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August 7, 2025

Corporate Name: IPS, Inc.
Trading Name: IPS, Inc.
President/CEO: Koji Miyashita
Code Number： 4390 Prime Market of the Tokyo Stock Exchange
Contact: Hiroyasu Akatsu, Administration Department (TEL. +81-3-3549-7719)

Notice Regarding the Launch of a New Business by a Consolidated Subsidiary

InfiniVAN, Inc. (hereinafter referred to as "InfiniVAN"), a consolidated subsidiary of our company engaged in telecommunications services in the Philippines, has decided to launch a new business related to the construction and operation of a Cable Landing Station (CLS) for international submarine cables. On August 6, 2025, a groundbreaking ceremony for the CLS was held in Baler, located on the eastern coast of Luzon Island in the Philippines. We are pleased to provide details as follows.

1. Purpose of the Business Launch

InfiniVAN has decided to construct and operate an international submarine cable landing station (Cable Landing Station: CLS) in Baler. Building and owning a CLS is a strategic investment in international telecommunications infrastructure. The CLS will serve as a critical gateway, connecting submarine cables to domestic communication networks, and will be positioned as a long-term strategic fixed asset.

Details of the project were initially announced in our May 13 news release titled " InfiniVAN, a Philippine subsidiary of our company, Launches New Cable Landing Station Project in Baler, Eastern Philippines, in Partnership with TAISEI CORPORATION"

At the August 6 groundbreaking ceremony, a congratulatory video message was received from Henry Rhoel Aguda, Secretary of the Department of Information and Communications Technology (DICT), and numerous distinguished guests attended, including representatives from the Embassy of Japan in the Philippines and members of the media from both Japan and the Philippines.

The Baler CLS will adopt an "open access" policy, ensuring that no single telecommunications carrier has exclusive access. It is expected to become the first advanced international telecommunications infrastructure in the Philippines that allows equal access for all international carriers. Additionally, Baler is strategically located along a geopolitically low-risk route that avoids the so-called "Nine-Dash Line" in the South China Sea, making it a rare landing site for communications from Japan and the United States. This gives Baler the potential to become a major gateway to Asia.

Note: Open Access refers to an operational policy that allows any carrier to connect without restriction, ensuring fair and efficient interconnection at appropriate pricing.

Through this CLS, our group will provide communication carriers, cloud service providers, and data center operators with bandwidth connection services, operation and maintenance services for communication equipment, and facility usage services such as rack space and cross-connects. These services will generate recurring revenue streams from connection fees, usage fees, and O&M fees based on contracts, forming a stock-type infrastructure revenue model that enables medium- to long-term return on investment.
Traditionally, most CLSs in the Philippines have been owned and operated exclusively by specific carriers, limiting competition in domestic line services and, in some cases, resulting in domestic line costs exceeding international ones. The Baler CLS aims to address these issues by establishing an open platform accessible to both domestic and international carriers and technology companies. It is expected to become a cost-competitive connectivity hub for global cable consortia and enterprises considering international submarine cable investments.
Furthermore, as the demand for next-generation AI data centers continues to grow, these facilities increasingly require direct, high-capacity, low-latency connections to international communications infrastructure. The Baler CLS is designed to meet these needs and has the potential to evolve into a core technological hub in both the Philippines and the broader Asia-Pacific region, serving as a model for the integration of open access CLS and AI data centers.
Its location offers significant advantages in terms of redundancy and route diversity, making it especially attractive to cloud operators and large-scale content delivery platforms that demand high availability. This initiative represents not only a facility investment, but also a strategic international infrastructure investment contributing to economic security by creating new communication routes linking the Pacific Rim countries, including Japan and the United States, with Asia.
The Baler CLS also includes a master development plan that envisions the integration of an AI-specialized data center. By combining international connectivity with AI infrastructure, the Philippines could emerge as a central hub in Southeast Asia's distributed cloud ecosystem. In addition, two intermediate terrestrial routes of approximately 230 kilometers each will connect the Baler CLS to the Metro Manila area, ensuring redundancy and reliability for international traffic.

Key Features of the Baler CLS:

- The first open-access landing station in the Philippines
- Fundamental improvement of the telecom sector's non-competitive structure
- Promotion of international cable investment and optimization of domestic line costs
- Expected growth as a low-latency hub essential for the AI and cloud era

2. Overview of the new business

① International circuit connection services
Connecting submarine cables from overseas to domestic telecommunications carriers and data centers to provide communication bandwidth.

② Communication Equipment Operation and Maintenance Services
Continuously monitor and maintain communication equipment such as optical repeaters and wavelength division multiplexers to provide a stable communication environment.

③ Cross-Connect Facility Usage Service
Providing interconnection among multiple carriers within the CLS facility, including installation space, power supply, and cross-connect infrastructure.

3. Overview of the subsidiary responsible for this business

(1) Name	InfiniVAN, Inc.
(2) Location	17F Ore Central Building, 31st Street Cor., 9th Ave., BGC, Taguig City, Philippines
(3) Representative's Title and Name	President Shigeki Nakahara

(4) Business	Provision of Internet Services in the Philippines
(5) Capital	1,915 million Philippine Pesos
(6) Date of Establishment	April 20, 2015
(7) Fiscal year	December
(8) Major shareholders and shareholding ratios	IPS, Inc. (55.2%), CorporateONE, Inc. (44.8%)

4. Schedule

(1) Groundbreaking Ceremony Date	August 6, 2025
(2) Construction Period	Approximately 1 year (planned)

5. Future Outlook

The impact of the commencement of this project on the consolidated financial results of our company for the fiscal year ending March 2026 is expected to be minimal. We will promptly notify you of any matters requiring disclosure.