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September 18, 2025

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Trading Name:	IPS, Inc.
President / CEO:	Koji Miyashita
Code Number:	4390 Prime Market of the Tokyo Stock Exchange
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Notice of Signing a Memorandum of Understanding with The Department of Information and Communications Technology on Government Network Construction in the Philippines

IPS, Inc. and InfiniVAN, Inc. (hereinafter “InfiniVAN”), the company’s consolidated subsidiary operating telecommunications businesses in the Philippines, hereby announce that on September 18, 2025, they signed a Memorandum of Understanding (hereinafter “this MOU”) with the Department of Information and Communications Technology (hereinafter “DICT”) to build a high-quality, secure government network in the Philippines.

1. Background and Purpose of MOU

In the Group's Global Telecommunications Business, InfiniVAN was established in the Philippines in 2015 and obtained a telecommunications license, enabling them to provide services using our own lines. In 2020 and 2021, the Group acquired partial usage rights for the City-to-City Cable System (C2C Line), international submarine cables connecting the Philippines to Hong Kong and Singapore, becoming the third-largest international data carrier in the Philippines after two major telecommunications operators.

In 2023, the completion of the Philippine Domestic Submarine Cable Network (PDSCN) enabled the construction of a domestic backbone network. This allowed the full-scale expansion of services, previously concentrated in the Manila metropolitan area, to cover the entire Philippines.

Furthermore, in July 2025, the company decided to participate in the consortium-based joint construction of a new international submarine cable connecting Japan, the Philippines, and Singapore, and the group will continue to expand its business further.

Meanwhile, the Philippine government is actively promoting nationwide digitalization. As strengthening economic security gains importance, building a secure, wide-area government network and enhancing cybersecurity measures in the Philippines have become urgent priorities. Furthermore, extending digital connectivity to unserved and underserved areas, particularly in the provinces, is positioned as a key national policy.

The group's PDSCN fiber network can be utilized as a secure, wide-area network meeting these national needs, enabling the provision of communications infrastructure throughout the Philippines and connections to critical facilities in each region. Regarding international lines, in addition to existing C2C lines, the new international submarine cable is scheduled to commence commercial use in 2028.

Based on the above, the company and InfiniVAN have reached this MOU as they have established a framework capable of providing high-quality, stable networks both within and outside the Philippines, meeting Japanese standards.
This MOU aims to establish a nationwide network owned and managed by the Philippine government, providing broad support for the implementation of the National Broadband Plan, the promotion of digital transformation (DX), and the strengthening of cybersecurity.

2. Outline of MOU

(1) Contents of this MOU

This Framework Agreement is not a legally binding final contract. Moving forward, the company and InfiniVAN will cooperate in good faith with DICT based on this MOU, engage in negotiations, and further discuss the following matters, including the execution of separate contracts as necessary.

- Enhance and fast track both national and international connectivity goals set in the National Broadband Plan (NBP) which includes, among others, DICT's Free Public WiFi service.
- Promote infrastructure collaboration between the private sector and the government to strengthen network resiliency and redundancy.
- Support the Cybersecurity Initiatives of the DICT.

(2) Counterparty to MOU

The Department of Information and Communications Technology (DICT)
DICT serves as a central administrative agency of the Philippine government, responsible for planning, formulating, coordinating, implementing, and managing national ICT (Information and Communications Technology) development policies and promoting their advancement.
DICT Secretary Henry Rhoel R. Aguda said, "This partnership is more than just a collaboration; it's a critical step toward a digitally empowered Philippines."

(3) MOU Signing Date

September 18, 2025

3. Future Outlook

The impact of this MOU on the Company's consolidated results for the fiscal year ending March 2026 is expected to be immaterial. Should any material matters requiring disclosure arise in the future, the company will make an announcement without delay.