

March 25, 2024

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**Notice regarding Change in the Number of New Shares to be Issued
through an International Offering**

ispace, inc. (“ispace”) hereby announces that, in connection with issuance of new shares through an international offering (the “Offering”) resolved at the meeting of its Board of Directors held on March 13, 2024, the number of new shares to be issued through the Offering will change as set forth below.

1. Details of the Change in the Number of New Shares to be Issued through the Offering
(1) Details of the Change

In connection with the matters announced in the “Notice regarding Issuance of New Shares through an International Offering” on March 13, 2024, ispace had planned to issue a certain number of shares, pursuant to the resolution by the Board of Directors on March 13, 2024. The number of new shares to be issued (shares to be underwritten) is planned to be changed and ispace has revised other matters accordingly, as set forth below. The changes are underlined.

1. Issuance of New Shares through the Offering

<Before the Amendment>

- (1) Class and Number of Shares to be Offered
- Up to 20,591,900 new shares of common stock of ispace which is the sum of (i) and (ii) below.
- (i) 16,539,700 new shares of common stock of ispace to be underwritten and purchased by the Lead Manager (as referred to in (4) below).
- (ii) Up to 4,052,200 shares of common stock of ispace which may be additionally underwritten and purchased by the Lead Manager (as referred to in (4) below).

Note: This press release does not constitute an offer of any securities for sale. This press release has been prepared for the sole purpose of making a public announcement regarding the Offering, and not for the purpose of soliciting investment, etc. within or outside Japan. This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities referred to in this press release have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from the registration requirements under the Securities Act. No public offering of the securities will take place in the United States. Since the solicitation regarding the issuance of new shares of ispace referred to in this press release is made outside Japan only to non-residents of Japan, no filing and notification under the Financial Instruments and Exchange Act of Japan will be made and no prospectus will be prepared.

The number of shares to be additionally underwritten and purchased by the Lead Manager as referred to in (ii) above will be determined on the Pricing Date (as referred to in (2) below) by the Lead Manager (as referred to in (4) below) based on investor demand for the shares and market conditions.

(Omitted)

<After the Amendment>

- (1) Class and Number of Shares to be Issued
(Shares to be Underwritten)

Up to 12,500,000 new shares of common stock of ispace which is the sum of (i) and (ii) below. (note)

(i) 10,000,000 new shares of common stock of ispace to be underwritten and purchased by the Lead Manager (as referred to in (4) below).

(ii) Up to 2,500,000 shares of common stock of ispace which may be additionally underwritten and purchased by the Lead Manager (as referred to in (4) below).

The number of shares to be additionally underwritten and purchased by the Lead Manager as referred to in (ii) above will be determined on the Pricing Date (as referred to in (2) below) by the Lead Manager (as referred to in (4) below) based on investor demand for the shares and market conditions.

(note) The class and number of shares to be offered, pursuant to the resolution of the Board of Directors on March 13, 2024 under Article 199, Paragraph 1 of the Companies Act, is 20,591,900 shares of common stock of ispace (sum of (i) 16,539,700 shares to be underwritten and purchased by the Lead Manager and (ii) 4,052,200 shares which may be additionally underwritten and purchased by the Lead Manager). As described in “(2) Reasons for the Changes” below, the Lead Manager now plans to make an application to subscribe for only up to the total number of (i) and (ii) of shares to be issued (shares to be underwritten) as stated above (i.e., in the range of 10,000,000 shares (minimum) to 12,500,000 shares (maximum)), based on trends in share prices on the Pricing Date and other matters, and the shares will be newly issued to the extent that such application is made.

(Omitted)

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2. Change in the Number of Outstanding Shares as a Result of the Capital Increase

<Before the Amendment>

Total number of Outstanding Shares:	82,698,563 shares	(as of January 31, 2024) (note 1)
Number of shares to be increased by the Offering:	<u>20,591,900</u> shares	(note 2)
Total number of Outstanding Shares after the Offering:	<u>103,290,463</u> shares	(note 2)

(note 1) As ispace has issued stock acquisition rights, the figures above are as of January 31, 2024.

(note 2) The figures above are calculated based on the assumption that all shares which may be additionally underwritten and purchased by the Lead Manager, as described in (1)(ii) above under “1. Issuance of New Shares through the Offering”, 4,052,200 shares of ispace’s common stock, will be underwritten and purchased by the Lead Manager. The number of shares to be additionally underwritten and purchased by the Lead Manager will be determined on the Pricing Date by the Lead Manager based on investor demand for the shares and market conditions.

<After the Amendment>

Total number of Outstanding Shares:	82,698,563 shares	(as of January 31, 2024) (note 1)
Number of shares to be increased by the Offering:	<u>12,500,000</u> shares	(note 2)
Total number of Outstanding Shares after the Offering:	<u>95,198,563</u> shares	(note 2)

(note 1) As ispace has issued stock acquisition rights, the figures above are as of January 31, 2024.

(note 2) The figures above are calculated based on the assumption that all shares which may be additionally underwritten and purchased by the Lead Manager, as described in (1)(ii) above under “1. Issuance of New Shares through the Offering”, 2,500,000 shares of ispace’s common stock, will be underwritten and purchased by the Lead Manager. The number of shares to be additionally underwritten and purchased by the Lead Manager will be determined on the Pricing Date by the Lead Manager based on investor demand for the shares and market conditions.

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3. Use of proceeds raised by the Offering

<Before the Amendment>

ispace intends to use the estimated net proceeds of approximately 14,569 million yen from the Offering as follows:

- (i) Investments in and loans to ispace technologies U.S., inc. (“ispace US”) (11,500 million yen by November 2025)

ispace intends to make investments in and loans to its consolidated subsidiary, ispace US. Of such amount, 1,829 million yen will be used to partially cover the purchase cost of the two relay satellites to be deployed in Mission 3, 5,750 million yen will be used as part of the launch cost(*) for Falcon 9 rocket of Space Exploration Technologies Corp (“SpaceX”) to be used for Mission 3, and 3,921 million yen will be used towards manufacturing costs of the lander for Mission 3.

(Omitted)

- (ii) Other working capital (3,069 million yen by March 2025)

ispace intends to use these proceeds towards general corporate purpose, such as purchasing components and materials related to the development of the missions planned in the future and personnel expenses.

The estimated net proceeds are calculated based on the closing price of regular trading of ispace’s common stock on the Tokyo Stock Exchange, Inc. as of March 12, 2024 and assumes no additional shares will be underwritten and purchased by the Lead Manager as described in (1)(ii) above under “1. Issuance of New Shares through the Offering.” The estimated net proceeds from the Offering will be determined on the Pricing Date. However, if the actual net proceeds exceeds the estimated amount shown above, the amount allocated to other working capital as described in (ii) above will be increased to up to 3,500 million yen. Any remaining proceeds will be allocated as investments in and loans to ispace US as described in (i) above, either for a portion of Mission 3 Lander manufacturing costs or a portion of launch costs of Mission 3.

<After the Amendment>

ispace intends to use the estimated net proceeds of approximately 8,069 million yen from the Offering as follows:

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- (i) Investments in and loans to ispace technologies U.S., inc. (“ispace US”) (7,069 million yen by November 2025)

ispace intends to make investments in and loans to its consolidated subsidiary, ispace US. Of such amount, 1,829 million yen will be used to partially cover the purchase cost of the two relay satellites to be deployed in Mission 3, 2,081 million yen will be used as part of the launch cost(*) for Falcon 9 rocket of Space Exploration Technologies Corp (“SpaceX”) to be used for Mission 3, and 3,159 million yen will be used towards manufacturing costs of the lander for Mission 3.

(Omitted)

- (ii) Other working capital (1,000 million yen by March 2025)

ispace intends to use these proceeds towards general corporate purpose, such as purchasing components and materials related to the development of the missions planned in the future and personnel expenses.

The estimated net proceeds are calculated based on the closing price of regular trading of ispace’s common stock on the Tokyo Stock Exchange, Inc. as of March 22, 2024 and assumes no additional shares will be underwritten and purchased by the Lead Manager as described in (1)(ii) above under “1. Issuance of New Shares through the Offering.” The estimated net proceeds from the Offering will be determined on the Pricing Date. However, if the actual net proceeds exceeds the estimated amount shown above, the amount allocated to other working capital as described in (ii) above will be increased to up to 2,000 million yen. Any remaining proceeds will be allocated as investments in and loans to ispace US as described in (i) above, either for a portion of Mission 3 Lander manufacturing costs or a portion of launch costs of Mission 3.

(2) Reasons for the Changes

Upon the resolution of the Board of Directors on March 13, 2024, the Lead Manager conducted marketing activities in the international market (but limited to Qualified Institutional Buyers as defined under Rule 144A under the U.S. Securities Act of 1933). Taking into account investor demand and market conditions, the Lead Manager will make an application to subscribe for 10,000,000 shares out of 16,539,700 shares to be underwritten and purchased by the Lead Manager, which was originally resolved by ispace,

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and will determine the number of shares to be additionally underwritten and purchased by the Lead Manager, taking into account investor demand and market conditions, on the Pricing Date, up to 2,500,000 shares out of 4,052,200 shares, the maximum number of shares to be additionally underwritten and purchased by the Lead Manager, which was originally resolved by ispace. As a result, the number of shares to be issued (shares to be underwritten) and other matters will change.

2. Impact on financial results

The impact of the change of the number of shares to be issued on the forecast of consolidated financial results for the fiscal year ending March 31, 2024 is not expected to be material. ispace will promptly make an announcement if it becomes clear that there will be a significant impact on its financial results.

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