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Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

November 7, 2025

Company name: IPS, Inc.
Listing: Tokyo Stock Exchange
Securities code: 4390
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Scheduled date to file semi-annual securities report: November 7,2025
Scheduled date to commence dividend payments: December 1,2025
Preparation of supplementary material on financial results: Yes
Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	7,854	1.4	2,351	0.5	2,314	45.7	1,607	67.2
Six months ended September 30, 2024	7,744	47.6	2,339	152.8	1,588	1.9	961	0.7

(Note) Comprehensive income: Six months September 30, 2025: (¥282) million [－%]
Six months September 30, 2024: ¥3,509 million [115.3%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	123.95	121.43
September 30, 2024	74.62	73.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	42,042	20,527	35.0
March 31, 2025	42,031	20,982	36.3

(Reference) Equity: As of September 30, 2025: ¥14,729 million
As of March 31, 2025: ¥15,239 million

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	-	20.00	-	20.00	40.00
Year ending March 31, 2026	-	20.00			
Year ending March 31, 2026(Forecast)			-	20.00	40.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	18,000	17.9	5,250	18.9	4,900	20.3	3,000	17.9	231.42

(Note) Revisions to the consolidated earnings forecasts most recently announced: None

*** Notes:**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

(Note) For details, refer to the attachment "2. Semi-annual Consolidated Financial Statements and Key Notes (4) Notes to semi-annual consolidated financial statements (Application of special accounting for preparing semi-annual consolidated financial statements)"

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
(ii) Changes in accounting policies due to other than (i): None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025:	13,015,700 shares
As of March 31, 2025:	12,963,300 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025:	426 shares
As of March 31, 2025:	426 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025:	12,970,330 shares
Six months ended September 30, 2024:	12,885,197 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautionary statement concerning forward-looking statements)

The earnings forecasts and other forward-looking statements contained in this document are based on information currently available to the Company, and certain assumptions it considers reasonable, but are not intended to be a promise that the Company will achieve. Actual results may vary materially from forecasts due to a variety of factors. For matters concerning earnings forecasts, please refer to page 4 of the attached materials "1. Overview of Financial results (3) Explanation of consolidated earnings forecasts and other forward-looking statements."

(How to access supplementary explanations and details of briefing on financial results)

The Company is scheduled to hold a financial result briefing via the web on Tuesday, November 11, 2025. Please check our website for details. Additionally, the materials to be used at this financial results meeting will be posted on the TDnet (Timely Disclosure Network) and the Company's homepage.

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1. Overview of Financial results

(1) Overview of operating results

The forward-looking statements in this section are based on judgments made by our group (the Company and its consolidated subsidiaries) as of the end of the current interim consolidated accounting period.

Under the corporate philosophy of "Open Door," our group aims to create business opportunities, develop businesses, transform industrial structures, and realize an ideal society in areas closely related to daily life, where barriers have not yet been overcome by anyone. We are engaged in various businesses with a particular focus on addressing social issues in the Philippines through the provision of communication environments utilizing new IT technologies. In doing so, we contribute to the SDGs while striving to expand our business.

During this interim consolidated accounting period, the global economy remained uncertain due to geopolitical risks such as the situations in the Middle East and Ukraine, as well as the international impacts of U.S. tariff policies. Although the Japanese economy continued its moderate recovery driven by improvements in employment and income conditions, sustained rises in commodity and energy prices and the effects of U.S. trade policies have kept the outlook uncertain.
In the Philippines, our Group’s main market, domestic demand remained strong amid the continued easing of inflation. As a result, real GDP for the April-June 2025 quarter rose by 5.5% year-on-year, slightly up from 5.4% in the previous quarter, maintaining expectations for robust growth among Southeast Asian countries. With the expansion of investments in AI and data centers accelerating the digitalization of society, the importance of communication through telecommunications networks continues to grow.

Our group has acquired an international telecommunications network comprising partial usage rights to the submarine cable linking the Philippines with Singapore and Hong Kong (City-to-City Cable System, hereinafter “C2C Cable”) and terrestrial lines in each country. This has established and expanded our position as a carrier's carrier (Wholesale provider for telecommunications operators), enabling us to meet growing communications demand. Furthermore, through the expansion of our domestic backbone network centered on the Philippine Domestic Submarine Cable Network (hereinafter “PDSCN”), we are pursuing further business expansion by deploying communication lines and services throughout the Philippines.
In Japan, we continue to provide optimized services for each customer, including software, communication lines, and consultation, mainly targeting call center operators with significant communication traffic needs.
In the Medical & Healthcare segment, Shinagawa Lasik & Aesthetics Center Corporation (hereinafter "SLACC") continues to offer stable LASIK services in the Philippines. At the same time, Shinagawa Healthcare Solutions Corporation (hereinafter "SHSC") is promoting preventive medicine in the country through the Shinagawa Diagnostic & Preventive Care Center (hereinafter "SDPCC"), a health screening center launched in April 2023 that adheres to Japanese medical standards.

As a result, during this interim consolidated accounting period, net sales amounted to ¥7,854 million (up 1.4% year-on-year) and an operating profit was ¥2,351 million (up 0.5% year-on-year).Mainly due to the yen's appreciation, a foreign exchange gain of ¥103 million (¥677 million foreign exchange loss were recorded in the same period of the previous fiscal year), ordinary income was ¥2,314 million (up 45.7% year-on-year), and interim net income attributable to owners of parent was It was ¥1,607 million (up 67.2% year-on-year).

The financial results by segment are as follows:

(Global Telecommunications Business)
In addition to large-scale contracts for the C2C Cable, an international telecommunications network for which we hold right of use assets, we continued to expand the provision of network lines and related services combining the Philippine domestic backbone network centered on the PDSCN from the Manila metropolitan area to regional areas. Network construction services, including the sale of telecommunications equipment to local operators, as well as diversified sales covering small-capacity demand, showed solid growth. InfiniVAN, Inc.'s corporate internet service, primarily in the Metro Manila area, the number of paying customers at the end of June increased by 154 from the end of March to 1,900. Overall, exceeded our initial projections, resulting in increased revenue and profits.
As a result, net sales were ¥5,861 million (up 8.1% year-on-year), and segment profit was ¥2,148 million (down 1.6% year-on-year).

(Domestic Telecommunications Business)

In our solution service that combines the call center system "AmeyoJ,"for which our group holds the sales agency rights in Japan, with per-second billing for telephone lines purchased from major telecommunications carriers and sold to call center operators, we continued to provide license sales and related services tailored to customer needs. In addition, we continued preparations for the launch of a new service that enables the Company to directly provide toll-free numbers such as "0120," under which the receiving party bears the call charges.

With respect to interconnection of voice communication lines among telecommunications carriers, while we conservatively reviewed the level of interconnection charges (access charges) in light of the transition of telephone networks to IP (PSTN migration), overall business performance remained solid due to steady progress in our core call center solution services.

As a result, net sales were ¥1,221 million (down 22.9% year on year), and segment profit was ¥230 million (up 11.3% year on year).

(Medical & Healthcare Business)

LASIK, SLACC's core business, continues to face intensifying competition. However, we are implementing detailed marketing measures to stabilize the number of procedures performed. Furthermore, at SHSC, we are promoting the use of regular health check-ups for both corporate clients and individuals through SDPCC, a comprehensive health screening center meeting Japanese standard. We are also continuing activities in the Philippines to raise awareness of the importance of preventive healthcare.

As a result, net sales were ¥771 million (up 4.6% year-on-year), and the segment loss was ¥27 million (segment loss of ¥53 million in the same period last year).

(2) Overview of financial position

(Status of Assets)

At the end of this interim consolidated accounting period, current assets amounted to ¥23,562 million, a decrease of ¥74 million compared to the end of the previous consolidated fiscal year. This was primarily due to increases of 396 million in cash and deposits and ¥1,497 million accounts receivable trade, offset by decreases of ¥695 million in lease receivables and ¥1,111 million in other current assets. This increase was primarily due to capital investments, with tangible fixed assets increasing by ¥552 million, while intangible fixed assets decreased by ¥436 million and investments and other assets decreased by ¥25 million.

As a result, total assets were ¥42,042 million, an increase of ¥11 million from the end of the previous consolidated fiscal year.

(Status of Liabilities)

At the end of the current interim consolidated accounting period, current liabilities amounted to ¥17,304 million, an increase of ¥556 million compared with the end of the previous consolidated fiscal year. This was mainly due to increases of ¥300 million in short-term borrowings and ¥244 million in accounts payable-other.

Non-current liabilities amounted to ¥4,210 million, a decrease of ¥90 million compared with the end of the previous consolidated fiscal year. This was primarily due to a ¥137 million decrease in long-term borrowings.

As a result, total liabilities amounted to ¥21,515 million, an increase of ¥466 million compared with the end of the previous consolidated fiscal year.

(Status of net assets)

At the end of the current interim consolidated accounting period, net assets amounted to ¥20,527 million, a decrease of ¥454 million compared with the end of the previous consolidated fiscal year. This was primarily due to the recording of interim net income attributable to owners of the parent of ¥1,607 million, an increase of ¥55 million in non-controlling interests, a decrease of ¥1,945 million in foreign currency translation adjustments, and the payment of dividends amounting to ¥259 million.

As a result, the equity ratio was 35.0% (36.3% at the end of the previous consolidated fiscal year).

(Overview of cash flows)

During this interim consolidated accounting period, cash and cash equivalents ("cash") increased by ¥396 million compared to the end of the previous consolidated fiscal year, resulting in a balance of ¥4,314 million at the end of this interim period.

The analysis of cash flows for the six months ended September 30, 2025, is as follows:

(Cash flows from operating Activities)

Net cash provided by operating activities was ¥1,245 million (¥291 million in the same period of the previous year). This was

mainly due to interim net profit before income tax adjustments of ¥2,323 million, depreciation expenses of ¥432 million, and a decrease in lease receivables of ¥662 million, partially offset by an increase in accounts receivable of ¥2,113 million, which reduced cash.

(Cash flows from investing activities)

Net cash used in investing activities was ¥989 million (¥348 million used in the same period of the previous year). This was mainly due to payments for the acquisition of tangible fixed assets of ¥755 million and intangible fixed assets of ¥224 million.

(Cash flows from financing activities)

Net cash provided by financing activities was ¥253 million (¥123 million in the same period of the previous year). This was mainly due to a net increase in short-term borrowings of ¥300 million, cash received from non-controlling shareholders of ¥162 million, and proceeds from long-term borrowings of ¥900 million, partially offset by payments of dividends of ¥259 million and repayments of long-term borrowings of ¥909 million.

(3) Explanation of consolidated earnings forecasts and other forward-looking statements

The progress of our group's business during the interim consolidated cumulative period has generally proceeded as planned although there are some differences in the progress of business among segments.

Accordingly, there are no changes to the consolidated earnings forecast for the fiscal year ending March 31, 2026, as announced on May 9, 2025.

It should be noted that the above forecast has been prepared based on information available as of the date of this report’s release, and actual results may differ due to various factors in the future.

2. Semi-annual consolidated Financial Statements and Key Notes

(1) Semi-annual consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	3,918	4,314
Accounts receivable - trade	11,269	12,766
Lease receivables	6,517	5,822
Merchandise	137	142
Supplies	140	132
Other	2,745	1,634
Allowance for doubtful accounts	(1,090)	(1,248)
Total current assets	23,637	23,562
Non-current assets		
Property, plant and equipment		
Buildings and structures	980	918
Accumulated depreciation	(455)	(471)
Buildings and structures, net	525	447
Machinery, equipment and vehicles	9,714	9,053
Accumulated depreciation	(2,647)	(2,660)
Machinery, equipment and vehicles, net	7,067	6,392
Tools, furniture and fixtures	350	355
Accumulated depreciation	(261)	(273)
Tools, furniture and fixtures, net	89	81
Leased assets	47	47
Accumulated depreciation	(41)	(42)
Leased assets, net	5	5
Construction in progress	5,194	6,508
Total property, plant and equipment	12,882	13,434
Intangible assets		
The right to use communication line	3,137	2,573
Goodwill	28	19
Other	840	977
Total intangible assets	4,006	3,570
Investments and other assets		
Shares of subsidiaries and associates	110	107
Long-term prepaid expenses	169	171
Deferred tax assets	595	606
Other	603	563
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	1,474	1,449
Total non-current assets	18,363	18,453
Deferred assets	30	25
Total assets	42,031	42,042

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,137	942
Short-term borrowings	4,250	4,550
Current portion of long-term borrowings	1,809	1,900
Accounts payable - other	519	763
Income taxes payable	344	329
Deferred payment profit	4,709	4,520
Provision for bonuses	35	29
Other	3,941	4,268
Total current liabilities	16,747	17,304
Non-current liabilities		
Long-term borrowings	4,010	3,873
Retirement benefit liability	82	79
Asset retirement obligations	4	4
Other	203	254
Total non-current liabilities	4,300	4,210
Total liabilities	21,048	21,515
Net assets		
Shareholders' equity		
Share capital	1,208	1,251
Capital surplus	542	585
Retained earnings	11,227	12,575
Treasury shares	(0)	(0)
Total shareholders' equity	12,976	14,411
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,266	321
Remeasurements of defined benefit plans	(3)	(2)
Total accumulated other comprehensive income	2,263	318
Share acquisition rights	290	289
Non-controlling interests	5,452	5,507
Total net assets	20,982	20,527
Total liabilities and net assets	42,031	42,042

(2) Semi-annual consolidated statement of income and consolidated statement of comprehensive income

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	7,744	7,854
Cost of sales	3,538	3,485
Gross profit	4,206	4,368
Selling, general and administrative expenses	1,867	2,017
Operating profit	2,339	2,351
Non-operating income		
Interest and dividend income	97	96
Foreign exchange gains	—	103
Other	66	94
Total non-operating income	164	294
Non-operating expenses		
Interest expenses	219	142
Commission for syndicated loans	—	176
Foreign exchange losses	677	—
Other	18	11
Total non-operating expenses	915	330
Ordinary profit	1,588	2,314
Extraordinary income		
Gain on reversal of share acquisition rights	—	8
Total extraordinary income	—	8
Extraordinary losses		
Loss on sale of non-current assets	—	0
Total extraordinary losses	—	0
Profit before income taxes	1,588	2,323
Income taxes	278	323
Profit	1,309	2,000
Profit attributable to non-controlling interests	348	392
Profit attributable to owners of parent	961	1,607

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	1,309	2,000
Other comprehensive income		
Foreign currency translation adjustment	2,200	(2,284)
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of affiliates accounted for using equity method	(0)	1
Total other comprehensive income	2,199	(2,282)
Comprehensive income	3,509	(282)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,874	(338)
Comprehensive income attributable to non-controlling interests	635	55

(3) Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,588	2,323
Depreciation	502	432
Gain on reversal of share acquisition rights	—	(8)
Share-based payment expenses	20	34
Foreign exchange losses (gains)	(231)	(45)
Increase (decrease) in allowance for doubtful accounts	315	205
Increase (decrease) in provision for bonuses	(7)	(5)
Increase (decrease) in retirement benefit liability	(0)	0
Interest and income	(97)	(96)
Interest expenses	219	142
Loss on retirement of non-current assets	—	0
Decrease (increase) in trade receivables	(2,197)	(2,113)
Decrease (increase) in lease receivables	(806)	662
Decrease (increase) in inventories	(22)	(10)
Increase (decrease) in trade payables	(170)	122
Increase (decrease) in accounts payable - other	414	270
Increase (decrease) in deferred payment profit	678	(189)
Increase (decrease) in advances received	(59)	74
Other, net	865	(226)
Subtotal	1,012	1,572
Interest and dividends received	97	96
Interest paid	(219)	(142)
Income taxes paid	(598)	(281)
Net cash provided by (used in) operating activities	291	1,245
Cash flows from investing activities		
Purchase of property, plant and equipment	(278)	(755)
Purchase of intangible assets	(195)	(224)
Payment for guarantee deposits	(34)	(17)
Proceeds from collection of guarantee deposits	26	1
Purchase of long-term prepaid expenses	(3)	(3)
Proceeds from cancellation of insurance funds	60	1
Other, net	76	7
Net cash provided by (used in) investing activities	(348)	(989)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	880	300
Proceeds from long-term borrowings	—	900
Repayments of long-term borrowings	(970)	(909)
Proceeds from issuance of shares	51	60
Proceeds from share issuance to non-controlling shareholders	413	162
Dividends paid	(250)	(259)
Net cash provided by (used in) financing activities	123	253
Effect of exchange rate change on cash and cash equivalents	129	(112)
Net increase (decrease) in cash and cash equivalents	195	396
Cash and cash equivalents at beginning of period	4,234	3,918
Cash and cash equivalents at end of period	4,430	4,314

(4) Notes to semi-annual consolidated financial statements

(Notes to assumptions for ongoing concerns)

Not applicable.

(Note when there is a significant change in the amount of shareholders' equity)

Not applicable.

(Application of special accounting for preparing semi-annual consolidated financial statements)

(Calculation of taxes)

Income tax expenses are calculated by multiplying net income before income taxes by an estimated effective tax rate, which is a reasonable estimate of the effective tax rate after applying tax effect accounting to net income before income taxes for the fiscal year that includes the interim consolidated accounting period.

However, if the use of this estimated effective tax rate produces significantly unreasonable results, income tax expenses are calculated by using the statutory effective tax rate.

(Segment information, etc.)

[Segment information]

Six months ended September 30, 2024 (from April 1, 2024, to September 30, 2024)

1. Information on Sales and Profits or Losses by Reportable Segment and Revenue Breakdown

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	4,598	1,523	737	6,859	—	6,859
Other revenue (Note 2)	824	60	—	885	—	885
Net sales to external customers	5,423	1,584	737	7,744	—	7,744
Internal net sales or transfer amount between segments	17	1	2	20	(20)	—
Total	5,440	1,585	739	7,765	(20)	7,744
Segment profit	2,183	207	(53)	2,336	2	2,339

(Notes) 1. The segment profit is consistent with the operating profit in the interim consolidated financial statements.

2. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

3. The plus ¥2 million adjustment to segment profit is eliminations for inter-segment transactions.

2. Information on Impairment Losses on Fixed Assets or Goodwill by Reportable Segment

Not applicable.

Six months ended September 30, 2025 (from April 1, 2025, to September 30, 2025)

1. Information on Sales and Profits or Losses by Reportable Segment and Revenue Breakdown

(Millions of yen)

	Reportable segment			Total	Adjustment amount	Consolidated Financial statements Recorded amount (Note 1)
	Global Telecommunications Business	Domestic Telecommunications Business	Medical & Healthcare Business			
Net sales						
Revenue from contracts with customers	4,948	1,221	771	6,941	—	6,941
Other revenue (Note 2)	913	—	—	913	—	913
Net sales to external customers	5,861	1,221	771	7,854	—	7,854
Internal net sales or transfer amount between segments	17	0	5	23	(23)	—
Total	5,878	1,222	776	7,877	(23)	7,854
Segment profit (loss)	2,148	230	(27)	2,351	—	2,351

(Notes) 1. The segment profit or loss is consistent with the operating profit in the interim consolidated financial statements.

2. Other revenue is lease revenue based on Corporate Accounting Standards No.13 “Accounting Standards for Lease Transaction”.

3. The adjustment to segment profit (loss) is eliminations for inter-segment transactions.

2. Information on Impairment Losses on Fixed Assets or Goodwill by Reportable Segment

Not applicable.

(Revenue recognition)

Information breaking down revenue from contracts with customers is as presented "2. Semi-annual Consolidated Financial Statements and Key Notes (4) Notes to semi-annual consolidated financial statements (Segment information, etc.)"