Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Supplemental Materials on Results for Q3 FY2025

February 6, 2026

IPS, Inc.

Ticker : 4390 Tokyo Stock Exchange Prime

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Disclaimer

- This document contains outlooks, future plans, management goals, etc. related to the Company. These forward-looking statements are based on current assumptions about future events and trends, and there is no guarantee that those assumptions are accurate. Actual results may differ materially from those described in this document due to various factors.
- Unless otherwise stated, the financial data contained in this document is presented in accordance with generally accepted accounting principles in Japan.
- Regardless of the occurrence of future events, the Company does not necessarily revise the announcements regarding future prospects that have already been made, unless required by the disclosure rules.
- Information about companies other than our company relies on publicly known information.

Abbreviations used in this document is as follows

Candle
A new international submarine cable spanning approximately 8,000 km, connecting Japan, the Philippines, and Singapore. Our company is jointly constructing it with partners including Meta and SoftBank, with commercial service scheduled to commence in March 2028.

Baler Cable Landing Station
A facility under construction in Baler, Aurora Province, on the Pacific coast of Luzon Island, Philippines. It will connect up to four international submarine cables, including Candle, to the Philippine domestic network. Our group is leading the construction and operation of this facility as a new business venture.

PDSCN (Philippine Domestic Submarine Cable Network)
A domestic submarine cable network in the Philippines. This cable system connects the Philippine islands, running north-south. Jointly constructed by our group and two Philippine telecommunications operators, completed in December 2023.

C2C (City-to-City Cable System) Cable
An international submarine cable connecting the Philippines to Hong Kong and Singapore. Our company acquired Indefeasible Right of Use (IRU) for this system in 2020 and 2021. Together with PDSCN, it forms the domestic and international network we can provide to customers.

Konektadong Pinoy Act
A new Philippine law enacted in August 2025 aiming to strengthen nationwide digital connectivity. Also known as the Open Access in Data Transmission Act. It aims to lower barriers to entry and create an environment where more operators can access telecommunications infrastructure. This is expected to increase the number of regional telecommunications operators, who are our key customers, and reduce communication costs.

IRU (Indefeasible Right of Use)
A contract granting long-term usage rights for communication lines, etc., which cannot be terminated by one party without the mutual agreement of both the installer (owner) and the user.

Redundancy
A state where communication can be maintained via alternative routes even if cables are severed due to accidents or disasters.

Open Access
An environment where multiple operators can connect and operate lines under fair conditions, not limited to specific telecommunications carriers.

AmeyoJ
A core product in the Company’s domestic telecommunications business. It is a call center system developed by an Indian company, for which our group holds the sales agency rights in Japan. Features such as simultaneous dialing and customer list management are available via the cloud.

Interconnection Fee
In domestic voice communications, a settlement fee between carriers incurred when connecting a call to another carrier's subscriber. It is paid as compensation for using the receiving network. Also called an access charge.

Agenda

1. Executive Summary

2. Financial Highlights

3. Business Highlights

Financial Impact of the Candle and Baler Land-Based Operations

Efforts to Expand International Communication Partners

Topic: New Base in Northern Metro Manila

4. Appendix

Submarine Cables and Hyper scalers

Pre-investment in submarine cables

Performance Trends and Next Mid-Term Plan

Q3 Public Information



Background: Metro Manila

1 | Executive Summary

Executive Summary

Financial Highlights

Increased revenue and profits, driven by growth in international communications and the return to profitability of the Medical & Healthcare segment

	Net Sales	YoY Change	Progress Rate
	¥11,725 million	+4.4% (+¥491 million)	65.1%
Operating Profit	¥3,695 million	+15.0% (+¥481 million)	70.4%

Full-Year Earnings Forecast (Unchanged)

Net Sales	¥18,000 million
Operating Profit	¥5,250 million

Business Highlights

New International Submarine Cable "Candle" Project Officially Launched; Baler Landing Station Construction Project Also Advancing

Investment: The new international submarine cable project "Candle," linking Japan, the Philippines, and Singapore, has commenced full-scale joint construction with Meta, SoftBank, and others. The construction project for the Baler cable landing station on the east coast of Luzon Island, which will connect up to four international submarine cables including Candle, is also advancing.

Support: The Baler landing station construction project has secured a $3 million credit line from the Japan Bank for International Cooperation (JBIC). Coordinated financing from Japanese government-affiliated and private financial institutions ensures robust support from both public and private sectors.

Collaboration: Signed a strategic fiber-optic sharing partnership agreement with Philippine telecommunications company DITO. This grants mutual access rights to each other's fiber-optic pairs, enhancing nationwide redundancy and fault tolerance.

Public Safety: Launched high-speed network connectivity services linking key facilities of AFPSLAI (Armed Forces and Police Savings & Loan Association, Inc.), the public financial institution for the Philippine Armed Forces and National Police. This supports the activities of public safety agencies while contributing to enhanced security.

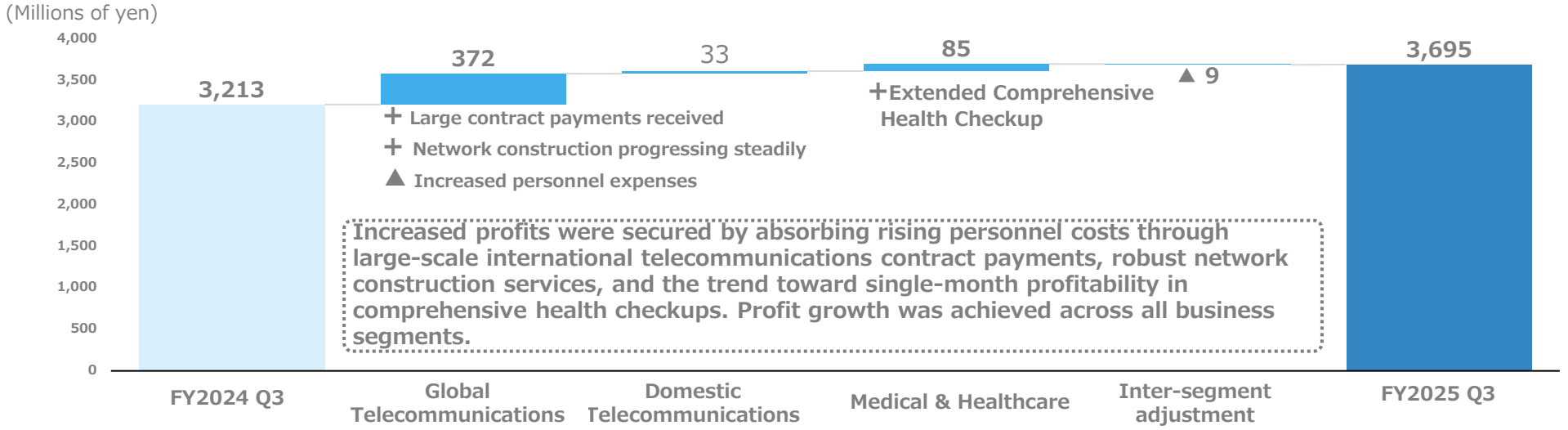
2 | Financial Highlights

Consolidated Results for FY2025 Q3

(Millions of yen)

	Fiscal Year Ended March 2025	Fiscal Year Ending March 2026	YoY Change	
Net Sales	11,233	11,725	+491	+4.4%
Operating profit	3,213	3,695	+481	+15.0%
Ordinary profit	3,377	3,884	+507	+15.0%
Profit attributable to Owners of Parent	2,425	2,729	+303	+12.5%

Operating Profit Change Analysis (YoY)

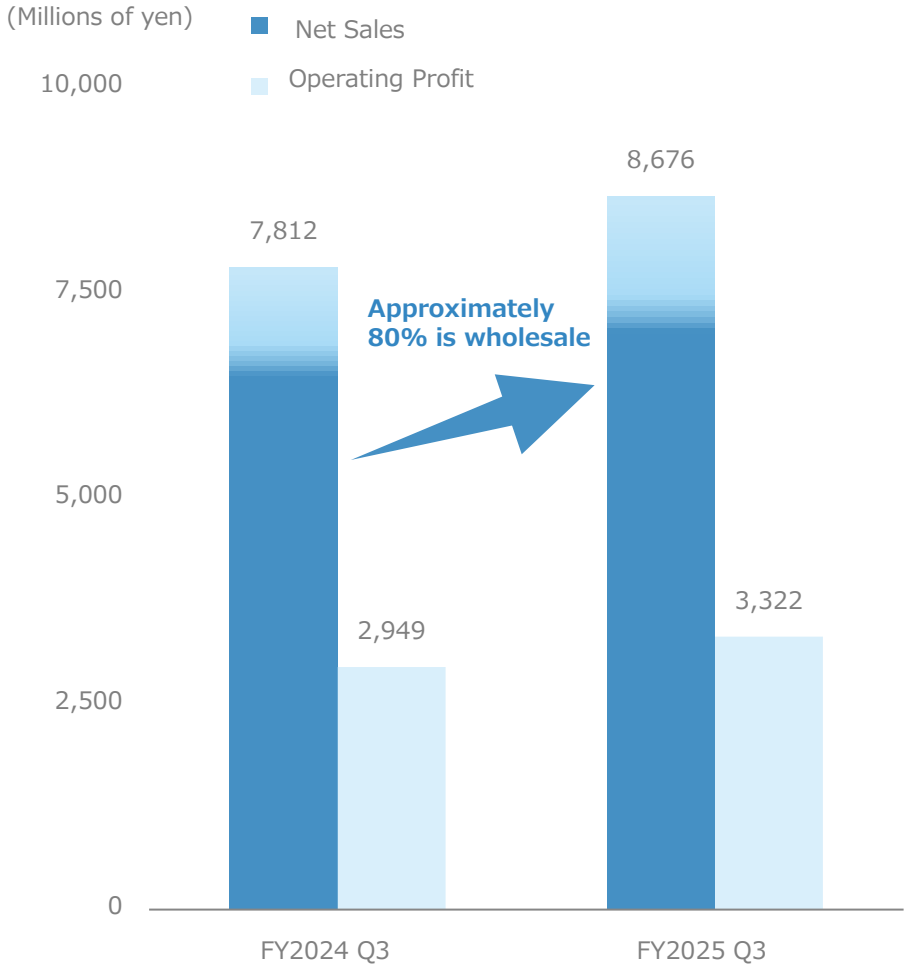


Segment Results

(Millions of yen)

		Fiscal Year Ended March 2025	Fiscal Year Ending March 2026	YoY Change	
Global Telecommunications Business	Net Sales	7,812	8,676	+864	+11.1%
	Operating Profit	2,949	3,322	+372	+12.6%
Domestic Telecommunications Business	Net Sales	2,307	1,874	▲432	▲18.7%
	Operating Profit	334	367	+33	+9.9%
Medical & Healthcare Business	Net Sales	1,114	1,173	+59	+5.3%
	Operating Profit	▲80	4	+85	–

Global Telecommunications Business



Increased revenue and profits, driven by regional network development

Wholesale

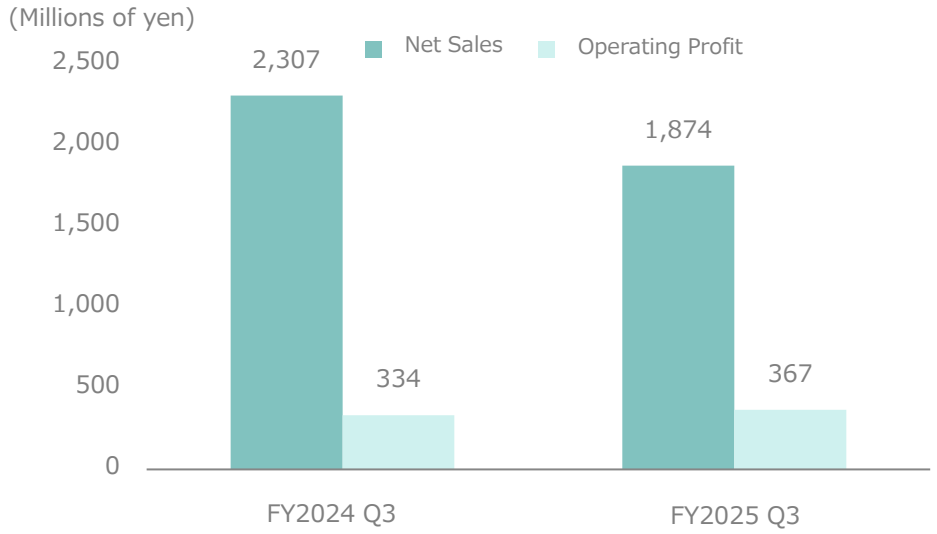
- Network construction services for regional telecommunications carriers which are highly profitable and serve as growth engines (combining PDSCN and C2C Cable network provision with telecommunications equipment sales) continue to perform well
- In addition to large-scale deals with carrier-to-carrier customers, small-scale capacity provision to regional telecommunications carriers is also growing
- The expansion of network construction and small-scale transactions contributes to revenue stabilization on a quarterly basis

Enterprise

- Corporate Internet Access Services saw revenue growth, with the number of billing customers reaching 2,004 as of the end of September 2025.
- Expanded contracts with key customers, including partnerships with AFPSLAI (the public financial institution for the Philippine Armed Forces and National Police) and the large-scale industrial park CPIP
- Continued focus on accelerating service activation rates

Domestic Telecommunications Business / Medical & Healthcare Business

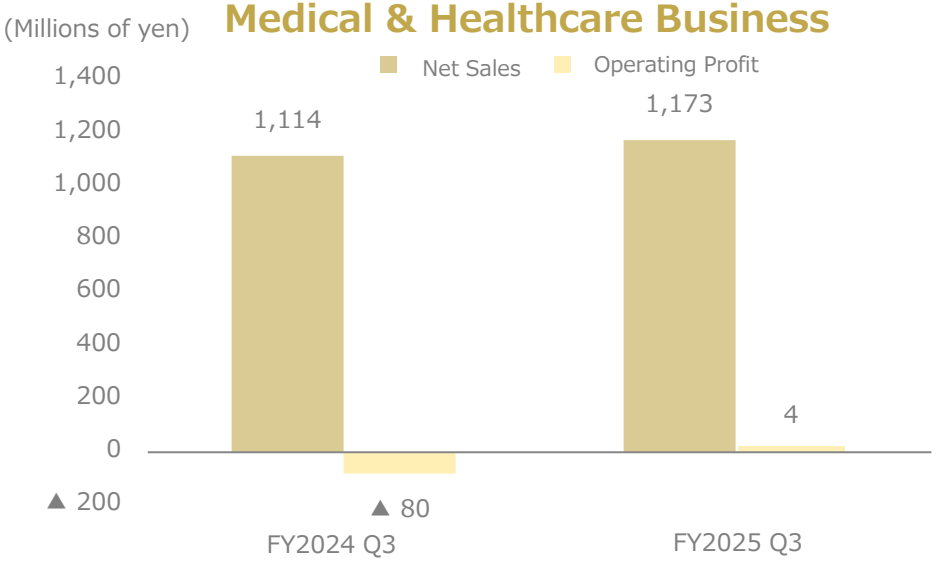
Domestic Telecommunications Business



Focus on solution services

- Focus on license sales tailored to customer needs for solution services centered on the AmeyoJ call center system
- Regarding voice communication line interconnection, we maintain a conservative outlook on connection fee levels, considering structural changes in the industry
- Regarding the spoofing of caller IDs using IP phone numbers provided by our subsidiary IPS Pro, Inc. to a Hong Kong-based customer company in February-March 2025, we submitted a report on recurrence prevention measures to the National Police Agency and the Ministry of Internal Affairs and Communications. The impact on business performance was limited

Medical & Healthcare Business



Comprehensive health checkups contribute to growth and profitability

- LASIK stabilized procedure volumes through marketing strategy revisions and flexible service offerings
- Comprehensive health checkups steadily grew for both individuals and corporations by providing high-quality regular screening services meeting Japanese standards, contributing to overall business profitability

Consolidated Balance Sheet (Summary)

(Millions of yen)

Assets				Liabilities and Net Assets			
	FY2024	FY2025 Q3	Change		FY2024	FY2025 Q3	Change
Current assets	23,637	24,246	609	Current liabilities	16,747	17,920	1,173
Cash and deposits	3,918	3,285	▲ 633	Accounts payable - trade	1,137	750	▲ 387
Accounts receivable - trade	11,269	14,564	3,295	Borrowings	6,059	6,751	692
Lease receivables	6,517	5,806	▲ 711	Deferred payment Profit	4,709	4,471	▲ 238
Others	1,932	590	▲ 1,342	Others	4,840	5,946	1,106
Non-current assets	18,363	20,218	1,855	Non-current liabilities	4,300	4,800	500
Property, plant and equipment	12,882	15,255	2,373	Long-term borrowings	4,010	4,465	455
Intangible assets	4,006	3,469	▲ 537	Others	289	335	46
Investments and other assets	1,474	1,493	19	Total liabilities	21,048	22,720	1,672
Deferred assets	30	23	▲ 7	Net assets	20,982	21,767	785
				Shareholders' equity	12,976	15,355	2,379
				Accumulated other comprehensive income	2,263	375	▲ 1,888
				Share acquisition rights	290	280	▲ 10
				Non-controlling interests	5,452	5,756	304
Total assets	42,031	44,488	2,457	Total liabilities and net assets	42,031	44,488	2,457

Forecast for the Fiscal Year Ending March 2026

(Millions of yen)

	Full-year results for the fiscal year ended March 2025	Fiscal Year Ending March 2026			
		First Half Results	Second Half Plan	Full Year	YoY Comparison
Net Sales	15,264	7,854	10,146	18,000	+17.9%
Operating profit	4,413	2,351	2,899	5,250	+18.9%
Ordinary Profit	4,073	2,314	2,586	4,900	+20.3%
Profit attributable to owners of parent	2,544	1,607	1,393	3,000	+17.9%

Forecast for the Fiscal Year Ending March 2026

- There are no changes to the earnings forecast from the figures announced at the beginning of the period.
- In the second half, network construction services bundling communication equipment and line provision in the Global communications business are expected to continue performing well.
  With the tailwind of the passage of the Konektadong Pinoy Act, we anticipate sales and operating profit to reach the initial targets of ¥18.0 billion and ¥5.25 billion, respectively.
- Considering uncertain factors such as exchange rate movements and the progress of new projects, we will monitor future environmental changes and project confirmations, reviewing our forecasts as necessary.

Segment Performance Forecast for the Fical Year Ending March 2026

(Millions of yen)

Segment		Fiscal Year Ended March 2025	Fiscal Year Ending March 2026 Forecast	YoY
		15,264	**18,000**	**+17.9%**
Net Sales	Global Telecommunications	11,219	13,900	+23.9%
	Domestic Telecommunications	2,489	2,500	+0.4%
	Medical & Healthcare	1,555	1,600	+2.9%
		4,413	**5,250**	**+19.0%**
Operating Profit	Global Telecommunications	4,500	4,800	+6.7%
	Domestic Telecommunications	▲ 11	400	—
	Medical & Healthcare	▲ 84	50	—
	Inter-segment eliminations	9	—	—
		28.9%	**29.2%**	
Operating Profit Margin	Global Telecommunications	40.1%	34.5%	
	Domestic Telecommunications	–	16.0%	
	Medical & Healthcare	–	3.1%	

*Figures in this document are rounded down to the nearest million yen, so amounts may not match calculations within the table.

3 | Business Highlights

Financial Impact of the Candle and Baler Land-Based Operations

In addition to Candle, expanding business opportunities with hyperscalers* and others through international submarine cable landings at the Baler CLS

Candle

Participation in joint construction projects with Meta, SoftBank, etc.; securing major IRU contract orders

Securing IRU Contract Orders [Under Negotiation]

Completion, handover, and commencement of commercial utilization

Construction period

2025 | 2026 | 2027 | 2028 | 2029

Current

Construction period

Next Medium-Term Business Plan Period

Baler CLS

Connection scheduled (Utilizing BCDA's bypass)

San Fernando CLS

Municipal permits obtained, finalized contract with Taisei Corporation

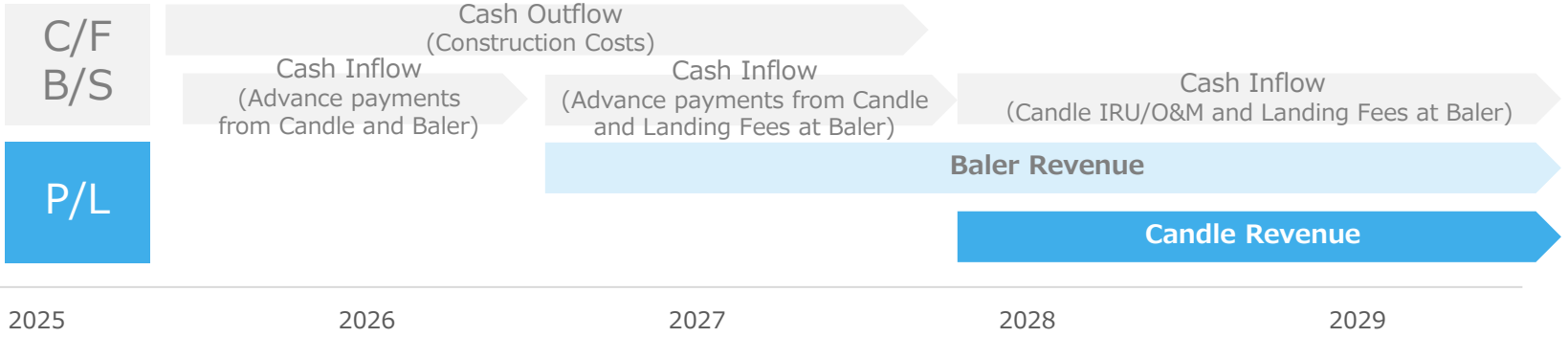
Landing Contract Awarded, Service Commenced [Under Negotiation]

Commencing provision of the Cable landing service for Candle

Landing Contract on the West Coast of Luzon [Under Negotiation]

Impact

- Until the commencement of Candle's commercial operations (scheduled for March 2028), cash outflows will exceed cash inflows on a cash flow basis.
- Cash inflows received in line with construction milestones will be recorded on the balance sheet as advance payments.
- Upon completion of each phase, cash inflows from submarine cable landing services and IRU/O&M-related revenues will be recognized in the profit and loss statement.



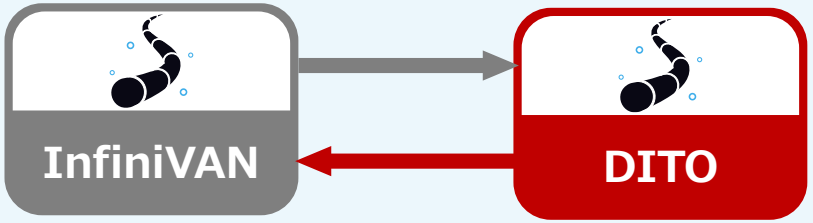
*1 Hyperscalers: Companies like Google, Meta, Microsoft, and Amazon that provide large-scale cloud services, leveraging vast numbers of servers and networks to deliver services to users worldwide.

Efforts to Expand International Communication Partners

- A strategic fiber-optic sharing partnership agreement with DITO, a telecommunications company operating mobile communications and related businesses.
- Provision of network connectivity services to key facilities of AFPSLAI, a government financial institution serving the Armed Forces of the Philippines and the Philippine National Police.

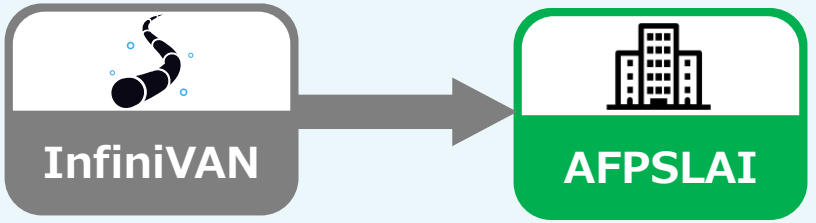
Wholesale Mutual Access to Optical Fiber

- Strengthening the Philippines' domestic digital infrastructure
- The Company and DITO each own fiber-optic facilities
- Nationwide reciprocal access rights are granted to each party



Enterprise Military and Police Support

- Delivering high-speed, reliable network connectivity
- Enhancing security by supporting military and law enforcement operations
- Driving digital transformation to empower local communities







Topic: New Base in Northern Metro Manila

InfiniVAN Opens Fifth Domestic Office in Subic—First Sales Base North of Manila

Enterprise ①Covering key industrial areas

- The Subic area was once home to one of the largest U.S. naval bases in Asia and has since developed into a special economic zone.
- Industrial parks converted from the former base are now located in the area, with a large concentration of logistics, warehousing, and hotel-related businesses, representing a potential customer base of approximately 1,000 companies.
- The area also offers easy access to emerging regions such as Pampanga Province, including the Clark Special Economic Zone, as well as Tarlac Province, making it a prime location that covers core industrial regions.

InfiniVAN's offices in the Philippines

Northern Luzon: Makati, Taguig, **Subic** New

Central Visayas: Cebu

Southern Mindanao: Davao

Enterprise ②Growing industrial park partnerships

- South of Manila, the Company partnered with the operator of the industrial park CPIP (approx. 80,000 sqm, ~100 tenant companies, including leading firms from Japan, the U.S., and South Korea).
- Partnerships have already been established with more than 10 major industrial parks, including Cavite Economic Zone and Laguna Technopark.



4 | Appendix



Corporate Philosophy

OPEN DOOR

We create business opportunities
ahead of anyone, develop business,
change the industrial structure,
and realize the ideal society in the field
closely related to life where there are
barriers that no one has yet overcome.

Background: Makati City, Philippines

Submarine Cables and Hyper scalers*1

Growing demand for telecommunications infrastructure

- **Submarine cables are the fiber-optic communication infrastructure laid on the seabed. Approximately 99% of Japan's international communications pass through submarine cables.**
- Submarine cables carry “cross-border data” for cloud services, financial settlements, video streaming, and government communications, with communication demand rapidly expanding

  → **Driven by the proliferation of AI and 5G, population growth in Asia including the Philippines, etc.**

Submarine Cable Map



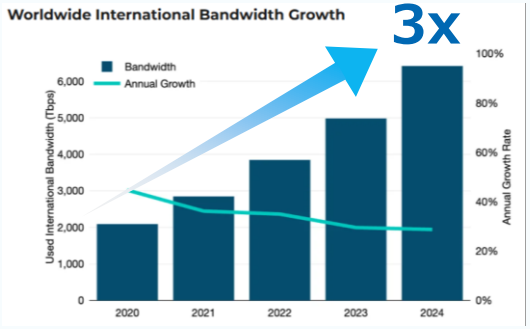
Submarine Cable Map: https://www.submarinecablemap.com/

Major Submarine Cable Operators

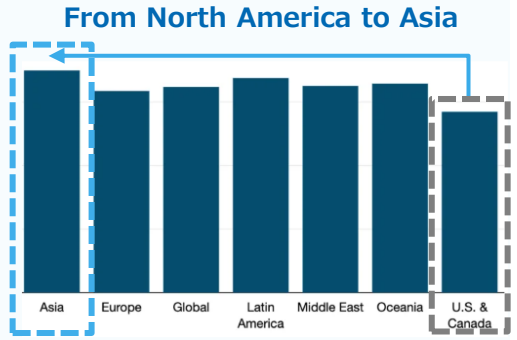
	Owner*2		Supplier	
	telecommunications carrier	hyper scalers	Terminal Equipment (Land-based Machinery)	Submarine cable (subsea equipment)
Japan	NTT Softbank		NEC Fujitsu	
US	A&T Verizon	Google Meta	Ciena	SubCom

Structural changes accompanying demand expansion

- **Global telecommunications traffic to triple over four years (2020-2024)**
  The center of telecommunications traffic is shifting from North America to Asia

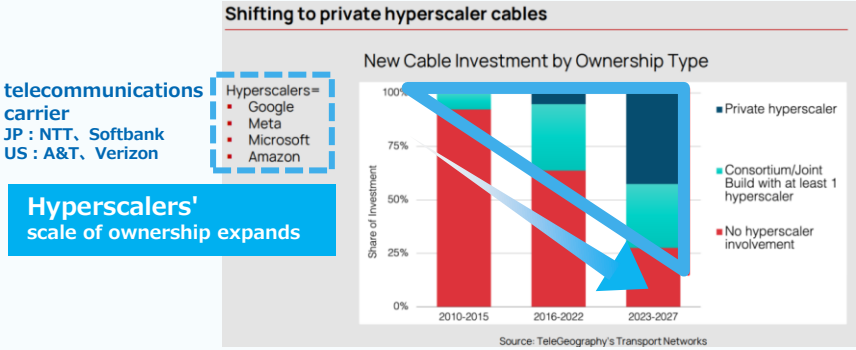


Source : 2025 Tele Geography



Source : 2025 Tele Geography

- **U.S. hyper scalers*1 expand their holdings**

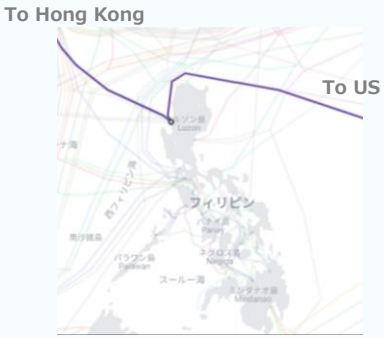


Source : THE GLOBAL SUBMARINE CABLE NETWORK :
ENSURING RESILIENCE CONNECTIVITY IN THE AGE OF AI AND GEOPOLITICAL CHALLENGES (October 15, 2025)

*1 Hyper scalers: Companies like Google, Meta, Microsoft, and Amazon that provide large-scale cloud services, leveraging vast numbers of servers and networks to deliver services to users worldwide.
*2 Companies owning 10 or more submarine cables are included; the top two companies in each segment (based on number of cables) are listed. Compiled based on various information from Mitsubishi Research Institute.

Pre-investment in submarine cables

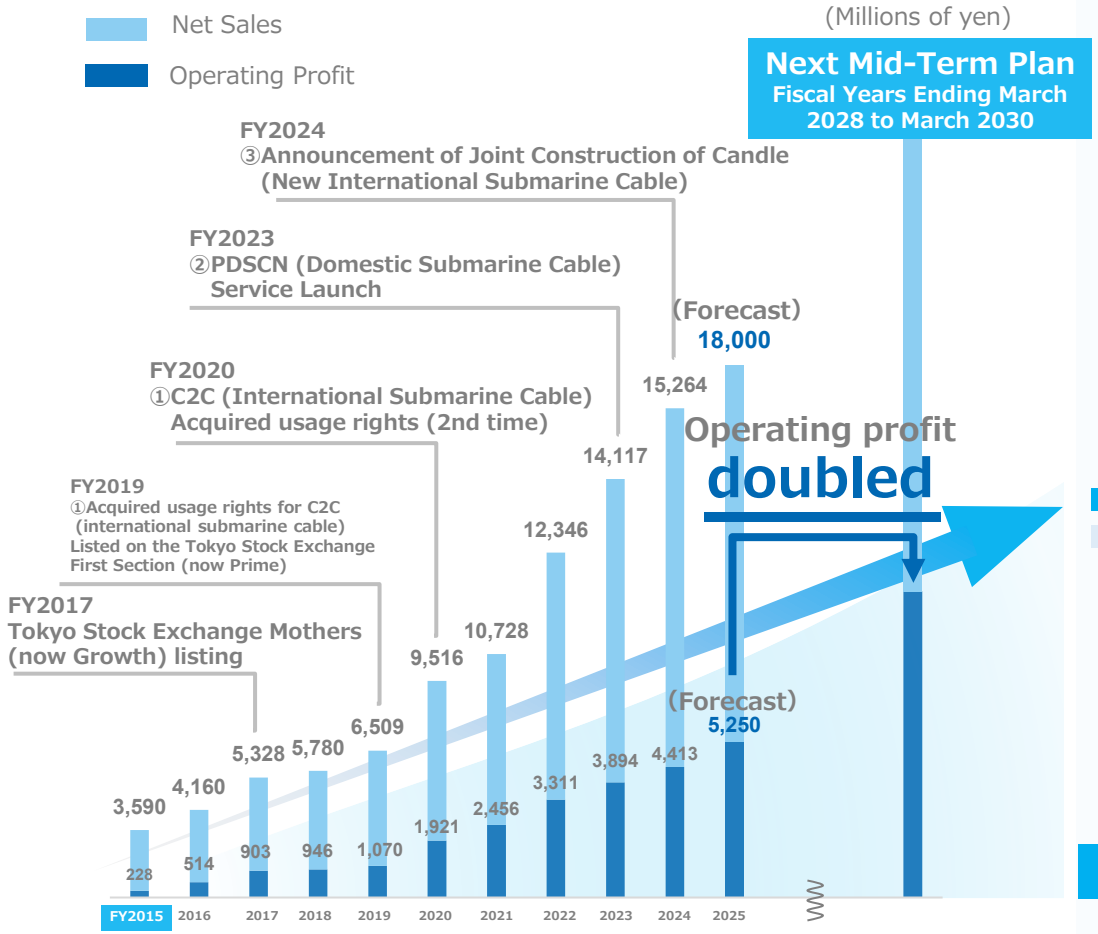
Expansion from the Manila Metropolitan Area to the entire Philippines and Asia

	FY2011	FY2014	FY2019 FY2020	FY2022	FY2027
	AAG **(International Submarine Cable)**	**InfiniVAN** **(Domestic lines within the Philippines)**	**C2C** **(International Submarine Cable)**	**PDSCN** **(Philippine domestic submarine cable)**	**Candle** **(New International Submarine Cable)**
	International telecommunications business launched in the Philippines	Providing **corporate-grade Internet connectivity services** in the Manila metropolitan area	Commencing **high-capacity service for major carriers** via international submarine cables	Building a backbone network connecting the Philippine islands and **expanding services nationwide**	Building a new international submarine cable with Meta and SoftBankTransforming **the Philippines into Asia's digital hub ⇒ Strengthening connectivity with Japan**
		InfiniVAN 			
Deployment Area	① Metro Manila	① Metro Manila	① Metro Manila	①Metro Manila **New** **②Provinces (Visayas Islands, Mindanao Island)**	①Greater Manila Area ②Provinces (Visayas Islands, Mindanao Island) **③Asia Region (Philippines as a Hub) New**
Segment	International Telecommunications Business ① Wholesale (ISP/CATV)	① Wholesale (ISP/CATV) **New** **② Enterprise** **Large to mid-sized companies → Utilizing railway and highway conduits for efficient connectivity**	① Wholesale (ISP/CATV, **New** **Carrier-to-Carrier (Major Telecom Companies)** ② Enterprise	① Wholesale (ISPs/CATVs, Carrier Carriers, **New** **Government Agencies & Municipalities,** Regional Enterprises) ② Enterprise	① Wholesale ② Enterprise **New** **③ New Segment (to hyper scalers, etc.)**

Performance Trends and Next Mid-Term Plan

Continuing upfront investments to address social challenges. Achieved 23x growth in operating profit over 10 years. next mid-term plan targets doubling operating profit

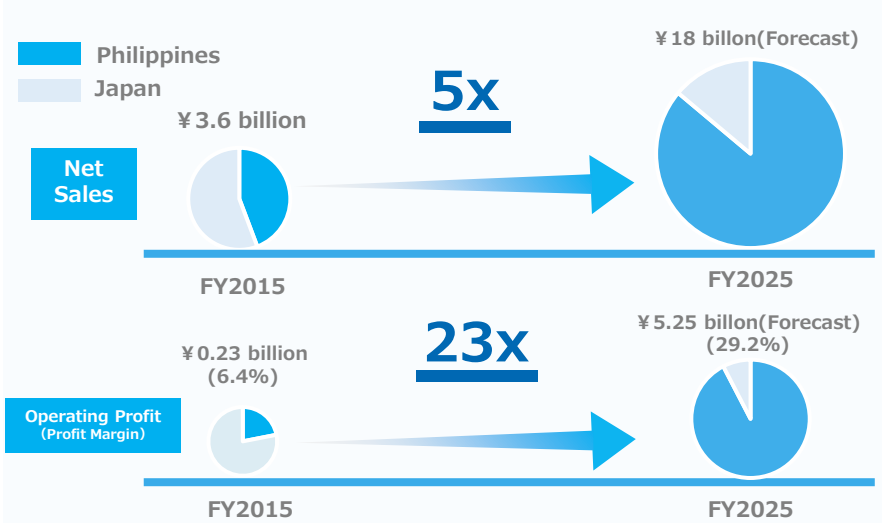
Continuous upfront investment to achieve high growth



Profit Plan for the Next Mid-Term Plan

- **Pre-investment in Submarine Cables**
  - ①C2C (International Submarine Cable)
  - ②PDSCN (Domestic Submarine Cable)
  - ③Candle (New International Submarine Cable)
- **Next Mid-Term Management Plan**
  (Fiscal Years Ending March 2028 to March 2030)

Aiming to **Double** Operating Profit



Q3 Public Information

	Category	Disclosures	
Dec.	Japan(Other)	(Progress of Disclosure) Submission of Report on Preventive Measures Regarding Unauthorized Use of IP Phone Number Provided by Our Subsidiary	URL
Nov.	Philippines (Government-related)	InfiniVAN Launches High-Speed Internet Service Connecting Key AFPSLAI Sites	URL
	Japan(Other)	Regarding Today's Yomiuri Shimbun Report	URL
	Financial Disclosure	Questions from Investors and the Our Responses	URL
	Financial Disclosure	Presentation on Results for the 2nd Quarter FY2025	URL
	Philippines (New Service)	IPS Pro and InfiniVAN Launch Voice AI Operator Support Service: Begin Licensing Sales for Gnani, India's Leading AI Technology Company	URL
	Financial Disclosure	Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)	URL
	Financial Disclosure	Notice Regarding the Difference between Consolidated Earnings Forecast and Actual Results for the Six Months Ended September 30, 2025	URL
	Financial Disclosure	Supplemental Materials on Results for the 2nd Quarter FY2025	URL
	Philippines (Partnership)	InfiniVAN and DITO Sign Strategic Fiber-Sharing Partnership Agreement to Strengthen the Nation's Digital Backbone in the Philippines	URL
Oct.	Philippines (Partnership)	InfiniVAN establishes its first northern Manila sales base in Subic to expand corporate services, and signs partnership agreement with southern industrial park "CPIP"	URL
	Philippines (New Service)	IPS and InfiniVAN Sign a Memorandum of Understanding with JPYC on Stablecoin Business to build Digital Remittance and Payment Infrastructure in the Philippines	URL
	Philippines (Other)	Notice Regarding the Impact of the Earthquake with its Epicenter off the Coast of Northern Cebu Island, Philippines	URL
	Philippines (Other)	Notice Regarding the Establishment of a Credit Facility for InfiniVAN's Baler Cable Landing Station Construction Project by the Japan Bank for International Cooperation	URL

Corporate Profile

Name	IPS, Inc.（4390 Tokyo Stock Exchange Prime）
Established	October 1991
Head Office	4-1-1 Tsukiji, Chuo-ku, Tokyo, Japan 104-0045
Founder & CEO	Koji Miyashita
Business Segments	Global Telecommunications Medical & Healthcare Domestic Telecommunications
Subsidiaries	Overseas Subsidiaries (7 companies) • InfiniVAN, Inc. • ISMO Pte. Ltd. • Carrier Domain, Inc. • KEYSQUARE INC. • CorporateONE, Inc. • Shinagawa Lasik & Aesthetics Center Corporation（SLACC） • Shinagawa Healthcare Solutions Corporation（SHSC） Domestic Subsidiary (1 company) • IPS Pro, Inc.





