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Supplemental Materials on Results for Q4 FY2025

May 8, 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.

The Abbreviations used in this document are 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.

Hyper scalers
Companies such as Google, Meta, Microsoft, and Amazon that provide large-scale cloud services, leveraging vast numbers of servers and networks to serve users around the world.

Baler 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) Line
An international submarine cable connecting the Philippines to Hong Kong and Singapore. Our company acquired Irrevocable 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.

Connect the Don Pinoy Act
A new Philippine law enacted in August 2025 aiming to strengthen nationwide digital connectivity. Also known as the Data Transmission Open Access 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 leading domestic telecommunications product in Japan. 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. Earnings Forecast for the FY 2026
4. Appendix



Background: Metro Manila

1 Executive Summary



Background: Metro Manila

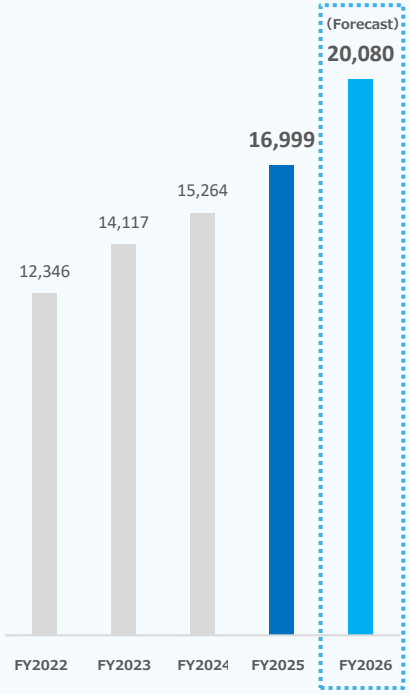
Executive Summary

Net Sales and profits increased due to growth in global communications and improved profitability in domestic communications and the medical and healthcare sectors. Operating cash flow also saw significant growth.

FY2025 and Forecast for the FY2026

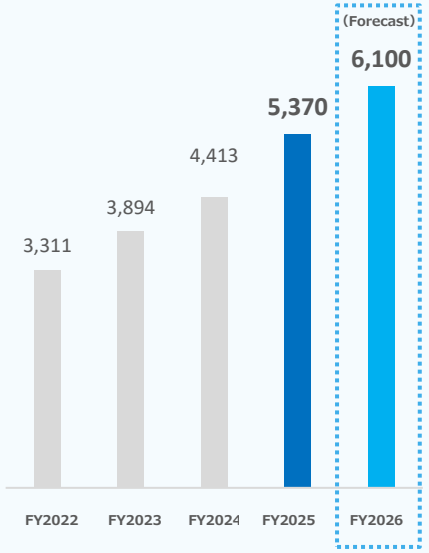
Net Sales

¥16,999 million
＋¥1,734million(YoY＋11.4%)



Operating Profit

¥5,370 million
＋¥956million(YoY＋21.7%)



Financial Highlights

- **The company has achieved eight consecutive years of net sales and profit growth since going public.** This was driven by growth in the global telecommunications segment and **improved profitability in the domestic telecommunications and medical & healthcare businesses**.
- Due to progress in cash recovery in the global telecommunications business, **operating cash flow was 4.59billion yen**
- Network construction services and carrier-to-carrier transactions in the global telecommunications sector remained robust. The **enactment of the Connector Don Pinoy Act** also provided a tailwind.
- Steady progress in growth investments, including the decision to participate in the **new international submarine cable "Candle"** and the start of construction on the **Baler landing station**
- For the current fiscal year, we are projecting **net sales of 20.08 billion yen (+18.1%) and operating profit of 6.10 billion yen (+13.6%)**.

The impact of the situation in the Middle East on business operations is limited at this time

Although a national energy emergency has been declared in the Philippines, the impact remains limited at this time
We are moving forward with our business operations while preparing for risks during an economic downturn and identifying medium- to long-term business opportunities

Key Risks

Impact on the Philippine Economy

The escalating tensions in the Middle East could affect the Philippine economy primarily through **rising energy prices, exchange rate volatility, mounting inflationary pressures, and a drag on economic growth**. The Philippine government has declared a national energy emergency, and concerns are growing that inflation could accelerate again amid current high crude oil prices.

Impact on Our Business

While we are aware of this deterioration in the macroeconomic environment, we believe that **the direct impact on our business is limited at this time**. The use of petroleum products is limited to commercial vehicles, telecommunications line construction, emergency generators, and marine fuel for certain projects; **we have not identified any significant disruptions to our business operations or the progress of existing projects at this time.**
However, **if the situation in the Middle East worsens further or becomes protracted, costs related to fuel, logistics, and construction may rise**; accordingly, our policy is to **mitigate some of this impact through contractual price adjustment clauses and cost-sharing mechanisms**.

Business Opportunities

A medium- to long-term perspective

In light of the situation in the Middle East, we recognize that global companies and hyperscalers are becoming increasingly aware of the need to **redundantize and decentralize their telecommunication networks in anticipation of geopolitical risks**.
From this perspective, we believe that **the Philippines, as a hub for Pacific routes and intra-Asian connectivity, is likely to grow in importance as a decentralized digital infrastructure hub over the medium to long term**.

2 Financial Highlights



Background: Metro Manila

Results for FY2025

(Millions of yen)

	FY2024	FY2025	YoY	
Net Sales	15,264	16,999	+1,734	+11.4%
Operating Profit	4,413	5,370	+956	+21.7%
Ordinary Profit	4,073	5,787	+1,713	+42.1%
Profit Attributable to Owners of the Parent	2,544	4,196	+1,652	+64.9%

Financial Highlights

- **Net Sales**： Net Sales growth was driven primarily by the global telecommunications business, with net sales **up 11.4%** year-over-year
- **Opetating Profit**：Improved earnings in the Domestic Telecommunications and Medical & Healthcare businesses contributed to the results The International Telecommunications business also performed solidly, with a **21.7% increase in profit** compared to the same period last year. Profit-generating capacity improved due to the profit contributions from all three businesses (FY2024: 28.9%, **FY2025: 31.6%**)

- **Ordinary Profit**： The company recorded a foreign exchange gain of 516 million yen (compared to a foreign exchange loss of 276 million yen in the previous fiscal year), representing a **42.1% increase in profit** compared to the same period last year.

- **Profit Attributable to Owners of the Parent**： Profit rose **64.9%** year-over-year, driven by factors such as foreign exchange gains

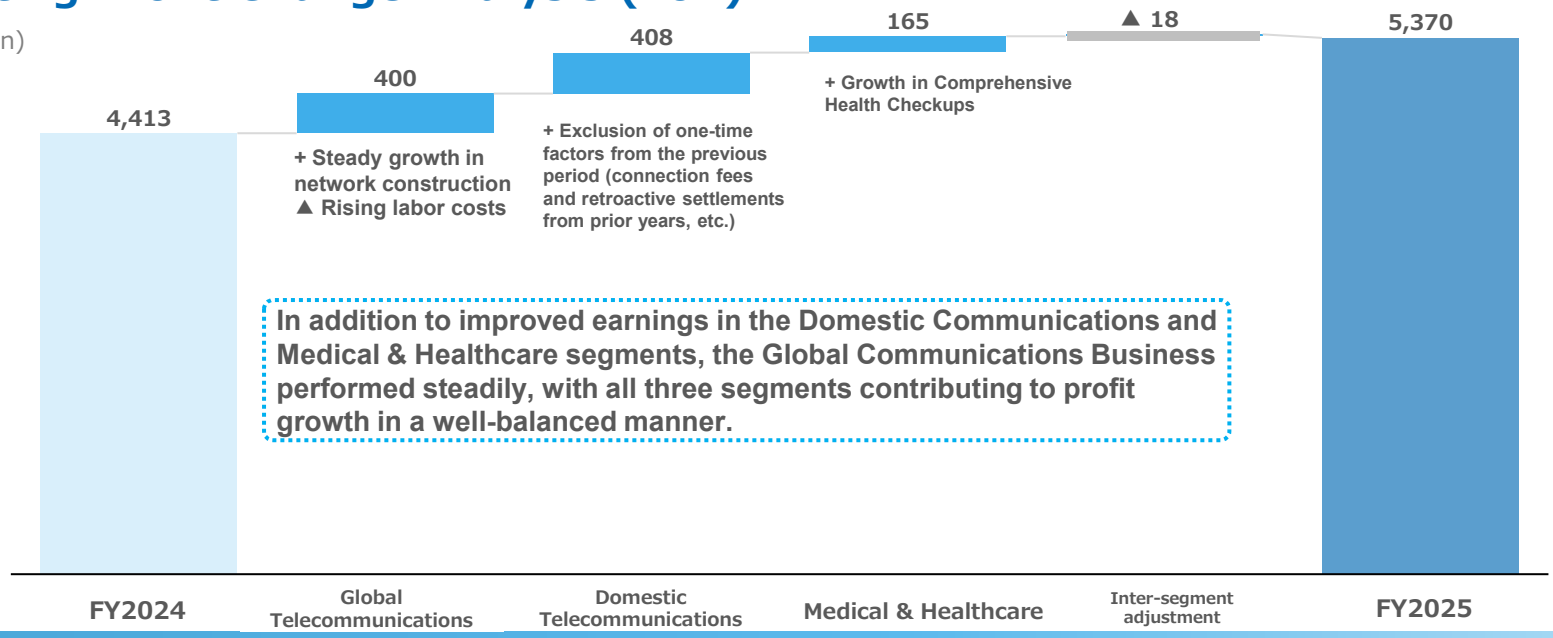
Results for FY2025

(Millions of yen)

		FY2024	FY2025	YoY	
Global Telecommunications	Net Sales	11,219	12,943	+1,724	+15.4%
	Operating Profit	4,500	4,901	+400	+8.9%
Domestic Telecommunications	Net Sales	2,489	2,405	▲ 83	▲ 3.4%
	Operating Profit	▲ 11	397	+408	—
Medical & Healthcare	Net Sales	1,555	1,650	+94	+6.1%
	Operating Profit	▲ 84	80	+165	—

Operating Profit Change Analysis (YoY)

(Millions of yen)



In addition to improved earnings in the Domestic Communications and Medical & Healthcare segments, the Global Communications Business performed steadily, with all three segments contributing to profit growth in a well-balanced manner.

Global Telecommunications Business

Network integration services remained steady throughout the year
The corporate ISP business revised its paid subscription targets and shifted its focus toward higher-value-added services.

Financial Performance Trends

Net Sales

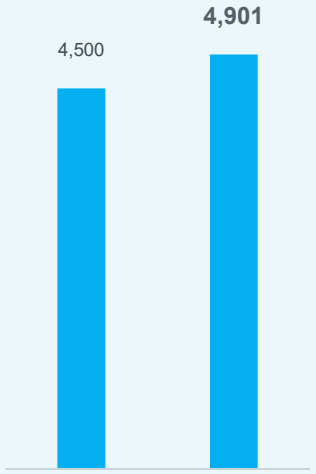
¥12,943 million
+¥1,724million
(YoY+15.4%)
(Millions of yen)



Operating Profit

¥4,901 million
+¥400million
(YoY+8.9%)
(Millions of yen)

Exceeding the operating profit achieved in the first year of regional expansion



Business Trends

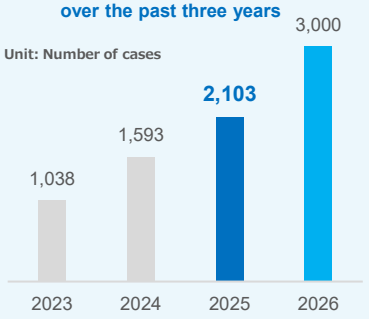
Wholesale

- Network construction services and carrier-to-carrier transactions remained robust. The **enactment of the Connector Don Pinoy Act** also provided a tailwind.
- In response to the increase in accounts receivable resulting from expanded business operations, we will implement strict management measures to expedite cash collection.
- Promoting network expansion throughout the Philippines. For the backhaul link from the Baler landing station to the Manila Metropolitan Area, we are efficiently upgrading the infrastructure by swapping our own lines with existing lines provided by other companies, thereby reducing the investment burden.

Enterprise

Number of Contracts / ARPU

ARPU : 7% growth every quarter over the past three years



- The target number of paying customers for corporate internet access services has been revised to 3,000 by the end of 2026
- Opened a new office (Subic: north of the Manila Metropolitan Area). This Special Economic Zone is expected to attract approximately 1,000 potential clients (industrial parks, logistics warehouses, hotels, etc.), and we are focusing on increasing our cumulative number of contracts
- Signed a licensing agreement with AI startup Gnani*Targeting existing customers with high affinity (banks, insurance companies, BPOs, etc.)Focusing on increasing the number of contracts and improving ARPU

*Gnani Innovations Private Limited (Gnani): Selected to develop foundational AI models for the Indian government-backed “AI Mission” project. Has a track record of implementing solutions for banks, insurance companies, and BPO firms across Asia

Domestic Telecommunications Business / Medical & Healthcare Business

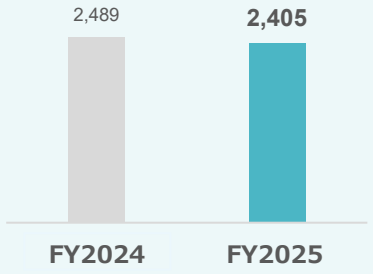
Domestic Telecommunications: Impact of retroactive settlements subsides; call center business remains robust
M&H: Strong performance in LASIK; returns to profitability in Q4 driven by expanded net sales from comprehensive health checkups

Financial Performance Trends

Net Sales

▲¥83 million(YoY▲3.4%)

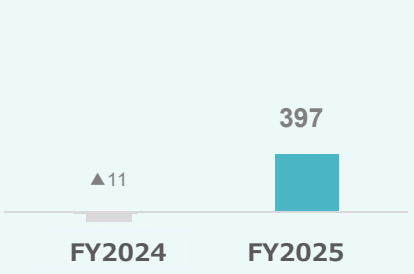
(Millions of yen)



Operating Profit

+¥408 million(—)

(Millions of yen)



Business Trends

Domestic Telecommunications Business

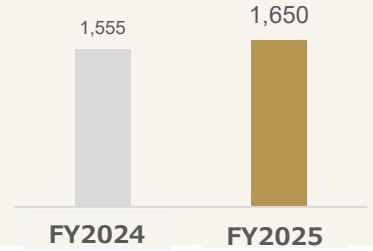
- The one-time factors that had weighed on profits in the previous quarter (such as retroactive settlements related to interconnection) have been eliminated
- Solution services for call center systems are focusing on restructuring the business framework. Signed a licensing agreement with Indian AI startup Gnani*defined the target audience and began acquiring new customers
- Starting in fiscal year 2026, **we will begin offering our own "0120" numbers for caller-paid services**

Financial Performance Trends

Net Sales

+¥94 million(YoY+6.1%)

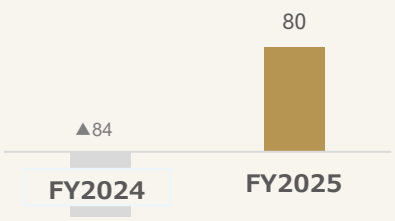
(Millions of yen)



Operating Profit

+¥164 million(—)

(Millions of yen)



Business Trends

LASIK

- **Stable number of surgeries**, driven by flexible marketing strategies and operational efficiencies

Comprehensive Health Checkup

- Net sales doubled through the accumulation of corporate and individual projects and the retention of repeat customers, **achieving a profit in Q4**

*Gnani Innovations Private Limited (Gnani): Selected to develop foundational AI models for the Indian government-backed "AI Mission" project. Has a track record of implementing solutions for banks, insurance companies, and BPO firms across Asia

Consolidated Balance Sheet (Summary)

(Millions of yen)

Assets				Liabilities and Net assets			
	FY2024	FY2025	Change		FY2024	FY2025	Change
Current assets	23,637	25,963	2,326	Current liabilities	16,747	18,887	2,140
Cash and deposits	3,918	3,582	▲ 336	Accounts payable – trade	1,137	660	▲ 477
Accounts receivable - trade	11,269	16,202	4,933	Borrowings	6,059	6,550	491
Lease receivables	6,517	5,277	▲ 1,240	Deferred payment profit	4,709	4,102	▲ 607
Others	1,932	901	▲ 1,031	Others	4,840	7,575	2,735
Non - current assets	18,363	24,994	6,631	Non - current liabilities	4,300	6,455	2,155
Property, plant and equipment	12,882	18,900	6,018	Long - term borrowings	4,010	6,086	2,076
Intangible assets	4,006	4,712	706	Others	289	368	79
Investments and other assets	1,474	1,382	▲ 92	Total liabilities	21,048	25,343	4,295
Deferred assets	30	21	▲ 9	Net assets	20,982	25,636	4,654
				Shareholders' equity	12,976	16,849	3,873
				Accumulated other Comprehensive income	2,263	1,995	▲ 268
				Share acquisition right	290	278	▲ 12
				Non - controlling interests	5,452	6,512	1,060
Total assets	42,031	50,979	8,948	Total liabilities and Net assets	42,031	50,979	8,948

3 Earnings Forecast for the FY 2026



Background: Metro Manila

FY2026 Earnings Forecast

(Millions of yen)

	FY2025 Actual	FY2026 Forecast			
		1H	2H	Full Year	YoY
Net Sales	16,999	8,050	12,030	20,080	+18.1%
Operating Profit	5,370	2,000	4,100	6,100	+13.6%
Ordinary Profit	5,787	2,038	4,139	6,177	+6.7%
Profit Attributable to Owners of the Parent	4,196	1,390	2,810	4,200	+0.1%

FY2026 Earnings Forecast

- Network construction services for the international telecommunications business are expected to continue performing well. We forecast net sales of 20.8 billion yen and operating profit of 6.1 billion yen.
- The previous fiscal year benefited from foreign exchange gains due to yen depreciation, while the current forecast assumes no foreign exchange gains or losses.
- Given the current uncertainties—including the anticipated economic impact of the situation in the Middle East, exchange rate trends, and the progress of new projects—we will monitor future changes in the environment and the finalization of projects and consider revising our plans as necessary.

FY2026 Segment-Based Earnings Forecast

(Millions of yen)

Business Segment		FY2025 Actual	FY2026 Forecast	Change
		16,999	**20,080**	**+18.1%**
Net Sales	Global Telecommunications	12,943	15,230	+17.7%
	Domestic Telecommunications	2,405	2,900	+20.6%
	Medical & Healthcare	1,650	1,950	+18.2%
		5,370	**6,100**	**+13.6%**
Operating Profit	Global Telecommunications	4,901	5,600	+14.3%
	Domestic Telecommunications	397	250	▲37.0%
	Medical & Healthcare	80	250	+212.5%
	Inter-segment adjustment	▲8	—	—
		31.6%	**30.4%**	
OP Margin	Global Telecommunications	37.9%	36.8%	
	Domestic Telecommunications	16.4%	8.6%	
	Medical & Healthcare	5.2%	12.8%	

*Please note that the figures in this document are rounded down to the nearest million yen, so they may not match the calculated amounts shown in the tables.

Financial Impact of Growth Drivers

Revenue from the landing station is expected to commence ahead of the Candle cable system.
By leveraging a large-scale IRU contract (advance payments), this has helped stabilize cash flow until growth drivers are realized and reduced the burden on internal funds.

Growth drivers

New International Submarine Cable Candle

Meta Partners with SoftBank to Secure Major IRU Contract

[Negotiation Period]

Following the completion of the new international submarine cable "Candle," the handover has been finalizedCommercial operations have begun

Construction schedule(Candle)

Baler Landing Station (East Coast of Luzon)

Contract with Taisei Corporation

[Negotiation Period]

At the Baler Unloading StationUnloading services have begun

East-West Connection via a Lease from BCDA

Construction schedule(Baler)

Poro Point Landing Station (West Coast of Luzon)

Signing the Agreement with BCDA

[Negotiation Period]

Utilizing existing facilitiesLaunch of unloading services

Now

2025 | 2026 | 2027 (Apr.Start of the next mid-term plan) | 2028 | 2029 | 2030

Financial Impact

C/F B/S

Cash Out (Construction Funding)

Cash In (Advance Payment for Candle)

Cash-in (Candle IRU/O&M, Onshore Services)

Cash In(Land-based service / Poro Point ⇒ Baler)

P/L

Until commercial operation of the Candle project begins, cash outflows exceed cash inflows on the cash flow statement•Depending on the construction phase, cash inflows (advance payments) are recognized on the balance sheet•After completion, net sales (cash inflows) from landing services and IRU/O&M is recognized on the income statement

Net sales from the New International Submarine Cable "Candle"

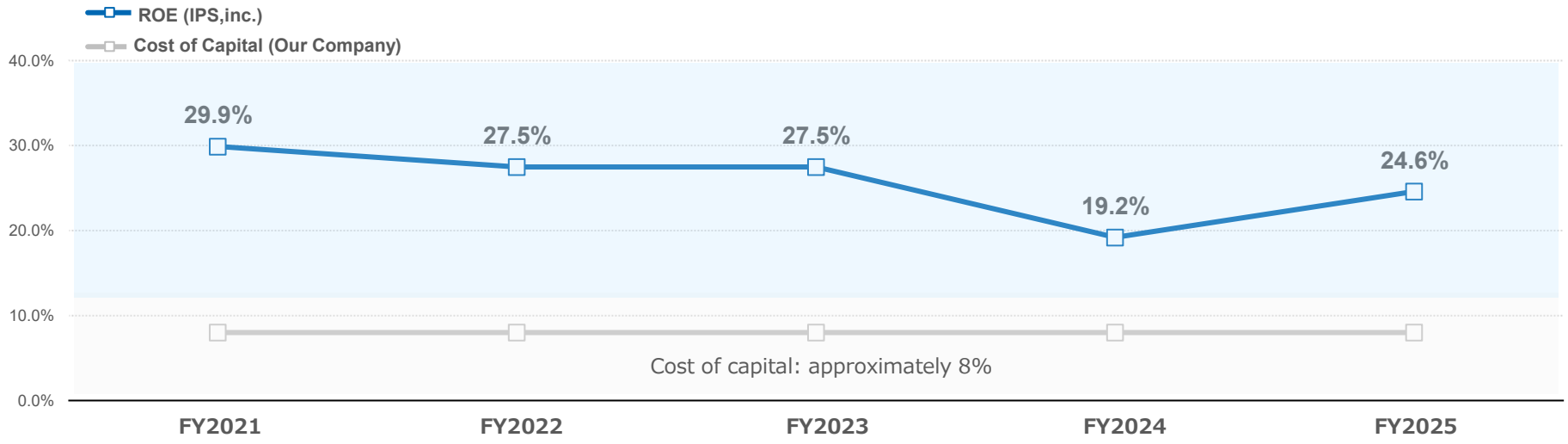
Revenue from CLS business (Baler, East Coast)

Revenue from CLS business (West Coast Poro Point)

Dividend Policy

	Interim	Year-End	Total
FY2024	¥20	¥20	¥40
FY2025	¥20	¥20	¥40
FY2026 Forecast	¥20	¥20	¥40

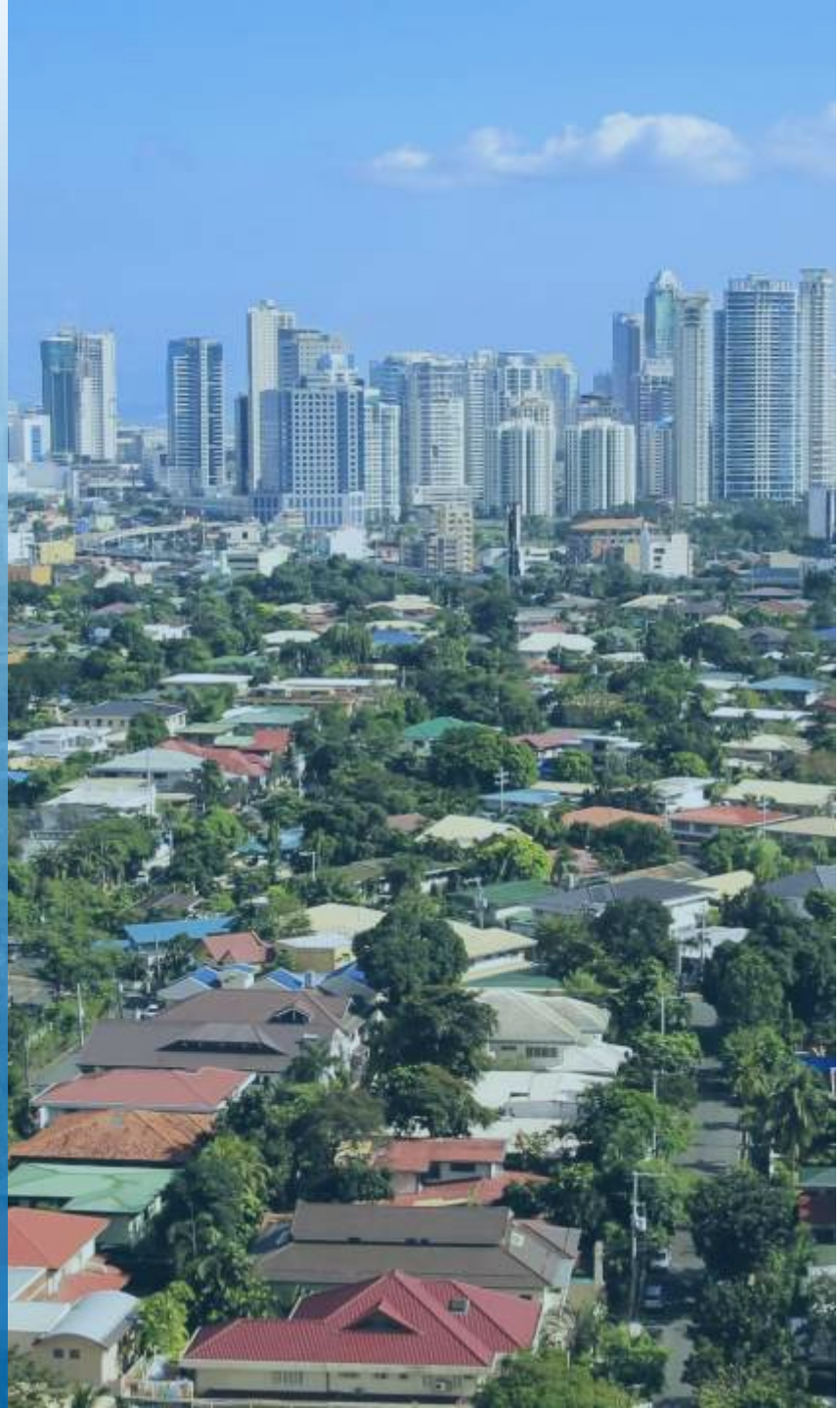
ROE Trends



4 Appendix



Background: Metro Manila



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

Q4 Public Information

	Category	Disclosures	
Mar.	Philippines (Government-related)	InfiniVAN Signs Memorandum of Understanding with APECO, a Government-owned and Controlled Corporation administering the Aurora Pacific Economic Zone in Eastern Luzon, Philippines	URL
	Philippines(Other)	Notice Regarding the Establishment of a Subsidiary	URL
	Philippines (Government-related)	(Progress of Disclosure) Notice Regarding Leased Fixed Assets of Consolidated Subsidiaries	URL
	Philippines (New Service)	InfiniVAN, IPSPRO and India's Gnani Form Three-Country Digital Infrastructure Partnership to Expand AI Agent Services in Japan and the Philippines	URL
Feb.	Philippines (Government-related)	InfiniVAN Enters into Strategic IRU Agreement with Royal Cable for Fiber Optic Infrastructure: Enhancing Digital Connectivity in Line with Konektadong Pinoy Act	URL
	Financial Disclosure	Consolidated Financial Results for the Nine Months Ended Dec 31, 2025 (Under Japanese GAAP)	URL
	Financial Disclosure	Supplemental Materials on Results for Q3 FY2025	URL
Jan.	Japan(Other)	(Progress of Disclosure) Submission of Report on Preventive Measures Regarding Unauthorized Use of IP Phone Number Provided by Our Subsidiary	URL

① Launch a new video library on the corporate website(Japanese only)



② Added an “Analyst Coverage” section to the corporate website (Japanese only)



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 • 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 • IPS Pro, Inc.



Global Telecommunications



Medical & Healthcare



Domestic Telecommunications