

Translation

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Consolidated Financial Results for the First Three Quarters of the Fiscal Year Ending March 31, 2025
[Japanese GAAP]

February 12, 2025

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 quarterly securities report: dividend payments:
 Preparation of supplementary materials on quarterly financial results: Yes
 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 Three Quarters of the Fiscal Year Ending March 31, 2025

(from April 1, 2024 to December 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	%
First three quarters ended December 31, 2024	1,989	8.9	(6,434)	—	(6,779)	—	(7,365)	—
First three quarters ended December 31, 2023	1,826	121.7	(3,748)	—	(4,590)	—	(836)	—

(Note) Comprehensive income (loss)

First three quarters ended December 31, 2024: -8,392Millions of yen (-%)

First three quarters ended December 31, 2023: -574Millions of yen (-%)

	Basic net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
First three quarters ended December 31, 2024	(78.20)	-
First three quarters ended December 31, 2023	(10.35)	-

(Note) For the cumulative period of the third quarter of the fiscal year ending March 2024 and the cumulative period of the third quarter of the fiscal year ending March 2025, the adjusted earnings per share for the quarter after considering potential shares are not disclosed, as the company is reporting a quarterly net loss per share, despite the existence of potential shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
First three quarters ended December 31, 2024	26,831	4,613	17.0
Fiscal year ended March 31, 2024	27,033	9,745	36.0

(Reference) Equity

First three quarters ended December 31, 2024: 4,569 Millions of yen

Fiscal year ended March 31, 2024: 9,744 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, 2024	—	—	—	0.00	0.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (forecast)			—	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, 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	4,467	89.5	(9,872)	—	(10,774)	—	(10,763)	—	(114.28)

(Note) Revisions to the most recently announced financial forecast: Yes

For details regarding the revision of the consolidated performance forecast, please refer to the "Notice regarding upward revision of the financial results forecasts" disclosed today, February 12, 2025.

*Explanatory notes

- (1) Changes in significant subsidiaries during the first three quarters (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 December 31, 2024	99,052,983 shares	As of March 31, 2024	93,131,903 shares
2) Number of treasury shares at the end of the period	As of December 31, 2024	55 shares	As of March 31, 2024	55 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	As of December 31, 2024	94,184,208 shares	As of December 31, 2023	80,875,091 shares

* This summary of financial results is not subject to 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 February 12, 2025 (Wednesday) 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 third quarter of the consolidated fiscal year under review, the outlook for the global economy remained uncertain due to the impact of new policies from the new U.S. administration, inflation caused by soaring prices and the unstable currency fluctuations, while tensions continued to mount in various regions.

Despite such circumstances, in the field of space resource development, where our Company belongs, the National Aeronautics and Space Administration (NASA) has announced that five countries (Denmark, Panama, Austria, Thailand, and Finland) has newly signed the "Artemis Accords," a guideline for peaceful, friendly, and transparent activities on the Moon from the second quarter of the current consolidated fiscal year. A total of 53 countries and regions (as of January 31, 2025) including Japan and the U.S. have signed the Artemis Accords, which continue to show active progress. In the United States, during his first administration, President Donald Trump officially launched the "Artemis Program" and also promoted the establishment of the "United States Space Force." On January 20, 2025, Trump was inaugurated for his second term, and as part of his new administration, he appointed Elon Musk, the CEO of SpaceX, to a key position, and nominated entrepreneur Jared Isaacman, who previously participated in two private spaceflight missions, as the new administrator of NASA. These developments suggest that active movements in space policy are expected to continue. It will be necessary to closely monitor specific policy trends regarding the promotion of private-sector space activities and the strengthening of national security under the second Trump administration.

The Japanese government has also secured a larger budget related to aerospace than in the past and is accelerating its efforts to encourage private companies and other organizations in the space field. In November 2023, the Cabinet decided to establish a 10-year "Space Strategy Fund" at the Japan Aerospace Exploration Agency (JAXA) to support multi-year development, demonstration, and commercialization of advanced technologies in the space sector by private companies and universities, aiming to provide a total of 1 trillion yen in support. For FY2024, the first phase of the Fund, a total of 22 technology development themes have been set for space transportation, satellites, exploration, and other fields under a total budget of 300 billion yen. The themes have been opened for public solicitation from July 2024, and as of the end of January 2025, the results of the 18 themes have been released.

With such developments as a background, the Company has begun the operation of Mission 2, aimed at demonstrating lunar landing and lunar exploration. The rocket carrying the lunar lander "RESILIENCE Lander" used in this mission, was launched by SpaceX from Cape Canaveral, Florida, on January 15, 2025. As of February 12, 2025, we have successfully achieved four out of the ten planned milestones, including the fourth stage, Success 4 (completion of the initial orbit control maneuver). For Mission 2, the Company is carrying a total of 5 payloads, including three Japanese private companies, one Taiwanese university and one Swedish art project. Based on the contracts worth a total of US\$16 million, we plan to continue recognizing sales under these contracts as we move towards the completion of the mission in the next spring and beyond.

Our U.S. entity is planning to launch Mission 3 using the "APEX 1.0 Lander" in 2026. It has already been confirmed that NASA's payloads and payloads from two private companies will be transported. During the current consolidated fiscal period, the majority of our consolidated sales will primarily come from payload sales related to Mission 3. As of the end of this quarter (December 2024), the contract amount for the existing contract in relation to NASA's payload has been increased, and a new payload service agreement with the Italian Space Agency has been signed. As a result, the total contract value for Mission 3 has risen to US\$65 million (an increase of US\$8 million compared to the end of the previous quarter), and both the increased contract amount and the new contract will be recognized as revenue in accordance with the applicable cost recovery method over time.

As a result, the Group posted net sales of 1,989,277 thousand yen (increase 8.9% year-on-year), operating loss of 6,434,046 thousand yen (operating loss of 3,748,780 thousand yen in the same period of the previous fiscal year), ordinary loss of 6,779,762 thousand yen (ordinary loss of 4,590,329 thousand yen in the same period of the previous fiscal year) and net loss attributable to owners of parent of 7,365,353 thousand yen (net loss attributable to owners of parent of 836,946 thousand yen in the same period of the previous fiscal year) for the first three quarters of the fiscal year ending March 2025.

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 third consolidated quarter under review was 20,181,815 thousand yen, a decrease of 1,603,059 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 1,082,014 thousand yen in cash on hand and in banks.

(Non-current assets)

The balance of non-current assets at the end of the third consolidated quarter under review was 6,649,429 thousand yen, an increase of 1,400,860 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 1,255,240 thousand yen in construction in progress.

(Current liabilities)

The balance of current liabilities at the end of the third consolidated quarter under review was 7,310,601 thousand yen, a decrease of 3,192,736 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 3,450,000 thousand yen in short-term borrowings.

(Long-term liabilities)

The balance of long-term liabilities at the end of the third consolidated quarter under review was 14,907,104 thousand yen, an increase of 8,122,253 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to an increase of 8,163,485 thousand yen in long-term borrowings.

(Net assets)

The balance of net assets at the end of the third consolidated quarter under review was 4,613,539 thousand yen, a decrease of 5,131,716 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to the recognition of a net loss attributable to owners of parent, which resulted in a decrease in retained earnings of 7,365,353 thousand yen.

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

Regarding consolidated earnings forecast for the fiscal year ending March 2025 has been revised as of today, February 12 2025. For details regarding the revision, please refer to the "Notice regarding upward revision of the financial results forecasts" disclosed today.

(4) 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 second quarter of the fiscal year ending March 31, 2025, 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

For Mission 2, which is a R&D mission, Mission 3, which will be the first launch in the U.S., and Mission 4 (formerly Mission 6), which will use a new lander model for commercial use in Japan, we will secure launch opportunities by launch operators and strictly manage development schedules, development costs, and development quality to ensure that the development of the lander and rover will steadily proceed.

(ii) Customer development

The lander and rover 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 contracts from customers for mission 3 and onwards, and will continue to cultivate a sustainable market over the medium to long term to stabilize business earnings.

(iii) Securing Human resources

The Company is continuously hiring personnel 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 individual 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.

In addition, the Company concluded an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 1 and received insurance benefits. The Company recognizes that risk reduction through insurance is one of the ways to ensure financial security and has concluded an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 2 as well.

Regarding borrowings from financial institutions, in the fiscal year ended March 31, 2024, we concluded loan agreements totaling 7.5 billion yen with several banks, and in April 2024, we concluded a loan agreement totaling 7 billion yen, including refinancing, with Sumitomo Mitsui Banking Corporation. In July 2024, the Company entered into a syndicated loan agreement totaling 10 billion yen, including refinancing, with Sumitomo Mitsui Banking Corporation as arranger, Mizuho Bank, Ltd. as a co-arranger, and The Shoko Chukin Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, Aozora Bank, Ltd. and Resona Bank, Ltd. as participating financial institutions. Additionally, in December 2024, the Company signed a subordinated loan agreement for 900 million yen with the Japan Finance Corporation.

In addition, as described in “4. Notes to Quarterly Consolidated Financial Statements (Significant Subsequent Events),” the Company entered into an Equity Program Agreement with CVI Investments, Inc. in October 2024 to issue new shares and stock acquisition rights through a third-party allotment.

2. Quarterly Consolidated Financial Statements and Significant Notes

(1) Quarterly Consolidated Balance Sheet

(Unit: Thousands of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter of current consolidated fiscal year (As of December 31, 2024)
Assets		
Current assets		
Cash on hand and in banks	14,315,411	13,233,396
Restricted cash	2,517,482	—
Notes, accounts receivable and contract assets	20,081	74,493
Advance payments - trade	4,228,814	5,706,300
Work in process	274,770	316,564
Other	428,315	851,059
Total current assets	21,784,875	20,181,815
Non-current assets		
Property, plant and equipment		
Construction in progress	1,913,944	3,169,184
Other	548,874	760,192
Total property, plant and equipment	2,462,819	3,929,377
Intangible assets		
Investments and other assets	72,634	80,734
Long-term advance payments - trade	2,560,754	2,473,037
Other	152,360	166,281
Total investments and other assets	2,713,114	2,639,318
Total non-current assets	5,248,569	6,649,429
Total assets	27,033,444	26,831,245
Liabilities		
Current liabilities		
Short-term borrowings	5,980,000	2,530,000
Contract liabilities	3,190,172	3,305,206
Provision for loss on orders received	—	6,589
Provision for share-based payments	—	441,156
Other	1,333,164	1,027,648
Total current liabilities	10,503,337	7,310,601
Non-current liabilities		
Long-term borrowings	6,538,241	14,701,727
Other	246,609	205,377
Total non-current liabilities	6,784,851	14,907,104
Total liabilities	17,288,188	22,217,705

(Unit: Thousands of yen)

	Previous consolidated fiscal year (As of March 31, 2024)	Third quarter of current consolidated fiscal year (As of December 31, 2024)
Net assets		
Shareholders' equity		
Common stock	7,775,500	9,384,537
Capital surplus	7,682,478	9,291,515
Retained earnings	(4,982,563)	(12,347,917)
Treasury stock	(65)	(65)
Total shareholders' equity	10,475,350	6,328,069
Accumulated other comprehensive income		
Foreign currency translation adjustment	(731,024)	(1,758,462)
Total accumulated other comprehensive income	(731,024)	(1,758,462)
Stock acquisition rights	930	43,932
Total net assets	9,745,256	4,613,539
Total liabilities and net assets	27,033,444	26,831,245

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income (Loss)
(Quarterly Consolidated Statement of Income (Loss))
(Consolidated Cumulative Third Quarter)

(Unit: Thousands of yen)

	First three quarters of the fiscal year ended March 2024 (April 1, 2023 - December 31, 2023)	First three quarters of the fiscal year ending March 2025 (April 1, 2024 - December 31, 2024)
Net sales	1,826,065	1,989,277
Cost of sales	1,021,398	1,620,731
Gross profit	804,666	368,546
Selling, general and administrative expenses	4,553,447	6,802,592
Operating income (loss)	(3,748,780)	(6,434,046)
Non-operating income		
Interest income	5,691	51,338
Foreign exchange gains	—	532,376
Miscellaneous income	3,089	78,257
Other	0	1,293
Total non-operating income	8,781	663,265
Non-operating expenses		
Interest expense	230,030	680,462
Foreign exchange losses	96,110	—
Share issuance costs	22,736	—
Listing expenses	470,789	—
Other	30,662	328,519
Total non-operating expenses	850,330	1,008,981
Ordinary loss	(4,590,329)	(6,779,762)
Extraordinary income		
Insurance claim income	3,793,660	—
Gain on reversal of share acquisition rights	12	429
Total extraordinary income	3,793,673	429
Extraordinary losses		
Loss on retirement of treasury stock	43,315	—
Loss on retirement of non-current assets	—	923
Impairment loss	—	596,801
Total extraordinary losses	43,315	597,725
Income (loss) before income taxes	(839,971)	(7,377,059)
Income taxes - current	3,151	(11,705)
Income taxes - deferred	(6,176)	—
Total income taxes	(3,024)	(11,705)
Net income (loss)	(836,946)	(7,365,353)
Net income (loss) attributable to owners of parent	(836,946)	(7,365,353)

(Quarterly Consolidated Statement of Comprehensive Income (Loss))
(Consolidated Cumulative Third Quarter)

(Unit: Thousands of yen)

	First three quarters of the fiscal year ended March 2024 (April 1, 2023 - December 31, 2023)	First three quarters of the fiscal year ending March 2025 (April 1, 2024 - December 31, 2024)
Net income (Loss)	(836,946)	(7,365,353)
Other comprehensive income (loss)		
Foreign currency translation adjustment	262,262	(1,027,437)
Total other comprehensive income (loss)	262,262	(1,027,437)
Comprehensive income (loss)	(574,684)	(8,392,791)
(Breakdown)		
Comprehensive income attributable to owners of parent	(574,684)	(8,392,791)

(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)

At the board of directors meeting held on October 11, 2024, the Company resolved to enter into an Equity Program Agreement (hereinafter referred to as the "Equity Program Agreement") with CVI Investments Inc. (hereinafter referred to as the "allottee"), which is managed by the U.S. institutional investor Heights Capital Management, Inc. The resolution also included the issuance of new shares and the 14th series of stock acquisition rights by third-party allotment to the allottee as the first issuance under the Equity Program Agreement. The payment procedure for the first third-party allotment was completed on October 28, 2024.

Furthermore, at the board of directors meeting held on November 28, 2024, the company resolved to issue new shares and the 15th issuance of stock options of ispace to the allottee through a third-party allotment as the second issuance under the Equity Program Agreement. The payment for the second third-party allotment was completed on December 3, 2024.

As a result, the capital stock and capital reserve have each increased by 1,579,875 thousand yen.

(Notes to Quarterly Consolidated Balance Sheets)

Financial Covenants

Previous consolidated fiscal year (March 31, 2024)

(1) Of the borrowings at the end of the consolidated fiscal year, syndicated loan contracts between the Company and several financial institutions contain the following financial covenants.

Contract dated July 26, 2022 (balance at the end of the previous consolidated fiscal year: 4,038,241 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated 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 consolidated fiscal year should be maintained at 3 billion yen or more.

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

Contract dated August 30, 2023 (balance at the end of the previous consolidated fiscal year: 3,000,000 thousand yen)

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

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

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

Contract dated November 10, 2023 (balance at the end of the current consolidated fiscal year: 2,000,000 thousand yen)

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

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

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

Contract dated January 29, 2024 (balance at the end of the current consolidated fiscal year: 2,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated 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 consolidated fiscal year should be maintained at 3 billion yen or more.

Thirds quarter of the fiscal year ending March 31, 2025 (December 31, 2024)

(1) Of the borrowings at the end of the Third quarter of the fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated November 10, 2023 (balance at the end of the Third quarter of the fiscal year ending March 31, 2025: 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 accounting period shall be maintained at a positive value.
- 2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

(2) Of the borrowings at the end of the Third quarter of the fiscal year ending March 31, 2025, the overdraft agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated January 29, 2024 (balance at the end of the Third quarter of the fiscal year ending March 31, 2025: 2,000,000 thousand yen)

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

(3) Of the borrowings at the end of the Third quarter of the fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated April 25, 2024 (balance at the end of the Third quarter of the fiscal year ending March 31, 2025: 1,969,997 thousand yen)

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

(4) Of the borrowings at the end of the Third quarter of the fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated July 26, 2024 (balance at the end of the Third quarter of the fiscal year ending March 31, 2025: 10,000,000 thousand yen)

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

(Note regarding the quarterly consolidated cash flow statement)

A quarterly consolidated cash flow statement for the third quarter consolidated cumulative period has not been prepared. However, the depreciation (including amortization of intangible fixed assets) for the third quarter consolidated cumulative period is as follows.

	Previous third quarter consolidated cumulative period (April 1 2023 – December 31 2023)	Current third quarter consolidated cumulative period (April 1 2024 – December 31 2024)
Depreciation	49,671 thousand yen	100,279 thousand yen

(Note regarding segment information, etc.)

I. Previous third quarter consolidated cumulative period (from April 1, 2023 to December 31, 2023)

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

II. Current third quarter consolidated cumulative period (from April 1, 2024 to December 31, 2024)

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

(Significant Subsequent Events)

(Issuance of New Shares and Stock Acquisition Rights by way of Third-Party Allotment)

In the board of directors meeting held on January 14, 2025, the Company resolved to issue new shares (hereinafter referred to as "the common stock") and the 16th series of stock acquisition rights by way of third-party allotment to CVI Investments, Inc. (hereinafter referred to as "the allottee"), managed by the U.S. institutional investor Heights Capital Management, Inc. as the third issuance under the Equity Program Agreement (hereinafter referred to as the "Equity Program Agreement"), which was signed on October 11, 2024. The payment for the third third-party allotment was completed on January 29, 2025.

1. Overview of the third common shares issuance regarding the third party allotment

(1) Scheduled Issuance Date	January 29, 2025
(2) Number of Shares Issued	Common shares 2,750,000 shares
(3) Issue price	802 yen per share
(4) Amount of Funds to be Raised	2,205,500,000 yen
(5) Method of Offering or Allotment	To be conducted by means of third-party allotment
(6) Allottee	CVI Investments, Inc.
(7) Amount of capital and capital reserve to be increased	Capital stock 1,102,750,000 yen Capital reserve 1,102,750,000 yen
(8) Use of Funds	Funds for investment in and financing of the Company's U.S. entity

2. Overview of the third stock acquisition right issuance regarding the third party allotment

(1) Allotment Date	January 29, 2025
(2) Total Number of Stock Acquisition Rights	27,500 units (100 shares per stock acquisition right)
(3) Issue Price	1,443 yen per stock acquisition right
(4) Number of Potential Shares from this Issuance	2,750,000 shares
(5) Amount of Funds to be Raised	2,982,182,500 yen (Note) (Breakdown) Amount from Issuance of Stock Acquisition Rights: 39,682,500 yen Amount from Exercise of Stock Acquisition Rights: 2,942,500,000 yen
(6) Exercise Price	1,070 yen per share
(7) Exercise Period	From January 30, 2025, to January 29, 2029
(8) Method of Offering or Allotment	To be conducted by means of third-party allotment
(9) Allottee	CVI Investments, Inc.
(10) Amount of capital and capital reserve to be increased	Capital stock 1,491,091,250 yen Capital reserve 1,491,091,250 yen
(11) Use of Funds	Funds for the development of Mission 4 (formerly Mission 6), which is not eligible for subsidy Funds for investment in and financing of the Company's U.S. entity for Mission 5 (formerly Mission 4)

(Note) The amount of funds raised will decrease if the stock acquisition rights are not exercised within the exercise period or if the Company cancels the stock acquisition rights.