

October 6, 2025

Company name:	ispace, inc.
Name of representative:	Takeshi Hakamada, Representative Director and CEO
Securities code:	9348; Growth Market
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**Completion of Interim Review of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2026 (Japanese GAAP) by an Independent Auditor**

ispace, inc. (“ispace”), hereby announces that the interim review of its consolidated quarterly financial statements, which ispace disclosed on August 8, 2025 in the “Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2026 (Japanese GAAP)”, has been completed by its independent auditor. This interim review was conducted in relation to the issuance of new shares through a public offering and third-party allotment and secondary offering of shares of ispace through over-allotment as determined by the resolution of the Board of Directors as of October 6, 2025.

The changes from the consolidated quarterly financial statements etc. disclosed on August 8, 2025, are as follows (changes are underlined).

1. Changes to Consolidated Financial Results

(1) The summary information

<Before Change>

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

<After Change>

\* This summary of financial results is subject to optional quarterly review procedures by a public accountant or an audit corporation.

(2) 3. Others, Significant Events, etc. Going Concern Assumption

<Before Change>

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 first quarter, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern.

<After Change>

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 has recorded continuous operating losses and negative operating cash flow. Since the Group is not generating revenue to compensate for all such development investments, net assets decreased by ¥3,232 million to ¥3,775 million as of June 30, 2025, compared to the end of the previous fiscal year. Given these circumstances, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern.

2. Reason for the above changes

The changes have been described in accordance with the interim review conducted by its independent auditor following the announcement of Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2026.

Note: This timely disclosure does not constitute or form a part of an offer or any solicitation to purchase or subscribe for securities in the United States. The shares of common stock of ispace have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The shares of common stock of ispace may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. In the event of a public offering of the shares of common stock of ispace in the United States, such offering would be made by means of a prospectus in English containing detailed information about ispace and its management as well as its financial statements. However, no public offering of the shares of common stock of ispace is being made in the United States.

Translation

Notice: This document has been translated from the Japanese original for reference purposes. In the event of any discrepancy between this translated document and the Japanese original, the latter shall prevail.



Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 [Japanese GAAP]

October 6, 2025

Company name: ispace, inc. Listing: Tokyo Stock Exchange  
 Securities code: 9348 URL: <https://ispace-inc.com/>  
 Representative: Takeshi Hakamada, Representative Director & CEO  
 Inquiries: Jumpei Nozaki, Director & CFO Telephone: +81-3-6277-6451  
 Scheduled date for filing August 8, 2025 Scheduled date for commencing -  
 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 First Quarter of the Fiscal Year Ending March 31, 2026

(from April 1, 2025 to June 30, 2025)

(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	%
First quarter ended June 30, 2025	1,165	(83.4)	(2,243)	—	(2,878)	—	(2,879)	—
First quarter ended June 30, 2024	635	(22.1)	(2,295)	—	(1,576)	—	(1,579)	—

(Note) Comprehensive income (loss)

First quarter ended June 30, 2025: -3,251 Millions of yen (-%)  
 First quarter ended June 30, 2024: -1,737 Millions of yen (-%)

	Basic net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
First quarter ended June 30, 2025	(27.22)	-
First quarter ended June 30, 2024	(16.95)	-

(Note)

1. Diluted net income (loss) per share for the first quarter of the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026 are 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
	Millions of yen	Millions of yen	%
First quarter ended June 30, 2025	38,964	3,775	9.4
Fiscal year ended March 31, 2025	27,189	7,007	25.4

(Reference) Equity

First quarter ended June 30, 2025: 3,666 Millions of yen  
 Fiscal year ended March 31, 2025: 6,898 Millions of yen

## 2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	—	—	0.00	0.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (forecast)		0.00	—	0.00	0.00

(Note) Revisions to the most recently announced dividend forecast: None

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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	6,200	30.7	(11,500)	—	(8,300)	—	(8,300)	—	(78.45)

(Note) Revisions to the most recently announced earnings forecast: None

### \*Explanatory notes

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

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) 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 above: None

iii. Changes in accounting estimates: None

iv. Restatement of prior period financial statements: None

(4) 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 June 30, 2025	105,865,803 shares	As of March 31, 2025	105,675,203 shares
2) Number of treasury shares at the end of the period	As of June 30, 2025	55 shares	As of March 31, 2025	55 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	As of June 30, 2025	105,796,042 shares	As of June 30, 2024	93,143,151 shares

\* This summary of financial results is subject to optional 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, (3) 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 August 8, 2025 (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 first consolidated fiscal year under review, the global economy remained highly uncertain due to persistent concerns over geopolitical risks and the impact of aggressive new policies, including tariff measures, introduced under the second administration of U.S. President Donald Trump. These developments have heightened concerns of a global economic slowdown, leading to continued volatility in capital markets and foreign exchange rates.

In the field of space resources development to which our group belongs, the outlook remains unclear. In the United States, NASA announced a significant cut in its FY2026 budget under the Trump administration, along with the cancellation of certain large-scale projects. These changes reportedly contributed to a number of early retirements among NASA employees. However, with regard to lunar-related programs under the administration, it is planned that the Artemis Program, a human lunar exploration initiative, will continue to be implemented more efficiently through the use of private-sector companies, and that NASA’s Commercial Lunar Payload Services (CLPS) program will be allocated approximately USD 250 million, roughly in line with their FY2025 budget request. These plans confirm the continued promotion of space policy leveraging private-sector participation and the continuation of lunar exploration activities. We will continue to closely monitor developments under the second Trump administration, as its policy direction remains fluid.

In Japan, the government is also accelerating efforts to support private space companies. In November 2023, the Space Strategy Fund was established with a total budget of 1 trillion yen over ten years. A research and development project in which the Company participates as a core partner has been selected to one of the technology development themes under the first phase of the Space Strategy Fund, “Development and demonstration of lunar water resource exploration technology (sensing technology),” with total funding of 6.4 billion yen (the amount to be received by the Company will be finalized upon execution of the outsourcing contract with the lead organization). Furthermore, in March 2025, the government announced the second phase of this fund with another 300 billion yen budget. Subsequently, in July, a public call was issued for the technology development theme “High-Precision Landing Technology for Lunar Polar Regions,” with a funding scale of 20 billion yen, and the Company is currently preparing to submit a proposal.

Under these circumstances, the Company attempted a second lunar landing with Mission 2 using the same model “RESILIENCE lander” as in Mission 1. Reusing the same model allowed us to significantly improve development efficiency in terms of time and cost. Out of the ten milestones leading up to lunar landing, we have successfully completed up to the eighth milestones, Success 8, which involved completing all orbital maneuvers in lunar orbit. On June 6, 2025, we attempted the ninth milestone, Success 9, corresponding to lunar landing. The lander successfully completed Phase 4 of the six phases comprising Success 9, which includes braking burn and pitch-up, and continued its descent in a vertical orientation. However, telemetry was lost approximately two minutes before the scheduled landing time, and the lander ultimately made a hard landing on the lunar surface. Mission 2 involved five payload contracts totaling \$16.0 million. Due to the incomplete landing, \$1.5 million of this amount could not be received, resulting in the total net sales from Mission 2 payload service of \$14.5 million. The cause of the issue was identified as a hardware failure in the laser range finder. For future missions, we will revise our hardware selection as well as testing plans and strengthen collaboration with external experts to ensure improvements are implemented. For more detailed information, please refer to the “Presentation Material for Q1 of Fiscal Year Ending March 2026” disclosed today and the “Presentation Material for Mission 2 “SMBC x HAKUTO-R VENTURE MOON” Technical Cause Analysis” disclosed on June 24, 2025. In addition, during the first quarter, we recorded our first data service revenue of 23 million yen based on a data service contract for Mission 2.

Regarding Mission 3, which will use the APEX 1.0 lander currently being developed by the Company’s U.S. subsidiary, testing of each subsystem is progressing as scheduled toward a planned launch in 2027. Similarly, for Mission 4, we are making steady progress in preparing for thermal and structural testing of the “Series 3 lander” (tentative name), also planned for launch in 2027.

As a result, the Group posted net sales of 1,165,754 thousand yen (up 83.4% year-on-year), operating loss of 2,243,460 thousand yen (operating loss of 2,295,245 thousand yen in the same period of the previous fiscal year), ordinary loss of 2,878,585 thousand yen (ordinary loss of 1,576,020 thousand yen in the same period of the previous fiscal year) and net loss attributable to owners of parent of 2,879,535 thousand yen (net loss attributable to owners of parent of 1,579,112 thousand yen in the same period of the previous fiscal year) for First Quarter of consolidated fiscal year ending March 2026.

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

(2) Financial Position

(Current assets)

The balance of current assets at the end of the first consolidated quarter under review was 30,742,900 thousand yen, an increase of 11,674,950 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 13,343,150 thousand yen in cash and deposits.

(Non-current assets)

The balance of non-current assets at the end of the first consolidated quarter under review was 8,221,707 thousand yen, an increase of 100,527 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 112,138 thousand yen in long-term advances, while construction in progress decreased by 23,230 thousand yen.

(Current liabilities)

The balance of current liabilities at the end of the first consolidated quarter under review was 3,896,101 thousand yen, an increase of 41,188 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 500,000 thousand yen in short-term borrowings, while contract liabilities decreased by 374,989 thousand yen.

(Non-current liabilities)

The balance of non-current liabilities at the end of the first consolidated quarter under review was 31,293,118 thousand yen, an increase of 14,966,488 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to long-term borrowings increasing by 14,999,351 thousand yen.

(Net assets)

The balance of net assets at the end of the first consolidated quarter under review was 3,775,388 thousand yen, a decrease of 3,232,198 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of 2,879,535 thousand yen.

(3) Explanations on Consolidated Earnings Forecast and Other Forecast Information

Regarding consolidated earnings forecast, no change has been made to the consolidated earnings forecast for the full consolidated fiscal year announced in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2025” on May 9, 2025.

## 2. Quarterly Consolidated Financial Statements and Significant Notes

### (1) Quarterly Consolidated Balance Sheet

	Previous consolidated fiscal year (As of March 31, 2025)	(Unit: Thousands of yen) First quarter of current consolidated fiscal year (As of June 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	13,117,557	26,460,708
Accounts receivable - trade	1,544,814	257,351
Advance payments – trade	3,620,712	3,358,816
Work in process	255,886	261,638
Other	562,552	462,596
Allowance for doubtful accounts	(33,573)	(58,211)
<b>Total current Assets</b>	<b>19,067,950</b>	<b>30,742,900</b>
Non-current assets		
Property, plant and equipment	4,859,419	4,804,923
Intangible assets	89,083	77,474
Intangible assets		
Intangible assets	2,997,900	3,110,039
Other	174,775	229,269
<b>Total investments and other assets</b>	<b>3,172,676</b>	<b>3,339,308</b>
<b>Total non-current assets</b>	<b>8,121,179</b>	<b>8,221,707</b>
<b>Total assets</b>	<b>27,189,129</b>	<b>38,964,607</b>
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	—	500,000
Contract liabilities	2,695,528	2,320,539
Provision for loss on orders received	106,005	101,587
Provision for share-based compensation	11,628	16,091
Other	1,041,749	957,883
<b>Total current liabilities</b>	<b>3,854,912</b>	<b>3,896,101</b>
Non-current liabilities		
Long-term borrowings	16,096,275	31,095,626
Provision for stock-based compensation	1,335	3,022
Other	229,018	194,468
<b>Total non-current liabilities</b>	<b>16,326,629</b>	<b>31,293,118</b>
<b>Total liabilities</b>	<b>20,181,542</b>	<b>35,189,219</b>

(Unit: Thousands of yen)

	Previous consolidated fiscal year (As of March 31, 2025)	First quarter of current consolidated fiscal year (As of June 30, 2025)
<b>Net assets</b>		
Shareholders' equity		
Common stock	11,542,332	11,560,167
Deposits for subscriptions to shares	18,508	2,613
Capital surplus	11,449,310	11,467,145
Retained earnings	(16,927,703)	(19,807,238)
Treasury stock	(65)	(65)
Total shareholders' equity	6,082,382	3,222,621
Accumulated other comprehensive income		
Foreign currency translation adjustment	815,926	443,528
Total accumulated other comprehensive income	815,926	443,528
Stock acquisition rights	109,278	109,239
Total net assets	7,007,587	3,775,388
Total liabilities and net assets	27,189,129	38,964,607

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

(Unit: Thousands of yen)

	First quarter of the previous consolidated fiscal year (April 1, 2024 - June 30, 2024)	First quarter of the current consolidated fiscal year(April 1, 2025 - June 30, 2025)
Net sales	635,525	1,165,754
Cost of sales	528,152	933,794
Gross profit	107,373	231,960
Selling, general and administrative expenses	2,402,618	2,475,420
Operating income (loss)	(2,295,245)	(2,243,460)
Non-operating income		
Interest income	15,247	30,367
Foreign exchange gains	858,934	—
Other	29,344	20
Total non-operating income	903,526	30,388
Non-operating expenses		
Interest expenses	181,660	356,996
Foreign exchange losses	—	304,441
Other	2,641	4,105
Total non-operating expenses	184,301	665,513
Ordinary loss	(1,576,020)	(2,878,585)
Extraordinary losses		
Loss on retirement of non-current assets	923	0
Total extraordinary losses	923	0
Income (loss) before income taxes	(1,576,944)	(2,878,585)
Income taxes - current	2,168	950
Total income taxes	2,168	950
Net income (loss)	(1,579,112)	(2,879,535)
Net income (loss) attributable to owners of parent	(1,579,112)	(2,879,535)

## (Quarterly Consolidated Statement of Comprehensive Income (Loss))

(Unit: Thousands of yen)

	First quarter of the previous consolidated fiscal year (April 1, 2024 - June 30, 2024)	First quarter of the current consolidated fiscal year (April 1, 2025- June 30, 2025)
Net income (Loss)	(1,579,112)	(2,879,535)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(158,512)	(372,398)
Total other comprehensive income (loss)	(158,512)	(372,398)
Comprehensive income (loss)	(1,737,624)	(3,251,933)
(Breakdown)		
Comprehensive income attributable to owners of parent	(1,737,624)	(3,251,933)

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amounts of Shareholder's Equity)

Not applicable.

(Notes to Quarterly Consolidated Balance Sheets)

Financial Covenants

Previous consolidated fiscal year (March 31, 2025)

(1) Of the borrowings as of the end of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on November 10, 2023 (balance as of the end of the current consolidated fiscal year: 1,331,730 thousand yen)

1) The total amount of net assets in the consolidated balance sheets as of the end of each quarterly consolidated fiscal period shall be maintained at a positive value.

2) To maintain the total amount of cash and deposits shown in the consolidated balance sheets as of the end of each quarterly consolidated fiscal period at 3 billion yen or more.

(2) Of the borrowings as of the end of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on April 25, 2024 (balance as of the end of the current consolidated fiscal year: 1,964,545 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(3) Of the borrowings as of the end of the current consolidated fiscal year, syndicated loan agreement between the Company and several financial institutions contain the following financial covenants.

Contract on July 26, 2024 (balance as of the end of the current consolidated fiscal year: 10,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(4) Of the borrowings as of the end of the current consolidated fiscal year, the loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on March 31, 2025 (balance as of the end of the current consolidated fiscal year: 1,400,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

First Quarter of the Consolidated Fiscal Year Ending March 31, 2026 (June 30, 2025)

(1) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on November 10, 2023 (balance as of the end of the first quarter of the current consolidated fiscal year: 1,331,730 thousand yen)

1) The total amount of net assets in the consolidated balance sheets as of the end of each quarterly consolidated fiscal period should be maintained at a positive value.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each quarterly consolidated fiscal period should be maintained at 3 billion yen or more.

(2) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on April 25, 2024 (balance as of the end of the first quarter of the current consolidated fiscal year: 1,963,896 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be

maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(3) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, syndicated loan agreement between the Company and several financial institutions contain the following financial covenants.

Contract on July 26, 2024 (balance as of the end of the first quarter of the current consolidated fiscal year: 10,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(4) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on March 31, 2025 (balance as of the end of the first quarter of the current consolidated fiscal year: 1,400,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(5) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on May 14, 2025 (balance as of the end of the first quarter of the current consolidated fiscal year: 5,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(6) Of the borrowings as of the end of the first quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract on May 23, 2025 (balance as of the end of the first quarter of the current consolidated fiscal year: 10,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(Notes to Quarterly Consolidated Statements of Cash Flows)

Quarterly consolidated statements of cash flows for the first quarter of the current consolidated fiscal year have not been prepared. Depreciation and amortization (including amortization related to intangible assets) for the first quarter of the current consolidated fiscal year is as follows.

	First quarter of the previous consolidated fiscal year (from April 1, 2024 to June 30, 2024)	First quarter of the current consolidated fiscal year (from April 1, 2025 to June 30, 2025)
Depreciation and amortization	25,479 thousand yen	47,397 thousand yen

(Segment Information, etc.)

I First quarter of the previous consolidated fiscal year(from April 1, 2024 to June 30, 2024)

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

II First quarter of the current consolidated fiscal year(from April 1, 2025 to June 30, 2025)

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

(Significant Subsequent Events)

Not applicable.

### 3. Others

#### 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 has recorded continuous operating losses and negative operating cash flow. Since the Group is not generating revenue to compensate for all such development investments, net assets decreased by ¥3,232 million to ¥3,775 million as of June 30, 2025, compared to the end of the previous fiscal year. Given these circumstances, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern. The Group is working 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.

#### (1) Promotion of Research and Development

In order to carry out Mission 3 defined as our first mission to be launched by the U.S. entity, and Mission 4 utilizing a new commercialized model developed by the Japanese entity, the Group will steadily advance the development of lunar landers and rovers by strictly managing development schedule and development costs as well as development quality, while securing launching opportunities by launch service providers.

#### (2) 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 for Mission 3 through Mission 6 and will continue to cultivate a sustainable customer market over the medium to long term to stabilize business earnings.

#### (3) 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.

#### (4) 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, subsidiary management, and security management for the Group to continuously expand business in the future.

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

Continuing to achieve 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, 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.

In addition, the Company entered into an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 1, and since Success 9 and 10 out of the 10 success milestones set for Mission 1 were not achieved, the Company received an insurance payment. The Company recognizes insurance as one measures of reducing risk and ensuring financial stability, and is considering utilizing insurance for Mission 3 and beyond. However, since Mission 2 fell outside the scope of the insurance coverage, the company does not expect to receive insurance payment for the mission.

With respect to borrowings from financial institutions, the Company entered into loan agreements totaling 7.5 billion yen with multiple banks during the fiscal year ended March 31, 2024, and also entered into loan agreements totaling 17.9 billion yen (including refinancing) during the fiscal year ended March 31, 2025. In addition, during the first quarter of the current consolidated fiscal year, the Company entered into loan agreements totaling 15.5 billion yen.

Furthermore, with respect to third-party allotments, the Company entered into an Equity Program Agreement with CVI Investments,

Inc. in October 2024 and has issued new shares and stock acquisition rights.

## Independent Auditor's Report on Review of Quarterly Consolidated Financial Statements

To the Board of Directors of ispace, inc.:

### Conclusion

We have reviewed the accompanying quarterly consolidated financial statements of ispace, inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the quarterly consolidated balance sheet as of June 30, 2025, the quarterly consolidated statements of income (loss) and comprehensive income (loss) for the three-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying quarterly consolidated financial statements are not prepared, in all material respects, in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. ("the Standard") (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.

### Basis for Conclusion

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements in Japan (including those that are relevant to audits of the financial statements of public interest entities), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Other matter

We have not audited or reviewed the quarterly consolidated statements of income (loss) and comprehensive income (loss) for the three months ended June 30, 2024 and related notes.

### Responsibilities of Management, Audit & Supervisory Board members and Audit & Supervisory Board for the Quarterly Consolidated Financial Statements

Management is responsible for the preparation and presentation of the quarterly consolidated financial statements in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the quarterly consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the quarterly consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit & Supervisory Board members and Audit & Supervisory Board are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### Auditor's Responsibilities for the Review of the Quarterly Consolidated Financial Statements

Our responsibility is to express a conclusion on these quarterly consolidated financial statements based on our review in our report on the review of quarterly consolidated financial statements.

As part of our review in accordance with quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other review procedures. A quarterly review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude, based on the evidence obtained, that nothing has come to our attention that causes us to believe that the quarterly consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan, if a material uncertainty relating to events or conditions comes to our attention that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material

uncertainty exists, we are required to draw attention in our report on the review of quarterly consolidated financial statements to the related disclosures in the quarterly consolidated financial statements or, if such disclosures are inadequate, to express a qualified conclusion or an adverse conclusion. Our conclusions are based on the evidence obtained up to the date of our report on the review of quarterly consolidated financial statements; however, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate that nothing has come to our attention that causes us to believe that the presentation and disclosures in the quarterly consolidated financial statements are not prepared in accordance with Article 4(1) of Standard for Preparation of Quarterly Financial Statements of Tokyo Stock Exchange, Inc. (applying the omissions prescribed in Article 4(2) of the Standard) and accounting principles generally accepted in Japan.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the Group as a basis for forming a conclusion on the quarterly consolidated financial statements. We are responsible for the direction, supervision and review of the quarterly review on the quarterly consolidated financial statements. We remain solely responsible for our review conclusion.

We communicate with Audit & Supervisory Board members and Audit & Supervisory Board regarding, the planned scope and timing of the review, significant review findings that we identify during our review.

We also provide Audit & Supervisory Board members and Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

#### **Interest required to be disclosed by the Certified Public Accountants Act of Japan**

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Tetsushi Umetani  
Designated Engagement Partner  
Certified Public Accountant

Masaya Ariyoshi  
Designated Engagement Partner  
Certified Public Accountant

KPMG AZSA LLC  
Tokyo Office, Japan  
October 3, 2025