

Company name: ispace, inc.
Name of representative: Takeshi Hakamada, Representative Director and CEO
Securities code: 9348; Growth Market
Inquiries: Jumpei Nozaki, Director and CFO
(Telephone: +81-03-6277-6451)

Notice regarding Payload Service Agreement with Agenzia Spaziale Italiana

ispace inc. (“ispace”) hereby announces that it has been resolved at the Board of Directors meeting today that its consolidated subsidiary in Luxembourg, ispace EUROPE S.A., will enter into a Payload Services Agreement (“PSA”) with Agenzia Spaziale Italiana (“ASI”).

1. Overview of the ASI

(1) Name	Agenzia Spaziale Italiana (ASI)	
(2) Location	Via del Politecnico snc 00133 Rome, Italy	
(3) Representative	Teodoro Valente, President	
(4) Description of business	Government Agency o created to promote, coordinate and implement space activities in Italy	
(5) Year of establishment	1988	
(6) Relationship with the Company	Capital relationship	Not applicable
	Personal relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

Note: Certain items, including the amount of capital, major shareholders and ownership ratios are undisclosed as ASI is a government agency.

2. Overview of the PSA

ispace provides payload services to transport customers’ cargo, called payloads, to the Moon using landers or rovers developed by ispace. The service includes technical advice and adjustments to carry customers’ payloads on our landers and rovers, which starts one to two years from the launch timing, experiments after landing, and providing services in relation to data communications etc. occurring alongside those activities, in addition to transporting payloads to the Moon by our landers and rovers using external vendors’ rockets. Fundamentally, one landing and exploration on the lunar surface by one lander is considered one mission, and we generally operate our business on a mission-by-mission basis. This PSA assumes that the payload would be launched as part of our Mission 3.

3. Overview of ASI’s Payload and schedule

(1) Payload	LaRA2 – Laser retroreflector Array
(2) Total contract amount	350,000 EUROS
(3) Date of Resolution at Board of Directors meeting	December 26, 2024

(4) Execution date of the PSA	December 2024 (tentative)
-------------------------------	---------------------------

4. Impact on financial results

As for our payload service, ispace conducts sales activities considering mission timeline and development status of customers' payloads. Generally, customers and ispace update contractual relationships in stages: (1) memorandum of understanding, (2) interim PSA, and (3) PSA, which are the basic sales milestones.

This contract was already expected to be signed during the current fiscal year, and with the final contract, sales will be booked in the current fiscal year and will be recorded sequentially in accordance with the cost recovery basis. This matter has already been factored into the consolidated earnings forecast for the fiscal year ending March 31, 2025, and ispace will promptly announce if it is determined that there are any matters that require disclosure.

*Cost recovery method refers to the accounting method of recognizing revenue in the amount of costs expected to be recovered in satisfying performance obligations. Based on discussions with our audit firm, it was determined to adopt the cost recovery method for Missions 1 to 3. Under the cost recovery method, an amount of revenue equal to costs is booked until the mission completion, then, the rest of revenue not yet recognized is recorded as one-time revenue at the time of mission completion. Therefore, regardless of the progress of the project, there is a possibility that revenue may differ from an initial forecast depending on the progress of development. The accounting method may change from Mission 4 and beyond.