

Note: This document has been translated from part of 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. The Company assumes no responsibility for this translation or for direct, indirect, or other forms of damage arising from the translation.

September 22, 2025

Corporate Name: IPS, Inc.
Trading Name: IPS, Inc.
President / CEO: Koji Miyashita
Code Number: 4390 Prime Market of the
Tokyo Stock Exchange
Contact: Hiroyasu Akatsu,
General Manager,
Administration Department
(TEL. +81-3-3549-7719)

**(Progress of Disclosure) Notice Regarding the Announcement of
Additional Information on the Joint Construction of a New International
Submarine Cable Connecting Japan, the Philippines, and Singapore**

IPS, Inc. (the “Company”) today announced additional information regarding its participation in the joint construction of a new international submarine cable connecting Japan, the Philippines, and Singapore, as disclosed in the “Notice Regarding Capital Investment in a New International Submarine Cable (Acquisition of Fixed Assets) and Receipt of a Large Order (Provision of partial usage rights)” dated July 30, 2025. This includes details on partners such as Meta Platforms, Inc. (“Meta”), Softbank Corp. (“Softbank”), TM Technology Services Sdn. Bhd., and PT XLSmart Telecom Sejahtera Tbk, as well as additional information such as the cable name “Candle Submarine Cable System” (hereinafter “Candle”).

The Company also announced that the construction of Candle will be carried out by the supplier, NEC Corporation.

1. Overview of Candle

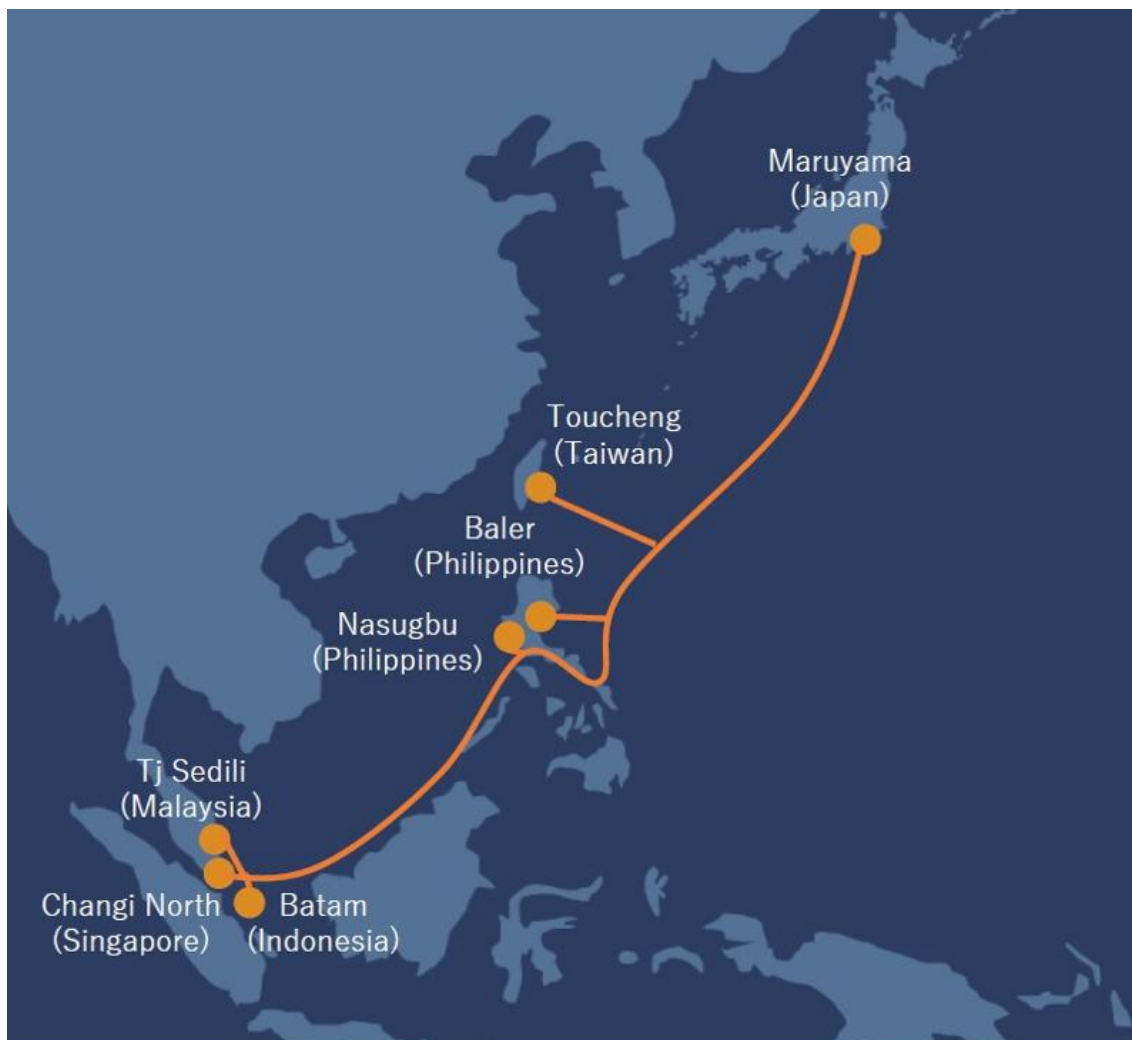
Candle is an international submarine cable system connecting Japan to Taiwan, the Philippines, Indonesia, Malaysia, and Singapore, with a total length of approximately 8,000 km. It is scheduled to commence operations in 2028.

This submarine cable system contributes to expanding communication infrastructure and securing secure redundant routes to meet the rapidly growing demand for data communication driven by the proliferation of generative AI and 5G (fifth-generation mobile communication systems), which enable high-speed, high-capacity communications.

Candle adopts a 24-fiber pair (FP) configuration offering greater capacity and lower latency than many existing submarine cable systems, meeting the growing communication demand in the Asia region.

Chairperson of the Candle Management Committee, Don Pang, said: “Candle represents a pivotal advancement in fortifying the region’s digital infrastructure. As the need for robust, high-speed connectivity grows, Candle will deliver greater network diversity and resilience along this essential corridor, leveraging state-of-the-art technology. This milestone reflects the deep collaboration among our partners and underscores our shared commitment to advancing digital inclusion and economic opportunity for over half a billion people in the Asia-Pacific region.”

- ① Cable Name Candle Submarine Cable System
- ② Partner Companies Meta, Softbank, TM Technology Services Sdn. Bhd.,
PT XLSmart Telecom Sejahtera Tbk
- ③ Specifications 24FP, total length approx. 8,000 km
- ④ Route Japan - Taiwan – The Philippines - Indonesia - Malaysia - Singapore
- ⑤ Supplier NEC
- ⑥ Start of Operations 2028 (planned)



Candle submarine cable system route

2. Business Strategy

As a core member of Candle, the Company will dramatically enhance the growth potential of its telecommunications business in the Asia region, centered on international submarine cables.

Candle will connect to the international submarine Cable Landing Station (CLS) in Baler, on the east coast of Luzon Island, the Philippines, as announced in the “Notice Regarding the Launch of a New Business by a Consolidated Subsidiary” dated August 7, 2025. The CLS, constructed and operated under the Group's leadership as one of Asia's most advanced landing stations, will serve as Candle's entry point into Asia. It will function as a digital hub not only for the Philippines but for the entire rapidly growing Southeast Asian region, holding significant geopolitical and strategic importance.

Furthermore, the CLS will function as a gateway to the Philippine Domestic Submarine Cable Network (PDSCN), the largest fiber-optic network in the Philippines, which the Group co-led in constructing. It will serve as a crucial node connecting international communications with networks throughout the Philippines.

Through these initiatives, Baler will become a unique strategic hub capable of providing seamless,

ultra-high-speed, high-capacity networks from the Metro Manila to regional cities within the Philippines, across Southeast Asia, and even to Japan and Singapore.

The CLS will be capable of connecting up to four international submarine cable systems. Plans are also underway to develop it into a cutting-edge digital services hub, anticipating its role as a foundation for AI and cloud-based data centers and smart city infrastructure. The Group aims to position this as a key international infrastructure, central to the future of communications in the Philippines and pivotal to Asia's transformation into a digital hub.

3. Funding Plan

Regarding the funds required for this investment, in addition to its cash on hand and operating cash flow, the Company plans to secure external funding from multiple financial institutions as disclosed in the "Notice Regarding Borrowing of Funds with Financial Covenants" dated September 19, 2025. Furthermore, the Company has already concluded IRU contracts for some portions, which will allow it to receive advance payments from customers based on construction progress.

The Company will continue to pursue both capital efficiency and financial soundness, exploring optimal funding methods as necessary to build a flexible and stable framework.

4. Future Outlook

The Company believes this project will contribute to the improvement of the Group's performance and corporate value over the medium to long term. However, the impact on its consolidated performance for the fiscal year ending March 2026 is still under detailed review. Should the impact on performance become clear, the Company will disclose it promptly.

For your reference: Press releases by the Company and its partners

Meta, SoftBank Corp., IPS, TM, XLSmart, and NEC to build the Candle Submarine Cable System, Intra Asia, 24-Fiber Pair Optical Submarine Cable, Connecting Japan to Singapore

Washington, D.C., Jakarta, Kuala Lumpur and Tokyo, Sep 22, 2025 - Meta, SoftBank Corp., IPS Inc., TM Technology Services Sdn. Bhd., PT XLSmart Telecom Sejahtera Tbk, and NEC Corporation are collaborating to develop the Candle submarine cable system.

The Candle submarine cable system is a 24-fiber pair, 8,000 km submarine cable system connecting Japan, Taiwan, the Philippines, Indonesia, Malaysia, and Singapore, scheduled to begin operations in 2028. It will contribute to infrastructure expansion and secure redundant routes to meet the increasing demand for data communications driven by 5G and AI.

This cable system will be one of the first in the Asia-Pacific region to use a 24-fiber pair cable, to support the strong demand for communications in the region.

Chairperson of the Candle Management Committee, Don Pang, said: "Candle represents a pivotal advancement in fortifying the region's digital infrastructure. As the need for robust, high-speed connectivity grows, Candle will deliver greater network diversity and resilience along this essential corridor, leveraging state-of-the-art technology. This milestone reflects the deep collaboration among our partners and underscores our shared commitment to advancing digital inclusion and economic opportunity for over half a billion people in the Asia-Pacific region."

The comments of each company regarding this matter are as follows.

"At Meta, we imagine a future where everyone has access to AI, personal superintelligence, and other emerging technologies to improve their lives and connect with each other. This is part of our commitment to seamlessly bring people together no matter where they are in the world."

Nico Roerich, Director, APAC Network Investments, Meta.

"Our participation in this project reaffirms our commitment to play a significant role in the further development of digital infrastructure in the Asia-Pacific region, which is vital to our operations in Japan, the Philippines, and Singapore. With our subsidiary, InfiniVAN, as the landing party in the Baler, Aurora Province on the eastern seaboard of the Philippines, this is one of many projects we have planned in support of developing the Philippines as a connectivity hub in Southeast Asia."

Koji Miyashita, CEO of IPS, Inc.

"With the rapid advancement of generative AI and the Internet of Things (IoT), the demand for international telecommunications is expected to continue accelerating. CANDLE adopts a 24-fiber-pair architecture, making it one of the core foundations of next-generation social infrastructure that SoftBank is promoting. By integrating with other submarine cables such as JUPITER, ADC, and E2A, we will further enhance the diversity and redundancy of global communications networks originating from Japan, and strengthen Japan's role as a digital gateway for Asia."

Kimimasa Kudo, Vice President and Head of Global Business Division, Enterprise Unit,
SoftBank Corp.

"TM's participation in the Candle submarine cable system project demonstrates our commitment to building resilient digital infrastructure that meets the growing demand for digital services and cloud-based, AI-driven innovation across Asia. It strengthens our ability to support hyperscalers, enterprises and global service providers in expanding their footprint across ASEAN, while reinforcing Malaysia's role as ASEAN's digital hub. This initiative bodes well with our aspiration to become a Digital Powerhouse by 2030—connecting Malaysia to the world, and the world to Malaysia."

Amar Huzaimi Md Deris, TM's Group Chief Executive Officer

“XLSMART will fully support the project and we believe the Candle cable will bring benefits for all consortium parties and Indonesia.”

Feby Sallyanto, Chief of Enterprise, PT XLSmart Telecom Sejahtera Tbk.

“NEC is a leading vendor in the submarine cable system business with over 60 years of experience. NEC is particularly strong in leading subsea projects in the Asia-Pacific region, having been responsible for eight optical submarine cable systems connecting Japan and Singapore, including ‘Candle.’ In this project, NEC will participate as a system integrator, providing everything from the manufacture of submarine cables and repeaters to route design, installation, and testing. Through the establishment of a highly reliable communication environment in the Asia region, NEC will contribute to the development of the digital economy.”

Tomonori Uematsu, Managing Director, Submarine Network Division, NEC Corporation.

