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Consolidated Financial Results for the Nine Months Ended Dec 31, 2025 (Under Japanese GAAP)

February 6, 2025

Company name: IPS, Inc.
Listing: Tokyo Stock Exchange
Securities code: 4390
URL: https://ipsism.co.jp
Representative: President / CEO Koji Miyashita
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Scheduled date to commence dividend payments: —
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 Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	11,725	4.4	3,695	15.0	3,884	15.0	2,729	12.5
December 31, 2024	11,233	34.5	3,213	120.8	3,377	117.1	2,425	154.9

(Note) Comprehensive income: Nine months ended December 31, 2025: ¥1,143 million [(39.2%)]

Nine months ended December 31, 2024: ¥1,880 million [(24.3%)]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	209.94	205.46
December 31, 2024	188.06	183.93

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2025	44,488	21,767	35.4
March 31, 2025	42,031	20,982	36.3

(Reference) Equity: As of December 31, 2025: ¥15,730 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 quarterly consolidated financial statements: Yes

(Note) For details, refer to the attachment page 9 "2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to quarterly consolidated financial statements (Application of special accounting for preparing quarterly 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 December 31, 2025:	13,066,700 shares
As of March 31, 2025:	12,963,300 shares

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

As of December 31, 2025:	426 shares
As of March 31, 2025:	426 shares

(iii) Average number of shares outstanding during the period

Nine months ended December 31, 2025:	12,998,806 shares
Nine months ended December 31, 2024:	12,895,774 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 3 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, February 10, 2026. Please check our website for details. Additionally, the materials for the day will be disclosed on TDnet and posted on our website.

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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 quarterly 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.

In the third quarter of the consolidated fiscal year, the global economy remained resilient despite continued vigilance regarding geopolitical risks such as the situation in Ukraine, supported by expanding demand related to AI and a partial easing of uncertainty surrounding U.S. tariff policies. The Japanese economy has been recovering moderately on the back of improvements in employment and income conditions; however, downside risks to personal consumption due to rising prices persist, and the outlook remains uncertain.
In the Philippines, one of the Group's major markets, domestic demand weakened due in part to delays in public works, resulting in a slowdown in real GDP growth for the July–September 2025 quarter to 4.0% year on year, from 5.5% in the previous quarter. Although there are signs of a pause in the economic recovery, investment aimed at the digitalization of society—including AI and data center remains active, and the importance of developing and expanding telecommunications infrastructure as a fundamental social backbone continues to increase.

Our group has acquired a portion of the usage rights for the submarine cable connecting the Philippines with Singapore and Hong Kong (City-to-City Cable System, hereinafter "C2C Cable") and an international telecommunications network consisting of terrestrial lines in each country, establishing and expanding our position as a carrier's carrier (wholesale provider for telecom operators) to meet growing demand for communications. In addition, through the expansion of the domestic backbone network centered on the Philippine Domestic Submarine Cable Network (hereinafter "PDSCN") completed in December 2023, we are working to further expand our business by expanding our domestic backbone network centered on the PDSCN and providing 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, for the third quarter consolidated cumulative period, net sales were ¥11,725 million (up 4.4% year-on-year), with operating profit of ¥3,695 million (up 15.0% year on year). Mainly due to the appreciation of the yen, a foreign exchange gains of ¥321 million was recorded (compared to a gain of ¥241 million in the previous year), resulting in an ordinary profit of ¥3,884 million (up 15.0% year on year), and profit attributable to owners of the parent was ¥2,729 million (up 12.5% year on year).

The financial results by segment are as follows:

(Global Telecommunications Business)
In addition to major contracts for C2C Cables held under our Group's usage rights, the provision of lines and services through networks combining the Philippines domestic backbone network centered on PDSCN with C2C Cables expanded from the Metro Manila area to provincial areas. Network construction services, including the sale of telecommunications equipment to regional operators, also remained strong.
InfiniVAN, Inc.'s corporate internet service saw the number of customers increase by 104 from the end of June 2025 to 2,004 by the end of September 2026, resulting in revenue for the entire business.
As a result, net sales were ¥8,676 million (up 11.1% year-on-year), and segment profit was ¥3,322 million (up 12.6% year-on year).

(Domestic Telecommunications Business)
Our domestic telecommunications business continued license sales and solution services that combine the call center system

"AmeyoJ" with per-second billing for telephone lines supplied by major carriers.
Interconnection fees (access charges) were conservatively revised due to ongoing IP migration of telephone networks (PSTN migration).In addition, some transactions were reviewed following the unauthorized use of IP phone numbers provided by IPS Pro to a Hong Kong-based customer company in February–March 2025, which resulted in caller ID spoofing that displayed numbers identical to those of police stations. However, the impact on short-term performance was limited, and the overall business recorded a decrease in revenue but an increase in profit.
As a result, revenue reached ¥1,874 million (decrease of 18.7% compared to the same period of the previous year), and segment profit reached ¥367 million (up 9.9% year-on-year).

(Medical & Healthcare Business)
LASIK, SLACC's core service, continues to face intensifying competition. However, we are stabilizing the number of procedures performed by reviewing our marketing approaches and offering flexible services. Furthermore, at SHSC, during the launch phase of SDPCC – a high-quality comprehensive health screening center meeting Japanese standards – we are steadily increasing the uptake of regular health check-ups among both individuals and corporations in the Philippines. We are continuing our activities to raise awareness of the importance of preventive healthcare in the Philippines.
As a result, sales were ¥1,173 million (5.3% increase) and segment profit reached ¥4 million (compared with a loss of 80 million yen in the same period last year).

(2) Overview of financial position
(Status of Assets)
Current assets at the end of the third quarter of the consolidated fiscal year ending September 30, 2025, were ¥24,246 million, an increase of ¥609 million from the end of previous consolidated fiscal year. This was mainly due to accounts receivable - trade increased by ¥3,295 million, while decrease lease receivables amounted to ¥711 million and cash and deposits decreased by ¥632 million.
Non-current assets were ¥20,218 million, increase of ¥1,855 million from the end of the previous consolidated fiscal year. This was mainly due to total property, plant and equipment increased by ¥2,373 million, and total intangible assets decreased by ¥536 million.
As a result, total assets were ¥44,488 million, increase of ¥2,457 million from the end of the previous consolidated fiscal year.

(Status of Liabilities)
Current liabilities at the end of the third quarter of the consolidated fiscal year ending September 30, 2025, were ¥17,920 million, an increase of ¥1,172 million from the end of the previous consolidated fiscal year. This was mainly due to Short-term borrowings increased by ¥480 million, and current portion of long-term borrowings increased by ¥211 million and account payable increased by ¥167 million.
Non-current liabilities were ¥4,800 million, an increase of ¥499 million from the end of the previous consolidated fiscal year. This was mainly due to an increase of ¥454 million in long-term borrowings.
As a result, total liabilities were ¥22,720 million, an increase of ¥1,672 million from the end of the previous consolidated fiscal year.

(Status of net assets)
Net assets including non-controlling interests at the end of the third quarter of the consolidated fiscal year ending September 30, 2025, were ¥21,767 million, increase of ¥785 million from the end of the previous consolidated fiscal year. This was mainly due to the recording of quarterly net income attributable to owners of parent amounting to ¥2,729 million, non-controlling interests increased by ¥304 million, foreign currency translation adjustment decreased by ¥1,888 million and dividend payments amounting to ¥519 million.
As a result, the equity ratio was 35.4% (36.3% at the end of the previous consolidated fiscal year).

(3) Explanation of consolidated earnings forecasts and other forward-looking statements
The Group expects to achieve its full-year consolidated earnings forecast. This outlook is primarily based on the expectation that the provision of lines and network construction services in the global telecommunications business will continue to perform steadily. While progress varies among segments, overall performance remains solid, led by the global telecommunications business.
During the cumulative third-quarter period, foreign exchange gains of ¥321 million were recorded as non-operating income. These gains mainly arose from the valuation of foreign currency-denominated receivables and payables at the exchange rates as

of the third-quarter consolidated accounting period. As foreign exchange movements are difficult to predict, these gains are not reflected in the full-year forecast.
The above forecasts are based on information available as of the date of this release. Actual results may differ from the forecasts due to various factors in the future.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	3,918	3,285
Accounts receivable - trade	11,269	14,564
Lease receivables	6,517	5,806
Merchandise	137	157
Supplies	140	114
Other	2,745	1,551
Allowance for doubtful accounts	(1,090)	(1,233)
Total current assets	23,637	24,246
Non-current assets		
Property, plant and equipment		
Buildings and structures	980	919
Accumulated depreciation	(455)	(494)
Buildings and structures, net	525	424
Machinery, equipment and vehicles	9,714	9,083
Accumulated depreciation	(2,647)	(2,786)
Machinery, equipment and vehicles, net	7,067	6,297
Tools, furniture and fixtures	350	359
Accumulated depreciation	(261)	(281)
Tools, furniture and fixtures, net	89	77
Leased assets	47	47
Accumulated depreciation	(41)	(42)
Leased assets, net	5	4
Construction in progress	5,194	8,451
Total property, plant and equipment	12,882	15,255
Intangible assets		
The right to use communication lines	3,137	2,505
Goodwill	28	16
Other	840	947
Total intangible assets	4,006	3,469
Investments and other assets		
Shares of subsidiaries and associates	110	108
Long-term prepaid expenses	169	171
Deferred tax assets	595	600
Other	603	612
Allowance for doubtful accounts	(4)	(0)
Total investments and other assets	1,474	1,493
Total non-current assets	18,363	20,218
Deferred assets	30	23
Total assets	42,031	44,488

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	1,137	750
Short-term borrowings	4,250	4,730
Current portion of long-term borrowings	1,809	2,021
Accounts payable	519	686
Income taxes payable	344	224
Deferred payment profit	4,709	4,471
Provision for bonuses	35	25
Other	3,941	5,010
Total current liabilities	16,747	17,920
Non-current liabilities		
Long-term borrowings	4,010	4,465
Retirement benefit liability	82	76
Asset retirement obligations	4	4
Other	203	254
Total non-current liabilities	4,300	4,800
Total liabilities	21,048	22,720
Net assets		
Shareholders' equity		
Share capital	1,208	1,293
Capital surplus	542	626
Retained earnings	11,227	13,484
Treasury shares	(0)	(0)
Total shareholders' equity	12,976	15,355
Accumulated other comprehensive income		
Foreign currency translation adjustment	2,266	377
Remeasurements of defined benefit plans	(3)	(2)
Total accumulated other comprehensive income	2,263	375
Share acquisition rights	290	280
Non-controlling interests	5,452	5,756
Total net assets	20,982	21,767
Total liabilities and net assets	42,031	44,488

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Net sales	11,233	11,725
Cost of sales	5,187	5,113
Gross profit	6,046	6,612
Selling, general and administrative expenses	2,833	2,916
Operating profit	3,213	3,695
Non-operating income		
Interest and dividend income	161	163
Foreign exchange gains	241	321
Other	99	137
Total non-operating income	502	623
Non-operating expenses		
Interest expenses	314	240
Commission for syndicated loans	—	178
Other	24	15
Total non-operating expenses	338	433
Ordinary profit	3,377	3,884
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	3,377	3,893
Income taxes	290	527
Profit	3,086	3,365
Profit attributable to non-controlling interests	661	636
Profit attributable to owners of parent	2,425	2,729

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Profit	3,086	3,365
Other comprehensive income		
Foreign currency translation adjustment	(1,198)	(2,221)
Remeasurements of defined benefit plans, net of tax	0	0
Share of other comprehensive income of entities accounted for using equity method	(7)	(0)
Total other comprehensive income	(1,205)	(2,221)
Comprehensive income	1,880	1,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,292	839
Comprehensive income attributable to non-controlling interests	587	304

(3) Notes to quarterly 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.

(Changes in Accounting Policies)

Not applicable.

(Application of special accounting for preparing quarterly 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 this third quarter.

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.

(Notes to the Quarterly Consolidated Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the third quarter of the current consolidated cumulative period has not been prepared. However, the depreciation expenses for the third quarter consolidated cumulative period (including amortization expenses for intangible fixed assets excluding goodwill) and the amortization amount of goodwill are as follows.

(Millions of yen)

	Nine months ended December 31, 2024	Nine months ended December 31, 2025
Depreciation expenses	768	711
Amortization of goodwill	10	9

(Segment information, etc.)

[Segment information]

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	6,448	2,246	1,114	9,809	—	9,809
Other revenue (Note 2)	1,364	60	—	1,424	—	1,424
Net sales to external customers	7,812	2,307	1,114	11,233	—	11,233
Internal net sales or transfer amount between segments	25	14	2	42	(42)	—
Total	7,837	2,321	1,116	11,276	(42)	11,233
Segment profit (loss)	2,949	334	(80)	3,203	9	3,213

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

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

3. The plus ¥9 million 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.

Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 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	7,343	1,874	1,173	10,391	—	10,391
Other revenue (Note 2)	1,333	—	—	1,333	—	1,333
Net sales to external customers	8,676	1,874	1,173	11,725	—	11,725
Internal net sales or transfer amount between segments	27	2	5	35	(35)	—
Total	8,703	1,877	1,179	11,760	(35)	11,725
Segment profit (loss)	3,322	367	4	3,694	0	3,695

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

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

3. The plus ¥0 million 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 in page 10 “2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to quarterly consolidated financial statements (Segment information, etc.)”