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March 11, 2026

Corporate Name:	IPS, Inc.
Trading Name:	IPS, Inc.
President / CEO:	Koji Miyashita
Code Number:	4390 Prime Market of the Tokyo Stock Exchange
Contact:	Hiroyasu Akatsu, General Manager, Administration Department (TEL. +81-3-3549-7719)

(Progress of Disclosure) Notice Regarding Leased Fixed Assets of Consolidated Subsidiaries

IPS.Inc. (hereinafter the “Company”) hereby announces that the Company’s subsidiary InfiniVAN, Inc. (hereinafter “InfiniVAN”), operating telecommunications businesses in the Philippines, signed a long-term lease agreement (hereinafter the “Agreement”) with the Bases Conversion and Development Authority (hereinafter “BCDA”) at a signing ceremony held today in Manila, Philippines, for the international submarine cable landing station (CLS) owned by BCDA at Poro Point, San Fernando, La Union, on the west coast of Luzon Island (hereinafter “Poro Point CLS”) and the underground pipeline “Luzon Bypass Infrastructure (LBI)” connecting the Poro Point CLS to Baler, Aurora on the eastern coast of Luzon Island.

1. Background and Purpose of Agreement

As announced in the Company’s disclosure document dated September 30, 2025, titled “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,” the Company and InfiniVAN have signed a Memorandum of Understanding with BCDA concerning initiatives aimed at utilizing and monetizing telecommunications infrastructure on Luzon Island, and have continued discussions.

This Agreement enables the Group to efficiently secure a cross-island backbone connecting key locations across eastern and western Luzon, which serves as a landing point for international circuits. By avoiding excessive investment and leveraging existing infrastructure, the Group will rapidly expand the InfiniVAN network. Furthermore, at the CLS, the Group will promote a new business model that not only serves its own needs but also hosts international submarine cable systems operated by companies from various countries, providing interconnection and backhaul (the relay line connecting a CLS to domestic telecommunications facilities).

The LBI initiative, spearheaded by the BCDA and the Philippine Department of Information and Communications Technology (DICT) in collaboration with Facebook, Inc. (now Meta Platforms, Inc., hereinafter “Meta”), was conceived for international submarine cable landing. However, due to unexpected geopolitical factors, the majority of the LBI remained underutilized.

By integrating part of this LBI into InfiniVAN's backbone network, InfiniVAN will enhance its capacity to provide lines and services within the Philippines. This approach aligns with the objectives of the new “Konektadong Pinoy Act,” lapsed into law in August 2025, which aims to strengthen nationwide digital connectivity. For InfiniVAN, this follows the completion of the Philippine Domestic Submarine Cable Network (PDSCN) in December 2023.

The contract term is for 15 years and is renewable upon mutual agreement for another 10 years. InfiniVAN will provide cable landing services for international submarine cables at the Poro Point CLS.
Furthermore, InfiniVAN is constructing an advanced CLS in Baler, Aurora, on the eastern coast of Luzon Island. Upon completion, it will provide landing services for international submarine cables.
The Baler CLS has been designated as the landing point for the new international submarine cable "Candle," which the Company is jointly constructing with Meta and SoftBank Corp. to connect Japan, the Philippines, and Singapore. Through this agreement, the Company will establish an east-west communications infrastructure connecting the Baler CLS and the Poro Point CLS, thereby enhancing the value and profitability of both CLSs and advancing their strategic hub development in Asia.
The Poro Point CLS, together with LBI's onshore underground pipeline and the Baler CLS on the eastern coast of the Philippines, will establish a route with reduced geopolitical risk that avoids the so-called "Nine-Dash Line" in the waters near the Philippines. It will serve as a crucial hub contributing to the formation of a core international communications network by transmitting high-speed, high-capacity communication traffic from Southeast Asia to Japan and North America. By connecting to the Asia-Pacific region using the western coast of the Philippines as a gateway, a digital corridor for international communications will be formed. This positions the Philippines as a strategic hub for intra-Asian communications. By comprehensively capturing business opportunities such as CLS services, backhaul lines, interconnection, and IRU provision for international submarine cables, the Group aims to expand revenue and enhance profitability.
Supplemental materials regarding this Agreement are attached for your reference.



Image of Communication Traffic via LBI Route

2. Overview of InfiniVAN

(i) Name	InfiniVAN, Inc.
(ii) Head Office Location	17F Ore Central Building, 31st Street Cor., 9th Ave., BGC, Taguig City, Philippines
(iii) Title and Name of Representative	President: Shigeki Nakahara
(iv) Business Description	Provision of Internet Services in the Philippines
(v) Capital	1,998 million Philippine Pesos
(vi) Date of Establishment	April 20, 2015
(vii) Fiscal Year End	December
(viii) Major Shareholders and Shareholding Ratios	IPS, Inc. (55.2%), CorporateONE, Inc. (44.8%)

3. Overview of Agreement

(1) Contents of Agreement

(i) Name	Poro Point CLS and Luzon Bypass Infrastructure (LBI)
(ii) Location	Within Luzon Island, Philippines
(iii) Outline of Leased Assets	CLS and Associated Facilities, Underground Duct
(iv) Contract Term	15 years, renewable upon mutual agreement for another 10 years

(2) Counterparty to Agreement

(i) Name	Bases Conversion and Development Authority（BCDA）
(ii) Head Office Location	2/F Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City (BGC), Taguig City, Metro Manila, 1634 Philippines
(iii) Business Description	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) Schedule for Agreement

(i) Signing Ceremony Date	March 11, 2026
(ii) Lease Start Date	First half of 2026 (scheduled)

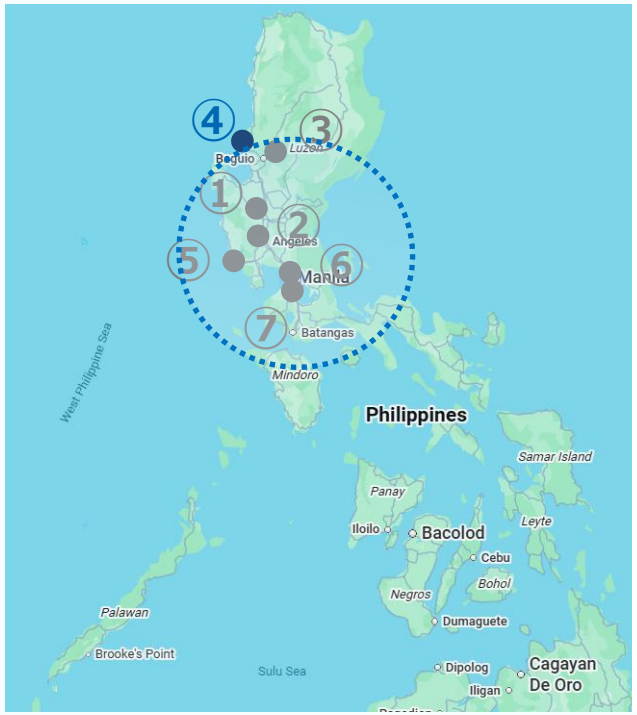
4. Outlook

This agreement is expected to have a minimal impact on the Company's consolidated performance for the fiscal year ending March 2026. However, should the provision of cable landing services for international submarine cables and other related services be finalized, the Company believes it will contribute to its performance over the medium to long term. Should any significant matters requiring disclosure arise in the future, the Company will promptly notify you.

Bases Conversion and Development Authority

Creating continuous business opportunities starting with cable landing services

- BCDA is a government-affiliated corporation primarily engaged in the development of former U.S. military bases. ④ Poro Point Landfall Station Service Commences
- Aiming to provide international telecommunications services (wholesale, enterprise) to other facilities



No	Base Name	Location	Overview
1	New Clark City	Tarlac州 Capas / Central Luzon	Large-scale facility to be developed as a “smart, green, disaster-resistant city. A hub for national administrative functions and sports
2	Clark Freeport and Special Economic Zone	Pampanga州 Central Luzon	Core Economic Zone including Clark International Airport
3	John Hay Special Economic Zone	Baguio City	Tourism and Business Hub
4	**Poro Point Freeport Zone**	San Fernando La Union	Special Zone in Northern Luzon with Airports, Ports, and Tourist Facilities
5	Bataan Technology Park	Morong, Bataan	Hub for Industrial and Tourism Development
6	Bonifacio Global City (Fort Bonifacio)	Taguig, Metro Manila	Highly concentrated residential, office, and commercial functions in the metropolitan area
7	Newport City (former Villamor Air Base)	Pasay / NAIA Terminal 3	Integrated development adjacent to the airport. Combining tourism, hotel, office, and IT functions.

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



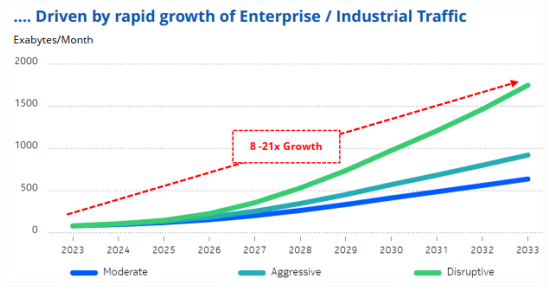
Submarine Cable Map: https://www.submarinecablemap.com/

Major Submarine Cable Operators

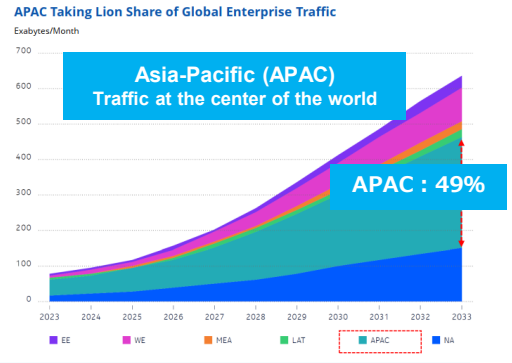
	Owner*2		Supplier	
	telecommunications carrier	hyper scalers	Terminal Equipment (Land-based Machinery)	Submarine cable (subsea equipment)
Japan	NTT Softbank		NEC Fujitsu	
US	A&T Verizon	Google Meta	Ciena	SubCom

Structural changes accompanying demand expansion

- The adoption of AI, cloud services, and other technologies by enterprises is accelerating. Data traffic is projected to continue expanding through 2033, with the Asia-Pacific (APAC) region expected to account for the majority of global traffic.

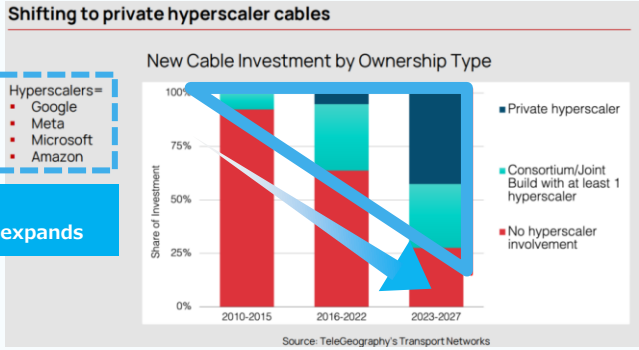


Source： NOKIA Research, Global network traffic report 2025



Source： NOKIA Research, Global network traffic report 2025, Enterprise + Industrial WAN Traffic

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.

Open Access: Building Asia's Strategic Hub

Transforming the Philippines into a Strategic Hub for Intra-Asian Communications

◆ Forming a Digital Corridor for International Communications

The Poro Point CLS, together with LBI's onshore underground pipeline and the Baler CLS on the eastern coast of the Philippines, will establish a route with reduced geopolitical risk that avoids the so-called "Nine-Dash Line" in the waters near the Philippines. **It will serve as a crucial hub contributing to the formation of a core international communications network by transmitting highspeed, high-capacity communication traffic from Southeast Asia to Japan and North America.**



◆ Expanding Revenue and Improving Profitability

Position the Philippines as a strategic hub for intra-Asian communications, integrating business opportunities such as landing station services, backhaul lines, interconnection, and IRU provision for international submarine cables to expand revenue and enhance profitability.

Cable Landing Station

- The landing point for international submarine cables within the Philippines. It connects the landed international submarine cables to terrestrial cables, routing traffic to domestic networks, data centers, and other facilities within the Philippines.
- While closed access is common for Cable Landing services, we operate with open access, aiming to become a strategic hub in Asia.

②Connecting submarine cables and land cables
③Connect to domestic networks and data centers, etc.

①Overseas Landings Bureau(Japan-US and Asian Countries)

