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March 21, 2024

Corporate Name: IPS, Inc.
Trading Name: IPS, Inc.
President/CEO: Koji Miyashita
Code Number : 4390 Prime Market of the
Tokyo Stock Exchange
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Notice of Increase in Capital of consolidated subsidiary (InfiniVAN, Inc.)

IPS Inc., hereby announces that the increase in capital of our consolidated subsidiary, InfiniVAN, Inc. (hereinafter referred to as "InfiniVAN"), has been approved by the Philippine Securities and Exchange Commission. The details are as follows:

Please note that the exchange rate used in this document is 1 Philippine Peso (hereinafter referred to as "PHP") = 2.69 Japanese Yen. Actual exchange rates may vary.

1.Capital Increase of InfiniVAN

(1) Background and Purpose of InfiniVAN's Capital Increase

The direct investment ratio in our consolidated subsidiary, InfiniVAN, which operates telecommunications business in the Philippines, was capped at 40% under the previous Public Service Act, resulting in our direct investment ratio also being limited to 40%.

On March 21, 2022, the Public Service Act Amendment Law (AN ACT AMENDING COMMONWEALTH ACT NO. 146, OTHERWISE KNOWN AS THE PUBLIC SERVICE ACT, AS AMENDED hereinafter referred to as the "PSA Amendment Law") was enacted, removing telecommunication services from the category of "public utilities" and allowing foreign ownership of up to 100% under certain conditions, as well as the employment of foreigners.

Furthermore, on March 20, 2023, the National Economic and Development Authority of the Republic of the Philippines announced the Implementing Rules and Regulations (IRR) regarding the PSA Amendment Law enacted on March 21, 2022. The IRR stipulates conditions, regulations, procedures, etc., for conducting telecommunications business with foreign investment exceeding 50% and appointing or employing foreign nationals. It was enforced on April 4, 2023.

In response to these developments, our group applied to the National Telecommunications Commission of the Republic of the Philippines to increase our direct investment ratio in InfiniVAN to over 50% through the subscription of InfiniVAN's capital increase, in order to expedite the expansion of telecommunications business in the Philippines. On November 17, 2023, we received approval for this. Subsequently, we applied for approval of the capital increase, etc., to the Philippine Securities and Exchange Commission, and received approval on March 18, 2024.

(2) Details of the Capital Increase

InfiniVAN implemented the following capital increase on March 18:

(1)Capital Increase Amount	1,227 million PHP (33 million JPY)
(2)Number of Newly Issued Shares	556,396 shares (2,205 PHP per share)
(3)Subscription Status	IPS, Inc.: 963 million PHP (436,508 shares) CorporateONE Inc.: 264 million PHP (119,888 shares)
(4)Capital Structure after Increase	IPS, Inc.: 777,008 shares (55.2%) CorporateONE Inc.: 630,638 shares (44.8%)

Note: Our ownership ratio, including indirect investment after the capital increase, will be 69.71%.

(3) Overview of InfiniVAN (As of March 21, 2024)

(1)Name	InfiniVAN, Inc.	
(2)Address	17F Ore Central Building, 31st Street Cor., 9th Ave., BGC, Taguig City, Philippines	
(3)Position/Name of Representative	President Shigeki Nakahara	
(4)Business Activities	Provision of corporate internet services in the Philippines	
(5)Capital	1,407 million PHP	
(6)Date of Establishment	April 20, 2015	
(7)Major Shareholders and Shareholding Ratios	IPS, Inc.: 777,008 shares (55.2%) CorporateONE Inc.: 630,638 shares (44.8%)	
(8)Relationship between IPS and InfiniVAN	Capital Relationship	A consolidated subsidiary based on the Japanese accounting standards.
	Personnel Relationship	Two of our directors also serve as directors of the company.
	Transaction Relationship	There are transactions related to telecommunications business within the Philippines and loans of funds
	Relevant Parties	As a consolidated subsidiary based on the Japanese accounting standards, it is relevant to related parties.

2. Impact on Performance

We anticipate a minor impact on the consolidated performance for the fiscal year ending March 2024 due to this matter. However, there may be an impact on the attributable net income to parent company shareholders for the fiscal year ending March 2025 due to the increase in ownership ratio (5.71%), including indirect investment.

(Note: Descriptions regarding future outlooks of performance in this document are based on information available to the company and deemed reasonable as of the date of this document's release, subject to certain assumptions. Actual performance may vary due to various factors in the future.)

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