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## **“Konektadong Pinoy Act” Lapses into Law — Unlocking New Growth Opportunities for the Philippine Telecom Industry**

We are pleased to announce that in the Republic of the Philippines—one of the core markets for our Group’s international telecommunications business—the “Konektadong Pinoy Act” (Open Access in Data Transmission Act) has lapsed into law without the President’s signature as of August 24, 2025, and has officially become law. The Act aims to lower entry barriers in the data transmission sector and create an environment where more players can access telecommunications infrastructure, thereby enhancing internet connectivity nationwide. It is expected to generate new growth opportunities for the Philippine telecommunications industry.

### **1. Purpose of the Konektadong Pinoy Act**

The law provides a framework that opens up critical telecommunications networks—such as high-capacity backbone lines connecting domestic and international locations, and relay lines linking regional areas—to a wide range of service providers, particularly supporting the development of connectivity in unserved and underserved communities in provincial areas.

Specifically, the law eliminates franchise requirements for new entrants into the telecommunications sector and promotes infrastructure sharing (open access) with new operators. This significantly simplifies entry into the data transmission segment of the telecommunications business, which previously required congressional approval. In recent years, the number of Internet Service Providers (ISPs) in the Philippines has rapidly increased in response to growing internet demand. The relaxation of regulatory requirements under this law is expected to further encourage the entry of ISPs and other service providers.

Under the Philippine legal system, the operational implementation of the law requires the formulation of Implementing Rules and Regulations (IRR). These specific rules are expected to be developed by the Department of Information and Communications Technology (DICT) and the National Telecommunications Commission (NTC) in the near future.

### **2. Impact of the Law on Our Business**

The establishment of this legal framework is expected to drive growth and expansion across the market, increasing overall industry demand and investment opportunities. We anticipate that it will bring the following concrete benefits to both our business and the industry as a whole:

- **Improved regional connectivity through the expansion of local ISPs**

Currently, around 900 ISPs operate across the Philippines. With the support of this law, entry into unserved and underserved areas is expected to accelerate. Our Group has already developed a backbone network centered on the Philippine Domestic Submarine Cable Network (PDSCN) and provides connectivity to regional ISPs. This institutional support is expected to further broaden our partner base.

- **Promotion of healthy competition and service improvement**

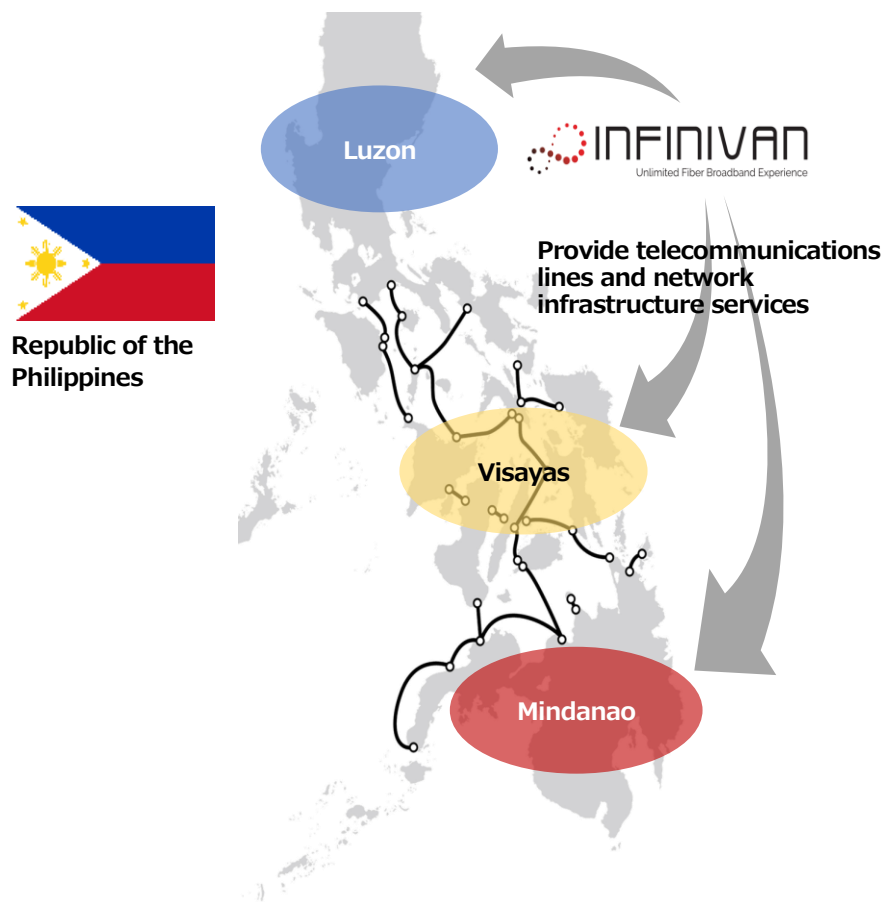
The entry of new operators will stimulate competition, potentially lowering broadband fees and improving service quality. This will directly contribute to reducing disparities in internet access across provincial areas.

- **Development of the digital ecosystem**

Collaboration will extend beyond ISPs and CATV operators to include data centers and cloud service providers, strengthening the country's overall digital infrastructure and supporting the Philippines' nationwide digitalization strategy.

- **Improved investment environment**

The clarification of the legal framework makes the Philippine market more attractive to international infrastructure investors, accelerating investment in submarine cables, data centers, and other critical digital infrastructure.



Our Group is steadily establishing its position as a key foundation for regional telecommunications infrastructure by providing high-quality, stable communications lines in accordance with Japanese standards, while also offering network construction services to local service providers. We view the enactment of this law as a strong institutional tailwind supporting these efforts.

Through the provision of high-quality telecommunications infrastructure and sustainable growth, our Group will continue to contribute to the strengthening of digital infrastructure in both Japan and the Philippines, while striving to enhance corporate value.

### **3. Outlook**

We believe that the short-term impact of this development on our consolidated business results will be minimal. Nonetheless, our Group will continue to closely monitor the situation and aim to fully capitalize on growth opportunities.

Going forward, we will keep a close watch on the implementation of the law and market trends, and will promptly disclose any material developments that should be brought to the attention of our stakeholders.

Company Name : IPS, Inc.

Securities code : 4390

Location : 8F, Togeki Bldg, 4-1-1 Tsukiji, Chuo-ku, Tokyo JAPAN

Representative: President and CEO Koji Miyashita

Inquiries regarding this matter : IR Division +81-3-3549-7719