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**(Progress of Disclosure) Unauthorized Use of an IP Phone Number  
Provided by Our Subsidiary Circumstances and Response  
Regarding Caller ID Spoofing**

We would like to provide an update regarding the matter reported by various media outlets, including the Yomiuri Shimbun on November 21, 2025. In this matter, a single IP phone number provided by our consolidated subsidiary IPS Pro, Inc. (hereinafter “IPSPRO”), which operates telecommunications services in Japan, to an overseas company (hereinafter “Company A”) in February–March 2025, was fraudulently used. The misuse involved caller ID spoofing, making calls appear as if they were from police stations and other authorities, and resulted in scam incidents. Below, we outline the circumstances as currently understood, our response, and the measures we are taking going forward.

**1. Transaction Background**

On December 4, 2024, at an international telecommunications industry event held in Singapore, an IPSPRO sales representative held an initial meeting with Company A, a Hong Kong-based entity, and commenced business discussions regarding a telecommunications service utilizing IP phone numbers starting with 050.

As a result of these discussions, a contract was finalized with Company A, and IPSPRO commenced providing the service on February 8, 2025.

**2. Caller ID Spoofing and IPSPRO's Response**

On March 14, 2025, IPSPRO employees responsible for emergency response in normal operations became aware of a report that suspicious calls were being made nationwide from the same number as the representative phone line of the Shinjuku Police Station (without the “+country code” prefix). Upon prompt investigation, IPSPRO confirmed that the calls originated from an IP phone number it had provided to Company A.

In response, IPSPRO immediately modified the system to prevent the IP phone number provided to Company A from being displayed fraudulently by any third party. Since this system change, no further caller ID spoofing incidents involving this number have been recognized. In addition, pursuant to the contract clause allowing service suspension in the event of misuse, IPSPRO terminated its service provision to Company A.

### 3. Future Policy, Management System Enhancement, and Impact on Business Performance

IPSPRO has historically held strengths in international telephone services and connections with overseas telecommunications carriers, dating back to its time as a business unit within our company, and has conducted transactions with overseas customers. This incident arose because, in the course of conducting such business, compliance with regulatory requirements did not fully keep pace with changes in the business environment. For sustainable growth going forward, we believe it is important to build on our established strengths while evolving our operations toward an enhanced management and control structure.

In line with this approach, IPSPRO is treating this incident as an opportunity to implement improvements, including disabling caller ID functions for numbers other than those provided by IPSPRO, reviewing related system settings, and re-examining contracts and transaction structures with overseas customers, with adjustments made for certain transactions as necessary. Additionally, we are strengthening internal training on telecommunications-related laws and regulations and ensuring full compliance with industry standards, including relevant guidelines, to simultaneously enhance compliance and operational quality. As a result of internal investigations, no other transactions with similar risks have been identified.

Moreover, to ensure these initiatives are firmly established going forward, we have decided not only to review business processes and organizational structures but also to appoint external personnel with experience and proven track records in the telecommunications industry and to revise our executive structure, including changes to directors. By transitioning to a new management structure by January 2026, which strengthens the appropriateness of decision-making and business execution as well as controls, we will steadily establish a corporate foundation for sustainable growth. This will enable us to simultaneously identify growth opportunities and enhance governance.

Directors of our company who also serve as directors of Company A have, in light of ethical considerations, voluntarily decided to return an amount equivalent to 10% of their monthly remuneration for a period of one month, starting from January 2026.

The short-term impact on performance from the above transaction review is limited. There is no change to the forecast for our Domestic Telecommunications Business in the revised segment-by-segment earnings forecast for the fiscal year ending March 2026, announced on November 7.

We acknowledge the concerns raised by stakeholders and, as a telecommunications provider, both our company and IPSPRO reaffirm our commitment to social responsibility. We will take thorough measures to prevent any recurrence and work toward restoring trust.