**ispace inc.**

**Transcript of Financial Results Briefing for Fiscal Year Ended March 2026**

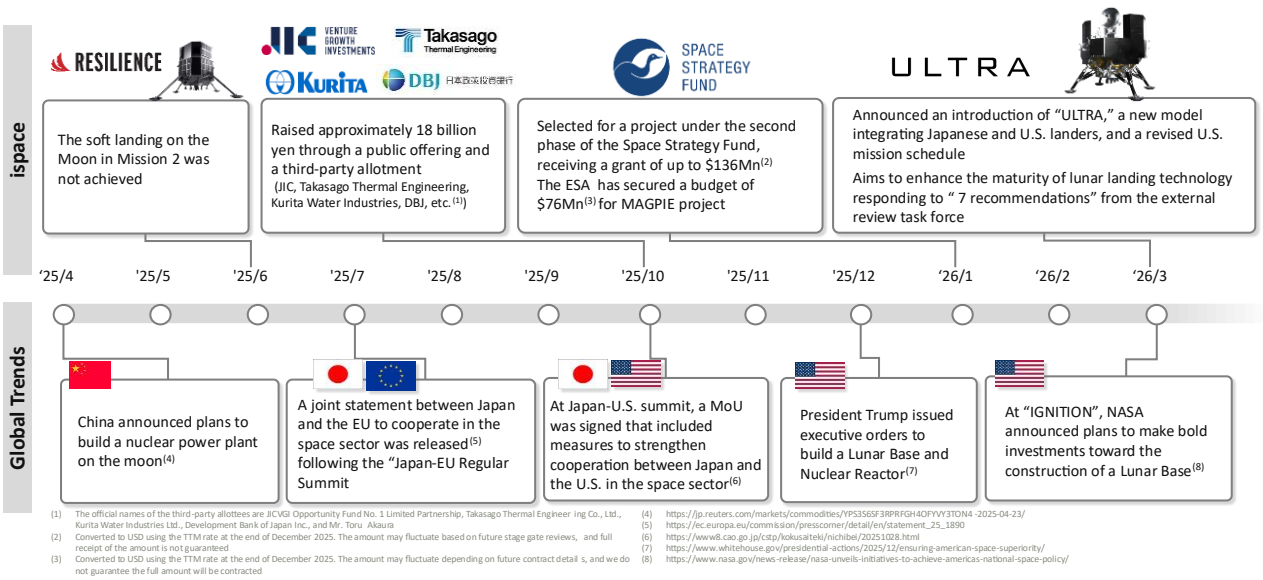
**May 15, 2025**


**Jumpei Nozaki:** Hello, this is Nozaki, CFO & Executive Business Director of ispace.

Thank you for joining our financial results briefing. The fiscal year ended March 2026 was a major turning point—not only for us, but for the whole lunar industry. Today, I would like to look back on the past year, share our progress, and walk you through our financial results in detail.


Looking back, there were four major events for ispace in particular.

**Throughout FY2025 - NASA announced a bold shift in policy aimed at accelerating lunar development, while ispace strengthened our business and financial foundations to respond to these changes**




(1) The official names of the third-party allottees are JICVGI Opportunity Fund No. 1 Limited Partnership, Takasago Thermal Engineer ing Co., Ltd., Kurita Water Industries Ltd., Development Bank of Japan Inc., and Mr. Toru Akaura
(2) Converted to USD using the TTM rate at the end of December 2025. The amount may fluctuate based on future stage gate reviews, and full receipt of the amount is not guaranteed
(3) Converted to USD using the TTM rate at the end of December 2025. The amount may fluctuate depending on future contract detail s, and we do not guarantee the full amount will be contracted
(4) https://jp.reuters.com/markets/commodities/YPS3S6SF3RPRFGH4OFYVY3TON4 -2025-04-23/
(5) https://ec.europa.eu/commission/presscorner/detail/en/statement_25_1890
(6) https://www8.cao.go.jp/cstp/kokusaiteki/nichibei/20251028.html
(7) https://www.whitehouse.gov/presidential-actions/2025/12/ensuring-american-space-superiority/
(8) https://www.nasa.gov/news-release/nasa-unveils-initiatives-to-achieve-americas-national-space-policy/

First was Mission 2, our attempt to land on the Moon with "RESILIENCE" lander. Although we did not complete the landing, we successfully acquired valuable flight data right up until the final moments. Identifying the specific technical issues of the lander was a massive achievement for us as a private company.

Second was the successful completion of the public offering, raising approximately 18 billion yen. We have received strong support for our future strategy from the recipients of the third-party allotment, as well as from many individual and institutional investors.

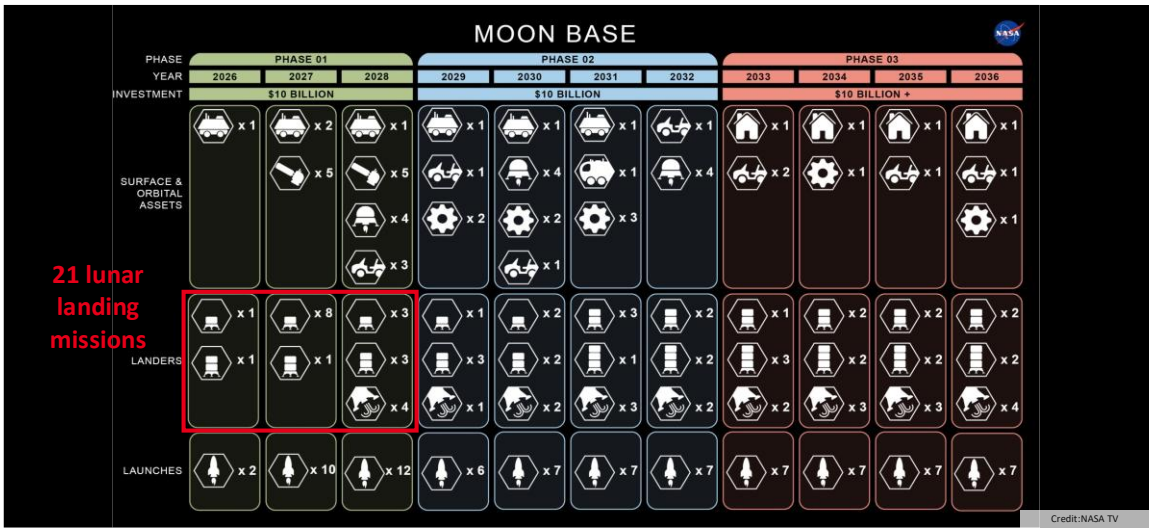
Third was our selection for the Space Strategy Fund and securing budget from ESA, the European Space Agency. We have secured substantial funding of up to 136 million U.S. dollars and 76 million U.S. dollars, respectively—and have established strong relationships with the Japanese and European governments.

And fourth was the lander model integration and associated schedule change announced in March.

Based on these four points, this fiscal year can be described as a year dedicated to “the challenges of Mission 2” and “laying of the groundwork for our next leap forward.”

At the same time, significant progress has been made in lunar policies around the world. Of particular note are the executive order issued by President Trump at the end of last year to accelerate lunar development, and NASA’s “IGNITION” announcement in late March, which was based on that order.

**At the “IGNITION” in March 2026, NASA announced a bold expansion of investments to accelerate the development of a lunar base, planning to ramp up lunar landing missions significantly to a total of 21 over the next three years**




(1) https://www.nasa.gov/wp-content/uploads/2026/03/building-the-moon-base-1.pdf?emrc=69f4070e9ffb6

As its name "Ignition" implies, this announcement has truly sparked a massive wave of excitement and impact among lunar business operators like us.

First, it was announced that the Gateway project—which aimed to build a new international space station in lunar orbit—will be frozen. Instead, the budget will be concentrated on lunar surface development, and the utilization of private companies will be expanded to achieve this.

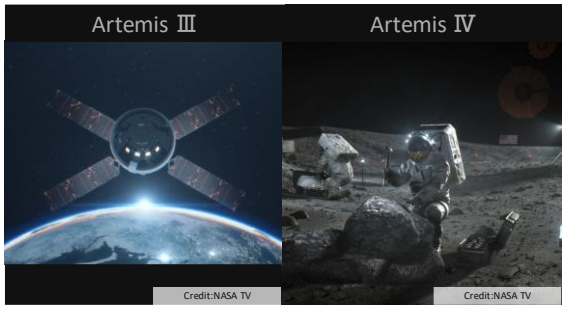
To support this, as shown on this NASA slide, they have laid out a bold plan to execute 21 lunar landing missions over the three years from 2026 to 2028, backed by a budget of 10 billion US dollars.

NASA has already been running the CLPS program, entrusting private companies to deliver payloads to the Moon. They also announced a policy to significantly expand this program, which presents a massive business opportunity for private companies, like ispace.

**NASA's Artemis II mission marks humanity's return to the lunar orbit for the first time in 53 years, representing a major step forward toward realizing the whole Artemis program and a lunar base**


**NASA "Artemis II" approached the Far Side of the Moon and returned safely(1)**

- Artemis II was launched on April 2 with NASA's Orion spacecraft
- Approached within approx. 4,067 miles (approx. 6,545 kilometers) of the lunar surface as it passed behind the Moon
- On April 11, it returned safely to Earth with four astronauts on board




**NASA plans a crewed lunar landing in 2028 as part of the Artemis IV mission (2)**

- Artemis III, scheduled for 2027, will involve testing of a crewed lunar lander in low Earth orbit
- Starting with Artemis IV in 2028, the plan is to conduct at least one crewed lunar landing per year
- NASA expects to collect lunar landing data by accelerating unmanned lunar landings through CLPS program

(1) https://forbesjapan.com/articles/detail/95521
(2) https://www.nasa.gov/ignition/

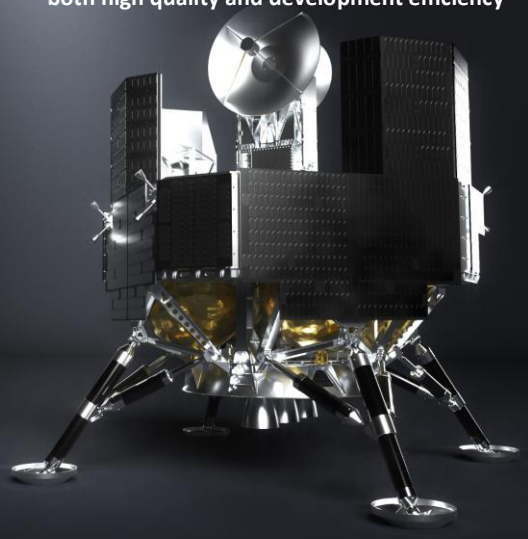
Adding to this tailwind was the successful Artemis 2 mission in April. This first crewed lunar flyby in about half a century generated huge global buzz, further heightening the momentum for lunar development.

In these circumstances, we made a crucial management decision at the end of March: "the integration of landers and the subsequent change of our US mission schedule.

FY2025 Look Back： New lander model

ispace

**ULTRA - a lander model that combines JAPAN and U.S. development expertise to meet customers' requirements for both high quality and development efficiency**



ULTRA™

- In response to the accelerating demand for lunar development, ispace has decided to develop a model that integrates the U.S.'s leading expertise in large lander development with Japan's experience from its two previous missions
- The missions with ULTRA lander will utilize JAXA's world-class SLIM pinpoint landing technology, with the aim of achieving a high standard of mission quality
- In conjunction with the introduction of the ULTRA Lander, we have decided to switch to a higher-quality, developed engine

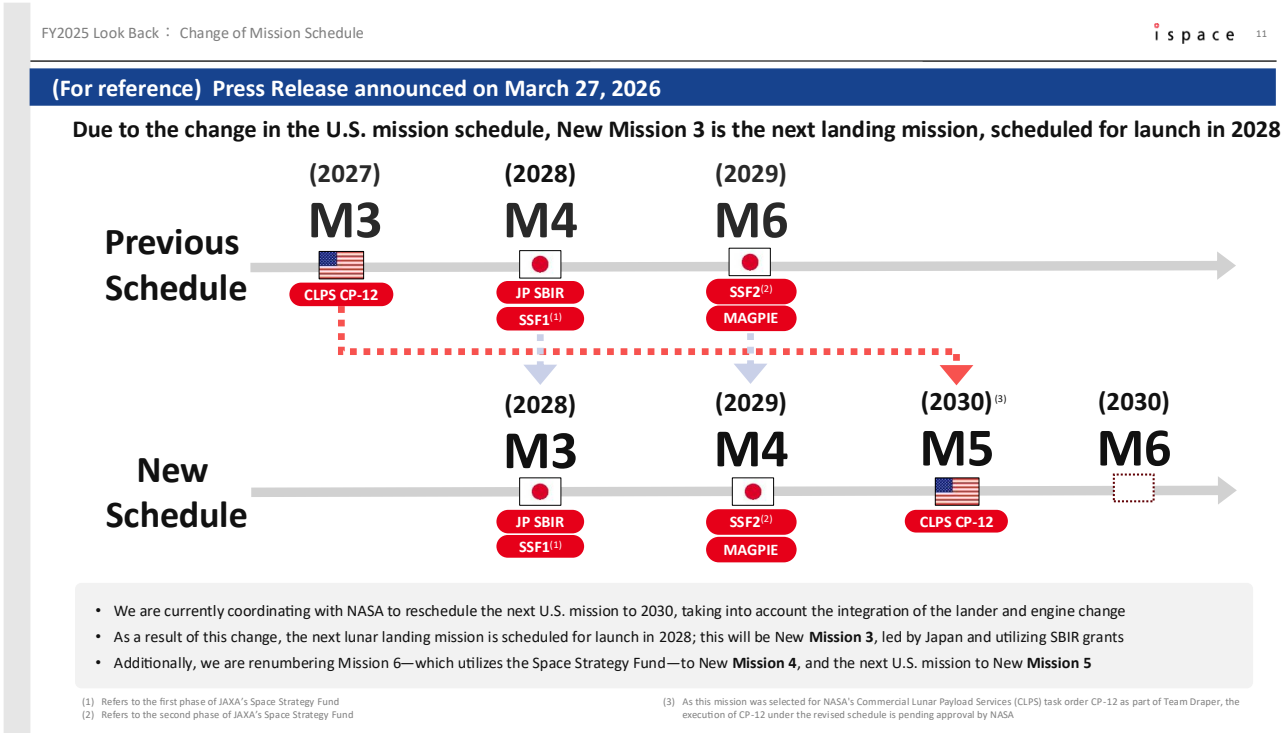
The image is subject to change in the future

With the growing demand for lunar development, customers are increasingly asking for even higher mission quality and development efficiency. To answer them, ispace decided to integrate the lander development at Japan and US bases, shifting to an integrated platform designed for maximum efficiency. This is our new model, the "ULTRA"

lander.

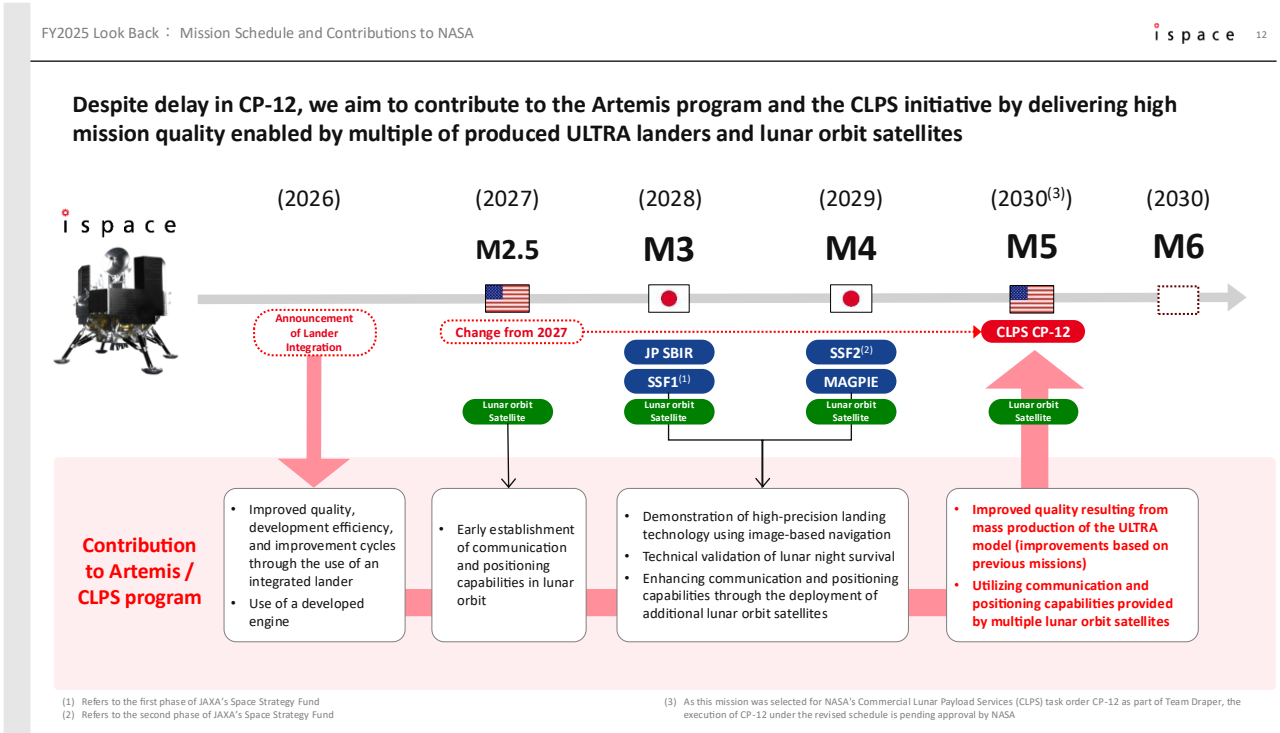
The greatest feature of the ULTRA lander is the integration of knowledge and experience from both Japan and the US. By combining the Japan team's experience from Missions 1 and 2, the US team's advanced knowledge in large-scale lander structures, and JAXA's SLIM technology acquired through the Space Strategy Fund, we aim for high-precision, high-frequency landings in future missions. We have also re-selected a highly reliable engine and are pushing forward to ensure the highest mission quality.


Alongside this lander model integration, we have reorganized our global structure. We unified our design teams globally under the direct management of CTO, aiming to maximize lander quality and drive down company-wide costs.




For your reference, we have included the announcement materials from March 27. Please be aware that, due to the rescheduling of the U.S. mission, the overall mission numbering has changed since the last third-quarter financial report

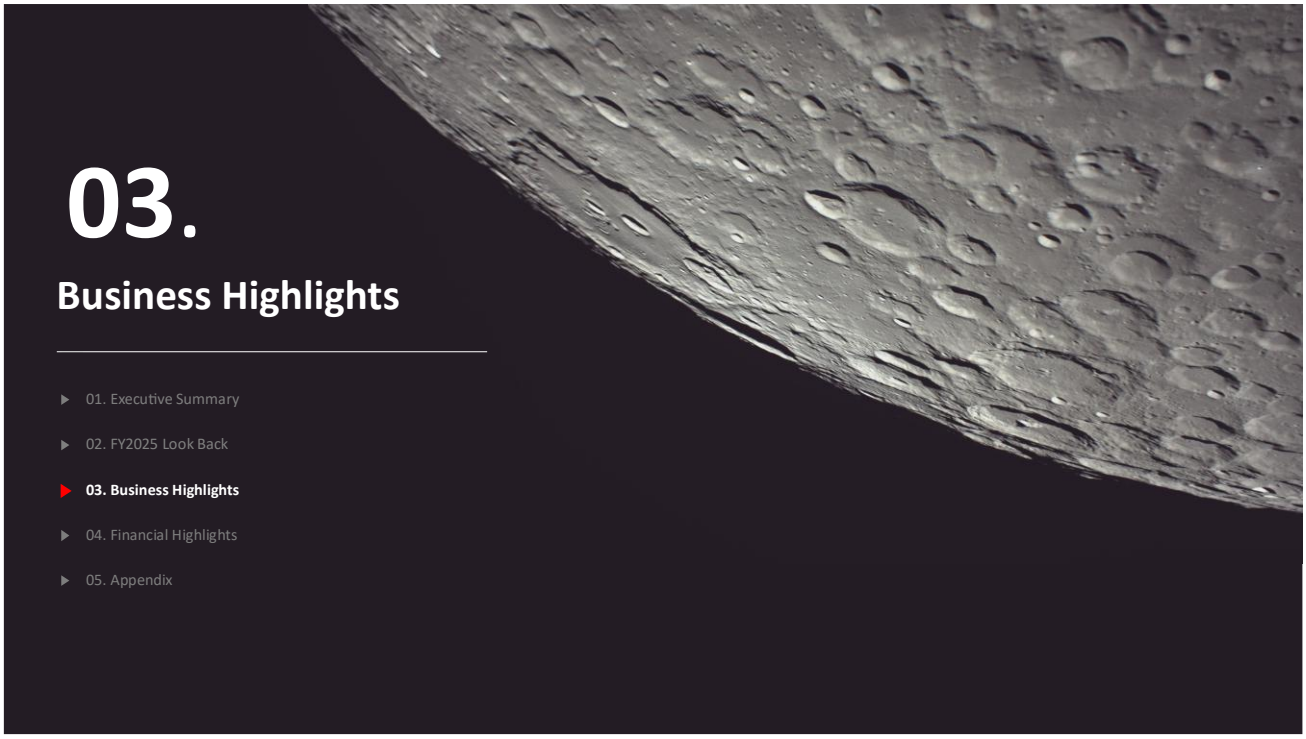
The next Japan mission, launching in 2028, will now be designated as “Mission 3.”




As a result of these changes, we announced in March that the schedule for our next US mission will be adjusted to 2030. Looking only at this, it might seem like a short-term negative. However, introducing the ULTRA lander and changing the engine are essential improvements to meet customer needs for advanced quality and efficiency. We believe this fundamentally contributes to realizing NASA’s lunar development goals.

Our plans to conduct two missions utilizing the Japanese SBIR subsidy and the Space Strategy Fund in 2028 and 2029 remain unchanged. This allows us to achieve higher quality through the mass-production effects of the ULTRA lander ahead of the 2030 US mission.

Furthermore, we have decided to launch a new mission, Mission 2.5, to deploy a lunar orbiter as early as 2027. Establishing a communication and positioning infrastructure in lunar orbit early on will be a critical component in advancing NASA's lunar exploration initiatives. In this way, we view these changes as a highly positive strategic decision to enhance our competitive edge in the mid-to-long term.





As I mentioned, our next actual lunar landing will be the new Mission 3, scheduled for launch in 2028. This is a

Japanese mission utilizing the SBIR grant from the Ministry of Economy, Trade and Industry.

As for the lander, we are currently manufacturing a test unit called the structural model, and development is progressing steadily. Magna Petra, a customer of the former Mission 3, is expected to transition to become a payload customer for the new Mission 3. We are also coordinating with the other customers toward transitioning them accordingly.



**Mission 3, scheduled for launch in 2028, vibration testing using the structural model(1) is planned to start in June, followed by transition to flight model(2) manufacturing upon completion of the test**

A photo of the latest structural model of the ULTRA Lander, currently under development with funding from the Ministry of Eco nomy, Trade and Industry's SBIR program

**Transition to flight model manufacturing , following the structural testing**

- Vibration tests using structural model are scheduled to start in mid-June. AIT for the tests is currently underway
- Following the completion of structural testing, we plan to begin manufacturing the flight model

(1) A model used to finalize the structural design of the lander
(2) A model to be actually launched

We are currently preparing to conduct vibration testing using the structural model from mid-June, and assembly work for the test is underway. After the structural testing is complete, we will start manufacturing the flight model.



(Launch in 2029(1))

JAXA SSF2 Mission

## Mission 4

**Mission 4 Overview**

Total Project revenue : **$212Mn**(2)

- Selected for the second phase of the Space Strategy Fund with a maximum budget of **$136Mn**(3),aiming for high-precision landing in the lunar polar region
- A total budget of **$76Mn**(4) has been secured for ESA MAGPIE Phase 2 Contracts. The budget is expected to be divided into rover development costs and transportation costs
- Scheduled to launch in 2029(1)

(Launch in 2030(5))

TEAM DRAPER COMMERCIAL MISSION 1

## Mission 5

**Mission 5 Overview**

Total Project revenue : **$62Mn** (6)

- Originally selected as a mission under NASA CLPS(7) Task Order CP-12; contract modification planned going forward
- Scheduled to land on the far side of the Moon, near the South Pole, in accordance with the requirements of CP-12
- Scheduled to launch in 2030(5)

**Hardware**

ULTRA™

- Size: Approx. 3.6m tall by 3.3m wide (standing, including its legs)
- Mass: Approx. 4,000kg (Wet: fully fueled), Approx. 1,000kg (Dry: unfueled)
- Design Payload Capacity: up to 200 kgs

**Relay Communication Satellites**

- Each mission is scheduled to deploy a communications satellite into lunar orbit
- We also plan to provide data services to new customers

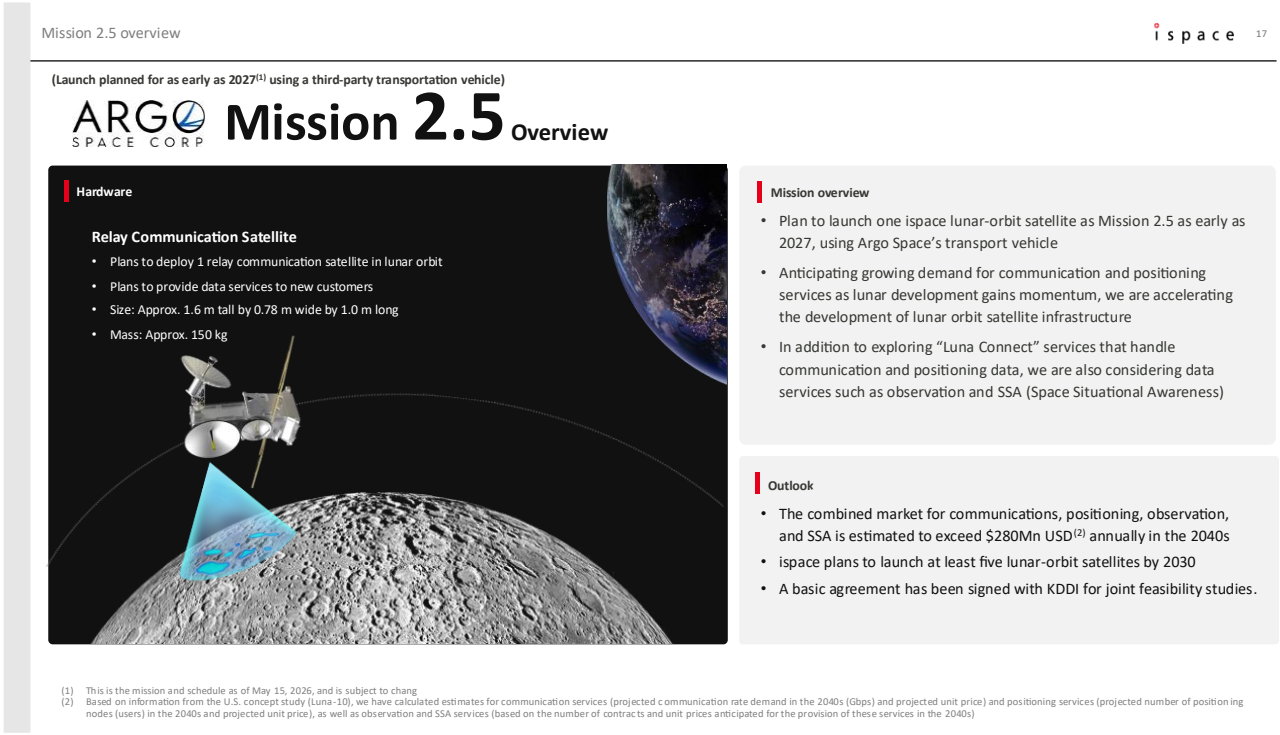
**Small rover (Mission 4)**

- As part of the MAGPIE project, we plan to develop a rover for ESA, followed by transport to the Moon and lunar exploration

(1) This is the mission and schedule as of May 15, 2026, and is subject to change
(2) As of May 15, 2026. Converted to USD using the TTM rate at the end of August 2025 for contracts scheduled to be concluded pri or to November 2025. After December 1 2025, converted to USD using the TTM rate as of the last day of the month in which the contract date falls. Figures rounded down to the nearest whole number
(3) Converted to USD using the TTM rate at the end of December 2025. The amount may fluctuate depending on future contract detail s, and we do not guarantee the full amount wi ll be contracted
(4) Converted to USD using the TTM rate at the end of December 2025. The amount may fluctuate based on future stage gate reviews, and full receipt of the amount is not guaranteed
(5) As this mission was selected for NASA's Commercial Lunar Payload Services (CLPS) task order CP -12 as part of Team Draper, the execution of CP-12 under the revised schedule is pending approval by NASA
(6) As of May 15, 2026
(7) Commercial Lunar Payload Services

Regarding Mission 4, we have been selected for the second phase of the Space Strategy Fund and started initial design work. As for the MAGPIE project with ESA, preparation is progressing smoothly toward contracting.

For Mission 5, there are no major updates other than the schedule change.




Also, as I explained, as early as 2027, we plan to launch the new Mission 2.5, which will use a third-party transportation vehicle to inject our lunar satellite into orbit. This is to urgently address the growing need for communication and positioning satellite infrastructure as lunar development goes into full swing.

## Space Symposium: Actively engaged to secure future opportunities amid excitement of NASA “IGNITION”

Elizabeth Kryst, CEO of ispace U.S., spoke at the Space Symposium


The conference brought together members from our 3 global entities, in addition to the management team

- Participated in Space Symposium, the largest space-related symposium in the U.S. held in Colorado Springs in April 2026
- Conducted over 40 business meetings with global space agencies and companies over four days

Now, let's look at our business progress on the sales front. First, as mentioned in the opening video, we participated in the Space Symposium in the US last April. Held right after NASA's Ignition announcement, the event was incredibly energetic. We held numerous discussions with various national space agencies and received understanding for our lander model integration.



## Signed PSAs(1) with UEL and the University of Leicester, both developed from interim PSAs(2), reflecting the establishment of trusted relationships. Signed an MoU with Shimizu Corporation for cislunar architecture


UNIVERSITY OF LEICESTER ispace

ispace SHIMIZU CORPORATION 清水建設

### PSA signed with a Korean space company UEL (3)

- Transport of Korea’s first two-wheel lunar rover
- Approx. 2 kg micro-rover to perform 3D imaging and system technology demonstration

### PSA signed with the University of Leicester (UK) (4)

- Transport of a Raman spectrometer for lunar regolith observation
- Provide services including launch, lunar transportation, payload integration advisory, post-landing experimentation and data communications.

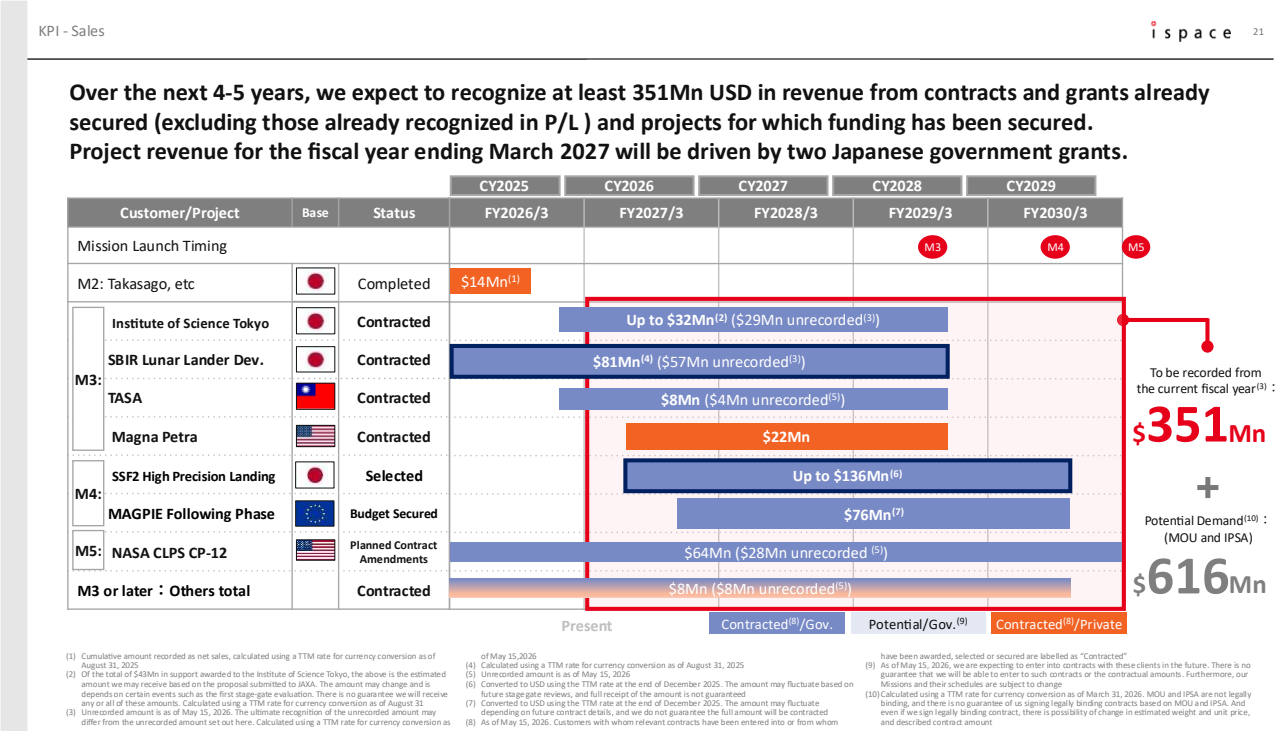
### MoU signed with Shimizu Corporation (2)

- Initiated joint discussions on plans to build the future cislunar architecture, with a primary focus on exploring the construction of a lunar data center with Shimizu Corporation
- Based on these discussions, ispace plans to proceed with collaboration and coordination with relevant public and private sector organizations

(1) Ispace provides a payload service in which we load our customers’ cargo (payload) —the goods to be transported to the Moon—onto our landers and rovers and transport it to the Moon
(2) Interim Payload Service Agreement. This agreement sets forth the specific terms and conditions and serves as a prerequisite for finalizing the contract. Please note that there is no guarantee that a legally binding contract will be concluded based on this interim agreement
(3) For details regarding this matter, please refer to the press release issued on March 31, 2026
(4) For details regarding this matter, please refer to the press release issued on May 13, 2026
(5) For details regarding this matter, please refer to the press release issued on April 15, 2026

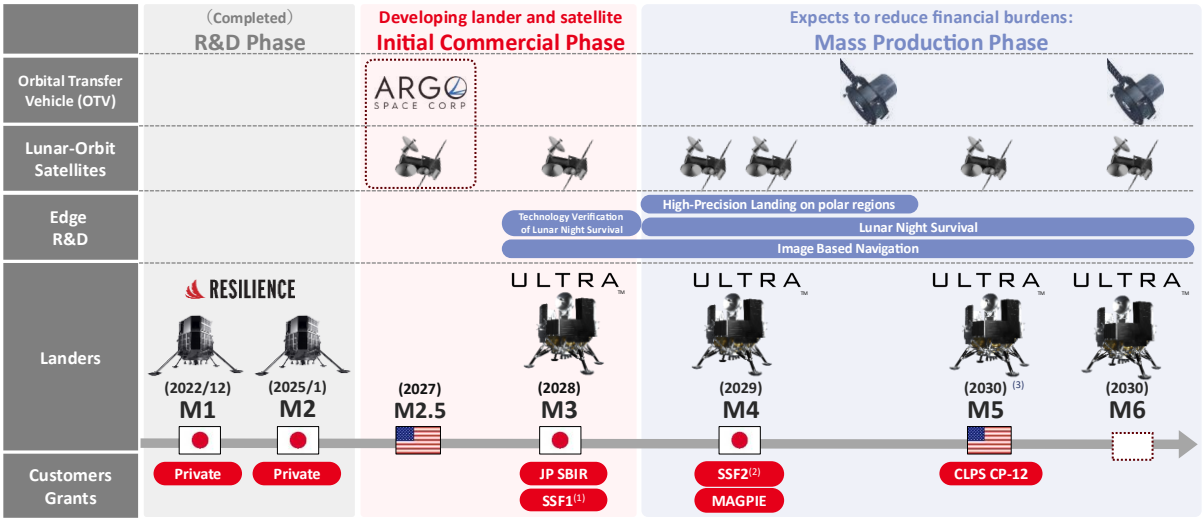
As part of our global customer base, we have signed formal payload contracts with UEL, a South Korean rover development company, and the University of Leicester in the UK, with whom we have been in discussions for some time. We had previously entered into interim Payload Service Agreement with both parties, and these contracts

were finalized through step-by-step communication. Additionally, in Japan, we have recently begun joint studies with Shimizu Corporation with a view to constructing a lunar data center, which will serve as a cornerstone of future lunar infrastructure. We will continue our proactive sales efforts to secure payload customers both domestically and globally.




Regarding our sales KPIs, while the mission rescheduling shifts the timing of revenue recognition, we continue to maintain a solid sales pipeline of 351 million U.S. dollars in total project revenue from contracts and grants already secured. Additionally, we have identified a potential demand of 616 million U.S. dollars expected to lead to future payload contracts. Just as UEL and the University of Leicester transitioned from interim to final contracts, we will work steadily to convert these prospects into firm agreements.

**Due to rescheduling, the next lunar orbiter mission: M2.5 is planned for 2027 at the earliest, while the next lunar landing mission: M3 is planned for 2028. ispace's policy remains unchanged aiming to increase profitability for each mission by reducing development costs and further revenue growth during the "mass production phase"**




(1) Refers to the first phase of JAXA's Space Strategy Fund
(2) Refers to the second phase of JAXA's Space Strategy Fund
(3) As this mission was selected for NASA's Commercial Lunar Payload Services (CLPS) task order CP-12 as part of Team Draper, the execution of CP-12 under the revised schedule is pending approval by NASA

Reflecting all of these updates, please take a look at our newly revised mission schedule. We are advancing development reliably. By developing the integrated "ULTRA" lander, we will accelerate the feedback cycle and realize the efficiencies of mass production much sooner.

# 04.

## Financial Highlights

**Although FY 2026/3 revenue declined due to delays in the development of the U.S. mission (M5), project revenue increased by 18% YoY due to higher subsidy income resulting from progress in the development of the Japan mission (M3). The net loss for the period also improved compared to the previous year**

| (Millions of yen) | FY 2026/3 Q4 Results | FY 2026/3 (Forecast) Full Year Forecast | % Change | FY 2025/3 Q4 Results | % Change |
|---|---|---|---|---|---|
| Project Revenue | **5,890** | 6,000 | △1.8% | 4,971 | 18.5% |
| Net Sales(1) | **3,307** | 3,400 | △2.7% | 4,473 | △26.1% |
| Gross Profit | **△2,853** | △1,400 | - | 2,244 | - |
| Gross Profit Margin | **-** | - | - | 50.2% | - |
| SG&A | **8,726** | 8,600 | +1.5% | 12,039 | △27.5% |
| Operating Profit/Loss | **△11,580** | △10,000 | - | △9,795 | - |
| Ordinary Profit/Loss | **△8,141** | △7,200 | - | △11,334 | - |
| Net Profit/Loss | **△8,152** | △7,200 | - | △11,945 | - |

**Point: YoY comparison**

- **Project revenue:**
  The increase compared to FY2025/3 was primarily due to higher subsidy income related to SBIR in Mission 3. Results were generally in line with the full-year consolidated financial forecast announced in February 2026 (hereinafter referred to as the "Forecast")
- **Net sales:**
  Net sales declined YoY due to delays in engine development for Mission 5. Results were in line with Forecast
- **Operating Income/Loss:**
  A loss associated with the engine change and schedule changes announced in March 2026 was newly recorded as COGS, which resulted in lower gross profit than the forecast. The impact of standardizing the lander model at the U.S. entity is scheduled to be recognized in Q1 of FY2027/3
- **Net Income/Loss:**
  Despite the decline in profit mentioned above, net profit improved compared to FY2025/3 due to an increase in subsidy income

(1) For Mission 2, the revenue recognition method was changed in January 2025 from the cost recovery method to the method of revenue recognition based on the percentage of completion of performance obligations

Next, let's take a detailed look at the financial results. Project revenue, which is the total of net sales and subsidy income, reached 5.8 billion yen, an 18% increase year-over-year. While there was a decline in net sales due to development delays in the U.S. mission, subsidy income increased in line with development progress on the Japan mission. The operating loss was 11.5 billion yen, a slight increase from the previous year, while the net loss for the period was 8.1 billion yen, an improvement from the previous year due to subsidy income.

Against the full-year forecast announced in February 2026, gross profit fell short of expectations. This was due to the additional recognition of losses associated with the engine change and schedule changes announced in March. The impact of impairment losses resulting from the integration of the lander model at our U.S. entity is scheduled to be recognized in the Q1 financial results for the fiscal year ending March 2027.

**SG&A expenses decreased by 27% YoY, mainly due to a shift in lander development costs from R&D expenses to COGs, following the transition from the Mission 2 R&D phase to the initial commercialization phase for Mission 3 and beyond**

| (Millions of yen) | FY 2026/3 Q4 Results | FY 2025/3 (Previous Year) Q4 Results | %Change |
|---|---|---|---|
| R&D | **3,928** | 7,730 | △49.2% |
| Salary and Allowance | **1,844** | 1,522 | 21.2% |
| Other | **2,953** | 2,786 | 6.0% |
| Total | **8,726** | 12,039 | △27.5% |

**Point: YoY comparison**

- **R&D Expenses:**
  In FY2025/3, Mission 2 development costs were mainly recognized as R&D expenses including launch costs, while in FY2026/3, commercialization missions became the primary focus, shifting cost recognition toward COGs and reducing R&D YoY.
- **Salaries and Allowances:**
  In addition to an increase in the total number of employees across the group (up by 16 from March 2025), the proportion allocated to SG&As rose, resulting in a 34.9% increase compared to FY2025/3
- **Other:**
  Mainly IT System Development expenses at the U.S. entity and financing expenses associated with the public offering in October 2025

Next is the breakdown of SG&A expenses. SG&A decreased by 27.5% year-over-year to JPY 8.7 billion.

In the previous fiscal year, the majority of Mission 2 costs, including launch cost, were recognized as R&D expenses as the mission was in the R&D phase.

In the current fiscal year, development activities shifted to Mission 3 and beyond, which are aimed at commercialization, and following discussions with the auditor, the classification of many mission-related costs shifted to cost of sales. This was the primary driver behind the decrease in SG&A expenses.



**Following the capital increase last October, cash and cash equivalents and net assets have remained at stable levels as of March 2026. As progress on multiple projects accelerated, advance payments, fixed assets, and interest-bearing debt have also increased**

| (Millions of yen) | FY 2026/3 Q4 Results | FY 2025/3 Q4 Results | %Change |
|---|---|---|---|
| Current Asset Total | **34,384** | 19,067 | 80.3% |
| Cash and Deposit | **29,690** | 13,117 | 126.3% |
| Short Term Advances | **3,991** | 3,620 | 10.2% |
| Non-Current Assets Total | **13,320** | 8,121 | 64.0% |
| Property and Equipment | **7,218** | 4,859 | 48.5% |
| Long Term Advances | **5,515** | 2,997 | 84.0% |
| (Total Advance Payment) | **9,507** | 6,618 | 43.7% |
| Total Assets Total | **47,704** | 27,189 | 75.5% |
| Current Liabilities Total | **5,696** | 3,854 | 47.8% |
| Advances Received(1) | **754** | 2,695 | △72.0% |
| Short Term Debt | **3,089** | 0 | - |
| Long Term Liabilities Total | **26,834** | 16,326 | 64.4% |
| Long Term Debt | **26,353** | 16,096 | 63.7% |
| (Interest-Bearing Debt) | **29,443** | 16,096 | 82.9% |
| Liabilities Total | **32,531** | 20,181 | 61.2% |
| Net Assets Total | **15,173** | 7,007 | 116.5% |
| Liabilities&Net Assets Total | **47,704** | 27,189 | 75.5% |

(1) Total of contract liabilities and advance payments

**Point: Comparison from FY2025/3 Q4**

- **Assets:**

  **Cash and Deposits:** Increased from the previous fiscal year-end mainly due to ¥18.2 billion capital increase conducted in October-November 2025, securing sufficient cash on hand

  **Advance Payments:** Increased compared to the previous fiscal year-end, mainly due to procurement of components for new M3 and new M5

  **Property and Equipment:** Increased due to higher costs for facilities associated with the relocation of the headquarter, as well as progress in the development of relay satellites to be used in Missions 2.5 and 5, compared to FY2025/3

- **Liabilities and Net Assets:**

  **Advance Received:** Primarily Mission 5 related advances decreased due to delays in engine development

  **Interest-bearing Debt:** Increased compared to the end of the previous fiscal year due to borrowing in May 2025

  **Net Assets:** The increase from the previous fiscal year-end was mainly due to ¥18.2 billion capital increase

Turning to the balance sheet. Thanks to the global offering and third-party allotment conducted in the third quarter, which brought in a total of 18.2 billion yen, our cash and deposits at the end of the fiscal year stood at 29.6 billion yen while net assets also increased from 7.0 billion yen at the end of the previous year to 15.1 billion yen. We have secured a solid financial foundation necessary to support business progress. Additionally, while not reflected on the balance sheet as of the end of March, we secured 1.0 billion yen in new borrowing, including refinancing, from Asahi Shinkin Bank in April. We will continue our efforts to build a stable financial base.



**For FY 2026/3, operating cash flow (CF) and investing CF were at the same level as FY2025/3. Cash and cash equivalents were maintained by supplementing negative free cash flow by a capital increase and borrowings**

| (Millions of yen) | FY 2026/3 Results | FY 2025/3 Results |
|---|---|---|
| Net cash used in operating activities | **△13,190** | △12,049 |
| Net cash used in investing activities | **△2,203** | △2,671 |
| Free cash flow | **△15,393** | △14,721 |
| Net cash provided by financing activities | **31,447** | 10,423 |
| Fluctuations due to stock issuance | **18,195** | 6,985 |
| Fluctuations due to long-term borrowings | **12,847** | 10,952 |
| Fluctuations due to short-term borrowings | **500** | △7,704 |
| Foreign currency translation adjustments on Cash and Cash Equivalent | **519** | 582 |
| Net increase (decrease) in Cash and Cash Equivalent | **16,573** | △3,715 |
| Cash and Cash Equivalent | **29,690** | 13,117 |

**Point: YoY comparison**

- **Operating activities：**
  Remained negative at the same level as FY 2025/3, primarily due to increased development expenses in the U.S. mission while the Japan mission (Mission 3) generated a cash surplus
- **Investing activities：**
  In addition to relay satellites development in U.S., booked construction costs and other expenses related to the relocation of the HQ
- **Financing activities：**
  Increased from FY 2025/3 due to secured cash inflows of ¥18.2 billion from the equity financing announced in October and ¥15 billion from long- and short-term borrowings

Finally, the cash flow statement. As development activities progressed, the levels of operating cash flow and investing cash flow remained generally in line with the previous fiscal year. Negative cash flows from operating and investing activities were offset by financing cash flows from the public offering and new borrowings, resulting in cash and cash equivalent increasing by 16.5 billion yen from the end of the previous fiscal year to 29.6 billion yen.

**For FY 2027/3, we expect project revenue to reach 9 billion yen, a 50% increase from FY 2026/3, driven by the receipt of SBIR grants and Space Strategy Fund in conjunction with the development progress of Missions 3 and 4**

| (Millions of yen) | FY 2027/3 Full Year Forecast | FY 2026/3 Full Year Results | %Change | Change |
|---|---|---|---|---|
| Project Revenue | 9,000 | 5,890 | 52.8% | 3,109 |
| Net Sales | 3,300 | 3,307 | △0.2% | △7 |
| Gross Profit | △6,000 | △2,853 | - | △3,146 |
| Gross Profit Margin | - | - | - | - |
| SG&A | 11,700 | 8,726 | 34.1% | 2,973 |
| Operating Profit/Loss | △17,700 | △11,580 | - | △6,119 |
| Ordinary Profit/Loss | △13,000 | △8,141 | - | △4,858 |
| Net Profit/Loss | △13,000 | △8,152 | - | △4,847 |

**Points:**

- **Project Revenue/Net Sales：**
  For FY 2027/3, project revenue is expected to increase significantly driven by progress in lander development, including SBIR grant for Mission 3 and commencement of SSF for Mission 4. Net Sales is expected to remain at a same level as FY2026/3 driven primarily by Mission 3 and Mission 4
- **Gross Profit/Loss：**
  Gross profit/loss for FY 2027/3 is expected to decline. The primary reason is that our U.S. entity is expected to recognize an impairment loss related to the integration of the Lander model and engine changes (¥3.6 billion) as COGs in accordance with U.S. GAAP
- **Operating Profit/Loss：**
  In addition to an increase in R&D expenses due to the development of the lander for Mission 3, SG&A is expected to increase due to workforce expansion
- **Net Profit/Loss：**
  The SBIR grant for Mission 3 and the SSF for Mission 4 are expected to be recognized as non-operating income. Potential foreign exchange gains or losses are not reflected

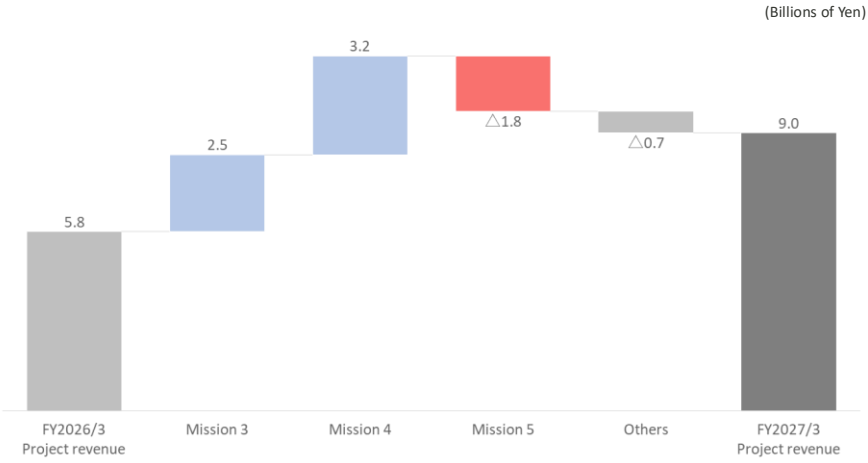
In conclusion, I would like to explain about our financial forecast for the fiscal year ending March 2027.

First, let's look at "Project Revenue," which is the total of net sales and subsidy income, defined as the metric showing our “earning power”. For the fiscal year ending March 2027, we expect Project Revenue to increase by 50% to 9 billion yen.

Gross profit is expected to decrease by 3.1 billion yen, resulting in a gross loss of 6.0 billion yen. The primary factor is a 3.6 billion yen impairment loss related to lander model integration and engine changes at our U.S. entity, which will be recognized as cost of goods under U.S. GAAP.

At the bottom-line level, we expect a net loss of 13.0 billion yen.

**For FY 2027/3, project revenue is expected to increase, driven by SBIR grants (M3) and the Space Strategy Fund (M4) for Japan missions, despite the negative impact of the US mission rescheduling (M5)**




**Points**

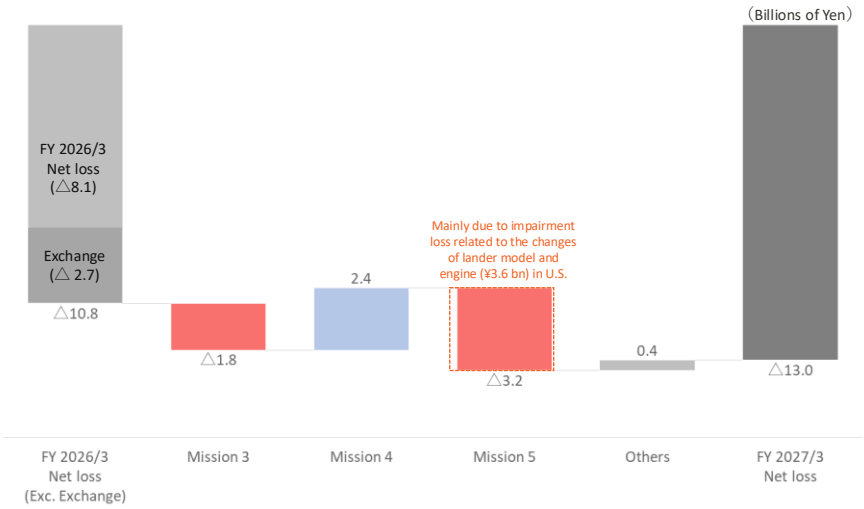
- Mission 3: Based on development progress, the amount of SBIR grant is expected to increase
- Mission 4: Expected to increase significantly following the commencement of Space Strategy Fund
- Mission 5: Expected to decrease due to a schedule change associated with standardizing the lander model for U.S. missions.
- Others: Expected to decline due to the drop in Mission 2 and partnership sales

Next, I would like to explain the key factors behind the year-over-year change in Project Revenue for the fiscal year ending March 2027.

Project Revenue for the fiscal year ended March 2026 was JPY 5.9 billion. We expect revenue growth driven by SBIR grants and the Space Strategy Fund grants related to the Japan missions, Mission 3 and Mission 4. On the other hand, Mission 5 is expected to see a decline in revenue due to the impact of the schedule change.



**For FY 2027/3, profit is expected to decline primarily due to impairment losses resulting from the standardization of lander models and engine changes in the U.S.. We aim to improve our financial performance by leveraging the profits from Missions 3 and 4, as well as by securing new projects, going forward**




**Points:**

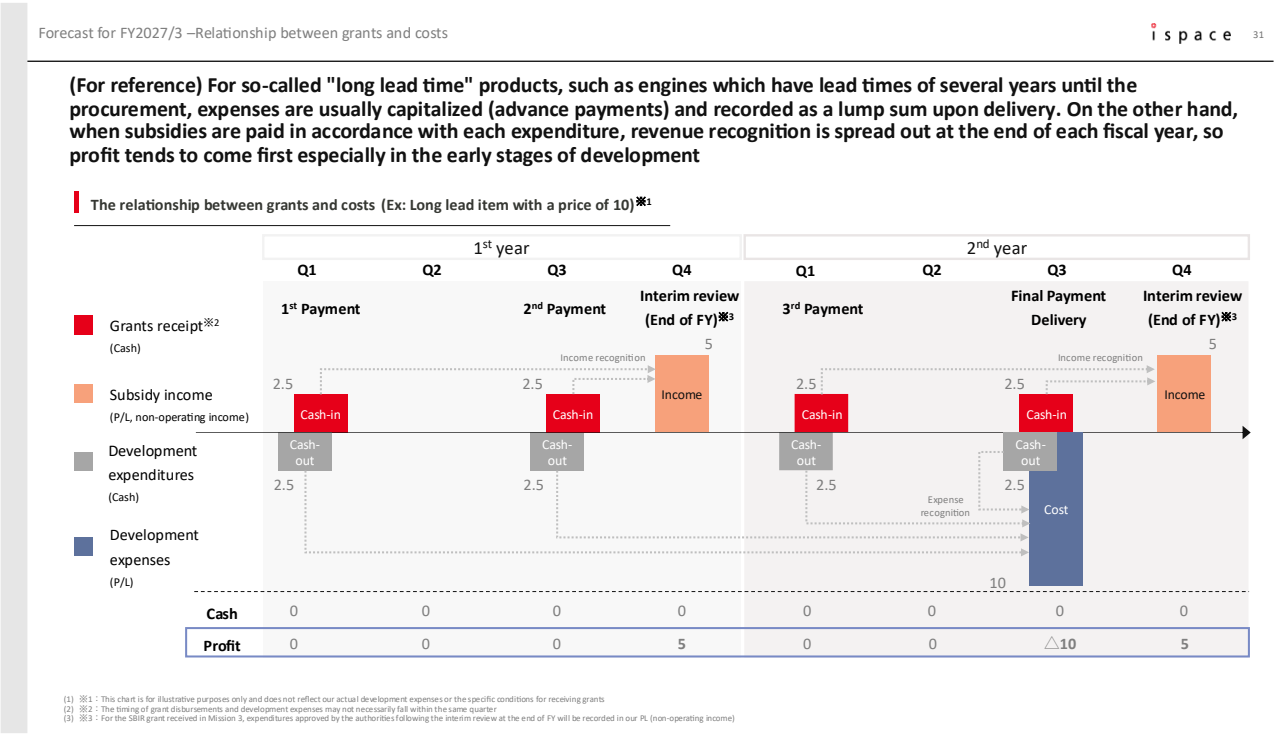
- For Mission 3, a profit is expected to decline compared to FY 2026/3 due to increased development expenses (see next slide for details)
- For Mission 4, a positive profit is expected following the receipt of the Space Strategy Fund (see next slide for details)
- For Mission 5, a negative profit is expected due to the impact of costs associated with integrating the lander model and engine changes
- Other factors such as an increase in SGAs due to an increase in headcount

Next, I would like to explain the key drivers behind the year-over-year change in the net loss forecast.

First, excluding foreign exchange gains, net loss for the fiscal year ended March 2026 was JPY 10.8 billion.

For Mission 3, profit contribution is expected to decline year-over-year due to increased development costs. In addition, Mission 5 is also expected to see lower profit, mainly due to losses associated with the lander model integration and engine changes.

On the other hand, Mission 4 is expected to become profitable due to the receipt of the Space Strategy Fund. As this profitability requires careful interpretation, I will explain it in more detail on the next slide.




This slide provides a simplified illustration of the relationship between grants such as SBIR and the Space Strategy Fund, and development costs.

Large components used in our landers, including engines, are treated as long lead-time products, requiring multiple payments prior to delivery. Amounts paid are capitalized as advance payments and recognized as expenses in a lump sum upon delivery.

On the other hand, grants such as SBIR and the Space Strategy Fund are received in line with development expenditures, and the amounts received within each fiscal year are recognized as non-operating income in the same fiscal year.

When delivery lead times span multiple fiscal years, as shown in the “Profit” section at the bottom of the slide, overall profitability may balance out over the full development period. However, particularly in the early stages of development, revenue tends to be recognized ahead of costs.

As explained on the previous slide, this structure is the primary reason why Mission 4 is expected to be profitable in the current fiscal year.


This concludes our explanation of the full-year results for FY2027/3.

We want to emphasize once again that the introduction of ULTRA through lander integration and the engine changes are necessary improvements to meet customer demands for higher mission quality and development efficiency. We believe these initiatives will also fundamentally contribute to NASA’s lunar development efforts.

Going forward, we will continue striving to strengthen our mid- to long-term competitive advantages.

Thank you very much for your time.

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