Financial Results

Q1

Fiscal Year Ending

March 2025

ispace

2024.08.09

Table of Contents for FY2025/3 Q1

Executive Summary of Q1 of Fiscal Year Ending March 2025

Business Environment	• Expecting opportunities to arise from the launch of Japan's 10-year, ¥1 trillion "Space Strategy Fund"
Our Development	• **Mission 2**: Completed thermal vacuum testing of the lander and assembly of micro rover flight model in advance of a launch scheduled for this winter • **Mission 3**: Held Technical Interchange Meetings with NASA and Draper with the aim to complete lander CDR(1) this summer • **Mission 6**: Currently reviewing preliminary design of each system/subsystem of Series 3 lander(2), aiming to complete all PDRs(3) this fall
Our Business	• Signed a new MOU(4) with South Korean company, Boryung • Signed a consulting contract with Japanese company, Komatsu
Our Financials	• Raised ¥10Bn, the largest debt-finance in ispace's history

(1) Critical Design Review (CDR): Review that confirms whether the detailed design and verification plan for manufacturing and testing are appropriate, utilizing the evaluation of prototypes, evaluation of thermal and structural characteristics, and electromechanical design that have been conducted to date
(2) Assumptions as of August 9, 2024. Tentative name.
(3) Preliminary Design Review (PDR): Review to confirm design results against specification values and feasibility of design verification plan
(4) Memorandum of understanding (MOU) of payload service

01

Business Highlight

Contents:

- Business Environment
- Mission Plan
- Progress of Mission 2
- Progress of Mission 3
- Progress of Mission 6
- Progress in Developing Global Customers
- Financing

ispace

Expecting opportunities to arise from the launch of Japan's 10-year, ¥1 trillion "Space Strategy Fund"

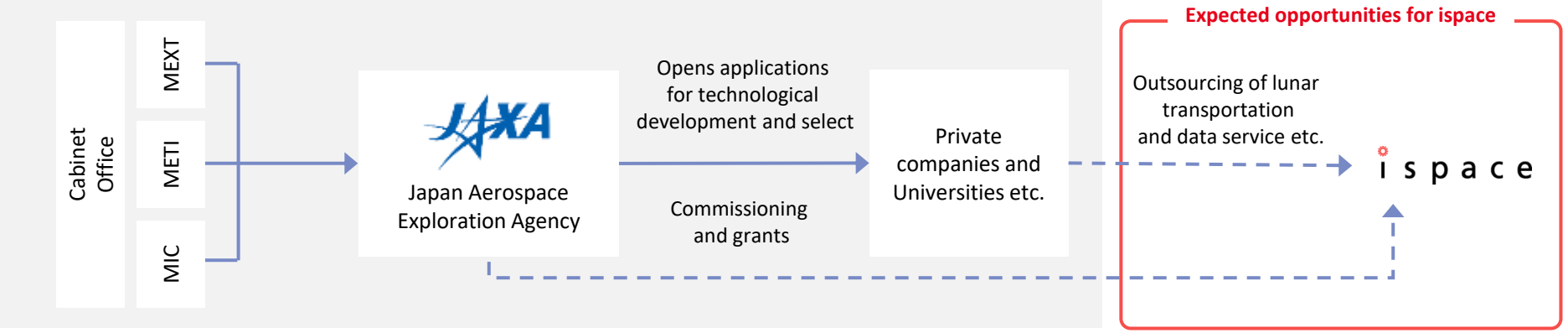
Overview of "Space Strategy Fund"

- JAXA's strategic and flexible funding function as a node among industry, academia, and government will be strengthened to enable private companies, universities, and other organizations to engage in research and development over multiple years (max. 10 years)
- The first phase of the program includes a **¥300 Bn** supplementary budget, and **applications have been accepted from July 2024**

Expected effects that could arise from the launch of the fund

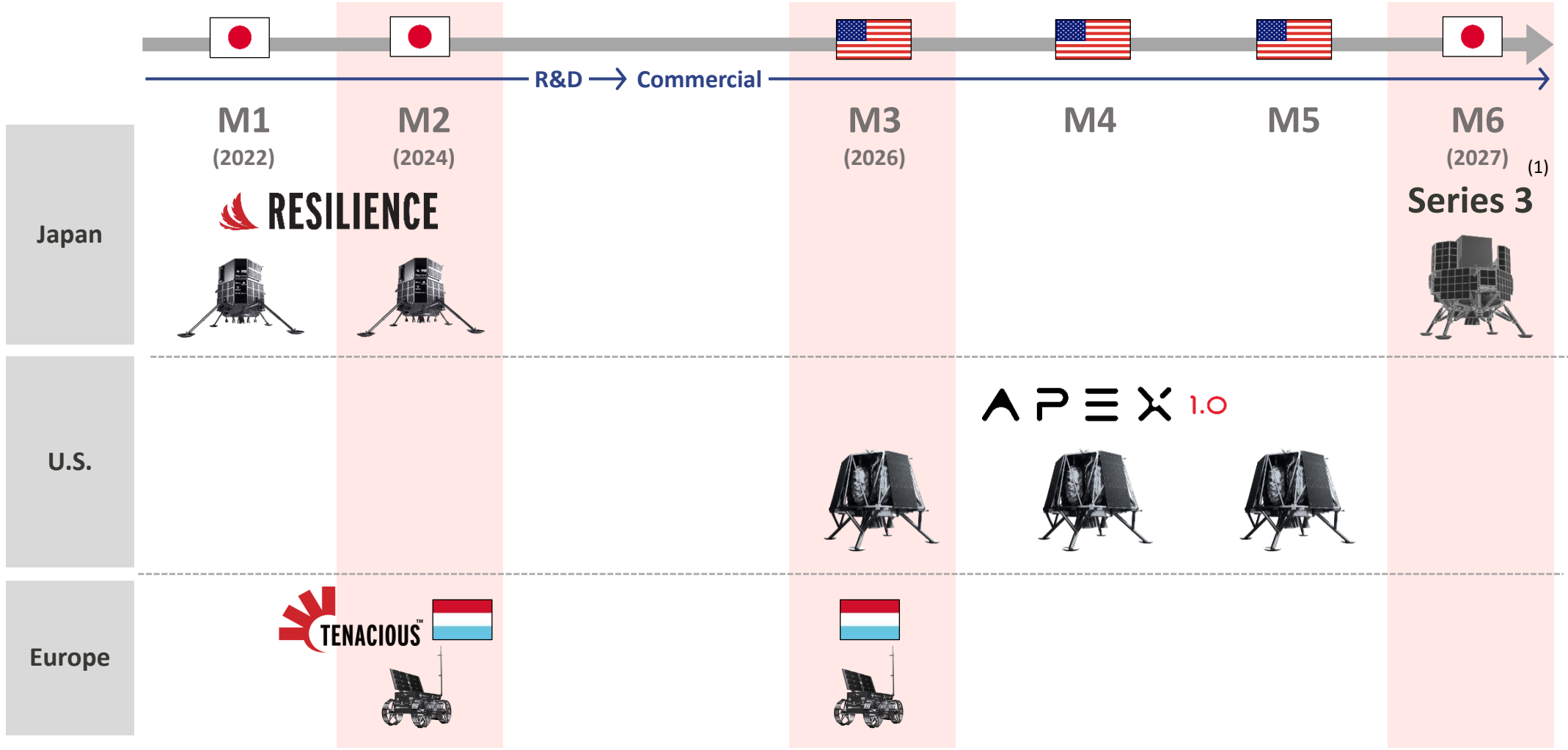
- **Business opportunities for ispace's payload service** may expand due to the growing demand for lunar transportation of technology demonstrators
- Customers carrying out lunar missions may lead to **business opportunities for ispace's data service** by providing useful data and establishing communications

Scheme of the Fund(1)



(1) https://www8.cao.go.jp/space/kikin/siryou1-1-1.pdf

Currently developing 3 landers simultaneously: in Japan for Mission 2 (scheduled launch in 2024) and Mission 6 (scheduled launch in 2027), and in the U.S. for Mission 3 (scheduled launch in 2026)



* The image shown on this slide is for illustrative purposes only
* The missions and schedules, as shown above, are current but may be subject to change

(1) Assumptions as of August 9, 2024. Tentative name and the design of the image is subject to change in the future.

2024

Mission 2

Mission Description

- Scheduled for launch no earlier than **Winter 2024**(1)
- The RESILIENCE lander will utilize the **hardware validated through Mission 1**, aiming to improve mission maturity and complete validation of lunar landing technology
- **Micro rover** developed by European entity will be validated for the first time, contributing to future lunar surface exploration
- **The world's first transaction of lunar regolith** will be executed between NASA and ispace

Payload Customers

Sales completed

Total Contract Amount:

Approx. $ **16** MM(2)

Takasago Thermal Engineering: Water-splitting experiment	Euglena: Lunar algae-cultivation equipment
National Central University (Taiwan): Deep Space Radiation Probe	BANDAI NAMCO: "Space Century Charter" plate

Lander etc. to be used

Final environmental testing phase

RESILIENCE Lander

Size

Approx. 2.3m tall by 2.6m wide (legs deployed)

Mass

Approx. 1,000kg (Wet: fully fueled)

Approx. 340kg (Dry: unfueled)

Design Payload Capacity

Up to 30kg

RESILIENCE

TENACIOUS Micro Rover

Design

Lightweight to withstand vibrations during transit to the lunar surface

Mass

Approx. 5kg

Design Payload Capacity

Up to 1kg

TENACIOUS™

(1) The missions and schedules, as shown above, are current but may be subject to change

(2) Assumptions as of August 9, 2024. The values are rounded off to integral values

2024

Mission 2

Development Progress

Thermal vacuum testing for RESILIENCE Lander was successfully completed. Now taking final steps for Winter 2024 launch.

ispace engineers moving the RESILIENCE lunar lander into a testing chamber at a JAXA facility in Tsukuba, Japan

Completed all thermal vacuum testing

- **Verified that all test items met success criteria** during the 10-day test
- Initial test results indicated successful operation of power systems, guidance, navigation and control (GNC) equipment, radio communications, and thermal control of the lander while simulating an actual spaceflight
- During testing in the chamber, ispace operators utilized the lander's onboard radio to assess connections, send commands to, and receive telemetry from the lander, further simulating actual flight operations

*For details on the completion of this test, please refer to the "ispace RESILIENCE Lunar Lander Successfully Achieves Testing Milestone in Preparation for Mission 2" disclosed on June 27, 2024

2024

Mission 2

Development Progress

Assembly of micro rover “TENACIOUS” completed and has been delivered to Japan for integration into the lander

A photo of the flight model of the TENACIOUS lunar micro rover

Completed assembly of flight model(1) of micro-rover and named it “TENACIOUS”

- In the previous quarter (FY2024/3 Q4), completed the qualification testing of its engineering model(2) and **finally completed assembly of its flight model**
- The micro rover just arrived in Japan in early August for integration into the RESILIENCE lander
- The micro-rover is named **"TENACIOUS"**. The name embodies the relentless efforts of the ispace-Europe team that designed and manufactured the micro rover, and their determination to continue working hard in order to tackle the grand mission of lunar exploration, despite its small size

*For details, please refer to the press release dated July 25, 2024 “ispace-EUROPE announces Completion of First European Designed, Manufactured, and Assembled Lunar Micro Rover”

(1) An actual launch model
(2) A model developed based on the basic design

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RESILIENCE

M2 approaching

Winter 2024

Follow us
on social media!!

2026

Mission 3

Mission Description

- Scheduled for launch in **2026**[1]
- Selected for **NASA CLPS Task Order CP-12** as a member of Draper's team
- Ability to **carry up to 300kg** to the lunar surface – more than 10x the capability of the RESILIENCE lander
- Delivery near the south pole on far side of the Moon
- Delivery and operation of **two relay communication satellites** into lunar orbit

Payload Customers

Sales in progress

Total Contract Amount:

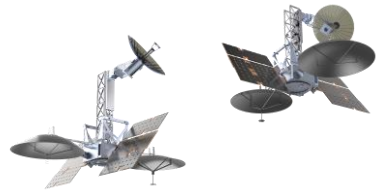
Approx. $**57** MM[2]

NASA	Multiple experiment devices
RHEA SPACE ACTIVITY	Jervis Autonomy Module
CDS WIRELESS	Ultra Wide Band

Lander etc. to be used

CDR[3] scheduled to be completed in Summer 2024

APEX 1.0 Lander



Size

Approx. 3.1m tall by 4.5m wide (standing, including its legs)

Mass

Approx. 5,390kg (Wet: fully fueled)

Approx. 1,730kg (Dry: unfueled)

Design Payload Capacity

Up to 300kg

Satellites

Two relay communication satellites developed based on the satellite bus provided by Blue Canyon Technologies

Micro Rover

Planned to be installed following Mission 2

APEX 1.0

(1) The missions and schedules, as shown above, are current but may be subject to change
(2) As of August 9, 2024. The values are rounded off to integral values
(3) Critical Design Review (CDR): Review that confirms whether the detailed design and verification plan for manufacturing and testing are appropriate, utilizing the evaluation of prototypes, evaluation of thermal and structural characteristics, and electromechanical design that have been conducted to date

2026

Mission 3

Development Progress

Technical Interchange Meetings (TIMs) were held with NASA and Draper

Strengthening cross-sectional communication through TIMs

- U.S. entity has held several TIMs, and NASA, the payload customer for Mission 3, and Draper, the prime contractor with NASA, have attended the meetings
- TIMs are conducted with an emphasis on resolving technical issues, information coordination, and cross-sectional communication among the parties involved, which would help us successfully complete one of the important development KPI, CDR(1).
- This collective effort gives us confidence that we are **on the firm path to a completion of CDR(1) scheduled for Summer 2024**

(1) Critical Design Review (CDR): Review that confirms whether the detailed design and verification plan for manufacturing and testing are appropriate, utilizing the evaluation of prototypes, evaluation of thermal and structural characteristics, and electromechanical design that have been conducted to date

2026

Mission 3

Development Progress

Construction of clean room at U.S. entity is in progress, creating sufficient environment for future development

Clean room in U.S. entity

Clean room construction in progress at U.S. entity

- Constructing ISO Class 7 clean room (Cleanliness required for precision assembly) on the manufacturing floor of the ispace-U.S. facility, which is responsible for the development of Mission 3
- The construction of this clean room will provide an environmentally controlled workspace needed for the inspection, manufacturing, and testing of all flight-critical components

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2027

Mission 6

Mission Description

- Scheduled for launch in **2027**[1]
- Part of mission costs supported by the **grant of c. $80MM**[2] **which was the largest budget size**[3] **of the SBIR program**[4][5]

S B I R

Small Business Innovation Research

Grant of

Approx. $**80**MM

Payload Customer

TBD

In discussions with prospective customers

Lander to be used

PDR[6] **scheduled to be completed in fall 2024**

Series 3 Lander[7]

Size

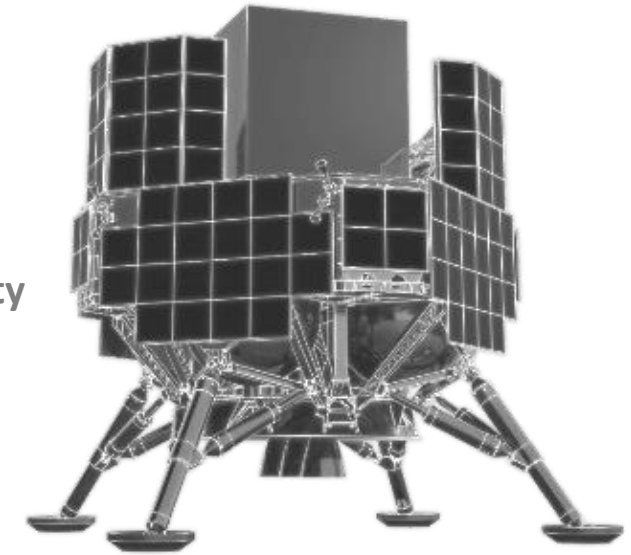
Approx. 3.6m tall by 3.3m wide (standing, including its legs)

Mass

Approx. 1,000kg (Dry: unfueled)

Design Payload Capacity

Up to hundreds of kg



(1) The mission and schedule, as shown above, are current but may be subject to change
(2) Based on USD/JPY = 149.98 as of February 29, 2024
(3) As of August 9, 2024
(4) We were selected for the SBIR (Small Business Innovation Research) grant by the Ministry of Economy, Trade and Industry. Under the terms of the grant, we will be expected to design, manufacture and assemble a lunar lander with the capability of transporting a minimum payload of 100 kg to the Moon's surface, and then launch and operate the lander by 2027
(5) The grant is expected to be provided along with the payment for development costs for the lander rather than in a lump sum. The grant is expected to be recognized as non-operating income
(6) Preliminary Design Review (PDR): Review to confirm design results against specification values and feasibility of design verification plan
(7) Assumptions as of August 9, 2024. Tentative name and the design of the image is subject to change in the future.

2027

Mission 6

Development Progress

Currently reviewing conceptual designs, etc. for each system to complete PDR(1) scheduled in this fall

Propulsion Group of Japan entity that develops propulsion subsystem of Series 3 lander(2)

Basic structure of Series 3 Lander(2)

- Our lander systems consist of various subsystems such as propulsion, guidance navigation control, communications, structure, power, etc. PDR(1) for each subsystem is being conducted step by step on Series 3 lander(2) to be used for Mission 6
- PDR(1) for the propulsion subsystem was completed in late July. The conceptual design of this subsystem, manufacturing development plan and schedule, etc. were reviewed. The propulsion subsystem has now transitioned to the ordering and manufacturing of propulsion components phase
- We will continue to review the preliminary design of each subsystem, **aiming to complete all PDR(1) in fall of this year**

(1) Preliminary Design Review (PDR): Review to confirm design results against specification values and feasibility of design verification plan
(2) Tentative name

new
MOU

New MOU was signed with South Korean company, which may lead us to expand global customers

From left: (L) Takeshi Hakamada, Founder and CEO of ispace, inc. and (R) Jay Kim, Chairman and CEO of Boryung Corporation

Signed MOU with Boryung (South Korea)

- Signed MOU with Boryung, a healthcare investment company in South Korea, in May 2024
- The MOU is intended that ispace evaluates the feasibility of ideas and supports the demonstration of the idea with lunar transportation needs in a space healthcare contest (Humans In Space Program)(1) organized by Boryung
- By participating in this program, ispace aims to expand a broad network in the industry, **gain and explore the sales opportunities with potential customers**

(1) Details of Human in Space 2024 Challenge: https://humansinspaceofficial.com/html/front/contents/his2024_challenge.do

new

Contract

Signed a consulting contract with Komatsu for designing equipment that can be adapted to the lunar environment

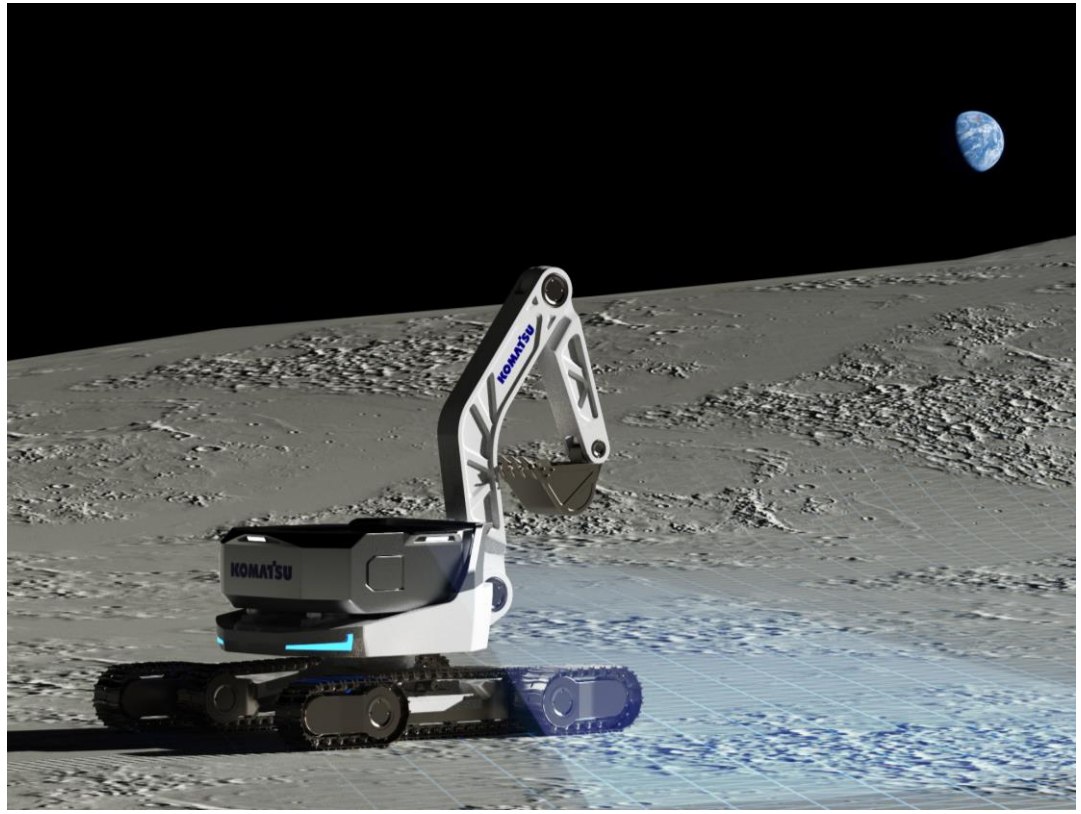


Image of construction equipment on the lunar surface (credit: Komatsu)

ispace provides consulting services to Komatsu for spacecraft development

- Komatsu, a global manufacturer and distributor of construction and mining equipment, signed a consulting contract in July 2024
- In 2021, Komatsu was selected for “Space construction innovation project(1)” managed by Japan’s MLIT(2) in collaboration with MEXT(3) as part of the “STARDUST Programs” and has been selected again this year(4). As the future vision, Komatsu aims to develop lunar equipment, and ispace will provide consulting services for the design of a space test equipment and for the selection of components and materials that can be used in the lunar environment
- In the same way providing consulting services to Komatsu, **ispace will provide its knowledge and experience to companies, universities, and other organizations selected for government program, while aiming to capture the growing needs for lunar transportation**, as a result of these programs.

(1) https://www.mlit.go.jp/en/tec/tec_fr_000004.html
(2) Ministry of Land, Infrastructure, Transport and Tourism
(3) Ministry of Education, Culture, Sports, Science and Technology
(4) Press release related to (1): https://www.mlit.go.jp/en/tec/content/Space_Construction_Innovation_Project_2023.pdf

New

Financing

Raised ¥10Bn, the largest debt-finance in ispace's history, for use as working capital to promote the simultaneous development of multiple missions

Total ¥10Bn

Arranger & Agent

SMBC

Co-arranger

MIZUHO

Sumitomo Mitsui Trust Bank

The Shoko Chukin Bank

SBI Shinsei Bank

Aozora Bank

Resona Bank

New syndicated loan agreement

- In July 2024, ispace entered into a syndicated loan agreement(1) with a total of seven banks
- Based on the banks' recognition of ispace's solid progress towards the realization of our vision resulting in **a long-term loan of ¥10Bn with no collateral or guarantee** for 3 years and 3 months
- The ¥10Bn new financing will be allocated as working capital for development of Mission 3 and Mission 6
- Cumulative total financing through debt and equity has risen to ¥65.6Bn including this new financing

(1) For details, please refer to the timely disclosure and press release issued on July 12, 2024

02

Financial Results

Contents:

- Profit and Loss Statement
- Net Sales by Service
- Balance Sheet
- Our KPI
- Illustrative Business Model

ispace

Net Loss decreased compared to Operating Loss due to foreign exchange gains

(Millions of yen)	FY2025/3 Q1 Results	FY2024/3 (Previous year) Q1 Results	%Change	FY2025/3 (Forecast) Full Year Forecasts(2)	%Progress
Net Sales(1)	**635**	815	-22.1%	4,033	15.7%
Gross Profit	**107**	571	-81.2%	522	20.5%
Gross Profit Margin	**16.9%**	70.1%	-	12.9%	-
SG&A	**2,402**	1,681	+42.9%	13,688	17.5%
Operating Profit/Loss	**-2,295**	-1,109	-	-13,165	-
Ordinary Profit/Loss	**-1,576**	-1,375	-	-12,461	-
Net Profit/Loss	**-1,579**	-1,374	-	-12,465	-

Point:

- **Net Sales:**
  Although net sales decreased YoY due to a temporal increase in net sales along with the completion of Mission 1 (approx. ¥575MM) in the same quarter of previous year, net sales consists mainly of Mission 3. Mission 3 sales contribution to overall net sales has been increasing along with its development progress
- **Operating Loss:**
  Increased YoY due to no one-time sales associated with mission completion in addition to an increase in SG&A along with development progress in each mission
  (Refer to the next page)
- **Net Loss:**
  Decreased compared to operating loss due to recording of ¥858MM in foreign exchange gains. The amount of net loss is generally same as the same quarter of the previous fiscal year

(1) Currently using the cost recovery method for sales recognition for Mission 1 to Mission 3, respectively, and expects sales to increase in tandem with the increase in cost accruals since the cost accruals as cost are recognized in sales. If sales in excess of cost accruals are not booked at the time of mission completion, they will be accounted for in a lump-sum transaction.
(2) Disclosed on May 10, 2024

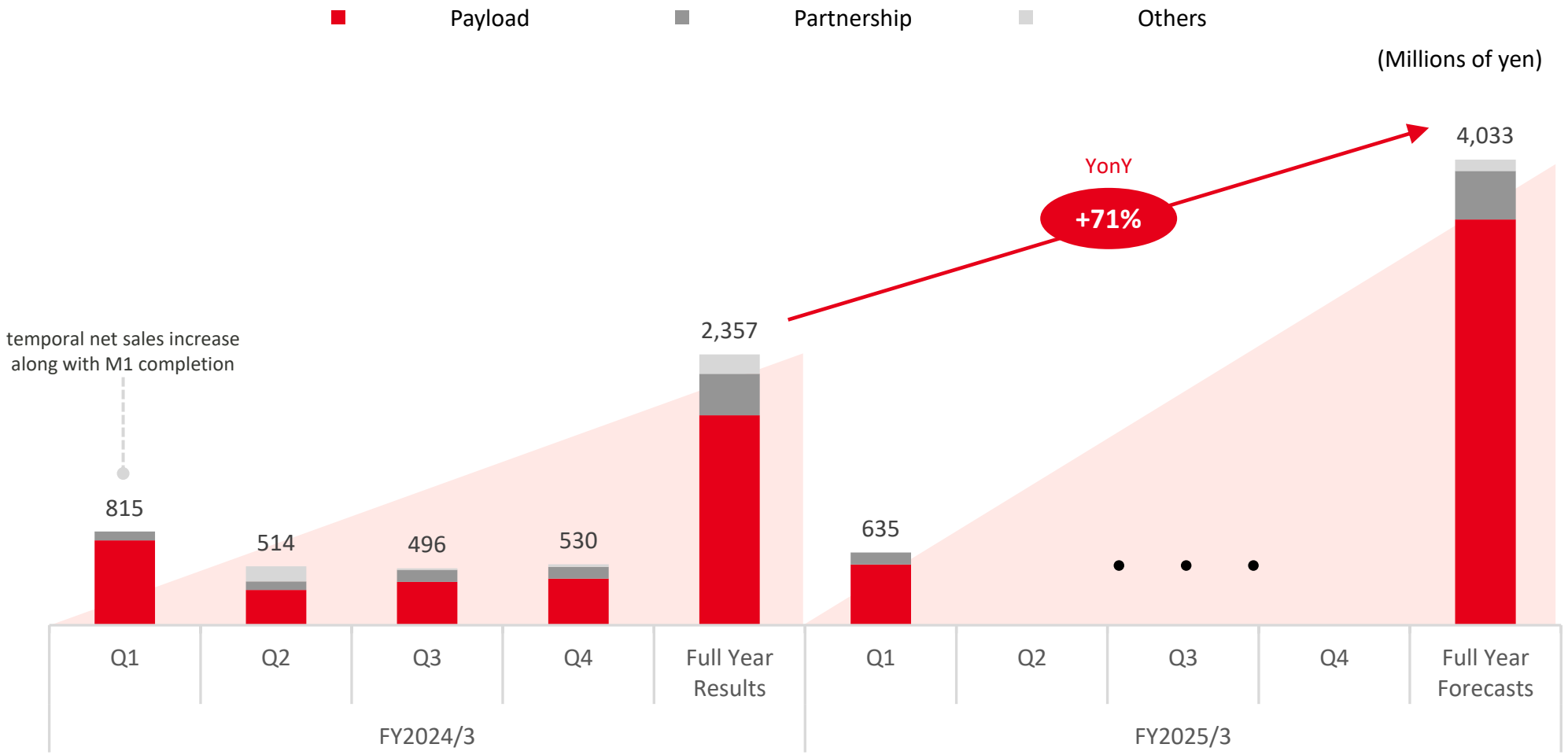
R&D costs increased YoY due to an increases in mission development costs

(Millions of yen)	FY2025/3 Q1 Results	FY2024/3 (Previous year) Q1 Results	FY2024/3 (Previous year) %Change
R&D	**1,411**	1,065	+32.4%
Salary and Allowance	**475**	222	+114.0%
Other	**516**	393	+31.1%
Total	**2,402**	1,681	+42.9%

Point:

- **R&D:**
  Increased YoY due to increases in development costs for Mission 2 which is defined as a R&D mission as well as Mission 3 which is defined as a commercial mission
- **Salary and Allowance:**
  Increased YoY mainly due to growth in the number of employees (+53) in the U.S. entity developing Mission 3 from the same quarter of previous fiscal year as well as the weak yen and adjustments to salary levels to take account of inflation

+71% increase in full-year net sales is expected mainly due to payload sales of Mission 3



Short term advances, advances received, property and equipment increased due to the progress of Mission 2, 3 development

(Millions of yen)	FY2025/3 Q1 (as of June 2024) Results	FY2024/3 (as of March 2024) Results	FY2024/3 (as of March 2024) %Change
Current Asset Total	**21,220**	21,784	-2.6%
Cash and Deposit	**12,673**	14,315	-11.5%
Short Term Advances	**4,928**	4,228	+16.6%
Non-Current Assets Total	**5,341**	5,248	+1.8%
Property and Equipment	**3,092**	2,462	+25.6%
Long Term Advances	**1,965**	2,560	-23.2%
Total Assets Total	**26,561**	27,033	-1.7%
Current Liabilities Total	**12,076**	10,503	+15.0%
Advances Received	**3,214**	3,190	+0.7%
Long Term Liabilities Total	**6,471**	6,784	-4.6%
Long Term Debt	**6,224**	6,538	-4.8%
Net Assets Total	**8,013**	9,745	-17.8%
(Interest-Bearing Debt)	**14,054**	12,518	+12.3%

Point:

Asset:

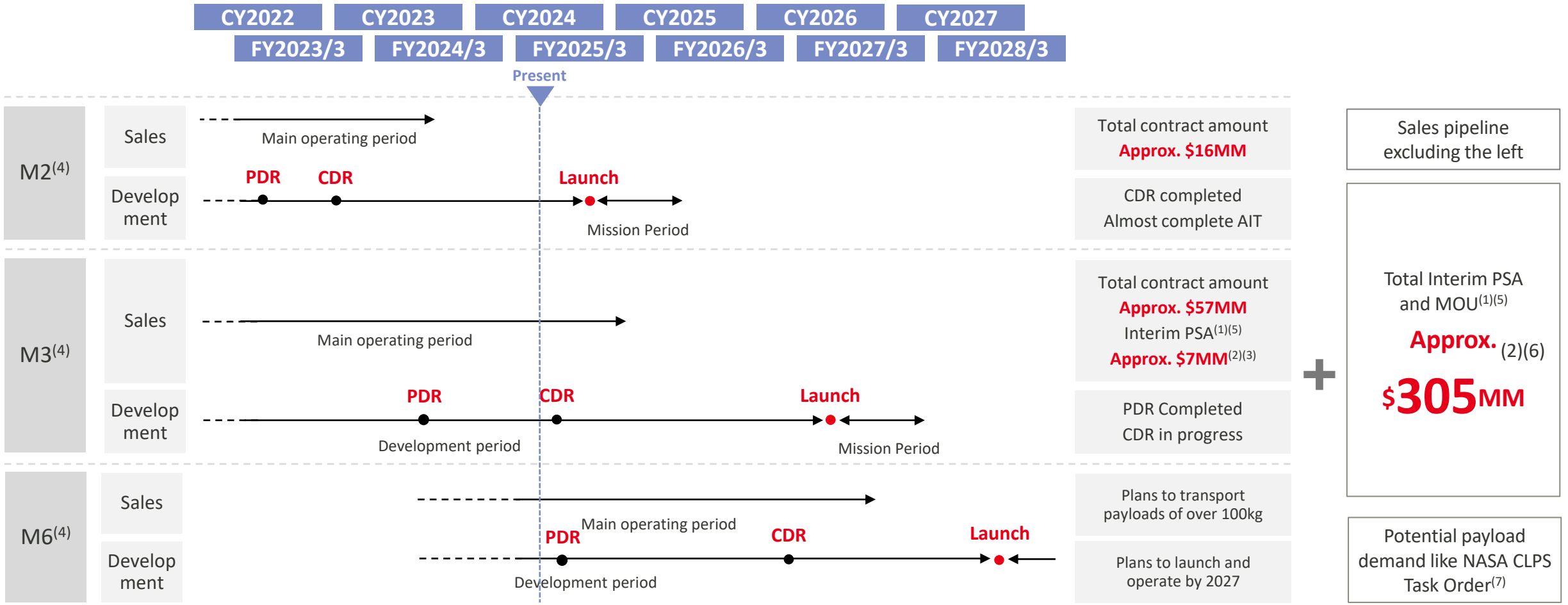
- **Cash and Deposit(1):** Decreased by ¥1,642MM from the previous fiscal year mainly due to the partial payment for relay satellites to be used in Mission 3 as well as the payment for development costs for Mission 2 and 3, while cash flow from financing activities was positive
- **Property and Equipment:** Increased from the previous fiscal year as payment for Mission 3 relay satellites of ¥2,474MM was recorded as construction in progress

Liabilities:

- **Advances Received:** Increased from the previous fiscal year mainly due to advances received from Draper associated with NASA CLPS
- **Interest-Bearing Debt(1):** Increased from the previous fiscal year along with borrowing from Sumitomo Mitsui Banking Corporation executed in April 2024, while making repayments of existing loans

(1) 10 billion yen syndicated loan executed in July 2024 have not been recorded as of June 2024.

CDR for Mission 3 Lander development is expected to be completed this summer. As for sales for Mission 3 onward, we plan to execute final agreements of current interim PSAs(1) and to obtain new PSAs from approx. $312MM sales pipeline



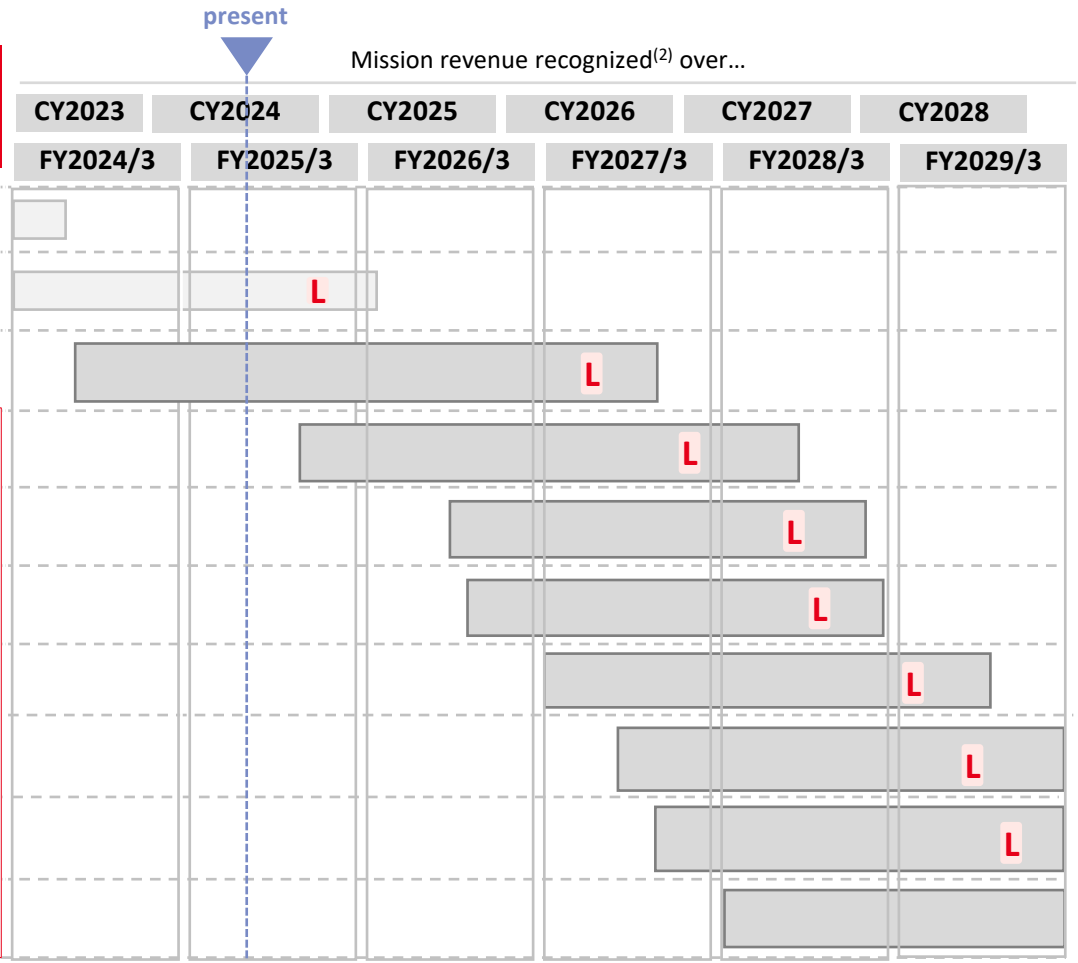
(1) Interim Payload Service Agreement (Mid-Contract on Payload) : Documents that serve as a prerequisite when negotiating to enter into a PSA which is a final agreement. It is not legally binding and there is no guarantee that a legally binding contract can be entered into pursuant to these interim PSAs. Also, even if a legally binding agreement is entered into, the masses and amounts under such agreement may differ from the amounts stated in this document
(2) As of August 9, 2024
(3) Including the possible amount for M4 or after
(4) The schedule for M2 and after is merely an anticipated schedule at the moment .
(5) Above MOUs Interim PSAs are not legally binding, and there is no guarantee that legally binding contracts can be concluded based on Interim PSA. In addition, even if a legally binding agreement is executed, the masses and amounts under such agreements may differ from the amounts stated in this document
(6) The total contract amount of MOUs and Interim PSAs is calculated (rounded down to the nearest decimal point) for each amount stated in the document. The amount is calculated with the price or the lower number. When the contract amount is not stated in the contract, the contract amount will be calculated with the standard service price assumed internally. If there is a range in the payload amount, the contract amount will be calculated by applying the standard service price assumed by the Company.
(7) CLPS Task Order CP-22 was which had been proposing for the order as announced in the disclosure on Nov 21, 2023, will be rebided again in May 2024.

Illustrative Business Model of Payload Service

For illustrative purposes only; all values are rounded off to integral values and subject to change

	Planned mission payload capacity		Yield[3]		Total sellable payload mass[4]	− Internal use payload mass[5]	= Customer payload mass		Total contract amount[6]
M1	30kg				12kg		12kg		$10MM
M2	30kg				11kg		11kg		$16MM
M3	300kg				145kg		95kg (CP-12)	50kg	$57MM
M4	500kg		33%		167kg	30kg	137kg		Assumed unit price[7]
M5			33%		167kg	30kg	137kg		
M6			39%		196kg	45kg	151kg		
M7			39%		196kg	45kg	151kg		
M8			42%		211kg	50kg	160kg		
M9			42%		211kg	50kg	160kg		
M10			44%		219kg	50kg	168kg		

Continue to improve yields[8]



(1) *Presented as an illustrative simulation of the potential business model for our future payload service as of the date hereof. Actual results may differ materially from future results as the timing and details of future missions remain subject to change*
(2) *Based on planned launch schedule August 9, 2024. This schedule is subject to change and may not proceed as planned*
(3) *Presents the ratio of total sellable payload mass to design payload capacity after applying an assumed percentage of unsold mass to account for the following factors: (1) uncertainties relating to development, such as issues relating to carrying particular client payloads on our lander (e.g., adjustments of interface) and (2) sales success rate (accounting for uncertainties in demand and sales capability)*
(4) *Sum of internal use payload mass and customer payload mass*
(5) *Payload amount for ispace's usage based on the Company's assumptions as of August 9, 2024*
(6) *For M1, M2 and M3, the amount is the actual value based on each PSA as of August 9, 2024*
(7) *Assumed payload unit price as of August 9, 2024 is approx. $1.5MM/kg, and the Company assumes that the price will decrease over time*
(8) *Yield is expected to improve due to growth in market demand, technical improvements made through experience, and expansion of sales team, in each case according to the Company's assumptions*
(9) *As a result of not achieving completion of Success 9-10 in Mission 1, the amount of sales that could not be recorded as sales was determined to be approximately 98 million yen (as disclosed in Offering Circular on March 26, 2024)*

Held the first General Shareholders Meeting highlighting “mutual interaction” with post-IPO shareholders

Talk session part 1 by directors and Audit & Supervisory Board Members

Talk session part 2 by our CXOs and CEOs of our overseas entities

- ispace held its general shareholders meeting on June 28, 2024 for the first time with post-IPO shareholders
- **Aiming more proactive and mutual interaction with our shareholders**, we held **two talk sessions** which allowed us to answer questions that we received from our shareholders
- Part 1 featured the board of directors and audit & supervisory board members under the theme of "Governance of the Board of Directors Supporting Japan's First Lunar Business from Japan"
- Part 2 included CXOs and CEOs of ispace global entities under the theme of "ispace's Moon Landing Missions: Toward the Establishment of the Cislunar Economic Zone"

To lead the global space business, seven directors were reappointed

from upper left: Yuji Inoue, Takashi Makino, Kazuko Nakada, Agasa Naito, Jumpei Nozaki, and Tohru Akaura,
From bottom left: Koichi Kawana, Takeshi Hakamada, Kojiro Hatada, and Yoshihide Todoroki

Reappointed Board Members

- Representative Director: Takeshi Hakamada, Founder & CEO
- Director: Jumpei Nozaki, CFO
- External Director: Tohru Akaura, General Partner & Co-Founder, Incubate Fund KK
- External Director: Koichi Kawana, President and Representative Director, Lublyst Inc.
- External Director: Kazuko Nakada, Representative Director, actuali inc.
- External Director: Takashi Makino, Advisor, IHI Corporation
- External Director: Kojiro Hatada, President and CEO, Innovative Space Carrier Inc.

ispace will participate in IR seminars, targeted to educating a domestic audience in the space business

03

Appendix

Contents:

- Business Overview
- Mission 1 Overview
- Development KPI
- Sales KPI
- Sustainable Business Model
- Financial Data
- Glossary

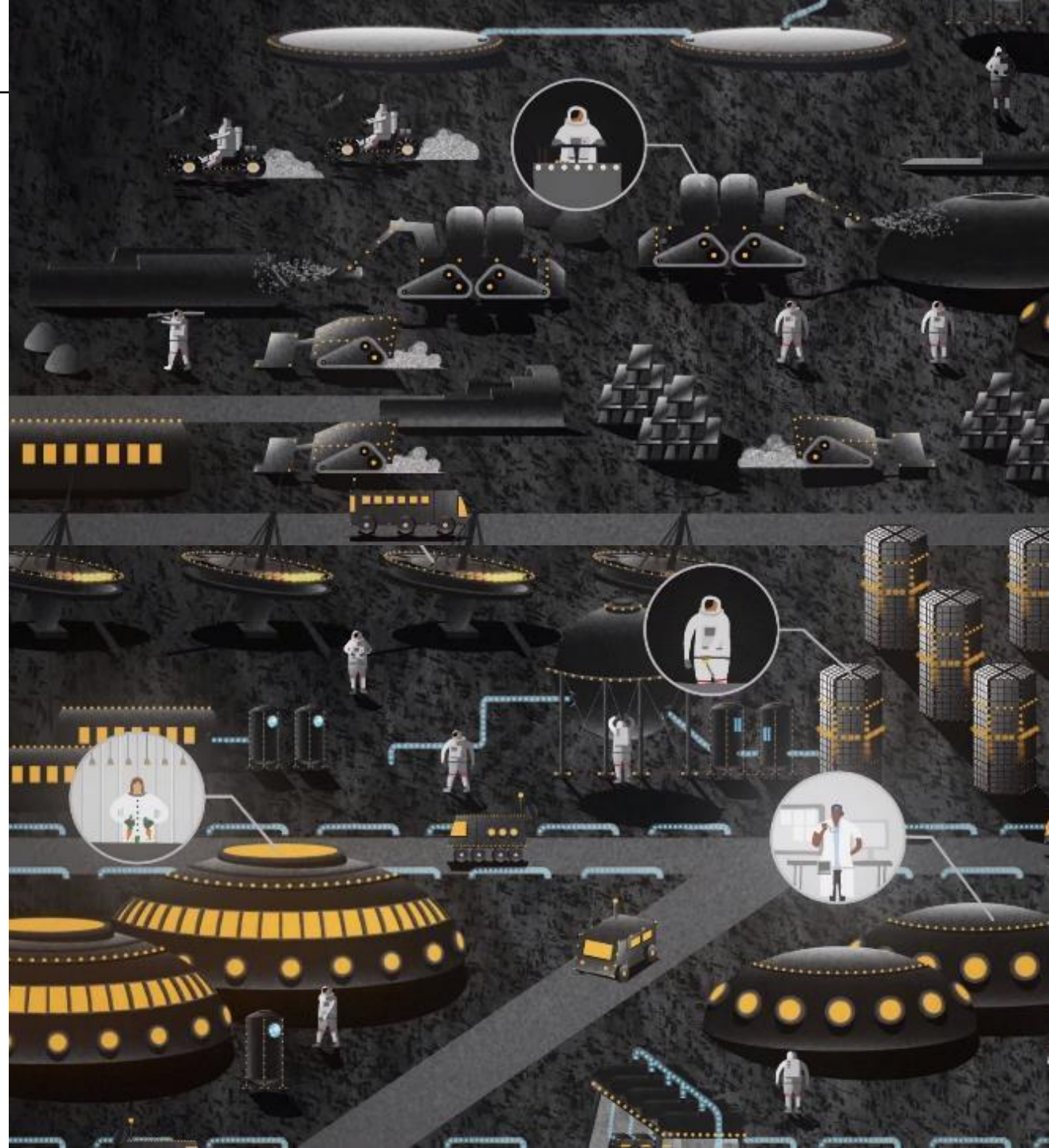
ispace

EXPAND OUR PLANET.
EXPAND OUR FUTURE.

Creation of a world where the Earth and the Moon are one ecosystem, establishing a new economy on the Moon

ispace

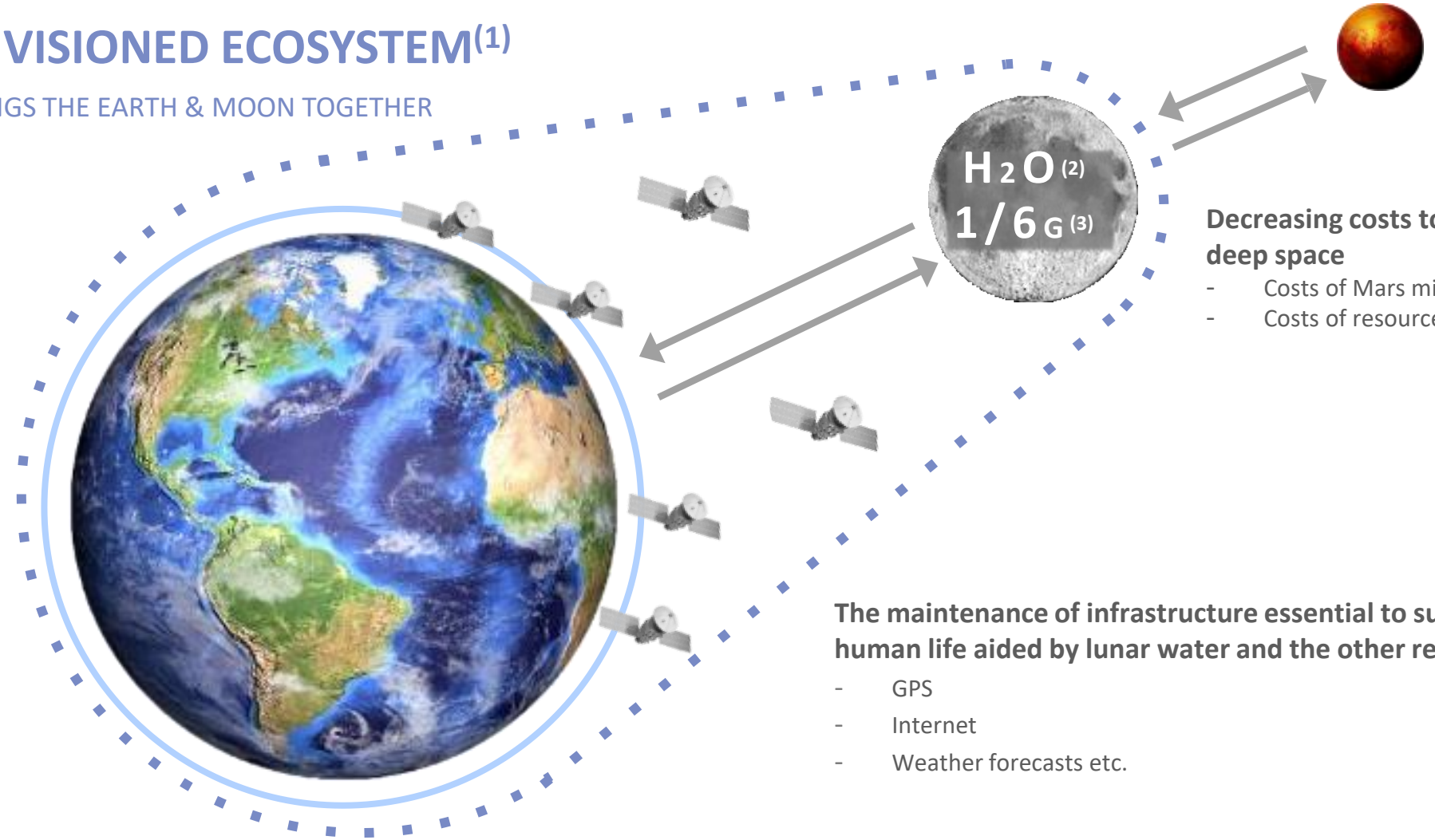
- “Moon Valley 2040” is an outlook on the worldview representing ispace’s vision EXPAND OUR PLANET. EXPAND OUR FUTURE
- We envision 1,000 people living on and another 10,000 people visiting the Moon annually by 2040
- Focusing on lunar water resources, we believe infrastructure on the Moon surface will be established with the support of various industries such as construction, manufacturing, energy and telecommunication
- Expanding our living sphere into space, we aim for the integration of the Earth and Moon into one ecosystem as a long-term goal



The potential of the Moon as a “fuel supply base” utilizing water (H2O) that exists in the form of ice with an estimated mass of as much as 6.6Bn tons on the Moon

ENVISIONED ECOSYSTEM(1)

BRINGS THE EARTH & MOON TOGETHER



Decreasing costs to access areas of deep space

- Costs of Mars missions
- Costs of resource explorations etc.

The maintenance of infrastructure essential to sustainable human life aided by lunar water and the other resources

- GPS
- Internet
- Weather forecasts etc.

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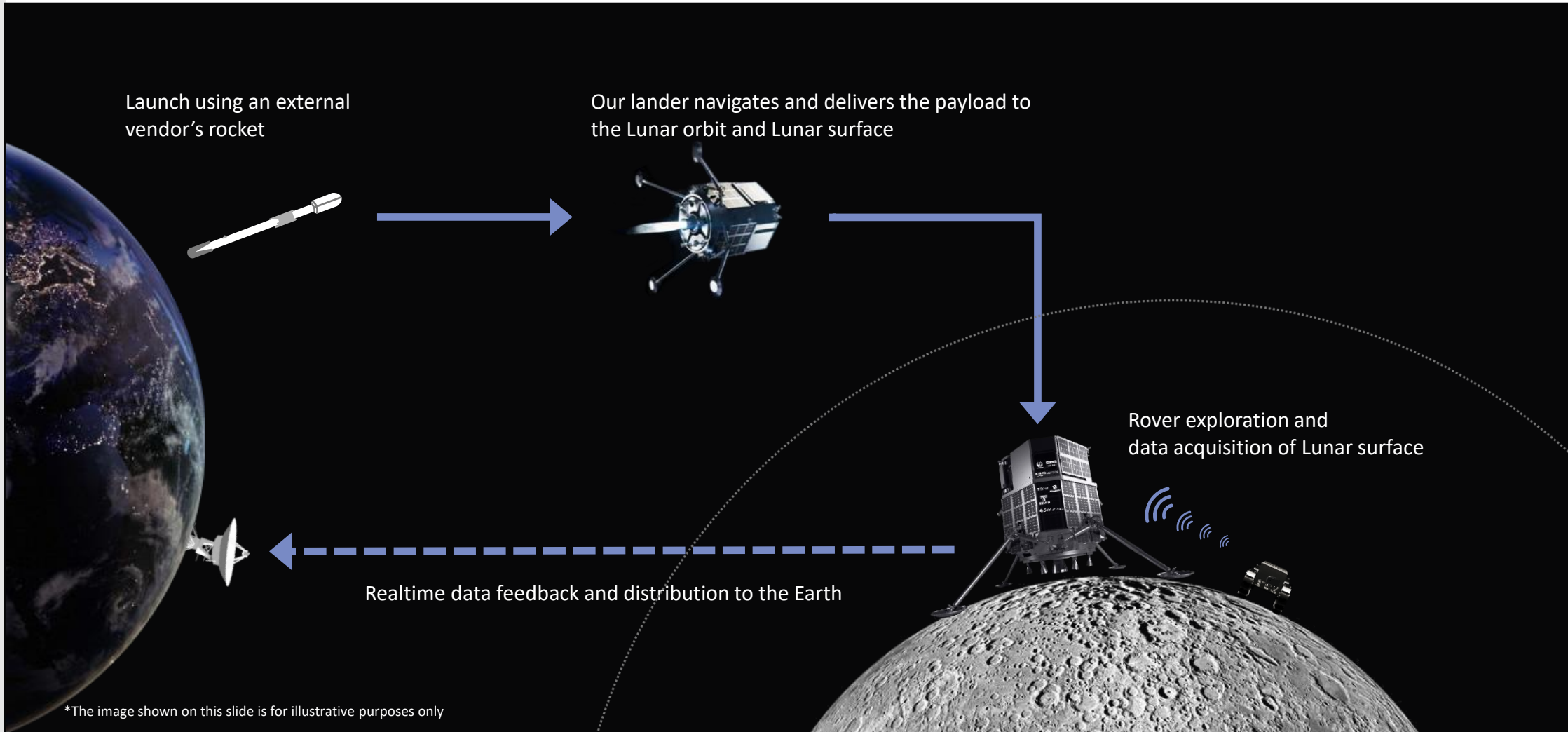
(1) The image shown on this slide is for illustrative purposes only

(2) According to several studies, water may be widely distributed across the Moon. We believe that it may be possible to utilize hydrogen and oxygen split through electrolysis of water extracted from regolith as a potential source of fuel for future deep-space exploration

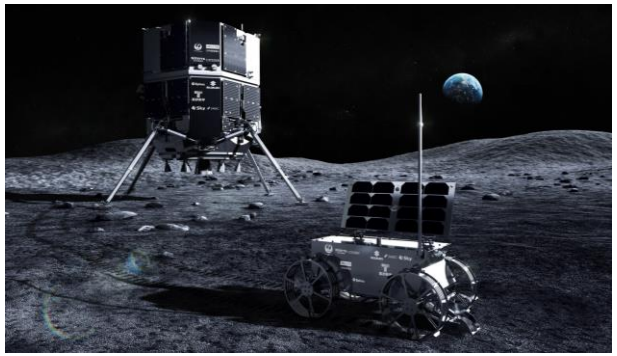
(3) As Moon has only 1/6 gravity of the Earth, the launch cost from the Moon could be theoretically be lower than the launch cost from the Earth

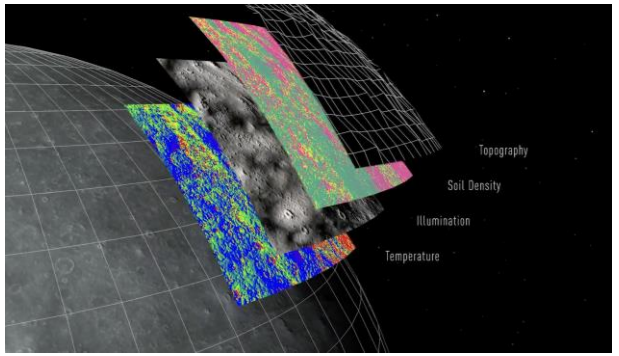
Our lander is launched into outer space on an external vendor's rocket. After landing, our lander and rover explore and acquire data from lunar surface

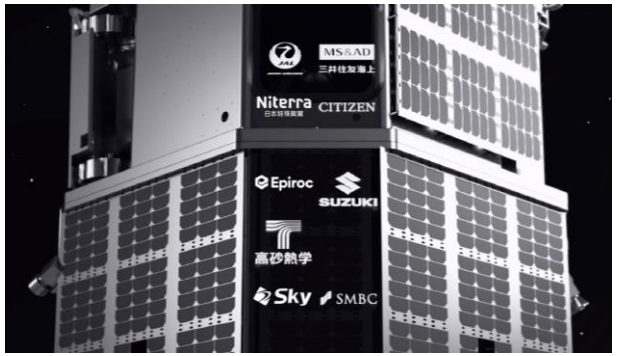


*The image shown on this slide is for illustrative purposes only

Payload services and Partnership services are our current business pillars. We plan to establish Data services in the future







Payload services

Core service

- Transport customers' payloads to the Moon.
- Customers will acquire significant data from the payloads by conducting experiments as needed

Data services*

Potential driver of growth

- Customers are expected to acquire significant data from payloads transported by ispace.
- Access to the database accumulated through high frequency missions will be provided to customers in the future
- Net sales from data service has not been recorded as of Q1 of fiscal year ending March 2025.

Partnership services

Service with a long history

- Supporting customers' marketing through collaboration including posting their logos on ispace's landers and rovers.
- We also expect that customers will collaborate with ispace on technical and business matters.

* For more details about our data services, please refer to p.36-37 of "Disclosure of matters related to business plans and growth potential" disclosed June 28, 2024

ispace

In 2022, ispace became the first commercial company to successfully launch a lunar lander

Our Mission Schedule[1]		
2022	ispace	Mission 1
2023		
2024	ispace	Mission 2
2025		
2026	ispace	Mission 3
2027	ispace	Mission 4
	ispace	Mission 5
	ispace	Mission 6

(1) As of August 9, 2024. The missions and schedules, as shown above, are current but subject to change

Mission 1

December 11, 2022

SpaceX's Falcon 9 rocket carrying our lander launched at Cape Canaveral

ispace

FY 2022 （Finished）

Mission 1

Mission Overview

- In 2022, ispace became the **first commercial company to successfully launch a lunar lander**

Technological Achievements

- Required **hardware functions worked appropriately**, and no technical problem was found in the hardware of the lander
- The software issue related to the landing phase has been identified and **improvements are being implemented for Mission 2**

Sustainable Business Model

- Contracts with **non-cancellation and non-repayment policy** allowed us to secure mission revenue despite the outcome of the mission.
- The **world's first lunar insurance** provided ¥3.7Bn

Lander

(Former) Series 1 lander

Size

Approx. 2.3m tall by 2.6m wide

(standing, legs deployed)

Mass

Approx. 1,000kg (Wet: fully fueled)

Approx. 340kg (Dry: unfueled)

Design Payload Capacity

Up to 30kg

Payload customers

Contract Amount:

Approx. $ **10** MM(1)

Niterra	مركز محمد بن راشد للفضاء MOHAMMED BIN RASHID SPACE CENTRE	JAXA	**Mission Control Space Services**	**Canadensys Aerospace**		
solid-state battery	Rover	Transformable lunar robot	AI flight computer	Camera	Engraved panel	Music disc with HAKUTO supporter's song

(1) The values are rounded off to integral values

Achieved 8 out of 10 Success Milestones, despite not being able to achieve lunar landing. Acquired valuable data until the end of landing sequence

Success 1 ✓
Completion of Launch Preparations
Completed Nov 28, 2022

Success 2 ✓
Completion of Launch and Deployment
Completed Dec 11, 2022

Success 3 ✓
Establishment of a Steady Operation State
(Initial Critical Operation Status)
Completed Dec 16, 2022

Success 4 ✓
Completion of first orbital control maneuver
Completed Dec 15, 2022

Success 5 ✓
Completion of stable deep-space flight operations for one month
Completed Jan 11, 2023

Success 6 ✓
Completion of all deep space orbital control maneuvers before LOI
Completed Mar 18, 2023

Success 7 ✓
Reaching the lunar gravitational field and lunar orbit
Completed Mar 21, 2023

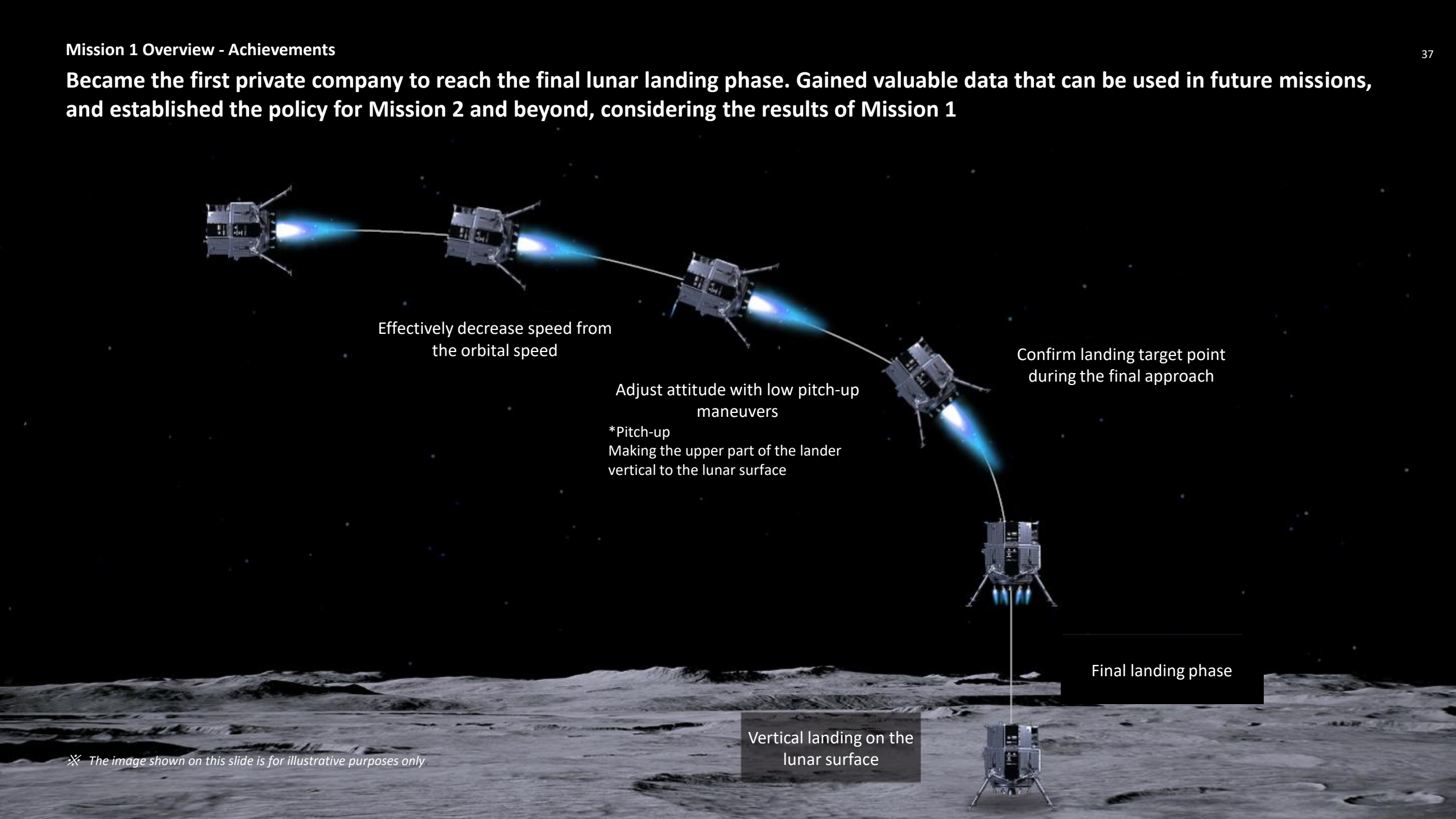
Success 8 ✓
Completion of all orbit control maneuvers in lunar orbit
Completed Apr 14, 2023

Success 9
Completion of lunar landing
Not completed

Success 10
Establishment of a steady system state after lunar landing
Not completed

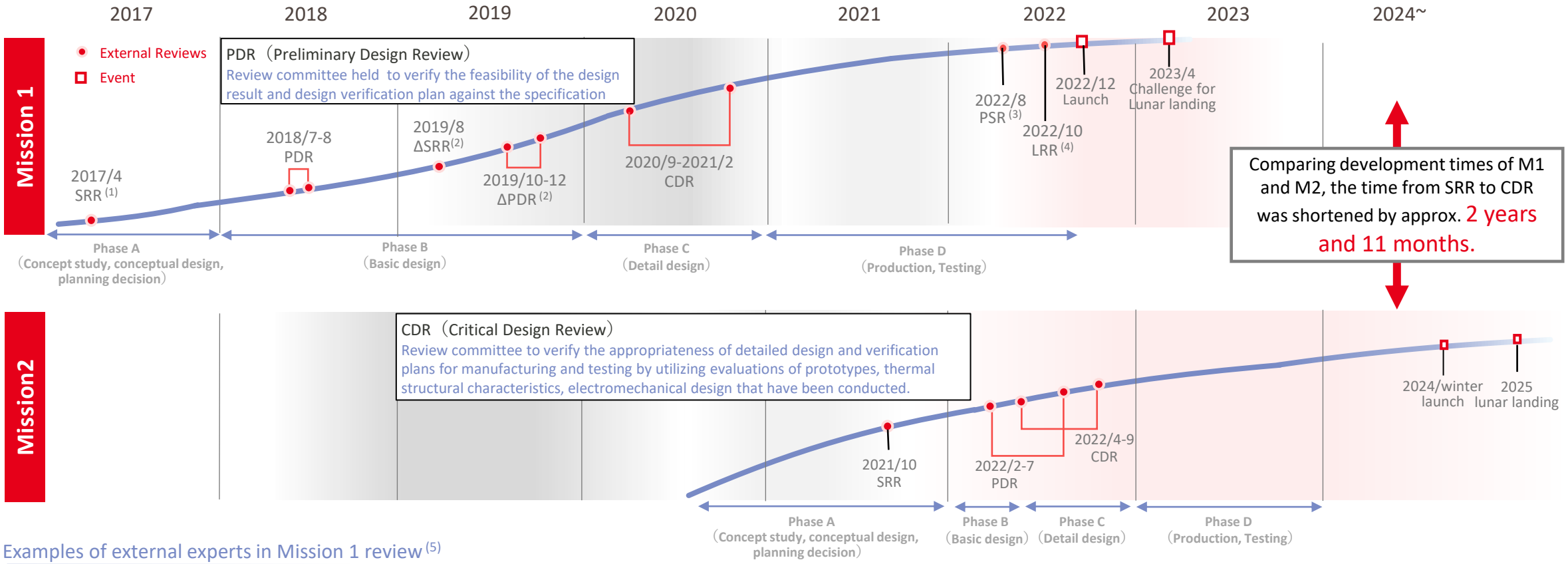
※ *The image shown on this slide is for illustrative purposes only*

Became the first private company to reach the final lunar landing phase. Gained valuable data that can be used in future missions, and established the policy for Mission 2 and beyond, considering the results of Mission 1



※ *The image shown on this slide is for illustrative purposes only*

To increase the probability of mission success, we conduct reviews at each milestone. PDR and CDR, two particularly important KPIs, will be scheduled immediately before large investment. Quality and efficiency improve through several mission cycles.



Examples of external experts in Mission 1 review (5)

SRR


Associate Professor Funase Tokyo University


Professor Inatani, Institute of Space and Astronautical Science

PDR


Professor Inatani, Institute of Space and Astronautical Science

Other 30 Domestic and international specialists

CDR

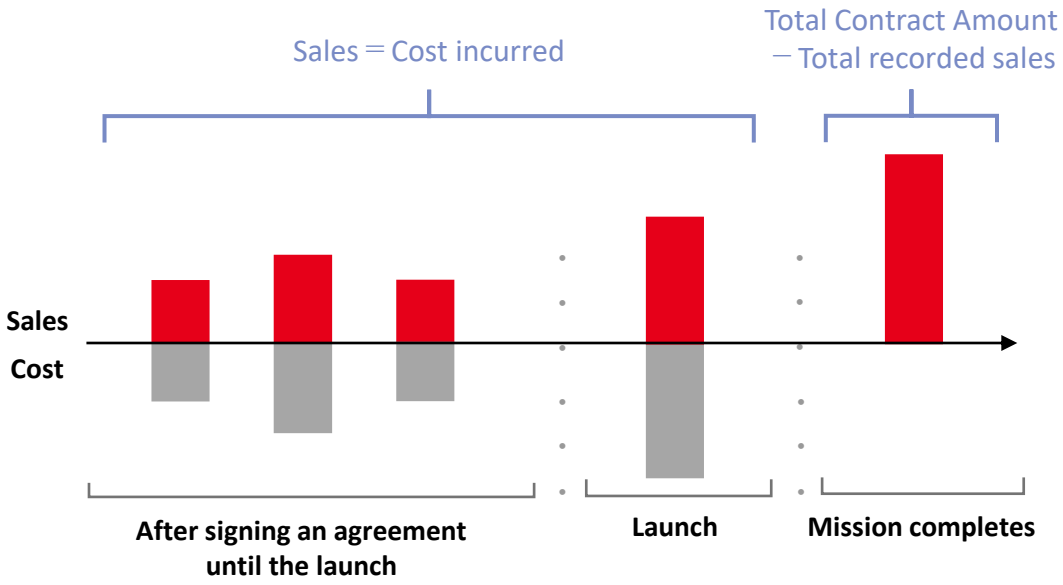

Professor Nakasuka, University of Tokyo


Institute of Space and Astronautical Science, Professor Takashima


Professor Zhao, Kyushu Institute of Technology

(1) System Requirement Review：A review committee that approves the start of system design after verifying the consistency between business requirements and system requirements (2) The specifications of the Lander have been changed, so the program was conducted again.(3) Pre-Shipment Review：An review committee that verifies test results and approves transportation to the launch site (4) Launch Readiness Review：An review committee that confirms the completion of the integration work into the rocket and approves the launch and transition to initial operations. (5) Information is as of the review committee was held

Due to the application of the cost recovery method, net sales and costs are recorded in equal amounts



About cost recovery method

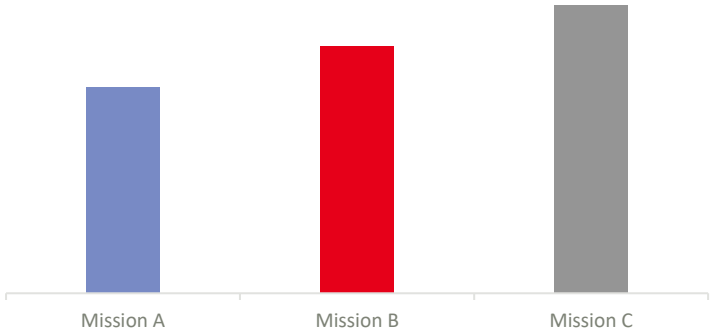
Until a mission ends:

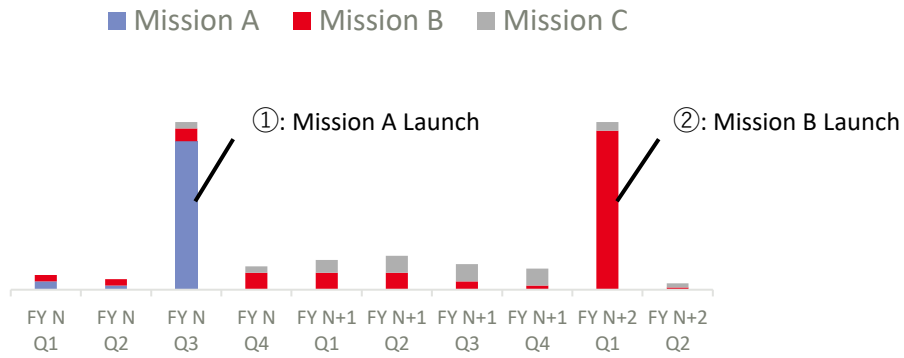
- Amount of net sales that can be recorded is no more than the amount of advance received from our payload customers
- Within the amount of advance received, same amount of costs will be recorded as net sales
- Thus, gross profit of the single mission remains zero

When a mission is completed:

- Same as above, amount of net sales that can be recorded is no more than the amount of advance received from our payload customers
- Total contract amount deducting previously recorded sales will be recorded as one-time sales when the mission completes
- Thus, gross profit of the single mission will be recognized for the first time

Since quarterly sales fluctuate depending on the timing of the mission, our KPI is total contract amount per mission.





Total contract amount(1)

- The total contract amount will be recorded in sales through 2-3 years. The total contract amount per mission = the cumulative sales per mission.
- Thus, the total contract amount is a leading indicator of future sales.
- Compared to quarterly sales, how much contract amount that we have already acquired is an indicator that directly reflects our business progress.

Quarterly Sales(1)

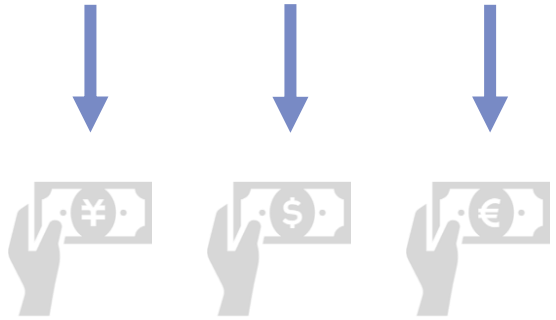
- As shown in ① and ② above, sales are significantly increased at the timing of mission launch and mission completion.
- These quarters with increased sales are due to one-time sales (costs) based on the accounting method, thus, it does not necessarily reflect the fundamental progress of our business.

(1) The above graph is for illustrative purposes only and does not represent actual total contract amounts or quarterly sales.

The impact on sales depending on mission outcome

Contracts with non-cancellable and non-refundable policies

- Our payload contracts are non-cancellable due to customer reasons and non-refundable in principle, thus, there is no obligation to refund the amount that has already been paid(1)



Approx. 90% of the funds will be paid before launch

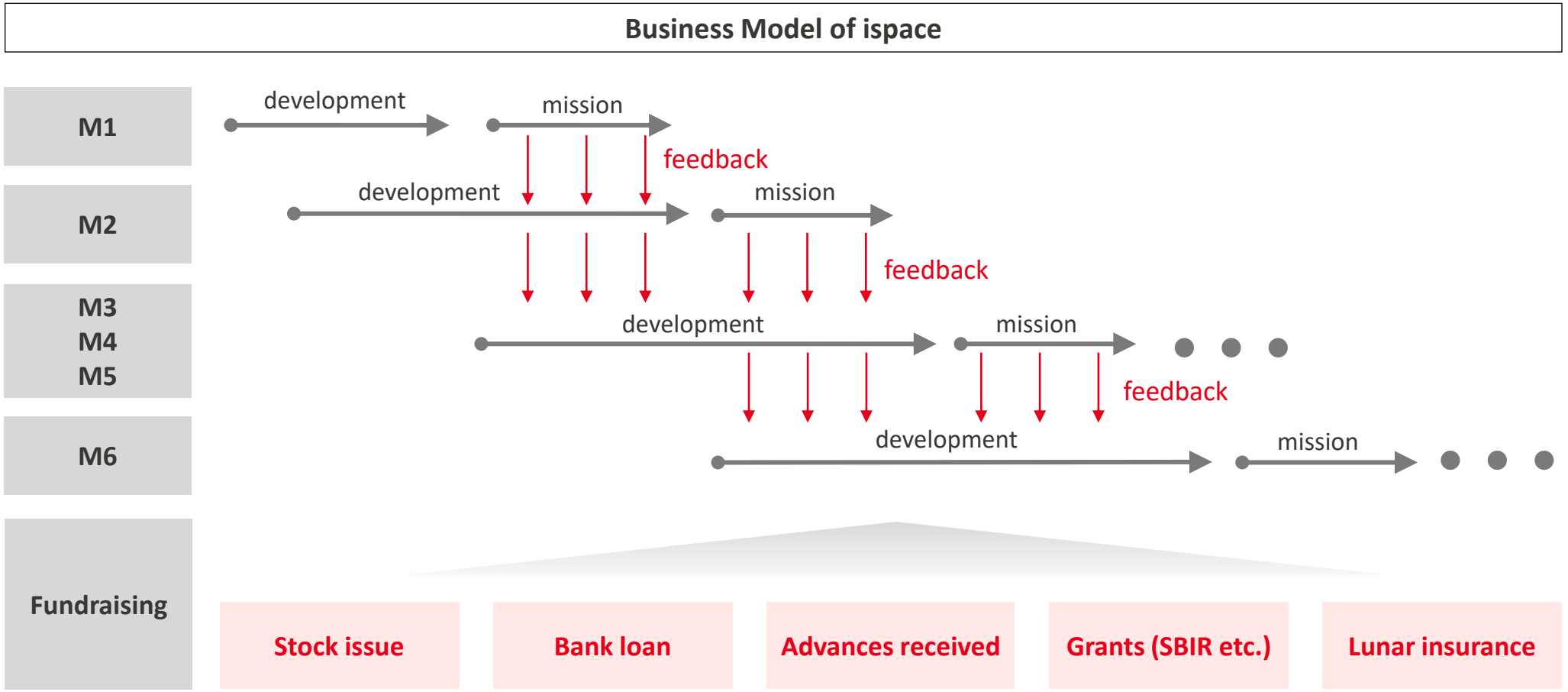
- On average, approx. 90% of the contract amount for all payload service agreements signed for Mission 1 through Mission 3 are paid before the launch(1)
- Even if a portion of the payment milestones are after mission launch, the payment will be made as per milestone progress, regardless of mission success

Mission 1 only had an 8% impact

- As for Mission 1, although sales decreased by approx. ¥100 MM (approx. 8%) of the total contract amount of ¥1.2Bn due to failure to land, its impact was limited

(1) This does not apply in cases of material breach of contract.

Our business model involves multiple missions, developed in parallel; feedback from the preceding mission is transferred to the subsequent mission in a timely and appropriate manner to enhance the maturity of the technology. This model is essential to build a strong financial foundation to support multiple missions at once



(Millions of yen)	2023/3 Q1	2023/3 Q2	2023/3 M1 Launch Q3	2023/3 Q4	2023/3 通期	2024/3 M1 Completion Q1	2024/3 Q2	2024/3 Q3	2024/3 Q4	2024/3 通期	2025/3 Q1
Net Sales[1]	194	201	428	165	989	815	514	496	530	2,357	635
Cost of sales	129	55	215	35	436	243	400	377	407	1,428	528
Gross Profit	64	146	212	129	552	571	114	118	123	928	107
Gross Profit Margin	33.1%	72.6%	49.7%	78.3%	55.9%	70.1%	22.2%	23.9%	23.3%	39.4%	16.9%
SG&A	1,304	1,227	7,243	1,801	11,576	1,681	1,045	1,826	1,876	6,429	2,402
R&D	922	767	6,492	1,051	9,233	1,065	571	1,060	1,137	3,834	1,411
Salary and Allowance	133	165	233	191	723	222	208	296	269	997	475
Other	247	294	518	558	1,619	392	265	469	469	1,598	516
Operating Profit/Loss	-1,240	-1,080	-7,031	-1,671	-11,023	-1,109	-931	-1,707	-1,752	-5,501	-2,295
Foreign exchange losses (gains)	140	106	-231	67	83	288	115	-499	737	641	858
Other	-5	-303	-71	-56	-437	-553	-66	-125	-491	-1,237	-139
Ordinary Profit/Loss	-1,105	-1,278	-7,333	-1,660	-11,378	-1,375	-882	-2,332	-1,507	-6,097	-1,576
Net Profit/Loss	-1,106	-1,277	-7,333	-1,680	-11,398	-1,374	2,912	-2,374	-1,529	-2,366	-1,579

(1) Currently using the cost recovery method for sales recognition for Mission 1 to Mission 3, respectively, and expects sales to increase in tandem with the increase in cost accruals since the cost accruals as cost are recognized in sales. If sales in excess of cost accruals are not booked at the time of mission completion, they will be accounted for in a lump-sum transaction.

(Millions of yen)	FY2023/3				FY2024/3				FY2025/3
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Current Assets Total	10,827	14,840	7,263	5,730	10,078	13,525	13,485	21,784	21,220
Cash and Deposit	5,175	8,617	4,399	3,381	7,611	11,522	9,676	14,315	12,673
Short Term Advances	5,284	5,812	1,790	1,745	1,877	1,486	3,158	4,228	4,928
Non-Current Assets Total	606	699	1,481	1,461	1,756	4,878	4,828	5,248	5,341
Property and equipment	145	152	153	141	476	1,000	2,126	2,462	3,092
Long Term Advances	319	319	1,118	1,148	1,140	3,616	2,465	2,560	1,965
Total Assets Total	11,433	15,539	8,745	7,192	11,835	18,403	18,314	27,033	26,561
Current Liabilities Total	3,008	3,345	3,607	4,123	4,346	7,913	7,772	10,503	12,076
Advances Received	1,284	1,543	1,731	2,382	3,265	3,932	3,618	3,190	3,214
Long Term Liabilities Total	700	5,692	5,691	5,416	4,871	4,877	6,866	6,784	6,471
Long Term Debt	688	5,680	5,680	5,395	4,570	4,570	6,570	6,538	6,224
Net Assets Total	7,724	6,501	-554	-2,347	2,617	5,612	3,675	9,745	8,013
(Interest-Bearing Debt)	2,138	7,113	7,088	6,778	5,029	8,020	10,020	12,518	14,054

The following is a glossary with explanations of the acronyms & words used in this material

Words	Explanation
PDR	Prelimimary Design Review : Review to confirm design results against specification values and feasibility of design verification plan
CDR	Critical Design Review : Review that confirms whether the detailed design and verification plan for manufacturing and testing are appropriate, utilizing the evaluation of prototypes, evaluation of thermal and structural characteristics, and electromechanical design that have been conducted to date.
PSA	Payload Service Agreement : Final agreements of Payload service with client.
Interim PSA	Interim Payload Service Agreement (Mid-Contract on Payload) : Documents that serve as a prerequisite when negotiating to enter into a PSA which is a final agreement. It is not legally binding and there is no guarantee that a legally binding contract can be entered into pursuant to these interim PSAs. Also, even if a legally binding agreement is entered into, the masses and amounts under such agreement may differ from the amounts stated in this document.
MOU	Memorandum of understanding
RESILIENCE	Mission 2 lander name with our motto of "Never Quit the Lunar Quest”
APEX	Mission 3 lander name with the theme of “A Pioneer In Exploration”
Engineering model	A model developed based on the basic design
Flight model	An actual launch model

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Never Quit the Lunar Quest

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please feel free to contact ispace IR: ir@ispace-inc.com