

(Translation) This document has been translated from the Japanese original for the convenience of overseas stakeholders. In the event of any discrepancy between this document and the Japanese original, the original shall prevail.



Sep 28, 2022

INTELLIGENT WAVE INC.
(Code : 4847 TSE Prime market)

Regarding the Items Related to Controlling Shareholders and Others

Regarding Dai Nippon Printing Co., Ltd., which is the parent company of our company, we hereby announce the items related to controlling shareholders and others as follows.

1. The corporate names, etc. of the parent company, other controlling shareholders, and affiliated companies

(as of June 30, 2022)

Name	Attribute	Ownership ratio of voting rights [%]			The financial instruments exchange, etc. where issued share certificates are listed
		Direct ownership ratio	Portion subject to tallying	Total	
Dai Nippon Printing Co., Ltd.	Parent company	50.75	—	50.75	Prime market of Tokyo Stock Exchange, Inc.

2. Positioning of listed companies in the corporate group including the parent company, and relationships between other listed companies and the parent company, etc.

Our parent company is Dai Nippon Printing Co., Ltd., which owns 50.75% of voting rights of our company. For the purposes of exchanging information on technologies and marketing activities and obtaining timely and appropriate advice, an auditor of the parent company also serves as our company's auditor.

We selected and appointed outside executives (two outside directors and three outside auditors) as independent executives designated in the independence standards of the Companies Act and Tokyo Stock Exchange, from the viewpoint of enhancing our independence from the parent company.

The board of auditors of our company is composed of a full-time auditor and four part-time auditors, and engages in business activities through our original decision-making processes, so the independence of our business administration is secured sufficiently.

(Concurrent posts of executives)

(as of September 28, 2022)

Post	Name	Post in the parent company or other group companies	Reason for appointment
Auditor	Naoyuki Beppu	Deputy General Manager of Strategic Business Planning & Development Division, Dai Nippon Printing Co., Ltd.	To enhance the audit system

(Note) Among six directors and five auditors of our company, only one has a post in the parent company.

3. Items related to transactions with controlling shareholders and others

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This fiscal year (from July 1, 2021 to June 30, 2022)

Category	Name of the company or the like	Location	Capital or money invested [million yen]	Business description or occupation	Ownership ratio of voting rights [%]	Relationship with said party	Details of transactions	Transaction amount [thousand yen]	Account item	Term-end balance [thousand yen]
Parent company	Dai Nippon Printing Co., Ltd.	Shinjuku-ku, Tokyo	114,464	Printing business and beverage business	Direct ownership 50.74	Sale of our products, commissioned development, procurement of products	Software development, etc.	1,204,806	Accounts receivable	141,945
									contract assets	104,625
									Advances received	171,073
								49,764	Accounts payable	5,181
									Advance payments to suppliers	65,803
		card printing, housing service, etc.	79,693	accounts payable	23,379					
		Payment of compensation for loss	3,697	accounts payable	3,697					

(Notes) Transaction conditions, the policy for determining transaction conditions, etc.

The same conditions as those for other parties with which our company has no relationships.

4. Status of execution of policies for protecting minority shareholders when making transactions with controlling shareholders, etc.

We make transactions with the controlling shareholder based on the same conditions as general and proper transaction conditions so as not to degrade the benefits of minority shareholders. In addition, on December 8, 2021, we established the Special Committee consisting of two independent outside directors and one independent outside auditor to deliberate and review important transactions and actions that arise conflict of the interests between controlling shareholders and minority shareholders.

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