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 FY2026(1 H)

November 13, 2026

IPS, Inc.

Ticker : 4390 Tokyo Stock Exchange Prime



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Agenda

1. Executive Summary
2. Financial Highlights
3. Earnings Forecast for the FY 2026
4. Recent Public Offering
5. A Decade Since Our Listing and Beyond
6. Appendix



Background: Metro Manila

Commitment to Growth Following Our Recent Public Offering

Following our recent public offering, I would like to express my sincere gratitude to our shareholders and investors for your trust and support.
We recognize the weight of the capital entrusted to us.

We will deploy it with the highest level of discipline and accountability, directing it toward strategic investments that drive long-term growth.

To all our stakeholders—including our new shareholders—we remain steadfast in our commitment to maximizing corporate value and delivering sustainable returns that reward your confidence in us.

Koji-Miyashita

1 Executive Summary



Background: Metro Manila

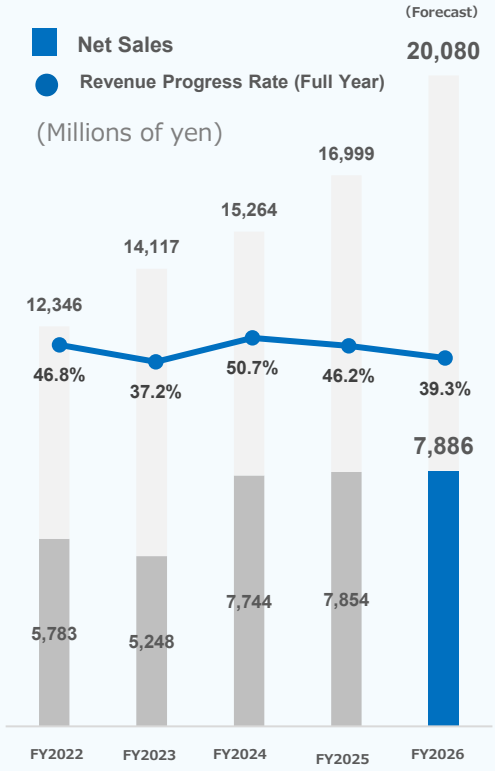
Executive Summary

Revenue up 0.4% YoY despite the prior-year large carrier contract; operating profit exceeded the 1H plan, driven by the Regional Expansion of PDSCN

Highlights for FY2026(1 H)

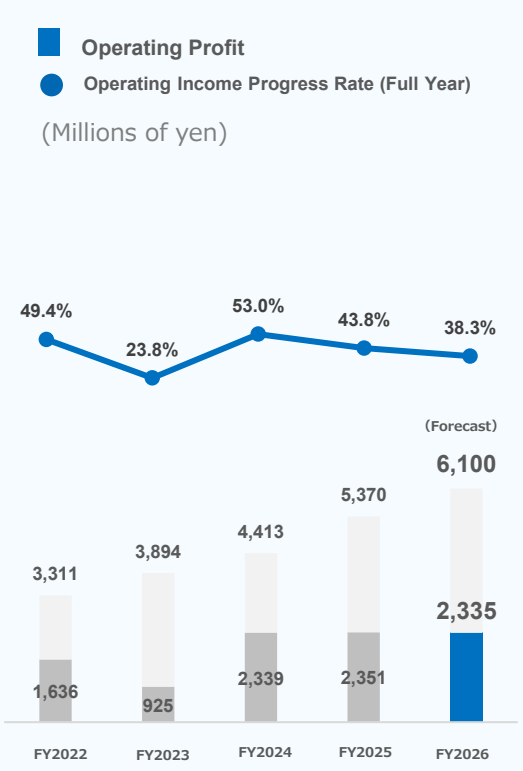
Net Sales

¥7,886 million
＋¥31million(YoY＋0.4%)



Operating Profit

¥2,335 million
▲¥15million(YoY▲0.7%)



Existing Businesses

- **Revenue and operating profit progressed steadily against the 1H plan.** Revenue reached 98.0% of plan, while **operating profit reached 116.8%**
- International Communications: **the Regional Expansion of PDSCN contributed to profit.** Carriers' Carrier, enterprise, and IRU businesses also remained solid

New Business

- **Wakayama project selected for MIC support**
  Advancing **regional diversification of Japan's digital infrastructure** and bringing our Philippines business model to Japan

Corporate Actions

- Approximately ¥4.5 billion raised through a domestic public offering, **primarily to fund the Wakayama branch cable and landing station through FY2030**

2 Financial Highlights



Background: Metro Manila

Results for FY2026(1 H)

(単位：百万円)

	FY2025(1 H)	FY2026(1 H)	YoY	vs. 1H Plan
Net Sales	7,854	7,886	+31（+ 0.4%）	▲163（▲ 2.0%）
Gross Profit	4,368	4,450	+82（+ 1.9%）	–
Operating Profit	2,351	2,335	▲15（▲ 0.7%）	+335（+16.8%）
Ordinary Profit	2,314	2,169	▲ 145（▲6.3%）	+131（+ 6.5%）
Profit Attributable to Owners of the Parent	1,607	1,517	▲90（▲ 5.6%）	+126（+ 9.1%）

Financial Highlights　FY2026(1 H)

- **Revenue:** Up 0.4% YoY despite the impact of a large Carriers' Carrier contract in the prior year
- **Operating Profit:** Down 0.7% YoY, but **16.8% above plan**, supported by the Regional Expansion of PDSCN
- **Ordinary Profit:** Down 6.3% YoY, mainly due to FX impact (¥0.1 bn gain → ¥0.24 bn loss)
- **Net Income Attributable to Owners of Parent:** Down 5.6% YoY, mainly due to FX impact

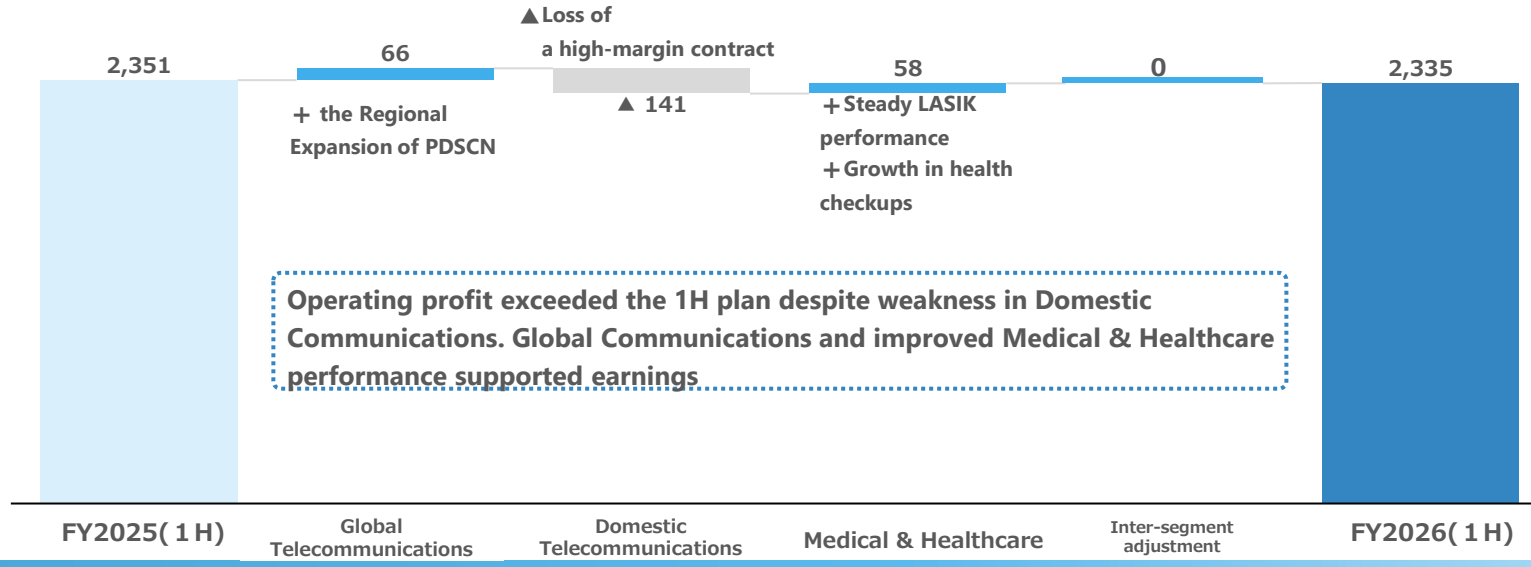
Results for FY2026(1 H)

(Millions of yen)

		FY2025(1 H)	FY2026(1 H)	YoY
Global Telecommunications	Net Sales	5,861	5,924	63 （+ 1.1%）
	Operating Profit	2,148	2,214	+66 （+ 3.1%）
Domestic Telecommunications	Net Sales	1,221	1,122	▲ 99 （▲ 8.1%）
	Operating Profit	230	89	▲ 141 （▲61.1%）
Medical & Healthcare	Net Sales	771	839	+67 （+ 8.8%）
	Operating Profit	▲ 27	30	+58 （ — ）

Operating Profit Change Analysis (YoY)

(Millions of yen)



Global Telecommunications Business

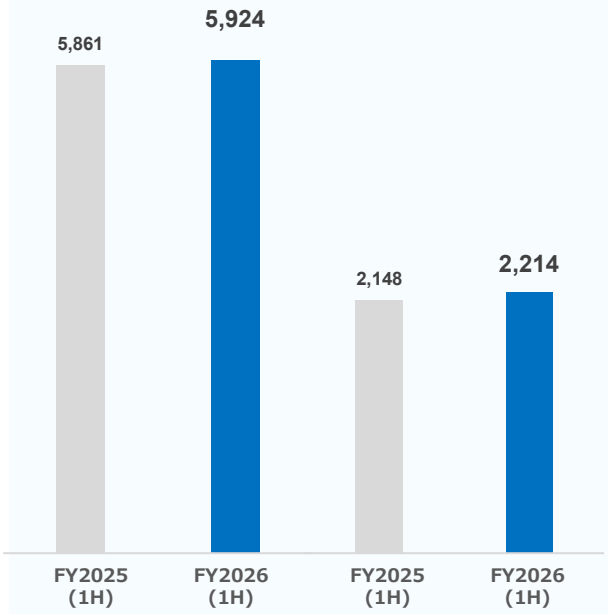
Revenue and profit grew YoY despite a tough prior-year comparison. Both flow and recurring revenues continued to build steadily, supporting the Regional Expansion of PDSCN.

Financial Performance and Business Trends

Net Sales

¥5,924 million
+¥63million
(YoY+1.1%)

(Millions of yen)



Operating Profit

¥2,214 million
+¥66million
(YoY+3.1%)

(Millions of yen)

One-time Revenue

- **Network build-out Services**

  Expanding customers from Metro Manila to regional cities through PDSCN and C2C. Quarterly deal growth is steady, with a large regional contract contributing to profit.

- **Carrier-to-Carrier Services (Provision of international lines to major telecommunications carriers)**

  Steady progress in circuit deployment to major telecom operators despite no contribution from large contracts

Recurring Revenue

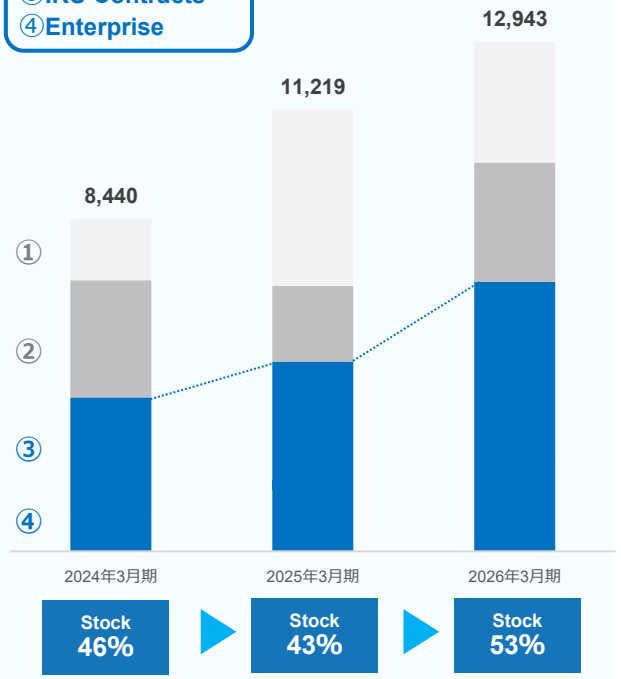
- **Enterprise, IRU Contracts**

  2,366 contracts as of September 2026. Continued acquisition of high-ARPU customers, with steady growth in IRU contracts and network build-out services.

For Your Reference
Revenue Composition (Flow-Based, Stock-Based)

■ **Flow-Based**
①Network Construction Services (Equipment Sales)
②Carrier-to-Carrier Services

■ **Stock-Based**
③IRU Contracts
④Enterprise



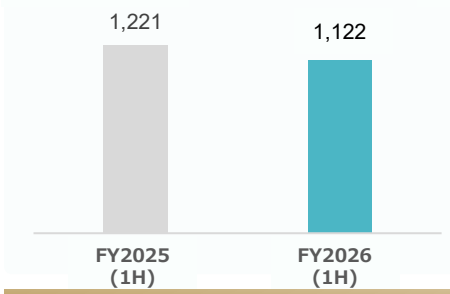
Domestic Telecommunications Business / Medical & Healthcare Business

Domestic Communications: Existing services remained solid, with AI services beginning to contribute to revenue
M&H: Solid LASIK performance and growing health checkup revenue; targeting full-year profitability

Financial Performance and Business Trends

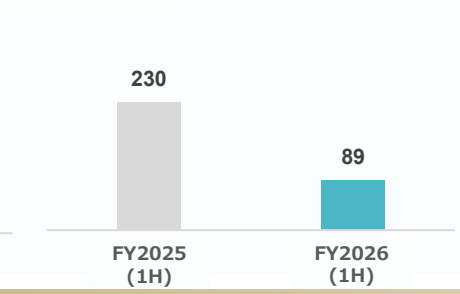
Net Sales

▲¥99 million(YoY▲8.1%)



Operating Profit

▲¥141 million(▲61.1%)



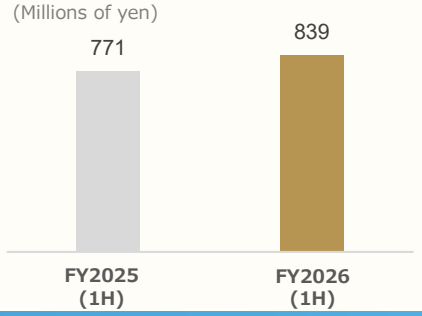
Existing Services: Call center solutions remained solid, but lower transaction volumes from existing customers and the loss of a high-margin contract reduced revenue and profit.

New Services: Gnani AI began contributing to revenue. Focused on customer acquisition for new offerings, including toll-free and AI services.

Financial Performance and Business Trends

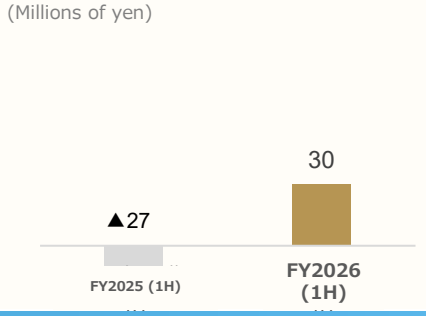
Net Sales

+¥67 million(YoY+8.8%)



Operating Profit

+¥58 million(—)



LASIK: Stable procedure volumes supported by flexible marketing through social media and financial institution partnerships, driving solid revenue and operating profit.

Comprehensive Health Screening: Strong corporate demand and consumer marketing drove nearly 30% revenue growth, supported by both new and repeat customers. Full-year profitability expected.

Summary of Consolidated Balance Sheet

(Millions of yen)

Assets				Liabilities and Net assets			
	FY2025	FY2026(1 H)	Change		FY2025	FY2026(1 H)	Change
Current assets	25,963	26,049	86	Current liabilities	18,887	20,337	1,450
Cash and deposits	3,582	2,221	▲ 1,360	Accounts payable – trade	660	527	▲ 132
Accounts receivable - trade	16,202	17,992	+ 1,789	Borrowings	6,550	6,729	179
Lease receivables	5,277	5,504	+ 226	Deferred payment profit	4,102	4,167	65
Others	901	331	▲ 569	Others	7,575	8,913	1,338
Non - current assets	24,994	27,236	2,242	Non - current liabilities	6,455	5,902	▲ 553
Property, plant and equipment	18,900	20,825	1,925	Long - term borrowings	6,086	5,637	▲ 449
Intangible assets	4,712	4,537	▲ 174	Others	368	264	▲ 103
Investments and other assets	1,382	1,873	491	Total liabilities	25,343	26,240	100
Deferred assets	21	16	▲ 4	Net assets	25,636	27,063	1,426
				Shareholders' equity	16,849	18,157	1,307
				Accumulated other Comprehensive income	1,995	1,644	▲ 350
				Share acquisition right	278	278	▲ 1
				Non - controlling interests	6,512	6,983	470
Total assets	50,979	53,303	2,323	Total liabilities and Net assets	50,979	53,303	2,323

3 Earnings Forecast for the FY 2026



Background: Metro Manila

FY2026 Earnings Forecast

(Millions of yen)

Assumed Exchange Rates 1 USD: 150 JPY 1 PHP: 2.6 JPY	FY2025 Actual	FY2026 Forecast			
		1H	2H	Full Year	YoY
Net Sales	16,999	7,886	12,194	20,080	+18.1%
Operating Profit	5,370	2,335	3,765	6,100	+13.6%
Ordinary Profit	5,787	2,169	4,008	6,177	+6.7%
Profit Attributable to Owners of the Parent	4,196	1,517	2,683	4,200	+0.1%

FY2026 Earnings Forecast

- The Regional Expansion of PDSCN in Global Telecommunications are expected to remain solid. Full-year forecasts are unchanged at ¥20.8 billion in revenue and ¥6.1 billion in operating profit.
- 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.

4　Recent Public Offering



背景：マニラ首都圏

Use of Proceeds from the Offering

Securing the Funds Required for the JPY 23 Billion* Wakayama Digital Infrastructre Development Project (International Submarine Cable and Cable Landing Station)

① **Funding for the Construction of the International Submarine Cable (Wakayama Branch Line)**

Considering the Construction of the Wakayama Branch Line for Landing at the Wakayama CLS

② **Funding for the Construction of the Wakayama International Submarine Cable Landing Station (CLS)**

Considering the Development of the Wakayama Cable Landing Station

Operated by IPS Pro, a Licensed Telecommunications Operator

*The project is currently under detailed evaluation, taking into account discussions with a business partner and external factors, including public subsidy programs.
While no final decisions have been made at this stage, the Company expects total investments of approximately JPY 23 billion by the fiscal year ending March 2030.

Driving Business Execution and Shareholder Value after the Public Offering

Turning a stronger financial base into tangible business results and higher per-share shareholder value

Carefully assessing the size, timing and method of financing, with full consideration of dilution for existing shareholders

Capital-Raising Decision

Why strengthen capital now?

Execute large-scale projects while maintaining financial soundness

Comprehensively assessed financing options, including debt

Growth Investment × Financial Soundness

Investment Capacity

Investment pipeline, including Wakayama

Selected for the subsidy program; Commercialization efforts advancing

Future profitability and funding needs assessed, with reasonable visibility on capital recovery

Financial foundation secured for the current investment pipeline*

From Financing to Results

What results will we deliver?

Contracts › **Revenue** › **Profit** › **CF**

Focus on investment returns and capital efficiency

Ongoing disclosure of progress and results

Higher Per-Share Shareholder Value

The public offering strengthened our financial base. We will now convert investment into tangible business results
and pursue higher per-share shareholder value over the medium to long term.

Note: This slide presents the Company's current view based on the investment projects identified to date.

Wakayama Project: Investment Plan and Funding Structure

INVESTMENT

Total: approx. JPY 23.0 billion

- International Submarine Cable Branch Segment and Branching Unit (Branch Cable)
- Wakayama International Submarine Cable Landing Station

FUNDING SOURCES

During Construction

- Customer Prepayments (e.g., branch cable IRU contracts)
- Public Offering (Strengthening the financial base)
- JV Partner Contributions (Cable Landing Station)
- Debt / Operating Cash Flow (For construction-phase funding needs)

After Completion / Subsidy Receipt

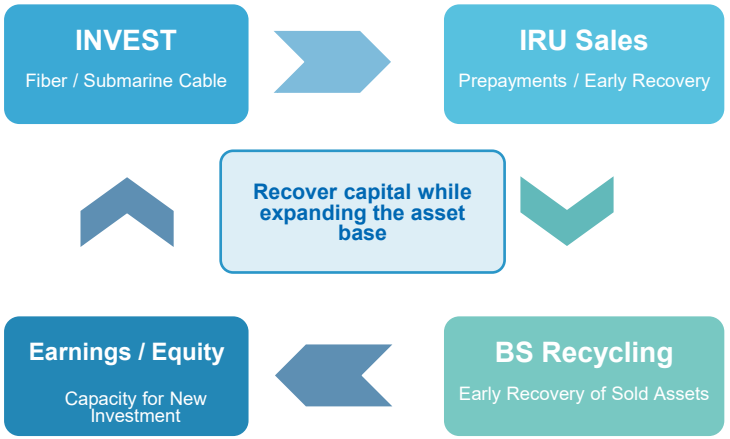
- Subsidy Branch Cable / Landing Station

During construction: Fund requirements through customer prepayments, public offering, JV partner contributions and debt
After completion: Use subsidies to accelerate capital recovery and reduce the Company's own funding burden

Investment Cycle Supporting Diverse Digital Infrastructure Assets

Reinvesting recovered capital to expand into domestic backhaul, international connectivity, landing stations and more

To Date: Capital-Efficient Investment and Recovery Model



- IRU sales accelerate cash recovery and remove sold assets from the balance sheet
- Growth through asset recycling, rather than simply accumulating long-held assets

This Public Offering

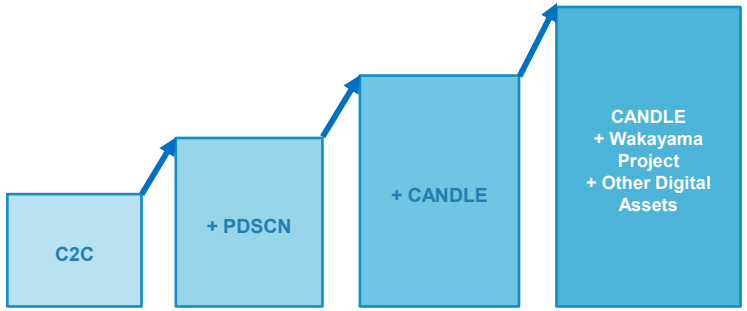
Significantly strengthens financial resilience

Going Forward: Diverse Assets and Monetization Models

Financial capacity to build a diverse digital infrastructure asset portfolio

Execute multiple large-scale investments in parallel

Expansion of the Asset Base



Expand the earnings base through asset accumulation

IRU Sales	Long-Term Use Agreements	Co-Investment / JVs	Asset Sales and Other Services

Multiple monetization models tailored to asset characteristics and customer needs

The public offering provides the financial foundation to build diverse assets and monetize them through models suited to each asset

Shareholder Return Policy

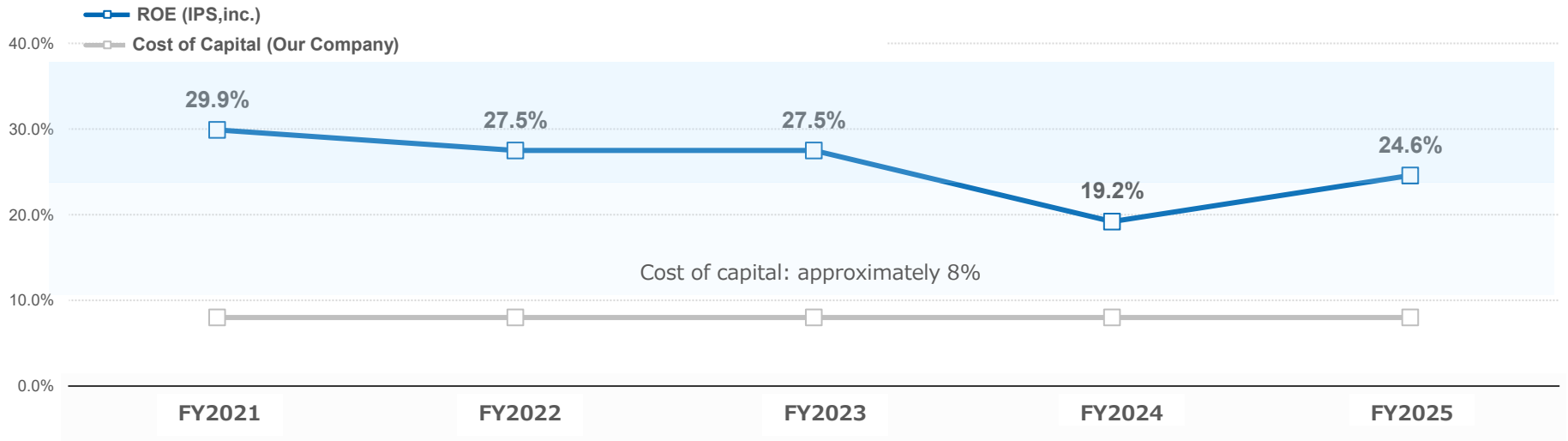
Shareholder Return Policy: Pursue sustainable business growth and **EPS growth** through growth investments and a stronger business foundation.

Dividend Policy: During the **CANDLE construction period**, we plan to prioritize growth investments while maintaining annual dividends of **JPY 40 per share**. If profit or cash flow exceeds expectations, we will flexibly consider **additional shareholder returns**.

Track Record of EPS Growth	FY2021	FY2023	FY2025	VS. FY2021
	¥152.37	¥225.8	¥322.41	+112%

	Interim	Year-End	Total
FY2024	JPY20	JPY20	JPY40
FY2025	JPY20	JPY20	JPY40
FY2026 Forecast	JPY20	JPY20（Forecast）	JPY40（Forecast）

ROE Trends



5 A Decade Since Our Listing and Beyond



Background: Metro Manila

A Decade Since Our Listing and Beyond

Building on Telecommunications Services to Enter the Next Growth Stage as a Digital Infrastructure Company

Our Growth Trajectory and Current Turning Point

Roughly 10 years post-IPO, we have steadily built up our digital assets. Building on the trust we have earned, our customer base is expanding to new heights.

¥10 Billion Operating Profit Scale

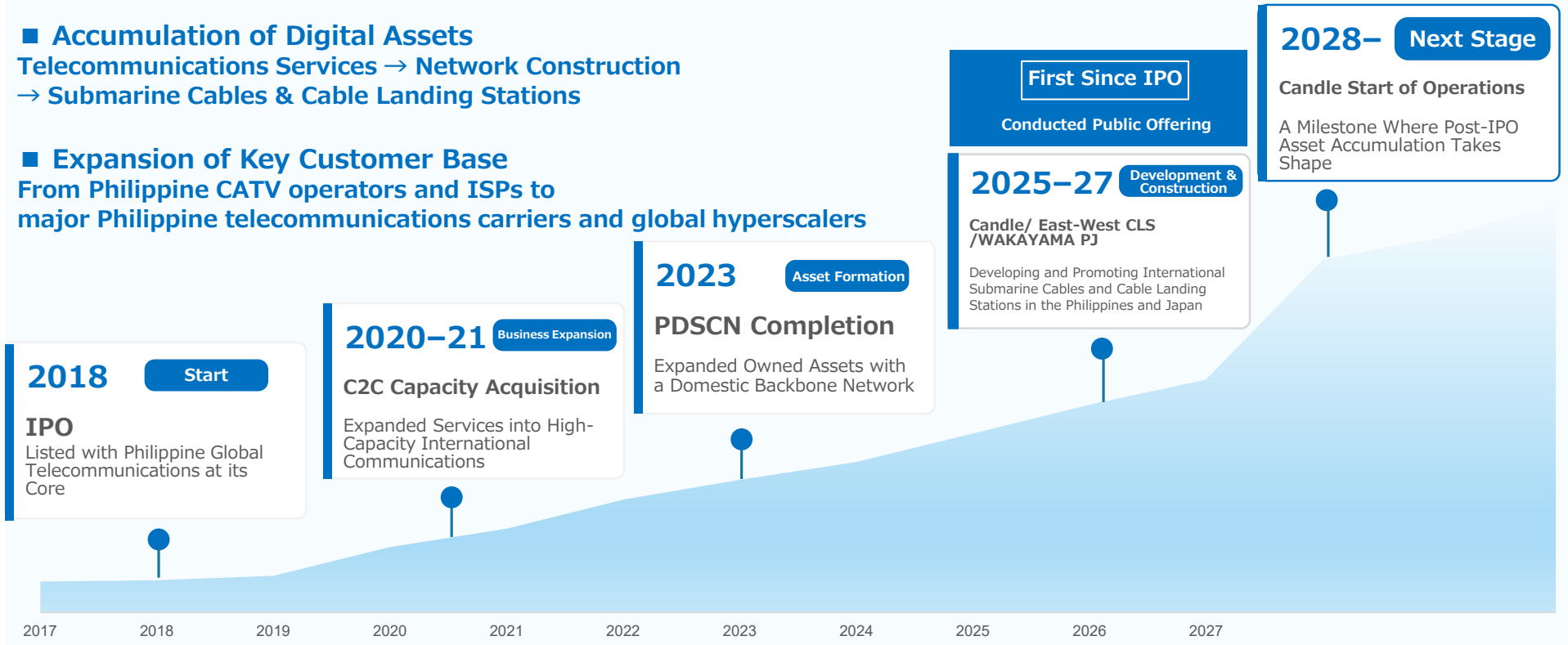
Not a "GOAL," but a "BASE"

■ Accumulation of Digital Assets

Telecommunications Services → Network Construction → Submarine Cables & Cable Landing Stations

■ Expansion of Key Customer Base

From Philippine CATV operators and ISPs to major Philippine telecommunications carriers and global hyperscalers



Note: Listed on June 27, 2018. Candle is scheduled to start operations in 2028. Includes projects under development and construction.

Supporting a Digital Society with Multi-Layered Revenue Opportunities

Against the backdrop of growing end-user demand, we are recouping investments in our owned infrastructure while building up recurring revenue.

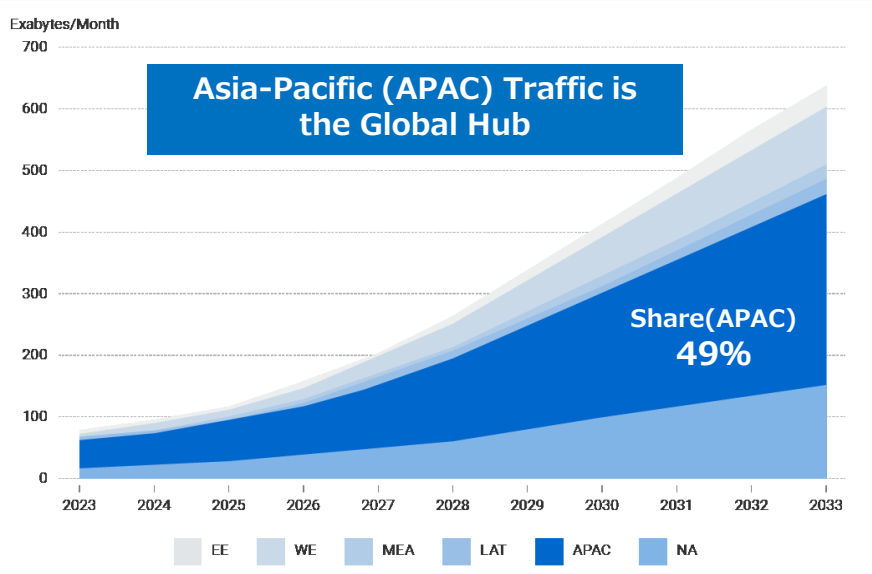
Structural Changes Brought About by Global Trends

Video & Content
High-Capacity Data Delivery

Cloud & Data Centers
Advanced Data Processing

Human Connectivity
Everyday Communications & Interactions

DX
Digitalization of Business Activities



Source: Nokia Research, Global Network Traffic Report 2025

Accumulating and Expanding Digital Infrastructure Growing Customer Scale and Revenue Opportunities

International Submarine Cables
C2C・CANDLE

Cable Landing Stations & Colocation
Baler・Poro Point CLS

Philippine Domestic Network & Connectivity
PDSCN・ Backhaul

Key Direct CustomersSubmarine

- Hyperscalers
- Telecommunications Carriers
- Government Agencies /
- Financial Institutions
- ISPs / CATV Operators, etc.

Leveraging Owned Assets × Customer Base × Execution Capabilities to Expand Customer Value and Recurring Revenue Opportunities

Investment Recovery Through Long-Term Contracts
CapEx Recovery through IRUs and Long-Term Capacity Contracts

Recurring Service Revenue
CLS, Power, Backhaul, O&M, Interconnection, etc.

Note: Includes projects such as CANDLE and CLS currently under construction and development. The timing of CapEx recovery may not align with accounting revenue recognition.

From a Philippine telecommunications provider to a global digital infrastructure company

Strategic early investments in submarine cables through our International Telecommunications Business in the Philippines. Expanding from the Philippines across the Asia-Pacific through Candle and the East-West Cable Landing Stations in Luzon

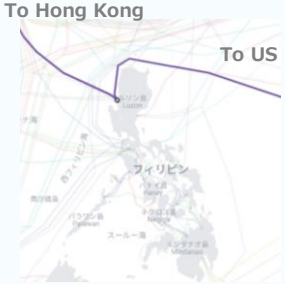
Expanding from Metro Manila to the rest of the Philippines and Asia

FY2011

AAG (International Submarine Cable)

global telecommunications business launched in the Philippines

To Hong Kong



FY2015

InfiniVAN (Domestic lines within the Philippines)

Providing **corporate-grade Internet connectivity services** in the Manila metropolitan area

InfiniVAN



FY2019 FY2020

C2C (International Submarine Cable)

Commencing **high-capacity service for major carriers** via international submarine cables



FY2022

PDSCN (Philippine domestic submarine cable)

Building a backbone network connecting the Philippine islands and **expanding services nationwide**



FY2026

Luzon East-West Cable Landing Stations

(Luzon Bypass connecting Baler CLS on the east coast and Poro Point CLS on the west coast)

Building Large-Scale Digital Infrastructure Connecting the Pacific and Asia





FY2027

Candle (New International Submarine Cable)

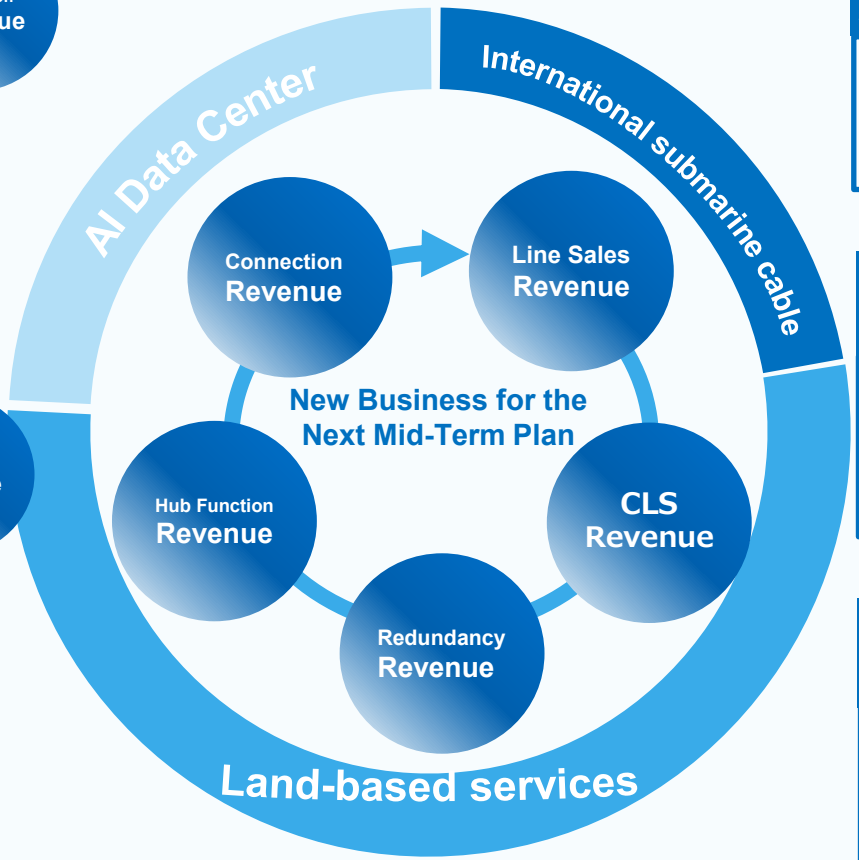
Building a new international submarine cable with Meta and SoftBankTransforming **the Philippines into Asia's digital hub ⇒ Strengthening connectivity with Japan**



Segment					
global telecommunications Business ① Wholesale (ISP/CATV)	① Wholesale (ISP/CATV) ② Enterprise Large to mid-sized companies → Utilizing railway and highway conduits for efficient connectivity	① Wholesale (ISP/CATV, Carrier-to-Carrier (Major Telecom Companies)) ② Enterprise	① Wholesale (ISPs/CATVs, Carrier Carriers, Government Agencies & Municipalities, Regional Enterprises) ② Enterprise	① Wholesale ② Enterprise ③ Hyperscalers	As Profits Grow, Our Customer Base Is Becoming Increasingly Global

Revenue Diversification Enabled by the Platform

The new international submarine cable, Candle, will create new business opportunities and diversify revenue streams
It will serve as a growth driver during the next medium-term management plan period, propelling future profit growth



1. Revenue from the sale of lines based on ownership of international submarine cables

Line Sales Revenue

Participation as an owner in international submarine cables will help **secure revenue from international circuits** through capacity sales, FP sales, and other traditional means. This will continue to serve as the **core of our revenue base**

2. Revenue from facilities based on the operations of the East and West Cable Landing Stations

CLS Revenue

By **operating both the Baler and Poro Point landing stations**, we will tap into new **revenue opportunities related to the use, connection, interconnection, and associated operations of landing facilities**. **Revenue as an operator of connection points**

3. Revenue from domestic expansion and redundancy utilizing the East-West Bypass Route

Redundancy Revenue

By securing the route connecting Baler and San Fernando, we can go beyond simply receiving international traffic on the east coast; we can transport it all the way to the west coast, **gaining the ability to connect to other domestic and international networks.** This **expands revenue opportunities related to domestic expansion, such as providing domestic backhaul and redundant routes**.

4. Revenue from interconnection and hub functions spanning both the East and West coasts

Hub Function Revenue

By securing both the East Coast and West Coast landing points, as well as the routes connecting them, as an integrated whole, we capture **high-value revenue opportunities related to connection design, interconnection, and routing**—such as where to receive traffic, how to route it, and where to terminate it—rather than simply wholesaling lines. In other words, **revenue generated by serving as a hub for international communications**

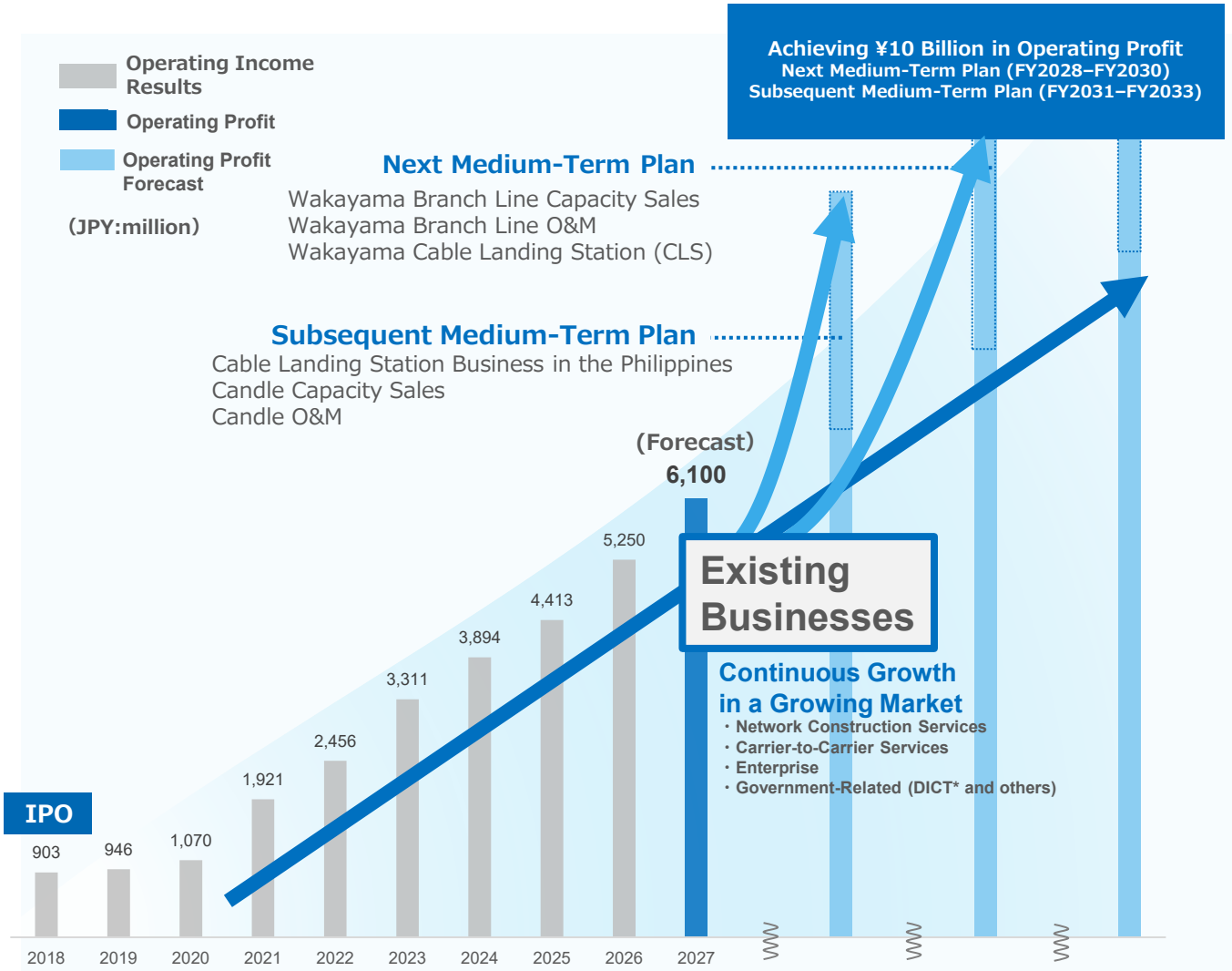
5. Revenue from upper-layer services, including data centers and AI-related services

Connection Revenue

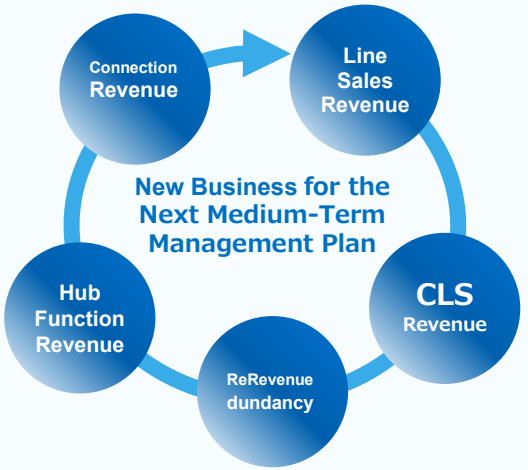
In the future, starting with the landing station, we expect to further expand revenue opportunities by capturing demand from major digital service providers requiring high-capacity communications, including connectivity to data centers.

Sustained Profit Growth over the Medium to Long Term

Growth Drivers Entering Full-Scale Execution Steady Progress across Growth Driver and Growth Engine Projects toward the Profit Target for the Next Medium-Term Management Plan



Growth Driver Pipeline Progressing Steadily



Progress of the Wakayama Project

October 2026: Selected for the Public Project Solicitation
July 2026: Announced the Commencement of Full-Scale Project Assessment

Progress in Candle International Capacity Sales

August 2026: Additional Candle Capacity Sale Announced
July 2025: Initial Candle Capacity Sale Announced
Expected to Contribute to P&L Following Completion of Candle

Progress in the Cable Landing Station Business

East-West Cable Landing Stations (East: Baler / West: Poro Point)
→ Negotiations with international submarine cable owners are progressing steadily

*DICT : The Philippine Department of Information and Communications Technology. It is promoting the National Fiber-Optic Backbone Network (a project to fully extend the government-owned fiber-optic network—which was previously centered on northern Luzon—to Mindanao).

6 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.

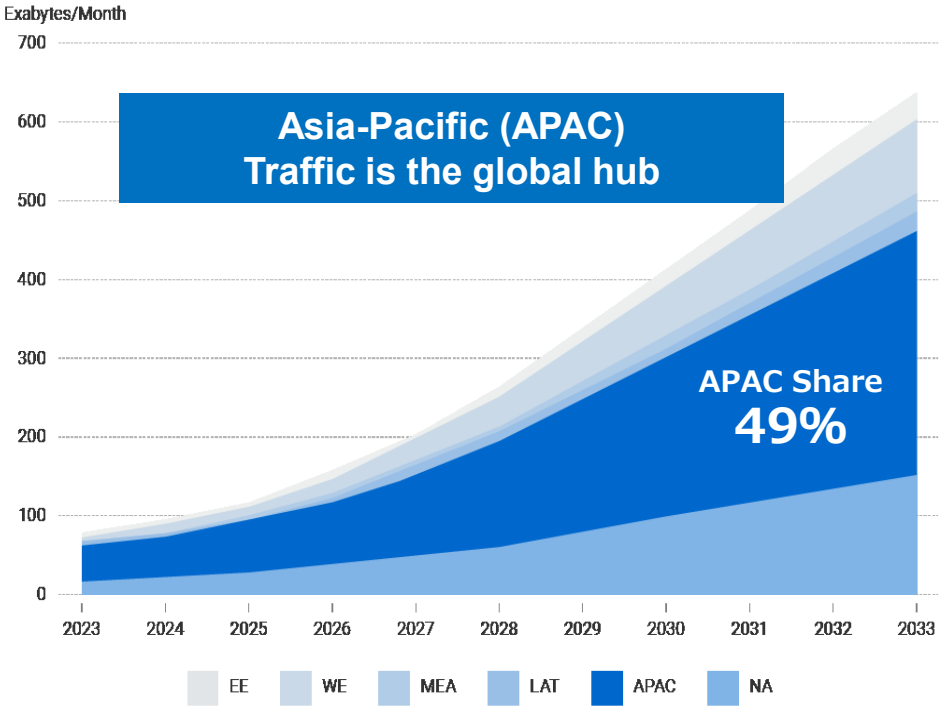
Koji-Miyashita

Background: Makati City, Philippines

Digital Infrastructure Supporting Global Trends

Structural Changes Brought About by Global Trends

- Global data traffic is exploding. The use of AI, cloud computing,social media, payment services, IoT, and other technologies is spreading worldwide.
- The Asia-Pacific (APAC) region is the epicenter of data traffic It is projected to account for 49% of total traffic by 2033

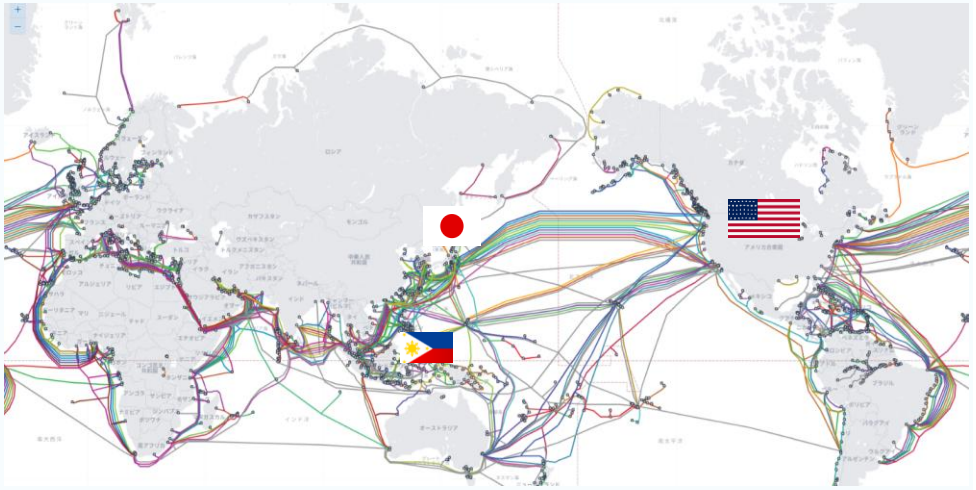


NOKIA Research, Global network traffic report 2025

Submarine cables that carry international communications

- Submarine cables are optical fiber communication infrastructure laid on the seabed. Approximately 99% of Japan's international communications pass through submarine cables.
- The Philippines serves as a strategic hub for traffic from Asia—primarily Singapore—as well as traffic from Japan and the U.S.

Submarine cables connecting data traffic around the world



- Major Submarine Cable Operators

U.S. Hyperscalers and others are the primary owners of submarine cables owners (U.S.): AT&T, Verizon, Google, Meta
Cable owners (Japan): NTT, SoftBank
Suppliers: (U.S.) Ciena, SubCom; (Japan) NEC, Fujitsu
Installation and Maintenance: (U.S.) SubCom; (Japan) KDDI, NTT

A platform designed to capture hyper scaler demand

Building a new revenue platform for our Philippine operations through a strategic business chain centered on the new international submarine cable “Candle” (East and West landing stations, LBI* , AI data center)

Baler Landing Station (East Coast of Luzon)

September 22, 2025
Joint Construction of the New International Cable (Candle)
⇒ Connecting the new international submarine cable to the Baler landing station



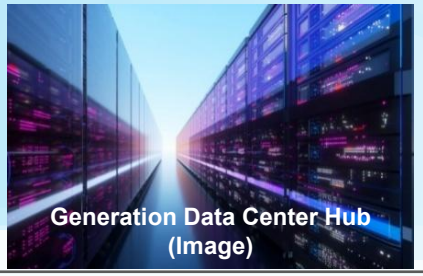


Poro Point Landing Station (West Coast of Luzon)

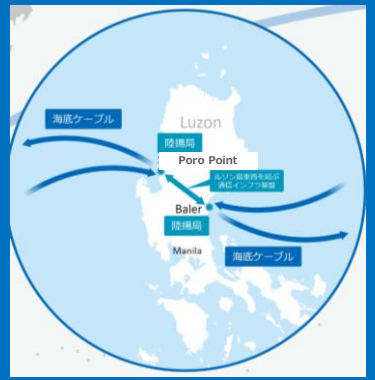


March 11, 2026
Notice Regarding the Lease of Fixed Assets with the Philippine Base Conversion and Development Authority (BCDA)
(1) Lease of the Poro Point Landfall Station (West Coast of Luzon)
(2) *LBI (Luzon Bypass Infrastructure): Lease of the underground pipeline
connecting the East and West Landfall Stations
(West: Poro Point; East: Baler)

March 30
Signing a Memorandum of Understanding with “APECO,” a government-affiliated corporation responsible for industrial clustering and investment promotion
⇒ Aiming to build a next-generation data center hub and strengthen network connectivity hubs in the East Coast region



A platform designed to capture hyper scaler demand



FY2025

*Calculated at ¥160/USD, based on the assumed exchange rate at the time of disclosure, as the contract is denominated in U.S. dollars.

A Business Structure Designed to Maximize Profits for the Wakayama Project

Enabled by our global telecom assets and operational expertise in the Philippines, together with telecommunications licenses and strategic partnerships in Japan.

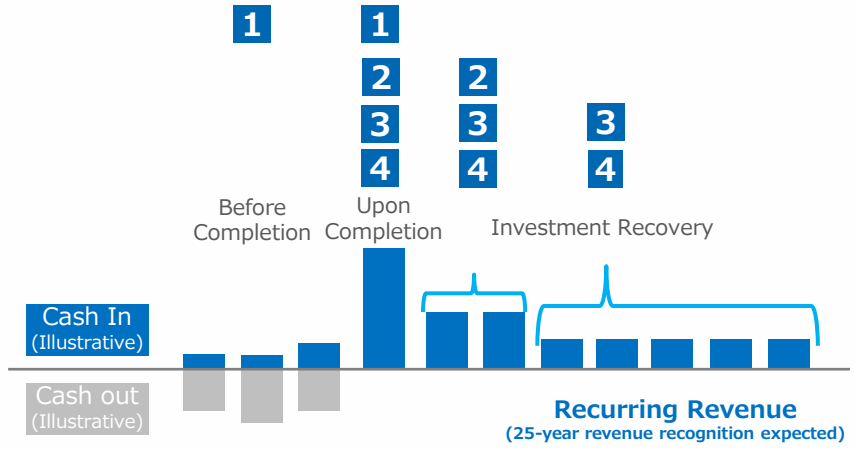
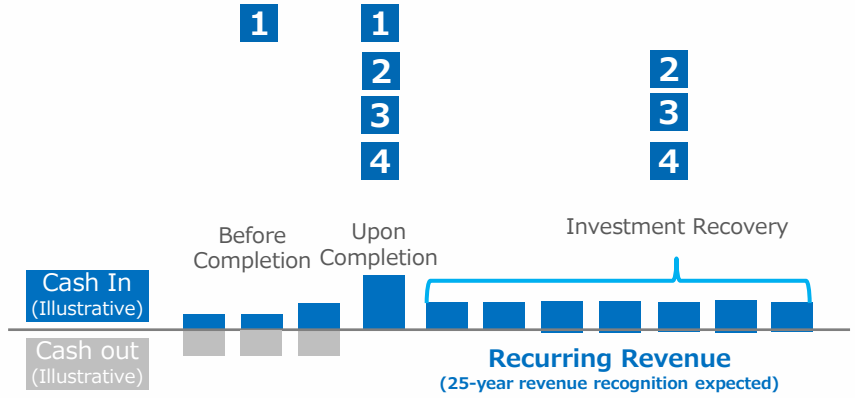
	Track Record	Projected revenue model	Target Audience
New Business **Wakayama CLS** Joint venture co-management IPSPRO 51% / Domestic partner 49%	• Licensed telecom operator • More than 20 years of experience in Japan's telecommunications market	・Connectivity Revenue ・Redundancy revenue (Backhaul connection revenue) ・Hub connection revenue ・Data center connection revenue, etc.	・Submarine Cable Owner ・Telecommunications carriers ・Backhaul providers ・Data center operators, etc.
Maximizing Business Opportunities **New International Submarine Cable (Wakayama Branch Line)** Provision of international lines to Japan	Proven experience in developing and operating digital infrastructure, including international connectivity, cable landing stations, backhaul networks, and data centers in the Philippines	・International submarine cable line sales revenue, etc.	・Submarine Cable Owner ・International carriers, etc.

Reducing Investment Risk Through a Demand-Driven Development Approach

Candle Project: Anticipates a return on investment before construction is completed, against the backdrop of growing digital demand
Wakayama Project: Has established the same structure as the Candle Project, aiming to maximize business opportunities based on the Philippine model

	Estimated Investment Amount	Financing Plan	Recovery Progress
・Candle **(1) IRU contract announced in July 2025** **(2) IRU contract announced in August 2026**	・21 billion yen* *Assumed exchange rate: 1 U.S. dollar = 160 yen	・Credit lines from financial institutions(Mizuho Bank, Japan Bank for International Cooperation, etc.) ・Capacity sales (advance payments), etc.	**・IRU Agreement** **(① July 2025, ② August 2026)**
Wakayama Branch Line **Wakayama CLS** **announced in July 2026**	・23 billion yen* *The amount represents the total investment for the project and does not represent the amount to be funded solely by the Company. We are considering the optimal project structure, including collaboration with partners and the use of public support programs, and are currently making the final assessment toward an investment decision. The Company will have full ownership of the branch line.	・Collaboration with partners ・Utilization of public support programs ・Joint operation through a joint venture ・Capacity sales (advance payments), etc.	・Submarine Cable Owner **⇒Based on Candle's track record of sales and the trust it has earned, we plan to expand our sales efforts to submarine cable owners at the Wakayama Branch Line and Wakayama Landing Station as well.**

Sales Methods and Investment Recovery

Planned Digital Infrastructure Investments	Sales Method Estimated Investment Amount	Illustrative Investment Recovery Model
International Submarine Cables ① Candle: IRU + O&M ② Wakayama Branch Line + O&M	1 IRU Sales (Upfront Payment: Reduces Initial Investment Requirements) 2 IRU Sales (Accelerates Investment Recovery) 3 Capacity Leasing (Recurring Revenue) 4 O&M Fees (25 years)	
Wakayama Cable Landing Station (CLS) International Submarine Cables Plans to land 5–10 submarine cables	1 Initial Fees (e.g., Telecommunications Equipment Installation) 2 CLS Space and Power Provision 3 Fiber Optic Duct Provision 4 O&M Fees (Up to 25 Years)	

Changes to IRU's Revenue Recognition Due to the Adoption of the New Lease Accounting Standards

Differences Between Current and New Accounting Standards

[Current] Accounting Standards

After providing a line under an IRU agreement, the contract consideration is **recorded on the balance sheet as lease investment assets**, and **revenue and profit are recognized as the consideration is collected**.

[New] Accounting Standards

As a general rule, **revenue and profit are recognized at the time the line is provided**. Therefore, **for lease investment assets recorded on the balance sheet as of April 1, 2027, when the new standard takes effect, under transitional provisions, no adjustments will be made to prior-year financial statements, and these amounts will be reflected directly in retained earnings at the beginning of the period without passing through the income statement**, which **will increase retained earnings at the transition date**.
Furthermore, for IRU contracts newly entered into on or after April 1, 2027, **while current accounting standards require revenue and profit to be recognized as consideration is received, the new accounting standards require revenue and profit to be recognized at the time the lines are provided**.
Consequently, particularly for IRU contracts involving installment payments, the timing of revenue and profit recognition in each fiscal year will differ from previous practices.

Please note that this **does not alter the economic value or cash flows generated by the contract itself**.
Please understand that this **does not affect our Group's medium- to long-term profitability or cash flow generation capabilities**, but **merely changes the timing of profit recognition for accounting purposes**.

FY2026(2Q) Public Information

Notice Regarding the Selection of Proposals for the International Submarine Cable Landing Station in Wakayama City, Wakayama Prefecture, and the International Submarine Cable Infrastructure Development Project



October 9 , 2026

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

Notice Regarding the Selection of Proposals for the International Submarine Cable Landing Station in Wakayama City, Wakayama Prefecture, and the International Submarine Cable Infrastructure Development Project

IPS, Inc. (the "Company") and our consolidated subsidiary, IPS Pro, Inc. are participating in the "Project to Strengthen Digital Infrastructure through Regional Decentralization of Data Centers, Submarine Cables, etc.", specifically in the call for proposals regarding the "Submarine Cable Landing Station Development Project and Submarine Cable Construction Project (International Submarine Cable Branch Lines and Branching Equipment)," our project concerning the construction of an international submarine cable landing station in Wakayama City, Wakayama Prefecture, and the installation of a new international submarine cable has been selected. We are pleased to announce this.

1. Background and Objectives of This Plan

To date, the Company has been proceeding with consultations with relevant parties and conducting feasibility studies regarding this plan. In Japan, the Ministry of Internal Affairs and Communications formulated the "Digital Infrastructure Development Plan 2030" in June 2025, addressing the current situation characterized by the concentration of data centers in the Tokyo metropolitan area, Osaka metropolitan area; the concentration of international submarine cables on the Pacific side; and the concentration of international submarine cable landing stations on the Boso and Shima peninsulas. From the perspectives of regional revitalization, national resilience, and strengthening international competitiveness, there is a need for the decentralized deployment of digital infrastructure that is not concentrated in specific regions.
In light of these policy trends, our company will utilize the subsidy granted through this selection to begin coordinating with relevant parties to promote the establishment of a new landing station and international submarine cable in the city. We will continue to promote the decentralization of international submarine cable landing stations in the Kansai region.

2. Overview and Strategic Significance of This Plan

This plan aims to improve network redundancy and route diversity within Japan by establishing an international submarine cable landing station and international submarine cables in the city. Regarding international submarine cable landing stations in Japan, while distribution is progressing toward Chiba and Ibaraki Prefectures in the Kanto region, concentration in Mie Prefecture continues in the Kansai region; this plan is positioned to help correct this regional imbalance and enhance disaster resilience. Furthermore, the city possesses geographical conditions



well-suited for connecting to major data center clusters in the Osaka metropolitan area, offering advantages in terms of backhaul construction costs and communication latency. The landing station to be developed under this plan represents a new business venture for IPS Pro, Inc., a consolidated subsidiary responsible for domestic communications; it will mark the Group's entry as a new operator in the domestic landing station sector, which has traditionally been dominated by major telecommunications carriers. The basic policy for this landing station is to operate on an open-access basis, independent of any specific telecommunications carrier, and it is intended to provide a neutral and flexible connectivity environment for submarine cable owners, telecommunications carriers, backhaul providers, data center operators, and others. This will enable users to optimally design their connections to backhaul networks, Internet exchanges (IXs), and data centers, thereby facilitating the construction of efficient networks that combine redundancy, low latency, and interconnectivity. Under this operational policy, the facility is expected to establish itself as a new connection hub for international submarine cable operators connecting to Japan. In addition to expanding opportunities to accommodate new submarine cables, it is anticipated to generate revenue by capturing demand from international submarine cable owners for line sales, backhaul connections, equipment housing, and other related network services.

3. Estimated Investment Amount

While the investment amount for this plan is currently under review, we estimate it will total approximately 23 billion yen, including investments related to cable landing station facilities and the installation of international submarine cables. Please note that this amount represents the total investment for the entire project and does not indicate our company's share of the costs. If this grant application is approved, we plan to utilize the subsidy and explore the optimal business structure, including collaboration with our partners. Furthermore, we are concurrently conducting discussions with prospective customers regarding this plan and have confirmed strong interest and demand for the use of this facility. We plan to determine our final investment burden based on the future business structure and the outcomes of discussions with customers.

4. Future Considerations and Outlook

Following the successful selection of our proposal for the international submarine cable landing station and the international submarine cable construction project, we will now apply for a grant from the Fund for the Promotion of the Development of Specified Telecommunications Facilities, etc., and expect to receive notification of the grant award. We will proceed with in-depth discussions with potential partners, refine the project structure, and conduct a thorough review of demand forecasts, investment scale, and profitability. At the same time, we will coordinate with relevant parties regarding the cable laying route, landing points, equipment specifications, and construction schedule. Throughout this process, we will prioritize ongoing dialogue with relevant stakeholders, including the Ministry of Internal Affairs and Communications, Wakayama Prefecture, and Wakayama City, and will proceed with the project while deepening mutual understanding with these parties from various perspectives, such as contributing to the local community, environmental conservation, and consideration for fishing activities. Furthermore, we will strive to disclose information transparently and dedicate ourselves to building a relationship of trust with the local community. We will promptly announce any specific details once they have been finalized.
The selection under this grant program is expected to have no impact on the Company's consolidated financial results for the fiscal year ending March 2027.

InfiniVAN Regional and Social Contribution Program 2026 is being held



NEWS RELEASE

IPS, Inc.
OCTOBER 21, 2026

InfiniVAN Regional and Social Contribution Program 2026 is being held

IPS, Inc. (the "Company") is pleased to announce that its consolidated subsidiary, InfiniVAN, Inc. ("InfiniVAN") is developing digital infrastructure—including international submarine cables, submarine cable landing stations, domestic submarine cables, terrestrial backhaul, and Internet exchanges—that supports the AI and digital society. The company is promoting the construction of a digital network connecting the Philippines and the Asia-Pacific region to meet the demand for high-capacity communications, particularly from data centers.

*Fukui Prefectural Takeuchi High School : One of Fukui Prefecture's leading academic high schools, it is designated as an SSH (Super Science High School) and places a strong emphasis on inquiry-based learning. The SSH program is an initiative designated by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) to cultivate students' scientific inquiry skills and other abilities through advanced science, technology, and math education, with the goal of nurturing future leaders in science and technology who will drive society forward.

Bonifacio Global City (BGC) | InfiniVAN ORE Office

During the program, participants were briefed on how our group entered the international telecommunications business and the challenges facing the country's telecommunications infrastructure. Our local staff members explained why they chose to work overseas rather than remain in Japan, the differences in work styles between Japan and their host country, and the opportunities for Japanese professionals to pursue global careers. During the tour of the ORE office, participants interacted with local staff and exchanged views on their work responsibilities and career development.



InfiniVAN Regional and Social Contribution Program 2026

In addition, the presentation covered the contributions of Japanese companies operating in the country to the local economy, the background of the community and social contribution programs promoted by InfiniVAN, and Shinagawa Healthcare Solutions Corporation*'s efforts to address the shortage of specialized preventive care facilities in the country.

*A consolidated subsidiary of the IPS Group that operates comprehensive health checkup and screening centers as part of its Made & Healthcare business

	Category	Disclosures	
Aug.	Financial Results	Consolidated Financial Results for the Three Months Ended June 30, 2026(Under Japanese GAAP)	URL
		Supplemental Materials on Results for the 1st Quarter FY2026	URL
		Notice Regarding the Provision of Partial Usage Rights (IRU) for the New International Submarine Cable "Candle"	URL
		Supplemental Materials on Results for FY2026(1Q) with Script	URL
		Questions and Answers from Investors	URL
Sep.	Domestic	Questions and Answers from Top Management Meeting	URL
		Notice Regarding the Establishment of the Human Capital Strategy Committee	URL
	Philippines	Notice Regarding InfiniVAN's Execution of a Reseller Agreement with CYBERNETICA, a Provider of e-Government Services	URL

	Category	Disclosures	
Nov.	Domestic	Notice Regarding Issuance of New Shares and Secondary Offering of Shares	URL
		Supplementary Materials Regarding the Domestic Public Offering	URL
		Consolidated Financial Results for the Three Months Ended June 30, 2026 (Completion of Interim Review by an Independent Auditor)	URL
	Philippines	IPS Group Subsidiary InfiniVAN Participates in Luzon Economic Corridor Investment Forum in Tokyo	URL
	Domestic	Notice Regarding the Selection of Proposals for the International Submarine Cable Landing Station in Wakayama City	URL
		Notice Regarding Determination of Issue Price and Selling Price, etc.	URL
	Philippines	InfiniVAN Regional and Social Contribution Program 2026 is being held	URL

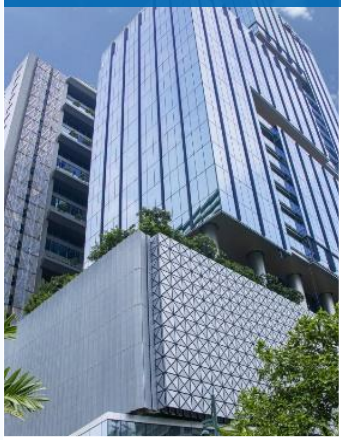
Corporate Profile

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 • 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.



Republic of the Philippines (Bonifacio Global City)

Global Telecommunications



Medical & Healthcare



Domestic Telecommunications



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 2028.

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

Submarine Cable Owner
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 CLS
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. Station is also referred to as the Cable Landing Station (CLS)

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.

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.

Konekta dong 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.