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Questions from Investors and the Our Responses

We sincerely appreciate your continued interest in our company. In accordance with fair disclosure principles, we hereby provide answers to frequently asked questions from investors regarding the financial results for the second quarter (interim period) of the fiscal year ending March 2026, disclosed on November 7, 2025, as well as questions that could not be fully addressed during the earnings briefing held by our company on November 11, 2025.

Q1. What is the impact of the Konektadong Pinoy Act, enacted in the Philippines in August 2025, on your company?

The Konektadong Pinoy Act is legislation enacted by the Philippine government to enable more affordable and equitable access to telecommunications services nationwide. It mandates that telecommunications companies open their fiber optic networks and facilities to other operators under "fair, reasonable, and non-discriminatory terms." This framework facilitates the launch of new telecommunications services, including in regional areas, thereby promoting competition.

Under this framework, it presents a significant opportunity for our company, which provides network construction services to the growing number of regional ISPs (Internet Service Providers). Since regional ISPs often find it difficult to build large-scale infrastructure on their own, demand for our integrated service package—combining "line capacity + equipment + operational support"—is expected to increase further.

The legal framework supporting telecommunications market entry in regional areas allows us to expand our role as a network construction partner for these new entrants.

This enables us to anticipate stable wholesale revenue from utilizing existing infrastructure and operational service income. Furthermore, increased regional communication traffic will have a ripple effect on our other businesses, such as upstream lines and data center connections.

On the other hand, intensified competition may lead to price pressures in the retail market, necessitating careful monitoring of future developments. For our own ISP business, we will continue to pursue a strategy focused on differentiation, avoiding direct price competition. We will maintain our primary target of corporate customers, particularly in the Manila metropolitan area, and enhance value through offerings such as bundled AI services and cloud solutions.

Overall, for companies like ours with a model of "renting infrastructure + providing operational support," this law could actually be a tailwind. Alongside the expansion of regional telecommunications markets, we believe the role of the network construction services we provide will become even more important.

Q2. After the completion of the new international submarine cable, the Candle Submarine Cable System (Candle), will be related investment opportunities (new construction, expansion) be created, leading to further performance improvement?

The completion of Candle will first and foremost hold significant meaning in building a track record as an international telecommunications infrastructure business. We anticipate expanded investment opportunities related to this, such as access to other international lines via landing stations and new or expanded projects.

Q3. How much room for investment in fixed assets for the Global Telecommunications Business is anticipated over the long term? (We would like to know the growth potential beyond what has been announced.)

Regarding fixed assets in the international communications business, it is crucial to recognize that the assets we already hold—such as C2C lines (usage rights), the Philippine Domestic Submarine Cable Network (PDSCN), the new international submarine cable Candle currently under construction, the Baler landing station, and the backhaul lines connecting them—form an interconnected "network infrastructure" rather than standalone assets. These assets are organically connected both geographically and functionally, creating a structure that generates new investment opportunities—such as laying new cables, expanding existing routes, and developing AI data centers.

Financially, our policy is to proceed with investments incrementally within the limits of our balance sheet. However, our approach is not simply to accumulate equipment; rather, it is to build business expansion starting from the assets we have already constructed. Therefore, we believe the growth potential as fixed assets does not end with the completion of Candle. Instead, there is ample room for new projects to emerge through the organic expansion of the network from that point.

Q4. Current IR activities show improvements compared to before, such as more proactive disclosure, clearer materials, and explanations of specialized terms. We would like to understand your approach to future IR, including considering more advanced individual investor briefings and regional IR fairs.

While we cannot disclose specific details at this stage, we intend to actively utilize various IR opportunities to further enhance our information dissemination. This aims to ensure a broader investor base accurately understands our business operations and growth strategy.

Moving forward, we will strive to communicate specialized topics as clearly as possible and enhance the quality and transparency of our disclosures.

Q5. Regarding the future growth of the Domestic Telecommunications Business, how will you proceed? Could the Voice AI technology recently disclosed be one such initiative? If there are others, please share them. Additionally, I would like to know the progress of the trunk line connecting Tokyo, Nagoya, and Osaka, as disclosed in the Medium-Term Business Plan.

In our Domestic Telecommunications Business, we are focusing on services for call center operators as the industry structure changes, including a decline in interconnection revenue from carriers. On this foundation, we are advancing initiatives to enhance added value by incorporating new technologies like AI into the voice communications field.

The Voice AI technology announced recently is one example. It holds the potential to improve the quality of existing services by enhancing call center operational efficiency and customer experience through voice analysis and automated responses.

Furthermore, preparations are underway to launch new voice services, such as converting 0120 and 0570 numbers into proprietary numbers, strengthening value-added services for corporate customers. Regarding the development of a trunk network connecting Tokyo, Nagoya, and Osaka, we continue to position this as a medium-to-long-term vision and are conducting studies.

Q6. Regarding the comprehensive health checkup and medical examination center business, you mentioned that the examination service has achieved monthly profitability. Is there still capacity available at the current utilization rate?

Regarding the comprehensive health checkup and medical examination center business, utilization rates are steadily increasing at present, and we have achieved profitability on a monthly basis. However, there is still ample capacity available at this time.

We have enhanced the operational efficiency of our examination equipment and facilities, establishing a system capable of accommodating further increases in examinees, whether through corporate contracts or individual use.

Q7. Will the next Medium-Term Business Plan be announced at the next annual financial results announcement, specifically next May? Or will it be announced three months later, at the third-quarter results for the fiscal year ending March 2026?

The timing for announcing the next Medium-Term Business Plan has not yet been finalized. As the current plan reaches its final year next fiscal year, we intend to present it at an appropriate time after reviewing its outcomes and conducting a retrospective analysis.

However, in the interim, we intend to communicate, to the extent possible, the key initiatives and direction of business plans envisioned for the next mid-term management plan period. We will strive for proactive disclosure to ensure our investors have a continuous understanding of our company's efforts.

Q8. The number of corporate internet access service subscribers was 1,900 as of the end of June 2025. What was the number as of the end of September?

The number of billing customers as of the end of September 2025 is 2,004.

Q9. When searching for AI data centers in the Philippines, PLDT's VITRO Sta. Rosa appears to be located near the Manila metropolitan area. As your company pointed out, what are the advantages of building it near a landing station?

The primary advantage of locating an AI data center near a landing station is the ability to connect the international communications gateway to the data processing hub via the shortest possible route. By routing traffic arriving via submarine cables from Japan and other countries directly from the landing station to the data center, communication latency is significantly reduced, creating an environment well-suited for real-time processing like AI and cloud services.

Q10. Regarding the comprehensive health checkup business, I imagine it is relatively high-priced compared to local income levels. What is the target customer segment?

Our comprehensive health checkup and medical examination center business primarily targets individuals seeking relatively high-value-added medical services. Specifically, we focus on corporate contracts (employee benefits) for employees of major local and foreign companies, as well as affluent and middle-class individuals with high medical awareness.

Q11. How do you mitigate the risk of submarine cable cuts?

For operational submarine cables, we fundamentally employ a redundant configuration with multiple routes. Even if a failure such as a break occurs on one route, we have established a system that automatically switches traffic to other cable paths to maintain communication continuity. We also perform rapid repair responses and conduct regular maintenance and monitoring. During the construction phase, route design considers impacts from natural disasters, fishing activities, and geopolitical factors. We select routes that offer high safety and stability, avoiding excessive reliance on specific regions.