ispace

Financial Results Material for Fiscal Year Ended March 2024

ispace, inc.
(Securities Code : 9348)
May 10, 2024

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About ispace (Overview)

EXPAND OUR PLANET.
EXPAND OUR FUTURE.

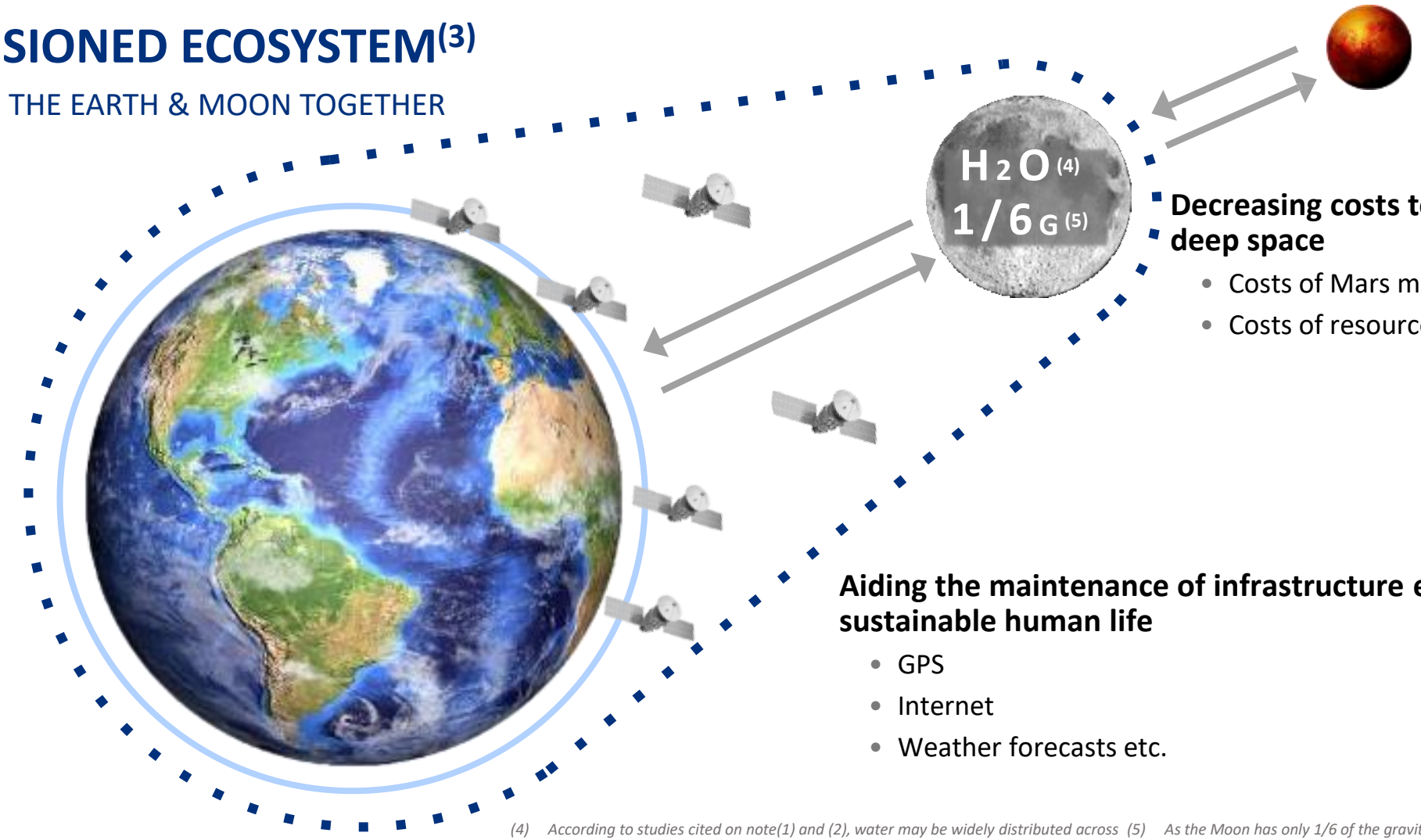
Creation of a world where the Earth and the Moon are one ecosystem, establishing a new economy on the Moon

- “Moon Valley 2040” is an outlook on the world representing ispace’s vision EXPAND OUR PLANET. EXPAND OUR FUTURE
- We envision 1,000 people living on and another 10,000 people visiting the Moon annually by 2040
- Focusing on lunar water resources, we believe infrastructure on the Moon surface will be established with the support of various industries such as construction, manufacturing, energy and telecommunication
- Expanding our living sphere into space, we aim for the integration of the Earth and Moon into one ecosystem as a long-term goal

The potential of the Moon as a "fuel supply base" utilizing water (H_2O) that exists(1) in the form of ice with an estimated mass of as much as 6.6Bn tons(2) on the Moon

ENVISIONED ECOSYSTEM(3)

BRINGS THE EARTH & MOON TOGETHER



Decreasing costs to access areas of deep space

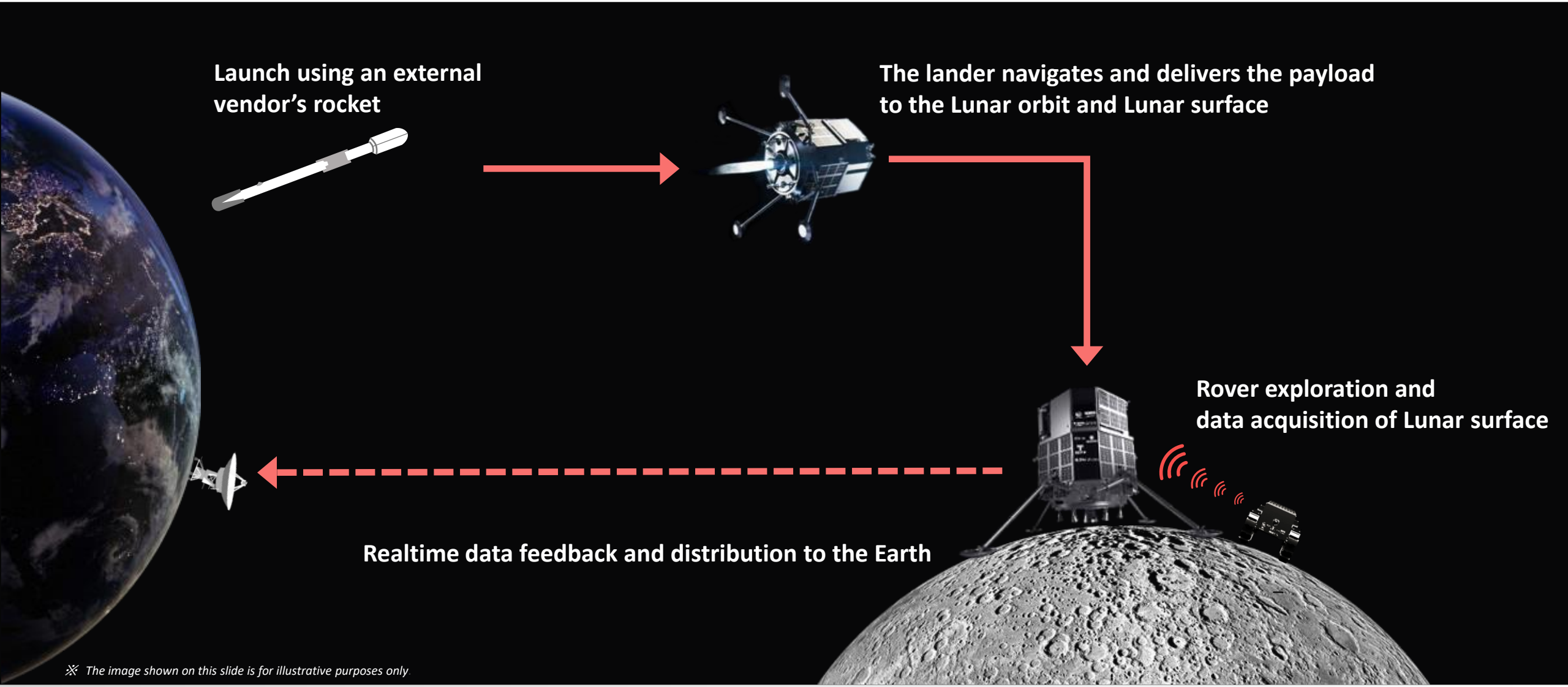
- Costs of Mars missions
- Costs of resource explorations etc.

Aiding the maintenance of infrastructure essential to sustainable human life

- GPS
- Internet
- Weather forecasts etc.

(1) *https://science.nasa.gov/moon/moon-water-and-ices/*
(2) *https://nssdc.gsfc.nasa.gov/planetary/ice/ice_moon.html*
(3) *The image shown on this slide is for illustrative purposes only*
(4) *According to studies cited on note(1) and (2), water may be widely distributed across the Moon. We believe that it may be possible to utilize hydrogen and oxygen split through electrolysis of water extracted from regolith as a potential source of fuel for future deep-space exploration*
(5) *As the Moon has only 1/6 of the gravity of the Earth, the launch cost from the Moon could theoretically be lower than the launch cost from the Earth*

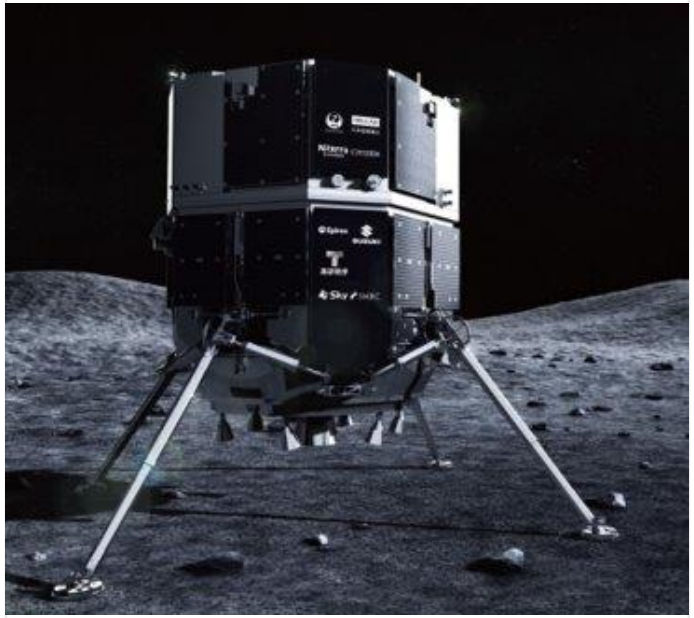
The lander developed by ispace is launched into outer space on an external vendor’s rocket. After the lander navigates on its own to the lunar surface, the plan is for the lander and rover to explore and acquire data from lunar surface



※ *The image shown on this slide is for illustrative purposes only*

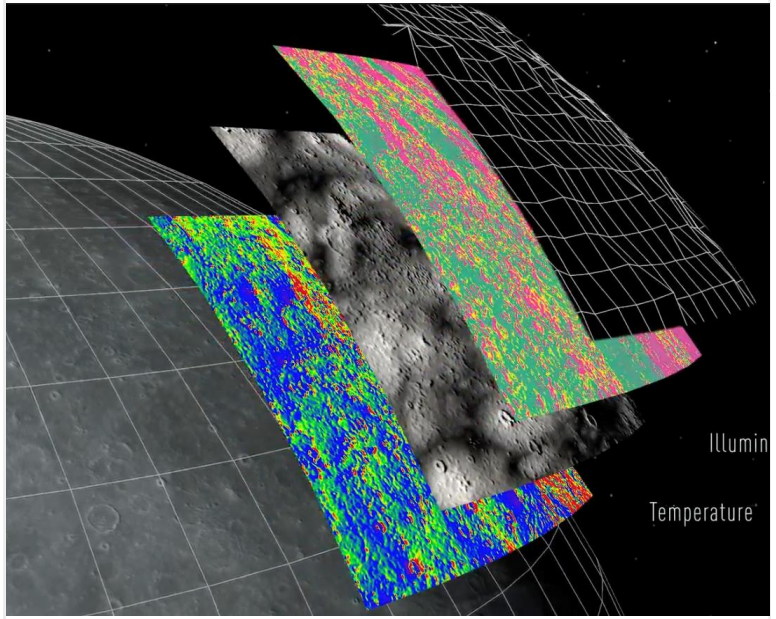
Payload service and Partnership service are the current business pillars of ispace. We plan to establish Data service in the future

Payload service



Transport customers' payload to the Moon. Customers will acquire significant data from payloads by conducting experiments, developing infrastructure, etc.

Data service



Customers are expected to acquire significant data from payloads developed by ispace. Access to the database accumulated through high frequency missions will be provided to customers in the future (Net sales have not been recorded yet as of Fiscal Year Ended March 2024)

Partnership service

Supporting customers' marketing efforts through joint campaigns with ispace, like logo placements. Each company collaborates with ispace from technical or business perspectives

Achievements

In 2022, ispace became the first commercial company to successfully launch a lunar lander.

December 11, 2022

@ Cape Canaveral on SpaceX Falcon 9

Our Mission Schedule[1]

2022		
	ispace	Mission 1
2023		
2024		
	ispace	Mission 2
2025		
2026	ispace	Mission 3
2027	ispace	Mission 4
	ispace	Mission 5
	ispace	Mission 6

(1) As of May 10, 2024. The missions and schedules, as shown above, are current but subject to change

Mission 1 Success Milestones

Achieved 8 out of 10 Success Milestones, despite not being able to achieve lunar landing. Acquired valuable data until the end of landing sequence

Success 1 ✓
Completion of Launch Preparations
Completed Nov 28, 2022

Success 2 ✓
Completion of Launch and Deployment
Completed Dec 11, 2022

Success 3 ✓
Establishment of a Steady Operation State
(Initial Critical Operation Status)
Completed Dec 16, 2022

Success 4 ✓
Completion of first orbital control maneuver
Completed Dec 15, 2022

Success 5 ✓
Completion of stable deep-space flight operations for one month
Completed Jan 11, 2023

Success 6 ✓
Completion of all deep space orbital control maneuvers before LOI
Completed Mar 18, 2023

Success 7 ✓
Reaching the lunar gravitational field and lunar orbit
Completed Mar 21, 2023

Success 8 ✓
Completion of all orbit control maneuvers in lunar orbit
Completed Apr 14, 2023

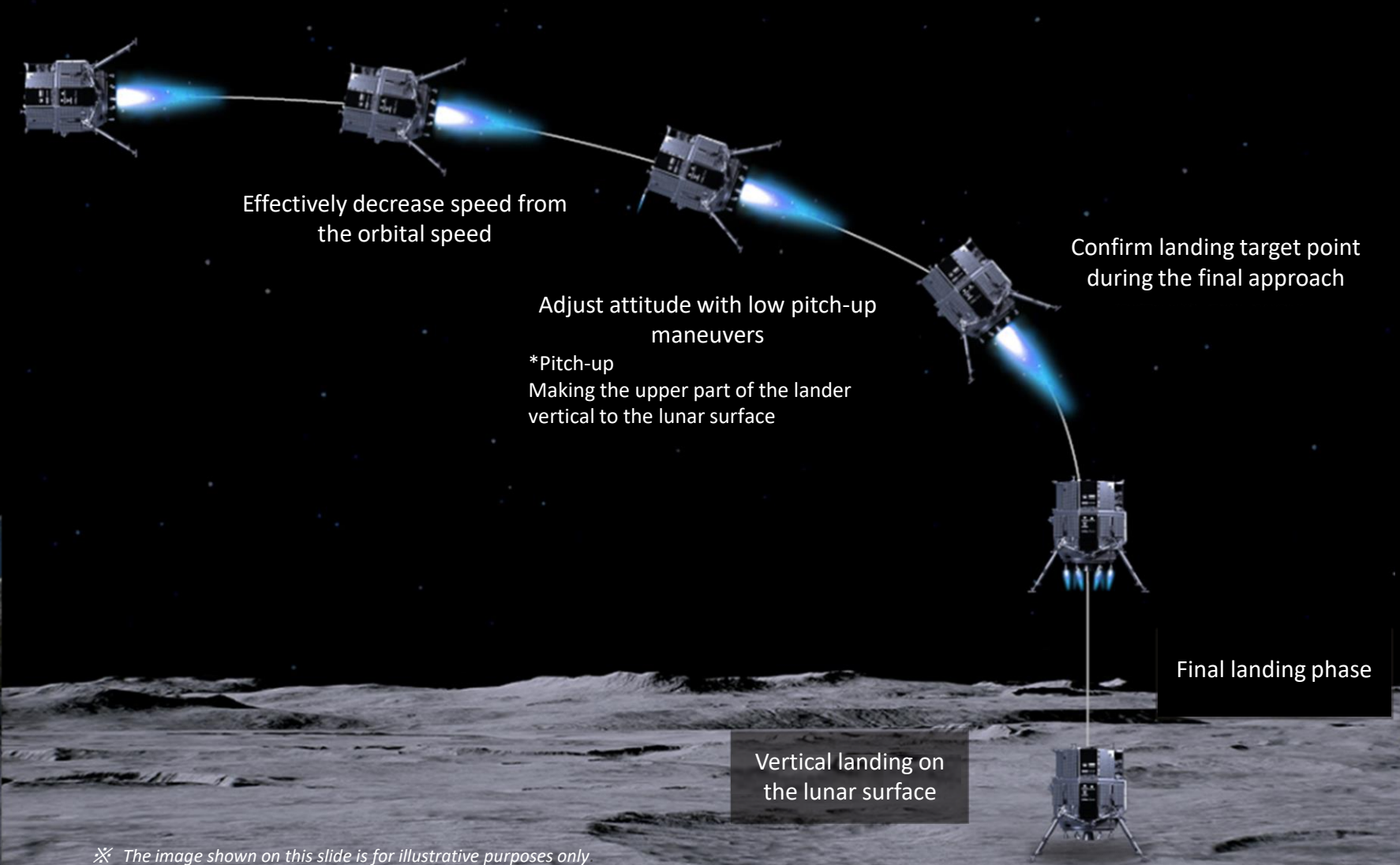
Success 9
Completion of lunar landing
Not completed

Success 10
Establishment of a steady system state after lunar landing
Not completed

※ *The image shown on this slide is for illustrative purposes only*

Mission 1 Achievements

Became the first private company to reach the final lunar landing phase. Gained valuable data that can be used in future missions, and established the policy for Mission 2 and beyond, considering the results of Mission 1



- Improve the reliability during Mission 2 and future missions through the established mechanical design method that can withstand the harsh space environment
- Establish a more robust control system. Improvement of algorithms and parameters for efficient propellant utilization (ongoing since Mission 1 operation)
- Improve customer payload accommodation and further improvement of camera image quality
- More efficient propellant management and performance prediction due to temperature changes. Achieve smoother and more efficient operation of monopropellant RCS thrusters

※ *The image shown on this slide is for illustrative purposes only.*

FY2024/3 Summary and Q4 Business Highlights

Business Environment

- The lunar industry has rapidly grown as various companies and institutions including ispace (Japan), ISRO (India), CNSA (China) , JAXA (Japan), Astrobotic Technology (U.S.), and Intuitive Machines (U.S.) etc. consecutively carried out lunar landing missions.
- The SBIR grant, a Japanese government program, and the establishment of JAXA's Space Strategy Fund, have been officially confirmed, which will further encourage private sector to lead space and lunar projects.
- The Japan-U.S. agreement on the "Artemis program" made in April 2024 created a positive business environment to work with and contribute to the governments of various countries

Our Development

- Although our Mission 1, the world's first commercial lunar mission, did not achieve a final lunar landing, it demonstrated that the RESILIENCE lander hardware worked appropriately. Valuable flight data including the landing phase was acquired, which was one of the main accomplishments of Mission 1 as an R&D mission.
- The first mission demonstrated a sustainable business model with high-frequency missions as we consecutively developed Mission 2, scheduled to launch in Winter 2024, Mission 3, scheduled to launch in 2026, and Mission 6, scheduled to launch in 2027.
- We expanded our presence in the U.S. market by strengthening our development and business structure in the U.S. entity, resulting in a global headcount that is around 300(1).

Our Business

- We accelerated global business collaboration to realize our vision, the cislunar economy, by signing MOUs with mu Space (Thailand), Orbit Fab (U.S.), Skyroot (India), HEX20 (Australia), and the University of Leicester (U.K.).
- We entered into PSAs targeted for Mission 3 with RSA (US) and CDS (Romania). Although overall sales progress has been relatively slow, demand from potential customers has been confirmed and we will continue to increase sales activities.

Our Financials

- Increased loans from various financial institutions after listed on the Growth Market of Tokyo Stock Exchange in April 2023
- Raised approx. ¥8.4Bn through an international offering in March 2024 in order to secure development funds for Mission 3 as well as to maintain financial stability. Raised approx. ¥22.4Bn(2) last fiscal year by equity issues and bank loans

(1) As of March 31, 2024. The headcounts include full-time employees (excluding employees transferred from our group to outside the group and including employees transferred from outside the group to our group), temporary employees (including part-timers, employees dispatched by personnel agencies, and seasonal workers), directors, and auditors.
(2) Total amount during April 1, 2023 to March 31, 2024

Japan’s role in the "Artemis program" was officially confirmed, which will further strengthen Japan-U.S. space cooperation

- During Prime Minister Kishida's visit to the U.S, the governments of the U.S. and Japan signed the “Lunar Surface Exploration Implementing Arrangement”(1) on April 10, 2024
- Japan’s main involvement in the Artemis program was stipulated in the agreement:
  - Two Japanese astronauts to land and carry out activities on the lunar surface (First non-American astronauts to be selected to land on the Moon in the program)
  - Japan to design, develop, and operate a pressurized rover (the launch is scheduled in 2031)
- ispace group will also continue leading the development of the cislunar economy by supporting Japan and U.S. space policies and industries and contributing to the establishment of long-term human presence on the Moon including the Artemis program

(1) https://humans-in-space.jaxa.jp/en/news/detail/003924.html

Upper left: Signing ceremony (Credit: JAXA)
Bottom left: (L) Ron Garan, CEO of ispace-U.S. and (R) Takeshi Hakamada, Founder and CEO of ispace, inc.

Currently developing three landers simultaneously: in Japan for Mission 2 (scheduled launch in 2024) and Mission 6 (scheduled launch in 2027) and in the U.S. for Mission 3 (scheduled launch in 2026)

Japan

U.S.

1 R&D

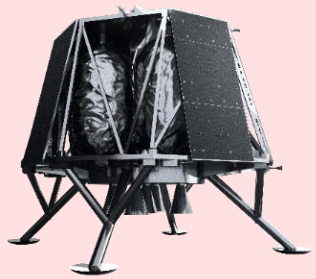
RESILIENCE

M1 (2022) M2 (2024)

2 Commercial

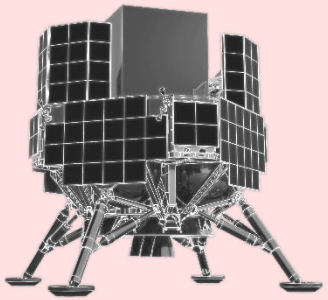
M3 (2026) M4 M5

APEX 1.0



3 Commercial

Series 3 Lander (1)



M6 (2027)

※ *The image shown on this slide is for illustrative purposes only*
※ *The missions and schedules, as shown above, are current but may be subject to change*

(1) Tentative name. This shows an image as the design of Series 3 Lander has not been finalized yet

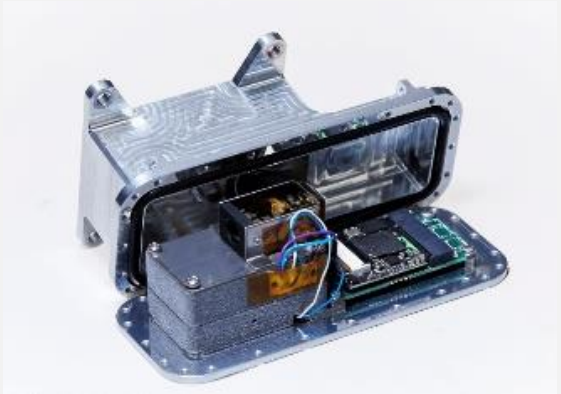
Payloads to be transported are now integrated into RESILIENCE lander for launch in Winter 2024

Mission2

Winter 2024

Deep space radiation probe (National Central University, Taiwan)

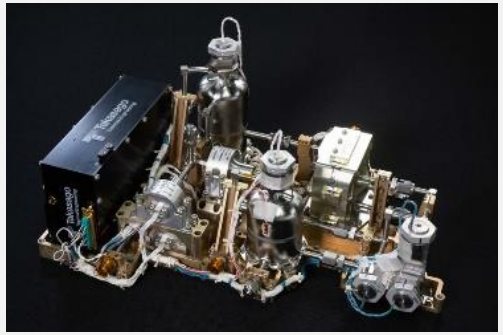
- Mounted on: Top Plate
- Date: **Completed in 2024/1**



Credit: Euglena Co. / FOODSPHERE

Self-contained module for food production experiments (Euglena)

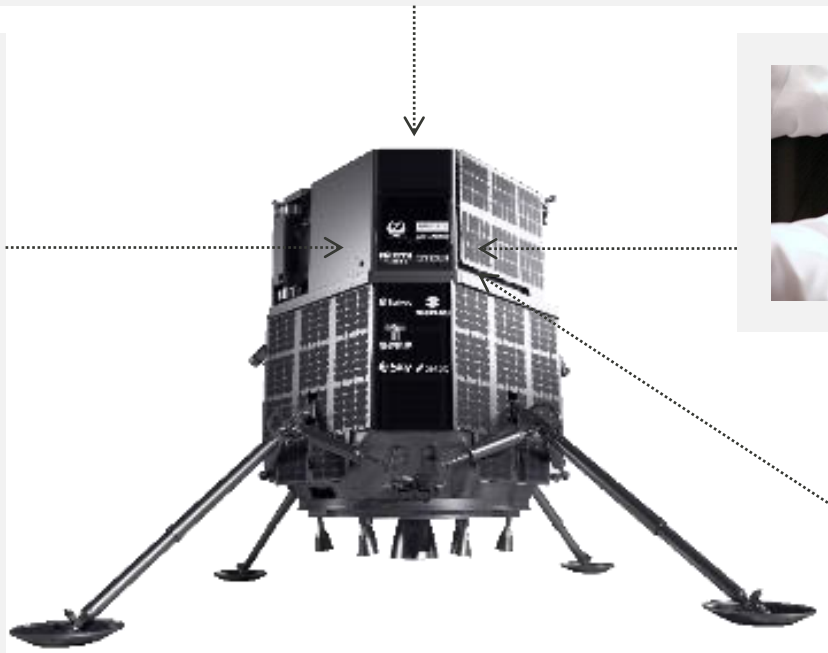
- Mounted on: Top Plate
- Date: **Completed in 2024/4**

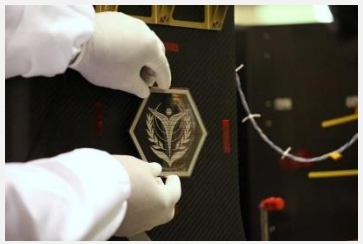


Credit: Takasago Thermal Engineering

Water electrolyzer equipment (Takasago Thermal Engineering)

- Mounted on: Payload Bay
- Date: **Completed in 2024/3**





“Space Century Charter" plate (Bandai Namco Research Institute)

- Mounted on: Payload Bay
- Date: **Completed 2024/2**

Micro Rover (ispace)

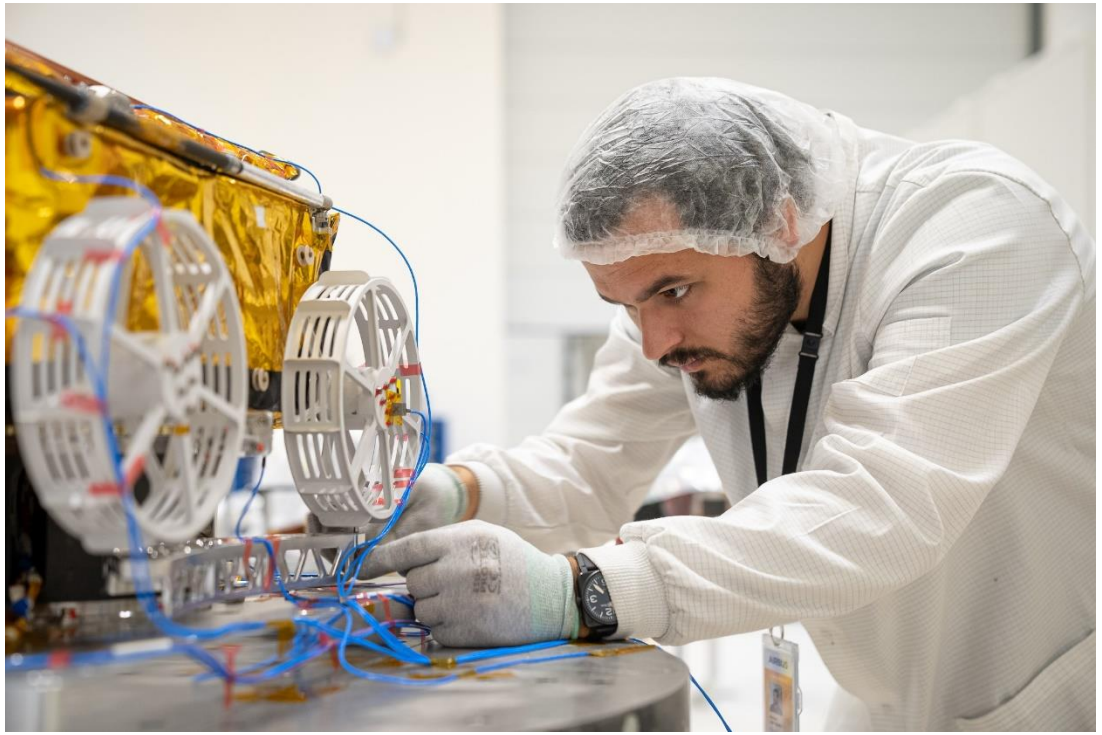
- Mounted on: Payload Bay
- Date: **Summer 2024**[1]

(1) As of May 10, 2024. The schedule, as shown above, are current but may be subject to change

Mission2

Winter 2024

Engineering model(1) of Micro Rover completed all environmental testing and scheduled to be mounted on RESILIENCE lander in summer 2024(2).



An engineer in EU entity prepares the micro rover for environmental testing.

(L) Daniel Neuenschwander, ESA Director of Human and Robotic Exploration and (R) Julien Lamamy, CEO of ispace-EUROPE with the Micro Rover center

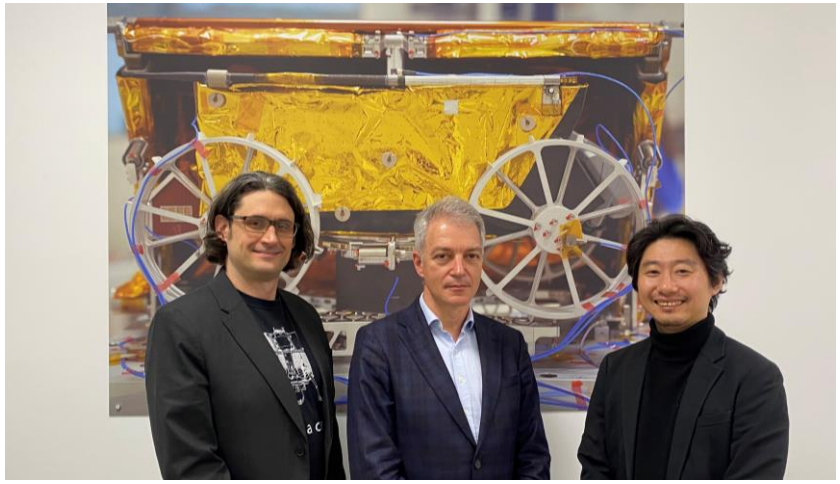
- Engineering model(1) of the Micro Rover completed all environmental testing during the visit of European Space Agency (ESA) at EU entity
- ispace-Europe will perform the build and test of the flight model(3) which is scheduled to be mounted onto the lander in the summer of 2024(2)

(1) A Model developed based on the basic design
(2) As of May 10, 2024. The above is the mission and schedule as currently envisioned and is subject to change
(3) An actual launch model

Mission3 2026

Entered into new PSA(1) with a private Romanian company as well as a contract with a private U.S. company for the design and manufacture of microsatellite buses

New Mission 3 PSA(1) with CDS



From left to right: ispace EU CEO Julien-Alexandre Lamamy, Control Data Systems SRL Founder and CEO Ovidiu Ratiu, ispace Founder and CEO Takeshi Hakamada

- New PSA(1) with Control Data Systems SRL (CDS) located in Romania (expected to be Romania‘s first lunar mission)
- With support from ESA, CDS has developed precise location measurement technology for space applications and aims to demonstrate the technology through our Mission 3

Contract with RTX’s Blue Canyon Technologies

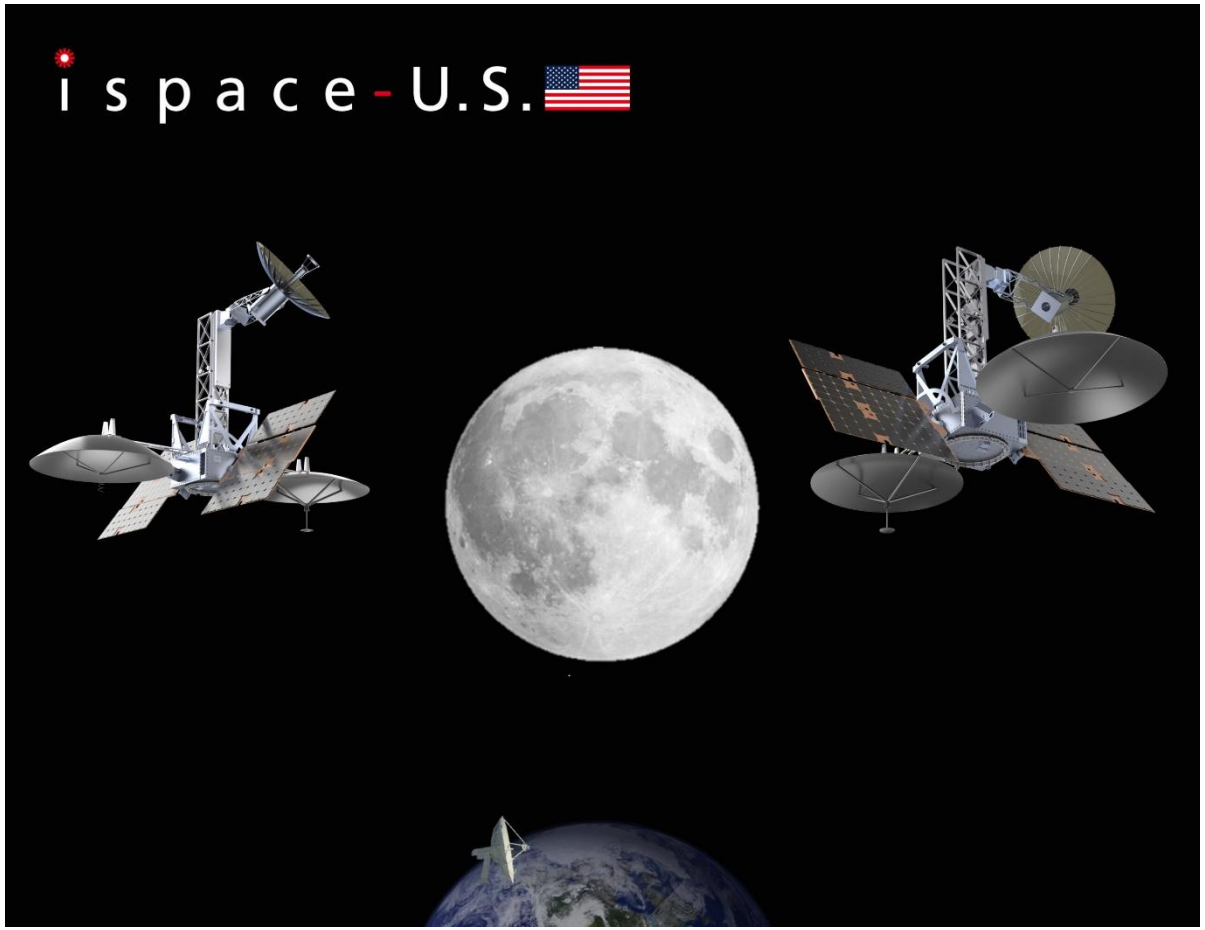
From left to right: ispace U.S. Director of Business Development Bob Cohn, EVP of Engineering Ryan Whitley, CEO Ron Garan, Blue Canyon GM Chris Winslett, M3 Program Manager Kyle Wedmark.

- As part of NASA CLPS program(2), Mission 3 is planned to land near the south pole on far side of the Moon and two relay satellites will be used to establish communications to and from the Earth
- Signed a contract with Blue Canyon Technologies for the design and manufacture of these microsatellites buses

(1) Payload Service Agreement (PSA): Payload Service Agreement
(2) NASA Commercial Lunar Payload Services Program: NASA's service program to contract out the transportation of payloads to the Moon to private companies for a fee.

Announced official launch of data relay service enabled by two relay satellites

Mission3
2026



A computer-generated image of the ispace-U.S. relay satellites

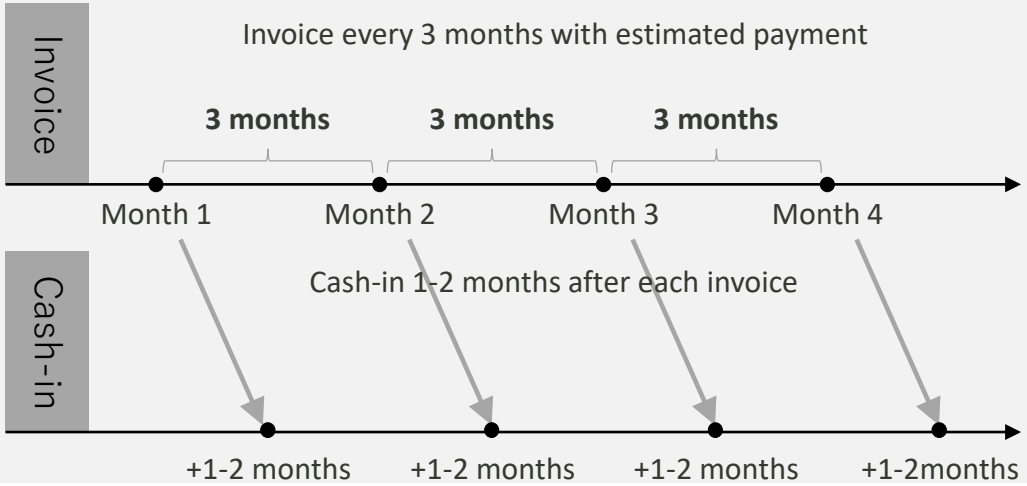
Plan to provide Data Service in Mission 3 and beyond

- The satellites will circularize into a High Circular Polar Orbit starting with near-global coverage with linger points at the polar regions
- The satellites are expected to offer more than 70% simultaneous visibility of the lunar surface and the Earth, providing potential data service users with a significant opportunity to utilize such data
- US entity is engaging in conversations with potential customers for the data service as the satellites are expected to stay in orbit for several years and operate beyond our Mission 3

Mission 6 2027

SBIR[(1)] program grant to cover part of lander development costs, credited from May 2024.
University of Leicester and ispace agreed to joint research on lunar night survival on Mission 6

Estimated payment of SBIR program subsidies



- Estimated payments by the Japanese government grant under SBIR program (total 12 billion yen) are scheduled to be paid every 3 months in line with our lander's development costs (first payment is scheduled in May 2024)
- The grant is expected to be recorded in P&L as non-operating income in every 6 months

Started joint research to survive lunar nights with the University of Leicester in the U.K.

ispace + UNIVERSITY OF LEICESTER

Supported by UK SPACE AGENCY

- The temperature can fall to minus 170 degrees Celsius during the two-week lunar nights. To realize long-term missions, a system to survive the cryogenic environment of lunar night is essential
- Signed Advisory Agreement with the University of Leicester, supported by UK Space Agency, to conduct joint research to survive lunar nights on Mission 6

(1) We were selected to receive the SBIR (Small Business Innovation Research) grant by the Ministry of Economy, Trade and Industry. Under the terms of the grant, we will be expected to design, manufacture and assemble a lunar lander with the capability of transporting a minimum payload of 100 kg to the Moon's surface, and then launch and operate the lander by 2027

In addition to the Advisory Agreement targeted for Mission 6, an interim PSA(1) was signed with the University of Leicester

ispace + UNIVERSITY OF LEICESTER

- A new interim PSA(1) was signed with the University of Leicester in the UK
- The University of Leicester has been supported by UK Space Agency and developed the Lunar Spectrometer
- The spectrometer will be transported to the lunar surface through our Mission 4 to characterize lunar regolith, a potential water resource

support

UK SPACE AGENCY

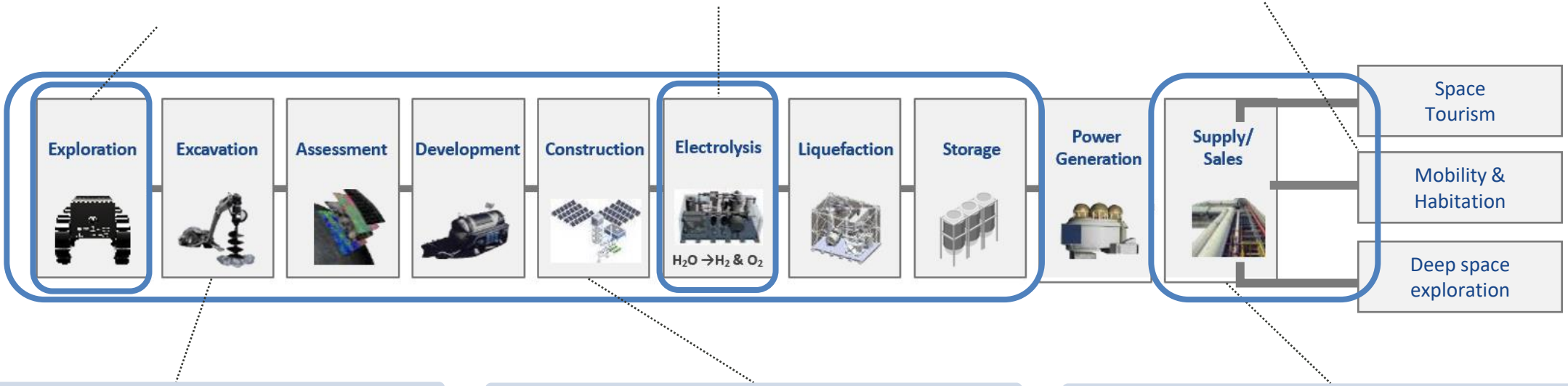
U.K. Space Agency

New funding announced for several international exploration projects, including ispace(2)

(1) Interim Payload Service Agreement (Mid-Contract on Payload) : Documents that serve as a prerequisite when negotiating to enter into a PSA which is a final agreement.
(2) https://www.gov. /government/news/new-funding-ensures-uk-role-in-global-exploration-to-the-moon-mars-and-venus

Various industry players in the hydrogen value chain(1) are entering the cislunar ecosystem(2) which is expected to further expand

Our relationship: Advisory Agreement and iPSA			Our relationship: PSA			Our relationship: PSA		
University of Leicester (Supported by UK Space Agency)	...	Water resources exploration equipment (Lunar Spectrometer)(3)	**Takasago Thermal Engineering**	...	Water-splitting experiment(4)	**Euglena**	...	Development of microalgae culture technology and food resources(5)



Our relationship: Corporate Partnership Agreement			Our relationship: Consulting Agreement			Our relationship: MOU		
Epiroc AB	...	Shovel(6)	**JGC HOLDINGS CORPORATION**	...	Lunar ISRU plant(7)	**Orbit Fab**	...	In-space propellant harvesting and delivery(8)

(1) These are just images and the above companies have not yet shown a specific commitment to create a hydrogen value chain
(2) Cislunar refers to the space between the Earth and the Moon, and our vision is to create an energy economic where the Earth and the Moon become one ecosystem by 2040.
(3) https://www.gov.uk/government/news/new-funding-ensures-uk-role-in-global-exploration-to-the-moon-mars-and-venus
(4) https://ispace-inc.com/news-en/?p=2609
(5) https://www.euglena.jp/en/news/20200422-1/
(6) https://ispace-inc.com/news-en/?p=4954
(7) https://www.jgc.com/en/news/2023/20231206.html
(8) https://ispace-inc.com/news-en/?p=5037

Raised approx. 8.36 Billion yen Through International Offering in March 2024

Total Paid Amount

(before deducting estimated offering expenses)

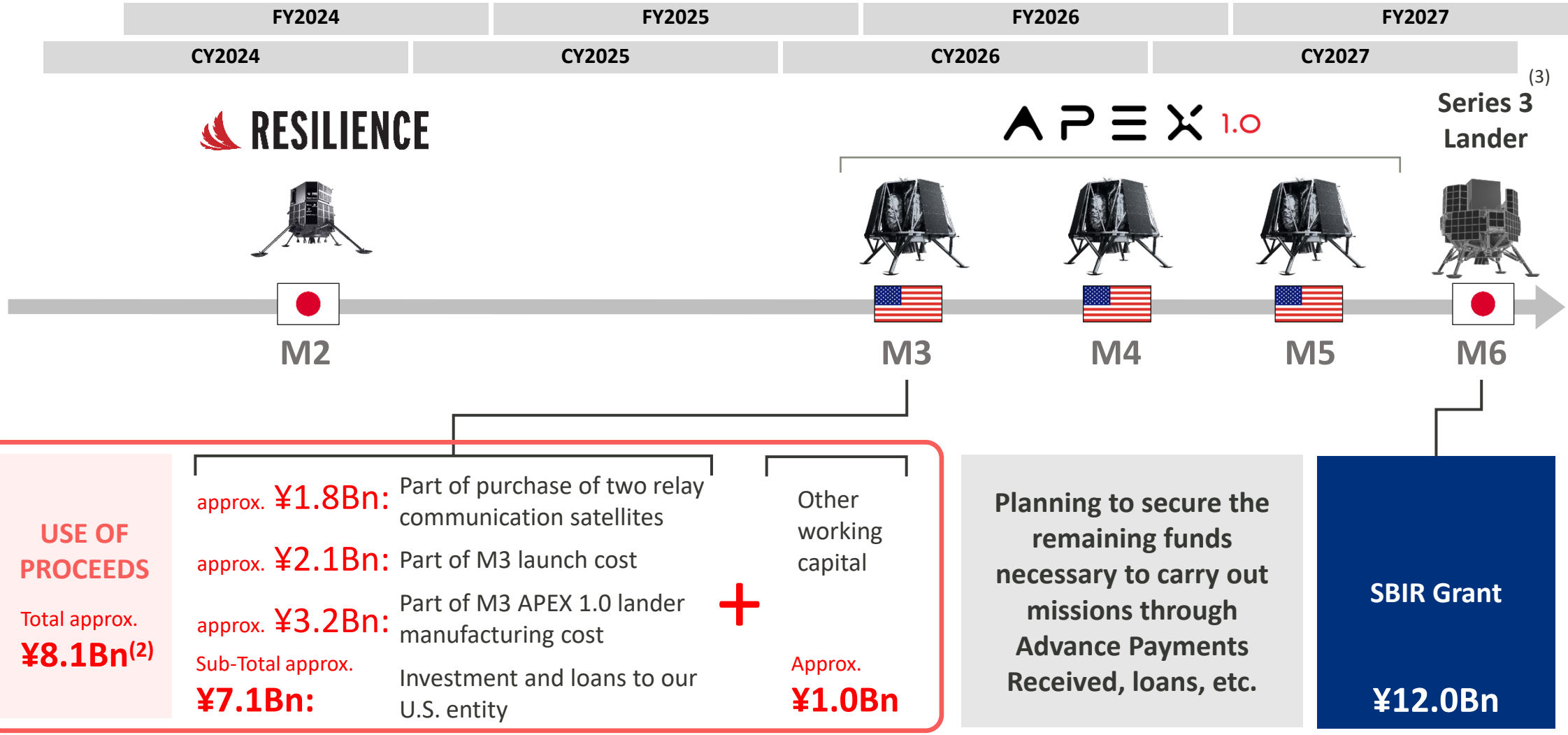
Approx.

¥8.36Bn (1)

Class of Shares Offered	Common stock of ispace
Format of Offering	International offering (Rule 144A / Regulation S)
Offering Size	10,250,000 shares newly issued
Launch Date	Wednesday, March 13, 2024
Pricing Date	Monday, March 25, 2024
Issue Price (Offer Price)	871 yen per share
Payment Date	Thursday, March 28, 2024
Settlement Date	Friday, March 29, 2024
Sole Bookrunner and Lead Manager	SMBC Nikko Capital Markets Limited

(1) The figure is rounded to the nearest unit. The exact amount is 8,357,747,500 yen

The raised funds are intended to be used primarily for Mission 3 (2026[(1)]) to ensure the development and execution of the mission. Mission 3 development will accelerate the technological quality improvement cycle for future missions



(1) *The mission and schedule, as shown above, are current but subject to change*
(2) *The estimated net proceeds of approximately 8,076 million yen and the figures above are rounded to the nearest unit*
(3) *Tentative name. The image of Series 3 Lander used in this presentation is for illustrative purposes only as the lander design has not yet been finalized.*

¥7Bn (including partial refinancing) new loans from Sumitomo Mitsui Banking Corporation at the end of April 2024. The total amount raised including the overseas offering is approx. ¥15.1Bn

FY2024 | FY2025

CY2024 | CY2025

RESILIENCE

M2 | M3 | M4 | M5 | M6

New Loans from SMBC (partially refinanced)

Approx. ¥7Bn

- Bridge-Loan: ¥5Bn for 3 months
- Long-term debt: ¥2Bn for 3 years

USE OF PROCEEDS

Total approx. **¥8.1Bn(1)**

approx. ¥1.8Bn:	Part of purchase of two relay communication satellites
approx. ¥2.1Bn:	Part of M3 launch cost
approx. ¥3.2Bn:	Part of M3 APEX 1.0 lander manufacturing cost
Sub-Total approx. **¥7.1Bn:**	Investment and loans to our U.S. entity

\+ Other working capital: Approx. **¥1.0Bn**

Planning to secure the remaining funds necessary to carry out missions through Advance Payments Received, loans, etc.

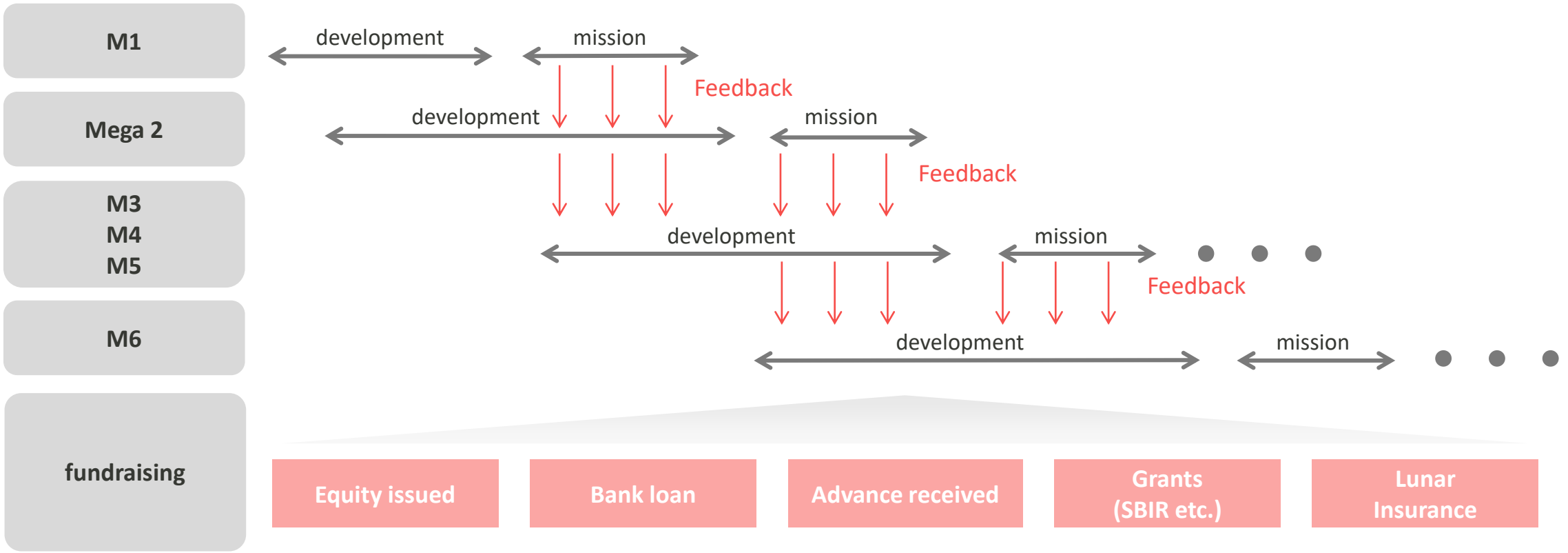
SBIR Grant

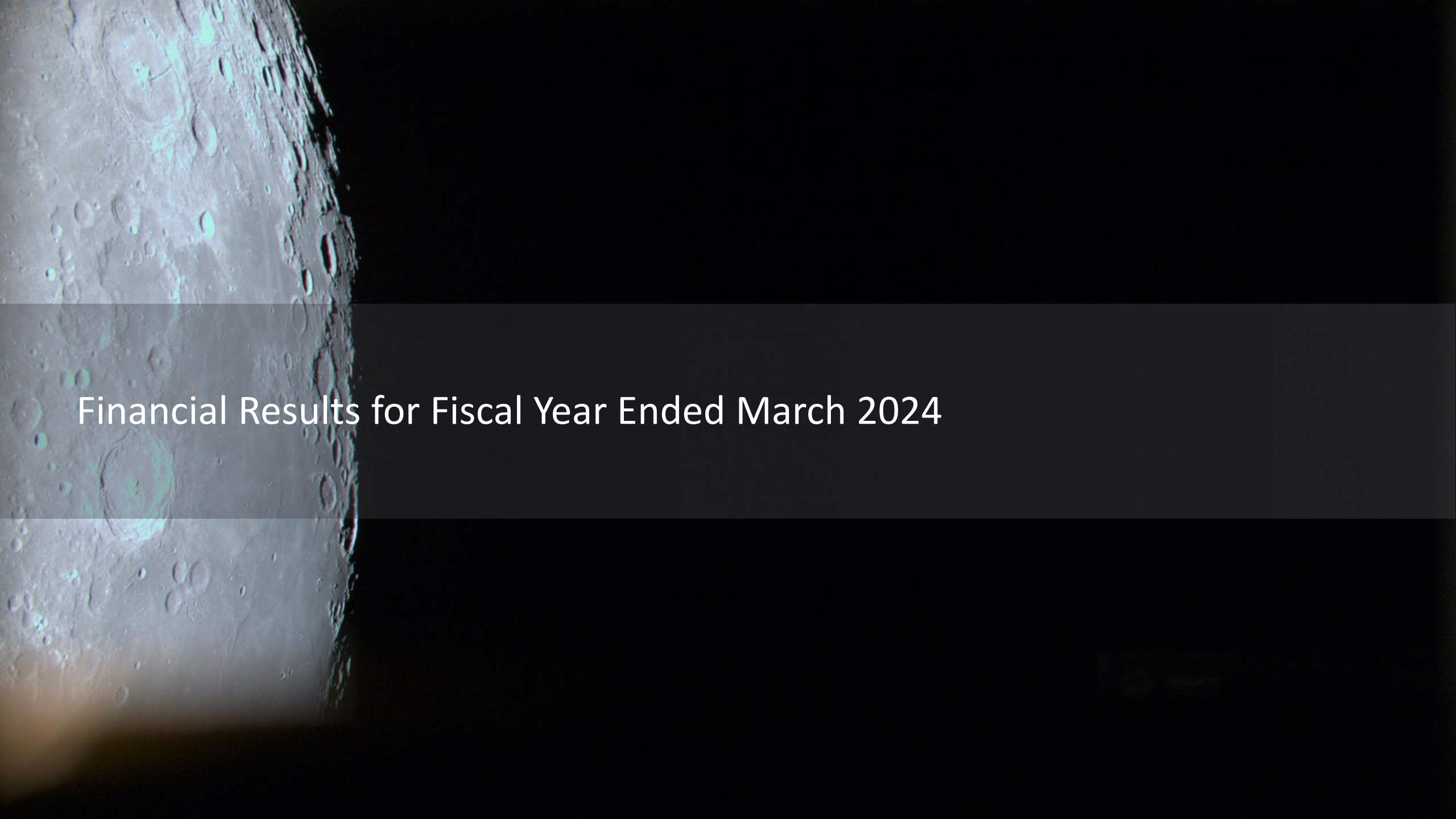
¥12.0Bn

(1) *The estimated net proceeds of approximately 8,076 million yen and the figures above are rounded to the nearest unit*

Our business model involves multiple missions, developed in parallel; feedback from the preceding mission is transferred to the subsequent mission in a timely and appropriate manner to enhance the maturity of the technology. It is essential to build a strong financial foundation to support multiple missions at once.

ispace's Sustainable Business Model





Financial Results for Fiscal Year Ended March 2024

Net sales for Fiscal Year Ended March 31, 2024, were generally in line with forecasts, while net loss narrowed significantly

(Millions of yen)	FY2024/3	FY2024/3		FY2023/3	
	Full year results	Full year forecast(2)	%Change	Full year results	%Change
Net Sales(1)	2,357	2,370	-0.5%	989	+138.3%
Gross Profit	928	1,023	-9.3%	552	+68.1%
Gross Profit Margin	39.4%	43.2%	-	55.9%	-
SG&A	6,429	6,929	-7.2%	11,576	-44.5%
Operating Profit/Loss	-5,501	-5,906	-	-11,023	-
Ordinary Profit/Loss	-6,097	-7,144	-	-11,378	-
Net Profit/Loss	-2,366	-3,348	-	-11,398	-

point

- **Net Sales:**
  Net sales for Fiscal Year Ended March 2024 were overall in line with the forecast announced on February 13, 2024.
  Temporary increase in net sales along with the completion of Mission 1 was recorded in Q1, while Q2-Q4 net sales were mainly from Mission 3

- **Operating Profit/Loss:**
  Operating loss decreased slightly due to a decrease in SG&A compared to the forecast

- **Net Profit/Loss:**
  Net loss significantly decreased compared to the forecast mainly due to a record of foreign exchange gain of approx. ¥737MM in Q4 as well as the decrease in SG&A mentioned above

(1) Currently using the cost recovery method for sales recognition for Mission 1 to Mission 3, respectively, and expects sales to increase(2) in tandem with the increase in cost accruals since the cost accruals as cost are recognized in sales. If sales in excess of cost accruals are not booked at the time of mission completion, they will be accounted for in a lump-sum transaction.

Disclosed at February 13, 2024

SG&A decreased from the previous fiscal year due to a decline in R&D costs

(Millions of yen)	FY2024/3 Full year results	FY2023/3 Full year results	FY2023/3 %Change
R&D	3,834	9,233	-58.5%
Salary and Allowance	997	700	+42.4%
Other	1,598	1,642	-2.7%
Total	6,429	11,576	-44.5%

point

- **R&D:**
  In Fiscal Year Ended March 2023, costs related to Mission 1 and Mission 2, which are defined as R&D missions, were mainly recorded in R&D. Especially Mission 1 launch costs were recorded as one-time costs

  In Fiscal Year Ended March 2024, partial costs related to Mission 3, which is defined as a commercial mission developed in US entity, were recorded in R&D as well as Mission 2 related costs

- **Salary and Allowance:**
  Salaries and allowance significantly increased from the previous fiscal year due to an increase in the number of consolidated employees. Head count increased by 66 from 216(1) at the end of the previous year

(1) As of March 31, 2024. The number of employees is the number of full-time employees (excluding employees transferred from our group to outside the group and including employees transferred from outside the group to our group) and excludes temporary employees (including part-timers, employees dispatched by personnel agencies, and seasonal workers).

Advances and non-current assets increased due to accelerated development of Mission 2 and 3. Maintained liquidity and financial stability through capital increase and additional borrowings

(Millions of yen)	FY2024/3 Full year results	FY2023/3 Full year results	FY2023/3 %Change
Current Asset Total	21,784	5,730	+280.2%
Cash and Deposit	14,315	3,381	+323.4%
Short Term Advances	4,228	1,745	+142.3%
Non-Current Assets Total	5,248	1,461	+259.2%
Property and equipment	2,462	141	+1,646.1%
Long Term Advances	2,560	1,148	+123.0%
Total Assets Total	27,033	7,192	+374.8%
Current Liabilities Total	10,503	4,123	+275.9%
Advance Received	3,190	2,382	+33.9%
Long Term Liabilities Total	6,784	5,416	+25.3%
Long Term Debt	6,538	5,395	+21.2%
Net Assets Total	9,745	-2,347	-
(Interest-Bearing Debt)	12,518	6,778	+84.7%

point

Assets:

- Cash and deposit in Fiscal Year Ended March 2024 significantly increased from the previous fiscal year mainly due to capital increase and additional borrowings(1)
- The accelerated development of Mission 2 and Mission 3 resulted in property and equipment to increase from the previous fiscal year as payment for Mission 3 relay satellites of approx. ¥1.9Bn was recorded as construction in progress, as well as increases in short/long-term advances.

Liabilities:

- Interest-bearing debt for Fiscal Year Ended March 2024 significantly increased from the previous fiscal year along with borrowings form various financial institutions.(1)

Net Assets:

- Net assets for Fiscal Year Ended March 2024 significantly improved compared to the previous fiscal year due to capital increase through IPO and international offering and receipt of lunar insurance.

(1) Additional borrowing of ¥7Bn from Sumitomo Mitsui Bank Corporation has not been recorded as of March 31, 2024.

Continued to cover free cash flow deficit due to increased development costs with cash flow from financing activities including capital increase and borrowings from financial institutions

(Millions of yen)	FY2024/3 Full year results	FY2023/3 Full year results
Cash Flow from Operating Activities	-5,024	-7,322
Cash Flow from Investing Activities	-2,062	-90
Free Cash Flow	-7,086	-7,412
Cash Flow from Financing Activities	20,366	4,364
Change by Share Issuance	14,822	0
Change by Long-term Borrowings	1,322	4,465
Change by Short-term Borrowings	4,416	-99
Net Increase (Decrease) in Cash and Cash Equivalents	13,450	-2,950
Effect of Exchange Rate Change on Cash and Cash Equivalents	171	97
Cash and Cash Equivalents at End of Period	16,832	3,381

Point

Cash Flow form Operating Activities:

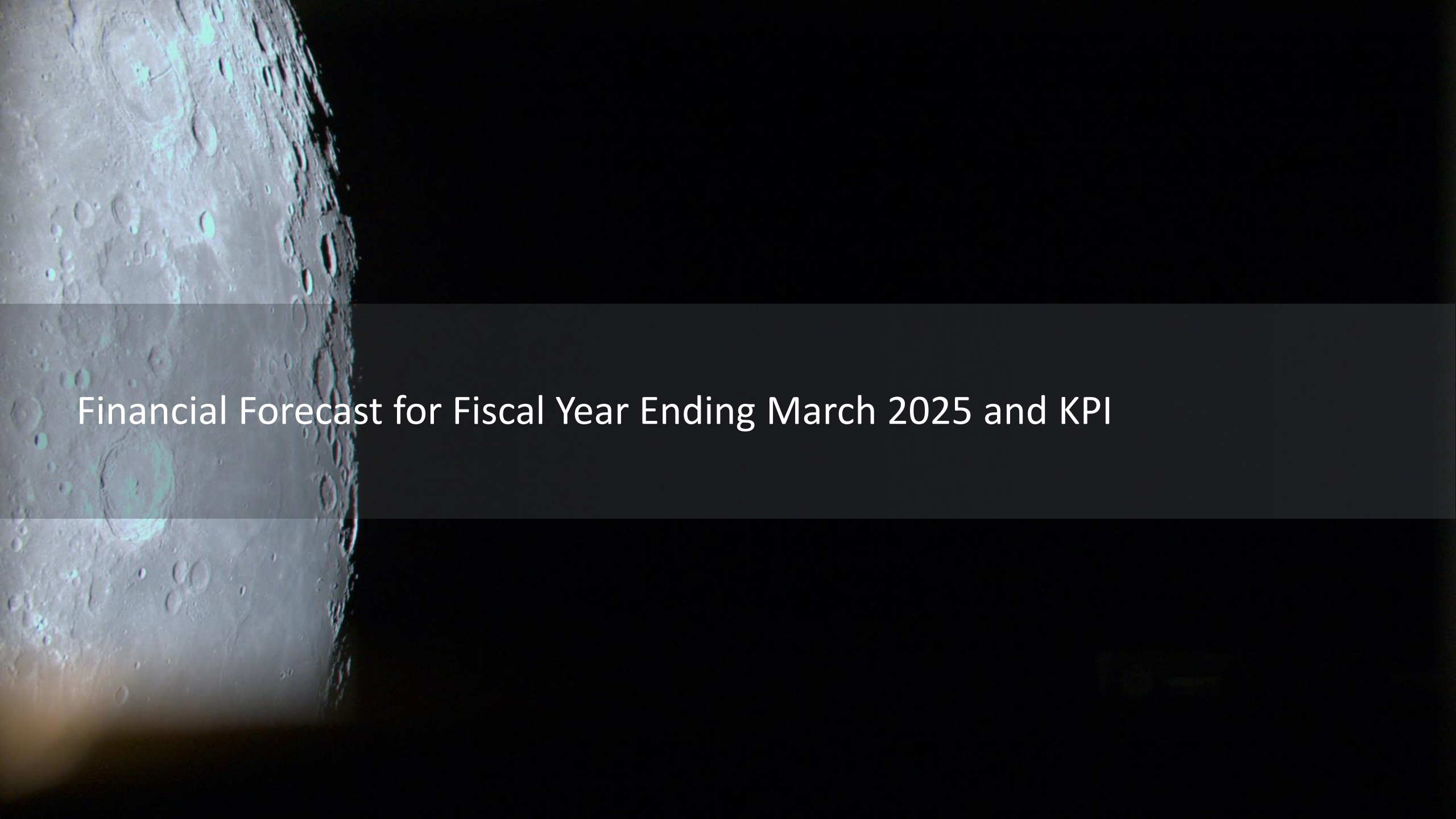
- Cash flow from operating activities continued to be negative in Fiscal Year Ended March 2024 due to large amount of development costs for Mission 2 and Mission 3.

Cash Flow from Investing Activities:

- Significant amount of capital investment was made as Mission 3 development was accelerated in Fiscal Year Ended March 2024.

Cash Flow from Financing Activities:

- Raised a total of approx. ¥15Bn in Fiscal Year Ended March 2024 (approx. ¥6.6Bn through IPO in last April and approx. ¥8.4Bnyen through PO in this March).
- Borrowed a total of ¥7.5Bn from various financial institutions in Fiscal Year Ended March 2024 (the ¥7Bn borrowing from Sumitomo Mitsui Banking Corporation executed in April 2024 has not been recorded).



Financial Forecast for Fiscal Year Ending March 2025 and KPI

Outlook for Fiscal Year Ending March 2025

JP Entity	● **Mission 2:** In advance of its launch in Winter 2024, the RESILIENCE Lander is scheduled to be transported to Florida after AIT and final testing. The aim is steady execution of lunar landing operations by utilizing the data acquired through Mission 1. ● **Mission 6:** Advance development of the Series 3 lander(1) for the scheduled launch in 2027, and timely receipt of SBIR grant are the key. Seek utilization of Space Strategy Fund supported by Japanese government to create payload demand.
US Entity	● **Mission 3:** Complete CDR of APEX 1.0 lander and begin assembly for scheduled launch in 2026. Continue to pursue new contracts for payload customers plus new data service. ● **Mission 4:** Aim to obtain prime customers and start full-scale development accordingly for mass production of APEX 1.0 Lander model for Mission 4 and beyond.
EU entity	● **Rover Development:** Following the Micro Rover to be used in Mission 2, develop in-house rovers for post-lunar landing exploration.
Group	● **Global Network:** Accelerate research and development activities with global space agencies, private companies, universities, etc., to improve mission value in the mid- to long-term. ● **Strong Financial Position:** Continue to actively utilize borrowings from financial institutions and strengthen financial stability. Further enhance our IR activities, which will contribute to a sustainable and stable improvement of our share price.

(1) Tentative name. This shows an image as the design of Series 3 Lander has not been finalized yet

Total net sales are expected to increase in FY2025/3 along with increased Mission 3 revenue recognition. Meanwhile a significant net loss is expected due to scheduled Mission 2 launch and full development of Mission 3, which is in line with the original plan and similar level as FY2023/3.

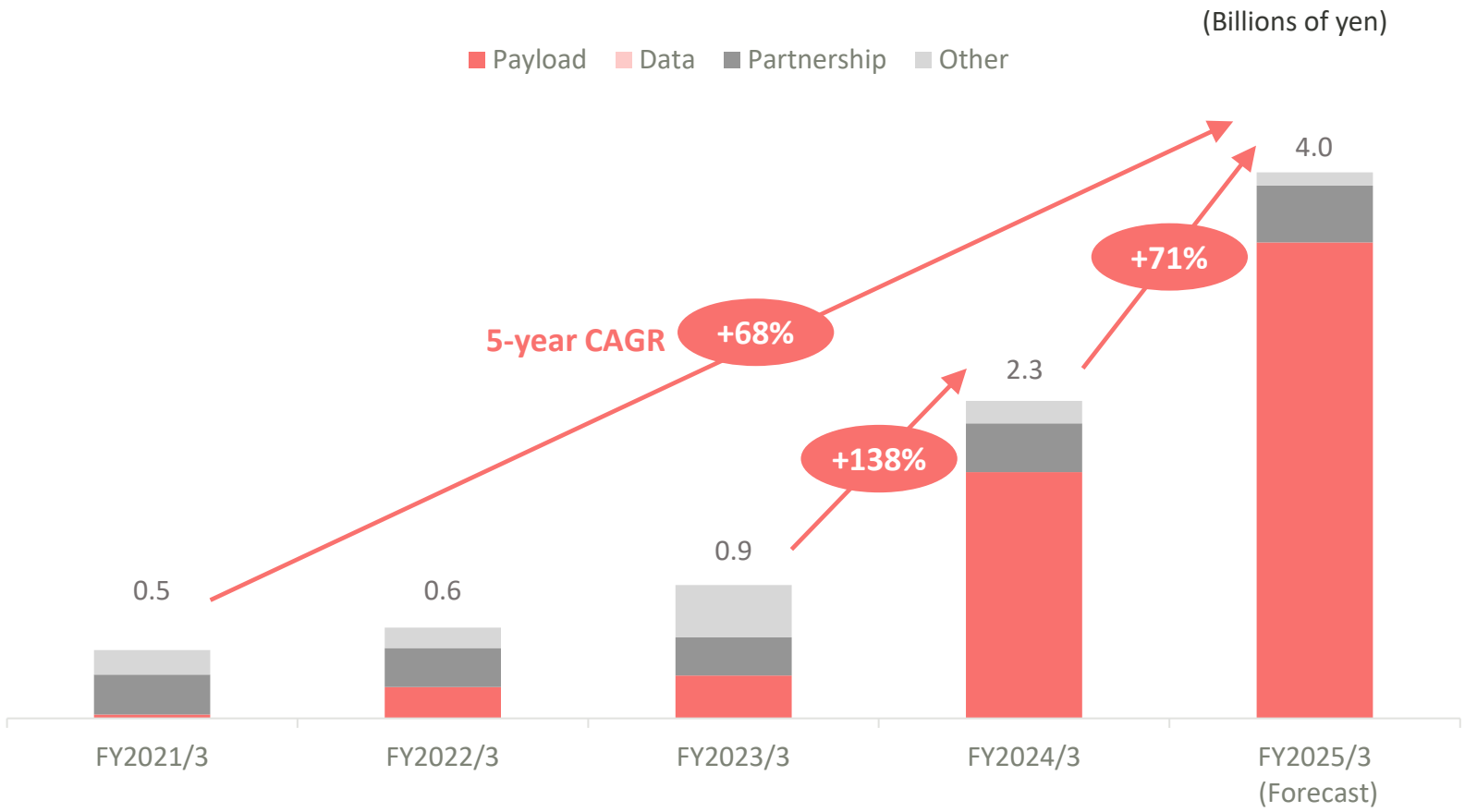
(Millions of yen)	FY2025/3 Full-Year Forecast	FY2024/3 Full-Year Results	FY2024/3 Full-Year %Change
Net Sales(1)	**4,033**	2,357	+71.1%
Gross Profit	**522**	928	-43.8%
Gross Profit Margin	**12.9%**	39.4%	-
SG&A	**13,688**	6,429	+112.9%
Operating Profit/Loss	**-13,165**	-5,501	-
Ordinary Profit/Loss	**-12,461**	-6,097	-
Net Profit/Loss	**-12,465**	-2,366	-

point

- Net sales for FY2025/3 are expected to be accelerated by payload services mainly from Mission 3 as in the previous fiscal year (refer to the next page for details).
- Net sales and costs related to Mission 4 and beyond are conservatively not included in the forecast (however, costs related Mission 6 are included in the forecast).
- Along with mission progresses, a significant increase in SG&A is expected FY2025/3 (refer to P.36 for details).
- Impact of Mission 6 development on net loss is expected to be minor as SBIR grant, which will be recorded in non-operating income, is expected to cover Mission 6 related SG&A costs.
- A significant net loss is expected to be recorded, however as shown in next pages, this is in line with the original plan.

(1) Currently using the cost recovery method for sales recognition for Mission 1 to Mission 3, respectively, and expects sales to increase in tandem with the increase in cost accruals since the cost accruals as cost are recognized in sales. If sales in excess of cost accruals are not booked at the time of mission completion, they will be accounted for in a lump-sum transaction.

Net sales from Mission 3 payload service are expected to accelerate overall net sales in FY2025/3.

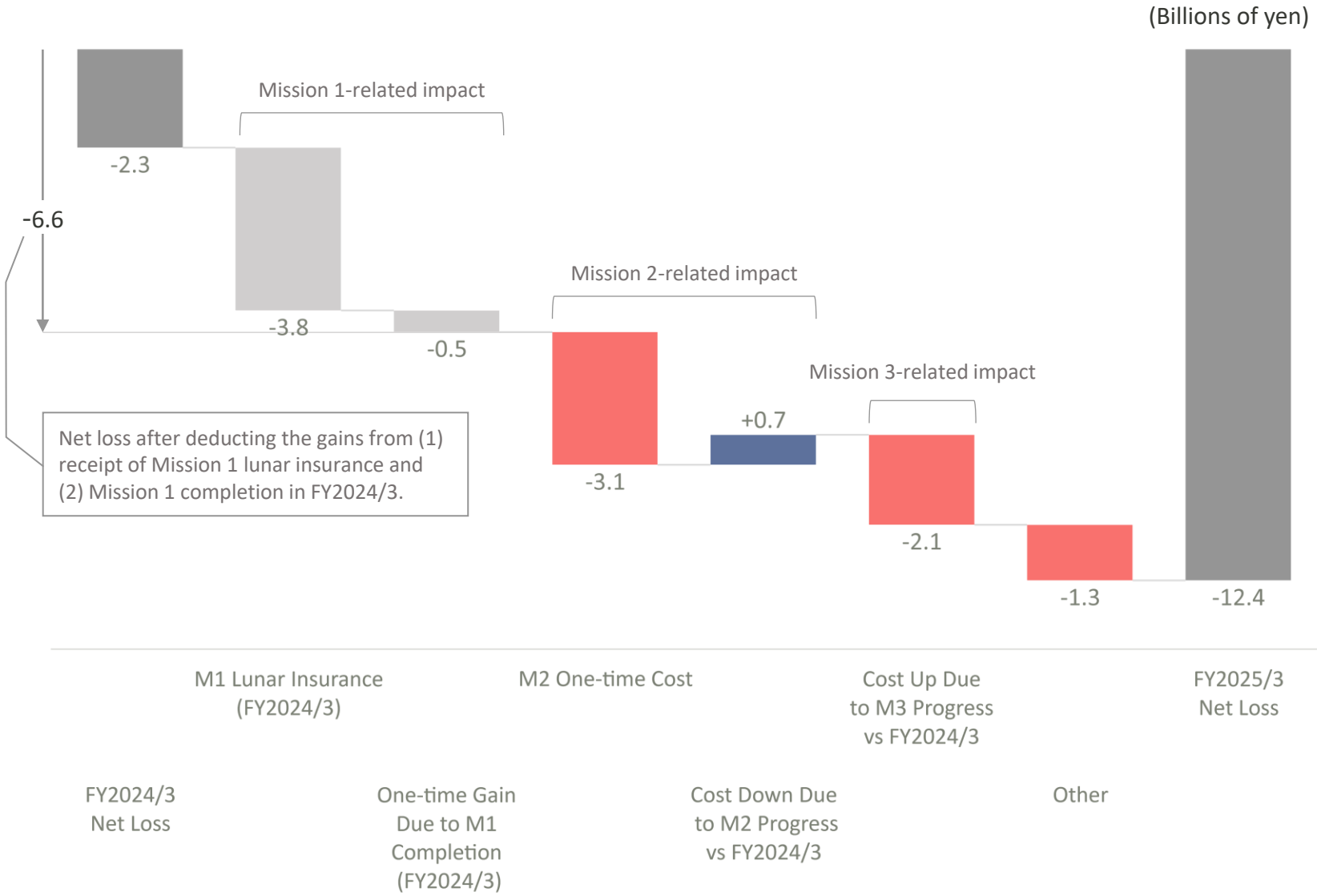


Point

- Net sales in FY2025/3 are expected to be continuously driven by payload service, with more than 90% of the sales contributed by Mission 3.
  - +71% growth expected compared to the previous fiscal year
  - Average annual growth rate of +68% over the past 5 years
- Lump-sum recognition of sales upon completion of Mission 2 (when the mission is completed after landing) is expected in the next fiscal year.
- Sales from Mission 4 and beyond are conservatively not included in the forecast at this time.

Changes in Net Loss

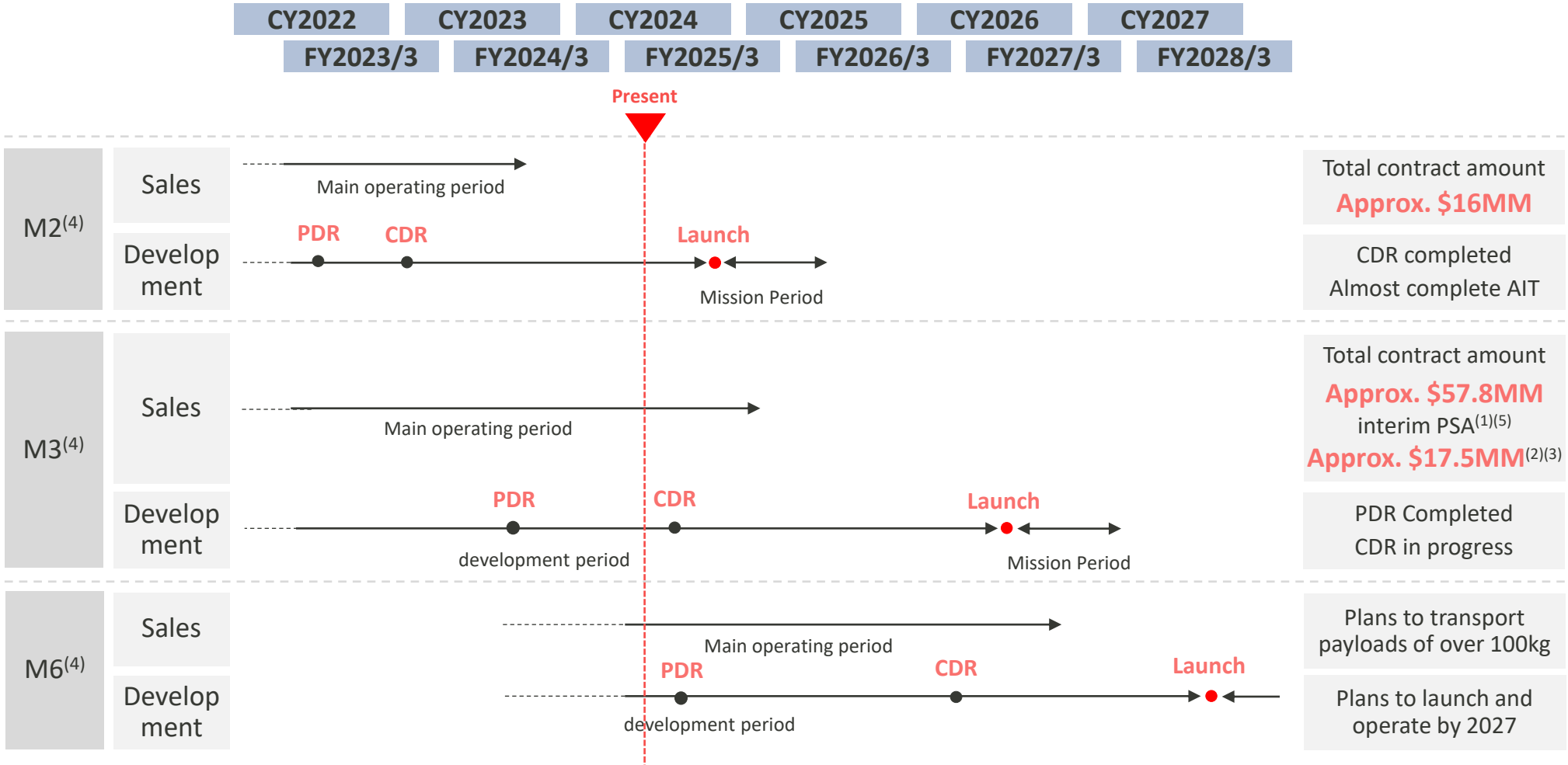
In FY2024/3, one-time gain was recorded due to the impact related to Mission 1. In FY2025/3, continuous investments in Mission 2 and Mission 3 are expected as planned.



Point

- While significant net loss of ¥12.4Bn is expected compared to the previous fiscal year, this is in line with our original plan.
- Previous fiscal year included (1) receipt of Mission 1 lunar insurance and (2) one-time gain from Mission 1.
- Costs are expected to increase compared to the previous fiscal year along with mission progress
  - Mission 2:
    Development cost itself will decrease, while other related costs will temporarily increase due to launch and insurance costs incurred only in the launch year.
  - Mission 3:
    Costs will increase due to receipt of lander components and increase in personnel.
- Other increases
  - Partially due to expected stock compensation costs based on a new stock compensation plan to be introduced.

CDR for Mission 3 Lander development is expected to be completed by summer of this fiscal year. For the sales for Mission 3 and beyond, continue to finalize interim PSA(1) into final agreements and obtaining new PSA from approx. $290MM sales pipeline



Sales Pipeline

Total Interim PSA and MOU(1)(5)

Approx.

$296 MM(2)(5)

(1) *Interim Payload Service Agreement (Mid-Contract on Payload) : Documents that serve as a prerequisite when negotiating to enter into a PSA which is a final agreement. It is not legally binding and there is no guarantee that a legally binding contract can be entered into pursuant to these interim PSAs. Also, even if a legally binding agreement is entered into, the masses and amounts under such agreement may differ from the amounts stated in this document*

(2) *As of May10, 2024*

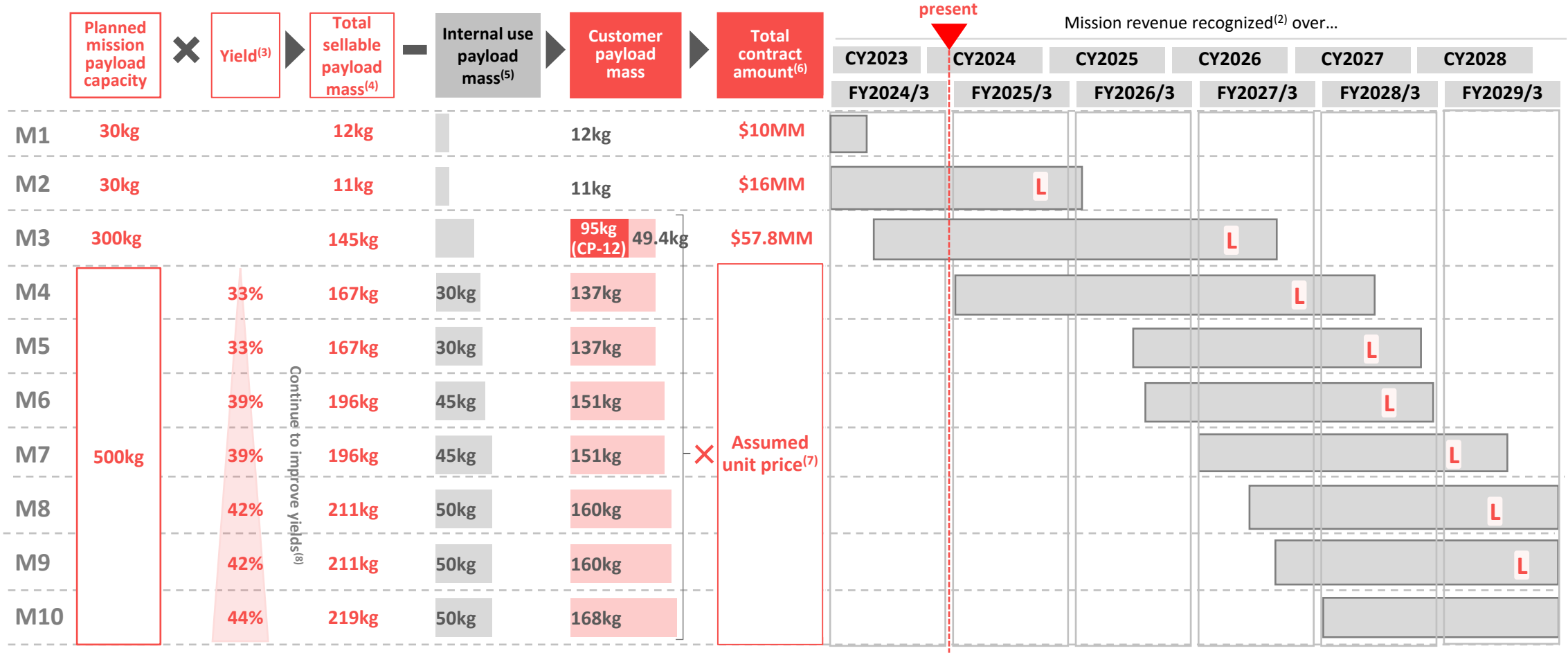
(3) *Including the possible amount for M4 or after*

(4) *The schedule for M2 and after is merely an anticipated schedule at the moment .*

(5) *Above MOUs Interim PSAs are not legally binding, and there is no guarantee that legally binding contracts can be concluded based on Interim PSA. In addition, even if a legally binding agreement is executed, the masses and amounts under such agreements may differ from the amounts stated in this document*

Illustrative Business Model of Payload Service

For illustrative purposes only; all values are rounded off to integral values and subject to change



(1) *Presented as an illustrative simulation of the potential business model for our future payload service as of the date hereof. Actual results may differ materially from future results as the timing and details of future missions remain subject to change*
(2) *Based on planned launch schedule as of May 10, 2024. This schedule is subject to change and may not proceed as planned*
(3) *Presents the ratio of total sellable payload mass to design payload capacity after applying an assumed percentage of unsold mass to account for the following factors: (1) uncertainties relating to development, such as issues relating to carrying particular client payloads on our lander (e.g., adjustments of interface) and (2) sales success rate (accounting for uncertainties in demand and sales capability)*
(4) *Sum of internal use payload mass and customer payload mass*
(5) *Payload amount for ispace's usage based on the Company's assumptions as of May 10, 2024*
(6) *For M1, M2 and M3, the amount is the actual value based on each PSA as of May 10, 2024*
(7) *Assumed payload unit price as of May 10, 2024 is approx. $1.5MM/kg, and the Company assumes that the price will decrease over time*
(8) *Yield is expected to improve due to growth in market demand, technical improvements made through experience, and expansion of sales team, in each case according to the Company's assumptions*
(9) *As a result of not achieving completion of Success 9-10 in Mission 1, the amount of sales that could not be recorded as sales was determined to be approximately 98 million yen (as disclosed in Offering Circular on March 26, 2024)*

Never Quit the Lunar Quest

私たちは歩み続けます。

ispace