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**Notice of Filing of Shelf Registration Statement in Connection with the Execution of a Shares and Stock Acquisition Rights Issuance Program Agreement and Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment**

ispace, inc. (“ispace”) hereby announces that, at a Board of Directors’ meeting held today, it resolved to enter into a Shares and Stock Acquisition Rights Issuance Program Agreement (the “Equity Program Agreement”) with CVI Investments, Inc. (the “Allottee”), which is managed by Heights Capital Management, Inc. (“HCM”), a U.S. institutional investor, and filed a shelf registration statement today, as outlined below.

Additionally, on the same date, ispace’s Board of Directors resolved, in accordance with the Shares and Stock Acquisition Rights Issuance Program established under the Equity Program Agreement (the “Program”), to issue new common shares and a 14th series of stock acquisition rights of ispace, inc. through a third-party allotment to the Allottee (the “First Third-Party Allotment”) as the first issuance under the Program, as detailed below.

**I. Shares and Stock Acquisition Rights Issuance Program**

**1. Overview of the Program**

Under the Equity Program Agreement entered into between ispace and the Allottee on October 11, 2024, ispace may issue a total of 11,000,000 common shares (referred to below individually or collectively as the “Common Shares” as set forth in the table below for the first through fourth allotments) and a total of 110,000 units of its stock acquisition rights (which represent 11,000,000 potential shares) (referred to below individually or collectively as the “Stock Acquisition Rights” as set forth in the table below for the first through fourth installments) to the Allottee through third-party allotment.

Under the Program, ispace intends to allot its common shares and stock acquisition rights to the Allottee in four allotments, in accordance with the following schedule and conditions:

	First Allotment	Second Allotment	Third Allotment	Fourth Allotment
Number of Shares Issued	Common Shares: 2,750,000 shares Stock Acquisition Rights: 27,500 units (Potential shares: 2,750,000 shares)	Common Shares: 2,750,000 shares Stock Acquisition Rights: 27,500 units (Potential shares: 2,750,000 shares)	Common Shares: 2,750,000 shares Stock Acquisition Rights: 27,500 units (Potential shares: 2,750,000 shares)	Common Shares: 2,750,000 shares Stock Acquisition Rights: 27,500 units (Potential shares: 2,750,000 shares)
Resolution Date	October 11, 2024	November 18, 2024	January 14, 2025	March 11, 2025 (tentative)

		(tentative)	(tentative)	
Scheduled Issuance Date	October 28, 2024	December 3, 2024	January 29, 2025	March 26, 2025
Issue Price and Exercise Price of Stock Acquisition Rights	The issue price per share of ispace’s common shares is expected to be an amount equivalent to 90% of the closing price of ispace’s common shares on the Tokyo Stock Exchange on the trading day immediately preceding the date of the abovementioned resolution date (the “Immediately Preceding Trading Day Closing Price”). Additionally, the issue price of ispace’s stock acquisition rights is expected to be a fair amount based on an independent third-party valuation, and the exercise price per share is expected to be an amount equivalent to 120% of the Immediately Preceding Trading Day Closing Price. As described in “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment,” the issue price of ispace’s common shares in the first issuance is 602 yen per share, the issue price of ispace’s stock acquisition rights is 828 yen per share, and the exercise price is 802 yen per share.			

Each allotment will be subject to the fulfillment of the conditions below as set forth in the Equity Program Agreement (the “Issuance Conditions”). Therefore, if such Issuance Conditions are not fulfilled, some or all of the second through fourth allotments above may not be made. However, even if the following conditions are not fulfilled, the Allottee may, at its discretion, waive all or part of such conditions, allowing the issuance to proceed.

1. ispace has not committed a material breach of its obligations under the Equity Program Agreement.
2. No injunction or similar court order has been issued prohibiting such allotments of ispace’s common shares or stock acquisition rights to be issued in accordance with the Equity Program Agreement.
3. In the 30 trading days prior to the scheduled resolution date of each of the above-mentioned allotments, there have not been 3 or more trading days in which the daily trading volume of ispace’s common shares fell below 300,000 shares.
4. In the 30 trading days prior to the scheduled resolution date of each of the above-mentioned allotments, there have not been 3 or more trading days in which the trading volume-weighted average price of ispace’s common shares fell below 400 yen.
5. ispace’s common shares remain listed on the Tokyo Stock Exchange, with no risk of suspension of trading or delisting, among others.
6. No transactions that would result in a change in control of ispace have been announced by ispace or a third party.
7. No events of default have occurred in relation to ispace’s obligations.
8. The Allottee has not in possession of any material, non-public information in relation to ispace provided by its officers or directors.
9. No event or series of events have occurred that reasonably would have or result in a material adverse effect.
10. For each allotment, a shelf registration statement and shelf registration supplement have been filed and are in effect in accordance with the Financial Instruments and Exchange Act.
11. A Share Lending Agreement (the “Share Lending Agreement”) was entered into between Takeshi Hakamada, ispace’s Representative Director and CEO (the “Lender”) and the Allottee, under which the Lender will lend up to 3,000,000 shares of ispace’s common shares to the Allottee, provided that the Lender has not committed any material breach of any of his obligations under the Share Lending Agreement.

## 2. Purpose of Introducing the Program

ispace is a next-generation private space company working on the commercialization of lunar surface development to realize a sustainable world by expanding human living sphere into space in line with its vision of “Expand our planet. Expand our future.” ispace group (the “Group”) is currently developing landers for lunar landing (lunar landers) and rovers for lunar surface exploration (lunar rovers) and aims to improve their quality through a cycle that

consists of repeated missions and solid research and development. The Group believes that this quality improvement cycle can be uniquely achieved by private companies and is difficult for traditional government-led space missions to implement. Further, the Group also aims to achieve consistent production quality of lunar landers and lunar rovers through mass production.

ispace's first demonstration mission, Mission 1, involved an attempt to land its internally developed technology demonstration model, the Series 1 Lander, on the lunar surface, transporting customer cargo (payloads) to the lunar surface and providing services such as lunar surface data acquisition as requested by customers. Between launch in December 2022 and April 2023, ispace completed up to Success 8, "Completion of all orbit control maneuvers in lunar orbit," out of the 10 pre-set milestones. Although the lunar landing was not successful, the mission data obtained from Mission 1, including failure analysis data for Success 9, is expected to be used for subsequent missions, starting with Mission 2. To this end, ispace is progressing with the development of the subsequent Missions 2, 3, and 6 in parallel.

For Mission 2, ispace plans to use essentially the same Lander model as in Mission 1, and efficient development and assembly are progressing daily, building on the experience from Mission 1. ispace has renamed the Lander model used in Mission 2 (formerly Series 1 Lander) as "RESILIENCE." "RESILIENCE" means "recovery," "revival," or "restoration" in Japanese, embodying ispace's "Never Quit the Lunar Quest" spirit, reflecting its determination to effectively leverage the lessons learned from the failure of the lunar landing in Mission 1 to swiftly and resiliently bounce back. With the RESILIENCE Lander, ispace aims to achieve a successful lunar landing by a private enterprise. Additionally, in Mission 2, ispace aims not only to achieve the lunar landing of the Lander, but also to provide lunar exploration and lunar data services using a micro-rover expected to be manufactured by ispace Europe S.A., a European subsidiary of ispace. The launch of Mission 2 is scheduled for December 2024 at the earliest.

In relation to Mission 3, ispace believes the development is progressing smoothly toward the scheduled launch in 2026. The APEX1.0 Lander being developed by our U.S. subsidiary, ispace technologies U.S., inc., aims to further enhance its performance by leveraging the data and know-how obtained from the former Series 1 lander, which conducted ispace's inaugural lunar mission in April 2023. Furthermore, in Mission 3, ispace plans to deploy two relay satellites into lunar orbit and transport a payload containing a series of scientific instruments, including a suite of scientific instruments such as the Lunar Seismometer (FSS), the Lunar Interior Thermal Measurement System (LITMS), and the Lunar Surface Electromagnetic Equipment (LuSEE), to the South Pole region on the far side of the Moon. Following payload delivery, ispace intends to collect lunar seismic data for up to one year using the two relay satellites.

For Mission 6, ispace is aiming for a 2027 launch using the Series 3 Lander (tentative name), a commercial lander that ispace will newly develop in Japan. A total of 12 billion yen in grants has been approved under Japan's Small Business Innovation Research (SBIR) program for the development of this lander.

Frequently conducting missions and continuously accumulating technical experience are thus key to mitigating ispace's technical risks and achieving sustainable and stable business operations. However, the development of landers and rovers, as well as securing launch service providers to carry out missions using such landers and rovers, requires substantial financial resources. Additionally, in order to obtain human resources, including development engineers, sales personnel, and corporate staff capable of developing multiple missions simultaneously, ispace must continually secure a relatively large amount of financial resources, and ongoing fundraising is essential for its sustainable business operations. Through its listing on the Tokyo Stock Exchange Growth Market in April 2023, ispace raised approximately 6.4 billion yen. Additionally, since the listing, it has raised a total of 19.5 billion yen through loans (including 300 million yen to refinance existing loans), and in March 2024, it raised approximately 8.3 billion yen through an international offering.

Conversely, at the end of the first quarter of the fiscal year ending March 31, 2025, ispace recorded a net loss of approximately 1.5 billion yen. As it proceeds with the simultaneous development of its three missions (Missions 2, 3, and 6), ispace expects to record a net loss of approximately 12.4 billion yen at the end of the current fiscal year, as previously disclosed in its full-year earnings forecast for the fiscal year ending March 2025. ispace's net assets at the end of the fiscal year ending March 31, 2024, were approximately 9.7 billion yen. While future

business progress will play a role, maintaining positive net assets as of the end of this fiscal year, along with ensuring appropriate financial soundness for future business operations, will require maintaining a certain financial buffer.

Given these development and fundraising efforts as well as the financial outlook, ispace has decided to implement this third-party allotment in order to further accelerate the cycle of improving the quality of its space development technologies and to capture the expected expansion of market demand, while continuing to maintain a stable financial base. Through this fundraising (the “Fundraising”), ispace will work to maximize the interests of its shareholders and other stakeholders by ensuring the future growth of the Group, maintaining a stable financial base, and enhancing corporate value.

As described above, in selecting the Allottee, ispace considered various financing methods while maintaining a stable financial base as it proceeded in parallel with the development of its three planned missions: Missions 2, 3, and 6. Under these circumstances, HCM, ispace’s manager of the Allottee’s assets, with whom ispace had held several routine meetings, since before ispace’s listing, following the announcement of ispace’s financial results and at other times that were unrelated to specific transactions, made an initial proposal to ispace in May 2024 regarding fundraising through a third-party allotment. Subsequently, in light of HCM’s track record of investments in Japanese listed companies and its investment policy of fostering investments while building sound relationships with portfolio companies, ispace decided to begin full-scale discussions with HCM on fundraising. After discussing the amount of funds to be raised, the nature of the securities to be issued, and other details with HCM, ispace reached an agreement on a Fundraising scheme that aligned as closely as possible with ispace’s future business strategy and fundraising needs. Consequently, ispace decided to select CVI Investments, Inc., managed by HCM, as the Allottee.

### 3. Reasons for Selecting the Program for Fundraising

ispace considered various fundraising methods to raise funds as described in “2. Purpose of Introducing the Program” above. After receiving a proposal for the Fundraising from the Allottee, ispace chose the Fundraising because the issuance of the Common Shares and the Stock Acquisition Rights will allow it to raise a certain amount of capital at the time of issuance, while the remaining funds can be raised in a manner that takes into account the share price through the exercise of the Stock Acquisition Rights. Additionally, after comprehensively considering the factors described in “(Characteristics of the Fundraising)” and “(Comparison with Other Fundraising Methods)” below, ispace determined that this method is the optimal option for fundraising this time. It allows ispace to meet its future funding needs while taking into consideration the interests of existing shareholders. Accordingly, ispace decided to proceed with this fundraising approach.

#### (Characteristics of the Fundraising)

##### [Advantages]

1. The issuance of the Common Shares will allow ispace to secure a certain amount of fundraising and strengthen its equity capital at the time of the issuance.
2. By structuring the issuance under the Equity Program Agreement, the impact on the share price can be dispersed over time compared to issuing all the shares at once, while allowing ispace to achieve a certain level of capital strengthening by the end of the current fiscal year. Additionally, this structure increases the likelihood that the issuance will be made at a price that better reflects ispace’s anticipated future business progress (i.e., ispace’s equity story, such as the implementation of Mission 2) in the share price. As a result, the value of shares held by existing shareholders may increase, and the possibility that ispace will need to conduct additional fundraising after the Fundraising by issuing shares, among other means, may be reduced. Therefore, this structure provides greater consideration to potential dilution of existing shareholders.
3. The issuance of the Stock Acquisition Rights is expected to further expand ispace’s equity capital in the future, and the expected gradual exercise of such rights could mitigate the impact on the share price.
4. The exercise price of the Stock Acquisition Rights is fixed at an amount equivalent to 120% of the Immediately Preceding Trading Day Closing Price of ispace’s common shares

on the Tokyo Stock Exchange prior to the resolution date of the issuance of such Stock Acquisition Rights. Given that there are no price reset clauses, the speed and certainty of fundraising is expected to be lower. However, it is expected that the exercise price will be higher than the current share price level. If ispace issues new stock acquisition rights or bonds with stock acquisition rights that grant the right to receive common shares of ispace, and the initial exercise or conversion price of such stock acquisition rights is lower than the exercise price of the Stock Acquisition Rights, the exercise price of the Stock Acquisition Rights will be adjusted downward to an amount equivalent to the exercise or conversion price of the newly issued stock acquisition rights or bonds with stock acquisition rights in accordance with the price adjustment stipulated in the issuance terms and conditions. However, no downward adjustment will be made to the Stock Acquisition Rights except in certain cases specified in the issuance terms and conditions, such as the issuance of the Common Shares and the Stock Acquisition Rights relating to the second through fourth allotments under the Equity Program Agreement to the Allottee, or the issuance of ispace's common shares under the Restricted Stock Units (RSUs) compensation plan. In addition, the lower limit of the price after such price adjustment is set at 360 yen (however, in the event that the exercise price would be below the lower limit as a result of such downward adjustment results, ispace may, by resolution of the Board of Directors of ispace, determine not to apply the lower limit, having regard to the need of ispace to raise funds).

5. The maximum number of ispace common shares to be issued through the issuance of the Common Shares is fixed at 11,000,000 shares (2,750,000 shares per issuance), and the maximum number of ispace common shares to be issued upon the exercise of the Stock Acquisition Rights is fixed at a maximum number of 11,000,000 shares (a maximum of 2,750,000 shares per issuance). Therefore, regardless of share price fluctuations, the maximum number of shares to be issued is limited, and the scale of dilution will not exceed the initial forecast.
6. Both the funds raised through the issuance of the Common Shares and those raised through the exercise of the Stock Acquisition Rights to the extent they are exercised will be treated as equity capital, thereby improving ispace's financial soundness indicators.

[Disadvantages]

1. The issuance of the Common Shares and Stock Acquisition Rights is subject to the fulfillment of the Issuance Conditions as described above in "I. Shares and Stock Acquisition Rights Issuance Program." If such Issuance Conditions are not fulfilled, it is possible that a portion of the Fundraising through the issuance of the Common Shares and the Stock Acquisition Rights may not materialize.
2. While the issuance of the Common Shares allows for immediate fundraising, the funds raised through Stock Acquisition Rights depend on the rights being exercised by the holders. Only when Stock Acquisition Rights are exercised, the funds will be raised by multiplying the exercise price by the number of Shares subject to such exercise. Therefore, the full amount of funds expected at the time of the initial issuance of Stock Acquisition Rights will not be raised immediately, and there is uncertainty in relation to the timing of the fundraising.
3. Depending on market conditions, it may take some time before all Stock Acquisition Rights are fully exercised. Additionally, if the liquidity of ispace's shares decreases, the exercise of Stock Acquisition Rights may be further delayed.
4. If the share price falls below the exercise price of the Stock Acquisition Rights, it is unlikely that the Allottee will exercise the rights, and in effect, ispace will be unable to raise funds. In particular, compared to stock acquisition rights with price reset clauses, the exercise price of the Stock Acquisition Rights is set and fixed at a price higher than the current share price. Therefore, an increase in the stock price is required for the rights to be exercised, making the likelihood of the exercise relatively low.
5. Even if the stock price exceeds the exercise price of the Stock Acquisition Rights, there is no guarantee that the Allottee will exercise the rights, resulting in uncertainty in relation to the timing of fundraising.

(Comparison with Other Funding Methods)

1. Issuing all the shares at once through a public offering could raise funds in a single tranche. However, it could also result in an immediate dilution of ispace's shares, which could have a significant impact on its share price. Moreover, due to the uncertainty in relation to the participation rate of general investors, it is unclear whether sufficient funds could be raised. Therefore, ispace determined that this method is not appropriate for fundraising at this time.
2. Raising funds through straight bonds or loans would incur interest payments, and the entire amount raised would be recorded as liabilities. If ispace were to raise funds of the same size as the Third-Party Allotment entirely through debt, it would likely result in a deterioration of ispace's financial soundness. It was therefore determined that raising funds through the issuance of straight bonds or loans is not a realistic option at this time, particularly considering the need to retain the option of raising funds quickly through interest-bearing debt for any urgent funding needs that may arise from implementing future business strategies.
3. While issuing shares (i.e., a capital increase) through a rights offering to existing shareholders would alleviate dilution concerns among participating shareholders, the participation rate of the existing investor, the Allottee, is uncertain, which makes it unclear whether sufficient funds could be raised. Therefore, ispace determined that this is not an appropriate fundraising method at this time.
4. Rights issues (i.e., rights offerings) can be either commitment-type, in which the issuing company enters into an underwriting agreement with a financial institution, or non-commitment-type, in which the issuing company does not enter into such an agreement, and shareholders have the discretion to decide whether to exercise their stock acquisition rights. However, commitment-type rights issues are still uncommon in Japan and have yet to mature as a fundraising method, and underwriting fees and other expenses are expected to be higher, which makes this method of fundraising potentially inappropriate. Additionally, given that ispace has posted ordinary losses for the past two years, it does not meet the listing criteria set forth in Article 304, Paragraph 1, Item 3a of the Securities Listing Regulations established by the Tokyo Stock Exchange, which means that ispace cannot make a non-commitment rights issue.
5. In relation to stock acquisition rights with exercise price reset clauses, while there are various structures, they are generally structured to allow for a downward reset of the exercise price. Although stock acquisition rights with exercise price reset clauses are more likely to be exercised, they are often exercised at a price lower than the current share price, resulting in the amount of funds raised falling short of initial expectations. In the Fundraising, ispace plans to raise the necessary funds by issuing the Common Shares, while setting and fixing the exercise price of the Stock Acquisition Rights at a price higher than the current share price. By waiting for the share price to rise in the future, allowing the exercise to occur after an increase in the share price, ispace expects to achieve additional fundraising at the planned scale, without impairing the value of existing shareholders' shares. Therefore, ispace believes that, compared with stock acquisition rights with a downward exercise price reset clause, the Stock Acquisition Rights are a fundraising method in line with ispace's fundraising needs, in that it is highly likely that the fundraising can be achieved in the amount contemplated.
6. Although bonds with stock acquisition rights (convertible bonds) allow for immediate fundraising at the time of issuance, the entire amount is initially treated as a liability, and whether they can be subsequently converted is dependent on the share price. If their exercise (i.e., their conversion) does not proceed as expected due to share price conditions and other factors, the bonds will remain as liabilities, which could adversely affect ispace's financial soundness. Therefore, ispace determined that this is not an appropriate fundraising method at this time.
7. The issuance of ispace's common shares and stock acquisition rights in one issuance through a third-party allotment would allow for immediate fundraising. However, it would also cause an immediate dilution of earnings per share, which would have a substantially direct impact on share price. Additionally, it would be difficult to find

investors willing to underwrite such a large amount at once. Accordingly, ispace determined that this is not an appropriate method of fundraising.

#### 4.Reasons for Selecting the Allottee

##### (1) Overview of the Allottee

(1) Name	CVI Investments, Inc.	
(2) Address	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	
(3) Legal Basis for Incorporation	Tax-exempt limited liability company under the laws of the Cayman Islands	
(4) Purpose of Incorporation	Investment	
(5) Date of Incorporation	July 1, 2015	
(6) Total Investment Amount	Not disclosed as consent for disclosure has not been obtained.	
(7) Investors, Investment Ratios, and Overview of Investors	Not disclosed as consent for disclosure has not been obtained.	
(8) Overview of General Partner	Name	Heights Capital Management, Inc.
	Address	One Commerce Center, 1201 N Orange Street, Suite 715, Wilmington, Delaware, 19801, United States
	Title and Name of Representative	President Martin Kobinger
	Business Description	Investment
	Capital Stock	Not disclosed as consent for disclosure has not been obtained.
(9) Overview of Domestic Agent	Name	Not applicable.
	Address	Not applicable.
	Title and Name of Representative	Not applicable.
	Business Description	Not applicable.
	Capital Stock	Not applicable.
(10) Relationship Between ispace and the Fund	Relationship between ispace and the Fund	Not applicable.
	Relationship Between ispace and the General Partner	Not applicable.
	Relationship Between ispace and the Domestic Agent	Not applicable.

(Note 1) This table, "Overview of the Allottee," is as of October 11, 2024.

(Note 2) ispace has obtained representations and warranties from the Allottee under the Equity Program Agreement that the Allottee and its major investors are not, and have no relationship with, anti-social forces. Additionally, ispace independently requested JP Research & Consulting, Inc. (Representative Director: Keisuke Furuno, Head Office: 7-12, Toranomom 3-chome, Minato-ku, Tokyo), a specialized third-party research organization, to conduct an investigation into whether the Allottee and its General Partner are, or have any relationship with, anti-social forces. On October 7, 2024, JP Research & Consulting, Inc. provided a report confirming that neither the Allottee nor its General Partner are, or have any relationship with, anti-social forces. Based on the foregoing, ispace determined that the Allottee, its General Partner, and its major investors have no relationship whatsoever with anti-social forces, and has submitted a confirmation letter to the Tokyo Stock Exchange accordingly.

(2) Reasons for Selecting the Allottee

Please refer to “2. Purpose of Introducing the Program” above.

(3) Allottee’s Holding Policy

There are no arrangements with the Allottee regarding the continued holding of the Common Shares to be issued under the Program or the Common Shares to be acquired through the exercise of the Stock Acquisition Rights. However, ispace’s Director, Jumpei Nozaki, has verbally confirmed with Martin Kobinger, Investment Manager at Heights Capital Management, Inc. (through the head of investment in the Asia Pacific region of Heights Capital Management, Inc.) that the Allottee’s holding policy for the Shares and Stock Acquisition Rights is solely for investment purposes. The Allottee is widely recognized as an institutional investor capable of making medium- to long-term investments, and ispace considers the Allottee a capital partner that can accelerate its future growth. Therefore, the Equity Program Agreement includes a provision that limits the number of voting rights of shares beneficially owned by the Allottee to no more than 9.9% of ispace’s total number of voting rights. Additionally, ispace plans to obtain a letter of commitment from the Allottee under which the Allottee agrees to (i) notify ispace in writing of the details of any transfer by the Allottee of all or part of its common shares within two years of the payment date for each of the four allotments under the third-party allotments, (ii) consent to ispace notifying the Tokyo Stock Exchange of the details of such notice of transfer, and (iii) allow ispace to make such details available for public inspection.

(4) Confirmation of Allottee’s Assets Required for Payment

ispace has received a financial status report from the Allottee, dated December 31, 2023, which was prepared by the Allottee and audited by PricewaterhouseCoopers LLP (2001 Market Street, Suite 1800, Philadelphia, Pennsylvania 19103). Under the Equity Program Agreement entered into with the Allottee, the Allottee has also made the representation that it has sufficient assets to make the required payment. Additionally, ispace’s Director, Jumpei Nozaki, confirmed through a meeting with Martin Kobinger, Investment Manager at Heights Capital Management, Inc. (through the head of investment in the Asia Pacific region of Heights Capital Management, Inc.) October 7, 2024, that the Allottee has sufficient liquid assets that can be converted into cash, and that the payment will be made the Allottee’s own funds. This confirms that the Allottee has sufficient assets for the payment relating to the issuance of the Common Shares and the Stock Acquisition Rights to be allotted to the Allottee. However, as of the date of this release, the financial status reports covering the period after December 31, 2023, have not been prepared. Accordingly, ispace has been unable to review and confirm the Allottee’s most recent financial status report. Therefore, despite the statements made at the meeting mentioned above, there is a risk that payment or the exercise of the stock acquisition rights will not occur if there are sudden changes in the Allottee’s assets. The Allottee is an institutional investor that manages its own funds under the Susquehanna International Group.

5. Summary of Shelf Registration

ispace filed a shelf registration statement today, covering the issuance of the Common Shares

and Stock Acquisition Rights under the Program, including the issuance of the Common Shares and Stock Acquisition Rights through the First Third-Party Allotment. The shelf registration statement relates to a total of four allotments of Common Shares and Stock Acquisition Rights under the Program.

[Shelf Registration Statement for the Common Shares]

(1) Type of Securities to be Offered	Common shares of ispace
(2) Planned Issuance Period	From the effective date of the shelf registration statement to one year after thereafter (i.e., October 19, 2024, to October 18, 2025)
(3) Planned Issuance Amount	Up to a maximum of 10,100,000,000 yen. (Note 1)
(4) Offering Method	All Common Shares will be allotted to the Allottee.
(5) Use of Funds Raised	As described below in “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment, 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof” below.

(Note 1) This represents the maximum amount of the issue price for a total of 11,000,000 Shares of Common Shares to be issued across a total of four allotments under the Program. The actual issue price may vary and could be lower than the above amount due to share price fluctuations and other factors. The maximum amount of the planned issuance amount is calculated by setting the midpoint price (1,027 yen, rounded down to the nearest yen) of ispace’s share price range (430 yen to 1,625 yen) over the past one year (from October 9, 2023 to October 10, 2024) as the base price. The total amount is calculated by multiplying 90% (rounded up to the nearest yen) of such base share price by the total of 11,000,000 Common Shares to be issued under the Program (rounded down to the nearest 100 million yen).

[Shelf Registration Statement for the Stock Acquisition Rights]

(1) Type of Securities to be Offered	Stock acquisition rights
(2) Planned Issuance Period	From the effective date of the shelf registration statement to one year after thereafter (i.e., October 19, 2024, to October 18, 2025)
(3) Planned Issuance Amount	Up to a maximum of 13,600,000,000 yen. (Note 2)
(4) Offering Method	All stock acquisition rights will be allotted to the Allottee.
(5) Use of Funds Raised	As described below in “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment, 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof” below.

(Note 2) This represents the maximum total amount obtained by adding the total issue price of the Stock Acquisition Rights and the total amount payable upon exercise of the Stock Acquisition Rights (the exercise price). This amount covers the maximum amount for a total of 110,000 stock acquisition rights (potential shares: 11,000,000 shares) to be issued over four allotments under the Program. As mentioned above, the exercise price per share of the Stock Acquisition Rights is expected to be an amount equivalent to 120% of the Immediately Preceding Trading Day Closing Price. The actual amount may vary and could be lower than the above amount due to share price fluctuations and other factors. The maximum planned issuance amount is determined based on the calculation assuming that the payment amount for the Stock Acquisition Rights for the second through fourth allotments is the same as that for the first allotment, multiplying such amount by the number of Stock Acquisition Rights to be issued under the Program (110,000), setting the midpoint price (1,027 yen, rounded down to the nearest yen) of

ispace's share price range (430 yen to 1,625 yen) over the past one year (from October 9, 2023 to October 10, 2024) as the base price, and then multiplying 120% of such base price (rounded up to the nearest yen) by the potential shares (11,000,000) equivalent to 110,000 Stock Acquisition Rights to be issued under the Program (rounded down to the nearest 100 million yen).

## II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment

### 1. Overview of the Offering

Among the allotments of Common Shares and Stock Acquisition Rights through third-party allotments (i.e., from the first allotment through the fourth allotment) under the Program, the following is an overview of the issuance of new shares and stock acquisition rights regarding the First Third-Party Allotment resolved at the Board of Directors meeting held today, October 11, 2024:

#### (1) Overview of the Issuance of Common Shares through the First Third-Party Allotment

(1) Payment Date	October 28, 2024
(2) Number of New Shares to be Issued	2,750,000 Common Shares
(3) Issue Price	602 yen per share
(4) Amount of Funds to be Raised	1,655,500,000 yen
(5) Method of Offering or Allotment	To be conducted by means of third-party allotment
(6) Allottee	CVI Investments, Inc.
(7) Others	The above items are subject to the effectiveness of the shelf registration statement and the filing of the shelf registration supplement under the Financial Instruments and Exchange Act.

#### (2) Overview of the Issuance of Stock Acquisition Rights through the First Third-Party Allotment

(1) Allotment Date	October 28, 2024
(2) Total Number of Stock Acquisition Rights	27,500 units (100 shares per stock acquisition right)
(3) Issue Price	828 yen per stock acquisition right
(4) Number of Potential Shares from this Issuance	2,750,000 shares
(5) Amount of Funds to be Raised	2,228,270,000 yen (Breakdown) Amount from Issuance of Stock Acquisition Rights: 22,770,000 yen Amount from Exercise of Stock Acquisition Rights: 2,205,500,000 yen
(6) Exercise Price	802 yen per share
(7) Exercise Period	From October 29, 2024, to October 28, 2028
(8) Method of Offering or Allotment	To be conducted by means of third-party allotment
(9) Allottee	CVI Investments, Inc.
(10) Others	The above items are subject to the effectiveness of the shelf registration statement and the filing of the shelf registration supplement under the Financial Instruments and Exchange Act.

## 2. Purpose and Reason for the Offering

### (1) Purpose of the First Third-Party Allotment

As described above in “2. Purpose of Introducing the Program” under “I. Shares and Stock Acquisition Rights Issuance Program” above, ispace intends to raise funds through the Program in order to achieve future growth and establish a stable financial base for the Group.

### (2) Reasons for Selecting the First Third-Party Allotment for Fundraising

As stated in “3. Reasons for Selecting the Program for Fundraising” under “I. Shares and Stock Acquisition Rights Issuance Program” above, ispace believes that Fundraising under the Program is the optimal option at this time to meet its future funding needs while taking into consideration the interests of existing shareholders.

## 3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof

### (1) Amount of Funds to be Raised

Total Amount Payable (yen)	Approximate amount of issuance-related expenses (yen)	Estimated Net Proceeds (yen)
3,883,770,000	50,816,500	3,832,953,500

- (Notes) 1. The amounts above represent the total paid-in amount for the Common Shares and Stock Acquisition Rights to be issued through the First Third-Party Allotment as well as the total amount payable upon exercise of the Stock Acquisition Rights.
2. If the exercise price of the Stock Acquisition Rights is adjusted, the total paid-in amount and the estimated net proceeds may decrease. Additionally, if the Stock Acquisition Rights are not exercised during the exercise period, if the Stock Acquisition Rights holders forfeit their rights, or if ispace cancels the Stock Acquisition Rights it has acquired, the total paid-in amount and the estimated net proceeds will decrease.
3. The approximate amount of the issuance-related expenses does not include consumption or other applicable taxes.
4. Issuance-related expenses mainly consist of legal fees and other administrative expenses, such as printing and registration fees.

The estimated total amount of funds to be raised through the entire Program (i.e., estimated net proceeds) is as follows:

Total Amount Payable (yen)	Approximate amount of issuance-related expenses (yen)	Estimated Net Proceeds (yen)
15,535,080,000	94,591,000	15,440,489,000

- (Notes) 1. The amount above represents the total paid-in amount for the Common Shares and Stock Acquisition Rights to be issued through the first through fourth third-party allotments as described above in “1. Overview of the Program” under “I. Shares and Stock Acquisition Right Issuance Program” as well as the total amount payable upon exercise of the Stock Acquisition Rights. For the amounts related to the second through fourth allotments, it is assumed that the paid-in amount for the Common Shares is equivalent to 90% (rounded up to the nearest yen) of the Immediately Preceding Trading Day Closing Price on October 11, 2024, the paid-in amount for the Stock Acquisition Rights is the same as for the first issuance, and the exercise price for the Stock Acquisition Rights is equivalent to 120% of the Immediately Preceding Trading Day Closing Price on October 11, 2024. The actual amounts will be determined by resolution of the Board of Directors that determines the Issuance Conditions for each issuance, respectively. Specifically, the paid-in amount for the Common Shares will be an amount equivalent to 90% of the Immediately Preceding Trading Day Closing Price of date of such resolution (rounded up to the nearest yen), the paid-in amount for the Stock

Acquisition Rights will be based on the valuation of ispace's Stock Acquisition Rights calculated by an independent third-party valuation institution, and the exercise price for the Stock Acquisition Rights will be set at an amount equivalent to 120% of the Immediately Preceding Trading Day Closing Price of date of such resolution.

1. Total amount to be paid in for ispace's common shares to be issued in the first issuance: 1,655,500,000 yen
2. Total amount to be paid in for ispace's common shares to be issued in the second issuance: 1,655,500,000 yen
3. Total amount to be paid in for ispace's common shares to be issued in the third issuance: 1,655,500,000 yen
4. Total amount to be paid in for ispace's common shares to be issued in the fourth issuance: 1,655,500,000 yen
5. Total amount to be paid in for ispace's Stock Acquisition Rights to be issued in the first issuance: 22,770,000 yen
6. Total amount to be paid in for ispace's Stock Acquisition Rights to be issued in the second issuance: 22,770,000 yen
7. Total amount to be paid in for ispace's Stock Acquisition Rights to be issued in the third issuance: 22,770,000 yen
8. Total amount to be paid in for ispace's Stock Acquisition Rights to be issued in the fourth issuance: 22,770,000 yen
9. Total amount to be paid upon exercise of ispace's Stock Acquisition Rights in the first issuance: 2,205,500,000 yen
10. Total amount to be paid upon exercise of ispace's Stock Acquisition Rights in the second issuance: 2,205,500,000 yen
11. Total amount to be paid upon exercise of ispace's Stock Acquisition Rights in the third issuance: 2,205,500,000 yen
12. Total amount to be paid upon exercise of ispace's Stock Acquisition Rights in the fourth issuance: 2,205,500,000 yen

2. If the exercise price of the Stock Acquisition Rights is adjusted, the total paid-in amount and the estimated net proceeds may decrease. Additionally, if the Stock Acquisition Rights are not exercised during the exercise period, if the Stock Acquisition Rights holders forfeit their rights, or if ispace cancels the Stock Acquisition Rights it has acquired, the total paid-in amount and the estimated net proceeds will decrease.

3. The approximate amount of the issuance-related expenses does not include consumption or other applicable taxes.

4. Issuance-related expenses mainly consist of legal fees and other administrative expenses, such as printing and registration fees.

## (2) Specific Uses of the Funds to be Raised

The specific uses of the estimated net proceeds of 3,832,953,500 yen to be raised through the issuance of the Common Shares and Stock Acquisition Rights by the First Third-Party Allotment resolved by the Board of Directors on October 11, 2024, are planned as follows:

Specific Use of Funds	Amount (in millions of yen)	Expected Timing of Expenditure
(1) Investment and loans to ispace's U.S. subsidiary for Mission 3	1,655	October 2024 - October 2026
(2) Development funds for Mission 6 that is not covered by grant funding	2,000	October 2024 - October 2027
(3) Investment and loans to ispace's U.S. subsidiary for Mission 4	177	October 2024 - March 2026
Total	3,832	—

(Note) The funds raised will be managed in a bank account until they are disbursed.

The details of the use of funds listed in the table above is as follows:

1. Investment and loans to ispace’s U.S. subsidiary for Mission3

ispace plans to invest in and provide loans to its consolidated subsidiary, ispace technologies U.S., inc., by allocating 1,655 million yen as part of the lander manufacturing cost for the Mission 3.

ispace believes that the development of the APEX 1.0 Lander (formerly Series 2 Lander) to be used in Mission 3 is progressing smoothly toward its scheduled launch in 2026. ispace aims to accelerate development and further enhance performance by leveraging the data and know-how gained from the former Series 1 lander, which conducted ispace’s first lunar mission in April 2023.

2. Development funds for Mission 6 that is not covered by grant funding

ispace applied for the “Development and Operational Demonstration of a Lunar Lander” in the space sector under the Ministry of Economy, Trade and Industry’s “Small and Medium-sized Enterprise Innovation Promotion Program” and received a notice of grant funding of 12 billion yen on December 15, 2023, and development for Mission 6 using the grant has already commenced. However, certain indirect expenses, such as the cost of using a rocket to transport ispace’s lander\* for Mission 6 into to the outer stratosphere and personnel expenses for such Mission, are not covered by the grant. Therefore, ispace plans to allocate 2,000 million yen towards such uncovered costs.

(\*)The Series III Lander (tentative name) to be used in Mission 6 is expected to be designed to carry a payload of up to 500 kg, similar to the APEX 1.0 Lander used in Mission 3. While maintaining Japan as the development base, ispace aims to reduce development costs by flexibly procuring parts and materials from suppliers not only in the U.S. but also worldwide. In relation to the selection of a launch provider for Mission 6, ispace is currently considering options while taking into account launch success rate and the cost associated with such launch. ispace plans to promptly disclose the launch provider once it has been decided.

3. Investment and loans to ispace’s U.S. subsidiary for Mission 4

ispace plans to invest in and provide loans to its consolidated subsidiary, ispace technologies U.S., inc., by allocating 177 million yen as part of the lander manufacturing cost for the Mission 4. As with Mission 3, in the Mission 4, the APEX 1.0 Lander (formerly Series 2 Lander) is planned to be used and we will disclose the detailed schedule for development when it is decided.

The specific use of the funds (i.e., approximate net proceeds) raised through the entire Program is planned as follows.

Specific Use of Funds	Amount (in millions of yen)	Expected Timing of Expenditure
(1) Investment and loans to ispace’s U.S. subsidiary	6,620	October 2024 - October 2026
(2) Development funds for Mission 6 that is not covered by grant funding	8,000	October 2024 - October 2027
(3) Investment and loans to ispace’s U.S. subsidiary for Mission 4	820	October 2024 - March 2026
(4) Other working capital	(Note) 3	October 2024 - March 2026
Total	15,440	—

(Note)1. The funds raised will be managed in a bank account until they are disbursed.

2. The above description covers the use of the proceeds to be raised through the entire Program. For details of the Program, please refer to “I. Shares and Stock Acquisition Rights Issuance Program” above. The net proceeds to be raised

through the entire Program are estimated to be 15,440,489,000 yen, which is calculated by subtracting the estimated issuance-related costs of 94,591,000 yen for the entire Program from the total estimated paid-in amount under the entire Program of 15,535,080,000 yen. The total estimated paid-in amount for the entire Program of approximately 15,440,489,000 yen is based on the assumption that, for the amounts related to the second through fourth allotments, the paid-in amount for ispace's common shares is equivalent to 90% of Immediately Preceding Trading Day Closing Price on October 11, 2024 (rounded up to the nearest yen), the paid-in amount for ispace's stock acquisition rights is the same as for the first issuance, and the exercise price for ispace's stock acquisition rights is equivalent to 120% of the Immediately Preceding Trading Day Closing Price on October 11, 2024. The actual amounts will be determined by resolution of the Board of Directors that determines the Issuance Conditions for each issuance, respectively. Specifically, the paid-in amount for the Common Shares will be an amount equivalent to 90% of the Immediately Preceding Trading Day Closing Price of date of such resolution (rounded up to the nearest yen), the paid-in amount for the Stock Acquisition Rights will be based on the valuation of ispace's Stock Acquisition Rights calculated by an independent third-party valuation institution, and the exercise price for the Stock Acquisition Rights will be set at an amount equivalent to 120% of the Immediately Preceding Trading Day Closing Price of date of such resolution. Accordingly, the actual total amount of funds to be raised through the Program, the estimated amount of issuance-related expenses, and the estimated net proceeds may increase or decrease.

3. The net proceeds from the payment for the Common Stock will be allocated in full to fund investment and loans to ispace's U.S. subsidiary for Mission 3, up to 10.1 billion yen, which is the amount to be raised stated in the shelf registration statement for the Common Stock. The net proceeds from the issue price and exercise price of the Stock Acquisition Rights will be allocated in the following order, up to 13.6 billion yen, which is the amount to be raised stated in the shelf registration statement for the Stock Acquisition Rights. Any shortfall will be covered by operating transactions, loans, or other fund-raising.
  - (i) Development funds for Mission 6 that is not covered by grant funding (up to 8.0 billion yen)
  - (ii) Investment and loans to ispace's U.S. subsidiary for Mission 4 (up to 1.0 billion yen)
  - (iii) Other working capital (up to 4.6 billion yen)

The details of the use of funds listed in the table and footnotes above is as follows:

1. Investment and loans to ispace's U.S. subsidiary  
ispace plans to invest in and provide loans to its consolidated subsidiary, ispace technologies U.S., inc., by allocating 2,317 million yen as part of the purchase price for two relay satellites to be used primarily for Mission 3, 1,523 million yen as part of the launch cost for Space Exploration Technologies Corp. ("Space X")'s Falcon 9 rocket (\*) to be used in Mission 3, and 2,780 million yen as part of the lander manufacturing cost for the same mission.

The two relay satellites to be used in Mission 3 are planned to be manufactured by Blue Canyon Technologies Inc., with operational support provided by Advanced Space, LLC. These two relay satellites, once placed in lunar orbit, can be used as part of ispace's communications infrastructure for a certain period of time after the completion of Mission 3. Therefore, if there is a need to transport customer payloads to similar locations, they are expected to provide a significant advantage in securing orders for subsequent missions. In relation to the launch provider in Mission 3, as with Missions 1 and 2, ispace has selected SpaceX, which has conducted numerous rocket launches, and has a highly reliable track record in terms of success rate. The Falcon 9 is a medium-sized rocket developed by SpaceX, which is less expensive compared to the launch costs of other rockets of similar scale from other companies, and has a significant market share.

ispace believes that the development of the APEX 1.0 Lander (formerly Series 2 Lander) to be used in Mission 3 is progressing smoothly toward its scheduled launch in 2026. ispace aims to accelerate development and further enhance performance by leveraging the data and know-how gained from the former Series 1 lander, which conducted ispace's first lunar mission in April 2023.

(\*)This amount includes the cost of using a rocket to transport ispace's lander into the outer stratosphere.

## 2. Development funds for Mission 6 that is not covered by grant funding

ispace applied for the "Development and Operational Demonstration of a Lunar Lander" in the space sector under the Ministry of Economy, Trade and Industry's "Small and Medium-sized Enterprise Innovation Promotion Program" and received a notice of grant funding of 12 billion yen on December 15, 2023, and development for Mission 6 using the grant has already commenced. However, certain indirect expenses, such as the cost of using a rocket to transport ispace's lander\* for Mission 6 into to the outer stratosphere and personnel expenses, are not covered by the grant. Therefore, ispace plans to allocate 8,000 million yen towards such uncovered costs.

(\*)The Series III Lander (tentative name) to be used in Mission 6 is expected to be designed to carry a payload of up to 500 kg, similar to the APEX 1.0 Lander used in Mission 3. While maintaining Japan as the development base, ispace aims to reduce development costs by flexibly procuring parts and materials from suppliers not only in the U.S. but also worldwide. In relation to the selection of a launch provider for Mission 6, ispace is currently considering options while taking into account launch success rate and the cost associated with such launch. ispace plans to promptly disclose the launch provider once it has been decided.

## 3. Investment and loans to ispace's U.S. subsidiary for Mission 4

ispace plans to invest in and provide loans to its consolidated subsidiary, ispace technologies U.S., inc., by allocating 820 million yen as part of the lander manufacturing cost for the Mission 4. As with Mission 3, in the Mission 4, the APEX 1.0 Lander (formerly Series 2 Lander) is planned to be used and we will disclose the detailed schedule for development when it is decided.

## 4. Other working capital

As stated in the footnote 3 of the table above, the funds may be used for working capital required for business operations, such as the purchase of materials and labour costs related to the development of future missions.

## 4. Considerations on Reasonableness of Use of Funds

ispace believes that allocating the funds raised through the Program to the uses described in "(2) Specific Uses of Funds to be Raised" under "3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof" above will contribute to enhancing its corporate value over the medium- to long-term. Therefore, ispace believes that the issuance of the Common Shares and Stock Acquisition Rights under the Program is reasonable and is expected to contribute to the enhancement of shareholder value.

## 5. Reasonableness of Issuance Terms

### (1) Basis for calculation of the paid-in amount and the specific details thereof

#### ①The Common Stock to be issued in the First Third-Party Allotment

The issue price for the shares to be issued in the First Third-Party Allotment has been set at 90% of the closing price of shares of common stock of ispace on the Tokyo Stock Exchange, Inc. ("TSE") on the trading day immediately preceding the date on which the Board of Directors resolved the terms of the First Third-Party Allotment. ispace selected the closing price on the trading day immediately preceding the resolution by the Board, because it determined that the recent share price fairly reflected the current objective

corporate value of ispace. ispace fully discussed the basis for calculation of the paid-in amount mentioned above, including discount rate, with the Allottee, and determined the issue price for the shares to be issued in the First Third-Party Allotment based on a comprehensive consideration of factors, such as the fact that the Allottee will be exposed to share price downside risk in the roughly two weeks from the date on which the issuance is resolved to the due date of payment, the dilution stemming from the issuance of the Shares, and expectations for a medium- to long-term improvement in shareholder value as the issuance of the said shares will allow ispace to rapidly and reliably raise funds. In addition, the said issue price represents a 15.09% discount (rounded to second decimal places; hereinafter the same) against the simple average closing price of 709 yen (rounded to the nearest yen; hereinafter the same) for the one-month period immediately preceding the resolution by the Board (September 11, 2024 to October 10, 2024), a 6.81% discount against the simple average closing price of 646 yen for the three-month period (July 11, 2024 to October 10, 2024), and a 16.62% discount against the simple average closing price of 722 yen for the six-month period (March 11, 2024 to October 10, 2024).

Further, according to “Guidelines for the Handling of Third-Party Allotment” of the Japan Securities Dealers Association, when a listed company issues shares by third-party allotment, the issue price must be at least 90% of the market price on the trading day immediately preceding the resolution by the Board to issue shares. The issue price for the shares to be issued in the First Third-Party Allotment is in compliance with the guidelines, and, therefore, ispace determined that such price does not constitute a particularly favorable issue price under Article 199, Paragraph 3 of the Companies Act of Japan.

All three members of the Audit & Supervisory Committee (including two external members of the Audit & Supervisory Committee) have also issued an opinion that the issue price determined in this manner does not constitute a particularly favorable issue price under Article 199, Paragraph 3 of the Companies Act of Japan and is lawful for the same reason.

## ② The Stock Acquisition Rights to be issued in the First Third-Party Allotment

ispace has asked Akasaka International Accounting Co., Ltd. (“Akasaka International”), a third-party valuation agent, to conduct a valuation of the Stock Acquisition Rights while considering the various conditions set forth in the terms and conditions for the issuance of the Stock Acquisition Rights and the Equity the Program Agreement to be entered into with the Allottee. Akasaka International conducted a valuation of the Stock Acquisition Rights by taking into account the various conditions, including those stipulated in the terms and conditions of the Stock Acquisition Rights, based on the Monte Carlo simulation method, which is a commonly used price calculation model, and other assumptions (such as ispace’s share price (668 yen), dividend amount (0 yen), risk-free interest rate (0.5%), volatility (41%) and trading volume of shares of common stock of ispace and the preconditions that the exercise of the Stock Acquisition Rights is conducted uniformly by the Allottee, and that the Allottee will immediately sell a number of shares of common stock of ispace acquired through the exercise of the rights within a certain percentage of the trading volume).

In addition, the exercise price of the Stock Acquisition Rights is set at an amount equivalent to 120% of the closing price of shares of common stock of ispace on the TSE on October 10, 2024. Although it would not be as high as the level of the share price of ispace over the last six months, ispace believes that such price is not too low compared to the share price on the date of the resolution by the Board to issue the Stock Acquisition Rights.

With reference to the valuation (828 yen per one of the Stock Acquisition Rights), which Akasaka International calculated based on the said preconditions, ispace has determined the issue price for the Stock Acquisition Rights to be the same amount as the price assessed in the valuation, based on the discussion with the Allottee. In determining the issue price of the Stock Acquisition Rights, Akasaka International calculated, after considering circumstances that could affect a fair valuation, the fair price by using the Monte Carlo simulation method, a commonly used price calculation model. Considering that its calculation results yielded a reasonable fair price and that the issue price

matched the assessed value in the calculation results, ipace determined that the issuance of the Stock Acquisition Rights did not constitute an issuance with particularly favorable terms and that the issue price was proper and reasonable.

Further, all three members of the Audit & Supervisory Committee (including two external members of the Audit & Supervisory Committee) have also issued an opinion, regarding the issue condition of the Stock Acquisition Rights, stating that it is not issued on particularly favorable terms to the Allottee and is lawful for the reason that the selection of the third-party calculation agent is appropriate (as it is independent from ipace and the Allottee), the issue price is the same amount as the value assessed by the third-party calculation agent, and that no unreasonable points are found in the calculation method or the preconditions of the agent.

(2) Reasons for determining that the issue volumes and the scale of dilution of shares are reasonable

The total number of shares after adding the Common Stock to be issued in the First Third-Party Allotment (2,750,000 shares) to the number of shares to be issued if all the Stock Acquisition Rights to be issued in the First Third-Party Allotment are exercised (2,750,000 shares), is 5,500,000 shares (55,000 voting rights), which is equivalent to 5.90% of the 93,289,243 issued shares of the Company as of September 30, 2024 (and 5.90% of the 932,892 total voting rights as of September 30, 2024). In addition, the total number of shares after adding the Common Stock to be issued (11,000,000 shares) in the Program to the number of shares to be issued if all the Stock Acquisition Rights to be issued in the Program are exercised (11,000,000 shares) is 22,000,000 shares (220,000 voting rights), which is equivalent to 23.58% of the 93,289,243 issued shares of the Company as of September 30, 2024 (and 23.58% of the 932,892 total voting rights as of September 30, 2024).

Although such dilution will occur, considering the purpose of the fundraising, the use of proceeds and Basis for calculation of the amount to be paid for the First Third-Party Allotment above, ipace determined that the volume of issuance of shares of common stock of ipace to be issued in both the First Third-Party Allotment and the Program is reasonable.

6. Reasons for Selecting the Allottee

(1) Overview of the Allottee

Please refer to “(1) Overview of the Allottee” under “4. Reasons for Selecting the Allottee” of “I. Shares and Stock Acquisition Rights Issuance Program” above.

(2) Reasons for Selecting the Allottee

Please refer to “(2) Reasons for Selecting the Allottee” under “4. Reasons for Selecting the Allottee” of “I. Shares and Stock Acquisition Rights Issuance Program” above.

(3) Allottee’s Holding Policy

Please refer to “(3) Allottee’s Holding Policy” under “4. Reasons for Selecting the Allottee” of “I. Shares and Stock Acquisition Rights Issuance Program” above.

(4) Confirmation of Allottee’s Assets Required for Payment

Please refer to “(4) Confirmation of Allottee’s Assets Required for Payment” under “4. Reasons for Selecting the Allottee” of “I. Shares and Stock Acquisition Rights Issuance Program” above.

(5) Share Lending Agreement

In connection with the issuance of the Common Shares and the Stock Acquisition Rights, ipace’s CEO and Representative Director, Takeshi Hakamada (the “Lender”), entered into an agreement with the Allottee effective as of today, October 11, 2024. Under this agreement, the Allottee may borrow up to 3,000,000 shares of ipace’s Common Shares held by the Lender during the period from October 11, 2024, until the earlier of (1) March 1, 2026, or (2) the date on which the Allottee has exercised all of the Stock Acquisition Rights

and has received delivery of all shares related to such exercise.

Under the Share Lending Agreement, the Allottee agrees not to transfer, pledge or otherwise dispose of ispace's Common Shares to any third party for any purpose other than bridge sales (as defined below), and not to enter into any share lending agreements with any third parties in relation to ispace's common shares for the purpose of engaging in short selling other than bridge sales. A "bridge sale" refers to the Allottee's sale of the issuing company's (i.e., ispace's) shares within the quantity of shares to be acquired as a result of the exercise of the Stock Acquisition Rights, on the premise that the Allottee will exercise its Stock Acquisition Rights.

(6) Lock-Up Provisions, etc.

ispace has agreed the following items under the Equity Program Agreement:

(i) ispace during the period from the execution date of the Equity Program Agreement until to the payment date for the First Issuance (i.e., October 28, 2024), and during the period commencing on the payment date for each issuance under the Equity Program Agreement and ending on the 90th day thereafter (excluding cases where each issuance is not made), it will not, among others, without the prior written consent of the Allottee, issue or otherwise dispose of any of its common shares, securities convertible into or exchangeable for its common shares, or any securities representing the right to acquire or receive its common shares. However, this restriction excludes (1) the Fundraising delivery of ispace's common shares upon the exercise of the Stock Acquisition Rights or existing stock acquisition rights (provided that the number of ispace's common shares delivered upon the exercise of existing stock acquisition rights does not exceed 5% of the total number of issued shares); (2) the issuance of ispace's common shares through stock splits or the gratis share allotments; (3) the gratis allotment of stock acquisition rights to shareholders and delivery of ispace's common shares upon exercise of such stock acquisition rights; (4) the issuance of shares of restricted stock to ispace's directors and officers, grant of restricted stock units or delivery of shares upon vesting of restricted stock units, grant of stock options and delivery of ispace's common shares upon exercise of such stock options (provided that the number of ispace's common shares delivered does not exceed 5% of the total number of issued shares); and (5) other cases required under Japanese law.

(ii) Until the Allottee no longer holds any Common Shares and Stock Acquisition Rights, if ispace considers proposals from third parties regarding a Variable Rate Transaction (as defined below), ispace must first provide written notice to the Allottee expressing its intention to consider such Variable Rate Transaction and its main terms and conditions. After receiving such notice, ispace will, upon the Allottee's request, exclusively and in good faith engage in negotiations with the Allottee in relation to such Variable Rate Transaction for a period of five business days from the date of such notice.

A "Variable Rate Transaction" refers to transaction in which ispace or any of its subsidiaries (i) issues or sells any Share Equivalent either (A) at a conversion price, exercise price or exchange rate or other price that is based upon, or varies with, the trading prices of, or quotations for, the shares of common stock of ispace at any time after the initial issuance of such Share Equivalent or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such Share Equivalent or upon the occurrence of specified or contingent events directly or indirectly related to the business of ispace or the market for the common stock of ispace or (ii) enters into any agreements, arrangements, programs or plans whereby ispace may issue or sell securities at a future determined price.

"Share Equivalent" means ispace's or its subsidiaries' securities would entitle the holder thereof to acquire at any time common shares of ispace, including any debt, preferred stock, right, option, warrant or other securities.

(iii) If ispace engages in a transaction specified in the Equity Program Agreement (such as the disposal of assets, etc. exceeding 50% of the total amount of assets in its consolidated financial statements), or if events specified in the Equity Program Agreement occur (such as the delisting of ispace's shares), given that such a transaction or events would constitute a material change in the assumptions initially contemplated by the Allottee when it invested in the Stock Acquisition Rights, ispace agrees that, upon the Allottee's request, it

will repurchase such Stock Acquisition Rights at a reasonable price at the time, calculated as the Black-Scholes Value specified in the Equity Program Agreement (i.e., the price calculated using the Black-Scholes model, taking into account the price of ispace's common shares, volatility, and other factors).

(iv) ispace agrees not to engage in any transactions, etc. that would result in the Allottee holding voting rights in the shares it beneficially owns exceeding 9.9% of ispace's total number of voting rights.

#### 7. Major Shareholders and Shareholding Ratio after the Offer

Before the Offer (as of September 30, 2024)		After the Offer	
Takeshi Hakamada	12.863%	Takeshi Hakamada	12.147%
Incubate Fund 3 Investment Partnership LLC	6.423%	Incubate Fund 3 Investment Partnership LLC	6.066%
Development Bank of Japan Inc.	3.747%	CVI Investments, Inc.	5.567%
Tohru Akaura	2.826%	Development Bank of Japan Inc.	3.538%
IF Growth Opportunity Fund I,L.P.	2.289%	Tohru Akaura	2.668%
Sumitomo Mitsui Trust Bank, Limited	2.110%	IF Growth Opportunity Fund I,L.P.	2.161%
IFSPV 1st Investment Partnership	1.259%	Sumitomo Mitsui Trust Bank, Limited	1.992%
		IFSPV 1st Investment Partnership	1.189%

Note 1: The shareholding ratio before the Offer is based on the number of issued and outstanding shares as of September 30, 2024. The shareholding ratio after the Offer is calculated by adding (i) the number of shares (2,750,000 shares) to be issued and (ii) the number of shares (2,750,000 shares in total) to be issued upon the exercise of 27,500 share acquisition rights to be allocated to the Allottee, through the First Allotment under the Program in accordance with the resolution of the Board of Directors, to the number of issued and outstanding shares as of September 30, 2024

Note 2: The shareholding ratio of Mr. Takeshi Hakamada is calculated without taking into account the lending of the shares (up to 3,000,000 shares) to the Allottee by him pursuant to the Share Lending Agreement, however, as a result of such lending, his shareholding ratio may be reduced and he will no longer be a major shareholder of ispace.

#### 8. Future outlook

The impact of the fund raising under the Program on the forecast of consolidated financial results for the fiscal year ending March 31, 2025, is expected to be immaterial.

#### 9. Procedures under the Code of Corporate Conduct

The issuance of the Common Stock and the Stock Acquisition Rights does not require ispace to obtain an opinion from an independent third party or conduct procedures to confirm shareholders' intentions as provided in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, as the dilution is less than 25% and there will be no change to controlling shareholders.

#### 10. Operating Results and Equity Finance for the Last Three Years

##### (1) Operating consolidated financial results for the last three years

	Fiscal year ended March 2022	Fiscal year ended March 2023	Fiscal year ended March 2024
Net sales (thousand yen)	674,141	989,241	2,357,055

Operating loss (thousand yen)	4,056	11,023	5,501
Ordinary loss (thousand yen)	4,039,154	11,378,300	6,097,990
Loss attributable to owners of parent (thousand yen)	4,059,896	11,398,248	2,366,265
Net loss per share (yen)	77.68	211.47	29.05
Dividend per share (yen)	0.00	0.00	0.00
Net assets per share (yen)	163.74	△47.28	104.63

(2) Total number of issued shares and number of dilutive shares (as of September 30, 2024)

	Number of shares	Ratio to the total number of issued and outstanding shares
Total number of issued shares	93,289,243 shares	100.00%
Number of dilutive shares at current conversion price	7,220,440 shares	7.74%

(3) Recent share price

① Last year

	Fiscal year ended March 2024
Opening	1,000 yen
High	2,373 yen
Low	730 yen
Closing	1,067 yen

② Last six months

	May2024	June	July	August	September	October
Opening	759 yen	760 yen	745 yen	600 yen	663 yen	702 yen
High	777 yen	797 yen	760 yen	664 yen	765 yen	714 yen
Low	685 yen	701 yen	590 yen	430 yen	620 yen	664 yen
Closing	753 yen	742 yen	611 yen	653 yen	701 yen	668 yen

Note: The prices for October 2024 reflect up to October 10, 2024.

③ Share price on the business day immediately preceding the date of resolution for the First Allotment

	October 10, 2024
Opening	696 yen
High	705 yen
Low	668 yen
Closing	668 yen

(4) Equity finance over the last three years

• The issuance of Series C Preferred Shares by third-party allotment

Payment Date	October 22, 2021
Financing amount	249,977,335 yen
Issue Price	1,203.55 yen per share
Number of the issued and outstanding shares as of the issuance	Shares of common stock 1,008,363 shares
Number of new shares to be issued	Series C Preferred Shares 207,700 shares
The Allottee	Airbus Ventures FundIII, L.P
Number of the issued and outstanding shares after the issuance	Shares of common stock 1,008,363 shares Series C Preferred Shares 231,249 shares
Use of proceeds as of the issuance	Manufacturing costs of the lander to be used for Mission 2
Scheduled expenditure time as of the issuance	249,977,335 yen to be allocated in the fiscal year ended March 2022.
Current allocation status	The entire amount has been allocated.

• Initial Public Offering

Payment Date	April 11, 2023
Financing amount	5,359,097,360 yen
Issue Price	198.90 yen
Number of the issued and outstanding shares as of the issuance	Shares of common stock 53,901,120 shares
Number of new shares to be issued	Shares of common stock 26,519,500 shares
Number of the issued and outstanding shares after the issuance	Shares of common stock 80,420,620 shares
Use of proceeds as of the issuance	(i) Costs associated with launching Mission 2 planned on 2024 (ii) Manufacturing costs of the lander to be used for Mission 2 (iii) Investment in, and loans to, subsidiaries

Scheduled expenditure time as of the issuance	(i) 1,250,000 thousand yen to be allocated in the fiscal year ended March 2024 (ii) 1,670,000 thousand yen to be allocated in the fiscal year ended March 2024 (iii) 2,729,000 thousand yen to be allocated in the fiscal year ended March 2024 Note: The amounts include proceeds from the third-party allotment stated in “The third party allotment in connection with over-allotments” below.
Current allocation status	(i) The entire amount has been allocated. (ii) The entire amount has been allocated. (iii) The entire amount has been allocated.

• The third party allotment in connection with over-allotments

Payment Date	May 10, 2023
Financing amount	290,440,872 yen
Issue Price	198.90 yen
Number of the issued and outstanding shares as of the issuance	Shares of common stock 80,420,620 shares
Number of new shares to be issued	Shares of common stock 1,242,900 shares
The Allottee	Shares of common stock 81,663,520 shares
Number of the issued and outstanding shares after the issuance	SMBC Nikko Securities Inc.
Use of proceeds as of the issuance	(i) Cost associated with launching Mission 2 planned on 2024 (ii) Manufacturing costs of the lander to be used for Mission 2 (iii) Investment in and loans to subsidiaries
Scheduled expenditure time as of the issuance	(i) 1,250,000 thousand yen to be allocated in the fiscal year ended March 2024 (ii) 1,670,000 thousand yen to be allocated in the fiscal year ended March 2024 (iii) 2,729,000 thousand yen to be allocated in the fiscal year ended March 2024 Note: The amounts include the proceeds from the public offering stated in “Initial Public Offering” above.
Current allocation status	(i) The entire amount has been allocated. (ii) The entire amount has been allocated. (iii) The entire amount has been allocated.

• Public Offering (Issuance of New Shares through an International Offering)

Payment Date	March 28, 2024
Financing	8,357,747,500 yen

amount	
Issue Price	815.39 yen
Number of the issued and outstanding shares as of the issuance	Shares of common stock 82,698,563 shares
Number of new shares to be issued	Shares of common stock 10,250,000 shares
Number of the issued and outstanding shares after the issuance	Shares of common stock 92,948,563 shares
Use of proceeds as of the issuance	(i) Investment in, and loans to, the US subsidiary (ii) Other working capital
Scheduled expenditure time as of the issuance	(i) 7,069 million yen to be allocated by November 2025 (ii) 1,007 million yen to be allocated by March 2025
Current allocation status	As stated in the “Scheduled expenditure time as of the issuance” above. As of October 11, 2024, regarding (i) above, 6,688 million yen has been lent to the US subsidiary from ispace.

#### 11. Terms and Conditions of the Issuance

The terms and conditions of the issuance of the Common Stock and terms and conditions for the issuance of the Stock Acquisition Rights through the First Allotment are described in Appendix 1 and 2.

## Attachment 1

**ispace inc.**  
**Terms and Conditions for the First Allotment of Common Shares**

(1)	Class of Shares Offered	Common shares of the Company
(2)	Number of Shares Offered	2,750,000 shares.
(3)	Amount to Be Paid In	¥602 per share.
(4)	Total Amount to Be Paid In	¥1,655,500,000.
(5)	Amount of Increase in Capital Stock and Amount of Increase in Legal Capital Surplus to Be Increased	Amount of increase in capital stock to be increased ¥827,750,000. Amount of increase in legal capital surplus to be increased ¥827,750,000.
(6)	Method for subscription or allotment	Third-party allotment.
(7)	Due Date of Payment	October 28, 2024.
(8)	Others	The above items are subject to the effectiveness of the shelf registration statement and the filing of the shelf registration supplement under the Financial Instruments and Exchange Act.

**Terms and Conditions for the Issuance of  
ispace inc.'s 14th Stock Acquisition Rights**

1. Name of Stock Acquisition Rights

ispace inc.'s 14th Stock Acquisition Rights (the "Stock Acquisition Rights")

2. Deadline for Application

October 28, 2024

3. Date of Allotment

October 28, 2024

4. Due Date of Payment

October 28, 2024

5. Method of Subscription

All of the Stock Acquisition Rights shall be allotted to CVI Investments, Inc. via third-party allotment.

6. Class and Number of Shares Underlying Stock Acquisition Rights

(1) The class and total number of shares underlying the Stock Acquisition Rights shall be 2,750,000 common shares of the Company (the number of shares allotted per unit of the Stock Acquisition Rights shall be 100 shares; the "Number of Shares Allotted"). However, if the Number of Shares Allotted are adjusted in accordance with Items (2) to (4) below, the total number of shares underlying the Stock Acquisition Rights shall be adjusted based on the Number of Shares Allotted after the adjustment.

(2) If the Company conducts a stock split, gratis allotment, or reverse stock split for its common shares, the Number of Shares Allotted shall be adjusted according to the following formula. However, fractional amounts of less than one share resulting from the adjustment shall be truncated.

$$\begin{array}{l} \text{Number of Shares} \\ \text{Allotted} \\ \text{after the adjustment} \end{array} = \begin{array}{l} \text{Number of Shares Allotted} \\ \text{before the adjustment} \end{array} \times \begin{array}{l} \text{Stock split, gratis} \\ \text{allotment, or} \\ \text{reverse-split ratio} \end{array}$$

In addition to the above, if an event arises and requires an adjustment to the Number of Shares Allotted after the adjustment, the Company may adjust the Number of Shares Allotted after the adjustment to a reasonable extent.

(3) If the Company conducts a stock split, gratis allotment, or reverse stock split for the common shares of the Company, the Number of Shares Allotted after the adjustment shall apply on and after the reference date for the stock split or reverse stock split, on and after the effective date for the gratis allotment, or on and after the reference date for the gratis allotment if such a reference date exists.

(4) If an adjustment is made to the Number of Shares Allotted, the Company shall notify the holders of the Stock Acquisition Rights (the “Rights Holders”) in writing of the intent of and reason for such adjustment, the Number of Shares Allotted before the adjustment, the Number of Shares Allotted after the adjustment, the date on which the adjustment first becomes applicable and other necessary matters by the day preceding the date on which the Number of Shares Allotted after the adjustment first becomes applicable. However, if the Company cannot provide the Rights Holders with such notice by the day preceding the date on which the adjustment first becomes applicable, the Company shall notify the Rights Holders promptly on or after the day on which the adjustment first becomes applicable.

7. Total Number of Stock Acquisition Rights

27,500 units.

8. Amount to Be Paid In for Each Unit of Stock Acquisition Rights

¥828 (¥8.28 per underlying share)

9. Amount of Property to Be Contributed to Exercise Each Unit of Stock Acquisition Rights

(1) The property to be contributed to exercise each unit of the Stock Acquisition Rights shall be money, and the amount to be contributed shall be the amount obtained by multiplying the exercise price by the Number of Shares Allotted.

(2) The amount to be contributed per common share of the Company to exercise the Stock Acquisition Rights (the “Exercise Price”) shall initially be ¥802.

10. Revision of Exercise Price

Not applicable

11. Adjustment of Exercise Price

(1) Following the issuance of the Stock Acquisition Rights, if the number of the common shares of the Company changes or may change due to any of the events set forth in Item (2) below or if the amount paid in for the new issuance of the common shares of the Company or for the disposal of such shares held by the Company is below the effective exercise price on the day specified as the date on which the Exercise Price after the adjustment first becomes applicable as set forth in Item (2) below (in the case of Item (2), 2) below, the acquisition price, etc., defined in Item (2), 3) below when exercising put options for shares with put options or stock acquisition rights in accordance with the initial issuance conditions and in the case of Item (2), 3) below, the acquisition price, etc. after it is revised downwards, etc.), the Exercise Price shall be the same amount as the applicable amount to be paid in or the acquisition price, etc. (however, the minimum Exercise Price after the adjustment shall be 360 yen (adjusted by applying Items (3) and (4) below), but if the Exercise Price after the adjustment falls below this minimum, the minimum may not be applied by a resolution of the Company's Board of Directors.)

(2) The cases in which the Exercise Price is to be adjusted due to the issuance of new shares, etc., and the timing for applying the Exercise Price after the adjustment shall be as set forth below.

- 1) If the common shares of the Company are newly issued or those held by the Company are disposed of (excluding by means of gratis allotment) (except for (i) the delivery of the common shares of the Company to directors, other officers, or employees of the Company or its affiliates based on a stock compensation scheme (as defined in Article 8, Paragraph 8 of the Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc.; hereinafter the same shall apply); (ii) the delivery of the common shares of the Company upon the exercise of stock acquisition rights (including those attached to bonds with stock acquisition rights), upon the acquisition of shares with a put option or shares subject to call, or upon the exercise of rights that allow a request for the delivery of the common shares of the Company; (iii) the delivery of the common shares of the Company through a company split, share exchange, share issuance, or merger; and (iv) the issuance of the common shares of the Company to CVI Investments, Inc. by way of a third-party allotment in accordance with the Equity Program Agreement dated October 11, 2024 between the Company and CVI Investments, Inc.), the Exercise Price after the adjustment shall apply on and after the payment due date (such date shall be the last day of the subscription payment period if such a period has been established) or shall apply on and after the reference date for granting shareholders an allotment right relating to such issuance or disposal if such a reference date exists.
- 2) If shares with a put option that contain a provision for the delivery of the common shares of the Company or if stock acquisition rights that allow a request for the delivery of the common shares of the Company, are issued or granted (including those attached to bonds with stock acquisition rights) (however, excluding the issuance of the common shares of the Company to CVI Investments, Inc. by way of a third-party allotment in accordance with the Equity Program Agreement dated October 11, 2024 between the Company and CVI Investments, Inc.; hereinafter collectively the “Shares with a Put Option, Etc.”) (including by means of gratis allotment, but excluding stock acquisition rights allotted to directors, other officers, or employees of the Company or its affiliates), the Exercise Price after the adjustment shall apply on and after the payment due date (such date shall be the last day of the payment period if such a period has been established, or the allotment date of such stock acquisition rights) or shall apply on and after the effective date if a gratis allotment. However, the Exercise Price after the adjustment shall apply on and after the day following the reference date for granting shareholders an allotment right if such a reference date exists.
- 3) If the consideration per common share of the Company (the “Acquisition Price, Etc.”) is revised downwards in accordance with the issuance conditions for the Shares with a Put Option, Etc. (excluding those allotted to directors, other officers or employees of the Company or its affiliates), the Exercise Price after the adjustment shall apply on and after the day on which the Acquisition Price, Etc. after the downward revision, etc. becomes applicable.
- 4) If the common shares of the Company are delivered in exchange for the acquisition of shares subject to call or stock acquisition rights subject to call (including those attached to bonds

with stock acquisition rights) issued by the Company, the Exercise Price after the adjustment shall apply on and after the day following the acquisition date.

- 5) For the transactions corresponding to the provisions of Item 1) or 2) of this section, if a reference date has been established, and the approval of the General Meeting of Shareholders, the Board of Directors, or another institution of the Company on or after the reference date on which the transactions become effective is set as a condition, the Exercise Price after the adjustment shall apply on and after the day following such approval date, notwithstanding the provisions of Item 1) or 2) of this section. In such a case, the following formula shall be used to determine the number of the common shares of the Company to be delivered to the Rights Holders who requested the exercise of the Stock Acquisition Rights in the period from the day following such reference date to the approval date of such transaction.

$$\text{Number of shares} = \frac{(\text{Exercise Price before the adjustment} - \text{Exercise Price after the adjustment}) \times \text{Number of shares delivered at the Exercise Price before the adjustment within the applicable period}}{\text{Exercise Price after the adjustment}}$$

In such a case, fractional amounts of less than one share shall be truncated.

- (3) Following the issuance of the Stock Acquisition Rights, if the number of the common shares of the Company changes or may change due to any of the events set forth in Item (4) below, the Company shall adjust the Exercise Price in accordance with the following equation (the "Exercise Price Adjustment Formula for Stock Splits, Etc.").

$$\text{Exercise Price after the adjustment} = \frac{\text{Exercise Price before the adjustment} \times \text{Number of shares already issued} + \frac{\text{Number of shares newly issued or disposed of} \times \text{Amount to be paid in per share}}{\text{Market price}}}{\text{Number of shares already issued} + \text{Number of shares newly issued or disposed of}}$$

- (4) The cases in which the Exercise Price is to be adjusted according to the Exercise Price Adjustment Formula for Stock Splits, Etc. and the timing for applying the Exercise Price after the adjustment shall be as set forth below.

- 1) If the common shares of the Company are issued through a stock split, the Exercise Price after adjustment shall apply on and after the day following the reference date for the stock split.
- 2) If the common shares of the Company are issued through a gratis allotment to shareholders or are disposed of, the Exercise Price after the adjustment shall apply on and after the effective date of the gratis allotment, or on and after the reference date for the gratis allotment, if such a reference date exists.
- 3) For the transactions corresponding to and notwithstanding the provisions of Item 1) or 2) of this section, if a reference date has been established and the approval of the General Meeting of Shareholders, the Board of Directors or another institution of the Company on or after

such reference date on which the transactions become effective is set as a condition, the Exercise Price after the adjustment shall apply on and after the day following such approval date. In such a case, the following formula shall be used to determine the number of the common shares of the Company to be delivered to the Rights Holders who requested the exercise of the Stock Acquisition Rights in the period from the day following such reference date to the approval date of such transaction.

$$\text{Number of shares} = \frac{(\text{Exercise Price before the adjustment} - \text{Exercise Price after the adjustment}) \times \text{Number of shares delivered at the Exercise Price before the adjustment within the applicable period}}{\text{Exercise Price after the adjustment}}$$

In such a case, fractional amounts of less than one share shall be truncated.

- (5) Following the issuance of the Stock Acquisition Rights, if a special dividend is paid as set forth in Item (6) below, the Company shall adjust the Exercise Price in accordance with the following equation (the “Exercise Price Adjustment Formula for Special Dividends” ; hereinafter the Exercise Price Adjustment Formula for Stock Splits, Etc. and the Exercise Price Adjustment Formula for Special Dividends shall be collectively referred to as the “Exercise Price Adjustment Formulas.”)

$$\text{Exercise Price after the adjustment} = \text{Exercise Price before the adjustment} \times \frac{\text{Market price} - \text{Special dividend per share}}{\text{Market price}}$$

The “special dividend per share” shall be the amount obtained by dividing the special dividend by the Number of Shares Allotted on the reference date for the distribution of dividends from surplus. When calculating the special dividend per share, amounts below one yen shall be calculated to the second decimal place with the resulting numbers rounded off to the first decimal place.

- (6) 1) A “special dividend” shall be the amount obtained by dividing the amount of the dividend from surplus per common share of the Company on the reference dates that fall before the end of the period during which the stock acquisition rights described in Article 12 may be exercised (including monies paid in accordance with the provisions of Article 455, Paragraph 2 and Article 456 of the Companies Act; if the dividend property is property other than money, the book value of such property shall be the dividend value) by the Number of Shares Allotted on the applicable reference dates.
- 2) Adjustments to the Exercise Price stemming from a special dividend shall apply on and after the day following the date on which the dividend from surplus for the applicable reference dates was resolved as provided in Article 454 or 459 of the Companies Act.
- (7) If the difference between the Exercise Price after –adjustment calculated according to the Exercise Price Adjustment Formulas, and the Exercise Price before –adjustment remains below one yen, the Exercise Price shall not be adjusted. However, if the Company adjusts the Exercise

Price due to an event that requires such an adjustment thereafter, the Company shall use in the Exercise Price Adjustment Formulas, in place of the Exercise Price before the adjustment, the amount that remains after deducting the aforementioned difference from the Exercise Price before the adjustment.

- (8) 1) When using the Exercise Price Adjustment Formulas, amounts below one yen shall be calculated to the second decimal place with the resulting numbers rounded off to the first decimal place.
  - 2) The market price to be used in the Exercise Price Adjustment Formulas shall be the average value of the closing prices of the common shares of the Company in regular trading on the Tokyo Stock Exchange over the 30 trading days that start from the 45th trading day prior to the day when the Exercise Price after the adjustment is first applied (excluding days without a closing price) (however, the reference date shall be used in case of Item (4), 3) above) in case the Exercise Price Adjustment Formula for Stock Splits, Etc. is to be used or the 45th trading day prior to the reference date for the distribution of dividends from surplus if the Exercise Price Adjustment Formula for Special Dividends is to be used. In this case, the average value shall be calculated to the second decimal place with the resulting numbers rounded off to the first decimal place.
  - 3) Regarding the number of shares already issued that is to be used in the Exercise Price Adjustment Formulas, such number shall be the total number of the common shares issued by the Company as of the reference date for granting shareholders an allotment right if such a date exists or the day that is one month prior to the date on which the Exercise Price after the adjustment is applied for the first time on the absence of such a date, less the number of the common shares held by the Company as of such date. Further for Item (4), 1) above, regarding the number of shares newly issued or disposed of that is to be used in the Exercise Price Adjustment Formulas, such number shall not include the number of the common shares of the Company that shall be allotted to the common shares held by the Company on the reference date.
- (9) In cases other than the cases where an adjustment to the Exercise Price is required in accordance with Item (2), Item (4), or Item (6) above, the Company shall make the necessary adjustment to the Exercise Price following discussion with, and after receiving approval from, the Rights Holders in the following cases.
- 1) If the Exercise Price needs to be adjusted because of a reverse stock split, capital decrease, company split, share exchange, share issuance, or merger.
  - 2) If the Exercise Price needs to be adjusted because of any other events, etc. that arise and will result in or may lead to a change in the number of the common shares of the Company.
  - 3) If multiple events arise successively and due to one event, the Exercise Price needs to be adjusted and it becomes necessary to consider the effect of another event to determine the market price that shall be used for calculating the Exercise Price after the adjustment.
- (10) If an adjustment is made to the Exercise Price, the Company shall notify the Rights Holders in writing of the intent and reason for such adjustment, the Exercise Price before the adjustment, the Exercise Price after the adjustment, the date on which the adjustment first becomes

applicable and other necessary matters by the day preceding the date on which the Exercise Price after the adjustment first becomes applicable. However, in the cases specified in Item (2), 5) and Item (4), 3) above, or in other cases where the Company cannot provide the Rights Holders with such notice by the day preceding the date on which the adjustment first becomes applicable, the Company shall notify the Rights Holders promptly on or after the day on which the adjustment first becomes applicable.

#### 12. Exercise Period for Stock Acquisition Rights

The period during which the Share Subscription Rights can be exercised shall be from October 29, 2024 to October 28, 2028.

#### 13. Other Conditions for Exercise of Stock Acquisition Rights

In respect of each of the Stock Acquisition Rights, the partial exercise thereof shall not be permitted.

#### 14. Increases in Capital Stock and Legal Capital Surplus if New Shares Are Issued through Exercise of Stock Acquisition Rights

If shares are issued due to an exercising of the Stock Acquisition Rights, the amount to be contributed to capital stock shall be half of the upper limit of the increase in capital stock and legal capital surplus calculated in accordance with Article 17 of the Rules of Corporate Accounting (with any fractional amounts of less than one yen resulting from such calculation rounded up). The increase in legal capital surplus shall be the amount obtained by deducting the amount to be contributed to capital stock, from the upper limit of the increase in capital stock and legal capital surplus.

#### 15. Method for Requesting Exercise of Stock Acquisition Rights

- (1) To exercise the Stock Acquisition Rights, the Rights Holders must provide, at the exercise request location stated in Paragraph 18, a notification in respect of the matters necessary for requesting the exercise of the Stock Acquisition Rights during the exercise period provided in Paragraph 12 for the Stock Acquisition Rights.
- (2) To exercise the Stock Acquisition Rights, the Rights Holders must provide a notification in respect of the matters necessary for requesting the exercise of the Stock Acquisition Rights as stated in the preceding item. In addition, when exercising the Stock Acquisition Rights, they must transfer the entire amount of the property to be contributed in cash to the account designated by the Company at the payment handling location stated in Paragraph 19.
- (3) A request to exercise the Stock Acquisition Rights shall become effective on the date when a notification in respect of all of the necessary matters for the request has been provided at the exercise request location stated in Paragraph 18, and the entire amount of property to be contributed to exercise the Stock Acquisition Rights has been remitted to the account stated in the preceding item.

#### 16. Non-issuance of Stock Acquisition Right Certificates

The Company will not issue any certificates representing the Stock Acquisition Rights.

17. Basis for Calculation of Amount to Be Paid In for Stock Acquisition Rights and Amount of Property To Be Contributed to Exercise the Stock Acquisition Rights

Based on the various conditions set forth in the terms and conditions for the issuance of the Stock Acquisition Rights and the EQUITY PROGRAM AGREEMENT dated October 11, 2024 between the Company and CVI Investments, Inc.; the results of an assessment using the Monte Carlo simulation method( a commonly used price calculation model); and certain assumptions regarding the share price of the Company, the liquidity of the shares of the Company, how the Allottee exercises rights, the shareholding trends of the Allottee and other factors, the amount to be paid in for each unit of the Stock Acquisition Rights shall be ¥828.

18. Exercise Request Location

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

19. Payment Handling Location

Hibiya Branch, Sumitomo Mitsui Banking Corporation

20. Application of Act on Book-Entry of Company Bonds, Shares, Etc.

The Stock Acquisition Rights shall be book-entry stock acquisition rights as provided in the Act on Book-Entry of Company Bonds, Shares, etc., and the provisions of this act shall apply to all of the rights. Further, the handling of the Stock Acquisition Rights shall be conducted in accordance with the operating regulations related to the book entry of shares, the related regulations for enforcement, and other regulations provided by Japan Securities Depository Center, Inc.

21. Name and Location of Book-Entry Transfer Institution

Japan Securities Depository Center, Inc.

7-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo 103-0026, Japan

22. Other

- (1) The above paragraphs are subject to the effectiveness of the shelf registration statement and the filing of the shelf registration supplement under the Financial Instruments and Exchange Act.
- (2) Other necessary matters related to the issuance of the Stock Acquisition Rights shall be entrusted to the representative director and CEO of the Company.