

Supplementary Materials Regarding the Domestic Public Offering

October 5, 2026

IPS, Inc.

Ticker : 4390 Tokyo Stock Exchange Prime





Overview of the Offering

Issuer	IPS, Inc. (TSE Prime Market, Securities Code: 4390)
Offering Structure	Domestic Public Offering
Number of Shares Offered	Total Number of Shares Offered : 1,453,000 shares – New Shares Offered through Public Offering : 1,263,500 shares – Secondary Offering through Over-Allotment : 189,500 shares
Board Resolution Date	October 5, 2026 (Monday)
Pricing Date	October 14, 2026 (Wednesday) (Tentative)
Subscription Period	October 15, 2026 (Thursday) to October 16, 2026 (Friday) (Tentative)
Payment Date	October 20, 2026 (Wednesday) (Tentative)
Settlement Date	October 21, 2026 (Tuesday) (Tentative)
Lock-up	Parties Subject: IPS, Inc.; Koji Miyashita (Founder & CEO) and Masako Uemori (Senior Managing Director) Period: From the Pricing Date until the date falling 180 days after the day immediately following the Settlement Date
Use of Proceeds	Investments related to the international submarine cable construction project
Lead Manager and Bookrunner	Mizuho Securities Co., Ltd.

Overview of the Offering

Securing the Funds Required for the JPY 23 Billion* Wakayama Digital Infrastructure Development Project (International Submarine Cable and Cable Landing Station)

- ① Funding for the Construction of the International Submarine Cable (Wakayama Branch Line)**
Considering the Construction of the Wakayama Branch Line for Landing at the Wakayama CLS
- ② Funding for the Construction of the Wakayama International Submarine Cable Landing Station (CLS)**
Considering the Development of the Wakayama Cable Landing Station
Operated by IPS Pro, a Licensed Telecommunications Operator

*The project is currently under detailed evaluation, taking into account discussions with potential business partners and external factors, including the availability of public support programs. While no final decisions have been made at this stage, the Company expects total investments of approximately JPY 23 billion by the fiscal year ending March 2030.

Background and Purpose of the Offering

Purpose of the Capital Raising

To ensure the successful execution of our next phase of growth investments, we are proactively securing funding and maintaining financial flexibility.

Three Key Considerations Behind Our Capital Policy

1

Progress of Existing Businesses

- Achieving High Capital Efficiency in the Global Telecommunications Business
- Steady Progress in IRU Sales for the Candle Project (Previously Announced)
- This Capital Raising Is Not Intended to Address Funding Shortfalls for Existing Projects

2

The Next Phase of Growth

- Advancing the Development of the Wakayama Project
- Growing Demand for International Telecommunications Infrastructure and Data Connectivity
- Positioned as a Medium- to Long-Term Growth Opportunity

3

Capital Allocation Policy

- Securing Funding for Growth Investments and Maintaining a Strong Financial Foundation
- Investments Are Expected to Be Made Over Multiple Fiscal Years
- Flexibly Allocating Capital to Digital Infrastructure Investments Primarily in the Philippines

Current Status of the Wakayama Project

- Steady Progress Toward Commercialization
- While progress has been made toward commercialization, the final investment amount and timing of the investment decision have not yet been determined, as they depend on factors such as the availability of public support programs and the allocation of responsibilities among project partners.
- Specific details will be promptly disclosed once finalized.

July 2, 2026 Commencement of Full-Scale Evaluation of a New International Cable Landing Station Project in Wakayama Prefecture
<https://contents.xj-storage.jp/xcontents/AS96841/ff8e0c1d/9d47/4771/a252/232ba7a16ada/20260821124456783s.pdf>

Based on our track record of EPS growth, we intend to allocate the investment capacity created through a stronger financial foundation to future growth investments, with the aim of enhancing long-term per-share value beyond the temporary impact of dilution.

Track Record of EPS Growth

FY2021
¥152.37



FY2023
¥225.8



FY2025
¥322.41

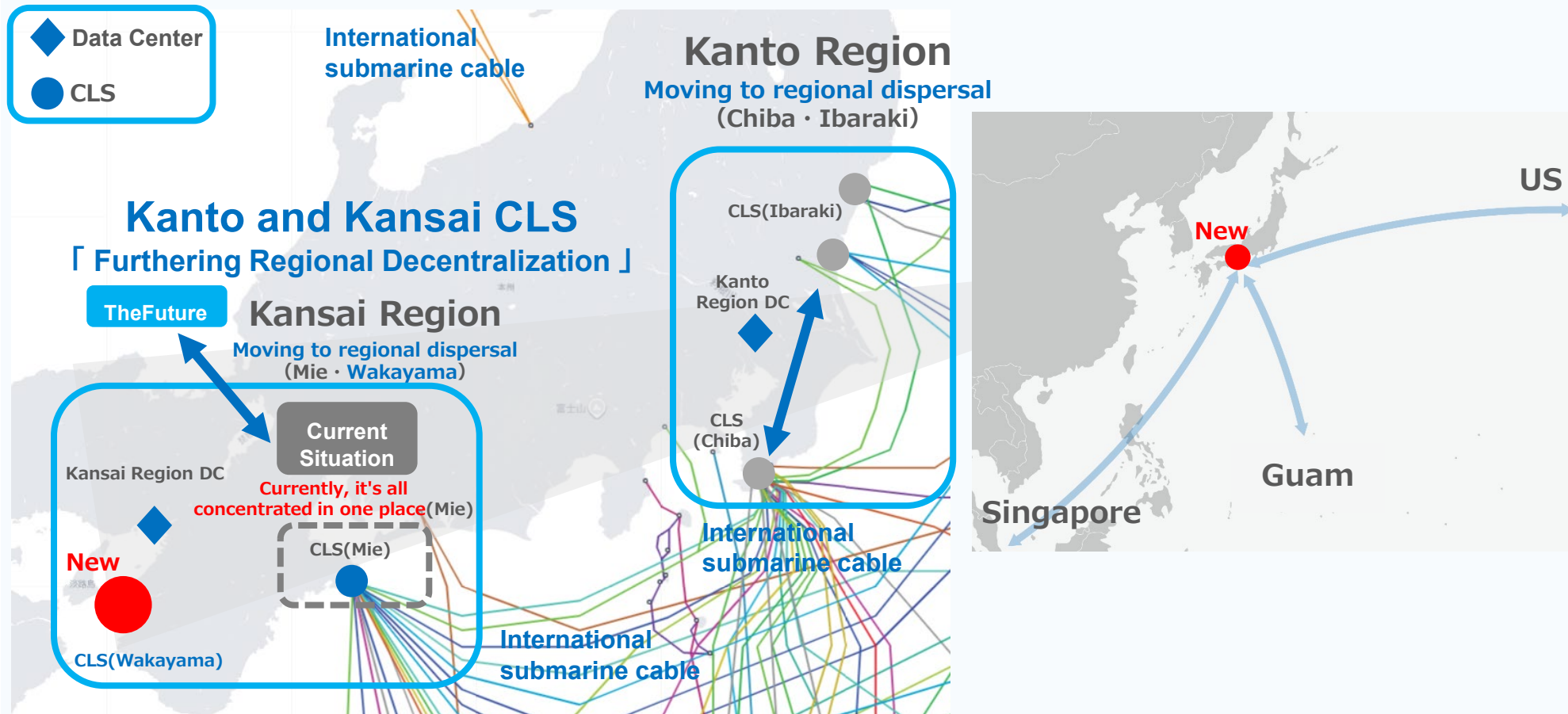
VS. FY2021
+112%

Diversifying Cable Landing Infrastructure in the Kansai Region and Creating New Business Opportunities

Enhancing Geographic Diversity of Cable Landing Infrastructure in Japan Through the Development of the Wakayama CLS. Creating New Business Opportunities Across the Pacific Rim Through International Submarine Cable Connectivity

Diversifying Cable Landing Infrastructure in the Kansai Region
Advancing the Development of the Wakayama Cable Landing Station

Creating Pacific Rim Business Opportunities
with Submarine Cable Owners



【Reference】 Social Infrastructure Supporting AI and the Digital Society in Asia

Japan Growth Strategy Council: “17 Strategic Areas”

- ① AI and Semiconductors
- ② Digital and Cybersecurity
- ③ Information and Communications
(Submarine Cables)
- ④ Quantum
- ⑤ Defense Industry
- ⑥ Aerospace
- ⑦ Ocean
- ⑧ Shipbuilding
- ⑨ Materials (Critical Minerals and Component Materials)
- ⑩ Synthetic Biology and Biotechnology
- ⑪ Drug Discovery and Advanced Medicine
- ⑫ Resources, Energy Security, and GX
- ⑬ Fusion Energy
- ⑭ Disaster Prevention and National Resilience
- ⑮ Port Logistics
- ⑯ Food Tech
- ⑰ Contents

[Japanese Government] Current Situation and Vision

- Supporting the AI Society in the Asian Region Core Infrastructure (Social Infrastructure)
- Driven by the growth of AI data centers and other factors, hyperscalers are accelerating the deployment of their own dedicated lines, and the market is expanding due to a surge in cable demand.

Goals

- Expanding the “hub” function of the undersea cable connecting North America and Asia
- Stimulate the development of data centers and cloud services in Japan

[Japanese Government] Basic Strategy

- Stably securing robust demand from hyperscalers and others
- Implementing multiple routes for submarine cables and decentralizing and strengthening landing stations in regional areas
- Lead the development of undersea cable networks, primarily in India and the Pacific region, to capture global telecommunications demand

Details of Public-Private Investment

- Strategic investment to promote research and development, societal implementation, and overseas expansion of submarine cable systems by private companies and other entities
- Public-private investment in a new undersea cable project

Disclaimer



This document has been prepared as supplemental material to the press release entitled “Notice Regarding the Issuance of New Shares and Secondary Offering of Shares” published by IPS, Inc. (the “Company”) on October 5, 2026, and does not constitute an offer or solicitation to purchase or subscribe for shares or any other securities issued by the Company in Japan or in any other jurisdiction.

The targets, plans, estimates, forecasts, projections, and other forward-looking statements contained in this document represent the judgments and assumptions of the Company and its group companies (the “IPS Group”) as of the date of preparation of this document. Actual operating results, financial condition, and other outcomes of the IPS Group may differ materially from those expressed or implied herein due to various factors, including domestic and international economic conditions, industry trends, competition, the ability to secure human resources, technological innovation, and other changes in the business environment.

Information contained in this document regarding industry trends, market conditions, economic circumstances, and other matters is based on information currently available to the Company. The Company does not guarantee the truthfulness, accuracy, reasonableness, or completeness of such information.

This document may include information regarding industry trends, market conditions, economic circumstances, and other matters based on the IPS Group’s assumptions, projections, estimates, or analyses. Such information reflects only the judgments and assumptions of the IPS Group as of the date of preparation of this document, and actual results may differ materially.

In addition, information contained in this document regarding the IPS Group’s potential revenue opportunities represents only the Company's current view of potential future business opportunities and their possible scale based on certain assumptions. Such information does not constitute forecasts, plans, targets, estimates, or projections of the Company's financial performance for any specific period, and actual results may differ materially from those described herein.

Changes in future circumstances or other factors may affect the contents of this document. However, the Company undertakes no obligation to update, revise, supplement, verify, or otherwise confirm the information contained herein. The contents of this document are subject to change without prior notice.

This document has been prepared solely for the purpose of publicly announcing the domestic public offering of the Company's common shares and has not been prepared for the purpose of soliciting investments or engaging in any offering activities in Japan or any other jurisdiction.



Contact for Investor Relations Inquiries

<https://ipsism.co.jp/en/contacts/>
