal year ended June 30, 2025. Under the plan's theme of "Transformation for the Future," the Company is working to diversify its businesses and build a foundation for sustainable growth, with a view to the 2030s. To achieve these goals, the Company is focusing over this three-year period on transformation in three key areas: business, technology, and human resources.

Under the medium-term management plan, the Company has reorganized its business domains into three function-based domains: payment, security, and data communication and analysis infrastructure (new domain). In each of these domains, the Company is promoting initiatives aimed at growth.

In the core payment domain, with the increasing adoption of cashless payments in Japan, the Company's major clients, which are payment service providers, are making progress in modernizing and opening up their mission-critical systems. In addition to the FEP* area, one of its strength, the Company is working to enhance the value of its payment solutions by expanding into the acquiring area. In the fraud detection area, amid the diversification of card fraud, the Company is working to enhance the value it provides in the payment domain through initiatives such as the launch of a card industry-wide fraud prevention solution.

In the security domain, the Company is developing its highly profitable proprietary products to further enhance their value, while also focusing on expanding into overseas markets, particularly in Southeast Asia. In the data communication and analysis infrastructure domain, the Company is exploring applications of its core technologies, namely high-speed, high-volume data communication and analysis/processing technologies, in other industries as it seeks to capture new markets.

In addition, the Company is developing a more advanced operating model with AI embedded throughout to support future growth. By leveraging AI, the Company is enhancing development productivity and quality while advancing existing businesses and creating new businesses, as it works to strengthen the corporate foundations needed to support sustainable growth.

For the three months ended September 30, 2026, net sales were ¥4,638 million, up 23.8% year on year; operating profit was ¥674 million, up 227.9%; ordinary profit was ¥676 million, up 230.3%; and profit was ¥457 million, up 226.9%. Both net sales and profit increased significantly, driven in the payment domain by strong contributions from system upgrades and other projects for major clients, as well as by the completion of the work to address quality issues that arose in the previous year on a cloud services project for a specific customer, among other factors.

Reference: Sales by business domain (millions of yen)

	Three months ended September 30, 2025	Three months ended September 30, 2026	YoY % change
Net Sales	3,746	4,638	23.8%
Payment	3,068	3,905	27.3%
Of which: Cloud services	1,014	1,142	12.6%
Security	499	537	7.5%
Data communication and analysis infrastructure	177	196	10.3%

Sales in the payment domain increased, mainly in system development and hardware sales, as system upgrade and other projects for major clients progressed, particularly in the core FEP and fraud detection areas. IT investments by credit card companies remained firm, particularly in core system modernization and measures to combat card fraud. In the data communication and analysis infrastructure domain, revenue from system development projects for securities companies increased.

In terms of operating profit, gross profit was ¥1,384 million, up 48.3% year on year, supported by solid profitability on system development projects, particularly major projects, as well as the completion of the work undertaken in the previous year to address quality issues. Meanwhile, selling, general and administrative expenses were ¥709 million, down 2.5% year on year, coming in below the initial plan, mainly because part of the investment in improving the internal environment planned for the first quarter was postponed. For the full fiscal year, spending is expected to be largely in line with the initial plan.

Orders received were ¥2,979 million, down 18.9% year on year, and order backlog was ¥16,770 million, down 17.1%. Orders received declined year on year, particularly in system development and hardware sales against a high comparison base created by large system upgrade projects received in the same period of the previous fiscal year. Meanwhile, IT investment demand from credit card companies continues to be firm in areas such as core system modernization and measures to combat card fraud. The Company will continue working to steadily secure projects.

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

(2) Financial Position

Assets

As of September 30, 2026, total assets were ¥17,190 million, down ¥143 million from the end of the previous fiscal year. Current assets were ¥9,793 million, down ¥87 million from the end of the previous fiscal year. This was mainly due to decreases of ¥279 million in notes and accounts receivable – trade, and contract assets, and ¥242 million in advance payments to suppliers included in other current assets, despite increases of ¥477 million in cash and deposits, and ¥113 million in inventories.

Non-current assets were ¥7,397 million, down ¥55 million from the end of the previous fiscal year. This was mainly due to a decrease of ¥49 million in intangible assets.

Liabilities

As of September 30, 2026, total liabilities were ¥7,224 million, down ¥43 million from the end of the previous fiscal year. This was mainly due to decreases of ¥548 million in advances received, and ¥11 million in provision for bonuses for directors, despite increases of ¥262 million in provision for bonuses, ¥147 million in notes and accounts payable – trade, and ¥108 million in income taxes payable.

Net Assets

As of September 30, 2026, net assets were ¥9,965 million, down ¥99 million from the end of the previous fiscal year. This was mainly due to decreases of ¥68 million in retained earnings, and ¥31 million in valuation difference on available-for-sale securities.

(3) Forward-Looking Information, Including Earnings Forecasts

There is no revision to the earnings forecasts announced on August 5, 2026, “Summary of Non-consolidated Financial Results for the Fiscal Year Ended June 2026.”

2. Financial Statements
(1) Balance Sheets

（Thousands of yen）

	As of June 30,2026	As of September 30,2026
Assets		
Current assets		
Cash and deposits	4,643,241	5,120,483
Notes and accounts receivable - trade, and contract assets	2,853,621	2,574,333
Inventories	286,231	399,904
Other	2,097,889	1,698,420
Total current assets	9,880,984	9,793,142
Non-current assets		
Property, plant and equipment	1,447,256	1,455,280
Intangible assets		
Software	3,038,269	2,719,837
Other	415,083	683,998
Total intangible assets	3,453,352	3,403,835
Investments and other assets		
Investment securities	1,362,192	1,315,739
Other	1,189,697	1,222,360
Total investments and other assets	2,551,890	2,538,100
Total non-current assets	7,452,499	7,397,215
Total assets	17,333,483	17,190,358
Liabilities		
Current liabilities		
Notes and accounts payable - trade	636,438	784,374
Income taxes payable	0	108,877
Advances received	4,870,982	4,322,949
Provision for bonuses	309,000	571,147
Provision for bonuses for directors	24,574	13,278
Other	595,600	587,230
Total current liabilities	6,436,594	6,387,857
Non-current liabilities		
Provision for retirement benefits	636,475	637,716
Provision for share awards	12,706	14,231
Provision for share awards for directors	37,587	40,560
Asset retirement obligations	129,212	129,329
Other	15,239	14,841
Total non-current liabilities	831,220	836,679
Total liabilities	7,267,815	7,224,537
Net assets		
Shareholders' equity		
Share capital	843,750	843,750
Capital surplus	573,099	573,099
Retained earnings	8,232,510	8,164,255
Treasury shares	(124,195)	(124,235)
Total shareholders' equity	9,525,163	9,456,869
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	540,503	508,951
Total valuation and translation adjustments	540,503	508,951
Total net assets	10,065,667	9,965,821
Total liabilities and net assets	17,333,483	17,190,358

(2) Statements of Income

（Thousands of yen）

	Three months ended September 30, 2025 (July 1, 2025– September 30, 2025)	Three months ended September 30, 2026 (July 1, 2026– September 30, 2026)
Net sales	3,746,278	4,638,815
Cost of sales	2,812,765	3,254,804
Gross profit	933,513	1,384,011
Selling, general and administrative expenses	727,806	709,434
Operating profit	205,707	674,577
Non-operating income		
Interest income	5,160	6,148
Dividend income	2,742	1,186
Other	569	666
Total non-operating income	8,472	8,002
Non-operating expenses		
Commitment fees	1,323	1,323
Foreign exchange losses	137	809
Loss on retirement of non-current assets	3,728	3,807
Other	4,224	335
Total non-operating expenses	9,413	6,275
Ordinary profit	204,766	676,303
Profit before income taxes	204,766	676,303
Income taxes - current	54,871	250,454
Income taxes - deferred	10,008	(31,493)
Total income taxes	64,879	218,961
Profit	139,887	457,342

(3) Notes on the Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in the Amount of Shareholders' Equity

For the three months ended September 30, 2026 (July 1, 2026-September 30, 2026)

Not applicable.

Adaption of Accounting Treatment Specific to the Preparation of the Quarterly Non-Consolidated Financial Statements

For the three months ended September 30, 2026 (July 1, 2026-September 30, 2026)

Not applicable.

Segment Information

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

Statements of Cash Flows

The Company has not prepared a quarterly statements of cash flows for the three months ended September 30, 2026. Depreciation, including amortization of intangible assets, for the three-month period was as follows.

(Thousands of yen)

	Three months ended September 30, 2025 (July 1, 2025–September 30, 2025)	Three months ended September 30, 2026 (July 1, 2026–September 30, 2026)
Depreciation	399,813	406,007