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**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.