

December 13, 2024

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Name of representative: Takeshi Hakamada, Representative
Director and CEO
Securities code: 9348; Growth Market
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Notice Regarding Borrowing of a Subordinated Loan from Japan Finance Corporation

ispace inc. (“ispace”) hereby announces that it has been resolved at the Board of Directors meeting today that ispace will borrow a subordinated loan of 900 million yen (“the New Financing”) from Japan Finance Corporation (“JFC”).

1. Reason and Background for the New Financing

ispace has agreed to the New Financing for the purpose of allocating funds as working capital for development of future mission and other related expenses.

JFC is a comprehensive government-affiliated financial institution initiated to better serve society and help promote a bright and prosperous future. ispace has previously received support from JFC before being listed on the Tokyo Stock Exchange. The New Financing is the first case in which JFC has agreed to lend money to a space-related company that is publicly listed on the stock exchange, underscoring the confidence the organization has in ispace.

2. Features of the New Financing

There are mainly two features as below.

(1) Securing long-term liquidity at low financing cost

The New Financing, with maturity of 10 years and low interest rate while making losses, enables ispace to reduce the burden of interest payments while securing long-term liquidity. This allows ispace to allocate funds on hand to investments to carry out multiple missions in parallel to further grow.

(2) Strengthening our financial position

The New Financing, in the form of a subordinated loan, can be regarded as equity capital for the purpose of credit assessment by financial institutions, and will contribute to substantially strengthening our financial position without diluting the shareholders’ interest. The amount deemed as equity capital under the New Financing is 100% of the loan amount for the first five years from the drawdown date, and the percentage will decrease by 20% every year from the sixth year onward.

3. Overview of the New Financing

(1) Lender	Japan Finance Corporation
(2) Borrowing amount	900 million yen
(3) Interest rate	If the Net Income is less than zero: 0.5% If the Net Income is zero or higher: 4.15%
(4) Borrowing date (planned)	By the end of December 2024
(5) Borrowing period	10 years
(6) Use of proceeds	Working capital
(7) Repayment method	Bullet repayment on due date
(8) Collateral/Guarantee	No collateral or guarantee

*All the information above is as of the day of the resolution.

4. Outlook

The impact of the New Financing on our forecast of consolidated financial results for the fiscal year ending March 31, 2025 is not expected to be material. ispace will promptly announce if it is determined that there are any matters that require disclosure.