

Translation

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

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 quarterly securities report: dividend payments:  
 Preparation of supplementary materials on quarterly Yes  
 financial results:  
 Holding of quarterly financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen, unless otherwise stated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(from April 1, 2023 to March 31, 2024)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	2,357	138.3	(5,501)	—	(6,097)	—	(2,366)	—
Fiscal year ended March 31, 2023	989	46.7	(11,023)	—	(11,378)	—	(11,398)	—

(Note) Comprehensive income

Fiscal year ended March 31, 2024: -3,071Millions of yen (-%)  
 Fiscal year ended March 31, 2023: -11,374Millions of yen (-%)

	Basic net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	(29.05)	-	(65.8)	(35.6)	(233.4)
Fiscal year ended March 31, 2023	(211.47)	-	(363.2)	(115.6)	(1,114.4)

(Note) Diluted net income per share is omitted for the reasons that the Company posted basic net loss per share. Diluted net income per share is omitted for the reason that although there were dilutive shares, the Company posted basic net loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2024	27,033	9,745	36.0	104.63
Fiscal year ended March 31, 2023	7,192	(2,347)	(35.4)	(47.28)

(Reference) Equity

Fiscal year ended March 31, 2024: 9,744Millions of yen  
 Fiscal year ended March 31, 2023: -2,548 Millions of yen

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	(5,024)	(2,062)	20,366	16,832
Fiscal year ended March 31, 2023	(7,322)	(90)	4,364	3,381

## 2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2023	—	—	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2024	—	—	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2025 (forecast)	—	—	—	0.00	0.00		—	

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,033	71.1	(13,165)	—	(12,462)	—	(12,466)	—	(153.05)

(Note) Since the Company manages its operations on an annual basis, the Company has omitted a forecast of consolidated financial results for the second quarter (cumulative period). For details, refer to “1. Qualitative Information on the Financial Results for the Period under Review, (4) Explanations on Consolidated Earnings Forecast and Other Forecast Information” on page 3 of the attached document.

### \*Explanatory notes

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

i. Changes in accounting policies due to revisions to accounting standards, etc.: None

ii. Changes in accounting policies other than those in i. above: None

iii. Changes in accounting estimates: None

iv. Restatement of prior period financial statements: None

(3) Number of shares issued and outstanding (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2024	93,131,903 shares	As of March 31, 2023	53,901,120 shares
2) Number of treasury shares at the end of the period	As of March 31, 2024	55 shares	As of March 31, 2023	— shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	Fiscal year ended March 31, 2024	81,455,440 shares	Fiscal year ended March 31, 2023	53,900,298 shares

(Reference) Summary of Non-consolidated Financial Results

### 1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(from April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	1,012	61.7	(4,240)	—	(6,088)	—	(2,342)	—
Fiscal year ended March 31, 2023	625	9.2	(11,087)	—	(11,315)	—	(11,319)	—

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2024	(28.75)	—
Fiscal year ended March 31, 2023	(210.00)	—

(Note) Diluted net income per share is omitted for the reasons that the Company posted basic net loss per share. Diluted net income per share is omitted for the reason that although there were dilutive shares, the Company posted basic net loss per share.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2024	25,551	10,353	40.5	111.16
Fiscal year ended March 31, 2023	7,015	(2,469)	(38.1)	(49.54)

(Reference) Equity

Fiscal year ended March 31, 2024:	10,352 Millions of yen
Fiscal year ended March 31, 2023:	-2,670 Millions of yen

\* This summary of financial results is not subject to quarterly review procedures by a public accountant or an audit corporation.

\* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that are thought to be reasonable. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors. For matters concerning earnings forecast, refer to “1. Qualitative Information on the Financial Results for the Period under Review, (4) Explanations on Consolidated Earnings Forecast and Other Forecast Information” on page 3 of the Appendix.

(How to obtain the supplementary materials on quarterly financial results and the content of the quarterly financial results briefing session)

The Company will hold a quarterly financial result briefing session for institutional investors and securities analysts on May 10, 2024 (Friday) and the material to be used in the briefing session will be disclosed on the Company website.

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## 1. Qualitative Information on the Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Company is a next-generation private space company working on the commercialization of lunar surface development to realize a sustainable world by expanding our living sphere into space in line with its vision of “Expand our planet. Expand our future.”

During the fiscal year ending March 2024, although the spread of the new coronavirus finally appears to be abating, the situation remains uncertain due to the rapid depreciation of the yen and inflation caused by high commodity prices, as well as policy interest rate hikes in various countries.

Despite such circumstances, the field of space resource development—the Group’s business—saw continued active progress. During the fiscal year ended March 2024, 11 countries, the Czech Republic, Spain, India, Germany, Iceland, Netherlands, Bulgaria, Angola, Belgium, Greece, and Uruguay, joined the Artemis Accords while Switzerland and Sweden also joined in April 2024, bringing the total number of signatory countries and territories to 38 (as of the end of April 2024), including Japan and the U.S. The Artemis Accords serve as a guideline for peaceful, friendly, and transparent lunar surface activities under the Artemis Program, which is the manned lunar exploration program advanced by the National Aeronautics and Space Administration (“NASA”).

Significant progress has also been achieved by the Japanese government; on June 15, 2021, the Act on Promotion of Business Activities for the Exploration and Development of Space Resources was passed and enacted in the Diet, marking a groundbreaking step forward. The Act permits Japanese private companies to explore and exploit space resources, such as water, minerals, and other natural resources, found on the moon and other celestial bodies, as well as in outer space. Japan has become the fourth country in the world to establish laws to allow private companies to use space resources, after the United States, Luxembourg, and the United Arab Emirates. This paves the way for further promotion of space development and lunar surface exploration is expected.

With such developments as a background, the Group has completed the development of the Mission 1 lunar landers and conducted a launch at Space Launch Complex 40, Cape Canaveral Space Force Station, Florida, at 16:38 on Sunday, December 11, 2022 (Japan Standard Time). From then until April 2023, despite not being able to achieve Success 9 “Completion of lunar landing” out of the 10 success milestones that had been set beforehand, the mission achieved 8 milestones, up to Success 8 “Completion of all orbit control maneuvers in lunar orbit.” The Company had concluded ‘Lunar Insurance’ intended to comprehensively compensate for risks occurring from the launch of the rocket to the landing on the lunar surface and subsequent verification of two-way communications, and following the Mission 1 lander’s failure to make a soft landing on the Moon, the Company received insurance proceeds of JPY 3,793,660 thousand yen under the policy, which was recorded as extraordinary income in the second quarter of the fiscal year. In addition, by analyzing the factors preventing Success 9 from being completed, the Group clarified the points that need to be improved in order to increase the success rate of Mission 2 and subsequent missions. Not only has it achieved these significant milestones through Mission 1, but it has also advanced lander developments for Mission 2, which is scheduled to be launched in winter 2024, and the subsequent Mission 3, as well as promoting the acquisition of new customers for its payload services. Furthermore, for the partnership business in which the Group offers customers the rights to use its activities as content, the display of corporate logos on advertising media and access data usage and other rights in packages, and collaborate on technology development and merchandise development, the Company has promoted partnership relationships with existing partner companies, as well as promoted new customer acquisition for HAKUTO-R, which covers up to Mission 2.

As a result, the Group posted net sales of 2,357,055 thousand yen (up 138.3% year-on-year), operating loss of 5,501,696 thousand yen (operating loss of 11,023,904 thousand yen in the same period of the previous fiscal year), ordinary loss of 6,097,990 thousand yen (ordinary loss of 11,378,300 thousand yen in the same period of the previous fiscal year) and net loss attributable to owners of parent of 2,366,265 thousand yen (net loss attributable to owners of parent of 11,398,248 thousand yen in the same period of the previous fiscal year) for fiscal year ended March 2024.

Furthermore, operating results by segment are omitted as the Group operates a single segment which is the lunar surface development business.

## (2) Financial Position

### (Current assets)

The balance of current assets at the end of the fourth quarter under review was 21,784,875 thousand yen, an increase of 16,053,975 thousand yen from the end of the previous fiscal year. This was mainly attributable to cash on hand in banks increasing by 10,933,475 thousand yen, restricted withdrawal deposits increasing by 2,517,482 thousand yen, and advances paid increasing by 2,482,839 thousand yen.

### (Non-current assets)

The balance of non-current assets at the end of the fourth quarter under review was 5,248,569 thousand yen, an increase of 3,786,583 thousand yen from the end of the previous fiscal year. This was mainly attributable to construction in progress increasing by 1,913,494 thousand yen and long-term advance payments - trade increasing by 1,412,606 thousand yen.

### (Current liabilities)

The balance of current liabilities at the end of the fourth quarter under review was 10,503,337 thousand yen, an increase of 6,379,341 thousand yen from the end of the previous fiscal year. This was mainly attributable to short-term borrowings increasing by 4,596,662 thousand yen.

### (Long-term liabilities)

The balance of long-term liabilities at the end of the fourth quarter under review was 6,784,851 thousand yen, an increase of 1,368,353 thousand yen from the end of the previous fiscal year. This was mainly attributable to long-term borrowings increasing by 1,142,667 thousand yen.

### (Net assets)

The balance of net assets at the end of the fourth quarter under review was 9,745,256 thousand yen, an increase of 12,092,862 thousand yen from the end of the previous fiscal year. This was mainly attributable to share capital and legal capital surplus increasing by 7,682,478 thousand yen with the public offering and such associated with the new listing and international offering. In accordance with the resolution of the Ordinary General Meeting of Shareholders held on June 28, 2023, the Company reduced 8,556,042 thousand yen from legal capital surplus as of June 28, 2023, and transferred the amount to other capital surplus. In addition, the amount transferred to other capital surplus was transferred to retained earnings brought forward to compensate for the deficit.

## (3) Cash Flows

Cash and cash equivalents ("net cash") at the end of the period under review amounted to 16,832,893 thousand yen, an increase of 13,450,957 thousand yen from the end of the previous fiscal year.

The status of cash flows in the period under review and their contributing factors are as follows.

### (Cash flows from operating activities)

Net cash acquired in operating activities amounted to 5,024,543 thousand yen (7,322,198 thousand yen in the previous fiscal year). This was mainly attributable to the recording of net income before income taxes of 2,347,592 thousand yen and an increase in long-term advance payments - trade of 3,113,742 thousand yen.

### (Cash flows from investing activities)

Net cash used in investing activities amounted to 2,062,916 thousand yen (90,086 thousand yen in the previous fiscal year). This is mainly due to the purchase of property, plant and equipment of 2,022,942 thousand yen.

### (Cash flows from financing activities)

Net cash provided by financing activities amounted to 20,366,898 thousand yen (4,364,028 thousand yen in the previous fiscal year). This is mainly due to proceeds from issuance of shares of 14,822,528 thousand yen etc.

## (4) Explanations on Consolidated Earnings Forecast and Other Forecast Information

The Group develops multiple missions in parallel in both Japan and the U.S. Mission 2, developed in Japan, is scheduled to be launched in the winter of 2024. Mission 3, which is currently under development in the U.S., will transport payloads of NASA and private companies and is scheduled to be launched in 2026. Mission 6 is being developed in Japan with a grant of 12 billion yen under Japanese government's SBIR program and is scheduled to be launched in 2027.

Considering the development of multiple missions in parallel, it is expected that the majority of sales for the fiscal year ending March 31, 2025 will be from payload service related to Mission 3. As for costs, SG&A costs are expected to be increased compared to the previous fiscal year. This is mainly due to an increase in costs related to the development of Mission 3 and Mission 6 landers in addition to Mission 2 launch cost.

As a result, for fiscal year ending March 31, 2025, the Group forecasts net sales of 4,033 million yen (up 71.1% year-on-year), operating loss of 13,165 million yen (operating loss of 5,501 million yen in the previous fiscal year), ordinary loss of 12,462 million yen (ordinary loss of 6,097 million yen in the previous fiscal year) and net loss attributable to owners of parent of 12,466

million yen (net loss attributable to owners of parent of 2,366 million yen in the previous fiscal year).

The above forecasts are based on information available as of the date of publication of this document, and actual results may differ from the forecasts due to various factors in the future.

(5) Significant Events, etc. Going Concern Assumption

The space related business in which the Group is engaged is expected to expand globally at a rapidly accelerating rate, requiring the urgent establishment of necessary technologies to keep up with the trajectory of the industry. As the Group is engaged in developments of space related equipment that require a large amount of upfront research and development investment and a long-term development period, the Company is not generating revenue to compensate for all such development investments, and has recorded continuous operating losses and negative operating cash flow. Therefore, as of the end of the fiscal year ended March 31, 2024, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern. The Group will work on the following significant issues until such events or circumstances are resolved and stable business earnings are generated.

However, as the Group is implementing measures to resolve such significant events or circumstances, the Group has determined that there is no significant uncertainty regarding its ability to operate as a going concern.

(i) Promotion of Research and Development

Mission 1 which is completed, and Mission 2 which is planned for launch in winter 2024, are both planned as R&D missions. Including for the subsequent Mission 3, while securing launching opportunities by launch service providers, the Group will steadily advance the development of lunar surface landers and lunar rovers by strictly managing development schedule and development cost as well as development quality.

(ii) Customer development

The landers and rovers required for the Company to achieve business earnings are under development. The global market in which the Company anticipates business earnings is in its pioneer days. The Company has currently confirmed potential orders from customers in the research and development missions and will continue to cultivate a sustainable customer market over the medium to long term to stabilize business earnings.

(iii) Securing Human resources

The Company is continuously hiring human resources with advanced expertise and capabilities in various development fields in Japan and overseas to pursue research and development of landers and rovers. Additionally, the Company will continue to engage in preparing an environment that enables each human resource to demonstrate their full abilities in the organization in which the number of employees is rapidly expanding.

(iv) Establishing and Appropriately Managing Internal Control Responding to Growth

The Company will continue to establish and appropriately manage internal controls responding to its growth, such as organizing necessary operational processes, financial and accounting structure, labor management, and subsidiary management, for the Group to continuously expand business in the future.

(v) Securing Funds for Achieving Growth over Medium to Long Term

Continuing to perform missions in the future is essential for the Company to aspire to stable business earnings. It is also important to consistently secure the necessary funds to do so. The Company has so far procured funds by methods that include unsecured convertible-bond-type bonds with share acquisition rights, third-party allotment of shares, borrowings from financial institutions, crowdfunding and public offering, and will consider the possibilities of flexible fund procurements to promote the missions in the future.

## 2. Basic approach to the selection of accounting standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP for the purpose of intercompany comparability.

The Company will consider applying International Financial Reporting Standards (IFRSs) as appropriate along with various conditions in Japan and overseas.



### 3. Quarterly Consolidated Financial Statements and Significant Notes

#### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	3,381,935	14,315,411
Restricted cash	—	2,517,482
Notes receivable - trade	—	1,385
Accounts receivable - trade	29,139	18,696
Advance payments to suppliers	1,745,975	4,228,814
Work in process	107,395	274,770
Other	466,453	428,315
Total current assets	5,730,899	21,784,875
Non-current assets		
Property, plant and equipment		
Buildings	63,091	67,090
Tools, furniture and fixtures	254,267	375,015
Right-of-use assets	—	333,205
Construction in progress	450	1,913,944
Other	8,593	8,593
Accumulated depreciation	(184,645)	(235,030)
Total property, plant and equipment	141,757	2,462,819
Intangible assets		
Software	64,667	70,810
Software in progress	1,420	—
Other	—	1,823
Total intangible assets	66,087	72,634
Investments and other assets		
Long-term advance payments - trade	1,148,148	2,560,754
Other	105,993	152,360
Total investments and other assets	1,254,141	2,713,114
Total non-current assets	1,461,986	5,248,569
Total assets	7,192,886	27,033,444

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,383,338	5,980,000
Contract liabilities	2,382,279	3,190,172
Other	358,377	1,333,164
Total current liabilities	4,123,995	10,503,337
Non-current liabilities		
Long-term borrowings	5,395,573	6,538,241
Deferred tax liabilities	20,923	—
Other	—	246,609
Total non-current liabilities	5,416,497	6,784,851
Total liabilities	9,540,493	17,288,188
<b>Net assets</b>		
Shareholders' equity		
Share capital	93,022	7,775,500
Capital surplus	8,556,042	7,682,478
Retained earnings	(11,172,340)	(4,982,563)
Treasury shares	—	(65)
Total shareholders' equity	(2,523,276)	10,475,350
Accumulated other comprehensive income		
Foreign currency translation adjustment	(25,372)	(731,024)
Total accumulated other comprehensive income	(25,372)	(731,024)
Share acquisition rights	201,042	930
Total net assets	(2,347,606)	9,745,256
<b>Total liabilities and net assets</b>	<b>7,192,886</b>	<b>27,033,444</b>

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income (Loss)  
(Consolidated Statement of Income (Loss))

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	989,241	2,357,055
Cost of sales	436,468	1,428,811
Gross profit	552,773	928,243
Selling, general and administrative expenses		
Research and development expenses	9,233,718	3,834,408
Salaries and allowances	700,446	997,196
Other	1,642,512	1,598,334
Total selling, general and administrative expenses	11,576,677	6,429,939
Operating loss	(11,023,904)	(5,501,696)
Non-operating income		
Interest income	269	18,615
Subsidy income	1,009	—
Compensation for damage	17,504	—
Foreign exchange gains	83,481	641,007
Other	2,519	1,489
Total non-operating income	104,785	661,112
Non-operating expenses		
Interest expenses	196,155	367,997
Share issuance costs	—	52,019
Commission expenses	250,000	—
Listing expenses	—	470,789
Financing expenses	—	320,787
Other	13,026	45,811
Total non-operating expenses	459,181	1,257,406
Ordinary loss	(11,378,300)	(6,097,990)
Extraordinary income		
Insurance claim income	—	3,793,660
Gain on reversal of share acquisition rights	—	52
Total extraordinary income	—	3,793,713
Extraordinary losses		
Loss on retirement of non-current assets	347	—
Loss on retirement of treasury subscription rights to shares	—	43,315
Total extraordinary losses	347	43,315
Loss before income taxes	(11,378,647)	(2,347,592)
Income taxes - current	12,721	18,673
Income taxes - deferred	6,879	—
Total income taxes	19,600	18,673
Loss	(11,398,248)	(2,366,265)
Loss attributable to owners of parent	(11,398,248)	(2,366,265)

(Quarterly Consolidated Statement of Comprehensive Income (Loss))

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Loss	(11,398,248)	(2,366,265)
Other comprehensive income		
Foreign currency translation adjustment	23,972	(705,652)
Total other comprehensive income	23,972	(705,652)
Comprehensive income	(11,374,276)	(3,071,917)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,374,276)	(3,071,917)

## (3) Consolidated statement of changes in shareholders' equity

Previous Fiscal Year (from April 2022 to March 31, 2023)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	100,000	12,759,399	(3,984,477)	8,874,921
Changes during period				
Loss attributable to owners of parent			(11,398,248)	(11,398,248)
Exercise of share acquisition rights	25	25		51
Transfer from share capital to legal capital surplus	(7,003)	7,003		—
Transfer to retained earnings from capital surplus		(4,210,385)	4,210,385	—
Net changes in items other than shareholders' equity				—
Total changes during period	(6,978)	(4,203,356)	(7,187,862)	(11,398,197)
Balance at end of period	93,022	8,556,042	(11,172,340)	(2,523,276)

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(49,345)	(49,345)	5,973	8,831,549
Changes during period				
Loss attributable to owners of parent				(11,398,248)
Exercise of share acquisition rights				51
Transfer from share capital to legal capital surplus				—
Transfer to retained earnings from capital surplus				—
Net changes in items other than shareholders' equity	23,972	23,972	195,068	219,040
Total changes during period	23,972	23,972	195,068	(11,179,156)
Balance at end of period	(25,372)	(25,372)	201,042	(2,347,606)

Current Fiscal Year (from April 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	93,022	8,556,042	(11,172,340)	—	(2,523,276)
Changes during period					
Loss attributable to owners of parent			(2,366,265)		(2,366,265)
Issuance of new shares	7,422,632	7,422,632			14,845,265
Exercise of share acquisition rights	259,846	259,846			519,692
Forfeiture of share acquisition rights					
Transfer to retained earnings from capital surplus		(8,556,042)	8,556,042		—
Purchase of treasury shares				(65)	(65)
Net changes in items other than shareholders' equity					
Total changes during period	7,682,478	(873,563)	6,189,776	(65)	12,998,626
Balance at end of period	7,775,500	7,682,478	(4,982,563)	(65)	10,475,350

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(25,372)	(25,372)	201,042	(2,347,606)
Changes during period				
Loss attributable to owners of parent				(2,366,265)
Issuance of new shares				14,845,265
Exercise of share acquisition rights			(200,059)	319,633
Forfeiture of share acquisition rights			(52)	(52)
Transfer to retained earnings from capital surplus				—
Purchase of treasury shares				(65)
Net changes in items other than shareholders' equity	(705,652)	(705,652)		(705,652)
Total changes during period	(705,652)	(705,652)	(200,111)	12,092,862
Balance at end of period	(731,024)	(731,024)	930	9,745,256

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
<b>Cash flows from operating activities</b>		
Loss before income taxes	(11,378,647)	(2,347,592)
Depreciation	72,070	83,333
Insurance claim income	—	(3,793,660)
Subsidy income	(1,009)	—
Compensation for damages	(17,504)	—
Interest expenses	196,155	367,997
Foreign exchange losses (gains)	(45,178)	(629,606)
Listing expenses	—	470,789
Financing expenses	—	320,787
Share issuance costs	—	52,019
Loss on retirement of treasury subscription rights to shares	—	43,315
Commission expenses	250,000	—
Decrease (increase) in trade receivables	(6,320)	16,822
Decrease (increase) in advance payments to suppliers	3,631,858	(696,858)
(Increase) decrease in long-term advance payment	(919,385)	(3,113,742)
Increase (decrease) in contract liabilities	1,142,310	781,712
Other, net	(46,571)	(8,486)
<b>Subtotal</b>	<b>(7,122,222)</b>	<b>(8,453,168)</b>
Proceeds from insurance income	—	3,793,660
Interest and dividends received	270	18,615
Interest paid	(196,155)	(370,500)
Income taxes paid	(4,091)	(13,151)
<b>Net cash provided by (used in) operating activities</b>	<b>(7,322,198)</b>	<b>(5,024,543)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(54,919)	(2,022,942)
Purchase of intangible assets	(29,678)	(36,482)
Other, net	(5,487)	(3,491)
<b>Net cash provided by (used in) investing activities</b>	<b>(90,086)</b>	<b>(2,062,916)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	1,000,000	5,500,000
Repayments of short-term borrowings	(1,099,995)	(1,083,338)
Proceeds from long-term borrowings	4,750,000	2,000,000
Repayments of long-term borrowings	(284,426)	(677,332)
Proceeds from issuance of shares	—	14,822,528
Payments of listing expenses	—	(470,789)
Payments of finance expenses	—	(5,750)
Purchase of treasury shares	—	(65)
Payments for purchase of treasury subscription right to share	—	(43,315)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	51	319,633
Other, net	(1,600)	5,326
<b>Net cash provided by (used in) financing activities</b>	<b>4,364,028</b>	<b>20,366,898</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>97,650</b>	<b>171,519</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,950,606)</b>	<b>13,450,957</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,332,542</b>	<b>3,381,935</b>
<b>Cash and cash equivalents at end of period</b>	<b>3,381,935</b>	<b>16,832,893</b>

(5) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Statement of Cash Flows)

Reconciliation of cash and cash equivalents at the end of the period to the accounts reported in the consolidated balance sheets is made as follows.

	Previous Fiscal Year (from April 1, 2022 to March 31, 2023)	Current Fiscal Year (from April 1, 2023 to March 31, 2024)
Cash and bank deposits	3,381,935 thousand yen	14,315,411 thousand yen
Restricted withdrawal deposit	—	2,517,482 thousand yen
Cash and cash equivalents	3,381,935 thousand yen	16,832,893 thousand yen

(Note) In the current fiscal year, 2,517,482 thousand yen of restricted withdrawal deposits held by ispace technologies U.S., inc. are included in cash and cash equivalents in accordance with the provisions of ASC No. 230, "Statement of Cash Flows," the U.S. accounting standard applied by the company.

(Segment Information, etc.)

Segment information is omitted as the Group operates a single segment which is the lunar surface development business.

(Per Share Information)

	Previous Fiscal Year (from April 1, 2022 to March 31, 2023)	Current Fiscal Year (from April 1, 2023 to March 31, 2024)
Net assets per share	(47.28) yen	104.63 yen
Net loss per share	(211.47) yen	(29.05) yen

(Note)

1. The company's own shares recorded as treasury stock in shareholders' equity are included in the treasury stock deduction in the calculation of the average number of shares outstanding during the period for the purpose of calculating net income per share, and the number of shares is included in the number of treasury stock deducted from the total number of shares issued and outstanding at the end of the period for the calculation of net assets per share. The average number of such treasury stock during the period, which was deducted from the calculation of net income per share, was 5 shares for the current consolidated fiscal year, and the number of such treasury stock at the end of the period, which was deducted from the calculation of net assets per share, was 55 shares for the current consolidated fiscal year.

2. Diluted net income per share is omitted since the Company posted a net loss per share.

3. Basis for calculation of net loss per share is as follows

	Previous Fiscal Year (from April 1, 2022 to March 31, 2023)	Current Fiscal Year (from April 1, 2023 to March 31, 2024)
Loss attributable to owners of parent (thousand yen)	(11,398,248)	(2,366,265)
Amount not attributable to common shareholders (thousand yen)	—	—
Loss attributable to owners of parent for common stock (thousand yen)	(11,398,248)	(2,366,265)
Average number of shares of common stock during the period (shares)	53,900,298	81,455,440
Summary of potential stock not included in the calculation of diluted net income per share due to the absence of dilutive effects	12 types of stock acquisition rights Number of stock acquisition rights: 621,226 (common stock: 8,797,343 shares)	10 types of stock acquisition rights Number of stock acquisition rights: 368,889 (common stock: 7,377,780 shares)



(Significant Subsequent Events)

(A borrowing of large amount of funds)

ispace, inc. made a resolution at the Board of Directors' meeting held on April 24, 2024 to borrow funds for development of Mission 3 & Mission 6 (including other related expenses), and the borrowing was executed on April 30, 2024 after signed two loan agreements on April 25, 2024 as follows.

1. Short-term debt (Bridge-Loan)

- |                         |                                     |
|-------------------------|-------------------------------------|
| (1) Lender              | Sumitomo Mitsui Banking Corporation |
| (2) Borrowing amount    | 5 billion yen                       |
| (3) Interest rate       | Base interest rate + spread         |
| (4) Borrowing date      | April 30, 2024                      |
| (5) Repayment date      | July 31, 2024                       |
| (6) Collateral          | Unsecured and unguaranteed          |
| (7) Financial covenants |                                     |

- 1) The total amount of net assets indicated in the consolidated balance sheet at the end of each fiscal year should be maintained positive.
- 2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each fiscal year should be maintained at 3 billion yen or more.

2. Long-term debt

- |                         |                                     |
|-------------------------|-------------------------------------|
| (1) Lender              | Sumitomo Mitsui Banking Corporation |
| (2) Borrowing amount    | 2 billion yen                       |
| (3) Interest rate       | Base interest rate + spread         |
| (4) Borrowing date      | April 30, 2024                      |
| (5) Repayment date      | April 30, 2027                      |
| (6) Collateral          | Unsecured and unguaranteed          |
| (7) Financial covenants |                                     |

- 1) The total amount of net assets indicated in the consolidated balance sheet at the end of each fiscal year should be maintained positive.
- 2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each fiscal year should be maintained at 3 billion yen or more.

In accordance with the above loan agreements, ispace, inc. made a repayment of existing borrowings as follows.

- |                      |                                     |
|----------------------|-------------------------------------|
| (1) Lender           | Sumitomo Mitsui Banking Corporation |
| (2) Borrowing amount | 3 billion yen                       |
| (3) Interest rate    | Base interest rate + spread         |
| (4) Borrowing date   | August 31, 2023                     |
| (5) Repayment date   | April 30, 2024                      |