

December 13, 2024

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Director and CEO
Securities code: 9348; Growth Market
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**Notice regarding Issuance of New Shares under
Restricted Stock Units (RSU)**

ispace, inc. (“ispace”) hereby announces that at the Board of Directors meeting held today, it resolved to issue new shares based on restricted stock units (the “RSU”) to be granted under the restricted stock compensation plan (the “Issuance of New Shares”), as detailed below.

1. Outline on the Issuance

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| (1) | Payment date | January 31, 2025 |
| (2) | Class and number of shares to be issued | 854,500 shares of ispace’s common stock |
| (3) | Issue price | 517 yen per share |
| (4) | Total amount of issuance | 441,776,500 yen |
| (5) | Proposed allottees | 513,700 shares will be allotted to 130 ispace employees.

73,000 shares will be allotted to 2 directors of ispace’s subsidiaries.

267,800 shares will be allotted to 113 employees of ispace’s subsidiaries. |
| (6) | Others | Regarding the Issuance of New Shares, the offering in Japan (513,700 shares) is conditioned upon the securities registration statement filed under the Financial Instruments and Exchange Act of Japan becoming effective. |

2. Purpose and Background of the Issuance

ispace has introduced a stock compensation plan under which shares of ispace’s common stock are delivered after the vesting of restricted stock units, in place of the previous trust-type stock option plan, to the executive directors and employees of ispace and the directors and employees of ispace’s subsidiaries (the “Recipients”), for the purpose of securing and retaining talented personnel, promoting mid- to long- term corporate value improvement and realizing a fair and easy-to-understand system across all countries and regions where ispace and its

affiliates (collectively, the “Group”) are located.

The Issuance of New Shares will become effective pursuant to the resolution of the Board of Directors meeting to be held on December 13, 2024, following the vesting of the RSUs described in “(2) Overview of the Plan” below (the “Relevant RSU”) on January 1, 2025, which were granted to the Recipients under the Plan in lieu of the distribution of the 9th series of stock acquisition rights A03 (the “9th Series of Stock Acquisition Rights”) issued as the market-value-issued stock acquisition rights trust under the previous trust-type stock option plan.

< Details of the Plan >

(1) The Recipients under the Plan

Executive directors and employees of ispace and directors and employees of ispace’s subsidiary

(2) Overview of the Plan

The Plan is a stock compensation plan under which ispace provides the Recipients in advance with RSUs in a number based on the achievement rate of performance targets and ispace delivers shares of its common stock to the Recipients based on the number of the RSUs that have vested in accordance with the method described in “(3) Method of Vesting of RSUs”.

(3) Method of Vesting of RSUs

In principle, ispace will grant the RSUs each year, and if the Recipients continue to hold the position of director, executive officer or other officer or employee of the Group (if the Recipient is an executive officer of ispace, only if he/she continues to hold the position of executive director of ispace) during the period from the relevant grant date to the vesting date two years thereafter, all the RSUs held by the Recipients will vest on that vesting date. However, if, prior to the vesting, the Recipients cease to hold the position of director, executive officer and other officer or employee of the Group for a justifiable reason that is approved by the representative director of ispace, ispace shall vest the number of the RSUs held by the Recipients, which shall be determined in proportion to the period from the grant date of the RSUs to the date the Recipient’s cease to hold such position, at a certain time after they cease to hold such position, and deliver the same number of shares as the number of vested RSUs. However, the representative director of ispace may adjust the number of shares to be delivered within a reasonable range, within the number of RSUs held by the Recipients.

The Relevant RSUs, the number of which were determined based on the number of the stock acquisition rights of ispace which were to be distributed as the 9th Series of Stock Acquisition Rights, will vest on the condition that the Recipients continue to hold the above position during the period from October 1, 2024, the grant date of the Relevant RSUs, to January 1, 2025, the vesting date set in accordance with the previously scheduled delivery date of the 9th Series of Stock Acquisition Rights.

(4) Method and Timing of Delivery of the Shares of ispace's Common Stock

After the vesting, at a time to be determined by ispace, ispace will deliver shares of ispace's common stock through the issuance of new shares or the disposal of treasury shares based on a decision of its Board of Directors in exchange for the contribution in kind of monetary compensation receivables that have been paid to the Recipients by ispace. In addition, the amount to be paid per share of ispace's common stock issued or disposed of under the Plan shall be determined based on the closing price of the shares of ispace's common stock in ordinary trading on the Tokyo Stock Exchange on the business day immediately preceding the date of its Board of Directors' decision regarding the issuance or disposal, and the amount shall be determined to the extent that is not particularly advantageous to the Recipients and is permitted under relevant laws and regulations.

(5) Events that would extinguish the RSUs

In the event that (i) the Recipients choose to forego their RSUs, (ii) the Recipients become subject to imprisonment or other serious criminal penalty, (iii) a petition for the commencement of bankruptcy proceedings, commencement of civil rehabilitation proceedings or commencement of any other similar proceedings is filed against the Recipients, (iv) a petition for attachment, provisional attachment, provisional disposition, compulsory execution or public auction is filed against the Recipients, or the Recipients receive a penalty for any default on the payment of taxes or other public dues, or (v) certain other events stipulated in advance by the Corporation occur, all of the unvested RSUs will be extinguished.

(6) Handling in the event of reorganization

If a proposal with respect to a merger agreement under which ispace will be dissolved, a share exchange agreement or a share transfer plan under which ispace will become a wholly-owned subsidiary, or any other reorganization is approved at a shareholders' meeting of ispace (or by ispace's Board of Directors if such approval at a shareholders' meeting of ispace is not required with respect to such reorganization) or any other events stipulated by ispace occur, ispace may deliver to the Recipients its shares, money, or shares of the other party to such reorganization in the number or amount reasonably stipulated in accordance with the decision of its representative director based on the period that has elapsed between the grant date and the effective date of such reorganization or any other factors.

(7) Restriction on disposal of the RSUs

The Recipients may not transfer or encumber or otherwise dispose of any RSUs in any manner whatsoever.

3. Details on Calculation of the Payment Amount

The Issuance of New Shares will be conducted in exchange for the contribution of the monetary compensation receivables provided to each proposed allottee. In order to eliminate arbitrariness, ispace determined that the issue price shall be 517 yen, which is the closing price of the shares of ispace's common stock in the Growth Market of the Tokyo Stock Exchange on December 12, 2024. The issue price per share is the market share price on the business day immediately preceding the resolution date of the meeting of the Board of Directors, and ispace considers it a reasonable price and not specially favorable to the Recipients.