Note: This document is an English translation of the original Japanese document and is provided solely for reference purposes. In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.

November 24, 2026

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Supplementary Materials on the Grant Agreement with the U.S. Trade and Development Agency (USTDA)

With respect to the “Notice Regarding the Execution of a Grant Agreement with the U.S. Trade and Development Agency (USTDA)” announced on November 20, the Company has prepared this supplementary material to provide investors with a better understanding of the background of this initiative and its strategic significance within the Group’s business strategy.

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.



Supplementary Materials on the Grant Agreement with the U.S. Trade and Development Agency (USTDA)

November 24, 2026

IPS, Inc.

Ticker : 4390 Tokyo Stock Exchange Prime

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Agenda

1. U.S. Government (USTDA)-Supported Philippine East Coast Submarine Cable Project

- Overview of “Silangan”
- Strategic Rationale and Alignment with Public Policy Priorities

2. Beyond Cable Landing Stations: Growth Strategy toward 2030

- Three Strategic Roles of the Baler Large-Scale Cable Landing Station
- Growth Strategy toward 2030

3. Future Outlook



Background: Metro Manila

1 U.S. Government (USTDA)-Supported Philippine East Coast Submarine Cable Project



Background: Metro Manila

Key Points of This Initiative

1	**What Has Been Decided**	USTDA*1 to Fund InfiniVAN's Feasibility Study for Silangan, a Next-Generation Submarine Cable System along the Philippine East Coast
2	**Our Role**	Positioning the Baler Large-Scale CLS, Targeted for Completion by the End of 2026, as a Key Hub Connecting International Cable Landing Stations along the Philippine East Coast, the Silangan Submarine Cable System, and Data Centers at Strategic Locations such as APECO*
3	**Our Vision**	From Individual Cable Landing Stations as "Points," to an East Coast Network as a "Line," and Further to an Integrated Digital Infrastructure Platform Connecting Submarine Cables, Data Centers, and Strategic Hubs. Aiming to Expand Business with Global Hyperscalers.
4	**Impact on Financial Performance**	This initiative currently relates to a feasibility study (FS). The impact on the Company's financial performance will be carefully assessed as specific business terms and other relevant matters progress, and the Company will promptly disclose any matters requiring disclosure as they arise.

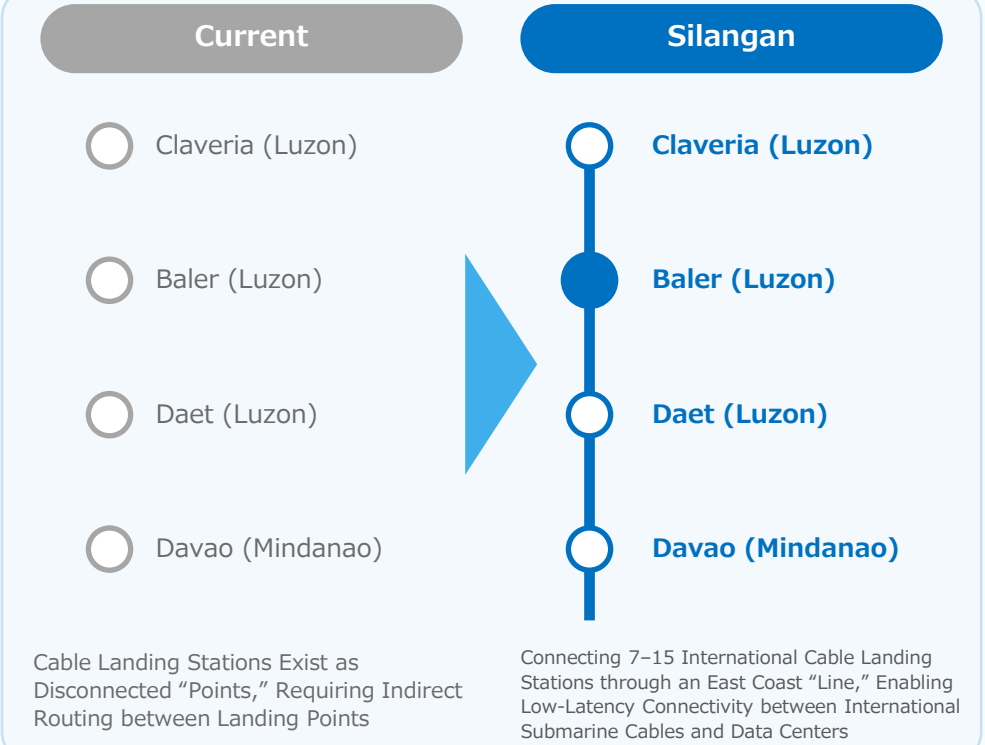
*1 Notice Regarding the Execution of a Grant Agreement with the U.S. Trade and Development Agency (USTDA):
https://contents.xj-storage.jp/xcontents/AS96841/93e757fd/8d48/43ab/9f41/99ef781d87c5/140120261120583795.pdf
*2 Aurora Pacific Economic Zone and Freeport Authority (APECO):A government-owned corporation administering the economic zone in Aurora Province, eastern Luzon.

Overview of Silangan: East Coast Route Linking International Submarine Cables

USTDA has decided to provide InfiniVAN with funding for a feasibility study (FS) to develop the Silangan Submarine Cable System, a secure, high-capacity domestic submarine cable network along the Philippines' east coast connecting Luzon and Mindanao.

Key Scope of the Feasibility Study (Conducted by U.S.-based Lambda Consulting LLC)

- **Market Demand Analysis**
- **Technical and Economic Feasibility Assessment**
- **Marine Surveys for Route Selection**
- **Submarine Cable and Cable Landing Station Design (7–15 CLSs)**



Connecting Individual CLS "Points" into a "Line" to Enhance the Competitiveness of the Entire Network

*Specific routes, connection points, the number of cable landing stations, and the scope of infrastructure development will be further evaluated and defined through the feasibility study and discussions with relevant stakeholders.

Shared Need for Resilient and Open Digital Infrastructure Reflected in Public-Sector Support in Japan and the U.S.

① Open-Access Policy

Traditional

- Major Telecommunications Carriers Vertically Integrate Submarine Cables, Cable Landing Stations, and Domestic Backhaul Networks, Resulting in a Highly Concentrated Domestic Market

Current

- Investment in Submarine Cables Is Shifting toward Hyperscalers and Other Players, While Domestic Cable Landing Stations and Backhaul Networks Remain Highly Concentrated among Local Telecommunications Carriers in the Philippines and Japan
- Hyperscalers Prioritize Freedom, Redundancy, Scalability, Connectivity, and Cost Competitiveness

② Capability to Address National Infrastructure Challenges through Our Business

Japan

- Achieving Geographic Diversification of Digital Infrastructure in the Kansai Region through the Wakayama Project*1

Philippines

- Submarine Cables Are Concentrated in the East and South China Seas, Where Cable Damage Incidents Occur Frequently*2. The South China Sea Route West of the Philippines Is Particularly Affected.
- The Silangan Vision Is Intended to Enhance Route Diversity, Network Resilience, and High-Capacity Connectivity along the Philippine East Coast.

③ Capability to Develop Digital Infrastructure Across Borders

- Flexible Business Development Combining Domestic Connectivity, International Connectivity, and Cable Landing Stations
- Delivering the Open-Access Model Required by Hyperscalers
- Applying Cross-Border Digital Infrastructure Expertise in Japan and the Philippines

*1 Notice Regarding the Selection of the International Submarine Cable Landing Station and International Submarine Cable Development Project in Wakayama City, Wakayama Prefecture
https://contents.xj-storage.jp/xcontents/AS96841/5b25576b/cf39/48cf/a67a/9315d94494a7/20261013112418594s.pdf

*2 [For Reference] Ministry of Internal Affairs and Communications: Current Status and Challenges Surrounding International Submarine Cables
https://www.soumu.go.jp/main_content/001040293.pdf

Current Status of the Silangan Vision

Item	Current Status	Category
Baler Large-Scale Cable Landing Station	Construction Underway, Targeting Completion by the End of 2026	In Progress
USTDA Funding for the FS	USTDA and InfiniVAN Announce Formal Agreement	Decided
FS Conducted by U.S.-based Lambda Consulting LLC	Planned Scope Includes Market Demand Analysis, Technical and Economic Feasibility Assessment, Marine Surveys for Route Selection, and Design Planning for 7–15 Cable Landing Stations	Planned
Route / Connection Points / Number of CLSs / Development Scope	To Be Further Evaluated and Developed through the Feasibility Study and Discussions with Relevant Stakeholders	Planned
Financial Impact	To Be Carefully Assessed Based on the Progress of Specific Business Terms and Other Relevant Matters. Any Matters Requiring Disclosure Will Be Promptly Announced.	Under Assessment

2. Beyond Cable Landing Stations Growth Strategy toward 2030

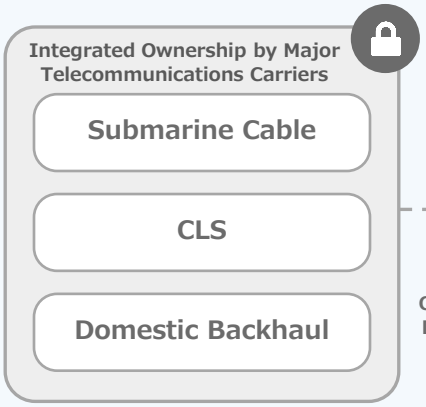


Background: Metro Manila

Beyond Cable Landing Stations: Network Vision Encompassing Key Strategic Hubs such as APECO

Transforming the Cable Landing Station from a “Gateway to Our Own Network” into an “Open and Neutral Connectivity Hub”

Traditional Cable Landing Stations: Carrier-Integrated Model

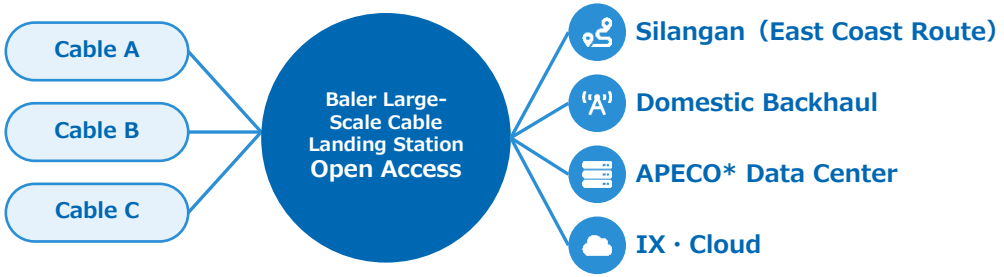




- The CLS Serves as a “Gateway to the Operator’s Own Network,” Rather than a Neutral Connectivity Hub
- Backhaul and Connectivity Terms Depend on the CLS Operator, Limiting Customer Choice
- In the Philippines, Carrier-Led CLSs Have Long Operated under This Model

Industry Structure Transformation

Our Vision: Open-Access CLS × Silangan



Delivering the Four Key Values Hyperscalers Require

① Freedom
Enables Flexible Network Design

② Redundancy
Multiple Routes and Operators to Ensure Resilience against Network Failures and Disasters

③ Scalability
Supports Future Capacity Expansion and Additional Submarine Cables

④ Connectivity
High-Capacity, Low-Latency Connectivity to Data Centers, IXs, and Cloud Services

Expanding Business with Hyperscalers
through Cable Landing Access + Interconnection + Domestic Transmission

* Aurora Pacific Economic Zone and Freeport Authority (Government-Owned Corporation Administering the Economic Zone in Aurora Province, Eastern Luzon)

Three Strategic Roles of the Baler Large-Scale Cable Landing Station

Connect × Enable × Extend

An Open-Access Connectivity Hub

- An Open-Access Hub Connecting International Submarine Cables with Silangan
- Designed for Use by Telecommunications Carriers, Submarine Cable Operators, Data Center Operators, and Hyperscalers

Infrastructure Developed in Advance

- Under Construction, Targeting Completion by the End of 2026; Route and Infrastructure Configuration to Be Further Defined through the FS
- Contributing to More Efficient Infrastructure Development and Connectivity Preparation as the Silangan Project Takes Shape

A Broader Value Proposition

- Providing Flexible Options from Cable Landing to Domestic Connectivity
- Positioning Global Hyperscalers as Key Customers

From a Cable Landing Point to a Gateway Offering Multiple Connectivity Options

Expanding the Value Proposition of the Baler Large-Scale Cable Landing Station to Drive Growth in Direct Business with Hyperscalers

Growth Strategy toward 2030: From Individual Infrastructure Investments to an Integrated Business Platform

Transforming the Philippine East Coast into “Asia’s Digital Crossroads,” Creating New Connectivity and Business Value

Platform
Integration of Submarine Cables, Data Centers, and Strategic Hubs

Lines
Silangan East Coast Route

Points
Baler Large-Scale Cable Landing Station
Open Access CLS

Toward 2030

Platform
Integration of Submarine Cables, Data Centers, and Strategic Hubs

- Expanding Connectivity to Data Centers and Other Key Destinations
- Capturing Large-Scale Digital Demand Requiring High-Capacity Connectivity

Connection Revenue

To Be Defined through the FS

Lines
Silangan East Coast Route

- Low-Latency Interconnection between International Submarine Cables
- Domestic Network Extension, Redundant Route Provision, and Routing

Redundancy Revenue

Line Sales Revenue

Target Completion: End-2026

Point
Baler Large-Scale Cable Landing Station

- Open-Access Connectivity Hub
- Access to Landing Facilities, Connectivity, and Interconnection

CLS Revenue

ReRevenue dundancy

Hub Function Revenue

3 Future Outlook



Background: Metro Manila

Future Outlook

This initiative currently relates to a feasibility study (FS) and does not, at this stage, guarantee the construction of Silangan, the final route, connections to individual locations, the timing of commercialization, or the use of the Company's facilities.

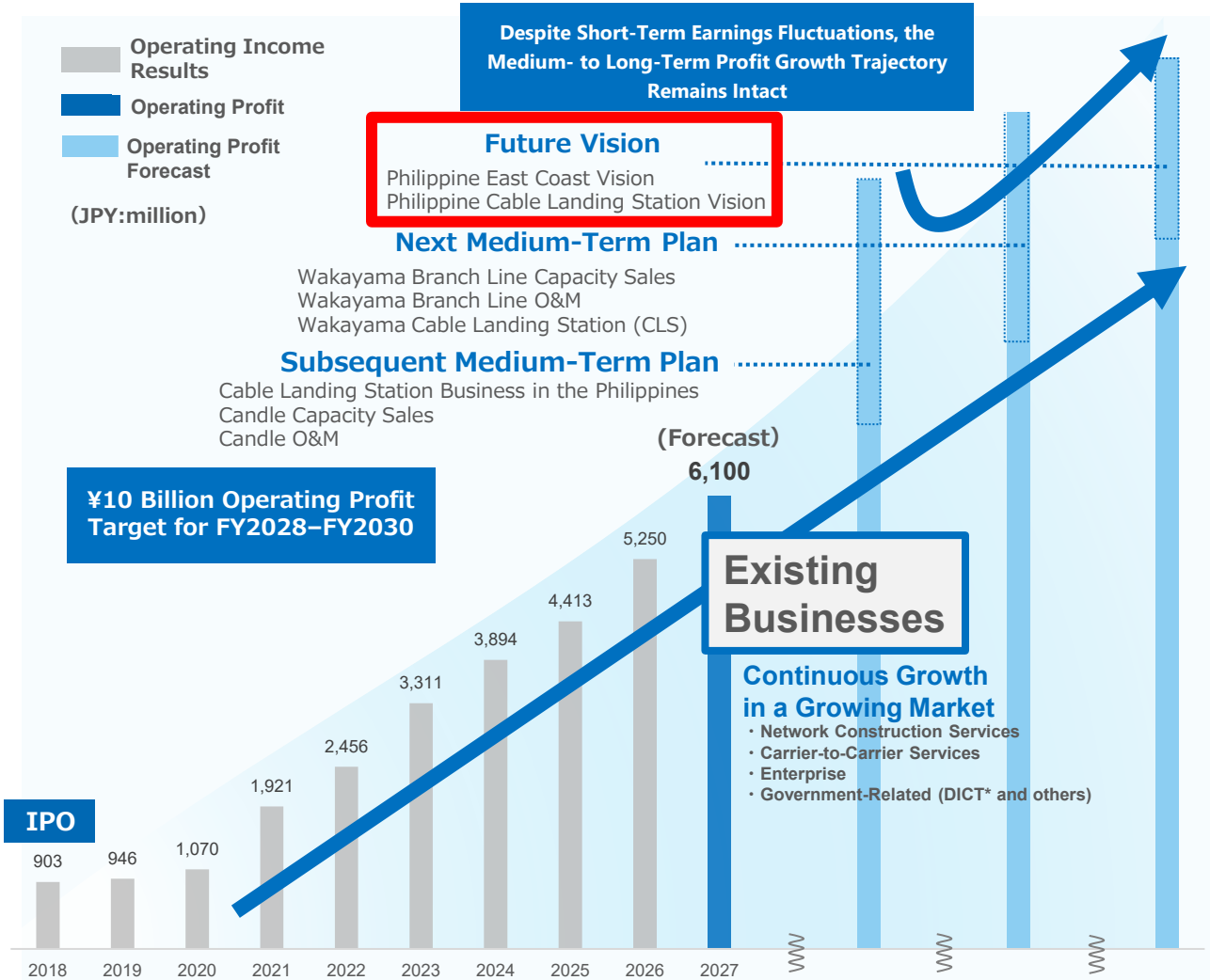
At the same time, the Group positions the Baler Large-Scale Cable Landing Station not merely as a landing point for submarine cables, but as a key digital infrastructure hub connecting international submarine cables, domestic networks in the Philippines, data centers, and other infrastructure.

Leveraging the experience and relationships we have built with global hyperscalers through Candle and our other digital infrastructure businesses, we aim to create new connectivity demand and business opportunities through the potential integration of the Baler Large-Scale Cable Landing Station with Silangan.

The impact on the Company's financial performance will be carefully assessed as specific business terms and other relevant matters progress. The Company will promptly disclose any matters requiring disclosure as they arise.

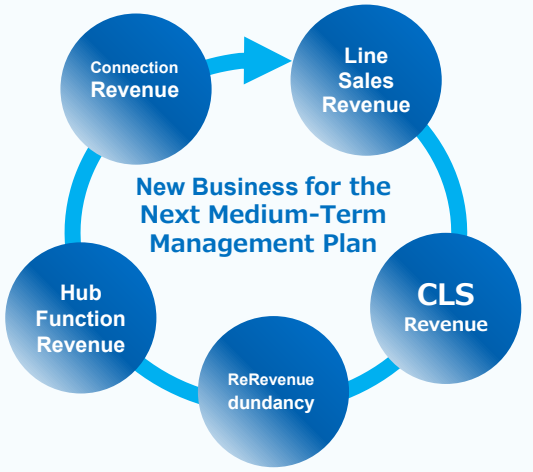
Sustained Profit Growth over the Medium to Long Term

New Businesses Entering Full-Scale Execution. Steady Progress across Projects in Both Existing and New Businesses toward Achieving the Profit Target under the Next Medium-Term Management Plan



*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).

New Business 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

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.

Hyperscaler
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.