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T D B M U X B E E V X
Y F R V F O D F N P W I P

i s p a c e

Mission 3 Update
September 28, 2023

M R V I Z I F N P M L Y
G D B M U P Y E S L X
M F R V F Z I F N P M K Y
N P M L Y

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Today's Highlight

- **1. Change of M3 schedule**

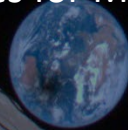
ispace - U.S. as a member of Team Draper has revised its development schedule to accommodate NASA's sensitive payloads. Additionally, ispace - U.S has experienced procurement delays for some long-lead items. As a result, Mission 3 launch has been rescheduled from 2025 to 2026.

- **2. Revised Financial Forecast : Fiscal Year Ending March 2024**

Due to the change of the schedule, sales forecast of current fiscal year is expected to decrease by approx. 3.1 billion yen. Due to the delay in recording the cost of sales for Mission 3 this fiscal year, sales will be carried forward to the next fiscal year or later (Cost Recovery Method). The net decrease in overall sales for Mission 3 is limited.

- **3. Continuing steady implementation of M3:**

Development of the Mission 3 Lander has completed all PDR and will complete its CDR no later than the end of current fiscal year. New design and improved specifications for the Mission 3 Lander "APEX 1.0" will be announced today. The management structure of U.S. entity has been strengthened to ensure steady execution of Mission 3 and to develop further demand particularly from NASA.



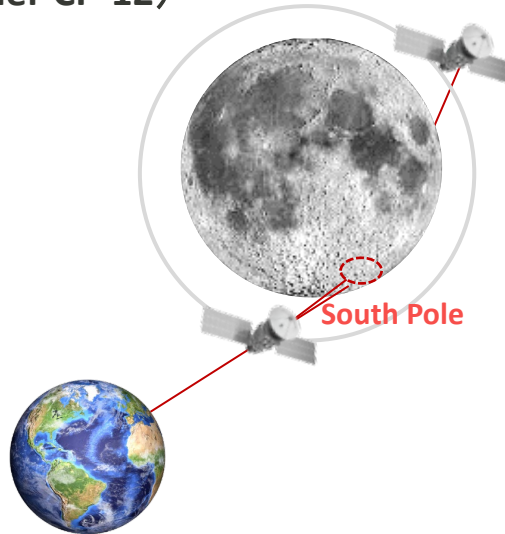
Mission 3 Update



ispace – U.S. has been selected for NASA CLPS Task Order CP-12 as a member of Team Draper to deliver the NASA payload in Mission 3. Also, ispace – U.S. plans to continue to acquire other global customers.

NASA CLPS program * (Task Order CP-12)

- Total Contract amount :
c.USD55MM
Order total : USD73MM
- Assumed payload: **95Kg**

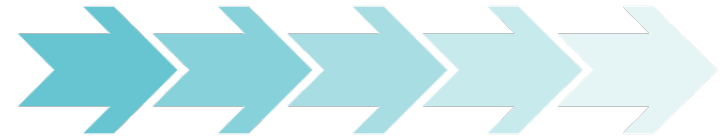


***NASA Commercial Lunar Payload Services (CLPS) Program:** NASA's program to outsource services to private companies to transport payloads to the Moon with a budget plan of USD 2.6 billion through 2028⁽¹⁾

Other Global Customers

Discussions underway with several private customers to finalize the contracts

(Agreed to sign PSA⁽²⁾
between a U.S. private company)



(1) Commercial Lunar Payload Services (<https://www.nasa.gov/content/commercial-lunar-payload-services>) (2) Payload Service Agreement (PSA)

Launch schedule change of Mission 3

New Mission 3 Launch schedule

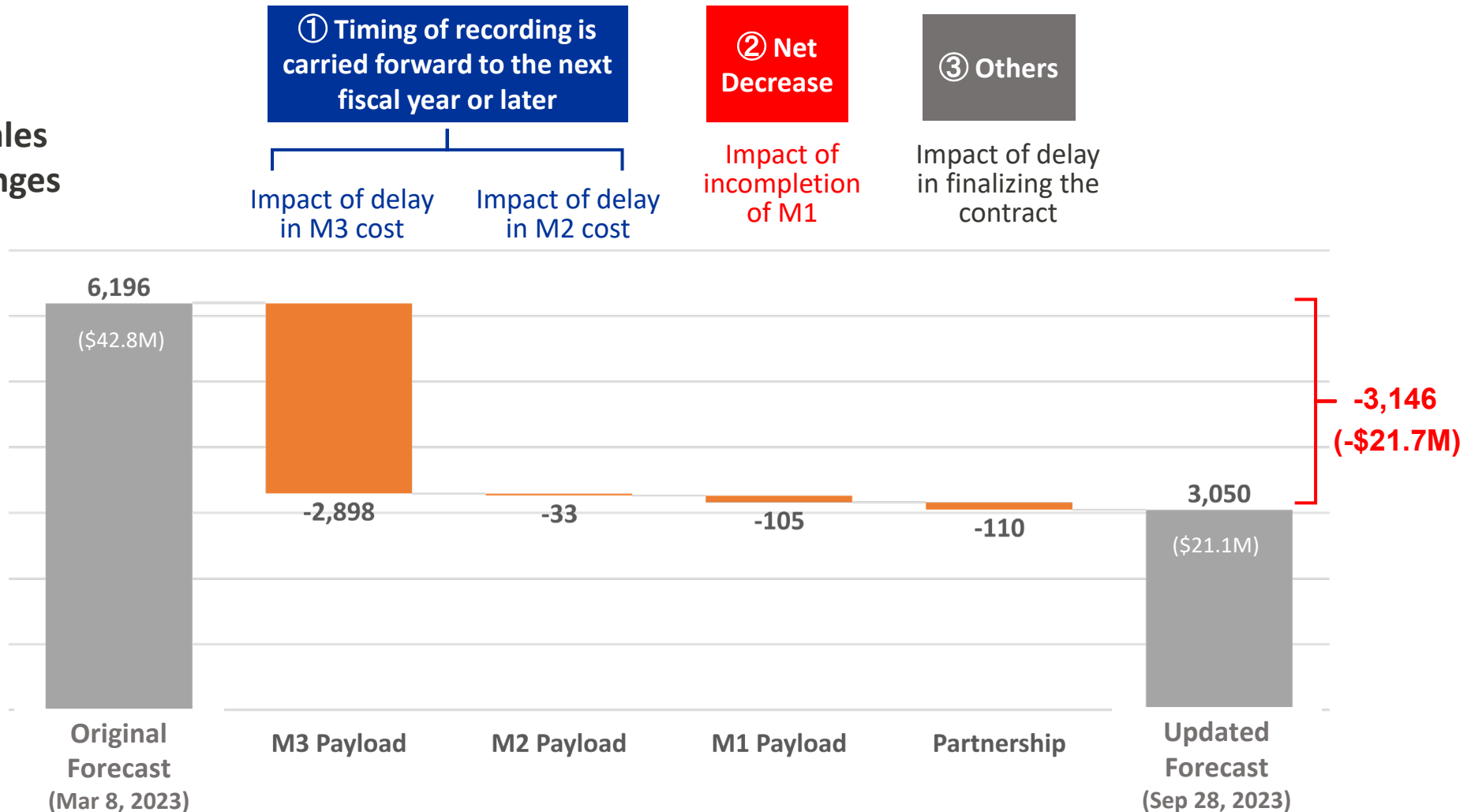
Year **2026**

Background of the schedule update

- To accommodate NASA's sensitive payloads, Team Draper and ispace - U.S. has revised its development plan.
- Additionally, ispace - U.S has experienced procurement delays for some long-lead items.

FY2023 Sales forecast is expected to decrease by approx. 3.1 bn JPY. Due to the delay in recording the cost of sales for Mission 3 this fiscal year, sales will decrease by the same amount, which will be carried forward to the next fiscal year or later (Cost Recovery Method). The net decrease in overall sales for Mission 3 is limited.

Analysis of Sales Forecast Changes (Million JPY)



(1) USD amounts are converted with JPY144.84/USD, which is the internal FX rate



A P I O N E E R I N E X P L O R A T I O N

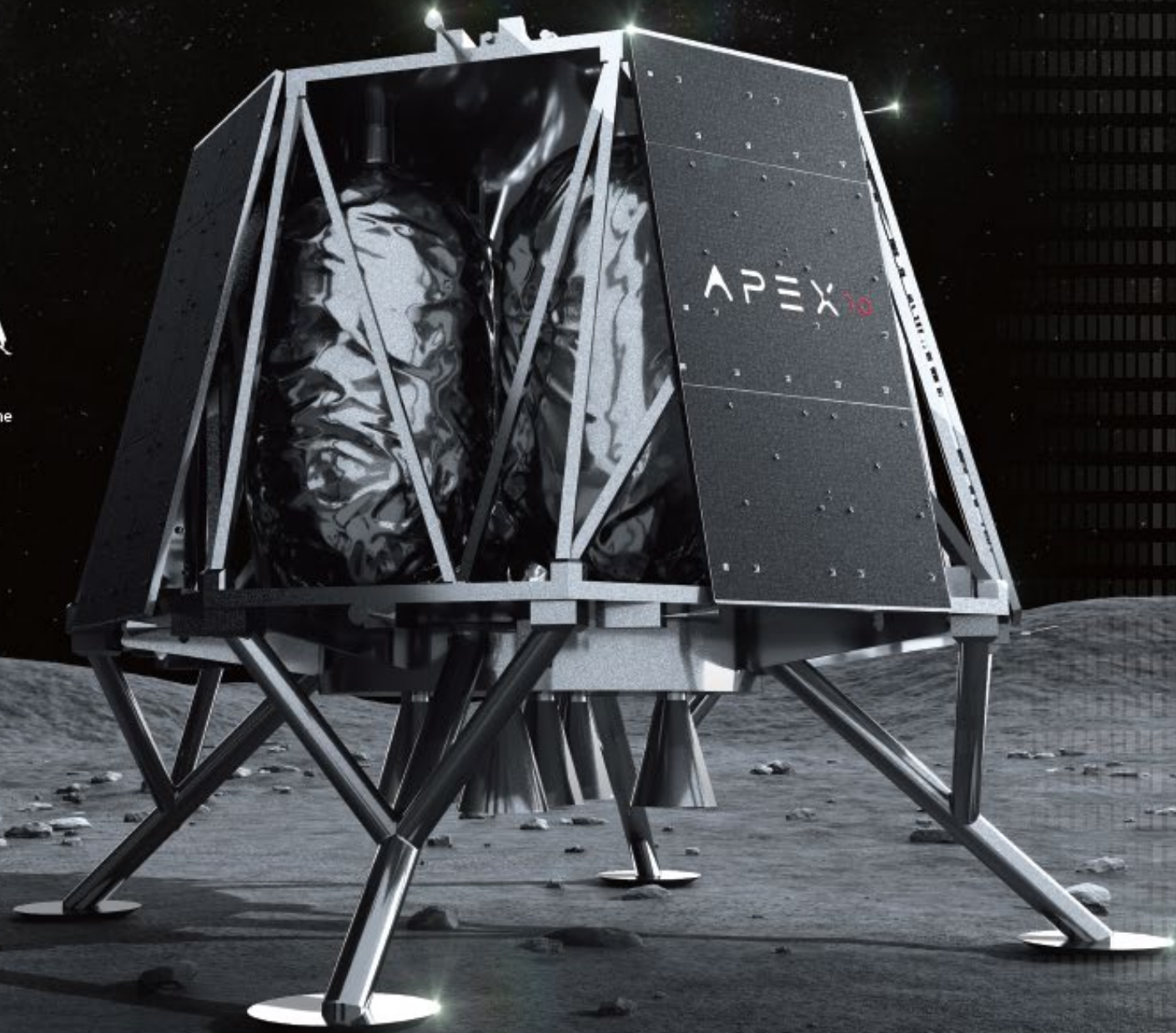
APEX 1.0

A PIONEER IN EXPLORATION

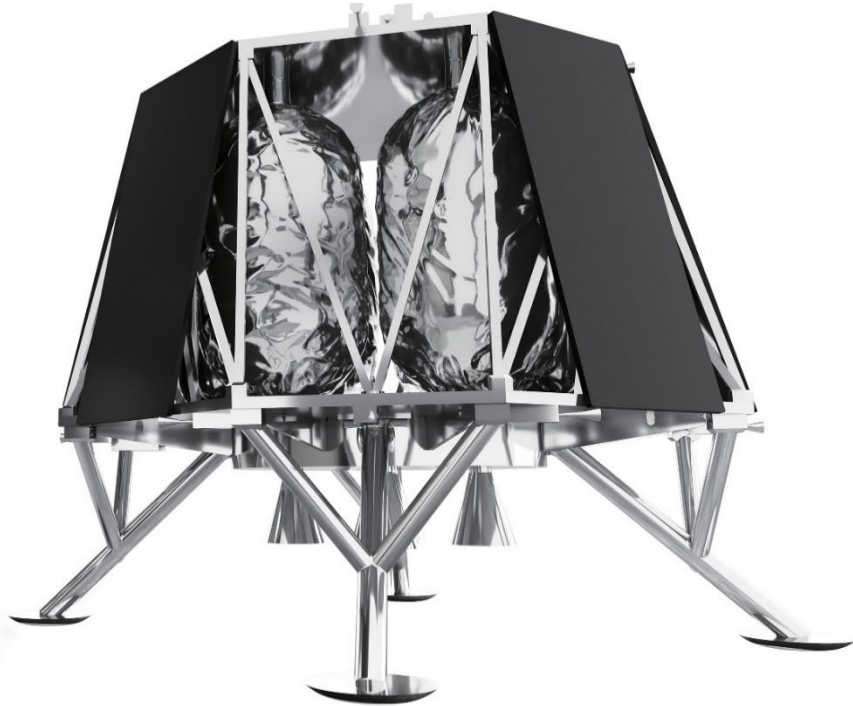


ispace-US is proud to introduce our new lander design, now known as APEX 1.0. It represents the first iteration of an ever evolving lander to meet all customer needs, both government and commercial. This new lander is A Pioneer in Exploration that will continue to advance, accelerating our ability to explore the Moon and beyond.

[LEARN MORE](#)



Announcing the New lander design of “APEX 1.0” (formerly : Series II lander)



APEX 1.0 – A PIONEER IN EXPLORATION

- Ability to carry up to 300 kg to the lunar surface – more than 10x the capability of the Series 1 lander. Plans to progressively increase the APEX series’ payload capacity to reach 500 kg of planned mission payload capacity on future missions
- Dedicated satellite bays, perfect for relay satellites to support direct-to-Earth communications
- Ability to transport orbital, stationary, and mobile payloads to polar and equatorial locations on either the near or far side of the Moon
- Advanced vibrational isolation to protect even the most sensitive payloads
- Increased structural durability, reliability, and manufacturability, enabling consistent quality and performance at scale

Formed a management structure with strong leadership in ispace Technologies U.S., after Ronald J. Garan Jr. took over as US CEO



Ronald J. Garan Jr.
U.S. CEO

- NASA Astronaut
- US Air Force
- World View



Daniel Hinson
U.S. Executive Vice President,
Engineering

- Spirit AeroSystems
- American Airlines



Ryan Whitley
U.S. Executive Vice President,
Business Development and
Programs

- NASA
- National Space Council



Elizabeth Kryst
U.S. Executive Vice President,
Operations

- World View
- Moog Space and Defense
Group

The background of the slide is a dark, grainy image of a lunar or planetary surface. In the foreground, there is a large, dark rock on the right side. The surface is covered in fine dust and has some subtle ridges and shadows. The sky above is black with several small, bright stars scattered across it. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, containing the text.

Revised Financial Forecast : Fiscal Year Ending March 2024

Financial Forecast has been revised, based on the delay in recording sales of Mission 3 and the receipt of the lunar insurance

(Millions of yen) ⁽²⁾	FY 2024/3	FY 2024/3		
	Revised Forecast	Previous Forecast	%Change	Increase and decrease
Net Sales ⁽¹⁾	3,050 (\$21.1M)	6,196 (\$42.8M)	△50.8%	△3,146 (-\$21.7M)
Gross Profit	1,114 (\$7.7M)	1,408 (\$9.7M)	△20.9%	△294 (-\$2.0M)
Gross Profit Margin	36.5%	22.7%	-	13.8%
SG&A	8,296 (\$57.3M)	8,527 (\$58.9M)	△2.7%	△231 (-\$1.6M)
Operating Loss	△7,182 (-\$49.6)	△7,118 (-\$49.1M)	-	△64 (-\$0.4M)
Ordinary Loss	△8,297 (-\$57.3M)	△7,885 (-\$54.4M)	-	△412 (-\$2.8M)
Net Loss	△4,504 (-\$31.1M)	△7,889 (-\$54.5M)	-	+3,385 (\$23.4M)

Point

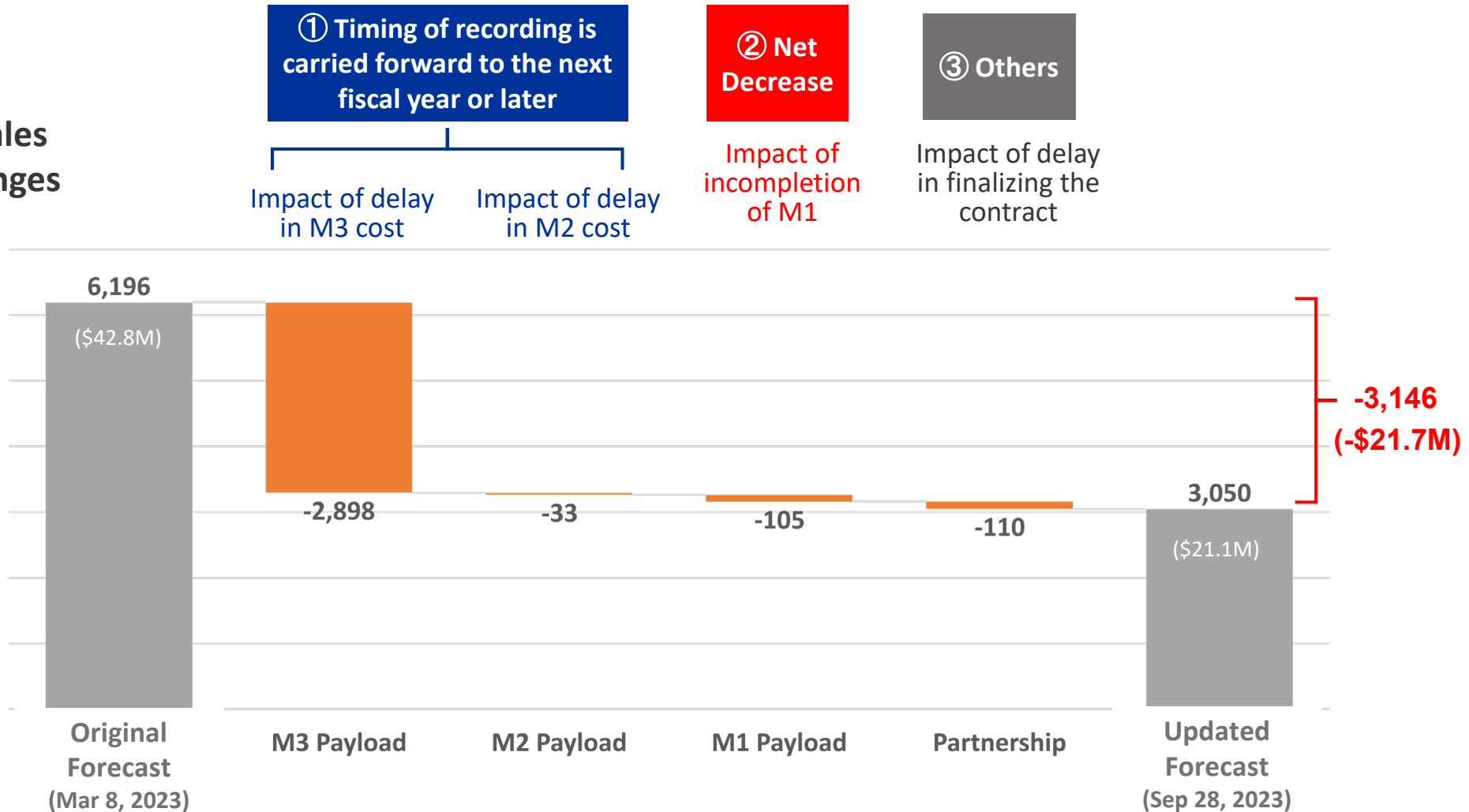
- **Net Sales : △3,146 million yen (-\$21.7M)**
Most of the decrease was due to delays in recording sales of Mission 3 payload services compared to the original forecast
- **Gross Profit : △294 million yen (-\$2.0M)**
 - Decrease in sales of payload services due to the incompleteness of Mission1 (△116 million yen)
 - Impact of delay in finalizing the contract of partnership services (△178 million yen)
- **Net Loss : +3,385 million yen (+\$23.4M)**
Mainly due to the receipt of the lunar insurance recorded as an extra-ordinary income

(1) As expenses are incurred, costs will be recorded under net sales because cost recovery method is adopted, net sales are expected to increase when development activities become full-scale and expenses occur

(2) USD amounts are converted with JPY144.84/USD, which is the internal FX rate

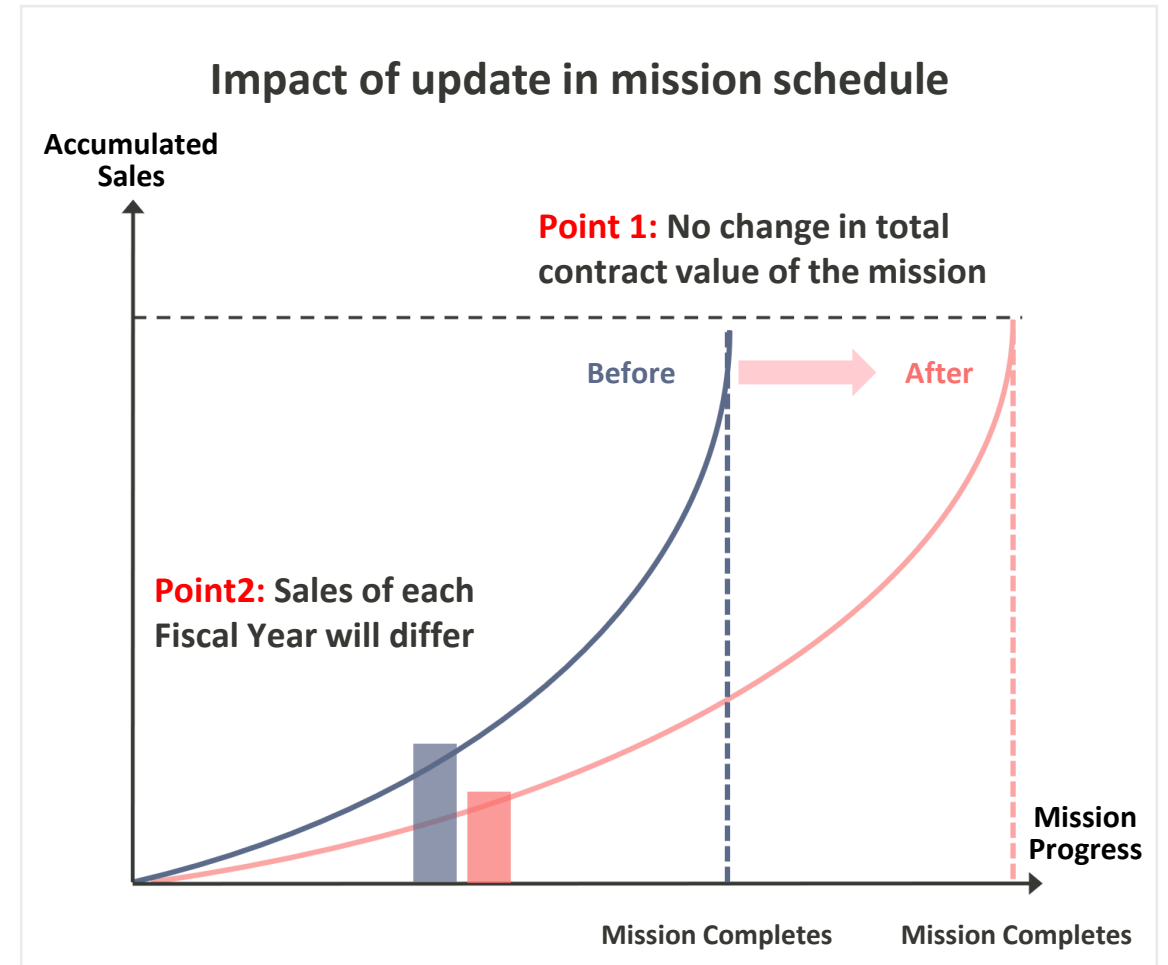
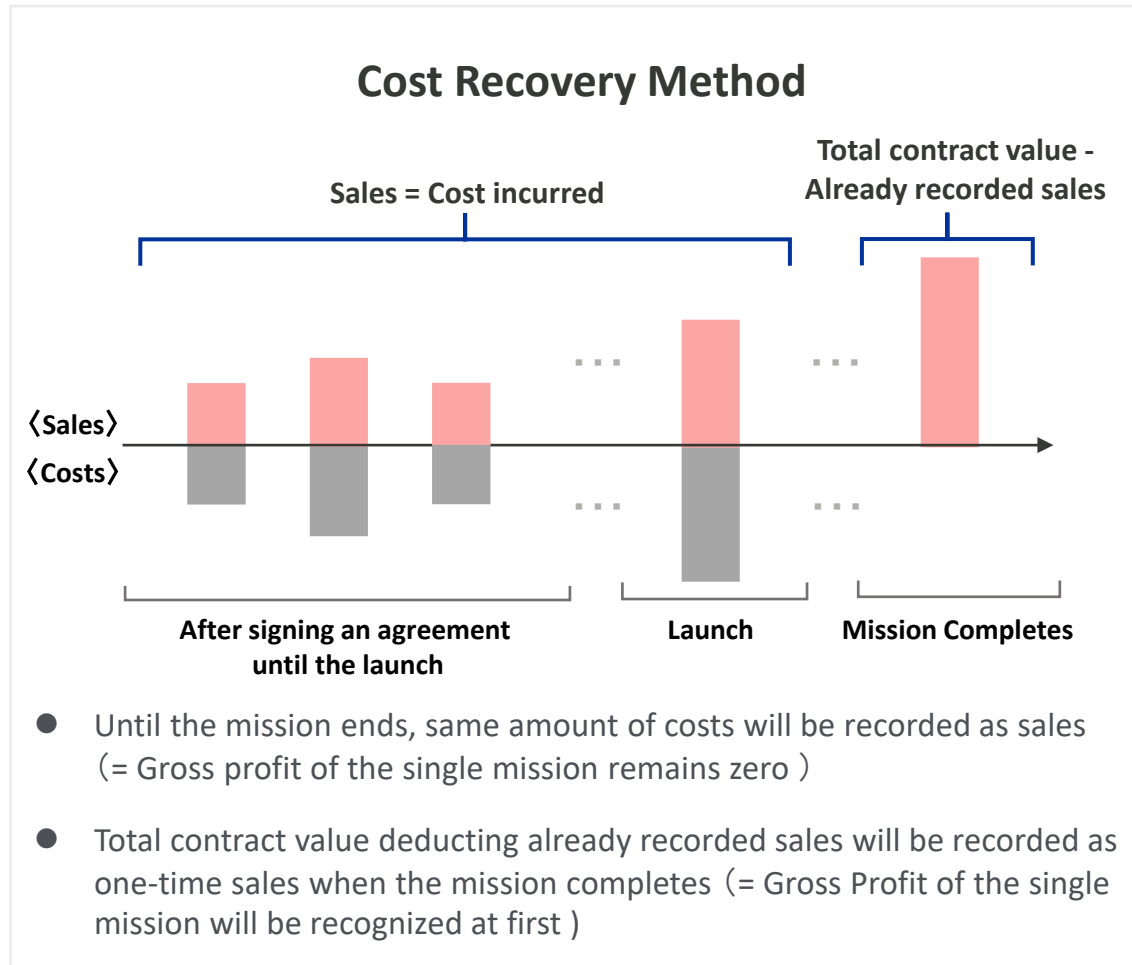
(Repost) FY2023 Sales forecast is expected to decrease by approx. 3.1 bn JPY. Due to the delay in recording the cost of sales for Mission 3 this fiscal year, sales will decrease by the same amount, which will be carried forward to the next fiscal year or later (Cost Recovery Method). The net decrease in overall sales for Mission 3 is limited.

Analysis of Sales Forecast Changes (Million JPY)

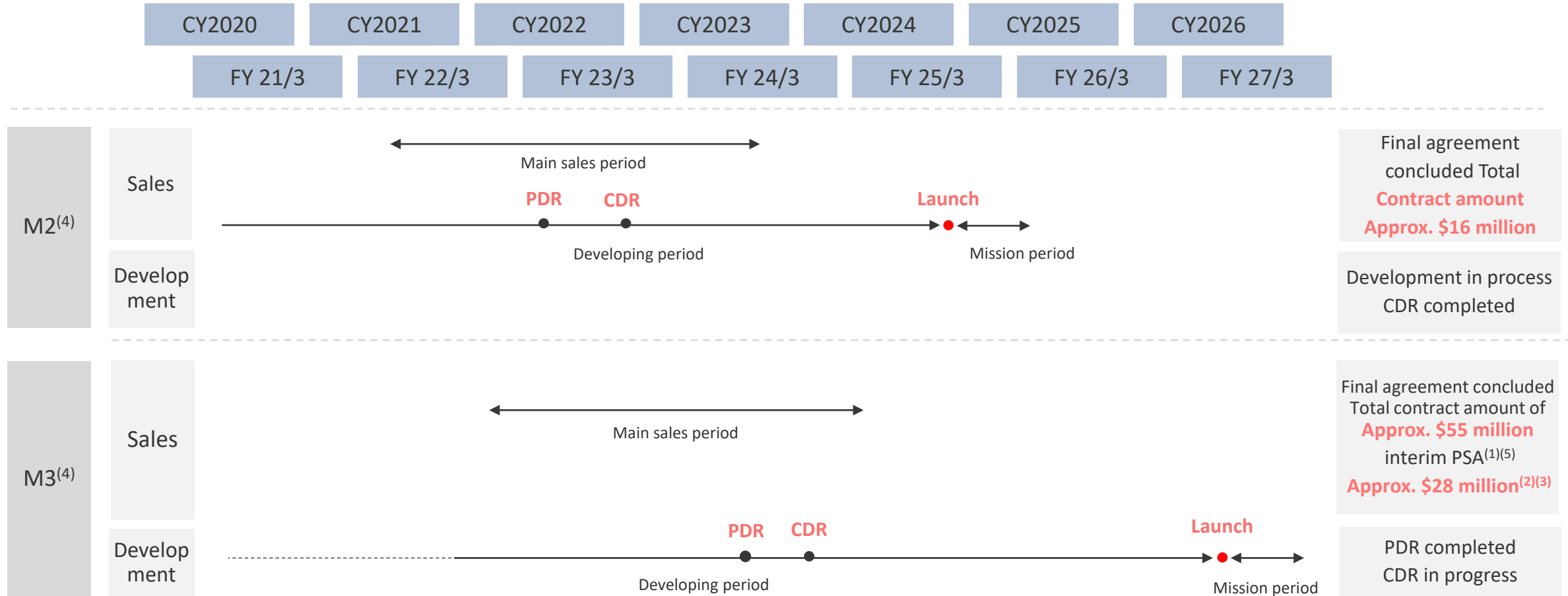


(1) USD amounts are converted with JPY144.84/USD, which is the internal FX rate

Due to the application of the Cost Recovery Method, sales to be recorded is linked to the cost incurred. Changes in sales from one financial year to the next does not necessarily reflect the progress of the business.



(Updated) PDR for Mission 3 has been completed and the aim is to complete CDR no later than the end of this fiscal year. ispace – U.S. is continuously working to reach final agreements with space agencies and private companies.



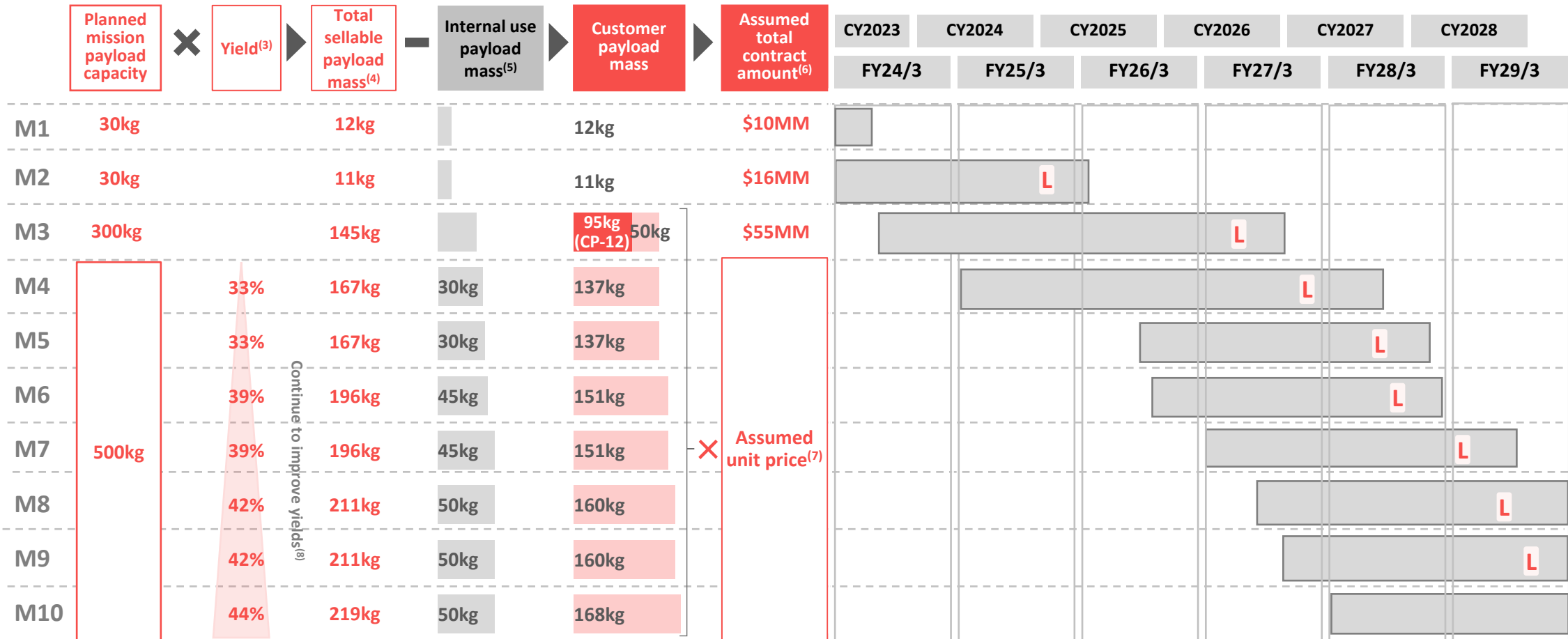
(1) Interim Payload Service Agreement (Mid-Contract on Payload) : Documents that serve as a prerequisite when negotiating to enter into a PSA which is a final agreement. It is not legally binding and there is no guarantee that a legally binding contract can be entered into pursuant to these interim PSAs. Also, even if a legally binding agreement is entered into, the weights and amounts under such agreement may differ from the amounts stated in this document (2) As of September 28, 2023 (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) Interim PSA 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 weights and amounts under such agreements may differ from the amounts stated in this document

Illustrative Business Model

(Updated) Illustrative Business Model of Payload Service

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

Mission revenue recognized⁽²⁾ over...



(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 September 2023. 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 September 2023
 (6) For M1, M2 and M3 (CP-12 only), the amount is the actual value based on each PSA
 (7) Assumed payload unit price as of September 2023 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 Mission1, the amount of sales that could not be recorded as sales was determined to be approximately 106 million yen(as disclosed on April 26, 2023)