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September 30, 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 Bases Conversion and Development Authority (BCDA) on the Use of Telecommunications Infrastructure on Luzon Island, Philippines

IPS, Inc. (the “Company”) and InfiniVAN, Inc. (hereinafter “InfiniVAN”), its consolidated subsidiary operating telecommunications businesses in the Philippines, hereby announce that on September 30, 2025, the group entered into a Memorandum of Understanding (hereinafter “the MOU”) with the Bases Conversion and Development Authority (hereinafter “BCDA”) regarding initiatives aimed at utilizing and monetizing telecommunications infrastructure on Luzon Island, Philippines.

1. Background and Purpose of MOU

As announced in the July 30, 2025 news release “Notice Regarding Capital Investment in a New International Submarine Cable (Acquisition of Fixed Assets) and Receipt of a Large Order” and the September 22, 2025 news release “(Progress of Disclosure) Notice Regarding the Announcement of Additional Information on the Joint Construction of a New International Submarine Cable,” the Company, together with partner companies Meta Platforms, Inc., SoftBank Corp., TM Technology Services Sdn. Bhd., and PT XLSmart Telecom Sejahtera Tbk, will participate in the joint construction of the new international submarine cable “Candle Submarine Cable System” (hereinafter “Candle”) connecting Japan, the Philippines, and Singapore.

Candle will connect to the submarine Cable Landing Station (CLS) in Baler, Aurora Province, on the east coast of Luzon Island, Philippines, which was announced in the “Notice Regarding the Launch of a New Business by a Consolidated Subsidiary” dated August 7, 2025, and which will be constructed and operated under the leadership of the group. InfiniVAN participates as a landing party, aiming to establish the Baler CLS as Candle's Asian entry point and a digital hub for the rapidly growing Southeast Asian region.

BCDA has developed the Luzon Bypass Infrastructure (LBI), a 240-kilometer multi-duct cable conduit, terminating in Baler and San Fernando, La Union Province on the west coast of Luzon Island. This serves as an alternative route for international submarine cables bypassing the Luzon Strait between Luzon Island and Taiwan.

Meanwhile, InfiniVAN aims to establish landing points not only in Baler but also in San Fernando. By establishing points on both the east and west sides of Luzon Island and connecting Baler and San Fernando via fiber optic cable, it will be possible to carry even more communication traffic to Baler.

The group plans to connect international submarine cables, including Candle landing in Baler, to the domestic fiber-optic network in the Philippines. Based on the MOU, the group will further

enhance Baler's value as a digital hub by expanding the communication infrastructure connecting eastern and western Luzon.



Image of Communication Traffic via ABC Route

2. Overview of MOU

(1) Content of MOU

This MOU is not a legally binding final contract. Moving forward, the Company and InfiniVAN will conduct further discussions with the BCDA regarding the following matters and others based on the MOU.

- Coverage includes the La Union CLS, LBI, and other assets managed by BCDA within the Economic Zone (BCDA Assets)
- Discussions will include the possibility of entering into commercial agreements regarding the utilization and monetization of BCDA Assets

(2) Counterparty to MOU

Bases Conversion and Development Authority (BCDA)

BCDA is a government-owned corporation primarily engaged in the development of former U.S. military bases, leading the Philippines' national development. The BCDA Group collaborates with the private sector to revitalize former military bases and properties into premier centers of economic growth, utilizing government resources with integrity and efficiency. It creates sustainable urban communities and contributes to improving the lives of Filipinos.

(3) Date of MOU Signing

September 30, 2025

3. Future Outlook

This MOU is expected to have a minimal impact on the Company's consolidated performance for the fiscal year ending March 2026. Should any significant matters requiring disclosure arise in the future, the Company will promptly notify stakeholders.