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October 5, 2026

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Notice Regarding Issuance of New Shares and Secondary Offering of Shares

IPS, Inc. (the “Company”) hereby announces that at the Board of Directors meeting held on October 5, 2026, the Company resolved to issue new shares and to conduct a secondary offering of shares as follows.

I. Background and Purpose of the Offering

Based on the corporate philosophy “Open Door,” the IPS Group seeks to create business opportunities and transform industry structures in everyday life areas with unresolved barriers, thereby helping build the ideal society. In particular, in the Philippines, we are making proactive investments and expanding our business in order to contribute to economic development by providing telecommunications services utilizing state-of-the-art communications technologies.

In the international telecommunications business, which is our core business, demand for data communications is rapidly expanding both domestically and overseas as digitalization advances and cloud services, video streaming, financial settlement and payment, and AI-related fields continue to expand. As a result, the importance of telecommunications infrastructure supporting data distribution is increasing further.

In this environment, in July 2025, for the joint construction of the Candle Submarine Cable System (“Candle”), a new international submarine cable system with a total length of approximately 8,000 km connecting Japan, Taiwan, the Philippines, Indonesia, Malaysia and Singapore, we joined a consortium together with partner companies including Meta Platforms, Inc., SoftBank Corp., TM Technology Services Sdn. Bhd. and PT XLSmart Telecom Sejahtera Tbk, and have been expanding our international telecommunications business. Candle will serve as a high-capacity, low-latency

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communications platform to address rapidly expanding data communications demand driven by generative AI and the widespread adoption of 5G (fifth-generation mobile communication systems), and will serve as a key data artery within Asia.

Candle will connect to the international submarine cable landing station in Baler on the eastern coast of Luzon Island, which includes the capital city of Manila. In addition to the Baler landing station on the eastern coast, we have secured, as an integrated infrastructure, the Poro Point landing station on the western coast of Luzon Island, as well as the Luzon bypass infrastructure connecting the two sites. Accordingly, connecting Candle to the Baler landing station is not merely the landing of an international line, but signifies the establishment of a structure that enables us to design and provide overall data traffic linking the Pacific Ocean and the Asia region across Luzon Island—namely, the development of an international telecommunications hub function. This has put in place a structure that enables us to provide high-capacity and highly redundant communications routes from the Philippines as a base, extending from the Asian region to Japan and North America.

Meanwhile, in Japan, the Ministry of Internal Affairs and Communications formulated the “Digital Infrastructure Development Plan 2030” in June 2025, and the importance of regional diversification of digital infrastructure has been increasing. In light of these developments, we are proceeding with concrete evaluations of the deployment of the Wakayama Branch Line and the construction of a new international submarine cable landing station in Wakayama Prefecture (collectively, the “Wakayama Project”) (see “Commencement of Full-Scale Evaluation of a New International Cable Landing Station Project in Wakayama Prefecture,” announced on July 2, 2026). The Wakayama Project is expected to contribute to the diversification of international submarine cable landing points in the Kansai region, enhance network resiliency and redundancy, and provide an open-access connection environment capable of accommodating the diverse connectivity needs of domestic and international telecommunications carriers and hyperscalers.

The Wakayama Project is currently under further examination based on discussions with potential partners regarding the construction of the Wakayama landing station. By the fiscal year ending March 2030, we currently expect total investments of approximately 23 billion yen, including investments in the deployment of the Wakayama Branch Line and the construction of the landing station and related facilities. In pursuing the project, we are considering the optimal business structure, including collaboration with potential partners and the utilization of available public support programs and other arrangements, and the final amount to be borne by the Company will depend on the outcome of such discussions.

As announced in “Notice Regarding the Provision of Partial Usage Rights (IRU) and Operation and Maintenance services for the New International Submarine Cable ‘Candle’” dated August 7, 2026, the IPS Group has obtained a reasonable degree of visibility on the recovery of its investment in Candle through the sale of international telecommunications circuits to telecommunications carriers and hyperscalers. Through the Wakayama Project, we aim to further expand our international telecommunications business while also establishing a full-scale data communications business in Japan and creating new revenue opportunities.

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This issuance of new shares is intended to raise funds for the steady execution of the Wakayama Project. Over the medium term, we also intend to utilize the additional debt capacity created by this financing to accelerate further growth investments across the Asia-Pacific region centered on Japan and the Philippines.

Through this financing, the IPS Group aims to achieve sustainable profit growth and further enhance its corporate value over the medium to long term.

II. Issuance of New Shares and Secondary Offering of Shares

1. Issuance of New Shares by way of Public Offering (the “Public Offering”)

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| (1) Class and Number of Shares to be Offered | 1,263,500 shares of common stock of the Company. |
| (2) Method of Determination of the Amount to be Paid In | The amount to be paid in will be determined on a day in the period from Wednesday, October 14, 2026 to Thursday, October 15, 2026 (such date, the “Pricing Date”) in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association (the “JSDA”). |
| (3) Amount of Capital Stock and Legal Capital Surplus to be Increased | The amount of capital stock to be increased is half of the maximum amount of increase in capital stock, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Regulations on Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of legal capital surplus to be increased is the amount obtained by subtracting the amount of capital stock to be increased from the maximum amount of increase in capital stock. |
| (4) Method of Offering | <p>The offering of shares will be a public offering, and the underwriter (the “Underwriter”) shall underwrite and purchase all of the shares offered in the Public Offering.</p> <p>In addition, the issue price (the offer price) will be determined on the Pricing Date in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc. promulgated by the JSDA, based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than one yen being rounded down), taking into account market demand.</p> |
| (5) Underwriting | The Company shall not pay any underwriting commission to the |

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Commissions	Underwriter in respect of the Public Offering, although the aggregate amount of the difference between (a) the issue price (the offer price) and (b) the amount to be paid to the Company by the Underwriter shall constitute the proceeds to the Underwriter.
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(6) Payment Date	The payment date is expected to be a day in the period from Tuesday, October 20, 2026 to Wednesday, October 21, 2026, provided, however, that such day is the fourth business day following the Pricing Date.
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(7) The amount to be paid in, the amount of capital stock and legal capital surplus to be increased, the issue price (the offer price), and any other matters necessary for the Public Offering will be determined at the discretion of the President/CEO of the Company.

(8) The Public Offering is subject to the registration taking effect under the Financial Instruments and Exchange Act (the “FIEA”).

Secondary Offering of Shares (the “Secondary Offering by way of Over-Allotment”)

(1) Class and Number of Shares to be Sold	189,500 shares of common stock of the Company. The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or the Secondary Offering by way of Over-Allotment itself may be canceled, depending on market demand for the Public Offering. Furthermore, the number of shares to be sold will be determined on the Pricing Date, taking into account market demand.
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(2) Seller	The designated underwriter
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(3) Selling Price	Undetermined. (The selling price will be determined on the Pricing Date; provided, however, that such selling price will be the same as the issue price (the offer price) in the Public Offering.)
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(4) Method of Secondary Offering	Taking into account market demand for the Public Offering, the designated underwriter will make a secondary offering of up to 189,500 shares of common stock of the Company that the designated underwriter borrows from a certain shareholder of the Company.
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(5) Delivery Date	The delivery date is the business day immediately following the payment date in the Public Offering.
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(6) The selling price and any other matters necessary for the Secondary Offering by way of Over-Allotment will be determined at the discretion of the President/CEO of the Company.

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- (7) The Secondary Offering by way of Over-Allotment is subject to the registration taking effect under the FIEA.
- (8) If the Public Offering is canceled, the Secondary Offering by way of Over-Allotment shall be canceled as well.

2. Issuance of New Shares by way of Third-Party Allotment

- (1) Class and Number of Shares to be Offered 189,500 shares of common stock of the Company.
- (2) Method of Determination of the Amount to be Paid In The amount to be paid in will be determined on the Pricing Date; provided, however, that such amount to be paid in will be the same as the amount to be paid in with respect to the Public Offering.
- (3) Amount of Capital Stock and Legal Capital Surplus to be Increased The amount of capital stock to be increased is half of the maximum amount of increase in capital stock, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Regulations on Corporate Accounting, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of legal capital surplus to be increased is the amount obtained by subtracting the amount of capital stock to be increased from the maximum amount of increase in capital stock.
- (4) Allottee The designated underwriter
- (5) Payment Date Wednesday, November 18, 2026
- (6) Shares not subscribed within the subscription period will not be issued.
- (7) The amount to be paid in, the amount of capital stock and legal capital surplus to be increased, and any other matters necessary for the issuance of new shares by way of third-party allotment will be determined at the discretion of the President/CEO of the Company.
- (8) Issuance of new shares by way of third-party allotment is subject to the registration taking effect under the FIEA.
- (9) If the Public Offering is canceled, the issuance of new shares by way of third-party allotment will be canceled as well.

<References>

Use of Proceeds

The Company intends to use all of the estimated maximum aggregate net proceeds of 5,490,528,200 yen from the Public Offering and the issuance of new shares by way of third-party allotment by the fiscal year ending March 2030 for capital expenditures related to the Wakayama

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Project, which consists of the development of the Wakayama Branch Line and the international submarine cable landing station in Wakayama Prefecture.

The Company is currently considering the optimal business structure for the Wakayama Project, including collaboration with potential partners and the utilization of available public support programs and other arrangements. If any portion of the proceeds remains after financing the Wakayama Project, the Company intends to use such remaining amount for capital expenditures to enhance international telecommunications capacity and telecommunications network infrastructure, including in the Philippines.

Until the specific timing of such use, the Company intends to invest the proceeds in safe financial instruments and other similar means.

In addition, the principal capital expenditure plans of the IPS Group as of October 5, 2026 (provided, however, that amounts already paid are as of August 31, 2026) are as follows.

Company	Facility / Site (Location)	Segment	Description of Facilities	Planned Investment Amount (¥ million)		Method of Financing	Commencement Date	Planned Completion Date	Increase in Capacity after Completion
				Total	Amount Paid				
IPS, Inc.	Head Office (Chuo-ku, Tokyo)	International Telecommunications Business	Joint construction of the international submarine cable system "Candle"	19,000	5,214	Own funds and bank borrowings	2025	During 2028	Expansion of the provision of international telecommunications circuits
InfiniVAN, Inc.	Taguig City, Republic of the Philippines	International Telecommunications Business	Construction of a submarine cable landing station in the Philippines	3,000	532	Own funds and loans from the Company	July 2025	December 2026	Expansion of the provision of international telecommunications capacity in the Philippines
InfiniVAN, Inc.	Taguig City, Republic of the Philippines	International Telecommunications Business	Enhancement of the domestic backbone network in the Philippines	2,500	187	Own funds and loans from the Company	Fiscal year 2026	Fiscal year 2026	Enhancement of the telecommunications network covering the entire Philippines
IPS, Inc.	Head Office (Chuo-ku, Tokyo)	International Telecommunications Business	Deployment of the Wakayama Branch Line	23,000 (*2)	-	Own funds and other funds, including proceeds from the issuance of new shares	Fiscal year 2026	Fiscal year 2029	Expansion of the provision of international telecommunications circuits
IPS Pro, Inc.	Head Office (Chuo-ku, Tokyo)	Domestic Telecommunications Business	Construction of the international submarine cable landing station in Wakayama Prefecture and related facilities (*1)		-	Own funds and other funds, and loans from the Company	Fiscal year 2026	Fiscal year 2029	Expansion of the provision of international telecommunications circuits in Japan

Notes: (*1) The project is expected to be jointly undertaken by IPS Pro, Inc. and potential partners.

(*2) As the deployment of the Wakayama Branch Line and the construction of the international submarine cable landing station in Wakayama Prefecture and related facilities are closely related capital expenditures, the total planned investment amount represents the aggregate amount for both. The total planned investment amount also includes the amount expected to be invested by potential partners in the construction of the international submarine cable landing station in Wakayama Prefecture and related facilities.

End

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