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October 1, 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 Regarding the Establishment of a Credit Facility for InfiniVAN's Baler Cable Landing Station Construction Project by the Japan Bank for International Cooperation

Japan Bank for International Cooperation (hereinafter “JBIC”) has established a credit facility of USD 3 million for the Baler Cable Landing Station (CLS) Construction Project (hereinafter the “Project”) being advanced by InfiniVAN, Inc. (hereinafter “InfiniVAN”), a consolidated subsidiary of IPS, Inc. (the “Company”) operating telecommunications services in the Philippines. Furthermore, Mizuho Bank, Ltd. is scheduled to participate in the syndicated financing. Details are as follows.

This Project involves the construction and ownership of the CLS by the company itself, representing a strategic investment in international telecommunications infrastructure. The CLS serves as a hub connecting the submarine cable to the domestic telecommunications network and will be operated as a key fixed asset upon completion. As announced in our September 22 news release, “(Progress of Disclosure) Notice Regarding the Announcement of Additional Information on the Joint Construction of a New International Submarine Cable Connecting Japan, the Philippines, and Singapore,” the Baler CLS will connect to the new international submarine cable, “Candle Submarine Cable System” (hereinafter “Candle”), which links Japan, the Philippines, and Singapore. This project involves joint construction by the Company and partner companies Meta Platforms, Inc., SoftBank Corp., TM Technology Services Sdn. Bhd., and PT XLSmart Telecom Sejahtera Tbk. InfiniVAN will participate as a landing operator.
The Baler CLS will be constructed and operated under the group's leadership as one of Asia's most advanced landing stations, featuring an “*Open Access*” policy* that does not grant exclusive rights to any specific carrier, ensuring all international carriers can connect equally. Serving as the Asian entry point for Candle, the data backbone of the region, it holds immense strategic importance not only for the Philippines but as a digital hub for the entire rapidly growing Southeast Asian region. The Baler CLS can accommodate up to four international submarine cable systems. Plans are also underway to develop it into a cutting-edge digital services hub, envisioned to support AI and cloud-based data centers as well as smart city infrastructure.
The Project represents a crucial step in our ongoing efforts to expand international telecommunications infrastructure. It will significantly strengthen international communications in the Philippines and contribute substantially to our mid-to-long-term growth strategy. Furthermore, it is expected to contribute to the Philippines' economic development through the enhancement of its digital infrastructure.

At the Japan-Philippines summit meeting on April 29, 2025, prior to the public announcement of this Project and Candle, the leaders of both countries agreed to further strengthen public-private partnerships in information and communication technology area, recognizing that the group is participating in the submarine cable project in the Philippines as a Japanese company. This JBIC financing forms part of efforts to support the resilience of the Philippine economy. It will be executed as a co-financing arrangement with private banks, backed by support from a government-affiliated financial institution. Consequently, the Project will proceed with robust backing from both public and private sectors.

Through the CLS, the group will provide bandwidth connection services, maintenance and operation services for communication equipment, and facility usage services such as rack space and cross-connects to telecommunications carriers, cloud service providers, and data center operators. This service provision will form a business model generating recurring revenue from contract-based connection fees, usage fees, and operation/maintenance fees. It is expected to become a stock-type infrastructure revenue business offering medium-to-long-term returns on the initial investment.

Open Access: An operational policy that enables connections through any carrier's network, rather than being tied to a single telecommunications provider. This approach is designed to create an attractive hub where multiple cables can interconnect at competitive costs and be efficiently managed.