ispace inc.

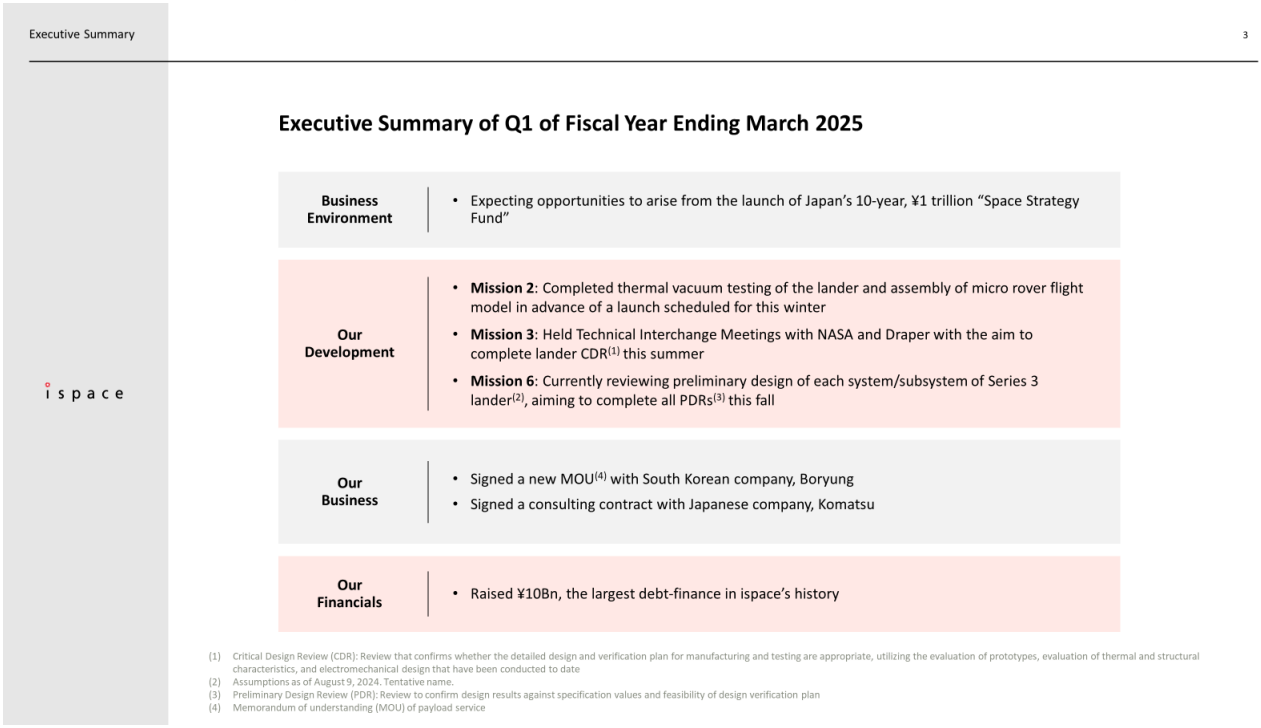
Transcript of Financial Results Briefing for Fiscal Year Ending March 2025

August 19, 2024

Takeshi Hakamada: Hello, I am Takeshi Hakamada, Founder and CEO of ispace. Welcome and thank you for your time to watch our financial briefing for Q1 of the fiscal year ending March 2025.

First, let me briefly explain today's agenda. At the beginning of the presentation, I will provide an update on the business progress in the first quarter of this fiscal year including mission progress, then, CFO Nozaki will give an overview of financial statement and finally I will conclude with discussion of our latest shareholders meeting.

Executive Summary



Takeshi Hakamada: Here is a summary of today's briefing.

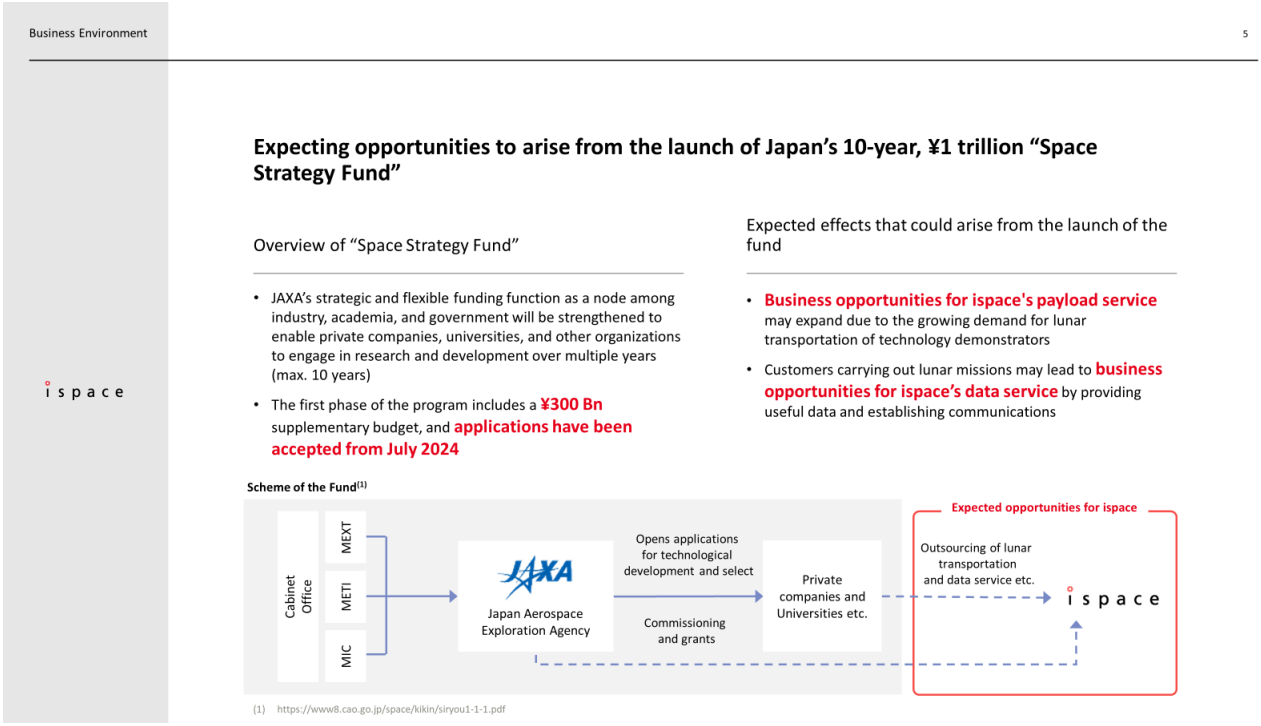
As for the current business environment, we are witnessing growing demands for space-related business mainly in the U.S. and Japan. Particularly in Japan, the 10-year, 1 trillion JPY "Space Strategy Fund" was established last year. Since July, applications for funding from the program have been started and we believe it will help us further expand our business opportunities.

As for our development, Mission 2 in Japan is progressing smoothly towards the upcoming launch scheduled this winter. In preparation for the launch, we completed thermal vacuum testing of the RESILIENCE lander and announced shipment of our micro rover flight model to Japan. Mission 3 in the U.S. is also progressing as planned. The U.S. entity conducted technical interchange meetings several times with representatives from NASA and Draper present, which is an important step toward a successful CDR completion expected this summer. Mission 6 in Japan will be ready for completion of lander PDR in this fall as preliminary design both of system and subsystem is currently under review.

As for sales progress, we signed a new MOU with South Korean company, Boryung Corporation as well as a new consulting contract with Japanese company, Komatsu.

As for recent fundraising, we raised 10 billion JPY which is the largest debt-finance in our history to increase our liquidity.

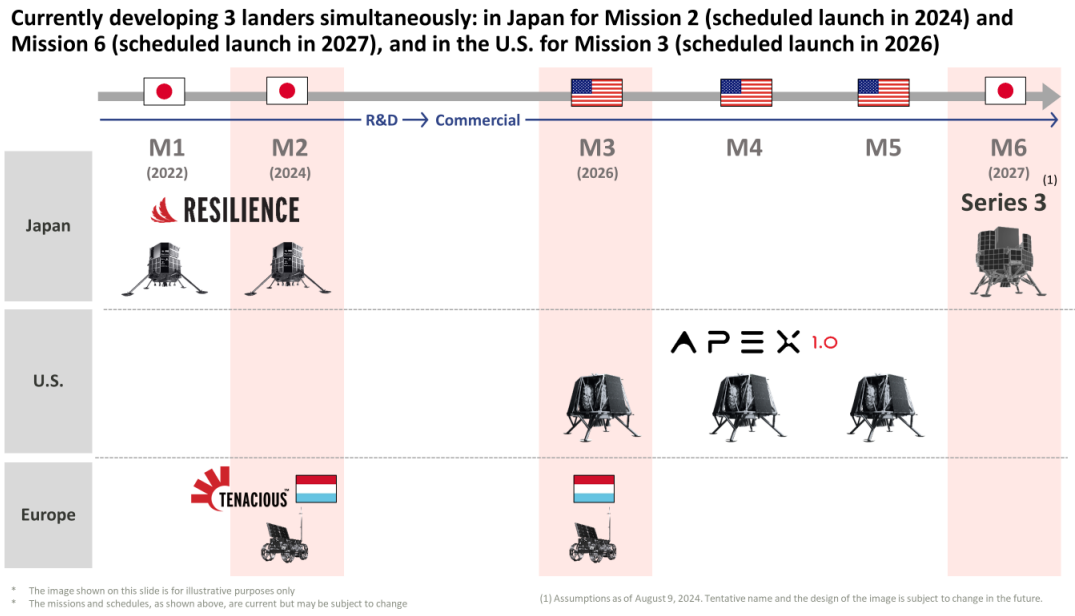
Business Highlight



Takeshi Hakamada: I will now explain in-detail our business highlights.

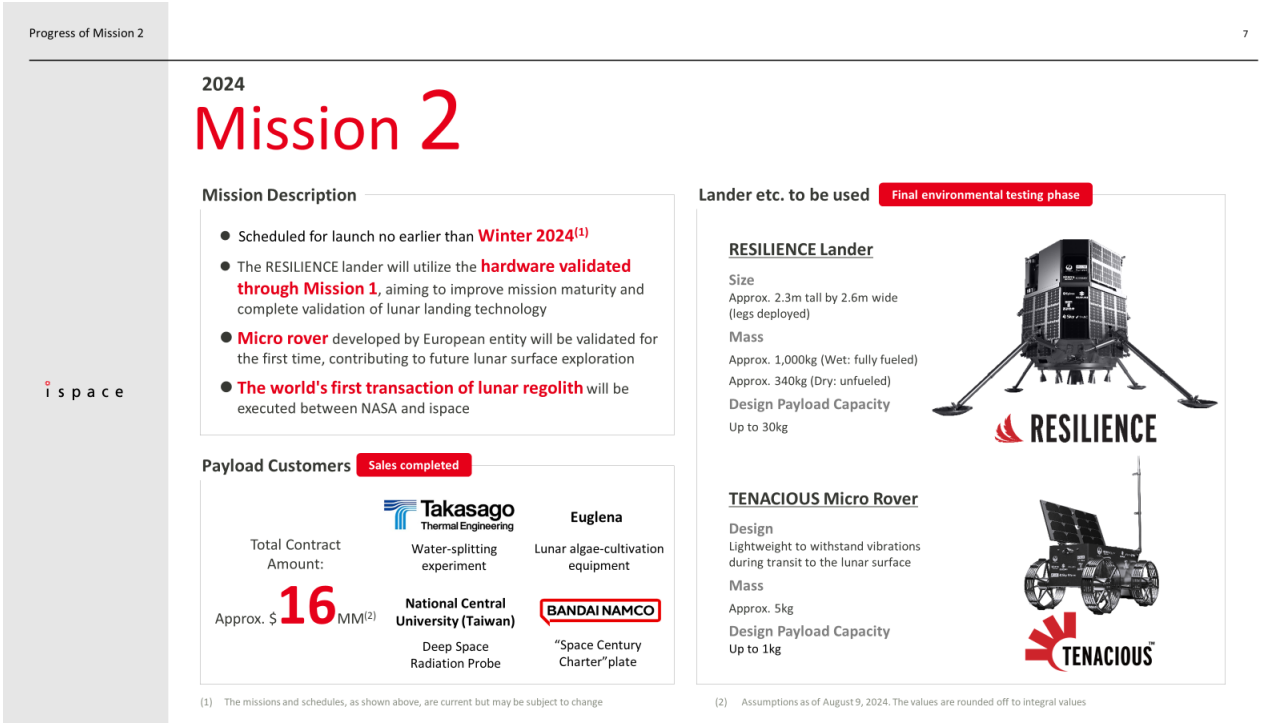
First, about the business environment. While space budgets are increasing in the U.S. and other countries around the world, Japan is also accelerating its efforts to secure larger budgets than ever before, to encourage private sectors to engage in space-related businesses. One such initiative is the "Space Strategy Fund". In November last year, the government established a 10-year "Space Strategy Fund" for JAXA with a budget of 1 trillion JPY in total. This July, the first phase of the fund was opened for applications under an allocated budget of 300 billion JPY.

We believe that there are two major business opportunities that may arise from the launch of the fund. The first one involves an increase in business opportunities for ispace's payload transportation services as the demand for lunar transportation grows. This new funding is expected to increase technology demonstrations and other scientific experiments from private companies and universities. In turn, they will need to contract with a provider to deliver the payload to the Moon. ispace stands ready to fill that need. The second potential opportunity relates to customers carrying out lunar missions that may lead to business opportunities for ispace's data service. We believe the fund will result in an increased demand for lunar data and we will be positioned to provide useful data based on our real-world lunar experience. Therefore, we think the launch of the Space Strategy Fund will be a strong tailwind for our business to further expand.



Takeshi Hakamada: With the growing interest in the lunar industry, we have been developing three landers in parallel at both our Japan and U.S. entities as shown in pink lines, while developing micro rovers in European entity. To be specific, the RESILIENCE Lander for use in Mission 2 and the tentatively named Series 3 Lander for planned use in Mission 6, under Japan's SBIR program, is being developed in Japan. On the other hand, our U.S. entity is working on the development of the APEX 1.0 Lander for use in Mission 3. European entity has completed assembly of TENACIOUS micro rover for use in Mission 2 and will develop a micro rover that will be used in Mission 3. We expect that the launch of the Space Strategy Fund, as explained on the previous slide, may provide business opportunities for our Mission 6 and beyond, which will be developed and operated in Japan.

Next, I will explain the progress of each mission.



Takeshi Hakamada: First, I would like to talk about Mission 2.

Mission 2 is scheduled for launch this winter and will utilize the same model of hardware validated through Mission 1 launched in 2022. With the name of “RESILIENCE", Mission 2 aims to improve mission maturity and complete validation of lunar landing technology.

In addition to RESILIENCE lander, a micro-rover was manufactured and assembled by our European entity and will be transported to the lunar surface during Mission 2. After landing on the Moon, the micro rover will collect lunar regolith and transfer its ownership to NASA as the first commercial transaction for lunar regolith.

The payload for Mission 2 has already been finalized. Specifically, payload contracts have been signed with Takasago Thermal Engineering, Euglena, the National Central University of Taiwan, and Bandai Namco for a total contract amount of $16 million USD.

I will now explain recent Mission 2 development progress.

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

Takeshi Hakamada: First, as for RESILIENCE Lander, its assembly was completed, and it is in a final environmental phase. A thermal vacuum testing was conducted in June and all testing items were confirmed to meet the success criteria. In this thermal vacuum testing, initial test results indicated successful operation of power systems, GNC (guidance, navigation and control equipment), radio communications, and thermal control etc. of the lander while simulating vacuum and thermal environments in the chamber as shown in the photo on the left. The series of environmental testing for RESILIENCE lander is progressing smoothly toward its launch this winter.

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

Takeshi Hakamada: Next, I want to talk about one of ispace's internal payloads during Mission 2. The micro-rover

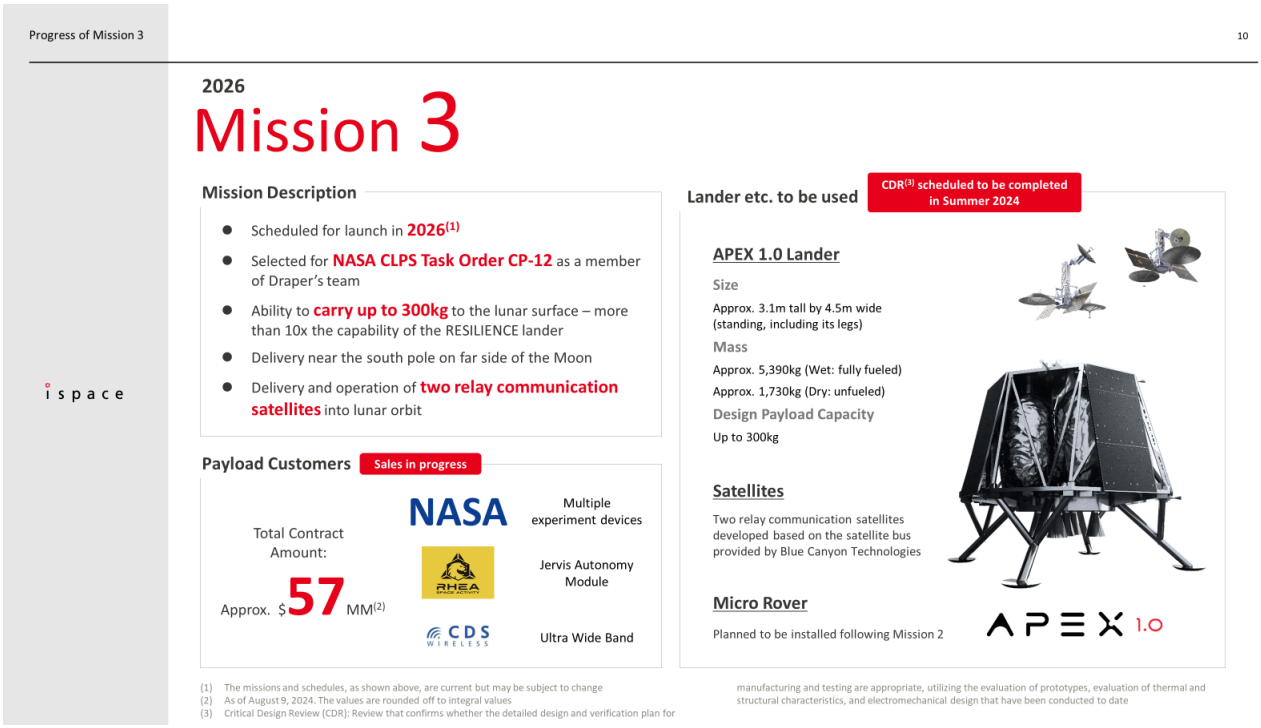
has been developed, manufactured, and assembled at our European entity, and the assembly of the rover flight model, which is the actual launch model, is now completed.

This is another significant achievement for our European entity as well as the company in general as ispace's origin lies in rover development. In very recent news, the micro-rover has just arrived in Japan from Luxembourg, where the European entity is located, and will be integrated into RESILIENCE lander soon.

Upon its completion, the micro-rover was 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 the rover's small size.

Takeshi Hakamada: Ladies and gentlemen, thank you very much for your patience. The countdown to Mission 2 has finally begun! Starting next month, ispace will be holding various announcements and events in preparation for this winter's launch. Mission information such as detailed launch timing or the transportation of the lander to the US will be announced going forward. We will be posting the latest information in real time on our social media accounts*, so please follow us. Stay tuned!

<*our social media accounts>
X: https://twitter.com/ispace_inc
LinkedIn: https://www.linkedin.com/company/ispace-inc/
Instagram: https://www.instagram.com/ispace_inc
Facebook: https://www.facebook.com/ispace.technologies.inc/



Takeshi Hakamada: Next let's discuss Mission 3, which is under development at our US entity.

For Mission 3, we have been selected for NASA's CLPS program CP-12 as Team Draper and are scheduled for launch in 2026.

Mission 3 is defined as a commercial mission as APEX 1.0 Lander can carry up to 300 kg of payloads, which is more than 10 times the capacity of the RESILIENCE Lander to be used in Mission 2.

Since it will land near the south pole on far side of the Moon, two relay satellites will also be transported to establish communications between the Moon and Earth. We anticipate that we can provide data obtained through these satellites for several years even after Mission 3 is completed, and we have already been in discussions with potential customers for data service.

In addition to the NASA payload, sales activities are underway; PSAs have already been signed with Rhea Space Activity, a private US company, and CDS, a private Romanian company, for a total contract amount of $57 million USD.

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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

Takeshi Hakamada: The U.S. entity has held a series of technical interchange meetings with representatives of both NASA, the largest Mission 3 customer, and Draper, the prime contractor with NASA, present. This is another important and positive step for CDR to successfully be completed.

We defined PDR (Preliminary Design Review) and CDR (Critical Design Review) as two important KPIs for development, and technical interchange meetings were held to ensure the successful completion of CDR. The technical interchange meetings are conducted with an emphasis on resolving technical issues, information coordination, and cross-sectional communication among the parties involved, such as NASA and Draper.

This collective effort gives us confidence that we are on the firm path to a completion of CDR scheduled for this summer. And after completing CDR, the APEX 1.0 lander will move on to an assembly phase. This is very good progress.

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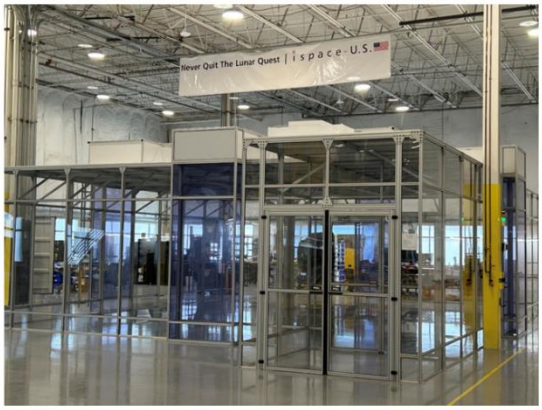
2026
Mission 3

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

Takeshi Hakamada: In order to prepare for this, the US entity is installing equipment required for the assembly of the lander in our facility in Colorado.

The photo on the left shows the clean room that are under construction. The construction of the clean room will provide an environmentally controlled workspace needed for the inspection, manufacturing, and testing of all flight-critical components. In upcoming months, US entity plans to construct a Mission Control Center at the office and is steadily getting ready for the launch in 2026.

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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)

SBIR
Small Business Innovation Research

Grant of Approx. $80MM

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)

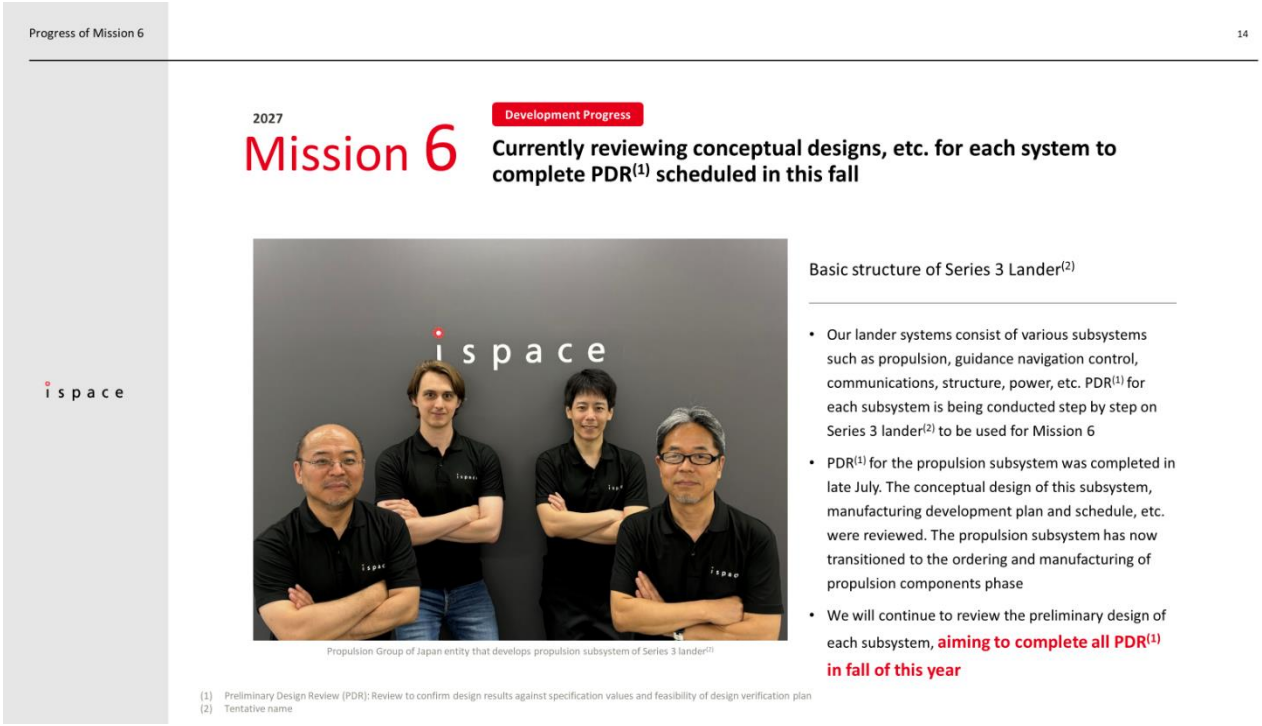
Design Payload Capacity
Up to hundreds of kg

(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.

Takeshi Hakamada: Finally, Mission 6, which is being developed in Japan.

ispace has been selected by the Japanese government's SBIR program and is currently developing Series 3 lander (tentative name) as our Mission 6. SBIR stands for Small Business Innovation Research grants administered by Japan’s Ministry of Economy, Trade and Industry (METI).

The maximum grant amount of ¥12 billion JPY will be awarded under the program and will be allocated for the development costs of the Series 3 Lander.



Takeshi Hakamada: On the development side of Mission 6, we are currently reviewing the conceptual designs of each system and subsystem used in Series 3 lander, aiming to complete PDR this fall.

Our lander systems consist of various subsystems such as propulsion, guidance navigation control, communications, and power. And PDR for each subsystem is being conducted step by step on the Series 3 lander.

The photo on the left shows some of the members of the propulsion subsystem group. One of the members formerly worked at Mitsubishi Heavy Industries as a specialist of propulsion subsystem. The propulsion subsystem that they are developing has just completed its PDR at the end of July and now transitioned to the phase to order and manufacture components.

In this way, we will continue reviewing the preliminary design of each subsystem, aiming to complete all PDR in fall of this year.

That concludes an explanation of each ongoing mission. Next, I would like to report on sales progress.

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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

Takeshi Hakamada: As for sales progress from the previous quarter, we signed a new MOU with a South Korean private company, which we believe it would further expand our global customers.

Boryung Corporation, a healthcare investment company, holds "Human In Space 2024", a space-related healthcare contest. The MOU is intended that ispace evaluates the feasibility of idea and supports the demonstration of idea with lunar transportation needs in the contest.

By participating in the contest, ispace aims to gain contacts and sales opportunities with potential global customers.

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new
Contract

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

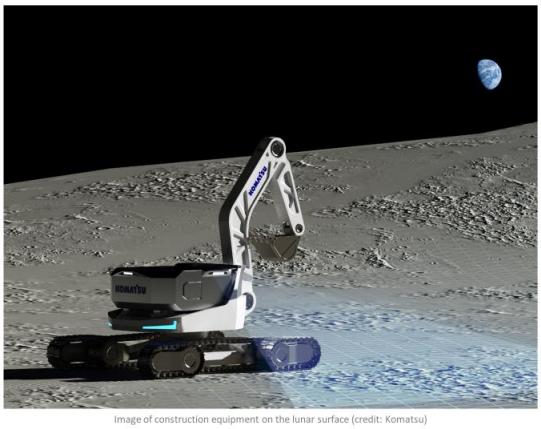


Image of construction equipment on the lunar surface (credit: Komatsu)

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

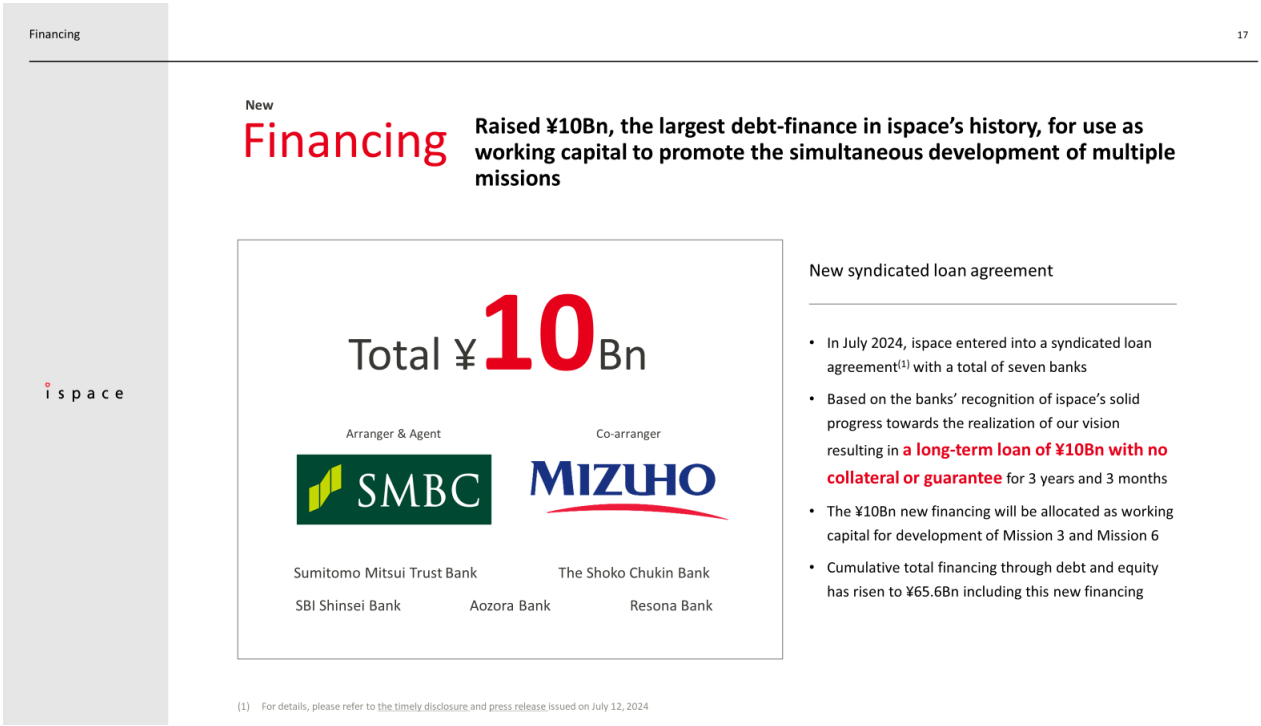
Takeshi Hakamada: In addition, ispace has entered into a consulting contract with Komatsu, a leading manufacturer of construction and mining equipment company, to provide consulting services for designing equipment that can be adapted to lunar environment.

Komatsu has been selected for Development of Innovative Technologies for Outer Space Autonomous Construction managed by Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) in collaboration with Ministry of Education, Culture, Sports, Science and Technology (MEXT) this year as well as in 2021, with the aim of developing a lunar equipment.

In this context, ispace will provide consulting services for the design of a prototype and for the selection of components and materials that can be used in the lunar environment.

In the same way as providing consulting services to Komatsu, we aim to provide our knowledge and experience to companies, universities, and other organizations selected for the government programs while aiming to capture needs for lunar transportation, which are expected to grow as a result of the government programs.

This concludes overall updates on the business side. CFO Nozaki will now explain the financial progress.



Jumpei Nozaki: Hello, I am Jumpei Nozaki, CFO of ispace. Let me explain the recent financial activities.

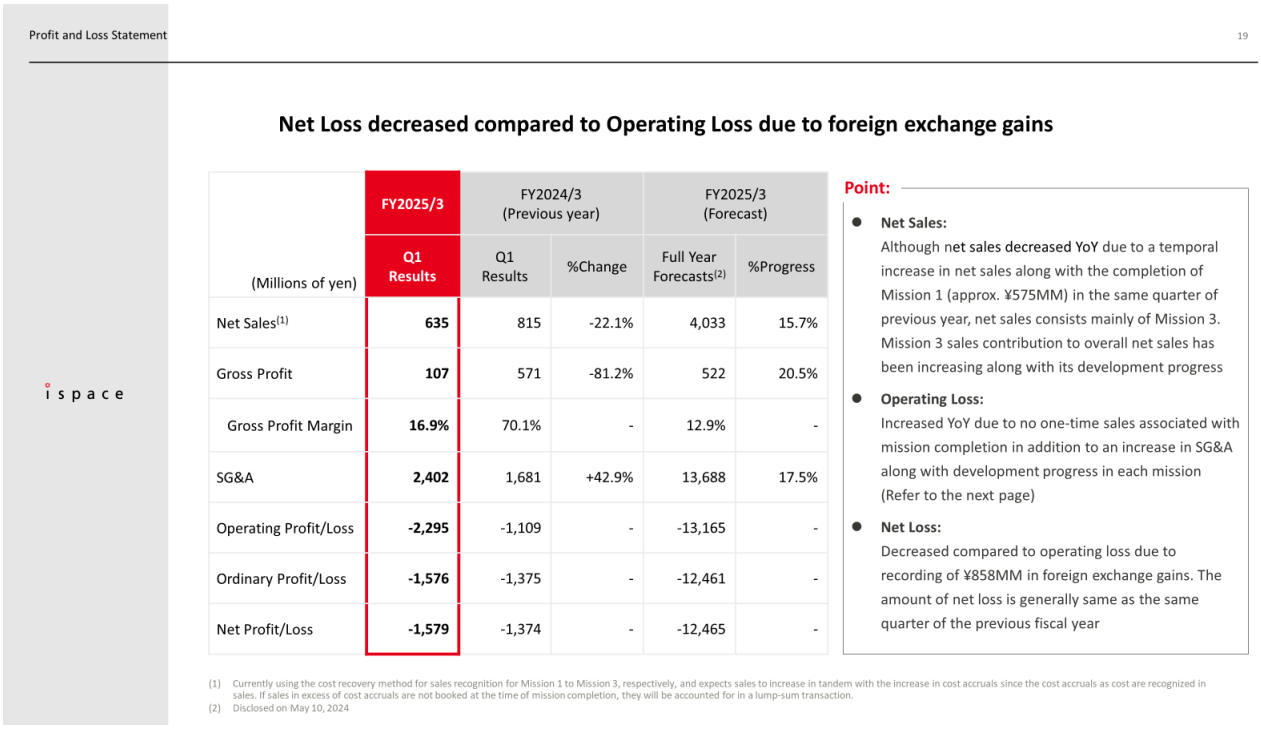
As recently announced in a timely disclosure, in July, we signed a syndicated loan agreement with seven financial institutions for long-term loans of ¥10 billion JPY for three years and three months, with no collateral or guarantee.

In developing three landers simultaneously, it is essential for us to secure development budget and to maintain a strong financial base. Therefore, we utilize a variety of financing methods, including equity and loans, advances received from our customers, grants such as SBIR, and lunar insurance. And the ¥10-billion-JPY syndicated loan is part of this. The loan will be allocated to development costs of Mission 3 and 6.

We believe that this financing results from not only the existing financial partners but also the two that are first-

time lenders to ispace to share our vision. Including this new fundraising, our cumulative fundraising (through debt and equity) amount is ¥65.6 billion JPY.

Financial Results

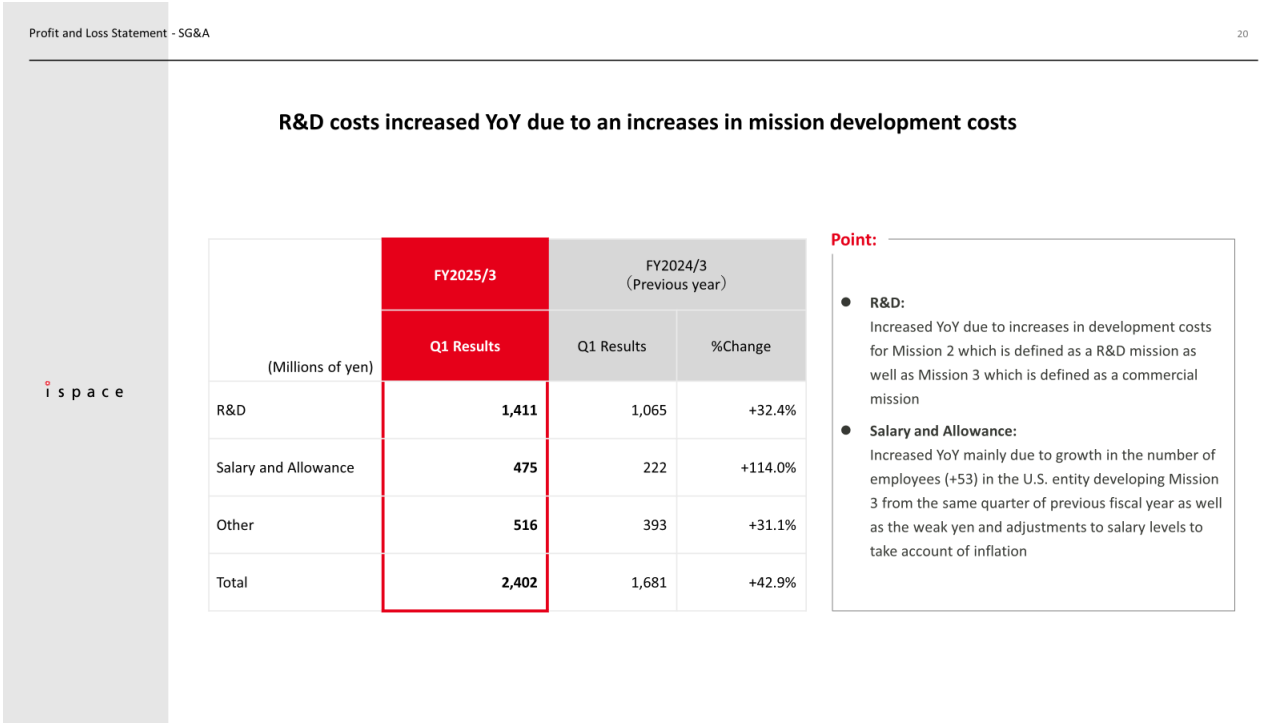


Jumpei Nozaki: I will now report on Q1 financial highlights. First, as for the profit and loss statement.

Net sales for Q1 of fiscal year ending March 2025 was ¥635 million JPY, a decrease compared to the same quarter of the previous fiscal year. This is because net sales in the same quarter of the previous fiscal year temporarily increased due to the recording of approx. ¥570 million JPY as the one-time sales associated with the completion of Mission 1. Therefore, please note that this year-on-year decrease does not mean a decline of essential business progress. In fact, net sales from Mission 3 have been increasing on a quarterly basis.

Operating loss was ¥2.2 billion JPY, increased compared to the same quarter of the previous fiscal year. This was because, as mentioned earlier, there was no recording of one-time sales associated with Mission 1 completion, in the same way as the same quarter of the previous fiscal year, and SG&A costs increased along with the development progress in each mission. I will explain further details in the next slide.

Net loss was ¥1.5 billion JPY, decreased compared to the operating loss, and the amount of net loss is generally the same amount as the same quarter of the previous fiscal year. This was mainly due to a foreign exchange gain of ¥858 million JPY which is attributable to revaluation of foreign currency-denominated loans to our oversea entities at the exchange rate at the end of this quarter.



Jumpei Nozaki: This is a breakdown of SG&A costs.

R&D costs were ¥1.4 billion JPY, increased compared to the same period of the previous year. This was mainly due to a year-on-year increase in development costs for Mission 2 in Japan, which is defined as an R&D mission, as well as a year-on-year increase in Mission 3 in the U.S., which is defined as a commercial mission, as a portion of Mission 3 development costs were recognized as R&D costs rather than cost of sales.

Salaries and allowances were ¥475 million JPY, increased from the same quarter of the previous fiscal year. This was mainly because the number of employees in U.S. entity developing Mission 3 doubled from 53 to 106 compared to the same quarter of previous fiscal year, in addition to adjustments to salary levels to take account of the weak JPY and inflation

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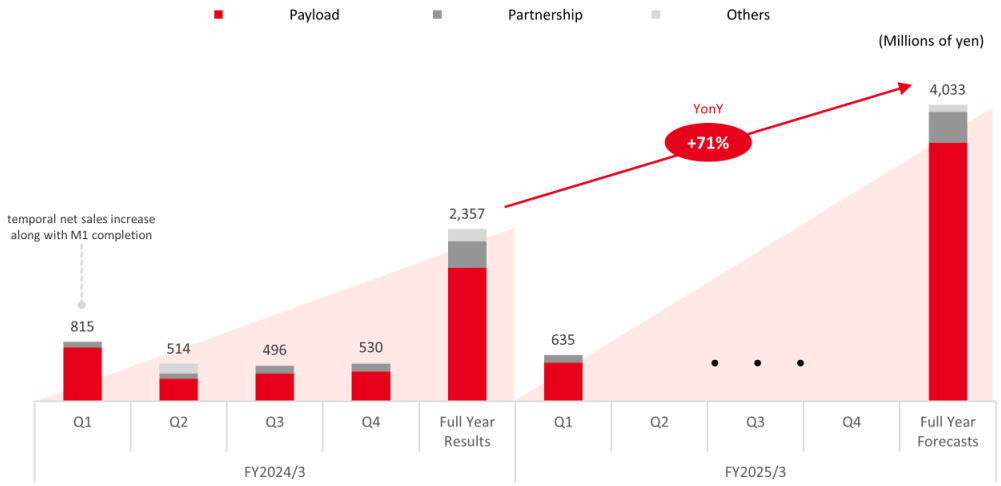
+71% increase in full-year net sales is expected mainly due to payload sales of Mission 3



Jumpei Nozaki: Next, this is quarterly and yearly trend of net sales by service.

As explained earlier, Q1 of the previous fiscal year recorded one-time sales from the completion of Mission 1, resulting in a decrease in net sales year-on-year. However, if you look at payload net sales for the full year, Mission 3 payload sales are expected to drive overall cumulative sales in the current fiscal year, will result in a 71% increase in cumulative net sales from the previous year. Mission 3 payload sales are expected to relatively increase in the second half of the current fiscal year as its development progresses.

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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	%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%

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

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

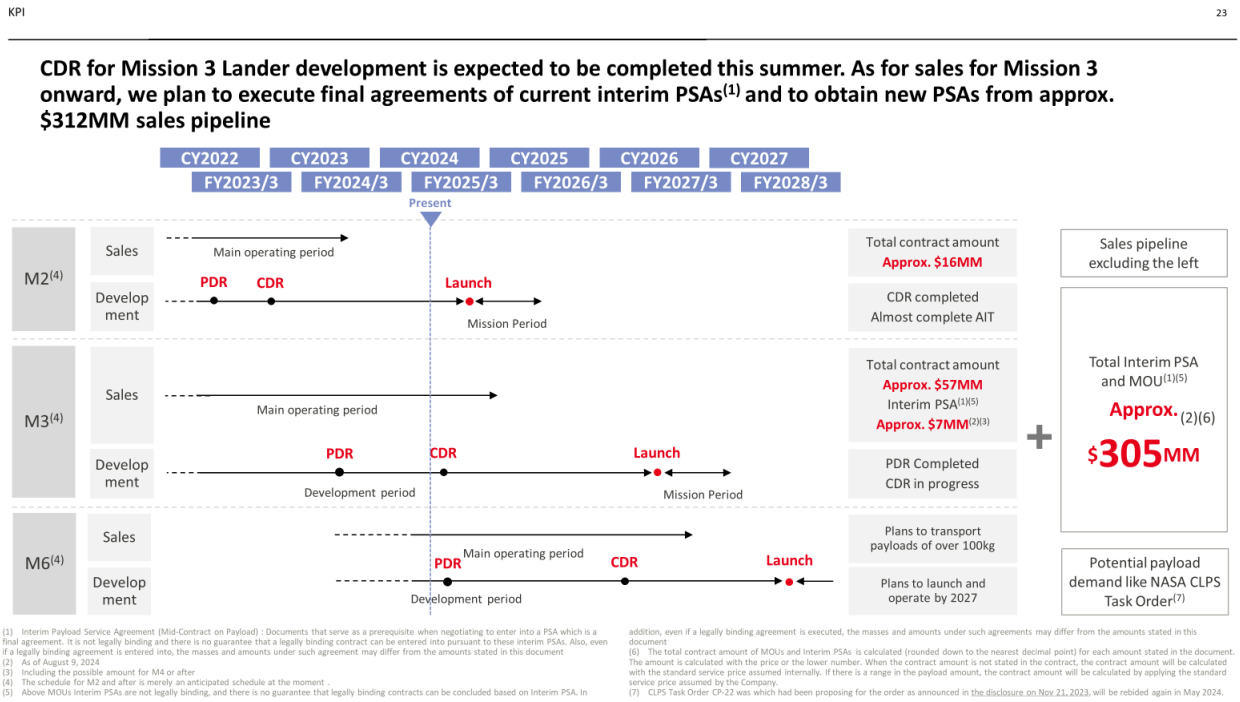
Liabilities:

- **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

Jumpei Nozaki: Next, the balance sheet.

On the asset side, cash and deposit were ¥12.6 billion JPY, decreased from the end of the previous fiscal year. This was mainly due to the payment of costs for Mission 2 and 3, including a partial payment for relay satellites to be used in Mission 3. Property and equipment were ¥3,0 billion, increased from the end of the previous fiscal year. This was mainly due to the recording of ¥2.4 billion JPY as construction in progress for the payment for Mission 3 relay satellites. The ¥10 billion long-term borrowing explained earlier was conducted at the end of July, thus, it is not reflected during Q1.

Next on the liability side, advances received was ¥3.2 billion JPY, increased from the end of the previous fiscal year mainly due to deposits from Draper associated with the NASA CLPS. Interest-bearing debt was ¥14.0 billion JPY, increased from the end of the previous fiscal year. This was mainly due to new short-term and long-term borrowings from Sumitomo Mitsui Banking Corporation at the end of April. Once again, please note that the ¥10 billion long-term borrowing explained earlier will be recorded in Q2 and is not reflected in here.



Jumpei Nozaki: Next, I would like to talk about our KPIs.

Quarterly disclosure has a certain meaning in understanding our current situation. However, due to the nature of the space development industry, we would like to provide more detailed explanations of our progress toward mid- to long-term goals, rather than just disclosing quarterly financial results.

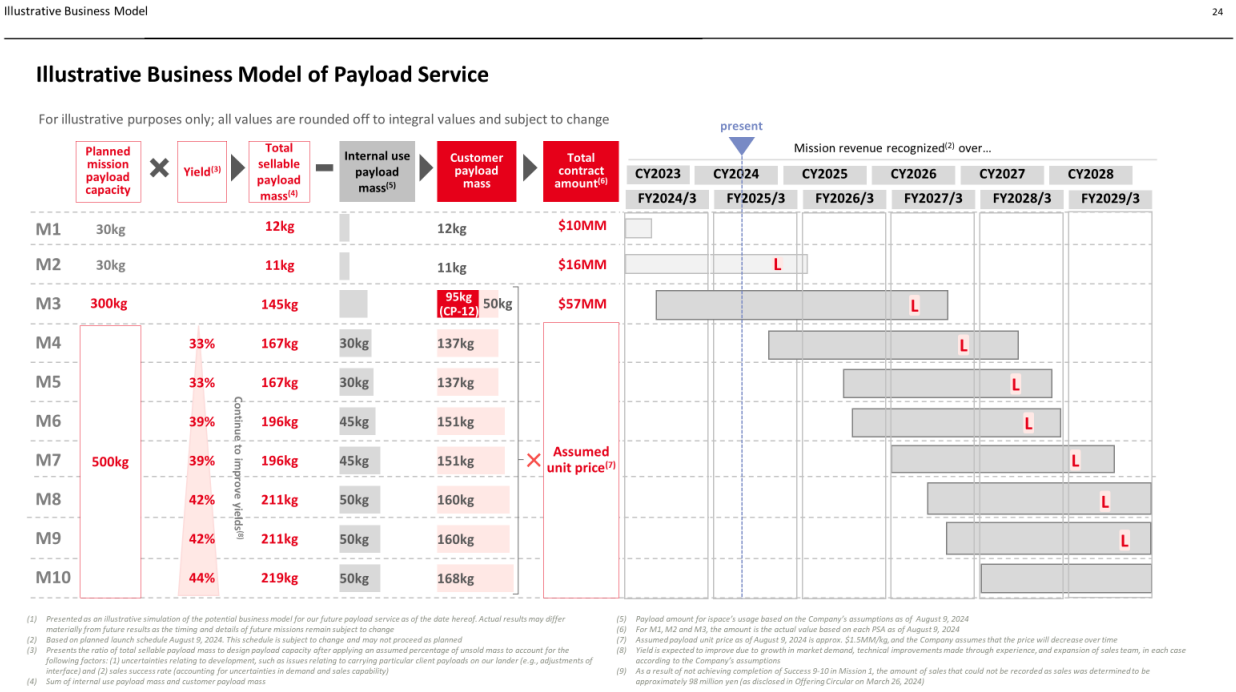
As for Mission 2, RESILIENCE lander is now in a final environmental testing phase, and the assembly of flight model of TENACIOUS micro-rover has been completed, which we believe shows a smooth progress toward the winter launch.

As for Mission 3, we continue to work on customer acquisition while aiming to successfully complete the CDR this summer and then to move on to the assembly phase. We plan to promptly announce once we complete the CDR.

As for Mission 6, the development is progressing smoothly, aiming to complete PDR this fall. We aim to acquire sales opportunities with potential payload customers since it is expected that the demand for payload service will

increase with the establishment of the Space Strategy Fund.

The current sales pipeline with iPSAs and MOUs totals $312 million USD, and we aim to convert these iPSAs and MOUs into PSAs as well as to acquire new customers. We also continue applying for NASA's CLPS (Commercial Lunar Payload Service) task orders. Currently, we resubmitted RFP for Task Order CP-22.



Jumpei Nozaki: This is an illustrative model that shows how our sales are created. Please note that the future mission schedule and payload mass are based on our simulation at this moment.

How can ispace turn profitable? There are three important factors: (1) payload capacity, which is how much customers' payloads can be carried, (2) development costs, and (3) the mission frequency.

The design payload capacity of the RESILIENCE Lander to be used in Mission 2 is up to 30kg, while that of Apex 1.0 Lander to be used in Mission 3 will be up to 300kg. In that way, we expect to sell over 100kg of payloads in one mission, which will result in net sales to increase.

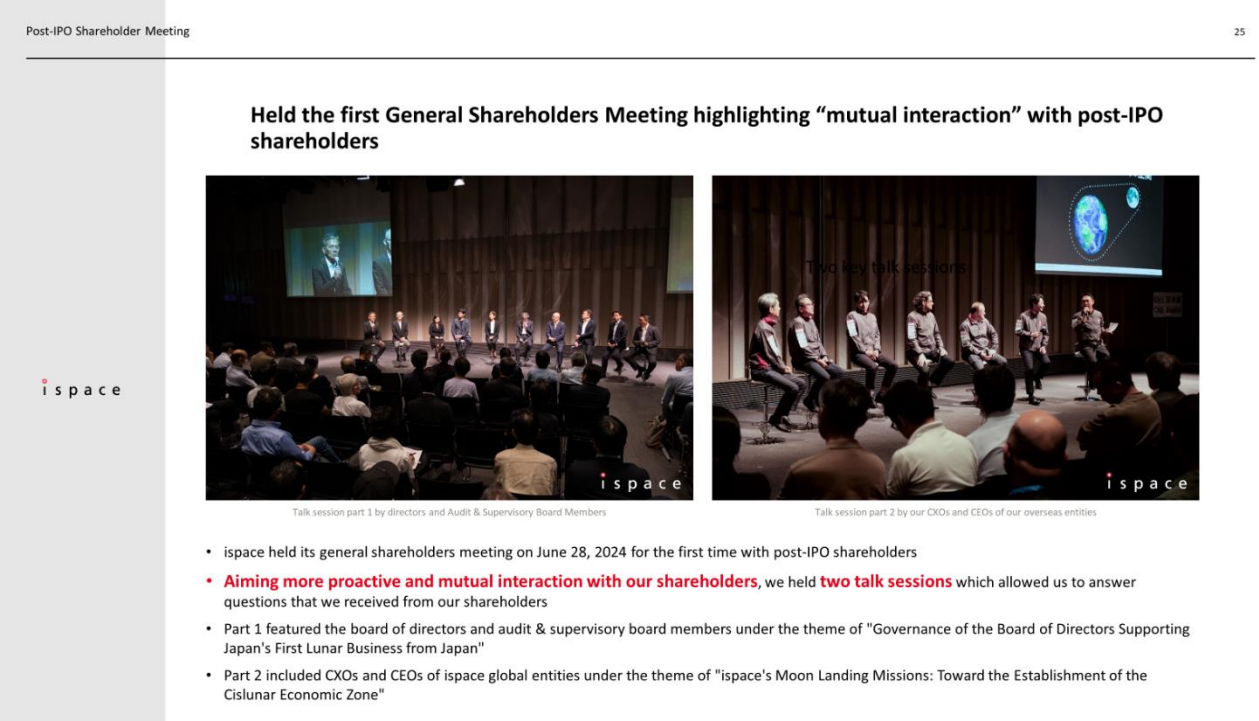
On the other hand, development costs are expected to decrease through mass production of landers. Mission 3 and Mission 6 uses its first model APEX 1.0 lander and (tentative name) Series 3 lander, resulting in development costs to increase thus less profitable as those are the initial lander models. We expect to gradually turn profitable in each mission as mass production of landers progresses.

The profitability will be accelerated as mission frequency increases. In coming years, we plan to carry out two or three missions a year, which will lead us to turn profitable cumulatively through increasing sales from each mission

This is ispace's future profit growth story.

At last, CEO Hakamada would like to give a brief explanation of our shareholders' meeting with post-IPO shareholders.

Post-IPO Shareholders Meeting



Takeshi Hakamada: Thank you, Nozaki-san. At the end of June, we held our general shareholders' meeting with shareholders who joined after the IPO. We regarded this as a valuable opportunity to have a dialogue with our shareholders, and under the concept of "mutual communication", we held two talk sessions after the regular shareholders' meeting.

The themes for the talk sessions were selected mainly based on questions received from shareholders prior to the shareholders meeting.

In the first session, the board of directors and auditors and supervisory board members discussed "Governance of the Board of Directors Supporting Japan's First Lunar Business from Japan”.

And in the second session, our CXOs and CEOs of our U.S. and European entities discussed "ispace's Moon Landing Missions: Toward the Establishment of the Cislunar Economic Zone".

We conducted live Q&A sessions as well during the talk sessions. For those who missed the session, please visit our IR website and you can find the YouTube links*.

Although it was raining in Tokyo on the day of shareholders meeting, over 170 of our shareholders attended the meeting face-to-face, along with approx. 300 online. We hope that the meeting could help our shareholders get a sense of our business, how our outside directors work together with us in terms of our corporate governance, and the personalities of our management team members.

<*The YouTube links>

- Recording of shareholders’ meeting (available only in Japanese): https://youtu.be/0NMKmJ3JYcI
- Recording of the first talk session (available only in Japanese): https://youtu.be/5dlBbdFBhZg
- Recording of the second talk session (available only in Japanese): https://youtu.be/_dcvlAZWiKg

ispace

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.

Takeshi Hakamada: In the shareholders meeting, the reappointment of seven directors was approved. The seven directors and three corporate auditors in the photo on the left will continue working together to enhance corporate governance and to realize ispace's further growth to lead the global space business.

The opportunity to have a direct dialogue with our shareholders, including the talk sessions, allowed us to receive a variety of comments and questions, and we once again recognize the importance of interactive communication with our shareholders.

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

Takeshi Hakamada: As announced today, we will proactively participate in IR seminars targeted to educating a

domestic audience in the space business.

That concludes our presentation. And if you have any questions or 1-on-1 meeting request, please contact us through the inquiry form on our IR site.

Thank you for your time today.

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