



November 18, 2024

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Notice of Issuance of New Shares and Stock Acquisition Rights through the Second Third-Party Allotment under the Shares and Stock Acquisition Rights Issuance Program Agreement

As announced in the “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” dated October 11, 2024 (the “Initial Press Release”), ispace, inc. (“ispace”) entered 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, in accordance with the Shares and Stock Acquisition Rights Issuance Program established under the Equity Program Agreement on October 11, 2024 (the “Program”, and a total of 11,000,000 shares common shares of ispace issued, or to be issued for the first through fourth allotments under the Program are individually and collectively referred to as the “Common Shares”, and a total of 110,000 stock acquisition rights of ispace (which represent 11,000,000 potential shares) issued, or to be issued for the first through fourth allotments under the Program are individually and collectively referred to as the “Stock Acquisition Rights”), and issued new common shares and 14th series of stock acquisition rights of ispace, inc. through third-party allotment to the Allottee on October 28, 2024.

ispace hereby announces that the Board of Directors’ meeting resolved today to issue new common shares and 15th series of stock acquisition rights of ispace, inc. through third party allotment to the Allottee (the “Second Third-Party Allotment”) as the second issuance under the Program, as detailed below.

1. Overview of the Offering

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

(1) Payment Date	December 3, 2024
(2) Number of New Shares to be Issued	2,750,000 Common Shares
(3) Issue Price	547 yen per share
(4) Amount of Funds to be Raised	1,504,250,000 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 Second Third-Party Allotment

(1) Allotment Date	December 3, 2024
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(2)	Total Number of Stock Acquisition Rights	27,500 units (100 shares per stock acquisition right)
(3)	Issue Price	753 yen per stock acquisition right
(4)	Number of Potential Shares from this Issuance	2,750,000 shares
(5)	Amount of Funds to be Raised	2,025,457,500 yen (Breakdown) Amount from Issuance of Stock Acquisition Rights: 20,707,500 yen Amount from Exercise of Stock Acquisition Rights: 2,004,750,000 yen
(6)	Exercise Price	729 yen per share
(7)	Exercise Period	From December 4, 2024, to December 3, 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 Second Third-Party Allotment

As described in “2. Purpose of Introducing the Program” under “I. Shares and Stock Acquisition Rights Issuance Program” of the Initial Press Release, 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 Second 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” of the Initial Press Release, 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)
3,529,707,500	26,395,380	3,503,312,120

(Notes) 1. The amounts above represent the total paid-in amount for the Common Shares and Stock Acquisition Rights to be issued through the Second 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 includes consumption or other applicable taxes.

4. Issuance-related expenses mainly consist of legal fees and other administrative

expenses, such as printing and registration fees.

For the estimated total amount of funds to be raised through the entire Program (i.e., estimated net proceeds), please see “3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof” under “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment of the Initial Press Release.

(2) Specific Uses of the Funds to be Raised

The specific uses of the estimated net proceeds to be raised through the issuance of the Common Shares and Stock Acquisition Rights by the Second Third-Party Allotment resolved by the Board of Directors on November 18, 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	1,504	December 2024 - October 2026
(2) Development funds for Mission 6 that is not covered by grant funding	1,999	December 2024 - October 2027
Total	3,503	—

(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 1,504 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 1,999 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 several hundred kilogram, 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.

For the specific use of the funds (i.e., approximate net proceeds) raised through the entire Program, please see “3. Amount to Be Raised, and the Use and Scheduled Disbursement Thereof” under “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment of the Initial Press Release.

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

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

In accordance with the Equity Program Agreement, the issue price for the shares to be issued in the Second 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 Second 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 determined the issue price for the shares to be issued in the Second 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 Common 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 17.0% discount (rounded to second decimal places; hereinafter the same) against the simple average closing price of 659 yen (rounded to the nearest yen; hereinafter the same) for the one-month period immediately preceding the resolution by the Board (October 16, 2024 to November 15, 2024), a 18.11% discount against the simple average closing price of 668 yen for the three-month period (August 16, 2024 to November 15, 2024), and a 19.08% discount against the simple average closing price of 676 yen for the six-month period (May 16, 2024 to November 15, 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 Second 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 Second 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 (607 yen), dividend amount (0 yen), risk-

free interest rate (0.6%), volatility (41.1%) 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 November 15, 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 (753 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. 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, ispace 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 ispace 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 Second 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 Second 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, as stated in “(2) Reasons for determining that the issue volumes and the scale of dilution of shares are reasonable” under “5. Reasonableness of Issuance Terms” of “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment” of the Initial Press Release, 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 Second Third-Party Allotment above, ispace determined that the volume of issuance of shares of common stock of ispace to be issued in both the Second 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” of the Initial Press Release.

(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” of the Initial Press Release.

(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” of the Initial Press Release. In addition, as stated in the “Report on the transfer of shares allotted through a third-party allotment” dated November 7, 2024, the Allottee reported to ispace that as of October 28, 2024, the Allottee transferred to BofA Securities, Japan Co., Ltd. 2,750,000 Common Shares issued through the first third-party allotment in accordance with the resolution of the Board of Directors of ispace held on October 11, 2024. With respect to the 2,750,000 Common Shares to be issued through the Second Third-Party Allotment in accordance with the resolution of the Board of Directors of ispace as of November 18, 2024, as of today, ispace is not aware of any plans of the Allottees to contemplate any transactions similar to such transfer or any other disposition of the shares; however, if there are any matters that should be disclosed, ispace will disclose them in a timely manner.

(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” of the Initial Press Release.

(5) Share Lending Agreement

Please refer to “(5) Share Lending Agreement” under “6. Reasons for Selecting the Allottee” of “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment” of the Initial Press Release.

(6) Lock-Up Provisions, etc.

Please refer to “(6) Lock-Up Provisions, etc.” under “6. Reasons for Selecting the Allottee” of “II. Issuance of New Shares and Stock Acquisition Rights through Third-Party Allotment” of the Initial Press Release.

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	8.869%
Incubate Fund 3 Investment Partnership LLC	6.423%	CVI Investments, Inc.	7.910%
Development Bank of Japan Inc.	3.747%	Incubate Fund 3 Investment Partnership LLC	5.746%
Tohru Akaura	2.826%	Development Bank of Japan Inc.	3.352%
IF Growth Opportunity Fund I,L.P.	2.289%	Tohru Akaura	2.528%
Sumitomo Mitsui Trust Bank, Limited	2.110%	IF Growth Opportunity Fund I,L.P.	2.047%
IFSPV 1st Investment Partnership	1.259%	BofA Securities, Japan Co., Ltd.	1.965%
-	-	Sumitomo Mitsui Trust Bank, Limited	1.887%

Before the Offer (as of September 30, 2024)		After the Offer	
-	-	IFSPV 1st Investment Partnership	1.126%

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 (x) (i) the number of shares (2,750,000 shares) issued and (ii) the number of shares 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 held on October 11, 2024, (y) (i) the number of shares (2,750,000 shares) to be issued and (ii) the number of shares to be issued upon the exercise of 27,500 share acquisition rights to be allocated to the Allottee, through the Second Third-Party Allotment under the Program in accordance with the resolution of the Board of Directors as of November 18, 2024 (combining (x) and (y), 11,000,000 shares in total) to the number of issued and outstanding shares as of September 30, 2024.

Note 2: The shareholding ratio after the Offer of Mr. Takeshi Hakamada is calculated taking into account the lending of 2,750,000 shares implemented on October 17, 2024 to the Allottee by him pursuant to a share lending agreement entered into by and between Mr. Hakamada, the Representative Director and CEO of ispace, and the Allottee, which he agreed to lend up to 3,000,000 shares to the Allottee.

Note 3. The Allottee's shareholding ratio after the Offer is based on the number of shares held by it, which is the sum of (x) the number of shares 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 held on October 11, 2024, and (y) (i) the number of shares (2,750,000 shares) to be issued and (ii) the number of shares to be issued upon the exercise of 27,500 share acquisition rights to be allocated to the Allottee, through the Second Third-Party Allotment under the Program in accordance with the resolution of the Board of Directors as of November 18, 2024 (combining (x) and (y), 8,250,000 shares in total).

Note 4. As announced in "Report on the transfer of shares allotted through a third-party allotment" dated November 7, 2024, the Allottee reported to ispace that as of October 28, 2024, the Allottee has transferred to BofA Securities, Japan Co., Ltd. 2,750,000 Common Shares issued through the first third-party allotment in accordance with the resolution of the Board of Directors of ispace held on October 11, 2024. The shareholding ratio after the Offer of BofA Securities, Japan Co., Ltd. is calculated taking into account such transfer.

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 October 31, 2024)

	Number of shares	Ratio to the total number of issued and outstanding shares
Total number of issued shares	96,039,243 shares	100.00%
Number of dilutive shares at current conversion price	9,970,440 shares	10.38%

Note The number of dilutive shares at current conversion price includes the number of shares (2,750,000 shares) 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 held on October 11, 2024. In addition, as ispace has issued share acquisition rights, the table above does not include the increase in the total number of issued shares and the decrease in the number of dilutive shares at current conversion price by exercise of the stock acquisition rights on or after October 1, 2024.

(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

	June 2024	July	August	September	October	November
Opening	760 yen	745 yen	600 yen	663 yen	702 yen	680 yen
High	797 yen	760 yen	664 yen	765 yen	714 yen	685 yen
Low	701 yen	590 yen	430 yen	620 yen	628 yen	595 yen
Closing	742 yen	611 yen	653 yen	701 yen	685 yen	607 yen

Note: The prices for November 2024 reflect up to November 15, 2024.

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

	November 15, 2024
Opening	600 yen
High	611 yen
Low	595 yen
Closing	607 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 Fund III, 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	Shares of common stock 26,519,500 shares

issued	
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	May 28, 2024
Financing amount	8,357,747,500 yen
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 November 18, 2024, regarding (i) above, 6,688 million yen has been lent to the US subsidiary from ispace.

• The Issuance of Common Shares through the First Third-Party Allotment

Payment Date	October 28, 2024
Financing amount	1,655,000,000 yen
Issue Price	602 yen per share
Number of the issued and outstanding shares as of the issuance	Shares of common stock 93,289,243 shares
Number of new shares to be issued	Common shares 2,750,000 shares
The Allottee	CVI Investments, Inc.
Number of the issued and outstanding shares after the issuance	Shares of common stock 96,039,243 shares
Use of proceeds as of the issuance	Investment in, and loans to, the US subsidiary
Scheduled expenditure time as of the issuance	October 2024 through October 2026.
Current allocation status	As stated in the “Scheduled expenditure time as of the issuance” above.

• The Issuance of Stock Acquisition Rights through the First Third-Party Allotment

Payment Date	October 28, 2024
Total Number of Stock Acquisition Rights	27,500
Financing amount	2,177,953,500 yen
Issue Price	828 yen per stock acquisition right
Number of the issued and outstanding shares as of the issuance	Shares of common stock 93,289,243 shares
Number of Potential Shares from the Issuance	Common shares 2,750,000 shares
The Allottee	CVI Investments, Inc.
Number of the issued and outstanding	Shares of common stock 96,039,243 shares

shares after the issuance	
Exercise status at present	0 shares
Procured funds at present	22,770,000 yen
Use of proceeds as of the issuance	(i) Development funds for Mission 6 that is not covered by grant funding (ii) Investment and loans to ispace's U.S. subsidiary for Mission 4
Scheduled expenditure time as of the issuance	(i) 2,000 million yen to be allocated from October 2024 to October 2027. (ii) 177 million yen to be allocated from October 2024 to March 2026.
Current allocation status	As stated in the "Scheduled expenditure time as of the issuance" above.

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 Second Allotment are described in Appendix 1 and 2.

Attachment 1

ispace inc.
Terms and Conditions for the Second 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	¥547 per share.
(4)	Total Amount to Be Paid In	¥1,504,250,000
(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 ¥752,125,000. Amount of increase in legal capital surplus to be increased ¥752,125,000.
(6)	Method for subscription or allotment	Third-party allotment.
(7)	Due Date of Payment	December 3, 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 15th Stock Acquisition Rights**

1. Name of Stock Acquisition Rights

ispace inc.'s 15th Stock Acquisition Rights (the "Stock Acquisition Rights")

2. Deadline for Application

December 3, 2024

3. Date of Allotment

December 3, 2024

4. Due Date of Payment

December 3, 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
¥753 (¥7.53 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 ¥729.

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 December 4, 2024 to December 3, 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 ¥753.

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.